

# FY 2018 CONSOLIDATED FINANCIAL RESULTS

(April 1, 2018 to March 31, 2019)

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## 1. FINANCIAL RESULTS FOR THE FISCAL YEAR 2018 (April 1, 2018 to March 31, 2019)

### (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 2018	173,650 (-0.9%)	10,531 (-12.4%)	9,173 (-22.3%)	3,967 ( - )
Fiscal Year 2017	175,209 (10.4%)	12,026 (102.8%)	11,808 (134.9%)	-11,421 ( - )

Note 1: Comprehensive income: FY 2018: 6,782 million yen ( - %) / FY 2017: -13,935 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 2018	163.70yen	157.45yen	7.0%	4.9%	6.1%
Fiscal Year 2017	-471.22yen	-	-20.8%	6.4%	6.9%

Reference: Equity in net income/loss non-consolidated subsidiaries and/or affiliates: FY 2018: -yen / FY 2017: -yen

Note 2: Diluted earnings per share for FY2017 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 2018	188,192	78,541	31.0%	2,405.01 yen
Fiscal Year 2017	185,359	72,283	29.9%	2,283.31 yen

Reference: Shareholders' equity: Mar./2019: 58,279 million yen / Mar./2018: 55,335 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 2018	14,604	-21,783	-1,990	23,288
Fiscal Year 2017	14,521	-16,644	13,233	32,593

## 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 2017	-	3.00yen	-	3.00yen	6.00yen	727	-	1.3%
Fiscal year 2018	-	3.00yen	-	15.00yen	-	726	18.3%	1.3%
Fiscal year 2019(forecast)	-	15.00yen	-	15.00yen	30.00yen		16.9%	

Note: 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 "-." Without considering the share consolidation, the year-end dividend per share for the fiscal year ended March 31, 2019 will be 3 yen and the annual dividend per share will be 6 yen. For details, please see the "Explanations on the proper use of the financial forecast and other notes."

## 3. FISCAL YEAR 2019 CONSOLIDATED FINANCIAL FORECAST (April 1, 2019 to March 31, 2020)

(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)	85,000 (-3.7%)	3,500 (-44.6%)	2,800 (-47.3%)	400 (-82.2%)	16.51yen
Full Year	178,000 (2.5%)	11,500 (9.2%)	10,000 (9.0%)	4,300 (8.4%)	177.44yen

#### 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./2019:	25,098,060	Mar./2018:	25,098,060
Mar./2019:	865,315	Mar./2018:	863,123
Mar./2019:	24,233,956	Mar./2018:	24,237,507

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

###### (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 2018	110,288 (-0.6%)	-1,943 -	-3,038 -	-3,528 -
Fiscal Year 2017	110,905 (7.9%)	484 -	32,656 -	11,621 (360.4%)

	Net income per share	Diluted net income per share
Fiscal Year 2018	-145.59yen	-
Fiscal Year 2017	479.48yen	-

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 2018	126,527	36,317	28.7%	1,498.69yen
Fiscal Year 2017	130,076	40,920	31.5%	1,688.49yen

Reference: Shareholders' equity: Mar./2019: 36,317 million yen / Mar./2018: 40,920 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".

###### (Dividend and Financial Forecast after the Share Consolidation)

A proposal on a share consolidation was approved at the 101st Ordinary General Meeting of Shareholders held on June 22, 2018. Accordingly, the Company conducted a reverse stock split (five shares merged into one share) on October 1, 2018. In addition, the Company revised the number of shares constituting one unit from 1,000 to 100 on the same date.

The dividend and consolidated financial results for the fiscal year ended March 31, 2019 without considering the share consolidation are as follows.

###### 1. Dividend for the fiscal year ended March 31, 2019

Dividend per share  
Fiscal-year-end ¥3.00

###### 2. Consolidated financial results for the fiscal year ended March 31, 2019

Net income per share  
Fiscal-year-end ¥32.74

###### (Change of method of displaying date)

Effective from the "Financial Results for the Fiscal Year Ended March 31, 2019," the date presentation method has been changed from the Japanese calendar presentation to the Western calendar presentation.

