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May 12, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Based on Japanese GAAP)

Company name: NAGANO KEIKI CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 7715
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 Representative: Masatsugu Sato, President and Representative Director
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 Scheduled date of ordinary general meeting of shareholders: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Scheduled date to file annual securities report: June 30, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

Amounts less than one million yen are rounded down

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	60,543	10.2	4,725	33.0	4,954	14.9	3,410	35.7
March 31, 2022	54,952	22.6	3,552	146.3	4,312	185.1	2,514	190.6

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥4,796 million [23.5%]
 For the fiscal year ended March 31, 2022: ¥3,882 million [93.7%]

	Earnings per share	Diluted earnings per share	Return on Equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	179.13	–	11.2	8.4	7.8
March 31, 2022	132.06	–	9.4	8.1	6.5

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2023: ¥190 million
 For the fiscal year ended March 31, 2022: ¥113 million

(2) Consolidated financial position

	Total assets	Net assets	Equity to asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	62,863	33,310	51.7	1,707.13
March 31, 2022	55,581	29,113	51.0	1,488.61

Reference: Equity
 As of March 31, 2023: ¥32,507 million
 As of March 31, 2022: ¥28,339 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	2,219	(1,999)	(261)	6,338
March 31, 2022	2,813	(2,303)	(1,551)	6,159

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	11.00	–	18.00	29.00	556	22.0	2.1
Fiscal year ended March 31, 2023	–	16.00	–	20.00	36.00	691	20.1	2.3
Fiscal year ending March 31, 2024 (Forecast)	–	18.00	–	18.00	36.00		17.5	

Note: Breakdown of year-end dividend for the fiscal year ended March 31, 2023:

Ordinary dividend: ¥16.00 Special dividend: ¥4.00

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	33,200	11.6	2,900	64.7	2,700	30.7	1,800	46.2	92.63
Full year	67,800	12.0	6,100	29.1	5,800	17.1	4,000	17.3	205.84

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	19,432,984 shares
As of March 31, 2022	19,432,984 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	390,756 shares
As of March 31, 2022	395,140 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	19,040,539 shares
Fiscal year ended March 31, 2022	19,037,988 shares

Note: The number of treasury shares at the end of the period includes the Company's shares held by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan (161,900 shares in the fiscal year ended March 31, 2023 and 166,500 shares in the fiscal year ended March 31, 2022). In addition, the Company's shares held by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan are included in the treasury shares deducted in the calculation of the average number of shares during the period (163,828 shares in the fiscal year ended March 31, 2023 and 166,500 shares in the fiscal year ended March 31, 2022).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	26,819	10.0	3,173	54.6	4,157	36.3	3,224	54.2
March 31, 2022	24,372	22.7	2,053	262.5	3,050	162.5	2,090	85.3

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	169.35	—
March 31, 2022	109.82	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	39,152	26,264	67.1	1,379.27
March 31, 2022	36,478	23,653	64.8	1,242.46

Reference: Equity

As of March 31, 2023: ¥26,264 million

As of March 31, 2022: ¥23,653 million

2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	14,800	16.0	2,600	22.9	2,100	33.3	108.06
Full year	30,000	11.9	4,600	10.6	3,600	11.6	185.25

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(1) Caution regarding forward-looking statements and others

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available and on certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to various factors.

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1. Overview of operating results and others

(1) Overview of operating results for the current fiscal year

During the fiscal year ended March 31, 2023, the outlook for the global economy remained highly uncertain as a result of global inflation in addition to the prolonged crisis in Ukraine.

In the United States, although strong capital investment supported the economy, there were signs of shadows over the economic recovery due to inflation and rising interest rates. In Europe, the outlook was uncertain in terms of rising commodity prices and energy supply.

In China, economic activity recovered with the easing of the Zero COVID policy, but the pace of economic recovery was moderate.

In Japan, despite the impact of factors such as rising import purchase prices due to the depreciation of the yen, machinery and construction orders centered on domestic demand remained at high levels.

Under this management environment, in the Group's business results for the fiscal year ended March 31, 2023, net sales increased year on year driven by growing capital investment demand. Operating profit also rose year on year despite the impact of such factors as an increase in personnel expenses and higher depreciation due to the introduction of new facilities. Ordinary profit and profit attributable to owners of parent were also higher year on year due to such factors as foreign exchange gains.

