

Translation

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MEMBERSHIP

May 9, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: NITTO KOHKI CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6151
 URL: <https://www.nitto-kohki.co.jp>
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Scheduled date of annual general meeting of shareholders: June 24, 2024
 Scheduled date to commence dividend payments: June 25, 2024
 Scheduled date to file annual securities report: June 25, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	27,072	(3.6)	2,958	(19.3)	3,100	(18.8)	2,050	(21.9)
March 31, 2023	28,091	11.1	3,665	9.3	3,818	8.7	2,625	36.2

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥3,058 million [(11.0)%]
 For the fiscal year ended March 31, 2023: ¥3,434 million [64.3%]

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, 2024	104.14	–	3.6	4.7	10.9
March 31, 2023	129.50	–	4.6	5.8	13.1

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024: ¥– million

For the fiscal year ended March 31, 2023: ¥– 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, 2024	65,478	57,587	87.9	3,044.05
March 31, 2023	66,835	57,971	86.7	2,886.57

Reference: Equity

As of March 31, 2024: ¥57,576 million

As of March 31, 2023: ¥57,961 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, 2024	2,307	(333)	(3,740)	18,805
March 31, 2023	2,299	4,652	(1,498)	20,403

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, 2023	–	24.00	–	29.00	53.00	1,069	40.7	1.9
Fiscal year ended March 31, 2024	–	28.00	–	15.00	43.00	837	40.8	1.4
Fiscal year ending March 31, 2025 (Forecast)	–	21.00	–	27.00	48.00		40.5	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2024	13,777	(1.2)	1,383	(21.4)	1,442	(22.5)	979	(25.4)	51.75
Full year	28,240	4.3	3,060	3.4	3,160	1.9	2,220	8.3	117.37

* **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, 2024	21,803,295 shares
As of March 31, 2023	21,803,295 shares

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

As of March 31, 2024	2,888,928 shares
As of March 31, 2023	1,723,596 shares

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

Fiscal year ended March 31, 2024	19,691,956 shares
Fiscal year ended March 31, 2023	20,272,858 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	24,566	(7.1)	1,646	(29.8)	2,682	2.3	2,005	6.2
March 31, 2023	26,449	9.8	2,346	4.3	2,621	(0.9)	1,888	(1.3)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	101.84	—
March 31, 2023	93.13	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	52,625	46,431	88.2	2,454.82
March 31, 2023	54,158	47,496	87.7	2,365.37

Reference: Equity

As of March 31, 2024: ¥46,431 million

As of March 31, 2023: ¥47,496 million

2. Non-consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2024	12,875	2.6	1,444	(13.0)	1,112	(15.4)	58.79
Full year	25,965	5.7	2,756	2.7	2,122	5.8	112.18

* 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.

○Attached Material

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1. Overview of operating results, etc.

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

During the fiscal year under review, the global economy was moderately depressed mainly by prolonged geopolitical risks in Europe and the slowdown of the Chinese economy. The Japanese economy is experiencing a recovery trend in consumption and investment, mainly driven by domestic demand, on the back of normalization of economic activity, wage increases, and fiscal and monetary policies, but the impact is still felt by soaring of raw materials prices and weaker yen.

Under such an operating environment, the Group's sales in the Power & Machine Tools Business increased due to the resumption of face-to-face sales, which had been restricted by measures to combat COVID-19, and an increase in exhibitions hosted, but the slow recovery in demand for semiconductors and the decreased revenue in the Quick Connect Couplings Business due to lower demand for quick fluid couplings for electrolyte in lithium-ion batteries in China affected the Company's performance overall.

The Group posted net sales of ¥27,072 million for the fiscal year under review, down 3.6% compared to ¥28,091 million in the previous fiscal year. Concerning profits, operating profit was ¥2,958 million, down 19.3% compared to ¥3,665 million in the previous fiscal year. Ordinary profit was ¥3,100 million, down 18.8% compared to ¥3,818 million in the previous fiscal year, and profit attributable to owners of parent was ¥2,050 million, down 21.9% compared to ¥2,625 million in the previous fiscal year.

