

Announcement of FY2017/3 Business Results (April 2016 to March 2017)

May 12th, 2017

Tokyo Seimitsu Co., Ltd.

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Ticker Symbol: 7729.T

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Cautionary Statement with respect to Forward-Looking Statements

Disclaimer:

- ◆ This presentation contains “forward-looking statements” that are based on current best available information and policies.
- ◆ There are various factors such as world economic conditions and semiconductor/automobile market conditions which will directly and indirectly impact the Company’s results in the future.
- ◆ As a result, future outcomes may differ from those projected in this presentation.



FY2017/3 (April 2016 – March 2017)

Business Results

(Billions of Yen except dividend)	FY2016/3	FY2017/3		Forecast Feb. 2017	Difference
	Full Year	Full Year	YoY(%)		
Sales	70.3	77.8	+11%	72.5	+5.3
SPE Segment	41.8	50.3	+20%	46.5	+3.8
Metrology Segment	28.5	27.5	- 4%	26.0	+1.5
Operating Income	13.2	13.7	+3%	13.0	+0.7
SPE	7.3	8.8	+20%		
<i>Operating Income Ratio</i>	18%	18%	-		
Metrology	5.9	4.8	-18%		
<i>Operating Income Ratio</i>	21%	18%	-		
Ordinary Income	13.2	13.9	+5%	12.8	+1.1
Net Income Attributable to Owners of the parent	9.7	9.9	+2%	9.4	+0.5
Dividend per share	59 Yen	72 Yen	+13 Yen	68 Yen	+4 Yen

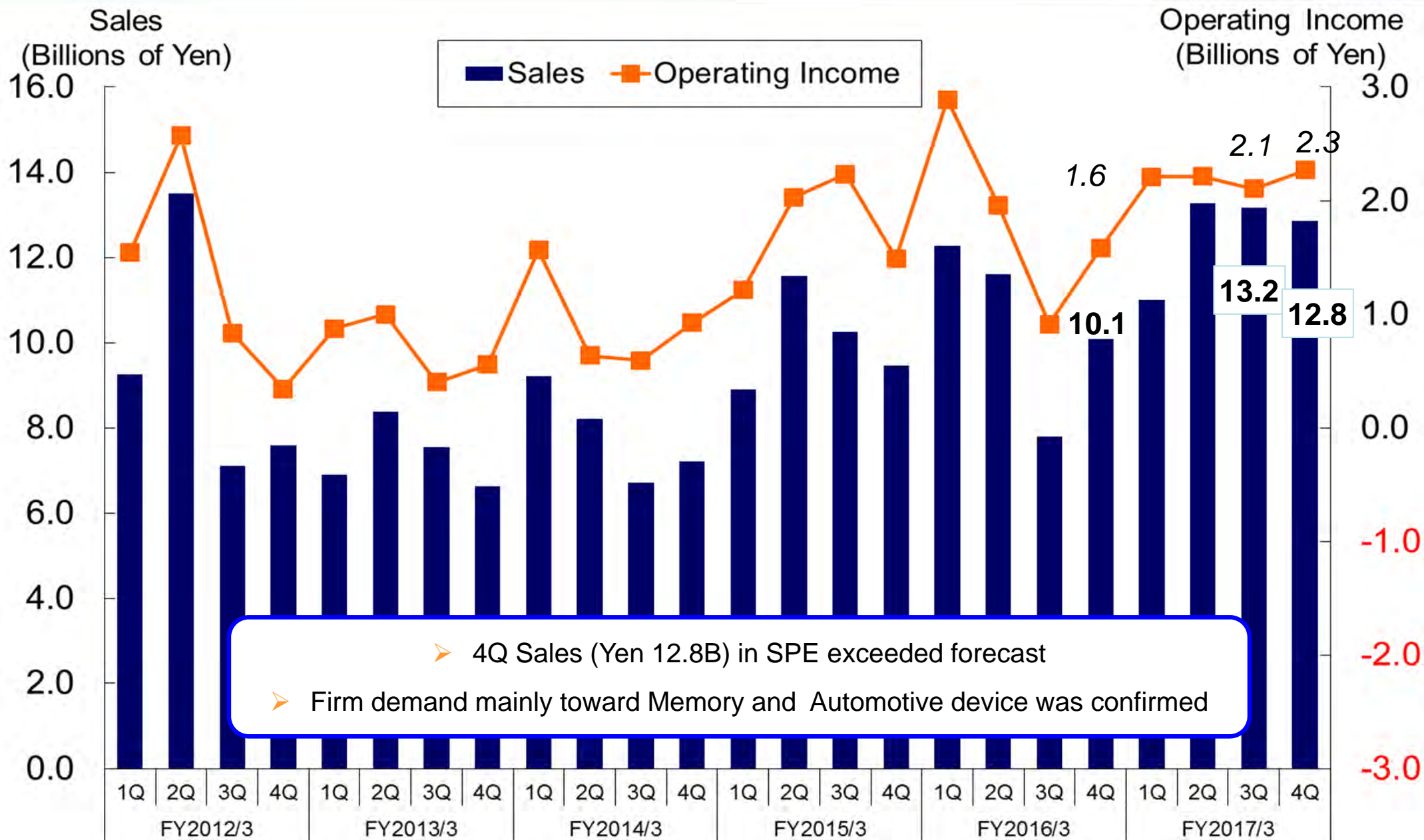


FY2017/3 4th Quarter (Jan – Mar. 2017) Business Results

(Billions of Yen)	FY2016/3				FY2017/3					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	QoQ(%)	YoY(%)
Sales	18.4	19.6	14.4	17.9	16.3	20.9	19.5	21.1	+8%	+18%
SPE Segment	12.3	11.6	7.8	10.1	11.0	13.3	13.2	12.8	- 2%	+27%
Metrology Segment	6.1	8.0	6.6	7.8	5.3	7.6	6.3	8.3	+30%	+6%
Operating Income	3.9	3.8	2.2	3.4	2.9	3.7	3.2	3.9	+24%	+16%
SPE	2.9	2.0	0.9	1.6	2.2	2.2	2.1	2.3	+8%	+43%
<i>Operating Income Ratio</i>	24%	17%	12%	16%	20%	17%	16%	18%	-	-
Metrology	1.0	1.8	1.3	1.8	0.6	1.5	1.1	1.6	+57%	- 8%
<i>Operating Income Ratio</i>	16%	22%	19%	23%	12%	20%	17%	20%	-	-
Ordinary Income	3.9	3.7	2.3	3.2	2.6	3.7	3.5	4.1	+18%	+26%
Net Income <small>Attributable to Owners of the Parent</small>	2.8	2.7	1.7	2.5	1.9	2.8	1.4	3.9	+183%	+55%



