

November 5, 2020

Summary of Consolidated Financial Results for the First Half Ended September 30, 2020 [Japan GAAP]

Name of Company: KAGA ELECTRONICS CO., LTD.
 Stock Code: 8154
 Stock Exchange Listing: Tokyo Stock Exchange, First Section
 URL: <https://www.taxan.co.jp/>
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 Date of filing of quarterly securities report (tentative): November 13, 2020
 Date of commencement of dividend payment (tentative): December 4, 2020
 Quarterly earnings supplementary explanatory documents: Yes
 Quarterly earnings presentation: Yes (For institutional investors and analysts)

(Yen in millions, rounded down)

1. Financial results for the first half of the fiscal year ending March 2021 (April 1, 2020 – September 30, 2020)

(1) Result of operations (Consolidated, year-to-date)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half ended September 2020	188,859	-18.1	4,434	(15.4)	4,338	(21.8)	10,772	207.5
First half ended September 2019	230,630	99.9	5,239	38.9	5,546	37.0	3,502	27.4

Note: Comprehensive income: First half of FY3/2021: 11,011 million yen [(351.9%)] First half of FY3/2020: 2,436 million yen [(29.7%)]

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
First half ended September 2020	392.30	–
First half ended September 2019	127.62	–

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2020	209,908	96,163	42.1
As of March 31, 2020	207,638	86,250	37.7

Reference: Shareholders' equity : As of September 30, 2020: 88,271 million yen As of March 31, 2020: 78,284million yen

2. Dividends

	Dividend per share				
	1Q	2Q	3Q	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2020	–	30.00	–	40.00	70.00
Fiscal year ending March 2021	–	30.00	–	–	–
Fiscal year ending March 2021 (Forecast)	–	–	–	30.00	60.00

Notes: Change in the dividend forecast from the latest announcement: None

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

3. Forecast for the fiscal year ending March 2021 (Consolidated, April 1, 2020 – March 31, 2021)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	410,000	(7.6)	7,500	(25.1)	7,500	(26.0)	10,000	70.9	364.18

Note: Change in the forecast from the latest announcement: Yes

With respect to the revision of consolidated performance forecast, please refer to " Notification of Revisions to Earnings Forecasts " announced today (November 5, 2020).

* Notes

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

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

Note: For more information, please refer "2. Quarterly Consolidated Financial Statements and Major Notes (4) Notes to quarterly consolidated financial statements (Changes to principal subsidiaries in the current consolidated year to date)" on page 12.

(2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: None

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

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

(b) Changes other than (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(4) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

As of September 30, 2020: 28,702,118 As of March 31, 2020: 28,702,118

(b) Treasury shares

As of September 30, 2020: 1,243,638 As of March 31, 2020: 1,243,279

(c) Average number of shares (quarterly consolidated during the period)

Period ended September 30, 2020: 27,458,682 Period ended September 30, 2019: 27,447,183

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

* Cautionary statement regarding forecasts of operating results and special notes

(Caution regarding forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable.

Actual results may differ significantly from these statements for a number of reasons. For conditions as assumption for earnings forecast and cautionary statement regarding use of the forecast, please see "1. Results of Operations, (3) Qualitative information on consolidated earnings forecast".

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

We plan to hold an earnings briefing for institutional investors and analysts on Thursday, November 26, 2020. Supplementary materials for the earnings briefing will be posted on our website today (Thursday, November 5th). We plan to post a video of the earnings briefing, together with the briefing materials used on that day, on our website on November 26th.

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

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

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1. Results of Operations

(1) Overview of consolidated business performance

The overseas and domestic business environments surrounding the Group in the first half of the fiscal year ending March 31, 2021 were affected by a slowdown of corporate activity as lockdowns imposed in countries in response to the global coronavirus outbreak led to the suspension of operations at some factories in the manufacturing industry.

At the same time, within the Group, the coronavirus outbreak sparked strong growth in demand for PCs for remote work in the Information Equipment business.

