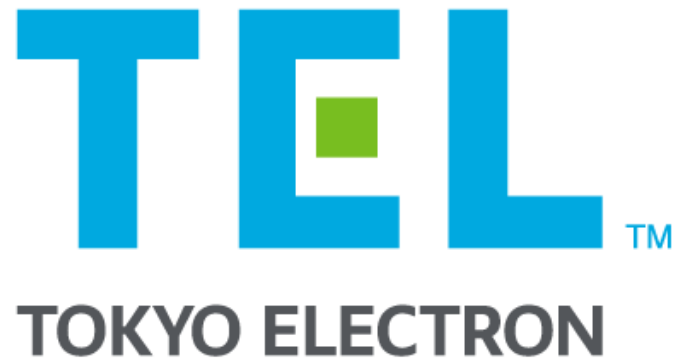


The 58th Annual General Meeting of Shareholders



June 17, 2021

FY2021 Financial Report

(FY2021: April 1, 2020 – March 31, 2021)

Consolidated statement of income

(Billion yen)

	FY2020		FY2021		Increase or decrease
		(%)		(%)	
Net sales	1,127.2	100.0	1,399.1	100.0	271.8
Gross profit	451.9	40.1	564.9	40.4	113.0
Operating income	237.2	21.0	320.6	22.9	83.3
Ordinary income	244.9	21.7	322.1	23.0	77.1
Income before income taxes	244.6	21.7	317.0	22.7	72.4
Net income attributable to owners of parent	185.2	16.4	242.9	17.4	57.7

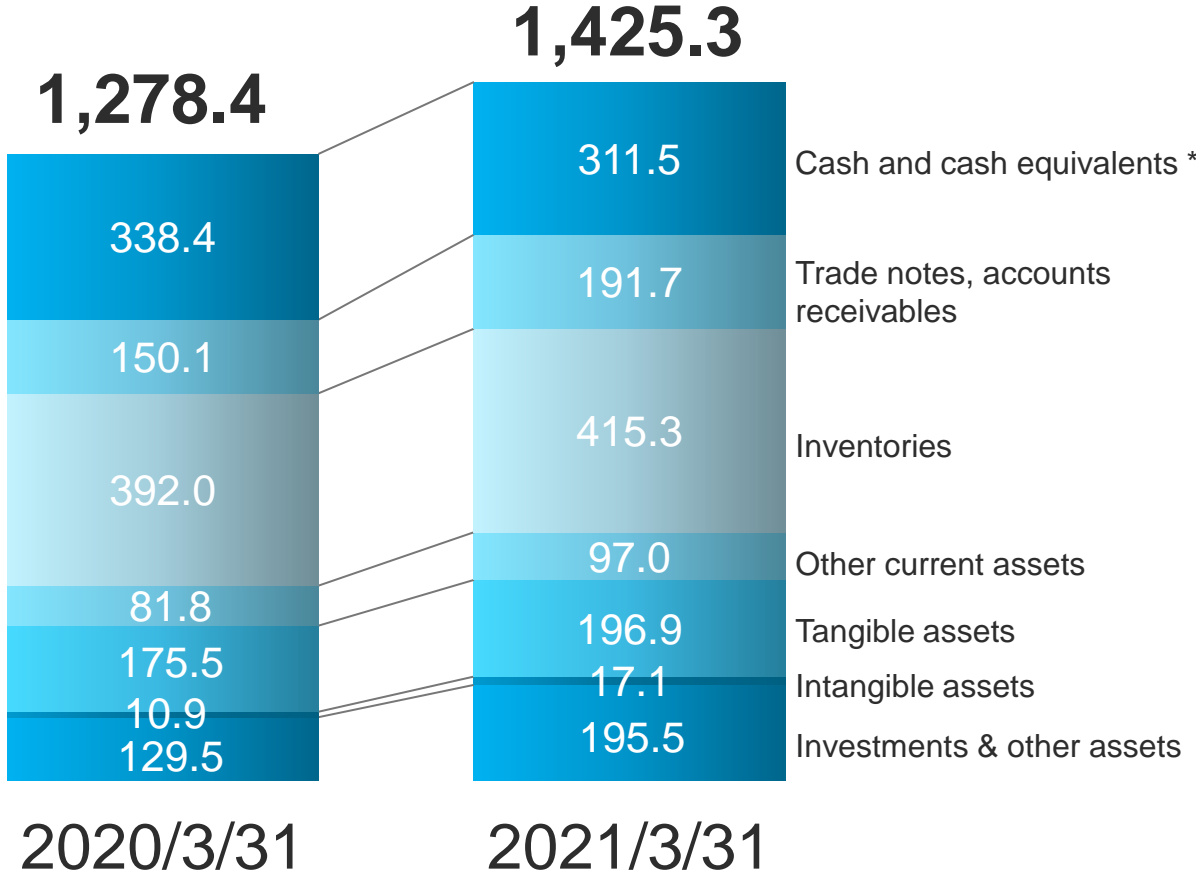
Record highs in both sales and operating income

FY'21 business performance background

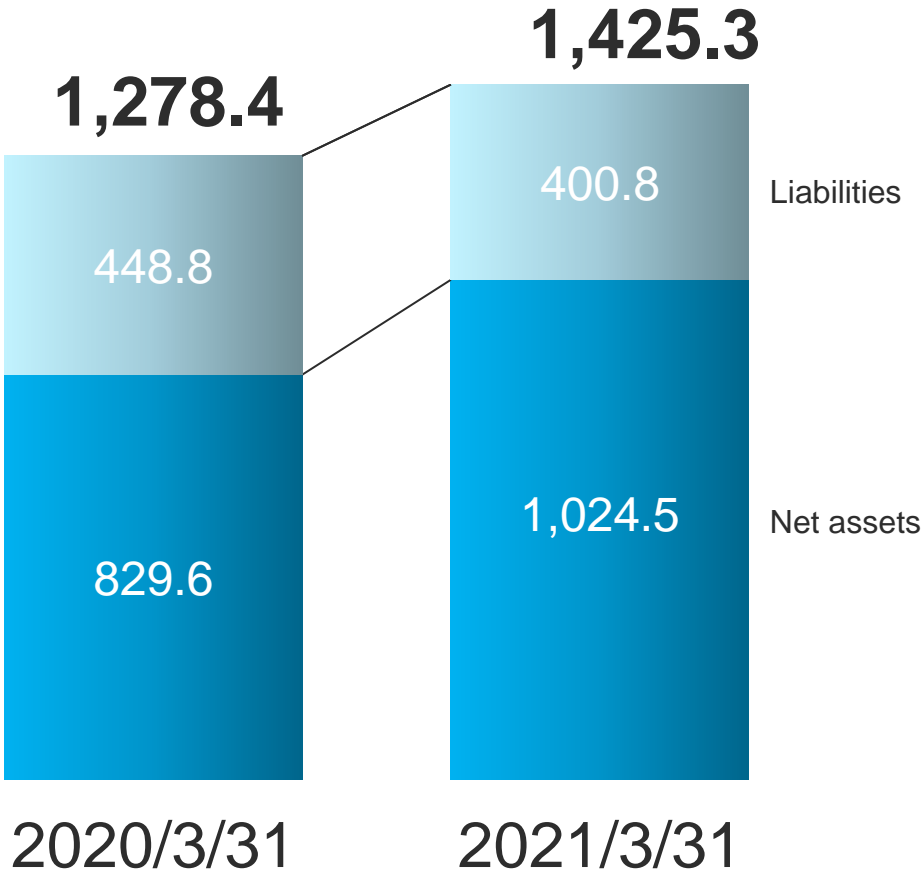
- As the digital shift of society progressed, the demand for semiconductors expanded, and the equipment market grew significantly.
- Growth strategy progressed steadily. Sales and services of the latest products to meet customers' high technological demands have expanded.
- In the midst of travel restrictions due to the COVID-19, we leveraged our total strength and completed the largest-ever equipment shipment and start-up without delay.