In Japan, sales of pressure gauges and pressure sensors for use in the industrial machinery and the semiconductor industries increased. However, sales decreased for automobile pressure sensors and sales also decreased for pressure sensors for construction machinery for which some electronic components were difficult to obtain. Meanwhile, at the U.S. subsidiary, sales increased centered on the mainstay industrial machinery-related products driven by strong capital investment. These factors resulted in net sales of ¥60,543 million (up 10.2% year on year). As for profits, operating profit was ¥4,725 million (up 33.0% year on year) and ordinary profit was ¥4,954 million (up 14.9% year on year). Profit attributable to owners of parent was ¥3,410 million (up 35.7% year on year).

Net sales for each business is as follows.

[Pressure gauge business]

In the pressure gauge business, in Japan, sales increased for the industrial machinery, pneumatic equipment, semiconductor, and air conditioning & piping materials industries. At the U.S. subsidiary, sales increased for the industrial machinery industry driven by strong capital investment. The yen equivalent amount also increased due to the depreciation of the yen.

As a result, net sales for the pressure gauge business was ¥30,483 million (up 17.1% year on year), and operating profit for the business was ¥1,501 million yen (up 38.0% year on year).

[Pressure sensor business]

In the pressure sensor business, in Japan, while sales increased for the industrial machinery and semiconductor industries, sales of automobile pressure sensors and construction machinery pressure sensors decreased. At the U.S. subsidiary, just as in the pressure gauge business, there was an increase in sales to the industrial machinery industry. The yen equivalent amount also increased due to the depreciation of the yen.

As a result, net sales for the pressure sensor business was ¥19,200 million (up 6.5% year on year), and operating profit for the business was ¥2,612 million (up 50.9% year on year).

[Measurement & control equipment business]

In the measurement & control equipment business, sales of air leakage testers used in the automotive and electronic components industries, which were strong in the previous fiscal year, decreased, and sales of pneumatic equipment for FA also decreased.

As a result, net sales for the measurement & control equipment business was ¥4,651 million (down 6.0% year on year), and operating profit for the business was ¥493 million yen (down 5.7% year on year).

[Die-cast business]

In the die-cast business, there was an increase in sales of die-cast products with the automotive industry as a major customer. In terms of costs, soaring prices for metal materials had an impact.

As a result, net sales for the die-cast business was ¥4,393 million (up 8.5% year on year), and operating profit for the business was ¥88 million (up 2.8% year on year).

[Other businesses]

In other businesses, there was a decrease in sales of automotive electrical components, which performed strongly in the previous fiscal year. In terms of costs, foreign currency-denominated purchases prices increased due to the depreciation of the yen.

As a result, net sales for other businesses was ¥1,814 million (down 3.5% year on year), and operating profit for the business was ¥26 million yen (down 78.4% year on year).

(2) Overview of financial position for the current fiscal year

(Assets)

Assets at the end of the current fiscal year increased by ¥7,282 million from the end of the previous fiscal year to ¥62,863 million. The main factors were an increase of ¥2,156 million in merchandise and finished goods and the recording of ¥2,215 million in right-of-use assets.

(Liabilities)

Liabilities increased by ¥3,085 million from the end of the previous fiscal year to ¥29,553 million. The main factors were increases of ¥2,297 million in short-term borrowings and ¥1,921 million in lease liabilities, while long-term borrowings decreased by ¥865 million.

(Net assets)

Net assets increased by ¥4,196 million from the end of the previous fiscal year to ¥33,310 million. The main factors were increases of ¥2,816 million in total shareholders' equity, mainly due to an increase in retained earnings, ¥643 million in remeasurements of defined benefit plans, and ¥662 million in foreign currency translation adjustment.

As a result, the equity-to-asset ratio was 51.7%, up 0.7 percentage points from the end of the previous fiscal year.

(3) Overview of cash flows for the current fiscal year

Cash and cash equivalents (hereafter referred to as "cash") at the end of the current fiscal year were ¥6,338 million, an increase of ¥178 million from ¥6,159 million at the end of the previous fiscal year. The status of each cash flow and their contributing factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥2,219 million (¥2,813 million provided in the previous fiscal year).

The major cash inflows were profit before income taxes of ¥4,932 million, and depreciation of ¥1,785 million, while the major cash outflows were an increase in inventories of ¥2,715 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥1,999 million (¥2,303 million used in the previous fiscal year).

