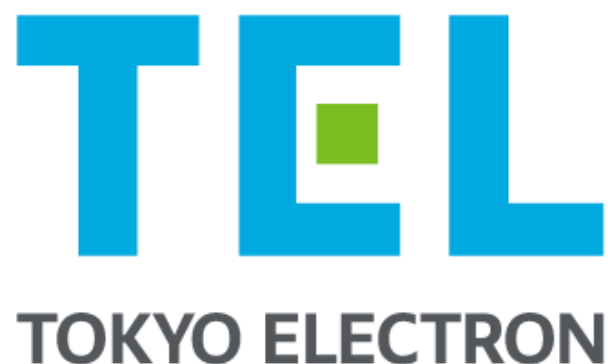


The 61st Annual General Meeting of Shareholders



June 18, 2024

FY2024 Financial Report

(FY2024 : April 1, 2023 – March 31, 2024)

Consolidated Statement of Income

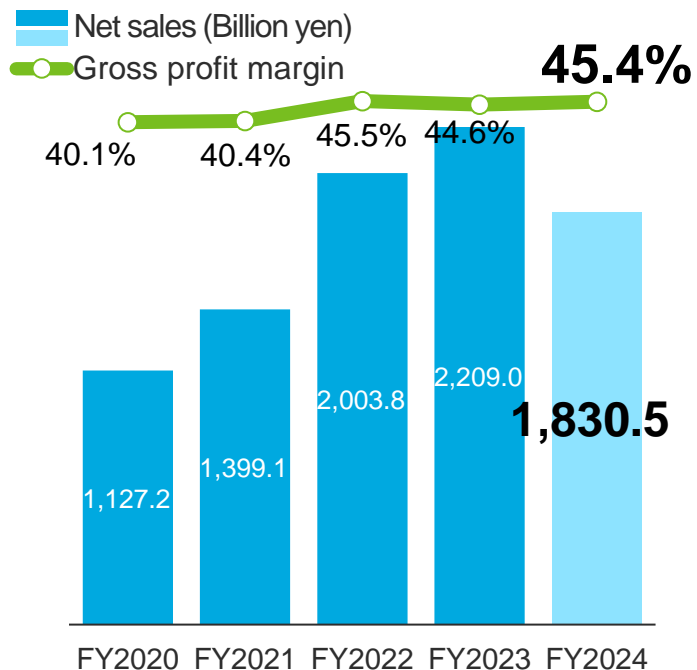
(Billion yen)

	FY2023 (%)		FY2024 (%)		Variance
Net sales	2,209.0	100.0	1,830.5	100.0	$\triangle 378.4$
Gross profit	984.4	44.6	830.2	45.4	$\triangle 154.1$
Operating income	617.7	28.0	456.2	24.9	$\triangle 161.4$
Ordinary income	625.1	28.3	463.1	25.3	$\triangle 162.0$
Income before income taxes	624.8	28.3	473.4	25.9	$\triangle 151.4$
Net income attributable to owners of parent	471.5	21.3	363.9	19.9	$\triangle 107.6$

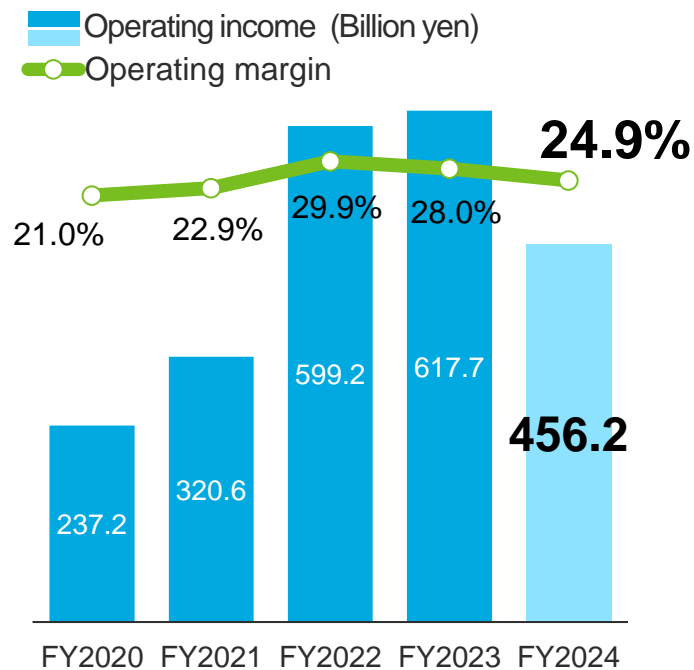
Both sales and profit exceeded the targets set at the beginning of the fiscal period.

Five-year Performance

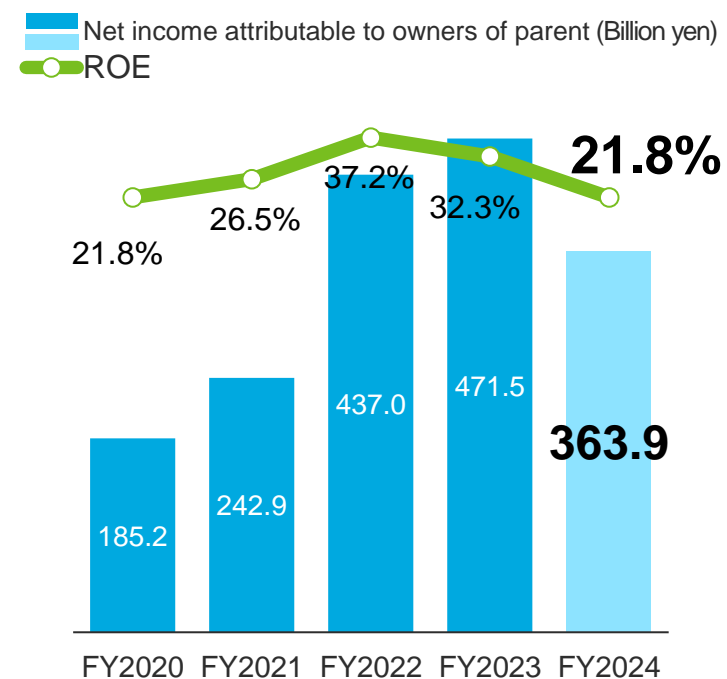
Net sales and gross profit margin



Operating income and operating margin



Net income attributable to owners of parent and ROE



Achieved a high level of gross profit margin.

Record-high research and development investment of 202.8 billion yen.

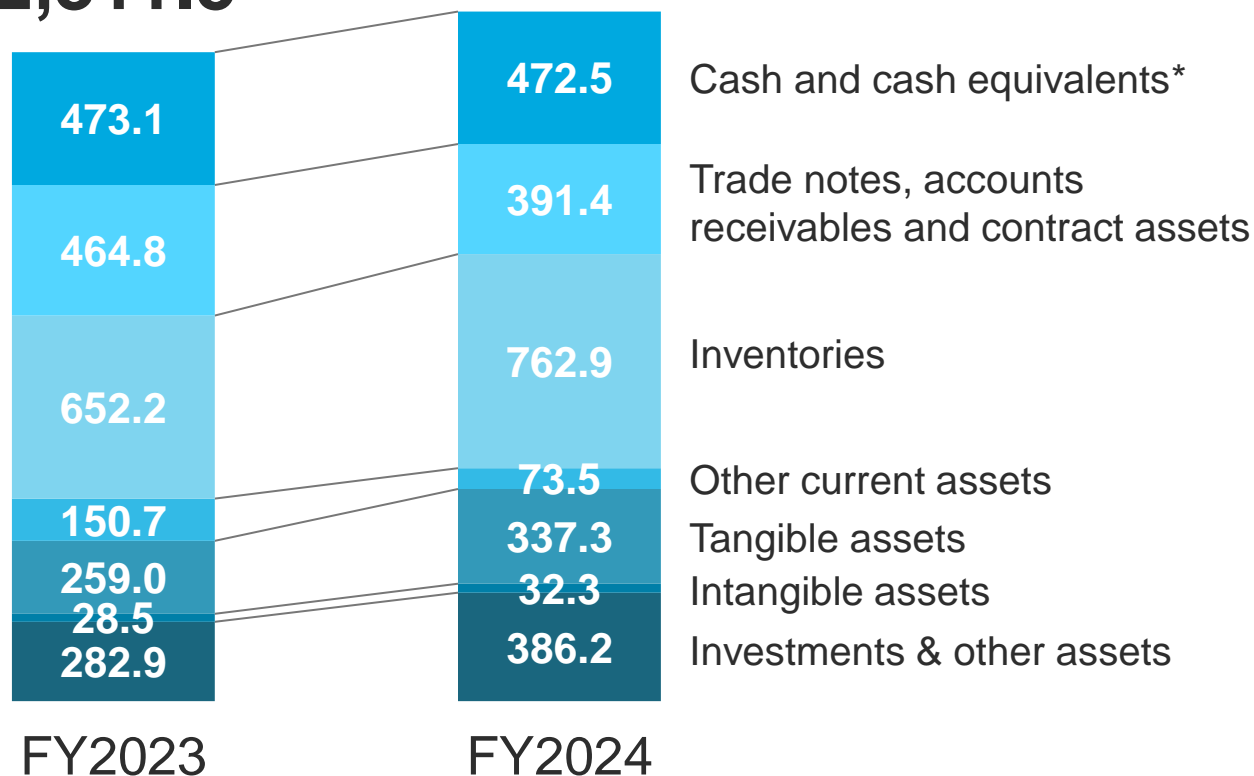
Consolidated Balance Sheet

Assets

(Billion yen)

2,311.5

2,456.4

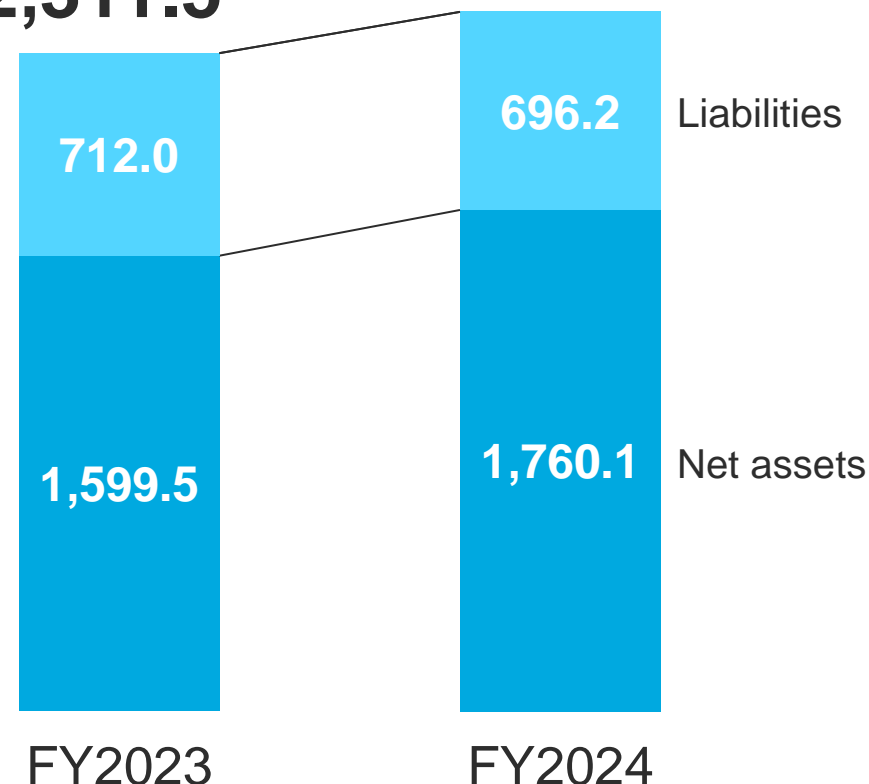


Liabilities & Net Assets

(Billion yen)

