

# Consolidated Financial Statements for the 12-month period ended March 31<sup>st</sup>, 2022 (FY2022/3), Japan GAAP

May 10<sup>th</sup>, 2022

Company Name



**Tokyo Seimitsu Co., Ltd.**

Stock Listing: Tokyo

ACCRETECH

Code number: 7729

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

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Date of Shareholders Meeting (planned): June 20<sup>th</sup>, 2022

Dividend Payment Date (planned): June 21<sup>st</sup>, 2022

Date of Annual Financial Statement Filing (planned): June 24<sup>th</sup>, 2022

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 Period of FY2022/3 (April 1<sup>st</sup>, 2021 – March 31<sup>st</sup>, 2022)

### (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)	
FY2022/3	133,277	37.3%	28,550	83.5%	29,390	85.2%	21,441	76.1%
FY2021/3	97,105	10.4%	15,562	26.7%	15,867	28.4%	12,175	70.1%

Note: Comprehensive Income in FY2022/3 22,316 million yen (71.4%), in FY2021/3: 13,018 million yen (103.9%)

	Net Profit per Share (Yen)	Net Profit per Share (diluted) (Yen)	Return on Equity	Recurring Profit on Total Assets	Operating Profit Ratio
FY2022/3	525.34	520.30	17.5%	16.7%	21.4%
FY2021/3	293.83	291.43	10.9%	10.3%	16.0%

Note: Equity in earnings of affiliated companies in FY2022/3: - million yen, in FY2021/3: - million yen

### (2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio	Net Assets per Share (yen)
FY2022/3	190,188	130,986	68.1%	3,185.05
FY2021/3	161,556	116,777	71.4%	2,810.79

Note: Equity in FY2022/3 129,461 million yen, FY2021/3 115,368 million yen

### (3) Consolidated Statements of Cash Flows

	Cash flows from operating activities (Millions of Yen)	Cash flows from investing activities: (Millions of Yen)	Cash flows from financing activities: (Millions of Yen)	Cash and cash equivalents at end of Fiscal Year (Millions of Yen)
FY2022/3	24,062	- 9,036	- 10,350	49,006
FY2021/3	22,062	- 5,191	- 8,282	43,624

## 2. Dividends

	Per Share Dividend in Fiscal Year					Total Dividend (for Year)	Dividend Pay Out Ratio (consolidated)	Dividend on Net Assets (consolidated)
	Q1 End	Q2 End	Q3 End	Q4 End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2021/3	-	42.00	-	62.00	104.00	4,295	35.4	3.8
FY2022/3	-	84.00	-	101.00	185.00	7,516	35.1	6.2
FY2023/3 (Projected)	-	109.00	-	109.00	218.00		40.3	

## 3. Forecast for FY2023/3 (April 1<sup>st</sup>, 2022 - March 31<sup>st</sup>, 2023)

(% 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	74,500	21.2%	15,300	18.3%	15,300	17.8%	10,800	12.4%	265.00
Full Year	150,000	12.5%	31,100	8.9%	31,100	5.8%	22,000	2.6%	541.00

**\* Notes**

(1) Significant changes in subsidiaries during the term under review (ones that changes scope of consolidation): No

(2) 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

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury stock):	FY2022/3	41,869,581 shares	FY2021/3	41,759,981 shares
2) Number of treasury stock at the end of period:	FY2022/3	1,222,956 shares	FY2021/3	715,164 shares
3) Average Number of shares outstanding during the period:	FY2022/3	40,814,290 shares	FY2021/3	41,435,808 shares

**Reference: Summary of Parent Company's results**

**Parent Company's Results for the Period of FY2022/3 (April 1<sup>st</sup>, 2021 - March 31<sup>st</sup>, 2022)**

(1) Parent's Company's sales and earnings (percentage figures represent changes from previous year)

	Net Sales (Millions of Yen)		Operating Profit (Millions of Yen)		Recurring Profit (Millions of Yen)		Net Profit (Millions of Yen)	
FY2022/3	107,841	38.6%	20,636	92.5%	29,804	140.5%	24,086	169.9%
FY2021/3	77,793	13.3%	10,722	46.7%	12,392	- 17.0%	8,923	- 18.5%

	Net Profit per Share (Yen)	Net Profit per Share (diluted) (Yen)
FY2022/3	590.15	584.48
FY2021/3	215.36	213.59

(2) Parent's Company's financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)	Net Assets per Share (yen)
FY2022/3	157,146	106,258	67.0%	2,590.81
FY2021/3	130,515	90,367	68.6%	2,179.93

Notes : Equity in FY2022/3:105,307 million yen, in FY2021/3:89,474 million yen

**\* 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. Overview of Business Performance and Financial Position

## (1) Overview of Business Performance

### [Overall]

During the Fiscal year ended March 2022 (FY2022/3), the global economy continued to be affected by the coronavirus pandemic, but efforts to resume economic activities based on the progress of vaccinations, mainly in developed countries, led to an overall economic recovery. On the other hand, in addition to continued logistics stagnation and the implementation of lockdowns in some regions, there was prolonged trade friction between the U.S. and China, worsening supply shortages of parts and materials, and rising resource and energy prices. Furthermore, with the addition of the escalation of tension in the Ukraine, the situation remained unpredictable, and the outlook was uncertain.

