

**Consolidated Financial Statements
as of March 31,2024**

NIKKI CO.,LTD.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(in thousands of yen)

Accounts	Prior Fiscal Year (As of March 31,2023)		Current Fiscal Year (As of March 31,2024)		Increase Decrease(Δ)
	Amounts	Ratio (%)	Amounts	Ratio (%)	
Assets					
Current assets					
Cash and deposits	4,675,856		4,175,416		Δ 500,440
Accounts receivable-trade	1,737,785		1,597,892		Δ 139,892
Electronically recorded monetary claims-operating	187,488		154,662		Δ 32,826
Merchandise and finished goods	1,464,870		1,184,258		Δ 280,611
Work in process	1,144,668		1,508,041		363,372
Raw materials and supplies	95,294		89,948		Δ 5,346
Other	450,775		333,042		Δ 117,732
Allowance for doubtful accounts	Δ 4,292		Δ 4,063		228
Total current assets	9,752,447	48.1	9,039,198	39.2	Δ 713,249
Noncurrent assets					
Property, plant and equipment					
Buildings and structures, net	6,460,564		8,476,882		2,016,318
Machinery, equipment and vehicles, net	600,609		1,429,293		828,683
Land	379,569		441,310		61,740
Lease assets, net	82,156		76,144		Δ 6,011
Construction in progress	1,052,886		134,520		Δ 918,366
Other, net	239,566		219,187		Δ 20,379
Total property, plant and equipment	8,815,352	43.5	10,777,337	46.7	1,961,984
Intangible assets					
Goodwill	-		599,019		599,019
Customer related assets	-		45,000		45,000
Technology related assets	-		185,250		185,250
Other	52,861		79,298		26,436
Total intangible assets	52,861	0.3	908,568	3.9	855,706
Investments and other assets					
Investment securities	1,531,697		1,831,725		300,027
Long-term Deferred tax assets	57,022		63,438		6,415
Retirement benefit asset	-		177,125		177,125
Other	67,555		267,535		199,979
Total investments and other assets	1,656,276	8.2	2,339,825	10.1	683,548
Total noncurrent assets	10,524,491	51.9	14,025,731	60.8	3,501,239
Total assets	20,276,939	100.0	23,064,929	100.0	2,787,990

(in thousands of yen)

Accounts	Current Fiscal Year (As of March 31,2023)		Current Fiscal Year (As of March 31,2024)		Increase Decrease(Δ)
	Amounts	Ratio (%)	Amounts	Ratio (%)	
Liabilities					
Current liabilities					
Notes and accounts payable-trade	399,017		498,894		99,877
Electronically recorded monetary debt-operating	401,670		512,120		110,450
Short-term loans payable	3,509,188		3,619,188		110,000
Lease obligations	10,130		12,820		2,689
Accrued expenses	139,212		165,660		26,448
Income taxes payable	14,314		816,462		802,147
Provision for bonuses	144,922		149,561		4,638
Provision for head office transfer cost	3,450		—		△ 3,450
Notes payable - facilities	194,190		43,390		△ 150,800
Other	345,596		174,515		△ 171,080
Total current liabilities	5,161,691	25.5	5,992,612	26.0	830,921
Noncurrent liabilities					
Long-term loans payable	3,858,554		3,549,366		△ 309,188
Lease obligations	75,673		70,629		△ 5,044
Deferred tax liabilities	227,129		427,608		200,479
Long-term lease deposited	515,713		54,930		△ 460,783
Net defined benefit liability	450,529		417,599		△ 32,930
Other	157,926		156,376		△ 1,550
Total noncurrent liabilities	5,285,525	26.1	4,676,509		△ 609,016
Total liabilities	10,447,217	51.5	10,669,122	46.3	221,905
Net assets					
Shareholders' equity					
Capital stock	500,000		500,000		-
Capital surplus	49,175		49,175		—
Retained earnings	8,489,291		10,533,090		2,043,798
Treasury stock	△ 327,669		△ 307,771		19,898
Total shareholders' equity	8,710,797	43.0	10,774,494	46.7	2,063,697
Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	804,325		974,521		170,196
Foreign currency translation adjustment	291,189		544,105		252,915
Remeasurements of defined benefit plans	△ 504		75,936		76,441
Total accumulated other comprehensive income	1,095,010	5.4	1,594,563	6.9	499,553
Minority Interests	23,913	0.1	26,749	0.1	2,835
Total net assets	9,829,721	48.5	12,395,807	53.7	2,566,085
Total liabilities and net assets	20,276,939	100.0	23,064,929	100.0	2,787,990

