

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]



May 13, 2021

Company name: Neturen Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5976

URL: <https://www.k-neturen.co.jp/>

Representative: Katsumi Omiya, Representative Director, Member of the Board and President

Contact: Takaaki Aoi, General Manager, Accounting Department, Administrative Headquarters

Phone: +81-3-3443-5441

Scheduled date of the ordinary general meeting of shareholders: June 25, 2021

Scheduled date of commencing dividend payments: June 28, 2021

Scheduled date of filing securities report: June 28, 2021

Availability of supplementary explanatory materials on annual financial results: Available

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2021	42,567	(12.8)	920	(55.9)	1,475	(28.8)	268	7.0
March 31, 2020	48,806	(7.9)	2,087	(41.5)	2,071	(49.2)	250	(73.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥1,351 million [-%]

Fiscal year ended March 31, 2020: ¥(594) million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	6.59	—	0.5	1.9	2.2
March 31, 2020	6.14	—	0.4	2.6	4.3

(Reference) Equity in earnings of affiliated companies:

Fiscal year ended March 31, 2021: ¥118 million

Fiscal year ended March 31, 2020: ¥(471) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	75,574	62,714	74.4	1,410.69
As of March 31, 2020	76,277	62,772	73.8	1,379.16

(Reference) Equity: As of March 31, 2021: ¥56,233 million

As of March 31, 2020: ¥56,279 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	3,969	(758)	(1,595)	13,309
March 31, 2020	6,298	(4,020)	(1,810)	11,697

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2020	–	13.00	–	9.00	22.00	897	358.3	1.6
Fiscal year ended March 31, 2021	–	5.00	–	9.00	14.00	563	212.4	1.0
Fiscal year ending March 31, 2022 (Forecast)	–	9.00	–	10.00	19.00		42.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	24,000	30.7	1,000	–	1,100	–	600	–	15.05
Full year	50,000	17.5	2,500	171.7	2,800	89.7	1,800	571.3	45.16

* Notes:

(1) Changes in significant subsidiaries during the fiscal year under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: –

Excluded: –

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the year (including treasury shares):

March 31, 2021: 43,790,500 shares

March 31, 2020: 43,790,500 shares

2) Total number of treasury shares at the end of the year:

March 31, 2021: 3,928,280 shares

March 31, 2020: 2,983,824 shares

3) Average number of shares during the year:

Year ended March 31, 2021: 40,686,347 shares

Year ended March 31, 2020: 40,806,829 shares

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

(Notes on forward-looking statements, etc.)

The forward-looking statements contained in this document are based on judgments made in accordance with information available at the time of the release of this document and include many uncertain factors. Actual results may differ from these forecasts due to changes in business conditions and other factors.

For the assumptions used for the financial results forecast as well as precautions regarding the use of such forecast, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the Attachments.

(Access to the materials for the financial results for the fiscal year ended March 31, 2021)

Supplementary materials for the financial results will be disclosed via TDnet and on the Company’s website.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy was hit by a rapid deterioration in the economic environment due to the novel coronavirus disease (COVID-19) in the first half of the year, but it gradually began to show signs of recovery in the second half. However, in January 2021, a state of emergency was again declared in some areas of Japan, and the situation continued to be extremely severe with no time frame for the containment of the disease in sight, as there were concerns about a rebound in infections even after the lifting of the state-of-emergency declaration.

Overseas, although China and North America were able to emerge from the economic stagnation caused by COVID-19 at a relatively early stage, there are still areas where the timing of its containment is unclear, and the outlook is extremely uncertain.

Under these circumstances, the Group strove to enhance its corporate value by promoting the basic policies set forth in the 14th medium-term business plan “Accomplish V-20” (a plan for the three years from April 2018 to March 2021): (1) Rapid development and market introduction of new technologies, new products, and new businesses, (2) Securing and fostering global human resources who will forge the present and future of the Group, and (3) Building a global structure for safety, quality and CSR activities.

In addition, in response to the rapid changes in the business environment caused by COVID-19, we implemented flexible work support between sites by utilizing surplus time for education and training. At the same time, we strove to reduce costs by cutting expenditures, such as through reviewing equipment investment plans and curbing business trips.

