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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

July 31, 2024

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 Listing: Tokyo
 Stock Exchange Code: 2760
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 Representative: Atsushi Tokushige, President & Representative Director, CEO
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	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	%
Three months ended June 30, 2024	56,607	(4.1)	4,252	17.2	3,614	15.0	2,494	14.1
June 30, 2023	59,012	16.4	3,628	22.7	3,143	45.5	2,186	47.8

(Note) Comprehensive income: Three months ended June 30, 2024: 2,932 million yen [7.1%]
 Three months ended June 30, 2023: 2,739 million yen [41.1%]

	Basic net income per share	Diluted net income per share
Three months ended June 30, 2024	Yen 83.09	Yen -
June 30, 2023	73.22	-

(Note) The Company conducted a share split at a ratio of three shares for every one share of the Company's common stock as of October 1, 2023. Basic net income per share is calculated based on the assumption that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of June 30, 2024	Millions of yen 161,802	Millions of yen 46,804	% 28.2
March 31, 2024	162,567	46,190	27.7

(Reference) Equity: As of June 30, 2024: 45,677 million yen
 As of March 31, 2024: 45,042 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	183.00	-	74.00	-
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		52.00	-	65.00	117.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) The Company conducted a share split at a ratio of three shares for every one share of the Company's common stock as of October 1, 2023. The year-end dividend per share for the fiscal year ended March 31, 2024 is based on the number of shares after the share split, and the annual dividend is stated as "—". If the share split is taken into consideration, the interim dividend per share for the first half of the fiscal year ended March 31, 2024 would be 61.00 yen, and the annual dividend would be 135.00 yen.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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, 2024	110,000	(8.1)	5,500	(12.1)	3,800	(16.5)	126.64
Full year	230,000	(5.3)	12,700	(8.8)	8,700	(12.9)	289.94

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 31,336,500 shares

March 31, 2024: 31,336,500 shares

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

June 30, 2024: 1,294,012 shares

March 31, 2024: 1,330,180 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 30,021,476 shares

Three months ended June 30, 2023: 29,864,877 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 each Trusts accordingly in the number of treasury shares.

(Note) The Company conducted a share split at a ratio of three shares for every one share of the Company's common stock as of October 1, 2023. The number of shares outstanding at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period are calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 2024 (As of Mar. 31, 2024)	FY 2025 (As of Jun. 30, 2024)
Assets		
Current assets		
Cash and deposits	6,867	7,061
Notes and accounts receivable - trade, and contract assets	57,234	50,227
Electronically recorded monetary claims - operating	4,241	5,886
Merchandise and finished goods	53,275	58,726
Raw materials	3,161	3,091
Prepaid expenses	19,416	22,134
Other	7,229	3,490
Allowance for doubtful accounts	(90)	(81)
Total current assets	151,336	150,538
Non-current assets		
Property, plant and equipment	3,356	3,469
Intangible assets	2,192	2,182
Investments and other assets		
Retirement benefit asset	449	458
Other	5,557	5,483
Allowance for doubtful accounts	(323)	(328)
Total investments and other assets	5,682	5,613
Total non-current assets	11,231	11,264
Total assets	162,567	161,802

(Millions of yen)

	FY 2024 (As of Mar. 31, 2024)	FY 2025 (As of Jun. 30, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	22,690	23,612
Short-term borrowings	22,401	16,019
Commercial papers	5,000	5,000
Current portion of long-term borrowings	7,000	3,000
Advances received	23,724	26,596
Provision for bonuses	2,401	851
Other	5,817	5,633
Total current liabilities	89,035	80,712
Non-current liabilities		
Long-term borrowings	17,700	24,700
Retirement benefit liability	7,440	7,335
Other	2,201	2,250
Total non-current liabilities	27,341	34,285
Total liabilities	116,377	114,998
Net assets		
Shareholders' equity		
Share capital	2,495	2,495
Capital surplus	5,684	5,684
Retained earnings	36,363	36,539
Treasury shares	(1,674)	(1,639)
Total shareholders' equity	42,869	43,079
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	129	86
Deferred gains or losses on hedges	124	199
Foreign currency translation adjustment	1,744	2,156
Remeasurements of defined benefit plans	174	155
Total accumulated other comprehensive income	2,172	2,598
Non-controlling interests	1,148	1,126
Total net assets	46,190	46,804
Total liabilities and net assets	162,567	161,802

