

■ Consolidated Balance Sheets

Consolidated Balance Sheets

Tokyo Electron Limited and Subsidiaries
As of March 31, 2019 and 2018

ASSETS	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Current assets:			
Cash and cash equivalents	¥ 232,634	¥ 257,877	\$ 2,095,997
Short-term investments	160,000	116,000	1,441,571
Trade notes and accounts receivable	146,971	159,570	1,324,185
Allowance for doubtful accounts	(84)	(59)	(765)
Inventories	354,219	344,071	3,191,455
Other current assets	89,156	69,137	803,281
Total current assets	982,897	946,597	8,855,726
Property, plant and equipment:			
Land	26,849	28,030	241,907
Buildings	169,682	159,474	1,528,805
Machinery and equipment	153,830	138,932	1,385,980
Construction in progress	19,643	11,060	176,988
Total property, plant and equipment	370,005	337,498	3,333,682
Less: Accumulated depreciation	219,936	211,546	1,981,587
Net property, plant and equipment	150,069	125,952	1,352,094
Investments and other assets:			
Investment securities	27,853	33,128	250,950
Deferred tax assets	63,925	62,442	575,959
Net defined benefit assets	3,065	—	27,618
Intangible assets	9,054	15,882	81,578
Other assets	22,189	20,215	199,921
Allowance for doubtful accounts	(1,426)	(1,422)	(12,850)
Total investments and other assets	124,661	130,246	1,123,178
Total assets	¥1,257,627	¥1,202,796	\$11,330,999

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Current liabilities:			
Trade notes and accounts payable	¥ 75,448	¥ 108,607	\$ 679,780
Income taxes payable	57,671	66,046	519,605
Customer advances	77,247	100,208	695,990
Accrued employees' bonuses	33,139	34,467	298,584
Accrued warranty expenses	14,097	11,284	127,012
Other current liabilities	47,277	47,837	425,961
Total current liabilities	304,882	368,452	2,746,935
Non-current liabilities:			
Net defined benefit liabilities	60,975	59,684	549,382
Other liabilities	3,652	3,150	32,904
Total non-current liabilities	64,628	62,834	582,287
Total liabilities	369,510	431,287	3,329,222
Net assets:			
Shareholders' equity			
Common stock	54,961	54,961	495,190
Authorized: 300,000,000 shares Issued: 165,210,911 and 165,210,911 shares as of March 31, 2019 and 2018, respectively			
Capital surplus	78,011	78,011	702,865
Retained earnings	748,827	625,390	6,746,800
Treasury stock, at cost 1,252,517 and 1,097,342 shares as of March 31, 2019 and 2018, respectively	(11,821)	(7,518)	(106,513)
Accumulated other comprehensive income			
Net unrealized gains on investment securities	13,024	17,134	117,346
Net deferred gains (losses) on hedging instruments	(34)	278	(314)
Foreign currency translation adjustments	4,366	5,507	39,339
Accumulated remeasurements of defined benefit plans	(6,585)	(6,618)	(59,330)
Share subscription rights	7,368	4,363	66,391
Total net assets	888,117	771,509	8,001,777
Total liabilities and net assets	¥1,257,627	¥1,202,796	\$11,330,999

See accompanying Notes to Consolidated Financial Statements.

■ Consolidated Statements of Income ■ Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Net sales	¥1,278,240	¥1,130,728	\$11,516,718
Cost of sales	752,057	655,695	6,775,900
Gross profit	526,183	475,032	4,740,817
Selling, general and administrative expenses	215,612	193,860	1,942,626
Operating income	310,571	281,172	2,798,191
Other income (expenses):			
Interest and dividend income	2,573	859	23,188
Share of profit of associates accounted for using the equity method	817	571	7,361
Insurance dividend income	378	334	3,410
Foreign exchange gain (loss), net	3,623	(2,897)	32,647
Gain on sales of property, plant and equipment	101	77	916
Gain on sales of investment securities	768	—	6,927
Maintenance and operation costs of closed facilities	(57)	(71)	(513)
Loss on sales and disposal of property, plant and equipment	(967)	(487)	(8,719)
Loss on impairment of property, plant and equipment, goodwill and other assets	—	(925)	—
Loss on revision of retirement benefit plan	—	(3,154)	—
Other, net	3,698	(236)	33,324
Income before income taxes	321,508	275,242	2,896,735
Income taxes:			
Current	72,478	83,434	653,022
Deferred	801	(12,591)	7,223
Net income	248,228	204,399	2,236,489
Net income attributable to non-controlling interests	—	28	—
Net income attributable to owners of parent	¥ 248,228	¥ 204,371	\$ 2,236,489

	Yen	U.S. dollars
Per share of common stock:		
Net income — basic	¥1,513.58	¥1,245.48
Net income — diluted	1,507.22	1,241.22
Net assets	5,371.78	4,674.49
Cash dividends	758.00	624.00

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Net income	¥248,228	¥204,399	\$2,236,489
Other comprehensive income (loss):			
Net unrealized gains (losses) on investment securities	(4,102)	6,337	(36,962)
Net deferred gains (losses) on hedging instruments	(272)	198	(2,450)
Foreign currency translation adjustments	(1,170)	(242)	(10,548)
Remeasurements of defined benefit plans	(106)	(4,494)	(957)
Share of other comprehensive income of associates accounted for using the equity method	119	(46)	1,077
Total other comprehensive income (loss)	(5,531)	1,752	(49,841)
Comprehensive income	242,696	206,152	2,186,648
Total comprehensive income attributable to:			
Owners of parent	242,696	206,122	2,186,648
Non-controlling interests	—	29	—

See accompanying Notes to Consolidated Financial Statements.

