



## Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Japanese GAAP)

April 30, 2020

Name of Listed Company: Tokyo Electron Limited Stock Exchange Listing: Tokyo  
 Security Code: 8035  
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 Scheduled start date of dividends payment: June 2, 2020  
 Preparation of supplementary materials for the financial results: Yes  
 Earnings release conference: Yes (for investors and analysts)

Note: Amounts are rounded down to the nearest million yen.

### 1. Consolidated Financial Results for the Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

#### (1) Consolidated Operating Results

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ended			
	March 31, 2019		March 31, 2020	
		%		%
Net sales (Millions of yen)	1,278,240	13.0	1,127,286	(11.8)
Operating income (Millions of yen)	310,571	10.5	237,292	(23.6)
Ordinary income (Millions of yen)	321,662	14.6	244,979	(23.8)
Net income attributable to owners of parent (Millions of yen)	248,228	21.5	185,206	(25.4)
Net income per share of common stock (Yen):				
Basic	1,513.58		1,170.57	
Diluted	1,507.22		1,164.02	
Return on equity (%)	30.1		21.8	
Ordinary income to total assets (%)	26.1		19.3	
Operating income to net sales (%)	24.3		21.0	
Comprehensive income:	Year ended March 31, 2020:	187,084 million yen, (22.9)%	Year ended March 31, 2019:	242,696 million yen, 17.7%
Profit (loss) on equity method:	Year ended March 31, 2020:	794 million yen	Year ended March 31, 2019:	817 million yen

#### (2) Consolidated Financial Position

	As of	
	March 31, 2019	March 31, 2020
Total assets (Millions of yen)	1,257,627	1,278,495
Total net assets (Millions of yen)	888,117	829,692
Equity ratio (%)	70.0	64.1
Net assets per share (Yen)	5,371.78	5,267.96
Equity:	819,301 million yen (as of March 31, 2020)	880,748 million yen (as of March 31, 2019)

#### (3) Consolidated Cash Flows

	Year ended	
	March 31, 2019	March 31, 2020
Cash flows from operating activities	189,572	253,117
Cash flows from investing activities	(84,033)	15,951
Cash flows from financing activities	(129,761)	(250,374)
Cash and cash equivalents at end of period	232,634	247,959

**2. Dividends**

	Year ended	
	March 31, 2019	March 31, 2020
1Q-end dividends per share (Yen)	-	-
2Q-end dividends per share (Yen)	413.00	246.00
3Q-end dividends per share (Yen)	-	-
Year-end dividends per share (Yen)	345.00	342.00
Annual dividends per share (Yen)	758.00	588.00
Total dividends (Millions of yen)	124,458	92,213
Payout ratio (%)	50.1	50.2
Dividend on equity (%)	15.1	11.1

Note: The year-end dividends per share for the year ended March 31, 2020 shown above are forecast. Please refer to the press release "Announcement on Dividends Forecast Revision for the Fiscal Year Ended March 31, 2020" published today.

The dividend forecast for the next fiscal year (the year ending March 31, 2021) will be released when it is possible to issue the consolidated financial forecast.

**3. Financial Forecasts for the Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)**

The consolidated financial forecast for the next fiscal year (the year ending March 31, 2021) will be issued as soon as it becomes possible to estimate the forecast reasonably considering the impact of the novel coronavirus (COVID-19) on the macro economy.

**Notes**

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries associated with changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatements

1. Changes in accounting policies along with changes in accounting standards: Yes

2. Other changes of accounting policies besides the number 1 above: None

3. Changes in accounting estimates: None

4. Restatements: None

Please refer to "Notes" on page 15 for further information.

(3) Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury stock)

As of March 31, 2020 : 157,210,911 shares

As of March 31, 2019 : 165,210,911 shares

2. Number of shares of treasury stock

As of March 31, 2020: 1,685,556 shares

As of March 31, 2019: 1,252,517 shares

3. Average number of shares outstanding

Year ended March 31, 2020: 158,219,782 shares

Year ended March 31, 2019: 164,000,466 shares

Note: The number of shares of treasury stock includes the Company's shares held by "Executive compensation Board Incentive Plan (BIP) trust" and "share-delivering Employee Stock Ownership Plan (ESOP) trust". (472,030 shares as of March 31, 2020, 249,701 shares as of March 31, 2019)

In addition, these Company's shares are included in the treasury stock which is deducted in calculating the average number of shares.

