

# Tokyo Seimitsu Co., Ltd. Summary of FY2022/3 3<sup>rd</sup> Quarter Business Results (April to December 2021)

February 2<sup>nd</sup>, 2022

- Earnings Conference for FY2022/3 3Q (via Web)
- Tokyo Seimitsu's Speakers  
KAWAMURA Koichi, Representative Director and CFO  
TAKASHIMA Naoki, Management Support Dept Manager

\* This transcript is a translation of information given verbally in Japanese language and simplified.

### ◆ **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
- ◆ 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.

### ◆ **Audit procedure**

- ◆ This presentation is not subject to audit procedures.

# FY2022/3 3Q Business Results



Accumulated Results (BJPY)	FY2021/3		FY2022/3	
	1-3Q		1-3Q	YoY
Orders	74.7		145.2	+94%
Sales	66.7		93.4	+40%
Operating Profit (OP Margin)	9.3 (14%)		19.3 (21%)	+107%
Recurring Profit	9.4		19.6	+109%
Net Profit	6.9		14.4	+107%

Quarter (BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	QoQ	YoY
Orders	18.7	21.0	35.1	42.3	41.7	46.8	56.7	+21%	+62%
Sales	21.1	24.0	21.6	30.4	28.9	32.5	32.0	-2%	+48%
Operating Profit (OP Margin)	3.2 (15%)	3.1 (13%)	3.0 (14%)	6.2 (20%)	6.0 (21%)	6.9 (21%)	6.3 (20%)	-9%	+108%
Recurring Profit	3.3	3.1	2.9	6.5	6.0	7.0	6.6	-6%	+124%
Net Profit	2.5	2.2	2.3	5.2	4.4	5.3	4.8	-9%	+111%

- Both Sales and OP increased YoY due to increased Sales for SPE segment, and recovery trend in Metrology segment

- FY2022/3 third quarter (3Q) results are as described above.
- Accumulated Sales increased by more than 40% YoY, Profits doubled, and Operating Margin came to 21%.
- Quarterly Sales also increased by 50% YoY, and Profits doubled.

Segment Results (Accumulated, BJPY)	FY2021/3				FY2022/3				
	1-3Q				1-3Q			YoY	
<b>Orders</b>	<b>57.5</b>				<b>119.1</b>			<b>+107%</b>	
<b>Sales</b>	<b>48.5</b>				<b>72.4</b>			<b>+49%</b>	
<b>Operating Profit (OP Margin)</b>	<b>8.2 (17%)</b>				<b>16.6 (23%)</b>			<b>+103%</b>	

