Consolidated Financial Statements

Toho Zinc Co., Ltd.
and Consolidated Subsidiaries

For the year ended March 31, 2021
with Independent Auditor's Report

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Contents to Consolidated Financial Statements

Independent Auditor's Report

The Board of Directors
Toho Zinc Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Toho Zinc Co., Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of deferred tax assets	
Description of Key Audit Matter	Auditor’s Response
The Company has recorded deferred tax assets before offsetting against deferred tax liabilities of ¥2,364 million, as of March 31, 2021, described in Note 1(s)(1) Recoverability of Deferred Tax Assets. Of these, deferred tax assets before offsetting against deferred tax liabilities recorded by Toho Zinc Co., Ltd. (“Toho Zinc”) amounted to ¥704 million. The recoverability of deferred tax assets is assessed for future temporary differences and tax loss carryforwards, through estimating taxable income before temporary differences based on future earning power, etc. Estimates of future taxable income are based on future business plans, and important assumptions are market conditions such as metal prices and foreign exchange rates, and purchasing conditions. The determination of the recoverability of Toho Zinc’s deferred tax assets involves uncertainty as to future business plans and requires management judgment. We therefore have determined this to be a key audit matter for the year ended March 31, 2021.	In considering the recoverability of Toho Zinc’s deferred tax assets, we conducted our audit procedures mainly as follows: ・Regarding the balance of future deductible temporary differences and tax loss carryforwards, we examined the scheduling of the timing when they are expected to be utilized. ・In order to assess estimates of future taxable income, we considered the underlying future business plan. In considering the future business plan, we considered its consistency with the latest budget approved by the Board of Directors. ・To assess the effectiveness of the management’s estimation process in developing business plans, we compared business plans for previous years and actual results. ・We made inquiries of management about market conditions such as metal prices and foreign exchange rates, which are important assumptions included in future business plans, and purchasing conditions made comparisons with the results of past trend analysis. ・We examined management’s evaluation of uncertainty reflecting a certain level of risk in the business plan.

<table>
<tr><td colspan="2">Impairment loss on fixed assets in Mineral Resource business</td></tr>
<tr><td>Description of key audit matter</td><td>Auditor's Response</td></tr>
<tr><td>As described in Note 1(s). Significant Accounting Estimates, (3). Impairment loss on fixed assets in Mineral Resource business, the Company recorded an impairment loss of ¥1,491 million on fixed assets in the Mineral Resource business during the fiscal year ended March 31, 2021.
In considering impairment loss on fixed assets in the Mineral Resource business, the Company measures the recoverable amount of the asset group based on value in use. The future cash flows used to calculate value in use are based on the business plan for the following fiscal year. Important assumptions used in formulating the business plan include information on external factors such as the business environment (market conditions such as metal prices, foreign exchange rates, and purchasing conditions, etc.), production volume, growth rate and discount rate.
The above significant assumptions involve uncertainties and require management judgment. We therefore have determined this to be a key audit matter for the year ended March 31, 2021.</td><td>For auditing the impairment of fixed assets in the Mineral Resources Business, we have engaged our constituent unit team and conducted our audit procedures mainly as follows:
・We have engaged valuation specialists from our network firm to review the product production and growth rate assumptions used in the calculation of future cash flows, which are assumptions for the value in use calculated by the Company.
・We made inquiries to management about market conditions such as metal prices and foreign exchange rates, which are important assumptions included in future business plans, and purchasing conditions and made comparisons with the results of past trend analysis.
・We performed a sensitivity analysis on the discount rate adopted by the Company.</td></tr>
</table>

Responsibilities of Management, the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2021 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

Ernst & Young ShinNihon LLC
Tokyo, Japan
June 29, 2021

Akira Sato
Designated Engagement Partner
Certified Public Accountant

Yasuhito Tateishi
Designated Engagement Partner
Certified Public Accountant

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet

	March 31, 2021	March 31, 2020	March 31, 2021
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Assets			
Current assets:			
Cash and time deposits *(Notes 14 and 16)*	**¥ 5,934**	¥ 8,207	**$ 53,599**
Notes and accounts receivable, trade *(Note 14)*	**14,061**	10,655	**127,007**
Electronically recorded monetary claims *(Note 14)*	**1,412**	231	**12,754**
Inventories *(Note 3)*	**33,100**	35,006	**298,979**
Other current assets	**2,471**	5,201	**22,319**
Less: Allowance for doubtful accounts	**(0)**	(0)	**(0)**
Total current assets	**56,979**	59,301	**514,668**
Property, plant and equipment:			
Buildings and structures *(Notes 5 and 7)*	**24,203**	25,581	**218,616**
Machinery and equipment *(Notes 5 and 7)*	**77,625**	81,736	**701,156**
Land *(Notes 4 and 7)*	**16,615**	17,188	**150,076**
Leased assets	**211**	762	**1,905**
Construction in progress	**627**	494	**5,663**
	119,283	125,764	**1,077,436**
Less: Accumulated depreciation	**(83,304)**	(86,725)	**(752,452)**
Net property, plant and equipment	**35,978**	39,038	**324,975**
Investments and other assets:			
Investment securities *(Notes 14 and 15)*	**1,973**	2,165	**17,821**
Investments in unconsolidated subsidiaries and associates *(Note 6)*	**6,037**	3,807	**54,529**
Net defined benefit asset *(Note 8)*	**723**	-	**6,530**
Deferred tax assets *(Note 11)*	**393**	1,293	**3,549**
Mining rights *(Note 5)*	**10,117**	10,957	**91,382**
Other assets	**2,319**	1,657	**20,946**
Less: Allowance for doubtful accounts	**(888)**	(887)	**(8,020)**
Total investments and other assets	**20,676**	18,993	**186,758**
Total assets	**¥ 113,635**	¥ 117,333	**$ 1,026,420**

	March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Liabilities and net assets			
Current liabilities:			
Notes and accounts payable, trade *(Note 14)*	**¥ 6,217**	¥ 6,890	**$ 56,155**
Short-term borrowings *(Notes 7 and 14)*	**23,883**	24,101	**215,725**
Current portion of long-term debt *(Notes 7 and 14)*	**7,586**	7,848	**68,521**
Commercial papers *(Notes 7 and 14)*	**2,000**	4,000	**18,065**
Lease obligations *(Note 7)*	**25**	24	**225**
Accrued income taxes	**591**	172	**5,338**
Accrued expenses	**3,687**	4,698	**33,303**
Other current liabilities	**2,597**	2,953	**23,457**
Total current liabilities	**46,589**	50,690	**420,820**
Long-term liabilities:			
Long-term debt *(Notes 7 and 14)*	**16,431**	20,486	**148,414**
Lease obligations *(Note 7)*	**49**	624	**442**
Deferred tax liabilities *(Note 11)*	**196**	219	**1,770**
Deferred tax liabilities related to land revaluation *(Notes 4 and 11)*	**4,173**	4,345	**37,693**
Net defined benefit liability *(Note 8)*	**141**	206	**1,273**
Provision for environmental measures	**201**	223	**1,815**
Provision for loss on business of subsidiaries and associates	**102**	102	**921**
Asset retirement obligations *(Note 9)*	**3,871**	3,726	**34,965**
Other long-term liabilities	**411**	399	**3,712**
Total long-term liabilities	**25,581**	30,334	**231,063**
Total liabilities	**72,171**	81,024	**651,892**
Net assets *(Note 10)*:			
Shareholders' equity:			
Common shares:			
Authorized – 26,400,000 shares			
Issued – 13,585,521 shares	**14,630**	14,630	**132,147**
Capital surplus	**9,876**	9,876	**89,206**
Retained earnings	**7,546**	1,648	**68,160**
Less: Treasury shares, at cost – 7,346 shares in 2021 and 7,162 shares in 2020	**(30)**	(30)	**(270)**
Total shareholders' equity	**32,022**	26,125	**289,242**
Accumulated other comprehensive income:			
Net unrealized gains on other securities	**423**	207	**3,820**
Deferred (losses) gains on hedges	**(120)**	1,036	**(1,083)**
Revaluation reserve for land *(Note 4)*	**8,608**	8,997	**77,752**
Foreign currency translation adjustment	**56**	58	**505**
Remeasurements of defined benefit plans	**473**	(116)	**4,272**
Total accumulated other comprehensive income	**9,441**	10,183	**85,276**
Total net assets	**41,464**	36,309	**374,528**
Total liabilities and net assets	**¥ 113,635**	¥ 117,333	**$ 1,026,420**

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Operations

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Net sales	**¥ 103,469**	¥ 97,445	**$ 934,594**
Cost of sales	**90,030**	103,073	**813,205**
Gross profit (loss)	**13,439**	(5,628)	**121,389**
Selling, general and administrative expenses:			
Transportation expense	**3,398**	3,823	**30,692**
Salaries and wages	**1,477**	1,898	**13,341**
Retirement benefit expenses	**53**	46	**478**
Provision of allowance for doubtful accounts	**0**	236	**0**
Depreciation	**184**	208	**1,661**
Research and development costs	**146**	162	**1,318**
Provision for environmental measures	**-**	187	**-**
Other	**2,282**	2,024	**20,612**
	7,544	8,588	**68,141**
Operating income (loss)	**5,894**	(14,217)	**53,238**
Other income (expenses):			
Interest and dividend income	**98**	115	**885**
Interest expenses	**(558)**	(449)	**(5,040)**
Share of gain (loss) of entities accounted for using equity method	**1**	(44)	**9**
Foreign exchange gains (losses)	**563**	(468)	**5,085**
Commission fee	**(183)**	(391)	**(1,652)**
Environmental expenses	**(701)**	(39)	**(6,331)**
Gain on sales of property, plant and equipment	**888**	36	**8,020**
Loss on retirement of property, plant and equipment	**(179)**	(273)	**(1,616)**
Impairment loss on fixed assets *(Note 5)*	**(2,024)**	(3,172)	**(18,281)**
Gain on sales of investment securities	**281**	11	**2,538**
Gain on sales of shares of subsidiaries and associates	**2,671**	-	**24,126**
Loss on valuation of investment securities	**-**	(55)	**-**
Gain on valuation of derivatives	**-**	334	**-**
Gain on settlement of accounts payable	**-**	177	**-**
Royalty income	**128**	-	**1,156**
Subsidy for employment adjustment	**171**	-	**1,544**
Other, net	**5**	537	**45**
	1,162	(3,682)	**10,495**
Profit (loss) before income taxes	**7,057**	(17,900)	**63,743**
Income taxes *(Note 11)*:			
Current	**710**	184	**6,413**
Deferred	**838**	279	**7,569**
	1,549	464	**13,991**
Profit (loss)	**5,508**	(18,364)	**49,751**
Profit (loss) attributable to owners of the parent	**¥ 5,508**	¥ (18,364)	**$ 49,751**
	(Yen)		*(U.S. dollars) (Note 2)*
Per share:			
Profit (loss) – basic	**¥ 405.67**	¥(1,352.50)	**$ 3.66**
Cash dividends *(Note 10)*	**¥ 50.00**	¥ 0.00	**$ 0.45**