Consolidated balance sheet

Assets (Billion Yen)



Liabilities & Net Assets (Billion Yen)



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

Non-consolidated financial statement

■ Statement of Income

(Billion Yen)

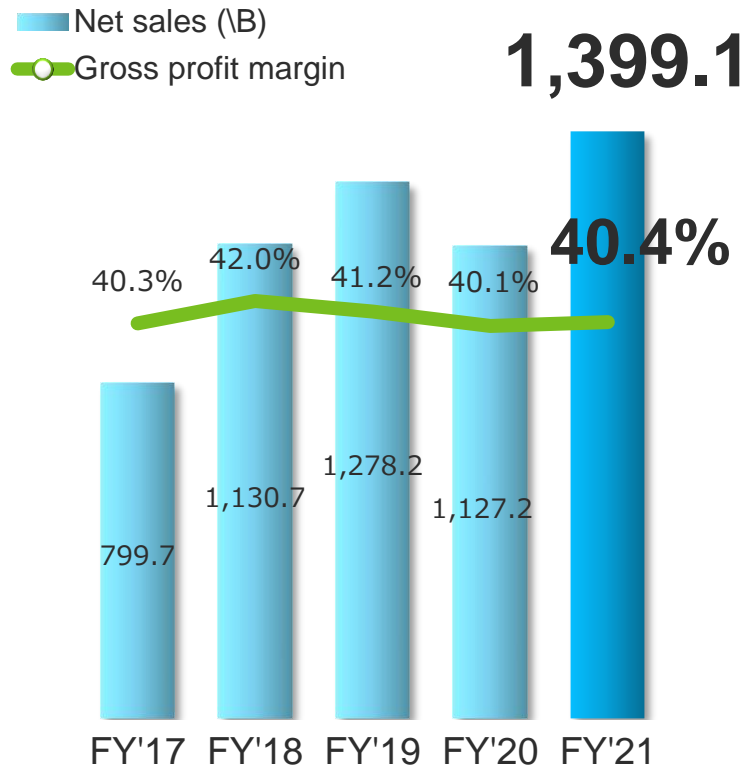
	FY2020		FY2021		Variance
		(%)		(%)	
Net sales	1,029.4	100.0	1,292.8	100.0	+263.4
Operating income	101.7	9.9	164.0	12.7	+62.2
Ordinary income	209.7	20.4	260.1	20.1	+50.3
Income before income taxes	209.7	20.4	259.2	20.1	+49.5
Net income	177.5	17.2	211.4	16.4	+33.9

■ Balance Sheet

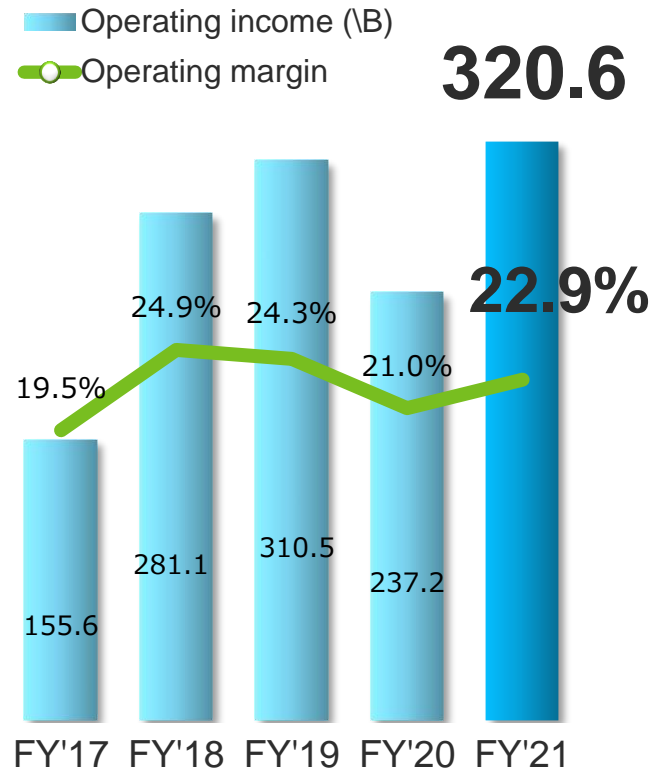
	FY2020		FY2021		Variance
		(%)		(%)	
Total assets	1,005.1	100.0	1,034.5	100.0	+29.3
Total liabilities	525.3	52.3	408.5	39.5	-116.7
Total net assets	479.8	47.7	625.9	60.5	+146.0
Total liabilities & net assets	1,005.1	100.0	1,034.5	100.0	+29.3

