



Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2023 (Japanese GAAP)

August 10, 2023

Name of Listed Company: Tokyo Electron Limited Stock Exchange Listing: Tokyo
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Scheduled start date of dividends payment: -
 Preparation of supplementary materials for the quarterly financial results: Yes
 Quarterly earnings release conference: Yes (for investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (Cumulative)

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

	Three months ended			
	June 30, 2022		June 30, 2023	
		%		%
Net sales (Millions of yen)	473,654	4.8	391,746	(17.3)
Operating income (Millions of yen)	117,519	(17.1)	82,433	(29.9)
Ordinary income (Millions of yen)	117,692	(17.5)	83,046	(29.4)
Net income attributable to owners of parent (Millions of yen)	88,095	(12.2)	64,312	(27.0)
Net income per share of common stock (Yen):				
Basic	188.53		137.46	
Diluted	187.66		136.99	
Comprehensive income:	Three months ended June 30, 2023:	99,364 million yen, 18.9%	Three months ended June 30, 2022:	83,582 million yen, (24.5)%

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, 2023	June 30, 2023
Total assets (Millions of yen)	2,311,594	2,179,057
Total net assets (Millions of yen)	1,599,524	1,539,057
Equity ratio (%)	68.7	69.9
Equity:	1,523,569 million yen (as of June 30, 2023)	
	1,587,595 million yen (as of March 31, 2023)	

2. Dividends

	Year ended	Year ending
	March 31, 2023	March 31, 2024 (Forecast)
1Q-end dividends per share (Yen)	-	-
2Q-end dividends per share (Yen)	857.00	128.00
3Q-end dividends per share (Yen)	-	-
Year-end dividends per share (Yen)	854.00	192.00
Annual dividends per share (Yen)	1,711.00	320.00

Notes: Revision to the dividends forecast most recently announced: None

- The Company implemented a 3-for-1 common stock split on April 1, 2023. For 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.
- 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 for year ending March 31, 2024 indicate changes from the previous fiscal year, and those for six months ending September 30, 2023 indicate changes from the same period of the previous fiscal year.

	Six months ending		Year ending	
	September 30, 2023		March 31, 2024	
	(Cumulative)			
		%		%
Net sales (Millions of yen)	1,700,000	(23.0)	790,000	(33.2)
Operating income (Millions of yen)	393,000	(36.4)	161,000	(54.0)
Ordinary income (Millions of yen)	395,000	(36.8)	162,000	(54.1)
Net income attributable to owners of parent (Millions of yen)	300,000	(36.4)	120,000	(55.1)
Net income per share (Yen)	642.23		256.75	

Note: Revision to the financial forecasts most recently announced: None

Notes

- (1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries associated with changes in scope of consolidation): None
- (2) Adoption of special accounting methods for preparation of quarterly financial statements: Yes
Please refer to "Notes" on page 10 for further information.
- (3) 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
- (4) Number of shares issued and outstanding (common stock)
1. Number of shares issued and outstanding (including treasury stock)

As of June 30, 2023:	471,632,733 shares
As of March 31, 2023:	471,632,733 shares
 2. Number of shares of treasury stock

As of June 30, 2023:	4,757,262 shares
As of March 31, 2023:	3,272,016 shares
 3. Average number of shares outstanding (Cumulative quarterly period)

Three months ended June 30, 2023:	467,872,195 shares
Three months ended June 30, 2022:	467,269,861 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". (1,502,406 shares as of June 30, 2023, 1,502,637 shares as of March 31, 2023)

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

*** Status of implementation of quarterly review procedures**

This Summary of Consolidated Financial Results is outside the scope of external auditor's quarterly review 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. Qualitative Information on Financial Results for the Current Quarter (4) Description of Financial Estimates Information such as Consolidated Financial Forecasts" on page 5.

The Company plans to hold an online conference for investors and analysts on August 10, 2023.

Supplementary materials to be used at the conference will be posted on the Company's website.

1. Qualitative Information on Financial Results for the Current Quarter

(1) Description of Operating Results

With respect to the global economy in the first quarter of the current fiscal year, surges in raw material and energy prices are beginning to ease, while various goods prices have continued to rise when compared to the previous fiscal year. The yen in response to policy interest rate hikes implemented in Europe and the United States continued to decline in value.

In the electronics industry, where the Tokyo Electron (TEL) Group operates, capital investment in semiconductor production equipment entered a temporary adjustment phase following consecutive years of growth. However, in light of the transition to a data society and efforts toward realizing a decarbonized society stemming from the expansion of information and communication technology, the role of semiconductors in supporting electronic devices and the importance of technological innovations in semiconductors is increasing. Therefore, further growth is expected in the semiconductor production equipment market in the medium- to long-term.

Consequently, throughout the first quarter of the current fiscal year, as demand for final products such as PCs and smartphones slowed down, and inventories of semiconductor memory adjusted, semiconductor memory manufacturers curtailed production and capital investments. Furthermore, although capital investment in semiconductors meant for cutting-edge logic/foundry faced similar adjustments to those faced by memory, in light of the digitalization of society, capital investments for automotive and industrial applications continued their strong trends from the previous fiscal year.

