

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31st, 2021 (FY2021/3), Japan GAAP

August 7th, 2020

Company Name



Tokyo Seimitsu Co., Ltd.

Stock Listing: First Section TSE

ACCRETECH

Code number: 7729

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Date of Quarterly Financial Statement Filing (planned) : August 7th, 2020

Dividend Payable Date: -

Supplementary Document for Quarterly Financial Results : Yes

Holding of Financial Results Meeting: No

(Millions of yen, rounded down)

1. Consolidated Results for 1st Quarter of FY2021/3 (April 1st – June 30th, 2020)

(1) Consolidated sales and earnings

(% figures represent changes from 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)	
FY2021/3 Q1	21,070	17.3%	3,176	76.2%	3,345	76.5%	2,470	76.1%
FY2020/3 Q1	17,962	- 9.5%	1,802	- 42.5%	1,895	- 43.5%	1,402	- 45.0%

Note: Comprehensive Income in FY2021/3 Q1: 1,655 million yen (66.9%), in FY2020/3 Q1: 991 million yen (- 35.8%)

	Net Profit per Share (Yen)	Net Profit per Share (diluted) (Yen)
FY2021/3 Q1	59.30	58.88
FY2020/3 Q1	33.70	33.51

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio
FY2021/3 Q1	149,811	109,776	72.4%
FY2020/3	146,549	109,674	73.9%

Note: Equity in FY2021/3 Q1: 108,483 million yen, in FY2020/3: 108,357 million yen

2. Dividends

	Per Share Dividend in Fiscal Year				
	Q1 End	Q2 End	Q3 End	Q4 End	Total
	Yen	Yen	Yen	Yen	Yen
FY2020/3	-	38.00	-	38.00	76.00
FY2021/3	-				
FY2021/3 (Projected)		-	-	-	-

Notes: (1) Changes due to revision of dividend projection: No

(2) Dividend projections for FY2021/3 will be announced with Full Year business forecast when it is possible to release.

2. Forecast for FY2021/3 (April 1st, 2020 - March 31st, 2021)

(% 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)
1 st Half	47,000	11.9%	7,600	36.0%	7,600	32.4%	5,600	31.4%	134.40

Note: Changes due to revision of forecast: No

*** Notes**

(1) Significant changes in subsidiaries during the term under review: No

(2) Accounting procedures specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting principles, estimates and restatements

1) Changes due to revision of accounting standards, etc.: No

2) Changes other than 1): No

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 shares):

FY2021/3 Q1	41,707,681 shares	FY2020/3	41,695,381 shares
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2) Number of treasury shares at the end of period:

FY2021/3 Q1	37,207 shares	FY2020/3	37,207 shares
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3) Average Number of shares outstanding during the period:

FY2021/3 Q1	41,663,872 shares	FY2020/3 1Q	41,620,930 shares
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*** 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**

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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1. Qualitative information on Business Performance for 1st quarter of FY2021/3

(1) Overview of Business Performance

In the 1st quarter of the Fiscal Year ending March 2021, worldwide, economies were deeply stagnant due to the constraints of regular lives and business activities from the spread of COVID-19. In China, infrastructure investment from economic reopening and capital investment recovery in high-tech companies were observed.

Under these business conditions, Consolidated Orders in the 1st quarter of Fiscal Year 2021/3 (April 1st, – June 30th, 2020) were ¥18,657 million (down 0.1% YoY), Sales were ¥21,070 million (up 17.3% YoY), Operating Profit was ¥3,176 million (up 76.2% YoY), Recurring Profit was ¥3,345 million (up 76.5% YoY) and Net Profit Attributable to Owners of the Parent was ¥2,470 million (up 76.1% YoY).

Business results during the term in each segment were as follows.

[Semiconductor Production Equipment (SPE) Segment]

In the SPE business segment, both Sales and Orders increased YoY because demand for logic devices related to 5th generation wireless technology for cellular network generation (5G) and electronic components such as audio filters were continuously higher. Moreover, semiconductor and electronic components companies are categorized as essential businesses in many countries. However, Orders decreased from the previous quarter (4th quarter of FY2020/3) flowing from the escalating US-China trade dispute, mainly for semiconductor and electronic components businesses, the OSAT (Outsourced Semiconductor Assembly and Test) companies in Taiwan are carefully looking at the impacts of the trade dispute.

