

Tokyo Seimitsu Co., Ltd. Summary of FY2022/3 1st Quarter Business Results (April to June 2021)

August 3rd, 2021

◆ Cautionary Statement with respect to Forward-Looking Statements

- ◆ This presentation data and information verbally provided contain “forward-looking statements” that are based on current best available information and policies.
- ◆ There are various factors such as world economic conditions and semiconductor/automobile market conditions which will directly and indirectly impact the Company’s results in the future.
- ◆ As a result, future outcomes may differ from those projected in this presentation.

◆ Wordings and Data in presentation

- ◆ Unless otherwise noted, “**SPE**” denotes our Semiconductor Production Equipment Business Segment, “**Metrology (or Metr.)**” denotes our Metrology Business Segment, “**Net profit**” denotes Net profit attributable to owner of the parent
- ◆ Information listed in this presentation is summarized in Billions of Yen (**BJPY or B**) or percentage except as otherwise noted. As a result, there may be a case where the total of individual amount and total amounts in each matter may differ.

◆ Audit procedure

- ◆ This presentation is not subject to audit procedures.

FY2022/3 1Q Business Results



Quarterly Results (BJPY)	FY2021/3				FY2022/3		
	1Q	2Q	3Q	4Q	1Q	QoQ	YoY
Orders	18.7	21.0	35.1	42.3	41.7	-1%	+124%
Sales	21.1	24.0	21.6	30.4	28.9	-5%	+37%
Operating profit (Margin)	3.2 (15%)	3.1 (13%)	3.0 (14%)	6.2 (20%)	6.0 (21%)	-4%	+89%
Recurring profit	3.3	3.1	2.9	6.5	6.0	-8%	+80%
Net profit	2.5	2.2	2.3	5.2	4.4	-17%	+76%

- Orders, Sales, and Profits all increased YoY significantly, driven by solid performance of SPE segment

SPE Segment



Quarterly Results (BJPY)	FY2021/3				FY2022/3		
	1Q	2Q	3Q	4Q	1Q	QoQ	YoY
Orders	12.9	15.9	28.7	35.7	33.9	-5%	+162%
Sales	15.4	18.0	15.1	23.2	22.8	-2%	+48%
Operating profit (Margin)	2.8 (18%)	2.9 (16%)	2.5 (16%)	5.4 (23%)	5.3 (23%)	-1%	+88%

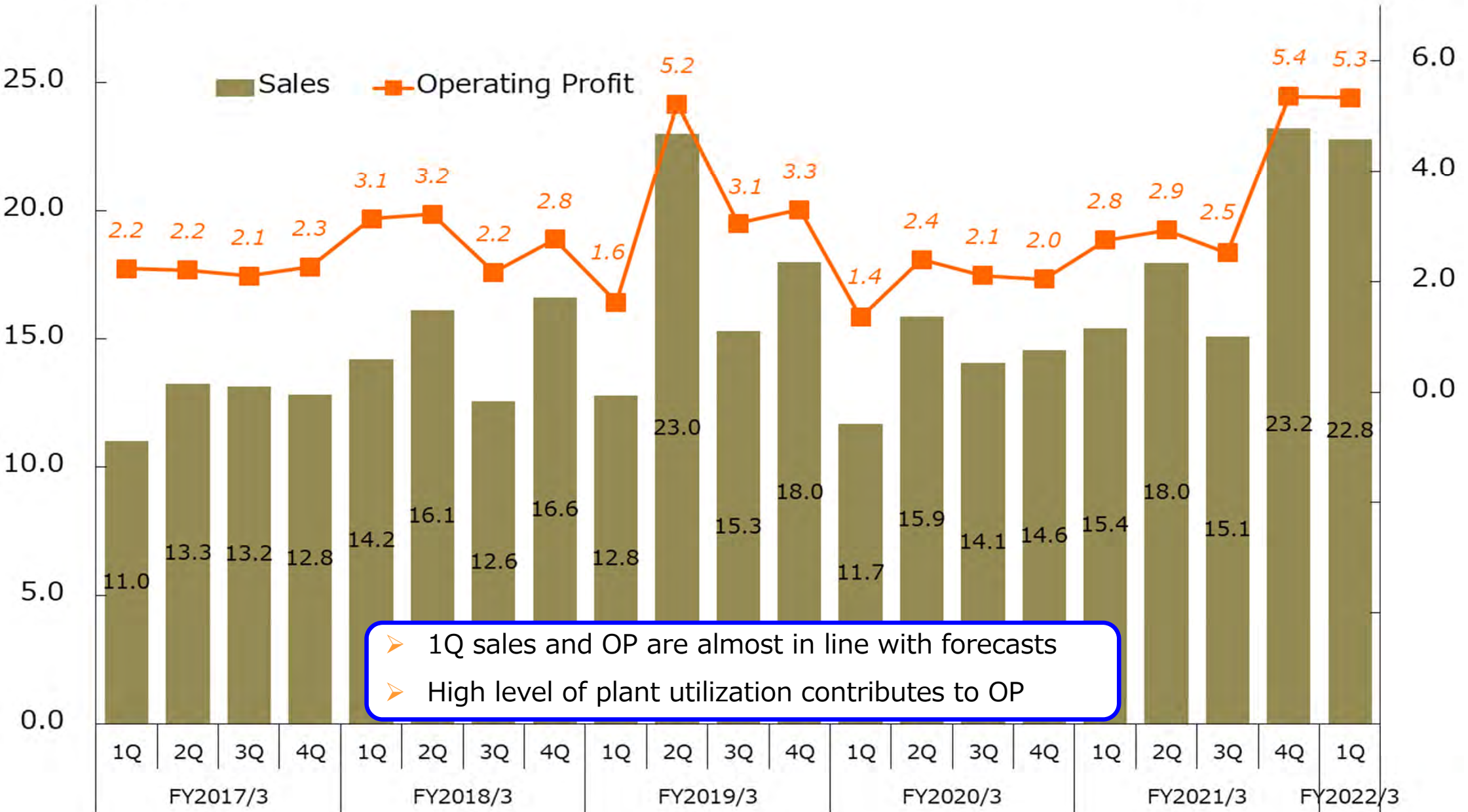
- Orders, Sales, and Operating profit were at the second highest level after 4Q FY2021/3
- Production continues to be at a high level

