



NOK CORPORATION and Consolidated Subsidiaries
Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese GAAP)

May 14, 2025

Company name: NOK Corporation (URL <https://www.nokgrp.com>)
 Securities code: 7240 (Tokyo Stock Exchange)
 Representative: Masao Tsuru
 Representative Director, Group CEO
 Inquiries: Tel: +81-3-5405-6372
 Shin Okubo, Head, Investor Relations
 Date of general shareholders' meeting (as planned): June 26, 2025
 Annual securities report filing date (as planned): June 23, 2025
 Dividend payable date (as planned): June 27, 2025
 Supplemental material of results: Yes
 Convening briefing of results: Yes

(Fractions are rounded down to the nearest million yen.)

1. Consolidated Financial Results for Fiscal 2024 (FY2024: April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2024	766,859	2.2	37,264	62.6	48,057	19.3	30,320	(4.1)
FY2023	750,502	5.7	22,912	49.0	40,285	51.7	31,602	137.2

Note: Comprehensive income: 17,034 million yen, (81.6%) (FY2024); 92,732 million yen, 131.3% (FY2023)

	Net income per share	Diluted net income per share	Net income to shareholders' equity ratio	Ordinary income to total assets ratio	Operating income to net sales ratio
	yen	yen	%	%	%
FY2024	184.81	-	5.2	5.2	4.9
FY2023	188.34	-	5.7	4.4	3.1

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Book-value Per Share
	million yen	million yen	%	yen
FY2024	898,667	623,421	64.4	3,548.90
FY2023	952,379	639,001	61.5	3,561.00

Reference: Owner's equity: 579,006 million yen (FY2024); 586,055 million yen (FY2023)

(3) Consolidated cash flows

	Operating cash flows	Investing cash flows	Financing cash flows	Cash and equivalents
	million yen	million yen	million yen	million yen
FY2024	91,594	(43,183)	(48,162)	136,149
FY2023	89,153	(29,722)	(34,038)	136,256

2. Dividends

	Dividend per share					Total dividend amount	Payout ratio	Dividends on net assets
	First quarter	Second quarter	Third quarter	Fiscal year end	Total			
FY2023	yen	yen	yen	yen	yen	million yen	%	%
FY2024	-	37.50	-	50.00	87.50	14,870	46.5	2.6
FY2025 (Forecast)	-	50.00	-	55.00	105.00	17,494	56.8	3.0
	-	55.00	-	55.00	110.00		49.4	

3. Consolidated Forecast for FY2025(April 1, 2025 to March 31, 2026)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half year	346,500	(12.0)	15,000	(21.4)	20,500	(2.9)	13,600	—	82.89
Full year	707,100	(7.8)	37,700	1.2	48,500	0.9	36,500	20.4	222.47

Notes

(1) Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change in subsidiaries): None

(2) Changes in accounting policies and accounting estimates, retrospective restatement

- (1) Changes in accounting policies based on revisions : Yes of accounting standard
- (2) Changes in accounting policies other than ones : None based on revisions of accounting standard
- (3) Changes in accounting estimates : None
- (4) Retrospective restatement : None

(3) Number of issued and outstanding shares (common stock)

- (1) Number of issued and outstanding shares at the end of each period (including treasury stock)
- (2) Number of shares of treasury stock at the end of each period
- (3) Average number of shares (year to date)

FY2024	173,138,537	FY2023	173,138,537
FY2024	9,987,627	FY2023	8,562,394
FY2024	164,064,886	FY2023	167,792,003

(Reference) Overview of non-consolidated results

1. Non-consolidated Financial Results for Fiscal 2024 (FY2024: April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2024	226,264	(2.0)	4,626	43.8	42,584	60.5	41,629	4.9
FY2023	230,826	5.5	3,216	-	26,532	194.4	39,679	338.3

	Net income per share	Diluted net income per share
FY2024	yen 253.60	yen -
FY2023	yen 236.35	yen -

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Book-value Per Share
	million yen 447,294	million yen 290,205	% 64.9	yen 1,777.78
FY2024	447,294	290,205	64.9	1,777.78
FY2023	461,165	285,887	62.0	1,736.20

Reference: Owner's equity: 290,205 million yen (FY2024); 285,887 million yen (FY2023)

*This summary of financial results is not subject to audit procedures of a certified public accountant or audit firm.

