



**2. Dividends**

	Dividend per share					Total dividends (annual) (Million yen)	Payout ratio (consolidated) (%)	Dividend on net assets (consolidated) (%)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen			
March 2020 Term	—	15.00	—	55.00	70.00	1,352	93.2	3.2
March 2021 Term	—	8.00	—	32.00	40.00	772	46.9	1.8
March 2022 Term (forecast)	—	30.00	—	20.00	50.00		84.0	

(Notes) 1. The payout ratio is calculated by dividing the total dividends by the net profit attributable to shareholders of parent company.

2. Breakdown of 2Q-end dividends for March 2022 term: Ordinary dividend 10.00 yen, Commemorative dividend 20.00 yen (dividend to commemorate 70<sup>th</sup> 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	50,000	(7.4)	365	(34.7)	320	(33.3)	200	(45.5)	10.43
Full year	108,000	(4.2)	1,570	(27.6)	1,500	(20.2)	1,150	(30.1)	59.95

**\* Annotations**

(1) Significant subsidiary changes during the term (changes in scope of consolidation): None

Newly added: Excluded:

(2) Changes in accounting principles, changes in accounting estimate, and redisplay after revision:

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

(3) Number of shares outstanding (ordinary shares)

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

March 2021 Term: 24,281,373 shares                      March 2020 Term: 24,281,373 shares

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

March 2021 Term: 5,097,465 shares                      March 2020 Term: 5,101,110 shares

3) Amount of average stock during the term:

March 2021 Term: 19,182,559 shares                      March 2020 Term: 19,179,415 shares

Note: The amount of treasury stock at the end of the term includes Company stock (March 2021 term: 132,800 shares, March 2020 term: 136,700 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 (March 2021 term: 134,317 shares, March 2020 term: 137,592 shares).

**(Reference) Overview of Non-consolidated Results****(1) Non-consolidated Business Performance for March 2021 Term (April 1, 2020 – March 31, 2021)**

(% figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 2021 Term	84,181	(11.9)	436	(37.4)	1,879	71.8	1,921	95.8
March 2020 Term	95,579	8.8	697	55.7	1,094	11.9	981	2.9

	Net profit per share	Diluted net profit per share
	Yen	Yen
March 2021 Term	100.17	—
March 2020 Term	51.17	—

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 2021 Term	64,898	32,234	49.7	1,680.27
March 2020 Term	57,417	31,413	54.7	1,637.81

Reference) Shareholders' equity      March 2021 Term:    32,234 million yen      March 2020 Term:    31,413 million yen

\* This summary of financial results is not subject to audits of 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. Overview of Business Results – (4) Future Prospects" on page 4 of [Appendix] regarding the relevant matters for the above forecast for the business performance.

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## 1. Overview of Business Results

### (1) Overview of Business Results for the Fiscal Year Ended March 31, 2021

During the consolidated fiscal year under review, the global economy overall faced tough conditions due to the prolonged impact caused by the spread of COVID-19. Although vaccinations have started in some regions, countries are forced to engage in economic activities while implementing continued measures to prevent infection, and it is uncertain when the COVID-19 pandemic will end.

In the electronics industry, which is one of the Group's fields of business, the pandemic caused stagnation in the production of semiconductors. Conversely, there were strong sales of televisions, home appliances, and home video game consoles due to stay-at-home demand. Furthermore, there was a sudden recovery in the Chinese automotive market from the second half of the fiscal year. Overall, there was tight supply and demand for semiconductors. In the domestic ICT industry, the COVID-19 pandemic caused a decrease in corporate IT investment. However, investment for digitalization increased due to factors such as the development of environments for remote work.

Against this background, in the device business, the Group promoted a shift of human resources for expanding sales of overseas semiconductor manufacturer products. This was done in conjunction with the cancellation (as of June 30, 2020) of the dealership agreement with Renesas Electronics Corporation, which was previously a main supplier. The Group also strove to make drastic transitions to our profit structure through efforts such as developing new products and business models based on items related to in-vehicle systems, artificial intelligence (AI), and the internet of things (IoT). In the solution business, aiming to establish a robust platform for future growth, the Group committed resources to reinforcing its cloud business, centered on Sanshin Data Center, while bolstering initiatives to expand its number of customer platforms.

