

Consolidated Financial Statements for the 12-month period ended March 31st, 2023 (FY2023/3), Japan GAAP

May 12th, 2023

Company Name



Tokyo Seimitsu Co., Ltd.

Stock Listing: Tokyo

ACCRETECH

Code number: 7729

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Date of Shareholders Meeting (planned): June 26th, 2023

Dividend Payment Date (planned): June 27th, 2023

Date of Annual Financial Statement Filing (planned): June 27th, 2023

Supplementary Document for Financial Results: Yes

Holding of Financial Results Meeting: Yes (for Security Analysts, Investors)

(Millions of yen, rounded down)

1. Consolidated Results for Period of FY2023/3 (April 1st – March 31st, 2023)

(1) Consolidated sales and earnings

(Percentage figures represent changes from the previous year)

	Net Sales (Millions of Yen)		Operating Profit (Millions of Yen)		Recurring Profit (Millions of Yen)		Net Profit Attributable to Owners of the Parent (Millions of Yen)	
FY2023/3	146,801	12.3%	34,494	21.8%	35,297	21.0%	23,630	10.8%
FY2022/3	130,702	34.6%	28,327	82.0%	29,160	83.6%	21,326	75.2%

Note: Comprehensive Income in FY2023/3 24,745 million yen (10.4%), in FY2022/3 22,411 million yen (72.1%)

	Earnings per Share (Yen)	Earnings per Share (diluted) (Yen)	Return on Equity	Recurring Profit on Total Assets	Operating Profit Ratio
FY2023/3	581.33	575.62	17.3%	17.7%	23.5%
FY2022/3	522.52	517.51	17.4%	16.6%	21.7%

Note: Equity in earnings of affiliated companies in FY2022/3: - million yen, in FY2021/3: - million yen

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio	Net Assets per Share (yen)
FY2023/3	209,032	146,028	69.0%	3,573.81
FY2022/3	190,287	131,081	68.1%	3,187.39

Note: Equity in FY2023/3 144,288 million yen, FY2022/3: 129,556 million yen

(3) Consolidated Statements of Cash Flows

	Cash flows from operating activities (Millions of Yen)	Cash flows from investing activities: (Millions of Yen)	Cash flows from financing activities: (Millions of Yen)	Cash and cash equivalents at end of Fiscal Year (Millions of Yen)
FY2023/3	1,000	- 8,421	- 2,174	40,036
FY2022/3	23,837	- 8,990	- 10,346	49,006

2. Dividends

	Dividend per share					Total Dividend (for Year)	Dividend Pay Out Ratio (consolidated)	Dividend on Net Assets (consolidated)
	Q1 End	Q2 End	Q3 End	Q4 End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2022/3	-	84.00	-	101.00	185.00	7,516	35.4	6.2
FY2023/3	-	109.00	-	126.00	235.00	9,521	40.3	7.0
FY2024/3 (Projected)	-	85.00	-	85.00	170.00		40.2	

3. Forecast for FY2024/3 (April 1st, 2023 - March 31st, 2024)

(% figures represent changes from the previous year)

	Net Sales (Millions of Yen)		Operating Profit (Millions of Yen)		Recurring Profit (Millions of Yen)		Net Profit attributable to Owners of the Parent (Millions of Yen)		Net Profit per Share (yen)
Interim	61,000	-14.2%	11,000	-29.9%	11,000	-33.6%	8,000	-32.8%	198.90
Full Year	129,000	-12.1%	24,000	-30.4%	24,000	-32.0%	17,000	-28.1%	422.82

*** Notes**

(1) Significant changes in subsidiaries during the term under review (ones that changes scope of consolidation): No

(2) Changes in accounting principles, estimates and restatements

- 1) Changes due to revision of accounting standards, etc.: Yes
- 2) Changes other than 1): Yes
- 3) Changes in accounting estimates: No
- 4) Restatement: No

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury stock):	FY2023/3	41,903,281 shares	FY2022/3	41,869,581 shares
2) Number of treasury stock at the end of period:	FY2023/3	1,529,552 shares	FY2022/3	1,222,956 shares
3) Average Number of shares outstanding during the period:	FY2023/3	40,649,475 shares	FY2022/3	40,814,290 shares

Reference: Summary of Parent Company's results

Parent Company's Results for the Period of FY2023/3 (April 1st, 2022 - March 31st, 2023)

(1) Parent's Company's sales and earnings (percentage figures represent changes from previous year)

	Net Sales (Millions of Yen)		Operating Profit (Millions of Yen)		Recurring Profit (Millions of Yen)		Net Profit (Millions of Yen)	
FY2023/3	122,274	13.4%	26,395	27.9%	32,408	8.7%	22,835	-5.2%
FY2022/3	107,841	38.6%	20,636	92.5%	29,804	140.5%	24,086	169.9%

	Earnings per Share (Yen)	Net Profit per Share (diluted) (Yen)
FY2023/3	561.77	556.25
FY2022/3	590.15	584.48

(2) Parent's Company's financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)	Net Assets per Share (yen)
FY2023/3	175,187	119,462	67.6%	2,932.37
FY2022/3	157,146	106,258	67.0%	2,590.81

Notes : Equity in FY2023/3:118,930 million yen, in FY2022/3:105,307 million yen

*** This consolidated financial statements report is not subject to audit procedures.**

*** Cautionary Statements with respect to Forward-looking Statements**

All forecasts and other forward-looking statements in this document are based on information currently available to the Company and assumptions that the Company considers reasonable. Various uncertainties could cause actual results to significantly differ from these forecasts. Please refer to supplementary statement.

