

**Translation**

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

November 13, 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 file Semi-annual Securities Report: November 13, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes

(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	33,839	10.7	1,596	6.6	1,699	2.6	820	(13.0)
Six months ended September 30, 2023	30,576	11.1	1,498	157.6	1,656	115.7	942	216.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	31.35		–	
Six months ended September 30, 2023	36.66		36.66	

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	39,836	19,025	41.4
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				
Year ended March 31, 2024	–	0.00	–	28.00	28.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	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 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: 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 September 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 September 30, 2024	1,687,500 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)

Six months ended September 30, 2024	26,166,168 shares	Six months ended September 30, 2023	25,710,145 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
<b>Assets</b>		
Current assets		
Cash and deposits	11,928,320	11,178,305
Notes and accounts receivable - trade, and contract assets	9,878,783	9,435,747
Investments in leases	1,122,023	1,190,614
Merchandise and finished goods	932,815	977,255
Work in process	88,381	80,573
Raw materials and supplies	295,065	299,497
Accounts receivable - other	1,854,091	1,870,189
Other	1,959,780	1,870,547
Allowance for doubtful accounts	(112,525)	(138,620)
Total current assets	27,946,736	26,764,111
Non-current assets		
Property, plant and equipment	2,559,824	2,583,813
Intangible assets		
Goodwill	2,706,563	2,977,484
Other	1,430,324	1,447,395
Total intangible assets	4,136,887	4,424,880
Investments and other assets		
Investment securities	1,949,202	1,989,441
Distressed receivables	227,019	265,441
Deferred tax assets	1,819,426	1,521,856
Other	2,437,223	2,639,594
Allowance for doubtful accounts	(346,003)	(352,739)
Total investments and other assets	6,086,868	6,063,594
Total non-current assets	12,783,580	13,072,288
Total assets	40,730,317	39,836,399
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,104,811	6,811,803
Short-term borrowings	1,536,132	990,152
Accounts payable - other	2,856,705	2,503,920
Income taxes payable	704,145	560,581
Provision for bonuses	847,796	712,685
Provision for bonuses for directors (and other officers)	255,542	145,750
Other	3,908,379	3,570,135
Total current liabilities	17,213,514	15,295,028
Non-current liabilities		
Long-term borrowings	2,552,419	2,343,860
Retirement benefit liability	2,875,668	2,857,132
Provision for retirement benefits for directors (and other officers)	46,928	46,928
Deferred tax liabilities	19,456	15,428
Liabilities from application of equity method	24,576	23,226
Other	247,102	229,464
Total non-current liabilities	5,766,152	5,516,042
Total liabilities	22,979,666	20,811,070

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	4,150,294	4,150,294
Capital surplus	3,119,829	3,259,809
Retained earnings	9,724,796	9,812,462
Treasury shares	(906,276)	(1,112,083)
Total shareholders' equity	16,088,644	16,110,483
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	377,098	394,664
Foreign currency translation adjustment	64,657	23,243
Remeasurements of defined benefit plans	(44,075)	(38,025)
Total accumulated other comprehensive income	397,680	379,882
Share acquisition rights	9,720	9,585
Non-controlling interests	1,254,605	2,525,378
Total net assets	17,750,650	19,025,329
Total liabilities and net assets	40,730,317	39,836,399

## 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	30,576,636	33,839,809
Cost of sales	19,474,541	21,632,494
Gross profit	11,102,094	12,207,315
Selling, general and administrative expenses	9,604,051	10,610,390
Operating profit	1,498,042	1,596,924
Non-operating income		
Interest income	2,773	3,631
Dividend income	15,776	11,899
Foreign exchange gains	27,333	9,809
Share of profit of entities accounted for using equity method	98,765	84,645
Other	45,502	34,602
Total non-operating income	190,151	144,588
Non-operating expenses		
Interest expenses	8,591	29,869
loss on retirement of long-term prepaid expenses	17,933	–
Other	5,015	12,120
Total non-operating expenses	31,540	41,990
Ordinary profit	1,656,653	1,699,523
Extraordinary income		
Gain on sale of investment securities	12,930	3,473
Gain on sale of non-current assets	318	83
Compensation for forced relocation	77,578	–
Gain on reversal of asset retirement obligations	19,440	–
Other	307	135
Total extraordinary income	110,574	3,691
Extraordinary losses		
Loss on sale and retirement of non-current assets	47,088	2,749
Impairment losses	–	1,820
Bad debts expenses	–	8,880
Other	–	2,825
Total extraordinary losses	47,088	16,275
Profit before income taxes	1,720,139	1,686,939
Income taxes - current	565,307	475,232
Income taxes - deferred	76,226	284,244
Total income taxes	641,533	759,476
Profit	1,078,606	927,462
Profit attributable to non-controlling interests	136,034	107,168
Profit attributable to owners of parent	942,571	820,294

