

Consolidated Financial Statements for the 1st Quarter of the Fiscal Year Ending March 31st, 2025 (FY2025/3), Japan GAAP

August 2nd, 2024

Company Name



Tokyo Seimitsu Co., Ltd.

Stock Listing: Tokyo

ACCRETECH

Code number: 7729

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Dividend Payment Date (planned): -

Supplementary Document for Financial Results: Yes

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

(Millions of yen, rounded down)

1. Consolidated Results for the 1st Quarter of FY2025/3 (April 1st – June 30th, 2024)

(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)	
FY2025/3 Q1	29,626	11.3%	4,083	- 3.9%	4,329	- 8.1%	3,554	9.5%
FY2024/3 Q1	26,618	- 4.7%	4,250	- 25.3%	4,710	- 27.5%	3,245	- 32.6%

Note: Comprehensive Income in FY2025/3 Q1 4,276 million yen (8.2%), in FY2024/3 Q1 3,954 million yen (- 32.3%)

	Net Profit per Share (Yen)	Net Profit per Share (diluted) (Yen)
FY2025/3 Q1	87.89	87.10
FY2024/3 Q1	80.63	79.78

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio
FY2025/3 Q1	225,271	158,609	69.6%
FY2024/3	225,524	158,427	69.4%

Note: Equity in FY2025/3 Q1 156,829 million yen, FY2024/3 156,560 million yen

2. Dividends

	Dividend per share				
	Q1 End	Q2 End	Q3 End	Q4 End	Total
	Yen	Yen	Yen	Yen	Yen
FY2024/3	-	89.00	-	103.00	192.00
FY2025/3	-				
FY2025/3 (Projected)		108.00	-	108.00	216.00

Note: Changes due to revision of dividend projection: Yes

3. Forecast for FY2025/3 (April 1st, 2024 - March 31st, 2025) (% 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)
Interim	70,000	10.2%	13,000	14.1%	13,000	7.7%	12,000	40.4%	296.69
Full Year	143,000	6.2%	27,000	6.7%	27,000	2.1%	21,800	12.5%	538.95

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.: Yes

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):	FY2025/3 Q1	42,156,681 shares	FY2024/3	42,104,381 shares
2) Number of treasury stock at the end of period:	FY2025/3 Q1	1,705,111 shares	FY2024/3	1,705,058 shares
3) Average Number of shares outstanding during the period:	FY2025/3 Q1	40,440,483 shares	FY2024/3 Q1	40,257,553 shares

*** Review of the accompanying consolidated financial statements by a certified public accountant or auditor:**
No

*** 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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Contents of supplementary statement

1. Qualitative information on Business Performance for 1st quarter of FY2025/3	2
(1) Overview of Business Performance.....	2
(2) Analysis of Financial Position	2
(3) Financial Estimates such as Consolidated Business Forecasts for current Fiscal Year	3
2. Consolidated Financial Statements and Notes	4
(1) Consolidated Balance Sheet.....	4
(2) Consolidated Statements of Income, and Comprehensive Income	6
(Consolidated Statements of Income).....	6
1 st quarter of FY2025/3 (April 1 st , 2024 – June 30 th , 2024).....	6
(Consolidated Statements of Comprehensive Income).....	7
1 st quarter of FY2025/3 (April 1 st , 2024 – June 30 th , 2024).....	7
(3) Notes to Consolidated Financial Statements.....	8
(Note on Assumptions for Going Concern)	8
(Significant Changes in Shareholder’s Equity).....	8
(Changes in Accounting Policy)	8
(Segment Information and others)	8
(Notes to the Cash Flow Statement)	8

1. Qualitative information on Business Performance for 1st quarter of FY2025/3

(1) Overview of Business Performance

During the 1st quarter of the consolidated fiscal year ending March 2025 (FY2025/3), in the United States, even with continued monetary tightening, the economy remained firm particularly in consumer spending, and in Europe, where interest rates have been cut, there were signs of a bottoming out of the economy due to a pick-up in consumer spending. On the other hand, the economic recovery in Japan remained moderate and there were concerns about the impact of the historically weak Japanese Yen and rising prices, while in China, which was once the driving force of the global economy, the situation remained uncertain, with a real estate recession and sluggish consumption continuing.