Under these circumstances, the business environment surrounding the Company remained favorable for semiconductor and high-tech related companies that are customers of the SPE segment, and the manufacturing industry in general, which is a customer of the Metrology Equipment Segment, also showed signs of recovery and resumption of capital investment. Against this backdrop, the Company maintained high production and shipments, despite the impact of parts procurement difficulties and logistics stagnation.

As a result, the Company's consolidated financial results for FY2022/3, showed that orders, net sales, and profits all reached new peaks, thanks to growth in the SPE segment and a recovery in the Metrology Equipment segment. Consolidated orders were ¥191,074 million yen (up 63.2% YoY), Sales were ¥133,277 million (up 37.3% YoY), Operating Profit was ¥28,550 million (up 83.5% YoY), Recurring Profit was ¥29,390 million (up 85.2% YoY), and Net Profit Attributable to Owners of the Parent was ¥21,441 million (up 76.1% YoY).

### [Performance by Business Segments]

#### A. Semiconductor Production Equipment (SPE) segment

In the SPE segment, demand for 5G, servers, and other telecommunication-related logic devices remained strong throughout the period, and demand from China, which is promoting the domestic production of semiconductor devices, remained at a high level. In the latter half of the period, demand for display driver ICs and wafer production increased. Consequently, both orders and sales in this segment reached their previous peaks.

Both equipment for Testing Process and Assembly Process to China were firm; in addition, equipment for Testing Process to Taiwan, Japan remained strong, while sales of equipment for Assembly Process to Japan and Southeast Asia were solid. Under these circumstances, we continued to develop products that meet customer needs, expanded production capacity and parts suppliers, and promoted sales of consumables.

As a result, Orders for our SPE segment in the same period was ¥157,407 million (up 68.9% YoY), Sales was ¥103,360 million (up 44.1% YoY), and Operating Profit was ¥24,893 million (up 83.5% YoY).

## B. Metrology Equipment segment

In the Metrology Equipment Segment, as capital investment in the manufacturing industry in general began to recover, demand for measuring instrument also showed a moderate recovery. Under a recovery also in demand for measurement for machine parts and robotic applications, we were able to capture new demand for machinery applications such as SPE, which the Metrology Equipment segment had been focusing on as a new field. In addition, the automotive industry, a major user of our products, showed signs of recovery due to increased demand for general-purpose measuring products such as 3D coordinate measuring machines. As a result of these circumstances, both orders and sales increased YoY.

Under these circumstances, we strived to provide solutions to meet the automation needs of manufacturing in general, develop the NEV, medical equipment, and precision machinery fields, strengthen contract measurement services, and strengthen relationships with customers by holding online seminars.

As a result, Orders for our Metrology Equipment segment in the same period was ¥33,667 million (up 41.0% YoY), Sales was ¥29,917 million (up 18.0% YoY) and Operating Profit was ¥3,657 million (up 83.1% YoY).

## (2) Analysis of Financial Position

Total Assets as at March 31<sup>st</sup>, 2022 amounted to ¥190,188 million, an increase of ¥28,632 million from the end of FY2021/3. The major factors behind this change include increases in accounts receivable such as Notes and accounts, Contract assets, and Electronically recorded monetary claims of ¥7,421 million, in Inventories including finished goods, Raw materials and supplies and Work in progress of ¥7,394 million, in Tangible fixed assets of ¥6,831 million, and in Cash and cash equivalents of ¥5,375 million.

Total Liabilities increased by ¥14,423 million to ¥59,202 million. This was mainly from increases in accounts payable such as Notes and accounts payable and electronically recorded obligations-operating of ¥6,813 million, in contract liabilities of ¥6,325 million, and a decrease in Long-term debt of ¥2,000 million.

Net Assets increased by ¥14,208 million and totaled ¥130,986 million; the Equity Ratio came to 68.1%.

## (3) Analysis of Cash flows

Cash and cash equivalents as at March 31<sup>st</sup>, 2022 amounted to ¥49,006 million, an increase of ¥5,382 million from the end of FY2021/3. The status of cash flows and factors behind them are given below.

Net cash earned from operating activities was ¥ 24,062 million, mainly due to Income before income taxes and minority interests of ¥29,746 million, Payment of income taxes of ¥7,648 million, an increase in Inventories of ¥7,148 million, an increase in Notes and accounts receivable of ¥6,575 million, an increase in Contract liabilities of ¥6,192 million, Notes and accounts payable of ¥6,016 million and Depreciation of ¥3,574 million.

Net cash used in investing activities was ¥9,036 million, mainly due to Payment for purchase of tangible fixed assets ¥9,367 million.

Net cash used in financing activities came to ¥10,350 million. The major element of this was Payment of dividends of ¥5,956 million, Repurchase of Treasury stock of ¥2,501 million and Repayments of long-term debt of ¥2,000 million.

Trends in financial indices are shown below.

