

Tokyo Seimitsu Co., Ltd. Earnings Conference for FY2025/3 1Q

August 2nd, 2024

◆ Earnings Conference for FY2025/3 1Q (via Web)

◆ Tokyo Seimitsu's Speakers:

KAWAMURA Koichi, Executive Vice President and CFO

TAKASHIMA Naoki, IR Team Leader, Management Support Dept.

* This transcript is an English translation and summary of information provided verbally in Japanese.

◆ 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, and “**MTP**” denotes “Mid-term Business Plan.”
- ◆ 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.
- ◆ Effective from FY2023/3, income and expenses of foreign subsidiaries are converted to Japanese Yen using the average rate during the period, instead of the previous end-of-period rate. Accordingly, the figures for FY2022/3 stated in Supplementary statement are retroactively applied average rate for the period.

◆ Audit procedure

- ◆ This presentation is not subject to audit procedures.

FY2025/3 1Q Business Results



Quarterly Results (BJPY)	FY2024/3				FY2025/3		
	1Q	2Q	3Q	4Q	1Q	QoQ	YoY
Orders	29.5	29.9	30.1	31.2	37.4	+20%	+27%
Sales	26.6	36.9	25.4	45.8	29.6	-35%	+11%
Operating profit (Margin)	4.3 (16%)	7.1 (19%)	3.0 (12%)	10.9 (24%)	4.1 (14%)	-63%	-4%
Recurring profit	4.7	7.4	3.0	11.4	4.3	-62%	-8%
Net profit	3.2	5.3	2.1	8.8	3.6	-59%	+10%

Segment Results (BYPY)		FY2024/3				FY2025/3		
		1Q	2Q	3Q	4Q	1Q	QoQ	YoY
SPE	Orders	20.3	22.0	20.2	23.6	27.1	+15%	+33%
	Sales	18.7	28.2	17.6	35.5	22.0	-38%	+18%
	Operating Profit (Margin)	3.2 (17%)	5.8 (20%)	1.9 (11%)	9.0 (25%)	3.3 (15%)	-63%	+3%
Metr.	Orders	9.2	8.0	10.0	7.6	10.3	+36%	+12%
	Sales	7.9	8.7	7.8	10.3	7.6	-26%	-4%
	Operating Profit (Margin)	1.0 (13%)	1.4 (16%)	1.1 (14%)	1.9 (19%)	0.8 (10%)	-60%	-26%

- Sales increased YoY, mainly in SPE, and were generally in line with expectations
- Orders increased YoY and QoQ in both segments