**(Reference) Non-consolidated Financial Results for the Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)****(1) Operating results**

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ended			
	March 31, 2019		March 31, 2020	
		%		%
Net sales (Millions of yen)	1,158,480	10.0	1,029,433	(11.1)
Operating income (Millions of yen)	146,269	19.1	101,737	(30.4)
Ordinary income (Millions of yen)	352,693	174.4	209,769	(40.5)
Net income (Millions of yen)	312,750	242.3	177,514	(43.2)
Net income per share of common stock (Yen):				
Basic	1,907.01		1,121.95	
Diluted	1,898.99		1,115.68	

**(2) Financial position**

	As of	
	March 31, 2019	March 31, 2020
Total assets (Millions of yen)	978,113	1,005,178
Total net assets (Millions of yen)	540,384	479,859
Equity ratio (%)	54.5	46.7
Net assets per share (Yen)	3,250.92	3,018.59
Equity:	469,467 million yen (as of March 31, 2020)	533,015 million yen (as of March 31, 2019)

## \* Status of implementation of audit procedures

This Summary of Consolidated Financial Results is outside the scope of external auditor's audit procedures under the Financial Instruments and Exchange Act.

## \* Explanation of the appropriate use of financial forecast:

The financial forecasts and estimates in this Summary of Consolidated Financial Results are based on information available to the Company at the time of report issuance and certain assumptions judged to be reasonable by the Company, and therefore are not guarantees of future performance. Consequently, actual results may differ substantially from those described in this Summary of Consolidated Financial Results. The Company plans to hold an online conference for investors and analysts on April 30, 2020. Supplementary materials to be used at the conference will be posted on the Company's website.

# 1. Overview of Operating Results and Consolidated Financial Conditions

## (1) Overview of Operating Results

### (i) Business Environment during the Fiscal Year Ended March 31, 2020

During the fiscal year under review, the global economy, particularly in the U.S., was generally robust. However, the future is becoming increasingly uncertain due to the spread of the novel coronavirus (COVID-19).

In the electronics industry, where the Tokyo Electron (TEL) Group operates, investment in memory for data centers is beginning to recover, and demand for high-performance processors in anticipation of the full-scale popularization of smartphones compliant with the next-generation communication standard (5G), is increasing, the market for semiconductor production equipment has returned to a growth trajectory. Although it will be necessary to continue to monitor the impact of COVID-19, the market for semiconductor production equipment is expected to continue to grow.

### (ii) Overview of Profit and Loss during the Fiscal Year Ended March 31, 2020

In this environment, the consolidated business results for the fiscal year under review are as follows.

Net sales for the fiscal year decreased 11.8% from the previous fiscal year to 1,127,286 million yen. Domestic net sales decreased 22.5% from the previous year to 161,812 million yen, while overseas net sales decreased 9.7% to 965,474 million yen to account for 85.6% of net sales.

Cost of sales decreased 10.2% to 675,344 million yen and gross profit decreased 14.1% to 451,941 million yen. As a result, the gross profit margin declined by 1.1 points to 40.1%.

Selling, general and administrative (SG&A) expenses decreased 0.4% to 214,649 million yen, while the ratio to consolidated net sales expanded by 2.2 points to 19.1%.

As a result, operating income decreased 23.6% to 237,292 million yen and operating profit ratio decreased 3.3 points to 21.0%. After netting of non-operating income of 8,452 million yen and non-operating expenses of 765 million yen, ordinary income decreased 23.8% to 244,979 million yen.

Income before income taxes was 244,626 million yen (year-on-year decrease of 23.9%) and net income attributable to owners of parent was 185,206 million yen (year-on-year decrease of 25.4%).

As a result, net income per share was 1,170.57 yen compared to net income per share of 1,513.58 yen in the previous fiscal year.

**(iii) Overview of Operations by Business Segment during the Fiscal Year Ended March 31, 2020**

The overview of each business segment is as described below.

