

FY 2020 CONSOLIDATED FINANCIAL RESULTS

(April 1, 2020 to March 31, 2021)

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1. FINANCIAL RESULTS FOR THE FISCAL YEAR 2020 (April 1, 2020 to March 31, 2021)

(1) Consolidated Results of Operations

(Millions of yen)

	Net sales (percentage change from the previous year)	Operating profit (percentage change from the previous year)	Ordinary profit (percentage change from the previous year)	Profit attributable to owners of parent (percentage change from the previous year)
Fiscal Year 2020	156,795 (-2.1%)	-1,198 (-)	-3,406 (-)	-6,952 (-)
Fiscal Year 2019	160,217 (-7.7%)	4,309 (-59.1%)	2,674 (-70.8%)	-5,559 (-)

Note 1: Comprehensive income: FY 2020: -154 million yen (- %) / FY 2019: -6,052 million yen (- %)

	Net income per share	Diluted net income per share	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
Fiscal Year 2020	-287.96yen	—	-10.4%	-1.6%	-0.8%
Fiscal Year 2019	-229.83yen	—	-10.3%	1.4%	2.7%

Reference: Equity in net income/loss non-consolidated subsidiaries and/or affiliates: FY 2020: — yen / FY 2019: — yen

Note 2: Diluted earnings per share are not presented because of the current net loss.

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal Year 2020	233,673	113,250	35.8%	3,463.44 yen
Fiscal Year 2019	194,024	71,776	25.7%	2,063.21 yen

Reference: Shareholders' equity: Mar./2021: 83,575 million yen / Mar./2020: 49,842 million yen

(3) Consolidated Results of Cash Flows

(Millions of yen)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Balance of cash and cash equivalents at the end of year
Fiscal Year 2020	7,629	-12,294	21,086	59,812
Fiscal Year 2019	13,118	-8,311	12,215	39,902

2. DIVIDEND INFORMATION

	Dividend per share					Total amount of annual dividend (millions of yen)	Dividend payout ratio (consolidated)	Dividend to total net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal-year- end	Annual			
Fiscal year 2019	-	15.00yen	-	15.00yen	30.00yen	726	-	1.3%
Fiscal year 2020	-	0.00yen	-	0.00yen	0.00yen	-	-	-
Fiscal year 2021(forecast)	-	15.00yen	-	15.00yen	30.00yen		29.0%	

3. FISCAL YEAR 2021 CONSOLIDATED FINANCIAL FORECAST (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Net sales (percentage change from the previous year)	Operating profit (percentage change from the previous year)	Ordinary profit (percentage change from the previous year)	Profit attributable to owners of parent (percentage change from the previous year)	Net income per share
Second quarter (cumulative)	80,800 (18.6%)	5,900 —	5,400 —	800 —	33.14yen
Full Year	156,000 (-0.5%)	11,500 —	10,500 —	2,500 —	103.55yen

4. OTHER

- (1) Changes in significant subsidiaries during the fiscal year (changes in particular subsidiaries accompanying the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, restatement of revisions
- Changes in accounting policies according to revision of accounting standards, etc. : No
 - Changes in accounting policies due to reasons other than above : No
 - Changes in accounting estimates : No
 - Restatement of revisions : No
- (3) Number of shares outstanding (common share)
- Number of shares outstanding at the end of the period (including treasury stock)
 - Number of treasury stocks at the end of the period
 - Average number of shares outstanding during the fiscal year

Mar./2021:	25,098,060	Mar./2020:	25,098,060
Mar./2021:	967,129	Mar./2020:	940,303
Mar./2021:	24,142,660	Mar./2020:	24,189,184

(Reference) SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS

1. NON-CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR 2020 (April 1, 2020 to March 31, 2021)

(1) Non-consolidated Results of Operations (Millions of yen)

