

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

[Japanese GAAP]

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Stock code: 6145

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Listing: Tokyo Stock Exchange

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Scheduled date of Annual General Meeting of Shareholders: June 26, 2024

Scheduled date of filing of Annual Securities Report: June 27, 2024

Scheduled date of payment of dividend: June 27, 2024

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 10, 2024, 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, 2024 (April 1, 2023–March 31, 2024)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	30,803	4.6	4,164	34.5	4,280	37.2	2,744	23.4
Fiscal year ended Mar. 31, 2023	29,461	4.8	3,096	7.3	3,119	3.0	2,224	(3.7)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2024: 4,314 (up 52.5%)

Fiscal year ended Mar. 31, 2023: 2,829 (down 15.3%)

	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, 2024	151.92	—	7.3	8.2	13.5
Fiscal year ended Mar. 31, 2023	123.10	—	6.4	6.6	10.5

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2024: — Fiscal year ended Mar. 31, 2023: —

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	56,785	39,770	69.4	2,182.00
As of Mar. 31, 2023	47,675	36,024	74.9	1,976.89

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 39,420 As of Mar. 31, 2023: 35,715

(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, 2024	525	116	1,195	14,503
Fiscal year ended Mar. 31, 2023	1,246	(392)	(848)	12,023

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, 2023	—	15.00	—	15.00	30.00	542	24.4	1.6
Fiscal year ended Mar. 31, 2024	—	17.00	—	17.00	34.00	614	22.4	1.6
Fiscal year ending Mar. 31, 2025 (forecast)	—	21.00	—	21.00	42.00		30.4	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024–March 31, 2025)

(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	15,000	14.0	1,000	(39.8)	1,000	(41.6)	300	(72.8)	16.61
Full year	36,000	16.9	3,800	(8.8)	3,800	(11.2)	2,500	(8.9)	138.38

*** 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: None

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, 2024: 18,098,923 shares As of Mar. 31, 2023: 18,098,923 shares

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

As of Mar. 31, 2024: 32,575 shares As of Mar. 31, 2023: 32,246 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2024: 18,066,484 shares Fiscal year ended Mar. 31, 2023: 18,066,909 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023–March 31, 2024)

(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, 2024	22,139	(1.6)	3,654	84.1	3,753	61.0	2,749	60.5
Fiscal year ended Mar. 31, 2023	22,500	2.3	1,985	16.0	2,330	22.3	1,712	19.7

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2024	152.17	–
Fiscal year ended Mar. 31, 2023	94.80	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	41,086	28,705	69.9	1,588.90
As of Mar. 31, 2023	34,078	25,888	76.0	1,432.95

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 28,705 As of Mar. 31, 2023: 25,888

2. Non-consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024–March 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Ordinary profit		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	10,000	(3.1)	1,700	(2.1)	1,400	16.8	77.49
Full year	25,000	12.9	3,750	(0.1)	2,850	3.7	157.75

* 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 May 31, 2024. 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, 2024 (April 1, 2023 through March 31, 2024), the global economy saw slowdown in recovery and faced great uncertainties against the following backdrop: growing geopolitical risks related to the prolonged situation in Ukraine and the tense situation in the Middle East; China's economic slump due to its real-estate downturn and other reasons; rises in resources and energy prices; and the remaining global inflationary pressures.

In the business environment surrounding the Group, the easing financial environment has been supporting private demand. Meanwhile, the following challenges need to be addressed: reducing greenhouse gas emissions in relation to SDGs; saving labor through digital transformation (DX) and other means; reinforcing supply chains; and creating electrically powered, electronically controlled, and safer means of mobility. These challenges require a comprehensive approach concerned not only simply with development and production of necessary products but also with production systems for such products. Thus, investments in leading-edge facilities for automation, sophistication, and quality enhancement of production facilities have started globally.

NITTOKU CO., LTD. (the "Company") provides technologies and ideas to the design and building of overall production systems of users as "line builder" that ensures the production efficiency and quality improvements for production lines of each user. Through the development of global human resources, the Company has improved its sales, production, and service operations at overseas branches. 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 promoting collaboration and co-creation with users and suppliers.