The major cash outflows were purchase of property, plant and equipment, such as production facilities, of ¥1,908 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥261 million (¥1,551 million provided in the previous fiscal year).

The major cash inflows were a net increase of ¥1,988 million in short-term borrowings. The major cash outflows were ¥1,253 million in repayments of long-term borrowings (net), ¥653 million in dividends paid, and ¥190 million in redemption of bonds.

(4) Future outlook

It is anticipated that the business environment surrounding the Group in the next fiscal year will experience a continued moderate recovery in corporate capital expenditure. On the other hand, the Group expects soaring costs for logistics and materials, heating and lighting expenses, and prices for purchased parts and materials due to an increase in energy prices, as well as an increase in costs due to higher wages.

The Group's outlook for corporate capital investment is as below. This outlook is based on the assumption that demand in the semiconductor industry and the telecommunications and air conditioning sectors will be strongly driven by an increase in the investment which has been in strong demand in recent years. This includes Investment in information technology, investment in research and development, and investment in construction of advanced logistics facilities and other facilities against a backdrop of expanding e-commerce, in addition to investment in environmental measures aimed at decarbonization.

In the pressure gauge business, in the Japanese market, we forecast increases in sales to the semiconductor, industrial machinery, process, and FA pneumatic industries, continued from the current fiscal year. Meanwhile, in the overseas market centered on the U.S. subsidiary, we forecast overall sales in the pressure gauge business will be at the same level as in the fiscal year ended March 31, 2023 after taking account of the promotion of a model shift from some mechanical pressure gauges to pressure sensors and the corresponding decrease in sales.

In the pressure sensor business, we forecast increases in sales to the semiconductor, industrial machinery and process industries. Although sales of mass-produced product pressure sensors decreased in the fiscal year ended March 31, 2023, we expect a recovery in automobile and construction machinery pressure sensors in the next fiscal year. We also project an increase in sales due to the model shift from mechanical pressure gauges to pressure sensors. We expect an improvement in the procurement environment for electronic components, which has been an issue.

In the measurement & control equipment business, we project increases in sales of air leakage testers used in the automotive and electronic components industries, and of pneumatic equipment for FA.

In the die-cast business we forecast increases in sales of die-cast products for the automotive industry, and in other businesses, we predict slight increases in sales of automotive electrical components.

Under these circumstances, in order to enhance corporate value over the medium to long term in a changing global economic and business environment, the Group will work to strengthen profitability and reform its business structure in accordance with the second medium-term business plan newly formulated in May 2023 and move forward to achieve the plan.

In our consolidated earnings outlook for the fiscal year ending March 31, 2024, we anticipate net sales of ¥67,800 million, operating profit of ¥6,100 million, ordinary profit of ¥5,800 million, and profit attributable to owners of parent of ¥4,000 million.

The assumed foreign exchange rates in our earnings outlook are ¥132 to the U.S. dollar and ¥140 to the euro.

2. Basic rationale for selection of accounting standards

Giving consideration to the comparability of consolidated financial statements across periods and with other companies, as well as the burden in terms of development of the system that would be required for preparing consolidated financial statements based on International Financial Reporting Standards (IFRS), the Group prepares consolidated financial statements based on the generally accepted accounting principles in Japan. Regarding the timing of application of IFRS, the Group's policy is to respond appropriately based on the situation in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

	(Thousands of yen)	
	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	7,206,085	7,409,556
Notes and accounts receivable - trade, and contract assets	9,666,204	10,532,626
Electronically recorded monetary claims - operating	3,147,295	3,232,752
Merchandise and finished goods	5,617,123	7,774,081
Work in process	3,610,035	4,512,229
Raw materials and supplies	2,444,858	2,764,376
Other	1,267,988	799,739
Allowance for doubtful accounts	(184,917)	(237,473)
Total current assets	32,774,674	36,787,888
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,283,254	11,469,877
Accumulated depreciation	(9,146,129)	(9,269,259)
Buildings and structures, net	2,137,125	2,200,618
Machinery, equipment and vehicles	21,547,318	23,019,785
Accumulated depreciation	(17,419,751)	(18,803,525)
Machinery, equipment and vehicles, net	4,127,566	4,216,259
Land	4,456,462	4,667,540
Leased assets	1,141,084	1,312,048
Accumulated depreciation	(841,894)	(964,221)
Leased assets, net	299,189	347,827
Construction in progress	447,027	903,679
Right-of-use assets	-	2,215,018
Other	4,499,989	4,480,195
Accumulated depreciation	(4,217,141)	(4,191,874)
Other, net	282,847	288,321
Total property, plant and equipment	11,750,219	14,839,265
Intangible assets		
Goodwill	70,978	38,278
Leased assets	20,410	9,872
Other	862,456	819,920
Total intangible assets	953,845	868,071
Investments and other assets		
Investment securities	9,080,413	9,322,651
Retirement benefit asset	46,371	23,157
Deferred tax assets	233,558	249,021
Other	814,013	869,867
Allowance for doubtful accounts	(71,386)	(96,049)
Total investments and other assets	10,102,970	10,368,649
Total non-current assets	22,807,035	26,075,986
Total assets	55,581,709	62,863,875