	Net sales (percentage change from the previous year)	Operating profit (percentage change from the previous year)	Ordinary profit (percentage change from the previous year)	Net income (percentage change from the previous year)
Fiscal Year 2020	94,443 (-11.5%)	-3,965 -	10,132 -	22,792 -
Fiscal Year 2019	106,737 (-3.2%)	-3,067 -	-3,758 -	-7,123 -

	Net income per share	Diluted net income per share
Fiscal Year 2020	944.07yen	-
Fiscal Year 2019	-294.51yen	-

(2) Non-consolidated Financial Position (Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal Year 2020	139,845	50,694	36.3%	2,100.81yen
Fiscal Year 2019	125,903	28,210	22.4%	1,167.75yen

Reference: Shareholders' equity: Mar./2021: 50,694 million yen / Mar./2020: 28,210 million yen

* This financial report is not subject to the audit procedure to be conducted by certified public accountants or an audit corporation.

* The above description about future matters including financial forecast is based upon information available as of the present time and assumptions we considered valid. Due to various factors, our actual performance could greatly differ from the forecast. For assumptions and notes regarding the forecasts, refer to "Forecast for the future".

1. OPERATING RESULTS

(1) ANALYSIS OF OPERATING RESULTS

GENERAL REVIEW

With regard to the business environment during the consolidated fiscal year ended March 31, 2021, the first half was impacted by the sluggish global economic environment due to the spread of the novel coronavirus (“COVID-19”). However, in the second half, the economy showed a sign of recovery, including the early recovery in production and consumer activities in China as well as brisk activity in the global semiconductor market.

Under these circumstances, the Sanken Group has been engaged in various efforts, by taking structural reform, realization of our growth strategy, enhancement of our financial strength, and promotion of work-style reform as the basic policies for the current period. These efforts included working on development reform aimed at improving the product power of semiconductor devices and the establishment of production bases for the next-generation products that will result from such reform, while carrying out business restructuring aimed at a drastic reorganization of the profit structure, such as by optimizing the production system in the semiconductor devices segment and by realizing strategic options in the power systems segment. In addition, to position ourselves for the recovery accompanying the re-opening of the economy following the rapidly deteriorating market environment due to the spread of COVID-19, we have implemented emergency measures by taking initiatives including thorough cost reduction and careful selection of capital investment.

With regard to the operating results for the fiscal year ended March 31, 2021, due to the fact that we were able to secure full fiscal year net sales on par with the previous year in the semiconductor devices segment thanks to the upturn in the market environment in the second half, especially for products for the white goods and automotive sectors, we recorded consolidated net sales of ¥156,795 million, down only ¥3,422 million (2.1%) as compared to the previous fiscal year. For income, we recorded consolidated operating loss of ¥1,198 million (consolidated operating profit of ¥4,309 million in the previous year), and consolidated ordinary loss of ¥3,406 million (consolidated ordinary profit of ¥2,674 million in the previous year), mainly reflecting the recording of ¥5,128 million in listing-related expenses for Allegro MicroSystems, Inc. (“AMI”), our subsidiary in the U.S., on the Nasdaq market. In addition, due to reporting ¥3,568 million of expenses related to structural reform under total extraordinary losses, including recording business structure reform cost of ¥1,663 million combining extra retirement payments and loss on termination of retirement benefit plan in conjunction with structural reforms along with other related provisions, we recorded ¥6,952 million in consolidated loss attributable to owners of parent (consolidated loss attributable to owners of parent of ¥5,559 million for the previous year).

OVERVIEW OF THE BUSINESS BY SEGMENTS

Overview of business by segment is as follows.

Semiconductor Devices

In this segment, sales of IPM products were strong, driven by increased demand for white goods in China, Europe and the U.S. from the second quarter, while sales of products for the automotive market also recovered rapidly from the third quarter onward. In addition, sales of products for the production machinery/consumer product markets, such as servers and televisions, remained favorable due to the increase in demand for communications and the expansion in consumption at home as a result of the COVID-19 pandemic. As a result, consolidated net sales for this segment were ¥137,233 million, making up for the slump in the first quarter due to COVID-19 and ending up on par with the level of the previous fiscal year. For income, despite cost reductions and other emergency measures, we recorded consolidated operating profit of ¥1,190 million, a decrease of ¥5,614 million (82.5%) as compared to the previous fiscal year, partially due to the impact of production adjustments in the second and third quarters of the fiscal year.