SPE – Sales and OP



Sales (BJPY)

Operating Profit (BJPY)



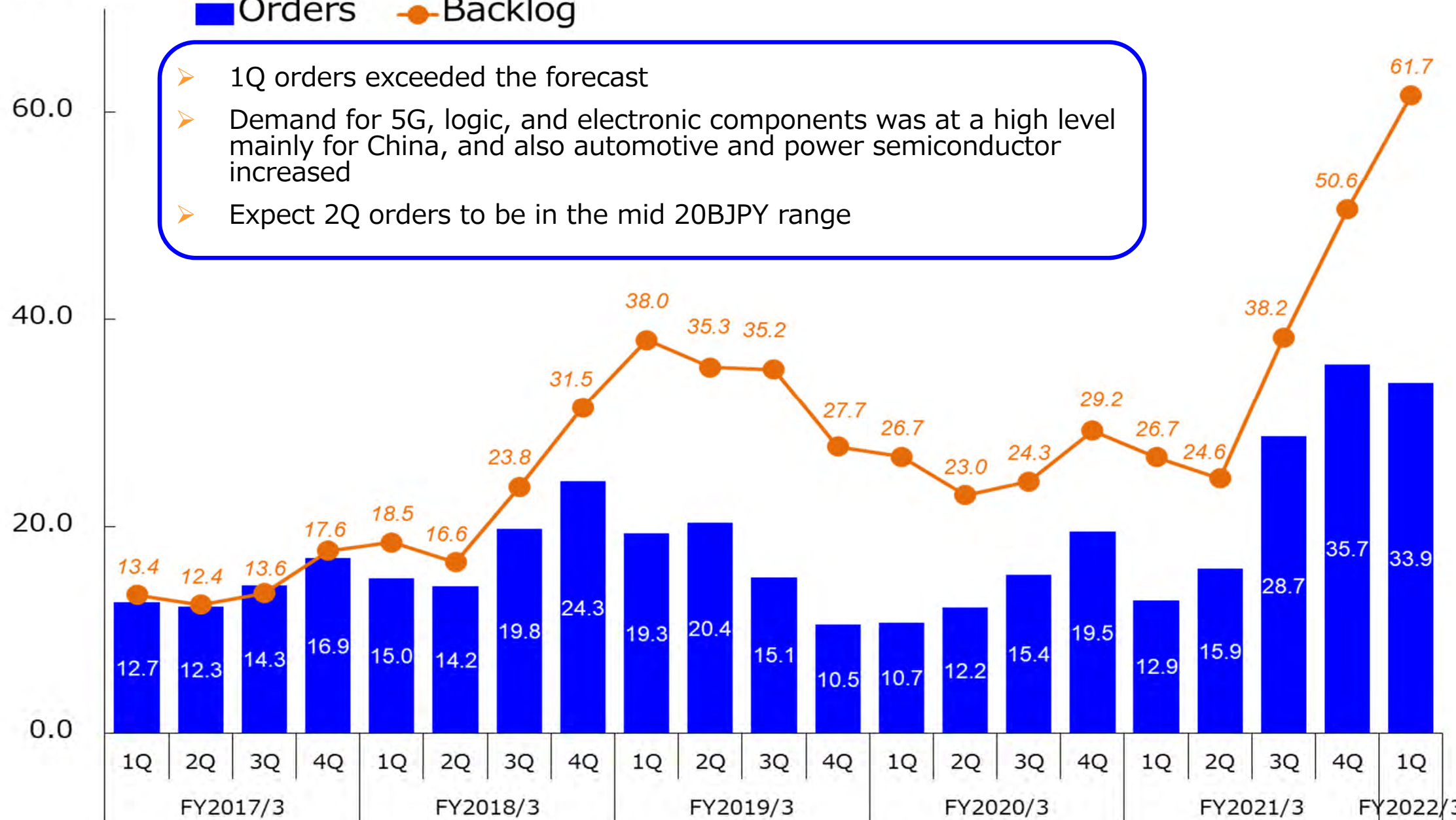
SPE – Orders and Backlog



(BJPY)

■ Orders ● Backlog

- 1Q orders exceeded the forecast
- Demand for 5G, logic, and electronic components was at a high level mainly for China, and also automotive and power semiconductor increased
- Expect 2Q orders to be in the mid 20BJPY range



