



Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (Japanese GAAP)

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Tokyo Stock Exchange

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(Amounts less than one million yen are omitted)

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

(1) Consolidated operating results (Percentage figures represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2021	85,220	(20.6)	0.7	(100.0)	219	(91.6)	(3,363)	—
March 31, 2020	107,298	(23.5)	2,064	(47.6)	2,599	(39.8)	1,565	—

Note: Comprehensive income: Fiscal year ended March 31, 2021 ¥(1,729 million) [-%]
 Fiscal year ended March 31, 2020 ¥457 million [-%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended March 31, 2021	Yen (148.47)	Yen -	% (6.4)	% 0.3	% 0.0
March 31, 2020	69.15	-	2.9	3.0	1.9

Reference: Equity in earnings of affiliated companies: Fiscal year ended March 31, 2021 ¥- million
 Fiscal year ended March 31, 2020 ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of March 31, 2021	Millions of yen 77,233	Millions of yen 55,993	% 65.6	Yen 2,276.20
As of March 31, 2020	80,825	58,995	66.5	2,369.46

Reference: Equity capital: As of March 31, 2021 ¥50,638 million
 As of March 31, 2020 ¥53,771 million

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents, end of year
Fiscal year ended March 31, 2021	Millions of yen 739	Millions of yen (1,960)	Millions of yen (2,624)	Millions of yen 20,373
March 31, 2020	11,092	516	(8,823)	23,930

2. Dividends

	Annual dividends					Total cash dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
Fiscal year ended March 31, 2020	Yen -	Yen 20.00	Yen -	Yen 15.00	Yen 35.00	Millions of yen 794	% 50.6	% 1.5
Fiscal year ended March 31, 2021	-	10.00	-	5.00	15.00	570	-	0.6
Fiscal year ending March 31, 2022 (Forecast)	-	10.00	-	10.00	20.00		151.1	

Note: The dividend paid at the end of the second quarter of the fiscal year ended March 31, 2020 comprised an ordinary dividend of ¥15.00 and a commemorative dividend of ¥5.00.

3. Forecast of Financial Results for the Fiscal Year Ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Percentage figures represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	90,000	5.6	1,000	-	1,000	356.3	300	-	13.48

Note: The Group has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) from the beginning of the fiscal year ending March 31, 2022. The above consolidated financial forecast is the amount after the application of the said accounting standard.

* Notes

(1) Changes in major subsidiaries during the year (changes in specified subsidiaries accompanying changes in the scope of consolidation): No

Newly added: - subsidiaries (Company name) -
Excluded: - subsidiaries (Company name) -

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

(i) Changes in accounting policies due to amendment of accounting standards, etc. : No

(ii) Changes in accounting policies other than (i) : No

(iii) Changes in accounting estimates : No

(iv) Restatement : No

(3) Number of shares outstanding (common stock)

(v) Number of issued shares at the end of the period (including treasury stock)

March 31, 2021: 25,000,000

March 31, 2020: 26,000,000

(vi) Number of treasury stock at the end of the period

March 31, 2021: 2,752,847

March 31, 2020: 3,306,288

(vii) Average number of shares outstanding for the period

Fiscal year ended March 31, 2021: 22,657,406

Fiscal year ended March 31, 2020: 22,631,618

(Reference) Summary of non-consolidated results

1. Non-consolidated Financial Results for the Fiscal year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

(Percentage figures represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2021	38,035	(35.8)	(1,534)	-	(325)	-	(3,392)	-
March 31, 2020	59,284	(34.4)	(2,921)	-	(2,053)	-	338	(56.2)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2021	(149.72)	-
March 31, 2020	14.95	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	38,832	20,688	53.3	929.93
As of March 31, 2020	42,093	25,050	59.5	1,103.85

Reference: Equity capital: As of March 31, 2021 ¥20,688 million
As of March 31, 2020 ¥25,050 million

* Consolidated financial statements are not subject to audit by a certified public accountant or an audit corporation.

