

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 24, 2022

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: February 10, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	21,833	2.8	3,243	0.6	3,458	(0.1)	2,206	(4.7)
Nine months ended December 31, 2020	21,233	0.5	3,222	25.1	3,462	25.4	2,314	31.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	140.93	–
Nine months ended December 31, 2020	148.59	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	54,704	50,212	91.8	3,200.17
As of March 31, 2021	53,409	48,072	90.0	3,084.71

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	0.00	–	60.00	60.00
Year ending March 31, 2022	–	0.00	–		
Year ending March 31, 2022 (Forecast)				65.00	65.00

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
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 nine months ended December 31, 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 December 31, 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 December 31, 2021	666,640 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)

Nine months ended December 31, 2021	15,659,776 shares	Nine months ended December 31, 2020	15,579,388 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	14,215	11,870
Notes receivable - trade	1,686	1,955
Electronically recorded monetary claims - operating	1,851	2,108
Accounts receivable - trade	4,655	3,888
Contract assets	–	105
Merchandise and finished goods	1,830	1,810
Work in process	111	176
Raw materials and supplies	172	379
Other	220	208
Allowance for doubtful accounts	(1)	(0)
Total current assets	24,743	22,502
Non-current assets		
Property, plant and equipment		
Assets for rent, net	8,433	9,740
Buildings and structures, net	1,572	1,479
Land	6,442	7,070
Construction in progress	4	61
Other, net	261	204
Total property, plant and equipment	16,713	18,555
Intangible assets	214	255
Investments and other assets		
Investment securities	10,401	12,206
Leasehold and guarantee deposits	579	565
Retirement benefit asset	84	109
Deferred tax assets	152	41
Other	519	468
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,737	13,391
Total non-current assets	28,665	32,202
Total assets	53,409	54,704

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	2,181	2,115
Income taxes payable	992	281
Provision for bonuses	295	142
Provision for bonuses for directors (and other officers)	55	45
Provision for loss on liquidation of subsidiaries and associates	7	8
Asset retirement obligations	–	16
Other	912	1,064
Total current liabilities	4,444	3,674
Non-current liabilities		
Long-term borrowings	587	558
Long-term accounts payable - other	27	26
Retirement benefit liability	0	0
Asset retirement obligations	81	51
Other	195	180
Total non-current liabilities	892	817
Total liabilities	5,336	4,491
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	7,933	8,559
Retained earnings	38,809	40,078
Treasury shares	(2,171)	(1,898)
Total shareholders' equity	47,427	49,594
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	648	618
Foreign currency translation adjustment	(3)	(0)
Total accumulated other comprehensive income	645	618
Non-controlling interests	–	–
Total net assets	48,072	50,212
Total liabilities and net assets	53,409	54,704

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	21,233	21,833
Cost of sales	12,265	12,611
Gross profit	8,967	9,222
Selling, general and administrative expenses	5,745	5,978
Operating profit	3,222	3,243
Non-operating income		
Interest income	5	29
Dividend income	216	203
Rental income	19	18
Miscellaneous income	18	17
Total non-operating income	259	268
Non-operating expenses		
Commission expenses	–	4
Foreign exchange losses	8	5
Share-based remuneration expenses	11	24
Miscellaneous losses	0	19
Total non-operating expenses	20	53
Ordinary profit	3,462	3,458
Extraordinary income		
Gain on sale of non-current assets	0	3
Gain on sale of investment securities	24	–
Total extraordinary income	24	3
Extraordinary losses		
Loss on disposal of non-current assets	17	80
Loss on valuation of investment securities	–	44
Provision for loss on liquidation of subsidiaries and associates	–	3
Total extraordinary losses	17	127
Profit before income taxes	3,468	3,334
Income taxes - current	1,093	1,002
Income taxes - deferred	59	124
Total income taxes	1,153	1,127
Profit	2,314	2,206
Profit attributable to owners of parent	2,314	2,206

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	2,314	2,206
Other comprehensive income		
Valuation difference on available-for-sale securities	765	(30)
Foreign currency translation adjustment	(0)	2
Total other comprehensive income	764	(27)
Comprehensive income	3,079	2,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,079	2,179
Comprehensive income attributable to non-controlling interests	–	–