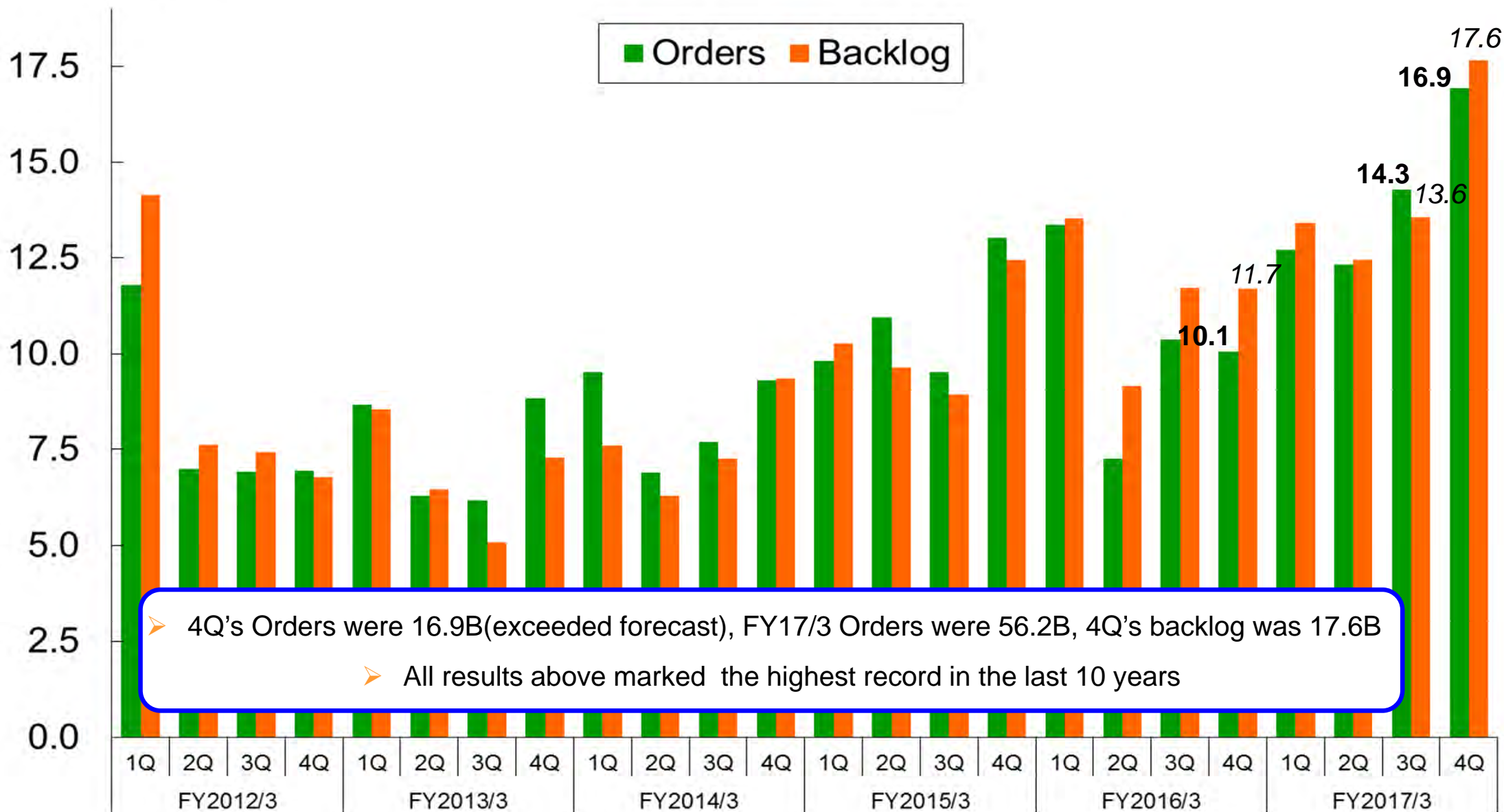
SPE Segment – Business Trends





SPE Segment – Order Status

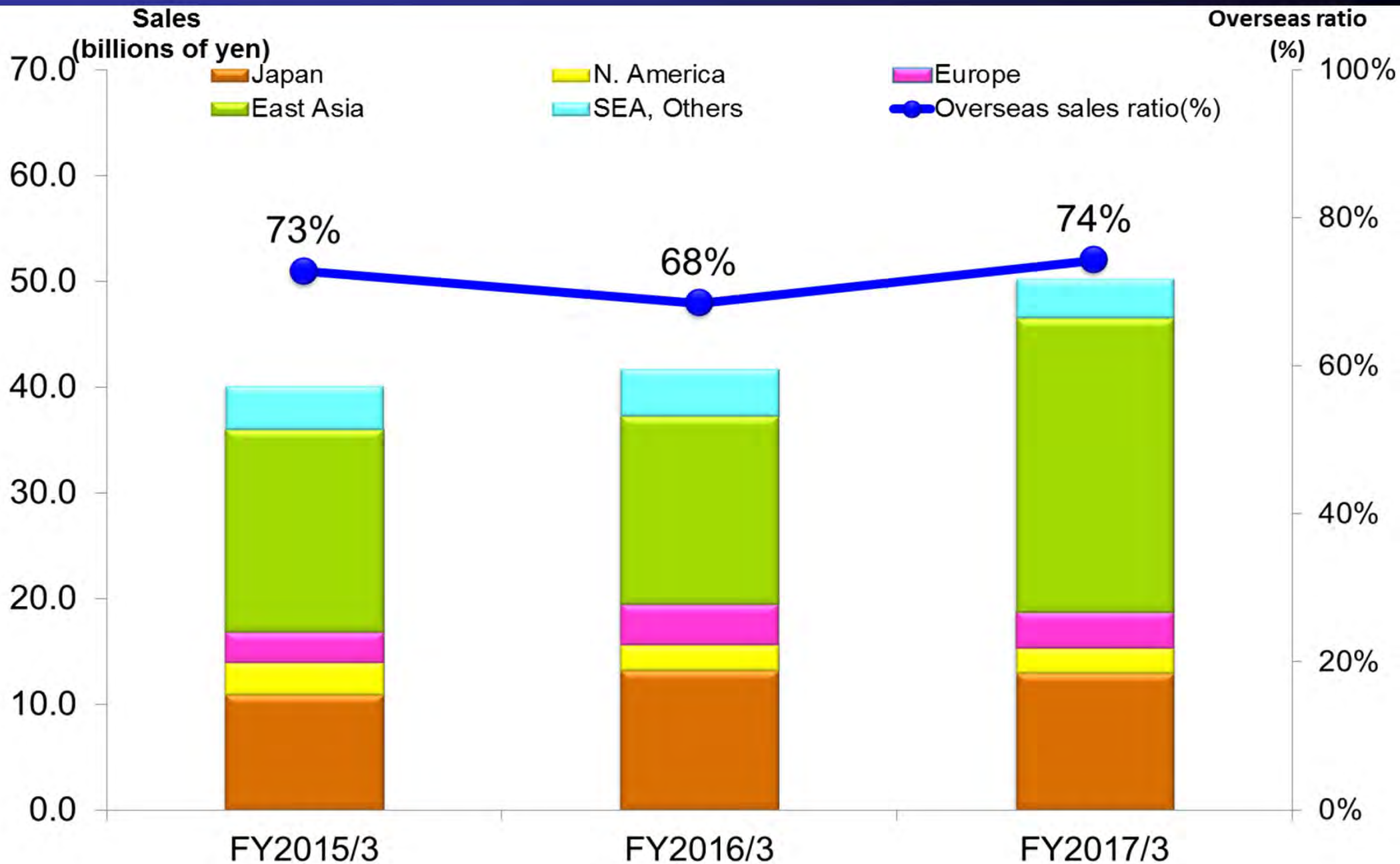
(Billions of Yen)