2,311.5

2,456.4



*Includes time deposits + short-term investments (indicated as securities on the balance sheet)

Non-consolidated Financial Statement

■ Statement of Income

(Billion yen)

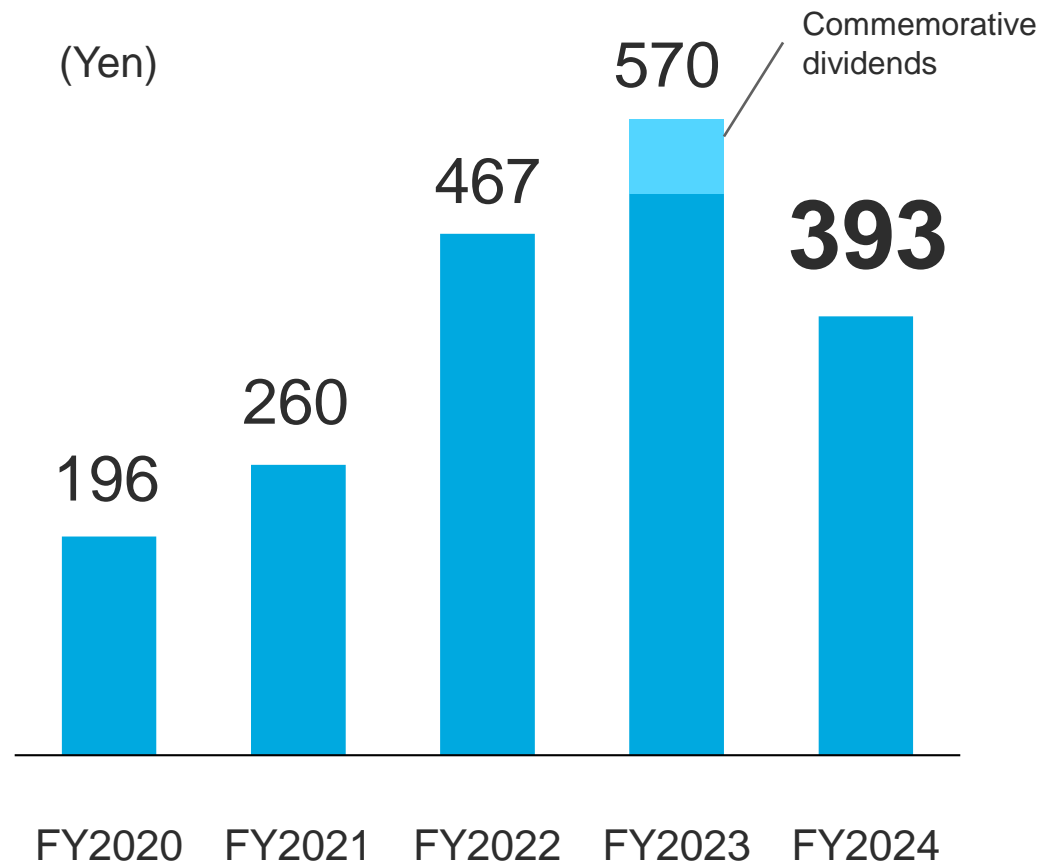
	FY2023 (%)		FY2024 (%)		Variance
Net sales	2,020.5	100.0	1,625.2	100.0	△395.2
Operating income	379.9	18.8	401.7	24.7	+21.7
Ordinary income	585.7	29.0	441.3	27.2	△144.3
Income before income taxes	585.4	29.0	441.3	27.2	△144.1
Net income	484.5	24.0	340.1	20.9	△144.3

■ Balance Sheet

	FY2023 (%)		FY2024 (%)		Variance
Total assets	1,728.0	100.0	1,860.8	100.0	+132.7
Total liabilities	628.0	36.3	661.4	35.5	+33.4
Total net assets	1,099.9	63.7	1,199.3	64.5	+99.3
Total liabilities & net assets	1,728.0	100.0	1,860.8	100.0	+132.7

FY2024 Dividend

【Annual dividend per share】

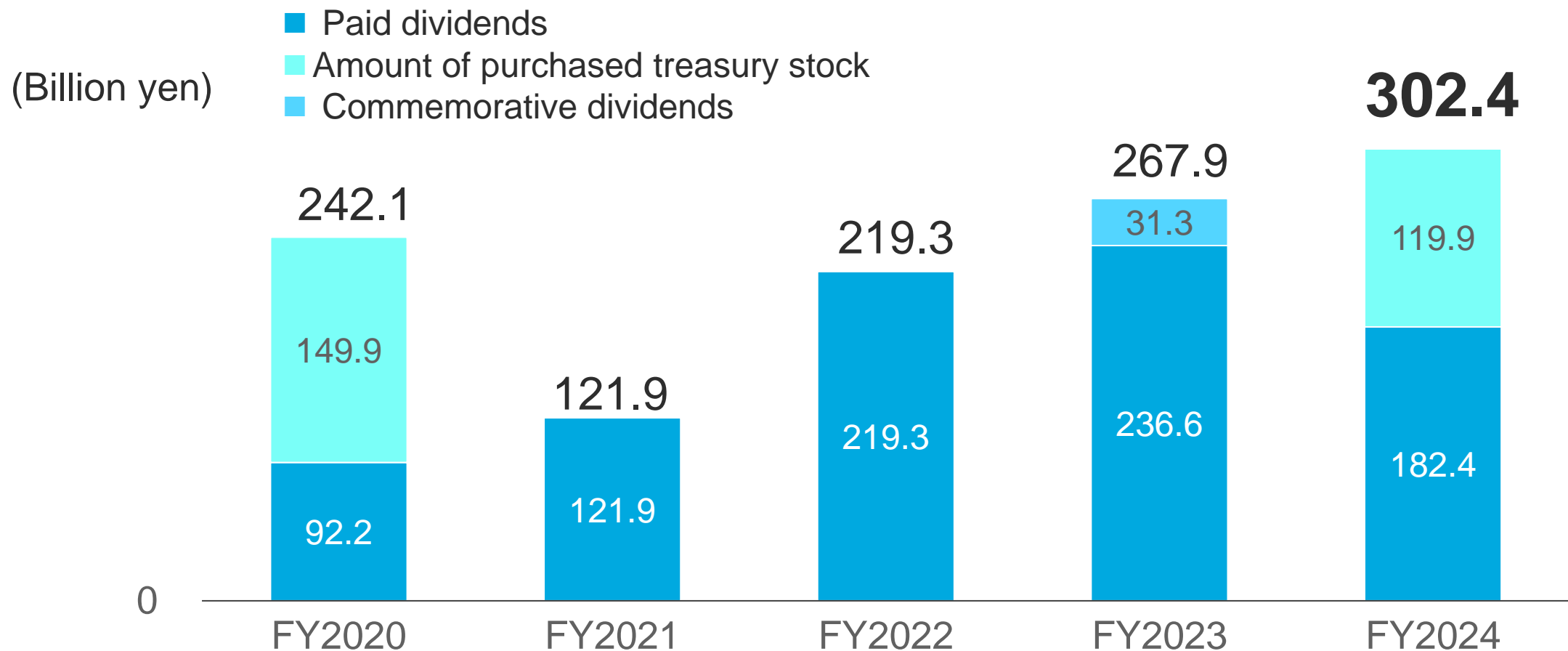


Interim	Year-end	Annual dividend
148 yen	245 yen	393 yen

Total dividend	Payout ratio
182.4 billion yen	50.1%

Note: The per share dividend amounts for FY2020 to FY2023 are stated based on the assumption of a stock split at the beginning of FY2020.

FY2024 Total Return Amount



FY2025 Financial Estimates

(FY2025 : April 1, 2024 – March 31, 2025)

Current Business Environment

- **Expanding demand for AI servers**
 - Due to the spread of generative AI
- **Recovery of demand for PCs and smartphones**
 - Equipped with AI functions
 - Replacing products purchased during the COVID-19 period
 - Recovery of corporate IT investment
- **Semiconductor inventory adjustments progressing**
- **Capital investment in China remains strong**

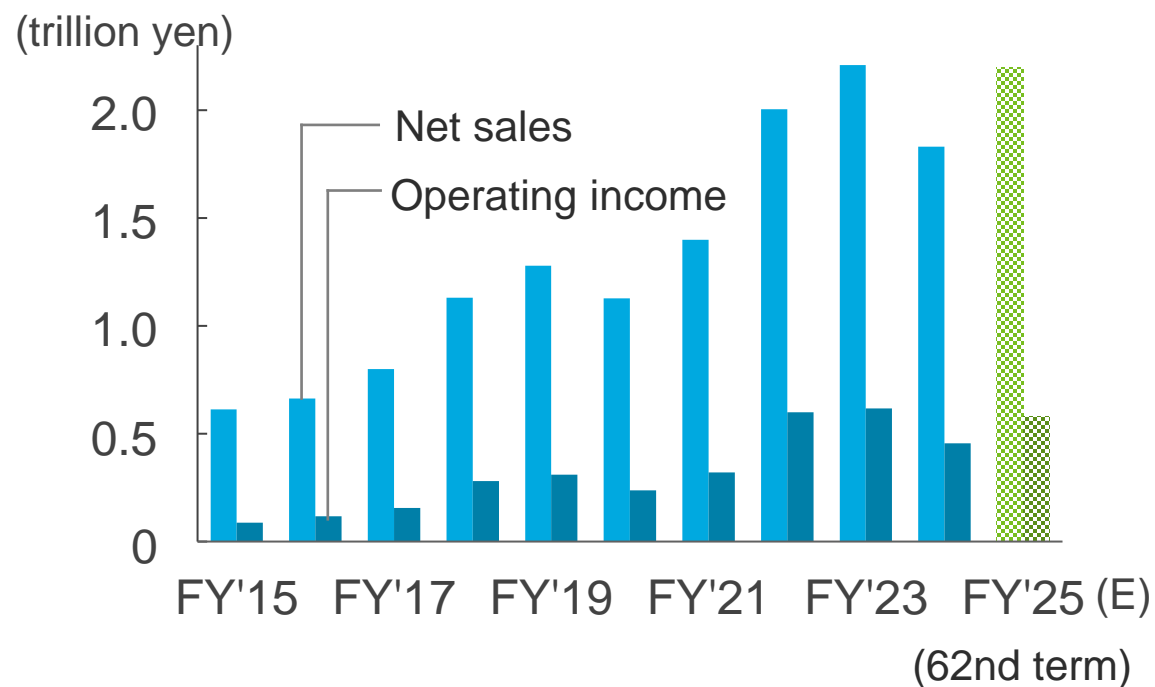
FY2025 Consolidated Financial Estimate

(Billion yen)

	1 st half	2 nd half	Full year
Net sales	1,000.0	1,200.0	2,200.0
Operating income	243.0 24.3%	339.0 28.3%	582.0 26.5%
Ordinary income	244.0	340.0	584.0
Income before income taxes	244.0	340.0	584.0
Net income attributable to owners of parent	185.0	260.0	445.0

Sales revenue is expected to recover to the highest level ever.