Although orders recovered steadily from the latter half of the fiscal year under review, the decrease in orders due to COVID-19 in the first half of the year had a significant impact. As a result, net sales for the fiscal year under review were ¥42,567 million (down 12.8% year on year). Operating income was ¥920 million (down 55.9% year on year) due to the decrease in net sales, despite efforts to reduce costs. Ordinary income was ¥1,475 million (down 28.8% year on year). Profit attributable to owners of parent was ¥268 million (up 7.0% year on year), mainly due to the recording of gain on sales of investment securities, despite the recording of impairment loss on goodwill of Korea Neteuren Co., Ltd.

Results by business segment are as follows.

1) Specialty Steel and Wire Products Division

Net sales of civil engineering and construction-related products increased slightly year on year, as sales volume was secured despite the postponement of construction work due to the spread of COVID-19.

Net sales of automobiles-related products decreased significantly year on year due to the significant impact of the global market slowdown caused by the spread of COVID-19 in the first half of the fiscal year under review.

Net sales of construction equipment-related products increased year on year, mainly due to increased sales volume in China, where recovery was quicker, despite the impact of the global market slowdown caused by the spread of COVID-19.

As a result, although business conditions have been steadily recovering, the sharp drop in orders in the first half of the fiscal year had a significant impact, resulting in net sales of ¥24,537 million (down 7.5% year on year). However, operating income was ¥685 million (up 27.8% year on year) as a result of the recovery in the Chinese market and the efforts to cut costs.

2) Induction Heating Division

Net sales of induction heat treatment-related services decreased year on year due to the significant impact of the market slowdown caused by the spread of COVID-19 in major industries such as automobiles, machine tools, and construction machinery in the first half of the fiscal year under review.

Net sales of induction heating equipment and related services decreased significantly year on year due to a

delay in the recovery of orders, as customers reviewed their capital expenditures and postponed maintenance due to the spread of COVID-19.

As a result, although business conditions have been steadily recovering, the sharp drop in orders in the first half of the fiscal year had a significant impact, resulting in net sales of ¥17,898 million (down 19.2% year on year). In addition, operating income was ¥170 million (down 88.5% year on year), mainly due to the decline in net sales.

3) Others

This segment covers activities such as real estate leasing business that are not included in the reportable segments.

Rental properties owned by the Company are stably contributing to the Company's business performance, albeit on a small scale.

As a result, net sales were ¥131 million (down 0.7% year on year), and operating income was ¥57 million (down 2.8% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review were ¥75,574 million (down 0.9% year on year). This was mainly due to a decrease in property, plant and equipment as a result of restrained capital investment, and a decrease in intangible assets resulting from impairment loss on goodwill, despite an increase in current assets.

Total liabilities at the end of the fiscal year under review were ¥12,860 million (down 4.8% year on year). This was mainly due to decreases in long-term borrowings and retirement benefit liability.

Net assets at the end of the fiscal year under review were ¥62,714 million (down 0.1% year on year). This was mainly due to a decrease in retained earnings and the repurchase of treasury shares, despite an increase in valuation difference on available-for-sale securities.

As a result, the equity ratio as of the end of the fiscal year under review stood at 74.4%.

(3) Overview of Cash Flows for the Fiscal Year under Review

The balance of cash and cash equivalents (hereinafter, "cash") at the end of the fiscal year under review was ¥13,309 million (an increase of ¥1,611 million from the end of the previous fiscal year), the breakdown of which is as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥3,969 million (¥6,298 million in net cash provided in the previous fiscal year).

This was mainly due to the recording of profit before income taxes of ¥1,198 million, and a smaller decrease in trade receivables than in the previous fiscal year.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥758 million (¥4,020 million in net cash used in the previous fiscal year).

This was mainly due to proceeds from sales and redemption of investment securities of ¥1,000 million, and purchase of property, plant and equipment of ¥1,408 million only.

(Cash Flows from Financing Activities)

Net cash used in financing activities was ¥1,595 million (¥1,810 million in net cash used in the previous fiscal year).

This was mainly due to purchase of treasury shares of ¥506 million.

(Reference) Trends in cash flow-related indicators

	Fiscal years ended March 31				
	2017	2018	2019	2020	2021
Equity ratio	75.5	72.8	72.2	73.8	74.4
Equity ratio based on market value	49.4	54.4	45.1	37.7	32.1
Interest-bearing debt to cash flow ratio	0.3	0.3	0.8	0.5	0.7
Interest coverage ratio	126.7	170.6	109.7	167.5	107.4

(Notes) 1. Calculation method of each indicator

- 1) Equity ratio: Equity / total assets
 - 2) Equity ratio based on market value: Total market value of shares (closing price of stock × total number of issued and outstanding shares) / total assets
 - 3) Interest-bearing debt to cash flow ratio: Interest-bearing debt / cash flow from operating activities
 - 4) Interest coverage ratio: Cash flow from operating activities / interest payments
2. Total market value of shares is calculated based on the number of issued and outstanding shares excluding treasury shares. Cash flow from operating activities is net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows. Interest-bearing debt refers to borrowings recorded on the Consolidated Balance Sheets. The amount of interest payments is the amount of interest expenses recorded on the Consolidated Statements of Income and Comprehensive Income.