*** Cautionary Statements with respect to the translation of the document**

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1. Overview of Business Performance and Financial Position

(1) Overview of Business Performance

[Overall]

During the Fiscal year ending March 2023 (FY2023/3), the global economy continued to face an uncertain outlook as rising prices for resources, energy, and primary commodities triggered by the situation in Ukraine and supply chain disruptions caused by the COVID-19 infection led to inflation. A series of monetary tightening measures were implemented worldwide to curb inflation, which in turn led to sharp exchange rate fluctuations.

Under these circumstances, in the Semiconductor Production Equipment (SPE) segment, capital investment in the consumer electronics product field slowed down markedly in the latter half of the fiscal year due to decreased demand and increased product inventories, while demand for power semiconductors remained strong against the backdrop of efforts to shift to EVs and go carbon neutral. Business condition remained favorable in the Metrology Equipment segment, although business sentiment was mixed depending on the industry sector, the general recovery trend in domestic demand for manufacturing-related products continued. In terms of production, while the impact of part procurement difficulties remained to some degree, the Company's high-level utilization and shipments were achieved through manufacturing slot adjustments and other measures.

Finally, despite a decrease in Orders, the Company's consolidated financial results for FY2023/3 showed an increase in both Sales and profits for the third consecutive year, mainly due to growth in the SPE segment. Consolidated Orders were ¥136,326 million (down 26.7% YoY) Sales were ¥146,801 million yen (up 12.3% YoY), Operating profit was ¥34,494 million (up 21.8% YoY), Recurring profit was ¥35,297 million (up 21.0% YoY), and Net Profit Attributable to Owners of the Parent was ¥23,630 million (up 10.8% YoY).

As a result, both Sales and profits reached their respective historical peaks.

[Performance by Business Segments]

A. Semiconductor Production Equipment (SPE) segment

In the SPE segment, demand for equipment for memory devices, display driver ICs, and electronic components slowed down in the latter half of FY2023/3 due to a decline in demand for consumer electronics products such as smartphones, PCs, and TVs, consequently, Orders decreased YoY. However, the demand for equipment for power semiconductors such as SiC and increased wafer production remained relatively firm.

Sales and Operating profit reached their previous peaks because of the steady sales of equipment for logic devices for 5G, servers, and automotive applications, for which orders accumulated throughout the period.

Both Testing equipment and Assembly equipment for China were firm, while Testing equipment for Taiwan and Japan remained steady, as did Assembly equipment for Japan, and SEA. Under these circumstances, the Company continued to develop products that met customer needs and expanded its production capacity and increased its procurement channels.

As a result, Orders for SPE segment in the same period was ¥99,366 million (down 35.0% YoY), Sales was ¥112,365 million (up 11.1% YoY), and Operating profit ¥29,866 million (up 20.9% YoY).

B. Metrology Equipment segment

In the Metrology segment, the manufacturing industry in Japan generally saw a trend toward the resumption of equipment replacement that had been held back, and demand continued its gradual recovery.

In the automotive industry, the recovery of capital investment was relatively modest owing to ongoing production constraints caused by the global shortage of semiconductors. However, the Company captured the demand for machinery applications, such as semiconductor manufacturing equipment, which it focused on as a new field, as well as demand in the medical, robotics, and other fields. Consequently, both Orders and Sales in this segment reached their previous peaks.

Under these circumstances, the Company developed new products to capture new demand, such as 3D coordinate measuring machines for measuring aircraft parts and charge-discharge testing systems for batteries in EVs. In addition, the Company worked to provide solutions to meet the general needs of automation in manufacturing and develop markets in non-automotive fields.

As a result, Orders for our Metrology Equipment segment in the same period was ¥36,960 million (up 11.5% YoY), Sales was ¥34,436 million (up 16.5% YoY) and Operating Profit was ¥4,628 million (up 27.6% YoY).

(2) Analysis of Financial Position

Total Assets as of March 31st, 2023 amounted to ¥209,032 million, an increase of ¥18,745 million from the end of FY2022/3. The major factors behind this change include increases in Inventories including finished goods, Raw materials and supplies and Work in progress of ¥13,157 million; in accounts receivable such as Notes and accounts, and Electronically recorded monetary claims of ¥5,036 million; in Construction in progress of ¥3,973 million; and decrease in Cash and cash equivalents of ¥8,952 million.

Total Liabilities increased by ¥3,798 million to ¥63,004 million. This was mainly due to an increase in Long-term debt of ¥8,000 million and decrease in accounts payable such as Notes and accounts payable and electronically recorded obligations-operating at ¥7,516 million.

