

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 25, 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: February 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	21,233	0.5	3,222	25.1	3,462	25.4	2,314	31.8
Nine months ended December 31, 2019	21,128	1.6	2,576	(9.6)	2,760	(7.9)	1,756	(10.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	148.59		–	
Nine months ended December 31, 2019	113.32		–	

(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, 2020	50,589	46,820	92.6	3,005.49
As of March 31, 2020	49,917	44,678	89.5	2,867.61

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, 2020	–	0.00	–	60.00	60.00
Year ending March 31, 2021	–	0.00	–		
Year ending March 31, 2021 (Forecast)				60.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	30,000	3.4	4,500	27.3	4,700	26.4	3,000	42.5	192.56

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020  
(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 December 31, 2020	16,357,214 shares	As of March 31, 2020	16,357,214 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	778,746 shares	As of March 31, 2020	776,869 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, 2020	15,579,388 shares	Nine months ended December 31, 2019	15,504,571 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	14,575	12,809
Notes receivable - trade	1,897	1,882
Electronically recorded monetary claims - operating	1,618	2,077
Accounts receivable - trade	4,775	4,266
Merchandise and finished goods	1,767	1,777
Work in process	132	212
Raw materials and supplies	204	247
Other	188	236
Allowance for doubtful accounts	(0)	(1)
Total current assets	25,159	23,508
Non-current assets		
Property, plant and equipment		
Assets for rent, net	7,866	8,643
Buildings and structures, net	1,646	1,629
Land	6,442	6,466
Construction in progress	7	8
Other, net	151	293
Total property, plant and equipment	16,115	17,041
Intangible assets	126	195
Investments and other assets		
Investment securities	6,994	8,745
Leasehold and guarantee deposits	553	562
Deferred tax assets	674	277
Other	295	258
Allowance for doubtful accounts	(1)	(0)
Total investments and other assets	8,516	9,843
Total non-current assets	24,757	27,080
Total assets	49,917	50,589

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,069	1,860
Income taxes payable	690	526
Provision for bonuses	234	147
Provision for bonuses for directors (and other officers)	64	36
Provision for loss on liquidation of subsidiaries and associates	56	9
Asset retirement obligations	0	3
Other	1,943	1,043
Total current liabilities	5,059	3,627
Non-current liabilities		
Long-term accounts payable - other	30	27
Retirement benefit liability	62	25
Asset retirement obligations	80	81
Other	6	6
Total non-current liabilities	179	140
Total liabilities	5,239	3,768
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,855	2,855
Capital surplus	7,419	7,419
Retained earnings	36,708	38,088
Treasury shares	(1,731)	(1,733)
Total shareholders' equity	45,251	46,629
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(572)	193
Foreign currency translation adjustment	(1)	(1)
Total accumulated other comprehensive income	(573)	191
Non-controlling interests	–	–
Total net assets	44,678	46,820
Total liabilities and net assets	49,917	50,589

**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, 2019	Nine months ended December 31, 2020
Net sales	21,128	21,233
Cost of sales	12,975	12,265
Gross profit	8,152	8,967
Selling, general and administrative expenses	5,576	5,745
Operating profit	2,576	3,222
Non-operating income		
Interest income	8	5
Dividend income	82	216
Rental income	15	19
Purchase discounts	76	-
Foreign exchange gains	2	-
Miscellaneous income	7	18
Total non-operating income	192	259
Non-operating expenses		
Commission expenses	4	-
Foreign exchange losses	-	8
Share-based remuneration expenses	-	11
Miscellaneous loss	4	0
Total non-operating expenses	8	20
Ordinary profit	2,760	3,462
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	-	24
Total extraordinary income	0	24
Extraordinary losses		
Loss on disposal of non-current assets	22	17
Loss on valuation of investment securities	21	-
Provision for loss on liquidation of subsidiaries and associates	40	-
Total extraordinary losses	84	17
Profit before income taxes	2,676	3,468
Income taxes - current	881	1,093
Income taxes - deferred	52	59
Total income taxes	934	1,153
Profit	1,742	2,314
Loss attributable to non-controlling interests	(14)	-
Profit attributable to owners of parent	1,756	2,314

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	1,742	2,314
Other comprehensive income		
Valuation difference on available-for-sale securities	23	765
Foreign currency translation adjustment	4	(0)
Total other comprehensive income	27	764
Comprehensive income	1,769	3,079
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,785	3,079
Comprehensive income attributable to non-controlling interests	(15)	—