Moreover, in the Electronic Components business, EXCEL CO., LTD. (hereinafter, "EXCEL") was consolidated in April 2020, while sales fell sharply for Fujitsu Electronics Inc. (hereinafter, "Fujitsu Electronics") due to the termination of a large sales agency agreement.

As a result, Group sales fell 18.1% year on year to 188,859 million yen in the first half of the fiscal year.

In terms of income, operating income decreased by 15.4% year on year to 4,434 million yen and ordinary income fell 21.8% year on year to 4,338 million yen. The Group endeavored to improve operational efficiency and reduce selling, general and administrative expenses by proactively utilizing remote work and online meetings to make up for the decrease in gross profit resulting from lower sales. Meanwhile, profit attributable to owners of the parent increased 207.5% year on year to 10,772 million yen, far exceeding the amount in the same period of the previous fiscal year, reflecting in part a 7,963 million yen "gain on bargain purchase" associated with the acquisition of EXCEL, which was recognized as extraordinary income.

	FY 2020/3 2Q	FY 2021/3 2Q	YoY	
	(April 1, 2019 – September 30, 2019)	(April 1, 2020 – September 30, 2020)	(Million yen)	
Net sales	(Million yen) 230,630	(Million yen) 188,859	(41,771)	(18.1)%
Gross profit (Margin)	23,771 10.3%	21,641 11.5%	(2,129) 1.2pt	(9.0)% –
SG&A	18,531	17,206	(1,324)	(7.1)%
Operating income	5,239	4,434	(805)	(15.4)%
Ordinary income	5,546	4,338	(1,207)	(21.8)%
Profit before income taxes	5,302	12,126	6,823	128.7%
Profit attributable to owners of parent	3,502	10,772	7,269	207.5%
Exchange Rate (Average rate during the year) USD	108.63Yen	106.92 Yen	(1.71)Yen	–

Business segment performance was as follows.

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

In this segment, the components sales business saw the effect of higher sales generated by EXCEL's consolidation from April 2020, however sales fell sharply due to the termination in October 2019 of a sales agency agreement that Fujitsu Electronics had entered into with the US-based Cypress Semiconductor Corporation.

The EMS business maintained steady performance in the medical equipment area, but was sluggish in the areas of automotive and air-conditioning devices in particular, due to the impact of the partial suspension of operations and production adjustments at the overseas plants of both the Company and its customers due to lockdowns resulting from the coronavirus outbreak.

As a result, net sales decreased by 21.5% year on year to 156,887 million yen, and segment income decreased by 27.3% year on year to 3,083 million yen.

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

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

In this segment, the home appliance business underperformed due to the impact of clients' delivery adjustments and other factors, but sales of PCs and PC ancillary equipment were strong due to an increase in remote work and online classes during the coronavirus outbreak.

As a result, net sales increased by 16.1% year on year to 23,192 million yen, and segment income increased by 87.8% year on year to 1,160 million yen.

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

In this segment, sales increased due to a boost in orders as well as front-loaded orders in computer graphics animation and the development of game software as a result of growing demand sparked by a rise in at-home activities.

As a result, net sales decreased by 4.3% year on year to 1,274 million yen, and segment income increased by 84.0% year on year to 86 million yen.

- (d) Others (Repair and support for electronics equipment, and sales of amusement equipment and sports goods, and others)

In this segment, the PC and PC peripheral recycling business remained solid, but sales of game equipment for the amusement industry and golf products were slow, due to the impact of prolonged store closures following stay-at-home advisories from governments.

As a result, net sales decreased by 21.1% year on year to 7,505 million yen, and segment income decreased by 86.1% year on year to 36 million yen.