Net Assets increased by ¥14,946 million and totaled ¥146,028 million; the Equity Ratio reached 69.0%.

(3) Analysis of Cash flows

Cash and cash equivalents as of March 31st, 2023 amounted to ¥40,036 million, decrease of ¥8,970 million from the end of FY2022/3. The status of cash flows and the factors behind them are as follows:

The net cash provided by operating activities was ¥1,000 million, mainly from Net profit before income taxes and minority interests of ¥33,301 million; an increase in Inventories of ¥12,894 million; decrease in trade notes and accounts payable of ¥8,033 million; Payment of income taxes of ¥7,640 million; an increase in Notes and accounts receivable of ¥4,387 million; and Depreciation of ¥3,832 million.

The net cash used in investing activities was ¥8,421 million, primarily because of Payment for purchase of tangible fixed assets of ¥8,054 million.

The net cash used in financing activities was ¥2,174 million. The major element of this was Proceeds from loans payable of ¥10,000 million, and Payment of dividends of ¥8,540 million.

Trends in financial indices are shown below.

	FY2021/3	FY2022/3	FY2023/3
Equity ratio (%)	71.4	68.1	69.0
Equity ratio, based on market value (%)	130.1	106.9	102.1
Interest-bearing debt/cash flow ratio	0.3	0.2	14.2
Interest coverage ratio (times)	335.0	666.1	230.5

Equity ratio: Equity/total assets

Equity ratio based on market value: Total market value of equity/total assets

Interest-bearing debt/cash flow ratio: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/interest payments

Notes:

1. All indices are calculated on consolidated financial statements.
2. The total market value of equity is calculated by multiplying market price at the end of FY by the number of shares outstanding at the end of FY.
3. "Operating cash flows" refers to cash flows from operating activities as shown in the consolidated cash flow statements.
4. Interest-bearing debts refer to all debts in the Consolidated Balance Sheet on which we pay interest. "Interest payments" denotes interest payments as reflected in the consolidated cash flow statements.

(4) Forecasts for Next Fiscal Year

[Overall and Business Segment-based Forecasts]

In FY2024/3 (ending March 2024), the second year of the three-year mid-term business plan that will end in March 2025 (FY2025/3), the economy is expected to return to its pre-pandemic COVID-19 state. However, the outlook remains uncertain because of rapid inflation, rising interest rates as a measure to curb inflation, and exchange rate fluctuations. In addition, countries are expected to continue tightening their export restrictions on SPEs. In addition, in the Metrology segment's industry, there are concerns that an uncertain economic macro environment may affect the demand for the entire manufacturing industry.

Based on the above, the Company intends to expand its production capacity by linking accumulated order backlogs to shipments and Sales, promoting R&D in response to new technological innovations, and bringing its *Hanno Plant* (*Hanno City, Saitama Prefecture*) into operation as planned.

The consolidated business forecast for the next fiscal year ending March 31st, 2024 (FY2024/3) is as follows:

	Interim	Full Year
Sales	¥61,000 million (down 14.2% YoY)	¥129,000 million (down 12.1% YoY)
SPE	¥44,000 million (down 22.8% YoY)	¥94,000 million (down 16.3% YoY)
Metrology	¥17,000 million (up 8.4% YoY)	¥35,000 million (up 1.6% YoY)
Operating Profit	¥11,000 million (down 29.9% YoY)	¥24,000 million (down 30.4% YoY)
Recurring Profit	¥11,000 million (down 33.6% YoY)	¥24,000 million (down 32.0% YoY)
Net Profit attributable to owners of the parent	¥8,000 million (down 32.8% YoY)	¥17,000 million (down 28.1% YoY)

The followings are overall and business segment-based forecasts.

A. Semiconductor Production Equipment (SPE) segment

As for the SPE segment's performance in FY2024/3, even though recovery in demand for consumer electronics products or the completion of inventory adjustments such as memory devices and electronics is a MUST - the Company expects Orders to bottom out in the middle of the year, with full recovery expected in the latter half of the fiscal year. In this context, we expect the demand for power semiconductors, SiC and other substrates, and automotive semiconductors to remain at a certain level given the global trend to achieve carbon neutral. In terms of Sales, the Company expects to continue to respond to customer requests by adjusting delivery dates and production slots accordingly. With the *Hanno Plant* coming on stream and expanding production capacity, the Company will focus on shipping and selling accumulated orders. Notably, the Company expects that procuring some, but not all, parts and materials will ease in difficulty.

In addition, the Company anticipates that investments in technological innovation related to advanced packaging and 3D stacking (which are associated with the limits of semiconductor design-node shrinkage) and investments associated with subsidy policies in various countries will be in full swing toward FY2025/3. The Company aims to develop products and options to meet the demand for customization in these areas.

B. Metrology Equipment segment

In FY2024/3, capital investment in the domestic manufacturing industry is expected to remain strong. In the automotive industry, demand for the measurement of components and battery measurement is expected to increase because of the recovery in the production of ICEs and the shift to EVs. Hence, the Company expects a moderate increase in its business performance in the Metrology segment.

