

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2024 (Based on Japanese GAAP)

February 12, 2025

Company name: Nagaoka International Corporation
 Stock exchange listing: Tokyo
 Stock code: 6239 URL <https://www.nagaokajapan.co.jp/>
 Representative: President & CEO Yasuhisa Umezu
 Inquiries: Managing Director Toshiya Tatamoto TEL 06(6261)6600
 Scheduled date to file Semi-annual Securities Report: February 13, 2025
 Scheduled date to commence dividend payments: –
 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 six months ended December 31, 2024 (from July 1, 2024 to December 31, 2024)

(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	%
Six months ended December 31, 2024	3,604	2.4	494	(17.0)	512	(20.5)	336	(22.3)
Six months ended December 31, 2023	3,520	11.9	595	106.3	645	123.6	432	93.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended December 31, 2024	48.13	–
Six months ended December 31, 2023	61.42	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	8,697	7,033	80.9
As of June 30, 2024	10,253	7,000	68.3

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 June 30, 2024	–	0.00	–	34.00	34.00
Year ending June 30, 2025	–	0.00			
Year ending June 30, 2025 (Forecast)			–	35.00	35.00

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	171.68

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended December 31, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(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, 2024	7,078,400 shares	As of June 30, 2024	7,078,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	91,985 shares	As of June 30, 2024	83,285 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2024	6,992,691 shares	Six months ended December 31, 2023	7,049,184 shares
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Semi-annual consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	2,537,659	2,327,096
Notes and accounts receivable - trade, and contract assets	3,834,581	2,896,111
Electronically recorded monetary claims - operating	331,968	88,161
Merchandise and finished goods	17,605	16,718
Work in process	117,009	283,811
Raw materials and supplies	537,138	443,014
Other	311,837	245,851
Allowance for doubtful accounts	(17,572)	(5,601)
Total current assets	7,670,230	6,295,165
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	741,640	705,692
Machinery, equipment and vehicles, net	215,572	205,667
Land	149,095	149,095
Leased assets, net	18,586	15,600
Construction in progress	2,418	2,418
Other, net	70,463	82,836
Total property, plant and equipment	1,197,775	1,161,311
Intangible assets		
Goodwill	14,363	11,969
Other	314,379	293,742
Total intangible assets	328,742	305,712
Investments and other assets		
Long-term prepaid expenses	733,404	679,145
Deferred tax assets	88,613	39,507
Other	234,592	226,711
Allowance for doubtful accounts	—	(9,567)
Total investments and other assets	1,056,611	935,797
Total non-current assets	2,583,129	2,402,820
Total assets	10,253,359	8,697,986

(Thousands of yen)

	As of June 30, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	862,516	668,686
Short-term borrowings	118,504	100,000
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	109,924	109,924
Income taxes payable	392,038	60,007
Provision for bonuses	3,250	5,389
Provision for bonuses for directors (and other officers)	—	28,800
Other	1,599,612	534,216
Total current liabilities	3,095,845	1,517,023
Non-current liabilities		
Bonds payable	10,000	5,000
Long-term borrowings	50,536	45,574
Retirement benefit liability	75,864	81,120
Other	20,740	15,819
Total non-current liabilities	157,140	147,513
Total liabilities	3,252,985	1,664,537
Net assets		
Shareholders' equity		
Share capital	1,253,241	1,253,241
Capital surplus	974,311	974,311
Retained earnings	4,110,209	4,208,941
Treasury shares	(103,026)	(103,026)
Total shareholders' equity	6,234,735	6,333,467
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,899	(3,705)
Deferred gains or losses on hedges	(969)	2,782
Foreign currency translation adjustment	751,708	700,905
Total accumulated other comprehensive income	765,638	699,981
Total net assets	7,000,374	7,033,449
Total liabilities and net assets	10,253,359	8,697,986

