

## Consolidated Earnings Report for Fiscal Year 2020, Ended March 31, 2021 [Japanese Standards]

Company name:	Ryosan Company, Limited	Stock listing:	First Section, Tokyo Stock Exchange
Securities code:	8140	URL	<a href="https://www.ryosan.co.jp/">https://www.ryosan.co.jp/</a>
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Scheduled date of the Annual General Meeting of Shareholders:	June 25, 2021		
Scheduled payment date of dividend:	June 9, 2021		
Scheduled filing date of the Annual Securities Report:	June 28, 2021		
Supplementary materials for the annual financial results:	Yes		
Investor conference for the annual financial results:	Yes (for security analysts and institutional investors)		

(Millions of yen rounded down)

### 1. Consolidated results for the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

#### (1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year 2020	219,884	(3.3)	4,628	48.9	5,122	75.6	4,586	284.2
Fiscal Year 2019	227,297	(9.0)	3,108	(40.6)	2,916	(26.6)	1,193	(19.3)

(Note) Comprehensive income

Fiscal Year 2020: 6,081 million yen (– %),      Fiscal Year 2019: (15) million yen (– %)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to net assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal Year 2020	195.78	—	5.3	3.6	2.1
Fiscal Year 2019	50.96	—	1.4	2.1	1.4

(Reference) Equity in earnings (losses) of non-consolidated subsidiaries and affiliates:

Fiscal Year 2020: 23 million yen,      Fiscal Year 2019: (2) million yen

#### (2) 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, 2021	148,087	89,609	60.5	3,824.82
March 31, 2020	137,746	84,935	61.7	3,625.21

(Reference) Shareholders equity:

March 31, 2021: 89,609 million yen,      March 31, 2020: 84,935 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year 2020	(3,782)	1,029	(1,571)	20,636
Fiscal Year 2019	17,994	(310)	(7,475)	24,501

## 2. Dividends

(Millions of yen rounded down unless otherwise stated)

(Record date)	Dividends per share (Yen)					Dividends (Full fiscal year)	Payout ratio (consolidated) %	Dividends to net assets ratio (consolidated) %
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual			
Fiscal Year 2019	—	50.00	—	30.00	80.00	1,874	157.0	2.2
Fiscal Year 2020	—	30.00	—	70.00	100.00	2,342	51.1	2.6
Fiscal Year 2021 (Forecast)	—	30.00	—	30.00	60.00		54.1	

Fiscal Year 2019	Interim dividend breakdown: 50 yen (ordinary)
Fiscal Year 2019	Year-end dividend breakdown: 30 yen (ordinary)
Fiscal Year 2020	Interim dividend breakdown: 30 yen (ordinary)
Fiscal Year 2020	Year-end dividend breakdown: 30 yen (ordinary), 40 yen (special)
Fiscal Year 2021	Interim dividend breakdown (forecast): 30 yen (ordinary)
Fiscal Year 2021	Year-end dividend breakdown (forecast): 30 yen (ordinary)

### 3. Forecast of results for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	110,000	13.2	1,600	27.8	1,700	1.5	1,200	(19.2)	51.22
Full fiscal year	223,000	1.4	3,700	(20.1)	3,700	(27.8)	2,600	(43.3)	110.98

#### \* 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, 2021	25,000,000 shares	March 31, 2020	25,000,000 shares
2. Total number of treasury shares at the period-end	March 31, 2021	1,571,434 shares	March 31, 2020	1,570,850 shares
3. Average number of shares outstanding during the period	March 31, 2021	23,428,846 shares	March 31, 2020	23,429,459 shares

#### (Reference) Overview of non-consolidated operating results

##### 1. Non-consolidated results for the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

(% change compared with the same period of the 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 2020	138,435	(4.1)	1,033	—	4,045	388.9	3,830	—
Fiscal Year 2019	144,381	(9.2)	(652)	—	827	(22.7)	(395)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal Year 2020	163.49	—
Fiscal Year 2019	(16.87)	—

(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, 2021	104,674	64,447	61.6	2,750.81
March 31, 2020	100,038	61,654	61.6	2,631.54

(Reference) Shareholders equity:

March 31, 2021: 64,447 million yen,

March 31, 2020: 61,654 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 4, "1. Summary of Operating Results, etc. (4) Future Prospects."