**Semiconductor Production Equipment**

Capital investment in semiconductors for logic/foundries was active and solid with the transition to the latest generation. The semiconductor production equipment market was also robust as NAND flash memory and DRAM began to recover after a temporary adjustment phase, with their supply-demand balance showing improvement in the second half of the fiscal year. Consequently, net sales to external customers in this segment during the fiscal year under review were 1,060,997 million yen (year-on-year decrease of 9.1%).

**Flat Panel Display (FPD) Production Equipment**

Although capital investment in large-sized LCD panels for televisions continued, capital investment in small to medium-sized OLED panels for mobile devices has been in a temporary adjustment phase with some adjustments in investment. However, we expect it to trend towards recovery. Consequently, net sales to external customers in this segment during the fiscal year under review were 66,092 million yen (year-on-year decrease of 40.6%).

**Other**

Net sales to external customers in this segment during the fiscal year under review totaled 197 million yen (year-on-year decrease of 0.3%).

**(For reference)****Consolidated Operating Results**

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020						
				First			Second	Full Year
		1Q	2Q	Half	3Q	4Q	Half	
Net Sales	1,278,240	216,421	292,021	508,442	295,453	323,390	618,843	1,127,286
Semiconductor Production Equipment	1,166,781	198,137	271,866	470,004	282,027	308,964	590,992	1,060,997
Japan	206,035	32,534	41,024	73,559	35,944	49,637	85,582	159,141
North America	131,931	28,550	58,893	87,444	61,033	57,294	118,327	205,772
Europe	93,113	20,270	14,439	34,709	10,863	13,326	24,190	58,899
South Korea	305,422	36,903	36,418	73,321	31,066	47,189	78,255	151,577
Taiwan	162,922	48,333	48,713	97,046	76,228	83,127	159,355	256,401
China	206,914	27,090	56,834	83,925	59,112	50,629	109,741	193,667
Southeast Asia	60,440	4,454	15,542	19,997	7,778	7,761	15,539	35,537
FPD Production Equipment	111,261	18,229	20,101	38,330	13,380	14,381	27,761	66,092
Other	197	54	53	108	45	43	88	197
Operating Income	310,571	42,552	59,901	102,454	64,710	70,128	134,838	237,292
Ordinary Income	321,662	44,591	62,100	106,692	64,953	73,334	138,287	244,979
Net Income Attributable to Owners of Parent	248,228	31,894	46,828	78,722	49,329	57,154	106,484	185,206

Note: Intersegment sales or transfers are eliminated.

## **(2) Overview of Consolidated Financial Conditions**

### **(i) Financial Conditions**

Current assets at the end of the current fiscal year were 962,484 million yen, a decrease of 20,412 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 27,728 million yen in cash and deposits, a decrease of 26,500 million yen in short-term investments included in securities, and an increase of 37,845 million yen in inventories.

Tangible fixed assets increased by 25,510 million yen from the end of the previous fiscal year, to 175,580 million yen.

Intangible fixed assets increased by 1,867 million yen from the end of the previous fiscal year, to 10,921 million yen.

Investments and other assets increased by 13,902 million yen from the end of the previous fiscal year, to 129,509 million yen.

As a result, total assets increased by 20,867 million yen from the end of the previous fiscal year, to 1,278,495 million yen.

Current liabilities increased by 77,696 million yen from the end of the previous fiscal year, to 382,578 million yen. This was largely due to an increase of 58,078 million yen in customer advances and an increase of 20,489 million yen in trade notes and accounts payable.

Long-term liabilities increased by 1,596 million yen from the end of the previous fiscal year, to 66,224 million yen.

Net assets decreased by 58,424 million yen from the end of the previous fiscal year, to 829,692 million yen. This was largely due to a decrease of 154,096 million yen resulting from the purchase of treasury stock, a decrease resulting from the payment of 95,513 million yen in year-end dividends for the previous fiscal year and an interim dividend for the current fiscal year, and an increase of 185,206 million yen in net income attributable to owners of parent. As a result, the equity ratio was 64.1%.

### **(ii) Cash Flows**

Cash and cash equivalents at the end of the current fiscal year increased by 15,324 million yen compared to the end of the previous fiscal year, to 247,959 million yen. The combined balance including 90,447 million yen in time deposits and short-term investments with maturities of more than three months that are not included in cash and cash equivalents was 338,406 million yen, a decrease of 54,228 million yen from the end of the previous fiscal year. The overall situation regarding cash flows for the fiscal year was as described below.