Automation is progressing not only in the automotive industry, which is a major product user, but also in the manufacturing industry. In addition to automation-related demands, the Company aims to expand its business in non-automotive fields, such as medical components and aircraft.

(5) Policy for Profit Distribution and Dividends for Fiscal Year 2023/3 and 2024/3

Tokyo Seimitsu's management is committed to enhancing its corporate value and constantly distributing profits to shareholders through a business model that provides World's No. 1 products based on state-of-the-art technologies in the SPE market and Metrology Equipment market. The Company determines the distribution of its profits in line with its policy of profit distribution to shareholders, as outlined below.

For FY2023/3, the Company plans to issue an additional ¥17 per share on top of the forecasted ¥109 (total ¥126) per share year-end dividend previously announced on February 6th, 2023, in line with the policy relating to dividend payment, targeting a consolidated dividend payout ratio of 40%.

Consequently, including the interim dividend (¥109 per share) already paid on December 12th, 2022, dividend payments in FY2023/3 will be increased by ¥50 per share YoY and will total to ¥235 per share.

Looking ahead to FY2024/3, the Company anticipates paying ¥85 per share interim dividend and ¥85 per share year-end dividend, totaling ¥170 per share of annual dividends.

< Policy for Profit Distribution to the Shareholders >

The Company considers an important management issue to be to increase corporate value by providing the world's No. 1 products that make full use of state-of-the-art technology and to continuously return profits to our shareholders.

The Company considers maintaining a core policy regarding the distribution of profits linked to the business performance of the Company and aims to pay stable dividends targeting a consolidated dividend payout ratio of 40%. Also, considering the aim to provide stable and continuous dividend payments, the Company deems to maintain an annual dividend of ¥20 per share regardless of consolidated profits of the Company. However, it is at the discretion of the Board to review this policy if the Company experiences losses in two consecutive years.

The Company's normal operating procedure is to pay a dividend twice a year.

Retained earnings will be effectively used for research and development of advanced technologies, capital investment, overseas expansion, upgrading of information systems, development of new business fields, M&A investment, etc., while giving due consideration to maintaining and strengthening the soundness of our financial position.

The Company regards repurchase of own shares as a flexible profit return policy that complements the payment of dividends from retained earnings, while comprehensively taking into cash flow, retained earnings, and other factors.

2. Selection of Accounting Standards

Considering the ease of comparing business results over several periods and/or against other enterprises, Tokyo Seimitsu plans to continue adopting Japan GAAP to present its Consolidated Financial Statements.

The Company will actively review the adoption of International Financial Reporting Standards (IFRS) in light of the changes that may emerge from convergence with Japan GAAP, and ongoing revisions to the IFRS.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of Yen)

	FY2022/3 (March 31 st , 2022)	FY2023/3 (March 31 st , 2023)
ASSETS		
Current Assets		
Cash and cash equivalents	49,033	40,080
Notes, accounts receivable and contract assets	32,204	36,401
Electronically recorded monetary claims	6,162	7,002
Merchandise and finished goods	2,852	2,462
Work in progress	26,222	32,862
Raw materials and supplies	11,251	18,156
Others	6,143	7,063
Allowance for doubtful accounts	- 40	- 57
Total current assets	133,829	143,972
Fixed Assets		
Tangible fixed assets		
Building and structures	33,038	34,188
Accumulated depreciation	- 16,424	- 17,563
Building and structures(net)	16,614	16,624
Machinery, equipment and vehicles	10,352	10,655
Accumulated depreciation	- 8,373	- 8,759
Machinery, equipment and vehicles (net)	1,979	1,896
Equipment	9,943	10,982
Accumulated depreciation	- 6,835	- 7,632
Equipment(net)	3,107	3,350
Land	16,337	17,030
Lease assets	488	1,237
Accumulated depreciation	- 295	- 407
Lease assets (net)	192	830
Construction in process account	5,247	9,221
Total Tangible Fixed Assets	43,479	48,954
Intangible Fixed Assets		
Goodwill	210	279
Lease assets	7	-
Others	3,452	3,672
Total Intangible Fixed Assets	3,670	3,951
Investments and other assets		
Investment securities	2,947	2,914
Long-term loans receivable	142	142
Net defined benefit assets	2,145	2,396
Differed tax assets	3,652	4,073
Others	531	2,740
Allowance for doubtful accounts	- 112	- 112
Total Investments and other assets	9,307	12,154
Total Fixed Assets	56,457	65,060
Total Assets	190,287	209,032

(Millions of Yen)

