

Summary of Consolidated Financial Results

For the Fiscal Year Ended March 31, 2018 [Japanese GAAP]

April 24, 2018

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 20, 2018
 Scheduled date for dividend payment: May 30, 2018

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

1. Consolidated financial highlights for the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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, 2018	159,841	21.2	2,755	65.5	2,637	91.4	1,598	64.4
Fiscal year ended March 31, 2017	131,855	11.9	1,665	11.7	1,377	(15.4)	972	5.0

(Note) Comprehensive income: Fiscal year ended March 31, 2018 1,522million yen [16.9%]
 Fiscal year ended March 31, 2017 1,303million 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, 2018	158.22	—	6.8	3.3	1.7
Fiscal year ended March 31, 2017	96.71	—	4.3	2.0	1.3

(Reference) Share of profit (loss) of entities accounted for using equity method As of March 31, 2018 (52)million yen As of March 31, 2017 (12)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, 2018	86,478	24,401	27.6	2,354.83
As of March 31, 2017	73,708	22,928	31.1	2,275.73

(Reference) Equity: As of March 31, 2018 23,837million yen As of March 31, 2017 22,925million 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, 2018	(7,993)	(896)	9,869	3,406
Fiscal year ended March 31, 2017	(4,685)	(262)	4,739	2,433

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, 2017	—	30.00	—	30.00	60.00	626	62.0	2.7
Fiscal year ended March 31, 2018	—	30.00	—	36.00	66.00	689	41.7	2.9
Fiscal year ending March 31, 2019 (Forecast)	—	36.00	—	36.00	72.00		40.5	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% 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, 2018 (cumulative)	68,500	(10.4)	1,000	1.7	650	(7.1)	64.21
Fiscal year ending March 31, 2019	140,000	(12.4)	2,700	2.4	1,800	12.6	177.82

*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 shares):

March 31, 2018	10,445,500 shares
March 31, 2017	10,445,500 shares

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

March 31, 2018	322,655 shares
March 31, 2017	371,519 shares

3) Average number of shares outstanding during the period:

Fiscal year ended March 31, 2018	10,103,362 shares
Fiscal year ended March 31, 2017	10,051,506 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, 2018 (April 1, 2017 to March 31, 2018)

(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, 2018	109,092	21.9	695	195.7	1,399	94.1	599	22.5
Fiscal year ended March 31, 2017	89,504	12.3	235	(45.0)	720	(38.9)	489	(17.8)

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2018	59.31	—
Fiscal year ended March 31, 2017	48.67	—

(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, 2018	76,800	21,100	27.5	2,084.45
As of March 31, 2017	66,021	21,008	31.8	2,085.40

(Reference) Equity: As of March 31, 2018 21,100million yen As of March 31, 2017 21,008million yen

*This 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)

	Fiscal Year 2017 (As of Mar. 31, 2017)	Fiscal Year 2018 (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits	2,433	3,606
Notes and accounts receivable - trade	37,809	42,263
Electronically recorded monetary claims - operating	950	1,566
Merchandise and finished goods	22,533	25,638
Deferred tax assets	651	1,026
Other	4,389	7,352
Total current assets	68,768	81,453
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,632	1,695
Accumulated depreciation	(1,056)	(1,119)
Buildings and structures, net	575	576
Machinerys and equipment	–	231
Accumulated depreciation	–	(35)
Machinery and equipment, net	–	195
Tools, furniture and fixtures	1,511	1,573
Accumulated depreciation	(1,271)	(1,316)
Tools, furniture and fixtures, net	239	256
Land	–	198
Construction in progress	–	6
Other	0	11
Accumulated depreciation	(0)	(2)
Other, net	0	9
Total property, plant and equipment	816	1,241
Intangible assets	431	258
Investments and other assets		
Net defined benefit asset	552	410
Deferred tax assets	2,050	2,191
Other	1,103	964
Allowance for doubtful accounts	(12)	(41)
Total investments and other assets	3,693	3,525
Total non-current assets	4,940	5,025
Total assets	73,708	86,478

(Millions of yen)

	Fiscal Year 2017 (As of Mar. 31, 2017)	Fiscal Year 2018 (As of Mar. 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,089	10,497
Short-term loans payable	14,955	21,065
Current portion of long-term loans payable	96	3,096
Income taxes payable	546	986
Advances received	4,585	5,193
Provision for bonuses	829	1,237
Other	1,811	2,041
Total current liabilities	33,913	44,117
Non-current liabilities		
Long-term loans payable	9,192	10,096
Net defined benefit liability	7,138	7,371
Other	537	492
Total non-current liabilities	16,867	17,959
Total liabilities	50,780	62,077
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,645
Retained earnings	15,262	16,234
Treasury shares	(550)	(478)
Total shareholders' equity	22,853	23,897
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	43
Deferred gains or losses on hedges	72	132
Foreign currency translation adjustment	210	102
Remeasurements of defined benefit plans	(232)	(338)
Total accumulated other comprehensive income	72	(59)
Non-controlling interests	2	563
Total net assets	22,928	24,401
Total liabilities and net assets	73,708	86,478

