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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



February 9, 2024

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: +81-3-5475-5029
 Scheduled date of filing quarterly securities report: February 13, 2024
 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, 2023 (April 1, 2023 - December 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	%
Nine months ended December 31, 2023	8,744	36.4	516	(2.0)	517	(2.3)	404	12.0
December 31, 2022	6,412	15.3	527	15.5	529	14.9	360	13.8

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥376 million [4.4%]
 Nine months ended December 31, 2022: ¥360 million [13.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	41.59	41.06
December 31, 2022	37.25	36.61

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	12,664	5,075	30.7
As of March 31, 2023	7,821	3,574	45.7

(Reference) Equity: As of December 31, 2023: ¥3,892 million
 As of March 31, 2023: ¥3,574 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, 2023	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2024	—	0.00	—		
Fiscal year ending March 31, 2024 (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, 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	14,000	58.8	600	(28.6)	600	(28.7)	400	(36.6)	41.00

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: Yes
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: one company (RecoChoku Co., Ltd.)
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 9 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):
December 31, 2023: 9,849,000 shares
March 31, 2023: 9,808,800 shares
2) Total number of treasury shares at the end of the period:
December 31, 2023: 192,610 shares
March 31, 2023: 96,537 shares
3) Average number of shares during the period:
Nine months ended December 31, 2023: 9,716,764 shares
Nine months ended December 31, 2022: 9,687,508 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, February 9, 2024.

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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	6,041,222	7,611,503
Notes and accounts receivable - trade	282,177	1,754,056
Merchandise	–	95
Work in process	796	19,502
Supplies	–	2,323
Other	383,368	525,670
Allowance for doubtful accounts	–	(3,946)
Total current assets	6,707,564	9,909,205
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	794	13,996
Tools, furniture and fixtures, net	11,560	32,205
Construction in progress	–	19,620
Total property, plant and equipment	12,355	65,821
Intangible assets		
Goodwill	45,653	282,682
Software	727,482	1,539,908
Other	7,995	154,174
Total intangible assets	781,131	1,976,765
Investments and other assets		
Deferred tax assets	185,559	190,903
Other	134,766	521,628
Total investments and other assets	320,326	712,531
Total non-current assets	1,113,812	2,755,118
Total assets	7,821,376	12,664,324

(Thousand yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	872,542	3,103,530
Accounts payable - other	2,647,371	3,185,958
Income taxes payable	191,374	73,880
Provision for bonuses	85,000	174,552
Provision for bonuses for directors (and other officers)	32,492	26,676
Other	46,922	507,942
Total current liabilities	3,875,704	7,072,540
Non-current liabilities		
Long-term accounts payable - other	259,756	285,499
Retirement benefit liability	111,520	114,266
Other	–	116,937
Total non-current liabilities	371,276	516,703
Total liabilities	4,246,981	7,589,243
Net assets		
Shareholders' equity		
Share capital	1,198,782	1,204,812
Capital surplus	738,148	747,836
Retained earnings	1,849,057	2,253,188
Treasury shares	(211,591)	(308,172)
Total shareholders' equity	3,574,395	3,897,665
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	(5,646)
Total accumulated other comprehensive income	–	(5,646)
Non-controlling interests	–	1,183,061
Total net assets	3,574,395	5,075,080
Total liabilities and net assets	7,821,376	12,664,324

(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, 2022	For the nine months ended December 31, 2023
Net sales	6,412,361	8,744,991
Cost of sales	4,671,990	6,467,652
Gross profit	1,740,370	2,277,338
Selling, general and administrative expenses	1,213,273	1,760,796
Operating profit	527,096	516,542
Non-operating income		
Interest income	27	32
Dividend income	339	762
Foreign exchange gains	1,370	758
Interest on tax refund	768	7
Other	67	197
Total non-operating income	2,573	1,758
Non-operating expenses		
Loss on retirement of non-current assets	0	1,076
Other	–	1
Total non-operating expenses	0	1,077
Ordinary profit	529,669	517,222
Extraordinary income		
Subsidy income	–	75,571
Total extraordinary income	–	75,571
Profit before income taxes	529,669	592,794
Income taxes	168,856	205,018
Profit	360,813	387,776
Profit attributable to non-controlling interests	–	(16,355)
Profit attributable to owners of parent	360,813	404,131

Quarterly Consolidated Statement of Comprehensive Income
 Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	360,813	387,776
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(10,921)
Total other comprehensive income	–	(10,921)
Comprehensive income	360,813	376,854
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	360,813	398,485
Comprehensive income attributable to non-controlling interests	–	(21,630)