Power Systems

In this segment, despite the increase in sales of power supply products for telecommunications base stations toward the widespread prevalence of 5G communication standards, the Company saw an overall decrease in sales as it steadily continued to withdraw from sales of unit products for non-strategic markets. As a result, consolidated net sales were ¥19,561 million, a decrease of ¥2,673 million (12.0%) as compared to the previous year. For income, we recorded consolidated operating profit of ¥882 million, an increase of ¥334 million (60.9%) as compared to the previous year.

(2) ANALYSIS OF FINANCIAL CONDITIONS

Assets at the end of the current consolidated fiscal year amounted to ¥233,673 million, an increase of ¥39,649 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in cash and deposits of ¥20,210 million, and accounts receivable of ¥4,167 million, and notes and accounts receivable – trade of ¥5,073 million.

Liabilities amounted to ¥120,422 million, a decrease of ¥1,825 million from the end of the previous fiscal year. This was mainly due to an increase in long-term borrowings of ¥31,686 million, and a decrease of short-term borrowings including current portion of long-term borrowings of ¥24,748 million, and a decrease of ¥15,000 million in bonds payable.

Net assets amounted to ¥113,250 million, an increase of ¥41,474 million from the end of the previous fiscal year. This was mainly due to an increase of ¥36,417 million in capital surplus.

(3) STATUS OF CASH FLOW

Balance of cash and cash equivalents as of the end of the current consolidated fiscal year was ¥59,812 million, an increase of ¥19,909 million as compared with the end of the previous consolidated fiscal year.

Net cash provided by operating activities was ¥7,629 million, a decrease of ¥5,489 million as compared with the previous year. This was mainly due to an increase in trade receivables.

Net cash used in investing activities was ¥12,294 million, an increase of ¥3,982 million as compared with the previous year. This was mainly due to a decrease in proceeds from sales of property, plant and equipment.

Net cash used in financing activities was ¥21,086 million, an increase of ¥8,871 million as compared with the previous year. This was mainly due to an increase in long-term loans payable, sales of shares of subsidiaries not involving a change in the scope of consolidation, and an increase in proceeds from stock issuance.

Our index trend concerning the financial conditions of the Company Group is as follows.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Equity ratio	29.8%	29.9%	31.0%	25.7%	35.8%
Equity ratio on the basis of market price	32.4%	50.9%	26.4%	26.2%	53.6%
Redemption years for liabilities	4.7 years	5.0 years	4.9 years	6.4 years	9.2 years
Interest coverage ratio	23.8 times	24.1 times	23.7 times	23.4 times	8.4 times

Equity ratio:

Equity / Total assets

Equity ratio on the basis of market price:

Total amount of market price of stocks / Total assets

Redemption years for liabilities:

Interest-bearing debts / Cash flow from operating activities

Interest coverage ratio:

Cash flow from operating activities / Interest paid

(4) FORECAST FOR THE FUTURE

The outlook for the global economy remains uncertain in the near term as it is impossible to predict when the COVID-19 pandemic will come to an end. However, in the U.S., following additional economic measures and other factors, the International Monetary Fund (IMF) upwardly revised its economic growth forecast significantly to 6.4% (previously 5.1%). China is also expected to realize a high rate of growth of 8.4% (previously 8.1%). It has become clear that these two largest economies in the world will be the drivers of the global economy.

