

Summary of Consolidated Financial Results For The First Quarter Ended June 30, 2018 [Japanese GAAP]

July 25, 2018

Company name: TOKYO ELECTRON DEVICE LIMITED
 Stock exchange listing: Tokyo Stock Exchange 1st Section (Code 2760)
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(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Highlights for the First Quarter Ended June 30, 2018 (April 1, 2018 to June 30, 2018)

(1) Consolidated Operating Results (cumulative)

(% indicates changes from the same period of previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The First Quarter ended June 30, 2018	33,539	(5.2)	750	76.4	579	34.6	366	24.6
The First Quarter ended June 30, 2017	35,389	20.4	425	–	430	471.2	293	352.5

(Note) Comprehensive income: The First Quarter ended June 30, 2018 391 million yen [96.1%]
 The First Quarter ended June 30, 2017 199 million yen [198.8%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The First Quarter ended June 30, 2018	36.15	–
The First Quarter ended June 30, 2017	29.16	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	75,597	24,419	31.6
As of March 31, 2018	86,478	24,401	27.6

(Reference) Equity: As of June 30, 2018 23,860 million yen As of March 31, 2018 23,837 million yen

2. Dividends

	Annual dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	–	30.00	–	36.00	66.00
Fiscal year ending March 31, 2019	–				
Fiscal year ending March 31, 2019 (Forecast)		36.00	–	36.00	72.00

(Note) Revision of dividends forecast: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the same period of previous fiscal year.)

	Net sales		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2018 (cumulative)	68,500	(10.4)	1,000	1.7	650	(7.1)	64.21
Fiscal year ending March 31, 2019	140,000	(12.4)	2,700	2.4	1,800	12.6	177.82

(Note) Revision of financial forecasts: None

*Notes

- (1) Changes of significant subsidiaries during the period : None
- (2) Changes in accounting policies, accounting estimates, and restatements
 - 1) Changes due to revision of accounting standards : None
 - 2) Changes in accounting standards other than 1) : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None
- (3) Number of shares outstanding (common stock)
 - 1) Number of shares outstanding at the end of the period (including treasury stock):

June 30, 2018	10,445,500 shares
March 31, 2018	10,445,500 shares
 - 2) Number of shares of treasury stock at the end of the period:

June 30, 2018	305,855 shares
March 31, 2018	322,655 shares
 - 3) Average number of shares outstanding during the period:

The First Quarter ended June 30, 2018	10,129,712 shares
The First Quarter ended June 30, 2017	10,082,652 shares

(Note) The Company has adopted the Directors' Compensation BIP (Board Incentive Plan) Trust and the Employee Shareholding Association ESOP (Employee Stock Ownership Plan) Trust, and has included the number of the Company's shares held by both Trusts accordingly in the number of shares of treasury stock.

*This quarterly financial report is outside the scope of an audit procedure by the Certified Public Accountant or the Audit firm.

*Explanation of the appropriate use of finance forecasts and other special notes

The financial forecasts and other estimates herein are based on currently available information and certain assumptions deemed reasonable at time of report issuance. The Company does not guarantee the achievement of these forecasts. Actual operating results may differ significantly from these forecasts due to various factors.

Consolidated Financial Statements and Segment Information

(1) Consolidated Balance Sheets

	(Millions of yen)	
	FY 2018 (As of Mar. 31, 2018)	FY 2019 (As of Jun. 30, 2018)
Assets		
Current assets		
Cash and deposits	3,606	3,913
Notes and accounts receivable - trade	42,263	34,483
Electronically recorded monetary claims - operating	1,566	1,585
Merchandise and finished goods	25,638	24,425
Other	7,352	5,237
Total current assets	80,427	69,644
Non-current assets		
Property, plant and equipment	1,241	1,205
Intangible fixed assets	258	225
Investments and other assets		
Net defined benefit asset	410	418
Other	4,182	4,145
Allowance for doubtful accounts	(41)	(41)
Total investments and other assets	4,551	4,521
Total non-current assets	6,051	5,952
Total assets	86,478	75,597
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,497	8,829
Short-term loans payable	21,065	12,397
Current portion of long-term loans payable	3,096	3,096
Provision for bonuses	1,237	467
Other	8,222	8,491
Total current liabilities	44,117	33,282
Non-current liabilities		
Long-term loans payable	10,096	10,072
Net defined benefit liability	7,371	7,329
Other	492	494
Total non-current liabilities	17,959	17,895
Total liabilities	62,077	51,177

(Millions of yen)

