

Translation

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Summary of Consolidated Financial Results for the Year Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

Company name: Nagaoka International Corporation
 Stock exchange listing: Tokyo
 Stock code: 6239 URL <https://www.nagaokajapan.co.jp/>
 Representative: President & CEO Yasuhisa Umezu
 Inquiries: Director, Administrative Headquarters Toshiya Tatemoto TEL 06(6261)6600
 Scheduled date of ordinary general meeting of shareholders: September 26, 2024
 Scheduled date to file Securities Report: September 26, 2024
 Scheduled date to commence dividend payments: September 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended June 30, 2024 (from July 1, 2023 to June 30, 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 June 30, 2024	9,505	16.7	1,682	28.3	1,828	35.2	1,150	32.7
Year ended June 30, 2023	8,148	28.8	1,310	66.6	1,352	36.4	867	9.1

	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 June 30, 2024	166.61	–	18.2	19.1	17.7
Year ended June 30, 2023	123.05	–	16.4	16.6	16.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	10,253	7,000	68.3	1,000.75
As of June 30, 2023	8,886	5,630	63.4	798.75

(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 June 30, 2024	2,296	(182)	(1,772)	2,446
Year ended June 30, 2023	365	(49)	(309)	2,021

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 June 30, 2023	–	0.00	–	23.00	23.00	162	18.7	3.1
Year ended June 30, 2024	–	0.00	–	34.00	34.00	237	20.4	3.8
Year ending June 30, 2025 (Forecast)	–	0.00	–	35.00	35.00		20.4	

3. Forecast of consolidated financial results for the year ending June 30, 2025 (from July 1, 2024 to June 30, 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	11,200	17.8	1,850	10.0	1,850	1.2	1,200	4.3	171.55

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended June 30, 2024: 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 June 30, 2024	7,078,400 shares	As of June 30, 2023	7,078,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	83,285 shares	As of June 30, 2023	29,199 shares
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Average number of shares during the period

Year ended June 30, 2024	6,906,516 shares	Year ended June 30, 2023	7,049,201 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	2,112,685	2,537,659
Notes receivable - trade	110,435	60,480
Accounts receivable - trade	1,544,314	1,918,987
Contract assets	2,340,424	1,855,113
Electronically recorded monetary claims - operating	312,064	331,968
Merchandise and finished goods	9,559	17,605
Work in process	121,618	117,009
Raw materials and supplies	398,970	537,138
Other	258,764	311,837
Allowance for doubtful accounts	(7,081)	(17,572)
Total current assets	7,201,755	7,670,230
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,224,972	1,365,742
Accumulated depreciation	(508,293)	(610,084)
Accumulated impairment	(12,371)	(14,017)
Buildings and structures, net	704,308	741,640
Machinery, equipment and vehicles	1,036,890	1,325,845
Accumulated depreciation	(729,413)	(990,276)
Accumulated impairment	(107,811)	(119,995)
Machinery, equipment and vehicles, net	199,666	215,572
Tools, furniture and fixtures	415,310	443,093
Accumulated depreciation	(353,485)	(370,662)
Accumulated impairment	(1,799)	(1,967)
Tools, furniture and fixtures, net	60,024	70,463
Land	149,095	149,095
Leased assets	208,701	36,570
Accumulated depreciation	(168,264)	(17,984)
Leased assets, net	40,436	18,586
Construction in progress	8,122	2,418
Total property, plant and equipment	1,161,654	1,197,775
Intangible assets		
Goodwill	19,151	14,363
Other	314,730	314,379
Total intangible assets	333,881	328,742
Investments and other assets		
Investment securities	–	120,600
Long-term prepaid expenses	18,549	733,404
Deferred tax assets	82,094	88,613
Other	88,982	113,992
Total investments and other assets	189,625	1,056,611
Total non-current assets	1,685,161	2,583,129
Total assets	8,886,916	10,253,359

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	917,037	862,516
Short-term borrowings	953,643	118,504
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	33,524	109,924
Lease liabilities	5,113	6,541
Accounts payable - other	296,706	434,103
Accrued expenses	232,493	478,134
Income taxes payable	206,539	392,038
Contract liabilities	258,497	519,759
Provision for bonuses	3,770	3,250
Other	48,875	161,073
Total current liabilities	2,966,200	3,095,845
Non-current liabilities		
Bonds payable	20,000	10,000
Long-term borrowings	160,460	50,536
Lease liabilities	11,610	14,456
Retirement benefit liability	80,530	75,864
Long-term unearned revenue	17,536	6,284
Total non-current liabilities	290,136	157,140
Total liabilities	3,256,337	3,252,985
Net assets		
Shareholders' equity		
Share capital	1,253,241	1,253,241
Capital surplus	785,195	974,311
Retained earnings	3,121,648	4,110,209
Treasury shares	(20,106)	(103,026)
Total shareholders' equity	5,139,979	6,234,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	14,899
Deferred gains or losses on hedges	(15,253)	(969)
Foreign currency translation adjustment	505,853	751,708
Total accumulated other comprehensive income	490,600	765,638
Total net assets	5,630,579	7,000,374
Total liabilities and net assets	8,886,916	10,253,359

