

Tokyo Seimitsu Co., Ltd. Earnings Conference for FY2023/3 2nd Quarter

November 2nd, 2022

Hitoshi YOSHIDA, Chairman and CEO

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◆ Cautionary Statement with respect to Forward-Looking Statements

- ◆ This presentation data and information verbally provided 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.

◆ Wordings and Data in presentation

- ◆ Unless otherwise noted, “**SPE**” denotes our Semiconductor Production Equipment Business Segment, “**Metrology (or Metr.)**” denotes our Metrology Business Segment, “**Net profit**” denotes Net profit attributable to owner of the parent, and “**MTP**” denotes “Mid-term Business Plan.”
- ◆ Information listed in this presentation is summarized in Billions of Yen (**BJPY or B**) or percentage except as otherwise noted. As a result, there may be a case where the total of individual amount and total amounts in each matter may differ.
- ◆ Effective from FY2023/3, income and expenses of foreign subsidiaries are converted to Japanese Yen using the average rate during the period, instead of the previous end-of-period rate. Accordingly, the figures for FY2022/3 are retroactively applied to the average rate for the period.

◆ Corrections on Booking and Backlog for FY2023/3 1st Quarter

- ◆ The Company confirmed errors in the order amounts for FY2023/3 1Q and the Backlog as of end of the quarter disclosed on August 2nd, 2022 therefore corrected. There are no corrections have been made to consolidated financial statements. For detail, please refer to timely disclosure today.

◆ Audit procedure

- ◆ This presentation is not subject to audit procedures.

Agenda

- ◆ **Business results for FY2023/3 2Q**
- ◆ **Forecast for FY2023/3**
- ◆ **Q&A**

FY2023/3 2Q and 1H Business Results



Half Year Results (BJPY)	FY2022/3		FY2023/3			
	1H	2H	1H	Vs. Fcst	HoH	YoY
Orders	87.8	98.3	80.2		-18%	-9%
Sales	61.2	69.5	71.1	-3.4	+2%	+16%
Operating Profit (OP Margin)	12.9 (21%)	15.4 (22%)	15.7 (22%)	+0.4	+2%	+22%
Recurring Profit	13.0	16.2	16.6	+1.3	+2%	+28%
Net Profit	9.6	11.7	11.9	+1.1	+2%	+24%

Quarter (BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Orders	41.4	46.4	55.6	42.7	46.2	34.0	-26%	-27%
Sales	28.8	32.4	31.4	38.1	27.9	43.2	+55%	+33%
Operating Profit (OP Margin)	6.0 (21%)	6.9 (21%)	6.3 (20%)	9.1 (24%)	5.7 (20%)	10.0 (23%)	+76%	+45%
Recurring Profit	6.0	7.0	6.5	9.7	6.5	10.1	+55%	+45%
Net Profit	4.4	5.3	4.8	7.0	4.8	7.1	+47%	+35%

Notes : Corrected 1Q order

➤ Both sales and profits increased YoY

SPE Segment



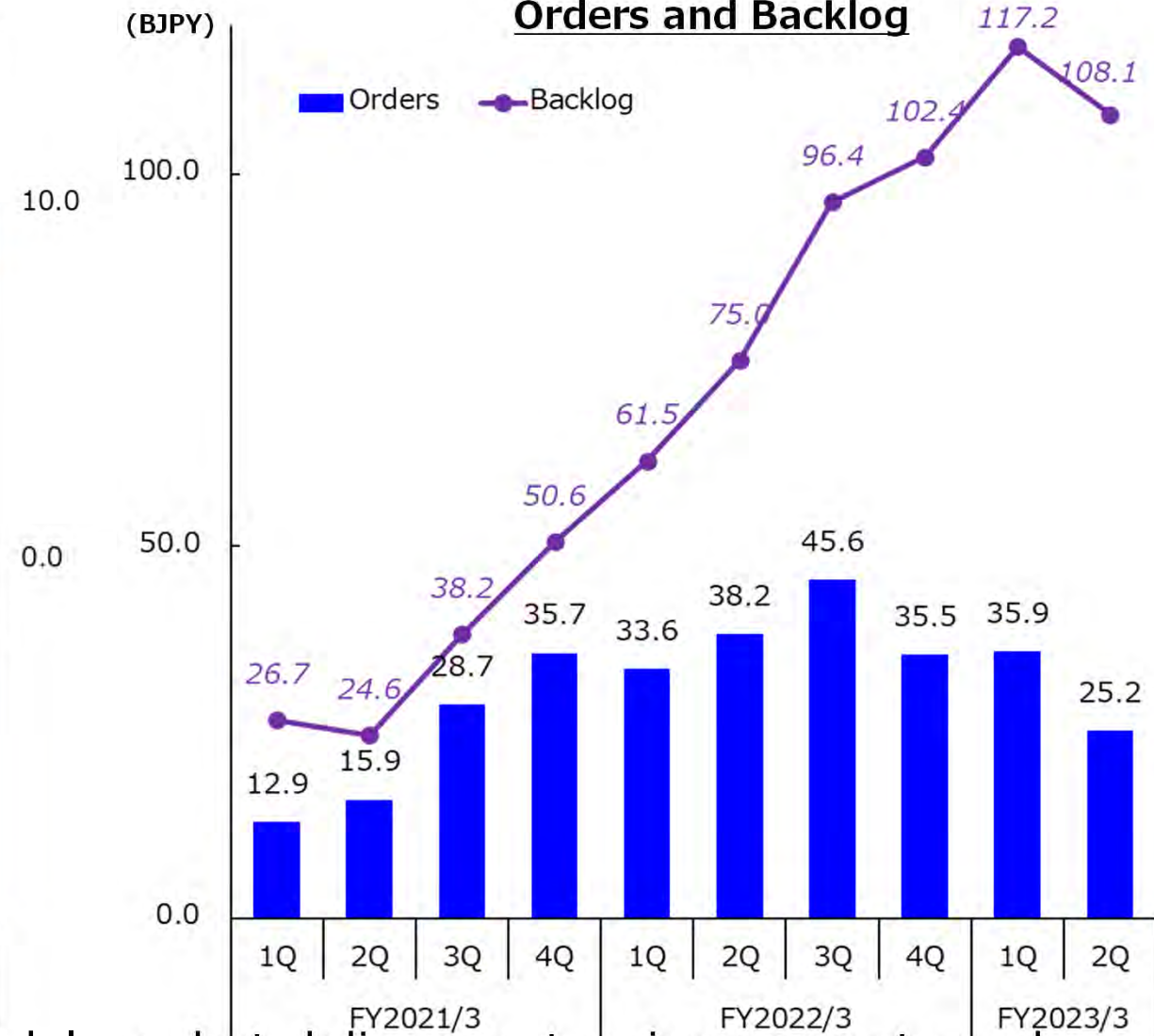
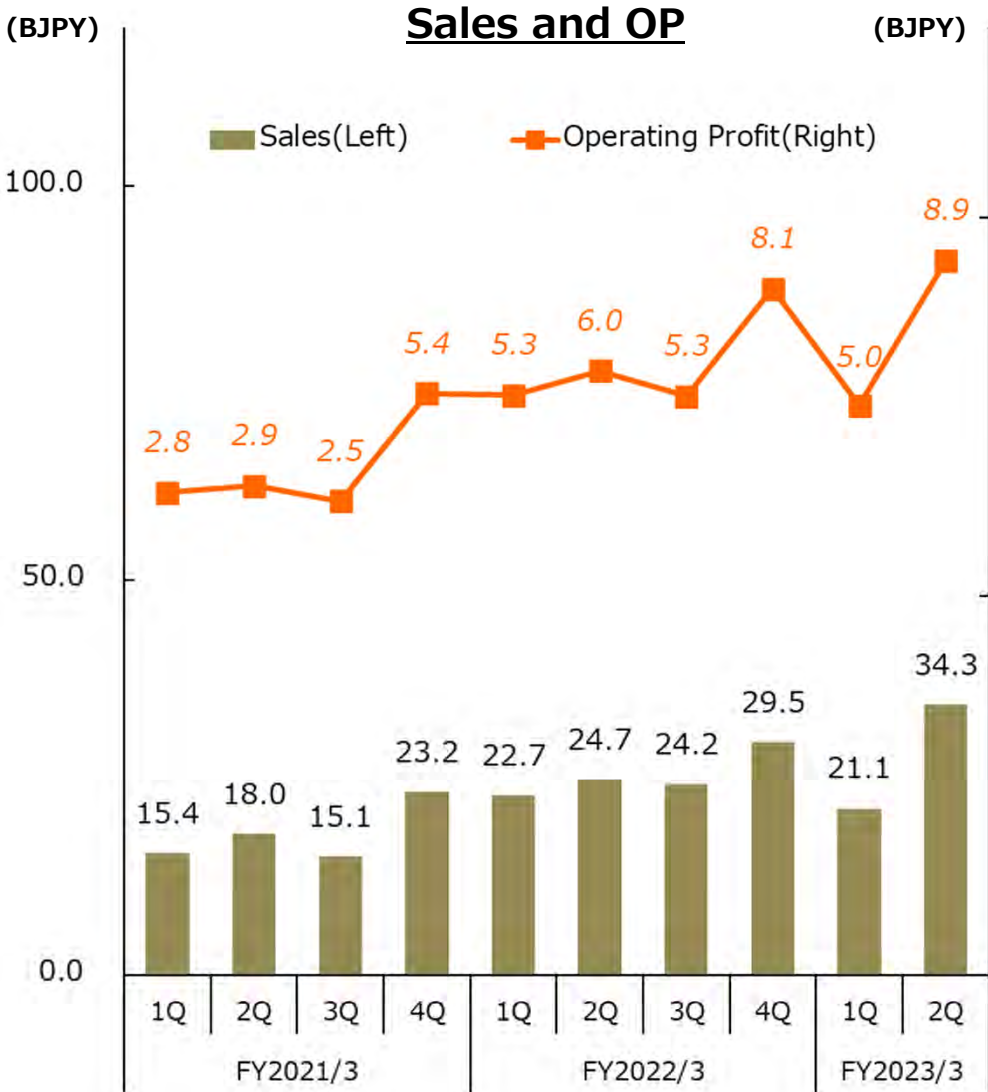
Segment Results (Half Year, BJPY)	FY2022/3		FY2023/3			
	1H	2H	1H	Vs. Fcst	HoH	YoY
Orders	71.8	81.1	61.2		-25%	-15%
Sales	47.5	53.7	55.4	-3.1	+3%	+17%
Operating Profit (OP Margin)	11.3 (24%)	13.4 (25%)	13.9 (25%)		+4%	+24%