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY 2024 (from Apr. 1, 2023 to Jun. 30, 2023)	FY 2025 (from Apr. 1, 2024 to Jun. 30, 2024)
Net sales	59,012	56,607
Cost of sales	50,091	47,411
Gross profit	8,921	9,195
Selling, general and administrative expenses		
Salaries and allowances	1,835	1,929
Provision for bonuses	903	752
Retirement benefit expenses	178	167
Other	2,375	2,093
Total selling, general and administrative expenses	5,292	4,942
Operating income	3,628	4,252
Non-operating income		
Share of profit of entities accounted for using equity method	49	34
Other	19	38
Total non-operating income	69	72
Non-operating expenses		
Foreign exchange losses	467	565
Other	86	145
Total non-operating expenses	554	711
Ordinary income	3,143	3,614
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on sale of investment securities	4	-
Total extraordinary income	4	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Net income before income taxes	3,147	3,614
Income taxes	936	1,107
Net income	2,210	2,506
Net income attributable to non-controlling interests	24	12
Net income attributable to owners of parent	2,186	2,494

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2024 (from Apr. 1, 2023 to Jun. 30, 2023)	FY 2025 (from Apr. 1, 2024 to Jun. 30, 2024)
Net income	2,210	2,506
Other comprehensive income		
Valuation difference on available-for-sale securities	10	(42)
Deferred gains or losses on hedges	83	74
Foreign currency translation adjustment	437	404
Remeasurements of defined benefit plans, net of tax	(5)	(19)
Share of other comprehensive income of entities accounted for using equity method	1	7
Total other comprehensive income	528	425
Comprehensive income	2,739	2,932
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,715	2,919
Comprehensive income attributable to non-controlling interests	24	12

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2024 (from Apr. 1, 2023 to Jun. 30, 2023)	FY 2025 (from Apr. 1, 2024 to Jun. 30, 2024)
Cash flows from operating activities		
Net income before income taxes	3,147	3,614
Depreciation and amortization	127	241
Increase (decrease) in provision for bonuses	(1,746)	(1,555)
Increase (decrease) in retirement benefit liability	(198)	(123)
Interest expenses	65	70
Foreign exchange losses (gains)	1,122	23
Decrease (increase) in accounts receivable - trade, and contract assets	5,543	5,897
Decrease (increase) in inventories	(4,542)	(5,035)
Increase (decrease) in trade payables	(3,116)	862
Increase (decrease) in accounts payable - other	317	258
Increase (decrease) in advances received	2,524	2,869
Decrease (increase) in consumption taxes refund receivable	2,586	3,545
Decrease (increase) in accounts receivable - other	111	311
Decrease (increase) in prepaid expenses	(405)	(2,717)
Other, net	224	(403)
Subtotal	5,762	7,861
Interest and dividends received	35	47
Interest paid	(67)	(74)
Income taxes paid	(2,592)	(1,723)
Net cash provided by (used in) operating activities	3,137	6,111
Cash flows from investing activities		
Net decrease (increase) in time deposits	(3)	(3)
Purchase of property, plant and equipment	(112)	(189)
Purchase of intangible assets	(45)	(131)
Proceeds from sale of investment securities	4	-
Payments of leasehold and guarantee deposits	(428)	(1)
Other, net	0	20
Net cash provided by (used in) investing activities	(584)	(305)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,167)	(6,529)
Proceeds from long-term borrowings	-	7,000
Repayments of long-term borrowings	(3)	(4,000)
Purchase of treasury shares	(0)	-
Proceeds from disposal of treasury shares	91	114
Dividends paid	(2,089)	(2,220)
Dividends paid to non-controlling interests	(35)	(34)
Repayments of lease liabilities	(18)	(21)
Net cash provided by (used in) financing activities	(3,223)	(5,691)
Effect of exchange rate change on cash and cash equivalents	103	76
Net increase (decrease) in cash and cash equivalents	(567)	190
Cash and cash equivalents at beginning of period	6,442	6,757
Cash and cash equivalents at end of period	5,875	6,948

(4) Segment Information

I. For the Period ended June 30, 2023 (From Apr. 1, 2023 to Jun. 30, 2023)

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.	51,912	–	51,912	–	51,912
Storage & Network Products, etc.	–	4,238	4,238	–	4,238
Maintenance & Monitoring Services	–	2,861	2,861	–	2,861
Revenue from contracts with customers	51,912	7,099	59,012	–	59,012
Outside customers	51,912	7,099	59,012	–	59,012
Inter-segment	–	–	–	–	–
Total	51,912	7,099	59,012	–	59,012
Segment income	2,563	579	3,143	–	3,143

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

II. For the Period ended June 30, 2024 (From Apr. 1, 2024 to Jun. 30, 2024)

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.	47,865	–	47,865	–	47,865
Storage & Network Products, etc.	–	5,484	5,484	–	5,484
Maintenance & Monitoring Services	–	3,256	3,256	–	3,256
Revenue from contracts with customers	47,865	8,741	56,607	–	56,607
Outside customers	47,865	8,741	56,607	–	56,607
Inter-segment	–	–	–	–	–
Total	47,865	8,741	56,607	–	56,607
Segment income	2,460	1,153	3,614	–	3,614

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