Regarding the Group's medium- to long-term market environment, supported by environmentally-friendly efforts such as the increase in the percentage of white goods with inverters and the shift to electric vehicles, as well as the widespread promotion of digital transformation, we expect to enter a period of full-fledged increase in demand in the semiconductor market. Amid this environment, the Group has started a new three-year plan, the Medium-Term Management Plan 2021. In this new medium-term management plan, the Group's management vision is to "Become a highly profitable company that grows on the performance of its unique technologies, people and organization, contributing to social innovation." The management strategy will be integrated with the Medium-Term Management Plan 2018 under which work began on structural reform and the growth strategy, with the goal of the new medium-term management plan being to "Realize a recovery of the Sanken Core*" and "Further growth of AMI" over the six-year period from the start of the Medium-Term Management Plan 2018.

(*Sanken Core: Refers to Sanken's semiconductor business excluding AMI.)

The core elements of the 2021 Medium-Term Management Plan are as follows:

[Business Portfolio]

Power modules, Power devices, and Sensors

[Growth]

Aim for sales growth exceeding the growth rate of the semiconductor market

[KPI]

FY2023 Consolidated Targets

-Operating profit margin: At least 13%

-Net sales: At least ¥170,000 million

-ROE: At least 12%

In order to realize these, the Group will establish management indicators (KPI), clarify the contribution points (materiality) for the sustainable development of the region and society, and strive to be a corporate group that contributes to solving environmental problems.

In the fiscal year ending March 31, 2022, which is the first year of the Medium-Term Management Plan 2021, we will steadily complete the structural reform that we have been promoting since the Medium-Term Management Plan 2018 and accelerate the drastic restructuring of the Sanken Core which had a low profit structure. We will also introduce new products based on development reforms targeting a recovery in product strength as well as bolster our financial position. By implementing these measures, we intend to transform into a power modules, power devices, and sensors-focused company that can contribute to global environmental conservation by providing energy-saving solutions based on our cutting-edge technologies such as power conversion and motor control technologies, and possess a highly-competitive edge in the global market.

For consolidated results for the fiscal year ending March 31, 2022, we forecasts net sales of ¥156,000 million, operating profit of ¥11,500 million, ordinary profit of ¥10,500 million and profit attributable to owners of parent of ¥2,500 million. Our assumed foreign exchange rate is ¥105 to the US dollar.

(Note)

The forecast described above is based upon information available as of the present time and assumptions we considered valid. Please be advised that there is a host of uncertain factors that could greatly impact actual performance, including global economic trends, the introduction of new products and their acceptance or lack thereof, and the impact of fair-market-value accounting.

2. BASIC CONCEPT OF SELECTING ACCOUNTING STANDARD

The Company adopts Japanese accounting standard in consideration of the comparability of consolidated financial statements over different accounting periods and the comparability among the consolidated financial statements of different companies. The Company will appropriately respond to the adoption of the IFRS in consideration of various conditions in Japan and overseas.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BLANCE SHEETS

Millions of yen

	March 31 2020	March 31 2021
ASSETS		
Current assets		
Cash and deposits	40,779	60,990
Notes and accounts receivable - trade	31,888	36,962
Merchandise and finished goods	14,422	15,864
Work in process	21,231	19,782
Raw materials and supplies	5,425	5,592
Other	3,741	9,027
Allowance for doubtful accounts	-114	-46
Total current assets	<u>117,375</u>	<u>148,173</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,383	20,635
Machinery, equipment and vehicles, net	31,577	30,328
Tools, furniture and fixtures, net	1,788	1,317
Land	5,699	5,812
Leased assets, net	74	47
Construction in progress	6,538	9,425
Total property, plant and equipment	<u>66,062</u>	<u>67,566</u>
Intangible assets		
Software	2,483	2,065
Goodwill	—	1,959
Other	2,244	4,116
Total intangible assets	<u>4,728</u>	<u>8,141</u>
Investments and other assets		
Investment securities	892	990
Deferred tax assets	1,704	3,484
Retirement benefit asset	—	1,776
Other	3,262	3,617
Allowance for doubtful accounts	-2	-76
Total investments and other assets	<u>5,858</u>	<u>9,792</u>
Total non-current assets	<u>76,649</u>	<u>85,500</u>
Total assets	<u>194,024</u>	<u>233,673</u>

