

Briefing Materials on the Financial Results for the Year Ended March 2022

May 20, 2022

 SANSHIN ELECTRONICS CO., LTD.

Toshiro Suzuki, Representative Director, COO

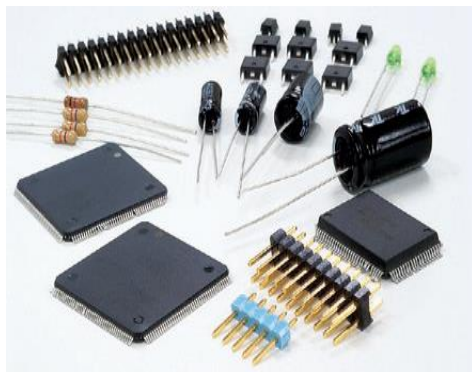
(Stock code: 8150)

As a general electronics trading company committed to being “customers’ best partner,” Sanshin Electronics runs two major businesses: device business and solution business.

Device Business

— Addressing diversified market needs through a wide product lineup —

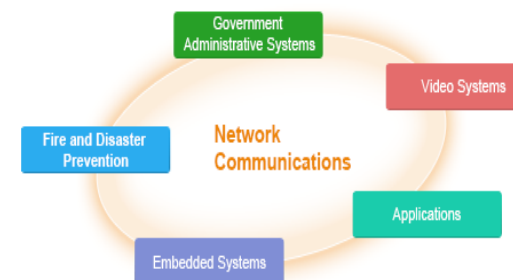
We cover a wide array of manufacturers, from both domestic and overseas major semiconductors/electronic parts makers all the way to emerging manufacturers that are currently developing products with excellent performance. In a time when market needs are constantly diversifying, we respond to our customers’ requests through a full lineup and detailed system of both domestic and overseas sales.



Solution Business

— Building up social infrastructures interconnected through ICT —

With information and telecommunications network at the core of our operations, we are committed to proposing and building up the optimal system to fit our customers’ needs. We provide our customers with a safe and reliable infrastructure through bundled services, including a support menu, after the system implementation.



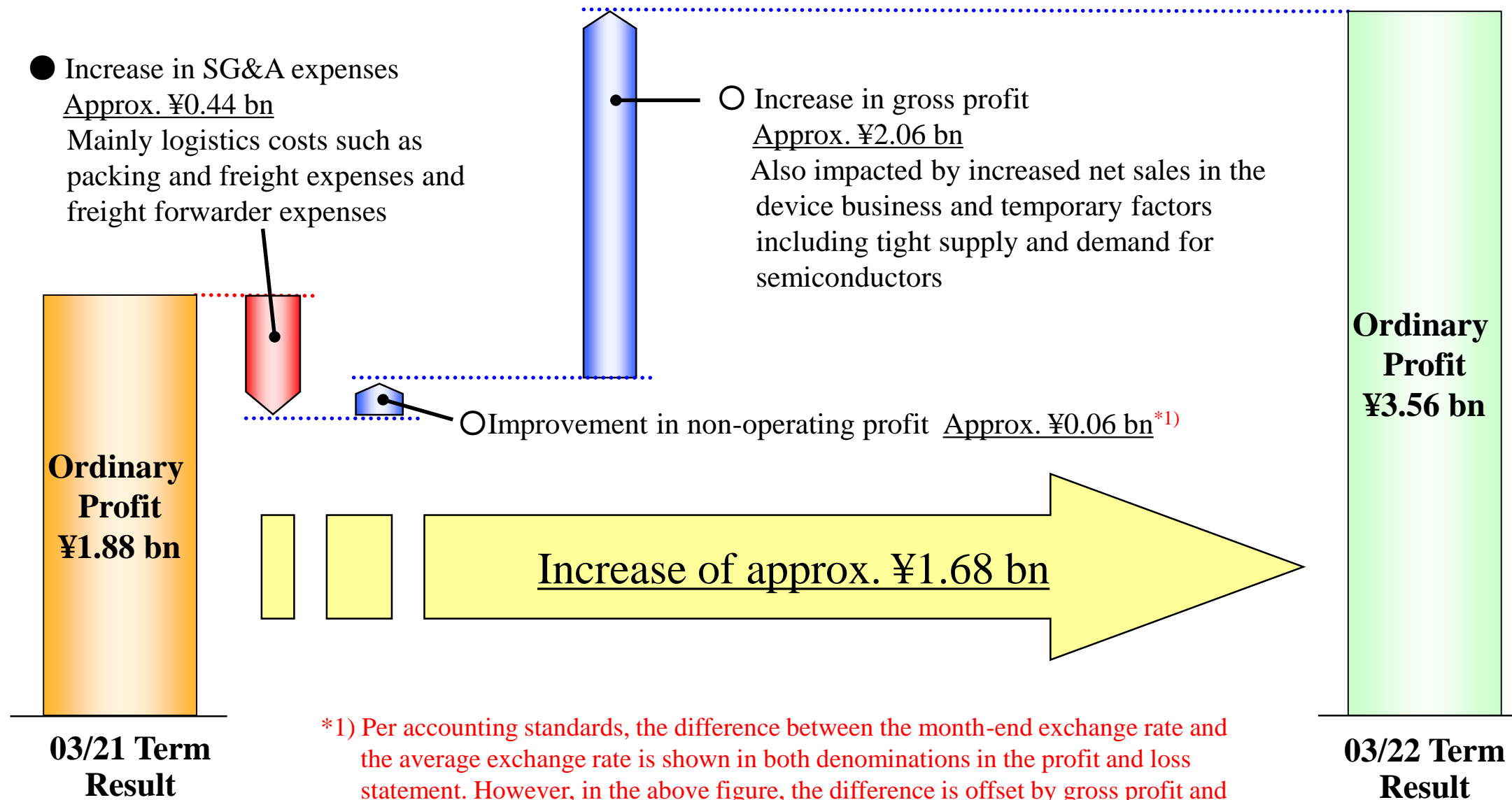
I. Year Ended March 2022 Performance Summary

- Net sales increased by 10% year-on-year, profit increased significantly due to growing sales despite higher SG&A expenses, and ROE increased to 6.8%.

	03/21 Result	03/22 Result	YoY Change	Forecast ^{*1)}	Achievement Ratio	
Net Sales	1,127.9	1,235.8	110%	1,200.0	103%	
Gross Profit on Sales	9.8% 110.5	10.9% 135.3	122%	Not announced	—	
SG&A Expenses	7.9% 88.8	7.5% 93.2	105%	Not announced	—	
Operating Profit	1.9% 21.7	3.4% 42.1	194%	2.9% 35.0	120%	
Ordinary Profit	1.7% 18.8	2.9% 35.6	189%	2.6% 31.0	115%	
Net Profit Attributable to Shareholders of Parent Company	1.5% 16.5	2.0% 25.3	153%	1.9% 23.0	110%	
ROE	3.9%	6.8%	+2.9P	Not announced	—	
Annual Dividend Per Share	Ordinary Dividend	¥40	¥80	+¥40	¥80	±¥0
	Commemorative Dividend	—	¥20	+¥20	¥20	±¥0
	Total	¥40	¥100	+¥60	¥100	±¥0
Payout Ratio	46.9%	48.8%	+1.9P	Not announced	—	
Exchange Rate (1 US dollar)	¥106.06	¥112.38	¥6.32	Not announced	—	

*1) Figures in the Forecast section are based on results announced for the third quarter of the fiscal year ended March 31, 2022 (announced on February 3, 2022).

*2) Figures in the YoY Change section for ROE, annual dividend per share, payout ratio and exchange rate, and in Achievement Ratio section for annual dividend per share represent increases or decreases.



*1) Per accounting standards, the difference between the month-end exchange rate and the average exchange rate is shown in both denominations in the profit and loss statement. However, in the above figure, the difference is offset by gross profit and non-operating profit and loss, and the actual increase or decrease is shown.

