

Summary of Consolidated Financial Results for the Year Ended March 31, 2023
(Japan GAAP)

April 27, 2023

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 23, 2023
Planned date of beginning payment of dividends: June 6, 2023

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

1. Consolidated Business Results and Financial Position for the Year Ended March 31, 2023
(April 1, 2022 through March 31, 2023)

(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, 2023	132,776	(3.9)	5,638	(39.6)	6,727	(32.0)	5,193	-
March 31, 2022	138,215	(0.6)	9,332	145.2	9,888	157.1	(3,659)	-

Note: Comprehensive income : March 31, 2023 8,373 millions of yen (314.5%);
Comprehensive income : March 31, 2022 2,020 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
March 31, 2023	Yen 109.33	Yen -	%	%	%
March 31, 2022	(73.98)	-	(4.5)	5.6	6.8

References: Equity in profits of affiliates: March 31, 2023 (152) millions of yen; March 31, 2022 138 millions of yen

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".

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
March 31, 2023	Millions of yen 168,177	Millions of yen 85,940	%	Yen 1,807.25
March 31, 2022	177,535	84,616	45.9	1,647.78

References: Shareholders' equity: March 31, 2023 82,816 millions of yen; March 31, 2022 81,498 millions of yen

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 number of shares at the end of the year used in the calculation of "Net assets per share".

(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
March 31, 2023	Millions of yen 4,001	Millions of yen 1,713	Millions of yen (13,985)	Millions of yen 36,569
March 31, 2022	18,442	(3,908)	(6,211)	43,337

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, 2022	-	20.00	-	20.00	40.00	1,979	-	2.4
March 31, 2023	-	20.00	-	20.00	40.00	1,865	36.6	2.3
March 31, 2024 (Forecast)	-	20.00	-	20.00	40.00		35.2	

3. Consolidated Business Forecast for the year ending March 31, 2024 (April 1, 2023 through March 31, 2024) (% 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	133,000	0.2	7,500	33.0	5,200	0.1	113.48

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: None
- (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, 2023	49,695,800 shares;	March 31, 2022	53,341,500 shares
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 - 2) Number of shares of treasury share at end of period :

March 31, 2023	3,871,367 shares;	March 31, 2022	3,882,195 shares
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 - 3) Average number of shares during the term :

March 31, 2023	47,499,873 shares;	March 31, 2022	49,459,325 shares
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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, 2022 and 16,800 shares at the end of consolidated fiscal year ended March 31, 2023).

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” (18,600 shares for the consolidated fiscal year ended March 31, 2022 and 17,485 shares for the consolidated fiscal year ended March 31, 2023).

*** 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, 2021 to March 31, 2022.)

As for the global economy during this consolidated fiscal year, the impact of Novel Coronavirus (COVID-19) pandemic is heading toward recovery trend from the latter half of the fiscal year onwards, and the soaring energy costs triggered by Russia's invasion of Ukraine and the momentum of global inflation is also slowing down. On the other hand, signs of a slowdown in demand centered on the electronic components, and fears of an economic recession due to monetary tightening in the United States and Europe are also becoming unpredictable.

Under these circumstances, net sales for the fiscal year under review decreased by 3.9% (5,439 million yen) to 132,776 million yen due to significant sales decrease of projectors caused by business downsizing and sales decrease of rechargeable batteries and BtoC products, although the sales of products for automotive and semiconductor markets increased. In terms of profitability, operating profit decreased by 39.6% (3,694 million yen) to 5,638 million yen, due to sales decrease of rechargeable batteries, BtoC products and projectors, soaring raw material cost that progressed in the first half period as well as restructuring costs incurred in the domestic BtoC business. Ordinary profit decreased by 32.0% (3,161 million yen) to 6,727 million yen. Profit attributable to owners of parent for this fiscal year increased by 8,852 million yen to 5,193 million yen due to recognition of loss on valuation of investment securities amounted 10,312 million yen in the previous fiscal year and the gain on sale of non-current assets in this fiscal year.

The average foreign exchange rate over the year under review was US\$1=135 yen.

Operating results by segment are as follows.

Energy

Although sales of primary batteries increased mainly for automotive and medical use, sales of rechargeable batteries decreased significantly due to reduction of production at customer caused by shortage of semiconductors. Due to these reasons, total sales for Energy segment decreased by 4.8% (1,857 million yen) to 36,774 million yen. In terms of profitability, operating profit decreased by 41.8% (1,691 million yen) to 2,359 million yen due to the impact of sales decrease of rechargeable batteries and soaring raw material costs such as lithium and cobalt.