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Profit (loss)	**¥ 5,508**	¥ (18,364)	**$ 49,751**
Other comprehensive income *(Note 18)*:			
Net unrealized gains (losses) on other securities	**215**	(449)	**1,942**
Deferred (losses) gains on hedges	**(1,156)**	925	**(10,441)**
Foreign currency translation adjustment	**(2)**	(122)	**(18)**
Remeasurements of defined benefit plans	**590**	(230)	**5,329**
Total other comprehensive (loss) income	**(352)**	122	**(3,179)**
Comprehensive income (loss)	**¥ 5,155**	¥ (18,241)	**$ 46,563**
Comprehensive income (loss) attributable to:			
Owners of the parent	**¥ 5,155**	¥ (18,241)	**$ 46,563**
Non-controlling interests	**–**	–	**–**

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Changes in Net Assets

		Shareholders' equity				
	Number of shares of common shares issued	Common shares	Capital surplus	Retained earnings	Treasury shares (*)	Total shareholders' equity
	(Thousands)			*(Millions of yen)*		
Balance as of April 1, 2019	13,585	¥ 14,630	¥ 9,876	¥ 20,963	¥ (30)	¥ 45,440
Dividends of surplus	–	–	–	(950)	–	(950)
Loss attributable to owners of the parent	–	–	–	(18,364)	–	(18,364)
Acquisition of treasury shares	–	–	–	–	(0)	(0)
Reversal of revaluation reserve for land	–	–	–	(0)	–	(0)
Net changes in items other than those in shareholders' equity	–	–	–	–	–	–
Balance as of March 31, 2020	**13,585**	**14,630**	**9,876**	**1,648**	**(30)**	**26,125**
Dividends of surplus	**–**	**–**	**–**	**–**	**–**	**–**
Profit attributable to owners of the parent	**–**	**–**	**–**	**5,508**	**–**	**5,508**
Acquisition of treasury shares	**–**	**–**	**–**	**–**	**(0)**	**(0)**
Reversal of revaluation reserve for land	**–**	**–**	**–**	**389**	**–**	**389**
Net changes in items other than those in shareholders' equity	**–**	**–**	**–**	**–**	**–**	**–**
Balance as of March 31, 2021	**13,585**	**¥ 14,630**	**¥ 9,876**	**¥ 7,546**	**¥ (30)**	**¥ 32,022**

	Shareholders' equity				
	Common shares	Capital surplus	Retained earnings	Treasury shares (*)	Total shareholders' equity
			(Thousands of U.S. dollars) *(Note 2)*		
Balance as of March 31, 2020	**$ 132,147**	**$ 89,206**	**$ 14,885**	**$ (270)**	**$ 235,976**
Dividends of surplus	**–**	**–**	**–**	**–**	**–**
Profit attributable to owners of the parent	**–**	**–**	**49,751**	**–**	**49,751**
Acquisition of treasury shares	**–**	**–**	**–**	**(0)**	**(0)**
Reversal of revaluation reserve for land	**–**	**–**	**3,513**	**–**	**3,513**
Net changes in items other than those in shareholders' equity	**–**	**–**	**–**	**–**	**–**
Balance as of March 31, 2021	**$ 132,147**	**$ 89,206**	**$ 68,160**	**$ (270)**	**$ 289,242**

	Accumulated other comprehensive income						
	Net unrealized gains on other securities	Deferred (losses) gains on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income	Total net assets
				(Millions of yen)			
Balance as of April 1, 2019	¥ 657	¥ 110	¥ 8,997	¥ 180	¥ 113	¥ 10,060	¥ 55,501
Dividends of surplus	–	–	–	–	–	–	(950)
Loss attributable to owners of the parent	–	–	–	–	–	–	(18,364)
Acquisition of treasury shares	–	–	–	–	–	–	(0)
Reversal of revaluation reserve for land	–	–	–	–	–	–	(0)
Net changes in items other than those in shareholders' equity	(449)	925	**0**	(122)	(230)	122	122
Balance as of March 31, 2020	**207**	**1,036**	**8,997**	**58**	**(116)**	**10,183**	**36,309**
Dividends of surplus	–	–	–	–	–	–	–
Profit attributable to owners of the parent	–	–	–	–	–	–	**5,508**
Acquisition of treasury shares	–	–	–	–	–	–	**(0)**
Reversal of revaluation reserve for land	–	–	–	–	–	–	**389**
Net changes in items other than those in shareholders' equity	**215**	**(1,156)**	**(389)**	**(2)**	**590**	**(741)**	**(741)**
Balance as of March 31, 2021	**¥ 423**	**¥ (120)**	**¥ 8,608**	**¥ 56**	**¥ 473**	**¥ 9,441**	**¥ 41,464**

	Accumulated other comprehensive income						
	Net unrealized gains on other securities	Deferred (losses) gains on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income	Total net assets
				(Thousands of U.S. dollars) (Note 2)			
Balance as of March 31, 2020	**$ 1,869**	**$ 9,357**	**$ 81,266**	**$ 523**	**$ (1,047)**	**$ 91,979**	**$ 327,964**
Dividends of surplus	–	–	–	–	–	–	–
Profit attributable to owners of the parent	–	–	–	–	–	–	**49,751**
Acquisition of treasury shares	–	–	–	–	–	–	**(0)**
Reversal of revaluation reserve for land	–	–	–	–	–	–	**3,513**
Net changes in items other than those in shareholders' equity	**1,942**	**(10,441)**	**(3,513)**	**(18)**	**5,329**	**(6,693)**	**(6,693)**
Balance as of March 31, 2021	**$ 3,820**	**$ (1,083)**	**$ 77,752**	**$ 505**	**$ 4,272**	**$ 85,276**	**$ 374,528**

(*) There were 7,346 and 7,162 treasury shares as of March 31, 2021 and 2020, respectively. *(Note 10)*

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows

	Year ended March 31, 2021	2020	2021
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Cash flows from operating activities:			
Profit (loss) before income taxes	**¥ 7,057**	¥ (17,900)	**$ 63,743**
Depreciation	**4,594**	5,002	**41,495**
Impairment loss on fixed assets	**2,024**	3,172	**18,281**
Increase in allowance for doubtful accounts	**0**	237	**0**
(Increase) decrease in net defined benefit asset	**(723)**	203	**(6,530)**
Increase (decrease) in net defined benefit liability	**735**	(222)	**6,638**
Interest and dividend income	**(98)**	(115)	**(885)**
Interest expenses	**558**	449	**5,040**
Foreign exchange (gains) losses	**(489)**	276	**(4,416)**
Share of (profit) loss of entities accounted for using equity method	**(1)**	44	**(9)**
Net (profit) loss on sales and retirement of property, plant and equipment	**(450)**	244	**(4,064)**
Gain on sales of intangible assets	**(259)**	–	**(2,339)**
(Increase) decrease in notes and accounts receivable, trade	**(4,486)**	4,906	**(40,520)**
Decrease in inventories	**1,910**	7,284	**17,252**
(Decrease) increase in notes and accounts payable, trade	**(1,486)**	651	**(13,422)**
Loss on valuation of investment securities	**-**	55	**-**
Gain on sales of investment securities	**(281)**	(11)	**(2,538)**
Gain on sales of shares of subsidiaries and associates *(Note 16)*	**(2,671)**	-	**(24,126)**
Other, net	**(852)**	1,991	**(7,695)**
Subtotal	**5,079**	6,270	**45,876**
Interest and dividend income received	**115**	92	**1,038**
Interest expenses paid	**(555)**	(461)	**(5,013)**
Income taxes (paid) refunded	**(327)**	821	**(2,953)**
Net cash provided by operating activities	**4,313**	6,723	**38,957**
Cash flows from investing activities:			
Payments for purchases of property, plant and equipment	**(2,732)**	(3,086)	**(24,677)**
Proceeds from sales of property, plant and equipment	**1,254**	93	**11,326**
Payments for purchases of intangible assets	**(2,099)**	(3,236)	**(18,959)**
Proceeds from sales of intangible assets	**1,248**	-	**11,272**
Payments for purchases of investment securities	**(3)**	(3)	**(27)**
Proceeds from sales of investment securities	**787**	57	**7,108**
Payments for loans receivable	**-**	(1,618)	**-**
Proceeds from collection of loans receivable	**739**	-	**6,675**
Purchases of shares of subsidiaries and associates	**(2,005)**	(2,714)	**(18,110)**
Payments for investments in capital of subsidiaries and associates	**-**	(663)	**-**
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation *(Note 16)*	**3,011**	-	**27,197**
Other, net	**(155)**	(247)	**(1,400)**
Net cash provided by (used in) investing activities	**45**	(11,418)	**406**
Cash flows from financing activities:			
Net (decrease) increase in short-term borrowings	**(199)**	12,251	**(1,797)**
Proceeds from long-term debt	**3,527**	9,510	**31,858**
Repayments of long-term debt	**(7,859)**	(11,130)	**(70,987)**
Decrease in commercial papers	**(2,000)**	(7,000)	**(18,065)**
Cash dividends paid	**-**	(950)	**-**
Other, net	**(81)**	(21)	**(731)**

Net cash (used in) provided by financing activities	**(6,613)**	2,660	**(59,732)**
Effect of exchange rate changes on cash and cash equivalents	**(17)**	(5)	**(153)**
Net decrease in cash and cash equivalents	**(2,273)**	(2,041)	**(20,531)**
Cash and cash equivalents at beginning of year	**8,207**	10,248	**74,130**
Cash and cash equivalents at end of year *(Note 16)*	**¥ 5,934**	¥ 8,207	**$ 53,599**

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2021

1. Summary of Significant Accounting Policies

(a) Basis of presentation

Toho Zinc Co., Ltd. (the "Company") and its domestic subsidiaries maintain their books of account in conformity with accounting principles generally accepted in Japan, and its foreign subsidiaries maintain their books of account in conformity with International Financial Reporting Standards ("IFRS") or those of their countries of domicile.

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries (collectively, the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of IFRS, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

As permitted under the Financial Instruments and Exchange Act, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sums of the individual amounts.

Certain items presented in the consolidated financial statements submitted to the Director of Kanto Local Finance Bureau in Japan have been reclassified in the accompanying consolidated financial statements for the convenience of readers outside Japan.

(b) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries that are controlled by the Company. Under the effective control approach, all significant majority-owned companies are to be consolidated. Additionally, companies in which share ownership equals 50% or less may be required to be consolidated in cases where such companies are effectively controlled by other companies through the interests held by a party who has a close relationship with the parent. All significant intercompany transactions and accounts are eliminated in consolidation.

(c) Foreign currency translation

(1) Foreign currency transactions

All receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet date.

(2) Foreign currency financial statements

Assets and liabilities of the foreign consolidated subsidiaries are translated into Japanese yen at the current exchange rate prevailing at the balance sheet date. Revenue and expense accounts are translated at the average exchange rate in effect during the year. Foreign currency translation adjustments are included in net assets.

(d) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows are composed of cash on hands, bank deposits withdrawable on demand and short-term investments with original maturities of three months or less and minor risk for the fair value fluctuation.

(e) Inventories

Merchandise, finished goods, semi-finished goods, work in process and raw materials are stated at the lower of cost or net selling value, for which cost is primarily determined by the first-in first-out method. Supplies are stated at the lower of cost or net selling value, for which cost is determined by the moving average method.

