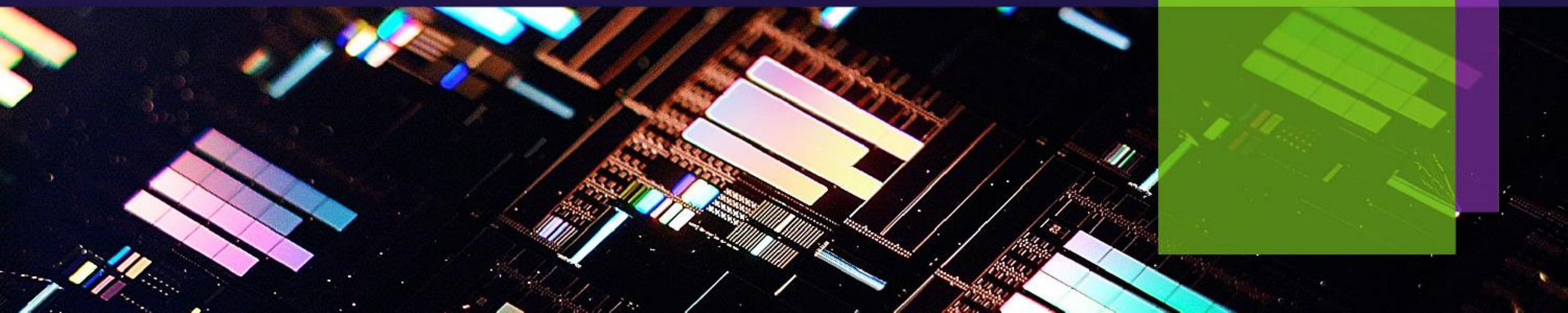


Q2 FY2024 (July - September 2023) Financial Announcement

November 10, 2023

Agenda:

- Q2 FY2024 Consolidated Financial Summary
Hiroshi Kawamoto, Senior Vice President & General Manager, Finance Unit
- Business Environment and Financial Estimates
Toshiki Kawai, Representative Director, President & CEO



Forward Looking Statements

- Disclaimer regarding forward-looking statements

Forward-looking statements with respect to TEL's business plan, prospects and other such information are based on information available at the time of publication. Actual performance and results may differ significantly from the business plan described here due to changes in various external and internal factors, including the economic situation, geopolitical risk, semiconductor market conditions, intensification of sales competition, safety and product quality management, intellectual property-related risks and impacts from COVID-19.

- Processing of numbers

For the amount listed, because fractions are rounded down, there may be the cases where the total for certain account titles does not correspond to the sum of the respective figures for account titles. Percentages are calculated using full amounts, before rounding.

- Foreign exchange risk

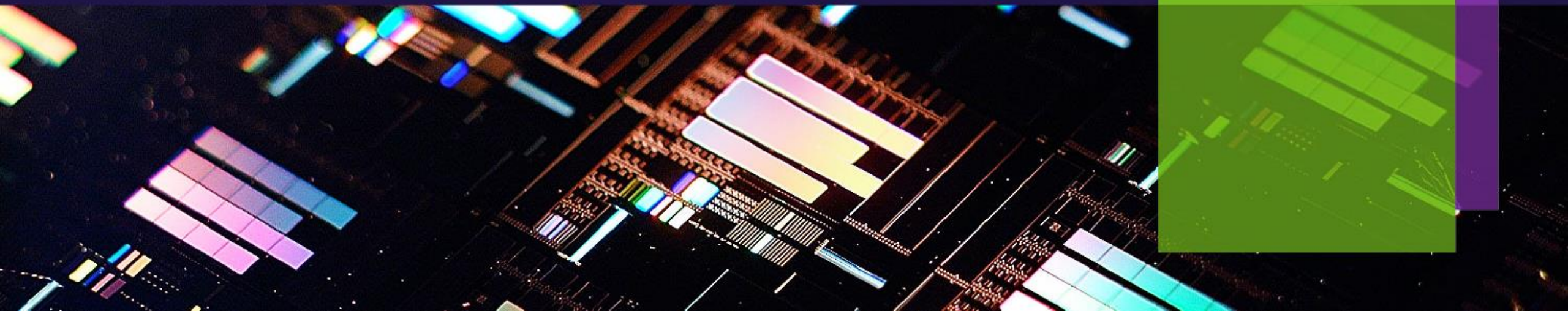
In principle, export sales of Tokyo Electron's products is denominated in yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.



Q2 FY2024 Consolidated Financial Summary

November 10, 2023

Hiroshi Kawamoto
Senior Vice President & General Manager, Finance Unit



Financial Summary (Quarterly)

(Billion Yen)

	FY2023			FY2024		QoQ	YoY
	Q2	Q3	Q4	Q1	Q2	vs. Q1 FY2024	vs. Q2 FY2023
Net sales	709.2	467.8	558.2	391.7	427.8	9.2%	-39.7%
Gross profit	328.2	203.9	251.6	162.3	189.7	16.9%	-42.2%
Gross profit margin	46.3%	43.6%	45.1%	41.4%	44.3%	2.9pts	-2.0pts
SG&A expenses	95.6	89.1	98.9	79.8	93.5	17.2%	-2.2%
Operating income	232.6	114.7	152.7	82.4	96.1	16.6%	-58.7%
Operating margin	32.8%	24.5%	27.4%	21.0%	22.5%	1.5pts	-10.3pts
Income before income taxes	235.2	116.3	155.6	83.0	98.1	18.2%	-58.3%
Net income attributable to owners of parent	179.2	85.5	118.6	64.3	73.1	13.8%	-59.2%
R&D expenses	49.1	46.1	53.7	43.6	51.0	17.0%	3.8%
Capital expenditures	17.3	12.5	26.3	39.3	17.6	-55.2%	1.6%
Depreciation and amortization	9.8	11.2	12.0	10.6	12.5	18.6%	27.1%

1. In principle, export sales of Tokyo Electron's products is denominated in yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.