# **1. OPERATING RESULTS**

## **(1) ANALYSIS OF OPERATING RESULTS**

### **GENERAL REVIEW**

During the first half of the consolidated fiscal year ended March 31, 2019, the global electronics market, where the Company operates, saw an increase in demand for electronic parts used for environmentally friendly vehicles as such vehicles prevailed and safety functions were further enhanced in the market for car-mounted products. Especially, the Company's sales held steady with an increase in the number of electronic parts used in an automobile, in spite of a decrease in the number of automobiles sold. In the market for white goods such as air conditioners, washing machines and refrigerators, the adoption of energy-saving inverters was accelerated in China and other Asian regions. As a result, sales of products for white goods remained favorable despite negative factors such as a slowdown in the overall Chinese economy and production adjustments of air conditioners, including non-inverter air conditioners. Meanwhile, sales of products for industrial machinery progressed steadily in the first half thanks to increased capital investment backed by improved corporate earnings and steps taken to respond to growing fields, but in the second half, market conditions were aggravated by factors such as postponed orders from capital goods export manufacturers in Japan stemming from deteriorating global business sentiments, the economic slowdown in China, and the resulting suppression of capital investment.

Under these circumstances, the Company started the "2018 Mid-term Business Plan." In the fiscal year under review, the first fiscal year of the plan, the Company held up a three-pillared basic policy to stress activities to "Accomplish growth strategy," "Promote work-style reform," and "Enhance financial performance." Under the policy, we focused on measures to promote "Development reform" and expand overseas development bases with a view to strengthening our development capabilities, while pursuing our target of improved performance, and thereby laying the foundations for new growth.

For the specific business results of the consolidated fiscal year, consolidated net sales were ¥173,650 million, a decrease of ¥1,559 million (0.9%) compared to the previous fiscal year or almost the same level as the previous fiscal year. The sales in the semiconductor devices segment progressed steadily in the first half, but stagnated in the second half chiefly due to factors such as the effect of the economic slowdown in China. The Company's withdrawal from sales of unprofitable products in the power systems segment was another negative factor. For income, we recorded consolidated operating profit of ¥10,531 million, a decrease of ¥1,495 million (12.4%) compared to the previous fiscal year. These results were mainly due to higher purchase prices of wafers, increased fixed costs such as increased personnel expenses arising from a newly established development base, and increased depreciation associated with increased capital investment. Consolidated ordinary profit decreased by ¥2,635 million (21.4%) to ¥9,173 million, as well. However, we recorded profit attributable to owners of parent of ¥3,967 million (loss attributable to owners of parent of ¥11,421 million in the previous year), because the large amount of extraordinary losses chiefly consisting of business structure reform cost recorded in the previous fiscal year were absent in the fiscal year under review.

### **OVERVIEW OF THE BUSINESS BY SEGMENTS**

Overview of business by segment is as follows.

#### **Semiconductor Devices**

In this segment, sales of products for white goods such as air conditioners continued to increase in China and other overseas markets, but sales of products for automobiles and industrial machinery decreased due to the impact of the U.S.-China trade frictions and shrinking demand attributable to the economic slowdown in China. As a result, consolidated net sales for this segment were ¥147,211 million, a slight increase of ¥3,374 million (2.3%) as compared to the previous fiscal year. For income, consolidated operating profit was ¥13,025 million, a decrease of ¥1,210 million (8.5%) as compared to the previous fiscal year, due to the impact of lower factory utilization ratios resulting from shrinking demand.

#### **Power Systems**

In this segment, sales of power system units to capital goods export manufacturers in Japan were postponed due to the impact of decreased capital investment stemming from the economic slowdown in China. In addition, the Company continued to implement the restructuring initiatives that focused on withdrawal from unprofitable products for the AV and OA markets. As a result, consolidated net sales were ¥26,438 million, a decrease of ¥4,934 million (15.7%) as compared to the previous fiscal year. For income, however, we recorded consolidated operating profit ¥549 million, an increase of ¥74 million (15.8%) as compared to the previous fiscal year, thanks to an improved product mix resulting from the restructuring initiatives.

## (2) ANALYSIS OF FINANCIAL CONDITIONS

Assets at the end of the current consolidated fiscal year amounted to ¥188,192 million, an increase of ¥2,832 million from the end of the previous consolidated fiscal year. This was mainly due to a decrease of ¥9,187 million in cash and deposits, and an increase of ¥8,635 million in property, plant and equipment and an increase of ¥4,429 million in inventories.

Liabilities amounted to ¥109,651 million, a decrease of ¥3,425 million from the end of the previous fiscal year. This was mainly due to an increase of ¥4,000 million in commercial papers, and a decrease of ¥2,559 million in notes and accounts payable - trade and a decrease of ¥5,000 million in bonds payable.