(f) Financial instruments

(1) Investment securities

Marketable securities classified as other securities are carried at fair value based on the average of market price during the last month of the fiscal year with any changes in unrealized gains or losses, net of income taxes, included directly in net assets. Cost of securities sold is determined by the moving average method. Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

(2) Derivatives

The Company has entered into various derivative transactions, including forward foreign exchange contracts, interest rate swaps and metal forward contracts, in order to manage certain risks arising from adverse fluctuations in foreign currency exchange rates, interest rates and commodity prices, respectively.
All derivatives are recognized in the balance sheet at fair value, with changes in fair value included in profit or loss for the period in which they arise, except for derivatives that are designated as "hedging instruments" (see Note 1. (f) (3) *Hedge accounting* below).

(3) Hedge accounting

Gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as an asset or liability and included in profit or loss in the period during which the gains and losses on the hedged items or transactions are recognized.

Hedging instruments are derivative transactions including metal forward contracts, interest rate swaps. The related hedged items are raw materials and finished goods exposed to commodity price fluctuation risk and interest payments on debt loan, respectively.

The Company has a policy to utilize the above hedging instruments in order to reduce the Company's exposure to the risks of fluctuations in prices, interest rates and cash flows.

The Company evaluates the effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the underlying hedged items from the commencement of the hedging transactions regarding metal forward contracts and foreign currency deposits. Hedge effectiveness is omitted for interest rate swaps which qualify for hedge accounting and meet specific criteria.

(g) Property, plant and equipment and depreciation

Property, plant and equipment, except for leased assets, are stated at cost and mainly depreciated by the straight-line method over the estimated useful lives of the respective assets.

(h) Intangible assets and amortization

Mining rights are mainly amortized by using the unit-of-production method. Other intangible assets are mainly amortized by using the straight-line method. Software for internal use is amortized by using the straight-line method over the estimated useful life (5 years).

(i) Leases

Leased assets which are under finance leases and capitalized are primarily the storage equipment (structures) in the Smelting business and logistics facilities (buildings and structures) in the Mineral Resource business and depreciated over the lease terms of the respective assets by the straight-line method with no residual value.

(j) Allowance for doubtful accounts

Allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on collection. The allowance consists of the estimated uncollectible amounts with respect to specific receivables plus an amount based on historical experience of bad debt with respect to other receivables.

(k) Retirement benefits

(1) Method for attribution of expected retirement benefits to periods

In the calculation of retirement benefit obligations, the expected retirement benefits are attributed to the period up to the end of the current fiscal year based on the benefit formula method.

(2) Accounting method for actuarial gains and losses and past service costs

Actuarial gains and losses are amortized by the straight-line method over a certain period (10 years) which is within the average remaining years of service of the eligible employees when the gains or losses arise, from the year following the year in which the gains and losses arise.

Past service costs are amortized as incurred by the straight-line method over a certain period (10 years) which is within the average remaining years of service of the eligible employees when the gains or losses arise.

(3) Accounting method for unrecognized actuarial gains and losses and unrecognized past service costs

Unrecognized actuarial gains and losses and unrecognized past service costs are recorded as remeasurements of defined benefit plans under accumulated other comprehensive income of net assets after tax effect adjustments.

(4) Application of the simplified method for small enterprises, etc.

Some of its consolidated subsidiaries apply the simplified method in the calculation of their net defined benefit liability and retirement benefit expenses. Under the simplified method, the benefits payable assuming the voluntary retirement of all eligible employees at the year-end are deemed as retirement benefit obligations.

(l) Provision for environmental measures

Provision for environmental measures is estimated and recorded to provide for future potential costs related to disposal of polychlorinated biphenyl waste.

(m) Provision for loss on business of subsidiaries and associates

Provision for loss on business of subsidiaries and associates is recorded based on the estimated loss burden amount corresponding to financial situation of those companies.

(n) Income taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(o) Recognition of revenues

Revenues and costs of construction contracts of which the percentage of completion can be reliably estimated are recognized by the percentage-of-completion method. The percentage of completion is calculated as the cost incurred to the estimated total cost. The completed-contract method continues to be applied to contracts for which the percentage of completion cannot be reliably estimated.

(p) Appropriation of retained earnings

Cash dividends and transfers to legal reserve are recorded in the fiscal year in which the proposed appropriation of retained earnings is approved at the shareholders' meeting.

(q) Profit per share

Profit per share is computed based on the profit available for distribution to shareholders of common shares and the weighted average number of common shares outstanding during the year.

(r) Asset retirement obligations

Asset retirement obligations are calculated based on the estimated life of mine from commencement of operations, which is deemed as the estimated usable period, using the discount rates of 0.0～2.1% and 0.7% for the years ended March 31, 2021 and 2020, respectively. The amount mainly represents the obligations of CBH Resources Ltd. ("CBH") to restore its mine sites at Endeavor Mine and Rasp Mine to their original states upon closure.

(s) Significant accounting estimates

(1) Recoverability of deferred tax assets

The amounts recorded in the consolidated financial statements for the fiscal year ended March 31, 2021

	March 31,			
	2021		2021	
	(Millions of yen)		(Thousands of U.S. dollars)	
Deferred tax assets	¥	**2,364**	$	**21,353**
Deferred tax liabilities		**2,166**		**19,564**

Information about significant accounting estimates for the identified item

The recoverability of deferred tax assets is assessed based on the expected reduction in the tax burden in the future. Such assessment is based on the sufficiency of the taxable income before adjustment of the temporary differences, etc. considering profitability, the sufficiency of the taxable income before adjustment of the temporary differences, etc. under tax planning, and the sufficiency of future taxable temporary differences.

For the assessment for the sufficiency of taxable income before adjustment of temporary differences, etc. considering profitability, the taxable income for the fiscal year when the temporary differences are expected to be resolved and the taxable income during the carry-back or carry-forward period is estimated.

The main assumption for the future business plan used for the estimate of future taxable income is based on the information about external factors including the business environment (the market conditions such as metal market prices or foreign exchange rates and the condition to buy metals). If a reassessment of such estimates and assumptions is required due to changes in uncertain economic conditions in the future, etc., it may have a significant impact on the amounts of deferred tax assets and deferred income taxes recognized in the consolidated financial statements for the next fiscal year.

(2) Calculation of retirement benefit obligations

The amounts recorded in the consolidated financial statements for the fiscal year ended March 31, 2021

	March 31,			
	2021		2021	
	(Millions of yen)		(Thousands of U.S. dollars)	
Net defined benefit asset (Toho Zinc)	¥	**723**	$	**6,530**

Information about significant accounting estimates for the identified item

In the Group, some companies adopt defined benefit plans. Retirement benefit obligations and related service costs for the defined benefit plans are calculated by estimating and discounting the expected retirement benefits based on actuarial assumptions. The main actuarial assumptions are the discount rate and expected rate of return of plan assets, and the discount rate is determined based on the yield of long-term government bonds at the fiscal year end. The expected rate of return of plan assets is determined based on the portfolio of the holding plan assets, operational performance in the past, operational policies and market trends, etc.

If a reassessment of the discount rate and long-term expected rate of return, which are main assumptions, is required due to changes in uncertain economic conditions in the future, etc., it may have a significant impact on the amounts of net defined benefit asset, net defined benefit liability and retirement benefit expenses recognized in the consolidated financial statements for the next fiscal year.

(3) Impairment loss on fixed assets in Mineral Resource business

The amounts recorded in the consolidated financial statements for the fiscal year ended March 31, 2021

	March 31,	
	2021	**2021**
	(Millions of yen)	*(Thousands of U.S. dollars)*
Fixed assets (Mineral Resource business)	¥ **6,475**	$ **58,486**
Intangible assets (Mineral Resource business)	**10,101**	**91,238**
Impairment loss (Mineral Resource business)	**1,491**	**13,467**

Information about significant accounting estimates for the identified item

Business assets of the Company are grouped based on the categories used for its managerial accounting. The asset group with an indication of impairment is assessed to determine if impairment loss should be recognized, and if it is determined that impairment loss should be recognized, the Company writes down the book value to its recoverable amount and recognizes an impairment loss. The recoverable amount is measured at net sales amount or value in use, and future cash flows for which value in use is used as a recoverable amount is calculated based on the business plan for the next fiscal year.

The Company recorded impairment loss of ¥2,024 million ($18,281 thousand) as described in Note 5. *Impairment Loss on Fixed Assets*, of which ¥1,491 million ($13,467 thousand) is recorded for the Mineral Resource business of the Group, and the recoverable amount is calculated using value in use. The main assumptions used to formulate the business plan for the next fiscal year and onwards, which form the basis for future cash flows, are information about external factors including business environment (the market conditions such as metal market prices or foreign exchange rates and the condition to buy metals), production volume and growth rate. In addition, the discount rate before tax, which is used in the assumption, reflects both the time value of money and the risk that future cash flows deviate from the original estimate, and is calculated based on the weighted average cost of capital of debt capital and equity capital.

If a reassessment of such estimates and assumptions is required due to changes in uncertain economic conditions in the future, etc., it may result in additional impairment loss (extraordinary losses) recognized in the consolidated financial statements for the next fiscal year.

(t) Accounting standards and guidance issued but not yet adopted

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020)
"Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, issued on March 26, 2021)

(1) Overview

This is a comprehensive accounting standard for revenue recognition. Revenue is recognized based on the following 5 steps.

Step 1: Identify contract(s) with customers.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligation in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

(2) Date of application

The Company plans to apply the accounting standard and guidance effective from the beginning of the fiscal year ending March 31, 2022.

(3) Effect of applying the standard and guidance

The Company is currently evaluating the effect of applying the "Accounting Standard for Revenue Recognition" and the "Implementation Guidance on Accounting Standard for Revenue Recognition" on its consolidated financial statements.

"Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019)
"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, July 4, 2019)
"Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 4, 2019)
"Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019)
"Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020)

(1) Overview

In order to improve the comparability with international accounting standards, "Accounting Standard for Fair Value Measurement" and "Implementation Guidance on Accounting Standard for Fair Value Measurement" (hereafter, "Fair Value Measurement Standards, etc.") have been developed, and guidance and others in relation to fair value measurement were determined. The Fair Value Measurement Standards, etc. are applied to the fair value of the following items:

- Financial instruments defined in "Accounting Standard for Financial Instruments"
- Inventories held for trading purposes defined in "Accounting Standard for Measurement of Inventories"

In addition, "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" was revised to disclose the notes on the breakdown of financial instruments under the fair value hierarchy and others.

(2) Date of application

The Company plans to apply the accounting standard and guidance effective from the beginning of the fiscal year ending March 31, 2022.

(3) Effect of applying the standards and guidance

The Company is currently evaluating the effect of applying the Fair Value Measurement Standards, etc. on its consolidated financial statements.

(Adoption of “Accounting Standard for Disclosure of Accounting Estimates”)

The Company has applied the “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) in preparing the consolidated financial statements for the fiscal year ended March 31, 2021, and therefore significant accounting estimates are described in the notes to the consolidated financial statements. However, comparative information for the previous fiscal year is not disclosed in accordance with transitional treatments stipulated in the proviso of Paragraph 11 of the Accounting Standard.

(u) Reclassifications

Certain reclassifications have been made to the prior year amounts to conform to the current year presentation.

