

NIPPON THOMPSON CO., LTD.

Corporate Headquarters: Tokyo

Listed Code: 6480

Listed Stock Exchange: Tokyo

(URL: <https://www.ikont.co.jp/eg/>)

May 15, 2023

Consolidated Financial Report
for the Fiscal Year Ended March 31, 2023
<Japanese GAAP>

Representative: Shigeki Miyachi, President and Representative Director

For further information contact: Takanori Kojima, General Manager of Accounting Department

Telephone: +81-3-3448-5824

Scheduled Date of Ordinary General Meeting of Shareholders:	June 27, 2023
Scheduled Date to Submit Annual Securities Report:	June 27, 2023
Scheduled Date to Begin Dividend Payments:	June 28, 2023
Preparation of Supplementary Explanation Material for Financial Results:	Yes
Holding of Presentation Meeting for Financial Results:	Yes (Targeted at institutional investors and analysts)

Figures have been rounded down to eliminate amounts less than one million yen.

1. Consolidated Operating Performance for the Fiscal Year Ended March 31, 2023
(From April 1, 2022 to March 31, 2023)

(1) Results of Consolidated Operations

Years ended March 31, 2023 and 2022

(Millions of yen)

	Net sales	Percentage change	Operating profit	Percentage change	Ordinary profit	Percentage change	Profit attributable to owners of parent	Percentage change
2023	68,260	9.6	9,459	60.4	10,479	39.9	7,469	80.7
2022	62,284	40.5	5,898	—	7,488	—	4,134	—

Notes: Comprehensive income

Fiscal year ended March 31, 2023: 8,763 million yen 68.1%

Fiscal year ended March 31, 2022: 5,214 million yen 75.1%

: Percentage change for net sales, operating profit, ordinary profit, and profit attributable to owners of parent indicate percentage increase/decrease compared to the same period in the previous year.

	Earnings per share (Yen)	Diluted earnings per share (Yen)	Return on equity (%)	Ordinary profit to total assets (%)	Operating profit to net sales (%)
2023	104.92	104.57	11.0	9.5	13.9
2022	58.27	58.04	6.7	7.2	9.5

Reference: Equity in earnings of affiliates

Fiscal year ended March 31, 2023: — million yen

Fiscal year ended March 31, 2022: — million yen

(2) Consolidated Financial Position

Years ended March 31, 2023 and 2022

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
2023	114,347	71,662	62.6	1,003.28
2022	107,078	63,974	59.6	898.58

Reference: shareholders' equity

Fiscal year ended March 31, 2023: 71,541 million yen

Fiscal year ended March 31, 2022: 63,829 million yen

(3) Consolidated Cash Flows

Years ended March 31, 2023 and 2022

(Millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
2023	6,398	(2,702)	(3,351)	18,593
2022	10,265	(2,100)	(6,442)	17,847

2. Dividends

Base date	Dividends per share				
	June 30 (Yen)	September 30 (Yen)	December 31 (Yen)	March 31 (Yen)	Full fiscal year (Yen)
2024(Forecast)	—	9.50	—	9.50	19.00
2023	—	9.00	—	10.00	19.00
2022	—	6.00	—	7.00	13.00

Base date	Total dividends (Full fiscal year)	Dividends payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	(Millions of yen)	(%)	(%)
2024(Forecast)		30.2	
2023	1,378	18.1	2.0
2022	942	22.3	1.5

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2024

Six-month period ending September 30, 2023, and the fiscal year ending March 31, 2024 (Millions of yen)

	Net sales	Percentage change	Operating profit	Percentage change	Ordinary profit	Percentage change
Year ending March 31, 2024	62,000	(9.2)	6,500	(31.3)	6,700	(36.1)
Six-month period ending September 30, 2023	29,800	(13.2)	2,700	(37.8)	2,800	(54.0)

	Profit attributable to owners of parent	Percentage change	Earnings per share (Yen)
Year ending March 31, 2024	4,500	(39.8)	62.99
Six-month period ending September 30, 2023	1,800	(57.1)	25.31

Note: Percentage change for net sales, operating profit, ordinary profit, and profit attributable to owners of parent indicate percentage increase/decrease compared to the same period in the previous year.