		FY 2020/3 2Q	FY 2021/3 2Q	YoY	
		(April 1, 2019– September 30, 2019)	(April 1, 2020 – September 30, 2020)	(Million yen)	(%)
Electronic components	Net sales	(Million yen) 199,818	(Million yen) 156,887	(42,931)	(21.5)%
	Segment income	4,238	3,083	(1,155)	(27.3)%
Information equipment	Net sales	19,968	23,192	3,223	16.1%
	Segment income	618	1,160	542	87.8%
Software	Net sales	1,332	1,274	(57)	(4.3)%
	Segment income	46	86	39	84.0%
Others	Net sales	9,510	7,505	(2,005)	(21.1)%
	Segment income	259	36	(223)	(86.1)%
Total	Net sales	230,630	188,859	(41,771)	(18.1)%
	Segment income	5,239	4,434	(805)	(15.4)%

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

(2) Overview of financial condition

(a) Assets, liabilities and net assets

Total assets as of September 30, 2020 increased by 2,270 million yen from March 31, 2020, to 209,908 million yen.

Current assets decreased by 1,955 million yen from March 31, 2020, to 172,376 million yen. This is primarily attributable to an increase of 5,369 million yen in merchandise and finished goods and offsetting the 7,830 million yen decrease in cash and deposits.

Non-current assets increased by 4,226 million yen from March 31, 2020, to 37,532 million yen. This is largely the result of a 565 million yen increase in software due to the development of new ERP systems and other, a 2,062 million yen increase in investment securities, and a 443 million yen increase in deferred tax assets.

Liabilities decreased by 7,643 million yen from March 31, 2020, to 113,745 million yen. This is primarily due to an increase of 10,501 million yen in short-term loans payable, offsetting a 15,582 million yen decrease in notes and accounts payable – trade.

Net assets increased by 9,913 million yen from March 31, 2020, to 96,163 million yen, mainly the result of recording 10,772 million yen of profit attributable to owners of the parent.

(b) Cash flows

Cash and cash equivalents as of September 30, 2020 decreased by 11,105 million yen from March 31, 2020 to 31,588 million yen.

(Operating activities)

Net cash used in operating activities was 7,017 million yen (12,242 million yen provided in the same period of the previous fiscal year), mainly due to a decrease in notes and accounts receivable – trade and a decrease in notes and accounts payable – trade.

(Investing activities)

Net cash used in investing activities was 2,996 million yen (1,899 million yen used in the same period of the previous fiscal year), mainly due to payments into time deposits.

(Financing activities)

Net cash used in financing activities was 855 million yen (746 million yen used in the

same period of the previous fiscal year), mainly due to the payment of dividends.

(3) Qualitative information on consolidated earnings forecast

In light of progress with earnings in the first half of the current fiscal year and the outlook for the future, we have revised our consolidated earnings forecasts for the fiscal year ending on March 31, 2021 as reported in the “Notification of Revisions to Earnings Forecasts,” released today. The details are provided below.

1.Consolidated earnings forecasts for the fiscal year ended March 31,2020

(from April 1,2020 to March 31,2021)

	Net sales	Operating income	Ordinary Income	Profit Attributable to owners of Parent	Net income Per share
	Million yen	Million yen	Million yen	Million yen	(yen)
Previous forecast (A)	400,000	5,000	4,500	10,000	364.18
Revised forecast (B)	410,000	7,500	7,500	10,000	364.18
Difference(B)– (A)	10,000	2,500	3,000	-	-
Percent change (%)	2.5	50.0	66.7	-	-
(Reference) Results for the fiscal year Ended March 31,2020	443,615	10,014	10,137	5,852	213.21

2.Reasons for consolidated earnings forecasts

In the second quarter of the fiscal year ending on March 31, 2021, while sales were still down significantly compared to the previous fiscal year in the electronic components segment due to the termination of large commercial rights agreements with some business partners, we are gradually beginning to see signs of a recovery from the impact of the coronavirus outbreak in parts of the manufacturing industry. In addition, in the information equipment segment, sales of PC products have remained strong due to higher demand for remote work and online schooling, while selling, general and administrative expenses have decreased due to the voluntary suspension of some marketing activities. As a result of these and other factors, net sales and income have been higher than internal forecasts.