Under these circumstances, Semiconductor Production Equipment (SPE) segment, the demand related to consumer electronics remained sluggish, but the demand from China, which is moving towards in-house production of various semiconductor devices and electronic components, and AI-related demand were firm. The Metrology Equipment segment was underpinned by the demand for equipment upgrades and demand based on subsidy policies. Consequently, Consolidated Orders in the 1st quarter of Fiscal Year 2025/3 (April 1st, - June 30th, 2024) were ¥37,417 million (up 26.5% YoY), Sales were ¥29,626 million (up 11.3% YoY), Operating profit was ¥4,083 million (down 3.9% YoY), Recurring profit was ¥4,329 million (down 8.1% YoY), and Net Profit Attributable to Owners of the Parent came to ¥3,554 million (up 9.5% YoY).

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

[Semiconductor Production Equipment (SPE) Segment]

In the SPE segment, while the demand from Taiwan's OSAT companies and other manufacturers remained soft due to the ongoing sluggish demand for consumer electronics products such as smartphones, PCs, and TVs since the previous fiscal year, demand from China was strong, and the demand from the generative AI-related companies provided a certain level of support to increase the Group's orders YoY.

The YoY increase in sales was due to shipments that were generally in line with customer delivery requirements.

As a result, Orders for SPE segment in the same period were ¥27,081 million (up 33.1% YoY), Net Sales were ¥22,046 million (up 17.7% YoY), and Operating Profit was ¥3,314 million (up 3.3% YoY).

[Metrology Equipment Segment]

In the measuring equipment sector, there were signs of a bottoming out of the trend to postpone investment with regard to measuring instruments and automatic measuring gauges, and a certain number of orders were received in the Charge/discharge testing system business for rechargeable batteries. In terms of sales, it declined YoY due to changes in the delivery schedule for some projects.

As a result, Orders for Metrology Equipment segment in the same period were ¥10,336 million (up 12.0% YoY), Net Sales were ¥7,580 million (down 4.0% YoY), and Operating Profit was ¥768 million (down 26.3% YoY).

(2) Analysis of Financial Position

Total Assets as of June 30th, 2024, amounted to ¥225,271 million, a decrease of ¥253 million from the end of FY2024/3. The major factors underlying this change include an increase in Inventories including Finished goods, Raw materials and supplies, and Work in progress of ¥5,148 million; a decrease in accounts receivable, such as Notes and accounts, Contract assets, and Electronically recorded monetary claims of ¥3,240 million; and an increase in Cash and cash equivalents of ¥1,840 million.

Total Liabilities decreased by ¥435 million to ¥66,662 million. This was primarily because of an increase in Reserves for bonus of ¥2,142 million, an increase in Contract liabilities of ¥2,115 million, and a decrease in Loans payable of ¥1,500 million.

Net Assets increased by ¥181 million and totaled ¥158,609 million; the Equity Ratio reached 69.6%.

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

The company revised its previously announced (May 10th, 2024) forecast for the 1st half of the fiscal year year ending March 31st, 2025, and newly announced a forecast for the full year.

Revision of the forecast for the 1st half of FY2025/3 is due to the revision in sales forecast upon postponement of deliveries of several projects in the Metrology Equipment segment to the next fiscal period and other factors, as well as gain from sales of fixed assets approximately 4.0 billion yen, which will be recorded as an extraordinary gain (please refer to “Notice on the completion of the contract for the transfer of fixed assets” released on July 29th, 2024).

