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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 10, 2023

Company name: VALOR HOLDINGS CO.,LTD.

Stock exchange listing: Tokyo, Nagoya

Code number: 9956

URL: <https://valorholdings.co.jp/>

Representative: Masami Tashiro

President and Representative Director

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Executive Director

Phone: +81-574-60-0858

Scheduled date of filing quarterly securities report: August 14, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

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

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	196,270	5.2	5,622	6.1	6,245	3.4	3,453	11.5
June 30, 2022	186,630	2.2	5,301	(17.9)	6,040	(16.8)	3,096	(18.4)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 5,018 million [89.9%]
Three months ended June 30, 2022: ¥ 2,642 million [(36.2)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	64.48	64.46
June 30, 2022	57.66	57.64

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	430,267	170,594	36.1
March 31, 2023	417,107	167,520	36.6

(Reference) Equity: As of June 30, 2023: ¥ 155,521 million
As of March 31, 2023: ¥ 152,733 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	-	27.00	-	31.00	58.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		28.00	-	32.00	60.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	384,000	2.5	9,900	3.5	11,300	1.7	6,300	9.8	117.63
Full year	772,000	1.6	20,500	2.2	23,300	1.1	9,300	22.3	173.64

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(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, 2023: 53,987,499 shares

March 31, 2023: 53,987,499 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 429,442 shares

March 31, 2023: 429,374 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 53,558,079 shares

Three months ended June 30, 2022: 53,702,158 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	21,482	20,823
Notes and accounts receivable - trade, and contract assets	16,701	20,215
Merchandise and finished goods	59,701	65,991
Raw materials and supplies	1,418	1,370
Other	16,379	16,779
Allowance for doubtful accounts	(11)	(16)
Total current assets	115,671	125,164
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	147,599	148,629
Land	54,524	53,668
Other, net	23,280	24,101
Total property, plant and equipment	225,405	226,400
Intangible assets		
Goodwill	1,807	2,128
Other	16,619	16,662
Total intangible assets	18,426	18,791
Investments and other assets		
Guarantee deposits	32,482	32,735
Other	25,460	27,526
Allowance for doubtful accounts	(339)	(350)
Total investments and other assets	57,603	59,911
Total non-current assets	301,436	305,103
Total assets	417,107	430,267

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	59,504	66,668
Short-term borrowings	31,777	33,755
Commercial papers	19,000	19,000
Income taxes payable	4,744	3,170
Provision for bonuses	3,670	6,278
Provisions	730	669
Asset retirement obligations	82	84
Other	30,924	32,677
Total current liabilities	150,433	162,305
Non-current liabilities		
Bonds payable	10,000	10,100
Long-term borrowings	45,766	43,659
Provisions	411	493
Retirement benefit liability	6,502	6,545
Asset retirement obligations	18,151	18,250
Other	18,322	18,318
Total non-current liabilities	99,153	97,367
Total liabilities	249,587	259,672
Net assets		
Shareholders' equity		
Share capital	13,609	13,609
Capital surplus	20,062	20,080
Retained earnings	119,567	121,353
Treasury shares	(831)	(831)
Total shareholders' equity	152,408	154,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	673	1,597
Deferred gains or losses on hedges	(2)	3
Foreign currency translation adjustment	(207)	(160)
Remeasurements of defined benefit plans	(138)	(130)
Total accumulated other comprehensive income	325	1,309
Share acquisition rights	19	19
Non-controlling interests	14,766	15,053
Total net assets	167,520	170,594
Total liabilities and net assets	417,107	430,267

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	180,433	189,968
Cost of sales	132,371	139,116
Gross profit	48,061	50,852
Operating revenue	6,197	6,301
Operating gross profit	54,259	57,153
Selling, general and administrative expenses	48,957	51,530
Operating profit	5,301	5,622
Non-operating income		
Interest income	31	33
Dividend income	7	5
Administrative service fee income	395	385
Rental income	168	174
Share of profit of entities accounted for using equity method	30	0
Other	479	497
Total non-operating income	1,112	1,096
Non-operating expenses		
Interest expenses	191	183
Foreign exchange losses	-	96
Rental costs on real estate	125	123
Other	56	70
Total non-operating expenses	373	473
Ordinary profit	6,040	6,245
Extraordinary income		
Gain on sale of non-current assets	2	635
Gain on bargain purchase	1	10
Penalty income	31	22
Gain on reversal of foreign currency translation adjustment	163	-
Other	16	-
Total extraordinary income	215	668
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	12	17
Impairment losses	307	246
Provision for loss on disaster	105	-
Other	58	29
Total extraordinary losses	484	292
Profit before income taxes	5,771	6,620
Income taxes - current	2,863	3,259
Income taxes - deferred	(857)	(624)
Total income taxes	2,006	2,635
Profit	3,765	3,985
Profit attributable to non-controlling interests	668	532
Profit attributable to owners of parent	3,096	3,453

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	3,765	3,985
Other comprehensive income		
Valuation difference on available-for-sale securities	(802)	928
Deferred gains or losses on hedges	(3)	5
Foreign currency translation adjustment	(327)	90
Remeasurements of defined benefit plans, net of tax	10	7
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	(1,122)	1,033
Comprehensive income	2,642	5,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,056	4,437
Comprehensive income attributable to non-controlling interests	585	580