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,785,590	5,104,203
Short-term borrowings	6,456,374	8,754,238
Current portion of long-term borrowings	1,208,856	1,131,204
Current portion of bonds payable	40,000	–
Lease liabilities	139,521	408,809
Income taxes payable	1,252,619	1,090,564
Provision for bonuses	1,139,187	1,201,136
Other	2,421,119	2,694,559
Total current liabilities	17,443,269	20,384,717
Non-current liabilities		
Bonds payable	150,000	–
Long-term borrowings	4,161,166	3,295,646
Lease liabilities	257,204	2,178,485
Deferred tax liabilities	1,560,435	1,577,004
Provision for retirement benefits for directors (and other officers)	106,643	116,528
Provision for share awards	47,121	61,383
Retirement benefit liability	2,532,610	1,734,493
Asset retirement obligations	32,949	32,949
Other	176,533	172,148
Total non-current liabilities	9,024,663	9,168,639
Total liabilities	26,467,932	29,553,356
Net assets		
Shareholders' equity		
Share capital	4,380,126	4,380,126
Capital surplus	4,451,407	4,507,173
Retained earnings	16,908,392	19,666,107
Treasury shares	(327,516)	(324,590)
Total shareholders' equity	25,412,410	28,228,817
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,490,134	4,543,205
Deferred gains or losses on hedges	–	(8,434)
Foreign currency translation adjustment	(1,089,813)	(427,158)
Remeasurements of defined benefit plans	(472,745)	171,165
Total accumulated other comprehensive income	2,927,574	4,278,778
Non-controlling interests	773,790	802,923
Total net assets	29,113,776	33,310,518
Total liabilities and net assets	55,581,709	62,863,875

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	54,952,783	60,543,925
Cost of sales	39,269,577	42,940,940
Gross profit	15,683,206	17,602,984
Selling, general and administrative expenses		
Packing expenses and Haulage expenses	594,843	646,515
Salaries and Allowance	5,001,361	5,487,737
Welfare expenses	1,027,404	1,178,047
Provision for bonuses	211,666	270,768
Retirement benefit expenses	153,824	110,987
Provision for retirement benefits for directors (and other officers)	21,219	18,468
Provision of allowance for doubtful accounts	14,605	116,293
Depreciation	400,603	424,249
Research and development expenses	1,352,072	1,356,796
Other	3,353,128	3,267,269
Total selling, general and administrative expenses	12,130,731	12,877,133
Operating profit	3,552,474	4,725,850
Non-operating income		
Interest income	26,590	31,047
Dividend income	130,202	174,985
Rental Income	15,881	24,510
Foreign exchange gains	40,998	90,226
Share of profit of entities accounted for using equity method	113,054	190,841
Insurance claim income	472,862	-
Subsidies for employment adjustment	25,462	-
Other	271,703	100,340
Total non-operating income	1,096,755	611,951
Non-operating expenses		
Interest expenses	169,899	264,103
Loss on sale of notes receivable - trade	46,110	50,005
Commission expenses	13,646	16,652
Other	107,362	52,132
Total non-operating expenses	337,019	382,893
Ordinary profit	4,312,210	4,954,909
Extraordinary income		
Gain on sale of non-current assets	4,073	413
Gain on sale of investment securities	-	2,085
Total extraordinary income	4,073	2,499