➤ 4Q's Orders were 16.9B(exceeded forecast), FY17/3 Orders were 56.2B, 4Q's backlog was 17.6B
➤ All results above marked the highest record in the last 10 years

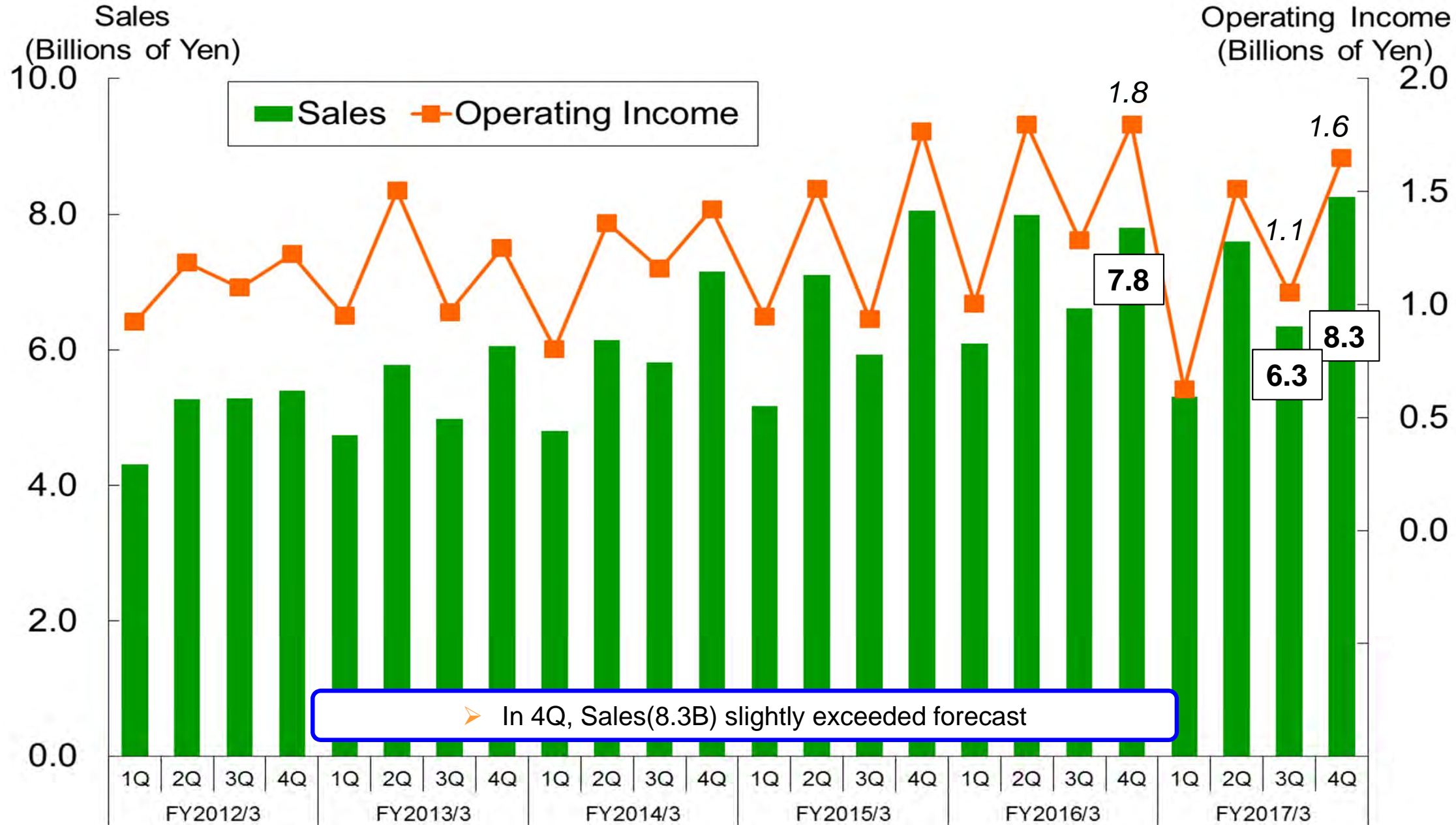


SPE Segment – Regional Sales



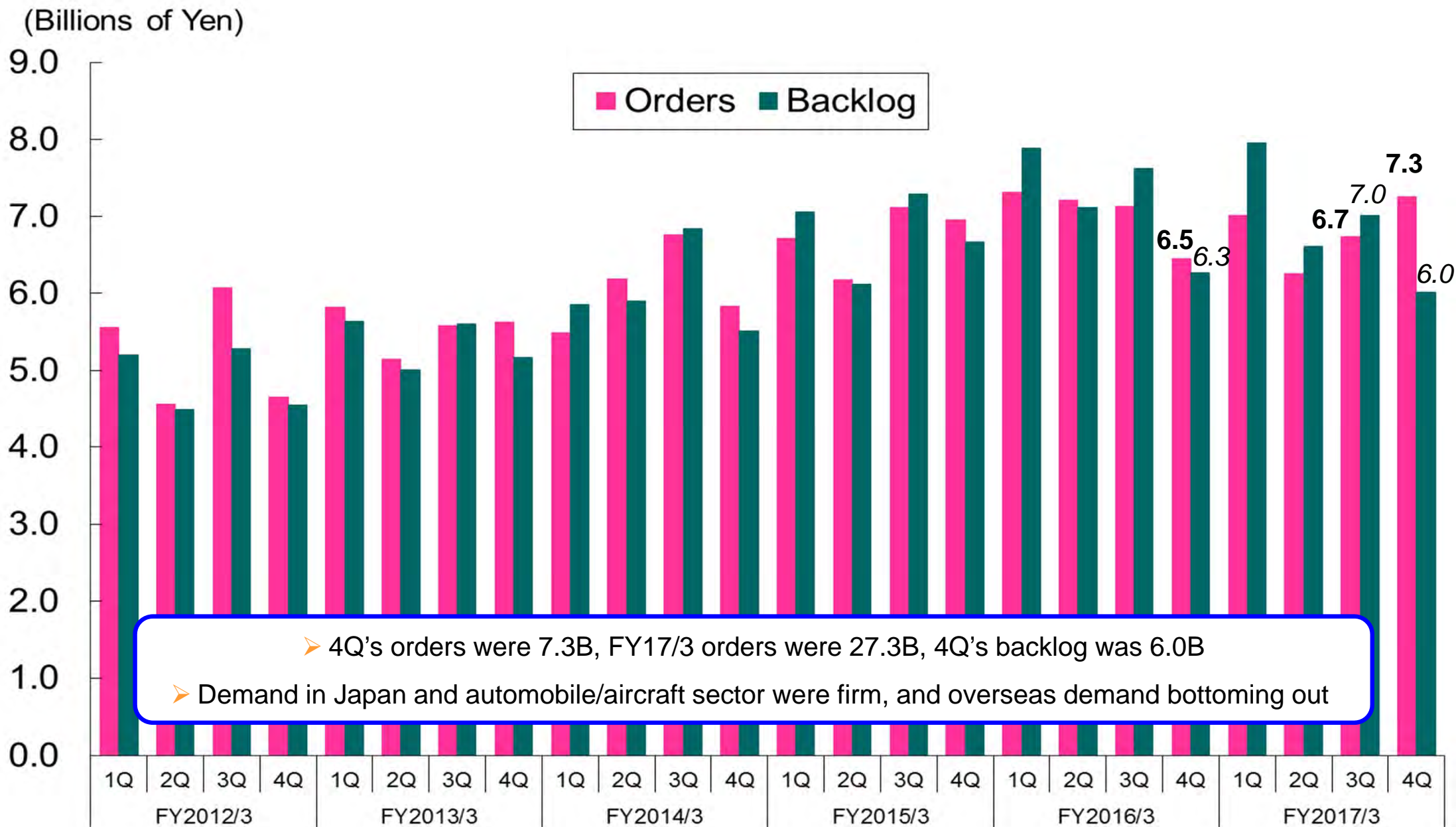


Metrology Segment – Business Trends





Metrology Segment – Order Status

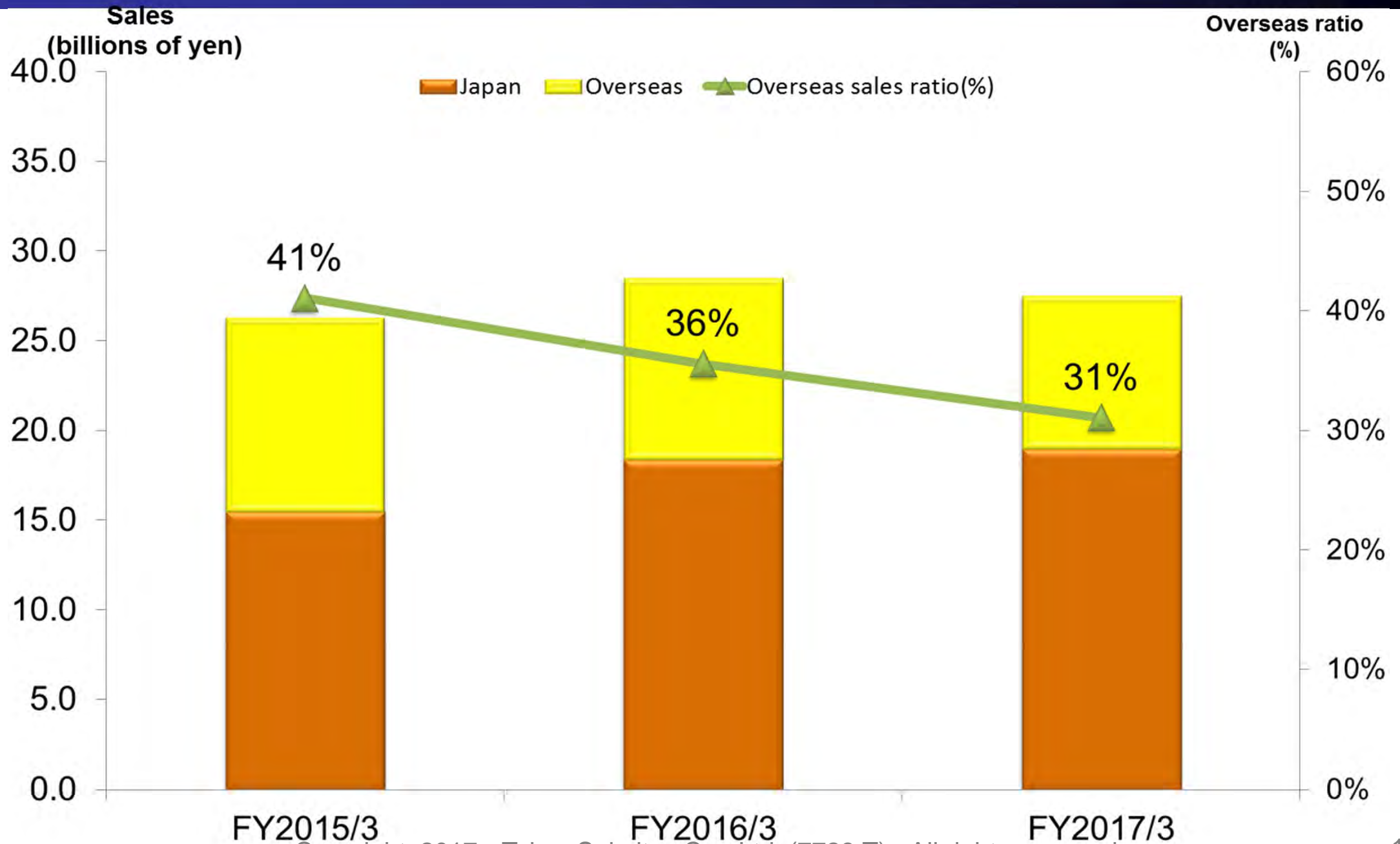


➤ 4Q's orders were 7.3B, FY17/3 orders were 27.3B, 4Q's backlog was 6.0B

➤ Demand in Japan and automobile/aircraft sector were firm, and overseas demand bottoming out



Metrology Segment – Regional Sales





FY2017/3 (March 2017) Balance Sheet

Assets (Billions of Yen)	Mar/E 2016	Mar/E 2017	Diff.	Liabilities, Net Assets (Billions of Yen)	Mar/E 2016	Mar/E 2017	Diff.
Cash	27.4	33.9	+6.5	Accounts Payable (*2)	11.8	15.8	+4.0
Accounts Receivable (*1)	26.0	28.4	+2.4	Short term Debt	1.2	1.3	+0.1
Inventories	16.1	17.3	+1.2	Others	8.4	9.5	+1.1
Others	3.2	3.2	- 0	Total Current Liabilities	21.4	26.6	+5.2
Total Current Assets	72.7	82.8	+10.1	Total Fixed Liabilities	1.1	0.7	- 0.4
Fixed Assets	29.2	31.7	+2.4	Total Liabilities	22.5	27.3	+4.8
Total Assets	101.9	114.5	+12.5	Net Assets	79.4	87.2	+7.8
				Total (Int. bearing debt)	101.9 (1.6)	114.5 (1.3)	+12.5 (- 0.3)

(*1) Incl. Trade notes and Electronically Recorded Monetary Claims (*2) Incl. Trade notes and Electronically recorded obligations-operating



