

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023
[Japanese GAAP]

Company name: NITTOKU CO., LTD. Listing: Tokyo Stock Exchange
 Stock code: 6145 URL: <https://nittoku.co.jp>
 Representative: Nobushige Kondo, President
 Contact: Yumiko Fujita, Executive Officer, General Administration Division Executive General Manager
 Tel: +81-48-615-2109

Scheduled date of Annual General Meeting of Shareholders: June 28, 2023
 Scheduled date of filing of Annual Securities Report: June 29, 2023
 Scheduled date of payment of dividend: June 29, 2023
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

Note: The original disclosure in Japanese was released on May 12, 2023, at 15:00 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of 3arent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2023	29,461	4.8	3,096	7.3	3,119	3.0	2,224	(3.7)
Fiscal year ended Mar. 31, 2022	28,121	27.6	2,885	112.8	3,030	124.6	2,308	85.0

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2023: 2,829 (down 15.3%)

Fiscal year ended Mar. 31, 2022: 3,340 (up 15.4%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2023	123.10	–	6.4	6.6	10.5
Fiscal year ended Mar. 31, 2022	127.78	–	7.1	6.8	10.3

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2023: – Fiscal year ended Mar. 31, 2022: –

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2023	47,675	36,024	74.9	1,976.89
As of Mar. 31, 2022	47,340	33,919	71.1	1,862.73

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 35,715

As of Mar. 31, 2022: 33,653

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2023	1,246	(392)	(848)	12,023
Fiscal year ended Mar. 31, 2022	2,689	(714)	(848)	11,768

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2022	–	15.00	–	25.00	40.00	722	31.3	2.2
Fiscal year ended Mar. 31, 2023	–	15.00	–	15.00	30.00	542	24.4	1.6
Fiscal year ending Mar. 31, 2024 (forecast)	–	17.00	–	17.00	34.00		26.1	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	13,600	(12.6)	1,000	(24.6)	1,000	(28.9)	650	(30.1)	35.98
Full year	33,000	12.0	3,400	9.8	3,400	9.0	2,350	5.7	130.07

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: – Excluded: –

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2023: 18,098,923 shares As of Mar. 31, 2022: 18,098,923 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2023: 32,246 shares As of Mar. 31, 2022: 31,887 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2023: 18,066,909 shares Fiscal year ended Mar. 31, 2022: 18,067,099 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2023	22,500	2.3	1,985	16.0	2,330	22.3	1,712	19.7
Fiscal year ended Mar. 31, 2022	21,984	26.2	1,711	301.2	1,905	262.7	1,431	122.0

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Mar. 31, 2023	94.80		–	
Fiscal year ended Mar. 31, 2022	79.22		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Mar. 31, 2023	34,078		25,888		76.0		1,432.95	
As of Mar. 31, 2022	35,732		24,616		68.9		1,362.49	

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 25,888

As of Mar. 31, 2022: 24,616

2. Non-consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Profit		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Yen	
First half	10,300	(12.7)	700	(30.9)	500	(31.0)	27.68	
Full year	24,000	6.7	2,200	(5.6)	1,550	(9.5)	85.79	

* The current financial report is not subject to audit procedures by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information currently available to the Company's management at the time the materials were prepared. As such, they do not constitute an assurance that the Company promises to achieve the future performance. Actual results may differ significantly from these forecasts for a number of reasons. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 4 of the attachments "1. Overview of Results of Operations, (4) Future Outlook."

The Company plans to hold a results presentation for institutional investors and analysts on June 2, 2023. Materials to be distributed at this event will be available on the Company's website immediately thereafter.

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1. Overview of Results of Operations

(1) Overview of Results of Operations for the Current Fiscal Year

During the fiscal year ended March 31, 2023 (April 1, 2022 through March 31, 2023), the global economy continued to face challenges such as rises in resources and energy prices, the disruption of the global supply chain, restricted production activities, and a shortage of resources, parts, and materials amid the prolonged conflict in Ukraine, in addition to concerns over the impact of China's zero COVID policy which put a damper on economic activities, increasing downside risks for the global economy with a global shift to tighter monetary policies, and doubts about financial systems in the U.S. and Europe.

