

# Summary of Consolidated Financial Results

## For The Second Quarter Ended September 30, 2017

### [Japanese GAAP]

October 27, 2017

Company name: TOKYO ELECTRON DEVICE LIMITED  
 Stock exchange listing: Tokyo Stock Exchange 1st Section (Code 2760)  
 URL: <http://www.teldevice.co.jp/eng/>  
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(Amounts are rounded down to the nearest million yen.)

#### 1. Consolidated Financial Highlights for the Second Quarter Ended September 30, 2017 (April 1, 2017 to September 30, 2017)

##### (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 Second Quarter ended September 30, 2017	76,431	26.9	1,006	–	983	211.6	699	200.0
The Second Quarter ended September 30, 2016	60,241	5.4	(128)	–	315	(51.2)	233	(44.0)

(Note) Comprehensive income: The Second Quarter ended September 30, 2017 604 million yen [ – %]  
 The Second Quarter ended September 30, 2016 7 million yen [(98.2)%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The Second Quarter ended September 30, 2017	69.31	–
The Second Quarter ended September 30, 2016	23.23	–

##### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	82,054	23,766	28.3
As of March 31, 2017	73,708	22,928	31.1

(Reference) Equity: As of September 30, 2017 23,243 million yen As of March 31, 2017 22,925 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, 2017	–	30.00	–	30.00	60.00
Fiscal year ending March 31, 2018	–	30.00			
Fiscal year ending March 31, 2018 (Forecast)			–	30.00	60.00

(Note) Revision of dividends forecast: None

### 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% 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
Fiscal year ending March 31, 2018	154,000	16.8	2,000	45.1	1,200	23.4	119.12

(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):

September 30, 2017	10,445,500 shares
March 31, 2017	10,445,500 shares

- 2) Number of shares of treasury stock at the end of the period:

September 30, 2017	343,107 shares
March 31, 2017	371,519 shares

- 3) Average number of shares outstanding during the period:

The Second Quarter ended September 30, 2017	10,091,572 shares
The Second Quarter ended September 30, 2016	10,038,681 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 not subject to the review by independent auditors.

Consolidated Financial Statements and Segment Information

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2017 (As of Mar. 31, 2017)	FY 2018 (As of Sep. 30, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	2,433	3,297
Notes and accounts receivable - trade	37,809	40,244
Electronically recorded monetary claims - operating	950	1,369
Merchandise and finished goods	22,533	25,758
Other	5,040	5,966
Total current assets	68,768	76,637
Non-current assets		
Property, plant and equipment	816	1,307
Intangible fixed assets	431	387
Investments and other assets		
Net defined benefit asset	552	573
Other	3,153	3,190
Allowance for doubtful accounts	(12)	(41)
Total investments and other assets	3,693	3,722
Total non-current assets	4,940	5,417
Total assets	73,708	82,054
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,089	12,068
Short-term loans payable	14,955	20,175
Current portion of long-term loans payable	96	3,096
Provision for bonuses	829	976
Other	6,943	8,037
Total current liabilities	33,913	44,354
Non-current liabilities		
Long-term loans payable	9,192	6,144
Net defined benefit liability	7,138	7,290
Other	537	498
Total non-current liabilities	16,867	13,933
Total liabilities	50,780	58,287

(Millions of yen)

	FY 2017 (As of Mar. 31, 2017)	FY 2018 (As of Sep. 30, 2017)
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	15,262	15,648
Treasury stock	(550)	(508)
Total shareholders' equity	22,853	23,281
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	18
Deferred gains or losses on hedges	72	(63)
Foreign currency translation adjustment	210	226
Remeasurements of defined benefit plans	(232)	(219)
Total accumulated other comprehensive income	72	(37)
Non-controlling interests	2	522
Total net assets	22,928	23,766
Total liabilities and net assets	73,708	82,054

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

## Consolidated Statements of Income

(Millions of yen)

