

Financial Review

Operating Results

During fiscal 2021, although the global economy was affected by the novel coronavirus (COVID-19) pandemic, there are signs of a return to positive economic growth, driven by the implementation of economic stimulus policies by national governments.

In the electronics industry, where Tokyo Electron operates, the market for semiconductor production equipment is expanding as demand for semiconductors increases, driven by the transition to a data-driven society due to the expansion of the use of information and communication technologies (ICT) such as IoT, AI and 5G. Although it will be necessary to continue to monitor the impact of COVID-19, the market for semiconductor production equipment is expected to grow further.

In this environment, the consolidated operating results for fiscal 2021 were as follows.

Net sales for the fiscal year increased 24.1% from the previous fiscal year to 1,399.1 billion yen. Domestic net sales increased 22.1% from the previous year to 197.5 billion yen, while overseas net sales increased 24.5% to 1,201.5 billion yen to account for

85.9% of net sales.

Cost of sales increased 23.5% to 834.1 billion yen and gross profit increased 25.0% to 564.9 billion yen. As a result, the gross profit margin expanded by 0.3 points to 40.4%. Selling, general and administrative (SG&A) expenses increased 13.8% to 244.2 billion yen, while the ratio to consolidated net sales declined by 1.6 points to 17.5%.

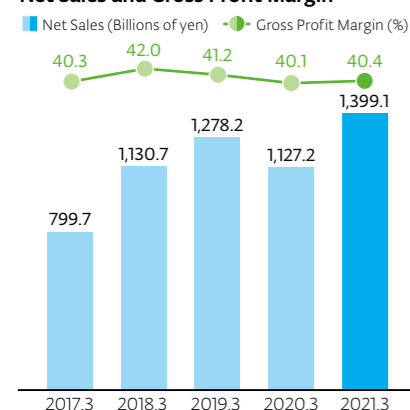
As a result, operating income increased 35.1% to 320.6 billion yen and operating margin increased 1.9 points to 22.9%. After netting of non-operating income of 5.4 billion yen and non-operating expenses of 4.0 billion yen, ordinary income increased 31.5% to 322.1 billion yen. Income before income taxes was 317.0 billion yen (year-on-year growth of 29.6%) and net income attributable to owners of parent was 242.9 billion yen (year-on-year growth of 31.2%).

As a result, net income per share was 1,562.20 yen compared to net income per share of 1,170.57 yen in the previous fiscal year.

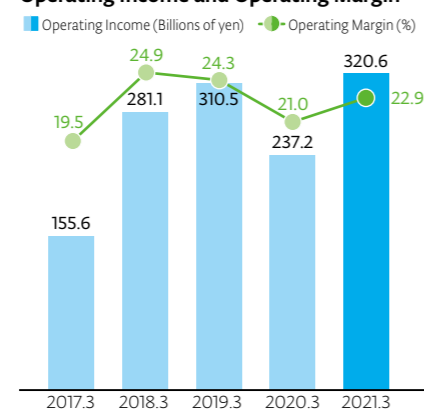
Sales and Income

	Millions of yen				
	2017.3	2018.3	2019.3	2020.3	2021.3
Net sales	¥799,719	¥1,130,728	¥1,278,240	¥1,127,286	¥1,399,102
Gross profit	322,291	475,032	526,183	451,941	564,945
Gross profit margin	40.3%	42.0%	41.2%	40.1%	40.4%
Selling, general and administrative expenses	166,594	193,860	215,612	214,649	244,259
Operating income	155,697	281,172	310,571	237,292	320,685
Operating margin	19.5%	24.9%	24.3%	21.0%	22.9%
Income before income taxes	149,116	275,242	321,508	244,626	317,038
Net income attributable to owners of parent	115,208	204,371	248,228	185,206	242,941

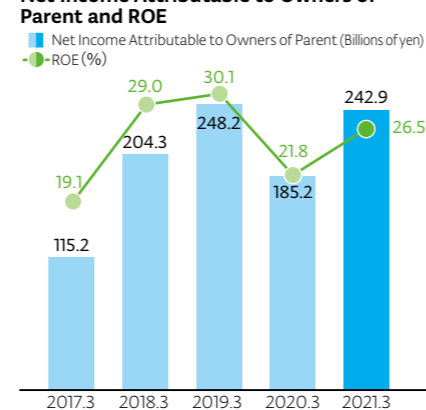
Net Sales and Gross Profit Margin



Operating Income and Operating Margin



Net Income Attributable to Owners of Parent and ROE



Financial Conditions

Total current assets at the end of fiscal 2021 were 1,015.6 billion yen, an increase of 53.2 billion yen compared to the end of the previous fiscal year. This was mainly due to an increase of 41.5 billion yen in trade notes and accounts receivable, an increase of 36.6 billion yen in cash and deposits, an increase of 23.2 billion yen in inventories, and a decrease of 44.8 billion yen in short-term investments.

Net property, plant and equipment increased by 21.3 billion yen from the end of the previous fiscal year, to 196.9 billion yen. Investments and other assets increased by 72.2 billion yen from the end of the previous fiscal year, to 212.6 billion yen.

As a result, total assets increased by 146.8 billion yen from the end of the previous fiscal year, to 1,425.3 billion yen.

Total current liabilities decreased by 54.9 billion yen from the end of the previous fiscal year, to 327.6 billion yen. This was largely due to a decrease in customer advances of 53.6 billion yen.

Total non-current liabilities increased by 6.9 billion yen from the end of the previous fiscal year, to 73.1 billion yen.

Total net assets increased by 194.8 billion yen from the end of previous fiscal year, to 1,024.5 billion yen. This was largely due to an increase of 242.9 billion yen in net income attributable to owners of parent, a decrease resulting from the payment of 109.5 billion yen in year-end dividends for the previous fiscal year and an interim dividend for fiscal 2021, and an increase of 45.9 billion yen in net unrealized gains on investment securities. As a result, the equity ratio was 71.1%.

Financial Conditions

	Millions of yen				
	2017.3	2018.3	2019.3	2020.3	2021.3
Total current assets	¥775,938	¥946,597	¥982,897	¥962,484	¥1,015,696
Net property, plant and equipment	100,441	125,952	150,069	175,580	196,967
Total investments and other assets	81,067	130,246	124,661	140,431	212,699
Total assets	957,447	1,202,796	1,257,627	1,278,495	1,425,364
Total current liabilities	247,770	368,452	304,882	382,578	327,661
Total liabilities	311,447	431,287	369,510	448,802	400,801
Total net assets	645,999	771,509	888,117	829,692	1,024,562

Note: From fiscal 2019, the Company applied the Accounting Standards Board of Japan's "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, revised on February 16, 2018). Total current assets, total investments and other assets, total assets and total liabilities for fiscal 2018 have been restated in accordance with the revised accounting standard.

