

Summary of Consolidated Financial Results

For The Third Quarter Ended December 31 , 2023

[Japanese GAAP]

February 2, 2024

Company name: TOKYO ELECTRON DEVICE LIMITED
 Stock exchange listing: Tokyo Stock Exchange Prime Market (Code 2760)
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(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Highlights for the Third Quarter Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (cumulative)

(% 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	%
The Third Quarter ended December 31, 2023	179,748	2.2	10,860	4.3	9,717	14.4	7,070	19.8
The Third Quarter ended December 31, 2022	175,896	37.5	10,409	119.9	8,493	99.4	5,901	51.5

(Note) Comprehensive income: The Third Quarter ended December 31, 2023 8,007 million yen [21.3%]
 The Third Quarter ended December 31, 2022 6,602 million yen [47.1%]

	Basic net income per share	Diluted net income per share
	Yen	Yen
The Third Quarter ended December 31, 2023	236.25	—
The Third Quarter ended December 31, 2022	198.36	—

(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
	Millions of yen	Millions of yen	%
As of December 31, 2023	155,739	42,954	26.9
As of March 31, 2023	143,452	38,997	26.4

(Reference) Equity: As of December 31, 2023 41,826 million yen As of March 31, 2023 37,848 million yen

2. Dividends

	Annual dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	145.00	—	210.00	355.00
Fiscal year ending March 31, 2024	—	183.00	—		
Fiscal year ending March 31, 2024 (Forecast)				70.00	—

(Note) Revision of dividends forecast: 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 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 yen, and the annual dividend would be 393 yen.

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
Fiscal year ending March 31, 2024	250,000	4.0	13,500	8.2	9,770	11.3	326.12

(Note) Revision of financial forecasts: 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. Basic net income per share for fiscal year ending March 31, 2024 (forecast) is taking into consideration the impact of the share split. Not taking into consideration the share split, net income per share for fiscal year ending March 31, 2024 (forecast) would be 978.36 yen.

*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):

December 31, 2023	31,336,500 shares
March 31, 2023	31,336,500 shares
 - 2) Number of treasury shares at the end of the period:

December 31, 2023	1,354,380 shares
March 31, 2023	1,490,898 shares

3) Average number of shares outstanding during the period:

The Third Quarter ended December 31, 2023	29,929,749 shares
The Third Quarter ended December 31, 2022	29,752,707 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.

(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. Number of shares outstanding at the end of the period, 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.

*This quarterly 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

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 2023 (As of Mar. 31, 2023)	FY 2024 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	6,538	10,354
Notes and accounts receivable - trade, and contract assets	57,737	50,356
Electronically recorded monetary claims - operating	4,801	4,955
Merchandise and finished goods	40,402	52,391
Raw materials	2,680	3,501
Prepaid expenses	17,332	17,151
Other	4,821	5,859
Allowance for doubtful accounts	(4)	(74)
Total current assets	134,309	144,496
Non-current assets		
Property, plant and equipment	3,481	3,286
Intangible assets	226	2,112
Investments and other assets		
Retirement benefit asset	352	385
Other	5,126	5,774
Allowance for doubtful accounts	(43)	(314)
Total investments and other assets	5,435	5,844
Total non-current assets	9,143	11,243
Total assets	143,452	155,739

(Millions of yen)

	FY 2023 (As of Mar. 31, 2023)	FY 2024 (As of Dec. 31, 2023)
Liabilities		
Current liabilities		
Accounts payable - trade	20,214	18,036
Short-term borrowings	20,949	26,242
Commercial papers	-	5,000
Current portion of long-term borrowings	3	6,300
Advances received	21,082	24,022
Provision for bonuses	2,706	1,168
Other	5,638	4,213
Total current liabilities	70,595	84,983
Non-current liabilities		
Long-term borrowings	24,700	18,400
Retirement benefit liability	7,626	7,384
Other	1,533	2,017
Total non-current liabilities	33,859	27,801
Total liabilities	104,455	112,785
Net assets		
Shareholders' equity		
Share capital	2,495	2,495
Capital surplus	5,652	5,684
Retained earnings	30,482	33,448
Treasury shares	(1,813)	(1,695)
Total shareholders' equity	36,816	39,932
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	82	142
Deferred gains or losses on hedges	(136)	261
Foreign currency translation adjustment	973	1,393
Remeasurements of defined benefit plans	111	96
Total accumulated other comprehensive income	1,031	1,893
Non-controlling interests	1,148	1,128
Total net assets	38,997	42,954
Total liabilities and net assets	143,452	155,739

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY 2023 (from Apr. 1, 2022 to Dec. 31, 2022)	FY 2024 (from Apr. 1, 2023 to Dec. 31, 2023)
Net sales	175,896	179,748
Cost of sales	151,116	152,736
Gross profit	24,780	27,011
Selling, general and administrative expenses		
Salaries and allowances	5,366	5,604
Provision for bonuses	976	1,130
Retirement benefit expenses	485	534
Provision for share based compensation expenses for employees	139	205
Provision of allowance for doubtful accounts	(3)	342
Other	7,407	8,333
Total selling, general and administrative expenses	14,371	16,151
Operating income	10,409	10,860
Non-operating income		
Share of profit of entities accounted for using equity method	97	135
Compensation for damage income	-	91
Other	97	123
Total non-operating income	195	350
Non-operating expenses		
Foreign exchange losses	1,928	1,262
Other	182	230
Total non-operating expenses	2,110	1,493
Ordinary income	8,493	9,717
Extraordinary income		
Gain on sale of investment securities	-	4
Total extraordinary income	-	4
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	2	1
Loss on change in equity	-	32
Total extraordinary losses	2	34
Net income before income taxes	8,491	9,687
Income taxes	2,516	2,541
Net income	5,974	7,145
Net income attributable to non-controlling interests	72	74
Net income attributable to owners of parent	5,901	7,070