* Information on proper use of the projected financial results and other notes

Forward-looking statements in this document, including earnings projections, are based on currently available information and certain assumptions that the Company regards as reasonable at the time of writing. Actual results may differ greatly from the forecast figures depending on various factors. For the preconditions of and precautions in using the earnings projections, please refer to "Overview of operating results, etc." on page 2 of the Attachment.

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1. Overview of operating results, etc.

(1) Operating results for the year under review

During the fiscal year ended March 31, 2021, the outbreak of the COVID-19 pandemic resulted in an unprecedented slump in the global economy, which is now gradually recovering due to the fiscal measures of various countries. However, restrictions and voluntary restraints on certain activities in response to the resurgence of COVID-19 cases continue to weigh on economic growth, creating uncertainty around the future outlook.

In the electronic components industry, a key sector for the Foster Group (the "Group"), the COVID-19 crisis led to a sharp drop in components demand. However, with the Chinese economy's recovery, demand started to bounce back from around the middle of the year, particularly in the automotive industry, despite concerns around the resurgence of cases and semiconductor chip shortages. The development of electric vehicles (EVs) for decarbonization accelerated and raised expectations for future components demand, including for the development of autonomous driving.

Under these circumstances, the Group secured orders by capturing the recovery in demand in the auto industry. By the second half of the period under review, sales had mostly recovered to the level of its initial forecast. Simultaneously, the Group dealt with uncertainties in the market environment by making efforts to strengthen the corporate structure. These included cost reductions, curtailment of capital investments, rationalization of operations, and further workstyle reform measures such as the adoption of remote work. However, profit levels were squeezed for the full-year period, due to the sharp rise in global container freight since October 2020 triggered by COVID-19, local supply chain disruptions, soaring raw material prices, political upheaval in Myanmar this year, and the emergence of a shortage of semiconductor chips.

As a result, consolidated net sales for the fiscal year ended March 31, 2021 came to ¥85,220 million (down 20.6% YoY), operating income to ¥0.7 million (down 100.0% YoY), and ordinary income to ¥219 million (down 91.6% YoY). The net loss attributable to owners of the parent amounted to ¥3,363 million (in the previous year, net income attributable to owners of the parent of ¥1,565 million) as a result of recording extraordinary losses such as impairments of non-current assets and special retirement benefits due to the implementation of special early retirement incentives.

Results by segment were as follows.

[Speaker Segment]

Sales of car speakers and speaker systems declined sharply in the first quarter due to the impact of the COVID-19 crisis. However, from the middle of the year onward, the operating rate of customers' automobile plants increased, driven by the recovery of the Chinese market. Hence, the Group's sales also recovered to the level of its initial forecast by the second half of the period under review. From the third quarter onward, however, profits were severely squeezed by a sharp rise in global container freight rates, local supply chain disruptions, soaring raw material prices, political upheaval in Myanmar, and the emergence of semiconductor chip shortages. As a result, net sales came to ¥56,736 million (down 11.3% YoY) and operating income to ¥377 million (down 85.3% YoY).

[Mobile Audio Segment]

Shipments of consumer-use actuators were in line with the plan. However, sales of headsets for a major customer continued to decline as expected at the beginning of the fiscal year. As a result, net sales were ¥21,574 million (down 41.8% YoY), and the operating loss was ¥424 million (in the previous year, operating loss of ¥187 million yen).

[Other Segment]

Net sales in the Other segment, which includes FOSTEX brand products, amounted to ¥7,244 million (up 12.2% YoY), driven by the steady growth of sales for micro acoustic components used in automotive applications. Operating income was ¥47 million (in the previous year, operating loss of ¥320 million).

(2) Financial position for the year under review

As of March 31, 2021, total assets amounted to ¥77,233 million, down ¥3,592 million from their level on March 31, 2020, mainly because of a decrease in securities. Owing chiefly to a decrease in long-term debt, total liabilities declined ¥590 million to ¥21,239 million. Net assets came to ¥55,993 million, down ¥3,002 million, mainly as the result of a decrease in retained earnings. The equity ratio was 65.6% as of March 31, 2021, down 0.9 percentage points from March 31, 2020.