Metrology Segment



Quarterly Results (BJPY)	FY2021/3				FY2022/3		
	1Q	2Q	3Q	4Q	1Q	QoQ	YoY
Orders	5.8	5.0	6.4	6.7	7.9	+18%	+37%
Sales	5.6	6.1	6.5	7.2	6.1	-14%	+9%
Operating profit (Margin)	0.3 (6%)	0.3 (4%)	0.5 (8%)	0.9 (12%)	0.7 (11%)	-25%	+93%

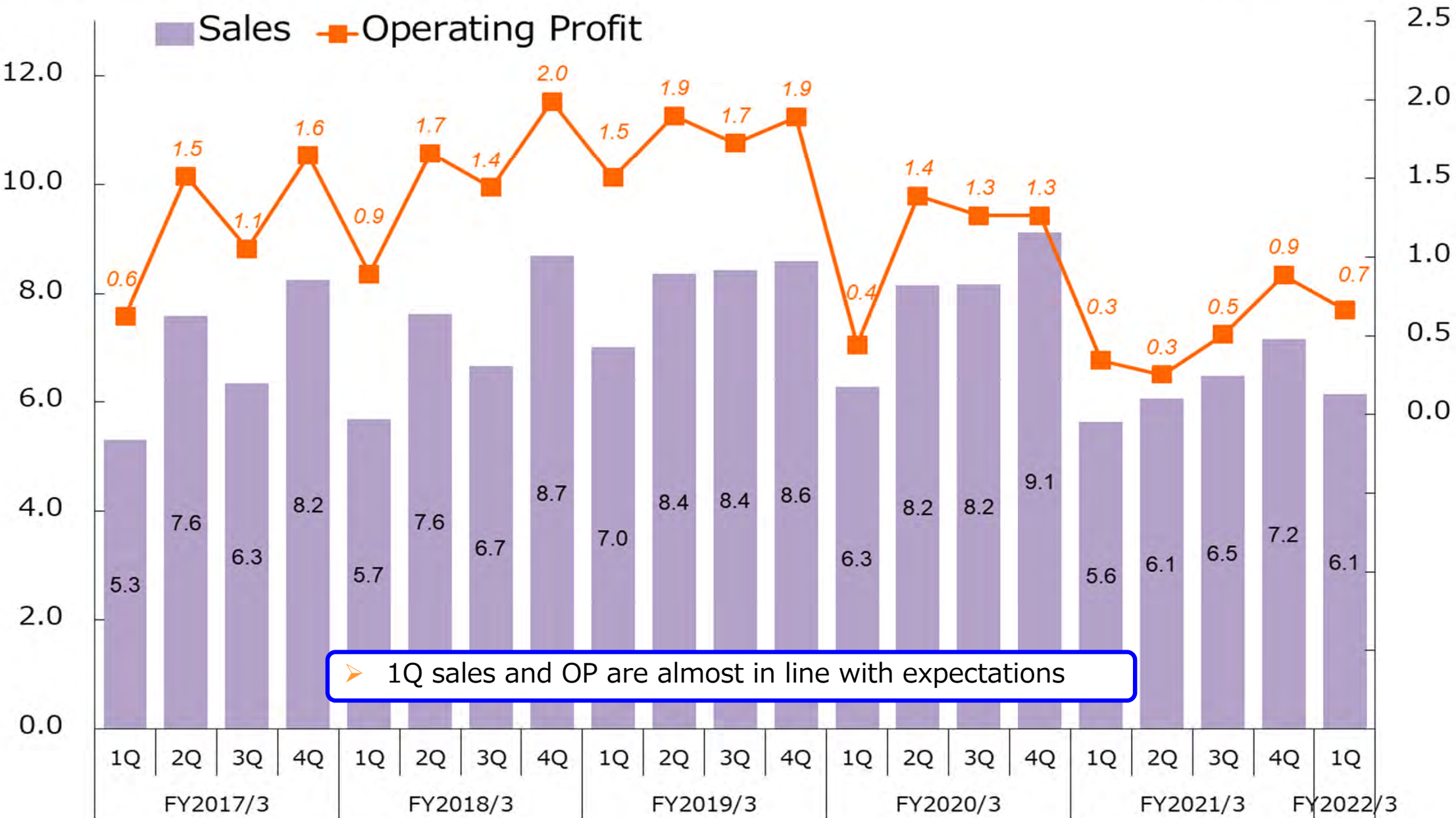
- Sales and OP improved QoQ when the impact of COVID-19
- Orders were in recovery trend after bottomed out in 2Q FY2021/3