* Proper use of the forecasts for financial results, and other important matters:

Forward-looking statements such as forecasts of future financial results and other descriptions concerning our future business included in this document are based on currently available information and certain assumptions that we consider to be reasonable, and no representation or warranty is given with regard to the realization of such forecasts, etc. Actual financial results may differ significantly due to various factors. For assumptions, etc., used as the basis for the forecasts for financial results, please see "Explanation of Future Outlook" on page 2 of the attached document.

* Supplemental material of results:

Supplemental material of results will be posted on the company's website on May 14, 2025.

○Table of Contents of Attached Document

1. Overview of Opearting Results	2
(1) Overview of Operating Results.....	2
(2) Overview of Financial Positions	3
2. Basic Concept of the Choice of Accounting Standards.....	4
3. Consolidated Financial Statements and Principal Notes	5
(1) Consolidated Balance Sheet.....	5
(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement.....	7
(Consolidated Income Statement)	7
(Consolidated Comprehensive Income Statement)	8
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statements of Cash Flows.....	11
(5) Notes Concerning Consolidated Financial Statements.....	12
(Notes Concerning the Going Concern Assumption).....	12
(Notes on Changes in accounting policies).....	12
(Segment Information)	12
(Per Share Information)	14
(Significant Events After the Reporting Period)	15

1. Overview of Operating Results

(1) Overview of Operating Results

i) Overview of Operating Results in the Current Period

For the current consolidated accounting period, the Group posted the following operating results: Net sales totaled 766,859 million yen (up 2.2% year on year); operating income was 37,264 million yen (up 62.6% year on year); ordinary income ended at 48,057 million yen (up 19.3% year on year), resulting in 30,320 million yen in profit attributable to owners of the parent (down 4.1% year on year).

Compared to the same period of the previous fiscal year, net sales for the seal business trended sideways while sales for the electronic product business increased. Operating income increased for both the seal business and the electronic product business.

The business overview for each business segment is as follows.

<Seal business>

Net sales amounted to 362,742 million yen (up 0.0% year on year) and operating income was 26,214 million yen (up 12.4% year on year).

Net sales for automobile applications decreased mainly due to the impact of a decrease in the number of Japanese automobiles produced domestically in Japan as well as, slumping sales of Japanese automobile in China, and ongoing tightening of automobile loans in Thailand. Despite the impact of inflation in Europe and America, the real estate downturn in China, and other factors on consumption and capital investment, sales for general industrial machinery applications increased due to increased demand mainly for repair parts for construction machinery, recovery demand for agricultural machinery and other factors. Net sales for the segment overall trended sideways due to the positive effect of foreign exchange rates.

On the other hand, operating income increased due to an improvement in variable costs such as raw material prices in addition to the promotion of price revision activities such as passing on selling prices.

<Electronic product business>

As there was a positive effect on net sales due to the exchange rate, net sales amounted to 370,952 million yen (up 3.1% year on year). Operating income amounted to 8,927 million yen, which was a significant increase from an operating loss of 1,023 million yen in the same period of the previous fiscal year.

Although sales decreased when excluding the effect of exchange rates, there was a decline of component costs included in sales, and therefore actual sales increased when this is excluded. The business situation broken down by application is as follows:

- Regarding sales for smartphones, sales decreased due to a decline of component costs, however sales excluding the factor increased.
- Regarding sales for automobiles, sales increased for automotive batteries in electric vehicles for global automobile manufacturers, however sales for other purposes decreased.
- Sales for hard disk drives increased mainly due to a recovery in demand for data centers.

Due to the increase in net sales and the change in the product mix, operating income greatly increased.