	FY2020/3	FY2021/3	FY2022/3
Equity ratio (%)	73.9	71.4	68.1
Equity ratio, based on market value (%)	87.6	130.1	107.0
Interest-bearing debt/cash flow ratio	1.6	0.3	0.2
Interest coverage ratio (times)	150.4	335.0	670.5

Equity ratio: Equity/total assets

Equity ratio based on market value: Total market value of equity/total assets

Interest-bearing debt/cash flow ratio: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/interest payments

Notes:

1. All indices are calculated on consolidated financial statements.
2. The total market value of equity is calculated by multiplying market price at the end of FY by the number of shares outstanding at the end of FY.
3. "Operating cash flows" refers to cash flows from operating activities as shown in the consolidated cash flow statements.
4. Interest-bearing debts refer to all debts in the Consolidated Balance Sheet on which we pay interest. "Interest payments" denotes interest payments as reflected in the consolidated cash flow statements.

#### (4) Forecasts for Next Fiscal Year

##### [Overall and Business Segment-based Forecasts]

Looking ahead to the Fiscal Year 2023/3 (ending March 31<sup>st</sup>, 2023), economic activities are expected to resume after the COVID-19 pandemic, and a gradual recovery is anticipated. Although both SPE and Metrology Equipment segments are expected to remain firm, the Company group is hard to deny the possibilities that parts and materials shortages or price hikes, and logistics stagnation may affect our business performance. Under these circumstances, the Company group will strive to respond flexibly to meet the strong demand of our customers and focus on minimizing the impact of the uncertain situation on our business performance for the next fiscal year.

In April 2022, the Company group launched a new mid term business plan to Fiscal year ending March 2025. The consolidated business forecast for the next Fiscal year ending March 2023, the first year of the business plan, are as follows.

	Interim	Full Year
Sales	¥74.5 billion (up 21.2% YoY)	¥150.0 billion (up 12.5% YoY)
SPE	¥58.5 billion (up 22.7% YoY)	¥117.0 billion (up 13.2% YoY)
Metrology	¥16.0 billion (up 16.2% YoY)	¥33.0 billion (up 10.3% YoY)
Operating Profit	¥15.3 billion (up 18.3% YoY)	¥31.1 billion (up 8.9% YoY)
Recurring Profit	¥15.3 billion (up 17.8% YoY)	¥31.1 billion (up 5.8% YoY)
Net Profit attributable to owners of the parent	¥10.8 billion (up 12.4% YoY)	¥22.0 billion (up 2.6% YoY)

The followings are overall and Business Segment-based Forecasts.

**A. Semiconductor Production Equipment (SPE) segment**

With the expansion of 5G communications, the evolution of virtual reality technology represented by “Metaverse” and its continued integration with physical reality, demand for semiconductors for related servers and data centers is expected to remain stable at a high level. In addition, production of power semiconductors is expected to expand toward the realization of a decarbonized society, and the market for auto semiconductors is also expected to expand over the medium to long term due to the rise in autonomous driving and electrification.

Under these circumstances, for the SPE segment in FY2023/3, we expect orders to remain at a high level compared to past fiscal years, despite temporary adjustments due to the lengthening of product lead times. In addition, sales are expected to remain generally firm by focusing on shipments of accumulated orders while dealing with problems such as difficulties in procurement of parts and materials and stagnation of logistics.

We will continue to diversify its procurement network, expand its production capacity, and develop products and options to meet customers' customization requirements.

**B. Metrology Equipment segment**

In FY2023/3, capital investment in the manufacturing industry in general is expected to continue to recover, and demand from the automobile and machine tool industries, which are our major users, is also expected to recover moderately. We expect demand for measurement equipment related to SPE to remain strong, robotic related demand to increase with the progress of automation, and battery measurement demand to continue to rise with the progress of EVs.

Under these circumstances, we expect a moderate recovery in the performance of our Metrology Equipment segment.

In our core business of multipurpose measuring instruments such as the 3D coordinate measuring machine, surface texture and contour measuring instruments, and roundness and cylindrical profile measuring instruments, and measuring instruments such as machine control gauges and sensors, we will further capture demand by developing products that respond to the demand for higher precision, higher functionality, and greater automation. In the new product area of charge-discharge testing systems, which is a new product area for EVs, we will also continue to develop the market by carefully meeting the needs of our customers.

**(5) Policy for Profit Distribution and Dividends for Fiscal Year 2022/3 and 2023/3**

Tokyo Seimitsu management is committed to enhancing its corporate value and constantly distributing profits to shareholders through a business model of providing World's No. 1 products based on state-of-the-art technologies in the SPE market and the Metrology Equipment market. The Company determines distribution of its profits in line with its policy for profit distribution to shareholders, outlined below.

For FY2022/3, the Company plans to issue an additional ¥17 per share on top of the forecast ¥84 (total ¥101) per share year-end dividend previously announced on November 2<sup>nd</sup>, 2021, in line with the policy relating to dividend payment, targeting a consolidated dividend payout ratio of 35%.

Consequently, including the interim dividend (¥84 per share) already paid on December 6<sup>th</sup>, 2021, dividend payments in the FY2022/3 will total ¥185 per share.

