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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 12, 2023

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: Fumihiko Watanabe, Director
 Phone: +81-3-5766-8086
 Scheduled date of annual general meeting of shareholders: June 28, 2023
 Scheduled date of commencing dividend payments: —
 Scheduled date of filing annual securities report: June 29, 2023
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of 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 Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(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	%
Fiscal year ended March 31, 2023	8,814	17.7	840	18.6	841	18.0	631	30.8
March 31, 2022	7,489	22.3	708	31.3	713	32.1	482	28.0

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥631 million [30.8%]
 Fiscal year ended March 31, 2022: ¥482 million [28.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	65.12	64.05	19.4	11.7	9.5
March 31, 2022	50.04	48.58	17.6	11.8	9.5

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	7,821	3,574	45.7	368.03
As of March 31, 2022	6,549	2,919	44.6	302.08

(Reference) Equity: As of March 31, 2023: ¥3,574 million
 As of March 31, 2022: ¥2,919 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	1,160	(323)	12	6,041
March 31, 2022	1,121	(228)	(140)	5,192

2. Dividends

	Annual dividends					Total cash dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2024 (forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% 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
	10,100	14.6	1,000	19.0	1,000	18.8	700	10.9	72.00

* 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) 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
- (3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2023: 9,808,800 shares
March 31, 2022: 9,766,200 shares

2) Total number of treasury shares at the end of the period:
March 31, 2023: 96,537 shares
March 31, 2022: 100,030 shares

3) Average number of shares during the period:
Fiscal year ended March 31, 2023: 9,693,369 shares
Fiscal year ended March 31, 2022: 9,642,763 shares

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

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 “Overview of Operating Results, etc. (4) Future Outlook” 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, May 12, 2023.

The Company plans to hold an online financial results briefing session for institutional investors and analysts on Monday, May 15, 2023, and post the video of the session (available in Japanese) at a later date on the Company’s website.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousand yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	5,192,542	6,041,222
Notes and accounts receivable - trade	210,568	282,177
Work in process	–	796
Other	278,647	383,368
Total current assets	5,681,758	6,707,564
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,552	794
Tools, furniture and fixtures, net	16,341	11,560
Total property, plant and equipment	17,894	12,355
Intangible assets		
Goodwill	61,766	45,653
Software	621,952	727,482
Other	445	7,995
Total intangible assets	684,164	781,131
Investments and other assets		
Deferred tax assets	91,248	185,559
Other	74,471	134,766
Total investments and other assets	165,720	320,326
Total non-current assets	867,779	1,113,812
Total assets	6,549,537	7,821,376
Liabilities		
Current liabilities		
Notes and accounts payable - trade	701,245	872,542
Accounts payable - other	2,352,226	2,647,371
Income taxes payable	153,056	191,374
Provision for bonuses	86,686	85,000
Provision for bonuses for directors (and other officers)	25,663	32,492
Other	50,865	46,922
Total current liabilities	3,369,744	3,875,704
Non-current liabilities		
Long-term accounts payable - other	–	259,756
Provision for retirement benefits for directors (and other officers)	165,097	–
Retirement benefit liability	94,713	111,520
Total non-current liabilities	259,810	371,276
Total liabilities	3,629,555	4,246,981

(Thousand yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	1,192,392	1,198,782
Capital surplus	728,931	738,148
Retained earnings	1,217,787	1,849,057
Treasury shares	(219,129)	(211,591)
Total shareholders' equity	2,919,982	3,574,395
Total net assets	2,919,982	3,574,395
Total liabilities and net assets	6,549,537	7,821,376

