

# Summary of Consolidated Financial Results For The Third Quarter Ended December 31, 2019 [Japanese GAAP]

January 29, 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 Third Quarter Ended December 31, 2019 (April 1, 2019 to December 31, 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 Third Quarter ended December 31, 2019	98,462	(5.3)	2,165	(16.8)	1,995	(5.1)	1,296	(15.1)
The Third Quarter ended December 31, 2018	103,995	(12.9)	2,603	23.7	2,103	14.2	1,526	20.2

(Note) Comprehensive income: The Third Quarter ended December 31, 2019 1,384 million yen [(20.1)%]  
 The Third Quarter ended December 31, 2018 1,733 million yen [32.7%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The Third Quarter ended December 31, 2019	127.05	—
The Third Quarter ended December 31, 2018	150.51	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	78,300	26,910	33.5
As of March 31, 2019	78,352	26,410	32.9

(Reference) Equity: As of December 31, 2019 26,256 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	—	40.00	—		
Fiscal year ending March 31, 2020 (Forecast)				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
Fiscal year ending March 31, 2020	138,000	(2.1)	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):

December 31, 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:

December 31, 2019	218,037 shares
March 31, 2019	270,846 shares

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

The Third Quarter ended December 31, 2019	10,203,406 shares
The Third Quarter ended December 31, 2018	10,143,374 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 Dec. 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	3,794	5,885
Notes and accounts receivable - trade	34,192	30,572
Electronically recorded monetary claims - operating	1,904	2,163
Merchandise and finished goods	24,119	23,888
Raw materials	693	935
Other	5,738	7,051
Allowance for doubtful accounts	(22)	(29)
Total current assets	70,420	70,467
Non-current assets		
Property, plant and equipment	1,740	1,820
Intangible fixed assets	1,961	1,846
Investments and other assets		
Net defined benefit asset	357	396
Other	3,940	3,839
Allowance for doubtful accounts	(66)	(71)
Total investments and other assets	4,230	4,164
Total non-current assets	7,932	7,832
Total assets	78,352	78,300

(Millions of yen)

	FY 2019 (As of Mar. 31, 2019)	FY 2020 (As of Dec. 31, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,516	8,780
Short-term loans payable	10,321	10,521
Current portion of long-term loans payable	3,191	3,579
Provision for bonuses	1,419	534
Other	8,551	10,315
Total current liabilities	32,000	33,731
Non-current liabilities		
Long-term loans payable	11,925	9,394
Net defined benefit liability	7,409	7,608
Other	607	655
Total non-current liabilities	19,942	17,658
Total liabilities	51,942	51,389
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	17,781	18,136
Treasury stock	(401)	(323)
Total shareholders' equity	25,521	25,954
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	42
Deferred gains or losses on hedges	13	(27)
Foreign currency translation adjustment	187	152
Remeasurements of defined benefit plans	61	134
Total accumulated other comprehensive income	284	301
Non-controlling interests	604	654
Total net assets	26,410	26,910
Total liabilities and net assets	78,352	78,300

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

## Consolidated Statements of Income

(Millions of yen)

	FY 2019 (from Apr. 1, 2018 to Dec. 31, 2018)	FY 2020 (from Apr. 1, 2019 to Dec. 31, 2019)
Net sales	103,995	98,462
Cost of sales	89,800	84,343
Gross profit	14,195	14,118
Selling, general and administrative expenses		
Salaries and allowances	4,635	4,856
Provision for bonuses	431	491
Retirement benefit expenses	716	619
Other	5,808	5,985
Total selling, general and administrative expenses	11,591	11,953
Operating income	2,603	2,165
Non-operating income		
Share of profit of entities accounted for using equity method	3	34
Dividend income of insurance	41	35
Other	40	52
Total non-operating income	85	122
Non-operating expenses		
Interest expenses	139	80
Foreign exchange losses	405	180
Other	42	31
Total non-operating expenses	586	292
Ordinary income	2,103	1,995
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	207	–
Total extraordinary income	207	0
Extraordinary losses		
Loss on retirement of non-current assets	4	2
Loss on valuation of investment securities	20	–
Loss on liquidation of subsidiaries and associates	–	5
Other	0	0
Total extraordinary losses	24	9
Net income before income taxes	2,285	1,986
Income taxes	717	618
Net income	1,568	1,367
Net income attributable to non-controlling interests	41	71
Net income attributable to owners of parent	1,526	1,296