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## **1. Summary of Operating Results, etc.**

### **(1) Summary of Operating Results for Fiscal Year 2020**

#### 1) Overview

In the consolidated fiscal period under review (April 1, 2020 to March 31, 2021: Fiscal year 2020), the global economy was dominated by the COVID-19 pandemic. In the first half of the fiscal year (H1), economic activity was curtailed in efforts to restrain the spread of COVID-19, sending the global economy into a tailspin. Toward the end of the term, it moved toward recovery, despite the effects of restrictions. However, with the exception of China, which managed to restrain the pandemic at an early stage, the economic recovery varied markedly by region in accordance with the degree to which the pandemic was controlled.

The electronics industry, Ryosan's main field, was equally impacted by the COVID-19 pandemic. Sales remained solid throughout the period in the consumer market, fed by stay-at-home demand, while demand related to capital investment in China was firm. In the automotive market, however, production and sale of automotive electronic products dropped sharply in H1, though these figures staged a rapid recovery in the second half of the fiscal year (H2) as demand tightened.

In the consolidated business results for the period under review, net sales were 219,884 million yen (down 3.3% from the previous fiscal year), dragged down by the steep drop in H1.

Gross profit rose, as tight demand drove rapid inventory turnover and as Ryosan succeeded in enforcing strict handling of inventory, shrinking related costs. Operating income also rose, to 4,628 million yen (up 48.9%) amid the COVID-19 pandemic.

Ordinary income was 5,122 million yen (up 75.6%), lifted by factors such as foreign exchange gains from revaluation of foreign-currency-denominated liabilities and a reduction in interest expenses.

Profit attributable to owners of parent was 4,586 million yen (up 284.2%), buoyed by factors such as income from sale of investment securities and a rebound from temporary expenses in the previous fiscal year.

#### 2) Business Segment Information

##### **a. Semiconductors**

Ryosan sells system LSIs, discrete semiconductors and memory, and develops system LSIs on a contract basis. Though sales exceeded the previous fiscal year's figures in all businesses except the automotive business, the impact of a drop in automotive sales in H1 was significant. Net sales were recorded at 131,853 million yen (down 3.2% from the previous fiscal year) during the consolidated fiscal year under review. Operating income was 2,031 million yen (up 74.7%), as gross profit benefited from reduced inventory-related expenses and selling, general and administrative expenses eased.

##### **b. Electronic Components**

Ryosan sells electromechanical components, display devices and power supplies. In the consolidated fiscal year under review, consumer sales and sales related to industrial equipment were firm throughout the period and the automotive business recovered in H2. Net sales grew to 75,683 million yen (up 2.0% from the previous fiscal year) and operating income improved to 2,557 million yen (up 19.4%).

##### **c. Electronic Equipment**

Ryosan sells systems equipment and facilities equipment. During the consolidated fiscal year under review, major projects in the automotive sector slumped. Net sales in this segment were 12,346 million yen (down 27.1% from the previous fiscal year) and operating income shrank to 186 million yen (down 51.4%).

### **(2) Summary of Financial Position for Fiscal Year 2020**

#### 1) Assets

Total assets increased by 10,340 million yen to 148,087 million yen compared with March 31, 2020. This is mainly because notes and accounts receivable-trade increased by 17,400 million yen, while cash and deposits decreased by 3,861 million yen.

#### 2) Liabilities

Total liabilities increased by 5,666 million yen to 58,477 million yen compared with March 31, 2020. This is mainly because accounts payable–trade increased by 4,508 million yen.

### 3) Net Assets

Net assets increased by 4,674 million yen to 89,609 million yen compared with March 31, 2020. This is mainly because profit attributable to owners of parent was 4,586 million yen, while payment of dividends amounted to 1,405 million yen. The ratio of net assets to total assets fell from 61.7% at the end of the previous fiscal year to 60.5% as of March 31, 2021.