(4) Future Outlook

Although it is difficult to foresee the impact of COVID-19 on the economy in the future, it is expected that economic trends in Japan and overseas will remain on a gradual recovery track as vaccinations and other measures to prevent the spread of infection are implemented. However, the situation will continue to be unpredictable for some time, as a third state of emergency was declared in some areas of Japan in April 2021, and it is expected that it will take some time before vaccinations are completed both in Japan and overseas. We expect this to have some impact on orders that the Group will receive.

Under these circumstances, the Group will do its utmost to secure orders and further promote the cost reduction measures that have been developed under the circumstances of the spread of COVID-19. Through these efforts, we forecast consolidated net sales of ¥50,000 million, operating income of ¥2,500 million, ordinary income of ¥2,800 million, and profit attributable to owners of parent of ¥1,800 million for the fiscal year ending March 31, 2022.

In addition, the Group has formulated its 15th medium-term business plan “Change!! New NETUREN 2023” (a plan covering the three years from April 2021 to March 2024). The basic policies of the 15th medium-term business plan are as follows:

- (1) Establishing a profit base by further strengthening the competitiveness of core businesses and introducing new technologies, new products, and new businesses to the market;
- (2) Improving our information development capabilities by promoting digitalization through the establishment of the N-DX (NETUREN Digital Transformation) system;
- (3) Placing the SDGs at the center of management, promoting CO₂ reduction, and contributing to the creation of a sustainable society; and
- (4) Producing human resources who can strengthen the Group’s sales and marketing capabilities globally.

By promoting these basic policies, we will enhance our corporate value.

These forecasts are based on information presently available and include many uncertain factors. Actual results may differ from these forecasts due to changes in business conditions and other factors.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years
Dividends for the fiscal year ended March 31, 2021

In addition to its policy of maintaining stable dividends, the Company has a basic policy to distribute profits in accordance with its business performance and to make decisions on dividends, considering the business environment and financial conditions surrounding the Group.

As a general rule, the minimum amount of “stable dividends” is ¥10 per year for the time being, and as for “distributing profits in accordance with business performance,” the target is a consolidated payout ratio of at least 40%.

In the fiscal year under review, our business performance temporarily declined due to the impact of COVID-19, but it has been steadily recovering. With regard to the year-end dividend (ordinary dividend) for the fiscal year ended March 31, 2021, the Company’s management stance remains focused on returning profits to shareholders, and we propose a year-end dividend of ¥9 per share.

As a result, the total annual dividend, including the interim dividend of ¥5, will be ¥14.

Dividends for the fiscal year ending March 31, 2022

For the fiscal year ending March 31, 2022, there are uncertainties such as the impact of COVID-19 on our business performance. We, however, plan to pay an interim dividend of ¥9 per share and a year-end dividend of ¥10 per share, for a total annual dividend of ¥19 per share, based on our financial results forecast.

2. Basic Policy on Selection of Accounting Standards

The Group’s policy for the time being is to prepare consolidated financial statements in accordance with accounting principles generally accepted in Japan (Japanese GAAP), taking into consideration the comparability of consolidated financial statements from period to period and from company to company.

