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August 5, 2021

**Summary of Financial Results for the First Quarter of the Fiscal Year
Ending March 31, 2022
(Three Months Ended June 30, 2021)
[Japan Standards] (Consolidated)**

Name of Listed Company: Sanshin Electronics Co., Ltd. Stock Exchange Listed: 1st Section, Tokyo
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Scheduled date of filing of Quarterly Report: August 10, 2021
Scheduled date of dividend payment: —
Supplementary materials for the quarterly financial results: None
Investor conference for the quarterly financial results: None

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Business Performance for the First Quarter of March 2022 Term
(April 1, 2021 – June 30, 2021)**

(1) Consolidated business performance (cumulative)

(% figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q March 2022 Term	24,514	12.7	461	—	333	—	196	—
1Q March 2021 Term	21,758	(19.7)	(80)	—	(61)	—	(166)	—

(Note) Comprehensive income 1Q March 2022 Term: 236 million yen (—%) 1Q March 2021 Term: -136 million yen (—%)

	Net profit per share	Diluted net profit per share
	Yen	Yen
1Q March 2022 Term	10.23	—
1Q March 2021 Term	(8.70)	—

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020), etc., was applied from the beginning of the consolidated first quarter under review. The figures for 1Q March 2022 term are after application of the Accounting Standard, etc.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q March 2022 Term	83,303	42,828	51.3
March 2021 Term	84,602	43,210	51.0

(Reference) Shareholders' equity 1Q March 2022 Term: 42,774 million yen March 2021 Term: 43,152 million yen

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020), etc., was applied from the beginning of the consolidated first quarter under review. The figures for 1Q March 2022 term are after application of the Accounting Standard, etc.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2021 Term	—	8.00	—	32.00	40.00
March 2022 Term	—				
March 2022 Term (forecast)		30.00	—	20.00	50.00

(Notes) 1. Revision of most recent forecast on dividends: None

2. Breakdown of 2Q-end dividends for March 2022 term: Ordinary dividend 10.00 yen, Commemorative dividend 20.00 yen (dividend to commemorate 70th anniversary of founding)

3. Forecasts for Consolidated Business Performance for March 2022 Term (April 1, 2021 – March 31, 2022)

(% figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to shareholders of parent company		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	55,000	1.9	1,050	87.9	900	87.7	650	77.0	37.55
Full year	108,000	(4.2)	1,570	(27.6)	1,500	(20.2)	1,150	(30.1)	77.95

(Notes) 1. Revision of most recent forecast on earnings: Yes

2. At the Board of Directors meeting held on May 12, 2021, the Company resolved to acquire the Company's treasury stock. The Company plans to acquire 7,000,000 shares of treasury stock on August 13, 2021. The net profit per share in forecasts for consolidated business performance considers the impact of the treasury stock acquisition.

*** Annotations**

(1) Significant subsidiary change in the consolidated cumulative period of this quarter (changes in scope of consolidation): None
Newly added: — Excluded: —

(2) Application of unique accounting to the preparation of quarterly consolidated financial statements: None

(3) Change of accounting principles, change of accounting estimate, and redisplay after revision:

- 1) Change of accounting principles caused by revision of accounting standards: Yes
- 2) Change of accounting principles other than 1): None
- 3) Change of accounting estimate: None
- 4) Redisplay after revision: None

(Note) For details, please refer to the section "2. Quarterly Consolidated Financial Statements and Main Notes - (3) Notes on Quarterly Consolidated Financial Statements (Change of Accounting Principles)" on page 8 of [Appendix].

(4) Number of shares outstanding (ordinary shares)

1) Number of shares outstanding at the end of term (including treasury stock):

1Q March 2022 Term: 24,281,373 shares March 2021 Term: 24,281,373 shares

2) Amount of treasury stock at the end of term:

1Q March 2022 Term: 5,097,539 shares March 2021 Term: 5,097,465 shares

3) Amount of average stock during the term (quarterly total):

1Q March 2022 Term: 19,183,878 shares 1Q March 2021 Term: 19,180,263 shares

(Note) The amount of treasury stock at the end of the term includes Company stock (1Q March 2022 term: 132,800 shares, March 2021 term: 132,800 shares) possessed in a trust related to the Performance-Based Stock Compensation Plan for Directors (with the exception of External Directors). Also, Company stock held in the trust is included in treasury stock to be deducted in the calculation of the amount of average stock during the term (1Q March 2022

term: 132,800 shares, 1Q March 2021 term: 136,700 shares).

