

# Summary of Consolidated Financial Results For The Third Quarter Ended December 31, 2017 [Japanese GAAP]

January 29, 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 Third Quarter Ended December 31, 2017 (April 1, 2017 to December 31, 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 Third Quarter ended December 31, 2017	119,427	27.3	2,104	390.6	1,841	300.5	1,270	251.9
The Third Quarter ended December 31, 2016	93,818	8.7	428	(59.5)	459	(46.5)	360	(34.7)

(Note) Comprehensive income: The Third Quarter ended December 31, 2017 1,306million yen [408.3%]  
 The Third Quarter ended December 31, 2016 257 million yen [(46.3)%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The Third Quarter ended December 31, 2017	125.79	—
The Third Quarter ended December 31, 2016	35.93	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	88,601	24,177	26.7
As of March 31, 2017	73,708	22,928	31.1

(Reference) Equity: As of December 31, 2017 23,635 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):

December 31, 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:

December 31, 2017	327,907 shares
March 31, 2017	371,519 shares

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

The Third Quarter ended December 31, 2017	10,097,457 shares
The Third Quarter ended December 31, 2016	10,044,948 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 Dec. 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	2,433	4,020
Notes and accounts receivable - trade	37,809	43,407
Electronically recorded monetary claims - operating	950	1,476
Merchandise and finished goods	22,533	28,085
Other	5,040	6,253
<b>Total current assets</b>	<b>68,768</b>	<b>83,242</b>
Non-current assets		
Property, plant and equipment	816	1,271
Intangible fixed assets	431	325
Investments and other assets		
Net defined benefit asset	552	583
Other	3,153	3,219
Allowance for doubtful accounts	(12)	(41)
<b>Total investments and other assets</b>	<b>3,693</b>	<b>3,760</b>
<b>Total non-current assets</b>	<b>4,940</b>	<b>5,358</b>
<b>Total assets</b>	<b>73,708</b>	<b>88,601</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,089	10,984
Short-term loans payable	14,955	24,074
Current portion of long-term loans payable	96	3,096
Provision for bonuses	829	511
Other	6,943	7,878
<b>Total current liabilities</b>	<b>33,913</b>	<b>46,545</b>
Non-current liabilities		
Long-term loans payable	9,192	10,120
Net defined benefit liability	7,138	7,260
Other	537	498
<b>Total non-current liabilities</b>	<b>16,867</b>	<b>17,878</b>
<b>Total liabilities</b>	<b>50,780</b>	<b>64,423</b>

(Millions of yen)

	FY 2017 (As of Mar. 31, 2017)	FY 2018 (As of Dec. 31, 2017)
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	15,262	15,906
Treasury stock	(550)	(485)
Total shareholders' equity	22,853	23,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	32
Deferred gains or losses on hedges	72	13
Foreign currency translation adjustment	210	241
Remeasurements of defined benefit plans	(232)	(212)
Total accumulated other comprehensive income	72	74
Non-controlling interests	2	541
Total net assets	22,928	24,177
Total liabilities and net assets	73,708	88,601

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

## Consolidated Statements of Income

(Millions of yen)

	FY 2017 (from Apr. 1, 2016 to Dec. 31, 2016)	FY 2018 (from Apr. 1, 2017 to Dec. 31, 2017)
Net sales	93,818	119,427
Cost of sales	83,522	106,378
Gross profit	10,296	13,049
Selling, general and administrative expenses		
Salaries and allowances	4,203	4,335
Provision for bonuses	312	444
Retirement benefit expenses	607	559
Other	4,743	5,606
Total selling, general and administrative expenses	9,867	10,944
Operating income	428	2,104
Non-operating income		
Dividend income of insurance	37	41
Other	119	36
Total non-operating income	156	78
Non-operating expenses		
Interest expenses	76	102
Foreign exchange losses	–	187
Other	49	51
Total non-operating expenses	126	341
Ordinary income	459	1,841
Extraordinary income		
Gain on sales of golf memberships	0	–
Gain on transition of retirement benefit plan	60	–
Gain on bargain purchase	–	46
Total extraordinary income	61	46
Extraordinary losses		
Loss on retirement of non-current assets	3	7
Total extraordinary losses	3	7
Net income before income taxes	517	1,881
Income taxes	156	576
Net income	360	1,305
Net income attributable to non-controlling interests	–	34
Net income attributable to owners of parent	360	1,270

