

# **Announcement of FY2015 Business Results (April 2014 to March 2015)**

**May 13<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 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.



# FY2015 (April 2014 - March 2015) Business Result

(Billions of Yen)	FY2014	FY2015	
	Full Year	Full Year	YoY(%)
<b>Sales</b>	<b>55.3</b>	<b>66.4</b>	+20%
SPE Segment	<b>31.4</b>	<b>40.2</b>	+28%
Metrology Segment	<b>23.9</b>	<b>26.2</b>	+10%
<b>Operating Income</b>	<b>8.5</b>	<b>12.1</b>	+43%
SPE	<b>3.7</b>	<b>7.0</b>	+87%
<i>Operating Income Ratio</i>	11.9%	17.3%	-
Metrology	<b>4.8</b>	<b>5.1</b>	+9%
<i>Operating Income Ratio</i>	19.9%	19.7%	-
<b>Ordinary Income</b>	<b>9.0</b>	<b>12.8</b>	+42%
<b>Net Income</b>	<b>5.9</b>	<b>9.0</b>	+54%
<b>Dividend per share</b>	<b>23 Yen</b>	<b>55 Yen</b>	+32 Yen

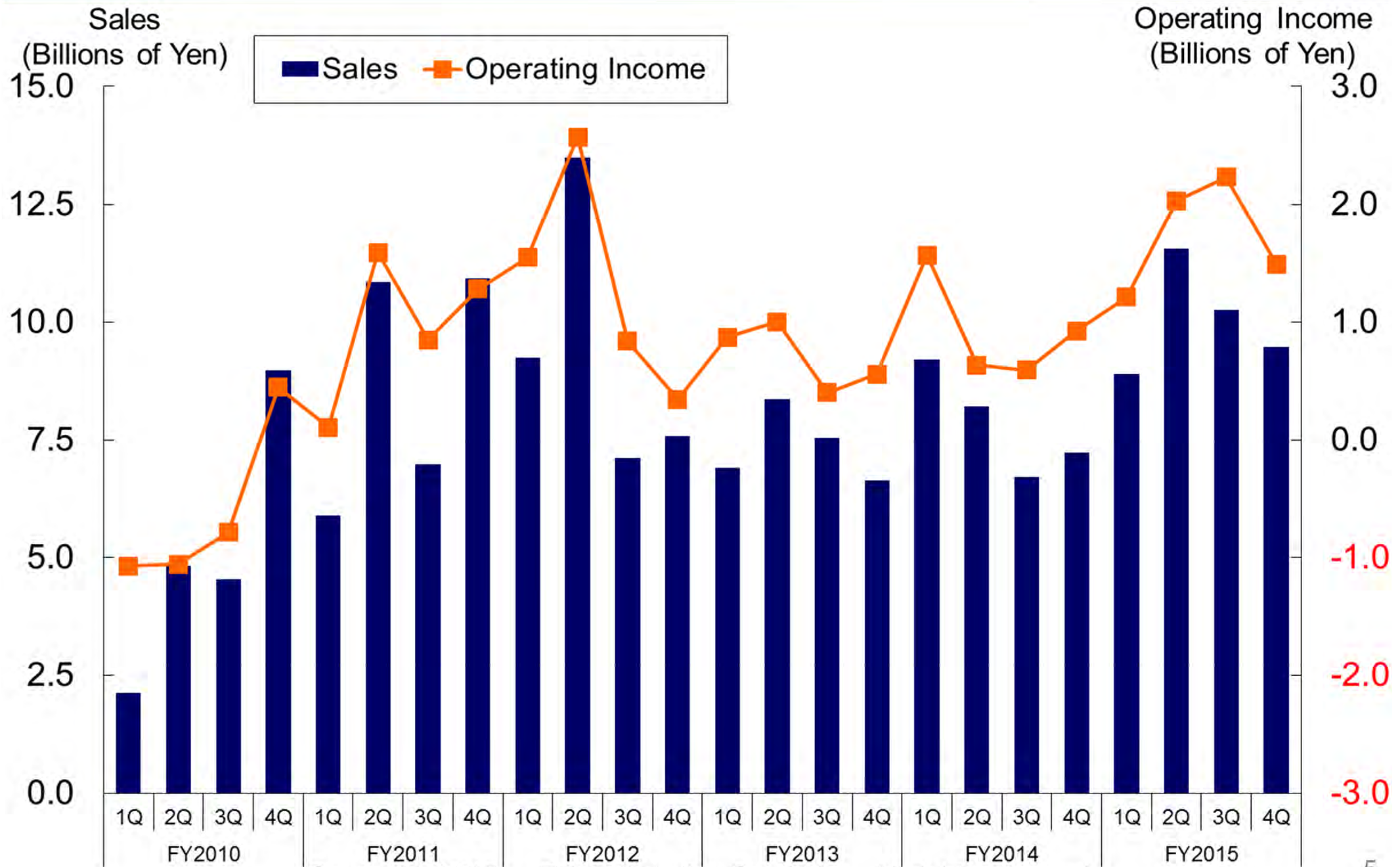


# FY2015 4<sup>th</sup> Quarter (Jan. 2015 – Mar. 2015) Consolidated Business Result

(Billions of Yen)	FY2014				FY2015					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	QoQ(%)	YoY(%)
<b>Sales</b>	14.0	14.4	12.5	14.4	14.1	18.7	16.2	<b>17.5</b>	+8%	+22%
SPE Segment	9.2	8.2	6.7	7.2	8.9	11.6	10.2	9.5	-8%	+31%
Metrology Segment	4.8	6.1	5.8	7.2	5.2	7.1	5.9	8.1	+36%	+9%
<b>Operating Income</b>	2.4	2.0	1.8	2.3	2.2	3.5	3.2	<b>3.3</b>	+3%	+39%
SPE	1.6	0.6	0.6	0.9	1.2	2.0	2.2	1.5	-33%	+61%
<i>Operating Income Ratio</i>	17%	8%	9%	13%	14%	18%	22%	16%	-	-
Metrology	0.8	1.4	1.2	1.4	0.9	1.5	0.9	1.8	+89%	+24%
<i>Operating Income Ratio</i>	17%	22%	20%	20%	18%	21%	16%	22%	-	-
<b>Ordinary Income</b>	2.6	2.0	2.0	2.4	2.2	3.8	3.5	<b>3.3</b>	-4%	+37%
<b>Net Income</b>	1.7	1.2	1.3	1.7	1.5	2.7	2.4	<b>2.4</b>	+1%	+43%



