

Consolidated Balance Sheet

Assets	2021	2022 (fiscal year)
Current assets		
Cash and cash equivalents	12,436	10,317
Notes receivable-trade	2,163	2,357
Accounts receivable-trade	7,275	6,645
Electronically recorded monetary claims	1,594	2,233
Merchandise and finished goods	990	1,794
Work in process and partly-finished construction	6,970	7,423
Raw materials and supplies	1,695	1,657
Forward exchange contracts	—	14
Other	1,002	1,279
Allowance for doubtful accounts	(0)	(1)
Total current assets	34,127	33,723
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	5,227	5,945
Machinery, equipment and vehicles (net)	1,256	1,292
Tools, furniture and fixtures (net)	399	405
Land	3,577	3,878
Lease assets (net)	1	0
Right-of-use assets (net)	72	81
Construction in progress	134	236
Total property, plant and equipment	10,669	11,839
Intangible assets		
Goodwill	266	130
Other	769	889
Total intangible assets	1,036	1,020
Investments and other assets		
Investment securities	4,336	3,488
Investments in capital	15	7
Long-term loans receivable	8	14
Deferred tax assets	864	981
Other	1,152	1,183
Allowance for doubtful accounts	(131)	(130)
Total investments and other assets	6,246	5,544
Total non-current assets	17,951	18,404
Total assets	52,079	52,127

Liabilities	2021	2022 (fiscal year)
Current liabilities		
Notes and accounts payable-trade	3,132	3,012
Electronically recorded obligations	868	858
Accounts payable-factoring	2,783	2,355
Short-term loans payable	2,229	3,312
Income taxes payable	518	265
Accounts payable-other	664	644
Down payments	17	17
Contract liabilities	4,405	3,713
Provision for bonuses	483	417
Provision for directors' bonuses	76	76
Provision for loss on order received	35	172
Other	559	492
Total current liabilities	15,774	15,338
Non-current liabilities		
Long-term loans payable	1,583	2,449
Deferred tax liabilities	7	0
Provision for directors' retirement benefits	182	235
Retirement benefit-related liabilities	2,126	2,166
Other	354	333
Total non-current liabilities	4,254	5,184
Total liabilities	20,029	20,523
Net assets	2021	2022 (fiscal year)
Shareholders' equity		
Capital stock	9,197	9,197
Capital surplus	7,925	7,934
Retained earnings	13,755	13,628
Treasury stock	(784)	(760)
Total shareholders' equity	30,093	29,999
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,453	1,177
Foreign currency translation adjustment	560	582
Accumulated retirement benefit-related adjustment	(104)	(115)
Total accumulated other comprehensive income	1,910	1,644
Non-controlling interests	46	(40)
Total net assets	32,050	31,604
Total liabilities and net assets	52,079	52,127

Consolidated Statement of Income

Assets	2021	2022 (fiscal year)
Net sales	38,846	39,665
Cost of sales	28,346	29,348
Gross profit	10,500	10,317
Selling, general and administrative expenses	8,447	9,288
Operating income	2,053	1,028
Non-operating income		
Interest income	2	2
Dividends income	123	104
Foreign exchange gains	77	158
Outsourcing service income	49	—
Other	82	64
Total non-operating income	335	330
Non-operating expenses		
Interest expenses	50	77
Loss on disposal of non-current assets	0	—
Compensation for damage	14	6
Dismantlement and removal costs	24	—
Other	25	18
Total non-operating expenses	114	102
Ordinary income	2,274	1,255
Extraordinary income		
Gain on sales of investment securities	326	564
Total extraordinary income	326	564
Extraordinary loss		
Loss due to COVID-19	—	23
Impairment losses	—	104
Loss on sales of investment securities	0	—
Total extraordinary loss	0	127
Net income before income taxes	2,599	1,693
Income taxes-current	944	745
Income taxes-deferred	40	6
Total income taxes	985	751
Net income	1,614	941
Loss attributable to non-controlling interests	(34)	(78)
Net income attributable to owners of parent	1,649	1,020

Consolidated Statement of Comprehensive Income

	2021	2022 (fiscal year)
Net income	1,614	941
Other comprehensive income		
Valuation difference on available-for-sale securities	(139)	(275)
Foreign currency translation adjustment	290	13
Retirement benefit-related adjustment	10	(11)
Total other comprehensive income	161	(273)
Comprehensive income	1,775	667
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,804	755
Comprehensive income attributable to non-controlling interests	(28)	(87)

Consolidated Statement of Cash Flows

	2021	2022 (fiscal year)
(million yen)		
Cash flow from operating activities		
Net income before income taxes	2,599	1,693
Depreciation and amortization	745	944
Amortization of goodwill	14	46
Increase (decrease) in allowance for doubtful accounts	(5)	(0)
Increase (decrease) in retirement benefit-related adjustment	71	22
Increase (decrease) in provision for directors' retirement benefits	(9)	52
Interest and dividends income	(126)	(107)
Interest expenses	50	77
Foreign exchange losses (gains)	(72)	(15)
Loss (gain) on sales and valuation of investment securities	(325)	(564)
Decrease (increase) in notes and accounts receivable-trade	1,653	(196)
Decrease (increase) in inventories	(1,583)	(1,156)
Increase (decrease) in notes and accounts payable-trade	(28)	(204)
Impairment losses	—	104
Increase (decrease) in contract liabilities	1,172	(708)
Other	(1,006)	(696)
Subtotal	3,150	(709)
Interest and dividends income received	126	139
Interest expenses paid	(50)	(77)
Income taxes paid	(1,002)	(997)
Cash flow from operating activities	2,224	(1,644)
Cash flow from investing activities		
Payments into time deposits	(47)	(47)
Proceeds from withdrawal of time deposits	47	47
Purchase of investment securities	(423)	(22)
Proceeds from sales and redemption of investment securities	754	1,002
Purchase of property, plant and equipment and intangible assets	(1,697)	(2,174)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(733)	—
Payments for acquisition of businesses	(127)	—
Payments of loans receivable	(4)	(10)
Collection of loans receivable	7	5
Other	60	(26)
Cash flow from investing activities	(2,165)	(1,226)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(125)	968
Proceeds from long-term loans payable	1,099	1,084
Repayment of long-term loans payable	(46)	(187)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	51	—
Purchase of treasury stock	—	(0)
Repayments of finance lease obligations	—	(7)
Cash dividends paid	(1,260)	(1,147)
Cash flows from financing activities	(282)	710
Effect of exchange rate changes on cash and cash equivalents	168	41
Net increase (decrease) in cash and cash equivalents	(54)	(2,118)
Cash and cash equivalents at beginning of year	12,444	12,389
Cash and cash equivalents at end of year	12,389	10,270