(v) Additional Information

Impact of Coronavirus Disease (COVID-19) Pandemic

The Company has determined that the effects of the COVID-19 pandemic are limited based on the following.

In terms of sales, demand for base metals including zinc and lead, which are the mainstay products in Smelting business, is influenced by many industries such as automobile and construction. The Company estimates that there is no particular decrease in sales as the Company can take actions such as increasing export to supplement any decrease in domestic demand. The Company assumes similar sales trends for the Environment and Recycling business. In the Electronic Components business, the Company estimates a decrease in sales for a part of the business largely dependent on the aviation industry. However, the impact on the whole Group is limited.

In terms of prices, it is difficult to estimate future trends in metal market prices, which impact the Smelting business and the Mineral Resource business. Therefore, the Company assumes that the current market price will continue throughout the year. The Company has made similar assumptions regarding the foreign exchange market.

In terms of production, the Company estimates that procurement will not be affected, and there will be no critical impact on the production of the whole Group despite tight supply and demand conditions for zinc and lead, which are the main materials for the Smelting business.

2. U.S. Dollar Amounts

U.S. dollar amounts presented in the accompanying consolidated financial statements and notes are included solely for the convenience of readers outside Japan, at the prevailing exchange rate of ¥110.71 to U.S. $1 on March 31, 2021. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be converted into U.S. dollars at that or any other rate.

3. Inventories

Inventories as of March 31, 2021 and 2020 consisted of the following:

	March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Merchandise and finished goods	¥ **7,582**	¥ 9,157	$ **68,485**
Work in process	**10,910**	9,841	**98,545**
Raw materials and supplies	**14,607**	16,006	**131,939**
Total	¥ **33,100**	¥ 35,006	$ **298,979**

4. Land Revaluation

In accordance with the Act on Revaluation of Land, the Company's land used for its business operations was revalued as follows:

Date of revaluation: March 31, 2000
The differences between total fair value of land and the total book value after revaluation of land as of March 31, 2021 and 2020 were ¥7,675 million ($69,325 thousand) and ¥7,974 million, respectively.

The tax effect of the excess on revaluation is recorded as deferred tax liabilities related to land revaluation which is included in liabilities, and the remainder, net of income taxes portion of the excess on revaluation, is presented as revaluation reserve for land which is included in net assets.

5. Impairment Loss on Fixed Assets

The Companies recognized impairment losses on certain asset groups for the years ended March 31, 2021 and 2020 as follows:

Year ended March 31, 2021			*(Millions of yen)*	*(Thousands of U.S. dollars)*
Location	Use	Category		
Annaka City, Gunma	Idle assets	Buildings and structures	**¥ 72**	**$ 650**
		Machinery and equipment	**460**	**4,154**
			¥ 532	**$ 4,805**
The State of New South Wales, Australia and others	Assets included in Mineral Resource business segment (Assets at Rasp Mine)	Mining rights	**¥ 1,486**	**$ 13,422**

Year ended March 31, 2020			*(Millions of yen)*
Location	Use	Category	
The State of New South Wales, Australia and others	Assets included in Mineral Resource business segment (Assets at Endeavor Mine)	Machinery and equipment	¥ 353
		Mining rights	613
			¥ 967
The State of New South Wales, Australia and others	Assets included in Mineral Resource business segment (Assets at Rasp Mine)	Mining rights	¥ 1,895
The State of New South Wales, Australia and others	Assets included in Mineral Resource business segment (Exploration rights)	Mining rights	¥ 309

Business assets of the Company are grouped based on the categories used for its managerial accounting. With respect to idle assets, each asset is treated as an individual unit to apply the accounting for the impairment.

For the year ended March 31, 2021, the Company recognized impairment losses for the entire book value of idle assets on the grounds that they were not projected to generate any future cash inflows nor readily salable.

For the year ended March 31, 2021, regarding the Rasp Mine in the State of New South Wales, Australia and other locations, CBH Resources Ltd. ("CBH") wrote down the book value of the asset group included in the Mineral Resource business segment to its recoverable amount and recognized the reduction as impairment losses, since CBH could not expect to generate cash inflows sufficient to recover the invested capital in future due to a revision in the production plan for the mine. The recoverable amount of the asset group is measured at value in use, and calculated by discounting future cash flows at a rate of 7%.

For the year ended March 31, 2020, regarding the Endeavor Mine in the State of New South Wales, Australia and other locations, CBH wrote down the book value of the asset group included in the Mineral Resource business segment to its recoverable amount and recognized the reduction as impairment losses, since CBH could not expect to generate cash inflows sufficient to recover the invested capital in future due to a revision in the production plan for the mine. The recoverable amount of the asset group is measured at value in use, and valued at zero since the estimated amount of future cash flow is negative.

For the year ended March 31, 2020, regarding the Rasp Mine in the State of New South Wales, Australia and other locations, CBH wrote down the book value of the asset group included in the Mineral Resource business segment to its recoverable amount and recognized the reduction as impairment losses, since CBH could not expect to generate cash inflows sufficient to recover the invested capital in future due to a revision in the production plan for the mine. The recoverable amount of the asset group is measured at value in use, and calculated by discounting future cash flows at a rate of 7%.

For a part of exploration rights at the mines in the State of New South Wales, Australia and other locations, the Company determined that there would be no additional exploration in the future, and recognized impairment losses for the book value of the exploration rights recorded as assets.

6. Investments in Unconsolidated Subsidiaries and Associates

Investments in unconsolidated subsidiaries and associates as of March 31, 2021 and 2020 are summarized as follows:

	March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Unconsolidated subsidiaries	**¥ 9**	¥ 9	**$ 81**
Associates	**6,028**	3,798	**54,448**
	¥ 6,037	¥ 3,807	**$ 54,529**

7. Short-Term Borrowings and Long-Term Debt

Short-term borrowings and long-term debt as of March 31, 2021 and 2020 consisted of the following:

	March 31,				
	2021			2020	2021
	Amount	Weighted average interest rate	Due in	Amount	Amount
	(Millions of yen)			*(Millions of yen)*	*(Thousands of U.S. dollars)*
Short-term borrowings	**¥ 23,883**	**0.7%**		¥ 24,101	**$ 215,725**
Commercial papers	**2,000**	**0.1**		4,000	**18,065**
Current portion of long-term debt	**7,586**	**0.7**		7,848	**68,521**
Current portion of lease obligations	**25**	**–**		24	**225**
Long-term debt	**16,431**	**0.6**	**October 2022 – March 2034**	20,486	**148,414**
Lease obligations	**49**	**–**	**April 2022 – December 2025**	624	**442**
Total	**¥ 49,977**			¥ 57,085	**$ 451,422**

Average interest rates are calculated by using weighted-average interest rates as of March 31, 2021. Average interest rates on lease obligations are not provided because interest equivalents included in the total lease payments are allocated to each applicable fiscal year on a straight-line basis.

The maturities of long-term debt and lease obligations outstanding as of March 31, 2021 were as follows:

Year ending March 31,	Long-term debt	Lease obligations	Long-term debt	Lease obligations
	(Millions of yen)		*(Thousands of U.S. dollars)*	
2022	**¥ 7,586**	**¥ 25**	**$ 68,521**	**$ 225**
2023	**10,135**	**19**	**91,545**	**171**
2024	**3,548**	**16**	**32,047**	**144**
2025	**853**	**11**	**7,704**	**99**
2026	**430**	**2**	**3,884**	**18**
Thereafter	**1,464**	**-**	**13,223**	**-**
Total	**¥ 24,018**	**¥ 75**	**$ 216,945**	**$ 677**

Assets pledged as collateral for the long-term debt, including the current portion, as of March 31, 2021 and 2020 were as follows:

Pledged assets	March 31, 2021	2020	2021
	(Millions of yen)		(Thousands of U.S. dollars)
Land (*)	¥ **11,928**	¥ 11,888	$ **107,740**
Buildings and structures (*)	**4,285**	4,576	**38,704**
Machinery and equipment (*)	**4,709**	5,863	**42,534**
Total	¥ **20,923**	¥ 22,328	$ **188,989**

(*) For the above assets, a revolving mortgage is set at the maximum amount of ¥1 million ($9 thousand) with bank as of March 31, 2021 and 2020.

Liabilities secured by collateral for the long-term debt as of March 31, 2021 and 2020 were as follows:

Pledged liabilities	March 31, 2021	2020	2021
	(Millions of yen)		(Thousands of U.S. dollars)
Current portion of long-term debt	¥ **123**	¥ -	$ **1,111**
Long-term debt	**1,476**	-	**13,332**
Total	¥ **1,600**	¥ -	$ **14,452**

8. Retirement Benefit Plans

The Company and its domestic consolidated subsidiaries have funded and unfunded defined benefit plans and lump-sum payment plans. The defined benefit corporate pension plans, all of which are funded, provide lump-sum or pension benefits based on salaries and the length of service. The lump-sum payment plans, which are unfunded, provide lump-sum benefits based on salaries and the length of service. In addition, certain consolidated subsidiaries apply the simplified method to calculate retirement benefit liabilities and retirement benefit expenses, where the required contributions to the pension fund are accounted for as retirement benefit expenses.

Information regarding the Company's defined benefit plans for the years ended March 31, 2021 and 2020 was as follows:

(a) The changes in the retirement benefit obligations for the years ended March 31, 2021 and 2020 are as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Retirement benefit obligation at beginning of year	**¥ 3,824**	¥ 3,748	**$ 34,540**
Service costs	**290**	285	**2,619**
Interest costs	**0**	(4)	**0**
Actuarial gains and losses arising during year	**(32)**	(39)	**(289)**
Retirement benefits paid	**(103)**	(166)	**(930)**
Retirement benefit obligation at end of year	**¥ 3,979**	¥ 3,824	**$ 35,940**

(b) The changes in plan assets for the years ended March 31, 2021 and 2020 are as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Plan assets at beginning of year	**¥ 3,770**	¥ 3,952	**$ 34,052**
Expected return on plan assets	**75**	79	**677**
Actuarial gains and losses arising during year	**750**	(296)	**6,774**
Contributions from employer	**210**	202	**1,896**
Retirement benefits paid	**(103)**	(166)	**(930)**
Plan assets at end of year	**¥ 4,702**	¥ 3,770	**$ 42,471**

(c) The changes in net defined benefit liability accounted for using the simplified method for the years ended March 31, 2021 and 2020 are as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Net defined benefit liability at beginning of year	**¥ 152**	¥ 148	**$ 1,372**
Retirement benefit expenses	**10**	10	**90**
Retirement benefits paid	**(21)**	(6)	**(189)**
Net defined benefit liability at end of year	**¥ 141**	¥ 152	**$ 1,273**

(d) The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheets as of March 31, 2021 and 2020.