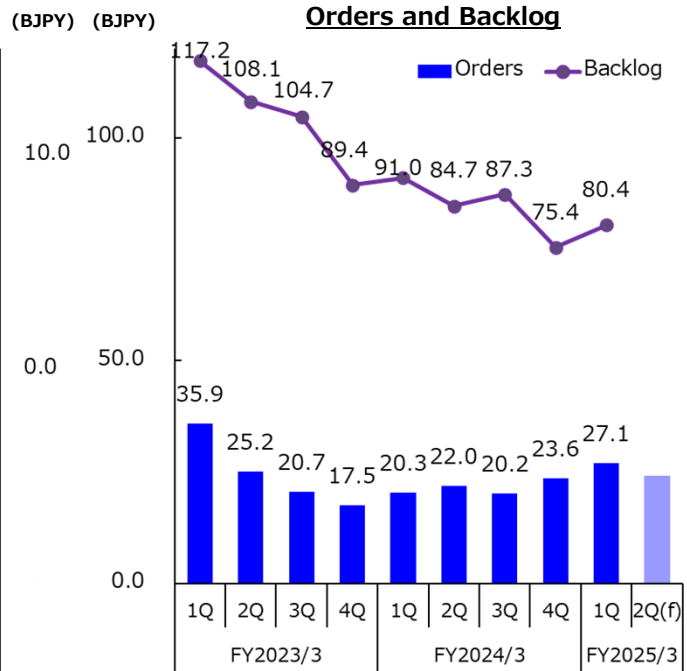
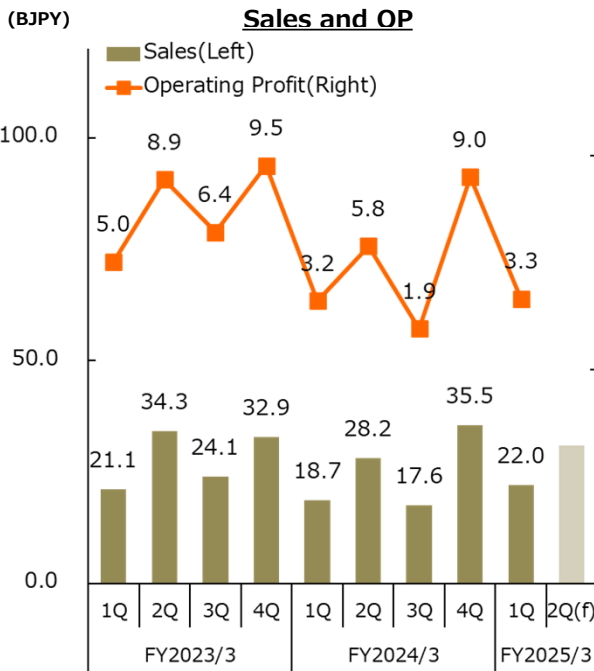
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- ◆ Hello everyone, I am Kawamura, Executive Vice President and CFO of Tokyo Seimitsu. I would like to express my gratitude for your continued support.
- ◆ I would now begin to explain our business performance for FY2025/3 1Q. Orders were ¥37.4B, Sales were ¥29.6B, Operating profit was ¥4.1B, Recurring Profit was ¥4.3B, and Net income attributable to owners of the Parent was ¥3.6B. Operating profit margin was 14%.
- ◆ While metrology sales were slightly below than planned, total amount of sales were generally in-line thanks to SPE sales exceed the internal plan.
- ◆ Orders increased both YoY and QoQ due to steady growth in both segments.
- ◆ Next, I will explain the results per each business segment.

SPE – Quarterly Trend



- **Sales: Almost in line - 2Q sales to increase through shipments proceeding as planned**
- **Orders: Demand from Taiwan remains stagnant, but from China and Gen. AI are relatively strong**

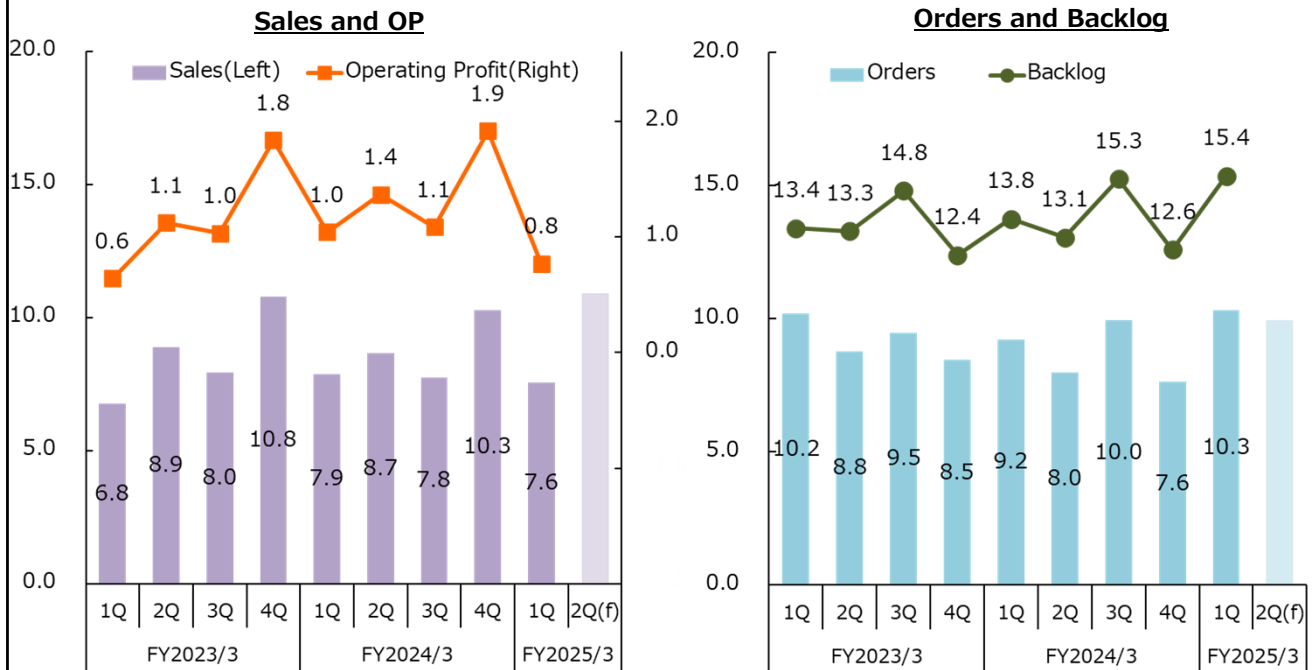
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- ◆ Here are the quarterly graph of SPE.
- ◆ Left side (Sales): Sales and OP resulted within our expectation because Shipments proceeded as planned.
- ◆ Right side (Orders): Although the consumer electronics demand especially in Taiwan remains sluggish, the demand from China was solid, and generative AI-related demand underpinned our orders. As a result, 1Q orders increase YoY.
- ◆ The Company now anticipates 2Q order to down approximately 10% QoQ.