Continuous R&D investment



Research and Development Investment

250 billion yen
(62nd term)

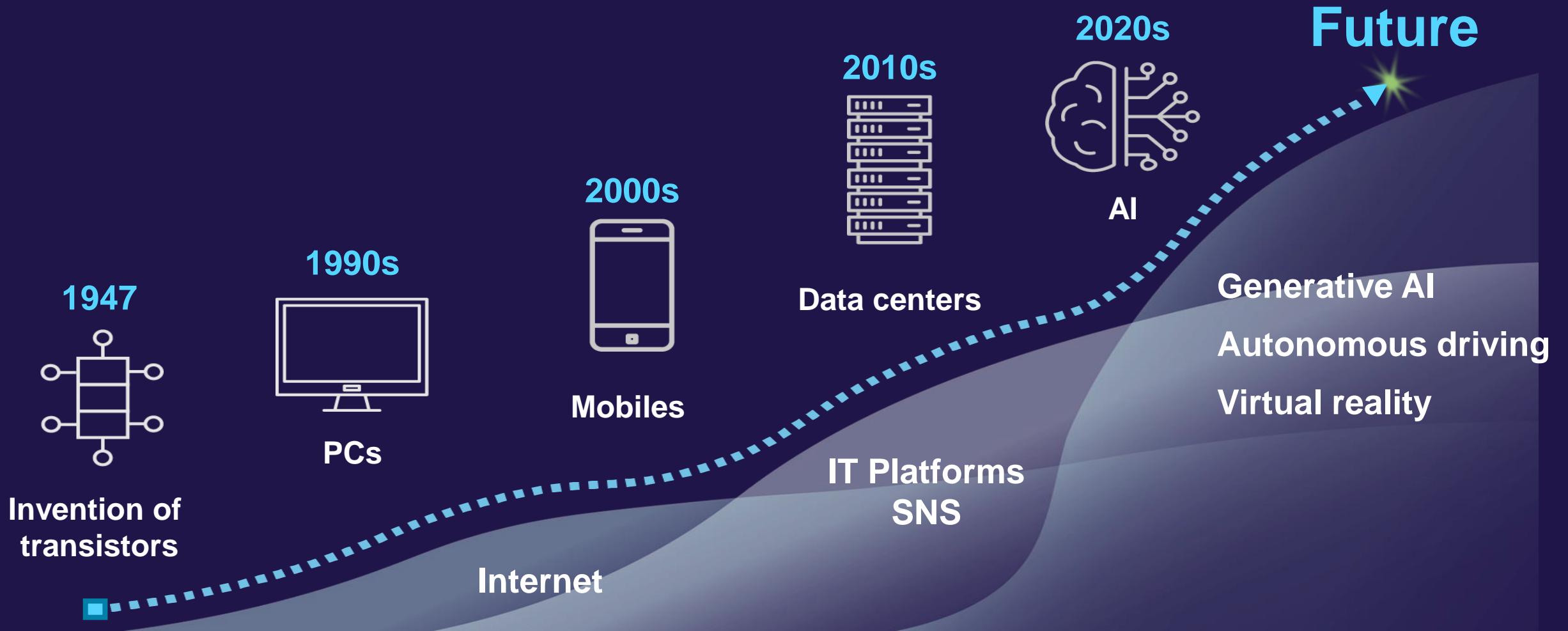
**Maximizing the potential
for future growth**

Aiming for Medium- to Long-term Profit and Continuous Corporate Value Enhancement

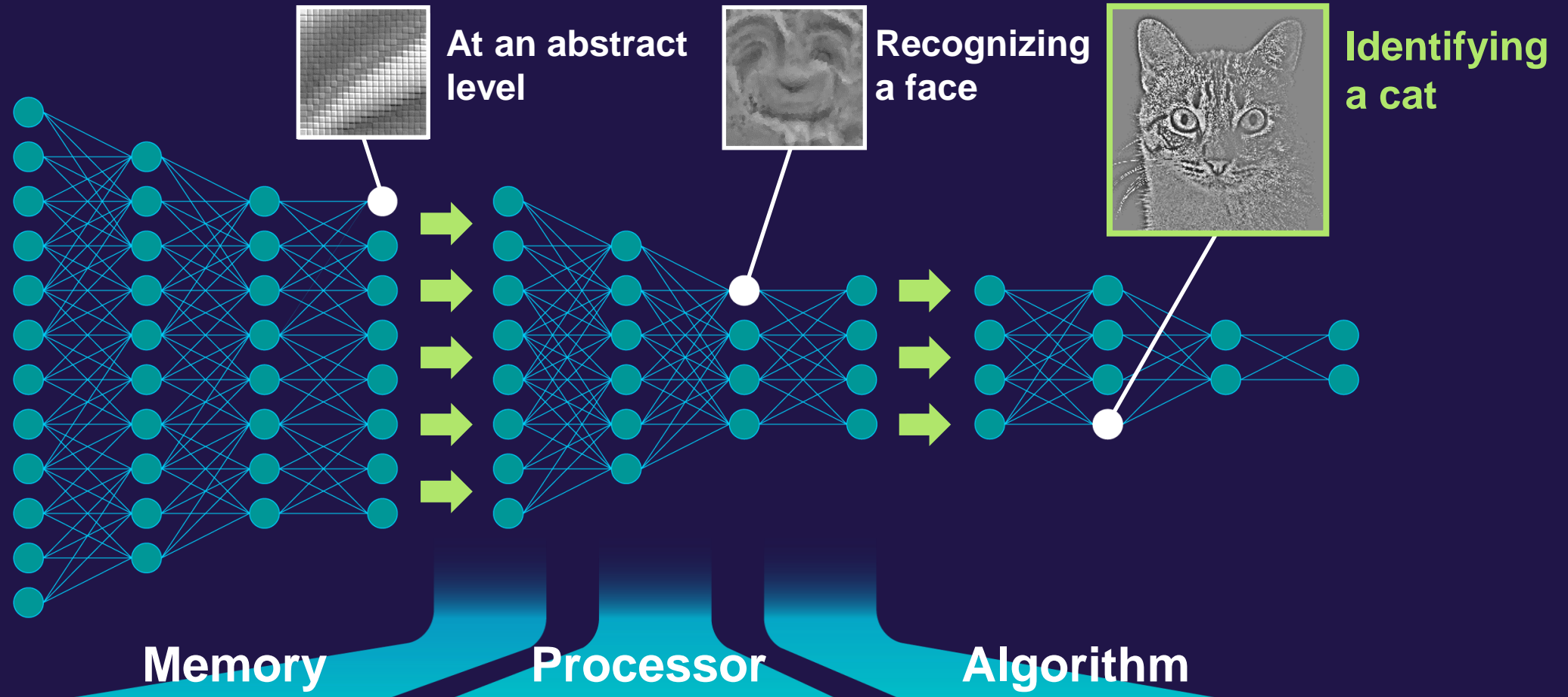
1. Business Environment
2. The Medium-term Management Plan
3. Aiming for Further Corporate Value Enhancement
4. Returns to Shareholders

1. Business Environment

The History and Future of ICT Industry Growth



Evolution of Semiconductors Drives Evolution of Applications



Repeated computational processes utilize large amounts of data to identify a cat.

Technology Drivers for the Next Generation

Generative AI



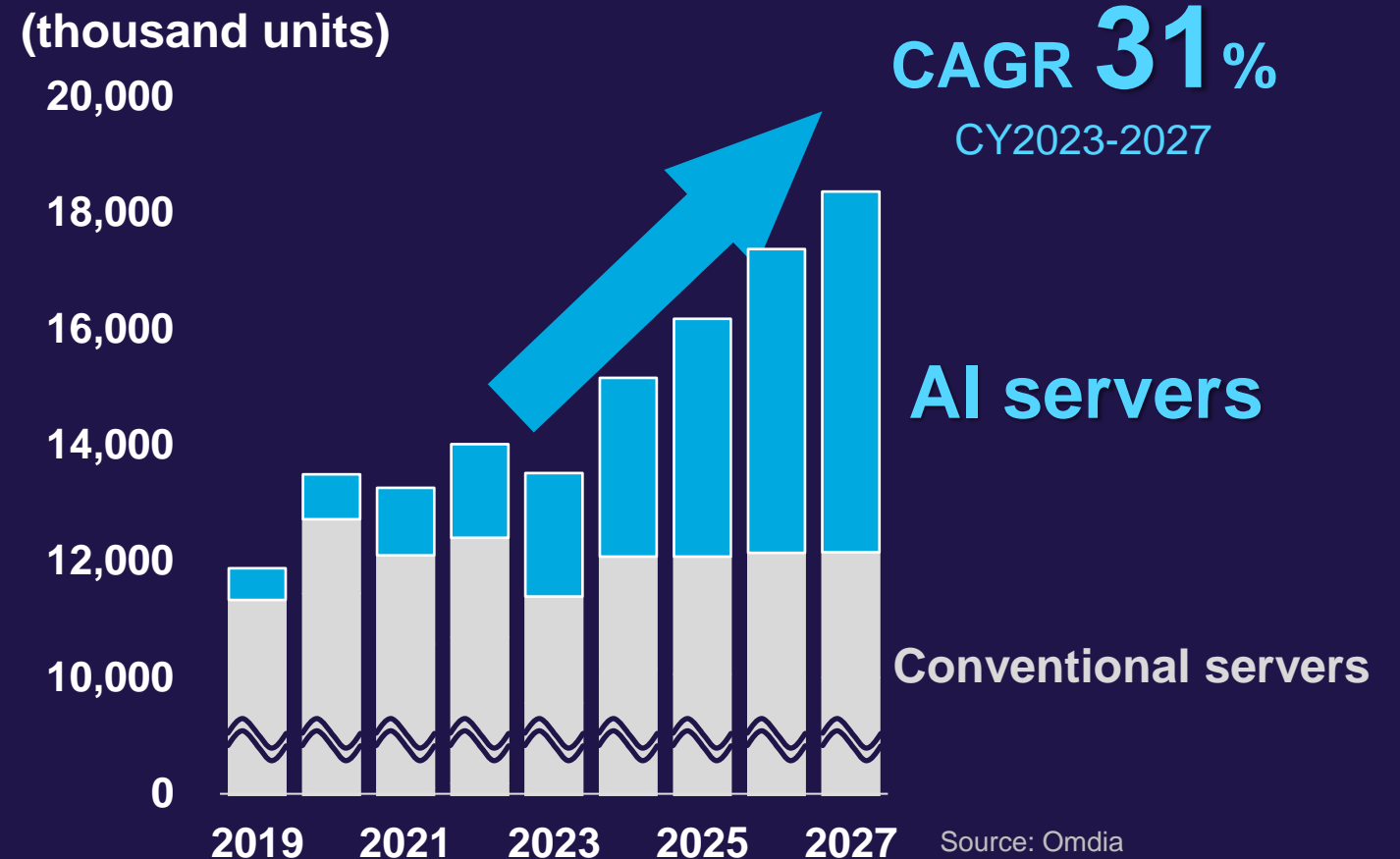
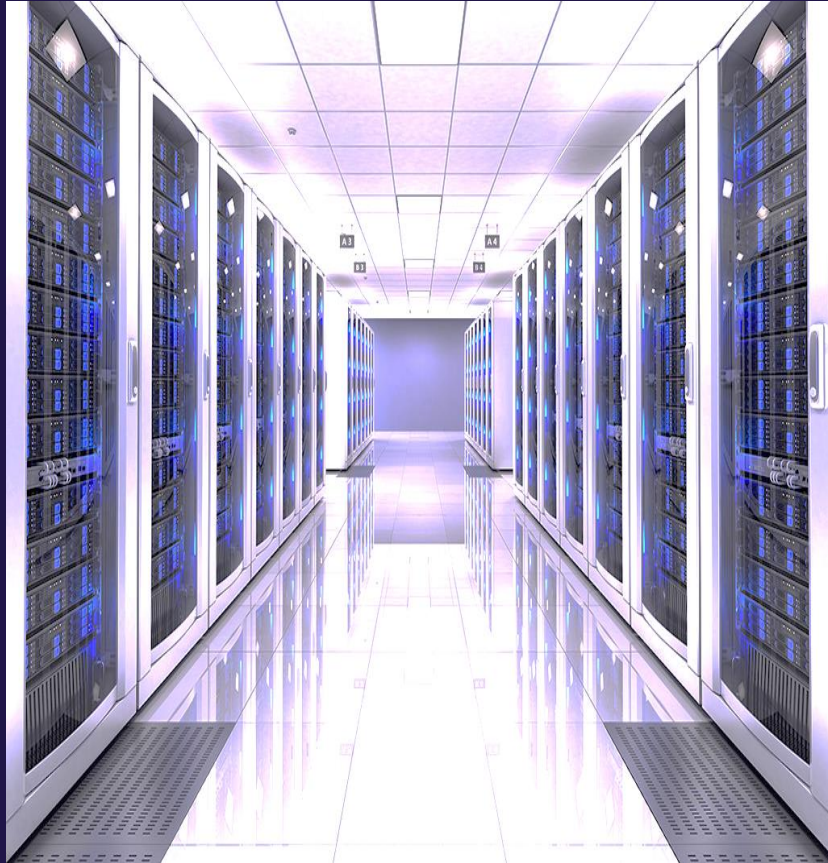
Autonomous Driving



