

May 13, 2021

Summary of Consolidated Financial Results for the Year Ended March 2021 [Japan GAAP]

Name of Company: KAGA ELECTRONICS CO., LTD.
 Stock Code: 8154 URL: <https://www.taxan.co.jp/>
 Stock Exchange Listing: Tokyo Stock Exchange, First Section
 Representative: Title: President & COO Name: Ryoichi Kado
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 Date of regular general meeting of shareholders: June 29 2021 (tentative)
 Date of commencement of dividend payment: June 30, 2021 (tentative)
 Date of filing of securities report: June 29, 2021 (tentative)
 Supplementary explanatory documents: Yes
 Earnings presentation: Yes (For institutional investors and analysts)
 (Yen in millions, rounded down)

1. Financial results for the current fiscal year (April 1, 2020 - March 31, 2021)

(1) Result of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2021	422,365	(4.8)	11,467	14.5	11,241	10.9	11,399	94.8
Fiscal year ended March 2020	443,615	51.5	10,014	32.3	10,137	29.0	5,852	(27.0)

Note: Comprehensive income: FY ended March 31, 2021: 14,114 million yen [252.4%] FY ended March 31, 2020: 4,005 million yen [(49.0)%]

	Earnings per share	Earnings per share (diluted)	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2021	415.07	—	13.5	5.1	2.7
Fiscal year ended March 2020	213.21	—	7.6	4.8	2.3

Ref.: Share of profit/loss of entities accounted for using equity method: FY ended March 2021: (627) million yen FY ended March 2020: (905) million yen

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	237,004	95,062	38.4	3,311.24
As of March 31, 2020	207,638	86,250	37.7	2,850.99

Ref.: Shareholders' equity : FY ended March 2021: 90,967 million yen FY ended March 2020: 78,284 million yen

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 2021	9,999	(2,453)	(6,851)	44,333
Fiscal year ended March 2020	22,406	(3,651)	(7,544)	42,693

2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	1Q	2Q	3Q	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 2020	—	30.00	—	40.00	70.00	1,921	32.8	2.5
Fiscal year ended March 2021	—	30.00	—	50.00	80.00	2,197	19.3	2.6
Fiscal year ending March 2022 (Forecast)	—	40.00	—	40.00	80.00		27.5	

Notes: Breakdown of year-end dividend for FY3/20: Ordinary dividend: 30.00 yen; Extraordinary dividend: 10.00 yen
 Breakdown of year-end dividend for FY3/21: Ordinary dividend: 30.00 yen; Extraordinary dividend: 20.00 yen

3. Forecast for the fiscal year ending March 2022 (Consolidated, April 1, 2021 - March 31, 2022)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	470,000	11.3	13,000	13.4	12,000	6.7	8,000	(29.8)	291.20

Note: Beginning with the start of the fiscal year ending on March 31, 2022, the "Accounting Standard for Revenue Recognition" (Business Accounting Standards No. 29), etc. will be adopted, and thus the above consolidated earnings forecasts are figures after this accounting standard, etc. has been applied.

* Notes

(1) Changes in significant subsidiaries (Changes in specified subsidiaries accompanied by changes in the scope of consolidation): Yes

New: 2 (Company Name) : EXCEL CO.,LTD. Advanced Display Solutions (HONG KONG) Limited.

Note: For more information, please refer "Consolidated Financial Statements and Major Notes (5) Notes to consolidated financial statements (Changes to principal subsidiaries in the current consolidated) " on page 16.

(2) Changes in accounting policies, estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)	As of March 31, 2021:	28,702,118	As of March 31, 2020:	28,702,118
(b) Treasury shares	As of March 31, 2021:	1,229,877	As of March 31, 2020:	1,243,279
(c) Average number of shares outstanding during the year	As of March 31, 2021:	27,465,021	As of March 31, 2020:	27,449,833

(Reference) Non-consolidated Financial Results

Financial results for the fiscal year ended March 2021 (April 1, 2020 - March 31, 2021)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2021	80,628	5.6	1,766	734.5	6,351	33.7	(621)	-
Fiscal year ended March 2020	76,326	3.3	211	-	4,751	(1.4)	1,112	(75.9)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Fiscal year ended March 2021	(22.63)	-
Fiscal year ended March 2020	40.51	-

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	103,000	40,107	38.9	1,459.80
As of March 31, 2020	93,971	41,480	44.1	1,510.51

Ref.: Shareholders' equity Fiscal year ended March 2021: 40,107 million yen Fiscal year ended March 2020: 41,480 million yen

*The audit procedures by certified public accountant or auditing firm are not applicable to this Financial Results report.

*Cautionary statement regarding forecasts of operating results and special notes
(Caution regarding forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the forecasts, please see "1. Results of Operations (4) Future outlook" on page 6 of Supplementary Information.

(Supplementary materials for financial results and how to obtain details of the financial results meeting)

We plan to hold an earnings briefing for institutional investors and analysts on Thursday, May 27, 2021. Supplementary materials for the earnings briefing will be posted on our website today (Thursday, May 13th). We plan to post a video of the earnings briefing, together with the briefing materials used on that day, on our website on May 27th.

(Japanese) https://www.taxan.co.jp/jp/ir/event/event_01.html

(English) https://www.taxan.co.jp/en/ir/event/event_01.html

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1. Results of Operations

(1) Overview of consolidated business performance

During the consolidated fiscal period under review, global economic conditions remained harsh in the first half of the fiscal year, with falling demand resulting from intermittent lockdowns, manufacturing suspensions in some industries, and other factors due to the impact of the COVID-19 outbreak. However, economic activities quickly resumed in China, which was able to contain the outbreak sooner than other countries, consumer sentiment improved even in the US, supported by an increase in job numbers, and there were signs of a recovery in manufacturing. Economic activity continued to be repressed in Europe due to the impact of another surge in infections. Although the Japanese economy bottomed out in May 2020 when the state of emergency declaration was lifted, the recovery has been modest at best. A second state of emergency was subsequently declared, weakening the economic recovery overall.

