

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 2024

Company name: NAGATANEN HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 2899 URL <https://www.nagatanien-hd.co.jp/>
 Representative: Representative Director and President Taijiro Nagatani
 Executive Officer
 Inquiries: General Accounting & Finance Division Teru Eguchi TEL 03-3432-3105
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 28, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	113,821	3.1	5,999	13.2	6,309	18.0	3,370	8.2
Year ended March 31, 2023	110,449	15.8	5,298	9.9	5,346	(11.7)	3,114	(9.5)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	192.89	—	8.3	6.4	5.3
Year ended March 31, 2023	177.37	—	8.7	5.7	4.8

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	99,894	46,872	43.7	2,497.41
As of March 31, 2023	96,615	40,066	38.9	2,149.67

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	10,016	(2,276)	(7,086)	8,990
Year ended March 31, 2023	5,972	(4,030)	(2,101)	8,819

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	15.50	—	15.50	31.00	543	17.5	1.5
Year ended March 31, 2024	—	15.50	—	15.50	31.00	541	16.1	1.3
Year ending March 31, 2025 (Forecast)	—	15.50	—	15.50	31.00		16.4	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	118,800	4.4	6,400	6.7	6,200	(1.7)	3,300	(2.1)	188.84

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	1,664,223 shares	As of March 31, 2023	1,663,619 shares
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Average number of shares during the period

Year ended March 31, 2024	17,474,807 shares	Year ended March 31, 2023	17,560,947 shares
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Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,834	9,005
Notes and accounts receivable - trade	15,968	16,872
Merchandise and finished goods	7,482	7,458
Work in process	1,449	1,834
Raw materials and supplies	7,068	5,846
Other	1,840	1,439
Allowance for doubtful accounts	(87)	(105)
Total current assets	42,556	42,351
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,871	21,459
Accumulated depreciation	(13,237)	(13,606)
Buildings and structures, net	7,634	7,853
Machinery, equipment and vehicles	34,554	37,878
Accumulated depreciation	(23,307)	(25,317)
Machinery, equipment and vehicles, net	11,247	12,560
Land	11,108	11,544
Leased assets	2,603	2,874
Accumulated depreciation	(916)	(1,111)
Leased assets, net	1,687	1,763
Construction in progress	1,205	824
Other	2,808	2,636
Accumulated depreciation	(2,291)	(2,081)
Other, net	516	555
Total property, plant and equipment	33,399	35,101
Intangible assets		
Goodwill	9,309	8,702
Other	252	277
Total intangible assets	9,562	8,979
Investments and other assets		
Investment securities	7,460	9,877
Investments in capital of subsidiaries and associates	179	179
Deferred tax assets	1,167	892
Retirement benefit asset	379	788
Other	1,939	1,752
Allowance for doubtful accounts	(29)	(28)
Total investments and other assets	11,096	13,461
Total non-current assets	54,058	57,542
Total assets	96,615	99,894

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,205	7,347
Electronically recorded obligations - operating	2,584	2,309
Current portion of bonds payable	5,000	60
Short-term borrowings	8,779	9,097
Lease liabilities	464	537
Accounts payable - other	6,052	6,107
Income taxes payable	797	1,015
Provision for bonuses	815	847
Other	2,707	3,221
Total current liabilities	34,407	30,544
Non-current liabilities		
Bonds payable	10,060	10,000
Long-term borrowings	7,460	6,176
Lease liabilities	1,586	1,613
Deferred tax liabilities	973	2,552
Deferred tax liabilities for land revaluation	334	334
Provision for retirement benefits for directors (and other officers)	138	156
Retirement benefit liability	148	136
Asset retirement obligations	286	362
Other	1,153	1,144
Total non-current liabilities	22,141	22,477
Total liabilities	56,548	53,021
Net assets		
Shareholders' equity		
Share capital	3,502	3,502
Capital surplus	3,759	3,759
Retained earnings	32,690	35,530
Treasury shares	(3,231)	(3,232)
Total shareholders' equity	36,721	39,559
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,064	4,303
Revaluation reserve for land	(2,602)	(2,602)
Foreign currency translation adjustment	1,503	2,266
Remeasurements of defined benefit plans	(121)	113
Total accumulated other comprehensive income	844	4,081
Non-controlling interests	2,500	3,231
Total net assets	40,066	46,872
Total liabilities and net assets	96,615	99,894

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	110,449	113,821
Cost of sales	78,626	78,920
Gross profit	31,822	34,900
Selling, general and administrative expenses		
Freight and packing costs	4,450	4,469
Advertising expenses	2,562	2,815
Promotion expenses	761	790
Salaries and bonuses	7,476	8,252
Provision for bonuses	487	488
Provision for retirement benefits for directors (and other officers)	25	25
Provision of allowance for doubtful accounts	—	26
Retirement benefit expenses	198	243
Depreciation	482	608
Other	10,079	11,181
Total selling, general and administrative expenses	26,524	28,901
Operating profit	5,298	5,999
Non-operating income		
Interest income	1	30
Dividend income	163	227
Foreign exchange gains	233	460
Other	160	169
Total non-operating income	559	887
Non-operating expenses		
Interest expenses	309	404
Loss on retirement of non-current assets	54	52
Other	146	119
Total non-operating expenses	510	576
Ordinary profit	5,346	6,309