Cash Flows

	Millions of yen				
	2017.3	2018.3	2019.3	2020.3	2021.3
Cash flows from operating activities	¥136,948	¥186,582	¥189,572	¥253,117	¥145,888
Cash flows from investing activities	(28,893)	(11,833)	(84,033)	15,951	(18,274)
Cash flows from financing activities	(39,380)	(82,549)	(129,761)	(250,374)	(114,525)
Cash and cash equivalents at end of year	164,366	257,877	232,634	247,959	265,993

Cash Flows

Cash and cash equivalents at the end of fiscal 2021 increased by 18.0 billion yen compared to the end of the previous fiscal year, to 265.9 billion yen. The combined balance including 45.5 billion 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 311.5 billion yen, a decrease of 26.8 billion 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 145.8 billion yen, a decrease of 107.2 billion yen compared to the same period of the previous fiscal year. The major positive factors were 317.0 billion yen in income before income taxes, 33.8 billion yen in depreciation and amortization. The major negative factors were 87.7 billion yen in payment of income taxes, a decrease in customer advances of 54.8 billion yen, an increase in trade notes and accounts receivable of 37.7 billion yen, and an increase in inventories of 17.2 billion yen.

Cash flows from investing activities were negative 18.2 billion yen compared to positive 15.9 billion yen in the same period of the previous fiscal year. This was largely due to the payment of 53.8 billion yen for the purchase of property, plant and equipment, and an inflow of 44.9 billion yen from a decrease in short-term investments.

Cash flows from financing activities were negative 114.5 billion yen compared to negative 250.3 billion yen in the same period of the previous fiscal year. This was largely due to the payment of 109.5 billion yen in dividends.

Management Discussion and Analysis of State of Operating Results

Our operating results for fiscal 2021 were a record-high 1,399.1 billion yen, an increase of 24.1% from the previous fiscal year, due to active capital expenditure by customers in both the semiconductor and flat panel display (FPD) production equipment markets.

Together with the significant increase in net sales, operating income also reached 320.6 billion yen, an increase of 35.1% from the previous fiscal year, and the operating margin was 22.9%, an increase of 1.9 points from the previous fiscal year. This was mainly due to the increase in gross profit margin from the increase in net sales of key fields, and the decrease in the ratio of selling, general and administrative expenses arising from the increase in net sales. Total R&D expenses increased by 16.3 billion yen (13.6%) from the previous fiscal year to a record-high of 136.6 billion yen in order to achieve the financial model of the Medium-term Management Plan as well as to achieve further growth in the future.

Net income attributable to owners of parent—which is operating income with non-operating profit and loss and unusual or infrequent profit and loss reflected less tax expenses—was 242.9 billion yen, and its ratio against net sales was 17.4%, an increase of 1.0 points from the previous fiscal year. Net income per share was 1,562.20 yen due to the increase in profits as well as the impact of the purchase of treasury stock conducted in the previous fiscal year.

The following is our understanding, analysis and consideration about the state of operating results for each segment. Please note that segment profit corresponds to income before income taxes on the consolidated statements of income.

•Semiconductor Production Equipment

Due to the expanded use of ICT mentioned above, capital expenditure in semiconductors for logic/foundry has been robust in a wide range of areas, from the leading-edge to mature generations of semiconductors. In addition, capital expenditure in NAND increased significantly during fiscal 2021, reflecting the transition to a data-driven society. Furthermore, capital expenditure in DRAM that had been adjusted also started to recover due to an improvement in the supply and demand balance toward the second half of fiscal 2021. Consequently, net sales in this segment during the fiscal 2021 were 1,315.2 billion yen (year-on-year growth of 24.0%). Segment profit was 362.5 billion yen, an increase of 34.0% from the previous fiscal year. Amid active capital expenditure by customers on new equipment, as a result of smooth progress in sales strategies within key fields, net sales in fiscal 2021 increased significantly, especially in sales for logic/foundry and NAND. In addition, net sales for used equipment and modifications as well as parts and services also grew steadily due to the increase in cumulative number of equipment installed and high equipment utilization by customers.

Segment profit margin was 27.6% in fiscal 2021, an increase of 2.1 points from 25.5% in the previous fiscal year. This was mainly due to the decrease in the ratio of fixed costs arising from the significant increase in net sales.

•FPD Production Equipment

The FPD production equipment market underwent positive growth year-on-year, with an increase in capital expenditure in small- to medium-sized OLED panels for mobile devices in addition to robust capital expenditure in large-sized LCD panels for televisions. Consequently, net sales in this segment during the fiscal 2021 were 83.7 billion yen (year-on-year growth of 26.8%). Segment profit was 8.8 billion yen, a

decrease of 16.7% from the previous fiscal year. The significant growth in this segment's net sales was due to the increase in capital expenditure on small- to medium-sized OLED panels for mobile devices as well as robust capital expenditure on large-sized LCD panels for televisions.

Segment profit margin was 10.5% in fiscal 2021, a decrease of 5.5 points from 16.0% in the previous fiscal year. This was mainly due to inventories—manufactured during the previous fiscal year when our plant utilization rate was temporary low—being realized as cost of sales in fiscal 2021.

Management Discussion and Analysis of State of Financial Conditions and Cash Flows, and Information Related to Sources of Capital and Fluidity of Funds

Regarding our financial conditions, total assets stood at 1,425.3 billion yen at the end of fiscal 2021, an increase of 146.8 billion yen from the end of the previous fiscal year. This was mainly due to the increase in trade notes and accounts receivable, inventories, property, plant and equipment, and investment securities included in investments and other assets. Trade notes and accounts receivable reached 191.7 billion yen, an increase of 41.5 billion yen from the end of the previous fiscal year, due to the significant increase in net sales during the fourth quarter against the backdrop of rapid growth in the market for semiconductor production equipment. Inventories reached 415.3 billion yen, an increase of 23.2 billion yen from the end of the previous fiscal year, in reflection of the robust demand for equipment and parts—which will continue into the following fiscal year—as well as a result of incorporating measures such as leveling of production.

Net property, plant and equipment increased 21.3 billion yen year-on-year to 196.9 billion yen, in reflection of the completion of new buildings at our Yamanashi and Tohoku plants aimed

at enhancing our production capacities, as well as other works such as the ongoing construction of the Technology Innovation Center at our Miyagi plant.