4. Others

(1) Changes in the state of significant subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

(2) Changes in accounting principles and accounting estimates, and restatements

Changes in accounting principles arising from revision of accounting standards:	None
Changes other than those in above:	None
Changes in accounting estimates:	None
Restatements:	None

(3) Number of shares issued (Common stock)

Number of shares outstanding at period-end (Including treasury stock)

Fiscal year ended March 31, 2023: 73,501,425 shares

Fiscal year ended March 31, 2022: 73,501,425 shares

Number of treasury stock

Fiscal year ended March 31, 2023: 2,193,912 shares

Fiscal year ended March 31, 2022: 2,467,133 shares

Average number of shares outstanding at period-end

Fiscal year ended March 31, 2023: 71,195,717 shares

Fiscal year ended March 31, 2022: 70,962,924 shares

Note: The number of treasury stock as of the fiscal year-end includes Nippon Thompson shares held by the share-issuing trust account for executives and by the employee stock ownership plan (ESOP) trust account (1,250,000 shares as of March 31, 2023 and 1,477,400 shares as of March 31, 2022). In the calculation of the average number of shares during the fiscal year, Nippon Thompson shares held by the share-issuing trust account for executives and the ESOP trust account are included in excluded treasury stock (1,354,225 shares as of March 31, 2023 and 1,548,974 shares as of March 31, 2022).

Reference: Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2023
(From April 1, 2022 to March 31, 2023)

(1) Results of Non-consolidated Operations

Years ended March 31, 2023 and 2022

(Millions of yen)

	Net sales	Percentage change	Operating profit	Percentage change	Ordinary profit	Percentage change	Profit	Percentage change
2023	58,797	12.0	8,970	84.0	10,361	54.2	7,327	696.0
2022	52,518	46.2	4,875	—	6,720	—	920	—

Note: Percentage change for net sales, operating profit, ordinary profit, and profit indicate percentage increase/decrease compared to the same period in the previous year.

	Earnings per share (Yen)	Diluted earnings per share (Yen)
2023	102.92	102.58
2022	12.97	12.92

(2) Non-consolidated Financial Position

Years ended March 31, 2023 and 2022

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
2023	96,261	57,633	59.7	806.54
2022	90,320	51,273	56.6	719.77

Reference: shareholders' equity

Fiscal year ended March 31, 2023: 57,512 million yen

Fiscal year ended March 31, 2022: 51,128 million yen

These consolidated financial report are not subject to audit.

Explanations or Other Items Pertaining to Appropriate use of Operating Performance Forecasts

Performance forecasts presented herein are based on information available to the Nippon Thompson Group (the "Group") as of the date of this document, May 15, 2023. Accordingly, for a wide variety of reasons, there remains the possibility that actual performance results may differ from projections. For performance forecasts, please refer to "5. Operating Results and Financial Position (4) Outlook" on page 7.

5. Operating Results and Financial Position

(1) Analysis of Operating Results

In the consolidated fiscal year ending March 31, 2023, the economy shifted to a moderate recovery track amid the relaxation of various restrictions aimed at preventing the spread of COVID-19 and resulting progress in the normalization of economic activities. On the other hand, the outlook remained unclear due mainly to surges in raw material, energy prices and overall inflation stemming from fallout from the Ukraine situation, as well as radical fluctuations in foreign exchange rates amid monetary tightening by national central banks.

Under these circumstances, The Group has taken various measures to solve key issues with the aim of achieving stable profit and sustainable growth from a medium- to long-term perspective as outlined in “IKO Medium-term Business Plan 2023 ~Deepening, Expanding, Embracing Change~.” In addition, for all our stakeholders, we have striven to enhance disclosure, publishing our first integrated report in order to communicate our implementation of measures aimed at enhancing corporate value on a medium- to long-term basis and creating sustainable social value.

From a sales perspective, the Group resumed participation in exhibitions at home and abroad in a phased manner while holding private shows for the first time in about four years. At the same time, the Group focused on deepening trade with existing customers and developing new markets and customers.

In terms of product development, the Group launched a high performance model of “Alignment Stage SA series,” which is capable of realizing low profile and compact XYθ movement. In this way, the Group has striven to expand its lineup of high-value-added products designed to help promote energy saving for machines and devices and improve their productivity. Moreover, we promoted the development of next-generation products, beginning with the Linear Roller Way Super X ZERO, which delivers the highest movement precision within the series. We also worked hard to uncover new needs and enhance recognition of both our high quality and our technical expertise.

From a production standpoint, in light of the robustness of the recent trend in demand, the Group developed a global production system encompassing domestic factories, as well as IKO THOMPSON VIETNAM CO.,LTD and UBC (Suzhou) Bearing Co., Ltd. In addition, we focused on building an efficient supply system that spans the entire supply chain and enhanced our social responsibility measures, such as making considerations for the environment, human rights, and labor issues based on the “IKO Group Supplier CSR Procurement Guidelines,” which were formulated in July 2022.