As a result of these efforts, business performance in the consolidated fiscal year under review was as follows: Net sales were ¥112,791 million (down 8.4% year-on-year); however, operating profit was ¥2,167 million (up 10.7% year-on-year) due to the Group's efforts to improve the gross profit margin and reduce selling, general and administrative expenses, and ordinary profit was ¥1,878 million (up 1.1% year-on-year). As a result, net profit attributable to shareholders of parent company was ¥1,646 million (up 13.4% year-on-year).

Consolidated performance by segment for the term under review is 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 fiscal year under review, there were increases compared to the previous fiscal year in our strategic device business, which mainly handles IoT products and new overseas products. However, the core device grew only slightly due to the spread of the COVID-19 pandemic and changes in the commercial distribution of suppliers. Moreover, the volume business decreased significantly due to factors such as optimization for the scale of sales as part of business portfolio reform. This resulted in net sales of ¥98,987 million (down 9.2% year-on-year). In terms of profit and loss, although the Group made efforts to reduce selling, general and administrative expenses, there was a decrease in gross profit on sales, and segment profit was ¥172 million (down 58.4% year-on-year).

#### *(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.

For the consolidated fiscal year under review, although overall sales were down compared to the previous fiscal year, the impact caused by the spread of COVID-19 in the solution business was minimal compared to the device segment, and large-scale and highly-profitable bidding projects were strong. As a result, net sales

were nearly the same as the previous fiscal year at ¥13,804 million (down 1.5% year-on-year). Furthermore, in terms of profit and loss, segment profit was ¥1,706 million (up 18.2% year-on-year) due to an improved gross profit margin and a decrease in selling, general and administrative expenses caused by reduced activities during the COVID-19 pandemic.

## **(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2021**

### **(Assets)**

As of March 31, 2021, assets increased ¥10,943 million compared to March 31, 2020, to ¥84,602 million. This was mainly attributable to a ¥7,100 million increase in cash and deposits, a ¥5,145 million increase in notes and accounts receivable-trade, and a ¥1,831 million decrease in merchandise inventories.

### **(Liabilities)**

As of March 31, 2021, liabilities increased ¥9,762 million compared to March 31, 2020, to ¥41,392 million. This was mainly attributable to a ¥10,397 million increase in short-term loans payable.

### **(Net Assets)**

As of March 31, 2021, net assets increased ¥1,181 million compared to March 31, 2020, to ¥43,210 million. This was mainly attributable to a ¥456 million increase in foreign currency translation adjustment and a ¥429 million increase in retained earnings.

## **(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2021**

As of March 31, 2021, cash and cash equivalents increased ¥7,100 million compared to March 31, 2020, to ¥25,544 million. This was due to income resulted from short-term loans, etc., which exceeded expenses resulted from an increase in notes and accounts receivable-trade, etc.

### ***(Operating activities)***

Net cash used in operating activities during the consolidated period under review totaled ¥1,686 million. This was mainly due to expenses from factors such as an increase in notes and accounts receivable-trade and a decrease in note and accounts payable-trade, the total of which exceeded income from factors such as a decrease in inventories. As a result, this represented an expense rise of ¥13,756 million when considering the income of ¥12,069 million in the previous consolidated fiscal year.

### ***(Investing activities)***

Net cash used in investing activities during the consolidated period under review totaled ¥380 million due to factors such as the purchase of investment securities, the purchase of property and equipment, etc. Compared to the previous consolidated fiscal year, this represented an expense increase of ¥113 million.

### ***(Financing activities)***

Net cash provided by financing activities during the consolidated period under review totaled ¥8,925 million due to an increase in short-term loans, etc. Since the figure for the previous consolidated fiscal year was an expense of ¥10,292 million, this represented an income rise of ¥19,218 million.