	FY2022/3 (March 31 st , 2022)	FY2023/3 (March 31 st , 2023)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	11,213	10,164
Electronically recorded obligations-operating	18,662	12,194
Short-term debt	1,300	1,300
Current portion of long-term debt	2,000	4,000
Lease liabilities	114	278
Income taxes payable	4,454	6,324
Contract liabilities	10,308	8,703
Reserves for bonus	1,704	2,636
Reserves for director's bonuses	14	9
Others	5,869	5,336
Total current liabilities	55,641	50,947
Fixed Liabilities		
Long-term debt	2,000	8,000
Lease liabilities	82	612
Deferred tax liabilities	6	6
Allowance for director retirement benefits	45	57
Net defined benefit liabilities	1,128	1,248
Provision for loss on litigation	-	1,914
Asset retirement obligations	64	65
Others	236	152
Total fixed liabilities	3,564	12,057
Total Liabilities	59,206	63,004
NET ASSETS		
Shareholder's Equity		
Common stock	11,000	11,064
Capital surplus	22,115	22,179
Retained earnings	98,914	114,005
Treasury stock	- 5,590	- 7,098
Total Shareholder's Equity	126,439	140,150
Accumulated other comprehensive income		
Holding gain or loss in investment	342	510
Foreign currency translation adjustment	1,789	2,619
Remeasurements of defined benefit plans	984	1,007
Total accumulated other comprehensive income	3,116	4,137
Share subscription rights	950	1,072
Non-controlling interests	574	668
Total Net Assets	131,081	146,028
Total Liabilities and Net Assets	190,287	209,032

(2) Consolidated Statements of Income, and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	FY2022/3 (April 1 st , 2021- March 31 st , 2022)	FY2023/3 (April 1 st , 2022- March 31 st , 2023)
Net Sales	130,702	146,801
Cost of goods sold	77,694	84,967
Gross Profit on Sales	53,008	61,834
Selling, general and administrative expenses	24,681	27,339
Operating Profit	28,327	34,494
Non-operating income		
Interest income	42	36
Dividend income	344	271
Gain on investments in investment partnerships	0	189
Foreign exchange gains	262	10
Compensation income	-	188
Subsidy income	65	-
Reversal of costs to demolish existing buildings	44	-
Others	227	269
Total Non-operating income	987	965
Non-operating expenses		
Interest expenses	50	40
Loss on transportation accident	71	25
Nonrecoverable consumption tax	-	41
Others	31	55
Total Non-operating expenses	153	162
Recurring Profit	29,160	35,297
Extraordinary gains		
Gain on sales of investment securities	25	25
Gain on reversal of subscription rights to shares	3	5
Gain on liquidation of subsidiaries	361	71
Total Extraordinary gains	390	103
Extraordinary losses		
Impairment loss for fixed assets	31	184
Provision for loss on litigation	-	1,914
Loss on liquidation of subsidiaries	3	-
Total Extraordinary losses	34	2,099
Profit before income taxes and minority interests	29,516	33,301
Income tax and other taxes	8,174	10,046
Adjustment on income tax	- 42	- 438
Total Income tax and others	8,132	9,607
Net Profit before minority interests	21,384	23,693
Net Profit attributable to minority interests	57	62
Net Profit attributable to Owners of the Parent	21,326	23,630

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2022/3 (April 1 st , 2021- March 31 st , 2022)	FY2023/3 (April 1 st , 2022- March 31 st , 2023)
Net Profit before minority interests	21,384	23,693
Accumulated other comprehensive income		
Holding gain or loss in investment	- 133	167
Foreign currency translation adjustment	1,360	861
Remeasurements of defined benefit plans	- 200	23
Total accumulated other comprehensive income	1,026	1,051
Comprehensive Income	22,411	24,745
(breakdown)		
Comprehensive income attributable to owners of the parent	22,354	24,651
Comprehensive income attributable to non-controlling interests	57	93

(3) Consolidated Statements of Changes in Net Assets

FY 2022/3 (April 1st, 2021 – March 31st, 2022)

(Millions of Yen)

	Shareholder's equity				Total Shareholder's equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance as of beginning of the fiscal year	10,818	21,918	83,874	- 3,124	113,487
Cumulative impact of changes in accounting policies			- 330		- 330
Restated balance	10,818	21,918	83,544	- 3,124	113,157
Changes during the fiscal year					
Issue of new shares	182	182			364
Cash dividends paid			- 5,956		- 5,956
Net Profit attributable to Owners of the Parent			21,326		21,326
Purchases of treasury stock				- 2,501	- 2,501
Disposal of treasury stock		4		36	40
Others		10			10
Changes of items other than Shareholders equity (net)					-
Total changes during the fiscal year	182	196	15,370	- 2,465	13,282
Balance as of end of the fiscal year	11,000	22,115	98,914	- 5,590	126,439

	Accumulated other comprehensive income				Share Subscription Rights	Minitory Interests	Total Net Assets
	Holding gain or loss in investment	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of beginning of the fiscal year	476	220	1,184	1,881	892	516	116,777
Cumulative impact of changes in accounting policies		207		207			- 122
Restated balance	476	428	1,184	2,089	892	516	116,655
Changes during the fiscal year							
Issue of new shares							364
Cash dividends paid							- 5,956
Net Profit attributable to Owners of the Parent							21,326
Purchases of treasury stock							- 2,501
Disposal of treasury stock							40
Others							10
Changes of items other than Shareholders equity (net)	- 133	1,361	- 200	1,027	58	57	1,143
Total changes during the fiscal year	- 133	1,361	- 200	1,027	58	57	14,425
Balance as of end of the fiscal year	342	1,789	984	3,116	950	574	131,081

