

# **Announcement of FY2016 Second Quarter Business Results (April 2015 to September 2015)**

**November 9<sup>th</sup>, 2015**  
**Tokyo Seimitsu Co., Ltd.**  
*Hitoshi Yoshida, President and CEO*

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# Cautionary Statement with respect to Forward-Looking Statements

## Disclaimer:

- ◆ This presentation data and the information which our representatives present verbally contain “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 and the information presented verbally.



# FY2016 1<sup>st</sup> Half (April 2015 – Sept. 2015) Business Results

(Billions of Yen)	FY2015		FY2016		
	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	1 <sup>st</sup> Half	HoH'%)	YoY(%)
<b>Sales</b>	<b>32.7</b>	<b>33.7</b>	<b>38.0</b>	+13%	+16%
SPE Segment	20.5	19.7	23.9	+21%	+17%
Metrology Segment	12.3	14.0	14.1	+1%	+15%
<b>Operating Income</b>	<b>5.7</b>	<b>6.4</b>	<b>7.6</b>	+19%	+34%
SPE	3.2	3.7	4.8	+30%	+49%
<i>Operating Income Ratio</i>	16%	19%	20%	-	-
Metrology	2.5	2.7	2.8	+4%	+14%
<i>Operating Income Ratio</i>	20%	19%	20%	-	-
<b>Ordinary Income</b>	<b>6.0</b>	<b>6.8</b>	<b>7.7</b>	+13%	+29%
<b>Net Income</b>	<b>4.2</b>	<b>4.8</b>	<b>5.5</b>	+14%	+30%
<b>Dividend per share</b>	22 Yen	33Yen	<b>26 Yen</b>	-7 Yen	+4 Yen

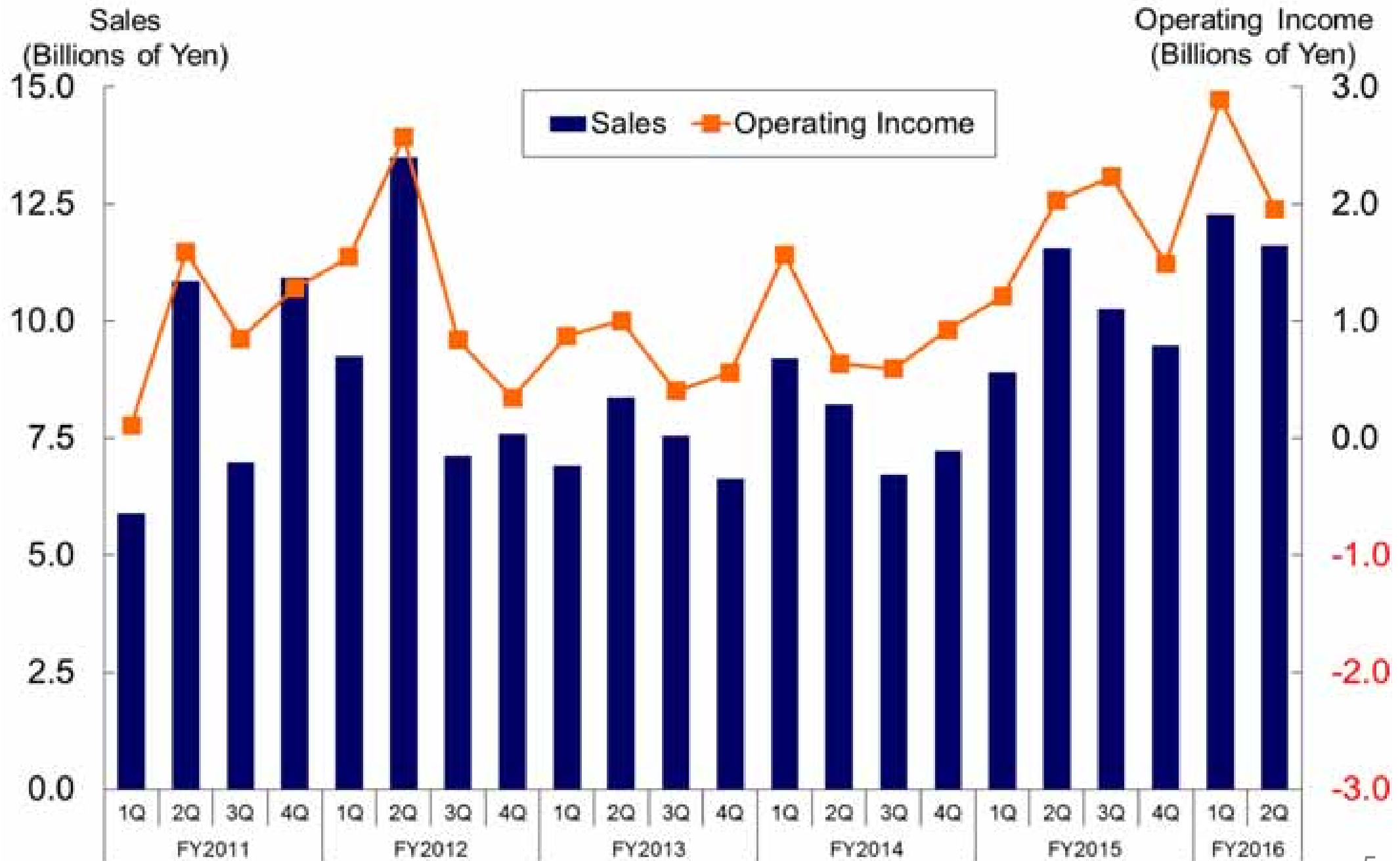


# FY2016 2<sup>nd</sup> Quarter (July 2015 – Sept. 2015) Business Results

(Billions of Yen)	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	QoQ(%)	YoY(%)
<b>Sales</b>	14.1	18.7	16.2	17.5	18.4	<b>19.6</b>	+7%	+5%
SPE Segment	8.9	11.6	10.2	9.5	12.3	11.6	-5%	+0%
Metrology Segment	5.2	7.1	5.9	8.1	6.1	8.0	+31%	+12%
<b>Operating Income</b>	2.2	3.5	3.2	3.3	3.9	<b>3.8</b>	-4%	+6%
SPE	1.2	2.0	2.2	1.5	2.9	2.0	-32%	-4%
<i>Operating Income Ratio</i>	14%	18%	22%	16%	24%	17%	-	-
Metrology	0.9	1.5	0.9	1.8	1.0	1.8	+79%	+19%
<i>Operating Income Ratio</i>	18%	21%	16%	22%	16%	22%	-	-
<b>Ordinary Income</b>	2.2	3.8	3.5	3.3	3.9	<b>3.7</b>	-5%	-2%
<b>Net Income</b>	1.5	2.7	2.4	2.4	2.8	<b>2.7</b>	-1%	+1%