<Other businesses>

Net sales amounted to 33,164 million yen (up 18.2% year on year) and operating income greatly increased compared to the same period of the previous fiscal year from 626 million yen to 2,127 million yen.

ii) Future Outlook

The Group forecasts the following consolidated results for the next fiscal period: Net sales of 707.1 billion yen (down 7.8% year on year); operating income of 37.7 billion yen (up 1.2% year on year); ordinary income of 48.5 billion yen (up 0.9% year on year); and profit attributable to owners of parent of 36.5 billion yen (up 20.4% year on year).

*Assumed exchange rates for forecasts: 140 yen / 1 US dollar (same period of the previous fiscal year: 153 yen / 1 US dollar)

<Seal business>

Net sales are expected to amount to 358.1 billion yen (down 1.3% year on year) and operating income is expected to amount to 26.5 billion yen (up 1.1% year on year).

Regarding sales for automobiles, which is our main business, even though the number of Japanese automobiles produced is expected to trend sideways, sales are expected to decrease due to the negative effect of exchange rates.

Despite an increase in fixed costs, such as rising personnel costs due to wage hikes, operating income is expected to increase due to price revision activities, such as passing on selling prices.

<Electronic product business>

Net sales are expected to amount to 318.0 billion yen (down 14.3% year on year) and operating income is expected to amount to 10.0 billion yen (up 12.0% year on year).

Sales for the electronic product business are expected to decrease mainly due to the negative effect of exchange rates and a decline of component costs included in sales. The business situation broken down by application is as follows:

- Sales for smartphones will decrease mainly due to a decline of component costs. Sales excluding the factor are to show slight decreases.

- Regarding sales for automobiles, while sales for batteries are expected to increase, sales are expected to decrease mainly due to a

decrease in sales for other purposes.

- Sales for hard disk drives are expected to increase due to continuous increase in demand for data centers. Sales are expected to remain steady.

Operating income is expected to increase mainly due to improvements in yield rate, cost reduction and other related factors.

As to the impact of US tariff policy, the Group's export to US is relatively smaller so that the anticipated impact is not significant as we will pass-through increased costs by tariff. On the other hand, the impact on demand for customers' products in the US market could be larger and not be factored into the forecasts. We will keep watching the US government policy and its impact as well as will thrive to absorb impacts on our profit through initiatives such as optimal cost usage and so on.

The above forecasts include future projections based on currently available information. Actual results may differ from the stated forecast figures due to future business operations and changes such as exchange rate fluctuations.

(2) Overview of Financial Position

i) Overview of Assets, Liabilities and Net assets

Total assets as of March 31, 2025 stood at 898,667 million yen, an decrease of 53,711 million yen compare with March 31, 2024.

This was mainly due to decreases in notes and accounts receivable-trade and decrease in investment securities caused by decreased fair value despite the company's initiative to divest investment securities during the year.

Total liabilities as of March 31, 2025 amounted to 275,245 million yen, an decrease of 38,131 million yen compared with March 31, 2024. This was mainly due to decreases in short-term loans payable, income tax payable and accounts payable-trade.

Net assets totaled 623,421 million yen, an decrease of 15,579 million yen compared to the previous fiscal year end. Consequently, the ratio of shareholders' equity to total assets stood at 64.4%. This mainly reflected a payout of dividends and decrease in investment securities caused by decreased fair value despite the company's initiative to divest investment securities during the year despite an increase in retained earnings.

ii) Overview of Cash Flows

Cash and cash equivalents as of March 31, 2025 amounted to 136,149 million yen, an decrease of 106 million compared to March 31, 2024. Cash flows during this fiscal year are summarized below.

[Operating cash flows] Net cash provided by operating activities 91,594 million (up 2.7% year-on-year). This increase was mainly due to depreciations and pre-tax income.

[Investment cash flows] Net cash used in investment activities amounted 43,183 million yen (up 45.3% year-on-year) which was mainly due to cash out for acquisitions of tangible assets despite inflow from sale of investment securities.

[Financing activities] Net cash used in financing activities amounted to 48,162 million yen (up 41.5% year-on-year). This was mainly due to repayment of short-term borrowings and dividend payout.