### (3) Summary of Cash Flows for Fiscal Year 2020

As of March 31, 2021, cash and cash equivalents decreased by 3,865 million yen compared with the end of the previous fiscal year, to 20,636 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 3,782 million yen. Profit before income taxes was 6,214 million yen, while notes and accounts payable–trade increased by 4,009 million yen and notes and accounts receivable–trade rose by 16,330 million yen. In the net cash provided by operating activities in the previous consolidated fiscal year, there was an increase of funds by 17,994 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 1,029 million yen due to proceeds from sales of investment securities of 801 million yen. The net cash provided by (used in) investing activities in the previous consolidated fiscal year decreased by 310 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 1,571 million yen due to cash dividends paid of 1,406 million yen. The net cash provided by (used in) financing activities in the previous consolidated fiscal year decreased by 7,475 million yen.

#### (Reference) Trends in cash flow-related indicators

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Net assets to total assets (%)	67.8	57.9	59.9	61.7	60.5
Net assets to total assets (%) (Market capitalization basis)	58.2	57.7	47.4	40.6	35.7
Cash flow to Interest-bearing Liabilities (Years)	–	–	1.8	1.0	–
Interest coverage ratio (Times)	–	–	16.3	30.7	–

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) Future Prospects

##### 1) Overview

The recent COVID-19 pandemic presents opportunities as well as risks. It has already changed workstyles, as workers and companies adopt telework strategies, and is expected to provide an opening for companies to accelerate digitalization. The semiconductor and electronic-component fields are changing in this way in the short term. Over the medium and long terms, expansion in the scope of use of AI and widening adoption of 5G technology are expected to stoke demand.

Since Ryosan froze the 10th Medium-Term Business Plan in 2019, Ryosan has been implementing a slate of measures to enhance operating efficiency. For example, as counter measures for profitability enhancement, Ryosan is withdrawing from non-profitable businesses and optimizing its organization. In view of the effects of these streamlining efforts, Ryosan is reducing personnel and assets, thereby reducing operating costs and bolstering the quality of its business portfolio.

In 2020, as the impact of the COVID-19 pandemic precluded Ryosan from compiling a new business plan, Ryosan opted instead to announce a Long-Term Vision for Ryosan 10 years into the future. Called RS Innovation 2030, the new Long-Term Vision lists as its target state “creating confidence and the best fit for society in the electronics domain.” RS Innovation 2030 names three axes for growth: business models, sales prospects (channels) and products (networks).

It remains too soon to relax one’s guard with respect to the COVID-19 pandemic. Nonetheless, Ryosan has compiled a growth strategy in the form of the 11th Medium-Term Business Plan. The Plan incorporates a number of targets for profitability enhancement, aimed at realizing the Long-Term Vision.

This 11th Medium-Term Business Plan calls on Ryosan to diversify its portfolio, by transforming sales channels and seeking out customers through acquisition of commercial rights; deepen its engagement with local businesses in China and Hong Kong through cooperation with local affiliates; harvest the rewards of prior investment in several lines of products and make new investments in new products; invest to transform Ryosan’s line of business, including entry into new manufacturing and other businesses, inspired by customer needs; raise the efficiency of existing businesses; and reinforce the foundations, including education, risk management, governance and overhaul of management information. Through the execution of the 11th Medium-Term Business Plan, Ryosan is pivoting from its previous “defensive” mode with respect to improving profitability to an “offensive” mode in which Ryosan transforms the constitution of its businesses.

The management targets of the 11th Medium-Term Business Plan are net sales of 263,000 million yen, gross profit of 21,300 million yen, operating income of 6,900 million yen and ROE of 5.0%, by the fiscal year ending March 31, 2024 (fiscal year 2023).

The global economy in fiscal year 2021 will be greatly impacted by the continuing COVID-19 pandemic. Ryosan expects uncertainty related to the pandemic to continue. In the electronics industry, the global shortage of semiconductors is worsening and is expected to impact production of final products, especially automobiles. Ryosan will continue to place top priority on maintaining stable business operation.

Ryosan’s forecast of consolidated business results for fiscal year 2021 is as follows.