■ Device Business

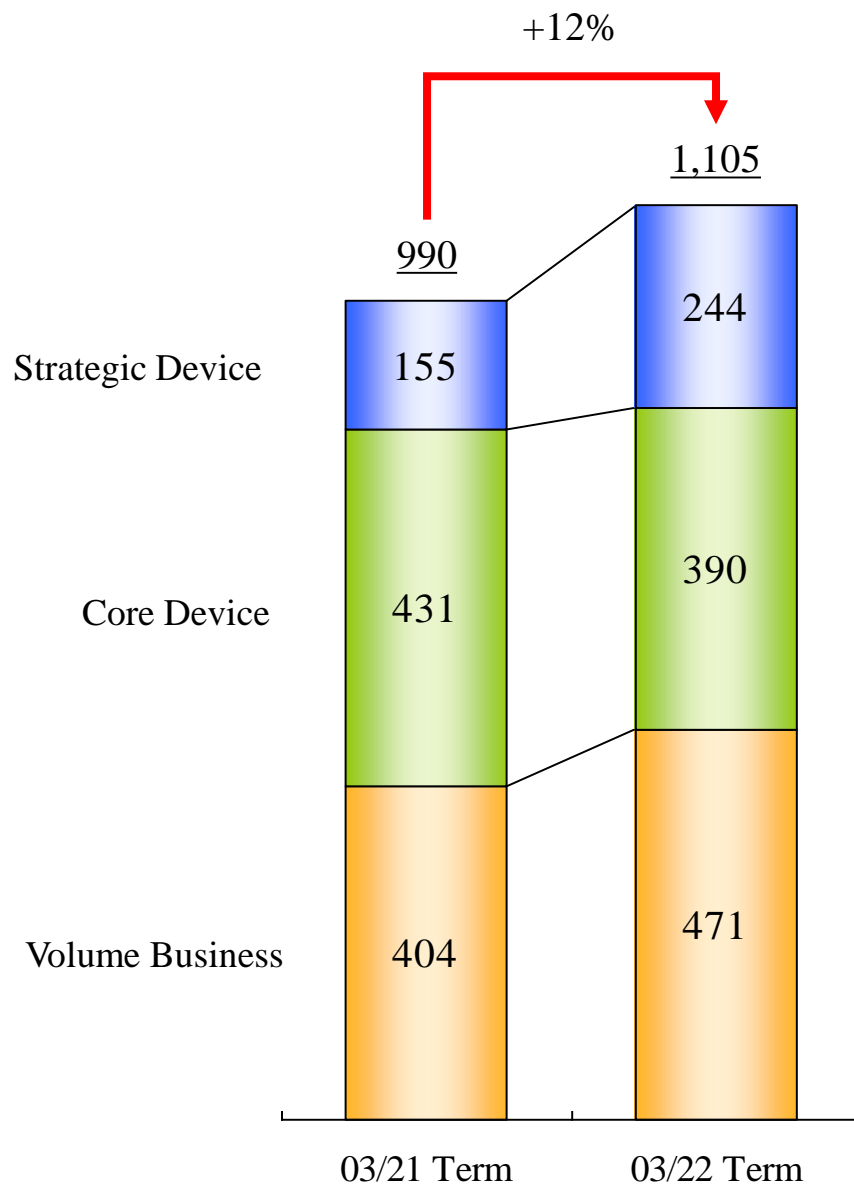
- We cancelled our dealership agreement with Renesas Electronics Corporation in June of the previous fiscal year, and sales of products from Renesas decreased as a result. However, overall sales were strong due to factors such as growth of products of overseas semiconductor manufacturers, expansion of commercial sales rights of existing suppliers, and acquisition of commercial sales rights of new suppliers.
- There were also temporary factors including the tight supply and demand for semiconductors, etc., and we achieved increased segment profit.

■ Solution Business

- Although sales were strong in the video systems field, overall sales in other fields stagnated due to factors such as late delivery of products caused by the tight supply and demand for semiconductors.
- Although gross profit margin was nearly the same as the previous fiscal year, segment profit fell due to decreased net sales and increased SG&A expenses caused by a higher number of employees.

		03/21 Term Result	03/22 Term Result	YoY Change
Device Business	Net Sales	989.9	1,105.2	112%
	Operating Profit	1.6% 15.7	3.6% 40.1	255%
	Segment Profit	0.2% 1.7	2.0% 21.9	1265%
Solution Business	Net Sales	138.0	130.6	95%
	Operating Profit	15.2% 21.0	14.0% 18.3	87%
	Segment Profit	12.4% 17.1	10.5% 13.7	80%
Exchange rate (1 US dollar)		¥106.06	¥112.38	¥6.32

*The figure in the YoY Change section for exchange rate represents an increase or decrease in amount.



By Business Category of Device Business

【 Year-to-Year Comparison of Fluctuations 】

■ Volume Business

- Sales for mobile devices were strong
- Recovery for social infrastructure

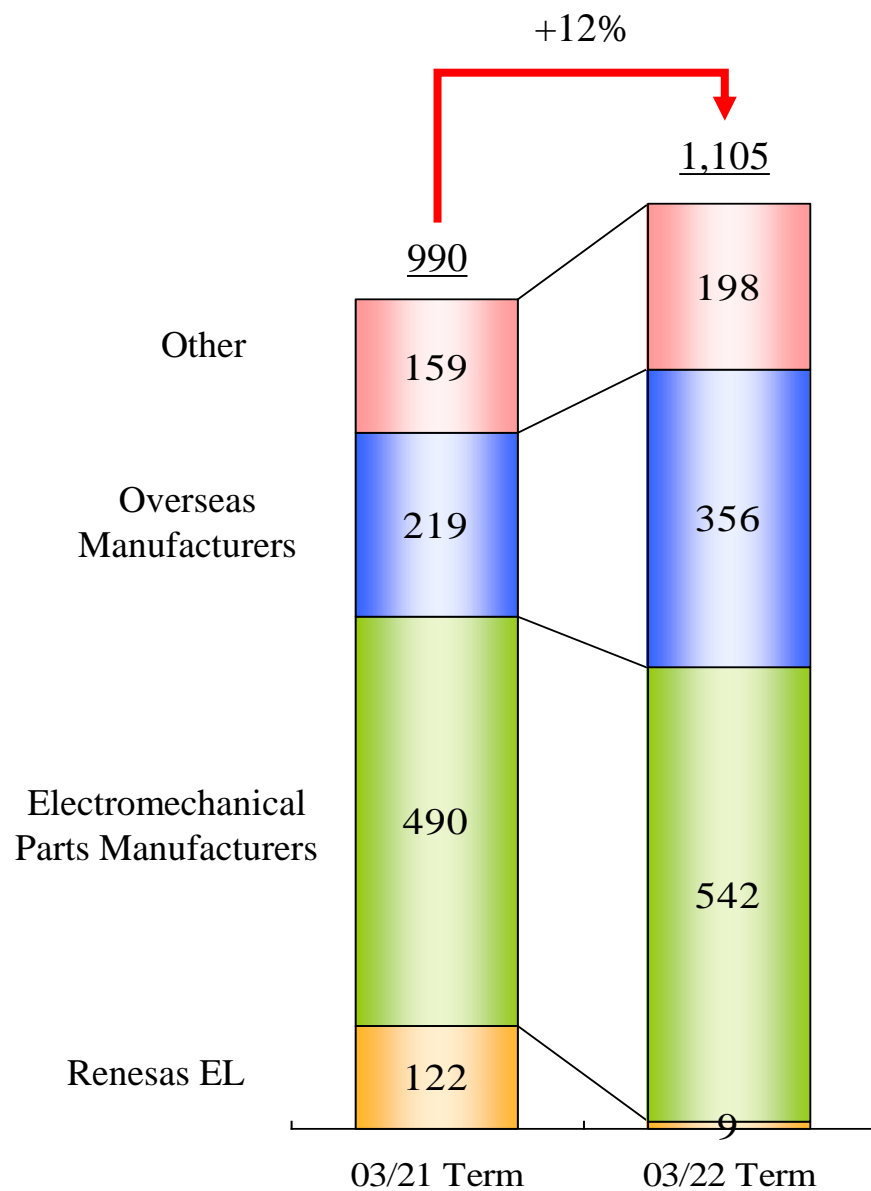
■ Core Device

- Significant decrease due to cancellation of dealership agreement with Renesas EL
- Sales for gaming consoles were strong
- Increase for industry, vehicle-mounted business, storage, etc.
- Increase in commercial sales rights of existing suppliers

