

Fiscal Year 2016	Interim dividend breakdown: 45 yen (ordinary), 25 yen (special)
Fiscal Year 2016	Year-end dividend breakdown: 45 yen (ordinary), 25 yen (special)
Fiscal Year 2017	Interim dividend breakdown: 50 yen (ordinary), 25 yen (special)
Fiscal Year 2017	Year-end dividend breakdown: 50 yen (ordinary), 25 yen (special)
Fiscal Year 2018	Interim dividend breakdown (forecast): 50 yen (ordinary), 25 yen (special) or more
Fiscal Year 2018	Year-end dividend breakdown (forecast): 50 yen (ordinary), 25 yen (special) or more

3. Forecast of results for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% figures for the full fiscal year represent year-on-year (YoY) increase or decrease, while % figures for the interim period are the % change compared with the same period of the previous fiscal year (YoY).)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	127,500	3.1	2,700	(16.3)	2,500	(21.7)	1,800	(19.2)	73.51
Full fiscal year	258,000	1.5	6,000	5.9	5,600	(12.4)	4,000	(10.7)	163.36

* Notes

(1) Transfer of major subsidiaries during term (transfer of specified subsidiaries in line with changes in the consolidated range): None
 New: — (Company name:) Excluded: — (Company name:)

(2) Changes in accounting principles, changes in accounting estimates, and restatements

- 1) Changes in accordance with revisions to accounting standards and related practices of accounting principles: None
- 2) Changes in items of accounting principles other than 1) above: None
- 3) Changes in accounting estimate: None
- 4) Restatement: None

(3) Number of shares issued and outstanding (common shares)

1. Total number of shares issued and outstanding (including treasury shares) at the period-end	March 31, 2018	28,500,000 shares	March 31, 2017	31,500,000 shares
2. Total number of treasury shares at the period-end	March 31, 2018	4,014,862 shares	March 31, 2017	3,402,428 shares
3. Average number of shares outstanding during the period	March 31, 2018	25,757,913 shares	March 31, 2017	28,900,516 shares

(Reference) Overview of non-consolidated operating results

1. Non-consolidated results for the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Non-consolidated operating results

(% change compared with the same period of previous fiscal year (YoY))

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year 2017	173,834	21.9	1,574	9.7	3,816	28.6	2,881	31.7
Fiscal Year 2016	142,588	(1.8)	1,435	(36.5)	2,968	(22.7)	2,187	(11.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal Year 2017	111.87	—
Fiscal Year 2016	75.70	—

(2) Non-consolidated financial position

	Total assets	Net assets	Net assets to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2018	128,185	73,629	57.4	3,007.12
March 31, 2017	129,577	90,068	69.5	3,205.56

(Reference) Shareholders equity:

March 31, 2018: 73,629 million yen,

March 31, 2017: 90,068 million yen

This earnings report is not subject to audits of certified public accountants or auditing corporations.

Caution with respect to forward-looking statements

(Note on forward-looking statements)

The estimates referred in this report are based on the information available as of the date of this release. Ryosan Company Limited (Ryosan) does not promise the realization of the estimates in this report. The actual results may significantly differ from the estimates due to a variety of factors. For details on the conditions that form the assumptions used for earnings forecasts and notes on using earnings forecasts, please refer to appendix page 5, "1. Summary of Operating Results, etc.

(6) Future Prospects."

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1. Summary of Operating Results, etc.

(1) Summary of Operating Results for Fiscal Year 2017

1) Overview

During the fiscal year under review, the global economy on the whole continued growing at a sluggish pace supported by strong investment and consumption despite fluctuation in financial markets. The U.S. maintained autonomous growth primarily driven by its own domestic demand, Europe experienced continuing strong economic expansion, and emerging countries including China also remained steady. Also in Japan, there were a number of favorable signs including the recovery trends in consumer spending due to improvements in the employment and income environment and the increase of corporate earnings, etc., all showing that the economy continued on a moderate growth track.

In the electronics industry, in-vehicle electrical equipment, FA equipment and information and communication equipment remained mainly solid.