Orders for our SPE segment in the same period was ¥12,903 million (up 20.7% YoY), Sales was ¥15,432 million (up 32.2% YoY), and Operating Profit was ¥2,832 million (up 108.4% YoY).

[Metrology Equipment Segment]

In the Metrology Equipment segment, in addition to the slow demand for capital investment in overall manufacturing, overall business activities were shrunk and capital investment decreased due to supply-chain issues related to the impact of COVID-19, factory operation was temporarily suspended and sales activities were restrained. Under these business conditions, both Orders and Sales in the Metrology segment decreased YoY.

As a result, Orders in our Metrology Equipment segment in the same period was ¥5,754 million (down 27.8% YoY), Sales was ¥5,638 million (down 10.3% YoY) and Operating Profit was ¥344 million (down 22.4% YoY).

(2) Analysis of Financial Position

[Assets, Liabilities and Net Assets]

Total Assets as at June 30th, 2020 amounted to ¥149,811 million, an increase of ¥3,261 million from the end of FY2020/3. The major factors behind this change include increases in Inventories of ¥2,850 million, in Cash and cash equivalents of ¥2,676 million, in Building and structures of ¥1,785 million, and a decrease in Notes and accounts receivable (including electronically recorded monetary claims) of ¥2,655 million.

Total Liabilities increased by ¥3,160 million to ¥40,034 million. This was mainly from an increase in Notes and accounts payable (including electronically recorded obligations-operating) of ¥3,511 million and a decrease in Long-term debt of ¥1,000 million.

Net Assets increased by ¥101 million and totaled ¥109,776 million and, the Equity Ratio became 72.4%.

(3) Financial Estimates such as Consolidated Business Forecasts for current Fiscal Year

There are no revisions to the Consolidated Business Forecasts for the first half of Fiscal Year 2021/3 (April to September, 2020) previously announced on May 11th, 2020.

The Full Year Forecast will be announced when more reliable estimates from various unforeseeable factors including the impact of COVID-19 spread to the global economic outlook can be obtained.

Note: The forecasts contain forward-looking statements based on information available to the management at the time of this announcement that it has judged to be rational, including such factors as economic conditions in Japan and other countries or fluctuations in exchange rates, which may affect the Company's performance. These forecasts are subject to a number of risks and uncertainties, including market conditions, competition, and new product releases. Accordingly, actual results may differ materially from those projected in this earnings summary.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of Yen)

	FY2020/3 (March 31 st , 2020)	FY2021/3 Q1 (June 30 th , 2020)
ASSETS		
Current Assets		
Cash and cash equivalents	34,640	37,317
Notes and accounts receivable	24,279	21,123
Electronically recorded monetary claims	5,353	5,854
Merchandise and finished goods	2,344	2,302
Work in progress	20,120	22,173
Raw materials and supplies	7,687	8,526
Others	3,389	2,899
Allowance for doubtful accounts	- 44	- 49
Total current assets	97,771	100,147
Fixed Assets		
Tangible fixed assets		
Building and structures(net)	14,037	15,822
Others(net)	20,552	19,808
Total Tangible Fixed Assets	34,589	35,631
Intangible Fixed Assets		
Goodwill	263	250
Others	4,282	4,158
Total Intangible Fixed Assets	4,546	4,409
Investments and other assets		
Others	9,642	9,622
Total Investments and other assets	9,642	9,622
Total Fixed Assets	48,777	49,663
Total Assets	146,549	149,811

(Millions of Yen)

	FY2020/3 (March 31 st , 2020)	FY2021/3 Q1 (June 30 th , 2020)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	7,500	8,598
Electronically recorded obligations-operating	9,395	11,809
Short-term debt	1,300	1,300
Current portion of long-term debt	2,000	2,000
Income taxes payable	593	856
Allowances	1,346	2,047
Others	6,881	6,531
Total current liabilities	29,017	33,142
Long-term Liabilities		
Long-term debt	6,000	5,000
Allowance for director retirement benefits	60	62
Net defined benefit liabilities	1,157	1,202
Asset retirement obligations	297	297
Others	342	328
Total long-term liabilities	7,857	6,892
Total Liabilities	36,874	40,034
NET ASSETS		
Shareholder's Equity		
Common stock	10,703	10,720
Capital surplus	21,721	21,738
Retained earnings	75,032	75,919
Treasury stock	- 122	- 122
Total Shareholder's Equity	107,334	108,256
Accumulated other comprehensive income		
Holding gain or loss in investment	117	218
Foreign currency translation adjustment	670	- 121
Remeasurements of defined benefit plans	234	129
Total accumulated other comprehensive income	1,022	226
Share subscription rights	770	765
Non-controlling interests	546	527
Total Net Assets	109,674	109,776
Total Liabilities and Net Assets	146,549	149,811