2. Profit ratios are calculated using full amounts, before rounding.

Financial Performance (Quarterly)

(Billion Yen)

800

600

400

200

0

60%

50%

40%

30%

20%

10%

0%

	FY2023			FY2024	
	Q2	Q3	Q4	Q1	Q2
■ Net sales	709.2	467.8	558.2	391.7	427.8
■ Operating income	232.6	114.7	152.7	82.4	96.1
■ Net income attributable to owners of parent	179.2	85.5	118.6	64.3	73.1
○ Gross profit margin	46.3%	43.6%	45.1%	41.4%	44.3%
○ Operating margin	32.8%	24.5%	27.4%	21.0%	22.5%

Financial Summary (H1)

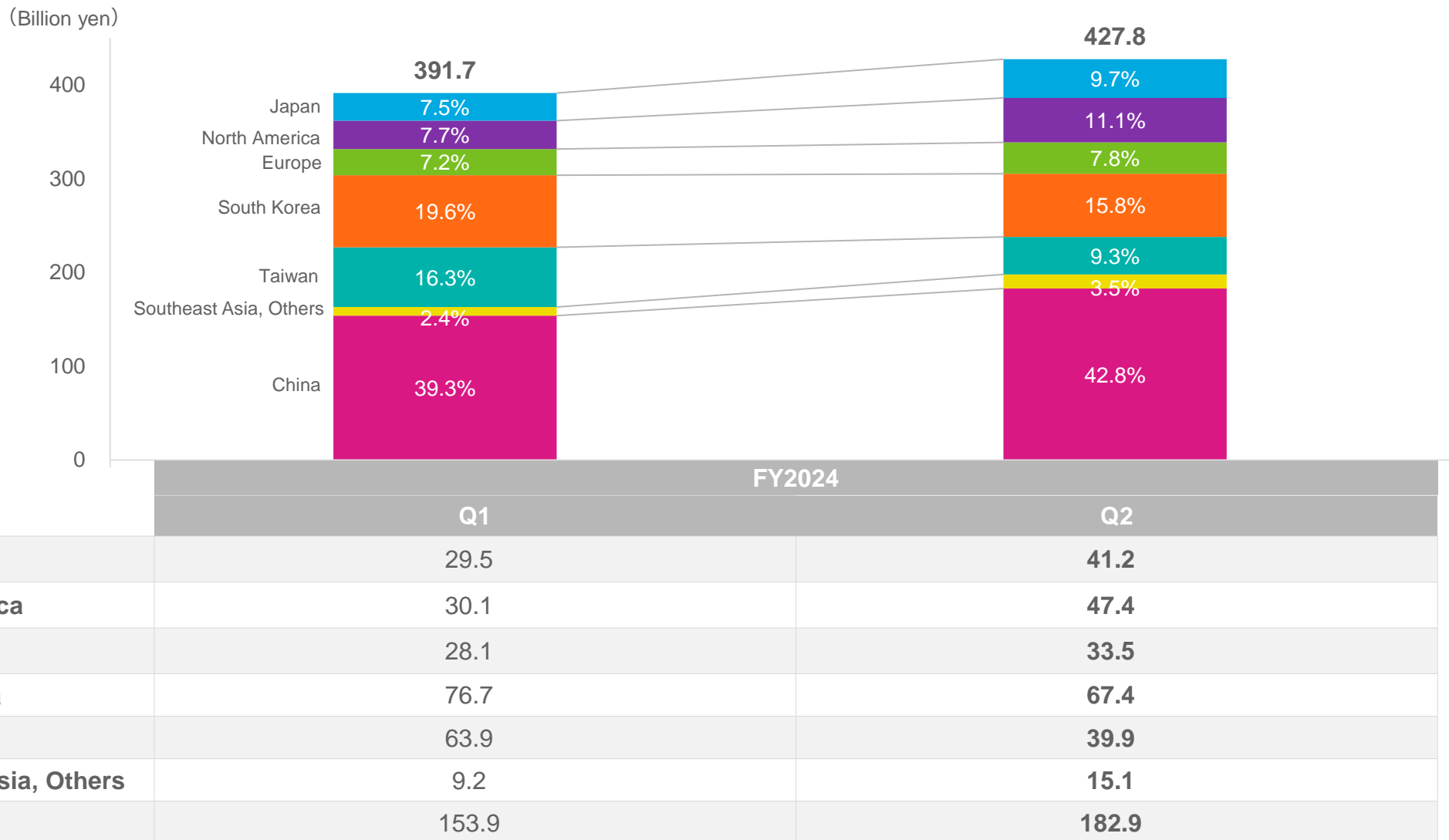
(Billion Yen)

	FY2023		FY2024	HoH	(Reference)
	H1	H2	H1	vs. H2/FY2023	H1/FY2024 (E) announced on Aug. 10
Net sales	1,182.8	1,026.1	819.5	-20.1%	790.0
Gross profit	528.8	455.5	352.0	-22.7%	333.0
Gross profit margin	44.7%	44.4%	43.0%	-1.4pts	42.2%
SG&A expenses	178.6	188.0	173.4	-7.7%	172.0
Operating income	350.1	267.5	178.5	-33.3%	161.0
Operating margin	29.6%	26.1%	21.8%	-4.3pts	20.4%
Income before income taxes	352.9	271.9	181.1	-33.4%	162.0
Net income attributable to owners of parent	267.3	204.2	137.4	-32.7%	120.0
R&D expenses	91.3	99.8	94.6	-5.2%	95.0
Capital expenditures	35.4	38.9	57.0	46.3%	-
Depreciation and amortization	19.6	23.3	23.1	-0.5%	-

