

## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Japan GAAP)

May 13, 2022

Listed company: Maxell, Ltd. Stock exchange: Tokyo (Prime Market)  
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 28, 2022  
Planned date of beginning payment of dividends: June 8, 2022

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

### 1. Consolidated Business Results and Financial Position for the Year Ended March 31, 2022 (April 1, 2021 through March 31, 2022)

#### (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, 2022	138,215	(0.6)	9,332	145.2	9,888	157.1	(3,659)	-
March 31, 2021	139,055	(4.1)	3,806	-	3,846	-	(9,373)	-

Note: Comprehensive income : March 31, 2022 2,020 millions of yen (- %);  
Comprehensive income : March 31, 2021 (3,913) 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, 2022	(73.98)	-	(4.5)	5.6	6.8
March 31, 2021	(189.51)	-	(10.9)	2.2	2.7

References: Equity in profits of affiliates: March 31, 2022 138 millions of yen; March 31, 2021 (30) millions of yen

Note 1: The Company has introduced "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 of the year used in the calculation of "Net profit per share".

2: From the beginning of the consolidated fiscal year ended March 31, 2022, the Company has applied "Accounting Standard for Revenue Recognition", etc. The numbers relating to the consolidated fiscal year ended March 31, 2022 are after application of the accounting standard, etc.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	177,535	84,616	45.9	1,647.78
March 31, 2021	176,807	83,597	45.9	1,640.98

References: Shareholders' equity: March 31, 2022 81,498 millions of yen; March 31, 2021 81,162 millions of yen

Note 1: The Company has introduced "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 number of shares at the end of the year used in the calculation of "Net assets per share".

2: From the beginning of the consolidated fiscal year ended March 31, 2022, the Company has applied "Accounting Standard for Revenue Recognition", etc. The numbers relating to the consolidated fiscal year ended March 31, 2022 are after application of the accounting standard, etc.

#### (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, 2022	18,442	(3,908)	(6,211)	43,337
March 31, 2021	13,029	8,039	(11,888)	32,795

## 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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2021	-	0.00	-	0.00	0.00	0	-	-
March 31, 2022	-	20.00	-	20.00	40.00	1,979	-	2.4
March 31, 2023 (Forecast)	-	20.00	-	20.00	40.00		33.0	

## 3. Consolidated Business Forecast for the year ending March 31, 2023 (April 1, 2022 through March 31, 2023) (% 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	130,000	(5.9)	9,500	1.8	6,000	-	121.31

Note: The Company has introduced “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”.