The trend of cash flow indicators is as follows:

	FY2020	FY2021	FY2022	FY2023	FY2024
Capital ratio (%)	57.0	58.6	60.6	61.5	64.4
Market capitalization to total assets (%)	32.3	23.1	28.7	36.2	39.7
Interest-bearing liabilities to cash flow (annualized)	2.3	1.6	2.0	1.1	0.9
Interest coverage ratio (multiple)	20.2	31.8	17.1	26.5	28.6

Capital ratio = Shareholders' equity / Total assets

Market capitalization to total assets = Market capitalization / Total assets

Interest-bearing liabilities to cash flow = Interest-bearing liabilities / Cash flow

Interest coverage ratio = Cash flow / Interest payments

Notes:

1. All indices above are calculated based on consolidated financial statements.
2. Market capitalization is calculated on the basis of the number of issued and outstanding shares excluding treasury stock.
3. Operating cash flow is used as "cash flow" in the above calculation.
4. Interest-bearing liabilities represent all liabilities on the consolidated balance sheet on which we pay interest.

2. Basic Concept of the Choice of Accounting Standards

The NOK Group intends to prepare its consolidated financial statements based on the Japanese accounting standard for the time being in consideration of comparability between periods as well as comparability among companies.

We will carefully watch the situations both in Japan and abroad with regard to application of IFRS.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(million yen)

	FY2023 (as of March 31, 2024)	FY2024 (as of March 31, 2025)
Assets		
Current assets		
Cash and deposits	136,913	136,762
Notes and accounts receivable-trade	154,313	142,193
Electronically recorded monetary claims	22,552	20,719
Merchandise and finished goods	46,983	41,316
Work in process	38,954	38,523
Raw materials and supplies	28,829	26,235
Other	12,616	15,236
Allowance for doubtful accounts	(185)	(263)
Total current assets	440,977	420,723
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	237,113	242,519
Accumulated depreciation	(144,303)	(150,622)
Buildings and structures, net	92,810	91,897
Machinery, equipment and vehicles	464,018	470,014
Accumulated depreciation	(359,910)	(373,006)
Machinery, equipment and vehicles, net	104,108	97,007
Tools, furniture and fixtures	118,766	124,086
Accumulated depreciation	(101,554)	(105,469)
Tools, furniture and fixtures, net	17,212	18,616
Land	20,319	19,933
Lease assets	5,204	5,190
Accumulated depreciation	(2,636)	(2,891)
Lease assets, net	2,567	2,299
Construction in progress	12,734	15,565
Total property, plant and equipment	249,753	245,320
Intangible assets		
Goodwill	10,512	9,885
Other	4,361	4,834
Total intangible assets	14,874	14,719
Investments and other assets		
Investment securities	188,007	162,144
Long-term loans receivable from employees	1,495	1,288
Deferred tax asset	6,000	6,794
Net defined benefit asset	13,428	14,927
Other	37,987	32,888
Allowance for doubtful accounts	(145)	(139)
Total investments and other assets	246,774	217,903
Total noncurrent assets	511,401	477,943
Total assets	952,379	898,667

	(million yen)	
	FY2023 (as of March 31, 2024)	FY2024 (as of March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	68,548	61,028
Short-term loans payable	56,593	44,067
Income taxes payable	13,441	3,750
Provision for bonuses	11,219	11,805
Deposits received from employees	16,099	15,857
Other	47,320	49,742
Total current liabilities	<u>213,222</u>	<u>186,251</u>
Noncurrent liabilities		
Long-term loans payable	18,871	17,623
Deferred tax liabilities	24,332	20,975
Net defined benefit liabilities	46,945	41,140
Provision for share awards for directors (and other officers)	398	506
Other	9,607	8,748
Total noncurrent liabilities	<u>100,155</u>	<u>88,994</u>
Total liabilities	<u>313,377</u>	<u>275,245</u>
Net assets		
Shareholders' equity		
Capital stock	23,335	23,335
Capital surplus	26,203	27,343
Retained earnings	385,291	398,858
Treasury stock	(14,014)	(17,691)
Total shareholders' equity	<u>420,815</u>	<u>431,846</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,971	55,041
Foreign currency translation adjustment	68,779	66,295
Remeasurements of defined benefit plans	24,487	25,822
Total accumulated other comprehensive income	<u>165,239</u>	<u>147,159</u>
Non-controlling interests	<u>52,946</u>	<u>44,415</u>
Total net assets	<u>639,001</u>	<u>623,421</u>
Total liabilities and net assets	<u>952,379</u>	<u>898,667</u>