Fiscal Year 2017 is the final fiscal year for the 9th Medium-Term Business Plan (Fiscal Year 2014-Fiscal Year 2017) through which Ryosan is pursuing business model shifts, by coping with changes in its business environment, and striving for growth in a sustainable manner. To realize this plan, Ryosan is focusing on reestablishing a growth path and improving capital efficiency.

As a result, Ryosan reported net sales of 254,077 million yen (up 16.5% from the previous year), operating income of 5,665 million yen (up 21.6%), ordinary income of 6,396 million yen (up 32.3%), and profit attributable to owners of parent of 4,481 million yen (up 33.1%) for the consolidated fiscal year under review.

2) Business Segment Information

a. Semiconductors

Ryosan sells system LSIs, discrete semiconductors and memory, and develops system LSIs on a contract basis. In this consolidated fiscal year, Ryosan's businesses for in-vehicle electrical equipment, FA equipment and information and communication equipment remained brisk, and net sales were 145,708 million yen (up 16.3% from the previous year), and operating income was 2,625 million yen (up 5.5%) despite the recording of loss on abandonment of inventories and valuation loss on inventories.

b. Electronic Components

Ryosan sells electromechanical components, display devices and power supplies. In this consolidated fiscal year, due to an expansion of sales in Ryosan's business for consumers in addition to steady performance of Ryosan's businesses for in-vehicle electrical equipment and FA equipment, net sales were 81,984 million yen (up 18.5% from the previous year), and operating income was 2,812 million yen (up 44.5%).

c. Electronic Equipment

Ryosan sells systems equipment and facilities equipment. In this consolidated fiscal year, thanks to the acquisition of large orders by the in-vehicle electrical equipment business, net sales were 26,384 million yen (up 12.2% from the previous year), and operating income was 606 million yen (down 12.6%) due to changes in the product mix.

The aforementioned amounts do not include consumption and other taxes.

(2) Summary of Financial Position for Fiscal Year 2017

1) Assets

Total assets increased by 1,246 million yen to 162,866 million yen compared with March 31, 2017. This is mainly because cash and deposits declined by 25,297 million yen, while merchandise and finished goods increased by 16,248 million yen, notes and accounts receivable - trade by 7,038 million yen, and accounts receivable - other by 3,274 million yen.

2) Liabilities

Total liabilities increased by 16,434 million yen to 68,535 million yen compared with March 31, 2017. This is mainly because short-term loans payable increased by 12,539 million yen.

3) Net Assets

Net assets decreased by 15,188 million yen to 94,331 million yen compared with March 31, 2017. This is mainly because profit attributable to owners of parent was 4,481 million yen, while payment of dividends and purchase of treasury shares amounted to 3,824 million yen and 15,852 million yen respectively. The ratio of net assets to total assets fell from 67.8% at the end of the previous fiscal year to 57.9% as of March 31, 2018.

(3) Summary of Cash Flows for Fiscal Year 2017

As of March 31, 2018, cash and cash equivalents decreased by 25,221 million yen compared with the end of the previous fiscal year, to 13,471 million yen.

1) Net cash provided by (used in) operating activities

Regarding cash flow from operating activities in this consolidated fiscal year, funds in total decreased by 19,268 million yen. This is because inventories increased by 16,264 million yen, accounts receivable - trade by 7,243 million yen, and accounts receivable - other by 3,251 million yen, even though profit before income taxes was 6,465 million yen. In the net cash provided by (used in) operating activities in the previous consolidated fiscal year, there was a decrease of funds by 1,843 million yen.

2) Net cash provided by (used in) investing activities

Regarding cash flow from investing activities in this consolidated fiscal year, funds in total increased by 634 million yen due to factors such as 1,036 million yen in proceeds from sales of investment securities. In the net cash provided by (used) in investing activities in the previous consolidated fiscal year, there was a decrease of funds by 816 million yen.

3) Net cash provided by (used in) financing activities

Regarding cash flow from financing activities in this consolidated fiscal year, funds in total decreased by 6,580 million yen due to 15,852 million yen in purchase of treasury shares and 3,820 million yen in cash dividends paid, despite an increase in short-term loans payable of 13,275 million yen. In the net cash provided by (used in) financing activities in the previous consolidated fiscal year, there was a decrease of funds by 9,223 million yen.