Metrology – Quarterly Trend



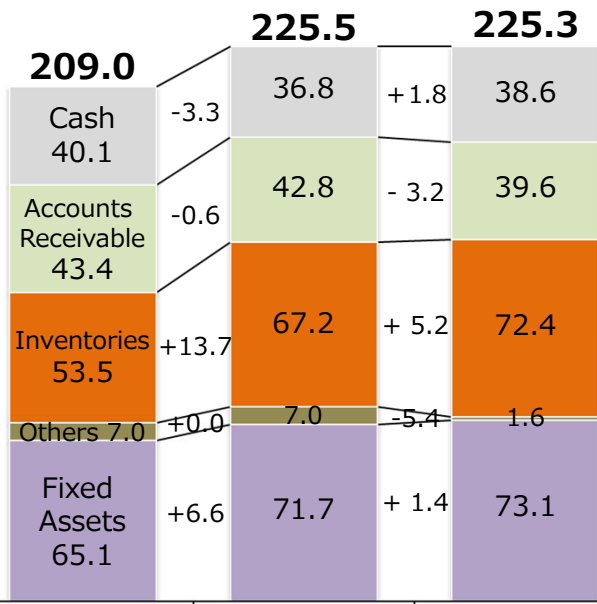
- **Sales:** Lower than expected due to delivery schedule changes for some projects, etc.
- **Orders:** Indications of a bottoming out of demand for machine tools, plus an increase in orders for Charge/discharge testing systems

- ◆ Here are the quarterly graph of Metrology equipment.
- ◆ Left side (Sales): Sales slightly decreased YoY due to delivery schedule changes for some projects.
- ◆ Right side (Orders) : In addition to signs of a bottoming from the slump in machine tools sector, thanks to certain number of orders for our Charge/discharge testing systems, resulted an increase in orders for this segment YoY.
- ◆ The Company expects 2Q orders to remain flat QoQ.

