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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 30, 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: November 8, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 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	%
Six months ended September 30, 2023	14,944	3.7	1,792	(12.2)	2,016	(11.9)	1,313	(18.1)
September 30, 2022	14,414	0.9	2,042	(1.6)	2,289	1.8	1,603	7.7

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 2,778 million [94.2%]
Six months ended September 30, 2022: ¥ 1,430 million [(14.6)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	83.54	-
September 30, 2022	102.00	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	60,392	55,314	91.6
March 31, 2023	58,806	53,480	90.9

(Reference) Equity: As of September 30, 2023: ¥ 55,314 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	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	60.00	60.00

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

(Note) Breakdown of the 2nd 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
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 six months ended September 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):

September 30, 2023: 16,357,214 shares

March 31, 2023: 16,357,214 shares

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

September 30, 2023: 636,507 shares

March 31, 2023: 633,507 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 15,721,907 shares

Six months ended September 30, 2022: 15,720,730 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	10,870	8,674
Notes receivable - trade	1,372	1,264
Electronically recorded monetary claims - operating	1,618	1,797
Accounts receivable - trade	4,559	3,972
Contract assets	815	113
Merchandise and finished goods	2,708	3,282
Work in process	267	273
Raw materials and supplies	922	546
Other	293	201
Allowance for doubtful accounts	(1)	(1)
Total current assets	23,428	20,125
Non-current assets		
Property, plant and equipment		
Assets for rent, net	11,541	12,723
Buildings and structures, net	2,437	3,058
Land	7,340	7,505
Construction in progress	245	162
Other, net	212	251
Total property, plant and equipment	21,777	23,701
Intangible assets	244	222
Investments and other assets		
Investment securities	12,193	15,291
Leasehold and guarantee deposits	683	732
Retirement benefit asset	12	28
Deferred tax assets	137	-
Other	329	290
Allowance for doubtful accounts	-	(0)
Total investments and other assets	13,356	16,342
Total non-current assets	35,378	40,266
Total assets	58,806	60,392

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	2,777	2,215
Income taxes payable	768	685
Provision for bonuses	280	262
Provision for bonuses for directors (and other officers)	69	38
Asset retirement obligations	1	2
Other	1,347	1,277
Total current liabilities	5,246	4,480
Non-current liabilities		
Long-term accounts payable - other	24	24
Asset retirement obligations	52	45
Deferred tax liabilities	-	523
Other	2	2
Total non-current liabilities	80	596
Total liabilities	5,326	5,077
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	8,855	8,855
Retained earnings	42,996	43,366
Treasury shares	(1,820)	(1,820)
Total shareholders' equity	52,887	53,257
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	608	2,078
Foreign currency translation adjustment	(15)	(20)
Total accumulated other comprehensive income	593	2,057
Non-controlling interests	-	-
Total net assets	53,480	55,314
Total liabilities and net assets	58,806	60,392

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	14,414	14,944
Cost of sales	8,303	8,759
Gross profit	6,110	6,185
Selling, general and administrative expenses	4,068	4,392
Operating profit	2,042	1,792
Non-operating income		
Interest income	6	5
Dividend income	171	208
Rental income	7	10
Compensation income	43	-
Foreign exchange gains	23	6
Miscellaneous income	14	13
Total non-operating income	266	246
Non-operating expenses		
Share-based remuneration expenses	18	21
Miscellaneous losses	0	0
Total non-operating expenses	19	22
Ordinary profit	2,289	2,016
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	0	12
Total extraordinary income	4	12
Extraordinary losses		
Loss on disposal of non-current assets	4	37
Loss on liquidation of subsidiaries	10	-
Loss on disaster	-	20
Total extraordinary losses	14	57
Profit before income taxes	2,278	1,971
Income taxes - current	625	642
Income taxes - deferred	49	15
Total income taxes	675	657
Profit	1,603	1,313
Profit attributable to owners of parent	1,603	1,313

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,603	1,313
Other comprehensive income		
Valuation difference on available-for-sale securities	(154)	1,470
Foreign currency translation adjustment	(18)	(5)
Total other comprehensive income	(172)	1,464
Comprehensive income	1,430	2,778
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,430	2,778
Comprehensive income attributable to non-controlling interests	-	-

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,278	1,971
Depreciation	1,484	1,694
Amortization of goodwill	5	5
Cost of sales of assets for rent	11	8
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses for directors (and other officers)	(36)	(31)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	(1)	-
Share-based payment expenses	37	39
Interest and dividend income	(178)	(214)
Compensation income	(43)	-
Foreign exchange losses (gains)	(23)	(6)
Loss (gain) on disposal of non-current assets	0	36
Loss (gain) on sale of investment securities	(0)	(12)
Loss on liquidation of subsidiaries	10	-
Loss on disaster	-	20
Purchase of assets for rental	(2,441)	(2,704)
Decrease (increase) in trade receivables	898	1,218
Decrease (increase) in inventories	(997)	(203)
Increase (decrease) in trade payables	(445)	(562)
Other, net	(88)	151
Subtotal	471	1,410
Proceeds from insurance income	2	-
Interest and dividends received	192	216
Proceeds from compensation	38	-
Income taxes paid	(772)	(724)
Payments associated with disaster loss	-	(20)
Net cash provided by (used in) operating activities	(68)	881
Cash flows from investing activities		
Purchase of own-used assets	(809)	(1,097)
Proceeds from sale of own-used assets	5	0
Purchase of investment securities	(1)	(1,270)
Proceeds from sale of investment securities	2	302
Other, net	(37)	(73)
Net cash provided by (used in) investing activities	(839)	(2,140)
Cash flows from financing activities		
Purchase of treasury shares	(0)	-
Dividends paid	(1,021)	(936)
Net cash provided by (used in) financing activities	(1,021)	(936)
Effect of exchange rate change on cash and cash equivalents	2	(1)
Net increase (decrease) in cash and cash equivalents	(1,927)	(2,195)
Cash and cash equivalents at beginning of period	12,794	10,870
Cash and cash equivalents at end of period	10,867	8,674