Quarter (BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Orders	33.6	38.2	45.6	35.5	35.9	25.2	-30%	-34%
Sales	22.7	24.7	24.2	29.5	21.1	34.3	+62%	+39%
Operating Profit (OP Margin)	5.3 (23%)	6.0 (24%)	5.3 (22%)	8.1 (28%)	5.0 (24%)	8.9 (26%)	+76%	+49%

Notes : Corrected 1Q order

- 1H Orders remained at a high level despite a downward trend against a backdrop of decreasing consumer products demand
- 1H Sales, and profits recorded a half-year peaks
- Operating Profit remained high level

SPE – Quarterly Trend

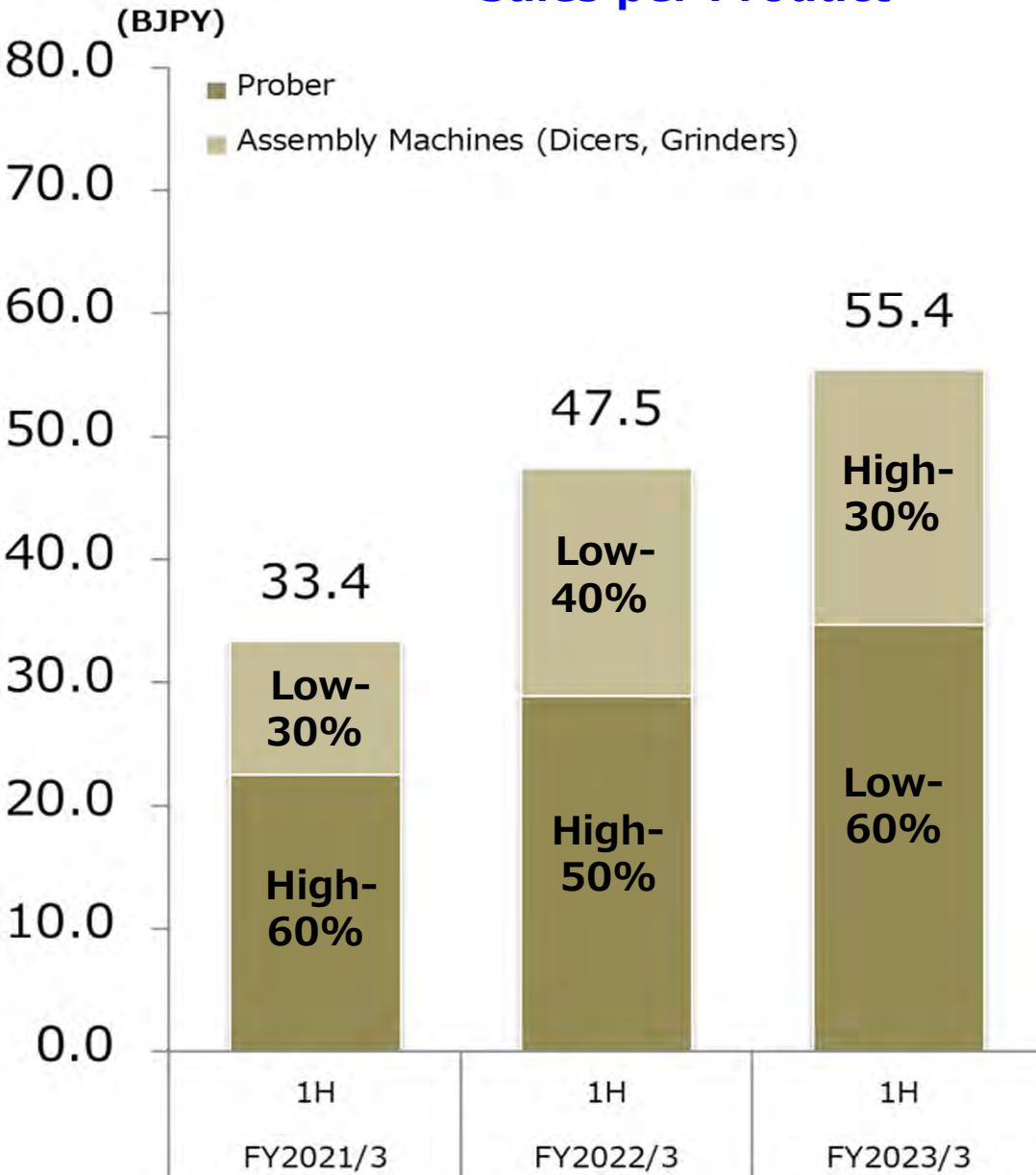


- Sales: Caught up on 1Q installation delays, but delivery extension requests and typhoons caused delays
- Orders: Decreased in demand for consumer products while Power systems, grinders, and wafer fabrication supported

