



## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Japanese GAAP)

May 11, 2023

Name of Listed Company: Tokyo Electron Limited Stock Exchange Listing: Tokyo  
 Security Code: 8035  
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 Scheduled start date of dividends payment: May 31, 2023  
 Preparation of supplementary materials for the financial results: Yes  
 Earnings release conference: Yes (for investors and analysts)

Note: Amounts are rounded down to the nearest million yen.

### 1. Consolidated Financial Results for the Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

#### (1) Consolidated Operating Results

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ended			
	March 31, 2022		March 31, 2023	
		%		%
Net sales (Millions of yen)	2,003,805	43.2	2,209,025	10.2
Operating income (Millions of yen)	599,271	86.9	617,723	3.1
Ordinary income (Millions of yen)	601,724	86.8	625,185	3.9
Net income attributable to owners of parent (Millions of yen)	437,076	79.9	471,584	7.9
Net income per share of common stock (Yen):				
Basic	935.95		1,007.82	
Diluted	931.30		1,003.86	
Return on equity (%)	37.2		32.3	
Ordinary income to total assets (%)	36.4		29.7	
Operating income to net sales (%)	29.9		28.0	
Comprehensive income:	Year ended March 31, 2023: 501,421 million yen, 3.1%			
	Year ended March 31, 2022: 486,183 million yen, 59.0%			
Profit (loss) on equity method:	Year ended March 31, 2023: 2,968 million yen			
	Year ended March 31, 2022: 1,721 million yen			

Note: The Company implemented a 3-for-1 common stock split on April 1, 2023. "Net income per share of common stock - Basic" and "Net income per share of common stock - Diluted" are calculated on the assumption that stock split was implemented at the beginning of the previous fiscal year.

#### (2) Consolidated Financial Position

	As of	
	March 31, 2022	March 31, 2023
Total assets (Millions of yen)	1,894,457	2,311,594
Total net assets (Millions of yen)	1,347,048	1,599,524
Equity ratio (%)	70.5	68.7
Net assets per share (Yen)	2,857.48	3,389.68
Equity:	1,587,595 million yen (as of March 31, 2023)	
	1,335,152 million yen (as of March 31, 2022)	

Note: The Company implemented a 3-for-1 common stock split on April 1, 2023. "Net assets per share" is calculated on the assumption that stock split was implemented at the beginning of the previous fiscal year.

#### (3) Consolidated Cash Flows

	Year ended	
	March 31, 2022	March 31, 2023
Cash flows from operating activities	283,387	426,270
Cash flows from investing activities	(55,632)	(41,756)
Cash flows from financing activities	(167,256)	(256,534)
Cash and cash equivalents at end of period	335,648	472,471

## 2. Dividends

	Year ended		Year ending
	March 31, 2022	March 31, 2023	March 31, 2024 (Forecast)
1Q-end dividends per share (Yen)	-	-	-
2Q-end dividends per share (Yen)	643.00	857.00	128.00
3Q-end dividends per share (Yen)	-	-	-
Year-end dividends per share (Yen)	760.00	854.00	192.00
Annual dividends per share (Yen)	1,403.00	1,711.00	320.00
Total dividends (Millions of yen)	219,339	267,909	
Payout ratio (%)	50.0	56.6	50.0
Dividend on equity (%)	18.6	18.3	

Notes: 1. The Company implemented a 3-for-1 common stock split on April 1, 2023. For the fiscal year ended March 31, 2022 and the fiscal year ended March 31, 2023, the actual amount of dividends prior to the stock split are presented. For the fiscal year ending March 31, 2024 (forecast), the numbers after the stock split are presented. For reference, annual dividends for the fiscal year ending March 31, 2024 (forecast) without considering the stock split are 960 yen.

2. Year-end dividends of 854 yen for the year ended March 31, 2023 include 60th anniversary commemorative dividends of 200 yen.

## 3. Financial Forecasts for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ending			
	September 30, 2023		March 31, 2024	
		%		%
Net sales (Millions of yen)	790,000	(33.2)	1,700,000	(23.0)
Operating income (Millions of yen)	161,000	(54.0)	393,000	(36.4)
Ordinary income (Millions of yen)	162,000	(54.1)	395,000	(36.8)
Net income attributable to owners of parent (Millions of yen)	120,000	(55.1)	300,000	(36.4)
Net income per share (Yen)	256.21		640.53	

Note: The Company implemented a 3-for-1 common stock split on April 1, 2023. For "Net income per share" in financial forecasts for the year ending March 31, 2024, the number after the stock split is presented.

### Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries associated with changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatements

1. Changes in accounting policies along with changes in accounting standards: None

2. Other changes of accounting policies besides the number 1 above: None

3. Changes in accounting estimates: None

4. Restatements: None

(3) Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury stock)

As of March 31, 2023: 471,632,733 shares

As of March 31, 2022: 471,632,733 shares

2. Number of shares of treasury stock

As of March 31, 2023: 3,272,016 shares

As of March 31, 2022: 4,384,743 shares

3. Average number of shares outstanding

Year ended March 31, 2023: 467,926,805 shares

Year ended March 31, 2022: 466,988,225 shares

Notes: 1. The Company implemented a 3-for-1 common stock split on April 1, 2023. "Number of shares issued and outstanding", "Number of shares of treasury stock" and "Average number of shares outstanding" are calculated on the assumption that stock split was implemented at the beginning of the previous fiscal year.

2. The number of shares of treasury stock includes the Company's shares held by "Executive compensation Board Incentive Plan (BIP) trust" and "share-delivering Employee Stock Ownership Plan (ESOP) trust". (1,502,637 shares as of March 31, 2023, 1,831,587 shares as of March 31, 2022)

In addition, these Company's shares are included in the treasury stock which is deducted in calculating the average number of shares.

**(Reference) Non-consolidated Financial Results for the Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)****(1) Operating Results**

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ended			
	March 31, 2022		March 31, 2023	
		%		%
Net sales (Millions of yen)	1,842,535	42.5	2,020,513	9.7
Operating income (Millions of yen)	306,639	87.0	379,942	23.9
Ordinary income (Millions of yen)	452,182	73.8	585,745	29.5
Net income (Millions of yen)	358,065	69.3	484,557	35.3
Net income per share of common stock (Yen):				
Basic	766.76		1,035.54	
Diluted	762.95		1,031.48	

Note: The Company implemented a 3-for-1 common stock split on April 1, 2023. "Net income per share of common stock - Basic" and "Net income per share of common stock - Diluted" are calculated on the assumption that stock split was implemented at the beginning of the previous fiscal year.

**(2) Financial Position**

	As of	
	March 31, 2022	March 31, 2023
Total assets (Millions of yen)	1,439,595	1,728,050
Total net assets (Millions of yen)	850,303	1,099,987
Equity ratio (%)	58.2	63.0
Net assets per share (Yen)	1,794.35	2,323.12

Equity: 1,088,057 million yen (as of March 31, 2023)  
838,407 million yen (as of March 31, 2022)

Note: The Company implemented a 3-for-1 common stock split on April 1, 2023. "Net assets per share" is calculated on the assumption that stock split was implemented at the beginning of the previous fiscal year.

\* Status of implementation of audit procedures

This Summary of Consolidated Financial Results is outside the scope of external auditor's audit procedures under the Financial Instruments and Exchange Act.

\* Explanation of the appropriate use of financial forecast:

The financial forecasts and estimates in this Summary of Consolidated Financial Results are based on information available to the Company at the time of report issuance and certain assumptions judged to be reasonable by the Company, and therefore are not guarantees of future performance. Consequently, actual results may differ substantially from those described in this Summary of Consolidated Financial Results. Please refer to "1. Overview of Operating Results and Consolidated Financial Conditions (4) "Future Forecast" on page 7. The Company plans to hold an online conference for investors and analysts on May 11, 2023. Supplementary materials to be used at the conference will be posted on the Company's website.

# 1. Overview of Operating Results and Consolidated Financial Conditions

## (1) Overview of Operating Results

### (i) Business Environment during the Fiscal Year Ended March 31, 2023

The global economy during the current consolidated fiscal year slowed due to persistent inflation of raw material, energy, and various goods in conjunction with heightened geopolitical risks, interest rate hikes, and rapid exchange rate fluctuations mainly in Europe and the United States. The Company continues to closely monitor the impact of these global economic and geopolitical headwinds and the impact on the supply chain.

On the other hand, in the electronics industry, where the Tokyo Electron (TEL) Group operates, the role of semiconductors that support electronic devices and their technology innovations are becoming more and more important, against the backdrop of the transition to a data society accompanying the expansion of information and communication technology and efforts to create a decarbonized society. With its increased importance, the semiconductor production equipment market has become the largest ever.

### (ii) Overview of Profit and Loss during the Fiscal Year Ended March 31, 2023

In this environment, the consolidated business results for the fiscal year under review are as follows.

Net sales for the fiscal year increased 10.2% from the previous fiscal year to 2,209,025 million yen. Domestic net sales increased 4.2% from the previous fiscal year to 239,937 million yen, while overseas net sales increased 11.0% to 1,969,088 million yen to account for 89.1% of net sales.