	March 31 2020	March 31 2021
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,774	20,870
Short-term loans payable	27,619	12,357
Current portion of long-term borrowings	10,133	646
Current portion of bonds payable	15,000	15,000
Commercial papers	10,000	4,000
Lease obligations	44	31
Accrued expenses	10,254	14,224
Income taxes payable	659	2,151
Provision for performance-linked directors' compensations	16	72
Provision for loss on transfer of business	—	1,339
Provision for business structure reform	615	2,414
Other	1,233	3,519
Total current liabilities	<u>93,351</u>	<u>76,627</u>
Non-current liabilities		
Bonds payable	20,000	5,000
Long-term borrowings	1,643	33,329
Lease obligations	40	23
Deferred tax liabilities	975	1,018
Provision for share-based compensation	8	43
Provision for retirement benefits for directors (and other officers)	39	41
Provision for business structure reform	1,351	—
Retirement benefit liability	3,402	2,632
Other	1,435	1,706
Total non-current liabilities	<u>28,896</u>	<u>43,795</u>
Total liabilities	<u>122,248</u>	<u>120,422</u>
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	24,465	60,882
Retained earnings	13,915	6,599
Treasury shares	-4,159	-4,226
Total shareholders' equity	<u>55,118</u>	<u>84,153</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-75	46
Foreign currency translation adjustment	-477	1,332
Remeasurements of defined benefit plans	-4,723	-1,955
Total accumulated other comprehensive income	<u>-5,275</u>	<u>-577</u>
Non-controlling interests	<u>21,933</u>	<u>29,674</u>
Total net assets	<u>71,776</u>	<u>113,250</u>
Total liabilities and net assets	<u>194,024</u>	<u>233,673</u>

**(2) CONSOLIDATED STATEMENTS OF INCOME AND
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Millions of yen

	Fiscal Year 2019	Fiscal Year 2020
CONSOLIDATED STATEMENTS OF INCOME		
Net sales	160,217	156,795
Cost of sales	121,768	117,659
Gross profit	38,448	39,135
Selling, general and administrative expenses	34,139	40,333
Operating profit	<u>4,309</u>	<u>-1,198</u>
Non-operating income		
Interest income	250	91
Dividend income	28	28
Gain on sales of scraps	77	162
Subsidies for employment adjustment	—	256
Miscellaneous income	221	360
Total non-operating income	<u>578</u>	<u>899</u>
Non-operating expenses		
Interest expenses	555	891
Foreign exchange losses	1,115	615
Compensation expense	72	7
Expenses related to advanced repayment of loans	—	960
Miscellaneous loss	469	632
Total non-operating expenses	<u>2,212</u>	<u>3,107</u>
Ordinary profit	<u>2,674</u>	<u>-3,406</u>
Extraordinary income		
Gain on sales of non-current assets	3,952	42
Gain on sales of investment securities	—	20
Settlement received	112	—
Total extraordinary income	<u>4,065</u>	<u>63</u>
Extraordinary losses		
Loss on disposal of non-current assets	414	212
Impairment losses	513	18
Loss on valuation of investment securities	26	54
Extra retirement payments	350	—
Loss on liquidation of subsidiaries and associates	205	42
Business structure reform cost	5,175	1,663
Provision for loss on transfer of business	—	1,339
Provision for business structure reform	1,691	523
Total extraordinary losses	<u>8,377</u>	<u>3,854</u>
Profit before income taxes	<u>-1,638</u>	<u>-7,197</u>
Income taxes - current	2,050	1,818
Income taxes - deferred	594	-2,671
Income taxes for prior periods	941	-357
Total income taxes	<u>3,586</u>	<u>-1,210</u>
Profit (loss)	<u>-5,224</u>	<u>-5,986</u>
Profit attributable to non-controlling interests	334	965
Profit (loss) attributable to owners of parent	<u><u>-5,559</u></u>	<u><u>-6,952</u></u>