	Millions of yen	YoY change [%]
Net sales	223,000	Increase 1.4
Operating income	3,700	Decrease 20.1
Ordinary income	3,700	Decrease 27.8
Profit attributable to owners of parent	2,600	Decrease 43.3

##### 2) Estimates by Business Segment

###### a. Semiconductors

In this business segment, Ryosan expects net sales to rise to 134,000 million yen (up 1.6% from the previous fiscal year), paced by sales in the automotive sector. Operating income, on the other hand, is forecast to decline

to 1,500 million yen (down 26.1%), amid swelling logistical costs and normalization of inventory-related expenses.

#### **b. Electronic Components**

In this business segment, Ryosan forecasts net sales of 73,500 million yen (down 2.9% from the previous fiscal year) and operating income of 2,300 million yen (down 10.1%), restrained by factors such as a rebound from favorable results in the consumer business in the previous fiscal year.

#### **c. Electronic Equipment**

In this business segment, net sales are forecast to increase to 15,500 million yen (up 25.5% from the previous fiscal year) and operating income is anticipated to more than double to 400 million yen (up 114.5%). Major projects in the communications sector are expected to contribute.

### **(5) Basic Policy Regarding the Allocation of Profits / Dividends for Fiscal Year 2020 and Fiscal Year 2021**

Ryosan regards the return of earnings to shareholders as one of the most important elements of management and is making efforts to increase basic earnings per share. Ryosan's fundamental policy is to aim for consolidated dividend payout ratio of around 50%.

In the year-end dividend for the consolidated fiscal year under review, Ryosan expects to distribute an ordinary dividend of 30 yen per share plus a special dividend of 40 yen per share, for a total year-end dividend of 70 yen per share. With the inclusion of the interim dividend of 30 yen per share, the annual dividend is forecast to be 100 yen per share. In the coming fiscal year, Ryosan forecasts an annual dividend of 60 yen per share.

## **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, 2020 (As of March 31, 2020)	Fiscal Year Ended March 31, 2021 (As of March 31, 2021)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	24,501	20,685
Notes and accounts receivable - trade	53,687	71,088
Merchandise and finished goods	37,240	35,672
Work in process	2	28
Accounts receivable - other	6,196	4,571
Other	322	720
Allowance for doubtful accounts	(152)	(278)
Total current assets	121,799	132,488
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	7,401	6,773
Accumulated depreciation	(4,675)	(4,060)
Buildings and structures, net	2,726	2,713
Land	5,758	5,299
Lease assets	1,173	1,261
Accumulated depreciation	(628)	(790)
Leased assets, net	545	471
Other	2,082	1,937
Accumulated depreciation	(1,840)	(1,713)
Other, net	241	224
Total property, plant and equipment	9,271	8,707
Intangible assets	946	881
<b>Investments and other assets</b>		
Investment securities	3,517	3,587
Deferred tax assets	340	330
Other	2,241	2,154
Allowance for doubtful accounts	(68)	(63)
Allowance for investment loss	(301)	—
Total investments and other assets	5,729	6,009
Total non-current assets	15,947	15,598
<b>Total assets</b>	<b>137,746</b>	<b>148,087</b>

(Millions of yen)

	Fiscal Year Ended March 31, 2020 (As of March 31, 2020)	Fiscal Year Ended March 31, 2021 (As of March 31, 2021)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable - trade	28,475	32,984
Short-term loans payable	18,158	18,551
Lease obligations	229	226
Accounts payable - other	2,005	1,985
Accrued expenses	1,228	1,439
Income taxes payable	454	844
Other	145	205
Total current liabilities	50,697	56,236
<b>Non-current liabilities</b>		
Lease obligations	369	285
Deferred tax liabilities	38	485
Net defined benefit liability	1,622	1,409
Asset retirement obligations	30	25
Other	52	33
Total non-current liabilities	2,113	2,240
Total liabilities	52,810	58,477
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	17,690	17,690
Capital surplus	19,114	19,114
Retained earnings	53,857	57,039
Treasury shares	(6,532)	(6,533)
Total shareholders' equity	84,130	87,310
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,158	1,526
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	(300)	824
Remeasurements of defined benefit plans	(52)	(52)
Total accumulated other comprehensive income	805	2,299
<b>Total net assets</b>	84,935	89,609
<b>Total liabilities and net assets</b>	137,746	148,087