■ Strategic Device

- Increase in overseas merchandise such as wireless merchandise/analog semiconductors
- Acquisition of commercial sales rights of new suppliers

	YoY Change
Volume Business	+17%
Core Device	-10%
Strategic Business	+58%

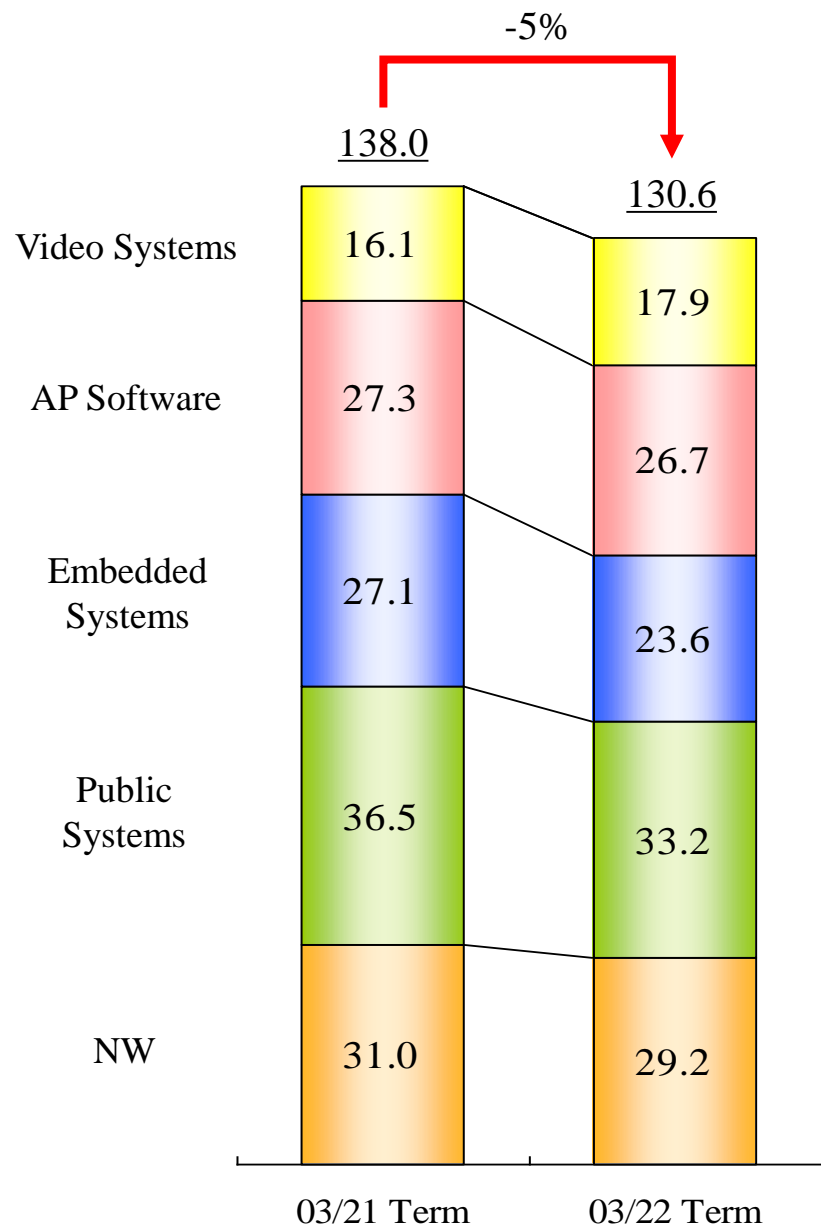


By Supplier of Device Business

【Year-to-Year Comparison of Fluctuations】

- Renesas EL
- Significant decrease due to cancellation of dealership agreement
- Electromechanical Parts Manufacturers
- Sales for mobile devices and gaming consoles were strong
- Overseas Manufacturers
- Increase in sales for industry, vehicle-mounted business, storage, etc.
- Also contribution from strategic devices such as wireless merchandise/analog semiconductors
- Expansion of commercial sales rights of existing suppliers and acquisition of commercial sales rights of new suppliers
- Other
- Recovery for social infrastructure

	YoY Change
Renesas EL	-92%
Electromechanical Parts Manufacturers	+11%
Overseas Manufacturers	+63%
Other	+25%



By Sector of Solution Business

【Year-to-Year Comparison of Fluctuations】

- NW
- Sluggish due to careful IT infrastructure investment by customers
- Public Systems
- Decrease due to inability to solve delivery problems
- Embedded Systems
- Decrease due to delivery problems for computers, servers, etc.
- AP Software
- Decrease in new development projects
- Video Systems
- Increase in demand for streaming

	YoY Change
NW	-6%
Public Systems	-9%
Embedded Systems	-13%
AP Software	-2%
Video Systems	+11%

- Regarding the results of the fiscal year ended March 31, 2022, total assets were ¥72.8 bn (down ¥11.8 bn from the end of the previous fiscal year) and the equity ratio was 42.1% (down 8.9% from the end of the previous fiscal year).
- Cash and deposits and net assets decreased due to acquisition of treasury stock, and accounts receivable, accounts payable, and inventories increased due to growth in net sales.
- Operating cash flows increased by ¥2.19 bn due in part to liquidation of receivables.

1) Balance Sheets

	FY Ended Mar. 20 Result (A)	FY Ended Mar. 21 Result (B)	B-A Increase/ Decrease	FY Ended Mar. 22 Result (C)	C-B Increase/ Decrease
Cash and deposits	184.4	255.4	71.0	93.1	-162.4
Accounts receivable	283.9	335.4	51.5	358.7	23.3
Inventories	161.7	143.4	-18.2	197.3	53.9
Other assets	106.6	111.8	5.2	79.0	-32.8
Total assets	736.6	846.0	109.4	728.1	-117.9
Accounts payable	140.4	131.1	-9.3	144.6	13.5
Interest bearing liabilities	149.5	253.5	104.0	244.3	-9.2
Other liabilities	26.4	29.4	3.0	32.4	3.1
Total net assets	420.3	432.1	11.8	306.8	-125.3
Total liabilities and net assets	736.6	846.0	109.4	728.1	-117.9
Equity ratio	57.0%	51.0%	-6.0%	42.1%	-8.9%

2) Cash Flows

	FY Ended Mar. 20 Result	FY Ended Mar. 21 Result	FY Ended Mar. 22 Result
Decrease (increase) in accounts receivable-trade	183.4	-46.3	-0.1
Decrease (increase) in inventories	-15.8	18.9	-45.6
Increase (decrease) in accounts payable-trade	-41.6	-11.2	2.3
Other	-5.3	21.7	65.3
Operating C/F	120.7	-16.9	21.9
Investing C/F	-2.7	-3.8	-1.5
Financing C/F	-102.9	89.3	-185.9
Foreign currency conversion adjustments	-1.3	2.4	3.1
Increase (decrease) in cash and deposits	13.8	71.0	-162.4
Balance of cash and deposits at term-end	184.4	255.4	93.1

● Policy on Distribution of Profits

The Company considers profit returns to its shareholders as one of the most important management issues. The Company's basic policy is to determine dividends by comprehensively considering the need to maintain a balance between rewarding of shareholders, investment to gain opportunities for growth, attainment of sufficient retained earnings to enable sustainable growth, and improvement in capital efficiency. Under this policy, the Company has set a target for its dividend payout ratio of around 50% on a consolidated basis.

