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Non-consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 15, 2023

Company name: NAKAMURAYA CO., LTD.

Stock exchange listing: Tokyo

Code number: 2204

URL: <https://www.nakamura.co.jp/>

Representative: Tatsuya Suzuki

Contact: Masahiro Hironaka

Phone: 03-5325-2711

Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 30, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts are rounded to the nearest million yen)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	35,554	7.6	(246)	-	(78)	-	(28)	-
March 31, 2022	33,058	7.3	(255)	-	63	-	233	-

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2023	(4.73)	-	(0.1)	(0.2)	(0.7)
March 31, 2022	39.02	-	0.9	0.1	(0.8)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
Fiscal year ended March 31, 2022: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2023	42,480	25,742	60.6	4,318.94
March 31, 2022	42,143	26,084	61.9	4,376.10

(Reference) Equity: As of March 31, 2023: ¥ 25,742 million
As of March 31, 2022: ¥ 26,084 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
March 31, 2023	658	(605)	(17)	1,218
March 31, 2022	504	(250)	(213)	1,182

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	-	-	-	50.00	50.00	298	128.1	1.1
March 31, 2023	-	-	-	50.00	50.00	298	-	1.2
Fiscal year ending								
March 31, 2024 (Forecast)	-	-	-	50.00	50.00		129.6	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2023	12,700	4.4	(2,300)	-	(2,200)	-	(1,600)	-	(268.44)
Full year	36,700	3.2	200	-	440	-	230	-	38.59

* Notes:

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(2) Total number of issued shares (common shares)

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

March 31, 2023:	5,976,205 shares
March 31, 2022:	5,976,205 shares

2) Number of treasury shares at the end of the period:

March 31, 2023:	15,937 shares
March 31, 2022:	15,581 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023:	5,960,428 shares
Fiscal Year ended March 31, 2022:	5,960,741 shares

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	1,187,214	1,222,700
Accounts receivable - trade	4,096,304	4,052,976
Merchandise and finished goods	1,557,629	1,653,612
Work in process	39,236	59,848
Raw materials and supplies	1,038,132	1,698,865
Advance payments	1,391	153
Prepaid expenses	191,325	306,734
Accrued revenue	65,891	68,528
Accounts receivable - other	193,165	181,200
Other	43,679	322,551
Allowance for doubtful accounts	(517)	-
Total current assets	8,413,448	9,567,166
Non-current assets		
Property, plant and equipment		
Buildings	18,070,252	17,419,478
Accumulated depreciation	(9,432,390)	(9,112,616)
Buildings, net	8,637,862	8,306,862
Structures	1,601,119	1,352,459
Accumulated depreciation	(1,021,449)	(765,717)
Structures, net	579,671	586,741
Machinery and equipment	11,954,639	12,092,602
Accumulated depreciation	(8,991,498)	(9,315,769)
Machinery and equipment, net	2,963,141	2,776,832
Vehicles	19,323	19,323
Accumulated depreciation	(19,230)	(19,323)
Vehicles, net	93	0
Tools, furniture and fixtures	1,556,683	1,436,443
Accumulated depreciation	(1,234,748)	(1,160,318)
Tools, furniture and fixtures, net	321,935	276,125
Land	13,132,490	13,134,656
Leased assets	2,981,979	2,985,350
Accumulated depreciation	(1,054,241)	(1,369,830)
Leased assets, net	1,927,738	1,615,520
Construction in progress	12,464	56,500
Total property, plant and equipment	27,575,393	26,753,237
Intangible assets		
Software	45,135	61,601
Telephone subscription right	23,209	23,209
Right to use public facilities	142,960	132,275
Total intangible assets	211,304	217,086

(Thousand yen)

	As of March 31,2022	As of March 31,2023
Investments and other assets		
Investment securities	4,808,902	4,754,453
Shares of subsidiaries and associates	536,056	536,056
Investments in capital	243	243
Long-term prepaid expenses	2,081	66,435
Business guaranty deposits	106,768	105,850
Guaranty deposits	388,158	372,879
Long-term accounts receivable - other	1,871	1,751
Other	100,050	106,839
Allowance for doubtful accounts	(1,631)	(1,631)
Total investments and other assets	5,942,497	5,942,874
Total non-current assets	33,729,195	32,913,197
Total assets	42,142,643	42,480,364
Liabilities		
Current liabilities		
Accounts payable - trade	1,219,359	1,466,733
Short-term borrowings	5,900,000	6,300,000
Lease liabilities	117,203	96,897
Accounts payable - other	1,097,327	1,234,610
Accrued expenses	517,118	515,562
Income taxes payable	103,516	79,816
Accrued consumption taxes	118,605	72,969
Deposits received	29,981	35,220
Provision for bonuses	535,047	537,933
Other	12,582	29,663
Total current liabilities	9,650,736	10,369,403
Non-current liabilities		
Lease liabilities	541,312	447,629
Deferred tax liabilities	2,734,592	2,698,882
Provision for retirement benefits	2,378,204	1,993,221
Asset retirement obligations	261,518	256,335
Long-term unearned revenue	-	481,058
Guarantee deposits received	486,550	486,333
Ritirement	5,460	5,460
Total non-current liabilities	6,407,634	6,368,918
Total liabilities	16,058,371	16,738,320

