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Consolidated Financial Results
for the Fiscal Year Ended March 31, 2023
[Japanese GAAP]



May 15, 2023

Company name: Shinko Shoji Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8141
 URL: <http://www.shinko-sj.co.jp/>
 Representative: Tatsuya Ogawa, President and Representative Director
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 Scheduled date of ordinary general meeting of shareholders: June 23, 2023
 Scheduled date of commencing dividend payments: June 14, 2023
 Scheduled date of filing annual securities report: June 23, 2023
 Availability of supplementary briefing material on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	179,076	32.4	7,128	71.2	6,841	66.7	4,706	66.8
March 31, 2022	135,205	31.4	4,163	169.7	4,103	162.8	2,821	124.7

(Note) Comprehensive income: Fiscal year ended March 31, 2023: 6,301 million yen [58.8%]
 Fiscal year ended March 31, 2022: 3,968 million yen [120.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	137.77	—	9.1	7.3	4.0
March 31, 2022	76.11	—	5.6	5.1	3.1

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2023: –million yen

Fiscal year ended March 31, 2022: –million yen

(Note) The average number of shares during the period used for calculating basic earnings per share is calculated by excluding the number of shares held in own name as well as treasury shares held by the board benefit trust of 515,531 shares for the fiscal year ended March 31, 2022 and 497,146 shares for the fiscal year ended March 31, 2023 and treasury shares held by the employee benefit trust of 356,715 shares for the fiscal year ended March 31, 2022 and 340,462 shares for the fiscal year ended March 31, 2023.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	98,827	52,560	52.5	1,567.87
As of March 31, 2022	88,951	51,945	57.8	1,409.01

(Reference) Equity: As of March 31, 2023: 51,860 million yen

As of March 31, 2022: 51,369 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	(905)	9	682	10,746
March 31, 2022	(11,628)	(407)	4,250	10,579

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	23.00	–	36.50	59.50	2,236	78.2	4.3
Fiscal year ended March 31, 2023	–	29.00	–	40.00	69.00	2,358	50.1	4.6
Fiscal year ending March 31, 2024 (Forecast)	–	26.50	–	26.50	53.00		50.1	

(Note) Fiscal year-end dividend for the fiscal year ended March 31, 2023 was revised from 29.00 yen to 40.00 yen.

For details, please refer to “Notice Concerning Differences between Full-year Consolidated Financial Results Forecast and Actual Results and Revision to Year-end Dividend Forecast (Dividend Increase)” announced today (May 15, 2023).

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	170,000	(5.1)	5,000	(29.9)	5,000	(26.9)	3,500	(25.6)	105.81

(Note) In the consolidated financial results forecast for the fiscal year ending March 31, 2024, only the full year forecast is disclosed as reasonable estimates of the financial results forecast for the first six months is difficult at this time. For details, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the attached document.

*** Notes:**

- (1) Changes in significant subsidiaries during the period: No
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2023: 38,010,566 shares
March 31, 2022: 38,010,566 shares
 - 2) Total number of treasury shares at the end of the period:
March 31, 2023: 4,933,439 shares
March 31, 2022: 1,552,612 shares
 - 3) Average number of shares during the period:
Fiscal year ended March 31, 2023: 34,160,007 shares
Fiscal year ended March 31, 2022: 37,064,410 shares

(Notes)

1. The total number of treasury shares at the end of the period includes the Company's shares held by the board benefit trust of 510,300 shares for the fiscal year ended March 31, 2022 and 481,800 shares for the fiscal year ended March 31, 2023 and the Company's shares held by the employee benefit trust of 347,600 shares for the fiscal year ended March 31, 2022 and 330,900 shares for the fiscal year ended March 31, 2023.
2. Treasury shares excluded for calculation of the average number of shares during the period includes the Company's shares held by the board benefit trust of 515,531 shares for the fiscal year ended March 31, 2022 and 497,146 shares for the fiscal year ended March 31, 2023 and the Company's shares held by the employee benefit trust of 356,715 shares for the fiscal year ended March 31, 2022 and 340,462 shares for the fiscal year ended March 31, 2023.

