

## Consolidated Balance Sheets

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Tokyo Electron Limited and Subsidiaries  
As of March 31, 2016 and 2015

ASSETS	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
<b>Current assets:</b>			
Cash and cash equivalents	¥ 95,638	¥317,632	\$ 848,757
Short-term investments	141,035	283	1,251,642
Trade notes and accounts receivable	116,503	110,845	1,033,928
Allowance for doubtful accounts	(48)	(379)	(426)
Inventories	195,080	175,588	1,731,274
Deferred income taxes	31,204	27,672	276,926
Prepaid expenses and other current assets	38,004	39,242	337,274
Total current assets	617,416	670,883	5,479,375
<b>Property, plant and equipment:</b>			
Land	23,868	25,022	211,821
Buildings	147,653	152,979	1,310,375
Machinery and equipment	129,169	132,411	1,146,335
Construction in progress	3,774	2,424	33,493
Total property, plant and equipment	304,464	312,836	2,702,024
Less: Accumulated depreciation	208,147	205,940	1,847,240
Net property, plant and equipment	96,317	106,896	854,784
<b>Investments and other assets:</b>			
Investment securities	19,914	23,935	176,730
Deferred income taxes	20,782	18,348	184,434
Net asset for defined benefits	1,623	8,817	14,404
Intangible assets	17,603	27,567	156,221
Other assets	21,538	21,592	191,143
Allowance for doubtful accounts	(1,825)	(1,884)	(16,196)
Total investments and other assets	79,635	98,375	706,736
<b>Total assets</b>	<b>¥793,368</b>	<b>¥876,154</b>	<b>\$7,040,895</b>

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
<b>Current liabilities:</b>			
Trade notes and accounts payable	¥ 55,050	¥ 56,479	\$ 488,552
Income taxes payable	22,461	6,197	199,334
Accrued employees' bonuses	11,624	12,111	103,159
Accrued warranty expenses	8,687	10,442	77,095
Other accrued expenses and other current liabilities	68,239	87,583	605,600
Total current liabilities	166,061	172,812	1,473,740
<b>Non-current liabilities:</b>			
Net liability for defined benefits	55,677	51,480	494,116
Other liabilities	7,391	10,699	65,593
Total non-current liabilities	63,068	62,179	559,709
Total liabilities	229,129	234,991	2,033,449
<b>Net assets:</b>			
<b>Shareholders' equity</b>			
Common stock	54,961	54,961	487,762
Authorized: 300,000,000 shares Issued: 165,210,911 and 180,610,911 shares as of March 31, 2016 and 2015, respectively			
Capital surplus	78,023	78,023	692,430
Retained earnings	427,618	488,816	3,794,977
Treasury stock, at cost 1,176,800 and 1,344,892 shares as of March 31, 2016 and 2015, respectively	(8,051)	(9,064)	(71,450)
<b>Accumulated other comprehensive income</b>			
Net unrealized gains on investment securities	7,903	9,463	70,137
Net deferred gains on hedging instruments	50	122	444
Foreign currency translation adjustments	6,743	12,481	59,842
Accumulated remeasurements of defined benefit plans	(4,878)	4,682	(43,291)
<b>Share subscription rights</b>	1,641	1,421	14,563
<b>Non-controlling interests</b>	229	258	2,032
Total net assets	564,239	641,163	5,007,446
<b>Total liabilities and net assets</b>	<b>¥793,368</b>	<b>¥876,154</b>	<b>\$7,040,895</b>

See accompanying Notes to Consolidated Financial Statements.

## Consolidated Statements of Income

Tokyo Electron Limited and Subsidiaries  
Years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
<b>Net sales</b>	¥663,949	¥613,125	\$5,892,341
Cost of sales	396,739	370,351	3,520,935
<b>Gross profit</b>	267,210	242,774	2,371,406
Selling, general and administrative expenses	150,421	154,661	1,334,940
<b>Operating income</b>	116,789	88,113	1,036,466
<b>Other income (expenses):</b>			
Interest and dividend income	856	1,281	7,597
Foreign exchange gain, net	886	1,575	7,863
Revenue from grants	400	629	3,550
Gain on sales of property, plant and equipment	1,025	1,840	9,097
Gain on sales of investment securities	446	55	3,958
Commission for purchases of treasury stocks	(662)	—	(5,875)
Maintenance cost for domestic closed facilities	(147)	(48)	(1,305)
Loss on impairment of property, plant and equipment, goodwill and other assets	(9,727)	(2,506)	(86,324)
Loss on business restructuring	(2,235)	—	(19,835)
Loss on liquidation for subsidiaries	—	(1,070)	—
Restructuring expenses on facilities	—	(1,046)	—
Additional payment of customs tax	—	(1,003)	—
Other, net	(1,164)	(992)	(10,330)
<b>Income before income taxes</b>	106,467	86,828	944,862
Income taxes:			
Current	32,560	14,726	288,960
Deferred	(4,029)	173	(35,756)
<b>Net income</b>	77,936	71,929	691,658
Net income attributable to non-controlling interests	44	41	391
<b>Net income attributable to owners of parent</b>	¥ 77,892	¥ 71,888	\$ 691,267