As a result, the consolidated financial results (cumulative) for the first quarter of the current fiscal year were net sales of 391,746 million yen (year-on-year decrease of 17.3%), operating income of 82,433 million yen (year-on-year decrease of 29.9%), ordinary income of 83,046 million yen (year-on-year decrease of 29.4%), and net income attributable to owners of parent of 64,312 million yen (year-on-year decrease of 27.0%).

From the first quarter of the current fiscal year, information by segment has been omitted, due to the change of the reportable segments to a single segment of "Semiconductor Production Equipment". For details, please refer to "Notes" on page 10 for further information.

(2) Description of Financial Conditions

Current assets at the end of the first quarter of the current fiscal year were 1,551,454 million yen, a decrease of 189,505 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 97,642 million yen in prepaid consumption tax, and a decrease of 96,062 million yen in notes and accounts receivable - trade, and contract assets.

Property, plant and equipment increased by 34,583 million yen from the end of the previous fiscal year, to 293,671 million yen.

Intangible assets increased by 603 million yen from the end of the previous fiscal year, to 29,163 million yen.

Investments and other assets increased by 21,781 million yen from the end of the previous fiscal year, to 304,767 million yen.

As a result, total assets decreased by 132,537 million yen from the end of the previous fiscal year, to 2,179,057 million yen.

Current liabilities decreased by 73,319 million yen from the end of the previous fiscal year, to 556,574 million yen. This was largely due to a decrease of 42,250 million yen in income taxes payable, and a decrease of 29,972 million yen in accrued employees' bonuses.

Long-term liabilities increased by 1,250 million yen from the end of the previous fiscal year, to 83,425 million yen.

Net assets decreased by 60,467 million yen from the end of the previous fiscal year, to 1,539,057 million yen. This was largely due to a decrease resulting from the payment of 133,754 million yen in year-end dividends for the previous fiscal year, and an increase of 64,312 million yen resulting from recording net income attributable to owners of parent.

As a result, the equity ratio was 69.9%.

(3) Description of Cash Flows

Cash and cash equivalents at the end of the first quarter of the current fiscal year decreased by 72,197 million yen compared to the end of the previous fiscal year, to 400,274 million yen. The combined balance including 755 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 401,029 million yen, a decrease of 72,070 million yen from the end of the previous fiscal year. The overall situation regarding cash flows during the first quarter of the current fiscal year was as described below.

Cash flows from operating activities were positive 125,731 million yen, an increase of 55,743 million yen compared to the same period of the previous fiscal year. The major positive factors were 103,763 million yen decrease in notes and accounts receivable - trade, and contract assets, a 97,794 million yen decrease in prepaid consumption tax, and a 83,014 million yen in income before income taxes. The major negative factors were 62,550 million yen in payment of income taxes, a 55,411 million yen increase in inventories, and a 30,570 million yen decrease in accrued employees' bonuses.

Cash flows from investing activities were negative 36,942 million yen compared to negative 16,667 million yen in the same period of the previous fiscal year. This was largely due to the payment of 33,664 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities were negative 164,172 million yen compared to negative 119,150 million yen in the same period of the previous fiscal year. This was largely due to the payment of 133,754 million yen in dividends, and the payment of 29,796 million yen for the purchase of treasury stock.

Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities	69,987	125,731
Income before income taxes	117,642	83,014
Depreciation and amortization	9,724	10,604
Net decrease (increase) in notes and accounts receivable - trade, and contract assets	16,837	103,763
Decrease (increase) in inventories	(75,364)	(55,411)
Increase (decrease) in trade notes and accounts payable	(10,656)	(27,124)
Other, net	11,804	10,886
Cash flows from investing activities	(16,667)	(36,942)
Decrease (increase) in time deposits and short-term investments	(66)	(83)
Other (Purchase of long-term assets, and others)	(16,601)	(36,859)
Cash flows from financing activities	(119,150)	(164,172)
Purchase of treasury stock	—	(29,796)
Other (Dividends paid, and others)	(119,150)	(134,376)
Effect of exchange rate changes on cash and cash equivalents	9,042	3,186
Net increase (decrease) in cash and cash equivalents	(56,788)	(72,197)
Cash and cash equivalents at beginning of period	335,648	472,471
Cash and cash equivalents at end of period	278,859	400,274
Cash and cash equivalents, time deposits and short-term investments with maturities of more than three months	314,601	401,029

(4) Description of Financial Estimates Information such as Consolidated Financial Forecasts

There are no changes in the consolidated financial forecast for the fiscal year ending March 31, 2024 from the forecasts released at the time of the previous announcement on May 11, 2023.

