

Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Japan GAAP)

April 28, 2021

Listed company: Maxell Holdings, Ltd. Stock exchange: Tokyo (first section)
 Code number: 6810 URL: <https://www2.maxell.co.jp/ir/>
 Representative: Keiji Nakamura (President)
 Contact person: Seiji Takahashi (General Manager)
 Planned date of submittal of financial statement report: June 29, 2021
 Planned date of beginning payment of dividends: -

(Figures are rounded off to the nearest 1 million yen)

1. Consolidated Business Results and Financial Position for the Year Ended March 31, 2021 (April 1, 2020 through March 31, 2021)

(1) Consolidated Operating Results (% change compared with the same term of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	139,055	(4.1)	3,806	-	3,846	-	(9,373)	-
March 31, 2020	145,041	(3.7)	(137)	-	76	(98.8)	(10,487)	-

Note: Comprehensive income : March 31, 2021 (3,913) millions of yen (- %);

Comprehensive income : March 31, 2020 (12,336) millions of yen (- %)

	Net profit per share	Net profit per share (Diluted)	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2021	(189.51)	-	(10.9)	2.2	2.7
March 31, 2020	(205.23)	-	(9.8)	0.0	(0.1)

References: Equity in profits of affiliates: March 31, 2021 (30) millions of yen; March 31, 2020 164 millions of yen

Note: In the consolidated fiscal year ended March 31, 2020, the Company has acquired the shares of the Company through the trust relating to "performance-linked share-based remuneration system". And the shares of the Company held by the trust are included in the treasury shares deducted in the calculation of the average number of the shares during the term used in the calculation of "Net profit per share" of the year.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	176,807	83,597	45.9	1,640.98
March 31, 2020	178,873	92,912	50.6	1,828.68

References: Shareholders' equity: March 31, 2021 81,162 millions of yen; March 31, 2020 90,444 millions of yen

Note: In the consolidated fiscal year ended March 31, 2020, the Company has acquired the shares of the Company through the trust relating to "performance-linked share-based remuneration system". And the shares of the Company held by the trust are recorded as Treasury shares in the Consolidated Balance Sheets of the year, and included in the treasury shares deducted in the calculation of the number of shares at the end of period used in the calculation of "Net assets per share" of the year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	13,029	8,039	(11,888)	32,795
March 31, 2020	14,226	(12,098)	(1,791)	22,418

2. Dividend

	Dividend per share					Total dividend paid (Full year)	Consolidated dividend payout ratio	Dividend to net assets (consolidated)
	1Q	2Q	3Q	Year end	Full year			
March 31, 2020	Yen 250.00	Yen 18.00	Yen -	Yen 0.00	Yen 268.00	Millions of yen 14,130	% -	% 12.9
March 31, 2021	-	0.00	-	0.00	0.00	-	-	-
March 31, 2022 (Forecast)	-	12.00	-	12.00	24.00		33.9	

3. Consolidated Business Forecast for the year ending March 31, 2022 (April 1, 2021 through March 31, 2022) (% change from the previous year)

	Net sales		Operating profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	125,000	(10.1)	6,000	57.6	3,500	-	70.77

Note: In the consolidated fiscal year ended March 31, 2020, the Company has acquired the shares of the Company through the trust relating to “performance-linked share-based remuneration system”. And the shares of the Company held by the trust are included in the treasury shares deducted in the calculation of the average number of the shares during the term used in the calculation of “Net profit per share” of the year.