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement
(Consolidated Income Statement)

(million yen)

	FY2023	FY2024
Net sales	750,502	766,859
Cost of sales	634,618	630,808
Gross profit	115,884	136,051
Selling, general and administrative expenses	92,971	98,786
Operating income	22,912	37,264
Non-operating income		
Interest income	1,333	1,443
Dividend income	3,185	3,387
Foreign exchange gains	6,993	—
Share of profit of entities accounted for using equity method	9,127	8,790
Rent income	869	880
Other	2,717	3,486
Total non-operating income	24,225	17,988
Non-operating expenses		
Interest expenses	3,299	3,165
Foreign exchange losses	—	2,027
Loss on derivatives	2,591	1,123
Other	960	878
Total non-operating expenses	6,852	7,194
Ordinary income	40,285	48,057
Extraordinary income		
Gain on sales of noncurrent assets	440	463
Gain on sales of investment securities	29,225	3,100
Gain on revision of retirement benefit plan	—	4,123
Other	262	8
Total extraordinary income	29,927	7,696
Extraordinary loss		
Loss on retirement of noncurrent assets	2,799	1,663
Impairment loss	10,723	2,092
Amortization of prior cost	—	1,308
Other	1,998	585
Total extraordinary loss	15,521	5,649
Income before income taxes	54,691	50,104
Income taxes-current	20,045	13,246
Income taxes-deferred	(1,340)	1,694
Total Income taxes	18,704	14,941
Net income	35,987	35,163
Profit attributable to non-controlling interests	4,384	4,843
Profit attributable to owners of parent	31,602	30,320

(Consolidated Comprehensive Income Statement)

(million yen)

	FY2023	FY2024
Net income	35,987	35,163
Other comprehensive income		
Valuation difference on available-for-sale securities	12,681	(16,889)
Foreign currency translation adjustment	21,014	(546)
Remeasurements of defined benefit plans, net of tax	17,789	1,078
Share of other comprehensive income of entities accounted for using equity method	5,259	(1,771)
Total other comprehensive income	56,745	(18,129)
Comprehensive income	92,732	17,034
(Breakdown)		
Comprehensive income attributable to owners of parent	85,423	12,241
Comprehensive income attributable to non-controlling interests	7,309	4,793

(3) Consolidated Statement of Changes in Equity

FY2023 (April 1, 2023 to March 31, 2024)

(million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the Period	23,335	23,590	368,823	(4,741)	411,008
Changes of items during the period					
Dividends from surplus	—	—	(15,134)	—	(15,134)
Profit (loss) attributable to owners of parent	—	—	31,602	—	31,602
Purchase of treasury stock	—	—	—	(10,000)	(10,000)
Disposal of treasury stock	—	8	—	727	736
Purchase of shares of consolidated subsidiaries	—	2,603	—	—	2,603
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	2,612	16,467	(9,272)	9,807
Ending balance	23,335	26,203	385,291	(14,014)	420,815

	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 the beginning of the period	59,186	46,440	5,790	111,417	54,920	577,346
Changes of items during the period						
Dividends from surplus	—	—	—	—	—	(15,134)
Profit (loss) attributable to owners of parent	—	—	—	—	—	31,602
Purchase of treasury stock	—	—	—	—	—	(10,000)
Disposal of treasury stock	—	—	—	—	—	736
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	2,603
Net changes of items other than shareholders' equity	12,785	22,339	18,696	53,821	(1,973)	51,847
Total changes of items during the period	12,785	22,339	18,696	53,821	(1,973)	61,655
Ending balance	71,971	68,779	24,487	165,239	52,946	639,001