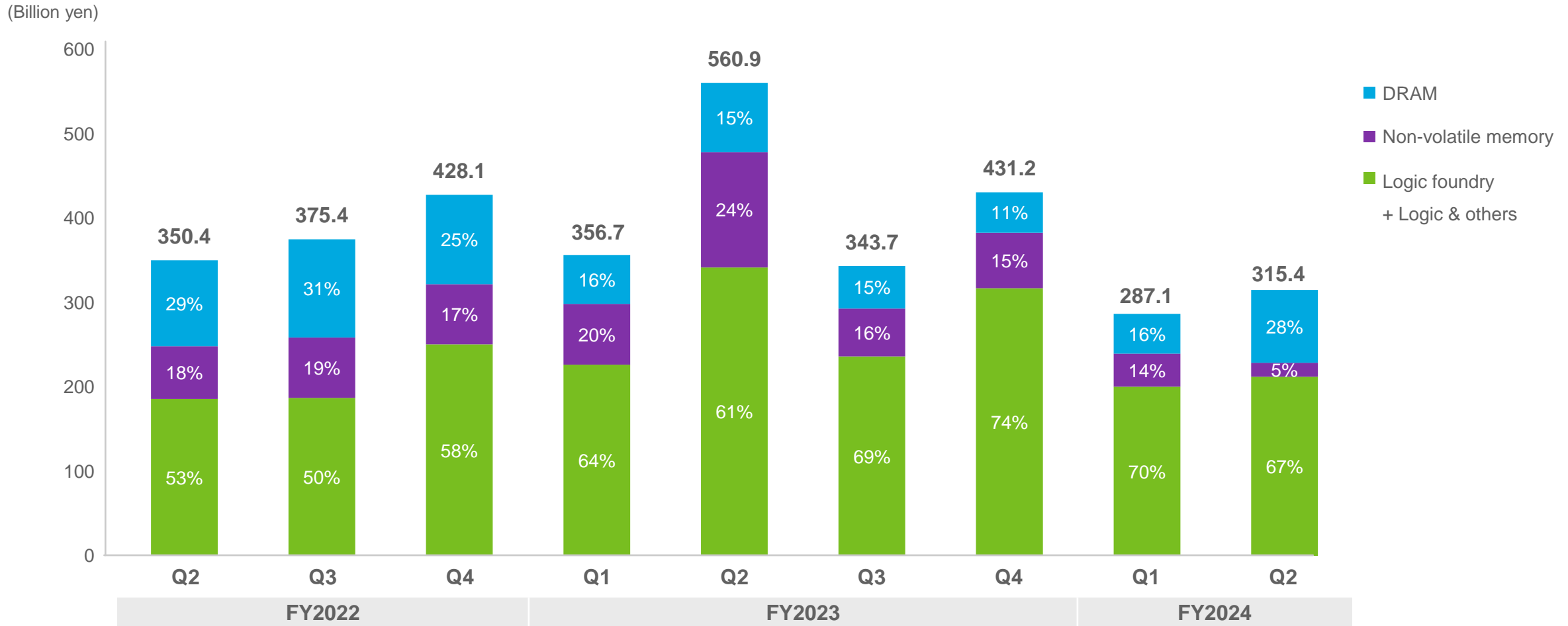
1. In principle, export sales of Tokyo Electron's products is denominated in yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.

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Composition of Net Sales by Region (FY2024 Q1-Q2)

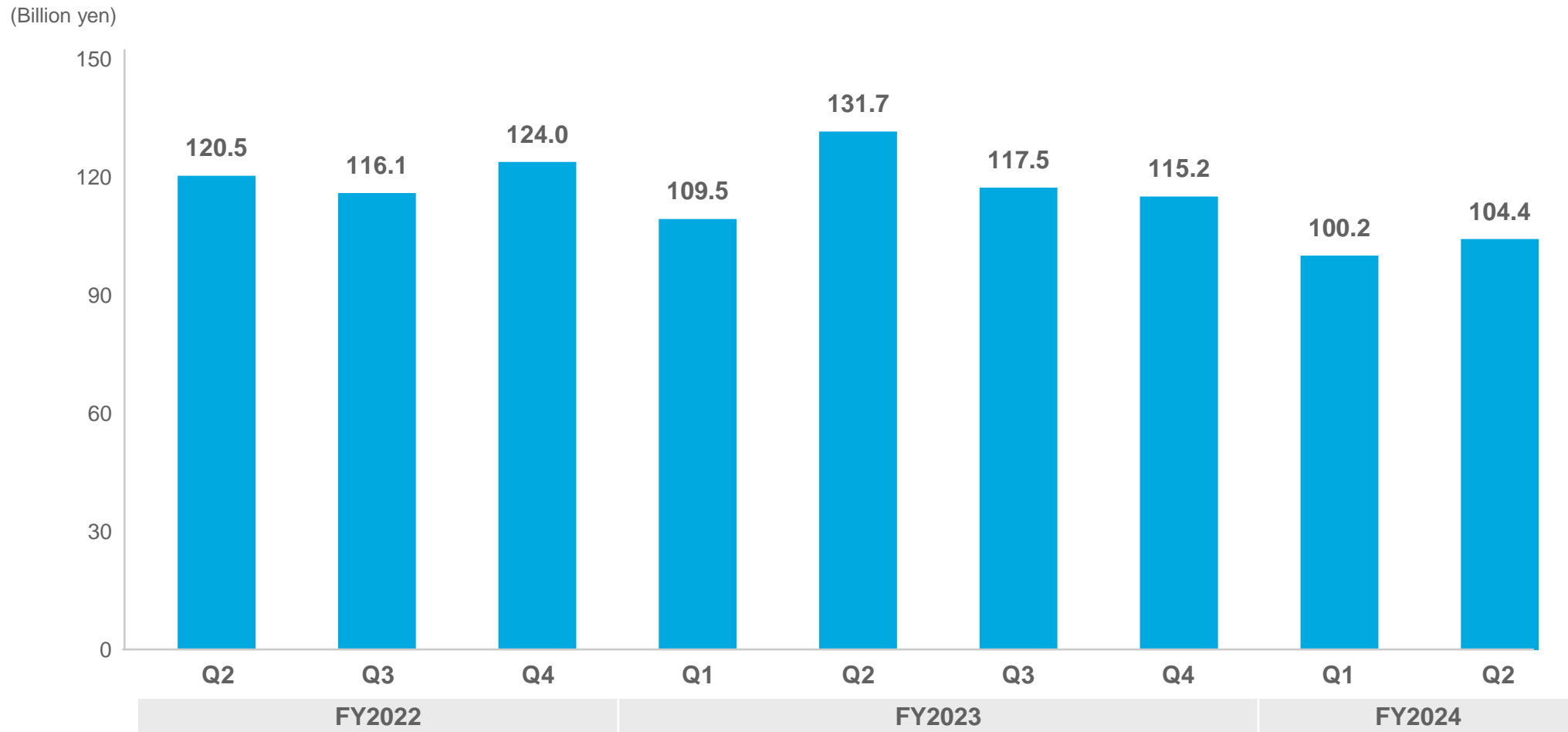


SPE New Equipment Sales by Application (Quarterly)

