

**Consolidated Financial Results  
for the Nine Months  
Ended December 31, 2022  
[Japanese GAAP]**



February 7, 2023

Company name: Neturen Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5976

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

Representative: Katsumi Omiya, Representative Director, Member of the Board, President and Chief Executive Officer

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Scheduled date of filing quarterly securities report: February 10, 2023

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: No

Availability of quarterly financial results briefing: No

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

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 2022)**

(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	%
Nine months ended December 31, 2022	43,017	13.4	1,976	(24.1)	2,662	(14.9)	1,518	(22.5)
December 31, 2021	37,946	27.5	2,605	–	3,127	–	1,958	545.1

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥4,934 million [56.6%]

Nine months ended December 31, 2021: ¥3,150 million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	39.13	–
December 31, 2021	49.10	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	83,179	68,431	72.9
As of March 31, 2022	82,003	66,859	72.7

(Reference) Equity: As of December 31, 2022: ¥60,632 million

As of March 31, 2022: ¥59,646 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, 2022	–	13.00	–	17.00	30.00
Fiscal year ending March 31, 2023	–	15.00	–		
Fiscal year ending March 31, 2023 (Forecast)				15.00	30.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	58,000	9.4	2,500	(32.5)	3,300	(25.3)	1,700	(36.8)	45.08

(Note) Revision to the financial results forecast announced most recently: Yes

### \* 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: None

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):

December 31, 2022: 40,906,500 shares

March 31, 2022: 40,906,500 shares

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

December 31, 2022: 3,197,635 shares

March 31, 2022: 1,000,118 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 38,815,446 shares

Nine months ended December 31, 2021: 39,888,801 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).

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

(Million yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	19,213	18,199
Notes and accounts receivable - trade, and contract assets	12,696	11,899
Electronically recorded monetary claims	2,954	3,517
Securities	338	200
Finished goods	1,170	1,490
Work in process	1,781	2,596
Raw materials and supplies	2,847	3,331
Other	1,773	2,584
Allowance for doubtful accounts	(52)	(55)
Total current assets	42,723	43,764
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,295	8,400
Machinery, equipment and vehicles, net	8,549	8,356
Land	9,848	9,913
Construction in progress	627	468
Other, net	747	735
Total property, plant and equipment	28,067	27,873
Intangible assets		
Leasehold interests in land	669	753
Other	108	125
Total intangible assets	778	878
Investments and other assets		
Investment securities	8,737	9,175
Long-term loans receivable	20	18
Retirement benefit asset	71	10
Other	1,683	1,537
Allowance for doubtful accounts	(79)	(78)
Total investments and other assets	10,434	10,663
Total non-current assets	39,280	39,415
Total assets	82,003	83,179

(Million yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	3,755	3,596
Electronically recorded obligations – operating	3,451	4,507
Short-term borrowings	1,412	1,351
Income taxes payable	974	201
Provision for bonuses	708	333
Provision for bonuses for directors (and other officers)	41	10
Provision for share awards for directors (and other officers)	–	8
Other	2,681	3,199
Total current liabilities	13,026	13,208
Non-current liabilities		
Long-term borrowings	738	145
Provision for share awards for directors (and other officers)	7	8
Retirement benefit liability	450	406
Other	921	980
Total non-current liabilities	2,117	1,540
Total liabilities	15,144	14,748
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	2,407	2,393
Retained earnings	49,174	49,438
Treasury shares	(790)	(2,268)
Total shareholders' equity	57,209	55,982
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,327	1,475
Foreign currency translation adjustment	959	3,034
Remeasurements of defined benefit plans	150	140
Total accumulated other comprehensive income	2,436	4,650
Non-controlling interests	7,212	7,798
Total net assets	66,859	68,431
<b>Total liabilities and net assets</b>	<b>82,003</b>	<b>83,179</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
For the nine months ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	37,946	43,017
Cost of sales	29,647	35,218
Gross profit	8,298	7,798
Selling, general and administrative expenses	5,693	5,822
Operating income	2,605	1,976
Non-operating income		
Interest income	48	66
Dividend income	91	151
Share of profit of entities accounted for using equity method	126	61
Foreign exchange gains	53	168
Gain on sales of scraps	122	138
Other	129	162
Total non-operating income	570	748
Non-operating expenses		
Interest expenses	32	45
Other	16	16
Total non-operating expenses	48	62
Ordinary income	3,127	2,662
Extraordinary income		
Gain on sales of non-current assets	12	12
Gain on sales of investment securities	10	6
Insurance claim income	1	5
Subsidy income	62	5
Total extraordinary income	86	30
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	11	7
Compensation for damage	5	—
Total extraordinary losses	17	7
Profit before income taxes	3,196	2,685
Income taxes	920	818
Profit	2,275	1,867
Profit attributable to:		
Profit attributable to owners of parent	1,958	1,518
Profit attributable to non-controlling interests	317	348
Other comprehensive income		
Valuation difference on available-for-sale securities	(431)	117
Foreign currency translation adjustment	1,276	2,657
Remeasurements of defined benefit plans, net of tax	(7)	(9)
Share of other comprehensive income of entities accounted for using equity method	37	302
Total other comprehensive income	874	3,067
Comprehensive income	3,150	4,934
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,384	3,732
Comprehensive income attributable to non-controlling interests	765	1,202