Cost of sales increased 12.1% to 1,224,617 million yen and gross profit increased 8.0% to 984,408 million yen. As a result, the gross profit margin decreased 0.9 points to 44.6%.

Selling, general and administrative (SG&A) expenses increased 17.3% to 366,684 million yen, while the ratio to consolidated net sales increased 1.0 points to 16.6%.

As a result, operating income increased 3.1% to 617,723 million yen and operating profit ratio decreased 1.9 points to 28.0%. After netting of non-operating income of 10,066 million yen and non-operating expenses of 2,604 million yen, ordinary income increased 3.9% to 625,185 million yen.

Income before income taxes was 624,856 million (year-on-year growth of 4.7%) and net income attributable to owners of parent was 471,584 million yen (year-on-year growth of 7.9%).

As a result, net income per share was 1,007.82 yen compared to net income per share of 935.95 yen in the previous fiscal year.

**(iii) Overview of Operations by Business Segment during the Fiscal Year Ended March 31, 2023**

The overview of each business segment is as described below.

**Semiconductor Production Equipment**

Capital investment in semiconductors for logic/foundry has been made in a wide range of areas, from cutting-edge to mature generations of semiconductors, driven by the digitalization of society. Capital investment in memory was revised starting in the second half of the fiscal year due to inventory adjustments but remained at a high level throughout the fiscal year.

Consequently, net sales to external customers in this segment during the fiscal year under review were 2,155,206 million yen (year-on-year growth of 10.9%).

**Flat Panel Display (FPD) Production Equipment**

As capital investment for large-sized LCD panels for televisions has run its course, the overall manufacturing equipment market for FPD TFT arrays has slowed. Meanwhile, capital investments in small and medium-sized OLED panels continue in conjunction with displays installed in end products being converted from LCD panels to OLED panels.

Consequently, net sales to external customers in this segment during the fiscal year under review were 53,674 million yen (year-on-year decrease of 10.3%).

**Other**

Net sales to external customers in this segment during the fiscal year under review totaled 144 million yen (year-on-year growth of 10.0%).

**(For reference)****Consolidated Operating Results**

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023						
				First Half			Second Half	Full Year
		1Q	2Q		3Q	4Q		
Net Sales	2,003,805	473,654	709,243	1,182,897	467,831	558,296	1,026,127	2,209,025
Semiconductor Production Equipment	1,943,843	464,003	689,061	1,153,065	458,820	543,319	1,002,140	2,155,206
Japan	228,902	42,022	90,546	132,569	48,216	57,608	105,825	238,394
North America	268,065	67,325	108,305	175,630	58,469	110,227	168,697	344,327
Europe	107,954	56,526	50,990	107,516	42,604	34,140	76,745	184,261
South Korea	377,767	85,172	84,289	169,461	75,406	104,700	180,107	349,568
Taiwan	359,225	96,816	133,829	230,645	110,149	79,474	189,624	420,269
China	513,529	94,086	168,598	262,685	102,792	131,277	234,070	496,755
Southeast Asia, and Others	88,398	22,055	52,502	74,557	21,179	25,891	47,070	121,628
FPD Production Equipment	59,830	9,614	20,144	29,759	8,975	14,940	23,915	53,674
Others	131	36	36	73	35	36	71	144
Operating Income	599,271	117,519	232,646	350,165	114,771	152,787	267,558	617,723
Ordinary Income	601,724	117,692	235,627	353,319	116,909	154,956	271,866	625,185
Net Income Attributable to Owners of Parent	437,076	88,095	179,251	267,346	85,574	118,663	204,237	471,584

Note: Intersegment sales or transfers are eliminated.

**(2) Overview of Consolidated Financial Conditions**

Current assets at the end of the current fiscal year were 1,740,959 million yen, an increase of 332,256 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 198,825 million yen in cash and deposits, an increase of 178,363 million yen in inventories.

Tangible fixed assets increased by 36,010 million yen from the end of the previous fiscal year, to 259,088 million yen.

Intangible fixed assets increased by 6,019 million yen from the end of the previous fiscal year, to 28,559 million yen.

Investments and other assets increased by 42,850 million yen from the end of the previous fiscal year, to 282,986 million yen.

As a result, total assets increased by 417,136 million yen from the end of the previous fiscal year, to 2,311,594 million yen.

Current liabilities increased by 161,314 million yen from the end of the previous fiscal year, to 629,893 million yen. This was largely due to an increase of 186,614 million yen in customer advances, and a decrease of 36,015 million yen in income taxes payable.

Long-term liabilities increased by 3,345 million yen from the end of the previous fiscal year, to 82,175 million yen.