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2017 (from Apr. 1, 2016 to Dec. 31, 2016)	FY 2018 (from Apr. 1, 2017 to Dec. 31, 2017)
Net income	360	1,305
Other comprehensive income		
Valuation difference on available-for-sale securities	14	9
Deferred gains or losses on hedges	(281)	(59)
Foreign currency translation adjustment	66	25
Remeasurements of defined benefit plans, net of tax	114	19
Share of other comprehensive income of associates accounted for using equity method	(17)	6
Total other comprehensive income	(103)	1
Comprehensive income	257	1,306
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	257	1,271
Comprehensive income attributable to non-controlling interests	-	34

## (3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2017 (from Apr. 1, 2016 to Dec. 31, 2016)	FY 2018 (from Apr. 1, 2017 to Dec. 31, 2017)
<b>Cash flows from operating activities</b>		
Net income before income taxes	517	1,881
Depreciation	360	409
Amortization of goodwill	77	–
Gain on bargain purchase	–	(46)
Increase (decrease) in provision for bonuses	(394)	(366)
Increase (decrease) in net defined benefit liability	117	152
Interest expenses	76	102
Foreign exchange losses (gains)	1,980	184
Decrease (increase) in notes and accounts receivable - trade	(6,154)	(5,736)
Decrease (increase) in inventories	(820)	(5,406)
Increase (decrease) in notes and accounts payable - trade	999	(451)
Increase (decrease) in accounts payable - other	(47)	(78)
Increase (decrease) in advances received	915	1,001
Decrease (increase) in consumption taxes refund receivable	(43)	(445)
Decrease (increase) in accounts receivable - other	63	98
Decrease (increase) in prepaid expenses	(125)	(173)
Other, net	(398)	(563)
<b>Subtotal</b>	<b>(2,876)</b>	<b>(9,436)</b>
Interest and dividend income received	6	4
Interest expenses paid	(75)	(101)
Income taxes paid	(221)	(722)
Income taxes refund	93	–
<b>Net cash provided by (used in) operating activities</b>	<b>(3,073)</b>	<b>(10,256)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(98)	(95)
Purchase of intangible assets	(27)	(106)
Purchase of investment securities	(30)	(20)
Purchase of shares of subsidiaries and associates	(83)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(595)
Other, net	17	(4)
<b>Net cash provided by (used in) investing activities</b>	<b>(223)</b>	<b>(822)</b>

	(Millions of yen)	
	FY 2017 (from Apr. 1, 2016 to Dec. 31, 2016)	FY 2018 (from Apr. 1, 2017 to Dec. 31, 2017)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	3,231	9,065
Proceeds from long-term loans payable	3,000	4,000
Repayments of long-term loans payable	(2,072)	(72)
Proceeds from disposal of treasury shares	70	72
Cash dividends paid	(602)	(605)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	3,626	12,459
Effect of exchange rate change on cash and cash equivalents	28	6
Net increase (decrease) in cash and cash equivalents	358	1,387
Cash and cash equivalents at beginning of period	2,637	2,433
Cash and cash equivalents at end of period	2,996	3,820

(4) Segment Information

I. For the Period ended December 31, 2016 (From Apr. 1, 2016 to Dec. 31, 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	82,987	10,831	93,818	–	93,818
Inter-segment	–	–	–	–	–
Total	82,987	10,831	93,818	–	93,818
Segment income	290	169	459	–	459

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

II. For the Period ended December 31, 2017 (From Apr. 1, 2017 to Dec. 31, 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	107,140	12,286	119,427	–	119,427
Inter-segment	–	–	–	–	–
Total	107,140	12,286	119,427	–	119,427
Segment income	1,406	435	1,841	–	1,841

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