

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 14, 2024

Company name: VALTES HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 4442 URL <https://www.valtes-hd.co.jp/>
 Representative: Representative Director, Chairman, President Shinji Tanaka
 Inquiries: Director Yuichi Nishimura TEL 06(6534)6570
 Scheduled date to file Semi-annual Securities Report: November 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	5,083	0.4	308	(5.6)	306	(7.0)	213	9.0
Six months ended September 30, 2023	5,065	21.5	326	(31.2)	329	(31.4)	195	(36.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	10.58		10.57	
Six months ended September 30, 2023	9.55		9.54	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	5,220	2,920	55.8
As of March 31, 2024	5,394	2,824	52.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	–	–	–	4.00	4.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	4.00	4.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	11,500	11.0	980	16.9	981	15.7	633	22.6	31.48

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	21,450,000 shares	As of March 31, 2024	21,450,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	1,289,211 shares	As of March 31, 2024	1,194,206 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	20,149,873 shares	Six months ended September 30, 2023	20,472,733 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	1,760,719	1,657,048
Notes and accounts receivable - trade, and contract assets	1,344,479	1,379,749
Other	421,104	233,629
Total current assets	3,526,302	3,270,427
Non-current assets		
Property, plant and equipment	197,882	262,877
Intangible assets		
Goodwill	839,043	788,664
Other	156,745	182,988
Total intangible assets	995,788	971,652
Investments and other assets		
Deferred tax assets	168,949	198,540
Other	505,732	517,246
Total investments and other assets	674,682	715,786
Total non-current assets	1,868,352	1,950,316
Total assets	5,394,655	5,220,743
Liabilities		
Current liabilities		
Accounts payable - trade	261,149	207,174
Short-term borrowings	115,000	115,000
Current portion of long-term borrowings	113,772	111,820
Accounts payable - other	542,816	525,636
Income taxes payable	164,733	122,888
Provision for bonuses	207,192	224,366
Other	394,504	279,987
Total current liabilities	1,799,168	1,586,873
Non-current liabilities		
Long-term borrowings	768,358	712,510
Retirement benefit liability	48	54
Other	2,363	1,266
Total non-current liabilities	770,769	713,831
Total liabilities	2,569,938	2,300,704
Net assets		
Shareholders' equity		
Share capital	90,000	90,000
Capital surplus	801,203	815,819
Retained earnings	2,236,125	2,368,231
Treasury shares	(304,197)	(361,702)
Total shareholders' equity	2,823,131	2,912,348
Accumulated other comprehensive income		
Foreign currency translation adjustment	(3,728)	(1,559)
Total accumulated other comprehensive income	(3,728)	(1,559)
Share acquisition rights	5,313	9,249
Total net assets	2,824,716	2,920,038
Total liabilities and net assets	5,394,655	5,220,743

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	5,065,981	5,083,894
Cost of sales	3,641,984	3,690,842
Gross profit	1,423,996	1,393,052
Selling, general and administrative expenses	1,097,621	1,085,003
Operating profit	326,375	308,048
Non-operating income		
Interest income	13	126
Commission income	–	2,799
Subsidy income	1,835	822
Foreign exchange gains	3,614	–
Other	722	2,617
Total non-operating income	6,186	6,366
Non-operating expenses		
Interest expenses	3,154	4,467
Guarantee commission	308	307
Commission for purchase of treasury shares	–	334
Foreign exchange losses	–	3,120
Total non-operating expenses	3,462	8,230
Ordinary profit	329,099	306,185
Extraordinary losses		
Loss on valuation of investment securities	30,000	–
Total extraordinary losses	30,000	–
Profit before income taxes	299,099	306,185
Income taxes - current	110,099	123,772
Income taxes - deferred	(6,494)	(30,716)
Total income taxes	103,605	93,056
Profit	195,494	213,129
Profit attributable to owners of parent	195,494	213,129

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	195,494	213,129
Other comprehensive income		
Foreign currency translation adjustment	(1,697)	2,169
Total other comprehensive income	(1,697)	2,169
Comprehensive income	193,796	215,298
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	193,796	215,298
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	299,099	306,185
Depreciation	46,917	50,346
Loss (gain) on valuation of investment securities	30,000	–
Amortization of goodwill	41,452	50,378
Increase (decrease) in provision for bonuses	13,679	17,227
Interest and dividend income	(14)	(126)
Interest expenses	3,154	4,467
Decrease (increase) in accounts receivable - trade, and contract assets	(15,145)	(35,888)
Increase (decrease) in trade payables	(66,239)	(53,953)
Increase (decrease) in accounts payable - other	(9,170)	(19,675)
Increase (decrease) in accrued consumption taxes	(42,488)	(83,162)
Other, net	105,555	42,960
Subtotal	406,801	278,759
Interest and dividends received	14	39
Interest paid	(3,154)	(4,467)
Income taxes refund (paid)	(259,356)	(89,552)
Net cash provided by (used in) operating activities	144,305	184,780
Cash flows from investing activities		
Purchase of property, plant and equipment	(75,933)	(86,342)
Purchase of intangible assets	(31,018)	(53,567)
Payments of leasehold and guarantee deposits	(1,389)	(1,389)
Proceeds from cancellation of insurance funds	21,494	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(460,586)	–
Other, net	(243)	(107)
Net cash provided by (used in) investing activities	(547,676)	(141,407)
Cash flows from financing activities		
Proceeds from long-term borrowings	700,000	900,000
Repayments of long-term borrowings	(26,644)	(957,800)
Purchase of treasury shares	(106)	(73,403)
Decrease (increase) in deposits for purchase of treasury shares	–	66,393
Dividends paid	–	(81,023)
Other, net	(2,091)	(87)
Net cash provided by (used in) financing activities	671,158	(145,921)
Effect of exchange rate change on cash and cash equivalents	1,491	(1,121)
Net increase (decrease) in cash and cash equivalents	269,278	(103,670)
Cash and cash equivalents at beginning of period	1,515,447	1,740,719
Cash and cash equivalents at end of period	1,784,726	1,637,048