Metrology – Sales and OP



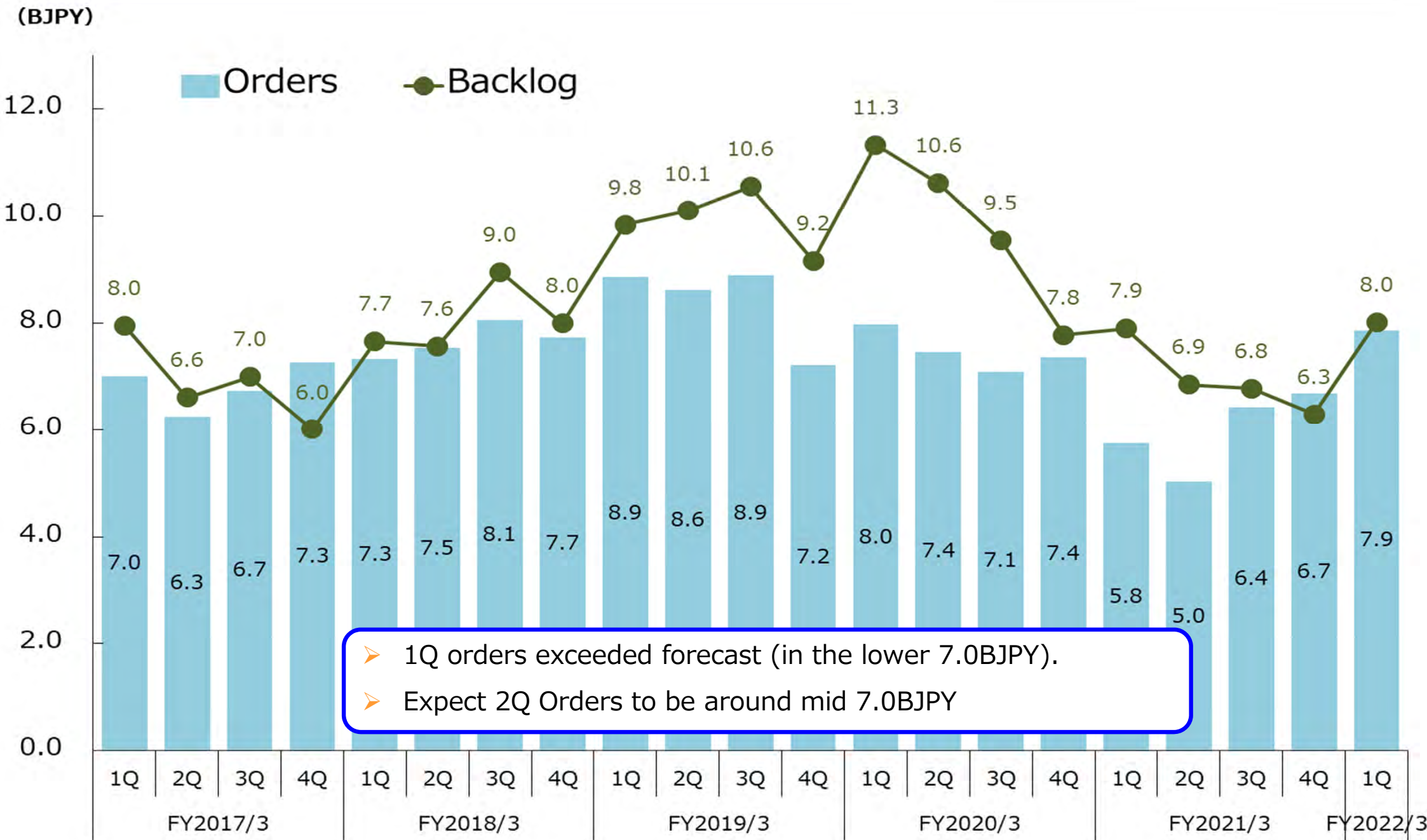
Sales (BJPY)

Operating profit(BJPY)