Meanwhile, there is the risk of downward pressure being placed on the Japanese economy, caused by the slowdown in overseas economies against the backdrop of the tighter monetary policy resulting from the global inflationary pressure. The future has still remained uncertain amid the following concerns: soaring raw material prices, increasing import costs caused by the further depreciation of yen, rising costs of living, the influence of COVID-19 on personal consumption and corporate production activities, restricted supply, and the volatility of the financial and capital markets.

The business environment surrounding the Group has been on the steady recovery from the COVID-19 pandemic on a global scale, with the manufacturing industry in part actively making capital investments, motivated by the strong needs for automating, sophisticating, and improving the quality of production systems. Meanwhile, based on the idea of promoting local production for local consumption, the Company made efforts to build a system leveraging remote technologies that enables us to remotely negotiate over sales and specifications issues, confirm completion, and provide installation supports, as well as transferred the sales, production, and service provision operations to overseas branches to improve production efficiency. We also accelerated our efforts to implement production engineering on behalf of users in a bid to accurately meet the needs and wants of our users, as well as promoted collaboration and co-creation with users and suppliers.

In recent years, society requires firms to respond to SDGs and pursue ESG management. Thus, the Company provides users with production systems which enable them to save energy, materials, electricity, and spaces and to achieve high productivity and safety to ultimately contribute to the global environment and the international community.

As a result of the above, for the fiscal year ended March 31, 2023, the Group recorded net sales of 29,461 million yen (up 4.8% year on year), operating profit of 3,096 million yen (up 7.3% year on year), ordinary profit of 3,119 million yen (up 3.0% year on year), and profit attributable to owners of parent of 2,224 million yen (down 3.7% year on year).

Under these circumstances, results by business segment were as follows.

Winding System & Mechatronics Business

The Company has continued building a business model of providing a production system that helps users to win over the competition in the global market. To this end, we have for years explored and sophisticated mechanical elemental technologies such as those for winding, tensioning and handling. Also, we have developed our proprietary OS enabling the high-performance multi-axis synchronous control. Then, we have integrated those through a material handling system to make them a platform-based production system. As our business model is in essence to perform production engineering tasks on behalf of users, we must promptly cater to individual users' unique and diverse needs and wants and support their overseas activities for their sustainable growth. In doing so, we deep-dived into our existing business domains and continued to explore peripheral business domains in line with our Blue Lake strategy—a strategy to promote collaboration and co-creation with users and suppliers through open innovation. As a result of these efforts, both orders received and net sales expanded primarily from the mobility industry.

Furthermore, to address various constraints amid the COVID-19 crisis, under the concept of local production for local consumption, we made strenuous efforts to streamline our marketing, production, and service operations and cut production costs by shifting operations online primarily at overseas branches to maximize productivity and competitiveness.

As a result of the above, the Winding System & Mechatronics Business segment, which accounts for about 91% of the Group's total net sales, reported net sales of 26,752 million yen (up 1.1% year on year) and segment profit (operating profit) of 3,224 million yen (up 2.2% year on year) on a consolidated basis. On a non-consolidated basis, orders received increased to 23,785 million yen (up 20.9% year on year), net sales decreased to 19,791 million yen (down 2.7% year on year), and the order backlog at the end of the current fiscal year increased to 19,936 million yen (up 25.1% year on year).

Contactless IC Tag & Card Business

During the fiscal year ended March 31, 2023, we received inquiries mainly for contactless IC cards and FA tags for production control systems. As a result, net sales of the contactless IC cards increased 41.2% year on year and net sales of FA tags for production control systems soared 295.3% year on year backed by increased needs for process control in FA lines.

As a result, net sales of the Contactless IC Tag & Card Business came in at 2,709 million yen (up 64.1% year on year) and segment profit (operating profit) came in at 767 million yen (up 38.9% year on year) on a consolidated basis. On a non-consolidated basis, orders received decreased to 2,431 million yen (down 7.6% year on year), net sales increased to 2,709 million yen (up 64.1% year on year), and the order backlog at the end of the current fiscal year decreased to 971 million yen (down 22.2% year on year).

(2) Overview of Financial Position for the Current Fiscal Year

1) Assets

Current assets decreased 174 million yen from the end of the previous fiscal year to 32,102 million yen. This was mainly attributable to decreases of 686 million yen in notes and accounts receivable-trade and 413 million yen in work in process, which were partially offset by increases of 519 million yen in electronically recorded monetary claims-operating and 467 million yen in raw materials and supplies.