## 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, Ltd.  
The Company has executed the absorption-type merger wherein the Company was the surviving company, and Maxell, Ltd. used to be a consolidated subsidiary of the Company was the absorbed company. And the Company has dissolved the holding company structure and changed the corporate name of the Company from Maxell Holdings, Ltd. to Maxell, Ltd., as of October 1, 2021.  
Also, Maxell, Ltd. absorbed in the absorption-type merger has been classified as a specified subsidiary of the Company. For the details, please refer to the announcements “Notice regarding Absorption-type Merger of Wholly Owned Subsidiary, Change of Corporate Name and Partial Amendments to the Articles of Incorporation” on April 28, 2021 and “Notice regarding Completion of Absorption-type Merger of Wholly Owned Subsidiary and Corporate Name Change” on October 1, 2021.
- (2) Changes in accounting policies, accounting estimates and restatement  
1) Changes as a result of revision of accounting standards: Yes  
Application of Accounting Standard for Revenue Recognition  
The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 of March 31, 2020), etc. from the beginning of this consolidated fiscal year and revenue is recognized at the time when the goods or services arrived (including when they were deemed to arrive) to customers in domestic sales instead of at the time of shipment. In addition, for those transactions that the Company purchase raw materials from the customer and sell to such customer after processing supplied materials, the revenue is recognized in the net amount excluding the purchase price of raw materials while it used to include the purchase price of raw materials before. Off-set will not be applied for paid transaction of these materials in such cases.  
With regard to the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment stipulated in the provisions of paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of a new accounting policy prior to the beginning of this consolidated fiscal year has been adjusted to retained earnings at the beginning of the fiscal year under review, and a new accounting policy has been applied from the beginning of this consolidated fiscal year. However, the new accounting policy has not been applied retrospectively to contracts for which the method set forth in paragraph 86 of the Accounting Standard for Revenue Recognition has been applied and substantially all revenue amounts have been recognized in accordance with previous treatment prior to the beginning of this consolidated fiscal year.  
As a result, in this consolidated fiscal year ended March 31, 2022, notes and accounts receivable-trade decreased by 72 million yen, inventories decreased by 189 million yen, other accounts receivable increased by 386 million yen and accounts payable-other increased by 146 million yen in the consolidated balance sheets. Also, net sales decreased by 3,560 million yen, cost of sales decreased by 3,313 million yen, selling, general and administrative expenses decreased by 161 million yen, non-operating expenses decreased by 65 million yen, operating profit decreased by 86 million yen, and ordinary profit and profit before income taxes decreased by 21 million yen each in the consolidated statements of income. There is no influence to the balance of retained earnings in the consolidated statements of changes in net assets at the beginning of this consolidated fiscal year.
- 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, 2022	53,341,500 shares;	March 31, 2021	53,341,500 shares
2) Number of shares of treasury share at end of period :	March 31, 2022	3,882,195 shares;	March 31, 2021	3,882,166 shares
3) Average number of shares during the term :	March 31, 2022	49,459,325 shares;	March 31, 2021	49,459,029 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” (18,600 shares, at the end of consolidated fiscal year ended March 31, 2021 and 18,600 shares at the end of consolidated fiscal year ended March 31, 2022).

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” (18,904 shares, for the consolidated fiscal year ended March 31, 2021 and 18,600 shares for the consolidated fiscal year ended March 31, 2022).

**\* 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, 2020 to March 31, 2021.)

The global economy during this consolidated fiscal year continued to be impacted by Novel Coronavirus (COVID-19) for two years from the previous consolidated fiscal year, as the number of infections increased rapidly in the fourth quarter due to emergence of new variant. Against this situation, the gradual recovery in the markets such as automotive and semiconductors led to a recovery trend in the Group's businesses. However, new geopolitical risks such as a sudden change in the Russia-Ukraine situation led to concerns that the impact of soaring raw material and energy prices, shortage of semiconductors, and stagnant logistics will continue for an even longer period from the fiscal year ending March 31, 2023 onward.

Under these circumstances, net sales for the fiscal year under review decreased by 0.6% (840 million yen) to 138,215 million yen mainly due to the downsizing of projector business as a pillar of business portfolio reforms, although the sales of products for automotive and semiconductor markets increased. In terms of profitability, in addition to the improvement of profitability of the products performed well, having the effects of business reforms and reduction of unprofitable businesses promoted in the previous fiscal year and cost reduction measures, as well as efforts to reflect higher raw material costs in sales prices, operating profit increased by 145.2% (5,526 million yen) to 9,332 million yen, which was the highest figure since the re-listing in March 2014. Ordinary profit increased by 157.1% (6,042 million yen) to 9,888 million yen. On the other hand, regarding profit attributable to owners of parent, the Company recorded loss of 3,659 million yen mainly due to recognition of loss on valuation of investment securities amounted 10,312 million yen.

The average foreign exchange rate over the year under review was US\$1=112 yen.

The Company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 of March 31, 2020), etc. from the beginning of this consolidated fiscal year.

Operating results by segment are as follows. The Company has changed its business segment from this consolidated fiscal year, and the analysis and comparisons are made based on the new segment.