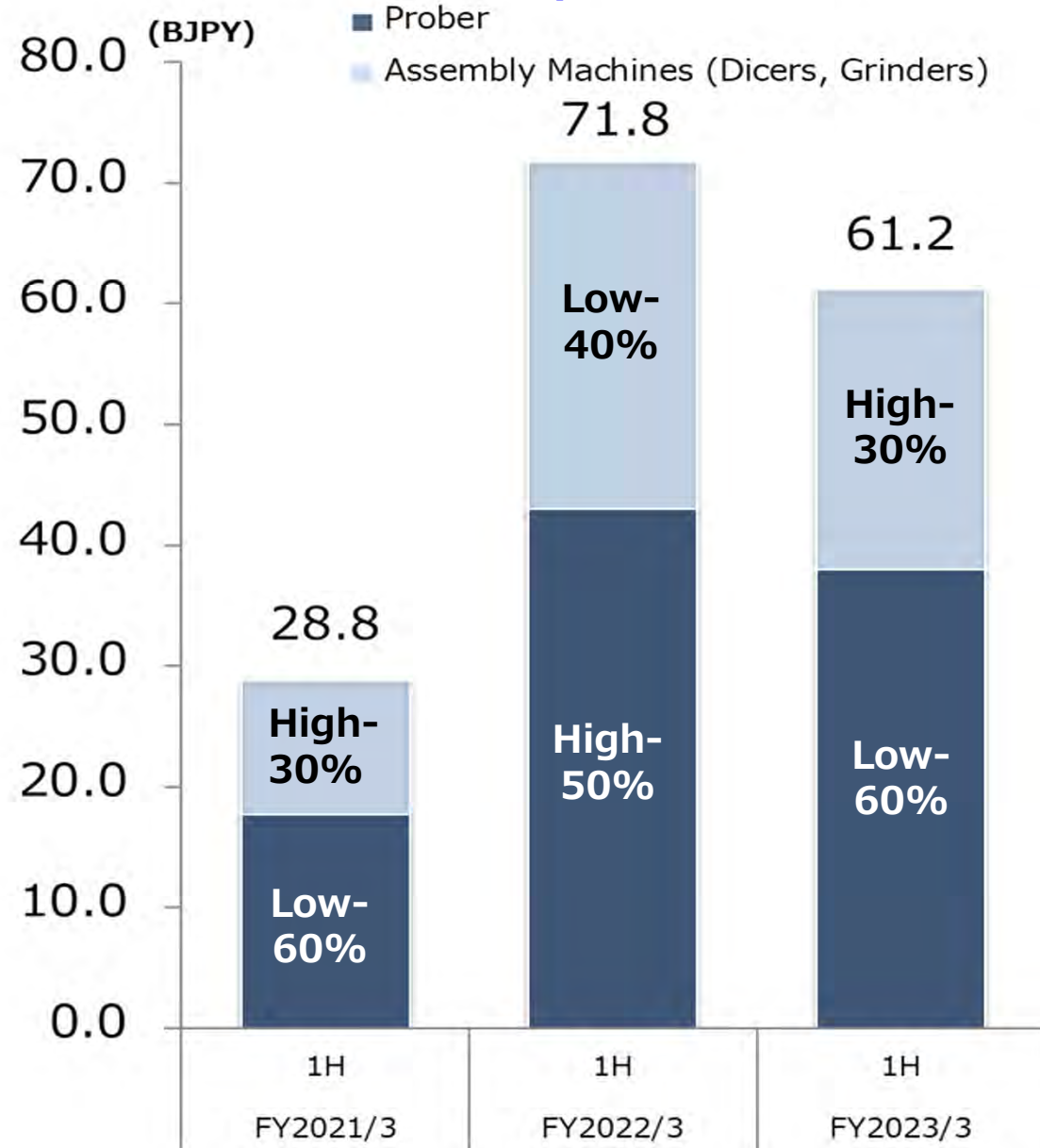
SPE – per Product



Sales per Product



Orders per Product



Metrology Segment



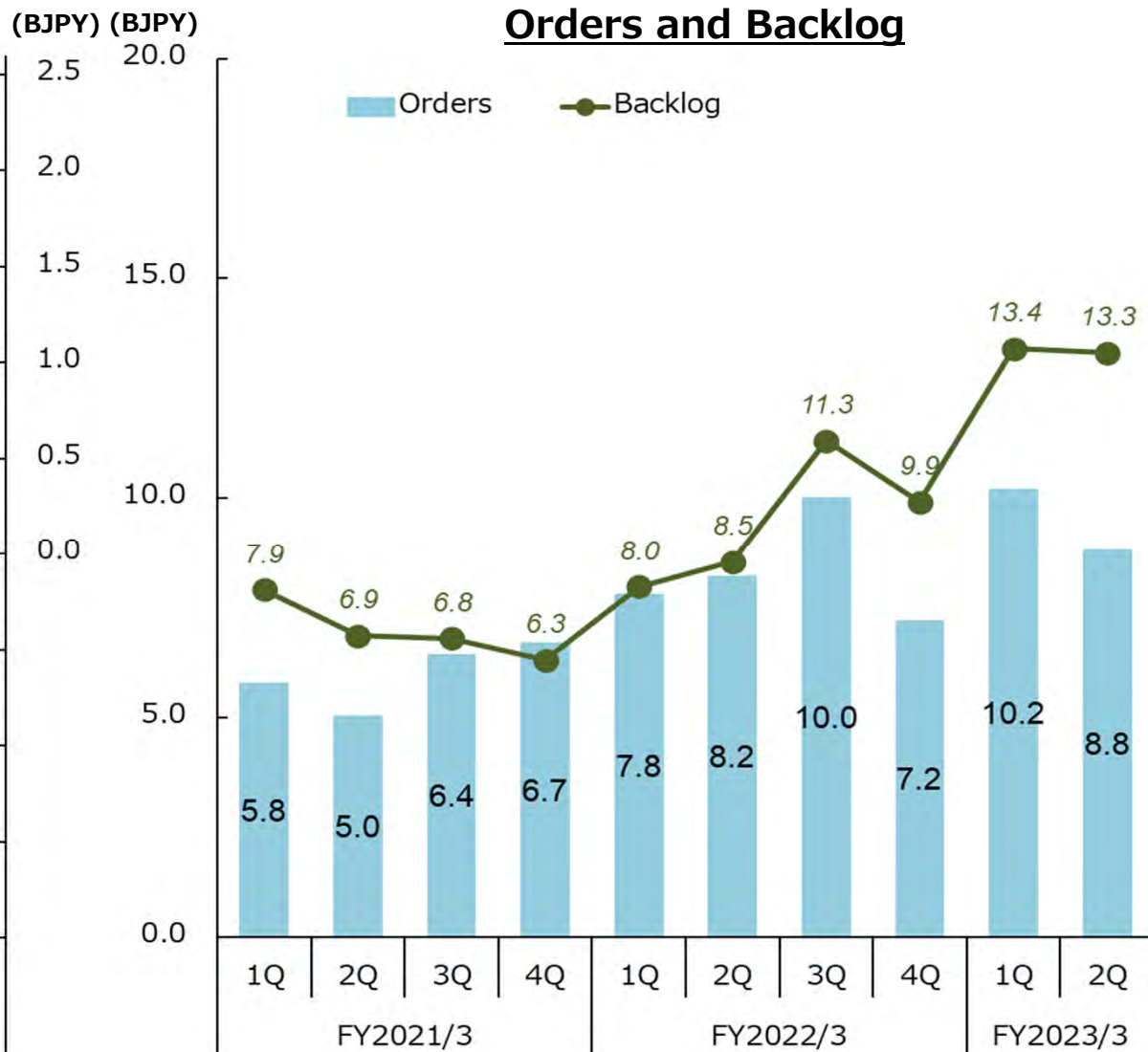
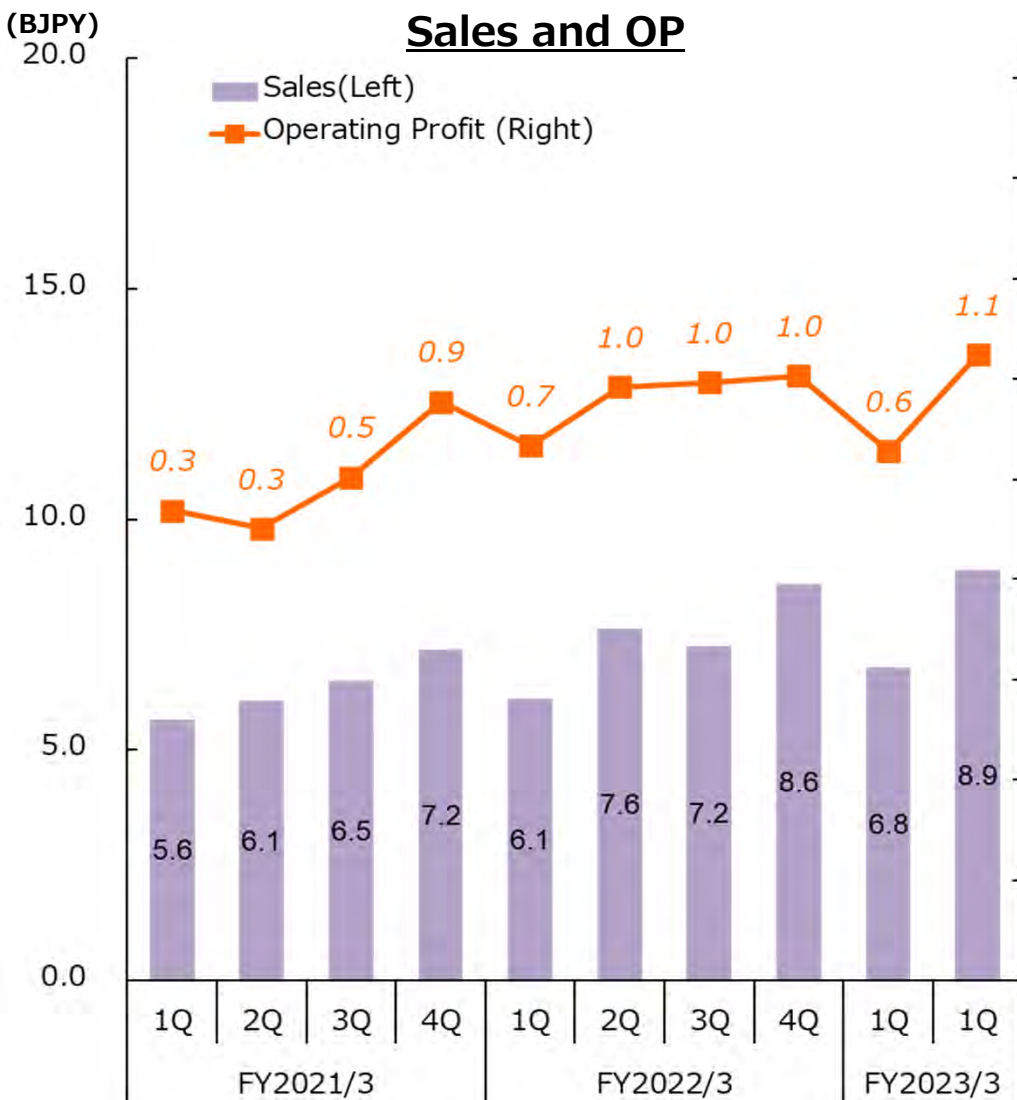
Segment Results (Half Year, BJPY)	FY2022/3		FY2023/3			
	1H	2H	1H	Vs. Fcst	HoH	YoY
Orders	16.0	17.2	19.0		+10%	+19%
Sales	13.7	15.8	15.7	-0.3	-1%	+14%
Operating Profit (OP Margin)	1.6 (12%)	2.0 (13%)	1.8 (11%)		-12%	+8%

Quarter (BJPY)	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Orders	7.8	8.2	10.0	7.2	10.2	8.8	-14%	+7%
Sales	6.1	7.6	7.2	8.6	6.8	8.9	+31%	+17%
Operating Profit (OP Margin)	0.7 (11%)	1.0 (13%)	1.0 (14%)	1.0 (12%)	0.6 (10%)	1.1 (13%)	+75%	+17%

Notes : Corrected 1Q order

- 1H Orders recorded half-year peak due to recovery in demand for manufacturing in general
- Sales and profits both increased in 2Q