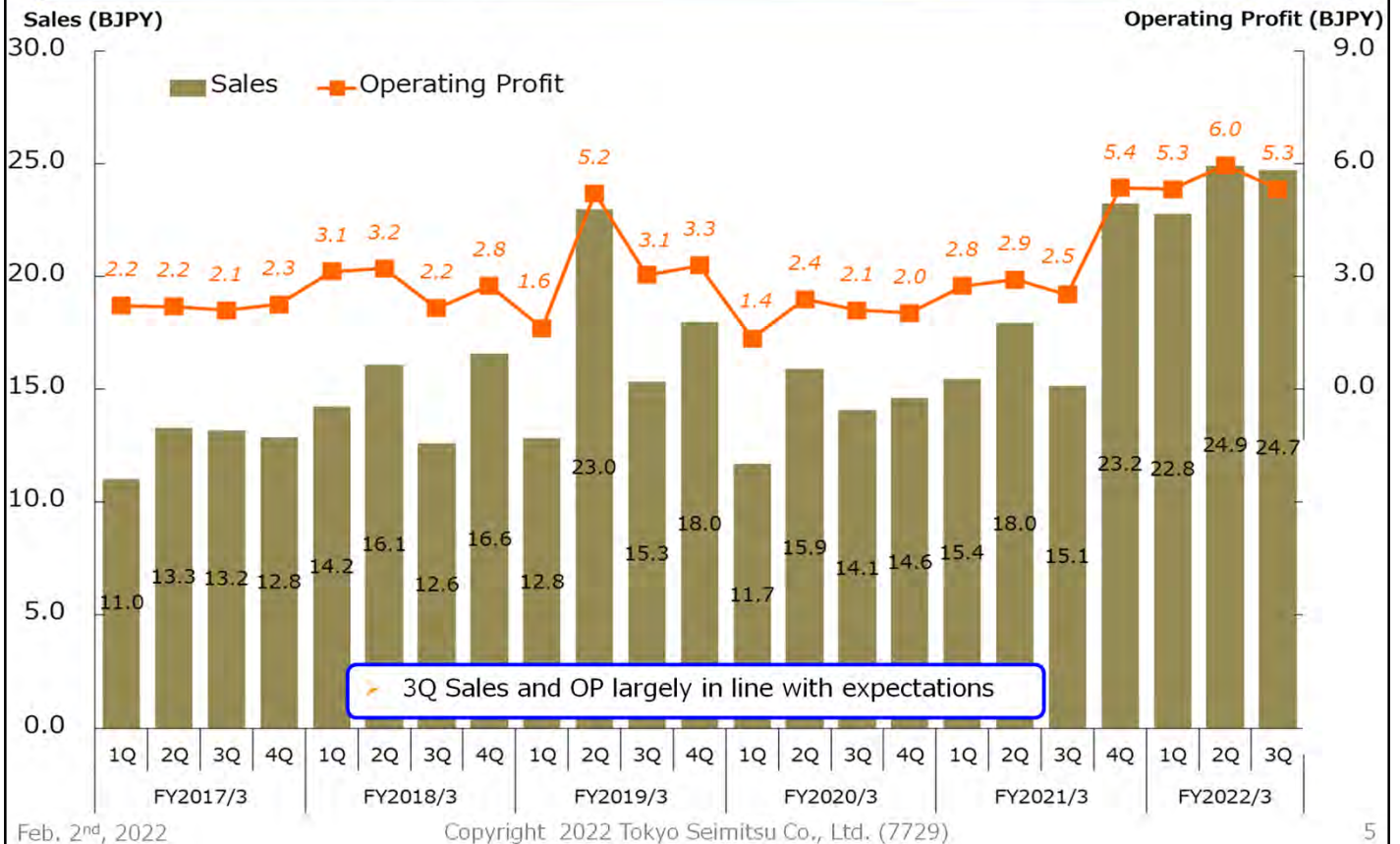
  

Quarter (BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	QoQ	YoY
Orders	12.9	15.9	28.7	35.7	33.9	38.6	<b>46.7</b>	<b>+21%</b>	<b>+63%</b>
Sales	15.4	18.0	15.1	23.2	22.8	24.9	<b>24.7</b>	<b>-1%</b>	<b>+64%</b>
Operating Profit (OP Margin)	2.8 (18%)	2.9 (16%)	2.5 (17%)	5.4 (23%)	5.3 (23%)	6.0 (24%)	<b>5.3 (22%)</b>	<b>-11%</b>	<b>+111%</b>

- 3Q Orders recorded quarterly peak  
