

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

July 26, 2021

Company name: NAGAWA Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9663 URL <https://group.nagawa.co.jp/>
 Representative: President Osamu Takahashi
 Inquiries: Chief Financial Officer Ryoh Shimmura TEL 03-5288-8666
 Scheduled date to file Quarterly Securities Report: August 5, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2021	7,055	15.2	1,002	23.3	1,143	16.5	751	15.1
Three months ended June 30, 2020	6,123	(2.9)	812	34.5	981	39.8	652	45.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	48.13		–	
Three months ended June 30, 2020	41.89		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	53,182	48,438	91.1
As of March 31, 2021	53,409	48,072	90.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	60.00	60.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	0.00	–	60.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Six months ending September 30, 2021	14,000	4.1	1,950	5.6	2,150	5.2	1,450	5.8	93.07
Full year	31,000	5.5	4,600	7.4	4,800	5.8	3,300	8.7	211.81

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2021	16,357,214 shares	As of March 31, 2021	16,357,214 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	697,707 shares	As of March 31, 2021	772,967 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	15,608,867 shares	Three months ended June 30, 2020	15,580,097 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	14,215	13,131
Notes receivable - trade	1,686	1,679
Electronically recorded monetary claims - operating	1,851	1,829
Accounts receivable - trade	4,655	4,113
Contract assets	–	452
Merchandise and finished goods	1,830	2,059
Work in process	111	173
Raw materials and supplies	172	253
Other	220	231
Allowance for doubtful accounts	(1)	(0)
Total current assets	24,743	23,924
Non-current assets		
Property, plant and equipment		
Assets for rent, net	8,433	8,659
Buildings and structures, net	1,572	1,534
Land	6,442	6,442
Construction in progress	4	2
Other, net	261	236
Total property, plant and equipment	16,713	16,876
Intangible assets	214	210
Investments and other assets		
Investment securities	10,401	10,870
Leasehold and guarantee deposits	579	578
Retirement benefit asset	84	90
Deferred tax assets	152	136
Other	519	495
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,737	12,170
Total non-current assets	28,665	29,258
Total assets	53,409	53,182

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	2,181	2,082
Income taxes payable	992	375
Provision for bonuses	295	362
Provision for bonuses for directors (and other officers)	55	15
Provision for loss on liquidation of subsidiaries and associates	7	7
Asset retirement obligations	–	23
Other	912	1,020
Total current liabilities	4,444	3,887
Non-current liabilities		
Long-term borrowings	587	587
Long-term accounts payable - other	27	27
Retirement benefit liability	0	0
Asset retirement obligations	81	51
Other	195	190
Total non-current liabilities	892	857
Total liabilities	5,336	4,744
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	7,933	8,363
Retained earnings	38,809	38,622
Treasury shares	(2,171)	(1,994)
Total shareholders' equity	47,427	47,847
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	648	598
Foreign currency translation adjustment	(3)	(7)
Total accumulated other comprehensive income	645	590
Non-controlling interests	–	–
Total net assets	48,072	48,438
Total liabilities and net assets	53,409	53,182

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	6,123	7,055
Cost of sales	3,458	4,084
Gross profit	2,665	2,970
Selling, general and administrative expenses	1,852	1,968
Operating profit	812	1,002
Non-operating income		
Interest income	2	24
Dividend income	176	112
Rental income	6	6
Foreign exchange gains	–	6
Miscellaneous income	3	4
Total non-operating income	188	154
Non-operating expenses		
Foreign exchange losses	15	–
Share-based remuneration expenses	3	10
Miscellaneous losses	0	2
Total non-operating expenses	19	12
Ordinary profit	981	1,143
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on disposal of non-current assets	0	4
Total extraordinary losses	0	4
Profit before income taxes	981	1,138
Income taxes - current	328	349
Income taxes - deferred	0	38
Total income taxes	329	387
Profit	652	751
Profit attributable to owners of parent	652	751

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	652	751
Other comprehensive income		
Valuation difference on available-for-sale securities	373	(50)
Foreign currency translation adjustment	(0)	(3)
Total other comprehensive income	372	(54)
Comprehensive income	1,025	696
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,025	696
Comprehensive income attributable to non-controlling interests	—	—