	FY 2017 (from Apr. 1, 2016 to Sep. 30, 2016)	FY 2018 (from Apr. 1, 2017 to Sep. 30, 2017)
Net sales	60,241	76,431
Cost of sales	53,855	68,151
Gross profit	6,386	8,279
Selling, general and administrative expenses		
Salaries and allowances	2,822	2,874
Provision for bonuses	433	835
Retirement benefit expenses	409	373
Other	2,850	3,189
Total selling, general and administrative expenses	6,515	7,273
Operating income (loss)	(128)	1,006
Non-operating income		
Dividend income of insurance	37	41
Other	483	30
Total non-operating income	521	71
Non-operating expenses		
Interest expenses	46	66
Other	30	28
Total non-operating expenses	76	94
Ordinary income	315	983
Extraordinary income		
Gain on sales of golf memberships	0	–
Gain on bargain purchase	–	46
Total extraordinary income	0	46
Extraordinary losses		
Loss on retirement of non-current assets	3	6
Total extraordinary losses	3	6
Net income before income taxes	312	1,023
Income taxes	79	308
Net income	233	715
Net income attributable to non-controlling interests	–	15
Net income attributable to owners of parent	233	699

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2017 (from Apr. 1, 2016 to Sep. 30, 2016)	FY 2018 (from Apr. 1, 2017 to Sep. 30, 2017)
Net income	233	715
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(3)
Deferred gains or losses on hedges	(50)	(135)
Foreign currency translation adjustment	(193)	16
Remeasurements of defined benefit plans, net of tax	34	13
Share of other comprehensive income of associates accounted for using equity method	(13)	(0)
Total other comprehensive income	(225)	(110)
Comprehensive income	7	604
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7	589
Comprehensive income attributable to non-controlling interests	-	15

## (3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2017 (from Apr. 1, 2016 to Sep. 30, 2016)	FY 2018 (from Apr. 1, 2017 to Sep. 30, 2017)
<b>Cash flows from operating activities</b>		
Net income before income taxes	312	1,023
Depreciation	237	261
Amortization of goodwill	51	–
Gain on bargain purchase	–	(46)
Increase (decrease) in provision for bonuses	(264)	98
Increase (decrease) in net defined benefit liability	78	172
Interest expenses	46	66
Foreign exchange losses (gains)	63	147
Decrease (increase) in notes and accounts receivable - trade	(2,468)	(2,489)
Decrease (increase) in inventories	(152)	(3,131)
Increase (decrease) in notes and accounts payable - trade	(29)	633
Increase (decrease) in accounts payable - other	(101)	(89)
Increase (decrease) in advances received	874	909
Decrease (increase) in consumption taxes refund receivable	276	57
Decrease (increase) in accounts receivable - other	65	76
Decrease (increase) in prepaid expenses	(280)	(365)
Other, net	781	(197)
Subtotal	(508)	(2,873)
Interest and dividend income received	5	3
Interest expenses paid	(45)	(66)
Income taxes paid	(84)	(536)
Income taxes refund	93	–
Net cash provided by (used in) operating activities	(540)	(3,473)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(72)	(50)
Purchase of intangible assets	(25)	(90)
Purchase of investment securities	(30)	(20)
Payments for establishment of unconsolidated subsidiaries	(83)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(595)
Other, net	13	(2)
Net cash provided by (used in) investing activities	(198)	(759)

(Millions of yen)

	FY 2017 (from Apr. 1, 2016 to Sep. 30, 2016)	FY 2018 (from Apr. 1, 2017 to Sep. 30, 2017)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	2,550	5,203
Repayments of long-term loans payable	(2,048)	(48)
Proceeds from disposal of treasury shares	41	41
Cash dividends paid	(300)	(302)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	242	4,894
Effect of exchange rate change on cash and cash equivalents	(37)	2
Net increase (decrease) in cash and cash equivalents	(534)	664
Cash and cash equivalents at beginning of period	2,637	2,433
Cash and cash equivalents at end of period	2,103	3,097



(4) Segment Information

I. For the Period ended September 30, 2016 (From Apr. 1, 2016 to Sep. 30, 2016)

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	52,852	7,389	60,241	–	60,241
Inter-segment	–	–	–	–	–
Total	52,852	7,389	60,241	–	60,241
Segment income	126	188	315	–	315

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

II. For the Period ended September 30, 2017 (From Apr. 1, 2017 to Sep. 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	68,468	7,963	76,431	–	76,431
Inter-segment	–	–	–	–	–
Total	68,468	7,963	76,431	–	76,431
Segment income	691	291	983	–	983

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