(Reference) Overview of non-consolidated financial results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	118,830	27.5	4,025	60.2	3,753	(7.7)	2,656	(18.8)
March 31, 2022	93,224	46.3	2,512	–	4,066	–	3,269	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2023	77.76		–	
March 31, 2022	88.22		–	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	69,432	33,860	48.8	1,023.68
As of March 31, 2022	65,131	36,656	56.3	1,005.45

(Reference) Equity: As of March 31, 2023: 33,860 million yen

As of March 31, 2022: 36,656 million yen

<Reason for the change in non-consolidated financial results from the previous fiscal year>

This is because the businesses related to industrial products, automotive electronic products, and OA products remained strong in the fiscal year ended March 31, 2023.

* This financial report is outside the scope of audit by certified public accountants or audit firms

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable. These statements are not intended as the Company's commitment to achieve them, and actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2023, the Japanese economy remained highly uncertain due to economic friction between the U.S. and China, the prolonged situation in Ukraine, global inflation, as well as financial instability in the U.S. and Europe, although movement toward a recovery gained momentum along with normalization from the behavioral restrictions in place to counter the spread of COVID-19.

The electronics industry generally remained robust owing to strong demand backed by the shift to EVs and promotion of DX, despite a lull in replacement demand for tablets, smartphones, and other devices. Tightened supply and demand for semiconductors and electronic devices has led to the perception of persistent shortages, despite the trend for that to dissipate with regard to certain products.

Under these situations, our group (our Company and consolidated subsidiaries; hereinafter referred to as the “Group”) achieved favorable results in the main fields of businesses related to industrial products, automotive electronic products, and OA products, and both sales and profit increased.

As a result, business performance of the Group in the fiscal year ended March 31, 2023 was consolidated net sales of 179,076 million yen (32.4% increase compared with the previous fiscal year); operating profit of 7,128 million yen (71.2% increase); ordinary profit of 6,841 million yen (66.7% increase); and profit attributable to owners of parent of 4,706 million yen (66.8% increase).

Business performance per segment is as follows.

Electronic Device Business

The businesses related to industrial products, automotive electronic products, and OA products remained strong.

As a result of the above, net sales were: semiconductor 105,451 million yen (40.5% increase compared with the previous year), electronic devices 52,663 million yen (18.9% increase), and overall 158,115 million yen (32.5% increase).

Assembly Business

The businesses related to industrial products and consumer products remained strong.

As a result of the above, net sales of assembly products were 16,110 million yen (30.9% increase compared with the previous year).

Other Businesses

The businesses related to amusement products, industrial products and automotive electronic products remained strong.

As a result of the above, net sales of electronic products and contract development of microcomputer software were 4,851 million yen (36.1% increase compared with the previous year).

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Total assets at the end of the fiscal year under review increased by 9,876 million yen from the end of the previous year to 98,827 million yen. This is mainly attributable to increases in notes and accounts receivable - trade, and contract assets, merchandise and finished goods, and accounts receivable - other of 7,223 million yen, 2,195 million yen, and 783 million yen, respectively, despite a decrease in land of 131 million yen and a decrease in intangible assets of 127 million yen.

(Liabilities)

Total liabilities at the end of the fiscal year under review increased by 9,261 million yen from the end of the previous year to 46,266 million yen. This is mainly attributable to increases in long-term borrowings, accounts payable - other, current portion of long-term borrowings and short-term borrowings of 3,400 million yen, 1,915 million yen, 1,600 million yen, and 1,580 million yen, respectively, despite a decrease of 1,262 million yen in notes and accounts payable - trade.

(Net assets)

Total net assets at the end of the fiscal year under review increased by 615 million yen from the end of the previous year to 52,560 million yen. This is mainly attributable to increases in retained earnings and foreign currency translation adjustment of 2,352 million yen and 1,214 million yen, respectively, despite an increase in treasury shares of 3,321 million yen.

This resulted in an equity ratio of 52.5% (57.8% at the end of the previous year).

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “Net Cash”) at the end of the fiscal year under review increased by 166 million yen from the end of the previous year to 10,746 million yen, mainly due to proceeds from short-term borrowings and proceeds from long-term borrowings, despite an increase in trade receivables, along with repayments of short-term borrowings, purchase of treasury shares, dividends paid, and other factors, as profit before income taxes was 6,881 million yen (66.4% increase from the previous fiscal year).

Status of cash flows and factors behind them for the fiscal year ended March 31, 2023 are as follows.

