

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 Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 13, 2025

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 annual general meeting of shareholders: June 25, 2025  
 Scheduled date of commencing dividend payments: –  
 Scheduled date of filing annual securities report: June 26, 2025  
 Availability of supplementary 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, 2025 (April 1, 2024 - March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	19,412	44.5	1,005	54.9	1,028	57.4	692	30.3
March 31, 2024	13,433	52.4	648	(22.8)	653	(22.4)	531	(15.9)

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥544 million [26.8%]  
 Fiscal year ended March 31, 2024: ¥429 million [(32.0)%]

	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, 2025	70.96	–	15.7	7.3	5.2
March 31, 2024	54.68	54.07	13.9	6.2	4.8

(Note) In the fiscal year ended March 31, 2025, the Company has finalized the provisional accounting treatment related to business combinations, and has reflected the content of this finalization in the previous fiscal year. As a result, the operating results for the previous fiscal year have been revised to 648 million yen in operating profit and 653 million yen in ordinary profit; the percentage changes from the previous corresponding period have also been revised. There are no changes to net sales and profit attributable to owners of parent.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	14,831	5,715	32.1	487.57
As of March 31, 2024	13,235	5,155	30.6	415.65

(Reference) Equity: As of March 31, 2025: ¥4,758 million  
 As of March 31, 2024: ¥4,051 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, 2025	2,152	(569)	—	9,629
March 31, 2024	1,375	695	(65)	8,046

**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, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2025	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2026 (forecast)	—	0.00	—	20.00	20.00		16.1	

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)**  
 (% 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	23,000	18.5	1,800	79.1	1,800	75.0	1,200	73.3	123.00

**\* Notes:**

- (1) Significant changes in the scope of consolidation during the period: None  
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, 2025:	9,940,800 shares
March 31, 2024:	9,940,800 shares
  - 2) Total number of treasury shares at the end of the period:

March 31, 2025:	180,563 shares
March 31, 2024:	192,610 shares
  - 3) Average number of shares during the period:

Fiscal year ended March 31, 2025:	9,755,946 shares
Fiscal year ended March 31, 2024:	9,714,156 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

(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. Overview of Operating Results, etc. (4) Future Outlook” on page 6 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 Tuesday, May 13, 2025.

The Company plans to hold an online financial results briefing session for institutional investors and analysts on Wednesday, May 14, 2025, and post the video of the session (available in Japanese) 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 consolidated financial statements were previously presented in units of thousand yen. However, from the fiscal year under review, the Company changed the method to present the amounts in units of million yen. For easy comparison, the amounts for the previous fiscal year have been also presented in units of million yen.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheet

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	8,046	9,629
Notes and accounts receivable - trade	1,600	1,744
Work in process	19	12
Supplies	1	0
Other	678	886
Allowance for doubtful accounts	(3)	(1)
Total current assets	10,343	12,272
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	93	191
Tools, furniture and fixtures, net	59	41
Total property, plant and equipment	152	232
Intangible assets		
Goodwill	29	13
Customer-related intangible assets	308	239
Software	1,638	1,397
Other	95	139
Total intangible assets	2,072	1,789
Investments and other assets		
Deferred tax assets	201	235
Guarantee deposits	294	258
Other	171	43
Total investments and other assets	667	537
Total non-current assets	2,891	2,559
Total assets	13,235	14,831
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,974	3,436
Accounts payable - other	3,780	4,336
Income taxes payable	147	310
Provision for bonuses	248	245
Provision for bonuses for directors (and other officers)	26	35
Other	324	206
Total current liabilities	7,502	8,570
Non-current liabilities		
Long-term accounts payable - other	279	283
Retirement benefit liability	103	67
Other	193	195
Total non-current liabilities	577	545
Total liabilities	8,080	9,116

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	1,218	1,218
Capital surplus	761	758
Retained earnings	2,380	3,072
Treasury shares	(308)	(288)
Total shareholders' equity	4,052	4,760
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(2)
Total accumulated other comprehensive income	(0)	(2)
Non-controlling interests	1,103	956
Total net assets	5,155	5,715
Total liabilities and net assets	13,235	14,831

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

### Consolidated Statement of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	13,433	19,412
Cost of sales	9,931	14,584
Gross profit	3,501	4,827
Selling, general and administrative expenses	2,852	3,822
Operating profit	648	1,005
Non-operating income		
Interest income	0	5
Dividend income	0	1
Foreign exchange gains	0	—
Interest on tax refund	0	0
Surrender value of insurance policies	—	15
Gain on prepaid card	2	3
Gain on valuation of crypto assets	0	—
Other	1	2
Total non-operating income	5	29
Non-operating expenses		
Foreign exchange losses	—	3
Loss on retirement of non-current assets	1	0
Loss on valuation of crypto assets	—	1
Other	0	1
Total non-operating expenses	1	6
Ordinary profit	653	1,028
Extraordinary income		
Subsidy income	75	—
Gain on sale of investment securities	—	26
Compensation for forced relocation	—	221
Other	—	0
Total extraordinary income	75	247
Extraordinary losses		
Impairment losses	42	247
Loss on retirement of non-current assets	—	34
Loss on tax purpose reduction entry of non-current assets	—	92
Loss on valuation of investment securities	—	5
Total extraordinary losses	42	380
Profit before income taxes	686	895
Income taxes - current	280	421
Income taxes - deferred	(24)	(73)
Total income taxes	256	347
Profit	430	547
Loss attributable to non-controlling interests	(101)	(145)
Profit attributable to owners of parent	531	692

# Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	430	547
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(2)
Total other comprehensive income	(0)	(2)
Comprehensive income	429	544
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	530	690
Comprehensive income attributable to non-controlling interests	(101)	(146)

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,198	738	1,849	(211)	3,574
Changes during period					
Issuance of new shares	19	19			39
Profit attributable to owners of parent			531		531
Increase in consolidated subsidiaries - non-controlling interests					—
Purchase of treasury shares				(105)	(105)
Disposal of treasury shares		3		8	12
Net changes in items other than shareholders' equity					
Total changes during period	19	23	531	(96)	477
Balance at end of period	1,218	761	2,380	(308)	4,052

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	—	—	—	3,574
Changes during period				
Issuance of new shares				39
Profit attributable to owners of parent				531
Increase in consolidated subsidiaries - non-controlling interests			1,204	1,204
Purchase of treasury shares				(105)
Disposal of treasury shares				12
Net changes in items other than shareholders' equity	(0)	(0)	(101)	(101)
Total changes during period	(0)	(0)	1,103	1,580
Balance at end of period	(0)	(0)	1,103	5,155



Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,218	761	2,380	(308)	4,052
Changes during period					
Issuance of new shares					—
Profit attributable to owners of parent			692		692
Increase in consolidated subsidiaries - non-controlling interests					—
Purchase of treasury shares					—
Disposal of treasury shares		(2)		19	16
Net changes in items other than shareholders' equity					
Total changes during period	—	(2)	692	19	708
Balance at end of period	1,218	758	3,072	(288)	4,760

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	(0)	(0)	1,103	5,155
Changes during period				
Issuance of new shares				—
Profit attributable to owners of parent				692
Increase in consolidated subsidiaries - non-controlling interests				—
Purchase of treasury shares				—
Disposal of treasury shares				16
Net changes in items other than shareholders' equity	(1)	(1)	(146)	(148)
Total changes during period	(1)	(1)	(146)	560
Balance at end of period	(2)	(2)	956	5,715

## (4) Consolidated Statement of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	686	895
Depreciation	420	647
Impairment losses	42	247
Amortization of goodwill	16	16
Amortization of customer-related assets	34	68
Interest and dividend income	(0)	(7)
Surrender value of insurance policies	—	(15)
Subsidy income	(75)	—
Compensation for transfer income	—	(221)
Loss on retirement of non-current assets	1	34
Loss on tax purpose reduction entry of non-current assets	—	92
Decrease (increase) in trade receivables	(108)	(117)
Increase (decrease) in trade payables	(8)	462
Increase (decrease) in provision for bonuses	19	(3)
Increase (decrease) in provision for bonuses for directors (and other officers)	(5)	8
Increase (decrease) in retirement benefit liability	(42)	(36)
Increase (decrease) in accounts payable - other	723	532
Increase (decrease) in long-term accounts payable - other	(1)	3
Loss (gain) on sale of investment securities	—	(26)
Other, net	(57)	(165)
Subtotal	1,644	2,415
Interest and dividends received	0	6
Subsidies received	75	—
Income taxes refund (paid)	(345)	(269)
Net cash provided by (used in) operating activities	1,375	2,152
Cash flows from investing activities		
Purchase of property, plant and equipment	(125)	(98)
Purchase of intangible assets	(613)	(739)
Payments of leasehold and guarantee deposits	(62)	(105)
Proceeds from refund of leasehold and guarantee deposits	0	203
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	1,497	—
Proceeds from cancellation of insurance funds	—	56
Proceeds from sale of investment securities	—	110
Other, net	(0)	2
Net cash provided by (used in) investing activities	695	(569)
Cash flows from financing activities		
Proceeds from issuance of shares	39	—
Purchase of treasury shares	(105)	—
Net cash provided by (used in) financing activities	(65)	—
Net increase (decrease) in cash and cash equivalents	2,005	1,582
Cash and cash equivalents at beginning of period	6,041	8,046
Cash and cash equivalents at end of period	8,046	9,629

(Business combinations, etc.)

#### Finalization of the provisional accounting treatment related to business combinations

During fiscal year ended March 31, 2024, the Company has applied provisional accounting treatments related to business combinations with RecoChoku Co., Ltd. implemented on September 28, 2023. The Company has finalized the provisional accounting treatment in the six months ended September 30, 2024.