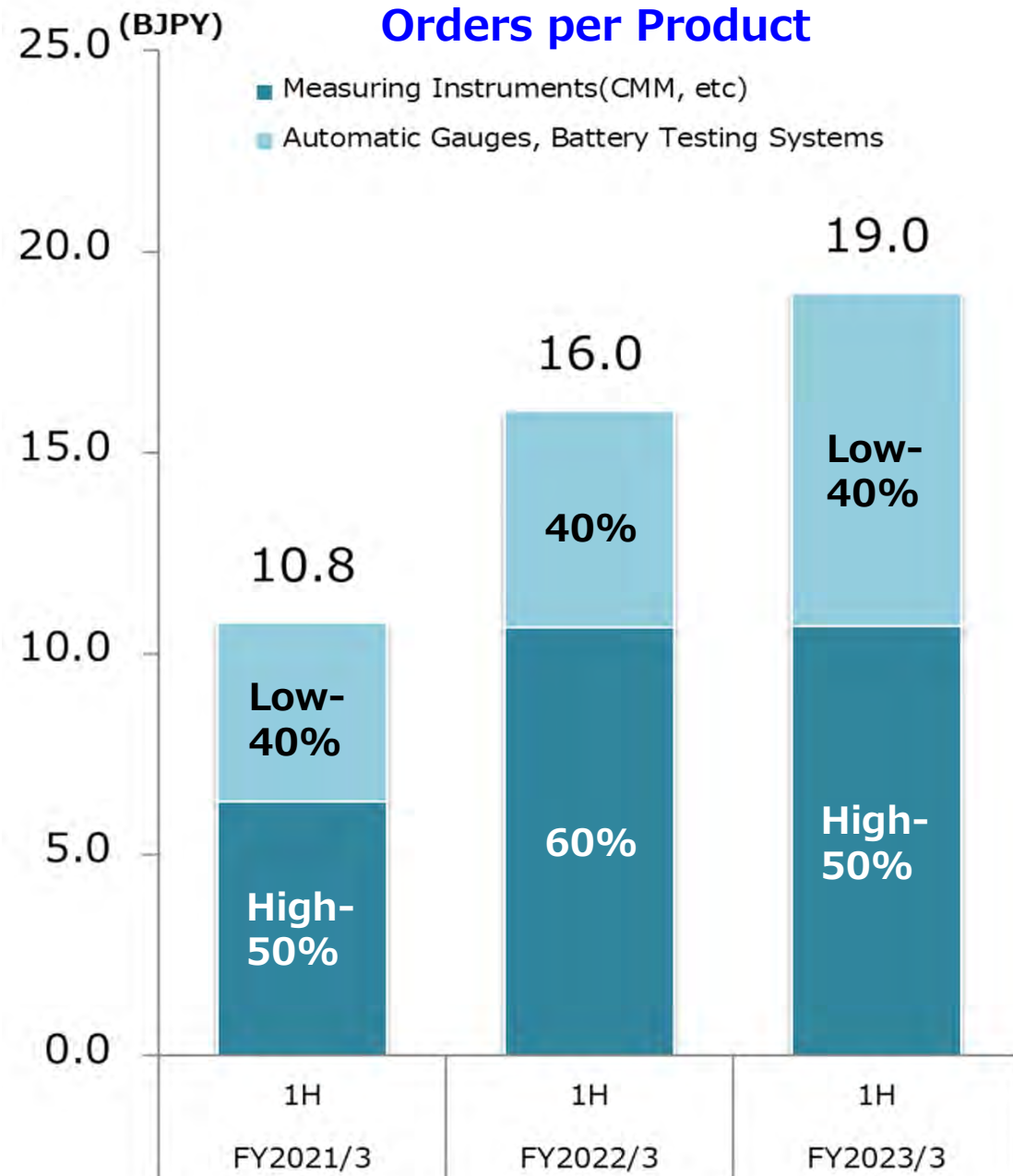
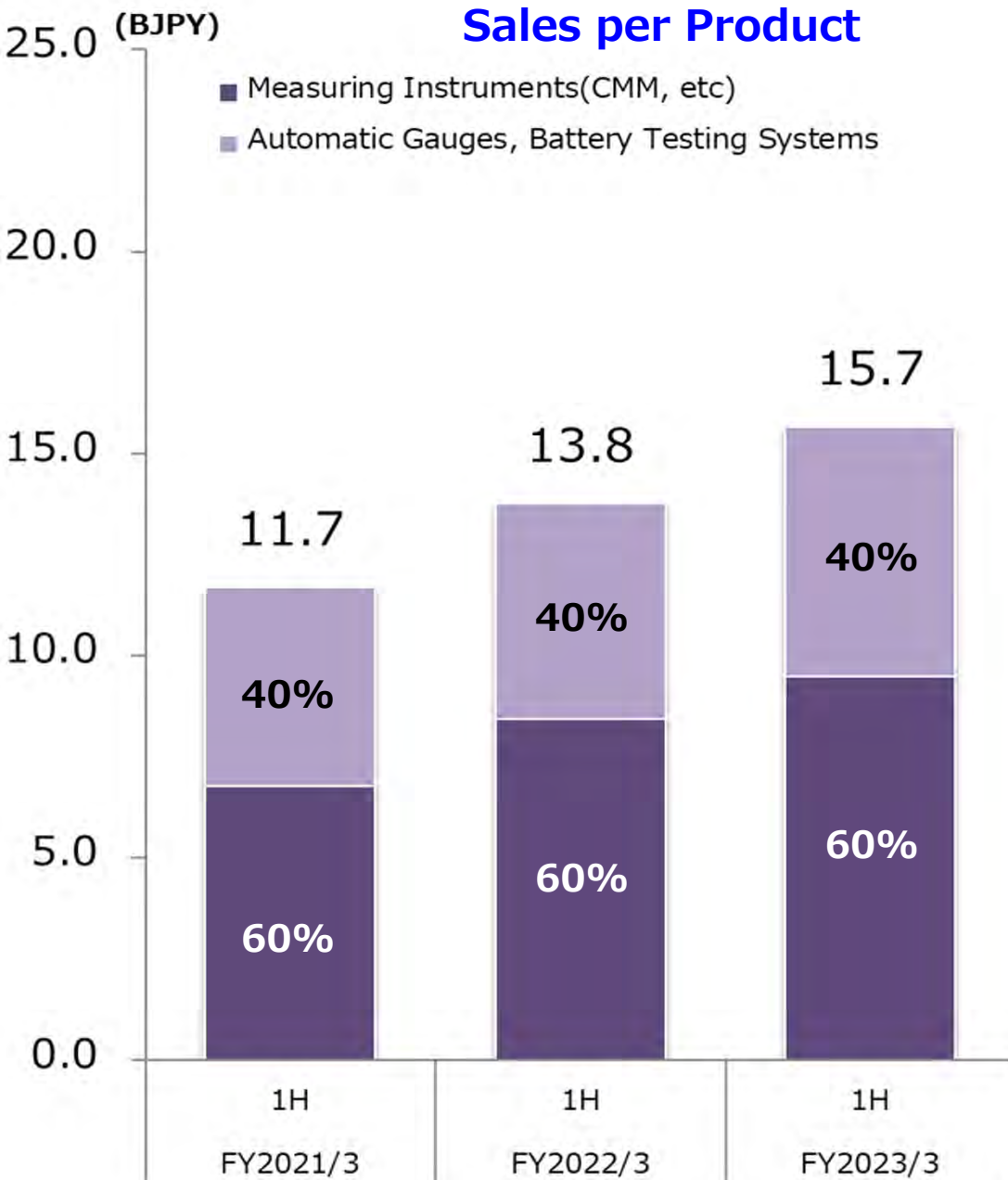
Metrology – Quarterly Trend



➤ Sales: Moderate recovery trend remained

➤ Orders: Despite a reactionary decline from 1Q, maintained high level mainly in machinery and machine parts