Increased demand for Memory, Display driver ICs, Wafer fabrication, etc.
- Shipments and sales are almost as expected

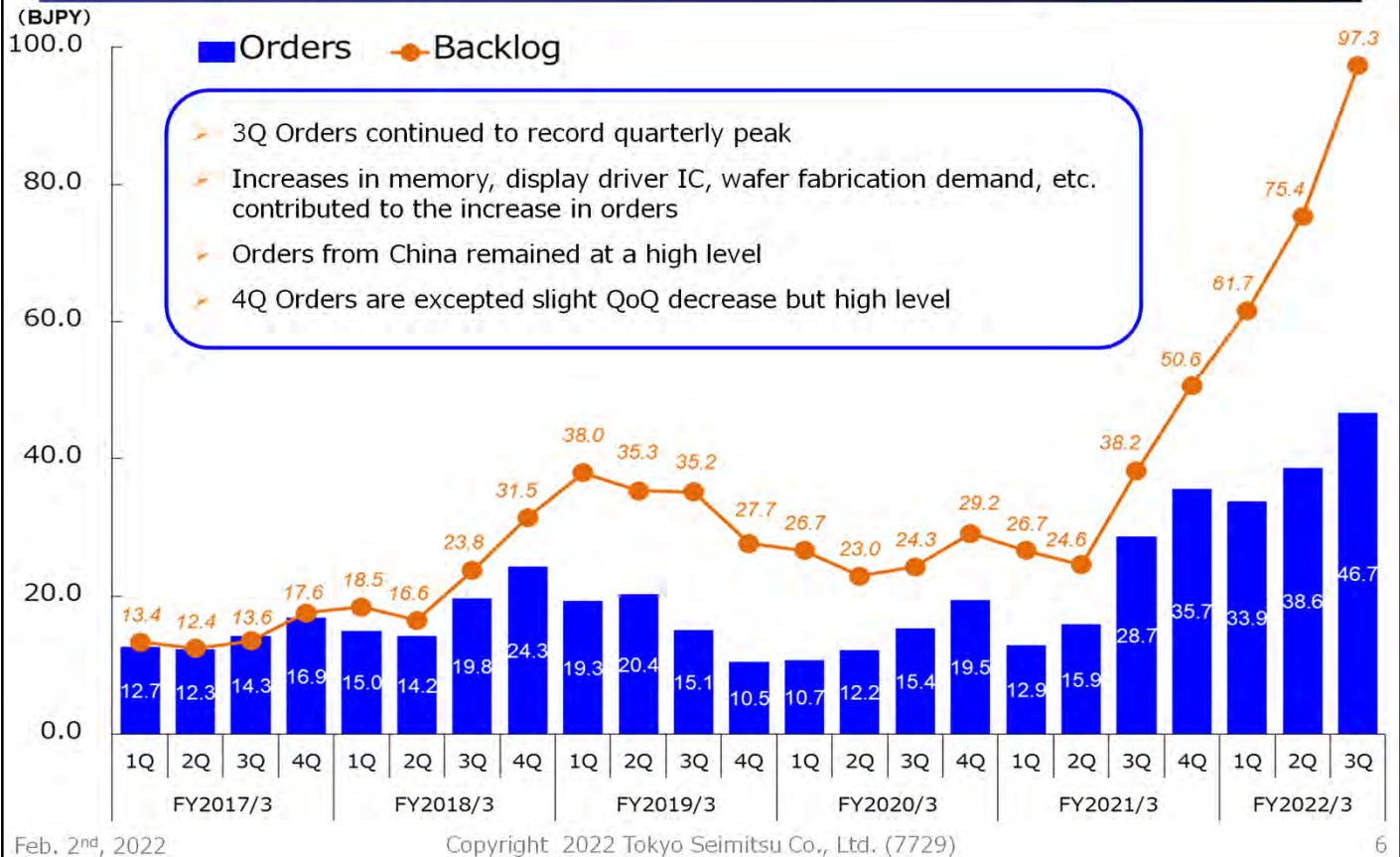
- SPE Sales and Profits are in line with forecast.
- Strong Orders continued from the FY2022/3 thanks to demand for Memory, Display driver, and investment for Wafer capacity expansion, and as a result, 3Q Orders amount beat historical peak.