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal Year 2017 (from Apr. 1, 2016 to Mar. 31, 2017)	Fiscal Year 2018 (from Apr. 1, 2017 to Mar. 31, 2018)
Net sales	131,855	159,841
Cost of sales	116,709	142,160
Gross profit	15,146	17,680
Selling, general and administrative expenses		
Salaries and allowances	5,595	5,764
Provision for bonuses	814	1,098
Retirement benefit expenses	806	744
Other	6,265	7,317
Total selling, general and administrative expenses	13,481	14,924
Operating income	1,665	2,755
Non-operating income		
Foreign exchange gains	–	47
Guarantee commission received	14	14
Dividend income of insurance	37	41
Other	54	27
Total non-operating income	106	131
Non-operating expenses		
Interest expenses	111	148
Loss on sales of accounts receivable	25	25
Share of loss of entities accounted for using equity method	12	52
Foreign exchange losses	220	–
Other	23	23
Total non-operating expenses	393	249
Ordinary income	1,377	2,637
Extraordinary income		
Gain on sales of non-current assets	–	0
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	4	9
Loss on valuation of investment securities	–	180
Loss on valuation of golf club membership	–	9
Total extraordinary losses	4	199
Net income before income taxes	1,435	2,485
Income taxes - current	609	1,213
Income taxes - deferred	(145)	(383)
Total income taxes	463	829
Net income	972	1,655
Net income attributable to non-controlling interests	–	56
Net income attributable to owners of parent	972	1,598

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year 2017 (from Apr. 1, 2016 to Mar. 31, 2017)	Fiscal Year 2018 (from Apr. 1, 2017 to Mar. 31, 2018)
Net income	972	1,655
Other comprehensive income		
Valuation difference on available-for-sale securities	30	20
Deferred gains or losses on hedges	(5)	60
Foreign currency translation adjustment	(2)	(111)
Remeasurements of defined benefit plans, net of tax	310	(106)
Share of other comprehensive income of entities accounted for using equity method	(2)	3
Total other comprehensive income	331	(132)
Comprehensive income	1,303	1,522
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,303	1,466
Comprehensive income attributable to non-controlling interests	–	56

(3) Consolidated Statements of Changes in Shareholders' equity
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

Fiscal Year 2018 (Apr. 1, 2017 to Mar. 31, 2018)

(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	15,262	(550)	22,853
Changes of items during period					
Dividends of surplus			(626)		(626)
Net income attributable to owners of parent			1,598		1,598
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				72	72
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	971	72	1,044
Balance at end of current period	2,495	5,645	16,234	(478)	23,897

	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	22	72	210	(232)	72	2	22,928
Changes of items during period							
Dividends of surplus							(626)
Net income attributable to owners of parent							1,598
Purchase of treasury shares							(0)
Disposal of treasury shares							72
Net changes of items other than shareholders' equity	20	60	(107)	(106)	(132)	561	428
Total changes of items during period	20	60	(107)	(106)	(132)	561	1,473
Balance at end of current period	43	132	102	(338)	(59)	563	24,401

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	Fiscal Year 2017 (from Apr. 1, 2016 to Mar. 31, 2017)	Fiscal Year 2018 (from Apr. 1, 2017 to Mar. 31, 2018)
Cash flows from operating activities		
Net income before income taxes	1,435	2,485
Depreciation	487	560
Amortization of goodwill	102	–
Gain on bargain purchase	–	(46)
Increase (decrease) in provision for bonuses	116	361
Increase (decrease) in net defined benefit liability	213	266
Interest expenses	111	148
Foreign exchange losses (gains)	521	(682)
Loss on valuation of investment securities	–	180
Decrease (increase) in notes and accounts receivable - trade	(9,250)	(5,180)
Decrease (increase) in inventories	(1,054)	(3,302)
Increase (decrease) in notes and accounts payable - trade	2,428	(863)
Increase (decrease) in accounts payable - other	(53)	24
Increase (decrease) in advances received	446	589
Decrease (increase) in consumption taxes refund receivable	(222)	(356)
Decrease (increase) in accounts receivable - other	215	(889)
Decrease (increase) in prepaid expenses	(148)	(471)
Other, net	220	88
Subtotal	(4,431)	(7,089)
Interest and dividend income received	7	5
Interest expenses paid	(111)	(148)
Income taxes paid	(243)	(761)
Income taxes refund	93	–
Net cash provided by (used in) operating activities	(4,685)	(7,993)
Cash flows from investing activities		
Purchase of property, plant and equipment	(133)	(140)
Purchase of intangible assets	(33)	(116)
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	19	(23)
Net cash provided by (used in) investing activities	(262)	(896)

(Millions of yen)

	Fiscal Year 2017 (from Apr. 1, 2016 to Mar. 31, 2017)	Fiscal Year 2018 (from Apr. 1, 2017 to Mar. 31, 2018)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,357	6,489
Proceeds from long-term loans payable	3,000	4,000
Repayments of long-term loans payable	(2,096)	(96)
Proceeds from disposal of treasury shares	80	83
Cash dividends paid	(602)	(605)
Other, net	(0)	(2)
Net cash provided by (used in) financing activities	4,739	9,869
Effect of exchange rate change on cash and cash equivalents	4	(5)
Net increase (decrease) in cash and cash equivalents	(204)	973
Cash and cash equivalents at beginning of period	2,637	2,433
Cash and cash equivalents at end of period	2,433	3,406

(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 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.

Fiscal Year 2018 (Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Outside customers	142,076	17,764	159,841	—	159,841
Inter-segment	—	—	—	—	—
Total	142,076	17,764	159,841	—	159,841
Segment income	1,619	1,018	2,637	—	2,637
Segment assets	75,254	11,224	86,478	—	86,478
Other items					
Depreciation	357	183	540	—	540
Amortization of goodwill	—	—	—	—	—
Interest expenses	145	3	148	—	148
Increase in property, plant, and equipment, and intangible assets	689	115	804	—	804

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