

Summary of Consolidated Financial Results

For The Second Quarter Ended September 30, 2022

[Japanese GAAP]

October 28, 2022

Company name: TOKYO ELECTRON DEVICE LIMITED
 Stock exchange listing: Tokyo Stock Exchange Prime Market (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 Second Quarter Ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (cumulative)

	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 Second Quarter ended September 30, 2022	111,769	35.0	6,573	138.4	5,208	109.9	3,584	35.5
The Second Quarter ended September 30, 2021	82,780	33.7	2,757	145.6	2,481	96.7	2,646	221.4

(Note) Comprehensive income: The Second Quarter ended September 30, 2022 4,585 million yen [45.1%]
 The Second Quarter ended September 30, 2021 3,160 million yen [302.1%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The Second Quarter ended September 30, 2022	361.68	–
The Second Quarter ended September 30, 2021	263.99	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	130,336	35,606	26.5
As of March 31, 2022	107,801	32,018	28.7

(Reference) Equity: As of September 30, 2022 34,495 million yen As of March 31, 2022 30,953 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, 2022	–	105.00	–	100.00	205.00
Fiscal year ending March 31, 2023	–	145.00			
Fiscal year ending March 31, 2023 (Forecast)			–	165.00	310.00

(Note) Revision of dividends forecast: Yes

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% 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, 2023	230,000	27.8	11,000	50.3	7,600	49.5	765.93

(Note) Revision of financial forecasts: Yes

*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):

September 30, 2022	10,445,500 shares
March 31, 2022	10,445,500 shares

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

September 30, 2022	522,966 shares
March 31, 2022	547,375 shares

3) Average number of shares outstanding during the period:

The Second Quarter ended September 30, 2022	9,911,886 shares
The Second Quarter ended September 30, 2021	10,023,256 shares

(Note) The Company has adopted the Directors' Compensation BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership 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 2022 (As of Mar. 31, 2022)	FY 2023 (As of Sep. 30, 2022)
Assets		
Current assets		
Cash and deposits	5,134	4,975
Notes and accounts receivable - trade, and contract assets	47,217	55,661
Electronically recorded monetary claims - operating	3,231	4,014
Merchandise and finished goods	25,937	36,655
Raw materials	1,570	1,927
Prepaid expenses	11,732	14,488
Other	4,077	3,820
Allowance for doubtful accounts	(7)	(3)
Total current assets	98,895	121,538
Non-current assets		
Property, plant and equipment	3,662	3,583
Intangible fixed assets	157	147
Investments and other assets		
Retirement benefit asset	297	330
Other	4,836	4,785
Allowance for doubtful accounts	(47)	(48)
Total investments and other assets	5,086	5,067
Total non-current assets	8,906	8,797
Total assets	107,801	130,336

(Millions of yen)

	FY 2022 (As of Mar. 31, 2022)	FY 2023 (As of Sep. 30, 2022)
Liabilities		
Current liabilities		
Accounts payable - trade	15,434	17,744
Short-term borrowings	14,521	27,459
Current portion of long-term borrowings	4,840	4,823
Income taxes payable	2,105	1,639
Advances received	14,477	18,225
Provision for bonuses	1,786	1,881
Other	3,456	3,882
Total current liabilities	56,622	75,657
Non-current liabilities		
Long-term borrowings	9,963	9,810
Retirement benefit liability	8,166	8,051
Other	1,030	1,209
Total non-current liabilities	19,160	19,072
Total liabilities	75,783	94,729
Net assets		
Shareholders' equity		
Share capital	2,495	2,495
Capital surplus	5,652	5,652
Retained earnings	24,262	26,803
Treasury stock	(1,947)	(1,882)
Total shareholders' equity	30,463	33,068
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54	36
Deferred gains or losses on hedges	(155)	(32)
Foreign currency translation adjustment	586	1,442
Remeasurements of defined benefit plans	4	(18)
Total accumulated other comprehensive income	489	1,427
Non-controlling interests	1,065	1,111
Total net assets	32,018	35,606
Total liabilities and net assets	107,801	130,336

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	FY 2022 (from Apr. 1, 2021 to Sep. 30, 2021)	FY 2023 (from Apr. 1, 2022 to Sep. 30, 2022)
Net sales	82,780	111,769
Cost of sales	71,517	95,706
Gross profit	11,262	16,062
Selling, general and administrative expenses		
Salaries and allowances	3,441	3,574
Provision for bonuses	1,361	1,724
Retirement benefit expenses	315	324
Other	3,386	3,866
Total selling, general and administrative expenses	8,505	9,489
Operating income	2,757	6,573
Non-operating income		
Dividend income of insurance	44	43
Share of profit of entities accounted for using equity method	38	62
Other	53	54
Total non-operating income	137	160
Non-operating expenses		
Foreign exchange losses	351	1,431
Other	61	92
Total non-operating expenses	412	1,524
Ordinary income	2,481	5,208
Extraordinary income		
Gain on sales of non-current assets	1	-
Gain on receipt of donated non-current assets	1,888	-
Gain on sales of investments in capital of subsidiaries and affiliates	31	-
Total extraordinary income	1,921	-
Extraordinary losses		
Loss on sales of non-current assets	0	-
Loss on retirement of non-current assets	2	2
Provision of allowance for doubtful accounts of golf club membership	0	-
Provision for loss on abolishment of trust	112	-
Total extraordinary losses	114	2
Net income before income taxes	4,289	5,206
Income taxes	1,306	1,557
Net income	2,982	3,648
Net income attributable to non-controlling interests	336	63
Net income attributable to owners of parent	2,646	3,584