(3) Cash flow for the year under review

[Operating activities]

Net cash provided by operating activities was ¥739 million. The principal source of cash was an increase in trade notes and accounts payable.

[Investing activities]

Net cash used in investing activities totaled ¥1,960 million, due mainly to the purchase of property, plant and equipment.

[Financing activities]

Net cash used in financing activities totaled ¥2,624 million. The main use of cash was for the reduction of long-term debt.

As a result, cash and cash equivalents as of March 31, 2021 stood at ¥20,373 million, down ¥3,557 million from the level on March 31, 2020.

(4) Future outlook

Although there are uncertainties that remain due to COVID-19, the global economy is expected to show a gradual recovery due to the widespread use of vaccines and the fiscal and monetary policies of various countries.

In the electronic components industry, there are concerns about the lingering effects of COVID-19 and the impact of semiconductor chip shortages, particularly in the automotive market where the Group is focusing its efforts. However, demand for components will likely continue to recover gradually, driven by a global recovery in automobile production. Robust growth in demand for electronic components over the medium to long term is also expected, in line with the industrialization of new technologies, such as AI, 5G, and next-generation automobiles.

Under such circumstances, the Foster Group has adopted the vision “to make contributions for future society through acoustics.” Its mission calls for, “through acoustic products or its solutions, a total commitment to help create a comfortable life and pleasure of communication around the world,” and positions the Group as “a truly global enterprise our future society counts on.” In addition to solidifying its position in the industry, the Group will work to create a structure that enables sustainable growth while further enhancing its businesses and corporate value as a global company.

Despite the impact of COVID-19, the Group’s policy of steadily implementing the medium-term business plan announced and started last year remains unchanged.

In the medium term (through FY2024), the Group aims to “elevate position from OEM/ODM supplier to a strategic partner.” Leveraging the ability to provide a one-stop solution for all kinds of acoustic and vibration devices installed in cars, the Group will work to develop, produce, and sell new products to become an indispensable part of the automotive industry. First, the Group aims to achieve its medium-term financial targets of ¥120.0 billion in net sales, ¥5.0 billion in operating income, and an operating margin of 4.2% without fail. By steadily implementing the medium-term management plan, it aims to further increase net sales, operating income, and operating margin.

In the long term (through FY2030), the Group aims to become “world’s No.1 ‘acoustic’ solution partner.” As a specialist in acoustic solutions, we aim to establish a brand profile where people instantly think of Foster Electric when it comes to matters related to sound or vibration. It intends to be involved in customer operations even more by supporting and promoting a wide range of market needs related to auditory and tactile senses—not only in the automotive business, but also in promising industrial fields that will contribute to future society, such as robotics, wearables, and wellness. The goal is to become the world’s most reliable “acoustic” partner for customers.

This year, which is the first year of the current medium-term management plan, the Group will make further improvements to the corporate structure, according to the basic policies of “pursuing superior quality in our automotive business, improving profitability, and becoming a strategic partner in the in-vehicle related business.”

The Group will strive to make improvements across the organization, in Japan and overseas, by focusing on the following initiatives: “establishment and thorough implementation of automotive operational quality,” “strengthening of manufacturing system,” “global human resource development,” and “responding to market changes.” Additionally, to further instill ESG-oriented management, the Group will develop a system to promote such initiatives internally. It will steadily make efforts to become a company that is trusted and needed by society and the market, aiming to realize “Be Happy 80%” among Group employees, which is another initiative set forth in the medium-term management plan.

Consolidated earnings projections for the fiscal year ending March 31, 2022 are as follows.

Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
¥90,000 million	¥1,000 million	¥1,000 million	¥300 million

* The projections above are based on exchange rates of ¥108 to the US dollar and ¥128 to the euro.