Five-year performance

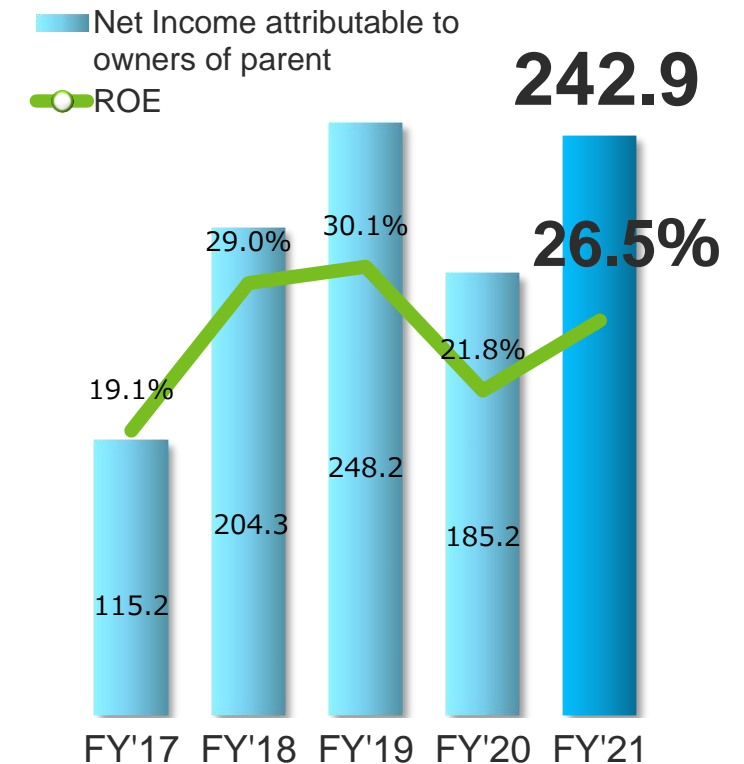
Net Sales and Gross Profit Margin



Operating Income and Operating Margin



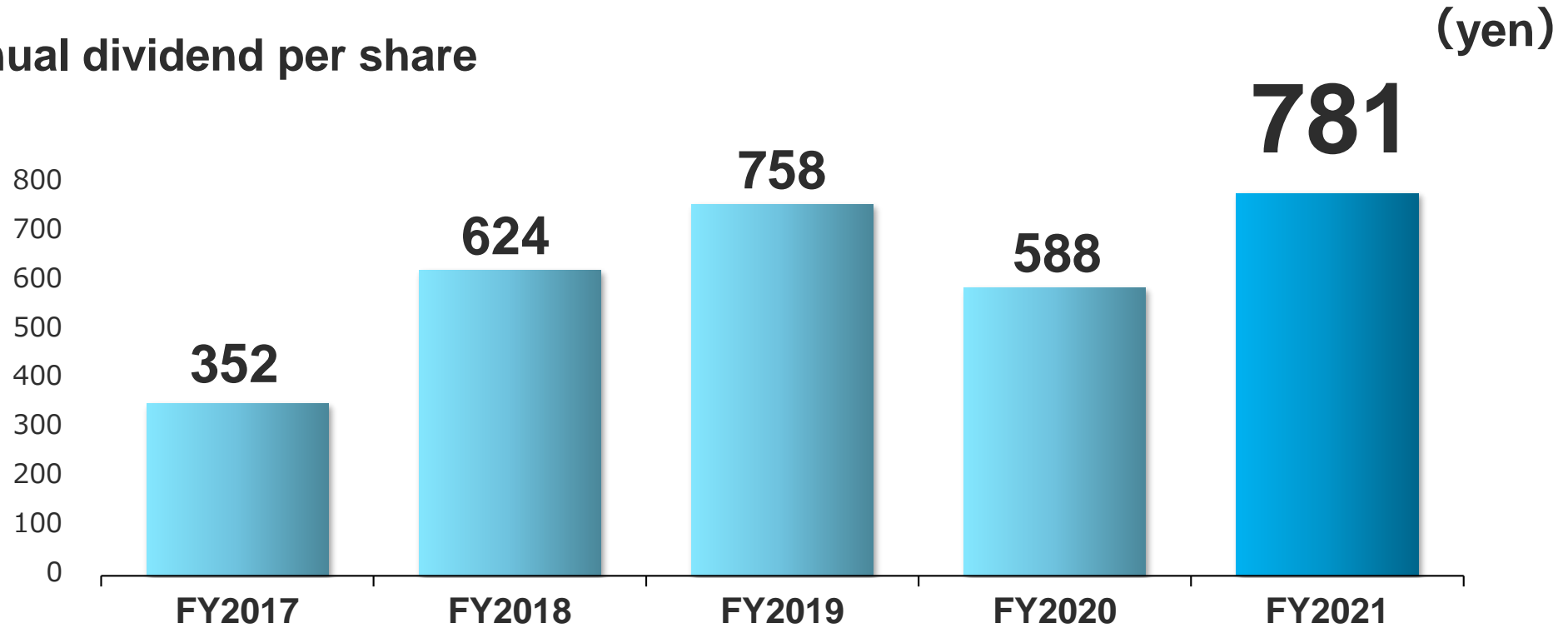
Net Income attributable to Owners of Parent and ROE



Achieved sales of over 1 trillion yen and OPM of 20% or more for 4 consecutive years

FY'21 dividend

▶ Annual dividend per share



	Interim	Year-end	Annual dividend
FY2021	360 yen	421 yen	781 yen

Total dividend	Payout ratio
121.9 billion yen	50.0%

FY2022 Financial Estimates

(FY2022: April 1, 2021 – March 31, 2022)

CY2021 Business environment

▶ **WFE (Wafer Fab Equipment) capex**

Driven by strong demand for semiconductors for 5G smartphones and data centers, 30% YoY growth is expected

▶ **FPD (Flat panel display) production equipment capex**

Technological innovation from liquid-crystal display to OLED display is accelerating. Since OLED is in the evaluation stage for establishing mass production technology, capex is expected to decrease from the previous year.

(TEL analysis based on market conditions as of June 2021)

FY'22 consolidated financial estimate

(Billion yen)

	1 st Half	2 nd Half	Full year
Net sales	840.0	860.0	1,700.0
SPE	814.0	829.0	1,643.0
FPD	26.0	31.0	57.0
Operating income	218.0	224.0	442.0
	26.0%	26.0%	26.0%
Ordinary income	218.0	224.0	442.0
Income before income taxes	218.0	224.0	442.0
Net income attributable to owners of parent	163.0	167.0	330.0

SPE: Semiconductor production equipment FPD: Flat panel display production equipment

FY'22 estimate is prepared by applying the "Accounting Standards for Revenue Recognition" (Corporate Accounting Standards No. 29).

Expect record highs in sales and all profit items

Aiming for medium- to long-term profit expansion and continuous improvement of corporate value

1. Business environment
2. Medium-term management plan
3. Aiming to further increase corporate value
4. Returns to shareholders

1. Business environment

Looking back on 2020

COVID-19 pandemic
Frequent natural disasters due to climate change
Geopolitics and human rights issues



Severe impact on people's lives

Transition to a New Normal



Progressing digital shift in society

Trends to the future

Digital (ICT / DX)

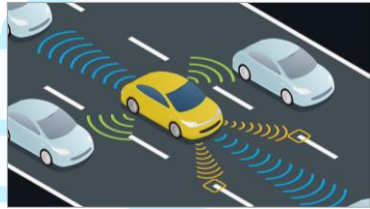
×

Green (decarbonization)



World aims to build a carbon-free society while strongly using ICT and DX in order to build a strong and resilient society in which economic activities do not stop under any circumstances

