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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

July 31, 2023

Company name: NAGAWA Co.,Ltd.

Stock exchange listing: Tokyo

Code number: 9663

URL: <https://group.nagawa.co.jp/>

Representative: Ryo Shimmura

President

Contact: Masayoshi Kunou

Senior Executive Officer

Phone: +81-3-5288-8666

Scheduled date of filing quarterly securities report: August 7, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	7,160	2.6	785	(15.7)	988	(8.0)	662	(10.3)
June 30, 2022	6,975	(1.1)	931	(7.1)	1,074	(6.0)	739	(1.6)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 1,593 million [176.8%]
Three months ended June 30, 2022: ¥ 575 million [(17.3)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	42.16	-
June 30, 2022	47.01	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	59,070	54,130	91.6
March 31, 2023	58,806	53,480	90.9

(Reference) Equity: As of June 30, 2023: ¥ 54,130 million
As of March 31, 2023: ¥ 53,480 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	60.00	60.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		0.00	-	60.00	60.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	15,700	8.9	2,300	12.6	2,400	4.8	1,650	2.9	104.94
Full year	35,000	10.6	5,200	20.7	5,400	15.5	3,700	18.2	235.31

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2023: 16,357,214 shares

March 31, 2023: 16,357,214 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 635,107 shares

March 31, 2023: 633,507 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 15,722,541 shares

Three months ended June 30, 2022: 15,721,220 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	10,870	9,630
Notes receivable - trade	1,372	1,252
Electronically recorded monetary claims - operating	1,618	1,613
Accounts receivable - trade	4,559	3,527
Contract assets	815	224
Merchandise and finished goods	2,708	3,408
Work in process	267	289
Raw materials and supplies	922	706
Other	293	227
Allowance for doubtful accounts	(1)	(1)
Total current assets	23,428	20,877
Non-current assets		
Property, plant and equipment		
Assets for rent, net	11,541	11,892
Buildings and structures, net	2,437	2,608
Land	7,340	7,340
Construction in progress	245	371
Other, net	212	221
Total property, plant and equipment	21,777	22,435
Intangible assets	244	239
Investments and other assets		
Investment securities	12,193	14,466
Leasehold and guarantee deposits	683	724
Retirement benefit asset	12	18
Deferred tax assets	137	-
Other	329	309
Total investments and other assets	13,356	15,518
Total non-current assets	35,378	38,192
Total assets	58,806	59,070

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	2,777	2,245
Income taxes payable	768	350
Provision for bonuses	280	387
Provision for bonuses for directors (and other officers)	69	19
Asset retirement obligations	1	2
Other	1,347	1,591
Total current liabilities	5,246	4,597
Non-current liabilities		
Long-term accounts payable - other	24	24
Asset retirement obligations	52	51
Deferred tax liabilities	-	263
Other	2	2
Total non-current liabilities	80	342
Total liabilities	5,326	4,939
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	8,855	8,855
Retained earnings	42,996	42,716
Treasury shares	(1,820)	(1,820)
Total shareholders' equity	52,887	52,606
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	608	1,544
Foreign currency translation adjustment	(15)	(20)
Total accumulated other comprehensive income	593	1,524
Non-controlling interests	-	-
Total net assets	53,480	54,130
Total liabilities and net assets	58,806	59,070

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	6,975	7,160
Cost of sales	4,001	4,176
Gross profit	2,974	2,984
Selling, general and administrative expenses	2,042	2,199
Operating profit	931	785
Non-operating income		
Interest income	2	3
Dividend income	126	189
Rental income	3	5
Foreign exchange gains	14	6
Miscellaneous income	9	8
Total non-operating income	156	214
Non-operating expenses		
Share-based remuneration expenses	13	11
Miscellaneous losses	0	0
Total non-operating expenses	13	11
Ordinary profit	1,074	988
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	0	12
Total extraordinary income	0	12
Extraordinary losses		
Loss on disposal of non-current assets	0	4
Total extraordinary losses	0	4
Profit before income taxes	1,074	996
Income taxes - current	345	343
Income taxes - deferred	(9)	(9)
Total income taxes	335	333
Profit	739	662
Profit attributable to owners of parent	739	662

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	739	662
Other comprehensive income		
Valuation difference on available-for-sale securities	(151)	936
Foreign currency translation adjustment	(11)	(5)
Total other comprehensive income	(163)	931
Comprehensive income	575	1,593
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	575	1,593
Comprehensive income attributable to non-controlling interests	-	-