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

### (Consolidated Statement of Income)

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2020 (Apr. 1, 2019 to Mar. 31, 2020)	Fiscal Year Ended Mar. 31, 2021 (Apr. 1, 2020 to Mar. 31, 2021)
<b>Net sales</b>	227,297	219,884
<b>Cost of Sales</b>	209,539	200,852
<b>Gross Profit</b>	17,757	19,031
<b>Selling, general and administrative expenses</b>		
Packing and transportation expenses	997	1,089
Provision of allowance for doubtful accounts	127	112
Directors' compensations	382	408
Salaries and allowances	4,405	4,199
Bonuses	1,270	1,325
Retirement benefit expenses	447	450
Welfare expenses	1,016	969
Depreciation	631	596
Other	5,371	5,249
Total selling, general and administrative expenses	14,649	14,403
<b>Operating income</b>	3,108	4,628
<b>Non-operating income</b>		
Interest income	67	43
Dividend income	77	67
Share of profit of entities accounted for using equity method	—	23
Foreign exchange gains	67	341
Rent income	56	53
Miscellaneous income	159	198
Total non-operating income	428	728
<b>Non-operating expenses</b>		
Interest expenses	577	199
Share of loss of entities accounted for using equity method	2	—
Miscellaneous loss	40	34
Total non-operating expenses	620	234
<b>Ordinary income</b>	2,916	5,122
<b>Extraordinary income</b>		
Gain on sales of non-current assets	1	59
Gain on sales of investment securities	—	662
Gain on sales of golf memberships	—	4
Compensation for customs duty	187	367
Total extraordinary income	189	1,093
<b>Extraordinary losses</b>		
Impairment loss	513	—
Loss on valuation of investment securities	8	—
Provision of allowance for investment loss	301	—
Loss on valuation of golf membership	14	1
Loss on sales of golf club memberships	0	—
Extra retirement payments	473	—
Total extraordinary losses	1,312	1
<b>Profit before income taxes</b>	1,793	6,214
Income taxes - current	850	1,270
Income taxes - deferred	(250)	356
<b>Total income taxes</b>	599	1,627
<b>Profit</b>	1,193	4,586
<b>Profit attributable to owners of parent</b>	1,193	4,586

**(Consolidated Statement of Comprehensive Income)**

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2020 (Apr. 1, 2019 to Mar. 31, 2020)	Fiscal Year Ended Mar. 31, 2021 (Apr. 1, 2020 to Mar. 31, 2021)
<b>Profit</b>	1,193	4,586
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(388)	368
Deferred gains or losses on hedges	(0)	1
Foreign currency translation adjustment	(796)	1,125
Remeasurements of defined benefit plans, net of tax	(25)	0
<b>Total other comprehensive income</b>	<b>(1,209)</b>	<b>1,494</b>
<b>Comprehensive Income</b>	<b>(15)</b>	<b>6,081</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(15)	6,081

**(3) Consolidated Statements of Changes in Net Assets**

Fiscal Year Ended Mar. 31, 2020 (Apr. 1, 2019 to Mar. 31, 2020)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	17,690	19,114	55,572	(6,531)	85,846
Changes of items during period					
Dividends of surplus			(2,928)		(2,928)
Profit attributable to owners of parent			1,193		1,193
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity			19		19
Total changes of items during period	—	—	(1,714)	(1)	(1,716)
Balance at end of current period	17,690	19,114	53,857	(6,532)	84,130

	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	1,546	0	495	(26)	2,015	87,861
Changes of items during period						
Dividends of surplus						(2,928)
Profit attributable to owners of parent						1,193
Purchase of treasury shares						(1)
Net changes of items other than shareholders' equity	(388)	(0)	(796)	(25)	(1,209)	(1,189)
Total changes of items during period	(388)	(0)	(796)	(25)	(1,209)	(2,926)
Balance at end of current period	1,158	0	(300)	(52)	805	84,935