(Cash flows from operating activities)

Net Cash used in operating activities was 905 million yen (11,628 million yen used in the previous fiscal year). This is mainly attributable to an increase in trade receivables of 6,352 million yen, an increase in inventories of 1,360 million yen, an increase in accounts receivable - other of 1,540 million yen, and a decrease in trade payables of 1,609 million yen, despite 6,881 million yen in profit before income taxes.

(Cash flows from investing activities)

Net Cash provided by investing activities was 9 million yen (407 million yen used in the previous fiscal year). This is mainly attributable to 190 million yen in proceeds from sale of property, plant and equipment and 124 million yen in proceeds from sales and cancelation of other investments, despite 105 million yen in purchase of property, plant and equipment and 155 million yen in purchase of other investments.

(Cash flows from financing activities)

Net Cash provided by financing activities was 682 million yen (4,250 million yen provided in the previous fiscal year). This is mainly attributable to 7,430 million yen in proceeds from short-term borrowings and 5,000 million yen in proceeds from long-term borrowings, despite 5,966 million yen in repayments of short-term borrowings, 3,354 million yen in purchase of treasury shares, and 2,356 million yen in dividends paid.

(Reference) Trends in cash flow-related indicators

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio (%)	67.6	68.0	67.7	57.8	52.5
Equity ratio on a market value basis (%)	48.3	45.8	40.4	37.3	41.0
Cash flow to interest-bearing debt ratio (%)	68.7	71.5	–	–	–
Interest coverage ratio (times)	104.6	88.8	–	–	–

Equity ratio: equity / total assets

Equity ratio on market value basis: market capitalization / total assets

Cash flow to interest-bearing debt ratio: interest-bearing debt / cash flow

Interest coverage ratio: operating cash flow / interest expense

Note 1) All of the above indicators are calculated from financial figures on a consolidated basis.

Note 2) Market capitalization is calculated based on the number of outstanding shares after deducting treasury shares.

Note 3) Operating cash flow is used for cash flows.

Note 4) Interest-bearing debt includes all liabilities on which interest is paid, out of liabilities recorded in consolidated balance sheets.

(4) Future Outlook

The Company projects consolidated financial results for the fiscal year ending March 31, 2024 of consolidated net sales of 170,000 million yen, operating profit of 5,000 million yen, ordinary profit of 5,000 million yen, and profit attributable to owners of parent of 3,500 million yen. Regarding dividends, we plan to pay an annual dividend of 53 yen per share based on our basic policy of returning profits to shareholders set forth in the Medium-term Management Plan (three years) starting from the fiscal year ending March 31, 2024, with a target consolidated payout ratio of 50%.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, for the time being, taking into consideration the comparability of the consolidated financial statements from period to period and the comparability among companies.

The Group intends to consider the application of international accounting standards (IFRS) in the future, based on trends in the ratio of foreign shareholders and the application of IFRS by other domestic companies in the same industry.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	10,710	10,929
Notes and accounts receivable - trade, and contract assets	31,307	38,531
Merchandise and finished goods	29,189	31,384
Work in process	28	48
Accounts receivable - other	10,895	11,679
Other	246	188
Allowance for doubtful accounts	(7)	(41)
Total current assets	82,370	92,720
Non-current assets		
Property, plant and equipment		
Buildings and structures	906	823
Accumulated depreciation	(741)	(646)
Buildings and structures, net	164	176
Land	332	200
Other	1,175	1,187
Accumulated depreciation	(861)	(792)
Other, net	313	395
Total property, plant and equipment	810	771
Intangible assets	513	386
Investments and other assets		
Investment securities	3,106	3,458
Deferred tax assets	193	228
Other	1,958	1,262
Allowance for doubtful accounts	(1)	(0)
Total investments and other assets	5,256	4,949
Total non-current assets	6,580	6,107
Total assets	88,951	98,827

