

# Tokyo Electron Limited (8035)

FUGAKU AI ANALYSIS

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Quarterly Earnings Report (Q3 FY2025) | Filed: 2026-01-30

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## 1. Executive Summary

Tokyo Electron reported Q3 FY2025 results significantly above prior guidance, with revenue of ¥612.4B (+18.2% YoY) and operating profit of ¥183.7B (+24.1% YoY). The outperformance was driven by strong demand for semiconductor production equipment in advanced logic and HBM-related applications. Management raised full-year guidance for the second consecutive quarter.

### Signal: Guidance Revision Language Shift

Management used “上方修正” (upward revision) for the second consecutive quarter, but notably added “構造的な需要拡大” (structural demand expansion) — language typically reserved for multi-year outlook upgrades, not quarterly revisions. The last time TEL used this phrase was Q2 FY2021, preceding a 3-year revenue CAGR of 28%.

## 2. Financial Highlights

Metric	Q3 FY2025	Q3 FY2024	YoY Change	vs Guidance
Revenue	¥612.4B	¥518.1B	+18.2%	+6.3%
Operating Profit	¥183.7B	¥148.0B	+24.1%	+8.7%
OP Margin	30.0%	28.6%	+140bps	
Net Income	¥138.2B	¥109.4B	+26.3%	+9.1%
Orders	¥710.8B	¥541.2B	+31.3%	

## 3. Segment Analysis

### Semiconductor Production Equipment (SPE) — 94% of Revenue

SPE revenue grew 19.4% YoY to ¥575.6B, driven by: (1) advanced logic investment from foundry customers expanding to 2nm node, (2) HBM-related etch and deposition tool demand, and (3) recovery in China-origin orders despite export control headwinds.

Application	Revenue	YoY	Commentary
Etch Systems	¥198.3B	+28%	HBM stacking demand; backlog at record levels
Deposition	¥156.7B	+22%	ALD adoption accelerating at 2nm
Coater/Developer	¥131.2B	+12%	EUV track system upgrades
Other SPE	¥89.4B	+8%	Cleaning, test, and probing

## 4. Guidance Revision

Metric	Previous FY2025E	Revised FY2025E	Change
Revenue	¥2,300B	¥2,450B	+6.5%
Operating Profit	¥667B	¥720B	+7.9%
Net Income	¥497B	¥540B	+8.7%
Dividend (annual)	¥593	¥641	+8.1%

## 5. Key Risk Factors

- **Export controls:** U.S./Japan export restrictions on advanced semiconductor equipment to China remain a risk. Management noted “compliance-first approach” but acknowledged potential revenue impact of ¥80-120B if restrictions expand.
- **Customer concentration:** Top 3 customers account for ~55% of orders. Any capex cycle downturn from major foundry customers would materially impact results.
- **FX exposure:** ¥1 depreciation against USD impacts OP by approximately ¥2B annually. Current assumption: ¥145/USD.

## 6. Fugaku Assessment

### Confidence Level: HIGH

Three independent signals align: (1) guidance raised for second consecutive quarter with structural language upgrade, (2) order book at record ¥710.8B suggests revenue visibility through FY2026, (3) OP margin expansion to 30%+ indicates pricing power in tight-supply segments (etch, deposition). The combination of language shift and order momentum suggests TEL management is signaling a multi-year upcycle, not a one-quarter beat.