● Dividends for the Year Ended March 31, 2022

- In conjunction with the policy on distribution of profits listed above, we plan to distribute profit as follows.
 - ⇒ An annual dividend of ¥100 per share; consolidated dividend payout ratio of 48.8%
 - Ordinary dividend of ¥80 (midterm dividend of ¥10, term-end dividend of ¥70)
 - 70th anniversary commemorative dividend of ¥20 (implemented in conjunction with midterm dividend)

		03/18 Result	03/19 Result	03/20 Result	03/21 Result	03/22 Result	YoY Change
Annual Dividend Per Share	Ordinary Dividend	¥33	¥70	¥70	¥40	¥80	+¥40
	Commemorative Dividend	—	—	—	—	¥20	+¥20
	Total	¥33	¥70	¥70	¥40	¥100	+¥60
Payout Ratio		98.2%	93.3%	93.2%	46.9%	48.8%	+1.9P

II. Progress of the V73 Medium-Term Management Plan

1. Improving profitability through business structure reform and expanding business in growth markets

- Device business: Expand existing businesses and improve profitability, and establish a new profit structure (reform our business portfolio)
- Solution business: Grow the business based on service provision, expand our digital technology, and expand our customer platform

2. Improving capital efficiency

- Continue to target a dividend payout ratio of around 50% on a consolidated basis, and improve capital efficiency through measures such as reducing total assets
- Maintain financial soundness and ensure the mobility and stability of fund procurement

3. Strengthening corporate governance

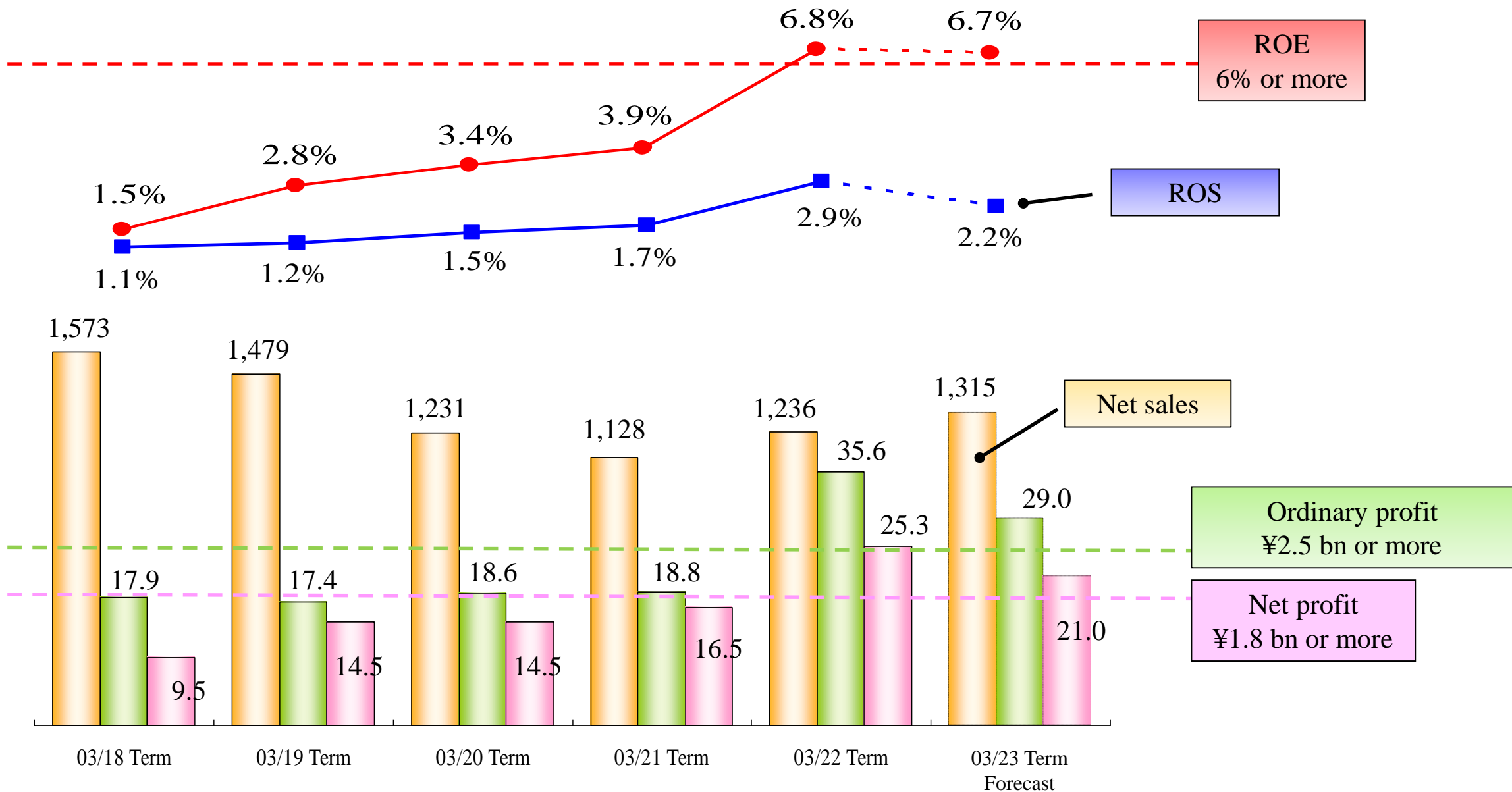
- Strengthen efforts to address issues related to sustainability, and strengthen the functions of the Board of Directors for executing measures in the Medium-Term Management Plan



Quantitative targets for the final year of V73 (fiscal year ending March 31, 2024)	ROE	Change from 5% or higher to 6% or higher with the goal of shareholders' equity cost
	Ordinary profit	¥2.5 bn or higher
	Net profit attributable to shareholders of parent company	¥1.8 bn or higher

Overview of V73 Medium-Term Management Plan (Quantitative Targets)

Unit: ¥100 million



Measures of Medium-Term Management Plan	Contents of Measures	Targeted Effect and Progress Status
Device Business	<p>Expand existing businesses and improve profitability</p> <ol style="list-style-type: none"> (1) Shift resources to overseas semiconductors (2) Acquire new customers from existing overseas suppliers (3) Reorganize the managed customers in sales units and improve the efficiency of sales promotion (4) Promote the increased efficiency of sales activities <ul style="list-style-type: none"> • Currently reviewing the reform of existing sales support systems/establishment of new systems and establishment of new mechanisms 	<p>Targeted Effect</p> <ul style="list-style-type: none"> • Increase segment profit to net sales • Increase net sales of overseas semiconductor manufacturers <p>Progress Status: Excellent</p> <ul style="list-style-type: none"> • Segment profit to net sales: 2.0% (initially 0.1% for full plan period) • Net sales of overseas semiconductor manufacturers at 163% YoY • Continuing efforts for increasing efficiency of sales activities
	<p>Establish new profit structure (reform portfolio)</p> <ol style="list-style-type: none"> (1) Focus on provision of total solutions (AI/IoT, robotics, vehicle-mounted) (2) AI/IoT related <ul style="list-style-type: none"> • Strengthen activities (surveillance solutions, etc.) for municipalities, engage in new business negotiations • Start expansion of sales to manufacturing industry, expand merchandise for IoT security (3) Robotics field <ul style="list-style-type: none"> • Start activities, established new organization, complete development of original boards • Strengthen collaboration with business partners, aim to acquire new customers (4) Vehicle-mounted field <ul style="list-style-type: none"> • Complete development of original modules, start expansion of sales for proposal type software 	<p>Targeted Effect</p> <ul style="list-style-type: none"> • Acquire customers in new markets (including non-electronics) • Improve segment profit to net sales <p>Progress Status: Fair</p> <ul style="list-style-type: none"> • Started efforts to acquire customers in new markets • Time is required to contribute to segment profit rate