Notes concerning earnings projections

The earnings projections above are calculated based on information currently available and assumptions made at the present time, which include risk factors and other uncertainties that may affect future earnings. Actual earnings may differ from the projections and estimates above due to a broad range of factors including but not limited to

economic conditions surrounding the business segments of the Group, business conditions in related markets and at OEM customers, rival and price competition trends in Japan and overseas, market conditions for raw materials, exchange rates, risks associated with overseas operations, laws and regulations in Japan and overseas, disasters and accidents, and share prices.

(5) Basic policy for profit sharing and dividends for the current and next fiscal year

The Group regards the enhancement of corporate value as a management priority, and its basic policy is to comprehensively increase the benefit of shareholders, while balancing profit distributions commensurate with earnings with long-term expansion of internal reserves. The Group targets a dividend payout ratio of at least 20% on a consolidated basis.

Based on this policy, the Group plans to pay a year-end dividend of ¥5 per share considering the results of the fiscal year under review and the future business environment. Combined with a ¥10 per share interim dividend, this will bring the annual dividend to ¥15 per share.

For the next fiscal year, the Group forecasts an annual dividend of ¥20 per share, considering the current business environment and future earnings outlook.

2. Basic policies concerning the selection of accounting standards

In consideration of the comparability between consolidated financial statements for different fiscal years and companies, the Group's policy is to continue to prepare consolidated financial statements under Japanese GAAP for the foreseeable future.

Meanwhile, with an eye to the future adoption of IFRS, the Group is preparing internal manuals, guidelines, and other documentation, and examining the timing of IFRS adoption.

3. Consolidated financial statements and important notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	14,770	15,470
Notes and accounts receivable–trade	14,852	16,768
Electronically recorded monetary claims–operating	293	177
Securities	10,098	5,622
Finished goods	11,856	11,517
Raw materials	4,342	5,656
Work in process	1,293	1,159
Supplies	131	147
Accounts receivable–other	921	831
Other	1,424	1,721
Allowance for doubtful receivables	(31)	(32)
Total current assets	59,952	59,040
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,868	12,995
Accumulated depreciation	(5,740)	(6,237)
Buildings and structures, net	8,127	6,758
Machinery, equipment and vehicles	19,790	18,364
Accumulated depreciation	(14,408)	(13,770)
Machinery, equipment and vehicles, net	5,382	4,594
Tools, furniture and fixtures	10,930	10,918
Accumulated depreciation	(9,143)	(9,385)
Tools, furniture and fixtures, net	1,787	1,533
Land	1,435	1,442
Construction in progress	1,247	883
Net property, plant and equipment	17,980	15,213
Intangible assets		
Software	98	69
Other	118	119
Total intangible assets	217	189
Investments and other assets		
Investment securities	1,297	1,482
Long-term prepaid expenses	112	83
Asset for employees' retirement benefits	715	791
Deferred tax assets	263	199
Other	286	234
Total investments and other assets	2,675	2,790
Total non-current assets	20,872	18,193
Total assets	80,825	77,233

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable–trade	7,390	8,735
Short-term bank loans	2,138	2,556
Current portion of long-term debt	1,766	1,528
Accounts payable–other	2,782	2,768
Income taxes payable	646	301
Accrued expenses	1,739	1,719
Reserve for bonuses	549	362
Other	770	766
Total current liabilities	17,783	18,738
Non-current liabilities		
Long-term debt	2,637	1,118
Deferred tax liabilities	633	588
Liability for employees' retirement benefits	63	74
Liability for directors' retirement benefits	16	16
Provisions for stock benefit program	121	146
Asset retirement obligations	249	254
Other	323	301
Total non-current liabilities	4,047	2,501
Total liabilities	21,830	21,239
Net assets		
Shareholders' equity		
Common stock	6,770	6,770
Capital surplus	7,957	6,896
Retained earnings	45,696	41,299
Treasury stock	(5,089)	(4,129)
Total shareholders' equity	55,335	50,837
Accumulated other comprehensive income		
Unrealized gain on investment securities	126	298
Foreign currency translation adjustment	(1,281)	(82)
Remeasurements of defined benefit plans	(409)	(414)
Total accumulated other comprehensive income	(1,563)	(198)
Non-controlling interests	5,224	5,354
Total net assets	58,995	55,993
Total liabilities and net assets	80,825	77,233