* This summary of quarterly financial results is not subject to quarterly review by certified public accountants or auditing corporations.

* Cautionary statement regarding forward-looking statements

The projected results and forward-looking statements included in this document reflect the Company's expectations based on information available at the time of release, and are not intended as a guarantee that the Company will achieve these targets. The actual performance may considerably differ from the forecast due to various factors.

See the section "1. Qualitative Information Concerning the Current Quarterly Settlement - (3) Explanation of Forecasts for Consolidated Business Performance and Other Future Prospects" on page 3 of [Appendix], regarding the relevant matters for the above forecast for the business performance.

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1. Qualitative Information Concerning the Current Quarterly Settlement

The items related to the future contained in this document are decisions made based on present consolidated financial results as of the end of this quarter.

Also, from the beginning of the consolidated first quarter under review, the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020), etc., was applied in accordance with transitional treatment. Details are listed on page 8 “2. Quarterly Consolidated Financial Statements and Main Notes” – “(3) Notes on Quarterly Consolidated Financial Statements (Change of Accounting Principles).”

(1) Explanation of Business Results

In the consolidated first quarter under review, when looking at the global economy, there was recovery of economic activities with a focus on China, Europe, and the United States. However, it is still uncertain when the COVID-19 pandemic will end. Furthermore, there was the reemergence of problems which existed prior to the COVID-19 pandemic; for example, trade friction between China and the United States. Due to such factors, the future remained uncertain.

In the electronics industry, which is one of the Group’s fields of business, semiconductor demand recovered mainly for the automobile industry. Also, in the domestic ICT industry, there was strong investment related to DX (Digital Transformation).

Against this background, in the device business, the Group worked to increase the profitability of existing businesses and to reform our portfolio by cultivating new businesses with high profit margins. In the solution business, we strove to build a subscription-type business model, expand our latest digital technology, and increase the number of customers.

As a result of these efforts, business performance in the consolidated first quarter under review was as follows: Net sales were ¥24,514 million (up 12.7% year-on-year), operating profit was ¥461 million (contrasting with an operating loss of ¥80 million in the same period of the previous fiscal year), and ordinary profit was ¥333 million (contrasting with an ordinary loss of ¥61 million in the same period of the previous fiscal year). This was due to a significant improvement in the performance of the device business year-on-year. Consequently, net profit attributable to shareholders of parent company was ¥196 million (contrasting with a net loss attributable to shareholders of parent company of ¥166 million in the same period of the previous fiscal year).

The operating results for each business segment are as follows:

Device segment

In the device business segment, our leading products are semiconductors (including system LSIs, microcomputers, LCD driver ICs and memory) and electronic components (including connectors, capacitors and circuit boards). These products are sold mainly to electronics manufacturers. We also provide technical support such as software development and module development.

In the consolidated first quarter under review, there was an upswing in production after production activities at customers and suppliers had stagnated in the same period of the previous fiscal year due to new conditions in the global COVID-19 pandemic. Also, sales for home video game consoles increased and strong demand recovered for semiconductors. As a result, net sales were ¥22,343 million (up 15.4% year-on-year). Segment profit was ¥369 million (contrasting with segment loss of ¥143 million in the same period of the previous fiscal year) due to increased revenue and an improved gross profit margin.

Solution segment

In the solution business segment, we provide the optimal ICT infrastructure to each customer by combining network devices, security products, Line-of-Business systems, clouds, and data centers. Furthermore, we provide integrated services in all phases of design, construction, operation, and maintenance while supporting technology that continually evolves through revolutionary technology such as AI and IoT, and through cloud native.