During the current fiscal year, the Company enhanced its service support systems at overseas offices, mainly in Southeast Asia, by means of establishing a new overseas subsidiary in the Philippines and opening a Ho Chi Minh branch of an existing overseas subsidiary in Vietnam.

In addition, in response to the recent social requirement that firms respond to SDGs and pursue ESG management, 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, 2024, the Group recorded net sales of 30,803 million yen (up 4.6% year on year), operating profit of 4,164 million yen (up 34.5% year on year), ordinary profit of 4,280 million yen (up 37.2% year on year), and profit attributable to owners of parent of 2,744 million yen (up 23.4% year on year) on a consolidated basis.

In this business environment, results by business segment were as follows.

Winding System & Mechatronics Business

The Company has pursued a business model of providing a production system that helps users improve their competitive advantage in the global market. To this end, we offer a system that integrates multiple processes such as winding, handling, assembly, and inspection through a transfer system and that enables high-performance multi-axis synchronous control through the use of our proprietary OS. We must promptly cater to individual users' unique and diverse needs and wants. In doing so, we have not only deep-dived into our existing business domains but also continued to proactively explore peripheral business domains by globally promoting our Blue Lake strategy—a strategy to promote collaboration and co-creation with users and suppliers through open innovation. As a result of such efforts, the Company has expanded its capabilities in the mechatronics business into areas not involving a winding process, such as construction of assembly lines for vehicle-mounted capacitors and modules.

In recent years, with the rapid progress of digitalization, devices and tools have become more sophisticated and advanced. In this business, the Company has successfully transformed itself from conventional "production facility manufacturer" to "line builder." This involves providing technologies and ideas to the design and building of overall production systems of users as well as contributing to the production efficiency and quality improvements for the entire process, including the pre- and post-process of winding. Due to the expansion and complexity of production systems, orders for projects that are expensive and include many new elements have increased recently.

This has led to the need to reconsider profitability. However, during the current fiscal year, we were able to ensure profits for these projects by accumulating technical know-how, thoroughly sharing the detailed terms and conditions of orders received, improving product efficiency, reducing costs, and increasing value added. In addition, the impacts of the exchange rate for the foreign denominated projects worked in our favor.

As a result of the above, the Winding System & Mechatronics Business segment, which accounts for about 92% of the Group's total net sales, reported net sales of 28,365 million yen (up 6.0% year on year) and segment profit (operating profit) of 4,408 million yen (up 36.7% year on year) on a consolidated basis. On a non-consolidated basis, orders received decreased to 18,346 million yen (down 22.9% year on year), net sales decreased to 19,702 million yen (down 0.5% year on year), and the order backlog at the end of the current fiscal year decreased to 18,580 million yen (down 6.8% year on year).

Contactless IC Tag & Card Business

During the current fiscal year, net sales of contactless IC cards remained steady. Meanwhile, net sales of FA tags and battery tags, which are used to manage production lines, was coming to a halt during the current fiscal year compared with the previous fiscal year.

As a result, net sales of the Contactless IC Tag & Card Business came in at 2,437 million yen (down 10.0% year on year) and segment profit (operating profit) came in at 786 million yen (up 2.5% year on year) on a consolidated basis. On a non-consolidated basis, orders received decreased to 2,060 million yen (down 15.3% year on year), net sales decreased to 2,437 million yen (down 10.0% year on year), and the order backlog at the end of the current fiscal year decreased to 593 million yen (down 38.9% year on year).

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

1) Assets

Current assets increased 7,091 million yen from the end of the previous fiscal year to 39,193 million yen. This was mainly attributable to increases of 2,341 million yen in work in process, 1,935 million yen in notes and accounts receivable-trade, and 1,186 million yen in cash and deposits.

Non-current assets increased 2,018 million yen from the end of the previous fiscal year to 17,591 million yen. This was mainly attributable to increases of 878 million yen in investment securities, 582 million yen in buildings and structures, net, and 170 million yen in machinery, equipment and vehicles, net.

As a result, total assets increased 9,109 million yen from the end of the previous fiscal year to 56,785 million yen.

2) Liabilities

Current liabilities increased 3,050 million yen from the end of the previous fiscal year to 13,523 million yen. This was mainly attributable to increases of 1,664 million yen in contract liabilities and 1,004 million yen in income taxes payable.

