

# Tokyo Seimitsu Co., Ltd. Earnings Conference for FY2024/3 2<sup>nd</sup> Quarter

November 2<sup>nd</sup>, 2023

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## ◆ 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, and “**MTP**” denotes “Mid-term Business Plan.”
- ◆ 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.
- ◆ Effective from FY2023/3, income and expenses of foreign subsidiaries are converted to Japanese Yen using the average rate during the period, instead of the previous end-of-period rate. Accordingly, the figures for FY2022/3 are retroactively applied to the average rate for the period.

## ◆ Audit procedure

- ◆ This presentation is not subject to audit procedures.

## Agenda

- ◆ **Business results for FY2024/3 2Q**
- ◆ Forecast for FY2024/3
- ◆ MTP Summary and Future Business Opportunities
- ◆ Q&A

# FY2024/3 2Q and 1H Business Results



Half Year Results (BJPY)	FY2023/3		FY2024/3			
	1H	2H	1H	Vs. Fcst	HoH	YoY
Orders	80.2	56.1	59.5		+6%	-26%
Sales	71.1	75.7	63.5	+2.5	-16%	-11%
Operating Profit (OP Margin)	15.7 (22%)	18.8 (25%)	11.4 (18%)	+0.4	-39%	-27%
Recurring Profit	16.6	18.7	12.1	+1.1	-36%	-27%
Net Profit	11.9	11.7	8.5	+0.5	-27%	-28%

Quarter (BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Orders	46.2	34.0	30.1	26.0	29.5	29.9	+1%	-12%
Sales	27.9	43.2	32.0	43.7	26.6	36.9	+39%	-14%
Operating Profit (OP Margin)	5.7 (20%)	10.0 (23%)	7.4 (23%)	11.4 (26%)	4.3 (16%)	7.1 (19%)	+68%	-29%
Recurring Profit	6.5	10.1	7.1	11.6	4.7	7.4	+56%	-27%
Net Profit	4.8	7.1	3.3	8.4	3.2	5.3	+63%	-25%

- Sales exceeded the forecast, mainly in consumable-related demand (in SPE)
- Orders increased HoH while decreased YoY

# SPE Segment

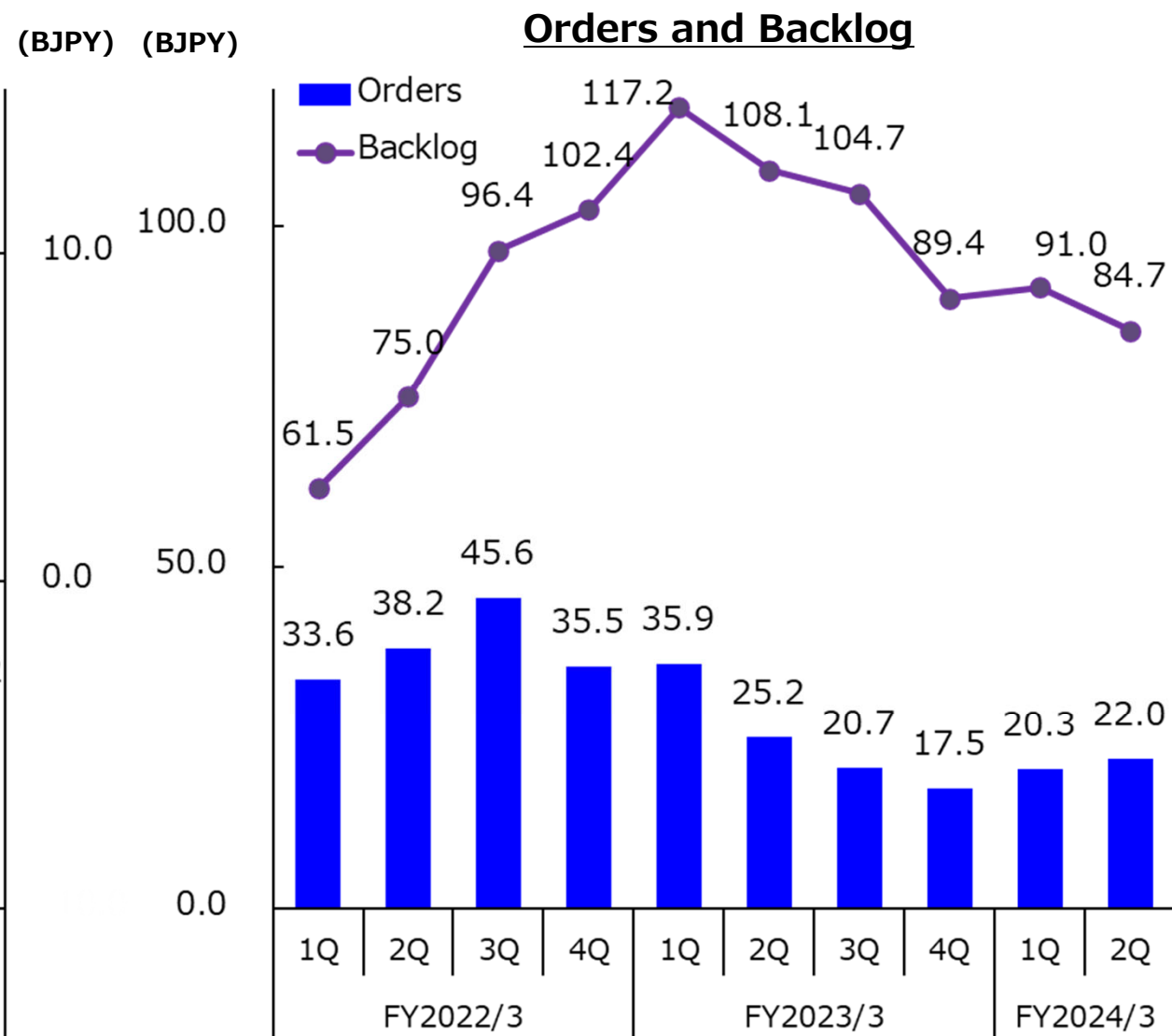
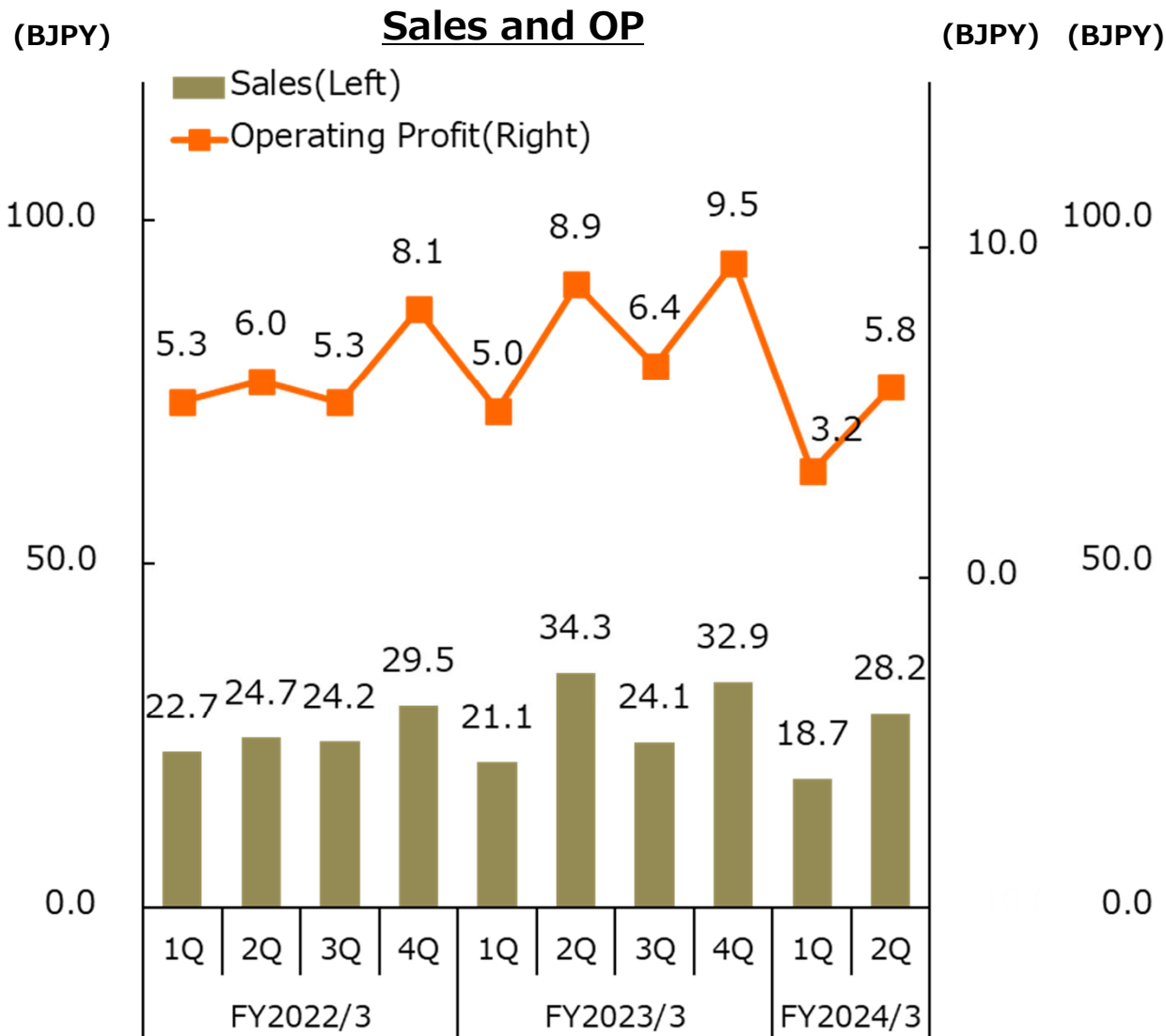


Segment Results (Half Year, BJPY)	FY2023/3		FY2024/3			
	1H	2H	1H	Vs. Fcst	HoH	YoY
Orders	61.2	38.2	42.3		+11%	-31%
Sales	55.4	57.0	47.0	+3.0	-18%	-15%
Operating Profit (OP Margin)	13.9 (25%)	15.9 (28%)	9.0 (19%)		-44%	-36%

Quarter (BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Orders	35.9	25.2	20.7	17.5	20.3	22.0	+8%	-13%
Sales	21.1	34.3	24.1	32.9	18.7	28.2	+51%	-18%
Operating Profit (OP Margin)	5.0 (24%)	8.9 (26%)	6.4 (27%)	9.5 (29%)	3.2 (17%)	5.8 (20%)	+80%	-35%