	March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Retirement benefit obligation for funded plans	**¥ 3,979**	¥ 3,824	**$ 35,940**
Plan assets	**(4,702)**	(3,770)	**(42,471)**
	(723)	53	**(6,530)**
Retirement benefit obligation for unfunded plans	**141**	152	**1,273**
Net balance of liability and asset recognized on the consolidated balance sheet	**(581)**	206	**(5,247)**
Net defined benefit liability	**141**	206	**1,273**
Net defined benefit asset	**(723)**	-	**(6,530)**
Net balance of liability and asset recognized on the consolidated balance sheet	**¥ (581)**	¥ 206	**$ (5,247)**

(e) The components of retirement benefit expenses for the years ended March 31, 2021 and 2020 are as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Service costs (excluding employee contributions)	**¥ 287**	¥ 282	**$ 2,592**
Interest costs	**0**	(4)	**0**
Expected return on plan assets	**(75)**	(79)	**(677)**
Amortization of actuarial gains and losses	**16**	(23)	**144**
Amortization of past service costs	**–**	–	**–**
Retirement benefit expenses calculated using the simplified method	**10**	10	**90**
Retirement benefit expenses under defined benefit plans	**¥ 239**	¥ 186	**$ 2,158**

(f) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended March 31, 2021 and 2020 are as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Actuarial gains and losses	**¥ 799**	¥ (280)	**$ 7,217**
Past service costs	**–**	–	**–**
Total	**¥ 799**	¥ (280)	**$ 7,217**

(g) The components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2021 and 2020 are as follows:

	March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Unrecognized actuarial gains and losses	**¥ 682**	¥ (116)	**$ 6,160**
Unrecognized past service costs	**–**	–	**–**
Total	**¥ 682**	¥ (116)	**$ 6,160**

(h) Plan assets

(1) Breakdown of plan assets

Percentage of each main category to total plan assets is as follows:

	Year ended March 31,	
	2021	2020
Debt securities	**39%**	39%
Equity securities	**48**	45
Life insurance general account	**11**	13
Other	**2**	3
Total	**100%**	100%

(2) Determination of expected long-term rate of return on plan assets

In determining the expected long-term rate of return on plan assets, the Company takes into consideration the current and future plan asset allocation as well as the current and expected long-term rate of return on various asset categories comprising plan assets.

(i) Actuarial assumptions

	Year ended March 31,	
	2021	2020
Weighted-average actuarial assumptions at end of year:		
Discount rate	**0.1 %**	0.0 %
Expected long-term rate of return	**2.0**	2.0
Lump-sum election rate	**100.0**	100.0

9. Asset Retirement Obligations

The changes in asset retirement obligations for the years ended March 31, 2021 and 2020 were as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Balance at beginning of year	**¥ 3,726**	¥ 2,436	**$ 33,655**
Increase associated with the change in estimate	**30**	1,322	**270**
Adjustment due to passage of time	**0**	6	**0**
Other	**114**	(39)	**1,029**
Balance at end of year	**¥ 3,871**	¥ 3,726	**$ 34,965**

Change in estimate for asset retirement obligations
In line with reviews of the future operating plan, the Company has changed the estimates of restoration cost and useful life for asset retirement obligations recorded as obligations to restore overseas mine sites to their original states in the year ending March 31, 2021, and increased the balance of asset retirement obligations by ¥30 million ($270 thousand) due to this change in estimate.

10. Net Assets

Information regarding changes in net assets for the years ended March 31, 2021 and 2020 is as follows:

(a) Shares issued and outstanding / Treasury shares

For the year ended March 31, 2021

Types of shares	Number of shares as of April 1, 2020	Increase	Decrease	Number of shares as of March 31, 2021
		(Thousands of shares)		
Shares issued and outstanding:				
Common shares	**13,585**	**–**	**–**	**13,585**
Treasury shares:				
Common shares *(Note)*	**7**	**0**	**–**	**7**

Note: The increase of 0 thousand shares was due to purchase of shares of less than standard unit.

For the year ended March 31, 2020

Types of shares	Number of shares as of April 1, 2019	Increase	Decrease	Number of shares as of March 31, 2020
		(Thousands of shares)		
Shares issued and outstanding:				
Common shares	13,585	–	–	13,585
Treasury shares:				
Common shares *(Note)*	7	0	–	7

Note: The increase of 0 thousand shares was due to purchase of shares of less than standard unit.

(b) Dividends

(1) Dividends paid

For the year ended March 31, 2021

Not applicable.

For the year ended March 31, 2020

Resolution	Type of shares	Total dividends	Dividends per share	Cut-off date	Effective date
		(Millions of yen)	*(Yen)*		
Annual general meeting of the shareholders on June 27, 2019	Common shares	¥ 950	¥ 70	March 31, 2019	June 28, 2019

(2) Dividends with the cut-off date in the year ended March 31, 2021 and the effective date in the year ending March 31, 2022

Resolution	Type of shares	Total dividends	Source of dividends	Dividends per share	Cut-off date	Effective date
		(Millions of yen)		*(Yen)*		
Annual general meeting of the shareholders on June 29, 2021	Common shares	¥ 678	Retained earnings	¥ 50	March 31, 2021	June 30, 2021

Resolution	Type of shares	Total dividends	Source of dividends	Dividends per share	Cut-off date	Effective date
		(Thousands of U.S. dollars)		*(U.S. dollars)*		
Annual general meeting of the shareholders on June 29, 2021	Common shares	**$ 6,124**	Retained earnings	**$ 451**	March 31, 2021	June 30, 2021

The Companies Act of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common shares. Such distributions can be made at any time by resolution of the shareholders, or by the board of directors if certain conditions are met.

11. Income Taxes

As of March 31, 2021 and 2020, significant components of deferred tax assets and liabilities were as follows:

	March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Deferred tax assets:			
Net operating loss carry forwards (Note 2)	¥ **2,716**	¥ 3,239	$ **24,532**
Loss on valuation of inventories	**113**	1,112	**1,020**
Asset retirement obligations	**1,161**	1,118	**10,486**
Depreciation in excess of tax limit	**4,177**	3,814	**37,729**
Foreign exchange losses	**7**	537	**63**
Other	**2,094**	2,341	**18,914**
Gross deferred tax assets	**10,271**	12,162	**92,773**
Valuation allowance on net operating loss carryforwards (Note 2)	**(2,684)**	(3,161)	**(24,243)**
Valuation allowance on deductible temporary differences	**(5,223)**	(5,523)	**(47,177)**
Less: Valuation allowance (Note 1)	**(7,907)**	(8,684)	**(71,420)**
Total deferred tax assets	**2,364**	3,478	**21,353**
Deferred tax liabilities:			
Unrealized gains on other securities	**(184)**	(89)	**(1,661)**
Depreciation in foreign subsidiary	**(893)**	(983)	**(8,066)**
Inventories	**(305)**	(309)	**(2,754)**
Royalty gains	**(81)**	(155)	**(731)**
Reserve for overseas exploration	**(136)**	(136)	**(1,228)**
Deferred gains on hedges	**-**	(457)	**-**
Other	**(565)**	(271)	**(5,103)**
Total deferred tax liabilities	**(2,166)**	(2,403)	**(19,564)**
Net deferred tax assets (liabilities)	¥ **197**	¥ 1,074	$ **1,779**
Deferred tax liabilities:			
Deferred tax liabilities related to land revaluation	¥ **(4,173)**	¥ (4,345)	$ **(37,693)**

Notes 1. The decrease of ¥777 million ($7,018 thousand) in valuation allowance was due to the decrease of ¥536 million ($4,841 thousand) as valuation allowance for net operating loss carry forwards in Toho Zinc Co., Ltd., the parent company and the decrease of ¥529 million ($4,778 thousand) as valuation allowance for unrealized foreign exchange gains and losses in CBH, a consolidated subsidiary.

2. The expiry schedule of net operating loss carryforwards and the related amount of deferred tax assets is as follows:

As of March 31, 2021

	Due in 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years	Total
				(Millions of yen)			
Net operating loss carryforwards (a)	**¥ –**	**¥ –**	**¥ –**	**¥ –**	**¥ –**	**¥ 2,716**	**¥ 2,716**
Valuation allowance	**–**	**–**	**–**	**–**	**–**	**(2,684)**	**(2,684)**
Deferred tax assets	**–**	**–**	**–**	**–**	**–**	**33**	**33**

(a) Net operating loss carryforwards are multiplied by the statutory tax rate.

As of March 31, 2020

	Due in 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years	Total
				(Millions of yen)			
Net operating loss carryforwards (b)	¥ –	¥ –	¥ –	¥ –	¥ –	¥ 3,239	¥ 3,239
Valuation allowance	–	–	–	–	–	(3,161)	(3,161)
Deferred tax assets	–	–	–	–	–	78	78

(b) Net operating loss carryforwards are multiplied by the statutory tax rate.

As of March 31, 2021

	Due in 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years	Total
				(Thousands of U.S. dollars)			
Net operating loss carryforwards (a)	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ 24,532**	**$ 24,532**
Valuation allowance	**–**	**–**	**–**	**–**	**–**	**(24,243)**	**(24,243)**
Deferred tax assets	**–**	**–**	**–**	**–**	**–**	**298**	**298**

(a) Net operating loss carryforwards are multiplied by the statutory tax rate.

The reconciliation between the statutory tax rate and the effective tax rate for the year ended March 31, 2021, when there is a significant difference was as follows .

	Year ended March 31, 2021
Statutory tax rate	**30.62%**
Increase (decrease) due to:	
Tax loss carryforwards of foreign consolidated subsidiaries	**3.18**
Elimination of intercompany profits	**(5.02)**
Change in valuation allowance	**(6.40)**
Other	**(0.44)**
Effective tax rate	**21.94%**

For the fiscal year ended March 31, 2020, the reconciliation between the statutory tax rate and the effective tax rate is not shown as a loss before income taxes was recorded.

12. Leases

As lessee:

There were no impairment losses allocated to leased assets for the years ended March 31, 2021 and 2020.

13. Commitments and Contingent Liabilities

(a) Guarantees

The Company guarantees bank loans of TIANJIN TOHO LEAD RECYCLING CO., LTD., an associate of the Company, in the amount of ¥1,031 million ($9,312 thousand) and ¥781 million as of March 31, 2021 and 2020, respectively.

(b) Loan commitments

In addition, the Company has entered into loan commitments amounting to ¥16,000 million ($144,521 thousand) and ¥16,000 million with 10 financial institutions as of March 31, 2021 and 2020, respectively. There were no related loans payable outstanding, and therefore, the unused balance was ¥16,000 million ($144,521 thousand) and ¥16,000 million under the credit facilities as of March 31, 2021 and 2020, respectively.

As financial covenants are attached to these loan commitment agreements, any infringements of the following clauses may result in forfeiture of the benefit of time for all the debts under the loan commitment agreements.

(1) Maintaining consolidated shareholders' equity as of March 31, 2021 at no less than ¥25.0 billion ($225,815 thousand).
(2) Maintaining consolidated shareholders' equity as of September 30, 2021 at no less than 75% of the consolidated shareholders' equity as of March 31, 2021.
(3) Maintaining the consolidated capital adequacy ratio as of March 31, 2021 and September 30, 2021 no less than 20%.

(c) Contingent liabilities

As a result of an investigation, it was discovered that some of the nonferrous slag products shipped from the Company's Annaka Smelter and Refinery in the past included those with features not meeting environmental quality standards for soil under the Soil Contamination Countermeasures Act and that there is a possibility of inappropriate usage or contamination due to insufficient management by the Company. Going forward, the Company may incur expenses to collect and remove such products. However, it is difficult to reasonably estimate the impact on the consolidated financial statements at this point in time.

(d) Notes receivable discounted and others

The Company had repurchase obligations of ¥292 million ($2,637 thousand) and ¥323 million in connection with the securitization of receivables as of March 31, 2021 and 2020, respectively.