# SPE – Sales and OP



- SPE Quarterly Sales exceeded ¥20BJPY, and Operating Margin reached ¥5BJPY for four (4) quarters sequentially.
- Sales in 3Q were almost the same as in 2Q as expected. We anticipate QoQ increase in 4Q.
- 3Q Operating Margin declined QoQ due to increase in material cost and other costs such as rental warehouse that are explained at earnings conference in November.

# SPE – Orders and Backlog



- This is a graph of quarterly Orders and Backlog for SPE.
- 3Q Orders beat historical record again thanks to an increase in demand for Memory, Display driver ICs, and for Wafer capacity expansion.
- Also, firm demand for Logic devices / Power semiconductors, and from China, has continued.
- Consequently, 3Q Backlog remained at very high level.

# Metrology Segment



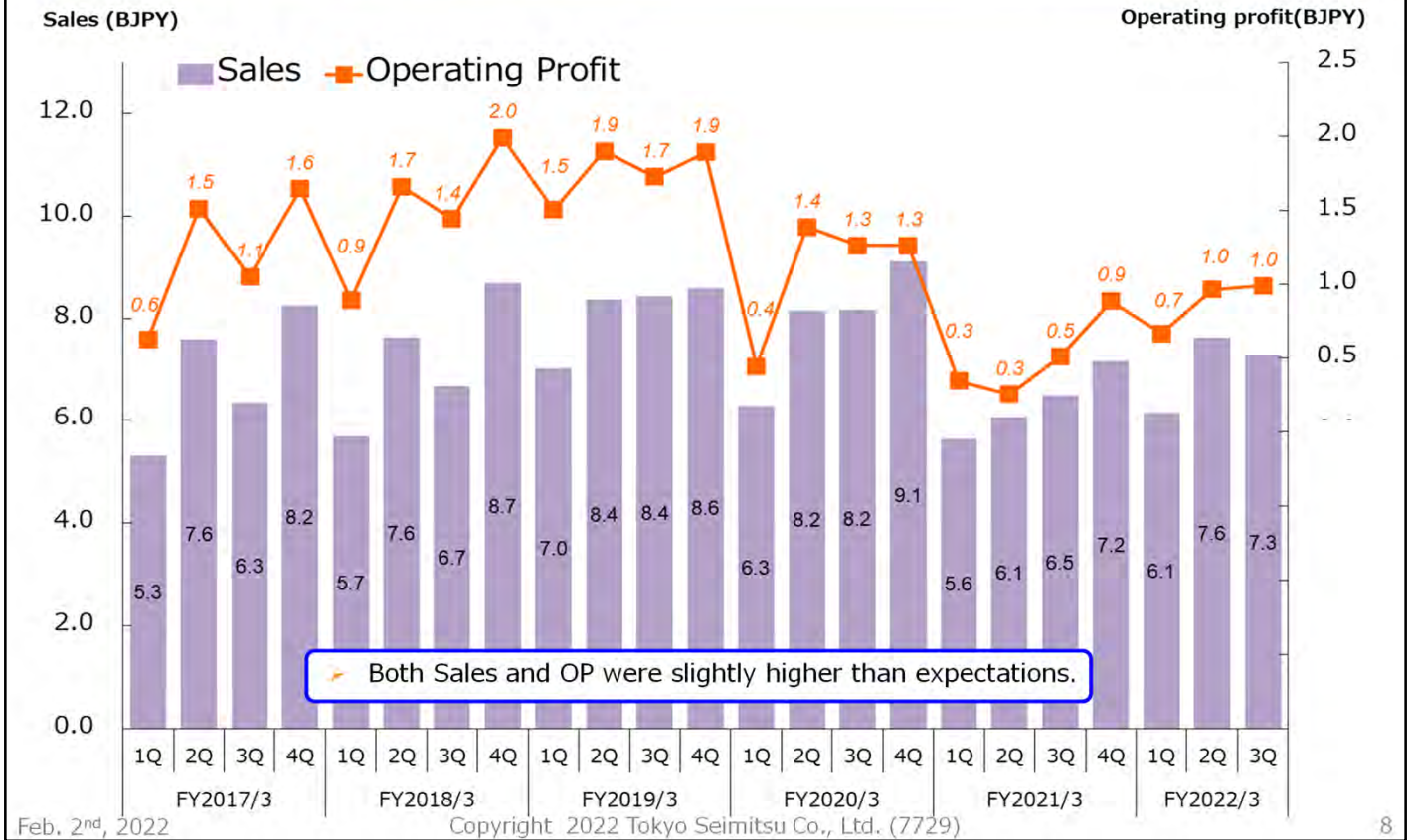
Segment Results (Accumulated, BJPY)	FY2021/3		FY2022/3	
	1-3Q		1-3Q	YoY
Orders	17.2		26.1	+52%
Sales	18.2		21.0	+16%
Operating Profit (OP Margin)	1.1 (6%)		2.6 (12%)	+136%

