

Summary of Consolidated Financial Results

For the Fiscal Year Ended March 31, 2023 [Japanese GAAP]

April 27, 2023

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
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 Scheduled date for the general meeting of shareholders: June 21, 2023
 Scheduled date for dividend payment: May 31, 2023

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

1. Consolidated financial highlights for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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, 2023	240,350	33.6	14,227	75.0	12,478	70.5	8,778	72.6
Fiscal year ended March 31, 2022	179,907	25.6	8,131	76.0	7,318	58.2	5,085	61.8

(Note) Comprehensive income: Fiscal year ended March 31, 2023 9,421 million yen [65.0%]
 Fiscal year ended March 31, 2022 5,709 million yen [71.1%]

	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, 2023	884.49	—	25.5	9.9	5.9
Fiscal year ended March 31, 2022	510.73	—	17.0	7.3	4.5

(Reference) Share of profit (loss) of entities accounted for using equity method: As of March 31, 2023 149 million yen As of March 31, 2022 66 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, 2023	143,452	38,997	26.4	3,804.45
As of March 31, 2022	107,801	32,018	28.7	3,127.16

(Reference) Equity: As of March 31, 2023 37,848 million yen As of March 31, 2022 30,953 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, 2023	(12,185)	(199)	13,746	6,442
Fiscal year ended March 31, 2022	(891)	(155)	606	5,028

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, 2022	—	105.00	—	100.00	205.00	2,141	40.1	6.8
Fiscal year ended March 31, 2023	—	145.00	—	210.00	355.00	3,708	40.1	10.2
Fiscal year ending March 31, 2024 (Forecast)	—	140.00	—	70.00	—		41.2	

(Note) At the Board of Directors' meeting held on April 27, 2023, it was resolved to conduct a share split at a ratio of three shares for every one share of the Company's common stock with October 1, 2023 as the effective date. The year-end dividend per share for the fiscal year ending March 31, 2024 (forecast) is based on the number of shares after the share split, and the annual dividend is stated as "—". If the share split is not taken into consideration, the year-end dividend per share for the fiscal year ending March 31, 2024 (forecast) would be ¥210.00, and the annual dividend would be ¥350.00.

3. Consolidated financial forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% 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, 2023 (cumulative)	107,800	(3.6)	5,000	(4.0)	3,550	(1.0)	356.84
Fiscal year ending March 31, 2024	230,000	(4.3)	12,000	(3.8)	8,450	(3.7)	283.12

(Note) Stated net income per share for fiscal year ending March 31, 2024 (forecast) is the amount after taking into consideration the share split note in "2. Dividends". Not taking into consideration the share split, net income per share for fiscal year ending March 31, 2024 (forecast) would be ¥849.37.

*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, 2023	10,445,500 shares
March 31, 2022	10,445,500 shares

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

March 31, 2023	496,966 shares
March 31, 2022	547,375 shares

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

Fiscal year ended March 31, 2023	9,924,852 shares
Fiscal year ended March 31, 2022	9,956,407 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 treasury shares.

(Reference) Non-consolidated financial highlights for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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, 2023	205,553	35.0	12,553	79.9	10,884	70.5	7,654	140.3
Fiscal year ended March 31, 2022	152,229	24.5	6,977	96.7	6,384	73.2	3,185	25.3

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2023	771.25	—
Fiscal year ended March 31, 2022	319.92	—

(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, 2023	129,086	30,280	23.5	3,043.72
As of March 31, 2022	93,693	25,037	26.7	2,529.47

(Reference) Equity: As of March 31, 2023 30,280 million yen As of March 31, 2022 25,037 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