## Fiscal Year Ended Mar. 31, 2021 (Apr. 1, 2020 to Mar. 31, 2021)

(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	53,857	(6,532)	84,130
Changes of items during period					
Dividends of surplus			(1,405)		(1,405)
Profit attributable to owners of parent			4,586		4,586
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	3,181	(1)	3,179
Balance at end of current period	17,690	19,114	57,039	(6,533)	87,310

	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	1,158	0	(300)	(52)	805	84,935
Changes of items during period						
Dividends of surplus						(1,405)
Profit attributable to owners of parent						4,586
Purchase of treasury shares						(1)
Net changes of items other than shareholders' equity	368	1	1,125	0	1,494	1,494
Total changes of items during period	368	1	1,125	0	1,494	4,674
Balance at end of current period	1,526	1	824	(52)	2,299	89,609

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2020 (Apr. 1, 2019 to Mar. 31, 2020)	Fiscal Year Ended Mar. 31, 2021 (Apr. 1, 2020 to Mar. 31, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,793	6,214
Depreciation	653	619
Impairment loss	513	—
Increase (decrease) in allowance for doubtful accounts	77	110
Increase (decrease) in net defined benefit liability	(91)	(236)
Increase (decrease) in allowance for investment loss	301	—
Interest and dividend income	(144)	(111)
Interest expenses	577	199
Share of (profit) loss of entities accounted for using equity method	2	(23)
Loss (gain) on sales of investment securities	—	(662)
Loss (gain) on sales of property, plant and equipment	—	(59)
Other loss (gain)	(504)	(99)
Decrease (increase) in notes and accounts receivable - trade	7,809	(16,330)
Decrease (increase) in inventories	6,791	2,128
Increase (decrease) in notes and accounts payable - trade	(898)	4,009
Decrease (increase) in accounts receivable - other	1,424	1,645
Increase (decrease) in other assets and liabilities	1,137	(214)
Subtotal	19,444	(2,809)
Interest and dividends income received	145	111
Interest expenses paid	(585)	(207)
Income taxes (paid) refund	(1,009)	(877)
Net cash provided by (used in) operating activities	17,994	(3,782)
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(311)	(224)
Proceeds from sales of property, plant and equipment	161	506
Purchase of intangible assets	(215)	(110)
Purchases of investment securities	(15)	(15)
Proceeds from sales of investment securities	—	801
Decrease (increase) in time deposits	—	(48)
Proceeds from sales of membership	12	14
Collection of investments in capital	0	—
Proceeds from distribution of investment in partnerships	—	21
Purchase of insurance funds	(131)	(134)
Proceeds from cancellation of insurance funds	188	219
Net cash provided by (used in) investing activities	(310)	1,029
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(4,367)	16
Repayments of lease obligations	(184)	(179)
Purchase of treasury shares	(1)	(1)
Cash dividends paid	(2,922)	(1,406)
Net cash provided by (used in) financing activities	(7,475)	(1,571)
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(286)</b>	<b>458</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,921</b>	<b>(3,865)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>14,580</b>	<b>24,501</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>24,501</b>	<b>20,636</b>

## (5) Notes on Consolidated Financial Statements

### (Notes Regarding Going Concern)

Not applicable.

### (Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable.

### (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

Consolidated fiscal year ended March 31, 2020

(April 1, 2019 to March 31, 2020)

(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	136,154	74,208	16,934	227,297	—	227,297
Internal sales or exchange between segments	—	—	—	—	—	—
Total	136,154	74,208	16,934	227,297	—	227,297
Segment income (loss)	1,162	2,142	383	3,688	(579)	3,108

Notes:

1. The adjusted amount of minus 579 million yen represents corporate expenses (mainly general and administrative expenses) which are not allocated to the reporting segments.
2. Segment income has been adjusted with operating income in the consolidated statement of income.
3. Segment assets are not shown in these reporting segments as they are not subject to the President's performance evaluation.



