

Summary of Consolidated Financial Results For The Third Quarter Ended December 31, 2020 [Japanese GAAP]

January 27, 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 Third Quarter Ended December 31, 2020 (April 1, 2020 to December 31, 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 Third Quarter ended December 31, 2020	99,106	0.7	2,490	15.0	2,612	30.9	1,786	37.8
The Third Quarter ended December 31, 2019	98,462	(5.3)	2,165	(16.8)	1,995	(5.1)	1,296	(15.1)

(Note) Comprehensive income: The Third Quarter ended December 31, 2020 1,737 million yen [25.4%]
 The Third Quarter ended December 31, 2019 1,384 million yen [(20.1)%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The Third Quarter ended December 31, 2020	177.68	—
The Third Quarter ended December 31, 2019	127.05	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	85,519	28,036	32.0
As of March 31, 2020	76,539	27,141	34.6

(Reference) Equity: As of December 31, 2020 27,343 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):

December 31, 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:

December 31, 2020	369,854 shares
March 31, 2020	421,568 shares

3) Average number of shares outstanding during the period:

The Third Quarter ended December 31, 2020	10,053,945 shares
The Third Quarter ended December 31, 2019	10,203,406 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 Dec. 31, 2020)
Assets		
Current assets		
Cash and deposits	4,492	4,971
Notes and accounts receivable - trade	32,874	34,362
Electronically recorded monetary claims - operating	1,869	2,123
Merchandise and finished goods	20,965	26,324
Other	8,479	10,003
Allowance for doubtful accounts	(12)	(6)
Total current assets	68,668	77,780
Non-current assets		
Property, plant and equipment	1,952	1,822
Intangible fixed assets	1,806	1,729
Investments and other assets		
Net defined benefit asset	55	104
Other	4,102	4,129
Allowance for doubtful accounts	(47)	(47)
Total investments and other assets	4,111	4,186
Total non-current assets	7,870	7,738
Total assets	76,539	85,519

(Millions of yen)

	FY 2020 (As of Mar. 31, 2020)	FY 2021 (As of Dec. 31, 2020)
Liabilities		
Current liabilities		
Accounts payable – trade	9,982	8,730
Short-term loans payable	6,681	9,681
Current portion of long-term loans payable	3,040	3,540
Advances received	7,687	10,307
Provision for bonuses	1,214	670
Other	2,447	2,245
Total current liabilities	31,054	35,176
Non-current liabilities		
Long-term loans payable	9,604	13,429
Net defined benefit liability	7,839	7,942
Other	899	935
Total non-current liabilities	18,344	22,306
Total liabilities	49,398	57,483
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	19,129	19,975
Treasury stock	(944)	(817)
Total shareholders' equity	26,325	27,298
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29	65
Deferred gains or losses on hedges	(57)	(31)
Foreign currency translation adjustment	137	1
Remeasurements of defined benefit plans	40	8
Total accumulated other comprehensive income	150	45
Non-controlling interests	665	692
Total net assets	27,141	28,036
Total liabilities and net assets	76,539	85,519

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY 2020 (from Apr. 1, 2019 to Dec. 31, 2019)	FY 2021 (from Apr. 1, 2020 to Dec. 31, 2020)
Net sales	98,462	99,106
Cost of sales	84,343	85,058
Gross profit	14,118	14,047
Selling, general and administrative expenses		
Salaries and allowances	4,856	4,992
Provision for bonuses	491	609
Retirement benefit expenses	619	485
Other	5,985	5,469
Total selling, general and administrative expenses	11,953	11,556
Operating income	2,165	2,490
Non-operating income		
Share of profit of entities accounted for using equity method	34	57
Foreign exchange gains	–	44
Other	88	94
Total non-operating income	122	196
Non-operating expenses		
Interest expenses	80	56
Foreign exchange losses	180	–
Other	31	18
Total non-operating expenses	292	75
Ordinary income	1,995	2,612
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	1,986	2,584
Income taxes	618	741
Net income	1,367	1,842
Net income attributable to non-controlling interests	71	56
Net income attributable to owners of parent	1,296	1,786

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2020 (from Apr. 1, 2019 to Dec. 31, 2019)	FY 2021 (from Apr. 1, 2020 to Dec. 31, 2020)
Net income	1,367	1,842
Other comprehensive income		
Valuation difference on available-for-sale securities	19	35
Deferred gains or losses on hedges	(40)	26
Foreign currency translation adjustment	(34)	(128)
Remeasurements of defined benefit plans, net of tax	72	(31)
Share of other comprehensive income of associates accounted for using equity method	(0)	(7)
Total other comprehensive income	17	(105)
Comprehensive income	1,384	1,737
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,313	1,680
Comprehensive income attributable to non-controlling interests	71	56

(3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2020 (from Apr. 1, 2019 to Dec. 31, 2019)	FY 2021 (from Apr. 1, 2020 to Dec. 31, 2020)
Cash flows from operating activities		
Net income before income taxes	1,986	2,584
Depreciation and amortization	416	427
Amortization of goodwill	26	26
Increase (decrease) in provision for bonuses	(885)	(541)
Increase (decrease) in net defined benefit liability	158	28
Interest expenses	80	56
Foreign exchange losses (gains)	152	(153)
Decrease (increase) in notes and accounts receivable - trade	3,354	(2,001)
Decrease (increase) in inventories	(434)	(5,478)
Increase (decrease) in notes and accounts payable - trade	195	(1,190)
Increase (decrease) in accounts payable - other	362	280
Increase (decrease) in advances received	1,891	2,624
Decrease (increase) in consumption taxes refund receivable	(384)	(657)
Decrease (increase) in accounts receivable - other	245	(24)
Decrease (increase) in prepaid expenses	(864)	(781)
Loss (gain) on change in equity	-	19
Other, net	(65)	45
Subtotal	6,236	(4,735)
Interest and dividend income received	14	19
Interest expenses paid	(80)	(56)
Income taxes paid	(960)	(1,004)
Net cash provided by (used in) operating activities	5,209	(5,776)
Cash flows from investing activities		
Purchase of property, plant and equipment	(376)	(272)
Purchase of intangible assets	(50)	(64)
Proceeds from the liquidation of subsidiaries and associates	44	-
Other, net	(15)	(27)
Net cash provided by (used in) investing activities	(398)	(364)

(Millions of yen)

	FY 2020 (from Apr. 1, 2019 to Dec. 31, 2019)	FY 2021 (from Apr. 1, 2020 to Dec. 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	262	3,154
Proceeds from long-term borrowings	–	7,000
Repayments of long-term loans payable	(2,142)	(2,675)
Proceeds from disposal of treasury shares	106	127
Cash dividends paid	(971)	(903)
Dividends paid to non-controlling interests	(20)	(28)
Other, net	(30)	(35)
Net cash provided by (used in) financing activities	(2,796)	6,638
Effect of exchange rate change on cash and cash equivalents	(4)	(28)
Net increase (decrease) in cash and cash equivalents	2,009	469
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	5,614	4,687

(4) Segment Information

I. 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.

II. For the Period ended December 31, 2020 (From Apr. 1, 2020 to Dec. 31, 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	83,614	15,492	99,106	–	99,106
Inter-segment	83	–	83	(83)	–
Total	83,697	15,492	99,190	(83)	99,106
Segment income	1,068	1,544	2,612	–	2,612

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