

Translation

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MEMBERSHIP

May 10, 2023

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

Company name: NITTO KOHKI CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 6151
URL: <https://www.nitto-kohki.co.jp>
Representative: Akinobu Ogata, Representative Director, President CEO
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Scheduled date of annual general meeting of shareholders: June 20, 2023
Scheduled date to commence dividend payments: June 21, 2023
Scheduled date to file annual securities report: June 21, 2023
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	28,091	11.1	3,665	9.3	3,818	8.7	2,625	36.2
March 31, 2022	25,281	12.2	3,355	60.4	3,514	55.1	1,927	24.4

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥3,434 million [64.3%]
For the fiscal year ended March 31, 2022: ¥2,090 million [18.2%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
March 31, 2023	129.50	—	4.6	5.8	13.1
March 31, 2022	94.99	—	3.5	5.6	13.3

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2023: ¥— million
For the fiscal year ended March 31, 2022: ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	66,835	57,971	86.7	2,886.57
March 31, 2022	64,334	55,730	86.6	2,746.45

Reference: Equity

As of March 31, 2023: ¥57,961 million

As of March 31, 2022: ¥55,722 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	2,299	4,652	(1,498)	20,403
March 31, 2022	2,953	3,639	(1,152)	14,781

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	24.00	–	16.50	40.50	821	42.6	1.5
Fiscal year ended March 31, 2023	–	24.00	–	29.00	53.00	1,069	40.7	1.9
Fiscal year ending March 31, 2024 (Forecast)	–	28.00	–	34.00	62.00		40.4	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	14,915	6.6	1,915	7.5	1,978	2.9	1,340	3.6	66.73
Full year	30,380	8.1	4,120	12.4	4,230	10.8	2,950	12.4	146.91

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	21,803,295 shares
As of March 31, 2022	21,803,295 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	1,723,596 shares
As of March 31, 2022	1,514,396 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	20,272,858 shares
Fiscal year ended March 31, 2022	20,288,913 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	26,449	9.8	2,346	4.3	2,621	(0.9)	1,888	(1.3)
March 31, 2022	24,081	15.6	2,250	84.7	2,644	79.7	1,913	82.2

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	93.13	—
March 31, 2022	94.30	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	54,158	47,496	87.7	2,365.38
March 31, 2022	53,129	46,681	87.9	2,300.82

Reference: Equity

As of March 31, 2023: ¥47,496 million

As of March 31, 2022: ¥46,681 million

2. Non-consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	14,113	7.1	1,372	2.6	936	0.9	46.61
Full year	28,692	8.5	3,296	25.7	2,411	27.7	120.07

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual results may differ substantially due to a variety of factors. For details on the assumptions used for the financial results forecasts and points to note when using the financial results forecasts, please see “(4) Future outlook” in “1. Overview of operating results, etc.” on page 4 of the attached material.

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1. Overview of operating results, etc.

(1) Overview of operating results for the fiscal year under review

In the world economy during the fiscal year under review, although economic activities took a turn towards normalization and recovery in many countries, inflated energy prices, supply constraints, continuous inflation, and global monetary tightening put downward pressure on economies. Also in the domestic economy, while COVID-19 countermeasures have transitioned toward adapting to a society with COVID and there are signs of recovery, primarily in personal consumption, impact is still felt by soaring of raw materials prices and weaker yen.

Under such an operating environment, although the Company group (the “Group”) experienced restriction on sales activities due to COVID-19, the Group took proactive efforts to expand sales and return to normal sales activities, such as resuming NITTO KOHKI’s local private exhibitions it hosts in Japan for the first time in two years. Overseas sales expanded significantly due to greater demand for Quick Connect Couplings used in electrolytes for lithium batteries in China.

The Group posted net sales of ¥28,091 million for the fiscal year under review, up 11.1% compared to ¥25,281 million in the previous fiscal year. Concerning profits, operating profit was ¥3,665 million, up 9.3% compared to ¥3,355 million in the previous fiscal year. Ordinary profit was ¥3,818 million, up 8.7% compared to ¥3,514 million in the previous fiscal year, and profit attributable to owners of parent was ¥2,625 million, up 36.2% compared to ¥1,927 million in the previous fiscal year.

Results by business segment are described below.

