

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



November 11, 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: Fumihiro Watanabe, Director  
 Phone: +81-3-5766-8086  
 Scheduled date of filing quarterly securities report: November 14, 2022  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary explanatory materials on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 - September 30, 2022)

(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	%
Six months ended September 30, 2022	4,143	20.2	322	8.1	325	8.5	220	7.0
September 30, 2021	3,447	30.4	298	37.4	299	37.9	206	39.1

(Note) Comprehensive income: Six months ended September 30, 2022: ¥220 million [7.0%]  
 Six months ended September 30, 2021: ¥206 million [39.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	22.78	22.38
September 30, 2021	21.48	20.55

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	7,079	3,162	44.7
As of March 31, 2022	6,549	2,919	44.6

(Reference) Equity: As of September 30, 2022: ¥3,162 million  
 As of March 31, 2022: ¥2,919 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, 2022	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2023	—	0.00			
Fiscal year ending March 31, 2023 (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, 2023 (April 1, 2022 - March 31, 2023)

(% 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
	9,560	27.6	890	25.6	890	24.8	540	11.9	56.00

(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) 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 (4) Notes to the Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)” on page 10 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: None
  - 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):

September 30, 2022:	9,804,000 shares
March 31, 2022:	9,766,200 shares
  - 2) Total number of treasury shares at the end of the period:

September 30, 2022:	96,537 shares
March 31, 2022:	100,030 shares
  - 3) Average number of shares during the period:

Six months ended September 30, 2022:	9,676,375 shares
Six months ended September 30, 2021:	9,589,173 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 4 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 Friday, November 11, 2022.

The company plans to hold an online financial results briefing session for institutional investors and analysts on Monday, November 14, 2022, and post the video of the session (available in Japanese) at a later date on the Company’s website.

## Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheet

(Thousand yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	5,192,542	5,653,149
Notes and accounts receivable - trade	210,568	286,235
Work in process	–	3,196
Other	278,647	216,626
Total current assets	5,681,758	6,159,208
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,552	1,173
Tools, furniture and fixtures, net	16,341	14,256
Total property, plant and equipment	17,894	15,430
Intangible assets		
Goodwill	61,766	53,710
Software	621,952	682,526
Other	445	166
Total intangible assets	684,164	736,402
Investments and other assets		
Deferred tax assets	91,248	94,757
Other	74,471	73,371
Total investments and other assets	165,720	168,128
Total non-current assets	867,779	919,961
Total assets	6,549,537	7,079,169
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	701,245	810,849
Accounts payable - other	2,352,226	2,501,944
Income taxes payable	153,056	124,377
Provision for bonuses	86,686	59,364
Provision for bonuses for directors (and other officers)	25,663	16,246
Other	50,865	42,153
Total current liabilities	3,369,744	3,554,935
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	165,097	259,756
Retirement benefit liability	94,713	102,333
Total non-current liabilities	259,810	362,090
Total liabilities	3,629,555	3,917,025
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,192,392	1,198,062
Capital surplus	728,931	737,428
Retained earnings	1,217,787	1,438,245
Treasury shares	(219,129)	(211,591)
Total shareholders' equity	2,919,982	3,162,144
Total net assets	2,919,982	3,162,144
Total liabilities and net assets	6,549,537	7,079,169

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Six Months Ended September 30

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales	3,447,473	4,143,998
Cost of sales	2,492,440	2,994,307
Gross profit	955,032	1,149,691
Selling, general and administrative expenses	656,442	826,915
Operating profit	298,590	322,775
Non-operating income		
Interest income	42	27
Dividend income	325	339
Foreign exchange gains	–	1,328
Interest on tax refund	–	768
Other	786	0
Total non-operating income	1,154	2,463
Non-operating expenses		
Loss on retirement of non-current assets	–	0
Total non-operating expenses	–	0
Ordinary profit	299,745	325,239
Profit before income taxes	299,745	325,239
Income taxes	93,722	104,781
Profit	206,022	220,457
Profit attributable to owners of parent	206,022	220,457

Quarterly Consolidated Statement of Comprehensive Income  
Six Months Ended September 30

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	206,022	220,457
Comprehensive income	206,022	220,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	206,022	220,457

## (3) Quarterly Consolidated Statement of Cash Flows

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	299,745	325,239
Depreciation	55,752	64,654
Amortization of goodwill	8,056	8,056
Interest and dividend income	(368)	(366)
Loss on retirement of non-current assets	–	0
Decrease (increase) in trade receivables	(24,422)	(75,667)
Increase (decrease) in trade payables	14,402	109,603
Increase (decrease) in provision for bonuses	(20,757)	(27,322)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5,775	94,659
Increase (decrease) in provision for bonuses for directors (and other officers)	(6,070)	(9,417)
Increase (decrease) in retirement benefit liability	991	7,620
Increase (decrease) in advances received	(14,189)	–
Decrease (increase) in advance payments to suppliers	(20,559)	24
Increase (decrease) in accounts payable - other	176,038	173,692
Other, net	(9,843)	61,198
Subtotal	464,550	731,975
Interest and dividends received	328	360
Income taxes refund (paid)	(143,362)	(136,267)
Net cash provided by (used in) operating activities	321,516	596,068
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	–	(600)
Purchase of intangible assets	(97,761)	(145,859)
Net cash provided by (used in) investing activities	(97,761)	(146,459)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	40,500	11,340
Purchase of treasury shares	–	(342)
Net cash provided by (used in) financing activities	40,500	10,997
Net increase (decrease) in cash and cash equivalents	264,255	460,606
Cash and cash equivalents at beginning of period	4,439,022	5,192,542
Cash and cash equivalents at end of period	4,703,278	5,653,149