Virtual Reality

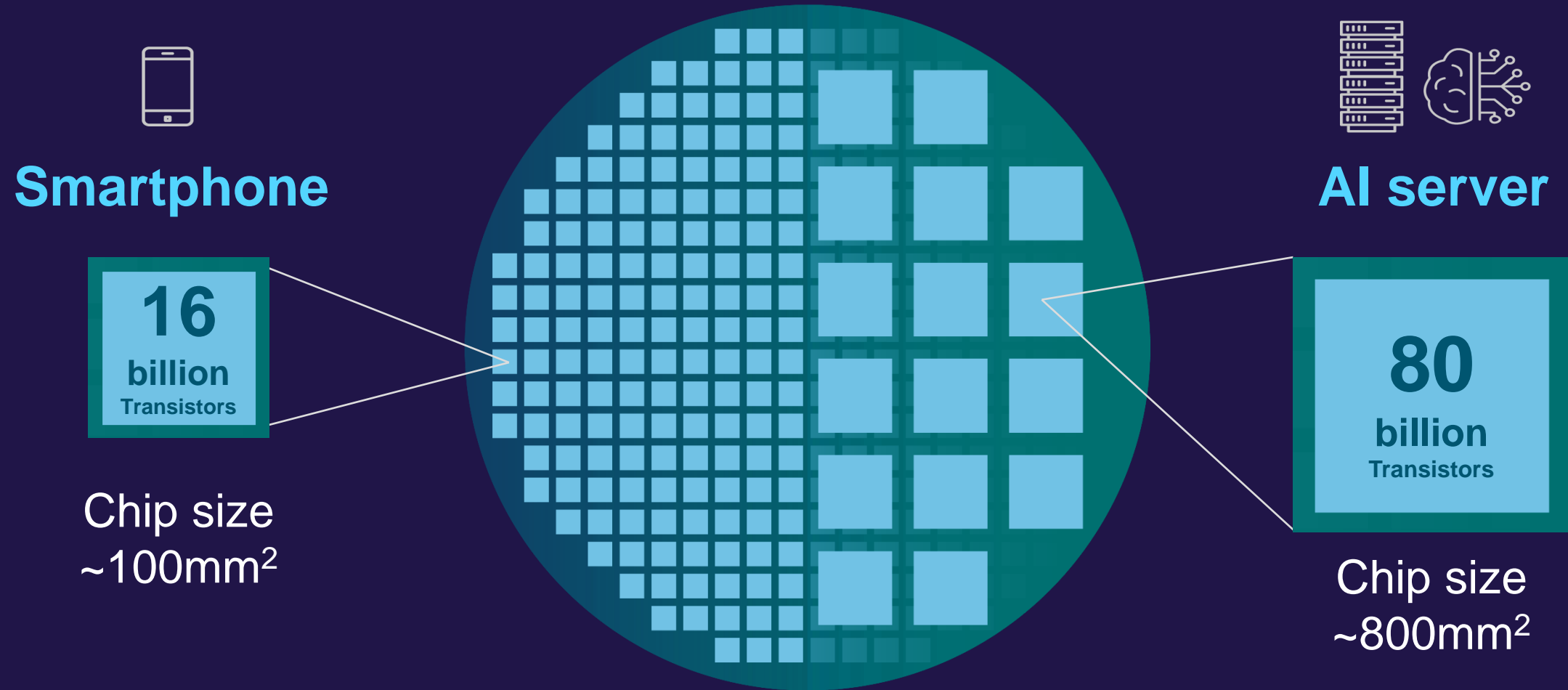


Trends in server shipments



The number of AI servers is expected to increase by approximately 20 million by 2027

Advanced Semiconductors Indispensable for AI Servers



Source: Omdia 4nm node

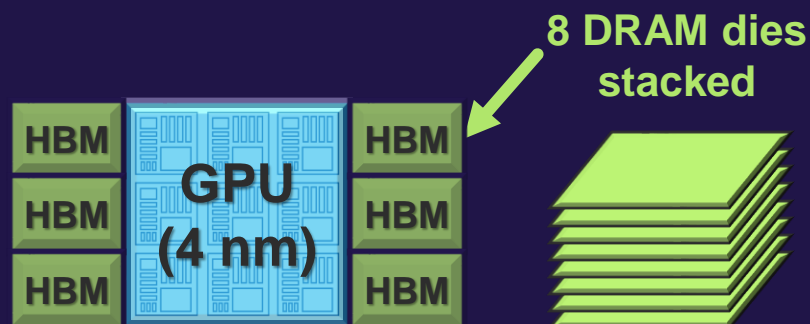
Devices integrated into AI servers are rapidly evolving