Notes

- (1) Changes in significant subsidiaries during the period: Yes
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)
Exclusion: 1 company (Name) Maxell System Tech Co., Ltd.
In the First Quarter ended June 30, 2020, as Maxell System Tech Co., Ltd. used to be a consolidated subsidiary of the Company has been absorbed in the absorption-type merger wherein Maxell Joei Tech Co., Ltd. was the surviving company and Maxell System Tech Co., Ltd. was the absorbed company, Maxell System Tech Co., Ltd. has been excluded from the scope of consolidation.
- (2) Changes in accounting policies, accounting estimates and restatement
1) Changes as a result of revision of accounting standards: None
2) Changes other than 1): None
3) Changes in accounting estimates: None
4) Restatement: None
- (3) Number of shares issued (common stock)
1) Number of shares issued at end of period (Including treasury share): March 31, 2021 53,341,500 shares; March 31, 2020 53,341,500 shares
2) Number of shares of treasury share at end of period: March 31, 2021 3,882,166 shares; March 31, 2020 3,882,966 shares
3) Average number of shares during the term: March 31, 2021 49,459,029 shares; March 31, 2020 51,099,088 shares

Note 1: The number of shares of treasury share at the end of period includes the shares of the Company held by the trust relating to “performance-linked share-based remuneration system” (19,400 shares, at the end of consolidated fiscal year ended March 31, 2020 and 18,600 shares at the end of consolidated fiscal year ended March 31, 2021).

2: The average number of shares during the term is calculated by deducting the treasury shares and the shares of the Company held by the trust relating to “performance-linked share-based remuneration system” (17,498 shares, for the consolidated fiscal year ended March 31, 2020 and 18,904 shares for the consolidated fiscal year ended March 31, 2021).

*** This Summary of Consolidated Financial Results falls outside the scope of audit procedures for financial statements**

*** Explanation regarding the appropriate use of forecasts of business results and other special instructions**

Forecasts of business results and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Actual business results may differ significantly due to a variety of factors about economic trend and exchange rate. For further information on the above-mentioned forecast preconditions and other related matters, please see page 3 “1. Business Performance (1) Analysis of Business Performance”.

1. Business Performance

(1) Analysis of Business Performance

1) Overview

(Unless otherwise stated, all comparisons are with operating results of the same period of the previous fiscal year, from April 1, 2019 to March 31, 2020.)

The global economy during this consolidated fiscal year remained sluggish mainly in terms of personal expenditure and production activities of the companies due to intermittent restrictions on economic and social activities affected by continued expansion of the Novel Coronavirus (COVID-19). Although the recovery trend in the automotive and semiconductor markets and stimulated demand of Stay-at-Home related products were positive factors, the Company has suffered from decreased orders received and sales at all the business segments.

Under these circumstances, the sales turned to increase from the third quarter onwards in comparison with the previous fiscal year, due to order increase of products for automotive and semiconductor markets reflecting demand recovery trend, and of products supported by Stay-at-Home demand. However, the total sales in this consolidated fiscal year decreased by 4.1% (5,986 million yen) to 139,055 million yen mainly affected by COVID-19. In terms of profitability, due to improvement of profitability of products performed relatively well on top of cost reduction measures centered by cut of fixed costs, operating profit increased by 3,943 million yen to 3,806 million yen. Ordinary profit increased by 3,770 million yen to 3,846 million yen. And although profit attributable to owners of parent increased by 1,114 million yen, with help of extraordinary profit came from transfer of non-current asset, the Company recorded loss of 9,373 million yen due to extraordinary losses such as extra retirement payments relating to implementation of early retirement support program, impairment losses at consolidated subsidiaries, costs associated with downsizing of projector business and litigation expenses at consolidated subsidiary.

The average foreign exchange rate over the year under review was US\$1=106 yen.

Operating results by segment are as follows.

Energy

Sales of lithium ion batteries for consumer increased more than the Company's expectation due to continued Stay-at-Home demand affected by expansion of COVID-19. Whereas sales of heat resistant coin type lithium batteries showed signs of recovery from the third quarter onwards reflecting the recovery trend in the automotive market, the sales decreased along with cylindrical type lithium batteries mainly for smart meters, and overall sales for Energy segment decreased by 1.0% (392 million yen) to 37,811 million yen. Operating income increased by 32.5% (811 million yen) to 3,309 million yen, reflecting increase of profit of lithium ion batteries for consumer.

