

Summary of Consolidated Financial Results

For the Fiscal Year Ended March 31, 2021 [Japanese GAAP]

April 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
 Scheduled date for the general meeting of shareholders: June 22, 2021
 Scheduled date for dividend payment: June 2, 2021

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

1. Consolidated financial highlights for the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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, 2021	143,268	5.8	4,620	21.3	4,625	29.4	3,143	37.3
Fiscal year ended March 31, 2020	135,394	(4.0)	3,810	8.1	3,573	16.1	2,288	(2.2)

(Note) Comprehensive income: Fiscal year ended March 31, 2021 3,337 million yen [49.2%]
 Fiscal year ended March 31, 2020 2,236 million yen [(18.6%)]

	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, 2021	312.38	—	11.3	5.5	3.2
Fiscal year ended March 31, 2020	224.44	—	8.8	4.6	2.8

(Reference) Share of profit (loss) of entities accounted for using equity method: As of March 31, 2021 72 million yen As of March 31, 2020 46 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, 2021	90,870	29,652	31.9	2,871.32
As of March 31, 2020	76,539	27,141	34.6	2,641.28

(Reference) Equity: As of March 31, 2021 28,965 million yen As of March 31, 2020 26,476 million 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, 2021	(3,463)	(469)	5,079	5,391
Fiscal year ended March 31, 2020	8,651	(549)	(7,479)	4,218

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	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	—	40.00	—	50.00	90.00	940	40.1	3.5
Fiscal year ended March 31, 2021	—	40.00	—	85.00	125.00	1,305	40.0	4.5
Fiscal year ending March 31, 2022 (Forecast)	—	80.00	—	95.00	175.00		40.1	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% 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, 2021 (cumulative)	72,000	16.3	1,500	18.9	2,000	142.9	198.26
Fiscal year ending March 31, 2022	154,000	7.5	5,100	10.3	4,400	40.0	436.17

As the Company will adopt the “Accounting Standard for Revenue Recognition (ASBJ Statement No. 29),” etc. from the beginning of the fiscal year ending March 31, 2022, the above consolidated financial forecasts reflect the adoption of this accounting standard, etc.

*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, 2021	10,445,500 shares
March 31, 2020	10,445,500 shares

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

March 31, 2021	357,754 shares
March 31, 2020	421,568 shares

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

Fiscal year ended March 31, 2021	10,061,829 shares
Fiscal year ended March 31, 2020	10,198,579 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 treasury shares.

(Reference) Non-consolidated financial highlights for the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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, 2021	122,232	4.9	3,546	6.6	3,686	18.0	2,542	19.3
Fiscal year ended March 31, 2020	116,565	7.1	3,327	55.5	3,124	36.8	2,130	(19.6)

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2021	252.72	—
Fiscal year ended March 31, 2020	208.91	—

(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, 2021	80,534	25,193	31.3	2,497.42
As of March 31, 2020	68,891	23,588	34.2	2,353.22

(Reference) Equity: As of March 31, 2021 25,193 million yen As of March 31, 2020 23,588 million 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 2020 (As of Mar. 31, 2020)	Fiscal Year 2021 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	4,492	5,680
Notes and accounts receivable - trade	32,874	39,543
Electronically recorded monetary claims - operating	1,869	2,181
Merchandise and finished goods	20,965	24,795
Prepaid expenses	5,440	6,867
Other	3,039	3,660
Allowance for doubtful accounts	(12)	(6)
Total current assets	68,668	82,721
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,930	1,946
Accumulated depreciation	(1,310)	(1,333)
Buildings and structures, net	619	612
Machinerys and equipment	361	419
Accumulated depreciation	(146)	(211)
Machinery and equipment, net	214	207
Tools, furniture and fixtures	1,882	1,820
Accumulated depreciation	(1,354)	(1,419)
Tools, furniture and fixtures, net	527	400
Land	510	510
Other	129	184
Accumulated depreciation	(48)	(95)
Other, net	80	89
Total property, plant and equipment	1,952	1,820
Intangible assets		
Goodwill	467	432
Technical assets	721	667
Customer related assets	457	423
Other	159	172
Total intangible assets	1,806	1,695
Investments and other assets		
Net defined benefit asset	55	330
Deferred tax assets	3,200	3,354
Other	901	995
Allowance for doubtful accounts	(47)	(47)
Total investments and other assets	4,111	4,633
Total non-current assets	7,870	8,149
Total assets	76,539	90,870

(Millions of yen)