Functional Materials

Sales of adhesive tapes increased mainly for construction use, and for industrial materials, sales of industrial rubber products increased. Total sales for Functional Materials segment increased by 4.5% (1,268 million yen) to 29,286 million yen. On the other hand, operating profit decreased by 53.6% (998 million yen) to 863 million yen due to the impact of soaring raw material costs such as naphtha and rubber.

Optics & Systems

Although sales of both automotive optical components and semiconductor related products increased due to order recoveries from automotive and semiconductor related customers, the downsizing of the projector business had a significant impact, and total sales for Optics & Systems segment decreased by 5.2% (2,064 million yen) to 37,476 million yen. Operating profit increased by 16.5% (551 million yen) to 3,889 million yen as the increase of profit of automotive optical components and semiconductor related products compensated impact of decrease in sales of projectors.

Life Solution

As sales of BtoC products decreased due to struggle in sales of health and beauty care products, total sales for Life Solution segment decreased by 8.7% (2,786 million yen) to 29,240 million yen. Operating profit decreased by 1,556 million yen to loss of 1,473 million yen due to decrease in sales of BtoC products, the impact of cost increase of imported products caused by sharp depreciation of yen and restructuring costs incurred in the domestic BtoC business.

2) Outlook

As business circumstance in the fiscal year ending March 2024, the Company anticipate that the impact of global economic downturn will continue till cumulative second quarter of the fiscal year, and that the business of the products including for automotive and semiconductors market will recover after the third quarter onwards.

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 2024. In addition, the Group also continues to promote thorough cost reduction measures and reflect current cost increases on selling prices. Consolidated business forecast for the fiscal year ending March 2024 is, Net sales: 133,000 million yen, Operating profit: 7,500 million yen and Profit attributable owners of parent: 5,200 million yen. The outlook for net sales will remain with same level as the current fiscal year in order to further deepen business portfolio reforms by concentrating management resources on growing businesses. On the other hand, the Company plans to focus on strengthening profitability in line with MEX23's basic policy of "Commit to value (corporate value and profit growth)".

These numbers are based on calculation using the average exchange rate over the fiscal year, 130 yen to the U.S. dollar. 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, 2023, total assets amounted 168,177 million yen, decreased by 5.3% from the previous consolidated fiscal year. Among this, current assets amounted 94,837 million yen, decreased by 4.7%, mainly by decrease of cash and deposits due to purchase of treasury shares. And the ratio of current assets among total assets has changed to 56.4% from 56.0% of the previous consolidated fiscal year. On the other hand, non-current assets amounted 73,340 million yen, decreased by 6.1% mainly due to decrease of property, plant and equipment mainly by sale of land, and the ratio of non-current assets among total assets has changed to 43.6% from 44.0% of the previous consolidated fiscal year.

Liabilities

As of March 31, 2023, total liabilities amounted 82,237 million yen, decreased by 11.5% from the previous consolidated fiscal year. Among this, current liabilities amounted 55,494 million yen, decreased by 3.9%, mainly by decrease of notes and accounts payable - trade and other current liabilities. And the current ratio became 1.7 times, and the cash on hand which is the balance between current assets and current liabilities, became 39,343 million yen. On the other hand, non-current liabilities amounted 26,743 million yen, decreased by 24.0%, mainly by decrease of long-term borrowings.

Net Assets

As of March 31, 2023, total net assets amounted 85,940 million yen, increased by 1.6% from the previous consolidated fiscal year. The increase is mainly by the record of profit attributable to owners of parent amounted 5,193 million yen and by increase of accumulated other comprehensive income, although there was decrease in capital surplus amounted 5,339 million yen due to cancellation of treasury shares. And the equity ratio changed to 49.2% from 45.9% of the previous consolidated fiscal year.

2) Cash flow

In the current consolidated fiscal year, cash and cash equivalents (hereinafter referred to as funds) decreased by 6,768 million yen to 36,569 million yen. This total comes from income of 4,001 million yen as cash flows from operating activities, income of 1,713 million yen as cash flows from investing activities and expenditure of 13,985 million yen as cash flows from financing activities. Respective cash flows are as follows.