Market structure of digitalization



Autonomous driving



Smart city



Smart factory



Smart agriculture



Smart medical

Digital industry

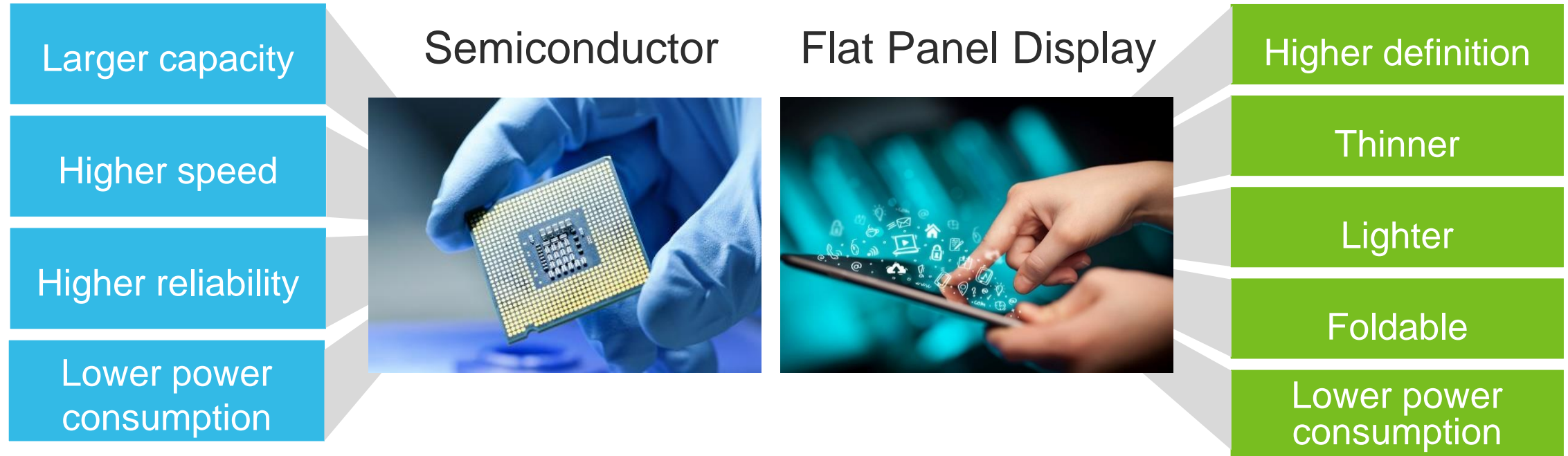
ICT

semiconductor



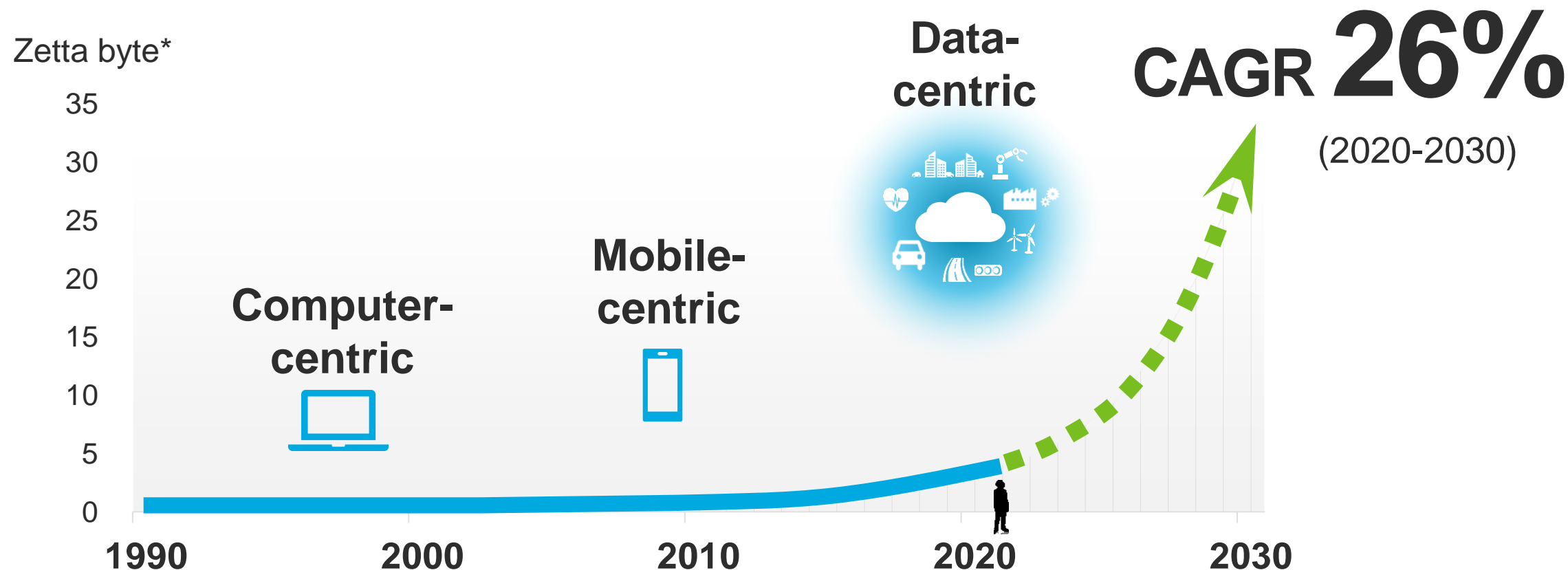
The semiconductor is an important infrastructure at the core of society