(Reference) Trends in cash flow-related indicators

	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Net assets to total assets (%)	70.2	72.2	73.5	67.8	57.9
Net assets to total assets (%) (Market capitalization basis)	40.5	54.2	52.8	58.2	57.7
Cash flow to Interest-bearing Liabilities (Years)	10.4	1.2	2.3	-	-
Interest coverage ratio (Times)	9.5	67.2	34.5	-	-

Net assets to total assets: Net assets / Total assets

Net assets to total assets (Market capitalization basis): Market capitalization / Total assets

Cash flow to Interest-bearing liabilities: Interest-bearing liabilities / Cash flow

Interest coverage ratio: Cash flow / Interest expense

*All indicators have been calculated from consolidated financial figures.

*Market capitalization was calculated based on the number of shares issued and outstanding less treasury shares.

*Cash flow refers to cash flows from operating activities as shown on the consolidated statements of cash flows.

*Interest-bearing liabilities comprise all debt on which interest was paid in the liabilities section of the consolidated balance sheet. Interest expense represents interest paid as shown on the consolidated statements of cash flows.

(4) Business Risks

Ryosan, its business performance, share price, and financial position, are subject to a variety of potential risks, some of which are detailed briefly as follows.

Forward-looking statements contained in this section represent judgments of Ryosan's management based on information available as of the end of Fiscal Year 2017 (March 31, 2018).

1) Sudden Changes in the Economic Environment

Ryosan's consolidated revenues are influenced by demand from the set makers who are its customers. This demand is necessarily impacted by changes in economic conditions in those countries and regions in which Ryosan's principal clients operate. As a result, Ryosan's performance and its financial position can be deteriorated in the event of economic downturn and a resulting slowdown in demand in its principal markets, such as Japan, Asia and other regions.

2) Contracts with Suppliers

Ryosan has concluded agency agreements with several suppliers inside and outside Japan. Ryosan has maintained good business relations with these suppliers, but if it becomes difficult to continue these agreements due to the restructuring of suppliers' businesses, including M&A etc., and the revision of sales channel strategies, this may cause adverse effects on the business performance and financial status of Ryosan.

3) Exchange Rate Fluctuation

Ryosan sells products across a number of regions including Japan, Asia and other countries. In preparing consolidated financial statements, sales, expenses, assets and liabilities, denominated in foreign currencies are translated into yen as of the Ryosan's balance sheet date. For these items, the value after conversion into yen may be affected by currency exchange rates at conversion even if the value in local currencies does not change. In principle, appreciation of the yen against major currencies impacts negatively on Ryosan's performance, while a weak yen impacts favorably. As a result, Ryosan's consolidated operating results and financial position are subject to fluctuations in foreign exchange rates.

4) Overseas Business Risk

Ryosan does not operate in Japan alone. It also operates overseas, mainly in Asia. As a result, it is exposed to the following risks. The materialization of any of the following risks could adversely affect Ryosan's operating results and its financial position.

- a. Unforeseen changes in statutory and regulatory requirements and adverse changes in tax requirements
- b. Inadequate and insufficient local infrastructure in the countries in which Ryosan operates
- c. Development of adverse political factors
- d. Social unrest as the result of war, acts of terrorism etc.

5) Capital Market Volatility

As a part of its business activities, Ryosan holds shares of certain financial institutions, customers and suppliers, and is therefore susceptible to stock price fluctuations. Ryosan does not, however, adopt specific methods as a hedge against movements in stock prices. Accordingly, Ryosan's performance and financial position are subject to substantial changes in stock markets.

6) Liability for Retirement Benefits

Ryosan calculates retirement benefit expenses and the liability for retirement benefits using certain assumptions and an expected rate of return applicable to Ryosan's pension plan assets for actuarial projections. In the event that the actual obligation differs from the projected obligation or there is a change in the assumptions leading to the calculation of the projected obligation, the difference in retirement benefit expenses and the liability for retirement benefits are accrued and amortized over a generally accepted period. As a result, any significant decline in the discount rate and expected rate of return applicable to Ryosan's pension plan assets can impact its performance and financial position.

