

# Consolidated Financial Statements for the 3<sup>rd</sup> Quarter of the Fiscal Year Ending March 31<sup>st</sup>, 2024 (FY2024/3), Japan GAAP

February 5<sup>th</sup>, 2024

Company Name



**Tokyo Seimitsu Co., Ltd.**

Stock Listing: Tokyo

ACCRETECH

Code number: 7729

(URL: <https://www.accretech.com>)

Representative: Ryuichi Kimura, President and COO

Inquiries: Koichi Kawamura, Executive Vice President and CFO

Tel: +81-(0)42-642-1701

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Dividend Payment Date (planned): -

Supplementary Document for Quarterly Financial Results: Yes

Holding of Financial Results Meeting: Yes (for Security Analysts, Investors)

(Millions of yen, rounded down)

## 1. Consolidated Results for Accumulated 3<sup>rd</sup> Quarter (April 1<sup>st</sup> – December 31<sup>st</sup>, 2023)

### (1) Consolidated sales and earnings

(Percentage 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)	
FY2024/3 3Q	88,895	- 13.8%	14,386	- 37.8%	15,058	- 36.4%	10,615	- 30.4%
FY2023/3 3Q	103,114	11.3%	23,133	20.6%	23,669	21.4%	15,246	6.2%

Note: Comprehensive Income in FY2024/3 3Q 11,958 million yen (- 28.2%), in FY2023/3 3Q 16,644 million yen (10.7%)

	Net Profit per Share (Yen)	Net Profit per Share (diluted) (Yen)
FY2024/3 3Q	263.33	260.54
FY2023/3 3Q	374.88	371.26

### (2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio
FY2024/3 3Q	216,986	149,105	67.8%
FY2023/3	209,032	146,028	69.0%

Note: Equity in FY2024/3 3Q 147,197 million yen, in FY2023/3 144,288 million yen

## 2. Dividends

	Dividend per share in Fiscal Year				
	Q1 End	Q2 End	Q3 End	Q4 End	Total
	Yen	Yen	Yen	Yen	Yen
FY2023/3	-	109.00	-	126.00	235.00
FY2024/3	-	89.00	-		
FY2024/3 (Projected)				89.00	178.00

Note: Changes due to revision of dividend projection: No

## 3. Forecast for FY2024/3 (April 1<sup>st</sup>, 2023 - March 31<sup>st</sup>, 2024) (% 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	133,000	- 9.4%	25,000	- 27.5%	25,800	- 26.9%	18,000	- 23.8%	446.36

Note: Changes due to revision of forecast: Yes

**\* Notes**

(1) Significant changes in subsidiaries during the term under review (ones that changes scope of consolidation): 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 stock):	FY2024/3 3Q	42,069,081 shares	FY2023/3	41,903,281 shares
2) Number of treasury stock at the end of period:	FY2024/3 3Q	1,704,781 shares	FY2023/3	1,529,552 shares
3) Average Number of shares outstanding during the period:	FY2024/3 3Q	40,313,793 shares	FY2023/3 3Q	40,671,603 shares

**\* 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**

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## **1. Qualitative information on Business Performance for the Accumulated 3<sup>rd</sup> Quarter of FY2024/3**

### **(1) Overview of Business Performance**

During the nine months (accumulated 3<sup>rd</sup> quarter) of the Fiscal Year ending March 2024 (FY2024/3), the global economy generally remained uncertain, with the U.S. economy remaining resilient owing to strong consumer spending and other factors; however, Japan's economic recovery remained moderate, whereas the economic slowdown continued in Europe owing to high prices and interest rates, and in China owing to sluggish real estate market conditions.

Under these circumstances, the semiconductor and high-tech companies that are our customers in the Semiconductor Production Equipment (SPE) segment continued to take a cautious investment stance because of the ongoing slump in demand for consumer electronics in general, and the manufacturing industries that constitute the customer base of the Metrology Equipment segment continued to postpone investment decisions, primarily owing to macroeconomic uncertainty.

