

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 25, 2022

Company name: NAGAWA Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9663 URL <https://group.nagawa.co.jp/>
 Representative: President Osamu Takahashi
 Inquiries: Senior Managing Director Ryoh Shimmura TEL 03-5288-8666
 Scheduled date to file Quarterly Securities Report: August 4, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	6,975	(1.1)	931	(7.1)	1,074	(6.0)	739	(1.6)
Three months ended June 30, 2021	7,055	15.2	1,002	23.3	1,143	16.5	751	15.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	47.01		–	
Three months ended June 30, 2021	48.13		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	54,902	50,562	92.1
As of March 31, 2022	55,902	51,009	91.2

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, 2022	–	0.00	–	65.00	65.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	60.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	16,000	12.0	2,350	13.2	2,450	9.0	1,650	10.9	104.94
Full year	35,000	14.4	5,200	17.3	5,400	15.2	3,700	22.6	235.33

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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: No
- 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, 2022	16,357,214 shares	As of March 31, 2022	16,357,214 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	636,528 shares	As of March 31, 2022	634,588 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, 2022	15,721,220 shares	Three months ended June 30, 2021	15,608,867 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	12,794	11,598
Notes receivable - trade	1,430	1,406
Electronically recorded monetary claims - operating	1,655	1,600
Accounts receivable - trade	4,861	3,725
Contract assets	88	184
Merchandise and finished goods	2,123	2,527
Work in process	153	202
Raw materials and supplies	328	715
Other	217	222
Allowance for doubtful accounts	(0)	(0)
Total current assets	23,653	22,181
Non-current assets		
Property, plant and equipment		
Assets for rent, net	9,768	10,015
Buildings and structures, net	1,448	1,414
Land	7,081	7,081
Construction in progress	308	711
Other, net	181	175
Total property, plant and equipment	18,788	19,399
Intangible assets	248	256
Investments and other assets		
Investment securities	11,975	11,743
Leasehold and guarantee deposits	563	580
Retirement benefit asset	76	83
Deferred tax assets	276	353
Other	321	305
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	13,211	13,064
Total non-current assets	32,248	32,721
Total assets	55,902	54,902

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	2,719	2,311
Income taxes payable	825	361
Provision for bonuses	251	370
Provision for bonuses for directors (and other officers)	66	15
Provision for loss on liquidation of subsidiaries and associates	1	0
Asset retirement obligations	5	0
Other	941	1,193
Total current liabilities	4,811	4,254
Non-current liabilities		
Long-term accounts payable - other	26	26
Retirement benefit liability	0	0
Asset retirement obligations	51	56
Other	2	2
Total non-current liabilities	81	85
Total liabilities	4,893	4,339
Net assets		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	8,812	8,812
Retained earnings	40,888	40,605
Treasury shares	(1,838)	(1,838)
Total shareholders' equity	50,717	50,434
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	296	144
Foreign currency translation adjustment	(4)	(16)
Total accumulated other comprehensive income	291	128
Non-controlling interests	–	–
Total net assets	51,009	50,562
Total liabilities and net assets	55,902	54,902

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, 2021	Three months ended June 30, 2022
Net sales	7,055	6,975
Cost of sales	4,084	4,001
Gross profit	2,970	2,974
Selling, general and administrative expenses	1,968	2,042
Operating profit	1,002	931
Non-operating income		
Interest income	24	2
Dividend income	112	126
Rental income	6	3
Foreign exchange gains	6	14
Miscellaneous income	4	9
Total non-operating income	154	156
Non-operating expenses		
Share-based remuneration expenses	10	13
Miscellaneous losses	2	0
Total non-operating expenses	12	13
Ordinary profit	1,143	1,074
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	–	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on disposal of non-current assets	4	0
Total extraordinary losses	4	0
Profit before income taxes	1,138	1,074
Income taxes - current	349	345
Income taxes - deferred	38	(9)
Total income taxes	387	335
Profit	751	739
Profit attributable to owners of parent	751	739

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	751	739
Other comprehensive income		
Valuation difference on available-for-sale securities	(50)	(151)
Foreign currency translation adjustment	(3)	(11)
Total other comprehensive income	(54)	(163)
Comprehensive income	696	575
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	696	575
Comprehensive income attributable to non-controlling interests	—	—