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Extraordinary losses		
Loss on sale of non-current assets	8	2,125
Loss on retirement of non-current assets	15,838	22,343
Impairment losses	132,060	–
Total extraordinary losses	147,908	24,468
Profit before income taxes	4,168,375	4,932,939
Income taxes - current	1,609,778	1,650,732
Income taxes - deferred	5,730	(160,997)
Total income taxes	1,615,508	1,489,734
Profit	2,552,867	3,443,204
Profit attributable to non-controlling interests	38,617	32,544
Profit attributable to owners of parent	2,514,250	3,410,660

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	2,552,867	3,443,204
Other comprehensive income		
Valuation difference on available-for-sale securities	466,159	52,940
Deferred gains or losses on hedges	–	(8,434)
Foreign currency translation adjustment	440,580	612,314
Remeasurements of defined benefit plans, net of tax	393,698	643,910
Share of other comprehensive income of entities accounted for using equity method	29,330	52,116
Total other comprehensive income	1,329,769	1,352,848
Comprehensive income	3,882,636	4,796,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,843,461	4,761,863
Comprehensive income attributable to non-controlling interests	39,174	34,189

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,380,126	4,451,407	14,816,642	(327,169)	23,321,007
Changes during period					
Dividends of surplus			(422,499)		(422,499)
Profit attributable to owners of parent			2,514,250		2,514,250
Purchase of treasury shares				(346)	(346)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,091,750	(346)	2,091,403
Balance at end of period	4,380,126	4,451,407	16,908,392	(327,516)	25,412,410

	Accumulated other comprehensive income				Non-controlling 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 period	4,023,904	(1,559,097)	(866,443)	1,598,363	740,128	25,659,499
Changes during period						
Dividends of surplus						(422,499)
Profit attributable to owners of parent						2,514,250
Purchase of treasury shares						(346)
Net changes in items other than shareholders' equity	466,229	469,283	393,698	1,329,211	33,662	1,362,873
Total changes during period	466,229	469,283	393,698	1,329,211	33,662	3,454,276
Balance at end of period	4,490,134	(1,089,813)	(472,745)	2,927,574	773,790	29,113,776

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,380,126	4,451,407	16,908,392	(327,516)	25,412,410
Changes during period					
Dividends of surplus			(652,945)		(652,945)
Profit attributable to owners of parent			3,410,660		3,410,660
Purchase of treasury shares				(239)	(239)
Disposal of treasury shares				3,164	3,164
Changes in equity due to capital transfer -SS		55,765			55,765
Net changes in items other than shareholders' equity					-
Total changes during period	-	55,765	2,757,714	2,925	2,816,406
Balance at end of period	4,380,126	4,507,173	19,666,107	(324,590)	28,228,817

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,490,134		(1,089,813)	(472,745)	2,927,574	773,790	29,113,776
Changes during period							
Dividends of surplus							(652,945)
Profit attributable to owners of parent							3,410,660
Purchase of treasury shares							(239)
Disposal of treasury shares							3,164
Changes in equity due to capital transfer -SS						(55,765)	-
Net changes in items other than shareholders' equity	53,071	(8,434)	662,655	643,910	1,351,203	84,898	1,436,101
Total changes during period	53,071	(8,434)	662,655	643,910	1,351,203	29,132	4,196,742
Balance at end of period	4,543,205	(8,434)	(427,158)	171,165	4,278,778	802,923	33,310,518

(4) Consolidated statement of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,168,375	4,932,939
Depreciation	1,546,652	1,785,991
Impairment losses	132,060	-
Increase (decrease) in allowance for doubtful accounts	(200,282)	56,237
Increase (decrease) in provision for bonuses	230,588	11,048
Increase (decrease) in retirement benefit liability	(566,877)	(882,722)
Increase (decrease) in Remeasurements of defined benefit plans	485,587	704,360
Interest and dividend income	(156,793)	(206,033)
Insurance claim income	(472,862)	-
Interest expenses	169,899	264,103
Loss on sale of notes receivable - trade	46,110	50,005
Share of loss (profit) of entities accounted for using equity method	(113,054)	(190,841)
Loss (gain) on sale of investment securities	-	(2,085)
Subsidies for employment adjustment	(25,462)	-
Decrease (increase) in trade receivables	(2,144,324)	(597,916)
Decrease (increase) in inventories	(1,244,009)	(2,715,730)
Increase (decrease) in trade payables	1,316,285	256,782
Increase (decrease) in accrued consumption taxes	23,764	(1,914)
Other, net	435,497	160,760
Subtotal	3,631,156	3,624,986
Interest and dividends received	225,672	318,185
Interest paid	(169,536)	(264,248)
Payments for sale of notes receivable - trade	(46,917)	(51,579)
Proceeds from subsidies for employment adjustment	26,478	-
Proceeds from insurance income	45,883	431,720
Income taxes paid	(899,504)	(1,839,791)
Net cash provided by (used in) operating activities	2,813,232	2,219,273
Cash flows from investing activities		
Payments into time deposits	(831,111)	(850,933)
Proceeds from withdrawal of time deposits	812,083	825,731
Purchase of property, plant and equipment	(2,237,726)	(1,908,966)
Proceeds from sale of property, plant and equipment	6,249	1,686
Purchase of investment securities	(9,372)	(11,400)
Proceeds from sale of investment securities	-	6,095
Other, net	(43,477)	(61,512)
Net cash provided by (used in) investing activities	(2,303,355)	(1,999,299)