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,324	16,061
Electronically recorded obligations - operating	1,978	2,350
Short-term borrowings	7,444	9,025
Current portion of long-term borrowings	–	1,600
Accounts payable - other	1,705	3,621
Income taxes payable	1,103	1,477
Provision for bonuses	623	785
Provision for bonuses for directors	72	129
Other	1,239	1,901
Total current liabilities	31,492	36,952
Non-current liabilities		
Long-term borrowings	3,800	7,200
Deferred tax liabilities	209	398
Deferred tax liabilities for land revaluation	4	–
Provision for share awards for directors	88	108
Provision for share awards for employees	186	322
Retirement benefit liability	869	815
Other	355	469
Total non-current liabilities	5,513	9,314
Total liabilities	37,005	46,266
Net assets		
Shareholders' equity		
Share capital	9,501	9,501
Capital surplus	9,599	9,599
Retained earnings	31,225	33,577
Treasury shares	(1,286)	(4,608)
Total shareholders' equity	49,039	48,070
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	826	1,063
Deferred gains or losses on hedges	4	(0)
Revaluation reserve for land	(50)	(61)
Foreign currency translation adjustment	1,547	2,762
Remeasurements of defined benefit plans	2	25
Total accumulated other comprehensive income	2,329	3,789
Non-controlling interests	575	700
Total net assets	51,945	52,560
Total liabilities and net assets	88,951	98,827

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income for the fiscal year ended March 31, 2023)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	135,205	179,076
Cost of sales	122,294	162,074
Gross profit	12,911	17,002
Selling, general and administrative expenses	8,748	9,873
Operating profit	4,163	7,128
Non-operating income		
Interest income	25	12
Dividend income	74	92
Purchase discounts	10	4
Subsidy income	11	23
Compensation income	45	–
Miscellaneous income	39	45
Total non-operating income	206	177
Non-operating expenses		
Interest expenses	55	148
Foreign exchange losses	129	231
Arrangement fee	69	56
Miscellaneous expenses	11	28
Total non-operating expenses	266	464
Ordinary profit	4,103	6,841
Extraordinary income		
Gain on sale of non-current assets	–	39
Gain on sale of investment securities	33	–
Gain on sale of golf club membership	–	2
Total extraordinary income	33	41
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	1
Total extraordinary losses	1	1
Profit before income taxes	4,135	6,881
Income taxes - current	1,341	2,030
Income taxes - deferred	(80)	25
Income taxes	1,261	2,055
Profit	2,874	4,825
Profit attributable to non-controlling interests	53	119
Profit attributable to owners of parent	2,821	4,706

(Consolidated Statements of Comprehensive Income for the fiscal year ended March 31, 2023)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	2,874	4,825
Other comprehensive income		
Valuation difference on available-for-sale securities	(129)	238
Deferred gains or losses on hedges	3	(4)
Foreign currency translation adjustment	1,223	1,219
Remeasurements of defined benefit plans, net of tax	(3)	22
Total other comprehensive income	1,094	1,476
Comprehensive income	3,968	6,301
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,910	6,177
Comprehensive income attributable to non-controlling interests	58	124

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Total shareholder's equity
Balance at beginning of period	9,501	9,599	37,679	(8,298)	48,482
Cumulative effects of changes in accounting policies			(17)		(17)
Restated balance	9,501	9,599	37,661	(8,298)	48,464
Changes during period					
Dividends of surplus			(1,634)		(1,634)
Profit attributable to owners of parent			2,821		2,821
Reversal of revaluation reserve for land					—
Purchase of treasury shares				(645)	(645)
Disposal of treasury shares				34	34
Retirement of treasury shares			(7,623)	7,623	—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	(6,436)	7,012	575
Balance at end of period	9,501	9,599	31,225	(1,286)	49,039

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	955	0	(50)	328	6	1,241	616	50,340
Cumulative effects of changes in accounting policies								(17)
Restated balance	955	0	(50)	328	6	1,241	616	50,322
Changes during period								
Dividends of surplus								(1,634)
Profit attributable to owners of parent								2,821
Reversal of revaluation reserve for land								—
Purchase of treasury shares								(645)
Disposal of treasury shares								34
Retirement of treasury shares								—
Net changes in items other than shareholders' equity	(129)	3	—	1,218	(3)	1,088	(41)	1,047
Total changes during period	(129)	3	—	1,218	(3)	1,088	(41)	1,623
Balance at end of period	826	4	(50)	1,547	2	2,329	575	51,945