Net assets increased by 252,476 million yen from the end of the previous fiscal year, to 1,599,524 million yen. This was largely due to an increase of 471,584 million yen resulting from recording net income attributable to owners of parent, a decrease resulting from the payment of 252,988 million yen in year-end dividends for the previous fiscal year and interim dividends for the current fiscal year, and an increase of 13,960 million yen in net unrealized gains on investment securities. As a result, the equity ratio was 68.7%.

**(3) Overview of Consolidated Cash Flows**

Cash and cash equivalents at the end of the current fiscal year increased by 136,823 million yen compared to the end of the previous fiscal year, to 472,471 million yen. The combined balance including 628 million yen in time deposits and short-term investments with maturities of more than three months that are not included in cash and cash equivalents was 473,100 million yen, an increase of 101,825 million yen from the end of the previous fiscal year. The overall situation regarding cash flows for the fiscal year was as described below.

Cash flows from operating activities were positive 426,270 million yen, an increase of 142,882 million yen compared to the end of the previous fiscal year. The major positive factors were 624,856 million yen in income before income taxes, and a 185,616 million yen increase in customer advances. The major negative factors were 209,111 million yen in payment of income taxes, and a 173,487 million yen increase in inventories.

Cash flows from investing activities were negative 41,756 million yen compared to negative 55,632 million yen in the same period of the previous fiscal year. This was largely due to the payment of 66,897 million yen for the purchase of tangible fixed assets.

Cash flows from financing activities were negative 256,534 million yen compared to negative 167,256 million yen in the same period of the previous fiscal year. This was largely due to the payment of 252,988 million yen in dividends.

**(4) Future forecast**

Due to concerns about a macro-economic slowdown and geopolitical risks, semiconductor manufacturers are postponing or restraining capital investments. In this business and economic environment, in the fiscal year ending March 31, 2024, while reducing fixed costs, however in anticipation of future growth, we plan to invest approximately 200 billion yen in research and development (R&D), the largest ever. In light of these factors, the consolidated financial forecasts for the fiscal year ending March 31, 2024 are as follows. Meanwhile, as described above, due to the importance of innovating semiconductor technologies (including the aspects of high capacity, high speed, high reliability, and low power consumption) stemming from the transition to a data society accompanying the expansion of information and communication technology and efforts toward realizing a decarbonized society, the semiconductor production equipment market is expected to further grow in the future, and we expect to see a major recovery in the fiscal year ending March 31, 2025.

**Consolidated Financial Forecast**

(Billions of yen, Y/Y change)

Year ending March 31, 2024	Interim		Full Year	
Net Sales	790.0	(33.2)%	1,700.0	(23.0)%
Operating Income	161.0	(54.0)%	393.0	(36.4)%
Ordinary Income	162.0	(54.1)%	395.0	(36.8)%
Net Income Attributable to Owners of Parent	120.0	(55.1)%	300.0	(36.4)%

Note: The financial forecasts and estimates stated in this announcement are based on certain assumptions judged to be reasonable by the Company in light of information currently available concerning economic conditions in Japan and overseas, fluctuations in foreign exchange rates, and other factors that may have an impact on performance. The Company does not promise that the forecasts or estimates will be accurate.

They are therefore susceptible to the impact of many uncertainties, including market conditions, competition, the launching of new products (and their success or failure), and global conditions in the semiconductor related industry. Consequently, actual sales and profits may differ substantially from the projections stated in this announcement.

**(5) Basic Policy on Profit Allocation and Payment of Dividends for the Current and Next Fiscal Years**

TEL utilizes capital reserves to raise corporate value through earnings growth and provide returns directly to shareholders by concentrating investment in high-growth areas and linking dividend payments to business performance. Basic policy concerning shareholder return is as follows.

## Shareholder Return Policy

- Our dividend policy is to link dividend payments to business performance on an ongoing basis and a payout ratio is around 50% based on net income attributable to owners of parent, with the conditions that an annual dividend per share is not less than 150 yen. Besides, TEL will review our dividend policy if TEL does not generate net income for two consecutive fiscal years.

Note: The Company split its common stock effective April 1, 2023 in the proportion of one share into three shares. Accordingly, from the next fiscal year (year ending March 31, 2024), dividend per share is not less than 50 yen.

- TEL will flexibly consider share buybacks.

The year-end dividends for the current fiscal year (the year ended March 31, 2023) are 854 yen per share (including the 60<sup>th</sup> anniversary commemorative dividends of 200 yen). The dividends for the full year are 1,711 yen per share, which includes the interim dividends of 857 yen per share.