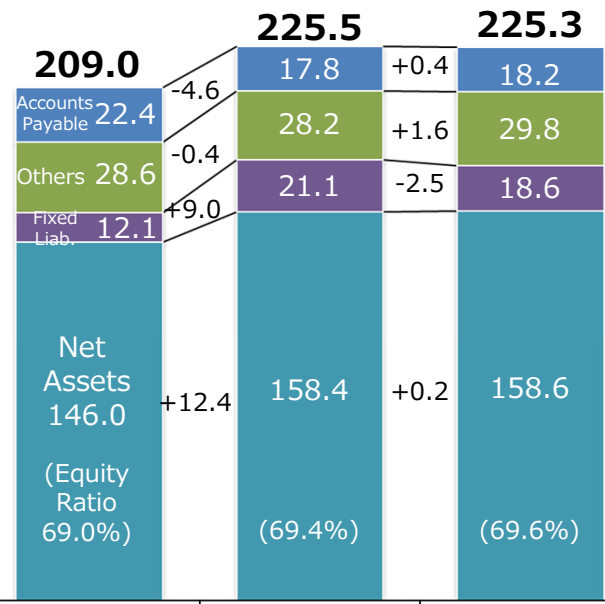
Balance Sheet



Assets (BJPY)



Liabilities / Net Assets (BJPY)



Mar/E 2023 Mar/E 2024 Jun/E 2024 Mar/E 2023 Mar/E 2024 Jun/E 2024

- **Assets: Increase in inventories for future shipments**
- **Liabilities and Net Assets: Increase in contract liabilities (advances received), decrease in long-term debt**

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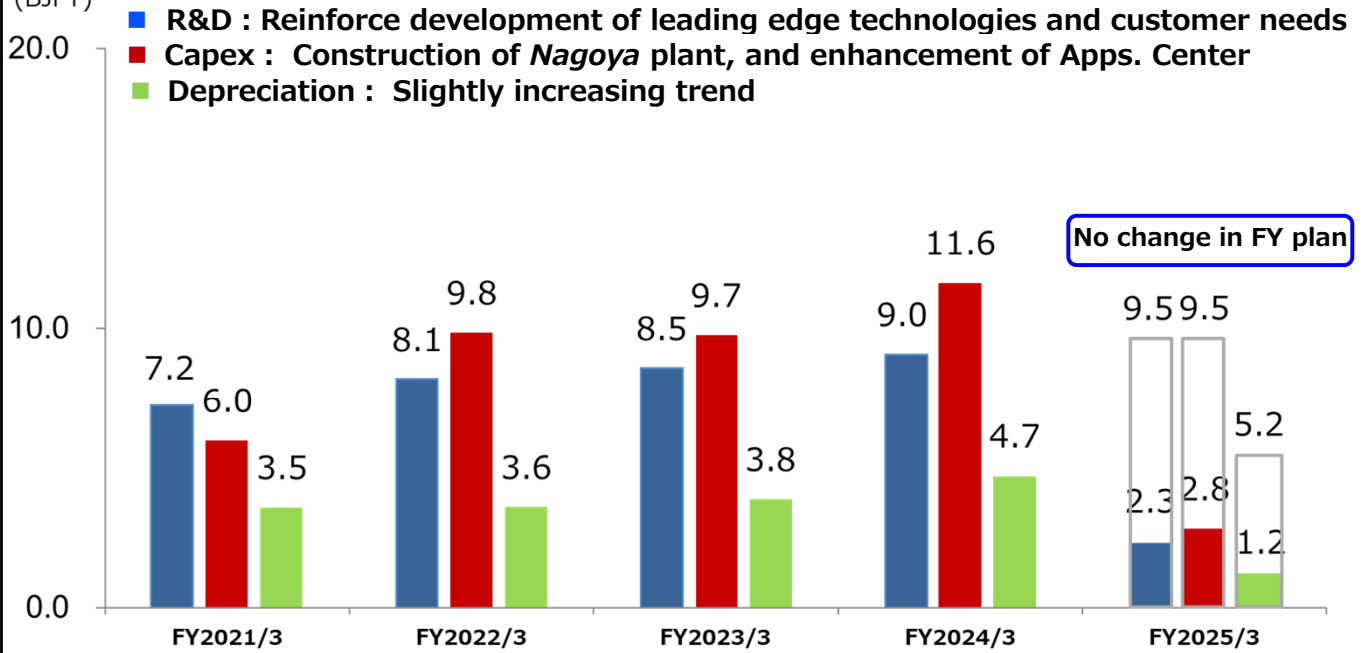
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- ◆ This page is an explanation of the balance sheet.
- ◆ Total assets at the end of June 2024 were ¥225.3B.
- ◆ On the assets section on the left, inventory increased for future shipments.
- ◆ On the right side, while current liabilities increased due to an increase in advances received, long-term liabilities decreased due to the repayment of long-term debt. Consequently, fixed liabilities decreased.
- ◆ The equity ratio at June 2024 end was 69.6%.

