

Summary of Consolidated Financial Results

For the Fiscal Year Ended March 31, 2017 [Japanese GAAP]

April 26, 2017

Company name: TOKYO ELECTRON DEVICE LIMITED
 Stock exchange listing: Tokyo Stock Exchange 1st Section (Code 2760)
 URL: <http://www.teldevice.co.jp/eng/>
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 Scheduled date for the general meeting of shareholders: June 21, 2017
 Scheduled date for dividend payment: May 31, 2017

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

1. Consolidated financial highlights for the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Consolidated operating results

(% 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	%
Fiscal year ended March 31, 2017	131,855	11.9	1,665	11.7	1,377	(15.4)	972	5.0
Fiscal year ended March 31, 2016	117,831	5.5	1,490	(42.6)	1,628	19.9	925	29.0

(Note) Comprehensive income: Fiscal year ended March 31, 2017 1,303million yen [-%]
 Fiscal year ended March 31, 2016 (55)million yen [-%]

	Basic net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	96.71	—	4.3	2.0	1.3
Fiscal year ended March 31, 2016	92.55	—	4.1	2.4	1.3

(Reference) Share of profit (loss) of entities accounted for using equity method As of March 31, 2017 (12)million yen As of March 31, 2016 (9)million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	73,708	22,928	31.1	2,275.73
As of March 31, 2016	64,284	22,174	34.5	2,212.37

(Reference) Equity: As of March 31, 2017 22,925million yen As of March 31, 2016 22,171million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2017	(4,685)	(262)	4,739	2,433
Fiscal year ended March 31, 2016	3,543	(347)	(2,841)	2,637

2. Dividends

	Annual dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2016	—	30.00	—	30.00	60.00	626	64.8	2.7
Fiscal year ended March 31, 2017	—	30.00	—	30.00	60.00	626	62.0	2.7
Fiscal year ending March 31, 2018 (Forecast)	—	30.00	—	30.00	60.00		60.4	

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		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2017 (cumulative)	68,400	13.5	360	14.1	250	7.2	24.82
Fiscal year ending March 31, 2018	140,000	6.2	1,500	8.9	1,000	2.9	99.27

*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 shares):

March 31, 2017	10,445,500 shares
March 31, 2016	10,445,500 shares

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

March 31, 2017	371,519 shares
March 31, 2016	423,819 shares

3) Average number of shares outstanding during the period:

Fiscal year ended March 31, 2017	10,051,506 shares
Fiscal year ended March 31, 2016	9,998,807 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 treasury shares.

(Reference) Non-consolidated financial highlights for the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Non-consolidated operating results

(% indicates changes from the same period of previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2017	89,504	12.3	235	(45.0)	720	(38.9)	489	(17.8)
Fiscal year ended March 31, 2016	79,666	(4.1)	427	(67.7)	1,179	15.2	595	73.3

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2017	48.67	—
Fiscal year ended March 31, 2016	59.55	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	66,021	21,008	31.8	2,085.40
As of March 31, 2016	55,252	21,090	38.2	2,104.50

(Reference) Equity: As of March 31, 2017 21,008million yen As of March 31, 2016 21,090million yen

*This financial report is not subject to an audit.

* 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)

	Fiscal Year 2016 (As of Mar. 31, 2016)	Fiscal Year 2017 (As of Mar. 31, 2017)
Assets		
Current assets		
Cash and deposits	2,637	2,433
Notes and accounts receivable - trade	28,902	37,809
Electronically recorded monetary claims - operating	627	950
Merchandise and finished goods	21,527	22,533
Deferred tax assets	521	651
Other	5,123	4,389
Total current assets	59,340	68,768
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,608	1,632
Accumulated depreciation	(984)	(1,056)
Buildings and structures, net	623	575
Tools, furniture and fixtures	1,530	1,511
Accumulated depreciation	(1,303)	(1,271)
Tools, furniture and fixtures, net	226	239
Leased assets	3	0
Accumulated depreciation	(2)	(0)
Leased assets, net	0	0
Construction in progress	19	–
Total property, plant and equipment	870	816
Intangible assets		
Goodwill	102	–
Other	669	431
Total intangible assets	772	431
Investments and other assets		
Net defined benefit asset	177	552
Deferred tax assets	2,162	2,050
Other	972	1,103
Allowance for doubtful accounts	(11)	(12)
Total investments and other assets	3,301	3,693
Total non-current assets	4,944	4,940
Total assets	64,284	73,708

(Millions of yen)