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(201,786)	1,988,498
Proceeds from long-term borrowings	300,000	500,000
Repayments of long-term borrowings	(1,275,659)	(1,753,337)
Redemption of bonds	(10,000)	(190,000)
Purchase of treasury shares	(346)	(239)
Dividends paid	(422,495)	(653,502)
Dividends paid to non-controlling interests	(7,619)	(7,800)
Other, net	66,713	(144,788)
Net cash provided by (used in) financing activities	(1,551,194)	(261,170)
Effect of exchange rate change on cash and cash equivalents	162,504	219,466
Net increase (decrease) in cash and cash equivalents	(878,811)	178,269
Cash and cash equivalents at beginning of period	7,038,612	6,159,800
Cash and cash equivalents at end of period	6,159,800	6,338,070

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the current fiscal year, and in accordance with the transitional treatment prescribed in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policies set forth in the Implementation Guidance on Accounting Standard for Fair Value Measurement have been applied prospectively. There is no impact on the consolidated financial statements.

ASU 2016-02 Leases

The Group’s subsidiary that applies U.S. GAAP has adopted ASU 2016-02 Leases from the current fiscal year. This requires all leases to be recorded as assets and liabilities on the consolidated balance sheet in principle.

In applying this accounting standard, the cumulative effect is added to or deducted from retained earnings at the beginning of the fiscal year ended March 31, 2023 in accordance with the transitional treatment. There is no impact on the balance of retained earnings at the beginning of the current fiscal year.

As a result, right-of-use assets increased ¥2,215,018 thousand (presented in property, plant and equipment on the consolidated balance sheet), lease liabilities in current liabilities increased ¥297,093 thousand, and lease liabilities in non-current liabilities increased ¥1,941,122 thousand.

The impact on consolidated income and loss and the impact on consolidated net assets per share in the fiscal year ended March 31, 2023 is immaterial.

(Notes - consolidated statement of changes in equity)

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Class and total number of issued shares, and class and number of treasury shares

(Shares)

	Number of shares at beginning of the current fiscal year	Increase	Decrease	Number of shares at end of the current fiscal year
Issued shares				
Common shares	19,432,984	–	–	19,432,984
Total	19,432,984	–	–	19,432,984
Treasury shares				
Common shares (Note)	394,865	275	–	395,140
Total	394,865	275	–	395,140

Note: Of the increase in the number of treasury shares of common shares, 275 shares are due to purchase of shares less than one unit. Concerning the shares of the Company's shares owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan, 166,500 shares and 166,500 shares were included in the number of shares at beginning of the current fiscal year and the number of shares at end of the current fiscal year, respectively.

2. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Thousands of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 29, 2021	Common shares	211,250	11.0	March 31, 2021	June 30, 2021
Board of Directors meeting held on November 12, 2021	Common shares	211,249	11.0	September 30, 2021	November 29, 2021

Note: 1. Total amount of dividends based on a resolution at the Ordinary General Meeting of Shareholders held on June 29, 2021 includes ¥1,831 thousand of dividends on the Company's shares owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan.
2. Total amount of dividends based on a resolution at the Board of Directors meeting held on November 12, 2021 includes ¥1,831 thousand of dividends on the Company's shares owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan.