TEL estimate

4 nm generation

80 billion transistors

HBM **141** GB

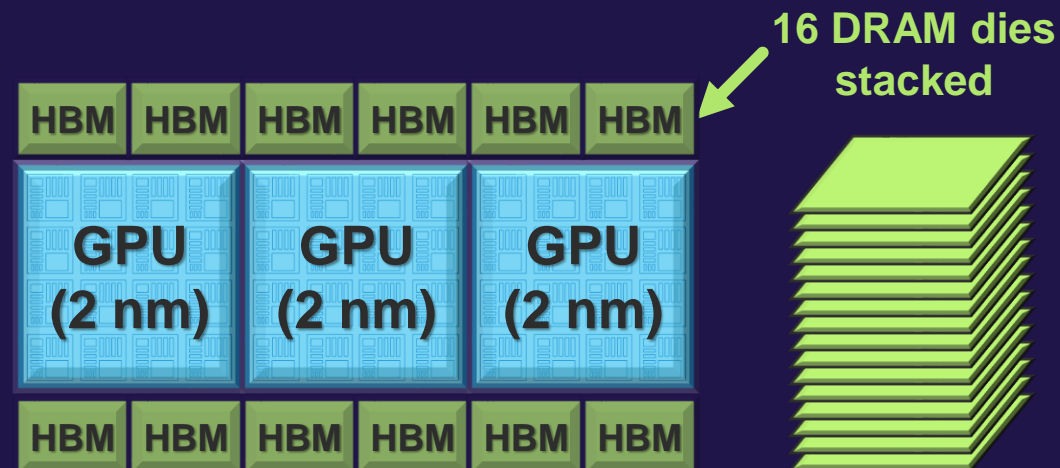


GPU : Graphic Processing Unit
HBM : High Bandwidth Memory

2 nm generation

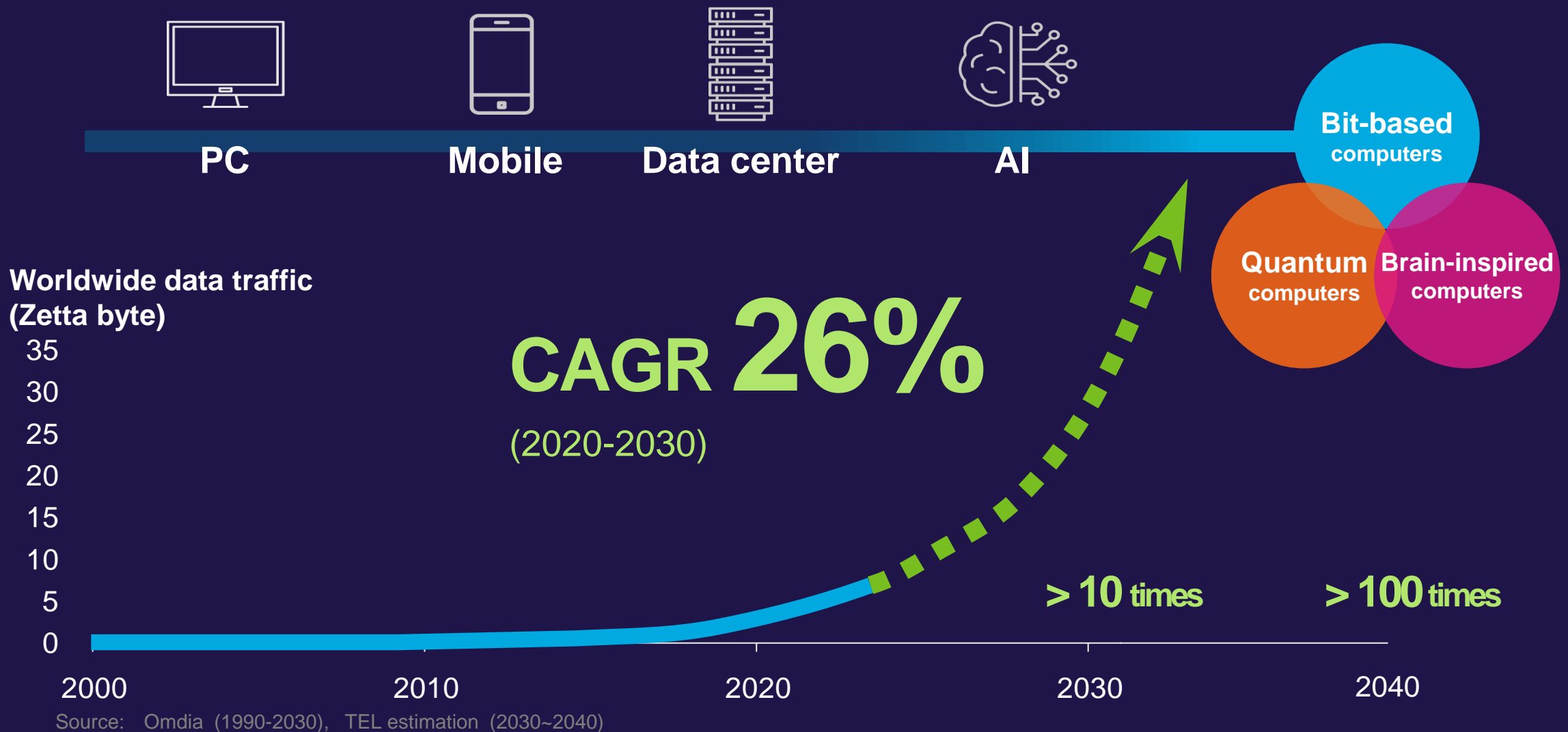
~480 billion transistors

HBM **768** GB

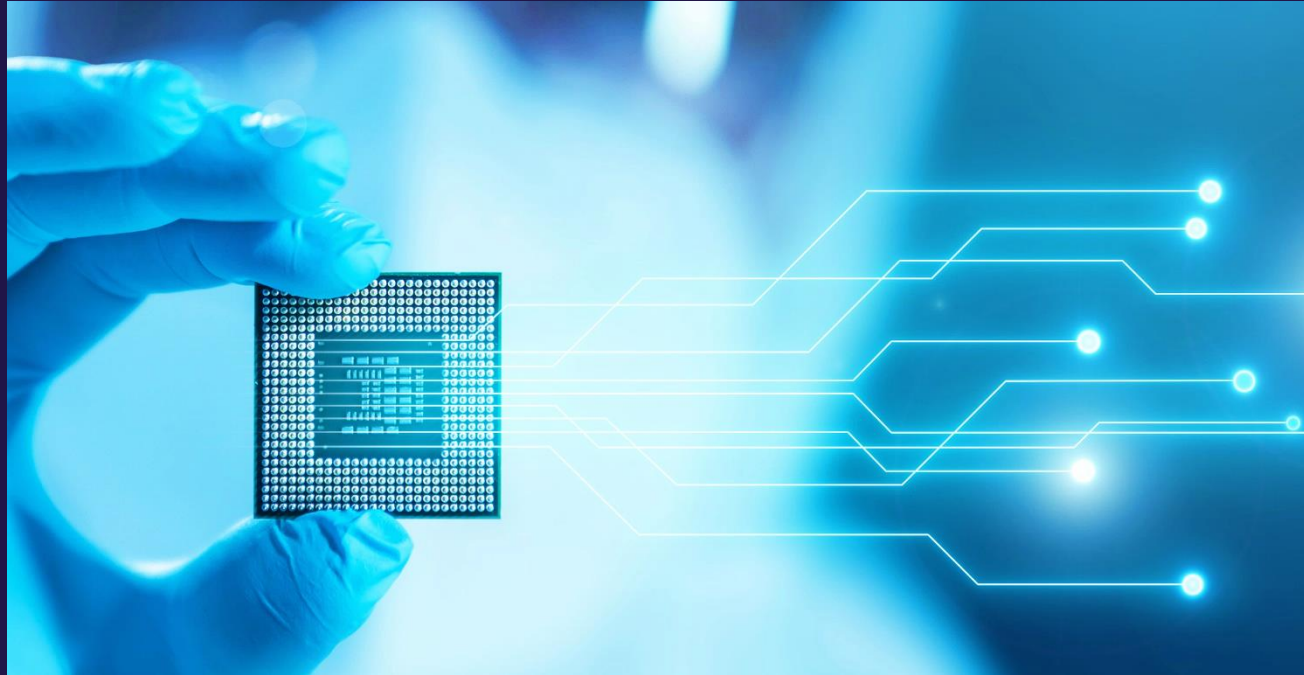


**Scaling and integration of transistors,
as well as increasing capacity of HBM, are progressing.**

Big Data Era is still in its Infancy

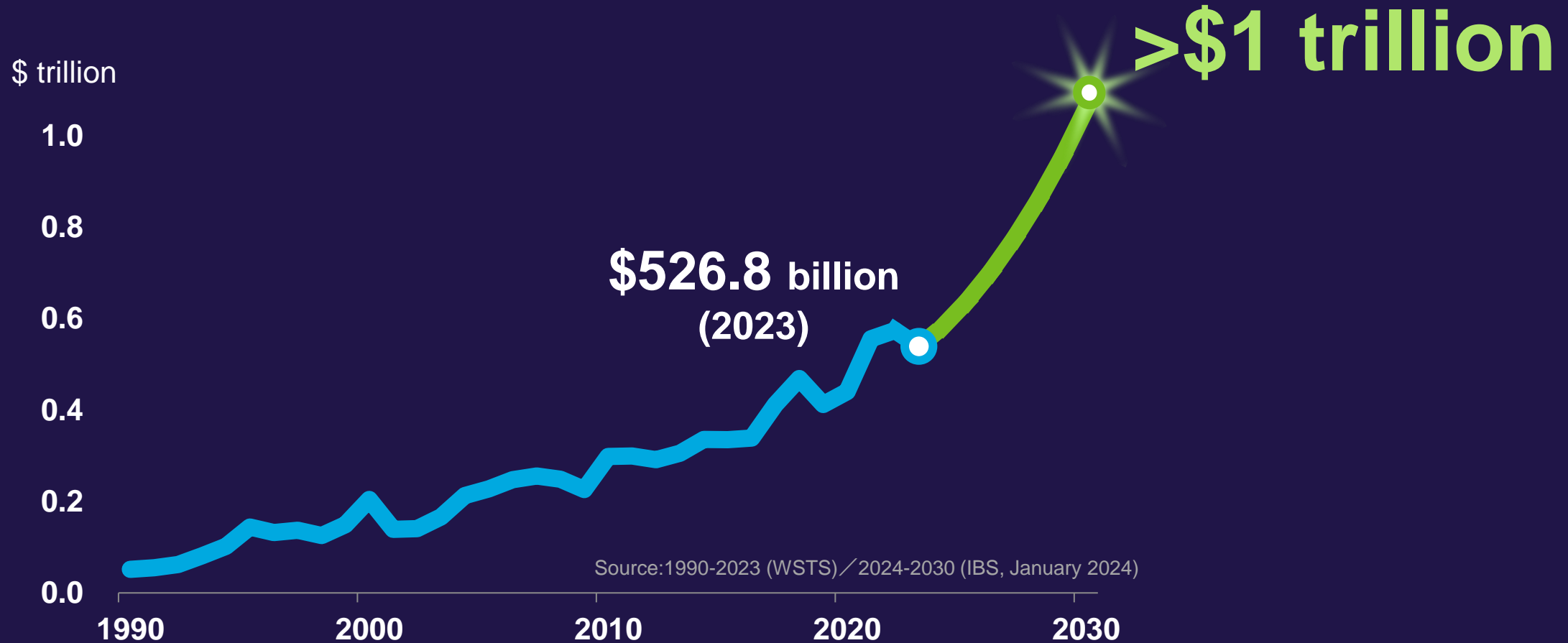


Technological Innovation of Semiconductors Never Stops



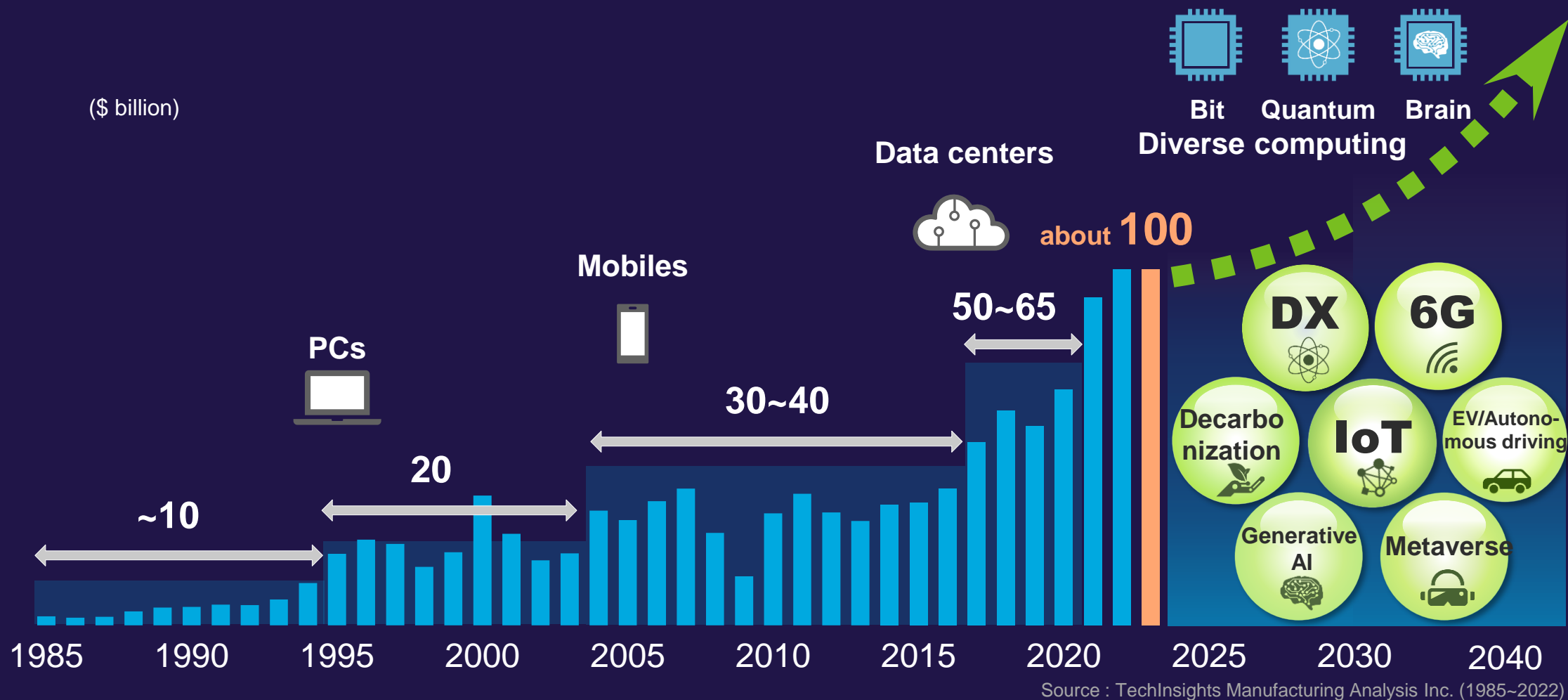
Pursue higher speed, larger capacity, superior reliability, and lower power consumption