(2) Consolidated Statements of Income, and Comprehensive Income

(Consolidated Statements of Income)
(1st quarter of FY2021/3(April 1st, 2020 – June 30th, 2020))

	(Millions of Yen)	
	FY2020/3 Q1 (April 1 st , 2019- June 30 th , 2019)	FY2021/3 Q1 (April 1 st , 2020- June 30 th , 2020)
Net Sales	17,962	21,070
Cost of goods sold	10,862	12,863
Gross Profit on Sales	7,100	8,207
Selling, general and administrative expenses	5,297	5,030
Operating Profit (Loss)	1,802	3,176
Non-operating income		
Interest income	7	4
Dividend income	32	28
Foreign exchange gains	79	93
Subsidy income	-	29
Others	11	38
Total Non-operating income	131	194
Non-operating expenses		
Interest expenses	21	19
Loss on disposal or sales of fixed assets	10	-
Others	7	5
Total Non-operating expenses	38	25
Recurring Profit (Loss)	1,895	3,345
Extraordinary gains		
Gain on reversal of subscription rights to shares	2	6
Total Extraordinary gains	2	6
Profit (Loss) before income taxes and minority interests	1,897	3,351
Income tax and other taxes	683	778
Adjustment on income tax	- 177	107
Total Income tax and others	505	886
Profit (Loss) before minority interests	1,391	2,465
Net Profit(Loss) attributable to minority interests	- 10	- 4
Net Profit(Loss) attributable to Owners of the Parent	1,402	2,470

(Consolidated Statements of Comprehensive Income)
(1st quarter of FY2021/3(April 1st 2020, – June 30th, 2020))

(Millions of Yen)

	FY2020/3 Q1 (April 1 st , 2019- June 30 th , 2019)	FY2021/3 Q1 (April 1 st , 2020- June 30 th , 2020)
Profit (Loss) before minority interests	1,391	2,465
Accumulated other comprehensive income		
Holding gain or loss in investment	- 214	101
Foreign currency translation adjustment	-114	- 807
Remeasurements of defined benefit plans	- 70	- 104
Total accumulated other comprehensive income	- 399	- 810
Comprehensive Income	991	1,655
(breakdown)		
Comprehensive income attributable to owners of the parent	1,000	1,674
Comprehensive income attributable to non-controlling interests	- 8	- 19

(3) Notes

(Note on Assumptions for Going Concern)

Not applicable.

(Significant Changes in Shareholder's Equity)

Not applicable.

(Changes in Accounting Principles)

Not applicable.

(Segment Information and others)

1st quarter of FY2020/3 (April 1st, 2019 – June 30th, 2019)

Sales and Profit (or loss) information per each reportable segment (Millions of yen)

	Reportable Segments			Consolidated Total
	SPE	Metrology Equipment	Total	
Sales				
Sales to third party:	11,676	6,285	17,962	17,962
Intersegment sales to transfer	-	-	-	-
Total	11,676	6,285	17,962	17,962
Segment Profit	1,358	443	1,802	1,802

Note) Total Segment profit of reportable segments equals Operating Income of Consolidated Financial Statement.

1st quarter of FY2021/3 (April 1st, 2020 – June 30th, 2020)

Sales and Profit (or loss) information per each reportable segment (Millions of yen)

	Reportable Segments			Consolidated Total
	SPE	Metrology Equipment	Total	
Sales				
Sales to third party:	15,432	5,638	21,070	21,070
Intersegment sales to transfer	-	-	-	-
Total	15,432	5,638	21,070	21,070
Segment Profit	2,832	344	3,176	3,176

Note) Total Segment profit of reportable segments equals Operating Income of Consolidated Financial Statement.

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