## (Reference) Performance indicators associated with cash flows

	March 2017 Term	March 2018 Term	March 2019 Term	March 2020 Term	March 2021 Term
Ratio of shareholders' equity (%)	65.4	65.7	48.3	57.0	51.0
Ratio of shareholders' equity on current price base (%)	38.0	65.3	41.2	36.3	45.5
Interest-bearing debt to cash flow ratio (year)	2.6	—	2.7	1.3	—
Interest coverage ratio	48.9	—	22.1	44.9	—

Notes: Ratio of shareholders' equity: Shareholders' equity ÷ Total assets

Ratio of shareholders' equity on current price base: Market capitalization ÷ Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debts ÷ Operating cash flow

Interest coverage ratio: Operating cash flow ÷ Interest paid

\* Each indicator is calculated using the consolidated financial figures.

\* The market capitalization is calculated as the share price at term-end multiplied by the number of shares outstanding at term-end (after the deduction of treasury stock).

\* For the operating cash flow, the "cash flow from operating activities" shown in the consolidated statement of cash flows is used. The interest-bearing debts feature all debts bearing interest among the debts listed in the consolidated balance sheets. For the amount of interest paid, the "interest expenses paid" listed in the consolidated statement of cash flows is used.

\* Figures for the interest-bearing debt to cash flow ratio and the interest coverage ratio are not recorded when the operating cash flow figure is negative.

**(4) Future Prospects**

## 1) Forecast for the next fiscal year

We expect the impact on business performance caused by the spread of COVID-19 to draw to a close in the future. However, in the device segment, due to full-year impact from the cancellation of the dealership agreement with Renesas Electronics Corporation, which was previously a main supplier, as of June 30, 2020, we forecast a decrease in net sales and gross profit on sales. In the solution segment, we expect a decrease in gross profit on sales compared to the previous consolidated fiscal year, during which there were many large-scale and highly-profitable bidding projects. Additionally, for both segments, it will be difficult to cut selling, general and administrative expenses beyond the previous consolidated fiscal year, during which activities were reduced due to the COVID-19 pandemic. Consequently, the business performance forecast for the next consolidated fiscal year is as shown below.

From among the forecasted number for per share dividends listed below, ordinary dividends are calculated based on the Company's dividend policy with a consolidated dividend payout ratio of 50%, assuming the number of shares subject to dividends as of the end of March 2021. Furthermore, as announced Today in the "Notice Regarding Planned Acquisition of Treasury Stock and Tender Offer of Treasury Stock and Reduction of General Reserve, Capital Reserve, and Retained Surplus," assuming approval for the proposal to reduce the amount of capital reserve and retained surplus and to reverse the general reserve at the 70th Ordinary General Meeting of Shareholders scheduled to be held on June 18, 2021, the Company plans to make a tender offer for treasury stock from June 22, 2021 to July 19, 2021. The total number of ordinary shares to be acquired is up to 7,000 thousand shares and the total acquisition price is up to ¥15,743 million. Therefore, if the tender offer is made and the number of shares subject to dividends changes, the forecasted number for ordinary dividends per share may change accordingly. Moreover since commemorative dividends will be paid separately from the Company's dividend policy, we do not plan to change the forecasted number for commemorative dividends due to making the tender offer.

(Forecast for Consolidated Business Performance)

Net sales:	¥108,000 million (down 4.2% YoY)
Operating profit:	¥1,570 million (down 27.6% YoY)
Ordinary profit:	¥1,500 million (down 20.2% YoY)
Net profit attributable to shareholders of parent company:	¥1,150 million (down 30.1% YoY)
Dividend per share:	¥50 (ordinary dividend of ¥30, commemorative dividend of ¥20) (dividend of ¥40 per share in the previous fiscal year)

2) Full-year forecast for assets, liabilities, net assets, and cash flow

We forecast that total assets at the end of the next consolidated fiscal year will be approximately ¥77,200 million, a decrease of approximately ¥7,400 million compared to the end of the consolidated fiscal year under review. We forecast that this decrease will mainly be attributable to factors including a decrease in cash and deposits, and a decrease in notes and accounts receivable-trade. Furthermore, we forecast that the balance of interest-bearing debt will be approximately ¥18,400 million, a decrease of approximately ¥7,000 million compared to the end of the consolidated fiscal year under review.