- (1) At the Board of Directors' meeting held on April 27, 2023, it was resolved to conduct a share split at a ratio of three shares for every one share of the Company's common stock with October 1, 2023 as the effective date.
- (2) 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 2022 (As of Mar. 31, 2022)	Fiscal Year 2023 (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	5,134	6,538
Notes and accounts receivable - trade, and contract assets	47,217	57,737
Electronically recorded monetary claims - operating	3,231	4,801
Merchandise and finished goods	25,937	40,402
Raw materials	1,570	2,680
Prepaid expenses	11,732	17,332
Other	4,077	4,821
Allowance for doubtful accounts	(7)	(4)
Total current assets	98,895	134,309
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,691	3,753
Accumulated depreciation	(1,396)	(1,547)
Buildings and structures, net	2,294	2,205
Machinery and equipment	470	487
Accumulated depreciation	(276)	(333)
Machinery and equipment, net	194	154
Tools, furniture and fixtures	1,939	1,952
Accumulated depreciation	(1,514)	(1,638)
Tools, furniture and fixtures, net	424	314
Land	586	586
Other	323	453
Accumulated depreciation	(161)	(232)
Other, net	161	220
Total property, plant and equipment	3,662	3,481
Intangible assets	157	226
Investments and other assets		
Retirement benefit asset	297	352
Deferred tax assets	3,873	4,146
Other	963	980
Allowance for doubtful accounts	(47)	(43)
Total investments and other assets	5,086	5,435
Total non-current assets	8,906	9,143
Total assets	107,801	143,452

(Millions of yen)

	Fiscal Year 2022 (As of Mar. 31, 2022)	Fiscal Year 2023 (As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Accounts payable - trade	15,434	20,214
Short-term borrowings	14,521	20,949
Current portion of long-term borrowings	4,840	3
Income taxes payable	2,105	2,827
Advances received	14,477	21,082
Provision for bonuses	1,786	2,706
Other	3,456	2,811
Total current liabilities	56,622	70,595
Non-current liabilities		
Long-term borrowings	9,963	24,700
Retirement benefit liability	8,166	7,626
Other	1,030	1,533
Total non-current liabilities	19,160	33,859
Total liabilities	75,783	104,455
Net assets		
Shareholders' equity		
Share capital	2,495	2,495
Capital surplus	5,652	5,652
Retained earnings	24,262	30,482
Treasury shares	(1,947)	(1,813)
Total shareholders' equity	30,463	36,816
Accumulated other comprehensive income		
Valuation difference on available-for-sale Securities	54	82
Deferred gains or losses on hedges	(155)	(136)
Foreign currency translation adjustment	586	973
Remeasurements of defined benefit plans	4	111
Total accumulated other comprehensive income	489	1,031
Non-controlling interests	1,065	1,148
Total net assets	32,018	38,997
Total liabilities and net assets	107,801	143,452

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal Year 2022 (from Apr. 1, 2021 to Mar. 31, 2022)	Fiscal Year 2023 (from Apr. 1, 2022 to Mar. 31, 2023)
Net sales	179,907	240,350
Cost of sales	154,268	206,106
Gross profit	25,638	34,243
Selling, general and administrative expenses		
Salaries and allowances	6,925	7,129
Provision for bonuses	1,669	2,573
Retirement benefit expenses	627	646
Other	8,284	9,668
Total selling, general and administrative expenses	17,506	20,016
Operating income	8,131	14,227
Non-operating income		
Dividend income of insurance	44	43
Share of profit of entities accounted for using equity method	66	149
Other	77	74
Total non-operating income	189	268
Non-operating expenses		
Foreign exchange losses	873	1,751
Other	129	264
Total non-operating expenses	1,002	2,016
Ordinary income	7,318	12,478
Extraordinary income		
Gain on sales of non-current assets	1	-
Gain on receipt of donated non-current assets	2,028	-
Gain on sales of investments in capital of subsidiaries and affiliates	31	-
Total extraordinary income	2,061	-
Extraordinary losses		
Loss on sales of non-current assets	0	-
Loss on retirement of non-current assets	5	2
Impairment losses	1,351	-
Provision of allowance for doubtful accounts of golf club membership	0	0
Loss on redemption of golf club membership	0	-
Loss on valuation of golf club membership	-	5
Provision for loss on abolishment of trust	112	-
Total extraordinary losses	1,468	8
Net income before income taxes	7,910	12,469
Income taxes - current	2,749	3,938
Income taxes - deferred	(328)	(347)
Total income taxes	2,421	3,590
Net income	5,489	8,879
Net income attributable to non-controlling interests	404	100
Net income attributable to owners of parent	5,085	8,778