FY 2023/3 (April 1st, 2022 – March 31st, 2023)

(Millions of Yen)

	Shareholder's equity				Total Shareholder's equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance as of beginning of the fiscal year	11,000	22,115	98,914	- 5,590	126,439
Cumulative impact of changes in accounting policies					—
Restated balance	11,000	22,115	98,914	- 5,590	126,439
Changes during the fiscal year					
Issue of new shares	63	63			126
Cash dividends paid			- 8,540		- 8,540
Net Profit attributable to Owners of the Parent			23,630		23,630
Purchases of treasury stock				- 1,583	- 1,583
Disposal of treasury stock		1		75	76
Others					-
Changes of items other than Shareholders equity (net)					-
Total changes during the fiscal year	63	64	15,090	- 1,508	13,710
Balance as of end of the fiscal year	11,064	22,179	114,005	- 7,098	140,150

	Accumulated other comprehensive income				Share Subscription Rights	Minority Interests	Total Net Assets
	Holding gain or loss in investment	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of beginning of the fiscal year	342	1,789	984	3,116	950	574	131,081
Cumulative impact of changes in accounting policies							—
Restated balance	342	1,789	984	3,116	950	574	131,081
Changes during the fiscal year							
Issue of new shares							126
Cash dividends paid							- 8,540
Net Profit attributable to Owners of the Parent							23,630
Purchases of treasury stock							- 1,583
Disposal of treasury stock							76
Others							-
Changes of items other than Shareholders equity (net)	167	830	23	1,020	121	93	1,236
Total changes during the fiscal year	167	830	23	1,020	121	93	14,946
Balance as of end of the fiscal year	510	2,619	1,007	4,137	1,072	668	146,028

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2022/3 (April 1 st , 2021- March 31 st , 2022)	FY2023/3 (April 1 st , 2022- March 31 st , 2023)
Cash flows from operating activities:		
Profit before income taxes and minority interests	29,516	33,301
Depreciation	3,551	3,832
Amortization of goodwill	29	42
Stock related expense	185	148
Change in Net defined benefit asset (-: increase)	22	86
Change in allowance for director retirement benefits (-:decrease)	- 2	11
Change in allowance for doubtful accounts (-:decrease)	- 14	16
Interest and dividend income	- 387	- 307
Interest expense	50	40
Subsidy Income	- 65	-
Compensation income	-	- 188
Gain(loss) on sales of investment securities (-: gain)	- 25	- 25
Gain on investments in investment partnerships (-: gain)	- 0	- 189
Gain on liquidation of subsidiaries	- 361	- 71
Loss on liquidation of subsidiaries	3	-
Impairment loss for fixed assets	31	184
Change in provision for loss on litigation	-	1,914
Change in trade notes and accounts receivable (-: increase)	- 6,407	- 4,387
Change in inventories (-: increase)	- 7,156	- 12,894
Change in trade notes and accounts payable(-:decrease)	5,964	- 8,033
Change in contract liabilities (-:decrease)	6,078	- 1,805
Others	14	- 3,493
Subtotal	31,028	8,181
Proceeds from interest and dividend income	387	308
Payment of interest	- 47	- 37
Proceeds from Subsidy Income	65	-
Proceeds from Compensation Income	-	188
Payment/Refund of income taxes (-: payment)	- 7,597	- 7,640
Net cash provided by (used in) operating activities	23,837	1,000
Cash flows from investing activities:		
Payment for time deposits	- 35	- 91
Proceeds from time deposits	41	74
Payment for purchase of tangible fixed assets	- 9,346	- 8,054
Proceeds from sales of tangible fixed assets	9	161
Payment for purchase of intangible fixed assets	- 359	- 932
Acquisition of goodwill	-	- 78
Payment for purchase of investment securities	- 2	- 3
Proceeds from sales of investment securities	119	128
Payment for investments in investment partnerships	- 126	- 14
Proceeds from distributions from investment partnerships	104	404
Proceeds from liquidation of subsidiaries	380	91
Payment for loans receivable	- 0	- 1
Proceeds from collection of loans receivable	97	0
Payments for lease deposits and guarantee deposits	- 6	- 114
Proceed from collection of lease deposits and guarantee deposits	57	8
Others	74	- 1
Net cash provided by (used in) investing activities	- 8,990	- 8,421
Cash flows from financing activities:		
Proceeds from long-term debt	-	10,000
Repayment of long-term debt	- 2,000	- 2,000
Repayment of lease liability	- 128	- 157
Proceeds from exercise of stock options	240	106
Dividend payments	- 5,956	- 8,540
Payments for purchase of treasury stock	- 2,501	- 1,583
Net cash provided by (used in) financing activities	- 10,346	- 2,174
Effect of exchange rate changes on cash and cash equivalents	882	625
Net increase/decrease in cash and cash equivalents (-: decrease)	5,382	- 8,970
Cash and cash equivalents at beginning of year	43,624	49,006
Cash and cash equivalents at end of year	49,006	40,036

(5) Notes to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable.