FY2024 (April 1, 2024 to March 31, 2025)

(million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the Period	23,335	26,203	385,291	(14,014)	420,815
Changes of items during the period					
Dividends from surplus	—	—	(16,753)	—	(16,753)
Profit (loss) attributable to owners of parent	—	—	30,320	—	30,320
Purchase of treasury stock	—	—	—	(4,338)	(4,338)
Disposal of treasury stock	—	—	—	661	661
Purchase of shares of consolidated subsidiaries	—	1,008	—	—	1,008
Merger of consolidated subsidiaries	—	131	—	—	131
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	1,140	13,567	(3,677)	11,030
Ending balance	23,335	27,343	398,858	(17,691)	431,846

	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 the beginning of the period	71,971	68,779	24,487	165,239	52,946	639,001
Changes of items during the period						
Dividends from surplus	—	—	—	—	—	(16,753)
Profit (loss) attributable to owners of parent	—	—	—	—	—	30,320
Purchase of treasury stock	—	—	—	—	—	(4,338)
Disposal of treasury stock	—	—	—	—	—	661
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	1,008
Merger of consolidated subsidiaries	—	—	—	—	—	131
Net changes of items other than shareholders' equity	(16,930)	(2,483)	1,334	(18,079)	(8,530)	(26,610)
Total changes of items during the period	(16,930)	(2,483)	1,334	(18,079)	(8,530)	(15,579)
Ending balance	55,041	66,295	25,822	147,159	44,415	623,421

(4) Consolidated Statement of Cash Flows

(million yen)

	FY 2023 (April 1, 2023 to March 31, 2024)	FY 2024 (April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Income before income taxes	54,691	50,104
Depreciation and amortization	47,771	46,943
Impairment loss	10,723	2,092
Increase (decrease) in provision for bonuses	(224)	525
Increase (decrease) in net defined benefit asset or liability	(6,837)	(6,419)
Interest and dividend income	(4,518)	(4,830)
Interest expenses	3,299	3,165
Foreign exchange losses (gains)	(2,694)	2,315
Share of (profit) loss of entities accounted for using equity method	(9,127)	(8,790)
Proceeds from sale of investment securities	(29,224)	(3,098)
Loss (gain) on sales and retirement of property, plant and equipment	2,366	1,203
Decrease (increase) in notes and accounts receivable-trade	(2,825)	11,884
Decrease (increase) in inventories	11,074	8,802
Increase (decrease) in notes and accounts payable-trade	5,966	(5,952)
Other, net	12,131	7,587
Subtotal	92,572	105,533
Interest and dividend income received	7,873	15,567
Interest expenses paid	(3,368)	(3,203)
Income taxes paid	(7,924)	(26,302)
Cash flows from operating activities	89,153	91,594
Cash flows from investing activities		
Decrease (increase) in time deposits	93	66
Purchase of investment securities	(31)	(66)
Proceeds from sale of investment securities	30,758	4,655
Purchase of property, plant and equipment	(45,742)	(47,753)
Proceeds from sales of property, plant and equipment	955	2,097
Purchase of intangible assets	(604)	(1,059)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(12,459)	—
Other, net	(2,691)	(1,123)
Cash flows from investing activities	(29,722)	(43,183)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,577)	(11,553)
Proceeds from long-term loans payable	9,916	8,033
Repayment of long-term loans payable	(10,046)	(9,677)
Repayment of lease obligations	(1,200)	(1,448)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(145)	(4,348)
Net decrease (increase) in treasury stock	(9,272)	(3,677)
Cash dividends paid	(15,126)	(16,741)
Dividends paid to non-controlling interests	(6,587)	(8,748)
Cash flows from financing activities	(34,038)	(48,162)
Effect of exchange rate change on cash and cash equivalents	6,746	(355)
Net increase (decrease) in cash and cash equivalents	32,139	(106)
Cash and cash equivalents at beginning of period	104,117	136,256
Cash and cash equivalents at end of period	136,256	136,149

(5) Notes Concerning Consolidated Financial Statements

(Notes Concerning the Going Concern Assumption)

None

(Notes on Changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes,” etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”), etc., have been applied from the beginning of the current fiscal year. Regarding the revisions to the categories in which current income taxes should be recorded (taxation on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”). These changes in accounting policies have no impact on the consolidated financial statements.