# SPE Segment – Business Trends





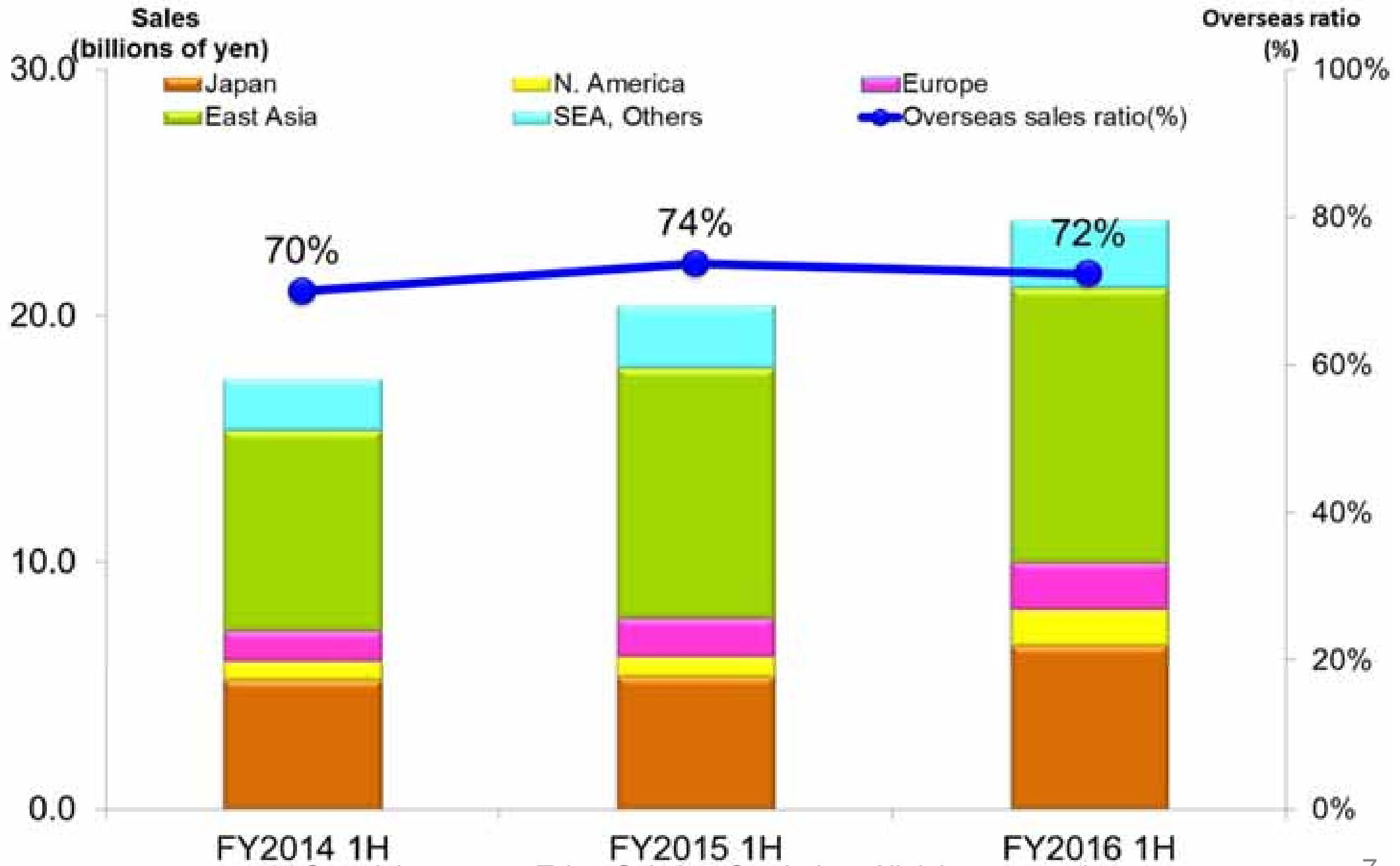
# SPE Segment – Order Status

(Billions of Yen)