(Thousand yen)

	As of March 31,2022	As of March 31,2023
Net assets		
Shareholders' equity		
Share capital	7,469,402	7,469,402
Capital surplus		
Legal capital surplus	6,481,558	6,481,558
Other capital surplus	1,688,664	1,688,664
Total capital surplus	8,170,223	8,170,223
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	3,341,190	3,259,665
General reserve	5,204,932	5,204,932
Retained earnings brought forward	458,276	213,601
Total retained earnings	9,004,398	8,678,198
Treasury shares	(66,661)	(67,771)
Total shareholders' equity	24,577,362	24,250,052
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,506,911	1,491,991
Total valuation and translation adjustments	1,506,911	1,491,991
Total net assets	26,084,273	25,742,043
Total liabilities and net assets	42,142,643	42,480,364

Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net sales	33,058,326	35,554,311
Cost of sales		
Beginning merchandise inventory	327,938	331,371
Beginning finished goods inventory	959,715	1,208,997
Beginning semifinished goods	15,458	17,260
Cost of products manufactured	16,836,785	18,684,034
Cost of purchased goods	4,020,455	4,030,731
Cost of houzai goods	197,660	209,494
Total	22,358,011	24,481,887
Ending merchandise inventory	331,371	313,374
Ending finished goods inventory	1,208,997	1,321,839
Ending semifinished goods	17,260	18,399
Other	359,616	394,069
Total cost of sales	21,159,999	23,222,344
Gross profit	11,898,327	12,331,966
Selling, general and administrative expenses		
Selling expenses	9,961,859	10,166,936
General and administrative expenses	2,191,650	2,410,571
Total selling, general and administrative expenses	12,153,509	12,577,507
Operating loss	(255,182)	(245,541)
Non-operating income		
Interest income	4	4
Dividend income	134,797	143,058
Subsidy income	188,066	37,505
Miscellaneous income	37,037	35,914
Total non-operating income	359,904	216,481
Non-operating expenses		
Interest expenses	36,183	36,412
Foreign exchange losses	25	112
Miscellaneous losses	5,508	12,058
Total non-operating expenses	41,716	48,582
Ordinary profit (loss)	63,006	(77,641)
Extraordinary income		
Gain on sale of non-current assets	3,788	59
Gain on sale of investment securities	351,815	104,750
Gain on receipt of donated non-current assets	85,636	-
Total extraordinary income	441,239	104,808
Extraordinary losses		
Loss on sale of non-current assets	2,423	-
Loss on retirement of non-current assets	5,537	11,981
Impairment losses	35,757	79,548
Head office relocation expenses	73,188	-
Total extraordinary losses	116,905	91,528
Profit (loss) before income taxes	387,340	(64,361)
Income taxes - current	45,739	24,492
Income taxes - deferred	109,001	(60,684)
Total income taxes	154,741	(36,193)
Profit (loss)	232,599	(28,169)

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2022

(Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	7,469,402	6,481,558	1,688,664	8,170,223
Changes during period				
Dividends of surplus				
Profit (loss)				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Purchase of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	7,469,402	6,481,558	1,688,664	8,170,223

	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Other retained earnings			Total retained earnings		
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	3,415,329	5,204,932	449,580	9,069,841	(65,904)	24,643,562
Changes during period						
Dividends of surplus			(298,042)	(298,042)		(298,042)
Profit (loss)			232,599	232,599		232,599
Reversal of reserve for tax purpose reduction entry of non-current assets	(74,139)		74,139	-		-
Purchase of treasury shares					(758)	(758)
Net changes in items other than shareholders' equity						
Total changes during period	(74,139)	-	8,697	(65,443)	(758)	(66,200)
Balance at end of period	3,341,190	5,204,932	458,276	9,004,398	(66,661)	24,577,362