**(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	107,298	85,220
Cost of sales	92,611	74,097
Gross profit	14,687	11,123
Selling, general and administrative expenses	12,623	11,122
Operating income	2,064	0
Non-operating income		
Interest income	287	125
Dividend income	406	39
Miscellaneous income	412	510
Total non-operating income	1,106	675
Non-operating expenses		
Interest expense	128	67
Foreign currency exchange loss	273	15
Miscellaneous loss	168	373
Total non-operating expenses	571	456
Ordinary income	2,599	219
Extraordinary income		
Gain on sales of non-current assets	2,952	—
State subsidy	298	—
Gain on sales of investment securities	882	—
Total extraordinary income	4,133	—
Extraordinary losses		
Impairment losses	2,529	1,988
Special retirement payments	956	522
Loss on valuation of investment securities	—	360
Total extraordinary losses	3,485	2,871
Income (loss) before income taxes	3,247	(2,652)
Income taxes - current	1,018	261
Income taxes - deferred	89	64
Total income taxes	1,108	325
Net income (loss)	2,139	(2,978)
Net income attributable to non-controlling interests	574	385
Net income (loss) attributable to owners of the parent	1,565	(3,363)

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net income (loss)	2,139	(2,978)
Other comprehensive income (loss)		
Unrealized gain on investment securities	(550)	171
Foreign currency translation adjustment	(1,259)	1,129
Remeasurements of defined benefit plans	128	(52)
Total other comprehensive income (loss)	(1,682)	1,248
Comprehensive income (loss)	457	(1,729)
(Breakdown)		
Total comprehensive income (loss) attributable to owners of the parent	(26)	(1,998)
Total comprehensive income attributable to non-controlling interests	483	268

(3) Consolidated statement of changes in shareholders' equity
Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2019	6,770	7,961	44,813	(5,222)	54,322
Changes during the year					
Dividends paid			(681)		(681)
Net income (loss) attributable to owners of the parent			1,565		1,565
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(3)		133	129
Retirement of treasury stock					
Net change in items other than shareholders' equity during the year (net value)					
Net change in the year	—	(3)	883	133	1,012
Balance, March 31, 2020	6,770	7,957	45,696	(5,089)	55,335

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on investment securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2019	677	(161)	(488)	27	4,944	59,294
Changes during the year						
Dividends paid						(681)
Net income (loss) attributable to owners of the parent						1,565
Purchase of treasury stock						(0)
Disposal of treasury stock						129
Retirement of treasury stock						
Net change in items other than shareholders' equity during the year (net value)	(550)	(1,119)	79	(1,591)	279	(1,311)
Net change in the year	(550)	(1,119)	79	(1,591)	279	(298)
Balance, March 31, 2020	126	(1,281)	(409)	(1,563)	5,224	58,995

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

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2020	6,770	7,957	45,696	(5,089)	55,335
Changes during the year					
Dividends paid			(570)		(570)
Net income (loss) attributable to owners of the parent			(3,363)		(3,363)
Purchase of treasury stock				(569)	(569)
Disposal of treasury stock				5	5
Retirement of treasury stock		(1,060)	(463)	1,523	—
Net change in items other than shareholders' equity during the year (net value)					
Net change in the year		(1,060)	(4,397)	959	(4,498)
Balance, March 31, 2021	6,770	6,896	41,299	(4,129)	50,837