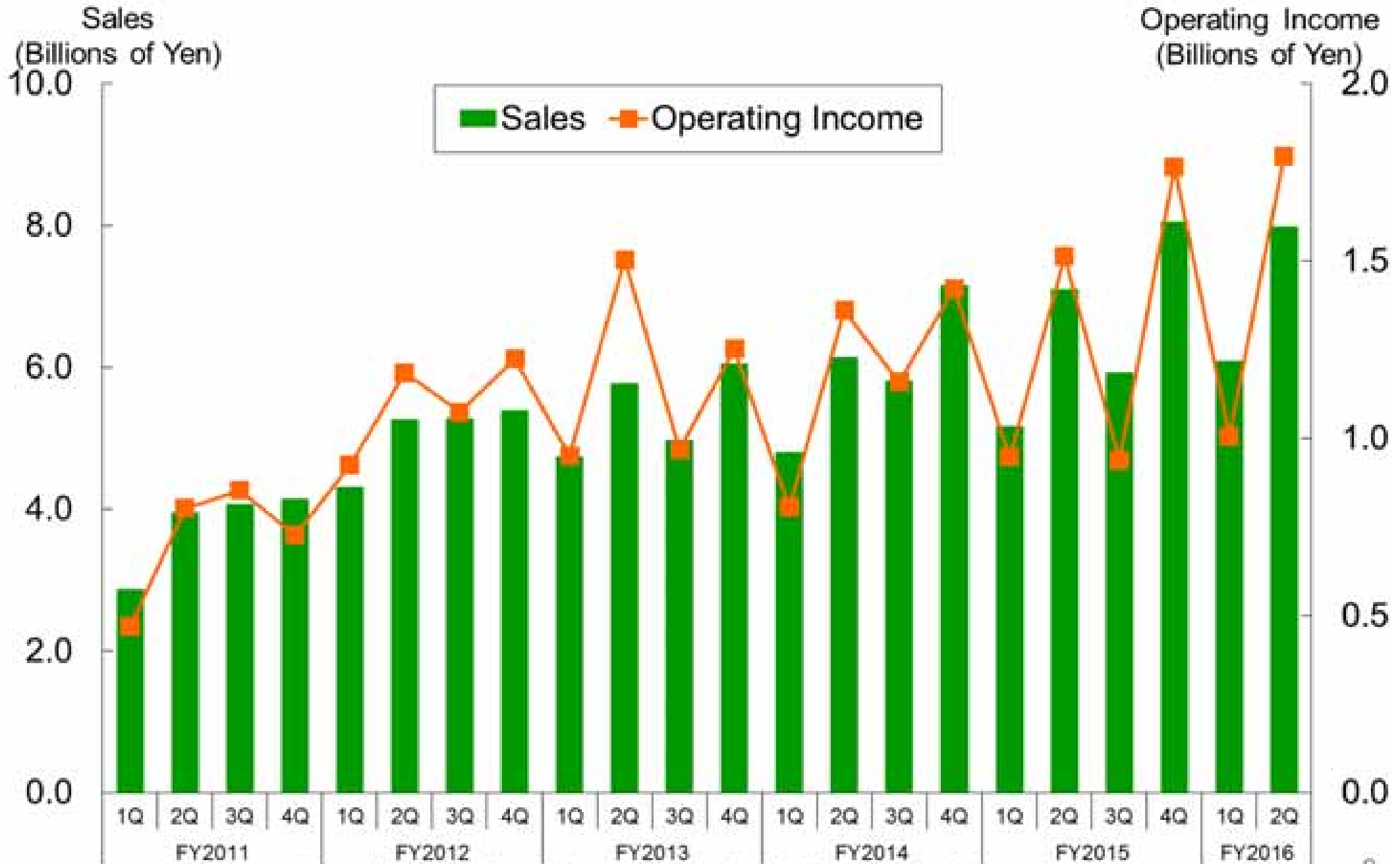


# SPE Segment – Regional Sales





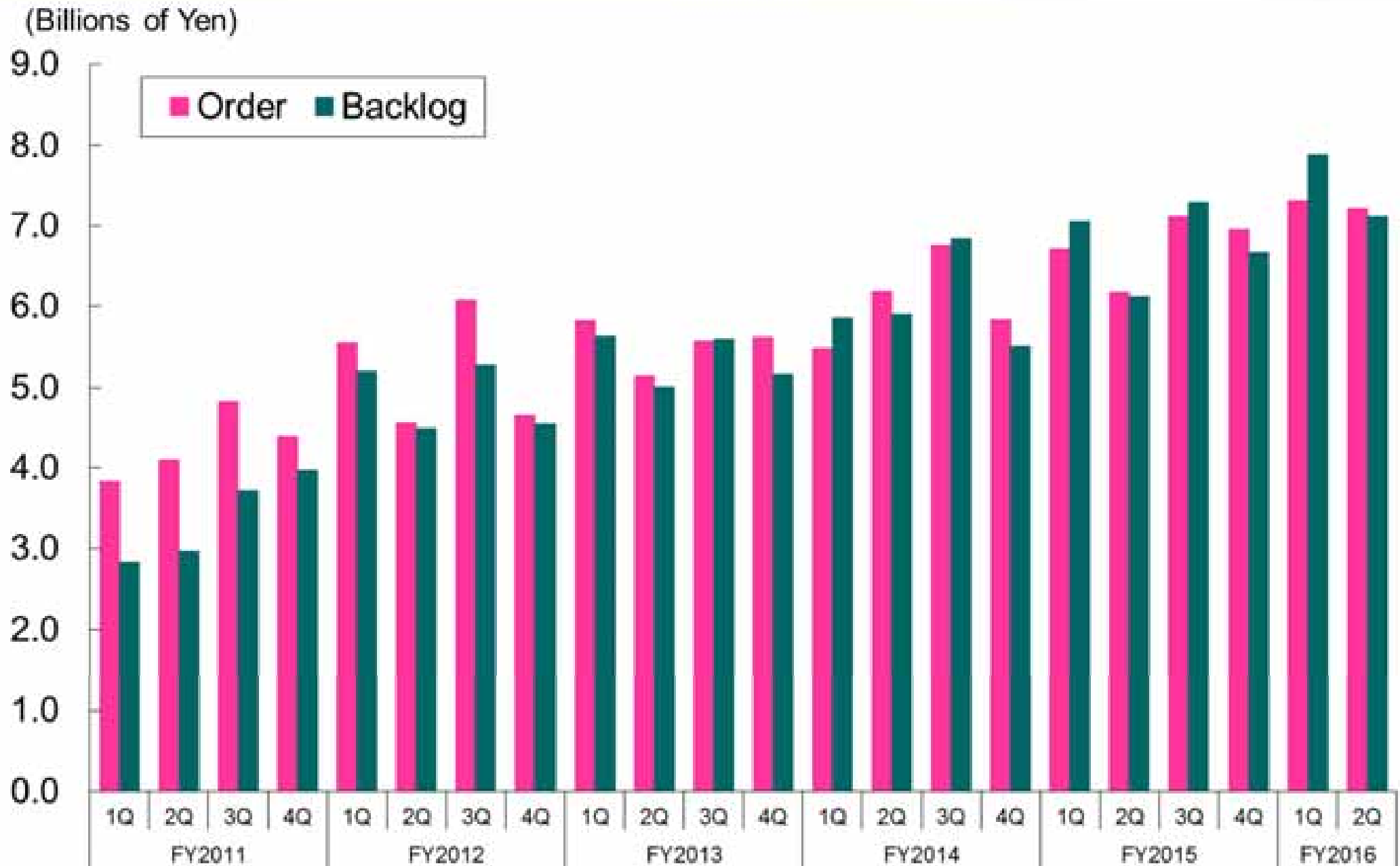
# Metrology Segment – Business Trends





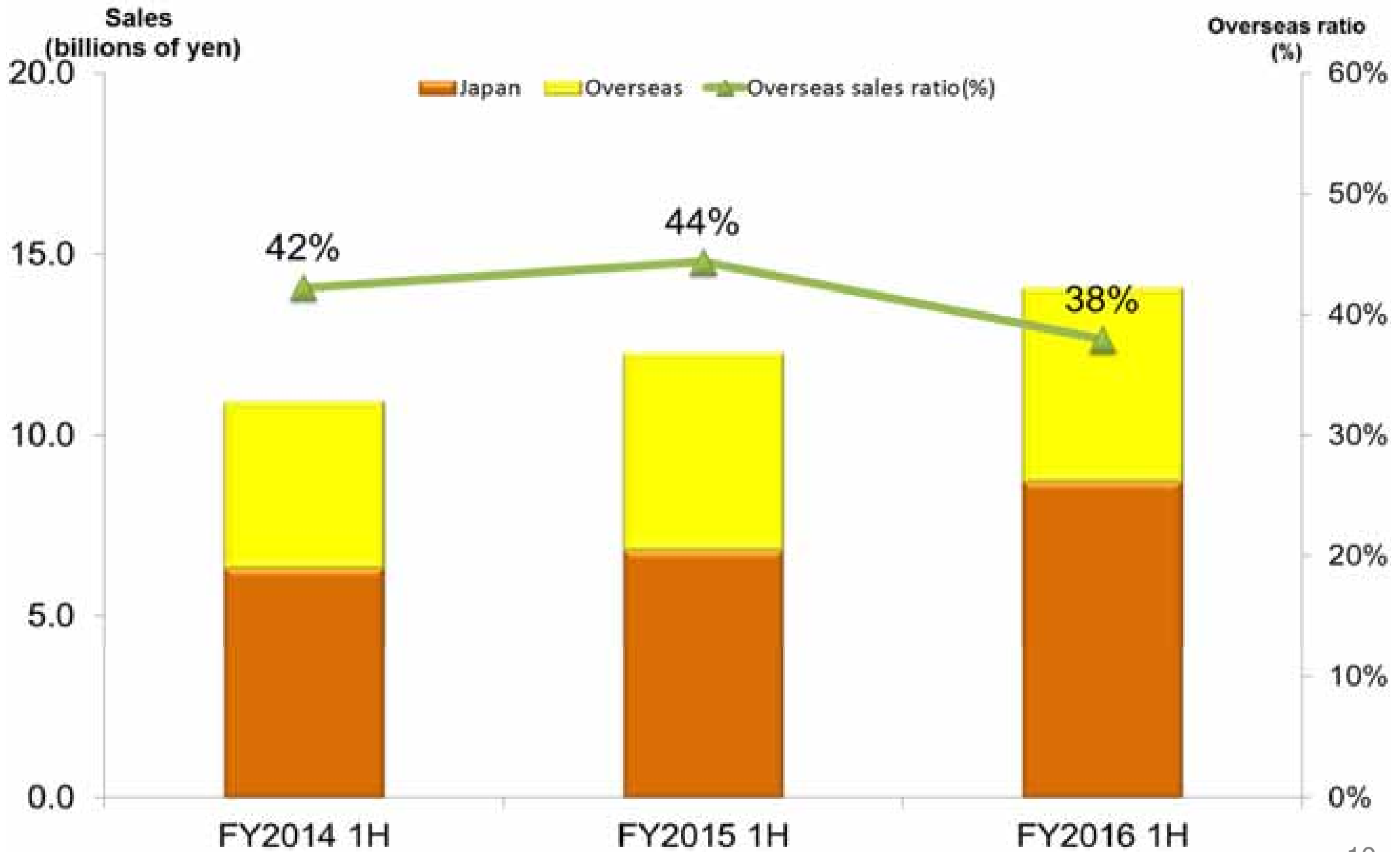


# Metrology Segment – Regional Sales





# Metrology Segment – Regional Sales





# FY2016 2<sup>nd</sup> Quarter (Sept. 2015) Balance Sheet

<b>Assets</b> (Billions of Yen)	<b>Mar/E</b> <b>2015</b>	<b>Sep/E</b> <b>2015</b>	<b>Diff.</b>	<b>Liabilities, Net</b> <b>Assets</b> (Billions of Yen)	<b>Mar/E</b> <b>2015</b>	<b>Sep/E</b> <b>2015</b>	<b>Diff.</b>
Cash	26.9	<b>28.2</b>	<b>+1.3</b>	Accounts Payable (*2)	11.9	<b>13.8</b>	<b>+1.9</b>
Accounts Receivable (*1)	23.3	<b>25.1</b>	<b>+1.8</b>	Short term Debt	1.3	<b>1.3</b>	<b>±0.0</b>
Inventories	15.2	<b>15.6</b>	<b>+0.5</b>	Others	8.5	<b>6.7</b>	<b>-1.8</b>
Others	2.5	<b>3.1</b>	<b>+0.6</b>	<b>Total Current Liabilities</b>	21.7	<b>21.8</b>	<b>+0.1</b>
<b>Total Current Assets</b>	67.9	<b>72.0</b>	<b>+4.1</b>	<b>Total Fixed Liabilities</b>	2.4	<b>1.8</b>	<b>-0.6</b>
<b>Fixed Assets</b>	30.6	<b>29.2</b>	<b>-1.4</b>	<b>Total Liabilities</b>	24.1	<b>23.6</b>	<b>-0.5</b>
<b>Total Assets</b>	98.5	<b>101.2</b>	<b>+2.7</b>	<b>Net Assets</b>	74.4	<b>77.6</b>	<b>+3.3</b>
				<b>Total</b> (Int. bearing debt)	98.5 (2.1)	<b>101.2</b> (1.9)	<b>+2.7</b> (-0.2)