Non-current assets increased 509 million yen from the end of the previous fiscal year to 15,573 million yen. This was mainly attributable to an increase of 553 million yen in investment securities, which was partially offset by a decrease of 249 million yen in buildings and structures, net.

As a result, total assets increased 335 million yen from the end of the previous fiscal year to 47,675 million yen.

2) Liabilities

Current liabilities decreased 2,280 million yen from the end of the previous fiscal year to 10,472 million yen. This was mainly attributable to a decrease of 2,164 million yen in advances received.

Non-current liabilities increased 510 million yen from the end of the previous fiscal year to 1,178 million yen. This was mainly attributable to an increase of 416 million yen in deferred tax liabilities.

As a result, total liabilities decreased 1,769 million yen from the end of the previous fiscal year to 11,650 million yen.

3) Net assets

Total net assets increased 2,105 million yen from the end of the previous fiscal year to 36,024 million yen.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter "net cash") at the end of the current fiscal year increased 255 million yen from the end of the previous fiscal year to 12,023 million yen. The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 1,246 million yen (compared with 2,689 million yen provided for the previous fiscal year). Main factors include profit before income taxes of 3,067 million yen and depreciation of 862 million yen, with decrease in advances received of 2,243 million yen and increase in inventories of 245 million yen.

Cash flows from investing activities

Net cash used in investing activities was 392 million yen (compared with 714 million yen used for the previous fiscal year). Main factors include proceeds from withdrawal of time deposits of 2,633 million yen, with payments into time deposits of 2,470 million yen and purchase of insurance funds of 522 million yen.

Cash flows from financing activities

Net cash used in financing activities was 848 million yen (compared with 848 million yen used for the previous fiscal year). This is attributable to dividends paid of 722 million yen.

(4) Future Outlook

Hereafter, the Company will continue to expand the "Blue Lake" strategy. To implement production engineering on behalf of customers in a range of processes in diverse industries, we will globally deliver production systems catering to the needs of customers expeditiously and efficiently by integrating proprietary technologies of other companies into the production system platform we have built up. We will apply our technologies including high-precision and transfer technologies to develop and deliver various automated and system machineries for new business domains, such as battery and semiconductor segments, while moving forward with efforts to sophisticate, speed up, and improve the quality of facilities primarily in the motor and electronic parts segments.

Overseas, a European subsidiary located in Austria has markedly grown and expanded. In Asia, we will strengthen our operations in not only China but also in South-East Asia where we have established a subsidiary in Vietnam during the previous fiscal year. Further, we will enhance our support service system at each of our business locations abroad so we can adapt to the increasing formation of economic blocs around the world.

We, as a manufacturer of total high-precision automated production lines contributing to the global environment and the sustainable growth of the international community, will capture business opportunities arising from current mega trends toward digitalization and greening, as represented by SDGs and decarbonization initiatives, and transition to 5G, to meet customers' need for investing in large-scale and advanced facilities.

The Company will continuously generate profit, increase corporate value, and realize a sustainable society through a resolution of social problems.

In the next fiscal year ending on March 31, 2024, we expect to record net sales of 33,000 million yen (up 12.0% year on year), operating profit of 3,400 million yen (up 9.8% year on year), ordinary profit of 3,400 million yen (up 9.0% year on year), and profit attributable to owners of parent of 2,350 million yen (up 5.7% year on year).

2. Basic Approach to the Selection of Accounting Standards

NITTOKU prepares its financial statements in accordance with the Japanese Generally Accepted Accounting Principles (JGAAP). To prepare for the voluntary application in the future of International Financial Reporting Standards (IFRS), we are preparing manuals and policies and considering the proper timing to start using these standards. Actions concerning these standards will be taken in an appropriate manner.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2022)	Current fiscal year (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	13,729	13,842
Notes and accounts receivable-trade	5,661	4,975
Electronically recorded monetary claims-operating	1,236	1,756
Work in process	9,167	8,753
Raw materials and supplies	1,483	1,950
Other	1,005	833
Allowance for doubtful accounts	(7)	(9)
Total current assets	32,276	32,102
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,799	4,549
Machinery, equipment and vehicles, net	976	869
Land	2,812	2,803
Other, net	685	742
Total property, plant and equipment	9,272	8,964
Intangible assets		
Other	120	114
Total intangible assets	120	114
Investments and other assets		
Investment securities	3,560	4,113
Retirement benefit asset	465	568
Deferred tax assets	29	47
Other	1,614	1,764
Total investments and other assets	5,669	6,494
Total non-current assets	15,063	15,573
Total assets	47,340	47,675