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

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	8,148,016	9,505,480
Cost of sales	5,266,101	5,765,469
Gross profit	2,881,915	3,740,011
Selling, general and administrative expenses	1,570,951	2,057,558
Operating profit	1,310,963	1,682,452
Non-operating income		
Interest income	4,531	8,342
Foreign exchange gains	24,748	84,333
Gain on sale of scraps	24,723	54,116
Subsidy income	20,831	13,340
Other	3,412	5,524
Total non-operating income	78,246	165,657
Non-operating expenses		
Interest expenses	32,087	17,570
Commission expenses	4,415	406
Other	313	1,328
Total non-operating expenses	36,816	19,305
Ordinary profit	1,352,393	1,828,804
Extraordinary income		
Gain on sale of non-current assets	–	317
Total extraordinary income	–	317
Extraordinary losses		
Impairment losses	105,405	–
Loss on sale of non-current assets	–	343
Loss on retirement of non-current assets	111	6,406
Total extraordinary losses	105,516	6,750
Profit before income taxes	1,246,876	1,822,371
Income taxes - current	413,815	690,900
Income taxes - deferred	(34,319)	(19,222)
Total income taxes	379,495	671,678
Profit	867,380	1,150,692
Profit attributable to owners of parent	867,380	1,150,692

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Profit	867,380	1,150,692
Other comprehensive income		
Valuation difference on available-for-sale securities	–	14,899
Deferred gains or losses on hedges	(8,527)	14,284
Foreign currency translation adjustment	(57,451)	245,854
Total other comprehensive income	(65,978)	275,037
Comprehensive income	801,402	1,425,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	801,402	1,425,730

Consolidated statements of changes in equity

Fiscal year ended June 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,253,241	785,195	2,395,252	(20,106)	4,413,582
Changes during period					
Dividends of surplus			(140,984)		(140,984)
Profit attributable to owners of parent			867,380		867,380
Net changes in items other than shareholders' equity					
Total changes during period	–	–	726,396	–	726,396
Balance at end of period	1,253,241	785,195	3,121,648	(20,106)	5,139,979

	Accumulated other comprehensive income			Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(6,726)	563,305	556,579	4,970,161
Changes during period				
Dividends of surplus				(140,984)
Profit attributable to owners of parent				867,380
Net changes in items other than shareholders' equity	(8,527)	(57,451)	(65,978)	(65,978)
Total changes during period	(8,527)	(57,451)	(65,978)	660,418
Balance at end of period	(15,253)	505,853	490,600	5,630,579

Fiscal year ended June 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,253,241	785,195	3,121,648	(20,106)	5,139,979
Changes during period					
Dividends of surplus			(162,131)		(162,131)
Profit attributable to owners of parent			1,150,692		1,150,692
Purchase of treasury shares				(689,074)	(689,074)
Disposal of treasury shares		189,115		606,154	795,270
Net changes in items other than shareholders' equity					
Total changes during period	–	189,115	988,560	(82,919)	1,094,756
Balance at end of period	1,253,241	974,311	4,110,209	(103,026)	6,234,735

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	–	(15,253)	505,853	490,600	5,630,579
Changes during period					
Dividends of surplus					(162,131)
Profit attributable to owners of parent					1,150,692
Purchase of treasury shares					(689,074)
Disposal of treasury shares					795,270
Net changes in items other than shareholders' equity	14,899	14,284	245,854	275,037	275,037
Total changes during period	14,899	14,284	245,854	275,037	1,369,794
Balance at end of period	14,899	(969)	751,708	765,638	7,000,374

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,246,876	1,822,371
Depreciation	220,255	169,042
Amortization of goodwill	4,787	4,787
Impairment losses	105,405	–
Increase (decrease) in allowance for doubtful accounts	3,635	10,490
Increase (decrease) in retirement benefit liability	2,412	(4,666)
Interest and dividend income	(4,569)	(10,742)
Foreign exchange losses (gains)	(9,533)	(851)
Interest expenses	32,087	17,570
Commission expenses	4,415	406
Loss on retirement of non-current assets	111	6,406
Decrease (increase) in trade receivables	(1,488,658)	327,514
Decrease (increase) in inventories	151,746	(111,004)
Increase (decrease) in trade payables	380,305	(102,358)
Increase (decrease) in accrued expenses	44,334	239,617
Increase (decrease) in contract liabilities	140,651	218,037
Increase (decrease) in accounts payable - other	(33,026)	67,490
Other, net	15,828	147,649
Subtotal	817,065	2,801,761
Interest and dividends received	4,569	10,742
Interest paid	(34,551)	(24,482)
Income taxes paid	(421,615)	(491,841)
Net cash provided by (used in) operating activities	365,468	2,296,179
Cash flows from investing activities		
Purchase of property, plant and equipment	(31,565)	(46,488)
Purchase of intangible assets	(1,591)	(3,958)
Purchase of investment securities	–	(99,137)
Payments of guarantee deposits	(21,884)	(35,120)
Proceeds from refund of guarantee deposits	2,154	2,062
Other, net	3,046	(252)
Net cash provided by (used in) investing activities	(49,840)	(182,895)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	44,535	(871,493)
Proceeds from long-term borrowings	77,000	–
Repayments of long-term borrowings	(270,624)	(33,524)
Redemption of bonds	(10,000)	(10,000)
Repayments of lease liabilities	(4,928)	(6,272)
Purchase of treasury shares	–	(689,074)
Dividends paid	(140,828)	(162,002)
Other, net	(4,415)	(406)
Net cash provided by (used in) financing activities	(309,260)	(1,772,773)
Effect of exchange rate change on cash and cash equivalents	(12,204)	84,463
Net increase (decrease) in cash and cash equivalents	(5,837)	424,974
Cash and cash equivalents at beginning of period	2,027,293	2,021,456
Cash and cash equivalents at end of period	2,021,456	2,446,431