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

Consolidated Statements of Changes in Net Assets

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen										
	Shareholders' equity				Accumulated other comprehensive income						Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains on investment securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Share subscription rights	Non-controlling interests	
Balance as of March 31, 2017	¥54,961	¥78,023	¥503,325	¥ (7,766)	¥10,788	¥ 59	¥5,789	¥(2,086)	¥2,620	¥284	¥645,999
Cash dividends	—	—	(82,203)	—	—	—	—	—	—	—	(82,203)
Net income attributable to owners of parent	—	—	204,371	—	—	—	—	—	—	—	204,371
Repurchase of treasury stock	—	—	—	(16)	—	—	—	—	—	—	(16)
Disposal of treasury stock	—	—	(102)	264	—	—	—	—	—	—	161
Change in equity of parent arising from transactions with non-controlling shareholders	—	(12)	—	—	—	—	—	—	—	—	(12)
Other, net	—	—	—	—	6,345	219	(281)	(4,531)	1,742	(284)	3,209
Balance as of March 31, 2018	¥54,961	¥78,011	¥625,390	¥ (7,518)	¥17,134	¥278	¥5,507	¥(6,618)	¥4,363	¥ —	¥771,509
Cash dividends	—	—	(124,754)	—	—	—	—	—	—	—	(124,754)
Net income attributable to owners of parent	—	—	248,228	—	—	—	—	—	—	—	248,228
Repurchase of treasury stock	—	—	—	(5,004)	—	—	—	—	—	—	(5,004)
Disposal of treasury stock	—	—	(36)	701	—	—	—	—	—	—	664
Other, net	—	—	—	—	(4,109)	(313)	(1,141)	33	3,005	—	(2,526)
Balance as of March 31, 2019	¥54,961	¥78,011	¥748,827	¥(11,821)	¥13,024	¥(34)	¥4,366	¥(6,585)	¥7,368	¥ —	¥888,117

	Thousands of U.S. dollars										
	Shareholders' equity				Accumulated other comprehensive income						Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains on investment securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Share subscription rights	Non-controlling interests	
Balance as of March 31, 2018	\$495,190	\$702,865	\$5,634,655	\$ (67,742)	\$154,375	\$2,510	\$49,625	\$(59,627)	\$39,310	\$ —	\$6,951,163
Cash dividends	—	—	(1,124,013)	—	—	—	—	—	—	—	(1,124,013)
Net income attributable to owners of parent	—	—	2,236,489	—	—	—	—	—	—	—	2,236,489
Repurchase of treasury stock	—	—	—	(45,087)	—	—	—	—	—	—	(45,087)
Disposal of treasury stock	—	—	(330)	6,316	—	—	—	—	—	—	5,986
Other, net	—	—	—	—	(37,029)	(2,825)	(10,285)	297	27,080	—	(22,761)
Balance as of March 31, 2019	\$495,190	\$702,865	\$6,746,800	\$(106,513)	\$117,346	\$(314)	\$39,339	\$(59,330)	\$66,391	\$ —	\$8,001,777

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Cash flows from operating activities:			
Income before income taxes	¥321,508	¥275,242	\$2,896,735
Depreciation and amortization	24,323	20,619	219,151
Loss on impairment of property, plant and equipment, goodwill and other assets	—	925	—
Amortization of goodwill	354	600	3,197
Increase (decrease) in accrued employees' bonuses	(1,165)	12,710	(10,501)
Increase in accrued directors' bonuses	492	2,573	4,435
Increase in accrued warranty expenses	2,968	2,769	26,748
Interest and dividend income	(2,573)	(859)	(23,188)
Decrease (increase) in trade notes and accounts receivable	10,541	(25,971)	94,979
Increase in inventories	(14,765)	(109,846)	(133,036)
Increase (decrease) in trade notes and accounts payable	(31,752)	28,535	(286,085)
Decrease (increase) in prepaid consumption tax	6,818	(13,896)	61,431
Increase (decrease) in accrued consumption tax	(2,845)	1,297	(25,636)
Increase (decrease) in customer advances	(22,077)	31,684	(198,911)
Other, net	(2,062)	8,851	(18,579)
Subtotal	289,766	235,238	2,610,740
Receipts from interest and dividends	2,738	1,115	24,675
Income taxes paid	(102,932)	(49,771)	(927,402)
Net cash provided by operating activities	189,572	186,582	1,708,013
Cash flows from investing activities:			
Payment for purchases of short-term investments	(209,500)	(131,000)	(1,887,557)
Proceeds from maturities of short-term investments	165,500	166,000	1,491,125
Payment for purchases of property, plant and equipment	(46,517)	(41,750)	(419,110)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	10,754	—	96,896
Other, net	(4,270)	(5,082)	(38,479)
Net cash used in investing activities	(84,033)	(11,833)	(757,125)
Cash flows from financing activities:			
Payment for purchases of treasury stock	(5,004)	(16)	(45,087)
Dividends paid	(124,754)	(82,203)	(1,124,013)
Other, net	(3)	(329)	(28)
Net cash used in financing activities	(129,761)	(82,549)	(1,169,129)
Effect of exchange rate changes on cash and cash equivalents	(1,020)	1,312	(9,194)
Net increase (decrease) in cash and cash equivalents	(25,243)	93,511	(227,435)
Cash and cash equivalents at beginning of year	257,877	164,366	2,323,433
Cash and cash equivalents at end of year	¥232,634	¥257,877	\$2,095,997

See accompanying Notes to Consolidated Financial Statements.