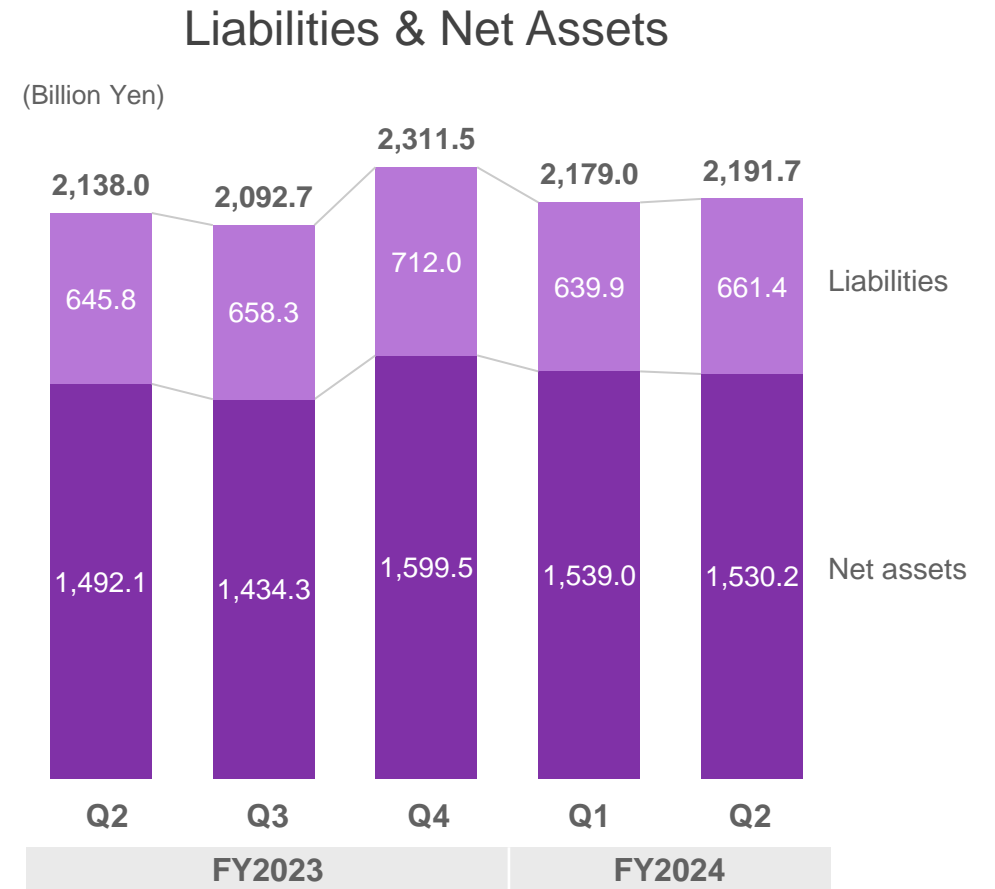
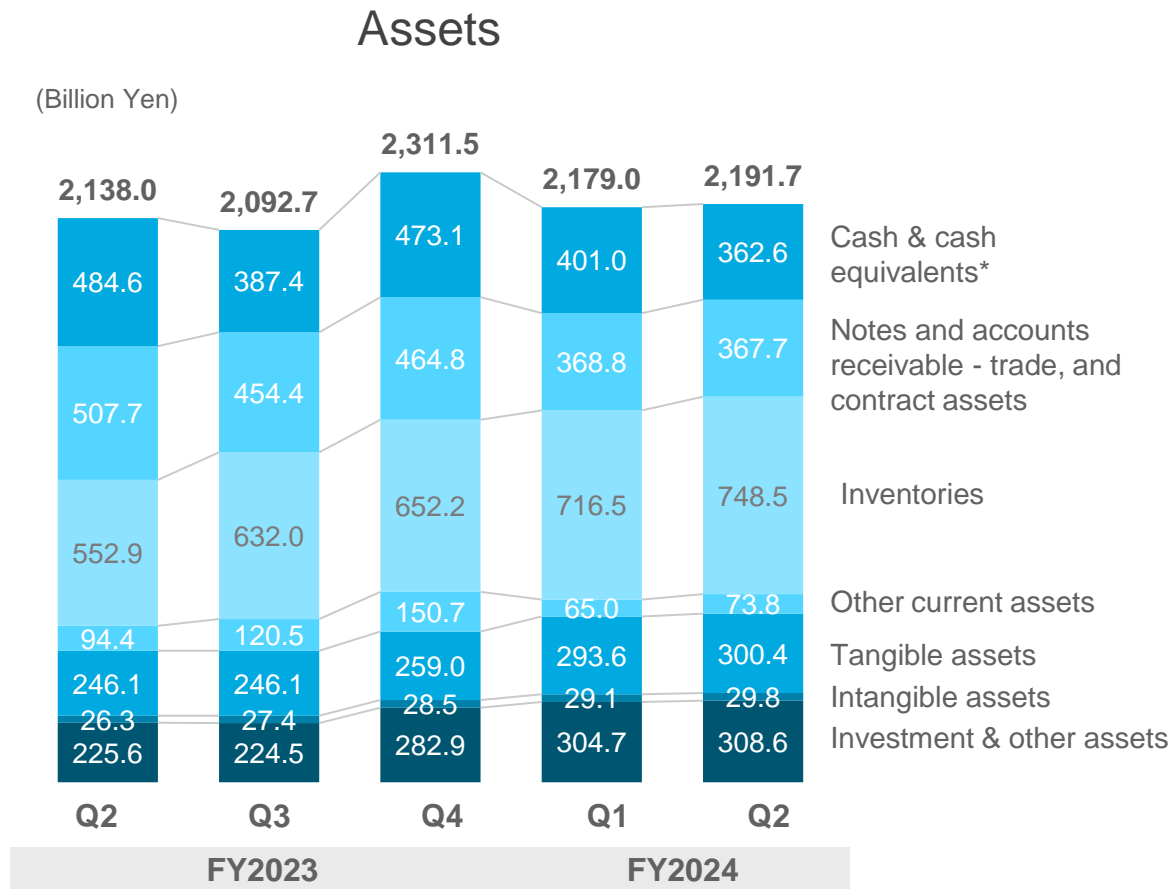


*Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

Field Solutions Sales (Quarterly)

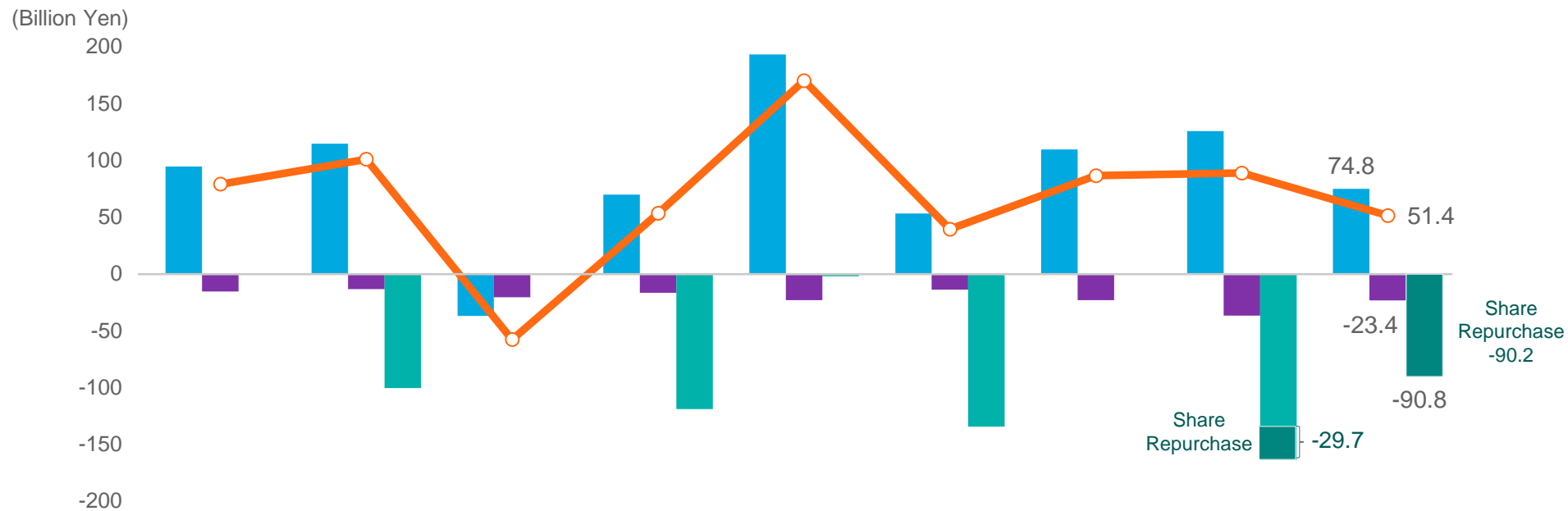


Balance Sheet (Quarterly)



*Cash and cash equivalents: Cash and deposits + Short-term investments, etc. (Securities in B/S).

Cash Flow (Quarterly)



	FY2022			FY2023			FY2024		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
■ Cash flow from operating activities	94.6	114.6	-37.1	69.9	193.4	53.2	109.6	125.7	74.8
■ Cash flow from investing activities* ¹	-15.5	-13.5	-20.7	-16.6	-23.1	-13.8	-23.1	-36.8	-23.4
■ Cash flow from financing activities	-0.2	-100.7	-0.2	-119.1	-2.1	-134.6	-0.5	-164.1	-90.8
○ Free cash flow* ²	79.0	101.0	-57.9	53.3	170.2	39.3	86.5	88.8	51.4
Cash on hand* ³	420.4	423.9	371.2	314.6	484.6	387.4	473.1	401.0	362.6

*1 Cash flow from investing activities excludes changes in time deposits and short-term investments.

*2 Free cash flow = cash flow from operating activities + cash flow from investing activities (excluding changes in time deposits and short-term investments).

*3 Cash on hand includes cash and cash equivalents + time deposits and short-term investments with original maturities of more than three months.

Status of Share Repurchase

- Completed by September 30, 2023

- Total number of shares acquired 5,899,200 shares
- Total cost of acquisition 119,998,066,003 yen

- Reference

(Resolution of the Board of Directors' meeting held on May 11, 2023)

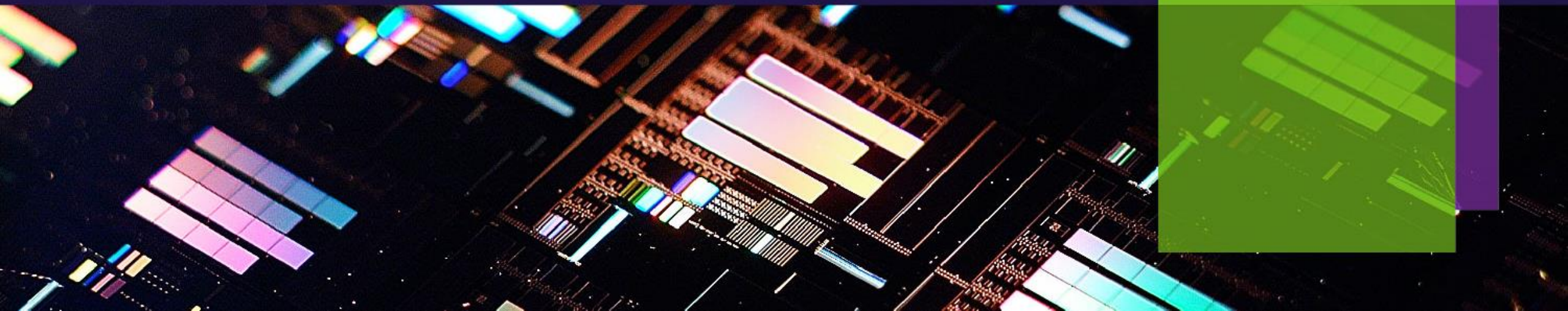
- Type of shares to be acquired Shares of common stock
- Total number of shares to be acquired Up to 10 million shares
(Equivalent to 2.1% of outstanding shares excluding treasury stock)
- Total cost of acquisition Up to 120 billion yen
- Period of acquisition From June 1, 2023 to December 31, 2023