Results by business segment are described below.

Quick Connect Couplings Business

In the Quick Connect Couplings Business, demand for products for electrolyte in lithium-ion batteries and products for semiconductors decreased, leading to net sales of ¥11,891 million, down 7.3% year on year. Concerning profits, operating profit was ¥2,640 million, down 17.9% year on year, due to decreased 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, leading to net sales of ¥8,839 million, up 3.4% year on year. Concerning profits, operating profit was ¥575 million, down 8.8% year on year, due to increased expenses.

Pumps & Compressors Business

In the Pumps & Compressors Business, lower demand for blowers in Europe and inventory adjustments for medical equipment manufacturers in the Americas impacted the market, leading to net sales of ¥4,183 million, down 5.7% year on year. Concerning profits, operating loss was ¥200 million (compared to operating loss of ¥200 million in the previous fiscal year), due to decreased revenue.

Door Closers Business

In the Door Closers Business, many orders have been delayed and construction periods postponed due to soaring material prices and personnel shortages in the construction industry, leading to net sales of ¥2,158 million, down 5.4% year on year. Concerning profits, operating loss was ¥56 million (compared to operating profit of ¥20 million in the previous fiscal year), due to decreased revenue.

Overseas sales were ¥9,157 million, down 7.4% year on year, accounting for 33.8% of consolidated net sales. This decrease was mainly due to lower sales of quick fluid couplings for electrolyte in lithium-ion batteries in China.

(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 decreased by ¥1,356 million, or 2.0%, from the end of the previous fiscal year to ¥65,478 million. This is mainly due to decreases of ¥4,899 million of securities due to redemption at maturity and ¥1,768 million of cash and deposits, and increases of ¥4,036 million of construction in progress mainly due to the construction of a new plant, ¥492 million of raw materials and supplies, and ¥414 million of investment securities.

The balance of liabilities decreased by ¥972 million, or 11.0%, from the end of the previous fiscal year to ¥7,891 million, mainly due to decreases of ¥545 million of accounts payable - trade and ¥425 million of income taxes payable.

The balance of net assets decreased by ¥384 million, or 0.7%, from the end of the previous fiscal year to ¥57,587 million. This is due to purchase of treasury shares of ¥2,306 million, increases in retained earnings of ¥915 million, foreign currency translation adjustment of ¥628 million, and valuation difference on available-for-sale securities of ¥377 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 ¥18,805 million, a decrease of ¥1,598 million from the end of the previous fiscal year, mainly due to increases resulting from proceeds from withdrawal of time deposits of ¥27,073 million, profit before income taxes of ¥2,923 million, and depreciation of ¥1,299 million despite decreases resulting from payments into time deposits of ¥21,896 million, payments for purchase of property, plant and equipment mainly due to the construction of a new plant of ¥5,353 million, purchase of treasury shares of ¥2,306 million, income taxes paid of ¥1,146 million, dividends paid by parent company of ¥1,137 million, and increase in inventories of ¥722 million.

Cash flows from operating activities

Net cash provided by operating activities for the fiscal year under review was ¥2,307 million, up 0.4% year on year. This was mainly because there was a decrease in cash, due to income taxes paid of ¥1,146 million and an increase in inventories of ¥722 million, despite an increase in cash due to profit before income taxes of ¥2,923 million and depreciation of ¥1,299 million.

Cash flows from investing activities

Net cash used in investing activities for the fiscal year under review was ¥333 million, down 107.2% year on year. This was because there was a decrease in cash due to payments into time deposits of ¥21,896 million, purchase of property, plant, and equipment of ¥5,353 million, and purchase of intangible assets of ¥566 million, despite an increase in cash due to proceeds from withdrawal of time deposits of ¥27,073 million and proceeds from sale of investment securities of ¥495 million.

Cash flows from financing activities

Net cash used in financing activities for the fiscal year under review was ¥3,740 million, up 149.5% year on year. This was mainly due to dividends paid by parent company of ¥1,137 million, purchase of treasury shares of ¥2,306 million, and repayments of lease obligations of ¥296 million.