7) Natural Disaster

The suspension of sales due to facility damage or power or water supply shortages that were caused by natural disasters such as earthquakes or typhoons or by accidental disasters such as fire may adversely affect the business performance and financial position of Ryosan. Also, if partners suffer damages and Ryosan cannot purchase or sell merchandise, business performance may be adversely affected.

(5) Basic Policy Regarding the Allocation of Profits / Dividends for Fiscal Year 2017 and Fiscal Year 2018

1) Basic Policy Regarding the Allocation of Profits

Ryosan recognizes that the return of profits to shareholders is an important business priority, and so is working to increase basic earnings per share. Ryosan's fundamental policy aims for consolidated dividend payout ratio of 50% or more, so as to continue high dividend payout in profits returned to shareholders. In addition, Ryosan will continue to purchase treasury shares.

2) Dividends for Fiscal Year 2017 and Fiscal Year 2018

At the meeting of the Board of Directors held on May 11, 2018, a resolution was made to distribute the year-end dividend for the consolidated fiscal year under review of 75 yen per share, consisting of an ordinary dividend of 50 yen per share and a special dividend of 25 yen per share. As a result, the annual dividend per share including the interim dividend will be 150 yen.

Ryosan is forecasting ordinary dividend payment of 100 yen per share in its full fiscal year for the fiscal year ending March 31, 2019 (consisting of an interim ordinary dividend of 50 yen per share and a fiscal year-end ordinary dividend of 50 yen per share) plus a special dividend of 50 yen or more per share, resulting in the annual dividend per share of 150 yen or more.

(6) Future Prospects

1) Projected Operating Results

Looking ahead, although there is uncertainty coming from trade policies of the relevant countries, continuous moderate growth is expected for the overall global economy.

In the electronics industry, in addition to solid in-vehicle equipment and FA equipment markets, evolution of new technologies such as IoT (Internet of Things) and AI (Artificial Intelligence) is bringing significant change to the market.

In this backdrop, Ryosan formulated the 10th Medium-Term Business Plan for the next three years from the Fiscal Year 2018. According to the 10th Medium-Term Business Plan, Ryosan will realize growth in a sustainable manner by quickly responding to changes in the business environment and promoting system coordination in electronics.

On this basis, operating forecasts for the fiscal year ending March 31, 2019 are as follows:

	Millions of yen	YoY change [%]
Net sales	258,000	Increase 1.5
Operating income	6,000	Increase 5.9
Ordinary income	5,600	Decrease 12.4
Profit attributable to owners of parent	4,000	Decrease 10.7

2) Estimates by Business Segment

a. Semiconductors

In this business, in addition to expectations for continuous robust business for in-vehicle electrical equipment, mainly due to the turning of Edal Electronics in Hong Kong that Ryosan acquired in March 2017 into a consolidated subsidiary, net sales are forecast to be 154,500 million yen (up 6.0% from the previous year), and operating income is expected to rise to 3,450 million yen (up 31.4%).

b. Electronic Components

In this business, it is expected that the businesses for in-vehicle electrical equipment and FA equipment will continue to be solid. However, since a rebound from transient profit in the previous year, etc. is expected, net sales are forecast to be 79,500 million yen (down 3.0% from the previous year), and operating income is expected to decline to 2,700 million yen (down 4.0%).

c. Electronic Equipment

In this business, due to the ending of information and communication equipment business to a large customer, net sales are forecast to decrease to 24,000 million yen (down 9.0% from the previous year), and operating income is expected to decline to 350 million yen (down 42.3%).

2. Basic Approach to Selection of Accounting Standards

For the time being, Ryosan will prepare its consolidated financial statements in accordance with Japanese GAAP, out of consideration for issues such as comparability from period to period and comparability with other companies.