Regarding the distribution of retained earnings from FY2023/3, from the viewpoint of further enhancing profit distribution to meet shareholders' expectations, the Company group has changed our dividend target from consolidated dividend payout ratio of 35% to 40%.

Consequently, in FY2023/3, the Company group anticipates paying ¥109 per share interim dividend, ¥109 per share year-end dividend, totaling ¥218 per share annual dividends.

*< Policy for Profit Distribution to the Shareholders > (before change, outlined)*

*The Company considers maintaining a core policy regarding the distribution of profits linked to the business performance of the Company and aims to pay stable dividends targeting a consolidated dividend payout ratio of 35%.*

*< Policy for Profit Distribution to the Shareholders > (after change)*

*The Company considers an important management issue to be to increase corporate value by providing the world's No. 1 products that make full use of state-of-the-art technology and to continuously return profits to our shareholders.*

*The Company considers maintaining a core policy regarding the distribution of profits linked to the business performance of the Company and aims to pay stable dividends targeting a consolidated dividend payout ratio of 40%. Also, considering the aim to provide stable and continuous dividend payments, the Company deems to maintain an annual dividend of ¥20 per share regardless of consolidated profits of the Company. However, it is at the discretion of the Board to review this policy if the Company experiences losses in two consecutive years.*

*The Company's normal operating procedure is to pay a dividend twice a year.*

*Retained earnings will be effectively used for research and development of advanced technologies, capital investment, overseas expansion, upgrading of information systems, development of new business fields, M&A investment, etc., while giving due consideration to maintaining and strengthening the soundness of our financial position.*

*The Company regards repurchase of treasury stock as a flexible profit return policy that complements the payment of dividends from retained earnings, while comprehensively taking into cash flow, retained earnings, and other factors.*

## **2. Selection of Accounting Standards**

In consideration of ease of comparing business results over several periods and/or against other enterprises, Tokyo Seimitsu plans to continue adopting Japan GAAP accounting conventions for presentation of its Consolidated Financial Statements.

The Company will actively review the adoption of International Financial Reporting Standards (IFRS), in light of changes that may emerge from convergence with Japan GAAP, and ongoing revisions to the IFRS.



### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

	FY2021/3 (March 31 <sup>st</sup> , 2021)	FY2022/3 (March 31 <sup>st</sup> , 2022)
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	43,657	49,033
Notes, accounts receivable and contract assets	27,304	32,204
Electronically recorded monetary claims	3,642	6,162
Merchandise and finished goods	2,657	2,813
Work in progress	22,028	26,221
Raw materials and supplies	8,200	11,247
Others	4,076	6,143
Allowance for doubtful accounts	- 50	- 40
<b>Total current assets</b>	<b>111,516</b>	<b>133,785</b>
Fixed Assets		
Tangible fixed assets		
Building and structures	32,561	33,038
Accumulated depreciation	- 15,478	- 16,424
Building and structures(net)	17,082	16,614
Machinery, equipment and vehicles	10,046	10,358
Accumulated depreciation	- 8,131	- 8,373
Machinery, equipment and vehicles (net)	1,914	1,985
Equipment	9,037	9,937
Accumulated depreciation	- 6,270	- 6,835
Equipment(net)	2,767	3,101
Land	14,210	16,337
Lease assets	483	488
Accumulated depreciation	- 221	- 299
Lease assets (net)	262	189
Construction in process account	407	5,247
<b>Total Tangible Fixed Assets</b>	<b>36,645</b>	<b>43,476</b>
Intangible Fixed Assets		
Goodwill	220	210
Lease assets	14	7
Others	3,754	3,452
<b>Total Intangible Fixed Assets</b>	<b>3,989</b>	<b>3,670</b>
Investments and other assets		
Investment securities	3,163	2,947
Long-term loans receivable	231	142
Net defined benefit assets	2,211	2,145
Differed tax assets	3,319	3,601
Others	592	531
Allowance for doubtful accounts	- 112	- 112
<b>Total Investments and other assets</b>	<b>9,405</b>	<b>9,257</b>
<b>Total Fixed Assets</b>	<b>50,039</b>	<b>56,403</b>
<b>Total Assets</b>	<b>161,556</b>	<b>190,188</b>

(Millions of Yen)

	<b>FY2021/3</b> (March 31 <sup>st</sup> , 2021)	<b>FY2022/3</b> (March 31 <sup>st</sup> , 2022)
<b>LIABILITIES</b>		
Current Liabilities		
Notes and accounts payable	9,379	11,213
Electronically recorded obligations-operating	13,682	18,662
Short-term debt	1,300	1,300
Current portion of long-term debt	2,000	2,000
Lease liabilities	114	114
Income taxes payable	3,935	4,454
Contract liabilities	3,983	10,308
Reserves for bonus	1,381	1,704
Reserves for director's bonuses	2	14
Others	3,517	5,869
Total current liabilities	39,296	55,641
Fixed Liabilities		
Long-term debt	4,000	2,000
Lease liabilities	167	79
Deferred tax liabilities	6	6
Allowance for director retirement benefits	47	45
Net defined benefit liabilities	1,059	1,128
Asset retirement obligations	64	64
Others	136	236
Total fixed liabilities	5,482	3,561
Total Liabilities	44,778	59,202
<b>NET ASSETS</b>		
Shareholder's Equity		
Common stock	10,818	11,000
Capital surplus	21,918	22,115
Retained earnings	83,874	99,237
Treasury stock	- 3,124	- 5,590
Total Shareholder's Equity	113,487	126,762
Accumulated other comprehensive income		
Holding gain or loss in investment	476	342
Foreign currency translation adjustment	220	1,371
Remeasurements of defined benefit plans	1,184	984
Total accumulated other comprehensive income	1,881	2,698
Share subscription rights	892	950
Non-controlling interests	516	574
Total Net Assets	116,777	130,986
Total Liabilities and Net Assets	161,556	190,188