	Fiscal Year 2020 (As of Mar. 31, 2020)	Fiscal Year 2021 (As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Accounts payable - trade	9,982	11,187
Short-term loans payable	6,681	8,918
Current portion of long-term loans payable	3,040	4,040
Income taxes payable	587	1,140
Advances received	7,687	10,201
Provision for bonuses	1,214	1,667
Other	1,859	2,841
Total current liabilities	31,054	39,997
Non-current liabilities		
Long-term loans payable	9,604	12,375
Net defined benefit liability	7,839	7,930
Other	899	914
Total non-current liabilities	18,344	21,220
Total liabilities	49,398	61,217
Net assets		
Shareholders' equity		
Capital stock	2,495	2,495
Capital surplus	5,645	5,652
Retained earnings	19,129	21,332
Treasury shares	(944)	(785)
Total shareholders' equity	26,325	28,694
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29	73
Deferred gains or losses on hedges	(57)	(225)
Foreign currency translation adjustment	137	186
Remeasurements of defined benefit plans	40	235
Total accumulated other comprehensive income	150	270
Non-controlling interests	665	687
Total net assets	27,141	29,652
Total liabilities and net assets	76,539	90,870

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal Year 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal Year 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Net sales	135,394	143,268
Cost of sales	115,491	122,666
Gross profit	19,902	20,601
Selling, general and administrative expenses		
Salaries and allowances	6,471	6,670
Provision for bonuses	1,108	1,521
Retirement benefit expenses	823	648
Other	7,687	7,140
Total selling, general and administrative expenses	16,091	15,981
Operating income	3,810	4,620
Non-operating income		
Dividend income of insurance	35	33
Share of profit of entities accounted for using equity method	46	72
Outsourcing service income	21	19
Subsidy income	1	24
Other	58	30
Total non-operating income	164	181
Non-operating expenses		
Interest expenses	103	81
Foreign exchange losses	257	68
Other	40	26
Total non-operating expenses	401	176
Ordinary income	3,573	4,625
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	16
Provision of allowance for doubtful accounts of golf club membership	0	0
Loss on liquidation of subsidiaries and associates	28	-
Loss on change in equity	-	19
Loss on revision of retirement benefit plan	313	-
Total extraordinary losses	346	37
Net income before income taxes	3,227	4,589
Income taxes - current	1,053	1,540
Income taxes - deferred	(196)	(169)
Total income taxes	856	1,371
Net income	2,370	3,217
Net income attributable to non-controlling interests	81	74
Net income attributable to owners of parent	2,288	3,143

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal Year 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Net income	2,370	3,217
Other comprehensive income		
Valuation difference on available-for-sale securities	7	43
Deferred gains or losses on hedges	(70)	(168)
Foreign currency translation adjustment	(52)	52
Remeasurements of defined benefit plans, net of tax	(20)	195
Share of other comprehensive income of entities accounted for using equity method	3	(3)
Total other comprehensive income	(133)	119
Comprehensive income	2,236	3,337
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,155	3,262
Comprehensive income attributable to non-controlling interests	81	74

(3) Consolidated Statements of Changes in Shareholders' equity
Fiscal Year 2020 (Apr. 1, 2019 to Mar. 31, 2020)

(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	17,781	(401)	25,521
Changes of items during period					
Increase by merger			29		29
Dividends of surplus			(971)		(971)
Net income attributable to owners of parent			2,288		2,288
Purchase of treasury shares				(719)	(719)
Disposal of treasury shares				175	175
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,347	(543)	803
Balance at end of current period	2,495	5,645	19,129	(944)	26,325

	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	13	187	61	284	604	26,410
Changes of items during period							
Increase by merger							29
Dividends of surplus							(971)
Net income attributable to owners of parent							2,288
Purchase of treasury shares							(719)
Disposal of treasury shares							175
Change in ownership interest of parent due to transactions with non-controlling interests							—
Net changes of items other than shareholders' equity	7	(70)	(49)	(20)	(133)	60	(72)
Total changes of items during period	7	(70)	(49)	(20)	(133)	60	730
Balance at end of current period	29	(57)	137	40	150	665	27,141

Fiscal Year 2021 (Apr. 1, 2020 to Mar. 31, 2021)

(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	19,129	(944)	26,325
Changes of items during period					
Increase by merger					—
Dividends of surplus			(940)		(940)
Net income attributable to owners of parent			3,143		3,143
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				159	159
Change in ownership interest of parent due to transactions with non-controlling interests		7			7
Net changes of items other than shareholders' equity					
Total changes of items during period	—	7	2,203	159	2,369
Balance at end of current period	2,495	5,652	21,332	(785)	28,694