In the electronics industry to which the Group belongs, computer-related demand increased significantly due to the rapid introduction of telework and online classes. Sales of DIY-related tools and machine tools also grew on the back of demand sparked by a rise in at-home activities as people were asked to limit their movement during the pandemic. In addition, the automotive market was solid as auto sales began to recover from extremely slow growth caused by lockdowns around the world in the June quarter of this year.

In this environment, the Group focused on strengthening its competitiveness even further in order to expand its components sales business and the manufacturing EMS^{Note 1} business, which are the two pillars of the growth strategy in the three-year Medium-Term Management Plan 2021 (2019-2021). This plan began in April 2019, which makes this fiscal year the halfway point.

Specifically, in the components sales business, in addition to making EXCEL Co., Ltd. ("EXCEL"), an electronic parts trading company in the same industry, a subsidiary in April 2020, the Group worked to share and expand the products it handles and its customer base. In the EMS business, the Group worked together to expand business by focusing on sales activities targeting existing customers of Kaga FEI Co., Ltd.^(Note 2) ("Kaga FEI"). Moreover, Kyokuto Electric Co., Ltd. was made a subsidiary in November 2020, and the factories owned by the company in Tottori Prefecture were made the Group's EMS base in western Japan. This, coupled with Kaga EMS Towada Co., Ltd. in Aomori Prefecture, reinforced the Group's domestic manufacturing system. In December 2020, the Group also completed work on a new factory in China's Hubei Province, where the auto industry is concentrated, thereby enhancing its manufacturing capacity both domestically and overseas.

(*1) Electronics Manufacturing Service: Provision of product development and manufacturing services on an outsourcing basis

(*2) "Fujitsu Electronics Inc.", a Group company since January 2019, changed its name to " KAGA FEI Co., Ltd." effective December 29, 2020.

	FY 2020/3 (April 1, 2019 – March 31, 2020)	FY 2021/3 (April 1, 2020 – March 31, 2021)	YoY	
	(Million yen)	(Million yen)	(Million yen)	
Net sales	443,615	422,365	(21,249)	(4.8%)
Gross profit (Margin)	47,016 10.6%	47,936 11.3%	920 0.7pt	2.0% –
SG&A	37,001	36,469	(532)	(1.4%)
Operating income	10,014	11,467	1,452	14.5%
Ordinary income	10,137	11,241	1,104	10.9%
Profit before income taxes	9,286	14,472	5,185	55.8%
Profit attributable to owners of parent	5,852	11,399	5,547	94.8%
EPS	213.21	415.07	201.86	–
ROE	7.6%	13.5%	5.9pt	–
Exchange Rate (Average rate during the year) USD	108.74	106.06	(2.68)	–

Net sales in the consolidated fiscal year ended March 31, 2021 decreased by 4.8% year on year to 422,365 million yen. Although the Group attracted demand for computers and others spurred by telework and responded to the recovery in demand in the manufacturing industry, and new Group subsidiary EXCEL boosted sales, the termination of Kaga FEI's sales agency agreements with large firms continued to affect sales.

In terms of income, operating income increased 14.5% year on year to 11,467 million yen and ordinary income rose 10.9% year on year to 11,241 million yen. This was due to an increase in gross profit supported by solid sales in key businesses, in addition to efforts to curtail and reduce selling, general, and administrative expenses, such as travel and transportation costs and business dining costs, as well as to promote teleworking, online meetings, and other initiatives to improve operational efficiency.

Profit attributable to owners of parent rose 94.8% over the previous year, to 11,399 million yen, well over the previous year's level. This was because the Group posted a 7,963 million yen "gain on bargain purchase" as extraordinary income following a corporation acquisition, despite pricing in one-off losses resulting from the prolonged COVID-19 pandemic, such as the posting of 1,893 million yen in impairment losses including those for the newly built EMS manufacturing bases overseas as an extraordinary loss and 1,750 million yen in provision for allowance for doubtful accounts for a major supplier.

Both operating income and ordinary income reached record highs for the second straight fiscal year, and profit attributable to owners of parent reached a historical high for the first time in two fiscal years, since the fiscal year ended in March 2019.

Business segment performance was as follows.

		FY 2020/3	FY 2021/3	YoY	
		(April 1, 2019 – March 31, 2020)	(April 1, 2020 – March 31, 2021)	(Million yen)	(%)
Electronic components	Net sales	(Million yen) 377,587	(Million yen) 353,454	(24,133)	(6.4%)
	Segment income	7,503	8,151	647	8.6%
Information equipment	Net sales	43,466	48,389	4,922	11.3%
	Segment income	1,707	2,482	774	45.3%
Software	Net sales	2,778	2,932	153	5.5%
	Segment income	236	263	26	11.4%
Others	Net sales	19,781	17,589	(2,192)	(11.1%)
	Segment income	452	474	22	4.9%
Total	Net sales	443,615	422,365	(21,249)	(4.8%)
	Segment income	10,014	11,467	1,452	14.5%

Note: "Segment income" shows unadjusted figures for each business segment and adjusted figures for the total.

- (a) Electronic components (Development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service (EMS), and other activities)

In this business, the components sales business saw the effect of higher sales generated by EXCEL's consolidation from April 2020, and the business also responded adroitly to demand as it recovered sharply in a wide range of industries from the second half of the fiscal year. However, the termination of Kaga FEI's sales agency agreements with large firms continued to affect sales, and as a result, net sales undercut the previous year's levels in this fiscal year.

