Consolidated Statement of Cash Flows

(million yen)

	2020	2021 (fiscal year)
Cash flow from operating activities		
Net income before income taxes	3,045	2,599
Depreciation and amortization	677	745
Amortization of goodwill	–	14
Increase (decrease) in allowance for doubtful accounts	(27)	(5)
Increase (decrease) in retirement benefit-related adjustment	80	71
Increase (decrease) in provision for directors' retirement benefits	24	(9)
Interest and dividends income	(548)	(126)
Interest expenses	37	50
Foreign exchange losses (gains)	(19)	(72)
Loss (gain) on sales and valuation of investment securities	(72)	(325)
Decrease (increase) in notes and accounts receivable-trade	(300)	1,653
Decrease (increase) in inventories	(359)	(1,583)
Increase (decrease) in notes and accounts payable-trade	(627)	(28)
Increase (decrease) in down payments	1,281	–
Increase (decrease) in contract liabilities	–	1,172
Other	187	(1,006)
Subtotal	3,377	3,150
Interest and dividends income received	548	126
Interest expenses paid	(37)	(50)
Income taxes paid	(1,105)	(1,002)
Cash flow from operating activities	2,784	2,224
Cash flow from investing activities		
Payments into time deposits	(47)	(47)
Proceeds from withdrawal of time deposits	47	47
Purchase of investment securities	(14)	(423)
Proceeds from sales and redemption of investment securities	579	754
Purchase of property, plant and equipment and intangible assets	(2,414)	(1,697)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(733)
Payments for acquisition of businesses	–	(127)
Payments of loans receivable	(2)	(4)
Collection of loans receivable	2	7
Other	(18)	60
Cash flow from investing activities	(1,867)	(2,165)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	550	(125)
Proceeds from long-term loans payable	140	1,099
Repayment of long-term loans payable	(70)	(46)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	51
Purchase of treasury stock	(402)	–
Repayments of finance lease obligations	(0)	–
Cash dividends paid	(1,345)	(1,260)
Cash flows from financing activities	(1,129)	(282)
Effect of exchange rate changes on cash and cash equivalents	80	168
Net increase (decrease) in cash and cash equivalents	(131)	(54)
Cash and cash equivalents at beginning of year	12,575	12,444
Cash and cash equivalents at end of year	12,444	12,389

Stock Information

Stock overview (as of March 31, 2022)

Stock listing Prime Market, Tokyo Stock Exchange

Securities code 6306

State of issuance
Total number of shares authorized for issuance: 150,000,000 shares
Total number of outstanding shares: 40,000,000 shares
(including 1,774,135 treasury shares)

Number of shares per unit 100 shares

Number of shareholders 12,504

Transfer agent
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212

Fiscal year From April 1 to March 31

Ordinary General Shareholders' Meeting
June (record date: March 31)

Registration deadline for year-end dividend payment:
March 31

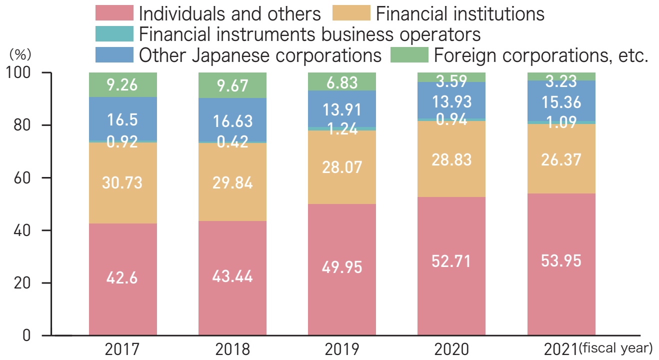
Registration deadline for interim dividend payment:
September 30

Major shareholders (top 10)

Name	Number of shares held (in 1,000)	Shareholding ratio (%)
Nikko Trading-Partner Shareholding Association	5,681	14.86
The Master Trust Bank of Japan, Ltd. (trust account)	3,799	9.94
Nikko Employees' Shareholding Association	1,753	4.59
Sumitomo Mitsui Banking Corporation	1,203	3.15
Custody Bank of Japan, Ltd. (trust account)	968	2.53
Nippon Life Insurance Company	854	2.24
Sumitomo Life Insurance Company	745	1.95
The Hyakujushi Bank, Ltd.	683	1.79
Meiji Yasuda Life Insurance Company	648	1.70
Nakanishi Electric Co., Ltd.	620	1.62
Total	**16,956**	**44.4**

Nikko holds treasury shares totaling 1,774,135, which are excluded from the above major shareholders. Shareholding ratios are the number of shares held divided by the total number of outstanding shares less the number of treasury shares, rounded off to first decimal place.

Composition of shareholder types (%)



Stock performance comparison

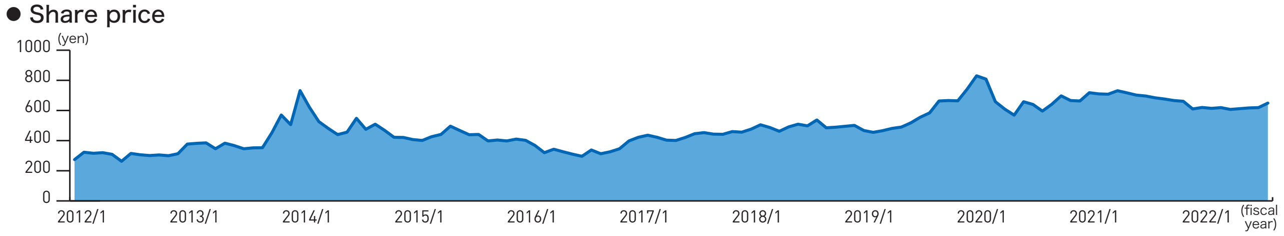
(TSR: total shareholder return, %)

Investment period	1 year	3 years	5 years	10 years
	(End of Mar. 2021 to end of Mar. 2022)	(End of Mar. 2019 to end of Mar. 2022)	(End of Mar. 2017 to end of Mar. 2022)	(End of Mar. 2012 to end of Mar. 2022)
Nikko shares	-12.9	47.5	82.1	134.0
TOPIX	2.0	31.2	44.3	183.3
Machinery index	-3.8	36.7	40.8	183.7

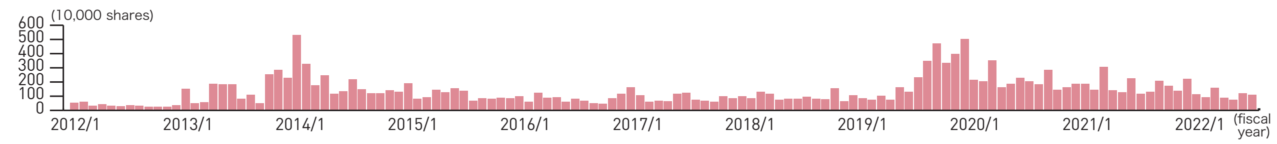
The above table shows total return on investment including dividends as of the end of March 2022 in the cases of investment made a year ago, three years ago, five years ago, and 10 years ago.

Trend of share price and trading volume over the past 10 years (July 2012 – July 2022)

● Share price



● Trading volume



● Stock-related data

	2018/3	2019/3	2020/3	2021/3	2022/3
Year-end share price (yen)	426	481	609	731	607
PER (times)	11.9	13.7	14.8	13.5	14.1
PBR (times)	0.6	0.6	0.8	0.9	0.7
Dividend yield (%)	2.6	2.5	6.6	4.5	4.9
Year-end market cap (mil. yen)	18,480	19,240	24,360	29,240	24,280