Also, at the time of the previous announcement, the Company guided only for the 1st half of the fiscal year because the Company anticipated that the business environment surrounding semiconductors was close to recovery from the long-standing slump in the demand related to consumer electronics products. However, no significant change in the situation has been seen at present and it is difficult to reasonably predict the timing of the recovery, so the decision was made to announce a full year forecast that comprehensively takes into account the current business environment, order trends and other factors.

FY2025/3 Interim (April 1st, 2024 – September 30th, 2024)

	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)
Previous Forecast (A)	71,500	14,000	13,800	9,500	235.15
Revised Forecast (B)	70,000	13,000	13,000	12,000	296.69
Change (B-A)	- 1,500	- 1,000	- 800	2,500	-
Change Ratio (%)	- 2.1%	- 7.1%	- 5.8%	26.3%	-
Results for the FY2024/3 Interim	63,537	11,389	12,072	8,548	212.17

FY2025/3 Full Year (April 1st, 2024 – March 31st, 2025)

	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)
Previous Forecast (A)	-	-	-	-	-
Revised Forecast (B)	143,000	27,000	27,000	21,800	538.95
Change (B-A)	-	-	-	-	-
Change Ratio (%)	-	-	-	-	-
Results for the FY2024/3	134,680	25,307	26,453	19,378	480.49

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)

	FY2024/3 (March 31 st , 2024)	FY2025/3 Q1 (June 30 th , 2024)
ASSETS		
Current Assets		
Cash and cash equivalents	36,782	38,623
Notes, accounts receivable and contract assets	35,497	28,700
Electronically recorded monetary claims	7,303	10,859
Merchandise and finished goods	2,254	2,713
Work in progress	38,682	43,152
Raw materials and supplies	26,288	26,508
Others	7,056	1,651
Allowance for doubtful accounts	- 33	- 28
Total current assets	153,831	152,180
Fixed Assets		
Tangible fixed assets		
Building and structures(net)	28,723	28,452
Others(net)	27,273	29,533
Total Tangible Fixed Assets	55,997	57,985
Intangible Fixed Assets		
Goodwill	255	258
Others	3,814	3,778
Total Intangible Fixed Assets	4,069	4,037
Investments and other assets		
Others	11,738	11,179
Allowance for doubtful accounts	- 112	- 112
Total Investments and other assets	11,626	11,067
Total Fixed Assets	71,693	73,090
Total Assets	225,524	225,271

(Millions of Yen)

	FY2024/3 (March 31 st , 2024)	FY2025/3 Q1 (June 30 th , 2024)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	8,517	8,918
Electronically recorded obligations-operating	9,328	9,323
Short-term debt	1,300	1,300
Current portion of long-term debt	5,000	5,000
Income taxes payable	2,600	1,332
Contract liabilities	9,981	12,097
Reserves for bonus	2,228	4,371
Reserves for director's bonuses	15	19
Others	7,030	5,683
Total current liabilities	46,002	48,045
Fixed Liabilities		
Long-term debt	18,000	16,500
Allowance for director retirement benefits	44	47
Net defined benefit liabilities	1,171	1,178
Provision for loss on litigation	960	-
Asset retirement obligations	103	104
Others	813	787
Total fixed liabilities	21,094	18,617
Total Liabilities	67,097	66,662
NET ASSETS		
Shareholder's Equity		
Common stock	11,450	11,544
Capital surplus	22,593	22,687
Retained earnings	124,705	124,098
Treasury stock	- 7,983	- 7,984
Total Shareholder's Equity	150,765	150,346
Accumulated other comprehensive income		
Holding gain or loss in investment	989	980
Foreign currency translation adjustment	3,674	4,415
Remeasurements of defined benefit plans	1,130	1,086
Total accumulated other comprehensive income	5,794	6,482
Share subscription rights	1,082	960
Non-controlling interests	784	819
Total Net Assets	158,427	158,609
Total Liabilities and Net Assets	225,524	225,271