Business Environment and Financial Estimates

November 10, 2023

Toshiki Kawai
Representative Director, President & CEO



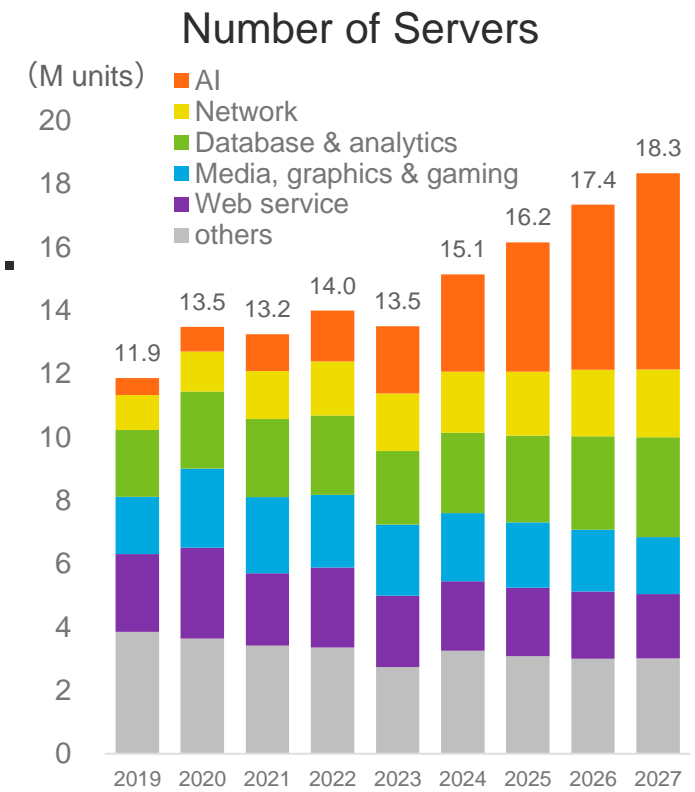
Business Environment (WFE Market Outlook as of November 2023)

- **CY2023: Had forecasted around \$70-75B; revised to around \$85-90B**

- Signs of delayed investment in leading-edge logic/foundry, but investment by Chinese customers accelerating significantly in mature nodes
- Progress in equipment installations deferred from last year to this year

- **CY2024 to increase slightly on upward revision in CY2023. CY2024/CY2025: Market heading for 2-year cumulative scale of \$200B**

- Strong growth of AI servers (CAGR 2023-2027: +31%)
- Drivers of recovery for PC/smartphone demand:
 - New functions, such as on-device AI, for new applications
 - Replacement of products purchased during COVID-19
 - Corporate IT investment



Source: Omdia

Q2 FY2024 Business Progress

- Net sales, profit, and other indices all achieved plan
 - Net sales ¥427.8B, Operating income ¥96.1B, Net income ¥73.1B
- Good progress in technology development for leading-edge processes
- Increase in inquiries for advanced packaging
- New Yamanashi development building established in July
- Also made progress in non-financial areas such as sustainability
 - All TEL group companies in Japan achieved a rate of 100% renewable energy usage (Jun.)
 - Tokyo Electron Technology Solutions' Fujii Head Office and Hosaka Office received the RBA's^{*1} top platinum status. Plan to acquire the same rating for Kyushu and Miyagi offices (Sep.)
 - Received SBT^{*2} certification for greenhouse gas emissions reduction targets (Oct.)
- Completed approximately ¥120B share buyback

^{*1} RBA (Responsible Business Alliance): The world's largest industry association promoting supply chain sustainability, particularly in the electronics industry

^{*2} SBT (Science Based Targets): Targets set by companies for the next 5 to 15 years, consistent with the levels mandated by the Paris Agreement. SBTi, an international initiative to certify greenhouse gas emissions reduction targets, conducts assessments of companies' targets

FY2024 Financial Estimates

FY2024 Financial Estimates

(Billion yen)

	FY2023 (Actual)	FY2024			
		Actual	New Estimate		Adjustments* ¹
		H1	H2	Full Year	Full Year
Net sales	2,209.0	819.5	910.4	1,730.0	+30.0
Gross profit	984.4	352.0	410.9	763.0	+22.0
Gross profit margin	44.6%	43.0%	45.1%	44.1%	+0.5pts
SG&A expenses	366.6	173.4	188.5	362.0	+14.0
R&D	191.1	94.6	110.3	205.0	+5.0
Other than R&D	175.4	78.7	78.2	157.0	+9.0
Operating income	617.7	178.5	222.4	401.0	+8.0
Operating margin	28.0%	21.8%	24.4%	23.2%	+0.1pts
Income before income taxes	624.8	181.1	222.8	404.0	+9.0
Net income attributable to owners of parent	471.5	137.4	169.5	307.0	+7.0
Net income per share (Yen)*²	1,007.82	295.13	-	661.14	+20.61