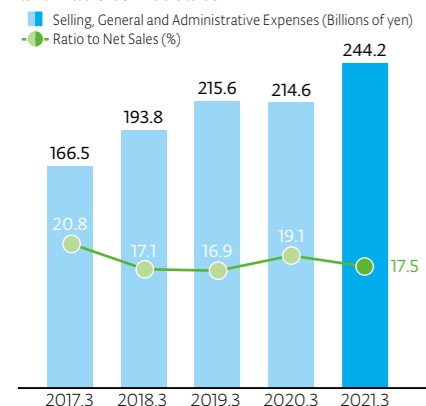
Investment securities increased 66.6 billion yen year-on-year to 105.0 billion yen due to the higher market prices of strategically-held listed shares. Due to these factors, total assets increased since the end of the previous fiscal year, but as the increase in net sales was greater, the turnover period for total assets decreased from 414 days in the previous fiscal year to 372 days, improving asset efficiency.

Regarding cash flows, the balance of cash and cash equivalents including deposits and short-term investments with original maturities of more than three months decreased 26.8 billion yen year-on-year to 311.5 billion yen. This was mainly due to a concentration of equipment shipments in the fourth quarter of the previous fiscal year and a portion of payments from customers for sales in fiscal 2021 being recognized as customer advances in the previous fiscal year.

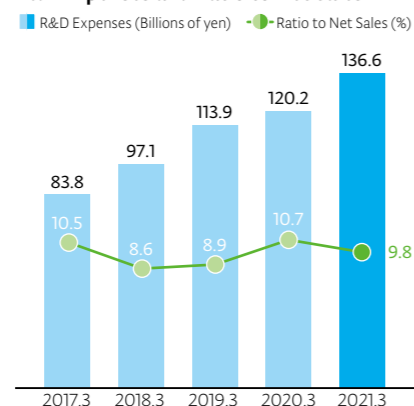
Given that the required working capital is increasing, such as an increasing level of inventories due to business expansion, we continued to invest in growth, including the enhancement of our production capabilities in preparation for higher demand and research and development. At the same time, we returned 109.5 billion yen to our shareholders based on our shareholder return policy of a 50% dividend payout ratio. These were all covered using cash on hand obtained through business operations. We will continue to undertake investments for future growth and aggressive shareholder return while maintaining our solid financial foundation built through high profit margins.

Return on equity (ROE), one of our management indicators, increased from 21.8% in the previous fiscal year to 26.5%, improving capital efficiency. This was due to the increase in the ratio of net income attributable to owners of parent against net sales as well as the decrease in the turnover period for total assets.

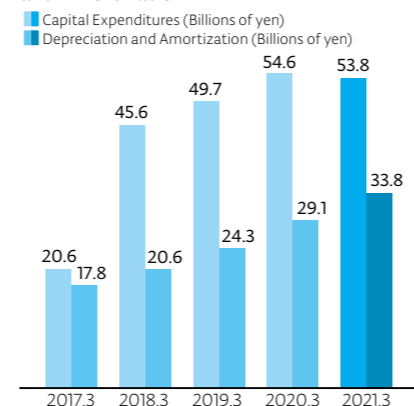
Selling, General and Administrative Expenses and Ratio to Net Sales



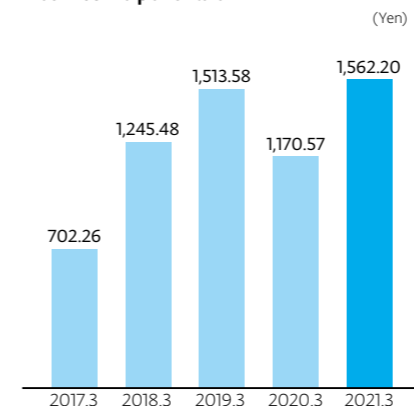
R&D Expenses and Ratio to Net Sales



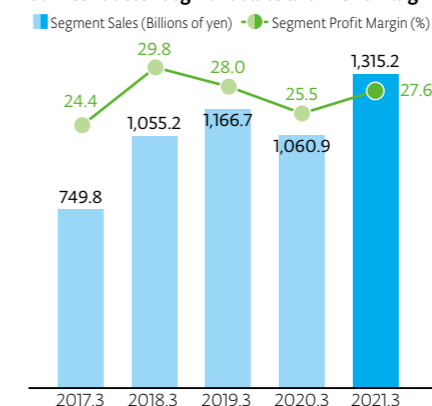
Capital Expenditures and Depreciation and Amortization



Net Income per Share

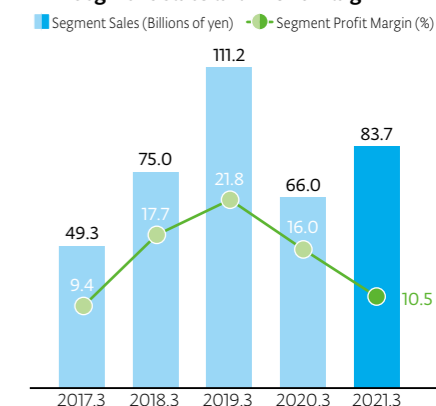


Semiconductor Segment Sales and Profit Margin



Note: Segment profit corresponds to income before income taxes on the consolidated statements of income.

FPD Segment Sales and Profit Margin



Note: Segment profit corresponds to income before income taxes on the consolidated statements of income.

