

FY 2019 CONSOLIDATED FINANCIAL RESULTS

(April 1, 2019 to March 31, 2020)

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1. FINANCIAL RESULTS FOR THE FISCAL YEAR 2019 (April 1, 2019 to March 31, 2020)

(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 2019	160,217 (-7.7%)	4,309 (-59.1%)	2,674 (-70.8%)	-5,559 (-)
Fiscal Year 2018	173,650 (-0.9%)	10,531 (-12.4%)	9,173 (-22.3%)	3,967 (-)

Note 1: Comprehensive income: FY 2019: -6,052 million yen (- %) / FY 2018: 6,782 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 2019	-229.83yen	—	-10.3%	1.4%	2.7%
Fiscal Year 2018	163.70yen	157.45yen	7.0%	4.9%	6.1%

Reference: Equity in net income/loss non-consolidated subsidiaries and/or affiliates: FY 2019: —yen / FY 2018: —yen

Note 2: Diluted earnings per share for FY2019 are not presented because of the current net loss.

Note 3: As of October 1, 2018, the Company carried out a share consolidation of five common shares at the rate of one share. Accordingly, net income per share and diluted net income per share are calculated on the assumption that the consolidation of shares was carried out at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal Year 2019	194,024	71,776	25.7%	2,063.21 yen
Fiscal Year 2018	188,192	78,541	31.0%	2,405.01 yen

Reference: Shareholders' equity: Mar./2020: 49,842 million yen / Mar./2019: 58,279 million yen

Note : As of October 1, 2018, the Company carried out a share consolidation of five common shares at the rate of one share. Accordingly, Net assets per share is calculated on the assumption that the consolidation of shares was carried out at the beginning of the previous consolidated fiscal year.

(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 2019	13,118	-8,311	12,215	39,902
Fiscal Year 2018	14,604	-21,783	-1,990	23,288

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 2018	—	3.00yen	—	15.00yen	—	726	18.3%	1.3%
Fiscal year 2019	—	15.00yen	—	15.00yen	30.00yen	726	—	1.3%
Fiscal year 2020(forecast)	—	—	—	—	—	—	—	—

Note 1: The amount of the year-end dividend per share for the fiscal year ended March 31, 2019 is stated in consideration of the said share consolidation as stated in 1. (1) Note 3 above, and the total amount of the annual dividend is stated as “-.”

Note 2: The amount of the dividend per share for the fiscal year ending March 31, 2021, is undecided.

3. FISCAL YEAR 2020 CONSOLIDATED FINANCIAL FORECAST (April 1, 2020 to March 31, 2021)

The full-year consolidated financial forecast for the year ending March 31, 2021, is undecided, as it is currently difficult to reasonably calculate the impact of the novel coronavirus disease (COVID-19).

(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)	66,000 (-15.7%)	-1,300 —	-2,000 —	-3,300 —	-136.42yen
Full Year	— —	— —	— —	— —	—

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./2020:	25,098,060	Mar./2019:	25,098,060
Mar./2020:	940,303	Mar./2019:	865,315
Mar./2020:	24,189,184	Mar./2019:	24,233,956

Note : For the number of shares that serve as the basis for the calculation of net income (consolidated) per share, please refer to "Per share information" on page 15 of the attachment.

(Reference) SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS

1. NON-CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR 2019 (April 1, 2019 to March 31, 2020)

(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 2019	106,737 (-3.2%)	-3,067 -	-3,758 -	-7,123 -
Fiscal Year 2018	110,288 (-0.6%)	-1,943 -	-3,038 -	-3,528 -

	Net income per share	Diluted net income per share
Fiscal Year 2019	-294.51yen	-
Fiscal Year 2018	-145.59yen	-

Note : As of October 1, 2018, the Company carried out a share consolidation of five common shares at the rate of one share. Accordingly, net income per share is calculated on the assumption that the consolidation of shares was carried out at the beginning of the previous consolidated fiscal year.

(2) Non-consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal Year 2019	125,903	28,210	22.4%	1,167.75yen
Fiscal Year 2018	126,527	36,317	28.7%	1,498.69yen

Reference: Shareholders' equity: Mar./2020: 28,210 million yen / Mar./2019: 36,317 million yen

Note : As of October 1, 2018, the Company carried out a share consolidation of five common shares at the rate of one share. Accordingly, net income per share is calculated on the assumption that the consolidation of shares was carried out at the beginning of the previous consolidated fiscal year.