The EMS business was affected by the suspension of manufacturing at overseas manufacturing plants of both the Company and its customers due to countries imposing lockdowns as COVID-19 infections increased early in the fiscal year, among other factors. However, demand picked up markedly from the second half of the fiscal year, particularly in the automotive and industrial equipment sectors. This in turn can be attributed to a recovery in spending, particularly on automobiles, which had fallen sharply at one point. As a result, net sales in the fiscal year under review exceeded levels in the previous year.

As a result, net sales decreased by 6.4% year on year to 353,454 million yen, and segment income increased by 8.6% year on year to 8,151 million yen.

- (b) Information equipment (Sales of PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products)

In this business, sales of PCs, PC peripherals, and security software grew as companies and schools respectively expanded teleworking and online classes. In addition, sales of thermography equipment for temperature checks and sterilizing deodorizers with antiviral functions for companies were also solid as products aimed at countering COVID-19.

As a result, net sales increased by 11.3% year on year to 48,389 million yen, and segment income increased by 45.3% year on year to 2,482 million yen.

- (c) Software (Production of computer graphics, planning and development of amusement products, and other activities)

In this business, areas such as computer graphics animation and the development of game software performed well due to an increase in orders and front-loaded orders from customers sparked by a rise in at-home activities, among other factors.

As a result, net sales increased by 5.5% year on year to 2,932 million yen, and segment income increased by 11.4% year on year to 263 million yen.

(d) Others (Repair and supports for electronics equipment, manufacture and sales of amusement equipment, and sales of sports goods, and other activities)

In this business, the PC and PC peripheral recycling business was solid, but sales of game equipment for the amusement industry and golf products were low due to the impact of requests from administrative authorities around the country that large commercial facilities curtail their operating hours to prevent the spread of COVID-19.

As a result, net sales decreased by 11.1% year on year to 17,589 million yen, and segment income increased by 4.9% year on year to 474 million yen.

<Reference>Financial results

① Financial highlights(3months)

	FY 2020/3 4Q (3months) (January 1, 2020 – March 31, 2020)	FY 2021/3 4Q (3months) (January 1, 2021 – March 31, 2021)	YoY	
	(Million yen)	(Million yen)	(Million yen)	
Net sales	104,813	128,099	23,285	22.2%
Gross profit	11,770	14,289	2,518	21.4%
(Margin)	11.2%	11.2%	0.0pt	–
SG&A	9,488	10,339	851	9.0%
Operating income	2,282	3,950	1,667	73.0%
Ordinary income	2,161	4,010	1,848	85.5%
Profit before income taxes	1,699	(370)	(2,069)	–
Profit attributable to owners of parent	927	(1,329)	(2,256)	–

② By segment

		FY 2020/3 4Q (3months) (January 1, 2020 – March 31, 2020)	FY 2021/3 4Q (3months) (January 1, 2021 – March 31, 2021)	YoY	
		(Million yen)	(Million yen)	(Million yen)	
Electronic Components	Net sales	84,060	106,750	22,689	27.0%
	Segment income	1,084	2,732	1,648	151.9%
Information Equipment	Net sales	13,677	14,451	774	5.7%
	Segment income	853	728	(124)	(14.6%)
Software	Net sales	990	927	(62)	(6.3%)
	Segment income	226	156	(70)	(31.0%)
Others	Net sales	6,085	5,969	(115)	(1.9%)
	Segment income	87	325	237	270.3%
Total	Net sales	104,813	128,099	23,285	22.2%
	Segment income	2,282	3,950	1,667	73.0%

Note: "Segment income" shows unadjusted figures for each business segment and adjusted figures for the total.

(2) Overview of financial condition

Assets, liabilities and net assets

Total assets as of March 31, 2021 increased by 29,366 million yen from the previous fiscal year-end to 237,004 million yen.

Current assets increased by 25,847 million yen compared to the end of the previous fiscal year, to 200,179 million yen. The consolidation of EXCEL had an effect, and the other primary factors were an 18,278 million yen increase in notes and accounts receivable – trade and a 4,450 million yen increase in merchandise and finished goods.

Non-current assets increased by 3,518 million yen to 36,825 million yen. This was primarily due to a 2,269 million yen increase in investment securities and a 668 million yen increase in deferred tax assets as a result of factors such as rises in the prices of invested stocks.

Liabilities increased by 20,553 million yen compared to the end of the previous fiscal year, to 141,942 million yen. The consolidation of EXCEL had an effect, and the other primary factors were a 9,665 million yen increase in notes and accounts payable – trade and an 8,593 million yen increase in short-term loans payable.

Net assets increased by 8,812 million yen from March 31, 2020, to 95,062 million yen. This was primarily due to a 9,477 million yen increase in retained earnings due to 11,399 million yen in profit attributable to owners of parent.

(3) Cash flows

Cash and cash equivalents as of March 31, 2021 increased 1,639 million yen from March 31, 2020 to 44,333 million yen.

(Operating activities)

Net cash provided by operating activities was 9,999 million yen (22,406 million yen provided by the previous fiscal year) mainly due to the posting of profit before income taxes.

(Investing activities)

Net cash used in investing activities was 2,453 million yen (3,651 million yen used in the previous fiscal year) mainly due to purchase of property, plant and equipment.

(Financing activities)

Net cash used in financing activities was 6,851 million yen (7,544 million yen used in the previous fiscal year) mainly due to the additional acquisition of shares in Kaga FEI and the payment of dividends.

(4) Future outlook

In the fiscal year ending in March 2022, we remain concerned about the effects of COVID-19 on the global economy, particularly the spread of variants around the world. We expect economic activity to gradually normalize as vaccines become more available in each country, treatments are developed, and preventive systems are established. That said, we must take into account the risk of another surge in COVID-19 cases caused by variants; this and other factors make the economic outlook for Japan and the rest of the world uncertain.