We forecast that cash and cash equivalents at the end of the next consolidated fiscal year will be approximately ¥22,500 million, a decrease of approximately ¥3,000 million compared to the end of the consolidated fiscal year under review. We forecast that this decrease will mainly be attributable to expenses from repayment of interest-bearing debt, despite forecasted income from factors such as a decrease in notes and accounts receivable-trade and a decrease in inventories.

The forecast listed above does not include the effect of the future acquisition of treasury stock.

**2. Basic Attitudes Toward the Selection of our Accounting Standards**

For the time being, the Group has applied the Japanese standards to its consolidated financial statements, with consideration given to the comparability of the terms of consolidated financial statements and comparability among enterprises.

As regards the application of international accounting standards, the Group is open to appropriately meet these standards upon consideration of both domestic and overseas circumstances.



**3. Consolidated Financial Statements and Main Notes**  
**(1) Consolidated Balance Sheets**

(Million yen)

	March 2020 Term (As of Mar. 31, 2020)	March 2021 Term (As of Mar. 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	18,443	25,544
Notes and accounts receivable-trade	24,074	32,696
Electronically recorded monetary claims	4,317	841
Merchandise inventories	16,165	14,333
Partly-finished work	0	9
Accrued income	44	60
Consumption taxes receivable	3,900	3,815
Others	627	644
Allowance for doubtful accounts	(7)	(9)
Total current assets	67,566	77,934
Non-current assets		
Property and equipment		
Buildings and structures	4,463	4,608
Accumulated depreciation	(3,267)	(3,329)
Buildings and structures, net	1,195	1,278
Land	1,135	1,135
Leased assets	310	344
Accumulated depreciation	(98)	(139)
Lease assets, net	211	205
Construction in progress	19	-
Other	570	436
Accumulated depreciation	(501)	(355)
Other, net	68	80
Total property and equipment	2,631	2,701
Intangible assets	489	482
Investments and other assets		
Investment securities	2,515	3,067
Deferred tax assets	337	309
Others	152	143
Allowance for doubtful accounts	(35)	(35)
Total investments and other assets	2,970	3,484
Total non-current assets	6,092	6,668
Total assets	73,659	84,602

(Million yen)

	March 2020 Term (As of Mar. 31, 2020)	March 2021 Term (As of Mar. 31, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	14,039	13,104
Short-term loans payable	14,953	25,351
Lease obligations	62	71
Accrued corporate tax, etc.	162	288
Allowance for bonuses to employees	485	472
Allowance for bonuses to Directors and Audit & Supervisory Board members	27	29
Others	1,231	1,659
<b>Total current liabilities</b>	<b>30,962</b>	<b>40,975</b>
<b>Non-current liabilities</b>		
Lease obligations	149	135
Deferred tax liabilities	2	3
Allowance for stock compensation	59	74
Net defined benefit liabilities	352	100
Others	103	102
<b>Total non-current liabilities</b>	<b>667</b>	<b>416</b>
<b>Total liabilities</b>	<b>31,629</b>	<b>41,392</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	14,811	14,811
Capital surplus	5,329	5,329
Retained earnings	32,676	33,106
Treasury stock	(10,353)	(10,348)
<b>Total shareholders' equity</b>	<b>42,464</b>	<b>42,899</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	338	583
Deferred hedge gains (losses)	1	(133)
Foreign currency translation adjustment	(701)	(244)
Remeasurements of defined benefit plans	(120)	47
<b>Total accumulated other comprehensive income</b>	<b>(482)</b>	<b>253</b>
<b>Non-controlling interests</b>	<b>46</b>	<b>58</b>
<b>Total net assets</b>	<b>42,029</b>	<b>43,210</b>
<b>Total liabilities and net assets</b>	<b>73,659</b>	<b>84,602</b>

**(2) Consolidated Profit and Loss Statement, Consolidated Comprehensive Income Statement**  
 (Consolidated Profit and Loss Statement)

(Million yen)