Outlook for the Semiconductor Market



The market is expected to double by 2030

WFE Market



WFE market is experiencing further growth

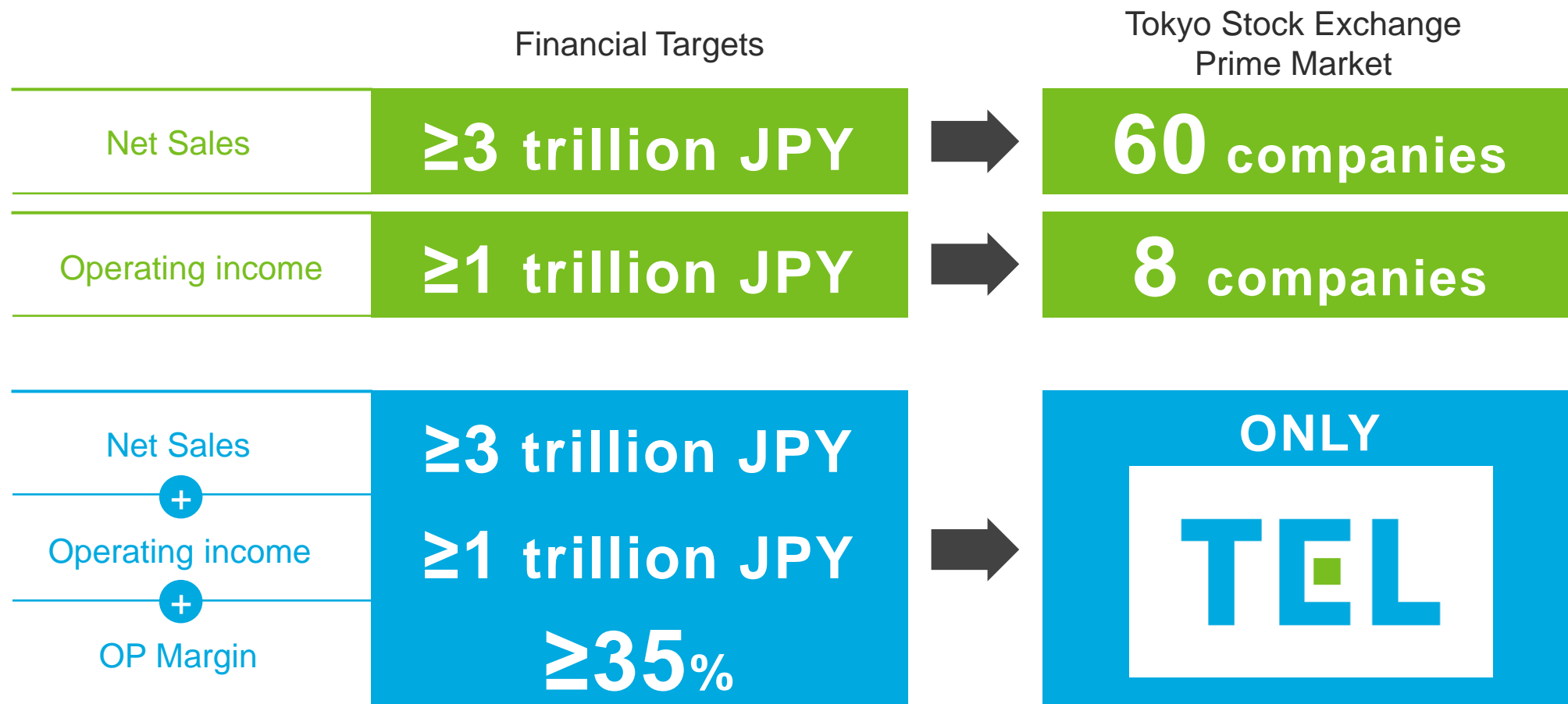
2. The Medium-term Management Plan

The New Medium-term Management Plan: Financial Targets (Announced in June 2022)

Financial Targets (by FY2027)	
Net sales	≥ 3 trillion yen
OP margin	$\geq 35\%$
ROE	$\geq 30\%$

Become the Only One in the TSE Prime Market

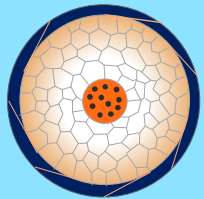
As of June 14, 2024



Astonishing Microscopic Level of Semiconductors

1/20,000

**Diameter
of human hair**



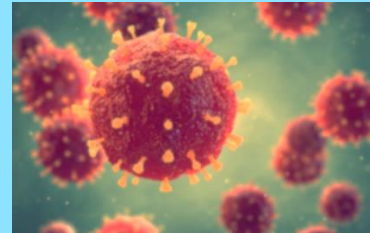
0.1 mm

Smoke particles



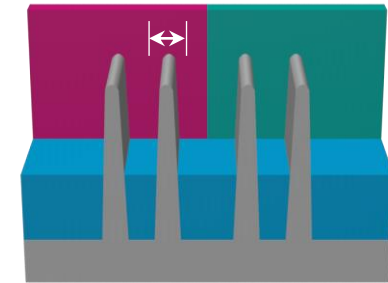
100 nanometer

Viruses



14 nanometer

**The processing dimensions of
leading-edge semiconductors**



Approx. 5 nanometer

1 nanometer = 1/1,000,000,000 meter

Semiconductor processing technology is moving into the ultimate area

Taking Advantage of TEL's Strengths

**Only
one**

Deposition



**Coater /
Developer**



Etching

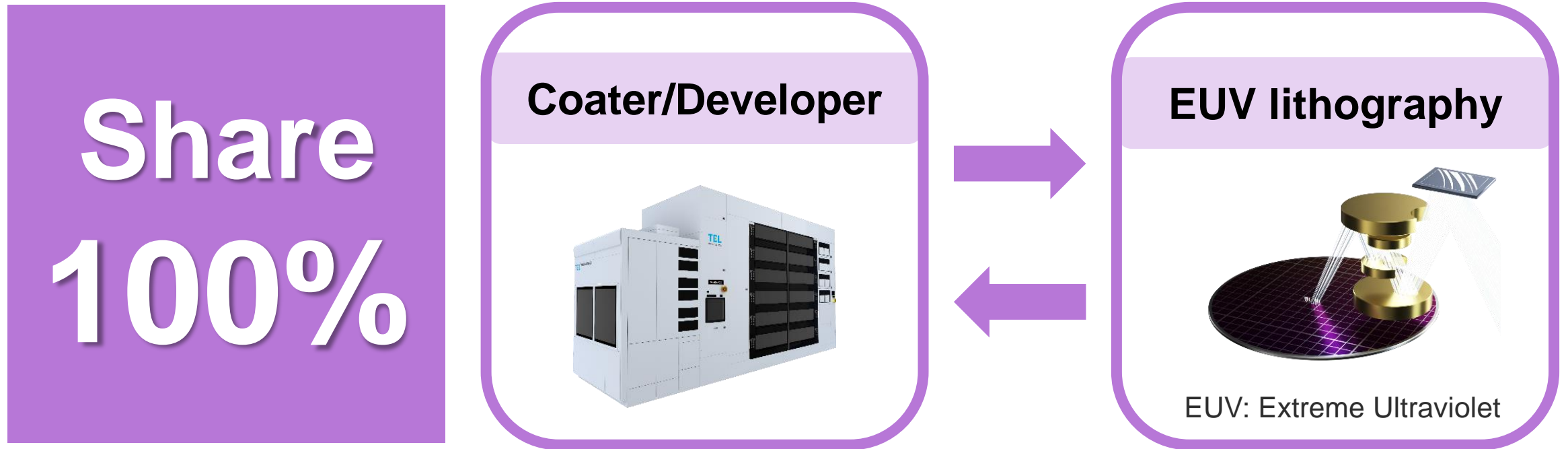


Cleaning



Have products in 4 sequential processes

Taking Advantage of TEL's Strengths



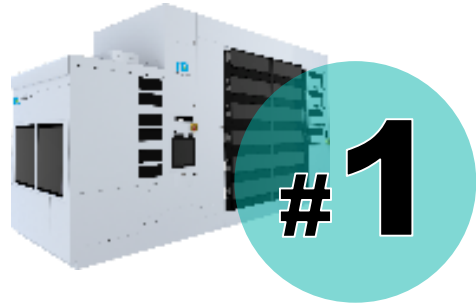
100% share of coater/developer for EUV lithography

*TEL estimate

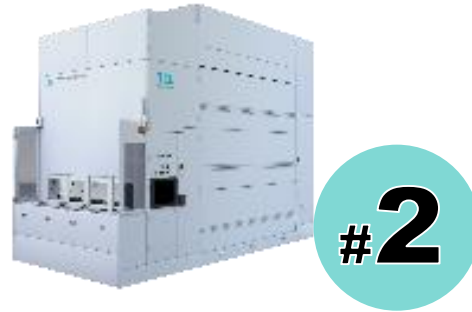
Taking Advantage of TEL's Strengths

*TEL estimate

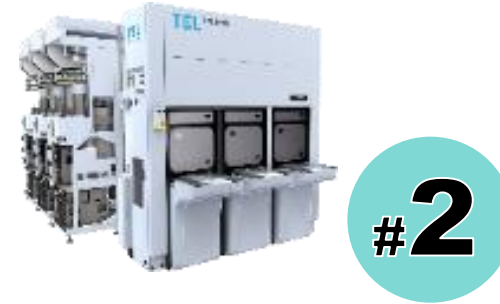
Coater / Developer



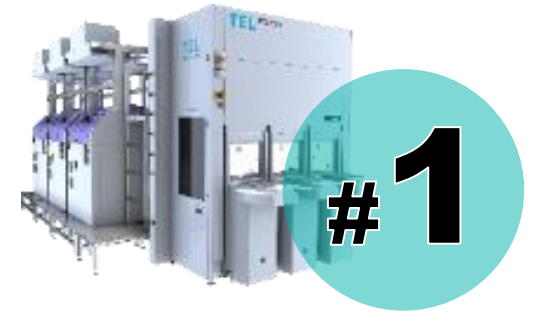
Cleaning



Plasma etching



Gas chemical etching



Diffusion furnace



Batch deposition



Metal deposition



Prober



Products with the world's No.1 or No.2 market share

Taking Advantage of TEL's Strengths

The highest number of registered patents in the WFE industry

TEL



Approx. 23,000

Company A



Approx. 20,000

Company B



Approx. 8,000

Company C



Approx. 7,000

Company D



Approx 4,000

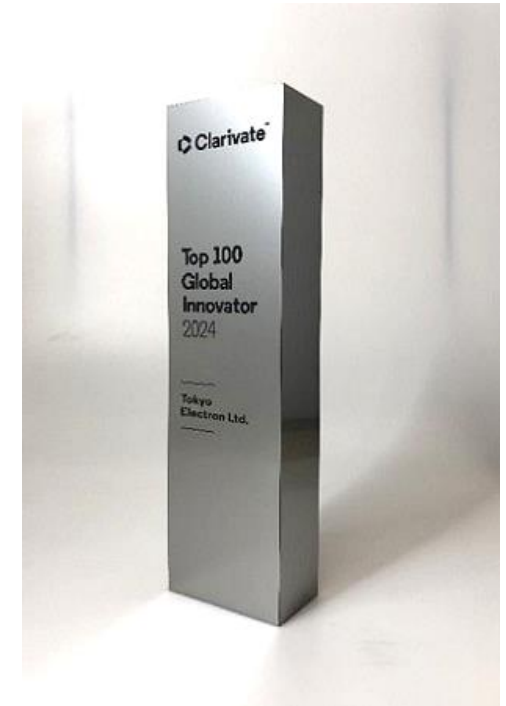
According to TEL survey (as of Mar. 2024)



High Evaluation of TEL's Intellectual Property by External Agencies

- Clarivate (formerly Thomson Reuters)