In light of these conditions, we have revised our full-year earnings forecasts previously announced on August 6, 2020. We have raised our net sales forecast by 10 billion yen to 410 billion yen, increased the operating income forecast by 2.5 billion yen to 7.5 billion yen, and raised the ordinary income forecast by 3 billion yen to 7.5 billion yen. We maintain a cautious view of the impact on our business environment, given the uncertainties as to when the coronavirus outbreak will subside, and thus at this time our forecast for profit attributable to owners of parent remains unchanged.

Note: The above forecasts are based on the information currently available to the Company on the date of release and certain assumptions deemed reasonable. Actual results may vary from the forecast for a variety of reasons.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheet

(Million yen)

	Fiscal year ended March 2020 (As of March 31, 2020)	First half ended September 2020 (As of September 30, 2020)
ASSETS		
Current assets		
Cash and deposits	43,384	35,554
Notes and accounts receivable – trade	85,495	87,654
Electronically recorded monetary claims – operating	5,876	4,209
Securities	254	326
Merchandise and finished goods	25,276	30,646
Work in process	567	1,108
Raw materials and supplies	6,063	5,974
Other	7,601	7,174
Allowance for doubtful accounts	(188)	(272)
Total current assets	174,331	172,376
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,365	7,518
Machinery, equipment and vehicles, net	4,477	4,858
Tools, furniture and fixtures, net	1,060	1,596
Land	4,924	4,924
Construction in progress	145	17
Total property, plant and equipment	17,974	18,915
Intangible assets		
Goodwill	322	265
Software	1,743	2,309
Other	190	85
Total intangible assets	2,256	2,660
Investments and other assets		
Investment securities	8,502	10,564
Deferred tax assets	1,584	2,027
Guarantee deposits	857	984
Insurance funds	894	970
Other	1,791	1,983
Allowance for doubtful accounts	(552)	(572)
Total investments and other assets	13,075	15,957
Total non-current assets	33,306	37,532
Total assets	207,638	209,908

(Million yen)

	Fiscal year ended March 2020 (As of March 31, 2020)	First half ended September 2020 (As of September 30, 2020)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	70,188	54,605
Short-term loans payable	6,540	17,041
Accrued expenses	5,739	5,030
Income taxes payable	1,884	1,134
Provision for directors' bonuses	101	17
Other	9,201	7,800
Total current liabilities	93,655	85,631
Non-current liabilities		
Long-term loans payable	20,833	20,179
Deferred tax liabilities	1,378	1,596
Provision for directors' retirement benefits	95	99
Net defined benefit liability	1,969	2,232
Asset retirement obligations	329	355
Other	3,127	3,651
Total non-current liabilities	27,732	28,114
Total liabilities	121,388	113,745
NET ASSETS		
Shareholders' equity		
Capital stock	12,133	12,133
Capital surplus	13,878	13,878
Retained earnings	55,091	64,764
Treasury shares	(2,005)	(2,006)
Total shareholders' equity	79,097	88,770
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	997
Deferred gains or losses on hedges	28	0
Foreign currency translation adjustment	(707)	(1,376)
Remeasurements of defined benefit plans	(133)	(119)
Total accumulated other comprehensive income	(812)	(498)
Non-controlling interests	7,965	7,891
Total net assets	86,250	96,163
Total liabilities and net assets	207,638	209,908

(2) Quarterly consolidated statements of income and comprehensive income

For the First half (April 1, 2020 – September 30, 2020)

(Million yen)