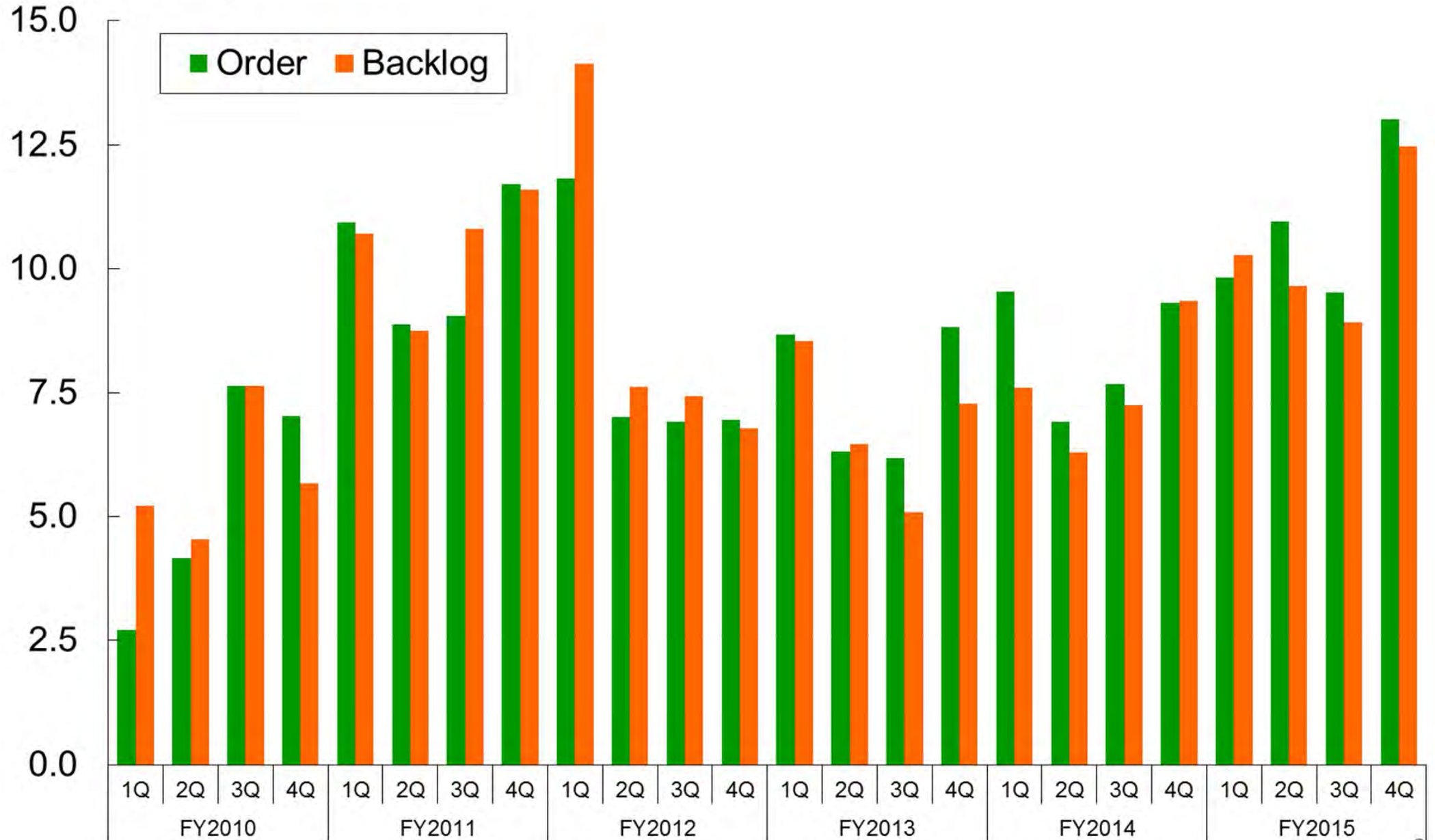
# SPE Segment – Business Trends





# SPE Segment – Order Status

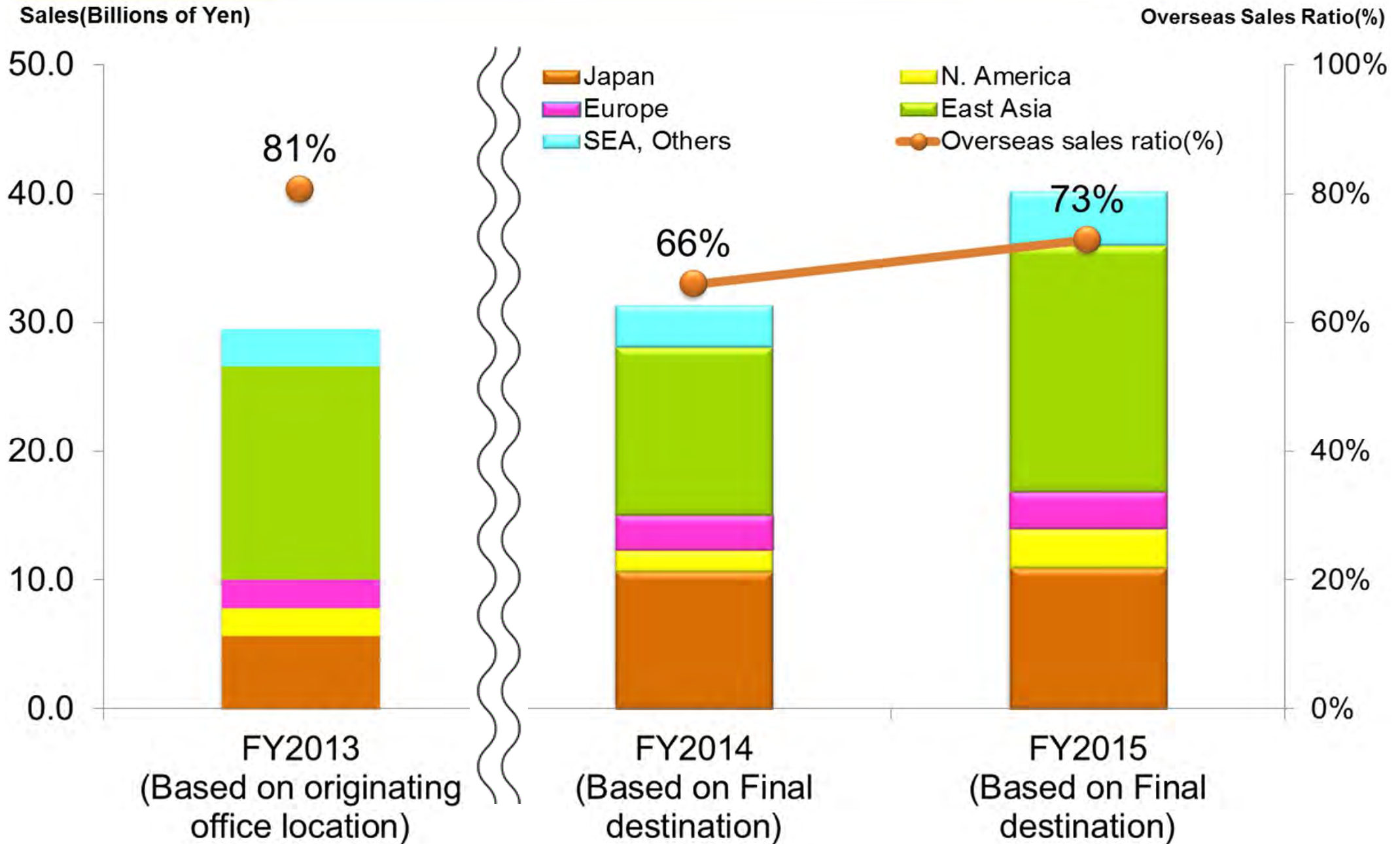
(Billions of Yen)