➤ 1Q sales and OP are almost in line with expectations

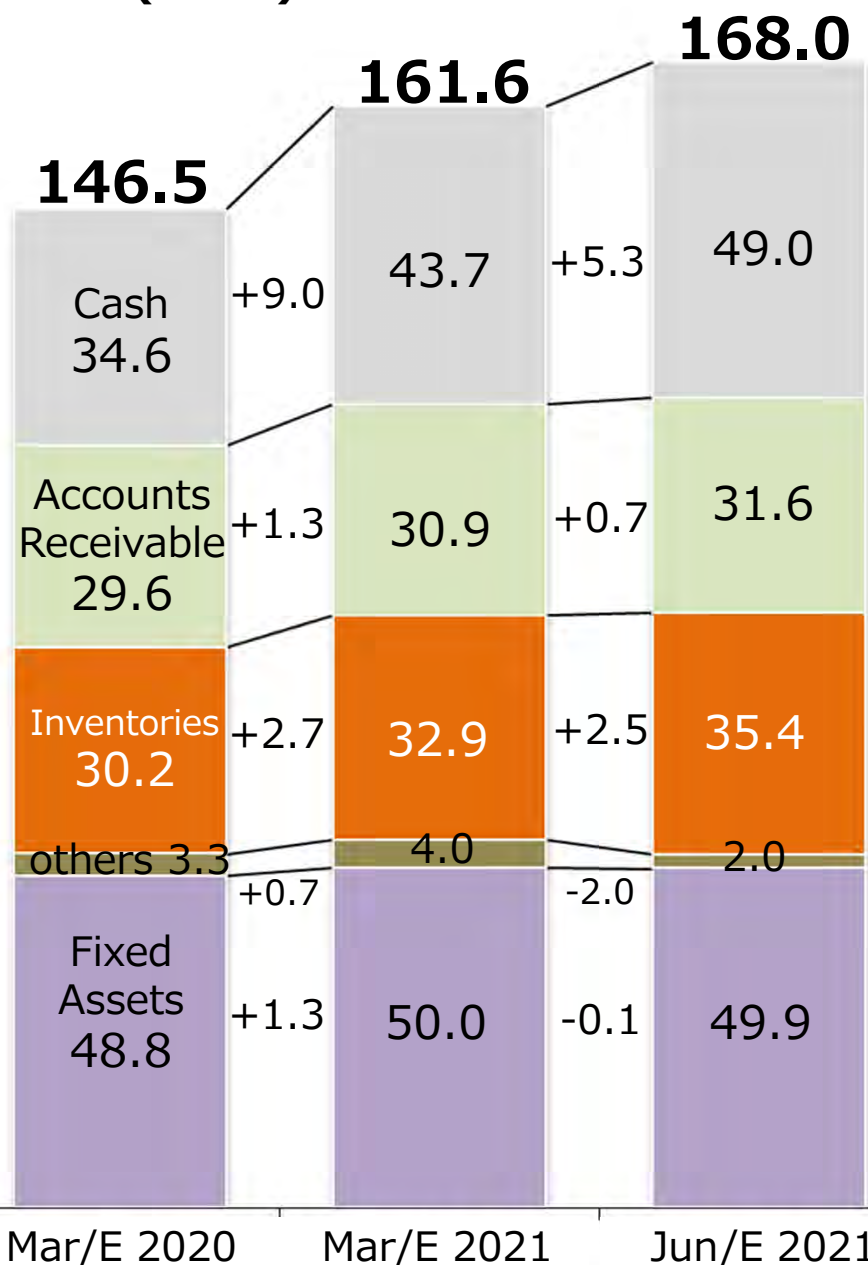
Metrology – Orders and Backlog



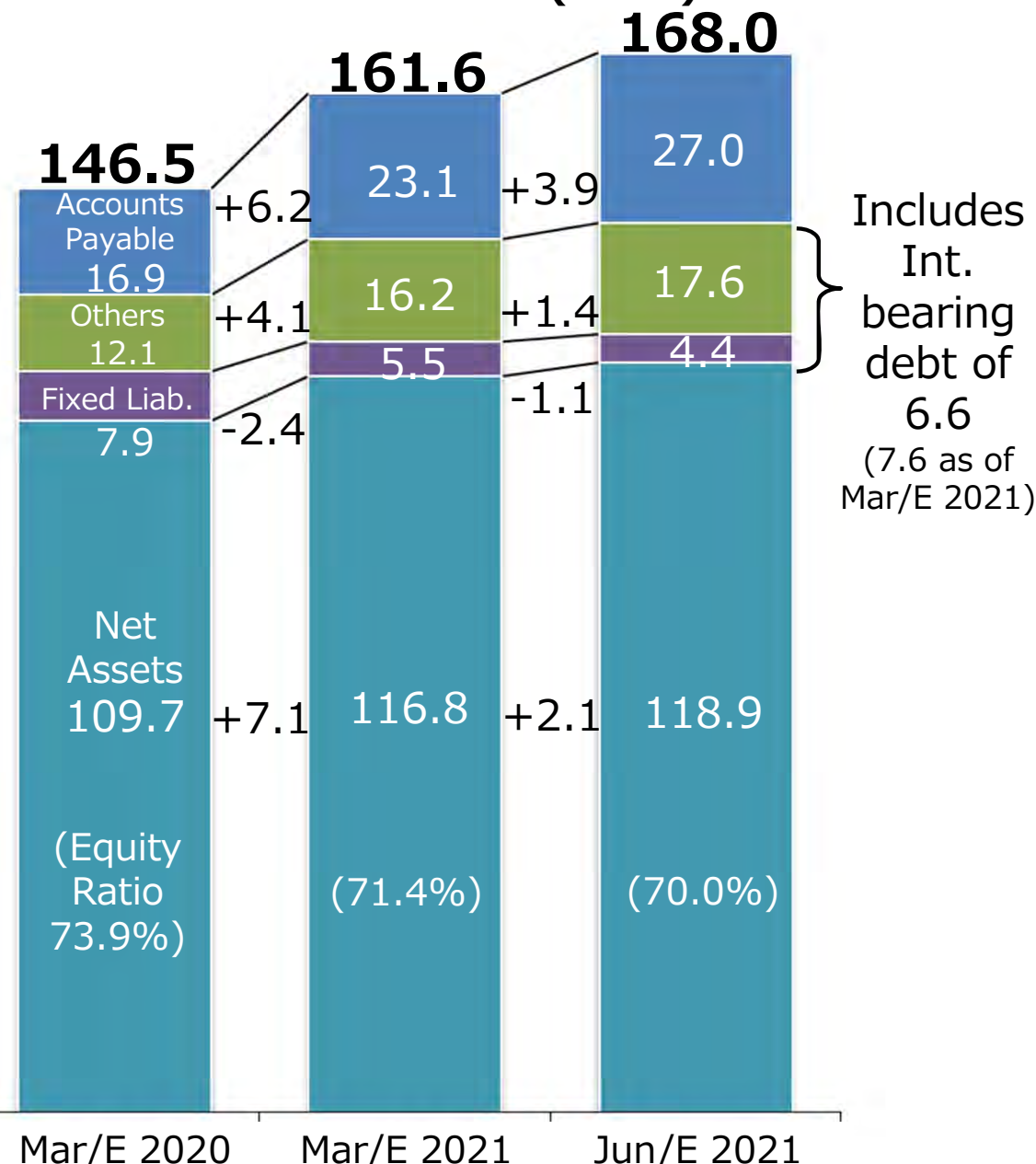
Balance Sheet



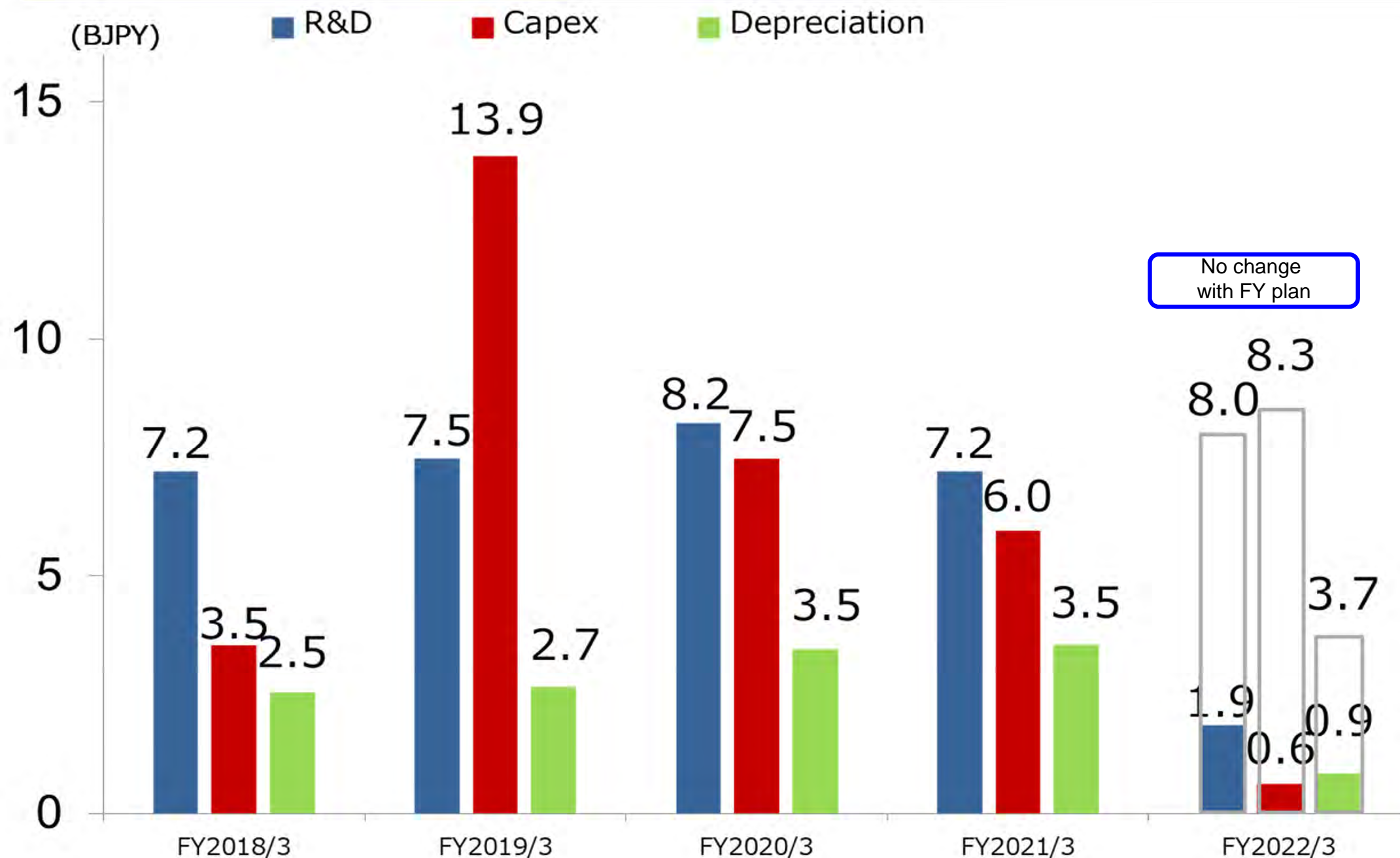
Assets (BJPY)



Liabilities and Net Assets (BJPY)



R&D, Capex and Depreciation



FY2022/3 Forecast



Consolidated Results and forecasts (BJPY)	FY2021/3			FY2022/3			
	1H	2H	FY	1H(f)	2H(f)	FY(f)	YoY
Sales	45.1	52.0	97.1	59.0	59.0	118.0	+22%
Operating profit (Margin)	6.3 (14%)	9.3 (18%)	15.6 (16%)	10.8 (18%)	11.2 (19%)	22.0 (19%)	+41%
Recurring profit	6.4	9.5	15.9	10.8	11.2	22.0	+39%
Net profit	4.7	7.5	12.2	7.5	7.7	15.2	+25%
Dividend per share	104 Yen			130 Yen			+26Yen

Per Segment

(SPE)	Orders	28.8	64.3	93.2				
	Sales	33.4	38.3	71.7	47.0	45.0	92.0	+28%
(Metr.)	Orders	10.8	13.1	23.9				
	Sales	11.7	13.7	25.4	12.0	14.0	26.0	+2%

- No change in forecast previously announced on May 10th, 2021.
- The Company ratified repurchase of own shares
(Please refer to our press release on August 3rd for details)



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Supplementary Data

Misconduct at Subsidiary Company : Implementation of Prevention Strategy



- ◆ The Group is proceeding with prevention measures in line with recommendations from special committee (Blue: updates from May)