Consolidated Eleven-Year Summary

Tokyo Electron Limited and Subsidiaries
As of and for the years ended March 31

	Thousands of U.S. dollars				Millions of yen								
	2021	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	
Net sales ¹	\$ 12,637,546	¥ 1,399,102	¥ 1,127,286	¥ 1,278,240	¥ 1,130,728	¥ 799,719	¥ 663,949	¥ 613,125	¥ 612,170	¥ 497,300	¥ 633,091	¥ 668,722	
Semiconductor production equipment	11,879,691	1,315,200	1,060,997	1,166,781	1,055,234	749,893	613,033	576,242	478,842	392,027	477,873	511,332	
FPD production equipment	756,682	83,772	66,092	111,261	75,068	49,387	44,687	32,710	28,317	20,077	69,889	66,721	
PV production equipment	—	—	—	—	—	—	—	3,618	3,806	83	—	—	
Electronic components and computer networks	—	—	—	—	—	—	—	—	100,726	84,665	84,868	90,216	
Other	1,172	129	197	197	425	438	6,229	555	479	448	461	453	
Operating income	2,896,628	320,685	237,292	310,571	281,172	155,697	116,789	88,113	32,205	12,549	60,443	97,870	
Income (loss) before income taxes	2,863,679	317,038	244,626	321,508	275,242	149,116	106,467	86,828	(11,756)	17,767	60,602	99,579	
Net income (loss) attributable to owners of parent	2,194,393	242,941	185,206	248,228	204,371	115,208	77,892	71,888	(19,409)	6,076	36,726	71,924	
Comprehensive income (loss)	2,762,183	305,801	187,084	242,696	206,152	119,998	60,984	80,295	(10,889)	15,826	36,954	69,598	
Domestic sales	1,784,543	197,566	161,812	208,796	148,760	101,122	121,808	95,046	161,631	118,504	171,364	182,165	
Overseas sales	10,853,002	1,201,535	965,474	1,069,443	981,967	698,597	542,141	518,079	450,539	378,796	461,727	486,557	
Depreciation and amortization ²	305,696	33,843	29,107	24,323	20,619	17,872	19,257	20,878	24,888	26,631	24,198	17,707	
Capital expenditures ³	486,576	53,868	54,666	49,754	45,603	20,697	13,341	13,184	12,799	21,774	39,541	39,140	
R&D expenses	1,234,295	136,648	120,268	113,980	97,103	83,800	76,287	71,350	78,664	73,249	81,506	70,568	
Total assets ⁶	12,874,753	1,425,364	1,278,495	1,257,627	1,202,796	957,447	793,368	876,154	828,592	775,528	783,611	809,205	
Total net assets	9,254,475	1,024,562	829,692	888,117	771,509	645,999	564,239	641,163	590,614	605,127	598,603	584,802	
Number of employees		14,479	13,837	12,742	11,946	11,241	10,629	10,844	12,304	12,201	10,684	10,343	
	U.S. dollars					Yen							
Net income (loss) per share of common stock:													
Basic	\$ 14.11	¥ 1,562.20	¥ 1,170.57	¥ 1,513.58	¥ 1,245.48	¥ 702.26	¥ 461.10	¥ 401.08	¥(108.31)	¥ 33.91	¥ 205.04	¥ 401.73	
Diluted ⁴	14.03	1,553.29	1,164.02	1,507.22	1,241.22	700.35	460.00	400.15	—	33.85	204.72	401.10	
Net assets per share of common stock	58.82	6,512.18	5,267.96	5,371.78	4,674.49	3,919.50	3,428.37	3,567.23	3,225.92	3,309.58	3,275.14	3,198.66	
Cash dividends per share of common stock	7.05	781.00	588.00	758.00	624.00	352.00	237.00	143.00	50.00	51.00	80.00	114.00	
Number of shares outstanding (thousands)		157,210	157,210	165,210	165,210	165,210	165,211	180,611	180,611	180,611	180,611	180,611	
Number of shareholders		29,547	30,348	50,843	35,186	21,937	24,664	20,829	30,563	41,287	42,414	44,896	
						%							
ROE		26.5	21.8	30.1	29.0	19.1	13.0	11.8	(3.3)	1.0	6.3	13.3	
Operating margin		22.9	21.0	24.3	24.9	19.5	17.6	14.4	5.3	2.5	9.5	14.6	
Equity ratio ⁶		71.1	64.1	70.0	63.8	67.2	70.9	73.0	69.8	76.5	74.9	70.8	
Total asset turnover (times) ⁶		1.03	0.89	1.04	1.05	0.91	0.80	0.72	0.76	0.64	0.79	0.89	
	U.S. dollars					Thousands of yen							
Net sales per employee	\$ 872,818	¥ 96,629	¥ 81,468	¥ 100,317	¥ 94,653	¥ 71,143	¥ 62,466	¥ 56,540	¥ 49,754	¥ 40,759	¥ 59,256	¥ 64,655	

1 From fiscal 2015, Electronic components and computer networks were excluded because Tokyo Electron Device Limited, a former consolidated subsidiary, became an equity method affiliate. Photovoltaic panel (PV) production equipment was included in FPD production equipment until fiscal 2012 but from fiscal 2016, it has been included in Other.

2 Depreciation and amortization does not include amortization and loss on impairment of goodwill.

3 Capital expenditures only represent the gross increase in property, plant and equipment.

4 Dilution is not assumed for the year ended March 31, 2014.

5 The amounts in this summary in millions and thousands of yen; thousands of U.S. dollars; and thousands of shares as of and for the years ended March 31, 2016 and prior are rounded to the nearest unit. Such amounts as of and for the years ended March 31, 2017 and onward are truncated at the nearest unit. Accordingly, totals for the years ended March 31, 2017 and onward do not necessarily agree with the sum of the corresponding individual amounts.

6 From fiscal 2019, the Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Statement No. 28, revised on February 16, 2018) released by the ASBJ. Accordingly, total assets, equity ratio and total asset turnover for fiscal 2018 have been restated.

Sustainability Data

Social

Tokyo Electron Limited and Subsidiaries
As of and for the years ended March 31

● denotes data in the "Tokyo Electron Sustainability Report 2021" with third-party assurance. www.tel.com/csr/report/

Composition of Employees

	2017	2018	2019	2020	2021
Number of regular employees	10,920	11,696	12,469	13,542	14,022
Regular employees (Region/Group)					
Japan	6,967	7,268	7,526	7,806	7,921
Rest of Asia	1,850	2,218	2,832	3,494	3,796
Europe and Middle East	448	492	513	528	509
North America	1,655	1,718	1,598	1,714	1,796

	2017	2018	2019	2020	2021
Number of employees	7,288	7,516	7,797	8,100	8,296
Regular employees	6,967	7,268	7,526	7,806	7,921
Men	6,079	6,292	6,479	6,681	6,722
Women	888	976	1,047	1,125	1,199
Non-regular employees	321	248	271	294	375
Men	209	181	220	263	348
Women	112	67	51	31	27

Recruitment/Employment (Japan)

	2017	2018	2019	2020	2021
Number hired	72	167	199	281	253
Under 30 yrs old	72	163	198	280	252
Men	70	131	166	233	207
Women	2	32	32	47	45
30-49 yrs old	0	4	1	1	1
Men	0	4	1	1	1
Women	0	0	0	0	0
50 and over yrs old	0	0	0	0	0
Men	0	0	0	0	0
Women	0	0	0	0	0
Percentage of women	2.8	19.2	16.1	16.7	17.8
Number hired	279	262	239	150	191
Under 30 yrs old	102	102	85	42	56
Men	85	85	67	35	49
Women	17	17	18	7	7
30-49 yrs old	170	156	145	96	123
Men	155	135	119	82	92
Women	15	21	26	14	31
50 and over yrs old	7	4	9	12	12
Men	6	3	5	10	11
Women	1	1	4	2	1
Percentage of women	11.8	14.9	20.1	15.3	20.4
Percentage hired (TEL)	2.13	2.22	2.18	2.06	2.43
Percentage hired (Group)	1.98	1.91	2.04	2.01	2.3
Number of people	42	20	22	23	26
Percentage	1.6	1.8	2.0	2.0	2.2
Number of users	125	156	201	242	313
Men	123	155	196	235	305
Women	2	1	5	7	8