In the electronics industry, to which the Group belongs, there has been turmoil in some parts of the supply chain, such as tight supply/demand conditions for semiconductors. However, we continue to expect that in the medium to long term, demand for electronic components will increase. Specifically, in the ICT sector, we expect smartphone functions to become more advanced as 5G (fifth-generation wireless network technology) is introduced in earnest, the data center market will expand, and the greater sophistication and integration of IoT and AI will create new demand. Moreover, in the automotive field, we anticipate that electronic vehicles will become part of a major trend as an eco-friendly measure and that electronic components and cyber technology will be increasingly introduced in cars, as with CASE (Connected, Autonomous, Shared & Services,

Electric).

Based on these assumptions, our forecasts for earnings in the fiscal year ending in March of 2022, which will be the final year of Medium-Term Management Plan 2021, are shown below.

At this point, we do not expect to meet the management target of 500 billion yen in net sales since the Group has been affected by the termination of sales agency contracts with major suppliers and the global spread of COVID-19—factors that were not considered when this plan was established. However, we have not lowered our target, and will continue to work hard to meet it. We succeeded in making progress with “profit-focused management,” even during this period of adversity, and expect to set a record high for a third straight fiscal year and also achieve the management target of 13 billion yen in operating income. We reached the target for ROE one year earlier than expected, in this fiscal year, but will continue to pursue management that allows us to consistently achieve ROE of 8% or higher in the fiscal year ending in March 2022 as well.

(Reference) Forecast for the fiscal year ending March 2022 and Medium-term Management Plan 2021 Management Targets

	Forecasts FY2022/3	Management Targets FY2021
	(Million yen)	(Million yen)
Net Sales	470,000	500,000
Operating Income	13,000	13,000
Ordinary Income	12,000	—
Profit attributable to owners of parent	8,000	—
R O E	8.5%	8% or higher

(5) Basic policy for earnings allocations and dividends in the current and next fiscal years

The Company positions the return of profits to shareholders as one of the most important management policies, and in addition to endeavoring to strengthen its financial position and management foundation with a long-term perspective, has the basic policy of maintaining stable and ongoing dividends to all shareholders with due consideration to consolidated performance.

With respect to the year-end dividend for the fiscal year ended on March 31, 2021, the Company plans to pay an extraordinary dividend of 10 yen per share in addition to the 40 yen per share dividend (30-yen ordinary dividend + 10-yen extraordinary dividend), for a total of 50 yen per share, as we announced on April 28, 2021. As a result, the annual dividend, including an interim dividend of 30 yen per share, will be 80 yen per share, which is an increase of 10 yen from the 70 yen per share in the previous fiscal year.

For the fiscal year ending March 31, 2022, a dividend of 80 yen per share, including an interim dividend of 40 yen per share, is planned.

2. Basic Approach to the Selection of Accounting Standards

The KAGA ELECTRONICS Group prepares consolidated financial statements based on Japanese accounting standards. Going forward, we will consider adopting IFRS standards with due consideration to financial market trends, share of foreign investors, and the organizational costs resulting from the adoption of IFRS standards.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheet

(Million yen)

	FY 2020/3 (As of March 31, 2020)	FY 2021/3 (As of March 31, 2021)
ASSETS		
Current assets		
Cash and deposits	43,384	45,636
Notes and accounts receivable - trade	85,495	103,773
Electronically recorded monetary claims - operating	5,876	4,621
Securities	254	302
Merchandise and finished goods	25,276	29,727
Work in process	567	1,280
Raw materials and supplies	6,063	6,940
Other	7,601	9,921
Allowance for doubtful accounts	(188)	(2,024)
Total current assets	174,331	200,179
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,899	14,327
Accumulated depreciation	(6,533)	(7,305)
Buildings and structures, net	7,365	7,021
Machinery, equipment and vehicles	10,163	11,496
Accumulated depreciation	(5,685)	(6,853)
Machinery, equipment and vehicles, net	4,477	4,642
Tools, furniture and fixtures	5,092	5,632
Accumulated depreciation	(4,032)	(4,254)
Tools, furniture and fixtures, net	1,060	1,378
Land	4,924	5,074
Construction in progress	145	107
Total property, plant and equipment	17,974	18,225
Intangible assets		
Goodwill	322	209
Software	1,743	2,338
Other	190	62
Total intangible assets	2,256	2,609
Investments and other assets		
Investment securities	8,502	10,771
Deferred tax assets	1,584	2,252
Guarantee deposits	857	931
Insurance funds	894	910
Other	1,791	1,629
Allowance for doubtful accounts	(552)	(504)
Total investments and other assets	13,075	15,990
Total non-current assets	33,306	36,825
Total assets	207,638	237,004

(Million yen)

	FY 2020/3 (As of March 31, 2020)	FY 2021/3 (As of March 31, 2021)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	70,188	79,854
Short-term loans payable	6,540	10,800
Accrued expenses	5,739	5,957
Income taxes payable	1,884	2,136
Provision for directors' bonuses	101	126
Other	9,201	9,642
Total current liabilities	93,655	108,517
Non-current liabilities		
Long-term loans payable	20,833	25,166
Deferred tax liabilities	1,378	1,685
Provision for directors' retirement benefits	95	106
Net defined benefit liability	1,969	2,272
Asset retirement obligations	329	343
Other	3,127	3,850
Total non-current liabilities	27,732	33,424
Total liabilities	121,388	141,942
NET ASSETS		
Shareholders' equity		
Capital stock	12,133	12,133
Capital surplus	13,878	14,327
Retained earnings	55,091	64,568
Treasury shares	(2,005)	(1,984)
Total shareholders' equity	79,097	89,045
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	1,378
Deferred gains or losses on hedges	28	50
Foreign currency translation adjustment	(707)	470
Remeasurements of defined benefit plans	(133)	21
Total accumulated other comprehensive income	(812)	1,921
Non-controlling interests	7,965	4,095
Total net assets	86,250	95,062
Total liabilities and net assets	207,638	237,004