In the consolidated first quarter under review, unlike the device business, there was limited upswing from the same period of the previous fiscal year because the impact of the COVID-19 pandemic had been minimal. Furthermore, overall sales fell. As a result, net sales were ¥2,170 million (down 9.3% year-on-year). In terms of profit, segment loss was ¥36 million (contrasting with segment profit of ¥82 million in the same period of the

previous fiscal year) due to a decrease in gross profit caused by lower revenue and a change in the sales composition, and to an increase in selling, general and administrative expenses caused by increased personnel. In the solution business, net sales tend to be concentrated in the second quarter and fourth quarter, so we expect the segment to become profitable from the second quarter onward.

(2) Explanation of Financial Position

(Assets)

As of June 30, 2021, assets decreased ¥1,299 million compared with March 31, 2021, to ¥83,303 million. This was mainly attributable to a ¥2,961 million decrease in consumption taxes receivable, a ¥1,727 million decrease in notes and accounts receivable–trade, a ¥2,214 million increase in merchandise inventories, and a ¥952 million increase in cash and deposits.

(Liabilities)

As of June 30, 2021, liabilities decreased ¥917 million compared with March 31, 2021, to ¥40,474 million. This was mainly attributable to a ¥512 million decrease in short-term loans payable and a ¥170 million decrease in notes and accounts payable–trade.

(Net Assets)

As of June 30, 2021, net assets decreased ¥381 million compared with March 31, 2021, to ¥42,828 million. This was mainly attributable to a ¥421 million decrease in retained earnings.

(3) Explanation of Forecasts for Consolidated Business Performance and Other Future Prospects

Against a background of strong demand recovery for semiconductors and strong sales for mobile devices and home video game consoles, net sales in the device business are expected to exceed the initial forecast. Therefore, we have revised the forecast for consolidated business performance in the first half of the fiscal year ending March 31, 2022, which was announced on May 12, 2021, to the following figures.. (For details, please refer to the “Notice Regarding Revision of Business Forecast” which was released today.)

In terms of the full-term business performance forecast, no significant changes are observed in business sentiment at the current point in time. However, we have not finished examining how far ahead of schedule our plan is for the third quarter and onward, which is included in the revision of the forecast for consolidated business performance in the first half of the fiscal year. Furthermore, it is difficult to determine the procurement status for semiconductors, for which tight supply and demand continues at the current point in time. It is also difficult to discern the status of the COVID-19 pandemic and the extent of its impact on economic activities. Therefore, we have decided not to change the figures from the forecast that was announced on May 12, 2021. Moving forward, we will review the figures in the full-term business performance forecast, and plan to announce the results at the time of releasing the Summary of Financial Results for the First Half of the Fiscal Year Ending March 31, 2022 (scheduled for November 5, 2021).

In regards to the forecasted figure for dividend per share, the Company made a tender offer for treasury stock of 7,000,000 shares (ordinary stock) from June 22, 2021 to July 19, 2021. This acquisition caused the number of shares eligible for dividends to decrease. Since the Company’s dividend policy (aiming for a consolidated payout ratio of 50%) is linked to net profit attributable to shareholders of parent company, we plan to announce the forecasted figure for dividend per share together with the full-term business performance forecast discussed above. We do not plan to change the forecasted figure for commemorative dividends, which are issued separate from the Company’s dividend policy.

Forecast for Consolidated Business Performance in the First Half

Net sales	¥55,000 million (up 1.9% YoY)
Operating profit	¥1,050 million (up 87.9% YoY)
Ordinary profit	¥900 million (up 87.7% YoY)
Net profit attributable to shareholders of parent company	¥650 million (up 77.0% YoY)

