

Translation

Notice: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results
For the Fiscal Year Ended March 31, 2023
(Japanese GAAP)



May 15, 2023
Tokyo Stock Exchanges in Japan

Company name : NHK SPRING CO., LTD.
Code number : 5991
URL : <https://www.nhkspg.co.jp/>
Representative : Takashi Kayamoto, President & Chief Executive Officer, Representative Member of the Board
Contact person : Kazuko Tachibana, Director, Corporate Communications Dept, Corporate Planning & Control Division
TEL +81-45-786-7513

Date of the annual general shareholder's meeting : June 28, 2023
Payment date of cash dividends : June 29, 2023
Filing date of financial statements : June 29, 2023
Supplemental materials prepared for financial results : Yes
Earnings announcement for financial results : Yes(Intended for securities analysts)

(Amounts less than one million yen are rounded down)

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

(1) Consolidated Financial Results (Percentage indicates change from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	693,246	18.1	28,838	35.0	37,317	21.7	21,537	(32.7)
March 31, 2022	586,903	—	21,359	104.1	30,674	111.1	31,998	240.5

Note: Comprehensive income
Fiscal year ended March 31, 2023 36,917 million yen ((19.4) %)
Fiscal year ended March 31, 2022 45,791 million yen (110.7 %)

	Earnings per share, Basic	Earnings per share, Diluted	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2023	94.50	—	6.4	6.3	4.2
March 31, 2022	140.33	—	10.5	5.3	3.6

Reference: Equity in earnings (losses) of affiliates
Fiscal year ended March 31, 2023 979 million yen
Fiscal year ended March 31, 2022 1,159 million yen

Note: Since "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. have been applied from the beginning of the fiscal year ended March 31, 2022, the above amounts of consolidated results reflect the application of the accounting standard, etc.
Therefore, the rate of change in "Net sales" for the year ended March 31, 2022 is not stated.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2023	606,039	365,860	57.6	1,541.70
March 31, 2022	588,091	338,847	54.9	1,414.87

Reference: Shareholders' equity (Net assets excluding non-controlling interests)
As of March 31, 2023 349,221 million yen
As of March 31, 2022 322,614 million yen

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash provided by investing activities	Net cash provided by financing activities	Cash & cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2023	13,656	(41,758)	(11,546)	57,845
March 31, 2022	34,505	4,987	(27,658)	91,894

2. Dividends

	Cash dividends per share					Amount of dividends paid (Annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	—	12.00	—	15.00	27.00	6,156	19.2	2.0
March 31, 2023	—	15.00	—	17.00	32.00	7,277	33.9	2.2
Fiscal year ending								
March 31, 2024 (Forecast)	—	17.00	—	17.00	34.00		30.8	

3. Forecast of Consolidated Results for Fiscal Year Ending March 31, 2024

(April 1, 2023 through March 31, 2024)

(Percentage indicates change from the previous fiscal year / period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share, Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	345,000	3.7	8,000	(53.7)	11,000	(60.7)	6,000	(69.8)	26.49
Full year	750,000	8.2	35,000	21.4	40,000	7.2	25,000	16.1	110.37

4. Others

- (1) Changes of significant subsidiaries in fiscal year ended March 31, 2023 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)
- (2) Changes in accounting policies, procedures and methods of presentation for preparing the consolidated financial statements
- | | |
|--|-------|
| [1] Changes due to revisions of accounting standards | : Yes |
| [2] Changes due to other reasons | : No |
| [3] Changes of estimation due to accounting issues | : No |
| [4] Restatements | : No |

- (3) Number of outstanding shares (Common Stock)

- [1] Number of outstanding shares

As of March 31, 2023	244,066,144 shares
As of March 31, 2022	244,066,144 shares

- [2] Number of treasury stock

As of March 31, 2023	17,548,689 shares
As of March 31, 2022	16,048,264 shares

- [3] Average number of shares (Cumulative)

Fiscal year ended March 31, 2023	227,914,964 shares
Fiscal year ended March 31, 2022	228,018,540 shares

(Reference) Non-consolidated Financial Results Highlights (April 1, 2022 through March 31, 2023)

- (1) Non-consolidated Financial Results (Percentage indicates change from the previous fiscal year)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	293,223	13.7	12,195	7.1	31,533	11.5	4,442	(85.7)
March 31, 2022	257,895	—	11,390	163.6	28,283	155.5	31,052	525.9

Fiscal year ended	Earnings per share, Basic		Earnings per share, Diluted	
	Yen	Yen	Yen	Yen
March 31, 2023	19.49	—	—	—
March 31, 2022	136.18	—	—	—

Note: Since "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. have been applied from the beginning of the fiscal year ended March 31, 2022, the above amounts of consolidated results reflect the application of the accounting standard, etc.
Therefore, the rate of change in "Net sales" for the year ended March 31, 2022 is not stated.

- (2) Non-consolidated Financial Position

As of	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	389,756	186,421	47.8	822.99
March 31, 2022	382,276	188,454	49.3	826.49

Reference: Shareholders' equity
Fiscal year ended March 31, 2023 186,421 million yen
Fiscal year ended March 31, 2022 188,454 million yen

* This earnings report is out of the scope of Audit by Independent Auditor.

* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters
Statements related to the future, including the forecast of financial results, were based on the information available as of the date when this document was released.
Therefore, actual results may differ considerably due to various factors that might occur in the future.

Consolidated Financial Statements
 (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	92,130	72,948
Notes and accounts receivable - trade, and contract assets	138,124	146,793
Merchandise and finished goods	24,461	33,396
Work in process	11,487	13,114
Raw materials and supplies	27,244	33,339
Partly-finished goods	10,680	11,648
Other	21,277	26,024
Allowance for doubtful accounts	△126	△27
Total current assets	325,279	337,237
Non-current assets		
Property, plant and equipment		
Buildings and structures	157,256	160,712
Accumulated depreciation	△103,227	△108,933
Buildings and structures, net	54,028	51,779
Machinery, equipment and vehicles	283,793	296,394
Accumulated depreciation	△222,507	△237,348
Machinery, equipment and vehicles, net	61,286	59,045
Land	30,483	31,520
Leased assets	1,337	1,258
Accumulated depreciation	△818	△787
Leased assets, net	518	470
Construction in progress	10,275	14,314
Other	84,040	86,964
Accumulated depreciation	△74,415	△77,825
Other, net	9,624	9,138
Total property, plant and equipment	166,217	166,269
Intangible assets	3,034	3,317
Investments and other assets		
Investment securities	58,703	62,287
Long-term loans receivable	1,670	1,796
Deferred tax assets	10,050	10,161
Retirement benefit asset	13,199	14,410
Other	10,839	12,200
Allowance for doubtful accounts	△904	△1,642
Total investments and other assets	93,559	99,214
Total non-current assets	262,811	268,801
Total assets	588,091	606,039

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	80,027	91,525
Electronically recorded obligations - operating	31,162	18,147
Short-term borrowings	28,672	21,167
Income taxes payable	12,652	4,400
Provision for bonuses	9,769	10,038
Provision for bonuses for directors (and other officers)	247	261
Notes payable - facilities	2,281	1,273
Other	22,512	24,801
Total current liabilities	187,325	171,615
Non-current liabilities		
Bonds payable	10,000	11,000
Long-term borrowings	11,110	17,090
Lease liabilities	721	759
Deferred tax liabilities	12,712	12,351
Retirement benefit liability	22,262	22,506
Provision for retirement benefits for directors (and other officers)	614	578
Provision for officers' retirement benefits	843	843
Other	3,654	3,435
Total non-current liabilities	61,919	68,563
Total liabilities	249,244	240,179
Net assets		
Shareholders' equity		
Share capital	17,009	17,009
Capital surplus	19,679	19,826
Retained earnings	260,692	275,386
Treasury shares	△14,296	△15,703
Total shareholders' equity	283,085	296,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,292	27,217
Foreign currency translation adjustment	11,592	21,018
Remeasurements of defined benefit plans	2,644	4,468
Total accumulated other comprehensive income	39,529	52,703
Non-controlling interests	16,232	16,638
Total net assets	338,847	365,860
Total liabilities and net assets	588,091	606,039

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	586,903	693,246
Cost of sales	513,099	612,410
Gross profit	73,803	80,835
Selling, general and administrative expenses	52,443	51,997
Operating profit	21,359	28,838
Non-operating income		
Interest income	469	735
Dividend income	1,741	2,108
Share of profit of entities accounted for using equity method	1,159	979
Foreign exchange gains	6,529	4,865
Other	2,677	1,927
Total non-operating income	12,578	10,616
Non-operating expenses		
Interest expenses	351	260
Provision of allowance for doubtful accounts	3	337
Loss on retirement of non-current assets	560	291
Loss on disaster	927	383
Other	1,420	864
Total non-operating expenses	3,263	2,137
Ordinary profit	30,674	37,317
Extraordinary income		
Gain on sale of non-current assets	26,692	—
Gain on sale of investment securities	209	—
Total extraordinary income	26,901	—
Extraordinary losses		
Impairment losses	7,117	5,537
Loss on sale of investment securities	25	26
Loss on valuation of investment securities	—	53
Loss on valuation of shares of subsidiaries and associates	38	—
Loss on sales of investments in capital of subsidiaries and affiliates	288	—
Litigation settlement	—	1,388
Total extraordinary losses	7,470	7,006
Profit before income taxes	50,105	30,311
Income taxes - current	16,018	8,339
Income taxes - deferred	812	△1,097
Total income taxes	16,830	7,241
Profit	33,275	23,069
Profit attributable to non-controlling interests	1,276	1,532
Profit attributable to owners of parent	31,998	21,537

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	33,275	23,069
Other comprehensive income		
Valuation difference on available-for-sale securities	1,549	1,931
Foreign currency translation adjustment	7,088	9,309
Remeasurements of defined benefit plans, net of tax	3,187	1,923
Share of other comprehensive income of entities accounted for using equity method	690	683
Total other comprehensive income	12,516	13,847
Comprehensive income	45,791	36,917
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	43,908	34,720
Comprehensive income attributable to non-controlling interests	1,882	2,196

