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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 7, 2025

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 commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	41,947	(2.8)	1,079	(14.4)	1,626	(18.9)	888	(32.1)
December 31, 2023	43,163	0.3	1,260	(36.2)	2,006	(24.6)	1,308	(13.9)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 2,155 million [(46.6)%]

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

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	25.04	-
December 31, 2023	35.36	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	83,132	64,535	69.9
March 31, 2024	80,613	66,471	74.4

(Reference) Equity: As of December 31, 2024: ¥ 58,148 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.)

Full year	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
	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 quarterly 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):

December 31, 2024: 37,138,900 shares
March 31, 2024: 37,138,900 shares

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

December 31, 2024: 2,658,241 shares
March 31, 2024: 934,883 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 35,469,207 shares
Nine months ended December 31, 2023: 36,995,194 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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).

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	15,904	17,267
Notes and accounts receivable - trade, and contract assets	12,707	12,348
Electronically recorded monetary claims - operating	4,124	4,459
Securities	276	273
Merchandise and finished goods	1,159	1,586
Work in process	2,845	2,387
Raw materials and supplies	3,471	3,439
Other	1,430	1,994
Allowance for doubtful accounts	(166)	(162)
Total current assets	41,753	43,594
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,769	7,879
Machinery, equipment and vehicles, net	5,888	6,079
Land	9,940	9,937
Construction in progress	1,767	1,430
Other, net	702	693
Total property, plant and equipment	26,067	26,020
Intangible assets		
Leasehold interests in land	925	937
Other	102	92
Total intangible assets	1,027	1,030
Investments and other assets		
Investment securities	9,984	11,007
Long-term loans receivable	18	19
Retirement benefit asset	0	-
Other	1,840	1,552
Allowance for doubtful accounts	(78)	(91)
Total investments and other assets	11,765	12,487
Total non-current assets	38,860	39,538
Total assets	80,613	83,132

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,958	3,443
Electronically recorded obligations - operating	4,149	2,911
Short-term borrowings	670	1,867
Income taxes payable	542	243
Provision for bonuses	685	404
Provision for bonuses for directors (and other officers)	13	26
Provision for share awards for directors (and other officers)	17	7
Other	2,756	3,370
Total current liabilities	12,794	12,275
Non-current liabilities		
Long-term borrowings	16	4,860
Provision for share awards for directors (and other officers)	8	8
Retirement benefit liability	36	12
Other	1,287	1,439
Total non-current liabilities	1,348	6,321
Total liabilities	14,142	18,597
Net assets		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	1,725	1,719
Retained earnings	46,397	45,499
Treasury shares	(816)	(2,596)
Total shareholders' equity	53,724	51,041
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,392	3,077
Foreign currency translation adjustment	3,547	3,716
Remeasurements of defined benefit plans	341	312
Total accumulated other comprehensive income	6,281	7,106
Non-controlling interests	6,465	6,387
Total net assets	66,471	64,535
Total liabilities and net assets	80,613	83,132

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income and Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	43,163	41,947
Cost of sales	35,688	34,402
Gross profit	7,475	7,544
Selling, general and administrative expenses	6,215	6,465
Operating profit	1,260	1,079
Non-operating income		
Interest income	114	104
Dividend income	184	183
Share of profit of entities accounted for using equity method	112	112
Foreign exchange gains	99	25
Gain on sale of scraps	122	102
Other	159	85
Total non-operating income	794	614
Non-operating expenses		
Interest expenses	43	36
Other	4	30
Total non-operating expenses	47	67
Ordinary profit	2,006	1,626
Extraordinary income		
Gain on sale of non-current assets	11	11
Gain on sale of investment securities	200	0
Insurance claim income	12	12
Subsidy income	-	10
Other	0	1
Total extraordinary income	225	35
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	10	39
Loss on sale of investment securities	58	-
Other	3	0
Total extraordinary losses	72	39
Profit before income taxes	2,159	1,622
Income taxes	542	447
Profit	1,617	1,175
Profit attributable to		
Profit attributable to owners of parent	1,308	888
Profit attributable to non-controlling interests	309	287
Other comprehensive income		
Valuation difference on available-for-sale securities	225	673
Foreign currency translation adjustment	1,897	349
Remeasurements of defined benefit plans, net of tax	(17)	(28)
Share of other comprehensive income of entities accounted for using equity method	313	(14)
Total other comprehensive income	2,419	980
Comprehensive income	4,036	2,155
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,346	1,713
Comprehensive income attributable to non-controlling interests	689	442