Quarter(BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	QoQ	YoY
Orders	5.8	5.0	6.4	6.7	7.9	8.2	10.1	+23%	+57%
Sales	5.6	6.1	6.5	7.2	6.1	7.6	7.3	-5%	+12%
Operating Profit (OP Margin)	0.3 (6%)	0.3 (4%)	0.5 (8%)	0.9 (12%)	0.7 (11%)	1.0 (13%)	1.0 (14%)	+3%	+94%

- Accumulated Orders recovered to pre-COVID-19 (FY2019/3) levels
- While recovery in orders from automobile-related demand is moderate, demand related to machinery and machine parts kept firm

- In Metrology Segment, 3Q Sales and Profit were almost on track.
- Orders in 3Q exceeded forecasts.
- Overall, demand from the auto industry are still in the way of recovery, however, strong demand from the Machinery and Machine Parts industry including SPE covered our Orders.

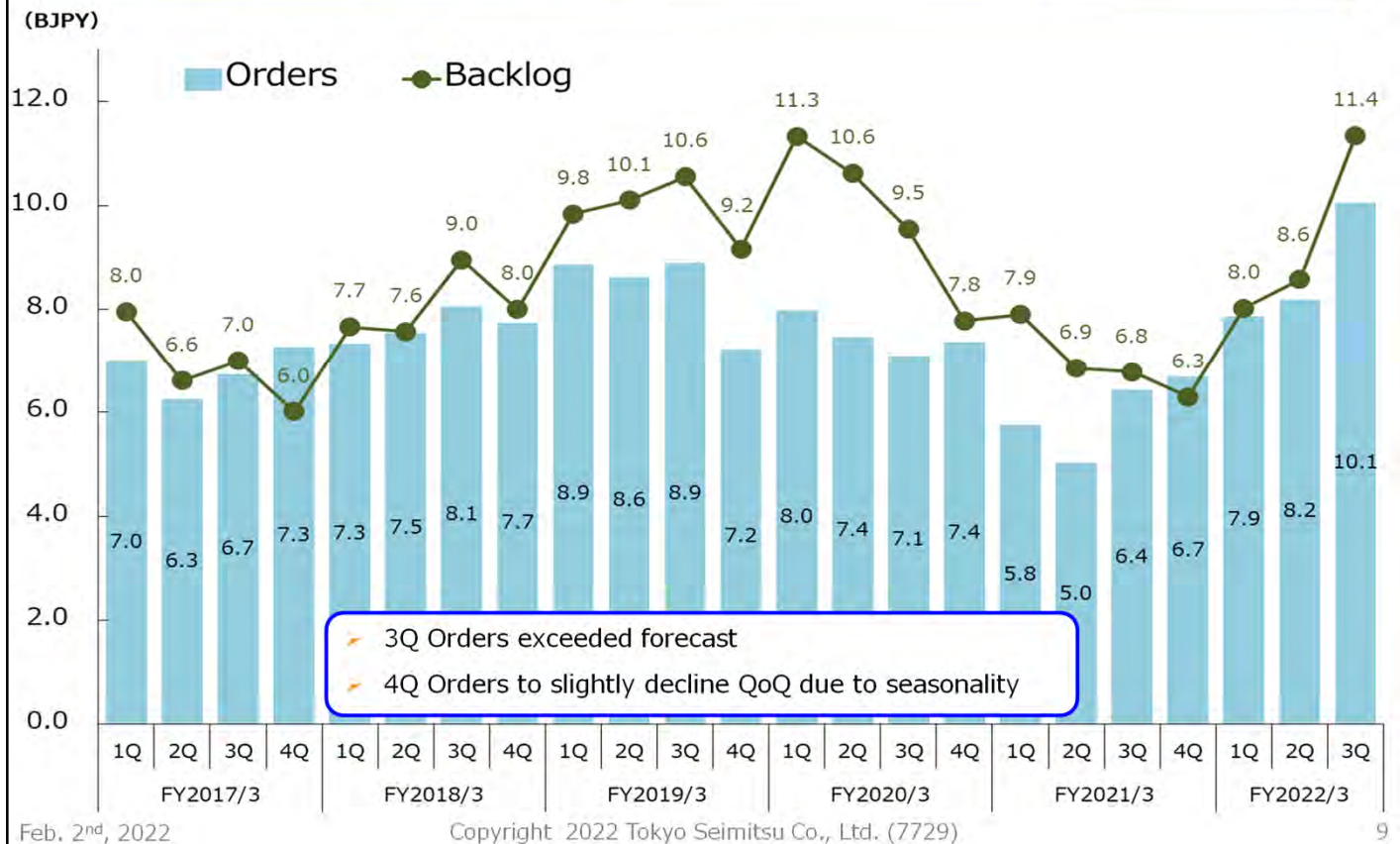
# Metrology – Sales and OP



- Quarterly Metrology Sales and Operating Margin graph implies that a moderate recovery is continuing.



# Metrology – Orders and Backlog



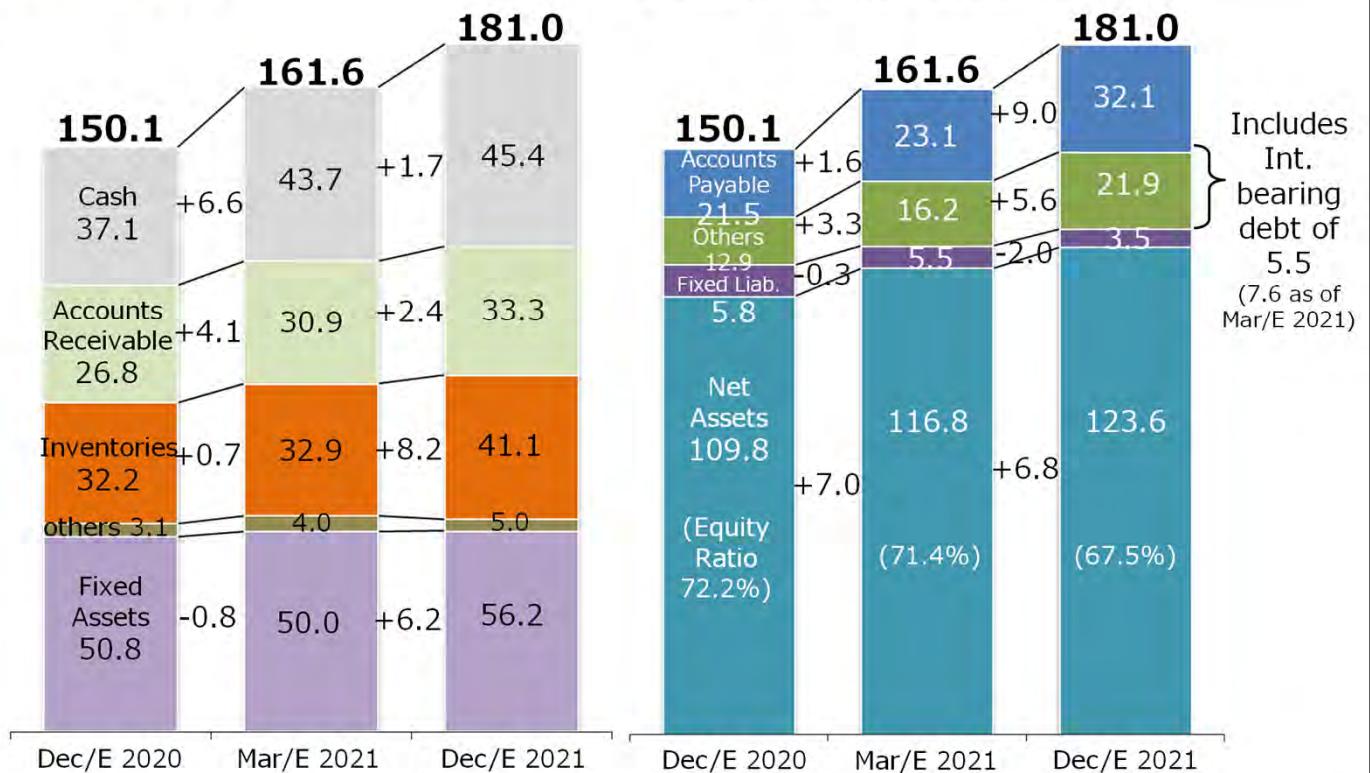
- 3Q Quarter Orders, exceeded forecast, were pushed up by demands toward Machinery and Machine parts.
- Backlog amount came back to the level in FY2019/3 (Fiscal year in bullish business situation), therefore, we expect recoveries also in Sales and Profit.