Consolidated fiscal year ended March 31, 2021  
(April 1, 2020 to March 31, 2021)

(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	131,853	75,683	12,346	219,884	—	219,884
Internal sales or exchange between segments	—	—	—	—	—	—
Total	131,853	75,683	12,346	219,884	—	219,884
Segment income (loss)	2,031	2,557	186	4,775	(146)	4,628

Notes:

1. The adjusted amount of minus 146 million yen represents corporate expenses (mainly general and administrative expenses) which are not allocated to the reporting segments.
2. Segment income has been adjusted with operating income in the consolidated statement of income.
3. Segment assets are not shown in these reporting segments as they are not subject to the President's performance evaluation.

(b) Related Information

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

2. Information by region

(1) Sales

Consolidated fiscal year ended March 31, 2020  
(April 1, 2019 to March 31, 2020)

(Millions of yen)

	Japan	China	Asia	Other	Consolidated
Net sales	120,309	52,930	43,344	10,712	227,297
Ratio to consolidated net sales (%)	52.9	23.3	19.1	4.7	100.0

Note:

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

Consolidated fiscal year ended March 31, 2021  
(April 1, 2020 to March 31, 2021)

(Millions of yen)

	Japan	China	Asia	Other	Consolidated
Net sales	113,238	58,813	37,157	10,673	219,884
Ratio to consolidated net sales (%)	51.5	26.7	16.9	4.9	100.0

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 since 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 2019 (April 1, 2019 to March 31, 2020)	Fiscal Year 2020 (April 1, 2020 to March 31, 2021)
Net assets per share	3,625.21	3,824.82
Basic earnings per share	50.96	195.78

(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 2019 (As of March 31, 2020)	Fiscal Year 2020 (As of March 31, 2021)
Total of net assets	84,935	89,609
Amount to be deducted from the total of net assets	—	—
(Of which non-controlling interests)	(—)	(—)
Closing net assets relating to common shares	84,935	89,609
Number of common shares as of end of term used in the calculation of net assets per share (thousand shares)	23,429	23,428

## (2) Basic earnings per share

(Millions of yen unless otherwise stated)

Item	Fiscal Year 2019 (April 1, 2019 to March 31, 2020)	Fiscal Year 2020 (April 1, 2020 to March 31, 2021)
Basic earnings per share		
Profit attributable to owners of parent	1,193	4,586
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent relating to common shares	1,193	4,586
Average number of common shares outstanding during the term (thousand shares)	23,429	23,428

**(Important Subsequent Events)**

## Conversion of Consolidated Subsidiaries into Dormant Companies

At the Board Meeting held on April 27, 2021, Ryosan resolved to make SAXIS Co., Ltd., a consolidated subsidiary of Ryosan, a dormant company effective June 25, 2021 and to transfer the operations of SAXIS to Ryosan.

## 4. Other

### (1) New Orders

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

	Fiscal Year 2019 (April 1, 2019 to March 31, 2020)	Fiscal Year 2020 (April 1, 2020 to March 31, 2021)
Semiconductors	143,615	162,492
Electronic components	74,688	83,956
Electronic equipment	18,948	15,793
Total	237,252	262,242

### (2) Geographical Segment Information

Fiscal year 2019, the fiscal year ended March 31, 2020  
(April 1, 2019 to March 31, 2020)

(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	125,850	90,967	10,479	227,297	—	227,297
(2) Internal sales or exchange between segments	18,531	259	17	18,807	(18,807)	—
Total	144,381	91,226	10,496	246,104	(18,807)	227,297
Segment income	(202)	2,357	367	2,521	586	3,108

Notes:

- Country and regional segments are classified on the basis of geographic proximity.
- Principal countries and regions covered:
  - Asia: Hong Kong, Thailand, China, Korea and others
  - Other: United States and others

Fiscal year 2020, the fiscal year ended March 31, 2021  
(April 1, 2020 to March 31, 2021)

(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	121,351	88,613	9,918	219,884	—	219,884
(2) Internal sales or exchange between segments	17,083	225	21	17,331	(17,331)	—
Total	138,435	88,839	9,940	237,215	(17,331)	219,884
Segment income	1,279	2,559	182	4,021	607	4,628

Notes:

- Country and regional segments are classified on the basis of geographic proximity.
- Principal countries and regions covered:
  - Asia: Hong Kong, Thailand, China, Korea and others
  - Other: United States and others