

■ Consolidated Balance Sheets

Consolidated Balance Sheets

Tokyo Electron Limited and Subsidiaries
As of March 31, 2015 and 2014

ASSETS	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Current assets:			
Cash and cash equivalents	¥317,632	¥104,797	\$2,643,189
Short-term investments	283	163,350	2,355
Trade notes and accounts receivable	110,845	129,032	922,402
Allowance for doubtful accounts	(379)	(1,503)	(3,154)
Inventories	175,588	168,277	1,461,163
Deferred income taxes	27,672	25,174	230,274
Prepaid expenses and other current assets	39,242	32,365	326,544
Total current assets	670,883	621,492	5,582,783
Property, plant and equipment:			
Land	25,022	25,112	208,222
Buildings	152,979	151,634	1,273,022
Machinery and equipment	132,411	128,422	1,101,864
Construction in progress	2,424	3,623	20,171
Total property, plant and equipment	312,836	308,791	2,603,279
Less: Accumulated depreciation	205,940	196,447	1,713,739
Net property, plant and equipment	106,896	112,344	889,540
Investments and other assets:			
Goodwill	9,067	9,400	75,451
Investment securities	23,935	20,027	199,176
Net asset for retirement benefits	8,817	8,904	73,371
Deferred income taxes	18,348	23,224	152,684
Intangible assets	18,500	20,156	153,949
Other assets	21,592	14,911	179,679
Allowance for doubtful accounts	(1,884)	(1,866)	(15,678)
Total investments and other assets	98,375	94,756	818,632
Total assets	¥876,154	¥828,592	\$7,290,955

LIABILITIES AND NET ASSETS

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Current liabilities:			
Trade notes and accounts payable	¥ 56,479	¥ 53,668	\$ 469,993
Short term borrowings	—	11,531	—
Income taxes payable	6,197	14,015	51,569
Accrued employees' bonuses	12,111	8,584	100,782
Customer advances	48,443	39,901	403,121
Accrued warranty expenses	10,442	10,072	86,894
Accrued expenses and other current liabilities	39,140	32,739	325,705
Total current liabilities	172,812	170,510	1,438,064
Non-current liabilities:			
Deferred tax liabilities	8,314	9,279	69,185
Net liability for retirement benefits	51,480	54,031	428,393
Other liabilities	2,385	4,158	19,847
Total non-current liabilities	62,179	67,468	517,425
Total liabilities	234,991	237,978	1,955,489
Net assets:			
Shareholders' equity			
Common stock	54,961	54,961	457,360
Authorized: 300,000,000 shares Issued: 180,610,911 shares as of March 31, 2015 and 2014			
Capital surplus	78,023	78,023	649,272
Retained earnings	488,816	436,174	4,067,704
Treasury stock, at cost 1,344,892 and 1,408,950 shares as of March 31, 2015 and 2014, respectively	(9,064)	(9,479)	(75,426)
Accumulated other comprehensive income			
Net unrealized gains on investment securities	9,463	5,593	78,747
Net deferred gains on hedging instruments	122	60	1,015
Foreign currency translation adjustments	12,481	5,777	103,861
Accumulated remeasurements of defined benefit plans	4,682	6,982	38,961
Share subscription rights	1,421	1,644	11,825
Minority interests	258	10,879	2,147
Total net assets	641,163	590,614	5,335,466
Total liabilities and net assets	¥876,154	¥828,592	\$7,290,955

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Operations

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Net sales	¥613,125	¥612,170	\$5,102,147
Cost of sales	370,351	410,278	3,081,892
Gross profit	242,774	201,892	2,020,255
Selling, general and administrative expenses	154,661	169,687	1,287,019
Operating income	88,113	32,205	733,236
Other income (expenses):			
Interest and dividend income	1,281	3,162	10,660
Revenue from grants	629	1,154	5,234
Gain on sale of property, plant and equipment	1,840	433	15,312
Foreign exchange gain (loss), net	1,575	(1,229)	13,106
Loss on impairment of property, plant and equipment, goodwill and other assets	(2,506)	(46,969)	(20,854)
Loss on sales of affiliates' shares	(1,609)	—	(13,389)
Loss on liquidation of subsidiaries	(1,070)	—	(8,904)
Restructuring expenses on facilities	(1,046)	—	(8,704)
Additional payment of custom tax	(1,003)	—	(8,347)
Other, net	624	(512)	5,193
Income (loss) before income taxes and minority interests	86,828	(11,756)	722,543
Income taxes:			
Current	14,726	15,995	122,543
Deferred	173	(8,538)	1,440
Income (loss) before minority interests	71,929	(19,213)	598,560
Minority interests	41	196	341
Net income (loss)	¥ 71,888	¥ (19,409)	\$ 598,219

	Yen	U.S. dollars
Per share of common stock:		
Net income (loss) — basic	¥ 401.08	¥ (108.31) \$ 3.34
Net income — diluted	400.15	— 3.33
Net assets	3,567.23	3,225.92 29.68
Cash dividends	143.00	50.00 1.19

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income (Loss)

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Income (loss) before minority interests	¥71,929	¥(19,213)	\$598,560
Other comprehensive income:			
Net unrealized gains on investment securities	3,868	1,365	32,188
Net deferred gains on hedging instruments	69	92	574
Foreign currency translation adjustments	6,643	6,867	55,280
Remeasurements of defined benefit plans	(2,270)	—	(18,890)
Share of other comprehensive income of associates accounted for using equity method	56	—	466
Total other comprehensive income	8,366	8,324	69,618
Comprehensive income (loss)	80,295	(10,889)	668,178
Total comprehensive income (loss) attributable to:			
Owners of the Company	80,224	(11,151)	667,587
Minority interests	71	262	591