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY 2020/3 (April 1, 2019 – March 31, 2020)	FY 2021/3 (April 1, 2020 – March 31, 2021)
Net sales	443,615	422,365
Cost of sales	396,598	374,428
Gross profit	47,016	47,936
Selling, general, and administrative expenses	37,001	36,469
Operating income	10,014	11,467
Non-operating income		
Interest income	269	135
Dividends income	199	197
Commission fee	228	168
Foreign exchange gain	275	–
House rent income	126	116
Other	385	539
Total non-operating income	1,485	1,158
Non-operating expenses		
Interest expenses	308	317
Loss from equity method investments	905	627
Foreign exchange losses	–	359
Other	149	80
Total non-operating expenses	1,362	1,384
Ordinary income	10,137	11,241
Extraordinary income		
Gain on sales of non-current assets	61	2
Gain on sales of investment securities	135	128
Gain on bargain purchase	–	7,963
Gain on transfer of business	12	7
Settlement received	498	–
Other	1	20
Total extraordinary income	709	8,122
Extraordinary loss		
Impairment loss	380	1,893
Loss on retirement of non-current assets	12	101
Loss on sales of investment securities	57	36
Loss on valuation of investment securities	880	525
Extra retirement payments	199	24
Provision of allowance for doubtful accounts	–	1,750
Estimated losses associated with fund leakage incident that involved our American subsidiary	–	480
Other	30	78
Total extraordinary loss	1,560	4,892
Profit before income taxes	9,286	14,472
Income taxes - current	3,054	3,207
Income taxes - deferred	(61)	(51)
Total income taxes	2,992	3,156
Profit	6,293	11,315
Profit attributable to owners of parent	5,852	11,399
Profit (loss) attributable to non-controlling interests	441	(84)

(Million yen)

	FY 2020/3 (April 1, 2019 – March 31, 2020)	FY 2021/3 (April 1, 2020 – March 31, 2021)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,018)	1,376
Deferred gains or losses on hedges	26	22
Foreign currency translation adjustment	(1,260)	1,218
Remeasurements of defined benefit plans, net of tax	68	138
Share of other comprehensive income of entities accounted for using equity method	(104)	42
Total other comprehensive income	(2,288)	2,799
Comprehensive income	4,005	14,114
Comprehensive income attributable to owners of parent	3,708	14,101
Comprehensive income attributable to non-controlling interests	297	13

(3) Consolidated statement of changes in equity

For the fiscal year ended March 2020 (April 1, 2019 – March 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	13,865	51,297	(2,024)	75,272
Changes of items during period					
Dividends of surplus			(2,058)		(2,058)
Profit attributable to owners of parent			5,852		5,852
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		12		19	31
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	–	12	3,793	18	3,825
Balance at the end of current period	12,133	13,878	55,091	(2,005)	79,097

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,018	2	527	(215)	1,332	7,654	84,259
Changes of items during period							
Dividends of surplus							(2,058)
Profit attributable to owners of parent							5,852
Purchase of treasury shares							(0)
Disposal of treasury shares							31
Change in treasury shares arising from change in equity in entities accounted for using equity method							0
Net changes of items other than shareholders' equity	(1,017)	26	(1,234)	81	(2,144)	310	(1,834)
Total changes of items during period	(1,017)	26	(1,234)	81	(2,144)	310	1,990
Balance at the end of current period	0	28	(707)	(133)	(812)	7,965	86,250

For the fiscal year ended March 2021 (April 1, 2020 – March 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	13,878	55,091	(2,005)	79,097
Changes of items during period					
Dividends of surplus			(1,922)		(1,922)
Profit attributable to owners of parent			11,399		11,399
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		8		22	31
Change in ownership interest of parent due to transactions with non-controlling interests		441			441
Net changes of items other than shareholders' equity					
Total changes of items during period	–	449	9,477	21	9,948
Balance at the end of current period	12,133	14,327	64,568	(1,984)	89,045

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	0	28	(707)	(133)	(812)	7,965	86,250
Changes of items during period							
Dividends of surplus							(1,922)
Profit attributable to owners of parent							11,399
Purchase of treasury shares							(1)
Disposal of treasury shares							31
Change in ownership interest of parent due to transactions with non-controlling interests							441
Net changes of items other than shareholders' equity	1,378	22	1,178	154	2,733	(3,869)	(1,135)
Total changes of items during period	1,378	22	1,178	154	2,733	(3,869)	8,812
Balance at the end of current period	1,378	50	470	21	1,921	4,095	95,062

(4) Consolidated statement of cash flows

(Million yen)

	FY 2020/3 (April 1, 2019 – March 31, 2020)	FY 2021/3 (April 1, 2020 – March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	9,286	14,472
Depreciation	2,754	3,167
Impairment loss	380	1,893
Amortization of goodwill	98	114
Increase (decrease) in net defined benefit liability	8	(5)
Increase (decrease) in provision for directors' retirement benefits	(1)	11
Increase (decrease) in provision for directors' bonuses	30	25
Increase (decrease) in allowance for doubtful accounts	0	1,607
Interest and dividend income	(469)	(413)
Interest expenses	308	317
Share of (profit) loss of entities accounted for using equity method	905	627
Loss (gain) on sales of property, plant and equipment	(43)	(0)
Loss on retirement of non-current assets	12	101
Loss (gain) on sales of investment securities	(78)	(92)
Loss (gain) on valuation of investment securities	880	525
Gain on bargain purchase	–	(7,963)
Settlement received	(498)	–
Estimated losses associated with fund leakage incident that involved our American subsidiary	–	480
Decrease (increase) in notes and accounts receivable - trade	9,086	(4,303)
Decrease (increase) in inventories	7,658	2,997
Increase (decrease) in notes and accounts payable - trade	(6,667)	1,495
Decrease (increase) in accounts receivable - other	(1,149)	842
Increase (decrease) in accrued expenses	384	(162)
Decrease (increase) in advance payments	(1,431)	(349)
Decrease (increase) in consumption taxes refund receivable	266	(164)
Decrease (increase) in other current assets	93	(397)
Increase (decrease) in other current liabilities	2,106	(1,206)
Other, net	(350)	130
Subtotal	23,571	13,754
Interest and dividend income received	481	342
Interest expenses paid	(316)	(322)
Income taxes paid	(1,829)	(3,295)
Settlement package received	498	–
Fund leakage incident that involved our American subsidiary	–	(480)
Other, net	0	–
Net cash provided by (used in) operating activities	22,406	9,999