#### **Energy**

Although sales of lithium ion battery for consumer decreased due to production decrease at customers caused by the supply shortage of semiconductors, supported by increased sales of heat resistant coin type lithium battery following recovery of demand in automotive market, coin type lithium rechargeable batteries mainly for hearing aids and cylindrical type lithium batteries mainly for smart meters, sales for Energy segment increased by 2.2% (820 million yen) to 38,631 million yen. In terms of profitability, operating profit increased by 22.4% (741 million yen) to 4,050 million yen, reflecting the effects of cost reduction measures and sales increase of heat resistant coin type lithium battery, etc. despite negative factors such as soaring raw material costs for batteries in general and sales decrease of lithium ion battery for consumer use.

#### **Functional Materials**

Although sales of coated separator decreased due to the application of the Accounting Standard for Revenue Recognition, etc., sales for Functional Materials segment increased by 1.3% (364 million yen) to 28,018 million yen due to sales increase of adhesive tapes and industrial rubber products. Operating profit increased by 69.2% (761 million yen) to 1,861 million yen due to increase of profit of industrial rubber products by sales increase, as well as profit increase of coated separator, despite the effect of soaring raw material cost has been increased for adhesive tapes.

#### **Optics & Systems**

Although sales of projector decreased due to termination of sales in Americas, Europe and Asia (excluding China and South Korea), sales for Optics & Systems segment increased by 2.4% (928 million yen) to 39,540 million yen due to sales increase of semiconductor related embedded systems following recovery of semiconductor market, optical components for automotive market such as in-car camera lens unit and LED headlamp lens, as well as sales increase led by start of mass-production of head up displays. Operating profit increased by 6,272 million yen to 3,338 million yen due to effect of business reform for projectors and improvement in profitability of optical components for automotive market and head up displays and profit increase of semiconductor related embedded systems, etc.

## **Life Solution**

In addition to decrease in sales of health related products due to a slowdown in sales of anti-bacterial deodorizer, for which demand had increased during the previous fiscal year due to the spread of COVID-19 and the impact of business transfer of part of health products, sales of beauty care products and other consumer products such as optical disks decreased. Due to these reasons, sales for Life Solution segment decreased by 8.4% (2,952 million yen) to 32,026 million yen. Operating profit decreased by 96.4% (2,248 million yen) to 83 million yen, due to decrease of profit for health related and beauty care products.

## **2) Outlook**

As for the global economic environment, although the impact of COVID-19 will not be completely eliminated even in the fiscal year ending March 2023, the Company expects that restrictions on economic and social activities will gradually be eased. On the other hand, uncertainty is increasing due to a sudden change in the Russia-Ukraine situation as a new geopolitical risk in the fourth quarter of this consolidated fiscal year, and there are concerns about further rises in raw material and energy prices, the prolonged shortage of semiconductors, the impact of these on production, such as automotive, and stagnation and rising costs in logistics.

In this situation, the Group continues to manage profitability by thoroughly implementing financial discipline and promote business replacements by business portfolio reform in the fiscal year ending March 2023. In addition, the Group also continues to promote thorough cost reduction measures and reflect current cost increases on sales pricing. Through these measures, the Group will aim to achieve targets of the Mid-Term Plan MEX23, such as operating profit ratio of 10% and ROIC of 7% or higher in the fiscal year ending March 2024.

Consolidated business forecast for the fiscal year ending March 2023 is, Net sales: 130,000 million yen, Operating profit: 9,500 million yen and Profit attributable owners of parent: 6,000 million yen. Net sales are expected to fall short of the results for the fiscal year ended March 2022 in order to further deepen business portfolio reforms by concentrating management resources on businesses that should grow. However, in line with basic policy of MEX23 "Commit to Value (corporate value and profit growth)", the Company plans to focus on strengthening profitability.

These numbers are based on calculation using the average exchange rate over the fiscal year, 120 yen to the U.S. dollar. For projections of business performance by segment, please refer to the supplementary information on page 7.