The Company had notes receivable discounted of nil and ¥244 million as of March 31, 2021 and 2020, respectively.

The Company had electronically recorded monetary claims discounted of nil and ¥165 million as of March 31, 2021 and 2020, respectively.

14. Financial Instruments

(a) Overview

(1) Policy for financial instruments

The Companies raise funds mainly through bank borrowings in consideration of their business plans. The Companies invest their temporary surplus funds in highly liquid financial assets and raise short-term operating capital through bank borrowings and issuances of commercial papers. The Companies use derivatives to avoid after-mentioned risks and do not enter into derivatives for speculative or trading purposes.

(2) Descriptions of financial instruments and related risks

Trade receivables—notes and accounts receivable, trade and electronically recorded monetary claims – are exposed to customer credit risk. Trade receivables denominated in foreign currencies, which are derived from foreign operations, are exposed to foreign currency risk, and such risk is hedged by forward foreign exchange contracts.

Investment securities are mainly composed of equity securities of companies with business relationships and exposed to market risk.

Trade payables—notes and accounts payable, trade—are mostly due within two months or less. Certain trade payables denominated in foreign currencies are exposed to foreign currency risk, and such risk is hedged by forward foreign exchange contracts.

Trade receivables and payables in connection with the Smelting business are exposed to commodity price fluctuation risk of London Metal Exchange ("LME"), and such risk is hedged by metal forward contracts.

Borrowings are principally for the purpose of working capital (mainly short-term), and capital investments (long-term). Certain long-term debt is exposed to interest rate fluctuation risk, and such risk is hedged by derivatives (interest rate swaps). The due date is 14 years from the balance sheet date at maximum.

As for derivatives, the Companies have entered into the forward foreign exchange contracts and others to hedge the foreign currency risk arising from the trade receivables and payables denominated in foreign currencies, metal forward contracts to hedge the commodity price fluctuation risk of LME arising from the trade receivables and payables on the Smelting business and interest rate swaps to hedge the fluctuation risk deriving from interest payment of long-term debt. See Note 1. (f) (3) *Hedge accounting* for information about the method of hedge accounting, hedging instruments and hedged items, hedging policy, and assessment of hedge effectiveness.

(3) Risk management for financial instruments

(i) Management of credit risk (risk of default by customers or counterparties)

For trade receivables, sales departments of each division of the Companies periodically monitor creditworthiness of their main customers and manage due dates and outstanding balances by customer in accordance with the internal rules of the Company. In addition, the Companies are making efforts to identify uncollectibility in the earlier stage and mitigate risks of bad debts, due to customers with financial difficulties.

The Companies believe that the credit risk of derivatives is insignificant as they enter into derivative transactions only with financial institutions with high credit ratings.

(ii) Management of market risks (risks of fluctuations in foreign exchange rates, commodity prices, interest rates and others)

For trade receivables and payables denominated in foreign currencies, the foreign currency risk of the Company identified by currency on a monthly basis is hedged by forward foreign exchange contracts and others. In order to mitigate the commodity price fluctuation risks of LME for trade receivables and payables on the Smelting business, the Company has entered into the metal forward contracts. In addition, the Company has entered into interest rate swap transactions to mitigate the interest rate fluctuation risk for interest payment of long-term debt.

For investment securities, the Companies periodically monitor the fair values and financial position of the issuers and continuously review the holding status taking into account market conditions and relationships with the issuers.

Derivative transactions are conducted and managed by treasury personnel including directors and each division, and risk management is sufficiently conducted by making reports to management every time transactions are executed as well as on a periodical basis.

(iii) Management of liquidity risk on funding (risk of default at due dates)

Based on the report from each department, subsidiaries and associates, the department in charge of the Company prepares and updates its cash flow plan on a timely basis and manages liquidity risk by maintaining liquid funds.

(4) Supplementary explanation of the fair value of financial instruments

Fair values of financial instruments are based on their respective market prices if available. When there is no market price available, fair value is reasonably calculated. Since various assumptions and factors are reflected in the calculation of the fair value, different assumptions and factors could result in different fair value. In addition, the notional amounts of derivatives in Note 17. *Derivative Transactions* are not indicative of the market risk involved in derivative transactions.

(b) Fair values of financial instruments

Carrying values of financial instruments on the consolidated balance sheets as of March 31, 2020 and 2019 and their fair values are shown in the following table. Financial instruments whose fair value is extremely difficult to determine are not included in the following table (Please refer to *Note 2* below).

	March 31, 2021		
	Carrying value	Fair value	Difference
	(Millions of yen)		
(1) Cash and time deposits	¥ **5,934**	¥ **5,934**	¥ **–**
(2) Notes and accounts receivable, trade	**14,061**	**14,061**	**–**
(3) Electronically recorded monetary claims	**1,412**	**1,421**	**–**
(4) Investment securities	**1,363**	**1,363**	**–**
Total assets	¥ **22,771**	¥ **22,771**	¥ **–**
(1) Notes and accounts payable, trade	¥ **6,217**	¥ **6,217**	¥ **–**
(2) Short-term borrowings	**23,883**	**23,883**	**–**
(3) Commercial papers	**2,000**	**2,000**	**–**
(4) Long-term debt (*1)	**24,018**	**23,964**	**(53)**
Total liabilities	¥ **56,119**	¥ **56,066**	¥ **(53)**
Derivatives (*2)	¥ **(187)**	¥ **(187)**	¥ **–**

	March 31, 2020		
	Carrying value	Fair value	Difference
	(Millions of yen)		
(1) Cash and time deposits	¥ 8,207	¥ 8,207	¥ –
(2) Notes and accounts receivable, trade	10,655	10,655	–
(3) Electronically recorded monetary claims	231	231	–
(4) Investment securities	1,555	1,555	–
Total assets	¥ 20,649	¥ 20,649	¥ –
(1) Notes and accounts payable, trade	¥ 6,890	¥ 6,890	¥ –
(2) Short-term borrowings	24,101	24,101	–
(3) Commercial papers	4,000	4,000	–
(4) Long-term debt (*1)	28,334	28,340	6
Total liabilities	¥ 63,327	¥ 63,333	¥ 6
Derivatives (*2)	¥ 1,596	¥ 1,596	¥ –

	March 31, 2021		
	Carrying value	Fair value	Difference
	(Thousands of U.S. dollars)		
(1) Cash and time deposits	$ **53,599**	$ **53,599**	$ **–**
(2) Notes and accounts receivable, trade	**127,007**	**127,007**	**–**
(3) Electronically recorded monetary claims	**12,754**	**12,754**	**–**
(4) Investment securities	**12,311**	**12,311**	**–**
Total assets	$ **205,681**	$ **205,681**	$ **–**
(1) Notes and accounts payable, trade	$ **56,155**	$ **56,155**	$ **–**
(2) Short-term borrowings	**215,725**	**215,725**	**–**
(3) Commercial papers	**18,065**	**18,065**	**–**
(4) Long-term debt (*1)	**216,945**	**216,457**	**(478)**
Total liabilities	$ **506,900**	$ **506,422**	$ **(478)**
Derivatives (*2)	$ **(1,689)**	$ **(1,689)**	$ **–**

(*1) Current portion of long-term debt is included in long-term debt as of March 31, 2021 and 2020.

(*2) The value of assets and liabilities arising from derivatives is shown at net value, and the net liability position is shown in parentheses.

Notes:

1. Methods to calculate the fair value of financial instruments and other matters related to securities and derivative transactions

Assets
(1) *Cash and time deposits,* (2) *Notes and accounts receivable, trade and (3) Electronically recorded monetary claims*
Since these items are settled in a short period of time, their carrying value approximates fair value.

(4) *Investment securities*
The fair value of equity securities is based on a quoted market price. For information on securities classified by holding purpose, please refer to Note 15. *Investment Securities*.

Liabilities
(1) *Notes and accounts payable, trade,* (2) *Short-term borrowings and* (3) *Commercial papers*
Since these items are settled in a short period of time, their carrying value approximates fair value.

(4) *Long-term debt*
For long-term debt with floating interest rates, its carrying value approximates fair value since the debt reflects the market interest rates in a short period of time and the credit condition of the Company has not changed significantly since the debt was executed. For long-term debt with fixed interest rates, the fair value is based upon the present value of the total of principal and interest discounted by the interest rate to be applied if similar new borrowings were entered into.

Derivative transactions
Please refer to Note 17. *Derivative Transactions*.

2. Financial instruments whose fair value is extremely difficult to determine

	March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Unlisted equity securities	¥ **5,618**	¥ 3,388	$ **50,745**

These are not included in (4) *Investment securities* in the above table because there were no market prices available and it was extremely difficult to determine the fair value.

3. Redemption schedule for monetary receivables as of March 31, 2021

	March 31, 2021			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
	(Millions of yen)			
Cash and time deposits	¥ **5,926**	¥ –	¥ –	¥ –
Notes and accounts receivable, trade	**14,061**	–	–	–
Electronically recorded monetary claims	**1,412**	–	–	–
Total	¥ **21,400**	¥ –	¥ –	¥ –

	March 31, 2021			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
	(Thousands of U.S. dollars)			
Cash and time deposits	**$ 53,527**	**$ –**	**$ –**	**$ –**
Notes and accounts receivable, trade	**127,007**	**–**	**–**	**–**
Electronically recorded monetary claims	**12,754**	**–**	**–**	**–**
Total	**$ 193,297**	**$ –**	**$ –**	**$ –**

4. The redemption schedule for long-term debt is disclosed in Note 7. *Short-Term Borrowings and Long-Term Debt*.

15. Investment Securities

Investment securities held by the Companies are all classified as other securities.

The aggregate cost and fair value (carrying value) of marketable securities classified as other securities as of March 31, 2021 and 2020 were as follows:

	March 31, 2021		
	Cost	Fair value (carrying value)	Unrealized gains (losses)
		(Millions of yen)	
Securities whose fair value exceeds their cost:			
Equity securities	**¥ 529**	**¥ 1,146**	**¥ 616**
Securities whose fair value does not exceed their cost:			
Equity securities	**227**	**217**	**(10)**
Total	**¥ 757**	**¥ 1,363**	**¥ 606**

	March 31, 2020		
	Cost	Fair value (carrying value)	Unrealized gains (losses)
		(Millions of yen)	
Securities whose fair value exceeds their cost:			
Equity securities	¥ 733	¥ 1,183	¥ 450
Securities whose fair value does not exceed their cost:			
Equity securities	526	371	(154)
Total	¥ 1,259	¥ 1,555	¥ 295

	March 31, 2021		
	Cost	Fair value (carrying value)	Unrealized gains (losses)
		(Thousands of U.S. dollars)	
Securities whose fair value exceeds their cost:			
Equity securities	**$ 4,778**	**$ 10,351**	**$ 5,564**
Securities whose fair value does not exceed their cost:			
Equity securities	**2,050**	**1,960**	**(90)**
Total	**$ 6,837**	**$ 12,311**	**$ 5,473**

As of March 31, 2021 and 2020, unlisted equity securities amounting to ¥5,618 million ($50,745 thousand) and ¥3,388 million, respectively, were not included in the above table because there were no market prices available and it was extremely difficult to determine the fair value.