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2022)	Current fiscal year (As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,579	1,890
Electronically recorded obligations-operating	2,839	2,623
Income taxes payable	555	197
Advances received	5,949	3,785
Provision for bonuses	519	630
Other	1,310	1,344
Total current liabilities	12,752	10,472
Non-current liabilities		
Retirement benefit liability	12	19
Deferred tax liabilities	286	702
Other	369	455
Total non-current liabilities	668	1,178
Total liabilities	13,420	11,650
Net assets		
Shareholders' equity		
Share capital	6,884	6,884
Capital surplus	2,535	2,535
Retained earnings	21,054	22,555
Treasury shares	(27)	(28)
Total shareholders' equity	30,447	31,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,298	1,575
Foreign currency translation adjustment	1,556	1,873
Remeasurements of defined benefit plans	351	319
Total accumulated other comprehensive income	3,206	3,767
Non-controlling interests	265	309
Total net assets	33,919	36,024
Total liabilities and net assets	47,340	47,675

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

(Millions of yen)

	Prior fiscal year (Apr. 1, 2021–Mar. 31, 2022)	Current fiscal year (Apr. 1, 2022–Mar. 31, 2023)
Net sales	28,121	29,461
Cost of sales	21,034	21,496
Gross profit	7,086	7,964
Selling, general and administrative expenses	4,200	4,867
Operating profit	2,885	3,096
Non-operating income		
Interest income	52	55
Dividend income	39	60
Subsidy income	29	71
Other	164	86
Total non-operating income	286	273
Non-operating expenses		
Foreign exchange losses	80	28
Loss on retirement of non-current assets	26	157
Other	35	64
Total non-operating expenses	142	250
Ordinary profit	3,030	3,119
Extraordinary losses		
Loss on valuation of investment securities	–	52
Total extraordinary losses	–	52
Profit before income taxes	3,030	3,067
Income taxes-current	675	503
Income taxes-deferred	39	306
Total income taxes	714	809
Profit	2,315	2,258
Profit attributable to non-controlling interests	6	34
Profit attributable to owners of parent	2,308	2,224

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Prior fiscal year (Apr. 1, 2021–Mar. 31, 2022)	Current fiscal year (Apr. 1, 2022–Mar. 31, 2023)
Profit	2,315	2,258
Other comprehensive income		
Valuation difference on available-for-sale securities	130	276
Foreign currency translation adjustment	915	326
Remeasurements of defined benefit plans, net of tax	(21)	(31)
Total other comprehensive income	1,024	570
Comprehensive income	3,340	2,829
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,312	2,785
Comprehensive income attributable to non-controlling interests	27	43

(3) Consolidated Statement of Changes in Equity

Prior fiscal year (Apr. 1, 2021–Mar. 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,884	2,535	19,892	(27)	29,286
Cumulative effects of changes in accounting policies			(604)		(604)
Restated balance	6,884	2,535	19,288	(27)	28,681
Changes during period					
Dividends of surplus			(542)		(542)
Profit attributable to owners of parent			2,308		2,308
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,766	(0)	1,765
Balance at end of period	6,884	2,535	21,054	(27)	30,447

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,167	661	372	2,201	238	31,726
Cumulative effects of changes in accounting policies						(604)
Restated balance	1,167	661	372	2,201	238	31,121
Changes during period						
Dividends of surplus						(542)
Profit attributable to owners of parent						2,308
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	130	894	(21)	1,004	27	1,031
Total changes during period	130	894	(21)	1,004	27	2,797
Balance at end of period	1,298	1,556	351	3,206	265	33,919

Current fiscal year (Apr. 1, 2022–Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,884	2,535	21,054	(27)	30,447
Changes during period					
Dividends of surplus			(722)		(722)
Profit attributable to owners of parent			2,224		2,224
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,501	(0)	1,500
Balance at end of period	6,884	2,535	22,555	(28)	31,948

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,298	1,556	351	3,206	265	33,919
Changes during period						
Dividends of surplus						(722)
Profit attributable to owners of parent						2,224
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	276	316	(31)	561	43	604
Total changes during period	276	316	(31)	561	43	2,105
Balance at end of period	1,575	1,873	319	3,767	309	36,024