	March 2020 Term (Apr. 1, 2019 – Mar. 31, 2020)	March 2021 Term (Apr. 1, 2020 – Mar. 31, 2021)
Net sales	123,085	112,791
Cost of sales	111,861	101,740
Gross profit on sales	11,224	11,051
Selling, general and administrative expenses	9,265	8,883
Operating profit	1,958	2,167
Non-operating profit		
Interest income	23	18
Dividend income	37	36
Foreign exchange gains	91	-
Others	79	83
Total non-operating profit	232	138
Non-operating expenses		
Interest expenses	268	83
Sales discounts	9	9
Foreign exchange losses	-	282
Others	54	52
Total non-operating expenses	331	427
Ordinary profit	1,858	1,878
Extraordinary profits		
Gain on sales of non-current assets	0	-
Gain on sales of investment securities	40	141
Total extraordinary profits	40	141
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on sales of non-current assets	-	0
Loss on valuation of investment securities	-	0
Loss on valuation of membership	2	-
Total extraordinary losses	3	0
Net profit before tax and other adjustments	1,896	2,019
Corporate, resident and enterprise taxes	250	452
Adjustment for corporate tax, etc.	198	(91)
Total corporate taxes	449	361
Net profit	1,447	1,658
Net profit (loss) attributable to non-controlling interests	(3)	12
Net profit attributable to shareholders of parent company	1,451	1,646

(Consolidated Comprehensive Income Statement)

(Million yen)

	March 2020 Term (Apr. 1, 2019 – Mar. 31, 2020)	March 2021 Term (Apr. 1, 2020 – Mar. 31, 2021)
Net profit	1,447	1,658
Other comprehensive income		
Valuation difference on available-for-sale securities	(236)	245
Deferred hedge gains (losses)	5	(134)
Foreign currency translation adjustment	(406)	456
Remeasurements of defined benefit plans, net of tax	(143)	167
Total other comprehensive income	(780)	735
Comprehensive income	666	2,393
(Details)		
Comprehensive income attributable to shareholders of parental company	670	2,381
Comprehensive income attributable to non-controlling interests	(3)	12

**(3) Consolidated Statements of Changes in Shareholders' Equity**

March 2020 Term (April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2019	14,811	5,329	32,578	(10,356)	42,363
Changes during the term					
Dividends of surplus			(1,352)		(1,352)
Net profit attributable to shareholders of parent company			1,451		1,451
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				3	3
Net changes of items other than shareholders' equity					
Total changes during the term	-	-	98	2	101
Balance as of March 31, 2020	14,811	5,329	32,676	(10,353)	42,464

(Million yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred hedge gains (losses)	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2019	574	(4)	(294)	22	298	50	42,711
Changes during the term							
Dividends of surplus							(1,352)
Net profit attributable to shareholders of parent company							1,451
Purchase of treasury stock							(0)
Disposal of treasury stock							3
Net changes of items other than shareholders' equity	(236)	5	(406)	(143)	(780)	(3)	(784)
Total changes during the term	(236)	5	(406)	(143)	(780)	(3)	(682)
Balance as of March 31, 2020	338	1	(701)	(120)	(482)	46	42,029

March 2021 Term (April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2020	14,811	5,329	32,676	(10,353)	42,464
Changes during the term					
Dividends of surplus			(1,216)		(1,216)
Net profit attributable to shareholders of parent company			1,646		1,646
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				5	5
Net changes of items other than shareholders' equity					
Total changes during the term	-	-	429	5	434
Balance as of March 31, 2021	14,811	5,329	33,106	(10,348)	42,899

(Million yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred hedge gains (losses)	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2020	338	1	(701)	(120)	(482)	46	42,029
Changes during the term							
Dividends of surplus							(1,216)
Net profit attributable to shareholders of parent company							1,646
Purchase of treasury stock							(0)
Disposal of treasury stock							5
Net changes of items other than shareholders' equity	245	(134)	456	167	735	11	746
Total changes during the term	245	(134)	456	167	735	11	1,181
Balance as of March 31, 2021	583	(133)	(244)	47	253	58	43,210

