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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 8, 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 commencing dividend payments: –
Availability of supplementary materials on financial results: Available
Schedule of financial results briefing session: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 - June 30, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2024	4,819	115.7	225	4.9	242	12.4	165	13.2
June 30, 2023	2,234	11.2	214	123.4	215	122.9	146	122.3

(Note) Comprehensive income: Three months ended June 30, 2024: ¥134 million [(8.3)%]
Three months ended June 30, 2023: ¥146 million [122.3%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	17.00	–
June 30, 2023	15.08	14.87

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	13,839	5,289	30.5
As of March 31, 2024	13,162	5,155	30.8

(Reference) Equity: As of June 30, 2024: ¥4,222 million
As of March 31, 2024: ¥4,051 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, 2024	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (forecast)		0.00	–	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, 2025 (April 1, 2024 - March 31, 2025)

(% 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	20,000	48.9	1,000	52.2	1,000	51.2	600	13.0	61.77

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

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: 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 8 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):

June 30, 2024:	9,940,800 shares
March 31, 2024:	9,940,800 shares

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

June 30, 2024:	192,610 shares
March 31, 2024:	192,610 shares

3) Average number of shares during the period:

Three months ended June 30, 2024:	9,748,190 shares
Three months ended June 30, 2023:	9,713,914 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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.

(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 Thursday, August 8, 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.

(Changes to units used to present amounts)
The amounts in the account titles and any other particulars contained in the Company's quarterly consolidated financial statements were previously presented in units of thousand yen. However, from the first quarter of the fiscal year under review and the three months ended June 30, 2024, the Company changed the method to present the amounts in units of million yen. For easy comparison, the amounts for the previous fiscal year and for the three months ended June 30, 2023 have been also presented in units of million yen.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	8,046	8,948
Notes and accounts receivable - trade	1,600	1,560
Work in process	19	19
Supplies	1	1
Other	678	419
Allowance for doubtful accounts	(3)	(3)
Total current assets	10,343	10,945
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	93	86
Tools, furniture and fixtures, net	59	54
Total property, plant and equipment	152	140
Intangible assets		
Goodwill	265	248
Software	1,638	1,635
Other	95	177
Total intangible assets	2,000	2,061
Investments and other assets		
Deferred tax assets	201	203
Guarantee deposits	294	344
Other	171	143
Total investments and other assets	667	691
Total non-current assets	2,819	2,893
Total assets	13,162	13,839

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,974	3,064
Accounts payable - other	3,780	4,525
Income taxes payable	147	120
Provision for bonuses	248	109
Provision for bonuses for directors (and other officers)	26	7
Other	324	215
Total current liabilities	7,502	8,042
Non-current liabilities		
Long-term accounts payable - other	279	290
Retirement benefit liability	103	92
Other	121	124
Total non-current liabilities	504	507
Total liabilities	8,007	8,550
Net assets		
Shareholders' equity		
Share capital	1,218	1,218
Capital surplus	761	761
Retained earnings	2,380	2,545
Treasury shares	(308)	(308)
Total shareholders' equity	4,052	4,217
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	4
Total accumulated other comprehensive income	(0)	4
Non-controlling interests	1,103	1,067
Total net assets	5,155	5,289
Total liabilities and net assets	13,162	13,839

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	2,234	4,819
Cost of sales	1,623	3,638
Gross profit	610	1,181
Selling, general and administrative expenses	395	955
Operating profit	214	225
Non-operating income		
Dividend income	–	0
Foreign exchange gains	0	–
Surrender value of insurance policies	–	15
Other	0	0
Total non-operating income	0	17
Non-operating expenses		
Foreign exchange losses	–	0
Total non-operating expenses	–	0
Ordinary profit	215	242
Extraordinary losses		
Loss on valuation of investment securities	–	5
Total extraordinary losses	–	5
Profit before income taxes	215	236
Income taxes	68	111
Profit	146	125
Loss attributable to non-controlling interests	–	(40)
Profit attributable to owners of parent	146	165

Quarterly Consolidated Statement of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	146	125
Other comprehensive income		
Valuation difference on available-for-sale securities	–	8
Total other comprehensive income	–	8
Comprehensive income	146	134
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	146	165
Comprehensive income attributable to non-controlling interests	–	4