Quick Connect Couplings Business

In the Quick Connect Couplings Business, demand in the semiconductor/industrial machine industries was favorable, leading to net sales of ¥12,821 million, up 12.1% year on year. Concerning profits, operating profit was ¥3,215 million, up 19.2% year on year, due to increased revenue.

Power & Machine Tools Business

In the Power & Machine Tools Business, domestic and overseas net sales were on the track to recovery because face-to-face sales activities resumed as the restriction on sales activities was relaxed, leading to net sales of ¥8,551 million, up 10.4% year on year. Concerning profits, operating profit was ¥630 million, up 43.0% year on year, due to increased revenue.

Pumps & Compressors Business

In the Pumps & Compressors Business, sales in Americas were strong, leading to net sales of ¥4,436 million, up 6.2% year on year. Concerning profits, operating loss was ¥200 million (compared to operating profit of ¥250 million in the previous fiscal year) due to foreign exchange factors, increased expenses, and increased cost ratio.

Door Closers Business

In the Door Closers Business, demand for capital investment and infrastructure rose up slightly, leading to net sales of ¥2,281 million, up 19.1% year on year. Concerning profits, operating profit was ¥20 million (compared to operating loss of ¥32 million in the previous fiscal year), due to increased revenue.

Overseas sales were ¥9,891 million, up 16.4% year on year, accounting for 35.2% of consolidated net sales. This increase was due to strong sales in Asia and Europe, and the impact of the weaker yen.

(2) Overview of financial position for the fiscal year under review*Assets, liabilities, and net assets*

The balance of assets as of the end of the fiscal year under review increased by ¥2,500 million, or 3.9%, from the end of the previous fiscal year to ¥66,835 million. This is mainly due to an increase of ¥985 million in merchandise and finished goods, ¥676 million of raw materials and supplies, ¥627 million of cash and deposits, ¥293 million of electronically recorded monetary claims - operating, ¥148 million of intangible assets, ¥165 million of investment securities, and decrease of ¥600 million of securities.

The balance of liabilities increased by ¥259 million, or 3.0%, from the end of the previous fiscal year to ¥8,863 million, mainly due to an increase of ¥371 million of notes and accounts payable - trade and a decrease of ¥147 million of income taxes payable.

The balance of net assets increased by ¥2,240 million, or 4.0%, from the end of the previous fiscal year to ¥57,971 million. This is due to an increase in retained earnings of ¥1,803 million, an increase in treasury shares of ¥372 million, an increase in foreign currency translation adjustment of ¥711 million, and an increase in valuation difference on available-for-sale securities of ¥127 million.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (“cash”) as of the end of the fiscal year under review stood at ¥20,403 million, an increase of ¥5,622 million from the end of the previous fiscal year, mainly due to increases resulting from proceeds from withdrawal of time deposits of ¥35,829 million, profit before income taxes of ¥3,818 million, proceeds from redemption of securities of ¥1,100 million, and proceeds from redemption of investment securities of ¥1,000 million despite decreases resulting from payments into time deposits of ¥31,222 million, increase in inventories of ¥1,512 million, payment of income taxes of ¥1,222 million, purchase of investment securities of ¥993 million, dividends paid by parent company of ¥827 million, and purchase of property, plant, and equipment of ¥761 million.

Cash flows from operating activities

Net cash provided by operating activities for the fiscal year under review was ¥2,299 million, down 22.2% year on year. This was mainly because there was a decrease in cash, due to an increase in inventories of ¥1,512 million and income taxes paid of ¥1,222 million, despite an increase in cash due to profit before income taxes of ¥3,818 million and depreciation of ¥1,343 million.

Cash flows from investing activities

Net cash provided in investing activities for the fiscal year under review was ¥4,652 million, up 27.8% year on year. This was because there was an increase in cash due to proceeds from withdrawal of time deposits of ¥35,829 million, proceeds from redemption of securities of ¥1,100 million, and proceeds from redemption of investment securities of ¥1,000 million, despite a decrease in cash due to payments into time deposits of ¥31,222 million, purchase of investment securities of ¥993 million, and purchase of property, plant, and equipment of ¥761 million.

Cash flows from financing activities

Net cash used in financing activities for the fiscal year under review was ¥1,498 million, up 30.0% year on year. This was due to dividends paid by parent company of ¥827 million, purchase of treasury shares of ¥372 million, and repayments of lease obligations of ¥299 million.