Following the finalization of the provisional accounting treatment, as of March 31, 2024, goodwill decreased by 236 million yen, and customer-related intangible assets and deferred tax liabilities included in other under non-current liabilities increased by 308 million yen and 72 million yen, respectively.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

Method for determining reportable segments

The Company's reportable segments are business units for which separate financial information is available and that are subject to regular review by the Board of Directors for the purpose of making decisions on the allocation of management resources and evaluating business performance.

The Company operates primarily in the entertainment sector, focusing on music. Through our businesses that manage and promote the use of music copyrights and support rights holders and creators, we act as an agent that ensures proper collection, distribution, and support. We formulate business strategies and carry out business activities tailored to each service we provide.

In the Copyright Management Business, we are entrusted with the management of copyrights by lyricists, composers, and music publishers. We grant licenses for the use of musical works, collect license fees, and distribute these fees to copyright holders.

In the Digital Distribution (DD) Business, we distribute and sell music content—including audio and video—to music distribution services domestically and internationally.

In the Digital Music Provider, we distribute songs via the Internet. Digital Music Provider for individuals offers single-track downloads and subscription-based streaming services. Digital Music Provider for companies provides background music distribution services for stores, karaoke boxes, and wedding venues.

2. Calculation method for net sales, income (loss), assets, liabilities, and other items by reportable segment

The accounting methods used for the reportable business segments are generally the same as those used in preparing the consolidated financial statements.

Segment income is measured on an operating profit basis.

Inter-segment net sales or transfers are based on market prices.

3. Information on net sales, income (loss), assets, liabilities, and other items by reportable segment  
For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Notes 2, 4, 6)	Amount recorded in consolidated financial statements (Note 3)
	Copyright Management Business	Digital Distribution (DD) Business	Digital Music Provider	Total				
Net sales								
Net sales to outside customers	1,123	7,443	3,977	12,544	889	13,433	—	13,433
Inter-segment net sales or transfers	113	119	—	233	418	651	(651)	—
Total	1,237	7,562	3,977	12,777	1,307	14,084	(651)	13,433
Segment income (loss)	523	785	565	1,874	(80)	1,794	(1,145)	648
Segment assets	1,069	498	1,663	3,232	1,137	4,369	8,865	13,235
Other items								
Depreciation	83	118	68	270	113	383	37	420
Amortization of goodwill	16	—	—	16	—	16	—	16
Amortization of customer-related assets	—	—	34	34	—	34	—	34
Impairment losses	—	—	—	—	42	42	—	42
Increase in property, plant and equipment and intangible assets	196	91	73	361	266	628	164	793

- (Notes) 1. “Other” consists of business segments that are not included in reportable segments. These include the casting and promotion business, system development, maintenance and operation business, solutions business, and agent business.
2. Segment income (loss) adjustment of (1,145) million yen includes (1,124) million yen in corporate expenses not allocated to individual reportable segments and (20) million yen in eliminations of inter-segment transactions.
3. Segment income (loss) includes adjustment to operating profit in the Consolidated Statement of Income.
4. The 8,865 million yen adjustment to segment assets represents corporate assets not allocated to individual reportable segments.
5. Segment liabilities are not disclosed because liabilities are not allocated to business segments.
6. The 164 million yen adjustment for increase in property, plant and equipment and intangible assets mainly reflects costs related to office relocation.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Notes 2,4,6)	Amount recorded in consolidated financial statements (Note 3)
	Copyright Management Business	Digital Distribution (DD) Business	Digital Music Provider	Total				
Net sales								
Net sales to outside customers	1,366	9,429	7,585	18,381	1,031	19,412	—	19,412
Inter-segment net sales or transfers	158	258	—	416	466	883	(883)	—
Total	1,524	9,688	7,585	18,798	1,497	20,295	(883)	19,412
Segment income (loss)	692	962	1,337	2,992	(425)	2,567	(1,561)	1,005
Segment assets	1,285	486	1,548	3,321	916	4,238	10,593	14,831
Other items								
Depreciation	102	169	165	437	230	667	(20)	647
Amortization of goodwill	16	—	—	16	—	16	—	16
Amortization of customer-related assets	—	—	68	68	—	68	—	68
Impairment losses	—	—	—	—	247	247	—	247
Increase in property, plant and equipment and intangible assets	177	125	144	447	288	735	252	987

- (Notes) 1. “Other” consists of business segments that are not included in reportable segments. These include the casting and promotion business, system development, maintenance and operation business, solutions business, and agent business.
2. Segment income (loss) adjustment of (1,561) million yen includes (1,541) million yen in corporate expenses not allocated to individual reportable segments and (20) million yen in eliminations of inter-segment transactions.
3. Segment income (loss) includes adjustment to operating profit in the Consolidated Statement of Income.
4. The 10,593 million yen adjustment to segment assets represents corporate assets not allocated to individual reportable segments.
5. Segment liabilities are not disclosed because liabilities are not allocated to business segments.
6. The 252 million yen adjustment for increase in property, plant and equipment and intangible assets mainly reflects costs related to office relocation.