Cash flows from operating activities were positive 253,117 million yen, an increase of 63,545 million yen compared to the same period of the previous fiscal year. The major positive factors were 244,626 million yen in income before income taxes, a 58,630 million yen increase in customer advances, and 29,107 million yen in depreciation and amortization. The major negative factors were a 44,065 million yen increase in inventories, and 41,888 million yen in payment of income taxes.

Cash flows from investing activities were positive 15,951 million yen compared to negative 84,033 million yen in the same period of the previous fiscal year. This was largely due to an inflow of 80,000 million yen from a decrease in short-term investments, the payment of 49,369 million yen for the purchase of fixed assets, and payment of 10,449 million yen into time deposits.

Cash flows from financing activities were negative 250,374 million yen compared to negative 129,761 million yen in the same period of the previous fiscal year. This was largely due to the payment of 154,096 million yen for the purchase of treasury stock and the payment of 95,513 million yen in dividends.

**(3) Future Forecast**

The consolidated financial forecast for the next fiscal year (the year ending March 31, 2021) will be issued as soon as it becomes possible to estimate the forecast reasonably considering the impact of the novel coronavirus (COVID-19) on the macro economy.

**(4) Basic Policy on Profit Allocation and Payment of Dividends for the Current and Next Fiscal Years**

TEL utilizes capital reserves to raise corporate value through earnings growth and provide returns directly to shareholders by concentrating investment in high-growth areas and linking dividend payments to business performance.

Basic policy concerning shareholder return is as follows.

## Shareholder Return Policy

- Our dividend policy is to link dividend payments to business performance on an ongoing basis and a payout ratio is around 50% based on net income attributable to owners of parent, with the conditions that an annual dividend per share is not less than 150 yen.

Note: A dividend policy review is required if TEL does not generate net income for two consecutive fiscal years.

- TEL will flexibly consider share buybacks.

The year-end dividend for the current fiscal year (the year ended March 31, 2020) is scheduled to be 342 yen per share. The dividend for the full year will be 588 yen per share, which includes the interim dividend of 246 yen per share.

The dividend forecast for the next fiscal year (the year ending March 31, 2021) will be released when it is possible to issue the consolidated financial forecast.

	Dividend per share		
	2Q-end	Year-end	Total
Current fiscal year (ended March 31, 2020)	246 yen	342 yen	588 yen

**2. Basic philosophy on the selection of accounting standards**

The consolidated financial statements of TEL group have been prepared in conformity with accounting principles generally accepted in Japan. In regard to the application of IFRS, we will pay close attention to domestic and international implementation adoption trends and respond accordingly.

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	177,634	149,906
Trade notes and accounts receivable	146,971	150,134
Securities	215,000	188,500
Merchandise and finished goods	234,102	267,625
Work in process	62,785	69,514
Raw materials and supplies	57,331	54,924
Prepaid consumption tax	49,617	69,034
Others	39,538	12,949
Allowance for doubtful accounts	(84)	(105)
Total current assets	982,897	962,484
<b>Long-term assets</b>		
Tangible fixed assets		
Buildings and structures	169,682	179,379
Accumulated depreciation	(103,692)	(107,139)
Buildings and structures, net	65,990	72,239
Machinery and carriers	122,206	138,555
Accumulated depreciation	(91,846)	(102,844)
Machinery and carriers, net	30,359	35,710
Land	26,849	26,298
Construction in progress	19,643	29,413
Others	31,623	39,089
Accumulated depreciation	(24,397)	(27,172)
Others, net	7,225	11,917
Total tangible fixed assets	150,069	175,580
Intangible fixed assets		
Others	9,054	10,921
Total intangible fixed assets	9,054	10,921
Investments and other assets		
Investment securities	27,853	38,374
Deferred tax assets	63,925	64,729
Net defined benefit assets	3,065	5,837
Others	22,189	21,980
Allowance for doubtful accounts	(1,426)	(1,413)
Total investments and other assets	115,607	129,509
Total long-term assets	274,730	316,011
<b>Total assets</b>	<b>1,257,627</b>	<b>1,278,495</b>



## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	75,448	95,938
Income taxes payable	57,671	52,654
Customer advances	77,247	135,326
Accrued employees' bonuses	33,139	29,139
Accrued warranty expenses	14,097	14,534
Others	47,277	54,986
Total current liabilities	304,882	382,578
<b>Long-term liabilities</b>		
Net defined benefit liabilities	60,600	60,635
Others	4,027	5,588
Total long-term liabilities	64,628	66,224
<b>Total liabilities</b>	369,510	448,802
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	54,961	54,961
Capital surplus	78,011	78,011
Retained earnings	748,827	702,990
Treasury stock, at cost	(11,821)	(29,310)
Total shareholders' equity	869,977	806,652
<b>Accumulated other comprehensive income</b>		
Net unrealized gains (losses) on investment securities	13,024	20,126
Net deferred gains (losses) on hedging instruments	(34)	(52)
Foreign currency translation adjustments	4,366	(4,111)
Accumulated remeasurements of defined benefit plans	(6,585)	(3,313)
Total accumulated other comprehensive income (loss)	10,770	12,648
<b>Share subscription rights</b>	7,368	10,391
<b>Total net assets</b>	888,117	829,692
<b>Total liabilities and net assets</b>	1,257,627	1,278,495

## Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
<b>Net sales</b>	1,278,240	1,127,286
Cost of sales	752,057	675,344
<b>Gross profit</b>	526,183	451,941
Selling, general & administrative expenses		
Salaries and allowances	26,035	25,197
Research and development expenses	113,980	120,268
Others	75,595	69,183
Total selling, general and administrative expenses	215,612	214,649
<b>Operating income</b>	310,571	237,292
Non-operating income		
Interest income	783	1,117
Foreign exchange gain	3,623	2,539
Revenue from grants	833	1,330
Others	6,114	3,465
Total non-operating income	11,354	8,452
Non-operating expenses		
Commission for purchase of treasury stock	-	174
Additional payment of custom tax	-	173
Maintenance and operation costs of closed facilities	57	-
Others	206	418
Total non-operating expenses	263	765
<b>Ordinary income</b>	321,662	244,979
Unusual or infrequent profit		
Gain on sales of fixed assets	101	34
Gain on change in equity	-	136
Gain on sales of investment securities	768	-
Total unusual or infrequent profit	870	171
Unusual or infrequent loss		
Loss on disposal and sales of fixed assets	967	483
Others	56	41
Total unusual or infrequent loss	1,024	524
<b>Income before income taxes</b>	321,508	244,626
Provision for income taxes and enterprise taxes	72,478	65,177
Deferred income taxes	801	(5,757)
Total income taxes	73,280	59,419
<b>Net income</b>	248,228	185,206
<b>Net income attributable to owners of parent</b>	248,228	185,206

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
<b>Net income</b>	248,228	185,206
<b>Other comprehensive income (loss)</b>		
Net unrealized gains (losses) on investment securities	(4,102)	7,099
Net deferred gains (losses) on hedging instruments	(272)	6
Foreign currency translation adjustments	(1,170)	(8,461)
Remeasurements of defined benefit plans	(106)	3,278
Share of other comprehensive income of associates accounted for using the equity method	119	(45)
Total other comprehensive income (loss)	(5,531)	1,878
<b>Comprehensive income</b>	242,696	187,084
<b>(Breakdown)</b>		
Comprehensive income attributable to owners of parent	242,696	187,084

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	54,961	78,011	625,390	(7,518)	750,843
Changes of items during the period					
Cash dividends			(124,754)		(124,754)
Net income attributable to owners of parent			248,228		248,228
Repurchase of treasury stock				(5,004)	(5,004)
Disposal of treasury stock			(36)	701	664
Net changes except for shareholders' equity					
Total changes of items during the period	-	-	123,437	(4,303)	119,133
Balance at end of period	54,961	78,011	748,827	(11,821)	869,977

	Accumulated other comprehensive income					Share subscription rights	Total net assets
	Net unrealized gains (losses) on investment securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	17,134	278	5,507	(6,618)	16,302	4,363	771,509
Changes of items during the period							
Cash dividends							(124,754)
Net income attributable to owners of parent							248,228
Repurchase of treasury stock							(5,004)
Disposal of treasury stock							664
Net changes except for shareholders' equity	(4,109)	(313)	(1,141)	33	(5,531)	3,005	(2,526)
Total changes of items during the period	(4,109)	(313)	(1,141)	33	(5,531)	3,005	116,607
Balance at end of period	13,024	(34)	4,366	(6,585)	10,770	7,368	888,117