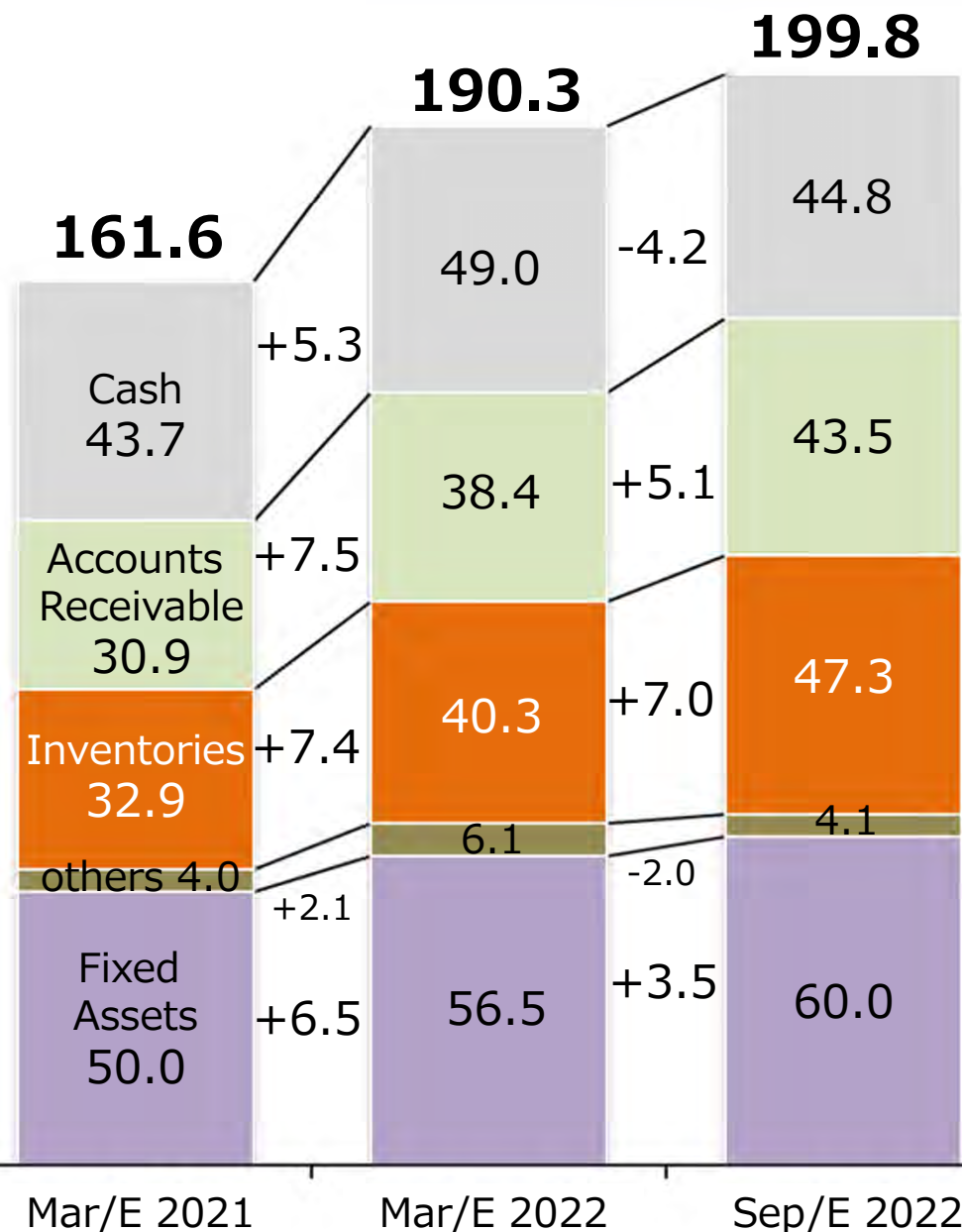
Metrology – per Product



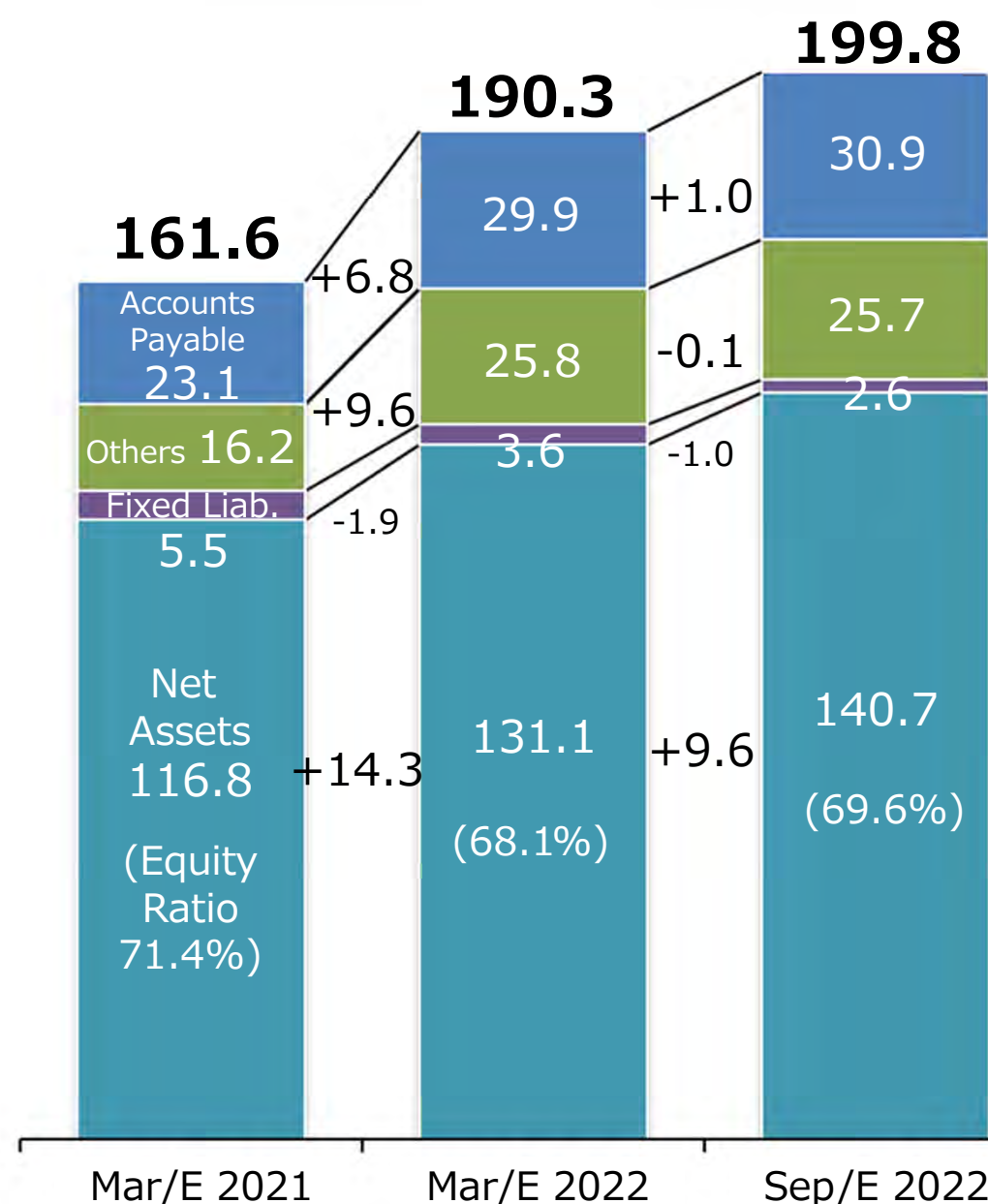
Balance Sheet



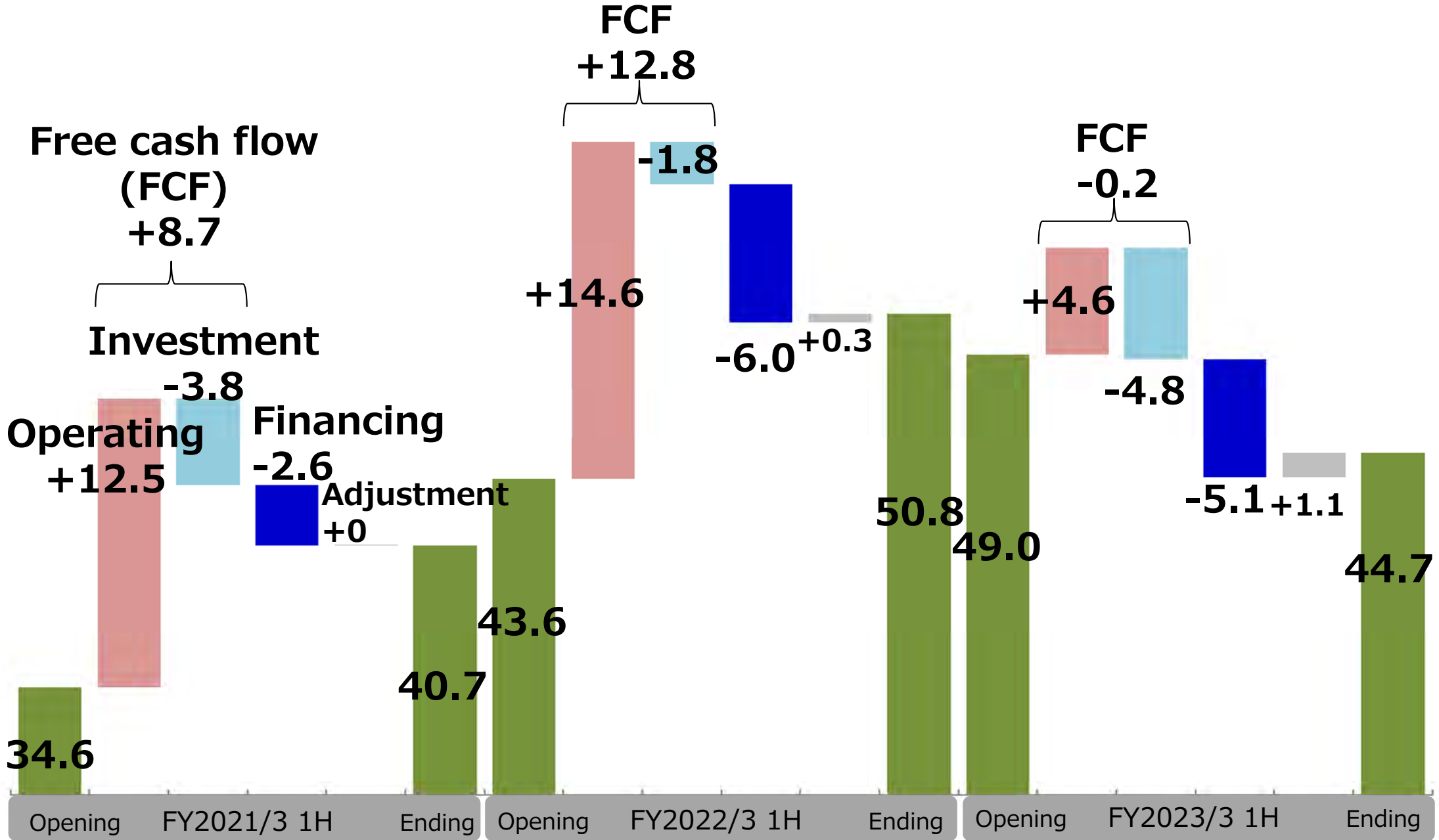
Assets (BJPY)



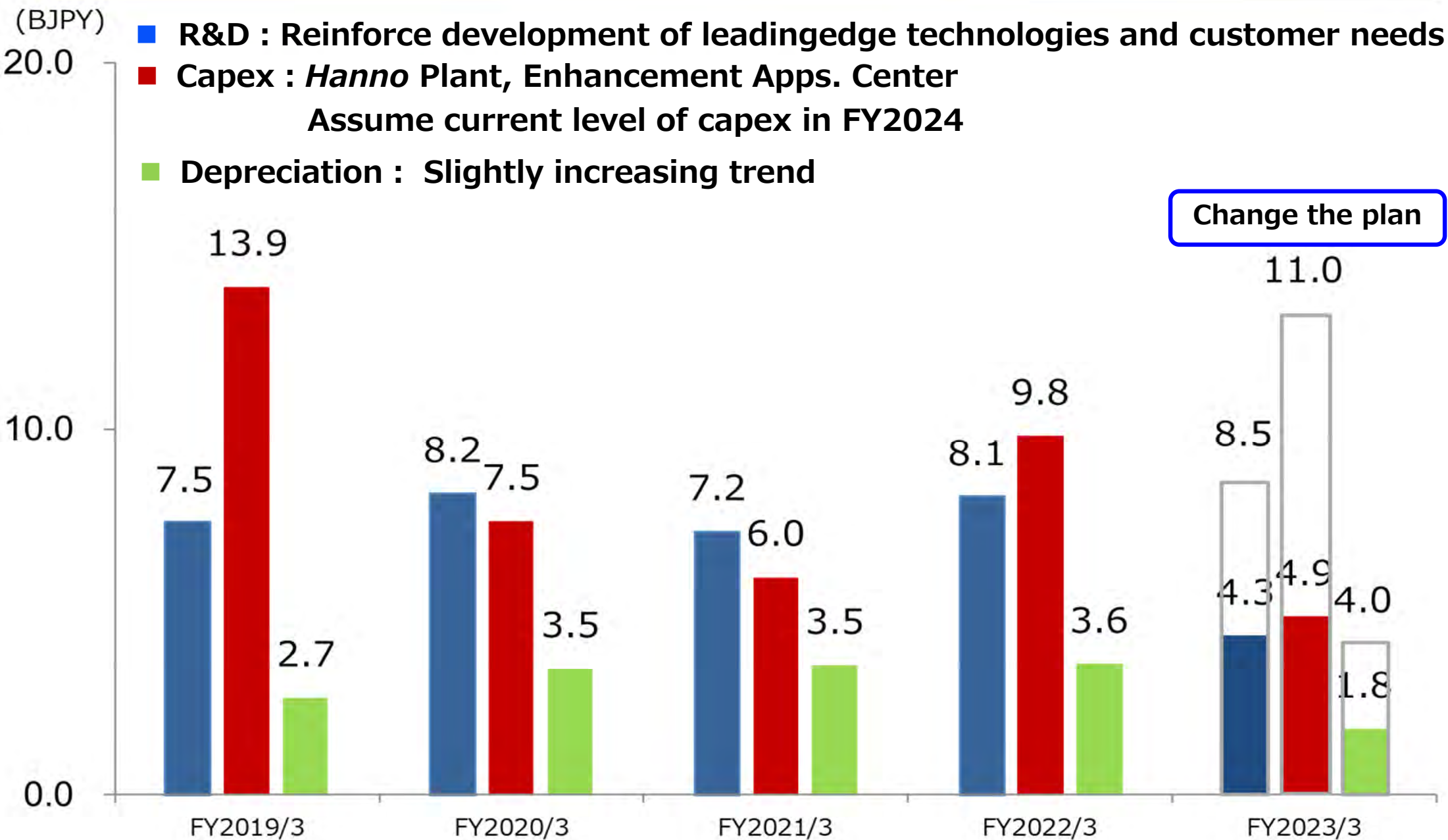
Liabilities / Net Assets (BJPY)



Cash Flows(CF)

