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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 24, 2022

Company name: NAGAWA Co.,Ltd.

Stock exchange listing: Tokyo

Code number: 9663

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

Representative: Osamu Takahashi

President

Contact: Ryo Shimmura

Senior Managing Director

Phone: 03-5288-8666

Scheduled date of filing quarterly securities report: November 08, 2022

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 Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	14,414	0.9	2,042	(1.6)	2,289	1.8	1,603	7.7
September 30, 2021	14,286	6.3	2,075	12.4	2,248	10.0	1,488	8.6

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 1,430 million [(14.6) %]
Six months ended September 30, 2021: ¥ 1,674 million [(13.9) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	102.00	-
September 30, 2021	95.14	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	55,609	51,427	92.5
March 31, 2022	55,902	51,009	91.2

(Reference) Equity: As of September 30, 2022: ¥ 51,427 million
As of March 31, 2022: ¥ 51,009 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, 2022	-	0.00	-	65.00	65.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (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, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	31,500	3.0	4,650	4.9	4,850	3.4	3,300	9.4	209.89

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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, 2022: 16,357,214 shares

March 31, 2022: 16,357,214 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 637,368 shares

March 31, 2022: 634,588 shares

3) Average number of shares during the period:

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

Six months ended September 30, 2021: 15,644,731 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	12,794	10,867
Notes receivable - trade	1,430	1,470
Electronically recorded monetary claims - operating	1,655	1,445
Accounts receivable - trade	4,861	4,090
Contract assets	88	130
Merchandise and finished goods	2,123	2,341
Work in process	153	255
Raw materials and supplies	328	1,006
Other	217	267
Allowance for doubtful accounts	(0)	(0)
Total current assets	23,653	21,874
Non-current assets		
Property, plant and equipment		
Assets for rent, net	9,768	10,865
Buildings and structures, net	1,448	2,209
Land	7,081	7,155
Construction in progress	308	15
Other, net	181	239
Total property, plant and equipment	18,788	20,484
Intangible assets	248	249
Investments and other assets		
Investment securities	11,975	11,738
Leasehold and guarantee deposits	563	585
Retirement benefit asset	76	92
Deferred tax assets	276	295
Other	321	290
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	13,211	13,001
Total non-current assets	32,248	33,735
Total assets	55,902	55,609

(Million yen)

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Accounts payable - trade	2,719	2,274
Income taxes payable	825	670
Provision for bonuses	251	256
Provision for bonuses for directors (and other officers)	66	30
Provision for loss on liquidation of subsidiaries and associates	1	-
Asset retirement obligations	5	1
Other	941	864
Total current liabilities	4,811	4,097
Non-current liabilities		
Long-term accounts payable - other	26	25
Retirement benefit liability	0	-
Asset retirement obligations	51	55
Other	2	2
Total non-current liabilities	81	84
Total liabilities	4,893	4,181
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	8,812	8,823
Retained earnings	40,888	41,469
Treasury shares	(1,838)	(1,839)
Total shareholders' equity	50,717	51,309
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	296	142
Foreign currency translation adjustment	(4)	(23)
Total accumulated other comprehensive income	291	118
Non-controlling interests	-	-
Total net assets	51,009	51,427
Total liabilities and net assets	55,902	55,609

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	14,286	14,414
Cost of sales	8,212	8,303
Gross profit	6,073	6,110
Selling, general and administrative expenses	3,998	4,068
Operating profit	2,075	2,042
Non-operating income		
Interest income	28	6
Dividend income	140	171
Rental income	12	7
Compensation income	-	43
Foreign exchange gains	1	23
Miscellaneous income	11	14
Total non-operating income	195	266
Non-operating expenses		
Commission expenses	4	-
Share-based remuneration expenses	17	18
Miscellaneous losses	0	0
Total non-operating expenses	21	19
Ordinary profit	2,248	2,289
Extraordinary income		
Gain on sale of non-current assets	0	3
Gain on sale of investment securities	-	0
Total extraordinary income	0	4
Extraordinary losses		
Loss on disposal of non-current assets	5	4
Loss on liquidation of subsidiaries	-	10
Total extraordinary losses	5	14
Profit before income taxes	2,243	2,278
Income taxes - current	708	625
Income taxes - deferred	46	49
Total income taxes	755	675
Profit	1,488	1,603
Profit attributable to owners of parent	1,488	1,603

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	1,488	1,603
Other comprehensive income		
Valuation difference on available-for-sale securities	187	(154)
Foreign currency translation adjustment	(1)	(18)
Total other comprehensive income	186	(172)
Comprehensive income	1,674	1,430
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,674	1,430
Comprehensive income attributable to non-controlling interests	-	-

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	2,243	2,278
Depreciation	1,424	1,484
Amortization of goodwill	5	5
Cost of sales of assets for rent	17	11
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	(25)	(36)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	(1)	(1)
Share-based payment expenses	35	37
Interest and dividend income	(169)	(178)
Compensation income	-	(43)
Foreign exchange losses (gains)	(1)	(23)
Loss (gain) on disposal of non-current assets	4	0
Loss (gain) on sale of investment securities	-	(0)
Loss on liquidation of subsidiaries	-	10
Purchase of assets for rental	(1,971)	(2,441)
Decrease (increase) in trade receivables	87	898
Decrease (increase) in inventories	(107)	(997)
Increase (decrease) in trade payables	(305)	(445)
Other, net	20	(88)
Subtotal	1,258	471
Proceeds from insurance income	0	2
Interest and dividends received	172	192
Proceeds from compensation	-	38
Income taxes paid	(930)	(772)
Net cash provided by (used in) operating activities	499	(68)
Cash flows from investing activities		
Purchase of own-used assets	(459)	(809)
Proceeds from sale of own-used assets	0	5
Purchase of investment securities	(832)	(1)
Proceeds from sale of investment securities	-	2
Other, net	(0)	(37)
Net cash provided by (used in) investing activities	(1,292)	(839)
Cash flows from financing activities		
Purchase of treasury shares	(2)	(0)
Proceeds from disposal of treasury shares	861	-
Dividends paid	(938)	(1,021)
Net cash provided by (used in) financing activities	(79)	(1,021)
Effect of exchange rate change on cash and cash equivalents	0	2
Net increase (decrease) in cash and cash equivalents	(871)	(1,927)
Cash and cash equivalents at beginning of period	14,215	12,794
Cash and cash equivalents at end of period	13,343	10,867