Ryosan will appropriately address matters regarding IFRS adoption, taking into account prevailing circumstances in Japan and overseas.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	Fiscal Year Ended March 31, 2017 (As of March 31, 2017)	Fiscal Year Ended March 31, 2018 (As of March 31, 2018)
ASSETS		
Current assets		
Cash and deposits	38,845	13,547
Notes and accounts receivable - trade	68,499	75,538
Merchandise and finished goods	27,753	44,009
Work in process	13	6
Securities	300	—
Accounts receivable - other	6,974	10,249
Deferred tax assets	348	707
Other	205	242
Allowance for doubtful accounts	(64)	(42)
Total current assets	142,876	144,257
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,324	8,024
Accumulated depreciation	(4,926)	(4,855)
Buildings and structures, net	3,398	3,168
Land	6,428	6,189
Lease assets	947	931
Accumulated depreciation	(408)	(354)
Leased assets, net	539	576
Other	2,396	2,404
Accumulated depreciation	(2,237)	(2,248)
Other, net	158	155
Total property, plant and equipment	10,525	10,090
Intangible assets	1,110	903
Investments and other assets		
Investment securities	4,983	5,310
Deferred tax assets	163	197
Other	2,095	2,238
Allowance for doubtful accounts	(136)	(132)
Total investments and other assets	7,107	7,614
Total non-current assets	18,743	18,608
Total assets	161,620	162,866

(Millions of yen)

	Fiscal Year Ended March 31, 2017 (As of March 31, 2017)	Fiscal Year Ended March 31, 2018 (As of March 31, 2018)
LIABILITIES		
Current liabilities		
Accounts payable - trade	34,458	36,355
Short-term loans payable	11,419	23,959
Lease obligations	148	164
Accounts payable - other	1,499	1,714
Accrued expenses	1,047	1,362
Income taxes payable	390	1,598
Other	131	183
Total current liabilities	49,095	65,337
Non-current liabilities		
Lease obligations	450	475
Deferred tax liabilities	505	856
Net defined benefit liability	1,890	1,782
Asset retirement obligations	34	31
Other	125	52
Total non-current liabilities	3,005	3,197
Total liabilities	52,101	68,535
NET ASSETS		
Shareholders' equity		
Capital stock	17,690	17,690
Capital surplus	19,114	19,114
Retained earnings	81,219	72,740
Treasury shares	(10,498)	(17,215)
Total shareholders' equity	107,525	92,329
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,540	1,923
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	416	52
Remeasurements of defined benefit plans	36	25
Total accumulated other comprehensive income	1,993	2,001
Total net assets	109,519	94,331
Total liabilities and net assets	161,620	162,866

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**(Consolidated Statement of Income)**

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2017 (Apr. 1, 2016 to Mar. 31, 2017)	Fiscal Year Ended Mar. 31, 2018 (Apr. 1, 2017 to Mar. 31, 2018)
Net sales	218,003	254,077
Cost of Sales	199,680	233,732
Gross Profit	18,322	20,344
Selling, general and administrative expenses		
Packing and transportation expenses	832	983
Provision of allowance for doubtful accounts	29	(21)
Directors' compensations	395	424
Salaries and allowances	3,966	4,084
Bonuses	993	1,254
Retirement benefit expenses	428	402
Welfare expenses	912	997
Depreciation	575	596
Other	5,529	5,954
Total selling, general and administrative expenses	13,663	14,678
Operating income	4,659	5,665
Non-operating income		
Interest income	59	36
Dividend income	82	74
Foreign exchange gains	18	919
Rent income	31	31
Miscellaneous income	170	127
Total non-operating income	363	1,189
Non-operating expenses		
Interest expenses	150	390
Commission for purchase of treasury shares	13	31
Miscellaneous loss	25	37
Total non-operating expenses	189	459
Ordinary income	4,833	6,396
Extraordinary income		
Gain on sales of non-current assets	—	66
Gain on sales of investment securities	—	31
Total extraordinary income	—	97
Extraordinary losses		
Impairment loss	24	27
Loss on sales of investment securities	0	—
Loss on valuation of golf membership	3	0
Loss on quality compensation	57	—
Total extraordinary losses	86	27
Profit before income taxes	4,746	6,465
Income taxes - current	1,020	2,170
Income taxes - deferred	358	(185)
Total income taxes	1,378	1,984
Profit	3,367	4,481
Profit attributable to owners of parent	3,367	4,481

