

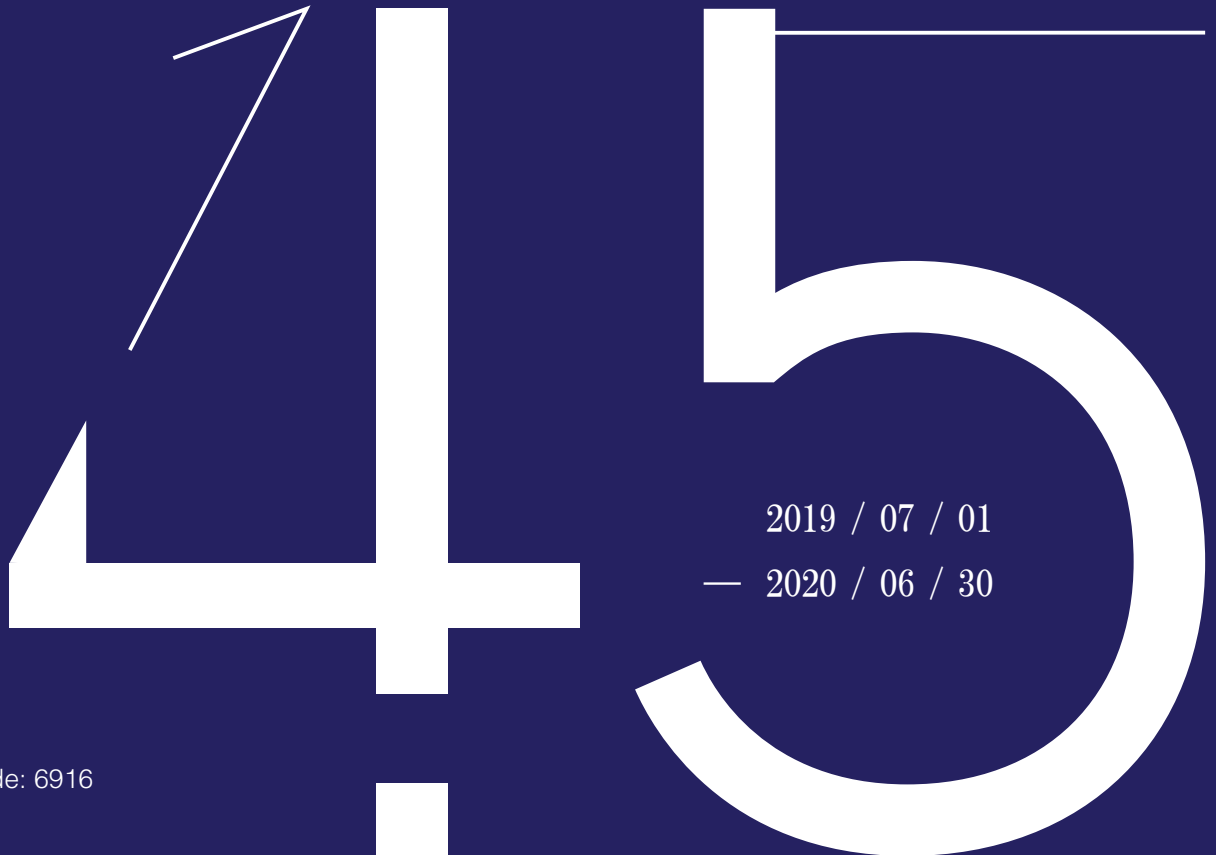
# I-O DATA

## The 45th term Annual Report

We would like to take this opportunity to express our utmost gratitude for your invaluable support.

As of June 30, 2020, we completed our 45th fiscal year. Hence, we would like to hereby report an overview of our business performance and other relevant information.

We sincerely hope that your support for us will continue in the future as well.



# Greetings to Our Shareholders

The “I” and “O” in our company name, I-O DATA, come from the words “Input” and “Output,” respectively.

Looking back on the past, our core activities have been focusing on inputs and outputs of data since our foundation.

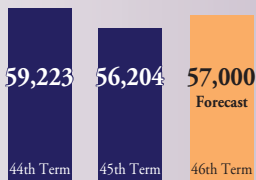
Now that most of the products that we release are peripherals for PCs and smartphones, many people use our products in their daily lives.

In the last few months, our lifestyle has changed drastically. It is very difficult to go back to days exactly the same as those we took for granted.

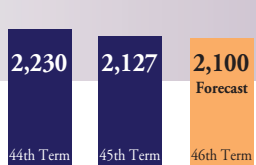
For instance, we can no longer ignore the risk of getting together, often have to decide to go or not to. However, those aren't the only choices. One of the additional answers we can offer is “PlatCast,” an audio streaming service. (You can easily broadcast/join events without making real crowds with this solution.) We believe that it is our mission to continue to provide the world with “another option” that is not limited to two choices.