Net assets amounted to ¥78,541 million, an increase of ¥6,258 million from the end of the previous fiscal year. This was mainly due to increases in non-controlling shareholders' equity of ¥3,341 million and retained earnings of ¥3,240 million.

## (3) STATUS OF CASH FLOW

Balance of cash and cash equivalents as of the end of the current consolidated fiscal year was ¥23,288 million, a decrease of ¥9,304 million as compared with the end of the previous consolidated fiscal year.

Net cash provided by operating activities was ¥14,604 million, an increase of ¥83 million as compared with the previous year. This was mainly due to an increase in cash outflow by a decrease in notes and accounts payable - trade.

Net cash used in investing activities was ¥21,783 million, an increase of ¥5,139 million as compared with the previous year. This was mainly due to an increase in purchase of property, plant and equipment.

Net cash used in financing activities was ¥1,990 million, a decrease of ¥15,224 million as compared with the previous year. This was mainly due to an increase in proceeds from share issuance to non-controlling shareholders in the previous fiscal year.

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

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Equity ratio	32.4%	29.0%	29.8%	29.8%	31.0%
Equity ratio on the basis of market price	52.2%	22.2%	32.4%	50.8%	26.4%
Redemption years for liabilities	8.9 years	12.1 years	4.7 years	5.0 years	4.9 years
Interest coverage ratio	12.7 times	9.5 times	23.8 times	24.1 times	23.7 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 overall global economy in the fiscal year ending March 31, 2020 is becoming increasingly uncertain, due to the prolonged U.S.-China trade frictions. However, in the markets for energy-saving and environmentally friendly products, where the Company operates, 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 sales of environmentally friendly vehicles (mild hybrid vehicles, etc.) is expanding and strengthened safety functions such as advanced driver-assistance systems (ADAS) are being increasingly adopted. With regard to the power systems segment, the markets surrounding the electronics industry is also undergoing major changes. 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 for small cells arising from the prevalence of 5G communication standards in the telecommunication market. In the fiscal year ending March 31, 2020, the Company will strive to improve performance and enhance financial performance continuously through increased sales and improved profitability by leveraging the aforesaid changes as great opportunities. The Company will also increase corporate value by promoting work-style reform and taking initiatives in SDGs, and thereby will make concerted efforts to expand businesses in order to "realize sustainable growth," a goal under the mid-term business plan. For the consolidated business results of fiscal 2019, we expect net sales of ¥178,000 million, operating profit of ¥11,500 million, ordinary profit of ¥10,000 million, and profit attributable to owners of parent of ¥4,300 million. These figures are based on an exchange rate of 1US\$=¥105 for the fiscal year ending March 31, 2020.

(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 2018	March 31 2019
<b>ASSETS</b>		
Current assets		
Cash and deposits	32,752	23,564
Notes and accounts receivable - trade	34,656	33,586
Merchandise and finished goods	12,061	14,888
Work in process	20,600	19,633
Raw materials and supplies	4,969	7,539
Other	5,644	4,757
Allowance for doubtful accounts	△58	△65
Total current assets	<u>110,625</u>	<u>103,903</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,833	24,027
Machinery, equipment and vehicles, net	30,690	34,731
Tools, furniture and fixtures, net	1,427	2,042
Land	5,712	6,166
Leased assets, net	503	62
Construction in progress	4,800	5,574
Total property, plant and equipment	<u>63,968</u>	<u>72,604</u>
Intangible assets		
Software	2,936	2,786
Other	2,177	2,169
Total intangible assets	<u>5,114</u>	<u>4,955</u>
Investments and other assets		
Investment securities	1,407	1,093
Deferred tax assets	1,302	1,221
Retirement benefit asset	399	18
Other	2,782	4,637
Allowance for doubtful accounts	△242	△241
Total investments and other assets	<u>5,651</u>	<u>6,729</u>
Total non-current assets	<u>74,734</u>	<u>84,288</u>
Total assets	<u>185,359</u>	<u>188,192</u>