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2022 (from Apr. 1, 2021 to Sep. 30, 2021)	FY 2023 (from Apr. 1, 2022 to Sep. 30, 2022)
Net income	2,982	3,648
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	(18)
Deferred gains or losses on hedges	142	123
Foreign currency translation adjustment	65	821
Remeasurements of defined benefit plans, net of tax	(32)	(23)
Share of other comprehensive income of entities accounted for using equity method	18	33
Total other comprehensive income	177	937
Comprehensive income	3,160	4,585
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,823	4,522
Comprehensive income attributable to non-controlling interests	336	63

(3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2022 (from Apr. 1, 2021 to Sep. 30, 2021)	FY 2023 (from Apr. 1, 2022 to Sep. 30, 2022)
Cash flows from operating activities		
Net income before income taxes	4,289	5,206
Depreciation and amortization	303	289
Increase (decrease) in provision for bonuses	(198)	83
Increase (decrease) in retirement benefit liability	18	(152)
Interest expenses	41	60
Foreign exchange losses (gains)	(371)	531
Gain on receipt of donated non-current assets	(1,888)	-
Provision for loss on abolishment of trust	112	-
Decrease (increase) in notes and accounts receivable - trade and contract assets	1,241	(7,564)
Decrease (increase) in inventories	(274)	(10,405)
Increase (decrease) in trade payables	508	2,065
Increase (decrease) in accounts payable - other	(256)	(28)
Increase (decrease) in advances received	2,227	3,725
Decrease (increase) in consumption taxes refund receivable	646	316
Decrease (increase) in accounts receivable - other	121	128
Decrease (increase) in prepaid expenses	(1,762)	(2,753)
Other, net	(258)	(1,035)
Subtotal	4,501	(9,530)
Interest and dividends received	53	57
Interest paid	(42)	(61)
Income taxes paid	(1,043)	(1,998)
Net cash provided by (used in) operating activities	3,467	(11,532)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(7)	17
Purchase of property, plant and equipment	(182)	(80)
Purchase of intangible assets	(20)	(15)
Proceeds from cancellation of insurance funds	-	47
Other, net	35	(0)
Net cash provided by (used in) investing activities	(173)	(32)

(Millions of yen)

	FY 2022 (from Apr. 1, 2021 to Sep. 30, 2021)	FY 2023 (from Apr. 1, 2022 to Sep. 30, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,289)	12,367
Repayments of long-term borrowings	(148)	(169)
Purchase of treasury shares	(1,268)	(0)
Proceeds from disposal of treasury shares	111	133
Dividends paid	(857)	(989)
Dividends paid to non-controlling interests	(26)	(17)
Repayments of lease liabilities	(27)	(31)
Net cash provided by (used in) financing activities	(4,506)	11,290
Effect of exchange rate change on cash and cash equivalents	19	133
Net increase (decrease) in cash and cash equivalents	(1,193)	(140)
Cash and cash equivalents at beginning of period	5,391	5,028
Cash and cash equivalents at end of period	4,197	4,887

(4) Segment Information

I. For the Period ended September 30, 2021 (From Apr. 1, 2021 to Sep. 30, 2021)

1. Information on the amount of net sales and income (loss) by segments, and breakdown of revenue

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Semiconductor & Boards Products, etc.	72,777	–	72,777	–	72,777
Storage & Network Products, etc.	–	5,571	5,571	–	5,571
Maintenance & Monitoring Services	–	4,431	4,431	–	4,431
Revenue from contracts with customers	72,777	10,002	82,780	–	82,780
Outside customers	72,777	10,002	82,780	–	82,780
Inter-segment	–	–	–	–	–
Total	72,777	10,002	82,780	–	82,780
Segment income	1,563	918	2,481	–	2,481

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

II. For the Period ended September 30, 2022 (From Apr. 1, 2022 to Sep. 30, 2022)

1. Information on the amount of net sales and income (loss) by segments, and breakdown of revenue

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Semiconductor & Boards Products, etc.	99,098	–	99,098	–	99,098
Storage & Network Products, etc.	–	7,608	7,608	–	7,608
Maintenance & Monitoring Services	–	5,062	5,062	–	5,062
Revenue from contracts with customers	99,098	12,670	111,769	–	111,769
Outside customers	99,098	12,670	111,769	–	111,769
Inter-segment	2	–	2	(2)	–
Total	99,101	12,670	111,771	(2)	111,769
Segment income	4,305	903	5,208	–	5,208

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