(2) Dividends whose effective date falls in the fiscal year following the current fiscal year of the record date

Resolution	Class of shares	Total amount of dividends (Thousands of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 29, 2022	Common shares	345,678	Retained earnings	18.0	March 31, 2022	June 30, 2022

Note: 1. Total amount of dividends based on a resolution at the Ordinary General Meeting of Shareholders held on June 29, 2022 includes ¥2,997 thousand of dividends on the Company's shares owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan.
2. Dividends per share includes a special dividend of ¥6.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Class and total number of issued shares, and class and number of treasury shares

(Shares)

	Number of shares at beginning of the current fiscal year	Increase	Decrease	Number of shares at end of the current fiscal year
Issued shares				
Common shares	19,432,984	–	–	19,432,984
Total	19,432,984	–	–	19,432,984
Treasury shares				
Common shares (Note)	395,140	216	4,600	390,756
Total	395,140	216	4,600	390,756

Note: Of the increase in the number of treasury shares of common shares, 216 shares are due to purchase of shares less than one unit. Concerning the shares of the Company's shares owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan, 166,500 shares and 161,900 shares were included in the number of shares at beginning of the current fiscal year and the number of shares at end of the current fiscal year, respectively.

2. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Thousands of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 29, 2022	Common shares	345,678	18.0	March 31, 2022	June 30, 2022
Board of Directors meeting held on November 11, 2022	Common shares	307,267	16.0	September 30, 2022	November 29, 2022

Note: 1. Total amount of dividends based on a resolution at the Ordinary General Meeting of Shareholders held on June 29, 2022 includes ¥2,997 thousand of dividends on the Company's shares owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan. Dividends per share includes a special dividend of ¥6.

2. Total amount of dividends based on a resolution at the Board of Directors meeting held on November 11, 2022 includes ¥2,590 thousand of dividends on the Company's shares owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan.

(2) Dividends whose effective date falls in the fiscal year following the current fiscal year of the record date

Resolution	Class of shares	Total amount of dividends (Thousands of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 29, 2023	Common shares	384,082	Retained earnings	20.0	March 31, 2023	June 30, 2023

Note: 1. Total amount of dividends based on a resolution at the Ordinary General Meeting of Shareholders held on June 29, 2023 includes ¥3,238 thousand of dividends on the Company's shares owned by Sumitomo Mitsui Trust Bank, Limited as trust assets for the share-based remuneration plan.

2. Dividends per share includes a special dividend of ¥4.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

The Group has four reportable segments: “pressure gauge business,” “pressure sensor business,” “measurement & control equipment business,” and “die-cast business,” based on product and service category, and each formulates comprehensive strategies for Japan and overseas and carries out business activities.

“Pressure gauge business” manufactures and sells pressure gauges, pressure switches, thermometers, and other devices. “Pressure sensor business” manufactures and sells pressure sensors.

“Measurement & control equipment business” manufactures and sells pneumatic equipment, air leakage testers, pressure testers, flowmeters, products developed for other applications, and other devices. “Die-cast business” manufactures and sells die-cast products.

2. Method for calculating amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting method for the business segments that are reportable is basically the same as described in “Basis of preparation of consolidated financial statements.”

3. Information on the amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated financial statement amounts (Note 3)
	Pressure gauge	Pressure sensor	Measure- ment & control equipment	Die-cast	Total				
Net sales									
(1) Sales to external customers	26,039,482	18,034,055	4,947,796	4,050,822	53,072,156	1,880,626	54,952,783	–	54,952,783
(2) Intersegment sales or transfers	2,390	30,285	14,135	–	46,812	3,393	50,205	(50,205)	–
Total	26,041,873	18,064,340	4,961,932	4,050,822	53,118,969	1,884,019	55,002,988	(50,205)	54,952,783
Segment profit	1,087,893	1,731,001	523,929	86,014	3,428,838	123,207	3,552,045	428	3,552,474
Segment assets	18,083,908	14,123,454	6,294,575	4,174,080	42,676,019	2,913,461	45,589,480	9,992,229	55,581,709
Other items									
Depreciation (Note 4)	590,848	540,436	87,734	284,369	1,503,388	38,234	1,541,622	–	1,541,622
Impairment losses	–	132,060	–	–	132,060	–	132,060	–	132,060
Increase in property, plant and equipment and intangible assets	643,192	897,609	61,200	532,738	2,134,740	17,749	2,152,490	–	2,152,490

Notes: 1. The “Other” category is business segments that are not included in the reportable segments, and includes the real estate lease business and the automotive electrical components business.

