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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 1, 2024

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 Listing: Tokyo
 Stock Exchange Code: 2760
 URL: <https://www.teldevice.co.jp/>
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 Scheduled date to file semi-annual securities report: November 7, 2024
 Scheduled date to commence dividend payments: November 29, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	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	%
Six months ended September 30, 2024	111,712	(6.7)	6,292	(12.0)	6,147	(1.7)	4,305	(5.4)
September 30, 2023	119,698	7.1	7,153	8.8	6,253	20.1	4,551	27.0

(Note) Comprehensive income: Six months ended September 30, 2024: 3,934 million yen [(29.2)%]
 Six months ended September 30, 2023: 5,555 million yen [21.1%]

	Basic net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2024	143.21	-
September 30, 2023	152.17	-

(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
As of	Millions of yen	Millions of yen	%
September 30, 2024	164,278	47,870	28.5
March 31, 2024	162,567	46,190	27.7

(Reference) Equity: As of September 30, 2024: 46,743 million yen
 As of March 31, 2024: 45,042 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	183.00	-	74.00	-
Fiscal year ending March 31, 2025	-	52.00			
Fiscal year ending March 31, 2025 (Forecast)			-	65.00	117.00

(Note) Revision to the forecast for dividends announced most recently: 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 ended March 31, 2024 is based on the number of shares after the share split, and the annual dividend is stated as "—". If the share split is taken into consideration, the interim dividend per share for the first half of the fiscal year ended March 31, 2024 would be 61.00 yen, and the annual dividend would be 135.00 yen.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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
Full year	230,000	(5.3)	12,700	(8.8)	8,700	(12.9)	289.94

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2024: 31,336,500 shares

March 31, 2024: 31,336,500 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 1,227,412 shares

March 31, 2024: 1,330,180 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 30,062,532 shares

Six months ended September 30, 2023: 29,908,998 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 each 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. The number of shares outstanding at the end of the period, the 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.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an 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.

Semi-annual Consolidated Financial Statements and Segment Information

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	FY 2024 (As of Mar. 31, 2024)	FY 2025 (As of Sep. 30, 2024)
Assets		
Current assets		
Cash and deposits	6,867	9,653
Notes and accounts receivable - trade, and contract assets	57,234	48,952
Electronically recorded monetary claims - operating	4,241	2,783
Merchandise and finished goods	53,275	59,272
Raw materials	3,161	2,958
Prepaid expenses	19,416	23,615
Other	7,229	4,806
Allowance for doubtful accounts	(90)	(73)
Total current assets	151,336	151,968
Non-current assets		
Property, plant and equipment	3,356	4,127
Intangible assets	2,192	2,120
Investments and other assets		
Retirement benefit asset	449	467
Other	5,557	5,898
Allowance for doubtful accounts	(323)	(303)
Total investments and other assets	5,682	6,062
Total non-current assets	11,231	12,309
Total assets	162,567	164,278

(Millions of yen)

	FY 2024 (As of Mar. 31, 2024)	FY 2025 (As of Sep. 30, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	22,690	18,974
Short-term borrowings	22,401	20,461
Commercial papers	5,000	5,000
Current portion of long-term borrowings	7,000	2,000
Income taxes payable	1,870	1,904
Advances received	23,724	28,037
Provision for bonuses	2,401	1,805
Other	3,947	4,757
Total current liabilities	89,035	82,940
Non-current liabilities		
Long-term borrowings	17,700	24,700
Retirement benefit liability	7,440	7,437
Other	2,201	1,330
Total non-current liabilities	27,341	33,467
Total liabilities	116,377	116,407
Net assets		
Shareholders' equity		
Share capital	2,495	2,495
Capital surplus	5,684	5,684
Retained earnings	36,363	38,350
Treasury shares	(1,674)	(1,575)
Total shareholders' equity	42,869	44,955
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	129	60
Deferred gains or losses on hedges	124	116
Foreign currency translation adjustment	1,744	1,476
Remeasurements of defined benefit plans	174	135
Total accumulated other comprehensive income	2,172	1,788
Non-controlling interests	1,148	1,127
Total net assets	46,190	47,870
Total liabilities and net assets	162,567	164,278

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	FY 2024 (from Apr. 1, 2023 to Sep. 30, 2023)	FY 2025 (from Apr. 1, 2024 to Sep. 30, 2024)
Net sales	119,698	111,712
Cost of sales	101,686	95,288
Gross profit	18,011	16,423
Selling, general and administrative expenses		
Salaries and allowances	3,708	3,913
Provision for bonuses	2,141	1,608
Retirement benefit expenses	357	336
Other	4,651	4,272
Total selling, general and administrative expenses	10,858	10,131
Operating income	7,153	6,292
Non-operating income		
Share of profit of entities accounted for using equity method	93	68
Other	91	134
Total non-operating income	185	203
Non-operating expenses		
Interest expenses	122	138
Foreign exchange losses	923	113
Other	39	96
Total non-operating expenses	1,085	348
Ordinary income	6,253	6,147
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on sale of investment securities	4	-
Total extraordinary income	4	0
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Total extraordinary losses	1	1
Net income before income taxes	6,256	6,146
Income taxes	1,655	1,827
Net income	4,601	4,318
Net income attributable to non-controlling interests	50	13
Net income attributable to owners of parent	4,551	4,305