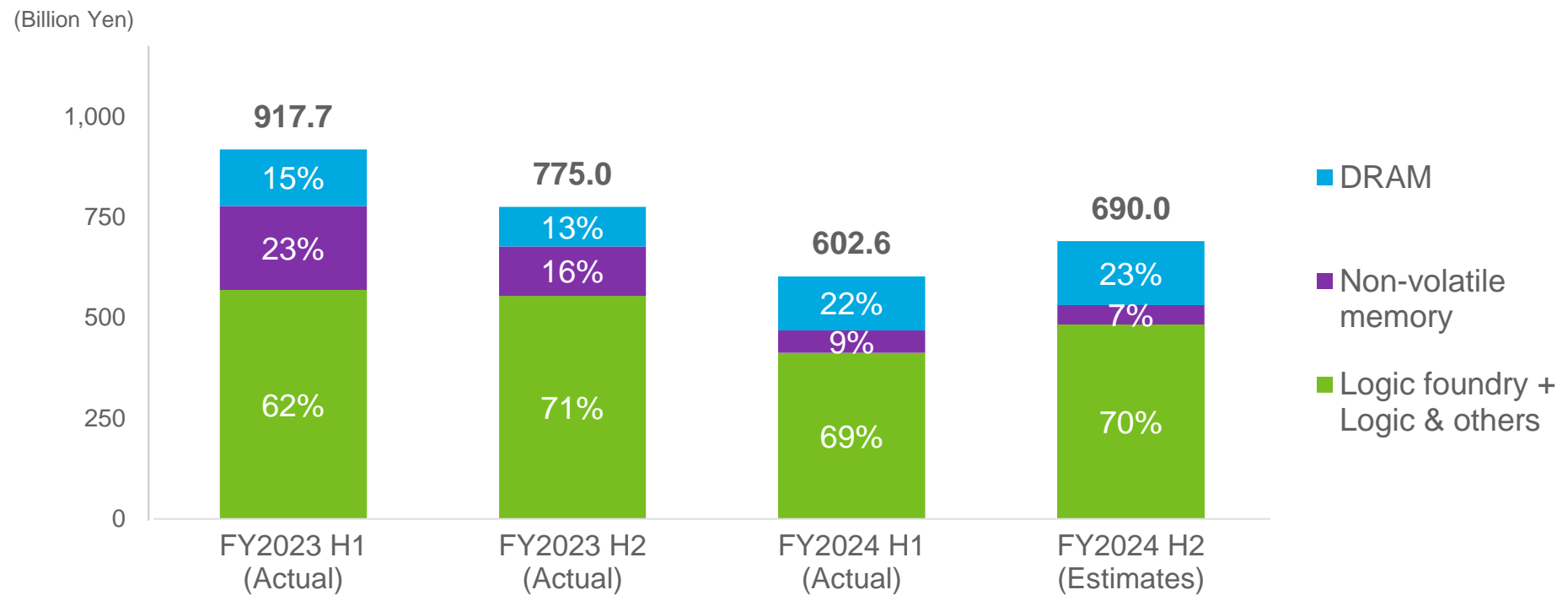
*1 Changes from the figures announced on August 8, 2022.

*2 The Company implemented a 3-for-1 common stock split on April 1, 2023. Net incomes per share are calculated on the assumption that stock split was implemented at the beginning of FY2023.

Revised financial estimates to reflect the results of H1

FY2024 SPE New Equipment Sales Forecast

Sales by Application



Percentages on the graph show the composition ratio of new equipment sales. Field solutions sales are not included.

Sales of new equipment are expected to be in transition to upward trend

FY2024 R&D Expenses and Capex Plan

New Development Building

Deposition system, etch system, corporate R&D



Nirasaki-city, Yamanashi Prefecture
Established in July 2023

Tohoku Production and Logistics Center

Deposition system



Oshu-city, Iwate Prefecture
Completion scheduled for autumn 2025

New Development Building

Coater/Developer, Surface preparation systems



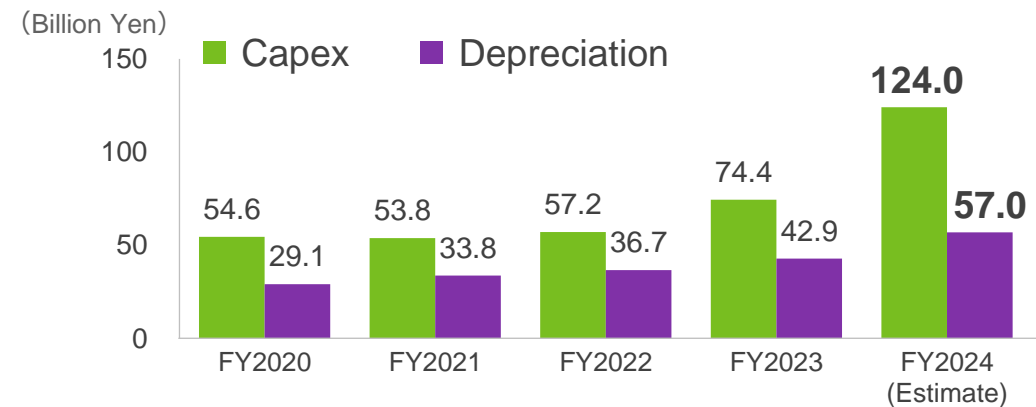
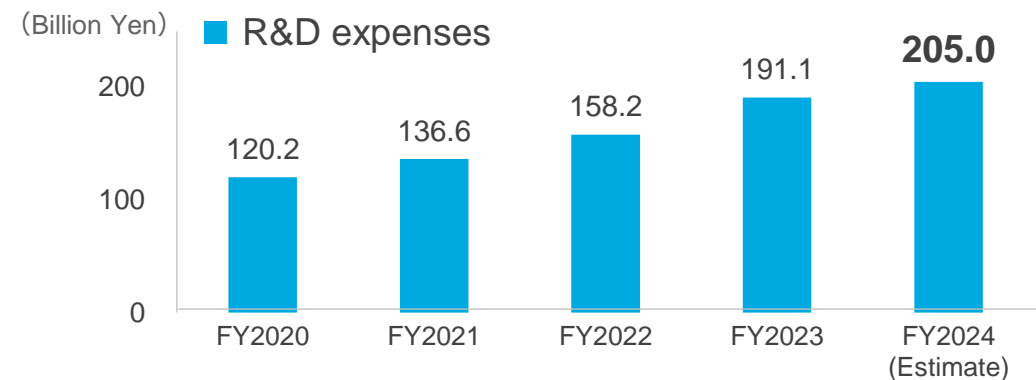
Koshi-city, Kumamoto Prefecture
Completion scheduled for summer 2025

