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Non-consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 30, 2023

Company name: NAKAMURAYA CO., LTD.

Stock exchange listing: Tokyo

Code number: 2204

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

Representative: Tatsuya Suzuki

Representative Director, Chairman of the Board

Contact: Masahiro Hironaka

Executive Officer

Phone: +81-3-5325-2711

Scheduled date of filing quarterly securities report: November 14, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts are rounded to the nearest million yen.)

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	12,715	4.6	(2,256)	-	(2,180)	-	(1,584)	-
September 30, 2022	12,161	12.6	(2,343)	-	(2,237)	-	(1,545)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	(265.79)	-
September 30, 2022	(259.17)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	45,824	24,635	53.8
March 31, 2023	42,480	25,742	60.6

(Reference) Equity: As of September 30, 2023: ¥ 24,635 million

As of March 31, 2023: ¥ 25,742 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	-	-	50.00	50.00
Fiscal year ending March 31, 2024	-	-			
Fiscal year ending March 31, 2024 (Forecast)			-	50.00	50.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	36,700	3.2	200	-	440	-	230	-	38.59

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly Non-consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

September 30, 2023: 5,976,205 shares

March 31, 2023: 5,976,205 shares

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

September 30, 2023: 16,413 shares

March 31, 2023: 15,937 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 5,960,115 shares

Six months ended September 30, 2022: 5,960,549 shares

Quarterly Non-consolidated Financial Statements
Quarterly Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,222,700	1,507,878
Accounts receivable - trade	4,052,976	4,656,695
Merchandise and finished goods	1,653,612	2,195,591
Work in process	59,848	71,417
Raw materials and supplies	1,698,865	3,114,391
Other	879,166	664,048
Total current assets	9,567,166	12,210,021
Non-current assets		
Property, plant and equipment		
Buildings, net	8,306,862	8,131,779
Structures, net	586,741	707,056
Machinery and equipment, net	2,776,832	2,608,972
Vehicles, net	0	0
Tools, furniture and fixtures, net	276,125	247,940
Land	13,134,656	13,134,656
Leased assets, net	1,615,520	1,466,125
Construction in progress	56,500	75,984
Total property, plant and equipment	26,753,237	26,372,512
Intangible assets		
Other	217,086	202,958
Total intangible assets	217,086	202,958
Investments and other assets		
Investment securities	4,754,453	5,884,533
Shares of subsidiaries and associates	536,056	536,056
Other	653,996	619,628
Allowance for doubtful accounts	(1,631)	(1,631)
Total investments and other assets	5,942,874	7,038,586
Total non-current assets	32,913,197	33,614,057
Total assets	42,480,364	45,824,078

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,466,733	1,608,137
Short-term borrowings	6,300,000	7,300,000
Lease liabilities	96,897	85,061
Accounts payable - other	1,234,610	1,758,148
Accrued expenses	515,562	528,269
Income taxes payable	79,816	56,937
Provision for bonuses	537,933	538,071
Other	137,852	610,965
Total current liabilities	10,369,403	12,485,588
Non-current liabilities		
Lease liabilities	447,629	409,766
Deferred tax liabilities	2,698,882	2,340,974
Provision for retirement benefits	1,993,221	1,605,248
Asset retirement obligations	256,335	256,898
Long-term unearned revenue	481,058	3,604,671
Guarantee deposits received	486,333	486,333
Ritirement	5,460	-
Total non-current liabilities	6,368,918	8,703,890
Total liabilities	16,738,320	21,189,478
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	3,259,665	3,222,744
General reserve	5,204,932	5,204,932
Retained earnings brought forward	213,601	(1,631,606)
Total retained earnings	8,678,198	6,796,070
Treasury shares	(67,771)	(69,245)
Total shareholders' equity	24,250,052	22,366,450
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,491,991	2,268,150
Total valuation and translation adjustments	1,491,991	2,268,150
Total net assets	25,742,043	24,634,600
Total liabilities and net assets	42,480,364	45,824,078

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	12,161,147	12,714,734
Cost of sales	9,067,095	9,410,516
Gross profit	3,094,052	3,304,219
Selling, general and administrative expenses		
Selling expenses	4,304,684	4,338,367
General and administrative expenses	1,132,694	1,221,560
Total selling, general and administrative expenses	5,437,378	5,559,927
Operating loss	(2,343,325)	(2,255,708)
Non-operating income		
Dividend income	66,730	76,501
Insurance claim income	5,104	5,277
Subsidy income	37,505	-
Other	13,879	12,199
Total non-operating income	123,218	93,977
Non-operating expenses		
Interest expenses	16,269	17,885
Other	836	687
Total non-operating expenses	17,105	18,572
Ordinary loss	(2,237,212)	(2,180,303)
Extraordinary income		
Gain on sale of non-current assets	-	100
Total extraordinary income	-	100
Extraordinary losses		
Loss on sale of non-current assets	-	30
Loss on retirement of non-current assets	671	6,414
Environmental expenses	-	89,770
Total extraordinary losses	671	96,214
Loss before income taxes	(2,237,882)	(2,276,417)
Income taxes - current	10,925	13,206
Income taxes - deferred	(704,037)	(705,508)
Total income taxes	(693,112)	(692,302)
Loss	(1,544,770)	(1,584,115)

Quarterly Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Loss before income taxes	(2,237,882)	(2,276,417)
Depreciation	795,801	800,775
Increase (decrease) in allowance for doubtful accounts	(25)	-
Increase (decrease) in provision for bonuses	(3,453)	138
Increase (decrease) in provision for retirement benefits	(173,886)	(387,973)
Interest and dividend income	(66,732)	(76,502)
Interest expenses	16,269	17,885
Foreign exchange losses (gains)	91	6
Loss (gain) on sale of property, plant and equipment	-	(70)
Loss on retirement of property, plant and equipment	671	6,414
Decrease (increase) in trade receivables	220,795	(603,720)
Decrease (increase) in inventories	(1,245,400)	(1,969,075)
Increase (decrease) in trade payables	362,704	141,405
Increase (decrease) in accounts payable - other	159,110	539,225
Increase (decrease) in accrued consumption taxes	(118,267)	(72,540)
Increase (decrease) in unearned revenue	-	553,407
Increase (decrease) in long-term unearned revenue	-	3,123,613
Ritirementt	-	(5,460)
Other, net	(141,965)	199,493
Subtotal	(2,432,170)	(9,396)
Interest and dividends received	73,702	77,428
Interest paid	(13,374)	(16,181)
Income taxes paid	(35,653)	(27,237)
Income taxes refund	12,136	21,609
Net cash provided by (used in) operating activities	(2,395,359)	46,224
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	19
Purchase of property, plant and equipment	(281,315)	(418,909)
Proceeds from sale of property, plant and equipment	-	293
Purchase of intangible assets	-	(5,123)
Purchase of investment securities	(5,914)	(6,322)
Investments and loan advances	(555)	(250)
Proceeds from divestments and collection of loans receivable	15,454	23,062
Payments for asset retirement obligations	(1,946)	-
Net cash provided by (used in) investing activities	(274,276)	(407,228)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,900,000	1,000,000
Repayments of lease liabilities	(58,725)	(54,417)
Decrease (increase) in treasury shares	(590)	(1,474)
Dividends paid	(298,113)	(297,938)
Net cash provided by (used in) financing activities	2,542,573	646,171
Effect of exchange rate change on cash and cash equivalents	43	31
Net increase (decrease) in cash and cash equivalents	(127,019)	285,198
Cash and cash equivalents at beginning of period	1,182,223	1,217,826
Cash and cash equivalents at end of period	1,055,204	1,503,024