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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name: Vertex Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 5290
 URL: <https://www.vertex-grp.co.jp>
 Representative: Akihide Tsuchiya, Representative Director and President
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 Telephone: +81-3-3556-2801
 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(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	%
Fiscal year ended March 31, 2025	38,918	5.7	6,285	9.8	6,449	10.3	4,826	29.4
March 31, 2024	36,833	(5.8)	5,727	3.0	5,849	0.2	3,728	(0.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 4,942 million [21.7 %]
 Fiscal year ended March 31, 2024: ¥ 4,060 million [7.5%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	190.60	188.08	13.8	12.4	16.2
March 31, 2024	143.86	141.63	11.5	11.5	15.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 4 million
 Fiscal year ended March 31, 2024: ¥ (7) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	51,866	36,534	70.0	1,442.51
March 31, 2024	52,024	33,859	64.5	1,309.37

(Reference) Equity: As of March 31, 2025: ¥ 36,292 million
 As of March 31, 2024: ¥ 33,581 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 the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	6,376	215	(3,185)	17,303
March 31, 2024	5,592	(526)	(2,152)	13,896

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	-	-	40.00	40.00	1,041	27.8	3.2
March 31, 2025	-	-	-	60.00	60.00	1,531	31.5	4.4
Fiscal year ending March 31, 2026 (Forecast)	-	-	-	65.00	65.00		37.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		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, 2025	16,800	(6.7)	2,290	(6.5)	2,360	(7.1)	1,560	7.5	63.06
Full year	41,000	5.3	6,350	1.0	6,500	0.8	4,290	(11.1)	173.42

* Notes:

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

None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 28,853,350 shares
March 31, 2024: 30,553,350 shares

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

March 31, 2025: 3,694,130 shares
March 31, 2024: 4,906,333 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 25,321,362 shares
Fiscal Year ended March 31, 2024: 25,918,309 shares

* This summary of consolidated Financial Results is outside the scope of an audit by a certified public accountant or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The statements contained in this document are based on the various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related policies will actually be realized.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	13,921,937	17,323,157
Notes and accounts receivable - trade, and contract assets	9,131,798	7,505,497
Electronically recorded monetary claims - operating	4,151,452	3,430,410
Costs on construction contracts in progress	212,214	360,597
Merchandise and finished goods	3,815,166	4,264,345
Work in process	173,170	229,503
Raw materials and supplies	916,483	998,816
Other	501,261	607,460
Allowance for doubtful accounts	(20,357)	(29,619)
Total current assets	32,803,127	34,690,168
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,324,522	11,618,353
Accumulated depreciation	(9,437,229)	(8,969,152)
Buildings and structures, net	2,887,293	2,649,200
Machinery, equipment and vehicles	10,770,903	10,433,595
Accumulated depreciation	(9,863,479)	(9,667,279)
Machinery, equipment and vehicles, net	907,423	766,315
Tools, furniture and fixtures	7,229,922	7,369,435
Accumulated depreciation	(6,572,224)	(6,764,938)
Tools, furniture and fixtures, net	657,697	604,496
Land	8,079,049	7,178,157
Leased assets	93,325	91,687
Accumulated depreciation	(91,156)	(91,398)
Leased assets, net	2,168	289
Construction in progress	5,200	98,725
Total property, plant and equipment	12,538,833	11,297,185
Intangible assets		
Goodwill	3,326,200	3,049,016
Other	457,811	375,246
Total intangible assets	3,784,012	3,424,263
Investments and other assets		
Investment securities	1,462,010	1,540,362
Long-term loans receivable	5,906	3,162
Deferred tax assets	678,683	335,370
Other	922,563	691,828
Allowance for doubtful accounts	(170,195)	(115,422)
Total investments and other assets	2,898,966	2,455,300
Total non-current assets	19,221,812	17,176,749
Total assets	52,024,939	51,866,918