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Total shareholder's equity
Balance at beginning of period	9,501	9,599	31,225	(1,286)	49,039
Cumulative effects of changes in accounting policies					—
Restated balance	9,501	9,599	31,225	(1,286)	49,039
Changes during period					
Dividends of surplus			(2,364)		(2,364)
Profit attributable to owners of parent			4,706		4,706
Reversal of revaluation reserve for land			10		10
Purchase of treasury shares				(3,354)	(3,354)
Disposal of treasury shares				33	33
Retirement of treasury shares					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	2,352	(3,321)	(969)
Balance at end of period	9,501	9,599	33,577	(4,608)	48,070

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	826	4	(50)	1,547	2	2,329	575	51,945
Cumulative effects of changes in accounting policies								—
Restated balance	826	4	(50)	1,547	2	2,329	575	51,945
Changes during period								
Dividends of surplus								(2,364)
Profit attributable to owners of parent								4,706
Reversal of revaluation reserve for land								10
Purchase of treasury shares								(3,354)
Disposal of treasury shares								33
Retirement of treasury shares								—
Net changes in items other than shareholders' equity	237	(4)	(10)	1,214	22	1,459	124	1,584
Total changes during period	237	(4)	(10)	1,214	22	1,459	124	615
Balance at end of period	1,063	(0)	(61)	2,762	25	3,789	700	52,560

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,135	6,881
Depreciation	327	328
Amortization of goodwill	13	13
Increase (decrease) in allowance for doubtful accounts	1	32
Increase (decrease) in provision for bonuses for directors	27	57
Increase (decrease) in provision for share awards for directors	12	19
Increase (decrease) in provision for share awards for employees	57	136
Increase (decrease) in provision for bonuses	185	161
Increase (decrease) in retirement benefit liability	(99)	(54)
Interest and dividend income	(99)	(104)
Interest expenses	55	148
Loss (gain) on sale and retirement of property, plant and equipment	1	(37)
Loss (gain) on sale of investment securities	(33)	–
Decrease (increase) in trade receivables	(6,624)	(6,352)
Decrease (increase) in accounts receivable - other	(1,619)	(1,540)
Decrease (increase) in inventories	(11,868)	(1,360)
Increase (decrease) in trade payables	5,730	(1,609)
Increase (decrease) in accrued consumption taxes	(687)	1,449
Increase/decrease in other assets/liabilities	(1,080)	2,712
Non cash flow transaction	167	(148)
Subtotal	(11,395)	734
Interest and dividends received	100	103
Interest paid	(57)	(121)
Income taxes refund (paid)	(276)	(1,622)
Net cash provided by (used in) operating activities	(11,628)	(905)
Cash flows from investing activities		
Purchase of investment securities	(209)	(10)
Proceeds from sale of investment securities	199	–
Purchase of property, plant and equipment	(117)	(105)
Proceeds from sale of property, plant and equipment	0	190
Purchase of intangible assets	(156)	(33)
Purchase of other investments	(137)	(155)
Proceeds from sales and cancelation of other investments	14	124
Net cash provided by (used in) investing activities	(407)	9

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	7,738	7,430
Repayments of short-term borrowings	(1,742)	(5,966)
Proceeds from long-term borrowings	3,200	5,000
Repayments of long-term borrowings	(2,500)	–
Repayments of lease liabilities	(68)	(70)
Purchase of treasury shares	(645)	(3,354)
Dividends paid	(1,630)	(2,356)
Dividends paid to non-controlling interests	(100)	–
Net cash provided by (used in) financing activities	4,250	682
Effect of exchange rate change on cash and cash equivalents	768	380
Net increase (decrease) in cash and cash equivalents	(7,017)	166
Cash and cash equivalents at beginning of period	17,596	10,579
Cash and cash equivalents at end of period	10,579	10,746

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to management review by the Board of Directors.

The Group is engaged in sales of electronic devices, assembly products, and electronic products, as well as contract development of microcomputer software at its headquarters and domestic and overseas locations.

Consequently, the Group has three reportable segments: "Electronic Device Business," "Assembly Business," and "Other Businesses," with categories based on the type of products handled.

The main products in the Electronic Device Business segment are semiconductors and electronic devices. The main products of the Assembly Business are assembly products. The Other Businesses segment mainly sells electronic products and performs contract development of microcomputer software.

2. Calculation of net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting method for reported business segments is the same as that described in "Significant accounting policies for preparation of consolidated financial statements."