Cash Flows from Operating Activities

Net cash provided is 4,001 million yen in cash flow from operating activities in the current consolidated fiscal year. This mainly derives from increase in funds includes 7,265 million yen of profit before income taxes, 4,737 million yen of depreciation, and deduction in funds includes 3,868 million yen of increase in inventories, 2,611 million yen of income taxes paid, 1,816 million yen of decrease in advances received, 1,397 million yen of gain on sale and retirement of non-current assets, 1,320 million yen of decrease in trade payables, 1,042 million yen of decrease in accrued expenses.

Cash Flows from Investing Activities

Net cash provided is 1,713 million yen in cash flow from investing activities in the current consolidated fiscal year. This mainly derives from increase in funds includes 5,649 million yen of proceeds from sale of property, plant and equipment, 2,215 million yen of proceeds from withdrawal of time deposits, 985 million yen of proceeds from sale of investment securities, and deduction in funds includes 4,931 million yen of purchase of property, plant and equipment, 1,601 million yen of payments into time deposits.

Cash Flows from Financing Activities

Net cash used is 13,985 million yen in cash flow from financing activities in the current consolidated fiscal year. This mainly derives from deduction in funds includes 6,844 million yen of repayments of long-term borrowings, 5,000 million yen of purchase of treasury shares and 1,938 million yen of dividends paid.

Supplementary information

Consolidated Financial Results and Forecast

(Millions of yen)

	The Year ended: March 31, 2022	The Year ended: March 31, 2023	Change* (%)	March 31, 2024 Forecast	Change* (%)
Net sales	138,215	132,776	(3.9)	133,000	0.2
Operating profit	9,332	5,638	(39.6)	7,500	33.0
Profit attributable to owners of parent	(3,659)	5,193	-	5,200	0.1

* % change from the same term of the previous year

Sales and Operating Profit by Segment

(Millions of yen)

	The Year ended: March 31, 2022	The Year ended: March 31, 2023		Change* (%)	March 31, 2024 Forecast		Change* (%)
	Millions of yen	Millions of yen	Composition (%)		Millions of yen	Composition (%)	
Net sales	138,215	132,776	100.0	(3.9)	133,000	100.0	0.2
Energy	38,631	36,774	27.7	(4.8)	40,000	30.1	8.8
Functional Materials	28,018	29,286	22.1	4.5	33,000	24.8	12.7
Optics & Systems	39,540	37,476	28.2	(5.2)	38,000	28.6	1.4
Life Solution	32,026	29,240	22.0	(8.7)	22,000	16.5	(24.8)
Operating profit/loss	9,332	5,638	100.0	(39.6)	7,500	100.0	33.0
Energy	4,050	2,359	41.8	(41.8)	1,700	22.7	(27.9)
Functional Materials	1,861	863	15.3	(53.6)	2,400	32.0	178.1
Optics & Systems	3,338	3,889	69.0	16.5	4,000	53.3	2.9
Life Solution	83	(1,473)	(-)	-	(600)	(-)	-

* % change from the same term of the previous year

Sales by Regional Segment

(Millions of yen)

	The Year ended: March 31, 2022	The Year ended: March 31, 2023		Change* (%)
	Millions of yen	Millions of yen	Composition (%)	
Overseas sales	58,447	56,019	42.2	(4.2)
America	13,890	14,075	10.6	1.3
Europe	11,500	12,577	9.5	9.4
Asia and other	33,057	29,367	22.1	(11.2)
Domestic sales	79,768	76,757	57.8	(3.8)
Total	138,215	132,776	100.0	(3.9)

* % change from the same term of the previous year

Capital investment, Depreciation, R&D expenses

(Millions of yen)

	The Year ended: March 31, 2022	The Year ended: March 31, 2023	Change* (%)	March 31, 2024 Forecast	Change* (%)
Capital investment	3,960	3,825	(3.4)	8,000	109.2
Depreciation	4,542	4,737	4.3	5,400	14.0
R&D expenses	6,379	6,397	0.3	6,500	1.6