(2) Consolidated Statement of Income

(in thousands of yen)

Accounts	Current Fiscal Year From April 1, 2022 To March 31,2023		Current Fiscal Year From April 1, 2023 To March 31,2024		Increase Decrease(Δ)
		Ratio (%)		Ratio (%)	
Net Sales	8,802,961	100.0	9,355,388	100.0	552,427
Cost of Sales	6,049,239	68.7	6,673,822	71.3	624,582
Gross Profit	2,753,722	31.3	2,681,566	28.7	△ 72,155
Selling,general administrative expenses	1,584,694	18.0	1,777,501	19.0	192,807
Operating Income	1,169,028	13.3	904,064	9.7	△ 264,963
Non-operating income					
Interest income	23,381		35,869		12,487
Dividends income	44,633		47,688		3,055
Royalty income	897		-		△ 897
Exchange gain	199,609		343,454		143,845
Other	16,140		21,006		4,865
Total non-operating income	284,662	3.2	448,019	4.8	163,356
Non-operating expenses					
Interest expenses	47,493		72,764		25,270
Other	329		941		611
Total non-operating expenses	47,823	0.5	73,706	0.8	25,882
Ordinary income	1,405,866	16.0	1,278,377	13.7	△ 127,489
Extraordinary income					
Gain on sales of noncurrent assets	359,141		1,660,038		1,300,896
Gain on sales of investment securities	58		-		△ 58
Penalty income	-		90,396		90,396
Gain on insurance claims	-		15,653		15,653
Subsidy income	10,000		37,292		27,292
Total extraordinary income	369,199	4.2	1,803,379	19.3	1,434,179
Extraordinary loss					
Loss on sales and retirement of noncurrent assets	309,652		8,062		△ 301,589
Environmental expenses	108,083		2,050		△ 106,033
Provision for head office transfer cost	3,450		-		△ 3,450
Head office transfer cost	166,647		-		△ 166,647
Loss on sale of golf club membership	-		2,614		2,614
Loss on disaster	-		2,282		2,282
Total extraordinary loss	587,833	6.7	15,009	0.2	△ 572,823
Income before income taxes	1,187,233	13.5	3,066,747	32.8	1,879,514
Income taxes-current	225,172		915,690		690,518
Income taxes deferred	83,456		△ 41,644		△ 125,100
Total income taxes-current	308,628		874,046		565,417
Income before minority interests	878,604	10.0	2,192,700	23.4	1,314,096
Minority interests in income	371		698		327
Net income	878,232	10.0	2,192,001	23.4	1,313,769

(3) Consolidated Statement of Comprehensive Income

(in thousands of yen)

	Current Fiscal Year From April 1, 2022 To March 31,2023	Current Fiscal Year From April 1, 2023 To March 31,2024	Increase Decrease(Δ)
Accounts			
Income before minority interests	878,604	2,192,700	1,314,096
Other comprehensive income			
Valuation difference on available-for-sale securities	△ 18,644	170,196	188,840
Foreign currency translation adjustment	131,834	255,051	123,217
Remeasurements of defined benefit plans	△ 45,417	76,441	121,858
Total Other comprehensive income	67,772	501,689	433,917
Comprehensive income	946,376	2,694,390	1,748,013
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	943,658	2,691,554	1,747,896
Comprehensive income attributable to minority interests	2,717	2,835	117

(4) Consolidated Statement of Changes in Shareholders' Equity

Current fiscal year (April 1,2023 to March 31,2024)

(in thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	500,000	49,175	8,489,291	△ 327,669	8,710,797
Changes of items during the period					
Dividends paid			△ 147,485		△ 147,485
Net income			2,192,001		2,192,001
Purchase of treasury shares					
Disposal of treasury shares			△ 718	19,898	19,180
Change in treasury shares of parent arising from transactions with non-controlling shareholders					
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	2,043,798	19,898	2,063,697
Balance at end of current period	500,000	49,175	10,533,090	△ 307,771	10,774,494

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Balance at beginning of current period	804,325	291,189	△ 504	1,095,010	23,913	9,829,721
Changes of items during the period						
Dividends paid						△ 147,485
Net income						2,192,001
Purchase of treasury shares						
Disposal of treasury shares						19,180
Change in treasury shares of parent arising from transactions with non-controlling shareholders						
Net changes of items other than shareholders' equity	170,196	252,915	76,441	499,553	2,835	502,388
Total changes of items during the period	170,196	252,915	76,441	499,553	2,835	2,566,085
Balance at end of current period	974,521	544,105	75,936	1,594,563	26,749	12,395,807