Consequently, Consolidated Orders in the accumulated 3<sup>rd</sup> quarter of the Fiscal Year 2024/3 (April 1<sup>st</sup>, 2023 – December 31<sup>st</sup>, 2023) were ¥89,648 million (down 18.7% YoY), Net Sales were ¥88,895 million (down 13.8% YoY), Operating Profit was ¥14,386 million (down 37.8% YoY), Recurring Profit was ¥15,058 million (down 36.4% YoY), and Net Profit Attributable to Owners of the Parent was ¥10,615 million (down 30.4% YoY).

The business results during the term for each segment were as follows:

#### **[Semiconductor Production Equipment (SPE) Segment]**

In the SPE segment, owing to weak demand for consumer electronics products, such as smartphones, PCs, and TVs, the demand for equipment for related semiconductors and electronic components remained sluggish, and as a result, Orders were declined YoY. Despite such circumstances, demand for equipment for various semiconductors in China remained firm, and demand related to generative AI also provided a certain level of support for our consolidated orders. Regarding sales, we generally shipped products on time to meet customer-requested delivery dates in general, we also adjusted shipment to respond to requests of delivery postponement and/or push-back in some cases. However, Net sales decreased YoY, because delivery dates are more concentrated in the 4<sup>th</sup> quarter than in the 3<sup>rd</sup> quarter.

Consequently, Orders for SPE segment during the same period were ¥62,478 million (down 23.6% YoY), Net Sales were ¥64,549 million (down 18.8% YoY), and Operating Profit was ¥10,894 million (down 46.4% YoY).

#### **[Metrology Equipment Segment]**

In the Metrology Equipment segment, the trend of postponing capital investment decisions in major industries continued owing to macroeconomic uncertainty and the economic slowdown in China, therefore, Orders were declined YoY. Net sales slightly increased YoY as shipments generally proceeded as planned.

Consequently, Orders for Metrology Equipment segment during the same period were ¥27,170 million (down 4.7% YoY), Net Sales were ¥24,345 million (up 3.0% YoY), and Operating Profit was ¥3,492 million (up 25.0% YoY).

## (2) Analysis of Financial Position

### [Assets, Liabilities and Net Assets]

Total Assets as of December 31<sup>st</sup>, 2023, amounted to ¥216,986 million, an increase of ¥7,953 million from the end of FY2023/3. The major factors underlying this change include an increase in Inventories including Finished goods, Raw materials and supplies, and Work in progress of ¥18,299 million; an increase in Tangible fixed assets of ¥4,697 million; a decrease in accounts receivable, such as Notes and accounts, Contract assets, and Electronically recorded monetary claims of ¥9,446 million; and a decrease in Cash and cash equivalents of ¥5,025 million.

Total Liabilities increased by ¥4,876 million to ¥67,880 million. This was primarily owing to an increase in Loans payable of ¥12,000 million; an increase in Contract liabilities of ¥3,792 million, a decrease in Income taxes payable of ¥6,324 million; and a decrease in accounts payable, such as Notes and accounts payable and electronically recorded obligations-operating of ¥3,412 million.

Net Assets increased by ¥3,077 million and totaled ¥149,105 million; the Equity Ratio reached 67.8%.

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

Considering the current business situation in the SPE segment, the Company revised its consolidated earnings forecast for FY2024/3 (full year) previously announced on November 2<sup>nd</sup>, 2023.

(FY2024/3 Full Year)

	Net Sales (Millions of Yen)	Operating Profit (Millions of Yen)	Recurring Profit (Millions of Yen)	Net Income attributable to owners of the parent (Millions of Yen)	Net Profit Per Share (Yen)
Previous Forecast (A)	132,000	24,500	25,400	17,800	441.44
Revised Forecast (B)	133,000	25,000	25,800	18,000	446.36
Change (B-A)	1,000	500	400	200	-
Change ratio (%)	0.8%	2.0%	1.6%	1.1%	-
Results for the FY2023/3, ended March 31 <sup>st</sup> , 2023	146,801	34,494	35,297	23,630	581.33

*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)