Information about sales of securities classified as other securities for the years ended March 31, 2021 and 2020 was as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Sales proceeds	**¥ 787**	¥ 57	**$ 7,108**
Aggregate gains	**281**	11	**2,538**
Aggregate losses	**-**	-	**-**

The Company recognized an impairment loss of nil and ¥55 million for the years ended March 31, 2021 and 2020, respectively.

If the fair value declines by 50% or more compared to the acquisition cost, the acquisition cost will be written down to the fair value. If the fair value declines between 30% and 50% compared to the acquisition cost, the acquisition cost will be written down to the amount deemed appropriate taking into consideration monetary significance, recoverability and other factors.

16. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2021 and 2020 were composed of the following:

	March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Cash and time deposits	**¥ 5,934**	¥ 8,207	**$ 53,599**
Cash and cash equivalents	**¥ 5,934**	¥ 8,207	**$ 53,599**

The details of significant non-cash transactions were as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Asset retirement obligations stated on the consolidated balance sheet	**¥ 30**	¥ 1,328	**$ 270**

The details of assets and liabilities of a subsidiary excluded from the scope of consolidated subsidiary due to the sales of its shares

The details of assets and liabilities, selling price of shares and proceeds from sales of shares which were recognized when ConPorts Pty Limited was excluded from the scope of consolidated subsidiary due to the sales of its shares were as follows:

	(Millions of yen)	*(Thousands of U.S. dollars)*
Current assets	**¥ 140**	**$ 1,264**
Fixed assets	**796**	**7,189**
Current liabilities	**(37)**	**(334)**
Non-current liabilities	**(513)**	**(4,633)**
Gain on sales of shares of subsidiaries and associates	**2,671**	**24,126**
Selling price of shares	**3,057**	**27,612**
Cash and cash equivalents	**(46)**	**(415)**
Less: Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	**3,011**	**27,197**

17. Derivative Transactions

(a) Summarized below are the notional amounts and the fair value of derivative instruments outstanding as of March 31, 2021 and 2020, for which hedge accounting has not been applied.

(1) Currency-related transactions

For the year ended March 31, 2021

Not applicable.

	March 31, 2020			
	Notional amount			
	Contract amount	Maturing after one year	Fair value	Unrealized gains (losses)
	(Millions of yen)			
OTC transactions:				
Forward foreign exchange contracts				
Sell:				
Australian Dollar	¥ 2,070	¥ –	¥ (94)	¥ (94)
Total	¥ 2,070	¥ –	¥ (94)	¥ (94)

Note: The calculation of fair value is based on prices obtained from counterparty financial institutions and others.

(2) Commodity-related transactions

	March 31, 2021			
	Notional amount			
	Contract amount	Maturing after one year	Fair value	Unrealized gains (losses)
	(Millions of yen)			
OTC transactions:				
Metal forward contracts				
Sell:				
Metals	**¥ 2,756**	**¥ –**	**¥ 0**	**¥ 0**
Buy:				
Metals	**¥ 606**	**¥ –**	**¥ 16**	**¥ 16**
Total	**¥ 3,362**	**¥ –**	**¥ 16**	**¥ 16**

	March 31, 2020			
	Notional amount			
	Contract amount	Maturing after one year	Fair value	Unrealized gains (losses)
	(Millions of yen)			
OTC transactions:				
Metal forward contracts				
Sell:				
Metals	¥ 1,522	¥ –	¥ 207	¥ 207
Buy:				
Metals	¥ 123	¥ –	¥ (10)	¥ (10)
Total	¥ 1,645	¥ –	¥ 197	¥ 197

	March 31, 2021			
	Notional amount			
	Contract amount	Maturing after one year	Fair value	Unrealized gains (losses)
	(Thousands of U.S. dollars)			
OTC transactions:				
Metal forward contracts				
Sell:				
Metals	**$ 24,893**	**$ –**	**$ 0**	**$ 0**
Buy:				
Metals	**$ 5,437**	**$ –**	**$ 144**	**$ 144**
Total	**$ 30,367**	**$ –**	**$ 144**	**$ 144**

Notes: The calculation of fair value is based on prices obtained from counterparties and others.

(b) Summarized below are the notional amounts and the fair value of derivative instruments outstanding as of March 31, 2021 and 2020, for which hedge accounting has been applied.

(1) Interest-related transactions

	March 31, 2021		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Millions of yen)		
Interest rate swaps hedging long-term debt, accounted for by exceptional treatment:			
Receive/floating and pay/fixed	**¥ 3,622**	**¥ 2,401**	***(Note)***
Total	**¥ 3,622**	**¥ 2,401**	

	March 31, 2020		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Millions of yen)		
Interest rate swaps hedging long-term debt, accounted for by exceptional treatment:			
Receive/floating and pay/fixed	¥ 7,761	¥ 3,622	*(Note)*
Total	¥ 7,761	¥ 3,622	

	March 31, 2021		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Thousands of U.S. dollars)		
Interest rate swaps hedging long-term debt, accounted for by exceptional treatment:			
Receive/floating and pay/fixed	**$ 32,716**	**$ 21,687**	***(Note)***
Total	**$ 32,716**	**$ 21,687**	

Note: Interest rate swaps to which exceptional treatment is applied are accounted for together with the long-term debt designated as a hedged item. Therefore, their fair values are included in the fair value of long-term debt.

(2) Commodity-related transactions

	March 31, 2021		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Millions of yen)		
Metal forward contracts, accounted for as part of raw materials and finished goods:			
Sell: Metals	**¥ 12,008**	**¥ -**	**¥ (162)**
Buy: Metals	**7,839**	**-**	**(10)**
Total	**¥ 19,848**	**¥ -**	**¥ (173)**

	March 31, 2020		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Millions of yen)		
Metal forward contracts, accounted for as part of raw materials and finished goods:			
Sell: Metals	¥ 10,734	¥ -	¥ 1,990
Buy: Metals	6,012	-	(496)
Total	¥ 16,747	¥ -	¥ 1,493

	March 31, 2021		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Thousands of U.S. dollars)		
Metal forward contracts, accounted for as part of raw materials and finished goods:			
Sell: Metals	**$ 108,463**	**$ -**	**$ (1,463)**
Buy: Metals	**70,806**	**-**	**(90)**
Total	**$ 179,279**	**$ -**	**$ (1,562)**

Note: The calculation of fair value is based on prices obtained from counterparties and others.

18. Other Comprehensive Income

Reclassification adjustments and tax effects allocated to each component of other comprehensive (loss) income for the years ended March 31, 2021 and 2020 were as follows:

	Years ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Net unrealized gains (losses) on other securities:			
Gains (losses) arising during the year	**¥ 592**	¥ (637)	**$ 5,347**
Reclassification adjustments	**(281)**	(11)	**(2,538)**
Amount before tax effect	**310**	(648)	**2,800**
Tax effect	**(94)**	198	**(849)**
	215	(449)	**1,942**
Deferred (losses) gains on hedges:			
(Losses) gains arising during the year	**(5,734)**	1,546	**(51,792)**
Reclassification adjustments	**4,067**	(212)	**36,735**
Amount before tax effect	**(1,666)**	1,334	**(15,048)**
Tax effect	**510**	(408)	**4,606**
	(1,156)	925	**(10,441)**
Foreign currency translation adjustment:			
Adjustments arising during the year	**(2)**	(122)	**(18)**
	(2)	(122)	**(18)**
Remeasurements of defined benefit plans:			
Gains (losses) arising during the year	**782**	(257)	**7,063**
Reclassification adjustments	**16**	(23)	**144**
Amount before tax effect	**799**	(280)	**7,217**
Tax effect	**(209)**	50	**(1,887)**
	590	(230)	**5,329**
Total other comprehensive (loss) income	**¥ (352)**	¥ 122	**$ (3,179)**

19. Business Combinations

Transfer of subsidiary's shares

(a) Overview of share transfer

(1) Name of the company to which the shares were transferred

Aurizon Operations Limited

(2) Name of the transferred subsidiary and business description

Name of the subsidiary: ConPorts Pty Limited
Business description: Port cargo-handling business for non-ferrous metals concentrate

(3) Reason for the share transfer

The Group sold all the shares of ConPorts Pty Limited that is engaged in the port cargo-handling business, which is a non-core business, in order to allocate business resources to growth strategies such as capital investment in the existing Mineral Resource business and promotion of new projects.

(4) Date of the share transfer

December 31, 2020

(5) Other matters related to the transaction including the legal form

Share transfer in exchange for cash

(b) Overview of accounting policies

(1) Amount of transfer gains and losses

Gain on sales of shares of subsidiaries and associates ¥2,671 million ($24,126 thousand)

(2) Appropriate book value and details of assets and liabilities of transferred subsidiary

	(Millions of yen)	*(Thousands of U.S. dollars)*
Current assets	**¥ 140**	**$ 1,264**
Fixed assets	**796**	**7,189**
Total assets	**937**	**8,463**
Current liabilities	**37**	**334**
Non-current liabilities	**513**	**4,633**
Total liabilities	**550**	**4,967**

(3) Accounting treatment

The Company recorded the difference between the book value of the subsidiary in the consolidated financial statements and the selling price as gain on sales of shares of subsidiaries and associates.

(c) Reportable segment in which the transferred subsidiary was included

Mineral Resource segment

(d) Estimated financial results of the transferred subsidiary recorded in the consolidated statement of operations for the fiscal year ended March 31, 2021.

	(Millions of yen)	*(Thousands of U.S. dollars)*
Net sales	¥ **594**	$ **5,365**
Operating income	**284**	**2,565**

20. Segment Information

(a) Overview of reportable segments

(1) Definition of reportable segments

The Company defines reportable segments as components of the Company for which separate financial information is available and whose operating results are regularly evaluated by the board of directors to make decisions about how resources are allocated and assess its performance.

Operating departments of the Company are organized according to products and services, and each department plans comprehensive domestic and overseas strategies for its products and services and develops business activities through the Company and its consolidated subsidiaries. Thus, reportable segments of the Company are determined based on such operating departments; namely, "Smelting," "Mineral Resource" (organized based on CBH, a consolidated subsidiary), "Electronic Components and Materials," "Environment and Recycling" and "Civil Engineering, Construction and Plant Engineering" (organized based on TOHO DEVELOPMENT ENGINEERING CO., LTD., a consolidated subsidiary).

(2) Products and services of each reportable segment

- The Smelting segment engages in sales and production of zinc and lead products, electric silver and sulfuric acid.
- The Mineral Resource segment engages in exploration, development and production of non-ferrous metal resources and sales of their output.
- The Electronic Components and Materials segment engages in sales and production of electronic parts, electrolytic iron, plating and machine parts.
- The Environment and Recycling segment engages in sales and production of zinc oxide and recycling of waste materials.
- The Civil Engineering, Construction and Plant Engineering segment engages in design, construction, manufacturing and sales of facilities.

(b) Basis of measurement for the amounts of net sales, profit or loss, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those described in Note 1. *Summary of Significant Accounting Policies*. The segment profit is based on operating income, and intersegment sales and transfers are based on actual market prices.