Technology requirements never stop toward evolution



Technological demands will increase further

World data traffic

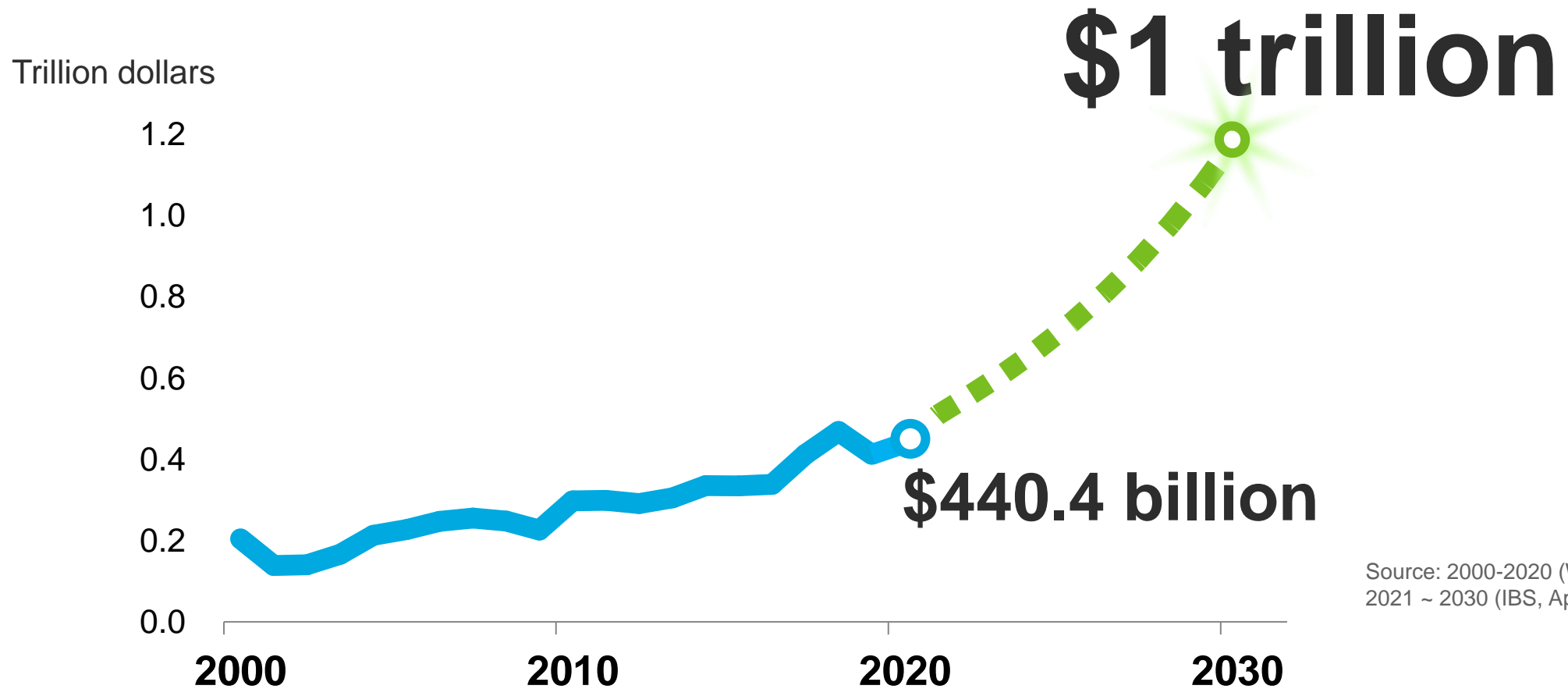


Source: Omdia

* Zettabyte: 1Zettabyte = 10^{21} byte, 1Zettabyte is said to be "the number of sand grains on sandy beaches around the world"

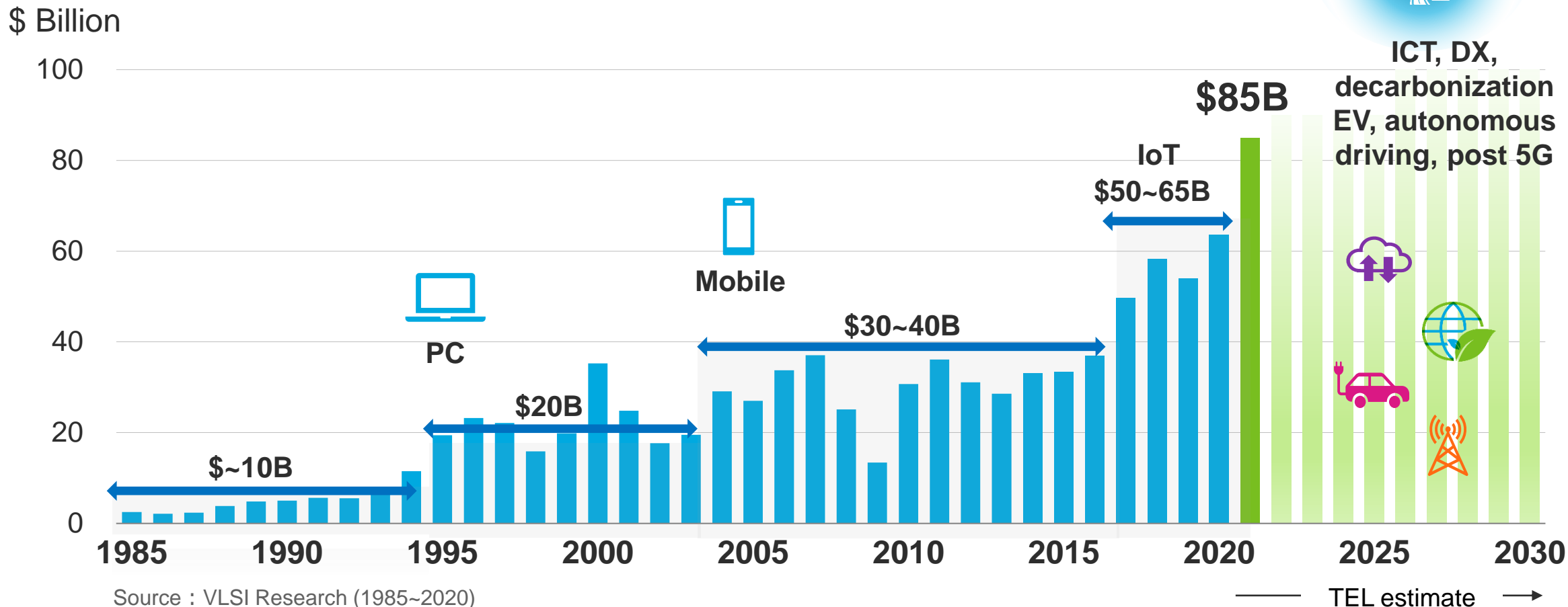
Explosive increase in data traffic

Semiconductor market outlook



**Market is expected to more than double
in the next 10 years**

WFE market outlook



**Wave of technological innovation is coming
Entered a new growth phase**

2. Medium-term management plan

Medium-term management plan

	Financial model (~ FY'24)		
Net sales	1.5 T yen	1.7 T yen	2 T yen
Operating margin	26.5%	28.0%	>30.0%
ROE	>30.0%		

Targeting world-class profitability and ROE

Progress on the medium-term management plan

	FY'21 (Actual)	FY'22 (Forecast)	Financial model (~ FY'24)		
Net sales	1.4 T yen*	1.7 T yen	1.5 T yen	1.7 T yen	2 T yen
Operating margin	22.9%	26.0%	26.5%	28.0%	>30.0%
ROE	26.5%	—	>30.0%		

*FY'21 sales are displayed by rounding off 1,399.1 billion yen

FY'22 forecast approaches financial model

TEL is a maker

**Aim for “Only One” and “Number One”
through providing best products and
best technical service**

Important and priority material issues



Take advantage of TEL's strengths

**Only
one**



Deposition



Coater/
developer



Etching



Cleaning

Have products in 4 sequential processes

Take advantage of TEL's strengths

No.1

Major products and market position

#1 #2 #2 #1 #1 #1 #2 #1



Coater / developer



Cleaning



Plasma etching



Gas chemical etching



Diffusion furnace



Batch deposition



Metal deposition



Prober

(TEL estimate)

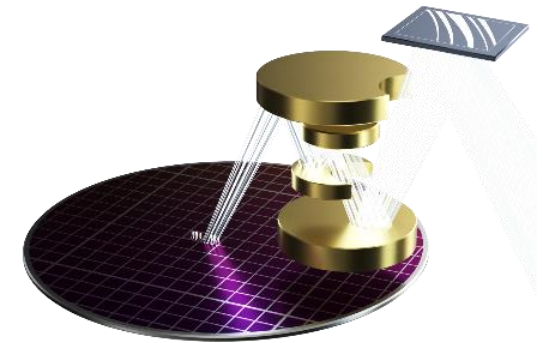
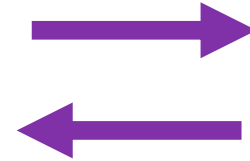
Products with the world's No.1 or No.2 market share