Turning to the Group’s operational results, net sales increased in all regions on the back of robust demand associated with capital investment, especially in the fields of semiconductor manufacturing equipment and other electronics-related devices, along with catching up on outstanding orders and favorable foreign exchange trends involving the depreciation of the yen. In the domestic market, sales grew higher for products related to general industrial machinery, including precision machinery and various medical equipment, as well as for machine tools. In North America, although demand for machine tools was stagnant, sales were robust for precision machinery and other general industrial machinery, contributing to higher net sales in this region, as did sales of products for commercial applications. In Europe, net sales grew thanks to constantly strong demand in a broad range of sectors, including machine tools and commercial application products. In China, despite being somewhat impacted by the zero-COVID policy, net sales increased on the back of continued robust capital investment demand. In other regions, net sales increased mainly

in India, Singapore, and Hong Kong.

As a result, consolidated net sales for the fiscal year under review totaled ¥68,260 million, up 9.6% year on year. On the earnings front, due mainly to growth in net sales, an increase in production volume and the depreciation of the yen, operating profit came to ¥9,459 million, up 60.4% year on year, and ordinary profit came to ¥10,479 million, up 39.9% year on year. Profit attributable to owners of the parent amounted to ¥7,469 million, up 80.7% year on year.

In the consolidated fiscal year under review, net production of Needle Roller Bearings and Linear Motion Rolling Guides was ¥65,915 million based on average sales price, up 15.3% year on year. And, net orders of Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components were down 21.1% to ¥61,939 million.

Because the Group manufactures and sells Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components on an integrated basis, disclosure of segment information has been omitted. Sales of Needle Roller Bearings and Linear Motion Rolling Guides totaled ¥61,536 million, 10.0% increase compared with the corresponding period of the previous fiscal year. Sales of Machine Components rose 6.1% to ¥6,723 million.

Business Segment Information

	March 31, 2023		March 31, 2022		Change	
	Millions of Yen	Component percentages	Millions of Yen	Component percentages	Millions of yen	Percentage change
Needle Roller Bearings, Linear Motion Rolling Guides	61,536	90.1	55,944	89.8	5,591	10.0
Machine Components	6,723	9.9	6,340	10.2	383	6.1
Total net sales	68,260	100.0	62,284	100.0	5,975	9.6

(2) Summary of Financial Position

Total assets as of March 31, 2023, totaled ¥114,347 million, an increase of ¥7,268 million compared with the end of the previous fiscal year. This mainly comprised increases in cash and deposits of ¥847 million, inventories of ¥4,608 million and deferred tax assets of ¥661 million.

Total liabilities amounted to ¥42,685 million, a decrease of ¥418 million compared with the end of the previous fiscal year. This mainly comprised increases in income taxes payable of ¥630 million, advances received of ¥438 million and lease obligations of ¥341 million as well as decrease in short-term borrowings of ¥2,200 million.

Total net assets amounted to ¥71,662 million, an increase of ¥7,687 million compared with the end of the previous fiscal year. This mainly comprised an increase in retained earnings of ¥6,310 million and foreign currency translation adjustments of ¥1,291 million.

(3) Summary of Cash Flows

Cash and cash equivalents at the end of the fiscal year under review totaled ¥18,593 million, an increase of ¥746 million compared with the end of the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities was ¥6,398 million. The major inflows were profit before income taxes of ¥10,489 million, depreciation and amortization of ¥3,423 million, while the major outflow were an increase inventories of ¥3,596 million and income taxes paid of ¥3,419 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥2,702 million. The major outflows were purchase of property, plant and equipment of ¥2,187 million, as well as payments for purchase of insurance funds of ¥342 million.

Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥3,351 million. The major inflow was proceeds from long-term borrowings of ¥4,000 million, while the major outflows were repayments of short-term borrowings of ¥2,200 million, repayments of long-term borrowings of ¥3,879 million and dividends paid of ¥1,155 million.