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2019 (from Apr. 1, 2018 to Dec. 31, 2018)	FY 2020 (from Apr. 1, 2019 to Dec. 31, 2019)
Net income	1,568	1,367
Other comprehensive income		
Valuation difference on available-for-sale securities	(29)	19
Deferred gains or losses on hedges	(15)	(40)
Foreign currency translation adjustment	92	(34)
Remeasurements of defined benefit plans, net of tax	120	72
Share of other comprehensive income of associates accounted for using equity method	(2)	(0)
Total other comprehensive income	164	17
Comprehensive income	1,733	1,384
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,691	1,313
Comprehensive income attributable to non-controlling interests	41	71

## (3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2019 (from Apr. 1, 2018 to Dec. 31, 2018)	FY 2020 (from Apr. 1, 2019 to Dec. 31, 2019)
<b>Cash flows from operating activities</b>		
Net income before income taxes	2,285	1,986
Depreciation	348	416
Amortization of goodwill	17	26
Increase (decrease) in provision for bonuses	(770)	(885)
Increase (decrease) in net defined benefit liability	127	158
Interest expenses	139	80
Foreign exchange losses (gains)	600	152
Loss (gain) on valuation of investment securities	20	—
Loss (gain) on sales of investment securities	(207)	—
Decrease (increase) in notes and accounts receivable - trade	9,685	3,354
Decrease (increase) in inventories	(1,453)	(434)
Increase (decrease) in notes and accounts payable - trade	(873)	195
Increase (decrease) in accounts payable - other	306	362
Increase (decrease) in advances received	1,363	1,891
Decrease (increase) in consumption taxes refund receivable	587	(384)
Decrease (increase) in accounts receivable - other	879	245
Decrease (increase) in prepaid expenses	(235)	(864)
Other, net	(635)	(65)
Subtotal	12,184	6,236
Interest and dividend income received	9	14
Interest expenses paid	(139)	(80)
Income taxes paid	(1,475)	(960)
Net cash provided by (used in) operating activities	10,579	5,209
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(206)	(376)
Proceeds from sales of property, plant and equipment	181	0
Purchase of intangible assets	(35)	(50)
Proceeds from sales of investment securities	207	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,833)	—
Proceeds from the liquidation of subsidiaries and associates	—	44
Other, net	3	(16)
Net cash provided by (used in) investing activities	(1,682)	(398)

(Millions of yen)

	FY 2019 (from Apr. 1, 2018 to Dec. 31, 2018)	FY 2020 (from Apr. 1, 2019 to Dec. 31, 2019)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(8,632)	262
Proceeds from long-term loans payable	4,800	–
Repayments of long-term loans payable	(3,293)	(2,142)
Proceeds from disposal of treasury shares	86	106
Cash dividends paid	(770)	(971)
Dividends paid to non-controlling interests	(21)	(20)
Other, net	(2)	(30)
Net cash provided by (used in) financing activities	(7,833)	(2,796)
Effect of exchange rate change on cash and cash equivalents	5	(4)
Net increase (decrease) in cash and cash equivalents	1,069	2,009
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	4,475	5,614

(4) Segment Information

I. For the Period ended December 31, 2018 (From Apr. 1, 2018 to Dec. 31, 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	90,600	13,395	103,995	–	103,995
Inter-segment	–	–	–	–	–
Total	90,600	13,395	103,995	–	103,995
Segment income	1,405	697	2,103	–	2,103

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

II. For the Period ended December 31, 2019 (From Apr. 1, 2019 to Dec. 31, 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	82,475	15,986	98,462	–	98,462
Inter-segment	–	–	–	–	–
Total	82,475	15,986	98,462	–	98,462
Segment income	791	1,203	1,995	–	1,995

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