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2017 (Apr. 1, 2016 to Mar. 31, 2017)	Fiscal Year Ended Mar. 31, 2018 (Apr. 1, 2017 to Mar. 31, 2018)
Profit	3,367	4,481
Other comprehensive income		
Valuation difference on available-for-sale securities	165	382
Deferred gains or losses on hedges	3	(0)
Foreign currency translation adjustment	(230)	(364)
Remeasurements of defined benefit plans, net of tax	46	(10)
Total other comprehensive income	(14)	7
Comprehensive Income	3,353	4,488
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	3,353	4,488

(3) Consolidated Statements of Changes in Net Assets

Fiscal Year Ended Mar. 31, 2017 (Apr. 1, 2016 to Mar. 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	17,690	19,114	82,669	(6,119)	113,354
Changes of items during period					
Dividends of surplus			(4,817)		(4,817)
Profit attributable to owners of parent			3,367		3,367
Purchase of treasury shares				(4,378)	(4,378)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(1,450)	(4,378)	(5,828)
Balance at end of current period	17,690	19,114	81,219	(10,498)	107,525

	Accumulated other comprehensive income					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 beginning of current period	1,375	(3)	646	(9)	2,008	115,362
Changes of items during period						
Dividends of surplus						(4,817)
Profit attributable to owners of parent						3,367
Purchase of treasury shares						(4,378)
Net changes of items other than shareholders' equity	165	3	(230)	46	(14)	(14)
Total changes of items during period	165	3	(230)	46	(14)	(5,843)
Balance at end of current period	1,540	(0)	416	36	1,993	109,519

Fiscal Year Ended Mar. 31, 2018 (Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	17,690	19,114	81,219	(10,498)	107,525
Changes of items during period					
Dividends of surplus			(3,824)		(3,824)
Profit attributable to owners of parent			4,481		4,481
Purchase of treasury shares				(15,852)	(15,852)
Retirement of treasury shares			(9,134)	9,134	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(8,478)	(6,717)	(15,195)
Balance at end of current period	17,690	19,114	72,740	(17,215)	92,329

	Accumulated other comprehensive income					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 beginning of current period	1,540	(0)	416	36	1,993	109,519
Changes of items during period						
Dividends of surplus						(3,824)
Profit attributable to owners of parent						4,481
Purchase of treasury shares						(15,852)
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	382	(0)	(364)	(10)	7	7
Total changes of items during period	382	(0)	(364)	(10)	7	(15,188)
Balance at end of current period	1,923	(0)	52	25	2,001	94,331

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2017 (Apr. 1, 2016 to Mar. 31, 2017)	Fiscal Year Ended Mar. 31, 2018 (Apr. 1, 2017 to Mar. 31, 2018)
Cash flows from operating activities		
Profit before income taxes	4,746	6,465
Depreciation	597	617
Impairment loss	24	27
Increase (decrease) in allowance for doubtful accounts	27	(21)
Increase (decrease) in net defined benefit liability	(133)	(108)
Interest and dividend incomes	(142)	(110)
Interest expenses	150	390
Loss (gain) on sales of property, plant and equipment	—	(66)
Other loss (gain)	556	(809)
Decrease (increase) in notes and accounts receivable - trade	(3,941)	(7,243)
Decrease (increase) in inventories	(5,641)	(16,264)
Increase (decrease) in notes and accounts payable - trade	9,559	1,972
Loss (gain) on sales of investment securities	—	(31)
Decrease (increase) in accounts receivable - other	(6,271)	(3,251)
Increase (decrease) in other assets and liabilities	232	387
Subtotal	(233)	(18,046)
Interest and dividends income received	137	121
Interest expenses paid	(148)	(387)
Income taxes (paid) refund	(1,598)	(955)
Net cash provided by (used in) operating activities	(1,843)	(19,268)
Cash flows from investing activities		
Payments into restricted deposits	(152)	—
Purchases of property, plant and equipment	(99)	(130)
Proceeds from sales of property, plant and equipment	62	440
Purchase of intangible assets	(278)	(64)
Proceeds from sales of intangible assets	—	—
Purchase of shares of subsidiaries and associates	(610)	—
Proceeds from liquidation of subsidiaries	—	—
Purchases of investment securities	—	(245)
Proceeds from sales of investment securities	42	1,036
Payments for investments in capital	—	(299)
Collection of loans receivable	0	0
Purchase of insurance funds	(91)	(104)
Proceeds from cancellation of insurance funds	312	—
Net cash provided by (used in) investing activities	(816)	634
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	189	13,275
Repayments of lease obligations	(233)	(183)
Purchase of treasury shares	(4,378)	(15,852)
Cash dividends paid	(4,801)	(3,820)
Net cash provided by (used in) financing activities	(9,223)	(6,580)
Effect of exchange rate change on cash and cash equivalents	(192)	(6)
Net increase (decrease) in cash and cash equivalents	(12,075)	(25,221)
Cash and cash equivalents at the beginning of the period	50,768	38,692
Cash and cash equivalents at the end of the period	38,692	13,471