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

### Consolidated Statements of Income

(Millions of Yen)

	FY2021/3 (April 1 <sup>st</sup> , 2020- March 31 <sup>st</sup> , 2021)	FY2022/3 (April 1 <sup>st</sup> , 2021- March 31 <sup>st</sup> , 2022)
Net Sales	97,105	133,277
Cost of goods sold	60,190	79,772
Gross Profit on Sales	36,914	53,504
Selling, general and administrative expenses	21,351	24,954
Operating Profit	15,562	28,550
Non-operating income		
Interest income	20	45
Dividend income	88	346
Foreign exchange gains	121	255
Subsidy income	117	69
Reversal of costs to demolish existing buildings	-	44
Others	192	232
Total Non-operating income	540	994
Non-operating expenses		
Interest expenses	72	50
Commission fee	30	3
Provision of allowance for doubtful accounts	112	-
Loss due to transportation accidents	-	71
Others	19	28
Total Non-operating expenses	235	154
Recurring Profit	15,867	29,390
Extraordinary gains		
Gain on sale of investment securities	133	25
Gain on return of assets from retirement benefits trust	1,189	-
Gain on reversal of subscription rights to shares	8	3
Gain on liquidation of subsidiaries	-	361
Others	22	-
Total Extraordinary gains	1,354	390
Extraordinary losses		
Costs to demolish existing buildings	292	-
Impairment loss for fixed assets	668	31
Extra retirement payments	108	-
Loss on liquidation of subsidiaries	-	3
Others	5	-
Total Extraordinary losses	1,074	34
Profit before income taxes and minority interests	16,147	29,746
Income tax and other taxes	4,806	8,239
Adjustment on income tax	- 828	7
Total Income tax and others	3,978	8,247
Net Profit before minority interests	12,169	21,499
Net Profit (loss) attributable to minority interests	- 6	57
Net Profit attributable to Owners of the Parent	12,175	21,441

## Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	<b>FY2021/3</b>	<b>FY2022/3</b>
	(April 1 <sup>st</sup> , 2020- March 31 <sup>st</sup> , 2021)	(April 1 <sup>st</sup> , 2021- March 31 <sup>st</sup> , 2022)
Net Profit before minority interests	12,169	21,499
Accumulated other comprehensive income		
Holding gain or loss in investment	359	- 133
Foreign currency translation adjustment	- 460	1,151
Remeasurements of defined benefit plans	950	- 200
Total accumulated other comprehensive income	849	817
<b>Comprehensive Income</b>	<b>13,018</b>	<b>22,316</b>
(breakdown)		
Comprehensive income attributable to owners of the parent	13,034	22,259
Comprehensive income attributable to non-controlling interests	- 15	57

**(3) Consolidated Statements of Changes in Net Assets**  
**FY 2021/3 (April 1<sup>st</sup>, 2020 – March 31<sup>st</sup>, 2021)**

(Millions of Yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's equity
Balance as of previous fiscal year	10,703	21,721	75,032	- 122	107,334
Changes during the fiscal year					
Issue of new shares	115	115			230
Cash dividends paid			- 3,333		- 3,333
Net Profit (loss) attributable to Owners of the Parent			12,175		12,175
Purchases of treasury stock				- 3,002	- 3,002
Change in treasury stock of Parent arising from transactions with non-controlling shareholders					-
Changes of items other than shareholders' equity(net)		82			82
Total changes during the fiscal year	115	197	8,841	- 3,002	6,152
Balance as of end of the fiscal year	10,818	21,918	83,874	- 3,124	113,487

	Accumulated other comprehensive income				Share Subscription Rights	Minority Interests	Total Net Assets
	Holding gain or loss in investment	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of previous fiscal year	117	670	234	1,022	770	546	109,674
Changes during the fiscal year							
Issue of new shares							230
Cash dividends paid							-3,333
Net Profit (loss) attributable to Owners of the Parent							12,175
Purchases of treasury stock							-3,002
Change in treasury stock of Parent arising from transactions with non-controlling shareholders							-
Changes of items other than Shareholders' equity(net)	359	- 450	950	858	121	- 29	1,033
Total changes during the fiscal year	359	- 450	950	858	121	- 29	7,103
Balance as of end of the fiscal year	476	220	1,184	1,881	892	516	116,777