Industrial Materials

Sales of embedded systems relating to semiconductors increased due to the recovery trend in the semiconductor market. Whereas sales of coated separator and optical components for automotive market showed signs of recovery from the third quarter onwards, the sales decreased along with adhesive tape, and overall sales for Industrial Materials segment decreased by 6.6% (3,570 million yen) to 50,843 million yen. Operating income increased by 61.4% (545 million yen) to 1,432 million yen due to increase of profit from embedded systems relating to semiconductors and electroforming products, despite decrease of profit from optical components for automotive market and coated separator.

Electronic Appliances and Consumer Products

Despite of the sales increase in the health related products, such as ozone anti-bacterial deodorizer due to increasing hygiene awareness resulting from spread of COVID-19, sales of projectors and beauty care products, such as shaver and hair dryer decreased and overall sales of Electronic Appliances and Consumer Products segment decreased by 3.9% (2,024 million yen) to 50,401 million yen. Although operating income increased by 2,587 million yen brought by reduction in fixed costs for projector and improved profitability in health and beauty care products, operating loss of this segment was 935 million yen.

2) Outlook

As for the global economic environment, the Company predicts that influence of COVID-19 will not be fully removed due to emergence of new variant of COVID-19 etc., and that uncertainty will continue throughout the fiscal year ending March 2022. Among the influences of COVID-19, major issues on the operation of overseas and domestic factories, and on procurement of products and materials, were removed during the fiscal year ended March 2021. However, the effects of sluggish consumer sentiment on the orders received and sales is still expected to remain.

The Company has promoted groupwide measures in the fiscal year ended March 2021, as the year of business reform, such as business portfolio reform and measures to unprofitable businesses. Following these measures, the Company will continue to take actions against spread of COVID-19 and for reduction of expenses, and target to return to growth track in terms of profitability in the fiscal year ending March 2022. The consolidated business forecast for the year ending March 2022 is, Net sales: 125,000 million yen, Operating income: 6,000 million yen and Profit attributable to owners of parent: 3,500 million yen. The Company will continue to implement business portfolio reform by profit control through emphasis on financial discipline and business replacement, and target to concentrate to businesses create value in medium- to long-term.

These numbers are based on calculation using the average exchange rate over the fiscal year, 105 yen to the U.S. dollar. The Company will change business segments from the year ending March 2022 for the purpose of clarifying business responsibility and growth strategy. For projections of business performance by segment, please refer to the supplementary information on page 6.

(2) Analysis of Financial Position and Cash Flow

1) Assets, liabilities and net assets

Assets

As of March 31, 2021, total assets amounted 176,807 million yen, decreased by 1.2% from the previous consolidated fiscal year. Among this, current assets amounted 85,369 million yen, increased by 0.8%, mainly by increase of cash and deposits, although investments in leases and inventories decreased. And the ratio of current assets among total assets has changed to 48.3% from 47.3% of the previous consolidated fiscal year. On the other hand, non-current assets amounted 91,438 million yen, decreased by 2.9%, and the ratio of non-current assets among total assets has changed to 51.7% from 52.7% of the previous consolidated fiscal year.

Liabilities

As of March 31, 2021, total liabilities amounted 93,210 million yen, increased by 8.4% from the previous consolidated fiscal year. Among this, current liabilities amounted 48,975 million yen, increased by 21.4%, mainly by increase of accrued expenses, although short-term borrowings decreased. And the current ratio became 1.7 times, and the cash on hand which is the balance between current assets and current liabilities, became 36,394 million yen. On the other hand, non-current liabilities amounted 44,235 million yen, decreased by 3.0%, mainly by decrease of long-term borrowings.

Net Assets

As of March 31, 2021, total net assets amounted 83,597 million yen, decreased by 10.0% from the previous consolidated fiscal year. The decrease is mainly coming from record of profit attributable to owner of parent amounted loss of 9,373 million yen and decrease of capital surplus although other comprehensive income increased. And the equity ratio has changed to 45.9% from 50.6% of the previous consolidated fiscal year.