* 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 "Qualitative Information concerning the Forecast of Consolidated Business Results".

1. OPERATING RESULTS

(1) ANALYSIS OF OPERATING RESULTS

GENERAL REVIEW

During the consolidated fiscal year ended March 31, 2020, despite steady sales in some markets including the market for white goods such as air conditioners, for which the adoption of inverters is accelerating, due to the strengthening of environmental regulations in China, the overall business environment surrounding the Sanken Group became severe, owing to stagnation in the industrial machinery market as a result of a global decline in automobile sales and constraints on capital investment due to such factors as the growing impact of the prolonged U.S.-China trade frictions. Furthermore, business sentiment has rapidly deteriorated due to the global spread of the novel coronavirus disease (“COVID-19”) since the beginning of 2020 and the future outlook of the Group's market environment has become more uncertain.

Under these circumstances, the Company focused development resources on such growing fields as increased demand for energy-saving products in the air conditioners market, a transition to automobiles with improved environmental friendliness and safety functions as well as automobile electrification, and the prevalence of a communications infrastructure compatible with 5G, while working toward achieving the timely market launches of new products. In addition to advancing measures to deal with unprofitable products, we have been striving to improve productivity, such as automation of production lines. Furthermore, we have been working on measures to reduce fixed costs by constraining investments and cutting costs in response to declining sales.

As such, under the new business restructuring announced in November 2019, the Company decided to aim for selection and concentration of businesses focused on the semiconductor devices segment as a mainstay business. Specifically, we decided to take such measures as optimizing the production system by consolidating semiconductor device plants, examining strategic options including sale of the power systems segment, withdrawing from the LED lighting business, and selling off some bases. Thereafter, we announced detailed measures for optimizing the production system in the semiconductor devices segment in February 2020, and have been steadily executing the plan.

As a result of these factors, with regard to the operating results for the consolidated fiscal year ended March 31, 2020, the large impact of the decline in global sales volume in the automobile market resulted in consolidated net sales of ¥160,217 million, a decrease of ¥13,432 million (7.7%) as compared to the previous fiscal year. For income, consolidated operating profit decreased by ¥6,221 million (59.1%) to ¥4,309 million and consolidated ordinary profit decreased by ¥6,498 million (70.8%) to ¥2,674 million, as compared to the previous fiscal year, due to lower net sales and the resulting lower plant operating rate. In addition, losses associated with business restructuring were expected to be approximately ¥7.8 billion in the third quarter. However, a portion of the special retirement allowance and provision for transfer costs were carried forward to the following fiscal year and thereafter. Therefore, the extraordinary losses related to business restructuring amounted to ¥6,867 million. As a result, losses attributable to owners of parent of ¥5,559 million (profit attributable to owners of parent of ¥3,967 million in the previous fiscal year).

OVERVIEW OF THE BUSINESS BY SEGMENTS

Overview of business by segment is as follows.

Semiconductor Devices

In this segment, although products that leverage our technological strength for energy-saving inverter air conditioners continued to grow, especially in the Chinese market, the global automobile market saw sales become sluggish. Accordingly, there was a decrease in sales of products for automobiles, which are the mainstay products, and a decline in demand for products for AV equipment and industrial machinery due to weak economic sentiment. On the other hand, the global spread of COVID-19 since the beginning of 2020 has had a minimal impact on our results for the consolidated fiscal year ended March 31, 2020. As a result of these factors, consolidated net sales for this segment were ¥137,981 million, a decrease of ¥9,229 million (6.3%) as compared to the previous fiscal year. For income, consolidated operating profit was ¥6,805 million, a decrease of ¥6,220 million (47.8%) as compared to the previous fiscal year, despite various efforts to combat a drop in sales and the lower plant operating rate, and continued implementation of measures to deal with unprofitable products and to reduce fixed costs.

Power Systems

In this segment, with regard to social infrastructure products, the Company maintained sales at the same level as that in the previous fiscal year due to increased sales of products for telecommunications base stations and products for public-sector disaster prevention, etc. on the back of the Fundamental Plan for National Resilience, despite decreased sales of products for private demand due to an economic slowdown in China. However, as the Company continued to withdraw from sales of unit products for non-strategic markets, we saw an overall decrease in sales in this segment. As a result, consolidated net sales were ¥22,235 million, a decrease of ¥4,203 million (15.9%) as compared to the previous fiscal year. For income, we recorded consolidated operating profit of ¥548 million, which is at the same level as that in the previous fiscal year.