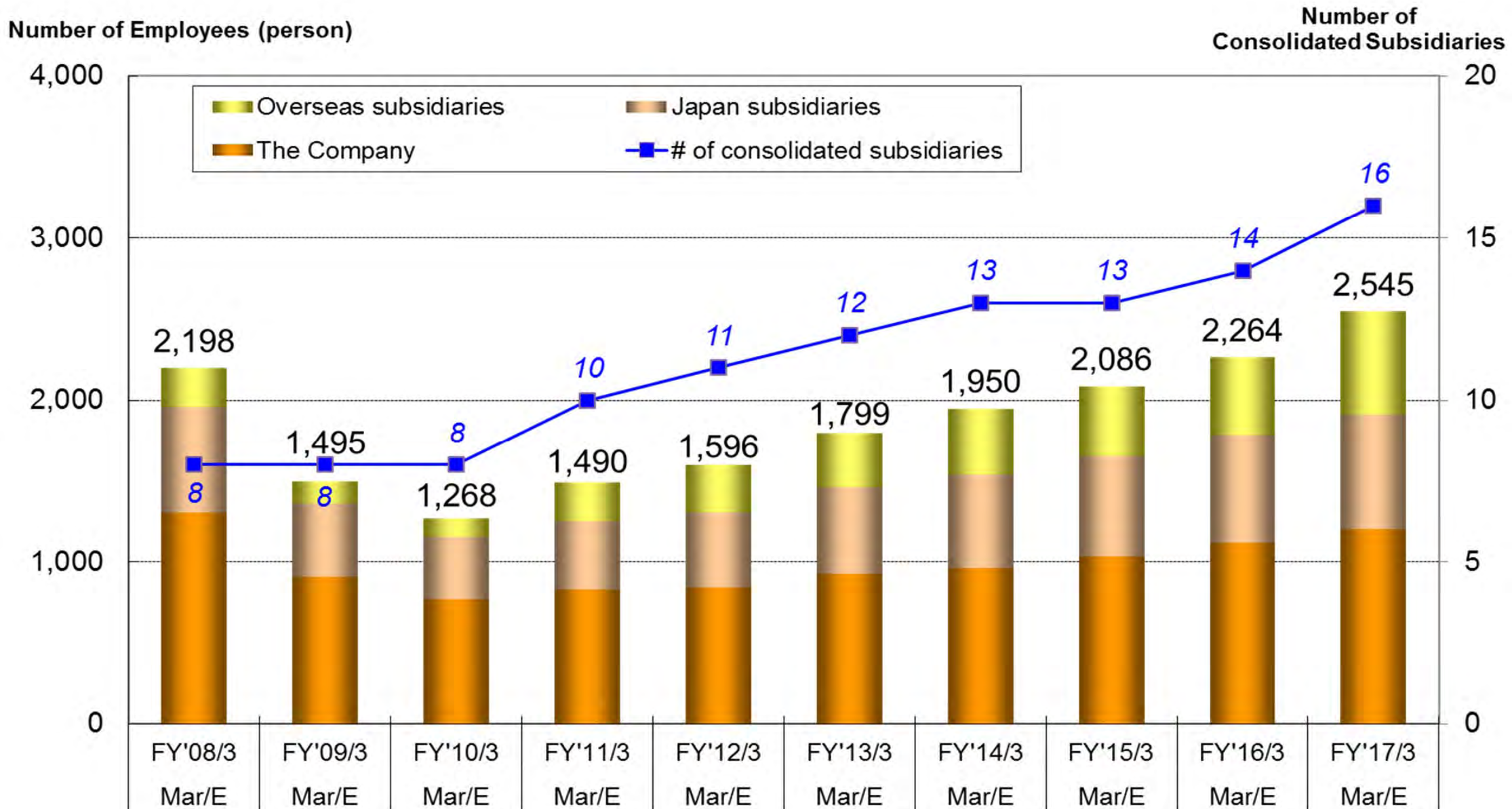
FY2017/3 (April 2016 – March 2017)

Cash Flows

(Billions of Yen)		FY2015/3	FY2016/3	FY2017/3
Opening Balance		20.4	26.8	27.3
From Operating Activities	Income before Tax, Interest & Depreciation	15.1	15.5	16.9
	(Receivables + Inventories) – Accounts Payable(*1)	- 2.0	- 4.2	- 0.1
	Tax Payment	- 2.1	- 3.8	- 3.6
	Others	- 2.0	- 0.3	- 0.4
	Total	10.8	7.2	12.8
From Investing Activities		- 3.0	- 3.8	- 3.5
Free Cash Flow		7.9	3.4	9.3
From Financing Activities	Increase/decrease in Borrowings	- 0.4	- 0.5	- 0.3
	Dividends & others	- 1.4	- 2.3	- 2.6
	Total	- 1.8	- 2.8	- 3.0
Net Cash Increase (incl. adjustments and change in consolidated subsidiaries)		6.4	0.5	6.5
Closing Balance		26.8	27.3	33.8