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	1,373,612	1,373,612	26,017,174
Changes during period			
Dividends of surplus			(298,042)
Profit (loss)			232,599
Reversal of reserve for tax purpose reduction entry of non-current assets			-
Purchase of treasury shares			(758)
Net changes in items other than shareholders' equity	133,299	133,299	133,299
Total changes during period	133,299	133,299	67,099
Balance at end of period	1,506,911	1,506,911	26,084,273

For the fiscal year ended March 31,2023

(Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	7,469,402	6,481,558	1,688,664	8,170,223
Changes during period				
Dividends of surplus				
Profit (loss)				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Purchase of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	7,469,402	6,481,558	1,688,664	8,170,223

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholders' equity
	Other retained earnings			Total retained earnings			
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward				
Balance at beginning of period	3,341,190	5,204,932	458,276	9,004,398	(66,661)	24,577,362	
Changes during period							
Dividends of surplus			(298,031)	(298,031)		(298,031)	
Profit (loss)			(28,169)	(28,169)		(28,169)	
Reversal of reserve for tax purpose reduction entry of non-current assets	(81,524)		81,524	-		-	
Purchase of treasury shares					(1,110)	(1,110)	
Net changes in items other than shareholders' equity							
Total changes during period	(81,524)	-	(244,676)	(326,200)	(1,110)	(327,310)	
Balance at end of period	3,259,665	5,204,932	213,601	8,678,198	(67,771)	24,250,052	

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	1,506,911	1,506,911	26,084,273
Changes during period			
Dividends of surplus			(298,031)
Profit (loss)			(28,169)
Reversal of reserve for tax purpose reduction entry of non-current assets			-
Purchase of treasury shares			(1,110)
Net changes in items other than shareholders' equity	(14,919)	(14,919)	(14,919)
Total changes during period	(14,919)	(14,919)	(342,229)
Balance at end of period	1,491,991	1,491,991	25,742,043

Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Cash flows from operating activities		
Profit (loss) before income taxes	387,340	(64,361)
Depreciation	1,628,428	1,603,356
Impairment losses	35,757	79,548
Increase (decrease) in allowance for doubtful accounts	53	(518)
Increase (decrease) in provision for bonuses	23,419	2,886
Increase (decrease) in provision for retirement benefits	(920,420)	(384,982)
Interest and dividend income	(134,801)	(143,062)
Interest expenses	36,183	36,412
Foreign exchange losses (gains)	25	112
Loss (gain) on sale of property, plant and equipment	(1,364)	(59)
Loss (gain) on sale of investment securities	(351,815)	(104,750)
Loss on retirement of property, plant and equipment	5,537	11,981
Decrease (increase) in trade receivables	(406,838)	43,329
Decrease (increase) in inventories	(450)	(777,328)
Increase (decrease) in trade payables	98,326	247,374
Increase (decrease) in accrued consumption taxes	15,542	(45,299)
Ritairermentt	(5,091)	-
Increase (decrease) in long-term unearned revenue	-	481,058
Other, net	(102,898)	(407,330)
Subtotal	306,930	578,367
Interest and dividends received	132,382	140,292
Interest paid	(34,906)	(36,261)
Income taxes paid	(16,960)	(36,449)
Income taxes refund	116,521	12,136
Net cash provided by (used in) operating activities	503,967	658,084
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	68	117
Purchase of property, plant and equipment	(533,720)	(748,667)
Proceeds from sale of property, plant and equipment	4,849	909
Purchase of intangible assets	(29,032)	(31,088)
Purchase of investment securities	(11,591)	(11,829)
Proceeds from sale of investment securities	666,392	181,065
Purchase of shares of subsidiaries and associates	(405,035)	-
Investments and loan advances	(10,231)	(9,235)
Proceeds from divestments and collection of loans receivable	68,182	15,526
Payments for asset retirement obligations	-	(1,946)
Net cash provided by (used in) investing activities	(250,118)	(605,147)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,200,000	400,000
Repayments of long-term borrowings	(3,000,000)	-
Repayments of lease liabilities	(113,525)	(117,697)
Decrease (increase) in treasury shares	(758)	(1,110)
Dividends paid	(298,474)	(298,548)
Net cash provided by (used in) financing activities	(212,756)	(17,355)
Effect of exchange rate change on cash and cash equivalents	23	21
Net increase (decrease) in cash and cash equivalents	41,116	35,603
Cash and cash equivalents at beginning of period	1,141,107	1,182,223
Cash and cash equivalents at end of period	1,182,223	1,217,826