

Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]



November 5, 2021

Company name: Neturen Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5976

URL: <https://www.k-neturen.co.jp/>

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Scheduled date of filing quarterly securities report: November 10, 2021

Scheduled date of commencing dividend payments: December 6, 2021

Availability of supplementary explanatory materials on quarterly financial results: Available

Availability of quarterly financial results briefing: Available (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 1, 2021 - September 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2021	24,390	32.8	1,829	—	2,146	—	1,357	—
September 30, 2020	18,367	(26.3)	(697)	—	(447)	—	(653)	—

(Note) Comprehensive income: Six months ended September 30, 2021: ¥2,582 million [—%]

Six months ended September 30, 2020: ¥(1,039) million [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	34.03	—
September 30, 2020	(16.00)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2021	78,384	64,546	73.8
As of March 31, 2021	75,574	62,714	74.4

(Reference) Equity: As of September 30, 2021: ¥57,825 million

As of March 31, 2021: ¥56,233 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, 2021	–	5.00	–	9.00	14.00
Fiscal year ending March 31, 2022	–	13.00			
Fiscal year ending March 31, 2022 (Forecast)			–	12.00	25.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	51,500	21.0	3,300	258.6	3,700	150.7	2,400	795.0	60.21

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: –

Excluded: –

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please see “2. Quarterly Consolidated Financial Statements (3) Notes to Quarterly Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)” on page 7 of the appendix (Japanese version only).

(3) 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: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)

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

September 30, 2021: 43,790,500 shares

March 31, 2021: 43,790,500 shares

2) Total number of treasury shares at the end of the period:

September 30, 2021: 3,883,905 shares

March 31, 2021: 3,928,280 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 39,881,228 shares

Six months ended September 30, 2020: 40,826,604 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

(Notes on forward-looking statements, etc.)

The forward-looking statements contained in this document are based on judgments made in accordance with information available at the time of the release of this document and include many uncertain factors. Actual results may differ from these forecasts due to changes in business conditions and other factors.

For the assumptions used for the financial results forecast as well as precautions regarding the use of such forecast, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation Regarding Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments (Japanese version only).

(Access to the materials for the quarterly financial results briefing session for the second quarter)

The quarterly financial results briefing session for the second quarter (for institutional investors and analysts) is scheduled for November 26, 2021. Supplementary materials for the quarterly financial results (materials for the quarterly financial results briefing session for the six months ended September 30, 2021) will be disclosed via TDnet and on the Company’s website following the briefing session.

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	14,675	17,342
Notes and accounts receivable – trade	10,717	—
Notes and accounts receivable - trade, and contract assets	—	9,371
Electronically recorded monetary claims	3,640	3,872
Securities	383	272
Finished goods	885	1,385
Work in process	1,570	2,072
Raw materials and supplies	2,217	2,776
Other	1,430	2,359
Allowance for doubtful accounts	(41)	(41)
Total current assets	35,478	39,411
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,527	8,413
Machinery, equipment and vehicles, net	9,337	9,039
Land	9,866	9,887
Construction in progress	1,081	930
Other, net	349	659
Total property, plant and equipment	29,163	28,931
Intangible assets		
Leasehold interests in land	639	641
Goodwill	4	2
Other	141	117
Total intangible assets	785	760
Investments and other assets		
Investment securities	8,686	8,348
Long-term loans receivable	28	24
Retirement benefit asset	86	80
Other	1,426	907
Allowance for doubtful accounts	(79)	(79)
Total investments and other assets	10,147	9,281
Total non-current assets	40,096	38,973
Total assets	75,574	78,384

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,793	2,941
Electronically recorded obligations – operating	3,008	3,196
Short-term borrowings	1,486	1,332
Income taxes payable	268	661
Provision for bonuses	699	776
Provision for bonuses for directors (and other officers)	12	13
Other	2,122	2,536
Total current liabilities	10,391	11,458
Non-current liabilities		
Long-term borrowings	1,268	1,008
Provision for share awards for directors (and other officers)	3	5
Retirement benefit liability	562	538
Other	634	828
Total non-current liabilities	2,469	2,380
Total liabilities	12,860	13,838
Net assets		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	4,698	4,688
Retained earnings	47,415	48,359
Treasury shares	(3,106)	(3,071)
Total shareholders' equity	55,425	56,395
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,141	832
Foreign currency translation adjustment	(452)	483
Remeasurements of defined benefit plans	118	113
Total accumulated other comprehensive income	807	1,430
Non-controlling interests	6,481	6,721
Total net assets	62,714	64,546
Total liabilities and net assets	75,574	78,384

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
For the six months ended September 30

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Net sales	18,367	24,390
Cost of sales	15,567	18,818
Gross profit	2,800	5,571
Selling, general and administrative expenses	3,498	3,742
Operating income (loss)	(697)	1,829
Non-operating income		
Interest income	42	24
Dividend income	58	50
Share of profit of entities accounted for using equity method	55	112
Foreign exchange gains	16	9
Gain on sales of scraps	23	75
Other	77	75
Total non-operating income	274	348
Non-operating expenses		
Interest expenses	17	21
Other	6	9
Total non-operating expenses	24	31
Ordinary income (loss)	(447)	2,146
Extraordinary income		
Gain on sales of non-current assets	0	12
Gain on sales of investment securities	—	10
Insurance claim income	33	—
Subsidy income	1	55
Total extraordinary income	35	77
Extraordinary losses		
Loss on retirement of non-current assets	2	6
Other	—	1
Total extraordinary losses	2	7
Profit (loss) before income taxes	(414)	2,215
Income taxes	131	644
Profit (loss)	(545)	1,570
Profit (loss) attributable to:		
Profit (loss) attributable to owners of parent	(653)	1,357
Profit (loss) attributable to non-controlling interests	107	213
Other comprehensive income		
Valuation difference on available-for-sale securities	384	(303)
Foreign currency translation adjustment	(721)	1,189
Remeasurements of defined benefit plans, net of tax	6	(5)
Share of other comprehensive income of entities accounted for using equity method	(162)	130
Total other comprehensive income	(493)	1,011
Comprehensive income	(1,039)	2,582
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(986)	1,977
Comprehensive income attributable to non-controlling interests	(53)	604