	Fiscal Year 2016 (As of Mar. 31, 2016)	Fiscal Year 2017 (As of Mar. 31, 2017)
Liabilities		
Current liabilities		
Accounts payable - trade	8,694	11,089
Short-term loans payable	10,680	14,955
Current portion of long-term loans payable	2,096	96
Advances received	4,138	4,585
Provision for bonuses	712	829
Other	1,866	2,358
Total current liabilities	28,189	33,913
Non-current liabilities		
Long-term loans payable	6,288	9,192
Net defined benefit liability	7,080	7,138
Other	552	537
Total non-current liabilities	13,921	16,867
Total liabilities	42,110	50,780
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	14,917	15,262
Treasury shares	(628)	(550)
Total shareholders' equity	22,430	22,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8)	22
Deferred gains or losses on hedges	77	72
Foreign currency translation adjustment	215	210
Remeasurements of defined benefit plans	(542)	(232)
Total accumulated other comprehensive income	(258)	72
Non-controlling interests	2	2
Total net assets	22,174	22,928
Total liabilities and net assets	64,284	73,708

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal Year 2016 (from Apr. 1, 2015 to Mar. 31, 2016)	Fiscal Year 2017 (from Apr. 1, 2016 to Mar. 31, 2017)
Net sales	117,831	131,855
Cost of sales	102,852	116,709
Gross profit	14,979	15,146
Selling, general and administrative expenses		
Salaries and allowances	5,660	5,595
Provision for bonuses	722	814
Retirement benefit expenses	519	806
Other	6,587	6,265
Total selling, general and administrative expenses	13,488	13,481
Operating income	1,490	1,665
Non-operating income		
Foreign exchange gains	181	–
Guarantee commission received	14	14
Insurance income	22	22
Dividend income of insurance	37	37
Other	26	31
Total non-operating income	282	106
Non-operating expenses		
Interest expenses	81	111
Loss on sales of accounts receivable	25	25
Foreign exchange losses	–	220
Guarantee commission	29	21
Other	9	14
Total non-operating expenses	144	393
Ordinary income	1,628	1,377
Extraordinary income		
Gain on sales of golf memberships	–	0
Gain on sales of investments in capital of subsidiaries and associates	8	–
Gain on transition of retirement benefit plan	–	60
Total extraordinary income	8	61
Extraordinary losses		
Loss on retirement of non-current assets	5	4
Loss on sales of investment securities	9	–
Loss on valuation of golf club membership	6	–
Other	1	–
Total extraordinary losses	23	4
Net income before income taxes	1,613	1,435
Income taxes - current	338	609
Income taxes - deferred	349	(145)
Total income taxes	688	463
Net income	925	972
Net income attributable to owners of parent	925	972

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year 2016 (from Apr. 1, 2015 to Mar. 31, 2016)	Fiscal Year 2017 (from Apr. 1, 2016 to Mar. 31, 2017)
Net income	925	972
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	30
Deferred gains or losses on hedges	113	(5)
Foreign currency translation adjustment	(119)	(2)
Remeasurements of defined benefit plans, net of tax	(929)	310
Share of other comprehensive income of entities accounted for using equity method	(30)	(2)
Total other comprehensive income	(980)	331
Comprehensive income	(55)	1,303
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(55)	1,303
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Shareholders' equity
Fiscal Year 2016 (Apr. 1, 2015 to Mar. 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital Stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,495	5,645	14,618	(703)	22,056
Changes of items during period					
Dividends of surplus			(626)		(626)
Net income attributable to owners of parent			925		925
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				75	75
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	298	75	374
Balance at end of current period	2,495	5,645	14,917	(628)	22,430

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5	(36)	366	386	721	—	22,777
Changes of items during period							
Dividends of surplus							(626)
Net income attributable to owners of parent							925
Purchase of treasury shares							(0)
Disposal of treasury shares							75
Net changes of items other than shareholders' equity	(13)	113	(150)	(929)	(980)	2	(978)
Total changes of items during period	(13)	113	(150)	(929)	(980)	2	(603)
Balance at end of current period	(8)	77	215	(542)	(258)	2	22,174

Fiscal Year 2017 (Apr. 1, 2016 to Mar. 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital Stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,495	5,645	14,917	(628)	22,430
Changes of items during period					
Dividends of surplus			(626)		(626)
Net income attributable to owners of parent			972		972
Purchase of treasury shares					—
Disposal of treasury shares				77	77
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	345	77	422
Balance at end of current period	2,495	5,645	15,262	(550)	22,853

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	(8)	77	215	(542)	(258)	2	22,174
Changes of items during period							
Dividends of surplus							(626)
Net income attributable to owners of parent							972
Purchase of treasury shares							—
Disposal of treasury shares							77
Net changes of items other than shareholders' equity	30	(5)	(5)	310	331	—	331
Total changes of items during period	30	(5)	(5)	310	331	—	754
Balance at end of current period	22	72	210	(232)	72	2	22,928