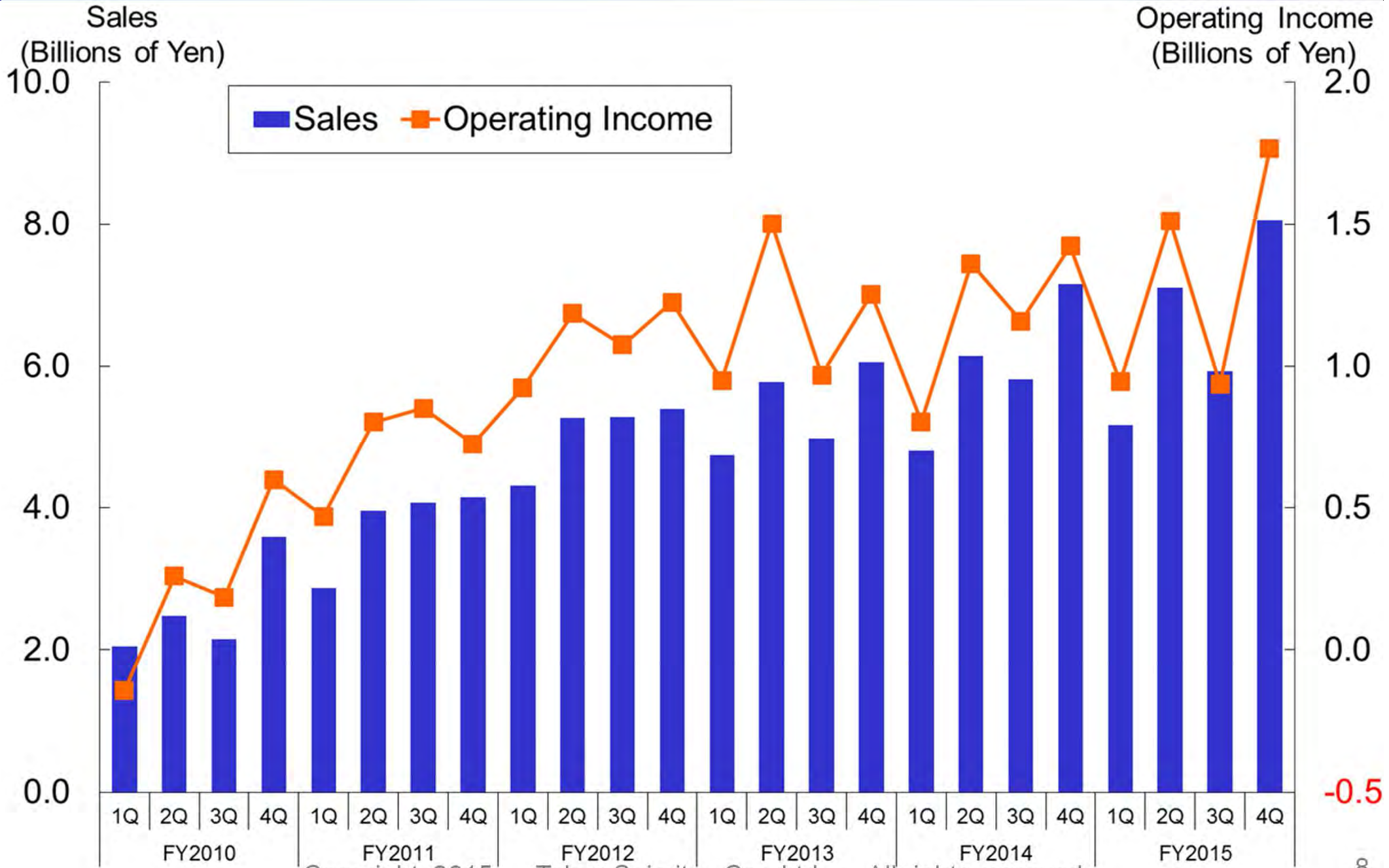


# SPE Segment – Regional Sales





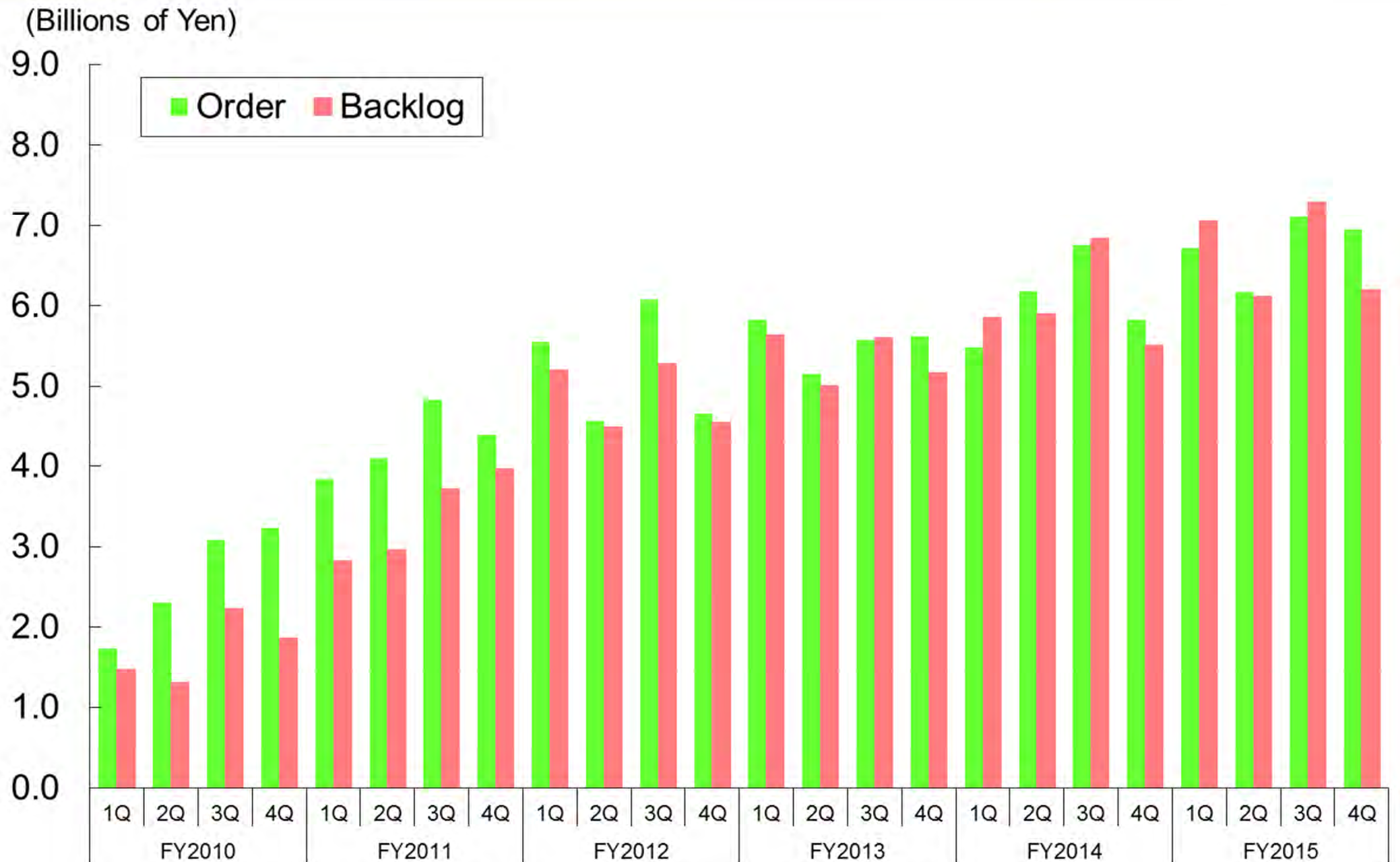
# Metrology Segment – Business Trends





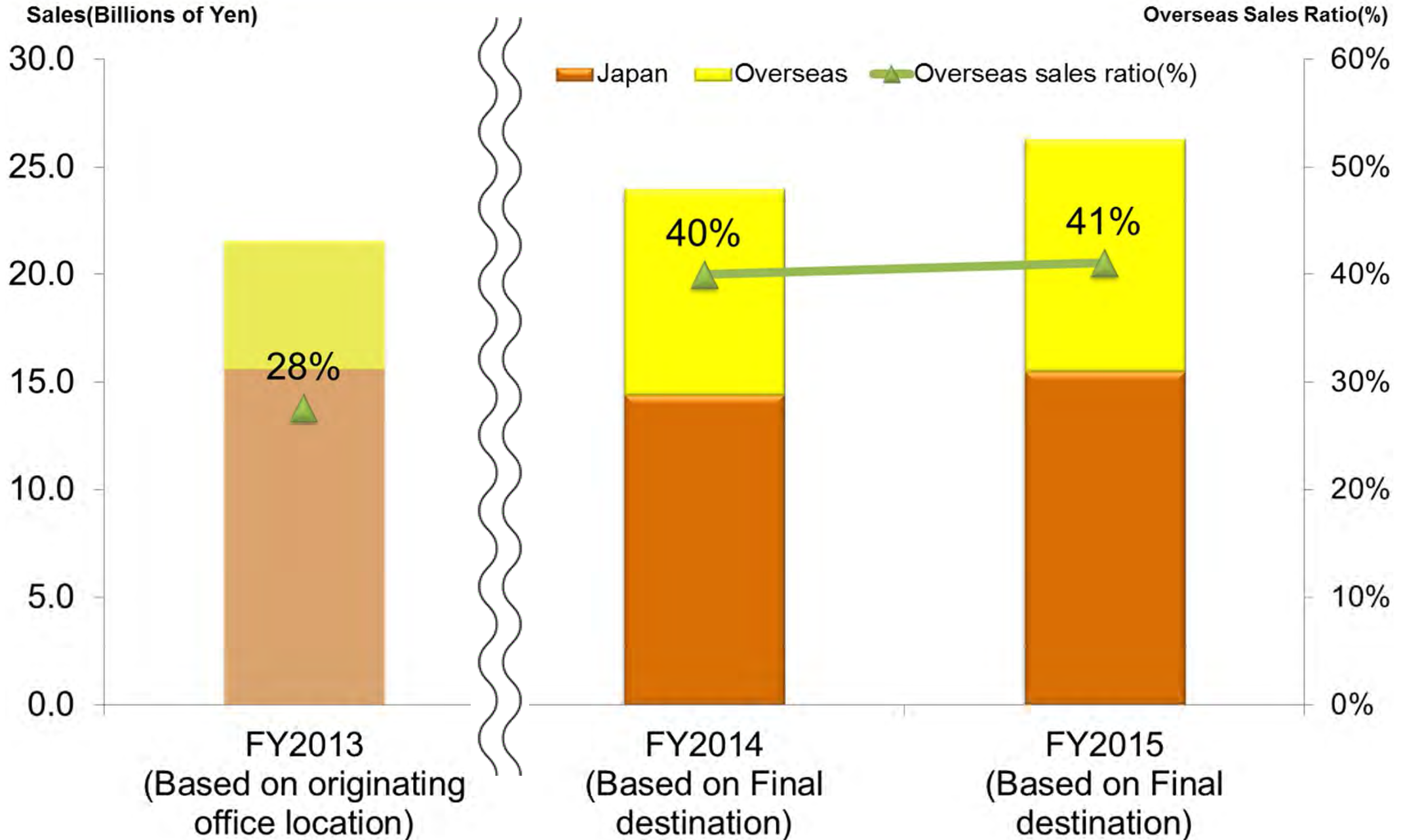


# Metrology Segment – Regional Sales





# Metrology Segment – Regional Sales





# FY2015 (March 2015) Balance Sheet

Assets (Billions of Yen)	Mar/E 2014	Mar/E 2015	Diff.	Liabilities, Net Assets (Billions of Yen)	Mar/E 2014	Mar/E 2015	Diff.
Cash	20.4	<b>26.9</b>	<b>+6.4</b>	Accounts Payable (*2)	9.1	<b>11.9</b>	<b>+2.8</b>
Accounts Receivable (*1)	21.2	<b>23.3</b>	<b>+2.1</b>	Short term Debt	1.3	<b>1.3</b>	<b>±0.0</b>
Inventories	12.7	<b>15.2</b>	<b>+2.5</b>	Others	5.1	<b>8.5</b>	<b>+3.4</b>
Others	1.5	<b>2.5</b>	<b>+1.0</b>	<b>Total Current Liabilities</b>	15.6	<b>21.7</b>	<b>+6.1</b>
<b>Total Current Assets</b>	55.9	<b>67.9</b>	<b>+12.0</b>	<b>Total Fixed Liabilities</b>	2.3	<b>2.4</b>	<b>+0.0</b>
Fixed Assets	26.7	<b>30.6</b>	<b>+3.9</b>	<b>Total Liabilities</b>	17.9	<b>24.1</b>	<b>+6.2</b>
<b>Total Assets</b>	82.6	<b>98.5</b>	<b>+15.9</b>	<b>Net Assets</b>	64.7	<b>74.4</b>	<b>+9.7</b>