In addition, with regard to revisions related to the treatment in consolidated financial statements when gains or losses arising from the sale of subsidiary shares, etc., among consolidated companies are deferred for tax purposes, the 2022 Revised Implementation Guidance has been applied from the beginning of the current fiscal year. These changes in accounting policies have been applied retroactively, and the consolidated financial statements and consolidated financial statements for the same period of the previous fiscal year and the previous fiscal year have been prepared on a retroactive basis. These changes in accounting policies have no impact on the consolidated financial statements of the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment information)

[Segment Information]

1. Outline of reportable segments

The reportable segments of the NOK Group are constituents of the Group for which separate financial information is available, and that are reviewed by the Board of Directors on a regular basis in order to evaluate business results and determine the best distribution of management resources.

The NOK Group classifies business segments by taking into consideration the product series and similarities between the markets. Each department controlling the relevant segments establishes comprehensive business strategies concerning the products and services to develop respective business activities.

The Group has three reportable segments, consisting of the seal segment, electronic product segment, and other businesses segment.

In the seal business, NOK is the main company of the Group manufacturing and selling seal products, etc. to manufacturers of automobile, construction machinery and general industrial machinery. In the electronic product business, Mektec Co., Ltd. is the Group’s leader in the manufacture and sale of electronic parts, etc., mainly for the electronic equipment industry. And in other businesses, NOK, Synztec Co., Ltd. and NOK Klueber Co., Ltd. play a central role in the manufacture and sale of roll products and specialty lubricants, etc.

2. Calculation method for net sales, income (loss), assets and other items by reportable segment

The principles and procedures of the accounting method for reportable business segments are the same as those used in the preparation of consolidated financial statements.

Reportable segment income represents the amount of operating income. Inter-segment sales and transfers are based on current market prices.

3. Information regarding net sales, income (loss), assets, liabilities and other items by reportable segment

FY2023 (April 1, 2023 to March 31, 2024)

(million yen)

	Reportable segments			Total	Adjustments (Note 1)	Amount included in the consolidated financial statements (Note 2)
	Seal	Electronic product	Other			
Net sales						
Net sales to external customers	362,605	359,834	28,062	750,502	–	750,502
Inter-segment sales/transfers	1,397	107	727	2,232	(2,232)	–
Total	364,003	359,942	28,789	752,734	(2,232)	750,502
Segment income (loss)	23,314	(1,023)	626	22,917	(4)	22,912
Segment assets	453,043	278,482	54,446	785,972	166,406	952,379
Other items						
Depreciation and amortization	25,083	21,472	1,217	47,773	(2)	47,771
Increase in property, plant and equipment and intangible assets	21,984	20,621	2,620	45,226	–	45,226

Notes:

1. Adjustments are as shown below:
 - (1) The amount of (4) million yen in adjustments of segment income (loss) represents the result of the elimination of inter-segment transactions.
 - (2) The amount of 166,406 million yen in adjustments of segment assets includes 178,875 million yen in corporate assets which are not allocated to individual reportable segments and (12,468) million yen in offset elimination of inter-segment claims and debts.
 - (3) The amount of (2) million yen in adjustments of depreciation and amortization represents the result of the elimination of inter-segment transactions.
2. Segment income (loss) is adjusted for operating income stated in the consolidated financial statements.