Non-current liabilities increased 2,313 million yen from the end of the previous fiscal year to 3,491 million yen. This was mainly attributable to increases of 1,584 million yen in long-term borrowings and 483 million yen in deferred tax liabilities.

Consequently, total liabilities increased 5,364 million yen from the end of the previous fiscal year to 17,014 million yen.

3) Net assets

Total net assets increased 3,745 million yen from the end of the previous fiscal year to 39,770 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 2,479 million yen from the end of the previous fiscal year to 14,503 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 525 million yen (compared with 1,246 million yen provided for the

previous fiscal year). Main factors include the recording of profit before income taxes of 4,280 million yen, depreciation of 934 million yen, and increase in contract liabilities of 1,462 million yen, despite the increase in trade receivables of 2,444 million yen and increase in inventories of 2,940 million yen.

Cash flows from investing activities

Net cash provided by investing activities was 116 million yen (compared with 392 million yen used for the previous fiscal year). Main factors include the recording of proceeds from withdrawal of time deposits of 2,121 million yen and proceeds from maturity of insurance funds of 561 million yen, despite payments into time deposits of 949 million yen, purchase of property, plant and equipment of 665 million yen, and purchase of insurance funds of 611 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 1,195 million yen (compared with 848 million yen used for the previous fiscal year). Main factors include the recording of proceeds from long-term borrowings of 2,000 million yen, despite dividends paid of 578 million yen.

(4) Future Outlook

Hereafter, the Company will continue to promote the “Blue Lake” strategy. To act as a provider of production engineering in diverse industries, we will integrate proprietary technologies of other companies into the production system platform we have built up and will globally and speedily deliver integrated production lines comprising a series of continuous processes as a “line builder.”

The mobility industry is making continuous efforts to enhance passenger vehicles into electronically controlled and safer ones such as hybrid vehicles (HVs) and electric vehicles (EVs). Such efforts for further sophistication have diffused to a wider range of means of mobility including commercial vehicles, motorcycles, vessels, and construction machinery. The Company 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.

In April 2024, Astecnos Co., Ltd., a manufacturer that designs and manufactures specialized automation machines, became a subsidiary of the Company. Additionally, in Europe, API Hard- & Software GmbH, which possesses expertise on electrical measurement and testing systems, became a subsidiary of the Company’s European subsidiary. The Company will capitalize on the synergetic effects brought about by these M&As and actively expand our business.

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, carbon emission reduction, and transition to 5G, to meet customers’ need for investing in large-scale and advanced facilities.

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

In the fiscal year ending on March 31, 2025, we expect to record net sales of 36,000 million yen (up 16.9% year on year), operating profit of 3,800 million yen (down 8.8% year on year), ordinary profit of 3,800 million yen (down 11.2% year on year), and profit attributable to owners of parent of 2,500 million yen (down 8.9% year on year), based on the prospect that the percentage of development projects aimed at launching new products and expanding their market presence will increase from about 10% in the current fiscal year to about 40%.

2. Basic Approach to the Selection of Accounting Standards

The Company 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, 2023)	Current fiscal year (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	13,842	15,028
Notes and accounts receivable-trade	4,975	6,910
Electronically recorded monetary claims-operating	1,756	2,514
Securities	—	301
Work in process	8,753	11,094
Raw materials and supplies	1,950	2,702
Other	833	713
Allowance for doubtful accounts	(9)	(72)
Total current assets	32,102	39,193
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,549	5,132
Machinery, equipment and vehicles, net	869	1,039
Land	2,803	2,811
Other, net	742	700
Total property, plant and equipment	8,964	9,683
Intangible assets		
Other	114	181
Total intangible assets	114	181
Investments and other assets		
Investment securities	4,113	4,991
Retirement benefit asset	568	681
Deferred tax assets	47	46
Other	1,764	2,006
Total investments and other assets	6,494	7,726
Total non-current assets	15,573	17,591
Total assets	47,675	56,785

