

Summary of Consolidated Financial Results

For The Second Quarter Ended September 30, 2021

[Japanese GAAP]

October 28, 2021

Company name: TOKYO ELECTRON DEVICE LIMITED
 Stock exchange listing: Tokyo Stock Exchange 1st Section (Code 2760)
 URL: <https://www.teldevice.co.jp/eng/>
 Representative: Atsushi Tokushige, President & Representative Director
 Contact: Hiroki Tanaka, Director, Financial Department
 TEL: +81-45-443-4000

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Highlights for the Second Quarter Ended September 30, 2021 (April 1, 2021 to September 30, 2021)

(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, 2021	82,780	33.7	2,757	145.6	2,481	96.7	2,646	221.4
The Second Quarter ended September 30, 2020	61,901	(5.1)	1,122	(17.9)	1,261	(5.9)	823	(4.8)

(Note) Comprehensive income: The Second Quarter ended September 30, 2021 3,160 million yen [302.1%]
 The Second Quarter ended September 30, 2020 786 million yen [(5.1)%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The Second Quarter ended September 30, 2021	263.99	—
The Second Quarter ended September 30, 2020	81.94	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	92,181	30,515	32.0
As of March 31, 2021	90,870	29,652	31.9

(Reference) Equity: As of September 30, 2021 29,517 million yen As of March 31, 2021 28,965 million yen

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the first quarter ended June 30, 2021. The figures for the second quarter ended September 30, 2021, are the figures after the application of this accounting standard, etc.

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, 2021	–	40.00	–	85.00	125.00
Fiscal year ending March 31, 2022	–	105.00			
Fiscal year ending March 31, 2022 (Forecast)			–	100.00	205.00

(Note) Revision of dividends forecast: Yes

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% 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, 2022	172,000	20.1	6,200	34.0	5,200	65.4	518.79

(Note) Revision of financial forecasts: Yes

*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 : Yes
 - 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, 2021	10,445,500 shares
March 31, 2021	10,445,500 shares
 - 2) Number of shares of treasury stock at the end of the period:

September 30, 2021	566,475 shares
March 31, 2021	357,754 shares
 - 3) Average number of shares outstanding during the period:

The Second Quarter ended September 30, 2021	10,023,256 shares
The Second Quarter ended September 30, 2020	10,046,745 shares

(Note) The Company has adopted the Directors' Compensation BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership 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 2021 (As of Mar. 31, 2021)	FY 2022 (As of Sep. 30, 2021)
Assets		
Current assets		
Cash and deposits	5,680	4,493
Notes and accounts receivable - trade	39,543	-
Notes and accounts receivable - trade, and contract assets	-	37,813
Electronically recorded monetary claims - operating	2,181	2,769
Merchandise and finished goods	24,795	23,946
Raw materials	849	1,100
Prepaid expenses	6,867	9,941
Other	2,810	2,161
Allowance for doubtful accounts	(6)	(6)
Total current assets	82,721	82,220
Non-current assets		
Property, plant and equipment	1,820	3,642
Intangible fixed assets	1,695	1,615
Investments and other assets		
Net defined benefit asset	330	363
Other	4,350	4,387
Allowance for doubtful accounts	(47)	(47)
Total investments and other assets	4,633	4,703
Total non-current assets	8,149	9,961
Total assets	90,870	92,181

(Millions of yen)

	FY 2021 (As of Mar. 31, 2021)	FY 2022 (As of Sep. 30, 2021)
Liabilities		
Current liabilities		
Accounts payable – trade	11,187	11,687
Short-term loans payable	8,918	6,648
Current portion of long-term loans payable	4,040	4,040
Income taxes payable	1,140	1,464
Advances received	10,201	13,235
Provision for bonuses	1,667	1,469
Other	2,841	1,846
Total current liabilities	39,997	40,392
Non-current liabilities		
Long-term loans payable	12,375	12,227
Net defined benefit liability	7,930	8,002
Other	914	1,043
Total non-current liabilities	21,220	21,273
Total liabilities	61,217	61,665
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,652	5,652
Retained earnings	21,332	22,920
Treasury stock	(785)	(1,998)
Total shareholders' equity	28,694	29,069
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	73	56
Deferred gains or losses on hedges	(225)	(83)
Foreign currency translation adjustment	186	271
Remeasurements of defined benefit plans	235	203
Total accumulated other comprehensive income	270	447
Non-controlling interests	687	997
Total net assets	29,652	30,515
Total liabilities and net assets	90,870	92,181

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY 2021 (from Apr. 1, 2020 to Sep. 30, 2020)	FY 2022 (from Apr. 1, 2021 to Sep. 30, 2021)
Net sales	61,901	82,780
Cost of sales	53,126	71,517
Gross profit	8,775	11,262
Selling, general and administrative expenses		
Salaries and allowances	3,315	3,441
Provision for bonuses	929	1,361
Retirement benefit expenses	322	315
Other	3,085	3,386
Total selling, general and administrative expenses	7,653	8,505
Operating income	1,122	2,757
Non-operating income		
Dividend income	1	31
Dividend income of insurance	33	44
Share of profit of entities accounted for using equity method	47	38
Foreign exchange gains	64	–
Other	40	21
Total non-operating income	187	137
Non-operating expenses		
Foreign exchange losses	–	351
Other	48	61
Total non-operating expenses	48	412
Ordinary income	1,261	2,481
Extraordinary income		
Gain on sales of non-current assets	1	1
Gain on receipt of donated non-current assets	–	1,888
Gain on sales of investments in capital of subsidiaries and affiliates	–	31
Total extraordinary income	1	1,921
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	8	2
Provision of allowance for doubtful accounts of golf club membership	0	0
Loss on change in equity	19	–
Provision for loss on abolishment of trust	–	112
Total extraordinary losses	29	114
Net income before income taxes	1,233	4,289
Income taxes	380	1,306
Net income	853	2,982
Net income attributable to non-controlling interests	30	336
Net income attributable to owners of parent	823	2,646