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Prior fiscal year (Apr. 1, 2021–Mar. 31, 2022)	Current fiscal year (Apr. 1, 2022–Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	3,030	3,067
Depreciation	1,032	862
Increase (decrease) in allowance for doubtful accounts	0	1
Increase (decrease) in provision for bonuses	127	108
Increase (decrease) in retirement benefit liability	11	(46)
Decrease (increase) in retirement benefit asset	(136)	(94)
Interest and dividend income	(92)	(116)
Subsidy income	29	(71)
Loss (gain) on sale of property, plant and equipment	(50)	(3)
Loss on retirement of non-current assets	26	157
Loss (gain) on valuation of investment securities	–	52
Decrease (increase) in trade receivables	(651)	264
Decrease (increase) in inventories	1,390	(245)
Increase (decrease) in trade payables	(430)	29
Increase (decrease) in advances received	(1,456)	(2,243)
Other, net	147	201
Subtotal	2,976	1,924
Interest and dividends received	92	115
Interest paid	(10)	(12)
Income taxes paid	(399)	(851)
Subsidies received	29	71
Net cash provided by (used in) operating activities	2,689	1,246
Cash flows from investing activities		
Payments into time deposits	(2,767)	(2,470)
Proceeds from withdrawal of time deposits	2,735	2,633
Purchase of property, plant and equipment	(368)	(227)
Proceeds from sale of property, plant and equipment	65	26
Purchase of intangible assets	(15)	(23)
Purchase of investment securities	(213)	(202)
Proceeds from sale and redemption of investment securities	184	12
Purchase of insurance funds	(462)	(522)
Proceeds from maturity of insurance funds	126	381
Other, net	0	–
Net cash provided by (used in) investing activities	(714)	(392)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(541)	(722)
Other, net	(305)	(125)
Net cash provided by (used in) financing activities	(848)	(848)
Effect of exchange rate change on cash and cash equivalents	531	250
Net increase (decrease) in cash and cash equivalents	1,657	255
Cash and cash equivalents at beginning of period	10,110	11,768
Cash and cash equivalents at end of period	11,768	12,023

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Changes in Accounting Policies

NITTOKU applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan (ASBJ) Guidance No. 31, June 17, 2021) from the beginning of the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, NITTOKU decided to apply the new accounting policies prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively. There is no effect of this change on the consolidated financial statements.

Segment and Other Information**Segment information**

1. Overview of reportable segment

(1) Method of determining the reportable segments

Segments used for financial reporting are the Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The two reportable segments that the NITTOKU Group uses are based on the products and services provided by these business divisions. The two segments are the Winding System & Mechatronics Business and the Contactless IC Tag & Card Business.

(2) Products and services by each reportable segment

The Winding System & Mechatronics Business segment involves the manufacture and sale of coil winding machines, winding systems, and peripheral equipment and the provision of maintenance services. The Contactless IC Tag & Card Business segment involves the manufacture and sale of IC tags, cards and inlets.

2. Calculation methods for net sales, profits/losses, assets, liabilities, and other items for each reportable segment

The accounting methods for reportable segments are largely the same as those described in "Basis of Preparing the Consolidated Financial Statements."

3. Information related to net sales, profit/losses, assets, liabilities, and other items for each reportable segment

Prior fiscal year (Apr. 1, 2021 – Mar. 31, 2022)

(Millions of yen)

	Reportable segment		Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	
Net sales			
External sales	26,470	1,651	28,121
Inter-segment sales and transfers	–	–	–
Total	26,470	1,651	28,121
Segment profit	3,154	552	3,706
Segment assets	32,181	1,606	33,787
Other items			
Depreciation	825	107	933
Change in property, plant and equipment and intangible assets	521	25	547

Current fiscal year (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Reportable segment		Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	
Net sales			
External sales	26,752	2,709	29,461
Inter-segment sales and transfers	–	–	–
Total	26,752	2,709	29,461
Segment profit	3,224	767	3,991
Segment assets	31,269	2,580	33,850
Other items			
Depreciation	678	91	770
Change in property, plant and equipment and intangible assets	490	85	575

4. Reconciliation of amounts shown on the consolidated financial statements with total for reportable segments

(Millions of yen)

Profit	Prior fiscal year	Current fiscal year
Total for reportable segments	3,706	3,991
Corporate expenses (Note)	(820)	(894)
Operating profit on the consolidated financial statements	2,885	3,096

Note: Corporate expenses mainly include general and administrative expenses that cannot be attributed to any reportable segment.