	March 31 2018	March 31 2019
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,634	18,075
Short-term loans payable	13,339	12,991
Current portion of long-term loans payable	500	646
Current portion of bonds	15,000	—
Commercial papers	7,000	11,000
Lease obligations	87	30
Income taxes payable	412	591
Accrued expenses	11,337	11,705
Other	1,370	1,368
Total current liabilities	<u>69,683</u>	<u>56,409</u>
Non-current liabilities		
Bonds payable	25,000	35,000
Long-term loans payable	11,475	11,855
Lease obligations	67	41
Deferred tax liabilities	1,796	1,508
Provision for retirement benefits for directors (and other officers)	25	33
Retirement benefit liability	2,632	2,832
Other	2,395	1,970
Total non-current liabilities	<u>43,392</u>	<u>53,242</u>
Total liabilities	<u>113,076</u>	<u>109,651</u>
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	26,003	26,214
Retained earnings	16,964	20,204
Treasury shares	△4,017	△4,023
Total shareholders' equity	<u>59,846</u>	<u>63,292</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	390	45
Foreign currency translation adjustment	△909	212
Remeasurements of defined benefit plans	△3,991	△5,270
Total accumulated other comprehensive income	<u>△4,510</u>	<u>△5,012</u>
Non-controlling interests	16,947	20,261
Total net assets	<u>72,283</u>	<u>78,541</u>
Total liabilities and net assets	<u>185,359</u>	<u>188,192</u>

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

Millions of yen

	Fiscal Year 2017	Fiscal Year 2018
<b>CONSOLIDATED STATEMENTS OF INCOME</b>		
Net sales	175,209	173,650
Cost of sales	126,840	126,150
Gross profit	48,369	47,499
Selling, general and administrative expenses	36,342	36,968
Operating profit	<u>12,026</u>	<u>10,531</u>
Non-operating income		
Interest income	80	171
Dividend income	39	44
Foreign exchange gains	719	—
Subsidy income	207	139
Gain on sales of scraps	91	105
Reversal of Product compensation cost	—	128
Miscellaneous income	324	362
Total non-operating income	<u>1,463</u>	<u>950</u>
Non-operating expenses		
Interest expenses	612	610
Foreign exchange losses	—	1,069
Compensation expense	102	69
Miscellaneous loss	967	558
Total non-operating expenses	<u>1,681</u>	<u>2,308</u>
Ordinary profit	<u>11,808</u>	<u>9,173</u>
Extraordinary income		
Gain on sales of non-current assets	—	258
Gain on sales of investment securities	—	297
Gain on abolishment of retirement benefit plan	69	—
Compensation income	585	—
Total extraordinary income	<u>655</u>	<u>555</u>
Extraordinary losses		
Loss on sales of non-current assets	0	—
Loss on disposal of non-current assets	97	457
Special retirement expenses	190	122
Loss on liquidation of subsidiaries and associates	364	—
Impairment loss	—	119
Business structure reform cost	18,315	—
Total extraordinary losses	<u>18,968</u>	<u>700</u>
Profit (loss) before income taxes	<u>Δ6,505</u>	<u>9,028</u>
Income taxes - current	3,496	2,226
Income taxes - deferred	470	89
Total income taxes	<u>3,967</u>	<u>2,316</u>
Profit (loss)	Δ10,472	6,712
Profit attributable to non-controlling interests	948	2,745
Profit (loss) attributable to owners of parent	<u>Δ11,421</u>	<u>3,967</u>

Millions of yen

	Fiscal Year 2017	<b>Fiscal Year 2018</b>
<b>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME</b>		
Profit (loss)	Δ10,472	6,712
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ35	Δ344
Foreign currency translation adjustment	<u>Δ2,557</u>	<u>1,703</u>
Remeasurements of defined benefit plans, net of tax	<u>Δ870</u>	<u>Δ1,288</u>
Total other comprehensive income	<u>Δ3,463</u>	<u>70</u>
Comprehensive income	<u>Δ13,935</u>	<u>6,782</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	Δ13,961	3,465
Comprehensive income attributable to non-controlling interests	26	3,316

(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FISCAL YEAR 2017 (April 1, 2017 to March 31, 2018)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,896	10,301	29,176	△4,003	56,371
Changes of items during period					
Dividends of surplus			△790		△790
Profit (loss) attributable to owners of parent			△11,421		△11,421
Purchase of treasury shares				△14	△14
Capital increase of consolidated subsidiaries		15,619			15,619
Share-based payments		82			82
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	15,702	△12,212	△14	3,475
Balance at end of current period	20,896	26,003	16,964	△4,017	59,846