Trends in cash flow indicators for the Group are as follows:

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity-to-asset ratio (%)	86.6	86.7
Equity-to-asset ratio based on market value (%)	49.1	54.4
Interest-bearing debt to cash flow ratio (debt redemption period)	–	–
Interest coverage ratio	92.7	65.5

Calculation methods of the above indicators are as follows:

Equity-to-asset ratio = Equity / Total assets

Equity-to-asset ratio based on market value = Market capitalization / Total assets

Debt redemption period = Interest-bearing debt / Operating cash flow

Interest coverage ratio = Operating cash flow / Interest payments

- Notes:
1. All indicators are calculated based on consolidated financial figures.
 2. Market capitalization is calculated by multiplying the closing stock price at the end of the period by the total number of issued shares at the end of the period (excluding treasury shares).
 3. The figure for operating cash flow is “net cash provided by (used in) operating activities” on the consolidated statement of cash flows. Interest-bearing debt refers to all debt (excluding lease obligations) posted on the consolidated balance sheet for which interest is paid. Furthermore, interest payments refer to “interest paid” on the consolidated statement of cash flows.

(4) Future outlook

Regarding earnings forecasts of the Group going forward, although there are many uncertain factors such as concerns about the impact of inflated energy prices and supply constraints, and impact on the global economy due to the continuous inflation and global monetary tightening, the Group plans to increase sales and profit by actively conducting sales activities that accurately capture demand trends.

Under such circumstances, as for the consolidated financial results forecasts for the fiscal year ending March 31, 2024, we forecast consolidated net sales of ¥30,380 million, operating profit of ¥4,120 million, ordinary profit of ¥4,230 million, and profit attributable to owners of parent of ¥2,950 million.

The above forecasts are based on information available as of the date of the announcement of this document, and actual results may differ substantially due to a variety of factors going forward.

(5) Basic policy on profit distribution and dividends for the fiscal year under review and next fiscal year

To ensure both sustainable growth investments and response to unpredictable events, the Company’s basic policy is to enhance the return of profits to its shareholders with a target dividend payout ratio of 40%.

Based on this basic policy, as for the dividend for the fiscal year ended March 2023, the Company has already paid ¥24 per share as an interim dividend and plans to pay ¥29 per share as a year-end dividend. This results in an annual dividend payout ratio of 40.7%.

For the next fiscal year, we plan to pay an interim dividend of ¥28.00 per share and a year-end dividend of ¥34.00 per share, aiming for a dividend payout ratio of 40% based on the profit attributable to owners of parent presented in our consolidated earnings forecasts, for a total annual dividend of ¥62.00 per share.

Considering capital efficiency, the Company aims for a return on equity (ROE) of 8% or more over the medium term and will implement purchases of treasury shares based on a comprehensive evaluation of demand for capital, economic conditions, and the share price.

2. Basic rationale for selecting accounting standards

The policy of the Group for the time being is to prepare its consolidated financial statements using Japanese GAAP, taking into consideration that this enables comparison of the consolidated financial statements between periods and between companies.

Furthermore, in preparation to apply International Financial Reporting Standards (IFRS) in the future, the Group is taking measures such as acquiring knowledge on IFRS and performing a gap analysis with Japanese GAAP, but the timing of the application of IFRS remains undecided.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	26,298	26,925
Notes and accounts receivable - trade	4,070	4,139
Electronically recorded monetary claims - operating	2,802	3,096
Securities	5,499	4,899
Merchandise and finished goods	4,420	5,405
Work in process	272	375
Raw materials and supplies	2,695	3,371
Other	616	721
Allowance for doubtful accounts	(2)	(2)
Total current assets	46,675	48,933
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,353	11,403
Accumulated depreciation	(6,522)	(6,781)
Buildings and structures, net	4,830	4,622
Machinery, equipment and vehicles	4,718	4,657
Accumulated depreciation	(3,576)	(3,645)
Machinery, equipment and vehicles, net	1,141	1,012
Tools, furniture and fixtures	7,430	7,568
Accumulated depreciation	(6,888)	(7,000)
Tools, furniture and fixtures, net	542	567
Land	3,313	3,331
Leased assets	2,581	2,759
Accumulated depreciation	(1,049)	(1,166)
Leased assets, net	1,531	1,592
Construction in progress	128	351
Total property, plant and equipment	11,487	11,477
Intangible assets		
Other	1,546	1,694
Total intangible assets	1,546	1,694
Investments and other assets		
Investment securities	3,070	3,235
Long-term loans receivable	32	26
Deferred tax assets	1,239	1,175
Other	300	307
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	4,625	4,729
Total non-current assets	17,659	17,901
Total assets	64,334	66,835

