

Translation

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

August 9, 2024

Company name: FORVAL CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8275 URL <https://www.forval.co.jp>
 Representative: President and COO Masanori Nakajima
 Inquiries: Managing Director Koji Kato TEL 03-3498-1541
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 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	%
Three months ended June 30, 2024	15,820	10.4	451	1.1	534	0.5	195	(23.1)
Three months ended June 30, 2023	14,328	9.8	446	150.8	532	74.9	253	329.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	7.45		7.45	
Three months ended June 30, 2023	9.87		9.87	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	38,532	18,267	41.5
As of March 31, 2024	40,730	17,750	40.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	28.00	28.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		0.00	–	30.00	30.00

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	67,000	5.5	3,600	11.3	3,700	7.0	2,100	4.4	80.16

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly 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: Yes
- 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 June 30, 2024	27,732,622 shares	As of March 31, 2024	27,732,622 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	1,534,516 shares	As of March 31, 2024	1,534,469 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	26,198,148 shares	Three months ended June 30, 2023	25,710,145 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	11,928,320	11,738,179
Notes and accounts receivable - trade, and contract assets	9,878,783	7,922,061
Investments in leases	1,122,023	1,203,993
Merchandise and finished goods	932,815	822,188
Work in process	88,381	89,625
Raw materials and supplies	295,065	266,310
Accounts receivable - other	1,854,091	1,568,783
Other	1,959,780	1,815,302
Allowance for doubtful accounts	(112,525)	(157,801)
Total current assets	27,946,736	25,268,641
Non-current assets		
Property, plant and equipment	2,559,824	2,595,757
Intangible assets		
Goodwill	2,706,563	3,097,430
Other	1,430,324	1,433,512
Total intangible assets	4,136,887	4,530,943
Investments and other assets		
Investment securities	1,949,202	2,046,950
Distressed receivables	227,019	220,075
Deferred tax assets	1,819,426	1,641,209
Other	2,437,223	2,591,191
Allowance for doubtful accounts	(346,003)	(362,429)
Total investments and other assets	6,086,868	6,136,998
Total non-current assets	12,783,580	13,263,699
Total assets	40,730,317	38,532,340
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,104,811	6,077,975
Short-term borrowings	1,536,132	1,495,192
Accounts payable - other	2,856,705	2,652,096
Income taxes payable	704,145	165,250
Provision for bonuses	847,796	406,200
Provision for bonuses for directors (and other officers)	255,542	97,484
Other	3,908,379	3,794,935
Total current liabilities	17,213,514	14,689,134
Non-current liabilities		
Long-term borrowings	2,552,419	2,388,101
Retirement benefit liability	2,875,668	2,853,505
Provision for retirement benefits for directors (and other officers)	46,928	46,928
Deferred tax liabilities	19,456	16,436
Liabilities from application of equity method	24,576	26,731
Other	247,102	243,984
Total non-current liabilities	5,766,152	5,575,688
Total liabilities	22,979,666	20,264,822

	(Thousands of yen)	
	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	4,150,294	4,150,294
Capital surplus	3,119,829	3,127,244
Retained earnings	9,724,796	9,187,237
Treasury shares	(906,276)	(906,343)
Total shareholders' equity	16,088,644	15,558,433
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	377,098	393,562
Foreign currency translation adjustment	64,657	96,920
Remeasurements of defined benefit plans	(44,075)	(41,050)
Total accumulated other comprehensive income	397,680	449,433
Share acquisition rights	9,720	9,585
Non-controlling interests	1,254,605	2,250,066
Total net assets	17,750,650	18,267,518
Total liabilities and net assets	40,730,317	38,532,340

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	14,328,692	15,820,779
Cost of sales	9,105,107	10,058,213
Gross profit	5,223,584	5,762,565
Selling, general and administrative expenses	4,776,668	5,310,869
Operating profit	446,916	451,695
Non-operating income		
Interest income	1,024	1,171
Dividend income	12,841	8,472
Share of profit of entities accounted for using equity method	55,291	39,021
Foreign exchange gains	19,871	31,045
Other	16,134	21,045
Total non-operating income	105,164	100,756
Non-operating expenses		
Interest expenses	3,595	13,407
loss on retirement of long-term prepaid expenses	14,483	–
Other	1,657	4,283
Total non-operating expenses	19,736	17,690
Ordinary profit	532,343	534,761
Extraordinary income	12,102	719
Extraordinary losses	13,210	377
Profit before income taxes	531,235	535,102
Income taxes - current	131,215	136,252
Income taxes - deferred	100,129	165,942
Total income taxes	231,344	302,195
Profit	299,890	232,907
Profit attributable to non-controlling interests	46,219	37,837
Profit attributable to owners of parent	253,671	195,070

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	299,890	232,907
Other comprehensive income		
Valuation difference on available-for-sale securities	20,194	16,464
Remeasurements of defined benefit plans, net of tax	1,089	3,024
Share of other comprehensive income of entities accounted for using equity method	32,758	32,263
Total other comprehensive income	54,043	51,752
Comprehensive income	353,933	284,660
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	307,714	246,822
Comprehensive income attributable to non-controlling interests	46,219	37,837