(Million yen)

	FY 2020/3 (April 1, 2019 – March 31, 2020)	FY 2021/3 (April 1, 2020 – March 31, 2021)
Cash flows from investing activities		
Payments into time deposits	(893)	(905)
Proceeds from withdrawal of time deposits	2,924	753
Purchase of property, plant and equipment	(3,276)	(2,514)
Proceeds from sales of property, plant and equipment	271	28
Purchase of intangible assets	(355)	(1,059)
Purchase of investment securities	(2,180)	(1,688)
Proceeds from sales of investment securities	651	723
Purchase from purchase of shares of subsidiaries resulting in change in scope of consolidation	(321)	(351)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	2,707
Payments of short-term loans receivable	(551)	–
Collection of short-term loans receivable	1	0
Purchase of insurance funds	(2)	(11)
Proceeds from cancellation of insurance funds	59	58
Payments for guarantee deposits	(34)	(77)
Proceeds from collection of guarantee deposits	41	63
Other payments	(96)	(267)
Other proceeds	108	87
Net cash provided by (used in) investing activities	(3,651)	(2,453)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(24,038)	(4,608)
Proceeds from long-term borrowings	20,266	5,000
Repayments of long-term loans payable	(1,312)	(1,279)
Purchase of treasury shares	(0)	(1)
Cash dividends paid	(2,056)	(1,922)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(3,441)
Other, net	(402)	(597)
Net cash provided by (used in) financing activities	(7,544)	(6,851)
Effect of exchange rate change on cash and cash equivalents	(748)	945
Net increase (decrease) in cash and cash equivalents	10,461	1,639
Cash and cash equivalents at beginning of period	32,231	42,693
Cash and cash equivalents at end of period	42,693	44,333

(5) Notes to consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Changes to principal subsidiaries in the current consolidated)

Effective April 1, 2020, as part of the Group's growth strategy, the Company acquired all of the shares of EXCEL and made it a wholly owned subsidiary. As a result, EXCEL ASIAN TAIWAN CO.,LTD, EXCEL ELECTRONICS (HONG KONG) LTD., EXCEL INTERNATIONAL TRADING (SHANGHAI) CO.,LTD., EXCEL SINGAPORE PTE LTD., EXCEL ELECTRONICS TRADING (SHENZHEN) LTD., Advanced Display Solutions Limited., Advanced Display Solutions (HONG KONG) Limited., EXCEL ELECTRONICS TRADING(THAILAND)CO.,LTD.. and ALFA BUS JAPAN CO.,LTD. became indirectly owned subsidiaries of the Company.

Note that EXCEL CO.,LTD. and Advanced Display Solutions (HONG KONG) Limited. constitutes a specified subsidiary of the Company as the amount of its capital is greater than 10% of the amount of the Company's capital.

Effective October 1, 2020, Advanced Display Solutions Ltd. merged with Excel Co., Ltd., with Excel Co., Ltd. as the surviving company.

Alfabus Japan Co., Ltd. was made a non-consolidated subsidiary when control over said company since it became an indirectly owned subsidiary was recognized to be temporary. However, as the company accepted capital injection from a third party effective October 30, 2020, it is no longer treated as a subsidiary.

Effective November 1, 2020, Excel Co., Ltd is no longer treated as a specified subsidiary as it conducted a capital reduction.

(Additional information)

(Accounting estimates associated with the COVID-19 pandemic)

Accounting estimates such as of impairment of non-current assets and collectability of deferred tax assets are made based on information that is available as of March 31, 2021 and do not include significant changes from the financial statement for the previous consolidated fiscal year.

(Segment information, etc.)

a. Segment information

1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. The Company classifies subsidiaries and associates according to their products and services, and implements comprehensive strategies in Japan and overseas. Consequently, the Group has four reportable segments that are made of different categories of products and services: electronic components, information equipment, software and others. The electronic components segment includes the development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service (EMS), and other activities. The information equipment segment includes sales of PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products. The software segment includes the production of computer graphics, planning and development of amusement products, and other activities. The others segment includes the repair and supports for electronics equipment, and sales of amusement equipment and sports goods, and others.

2. Methods of measurement for the amounts of net sales, income (loss), assets, and other items for each reportable segment

The accounting policies of each reportable segment are consistent with the accounting standards made to prepare consolidated financial statements.