(Millions of yen)

Assets	Prior fiscal year	Current fiscal year
Total for reportable segments	33,787	33,850
Corporate assets (Note)	13,552	13,825
Total assets on the consolidated financial statements	47,340	47,675

Note: Corporate assets mainly include cash and deposits and investment securities that cannot be attributed to any reportable segment.

(Millions of yen)

Other items	Total for reportable segments		Adjustment		Amounts shown on consolidated financial statements	
	Prior fiscal year	Current fiscal year	Prior fiscal year	Current fiscal year	Prior fiscal year	Current fiscal year
Depreciation	933	770	98	92	1,032	862
Change in property, plant and equipment and intangible assets	547	575	24	2	572	578

Note: Adjustment to change in property, plant and equipment and intangible assets represents head office facilities.

Related information

Prior fiscal year (Apr. 1, 2021 – Mar. 31, 2022)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Asia	America	Europe	Total
9,993	7,715	4,906	1,786	3,719	28,121

- Notes: 1. Classification of net sales by region is based on the location of the client and categorized by country or region.
2. Net sales of export products on a non-consolidated basis were 12,065 million yen.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

This information is omitted because no specific external customer accounts for more than 10% of net sales on the consolidated statement of income.

Current fiscal year (Apr. 1, 2022 – Mar. 31, 2023)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Asia	America	Europe	Total
11,801	6,260	5,973	1,255	4,170	29,461

- Notes: 1. Classification of net sales by region is based on the location of the client and categorized by country or region.
2. Net sales of export products on a non-consolidated basis were 10,910 million yen.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

This information is omitted because no specific external customer accounts for more than 10% of net sales on the consolidated statement of income.

Information related to impairment of non-current assets for each reportable segment

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

Not applicable.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per-share Information

(Yen)

	Prior fiscal year (Apr. 1, 2021 – Mar. 31, 2022)	Current fiscal year (Apr. 1, 2022 – Mar. 31, 2023)
Net assets per share	1,862.73	1,976.89
Net income per share	127.78	123.10

- Notes: 1. Diluted net income per share is not presented since the Company has no outstanding dilutive securities.
2. The following is a reconciliation of net income per share.

(Millions of yen, unless otherwise stated)

Item	Prior fiscal year (Apr. 1, 2021 – Mar. 31, 2022)	Current fiscal year (Apr. 1, 2022 – Mar. 31, 2023)
Net income per share		
Profit attributable to owners of parent	2,308	2,224
Amount not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	2,308	2,224
Average number of common stock shares outstanding during the period (Shares)	18,067,099 shares	18,066,909 shares

Material Subsequent Events

Not applicable.

4. Non-consolidated Financial Statements and Notes**(1) Balance Sheet**

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2022)	Current fiscal year (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	5,934	5,650
Notes receivable-trade	148	76
Accounts receivable-trade	4,513	3,538
Electronically recorded monetary claims-operating	1,215	1,614
Work in process	7,615	6,507
Raw materials and supplies	764	1,005
Consumption taxes receivable	356	296
Current portion of long-term loans receivable from subsidiaries and associates	24	20
Other	523	189
Allowance for doubtful accounts	(4)	(4)
Total current assets	21,090	18,894
Non-current assets		
Property, plant and equipment		
Buildings	3,984	3,780
Structures	143	122
Machinery and equipment	540	455
Vehicles	10	7
Tools, furniture and fixtures	177	151
Land	2,550	2,542
Construction in progress	172	256
Total property, plant and equipment	7,579	7,315
Intangible assets		
Software	62	53
Other	12	11
Total intangible assets	74	65
Investments and other assets		
Investment securities	3,221	3,772
Shares of subsidiaries and associates	650	650
Investments in capital of subsidiaries and associates	1,568	1,568
Long-term loans receivable from subsidiaries and associates	18	50
Insurance funds	1,416	1,552
Other	112	207
Total investments and other assets	6,988	7,802
Total non-current assets	14,642	15,183
Total assets	35,732	34,078