Millions of yen

	Fiscal Year 2019	Fiscal Year 2020
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		
Profit (loss)	-5,224	-5,986
Other comprehensive income		
Valuation difference on available-for-sale securities	-120	121
Foreign currency translation adjustment	-1,237	3,058
Remeasurements of defined benefit plans, net of tax	530	2,652
Total other comprehensive income	-827	5,832
Comprehensive income	-6,052	-154
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-5,822	-2,253
Comprehensive income attributable to non-controlling interests	-229	2,098

(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FISCAL YEAR 2019 (April 1, 2019 to March 31, 2020)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,896	26,214	20,204	-4,023	63,292
Changes of items during period					
Dividends of surplus			-729		-729
Profit (loss) attributable to owners of parent			-5,559		-5,559
Purchase of treasury shares				-136	-136
Disposal of treasury shares		-0		0	0
Capital increase of consolidated subsidiaries		-1,905			-1,905
Share-based payments		156			156
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	-1,749	-6,289	-135	-8,174
Balance at end of current period	20,896	24,465	13,915	-4,159	55,118

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on	Foreign currency	Remeasurements of defined	Total accumulated		
Balance at beginning of current period	45	212	-5,270	-5,012	20,261	78,541
Changes of items during period						
Dividends of surplus				—		-729
Profit (loss) attributable to owners of parent				—		-5,559
Purchase of treasury shares				—		-136
Disposal of treasury shares				—		0
Capital increase of consolidated subsidiaries				—		-1,905
Share-based payments				—		156
Net changes of items other than shareholders' equity	-120	-689	547	-263	1,672	1,409
Total changes of items during period	-120	-689	547	-263	1,672	-6,765
Balance at end of current period	-75	-477	-4,723	-5,275	21,933	71,776

FISCAL YEAR 2020 (April 1, 2020 to March 31, 2021)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,896	24,465	13,915	-4,159	55,118
Changes during period					
Dividends of surplus			-363		-363
Profit (loss) attributable to owners of parent			-6,952		-6,952
Purchase of treasury shares				-68	-68
Disposal of treasury shares		-0		1	1
Change in ownership interest of parent due to transactions with non-controlling interests		17,008			17,008
Capital increase of consolidated subsidiaries		16,836			16,836
Share-based payments		2,572			2,572
Net changes in items other than shareholders' equity					—
Total changes during period	—	36,417	-7,315	-66	29,034
Balance at end of period	20,896	60,882	6,599	-4,226	84,153

	Accumulated other comprehensive income				Non-controlling	Total net assets
	Valuation difference on	Foreign currency	Remeasurements of defined	Total accumulated		
Balance at beginning of current period	-75	-477	-4,723	-5,275	21,933	71,776
Changes of items during period						
Dividends of surplus				—		-363
Profit (loss) attributable to owners of parent				—		-6,952
Purchase of treasury shares				—		-68
Disposal of treasury shares				—		1
Change in ownership interest of parent due to transactions with non-controlling interests						17,008
Capital increase of consolidated subsidiaries				—		16,836
Share-based payments				—		2,572
Net changes of items other than shareholders' equity	121	1,809	2,767	4,698	7,741	12,439
Total changes of items during period	121	1,809	2,767	4,698	7,741	41,474
Balance at end of current period	46	1,332	-1,955	-577	29,674	113,250