R&D, Capex and Depreciation



(BJPY)



➤ No change in FY2025/3 R&D and other plans

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- ◆ Here are the 1Q results of R&D and capital investment, and the full-year plan.
- ◆ R&D, Capex, Depreciation were in line with the 1Q wraps, and no change in FY2025/3 plan.
- ◆ Here is a description of the FY2025/3 1Q results so far.

Premises of FY2025/3 Forecast

(Blue : Changed by August)



Full year forecasts

- Recovery timing of consumer electronics related demand is still uncertain
- FY forecast newly disclosed based on current market conditions and order trends

SPE

- Overall demand underpinned by AI, HBM, CIS, and demand from China, etc.
 - AI/HBM only incorporates projects with clear order timing
- SiC is expected to delay the initial assumption - 1H market size likely to remain at the same level as FY2024/3 2H

Metrology

- Machine tool order trends, a leading indicator, show signs of bottoming out, to be flat YoY
- Increased demand for charge-discharge testing systems for EV battery development

Overall

- Implement Company-wide efforts defined by Mid-Term business plan and execute forward-looking investment plans

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- ◆ Here are the assumptions for the FY2025/3 forecast.
- ◆ At the conference held in May 2024, the Company disclosed only the 1H forecast, but at this point, it is hard to foresee a recovery in consumer electronics demand. Therefore, the Company newly disclose full year forecast based on the current market environment and order trends. The changes made in August are shown in blue.
- ◆ In SPE, we anticipate that demand for AI, HBM, Image Sensors, and demand from China remain to drive the market. On the other hand, in SiC, the Company initially assumed that equipment demand might shift from substrate to device manufacturing. However, this trend delays compared to our initial assumption, and the market size is now expected to be flattish HoH.
- ◆ In Metrology, we assume the machine tool orders are expected to remain flat from YoY amid bottoming-out situation. The Company expects demand for Charge/discharge testing systems will increase due to EV battery development gains momentum.
- ◆ On a company-wide basis, investment plans that anticipate the future will be steadily implemented in addition to the initiatives formulated in the mid-term business plan.

FY2025/3 Forecast



Full Year Results And Forecast(BJPY)	FY2024/3			FY2025/3				
	1H	2H	FY	1H(f)	Vs. PrevFcst	2H(f)	FY(f)	YoY
Sales	63.5	71.1	134.7	70.0	-1.5	73.0	143.0	+6%
Operating Profit (OP Margin)	11.4 (18%)	13.9 (20%)	25.3 (19%)	13.0 (19%)	-1.0	14.0 (19%)	27.0 (19%)	+7%
Recurring Profit	12.1	14.4	26.5	13.0	-0.8	14.0	27.0	+2%
Net Profit	8.5	10.8	19.4	12.0	+2.5	9.8	21.8	+13%
Dividend per Share	89Yen		192Yen	108Yen	+13Yen	108Yen	216Yen	+24Yen

Per Segment

(SPE) Orders	42.3	43.8	86.1					
	Sales	47.0	53.1	100.1	53.0	+0	53.0	106.0
(Metr.) Orders	17.2	17.6	34.8					
	Sales	16.6	18.1	34.6	17.0	-1.5	20.0	37.0

- Recovery in consumer electronics demand is still uncertain, FY fcst announced upon current environment
- Downward revision of 1H Metrology segment sales
- Extraordinary gains (approx. ¥4.0B) to account in FY2025/3 1H
- Forex assumption unchanged (¥145 / US\$) – forex impact is minimal (High ratio of Yen-based business)