- Orders increased YoY despite sluggish consumer-related demand
- 2Q OP margin recovered to the 20% level

# SPE – Quarterly Trend

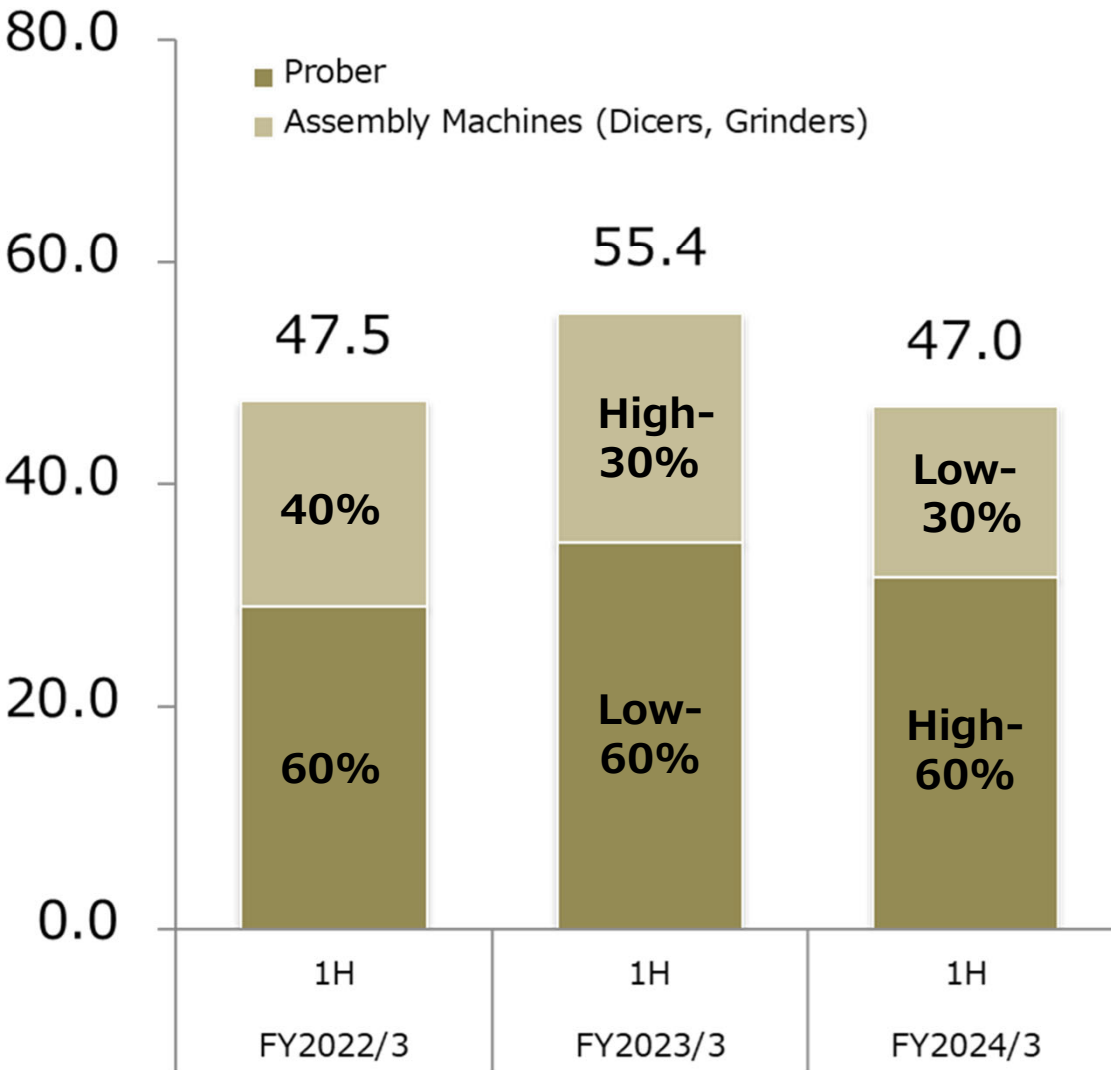


- Sales: Generally maintained high level of production and shipments
- Orders · Backlog: SiC power devices and generative AI underpinned booking in contract of week consumer-related market

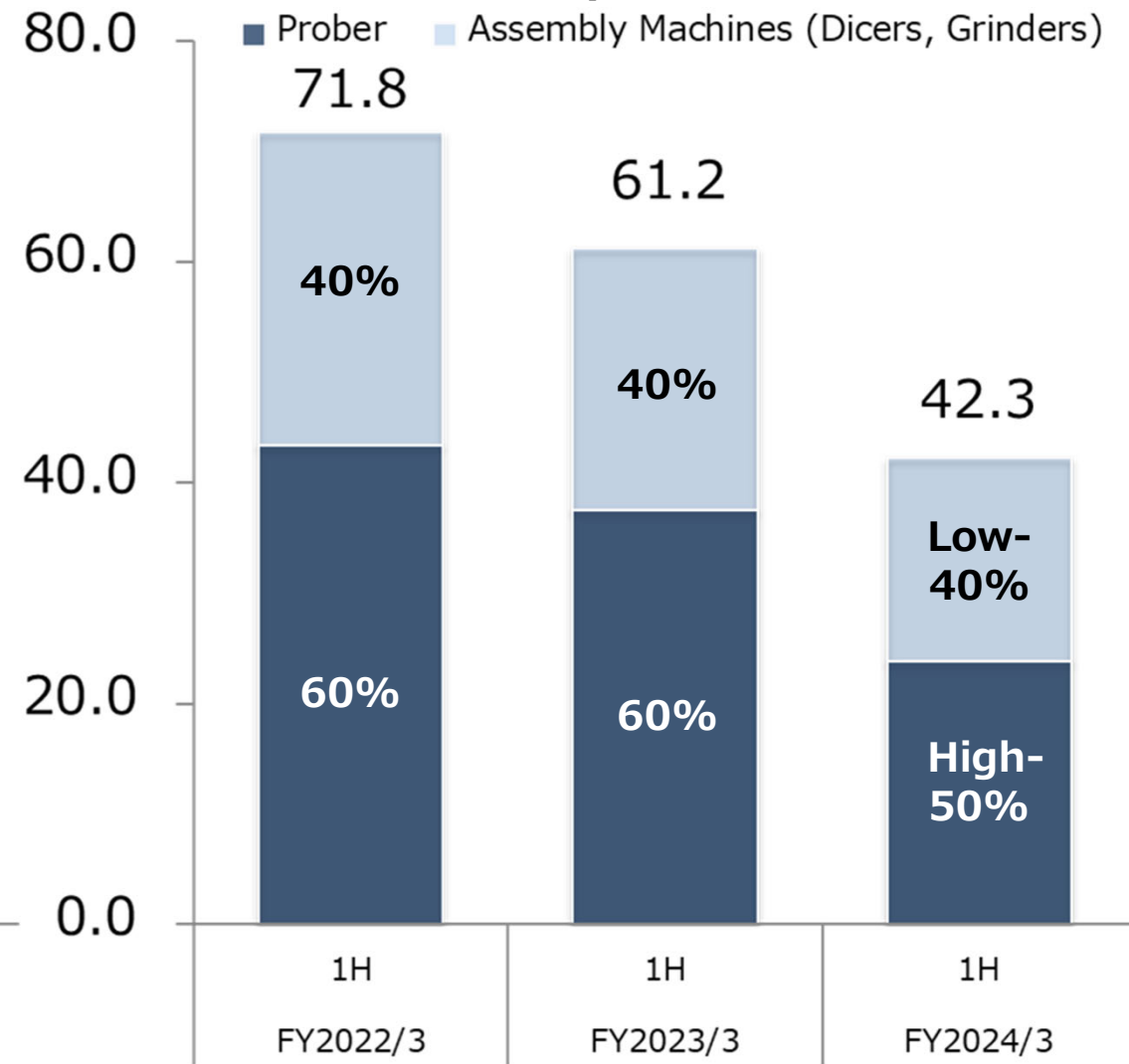
# SPE – per Product



Sales per Product



Orders per Product



- Sales : No change in composition
- Orders : Assembly Machines demand relatively stable

# Metrology Segment



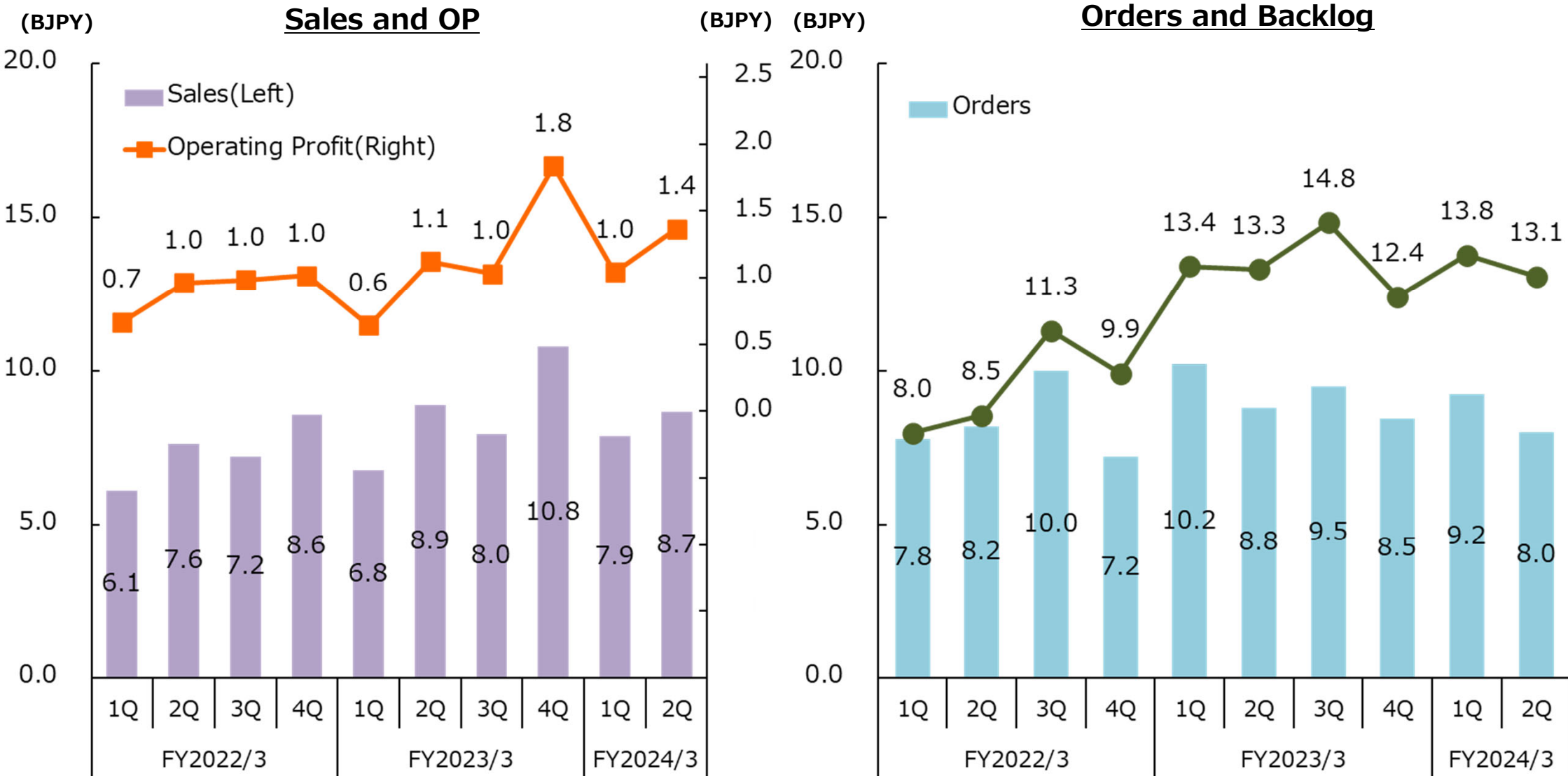
Segment Results (Half Year, BJPY)	FY2023/3		FY2024/3			
	1H	2H	1H	Vs. Fcst	HoH	YoY
Orders	19.0	17.9	17.2		-4%	-10%
Sales	15.7	18.8	16.6	-0.4	-12%	+6%
Operating Profit (OP Margin)	1.8 (11%)	2.9 (15%)	2.4 (15%)		-16%	+37%