Profit by reportable segment is based on operating profit.

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment				Adjustment amount	Amounts recorded in the consolidated financial statements
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	119,335	12,306	3,563	135,205	–	135,205
Inter-segment sales and transfers	–	–	–	–	–	–
Total	119,335	12,306	3,563	135,205	–	135,205
Segment profit	5,951	76	178	6,206	(2,043)	4,163
Segment assets	57,150	6,967	2,195	66,313	22,637	88,951
Segment liabilities	15,973	3,966	409	20,348	16,657	37,005
Other items:						
Depreciation	–	–	13	13	313	327
Increase in property, plant and equipment and intangible assets	–	–	11	11	261	273

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment				Adjustment amount	Amounts recorded in the consolidated financial statements
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	158,115	16,110	4,851	179,076	–	179,076
Inter-segment sales and transfers	–	–	–	–	–	–
Total	158,115	16,110	4,851	179,076	–	179,076
Segment profit	8,418	642	315	9,376	(2,247)	7,128
Segment assets	67,342	8,887	2,676	78,905	19,921	98,827
Segment liabilities	17,259	3,731	493	21,484	24,782	46,266
Other items:						
Depreciation	–	–	14	14	314	328
Increase in property, plant and equipment and intangible assets	–	–	31	31	107	139

4. Differences between the totals of reportable segments and the amounts recorded in the consolidated financial statements, and major components of such differences (notes on adjustments)

(Millions of yen)

Profit	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Reportable segment total	6,206	9,376
Companywide expenses (Note)	(2,043)	(2,247)
Operating profit on consolidated financial statements	4,163	7,128

(Note) Companywide expenses consist mainly of common expenses not attributable to reportable segments and administrative division expenses.

(Millions of yen)

Assets	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Reportable segment total	66,313	78,905
Companywide assets (Note)	22,637	19,921
Total assets on consolidated financial statements	88,951	98,827

(Note) Companywide assets consist mainly of common assets, etc. not attributable to reportable segments and administrative assets, etc. in the administrative division.

(Millions of yen)

Liabilities	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Reportable segment total	20,348	21,484
Companywide liabilities (Note)	16,657	24,782
Total liabilities on consolidated financial statements	37,005	46,266

(Note) Companywide liabilities consist mainly of common liabilities, etc. not attributable to reportable segments and administrative liabilities, etc. in the administrative division.

(Millions of yen)

Other	Reportable Segment Total		Adjustment amount		Amounts recorded in the consolidated financial statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	13	14	313	314	327	328
Increase in property, plant and equipment, and intangible assets	11	31	261	107	273	139

(Note) Amounts in the adjustment amount column are mainly for common assets, etc. not attributable to reportable segments, and administrative assets, etc. in the administrative division.

(Per share information)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net assets per share	1,409.01 yen	1,567.87 yen
Basic earnings per share	76.11 yen	137.77 yen

- (Notes) 1. Diluted earnings per share are not stated since there are no dilutive shares.
2. The number of shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) is included as treasury shares in calculation of treasury shares in shareholders' equity. For the purpose of calculating the amounts of net assets per share, it was included in the number of treasury shares, which was to be deducted from the number of shares issued at the end of the fiscal year. For the purpose of calculating basic earnings per share, it was included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares during the period.
- Number of such treasury shares at the end of the fiscal year deducted from the calculation of net assets per share
- Board Benefit Trust (BBT) for officers
510,300 shares for the previous fiscal year and 481,800 shares for the current fiscal year
- Employee Stock Ownership Plan (J-ESOP)
347,600 shares for the previous fiscal year and 330,900 shares for the current fiscal year
- Average number of such treasury shares during the period deducted from the calculation of basic earnings per share
- Board Benefit Trust (BBT) for officers
515,531 shares for the previous fiscal year and 497,146 shares for the current fiscal year
- Employee Stock Ownership Plan (J-ESOP)
356,715 shares for the previous fiscal year and 340,462 shares for the current fiscal year

3. The basis for calculating basic earnings per share is as follows

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit attributable to owners of parent (millions of yen)	2,821	4,706
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (millions of yen)	2,821	4,706
Average number of shares during the period (thousands of shares)	37,064	34,160

(Significant subsequent events)
Not applicable.