¹ Percentage of female managers Calculation method: Number of female managers/Number of managers × 100
² Grade resetting through global human resources system since FY2018 ³ As of March 31

	2017	2018	2019	2020	2021
Number of users	34	31	30	23	23
Men	30	30	28	18	20
Women	4	1	2	5	3
Percentage of regular employees who received regular performance and career evaluations	100.0	100.0	100.0	100.0	100.0

Employee Retention (Japan)

	2017	2018	2019	2020	2021
Retention after three years of joining TEL ¹	92.9	93.4	93.0	93.8	94.1
Men	94.1	94.3	93.5	94.6	94.8
Women	85.2	87.1	88.0	88.6	89.3
Average service years	17 yrs. 1 mo.	17 yrs. 1 mo.	17 yrs. 2 mos.	17 yrs. 2 mos.	17 yrs. 4 mos.
Men	17 yrs. 4 mos.	17 yrs. 4 mos.	17 yrs. 5 mos.	17 yrs. 5 mos.	17 yrs. 7 mos.
Women	15 yrs. 5 mos.	15 yrs. 7 mos.	15 yrs. 8 mos.	15 yrs. 11 mos.	15 yrs. 10 mos.
Employee turnover	102	103	108	82	87
Men	82	82	88	54	75
Women	20	21	20	28	12
Turnover percentage	1.4	1.4	1.4	1.0	1.0

¹ Average in recent five years ² Turnover due to personal circumstances

Work-life Balance (Japan)

	2017	2018	2019	2020	2021
Take-up rate ³	64.1	64.3	67.2	72.6	62.5
Number of those who took leave	586	639	605	901	688
Men	499	556	507	773	610
Women	87	83	98	128	78
Number of those who took leave	179	180	155	184	148
Men	44	41	56	46	41
Women (percentage who took leave)	42 (95.5)	37 (92.5)	48 (100.0)	34 (97.1)	25 (92.6)
Number of those who returned to work after leave	44	44	43	48	54
Men	2	6	6	8	15
Women	42	38	37	40	39
Percentage reinstated	93.6	93.6	93.5	94.1	96.4
Retention rate	95.7	90.0	88.9	93.3	95.0
Number of those who used	170	176	153	149	132
Men	23	24	8	11	9
Women	147	152	145	138	123
Number of those who took leave	464	455	517	625	510
Men	263	281	334	428	353
Women	201	174	183	197	157
Number of those who took leave	106	120	129	125	86
Men	16	19	26	26	29
Women	90	101	103	99	57
Number of those who took leave	2	3	5	2	2
Men	1	2	2	2	0
Women	1	1	3	0	2
Number of those who took leave	50	47	63	95	110
Men	31	25	38	56	69
Women	19	22	25	39	41
Number of those who used	0	0	2	2	0
Men	0	0	0	1	0
Women	0	0	2	1	0

³ Take-up rate of annual paid leave Calculation method: (Days of paid leave taken by employees*)/(Days of paid leave provided to employees*) × 100 * Incl. non-regular employees

Customers

	2017	2018	2019	2020	2021
Percentage of respondents who selected "Very Satisfied" or "Satisfied" in the customer satisfaction survey	67.6	59.4	84.4	93.3	96.7

Products/Innovation

	2017	2018	2019	2020	2021
Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	0	0	0	0	0
Number of active issued patents	16,023	16,767	17,473	18,137	18,692
Japan	4,984	5,091	5,304	5,348	5,484
North America	4,224	4,321	4,415	4,606	4,822
Active issued patents (Region/Country)					
Europe	199	185	179	191	206
Korea	2,672	2,864	3,076	3,223	3,363
Taiwan	2,387	2,675	2,817	2,948	2,925
China	1,557	1,631	1,682	1,821	1,892

	2015 ¹	2016 ¹	2017 ¹	2018 ¹	2019 ¹
Global patent application rate	70.0	76.1	81.2	79.8	74.3
Patent application success rate					
Japan	66.5	71.5	82.9	83.1	84.9
North America	72.3	78.0	85.1	85.5	87.3

¹ Calendar year when patents were filed/granted

Safety

	2017	2018	2019	2020	2021
Percentage of employees who received training on basic safety	100	100	100	100	100
Percentage of employees who received training on advanced safety	100	100	100	100	100
Lost time incident rate (LTIR)	0.46	0.77	0.40	0.51	0.63
Number of workplace injuries per 200,000 work hours (TCIR)	0.28	0.38	0.20	0.23	0.27

Procurement

	2017	2018	2019	2020	2021
Percentage of new important suppliers screened using social criteria	100	100	100	100	100
Rate of improvement after supply chain CSR assessment (including green procurement survey)	16.9	20.7	— ²	35.8	23.1
Rate of improvement after supply chain BCP assessment	32.3	21.2	19.4	16.0	20.3
Number of identified RMAP conformant smelters (rate of identification)	237 (100)	249 (100)	253 (100)	261 (100)	236 (100)

² Unable to compare with previous fiscal year due to comprehensive revisions, including the survey

Governance

	2017	2018	2019	2020	2021
Total number of critical incidents notified to Board of Directors	1	0	0	0	0
Total number of incidents subject to legal action on the basis of anti-competitive conduct, antitrust activity, or monopolistic practices where the governance body's involvement was revealed	0	0	0	0	0
Number of executive officers who received training on anti-corruption ³	12	13	0	0	15
Total number (percentage) of directors who provided instructions on the body's policies and procedures in relation to anti-corruption ³	11 (100)	12 (100)	12 (100)	11 (100)	11 (100)
Total number (percentage) of directors who received training on anti-corruption ³	9 (81.8)	9 (75.0)	0 (0)	11 (100)	0 (0)
Payment to industry groups, etc. (thousand yen) ⁴	19,676	20,543	21,093	29,927	32,036
Payment to politically affiliated organizations (yen)	—	0	0	0	0
Average tenure of directors	—	8.04	7.36	4.84	6.09
Average rate of attendance for board meetings	—	99.46	98.24	99.39	98.96

³ Scope: Japan ⁴ Industry groups were reviewed from FY2017

Compliance

	2017	2018	2019	2020	2021
Education on TEL's Code of Ethics/pledge rate ⁵	—	—	—	—	98.8
Percentage of employees who have consented to the information security agreement	99.9	99.9	100.0	100.0	99.4
Significant fines and non-monetary sanctions for non-compliance with laws and regulations in the social and economic area	0	0	0	0	0