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

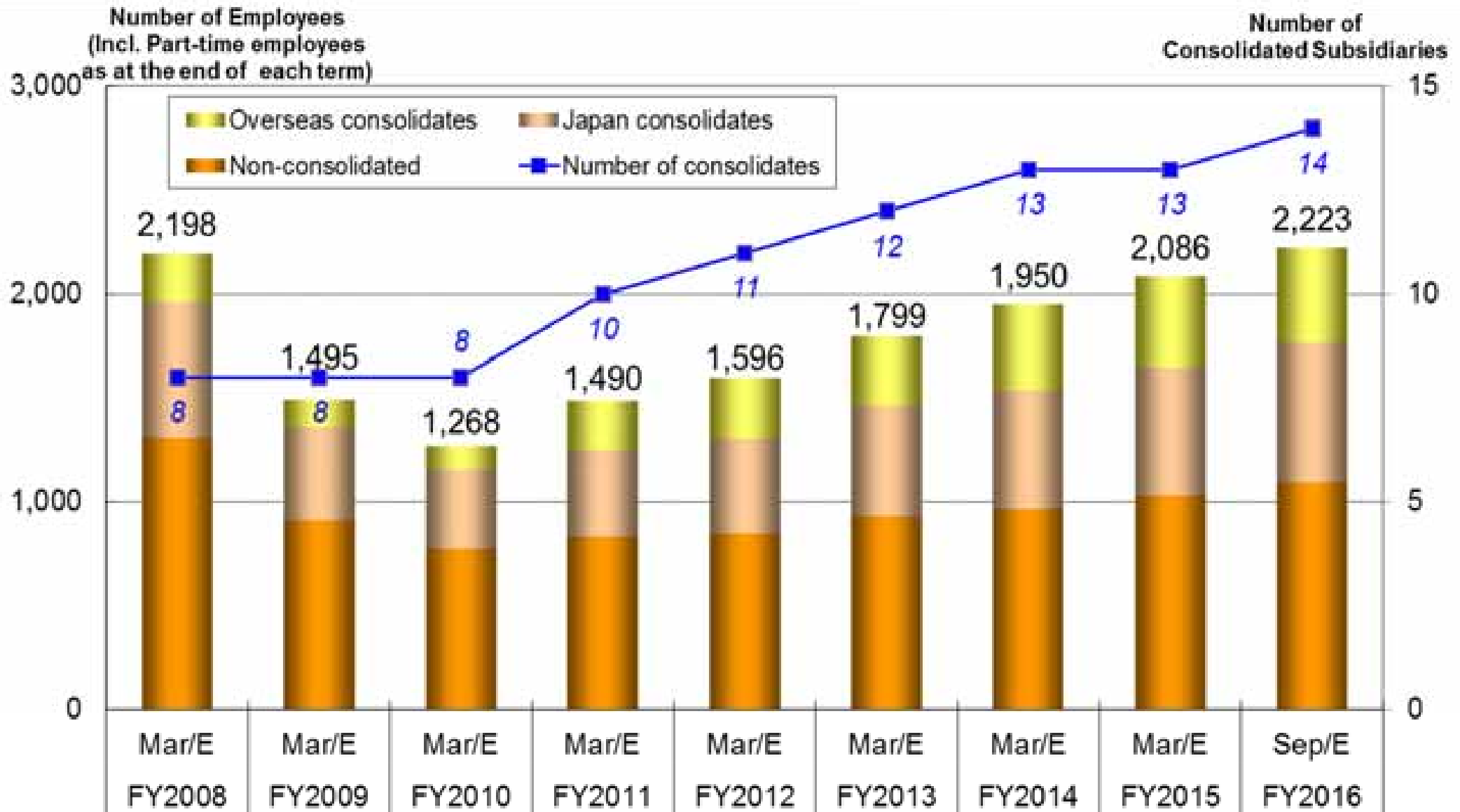


# FY2016 1<sup>st</sup> Half (April 2015 – Sept. 2015)

## Cash Flows

(Billions of Yen)		FY2014 1H	FY2015 1H	FY2016 1H
<b>Opening Balance</b>		<b>18.1</b>	<b>20.4</b>	<b>26.8</b>
<b>From Operating Activities</b>	Income before Tax, Interest & Depreciation	5.7	7.1	8.9
	(Receivables + Inventories) – Accounts Payable(*1)	-0.8	1.6	-0.5
	Tax Payment	-0.5	-1.3	-2.4
	Others	-0.2	-0.3	-0.5
<b>Total</b>		<b>4.2</b>	<b>7.1</b>	<b>5.6</b>
<b>From Investing Activities</b>		<b>-0.6</b>	<b>-1.1</b>	<b>-3.0</b>
<b>Free Cash Flow</b>		<b>3.6</b>	<b>6.0</b>	<b>2.7</b>
<b>From Financing Activities</b>	Increase/decrease in Borrowings	-1.5	-0.2	-0.2
	Dividends & others	-0.3	-0.5	-1.3
	<b>Total</b>	<b>-1.8</b>	<b>-0.7</b>	<b>-1.5</b>
Net Cash Increase (incl. adjustments and change in consolidated subsidiaries)		2.3	5.3	1.3
<b>Closing Balance</b>		<b>20.3</b>	<b>25.7</b>	<b>28.1</b>

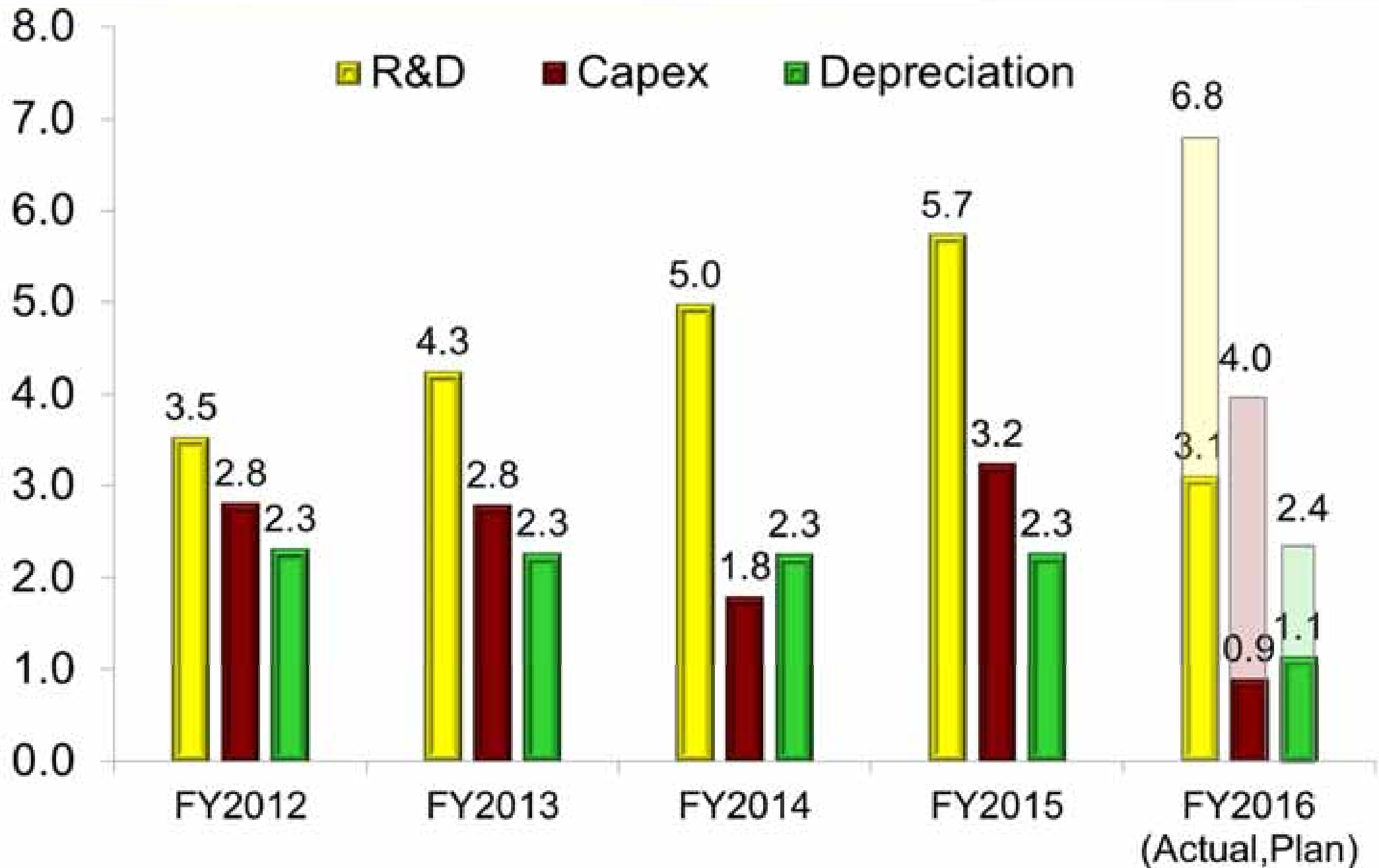
# Number of Employees



◆ Num. of employees as at Sep/E increased by 137 over FY2015/E  
 (incl. +12 due to change of scope in consolidated subsidiaries)



