Consolidated Statement of Cash Flows

(million yen)

	2021	2022 (fiscal year)
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 Information

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

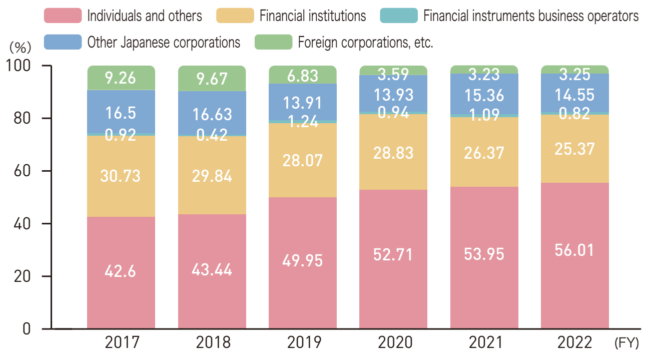
Registration deadline for interim dividend payment :
September 30

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 (%)



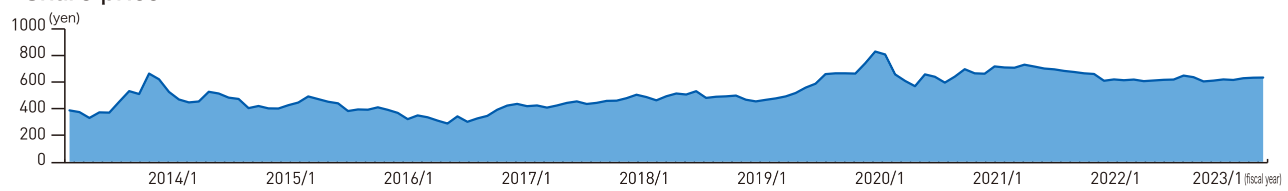
Stock performance comparison (TSR: total shareholder return, %)

Investment period	1 year (End of Mar. 2022 to end of Mar. 2023)	3 year (End of Mar. 2020 to end of Mar. 2023)	5 year (End of Mar. 2018 to end of Mar. 2023)	10 year (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

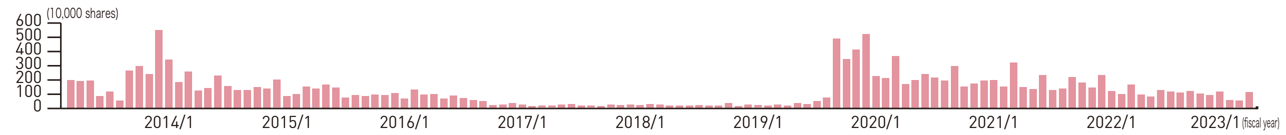
The above table shows total shareholder return including dividends as of the end of March 2023 in the cases of investment made a year ago, three years ago, five years ago, and 10 years ago.

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