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2023	Six months ended December 31, 2024
Net sales	3,520,468	3,604,738
Cost of sales	2,044,092	2,182,099
Gross profit	1,476,376	1,422,638
Selling, general and administrative expenses	881,053	928,435
Operating profit	595,322	494,203
Non-operating income		
Interest income	3,189	6,517
Foreign exchange gains	10,808	—
Gain on sale of scraps	35,273	35,656
Subsidy income	11,012	1,995
Other	2,549	2,012
Total non-operating income	62,833	46,181
Non-operating expenses		
Interest expenses	12,996	3,551
Commission expenses	76	—
Foreign exchange losses	—	9,658
Loss on extinguishment share-based compensation expenses	—	14,120
Other	2	385
Total non-operating expenses	13,075	27,715
Ordinary profit	645,080	512,668
Extraordinary income		
Gain on sale of non-current assets	310	—
Total extraordinary income	310	—
Extraordinary losses		
Loss on sale of non-current assets	336	—
Loss on retirement of non-current assets	438	—
Total extraordinary losses	774	—
Profit before income taxes	644,616	512,668
Income taxes - current	150,388	120,472
Income taxes - deferred	61,265	55,630
Total income taxes	211,653	176,103
Profit	432,963	336,565
Profit attributable to owners of parent	432,963	336,565

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2023	Six months ended December 31, 2024
Profit	432,963	336,565
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,622)	(18,604)
Deferred gains or losses on hedges	18,608	3,751
Foreign currency translation adjustment	(38,254)	(50,803)
Total other comprehensive income	(21,268)	(65,656)
Comprehensive income	411,694	270,909
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	411,694	270,909

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended December 31, 2023	Six months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	644,616	512,668
Depreciation	91,760	76,775
Amortization of goodwill	2,393	2,393
Share-based payment expenses	—	39,520
Increase (decrease) in allowance for doubtful accounts	(4,542)	(2,403)
Increase (decrease) in provision for bonuses	309	2,139
Increase (decrease) in provision for bonuses for directors (and other officers)	46,500	28,800
Increase (decrease) in retirement benefit liability	(292)	5,256
Interest and dividend income	(3,189)	(6,517)
Foreign exchange losses (gains)	367	(3,708)
Interest expenses	12,996	3,551
Commission expenses	76	—
Loss on extinguishment share-based compensation expenses	—	14,120
Loss on retirement of non-current assets	438	—
Decrease (increase) in trade receivables	1,234,961	1,130,006
Decrease (increase) in inventories	(161,695)	(81,887)
Increase (decrease) in trade payables	(348,883)	(176,645)
Increase (decrease) in accrued expenses	(66,580)	(324,581)
Increase (decrease) in contract liabilities	(53,611)	(263,264)
Increase (decrease) in accounts payable - other	(139,667)	(299,979)
Other, net	13,748	(45,125)
Subtotal	1,269,706	611,118
Interest and dividends received	3,189	6,517
Interest paid	(15,832)	(3,856)
Income taxes paid	(237,815)	(443,187)
Net cash provided by (used in) operating activities	1,019,249	170,592
Cash flows from investing activities		
Payments into time deposits	—	(105,000)
Purchase of investment securities	(99,137)	—
Purchase of property, plant and equipment	(32,707)	(79,971)
Purchase of intangible assets	(1,965)	(2,587)
Payments of guarantee deposits	(2,367)	(21,037)
Proceeds from refund of guarantee deposits	—	3,906
Other, net	17	(30)
Net cash provided by (used in) investing activities	(136,160)	(204,720)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(493,675)	(15,674)
Repayments of long-term borrowings	(28,562)	(4,962)
Redemption of bonds	(5,000)	(5,000)
Repayments of lease liabilities	(3,011)	(3,267)
Dividends paid	(161,930)	(237,578)
Other, net	(116)	—
Net cash provided by (used in) financing activities	(692,296)	(266,483)
Effect of exchange rate change on cash and cash equivalents	(33,026)	(18,301)
Net increase (decrease) in cash and cash equivalents	157,765	(318,913)
Cash and cash equivalents at beginning of period	2,021,456	2,446,431
Cash and cash equivalents at end of period	2,179,221	2,127,518