(Changes in Accounting Policies)

1. Accounting Standard for Fair Value Measurement

The Group has also applied “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17th, 2021) from the beginning of FY2023/3, and in accordance with the transitional treatment provided for in Paragraph 27-2 of the Guidance, the Group has applied the new accounting method prescribed in the Accounting Standard for Fair Value Measurement. There are no impacts from these changes in the Consolidated Financial Statements.

2. Change in the method of converting profits and expenses of overseas subsidiaries into Japanese Yen

Previously, income and expenses of overseas subsidiaries were translated into Japanese Yen at the spot exchange rate prevailing on the date of account settlement. However, since the importance of overseas sales by overseas subsidiaries and others is expected to increase in the future, the Company changed to a method of converting business results into Japanese Yen based on the average exchange rate during the period effective from the 1st quarter of FY2023/3 in order to mitigate the impact of temporary fluctuations in exchange rates on periodic profit and loss and more appropriately reflect the performance of overseas subsidiaries in the consolidated financial statements.

Since the retention period of documents related to financial statements at the Company is stipulated to be 10 years, it is practically impossible to apply the principle of retrospective application. Therefore, the Company has applied the method of translating financial statements into Japanese Yen at the average exchange rate during the period effective April 1st, 2012.

The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the FY2022/3 have been prepared on a retrospective basis.

As a result, compared with previous translation method, Sales for FY2022/3 decreased by ¥2,575 million, Operating profit decreased by ¥223 million, Recurring profit decreased by ¥229 million, and Net profit before income taxes and minority interests decreased by ¥229 million, respectively.

Due to the cumulative effect on net assets at the beginning of the FY2022/3, Retained earnings of the beginning of FY2022/3 decreased by ¥207 million, and Foreign currency translation adjustments increased by the same amount.

3. Application of Accounting Standards Codification (ASC) 842 “Leases”

At consolidated subsidiaries that are adopting US GAAP applied ASC Topic 842, "Leases" from the beginning of FY2023/3. As a result, lessees of leases are in principle required to recognize all leases as assets and liabilities on their balance sheets. The adoption of ASC Topic 842 is accounted for on a transitional basis, the Company followed the transitional treatment and adopted the method to recognize the cumulative effect of a change in accounting policy at the date of initial application.

As a result, Tangible assets as of March 31st, 2023, Fixed assets – Tangible fixed assets increased by ¥482 million, Current liabilities – Lease liabilities increased by ¥135 million, and Fixed Liabilities – Lease liabilities increased by ¥409 million, respectively. The effect of this change on profit and loss statement for FY2023/3 is immaterial.

(Segment Information)

(i). Overview of reportable segments

The reportable segments of the Company and consolidated subsidiaries are the business segments for which separate financial information can be obtained and are at the level where the Company's Board of Directors conducts periodic reviews leading to the allocation of resources and evaluation of business performance. The Company consists of internal companies known as the Semiconductor Company and the Metrology Company, and each company's products and services are managed under comprehensive strategies inside and outside of Japan.

Therefore, the Company defines "SPE" and "Metrology Equipment" as reportable segments based on the intercompany system and their outputs.

The "SPE" consists of manufacturing and sales of Assembly and Testing equipment to be applied to Semiconductor Manufacturing Processes and the "Metrology Equipment" consists of manufacturing and sales of precision measurement equipment such as 3D coordinate measuring machines, surface texture and contour measuring instruments.

(ii). Method of calculation of sales, profit/loss, assets/liabilities and/or others in reportable segments

The method of calculating segment results is mostly the same as applied to the consolidated financial statements. Therefore, segment profit is based on consolidated Operating Profit. Corporate assets are not allotted to each segment.

(iii). Net sales, profit/loss assets/liabilities and/or others in reportable segments

FY2022/3 (April 1st, 2021 – March 31st, 2022)

(Millions of yen)

	Reportable Segments			Adjustment *1	Consolidated Total *2
	SPE	Metrology Equipment	Total		
Sales					
Sales to third party:	101,145	29,956	130,702	-	130,702
Intersegment sales to transfer	-	-	-	-	-
Total	101,145	29,956	130,702	-	130,702
Segment Profit	24,698	3,628	28,327	-	28,327
Segment Assets	145,499	43,733	189,232	1,055	190,287
Others					
Depreciation	2,447	1,103	3,551	-	3,551
Amortization of goodwill	7	21	29	-	29
Increase in tangible / intangible Fixed assets	9,223	569	9,793	-	9,793

Notes *1: Adjustment for corporate assets which are not allotted to the segments such as long-term investments (other investment securities).

*2: Segment profit is same amount as Operating Profit stated in the Consolidated Financial Statements.