Measures of Medium-Term Management Plan	Contents of Measures	Targeted Effect and Progress Status	
Solution Business	Grow business based on service provision	<p>(1) Establish a service provision model utilizing mega cloud (AWS, MS Azure, etc.) infrastructure</p> <p>(2) Collaborate with cloud integrators and partners, strengthen consulting sales</p> <p>(3) Expand Sanshin Data Center business (hosting + operation maintenance, cloud connection service)</p> <p>(4) Develop unique services (enhance services such as cloud backup, file box, etc.)</p>	<p>Targeted Effect Secure stable stock profit</p> <p>Progress Status: Fair Amidst an accelerating shift from stock business centered on hardware to a business based on service provision, developing and enhancing a cloud service menu through collaboration with partners</p>
	Expand digital technology	<p>(1) Respond to evolving security technology</p> <ul style="list-style-type: none"> • Start proposal of security model based on Zero Trust concept • Strengthen response to SASE technology <p>(2) Acquire new infrastructure technology (SD-WAN, WiFi6, 5G, private LTE, etc.)</p>	<p>Targeted Effect Increase sales in the solution business</p> <p>Progress Status: Good Entering the customer proposal phase incorporating new technology</p>
	Expand customer platform	<p>(1) Cooperate with outside consultants, start activities for expansion into new business domains</p> <p>(2) Identify new merchandise, expand free promotional merchandise</p> <p>(3) Promote cross-sales through cooperation inside of divisions</p> <p>(4) Develop new markets for mobile relay equipment</p> <p>(5) Incorporate DX demand</p>	<p>Targeted Effect Expand business domains and identify new revenue sources</p> <p>Progress Status: Fair Currently promoting cross-sales by strengthening pre-sales and promoting new merchandise/expansion of suppliers across different businesses</p>

Measures of Medium-Term Management Plan	Contents of Measures	Targeted Effect and Progress Status
Improving capital efficiency	<p>1) Implement flexible capital policy including acquisition of treasury stock</p> <ul style="list-style-type: none"> Based on future demand for funds, we executed a treasury stock tender offer for 7 million shares (equivalent to 28.83% of outstanding shares at that time; value of ¥15.7 bn) to optimize the scale of our equity. <p>2) Continue dividends with a consolidated payout ratio of around 50%</p> <ul style="list-style-type: none"> Increase dividend from the previous fiscal year (¥40 to ¥100 per share) due to execution of a tender offer for treasury stock, an increase in net profit attributable to shareholders of parent company, and the payment of a commemorative dividend (¥20 per share) for the Company's 70th anniversary <p>3) Maintain financial soundness and ensure the mobility and stability of fund procurement</p> <ul style="list-style-type: none"> Entered into a commitment line contract (from August 31, 2021) 	<p>Targeted Effect</p> <p>Improve ROE</p> <p>Progress Status: Excellent</p> <ul style="list-style-type: none"> As a result of optimizing the scale of equity, ROE for the fiscal year ended March 21, 2022 exceeded the initial V73 quantitative target (5%). Maintaining an equity ratio of at least 40%, which is the level required to continue stable business transactions. Moving forward, we will transition to efforts for ensuring financial soundness while maintaining the current scale of equity.

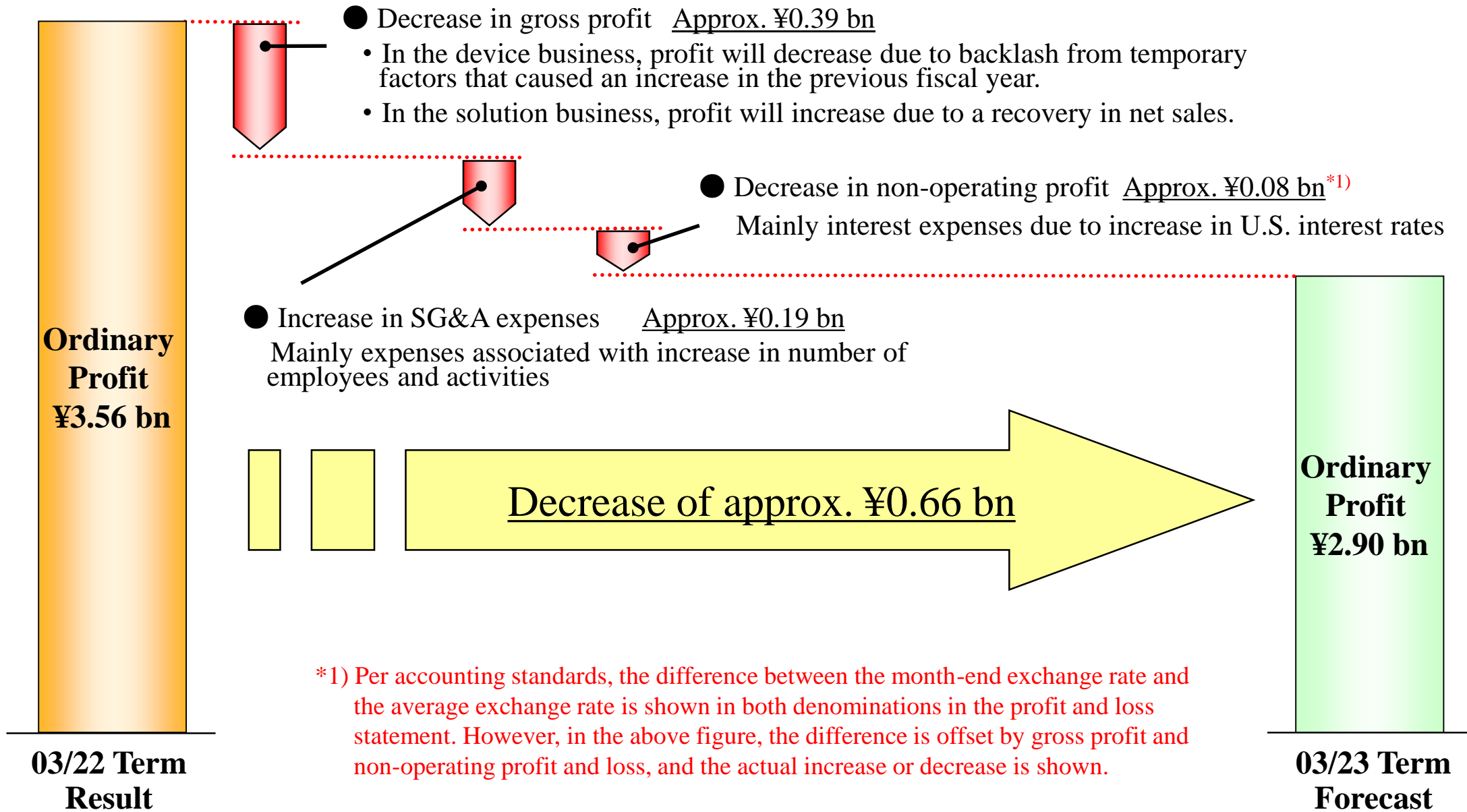
Measures of Medium-Term Management Plan	Contents of Measures	Targeted Effect and Progress Status
<p style="text-align: center;">Strengthening corporate governance</p>	<p>(1) Efforts for issues regarding sustainability (SDGs, ESG)</p> <ul style="list-style-type: none"> • Disclose targets for ensuring diversity (December 2021) <p>[Targets for management position ratio]</p> <p style="padding-left: 20px;">Women: 10% (by March 31, 2031)</p> <p style="padding-left: 20px;">Foreigners: Continue to maintain 10% or higher</p> <p style="padding-left: 20px;">Mid-career hires: Continue to maintain 30% or higher</p> <p>⇒ In order to achieve these targets, expand the group of hiring candidates and implement measures for developing an appropriate work environment</p> <ul style="list-style-type: none"> • Strengthen investment in human capital <ul style="list-style-type: none"> ⇒ Strengthen employee training systems for improving specialized skills • Respond to the issue of climate change <ul style="list-style-type: none"> ⇒ Disclose in accordance with TCFD recommendations ⇒ Reduce the amount of greenhouse gas emissions <p>(2) Strengthen functions of the Board of Directors</p> <ul style="list-style-type: none"> • Secure the required skill balance to make accurate decisions on important matters and to supervise business execution 	<p>Targeted Effect</p> <ul style="list-style-type: none"> • Establish a management base for sustainable growth and formulate a strategic scenario. • Strengthen responsibility of explanation toward stakeholders. <p>Progress Status: Fair</p> <ul style="list-style-type: none"> • Ratio of women in management positions is 5% (as of March 31, 2022) • In addition to existing group training, enhanced our menu for improving employee skills by utilizing outside training programs such as Udemy. • Shared a response roadmap for TCFD disclosure at the Board of Directors meeting and started efforts. Seeking disclosure in May 2024. • Started quantitative assessment for amount of greenhouse gas emissions. (Scope1, 2, 3) • Clarified and disclosed the required skills (listed in the Notice of the Ordinary General Meeting of Shareholders from June 2022.