3. Information about net sales, profit (loss), assets, and other items is as follows:

For the fiscal year ended March 2020 (April 1, 2019 – March 31, 2020)

(Million yen)

	Reporting segments					Adjustment *1	Consolidated *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	377,587	43,466	2,778	19,781	443,615	–	443,615
Inter-segment sales or transfers	2,337	1,745	765	3,514	8,362	(8,362)	–
Total	379,925	45,211	3,544	23,295	451,977	(8,362)	443,615
Segment income	7,503	1,707	236	452	9,900	114	10,014
Segment assets	187,750	16,575	1,799	12,016	218,141	(10,503)	207,638
Others							
Depreciation	1,883	54	48	145	2,132	(6)	2,125
Increase in property, plant and equipment and intangible assets	2,774	144	21	813	3,754	(123)	3,631

For the fiscal year ended March 2021 (April 1, 2020 – March 31, 2021)

(Million yen)

	Reporting segments					Adjustment *1	Consolidated *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	353,454	48,389	2,932	17,589	422,365	–	422,365
Inter-segment sales or transfers	3,022	4,251	1,178	4,714	13,166	(13,166)	–
Total	356,476	52,640	4,111	22,303	435,532	(13,166)	422,365
Segment income	8,151	2,482	263	474	11,371	95	11,467
Segment assets	215,323	18,368	2,076	11,142	246,911	(9,906)	237,004
Others							
Depreciation	2,273	51	56	156	2,537	(7)	2,530
Increase in property, plant and equipment and intangible assets	3,139	281	93	183	3,698	(124)	3,574

Note: 1. The adjustment is as follows:

(1) Segment income

(Million yen)

	Fiscal year ended March	Fiscal year ended March
Elimination of inter-segment	114	95
Amortization of goodwill	–	–
Total	114	95

(2) Segment assets

(Million yen)

	Fiscal year ended March	Fiscal year ended March
Elimination of inter-segment	(12,507)	(12,168)
Corporate *	2,004	2,261
Total	(10,503)	(9,906)

* Total corporate assets principally consist of surplus funds of the Company under management (cash and securities, etc.).

(3) Depreciation

(Million yen)

	Fiscal year ended March	Fiscal year ended March
Elimination of inter-segment	(6)	(7)
Total	(6)	(7)

(4) Increase in property, plant and equipment and intangible assets

(Million yen)

	Fiscal year ended March	Fiscal year ended March
Elimination of inter-segment	(123)	(124)
Total	(123)	(124)

2. Segment income is adjusted with operating income on the consolidated statements of income and comprehensive income.

b. Associated information

For the fiscal year ended March 2020 (April 1, 2019 – March 31, 2020)

Geographic information

Net sales

(Million yen)

Japan	North America	Europe	Asia	Total
270,585	26,894	20,019	126,115	443,615

- Notes: 1. Net sales are classified according to the customers' geographic locations.
2. Countries and regions are classified according to geographical proximity.
3. Countries and regions outside Japan are broken down into the following geographical areas:
(1) North America: United States, and Mexico
(2) Europe: United Kingdom, Germany, Czech Republic, Russia, and Turkey
(3) Asia: Hong Kong, Singapore, Taiwan, Korea, China, Malaysia, Thailand, India, Indonesia, and Vietnam

For the fiscal year ended March 2021 (April 1, 2020 – March 31, 2021)

Geographic information

Net sales

(Million yen)

Japan	North America	Europe	Asia	Total
240,240	22,698	13,622	145,804	422,365

- Notes: 1. Net sales are classified according to the customers' geographic locations.
2. Countries and regions are classified according to geographical proximity.

3. Countries and regions outside Japan are broken down into the following geographical areas:

- (1) North America: United States, and Mexico
- (2) Europe: United Kingdom, Germany, Czech Republic, Russia, and Turkey
- (3) Asia: Hong Kong, Singapore, Taiwan, Korea, China, Malaysia, Thailand, India, Indonesia, and Vietnam

(Per-share information)

(Yen)

	FY 2020/3 (April 1, 2019 – March 31, 2020)	FY 2021/3 (April 1, 2020 – March 31, 2021)
Net assets per share	2,850.99	3,311.24
Earnings per share	213.21	415.07

Notes: 1. Earnings per share (diluted) have not been disclosed because there were no potentially dilutive shares.

2. The basis of calculation of earnings per share is as follows.

	FY 2020/3 (April 1, 2019 – March 31, 2020)	FY 2021/3 (April 1, 2020 – March 31, 2021)
Earnings per share		
Profit attributable to owners of parent (million yen)	5,852	11,399
Profit not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent allocated to common stock (million yen)	5,852	11,399
Average number of common stock outstanding during the fiscal year	27,449,833	27,465,021

(Subsequent events)

Not applicable

4. Non-consolidated Financial Statements

(1) Balance sheet

	(Million yen)	
	FY 2020/3 (As of March 31, 2020)	FY 2021/3 (As of March 31, 2021)
ASSETS		
Current assets		
Cash and deposits	12,804	8,846
Notes receivable - trade	408	989
Electronically recorded monetary claims - operating	3,052	2,820
Accounts receivable - trade	21,003	25,033
Securities	254	302
Merchandise	4,001	3,421
Work in process	23	4
Supplies	2	2
Advance payments - trade	1,659	2,033
Prepaid expenses	212	194
Short-term loans receivable from subsidiaries and associates	5,486	11,180
Accounts receivable - other	2,843	4,287
Other	423	1,241
Allowance for doubtful accounts	(1,861)	(5,706)
Total current assets	50,315	54,651
Non-current assets		
Property, plant and equipment		
Buildings	2,186	2,109
Structures	17	19
Machinery and equipment	69	148
Vehicles	0	0
Tools, furniture and fixtures	155	190
Land	3,292	3,292
Lease assets	70	45
Total property, plant and equipment	5,791	5,807
Intangible assets		
Trademark right	3	3
Software	673	1,289
Other	5	5
Total intangible assets	682	1,299
Investments and other assets		
Investment securities	7,077	8,718
Shares of subsidiaries and associates	27,092	29,416
Investments in capital	24	24
Investments in capital of subsidiaries and associates	14	14
Long-term loans receivable from subsidiaries and associates	1,392	1,131
Claims provable in bankruptcy, claims provable in rehabilitation and other	428	110
Long-term prepaid expenses	334	400
Deferred tax assets	739	35
Other	1,460	1,627
Allowance for doubtful accounts	(288)	(233)
Allowance for investment loss	(1,094)	(2)
Total investments and other assets	37,181	41,243
Total non-current assets	43,655	48,349
Total assets	93,971	103,000