(2) ANALYSIS OF FINANCIAL CONDITIONS

Assets at the end of the current consolidated fiscal year amounted to ¥194,024 million, an increase of ¥5,831 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in cash and deposits of ¥17,215 million, and a decrease in property, plant and equipment of ¥6,541 million and notes and accounts receivable-trade of ¥1,697 million.

Liabilities amounted to ¥122,248 million, an increase of ¥12,596 million from the end of the previous fiscal year. This was mainly due to an increase of ¥24,114 million in short-term borrowings including current portion of long-term borrowings, and a decrease of ¥10,211 million in long-term borrowings.

Net assets amounted to ¥71,776 million, a decrease of ¥6,765 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥6,289 million in retained earnings.

(3) STATUS OF CASH FLOW

Balance of cash and cash equivalents as of the end of the current consolidated fiscal year was ¥39,902 million, an increase of ¥16,613 million as compared with the end of the previous consolidated fiscal year.

Net cash provided by operating activities was ¥13,118 million, a decrease of ¥1,486 million as compared with the previous year. This was mainly due to a decrease in profit before income taxes.

Net cash used in investing activities was ¥8,311 million, a decrease of ¥13,471 million as compared with the previous year. This was mainly due to a decrease in purchase of property, plant and equipment and an increase in income from sale of property, plant and equipment.

Net cash used in financing activities was ¥12,215 million, an increase of ¥14,206 million as compared with the previous year. This was mainly due to an increase in short-term borrowings.

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Equity ratio	29.0%	29.8%	29.9%	31.0%	25.7%
Equity ratio on the basis of market price	22.2%	32.4%	50.9%	26.4%	26.2%
Redemption years for liabilities	12.1 years	4.7 years	5.0 years	4.9 years	6.4 years
Interest coverage ratio	9.5 times	23.8 times	24.1 times	23.7 times	23.4 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 in the fiscal year ending March 31, 2021, is increasingly uncertain, due to the impact of the global spread of COVID-19. Therefore, we expect the real economy to remain in a severe situation. However, regarding the Group's medium- to long-term market environment, in the markets for energy-saving and environmentally friendly products, which the Group has determined are strategic markets, we expect to see expanding demand for semiconductor devices in the expanding market for white goods, where the adoption of inverters is growing, and in the automotive markets, where strengthened safety and comfort functions such as advanced driver-assistance systems (ADAS) and xEV (next-generation vehicles) are being increasingly adopted. With regard to the power systems segment, we expect to see expanding demand for power systems associated with the implementation of various measures for building national resilience in Japan and increasing demand for power supply for base stations toward the widespread prevalence of 5G communication standards in the telecommunication market.

Under these circumstances, in the fiscal year ending March 31, 2021, the Company will work to reorganize its profit structure by steadily implementing the business restructuring that began in November 2019. In the semi-conductor devices segment, we will take initiatives to optimize the production system, such as the integration of diode production bases and consolidation of domestic power module production bases. In the power systems segment, we will advance activities aimed at achieving strategic options in coordination with financial advisors and take strategic growth initiatives by continuing to respond to the UPS business expansion, the social infrastructure and production machinery markets, and 5G. The Company will also increase corporate value by promoting work-style reform, introducing a performance-linked compensation system for the Group's directors and executive-level employees, and taking further initiatives in SDGs, and thereby will make concerted efforts to "realize sustainable growth," a goal under the mid-term business plan.

However, as the impact that the global spread of COVID-19 will have on each country's economic activity and final demand is still unclear, it is difficult to calculate a results forecast based on rational estimates. Therefore, we have not yet decided on a full-year forecast. We will release a full-year financial forecast as soon it is possible to calculate one.

(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 2019	March 31 2020
ASSETS		
Current assets		
Cash and deposits	23,564	40,779
Notes and accounts receivable - trade	33,586	31,888
Merchandise and finished goods	14,888	14,422
Work in process	19,633	21,231
Raw materials and supplies	7,539	5,425
Other	4,757	3,741
Allowance for doubtful accounts	-65	-114
Total current assets	<u>103,903</u>	<u>117,375</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,027	20,383
Machinery, equipment and vehicles, net	34,731	31,577
Tools, furniture and fixtures, net	2,042	1,788
Land	6,166	5,699
Leased assets, net	62	74
Construction in progress	5,574	6,538
Total property, plant and equipment	<u>72,604</u>	<u>66,062</u>
Intangible assets		
Software	2,786	2,483
Other	2,169	2,244
Total intangible assets	<u>4,955</u>	<u>4,728</u>
Investments and other assets		
Investment securities	1,093	892
Deferred tax assets	1,221	1,704
Retirement benefit asset	18	—
Other	4,637	3,262
Allowance for doubtful accounts	-241	-2
Total investments and other assets	<u>6,729</u>	<u>5,858</u>
Total non-current assets	<u>84,288</u>	<u>76,649</u>
Total assets	<u>188,192</u>	<u>194,024</u>