* % 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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	45,552	38,170
Notes and accounts receivable - trade	30,160	30,439
Lease investments assets	1,071	687
Inventories	18,378	22,476
Other	5,154	3,991
Allowance for doubtful accounts	(846)	(926)
Total current assets	99,469	94,837
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,613	10,118
Machinery, equipment and vehicles, net	8,799	8,915
Land	32,609	28,994
Construction in progress	1,620	1,842
Other, net	1,866	1,675
Total property, plant and equipment	55,507	51,544
Intangible assets		
Goodwill	48	—
Other	4,983	4,697
Total intangible assets	5,031	4,697
Investments and other assets		
Investment securities	9,672	9,503
Net defined benefit asset	4,550	4,881
Deferred tax assets	2,152	1,780
Other	1,376	1,026
Allowance for doubtful accounts	(222)	(91)
Total investments and other assets	17,528	17,099
Total non-current assets	78,066	73,340
Total assets	177,535	168,177

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,606	18,421
Current portion of long-term borrowings	6,598	8,123
Accounts payable - other	4,335	5,006
Accrued expenses	9,068	8,172
Income taxes payable	829	506
Lease obligations	94	95
Other	17,189	15,171
Total current liabilities	57,719	55,494
Non-current liabilities		
Long-term borrowings	25,994	17,625
Net defined benefit liability	5,705	5,372
Lease obligations	176	151
Deferred tax liabilities	2,512	2,849
Asset retirement obligations	425	434
Other	388	312
Total non-current liabilities	35,200	26,743
Total liabilities	92,919	82,237
Net assets		
Shareholders' equity		
Capital stock	12,203	12,203
Capital surplus	28,290	22,951
Retained earnings	49,756	53,011
Treasury shares	(6,034)	(5,678)
Total shareholders' equity	84,215	82,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	233	334
Foreign currency translation adjustment	(1,212)	1,781
Remeasurements of defined benefit plans	(1,738)	(1,786)
Total accumulated other comprehensive income	(2,717)	329
Non-controlling interests	3,118	3,124
Total net assets	84,616	85,940
Total liabilities and net assets	177,535	168,177

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

(Millions of yen)

	April 1, 2021 through March 31, 2022	April 1, 2022 through March 31, 2023
Net sales	138,215	132,776
Cost of sales	103,613	102,678
Gross profit	34,602	30,098
Selling, general and administrative expenses		
Packing and delivery expenses	2,652	2,638
Promotion expenses	724	534
Advertising expenses	391	459
Salaries and allowances	9,369	9,641
Retirement benefit expenses	425	273
License fees	38	49
Depreciation	1,108	1,156
Welfare expenses	1,433	1,445
Travel and transportation expenses	267	489
Rent expenses	1,318	1,281
Outsourcing expenses	1,164	1,163
Commission expenses	2,628	2,936
Sales commission	70	67
Taxes and dues	148	222
Other	3,535	2,107
Total selling, general and administrative expenses	25,270	24,460
Operating profit	9,332	5,638
Non-operating income		
Interest income	153	201
Dividend income	127	126
Share of profit of entities accounted for using equity method	138	—
Foreign exchange gains	164	778
Rental income	149	168
Other	263	323
Total non-operating income	994	1,596
Non-operating expenses		
Interest expenses	107	103
Share of loss of entities accounted for using equity method	—	152
Rental costs	50	56
Loss on tax purpose reduction entry of non-current assets	77	—
Other	204	196
Total non-operating expenses	438	507
Ordinary profit	9,888	6,727

(Millions of yen)

	April 1, 2021 through March 31, 2022	April 1, 2022 through March 31, 2023
Extraordinary income		
Gain on sale of non-current assets	13	1,625
Other	329	9
Total extraordinary income	342	1,634
Extraordinary losses		
Loss on sale and retirement of non-current assets	446	228
Impairment losses	131	461
Loss on valuation of investment securities	10,312	—
Extra retirement payments	635	407
Other	255	—
Total extraordinary losses	11,779	1,096
Profit (loss) before income taxes	(1,549)	7,265
Income taxes - current	3,486	1,362
Income taxes - deferred	(1,768)	647
Total income taxes	1,718	2,009
Profit (loss)	(3,267)	5,256
Profit attributable to non-controlling interests	392	63
Profit (loss) attributable to owners of parent	(3,659)	5,193

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	April 1, 2021 through March 31, 2022	April 1, 2022 through March 31, 2023
Profit (loss)	(3,267)	5,256
Other comprehensive income		
Valuation difference on available-for-sale securities	(882)	102
Foreign currency translation adjustment	4,914	3,063
Remeasurements of defined benefit plans, net of tax	1,255	(48)
Total other comprehensive income	5,287	3,117
Comprehensive income	2,020	8,373
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,326	8,239
Comprehensive income attributable to non-controlling interests	694	134