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	54,961	78,011	748,827	(11,821)	869,977
Changes of items during the period					
Cash dividends			(95,513)		(95,513)
Net income attributable to owners of parent			185,206		185,206
Repurchase of treasury stock				(154,096)	(154,096)
Disposal of treasury stock			(1,616)	2,684	1,067
Cancellation of treasury stock			(133,922)	133,922	-
Others			10		10
Net changes except for shareholders' equity					
Total changes of items during the period	-	-	(45,836)	(17,488)	(63,325)
Balance at end of period	54,961	78,011	702,990	(29,310)	806,652

	Accumulated other comprehensive income					Share subscription rights	Total net assets
	Net unrealized gains (losses) on investment securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	13,024	(34)	4,366	(6,585)	10,770	7,368	888,117
Changes of items during the period							
Cash dividends							(95,513)
Net income attributable to owners of parent							185,206
Repurchase of treasury stock							(154,096)
Disposal of treasury stock							1,067
Cancellation of treasury stock							-
Others							10
Net changes except for shareholders' equity	7,102	(17)	(8,478)	3,271	1,878	3,022	4,900
Total changes of items during the period	7,102	(17)	(8,478)	3,271	1,878	3,022	(58,424)
Balance at end of period	20,126	(52)	(4,111)	(3,313)	12,648	10,391	829,692

## Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended	Year ended
	March 31, 2019	March 31, 2020
<b>Cash flows from operating activities</b>		
Income before income taxes	321,508	244,626
Depreciation and amortization	24,323	29,107
Amortization of goodwill	354	196
Increase (decrease) in accrued employees' bonuses	(1,165)	(3,802)
Interest and dividend revenue	(2,573)	(1,920)
Decrease (increase) in trade notes and accounts receivable	10,541	(5,370)
Decrease (increase) in inventories	(14,765)	(44,065)
Increase (decrease) in trade notes and accounts payable	(31,752)	22,337
Decrease (increase) in prepaid consumption tax	6,818	(19,508)
Increase (decrease) in accrued consumption tax	(2,845)	6,140
Increase (decrease) in customer advances	(22,077)	58,630
Others	1,399	6,308
Subtotal	289,766	292,679
Receipts from interest and dividends	2,738	2,326
Income taxes paid or refund (paid)	(102,932)	(41,888)
Net cash provided by operating activities	189,572	253,117
<b>Cash flows from investing activities</b>		
Payment into time deposits	-	(10,449)
Payment for purchase of short-term investments	(209,500)	(90,000)
Proceeds from redemption of short-term investments	165,500	170,000
Payment for purchase of fixed assets	(46,517)	(49,369)
Payment for acquisition of intangible assets	(1,563)	(3,383)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	10,754	-
Others	(2,707)	(845)
Net cash provided by (used in) investing activities	(84,033)	15,951
<b>Cash flows from financing activities</b>		
Payment for purchase of treasury stock	(5,004)	(154,096)
Dividends paid	(124,754)	(95,513)
Others	(3)	(764)
Net cash used in financing activities	(129,761)	(250,374)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,020)	(3,369)
<b>Net increase (decrease) in cash and cash equivalents</b>	(25,243)	15,324
<b>Cash and cash equivalents at beginning of period</b>	257,877	232,634
<b>Cash and cash equivalents at end of period</b>	232,634	247,959

## Notes

**Going concern: None**

**Changes in accounting policies, changes in accounting estimates and restatements: Yes**

Changes in accounting policies

Part of consolidated overseas subsidiaries adopted IFRS 16 "Leases" from the beginning of this fiscal year, and recognize all leases as a lessee in principle as assets and liabilities on the balance sheets.

TEL Group elected to use the method to recognize the cumulative effect of initially applying this standard at the date of initial application in accordance with the transitional treatment. Right-of-use assets were recognized at the same value as lease liabilities, and therefore there was no impact on retained earnings at the beginning of the current fiscal year.