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2023)	Current fiscal year (As of Mar. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,890	1,913
Electronically recorded obligations-operating	2,623	2,105
Income taxes payable	197	1,201
Contract liabilities	3,785	5,450
Provision for bonuses	630	722
Current portion of long-term borrowings	—	399
Other	1,344	1,730
Total current liabilities	10,472	13,523
Non-current liabilities		
Long-term borrowings	—	1,584
Retirement benefit liability	19	1
Deferred tax liabilities	702	1,186
Other	455	719
Total non-current liabilities	1,178	3,491
Total liabilities	11,650	17,014
Net assets		
Shareholders' equity		
Share capital	6,884	6,884
Capital surplus	2,535	2,528
Retained earnings	22,555	24,722
Treasury shares	(28)	(29)
Total shareholders' equity	31,948	34,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,575	2,178
Foreign currency translation adjustment	1,873	2,846
Remeasurements of defined benefit plans	319	289
Total accumulated other comprehensive income	3,767	5,314
Non-controlling interests	309	349
Total net assets	36,024	39,770
Total liabilities and net assets	47,675	56,785

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

(Millions of yen)

	Prior fiscal year (Apr. 1, 2022–Mar. 31, 2023)	Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)
Net sales	29,461	30,803
Cost of sales	21,496	20,874
Gross profit	7,964	9,929
Selling, general and administrative expenses	4,867	5,764
Operating profit	3,096	4,164
Non-operating income		
Interest income	55	101
Dividend income	60	62
Other	157	126
Total non-operating income	273	290
Non-operating expenses		
Interest expenses	12	32
Foreign exchange losses	28	91
Other	209	50
Total non-operating expenses	250	174
Ordinary profit	3,119	4,280
Extraordinary losses		
Loss on valuation of investment securities	52	—
Total extraordinary losses	52	—
Profit before income taxes	3,067	4,280
Income taxes-current	503	1,281
Income taxes-deferred	306	255
Total income taxes	809	1,536
Profit	2,258	2,744
Profit (loss) attributable to non-controlling interests	34	(0)
Profit attributable to owners of parent	2,224	2,744

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Prior fiscal year	Current fiscal year
	(Apr. 1, 2022–Mar. 31, 2023)	(Apr. 1, 2023–Mar. 31, 2024)
Profit	2,258	2,744
Other comprehensive income		
Valuation difference on available-for-sale securities	276	603
Foreign currency translation adjustment	326	997
Remeasurements of defined benefit plans, net of tax	(31)	(30)
Total other comprehensive income	570	1,570
Comprehensive income	2,829	4,314
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,785	4,290
Comprehensive income attributable to non-controlling interests	43	23

(3) Consolidated Statement of Changes in Equity

Prior 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)
Capital increase of consolidated subsidiaries					–
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)
Capital increase of consolidated subsidiaries						–
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

Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)

(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	22,555	(28)	31,948
Changes during period					
Dividends of surplus			(578)		(578)
Profit attributable to owners of parent			2,744		2,744
Purchase of treasury shares				(0)	(0)
Capital increase of consolidated subsidiaries		(7)			(7)
Net changes in items other than shareholders' equity					
Total changes during period	–	(7)	2,166	(0)	2,158
Balance at end of period	6,884	2,528	24,722	(29)	34,106

(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	1,575	1,873	319	3,767	309	36,024
Changes during period						
Dividends of surplus						(578)
Profit attributable to owners of parent						2,744
Purchase of treasury shares						(0)
Capital increase of consolidated subsidiaries						(7)
Net changes in items other than shareholders' equity	603	973	(30)	1,546	40	1,587
Total changes during period	603	973	(30)	1,546	40	3,745
Balance at end of period	2,178	2,846	289	5,314	349	39,770