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- ◆ Based on premises explained in previous page, the Company revised the forecast for the FY2025/3 1H previously announced in May 2024, and newly disclosed FY2025/3 full year forecast as shown in this page.
- ◆ The revision of the 1H forecast is due to the postponement of the delivery of several projects in Metrology segment to next period or beyond, as well as a gain on sales of fixed assets of approximately ¥4.0B.
- ◆ For the full year, Sales are expected to be ¥143.0B, Operating Profit ¥27.0B, Recurring Profit ¥27.0B, and Net Profit ¥21.8B.
- ◆ The impact of forex fluctuations is minimal, because the majority of business transaction are in Japanese Yen. The Company remains assumed exchange rate unchanged (¥145 per US dollar).
- ◆ That is all for my explanation. Thank you very much.



Investor Relations Site



<https://www.accretech.com/en/ir/index.html>

Sustainability Information Site



<https://www.accretech.com/en/sustainability/index.html>

補足資料

Supplementary Data

セグメント別業績推移 Segment Information



(百万円) Million Yen	会計期間 Fiscal Year				四半期 Quarter								
	2021年 3月期 FY2021/3	2022年 3月期 FY2022/3	2023年 3月期 FY2023/3	2024年 3月期 FY2024/3	2024年3月期 FY2024/3				2025年3月期 FY2025/3				
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
前社 Orders	半導体 SPE	93,181	152,896	99,366	86,082	20,345	21,957	20,175	23,604	27,081			
	計測 Metr.	23,878	33,159	36,960	34,802	9,225	7,981	9,963	7,632	10,336			
	合計 Total	117,060	186,056	136,326	120,885	29,571	29,938	30,139	31,236	37,417			
受注残高 Backlog	半導体 SPE	50,619	102,370	89,371	75,398	90,993	84,710	87,300	75,398	80,433			
	計測 Metr.	6,301	9,904	12,428	12,606	13,758	13,061	15,253	12,606	15,362			
	合計 Total	56,920	112,274	101,799	88,004	104,752	97,771	102,553	88,004	95,796			
売上高 Sales	半導体 SPE	71,745	101,145	112,365	100,055	18,722	28,241	17,585	35,505	22,046			
	計測 Metr.	25,359	29,556	34,436	34,624	7,895	8,678	7,772	10,278	7,580			
	合計 Total	97,105	130,702	146,801	134,680	26,618	36,919	25,357	45,784	29,626			
営業利益 Op	半導体 SPE	13,565	24,698	29,866	19,899	3,208	5,773	1,912	9,004	3,314			
	計測 Metr.	1,996	3,628	4,628	5,408	1,042	1,365	1,084	1,916	768			
	合計 Total	15,562	28,327	34,494	25,307	4,250	7,138	2,997	10,921	4,083			
営業利益率 Op Margin	半導体 SPE	18.9%	24.4%	26.6%	19.9%	17.1%	20.4%	10.9%	25.4%	15.0%			
	計測 Metr.	7.9%	12.3%	13.4%	15.6%	13.2%	15.7%	14.0%	18.6%	10.1%			
	合計 Total	16.0%	21.7%	23.5%	18.8%	16.0%	19.3%	11.8%	23.9%	13.8%			