III. Full-Year Business Forecast for the Year Ending March 31, 2023

- We forecast net sales of ¥131.5 bn (up 6% year-on-year).
- Profit is expected to decrease due to the backlash of temporary factors that caused an increase in the previous fiscal year and to an increase in SG&A expenses.

	03/18 Result	03/19 Result	03/20 Result	03/21 Result	03/22 Result	03/23 Forecast	YoY Change	
Net Sales	1,572.6	1,478.8	1,230.9	1,127.9	1,235.8	1,315.0	106%	
Gross Profit on Sales	7.3% 114.5	7.7% 114.1	9.1% 112.3	9.8% 110.5	10.9% 135.3	9.5% 125.4	93%	
SG&A Expenses	6.2% 96.8	6.4% 94.4	7.5% 92.7	7.9% 88.8	7.5% 93.2	7.2% 95.1	102%	
Operating Profit	1.1% 17.6	1.3% 19.7	1.6% 19.6	1.9% 21.7	3.4% 42.1	2.3% 30.3	72%	
Ordinary Profit	1.1% 17.9	1.2% 17.4	1.5% 18.6	1.7% 18.8	2.9% 35.6	2.2% 29.0	81%	
Net Profit Attributable to Shareholders of Parent Company	0.6% 9.5	1.0% 14.5	1.2% 14.5	1.5% 16.5	2.0% 25.3	1.6% 21.0	83%	
ROE	1.5%	2.8%	3.4%	3.9%	6.8%	6.7%	-0.1P	
Annual Dividend Per Share	Ordinary Dividend	¥33	¥70	¥70	¥40	¥80	¥85	+¥5
	Commemorative Dividend	—	—	—	—	¥20	—	-¥20
	Total	¥33	¥70	¥70	¥40	¥100	¥85	-¥15
Payout Ratio	98.2%	93.3%	93.2%	46.9%	48.8%	49.9%	+1.1P	
Exchange Rate (1 US dollar)	¥110.86	¥110.91	¥108.74	¥106.06	¥112.38	¥115.00	¥2.62	

*Figures in the YoY Change section for ROE, annual dividend per share, payout ratio and exchange rate represent increases or decreases.



*1) Per accounting standards, the difference between the month-end exchange rate and the average exchange rate is shown in both denominations in the profit and loss statement. However, in the above figure, the difference is offset by gross profit and non-operating profit and loss, and the actual increase or decrease is shown.

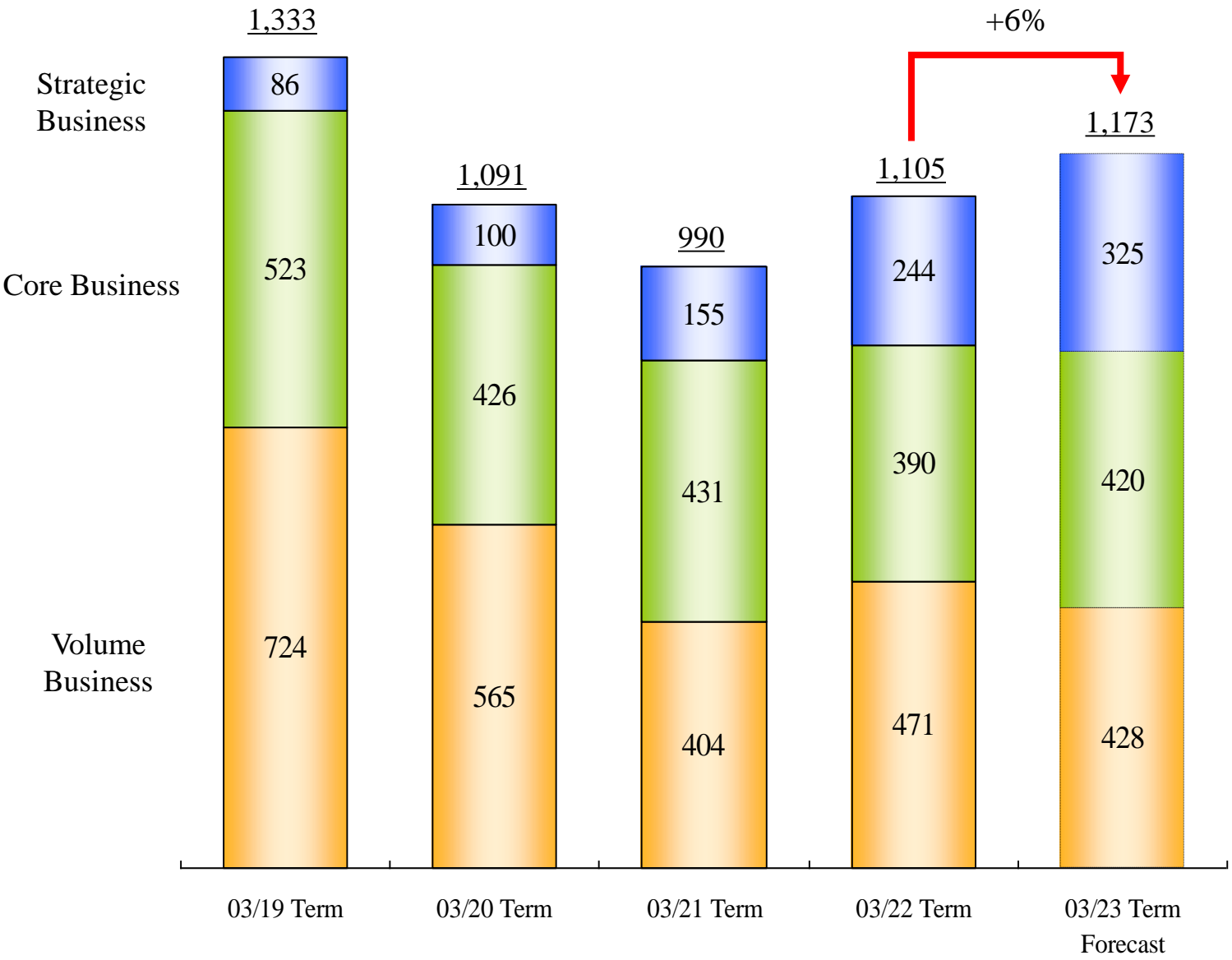
- In the device business, we forecast that net sales will increase by 6% year-on-year, and that profit will decrease due to factors such as backlash from factors that caused an increase in the previous fiscal year.
- In the solution business, we forecast that net sales will increase by 9% year-on-year, and that profit will increase slightly due to the increased net sales, despite an increase in SG&A expenses.

		03/18 Result	03/19 Result	03/20 Result	03/21 Result	03/22 Result	03/23 Forecast	YoY Change
Device Business	Net Sales	1,437.0	1,332.8	1,090.8	989.9	1,105.2	1,173.0	106%
	Operating Profit	1.1% 16.2	1.3% 17.1	1.4% 15.3	1.6% 15.7	3.6% 40.1	2.2% 26.4	66%
	Segment Profit	0.5% 7.2	0.3% 4.7	0.4% 4.2	0.2% 1.7	2.0% 21.9	1.3% 15.0	69%
Solution Business	Net Sales	135.6	146.0	140.1	138.0	130.6	142.0	109%
	Operating Profit	9.8% 13.4	11.3% 16.5	13.2% 18.4	15.2% 21.0	14.0% 18.3	12.6% 17.9	98%
	Segment Profit	7.8% 10.6	8.7% 12.7	10.3% 14.4	12.4% 17.1	10.5% 13.7	9.9% 14.0	102%
Exchange rate (1 US dollar)		¥110.86	¥110.91	¥108.74	¥106.06	¥112.38	¥115.00	¥2.62

*The figure in the YoY Change section for exchange rate represents an increase or decrease in amount.