				<b>Total (Int. bearing debt)</b>	82.6 (2.5)	<b>98.5 (2.1)</b>	<b>+15.9 (-0.4)</b>

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

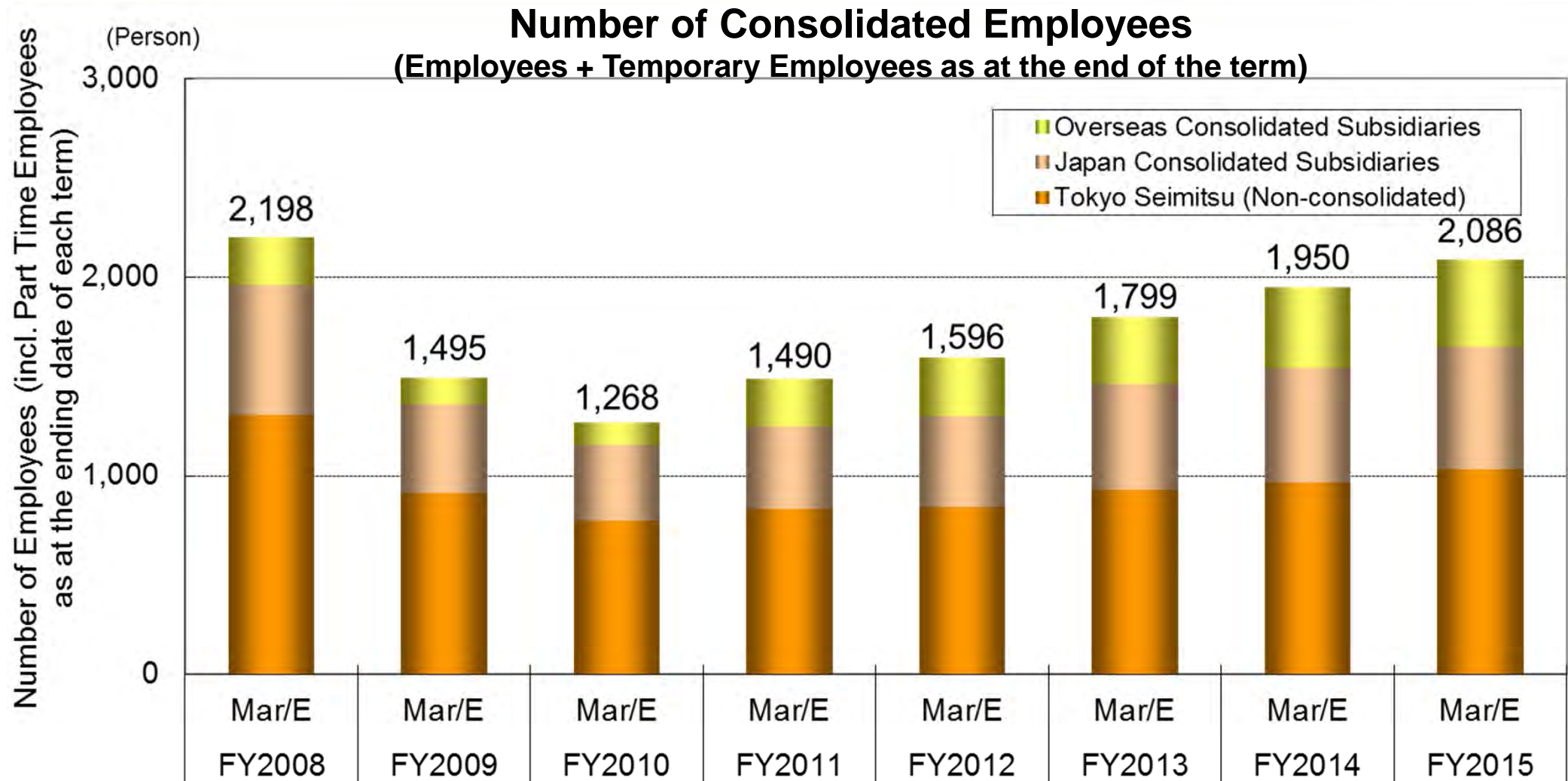


# FY2015 (April 2014 – March 2015)

## Cash Flows

(Billions of Yen)		FY2013	FY2014	FY2015
<b>Opening Balance</b>		<b>16.4</b>	<b>18.1</b>	<b>20.4</b>
<b>From Operating Activities</b>	Income before Tax, Interest & Depreciation	8.1	11.3	<b>15.1</b>
	(Receivables + Inventories) – Accounts Payable(*1)	2.3	-3.5	<b>-2.0</b>
	Tax Payment	-0.7	-0.8	<b>-2.1</b>
	Others	-1.4	-0.6	<b>-0.2</b>
<b>Total</b>		<b>8.3</b>	<b>6.4</b>	<b>10.8</b>
<b>From Investing Activities</b>		<b>-3.0</b>	<b>-1.4</b>	<b>-3.0</b>
<b>Free Cash Flow</b>		<b>5.3</b>	<b>5.1</b>	<b>7.9</b>
<b>From Financing Activities</b>	Increase/decrease in Borrowings	-3.2	-2.5	<b>-0.4</b>
	Dividends & others	-1.1	-0.7	<b>-1.4</b>
	<b>Total</b>	<b>-4.3</b>	<b>-3.2</b>	<b>-1.8</b>
Net Cash Increase (incl. change in consolidated subsidiaries)		1.7	2.3	<b>6.4</b>
<b>Closing Balance</b>		<b>18.1</b>	<b>20.4</b>	<b>26.8</b>