Quarter (BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Orders	10.2	8.8	9.5	8.5	9.2	8.0	-13%	-9%
Sales	6.8	8.9	8.0	10.8	7.9	8.7	+10%	-2%
Operating Profit (OP Margin)	0.6 (10%)	1.1 (13%)	1.0 (13%)	1.8 (17%)	1.0 (13%)	1.4 (16%)	+31%	+22%

- Sales were generally in line with expectations
- Orders declined mainly due to macroeconomic uncertainty.



# Metrology – Quarterly Trend

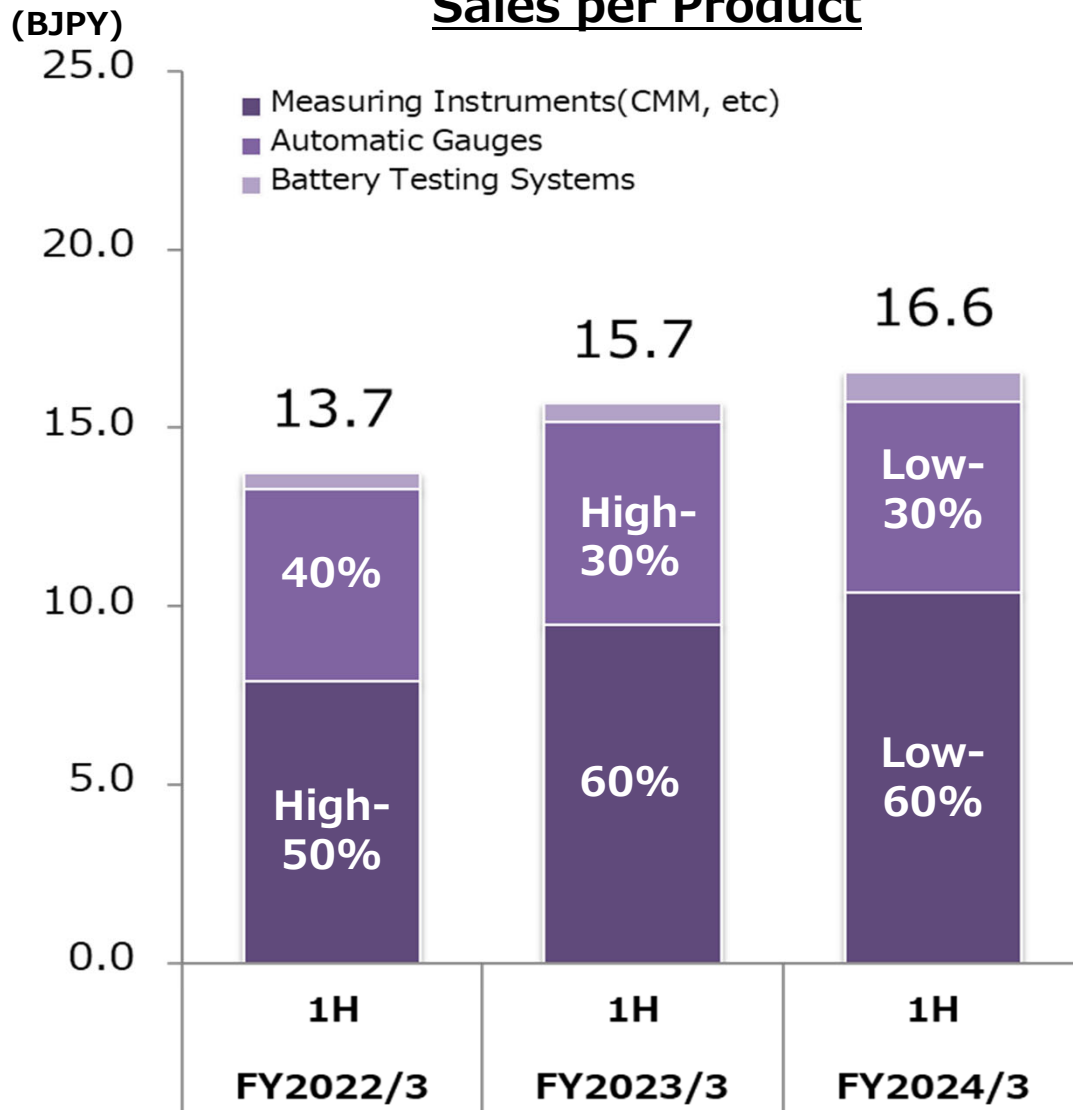


- Sales · OP : Sales were generally in line with expectations
- Orders: Despite macroeconomic uncertainty, EV-related orders increased