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2022)	Current fiscal year (As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Notes payable-trade	326	404
Accounts payable-trade	996	1,117
Electronically recorded obligations-operating	2,839	2,623
Accounts payable-other	437	313
Income taxes payable	453	25
Advances received	4,838	2,188
Provision for bonuses	379	423
Other	500	375
Total current liabilities	10,771	7,471
Non-current liabilities		
Long-term accounts payable-other	194	194
Provision for retirement benefits	54	-
Deferred tax liabilities	34	461
Other	61	62
Total non-current liabilities	344	717
Total liabilities	11,116	8,189
Net assets		
Shareholders' equity		
Share capital	6,884	6,884
Capital surplus		
Legal capital surplus	2,542	2,542
Total capital surpluses	2,542	2,542
Retained earnings		
Legal retained earnings	202	202
Other retained earnings		
General reserve	2,200	2,200
Retained earnings brought forward	11,537	12,527
Total retained earnings	13,940	14,930
Treasury shares	(27)	(28)
Total shareholders' equity	23,340	24,329
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,275	1,558
Total valuation and translation adjustments	1,275	1,558
Total net assets	24,616	25,888
Total liabilities and net assets	35,732	34,078

(2) Statement of Income

	(Millions of yen)	
	Prior fiscal year (Apr. 1, 2021–Mar. 31, 2022)	Current fiscal year (Apr. 1, 2022–Mar. 31, 2023)
Net sales	21,984	22,500
Cost of sales	17,001	17,165
Gross profit	4,982	5,335
Selling, general and administrative expenses	3,271	3,350
Operating profit	1,711	1,985
Non-operating income		
Interest and dividend income	36	351
Foreign exchange losses	53	72
Other	154	104
Total non-operating income	244	529
Non-operating expenses		
Loss on retirement of non-current assets	26	142
Other	24	41
Total non-operating expenses	50	183
Ordinary profit	1,905	2,330
Extraordinary losses		
Loss on valuation of investment securities	–	52
Total extraordinary losses	–	52
Profit before income taxes	1,905	2,278
Income taxes-current	528	245
Income taxes-deferred	(54)	320
Total income taxes	474	565
Profit	1,431	1,712

(3) Statement of Changes in Equity

Prior fiscal year (Apr. 1, 2021–Mar. 31, 2022)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
				General reserve	Retained earnings brought forward		
Balance at beginning of period	6,884	2,542	2,542	202	2,200	10,916	13,319
Cumulative effects of changes in accounting policies						(267)	(267)
Restated balance	6,884	2,542	2,542	202	2,200	10,648	13,051
Changes during period							
Dividends of surplus						(542)	(542)
Profit						1,431	1,431
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	889	889
Balance at end of period	6,884	2,542	2,542	202	2,200	11,537	13,940

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(27)	22,719	1,121	1,121	23,841
Cumulative effects of changes in accounting policies		(267)			(267)
Restated balance	(27)	22,452	1,121	1,121	23,573
Changes during period					
Dividends of surplus		(542)			(542)
Profit		1,431			1,431
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			153	153	153
Total changes during period	(0)	888	153	153	1,042
Balance at end of period	(27)	23,340	1,275	1,275	24,616

Current fiscal year (Apr. 1, 2022–Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	6,884	2,542	2,542	202	2,200	11,537	13,940
Changes during period							
Dividends of surplus						(722)	(722)
Profit						1,712	1,712
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	990	990
Balance at end of period	6,884	2,542	2,542	202	2,200	12,527	14,930

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(27)	23,340	1,275	1,275	24,616
Changes during period					
Dividends of surplus		(722)			(722)
Profit		1,712			1,712
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			283	283	283
Total changes during period	(0)	989	283	283	1,272
Balance at end of period	(28)	24,329	1,558	1,558	25,888

5. Others

(1) Production, Orders and Sales

The NITTOKU Group (NITTOKU CO., LTD. and its affiliated companies) manufactures and sells a diverse array of products. Even similar products frequently differ in terms of their capacity, structure, style, and other specifications. Since NITTOKU believes these characteristics make it inappropriate to use monetary or volume units in reporting the volume of production and orders in each segment, non-consolidated figures are presented.

Accordingly, with regard to production and orders received, the segment results of operations in “1. Overview of Results of Operations, (1) Overview of Results of Operations for the Current Fiscal Year” are non-consolidated figures. However, sales figures in this section are consolidated figures as in prior fiscal years for consistency with the segment results of operations in “1. Overview of Results of Operations, (1) Overview of Results of Operations for the Current Fiscal Year.”

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.