The trend of cash flow indices is as follows:

	For the periods ended			
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Equity ratio (%)	62.6	59.6	58.7	58.4
Equity ratio on market value basis (%)	36.2	35.9	46.5	27.0
Debt repayment period (Years)	3.5	2.2	5.0	—
Interest coverage ratio (Times)	63.9	86.8	49.3	—

Notes:

Equity ratio:	Total shareholders' equity / total assets
Equity ratio on market value basis:	Aggregate market value of common stock / total assets
Debt repayment period:	Interest-bearing liabilities / cash flows from operating activities
Interest coverage ratio:	Cash flows from operating activities / interest payments

- All indices based on consolidated financial figures.
- Aggregate market value of common stock:
Market price at the period-end x number of shares outstanding at the period-end (excluding treasury stock)
- Cash flows from operating activities corresponds to the cash flow from operating activities in the consolidated statement of cash flows. Interest-bearing liabilities include all liabilities reported on the consolidated balance sheet for which the Group is paying interest. Interest payments correspond to the interest paid in the consolidated statement of cash flows.

(4) Outlook

Regarding the forecast for the current fiscal year, its surrounding business environment to remain uncertain amid growing concerns of economic recession due in part to rising inflation and financial tightening around the world as well as business failures of U.S. financial institutions. On the other hand, we expect continued robust demand for capital investment, including in the Group's main demand industry of electronics-related devices, amid progress on the shift to IoT and EVs as well as the shift to automation and labor saving due to worker shortages.

In light of these economic conditions, the Group is forecasting consolidated net sales of ¥62,000 million,

operating profit of ¥6,500 million, ordinary profit of ¥6,700 million and profit attributable to owners of parent of ¥4,500 million for the year ending March 31, 2024.

(5) Fundamental Earnings Distribution Policy and Dividends for the Current and Next Fiscal Periods

With regard to the distribution of profits, Nippon Thompson Co., Ltd. (the “Company”) positions the return of profits to shareholders as one of its major management issues, having as its basic policy continuing stable dividends while taking performance levels into overall consideration.

In addition, while giving heed to such factors as the future business environment, the Group intends to retain sufficient internal reserves. Specifically in this regard, the Group works to strengthen its management base and improve earnings power to maximize corporate value. Simultaneously, it reviews production systems that respond to rapid technological innovation and fluctuating demand and makes such investments as new product development.

In keeping with the basic policy and as a result of a general review of, for example, the level of performance over the fiscal year and internal reserves, the Company plans a year-end dividend of ¥10.0 per share. Including the interim dividend of ¥9.0 per share, the planned full-year dividend payment ¥19.0 per share.

The Company is forecasting a dividend of ¥19.0 per share (including an interim dividend of ¥9.5 per share) for the fiscal year ending March 31, 2024.

6. Basic Stance on Selection of Accounting Methods

The Group applies “Japanese GAAP” to facilitate the comparison of consolidated financial statements with different reporting periods.

As for the adoption of “International Financial Reporting Standards (IFRS)”, the Group maintains a policy of continuing to appropriately respond to the situation going forward.

7. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of March 31, 2023 and 2022

	Millions of yen	
ASSETS	March 31, 2023	March 31, 2022
Current Assets:		
Cash and deposits	18,848	18,001
Notes and accounts receivable-trade	17,272	17,159
Finished products	17,477	14,393
Material in process	11,882	12,773
Raw material	8,823	6,408
Others	2,329	1,682
Less: Allowance for doubtful accounts	(10)	(7)
Total current assets	76,624	70,412
Non-Current Assets:		
Tangible fixed assets:		
Buildings and structures	6,743	6,843
Machinery and vehicles	9,849	10,338
Tools and fixtures	735	782
Land	2,873	2,983
Lease assets	418	464
Construction in progress	453	168
Others	1,378	984
Total tangible fixed assets	22,453	22,565
Intangible fixed assets:	1,056	1,093
Investments and other assets:		
Investment securities	9,113	9,021
Deferred tax assets	2,099	1,438
Others	3,026	2,583
Less: Allowance for doubtful accounts	(26)	(36)
Total investments and other assets	14,212	13,006
Total non-current assets	37,723	36,666
TOTAL ASSETS	114,347	107,078

