

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

February 2nd, 2021

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) : February 10th, 2021

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 Accumulated 3rd quarter (April 1st – December 31st, 2020)

(1) Consolidated sales and earnings (Percentage figures represent changes from the accumulated 3rd quarter of 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 3Q	66,709	3.9%	9,317	3.9%	9,352	2.0%	6,942	6.1%
FY2020/3 3Q	64,228	- 14.3%	8,965	- 40.4%	9,168	- 41.1%	6,543	- 42.5%

Note: Comprehensive Income in FY2021/3 3Q: 6,183 million yen (7.2%), in FY2020/3 3Q: 5,766 million yen (- 40.5%)

	Net Profit per Share (Yen)	Net Profit per Share (diluted) (Yen)
FY2021/3 3Q	167.01	165.70
FY2020/3 3Q	157.18	156.14

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio
FY2021/3 3Q	150,104	109,806	72.2%
FY2020/3	146,549	109,674	73.9%

Note: Equity in FY2021/3 3Q: 108,386 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	-	42.00	-		
FY2021/3 (Projected)				42.00	84.00

Notes: Changes due to revision of dividend projection: No

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)
Full Year	92,000	4.6%	13,200	7.5%	13,300	7.6%	10,000	39.7%	241.00

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

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury shares):

FY2021/3 3Q	41,720,781 shares	FY2020/3	41,695,381 shares
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2) Number of treasury shares at the end of period:

FY2021/3 3Q	714,856 shares	FY2020/3	37,207 shares
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3) Average Number of shares outstanding during the period:

FY2021/3 3Q	41,569,367 shares	FY2020/3 3Q	41,629,263 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 3rd quarter of FY2021/3

(1) Overview of Business Performance

In the accumulated 3rd quarter of Fiscal Year 2021/3 ending March 2021, negative GDP growth is expected in many nations, with the exception of China, as worldwide economies continue to stagnate due to the disruption in consumption and capital expenditure during the COVID-19 pandemic. Within this context however, Semiconductor and Electronic components related businesses remained solid with the spread and expansion of 5G networks and remote work, although there was a lot of variation among companies.

Under these business conditions, our Consolidated Orders in the accumulated 3rd quarter of Fiscal Year 2021/3 (April 1st - December 31st, 2020) were ¥74,715 million (up 23.0% YoY), Sales were ¥66,709 million (up 3.9% YoY), Operating Profit was ¥9,317 million (up 3.9% YoY), Recurring Profit was ¥9,352 Million (up 2.0% YoY) and Net Profit Attributable to Owners of the Parent was ¥6,942 million (up 6.1% YoY).

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

[Semiconductor Production Equipment (SPE) Segment]

In the SPE business segment, both Orders and Sales increased YoY on the back of the solid demand for Logic device and Electronic components for expansion of 5G networks and remote work, increased SPE demands from China and recovery of the once stagnant demand for Display driver IC and Automotive semiconductors.

Orders for our SPE segment in the same period was ¥57,519 million (up 50.4% YoY), Sales was ¥48,513 million (up 16.6% YoY), and Operating Profit was ¥8,207 million (up 39.8% YoY).

[Metrology Equipment Segment]

In the Metrology Equipment segment, in addition to the slowdown of capital investment demand across the entire manufacturing sector which began in the previous fiscal year, there were even larger specific impacts of the spread of COVID-19 in industries such as the Automobile industry that had expected some recovery in this fiscal year. 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 ¥17,196 million (down 23.6% YoY), Sales was ¥18,196 million (down 19.5% YoY) and Operating Profit was ¥1,110 million (down 64.1% YoY).

(2) Analysis of Financial Position

[Assets, Liabilities and Net Assets]

Total Assets as of December 31st, 2020 amounted to ¥150,104 million, an increase of ¥3,555 million from the end of FY2020/3. The major factors behind this change include increases in Cash and cash equivalents of ¥2,505 million, Work in progress, raw materials and supplies of ¥2,054 million and Building and structures of ¥1,679 million and a decrease in Notes and accounts receivable (including electronically recorded monetary claims) of ¥2,804 million.

Total Liabilities as of December 31st, 2020 increased by ¥3,424 million to ¥36,874 million from the end of FY2020/3. This was mainly from increases in Notes and accounts payable (including electronically recorded obligations-operating) of ¥4,637 million and Income taxes payable of ¥1,407 million, and a decrease in Long-term debt of ¥2,000 million.

Net Assets as of December 31st, 2020 increased by ¥131 million and totaled ¥109,806 million and the Equity Ratio became 72.2%.

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

There are no revisions to the Consolidated Business Forecasts for full year of Fiscal Year 2021/3 (April 1st, 2020 – March 31st, 2021) previously announced on November 11th, 2020.