(c) Information about net sales, profit or loss, assets and other items

Year ended March 31, 2021

	Reportable segment									
	Smelting	Mineral Resource	Electronic Compo-nents and Materials	Environ-ment and Recycling	Civil Engineering, Construction and Plant Engineering	Total	Other *(Note 1)*	Total	Reconcili-ation *(Note 2)*	Amounts on consolidated financial statements *(Note 3)*
						(Millions of yen)				
Net sales:										
External customers	**¥ 84,364**	**¥ 6,426**	**¥ 4,133**	**¥ 3,711**	**¥ 1,924**	**¥100,560**	**¥ 2,908**	**¥ 103,469**	**¥ –**	**¥ 103,469**
Intersegment	**564**	**1,131**	**-**	**0**	**192**	**1,888**	**4,388**	**6,276**	**(6,276)**	**–**
Total	**¥ 84,928**	**¥ 7,557**	**¥ 4,133**	**¥ 3,711**	**¥ 2,116**	**¥ 102,448**	**¥ 7,296**	**¥ 109,745**	**¥ (6,276)**	**¥ 103,469**
Segment profit (loss)	**¥ 5,791**	**¥ (1,436)**	**¥ 266**	**¥ 917**	**¥ 214**	**¥ 5,753**	**¥ 583**	**¥ 6,336**	**¥ (442)**	**¥ 5,894**
Segment assets	**¥ 62,239**	**¥ 23,593**	**¥ 9,143**	**¥ 5,179**	**¥ 656**	**¥100,811**	**¥ 2,949**	**¥ 103,761**	**¥ 9,874**	**¥ 113,635**
Other items:										
Depreciation	**¥ 1,670**	**¥ 2,183**	**¥ 241**	**¥ 252**	**¥ 5**	**¥ 4,353**	**¥ 171**	**¥ 4,525**	**¥ 69**	**¥ 4,594**
Investments in entities accounted for using equity method	**-**	**4,924**	**-**	**-**	**-**	**4,924**	**-**	**4,924**	**-**	**4,924**
Increase in property, plant and equipment and intangible assets	**1,369**	**2,838**	**75**	**126**	**3**	**4,412**	**213**	**4,625**	**37**	**4,663**
Impairment losses on fixed assets	**532**	**1,491**	**–**	**–**	**–**	**2,024**	**–**	**2,024**	**–**	**2,024**

Year ended March 31, 2020

	Reportable segment									
	Smelting	Mineral Resource	Electronic Compo-nents and Materials	Environ-ment and Recycling	Civil Engineering, Construction and Plant Engineering	Total	Other *(Note 1)*	Total	Reconcili-ation *(Note 2)*	Amounts on consolidated financial statements *(Note 3)*
						(Millions of yen)				
Net sales:										
External customers	¥ 73,639	¥ 9,647	¥ 4,928	¥ 4,181	¥ 2,213	¥ 94,611	¥ 2,834	¥ 97,445	¥ –	¥ 97,445
Intersegment	375	1,799	0	–	274	2,449	4,000	6,450	(6,450)	–
Total	¥ 74,015	¥ 11,446	¥ 4,928	¥ 4,181	¥ 2,487	¥ 97,060	¥ 6,835	¥ 103,895	¥ (6,450)	¥ 97,445
Segment profit (loss)	¥(10,067)	¥ (5,444)	¥ 434	¥ 762	¥ 151	¥(14,162)	¥ 416	¥ (13,746)	¥ (471)	¥ (14,217)
Segment assets	¥ 62,633	¥ 23,581	¥ 9,613	¥ 5,141	¥ 656	¥101,626	¥ 2,903	¥ 104,530	¥ 12,802	¥ 117,333
Other items:										
Depreciation	¥ 1,702	¥ 2,604	¥ 211	¥ 253	¥ 3	¥ 4,775	¥ 158	¥ 4,934	¥ 67	¥ 5,002
Investments in entities accounted for using equity method	–	2,694	–	–	–	2,694	–	2,694	–	2,694
Increase in property, plant and equipment and intangible assets	1,599	4,993	242	259	14	7,110	111	7,222	31	7,253
Impairment losses on fixed assets	–	3,172	–	–	–	3,172	–	3,172	–	3,172

	Year ended March 31, 2021									
	Reportable segment									
	Smelting	Mineral Resource	Electronic Compo-nents and Materials	Environ-ment and Recycling	Civil Engineering, Construction and Plant Engineering	Total	Other *(Note 1)*	Total	Reconcili-ation *(Note 2)*	Amounts on consolidated financial statements *(Note 3)*
	(Thousands of U.S. dollars)									
Net sales:										
External customers	**$ 762,026**	**$ 58,043**	**$ 37,331**	**$ 33,520**	**$ 17,378**	**$ 908,319**	**$ 26,266**	**$ 934,594**	**$ –**	**$ 934,594**
Intersegment	**5,094**	**10,215**	**-**	**0**	**1,734**	**17,053**	**39,635**	**56,688**	**(56,688)**	**–**
Total	**$ 767,121**	**$ 68,259**	**$ 37,331**	**$ 33,520**	**$ 19,112**	**$ 925,372**	**$ 65,901**	**$ 991,283**	**$ (56,688)**	**$ 934,594**
Segment profit (loss)	**$ 52,307**	**$ (12,970)**	**$ 2,402**	**$ 8,282**	**$ 1,932**	**$ 51,964**	**$ 5,266**	**$ 57,230**	**$ (3,992)**	**$ 53,238**
Segment assets	**$ 562,180**	**$ 213,106**	**$ 82,585**	**$ 46,779**	**$ 5,925**	**$ 910,586**	**$ 26,637**	**$ 937,232**	**$ 89,187**	**$ 1,026,420**
Other items:										
Depreciation	**$ 15,084**	**$ 19,718**	**$ 2,176**	**$ 2,276**	**$ 45**	**$ 39,318**	**$ 1,544**	**$ 40,872**	**$ 623**	**$ 41,495**
Investments in entities accounted for using equity method	**–**	**44,476**	**–**	**–**	**–**	**44,476**	**–**	**44,476**	**–**	**44,476**
Increase in property, plant and equipment and intangible assets	**12,365**	**25,634**	**677**	**1,138**	**27**	**39,851**	**1,923**	**41,775**	**334**	**42,119**
Impairment losses on fixed assets	**4,805**	**13,467**	**–**	**–**	**–**	**18,281**	**–**	**18,281**	**–**	**18,281**

Notes 1. "Other" represents business segments not belonging to reportable segments and includes sound insulation building materials, transportation, environmental analysis and others.

2. "Reconciliation" included the followings:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Segment profit (loss):			
Intersegment elimination	**¥ 25**	¥ (5)	**$ 225**
Corporate expenses (*)	**(467)**	(465)	**(4,218)**
Total	**¥ (442)**	¥ (471)	**$ (3,992)**

(*) "Corporate expenses" represents mainly general and administrative expenses that are not allocated to reportable segments.

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Segment assets:			
Corporate assets (*)	**¥ 9,874**	¥ 12,802	**$ 89,187**

(*) "Corporate assets" represents mainly the Company's investments of surplus funds including cash, time deposits and investment securities and assets relating to administrative divisions.

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Other items:			
Depreciation	¥ **69**	¥ 67	$ **623**
Increase in property, plant and equipment and intangible assets (*)	**37**	31	**334**

(*) "Increase in property, plant and equipment and intangible assets" represents mainly capital expenditures that do not belong to reportable segments.

3. Segment profit (loss) is reconciled to operating income (loss) on the consolidated statement of operations.

(d) Related information

(1) Information by product and service

Information by product and service has been omitted since similar information is disclosed in segment information described above.

(2) Information by geographical area

Net sales information by geographical area for the years ended March 31, 2021 and 2020 was as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Japan	¥ **90,530**	¥ 86,390	$ **817,721**
Asia	**8,678**	9,607	**78,384**
Oceania	**4,260**	1,447	**38,478**
Total	¥ **103,469**	¥ 97,445	$ **934,594**

Property, plant and equipment information by geographical area as of March 31, 2021 and 2020 was as follows:

	Year ended March 31,		
	2021	2020	**2021**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Japan	¥ **29,503**	¥ 31,251	$ **266,489**
Australia	**6,475**	7,786	**58,486**
Total	¥ **35,978**	¥ 39,038	$ **324,975**

(3) Information by major customer

Information by major customer has been omitted since there were no sales to a single external customer accounting for 10% or more of consolidated net sales.

21. Related Party Information

(a) The Company had related party transactions with its unconsolidated subsidiary/associate as follows.

For the year ended March 31, 2021

Type	Company name	Address	Common shares	Business	Owner ship [owned] ratio of voting rights	Relation-ship with the related party	Transactions	Transaction amount (Millions of yen)	Account	Balance at year end (Millions of yen)
Associate	TIANJIN TOHO LEAD RECYCLING CO., LTD.	Tianjin Development Area, People's Republic of China	RMB 151 million	Production of lead alloy for automobile batteries	Direct 46.5%	Lending of funds Concurrency of officer	Interest income *(Note 1)*	40 ($361 thousand)	Other (accrued receivable)	7 ($63 thousand)
							Payment of funds	738 ($6,666 thousand)	Other (short-term loans receivable to associate)	66 ($596 thousand)
							Guarantee of liabilities *(Note 2)*	1,031 ($9,312 thousand)	Other (long-term loans receivable to associate)	819 ($7,397 thousand)

Notes Terms and conditions of transactions and policies to determine them

1. The Company determined the interest rate for the lending of funds to TIANJIN TOHO LEAD RECYCLING CO., LTD reasonably based on market interest rates, and has not received collateral for them.

2. The Company provides guarantees for the entity's borrowings and receives guarantee fees based on general guarantee fee rates.

For the year ended March 31, 2020

Type	Company name	Address	Common shares	Business	Owner ship [owned] ratio of voting rights	Relation-ship with the related party	Transactions	Transaction amount (Millions of yen)	Account	Balance at year end (Millions of yen)
Associate	TIANJIN TOHO LEAD RECYCLING CO., LTD.	Tianjin Development Area, People's Republic of China	RMB 151 million	Production of lead alloy for automobile batteries	Direct 46.5%	Lending of funds	Undertaking of capital increase	663	Other (accrued receivable)	24
							Lending of funds *(Note 1)*	1,618		
							Interest income *(Note 1)*	23	Other (short-term loans receivable to associate)	1,632
							Guarantee of liabilities *(Note 2)*	781		

Notes Terms and conditions of transactions and policies to determine them

1. The Company determined the interest rate for the lending of funds to TIANJIN TOHO LEAD RECYCLING CO., LTD reasonably based on market interest rates, and has not received collateral for them.

2. The Company provides guarantees for the entity's borrowings and receives guarantee fees based on general guarantee fee rates.

(b) A consolidated subsidiary of the Company had related party transactions with its unconsolidated subsidiary/associate as follows.

For the year ended March 31, 2021

Type	Company name	Address	Common shares	Business	Owner ship [owned] ratio of voting rights	Relationship with the related party	Transactions	Transaction amount (Millions of yen)	Account	Balance at year end (Millions of yen)
Affiliated company accounted for by the equity method	Abra Mining Pty Limited	The State of West Australia, Australia	AUD 119 million	Mining	Direct 22.7%	Undertaking of capital increase Concurrency of officer	Undertaking of capital increase	2,229 ($20,133 thousand)	–	–

22. Subsequent Events

Not applicable.