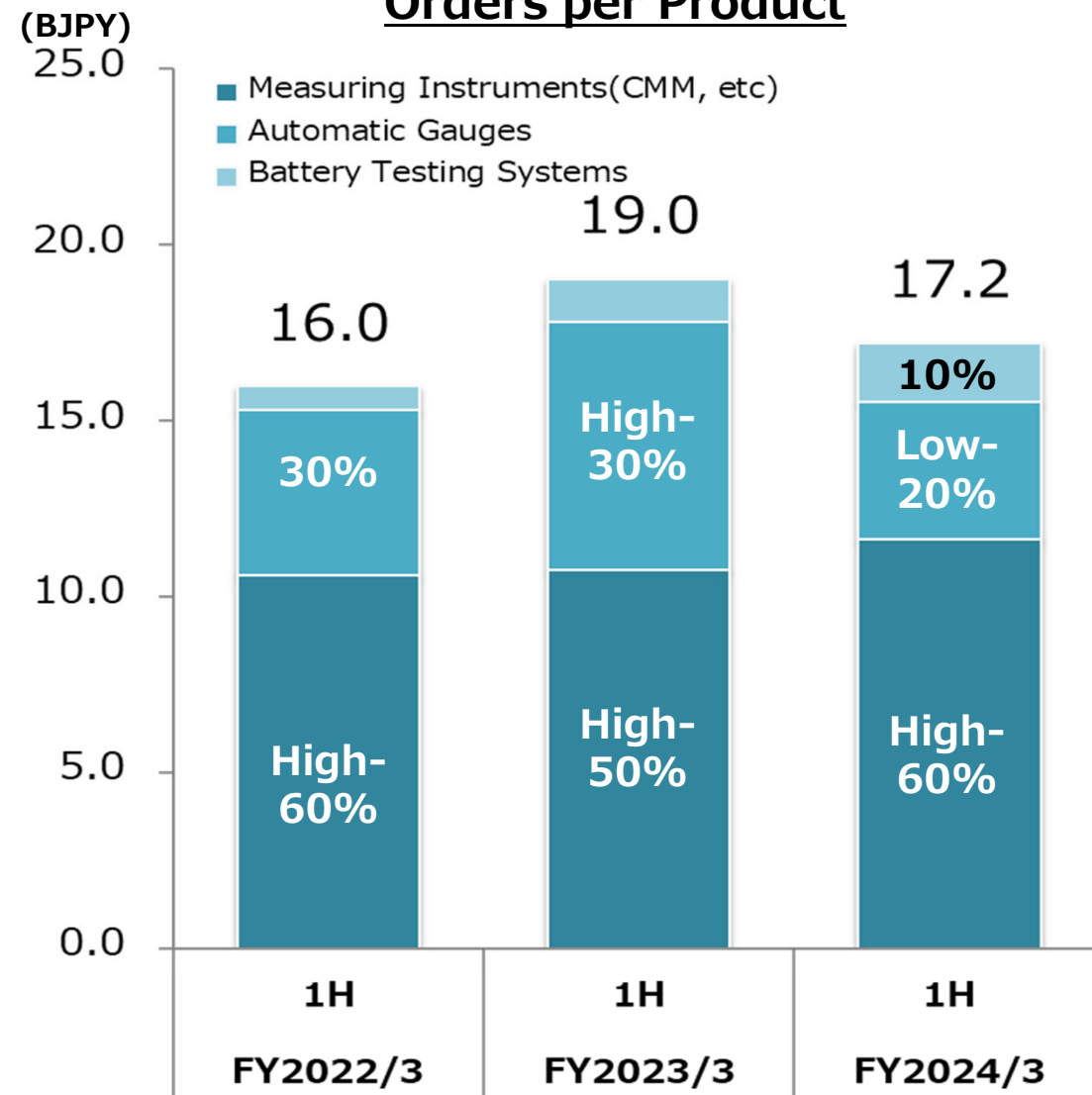
# Metrology – per Product



## Sales per Product



## Orders per Product

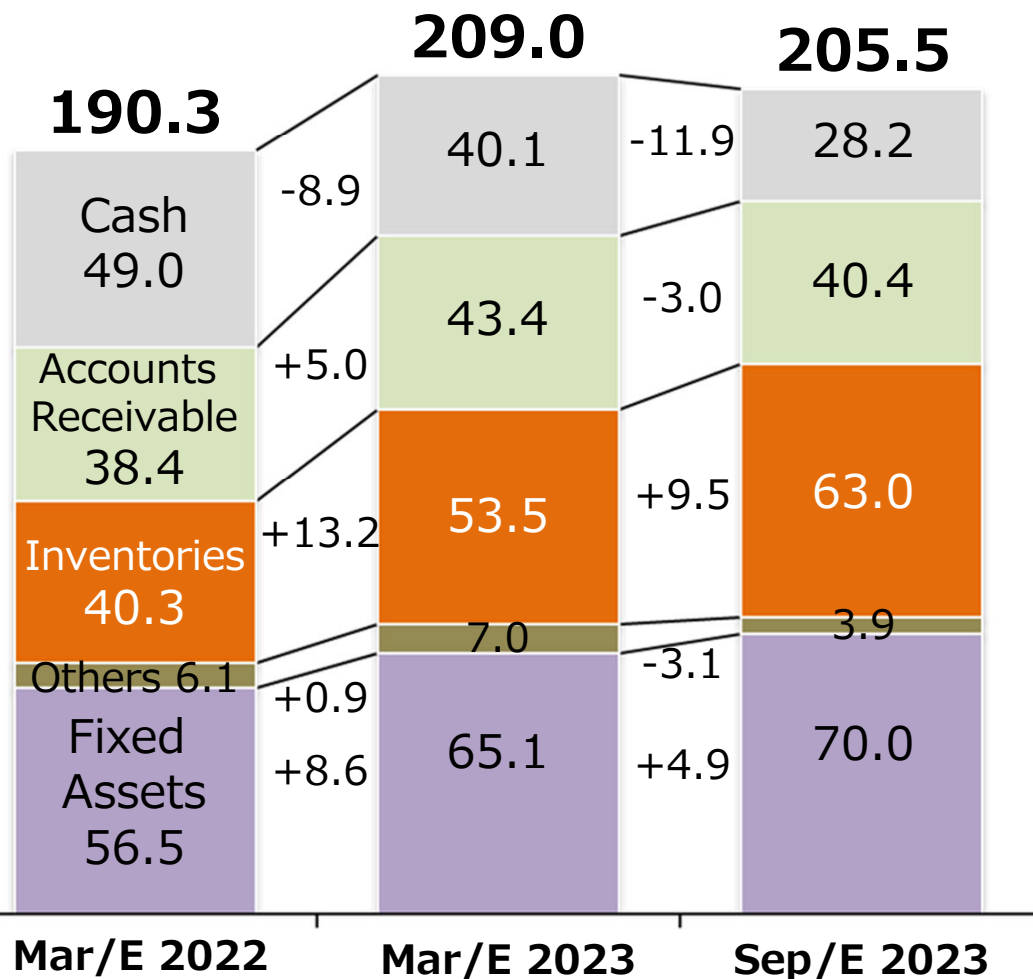


- Sales : No change in composition
- Orders : Orders for Charge/Discharge testing systems and Measuring instrument for EVs increased amid an overall adjustment trend