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 3Q (December 31 st , 2020)
ASSETS		
Current Assets		
Cash and cash equivalents	34,640	37,145
Notes and accounts receivable	24,279	22,697
Electronically recorded monetary claims	5,353	4,131
Merchandise and finished goods	2,344	2,667
Work in progress	20,120	20,958
Raw materials and supplies	7,687	8,580
Others	3,389	3,139
Allowance for doubtful accounts	- 44	- 41
Total current assets	97,771	99,279
Fixed Assets		
Tangible fixed assets		
Building and structures(net)	14,037	15,716
Others(net)	20,552	21,289
Total Tangible Fixed Assets	34,589	37,006
Intangible Fixed Assets		
Goodwill	263	230
Others	4,282	3,905
Total Intangible Fixed Assets	4,546	4,136
Investments and other assets		
Others	9,642	9,800
Allowance for doubtful accounts	-	-117
Total Investments and other assets	9,642	9,682
Total Fixed Assets	48,777	50,825
Total Assets	146,549	150,104

(Millions of Yen)

	FY2020/3 (March 31 st , 2020)	FY2021/3 3Q (December 31 st , 2020)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	7,500	8,744
Electronically recorded obligations-operating	9,395	12,788
Short-term debt	1,300	1,300
Current portion of long-term debt	2,000	2,000
Income taxes payable	593	2,001
Allowances	1,346	659
Others	6,881	6,992
Total current liabilities	29,017	34,486
Fixed Liabilities		
Long-term debt	6,000	4,000
Allowance for director retirement benefits	60	69
Net defined benefit liabilities	1,157	1,173
Asset retirement obligations	297	276
Others	342	291
Total fixed liabilities	7,857	5,811
Total Liabilities	36,874	40,298
NET ASSETS		
Shareholder's Equity		
Common stock	10,703	10,740
Capital surplus	21,721	21,840
Retained earnings	75,032	78,641
Treasury stock	- 122	- 3,122
Total Shareholder's Equity	107,334	108,099
Accumulated other comprehensive income		
Holding gain or loss in investment	117	264
Foreign currency translation adjustment	670	- 92
Remeasurements of defined benefit plans	234	114
Total accumulated other comprehensive income	1,022	286
Share subscription rights	770	910
Non-controlling interests	546	508
Total Net Assets	109,674	109,806
Total Liabilities and Net Assets	146,549	150,104

(2) Consolidated Statements of Income, and Comprehensive Income

(Consolidated Statements of Income)

(Accumulated 3rd Quarter of FY2021/3(April 1st, 2020 – December 31st, 2020))

(Millions of Yen)

	FY2020/3 3Q (April 1 st , 2019- December 31 st , 2019)	FY2021/3 3Q (April 1 st , 2020- December 31 st , 2020)
Net Sales	64,228	66,709
Cost of goods sold	38,907	41,801
Gross Profit on Sales	25,320	24,908
Selling, general and administrative expenses	16,355	15,591
Operating Profit (Loss)	8,965	9,317
Non-operating income		
Interest income	24	14
Dividend income	73	66
Foreign exchange gains	143	-
Subsidy income	-	116
Others	71	128
Total Non-operating income	312	325
Non-operating expenses		
Interest expenses	62	55
Foreign exchange loss	-	106
Loss on disposal or sales of fixed assets	14	-
Provision of allowance for doubtful accounts	-	112
Others	32	16
Total Non-operating expenses	109	291
Recurring Profit (Loss)	9,168	9,352
Extraordinary gains		
Gain on reversal of subscription rights to shares	2	6
Gain on sales of investment securities	53	133
Others	-	16
Total Extraordinary gains	55	156
Extraordinary losses		
Extra retirement payments	42	108
Costs to demolish existing buildings	-	292
Others	-	1
Total Extraordinary losses	42	402
Profit (Loss) before income taxes and minority interests	9,181	9,105
Income tax and other taxes	2,474	2,824
Adjustment on income tax	194	- 651
Total Income tax and others	2,668	2,172
Profit (Loss) before minority interests	6,513	6,933
Net Profit(Loss) attributable to minority interests	- 30	- 9
Net Profit(Loss) attributable to Owners of the Parent	6,543	6,942

(Consolidated Statements of Comprehensive Income)
(Accumulated 3rd Quarter of FY2021/3(April 1st, 2020 – December 31st, 2020))

	FY2020/3 3Q	FY2021/3 3Q
	(April 1 st , 2019- December 31 st , 2019)	(April 1 st , 2020- December 31 st , 2020)
	(Millions of Yen)	
Profit (Loss) before minority interests	6,513	6,933
Accumulated other comprehensive income		
Holding gain or loss in investment	- 284	147
Foreign currency translation adjustment	- 248	- 777
Remeasurements of defined benefit plans	- 212	- 119
Total accumulated other comprehensive income	- 746	- 749
Comprehensive Income	5,766	6,183
(breakdown)		
Comprehensive income attributable to owners of the parent	5,792	6,207
Comprehensive income attributable to non-controlling interests	- 26	- 23

(3) Notes

(Note on Assumptions for Going Concern)

Not applicable.

(Significant Changes in Shareholder's Equity)

The Company repurchased 677,400 of its own shares as part of a buyback plan ratified by the Board of Directors on November 11th, 2020. Treasury stock increased by ¥3,000 million during the term due to aforementioned plan and repurchases of shares less than one marketable unit. Consequently, Treasury stock as at December 31st, 2020 amounted to ¥3,122 million.

The share repurchase ratified by the Board of Directors on November 11th, 2020 was completed on December 18th, 2020.

(Changes in Accounting Principles)

Not applicable.

(Segment Information and others)

Accumulated 3rd quarter of FY2020/3 (April 1st, 2019 – December 31st, 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:	41,614	22,613	64,228	64,228
Intersegment sales to transfer	-	-	-	-
Total	41,614	22,613	64,228	64,228
Segment Profit	5,869	3,095	8,965	8,965

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

Accumulated 3rd quarter of FY2021/3 (April 1st, 2020 – December 31st, 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:	48,513	18,196	66,709	66,709
Intersegment sales to transfer	-	-	-	-
Total	48,513	18,196	66,709	66,709
Segment Profit	8,207	1,110	9,317	9,317

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

(Significant subsequent events)

Not applicable.

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