2. Adjustments are as follows:

(1) The adjustment of segment profit of ¥428 thousand refers to inter-segment transaction eliminations.

(2) The adjustment of segment assets of ¥9,992,229 thousand includes inter-segment transaction eliminations of ¥(18,523) thousand and corporate assets that are not allocated to each reportable segment of ¥10,010,752 thousand.

Corporate assets mainly consist of the parent company’s surplus funds (cash and deposits) and long-term investment funds (investment securities).

3. Segment profit is adjusted to operating profit in the consolidated statement of income.

4. Depreciation includes amortization of long-term prepaid expenses.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated financial statement amounts (Note 3)
	Pressure gauge	Pressure sensor	Measure- ment & control equipment	Die-cast	Total				
Net sales									
(1) Sales to external customers	30,483,929	19,200,060	4,651,997	4,393,209	58,729,196	1,814,728	60,543,925	–	60,543,925
(2) Intersegment sales or transfers	2,394	31,943	4,447	–	38,785	323	39,108	(39,108)	–
Total	30,486,324	19,232,004	4,656,444	4,393,209	58,767,982	1,815,051	60,583,033	(39,108)	60,543,925
Segment profit	1,501,246	2,612,300	493,982	88,399	4,695,928	26,653	4,722,582	3,268	4,725,850
Segment assets	22,395,315	16,209,557	6,159,799	5,028,683	49,793,356	2,922,063	52,715,420	10,148,455	62,863,875
Other items									
Depreciation (Note 4)	730,297	678,951	91,530	248,171	1,748,950	37,040	1,785,991	–	1,785,991
Increase in property, plant and equipment and intangible assets	1,132,084	615,447	80,083	473,311	2,300,926	11,108	2,312,034	–	2,312,034

Notes: 1. The “Other” category is business segments that are not included in the reportable segments, and includes the real estate lease business and the automotive electrical components business.

2. Adjustments are as follows:

- (1) The adjustment of segment profit of ¥3,268 thousand refers to inter-segment transaction eliminations.
- (2) The adjustment of segment assets of ¥10,148,455 thousand includes inter-segment transaction eliminations of ¥(11,886) thousand and corporate assets that are not allocated to each reportable segment of ¥10,160,341 thousand.

Corporate assets mainly consist of the parent company’s surplus funds (cash and deposits) and long-term investment funds (investment securities).

3. Segment profit is adjusted to operating profit in the consolidated statement of income.
4. Depreciation includes amortization of long-term prepaid expenses.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net assets per share	1,488.61	1,707.13
Basic earnings per share	132.06	179.13

- Note: 1. The amount of diluted earnings per share is not provided because there are no potential shares.
2. The Company has introduced the share-based remuneration plan, and the Company's shares owned by the trust is recorded as treasury shares in the consolidated financial statements. When calculating the net assets per share, the Company's shares owned by the trust are included in the number of treasury shares deducted from total number of issued shares at the end of the period. Furthermore, for the calculation of basic earnings per share, the Company's shares owned by the trust are included in the number of treasury shares deducted for the calculation of the average number of common shares outstanding during the period.
- The number of treasury shares deducted for the calculation of net assets per share was 161,900 shares at the end of the current fiscal year. The average number of treasury shares during the period deducted for the calculation of basic earnings per share was 163,828 shares for the fiscal year ended March 31, 2023.
3. The basis for calculation of net assets per share is as follows:

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Total net assets (Thousands of yen)	29,113,776	33,310,518
Amount deducted from total net assets (Thousands of yen)	773,790	802,923
[Of which, non-controlling interests]	[773,790]	[802,923]
Net assets at the end of the period related to common shares (Thousands of yen)	28,339,985	32,507,595
Number of common shares at the end of the period used in the calculation of net assets per share (Thousands of shares)	19,037	19,042

4. The basis for calculation of basic earnings per share is as follows:

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	2,514,250	3,410,660
Amount not attributable to shareholders of common shares (Thousands of yen)	–	–
Profit attributable to owners of parent related to common shares (Thousands of yen)	2,514,250	3,410,660
Average number of shares outstanding during the period (Thousands of shares)	19,037	19,040

(Subsequent events)

Not applicable.