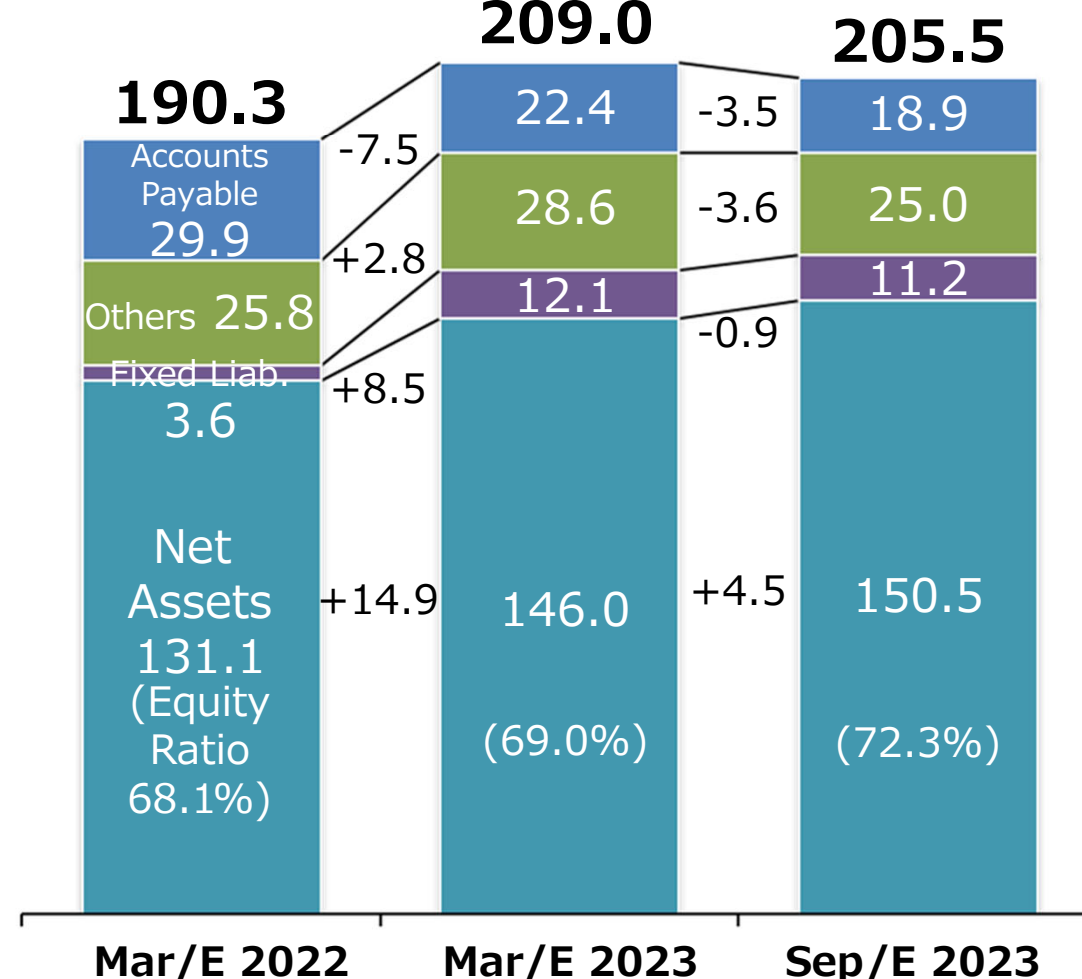
# Balance Sheet



## Assets (BJPY)

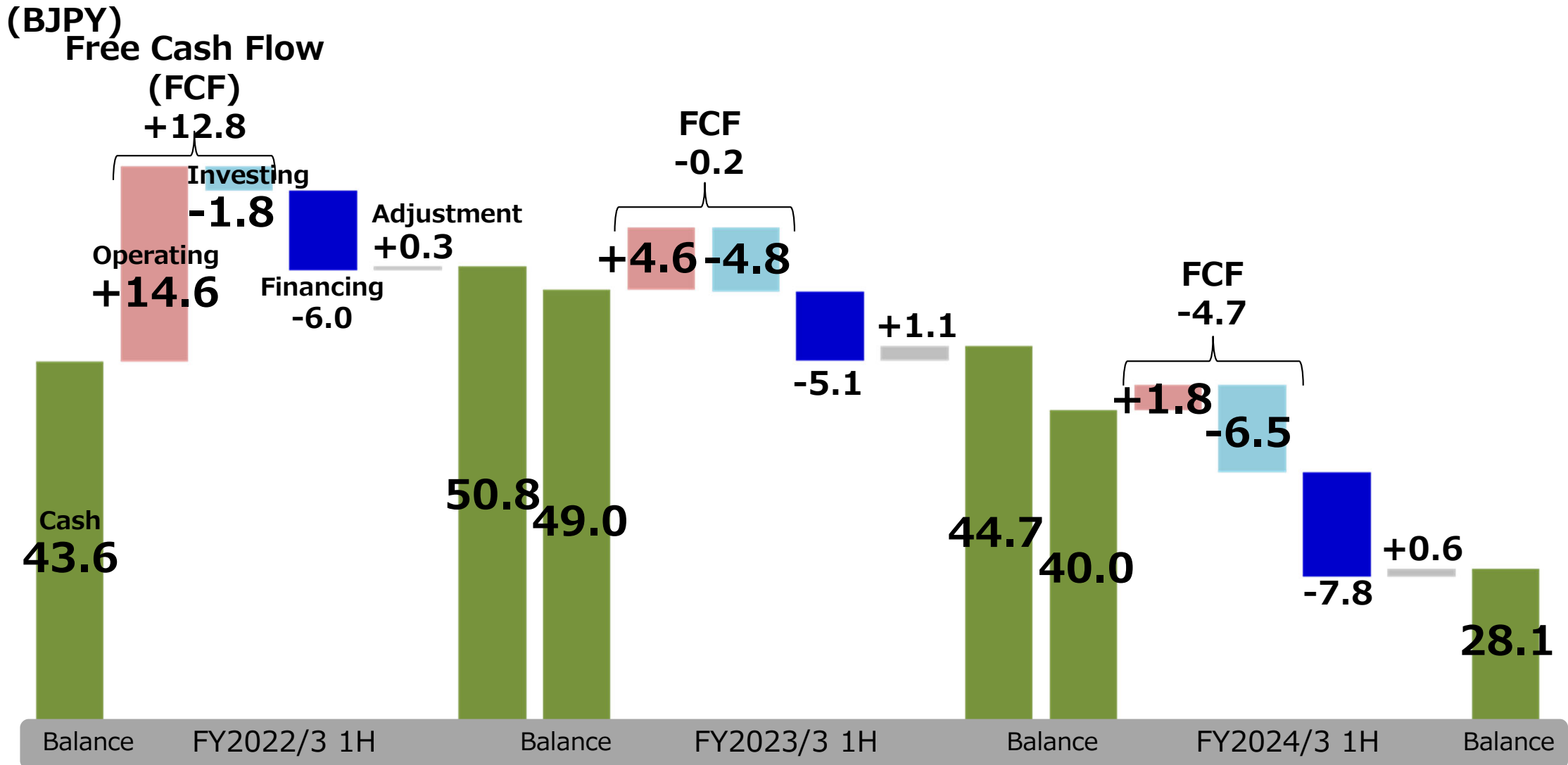


## Liabilities / Net Assets (BJPY)



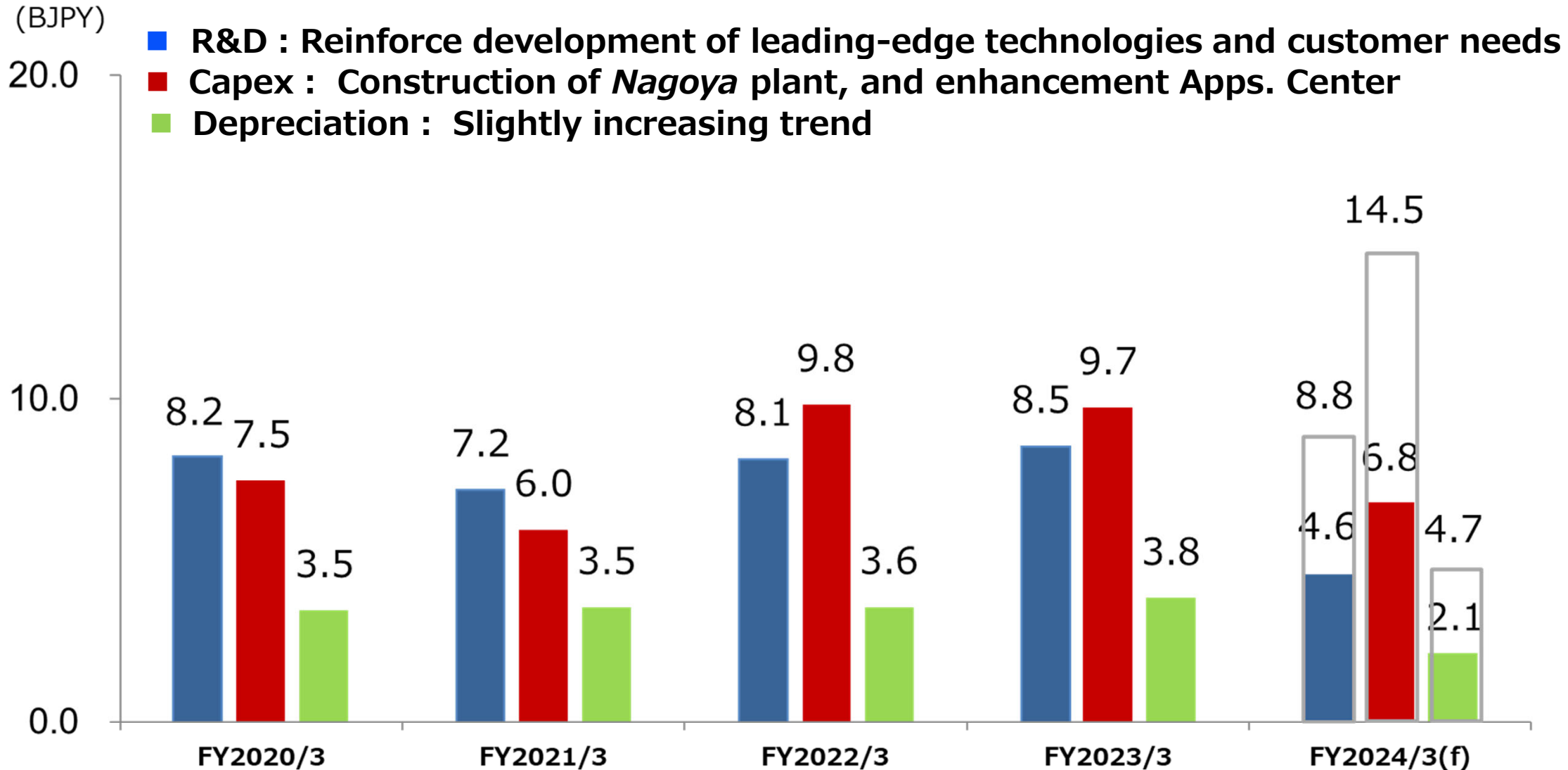
- Assets: Inventory increased in anticipation for future shipments
- Liabilities and Net Assets: Decrease in accounts payable (site shortening)

# Cash Flows(CF)



➤ Negative FCF was mainly due to an increasing inventory and capex

# R&D, Capex and Depreciation (results/plan)



➤ No change in R&D and other plans for FY2024/3

## Agenda

- ◆ Business results for FY2024/3 2Q
- ◆ **Forecast for FY2024/3**
- ◆ MTP Summary and Future Business Opportunities
- ◆ Q&A

(Blue : changed by November)

## Overall

- Continue to make necessary R&D and capital investments in anticipation of future growth

## SPE

- 1H orders were sluggish against the backdrop of demand for consumer products, but recovered moderately in the 2H
- Solid sectors (AI, HBM, Hybrid Bonding, SiC, CIS, and China demand) will drive short- and medium-term demand

## Metrology

- Customer's investment decisions are postponing
- Moderate recovery of ICE/rapid expansion of NEV for automotive
- Expand sales in non-automotive and strengthen solutions for automation

# FY2024/3 Forecast



Full Year Results And Forecast(BJPY)	FY2023/3			FY2024/3				
	1H	2H	FY	1H	2H(f)	FY(f)	Vs. PrevFcst	YoY
Sales	71.1	75.5	146.8	63.5	68.5	132.0	+3.0	-10%
Operating Profit (OP Margin)	15.7 (22%)	18.8 (25%)	34.5 (24%)	11.4 (18%)	13.1 (19%)	24.5 (19%)	+0.5	-29%
Recurring Profit	16.6	18.7	35.3	12.1	13.3	25.4	+1.4	-28%
Net Profit	11.9	11.7	23.6	8.5	9.3	17.8	+0.8	-25%
Dividend per Share	235Yen			178Yen		+8Yen	-57Yen	

## Per Segment

(SPE)	Orders	61.2	38.2	99.4	42.3				
	Sales	55.4	57.0	112.4	47.0	51.5	98.5	+4.5	-12%
(Metr.)	Orders	19.0	17.9	37.0	17.2				
	Sales	15.7	18.8	34.4	16.6	16.9	33.5	-1.5	-3%

- Revised full-year forecasts announced on May 12<sup>th</sup>, 2023
- Compared to the previous forecasts, increase in SPE sales despite decrease in Metrology Sales
- Forex assumption revised from ¥130 to ¥140 (Impact of yen appreciation of ¥1 per US dollar : ¥-120M)

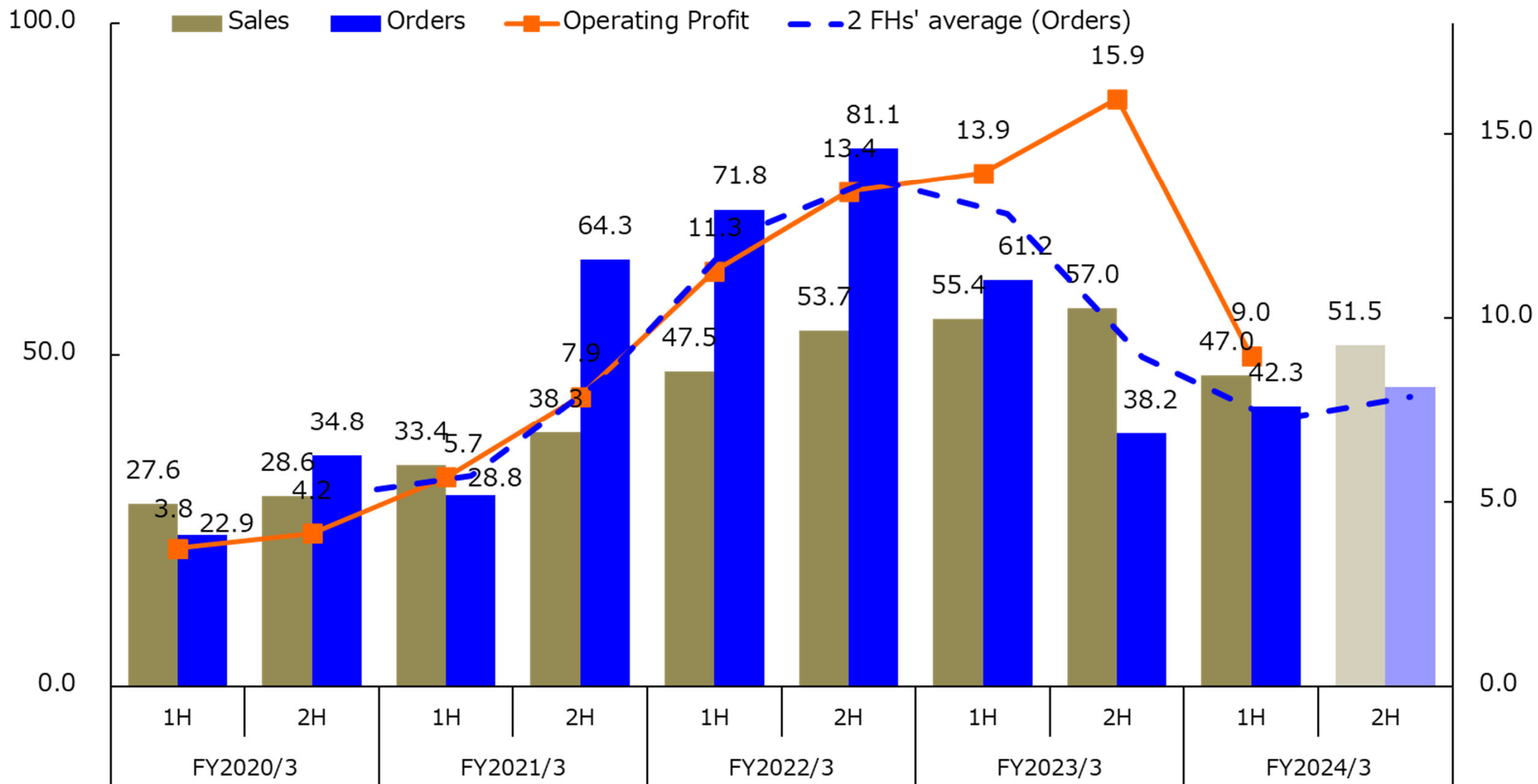


# SPE – Sales/Orders incl. Forecasts



Sales, Orders(BJPY)