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of yen

	Fiscal Year 2019	Fiscal Year 2020
Cash flows from operating activities		
Profit before income taxes	-1,638	-7,197
Depreciation	12,398	12,683
Impairment losses	513	18
Business structure reform cost	5,175	1,663
Increase (decrease) in allowance for doubtful accounts	-189	7
Decrease (increase) in retirement benefit asset	-44	372
Increase (decrease) in retirement benefit liability	-264	392
Provision for Loss on transfer of business	—	1,339
Increase (decrease) in provision for business structure reform	1,691	446
Interest and dividend income	-279	-119
Share-based payment expenses	—	5,128
Interest expenses	555	891
Loss (gain) on sale of property, plant and equipment	-3,952	-42
Loss (gain) on sale of investment securities	—	-20
Decrease (increase) in trade receivables	1,219	-4,975
Decrease (increase) in inventories	-259	225
Increase (decrease) in trade payables	174	2,547
Other, net	672	-3,591
Subtotal	<u>15,775</u>	<u>9,769</u>
Interest and dividends received	284	118
Interest paid	-559	-908
Income taxes paid	-2,381	-1,350
Net cash provided by (used in) operating activities	<u>13,118</u>	<u>7,629</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-11,114	-10,175
Proceeds from sale of property, plant and equipment	4,392	80
Purchase of intangible assets	-946	-620
Proceeds from sale of investment securities	—	42
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-1,225
Loan advances	—	-4
Proceeds from collection of loans receivable	0	1
Other, net	-644	-393
Net cash provided by (used in) investing activities	<u>-8,311</u>	<u>-12,294</u>
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	14,754	-15,090
Increase (decrease) in commercial papers	-1,000	-6,000
Repayments of finance lease obligations	-36	-45
Proceeds from long-term borrowings	—	62,931
Repayments of long-term borrowings	-638	-41,970
Redemption of bonds	—	-15,000
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	19,389
Proceeds from issuance of shares	—	31,166
Proceeds from sale of treasury shares	0	—
Purchase of treasury shares	-136	-68
Dividends paid to non-controlling interests	-4	-13,859
Dividends paid	-724	-365
Net cash provided by (used in) financing activities	<u>12,215</u>	<u>21,086</u>
Effect of exchange rate change on cash and cash equivalents	-408	3,487
Net increase (decrease) in cash and cash equivalents	<u>16,613</u>	<u>19,909</u>
Cash and cash equivalents at beginning of period	<u>23,288</u>	<u>39,902</u>
Cash and cash equivalents at end of period	<u>39,902</u>	<u>59,812</u>

4. SEGMENT INFORMATION

FISCAL YEAR 2019 (April 1, 2019 to March 31, 2020)

Millions of yen

	Reporting Segment		Total	Adjustment	Amount stated in CONSOLIDATED STATEMENTS OF INCOME
	Semiconductor Devices	Power Systems			
Sales					
(1) Sales to Customer	137,981	22,235	160,217	—	160,217
(2) Intersegment Sales or Transfer	444	228	672	-672	—
Total	138,426	22,464	160,890	-672	160,217
Operating income (loss) by segment	6,805	548	7,353	-3,044	4,309
Assets	158,755	12,616	171,371	22,652	194,024
Other					
Depreciation	11,562	136	11,698	700	12,398
Impairment loss	3,876	475	4,351	—	4,351
Increase in property, plant, equipment and intangible assets	11,510	106	11,617	401	12,019

FISCAL YEAR 2020 (April 1, 2020 to March 31, 2021)

Millions of yen

	Reporting Segment		Total	Adjustment	Amount stated in CONSOLIDATED STATEMENTS OF INCOME
	Semiconductor Devices	Power Systems			
Sales					
(1) Sales to Customer	137,233	19,561	156,795	—	156,795
(2) Intersegment Sales or Transfer	164	533	697	-697	—
Total	137,397	20,095	157,492	-697	156,795
Operating income (loss) by segment	1,190	882	2,073	-3,271	-1,198
Assets	174,785	13,922	188,708	44,965	233,673
Other					
Depreciation	11,784	61	11,846	716	12,562
Impairment loss	18	—	18	—	18
Increase in property, plant, equipment and intangible assets	14,223	166	14,390	101	14,491