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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

October 28, 2024

Company name: NAGAWA Co., Ltd.

Listing: Tokyo

Securities code: 9663

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

Representative: Ryo Shimmura

President

Inquiries: Masayoshi Kunou

Senior Executive Officer

Telephone: +81-3-5288-8666

Scheduled date to file semi-annual securities report: November 8, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(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	%
Six months ended September 30, 2024	16,335	9.3	1,835	2.4	2,139	6.1	1,421	8.3
September 30, 2023	14,944	3.7	1,792	(12.2)	2,016	(11.9)	1,313	(18.1)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 1,419 million [(48.9)%]
Six months ended September 30, 2023: ¥ 2,778 million [94.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	90.50	-
September 30, 2023	83.54	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	67,325	60,201	89.4
March 31, 2024	66,876	59,725	89.3

(Reference) Equity: As of September 30, 2024: ¥ 60,201 million
As of March 31, 2024: ¥ 59,725 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, 2024	-	0.00	-	60.00	60.00
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)			-	60.00	60.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	36,000	10.5	5,200	22.6	5,400	16.3	3,700	18.6	235.36

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included:	-	(Company name:)
Excluded:	-	(Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024:	16,357,214 shares
March 31, 2024:	16,357,214 shares

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

September 30, 2024:	646,897 shares
March 31, 2024:	643,807 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	15,711,339 shares
Six months ended September 30, 2023:	15,721,907 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	7,166	8,191
Notes receivable - trade	1,270	859
Electronically recorded monetary claims - operating	1,759	1,771
Accounts receivable - trade	5,093	3,840
Contract assets	28	378
Merchandise and finished goods	3,331	3,327
Work in process	706	374
Raw materials and supplies	562	528
Other	228	223
Allowance for doubtful accounts	(1)	(1)
Total current assets	20,147	19,494
Non-current assets		
Property, plant and equipment		
Assets for rent, net	13,514	14,226
Buildings and structures, net	3,760	4,158
Land	7,485	7,679
Construction in progress	243	83
Other, net	240	248
Total property, plant and equipment	25,243	26,396
Intangible assets	228	199
Investments and other assets		
Investment securities	20,051	20,049
Leasehold and guarantee deposits	748	739
Retirement benefit asset	169	186
Other	287	258
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	21,257	21,234
Total non-current assets	46,729	47,830
Total assets	66,876	67,325

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,889	2,207
Income taxes payable	734	718
Provision for bonuses	289	268
Provision for bonuses for directors (and other officers)	64	32
Asset retirement obligations	2	1
Other	1,293	2,000
Total current liabilities	5,273	5,229
Non-current liabilities		
Long-term accounts payable - other	24	24
Asset retirement obligations	46	45
Deferred tax liabilities	1,804	1,821
Other	2	2
Total non-current liabilities	1,878	1,894
Total liabilities	7,151	7,123
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	9,424	9,424
Retained earnings	45,172	45,651
Treasury shares	(2,428)	(2,429)
Total shareholders' equity	55,023	55,502
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,722	4,719
Foreign currency translation adjustment	(20)	(20)
Total accumulated other comprehensive income	4,701	4,699
Non-controlling interests	-	-
Total net assets	59,725	60,201
Total liabilities and net assets	66,876	67,325

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	14,944	16,335
Cost of sales	8,759	9,901
Gross profit	6,185	6,433
Selling, general and administrative expenses	4,392	4,597
Operating profit	1,792	1,835
Non-operating income		
Interest income	5	6
Dividend income	208	293
Rental income	10	8
Foreign exchange gains	6	-
Miscellaneous income	13	13
Total non-operating income	246	322
Non-operating expenses		
Share-based remuneration expenses	21	18
Miscellaneous losses	0	0
Total non-operating expenses	22	18
Ordinary profit	2,016	2,139
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	12	-
Total extraordinary income	12	0
Extraordinary losses		
Loss on disposal of non-current assets	37	12
Loss on disaster	20	-
Total extraordinary losses	57	12
Profit before income taxes	1,971	2,126
Income taxes - current	642	686
Income taxes - deferred	15	18
Total income taxes	657	704
Profit	1,313	1,421
Profit attributable to owners of parent	1,313	1,421

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	1,313	1,421
Other comprehensive income		
Valuation difference on available-for-sale securities	1,470	(2)
Foreign currency translation adjustment	(5)	0
Total other comprehensive income	1,464	(2)
Comprehensive income	2,778	1,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,778	1,419
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,971	2,126
Depreciation	1,694	1,940
Amortization of goodwill	5	5
Cost of sales of assets for rent	8	8
Increase (decrease) in allowance for doubtful accounts	0	-
Increase (decrease) in provision for bonuses for directors (and other officers)	(31)	(32)
Share-based payment expenses	39	36
Interest and dividend income	(214)	(300)
Foreign exchange losses (gains)	(6)	-
Loss (gain) on disposal of non-current assets	36	12
Loss (gain) on sale of investment securities	(12)	-
Loss on disaster	20	-
Purchase of assets for rental	(2,704)	(2,431)
Decrease (increase) in trade receivables	1,218	1,301
Decrease (increase) in inventories	(203)	370
Increase (decrease) in trade payables	(562)	(681)
Other, net	151	867
Subtotal	1,410	3,223
Interest and dividends received	216	301
Income taxes paid	(724)	(700)
Proceeds from insurance income	-	5
Payments associated with disaster loss	(20)	-
Net cash provided by (used in) operating activities	881	2,830
Cash flows from investing activities		
Purchase of own-used assets	(1,097)	(864)
Proceeds from sale of own-used assets	0	0
Purchase of investment securities	(1,270)	(2)
Proceeds from sale of investment securities	302	-
Other, net	(73)	4
Net cash provided by (used in) investing activities	(2,140)	(862)
Cash flows from financing activities		
Purchase of treasury shares	-	(0)
Dividends paid	(936)	(942)
Net cash provided by (used in) financing activities	(936)	(942)
Effect of exchange rate change on cash and cash equivalents	(1)	-
Net increase (decrease) in cash and cash equivalents	(2,195)	1,024
Cash and cash equivalents at beginning of period	10,870	7,166
Cash and cash equivalents at end of period	8,674	8,191