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on investment securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2020	126	(1,281)	(409)	(1,563)	5,224	58,995
Changes during the year						
Dividends paid						(570)
Net income (loss) attributable to owners of the parent						(3,363)
Purchase of treasury stock						(569)
Disposal of treasury stock						5
Retirement of treasury stock						—
Net change in items other than shareholders' equity during the year (net value)	171	1,198	(4)	1,365	130	1,495
Net change in the year	171	1,198	(4)	1,365	130	(3,002)
Balance, March 31, 2021	298	(82)	(414)	(198)	5,354	55,993

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Operating activities		
Income before income taxes	3,247	(2,652)
Depreciation and amortization	3,159	3,148
(Increase) decrease in asset for employees' retirement benefits	(16)	(75)
Increase (decrease) in liability for employees' retirement benefits	(10)	8
Increase (decrease) in directors' retirement benefits	4	0
Increase (decrease) in allowance for doubtful receivables	6	1
Increase (decrease) in reserve for bonuses	(138)	(185)
Loss (gain) on sales of property, plant and equipment	(2,952)	—
Subsidy income	298	—
Impairment losses	2,529	1,988
Special retirement payments	956	522
Loss (gain) on valuation of investment securities	—	360
Loss (gain) on sales of investment securities	(882)	—
Interest and dividend income	(694)	(165)
Interest expense	128	67
Foreign exchange loss (gain)	36	(56)
Decrease (increase) in trade notes and accounts receivable	3,687	(1,636)
Decrease (increase) in inventories	4,743	(792)
Increase (decrease) in trade notes and accounts payable	(723)	1,332
Decrease (increase) in other accounts receivable	76	90
Increase (decrease) in other accounts payable	(242)	(240)
Other	(514)	(275)
Subtotal	12,104	1,441
Interest and dividend income received	694	165
Interest expenses paid	(128)	(67)
Proceeds from subsidy income	298	—
Payments for special retirement expenses	(956)	(227)
Income taxes - paid	(919)	(968)
Income taxes refund	—	396
Net cash provided by (used in) operating activities	11,092	739
Investing activities		
Purchases of securities	(1,501)	(771)
Proceeds from redemption of securities	2,172	990
Purchases of investment securities	(0)	(0)
Proceeds from sales of investment securities	1,181	—
Purchases of property, plant and equipment	(4,254)	(2,099)
Proceeds from sales of property, plant and equipment	2,841	—
Purchases of intangible assets	(74)	(31)
Decrease (increase) in time deposits	218	—
Payment for long-term prepaid expenses	(81)	(39)
Other	12	(8)
Net cash provided by (used) in investing activities	516	(1,960)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Financing activities		
Increase (decrease) in short-term bank loans payable, net	(439)	428
Repayments of long-term debt	(7,538)	(1,753)
Dividends paid	(681)	(570)
Dividends paid to non-controlling interests	(148)	(159)
Purchase of treasury stock	(0)	(569)
Other	(15)	—
Net cash provided by (used in) financing activities	(8,823)	(2,624)
Effect of exchange rate changes on cash and cash equivalents	(378)	287
Net increase (decrease) in cash and cash equivalents	2,406	(3,557)
Cash and cash equivalents, beginning of period	21,524	23,930
Cash and cash equivalents, end of period	23,930	20,373

(5) Notes to the consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Changes in presentation method)

(Application of the “Accounting Standard for Disclosure of Accounting Estimates”)

The “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ No. 31, March 31, 2020) has been applied to the fiscal year-end consolidated financial statements for the fiscal year ended March 31, 2021. Notes on important accounting estimates are included in the consolidated financial statements.

However, the notes to the consolidated financial statements do not describe the contents for the previous consolidated fiscal year in accordance with the transitional treatment prescribed in the proviso of Paragraph 11 of ASBJ No. 31.