	March 31 2019	March 31 2020
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,075	17,774
Short-term loans payable	12,991	27,619
Current portion of long-term loans payable	646	10,133
Current portion of bonds payable	—	15,000
Commercial papers	11,000	10,000
Lease obligations	30	44
Income taxes payable	591	659
Provision for performance-linked directors' compensations	—	16
Provision for business structure reform	—	615
Accrued expenses	11,705	10,254
Other	1,368	1,233
Total current liabilities	<u>56,409</u>	<u>93,351</u>
Non-current liabilities		
Bonds payable	35,000	20,000
Long-term loans payable	11,855	1,643
Lease obligations	41	40
Deferred tax liabilities	1,508	975
Provision for share-based compensation	—	8
Provision for retirement benefits for directors (and other officers)	33	39
Provision for business structure reform	—	1,351
Retirement benefit liability	2,832	3,402
Other	1,970	1,435
Total non-current liabilities	<u>53,242</u>	<u>28,896</u>
Total liabilities	<u>109,651</u>	<u>122,248</u>
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	26,214	24,465
Retained earnings	20,204	13,915
Treasury shares	-4,023	-4,159
Total shareholders' equity	<u>63,292</u>	<u>55,118</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45	-75
Foreign currency translation adjustment	212	-477
Remeasurements of defined benefit plans	-5,270	-4,723
Total accumulated other comprehensive income	<u>-5,012</u>	<u>-5,275</u>
Non-controlling interests	<u>20,261</u>	<u>21,933</u>
Total net assets	<u>78,541</u>	<u>71,776</u>
Total liabilities and net assets	<u><u>188,192</u></u>	<u><u>194,024</u></u>

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

Millions of yen

	Fiscal Year 2018	Fiscal Year 2019
CONSOLIDATED STATEMENTS OF INCOME		
Net sales	173,650	160,217
Cost of sales	126,150	121,768
Gross profit	47,499	38,448
Selling, general and administrative expenses	36,968	34,139
Operating profit	<u>10,531</u>	<u>4,309</u>
Non-operating income		
Interest income	171	250
Dividend income	44	28
Subsidy income	139	—
Gain on sales of scraps	105	77
Reversal of Product compensation cost	128	—
Miscellaneous income	362	221
Total non-operating income	<u>950</u>	<u>578</u>
Non-operating expenses		
Interest expenses	610	555
Foreign exchange losses	1,069	1,115
Compensation expense	69	72
Miscellaneous loss	558	469
Total non-operating expenses	<u>2,308</u>	<u>2,212</u>
Ordinary profit	<u>9,173</u>	<u>2,674</u>
Extraordinary income		
Gain on sales of non-current assets	258	3,952
Gain on sales of investment securities	297	—
Settlement received	—	112
Total extraordinary income	<u>555</u>	<u>4,065</u>
Extraordinary losses		
Loss on disposal of non-current assets	457	414
Loss on valuation of investment securities	—	26
Extra retirement payments	122	350
Loss on liquidation of subsidiaries and associates	—	205
Impairment loss	119	513
Business structure reform cost	—	5,175
Provision for business structure reform	—	1,691
Total extraordinary losses	<u>700</u>	<u>8,377</u>
Profit before income taxes	<u>9,028</u>	<u>-1,638</u>
Income taxes - current	2,226	2,050
Income taxes - deferred	89	594
Income taxes for prior periods	—	941
Total income taxes	<u>2,316</u>	<u>3,586</u>
Profit (loss)	6,712	-5,224
Profit attributable to non-controlling interests	2,745	334
Profit (loss) attributable to owners of parent	<u>3,967</u>	<u>-5,559</u>

Millions of yen

	Fiscal Year 2018	Fiscal Year 2019
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		
Profit (loss)	6,712	-5,224
Other comprehensive income		
Valuation difference on available-for-sale securities	-344	-120
Foreign currency translation adjustment	1,703	-1,237
Remeasurements of defined benefit plans, net of tax	-1,288	530
Total other comprehensive income	70	-827
Comprehensive income	6,782	-6,052
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,465	-5,822
Comprehensive income attributable to non-controlling interests	3,316	-229