(Million yen)

	FY 2020/3 (As of March 31, 2020)	FY 2021/3 (As of March 31, 2021)
LIABILITIES		
Current liabilities		
Notes payable - trade	878	1,007
Accounts payable - trade	11,475	13,319
Short-term loans payable	3,624	7,598
Short-term loans payable to subsidiaries and associates	7,023	7,483
Current portion of long-term loans payable	1,279	668
Lease obligations	30	71
Accounts payable - other	847	1,070
Accrued expenses	1,724	1,301
Income taxes payable	901	918
Advances received	1,446	1,519
Deposits received	68	76
Provision for directors' bonuses	80	100
Other	5	140
Total current liabilities	29,386	35,275
Non-current liabilities		
Long-term loans payable	20,833	25,166
Lease obligations	42	200
Provision for retirement benefits	230	201
Asset retirement obligations	103	105
Other	1,894	1,944
Total non-current liabilities	23,104	27,618
Total liabilities	52,491	62,893
NET ASSETS		
Shareholders' equity		
Capital stock	12,133	12,133
Capital surplus		
Legal capital surplus	13,912	13,912
Other capital surplus	24	33
Total capital surplus	13,937	13,945
Retained earnings		
Legal retained earnings	618	618
Other retained earnings		
General reserve	7,000	7,000
Retained earnings brought forward	9,830	7,286
Total retained earnings	17,449	14,905
Treasury shares	(2,000)	(1,979)
Total shareholders' equity	41,519	39,004
Valuation and translation adjustments		
Valuation differences on available-for-sale securities	(63)	1,088
Deferred gains or losses on hedges	24	13
Total valuation and translation adjustments	(39)	1,102
Total net assets	41,480	40,107
Total liabilities and net assets	93,971	103,000

(2) Statement of income

	(Million yen)	
	FY 2020/3 (April 1, 2019 – March 31, 2020)	FY 2021/3 (April 1, 2020 – March 31, 2021)
Net sales	76,326	80,628
Cost of sales	67,029	70,616
Gross profit	9,297	10,012
Selling, general and administrative expenses	9,085	8,245
Operating income	211	1,766
Non-operating income		
Interest income	91	55
Dividend income	4,372	4,382
Foreign exchange gains	10	–
Other	413	384
Total non-operating income	4,888	4,822
Non-operating expenses		
Interest expenses	215	169
Loss on investments in partnership	1	4
Depreciation of assets for rent	11	11
Foreign exchange losses	–	19
Commission for syndicated loans	55	–
Other	64	33
Total non-operating expenses	348	237
Ordinary income	4,751	6,351
Extraordinary income		
Gain on sales of investment securities	135	128
Gain on sale of shares of subsidiaries	–	104
Gain on transfer of business	–	150
Settlement received	498	–
Other	13	0
Total extraordinary income	647	383
Extraordinary losses		
Loss on sales of investment securities	54	36
Loss on valuation of investment securities	880	525
Impairment loss	245	–
Loss on valuation of shares of subsidiaries and associates	1,380	1,921
Provision of allowance for doubtful accounts	972	3,926
Provision of allowance for investment loss	428	0
Other	15	1
Total extraordinary losses	3,978	6,412
Profit before income taxes	1,420	323
Income taxes - current	638	711
Income taxes - deferred	(329)	232
Total income taxes	308	944
Profit(loss)	1,112	(621)

(3) Statement of changes in equity

For the fiscal year ended March 2020 (April 1, 2019 – March 31, 2020)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
						General reserve	Retained earnings brought forward	
Balance at the beginning of current period	12,133	13,912	12	13,924	618	7,000	10,777	18,396
Changes of items during period								
Dividends of surplus							(2,058)	(2,058)
Profit							1,112	1,112
Purchase of treasury shares								
Disposal of treasury shares			12	12				
Net changes of items other than shareholders' equity								
Total changes of items during period	–	–	12	12	–	–	(946)	(946)
Balance at the end of current period	12,133	13,912	24	13,937	618	7,000	9,830	17,449

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	(2,019)	42,434	912	0	913	43,348
Changes of items during period						
Dividends of surplus		(2,058)				(2,058)
Profit		1,112				1,112
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	19	31				31
Net changes of items other than shareholders' equity			(976)	23	(952)	(952)
Total changes of items during period	18	(915)	(976)	23	(952)	(1,868)
Balance at the end of current period	(2,000)	41,519	(63)	24	(39)	41,480

For the fiscal year ended March 2021 (April 1, 2020 – March 31, 2021)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
					General reserve	Retained earnings brought forward		
Balance at the beginning of current period	12,133	13,912	24	13,937	618	7,000	9,830	17,449
Changes of items during period								
Dividends of surplus							(1,922)	(1,922)
Profit(loss)							(621)	(621)
Purchase of treasury shares								
Disposal of treasury shares			8	8				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	8	8	-	-	(2,543)	(2,543)
Balance at the end of current period	12,133	13,912	33	13,945	618	7,000	7,286	14,905

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	(2,000)	41,519	(63)	24	(39)	41,480
Changes of items during period						
Dividends of surplus		(1,922)				(1,922)
Profit(loss)		(621)				(621)
Purchase of treasury shares	(1)	(1)				(1)
Disposal of treasury shares	22	31				31
Net changes of items other than shareholders' equity			1,151	(10)	1,141	1,141
Total changes of items during period	21	(2,514)	1,151	(10)	1,141	(1,373)
Balance at the end of current period	(1,979)	39,004	1,088	13	1,102	40,107