	Dividends per share		
	2Q-end	Year-end	Total
Current fiscal year (ended March 31, 2023)	857 yen	854 yen (Commemorative:200 yen)	1,711 yen

The dividends for the next fiscal year (the year ending March 31, 2024), which are the amount after the stock split, are forecasted to be 320 yen per share for the entire year (interim dividends : 128 yen, year-end dividends : 192 yen), in accordance with the above consolidated forecast for net income attributable to owners of parent for the next fiscal year.

	Dividends per share		
	2Q-end	Year-end	Total
Next fiscal year (ending March 31, 2024)	128 yen	192 yen	320 yen

## 2. Basic philosophy on the selection of accounting standards

The consolidated financial statements of TEL group have been prepared in conformity with accounting principles generally accepted in Japan. In regard to the application of IFRS, we will pay close attention to domestic and international implementation adoption trends and respond accordingly.



## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	274,274	473,099
Notes and accounts receivable - trade, and contract assets	433,948	464,889
Merchandise and finished goods	183,512	236,795
Work in process	144,330	161,938
Raw materials and supplies	146,002	253,474
Prepaid consumption tax	110,494	123,977
Others	116,301	26,969
Allowance for doubtful accounts	(160)	(184)
Total current assets	1,408,703	1,740,959
<b>Long-term assets</b>		
Tangible fixed assets		
Buildings and structures	233,553	248,421
Accumulated depreciation	(121,288)	(130,524)
Buildings and structures, net	112,264	117,896
Machinery and carriers	181,306	204,841
Accumulated depreciation	(136,173)	(153,330)
Machinery and carriers, net	45,132	51,510
Land	31,052	31,283
Construction in progress	20,095	39,605
Others	51,777	61,680
Accumulated depreciation	(37,244)	(42,887)
Others, net	14,532	18,792
Total tangible fixed assets	223,078	259,088
Intangible fixed assets		
Others	22,540	28,559
Total intangible fixed assets	22,540	28,559
Investments and other assets		
Investment securities	144,972	165,507
Deferred tax assets	45,654	58,599
Net defined benefit assets	16,186	19,374
Others	34,621	40,844
Allowance for doubtful accounts	(1,298)	(1,340)
Total investments and other assets	240,135	282,986
Total long-term assets	485,754	570,634
<b>Total assets</b>	<b>1,894,457</b>	<b>2,311,594</b>

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	120,908	116,317
Income taxes payable	107,193	71,177
Customer advances	102,555	289,169
Accrued employees' bonuses	44,871	43,337
Accrued warranty expenses	26,568	34,382
Others	66,482	75,509
<b>Total current liabilities</b>	<b>468,578</b>	<b>629,893</b>
<b>Long-term liabilities</b>		
Net defined benefit liabilities	62,533	60,366
Others	16,296	21,808
<b>Total long-term liabilities</b>	<b>78,829</b>	<b>82,175</b>
<b>Total liabilities</b>	<b>547,408</b>	<b>712,069</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	54,961	54,961
Capital surplus	78,011	78,011
Retained earnings	1,104,983	1,322,203
Treasury stock, at cost	(27,418)	(22,033)
<b>Total shareholders' equity</b>	<b>1,210,537</b>	<b>1,433,141</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains (losses) on investment securities	93,492	107,452
Net deferred gains (losses) on hedging instruments	(52)	(46)
Foreign currency translation adjustments	30,640	43,091
Accumulated remeasurements of defined benefit plans	535	3,954
<b>Total accumulated other comprehensive income (loss)</b>	<b>124,615</b>	<b>154,453</b>
<b>Share subscription rights</b>	<b>11,895</b>	<b>11,929</b>
<b>Total net assets</b>	<b>1,347,048</b>	<b>1,599,524</b>
<b>Total liabilities and net assets</b>	<b>1,894,457</b>	<b>2,311,594</b>

## Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
<b>Net sales</b>	2,003,805	2,209,025
Cost of sales	1,091,983	1,224,617
<b>Gross profit</b>	911,822	984,408
Selling, general & administrative expenses		
Research and development expenses	158,256	191,196
Others	154,295	175,487
Total selling, general and administrative expenses	312,551	366,684
<b>Operating income</b>	599,271	617,723
Non-operating income		
Interest income	616	1,235
Dividend income	959	1,200
Share of profit of associates accounted for using the equity method	1,721	2,968
Revenue from grants	492	2,559
Others	2,190	2,102
Total non-operating income	5,980	10,066
Non-operating expenses		
Foreign exchange loss	2,447	1,401
Others	1,080	1,202
Total non-operating expenses	3,527	2,604
<b>Ordinary income</b>	601,724	625,185
Unusual or infrequent profit		
Gain on sales of fixed assets	71	890
Total unusual or infrequent profit	71	890
Unusual or infrequent loss		
Loss on disposal and sales of fixed assets	406	781
Loss on impairment of fixed assets, goodwill and other assets	-	438
Additional payment of value-added tax	4,577	-
Others	114	-
Total unusual or infrequent loss	5,097	1,219
<b>Income before income taxes</b>	596,698	624,856
Provision for income taxes and enterprise taxes	162,708	173,704
Deferred income taxes	(3,086)	(20,431)
Total income taxes	159,622	153,272
<b>Net income</b>	437,076	471,584
<b>Net income attributable to owners of parent</b>	437,076	471,584

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
<b>Net income</b>	437,076	471,584
<b>Other comprehensive income (loss)</b>		
Net unrealized gains (losses) on investment securities	27,374	13,951
Foreign currency translation adjustments	20,066	12,320
Remeasurements of defined benefit plans	1,594	3,382
Share of other comprehensive income of associates accounted for using the equity method	70	183
Total other comprehensive income (loss)	49,107	29,837
<b>Comprehensive income</b>	486,183	501,421
<b>(Breakdown)</b>		
Comprehensive income attributable to owners of parent	486,183	501,421

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	54,961	78,011	835,240	(30,744)	937,468
Cumulative effects of changes in accounting policies			(753)		(753)
Restated balance	54,961	78,011	834,486	(30,744)	936,714
Changes of items during the period					
Cash dividends			(166,252)		(166,252)
Net income attributable to owners of parent			437,076		437,076
Purchase of treasury stock				(15)	(15)
Disposal of treasury stock			(327)	3,341	3,014
Net changes except for shareholders' equity					
Total changes of items during the period	-	-	270,496	3,325	273,822
Balance at end of period	54,961	78,011	1,104,983	(27,418)	1,210,537

	Accumulated other comprehensive income					Share subscription rights	Total net assets
	Net unrealized gains (losses) on investment securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	66,124	(79)	10,441	(978)	75,508	11,585	1,024,562
Cumulative effects of changes in accounting policies							(753)
Restated balance	66,124	(79)	10,441	(978)	75,508	11,585	1,023,809
Changes of items during the period							
Cash dividends							(166,252)
Net income attributable to owners of parent							437,076
Purchase of treasury stock							(15)
Disposal of treasury stock							3,014
Net changes except for shareholders' equity	27,367	26	20,199	1,513	49,107	310	49,417
Total changes of items during the period	27,367	26	20,199	1,513	49,107	310	323,239
Balance at end of period	93,492	(52)	30,640	535	124,615	11,895	1,347,048

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	54,961	78,011	1,104,983	(27,418)	1,210,537
Cumulative effects of changes in accounting policies					-
Restated balance	54,961	78,011	1,104,983	(27,418)	1,210,537
Changes of items during the period					
Cash dividends			(252,988)		(252,988)
Net income attributable to owners of parent			471,584		471,584
Purchase of treasury stock				(1,728)	(1,728)
Disposal of treasury stock			(1,375)	7,113	5,737
Net changes except for shareholders' equity					
Total changes of items during the period	-	-	217,219	5,384	222,604
Balance at end of period	54,961	78,011	1,322,203	(22,033)	1,433,141

	Accumulated other comprehensive income					Share subscription rights	Total net assets
	Net unrealized gains (losses) on investment securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	93,492	(52)	30,640	535	124,615	11,895	1,347,048
Cumulative effects of changes in accounting policies							-
Restated balance	93,492	(52)	30,640	535	124,615	11,895	1,347,048
Changes of items during the period							
Cash dividends							(252,988)
Net income attributable to owners of parent							471,584
Purchase of treasury stock							(1,728)
Disposal of treasury stock							5,737
Net changes except for shareholders' equity	13,960	6	12,450	3,419	29,837	33	29,871
Total changes of items during the period	13,960	6	12,450	3,419	29,837	33	252,476
Balance at end of period	107,452	(46)	43,091	3,954	154,453	11,929	1,599,524

## Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Income before income taxes	596,698	624,856
Depreciation and amortization	36,727	42,927
Amortization of goodwill	206	168
Increase (decrease) in accrued employees' bonuses	9,540	(2,301)
Increase (decrease) in accrued warranty expenses	9,614	7,594
Decrease (increase) in notes and accounts receivable - trade, and contract assets	(195,543)	(24,750)
Decrease (increase) in inventories	(100,309)	(173,487)
Increase (decrease) in trade notes and accounts payable	18,892	(11,406)
Decrease (increase) in prepaid consumption tax	(27,675)	(13,390)
Increase (decrease) in customer advances	32,031	185,616
Others	7,070	(3,354)
Subtotal	387,252	632,473
Receipts from interest and dividends	2,232	2,907
Income taxes paid or refund (paid)	(106,098)	(209,111)
Net cash provided by operating activities	283,387	426,270
<b>Cash flows from investing activities</b>		
Payment into time deposits	(641)	(713)
Proceeds from time deposits	604	731
Payment for purchase of short-term investments	(35,000)	-
Proceeds from redemption of short-term investments	45,014	35,000
Payment for purchase of fixed assets	(56,153)	(66,897)
Payment for acquisition of intangible assets	(8,950)	(9,416)
Others	(504)	(459)
Net cash used in investing activities	(55,632)	(41,756)
<b>Cash flows from financing activities</b>		
Payment for purchase of treasury stock	(15)	(1,728)
Dividends paid	(166,252)	(252,988)
Others	(988)	(1,817)
Net cash used in financing activities	(167,256)	(256,534)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	9,156	8,843
<b>Net increase (decrease) in cash and cash equivalents</b>	69,655	136,823
<b>Cash and cash equivalents at beginning of period</b>	265,993	335,648
<b>Cash and cash equivalents at end of period</b>	335,648	472,471

## Notes

Going concern: None

Changes in accounting policies, changes in accounting estimates and restatements: None



## Segment information

### 1. General information about reportable segments

A reportable segment is a component or an aggregated component of TEL Group. For each of the components, discrete financial information is available and the operating result is regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance.

The operation of TEL Group consists of segments by products and services based on business units (BUs), and TEL Group identifies as a reportable segment, "semiconductor production equipment (SPE)" and "flat panel display (FPD) production equipment". Products of the SPE segment consist of coater/developers, etch systems, deposition systems, cleaning systems used in wafer processing, wafer probers used in the wafer testing process and other semiconductor production equipment, such as wafer bonders/debonders.

The SPE segment principally develops, manufactures, and sells such products, and provides services related to them.

Products of the FPD production equipment segment mainly consist of etch/ash systems used in the manufacture of flat panel displays.

The FPD production equipment segment principally develops, manufactures, and sells such products, and provides services related to them.

### 2. Means to measure net sales and profit or loss in each reportable segment

The method used to account for each reportable segment is similar to those applied to prepare consolidated financial statements.

Intersegment revenues or transfers are based on prevailing market prices.

### 3. Net sales and profit or loss in reportable segments

Year ended March 31, 2023

(Millions of yen)

	Reportable Segments		Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Semiconductor Production Equipment	FPD Production Equipment				
Sales						
Sales to external customers	2,155,206	53,674	144	2,209,025	-	2,209,025
Intersegment sales or transfers	-	-	34,069	34,069	(34,069)	-
Net sales	2,155,206	53,674	34,214	2,243,094	(34,069)	2,209,025
Segment profit (loss)	696,378	1,061	1,226	698,666	(73,809)	624,856

#### Notes:

- "Others" includes all other operating segments which are not included in the reportable segments, including group-wide logistic services, facility maintenance and insurance.
- "Adjustments" for segment profit (loss) totaling (73,809) million yen mainly consists of research and development costs of (31,446) million yen pertaining to the fundamental research and element research of TEL and other general and administrative costs that do not belong to reportable segments.
- Segment profit (loss) is adjusted against income before income taxes in Consolidated Statements of Income.

## 4. Impairment loss on fixed assets in reportable segments

The description of this section has been omitted as the amount was immaterial.

## 5. Amortization and balance of goodwill in reportable segments

As of and for the year ended March 31, 2023

(Millions of yen)

	Semiconductor Production Equipment	FPD Production Equipment	Total Reportable Segment
Amortization	168	-	168
Balance at end of the period	365	-	365

## 6. Income related to negative goodwill in reportable segments

None

**Per share information**

	Year ended March 31, 2023
Net assets per share (Yen)	3,389.68
Net income per share (Yen)	1,007.82
Fully diluted net income per share (Yen)	1,003.86

## Notes:

1. The Company implemented a 3-for-1 common stock split on April 1, 2023. "Net assets per share", "Net income per share" and "Fully diluted net income per share" are calculated on the assumption that stock split was implemented at the beginning of the previous fiscal year.

