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



February 9, 2022

Company name: NexTone Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7094
 URL: <https://www.nex-tone.co.jp/en/>
 Representative: Masahiro Anan, President & CEO
 Contact: Hiroyuki Momoeda, Corporate Officer
 Phone: +81-3-5766-8086
 Scheduled date of filing quarterly securities report: February 10, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: None

(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 profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2021	5,560	23.3	456	13.7	461	14.8	316	15.5
December 31, 2020	4,510	41.8	401	58.6	401	59.6	274	54.3

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥316 million [15.5%]
 Nine months ended December 31, 2020: ¥274 million [55.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	32.96	31.56
December 31, 2020	29.72	27.74

(Note) The Company has carried out a 3-for-1 split of its common shares on February 1, 2021.

“Basic earnings per share” and “Diluted earnings per share” have been calculated assuming this stock split was carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2021	5,980	2,963	49.5
As of March 31, 2021	5,592	2,577	46.1

(Reference) Equity: As of December 31, 2021: ¥2,963 million
 As of March 31, 2021: ¥2,577 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	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2022	–	0.00	–		
Fiscal year ending March 31, 2022 (Forecast)				0.00	0.00

(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 profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	7,970	30.2	730	35.3	730	35.2	460	22.0	49.68

(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): None
Newly included: – (), Excluded: – ()
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to the Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)” on page 7 of the Attachments (available in Japanese).
- (3) Changes in accounting policies, changes in accounting estimates and 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) Restatement: None
- (4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
December 31, 2021: 9,732,000 shares
March 31, 2021: 9,502,800 shares
2) Total number of treasury shares at the end of the period:
December 31, 2021: – shares
March 31, 2021: – shares
3) Average number of shares during the period:
Nine months ended December 31, 2021: 9,617,482 shares
Nine months ended December 31, 2020: 9,237,000 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

(Cautionary notes on forward-looking statements)

Financial results forecast and other forward-looking statements contained herein are based on information currently available to the Group and certain assumptions that are deemed reasonable, and the Company does not in any way guarantee the achievement of the forecasts. Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts herein and cautionary notes on the use of the financial results forecast, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments (available in Japanese).

(Obtaining supplementary explanatory materials for financial results and video of the briefing)

The supplementary explanatory materials (available in Japanese) will be disclosed on TDnet and the Company’s website on Wednesday, February 9, 2022.

The video of the financial results briefing (available in Japanese) is also scheduled to be posted at a later date on the Company’s website.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Thousand yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	4,439,022	4,648,136
Notes and accounts receivable - trade	243,843	289,492
Other	162,695	221,606
Total current assets	4,845,561	5,159,234
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,719	1,844
Tools, furniture and fixtures, net	21,956	18,300
Total property, plant and equipment	24,676	20,144
Intangible assets		
Goodwill	77,879	65,794
Software	479,730	563,336
Other	4,811	12,184
Total intangible assets	562,420	641,315
Investments and other assets		
Deferred tax assets	82,696	85,146
Other	77,463	75,021
Total investments and other assets	160,160	160,167
Total non-current assets	747,257	821,628
Total assets	5,592,819	5,980,863
Liabilities		
Current liabilities		
Notes and accounts payable - trade	641,344	705,640
Accounts payable - other	1,835,595	1,852,701
Income taxes payable	158,935	53,290
Provision for bonuses	65,666	67,931
Provision for bonuses for directors (and other officers)	17,000	16,394
Other	61,664	70,246
Total current liabilities	2,780,206	2,766,205
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	147,140	159,006
Retirement benefit liability	87,930	92,375
Total non-current liabilities	235,071	251,381
Total liabilities	3,015,277	3,017,587
Net assets		
Shareholders' equity		
Share capital	1,152,882	1,187,262
Capital surplus	689,421	723,801
Retained earnings	735,237	1,052,211
Total shareholders' equity	2,577,541	2,963,275
Total net assets	2,577,541	2,963,275
Total liabilities and net assets	5,592,819	5,980,863

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Net sales	4,510,756	5,560,022
Cost of sales	3,334,130	4,106,090
Gross profit	1,176,626	1,453,932
Selling, general and administrative expenses	775,328	997,527
Operating profit	401,298	456,405
Non-operating income		
Interest income	76	42
Dividend income	—	325
Subsidy income	—	3,000
Other	578	1,356
Total non-operating income	654	4,725
Non-operating expenses		
Loss on retirement of non-current assets	150	—
Total non-operating expenses	150	—
Ordinary profit	401,802	461,131
Profit before income taxes	401,802	461,131
Income taxes	127,320	144,157
Profit	274,481	316,973
Profit attributable to owners of parent	274,481	316,973

Quarterly Consolidated Statement of Comprehensive Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Profit	274,481	316,973
Comprehensive income	274,481	316,973
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	274,481	316,973