(3) Consolidated Statements of Changes in Net Assets

April 1, 2021 through March 31, 2022

(Millions of yen)

	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

April 1, 2022 through March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,203	28,290	49,756	(6,034)	84,215
Changes during period					
Dividends of surplus			(1,938)		(1,938)
Profit attributable to owners of parent			5,193		5,193
Purchase of treasury shares				(5,000)	(5,000)
Disposal of treasury shares		0		17	17
Cancellation of treasury shares		(5,339)		5,339	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(5,339)	3,255	356	(1,728)
Balance at end of period	12,203	22,951	53,011	(5,678)	82,487

	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	233	(1,212)	(1,738)	(2,717)	3,118	84,616
Changes of items during period						
Dividends of surplus						(1,938)
Profit attributable to owners of parent						5,193
Purchase of treasury shares						(5,000)
Disposal of treasury shares						17
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	101	2,993	(48)	3,046	6	3,052
Total changes of items during Period	101	2,993	(48)	3,046	6	1,324
Balance at end of period	334	1,781	(1,786)	329	3,124	85,940

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2021 through March 31, 2022	April 1, 2022 through March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(1,549)	7,265
Depreciation	4,542	4,737
Impairment losses	131	461
Loss (gain) on valuation of investment securities	10,312	—
Extra retirement payments	635	407
Amortization of goodwill	590	48
Increase (decrease) in retirement benefit liability	(286)	38
Increase (decrease) in allowance for doubtful accounts	305	(82)
Interest and dividend income	(280)	(327)
Interest expenses	107	103
Share of loss (profit) of entities accounted for using equity method	(138)	152
Loss (gain) on sale of investment securities	(329)	(9)
Loss (gain) on sale and retirement of non-current assets	433	(1,397)
Decrease (increase) in trade receivables	1,004	384
Decrease (increase) in inventories	(1,338)	(3,868)
Increase (decrease) in trade payables	1,251	(1,320)
Increase (decrease) in advances received	14,086	(1,816)
Increase (decrease) in accrued expenses	(8,851)	(1,042)
Other, net	1,952	2,501
Subtotal	22,577	6,235
Interest and dividends received	298	479
Interest paid	(109)	(102)
Income taxes refund (paid)	(4,342)	(2,611)
Net cash provided by (used in) operating activities	18,442	4,001
Cash flows from investing activities		
Payments into time deposits	(2,215)	(1,601)
Proceeds from withdrawal of time deposits	221	2,215
Purchase of property, plant and equipment	(4,030)	(4,931)
Proceeds from sale of property, plant and equipment	832	5,649
Purchase of intangible assets	(1,112)	(595)
Purchase of investment securities	(7)	(6)
Proceeds from sale of investment securities	2,403	985
Other, net	—	(3)
Net cash provided by (used in) investing activities	(3,908)	1,713

(Millions of yen)

	April 1, 2021 through March 31, 2022	April 1, 2022 through March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,500)	—
Repayments of long-term borrowings	(1,598)	(6,844)
Purchase of treasury shares	—	(5,000)
Dividends paid to non-controlling interests	(9)	(128)
Dividends paid	(990)	(1,938)
Repayments of lease liabilities	(114)	(92)
Other, net	—	17
Net cash provided by (used in) financing activities	(6,211)	(13,985)
Effect of exchange rate change on cash and cash equivalents	2,219	1,503
Net increase (decrease) in cash and cash equivalents	10,542	(6,768)
Cash and cash equivalents at beginning of period	32,795	43,337
Cash and cash equivalents at end of period	43,337	36,569

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

April 1, 2022 through March 31, 2023

(Millions of yen)

	Reportable segment					Other	Adjustment	Consolidated Total
	Energy	Functional Materials	Optics & Systems	Life Solution	Total			
Sales								
Outside customers	36,774	29,286	37,476	29,240	132,776	—	—	132,776
Intersegment transactions	516	—	—	—	516	—	(516)	—
Total sales	37,290	29,286	37,476	29,240	133,292	—	(516)	132,776
Operating income (loss)	2,359	863	3,889	(1,473)	5,638	—	—	5,638
Segment assets	37,594	32,996	37,384	22,529	130,503	37,674	—	168,177
Other items								
Depreciation	1,459	745	1,758	775	4,737	—	—	4,737
Increase in property, plant and equipment and intangible assets	1,883	635	1,928	685	5,131	—	—	5,131

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