損益計算書 Statements of Income



(百万円) Million Yen	会計期間 Fiscal Year				四半期 Quarter								
	2021年 3月期 FY2021/3	2022年 3月期 FY2022/3	2023年 3月期 FY2023/3	2024年 3月期 FY2024/3	2024年3月期 FY2024/3				2025年3月期 FY2025/3				
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
売上高 Net Sales	97,105	130,702	146,801	134,680	26,618	36,919	25,357	45,784	29,626				
売上原価 Cost of goods sold	60,190	77,694	84,967	79,917	15,415	22,387	14,894	27,220	17,753				
売上総利益 Gross Profit on Sales	36,914	53,008	61,834	54,762	11,203	14,531	10,462	18,564	11,873				
販売費および一般管理費 Selling, general and administrative expenses	21,351	24,681	27,339	29,454	6,952	7,392	7,465	7,643	7,790				
営業利益 Operating profit	15,562	28,327	34,494	25,307	4,250	7,138	2,997	10,921	4,083				
営業外収益 Non-operating income	540	987	965	1,404	563	245	52	541	287				
営業外費用 Non-operating expenses	235	153	162	259	103	22	64	67	41				
経常利益 Recurring Profit	15,867	29,160	35,297	26,453	4,710	7,361	2,985	11,394	4,329				
特別利益 Extraordinary gains	1,354	390	103	824	26	-	3	794	10				
特別損失 Extraordinary losses	1,074	34	2,099	21	-	14	-	7	-				
税引前利益 Profit before income taxes and minority interests	16,147	29,516	33,301	27,255	4,736	7,347	2,989	12,181	4,339				
法人税等合計 Total Income tax and others	3,978	8,132	9,607	7,791	1,456	1,998	897	3,437	754				
親会社株主に帰属する当期純利益 Net Profit attributable to Owners of the Parent	12,175	21,326	23,630	19,378	3,245	5,302	2,067	8,763	3,554				
1株当たり当期純利益(円) Net Profit per Share (Yen)	293.83	522.52	581.33	480.49	80.63	131.49	51.23	217.00	87.89				
潜在株式調整後 1株当たり当期純利益(円) Net Profit per Share (diluted) (Yen)	291.43	517.51	575.62	475.42	-	-	-	-	-				

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貸借対照表 Balance Sheet



(百万円) (Million Yen)		2022年3月期 FY2022/3	2023年3月期 FY2023/3	2024年3月期 FY2024/3	2025年3月期(1Q末) FY2025/3 (1Q)
流動資産 Current Assets	現金及び預金 Cash and cash equivalents	49,033	40,080	36,782	38,623
	売上債権※1 Accounts Receivable※1	38,367	43,403	42,801	39,560
	在庫 Inventories	40,325	53,482	67,225	72,374
	その他 Others	6,103	7,005	7,022	1,622
	合計 Total	133,829	143,972	153,831	152,180
	固定資産合計 Total Fixed Assets	56,457	65,060	71,693	73,090
	総資産 Total Assets	190,287	209,032	225,524	225,271
流動負債 Current Liabilities	買入債務※2 Accounts Payable※2	29,876	22,359	17,845	18,241
	その他 Others	25,765	28,588	28,156	29,803
	合計 Total	55,641	50,947	46,002	48,045
	固定負債合計 Total long-term liabilities	3,564	12,057	21,094	18,617
	負債合計 Total Liabilities	59,206	63,004	67,097	66,662
	純資産合計 Total Net Assets	131,081	146,028	158,427	158,609
	負債・純資産合計 Total Liabilities and Net Assets	190,287	209,032	225,524	225,271
	有利子負債合計 Total interest-bearing debt	5,497	14,191	25,171	23,744
	自己資本比率 Equity Ratio(%)	68.1%	69.0%	69.4%	69.6%
	自己資本利益率 ROE(%)	17.4%	17.3%	12.9%	-