## **(2) Analysis of Financial Position and Cash Flow**

### **1) Assets, liabilities and net assets**

#### **Assets**

As of March 31, 2022, total assets amounted 177,535 million yen, increased by 0.4% from the previous consolidated fiscal year. Among this, current assets amounted 99,469 million yen, increased by 16.5%, mainly by increase of cash and deposits, and inventories. And the ratio of current assets among total assets has changed to 56.0% from 48.3% of the previous consolidated fiscal year. On the other hand, non-current assets amounted 78,066 million yen, decreased by 14.6%, and the ratio of non-current assets among total assets has changed to 44.0% from 51.7% of the previous consolidated fiscal year.

#### **Liabilities**

As of March 31, 2022, total liabilities amounted 92,919 million yen, decreased by 0.3% from the previous consolidated fiscal year. Among this, current liabilities amounted 57,719 million yen, increased by 17.9%, mainly by increase of current portion of long-term borrowings and other current liabilities, although accrued expenses and 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 41,750 million yen. On the other hand, non-current liabilities amounted 35,200 million yen, decreased by 20.4%, mainly by decrease of long-term borrowings.

#### **Net Assets**

As of March 31, 2022, total net assets amounted 84,616 million yen, increased by 1.2% from the previous consolidated fiscal year. The increase is mainly by increase of accumulated other comprehensive income, although there was record of net loss of 3,659 million yen in profit attributable to owners of parent. And the equity ratio was 45.9% which is same as 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 10,542 million yen to 43,337 million yen. This total comes from income of 18,442 million yen as cash flows from operating activities, expenditure of 3,908 million yen as cash flows from investing activities and expenditure of 6,211 million yen as cash flows from financing activities. Respective cash flows are as follows.

### **Cash Flows from Operating Activities**

Net cash provided is 18,442 million yen in cash flow from operating activities in the current consolidated fiscal year. This mainly derives from increase in funds includes 10,312 million yen of loss on valuation of investment securities, 4,542 million yen of depreciation, 1,004 million yen of decrease in trade receivables, 1,251 million yen of increase in trade payables and 14,086 million yen of increase in advances received, and deduction in funds includes 1,549 million yen of loss before income taxes, 1,338 million yen of increase in inventories, 8,851 million yen of decrease in accrued expenses and 4,324 million yen of income taxes paid.

### **Cash Flows from Investing Activities**

Net cash used is 3,908 million yen in cash flow from investing activities in the current consolidated fiscal year. This mainly derives from deduction in funds includes 4,030 million yen of purchase of property, plant and equipment, 2,215 million yen of payments into time deposits and 1,112 million yen of purchase of intangible assets, and increase in funds includes 2,403 million yen of proceeds from sale of investment securities.

### **Cash Flows from Financing Activities**

Net cash used is 6,211 million yen in cash flow from financing activities in the current consolidated fiscal year. This mainly derives from deduction in funds includes 3,500 million yen of net decrease in short-term borrowings, 1,598 million yen of repayments of long-term borrowings and 990 million yen of dividends paid.

## Supplementary information

### Consolidated Financial Results and Forecast

(Millions of yen)

	The Year ended: March 31, 2021	The Year ended: March 31, 2022	Change* (%)	March 31, 2023 Forecast	Change* (%)
Net sales	139,055	138,215	(0.6)	130,000	(5.9)
Operating profit	3,806	9,332	145.2	9,500	1.8
Profit attributable to owners of parent	(9,373)	(3,659)	-	6,000	-

\* % change from the same term of the previous year

### Sales and Operating Profit by Segment

(Millions of yen)