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2024 (from Apr. 1, 2023 to Sep. 30, 2023)	FY 2025 (from Apr. 1, 2024 to Sep. 30, 2024)
Net income	4,601	4,318
Other comprehensive income		
Valuation difference on available-for-sale securities	7	(69)
Deferred gains or losses on hedges	247	(8)
Foreign currency translation adjustment	676	(288)
Remeasurements of defined benefit plans, net of tax	(10)	(38)
Share of other comprehensive income of entities accounted for using equity method	32	20
Total other comprehensive income	954	(384)
Comprehensive income	5,555	3,934
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,505	3,921
Comprehensive income attributable to non-controlling interests	50	13

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2024 (from Apr. 1, 2023 to Sep. 30, 2023)	FY 2025 (from Apr. 1, 2024 to Sep. 30, 2024)
Cash flows from operating activities		
Net income before income taxes	6,256	6,146
Depreciation and amortization	275	473
Increase (decrease) in provision for bonuses	(447)	(592)
Increase (decrease) in retirement benefit liability	(97)	(39)
Interest expenses	122	138
Foreign exchange losses (gains)	999	(2,098)
Decrease (increase) in accounts receivable - trade, and contract assets	5,494	9,248
Decrease (increase) in inventories	(7,728)	(5,975)
Increase (decrease) in trade payables	(2,723)	(3,663)
Increase (decrease) in accounts payable - other	155	828
Increase (decrease) in advances received	2,327	4,315
Decrease (increase) in consumption taxes refund receivable	1,275	2,021
Decrease (increase) in accounts receivable - other	75	1,597
Decrease (increase) in prepaid expenses	80	(4,199)
Other, net	(474)	(81)
Subtotal	5,591	8,119
Interest and dividends received	56	103
Interest paid	(122)	(147)
Income taxes paid	(2,628)	(1,790)
Net cash provided by (used in) operating activities	2,895	6,285
Cash flows from investing activities		
Net decrease (increase) in time deposits	(7)	(7)
Purchase of property, plant and equipment	(143)	(1,039)
Purchase of intangible assets	(444)	(128)
Proceeds from sale of investment securities	4	-
Payments of leasehold and guarantee deposits	(428)	(428)
Other, net	1	20
Net cash provided by (used in) investing activities	(1,018)	(1,582)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(119)	(1,847)
Proceeds from long-term borrowings	-	7,000
Repayments of long-term borrowings	(3)	(5,000)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(27)	-
Purchase of treasury shares	(0)	-
Proceeds from disposal of treasury shares	229	271
Dividends paid	(2,089)	(2,220)
Dividends paid to non-controlling interests	(35)	(34)
Repayments of lease liabilities	(37)	(42)
Net cash provided by (used in) financing activities	(2,083)	(1,873)
Effect of exchange rate change on cash and cash equivalents	163	(51)
Net increase (decrease) in cash and cash equivalents	(42)	2,779
Cash and cash equivalents at beginning of period	6,442	6,757
Cash and cash equivalents at end of period	6,400	9,536

(4) Segment Information

I. For the Period ended September 30, 2023 (From Apr. 1, 2023 to Sep. 30, 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.	105,344	–	105,344	–	105,344
Storage & Network Products, etc.	–	8,561	8,561	–	8,561
Maintenance & Monitoring Services	–	5,792	5,792	–	5,792
Revenue from contracts with customers	105,344	14,353	119,698	–	119,698
Outside customers	105,344	14,353	119,698	–	119,698
Inter-segment	–	–	–	–	–
Total	105,344	14,353	119,698	–	119,698
Segment income	4,990	1,263	6,253	–	6,253

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

II. For the Period ended September 30, 2024 (From Apr. 1, 2024 to Sep. 30, 2024)

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.	94,024	–	94,024	–	94,024
Storage & Network Products, etc.	–	11,062	11,062	–	11,062
Maintenance & Monitoring Services	–	6,624	6,624	–	6,624
Revenue from contracts with customers	94,024	17,687	111,712	–	111,712
Outside customers	94,024	17,687	111,712	–	111,712
Inter-segment	–	–	–	–	–
Total	94,024	17,687	111,712	–	111,712
Segment income	3,978	2,168	6,147	–	6,147

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