	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	425	754	△3,150	△1,970	335	54,736
Changes of items during period						
Dividends of surplus				—		△790
Profit (loss) attributable to owners of parent				—		△11,421
Purchase of treasury shares				—		△14
Capital increase of consolidated subsidiaries				—	16,143	31,763
Share-based payments				—		82
Net changes of items other than shareholders' equity	△35	△1,663	△841	△2,540	467	△2,072
Total changes of items during period	△35	△1,663	△841	△2,540	16,611	17,546
Balance at end of current period	390	△909	△3,991	△4,510	16,947	72,283

**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

**(4) CONSOLIDATED STATEMENTS OF CASH FLOWS**

Millions of yen

	Fiscal Year 2017	Fiscal Year 2018
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	Δ6,505	9,028
Depreciation	11,068	11,975
Impairment loss	—	119
Business structure reform cost	18,315	—
Increase (decrease) in allowance for doubtful accounts	Δ238	4
Decrease (increase) in retirement benefit asset	Δ666	Δ537
Increase (decrease) in retirement benefit liability	Δ453	Δ164
Interest and dividend income	Δ120	Δ215
Interest expenses	612	610
Loss (gain) on sales of property, plant and equipment	0	Δ258
Loss (gain) on sales of investment securities	—	Δ297
Decrease (increase) in notes and accounts receivable - trade	Δ1,412	1,567
Decrease (increase) in inventories	Δ3,552	Δ3,873
Increase (decrease) in notes and accounts payable - trade	2,677	Δ2,886
Other, net	808	2,820
Subtotal	<u>20,534</u>	<u>17,894</u>
Interest and dividend income received	115	210
Interest expenses paid	Δ603	Δ616
Payments for business structure reform cost	Δ1,928	—
Income taxes paid	<u>Δ3,596</u>	<u>Δ2,883</u>
Net cash provided by (used in) operating activities	<u>14,521</u>	<u>14,604</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	Δ15,695	Δ19,692
Proceeds from sales of property, plant and equipment	128	210
Purchase of intangible assets	Δ1,142	Δ1,194
Purchase of investment securities	—	Δ333
Proceeds from sales of investment securities	—	449
Collection of loans receivable	2	1
Other, net	63	Δ1,222
Net cash provided by (used in) investing activities	<u>Δ16,644</u>	<u>Δ21,783</u>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans payable	Δ9,445	Δ656
Increase (decrease) in commercial papers	Δ8,000	4,000
Repayments of finance lease obligations	Δ218	Δ98
Proceeds from long-term loans payable	7,000	1,046
Repayments of long-term loans payable	Δ7,525	Δ500
Proceeds from issuance of bonds	—	9,951
Redemption of bonds	—	Δ15,000
Proceeds from sales of treasury shares	—	0
Purchase of treasury shares	Δ14	Δ6
Proceeds from share issuance to non-controlling shareholders	32,228	—
Dividends paid to non-controlling interests	Δ4	Δ0
Cash dividends paid	<u>Δ787</u>	<u>Δ727</u>
Net cash provided by (used in) financing activities	<u>13,233</u>	<u>Δ1,990</u>
Effect of exchange rate change on cash and cash equivalents	<u>Δ755</u>	<u>Δ134</u>
Net increase (decrease) in cash and cash equivalents	<u>10,355</u>	<u>Δ9,304</u>
Cash and cash equivalents at beginning of period	<u>22,237</u>	<u>32,593</u>
Cash and cash equivalents at end of period	<u>32,593</u>	<u>23,288</u>

#### 4. SEGMENT INFORMATION

**FISCAL YEAR 2017 (April 1, 2017 to March 31, 2018)**

Millions of yen

	Reporting Segment		Total	Adjustment	Amount stated in CONSOLIDATED STATEMENTS OF INCOME
	Semiconductor Devices	Power Systems			
Sales					
(1) Sales to Customer	143,836	31,373	175,209	—	175,209
(2) Intersegment Sales or Transfer	805	58	864	(864)	—
Total	144,642	31,431	176,074	(864)	175,209
Operating income (loss) by segment	14,236	474	14,710	(2,684)	12,026
Assets	139,643	17,815	157,458	28,216	185,675
Other					
Depreciation	10,193	199	10,393	675	11,068
Impairment loss	—	50	50	—	50
Increase in property, plant, equipment and intangible assets	16,583	231	16,815	482	17,297

**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	13,757	(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