



President & Representative Director

A. Tohualyfe

Career Summary

- April 1986 Joined Tokyo Electron Limited
- April 2005 Vice President of TED
- June 2007 Corporate Director of the Company
- June 2011 Managing Director, TOKYO ELECTRON DEVICE HONG KONG LTD. (now TOKYO ELECTRON DEVICE ASIA PACIFIC LTD.)
- September 2013 CEO, inrevium AMERICA, INC. (now TOKYO ELECTRON DEVICE AMERICA, INC.)
- January 2015 President & Representative Director of the Company (present)

VISION 2025

Aiming for Further Profit Growth

Fiscal 2023, the year ended March 31, 2023, marked the halfway point of the VISION 2025 medium-term management plan, and we reached the financial targets of the plan two years early. I believe that we achieved this by taking maximum advantage of changes in the business environment. Nevertheless, our initiatives under the plan aimed at sustainable growth through higher revenue and profit —our overarching goal—are still in progress. The business environment in fiscal 2024 is expected to be challenging due to such factors as semiconductor market adjustment, and we will further reinforce efforts to bolster future profit growth.

We look forward to your continued support as we move forward.

Progress of VISION 2025 and Latest Forecasts

VISION 2025

The VISION 2025 medium-term management plan lays out the business environment forecast that Society 5.0 will arrive amid slow economic growth, as well as our mission, “Driving Digital Transformation—Providing products and services that can achieve digital transformation, thus contributing to the sustainable development of a highly efficient smart society.”

To achieve this mission, we have also designated “To become a manufacturer with technology trading company functions” as our vision. We have further defined the evolving technology trading company functions we aspire to and the kind of manufacturer we want to be. By achieving these, we aim to grow into a manufacturer with the competitiveness to thrive in Society 5.0.

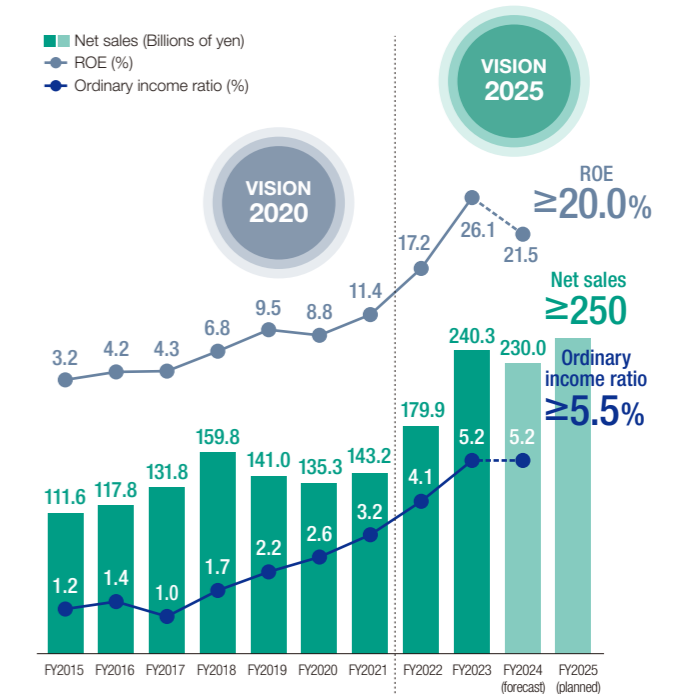
Progress

In fiscal 2023, financial performance was strong, reflecting robust demand for semiconductors and the weakness of the yen against the U.S. dollar. Net sales reached ¥240.3 billion, the ordinary income ratio came to 5.2% and ROE rose to 26.1%, reaching the financial targets of VISION 2025 two years earlier than planned.

	VISION 2025 target	Fiscal 2022	Fiscal 2023	VISION 2025 Latest forecast
Net sales	¥200 billion ± 10%	¥179.9 billion	¥240.3 billion	≥ ¥250 billion
Ordinary income ratio	> 5.0%	4.1%	5.2%	≥ 5.5%
ROE	> 15.0%	17.2%	26.1%	≥ 20.0%

Latest Forecast for VISION 2025

In light of recent assumptions about the future business environment, we have made the forecast for fiscal 2025 to net sales of ¥250 billion, an ordinary income ratio of 5.5% or higher and ROE or 20% or higher. Our goal of transitioning into a manufacturer with technology trading company functions is unchanged, and we will advance initiatives toward profit growth in recurring-revenue services and manufacturing businesses, aiming for sustainable growth. We plan to announce the next medium-term management plan in fiscal 2025.



Business Plan Assumptions and Performance Forecasts

Fiscal 2023 saw the most rapid growth of any year under the VISION 2020 or VISION 2025 medium-term management plans. Performance in the Electronic Components Business greatly exceeded the segment's financial targets, driving overall performance. This reflected extremely strong demand for semiconductors and firm investment in IT, as well as a significantly weaker yen than in the previous fiscal year.

In fiscal 2024, we expect to enter a temporary adjustment phase. This is partly because overall semiconductor demand is forecast to decline year on year, albeit more so in some fields than others. In addition, despite the expansion of semiconductor customer commercial rights, we expect a decrease in sales due to in part to a shift to direct sales from semiconductor manufacturers. The expansion in customer commercial rights is expected to contribute to performance in earnest from fiscal 2025.

While fiscal 2024 will thus be an adjustment phase, we still expect to exceed all of the original financial targets for VISION 2025.

In fiscal 2025, the final year of VISION 2025, we expect to return to a growth stage of rising revenue and profit.

Factors behind this forecast include the following:

- In the Electronic Components Business, semiconductor markets are expected to recover across a wide range of fields.
- In the Computer Networks Business, IT investment is expected to be firm, and the expansion of service businesses will help increase profitability.
- In the Private Brand Business, parts procurement difficulties are expected to ease, leading to acceleration in product manufacturing, and the launch of new products will boost profitability.