2) Cash flow

In the current consolidated fiscal year, cash and cash equivalents (hereinafter referred to as funds) increased by 10,377 million yen to 32,795 million yen. This total comes from an income of 13,029 million yen as cash flows from operating activities, and income of 8,039 million yen as cash flows from investing activities, and expenditure of 11,888 million yen as cash flows from financing activities. Respective cash flows are as follows.

Cash Flows from Operating Activities

Net cash provided is 13,029 million yen in cash flow from operating activities in the current consolidated fiscal year. This mainly derives from increase in funds includes 7,319 million yen of business restructuring expenses, 4,742 million yen of impairment loss, 5,446 million yen of depreciation, 464 million yen of decrease in notes and accounts receivable-trade, 4,530 million yen of decrease in inventories, 852 million yen of increase in notes and accounts payable-trade and 6,728 million yen of increase in accrued expenses, and deduction in funds includes 7,698 million yen of loss before income taxes, 1,006 million yen of increase in accounts receivable-other and 2,210 million yen of income taxes paid.

Cash Flows from Investing Activities

Net cash provided is 8,039 million yen in cash flow from investing activities in the current consolidated fiscal year. This mainly derives from increase in funds includes 14,784 million yen of proceeds from sales of property, plant and equipment, and 6,268 million yen of purchase of property, plant and equipment.

Cash Flows from Financing Activities

Net cash used is 11,888 million yen in cash flow from financing activities in the current consolidated fiscal year. This mainly derives from increase in funds includes 6,000 million yen of proceeds from long-term loans payable and deduction in funds includes 7,388 million yen of repayments of long-term loans payable, 5,000 million yen of repayments of short-term loans payable and 5,335 million yen of payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation.

Supplementary information

Consolidated Financial Results and Forecast

(Millions of yen)

	The Year ended: March 31, 2020	The Year ended: March 31, 2021	Change* (%)	March 31, 2022 Forecast	Change* (%)
Net sales	145,041	139,055	(4.1)	125,000	(10.1)
Operating profit	(137)	3,806	-	6,000	57.6
Profit attributable to owners of parent	(10,487)	(9,373)	-	3,500	-

* % change from the same term of the previous year

Sales and Operating Income by Segment

(Millions of yen)

	The Year ended: March 31, 2020	The Year ended: March 31, 2021		Change* (%)
	Millions of yen	Millions of yen	Composition (%)	
Net sales	145,041	139,055	100.0	(4.1)
Energy	38,203	37,811	27.2	(1.0)
Industrial Materials	54,413	50,843	36.6	(6.6)
Electronic Appliances & Consumer Products	52,425	50,401	36.2	(3.9)
Operating profit/loss	(137)	3,806	100.0	-
Energy	2,498	3,309	86.9	32.5
Industrial Materials	887	1,432	37.6	61.4
Electronic Appliances & Consumer Products	(3,522)	(935)	-	-

* % change from the same term of the previous year

[Reference] Sales and Operating Income by New Segment

(Millions of yen)

	The Year ended: March 31, 2021		March 31, 2022 Forecast		Change* (%)
	Millions of yen	Composition (%)	Millions of yen	Composition (%)	
Net sales	139,055	100.0	125,000	100.0	(10.1)
Energy	37,811	27.2	32,700	26.2	(13.5)
Functional Materials	27,654	19.9	26,200	20.9	(5.3)
Optics & Systems	38,612	27.8	34,000	27.2	(11.9)
Life Solution	34,978	25.1	32,100	25.7	(8.2)
Operating profit/loss	3,806	100.0	6,000	100.0	57.6
Energy	3,309	86.9	2,500	41.6	(24.4)
Functional Materials	1,100	28.9	1,500	25.0	36.4
Optics & Systems	(2,934)	-	400	6.7	-
Life Solution	2,331	61.2	1,600	26.7	(31.4)

* % change from the same term of the previous year

Sales by Regional Segment

(Millions of yen)