With regard to the adoption of International Financial Reporting Standards (IFRS), the Group’s policy is to respond appropriately in consideration of various domestic and international circumstances.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	13,737	14,675
Notes and accounts receivable – trade	11,141	10,717
Electronically recorded monetary claims	3,301	3,640
Securities	–	383
Finished goods	1,024	885
Work in process	1,444	1,570
Raw materials and supplies	2,103	2,217
Other	1,755	1,430
Allowance for doubtful accounts	(18)	(41)
Total current assets	34,490	35,478
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,236	21,498
Accumulated depreciation	(12,465)	(12,971)
Buildings and structures, net	8,770	8,527
Machinery, equipment and vehicles	49,627	50,040
Accumulated depreciation	(39,741)	(40,703)
Machinery, equipment and vehicles, net	9,886	9,337
Land	9,880	9,866
Leased assets	139	162
Accumulated depreciation	(82)	(94)
Leased assets, net	56	67
Construction in progress	1,911	1,081
Other	2,553	2,481
Accumulated depreciation	(2,244)	(2,199)
Other, net	309	281
Total property, plant and equipment	30,815	29,163
Intangible assets		
Leasehold interests in land	657	639
Goodwill	895	4
Other	173	141
Total intangible assets	1,725	785
Investments and other assets		
Investment securities	8,560	8,686
Long-term loans receivable	30	28
Retirement benefit asset	91	86
Deferred tax assets	128	126
Other	513	1,300
Allowance for doubtful accounts	(80)	(79)
Total investments and other assets	9,245	10,147
Total non-current assets	41,787	40,096
Total assets	76,277	75,574

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,680	2,793
Electronically recorded obligations – operating	3,361	3,008
Short-term borrowings	1,370	1,486
Lease obligations	40	30
Income taxes payable	205	268
Provision for bonuses	607	699
Provision for bonuses for directors (and other officers)	–	12
Other	2,394	2,091
Total current liabilities	10,659	10,391
Non-current liabilities		
Long-term borrowings	1,645	1,268
Provision for share awards for directors (and other officers)	–	3
Lease obligations	33	170
Deferred tax liabilities	116	389
Retirement benefit liability	939	562
Other	111	75
Total non-current liabilities	2,845	2,469
Total liabilities	13,505	12,860
Net assets		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	4,714	4,698
Retained earnings	47,718	47,415
Treasury shares	(2,641)	(3,106)
Total shareholders' equity	56,209	55,425
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	495	1,141
Foreign currency translation adjustment	(367)	(452)
Remeasurements of defined benefit plans	(58)	118
Total accumulated other comprehensive income	69	807
Non-controlling interests	6,493	6,481
Total net assets	62,772	62,714
Total liabilities and net assets	76,277	75,574

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

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	48,806	42,567
Cost of sales	38,754	34,474
Gross profit	10,052	8,092
Selling, general and administrative expenses		
Selling expense	2,646	2,367
General and administrative expenses	5,319	4,804
Total selling, general and administrative expenses	7,965	7,172
Operating income	2,087	920
Non-operating income		
Interest income	99	74
Dividend income	152	87
Financial aid	–	92
Subsidy income	59	43
Insurance claim and dividend income	69	29
Share of profit of entities accounted for using equity method	–	118
Gain on sales of scraps	88	86
Foreign exchange gains	–	40
Other	82	45
Total non-operating income	552	617
Non-operating expenses		
Interest expenses	37	36
Share of loss of entities accounted for using equity method	471	–
Foreign exchange losses	36	–
Depreciation of inactive non-current assets	8	10
Other	13	14
Total non-operating expenses	567	61
Ordinary income	2,071	1,475
Extraordinary income		
Gain on sales of non-current assets	1	97
Gain on sales of investment securities	15	530
Insurance claim income	11	45
Subsidy income	15	15
Total extraordinary income	43	688
Extraordinary losses		
Loss on sales of non-current assets	8	1
Loss on retirement of non-current assets	29	29
Impairment loss	188	772
Loss on sales of investment securities	–	152
Loss on valuation of investment securities	209	–
Loss on disaster	51	–
Compensation for damage	30	–
Other	4	9
Total extraordinary losses	522	965

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit before income taxes	1,593	1,198
Income taxes – current	575	482
Income taxes – deferred	298	100
Total income taxes	874	583
Profit	719	615
Profit attributable to:		
Profit attributable to owners of parent	250	268
Profit attributable to non-controlling interests	468	347
Other comprehensive income		
Valuation difference on available-for-sale securities	(690)	643
Foreign currency translation adjustment	(435)	(98)
Remeasurements of defined benefit plans, net of tax	(21)	177
Share of other comprehensive income of entities accounted for using equity method	(166)	13
Total other comprehensive income	(1,314)	735
Comprehensive income	(594)	1,351
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(926)	1,006
Comprehensive income attributable to non-controlling interests	331	344

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 31, 2019	6,418	4,724	48,529	(2,641)	57,030
Changes of items during period					
Dividends of surplus			(1,060)		(1,060)
Profit attributable to owners of parent			250		250
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(10)			(10)
Disposal of treasury shares					–
Other					
Total changes of items during period	–	(10)	(810)	(0)	(821)
Balance at March 31, 2020	6,418	4,714	47,718	(2,641)	56,209