Take advantage of TEL's strengths

100%



Coater/developer



EUV lithography

100% share of coater/developer for EUVL

EUV: Extreme Ultraviolet

Take advantage of TEL's strengths

No.1

Industry's largest install base

76,000 units

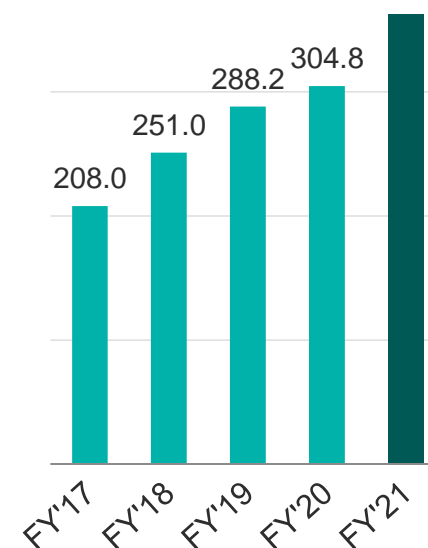
Annual increase by about

4,000 units



Field Solution Sales

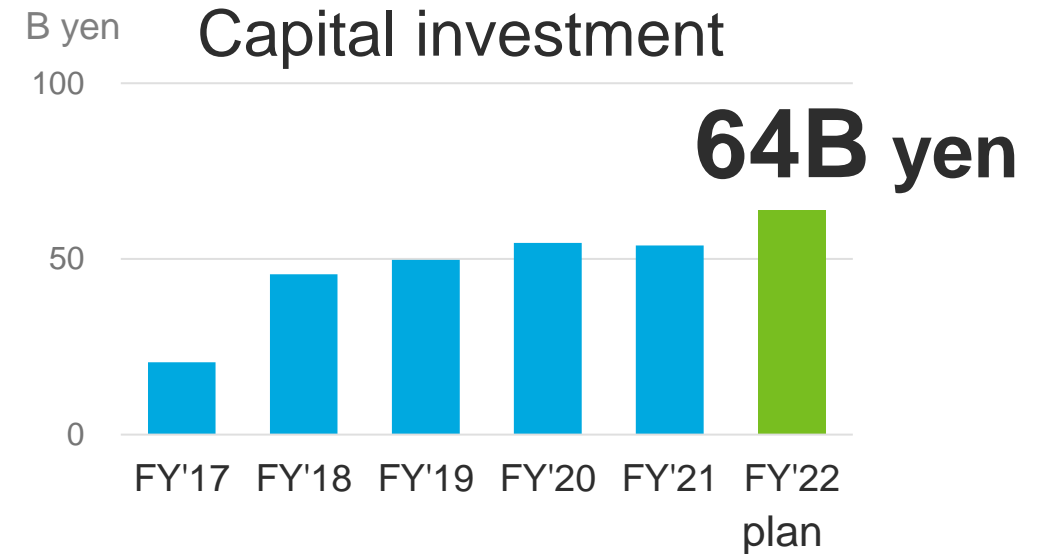
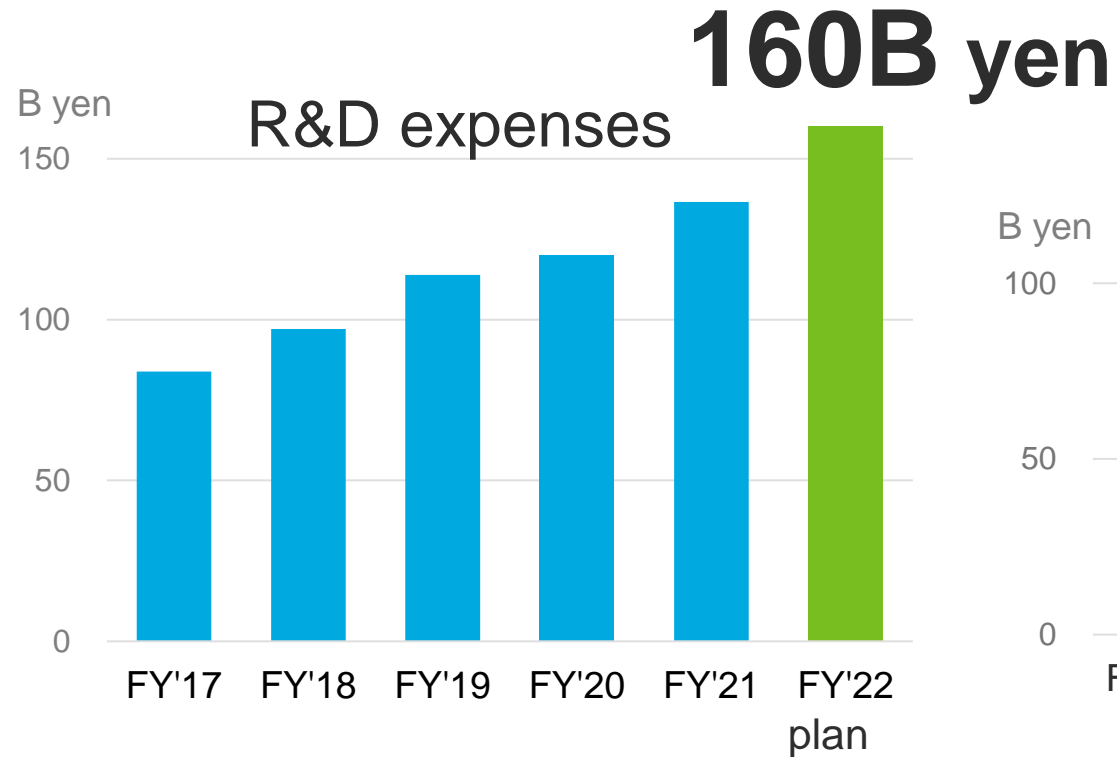
362.3B yen