FY2024 (April 1, 2024 to March 31, 2025)

(million yen)

	Reportable segments			Total	Adjustments (Note 1)	Amount included in the consolidated financial statements (Note 2)
	Seal	Electronic product	Other			
Net sales						
Net sales to external customers	362,742	370,952	33,164	766,859	–	766,859
Inter-segment sales/transfers	1,642	23	727	2,393	(2,393)	–
Total	364,384	370,975	33,891	769,252	(2,393)	766,859
Segment income (loss)	26,214	8,927	2,127	37,269	(5)	37,264
Segment assets	432,642	252,556	55,914	741,114	157,553	898,667
Other items						
Depreciation and amortization	23,857	21,700	1,385	46,943	(0)	46,943
Increase in property, plant and equipment and intangible assets	24,697	22,300	5,401	52,399	–	52,399

Notes:

3. Adjustments are as shown below:
 - (1) The amount of (5) million yen in adjustments of segment income (loss) represents the result of the elimination of inter-segment transactions.
 - (2) The amount of 157,553 million yen in adjustments of segment assets includes 171,841 million yen in corporate assets which are not allocated to individual reportable segments and (14,288) million yen in offset elimination of inter-segment claims and debts.
 - (3) The amount of (0) million yen in adjustments of depreciation and amortization represents the result of the elimination of inter-segment transactions.
4. Segment income (loss) is adjusted for operating income stated in the consolidated financial statements.

[Information regarding impairment loss on fixed assets by reportable segment]

FY2023 (April 1, 2023 to March 31, 2024)

	Seal	Electronic product	Other	Company / Elimination	Total
Impairment loss	4,021	5,966	735	-	10,723

FY2024 (April 1, 2024 to March 31, 2025)

	Seal	Electronic product	Other	Company / Elimination	Total
Impairment loss	1,242	849	-	-	2,092

[Information regarding amortization of goodwill and unamortized balance by reportable segment]

FY2023 (April 1, 2023 to March 31, 2024)

	Seal	Electronic product	Other	Company / Elimination	Total
Amortization during the period	-	143	156	-	300
Ending balance	-	-	10,512	-	10,512

FY2024 (April 1, 2024 to March 31, 2025)

	Seal	Electronic product	Other	Company / Elimination	Total
Amortization during the period	-	-	627	-	627
Ending balance	-	-	9,885	-	9,885

[Information regarding gain on bargain purchase by reportable segment]

FY2023 (April 1, 2023 to March 31, 2024)

None

FY2024 (April 1, 2024 to March 31, 2025)

None

(Per Share Information)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Net assets per share	3,561.00 yen	3,548.90 yen
Net income (loss) per share	188.34 yen	184.81 yen

Notes:

1. Diluted net income per share is not shown as there are no residual securities.
2. The Company's shares held by the Board Incentive Plan for directors' remuneration are included in treasury stock deducted from the total number of issued and outstanding shares at fiscal year end for the calculation of "Net assets per share" (1,716 thousand shares for FY2023 and 1,640 thousand shares for FY2024).
3. The Company's shares held by the Board Incentive Plan for directors' remuneration are included in treasury stock, which is deducted from the average number of shares during the period for the calculation of "Net income per share" (1,754 thousand shares for FY2023 and 1,673 thousand shares for FY2024).
4. The Company's shares held by the Employee Stock Ownership Plan (J-ESOP) are included in treasury stock deducted from the total number of issued and outstanding shares at fiscal year end for the calculation of "Net assets per share" (1,244 thousand shares for FY2023 and 822 thousand shares for FY2024).
5. The Company's shares held by the Employee Stock Ownership Plan (J-ESOP) are included in treasury stock, which is deducted from the average number of shares during the period for the calculation of "Net income per share" (1,483 thousand shares for FY2023 and 1,040 thousand shares for FY2024).
6. The basis of the computation of net assets per share is as shown below:

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Total net assets (million yen)	639,001	623,421
Deductions from total net assets (million yen)	52,946	44,415
[Non-controlling interests]	[52,946]	[44,415]
Net assets at the end of the period attributable to common stock (million yen)	586,055	579,006
Number of shares at the end of the period (1,000 shares)	164,576	163,150

7. The basis of the computation of net income (loss) per share is as shown below:

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Profit (loss) attributable to owners of parent (million yen)	31,602	30,320
Amount not attributable to common shareholders (million yen)	-	-
Profit (loss) attributable to owners of parent attributable to common stock (million yen)	31,602	30,320
Average number of shares during the period (1,000 shares)	167,792	164,064

(Significant Events After the Reporting Period)

None