**(4) Consolidated Statement of Cash Flows**

(Million yen)

	March 2020 Term (Apr. 1, 2019 – Mar. 31, 2020)	March 2021 Term (Apr. 1, 2020 – Mar. 31, 2021)
<b>Operating activities</b>		
Net profit before tax and other adjustments	1,896	2,019
Depreciation and amortization	187	224
Amortization of goodwill	6	17
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in allowance for stock compensation	31	20
Increase (decrease) in net defined benefit liabilities	(63)	(14)
Interest and dividend income	(60)	(54)
Interest expenses	268	83
Loss (gain) on sales of non-current assets	(0)	0
Loss (gain) on sales of investment securities	(40)	(141)
Loss (gain) on valuation of investment securities	-	0
Decrease (increase) in notes and accounts receivable-trade	18,344	(4,633)
Decrease (increase) in inventories	(1,582)	1,890
Increase (decrease) in notes and accounts payable-trade	(4,159)	(1,114)
Decrease (increase) in consumption taxes refund receivable	(1,533)	85
Increase (decrease) in accrued consumption taxes	4	4
Others	(500)	268
Subtotal	12,797	(1,343)
Interest and dividend income received	66	61
Interest expenses paid	(268)	(83)
Corporate and other taxes paid	(526)	(322)
Net cash provided by (used in) operating activities	12,069	(1,686)
<b>Investing activities</b>		
Purchase of property and equipment	(77)	(171)
Proceeds from sales of property and equipment	0	0
Purchase of software	(184)	(77)
Purchase of investment securities	(153)	(241)
Proceeds from sales of investment securities	161	180
Others	(13)	(70)
Net cash used in investing activities	(266)	(380)
<b>Financing activities</b>		
Net increase (decrease) in short-term loans payable	(8,867)	10,218
Repayment of long-term loans	(6)	-
Repayments of lease obligations	(70)	(77)
Net decrease (increase) in treasury stock	(0)	(0)
Cash dividends paid	(1,347)	(1,214)
Net cash provided by (used in) financing activities	(10,292)	8,925
Effect of exchange rate change on cash and cash equivalents	(130)	241
Net increase (decrease) in cash and cash equivalents	1,379	7,100
Balance of cash and cash equivalents, beginning of the period	17,064	18,443
Balance of cash and cash equivalents, end of the period	18,443	25,544

**(5) Notes on Consolidated Financial Statements  
(Notes Regarding Going Concern)**

None

**(Additional Information)**

**Performance-Based Stock Compensation Plan for Directors**

The Company has introduced a Performance-Based Stock Compensation Plan for Directors, for the purpose of further clarifying the link between the compensation to the Company's Directors (excluding External Directors) and the value of its shares. With the introduction of the Performance-Based Stock Compensation Plan, Directors will not only enjoy the advantages when the Company's share price rises but also bear the risks when the share price declines, sharing with shareholders the benefits and risks of fluctuations in share prices. This move is intended ultimately to incentivize Directors to increase medium-to-long-term business results and increase enterprise value.

1) Overview of transactions

In the Performance-Based Stock Compensation Plan, a trust that is funded by Company expenditures acquires shares in the Company. The Board of Directors establishes regulations for the granting of shares, according to which each Director is awarded points for his or her degree of accomplishment of numerical targets based on management indices. Each Director is then awarded the Company's shares in proportion to the points awarded, through the trust. In principle, the shares are awarded to Directors at the time of their resignation or retirement.

2) Accounting treatment of Company shares remaining in the trust

The book value of the trust (net of ancillary expenses) for shares held by the trust was ¥195 million in the previous consolidated fiscal year and ¥190 million in the consolidated fiscal year under review, and is recorded as treasury stock in the shareholders' equity.

The number of said shares was 136,000 as of the end of the previous consolidated fiscal year and 132,000 as of the end the fiscal year under review. The average number of shares was 137,000 during the previous consolidated fiscal year and 134,000 during the fiscal year under review. These shares are included in the shares of treasury stock excluded for calculation of per share information.