New Development Building

Etch systems



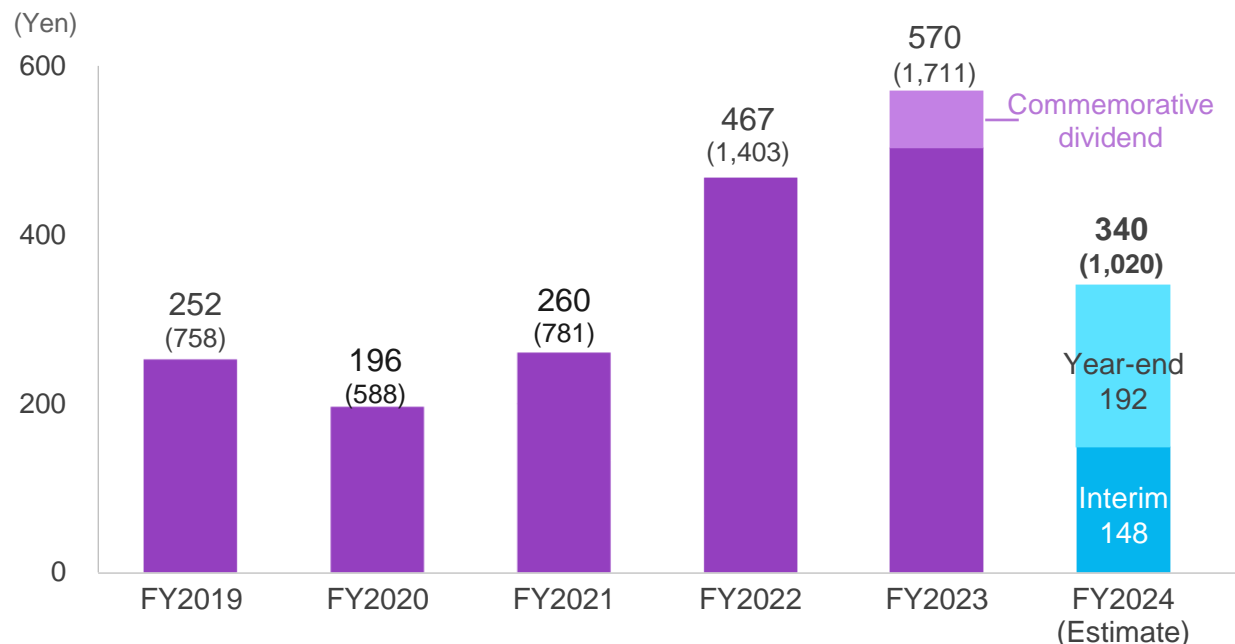
Kurokawa-gun, Miyagi Prefecture
Completion scheduled for spring 2025



Continue aggressive R&D and capital investment for sustainable growth

FY2024 Dividend Forecast

Dividend per Share



- Dividends per share from FY2019 to FY2023 are calculated on the assumption that the stock split was conducted at the beginning of FY2019.
- FY2023 includes the 60th anniversary commemorative dividends.
- Amounts before the stock split are shown in parentheses.

TEL shareholder return policy

Dividend payout ratio: 50%

Annual DPS of not less than 50 yen*

We will review our dividend policy if the company does not generate net income for two consecutive fiscal years

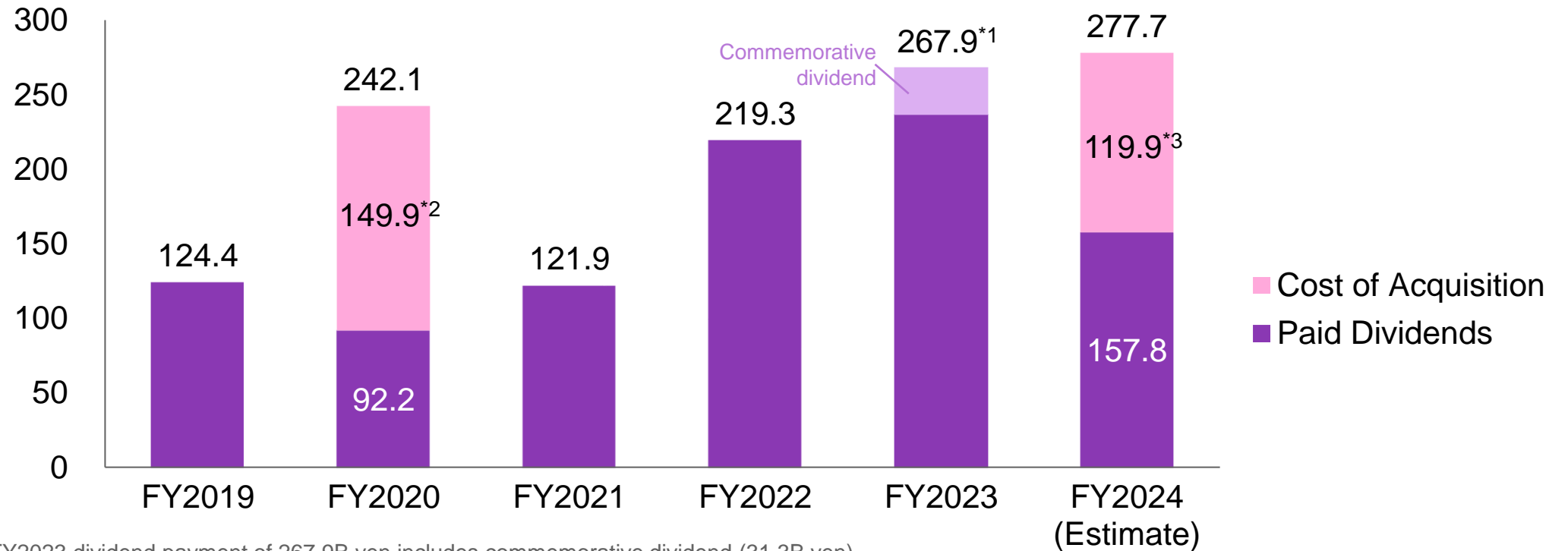
We will flexibly consider share buybacks

*Due to the stock split on April 1, 2023, the amount has been changed from 150 yen to 50 yen.

**Implemented a 3-for-1 common stock split on April 1, 2023.
Full-year dividends are expected to be 340 yen per share**

Total Return Amount

(Billion yen)



*1 FY2023 dividend payment of 267.9B yen includes commemorative dividend (31.3B yen).

*2 https://www.tel.com/news/ir/2020/20200106_001.html

*3 https://www.tel.com/news/ir/2023/de4nhu0000000045-att/20231002_001_e.pdf

Combined with share buyback, total return amount is expected to be the highest ever



TEL | 60[↑] years