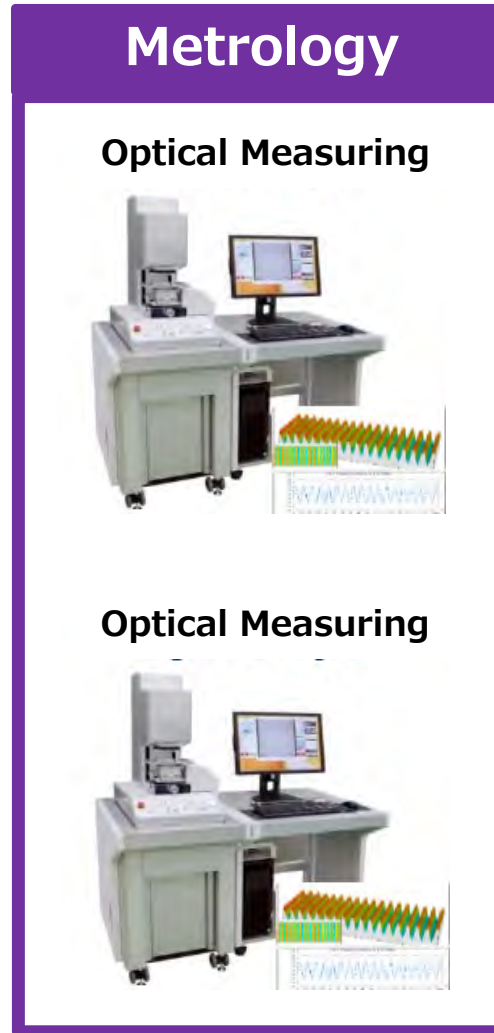


R&D, Capex and Depreciation (results/plan)

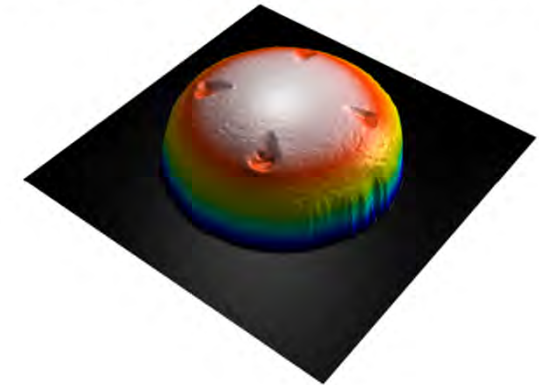


Synergy between SPE and Metrology

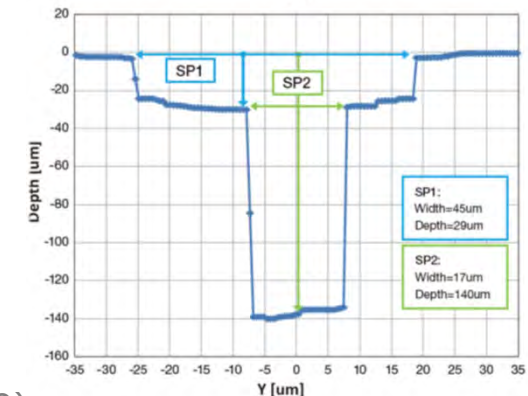
- Define value as synergy between businesses (Unique SPE company with "metrology") in FY2023/3-2025/3 Mid-term Business Plan
- SPE "Built-in measuring instruments" introduces to customer



Defect detection and determination by needle marks after testing



Cross-sectional shape evaluation after half-cutting



Agenda

- ◆ Business results for FY2023/3 2Q
- ◆ **Forecast for FY2023/3**
- ◆ Q&A

Premises of FY2023/3 Forecasts

(Blue: changed by November)



Overall

- Maintain high level production throughout the FY
- Watch for material shortages, logistics stagnation, geopolitical risks, and COVID-19 pandemic

SPE

- **Orders continue to decrease during FY2023/3.**
- In addition to production expansion and R&D, work on activities to strengthen the application center

Metrology

- Recovery in the auto sector will continue to be moderate
- Promote sales expansion in semiconductor, NEV, and automation fields

FY2023/3 Forecast



Consolidated Results and forecasts (BJPY)	FY2022/3			FY2023/3			
	1H	2H	FY	1H	2H(f)	FY(f)	YoY
Sales	61.2	69.5	130.7	71.1	73.9	145.0	+11%
Operating Profit (OP Margin)	12.9 (21%)	15.4 (22%)	28.3 (22%)	15.7 (22%)	14.3 (19%)	30.0 (21%)	+6%
Recurring Profit	13.0	16.2	29.2	16.6	14.5	31.1	+7%
Net Profit	9.6	11.7	21.3	11.9	10.1	22.0	+3%
Dividend per Share	185Yen			218Yen		+33Yen	

Per Segment

(SPE)	Orders	71.8	81.1	152.9	61.2			
	Sales	47.4	53.7	101.1	55.4	55.6	111.0	+10%
(Metr.)	Orders	16.0	17.2	33.2	19.0			
	Sales	13.7	15.8	29.6	15.7	18.4	34.0	+15%

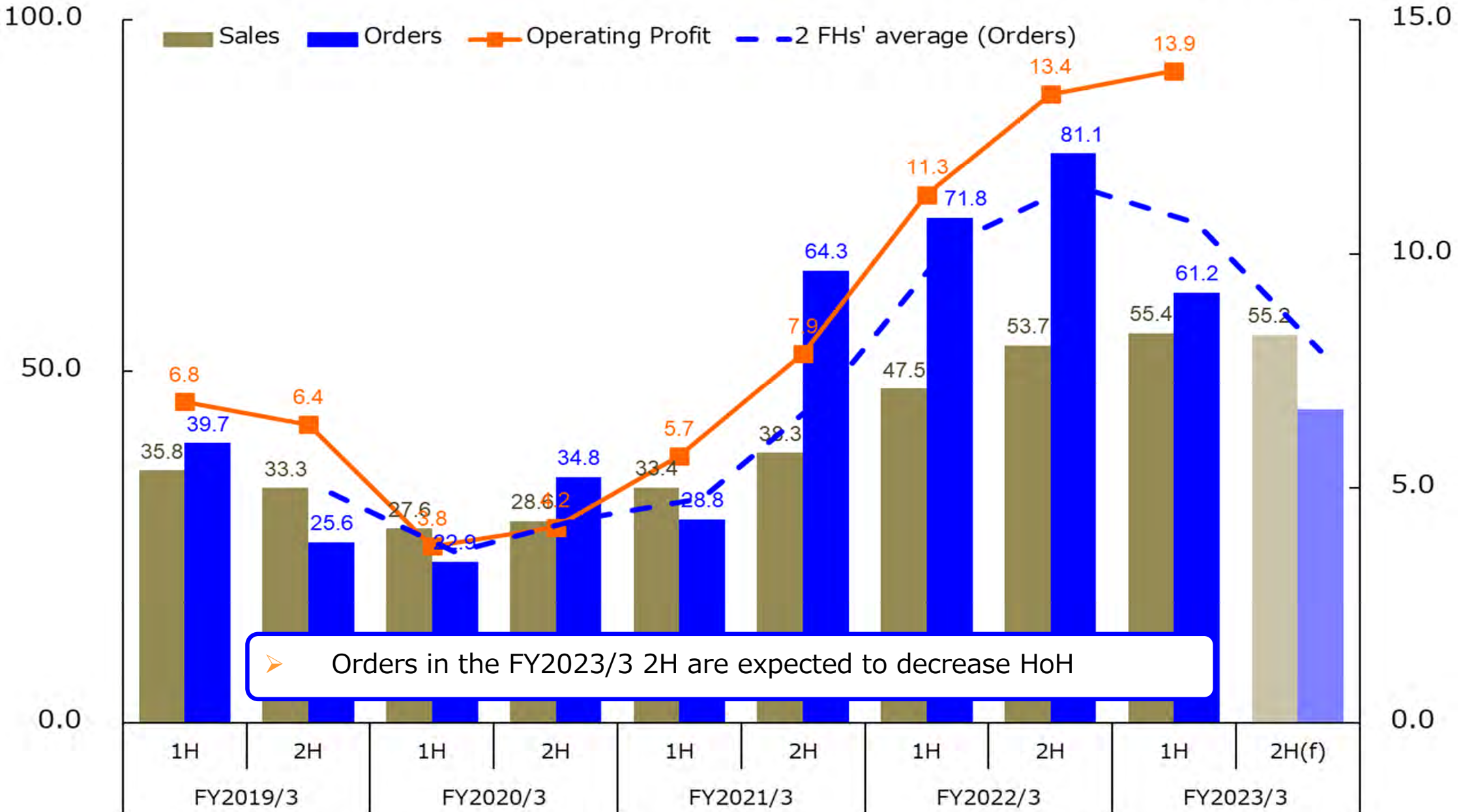
- Revised full-year forecasts announced on May 10th, 2022
- Compared to the previous forecast, SPE sales will decrease and metrology sales will increase.
- Exchange rate assumption changed from ¥115 to ¥135

