

Consolidated Balance Sheets

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Tokyo Electron Limited and Subsidiaries
As of March 31, 2017 and 2016

ASSETS	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
Current assets:			
Cash and cash equivalents	¥164,366	¥ 95,638	\$1,465,075
Short-term investments	151,000	141,035	1,345,931
Trade notes and accounts receivable	133,858	116,503	1,193,138
Allowance for doubtful accounts	(63)	(48)	(569)
Inventories	236,256	195,080	2,105,861
Deferred income taxes	36,892	31,204	328,837
Prepaid expenses and other current assets	53,628	38,004	478,012
Total current assets	775,938	617,416	6,916,286
Property, plant and equipment:			
Land	24,855	23,868	221,545
Buildings	145,901	147,653	1,300,489
Machinery and equipment	132,043	129,169	1,176,965
Construction in progress	6,026	3,774	53,713
Total property, plant and equipment	308,826	304,464	2,752,713
Less: Accumulated depreciation	208,385	208,147	1,857,436
Net property, plant and equipment	100,441	96,317	895,277
Investments and other assets:			
Investment securities	24,119	19,914	214,983
Deferred income taxes	19,128	20,782	170,505
Net asset for defined benefits	4,818	1,623	42,949
Intangible assets	15,401	17,603	137,280
Other assets	19,416	21,538	173,067
Allowance for doubtful accounts	(1,816)	(1,825)	(16,192)
Total investments and other assets	81,067	79,635	722,593
Total assets	¥957,447	¥793,368	\$8,534,157

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
Current liabilities:			
Trade notes and accounts payable	¥ 79,217	¥ 55,050	\$ 706,100
Income taxes payable	31,069	22,461	276,935
Accrued employees' bonuses	21,853	11,624	194,793
Customer advances	67,976	33,523	605,900
Other accrued expenses and other current liabilities	47,653	43,403	424,756
Total current liabilities	247,770	166,061	2,208,486
Non-current liabilities:			
Net liability for defined benefits	56,200	55,677	500,942
Other liabilities	7,476	7,391	66,640
Total non-current liabilities	63,677	63,068	567,583
Total liabilities	311,447	229,129	2,776,069
Net assets:			
Shareholders' equity			
Common stock	54,961	54,961	489,893
Authorized: 300,000,000 shares Issued: 165,210,911 and 165,210,911 shares as of March 31, 2017 and 2016, respectively			
Capital surplus	78,023	78,023	695,455
Retained earnings	503,325	427,618	4,486,369
Treasury stock, at cost 1,135,104 and 1,176,800 shares as of March 31, 2017 and 2016, respectively	(7,766)	(8,051)	(69,227)
Accumulated other comprehensive income			
Net unrealized gains on investment securities	10,788	7,903	96,166
Net deferred gains on hedging instruments	59	50	527
Foreign currency translation adjustments	5,789	6,743	51,603
Accumulated remeasurements of defined benefit plans	(2,086)	(4,878)	(18,597)
Share subscription rights	2,620	1,641	23,356
Non-controlling interests	284	229	2,540
Total net assets	645,999	564,239	5,758,088
Total liabilities and net assets	¥957,447	¥793,368	\$8,534,157

See accompanying Notes to Consolidated Financial Statements.

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

Consolidated Statements of Changes in Net Assets

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2017 and 2016

	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, 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
Cash dividends	—	—	(39,371)	—	—	—	—	—	—	—	(39,371)
Net income attributable to owners of parent	—	—	115,208	—	—	—	—	—	—	—	115,208
Repurchase of treasury stocks	—	—	—	(6)	—	—	—	—	—	—	(6)
Disposal of treasury stocks	—	—	(130)	290	—	—	—	—	—	—	159
Other, net	—	—	—	—	2,886	9	(953)	2,791	979	56	5,769
Balance as of March 31, 2017	¥54,961	¥78,023	¥503,325	¥ (7,766)	¥10,788	¥ 59	¥ 5,789	¥(2,086)	¥2,620	¥ 284	¥645,999

	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, 2016	\$489,893	\$695,455	\$3,811,552	\$(71,758)	\$70,440	\$446	\$60,101	\$(43,477)	\$14,628	\$2,034	\$5,029,317
Cash dividends	—	—	(350,931)	—	—	—	—	—	—	—	(350,931)
Net income attributable to owners of parent	—	—	1,026,908	—	—	—	—	—	—	—	1,026,908
Repurchase of treasury stocks	—	—	—	(54)	—	—	—	—	—	—	(54)
Disposal of treasury stocks	—	—	(1,159)	2,585	—	—	—	—	—	—	1,425
Other, net	—	—	—	—	25,726	81	(8,498)	24,880	8,727	505	51,422
Balance as of March 31, 2017	\$489,893	\$695,455	\$4,486,369	\$(69,227)	\$96,166	\$527	\$51,603	\$(18,597)	\$23,356	\$2,540	\$5,758,088

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flow

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2017 and 2016

	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
Cash flows from operating activities:			
Income before income taxes	¥149,116	¥106,467	\$1,329,138
Depreciation and amortization	17,872	19,257	159,310
Loss on impairment of property, plant and equipment, goodwill and other assets	362	9,727	3,235
Amortization of goodwill	631	970	5,625
Increase (decrease) in accrued employees' bonuses	10,112	(283)	90,140
Interest and dividend income	(1,032)	(856)	(9,204)
Loss on sales of affiliates' shares	—	1,111	—
Increase in trade notes and accounts receivable	(17,411)	(8,650)	(155,200)
Increase in inventories	(44,102)	(23,535)	(393,102)
Increase in trade notes and accounts payable	24,053	31	214,401
Increase in prepaid consumption tax	(12,350)	(1,910)	(110,084)
Increase (decrease) in customer advances	34,444	(15,004)	307,023
Other, net	6,607	(3,527)	58,893
Subtotal	168,304	83,798	1,500,176
Receipts from interest and dividends	1,266	957	11,291
Income taxes paid	(32,622)	(15,357)	(290,779)
Net cash provided by operating activities	136,948	69,398	1,220,687
Cash flows from investing activities:			
Payment for purchases of short-term investments	(202,200)	(209,491)	(1,802,299)
Proceeds from maturities of short-term investments	192,232	68,505	1,713,456
Payment for purchases of property, plant and equipment	(17,557)	(11,294)	(156,498)
Payment for acquisition of intangible assets	(1,116)	(708)	(9,952)
Other, net	(252)	2,974	(2,248)
Net cash used in investing activities	(28,893)	(150,014)	(257,543)
Cash flows from financing activities:			
Payment for purchases of treasury stock	(6)	(105,532)	(54)
Dividends paid	(39,371)	(33,013)	(350,931)
Other, net	(2)	(56)	(26)
Net cash used in financing activities	(39,380)	(138,601)	(351,012)
Effect of exchange rate changes on cash and cash equivalents	53	(2,777)	473
Net increase (decrease) in cash and cash equivalents	68,728	(221,994)	612,605
Cash and cash equivalents at beginning of year	95,638	317,632	852,469
Cash and cash equivalents at end of year	¥164,366	¥ 95,638	\$1,465,075

See accompanying Notes to Consolidated Financial Statements.