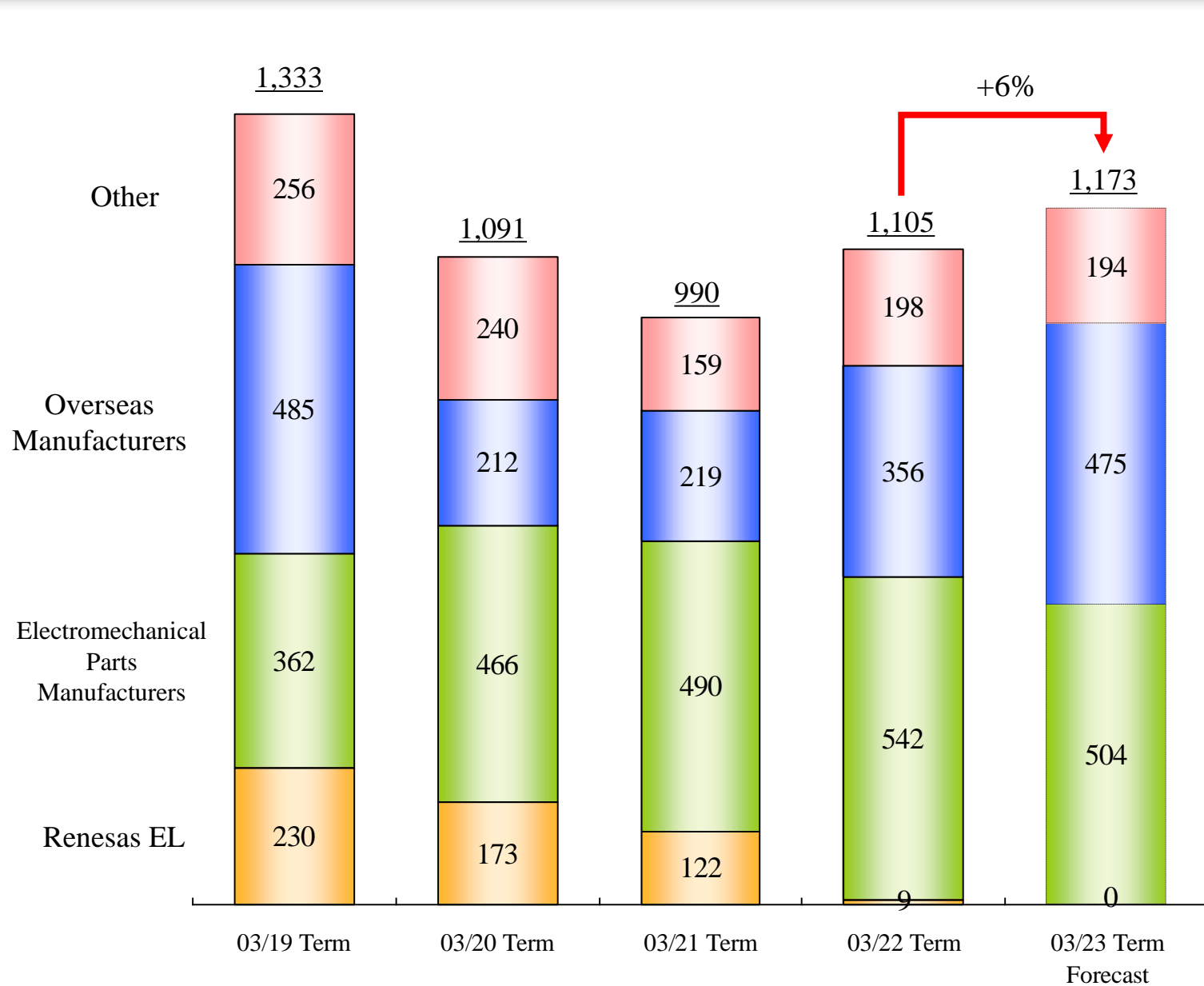
By Business Category of Device Business

Year-to-Year Comparison of Fluctuations



- Volume Business
 - Decrease for mobile devices
 - Decrease for social infrastructure
- Core Device
 - Strong sales for industry, vehicle-mounted business, and storage, etc.
 - Decrease for gaming consoles
 - Ended in the previous fiscal year due to cancellation of the dealership agreement with Renesas EL
- Strategic Device
 - Increase in overseas merchandise such as wireless merchandise/analog semiconductors
 - Acquisition of new customers for vehicle-mounted business, etc.
 - Strong sales of modular products