	The Year ended: March 31, 2021	The Year ended: March 31, 2022		Change* (%)	March 31, 2023 Forecast		Change* (%)
	Millions of yen	Millions of yen	Composition (%)		Millions of yen	Composition (%)	
Net sales	139,055	138,215	100.0	(0.6)	130,000	100.0	(5.9)
Energy	37,811	38,631	27.9	2.2	35,000	26.9	(9.4)
Functional Materials	27,654	28,018	20.3	1.3	28,700	22.1	2.4
Optics & Systems	38,612	39,540	28.6	2.4	34,800	26.8	(12.0)
Life Solution	34,978	32,026	23.2	(8.4)	31,500	24.2	(1.6)
Operating profit/loss	3,806	9,332	100.0	145.2	9,500	100.0	1.8
Energy	3,309	4,050	43.4	22.4	1,900	20.0	(53.1)
Functional Materials	1,100	1,861	19.9	69.2	2,700	28.4	45.1
Optics & Systems	(2,934)	3,338	35.8	-	3,800	40.0	13.8
Life Solution	2,331	83	0.9	(96.4)	1,100	11.6	-

\* % change from the same term of the previous year

### Sales by Regional Segment

(Millions of yen)

	The Year ended: March 31, 2021	The Year ended: March 31, 2022		Change* (%)
	Millions of yen	Millions of yen	Composition (%)	
Overseas sales	51,977	58,447	42.3	12.4
America	11,778	13,890	10.1	17.9
Europe	9,507	11,500	8.3	21.0
Asia and other	30,692	33,057	23.9	7.7
Domestic sales	87,078	79,768	57.7	(8.4)
Total	139,055	138,215	100.0	(0.6)

\* % change from the same term of the previous year

### Capital investment, Depreciation, R&D expenses

(Millions of yen)

	The Year ended: March 31, 2021	The Year ended: March 31, 2022	Change* (%)	March 31, 2023 Forecast	Change* (%)
Capital investment	8,092	3,960	(51.1)	7,000	76.8
Depreciation	5,446	4,542	(16.6)	5,000	10.1
R&D expenses	7,934	6,379	(19.6)	7,000	9.7

\* % 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, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	33,016	45,552
Notes and accounts receivable - trade	30,295	30,160
Lease investments assets	1,157	1,071
Inventories	16,034	18,378
Other	5,408	5,154
Allowance for doubtful accounts	(541)	(846)
Total current assets	85,369	99,469
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,545	10,613
Machinery, equipment and vehicles, net	8,765	8,799
Land	32,930	32,609
Construction in progress	1,330	1,620
Other, net	1,710	1,866
Total property, plant and equipment	55,280	55,507
Intangible assets		
Goodwill	638	48
Other	4,721	4,983
Total intangible assets	5,359	5,031
Investments and other assets		
Investment securities	24,168	9,672
Net defined benefit asset	3,861	4,550
Deferred tax assets	1,732	2,152
Other	1,240	1,376
Allowance for doubtful accounts	(202)	(222)
Total investments and other assets	30,799	17,528
Total non-current assets	91,438	78,066
Total assets	176,807	177,535

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	17,851	19,606
Short-term borrowings	3,500	—
Current portion of long-term borrowings	1,598	6,598
Accounts payable - other	4,444	4,335
Accrued expenses	17,083	9,068
Income taxes payable	1,174	829
Lease obligations	112	94
Other	3,213	17,189
<b>Total current liabilities</b>	<b>48,975</b>	<b>57,719</b>
<b>Non-current liabilities</b>		
Long-term borrowings	32,592	25,994
Net defined benefit liability	6,700	5,705
Lease obligations	264	176
Deferred tax liabilities	4,175	2,512
Asset retirement obligations	422	425
Other	82	388
<b>Total non-current liabilities</b>	<b>44,235</b>	<b>35,200</b>
<b>Total liabilities</b>	<b>93,210</b>	<b>92,919</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	12,203	12,203
Capital surplus	28,290	28,290
Retained earnings	54,405	49,756
Treasury shares	(6,034)	(6,034)
<b>Total shareholders' equity</b>	<b>88,864</b>	<b>84,215</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,117	233
Foreign currency translation adjustment	(5,826)	(1,212)
Remeasurements of defined benefit plans	(2,993)	(1,738)
<b>Total accumulated other comprehensive income</b>	<b>(7,702)</b>	<b>(2,717)</b>
<b>Non-controlling interests</b>	<b>2,435</b>	<b>3,118</b>
<b>Total net assets</b>	<b>83,597</b>	<b>84,616</b>
<b>Total liabilities and net assets</b>	<b>176,807</b>	<b>177,535</b>