## **(Segment Information and Other)**

### [Segment Information]

#### 1. Outline of Report Segments

The report segments are composition units of the Company for which separate financial information is available. The Board of Directors reviews these segments periodically to determine the allotment of managerial resources and evaluate the financial results.

The Company has business headquarters for individual merchandise and services. The business headquarters work out domestic and overseas comprehensive strategies about their merchandise and services, and do business activities according to the strategies.

Therefore, the Company is organized in two segments by merchandise and services based on business headquarters. They are device segment and solution 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 and capacitors). These products are sold mainly to electronics manufacturers. We also provide technical support such as software development and module development.

In the solution business segment, we are committed to design, construction, operation and maintenance of infrastructure for private companies as well as government offices and municipalities, focusing on communication networks. For Line-of-Business systems, we offer services deriving from provision of package software, such as individually developed and customized solutions. We also provide broadcast stations and production companies with systems for editing, transmission and distribution of video content, centered on products from suppliers abroad.

#### 2. Amount calculation methods for sales, profit or loss, assets, liabilities, and other items in each report segment

The accounting method in the reported business segments is almost the same as that used for preparing the consolidated financial statements.

Profit (loss) in the report segments are based on ordinary profit (loss).

## 3. Information regarding the amounts of sales, profit or loss, assets, liabilities, and other items in each report segment

March 2020 Term (Apr. 1, 2019 – Mar. 31, 2020)

(Million yen)

	Report segment			Adjustment amount (Note 1)	Amount accounted on consolidated financial statements (Note 2)
	Device segment	Solution segment	Total		
Net sales					
Sales to outside customers	109,075	14,010	123,085	-	123,085
Inter-segment sales or transfers	-	-	-	-	-
Total	109,075	14,010	123,085	-	123,085
Segment profit	415	1,443	1,858	-	1,858
Segment assets	46,734	5,336	52,071	21,587	73,659
Other items					
Depreciation and amortization (Note 3)	138	49	187	-	187
Increase of property and equipment and intangible assets	218	55	273	231	505

Notes: 1. The adjustment amount of segment assets includes investment capital (cash, deposits, and securities), long-term investment (investment in securities), and assets related to the management divisions of the Company.

2. The segment profit coincides with the ordinary profit in the consolidated profit and loss statement.

3. The depreciation and amortization do not include the amortization of goodwill.

March 2021 Term (Apr. 1, 2020 – Mar. 31, 2021)

(Million yen)

	Report segment			Adjustment amount (Note 1)	Amount accounted on consolidated financial statements (Note 2)
	Device segment	Solution segment	Total		
Net sales					
Sales to outside customers	98,987	13,804	112,791	-	112,791
Inter-segment sales or transfers	-	-	-	-	-
Total	98,987	13,804	112,791	-	112,791
Segment profit	172	1,706	1,878	-	1,878
Segment assets	50,530	5,642	56,173	28,429	84,602
Other items					
Depreciation and amortization (Note 3)	170	54	224	-	224
Increase of property and equipment and intangible assets	232	44	277	80	358

Notes: 1. The adjustment amount of segment assets includes investment capital (cash, deposits, and securities), long-term investment (investment in securities), and assets related to the management divisions of the Company.

2. The segment profit coincides with the ordinary profit in the consolidated profit and loss statement.

3. The depreciation and amortization do not include the amortization of goodwill.

[Related information]

March 2020 Term (Apr. 1, 2019 – Mar. 31, 2020)

1. Information of products and services

The information by product and service coincides with that by report segment, and is, therefore, omitted.

2. Information of regions

(1) Net sales

(Million yen)

Japan	Asia	North America	Others	Total
55,929	66,470	357	328	123,085

(2) Property and equipment

As the amount of property and equipment in Japan exceeds 90% of the amount stated in the consolidated balance sheets, description is omitted.

3. Information of major clients

(Million yen)

Name of client	Net sales	Related segments
SHARP CORPORATION	16,552	Mainly device segment

March 2021 Term (Apr. 1, 2020 – Mar. 31, 2021)

1. Information of products and services

The information by product and service coincides with that by report segment, and is, therefore, omitted.