# Balance Sheet



## Assets (BJPY)

## Liabilities and Net Assets (BJPY)



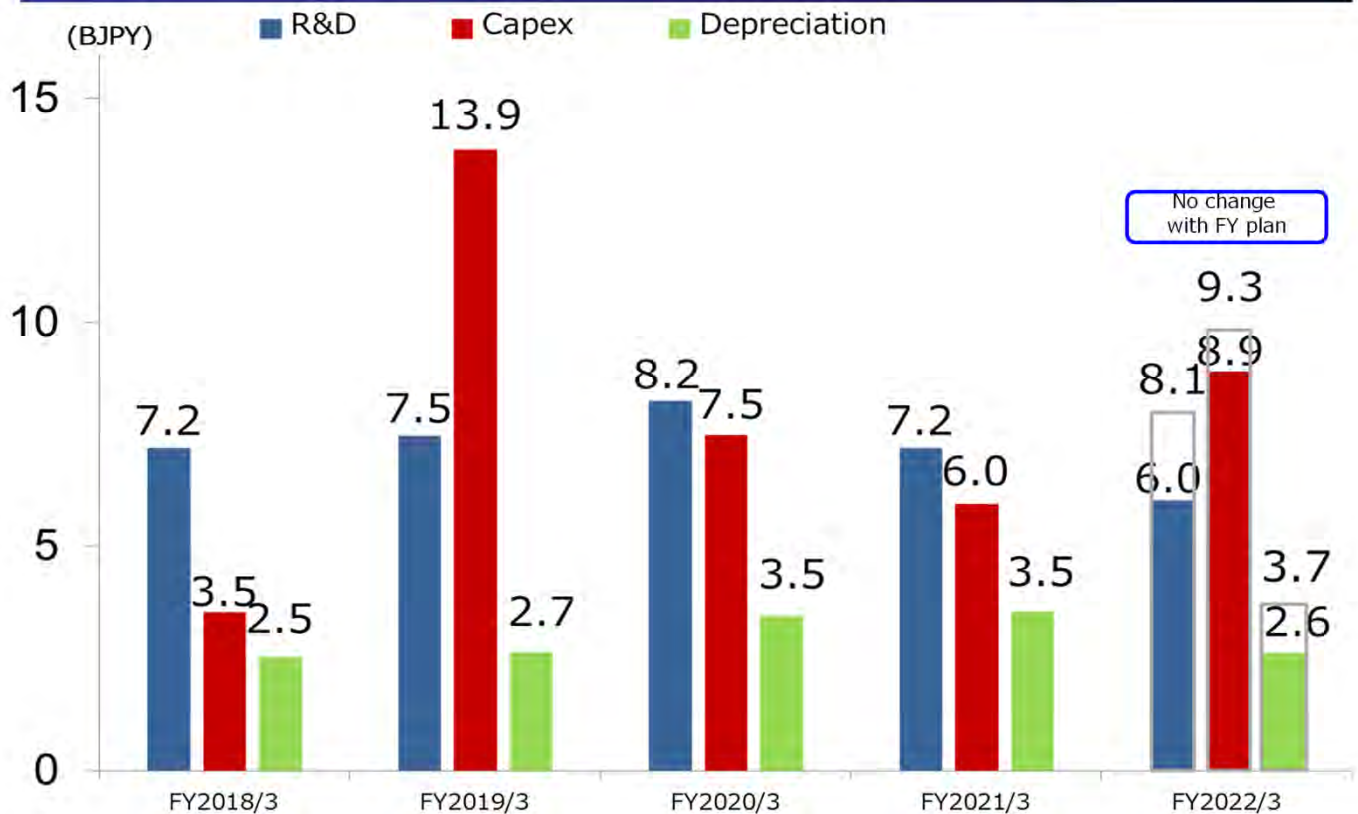
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10

- Major notes on the Balance Sheet as at December 2021 are:
- Increase in current assets mainly driven by increases in Accounts receivable, cash, and inventories aimed at near-future sales.
- Fixed assets increased mainly due to a purchase of Land and Construction in progress for New plant.
- Due to increase in sales, Accounts payable increased simultaneously. As a result, Equity ratio came to 67.5%.
- Amount of Interest-bearing debt was ¥5.5B.

# R&D, Capex and Depreciation



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11

- FY2022/3 3Q and Plan for Full-year and beyond on R&D, Capex and Depreciation are shown above.
- R&D: Almost as expected through the 3Q and no change in full year plan.
- Capex: Increased significantly in 3Q mainly reflected by purchase of Land and a part of construction cost payment for upcoming new factory. Next significant payment will be done in next fiscal year, therefore, full year Capex plan is remains unchanged.
- Depreciation: Almost as expected through the 3Q and has no change in full year plan.

# FY2021/3 Forecast



Full Year Results And Forecast (BJPY)	FY2021/3	FY2022/3	
	Full Year	Full Year (forecast)	YoY
Sales	97.1	128.0	+32%
Operating Profit (OP Margin)	15.6 (16%)	26.5 (21%)	+70%
Recurring Profit	15.9	26.5	+67%
Net Profit	12.2	19.3	+59%
Dividend per Share	104 Yen	168Yen	+64Yen

## Per Segment

(SPE)	Orders	93.2		
	Sales	71.7	100.0	+39%
(Metr.)	Orders	23.9		
	Sales	25.4	28.0	+10%

- No change in forecast previously announced on November 2<sup>nd</sup>, 2021

- FY2022/3 Full Year forecast, announced in November 2<sup>nd</sup>, 2021 remains unchanged.
- No change in annual dividend forecast for FY2022/3.