⁵ Scope: Global

Social Contribution

	2017	2018	2019	2020	2021
Spending on social contribution (million yen) ⁶	242	238	281	250	244
Cash donations (providing donations/relief supplies to charity organizations)	17	13	11	4	13
Community investment (charitable expenses for long-term cause for community)	43	49	55	68	62
Commercial initiatives (charitable expenses with anticipated effects on business growth)	40	38	34	28	25

⁶ Spending on social contribution activities excluding disaster relief contributions

Environment

Tokyo Electron Limited and Subsidiaries

As of and for the years ended March 31

* ● denotes data in the "Tokyo Electron Sustainability Report 2021" with third-party assurance. www.tel.com/csr/report/

Greenhouse Gas Consumption/Emissions

	Scope	2017	2018	2019	2020	2021
CO ₂ from energy consumption	Emissions metric (sales) (t-CO ₂ /billion yen)	1.77	1.34	1.24	1.38	1.21
	Emissions (kt-CO ₂)	141	152	159	155	169
	Japan	110	119	127	127	138
	Overseas	31	33	32	28	31
CO ₂ by scope	Scope 1 emissions (kt-CO ₂)	8	9	9	11	12
	Japan, energy-derived	6	7	7	10	10
	Overseas, energy-derived	2	2	2	2	2
	Scope 2 emissions (kt-CO ₂)	133	143	150	144	157
	Japan	104	112	120	118	128
	Overseas	29	31	30	26	29
	Scope 3 emissions (kt-CO ₂)	4,028	5,855	6,467	5,874	6,222
Non-energy-derived greenhouse gas	Emissions (kt-CO _{2e}) (Japan)	28	26	47	59	70
	HFCs	3	3	3	6	5
	PFCs	8	11	18	24	30
	SF ₆	9	4	11	11	7
	Other	8	8	15	18	28
	Scope 1 emissions (kt-CO _{2e})	9	8	15	16	17

¹ Scope 1: Direct GHG emissions from use of fuel and gas owned or controlled by TEL

Calculation method: Emissions = Σ (fuel consumed × CO₂ emission factor)

Emission factor based on Japan's Act on Promotion of Global Warming Countermeasures

² Scope 2: Indirect GHG emissions from use of electricity purchased by TEL

Calculation method: Emissions = Σ (purchased electricity × CO₂ emission factor)

Adjusted emission factors for the electrical power providers concerned based on Japan's Act on Promotion of Global Warming Countermeasures were used as the emission factor for Japan. Emission factors based on values from the Emissions Factors 2019 edition published by the International Energy Agency (IEA) were used as the emission factor for overseas electricity consumption

³ Scope 3: Emissions from corporate value chains (excluding scope 1 and 2 emissions), such as product transportation, employee business travel, and major outsourced production processes

The entire scope is divided into 15 categories, of which calculations were made for categories 1, 2, 3, 4, 5, 6, 7, 9, 11, and 12. Calculations for categories 8, 10, 13, 14, and 15 were not made as they are either not included in TEL's activities, or have already been included in other categories.

⁴ Scope 1: Non-energy-derived CO₂ and greenhouse gases other than CO₂

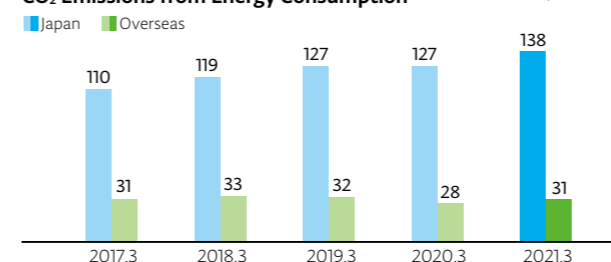
Calculation method: Emissions = Σ (consumption × emission per unit consumption – amount recovered and properly treated) × global warming factor

Global warming factor is based on Japan's Act on Promotion of Global Warming Countermeasures

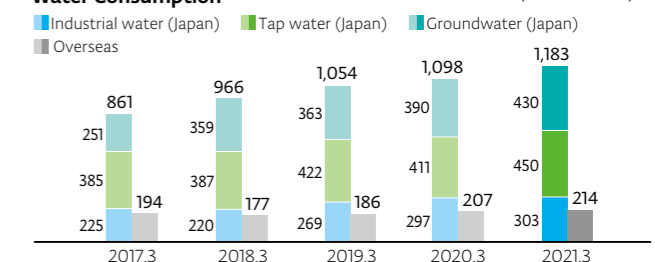
Resource Consumption

	Scope	2017	2018	2019	2020	2021
Water	Consumption (thousand m ³)	1,055	1,143	1,240	1,305	1,397
	Japan	861	966	1,054	1,098	1,183
	Groundwater	251	359	363	390	430
	Tap water	385	387	422	411	450
	Industrial water	225	220	269	297	303
	Overseas	194	177	186	207	214
Copier paper	Use (t) (Japan)	157	194	165	132	38

CO₂ Emissions from Energy Consumption



Water Consumption



Energy Consumption/Generation

Scope		2017	2018	2019	2020	2021
Energy	Emissions metric (sales) (kL/billion yen)	0.84	0.66	0.63	0.75	0.68
	Consumption (crude oil equivalent) (kL)	67,457	75,033	80,918	84,931	94,640
	Japan	52,676	59,613	65,757	70,520	78,035
	Overseas	14,781	15,420	15,161	14,411	16,605
	Electricity	Consumption (MWh)	253,300	282,274	305,795	317,614
Electricity	Japan	200,547	226,747	250,911	265,293	294,652
	Overseas	52,753	55,527	54,884	52,321	60,309
Gas	Consumption (crude oil equivalent) (kL)	2,877	3,083	2,991	3,565	3,820
	Japan	1,666	1,947	1,948	2,611	2,728
	Overseas	1,211	1,136	1,043	954	1,092
Fuel	Consumption (crude oil equivalent) (kL)	797	875	915	1,482	1,560
	Japan	796	874	915	1,481	1,560
	Overseas	1	1	0	1	0
Green power	Purchase (MWh)	3,334	3,458	3,834	3,334	4,980
	Japan	0	0	0	0	0
	Overseas	3,334	3,458	3,834	3,334	4,980
PV power generation system	Power generation (MWh)	4,436	4,414	4,392	3,804	4,068
	Japan	4,436	4,414	4,392	3,804	4,068
	Overseas	0	0	0	0	0
Power sales	Power sales (MWh)*	1,346	1,386	1,382	1,225	1,285
	Japan	1,346	1,386	1,382	1,225	1,285
	Overseas	0	0	0	0	0