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Prior fiscal year (Apr. 1, 2022–Mar. 31, 2023)	Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	3,067	4,280
Depreciation	862	934
Increase (decrease) in allowance for doubtful accounts	1	60
Increase (decrease) in provision for bonuses	108	78
Increase (decrease) in retirement benefit liability	(46)	(19)
Decrease (increase) in retirement benefit asset	(94)	(156)
Interest and dividend income	(116)	(163)
Foreign exchange losses (gains)	(21)	(62)
Subsidy income	(71)	(26)
Loss (gain) on sale of property, plant and equipment	(3)	(2)
Loss on retirement of non-current assets	157	8
Loss (gain) on valuation of investment securities	52	–
Decrease (increase) in trade receivables	264	(2,444)
Decrease (increase) in inventories	(245)	(2,940)
Increase (decrease) in trade payables	29	(625)
Increase (decrease) in contract liabilities	(2,243)	1,462
Other, net	223	316
Subtotal	1,924	699
Interest and dividends received	115	156
Interest paid	(12)	(32)
Income taxes paid	(851)	(325)
Subsidies received	71	26
Net cash provided by (used in) operating activities	1,246	525
Cash flows from investing activities		
Payments into time deposits	(2,470)	(949)
Proceeds from withdrawal of time deposits	2,633	2,121
Purchase of property, plant and equipment	(227)	(665)
Proceeds from sale of property, plant and equipment	26	18
Purchase of intangible assets	(23)	(96)
Purchase of investment securities	(202)	(302)
Proceeds from sale of investment securities	12	40
Purchase of insurance funds	(522)	(611)
Proceeds from maturity of insurance funds	381	561
Net cash provided by (used in) investing activities	(392)	116
Cash flows from financing activities		
Proceeds from long-term borrowings	–	2,000
Repayments of long-term borrowings	–	(16)
Purchase of treasury shares	(0)	(0)
Dividends paid	(722)	(578)
Other, net	(125)	(209)
Net cash provided by (used in) financing activities	(848)	1,195
Effect of exchange rate change on cash and cash equivalents	250	642
Net increase (decrease) in cash and cash equivalents	255	2,479
Cash and cash equivalents at beginning of period	11,768	12,023
Cash and cash equivalents at end of period	12,023	14,503

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

Not applicable.

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 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, 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

Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)

(Millions of yen)

	Reportable segment		Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	
Net sales			
External sales	28,365	2,437	30,803
Inter-segment sales and transfers	—	—	—
Total	28,365	2,437	30,803
Segment profit	4,408	786	5,195
Segment assets	37,746	2,560	40,307
Other items			
Depreciation	758	81	839
Change in property, plant and equipment and intangible assets	1,455	134	1,590

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	3,991	5,195
Corporate expenses (Note)	(894)	(1,030)
Operating profit on the consolidated financial statements	3,096	4,164

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	33,850	40,307
Corporate assets (Note)	13,825	16,477
Total assets on the consolidated financial statements	47,675	56,785

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	770	839	92	94	862	934
Change in property, plant and equipment and intangible assets	575	1,590	2	33	578	1,623

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

Related information

Prior 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.

Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)

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
14,858	3,856	4,154	2,457	5,476	30,803

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 7,829 million yen.

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
8,236	1,447	9,683

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, 2022–Mar. 31, 2023)	Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)
Net assets per share	1,976.89	2,182.00
Net income per share	123.10	151.92

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, 2022–Mar. 31, 2023)	Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent	2,224	2,744
Amount not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	2,224	2,744
Average number of common stock shares outstanding during the period (Shares)	18,066,909 shares	18,066,484 shares

Material Subsequent Events

The Company resolved at a Board of Directors meeting held on March 1, 2024 that it would acquire shares of Astecnos Co., Ltd., based in Shizuoka-shi, Shizuoka, to make it a wholly-owned subsidiary of the Company effective on April 1, 2024 and entered into a share transfer agreement on March 4, 2024.

(1) Summary of the business combination

1) Name of and details of business of the acquiree

Name of the acquiree	Astecnos Co., Ltd.
Details of its business	Design and manufacturing of specialized machines and processing of jigs, design and production of control panels, and temporary staffing services

2) Main reason for carrying out the business combination

Astecnos Co., Ltd. is a manufacturer that designs and manufactures specialized automation machines. It provides a wide range of production equipment mainly to automobile-related industries and additionally to the food and beverage industries, the medical and cosmetics industries, etc. The Company made it a subsidiary to better enhance its manufacturing systems, strengthen its technological development, and expand its sales channels in the field of large-scale production equipment in the vehicle-mounted component industry, mainly for motors, invertors, and batteries. Synergistic effects on the Company's global structure are expected of this business combination, which has brought additional domestic bases in the Tokai region and an additional overseas office in the North American region.

3) Date of the business combination

April 1, 2024

4) Legal form of the business combination

Acquisition of shares in consideration for cash

5) Company name after the business combination

No change

6) Percentage of shares with voting rights acquired

100%

7) Financial position and results of operations of acquiree for the latest fiscal year

To be determined

8) Basis for determining the acquirer

The Company acquired shares for a cash consideration.