2. Net income per share and fully diluted net income per share are calculated based on the following elements.

Net income per share (Yen)	
Net income attributable to owners of parent (Millions of yen)	471,584
Net income not pertaining to owners of common stock (Millions of yen)	-
Net income attributable to owners of parent pertaining to common stock (Millions of yen)	471,584
The average number of common stock (Thousands of share)	467,926
Fully diluted net income per share (Yen)	
The adjustments to net income attributable to owners of parent (Millions of yen)	-
Increase in common stock (Thousands of share)	1,843
[Share subscription rights (Thousands of share)]	[1,843]
Details of dilutive shares, not included in the computation of fully diluted net income per share as there is no dilution effect.	-

3. The shares of the Company held by "Executive compensation Board Incentive Plan (BIP) trust" and "share-delivering Employee Stock Ownership Plan (ESOP) trust", which are recorded in "Treasury stock, at cost" under shareholders' equity, are included in the treasury stock which is deducted from the number of shares issued and outstanding as of the end of the period when calculating net assets per share. The shares held by the trusts are also included in the treasury stock which is deducted from the number of shares used to calculate the average number of shares outstanding in the period when calculating net income per share and fully diluted net income per share.

The number of treasury shares deducted in the calculation of net assets per share was 1,502 thousand shares as of the end of this fiscal year, and the average number of treasury shares deducted in the calculation of net income per share and fully diluted net income per share was 1,614 thousand shares in this fiscal year.

**Significant subsequent events****1. Stock split and corresponding partial amendment to the Articles of Incorporation**

The Company implemented a stock split and made a corresponding partial amendment to the Articles of Incorporation on April 1, 2023, in accordance with the resolution of its Board of Directors on February 9, 2023.

**(1) Purpose of stock split**

By implementing the stock split to lower the minimum investment, the Company intends to make shares more affordable for investors, with a view to expanding the investor base.

The Company recognizes that transitioning to a share price per unit within the ideal range recommended by the Tokyo Stock Exchange (between 50,000 yen and 500,000 yen) would be useful in terms of encouraging market participation by individual investors. Going forward, the Company will continue to comprehensively consider future stock market trends, the price and liquidity of the Company shares, and changes to the shareholder structure.

**(2) Overview of stock split****(i) Split method**

The Company split the shares of common stock owned by shareholders recorded in the final register of shareholders as of March 31, 2023, in the proportion of 1 share into 3 shares.

**(ii) Number of shares increased through stock split**

Total number of issued shares before stock split:	157,210,911 shares
Number of shares increased through stock split:	314,421,822 shares
Total number of issued shares after stock split:	471,632,733 shares
Total number of authorized shares after stock split:	900,000,000 shares

**(iii) Schedule of stock split**

Date of public notice of record date:	March 16, 2023
Record date:	March 31, 2023
Effective date:	April 1, 2023

**(iv) Effect on per share information**

The effect on per share information is described in "Per share information".

**(3) Partial amendment to the Articles of Incorporation****(i) Reason for amendment**

In accordance with the provisions of the Article 184, Paragraph 2 of the Companies Act, the Company changed the total number of authorized shares stipulated in Article 6 of the Articles of Incorporation as of April 1, 2023, in response to the implementation of the stock split.

**(ii) Details of amendment**

The details of amendment are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Amended Articles of Incorporation
Article 6 Total Number of Authorized Shares The total number of shares the Company is authorized to issue shall be <u>three hundred million (300,000,000)</u> shares.	Article 6 Total Number of Authorized Shares The total number of shares the Company is authorized to issue shall be <u>nine hundred million (900,000,000)</u> shares.

**(iii) Schedule of amendment**

Effective date of amendment of the Articles of Incorporation: April 1, 2023

**(4) Other****Dividends**

As the effective date of the stock split was April 1, 2023, year-end dividends for the fiscal year ended March 2023, to all shareholders with a record date of March 31, 2023, will be implemented based on the number of shares issued prior to the stock split.

## 2. Share repurchase

At the Board of Directors meeting held on May 11, 2023, the Company resolved to acquire its own shares under the provisions of its Articles of Incorporation pursuant to paragraph 1, Article 459 of the Companies Act, as follows.

### (1) Reason for acquisition of own shares

The Company intends to acquire its own shares in accordance with its capital policy while taking into account its current cash position and growth investment capital for medium- to long-term revenue growth.

### (2) Details of acquisition

(i) Type of shares to be acquired:	Shares of common stock
(ii) Total number of shares to be acquired:	Up to 10 million shares (Equivalent to 2.1% of outstanding shares excluding treasury stock)
(iii) Total cost of acquisition:	Up to 120 billion yen
(iv) Period of acquisition:	From June 1, 2023 to December 31, 2023
(v) Method of acquisition:	Acquisition through market transactions on the Tokyo Stock Exchange