Sold equipment creates new business opportunities

**Virtually every semiconductor
and display passes through
TEL equipment**

Investment for growth



**Leveraging a strong financial base,
continue aggressive R&D and capital investment**

Toward business expansion

Strengthen production

Tohoku plant, new production building

Began operation in July 2020



Oshu City, Iwate

Yamanashi plant, new production building

Began operation in August 2020



Nirasaki City, Yamanashi

Miyagi plant, land

Land acquisition in May 2021



Kurokawa District, Miyagi

Respond to diversifying needs

TEL Digital Design Square

Opened in November 2020



Sapporo City, Hokkaido

Miyagi Technology Innovation Center

Completion scheduled for September 2021



Kurokawa District, Miyagi

Yamanashi, new development building

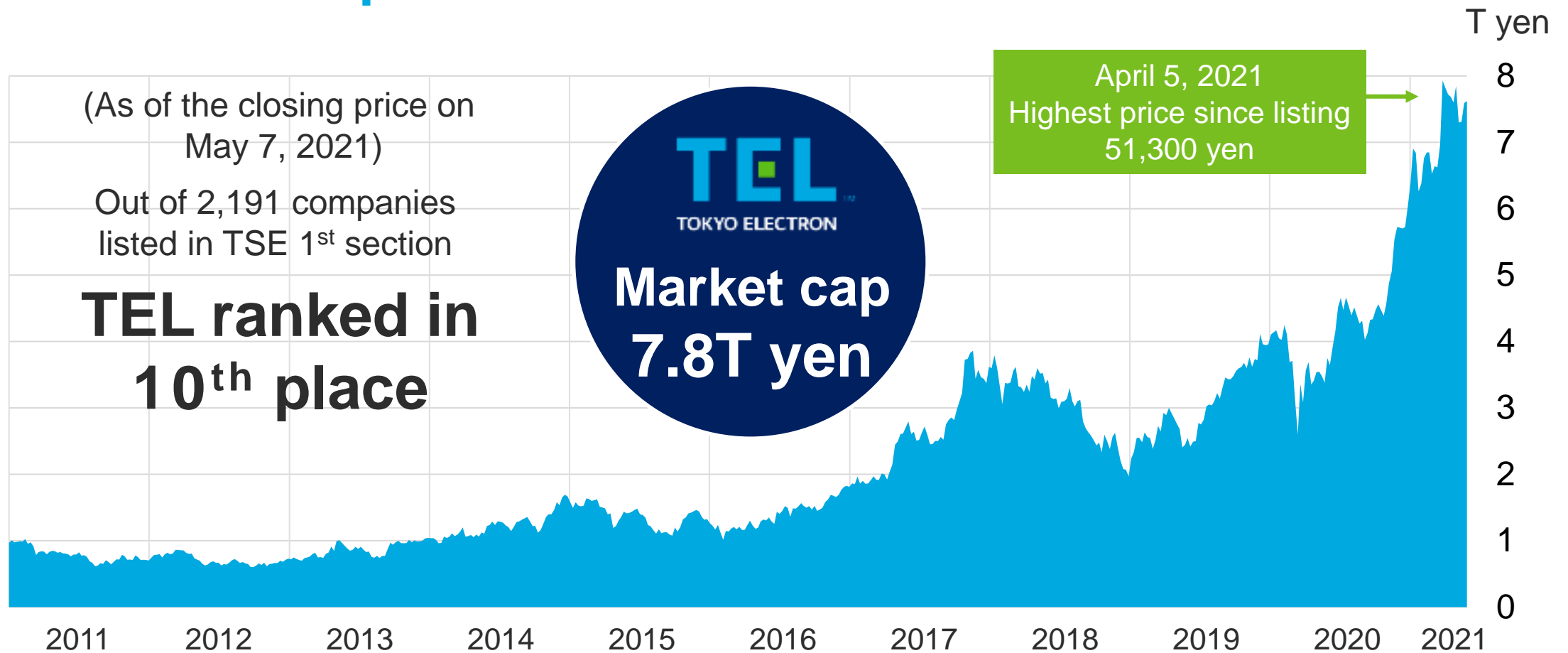
Completion scheduled for spring 2023



Nirasaki City, Yamanashi

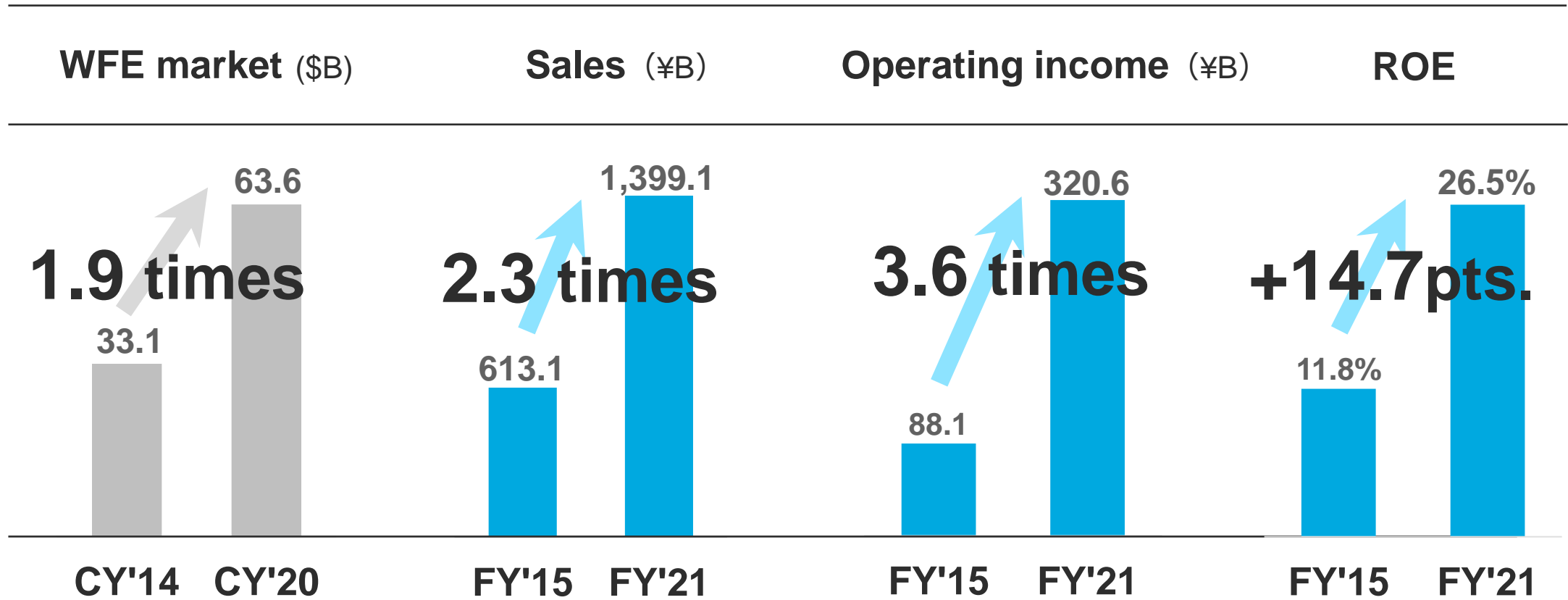
3. Aiming to further increase corporate value

TEL market cap.



2016-2021: Annual average increase of about 1 trillion yen

Comparison FY'15 vs FY'21



WFE: VLSI Research FY'15, FY'21: TEL Consolidated

Outperformed market growth

TEL corporate philosophy

Corporate
Philosophy

We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support



Practice of corporate philosophy

By utilizing our expertise as an equipment maker and all the management resources of TEL, including employees who are the source of value creation, we contribute to the realization of the social theme of achieving both digitalization and greening.