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	March 2021 Term (As of Mar. 31, 2021)	1Q March 2022 Term (As of Jun. 30, 2021)
Assets		
Current assets		
Cash and deposits	25,544	26,496
Notes and accounts receivable–trade	32,696	-
Notes and accounts receivable–trade, and contract assets	-	29,474
Electronically recorded monetary claims	841	2,335
Merchandise inventories	14,333	16,547
Partly-finished work	9	19
Others	4,520	1,972
Allowance for doubtful accounts	(9)	(9)
Total current assets	77,934	76,836
Non-current assets		
Property and equipment	2,701	2,680
Intangible assets	482	460
Investments and other assets		
Others	3,520	3,360
Allowance for doubtful accounts	(35)	(35)
Total investments and other assets	3,484	3,325
Total non-current assets	6,668	6,466
Total assets	84,602	83,303
Liabilities		
Current liabilities		
Notes and accounts payable–trade	13,104	12,933
Short-term loans payable	25,351	24,838
Accrued corporate tax, etc.	288	195
Allowance	501	224
Others	1,730	1,880
Total current liabilities	40,975	40,072
Non-current liabilities		
Net defined benefit liabilities	100	87
Others	316	314
Total non-current liabilities	416	401
Total liabilities	41,392	40,474

(Million yen)

	March 2021 Term (As of Mar. 31, 2021)	1Q March 2022 Term (As of Jun. 30, 2021)
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	5,329	5,329
Retained earnings	33,106	32,684
Treasury stock	(10,348)	(10,348)
Total shareholders' equity	42,899	42,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	583	500
Deferred hedge gains (losses)	(133)	(14)
Foreign currency translation adjustment	(244)	(237)
Remeasurements of defined benefit plans	47	48
Total accumulated other comprehensive income	253	296
Non-controlling interests	58	54
Total net assets	43,210	42,828
Total liabilities and net assets	84,602	83,303

(2) Quarterly Consolidated Profit and Loss Statement, Consolidated Comprehensive Income Statement
 (Quarterly Consolidated Profit and Loss Statement of the First Quarter)

	(Million yen)	
	1Q March 2021 Term (Apr. 1, 2020 – Jun. 30, 2020)	1Q March 2022 Term (Apr. 1, 2021 – Jun. 30, 2021)
Net sales	21,758	24,514
Cost of sales	19,732	21,959
Gross profit on sales	2,025	2,555
Selling, general and administrative expenses	2,105	2,093
Operating profit (loss)	(80)	461
Non-operating profit		
Interest income	4	4
Dividend income	15	15
Foreign exchange gains	12	-
Others	18	18
Total non-operating profit	51	39
Non-operating expenses		
Interest expenses	19	25
Sales discounts	1	4
Foreign exchange losses	-	133
Others	11	5
Total non-operating expenses	32	167
Ordinary profit (loss)	(61)	333
Extraordinary profits		
Gain on sales of investment securities	56	0
Total extraordinary profits	56	0
Net profit (loss) before tax and other adjustments	(4)	333
Corporate, resident and enterprise taxes	59	116
Adjustment for corporate tax, etc.	104	23
Total corporate taxes	163	140
Net profit (loss)	(167)	192
Net profit (loss) attributable to non-controlling interests	(0)	(3)
Net profit (loss) attributable to shareholders of parent company	(166)	196

(Quarterly Consolidated Comprehensive Income Statement of the First Quarter)

	1Q March 2021 Term (Apr. 1, 2020 – Jun. 30, 2020)	1Q March 2022 Term (Apr. 1, 2021 – Jun. 30, 2021)
Net profit (loss)	(167)	192
Other comprehensive income		
Valuation difference on available-for-sale securities	93	(83)
Deferred hedge gains (losses)	(2)	118
Foreign currency translation adjustment	(67)	7
Remeasurements of defined benefit plans, net of tax	6	0
Total other comprehensive income	30	43
Comprehensive income	(136)	236
(Details)		
Comprehensive income attributable to shareholders of parental company	(135)	240
Comprehensive income attributable to non-controlling interests	(0)	(3)

(3) Notes on Quarterly Consolidated Financial Statements

(Notes Regarding Going Concern)

None.

(Notes Regarding Remarkable Change of Shareholders' Equity)

Reduction of General Reserve, Capital Reserve, and Retained Surplus

At the 70th Ordinary General Meeting of Shareholders held on June 18, 2021, the Company resolved to reduce the amount of general reserve, capital reserve and retained surplus.