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## ◆ Q&A



**Sustainability Information:**



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

**Investor Information:**



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

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# Supplementary Data

# Segment Information



(MJPY)	Fiscal Year				Quarter							
	FY2019/3	FY2020/3	FY2021/3	FY2022/3 (3Q)	FY2021/3				FY2022/3			
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Orders	SPE	65,335	57,709	93,181	119,115	12,903	15,932	28,683	35,662	33,853	38,596	46,665
	Metr.	33,573	29,866	23,878	26,094	5,754	5,022	6,420	6,681	7,858	8,184	10,051
	Total	98,909	87,576	117,060	145,209	18,657	20,955	35,103	42,344	41,711	46,781	56,716
Backlog	SPE	27,670	29,182	50,619	97,334	26,653	24,610	38,188	50,619	61,676	75,375	97,334
	Metr.	9,165	7,782	6,301	11,350	7,898	6,855	6,783	6,301	8,018	8,573	11,350
	Total	36,836	36,965	56,920	108,684	34,552	31,465	44,971	56,920	69,694	83,949	108,684
Sales	SPE	69,117	56,198	71,745	72,400	15,432	17,975	15,106	23,231	22,796	24,897	24,707
	Metr.	32,403	31,728	25,359	21,045	5,638	6,066	6,491	7,163	6,141	7,629	7,274
	Total	101,520	87,927	97,105	93,445	21,070	24,041	21,597	30,395	28,937	32,526	31,981
OP	SPE	13,195	7,915	13,565	16,629	2,832	2,850	2,525	5,358	5,328	5,967	5,334
	Metr.	7,025	4,366	1,996	2,623	344	255	510	886	666	965	991
	Total	20,221	12,282	15,562	19,252	3,176	3,105	3,035	6,245	5,995	6,932	6,325
OP Margin	SPE	19.1%	14.1%	18.9%	23.0%	18.4%	15.9%	16.7%	23.1%	23.4%	24.0%	21.6%
	Metr.	21.7%	13.8%	7.9%	12.5%	6.1%	4.2%	7.9%	12.4%	10.9%	12.7%	13.6%
	Total	19.9%	14.0%	16.0%	20.6%	15.1%	12.9%	14.1%	20.5%	20.7%	21.3%	19.8%



# Statements of Income



(MJPY)	Fiscal Year				Quarter							
	FY2019/3	FY2020/3	FY2021/3	FY2022/3 (3Q)	FY2021/3				FY2022/3			
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	101,520	87,927	97,105	93,445	21,070	24,041	21,597	30,395	28,937	32,526	31,981	
Cost of goods sold	60,430	53,452	60,190	56,586	12,863	15,433	13,504	18,389	17,484	19,273	19,828	
Gross Profit on Sales	41,090	34,474	36,914	36,859	8,207	8,608	8,093	12,005	11,453	13,253	12,153	
Selling, general and administrative expenses	20,869	22,192	21,351	17,606	5,030	5,502	5,057	5,760	5,457	6,320	5,828	
Operating profit	20,221	12,282	15,562	19,252	3,176	3,105	3,035	6,245	5,995	6,932	6,324	
Non-operating income	688	255	540	377	194	118	106	214	135	66	270	
Non-operating expenses	104	177	235	60	25	153	205	-55	110	27	17	
Recurring Profit	20,805	12,360	15,867	19,569	3,345	3,070	2,936	6,515	6,019	6,971	6,577	
Extraordinary gains	58	57	1,354	13	6	-	149	1,198	13	-	-	
Extraordinary losses	419	1,712	1,074	-	-	293	108	672	-	-	-	
Profit before income taxes and minority interests	20,443	10,705	16,147	19,582	3,351	2,776	2,977	7,041	6,033	6,971	6,577	
Total Income tax and others	5,719	3,598	3,978	5,147	886	573	712	1,806	1,664	1,702	1,780	
Net Profit attributable to Owners of the Parent	14,665	7,156	12,175	14,384	2,470	2,207	2,264	5,232	4,352	5,255	4,776	
Net Profit per Share (Yen)	352.92	171.89	293.83	351.95	59.30	52.98	54.73	127.55	105.98	128.42	117.57	
Net Profit per Share (diluted) (Yen)	350.23	170.72	291.43	348.58	-	-	-	-	-	-	-	