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,078,606	927,462
Other comprehensive income		
Valuation difference on available-for-sale securities	(73,578)	17,566
Remeasurements of defined benefit plans, net of tax	2,179	6,049
Share of other comprehensive income of entities accounted for using equity method	42,939	(41,413)
Total other comprehensive income	(28,459)	(17,797)
Comprehensive income	1,050,147	909,665
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	914,112	802,497
Comprehensive income attributable to non-controlling interests	136,034	107,168

## 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	1,720,139	1,686,939
Depreciation	623,070	758,747
Impairment losses	–	1,820
Amortization of goodwill	157,815	226,251
Increase (decrease) in allowance for doubtful accounts	10,608	(40,479)
Increase (decrease) in provision for bonuses	169	(135,111)
Increase (decrease) in provision for bonuses for directors (and other officers)	(64,947)	(109,792)
Increase (decrease) in retirement benefit liability	9,396	(9,815)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(18,614)	–
Interest and dividend income	(18,549)	(15,531)
Interest expenses	8,591	29,869
Share of loss (profit) of entities accounted for using equity method	(98,765)	(84,645)
Loss (gain) on sale and retirement of non-current assets	46,770	2,665
Loss (gain) on sale of investment securities	(12,930)	(647)
Decrease (increase) in accounts receivable - trade, and contract assets	1,519,678	679,343
Decrease (increase) in inventories	(114,589)	(37,848)
Decrease (increase) in prepaid expenses	(263,021)	(423,000)
Increase (decrease) in trade payables	(1,329,303)	(301,522)
Increase (decrease) in accrued consumption taxes	(97,713)	269,725
Increase (decrease) in accounts payable - other	213,260	(408,975)
Increase (decrease) in accrued expenses	(74,124)	(243,711)
Other, net	(233,443)	(218,674)
Subtotal	1,983,496	1,625,606
Interest and dividends received	19,231	32,101
Interest paid	(8,857)	(28,934)
Income taxes paid	(640,477)	(610,866)
Net cash provided by (used in) operating activities	1,353,392	1,017,907
Cash flows from investing activities		
Purchase of property, plant and equipment	(598,837)	(172,117)
Purchase of intangible assets	(412,736)	(249,783)
Purchase of investment securities	(5,083)	(84,351)
Proceeds from sale of investment securities	55,090	7,537
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	42,664	352,898
Loan advances	(40,590)	(70)
Proceeds from collection of loans receivable	5,869	84,739
Payments of guarantee deposits	(416,551)	(87,118)
Purchase of insurance funds	(4,193)	(150,379)
Other, net	51,090	34,972
Net cash provided by (used in) investing activities	(1,323,277)	(263,673)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	349,400	(600,000)
Repayments of long-term borrowings	(177,721)	(157,716)
Purchase of treasury shares	–	(205,807)
Dividends paid	(692,287)	(730,954)
Dividends paid to non-controlling interests	(64,947)	(71,500)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	345,212
Other, net	(75,781)	(95,676)
Net cash provided by (used in) financing activities	(661,336)	(1,516,441)
Effect of exchange rate change on cash and cash equivalents	11,030	(201)
Net increase (decrease) in cash and cash equivalents	(620,191)	(762,409)
Cash and cash equivalents at beginning of period	11,055,419	11,724,950
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(6)
Cash and cash equivalents at end of period	10,435,227	10,962,533