# R&D, Capex & Depreciation





# Market Outlook

## ◆ Semiconductor Production Equipment

- Current investment stance seems bearish, recovery likely from FY2017/3B
- Expect potential demand from Sensory, Electric Components and around FOWLP technology

## ◆ Metrology Equipment

- Investments by automobile sector keep a firm tone
- Some weakness in machine tool markets under review



# Forecast for FY2016 (April 2015 – March 2016)

(Billions of Yen)	FY2015			FY2016					
	1st Half	2nd Half	FY	1st Half	2nd Half Fcst	FY Fcst	Diff. from prev. fcst	YoY(%)	
<b>Sales</b>	<b>32.7</b>	<b>33.7</b>	<b>66.4</b>	<b>38.0</b>	<b>30.0</b>	<b>68.0</b>	+1.0	+2%	
	SPE	20.5	19.7	40.2	23.9	<b>16.1</b>	<b>40.0</b>	±0.0	-0%
	Metrology	12.3	14.0	26.2	14.1	<b>13.9</b>	<b>28.0</b>	+1.0	+7%
<b>Operating Income</b>	<b>5.7</b>	<b>6.4</b>	<b>12.1</b>	<b>7.6</b>	<b>4.4</b>	<b>12.0</b>	±0.0	-1%	
<i>Operating Income Ratio</i>	17%	19%	18%	20%	15%	18%	-	-	
<b>Ordinary Income</b>	<b>6.0</b>	<b>6.8</b>	<b>12.8</b>	<b>7.7</b>	<b>4.3</b>	<b>12.0</b>	±0.0	-6%	
<b>Net Income</b>	<b>4.2</b>	<b>4.8</b>	<b>9.0</b>	<b>5.5</b>	<b>3.2</b>	<b>8.65</b>	±0.0	-4%	
<b>Dividend per share</b>	22 Yen	33 Yen	55 Yen	26 Yen	26 Yen	52 Yen	±0Yen	-3Yen	