	<b>FY2023/3</b> (March 31 <sup>st</sup> , 2023)	<b>FY2024/3 3Q</b> (December 31 <sup>st</sup> , 2023)
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	40,080	35,055
Notes, accounts receivable and contract assets	36,401	26,572
Electronically recorded monetary claims	7,002	7,384
Merchandise and finished goods	2,462	2,858
Work in progress	32,862	43,801
Raw materials and supplies	18,156	25,123
Others	7,063	6,823
Allowance for doubtful accounts	- 57	- 50
<b>Total current assets</b>	<b>143,972</b>	<b>147,567</b>
Fixed Assets		
Tangible fixed assets		
Building and structures(net)	16,624	28,331
Others(net)	32,329	25,320
<b>Total Tangible Fixed Assets</b>	<b>48,954</b>	<b>53,652</b>
Intangible Fixed Assets		
Goodwill	279	273
Others	3,672	3,893
<b>Total Intangible Fixed Assets</b>	<b>3,951</b>	<b>4,167</b>
Investments and other assets		
Others	12,267	11,711
Allowance for doubtful accounts	- 112	- 112
<b>Total Investments and other assets</b>	<b>12,154</b>	<b>11,599</b>
<b>Total Fixed Assets</b>	<b>65,060</b>	<b>69,418</b>
<b>Total Assets</b>	<b>209,032</b>	<b>216,986</b>

(Millions of Yen)

	<b>FY2023/3</b> (March 31 <sup>st</sup> , 2023)	<b>FY2024/3 3Q</b> (December 31 <sup>st</sup> , 2023)
<b>LIABILITIES</b>		
Current Liabilities		
Notes and accounts payable	10,164	9,516
Electronically recorded obligations-operating	12,194	9,430
Short-term debt	1,300	1,300
Current portion of long-term debt	4,000	5,000
Income taxes payable	6,324	-
Contract liabilities	8,703	12,496
Reserves for bonus	2,636	2,205
Reserves for director's bonuses	9	136
Others	5,615	4,814
Total current liabilities	50,947	44,900
Fixed Liabilities		
Long-term debt	8,000	19,000
Allowance for director retirement benefits	57	54
Net defined benefit liabilities	1,248	1,112
Provision for loss on litigation	1,914	1,914
Asset retirement obligations	65	103
Others	771	795
Total fixed liabilities	12,057	22,980
Total Liabilities	63,004	67,880
<b>NET ASSETS</b>		
Shareholder's Equity		
Common stock	11,064	11,372
Capital surplus	22,179	22,517
Retained earnings	114,005	115,939
Treasury stock	- 7,098	- 7,980
Total Shareholder's Equity	140,150	141,848
Accumulated other comprehensive income		
Holding gain or loss in investment	510	686
Foreign currency translation adjustment	2,619	3,780
Remeasurements of defined benefit plans	1,007	880
Total accumulated other comprehensive income	4,137	5,348
Share subscription rights	1,072	1,108
Non-controlling interests	668	800
Total Net Assets	146,028	149,105
Total Liabilities and Net Assets	209,032	216,986

## (2) Consolidated Statements of Income, and Comprehensive Income

### Consolidated Statements of Income

Accumulated 3<sup>rd</sup> quarter of FY2024/3 (April 1<sup>st</sup>, 2023 – December 31<sup>st</sup>, 2023)

(Millions of Yen)