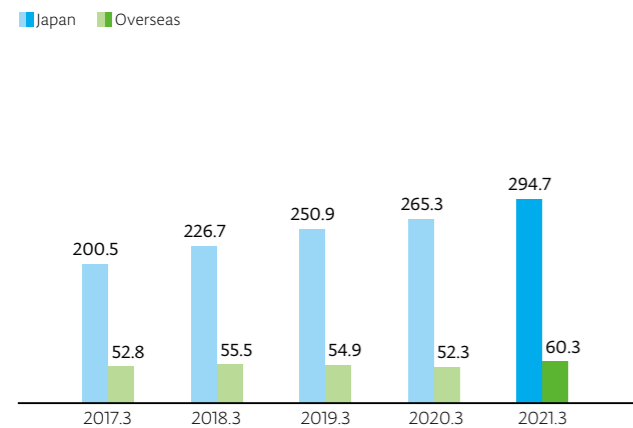
* Heating, cooling and steam not sold

Environmental Impact of Logistics

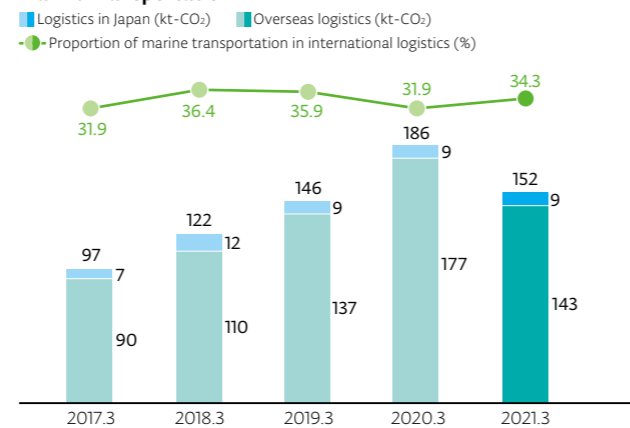
Scope		2017	2018	2019	2020	2021
CO ₂	Emissions (kt-CO ₂)	97	122	146	186	152
	Japan	7	12	9	9	9
	Overseas	90	110	137	177	143
Proportion of marine transportation (international)		31.9	36.4	35.9	31.9	34.3

Electricity Consumption

(Unit: Million kWh)



CO₂ Emissions from Logistics and the Proportion of Marine Transportation



Amount of Waste Generated

Scope		2017	2018	2019	2020	2021
Waste	Amount generated (t)	12,318	14,435	14,960	13,989	14,997
	Japan	11,393	13,694	14,208	12,973	13,705
	Overseas	925	741	752	1,016	1,292
Specially controlled industrial waste	Emissions (t) (Japan)	3,683	4,904	6,619	5,911	6,718
Recycling	Recycled amount (t)	12,128	14,211	14,770	13,748	14,814
	Japan	11,281	13,561	14,092	12,831	13,587
	Overseas	847	650	678	917	1,227
Incinerated and landfill waste	Amount of waste (t)	190	224	190	241	183
	Japan	112	133	116	142	118
	Overseas	78	91	74	99	65
Water discharges	Water discharge volume (thousand m ³)	874	905	1,006	1,078	1,195
	Japan	709	759	850	900	1,006
	Overseas	165	146	156	178	189

Chemical Substances Consumption/Emissions (Japan)

Scope		2017	2018	2019	2020	2021
PRTR Class 1 designated chemical substances	Volume handled (t)	64	100	101	121	144
	Ferric chloride	33	82	84	98	106
	Hydrogen fluoride and its water-soluble salts	25	12	11	12	24
	Methylnaphthalene	5	5	5	10	13
	VOCs ¹	0.0	0.0	0.0	0.1	0.1
	Other	1	1	1	1	1
	Amount transported (waste amount) (t)	59	95	96	111	131
Consumption (t)	5	5	5	10	13	
NOx	Emissions (t)	7.9	11.5	9.6	11.9	13.0
SOx	Emissions (t)	2.5	2.7	2.8	4.0	4.9

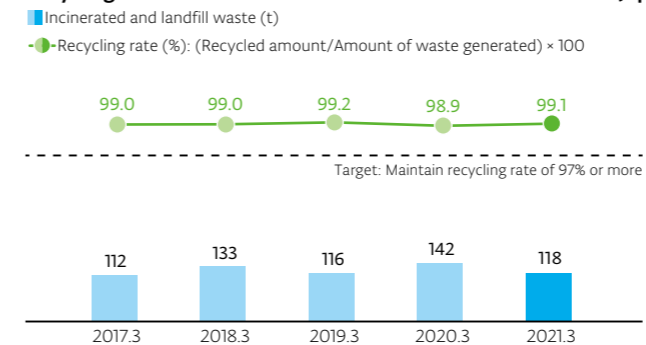
¹ VOCs: Volatile Organic Compounds

Other

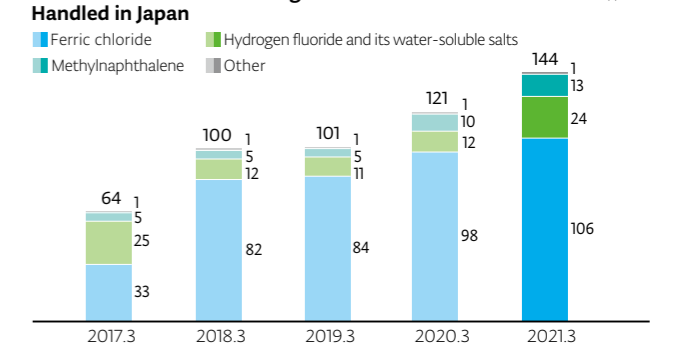
Scope		2017	2018	2019	2020	2021
ISO 14001	Number of certified offices	8	9	9	9	11
	Japan	5	5	5	5	5
	Overseas	3	4	4	4	6
Biodiversity	Number of ecosystem tours ²	18	22	17	18	18
	Number of ecosystem tour participants ²	396	718	595	368	52
Environmental laws and regulations	Number of breaches of environmental laws and regulations	0	0	0	0	0
	Amount of fines for breaches of laws and regulations	0	0	0	0	0
Total product shipment (t) ²		20,445	34,110	32,715	31,184	28,862

² Scope: Japan

Recycling Rate/Generation of Incinerated and Landfill Waste in Japan



Volume of PRTR Class 1 Designated Chemical Substances Handled in Japan (t)



Consolidated Subsidiaries (As of March 31, 2021)

Japan

- Tokyo Electron Technology Solutions Ltd.
- Tokyo Electron Kyushu Ltd.
- Tokyo Electron Miyagi Ltd.
- Tokyo Electron FE Ltd.
- Tokyo Electron BP Ltd.
- Tokyo Electron Agency Ltd.