**FY 2022/3 (April 1<sup>st</sup>, 2021 – March 31<sup>st</sup>, 2022)**

(Millions of Yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's equity
Balance as of previous fiscal year	10,818	21,918	83,874	- 3,124	113,487
Cumulative impact of changes in accounting policies			- 122		- 122
Restated balance	10,818	21,918	83,751	- 3,124	113,365
Changes during the fiscal year					
Issue of new shares	182	182			364
Cash dividends paid			- 5,956		- 5,956
Net Profit (loss) attributable to Owners of the Parent			21,441		21,441
Purchases of treasury stock				- 2,501	- 2,501
Disposal of treasury stock		4		36	40
Change in treasury stock of Parent arising from transactions with non-controlling shareholders		10			10
Changes of items other than Shareholders equity (net)					-
Total changes during the fiscal year	182	196	15,485	- 2,465	13,397
Balance as of end of the fiscal year	11,000	22,115	99,237	- 5,590	126,762

	Accumulated other comprehensive income				Share Subscription Rights	Minitory Interests	Total Net Assets
	Holding gain or loss in investment	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of previous fiscal year	476	220	1,184	1,881	892	516	116,777
Cumulative impact of changes in accounting policies							- 122
Restated balance	476	220	1,184	1,881	892	516	116,655
Changes during the fiscal year							
Issue of new shares							364
Cash dividends paid							- 5,956
Net Profit (loss) attributable to Owners of the Parent							21,441
Purchases of treasury stock							- 2,501
Disposal of treasury stock							36
Change in treasury stock of Parent arising from transactions with non-controlling shareholders							14
Changes of items other than Shareholders equity (net)	- 133	1,151	- 200	817	58	57	933
Total changes during the fiscal year	- 133	1,151	- 200	817	58	57	14,331
Balance as of end of the fiscal year	342	1,371	984	2,698	950	574	130,986

#### (4) Consolidated Statements of Cash Flows

(Millions of Yen)

	<b>FY2021/3</b> (April 1 <sup>st</sup> , 2020- March 31 <sup>st</sup> , 2021)	<b>FY2022/3</b> (April 1 <sup>st</sup> , 2021- March 31 <sup>st</sup> , 2022)
<b>Cash flows from operating activities:</b>		
Profit before income taxes and minority interests	16,147	29,746
Depreciation	3,516	3,574
Amortization of goodwill	28	30
Stock related expense	171	185
Change in Net defined benefit asset (-: increase)	2,881	22
Change in Net defined benefit liability (-: decrease)	- 142	-
Change in allowance for director retirement benefits (-:decrease)	- 12	- 2
Change in allowance for doubtful accounts (-:decrease)	116	- 14
Interest and dividend income	- 109	- 392
Interest expense	72	50
Subsidy Income	- 117	- 69
Gain(loss) on sales of investment securities (-: gain)	- 133	- 25
Gain on return of assets from retirement benefits trust	- 1,189	-
Gain on liquidation of subsidiaries	-	- 361
Loss on liquidation of subsidiaries	-	3
Impairment loss for fixed assets	668	31
Extra retirement payments	108	-
Change in trade notes and accounts receivable (-: increase)	- 987	- 6,575
Change in inventories (-: increase)	- 3,491	- 7,148
Change in trade notes and accounts payable(-:decrease)	5,584	6,016
Change in contract liabilities (-:decrease)	1,641	6,192
Others	- 1,544	32
Subtotal	23,210	31,297
Proceeds from interest and dividend income	108	392
Payment of interest	- 69	- 47
Proceeds from Subsidy Income	117	69
Payment/Refund of income taxes (-: payment)	- 1,304	- 7,648
Net cash provided by (used in) operating activities	22,062	24,062
<b>Cash flows from investing activities:</b>		
Payment for time deposits	- 43	- 35
Proceeds from time deposits	45	42
Payment for purchase of tangible fixed assets	- 5,864	- 9,367
Proceeds from sales of tangible fixed assets	67	9
Payment for purchase of intangible fixed assets	- 188	- 360
Payment for purchase of investment securities	- 50	- 129
Proceeds from sales of investment securities	864	224
Proceeds from liquidation of subsidiaries	-	380
Payment for loans receivable	- 0	-
Proceeds from collection of loans receivable	2	97
Payments for lease deposits and guarantee deposits	- 25	- 7
Proceed from collection of lease deposits and guarantee deposits	2	61
Others	-	47
Net cash provided by (used in) investing activities	- 5,191	- 9,036
<b>Cash flows from financing activities:</b>		
Repayment of long-term debt	- 2,000	- 2,000
Repayment of lease liability	- 135	- 133
Proceeds from exercise of stock options	188	240
Dividend payments	- 3,333	- 5,956
Payments for purchase of treasury stock	- 3,002	- 2,501
Net cash provided by (used in) financing activities	- 8,282	- 10,350
Effect of exchange rate changes on cash and cash equivalents	429	706
Net increase/decrease in cash and cash equivalents (-: decrease)	9,018	5,382
Cash and cash equivalents at beginning of year	34,605	43,624
Cash and cash equivalents at end of year	43,624	49,006

## **(5) Notes to Consolidated Financial Statements**

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

Not applicable.

