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

February 9, 2024

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

Contact: Akira Shinohana

Executive Director

Phone: +81-574-60-0858

Scheduled date of filing quarterly securities report: February 14, 2024

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 Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	610,575	6.3	18,362	11.9	20,587	11.9	11,188	11.8
December 31, 2022	574,552	3.8	16,407	(11.2)	18,396	(10.3)	10,012	13.4

(Note) Comprehensive income:
 Nine months ended December 31, 2023: ¥ 13,771 million [22.6%]
 Nine months ended December 31, 2022: ¥ 11,229 million [6.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	208.90	208.88
December 31, 2022	186.43	186.40

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	458,530	177,585	35.4
March 31, 2023	417,107	167,520	36.6

(Reference) Equity:
 As of December 31, 2023: ¥ 162,192 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	-	28.00	-		
Fiscal year ending March 31, 2024 (Forecast)				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
Full year	772,000	1.6	20,500	2.2	23,300	1.1	9,300	22.3	173.63

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2023: 53,987,499 shares

March 31, 2023: 53,987,499 shares

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

December 31, 2023: 421,996 shares

March 31, 2023: 429,374 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 53,561,222 shares

Nine months ended December 31, 2022: 53,705,072 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	21,482	34,814
Notes and accounts receivable - trade, and contract assets	16,701	28,616
Merchandise and finished goods	59,701	68,569
Raw materials and supplies	1,418	1,582
Other	16,379	14,560
Allowance for doubtful accounts	(11)	(350)
Total current assets	115,671	147,792
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	147,599	152,312
Land	54,524	54,193
Other, net	23,280	25,640
Total property, plant and equipment	225,405	232,145
Intangible assets		
Goodwill	1,807	2,050
Other	16,619	16,666
Total intangible assets	18,426	18,716
Investments and other assets		
Guarantee deposits	32,482	32,714
Other	25,460	27,513
Allowance for doubtful accounts	(339)	(352)
Total investments and other assets	57,603	59,875
Total non-current assets	301,436	310,738
Total assets	417,107	458,530

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	59,504	77,243
Short-term borrowings	31,777	36,241
Commercial papers	19,000	23,000
Income taxes payable	4,744	3,173
Provision for bonuses	3,670	2,341
Provisions	730	1,076
Asset retirement obligations	82	159
Other	30,924	38,895
Total current liabilities	150,433	182,129
Non-current liabilities		
Bonds payable	10,000	10,100
Long-term borrowings	45,766	44,744
Provisions	411	493
Retirement benefit liability	6,502	6,781
Asset retirement obligations	18,151	18,749
Other	18,322	17,946
Total non-current liabilities	99,153	98,815
Total liabilities	249,587	280,945
Net assets		
Shareholders' equity		
Share capital	13,609	13,609
Capital surplus	20,062	20,066
Retained earnings	119,567	127,583
Treasury shares	(831)	(816)
Total shareholders' equity	152,408	160,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	673	2,188
Deferred gains or losses on hedges	(2)	(18)
Foreign currency translation adjustment	(207)	(304)
Remeasurements of defined benefit plans	(138)	(116)
Total accumulated other comprehensive income	325	1,749
Share acquisition rights	19	19
Non-controlling interests	14,766	15,372
Total net assets	167,520	177,585
Total liabilities and net assets	417,107	458,530

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	555,803	591,339
Cost of sales	408,695	434,768
Gross profit	147,107	156,570
Operating revenue	18,748	19,235
Operating gross profit	165,856	175,806
Selling, general and administrative expenses	149,448	157,444
Operating profit	16,407	18,362
Non-operating income		
Interest income	94	115
Dividend income	100	114
Administrative service fee income	1,185	1,198
Rental income	511	632
Share of profit of entities accounted for using equity method	53	33
Other	1,136	1,285
Total non-operating income	3,082	3,380
Non-operating expenses		
Interest expenses	566	545
Rental costs on real estate	375	460
Other	151	148
Total non-operating expenses	1,093	1,155
Ordinary profit	18,396	20,587
Extraordinary income		
Gain on sale of non-current assets	14	647
Gain on bargain purchase	1	15
Penalty income	76	130
Subsidy income	49	-
Gain on reversal of foreign currency translation adjustment	163	-
Gain on reversal of share acquisition rights	101	-
Other	86	3
Total extraordinary income	493	797
Extraordinary losses		
Loss on sale of non-current assets	-	9
Loss on retirement of non-current assets	108	106
Impairment losses	370	977
Loss on tax purpose reduction entry of non-current assets	17	-
Other	212	177
Total extraordinary losses	710	1,271
Profit before income taxes	18,180	20,113
Income taxes - current	6,368	7,475
Income taxes - deferred	234	210
Total income taxes	6,603	7,685
Profit	11,577	12,427
Profit attributable to non-controlling interests	1,564	1,238
Profit attributable to owners of parent	10,012	11,188

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	11,577	12,427
Other comprehensive income		
Valuation difference on available-for-sale securities	(29)	1,529
Deferred gains or losses on hedges	(17)	(16)
Foreign currency translation adjustment	(333)	(192)
Remeasurements of defined benefit plans, net of tax	32	21
Share of other comprehensive income of entities accounted for using equity method	0	1
Total other comprehensive income	(347)	1,343
Comprehensive income	11,229	13,771
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,738	12,612
Comprehensive income attributable to non-controlling interests	1,491	1,158