Operating Profit (BJPY)



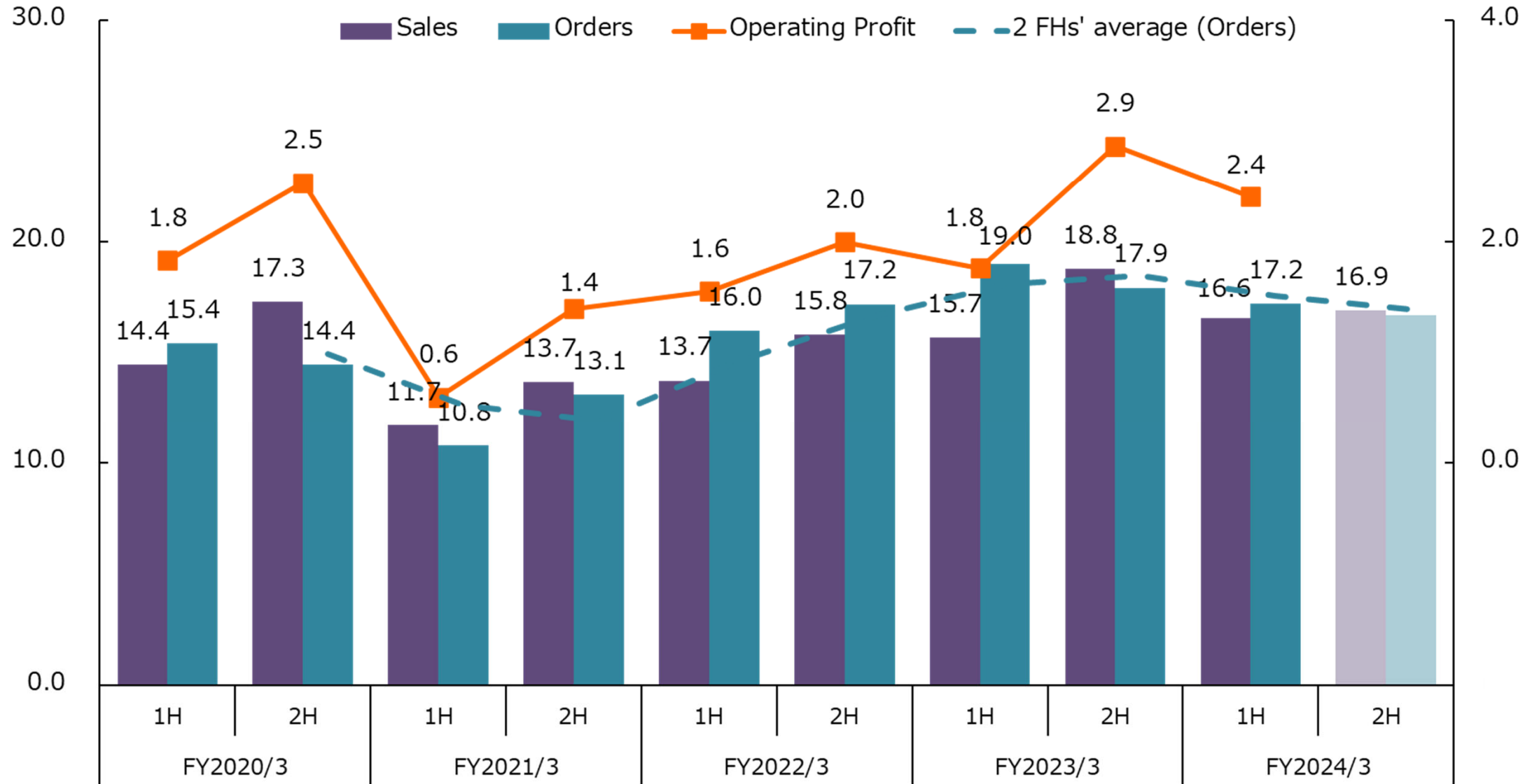
➤ 2H Orders are expected to be slightly increase HoH

# Metrology – Sales/Orders incl. Forecasts



Sales, Orders (BJPY)

Operating Profit (BJPY)



➤ 2H Orders are expected to be slightly decrease HoH

## Agenda

- ◆ Business results for FY2024/3 2Q
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- ◆ **MTP Summary and Future Business Opportunities**
- ◆ Q&A

➤ Quantitative target for FY2025/3

<b>ROE</b>	<b>15% or more</b>
<b>Sales</b>	<b>¥170.0B (SPE ¥132.0B/Metrology ¥38.0B)</b>
<b>OP</b>	<b>¥37.5B (OP Margin : 22%)</b>

➤ Company-wide actions

**R&D**

Reinforce development of leading-edge technologies and customer needs

**Expand MFG capacity**

*Hanno* Plant (FY2024/3) will realize ¥140B+ annual SPE capacity  
Additional plant to be considered

**Environment**

Decrease CO2 emissions by 50% at CY2030 from FY2019/3  
Investment also to be considered

**KPIs for investment**

Consider adopting ROIC for assessment to investment opportunities

**Application enhancement**

Strengthen demonstration capacity world-wide

**Sustainability**

Strengthen ESG initiatives

- **Although the assumptions of MTP included possibility of an unturn in consumer electronics in FY2024/3, the trend is more sluggish than originally anticipated.**
- **On the other hand, new growth opportunities are recognized and could be a driving force in FY2025/3 and beyond.**
- **Therefore, we believe the probability of achieving the MTP remains high ; we will continue to make necessary investments.**



# Future Opportunities(Orange:Added in Nov)



**Growth in grinder with Hybrid bonding**

**Prober's high-precision temperature control  
→ expansion of added value**

**SiC processing market to shift from substrate to device**

**Synergies from the fusion of SPE and Metrology  
→ Over ¥13.0B in 2025**

**Dramatic unit growth of NEV batteries**

**Increase in AI-related demand**

**Additional demand arisen from geopolitical changes**

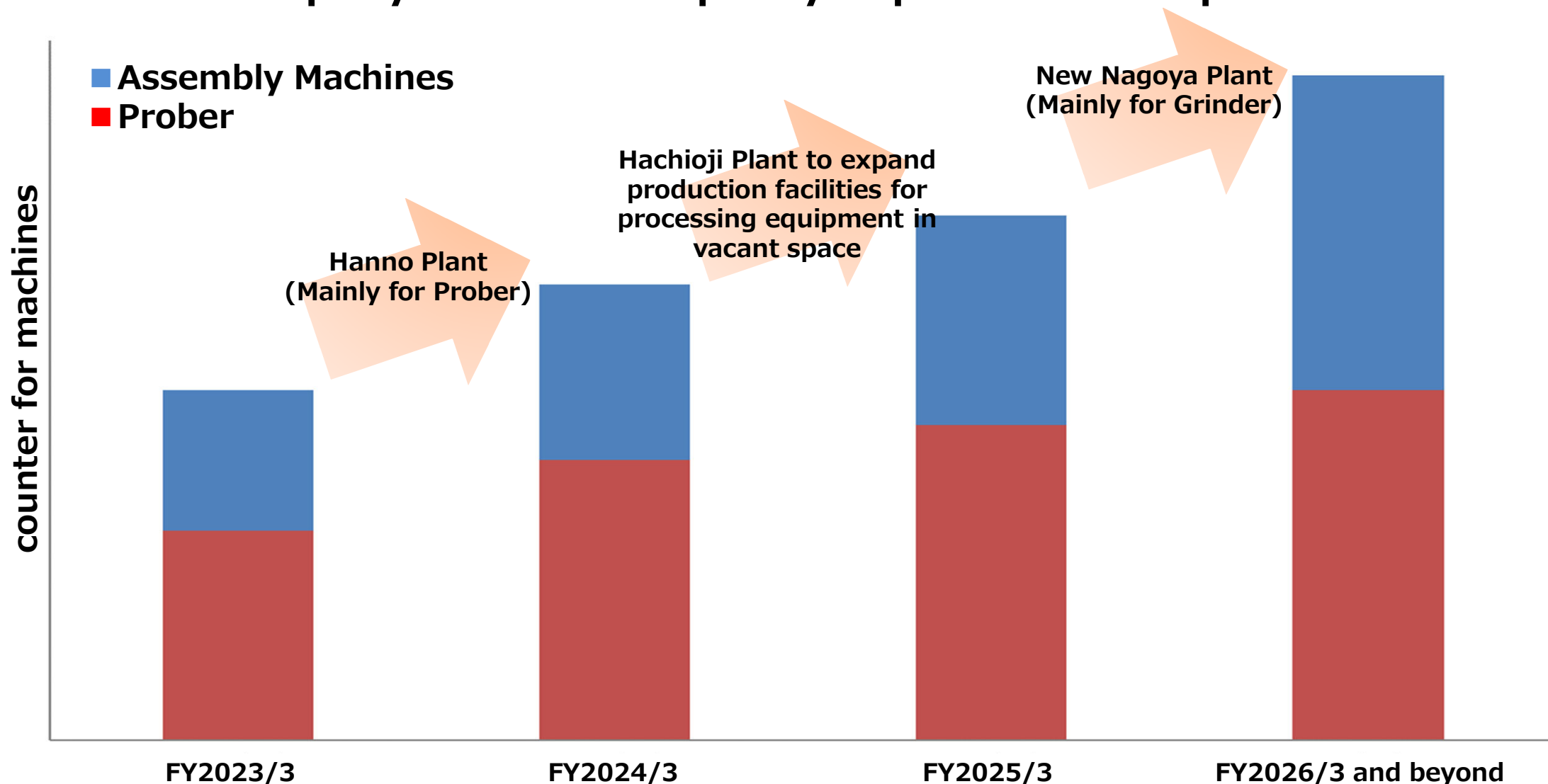
# Future Opportunities



Element	Company's Business Opportunities and Strengths
<b>SiC</b>	<ul style="list-style-type: none"> <li>● Equipment demand is shifting from substrate processing to device processing</li> <li>● High Rigid Grinder(HRG), Edge Grinder</li> <li>● Dicing blades for SiC, Prober</li> </ul>
<b>HBM</b>	<ul style="list-style-type: none"> <li>● High precision wafer testing by Prober with customized chuck for HBM</li> </ul>
<b>AI Logic</b>	<ul style="list-style-type: none"> <li>● High Rigid Grinder(HRG)</li> <li>● Prober High-precision temperature control</li> <li>● Dicer Edge-trimming, and Ablation dicing</li> </ul>
<b>Hybrid Bonding</b>	<ul style="list-style-type: none"> <li>● High Rigid Grinder(HRG), CMP</li> <li>● Enable to provide cleaning function as well as Front-end process</li> </ul>
<b>Demand due to geopolitical changes</b>	<ul style="list-style-type: none"> <li>● Response to China Chiplet Strategy</li> <li>● Wide range of product lineup (wafer fabrication to back-end process)</li> <li>● Global Service and support</li> </ul>
<b>NEV Battery</b>	<ul style="list-style-type: none"> <li>● X-ray CT technology (internal defects, object detection, electrode gap measurement)</li> <li>● Charge / Discharge Testing System</li> </ul>
<b>Synergies from the fusion of SPE and Metrology</b>	<ul style="list-style-type: none"> <li>● SPE "Metrology built-in" model</li> <li>● High-precision non-contact measuring instruments</li> <li>● Sales and service network for semiconductor business</li> </ul>