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2021 (from Apr. 1, 2020 to Sep. 30, 2020)	FY 2022 (from Apr. 1, 2021 to Sep. 30, 2021)
Net income	853	2,982
Other comprehensive income		
Valuation difference on available-for-sale securities	32	(17)
Deferred gains or losses on hedges	(11)	142
Foreign currency translation adjustment	(59)	65
Remeasurements of defined benefit plans, net of tax	(21)	(32)
Share of other comprehensive income of associates accounted for using equity method	(7)	18
Total other comprehensive income	(67)	177
Comprehensive income	786	3,160
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	755	2,823
Comprehensive income attributable to non-controlling interests	30	336

(3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2021 (from Apr. 1, 2020 to Sep. 30, 2020)	FY 2022 (from Apr. 1, 2021 to Sep. 30, 2021)
Cash flows from operating activities		
Net income before income taxes	1,233	4,289
Depreciation and amortization	283	303
Amortization of goodwill	17	17
Increase (decrease) in provision for bonuses	(172)	(198)
Increase (decrease) in net defined benefit liability	(2)	18
Interest expenses	35	41
Foreign exchange losses (gains)	(70)	(371)
Loss (gain) on sales of investments in capital of subsidiaries and affiliates	–	(31)
Gain on receipt of donated non-current assets	–	(1,888)
Provision for loss on abolishment of trust	–	112
Decrease (increase) in notes and accounts receivable - trade and contract assets	3,415	1,241
Decrease (increase) in inventories	(6,303)	(274)
Increase (decrease) in notes and accounts payable - trade	(700)	508
Increase (decrease) in accounts payable - other	(90)	(256)
Increase (decrease) in advances received	2,439	2,227
Decrease (increase) in consumption taxes refund receivable	(192)	646
Decrease (increase) in accounts receivable - other	(399)	121
Decrease (increase) in prepaid expenses	(584)	(1,762)
Loss (gain) on change in equity	19	–
Other, net	(165)	(244)
Subtotal	(1,236)	4,501
Interest and dividend income received	10	53
Interest expenses paid	(36)	(42)
Income taxes paid	(532)	(1,043)
Net cash provided by (used in) operating activities	(1,794)	3,467
Cash flows from investing activities		
Purchase of property, plant and equipment	(257)	(182)
Purchase of intangible assets	(31)	(20)
Proceeds from sales of investments in capital of subsidiaries and affiliates	–	43
Other, net	(1)	(15)
Net cash provided by (used in) investing activities	(290)	(173)

(Millions of yen)

	FY 2021 (from Apr. 1, 2020 to Sep. 30, 2020)	FY 2022 (from Apr. 1, 2021 to Sep. 30, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,596)	(2,289)
Proceeds from long-term borrowings	5,000	–
Repayments of long-term loans payable	(113)	(148)
Purchase of treasury shares	(0)	(1,268)
Proceeds from disposal of treasury shares	81	111
Cash dividends paid	(501)	(857)
Dividends paid to non-controlling interests	(28)	(26)
Repayments of lease obligations	(23)	(27)
Net cash provided by (used in) financing activities	2,818	(4,506)
Effect of exchange rate change on cash and cash equivalents	(11)	19
Net increase (decrease) in cash and cash equivalents	721	(1,193)
Cash and cash equivalents at beginning of period	4,218	5,391
Cash and cash equivalents at end of period	4,939	4,197

(4) Segment Information

I. 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, and breakdown of revenue

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Semiconductor & Boards Products, etc.	51,475	–	51,475	–	51,475
Storage & Network Products, etc.	–	5,829	5,829	–	5,829
Maintenance & Monitoring Services	–	4,596	4,596	–	4,596
Revenue from contracts with customers	51,475	10,426	61,901	–	61,901
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.

II. For the Period ended September 30, 2021 (From Apr. 1, 2021 to Sep. 30, 2021)

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

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Semiconductor & Boards Products, etc.	72,777	–	72,777	–	72,777
Storage & Network Products, etc.	–	5,571	5,571	–	5,571
Maintenance & Monitoring Services	–	4,431	4,431	–	4,431
Revenue from contracts with customers	72,777	10,002	82,780	–	82,780
Outside customers	72,777	10,002	82,780	–	82,780
Inter-segment	–	–	–	–	–
Total	72,777	10,002	82,780	–	82,780
Segment income	1,563	918	2,481	–	2,481

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

2. Matters about changes of Reported Segments, etc.

The Company has applied the “Accounting Standard for Revenue Recognition”, etc. effective from the beginning of the first quarter ended June 30, 2021, and accordingly changed the methods relevant to measuring profits or losses of business segments in the same manner.

As a result, in comparison with the previous method, net sales of “Electric Components Business” decreased by 2,259 million yen and segment income of the segment decreased by 16 million yen. In addition, net sales of “Computer Networks Business” decreased by 604 million yen and segment income of the segment decreased by 105 million yen.