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	7,489,236	8,814,676
Cost of sales	5,444,740	6,407,888
Gross profit	2,044,496	2,406,787
Selling, general and administrative expenses	1,335,943	1,566,592
Operating profit	708,552	840,195
Non-operating income		
Interest income	68	57
Dividend income	325	339
Foreign exchange gains	522	–
Subsidy income	3,000	–
Interest on tax refund	308	768
Other	635	144
Total non-operating income	4,861	1,310
Non-operating expenses		
Foreign exchange losses	–	40
Loss on retirement of non-current assets	–	0
Other	10	–
Total non-operating expenses	10	40
Ordinary profit	713,403	841,465
Profit before income taxes	713,403	841,465
Income taxes - current	239,404	304,507
Income taxes - deferred	(8,551)	(94,311)
Total income taxes	230,853	210,196
Profit	482,550	631,269
Profit attributable to owners of parent	482,550	631,269

Consolidated Statement of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	482,550	631,269
Comprehensive income	482,550	631,269
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	482,550	631,269

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,152,882	689,421	735,237	–	2,577,541
Changes during period					
Issuance of new shares	39,510	39,510			79,020
Profit attributable to owners of parent			482,550		482,550
Purchase of treasury shares				(219,129)	(219,129)
Total changes during period	39,510	39,510	482,550	(219,129)	342,440
Balance at end of period	1,192,392	728,931	1,217,787	(219,129)	2,919,982

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	–	–	–	2,577,541
Changes during period				
Issuance of new shares				79,020
Profit attributable to owners of parent				482,550
Purchase of treasury shares				(219,129)
Total changes during period	–	–	–	342,440
Balance at end of period	–	–	–	2,919,982

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,192,392	728,931	1,217,787	(219,129)	2,919,982
Changes during period					
Issuance of new shares	6,390	6,390			12,780
Profit attributable to owners of parent			631,269		631,269
Purchase of treasury shares				(342)	(342)
Disposal of treasury shares		2,826		7,879	10,706
Total changes during period	6,390	9,216	631,269	7,537	654,413
Balance at end of period	1,198,782	738,148	1,849,057	(211,591)	3,574,395

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	—	—	—	2,919,982
Changes during period				
Issuance of new shares				12,780
Profit attributable to owners of parent				631,269
Purchase of treasury shares				(342)
Disposal of treasury shares				10,706
Total changes during period	—	—	—	654,413
Balance at end of period	—	—	—	3,574,395

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	713,403	841,465
Depreciation	121,533	136,553
Amortization of goodwill	16,113	16,113
Interest and dividend income	(394)	(397)
Subsidy income	(3,000)	–
Loss on retirement of non-current assets	–	0
Decrease (increase) in trade receivables	33,274	(71,609)
Increase (decrease) in trade payables	59,901	171,297
Increase (decrease) in provision for bonuses	21,020	(1,686)
Increase (decrease) in provision for bonuses for directors (and other officers)	8,663	6,829
Increase (decrease) in provision for retirement benefits for directors (and other officers)	17,956	(165,097)
Increase (decrease) in retirement benefit liability	6,782	16,806
Increase (decrease) in advances received	(14,189)	–
Decrease (increase) in advance payments to suppliers	13,021	48
Increase (decrease) in accounts payable - other	492,047	312,339
Increase (decrease) in long-term accounts payable - other	–	259,756
Other, net	(121,003)	(99,701)
Subtotal	1,365,129	1,422,718
Interest and dividends received	351	385
Subsidies received	3,000	–
Income taxes paid	(246,827)	(263,078)
Net cash provided by (used in) operating activities	1,121,653	1,160,025
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,882)	(600)
Purchase of intangible assets	(226,142)	(260,688)
Payments of leasehold and guarantee deposits	–	(62,494)
Net cash provided by (used in) investing activities	(228,024)	(323,783)
Cash flows from financing activities		
Proceeds from issuance of shares	79,020	12,780
Purchase of treasury shares	(219,129)	(342)
Net cash provided by (used in) financing activities	(140,109)	12,437
Net increase (decrease) in cash and cash equivalents	753,519	848,679
Cash and cash equivalents at beginning of period	4,439,022	5,192,542
Cash and cash equivalents at end of period	5,192,542	6,041,222