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	977	1,348
Lease liabilities	275	272
Income taxes payable	769	621
Provision for bonuses	585	586
Provision for bonuses for directors (and other officers)	30	46
Other	1,487	1,527
Total current liabilities	4,124	4,403
Non-current liabilities		
Lease liabilities	1,460	1,483
Retirement benefit liability	2,491	2,433
Provision for retirement benefits for directors (and other officers)	123	151
Asset retirement obligations	32	30
Other	372	361
Total non-current liabilities	4,479	4,460
Total liabilities	8,604	8,863
Net assets		
Shareholders' equity		
Share capital	1,850	1,850
Capital surplus	1,924	1,924
Retained earnings	54,119	55,922
Treasury shares	(2,892)	(3,264)
Total shareholders' equity	55,000	56,432
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	751	879
Deferred gains or losses on hedges	-	(7)
Foreign currency translation adjustment	71	783
Remeasurements of defined benefit plans	(101)	(126)
Total accumulated other comprehensive income	721	1,529
Non-controlling interests	7	9
Total net assets	55,730	57,971
Total liabilities and net assets	64,334	66,835

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	25,281	28,091
Cost of sales	13,492	15,212
Gross profit	11,788	12,878
Selling, general and administrative expenses		
Salaries and allowances	2,468	2,430
Provision for bonuses	290	310
Retirement benefit expenses	174	193
Provision for retirement benefits for directors (and other officers)	28	36
Promotion expenses	126	203
Research and development expenses	917	1,045
Other	4,427	4,992
Total selling, general and administrative expenses	8,433	9,212
Operating profit	3,355	3,665
Non-operating income		
Interest income	19	24
Dividend income	55	76
Foreign exchange gains	8	–
Subsidies for employment adjustment	1	–
Rental income from buildings	41	42
Gain on sale of non-current assets	4	26
Other	71	72
Total non-operating income	202	242
Non-operating expenses		
Interest expenses	31	35
Foreign exchange losses	–	4
Loss on retirement of non-current assets	7	31
Commission for purchase of treasury shares	–	0
Other	3	16
Total non-operating expenses	43	89
Ordinary profit	3,514	3,818
Extraordinary losses		
Loss on disaster	5	–
Impairment losses	610	–
Total extraordinary losses	616	–
Profit before income taxes	2,898	3,818
Income taxes - current	1,025	1,123
Income taxes - deferred	(54)	69
Total income taxes	970	1,192
Profit	1,927	2,626
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,927	2,625

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,927	2,626
Other comprehensive income		
Valuation difference on available-for-sale securities	(55)	127
Deferred gains or losses on hedges	–	(7)
Foreign currency translation adjustment	275	712
Remeasurements of defined benefit plans, net of tax	(57)	(24)
Total other comprehensive income	162	808
Comprehensive income	2,090	3,434
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,090	3,432
Comprehensive income attributable to non-controlling interests	0	1

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,850	1,924	53,054	(2,892)	53,935
Changes during period					
Dividends of surplus			(862)		(862)
Profit attributable to owners of parent			1,927		1,927
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,065	(0)	1,064
Balance at end of period	1,850	1,924	54,119	(2,892)	55,000

	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	807	(204)	(44)	559	7	54,502
Changes during period						
Dividends of surplus						(862)
Profit attributable to owners of parent						1,927
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(55)	275	(57)	162	0	163
Total changes during period	(55)	275	(57)	162	0	1,228
Balance at end of period	751	71	(101)	721	7	55,730

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,850	1,924	54,119	(2,892)	55,000
Changes during period					
Dividends of surplus			(821)		(821)
Profit attributable to owners of parent			2,625		2,625
Purchase of treasury shares				(372)	(372)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,803	(372)	1,431
Balance at end of period	1,850	1,924	55,922	(3,264)	56,432

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	751	–	71	(101)	721	7	55,730
Changes during period							
Dividends of surplus							(821)
Profit attributable to owners of parent							2,625
Purchase of treasury shares							(372)
Net changes in items other than shareholders' equity	127	(7)	711	(24)	807	1	809
Total changes during period	127	(7)	711	(24)	807	1	2,240
Balance at end of period	879	(7)	783	(126)	1,529	9	57,971