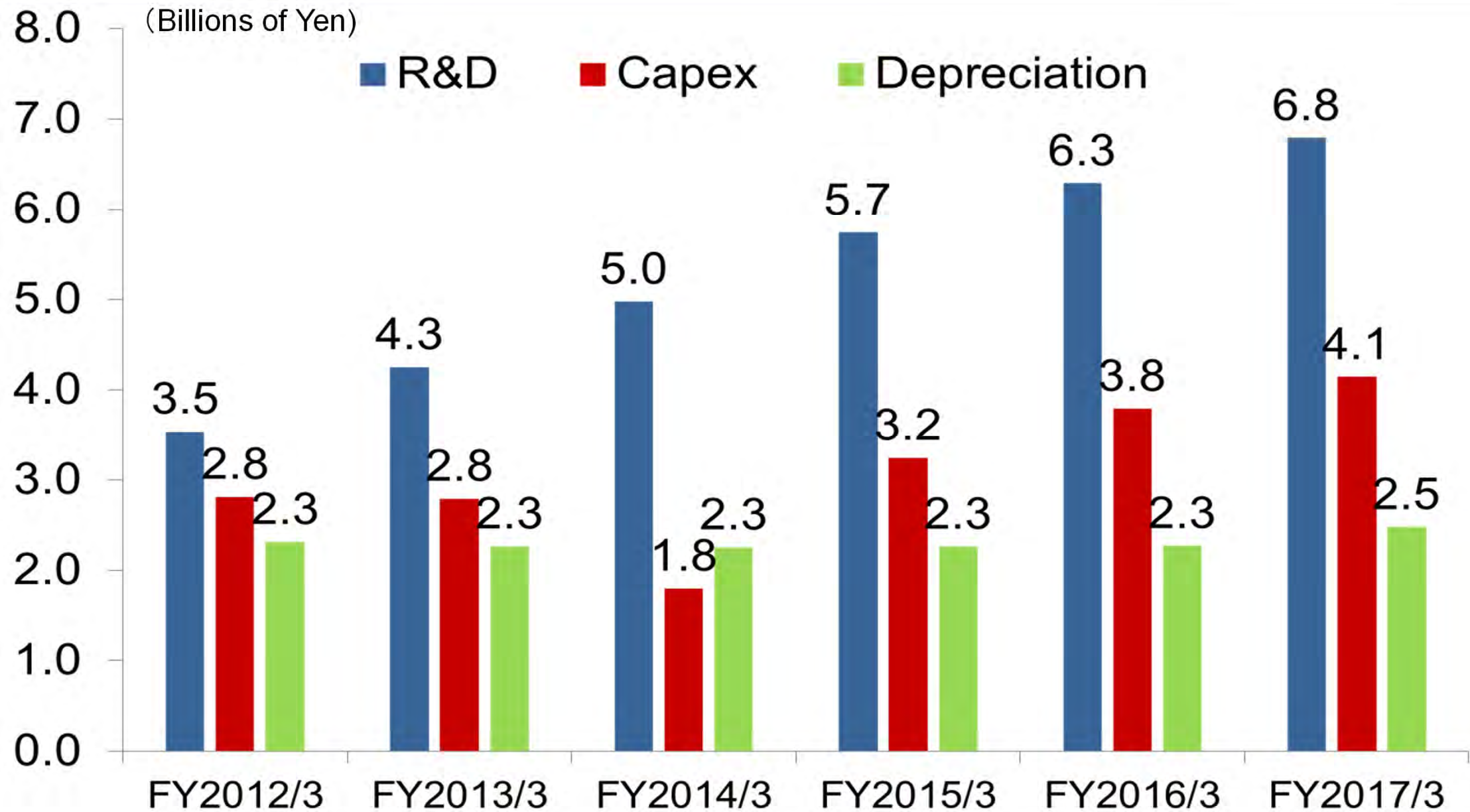
Number of Employees



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



R&D, Capex & Depreciation



Topics for FY2017/3

**Hachioji No.6 Plant (Tokyo, Japan)
Construction completed in May 2016**



**Expansion Large equipment's MFG
Extension of Demonstration Labs**

Business tie-up to promote "Laser grooving and Plasma Dicing method" announced in Feb. 2017

Target product	Process	
	Masking	Dicing
Censor	Pasting mask	Laser
Memory	Pasting Mask Layer	Plasma
		Cutting mask-metal layer with laser
		Dicing
		Accretech
		Panasonic

Tie-up area

© Panasonic Factory Solutions Co., Ltd. 2017

Business tie-up with Panasonic Factory Solutions Co., Ltd. to promote "Laser Grooving and Plasma Dicing method"

◆ Semiconductor Production Equipment

- Current demand situation is positive
- Demand toward memory & automotive devices and in China is expected to be kept firm
- Smartphone market trends to be carefully watched

◆ Metrology Equipment

- Demand in Japan and Automobile / Aircraft sector still continues to be active
- Overseas demand (especially China) is bottoming out
- Machine tools market is gently recovering



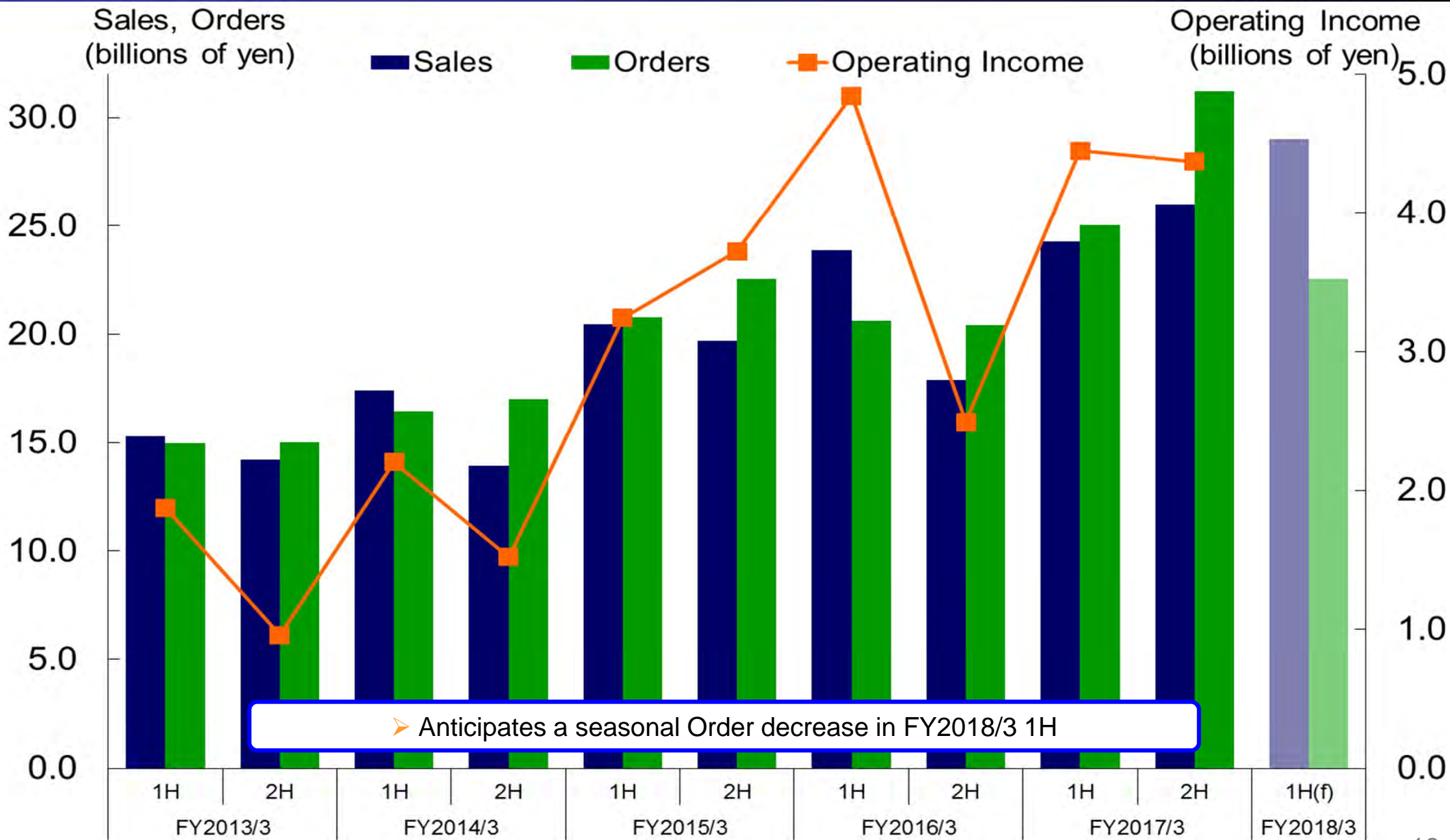
Forecast for FY2018/3 (April 2017 – March 2018)

(Billions of Yen
except dividend)

		FY2017/3			FY2018/3			
		1H	2H	Full Year	1H Fcst	2H Fcst	Full Year Fcst	YoY(%)
Sales		37.2	40.6	77.8	42.3	36.7	79.0	+2%
	SPE	24.3	26.0	50.3	29.0	22.0	51.0	+1%
	Metrology	12.9	14.6	27.5	13.3	14.7	28.0	+2%
Operating Income		6.6	7.0	13.7	7.8	6.2	14.0	+2%
	<i>Operating Income Ratio</i>	18%	17%	18%	18%	17%	18%	-
Ordinary Income		6.3	7.6	13.9	7.8	6.2	14.0	+1%
Net Income attributable to Owners of the parent		4.7	5.2	9.9	5.6	4.4	10.0	+1%
Dividend per share		72 Yen			72 Yen			±0 Yen