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

(Millions of yen)

	April 1, 2020 through March 31, 2021	April 1, 2021 through March 31, 2022
Net sales	139,055	138,215
Cost of sales	108,992	103,613
Gross profit	30,063	34,602
Selling, general and administrative expenses		
Packing and delivery expenses	2,503	2,652
Promotion expenses	948	724
Advertising expenses	372	391
Salaries and allowances	10,151	9,369
Retirement benefit expenses	402	425
License fees	47	38
Depreciation	1,107	1,108
Welfare expenses	1,472	1,433
Travel and transportation expenses	255	267
Rent expenses	1,172	1,318
Outsourcing expenses	1,668	1,164
Commission expenses	3,061	2,628
Sales commission	166	70
Taxes and dues	67	148
Other	2,866	3,535
Total selling, general and administrative expenses	26,257	25,270
Operating profit	3,806	9,332
Non-operating income		
Interest income	262	153
Dividend income	199	127
Share of profit of entities accounted for using equity method	—	138
Foreign exchange gains	—	164
Rental income	96	149
Subsidy income	105	115
Subsidies for employment adjustment	111	—
Other	157	148
Total non-operating income	930	994
Non-operating expenses		
Interest expenses	112	107
Sales discounts	173	46
Share of loss of entities accounted for using equity method	30	—
Foreign exchange losses	230	—
Rental costs	48	50
Loss on tax purpose reduction entry of non-current assets	—	77
Other	297	158
Total non-operating expenses	890	438
Ordinary profit	3,846	9,888

(Millions of yen)

	April 1, 2020 through March 31, 2021	April 1, 2021 through March 31, 2022
Extraordinary income		
Gain on sale of non-current assets	6,610	13
Gain on sale of investment securities	16	329
Compensation for forced relocation	1,339	—
Total extraordinary income	7,965	342
Extraordinary losses		
Loss on sale and retirement of non-current assets	271	446
Impairment losses	4,742	131
Loss on valuation of investment securities	—	10,312
Business restructuring expenses	7,319	—
Litigation expenses	7,067	—
Other	110	890
Total extraordinary losses	19,509	11,779
Loss before income taxes	(7,698)	(1,549)
Income taxes - current	2,481	3,486
Income taxes - deferred	(682)	(1,768)
Total income taxes	1,799	1,718
Loss	(9,497)	(3,267)
Profit (loss) attributable to non-controlling interests	(124)	392
Loss attributable to owners of parent	(9,373)	(3,659)

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	April 1, 2020 through March 31, 2021	April 1, 2021 through March 31, 2022
Loss	(9,497)	(3,267)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,150	(882)
Foreign currency translation adjustment	2,514	4,914
Remeasurements of defined benefit plans, net of tax	920	1,255
Total other comprehensive income	5,584	5,287
Comprehensive income	(3,913)	2,020
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,948)	1,326
Comprehensive income attributable to non-controlling interests	35	694

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

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 of items during period					
Loss attributable to owners of parent			(9,373)		(9,373)
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 of items other than shareholders' equity					
Total changes of items 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 period	(1,032)	(8,182)	(3,913)	(13,127)	2,468	92,912
Changes of items during period						
Loss attributable to owners of parent						(9,373)
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 period	1,117	(5,826)	(2,993)	(7,702)	2,435	83,597

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,203	28,290	54,405	(6,034)	88,864
Changes during period					
Dividends of surplus			(990)		(990)
Loss attributable to owners of parent			(3,659)		(3,659)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(4,649)	(0)	(4,649)
Balance at end of period	12,203	28,290	49,756	(6,034)	84,215