Millions of yen

LIABILITIES	March 31, 2023	March 31, 2022
Current Liabilities:		
Notes and accounts payable-trade	11,595	11,845
Short-term borrowings	—	2,200
Current portion of long-term borrowings	3,786	3,455
Lease obligations	364	358
Accrued expenses	3,174	2,906
Income taxes payable	2,813	2,182
Allowance for directors' and corporate auditors' bonuses	92	85
Others	2,511	1,769
Total current liabilities	24,337	24,802
Non-Current Liabilities:		
Corporate bonds	10,000	10,000
Long-term borrowings	6,718	6,928
Lease obligations	1,252	917
Deferred tax liabilities	126	255
Net defined benefit liabilities	30	20
Provision for share-based remuneration for directors	110	79
Others	109	100
Total non-current liabilities	18,348	18,301
TOTAL LIABILITIES	42,685	43,104
NET ASSETS		
Shareholders' Equity:		
Common stock	9,533	9,533
Capital surplus	12,886	12,886
Retained earnings	44,191	37,881
Treasury stock	(917)	(1,024)
Total shareholders' equity	65,693	59,276
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	3,115	3,017
Deferred gains or losses on hedges	(2)	—
Foreign currency translation adjustments	2,761	1,470
Remeasurements of defined benefit plans	(27)	65
Total accumulated other comprehensive income	5,847	4,552
Subscription rights to shares	121	144
TOTAL NET ASSETS	71,662	63,974
TOTAL LIABILITIES AND NET ASSETS	114,347	107,078

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Years ended March 31, 2023 and 2022

	Millions of yen	
	March 31, 2023	March 31, 2022
Net Sales	68,260	62,284
Cost of Sales	43,782	42,947
Gross Profit	24,477	19,337
Selling, General and Administrative Expenses	15,017	13,438
Operating Profit	9,459	5,898
Non-Operating Income:		
Interest income	31	39
Dividend income	284	204
Foreign exchange gains	468	1,219
Insurance income	11	40
Others	363	293
	1,159	1,797
Non-Operating Expenses:		
Interest expenses	99	122
Bond issuance costs	—	32
Loss on retirement of fixed assets	11	23
Others	28	28
	139	206
Ordinary Profit	10,479	7,488
Extraordinary income:		
Gain on sales of investment securities	31	28
	31	28
Extraordinary Losses:		
Impairment losses	21	1,529
	21	1,529
Profit Before Income Taxes	10,489	5,987
Income Taxes:		
Current	3,762	1,979
Income taxes for prior periods	—	271
Deferred	(742)	(398)
	3,020	1,852
Profit	7,469	4,134
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	7,469	4,134

Consolidated Statements of Comprehensive Income

Years ended March 31, 2023 and 2022

	Millions of yen	
	March 31, 2023	March 31, 2022
Profit	7,469	4,134
Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	98	(407)
Deferred gains or losses on hedges	(2)	—
Foreign currency translation adjustments	1,291	1,520
Remeasurements of defined benefit plans	(92)	(33)
Total Other Comprehensive Income	1,294	1,079
Comprehensive Income	8,763	5,214
Breakdown:		
Comprehensive income attributable to owners of the parent	8,763	5,214
Comprehensive income attributable to non-controlling interests	—	—

(3) Statement of Changes in Consolidated Shareholders' Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital Surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2022	9,533	12,886	37,881	(1,024)	59,276
Changes during the period					
Cash dividends	—	—	(1,160)	—	(1,160)
Profit attributable to owners of parent	—	—	7,469	—	7,469
Acquisition of treasury stock	—	—	—	(0)	(0)
Disposal of treasury stock	—	—	1	106	108
Net changes in items other than shareholders' capital	—	—	—	—	—
Total changes during the period	—	—	6,310	106	6,416
As of March 31, 2023	9,533	12,886	44,191	(917)	65,693

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized holding gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
As of April 1, 2022	3,017	—	1,470	65	4,552	144	63,974
Changes during the period							
Cash dividends	—	—	—	—	—	—	(1,160)
Profit attributable to owners of parent	—	—	—	—	—	—	7,469
Acquisition of treasury stock	—	—	—	—	—	—	(0)
Disposal of treasury stock	—	—	—	—	—	—	108
Net changes in items other than shareholders' capital	98	(2)	1,291	(92)	1,294	(23)	1,270
Total changes during the period	98	(2)	1,291	(92)	1,294	(23)	7,687
As of March 31, 2023	3,115	(2)	2,761	(27)	5,847	121	71,662

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital Surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2021	9,533	12,886	34,471	(1,087)	55,803
Changes during the period					
Cash dividends	—	—	(725)	—	(725)
Profit attributable to owners of parent	—	—	4,134	—	4,134
Acquisition of treasury stock	—	—	—	(0)	(0)
Disposal of treasury stock	—	—	0	63	64
Net changes in items other than shareholders' capital	—	—	—	—	—
Total changes during the period	—	—	3,410	63	3,473
As of March 31, 2022	9,533	12,886	37,881	(1,024)	59,276