	Yen	U.S. dollars
<b>Per share of common stock:</b>		
Net income — basic	¥ 461.10	\$ 4.09
Net income — diluted	460.00	4.08
Net assets	3,428.37	30.43
Cash dividends	237.00	2.10

See accompanying Notes to Consolidated Financial Statements.

## Consolidated Statements of Comprehensive Income

Tokyo Electron Limited and Subsidiaries  
Years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
<b>Net income</b>	¥77,936	¥71,929	\$691,658
<b>Other comprehensive income (loss):</b>			
Net unrealized gains (losses) on investment securities	(1,556)	3,868	(13,809)
Net deferred gains (losses) on hedging instruments	(112)	69	(994)
Foreign currency translation adjustments	(5,706)	6,643	(50,639)
Remeasurements of defined benefit plans	(9,233)	(2,270)	(81,940)
Share of other comprehensive income of associates accounted for using equity method	(345)	56	(3,062)
<b>Total other comprehensive income (loss)</b>	(16,952)	8,366	(150,444)
<b>Comprehensive income</b>	60,984	80,295	541,214
<b>Total comprehensive income attributable to:</b>			
Owners of parent	60,962	80,224	541,019
Non-controlling interests	22	71	195

See accompanying Notes to Consolidated Financial Statements.

■ Consolidated Statements of Changes in Net Assets ■ Consolidated Statements of Cash Flows

### Consolidated Statements of Changes in Net Assets

Tokyo Electron Limited and Subsidiaries  
Years ended March 31, 2016 and 2015

	Millions of yen										
	Shareholders' equity				Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains on investment securities	Net deferred gains on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Share subscription rights	Non-controlling interests	Total net assets
Balance as of March 31, 2014	¥54,961	¥78,023	¥436,174	¥ (9,479)	¥5,593	¥ 60	¥ 5,777	¥ 6,982	¥1,644	¥10,879	¥590,614
Cumulative effect of changes in accounting policies	—	—	(1,102)	—	—	—	—	—	—	(211)	(1,313)
Restated balance	54,961	78,023	435,072	(9,479)	5,593	60	5,777	6,982	1,644	10,668	589,301
Cash dividends	—	—	(17,923)	—	—	—	—	—	—	—	(17,923)
Net income attributable to owners of parent	—	—	71,888	—	—	—	—	—	—	—	71,888
Repurchase of treasury stocks	—	—	—	(183)	—	—	—	—	—	—	(183)
Disposal of treasury stocks	—	—	(221)	598	—	—	—	—	—	—	377
Other, net	—	—	—	—	3,870	62	6,704	(2,300)	(223)	(10,410)	(2,297)
Balance as of March 31, 2015	¥54,961	¥78,023	¥488,816	¥(9,064)	¥9,463	¥122	¥12,481	¥ 4,682	¥1,421	¥ 258	¥641,163
Cash dividends	—	—	(33,013)	—	—	—	—	—	—	—	(33,013)
Net income attributable to owners of parent	—	—	77,892	—	—	—	—	—	—	—	77,892
Repurchase of treasury stocks	—	—	—	(105,810)	—	—	—	—	—	—	(105,810)
Disposal of treasury stocks	—	—	(726)	1,472	—	—	—	—	—	—	746
Cancellation of treasury stocks	—	—	(105,351)	105,351	—	—	—	—	—	—	—
Other, net	—	—	—	—	(1,560)	(72)	(5,738)	(9,560)	220	(29)	(16,739)
Balance as of March 31, 2016	¥54,961	¥78,023	¥427,618	¥ (8,051)	¥7,903	¥ 50	¥ 6,743	¥(4,878)	¥1,641	¥ 229	¥564,239

