

Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]



February 4, 2022

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: February 9, 2022

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, 2021 (April 1, 2021 - December 31, 2021)

(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, 2021	37,946	27.5	2,605	–	3,127	–	1,958	545.1
December 31, 2020	29,764	(17.4)	(140)	–	257	(84.4)	303	(57.9)

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥3,150 million [–%]

Nine months ended December 31, 2020: ¥(0) million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	49.10	–
December 31, 2020	7.43	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2021	80,139	64,588	72.0
As of March 31, 2021	75,574	62,714	74.4

(Reference) Equity: As of December 31, 2021: ¥57,711 million

As of March 31, 2021: ¥56,233 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, 2021	—	5.00	—	9.00	14.00
Fiscal year ending March 31, 2022	—	13.00	—		
Fiscal year ending March 31, 2022 (Forecast)				12.00	25.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% 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
	51,500	21.0	3,300	258.6	3,700	150.7	2,400	795.0	60.21

(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: Yes

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, 2021: 43,790,500 shares

March 31, 2021: 43,790,500 shares

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

December 31, 2021: 3,884,118 shares

March 31, 2021: 3,928,280 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 39,888,801 shares

Nine months ended December 31, 2020: 40,834,511 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, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	14,675	18,118
Notes and accounts receivable – trade	10,717	–
Notes and accounts receivable - trade, and contract assets	–	10,811
Electronically recorded monetary claims	3,640	3,683
Securities	383	328
Finished goods	885	1,379
Work in process	1,570	2,030
Raw materials and supplies	2,217	2,741
Other	1,430	2,309
Allowance for doubtful accounts	(41)	(42)
Total current assets	35,478	41,360
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,527	8,293
Machinery, equipment and vehicles, net	9,337	8,792
Land	9,866	9,881
Construction in progress	1,081	728
Other, net	349	734
Total property, plant and equipment	29,163	28,430
Intangible assets		
Leasehold interests in land	639	647
Goodwill	4	1
Other	141	105
Total intangible assets	785	754
Investments and other assets		
Investment securities	8,686	8,093
Long-term loans receivable	28	23
Retirement benefit asset	86	77
Other	1,426	1,480
Allowance for doubtful accounts	(79)	(79)
Total investments and other assets	10,147	9,594
Total non-current assets	40,096	38,779
Total assets	75,574	80,139

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,793	3,201
Electronically recorded obligations – operating	3,008	4,487
Short-term borrowings	1,486	1,295
Income taxes payable	268	755
Provision for bonuses	699	394
Provision for bonuses for directors (and other officers)	12	27
Other	2,122	3,232
Total current liabilities	10,391	13,394
Non-current liabilities		
Long-term borrowings	1,268	836
Provision for share awards for directors (and other officers)	3	6
Retirement benefit liability	562	531
Other	634	782
Total non-current liabilities	2,469	2,157
Total liabilities	12,860	15,551
Net assets		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	4,698	4,688
Retained earnings	47,415	48,442
Treasury shares	(3,106)	(3,071)
Total shareholders' equity	55,425	56,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,141	701
Foreign currency translation adjustment	(452)	420
Remeasurements of defined benefit plans	118	111
Total accumulated other comprehensive income	807	1,233
Non-controlling interests	6,481	6,876
Total net assets	62,714	64,588
Total liabilities and net assets	75,574	80,139

(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, 2020	For the nine months ended December 31, 2021
Net sales	29,764	37,946
Cost of sales	24,627	29,647
Gross profit	5,137	8,298
Selling, general and administrative expenses	5,278	5,693
Operating income (loss)	(140)	2,605
Non-operating income		
Interest income	60	48
Dividend income	85	91
Share of profit of entities accounted for using equity method	86	126
Foreign exchange gains	–	53
Gain on sales of scraps	47	122
Other	161	129
Total non-operating income	441	570
Non-operating expenses		
Interest expenses	26	32
Foreign exchange losses	5	–
Other	11	16
Total non-operating expenses	43	48
Ordinary income	257	3,127
Extraordinary income		
Gain on sales of non-current assets	97	12
Gain on sales of investment securities	422	10
Insurance claim income	34	1
Subsidy income	3	62
Total extraordinary income	557	86
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	3	11
Compensation for damage	–	5
Total extraordinary losses	3	17
Profit before income taxes	811	3,196
Income taxes	292	920
Profit	519	2,275
Profit attributable to:		
Profit attributable to owners of parent	303	1,958
Profit attributable to non-controlling interests	215	317
Other comprehensive income		
Valuation difference on available-for-sale securities	158	(431)
Foreign currency translation adjustment	(553)	1,276
Remeasurements of defined benefit plans, net of tax	9	(7)
Share of other comprehensive income of entities accounted for using equity method	(134)	37
Total other comprehensive income	(519)	874
Comprehensive income	(0)	3,150
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(121)	2,384
Comprehensive income attributable to non-controlling interests	120	765