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Net unrealized holding gains on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
As of April 1, 2021	3,424	(50)	99	3,473	148	59,425
Changes during the period						
Cash dividends	—	—	—	—	—	(725)
Profit attributable to owners of parent	—	—	—	—	—	4,134
Acquisition of treasury stock	—	—	—	—	—	(0)
Disposal of treasury stock	—	—	—	—	—	64
Net changes in items other than shareholders' capital	(407)	1,520	(33)	1,079	(3)	1,075
Total changes during the period	(407)	1,520	(33)	1,079	(3)	4,549
As of March 31, 2022	3,017	1,470	65	4,552	144	63,974

(4) Consolidated Statements of Cash Flows

Years ended March 31, 2023 and 2022

	Millions of yen	
	March 31, 2023	March 31, 2022
Cash Flows from Operating Activities:		
Profit before income taxes	10,489	5,987
Depreciation and amortization	3,423	3,885
Increase (Decrease) in allowance for doubtful accounts	(6)	(15)
Impairment losses	21	1,529
Increase (Decrease) in net defined benefit liabilities	(53)	(60)
Interest and dividend income	(316)	(243)
Interest expenses	99	122
Foreign exchange losses (gains)	(337)	(752)
Loss on retirement of fixed assets	11	23
Decrease (Increase) in trade receivables	78	(3,105)
Decrease (Increase) in inventories	(3,596)	(1,021)
Decrease (Increase) in other accounts receivable	(277)	(291)
Increase (Decrease) in trade payables	(476)	3,559
Increase (Decrease) in accrued expenses	227	724
Others-net	315	335
Subtotal	9,602	10,677
Interest and dividend income received	316	243
Interest expenses paid	(100)	(118)
Income taxes paid	(3,419)	(537)
Net cash provided by (used in) operating activities	6,398	10,265

Millions of yen

	March 31, 2023	March 31, 2022
Cash Flows from Investing Activities:		
Payments for purchase of property, plant and equipment	(2,187)	(1,797)
Payments for purchase of intangible assets	(147)	(176)
Payments for purchase of insurance funds	(342)	(365)
Proceeds from cancellation of insurance funds	—	231
Others-net	(23)	7
Net cash provided by (used in) investing activities	(2,702)	(2,100)
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term borrowings	(2,200)	1,000
Proceeds from long-term borrowings	4,000	4,000
Repayments of long-term borrowings	(3,879)	(5,466)
Proceeds from issuance of bonds	—	5,000
Redemption of bonds	—	(10,000)
Cash dividends paid	(1,155)	(725)
Payments for purchase of treasury stock	(0)	(0)
Others-net	(116)	(249)
Net cash provided by (used in) financing activities	(3,351)	(6,442)
Effect of exchange rate change on cash and cash equivalents	401	777
Net increase (decrease) in cash and cash equivalents	746	2,500
Cash and cash equivalents at beginning of year	17,847	15,346
Cash and cash equivalents at end of year	18,593	17,847

(5) Notes

(Notes on the Premise of a Going Concern)

There are no applicable articles.

(Segment Information)

Because the Group manufactures and sells Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components on an integrated basis, the disclosure of segment information has been omitted.

(Per Share Information)

	Yen	
	March 31, 2023	March 31, 2022
Net assets per share	1,003.28	898.58
Earnings per share	104.92	58.27
Diluted earnings per share	104.57	58.04

Notes: 1. Basis for calculations of earnings per share and diluted earnings per share is as follows.

	Millions of yen	
	March 31, 2023	March 31, 2022
Earnings per share		
Profit attributable to owners of parent	7,469	4,134
Value not attributed to common stock	—	—
Profit attributable to owners of parent pertaining to common stock	7,469	4,134
Average number of shares outstanding at period-end	71,195,717shares	70,962,924shares
Diluted earnings per share		
Adjustment value of profit attributable to owners of parent	—	—
Increase in number of shares outstanding (of which subscription rights to shares)	237,235 shares (237,235 shares)	275,518 shares (275,518 shares)
Residual shares not included in the calculation of diluted earnings income per share because they have no dilutive effect	—	—

2. With regard to the computation of the number of shares outstanding at period-end, which is used to determine net assets per share, and the average number of shares outstanding at period-end, which is used to determine earnings per share for the period, the shares held by the share-issuing trust for executives and the ESOP trust are included in treasury stock.

(Important Subsequent Events)

There are no applicable articles.