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity-to-asset ratio (%)	86.7	87.9
Equity-to-asset ratio based on market value (%)	54.4	56.1
Interest-bearing debt to cash flow ratio (debt redemption period)	—	—
Interest coverage ratio	65.5	63.9

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 yen depreciation, inflated energy prices and supply constraints, as well as geopolitical risks in Europe and the slowdown of the Chinese economy, 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, 2025, we forecast consolidated net sales of ¥28,240 million, operating profit of ¥3,060 million, ordinary profit of ¥3,160 million, and profit attributable to owners of parent of ¥2,220 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 at target dividend payout ratio of 40%.

Based on this basic policy, as for the dividend for the fiscal year ended March 31, 2024, the Company has already paid ¥28 per share as an interim dividend and plans to pay ¥15 per share as a year-end dividend. This results in an annual dividend payout ratio of 40.8%.

For the next fiscal year, we plan to pay an interim dividend of ¥21.00 per share and a year-end dividend of ¥27.00 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 ¥48.00 per share.

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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	26,925	25,157
Notes and accounts receivable - trade	4,139	3,748
Electronically recorded monetary claims - operating	3,096	2,953
Securities	4,899	–
Merchandise and finished goods	5,405	5,787
Work in process	375	462
Raw materials and supplies	3,371	3,864
Other	721	1,117
Allowance for doubtful accounts	(2)	(2)
Total current assets	48,933	43,087
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,403	11,578
Accumulated depreciation	(6,781)	(7,083)
Buildings and structures, net	4,622	4,494
Machinery, equipment and vehicles	4,657	5,078
Accumulated depreciation	(3,645)	(3,934)
Machinery, equipment and vehicles, net	1,012	1,144
Tools, furniture and fixtures	7,568	7,734
Accumulated depreciation	(7,000)	(7,234)
Tools, furniture and fixtures, net	567	499
Land	3,331	3,835
Leased assets	2,759	2,775
Accumulated depreciation	(1,166)	(1,276)
Leased assets, net	1,592	1,498
Construction in progress	351	4,387
Total property, plant and equipment	11,477	15,859
Intangible assets		
Other	1,694	1,710
Total intangible assets	1,694	1,710
Investments and other assets		
Investment securities	3,235	3,650
Long-term loans receivable	26	20
Deferred tax assets	1,175	849
Other	307	315
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	4,729	4,820
Total non-current assets	17,901	22,390
Total assets	66,835	65,478

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,348	803
Lease liabilities	272	270
Income taxes payable	621	196
Provision for bonuses	586	532
Provision for bonuses for directors (and other officers)	46	49
Other	1,527	1,717
Total current liabilities	4,403	3,570
Non-current liabilities		
Lease liabilities	1,483	1,361
Retirement benefit liability	2,433	2,388
Provision for retirement benefits for directors (and other officers)	151	192
Asset retirement obligations	30	30
Other	361	348
Total non-current liabilities	4,460	4,321
Total liabilities	8,863	7,891
Net assets		
Shareholders' equity		
Share capital	1,850	1,850
Capital surplus	1,924	1,924
Retained earnings	55,922	56,837
Treasury shares	(3,264)	(5,571)
Total shareholders' equity	56,432	55,041
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	879	1,257
Deferred gains or losses on hedges	(7)	(13)
Foreign currency translation adjustment	783	1,412
Remeasurements of defined benefit plans	(126)	(121)
Total accumulated other comprehensive income	1,529	2,535
Non-controlling interests	9	10
Total net assets	57,971	57,587
Total liabilities and net assets	66,835	65,478