# Capacity expansion

- An increase in Grinder demand is likely, based on a technology growth in new substrate materials packaging technology; the Company continues capacity expansion to respond





## Agenda

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- ◆ **Q&A**



## Investor Information:



<https://ir.accretech.jp/en/index.html>

## Sustainability Information:



<https://www.accretech.jp/english/sustainability/index.html>

# 補足資料

# Supplementary Data

## Sustainability Report Sep. 25<sup>th</sup> published.



## Integrated Report Oct. 30<sup>th</sup> JP ver. published. Nov. End EN ver. will be publish



Japanese ver

# セグメント別業績推移 Segment Information



(百万円) Million Yen		会計期間 Fiscal Year				四半期 Quarter							
		2020年 3月期 FY2020/3	2021年 3月期 FY2021/3	2022年 3月期 FY2022/3	2023年 3月期 FY2023/3	2023年3月期 FY2023/3				2024年3月期 FY2024/3			
						1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
受注高 Orders	半導体 SPE	57,709	93,181	152,896	99,366	35,918	25,246	20,663	17,537	20,345	21,957		
	計測 Metr.	29,866	23,878	33,159	36,960	10,246	8,788	9,472	8,452	9,225	7,981		
	合計 Total	87,576	117,060	186,056	136,326	46,165	34,034	30,136	25,990	29,571	29,938		
受注残高 Backlog	半導体 SPE	29,182	50,619	102,370	89,371	117,153	108,134	104,714	89,371	90,993	84,710		
	計測 Metr.	7,782	6,301	9,904	12,428	13,367	13,263	14,782	12,428	13,758	13,061		
	合計 Total	36,965	56,920	112,274	101,799	130,520	121,398	119,496	101,799	104,752	97,771		
売上高 Sales	半導体 SPE	56,198	71,745	101,145	112,365	21,135	34,264	24,084	32,880	18,722	28,241		
	計測 Metr.	31,728	25,359	29,556	34,436	6,783	8,892	7,954	10,806	7,895	8,678		
	合計 Total	87,927	97,105	130,702	146,801	27,919	43,156	32,038	43,687	26,618	36,919		
営業利益 OP	半導体 SPE	7,915	13,565	24,698	29,866	5,049	8,874	6,416	9,526	3,208	5,773		
	計測 Metr.	4,366	1,996	3,628	4,628	641	1,120	1,031	1,834	1,042	1,365		
	合計 Total	12,282	15,562	28,327	34,494	5,691	9,994	7,448	11,361	4,250	7,138		
営業利益率 OP Margin	半導体 SPE	14.1%	18.9%	24.4%	26.6%	23.9%	25.9%	26.6%	29.0%	17.1%	20.4%		
	計測 Metr.	13.8%	7.9%	12.3%	13.4%	9.5%	12.6%	13.0%	17.0%	13.2%	15.7%		
	合計 Total	14.0%	16.0%	21.7%	23.5%	20.4%	23.2%	23.2%	26.0%	16.0%	19.3%		

# 損益計算書

# Statements of Income



(百万円) Million Yen	会計期間 Fiscal Year				四半期 Quarter									
	2020年 3月期 FY2020/3	2021年 3月期 FY2021/3	2022年 3月期 FY2022/3	2023年 3月期 FY2023/3	2023年3月期 FY2023/3				2024年3月期 FY2024/3					
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
売上高 Net Sales	87,927	97,105	130,702	146,801	27,919	43,156	32,038	43,687	26,618	36,919				
売上原価 Cost of goods sold	53,452	60,190	77,694	84,967	15,940	25,783	18,220	25,022	15,415	22,387				
売上総利益 Gross Profit on Sales	34,474	36,914	53,008	61,834	11,978	17,372	13,817	18,664	11,203	14,531				
販売費および一般管理費 Selling, general and administrative expenses	22,192	21,351	24,681	27,339	6,287	7,378	6,369	7,303	6,952	7,392				
営業利益 Operating profit	12,282	15,562	28,327	34,494	5,691	9,994	7,448	11,361	4,250	7,318				
営業外収益 Non-operating income	255	540	987	965	824	96	-229	274	563	245				
営業外費用 Non-operating expenses	177	235	153	162	18	25	111	7	103	22				
経常利益 Recurring Profit	12,360	15,867	29,160	35,297	6,496	10,065	7,107	11,628	4,710	7,361				
特別利益 Extraordinary gains	57	1,354	390	103	5	58	12	25	26	-				
特別損失 Extraordinary losses	1,712	1,074	34	2,099	-	-	1,751	347	-	14				
税引前利益 Profit before income taxes and minority interests	10,705	16,147	29,516	33,301	6,502	10,124	5,368	11,306	4,736	7,347				
法人税等合計 Total Income tax and others	3,598	3,978	8,132	9,607	1,660	3,019	2,011	2,916	1,456	1,998				
親会社株主に帰属する当期純利益 Net Profit attributable to Owners of the Parent	7,156	12,175	21,326	23,630	4,812	7,096	3,338	8,383	3,245	5,302				
1株当たり当期純利益(円) Net Profit per Share (Yen)	171.89	293.83	522.52	581.33	118.38	174.47	82.05	206.60	80.63	131.49				
潜在株式調整後 1株当たり当期純利益(円) Net Profit per Share (diluted) (Yen)	170.72	291.43	517.51	575.62	-	-	-	-	-	-				

# 貸借対照表 Balance Sheet



(百万円) (Million Yen)		2021年3月期 FY2021/3	2022年3月期 FY2022/3	2023年3月期 FY2023/3	2024年3月期(2Q末) FY2024/3 (2Q)
流動資産 Current Assets	現金及び預金 Cash and cash equivalents	43,657	49,033	40,080	28,154
	売上債権※1 Accounts Receivable※1	30,946	38,367	43,403	40,442
	在庫 Inventories	32,886	40,325	53,482	63,029
	その他 Others	4,025	6,103	7,005	3,943
	合計 Total	111,516	133,829	143,972	135,570
固定資産合計 Total Fixed Assets		50,039	56,457	65,060	69,954
総資産 Total Assets		161,556	190,287	209,032	205,524
流動負債 Current Liabilities	買入債務※2 Accounts Payable※2	23,062	29,876	22,359	18,867
	その他 Others	16,233	25,765	28,588	24,968
	合計 Total	39,296	55,641	50,947	43,836
固定負債合計 Total long-term liabilities		5,482	3,564	12,057	11,155
負債合計 Total Liabilities		44,778	59,206	63,004	54,991
純資産合計 Total Net Assets		116,777	131,081	146,028	150,533
負債・純資産合計 Total Liabilities and Net Assets		161,556	190,287	209,032	205,524
有利子負債合計 Total interest-bearing debt		7,581	5,497	14,191	12,140
自己資本比率 Equity Ratio(%)		71.4%	68.1%	69.0%	72.3%
自己資本利益率 ROE(%)		10.9%	17.4%	17.3%	-

※1: 電子記録債権、契約資産を含む

Incl. Electronically recorded monetary claims

※2: 電子記録債務を含む

Incl. Electronically recorded obligations-operating

# 各種費用, キャッシュフロー Expenses and Cash Flows



(百万円) (Million Yen)	2021年3月期 FY2021/3	2022年3月期 FY2022/3	2023年3月期 FY2023/3	2024年3月期(2Q) FY2024/3(2Q)
試験研究費 R&D expenses	7,193	8,146	8,542	4,554
設備投資 Capex	5,950	9,793	9,725	6,764
減価償却費 (のれん除く) Depreciation (excl. Amortization)	3,516	3,551	3,832	2,100