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,679,982	2,355,844
Electronically recorded obligations - operating	4,465,819	3,747,351
Short-term borrowings	3,040,000	2,540,000
Current portion of long-term borrowings	254,376	525,687
Lease liabilities	2,029	312
Income taxes payable	1,089,172	462,680
Provision for bonuses	471,674	494,357
Provision for shareholder benefit program	-	13,200
Provision for loss on closing of plants	48,600	-
Other	1,765,421	1,820,823
Total current liabilities	13,817,075	11,960,255
Non-current liabilities		
Long-term borrowings	1,458,347	844,004
Lease liabilities	312	-
Deferred tax liabilities	650,131	581,043
Retirement benefit liability	722,138	403,436
Deferred tax liabilities for land revaluation	572,823	589,660
Provision for loss on closing of plants	27,330	-
Provision for share awards	244,461	331,806
Asset retirement obligations	382,715	399,474
Other	289,757	222,556
Total non-current liabilities	4,348,019	3,371,982
Total liabilities	18,165,094	15,332,238
Net assets		
Shareholders' equity		
Share capital	3,000,000	3,000,000
Capital surplus	1,713,569	342,459
Retained earnings	31,110,716	34,895,285
Treasury shares	(3,962,725)	(3,781,115)
Total shareholders' equity	31,861,559	34,456,628
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	421,888	554,594
Revaluation reserve for land	1,297,926	1,281,090
Total accumulated other comprehensive income	1,719,815	1,835,684
Share acquisition rights	278,469	242,366
Total net assets	33,859,844	36,534,679
Total liabilities and net assets	52,024,939	51,866,918

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	36,833,960	38,918,012
Cost of sales	24,660,415	25,681,378
Gross profit	12,173,544	13,236,633
Selling, general and administrative expenses	6,446,444	6,950,983
Operating profit	5,727,099	6,285,650
Non-operating income		
Interest income	263	3,034
Dividend income	33,280	39,280
Share of profit of entities accounted for using equity method	-	4,683
Consulting fee income	40,000	40,000
Reversal of allowance for doubtful accounts	11,160	16,961
Gain on sale of scraps	73,581	31,458
Other	113,907	110,790
Total non-operating income	272,193	246,209
Non-operating expenses		
Interest expenses	27,741	32,247
Share of loss of entities accounted for using equity method	7,943	-
Compensation for damage	54,614	4,381
Other	59,419	45,381
Total non-operating expenses	149,718	82,010
Ordinary profit	5,849,574	6,449,849
Extraordinary income		
Gain on sale of non-current assets	151,670	84,355
Gain on sale of investment securities	243	52,514
Surrender value of insurance policies	101,414	375,181
Total extraordinary income	253,327	512,051
Extraordinary losses		
Loss on sale of non-current assets	8,683	-
Loss on retirement of non-current assets	76,452	24,281
Loss on sale of investment securities	-	146,575
Loss on valuation of investment securities	55,239	-
Impairment losses	86,875	401,605
Factory close cost	-	40,919
Total extraordinary losses	227,252	613,381
Profit before income taxes	5,875,649	6,348,518
Income taxes - current	2,020,586	1,322,104
Income taxes - deferred	126,369	200,236
Total income taxes	2,146,956	1,522,341
Profit	3,728,693	4,826,177
Profit attributable to owners of parent	3,728,693	4,826,177

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	3,728,693	4,826,177
Other comprehensive income		
Valuation difference on available-for-sale securities	253,763	132,705
Revaluation reserve for land	78,127	(16,836)
Total other comprehensive income	331,890	115,869
Comprehensive income	4,060,583	4,942,046
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,060,583	4,942,046

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,000,000	1,710,170	28,183,879	(2,947,117)	29,946,932
Changes during period					
Dividends of surplus			(801,856)		(801,856)
Profit attributable to owners of parent			3,728,693		3,728,693
Purchase of treasury shares				(1,033,193)	(1,033,193)
Disposal of treasury shares		3,398		17,585	20,984
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	3,398	2,926,836	(1,015,608)	1,914,627
Balance at end of period	3,000,000	1,713,569	31,110,716	(3,962,725)	31,861,559

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total accumulated other comprehensive income		
Balance at beginning of period	168,125	1,219,799	1,387,924	249,645	31,584,502
Changes during period					
Dividends of surplus					(801,856)
Profit attributable to owners of parent					3,728,693
Purchase of treasury shares					(1,033,193)
Disposal of treasury shares					20,984
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	253,763	78,127	331,890	28,824	360,715
Total changes during period	253,763	78,127	331,890	28,824	2,275,342
Balance at end of period	421,888	1,297,926	1,719,815	278,469	33,859,844