The effect of this change on the consolidated financial statements is immaterial.

## Segment information

### (i) General information about reportable segments

A reportable segment is a component or an aggregated component of TEL Group. For each of the components, discrete financial information is available and the operating result is regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance.

The operation of TEL Group consists of segments by products and services based on business units (BUs), and TEL Group identifies as a reportable segment, "semiconductor production equipment (SPE)" and "flat panel display (FPD) production equipment". Products of the SPE segment consist of coater/developers, etch systems, deposition systems, cleaning systems, wafer probers used in the wafer testing process and other semiconductor production equipment. The SPE segment principally develops, manufactures, sells such products and provide services on them.

Products of the FPD production equipment segment consist of coater/developers, etch/ash systems used in the manufacture of flat panel displays. The FPD production equipment segment principally develops, manufactures, sells such products and provide services on them.

### (ii) Means to measure net sales and profit or loss in each reportable segment

The method used to account for each reportable segment is similar to those applied to prepare consolidated financial statements. Intersegment revenues or transfers are based on prevailing market prices.

### (iii) Net sales and profit or loss in reportable segments

Year ended March 31, 2020

(Millions of yen)

	Reportable Segments		Others *1	Total	Adjustments *2	Consolidated *3
	Semiconductor Production Equipment	FPD Production Equipment				
Sales						
Sales to external customers	1,060,997	66,092	197	1,127,286	-	1,127,286
Intersegment sales or transfers	-	-	19,292	19,292	(19,292)	-
Net sales	1,060,997	66,092	19,489	1,146,578	(19,292)	1,127,286
Segment profit (loss)	270,496	10,589	852	281,937	(37,310)	244,626

#### Notes:

\*1. "Others" includes all other operating segments which are not included in the reportable segments, including group-wide logistic services, facility maintenance and insurance.

\*2. "Adjustments" for segment profit (loss) totaling (37,310) million yen mainly consists of research and development costs of (19,796) million yen pertaining to the fundamental research and element research of TEL and other general and administrative costs that do not belong to reportable segments.

\*3. Segment profit (loss) is adjusted against income before income taxes in Consolidated Statements of Income.



## (iv) Impairment loss on fixed assets in reportable segments

The description of this section has been omitted as the amount was immaterial.

## (v) Amortization and balance of goodwill in reportable segments

As of and for the year ended March 31, 2020

(Millions of yen)

	Semiconductor Production Equipment	FPD Production Equipment	Total Reportable Segment
Amortization	196	-	196
Balance at end of the period	910	-	910

## (vi) Income related to negative goodwill in reportable segments

None

**Per share information**

	Year ended March 31, 2020
Net assets per share (Yen)	5,267.96
Net income per share (Yen)	1,170.57
Fully diluted net income per share (Yen)	1,164.02

## Notes:

1. Net income per share and fully diluted net income per share are calculated based on the following elements.

Net income per share (Yen)	
Net income attributable to owners of parent (Millions of yen)	185,206
Net income not pertaining to owners of common stock (Millions of yen)	-
Net income attributable to owners of parent pertaining to common stock (Millions of yen)	185,206
The average number of common stock (Thousands of share)	158,219
Fully diluted net income per share (Yen)	
The adjustments to net income attributable to owners of parent (Millions of yen)	-
Increase in common stock (Thousands of share)	889
[Share subscription rights (Thousands of share)]	[889]
Details of dilutive shares, not included in the computation of fully diluted net income per share as there is no dilution effect.	-

2. The shares of the Company held by "Executive compensation Board Incentive Plan (BIP) trust" and "share-delivering Employee Stock Ownership Plan (ESOP) trust", which are recorded in "Treasury stock, at cost" under shareholders' equity, are included in the treasury stock which is deducted from the number of shares issued and outstanding as of the end of the period when calculating net assets per share. The shares held by the trusts are also included in the treasury stock which is deducted from the number of shares used to calculate the average number of shares outstanding in the period when calculating net income per share and fully diluted net income per share.

The number of treasury shares deducted in the calculation of net assets per share was 472 thousand shares as of the end of this fiscal year, and the average number of treasury shares deducted in the calculation of net income per share and fully diluted net income per share was 398 thousand shares in this fiscal year.

**Significant subsequent event**

None