	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	29	(57)	137	40	150	665	27,141
Changes of items during period							
Increase by merger							—
Dividends of surplus							(940)
Net income attributable to owners of parent							3,143
Purchase of treasury shares							(0)
Disposal of treasury shares							159
Change in ownership interest of parent due to transactions with non-controlling interests							7
Net changes of items other than shareholders' equity	43	(168)	49	195	119	22	142
Total changes of items during period	43	(168)	49	195	119	22	2,511
Balance at end of current period	73	(225)	186	235	270	687	29,652

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	Fiscal Year 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal Year 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Cash flows from operating activities		
Net income before income taxes	3,227	4,589
Depreciation and amortization	604	578
Amortization of goodwill	35	35
Increase (decrease) in provision for bonuses	(205)	451
Increase (decrease) in net defined benefit liability	247	123
Interest expenses	103	81
Foreign exchange losses (gains)	8	494
Loss on revision of retirement benefit plan	313	-
Loss (gain) on change in equity	-	19
Decrease (increase) in notes and accounts receivable - trade	1,311	(6,796)
Decrease (increase) in inventories	2,664	(3,476)
Increase (decrease) in notes and accounts payable - trade	1,396	1,182
Increase (decrease) in accounts payable - other	(124)	273
Increase (decrease) in advances received	1,769	2,512
Decrease (increase) in consumption taxes refund receivable	(354)	(844)
Decrease (increase) in accounts receivable - other	74	(65)
Decrease (increase) in prepaid expenses	(1,421)	(1,427)
Other, net	177	(120)
Subtotal	9,826	(2,388)
Interest and dividend income received	15	19
Interest expenses paid	(104)	(82)
Income taxes paid	(1,086)	(1,012)
Net cash provided by (used in) operating activities	8,651	(3,463)
Cash flows from investing activities		
Purchase of property, plant and equipment	(488)	(348)
Purchase of intangible assets	(56)	(79)
Proceeds from the liquidation of subsidiaries and associates	44	-
Payments for liquidation of subsidiaries and associates	(22)	-
Other, net	(26)	(41)
Net cash provided by (used in) investing activities	(549)	(469)

(Millions of yen)

	Fiscal Year 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal Year 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,555)	2,135
Proceeds from long-term loans payable	720	7,000
Repayments of long-term loans payable	(3,191)	(3,229)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(16)
Purchase of treasury shares	(719)	(0)
Proceeds from disposal of treasury shares	275	167
Cash dividends paid	(947)	(903)
Dividends paid to non-controlling interests	(20)	(28)
Other, net	(41)	(47)
Net cash provided by (used in) financing activities	(7,479)	5,079
Effect of exchange rate change on cash and cash equivalents	(9)	26
Net increase (decrease) in cash and cash equivalents	613	1,172
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	4,218	5,391

(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 segment

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”.

“Electronic Components Business” focuses on business activities, such as sales of Semiconductor Products, Boards, electronic components, and Software & services, as well as manufacturing and sales of private brand (PB) products. “Computer Networks Business” focuses on business activities, such as sales of Network-Related Products, Storage-Related Products, and Security-Related Products, as well as Maintenance & Monitoring Services.

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 2020 (Apr. 1, 2019 to Mar. 31, 2020)

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Outside customers	110,138	25,255	135,394	—	135,394
Inter-segment	—	—	—	—	—
Total	110,138	25,255	135,394	—	135,394
Segment income	871	2,701	3,573	—	3,573
Segment assets	57,830	18,708	76,539	—	76,539
Other items					
Depreciation	435	175	611	—	611
Amortization of goodwill	35	—	35	—	35
Interest expenses	97	5	103	—	103
Increase in property, plant, and equipment, and intangible assets	294	301	596	—	596

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

Fiscal Year 2021 (Apr. 1, 2020 to Mar. 31, 2021)

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Outside customers	119,334	23,933	143,268	—	143,268
Inter-segment	85	—	85	(85)	—
Total	119,420	23,933	143,353	(85)	143,268
Segment income	1,790	2,834	4,625	—	4,625
Segment assets	71,348	19,522	90,870	—	90,870
Other items					
Depreciation	366	202	569	—	569
Amortization of goodwill	35	—	35	—	35
Interest expenses	79	1	81	—	81
Increase in property, plant, and equipment, and intangible assets	269	116	385	—	385

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