	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 period	1,117	(5,826)	(2,993)	(7,702)	2,435	83,597
Changes of items during period						
Dividends of surplus						(990)
Loss attributable to owners of parent						(3,659)
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	(884)	4,614	1,255	4,985	683	5,668
Total changes of items during period	(884)	4,614	1,255	4,985	683	1,019
Balance at end of period	233	(1,212)	(1,738)	(2,717)	3,118	84,616

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

(Millions of yen)

	April 1, 2020 through March 31, 2021	April 1, 2021 through March 31, 2022
Cash flows from operating activities		
Loss before income taxes	(7,698)	(1,549)
Depreciation	5,446	4,542
Impairment losses	4,742	131
Loss (gain) on valuation of investment securities	—	10,312
Business restructuring expenses	7,319	—
Extra retirement payments	—	635
Amortization of goodwill	590	590
Increase (decrease) in retirement benefit liability	(1,217)	(286)
Increase (decrease) in allowance for doubtful accounts	(23)	305
Interest and dividend income	(461)	(280)
Interest expenses	112	107
Share of loss (profit) of entities accounted for using equity method	30	(138)
Loss (gain) on sale of investment securities	(16)	(329)
Loss (gain) on sale and retirement of non-current assets	(6,339)	433
Decrease (increase) in trade receivables	464	1,004
Decrease (increase) in inventories	4,530	(1,338)
Increase (decrease) in trade payables	852	1,251
Increase (decrease) in advances received	274	14,086
Increase (decrease) in accrued expenses	6,728	(8,851)
Other, net	(571)	1,952
Subtotal	14,762	22,577
Interest and dividends received	582	298
Interest paid	(105)	(109)
Income taxes refund (paid)	(2,210)	(4,324)
Net cash provided by (used in) operating activities	13,029	18,442
Cash flows from investing activities		
Payments into time deposits	(221)	(2,215)
Proceeds from withdrawal of time deposits	207	221
Purchase of property, plant and equipment	(6,268)	(4,030)
Proceeds from sale of property, plant and equipment	14,784	832
Purchase of intangible assets	(483)	(1,112)
Purchase of investment securities	(31)	(7)
Proceeds from sale of investment securities	37	2,403
Other, net	14	—
Net cash provided by (used in) investing activities	8,039	(3,908)

(Millions of yen)

	April 1, 2020 through March 31, 2021	April 1, 2021 through March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,000)	(3,500)
Proceeds from long-term borrowings	6,000	—
Repayments of long-term borrowings	(7,388)	(1,598)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(5,335)	—
Dividends paid to non-controlling interests	(64)	(9)
Dividends paid	—	(990)
Repayments of lease liabilities	(101)	(114)
Net cash provided by (used in) financing activities	(11,888)	(6,211)
Effect of exchange rate change on cash and cash equivalents	1,197	2,219
Net increase (decrease) in cash and cash equivalents	10,377	10,542
Cash and cash equivalents at beginning of period	22,418	32,795
Cash and cash equivalents at end of period	32,795	43,337

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

April 1, 2021 through March 31, 2022

(Millions of yen)

	Reportable segment					Other	Adjustment	Consolidated Total
	Energy	Functional Materials	Optics & Systems	Life Solution	Total			
Sales								
Outside customers	38,631	28,018	39,540	32,026	138,215	—	—	138,215
Intersegment transactions	488	—	—	—	488	—	(488)	—
Total sales	39,119	28,018	39,540	32,026	138,703	—	(488)	138,215
Operating income (loss)	4,050	1,861	3,338	83	9,332	—	—	9,332
Segment assets	34,923	31,471	35,662	29,955	132,011	45,524	—	177,535
Other items								
Depreciation	1,376	723	1,710	733	4,542	—	—	4,542
Increase in property, plant and equipment and intangible assets	845	889	1,867	582	4,183	—	—	4,183

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