	First half ended September 2019 (April 1, 2019 – September 30,2019)	First half ended September 2020 (April 1, 2020 – September 30, 2020)
Net sales	230,630	188,859
Cost of sales	206,859	167,218
Gross profit	23,771	21,641
Selling, general and administrative expenses	18,531	17,206
Operating income	5,239	4,434
Non-operating income		
Interest income	117	62
Dividends income	126	132
Commission fee	147	86
Foreign exchange gains	137	–
Other	212	352
Total non-operating income	740	634
Non-operating expenses		
Interest expenses	156	156
Share of loss of entities accounted for using equity method	216	284
Foreign exchange losses	–	256
Other	61	32
Total non-operating expenses	434	730
Ordinary income	5,546	4,338
Extraordinary income		
Gain on sales of non-current assets	17	1
Gain on sales of investment securities	29	39
Gain on bargain purchase	–	7,963
Gain on sale of businesses	12	7
Settlement received	498	–
Other	1	11
Total extraordinary income	559	8,023
Extraordinary loss		
Loss on retirement of non-current assets	3	15
Loss on sales of investment securities	13	–
Loss on valuation of investment securities	536	163
Impairment loss	245	–
Other	4	56
Total extraordinary loss	803	235
Profit before income taxes	5,302	12,126
Income taxes - current	1,135	1,107
Income taxes - deferred	317	317
Total income taxes	1,453	1,424
Profit	3,848	10,701

(Million yen)

	First half ended September 2019 (April 1, 2019 – September 30,2019)	First half ended September 2020 (April 1, 2020 – September 30, 2020)
Profit attributable to owners of parent	3,502	10,772
Profit attributable to non-controlling interests	346	(70)
Other comprehensive income		
Valuation difference on available-for-sale securities	(423)	994
Deferred gains or losses on hedges	19	(28)
Foreign currency translation adjustment	(986)	(727)
Remeasurements of defined benefit plans, net of tax	21	13
Share of other comprehensive income of associates accounted for using equity method	(42)	57
Total other comprehensive income	(1,411)	309
Comprehensive income	2,436	11,011
Comprehensive income attributable to owners of parent	2,243	11,085
Comprehensive income attributable to non-controlling interests	193	(73)

(3) Consolidated statement of cash flows

(Million yen)

	First half ended September 2018 (April 1, 2019 – September 30, 2019)	First half ended September 2019 (April 1, 2020 – September 30, 2020)
Cash flows from operating activities		
Profit before income taxes	5,302	12,126
Depreciation	1,284	1,505
Impairment loss	245	–
Amortization of goodwill	42	56
Increase (decrease) in provision for directors' retirement benefits	6	4
Increase (decrease) in allowance for doubtful accounts	29	15
Interest and dividend income	(243)	(363)
Interest expenses	156	156
Share of (profit) loss of entities accounted for using equity method	216	284
Loss (gain) on sales of investment securities	(15)	(39)
Loss (gain) on valuation of investment securities	536	163
Gain on sale of businesses	–	(7,963)
Decrease (increase) in notes and accounts receivable - trade	2,979	10,547
Decrease (increase) in inventories	4,784	1,835
Decrease (increase) in accounts receivable - other	(497)	1,607
Decrease (increase) in advance payments	(1,460)	(393)
Increase (decrease) in notes and accounts payable - trade	(2,095)	(21,540)
Increase (decrease) in accrued expenses	(269)	(993)
Decrease (increase) in consumption taxes refund receivable	802	285
Decrease (increase) in other current assets	66	24
Increase (decrease) in other current liabilities	1,201	(2,298)
Other, net	(159)	(265)
Subtotal	12,913	(5,242)
Interest and dividend income received	253	203
Interest expenses paid	(164)	(163)
Income taxes paid	(633)	(1,814)
Other, net	(126)	–
Net cash provided by (used in) operating activities	12,242	(7,017)
Cash flows from investing activities		
Payments into time deposits	(517)	(3,289)
Proceeds from withdrawal of time deposits	1,507	390
Purchase of property, plant and equipment	(1,695)	(1,290)
Proceeds from sales of property, plant and equipment	181	15
Purchase of intangible assets	(244)	(691)
Purchase of investment securities	(922)	(851)
Proceeds from sales of investment securities	299	204
Short-term loan advances	(550)	(140)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	2,707
Proceeds from cancellation of insurance funds	52	6