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,000,000	1,713,569	31,110,716	(3,962,725)	31,861,559
Changes during period					
Dividends of surplus			(1,041,608)		(1,041,608)
Profit attributable to owners of parent			4,826,177		4,826,177
Purchase of treasury shares				(1,302,865)	(1,302,865)
Disposal of treasury shares		(25,337)		138,702	113,365
Cancellation of treasury shares		(1,345,772)		1,345,772	-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(1,371,109)	3,784,569	181,609	2,595,069
Balance at end of period	3,000,000	342,459	34,895,285	(3,781,115)	34,456,628

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total accumulated other comprehensive income		
Balance at beginning of period	421,888	1,297,926	1,719,815	278,469	33,859,844
Changes during period					
Dividends of surplus					(1,041,608)
Profit attributable to owners of parent					4,826,177
Purchase of treasury shares					(1,302,865)
Disposal of treasury shares					113,365
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	132,705	(16,836)	115,869	(36,103)	79,765
Total changes during period	132,705	(16,836)	115,869	(36,103)	2,674,835
Balance at end of period	554,594	1,281,090	1,835,684	242,366	36,534,679

Consolidated Statements of Cash Flows

(Thousands of 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	5,875,649	6,348,518
Depreciation	1,071,905	1,171,367
Impairment losses	86,875	401,605
Amortization of goodwill	277,183	277,183
Increase (decrease) in allowance for doubtful accounts	750	(45,511)
Increase (decrease) in provision for bonuses	4,842	22,682
Increase (decrease) in provision for share awards	76,651	87,344
Increase (decrease) in provision for shareholder benefit program	-	13,200
Increase (decrease) in retirement benefit liability	(497,198)	(318,702)
Increase (decrease) in provision for loss on closing of plants	(14,120)	(48,600)
Interest and dividend income	(33,543)	(42,314)
Interest expenses	27,741	32,247
Share of loss (profit) of entities accounted for using equity method	7,943	(4,683)
Foreign exchange losses (gains)	(64)	79
Loss (gain) on sale and retirement of non-current assets	(66,533)	(60,073)
Surrender value of insurance policies	(101,414)	(375,181)
Loss (gain) on sale of investment securities	(243)	94,060
Loss (gain) on valuation of investment securities	55,239	-
Decrease (increase) in trade receivables	(562,314)	2,347,343
Decrease (increase) in inventories	192,407	(736,228)
Increase (decrease) in trade payables	1,130,480	(1,042,606)
Other, net	(470,808)	353,518
Subtotal	7,061,429	8,475,249
Interest and dividends received	33,543	42,314
Interest paid	(29,025)	(34,350)
Income taxes paid	(1,473,197)	(2,106,703)
Net cash provided by (used in) operating activities	5,592,750	6,376,510
Cash flows from investing activities		
Decrease (increase) in time deposits	10,099	4,999
Purchase of investment securities	(720)	(100,783)
Proceeds from sale of investment securities	21,278	133,540
Purchase of property, plant and equipment	(1,099,444)	(1,056,205)
Proceeds from sale of property, plant and equipment	289,600	270,368
Purchase of intangible assets	(56,267)	(68,667)
Proceeds from sale of businesses	-	467,590
Loan advances	(600)	(200)
Proceeds from collection of loans receivable	16,629	8,778
Proceeds from cancellation of insurance funds	218,155	758,814
Other, net	75,021	(203,073)
Net cash provided by (used in) investing activities	(526,247)	215,162

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(110,000)	(616,392)
Repayments of long-term borrowings	(438,804)	(226,640)
Repayments of lease liabilities	(2,237)	(2,029)
Purchase of treasury shares	(800,398)	(1,302,865)
Proceeds from disposal of treasury shares	255	764
Proceeds from exercise of employee share options	12	136
Dividends paid	(801,152)	(1,038,347)
Net cash provided by (used in) financing activities	(2,152,325)	(3,185,373)
Effect of exchange rate change on cash and cash equivalents	64	(79)
Net increase (decrease) in cash and cash equivalents	2,914,242	3,406,219
Cash and cash equivalents at beginning of period	10,982,670	13,896,912
Cash and cash equivalents at end of period	13,896,912	17,303,132