Plan for Fiscal 2024

Based on the aforementioned business plan assumptions, in fiscal 2024, we plan for net sales to decrease ¥10.35 billion year on year to ¥230.0 billion, with ordinary income decreasing ¥478.0 million to ¥12.0 billion and net income attributable to owners of parent decreasing ¥328.0 million

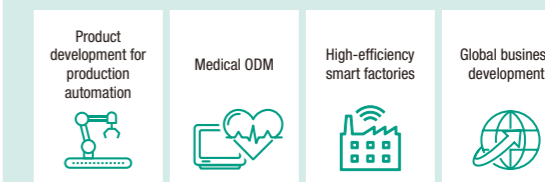
to ¥8.45 billion.

We will continue to promote businesses in the promising areas of accelerating profit growth shown below while proactively investing with an eye toward growth beyond fiscal 2025.

Recurring-revenue businesses



Manufacturer functions

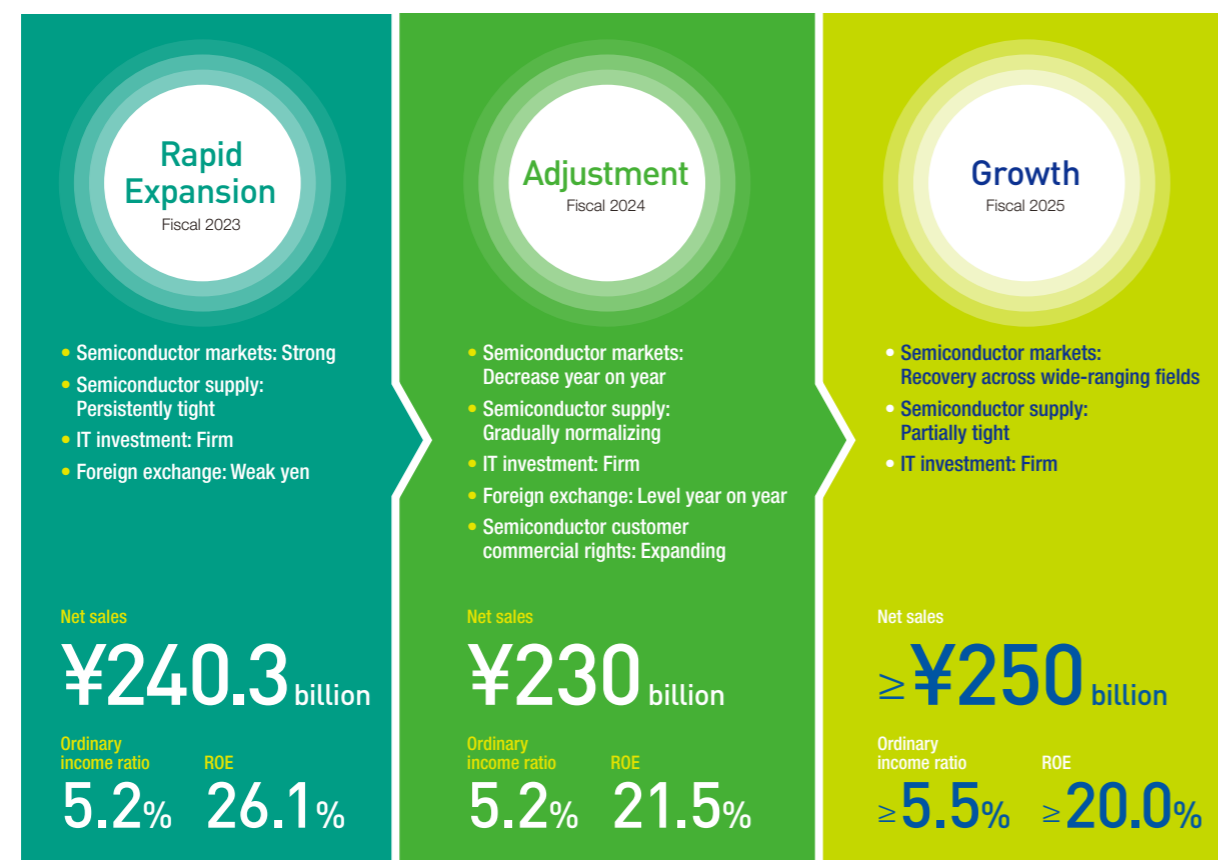


* ODM: Original design manufacturing

(Millions of yen)

	Fiscal 2023	Fiscal 2024 (Forecast)			Year-on-year change	
	Full year	First half	Second half	Full year	Amount	%
Net sales	240,350	107,800	122,200	230,000	- 10,350	- 4.3%
Ordinary income (Ordinary income ratio)	12,478 (5.2%)	5,000 (4.6%)	7,000 (5.7%)	12,000 (5.2%)	- 478	- 3.8% (+0.0 point)
Net income (Net income ratio)	8,778 (3.7%)	3,550 (3.3%)	4,900 (4.0%)	8,450 (3.7%)	- 328	- 3.7% (+0.0 point)

* Net income refers to net income attributable to owners of parent.



Share Split

Tokyo Electron Device has decided to conduct a share split in order to create an environment in which investors can invest more easily and thereby facilitate the expansion of the investor base by reducing the price of the investment unit.

The Company will conduct a share split at a ratio of three shares for every one share of the Company's common stock with a record date of September 30, 2023.

As the effective date for the share split is October 1, 2023, the interim dividend, which has a record date of September 30, 2023, will be paid based on the number of shares before the share split.

Split ratio	3 shares for every 1 share
Record date	September 30, 2023
Effective date	October 1, 2023

