

Summary of Consolidated Financial Results

For The Second Quarter Ended September 30, 2020

[Japanese GAAP]

October 26, 2020

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 Second Quarter Ended September 30, 2020 (April 1, 2020 to September 30, 2020)

(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, 2020	61,901	(5.1)	1,122	(17.9)	1,261	(5.9)	823	(4.8)
The Second Quarter ended September 30, 2019	65,213	(5.2)	1,367	(19.6)	1,340	(3.6)	864	(3.3)

(Note) Comprehensive income: The Second Quarter ended September 30, 2020 786 million yen [(5.1)%]
 The Second Quarter ended September 30, 2019 828 million yen [(18.9)%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The Second Quarter ended September 30, 2020	81.94	—
The Second Quarter ended September 30, 2019	84.78	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	81,064	27,463	33.1
As of March 31, 2020	76,539	27,141	34.6

(Reference) Equity: As of September 30, 2020 26,797 million yen As of March 31, 2020 26,476 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, 2020	—	40.00	—	50.00	90.00
Fiscal year ending March 31, 2021	—	40.00			
Fiscal year ending March 31, 2021 (Forecast)			—	68.00	108.00

(Note) Revision of dividends forecast: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% 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
Fiscal year ending March 31, 2021	138,000	1.9	4,100	14.7	2,700	18.0	269.36

(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, 2020	10,445,500 shares
March 31, 2020	10,445,500 shares

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

September 30, 2020	384,454 shares
March 31, 2020	421,568 shares

3) Average number of shares outstanding during the period:

The Second Quarter ended September 30, 2020	10,046,745 shares
The Second Quarter ended September 30, 2019	10,195,435 shares

(Note) The Company has adopted the Directors' Compensation BIP (Board Incentive Plan) Trust and the "Trust-Type Employee Shareholding Incentive Plan (E-Ship)", 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 2020 (As of Mar. 31, 2020)	FY 2021 (As of Sep. 30, 2020)
Assets		
Current assets		
Cash and deposits	4,492	5,220
Notes and accounts receivable - trade	32,874	29,652
Electronically recorded monetary claims - operating	1,869	1,543
Merchandise and finished goods	20,965	27,253
Raw materials	860	963
Other	7,619	8,632
Allowance for doubtful accounts	(12)	(6)
Total current assets	68,668	73,258
Non-current assets		
Property, plant and equipment	1,952	1,859
Intangible fixed assets	1,806	1,769
Investments and other assets		
Net defined benefit asset	55	88
Other	4,102	4,136
Allowance for doubtful accounts	(47)	(47)
Total investments and other assets	4,111	4,177
Total non-current assets	7,870	7,806
Total assets	76,539	81,064

(Millions of yen)

	FY 2020 (As of Mar. 31, 2020)	FY 2021 (As of Sep. 30, 2020)
Liabilities		
Current liabilities		
Accounts payable – trade	9,982	9,254
Short-term loans payable	6,681	5,002
Current portion of long-term loans payable	3,040	3,040
Advances received	7,687	10,124
Provision for bonuses	1,214	1,040
Other	2,447	1,872
Total current liabilities	31,054	30,334
Non-current liabilities		
Long-term loans payable	9,604	14,491
Net defined benefit liability	7,839	7,886
Other	899	888
Total non-current liabilities	18,344	23,266
Total liabilities	49,398	53,600
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	19,129	19,429
Treasury stock	(944)	(856)
Total shareholders' equity	26,325	26,714
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29	62
Deferred gains or losses on hedges	(57)	(69)
Foreign currency translation adjustment	137	70
Remeasurements of defined benefit plans	40	19
Total accumulated other comprehensive income	150	83
Non-controlling interests	665	666
Total net assets	27,141	27,463
Total liabilities and net assets	76,539	81,064