	The Year ended: March 31, 2020	The Year ended: March 31, 2021		Change* (%)
	Millions of yen	Millions of yen	Composition (%)	
Overseas sales	57,206	51,977	37.4	(9.1)
America	11,865	11,778	8.5	(0.7)
Europe	11,657	9,507	6.8	(18.4)
Asia and other	33,684	30,692	22.1	(8.9)
Domestic sales	87,835	87,078	62.6	(0.9)
Total	145,041	139,055	100.0	(4.1)

* % change from the same term of the previous year

Capital investment, Depreciation, R&D expenses

(Millions of yen)

	The Year ended: March 31, 2020	The Year ended: March 31, 2021	Change* (%)	March 31, 2022 Forecast	Change* (%)
Capital investment	5,148	8,092	57.2	6,000	(25.9)
Depreciation	5,875	5,446	(7.3)	4,800	(11.9)
R&D expenses	8,864	7,934	(10.5)	6,800	(14.3)

* % change from the same term of the previous year

2. Basic rationale for selection of accounting standards

We are preparing the internal manuals and guidelines for future application of IFRS in advance, and considering about the application of IFRS.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	22,636	33,016
Notes and accounts receivable - trade	30,328	30,295
Lease investments assets	7,210	1,157
Inventories	21,431	16,034
Other	3,568	5,408
Allowance for doubtful accounts	(516)	(541)
Total current assets	84,657	85,369
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,477	10,545
Machinery, equipment and vehicles, net	10,206	8,765
Land	35,500	32,930
Construction in progress	4,527	1,330
Other, net	2,353	1,710
Total property, plant and equipment	62,063	55,280
Intangible assets		
Goodwill	1,228	638
Other	5,037	4,721
Total intangible assets	6,265	5,359
Investments and other assets		
Investment securities	21,626	24,168
Net defined benefit asset	1,878	3,861
Deferred tax assets	1,457	1,732
Other	1,132	1,240
Allowance for doubtful accounts	(205)	(202)
Total investments and other assets	25,888	30,799
Total non-current assets	94,216	91,438
Total assets	178,873	176,807

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,668	17,851
Short-term loans payable	8,500	3,500
Current portion of long-term loans payable	1,801	1,598
Accounts payable - other	3,252	4,444
Accrued expenses	6,906	17,083
Income taxes payable	508	1,174
Lease obligations	105	112
Other	2,595	3,213
Total current liabilities	40,335	48,975
Non-current liabilities		
Long-term loans payable	33,777	32,592
Provision for directors' retirement benefits	73	—
Net defined benefit liability	7,249	6,700
Lease obligations	227	264
Deferred tax liabilities	4,183	4,175
Asset retirement obligations	75	422
Other	42	82
Total non-current liabilities	45,626	44,235
Total liabilities	85,961	93,210
Net assets		
Shareholders' equity		
Capital stock	12,203	12,203
Capital surplus	33,625	28,290
Retained earnings	63,778	54,405
Treasury shares	(6,035)	(6,034)
Total shareholders' equity	103,571	88,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,032)	1,117
Foreign currency translation adjustment	(8,182)	(5,826)
Remeasurements of defined benefit plans	(3,913)	(2,993)
Total accumulated other comprehensive income	(13,127)	(7,702)
Non-controlling interests	2,468	2,435
Total net assets	92,912	83,597
Total liabilities and net assets	178,873	176,807

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	April 1, 2019 through March 31, 2020	April 1, 2020 through March 31, 2021
Net sales	145,041	139,055
Cost of sales	117,710	108,992
Gross profit	27,331	30,063
Selling, general and administrative expenses		
Packing and delivery expenses	2,573	2,503
Promotion expenses	755	948
Advertising expenses	391	372
Salaries and allowances	10,479	10,151
Retirement benefit expenses	566	402
License fees	62	47
Depreciation	1,332	1,107
Welfare expenses	1,469	1,472
Travel and transportation expenses	907	255
Rent expenses	1,065	1,172
Business consignment expenses	1,583	1,668
Commission fee	2,246	3,061
Sales commission	132	166
Taxes and dues	68	67
Other	3,840	2,866
Total selling, general and administrative expenses	27,468	26,257
Operating profit (loss)	(137)	3,806
Non-operating income		
Interest income	135	262
Dividend income	224	199
Share of profit of entities accounted for using equity method	164	—
Foreign exchange gains	94	—
Rental income	76	96
Subsidy income	50	105
Subsidies for employment adjustment	—	111
Other	139	157
Total non-operating income	882	930
Non-operating expenses		
Interest expenses	81	112
Sales discounts	214	173
Share of loss of entities accounted for using equity method	—	30
Foreign exchange losses	—	230
Other	374	345
Total non-operating expenses	669	890
Ordinary profit	76	3,846

