

Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



February 7, 2024

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

Contact: Hideaki Shinohara, General Manager, Accounting Department, Administrative Headquarters

Phone: +81-3-3443-5441

Scheduled date of filing quarterly securities report: February 9, 2024

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, 2023 (April 1, 2023–December 31, 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	%
Nine months ended								
December 31, 2023	43,163	0.3	1,260	(36.2)	2,006	(24.6)	1,308	(13.9)
December 31, 2022	43,017	13.4	1,976	(24.1)	2,662	(14.9)	1,518	(22.5)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥4,036 million [(18.2)%]

Nine months ended December 31, 2022: ¥4,934 million [56.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2023	35.36	–
December 31, 2022	39.13	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	81,061	66,317	73.9
As of March 31, 2023	79,888	66,549	74.3

(Reference) Equity: As of December 31, 2023: ¥59,925 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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	58,100	1.0	1,700	(29.1)	2,600	(15.8)	1,600	319.4	44.19

(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, 2023: 38,678,700 shares

March 31, 2023: 38,678,700 shares

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

December 31, 2023: 2,474,538 shares

March 31, 2023: 970,011 shares

3) Average number of shares during the period:

Nine months ended December 31, 2023: 36,995,194 shares

Nine months ended December 31, 2022: 38,815,446 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	18,320	14,971
Notes and accounts receivable - trade, and contract assets	11,646	12,443
Electronically recorded monetary claims	3,364	4,144
Securities	158	277
Finished goods	1,459	1,757
Work in process	1,877	2,453
Raw materials and supplies	3,547	3,557
Other	2,198	2,236
Allowance for doubtful accounts	(189)	(200)
Total current assets	42,383	41,641
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,093	8,373
Machinery, equipment and vehicles, net	6,225	6,625
Land	9,890	9,951
Construction in progress	560	926
Other, net	717	790
Total property, plant and equipment	25,486	26,668
Intangible assets		
Leasehold interests in land	691	746
Other	113	107
Total intangible assets	805	853
Investments and other assets		
Investment securities	9,809	10,148
Long-term loans receivable	18	16
Retirement benefit asset	3	1
Other	1,523	1,846
Allowance for doubtful accounts	(141)	(114)
Total investments and other assets	11,212	11,898
Total non-current assets	37,504	39,420
Total assets	79,888	81,061

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	3,913	3,883
Electronically recorded obligations – operating	3,367	4,542
Short-term borrowings	1,262	671
Income taxes payable	172	308
Provision for bonuses	558	367
Provision for bonuses for directors (and other officers)	12	26
Provision for share awards for directors (and other officers)	8	16
Other	2,501	3,425
Total current liabilities	11,797	13,241
Non-current liabilities		
Long-term borrowings	138	18
Provision for share awards for directors (and other officers)	6	8
Retirement benefit liability	362	333
Other	1,033	1,142
Total non-current liabilities	1,540	1,502
Total liabilities	13,338	14,743
Net assets		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	1,627	1,731
Retained earnings	47,639	47,500
Treasury shares	(688)	(2,160)
Total shareholders' equity	54,997	53,489
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,868	2,132
Foreign currency translation adjustment	2,361	4,153
Remeasurements of defined benefit plans	167	149
Total accumulated other comprehensive income	4,397	6,435
Non-controlling interests	7,155	6,392
Total net assets	66,549	66,317
Total liabilities and net assets	79,888	81,061

(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, 2022	For the nine months ended December 31, 2023
Net sales—	43,017	43,163
Cost of sales	35,218	35,688
Gross profit	7,798	7,475
Selling, general and administrative expenses	5,822	6,215
Operating income	1,976	1,260
Non-operating income		
Interest income	66	114
Dividend income	151	184
Share of profit of entities accounted for using equity method	61	112
Foreign exchange gains	168	99
Gain on sales of scraps	138	122
Other	162	159
Total non-operating income	748	794
Non-operating expenses		
Interest expenses	45	43
Other	16	4
Total non-operating expenses	62	47
Ordinary income	2,662	2,006
Extraordinary income		
Gain on sales of non-current assets	12	11
Gain on sales of investment securities	6	200
Insurance claim income	5	12
Other	5	0
Total extraordinary income	30	225
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	7	10
Loss on sale of investment securities	—	58
Other	—	3
Total extraordinary losses	7	72
Profit before income taxes	2,685	2,159
Income taxes	818	542
Profit	1,867	1,617
Profit attributable to:		
Profit attributable to owners of parent	1,518	1,308
Profit attributable to non-controlling interests	348	309
Other comprehensive income		
Valuation difference on available-for-sale securities	117	225
Foreign currency translation adjustment	2,657	1,897
Remeasurements of defined benefit plans, net of tax	(9)	(17)
Share of other comprehensive income of entities accounted for using equity method	302	313
Total other comprehensive income	3,067	2,419
Comprehensive income	4,934	4,036
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,732	3,346
Comprehensive income attributable to non-controlling interests	1,202	689