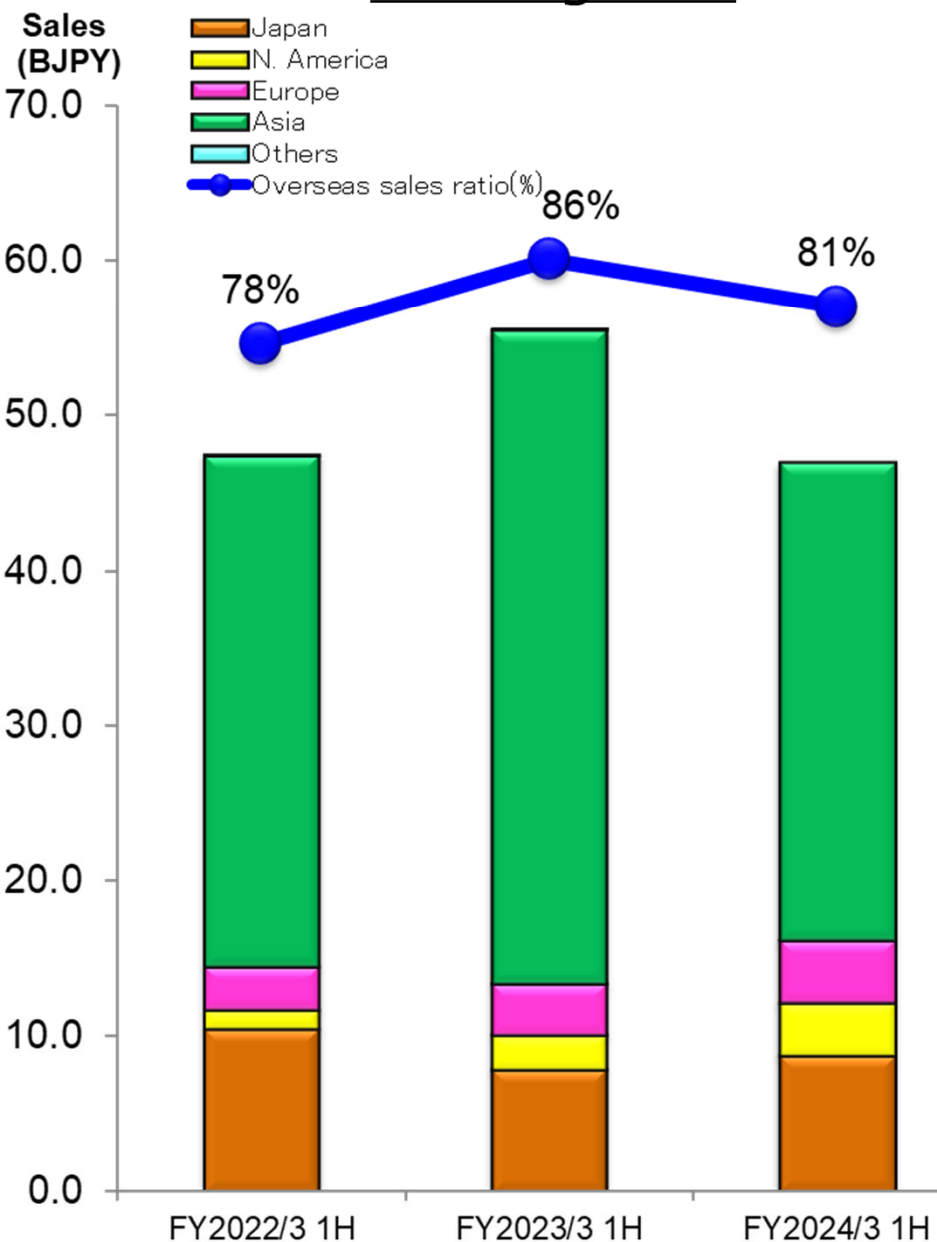
(百万円) (Million Yen)	2021年3月期 FY2021/3	2022年3月期 FY2022/3	2023年3月期 FY2023/3	2024年3月期(2Q) FY2024/3(2Q)
営業活動によるキャッシュフロー Cash flows from operating activities	22,062	23,837	1,000	1,832
投資活動によるキャッシュフロー Cash flows from investing activities	-5,191	-8,990	-8,421	-6,498
フリーキャッシュフロー Free cash flows	16,871	14,846	-7,421	-4,665
財務活動によるキャッシュフロー Cash flows from financing activities	-8,282	-10,346	-2,174	-7,821
現金及び現金同等物に係る換算差額等 Adjustments	429	882	625	559
現金及び現金同等物の期末残高 Cash and cash equivalents at the end of year	43,624	49,006	40,036	28,108



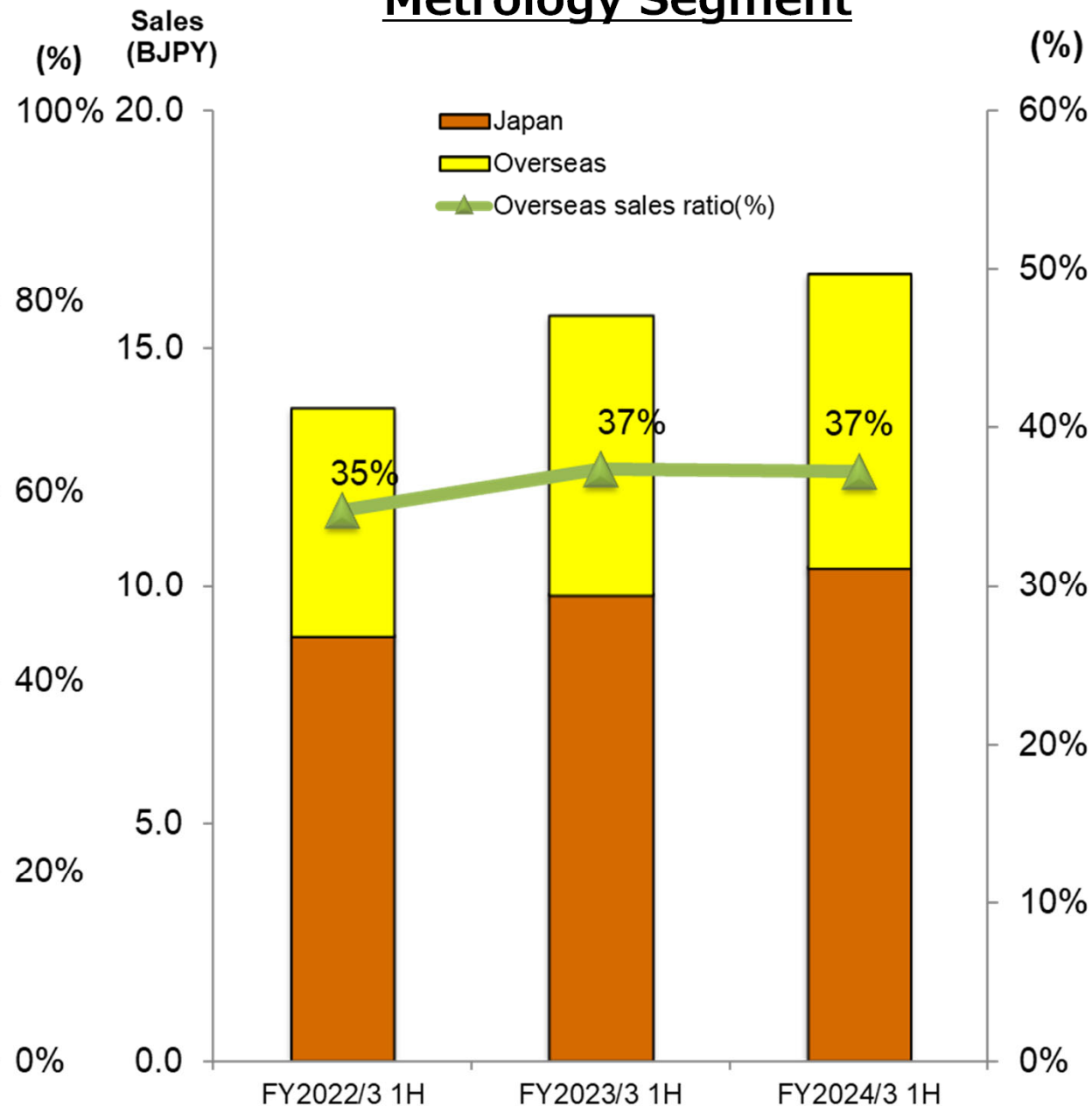
# Sales per Region



## SPE Segment



## Metrology Segment

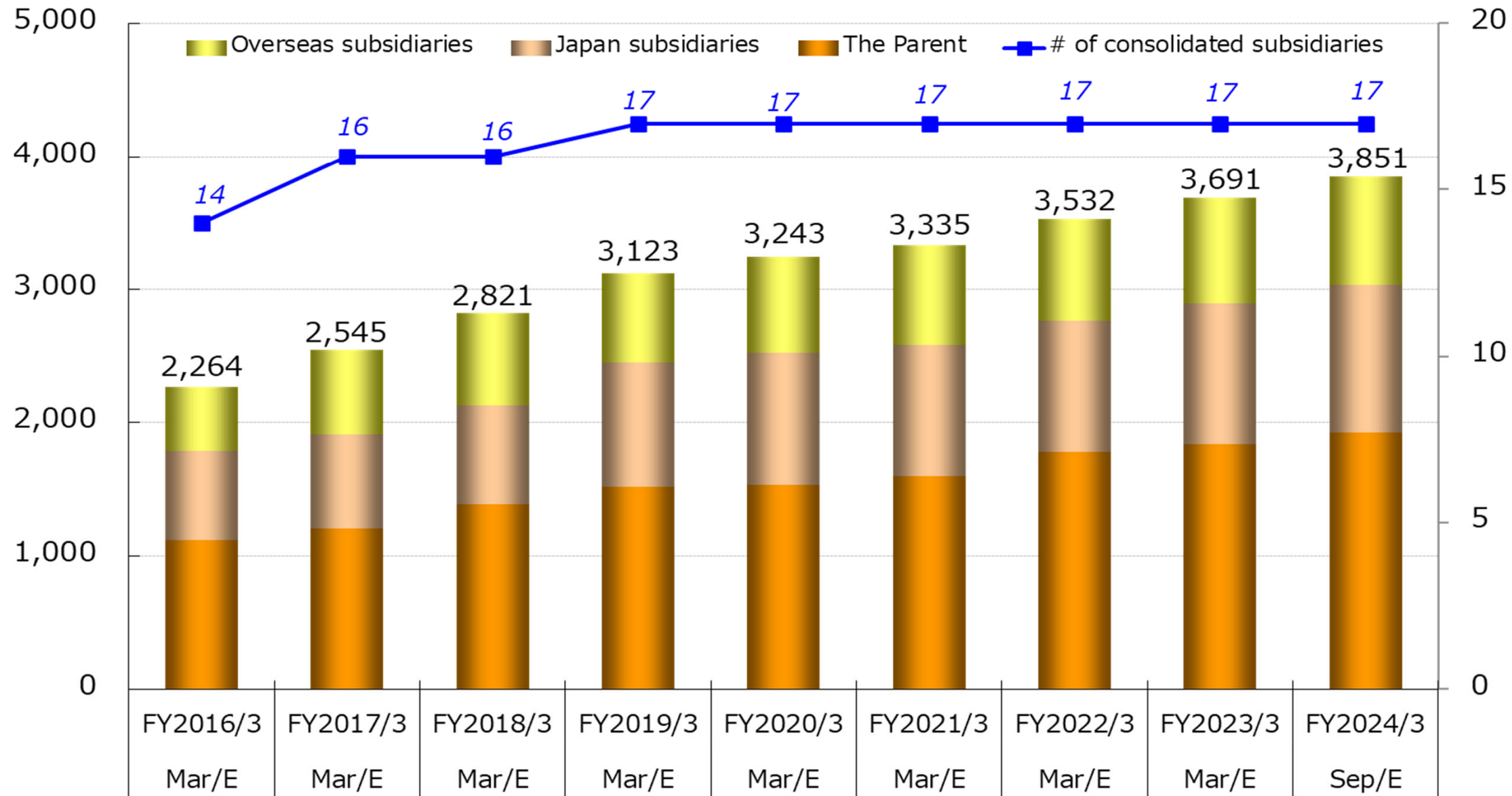


# Number of employees



Number of Employees (person)

# of Consolidated Subsidiaries



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