### **(Changes in Accounting Principles)**

#### 1. Accounting Standard for Revenue Recognition

Tokyo Seimitsu Group (hereinafter referred to as “the Group”) has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31<sup>st</sup>, 2020) (hereinafter referred to as “the Revenue Recognition Standard”) from the beginning of FY2022/3 in relation to transferring control of goods and services promised to a customer, the where the Company recognizes revenues expected to be received in exchange for such goods and services.

The following are the major changes from the application of the new Revenue Recognition Standard.

##### (i) Warranty Services

A majority of the Groups’ sales include product transfers and warranty services for certain periods in accordance with contracts with customers. In the past, the Company did not recognize revenue for such services, however, the Company has changed its method of identifying performance obligations related to the delivery of products and performance obligations related to such services individually, and recognizes revenue when the respective performance obligations are satisfied.

##### (ii) Billable Services

The Group regularly provides billable services for products sold. In the past, revenues for billable services under a contract, such as a maintenance agreement, were recognized at the date the agreement took effect. However, under the Revenue Recognition Standard, these revenues will now be evenly apportioned during the warranty period.

##### (iii) Sales Rebates

In the past, payments to customers, such as sales rebates, were accounted for as an expense in Selling, general and administrative expenses. However, under the Revenue Recognition Standard, these payments will now be deducted from Transaction prices.

In relation to the Application of the Revenue Recognition Standard, the Group has applied the transitional treatment as provided for in Paragraph 84 of the Revenue Recognition Standard, where an impact which can be anticipated in a case of retroactive adoption of the Revenue Recognition Standard, it has been applied to retained earnings at the beginning of FY2022/3. The Group has also applied the method prescribed in Paragraph 86 of the Revenue Recognition Standard that allows for no change to apply to contracts for which almost all revenues were already recognized prior to the beginning of FY2022/3.



The impact of the application of the new Revenue Recognition Standard, in FY2022/3 resulted in adjustments as follows: Sales decreased by ¥157 million; Selling, general and administrative expenses decreased by ¥105 million; and Operating profit, Recurring Profit, and Profit before income taxes and minority interests simultaneously decreased by ¥52 million. Also, Retained earnings at the beginning of FY2022/3 decreased by ¥122 million.

In relation to the Application of the Standard, “Notes and accounts receivable“ in Consolidated balance sheets – Assets – Current Assets which was separately listed in FY2021/3 has been included to “Notes, accounts receivable, and contract assets”.

2. Accounting Standard for Fair Value Measurement

The Group has also applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4<sup>th</sup>, 2019) from the beginning of FY2022/3, and in accordance with the transitional treatment provided for in Paragraph 19 of the Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4<sup>th</sup>, 2019), the Group has applied the new accounting method prescribed in the Accounting Standard for Fair Value Measurement. There are no impacts from these changes in the Consolidated Financial Statements.

**(Segment Information and Others)**

**(i). Overview of reportable segments**

The reportable segments of the Company and consolidated subsidiaries are the business segments for which separate financial information can be obtained and are at the level where the Company’s Board of Directors conducts periodic reviews leading to the allocation of resources and evaluation of business performance. The Company consists of internal companies known as the Semiconductor Company and the Metrology Company, and each company’s products and services are managed under comprehensive strategies inside and outside of Japan.

Therefore, the Company defines “SPE” and “Metrology Equipment” as reportable segments based on the intercompany system and their outputs.

The “SPE” consists of manufacturing and sales of Assembly and Testing equipment to be applied to Semiconductor Manufacturing Processes and the “Metrology Equipment” consists of manufacturing and sales of precision measurement equipment such as 3D coordinate measuring machines, surface texture and contour measuring instruments.

**(ii). Method of calculation of sales, profit/loss, assets/liabilities and/or others in reportable segments**

The method of calculating segment results is mostly the same as applied to the consolidated financial statements. Therefore, segment profit is based on consolidated Operating Profit. Corporate assets are not allotted to each segment.

**(iii). Net sales, profit/loss assets/liabilities and/or others in reportable segments**

**FY2021/3 (April 1<sup>st</sup>, 2020 – March 31<sup>st</sup>, 2021)**

(Millions of yen)

	Reportable Segments			Adjustment *1	Consolidated Total *2
	SPE	Metrology Equipment	Total		
Sales					
Sales to third party:	71,745	25,359	97,105	-	97,105
Intersegment sales to transfer					
Total	71,745	25,359	97,105	-	97,105
Segment Profit	13,565	1,996	15,562	-	15,562
Segment Assets	118,547	42,040	160,587	968	161,556
Others					
Depreciation and amortization	2,343	1,172	3,516	-	3,516
Amortization of goodwill	7	20	28	-	28
Increase in tangible / intangible Fixed assets	3,499	2,450	5,950	-	5,950

**FY2022/3 (April 1<sup>st</sup>, 2021 – March 31<sup>st</sup>, 2022)**

(Millions of yen)

	Reportable Segments			Adjustment *1	Consolidated Total *2
	SPE	Metrology Equipment	Total		
Sales					
Sales to third party:	103,360	29,917	133,277	-	133,277
Intersegment sales to transfer					
Total	103,360	29,917	133,277	-	133,277
Segment Profit	24,893	3,657	28,550	-	28,550
Segment Assets	145,554	43,579	189,133	1,055	190,188
Others					
Depreciation and amortization	2,465	1,108	3,574	-	3,574
Amortization of goodwill	7	22	30	-	30
Increase in tangible / intangible Fixed assets	9,243	572	9,816	-	9,816

Notes \*1: Adjustment for corporate assets which are not allotted to the segments such as long-term investments (other investment securities).