(1) Purpose of Reducing the General Reserve, Capital Reserve, and Retained Surplus

In order to expand the financial resources for the tender offer for treasury stock that was decided at the Board of Directors meeting held on May 12, 2021, and to ensure flexibility and agility in future capital policy, we reduced the capital reserve and retained surplus. Additionally, after decreasing the amount of capital reserve, we transferred it to other capital surplus; after reducing the retained surplus, we transferred it to retained earnings brought forward; and we transferred the general reserve to retained earnings brought forward. Details are as follows.

(2) Method of Reducing Capital Reserve

Based on the provisions of Paragraph 1, Article 448 of the Companies Act, the capital reserve of ¥5,329,906,456 was reduced with June 30, 2021 as the effective date, and the entire amount of the reduction was transferred to other capital surplus.

(3) Method of Reducing Retained Surplus

Based on the provisions of Paragraph 1, Article 448 of the Companies Act, the retained surplus of ¥670,983,281 was reduced with June 30, 2021 as the effective date, and the entire amount of the reduction was transferred to retained earnings brought forward.

(4) Method of Reducing General Reserve

Based on the provisions of Article 452 of the Companies Act, the general reserve of ¥18,680,000,000 was reduced, and the entire amount of the reduction was transferred to retained earnings brought forward.

(Change of Accounting Principles)

Application of the Accounting Standard for Revenue Recognition, etc.

From the beginning of the consolidated first quarter under review, the Company applies the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter, "the Accounting Standard for Revenue Recognition"), etc. Under this standard, once control of a promised good or service is transferred to the customer, the Company recognizes revenue at the amount that the Company expects to receive in exchange for the good or service.

As a result, mainly in export sales, revenue was recognized at the time of clearing export customs. However, revenue is now recognized when the burden of risk has been transferred to the customer based on the trade conditions stipulated by Incoterms (international commercial terms), etc.

In applying the Accounting Standard for Revenue Recognition, etc., the Company follows the transitional handling stipulated in the proviso in Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative financial effect of applying the new accounting principle retroactively to events before the beginning of the consolidated first quarter under review is added to or subtracted from the retained earnings at the beginning of the first quarter, and the new accounting principle is applied from the balance at the beginning of the first quarter onward. However, the method stipulated in Paragraph 86 of the Accounting Standard for Revenue Recognition is also applied. The new accounting principle is not applied retroactively to contracts in which most revenue is recognized in accordance with the handling before the beginning of the consolidated first quarter under review. In addition, the method stipulated in the proviso (1) in Paragraph 86 of the Accounting Standard for Revenue Recognition is applied. With respect to contract changes conducted before the beginning of the consolidated first quarter under review, accounting is conducted based on the contract terms after all of the contract changes are reflected, and the cumulative financial effect is added to or subtracted from the retained earnings at the beginning of the consolidated first quarter under review.

Applying the Accounting Standard for Revenue Recognition, etc., has insignificant impact on the quarterly

consolidated financial statements.

Because the Accounting Standard for Revenue Recognition, etc., is applied, the item “Notes and accounts receivable–trade” listed under “Current assets” in the consolidated balance sheet for the previous consolidated fiscal year is included in “Notes and accounts receivable–trade, and contract assets” from consolidated first quarter under review onward. In accordance with the stipulation on transitional handling in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, accounting items are not reorganized for the previous consolidated fiscal year as a result in the new method of representation.

Application of the Accounting Standard for Fair Value Measurement, etc.

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30; July 4, 2019; hereinafter, “the Accounting Standard for Fair Value Measurement”), etc., is applied from the beginning of the consolidated first quarter under review. In accordance with the stipulations on transitional handling in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019), the new accounting principle stipulated in the Accounting Standard for Fair Value Measurement, etc., will be applied in the future.

Applying the Accounting Standard for Fair Value Measurement, etc., has no impact on the quarterly consolidated financial statements.