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	28,091	27,072
Cost of sales	15,212	14,469
Gross profit	12,878	12,602
Selling, general and administrative expenses		
Salaries and allowances	2,430	2,643
Provision for bonuses	310	281
Retirement benefit expenses	193	235
Provision for retirement benefits for directors (and other officers)	36	40
Promotion expenses	203	207
Research and development expenses	1,045	1,001
Other	4,992	5,233
Total selling, general and administrative expenses	9,212	9,643
Operating profit	3,665	2,958
Non-operating income		
Interest income	24	69
Dividend income	76	85
Foreign exchange gains	-	5
Subsidies for employment adjustment	-	3
Rental income from buildings	42	43
Gain on sale of non-current assets	26	7
Other	72	65
Total non-operating income	242	280
Non-operating expenses		
Interest expenses	35	36
Foreign exchange losses	4	-
Loss on retirement of non-current assets	31	1
Commission for purchase of treasury shares	0	26
Commission expenses	-	35
Taxes and dues	-	33
Other	16	6
Total non-operating expenses	89	139
Ordinary profit	3,818	3,100
Extraordinary income		
Gain on sale of investment securities	-	280
Subsidy income	-	147
Total extraordinary income	-	427
Extraordinary losses		
Impairment losses	-	155
Loss on retirement of non-current assets	-	448
Total extraordinary losses	-	604
Profit before income taxes	3,818	2,923
Income taxes - current	1,123	749
Income taxes - deferred	69	122
Total income taxes	1,192	871
Profit	2,626	2,051
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,625	2,050

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	2,626	2,051
Other comprehensive income		
Valuation difference on available-for-sale securities	127	377
Deferred gains or losses on hedges	(7)	(6)
Foreign currency translation adjustment	712	629
Remeasurements of defined benefit plans, net of tax	(24)	5
Total other comprehensive income	808	1,006
Comprehensive income	3,434	3,058
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,432	3,056
Comprehensive income attributable to non-controlling interests	1	1

(3) Consolidated statement of changes in equity

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

Fiscal year ended March 31, 2024

(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	55,922	(3,264)	56,432
Changes during period					
Dividends of surplus			(1,135)		(1,135)
Profit attributable to owners of parent			2,050		2,050
Purchase of treasury shares				(2,306)	(2,306)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	915	(2,306)	(1,391)
Balance at end of period	1,850	1,924	56,837	(5,571)	55,041

	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	879	(7)	783	(126)	1,529	9	57,971
Changes during period							
Dividends of surplus							(1,135)
Profit attributable to owners of parent							2,050
Purchase of treasury shares							(2,306)
Net changes in items other than shareholders' equity	377	(6)	628	5	1,005	1	1,007
Total changes during period	377	(6)	628	5	1,005	1	(384)
Balance at end of period	1,257	(13)	1,412	(121)	2,535	10	57,587

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,818	2,923
Depreciation	1,343	1,299
Amortization of long-term prepaid expenses	21	24
Increase (decrease) in provision for retirement benefits for directors (and other officers)	28	40
Increase (decrease) in provision for bonuses	1	(54)
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in retirement benefit liability	(93)	(35)
Interest and dividend income	(101)	(154)
Subsidy income	–	(147)
Interest expenses	35	36
Loss on retirement of non-current assets	–	448
Impairment losses	–	155
Loss (gain) on sale of investment securities	–	(280)
Decrease (increase) in trade receivables	(293)	595
Decrease (increase) in inventories	(1,512)	(722)
Decrease (increase) in other current assets	(226)	(33)
Increase (decrease) in trade payables	358	(574)
Increase (decrease) in accrued consumption taxes	26	(412)
Increase (decrease) in other current liabilities	50	46
Increase (decrease) in other non-current liabilities	(10)	(13)
Other, net	4	61
Subtotal	3,452	3,203
Interest and dividends received	103	140
Subsidies received	–	147
Interest paid	(35)	(36)
Income taxes paid	(1,222)	(1,146)
Net cash provided by (used in) operating activities	2,299	2,307
Cash flows from investing activities		
Payments into time deposits	(31,222)	(21,896)
Proceeds from withdrawal of time deposits	35,829	27,073
Proceeds from redemption of securities	1,100	–
Purchase of investment securities	(993)	(29)
Proceeds from redemption of investment securities	1,000	–
Proceeds from sale of investment securities	–	495
Purchase of property, plant and equipment	(761)	(5,353)
Proceeds from sale of property, plant and equipment	27	11
Purchase of intangible assets	(295)	(566)
Purchase of long-term prepaid expenses	(32)	(33)
Proceeds from collection of loans receivable	5	5
Other, net	(4)	(40)
Net cash provided by (used in) investing activities	4,652	(333)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Purchase of treasury shares	(372)	(2,306)
Dividends paid to non-controlling interests	–	(0)
Dividends paid	(827)	(1,137)
Repayments of lease liabilities	(299)	(296)
Net cash provided by (used in) financing activities	(1,498)	(3,740)
Effect of exchange rate change on cash and cash equivalents	169	167
Net increase (decrease) in cash and cash equivalents	5,622	(1,598)
Cash and cash equivalents at beginning of period	14,781	20,403
Cash and cash equivalents at end of period	20,403	18,805