Previous announcement: August 11<sup>th</sup>, 2015



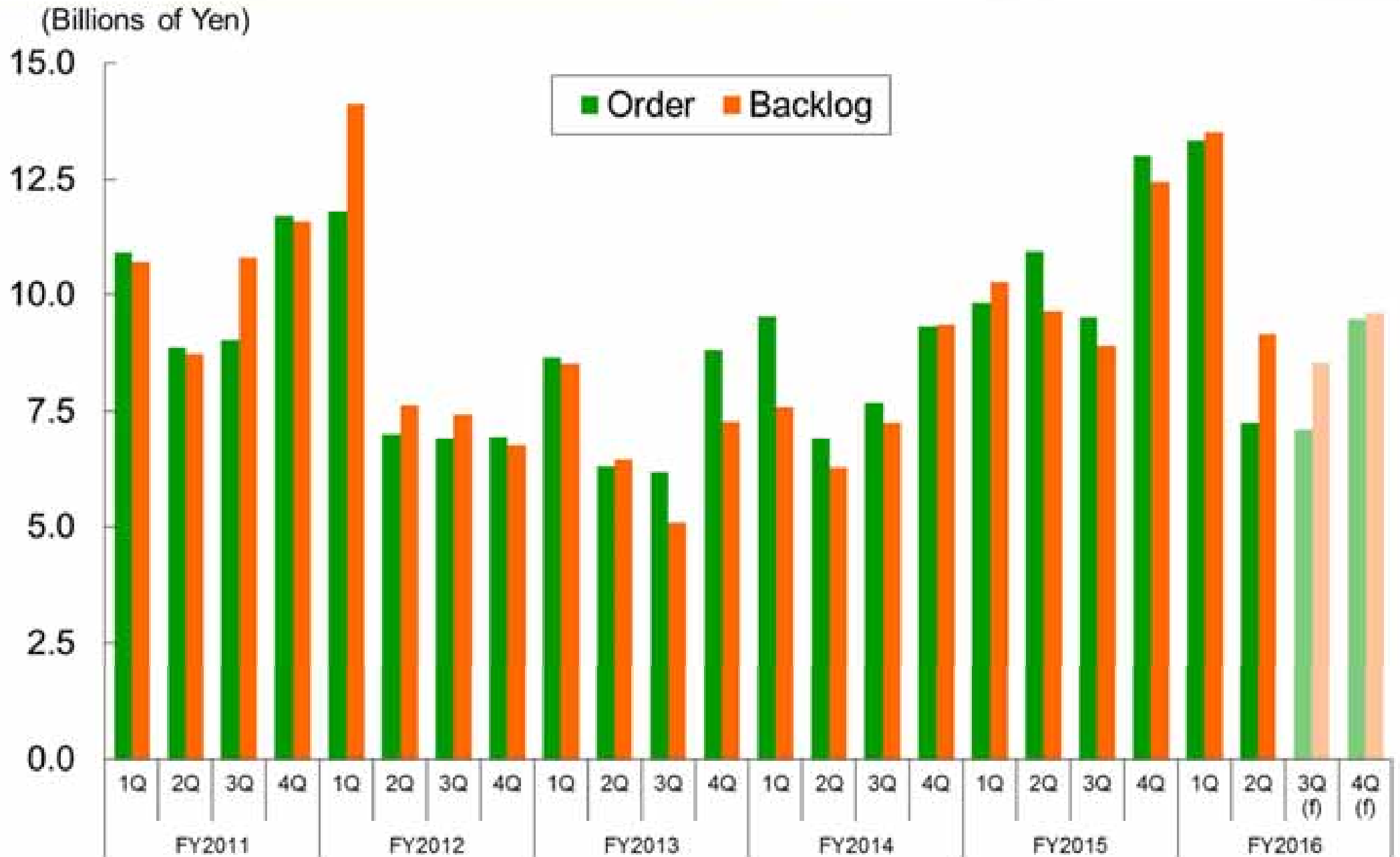


# SPE Segment – Business Trends incl. Forecasts



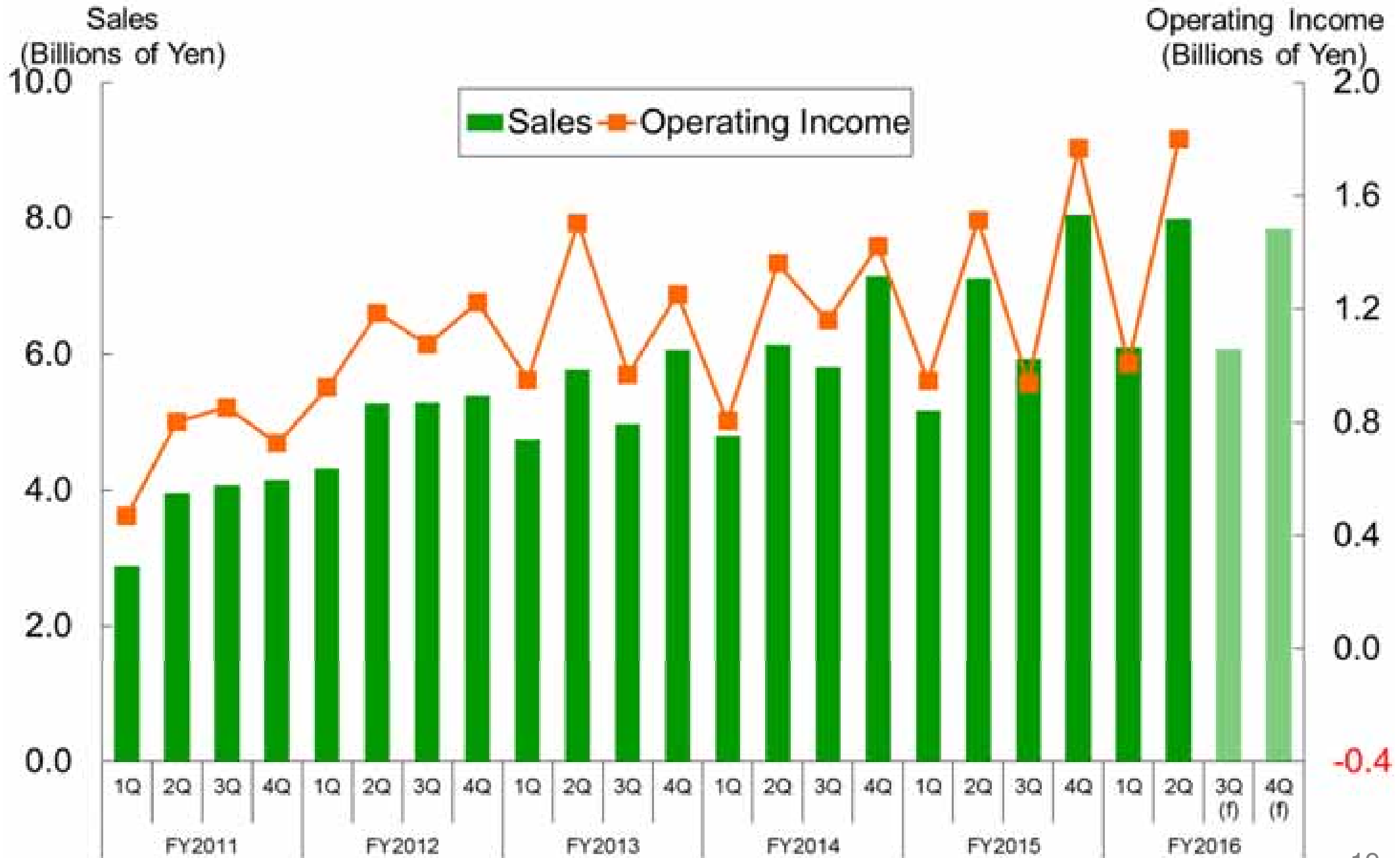


# SPE Segment – Order Status incl. Forecasts





# Metrology Segment – Business Trends incl. Forecasts





# Metrology Segment – Order Status incl. Forecasts

(Billions of Yen)



# Long-term Business Target



- ◆ To keep over 10% of ROE(Return of Equity)
- ◆ Also focus on achieving historical best OP (15.0 billion yen) within mid term

# Analysis of our Current Business

## SPE

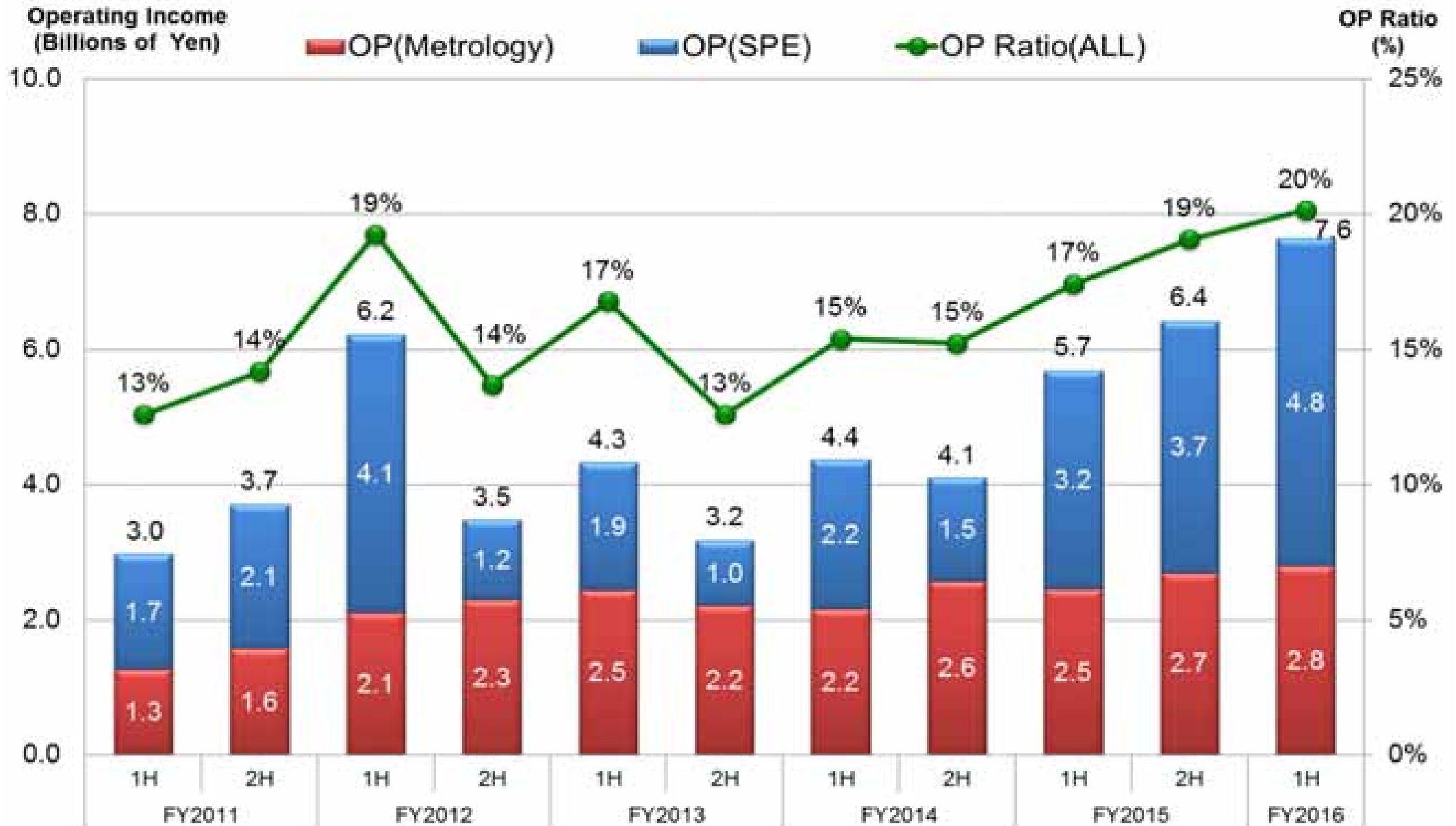
- **Strengths:** Precision positioning technology and in-house manufacturing
- **Opportunities:** New Semiconductor technologies and devices