(5) Consolidated Statements of Cash Flows

(in thousands of yen)

	Current Fiscal Year From April 1, 2022 To March 31, 2023	Current Fiscal Year From April 1, 2023 To March 31, 2024	Increase Decrease(Δ)
Net cash provided by (used in) operating activities			
Income before income taxes	1,187,233	3,066,747	1,879,514
Depreciation and amortization	545,035	673,903	128,867
Amortization of goodwill	-	39,934	39,934
Increase (decrease) in allowance for doubtful accounts	△ 7,052	△ 228	6,824
Increase (decrease) in provision for bonuses	△ 4,384	3,513	7,897
Increase (decrease) in provision for head office transfer cost	3,450	△ 3,450	△ 6,900
Increase (decrease) in net defined benefit assets	-	△ 177,125	△ 177,125
Increase (decrease) in net defined benefit liability	△ 142,333	△ 37,708	104,624
Interest and dividends income	△ 68,014	△ 83,557	△ 15,543
Interest expenses	47,493	72,764	25,270
Gain on sales of investment securities	△ 58	-	58
Loss (gain) on sales and retirement of noncurrent assets	△ 49,488	△ 1,651,975	△ 1,602,486
Exchange gain(loss)	△ 1,613	△ 31,288	△ 29,674
Decrease (increase) in notes and accounts receivable-trade	△ 127,630	301,272	428,903
Decrease (increase) in inventories	4,527	97,538	93,011
Decrease (increase) in long-term loans payable	△ 11,027	5,164	16,191
Decrease (increase) in other current assets	△ 27,883	297,802	325,686
Increase (decrease) in notes and accounts payable-trade	△ 109,406	6,458	115,865
Increase (decrease) in other current liabilities	17,705	△ 118,753	△ 136,458
Other	17,025	△ 440,930	△ 457,955
subtotal	1,273,577	2,020,083	746,506
Interest and dividends income received	68,014	83,557	15,543
Interest expenses paid	△ 50,362	△ 71,944	△ 21,582
Income taxes paid	△ 489,716	△ 227,893	261,822
Refund income taxes	-	114,328	114,328
Net cash provided by (used in) operating activities	801,512	1,918,131	1,116,618

(in thousands of yen)

	Current Fiscal Year From April 1, 2022 To March 31, 2023	Current Fiscal Year From April 1, 2023 To March 31, 2024	Increase Decrease(Δ)
Net cash provided by (used in) investing activities			
Payments into time deposits	△ 100,000	△ 699,989	△ 599,989
Proceeds from withdrawal of time deposits	121,372	533,418	412,046
Purchase of investment securities	—	△ 180	△ 180
Proceeds from sales of investment securities	174	3,387	3,212
Purchase of property, plant and equipment	△ 3,237,738	△ 4,589,239	△ 1,351,500
Proceeds from sales of property, plant and equipment	584,334	3,495,054	2,910,720
Purchase of intangible assets	△ 2,280	△ 7,800	△ 5,519
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△ 1,227,190	△ 1,227,190
Other investment payment	△ 35,485	△ 15,768	19,717
Other investment income	581	55,411	54,829
Net cash provided by (used in) investing activities	△ 2,669,042	△ 2,452,896	216,145
Net cash provided by (used in) financing activities			
Repayments of lease obligations	△ 8,230	△ 11,237	△ 3,006
Net increase (decrease) in short-term loans payable	1,000,000	—	△ 1,000,000
Proceeds from long-term loans payable	2,660,000	—	△ 2,660,000
Repayment of long-term loans payable	△ 182,258	△ 209,188	△ 26,930
Purchase of treasury stock	△ 147,200	—	147,200
Dividend payment	△ 133,907	△ 147,485	△ 13,577
Net cash provided by (used in) financing activities	3,188,403	△ 367,910	△ 3,556,314
Effect of exchange rate change on cash and cash equivalents	117,870	158,635	40,764
Increase and decrease in cash and cash equivalents	1,438,744	△ 744,040	△ 2,182,785
Increase in cash and cash equivalents resulting from change of scope of consolidation			
Cash and cash equivalents at the end of the period	4,575,856	3,831,815	△ 744,040