SPE – Sales/Orders incl. Forecasts



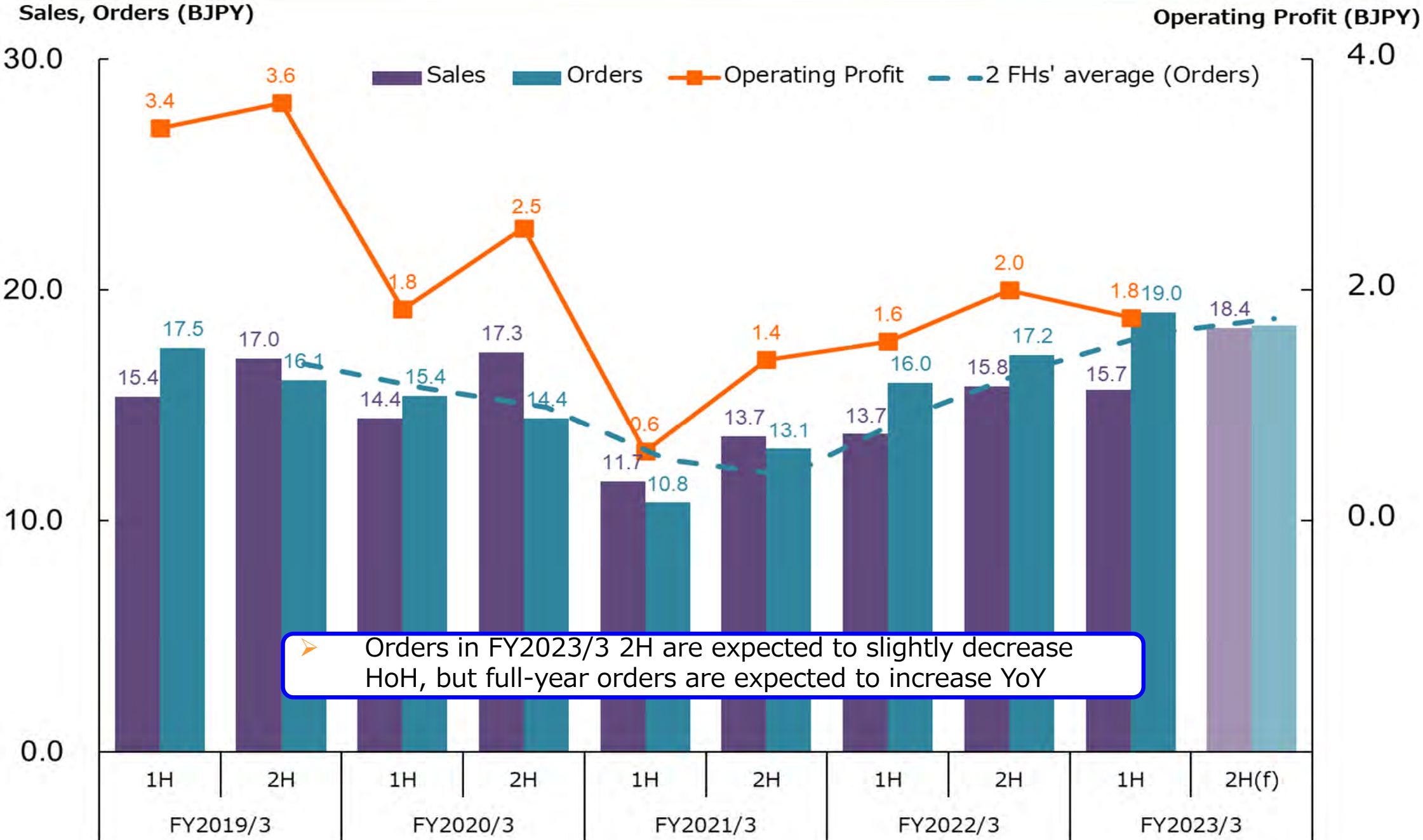
Sales, Orders(BJPY)

Operating Profit (BJPY)



➤ Orders in the FY2023/3 2H are expected to decrease HoH

Metrology – Sales/Orders incl. Forecasts



Q&A



Sustainability Information:



<https://www.accretech.jp/english/sustainability/index.html>

Investor Information:



<https://ir.accretech.jp/en/index.html>

Supplementary Data

Segment Information



Million Yen		Fiscal Year				Quarter							
		FY 2019/3	FY 2020/3	FY 2021/3	FY 2022/3	FY2022/3				FY2023/3			
						1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Orders	SPE	65,335	57,709	93,181	152,896	33,604	38,228	45,575	35,487	36,010	25,246		
	Metr.	33,573	29,866	23,878	33,159	7,780	8,192	9,995	7,191	12,778	8,788		
	Total	98,909	87,576	117,060	186,056	41,384	46,420	55,571	42,679	48,788	34,034		
Backlog	SPE	27,670	29,182	50,619	102,370	61,493	74,990	96,367	102,370	117,244	108,134		
	Metr.	9,165	7,782	6,301	9,904	7,970	8,535	11,298	9,904	15,899	13,263		
	Total	36,836	36,965	56,920	112,274	69,464	83,526	107,666	112,274	133,143	121,398		
Sales	SPE	69,117	56,198	71,745	101,145	22,729	24,731	24,198	29,485	21,135	34,264		
	Metr.	32,403	31,728	25,359	29,556	6,111	7,627	7,232	8,585	6,783	8,892		
	Total	101,520	87,927	97,105	130,702	28,841	32,358	31,431	38,071	27,919	43,156		
OP	SPE	13,195	7,915	13,565	24,698	5,320	5,953	5,294	8,130	5,049	8,874		
	Metr.	7,025	4,366	1,996	3,628	667	961	984	1,015	641	1,120		
	Total	20,221	12,282	15,562	28,327	5,987	6,914	6,279	9,145	5,691	9,994		
OP Margin	SPE	19.1%	14.1%	18.9%	24.4%	23.4%	24.1%	21.9%	27.6%	23.9%	25.9%		
	Metr.	21.7%	13.8%	7.9%	12.3%	10.9%	12.6%	13.6%	11.8%	9.5%	12.6%		
	Total	19.9%	14.0%	16.0%	21.7%	20.8%	21.4%	20.0%	24.0%	20.4%	23.2%		

Statements of Income



Million Yen	Fiscal Year				Quarter							
	FY 2019/3	FY 2020/3	FY 2021/3	FY 2022/3	FY2022/3				FY2023/3			
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	101,520	87,927	97,105	130,702	28,841	32,358	31,431	38,071	27,919	43,156		
Cost of goods sold	60,430	53,452	60,190	77,694	17,413	19,130	19,360	21,789	15,940	25,783		
Gross Profit on Sales	41,090	34,474	36,914	53,008	11,428	13,227	12,070	16,281	11,978	17,372		
Selling, general and administrative expenses	20,869	22,192	21,351	24,681	5,440	6,313	5,790	7,136	6,287	7,378		
Operating profit	20,221	12,282	15,562	28,327	5,987	6,914	6,279	9,145	5,691	9,994		
Non-operating income	688	255	540	987	134	66	175	611	824	96		
Non-operating expenses	104	177	235	153	110	27	-76	92	18	25		
Recurring Profit	20,805	12,360	15,867	29,160	6,011	6,953	6,531	9,664	6,496	10,065		
Extraordinary gains	58	57	1,354	390	13	-	-	377	5	58		
Extraordinary losses	419	1,712	1,074	34	-	-	-	34	-	-		
Profit before income taxes and minority interests	20,443	10,705	16,147	29,516	6,024	6,953	6,531	10,007	6,502	10,124		
Total Income tax and others	5,719	3,598	3,978	8,132	1,651	1,688	1,753	3,038	1,660	3,019		
Net Profit attributable to Owners of the Parent	14,665	7,156	12,175	21,326	4,356	5,250	4,755	6,963	4,812	7,096		
Net Profit per Share (Yen)	352.92	171.89	293.83	522.52	106.09	128.30	117.06	171.34	118.38	174.47		
Net Profit per Share (diluted) (Yen)	350.23	170.72	291.43	517.51	-	-	-	-	-	-	-	-

Balance Sheet



(Million Yen)		FY2020/3	FY2021/3	FY2022/3	FY2023/3(2Q)
Current Assets	Cash and cash equivalents	34,640	43,657	49,033	44,796
	Accounts Receivable ※1	29,633	30,946	38,367	43,526
	Inventories	30,152	32,886	40,325	47,304
	Others	3,345	4,025	6,103	4,148
	Total	97,771	111,516	133,829	139,776
Total Fixed Assets		48,777	50,039	56,457	60,048
Total Assets		146,549	161,556	190,287	199,824
Current Liabilities	Accounts Payable※2	16,895	23,062	29,876	30,880
	Others	12,121	16,233	25,765	25,669
	Total	29,017	39,296	55,641	56,550
Total long-term liabilities		7,857	5,482	3,564	2,560
Total Liabilities		36,874	44,778	59,206	59,110
Total Net Assets		109,674	116,777	131,081	140,714
Total Liabilities and Net Assets		146,549	161,556	190,287	199,824
Total interest-bearing debt		9,641	7,581	5,497	4,535
Equity Ratio(%)		73.9%	71.4%	68.1%	69.6%
ROE(%)		6.7%	10.9%	17.4%	-

※1: Incl. Electronically recorded monetary claims

※2: Incl. Electronically recorded obligations-operating

Expenses and Cash Flows



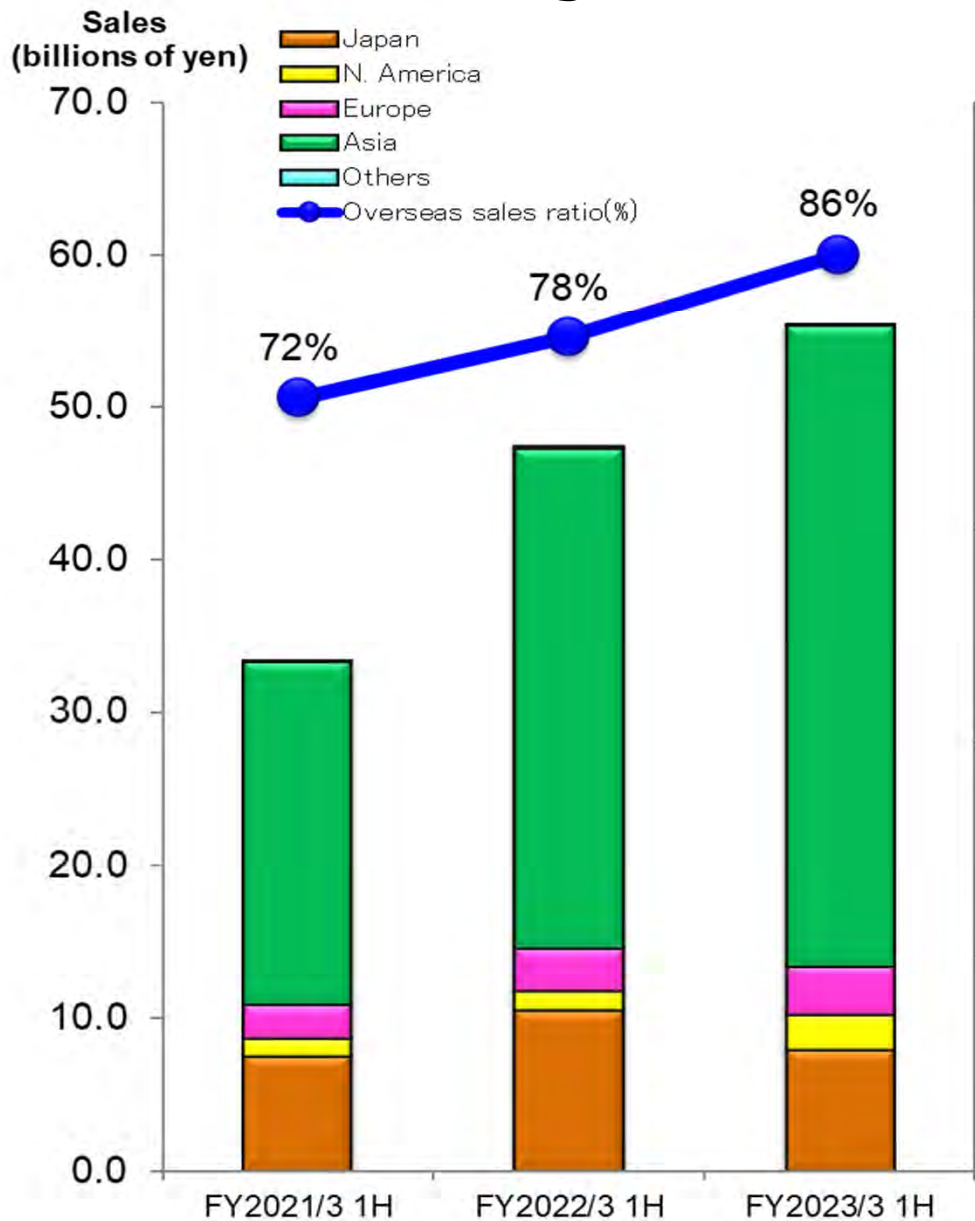
(Million Yen)	FY2020/3	FY2021/3	FY2022/3	FY2023/3(1H)
R&D expenses	8,234	7,193	8,146	4,342
Capex	7,477	5,950	9,816	4,869
Depreciation (excl. Amortization)	3,450	3,516	3,551	1,798