# Balance Sheet



(MJPY)	FY2019/3	FY2020/3	FY2021/3	FY2022/3 (3Q)	
Current Assets	Cash and cash equivalents	41,518	34,640	43,657	45,350
	Accounts Receivable ※1	36,146	29,633	30,946	33,340
	Inventories	29,995	30,152	32,886	41,121
	Others	2,434	3,345	4,025	5,015
	Total	110,094	97,771	111,516	124,827
Total Fixed Assets	47,478	48,777	50,039	56,198	
Total Assets	157,573	146,549	161,556	181,025	
Current Liabilities	Accounts Payable※2	26,328	16,895	23,062	32,079
	Others	14,620	12,121	16,233	21,875
	Total	40,948	29,017	39,296	53,955
Total long-term liabilities	9,220	7,857	5,482	3,454	
Total Liabilities	50,169	36,874	44,778	57,409	
Total Net Assets	107,403	109,674	116,777	123,616	
Total Liabilities and Net Assets	157,573	146,549	161,556	181,025	
Total interest-bearing debt	11,415	9,641	7,581	5,515	
Equity Ratio(%)	67.3%	73.9%	71.4%	67.5%	
ROE(%)	14.4%	6.7%	10.9%	-	

※1: Incl. Electronically recorded monetary claims and contract assets      ※2: Incl. Electronically recorded obligations-operating

# Expenses and Cash Flows



(MJPY)	FY2019/3	FY2020/3	FY2021/3	FY2022/3 3Q
R&D expenses	7,469	8,234	7,193	6,033
Capex	13,872	7,477	5,950	8,929
Depreciation (excl. Amortization)	2,655	3,450	3,516	2,608

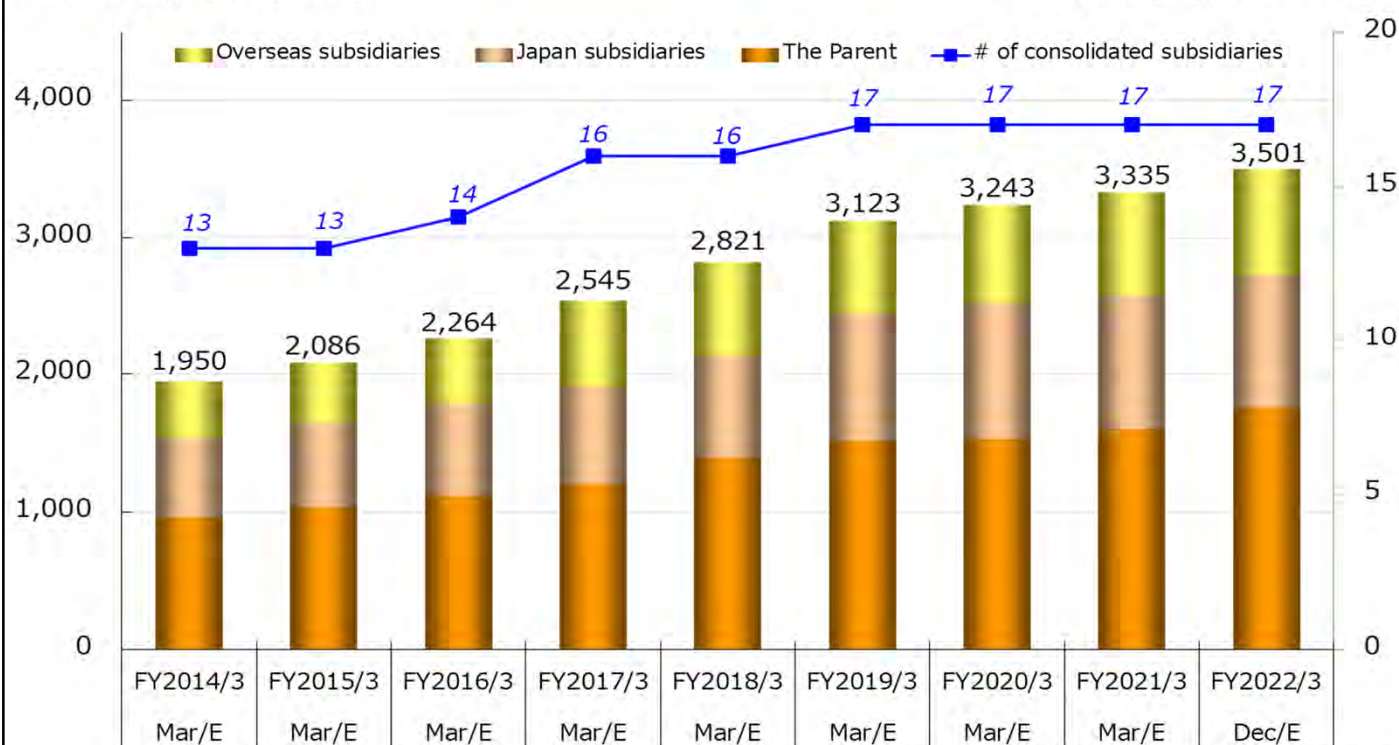
(MJPY)	FY2019/3	FY2020/3	FY2021/3	FY2022/3 (1H)
Cash flows from operating activities	12,932	5,965	22,062	14,627
Cash flows from investing activities	-13,952	-6,116	-5,191	-1,825
Free cash flow	-1,020	-150	16,871	12,802
Cash flows from financing activities	5,443	-6,375	-8,282	-5,979
Adjustments	-223	-159	429	308
Cash and cash equivalents at the end of year	41,290	34,605	43,624	50,755

# Number of employees



Number of Employees (person)

# of Consolidated Subsidiaries



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