We will continue to do our best to meet your expectations. We sincerely hope that your support for us will continue in the future as well.

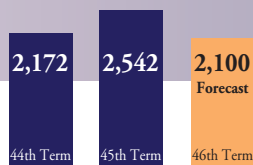
Akio Hosono, Chairman, Representative Director  
Naonori Hamada, President, Representative Director



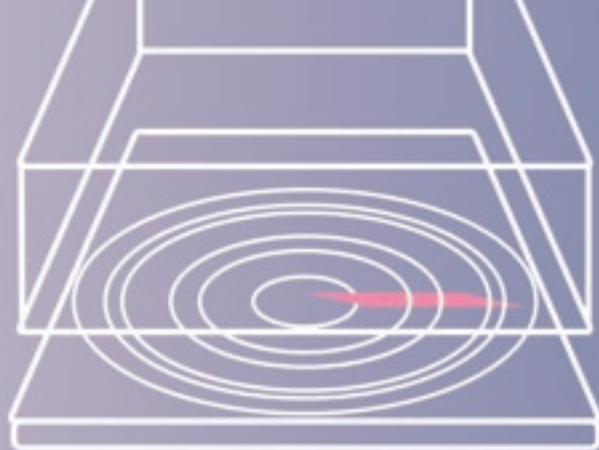
Net Sales (Millions of yen)



Operating Income (Millions of yen)



Ordinary Income (Millions of yen)



## Overview of the Fiscal Year under Review

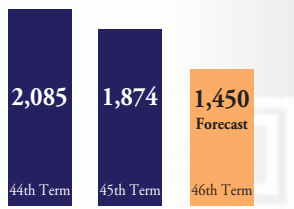
During the current consolidated fiscal year, the Japanese economy worsened rapidly due to the global outbreak of the novel coronavirus, amid the economic slowdown caused by trade frictions between the United States and China, geopolitical risks and other factors. The domestic digital equipment market including PCs, consumer electronics, and smart devices, in which our group participates, remained robust in the first half due to factors such as renewal demand for PCs and growth in the esports market. In the second half, restrictions on activities due to the spread of the novel coronavirus infection gave rise to demand related to working from home and studying at home. However, for some corporate IT investments, postponement and a cautious approach were seen, and demand weakened overall. Supply chains were disrupted during the period from February to April, but were almost normalized at the end of the fiscal year under review. Under these circumstances, we worked to capture growth opportunities through the expansion of products and services throughout the fiscal year under review. Amid the spread of the novel coronavirus infection, we were forced to steer the difficult situation where new products were launched with restrictions on people's attendance, while facing disruption of supply chains and unusual increase and decrease in demand. We worked, however, to continue normal operation based on working from home, placing ultimate priority on the safety of our customers, business partners and employees. As a result, we posted group sales of 56,204 million yen (down 5.1% from the previous year), mainly reflecting decreased sales of hard disk drives, which saw its market share decline compared with the previous year, and sluggish sales of brand products manufactured by other companies, despite increased sales recorded by the Memory Division, liquid crystal monitors, and the Peripheral Division, which captured opportunities. In terms of profit, gross profit increased slightly compared with the previous year. However, selling, general and administrative expenses increased mainly for research and development costs and depreciation, and we posted operating income of 2,127 million yen (down 4.6% from the previous year). We posted ordinary income of 2,542 million yen (up 17.0% from the previous year) due to the recording of foreign exchange gains of 383 million yen in other income. We posted net income attributable to owners of parent of 1,874 million yen (down 10.1% from the previous year).

# Future Outlook

Looking at the future business environment, under the circumstance where it is unforeseeable when the novel coronavirus infection will fade, the economy is expected to recover gradually. The outlook will, however, remain unpredictable due to a cautious view on corporate capital spending and personal consumption. In the digital equipment market including PCs, consumer electronics, and smart devices, in which our group participates, we forecast that the coronavirus catastrophe will cause a decline in demand and that renewal demand for PCs, which peaked in the previous year, will decrease. On the other hand, expectations are growing for the spread of tools and services which enrich our lives and support the New Normal era where not only prevention of the infection but also social and economic activities are pursued. Under these circumstances, we will focus on timely proposition in line with new lifestyle and proposition specific to business and usage scenarios, keeping an eye on changes in the society even more. In addition, by enhancing customer-based sales based on region as well as support, we will ensure a long-term relationship with our customers. Placing ultimate priority on the safety of our customers, business partners and employees, we will continue to strive to prevent the spread of the novel coronavirus infection both inside and outside the Company.