\*2: Segment profit is same amount as Operating Profit stated in the Consolidated Financial Statements.

**(Per Share Information)**

<b>FY2021/3</b> (April 1 <sup>st</sup> , 2020 - March 31 <sup>st</sup> , 2021)		<b>FY2022/3</b> (April 1 <sup>st</sup> , 2021 - March 31 <sup>st</sup> , 2022)	
Net assets per share	2,810.79 yen	Net assets per share	3,185.05 yen
Earnings per share	293.83 yen	Earnings per share	525.34 yen
Diluted earnings per share	291.43 yen	Diluted earnings per share	520.30 yen

Notes 1: Bases for calculation of net assets per share are as follows.

Item	<b>FY2021/3</b> (March 31 <sup>st</sup> , 2021)	<b>FY2022/3</b> (March 31 <sup>st</sup> , 2022)
Total net assets in consolidated balance sheet (millions of yen)	116,777	130,986
Amounts to be deducted from total net assets (millions of yen)	1,409	1,524
(Share subscription rights (millions of yen))	(892)	(950)
(Minority Interests(millions of yen))	(516)	(574)
Net assets related to common stock as at the end of Fiscal Year (millions of yen)	115,368	129,461
Number of outstanding shares that are bases for calculation of net assets per share as at the end of Fiscal Year (thousands of shares)	41,044	40,646

Notes 2: Bases for calculation of earnings per share and diluted earnings per share are as follows.

Item	<b>FY2021/3</b> (April 1 <sup>st</sup> , 2020 - March 31 <sup>st</sup> , 2021)	<b>FY2022/3</b> (April 1 <sup>st</sup> , 2021 - March 31 <sup>st</sup> , 2022)
Earnings per Share		
Net profit (loss) attributable to owners of the parent (millions of yen)	12,175	21,441
Amount not attributed to common shareholders (millions of yen)	-	-
Net profit (loss) attributable to owners of the parent related to common stock (millions of yen)	12,175	21,441
Average number of shares of common stock during the fiscal year (thousands of shares)	41,435	40,834
Diluted earnings per share		
Details of adjusted net profit (millions of yen)	-	-
Increase in common stock share subscription rights (thousands of shares)	342	395
Shares excluded from the calculation of diluted earnings per share due to the lack of dilutive effects	Share Subscription rights (Stock Option Type)(units) The 15 <sup>th</sup> 73	-

**(Significant subsequent events)**

Not applicable.

## 4. Additional Information

### (1) Production, Orders and Sales

#### (i). Actual Production (Millions of yen)

Reportable Segment	<b>FY2021/3</b> (April 1 <sup>st</sup> , 2020 - March 31 <sup>st</sup> , 2021)	<b>FY2022/3</b> (April 1 <sup>st</sup> , 2021 - March 31 <sup>st</sup> , 2022)
SPE	66,893	98,738
Metrology Equipment	22,113	25,744
Total	89,006	124,483

Note: The above production results are based on the sales prices and are exclusive of consumption tax.

#### (ii). Actual Orders (Millions of yen)

Reportable Segment	<b>FY2021/3</b> (April 1 <sup>st</sup> , 2020 - March 31 <sup>st</sup> , 2021)		<b>FY2022/3</b> (April 1 <sup>st</sup> , 2021 - March 31 <sup>st</sup> , 2022)	
	Orders received	Order backlog	Orders received	Order backlog
SPE	93,181	50,619	157,407	104,666
Metrology Equipment	23,878	6,301	33,667	10,051
Total	117,060	56,920	191,074	114,717

Note: The above amounts are exclusive of consumption tax.

#### (iii). Actual Sales (Millions of yen)

Reportable Segment	<b>FY2021/3</b> (April 1 <sup>st</sup> , 2020 - March 31 <sup>st</sup> , 2021)	<b>FY2022/3</b> (April 1 <sup>st</sup> , 2021 - March 31 <sup>st</sup> , 2022)
SPE	71,745	103,360
Metrology Equipment	25,359	29,917
Total	97,105	133,277

Note: The above amounts are exclusive of consumption tax.

## **(2) Director Changes**

(Effective date (planned): June 20<sup>st</sup>, 2022)

Changes in Directorships excluding directors serving as an Audit and Supervisory Committee member

Candidate for director (To be elected at the Annual General Meeting of Shareholders scheduled on June 20<sup>st</sup>, 2022)

Ms. Tsuneko MURATA

Current position: External Auditor of Japan Finance Corporation  
External Director of Milbon Co., Ltd.  
External Director of Kakuyasu Group Co., Ltd.

Retiring director

Mr. Yoshiro HAYASHI

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