(Additional Information)

Acquisition of Treasury Stock and Tender Offer of Treasury Stock

At the Board of Directors meeting held on May 12, 2021, the Company resolved the acquisition of the Company’s treasury stock based on Paragraph 1 of Article 156 of the Companies Act (Act No. 86 of 2005), as amended (the “Companies Act”), which applies *mutatis mutandis* pursuant to Paragraph 3 of Article 165 of the same Act and the Company’s Articles of Incorporation, and resolved to make a tender offer of treasury stock (the “Tender Offer”) as the specific acquisition method of treasury stock.

Furthermore, the Company planned to make the Tender Offer assuming that a proposal to reduce the general reserve, capital reserve, and retained surplus would be passed at the Company’s Ordinary General Meeting of Shareholders held on June 18, 2021, and the proposal was actually passed.

(1) Purpose of Acquiring Treasury Stock and Making Tender Offer for Treasury Stock

On May 12, 2021, the Company announced its V73 Medium-term Management Plan, which is a three-year plan with the Company’s 73rd term (fiscal year ending March 31, 2024) as the final year. In that plan, the Company set its target to achieve a 5% ROE at an early stage, and stated that, as part of measures for achieving this target, it will promote business structure reform to highly-profitable business with terms for early collection of accounts receivables, which will achieve a small purchase amount relative to net sales compared to unit sales of semiconductors and electronic components, which are the main products in the current net sales composition. The Company also stated that it will optimize capital in conjunction with improving profitability and suppressing an increase in demand for funds as a result of this business structure reform. As part of these measures, the Company decided that it was necessary to make the Tender Offer and resolved to implement the Tender Offer.

(2) Contents of Resolution by the Board of Directors

1) Type of shares to be acquired:	Ordinary stock
2) Total number of shares to be acquired:	7,000,100 shares (maximum)
3) Contents of funds, etc., to be delivered in exchange for acquisition:	Funds
4) Total amount of funds, etc., to be delivered in exchange for acquisition:	15,743,224,900 yen (maximum)
5) Period during which acquisition is possible:	From June 22, 2021 to August 31, 2021

(3) Overview of Tender Offer for Treasury Stock

1) Number of shares scheduled for tender offer:	7,000,000 shares
2) Price of tender offer:	¥2,249 per share
3) Period of tender offer:	From June 22, 2021 to July 19, 2021

- 4) Publication date for commencing the tender offer: June 22, 2021
 5) Settlement start date: August 13, 2021

(4) Result of Tender Offer for Treasury Stock

- 1) Total number of shares tendered: 7,486,162 shares
 2) Total number of shares purchased: 7,000,000 shares
 3) Total acquisition price: ¥15,743,000,000
 4) Scheduled acquisition date: August 13, 2021

(Segment Information and Other)

[Segment Information]

I. Three months ended June 30, 2020 (Apr. 1, 2020 - Jun. 30, 2020)

Information regarding the amounts of sales, profit or loss in each report segment

(Million yen)

	Device segment	Solution segment	Total
Net sales			
Sales to outside customers	19,364	2,393	21,758
Inter-segment sales or transfers	—	—	—
Total	19,364	2,393	21,758
Segment profit (loss)	(143)	82	(61)

(Note) The segment profit (loss) is consistent with the ordinary loss in the quarterly consolidated profit and loss statement.

II. Three months ended June 30, 2021 (Apr. 1, 2021 - Jun. 30, 2021)

1. Information regarding the amounts of sales, profit or loss in each report segment

(Million yen)

	Device segment	Solution segment	Total
Net sales			
Sales to outside customers	22,343	2,170	24,514
Inter-segment sales or transfers	—	—	—
Total	22,343	2,170	24,514
Segment profit (loss)	369	(36)	333

(Note) The segment profit (loss) is consistent with the ordinary profit in the quarterly consolidated profit and loss statement.

2. Items related to changes in report segments, etc.

As described in “(Change of Accounting Principles),” the Company applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020), etc., from the beginning of the consolidated first quarter under review and changed the method of account processing for revenue recognition. Consequently, we similarly changed the method for measuring net sales and profit/loss in business segments.

The impact of the changes on net sales and profit/loss in the business segment is insignificant.