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of investment securities	13	237
Gain on sale of shares of subsidiaries	—	400
National subsidies	24	—
Reversal of foreign currency translation adjustment - consolidated subsidiaries	43	—
Total extraordinary income	81	637
Extraordinary losses		
Impairment losses	138	177
Loss on retirement of non-current assets	—	1
Loss on valuation of investment securities	—	65
Loss on liquidation of subsidiaries	24	—
Loss on withdrawal from business	29	2
Loss on store closings	1	—
Loss on tax purpose reduction entry of non-current assets	24	—
Total extraordinary losses	217	246
Profit before income taxes	5,210	6,700
Income taxes - current	1,701	2,032
Income taxes - deferred	(6)	545
Total income taxes	1,694	2,577
Profit	3,515	4,123
Profit attributable to non-controlling interests	400	752
Profit attributable to owners of parent	3,114	3,370

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,515	4,123
Other comprehensive income		
Valuation difference on available-for-sale securities	89	2,239
Foreign currency translation adjustment	1,986	909
Remeasurements of defined benefit plans, net of tax	(186)	235
Total other comprehensive income	1,889	3,383
Comprehensive income	5,404	7,507
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,672	6,607
Comprehensive income attributable to non-controlling interests	732	899

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,502	3,759	30,134	(3,026)	34,370
Changes during period					
Dividends of surplus			(544)		(544)
Profit attributable to owners of parent			3,114		3,114
Purchase of treasury shares				(205)	(205)
Change in scope of consolidation			(13)		(13)
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	2,556	(205)	2,350
Balance at end of period	3,502	3,759	32,690	(3,231)	36,721

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,975	(2,602)	(150)	64	(712)	2,032	35,689
Changes during period							
Dividends of surplus						(264)	(809)
Profit attributable to owners of parent							3,114
Purchase of treasury shares							(205)
Change in scope of consolidation							(13)
Net changes in items other than shareholders' equity	89	—	1,654	(186)	1,557	732	2,290
Total changes during period	89	—	1,654	(186)	1,557	468	4,376
Balance at end of period	2,064	(2,602)	1,503	(121)	844	2,500	40,066

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,502	3,759	32,690	(3,231)	36,721
Changes during period					
Dividends of surplus			(541)		(541)
Profit attributable to owners of parent			3,370		3,370
Purchase of treasury shares				(1)	(1)
Change in scope of consolidation			10		10
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	2,840	(1)	2,838
Balance at end of period	3,502	3,759	35,530	(3,232)	39,559

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,064	(2,602)	1,503	(121)	844	2,500	40,066
Changes during period							
Dividends of surplus						(173)	(715)
Profit attributable to owners of parent							3,370
Purchase of treasury shares							(1)
Change in scope of consolidation							10
Net changes in items other than shareholders' equity	2,239	—	762	235	3,236	904	4,141
Total changes during period	2,239	—	762	235	3,236	730	6,806
Balance at end of period	4,303	(2,602)	2,266	113	4,081	3,231	46,872

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,210	6,700
Depreciation	3,181	3,113
Impairment losses	138	177
Amortization of goodwill	895	1,036
Depreciation and amortization on other	65	93
Increase (decrease) in allowance for doubtful accounts	(11)	12
Increase (decrease) in provision for bonuses	63	31
Increase (decrease) in provision for retirement benefits for directors (and other officers)	25	12
Increase (decrease) in retirement benefit liability	(29)	(73)
Interest and dividend income	(165)	(257)
Interest expenses	309	404
National subsidies	(24)	—
Loss (gain) on sale of shares of subsidiaries	—	(400)
Loss (gain) on liquidation of subsidiaries	24	—
Gain on reversal of foreign currency translation adjustments resulting from liquidation of foreign subsidiaries	43	—
Loss (gain) on sale and retirement of property, plant and equipment	60	56
Loss (gain) on sale of investment securities	(13)	(237)
Other non-operating expenses (income)	(460)	(615)
Decrease (increase) in trade receivables	1,184	(560)
Decrease (increase) in inventories	(1,546)	1,242
Increase (decrease) in trade payables	26	(390)
Increase (decrease) in accounts payable - other, and accrued expenses	308	324
Increase (decrease) in accrued consumption taxes	(248)	161
Increase/decrease in other assets/liabilities	(1,691)	177
Subtotal	7,346	11,009
Interest and dividends received	165	257
Interest paid	(286)	(453)
Income taxes paid	(1,489)	(937)
Income taxes refund	237	140
Net cash provided by (used in) operating activities	5,972	10,016

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(3,554)	(4,210)
Proceeds from sale of property, plant and equipment	85	106
Purchase of investment securities	(17)	(113)
Proceeds from sale of investment securities	16	1,279
Proceeds from liquidation of subsidiaries	14	858
Purchase of shares of subsidiaries	(217)	(95)
Payments for acquisition of businesses	(278)	2
Payments of guarantee deposits	(180)	(134)
Proceeds from refund of guarantee deposits	75	31
Subsidies received	24	—
Other, net	1	(1)
Net cash provided by (used in) investing activities	(4,030)	(2,276)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,031	1,425
Proceeds from long-term borrowings	465	677
Repayments of long-term borrowings	(2,556)	(2,619)
Redemption of bonds	—	(5,000)
Repayments of finance lease liabilities	(294)	(577)
Net decrease (increase) in treasury shares	(205)	(1)
Dividends paid	(543)	(992)
Net cash provided by (used in) financing activities	(2,101)	(7,086)
Effect of exchange rate change on cash and cash equivalents	(164)	(481)
Net increase (decrease) in cash and cash equivalents	(323)	171
Cash and cash equivalents at beginning of period	9,142	8,819
Cash and cash equivalents at end of period	8,819	8,990