2. Information of regions

(1) Net sales

(Million yen)

Japan	Asia	North America	Others	Total
47,400	64,548	727	114	112,791

(2) Property and equipment

As the amount of property and equipment in Japan exceeds 90% of the amount stated in the consolidated balance sheets, description is omitted.

3. Information of major clients

As none of the items among net sales to outside customers account for 10% or more of net sales on the consolidated profit and loss statement, description is omitted.

[Information regarding impairment loss for non-current assets in each report segment]

None

[Information regarding the amount of amortization of goodwill and the balance in each report segment]

March 2020 Term (Apr. 1, 2019 – Mar. 31, 2020)

(Million yen)

	Device segment	Solution segment	Elimination/Corporate	Total
Amount of amortization	6	-	-	6
Balance at term-end	111	-	-	111

March 2021 Term (Apr. 1, 2020 – Mar. 31, 2021)

(Million yen)

	Device segment	Solution segment	Elimination/Corporate	Total
Amount of amortization	57	-	-	57
Balance at term-end	124	-	-	124

[Information regarding profit on negative goodwill in each report segment]

None

**(Per Share Information)**

(Yen)

	March 2020 Term (Apr. 1, 2019 – Mar. 31, 2020)	March 2021 Term (Apr. 1, 2020 – Mar. 31, 2021)
Net assets per share	2,188.84	2,249.40
Net profit per share	75.66	85.82

Notes: 1. Diluted net profit per share is not presented since the Company has no dilutive shares.

2. Shares of the Company which are owned by a trust in connection with the Performance-Based Stock Compensation Plan for Directors (excluding the External Directors) and which are recorded as treasury stock in shareholders' equity are included in the shares of treasury stock that are excluded from the total number of shares outstanding at the end of term for calculation of net assets per share (previous consolidated fiscal year: 136,700 shares, current consolidated fiscal year: 132,800 shares), and also are included in treasury stock excluded in the calculation of amount of average stock during the term for calculation of net profit per share (previous consolidated fiscal year: 137,592 shares, current consolidated fiscal year: 134,317 shares).

3. Net profit per share was calculated on the following basis.

(Million yen)

	March 2020 Term (Apr. 1, 2019 – Mar. 31, 2020)	March 2021 Term (Apr. 1, 2020 – Mar. 31, 2021)
Net profit attributable to shareholders of parent company	1,451	1,646
Amount not attributable to ordinary shareholders	-	-
Net profit attributable to shareholders of parent company available to ordinary shares	1,451	1,646
Average shares outstanding available to ordinary shares (thousand shares)	19,179	19,182

**(Significant Subsequent Events)**

**Planned Acquisition of Treasury Stock and Tender Offer of Treasury Stock and Reduction of General Reserve, Capital Reserve, and Retained Surplus**

At today's Board of Directors meeting, the Company resolved to acquire treasury stock and make a tender offer for treasury stock as a specific acquisition method based on provisions in the Company's Articles of Incorporation and on Paragraph 1, Article 156 of the Companies Act (Act No. 86 of 2005; including subsequent amendments), as applied pursuant to the provisions stated in Paragraph 3, Article 165 of the Companies Act. The Company also resolved to make a separate proposal regarding the reduction of general reserve, capital reserve, and retained surplus at the Ordinary General Meeting of Shareholders scheduled to be held in June 2021.

The tender offer is scheduled to be executed based on the premise that a separate proposal regarding the reduction of general reserve, capital reserve, and retained surplus will be passed at the Ordinary General Meeting of Shareholders scheduled to be held in June 2021.

For details, please refer to the "Notice Regarding Planned Acquisition of Treasury Stock and Tender Offer of Treasury Stock and Reduction of General Reserve, Capital Reserve, and Retained Surplus" that was released today.

**4. Other**

**(1) Changes in Operating Officers (Scheduled for June 18, 2021)**

· Promotion

Director, Senior Operating Officer Koji Sakamoto (currently Director, Operating Officer)

Director, Senior Operating Officer Mitsuhiro Ogawa (currently Director, Operating Officer)