Impairment of non-current assets

(1) Amount of non-current assets recorded in the consolidated financial statements for the fiscal year ended March 31, 2021

Property, plant and equipment: ¥15,213 million

Intangible assets: ¥189 million

(2) Other information that may be useful to users of financial statements regarding the content of accounting estimates

(Method of calculating the amount of estimates)

The Group reports the estimates according to Japanese GAAP for domestic bases and according to “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18) for overseas production bases. Accordingly, the Group has assessed whether there was any indication that non-current assets were impaired as of the end of the fiscal year under review, in accordance with the International Financial Reporting Standards (IFRS). When there was an indication that an asset group held by the Group may have been impaired, an impairment test was conducted. When the recoverable amount of the asset group was less than the carrying amount, the carrying amount of the asset group was written down to its recoverable amount. The recoverable amount is the higher of its value in use and its net selling value (under Japanese GAAP) or its fair value less costs of disposal (under IFRS).

(Major assumptions for calculating the amount of estimates)

The value in use is calculated based on the budget and medium-term business plan for the following fiscal year. Net selling value or fair value less costs of disposal is calculated based on the real estate appraisals obtained from outside experts. The budget and medium-term business plan as well as the market value and fair value reflect the estimated effects of the spread of COVID-19 and the political situation in some countries, which are assumed to continue for a certain period of time after the following fiscal year.

(Impact on the financial statements for the following fiscal year)

If it becomes necessary to revise the budget and medium-term business plan used to calculate the value in use, or if there is a decline in the real estate appraisal used to calculate the net selling value or fair value less costs of disposal, an impairment loss may be recognized in the following fiscal year.

The Group recorded an impairment loss of ¥1,988 million for the fiscal year ended March 31, 2021.

(Segment information, etc.)

[Segment information]

1. Outline of reportable segments

The reportable segments are the business units for which the Company is able to obtain separate financial information, and for which its Board of Directors makes periodic reviews to determine the distribution of management resources and evaluate performance.

The Company distinguishes three business segments according to the nature of the products they provide and the similarity of the markets they supply: "Speaker Segment," "Mobile Audio Segment," and "Other Segment."

The Speaker Segment manufactures and distributes audio and TV speakers and speaker systems, as well as car speakers and speaker systems. The Mobile Audio Segment manufactures and distributes headphones, headsets, micro speakers, and vibration actuators. The Other Segment manufactures and distributes FOSTEX brand products, and electronic buzzers and sounders for applications such as alarms or warnings, and provides logistics services, etc.

2. Method of accounting for net sales, income or loss, assets, liabilities, and other items for each reportable segment

The accounting method for the reported business segments is in accordance with the accounting policies used to prepare the consolidated financial statements.

Income in the reportable segments is based on operating income.

3. Information on net sales, income or loss, assets, liabilities, and other items for each reportable segment

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

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated statement of income * Note 2
	Speaker	Mobile Audio	Other			
Net sales						
Sales to external customers	63,955	37,059	6,283	107,298	—	107,298
Inter-segment sales or transfers	—	—	170	170	(170)	—
Total	63,955	37,059	6,454	107,469	(170)	107,298
Segment income (loss)	2,571	(187)	(320)	2,064	(0)	2,064
Segment assets	34,535	12,166	4,649	51,351	29,474	80,825
Other						
(1) Depreciation	2,106	698	354	3,159	—	3,159
(2) Impairment loss	1,151	1,109	269	2,529	—	2,529
(3) Investment in entities accounted for using equity method	257	—	—	257	—	257
(4) Increase in property, plant and equipment, and intangible assets	2,435	1,564	328	4,328	—	4,328

Notes: 1. The adjusted amounts are as follows:

(1) The adjustments for segment income (loss) reflect the elimination of inter-segment transactions.

(2) The ¥29,474 million in adjustments to segment assets pertain to company-wide assets that are not distributed to each reportable segment.

2. Total segment income (loss) is adjusted with the value of operating income posted in the consolidated statement of income.

3. Information on impairment loss of non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

In the Speaker segment, an impairment loss of ¥1,151 million was recorded on non-current assets related to business assets.