Note: The financial forecasts and estimates stated in this Summary of Consolidated Financial Results 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 described in this Summary of Consolidated Financial Results.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
ASSETS		
Current assets		
Cash and deposits	473,099	391,028
Notes and accounts receivable - trade, and contract assets	464,889	368,827
Securities	0	10,001
Merchandise and finished goods	236,795	276,212
Work in process	161,938	158,539
Raw materials and supplies	253,474	281,819
Others	150,946	65,218
Allowance for doubtful accounts	(184)	(192)
Total current assets	1,740,959	1,551,454
Long-term assets		
Property, plant and equipment	259,088	293,671
Intangible assets		
Others	28,559	29,163
Total intangible assets	28,559	29,163
Investments and other assets		
Others	284,326	306,154
Allowance for doubtful accounts	(1,340)	(1,386)
Total investments and other assets	282,986	304,767
Total long-term assets	570,634	627,602
Total assets	2,311,594	2,179,057

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	116,317	93,057
Income taxes payable	71,177	28,927
Customer advances	289,169	299,180
Accrued warranty expenses	34,382	33,868
Other allowances	46,942	14,938
Others	71,904	86,601
Total current liabilities	629,893	556,574
Long-term liabilities		
Other allowances	3,189	3,114
Net defined benefit liabilities	60,366	59,781
Others	18,618	20,529
Total long-term liabilities	82,175	83,425
Total liabilities	712,069	639,999
NET ASSETS		
Shareholders' equity		
Common stock	54,961	54,961
Capital surplus	78,011	78,011
Retained earnings	1,322,203	1,252,698
Treasury stock, at cost	(22,033)	(51,606)
Total shareholders' equity	1,433,141	1,334,064
Accumulated other comprehensive income		
Net unrealized gains (losses) on investment securities	107,452	124,257
Net deferred gains (losses) on hedging instruments	(46)	(17)
Foreign currency translation adjustments	43,091	61,797
Accumulated remeasurements of defined benefit plans	3,954	3,467
Total accumulated other comprehensive income (loss)	154,453	189,505
Share subscription rights	11,929	15,487
Total net assets	1,599,524	1,539,057
Total liabilities and net assets	2,311,594	2,179,057

Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	473,654	391,746
Cost of sales	273,126	229,432
Gross profit	200,528	162,313
Selling, general & administrative expenses		
Research and development expenses	42,122	43,639
Others	40,886	36,240
Total selling, general and administrative expenses	83,009	79,880
Operating income	117,519	82,433
Non-operating income		
Dividend income	1,069	1,126
Share of profit of associates accounted for using the equity method	500	739
Others	752	1,439
Total non-operating income	2,322	3,304
Non-operating expenses		
Foreign exchange loss	1,772	2,454
Others	377	237
Total non-operating expenses	2,149	2,691
Ordinary income	117,692	83,046
Unusual or infrequent profit		
Gain on sales of long-term assets	0	1
Total unusual or infrequent profit	0	1
Unusual or infrequent loss		
Loss on disposal and sales of long-term assets	49	33
Total unusual or infrequent loss	49	33
Income before income taxes	117,642	83,014
Income taxes	29,547	18,701
Net income	88,095	64,312
Net income attributable to owners of parent	88,095	64,312

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net income	88,095	64,312
Other comprehensive income (loss)		
Net unrealized gains (losses) on investment securities	(22,639)	16,801
Foreign currency translation adjustments	18,145	18,557
Remeasurements of defined benefit plans	(167)	(485)
Share of other comprehensive income of associates accounted for using the equity method	148	178
Total other comprehensive income (loss)	(4,513)	35,051
Comprehensive income	83,582	99,364
(Breakdown)		
Comprehensive income attributable to owners of parent	83,582	99,364

Notes

Going concern: None

Significant changes in Shareholders' Equity: Yes

The Company executed the purchase of treasury stock based on the resolution of its Board of Directors dated May 11, 2023. Mainly due to this purchase, the amount of treasury stock increased by 29,572 million yen for the three months ended June 30, 2023, and resulted in 51,606 million yen as of June 30, 2023.

Changes in significant subsidiaries during the period: None

Adoption of special accounting methods for preparation of quarterly financial statements: Yes

The Company and part of its consolidated subsidiaries calculate tax expenses by reasonably estimating the annual effective tax rate on income before income taxes after the application of tax effect accounting for the fiscal year, and applying this rate to income before income taxes for the current quarter under review.

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

Segment information

Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

The description of this section has been omitted as TEL Group has a single segment of semiconductor production equipment (SPE).

Changes in reportable segments

While reportable segments of TEL Group were previously classified into SPE and flat panel display (FPD) production equipment, those segments have been changed into a single segment of SPE from the first quarter of the current fiscal year.

This change is due to the judgement that, based on facts that the impact from the FPD production equipment business has become insignificant while SPE market has made steady growth and is expected to grow higher in future and TEL Group implemented a corporate reorganization that combined the FPD production equipment business into the SPE business from April, 2023 for the purpose of efficient resource utilization, disclosing them as a single segment of SPE will more appropriately reflect the management condition of TEL Group from the viewpoint of the business development and the decision-making process for allocating management resources of TEL Group.

As a result of this change, the description of segment information for the three months ended June 30, 2023 has been omitted.