	(Million yen)	
	First half ended September 2018 (April 1, 2019 – September 30, 2019)	First half ended September 2019 (April 1, 2020 – September 30, 2020)
Payments for guarantee deposits	(26)	(22)
Proceeds from collection of guarantee deposits	30	9
Other payments	(53)	(50)
Other proceeds	39	5
Net cash provided by (used in) investing activities	(1,899)	(2,996)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	1,165	1,166
Proceeds from long-term borrowings	161	–
Repayments of long-term loans payable	(639)	(639)
Cash dividends paid	(1,233)	(1,088)
Other, net	(201)	(293)
Net cash provided by (used in) financing activities	(746)	(855)
Effect of exchange rate change on cash and cash equivalents	(638)	(236)
Net increase (decrease) in cash and cash equivalents	8,957	(11,105)
Cash and cash equivalents at beginning of period	32,231	42,693
Cash and cash equivalents at end of period	41,189	31,588

(4) Notes to quarterly consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Significant change in shareholders' equity)

Not applicable

(Changes to principal subsidiaries in the current consolidated year to date)

Effective April 1, 2020, as part of the Group's growth strategy, the Company acquired all of the shares of EXCEL and made it a wholly owned subsidiary. As a result, EXCEL ASIAN TAIWAN CO.,LTD, EXCEL ELECTRONICS (HONG KONG) LTD., EXCEL INTERNATIONAL TRADING (SHANGHAI) CO.,LTD., EXCEL SINGAPORE PTE LTD., EXCEL ELECTRONICS TRADING (SHENZHEN) LTD., Advanced Display Solutions Limited., Advanced Display Solutions (HONG KONG) Limited., EXCEL ELECTRONICS TRADING(THAILAND)CO.,LTD., and ALFA BUS JAPAN CO.,LTD. became indirectly owned subsidiaries of the Company. Note that EXCEL CO.,LTD. and Advanced Display Solutions (HONG KONG) Limited. constitutes a specified subsidiary of the Company as the amount of its capital is greater than 10% of the amount of the Company's capital.

(Additional information)

(Accounting estimates associated with the COVID-19 pandemic)

Accounting estimates such as of impairment of non-current assets and collectability of deferred tax assets are made based on information that is available as of September 30, 2020 and do not include significant changes from the financial statement for the previous consolidated fiscal year. Such accounting estimates assume that the impact of the COVID-19 pandemic will continue until March 31, 2021 and that there will be a gradual recovery from the fiscal year ending March 31, 2022. That being said, since the unprecedented impact of the COVID-19 pandemic contains elements of uncertainty, differences may arise between the estimates and subsequent results.

(Segment information)

I. For the first half ended September 2019 (April 1, 2019 – September 30, 2019)

Information about net sales and income (loss) by reportable segments

(Million yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	199,818	19,968	1,332	9,510	230,630	–	230,630
Inter-segment sales or transfers	1,280	428	298	1,659	3,667	(3,667)	–
Total	201,099	20,396	1,631	11,170	234,298	(3,667)	230,630
Segment income	4,238	618	46	259	5,163	76	5,239

- Notes: 1. Adjustment in segment income of 76 million yen includes 76 million yen for elimination of inter-segment trade.
2. Segment income is adjusted for operating income on the quarterly consolidated statements of income and comprehensive income.

II. For the first half ended September 2020 (April 1, 2020 – September 30, 2020)

Information about net sales and income (loss) by reportable segments

(Million yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	156,887	23,192	1,274	7,505	188,859	–	188,859
Inter-segment sales or transfers	1,280	2,569	513	2,030	6,394	(6,394)	–
Total	158,167	25,761	1,788	9,536	195,254	(6,394)	188,859
Segment income	3,083	1,160	86	36	4,366	68	4,434

- Notes: 1. Adjustment in segment income of 68 million yen includes 68 million yen for elimination of inter-segment trade.
2. Segment income is adjusted for operating income on the quarterly consolidated statements of income and comprehensive income.