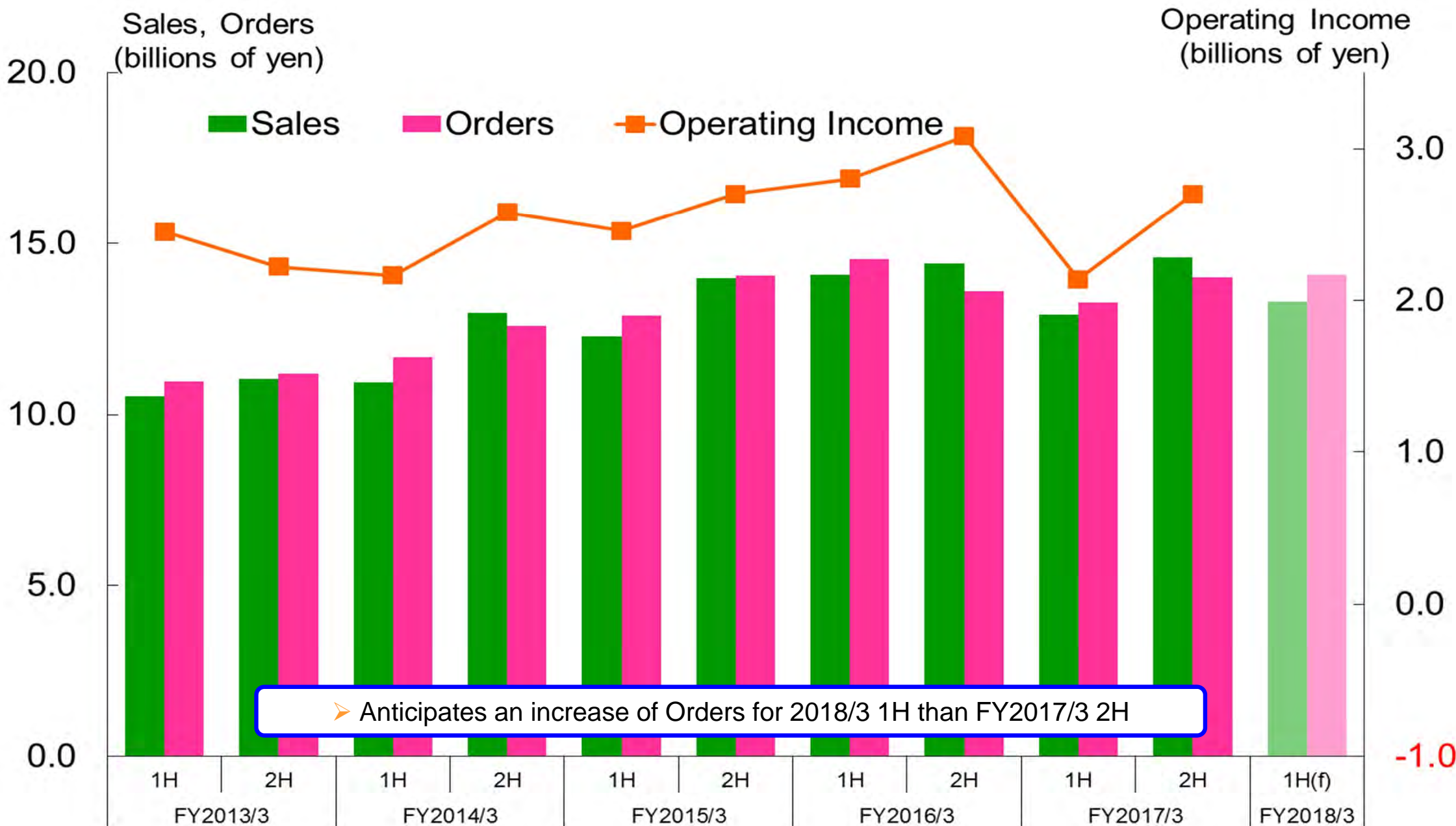


SPE Segment – Sales/Orders trend incl. Forecasts



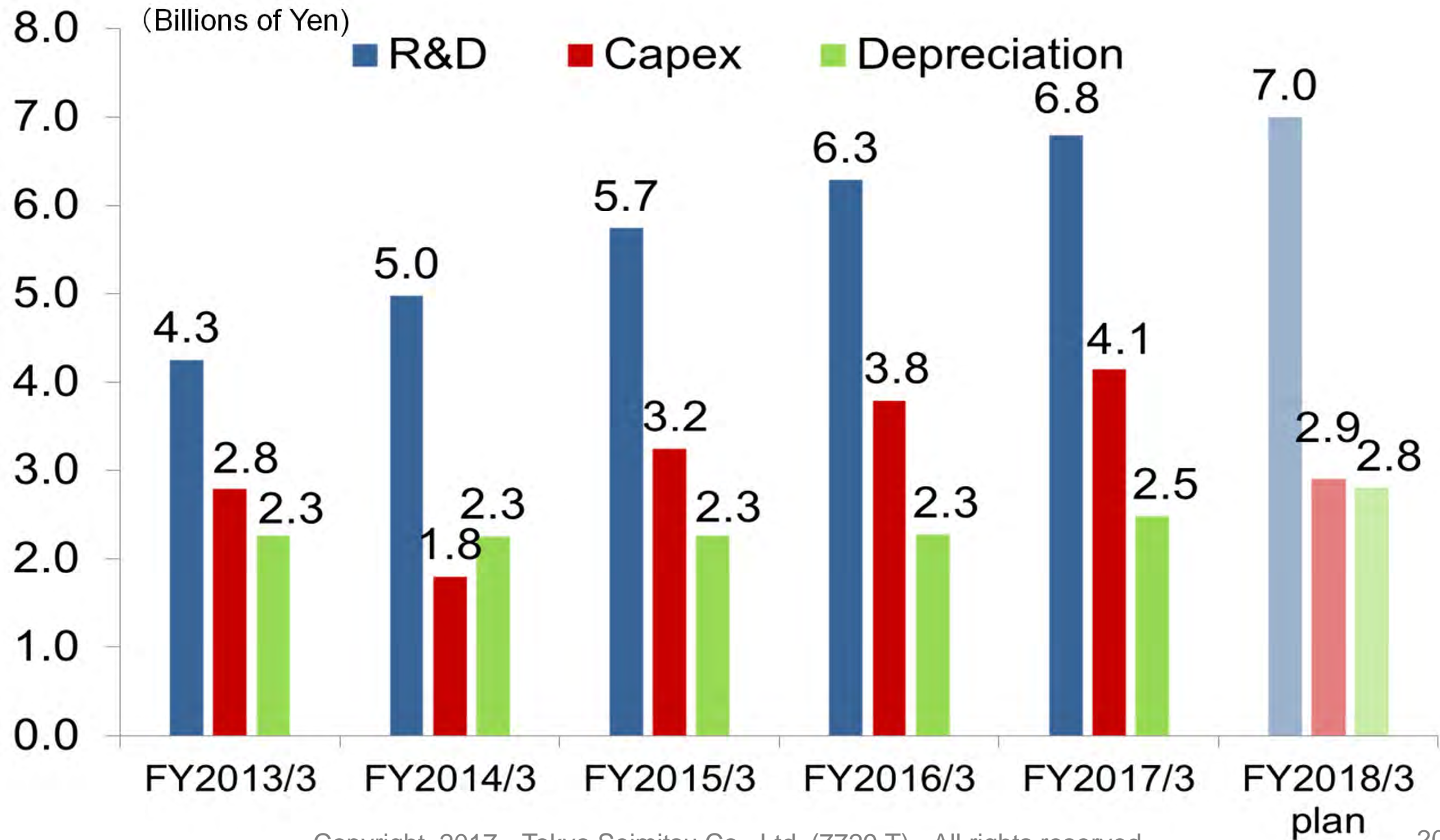


Metrology Segment – Sales/Orders trend incl. Forecasts





R&D, Capex & Depreciation incl. Forecasts



Growing together with partners and customers by collaborating technology, knowledge and information to create the world's No.1 products.