Based on the recognition above, in terms of the consolidated business results forecast for the next fiscal year, we expect to achieve group sales of 57,000 million yen (up 1.4% from the previous year) in anticipation of higher sales mainly for liquid crystal monitor and the Peripheral Division due to the spread of working from home and acceleration of the utilization of ICT in the education field, though demand is expected to be weak overall. In terms of profit, we forecast gross profit of 11,000 million yen (up 0.9% from the previous year), selling, general and administrative expenses of 8,900 million yen (up 1.5% from the previous year), and operating income of 2,100 million yen (down 1.3% from the previous year). Taking into account other income and other expenses that are expected to be incurred on a regular basis in view of our historical business results, we are forecasting ordinary income of 2,100 million yen (down 17.4% from the previous year), and net income attributable to owners of parent for the current consolidated fiscal year of 1,450 million yen (down 22.6% from the previous year).

Net Income Attributable to Owners of Parent (Millions of yen)



The forecast exchange rate is 105 yen per U.S. dollar.

# Notice of Resolution of the 45th Ordinary General Meeting of Shareholders

Security Code: 6916  
September 24, 2020

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

The following matters were resolved at the 45th Ordinary General Meeting of Shareholders of I-O DATA DEVICE, INC. (the “Company”).

**Matters reported:** 1. The Business Report, Consolidated Financial Statements for the Company’s 45th Fiscal Year (July 1, 2019 - June 30, 2020) and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements

The contents of the above were reported.

2. Non-consolidated Financial Statements for the Company’s 45th Fiscal Year (July 1, 2019 - June 30, 2020)

The contents of the above were reported.

## Proposals resolved:

### Proposal 1: Appropriation of Surplus

The proposal was approved and resolved as originally proposed. The year-end dividend was determined to be 28 yen per share.

### Proposal 2: Election of 6 Directors

The proposal was approved and resolved as originally proposed. Messrs. Akio Hosono, Naonori Hamada, Hiroki Kato, Yoshihiro Nitta and Tsutomu Maruyama were reelected and Mr. Tomohisa Tsukamoto was newly elected. They assumed their respective offices.

### Proposal 3: Election of 1 Statutory Auditor

The proposal was approved and resolved as originally proposed. Mr. Satoru Nagahara was reelected and assumed his office.

### Proposal 4: Determination of Remuneration for Granting Shares with Transfer Restrictions to Directors (excluding Outside Directors)

The proposal was approved and resolved as originally proposed.

# Company Profile / Stock Information

(As of June 30, 2020)



I-O DATA DEVICE, INC.

## Subsidiaries

Names	Capital stock	Percentage of shares held by I-O DATA DEVICE, INC.
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1 TAIWAN I-O DATA DEVICE, INC.	NT\$	%
2 I-O DATA Hong Kong Ltd.	HK\$	%
3 I-O DATA America, Inc.	US\$	%
4 ITG Marketing, Inc.	¥	%

## Affiliates

Names	Capital stock	Percentage of shares held by I-O DATA DEVICE, INC.
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5 I-O & YT Pte. Ltd.	S\$	%
6 Creative Media K.K.	¥	%

## Status of Shares (As of June 30, 2020)

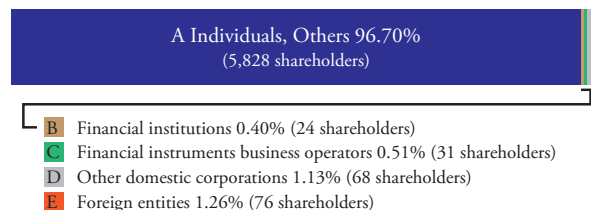
Total number of shares authorized to be issued	41,000,000
Total number of shares outstanding	14,839,349
Number of shares per unit	100
Number of shareholders at the term-end	6,027

## Major Shareholders (As of June 30, 2020)

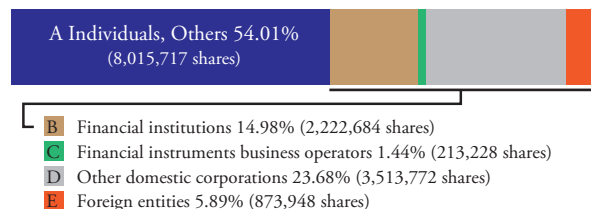
Names	Number of shares held	Shareholding percentage
Akio Hosono	2,514,643	16.94
I-O DATA Foundation	2,000,000	13.47
I-O DATA DEVICE, INC.	1,607,511	10.83
The Master Trust Bank of Japan, Ltd. (trust account)	810,300	5.46
Yukie Hosono	763,780	5.14
Maxell Holdings, Ltd.	740,000	4.98
The Hokkoku Bank, Ltd.	306,662	2.06
TRENT Ltd.	269,675	1.81
Japan Trustee Services Bank, Ltd. (trust account)	263,100	1.77
DFA INTL SMALL CAP VALUE PORTFOLIO	200,900	1.35