(4) Consolidated statement 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	2,898	3,818
Depreciation	1,497	1,343
Amortization of long-term prepaid expenses	20	21
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(210)	28
Increase (decrease) in provision for bonuses	33	1
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in retirement benefit liability	(102)	(93)
Interest and dividend income	(75)	(101)
Interest expenses	31	35
Impairment losses	610	-
Decrease (increase) in trade receivables	(734)	(293)
Decrease (increase) in inventories	(983)	(1,512)
Decrease (increase) in other current assets	22	(226)
Increase (decrease) in trade payables	105	358
Increase (decrease) in accrued consumption taxes	(117)	26
Increase (decrease) in other current liabilities	208	50
Increase (decrease) in other non-current liabilities	44	(10)
Other, net	34	4
Subtotal	3,285	3,452
Interest and dividends received	80	103
Interest paid	(31)	(35)
Income taxes paid	(379)	(1,222)
Net cash provided by (used in) operating activities	2,953	2,299
Cash flows from investing activities		
Payments into time deposits	(34,117)	(31,222)
Proceeds from withdrawal of time deposits	39,046	35,829
Purchase of securities	(1,600)	-
Proceeds from redemption of securities	1,600	1,100
Purchase of investment securities	(18)	(993)
Proceeds from redemption of investment securities	-	1,000
Purchase of property, plant and equipment	(534)	(761)
Proceeds from sale of property, plant and equipment	4	27
Purchase of intangible assets	(693)	(295)
Purchase of long-term prepaid expenses	(30)	(32)
Loan advances	(2)	-
Proceeds from collection of loans receivable	7	5
Other, net	(21)	(4)
Net cash provided by (used in) investing activities	3,639	4,652
Cash flows from financing activities		
Purchase of treasury shares	(0)	(372)
Dividends paid	(858)	(827)
Repayments of lease liabilities	(294)	(299)
Net cash provided by (used in) financing activities	(1,152)	(1,498)
Effect of exchange rate change on cash and cash equivalents	69	169
Net increase (decrease) in cash and cash equivalents	5,510	5,622
Cash and cash equivalents at beginning of period	9,270	14,781
Cash and cash equivalents at end of period	14,781	20,403

(5) Notes to consolidated financial statements**Uncertainties of entity's ability to continue as going concern**

Not applicable.

Change of presentation method

Consolidated balance sheet

“Notes and accounts payable - trade,” which were previously presented in Current liabilities, has been changed to “accounts payable” from the fiscal year under review because the Company has stopped handling notes payable and does not expect them to be incurred in the future. There is no reclassification on the consolidated balance sheet of the previous fiscal year due to this change.

Segment information, etc.*Segment information*

1. Description of reportable segments

The reportable segments of the Company are constituent units of the Company whose separate financial information can be obtained. The Board of Directors periodically examines these segments to decide on the allocation of management resources and evaluate operating performance.

The reportable segments of the Company are composed of four, by merchandise: “Quick Connect Couplings Business,” “Power & Machine Tools Business,” “Pumps & Compressors Business” and “Door Closers Business.”

The Quick Connect Couplings Business is mainly involved in the development, manufacturing, and sales of couplings with push-to-connect design for industrial fluid piping.

The Power & Machine Tools Business is involved in the development, manufacturing, and sales of labor-saving machine tools.

The Pumps & Compressors Business is mainly involved in the development, manufacturing, and sales of septic tank blowers and miniature labor-saving pumps used in health and medical devices.

The Door Closers Business is mainly involved in the development, manufacturing, and sales of armless door closers.

2. Explanation of measurements of net sales, profit (loss), and other items for each reportable segment

The accounting method used for reported business segments is the same as the description in “Significant matters forming the basis of preparing the consolidated financial statements.”

Segment profits of reportable segments are provided on an operating profit basis.

3. Disclosure of net sales, amounts of profit (loss), and other items for each reportable segment

I Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment				Total
	Quick Connect Couplings	Power & Machine Tools	Pumps & Compressors	Door Closers	
Net sales					
Revenue from contracts with customers	11,440	7,748	4,176	1,916	25,281
Other revenue	–	–	–	–	–
Revenues from external customers	11,440	7,748	4,176	1,916	25,281
Transactions with other segments	–	–	–	–	–
Total	11,440	7,748	4,176	1,916	25,281
Segment profit (loss)	2,696	440	250	(32)	3,355
Other items					
Depreciation	631	462	331	89	1,515

- Notes: 1. Total amount of segment profit and loss agrees with operating profit presented in the consolidated statement of income.
2. Segment assets and liabilities have not been presented, as they are not used as the basis for deciding the allocation of management resources or evaluating operating performance.
3. Depreciation includes amortization of long-term prepaid expenses.

II Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment				Total
	Quick Connect Couplings	Power & Machine Tools	Pumps & Compressors	Door Closers	
Net sales					
Revenue from contracts with customers	12,821	8,551	4,436	2,281	28,091
Other revenue	–	–	–	–	–
Revenues from external customers	12,821	8,551	4,436	2,281	28,091
Transactions with other segments	–	–	–	–	–
Total	12,821	8,551	4,436	2,281	28,091
Segment profit (loss)	3,215	630	(200)	20	3,665
Other items					
Depreciation	606	398	290	70	1,365

- Notes: 1. Total amount of segment profit and loss agrees with operating profit presented in the consolidated statement of income.
2. Segment assets and liabilities have not been presented, as they are not used as the basis for deciding the allocation of management resources or evaluating operating performance.
3. Depreciation includes amortization of long-term prepaid expenses.

Information associated with reportable segments

Fiscal year ended March 31, 2022

1. Information for each product or service

This information has been omitted, as identical information is disclosed in segment information.

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	Americas	Europe	East Asia	Southeast Asia	Asia and Oceania	Total
16,781	1,991	1,629	2,581	785	1,511	25,281

Note: Net sales are classified by country and region based on customer location.

(2) Property, plant, and equipment

(Millions of yen)

Japan	Americas	Europe	East Asia	Southeast Asia	Asia and Oceania	Total
10,529	193	98	0	596	68	11,487

3. Information for each main customer

(Millions of yen)

Name of customer or individual	Net sales	Related segment
YAMAZEN CORPORATION	4,633	Quick Connect Couplings, Power & Machine Tools, Pumps & Compressors, and others

Fiscal year ended March 31, 2023

1. Information for each product or service

This information has been omitted, as identical information is disclosed in segment information.

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	Americas	Europe	East Asia	Southeast Asia	Asia and Oceania	Total
18,199	2,141	1,842	3,445	911	1,550	28,091

Note: Net sales are classified by country and region based on customer location.

(2) Property, plant, and equipment

(Millions of yen)

Japan	Americas	Europe	East Asia	Southeast Asia	Asia and Oceania	Total
10,339	217	81	1	683	155	11,477

3. Information for each main customer

(Millions of yen)

Name of customer or individual	Net sales	Related segment
YAMAZEN CORPORATION	5,242	Quick Connect Couplings, Power & Machine Tools, Pumps & Compressors, and others

Disclosure of impairment loss on non-current assets for each reportable segment

Not applicable.

Amortization and unamortized balance of goodwill for each reportable segment

Not applicable.

Information about gain on bargain purchase for each reportable segment

Not applicable.

Per share information

(Yen)

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
Net assets per share	2,746.45	Net assets per share	2,886.57
Basic earnings per share	94.99	Basic earnings per share	129.50
Diluted earnings per share is not presented, because there are no potential shares.		Diluted earnings per share is not presented, because there are no potential shares.	

Notes: 1. The basis for calculating basic earnings per share is as follows:

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent	1,927	2,625
Amounts not attributable to common shareholders	—	—
Profit attributable to owners of parent pertaining to common shares	1,927	2,625
Average number of outstanding common shares during period (shares)	20,288,913	20,272,858

2. The basis for calculating net assets per share is as follows:

(Millions of yen, unless otherwise noted)

	As of March 31, 2022	As of March 31, 2023
Total net assets	55,730	57,971
Amounts subtracted from total net assets	7	9
[Non-controlling interests]	[7]	[9]
Net assets attributable to common shares at end of period	55,722	57,961
Number of common shares at end of period used for calculating net assets per share (shares)	20,288,899	20,079,699

Significant events after reporting period

Not applicable.

4. Other information

Changes in officers

- (i) Change in representative directors
Not applicable.

- (ii) Changes in other officers
Candidate for new election as Director
(Part-time) Director Masaji Santo

- (iii) Expected date of assuming office
June 20, 2023