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year 2022 (from Apr. 1, 2021 to Mar. 31, 2022)	Fiscal Year 2023 (from Apr. 1, 2022 to Mar. 31, 2023)
Net income	5,489	8,879
Other comprehensive income		
Valuation difference on available-for-sale securities	(19)	28
Deferred gains or losses on hedges	70	19
Foreign currency translation adjustment	379	377
Remeasurements of defined benefit plans, net of tax	(231)	107
Share of other comprehensive income of entities accounted for using equity method	20	9
Total other comprehensive income	219	541
Comprehensive income	5,709	9,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,304	9,320
Comprehensive income attributable to non-controlling interests	404	100

(3) Consolidated Statements of Changes in Shareholders' equity

Fiscal Year 2022 (Apr. 1, 2021 to Mar. 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,495	5,652	21,332	(785)	28,694
Cumulative effects of changes in accounting policies			(169)		(169)
Restated balance	2,495	5,652	21,162	(785)	28,524
Changes during period					
Dividends of surplus			(1,984)		(1,984)
Net income attributable to owners of parent			5,085		5,085
Purchase of treasury shares				(1,268)	(1,268)
Disposal of treasury shares				106	106
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,100	(1,162)	1,938
Balance at end of current period	2,495	5,652	24,262	(1,947)	30,463

	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	73	(225)	186	235	270	687	29,652
Cumulative effects of changes in accounting policies							(169)
Restated balance	73	(225)	186	235	270	687	29,482
Changes of during period							
Dividends of surplus							(1,984)
Net income attributable to owners of parent							5,085
Purchase of treasury shares							(1,268)
Disposal of treasury shares							106
Net changes in items other than shareholders' equity	(19)	70	399	(231)	219	378	597
Total changes during period	(19)	70	399	(231)	219	378	2,535
Balance at end of current period	54	(155)	586	4	489	1,065	32,018

Fiscal Year 2023 (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,495	5,652	24,262	(1,947)	30,463
Cumulative effects of changes in accounting policies					
Restated balance	2,495	5,652	24,262	(1,947)	30,463
Changes during period					
Dividends of surplus			(2,559)		(2,559)
Net income attributable to owners of parent			8,778		8,778
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				134	134
Net changes in items other than shareholders' equity					
Total changes during period	—	—	6,219	134	6,353
Balance at end of current period	2,495	5,652	30,482	(1,813)	36,816

	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	54	(155)	586	4	489	1,065	32,018
Cumulative effects of changes in accounting policies							
Restated balance	54	(155)	586	4	489	1,065	32,018
Changes during period							
Dividends of surplus							(2,559)
Net income attributable to owners of parent							8,778
Purchase of treasury shares							(0)
Disposal of treasury shares							134
Net changes in items other than shareholders' equity	28	19	386	107	541	82	624
Total changes during period	28	19	386	107	541	82	6,978
Balance at end of current period	82	(136)	973	111	1,031	1,148	38,997

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	Fiscal Year 2022 (from Apr. 1, 2021 to Mar. 31, 2022)	Fiscal Year 2023 (from Apr. 1, 2022 to Mar. 31, 2023)
Cash flows from operating activities		
Net income before income taxes	7,910	12,469
Depreciation and amortization	672	559
Impairment losses	1,351	-
Increase (decrease) in provision for bonuses	111	913
Increase (decrease) in retirement benefit liability	(14)	(381)
Interest expenses	79	171
Share of loss (gain) of entities accounted for using equity method	(66)	(149)
Foreign exchange losses (gains)	222	(702)
Gain on receipt of donated non-current assets	(2,028)	-
Provision for loss on abolishment of trust	112	-
Decrease (increase) in notes and accounts receivable - trade and contract assets	(7,786)	(11,203)
Decrease (increase) in inventories	(2,147)	(15,521)
Increase (decrease) in trade payables	4,157	4,716
Increase (decrease) in accounts payable - other	(8)	(159)
Increase (decrease) in advances received	3,459	6,594
Decrease (increase) in consumption taxes refund receivable	(492)	(1,198)
Decrease (increase) in accounts receivable - other	71	100
Decrease (increase) in advance payments to suppliers	(712)	577
Decrease (increase) in prepaid expenses	(3,553)	(5,599)
Other, net	(388)	(186)
Subtotal	950	(8,999)
Interest and dividends received	128	124
Interest paid	(80)	(169)
Income taxes paid	(1,889)	(3,140)
Net cash provided by (used in) operating activities	(891)	(12,185)
Cash flows from investing activities		
Net decrease (increase) in time deposits	183	10
Purchase of property, plant and equipment	(349)	(176)
Purchase of intangible assets	(31)	(94)
Proceeds from cancellation of insurance funds	-	47
Other, net	42	15
Net cash provided by (used in) investing activities	(155)	(199)