(5) Notes on Consolidated Financial Statements

(Notes Regarding Going Concern)

Not applicable.

(Notes Regarding Substantial Changes in Shareholders' Equity)

I. Purchase of treasury shares

Based on a corporate resolution made at the Board Meeting on May 12, 2017, Ryosan purchased 3,612,000 treasury shares. As a result, treasury shares increased by 15,850 million yen in the consolidated fiscal year under review.

II. Retirement of treasury shares

Based on a corporate resolution made at the Board Meeting on May 12, 2017, Ryosan retired 3,000,000 treasury shares effective as of May 31, 2017. As a result, retained earnings and treasury shares in the consolidated fiscal year under review both decreased by 9,134 million yen respectively.

(Segment Information)

(a) Segment Information

1. Overview of Reporting Segments

Ryosan's reporting segments are made up of those created from financial information sorted by business segment and those evaluated by the President periodically.

Ryosan has set up its business headquarters at Ryosan's head office for each article of merchandise and product, and Ryosan is expanding business activities by having each business headquarters formulate comprehensive strategies for the products that they handle, for both within Japan and overseas.

Therefore, regarding the reporting segments for its business headquarters, Ryosan lists "Semiconductors," "Electronic components," and "Electronic equipment."

The main products of each business segment are as follows:

Semiconductors:	Memory, system LSIs, discrete semiconductors
Electronic components:	Display devices, power supplies, electromechanical components
Electronic equipment:	Systems equipment, facilities equipment

2. Information Concerning Sales and Income or Loss Amount by Reporting Segment

For the consolidated fiscal year ended March 31, 2017

(April 1, 2016 to March 31, 2017)

(Millions of yen, figures less than ¥1 million have been omitted)

	Reporting Segment				Adjusted amount (Note 1)	Amounts shown on consolidated statement of income (Note 2)
	Semi- conductors	Electronic components	Electronic equipment	Total		
Net sales						
Sales to external customers	125,310	69,172	23,520	218,003	—	218,003
Internal sales or exchange between segments	—	—	—	—	—	—
Total	125,310	69,172	23,520	218,003	—	218,003
Segment income (loss)	2,488	1,945	694	5,128	(469)	4,659

Notes:

1. The adjusted amount of minus 469 million yen represents corporate expenses (mainly general and administrative expenses) which are not allocated to the reporting segment.
2. Segment income has been adjusted with operating income in consolidated statement of income.
3. Segment asset is not shown in this reporting segment as it is not subject to President's performance evaluation.

For the consolidated fiscal year ended March 31, 2018
(April 1, 2017 to March 31, 2018)

(Millions of yen, figures less than ¥1 million have been omitted)

	Reporting Segment				Adjusted amount (Note 1)	Amounts shown on consolidated statement of income (Note 2)
	Semi-conductors	Electronic components	Electronic equipment	Total		
Net sales						
Sales to external customers	145,708	81,984	26,384	254,077	—	254,077
Internal sales or exchange between segments	—	—	—	—	—	—
Total	145,708	81,984	26,384	254,077	—	254,077
Segment income (loss)	2,625	2,812	606	6,045	(379)	5,665

Notes:

1. The adjusted amount of minus 379 million yen represents corporate expenses (mainly general and administrative expenses) which are not allocated to the reporting segment.
2. Segment income has been adjusted with operating income in consolidated statement of income.
3. Segment asset is not shown in this reporting segment as it is not subject to President's performance evaluation.