## Distribution of Shares by Shareholder Type (As of June 30, 2020)

Number of Shareholders Total 6,027 shareholders



Number of Shares Held Total 14,839,349 shares



## Regional and Social Contribution Activities

We undertake social contribution activities based on local communities to achieve sustainable development of society.

**Education** We support young people showing enthusiasm for manufacturing and help foster engineers who will lead the next generation.

The projects we co-sponsor include:

- Association for Junior IT Engineer Program
- PCN Kids Programming Contest
- YUMEKOBO Project Business of Kanazawa Institute of Technology



A programming kit for children

**Culture** We contribute to the promotion of art and culture that cultivate traditions of local communities and enrich people's minds.

The projects we co-sponsor include:

- Ishikawa Music Promotion Foundation
- 21st Century Museum of Contemporary Art, Kanazawa
- Kanazawa Hyakumangoku Festival

**Sport** We support activities of local teams in order to promote the development of sound minds through sports.

In esports, a field becoming popular in recent years, we support tournaments and provide dedicated products we develop to help more people play esports.

The teams and the projects we co-sponsor include:

- PFU BlueCats, Kanazawa Samuraiz, Ishikawa Million Stars, Zweigen Kanazawa
- Kanazawa Marathon
- Interprefectural Esports Championship 2019 IBARAKI



Traditional dance parade at Kanazawa Hyakumangoku Festival

**Welfare** In order to achieve a society where all people can live comfortably without discrimination, we support NPOs helping elderly people and people with disabilities and organizations working to eliminate cancer.

The organizations and the projects we co-sponsor include:

- Authorized NPO e-Parts
- NPO K-net Chirakuichi
- Relay For Life Japan Ishikawa, Kanazawa Pink Ribbon Project



Esports Championship

**Environmental conservation** We are working on environmental conservation under the environmental policy below.

“Harmonious Coexistence of Business Activities and Nature” Corporate philosophy of I-O DATA DEVICE, INC. is to meet customer's expectations and to contribute to society. Moreover, I-O DATA comprehends that the preservation and conservation of the global environment are major worldwide issues. To achieve a sustainable society, I-O DATA will make every effort to reduce environmental impacts through business activities and product life cycles.



## Information for Shareholders

Fiscal Year:	From July 1 to June 30	Stock Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited
Ordinary General Meeting of Shareholders:	Annually in September	Contact Information:	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 4-5-33 Kitahama, Chuo-ku, Osaka 540-8639
Record Date:	Ordinary General Meeting of Shareholders: June 30 Year-end Dividends: June 30 Interim Dividends: December 31 Other record dates shall be set up and announced in advance when necessary.	Account Management Institution for Special Accounts:	Sumitomo Mitsui Trust Bank, Limited
Media of Public Notice:	Announcements will be made electronically on our website ( <a href="https://www.iodata.jp/">https://www.iodata.jp/</a> ). However, when electronic announcements are difficult due to circumstances beyond our control, we will place a notice in the Nihon Keizai Shimbun (Nikkei Newspaper).	Contact Information:	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063
		Listed Stock Exchange:	Tokyo Stock Exchange, First Section
		Security Code:	6916

### Notes:

#### ■ Procedures such as change of address, and request for sale and purchase of shares of less than one unit

Procedures are in principle handled by the account management institution (securities firm, etc.) with which you have your securities account. Please contact the securities firm, etc. with which you have your securities account.

#### ■ Procedures concerning shares recorded in special accounts

Please contact Sumitomo Mitsui Trust Bank, Limited, the account management institution.

#### ■ Unpaid dividends

Dividends which have not been received by shareholders are paid at the head office or branch offices of Sumitomo Mitsui Trust Bank, Limited, the stock transfer agent. Pursuant to the Articles of Incorporation of the Company, if dividends are not received within three years from the date of commencement of payment thereof, the Company is relieved of the obligation to make such payment. Please receive your dividends at your earliest convenience.



*I-O DATA DEVICE, INC.*

**I-O DATA**

3-10 Sakurada-machi, Kanazawa, Ishikawa, Japan

<https://www.iodata.jp/>