# Number of Employees

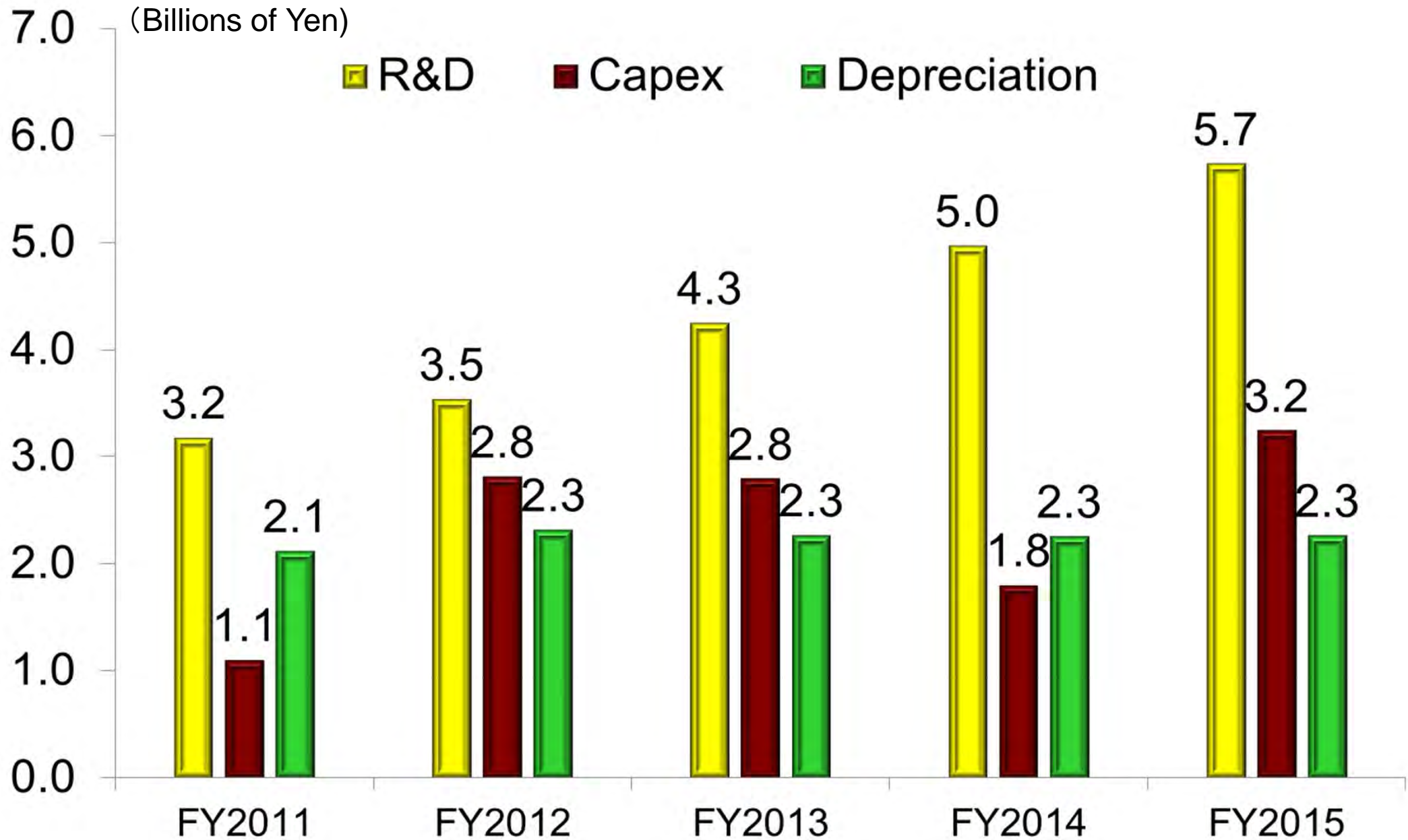


- ◆ Number of employees as at Mar/E/2015 increased 136 person from FY2014/E





# R&D, Capex & Depreciation





# Announcement of FY2015 (April 2014 – March 2015) Business Results

## Agenda

15:50	Opening
15:50 - 16:00	FY2015 Business Results
<b>16:00 - 16:10</b>	<b>Market Outlook, FY2016 Forecasts</b>
16:10 - 16:20	Our Long-term Target and Actions
16:20 - 16:50	Q&A
16:50	Closing

## ◆ Semiconductor Production Equipment

- Current investment stance seems positive, however, decrease in demand due to cyclical nature is predicted
- Expect potential demand from mobiles, servers/storage, and automotive devices

## ◆ Metrology Equipment

- Investments by automobile and machine tool sectors keeps a firm tone
- Expect recovery in demand from Asian countries

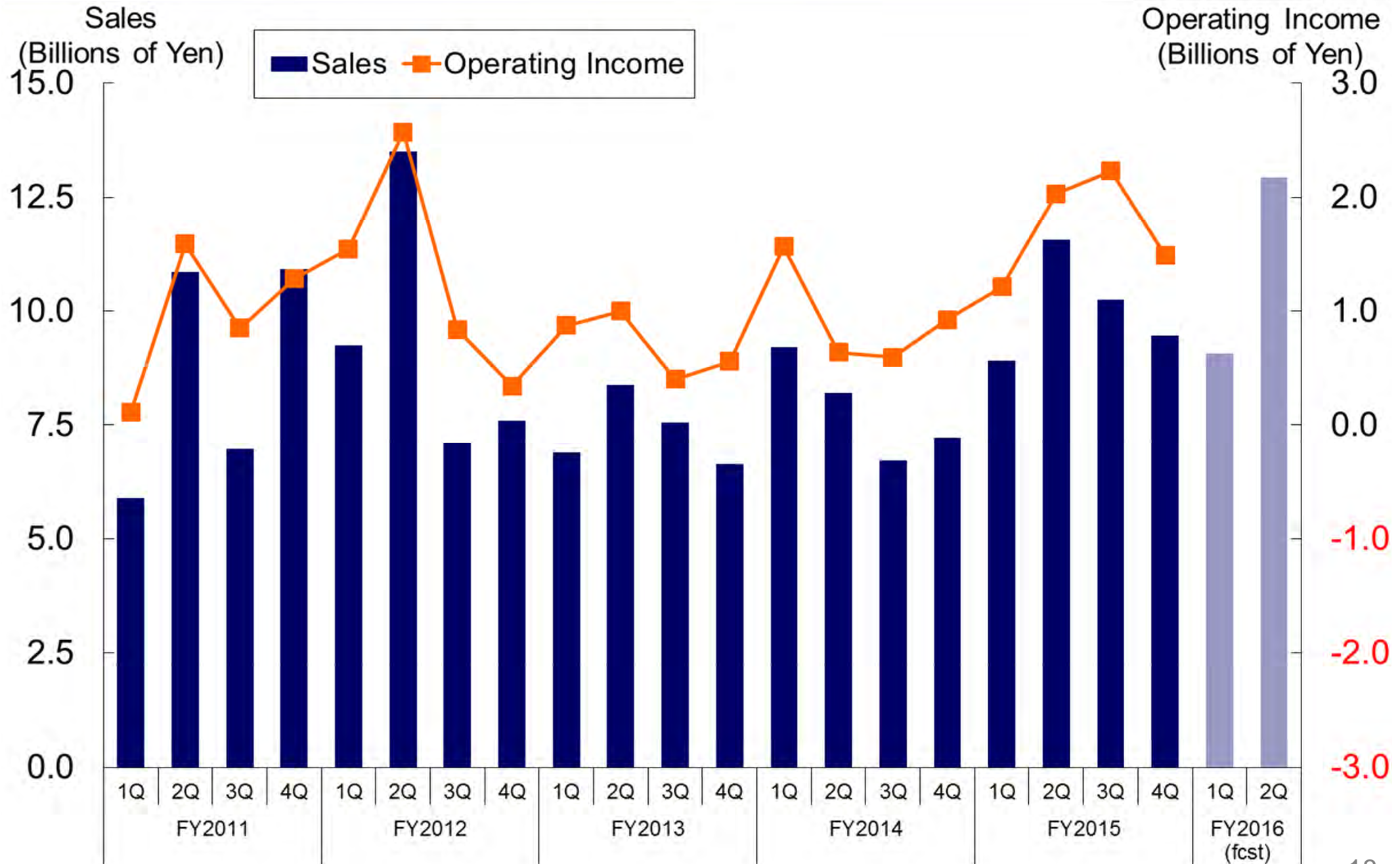


# Forecast for FY2016 (April 2015 – March 2016)

(Billions of Yen)	FY2015			FY2016			
	1st Half	2nd Half	Full Year	1st Half Forecast	2nd Half Forecast	Full Year Forecast	YoY
<b>Sales</b>	<b>32.7</b>	<b>33.7</b>	<b>66.4</b>	<b>35.0</b>	<b>31.0</b>	<b>66.0</b>	-1%
SPE	20.5	19.7	40.2	22.0	17.0	39.0	-3%
Metrology	12.3	14.0	26.2	13.0	14.0	27.0	+3%
<b>Operating Income</b>	<b>5.7</b>	<b>6.4</b>	<b>12.1</b>	<b>6.7</b>	<b>5.1</b>	<b>11.8</b>	-3%
<i>Operating Income Ratio</i>	17%	19%	18%	19%	16%	18%	-
<b>Ordinary Income</b>	<b>6.0</b>	<b>6.8</b>	<b>12.8</b>	<b>6.7</b>	<b>5.1</b>	<b>11.8</b>	-8%
<b>Net Income</b>	<b>4.2</b>	<b>4.8</b>	<b>9.0</b>	<b>4.8</b>	<b>3.7</b>	<b>8.5</b>	-6%
<b>Dividend per share</b>	22 Yen	33 Yen	55 Yen	26 Yen	26 Yen	52 Yen	-3 Yen