(3) Consolidated Statement of Changes in Net Assets
Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,009	19,579	234,113	△14,295	256,407
Cumulative effects of changes in accounting policies			52		52
Restated balance	17,009	19,579	234,166	△14,295	256,460
Changes during period					
Dividends of surplus			△5,472		△5,472
Profit attributable to owners of parent			31,998		31,998
Purchase of treasury shares				△1	△1
Disposal of treasury shares		△0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		100			100
Net changes in items other than shareholders' equity					
Total changes during period	—	100	26,525	△0	26,625
Balance at end of period	17,009	19,679	260,692	△14,296	283,085

	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	23,740	4,497	△652	27,585	15,982	299,975
Cumulative effects of changes in accounting policies						52
Restated balance	23,740	4,497	△652	27,585	15,982	300,028
Changes during period						
Dividends of surplus						△5,472
Profit attributable to owners of parent						31,998
Purchase of treasury shares						△1
Disposal of treasury shares						0
Change in ownership interest of parent due to transactions with non-controlling interests						100
Net changes in items other than shareholders' equity	1,552	7,094	3,296	11,943	250	12,193
Total changes during period	1,552	7,094	3,296	11,943	250	38,818
Balance at end of period	25,292	11,592	2,644	39,529	16,232	338,847

Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,009	19,679	260,692	△14,296	283,085
Changes during period					
Dividends of surplus			△6,843		△6,843
Profit attributable to owners of parent			21,537		21,537
Purchase of treasury shares				△1,584	△1,584
Disposal of treasury shares		4		177	181
Change in ownership interest of parent due to transactions with non-controlling interests		141			141
Net changes in items other than shareholders' equity					
Total changes during period	—	146	14,693	△1,407	13,432
Balance at end of period	17,009	19,826	275,386	△15,703	296,518

	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	25,292	11,592	2,644	39,529	16,232	338,847
Changes during period						
Dividends of surplus						△6,843
Profit attributable to owners of parent						21,537
Purchase of treasury shares						△1,584
Disposal of treasury shares						181
Change in ownership interest of parent due to transactions with non-controlling interests						141
Net changes in items other than shareholders' equity	1,924	9,426	1,824	13,174	406	13,580
Total changes during period	1,924	9,426	1,824	13,174	406	27,013
Balance at end of period	27,217	21,018	4,468	52,703	16,638	365,860

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	50,105	30,311
Depreciation	28,300	28,879
Impairment losses	7,117	5,537
Increase (decrease) in net defined benefit asset(debt)	△707	△558
Interest and dividend income	△2,211	△2,844
Interest expenses	351	260
Foreign exchange losses (gains)	△2,186	△4,510
Share of loss (profit) of entities accounted for using equity method	△1,159	△979
Loss (gain) on sale and retirement of property, plant and equipment	△26,199	124
Loss (gain) on sale of investment securities	△183	26
Loss on sales of investments in capital of subsidiaries and affiliates	288	—
Litigation settlement	—	1,388
Decrease (increase) in trade receivables	4,716	△3,665
Decrease (increase) in inventories	△16,555	△14,238
Increase (decrease) in trade payables	△2,851	△4,579
Other, net	1,232	△5,508
Subtotal	40,058	29,643
Interest and dividends received	2,242	3,330
Interest paid	△374	△288
Litigation settlement paid	—	△1,388
Income taxes paid	△7,420	△17,639
Net cash provided by (used in) operating activities	34,505	13,656
Cash flows from investing activities		
Decrease (increase) in time deposits	108	△14,650
Purchase of property, plant and equipment	△23,373	△26,543
Proceeds from sale of property, plant and equipment	27,472	323
Purchase of intangible assets	△793	△450
Purchase of investment securities	△544	△1,221
Proceeds from sale of investment securities	402	75
Proceeds from sale of investments in capital of subsidiaries and affiliates resulting in change in scope of consolidation	1,320	—
Loan advances	△550	△400
Proceeds from collection of loans receivable	1,117	1,264
Other, net	△171	△155
Net cash provided by (used in) investing activities	4,987	△41,758

Net increase (decrease) in short-term borrowings	△13,015	△946
Proceeds from long-term borrowings	—	14,000
Repayments of long-term borrowings	△17,017	△15,101
Proceeds from issuance of bonds	10,000	1,000
Proceeds from issuance of commercial papers	12,000	25,000
Redemption of commercial papers	△12,000	△25,000
Purchase of treasury shares	△1	△1,402
Proceeds from sale of treasury shares	0	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△1,012	△1,030
Repayments of lease liabilities	△403	△604
Dividends paid	△5,472	△6,843
Dividends paid to non-controlling interests	△737	△618
Net cash provided by (used in) financing activities	△27,658	△11,546
Effect of exchange rate change on cash and cash equivalents	1,073	5,598
Net increase (decrease) in cash and cash equivalents	12,908	△34,049
Cash and cash equivalents at beginning of period	78,986	91,894
Cash and cash equivalents at end of period	91,894	57,845