(2) Consolidated Statements of Income, and Comprehensive Income

(Consolidated Statements of Income)

1st quarter of FY2025/3 (April 1st, 2024 – June 30th, 2024)

(Millions of Yen)

	FY2024/3 Q1 (April 1 st , 2023 - June 30 th , 2023)	FY2025/3 Q1 (April 1 st , 2024 - June 30 th , 2024)
Net Sales	26,618	29,626
Cost of goods sold	15,415	17,753
Gross Profit on Sales	11,203	11,873
Selling, general and administrative expenses	6,952	7,790
Operating Profit	4,250	4,083
Non-operating income		
Interest income	10	4
Dividend income	32	39
Foreign exchange gains	345	176
Gain on investments in investment partnerships	100	-
Compensation income	16	-
Others	59	67
Total Non-operating income	563	287
Non-operating expenses		
Interest expenses	24	34
Loss on disposal of fixed assets	67	-
Others	12	7
Total Non-operating expenses	103	41
Recurring Profit	4,710	4,329
Extraordinary gains		
Gain on reversal of subscription rights to shares	6	10
Gain on sales of investment securities	19	-
Total Extraordinary gains	26	10
Profit before income taxes and minority interests	4,736	4,339
Income tax and other taxes	1,411	965
Adjustment on income tax	45	- 211
Total Income tax and others	1,456	754
Net Profit before minority interests	3,279	3,585
Net Profit attributable to minority interests	33	31
Net Profit attributable to Owners of the Parent	3,245	3,554

(Consolidated Statements of Comprehensive Income)
1st quarter of FY2025/3 (April 1st, 2024 – June 30th, 2024)

(Millions of Yen)

	FY2024/3 Q1 (April 1 st , 2023 - June 30 th , 2023)	FY2025/3 Q1 (April 1 st , 2024 - June 30 th , 2024)
Net Profit before minority interests	3,279	3,585
Accumulated other comprehensive income		
Holding gain or loss in investment	161	- 8
Foreign currency translation adjustment	550	743
Remeasurements of defined benefit plans	- 37	- 43
Total accumulated other comprehensive income	674	691
Comprehensive Income	3,954	4,276
(breakdown)		
Comprehensive income attributable to owners of the parent	3,911	4,242
Comprehensive income attributable to non- controlling interests	42	34

(3) Notes to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable.

(Significant Changes in Shareholder's Equity)

Not applicable.

(Changes in Accounting Policy)

1. Accounting Standard for Current Income Taxes

The Group has applied “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28th, 2022), “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28th, 2022), and “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No.28, October 28th, 2022) from the beginning of FY2024/3. There are no impacts from these changes in the Consolidated Financial Statements.

(Segment Information and others)

1st quarter of FY2024/3 (April 1st, 2023 – June 30th, 2023)

(Millions of yen)

	Reportable Segments		Consolidated Total
	SPE	Metrology Equipment	
Sales			
Sales to third party:	18,722	7,895	26,618
Intersegment sales to transfer	-	-	-
Total	18,722	7,895	26,618
Segment Profit	3,208	1,042	4,250

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

1st quarter of FY2025/3 (April 1st, 2024 – June 30th, 2024)

(Millions of yen)

	Reportable Segments		Consolidated Total
	SPE	Metrology Equipment	
Sales			
Sales to third party:	22,046	7,580	29,626
Intersegment sales to transfer	-	-	-
Total	22,046	7,580	29,626
Segment Profit	3,314	768	4,083

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

(Notes to the Cash Flow Statement)

A quarterly consolidated cash flow statement has not been prepared for the 1st quarter of FY2025/3.

Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill during the period are as follows.

	FY2024/3 Q1 (April 1 st , 2023 – June 30 th , 2023)	FY2025/3 Q1 (April 1 st , 2024 – June 30 th , 2024)
Depreciation and amortization	¥957 million	¥1,202 million
Amorization of goodwill	¥10 million	¥12 million

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