	YoY Change
Volume Business	-9%
Core Business	+8%
Strategic Business	+33%



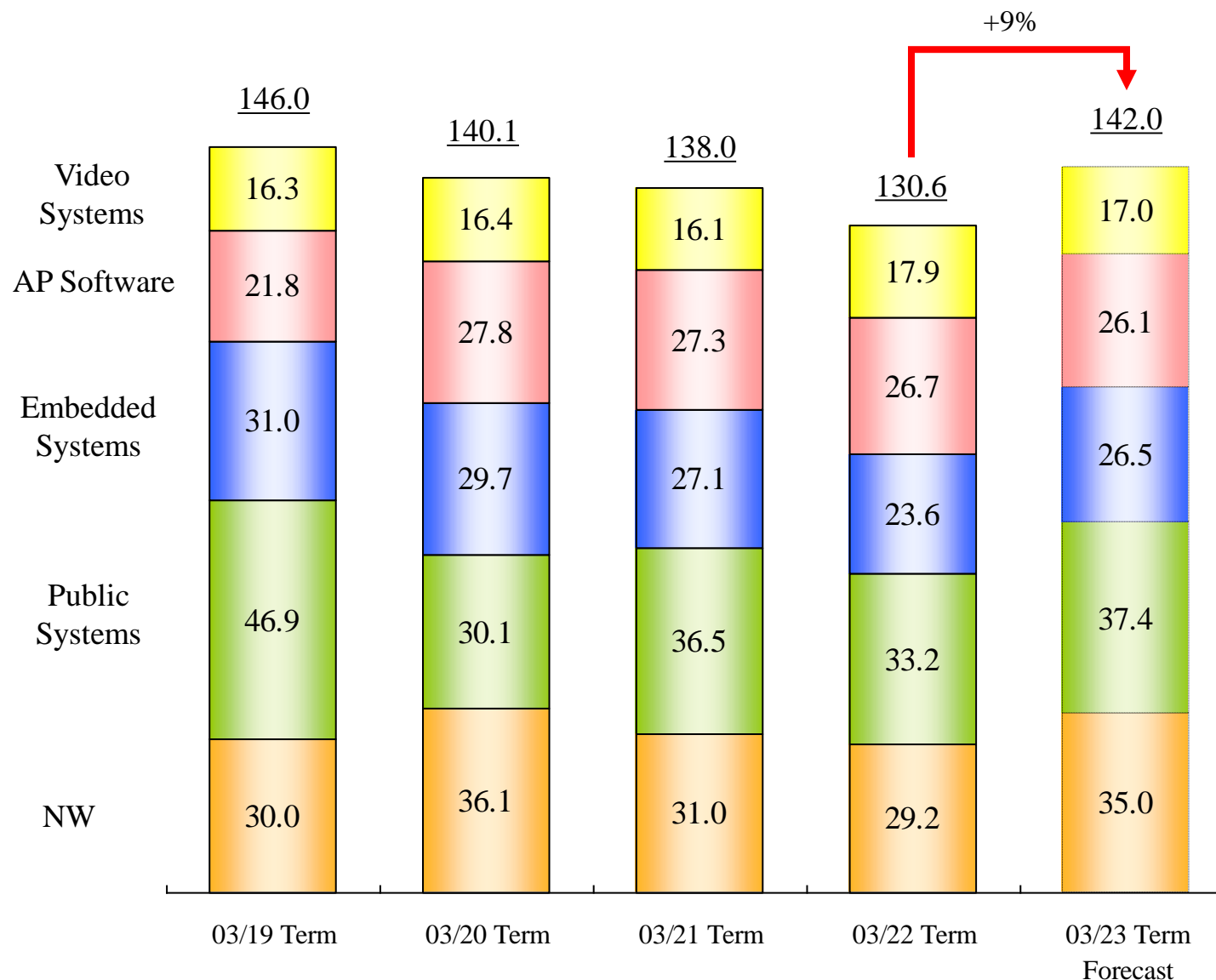
By Supplier of Device Business

【Year-to-Year Comparison of Fluctuations】

- Renesas EL
 - Ended in the previous fiscal year due to cancellation of the dealership agreement
- Electromechanical Parts Manufacturers
 - Decrease for mobile devices and gaming consoles
- Overseas Manufacturers
 - Increase in strategic devices for wireless merchandise/analog semiconductors, etc.
 - Acquisition of new customers for vehicle-mounted business, etc.
 - Strong sales of modular products
- Other
 - Decrease for social infrastructure
 - Increase in IoT related business and agent sales, etc.

	YoY Change
Renesas EL	—
Electromechanical Parts Manufacturers	-7%
Overseas Manufacturers	+33%
Other	-2%

By Sector of Solution Business



【Year-to-Year Comparison of Fluctuations】

- NW
- Increase in investment in IT infrastructure by private corporations
- Public Systems
- Increase in projects for updating disaster prevention radio, etc.
- Embedded Systems
- Recover of demand related to servers, etc.
- AP Software
- Decrease in software development projects
- Video Systems
- Decrease in large-scale internet streaming systems

	YoY Change
NW	+20%
Public Systems	+13%
Embedded Systems	+12%
AP Software	-2%
Video Systems	-5%

■ Regarding the forecast for the fiscal year ending March 31, 2023, total assets will be ¥72.8 bn (no change from March 31, 2022) and the equity ratio will be 43.3% (up 1.2% compared to March 31, 2022).

→ We predict that the temporary increase in inventories due to an increase in inventory held at the end of the previous fiscal year will shrink to approximately a normal level, and we forecast that interest-bearing liabilities will decrease by ¥1.8 bn.

→ We forecast that operating cash flows will increase by ¥4.03 bn due to the reasons stated above.

1) Balance Sheets

	FY Ended Mar. 21 Result (A)	FY Ended Mar. 22 Result (B)	B-A Increase/ Decrease	FY Ending Mar. 23 Forecast (C)	C-B Increase/ Decrease
Cash and deposits	255.4	93.1	-162.4	100.0	6.9
Accounts receivable	335.4	358.7	23.3	384.0	25.3
Inventories	143.4	197.3	53.9	165.0	-32.3
Other assets	111.8	79.0	-32.8	79.0	-0.0
Total assets	846.0	728.1	-117.9	728.0	-0.1
Accounts payable	131.1	144.6	13.5	154.0	9.4
Interest-bearing liabilities	253.5	244.3	-9.2	226.0	-18.3
Other liabilities	29.4	32.4	3.1	32.5	0.1
Total net assets	432.1	306.8	-125.3	315.5	8.7
Total liabilities and net assets	846.0	728.1	-117.9	728.0	-0.1
Equity ratio	51.0%	42.1%	-8.9%	43.3%	1.2%

2) Cash Flows

	FY Ended Mar. 21 Result	FY Ended Mar. 22 Result	FY Ending Mar. 23 Forecast
Decrease (increase) in accounts receivable-trade	-46.3	-0.1	-25.3
Decrease (increase) in inventories	18.9	-45.6	32.3
Increase (decrease) in accounts payable-trade	-11.2	2.3	9.4
Other	21.7	65.3	23.9
Operating C/F	-16.9	21.9	40.3
Investing C/F	-3.8	-1.5	-2.0
Financing C/F	89.3	-185.9	-31.4
Foreign currency conversion adjustments	2.4	3.1	
Increase (decrease) in cash and deposits	71.0	-162.4	6.9
Balance of cash and deposits at term-end	255.4	93.1	100.0

● Policy on Distribution of Profits

The Company considers profit returns to its shareholders as one of the most important management issues. The Company's basic policy is to determine dividends by comprehensively considering the need to maintain a balance between rewarding of shareholders, investment to gain opportunities for growth, attainment of sufficient retained earnings to enable sustainable growth, and improvement in capital efficiency. Under this policy, the Company has set a target for its dividend payout ratio of around 50% on a consolidated basis.

● Dividend Forecast for the Year Ending March 31, 2023

An annual dividend of ¥85 per share (midterm dividend of ¥30, term-end dividend of ¥55); consolidated dividend payout ratio of 49.9%

		03/18 Result	03/19 Result	03/20 Result	03/21 Result	03/22 Result	03/23 Forecast	YoY Change
Annual Dividend Per Share	Ordinary Dividend	¥33	¥70	¥70	¥40	¥80	¥85	+¥5
	Commemorative Dividend	—	—	—	—	¥20	—	-¥20
	Total	¥33	¥70	¥70	¥40	¥100	¥85	-¥15
Payout Ratio		98.2%	93.3%	93.2%	46.9%	48.8%	49.9%	+1.1P

Change in Return to Shareholders

	03/18 Term Result	03/19 Term Result	03/20 Term Result	03/21 Term Result	03/22 Term Result	03/23 Term Forecast
(1) Consolidated net profit	¥947 million	¥1,449 million	¥1,451 million	¥1,646 million	¥2,525 million	¥2,100 million
(2) Comprehensive profit	¥912 million	¥1,585 million	¥666 million	¥2,393 million	¥4,204 million	-
(3) Consolidated equity ratio	65.7%	48.3%	57.0%	51.0%	42.1%	43.3%
(4) Total dividends (Dividend per share)	¥934 million (¥33)	¥1,352 million (¥70)	¥1,352 million (¥70)	¥773 million (¥40)	¥1,232 million (¥100)	¥1,047 million (¥85)
(5) Consolidated payout ratio	98.2%	93.3%	93.2%	46.9%	48.8%	49.9%
(6) Value of treasury stock acquired (Number of shares acquired)	-	¥19.72 billion (9 million shares)	-	-	¥15.74 billion (7 million shares)	Suspense
(7) Total payout ratio (4+6) ÷ 1	98.2%	1,454.2%	93.2%	46.9%	672.3%	Suspense
(8) Cancellation of treasury stock	-	5,000 thousand shares	-	-	8,000 thousand shares	Suspense
(9) Total number of shares issued (Excluding treasury stock)	29,281 thousand shares (28,179 thousand shares)	24,281 thousand shares (19,178 thousand shares)	24,281 thousand shares (19,180 thousand shares)	24,281 thousand shares (19,183 thousand shares)	16,281 thousand shares (12,183 thousand shares)	Suspense
(10) Net profit per share	¥33.62	¥67.48	¥75.66	¥85.82	¥171.12	¥172.36
(11) Net assets per share	¥2,191.19	¥2,224.47	¥2,188.84	¥2,249.40	¥2,514.04	¥2,585.28

*1) Total dividends include the dividend amount for shares held by trusts related to the performance-based stock compensation plan for directors (excluding external directors). The forecast for 03/22 term includes the commemorative dividend ¥20 per share.

2) Net profit per share is calculated based on the average number of issued shares (excluding treasury stock) during the period.

3) Net assets per share is calculated based on the total number of shares issued (excluding treasury stock) at fiscal year end.

4) The forecast for net profit per share and net assets per share for 03/23 term is calculated based on the total number of shares issued (excluding treasury stock) as of March 31, 2022.



TRUST

*Business cannot
succeed without trust.
It begins and ends
with trust.*



PRINCIPLES

*Do not just pursue
profit. But act based
on principles, which
can be realized
through self-
discipline.*



SINCERITY

*Always act sincerely.
Rise to the challenge
head-on.*