	FY 2018 (As of Mar. 31, 2018)	FY 2019 (As of Jun. 30, 2018)
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	16,234	16,224
Treasury stock	(478)	(453)
Total shareholders' equity	23,897	23,912
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	43	28
Deferred gains or losses on hedges	132	37
Foreign currency translation adjustment	102	180
Remeasurements of defined benefit plans	(338)	(298)
Total accumulated other comprehensive income	(59)	(51)
Non-controlling interests	563	559
Total net assets	24,401	24,419
Total liabilities and net assets	86,478	75,597

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	FY 2019 (from Apr. 1, 2018 to Jun. 30, 2018)
Net sales	35,389	33,539
Cost of sales	31,426	29,126
Gross profit	3,963	4,412
Selling, general and administrative expenses		
Salaries and allowances	1,411	1,451
Provision for bonuses	367	397
Retirement benefit expenses	186	235
Other	1,571	1,577
Total selling, general and administrative expenses	3,538	3,662
Operating income	425	750
Non-operating income		
Foreign exchange gains	39	-
Subsidy income	-	8
Other	9	10
Total non-operating income	48	18
Non-operating expenses		
Interest expenses	32	52
Foreign exchange losses	-	122
Other	11	15
Total non-operating expenses	43	189
Ordinary income	430	579
Extraordinary income		
Gain on sales of non-current assets	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on retirement of non-current assets	2	0
Total extraordinary losses	2	0
Net income before income taxes	428	579
Income taxes	134	196
Net income	293	383
Net income attributable to non-controlling interests	-	17
Net income attributable to owners of parent	293	366

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	FY 2019 (from Apr. 1, 2018 to Jun. 30, 2018)
Net income	293	383
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	(15)
Deferred gains or losses on hedges	(82)	(94)
Foreign currency translation adjustment	(1)	85
Remeasurements of defined benefit plans, net of tax	6	40
Share of other comprehensive income of associates accounted for using equity method	(3)	(7)
Total other comprehensive income	(94)	7
Comprehensive income	199	391
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	199	374
Comprehensive income attributable to non-controlling interests	-	17

(3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	FY 2019 (from Apr. 1, 2018 to Jun. 30, 2018)
Cash flows from operating activities		
Net income before income taxes	428	579
Depreciation	117	111
Increase (decrease) in provision for bonuses	(428)	(771)
Increase (decrease) in net defined benefit liability	48	(18)
Interest expenses	32	52
Foreign exchange losses (gains)	(97)	917
Decrease (increase) in notes and accounts receivable - trade	2,125	8,060
Decrease (increase) in inventories	(2,154)	1,301
Increase (decrease) in notes and accounts payable - trade	184	(1,708)
Increase (decrease) in accounts payable - other	(39)	3
Increase (decrease) in advances received	1,133	948
Decrease (increase) in consumption taxes refund receivable	504	1,277
Decrease (increase) in accounts receivable - other	131	738
Decrease (increase) in prepaid expenses	(379)	(412)
Other, net	(321)	(440)
Subtotal	1,285	10,639
Interest and dividend income received	2	2
Interest expenses paid	(31)	(51)
Income taxes paid	(527)	(900)
Net cash provided by (used in) operating activities	729	9,690
Cash flows from investing activities		
Purchase of property, plant and equipment	(15)	(42)
Purchase of intangible assets	(74)	(18)
Purchase of investment securities	(20)	-
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	(110)	(61)

(Millions of yen)

	FY 2018 (from Apr. 1, 2017 to Jun. 30, 2017)	FY 2019 (from Apr. 1, 2018 to Jun. 30, 2018)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(88)	(8,950)
Repayments of long-term loans payable	(24)	(24)
Proceeds from disposal of treasury shares	30	34
Cash dividends paid	(302)	(364)
Dividends paid to non-controlling interests	–	(21)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(384)	(9,326)
Effect of exchange rate change on cash and cash equivalents	0	3
Net increase (decrease) in cash and cash equivalents	234	306
Cash and cash equivalents at beginning of period	2,433	3,406
Cash and cash equivalents at end of period	2,668	3,713

(4) Segment Information

I. For the Period ended June 30, 2017 (From Apr. 1, 2017 to Jun. 30, 2017)

1. Information on the amount of net sales and income (loss) by segments

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Outside customers	32,131	3,258	35,389	–	35,389
Inter-segment	–	–	–	–	–
Total	32,131	3,258	35,389	–	35,389
Segment income	389	41	430	–	430

(Note) Total amount of segment income coincides with the ordinary income in the consolidated statements of income.

II. For the Period ended June 30, 2018 (From Apr. 1, 2018 to Jun. 30, 2018)

1. Information on the amount of net sales and income (loss) by segments

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Outside customers	29,407	4,131	33,539	–	33,539
Inter-segment	–	–	–	–	–
Total	29,407	4,131	33,539	–	33,539
Segment income	372	206	579	–	579

(Note) Total amount of segment income coincides with the ordinary income in the consolidated statements of income.