In the Mobile Audio segment, an impairment loss of ¥1,109 million was recorded on non-current assets related to business assets.

In the Other segment, an impairment loss of ¥269 million was recorded on non-current assets related to business assets.

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

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated statement of income * Note 2
	Speaker	Mobile Audio	Other			
Net sales						
Sales to external customers	56,736	21,574	6,909	85,220	—	85,220
Inter-segment sales or transfers	—	—	334	334	(334)	—
Total	56,736	21,574	7,244	85,555	(334)	85,220
Segment income (loss)	377	(424)	47	0	(0)	0
Segment assets	37,092	9,659	4,432	51,184	25,928	77,112
Other						
(1) Depreciation	1,964	925	258	3,148	—	3,148
(2) Impairment loss	1,658	104	225	1,988	—	1,988
(3) Investment in entities accounted for using equity method	212	—	—	—	—	212
(4) Increase in property, plant and equipment, and intangible assets	1,392	556	183	2,131	—	2,131

Notes: 1. The adjusted amounts are as follows:

(1) The adjustments for segment income (loss) reflect the elimination of inter-segment transactions.

(2) The ¥25,928 million in adjustments to segment assets pertain to company-wide assets that are not distributed to each reportable segment.

2. Total segment income (loss) is adjusted with the value of operating income posted in the consolidated statement of income.

3. Information on impairment loss of non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

In the Speaker segment, an impairment loss of ¥1,658 million was recorded on non-current assets related to business assets.

In the Mobile Audio segment, an impairment loss of ¥104 million was recorded on non-current assets related to business assets.

In the Other segment, an impairment loss of ¥225 million was recorded on non-current assets related to business assets.

(Per-share information)

The amounts and bases for the calculation of net assets per share and net income (loss) per share are as follows.

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets per share	¥2,369.46	¥2,276.20
Net income (loss) per share	¥69.15	¥(148.47)

Note 1. The diluted net income per share is not stated as there were no dilutive shares.

Note 2. The basis for calculation of net income (loss) per share is as follows.

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net income (loss) per share		
Net income (loss) attributable to owners of the parent (Millions of yen)	1,565	(3,363)
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income (loss) attributable to owners of the parent relating to common shares (Millions of yen)	1,565	(3,363)
Average number of common shares outstanding for the year (shares)	22,631,618	22,657,406

Note 3. The basis for the calculation of net assets per share is as follows.

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Total net assets (Millions of yen)	58,995	55,993
Amount to be deducted from total net assets (Millions of yen)	5,224	5,354
Of which, non-controlling interests (Millions of yen)	5,224	5,354
Year-end net assets relating to common shares (Millions of yen)	53,771	50,638
Number of common shares at year-end used for calculating net assets per share (shares)	22,693,712	22,247,153

Note 4. In the calculation of net assets per share, the Company's shares held as trust assets of the Board Benefit Trust (BBT) by Custody Bank of Japan, Ltd. (Trust E Account) are included in the treasury stock that is deducted from the number of shares outstanding at year-end (110,664 shares at the end of the previous consolidated fiscal year, 107,823 shares at the end of the fiscal year under review).

In addition, in the calculation of net income or loss per share, they are included in the treasury stock that is deducted in the calculation of the average number of shares outstanding for the period (110,664 shares in the previous consolidated fiscal year, 107,823 shares in the fiscal year under review).

(Important subsequent events)

Not applicable.

4. Other

(1) Changes in executives

Not applicable.

(i) Change in other executives (scheduled for June 23, 2021) **Disclosed on February 25, 2021**

Candidates for new director

Hiroki Miura, Director (current: Executive Officer & General Manager-Technology)
Kaoru Chujo, Outside Director (formerly General Manager, AI Service Business Unit,
Fujitsu Limited)

Retiring directors

Hidetoshi Shirakawa, Director (appointed as Senior Executive Officer and General
Manager of Corporate Planning Department)
Chieko Matsuda, Outside Director

(2) Other

Not applicable.