

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 2023

Company name: NAGATANIEN HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 2899 URL <https://www.nagatanien-hd.co.jp/>
 Representative: Representative Director and President Tajiro Nagatani
 Executive Officer
 Inquiries: General Accounting & Finance Division Teru Eguchi TEL 03-3432-3105
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	26,775	13.0	1,308	36.0	1,728	15.4	860	(4.2)
Three months ended June 30, 2022	23,688	8.3	962	(24.1)	1,497	10.3	898	20.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	49.25		–	
Three months ended June 30, 2022	51.11		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	98,754	41,172	39.0
As of March 31, 2023	96,615	40,066	38.9

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, 2023	–	15.50	–	15.50	31.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		15.50	–	15.50	31.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	113,800	3.0	5,900	11.4	5,600	4.8	3,600	15.6	206.00

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: Yes
- (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, 2023	19,138,703 shares	As of March 31, 2023	19,138,703 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	1,663,669 shares	As of March 31, 2023	1,663,619 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, 2023	17,475,051 shares	Three months ended June 30, 2022	17,576,714 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	8,834	11,014
Notes and accounts receivable - trade	15,968	14,244
Merchandise and finished goods	7,482	7,253
Work in process	1,449	1,681
Raw materials and supplies	7,068	6,661
Other	1,840	2,067
Allowance for doubtful accounts	(87)	(80)
Total current assets	42,556	42,843
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,871	20,949
Accumulated depreciation	(13,237)	(13,352)
Buildings and structures, net	7,634	7,596
Machinery, equipment and vehicles	34,554	35,864
Accumulated depreciation	(23,307)	(23,773)
Machinery, equipment and vehicles, net	11,247	12,091
Land	11,108	11,110
Leased assets	2,603	2,731
Accumulated depreciation	(916)	(993)
Leased assets, net	1,687	1,738
Construction in progress	1,205	1,412
Other	2,808	2,531
Accumulated depreciation	(2,291)	(2,036)
Other, net	516	495
Total property, plant and equipment	33,399	34,445
Intangible assets		
Goodwill	9,309	9,112
Other	252	221
Total intangible assets	9,562	9,333
Investments and other assets		
Investment securities	7,460	8,544
Other	3,665	3,616
Allowance for doubtful accounts	(29)	(29)
Total investments and other assets	11,096	12,131
Total non-current assets	54,058	55,911
Total assets	96,615	98,754

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,205	7,940
Electronically recorded obligations - operating	2,584	2,476
Current portion of bonds payable	5,000	5,000
Short-term borrowings	8,779	9,841
Income taxes payable	797	862
Provision for bonuses	815	410
Other	9,224	8,648
Total current liabilities	34,407	35,180
Non-current liabilities		
Bonds payable	10,060	10,060
Long-term borrowings	7,460	7,301
Provision for retirement benefits for directors (and other officers)	138	142
Retirement benefit liability	148	131
Asset retirement obligations	286	289
Other	4,047	4,476
Total non-current liabilities	22,141	22,401
Total liabilities	56,548	57,582
Net assets		
Shareholders' equity		
Share capital	3,502	3,502
Capital surplus	3,759	3,759
Retained earnings	32,690	33,280
Treasury shares	(3,231)	(3,231)
Total shareholders' equity	36,721	37,310
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,064	2,814
Revaluation reserve for land	(2,602)	(2,602)
Foreign currency translation adjustment	1,503	1,099
Remeasurements of defined benefit plans	(121)	(120)
Total accumulated other comprehensive income	844	1,191
Non-controlling interests	2,500	2,670
Total net assets	40,066	41,172
Total liabilities and net assets	96,615	98,754

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, 2022	Three months ended June 30, 2023
Net sales	23,688	26,775
Cost of sales	16,545	18,679
Gross profit	7,142	8,095
Selling, general and administrative expenses		
Retirement benefit expenses	57	62
Provision for bonuses	133	132
Salaries and bonuses	1,783	1,961
Freight and packing costs	1,052	1,074
Other	3,152	3,556
Total selling, general and administrative expenses	6,180	6,787
Operating profit	962	1,308
Non-operating income		
Interest income	0	1
Dividend income	83	109
Foreign exchange gains	456	373
Other	92	74
Total non-operating income	632	558
Non-operating expenses		
Interest expenses	42	93
Other	54	44
Total non-operating expenses	97	137
Ordinary profit	1,497	1,728
Extraordinary income		
Gain on sale of investment securities	13	34
Gain on reversal of foreign currency translation adjustment	43	–
Total extraordinary income	57	34
Extraordinary losses		
Impairment losses	2	3
Loss on withdrawal from business	7	1
Loss on store closings	1	–
Total extraordinary losses	10	5
Profit before income taxes	1,544	1,757
Income taxes	522	709
Profit	1,022	1,048
Profit attributable to non-controlling interests	123	187
Profit attributable to owners of parent	898	860

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,022	1,048
Other comprehensive income		
Valuation difference on available-for-sale securities	(226)	749
Foreign currency translation adjustment	256	(422)
Remeasurements of defined benefit plans, net of tax	(3)	1
Total other comprehensive income	25	328
Comprehensive income	1,047	1,377
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	780	1,207
Comprehensive income attributable to non-controlling interests	267	169