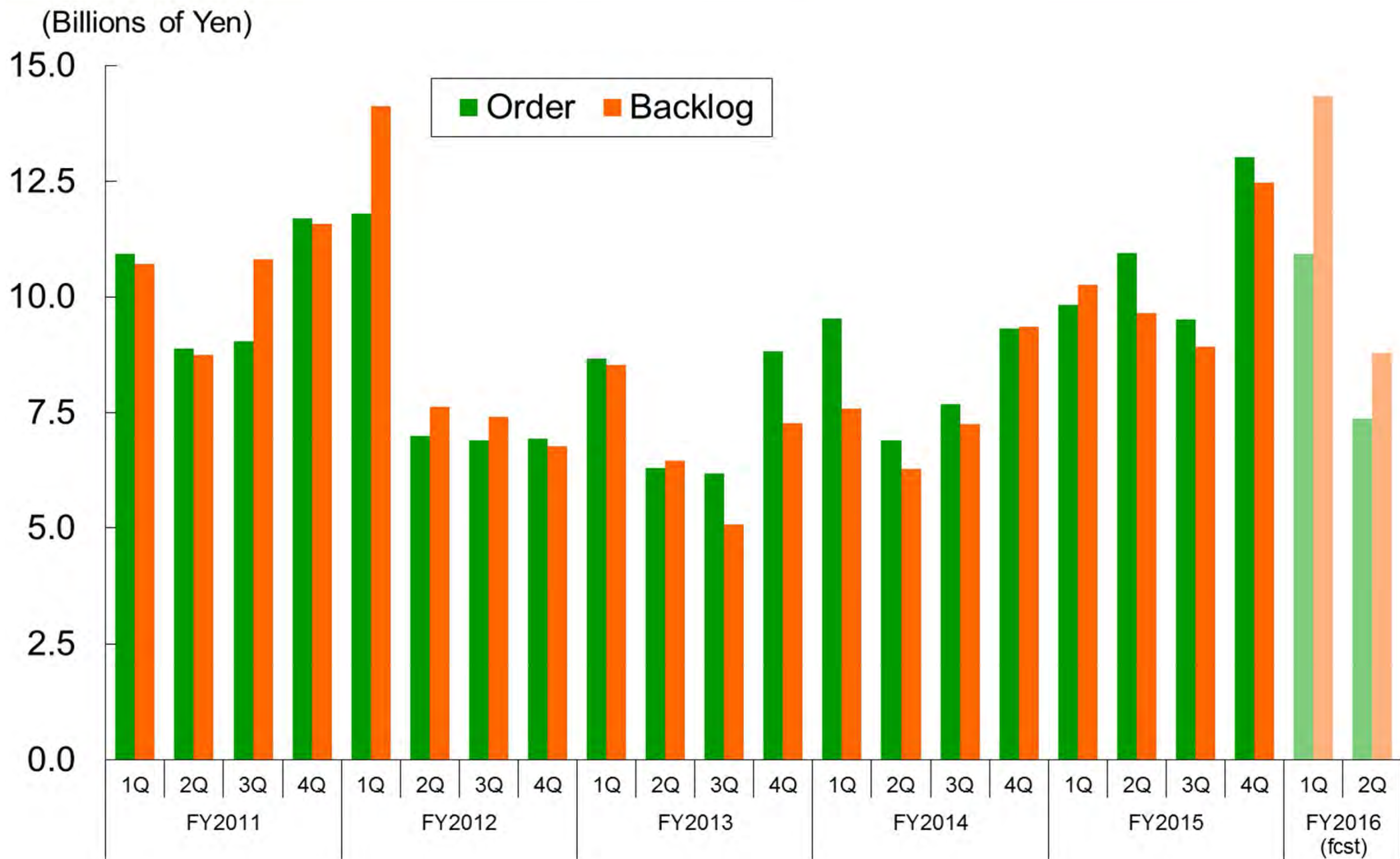
# SPE Segment – Business Trends incl. Forecasts