Our motto depicting this philosophy;

「WIN-WINの仕事で世界No.1の商品を創ろう」

WIN-WIN relationships create the World's No. 1 Products

Our corporate brand ;

ACCRETECH

A combination of the words ACCRETE (grow together) and TECHNOLOGY

Conceptual Framework

Increase in
profit and
enterprise value

Investment for
growth

Strong financial position

CSR and Group Governance

Business Portfolio Analysis

SPE

- **Strengths:** Precision positioning technology and in-house manufacturing
- **Opportunities:** New Semiconductor technologies and devices

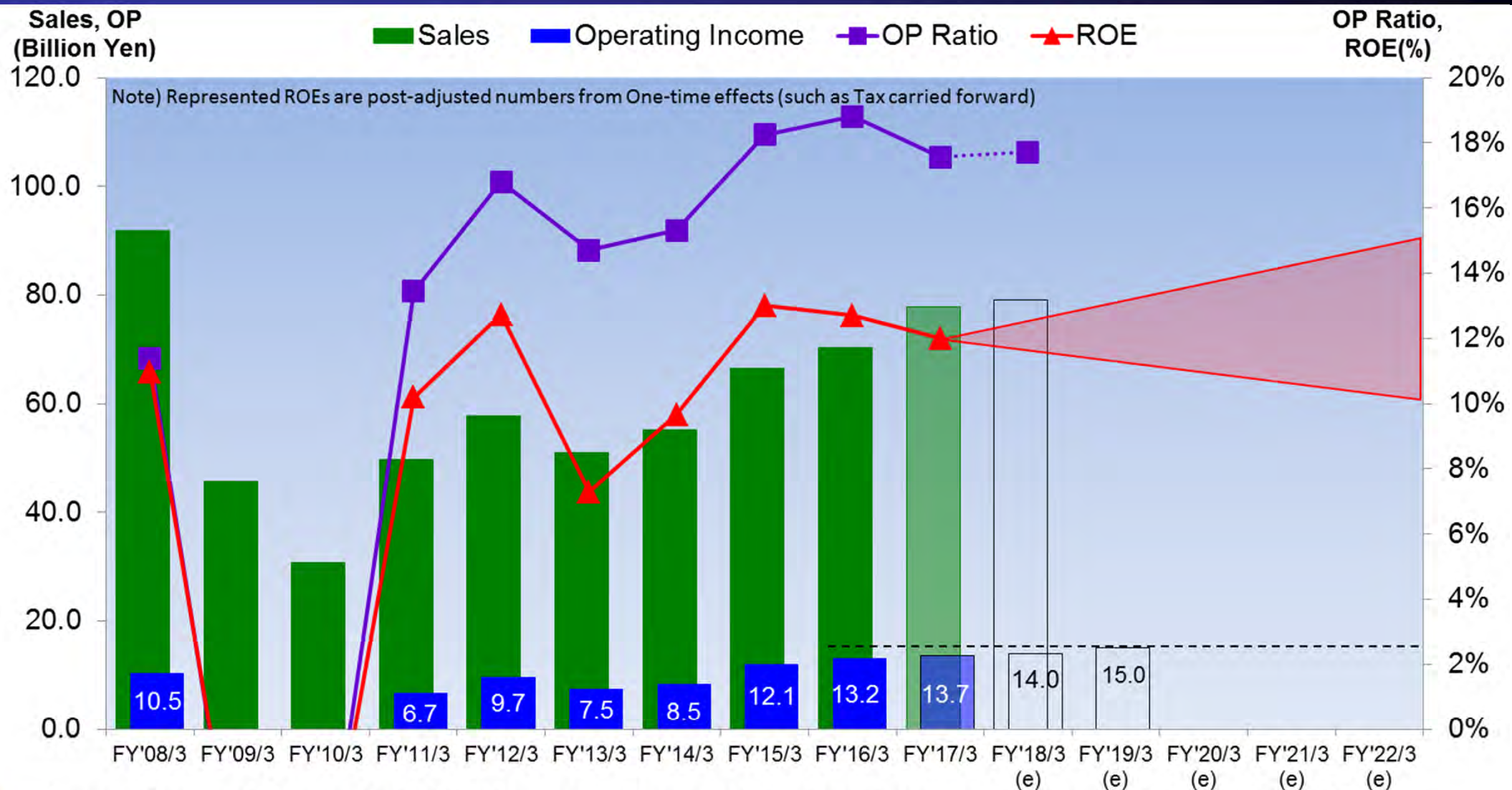
Metrology

- **Strengths:** Precision, high-resolution measuring technology and reliability
- **Opportunities:** New metrology products and demands from overseas including emerging countries

- **Well-balanced business portfolio**
 - Enables stable business performance through offsetting demand fluctuations across variable sector trends



Long-term / Mid-term Business Target



- ◆ Long-term: To maintain strong corporate structure with over 10% of ROE
- ◆ Mid-term (by FY2019/3): To achieve historical highest OP (15.0 billion yen)

Short-term business strategy

**Be competitive in mainstream markets,
and allocate resources to markets that can
expect stable demand or potential growth**

SPE

Mainstream Markets

- Mobiles
- Storage
- Automobiles



Emerging Markets

- China Market
- Non-Si and Substrates
- Consumables



Metrology

Mainstream Markets

- Auto and Auto Parts
- Machine Tools



Emerging Markets

- Aircrafts
- Automations
- Overseas Market

Continuous Increase in Sales and Profits

Strategy of SPE Business

Final Products



Mobiles



Storage



Automobiles



Wafer Probing Machine

- Response to ALL needs
 - Good environmental durability
 - Productivity improve for Memory



Wafer Dicing Machines/blades

- Strengthen ability to provide solutions
 - Solution for electronic components
 - Proposing integrated process with other equipment



PG, CMP and High Rigid Grinder

- Response to the latest technologies
 - High precision and new materials (SiC, GaN)
 - Proposing integrated process with other equipment

Continuous Increase in Sales and Profits

Strategy of Metrology Business



Increase in Sales through new Products

- Products for stable and growing industries
- Sales expansion of OMI

Increase in Overseas Sales

- Response to growing needs for automation and IoT
- Launch of friendly models for global use

OMI: Optical Measuring Instruments

Continuous Increase in Sales and Profits



**ACCRETECH is
Tokyo Seimitsu**