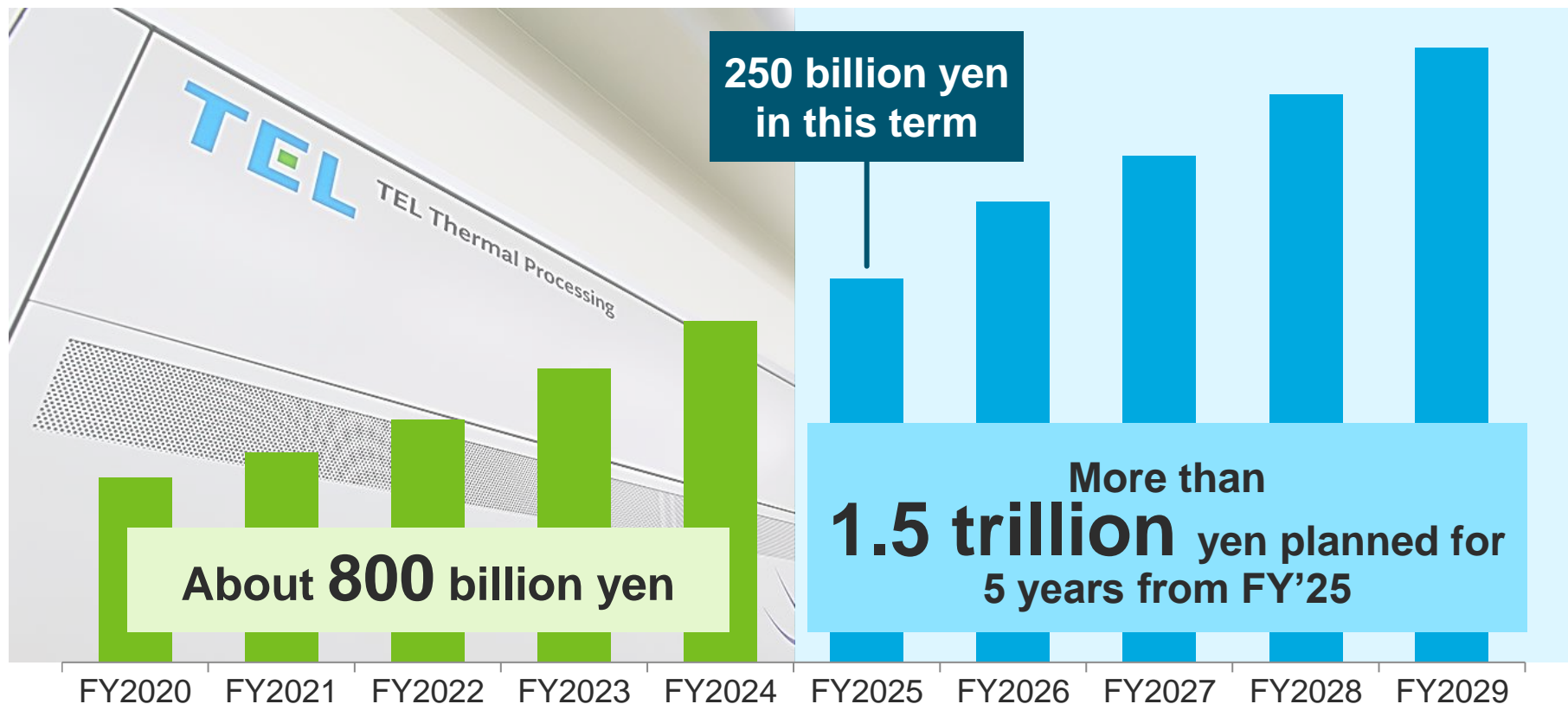
Top 100 Global Innovator 2024



- Patent Result

Ranked first for the fourth consecutive year in patent asset size ranking in the semiconductor production equipment industry

R&D Investment



**Continue to invest in R&D
to create high value-added next-generation products**

Capital Expenditure

Yamanashi
New development bldg.

Completed in July 2023



Miyagi
New development bldg.

Completion scheduled
for spring 2025



Kumamoto
New development bldg.

Completion scheduled
for summer 2025



Tohoku
Production and
Logistics Center

Completion scheduled
for autumn 2025



**Expecting record high capex of 170 billion yen this year
and more than 700 billion yen by FY2029**

**Every leading-edge semiconductor in the
world passes through our equipment**

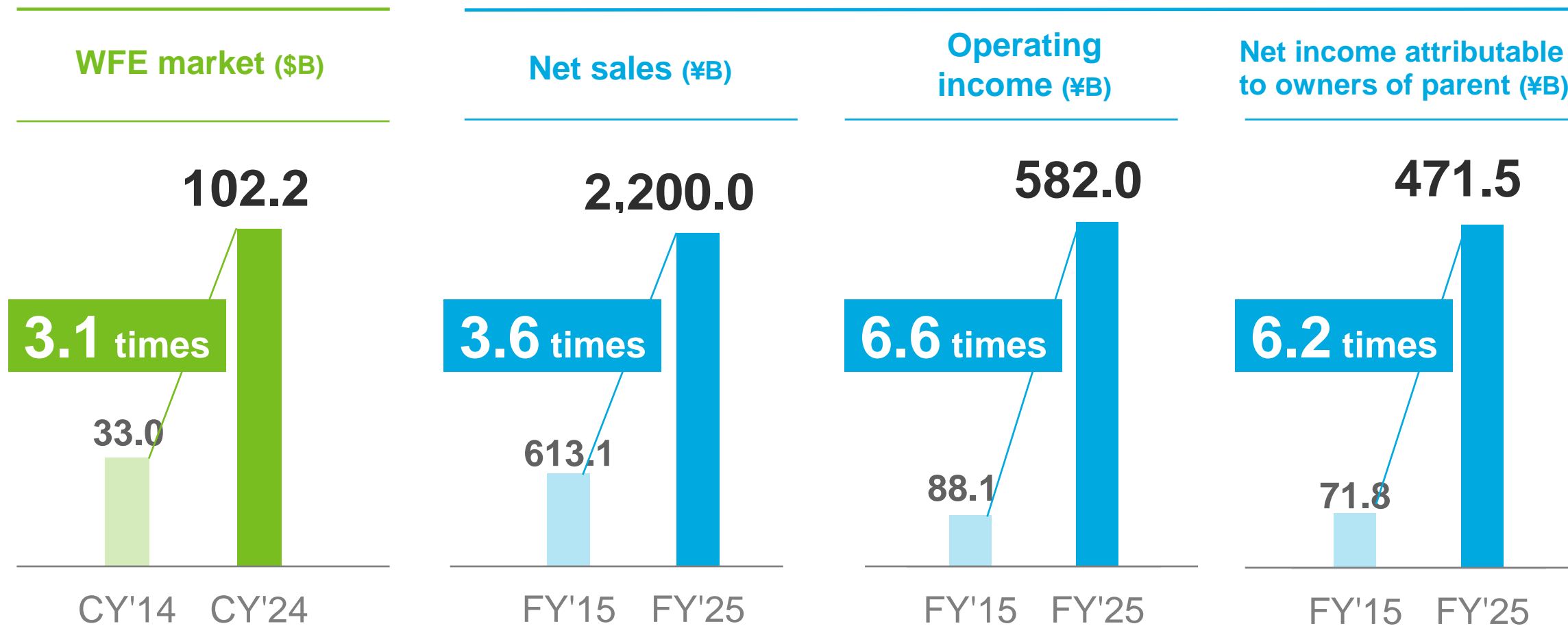
**Profit is an important measure of value in
our products and services**

Further improving strengths

3. Aiming for Further Corporate Value Enhancement



History of New TEL Growth (Comparison of FY2015 vs FY2024 estimate)



Source : TechInsights Manufacturing Analysis Inc. (VLSI)

Significantly outperforming market growth

TEL Market Cap. Jan. 2014 – Jun. 2024



		trillion yen
1	Toyota Motor	49.2
2	Mitsubishi UFJ Financial Group	19.5
3	Keyence	16.6
4	Tokyo Electron	16.5
5	Sony Group	16.3
6	Hitachi	15.9
7	SoftBank Group	14.8
8	Mitsubishi	13.3
9	Nippon Telegraph and Telephone (NTT)	13.3
10	Sumitomo Mitsui Financial Group	13.2

The market cap has increased by 2.5 times in FY2024

Vision

**A company
filled with dreams and vitality
that contributes to
technological innovation
in semiconductors.**



Innovation

Pursue technological innovation in semiconductors that supports the sustainable development of the world



Profitability

Continuously create high value-added leading-edge equipment and technical services



People

Our corporate growth is enabled by people, and our employees both create and fulfill company values

TEL is Technology Enabling Life

CSV

Creating Shared Value

Creation of social and economic value

TSV

TEL's Shared Value

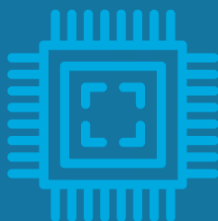
Achieving digitalization and global sustainability

“Technological innovation in semiconductors is essential”

E-COMPASS

Environmental Co-Creation by Material, Process and Subcomponent Solutions

Semiconductors



Pursuing higher device performance and lower power consumption

Production equipment



Achieving both high process & environmental performance

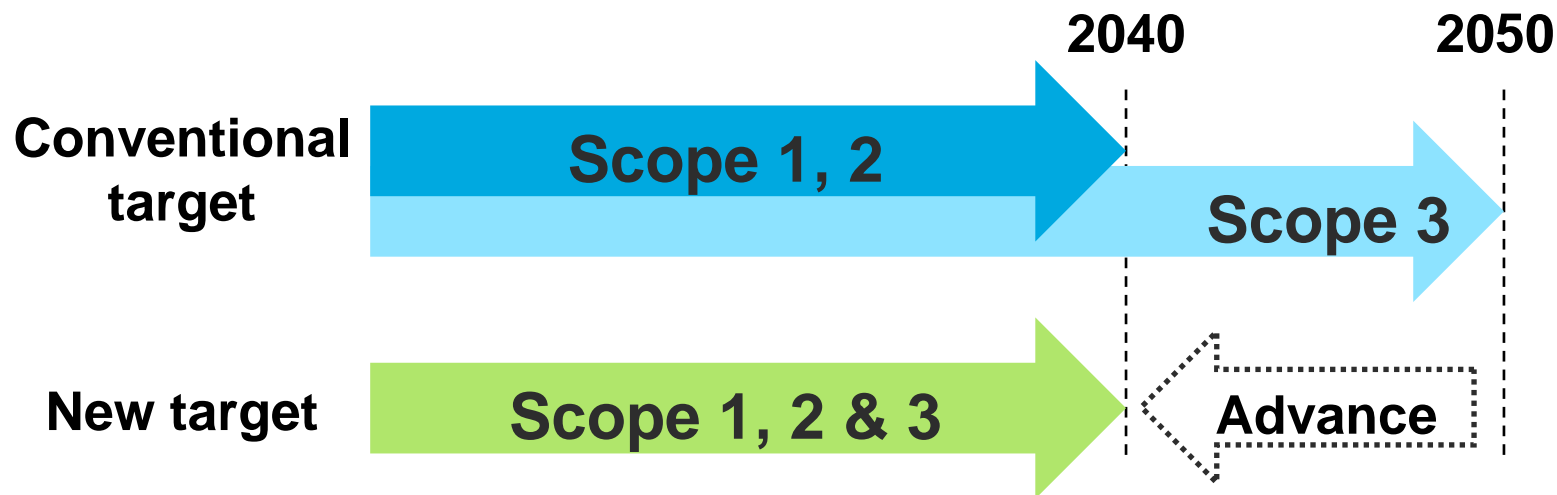
Business activity



Reduction of CO₂ and equivalent emissions in all business activities

Promoting technological innovation of semiconductors and reducing environmental impact throughout the supply chain

Net Zero



Scope 1&2 : CO₂ Emissions from energy use such as electricity in business activities

Scope 3 : CO₂ Emissions from the use and disposal of sold equipment, material purchases and logistics, etc.