	(Millions of yen)	
	April 1, 2019 through March 31, 2020	April 1, 2020 through March 31, 2021
Extraordinary income		
Gain on sale of non-current assets	6	6,610
Compensation for forced relocation	—	1,339
Other	180	16
Total extraordinary income	186	7,965
Extraordinary losses		
Loss on sale and retirement of non-current assets	314	271
Impairment losses	7,782	4,742
Business restructuring expenses	1,587	7,319
Litigation expenses	—	7,067
Other	5	110
Total extraordinary losses	9,688	19,509
Loss before income taxes	(9,426)	(7,698)
Income taxes - current	1,202	2,481
Income taxes for prior periods	(743)	—
Income taxes - deferred	277	(682)
Total income taxes	736	1,799
Loss	(10,162)	(9,497)
Profit (loss) attributable to non-controlling interests	325	(124)
Loss attributable to owners of parent	(10,487)	(9,373)

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	April 1, 2019 through March 31, 2020	April 1, 2020 through March 31, 2021
Loss	(10,162)	(9,497)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,361)	2,150
Foreign currency translation adjustment	(1,746)	2,514
Remeasurements of defined benefit plans, net of tax	933	920
Total other comprehensive income	(2,174)	5,584
Comprehensive income	(12,336)	(3,913)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(12,570)	(3,948)
Comprehensive income attributable to non-controlling interests	234	35

(3) Consolidated Statements of Changes in Net Assets

April 1, 2019 through March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,203	33,527	89,346	(997)	134,079
Changes of items during period					
Dividends of surplus			(15,081)		(15,081)
Profit attributable to owners of parent			(10,487)		(10,487)
Purchase of treasury shares				(5,039)	(5,039)
Disposal of treasury shares				1	1
Change in ownership interest of parent due to transactions with non-controlling interests		98			98
Net changes of items other than shareholders' equity					
Total changes of items during period	—	98	(25,568)	(5,038)	(30,508)
Balance at end of current period	12,203	33,625	63,778	(6,035)	103,571

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	328	(6,526)	(4,846)	(11,044)	2,470	125,505
Changes of items during period						
Dividends of surplus						(15,081)
Profit attributable to owners of parent						(10,487)
Purchase of treasury shares						(5,039)
Disposal of treasury shares						1
Change in ownership interest of parent due to transactions with non-controlling interests						98
Net changes of items other than shareholders' equity	(1,360)	(1,656)	933	(2,083)	(2)	(2,085)
Total changes of items during period	(1,360)	(1,656)	933	(2,083)	(2)	(32,593)
Balance at end of current period	(1,032)	(8,182)	(3,913)	(13,127)	2,468	92,912

April 1, 2020 through March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,203	33,625	63,778	(6,035)	103,571
Changes during period					
Dividends of surplus					—
Loss attributable to owners of parent			(9,373)		(9,373)
Purchase of treasury shares					—
Disposal of treasury shares				1	1
Change in ownership interest of parent due to transactions with non-controlling interests		(5,335)			(5,335)
Net changes in items other than shareholders' equity					
Total changes during period	—	(5,335)	(9,373)	1	(14,707)
Balance at end of period	12,203	28,290	54,405	(6,034)	88,864