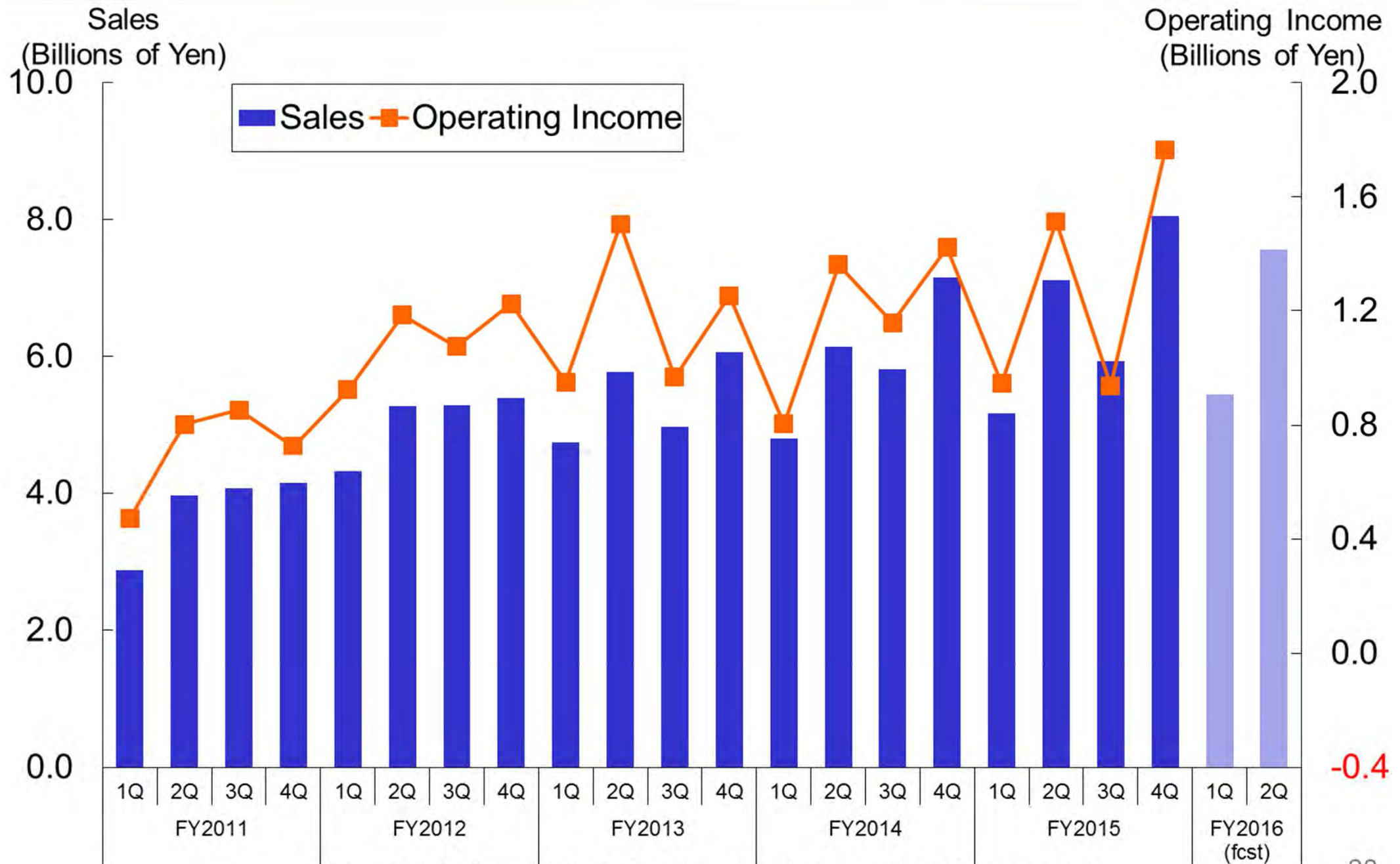


# SPE Segment – Order Status incl. Forecasts





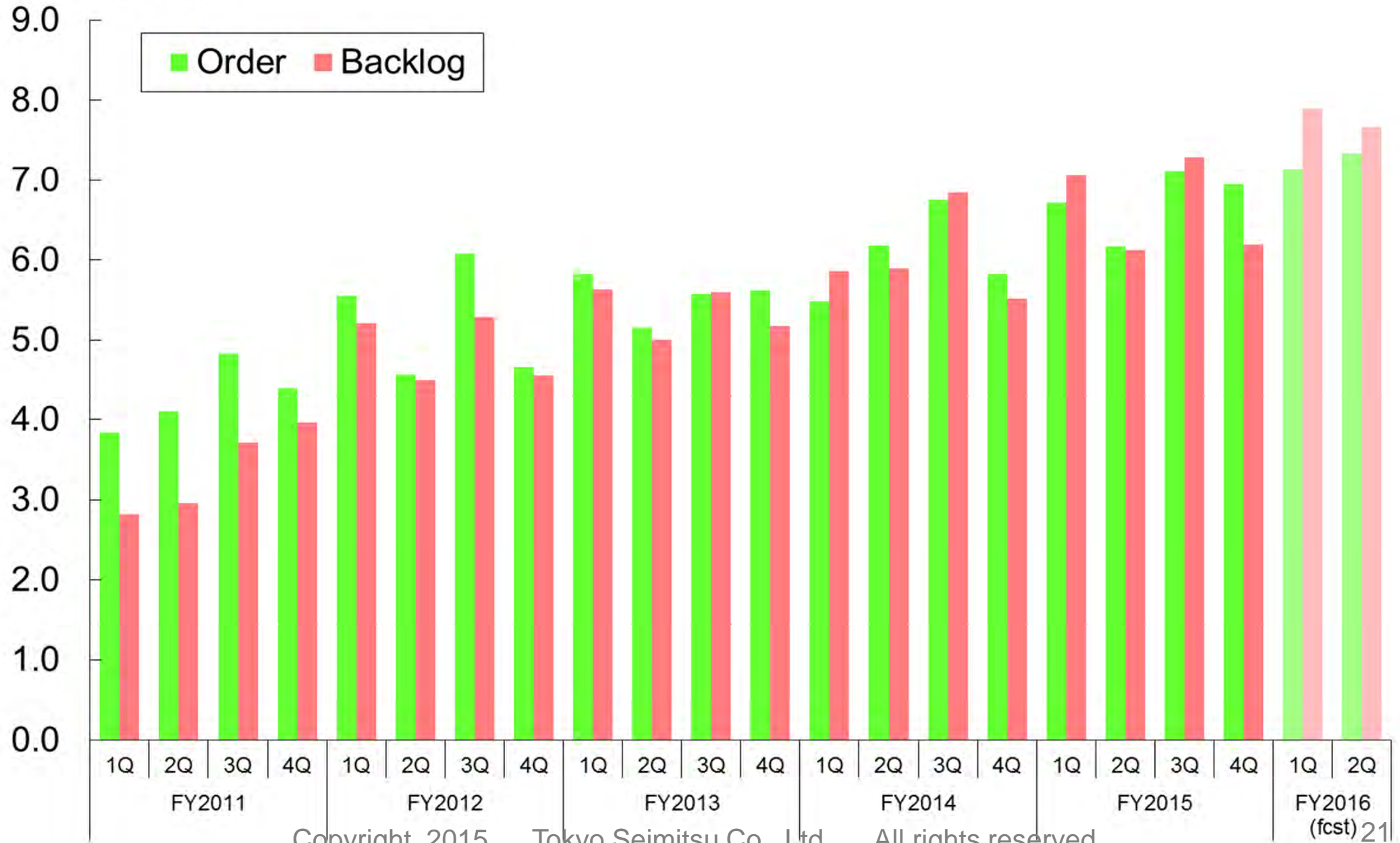
# Metrology Segment – Business Trends incl. Forecasts





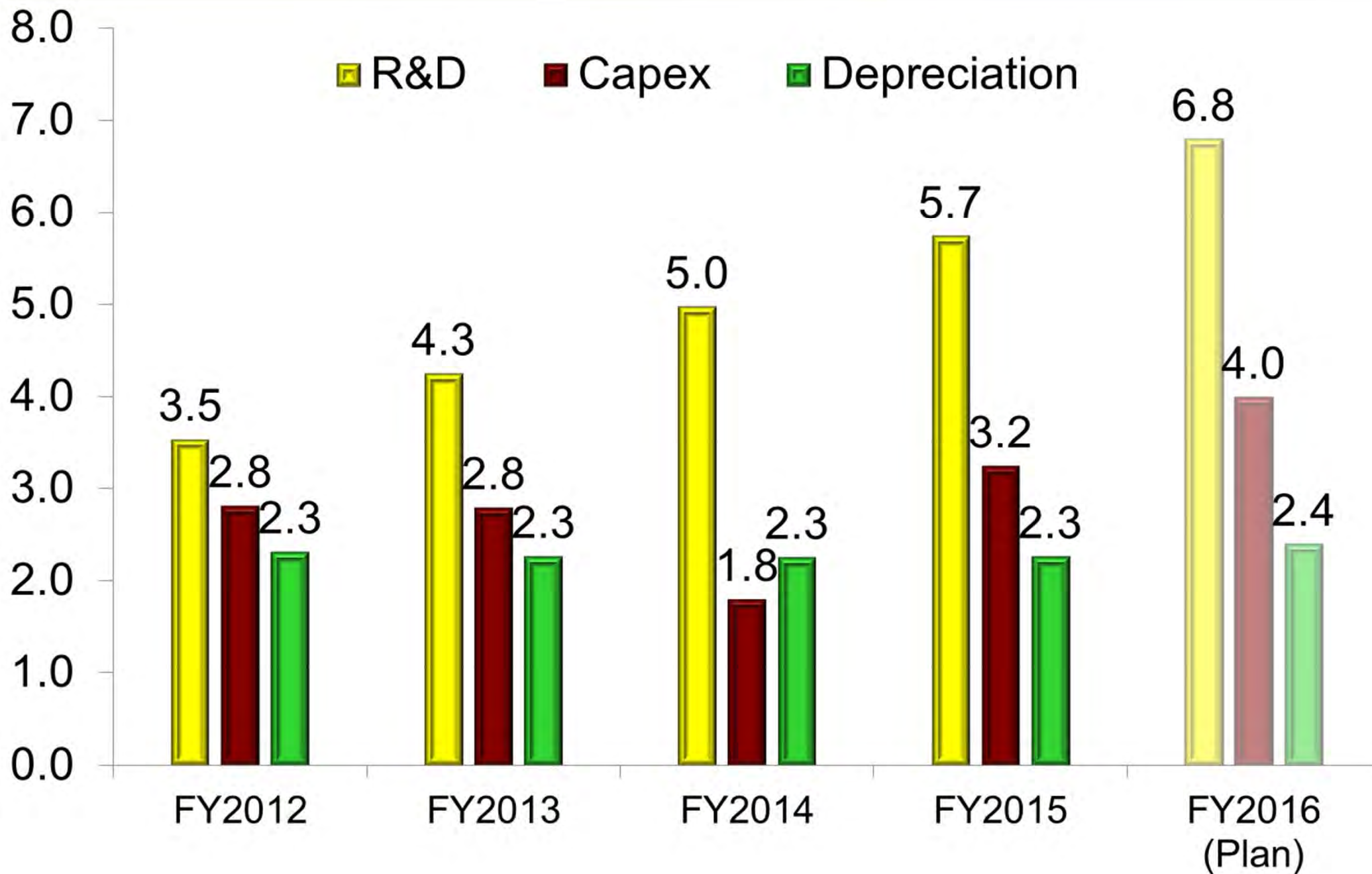
# Metrology Segment – Order Status incl. Forecasts

(Billions of Yen)





# R&D, Capex & Depreciation incl. Forecasts





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**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

# Analysis of our Current Business

## SPE

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

## Metrology

- **Strengths:** Precision positioning technology, 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

# Directions per each Segment (Mid-term)



## SPE

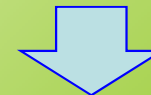
**Strengthen No.1 Products**  
**Enhance new technologies and solutions**