	FY2023/3 3Q (April 1 <sup>st</sup> , 2022 - December 31 <sup>st</sup> , 2022)	FY2024/3 3Q (April 1 <sup>st</sup> , 2023 - December 31 <sup>st</sup> , 2023)
Net Sales	103,114	88,895
Cost of goods sold	59,945	52,697
Gross Profit on Sales	43,169	36,197
Selling, general and administrative expenses	20,036	21,811
Operating Profit	23,133	14,386
Non-operating income		
Interest income	26	33
Dividend income	158	137
Foreign exchange gains	-	308
Gain on investments in investment partnerships	172	134
Compensation income	188	16
Others	145	233
Total Non-operating income	691	862
Non-operating expenses		
Interest expenses	26	68
Loss on disposal of fixed assets	35	64
Foreign exchange loss	49	-
Loss on transportation accident	14	39
Others	28	19
Total Non-operating expenses	155	191
Recurring Profit	23,669	15,058
Extraordinary gains		
Gain on reversal of subscription rights to shares	5	6
Gain on sales of investment securities	-	23
Gain on liquidation of subsidiaries	71	-
Total Extraordinary gains	77	29
Extraordinary losses		
Provision for loss on litigation	1,751	-
Extra retirement payments	-	14
Total Extraordinary losses	1,751	14
Profit before income taxes and minority interests	21,995	15,073
Income tax and other taxes	6,420	3,343
Adjustment on income tax	271	1,009
Total Income tax and others	6,691	4,353
Net Profit before minority interests	15,303	10,719
Net Profit attributable to minority interests	56	104
Net Profit attributable to Owners of the Parent	15,246	10,615

**Consolidated Statements of Comprehensive Income**  
**Accumulated 3<sup>rd</sup> quarter of FY2024/3 (April 1<sup>st</sup>, 2023 – December 31<sup>st</sup>, 2023)**

(Millions of Yen)

	<b>FY2023/3 3Q</b> (April 1 <sup>st</sup> , 2022 - December 31 <sup>st</sup> , 2022)	<b>FY2024/3 3Q</b> (April 1 <sup>st</sup> , 2023 - December 31 <sup>st</sup> , 2023)
Net Profit before minority interests	15,303	10,719
Accumulated other comprehensive income		
Holding gain or loss in investment	85	176
Foreign currency translation adjustment	1,309	1,188
Remeasurements of defined benefit plans	- 54	- 126
Total accumulated other comprehensive income	1,340	1,238
Comprehensive Income	16,644	11,958
(breakdown)		
Comprehensive income attributable to owners of the parent	16,551	11,826
Comprehensive income attributable to non-controlling interests	93	131

### (3) Notes to Consolidated Financial Statements

#### (Note on Assumptions for Going Concern)

Not applicable.

#### (Significant Changes in Shareholder's Equity)

##### 1. Repurchase of Treasury Stock

During the accumulated 3<sup>rd</sup> quarter of FY2024/3, Tokyo Seimitsu (the Company) has repurchased 182,400 shares as Treasury Stock in accordance with the resolution of the Board of Directors meeting held on February 6<sup>th</sup>, 2023. Including the repurchase of shares less than one unit, Treasury Stock has been increased by ¥919 million during the period.

This repurchase program was terminated on April 28<sup>th</sup>, 2023.

##### 2. Disposal of Treasury Stock

During the accumulated 3<sup>rd</sup> quarter of FY2024/3, Tokyo Seimitsu (the Company) has disposed 7,940 shares as restricted stock compensation with the resolution of the Board of Directors meeting held on July 5<sup>th</sup>, 2023. Therefore, Treasury Stock has been decreased by ¥37 million during the period.

Consequently, as of the end of the period, Treasury stock amounted to ¥7,980 million.

#### (Changes in Accounting Policies)

Not applicable.

#### (Segment Information and Others)

##### Accumulated 3<sup>rd</sup> quarter of FY2023/3 (April 1<sup>st</sup>, 2022 – December 31<sup>st</sup>, 2022)

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

(Millions of yen)

	Reportable Segments		Consolidated Total
	SPE	Metrology Equipment	
Sales			
Sales to third party:	79,484	23,629	103,114
Intersegment sales to transfer	-	-	-
Total	79,484	23,629	103,114
Segment Profit	20,339	2,793	23,133

##### Accumulated 3<sup>rd</sup> quarter of FY2024/3 (April 1<sup>st</sup>, 2023 – December 31<sup>st</sup>, 2023)

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

(Millions of yen)

	Reportable Segments		Consolidated Total
	SPE	Metrology Equipment	
Sales			
Sales to third party:	64,549	24,345	88,895
Intersegment sales to transfer	-	-	-
Total	64,549	24,345	88,895
Segment Profit	10,894	3,492	14,386

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

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