Stock overview (as of March 31, 2023)

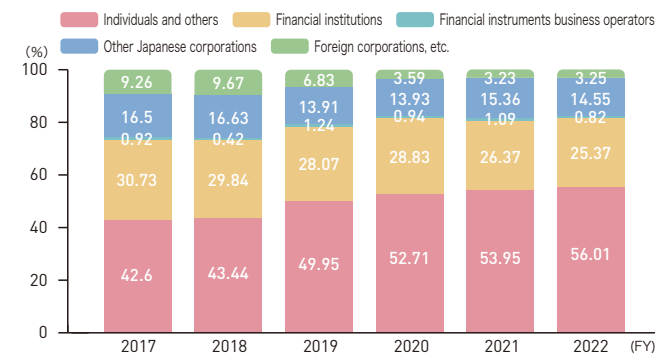
Financial instruments exchange where the stock is listed	Tokyo Stock Exchange Prime Market
Securities code	6306
State of issuance	Total number of shares authorized for issuance: 150,000,000 shares Total number of outstanding shares: 40,000,000 shares (including 1,723,300 treasury shares)
Number of shares per unit	100 shares
Number of shareholders	14,541
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 Nikko shares held (1,000 shares)	Shareholding ratio (%)
Nikko Trading-Partner Shareholding Association	6,027	15.75
The Master Trust Bank of Japan, Ltd. (trust account)	3,848	10.05
Nikko Employees' Shareholding Association	1,776	4.64
Sumitomo Mitsui Banking Corporation	1,203	3.14
Custody Bank of Japan, Ltd. (trust account)	938	2.45
Nippon Life Insurance Company	855	2.23
Sumitomo Life Insurance Company	745	1.95
The Hyakujushi Bank, Ltd.	683	1.78
Meiji Yasuda Life Insurance Company	648	1.69
Nakanishi Electric Co., Ltd.	621	1.62
Total	17,345	45.31

Nikko holds treasury shares totaling 1,723,000, 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 second decimal place.

Composition of shareholder types (%)



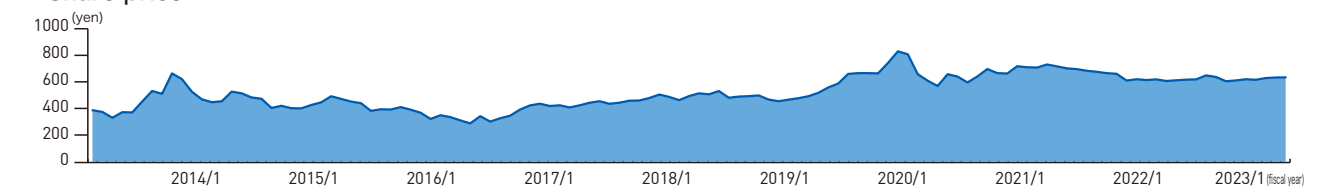
Stock performance comparison (TSR: total shareholder return, %)

Investment period	1 year	3 year	5 year	10 year
	(End of Mar. 2022 to end of Mar. 2023)	(End of Mar. 2020 to end of Mar. 2023)	(End of Mar. 2018 to end of Mar. 2023)	(End of Mar. 2013 to end of Mar. 2023)
Nikko shares	9.4	19.4	68.7	132.1
TOPIX	5.8	53.4	31.8	142.1
Machinery index	8.6	67.1	29.3	152.6

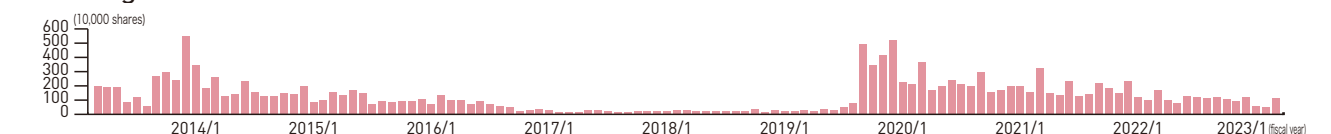
The above table shows total shareholder return including dividends as of the end of March 2023 in the cases of investment made a year ago, three years ago, five years ago, and 10 years ago.

Trend of share price and trading volume over the past 10 years (March 2013 – March 2023)

Share price



Trading volume



Valuation of share price

	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023
Year-end share price (yen)	481	609	731	607	634
PBR (times)	0.6	0.8	0.9	0.7	0.8
ROE (%)	4.4	5.2	6.8	5.2	3.2
PER (times)	13.7	14.8	13.5	14.1	23.8
Dividend yield (%)	2.5	6.6	4.5	4.9	4.7
Year-end market cap (mil. yen)	19,240	24,360	29,240	24,280	25,360