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, 2015 and 2014

	Millions of yen											
	Shareholders' equity				Accumulated other comprehensive income							Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains on investment securities	Deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Share subscription rights	Minority interests		
Balance as of March 31, 2013	¥54,961	¥78,023	¥467,921	¥(9,589)	¥4,214	¥ (15)	¥ (2,484)	¥ —	¥1,375	¥10,721	¥605,127	
Adjustments due to the changes in fiscal year-end of consolidated subsidiaries	—	—	(3,190)	—	—	—	—	—	—	—	(3,190)	
Cash dividends	—	—	(9,139)	—	—	—	—	—	—	—	(9,139)	
Net loss	—	—	(19,409)	—	—	—	—	—	—	—	(19,409)	
Repurchase of treasury stock	—	—	—	(30)	—	—	—	—	—	—	(30)	
Disposal of treasury stock	—	—	(9)	140	—	—	—	—	—	—	131	
Other, net	—	—	—	—	1,379	75	8,261	6,982	269	158	17,124	
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	—	—	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	

	Thousands of U.S. dollars											
	Shareholders' equity				Accumulated other comprehensive income							Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains on investment securities	Deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Share subscription rights	Minority interests		
Balance as of March 31, 2014	\$457,360	\$649,272	\$3,629,641	\$(78,880)	\$46,542	\$ 499	\$ 48,074	\$58,101	\$13,681	\$90,530	\$4,914,820	
Cumulative effect of changes in accounting policies	—	—	(9,170)	—	—	—	—	—	—	(1,756)	(10,926)	
Restated balance	457,360	649,272	3,620,471	(78,880)	46,542	499	48,074	58,101	13,681	88,774	4,903,894	
Cash dividends	—	—	(149,147)	—	—	—	—	—	—	—	(149,147)	
Net income	—	—	598,219	—	—	—	—	—	—	—	598,219	
Repurchase of treasury stocks	—	—	—	(1,523)	—	—	—	—	—	—	(1,523)	
Disposal of treasury stocks	—	—	(1,839)	4,977	—	—	—	—	—	—	3,138	
Other, net	—	—	—	—	32,205	516	55,787	(19,140)	(1,856)	(86,627)	(19,115)	
Balance as of March 31, 2015	\$457,360	\$649,272	\$4,067,704	\$(75,426)	\$78,747	\$1,015	\$103,861	\$38,961	\$11,825	\$ 2,147	\$5,335,466	

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
	Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	¥ 86,828	¥ (11,756)	\$ 722,543
Depreciation and amortization	20,878	24,888	173,737
Loss on impairment of property, plant and equipment, goodwill and other assets	2,506	46,969	20,854
Amortization of goodwill	1,150	4,262	9,570
Increase in net liability for retirement benefit	2,784	2,887	23,167
Increase in net asset for retirement benefit	(1,601)	(654)	(13,323)
Decrease in allowance for doubtful accounts	(1,081)	(228)	(8,996)
Increase in accrued employees' bonuses	3,667	1,396	30,515
Increase in accrued warranty expenses	259	1,256	2,155
Interest and dividend income	(1,281)	(3,162)	(10,660)
Gain on sales of property, plant and equipment	(1,820)	(303)	(15,145)
Loss on sales of affiliates' shares	1,609	—	13,389
Increase in trade notes and accounts receivable	(1,318)	(25,358)	(10,968)
Increase in inventories	(26,850)	(32,088)	(223,433)
Decrease in prepaid consumption tax	(11,384)	(2,913)	(94,732)
Increase in accrued consumption tax	2,707	1,123	22,526
Increase in trade notes and accounts payable	9,432	15,606	78,489
Increase in customer advances	12,912	19,083	107,448
Other, net	(4,972)	2,044	(41,374)
Subtotal	94,425	43,052	785,762
Receipts from interest and dividends	1,621	3,223	13,489
Interest paid	—	(84)	—
Income taxes paid	(24,240)	(1,742)	(201,714)
Net cash provided by operating activities	71,806	44,449	597,537
Cash flows from investing activities:			
Payment for purchases of short-term investments	(24,997)	(192,614)	(208,014)
Proceeds from maturities of short-term investments	188,302	184,071	1,566,964
Payment for purchase of property, plant and equipment	(11,899)	(9,451)	(99,018)
Proceeds from sale of property, plant and equipment	2,549	897	21,212
Payment for acquisition of intangible assets	(422)	(1,640)	(3,512)
Proceeds from sales of investment securities	1,093	111	9,095
Proceeds from sales of affiliates' shares	1,726	—	14,363
Other, net	(614)	(973)	(5,109)
Net cash provided by (used in) investing activities	155,738	(19,599)	1,295,981
Cash flows from financing activities:			
Increase in short-term borrowings, net	—	7,551	—
Proceeds from long-term borrowings	—	2,000	—
Increase in treasury stock, net	(183)	(30)	(1,523)
Dividends paid	(17,923)	(9,139)	(149,147)
Other, net	(108)	(569)	(899)
Net cash used in financing activities	(18,214)	(187)	(151,569)
Effect of exchange rate changes on cash and cash equivalents	3,505	(3,973)	29,167
Net increase in cash and cash equivalents	212,835	20,690	1,771,116
Cash and cash equivalents at beginning of year	104,797	85,314	872,073
Decrease in cash and cash equivalents due to the change in fiscal year-end of consolidated subsidiaries	—	(1,207)	—
Cash and cash equivalents at end of year	¥317,632	¥104,797	\$2,643,189

See accompanying Notes to Consolidated Financial Statements.