(2) Acquisition cost for the acquiree and its breakdown by type of consideration

Consideration for acquisition	Cash	1,000 million yen
Acquisition cost		1,000 million yen

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

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2023)	Current fiscal year (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	5,650	7,123
Notes receivable-trade	76	34
Accounts receivable-trade	3,538	4,658
Electronically recorded monetary claims-operating	1,614	2,299
Securities	—	301
Work in process	6,507	8,065
Raw materials and supplies	1,005	1,312
Current portion of long-term loans receivable from subsidiaries and associates	20	15
Other	485	406
Allowance for doubtful accounts	(4)	(5)
Total current assets	18,894	24,211
Non-current assets		
Property, plant and equipment		
Buildings	3,780	3,606
Structures	122	105
Machinery and equipment	455	533
Vehicles	7	10
Tools, furniture and fixtures	151	158
Land	2,542	2,541
Construction in progress	256	323
Total property, plant and equipment	7,315	7,279
Intangible assets		
Software	53	103
Other	11	2
Total intangible assets	65	106
Investments and other assets		
Investment securities	3,772	4,658
Shares of subsidiaries and associates	650	766
Investments in capital of subsidiaries and associates	1,568	1,568
Long-term loans receivable from subsidiaries and associates	50	534
Insurance funds	1,552	1,588
Other	207	373
Total investments and other assets	7,802	9,489
Total non-current assets	15,183	16,875
Total assets	34,078	41,086

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2023)	Current fiscal year (As of Mar. 31, 2024)
Liabilities		
Current liabilities		
Notes payable-trade	404	402
Accounts payable-trade	1,117	1,110
Electronically recorded obligations-operating	2,623	2,105
Accounts payable-other	313	449
Income taxes payable	25	980
Advances received	2,188	3,565
Provision for bonuses	423	512
Current portion of long-term borrowings	—	399
Other	375	336
Total current liabilities	7,471	9,860
Non-current liabilities		
Long-term borrowings	—	1,584
Long-term accounts payable-other	194	194
Deferred tax liabilities	461	679
Other	62	62
Total non-current liabilities	717	2,520
Total liabilities	8,189	12,381
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	12,527	14,698
Total retained earnings	14,930	17,101
Treasury shares	(28)	(29)
Total shareholders' equity	24,329	26,499
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,558	2,205
Total valuation and translation adjustments	1,558	2,205
Total net assets	25,888	28,705
Total liabilities and net assets	34,078	41,086

(2) Statement of Income

(Millions of yen)

	Prior fiscal year (Apr. 1, 2022–Mar. 31, 2023)	Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)
Net sales	22,500	22,139
Cost of sales	17,165	14,899
Gross profit	5,335	7,240
Selling, general and administrative expenses	3,350	3,585
Operating profit	1,985	3,654
Non-operating income		
Interest and dividend income	351	69
Foreign exchange gains	72	–
Subsidy income	16	18
Commission for insurance office work	17	18
Other	70	35
Total non-operating income	529	141
Non-operating expenses		
Interest expenses	–	1
Foreign exchange losses	–	6
Depreciation	17	12
Loss on investment in investment partnerships	11	7
Loss on cancellation of insurance policies	8	14
Other	147	1
Total non-operating expenses	183	43
Ordinary profit	2,330	3,753
Extraordinary losses		
Loss on valuation of investment securities	52	–
Total extraordinary losses	52	–
Profit before income taxes	2,278	3,753
Income taxes-current	245	1,033
Income taxes-deferred	320	(29)
Total income taxes	565	1,004
Profit	1,712	2,749

(3) Statement of Changes in Equity

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

(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	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

Current fiscal year (Apr. 1, 2023–Mar. 31, 2024)

(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	12,527	14,930
Changes during period							
Dividends of surplus						(578)	(578)
Profit						2,749	2,749
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	2,171	2,171
Balance at end of period	6,884	2,542	2,542	202	2,200	14,698	17,101

(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	(28)	24,329	1,558	1,558	25,888
Changes during period					
Dividends of surplus		(578)			(578)
Profit		2,749			2,749
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			646	646	646
Total changes during period	(0)	2,170	646	646	2,816
Balance at end of period	(29)	26,499	2,205	2,205	28,705

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.