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2023 (from Apr. 1, 2022 to Dec. 31, 2022)	FY 2024 (from Apr. 1, 2023 to Dec. 31, 2023)
Net income	5,974	7,145
Other comprehensive income		
Valuation difference on available-for-sale securities	19	60
Deferred gains or losses on hedges	237	397
Foreign currency translation adjustment	373	384
Remeasurements of defined benefit plans, net of tax	(34)	(15)
Share of other comprehensive income of entities accounted for using equity method	33	35
Total other comprehensive income	628	861
Comprehensive income	6,602	8,007
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,530	7,932
Comprehensive income attributable to non-controlling interests	72	74

(3) Consolidated Statements of Cash Flow

(Millions of yen)

	FY 2023 (from Apr. 1, 2022 to Dec. 31, 2022)	FY 2024 (from Apr. 1, 2023 to Dec. 31, 2023)
Cash flows from operating activities		
Net income before income taxes	8,491	9,687
Depreciation and amortization	423	505
Increase (decrease) in allowance for doubtful accounts	(3)	341
Increase (decrease) in provision for bonuses	(754)	(1,544)
Increase (decrease) in retirement benefit liability	(477)	(259)
Increase (decrease) in provision for share-based compensation expenses for employees	147	215
Increase (decrease) in provision for share-based compensation expenses for directors	137	157
Interest expenses	105	177
Foreign exchange losses (gains)	(1,522)	(367)
Compensation income for damage	-	(91)
Decrease (increase) in notes and accounts receivable-trade and contract assets	(14,164)	7,772
Decrease (increase) in inventories	(15,740)	(12,598)
Increase (decrease) in trade payables	1,566	(2,245)
Increase (decrease) in accounts payable - other	304	263
Increase (decrease) in advances received	4,302	2,293
Decrease (increase) in consumption taxes refund receivable	(736)	(2)
Decrease (increase) in accounts receivable - other	162	(112)
Decrease (increase) in prepaid expenses	(3,929)	181
Decrease (increase) in advance payments to suppliers	109	129
Other, net	(311)	(464)
Subtotal	(21,890)	4,039
Interest and dividends received	89	248
Interest paid	(102)	(179)
Compensation income for damage received	-	91
Income taxes paid	(3,069)	(4,456)
Net cash provided by (used in) operating activities	(24,973)	(257)
Cash flows from investing activities		
Net decrease (increase) in time deposits	13	(10)
Purchase of property, plant and equipment	(138)	(181)
Purchase of intangible assets	(34)	(454)
Purchase of investment securities	-	(143)
Proceeds from sale of investment securities	-	4
Payments of leasehold and guarantee deposits	-	(438)
Proceeds from cancellation of insurance funds	47	-
Payments for acquisition of businesses	-	(1,200)
Other, net	14	2
Net cash provided by (used in) investing activities	(97)	(2,422)

(Millions of yen)

	FY 2023 (from Apr. 1, 2022 to Dec. 31, 2022)	FY 2024 (from Apr. 1, 2023 to Dec. 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	17,660	5,095
Net increase (decrease) in commercial papers	-	5,000
Proceeds from long-term borrowings	15,000	-
Repayments of long-term borrowings	(4,074)	(3)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(27)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	209	336
Dividends paid	(2,428)	(3,916)
Dividends paid to non-controlling interests	(17)	(35)
Repayments of lease liabilities	(48)	(57)
Net cash provided by (used in) financing activities	26,299	6,390
Effect of exchange rate change on cash and cash equivalents	48	93
Net increase (decrease) in cash and cash equivalents	1,277	3,805
Cash and cash equivalents at beginning of period	5,028	6,442
Cash and cash equivalents at end of period	6,306	10,248

(4) Segment Information

I. For the Period ended December 31, 2022 (From Apr. 1, 2022 to Dec. 31, 2022)

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.	156,034	–	156,034	–	156,034
Storage & Network Products, etc.	–	12,232	12,232	–	12,232
Maintenance & Monitoring Services	–	7,629	7,629	–	7,629
Revenue from contracts with customers	156,034	19,862	175,896	–	175,896
Outside customers	156,034	19,862	175,896	–	175,896
Inter-segment	2	–	2	(2)	–
Total	156,036	19,862	175,899	(2)	175,896
Segment income	7,458	1,035	8,493	–	8,493

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

II. For the Period ended December 31, 2023 (From Apr. 1, 2023 to Dec. 31, 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.	158,807	–	158,807	–	158,807
Storage & Network Products, etc.	–	11,995	11,995	–	11,995
Maintenance & Monitoring Services	–	8,945	8,945	–	8,945
Revenue from contracts with customers	158,807	20,940	179,748	–	179,748
Outside customers	158,807	20,940	179,748	–	179,748
Inter-segment	–	–	–	–	–
Total	158,807	20,940	179,748	–	179,748
Segment income	7,741	1,976	9,717	–	9,717

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