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

Not applicable.

Changes in consolidated subsidiaries

Effective March 1, 2024, MEDOTECH CO., LTD. was merged into SHIRAKAWA NITTO KOHKI CO., LTD. SHIRAKAWA NITTO KOHKI CO., LTD. changed its trade name to TOHOKU NITTO KOHKI CO., LTD.

In addition, NITTO KOHKI AUSTRALIA MFG. LTD was liquidated on November 8, 2023.

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

I 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.

II Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment				Total
	Quick Connect Couplings	Power & Machine Tools	Pumps & Compressors	Door Closers	
Net sales					
Revenue from contracts with customers	11,891	8,839	4,183	2,158	27,072
Other revenue	–	–	–	–	–
Revenues from external customers	11,891	8,839	4,183	2,158	27,072
Transactions with other segments	–	–	–	–	–
Total	11,891	8,839	4,183	2,158	27,072
Segment profit (loss)	2,640	575	(200)	(56)	2,958
Other items					
Depreciation	563	378	299	83	1,324

- 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, 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

Fiscal year ended March 31, 2024

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
17,915	2,327	1,814	2,397	925	1,691	27,072

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
14,654	226	76	1	752	148	15,859

3. Information for each main customer

(Millions of yen)

Name of customer or individual	Net sales	Related segment
YAMAZEN CORPORATION	5,103	Quick Connect Couplings, Power & Machine Tools, Pumps & Compressors, and others

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

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

There were no impairment losses allocated to any reportable segment. Impairment losses which were not allocated to any reportable segment were ¥155 million, and their main details were “buildings and structures” and “tools, furniture and fixtures.”

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, 2023		Fiscal year ended March 31, 2024	
Net assets per share	2,886.57	Net assets per share	3,044.05
Basic earnings per share	129.50	Basic earnings per share	104.14
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, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent	2,625	2,050
Amounts not attributable to common shareholders	—	—
Profit attributable to owners of parent pertaining to common shares	2,625	2,050
Average number of outstanding common shares during period (shares)	20,272,858	19,691,956

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

(Millions of yen, unless otherwise noted)

	As of March 31, 2023	As of March 31, 2024
Total net assets	57,971	57,587
Amounts subtracted from total net assets	9	10
[Non-controlling interests]	[9]	[10]
Net assets attributable to common shares at end of period	57,961	57,576
Number of common shares at end of period used for calculating net assets per share (shares)	20,079,699	18,914,367

Significant events after reporting period

Cancellation of treasury shares

The Company's Board of Directors, at its meeting held on April 23, 2024, passed a resolution to finalize the partial cancellation of treasury shares, which was resolved by the Board of Directors on February 5, 2024, pursuant to Article 178 of the Companies Act, as follows.

1. Reason for cancellation of treasury shares

The Company will cancel treasury shares in order to improve capital efficiency and to be able to carry out further return of profits to its shareholders.

2. Details of matters related to cancellation

- | | |
|--------------------------------------|--|
| (1) Type of shares to be cancelled | Common shares of the Company |
| (2) Number of shares to be cancelled | 1,048,800 shares
(5.5% of the total number of issued shares (excluding treasury shares) as of March 31, 2024) |
| (3) Scheduled date of cancellation | May 21, 2024 |

4. Other information

Changes in officers

- (i) Change in representative directors
Not applicable.
- (ii) Changes in other officers
Not applicable.