	Area	Measures (Summary, TSE = Tosei Engineering Corp)	On-going	Done
T S E	Governance	Review structures of Boards(done), and Auditor's audits	○	○
	Internal Control	Maintain processes related to purchase, unusual transactions and regulations in overseas subsidiaries	○	
	Compliance	Assign Officers (done), Understand importance of compliance thoroughly(done)		◎
		Provide Education program(done)		◎
	Monitoring System	Establish new organization for related inspections (done) and monitoring, and increase workforce as necessary	○	○
T h e C o m p a n y	Communication	Re-understand Whistleblower System(done)	○	○
		Make Company environment more "open" for employees	○	○
	Governance	Solve Mng/biz issues timely, through enhanced communication	○	
		Improve company environment to be easy to escalate issues	○	
		Dispatch of directors to TSE(done) to closely communicate with TSE(done)		◎
	Compliance	Send message of "Compliance first" to all employees. (done)		◎
		Assign Officers(done), Understand importance of compliance thoroughly(done)		◎
		Provide Education program(done)		◎
	Monitoring System	Support an establishment of governance, compliance and monitoring system at subsidiaries	○	
		Support TSE internal/auditors' audits, share information(done) follow-up, and audit	○	○
Communication	Send Boards' message "Let's Make bi-directional management system" (done)		◎	

Segment Information



(MJPY)		Fiscal Year				Quarter							
		FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2021/3				FY2022/3			
						1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Orders	SPE	73,327	65,335	57,709	93,181	12,903	15,932	28,683	35,662	33,853			
	Metr.	30,651	33,573	29,866	23,878	5,754	5,022	6,420	6,681	7,858			
	Total	103,979	98,909	87,576	117,060	18,657	20,955	35,103	42,344	41,711			
Backlog	SPE	31,452	27,670	29,182	50,619	26,653	24,610	38,188	50,619	61,676			
	Metr.	7,996	9,165	7,782	6,301	7,898	6,855	6,783	6,301	8,018			
	Total	39,448	36,836	36,965	56,920	34,552	31,465	44,971	56,920	69,694			
Sales	SPE	59,523	69,117	56,198	71,745	15,432	17,975	15,106	23,231	22,796			
	Metr.	28,671	32,403	31,728	25,359	5,638	6,066	6,491	7,163	6,141			
	Total	88,194	101,520	87,927	97,105	21,070	24,041	21,597	30,395	28,937			
OP	SPE	11,292	13,195	7,915	13,565	2,832	2,850	2,525	5,358	5,328			
	Metr.	5,990	7,025	4,366	1,996	344	255	510	886	666			
	Total	17,283	20,221	12,282	15,562	3,176	3,105	3,035	6,245	5,995			
OP Margin	SPE	19.0%	19.1%	14.1%	18.9%	18.4%	15.9%	16.7%	23.1%	23.4%			
	Metr.	20.9%	21.7%	13.8%	7.9%	6.1%	4.2%	7.9%	12.4%	10.9%			
	Total	19.6%	19.9%	14.0%	16.0%	15.1%	12.9%	14.1%	20.5%	20.7%			

Statements of Income



(MJPY)	Fiscal Year				Quarter								
	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2021/3				FY2022/3				
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Net Sales	88,194	101,520	87,927	97,105	21,070	24,041	21,597	30,395	28,937				
Cost of goods sold	53,818	60,430	53,452	60,190	12,863	15,433	13,504	18,389	17,484				
Gross Profit on Sales	34,375	41,090	34,474	36,914	8,207	8,608	8,093	12,005	11,453				
Selling, general and administrative expenses	17,092	20,869	22,192	21,351	5,030	5,502	5,057	5,760	5,457				
Operating profit	17,283	20,221	12,282	15,562	3,176	3,105	3,035	6,245	5,995				
Non-operating income	170	688	255	540	194	118	106	214	135				
Non-operating expenses	138	104	177	235	25	153	205	-55	110				
Recurring Profit	17,316	20,805	12,360	15,867	3,345	3,070	2,936	6,515	6,019				
Extraordinary gains	4	58	57	1,354	6	-	149	1,198	13				
Extraordinary losses	2	419	1,712	1,074	-	293	108	672	-				
Profit before income taxes and minority interests	17,318	20,443	10,705	16,147	3,351	2,776	2,977	7,041	6,033				
Total Income tax and others	4,542	5,719	3,598	3,978	886	573	712	1,806	1,664				
Net Profit attributable to Owners of the Parent	12,717	14,665	7,156	12,175	2,470	2,207	2,264	5,232	4,352				
Net Profit per Share (Yen)	306.41	352.92	171.89	293.83	59.30	52.98	54.73	127.55	105.98				
Net Profit per Share (diluted) (Yen)	304.02	350.23	170.72	291.43	-	-	-	-	-	-	-	-	-

Balance Sheet



(MJPY)		FY2019/3	FY2020/3	FY2021/3	FY2022/3 (1Q)
Current Assets	Cash and cash equivalents	41,518	34,640	43,657	49,019
	Accounts Receivable ※1	36,146	29,633	30,946	31,647
	Inventories	29,995	30,152	32,886	35,447
	Others	2,434	3,345	4,025	1,969
	Total	110,094	97,771	111,516	118,083
Total Fixed Assets		47,478	48,777	50,039	49,883
Total Assets		157,573	146,549	161,556	167,967
Current Liabilities	Accounts Payable※2	26,328	16,895	23,062	26,953
	Others	14,620	12,121	16,233	17,643
	Total	40,948	29,017	39,296	44,597
Total long-term liabilities		9,220	7,857	5,482	4,446
Total Liabilities		50,169	36,874	44,778	49,043
Total Net Assets		107,403	109,674	116,777	118,923
Total Liabilities and Net Assets		157,573	146,549	161,556	167,967
Total interest-bearing debt		11,415	9,641	7,581	6,558
Equity Ratio(%)		67.3%	73.9%	71.4%	70.0%
ROE(%)		14.4%	6.7%	10.9%	-