	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 March 31, 2019	1,177	98	(36)	1,238	6,328	64,598
Changes of items during period						
Dividends of surplus						(1,060)
Profit attributable to owners of parent						250
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						(10)
Disposal of treasury shares						–
Other	(682)	(465)	(21)	(1,169)	165	(1,004)
Total changes of items during period	(682)	(465)	(21)	(1,169)	165	(1,825)
Balance at March 31, 2020	495	(367)	(58)	69	6,493	62,772

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 31, 2020	6,418	4,714	47,718	(2,641)	56,209
Changes of items during period					
Dividends of surplus			(571)		(571)
Profit attributable to owners of parent			268		268
Purchase of treasury shares				(506)	(506)
Change in ownership interest of parent due to transactions with non-controlling interests					–
Disposal of treasury shares		(15)		41	25
Other					
Total changes of items during period	–	(15)	(303)	(464)	(784)
Balance at March 31, 2021	6,418	4,698	47,415	(3,106)	55,425

	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 March 31, 2020	495	(367)	(58)	69	6,493	62,772
Changes of items during period						
Dividends of surplus						(571)
Profit attributable to owners of parent						268
Purchase of treasury shares						(506)
Change in ownership interest of parent due to transactions with non-controlling interests						–
Disposal of treasury shares						25
Other	646	(84)	177	738	(12)	725
Total changes of items during period	646	(84)	177	738	(12)	(58)
Balance at March 31, 2021	1,141	(452)	118	807	6,481	62,714

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities:		
Profit before income taxes	1,593	1,198
Depreciation	3,189	3,034
Impairment loss	188	772
Amortization of goodwill	123	124
Increase (decrease) in allowance for doubtful accounts	(10)	21
Increase (decrease) in provision for bonuses	(3)	91
Decrease (increase) in retirement benefit asset	(19)	5
Increase (decrease) in retirement benefit liability	(14)	(121)
Interest and dividend income	(252)	(162)
Interest expenses	37	36
Foreign exchange losses (gains)	61	(87)
Share of loss (profit) of entities accounted for using equity method	471	(118)
Loss (gain) on sales of property, plant and equipment	6	(95)
Loss (gain) on disposal of property, plant and equipment	29	29
Loss (gain) on sales of investment securities	(15)	(377)
Loss (gain) on valuation of investment securities	209	–
Decrease (increase) in trade receivables	2,668	98
Decrease (increase) in inventories	405	(103)
Increase (decrease) in trade payables	(1,724)	(241)
Increase (decrease) in accrued consumption taxes	160	49
Other, net	(354)	36
Subtotal	6,752	4,193
Interest and dividend income received	284	174
Interest paid	(38)	(36)
Income taxes (paid) refund	(699)	(361)
Net cash provided by (used in) operating activities	6,298	3,969
Cash flows from investing activities:		
Payments into time deposits	(2,936)	(2,540)
Proceeds from withdrawal of time deposits	3,282	2,156
Purchase of property, plant and equipment	(4,369)	(1,408)
Proceeds from sales of property, plant and equipment	3	127
Purchase of intangible assets	(63)	(19)
Purchase of investment securities	(16)	(12)
Proceeds from sales and redemption of investment securities	137	1,000
Loan advances	(1)	(10)
Collection of loans receivable	11	12
Purchase of long-term prepaid expenses	(39)	(47)
Other, net	(28)	(18)
Net cash provided by (used in) investing activities	(4,020)	(758)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from financing activities:		
Proceeds from short-term borrowings	1,338	1,374
Repayments of short-term borrowings	(1,360)	(1,258)
Proceeds from long-term borrowings	20	170
Repayments of long-term borrowings	(533)	(539)
Purchase of treasury shares	(0)	(506)
Dividends paid	(1,060)	(571)
Dividends paid to non-controlling interests	(321)	(357)
Proceeds from share issuance to non-controlling shareholders	61	–
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	83	–
Other, net	(36)	92
Net cash provided by (used in) financing activities	(1,810)	(1,595)
Effect of exchange rate change on cash and cash equivalents	(56)	(4)
Net increase (decrease) in cash and cash equivalents	411	1,611
Cash and cash equivalents at beginning of period	11,286	11,697
Cash and cash equivalents at end of period	11,697	13,309