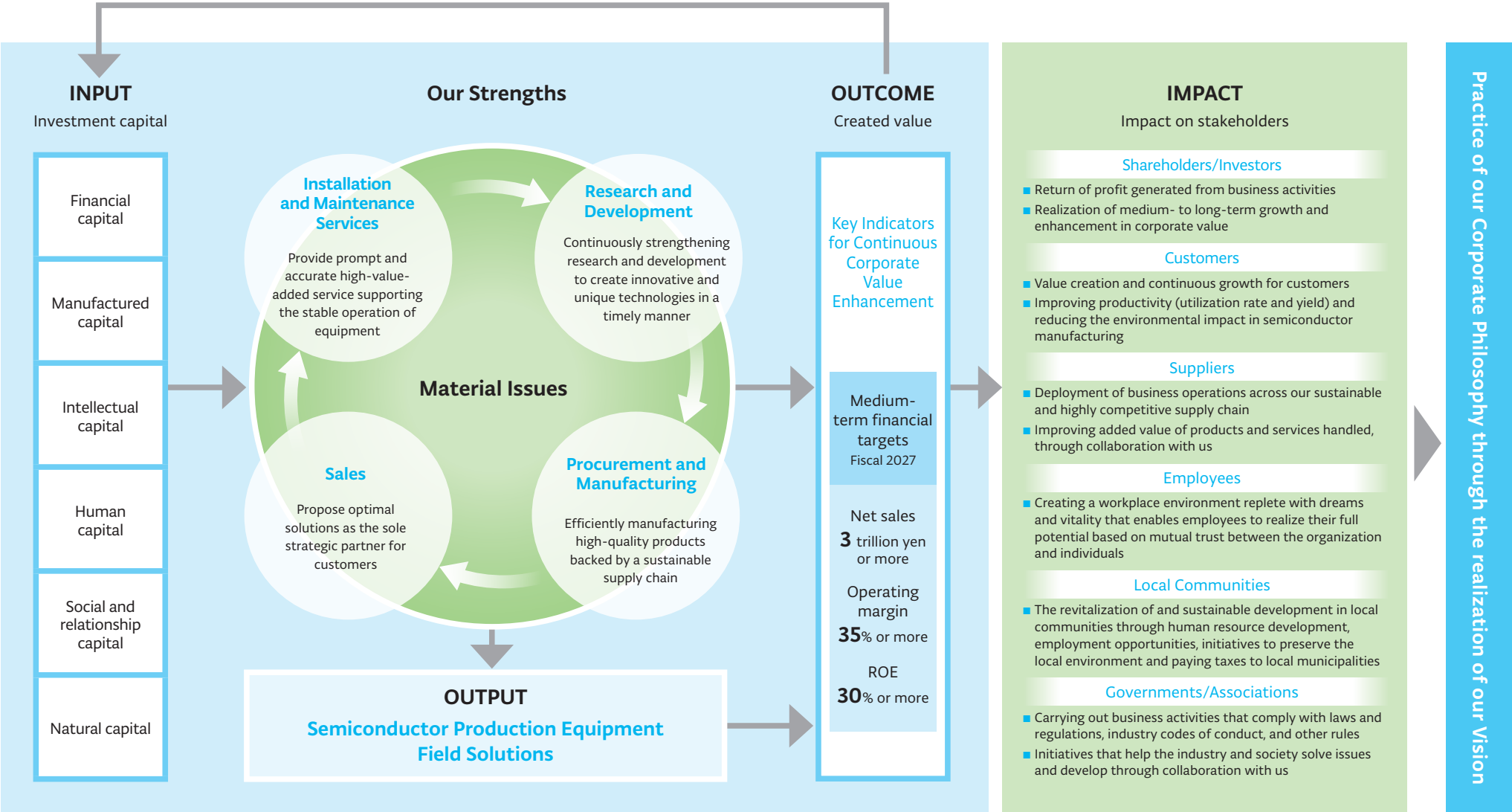


Value Creation Model

Utilizing the capital we hold to the maximum capacity (INPUT) while leveraging our strengths, we implement the value chain of our business activities anchored around material issues. We offer the value created (OUTCOME) from this process to our stakeholders. By practicing our Corporate Philosophy through the realization of our Vision, we aim to expand medium- to long-term profit and to continuously enhance our corporate value.



Value Creation Model

The results for INPUT (investment capital) and OUTCOME (created value) for fiscal 2026 are as follows.

Capital	INPUT (investment capital) Fiscal 2026	OUTCOME (created value) Fiscal 2026
Financial capital	● Net assets 2,069.9 billion yen ● Equity ratio 71.5% ● Total assets 2,860.9 billion yen	● Net sales 2,443.5 billion yen ● Operating margin 25.6% ● Net income 574.4 billion yen ● ROE 29.6% ● Total annual dividend 287.4 billion yen (dividend payout ratio: 50.1%)
Manufactured capital	● Manufacturing sites 9 total (6 in Japan and 3 overseas) ● Manufacturing-related capital investment, such as new plant buildings and manufacturing equipment ● Component standardization and leveling production ● Many years of know-how and proven performance in manufacturing operations ● Manufacturing core system	● Cumulative number of equipment installations Approximately 100,000 units (annual shipment volume of approximately 4,000 units) ● High-quality and superior-reliability products incorporating leading-edge technologies ● Safety-first operation: TCIR 0.22 ● Reduction of production lead times
Intellectual capital	● R&D sites 19 total (8 in Japan and 11 overseas) ● R&D investment 277.8 billion yen ● A high level of expertise in numerous areas, and the ability to fuse this knowledge together to create new products ● Broad-ranging knowledge and integrated technological capabilities in semiconductor manufacturing processes ● Customer requests and technology trends ● Equipment-related data accumulated through digital technology and knowledge management	● Innovative, high-value-added unique technologies ● A comprehensive product lineup that ranks among the top in market share¹ ● Optimal solutions for semiconductor manufacturing ● Number of patents owned 26,592 (Increase in the number of patents owned 1,596) ● High-quality and highly efficient service ¹ Tokyo Electron's estimate
Human capital	● Number of employees 20,236 ● Proportion of engineers 68.9% ● Human resources possessing knowledge in a variety of specialized fields ● Personnel able to perform globally ● Human resource development through TEL UNIVERSITY	● Retention rate² 97.8% ● Improvement in desire for growth and demonstration of the challenge spirit in employees, who both create and fulfill company values ● Building of relationships of trust with stakeholders by employees with a high level of engagement ● Ratio of female managers³ 6.8% ² Calculated using data on turnover rate ³ Include individual contributors and employees reemployed after retirement
Social and relationship capital	● Relationship of mutual trust with customers built through many years of performance records ● Strong partnerships with our suppliers ● Foundation for business activities in local communities ● Collaboration with other companies in the industry through industry associations	● Percentage of respondents who selected “Very Satisfied” or “Satisfied” in the Customer Satisfaction Survey⁴ 100% ● Creating employment opportunities in and paying taxes to local municipalities and nations where we carry out business activities ● Number of TEL FOR GOOD⁵ programs 285 ⁴ For each question, the average score is calculated for all customers who responded ⁵ The brand name for Tokyo Electron's social contribution activities
Natural capital	● Energy consumption 620,995 MWh ● Water consumption 2,077,000 m³	● Own CO₂ emissions 64% reduction (compared to fiscal 2019, reduction of 111 kilotons due to the introduction of renewable energy, etc.) ● CO₂ emissions from product use (per wafer) 11% reduction (compared to fiscal 2022) ● Waste material recycling rate 98.5%