(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FISCAL YEAR 2018 (April 1, 2018 to March 31, 2019)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,896	26,003	16,964	-4,017	59,846
Changes of items during period					
Dividends of surplus			-727		-727
Profit (loss) attributable to owners of parent			3,967		3,967
Purchase of treasury shares				-6	-6
Disposal of treasury shares		-0		0	0
Share-based payments		211			211
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	211	3,240	-5	3,445
Balance at end of current period	20,896	26,214	20,204	-4,023	63,292

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	390	-909	-3,991	-4,510	16,947	72,283
Changes of items during period						
Dividends of surplus				—		-727
Profit (loss) attributable to owners of parent				—		3,967
Purchase of treasury shares				—		-6
Disposal of treasury shares				—		0
Share-based payments				—		211
Net changes of items other than shareholders' equity	-344	1,121	-1,279	-501	3,314	2,812
Total changes of items during period	-344	1,121	-1,279	-501	3,314	6,258
Balance at end of current period	45	212	-5,270	-5,012	20,261	78,541

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 available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
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

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of yen

	Fiscal Year 2018	Fiscal Year 2019
Cash flows from operating activities		
Profit (loss) before income taxes	9,028	-1,638
Depreciation	11,975	12,398
Impairment loss	119	513
Business structure reform cost	—	5,175
Increase (decrease) in provision for business structure reform	—	1,691
Increase (decrease) in allowance for doubtful accounts	4	-189
Decrease (increase) in retirement benefit asset	-537	-44
Increase (decrease) in retirement benefit liability	-164	-264
Interest and dividend income	-215	-279
Interest expenses	610	555
Loss (gain) on sales of property, plant and equipment	-258	-3,952
Loss (gain) on sales of investment securities	-297	—
Decrease (increase) in trade receivables	1,567	1,219
Decrease (increase) in inventories	-3,873	-259
Increase (decrease) in trade payables	-2,886	174
Other, net	2,820	672
Subtotal	<u>17,894</u>	<u>15,775</u>
Interest and dividend income received	210	284
Interest expenses paid	-616	-559
Income taxes paid	-2,883	-2,381
Net cash provided by (used in) operating activities	<u>14,604</u>	<u>13,118</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-19,692	-11,114
Proceeds from sales of property, plant and equipment	210	4,392
Purchase of intangible assets	-1,194	-946
Purchase of investment securities	-333	—
Proceeds from sales of investment securities	449	—
Collection of loans receivable	1	0
Other, net	-1,222	-644
Net cash provided by (used in) investing activities	<u>-21,783</u>	<u>-8,311</u>
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	-656	14,754
Increase (decrease) in commercial papers	4,000	-1,000
Repayments of finance lease obligations	-98	-36
Proceeds from long-term borrowings	1,046	—
Repayments of long-term borrowings	-500	-638
Proceeds from issuance of bonds	9,951	—
Redemption of bonds	-15,000	—
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	-6	-136
Dividends paid to non-controlling interests	-0	-4
Dividends paid	-727	-724
Net cash provided by (used in) financing activities	<u>-1,990</u>	<u>12,215</u>
Effect of exchange rate change on cash and cash equivalents	-134	-408
Net increase (decrease) in cash and cash equivalents	<u>-9,304</u>	<u>16,613</u>
Cash and cash equivalents at beginning of period	<u>32,593</u>	<u>23,288</u>
Cash and cash equivalents at end of period	<u>23,288</u>	<u>39,902</u>

4. SEGMENT INFORMATION

FISCAL YEAR 2018 (April 1, 2018 to March 31, 2019)

Millions of yen

	Reporting Segment		Total	Adjustment	Amount stated in CONSOLIDATED STATEMENTS OF INCOME
	Semiconductor Devices	Power Systems			
Sales					
(1) Sales to Customer	147,211	26,438	173,650	—	173,650
(2) Intersegment Sales or Transfer	602	197	799	-799	—
Total	147,813	26,636	174,450	-799	173,650
Operating income (loss) by segment	13,025	549	13,575	-3,044	10,531
Assets	155,224	15,169	170,393	17,798	188,192
Other					
Depreciation	11,122	210	11,333	642	11,975
Impairment loss	119	—	119	—	119
Increase in property, plant, equipment and intangible assets	20,121	404	20,526	375	20,901

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