U.S.

- Tokyo Electron U.S. Holdings, Inc.
- Tokyo Electron America, Inc.
- TEL Technology Center, America, LLC
- TEL Venture Capital, Inc.
- TEL Manufacturing and Engineering of America, Inc.

Europe

- Tokyo Electron Europe Ltd.
- Tokyo Electron Israel Ltd.
- TEL Magnetic Solutions Ltd.

Asia

- Tokyo Electron Korea Ltd.
- Tokyo Electron Taiwan Ltd.
- Tokyo Electron (Shanghai) Ltd.
- Tokyo Electron (Kunshan) Ltd.
- Tokyo Electron Singapore Pte. Ltd.

27 consolidated subsidiaries in total, including the above 19 companies

Stock Information (As of March 31, 2021)

Corporate Name and Head Office

Tokyo Electron Limited
Akasaka Biz Tower
3-1 Akasaka 5-chome, Minato-ku,
Tokyo 107-6325, Japan

Established

November 11, 1963

Annual General Meeting of Shareholders

June

Common Stock

Stock trading unit	100 shares
Authorized	300,000,000 shares
Issued	157,210,911 shares
Number of shareholders	29,547

Common Stock Listed on

Tokyo Stock Exchange 1st Section
(Stock code: 8035)

Independent Auditor

KPMG AZSA LLC

Administrator of Shareholders' Register

Sumitomo Mitsui Trust Bank, Limited
4-1 Marunouchi 1-chome, Chiyoda-ku,
Tokyo, Japan

Direct mail and inquiries to:

Sumitomo Mitsui Trust Bank, Limited
8-4 Izumi 2-chome, Suginami-ku,
Tokyo, 168-0063, Japan
Tel (toll free): 0120-782-031 (available only
in Japan)

Website

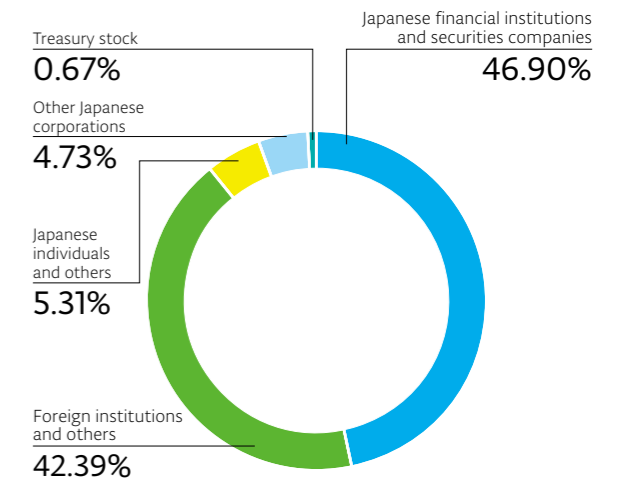
www.tel.com

Major Shareholders

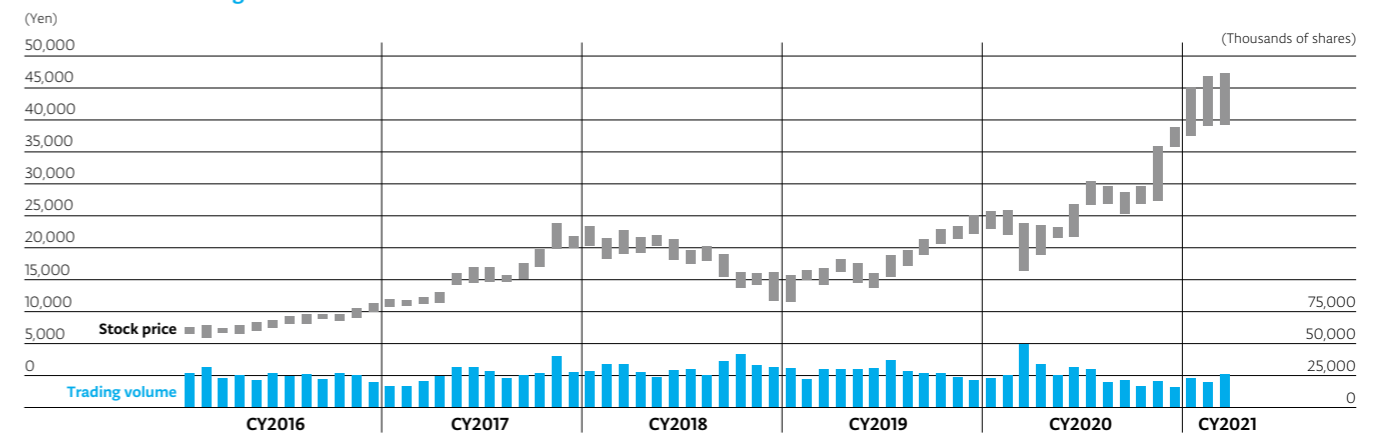
	Number of shares held (thousands)	Voting share ratio (%)
The Master Trust Bank of Japan Limited (trust account)	31,205	19.98
Custody Bank of Japan, Ltd. (trust account)	13,232	8.47
JP Morgan Chase Bank 385632	8,301	5.31
TBS HOLDINGS, INC.	5,991	3.83
Custody Bank of Japan, Ltd. (trust account 7)	3,852	2.46
Custody Bank of Japan, Ltd. (securities investment trust account)	2,903	1.85
STATE STREET BANK WEST CLIENT - TREATY 505234	2,416	1.54
Custody Bank of Japan, Ltd. (trust account 4)	2,325	1.48
SSBTC CLIENT OMNIBUS ACCOUNT	2,233	1.43
JP Morgan Chase Bank 385781	1,837	1.17

Notes: 1. Shares of less than one thousand have been rounded down in the "Number of shares held."
2. Voting share ratios are calculated excluding treasury stock (1,044,374 shares). Figures are truncated after the second decimal place. Treasury stock excludes the 615,237 Company shares owned by the executive compensation Board Incentive Plan (BIP) trust account and the share-delivering Employee Stock Ownership Plan (ESOP).

Distribution of Ownership among Shareholders



Stock Price and Trading Volume



	2017.3	2018.3	2019.3	2020.3	2021.3
High (yen)	12,285	23,875	21,935	25,875	47,320
Low (yen)	6,603	11,455	11,595	13,760	18,925
Total shareholder return (%) (TOPIX, dividends reinvested)	170.5 (114.7)	286.1 (132.9)	241.7 (126.2)	309.1 (114.2)	680.1 (162.3)