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	(1,032)	(8,182)	(3,913)	(13,127)	2,468	92,912
Changes of items during period						
Dividends of surplus						—
Profit attributable to owners of parent						(9,373)
Purchase of treasury shares						—
Disposal of treasury shares						1
Change in ownership interest of parent due to transactions with non-controlling interests						(5,335)
Net changes of items other than shareholders' equity	2,149	2,356	920	5,425	(33)	5,392
Total changes of items during period	2,149	2,356	920	5,425	(33)	(9,315)
Balance at end of current period	1,117	(5,826)	(2,993)	(7,702)	2,435	83,597

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2019 through March 31, 2020	April 1, 2020 through March 31, 2021
Cash flows from operating activities		
Loss before income taxes	(9,426)	(7,698)
Depreciation	5,875	5,446
Impairment losses	7,782	4,742
Business restructuring expenses	1,587	7,319
Amortization of goodwill	1,231	590
Increase (decrease) in retirement benefit liability	(445)	(1,217)
Increase (decrease) in allowance for doubtful accounts	(66)	(23)
Interest and dividend income	(359)	(461)
Interest expenses	81	112
Share of loss (profit) of entities accounted for using equity method	(164)	30
Loss (gain) on sale and retirement of non-current assets	308	(6,339)
Decrease (increase) in notes and accounts receivable - trade	9,441	464
Decrease (increase) in inventories	2,707	4,530
Increase (decrease) in notes and accounts payable - trade	(3,004)	852
Increase (decrease) in accrued expenses	(1,674)	6,728
Decrease (increase) in accounts receivable – other	807	(1,006)
Other, net	(1,222)	693
Subtotal	13,459	14,762
Interest and dividends income received	577	582
Interest expense paid	(82)	(105)
Income taxes refund (paid)	272	(2,210)
Net cash provided by (used in) operating activities	14,226	13,029
Cash flows from investing activities		
Payments into time deposits	(218)	(221)
Proceeds from withdrawal of time deposits	218	207
Payments of real estate for rent in construction	(2,360)	—
Purchase of property, plant and equipment	(7,898)	(6,268)
Proceeds from sale of property, plant and equipment	6	14,784
Purchase of intangible assets	(508)	(483)
Purchase of investment securities	(130)	(31)
Proceeds from sale of investment securities	332	37
Payments for acquisition of businesses	(1,521)	—
Other, net	(19)	14
Net cash provided by (used in) investing activities	(12,098)	8,039

	(Millions of yen)	
	April 1, 2019 through March 31, 2020	April 1, 2020 through March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(8,500)	(5,000)
Proceeds from long-term loans payable	28,235	6,000
Repayments of long-term loans payable	(1,098)	(7,388)
Purchase of treasury shares	(5,039)	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(5,335)
Repayments to non-controlling shareholders	(104)	—
Dividends paid to non-controlling interests	(38)	(64)
Cash dividends paid	(15,081)	—
Repayments of lease obligations	(166)	(101)
Net cash provided by (used in) financing activities	(1,791)	(11,888)
Effect of exchange rate change on cash and cash equivalents	(604)	1,197
Net increase (decrease) in cash and cash equivalents	(267)	10,377
Cash and cash equivalents at beginning of period	22,685	22,418
Cash and cash equivalents at end of period	22,418	32,795

(5) Notice to Consolidated Financial Statements**(Segment Information)**

April 1, 2020 through March 31, 2021

(Millions of yen)

	Reportable segment				Other	Adjustment	Consolidated Total
	Energy	Industrial Materials	Electronic Appliances and Consumer Products	Total			
Sales							
Outside customers	37,811	50,843	50,401	139,055	—	—	139,055
Intersegment transactions	342	200	2	544	—	(544)	—
Total sales	38,153	51,043	50,403	139,599	—	(544)	139,055
Operating income (loss)	3,309	1,432	(935)	3,806	—	—	3,806
Segment assets	33,269	52,888	42,555	128,712	48,095	—	176,807
Other items							
Depreciation	1,428	2,579	1,439	5,446	—	—	5,446
Increase in property, plant and equipment and intangible assets	1,506	2,843	3,994	8,343	—	—	8,343

Note: Other assets belong to the administrative department of the Company.