

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: NAGATANEN HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 2899 URL <https://www.nagatanen-hd.co.jp/>
 Representative: Representative Director and President Taijiro Nagatani
 Executive Officer
 Inquiries: General Accounting & Finance Division Teru Eguchi TEL 03-3432-2511
 Scheduled date to file Quarterly Securities Report: February 13, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	82,809	14.8	4,913	(1.5)	5,101	(14.3)	3,262	(7.4)
Nine months ended December 31, 2021	72,115	–	4,986	–	5,949	–	3,522	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	185.59	–
Nine months ended December 31, 2021	200.39	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	99,681	42,327	39.8
As of March 31, 2022	91,859	35,689	36.6

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, 2022	–	15.50	–	15.50	31.00
Year ending March 31, 2023	–	15.50	–		
Year ending March 31, 2023 (Forecast)				15.50	31.00

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
Full year	100,400	5.2	5,200	7.9	5,000	(17.4)	2,900	(15.7)	164.99

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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: 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 December 31, 2022	19,138,703 shares	As of March 31, 2022	19,138,703 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,562,319 shares	As of March 31, 2022	1,561,938 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, 2022	17,576,578 shares	Nine months ended December 31, 2021	17,576,953 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	9,142	7,289
Notes and accounts receivable - trade	16,511	18,745
Merchandise and finished goods	6,119	7,814
Work in process	1,864	2,167
Raw materials and supplies	5,566	6,588
Other	1,764	1,604
Allowance for doubtful accounts	(66)	(71)
Total current assets	40,901	44,137
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,975	20,819
Accumulated depreciation	(12,720)	(13,116)
Buildings and structures, net	7,254	7,702
Machinery, equipment and vehicles	30,925	34,837
Accumulated depreciation	(20,998)	(23,310)
Machinery, equipment and vehicles, net	9,926	11,527
Land	11,010	11,061
Leased assets	1,788	2,541
Accumulated depreciation	(886)	(916)
Leased assets, net	902	1,625
Construction in progress	956	1,513
Other	2,675	2,795
Accumulated depreciation	(2,177)	(2,283)
Other, net	497	511
Total property, plant and equipment	30,548	33,942
Intangible assets		
Goodwill	8,781	10,076
Other	356	281
Total intangible assets	9,137	10,358
Investments and other assets		
Investment securities	7,307	7,406
Other	4,016	3,866
Allowance for doubtful accounts	(53)	(29)
Total investments and other assets	11,271	11,243
Total non-current assets	50,957	55,544
Total assets	91,859	99,681

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,896	8,248
Electronically recorded obligations - operating	2,220	3,305
Short-term borrowings	7,355	7,410
Current portion of bonds payable	—	5,000
Income taxes payable	919	978
Provision for bonuses	746	407
Other	9,651	9,919
Total current liabilities	27,789	35,270
Non-current liabilities		
Bonds payable	15,000	10,000
Long-term borrowings	9,761	7,580
Provision for retirement benefits for directors (and other officers)	113	132
Retirement benefit liability	244	152
Asset retirement obligations	275	282
Other	2,985	3,936
Total non-current liabilities	28,380	22,083
Total liabilities	56,169	57,354
Net assets		
Shareholders' equity		
Share capital	3,502	3,502
Capital surplus	3,759	3,759
Retained earnings	30,134	32,836
Treasury shares	(3,026)	(3,027)
Total shareholders' equity	34,370	37,071
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,975	2,037
Revaluation reserve for land	(2,602)	(2,602)
Foreign currency translation adjustment	(150)	3,132
Remeasurements of defined benefit plans	64	53
Total accumulated other comprehensive income	(712)	2,621
Non-controlling interests	2,032	2,634
Total net assets	35,689	42,327
Total liabilities and net assets	91,859	99,681

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, 2021	Nine months ended December 31, 2022
Net sales	72,115	82,809
Cost of sales	49,008	58,555
Gross profit	23,106	24,253
Selling, general and administrative expenses		
Provision for bonuses	217	246
Retirement benefit expenses	182	144
Salaries and bonuses	5,292	5,653
Promotion expenses	422	587
Freight and packing costs	3,397	3,419
Other	8,607	9,288
Total selling, general and administrative expenses	18,120	19,340
Operating profit	4,986	4,913
Non-operating income		
Interest income	2	0
Dividend income	155	157
Foreign exchange gains	—	215
Gain on forgiveness of debts	908	—
Subsidy income	68	—
Other	162	132
Total non-operating income	1,298	506
Non-operating expenses		
Interest expenses	161	214
Bond issuance costs	54	—
Foreign exchange losses	26	—
Other	92	103
Total non-operating expenses	335	318
Ordinary profit	5,949	5,101
Extraordinary income		
Gain on sale of non-current assets	1	—
Gain on sale of investment securities	—	13
Reversal of foreign currency translation adjustment - consolidated subsidiaries	—	43
Total extraordinary income	1	57
Extraordinary losses		
Loss on sale of non-current assets	5	—
Impairment losses	6	2
Loss on retirement of non-current assets	40	—
Loss on liquidation of subsidiaries	—	24
Loss on withdrawal from business	88	23
Loss on store closings	35	1
Loss on temporary closure	9	—
Total extraordinary losses	185	51
Profit before income taxes	5,765	5,107
Income taxes	1,795	1,563
Profit	3,969	3,543
Profit attributable to non-controlling interests	447	281
Profit attributable to owners of parent	3,522	3,262

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,969	3,543
Other comprehensive income		
Valuation difference on available-for-sale securities	(316)	62
Foreign currency translation adjustment	1,069	3,861
Remeasurements of defined benefit plans, net of tax	174	(10)
Total other comprehensive income	927	3,913
Comprehensive income	4,896	7,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,312	6,596
Comprehensive income attributable to non-controlling interests	584	860