	Thousands of U.S. dollars										
	Shareholders' equity				Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains on investment securities	Net deferred gains on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Share subscription rights	Non-controlling interests	Total net assets
Balance as of March 31, 2015	\$487,762	\$692,430	\$4,338,090	\$ (80,440)	\$ 83,981	\$1,083	\$110,765	\$ 41,551	\$12,611	\$2,290	\$5,690,123
Cash dividends	—	—	(292,980)	—	—	—	—	—	—	—	(292,980)
Net income attributable to owners of parent	—	—	691,267	—	—	—	—	—	—	—	691,267
Repurchase of treasury stocks	—	—	—	(939,031)	—	—	—	—	—	—	(939,031)
Disposal of treasury stocks	—	—	(6,443)	13,064	—	—	—	—	—	—	6,621
Cancellation of treasury stocks	—	—	(934,957)	934,957	—	—	—	—	—	—	—
Other, net	—	—	—	—	(13,844)	(639)	(50,923)	(84,842)	1,952	(258)	(148,554)
Balance as of March 31, 2016	\$487,762	\$692,430	\$3,794,977	\$ (71,450)	\$70,137	\$ 444	\$ 59,842	\$ (43,291)	\$14,563	\$2,032	\$5,007,446

See accompanying Notes to Consolidated Financial Statements.

### Consolidated Statements of Cash Flows

Tokyo Electron Limited and Subsidiaries  
Years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥106,467	¥ 86,828	\$ 944,862
Depreciation and amortization	19,257	20,878	170,900
Loss on impairment of property, plant and equipment, goodwill and other assets	9,727	2,506	86,324
Amortization of goodwill	970	1,150	8,608
Increase (decrease) in accrued warranty expenses	(1,686)	259	(14,963)
Interest and dividend income	(856)	(1,281)	(7,597)
Gain on sales of property, plant and equipment	(899)	(1,820)	(7,978)
Loss on sales of affiliates' shares	1,111	1,609	9,860
Increase in trade notes and accounts receivable	(8,650)	(1,318)	(76,766)
Increase in inventories	(23,535)	(26,850)	(208,866)
Increase in trade notes and accounts payable	31	9,432	275
Increase in prepaid consumption tax	(1,910)	(11,384)	(16,951)
Increase (decrease) in accrued consumption tax	(1,022)	2,707	(9,070)
Increase (decrease) in customer advances	(15,004)	12,912	(133,156)
Other, net	(203)	(1,203)	(1,801)
<b>Subtotal</b>	<b>83,798</b>	<b>94,425</b>	<b>743,681</b>
Receipts from interest and dividends	957	1,621	8,493
Income taxes paid	(15,357)	(24,240)	(136,288)
<b>Net cash provided by operating activities</b>	<b>69,398</b>	<b>71,806</b>	<b>615,886</b>
<b>Cash flows from investing activities:</b>			
Payment for purchases of short-term investments	(209,491)	(24,997)	(1,859,168)
Proceeds from maturities of short-term investments	68,505	188,302	607,961
Payment for purchases of property, plant and equipment	(11,294)	(11,899)	(100,231)
Proceeds from sales of property, plant and equipment	2,151	2,549	19,089
Payment for acquisition of intangible assets	(708)	(422)	(6,283)
Proceeds from sales of investment securities	1,330	1,093	11,803
Proceeds from sales of affiliates' shares	—	1,726	—
Other, net	(507)	(614)	(4,499)
<b>Net cash provided by (used in) investing activities</b>	<b>(150,014)</b>	<b>155,738</b>	<b>(1,331,328)</b>
<b>Cash flows from financing activities:</b>			
Payment for purchases of treasury stock	(105,532)	(183)	(936,564)
Dividends paid	(33,013)	(17,923)	(292,980)
Other, net	(56)	(108)	(497)
<b>Net cash used in financing activities</b>	<b>(138,601)</b>	<b>(18,214)</b>	<b>(1,230,041)</b>
Effect of exchange rate changes on cash and cash equivalents	(2,777)	3,505	(24,645)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(221,994)</b>	<b>212,835</b>	<b>(1,970,128)</b>
Cash and cash equivalents at beginning of year	317,632	104,797	2,818,885
<b>Cash and cash equivalents at end of year</b>	<b>¥ 95,638</b>	<b>¥317,632</b>	<b>\$ 848,757</b>

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