※1: 電子記録債権、契約資産を含む

Incl. Electronically recorded monetary claims

※2: 電子記録債務を含む

Incl. Electronically recorded obligations-operating

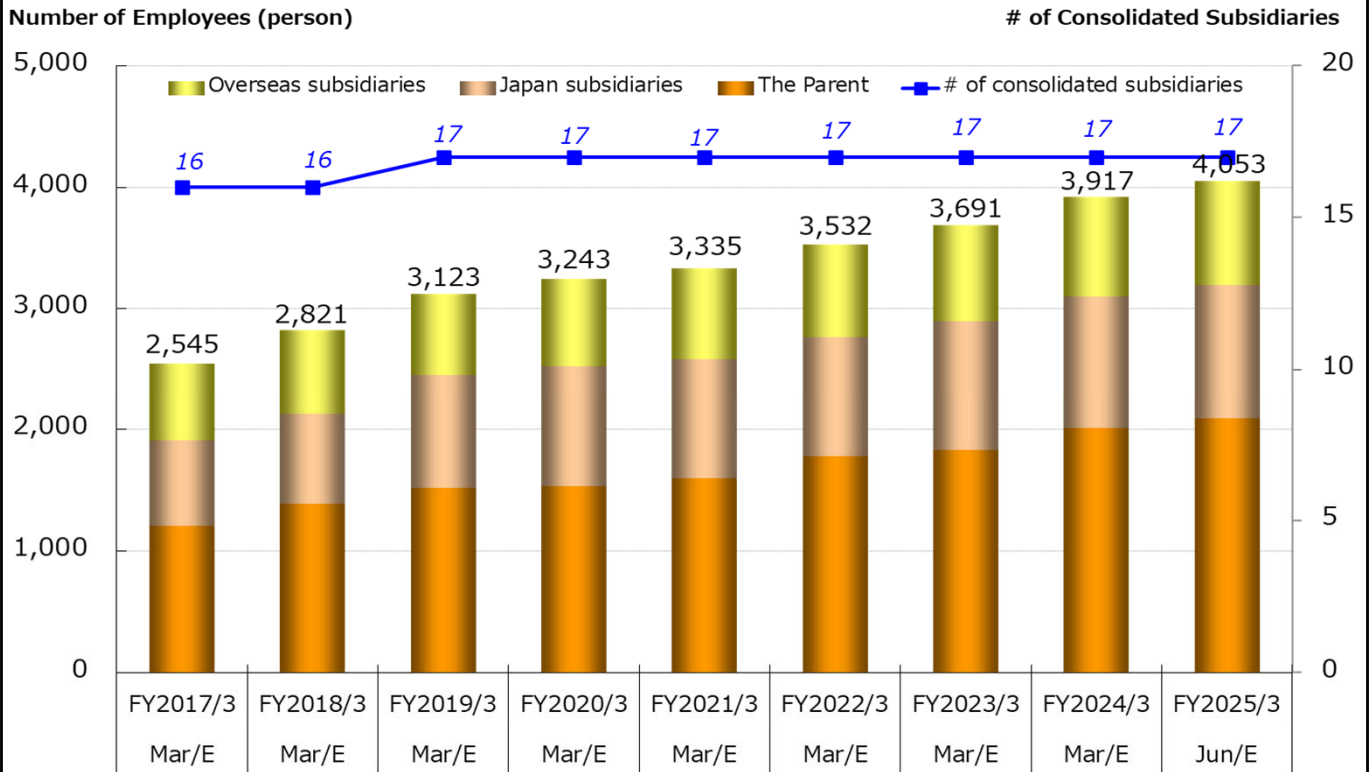
各種費用, キャッシュフロー Expenses and Cash Flows



(百万円) (Million Yen)	2022年3月期 FY2022/3	2023年3月期 FY2023/3	2024年3月期 FY2024/3	2025年3月期(1Q) FY2025/3(1Q)
試験研究費 R&D expenses	8,146	8,542	9,042	2,286
設備投資 Capex	9,793	9,725	11,602	2,787
減価償却費 (のれんの償却を除く) Depreciation (excl. Amortization of goodwill)	3,551	3,832	4,673	1,202

(百万円) (Million Yen)	2022年3月期 FY2022/3	2023年3月期 FY2023/3	2024年3月期 FY2024/3
営業活動によるキャッシュフロー Cash flows from operating activities	23,837	1,000	4,892
投資活動によるキャッシュフロー Cash flows from investing activities	-8,990	-8,421	-10,563
フリーキャッシュフロー Free cash flows	14,846	-7,421	-5,671
財務活動によるキャッシュフロー Cash flows from financing activities	-10,346	-2,174	1,616
現金及び現金同等物に係る換算差額等 Adjustments	882	625	755
現金及び現金同等物の期末残高 Cash and cash equivalents at the end of year	49,006	40,036	36,736

Number of employees



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