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	Fiscal Year 2016 (from Apr. 1, 2015 to Mar. 31, 2016)	Fiscal Year 2017 (from Apr. 1, 2016 to Mar. 31, 2017)
Cash flows from operating activities		
Net income before income taxes	1,613	1,435
Depreciation	491	487
Amortization of goodwill	102	102
Increase (decrease) in provision for bonuses	(23)	116
Increase (decrease) in net defined benefit liability	(31)	213
Interest expenses	81	111
Foreign exchange losses (gains)	(652)	521
Loss (gain) on sales of investment securities	9	–
Loss (gain) on sales of investments in capital of subsidiaries and associates	(8)	–
Decrease (increase) in notes and accounts receivable - trade	(1,164)	(9,250)
Decrease (increase) in inventories	3,080	(1,054)
Increase (decrease) in notes and accounts payable - trade	(857)	2,428
Increase (decrease) in accounts payable - other	(983)	(53)
Increase (decrease) in advances received	456	446
Increase (decrease) in deposits received	386	47
Decrease (increase) in consumption taxes refund receivable	2,383	(222)
Decrease (increase) in accounts receivable - other	87	215
Decrease (increase) in advances paid	(278)	246
Decrease (increase) in prepaid expenses	(273)	(148)
Other, net	112	(74)
Subtotal	4,531	(4,431)
Interest and dividend income received	1	7
Interest expenses paid	(83)	(111)
Income taxes paid	(906)	(243)
Income taxes refund	–	93
Net cash provided by (used in) operating activities	3,543	(4,685)
Cash flows from investing activities		
Purchase of property, plant and equipment	(136)	(133)
Purchase of intangible assets	(79)	(33)
Purchase of investment securities	(180)	(30)
Proceeds from sales of investment securities	43	–
Purchase of shares of subsidiaries and associates	–	(83)
Proceeds from sales of investments in capital of subsidiaries and associates	20	–
Other, net	(14)	19
Net cash provided by (used in) investing activities	(347)	(262)

(Millions of yen)

	Fiscal Year 2016 (from Apr. 1, 2015 to Mar. 31, 2016)	Fiscal Year 2017 (from Apr. 1, 2016 to Mar. 31, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(5,228)	4,357
Proceeds from long-term loans payable	3,000	3,000
Repayments of long-term loans payable	(96)	(2,096)
Proceeds from disposal of treasury shares	80	80
Cash dividends paid	(598)	(602)
Other, net	1	(0)
Net cash provided by (used in) financing activities	(2,841)	4,739
Effect of exchange rate change on cash and cash equivalents	(19)	4
Net increase (decrease) in cash and cash equivalents	335	(204)
Cash and cash equivalents at beginning of period	2,302	2,637
Cash and cash equivalents at end of period	2,637	2,433

(5) Segment Information

1. Overview of Reported Segments

(1) The method to categorize reported segments

The reported segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

(2) Products and services categorized for each reported segments

The Company operates its business activities under separated sales units for each group of products and services. The Company categorizes two reported segments, “Electric Components Business” and “Computer Networks Business”.

“Electric Components Business” focuses on sales of semiconductor products and other electric components, and “Computer Networks Business” focuses on sales of computer network devices and data storage servers.

2. Basis for Calculating Net sales, Income (loss), Assets, Liabilities, and Other Items by Reported Segment

The accounting methods used for reportable segments are the same as those used for preparing the Consolidated Financial Statements.

3. Information on Amounts of Net sales, Income (loss), Assets, Liabilities, and other Items by Reportable Segment

Fiscal Year 2016 (Apr. 1, 2015 to Mar. 31, 2016)

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Outside customers	99,930	17,900	117,831	—	117,831
Inter-segment	—	—	—	—	—
Total	99,930	17,900	117,831	—	117,831
Segment income	782	846	1,628	—	1,628
Segment assets	53,123	11,161	64,284	—	64,284
Other items					
Depreciation	285	186	471	—	471
Amortization of goodwill	102	—	102	—	102
Interest expenses	78	2	81	—	81
Increase in property, plant, and equipment, and intangible assets	98	122	221	—	221

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

Fiscal Year 2017 (Apr. 1, 2016 to Mar. 31, 2017)

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Outside customers	115,018	16,836	131,855	—	131,855
Inter-segment	—	—	—	—	—
Total	115,018	16,836	131,855	—	131,855
Segment income	591	786	1,377	—	1,377
Segment assets	62,589	11,119	73,708	—	73,708
Other items					
Depreciation	282	184	467	—	467
Amortization of goodwill	102	—	102	—	102
Interest expenses	108	3	111	—	111
Increase in property, plant, and equipment, and intangible assets	109	70	180	—	180

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