(b) Related Information

1. Information on products and services
As in the Reporting Segment

2. Information by region

(1) Sales

For the consolidated fiscal year ended March 31, 2017
(April 1, 2016 to March 31, 2017)

(Millions of yen)

Japan	China	Asia	Other	Total
129,679	42,025	38,645	7,652	218,003

Note:

Net sales are on the basis of customer location and classified by country or region.

For the consolidated fiscal year ended March 31, 2018
(April 1, 2017 to March 31, 2018)

(Millions of yen)

Japan	China	Asia	Other	Total
144,423	57,372	43,254	9,026	254,077

Note:

Net sales are on the basis of customer location and classified by country or region.

(2) Property, plant and equipment

This information is not presented as the amount of property, plant and equipment in Japan constitutes more than 90% of the total amount of property, plant and equipment on the consolidated balance sheet.

(Per Share Information)

(Yen unless otherwise stated)

Item	Fiscal Year 2016 (April 1, 2016 to March 31, 2017)	Fiscal Year 2017 (April 1, 2017 to March 31, 2018)
Net assets per share	3,897.82	3,852.59
Basic earnings per share	116.54	173.98

(Notes) 1. Information on diluted earnings per share is not presented because there are no latent shares.

2. Basis for calculation

(1) Net assets per share

(Millions of yen unless otherwise stated)

Item	Fiscal Year 2016 (As of March 31, 2017)	Fiscal Year 2017 (As of March 31, 2018)
Total of net assets	109,519	94,331
Amount to be deducted from the total of net assets (Of which non-controlling interests)	— (—)	— (—)
Closing net assets relating to common shares	109,519	94,331
Number of common shares as of end of term used in the calculation of net assets per share (thousand shares)	28,097	24,485

(2) Basic earnings per share

(Millions of yen unless otherwise stated)

Item	Fiscal Year 2016 (April 1, 2016 to March 31, 2017)	Fiscal Year 2017 (April 1, 2017 to March 31, 2018)
Basic earnings per share		
Profit attributable to owners of parent	3,367	4,481
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent relating to common shares	3,367	4,481
Average number of common shares outstanding during the term (thousand shares)	28,900	25,757

(Important Subsequent Events)

Not applicable.

4. Other

(1) New Orders

(Millions of yen, figures less than 1 million yen have been omitted)

	Fiscal Year 2016 (April 1, 2016 to March 31, 2017)	Fiscal Year 2017 (April 1, 2017 to March 31, 2018)
Semiconductors	134,477	152,512
Electronic components	70,957	87,341
Electronic equipment	24,770	29,017
Total	230,205	268,871

(2) Geographical Segment Information

Fiscal Year 2016, the fiscal year ended March 31, 2017
(April 1, 2016 to March 31, 2017)

(Millions of yen, figures less than ¥1 million have been omitted)

	Japan	Asia	Other	Total	Eliminations or corporate	Consolidated
Sales:						
(1) Sales to external customers	131,258	79,198	7,546	218,003	—	218,003
(2) Internal sales or exchange between segments	11,330	489	6	11,825	(11,825)	—
Total	142,588	79,687	7,553	229,829	(11,825)	218,003
Segment income	1,709	2,316	243	4,269	389	4,659

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.

2. Principal countries and regions:

Asia: Hong Kong, Thailand, China, Korea and others

Other: United States and others

Fiscal Year 2017, the fiscal year ended March 31, 2018
(April 1, 2017 to March 31, 2018)

(Millions of yen, figures less than ¥1 million have been omitted)

	Japan	Asia	Other	Total	Eliminations or corporate	Consolidated
Sales:						
(1) Sales to external customers	155,142	90,025	8,909	254,077	—	254,077
(2) Internal sales or exchange between segments	18,691	158	5	18,856	(18,856)	—
Total	173,834	90,183	8,915	272,933	(18,856)	254,077
Segment income	1,897	3,096	265	5,259	406	5,665

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.

2. Principal countries and regions:

Asia: Hong Kong, Thailand, China, Korea and others

Other: United States and others