Advance the achievement target for net zero by 10 years

Selected for an “SX Brand 2024”

The Ministry of Economy, Trade and Industry (METI)
and Tokyo Stock Exchange (TSE)



**Corporate activities that consider social sustainability
have been recognized.**

4. Returns to Shareholders

Basic Approach for Shareholder Returns

Continuously create high value-added leading-edge equipment and technical services



Aiming for short-, medium- and long-term profits at the same time, and continuous and further corporate value enhancement



Appropriate returns to shareholders

Dividend Policy

Dividend payout ratio: 50%

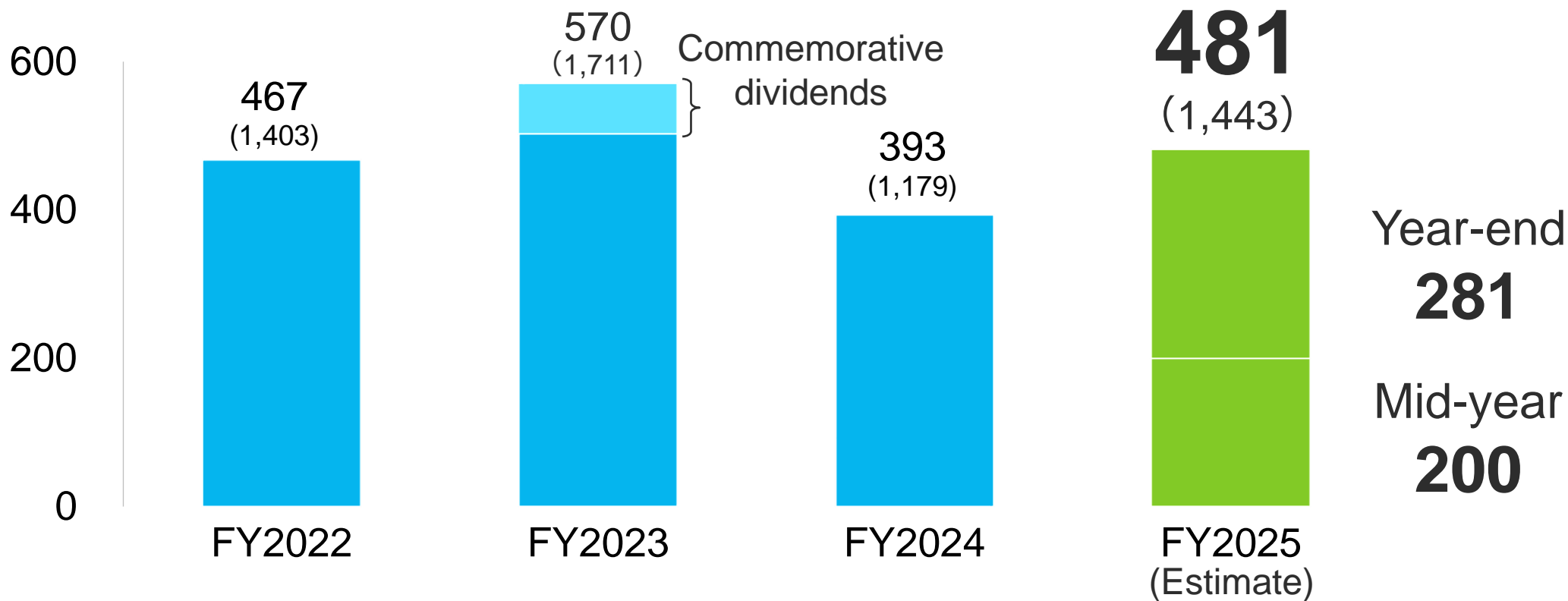
Annual DPS (dividend per share) of no less than 50 yen

Review dividend policy if the company does not generate net income for two consecutive fiscal years.

FY2025 Dividend Forecast

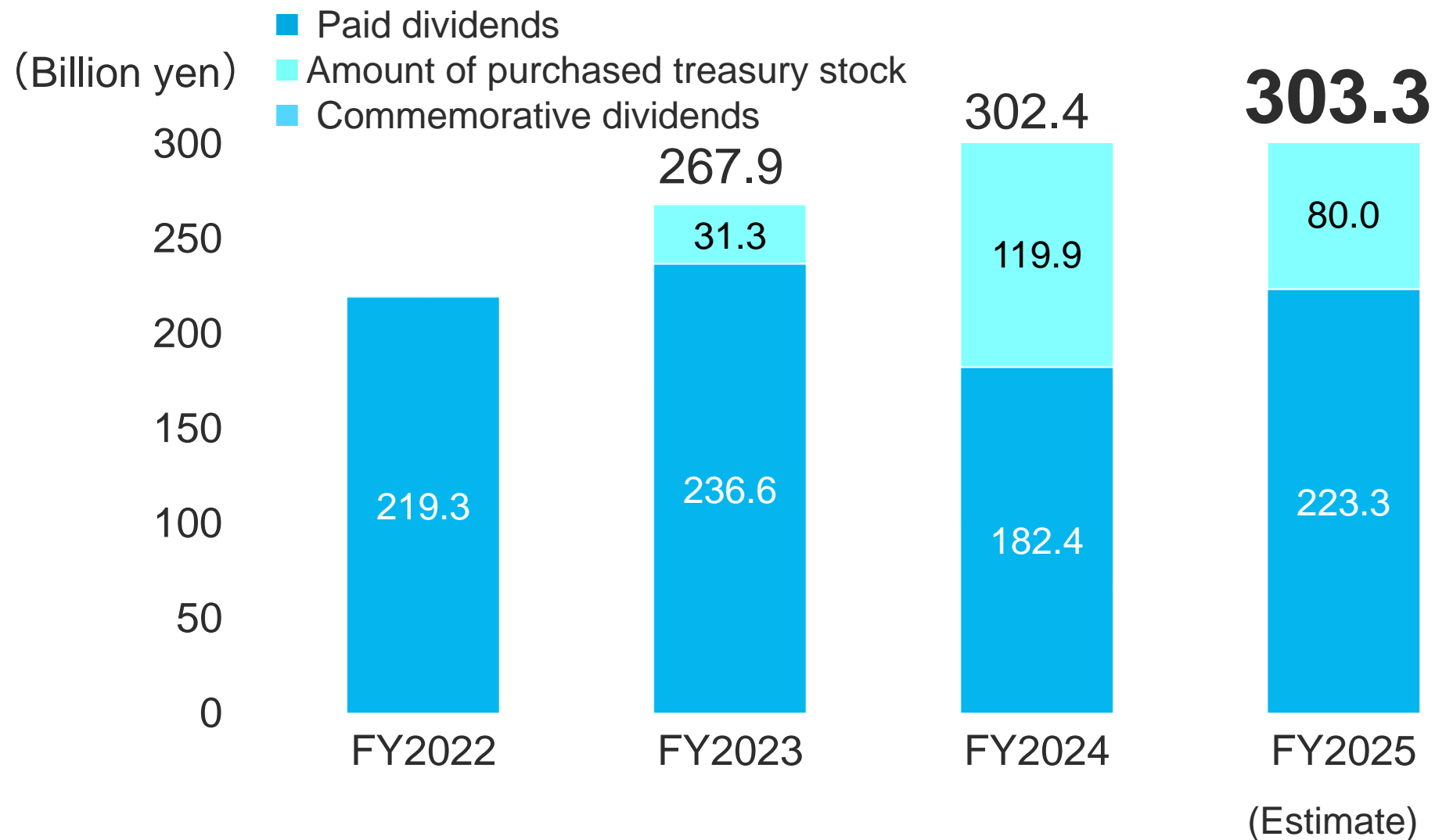
【 Annual dividend per share (yen)】

(Figures in brackets are amounts without taking stock splits into account)

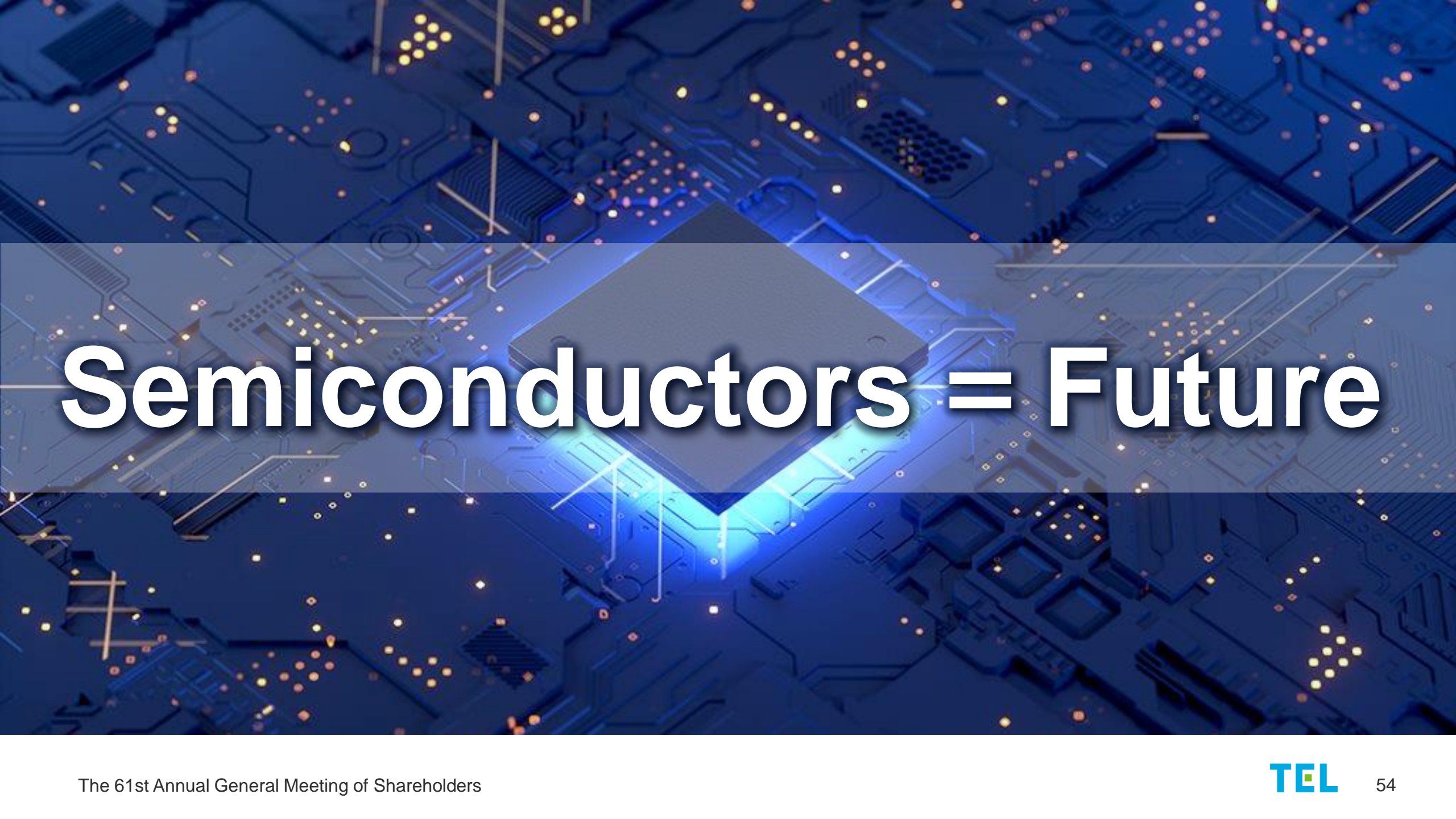


Planning 481 yen as dividend per share

Total Return Amount



**We will continue striving to
further increase shareholder value
and meet the expectations of
all stakeholders**



Semiconductors = Future

The background of the slide is a dark blue gradient. Overlaid on this are several light blue arrows of varying sizes, all pointing in an upward and rightward direction, symbolizing growth. In the lower right area, there is a faint, stylized bar chart with several vertical bars of increasing height. The text 'Further Growth Phase' is centered in a large, white, bold font with a subtle drop shadow.

Further Growth Phase



Corporate growth is about **People**

A close-up, angled view of a microchip or circuit board, showing intricate patterns of gold, silver, and blue components. The image is slightly blurred, giving it a futuristic and technological feel.

Create technologies that the world has never seen



Continue to take on challenges and evolve



Aim to Be Global No.1



TOKYO ELECTRON