

# Summary of Consolidated Financial Results For The First Quarter Ended June 30, 2019 [Japanese GAAP]

July 25, 2019

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, 2019 (April 1, 2019 to June 30, 2019)

### (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, 2019	32,629	(2.7)	716	(4.5)	654	12.8	401	9.7
The First Quarter ended June 30, 2018	33,539	(5.2)	750	76.4	579	34.6	366	24.6

(Note) Comprehensive income: The First Quarter ended June 30, 2019 405 million yen [3.8%]  
 The First Quarter ended June 30, 2018 391 million yen [96.1%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The First Quarter ended June 30, 2019	39.45	—
The First Quarter ended June 30, 2018	36.15	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	76,805	26,296	33.5
As of March 31, 2019	78,352	26,410	32.9

(Reference) Equity: As of June 30, 2019 25,694 million yen As of March 31, 2019 25,805 million yen

## 2. Dividends

	Annual dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	—	40.00	—	53.00	93.00
Fiscal year ending March 31, 2020	—				
Fiscal year ending March 31, 2020 (Forecast)		40.00	—	50.00	90.00

(Note) Revision of dividends forecast: None

### 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

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

	Net sales		Ordinary income		Net income attributable to owners of parent		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2019 (cumulative)	68,000	(1.1)	1,000	(28.1)	630	(29.5)	61.92
Fiscal year ending March 31, 2020	150,000	6.4	3,500	13.7	2,200	(6.0)	216.22

(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, 2019	10,445,500 shares
March 31, 2019	10,445,500 shares
  - 2) Number of shares of treasury stock at the end of the period:
 

June 30, 2019	254,109 shares
March 31, 2019	270,846 shares
  - 3) Average number of shares outstanding during the period:
 

The First Quarter ended June 30, 2019	10,183,245 shares
The First Quarter ended June 30, 2018	10,129,712 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 2019 (As of Mar. 31, 2019)	FY 2020 (As of Jun. 30, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	3,794	5,318
Notes and accounts receivable - trade	34,192	30,126
Electronically recorded monetary claims - operating	1,904	2,015
Merchandise and finished goods	24,119	24,829
Raw materials	693	897
Other	5,738	5,816
Allowance for doubtful accounts	(22)	(28)
Total current assets	70,420	68,975
Non-current assets		
Property, plant and equipment	1,740	1,805
Intangible fixed assets	1,961	1,931
Investments and other assets		
Net defined benefit asset	357	369
Other	3,940	3,790
Allowance for doubtful accounts	(66)	(66)
Total investments and other assets	4,230	4,093
Total non-current assets	7,932	7,830
Total assets	78,352	76,805

(Millions of yen)

	FY 2019 (As of Mar. 31, 2019)	FY 2020 (As of Jun. 30, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,516	8,806
Short-term loans payable	10,321	7,632
Current portion of long-term loans payable	3,191	3,150
Advances received	5,918	7,995
Provision for bonuses	1,419	561
Other	2,633	2,388
Total current liabilities	32,000	30,534
Non-current liabilities		
Long-term loans payable	11,925	11,915
Net defined benefit liability	7,409	7,395
Other	607	663
Total non-current liabilities	19,942	19,975
Total liabilities	51,942	50,509
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	17,781	17,659
Treasury stock	(401)	(376)
Total shareholders' equity	25,521	25,423
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	20
Deferred gains or losses on hedges	13	53
Foreign currency translation adjustment	187	111
Remeasurements of defined benefit plans	61	85
Total accumulated other comprehensive income	284	270
Non-controlling interests	604	601
Total net assets	26,410	26,296
<b>Total liabilities and net assets</b>	<b>78,352</b>	<b>76,805</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of yen)

	FY 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	FY 2020 (from Apr. 1, 2019 to Jun. 30, 2019)
Net sales	33,539	32,629
Cost of sales	29,126	27,941
Gross profit	4,412	4,688
Selling, general and administrative expenses		
Salaries and allowances	1,451	1,585
Provision for bonuses	397	503
Retirement benefit expenses	235	207
Other	1,577	1,675
Total selling, general and administrative expenses	3,662	3,971
Operating income	750	716
Non-operating income		
Share of profit of entities accounted for using equity method	–	9
Other	18	19
Total non-operating income	18	29
Non-operating expenses		
Interest expenses	52	30
Foreign exchange losses	122	50
Other	15	10
Total non-operating expenses	189	91
Ordinary income	579	654
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	0	2
Loss on liquidation of subsidiaries and associates	–	5
Total extraordinary losses	0	7
Net income before income taxes	579	646
Income taxes	196	226
Net income	383	419
Net income attributable to non-controlling interests	17	17
Net income attributable to owners of parent	366	401

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	FY 2020 (from Apr. 1, 2019 to Jun. 30, 2019)
Net income	383	419
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(2)
Deferred gains or losses on hedges	(94)	39
Foreign currency translation adjustment	85	(76)
Remeasurements of defined benefit plans, net of tax	40	24
Share of other comprehensive income of associates accounted for using equity method	(7)	1
Total other comprehensive income	7	(13)
Comprehensive income	391	405
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	374	388
Comprehensive income attributable to non-controlling interests	17	17

## (3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	FY 2020 (from Apr. 1, 2019 to Jun. 30, 2019)
<b>Cash flows from operating activities</b>		
Net income before income taxes	579	646
Depreciation	111	132
Amortization of goodwill	–	8
Increase (decrease) in provision for bonuses	(771)	(858)
Increase (decrease) in net defined benefit liability	(18)	(26)
Interest expenses	52	30
Foreign exchange losses (gains)	917	(179)
Decrease (increase) in notes and accounts receivable - trade	8,060	3,861
Decrease (increase) in inventories	1,301	(1,137)
Increase (decrease) in notes and accounts payable - trade	(1,708)	228
Increase (decrease) in accounts payable - other	3	186
Increase (decrease) in advances received	948	2,077
Decrease (increase) in consumption taxes refund receivable	1,277	602
Decrease (increase) in accounts receivable - other	738	60
Decrease (increase) in prepaid expenses	(412)	(470)
Other, net	(440)	136
Subtotal	10,639	5,299
Interest and dividend income received	2	5
Interest expenses paid	(51)	(29)
Income taxes paid	(900)	(499)
Net cash provided by (used in) operating activities	9,690	4,776
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(42)	(152)
Purchase of intangible assets	(18)	(18)
Proceeds from the liquidation of subsidiaries and associates	–	44
Other, net	(0)	(5)
Net cash provided by (used in) investing activities	(61)	(132)

(Millions of yen)

	FY 2019 (from Apr. 1, 2018 to Jun. 30, 2018)	FY 2020 (from Apr. 1, 2019 to Jun. 30, 2019)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(8,950)	(2,579)
Repayments of long-term loans payable	(24)	(51)
Proceeds from disposal of treasury shares	34	31
Cash dividends paid	(364)	(553)
Dividends paid to non-controlling interests	(21)	(20)
Other, net	(0)	(8)
Net cash provided by (used in) financing activities	(9,326)	(3,182)
Effect of exchange rate change on cash and cash equivalents	3	(11)
Net increase (decrease) in cash and cash equivalents	306	1,450
Cash and cash equivalents at beginning of period	3,406	3,534
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	70
Cash and cash equivalents at end of period	3,713	5,055



(4) Segment Information

I. 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.

II. For the Period ended June 30, 2019 (From Apr. 1, 2019 to Jun. 30, 2019)

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	27,529	5,100	32,629	–	32,629
Inter-segment	–	–	–	–	–
Total	27,529	5,100	32,629	–	32,629
Segment income	223	430	654	–	654

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