※1: Incl. Electronically recorded monetary claims and Contract assets

※2: Incl. Electronically recorded obligations-operating

Expenses and Cash Flows



(MJPY)	FY2019/3	FY2020/3	FY2021/3	FY2022/3 1Q
R&D expenses	7,469	8,234	7,193	1,855
Capex	13,872	7,477	5,950	635
Depreciation (excl. Amortization)	2,655	3,450	3,516	844

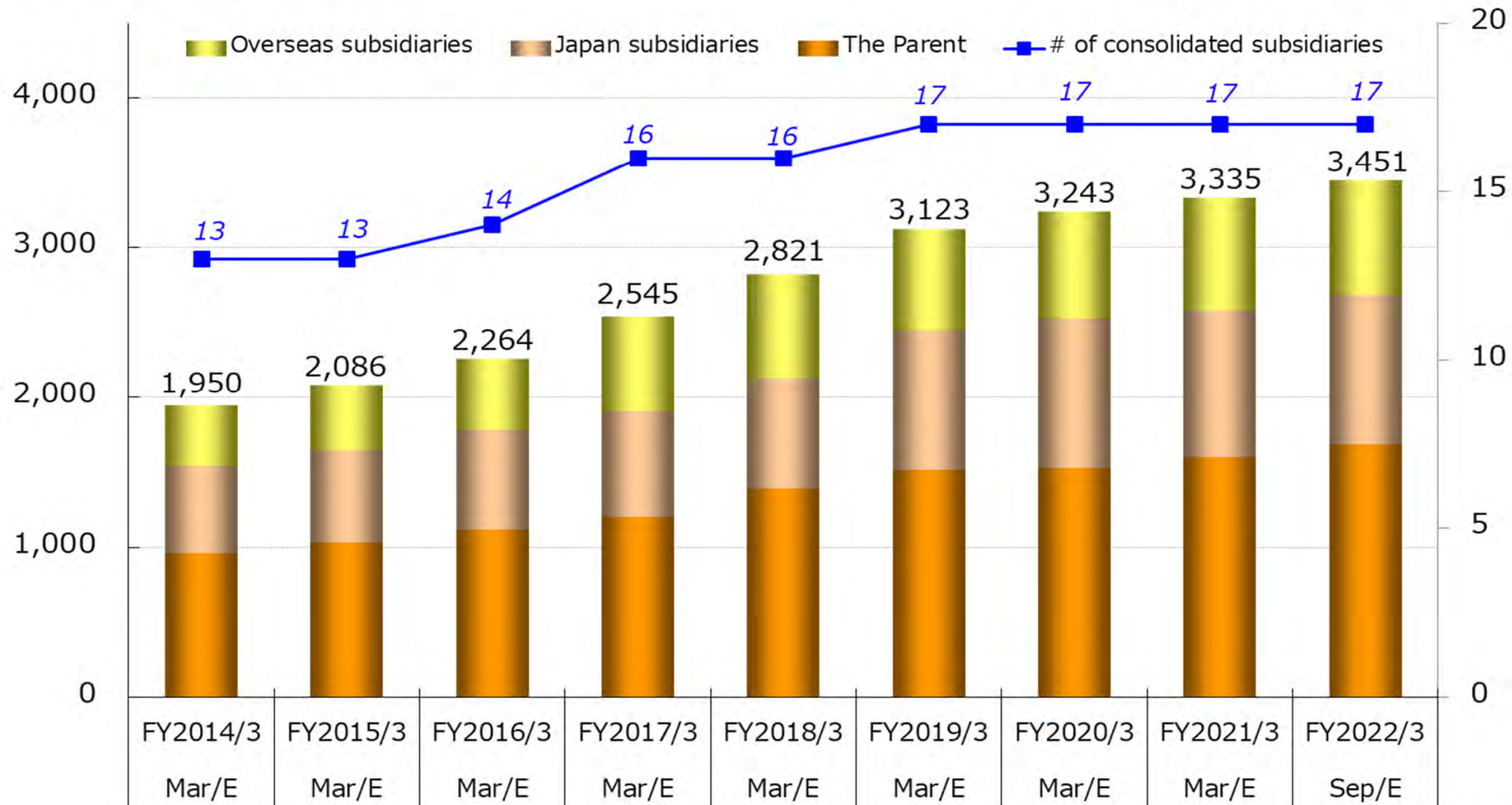
(MJPY)	FY2019/3	FY2020/3	FY2021/3
Cash flows from operating activities	12,932	5,965	22,062
Cash flows from investing activities	-13,952	-6,116	-5,191
Free cash flows	-1,020	-150	16,871
Cash flows from financing activities	5,443	-6,375	-8,282
Adjustments	-223	-159	429
Cash and cash equivalents at the end of year	41,290	34,605	43,624

Number of employees



Number of Employees (person)

of Consolidated Subsidiaries



Note) Above figures include part time employees as at the end of each term