(Million Yen)	FY2020/3	FY2021/3	FY2022/3	FY2023/3(1H)
Cash flows from operating activities	5,965	22,062	23,837	4,611
Cash flows from investing activities	-6,116	-5,191	-8,990	-4,803
Free cash flows	-150	16,871	14,846	-191
Cash flows from financing activities	-6,375	-8,282	-10,346	-5,120
Adjustments	-159	429	882	1,055
Cash and cash equivalents at the end of year	34,605	43,624	49,006	44,749

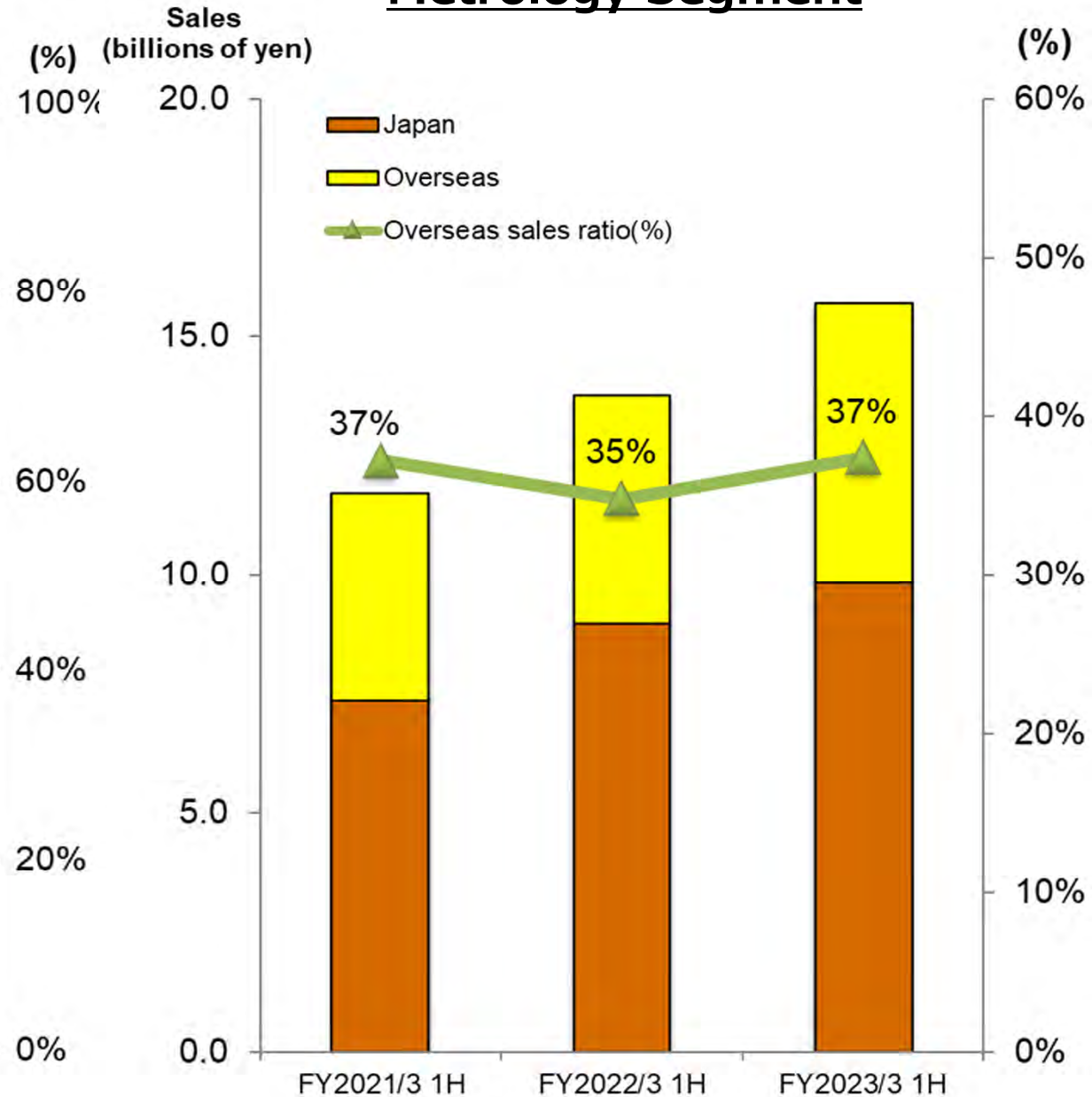
Sales per Region



SPE Segment



Metrology Segment

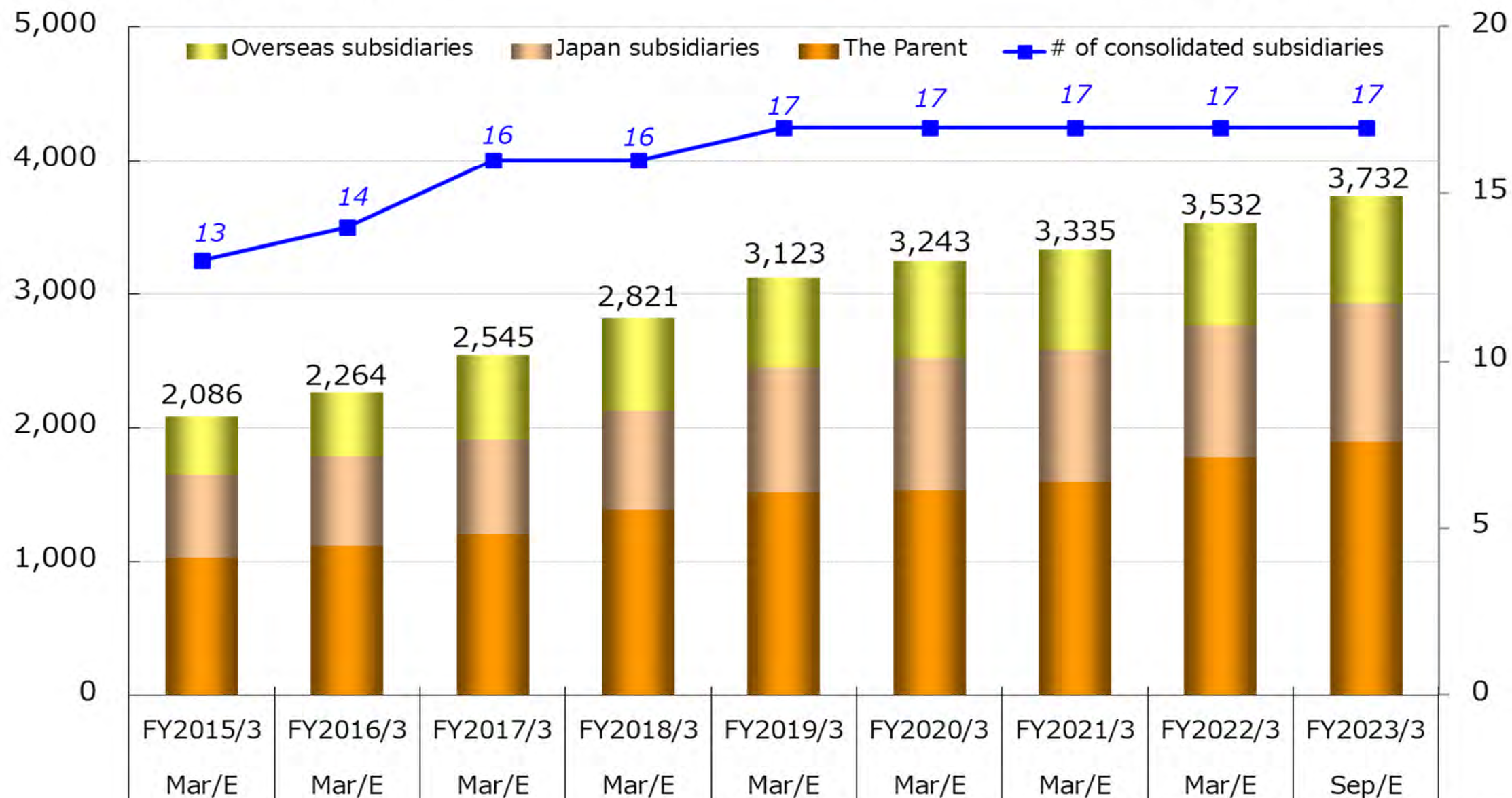


Number of employees



Number of Employees (person)

of Consolidated Subsidiaries



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