(Millions of yen)

	Fiscal Year 2022 (from Apr. 1, 2021 to Mar. 31, 2022)	Fiscal Year 2023 (from Apr. 1, 2022 to Mar. 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,225	6,052
Proceeds from long-term borrowings	2,700	15,000
Repayments of long-term borrowings	(4,312)	(5,100)
Purchase of treasury shares	(1,268)	(0)
Proceeds from disposal of treasury shares	235	307
Dividends paid	(1,894)	(2,428)
Dividends paid to non-controlling interests	(26)	(17)
Repayments of lease liabilities	(52)	(65)
Net cash provided by (used in) financing activities	606	13,746
Effect of exchange rate change on cash and cash equivalents	78	53
Net increase (decrease) in cash and cash equivalents	(362)	1,414
Cash and cash equivalents at beginning of period	5,391	5,028
Cash and cash equivalents at end of period	5,028	6,442

(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 Reported Segment, and breakdown of Revenue

Fiscal Year 2022 (Apr. 1, 2021 to Mar. 31, 2022)

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Semiconductor & Boards Products, etc.	156,446	—	156,446	—	156,446
Storage & Network Products, etc.	—	14,157	14,157	—	14,157
Maintenance & Monitoring Services	—	9,303	9,303	—	9,303
Revenue from contracts with customers	156,446	23,460	179,907	—	179,907
Outside customers	156,446	23,460	179,907	—	179,907
Inter-segment	2	—	2	(2)	—
Total	156,449	23,460	179,909	(2)	179,907
Segment income	5,083	2,234	7,318	—	7,318
Segment assets	86,038	21,762	107,801	—	107,801
Other items					
Depreciation	481	174	656	—	656
Amortization of goodwill	59	—	59	—	59
Interest expenses	77	1	79	—	79
Increase in property, plant, and equipment, and intangible assets	2,589	143	2,732	—	2,732

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

Fiscal Year 2023 (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	Segments			Adjustments	Consolidated statements of income (Note)
	Electronic Components Business	Computer Networks Business	Total		
Net sales:					
Semiconductor & Boards Products, etc.	211,094	—	211,094	—	211,094
Storage & Network Products, etc.	—	18,636	18,636	—	18,636
Maintenance & Monitoring Services	—	10,619	10,619	—	10,619
Revenue from contracts with customers	211,094	29,255	240,350	—	240,350
Outside customers	211,094	29,255	240,350	—	240,350
Inter-segment	2	—	2	(2)	—
Total	211,096	29,255	240,352	(2)	240,350
Segment income	10,459	2,019	12,478	—	12,478
Segment assets	117,632	25,819	143,452	—	143,452
Other items					
Depreciation	380	146	527	—	527
Amortization of goodwill	—	—	—	—	—
Interest expenses	167	4	171	—	171
Increase in property, plant, and equipment, and intangible assets	288	102	391	—	391

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

4. Impairment losses on the Non-current assets

The Company recorded 1,351 million yen in Impairment losses on the Intangible assets (Goodwill, Technical assets and Customer related assets) recognized when acquiring shares of FAST CORPORATION, belonging to “Electric Components Business”, in the Consolidated Financial Statements for the fiscal year ended March 31, 2022.