Through these activities, we aim to realize medium- to long-term profit expansion and continuous corporate value enhancement.

Medium-term environmental targets for 2030 (Revised in Dec. 2020)

CO₂ emission reduction goal

Product



30% Reduction

Per wafer (compared to 2018)

Office



70% Reduction

Total emissions (compared to 2018)
Reduce energy consumption by 1% YoY at each factory
and office (per-unit basis)

Ratio of renewable energy 100%

Fulfill our mission and responsibilities for carbon reduction

Corporate Philosophy

“We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support”

Pursue **Digital** × **Green** change throughout the supply chain

E-COMPASS

Environmental **Co**-Creation by **M**aterial, **P**rocess and
Subcomponent **S**olutions

Provide Best Products · Best Technical Service

Environmental
Performance



External evaluation of our ESG activities

<h2>Global</h2>	<p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	 <p>FTSE4Good</p>	 <p><small>* The inclusion of Tokyo Electron in the MSCI Index and the use of the MSCI logo, trademark, service mark or index name are not sponsored, recommended or promoted by Tokyo Electron by MSCI or its affiliates. The MSCI Index is MSCI's exclusive property. The name and logo of the MSCI Index are trademarks or service marks of MSCI or its affiliates.</small></p>
<h2>Domestic</h2>	 <p>2021 健康経営優良法人 Health and productivity ホワイト500</p>	<p>Nihon Keizai Shimbun & Quick ESG Research Institute The 2nd ROESG Ranking (2020 edition)</p> <p>Domestic Ranking 1st place Nihon Keizai Shimbun, March 29, 2021</p>	

Participation in international initiatives:



Tokyo Electron signed the United Nations Global Compact in 2013. We support 10 principles in human rights, labor, the environment and anti-corruption.



Responsible Business Alliance
Affiliate Member



TEL Won the 1st place in Japan in ROESG

Nihon Keizai Shimbun & Quick ESG Research Institute
The 2nd ROESG Ranking (2020 edition)

Domestic Ranking **1st place**

Source: Nihon Keizai Shimbun, March 29, 2021

ROE

High capital efficiency

**Average ROE
for the last 3 years
27%**

X

ESG

Active environmental response

CO₂Emission reduction target (2030)

Product



30% Reduction

Per wafer (compared to 2018)

Office



70% Reduction

Total emissions (compared to 2018)

ROE score: Average ROE for the last 3 years up to FY'20

ESG score: Average of 4* evaluation agencies

* Arabesque S-Ray,
FTSE Russel,
Sustainalytics,
S&P Global Market Intelligence

4. Returns to shareholders

Basic approach for shareholder returns

**Create value through innovative technologies
and proactive, groundbreaking solutions**



Pursue profits, enhance corporate value



Appropriate returns to shareholders

Dividend policy

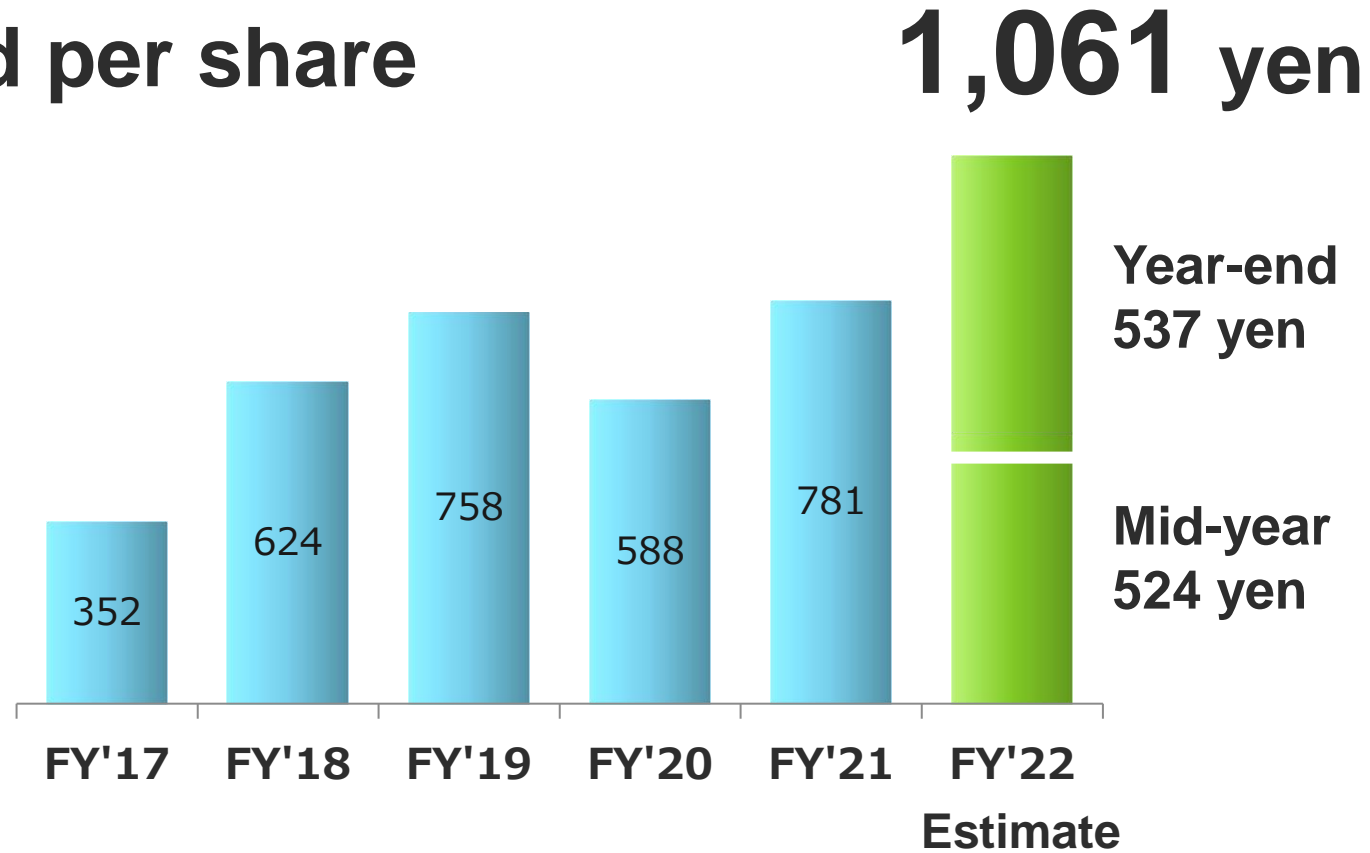
Dividend payout ratio: 50%

Annual DPS of not less than 150 yen

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

FY'22 dividend forecast

▶ Dividend per share



Exceed 1,000 yen per share

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

TEL™

TOKYO ELECTRON