**Profit**

## Metrology

**Strengthen No.1 Products**  
**Catch overseas' demand**  
**Create new markets**



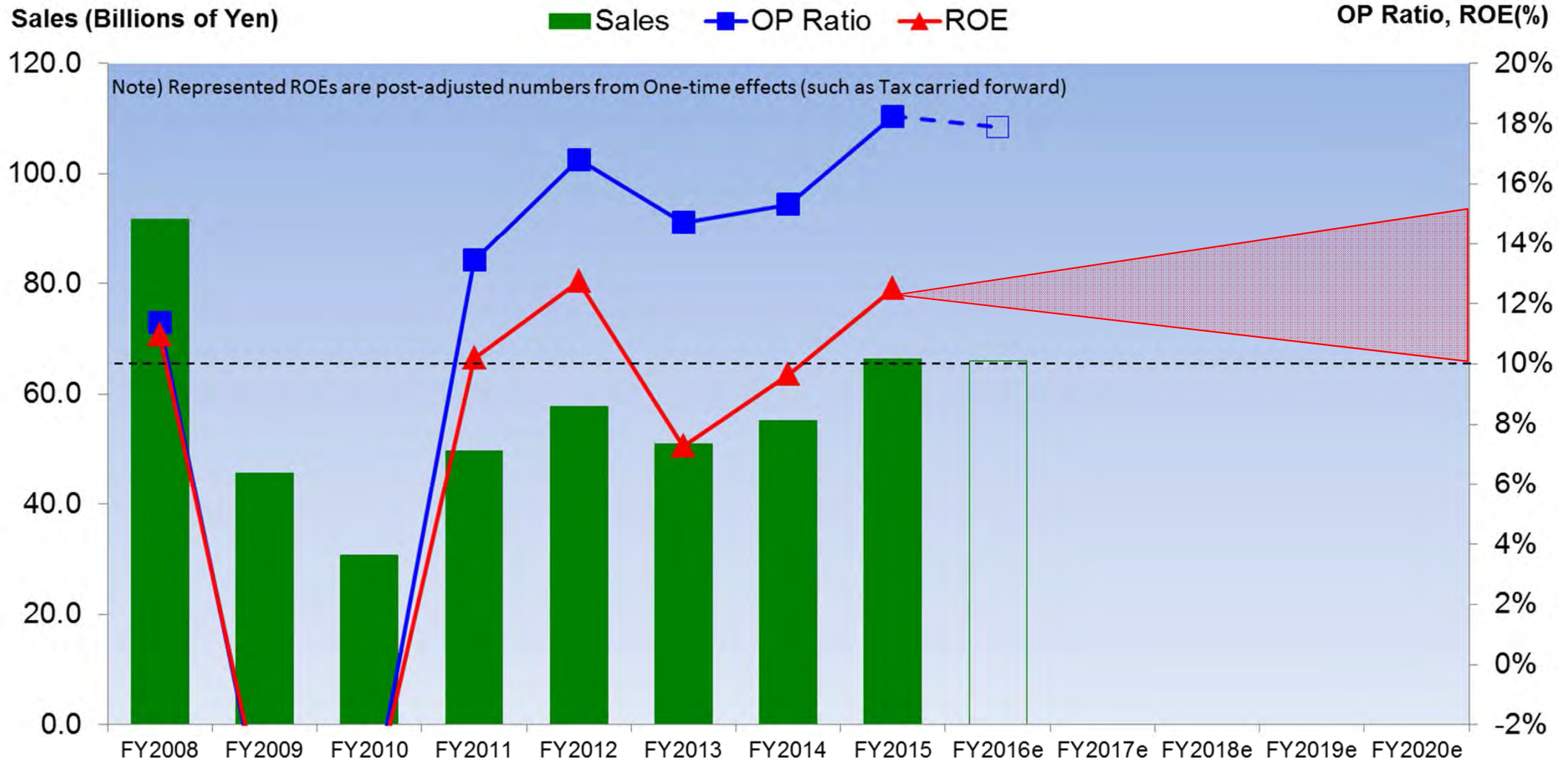
**Profit**

**+α**

**Apply our precision technology**



# Long-term Business Target



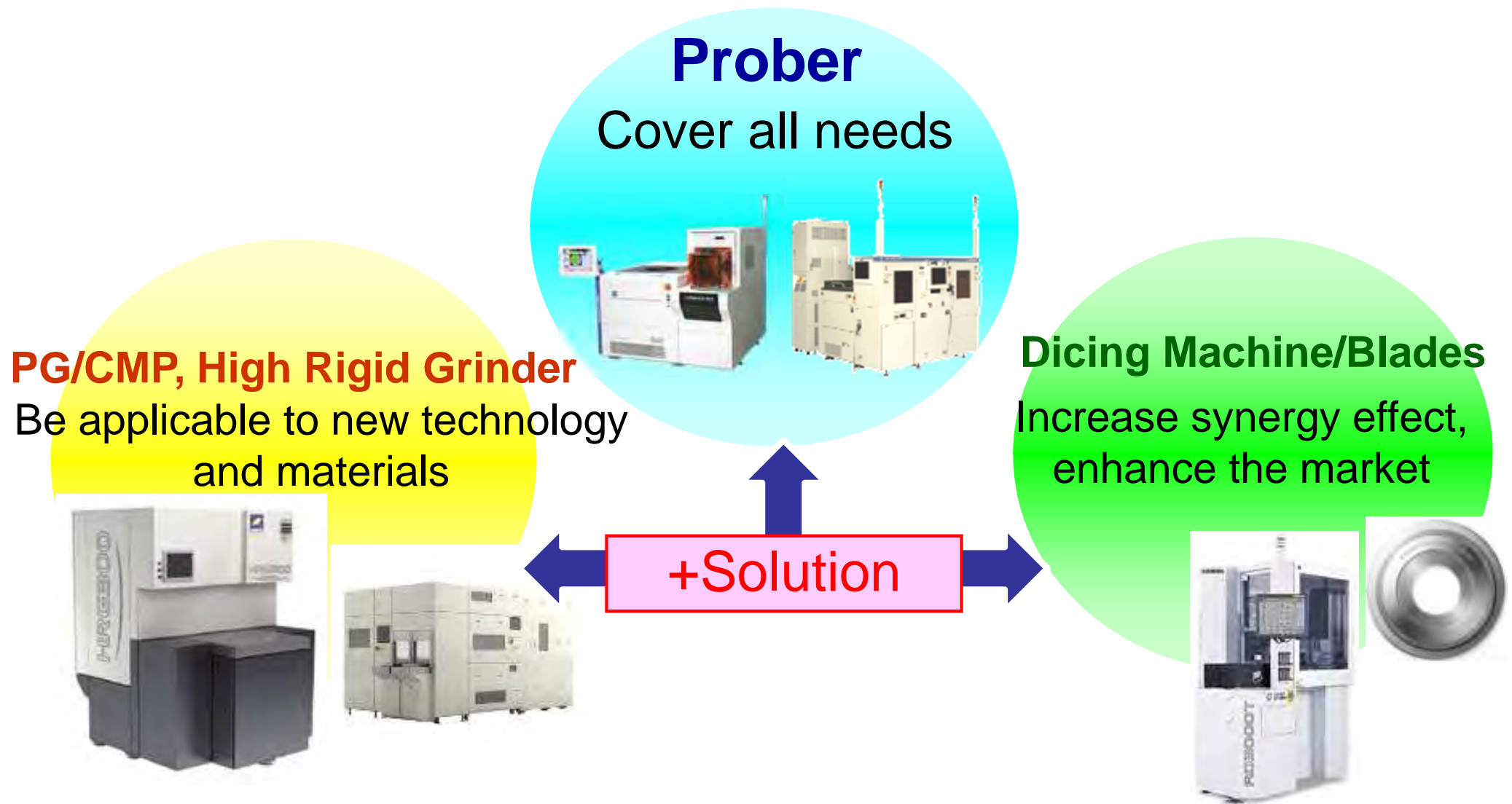
◆ To keep over 10% of ROE(Return of Equity)

- We also focus on achieving historical best OP (14.1 billion yen) within mid term

- ◆ **Dividend: Targeting a consolidated dividend payout ratio of 25%**
  - Maintain 20 yen/share regardless of profits  
(to be reviewed if company experiences losses in 2 consecutive FYs)
- ◆ **Retained Earnings : Will be used effectively for R&D, M&A etc, that are necessary for growth**
  - We also focus on strengthening our financial position
  - Recent Investments;
    - ✓ Dicing Blade business' transfer (from Mitsubishi Materials)
    - ✓ Construction of Hachioji Plant No.6
    - ✓ Construction of Dicing Blade Plant in Thailand



# Strategy for SPE Segment



**Strengthen sustainable profit structure**



# Strategy for Metrology Segment

## Increase in Overseas Sales

- Strengthen Global Sales Network
- Focus on Hot-Area

## Increase in New Products sales

- New Products to Growing Sector
- Introduction of OMI

*OMI: Optical Measuring Instrument*

**Strengthen sustainable profit structure**



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