FY2023/3 (April 1st, 2022 – March 31st, 2023)

(Millions of yen)

	Reportable Segments			Adjustment *1	Consolidated Total *2
	SPE	Metrology Equipment	Total		
Sales					
Sales to third party:	112,365	34,436	146,801	-	146,801
Intersegment sales to transfer	-	-	-	-	-
Total	112,365	34,436	146,801	-	146,801
Segment Profit	29,866	4,628	34,494	-	34,494
Segment Assets	161,167	46,999	208,167	865	209,032
Others					
Depreciation	2,642	1,189	3,832	-	3,832
Amortization of goodwill	8	34	42	-	42
Increase in tangible / intangible Fixed assets	7,248	2,476	9,725	-	9,725

Notes *1: Adjustment for corporate assets which are not allotted to the segments such as long-term investments (other investment securities).

*2: Segment profit is same amount as Operating Profit stated in the Consolidated Financial Statements.

(Per Share Information)

FY2022/3 (April 1 st , 2021 - March 31 st , 2022)		FY2023/3 (April 1 st , 2022 - March 31 st , 2023)	
Net assets per share	3,187.39 yen	Net assets per share	3,573.81 yen
Earnings per share	522.52 yen	Earnings per share	581.33 yen
Diluted earnings per share	517.51 yen	Diluted earnings per share	575.62 yen

Notes 1: Bases for calculation of net assets per share are as follows.

Item	FY2022/3 (March 31 st , 2022)	FY2023/3 (March 31 st , 2023)
Total net assets in consolidated balance sheet (millions of yen)	131,081	146,028
Amounts to be deducted from total net assets (millions of yen)	1,524	1,740
(Share subscription rights (millions of yen))	(950)	(1,072)
(Minority Interests(millions of yen))	(574)	(668)
Net assets related to common stock as at the end of Fiscal Year (millions of yen)	129,556	144,288
Number of outstanding shares that are bases for calculation of net assets per share as at the end of Fiscal Year (thousands of shares)	40,646	40,373

Notes 2: Bases for calculation of earnings per share and diluted earnings per share are as follows.

Item	FY2022/3 (April 1 st , 2021 - March 31 st , 2022)	FY2023/3 (April 1 st , 2022 - March 31 st , 2023)
Earnings per Share		
Net profit (loss) attributable to owners of the parent (millions of yen)	21,326	23,630
Amount not attributed to common shareholders (millions of yen)	-	-
Net profit (loss) attributable to owners of the parent related to common stock (millions of yen)	21,326	23,630
Average number of shares of common stock during the fiscal year (thousands of shares)	40,814	40,649
Diluted earnings per share		
Details of adjusted net profit (millions of yen)	-	-
Increase in common stock share subscription rights (thousands of shares)	395	403
Shares excluded from the calculation of diluted earnings per share due to the lack of dilutive effects	-	-

Note:

As described in "Changes in Accounting policy," The change in accounting policy in FY2023/3 has been applied retrospectively, and the consolidated financial statements for the FY2022/3 have been prepared on a retrospective basis.

As a result, compared with previous translation method, Earnings per share for FY2022/3 decreased by ¥2.82 and Diluted earnings per share decreased by ¥2.79, respectively.

(Significant subsequent events)

Not applicable.

4. Additional Information

(1) Production, Orders and Sales

(i). Actual Production (Millions of yen)

Reportable Segment	FY2022/3 (April 1 st , 2021 - March 31 st , 2022)	FY2023/3 (April 1 st , 2022 - March 31 st , 2023)
SPE	98,543	107,416
Metrology Equipment	25,642	30,121
Total	124,186	137,537

Note: The above production results are based on the sales prices and are exclusive of consumption tax.

(ii). Actual Orders (Millions of yen)

Reportable Segment	FY2022/3 (April 1 st , 2021 - March 31 st , 2022)		FY2023/3 (April 1 st , 2022 - March 31 st , 2023)	
	Orders received	Order backlog	Orders received	Order backlog
SPE	152,896	102,370	99,366	89,371
Metrology Equipment	33,159	9,904	36,960	12,428
Total	186,056	112,274	136,326	101,799

Note: The above amounts are exclusive of consumption tax.

(iii). Actual Sales (Millions of yen)

Reportable Segment	FY2022/3 (April 1 st , 2021 - March 31 st , 2022)	FY2023/3 (April 1 st , 2022 - March 31 st , 2023)
SPE	101,145	112,365
Metrology Equipment	29,556	34,436
Total	130,702	146,801

Note: The above amounts are exclusive of consumption tax.

(2) Director Changes

(Effective date (planned): June 26th, 2023)

(i). Candidates of new directors (To be elected at the Annual General Meeting of Shareholders scheduled on June 26th, 2023)

Director excluding directors serving as an Audit and Supervisory Committee member

Mr. Romi PRADHAN Current position: Executive Officer of Tokyo Seimitsu's
Semiconductor Company
President of Accretech America Inc.

External Director excluding directors serving as an Audit and Supervisory Committee member

Mr. Kazuya MORI Current position: Full time Audit & Supervisory member of
NuFlare Technology, Inc

(ii). Retiring directors

Director excluding directors serving as an Audit and Supervisory Committee member

Mr. Akihiro ENDO

Mr. Wolfgang BONATZ

External Director excluding directors serving as an Audit and Supervisory Committee member

Mr. Shozo SAITO

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