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY 2020 (from Apr. 1, 2019 to Sep. 30, 2019)	FY 2021 (from Apr. 1, 2020 to Sep. 30, 2020)
Net sales	65,213	61,901
Cost of sales	55,824	53,126
Gross profit	9,389	8,775
Selling, general and administrative expenses		
Salaries and allowances	3,211	3,315
Provision for bonuses	1,001	929
Retirement benefit expenses	414	322
Other	3,394	3,085
Total selling, general and administrative expenses	8,021	7,653
Operating income	1,367	1,122
Non-operating income		
Share of profit of entities accounted for using equity method	21	47
Foreign exchange gains	–	64
Other	69	75
Total non-operating income	90	187
Non-operating expenses		
Interest expenses	57	35
Foreign exchange losses	39	–
Other	20	12
Total non-operating expenses	117	48
Ordinary income	1,340	1,261
Extraordinary income		
Gain on sales of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	2	8
Provision of allowance for doubtful accounts of golf club membership	0	0
Loss on liquidation of subsidiaries and associates	5	–
Loss on change in equity	–	19
Total extraordinary losses	9	29
Net income before income taxes	1,331	1,233
Income taxes	426	380
Net income	905	853
Net income attributable to non-controlling interests	40	30
Net income attributable to owners of parent	864	823

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2020 (from Apr. 1, 2019 to Sep. 30, 2019)	FY 2021 (from Apr. 1, 2020 to Sep. 30, 2020)
Net income	905	853
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	32
Deferred gains or losses on hedges	(42)	(11)
Foreign currency translation adjustment	(78)	(59)
Remeasurements of defined benefit plans, net of tax	48	(21)
Share of other comprehensive income of associates accounted for using equity method	0	(7)
Total other comprehensive income	(77)	(67)
Comprehensive income	828	786
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	787	755
Comprehensive income attributable to non-controlling interests	40	30

(3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2020 (from Apr. 1, 2019 to Sep. 30, 2019)	FY 2021 (from Apr. 1, 2020 to Sep. 30, 2020)
Cash flows from operating activities		
Net income before income taxes	1,331	1,233
Depreciation and amortization	273	283
Amortization of goodwill	17	17
Increase (decrease) in provision for bonuses	(318)	(172)
Increase (decrease) in net defined benefit liability	72	(2)
Interest expenses	57	35
Foreign exchange losses (gains)	(43)	(70)
Decrease (increase) in notes and accounts receivable - trade	3,555	3,415
Decrease (increase) in inventories	(398)	(6,303)
Increase (decrease) in notes and accounts payable - trade	638	(700)
Increase (decrease) in accounts payable - other	(227)	(90)
Increase (decrease) in advances received	2,454	2,439
Decrease (increase) in consumption taxes refund receivable	(10)	(192)
Decrease (increase) in accounts receivable - other	173	(399)
Decrease (increase) in prepaid expenses	(724)	(584)
Loss (gain) on change in equity	-	19
Other, net	(31)	(165)
Subtotal	6,818	(1,236)
Interest and dividend income received	7	10
Interest expenses paid	(57)	(36)
Income taxes paid	(516)	(532)
Net cash provided by (used in) operating activities	6,251	(1,794)
Cash flows from investing activities		
Purchase of property, plant and equipment	(341)	(257)
Purchase of intangible assets	(50)	(31)
Proceeds from the liquidation of subsidiaries and associates	44	-
Other, net	(7)	(1)
Net cash provided by (used in) investing activities	(354)	(290)

(Millions of yen)

	FY 2020 (from Apr. 1, 2019 to Sep. 30, 2019)	FY 2021 (from Apr. 1, 2020 to Sep. 30, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,825)	(1,596)
Proceeds from long-term borrowings	–	5,000
Repayments of long-term loans payable	(105)	(113)
Proceeds from disposal of treasury shares	68	81
Cash dividends paid	(553)	(501)
Dividends paid to non-controlling interests	(20)	(28)
Other, net	(18)	(23)
Net cash provided by (used in) financing activities	(4,455)	2,818
Effect of exchange rate change on cash and cash equivalents	(15)	(11)
Net increase (decrease) in cash and cash equivalents	1,426	721
Cash and cash equivalents at beginning of period	3,534	4,218
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	70	–
Cash and cash equivalents at end of period	5,032	4,939

(4) Segment Information

I. For the Period ended September 30, 2019 (From Apr. 1, 2019 to Sep. 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	54,282	10,930	65,213	–	65,213
Inter-segment	–	–	–	–	–
Total	54,282	10,930	65,213	–	65,213
Segment income	444	895	1,340	–	1,340

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

II. For the Period ended September 30, 2020 (From Apr. 1, 2020 to Sep. 30, 2020)

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	51,475	10,426	61,901	–	61,901
Inter-segment	–	–	–	–	–
Total	51,475	10,426	61,901	–	61,901
Segment income	221	1,040	1,261	–	1,261

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