

Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



November 8, 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 and President
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 Scheduled date of filing quarterly securities report: November 10, 2023
 Scheduled date of commencing dividend payments: December 6, 2023
 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, 2023 (April 1, 2023–September 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	%
Six months ended September 30, 2023	28,302	1.6	690	(50.4)	1,182	(41.8)	678	(44.4)
September 30, 2022	27,859	14.2	1,393	(23.8)	2,030	(5.4)	1,221	(10.0)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥2,897 million [(32.4)%]

Six months ended September 30, 2022: ¥4,288 million [66.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	18.22	–
September 30, 2022	31.15	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2023	80,639	66,608	75.0
As of March 31, 2023	79,888	66,549	74.3

(Reference) Equity: As of September 30, 2023: ¥60,483 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	–	24.00			
Fiscal year ending March 31, 2024 (Forecast)			–	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
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):

September 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:

September 30, 2023: 1,924,638 shares

March 31, 2023: 970,011 shares

3) Average number of shares during the period:

Six months ended September 30, 2023: 37,262,662 shares

Six months ended September 30, 2022: 39,207,033 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 for the second quarter)

The financial results briefing for the second quarter (for institutional investors and analysts) is scheduled for November 28, 2023. Supplementary materials for the quarterly financial results (materials for the quarterly financial results briefing for the six months ended September 30, 2023) will be disclosed via TDnet and on the Company’s website following the briefing.

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

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	18,320	15,956
Notes and accounts receivable - trade, and contract assets	11,646	11,811
Electronically recorded monetary claims	3,364	4,080
Securities	158	275
Finished goods	1,459	1,767
Work in process	1,877	2,514
Raw materials and supplies	3,547	2,764
Other	2,198	2,150
Allowance for doubtful accounts	(189)	(195)
Total current assets	42,383	41,124
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,093	8,375
Machinery, equipment and vehicles, net	6,225	6,616
Land	9,890	9,950
Construction in progress	560	695
Other, net	717	736
Total property, plant and equipment	25,486	26,374
Intangible assets		
Leasehold interests in land	691	736
Other	113	93
Total intangible assets	805	830
Investments and other assets		
Investment securities	9,809	10,465
Long-term loans receivable	18	17
Retirement benefit asset	3	—
Other	1,523	1,942
Allowance for doubtful accounts	(141)	(114)
Total investments and other assets	11,212	12,310
Total non-current assets	37,504	39,514
Total assets	79,888	80,639

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	3,913	3,646
Electronically recorded obligations – operating	3,367	4,275
Short-term borrowings	1,262	671
Income taxes payable	172	349
Provision for bonuses	558	656
Provision for bonuses for directors (and other officers)	12	13
Provision for share awards for directors (and other officers)	8	15
Other	2,501	2,799
Total current liabilities	11,797	12,429
Non-current liabilities		
Long-term borrowings	138	21
Provision for share awards for directors (and other officers)	6	6
Retirement benefit liability	362	348
Other	1,033	1,225
Total non-current liabilities	1,540	1,601
Total liabilities	13,338	14,030
Net assets		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	1,627	1,731
Retained earnings	47,639	47,750
Treasury shares	(688)	(1,613)
Total shareholders' equity	54,997	54,287
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,868	2,249
Foreign currency translation adjustment	2,361	3,793
Remeasurements of defined benefit plans	167	153
Total accumulated other comprehensive income	4,397	6,196
Non-controlling interests	7,155	6,125
Total net assets	66,549	66,608
Total liabilities and net assets	79,888	80,639

(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, 2022	For the Six months ended September 30, 2023
Net sales	27,859	28,302
Cost of sales	22,613	23,476
Gross profit	5,245	4,825
Selling, general and administrative expenses	3,852	4,135
Operating income	1,393	690
Non-operating income		
Interest income	48	71
Dividend income	92	134
Share of profit of entities accounted for using equity method	81	81
Foreign exchange gains	303	92
Gain on sales of scraps	92	79
Other	52	66
Total non-operating income	671	525
Non-operating expenses		
Interest expenses	28	28
Other	5	4
Total non-operating expenses	33	33
Ordinary income	2,030	1,182
Extraordinary income		
Gain on sales of non-current assets	12	11
Gain on sales of investment securities	0	13
Insurance claim income	3	6
Other	0	0
Total extraordinary income	17	32
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	2	6
Loss on sale of investment securities	—	0
Total extraordinary losses	2	6
Profit before income taxes	2,045	1,208
Income taxes	608	365
Profit	1,436	843
Profit attributable to:		
Profit attributable to owners of parent	1,221	678
Profit attributable to non-controlling interests	215	164
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	350
Foreign currency translation adjustment	2,442	1,475
Remeasurements of defined benefit plans, net of tax	(6)	(13)
Share of other comprehensive income of entities accounted for using equity method	441	242
Total other comprehensive income	2,851	2,054
Comprehensive income	4,288	2,897
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,269	2,477
Comprehensive income attributable to non-controlling interests	1,018	419