## Metrology

- **Strengths:** Precision, High-resolution measuring and Reliability
- **Opportunities:** New Metrology products and demand from overseas including emerging countries

- **Well-balanced business portfolio**
  - Enables stable business performance through offsetting demand fluctuations within each business' trends

# Operating Income History



# Direction of each Business Segment

**Be Competitive at Mainstream Markets,  
and also pay attention to Emerging markets  
which expects steady demands and/or growth**

## SPE

### Mainstream Markets

- Mobiles (≒ Smartphone)
- Storage (≒ Server, SSD)



### Emerging Markets

- Automobiles
- IoT(Internet of Things)
- Consumables



## Metrology

### Mainstream Markets

- Auto and Auto Parts
- Machine Tools



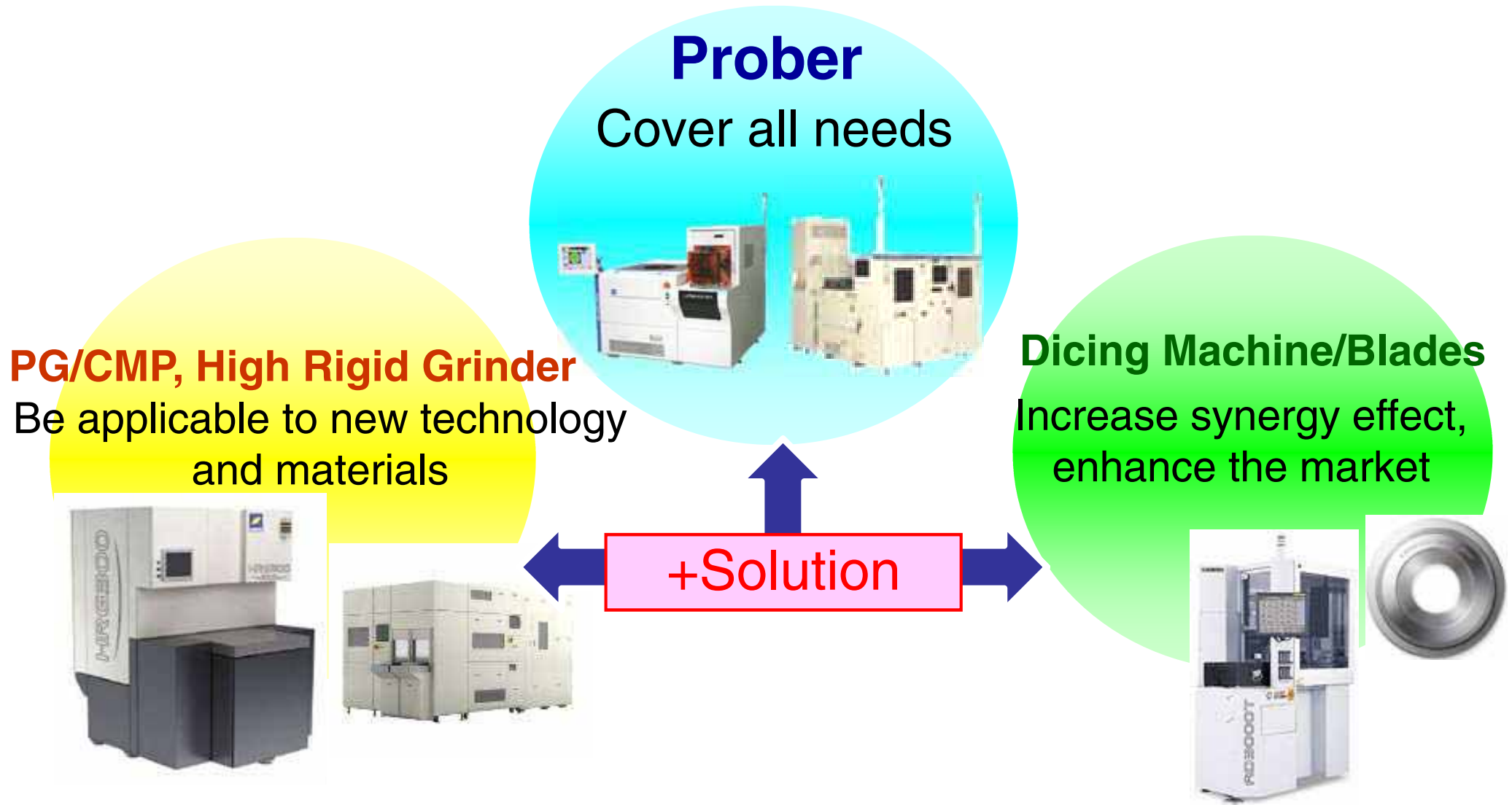
### Emerging Markets

- Aircrafts
- Automations
- Overseas Market

**Increase Sales and Profits**



# Strategy for SPE Segment



**Increase Sales and Profits**



# Strategy for Metrology Segment

## Increase in Overseas Sales

- Strengthen Global Sales Network
- Focus on Hot-Area

## Increase in New Products sales

- New Products to Stable and/or Growing Sector
- Introduction of OMI

*OMI: Optical Measuring Instrument*

## Increase Sales and Profits



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