

# Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



August 7, 2023

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: August 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 Three Months Ended June 30, 2023 (April 1, 2023–June 30, 2023)

### (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	%
Three months ended June 30, 2023	13,962	0.3	270	(60.3)	560	(45.8)	276	(52.6)
June 30, 2022	13,922	17.9	682	(25.3)	1,033	(3.7)	583	(12.6)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥838 million [(61.2)%]

Three months ended June 30, 2022: ¥2,161 million [36.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	7.37	–
June 30, 2022	14.73	–

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	78,179	65,396	75.7
As of March 31, 2023	79,888	66,549	74.3

(Reference) Equity: As of June 30, 2023: ¥59,151 million

As of March 31, 2023: ¥59,394 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	–	15.00	–	15.00	30.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		24.00	–	24.00	48.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023–March 31, 2024)

(% 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
First half	31,000	11.3	1,000	(28.2)	1,200	(40.9)	800	(34.5)	21.22
Full year	63,000	9.5	2,800	16.8	3,300	6.9	2,000	424.2	53.04

(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: 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):

June 30, 2023: 38,678,700 shares

March 31, 2023: 38,678,700 shares

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

June 30, 2023: 1,416,027 shares

March 31, 2023: 970,011 shares

3) Average number of shares during the period:

Three months ended June 30, 2023: 37,521,527 shares

Three months ended June 30, 2022: 39,631,504 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, 2023	As of June 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	18,320	15,689
Notes and accounts receivable - trade, and contract assets	11,646	11,526
Electronically recorded monetary claims	3,364	3,954
Securities	158	154
Finished goods	1,459	1,323
Work in process	1,877	2,260
Raw materials and supplies	3,547	2,964
Other	2,198	2,550
Allowance for doubtful accounts	(189)	(188)
<b>Total current assets</b>	<b>42,383</b>	<b>40,235</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	8,093	8,154
Machinery, equipment and vehicles, net	6,225	6,471
Land	9,890	9,905
Construction in progress	560	704
Other, net	717	697
<b>Total property, plant and equipment</b>	<b>25,486</b>	<b>25,932</b>
<b>Intangible assets</b>		
Leasehold interests in land	691	708
Other	113	102
<b>Total intangible assets</b>	<b>805</b>	<b>810</b>
<b>Investments and other assets</b>		
Investment securities	9,809	9,791
Long-term loans receivable	18	19
Retirement benefit asset	3	–
Other	1,523	1,504
Allowance for doubtful accounts	(141)	(114)
<b>Total investments and other assets</b>	<b>11,212</b>	<b>11,200</b>
<b>Total non-current assets</b>	<b>37,504</b>	<b>37,944</b>
<b>Total assets</b>	<b>79,888</b>	<b>78,179</b>

(Million yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	3,913	3,858
Electronically recorded obligations – operating	3,367	3,328
Short-term borrowings	1,262	684
Income taxes payable	172	99
Provision for bonuses	558	378
Provision for bonuses for directors (and other officers)	12	16
Provision for share awards for directors (and other officers)	8	13
Other	2,501	2,772
Total current liabilities	11,797	11,152
Non-current liabilities		
Long-term borrowings	138	131
Provision for share awards for directors (and other officers)	6	16
Retirement benefit liability	362	354
Other	1,033	1,127
Total non-current liabilities	1,540	1,630
Total liabilities	13,338	12,782
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	1,627	1,725
Retained earnings	47,639	47,348
Treasury shares	(688)	(1,093)
Total shareholders' equity	54,997	54,397
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,868	1,985
Foreign currency translation adjustment	2,361	2,608
Remeasurements of defined benefit plans	167	160
Total accumulated other comprehensive income	4,397	4,753
Non-controlling interests	7,155	6,245
Total net assets	66,549	65,396
<b>Total liabilities and net assets</b>	<b>79,888</b>	<b>78,179</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
For the three months ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	13,922	13,962
Cost of sales	11,298	11,661
Gross profit	2,624	2,300
Selling, general and administrative expenses	1,942	2,029
Operating income	682	270
Non-operating income		
Interest income	18	10
Dividend income	62	128
Share of profit of entities accounted for using equity method	46	37
Foreign exchange gains	176	41
Other	61	87
Total non-operating income	364	305
Non-operating expenses		
Interest expenses	11	14
Other	2	2
Total non-operating expenses	13	16
Ordinary income	1,033	560
Extraordinary income		
Gain on sales of non-current assets	0	11
Gain on sales of investment securities	0	13
Insurance claim income	–	6
Other	–	0
Total extraordinary income	0	31
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	1	1
Total extraordinary losses	1	1
Profit before income taxes	1,031	590
Income taxes	317	222
Profit	714	367
Profit attributable to:		
Profit attributable to owners of parent	583	276
Profit attributable to non-controlling interests	130	91
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	135
Foreign currency translation adjustment	1,244	424
Remeasurements of defined benefit plans, net of tax	(3)	(6)
Share of other comprehensive income of entities accounted for using equity method	215	(82)
Total other comprehensive income	1,446	470
Comprehensive income	2,161	838
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,627	633
Comprehensive income attributable to non-controlling interests	533	205