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## Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 8, 2024

Company name: Neturen Co., Ltd.

Listing: Tokyo

Securities code: 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 to file semi-annual securities report: November 13, 2024

Scheduled date to commence dividend payments: December 6, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	29,002	2.5	854	23.8	1,154	(2.3)	615	(9.4)
September 30, 2023	28,302	1.6	690	(50.4)	1,182	(41.8)	678	(44.4)

(Note) Comprehensive income: Six months ended September 30, 2024: 3,403 million [ 17.5%]

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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	17.18	-
September 30, 2023	18.22	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	79,487	67,374	76.3
March 31, 2024	80,613	66,471	74.4

(Reference) Equity: As of September 30, 2024: ¥ 60,674 million

As of March 31, 2024: ¥ 60,005 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, 2024	-	24.00	-	25.00	49.00
Fiscal year ending March 31, 2025	-	25.00			
Fiscal year ending March 31, 2025 (Forecast)			-	25.00	50.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	62,000	8.4	2,000	22.5	2,600	3.5	1,600	3.7	44.19

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

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name: )  
Excluded: - (Company name: )

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

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 37,138,900 shares  
March 31, 2024: 37,138,900 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 1,936,522 shares  
March 31, 2024: 934,883 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 35,793,828 shares  
Six months ended September 30, 2023: 37,262,662 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

(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).

Semi-annual Consolidated Financial Statements  
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	15,904	13,334
Notes and accounts receivable - trade, and contract assets	12,707	12,355
Electronically recorded monetary claims - operating	4,124	3,813
Securities	276	291
Merchandise and finished goods	1,159	1,831
Work in process	2,845	2,729
Raw materials and supplies	3,471	3,590
Other	1,430	1,881
Allowance for doubtful accounts	(166)	(173)
Total current assets	41,753	39,654
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,769	8,375
Machinery, equipment and vehicles, net	5,888	6,075
Land	9,940	9,996
Construction in progress	1,767	1,727
Other, net	702	735
Total property, plant and equipment	26,067	26,910
Intangible assets		
Leasehold interests in land	925	1,007
Other	102	99
Total intangible assets	1,027	1,106
Investments and other assets		
Investment securities	9,984	10,272
Long-term loans receivable	18	19
Retirement benefit asset	0	-
Other	1,840	1,603
Allowance for doubtful accounts	(78)	(78)
Total investments and other assets	11,765	11,816
Total non-current assets	38,860	39,833
<b>Total assets</b>	<b>80,613</b>	<b>79,487</b>

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,958	3,569
Electronically recorded obligations - operating	4,149	2,243
Short-term borrowings	670	668
Income taxes payable	542	382
Provision for bonuses	685	697
Provision for bonuses for directors (and other officers)	13	13
Provision for share awards for directors (and other officers)	17	6
Other	2,756	3,309
Total current liabilities	12,794	10,891
Non-current liabilities		
Long-term borrowings	16	12
Provision for share awards for directors (and other officers)	8	6
Retirement benefit liability	36	13
Other	1,287	1,189
Total non-current liabilities	1,348	1,221
Total liabilities	14,142	12,113
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	1,725	1,719
Retained earnings	46,397	46,107
Treasury shares	(816)	(1,886)
Total shareholders' equity	53,724	52,358
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,392	2,347
Foreign currency translation adjustment	3,547	5,645
Remeasurements of defined benefit plans	341	322
Total accumulated other comprehensive income	6,281	8,315
Non-controlling interests	6,465	6,699
Total net assets	66,471	67,374
Total liabilities and net assets	80,613	79,487

## Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	28,302	29,002
Cost of sales	23,476	23,813
Gross profit	4,825	5,189
Selling, general and administrative expenses	4,135	4,334
Operating profit	690	854
Non-operating income		
Interest income	71	44
Dividend income	134	128
Share of profit of entities accounted for using equity method	81	63
Foreign exchange gains	92	-
Gain on sale of scraps	79	74
Other	66	46
Total non-operating income	525	357
Non-operating expenses		
Interest expenses	28	23
Foreign exchange losses	-	25
Other	4	7
Total non-operating expenses	33	57
Ordinary profit	1,182	1,154
Extraordinary income		
Gain on sale of non-current assets	11	10
Gain on sale of investment securities	13	-
Insurance claim income	6	12
Subsidy income	-	9
Other	0	1
Total extraordinary income	32	33
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	6	7
Loss on sale of investment securities	0	-
Total extraordinary losses	6	7
Profit before income taxes	1,208	1,180
Income taxes	365	348
Profit	843	832
Profit attributable to		
Profit attributable to owners of parent	678	615
Profit attributable to non-controlling interests	164	217
Other comprehensive income		
Valuation difference on available-for-sale securities	350	(69)
Foreign currency translation adjustment	1,475	2,289
Remeasurements of defined benefit plans, net of tax	(13)	(19)
Share of other comprehensive income of entities accounted for using equity method	242	370
Total other comprehensive income	2,054	2,571
Comprehensive income	2,897	3,403
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,477	2,649
Comprehensive income attributable to non-controlling interests	419	754