

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 13, 2025

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 Executive Officer, Group Chief Masaki Akai TEL 03-3498-1541
 Financial Strategy Officer
 Scheduled date of ordinary general meeting of shareholders: June 20, 2025
 Scheduled date to file Securities Report: June 20, 2025
 Scheduled date to commence dividend payments: June 5, 2025
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts, institutional investors and general investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2025 (from 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	%
Year ended March 31, 2025	72,629	14.3	3,740	15.6	3,975	14.9	2,168	7.8
Year ended March 31, 2024	63,527	6.7	3,235	32.4	3,459	27.3	2,011	19.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	83.06	—	12.7	9.6	5.1
Year ended March 31, 2024	78.20	78.20	12.9	9.0	5.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	42,130	19,704	41.6	673.60
As of March 31, 2024	40,730	17,750	40.5	629.29

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	4,186	(1,410)	(3,314)	11,186
Year ended March 31, 2024	3,167	(1,062)	(1,454)	11,724

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	0.00	—	28.00	28.00	733	35.8	4.7
Year ended March 31, 2025	—	0.00	—	30.00	30.00	781	36.1	4.6
Year ending March 31, 2026 (Forecast)	—	0.00	—	31.00	31.00		36.7	

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from 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		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	76,000	4.6	4,100	9.6	4,200	5.6	2,200	1.5	84.47

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended March 31, 2025: No
- (2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2025	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 March 31, 2025	1,687,984 shares	As of March 31, 2024	1,534,469 shares
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Average number of shares during the period

Year ended March 31, 2025	26,106,635 shares	Year ended March 31, 2024	25,716,136 shares
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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	11,928,320	11,408,399
Notes receivable - trade	134,434	127,705
Accounts receivable - trade	9,688,685	11,226,891
Contract assets	55,663	32,561
Investments in leases	1,122,023	1,033,286
Merchandise and finished goods	932,815	1,082,171
Work in process	88,381	85,226
Raw materials and supplies	295,065	356,918
Prepaid expenses	1,122,783	1,117,825
Accounts receivable - other	1,854,091	1,900,515
Other	836,996	389,788
Allowance for doubtful accounts	(112,525)	(195,293)
Total current assets	27,946,736	28,565,996
Non-current assets		
Property, plant and equipment		
Buildings	1,660,287	1,741,785
Accumulated depreciation	(653,237)	(721,922)
Buildings, net	1,007,050	1,019,862
Tools, furniture and fixtures	1,314,975	1,309,229
Accumulated depreciation	(1,055,447)	(1,037,931)
Tools, furniture and fixtures, net	259,527	271,298
Leased assets	472,146	404,692
Accumulated depreciation	(276,012)	(192,110)
Leased assets, net	196,134	212,582
Land	1,028,731	1,028,731
Other	262,387	274,204
Accumulated depreciation	(194,007)	(198,037)
Other, net	68,380	76,167
Total property, plant and equipment	2,559,824	2,608,642
Intangible assets		
Goodwill	2,706,563	2,618,717
Software	1,303,937	1,364,060
Software in progress	55,653	40,167
Other	70,733	83,586
Total intangible assets	4,136,887	4,106,531
Investments and other assets		
Investment securities	1,949,202	2,596,057
Long-term prepaid expenses	764,082	664,732
Distressed receivables	227,019	281,747
Deferred tax assets	1,819,426	1,721,395
Other	1,673,141	1,933,537
Allowance for doubtful accounts	(346,003)	(348,137)
Total investments and other assets	6,086,868	6,849,332
Total non-current assets	12,783,580	13,564,506
Total assets	40,730,317	42,130,503

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,104,811	7,816,086
Short-term borrowings	1,536,132	1,325,384
Accounts payable - other	2,856,705	2,836,412
Accrued expenses	1,236,805	1,240,778
Lease liabilities	324,227	318,062
Income taxes payable	704,145	1,105,410
Contract liabilities	506,242	487,857
Provision for bonuses	847,796	1,055,873
Provision for bonuses for directors (and other officers)	255,542	294,330
Other	1,841,103	1,846,634
Total current liabilities	17,213,514	18,326,829
Non-current liabilities		
Long-term borrowings	2,552,419	935,454
Lease liabilities	126,401	147,000
Retirement benefit liability	2,875,668	2,801,704
Provision for retirement benefits for directors (and other officers)	46,928	43,628
Deferred tax liabilities	19,456	21,406
Liabilities from application of equity method	24,576	28,265
Other	120,700	121,288
Total non-current liabilities	5,766,152	4,098,749
Total liabilities	22,979,666	22,425,579
Net assets		
Shareholders' equity		
Share capital	4,150,294	4,150,294
Capital surplus	3,119,829	3,255,844
Retained earnings	9,724,796	11,160,609
Treasury shares	(906,276)	(1,112,083)
Total shareholders' equity	16,088,644	17,454,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	377,098	96,915
Foreign currency translation adjustment	64,657	32,701
Remeasurements of defined benefit plans	(44,075)	(40,620)
Total accumulated other comprehensive income	397,680	88,995
Share acquisition rights	9,720	—
Non-controlling interests	1,254,605	2,161,263
Total net assets	17,750,650	19,704,923
Total liabilities and net assets	40,730,317	42,130,503

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	63,527,988	72,629,302
Cost of sales	41,065,256	47,378,770
Gross profit	22,462,731	25,250,531
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	90,689	133,005
Salaries and allowances	8,750,103	9,572,714
Retirement benefit expenses	353,593	367,176
Provision for bonuses	913,441	1,109,974
Provision for bonuses for directors (and other officers)	263,399	298,770
Commission expenses	1,025,873	1,139,273
Other	7,830,601	8,889,217
Total selling, general and administrative expenses	19,227,704	21,510,130
Operating profit	3,235,027	3,740,400
Non-operating income		
Interest income	5,390	9,888
Dividend income	18,114	14,147
Foreign exchange gains	32,908	23,379
Share of profit of entities accounted for using equity method	138,004	119,954
Insurance return	14,094	70,715
Other	56,230	89,615
Total non-operating income	264,742	327,701
Non-operating expenses		
Interest expenses	17,528	57,264
Commission expenses	—	10,000
Other	23,051	25,226
Total non-operating expenses	40,580	92,490
Ordinary profit	3,459,189	3,975,611
Extraordinary income		
Gain on sale of non-current assets	2,503	1,214
Gain on sale of investment securities	306,195	230,914
Reversal of allowance for doubtful accounts	89,878	—
Insurance claim income	141,520	—
Compensation for forced relocation	78,114	—
Other	28,945	9,779
Total extraordinary income	647,158	241,908

	(Thousands of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary losses		
Loss on sale and retirement of non-current assets	60,443	22,139
Loss on valuation of investment securities	200,044	—
Impairment losses	73,000	94,820
loss on waiver of debt	—	37,424
Other	38,088	7,194
Total extraordinary losses	371,575	161,579
Profit before income taxes	3,734,772	4,055,940
Income taxes - current	1,096,886	1,441,092
Income taxes - deferred	366,742	191,560
Total income taxes	1,463,629	1,632,652
Profit	2,271,143	2,423,287
Profit attributable to non-controlling interests	260,081	254,846
Profit attributable to owners of parent	2,011,061	2,168,441

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	2,271,143	2,423,287
Other comprehensive income		
Valuation difference on available-for-sale securities	(247,513)	(280,183)
Remeasurements of defined benefit plans, net of tax	(17,657)	3,454
Share of other comprehensive income of entities accounted for using equity method	47,976	(31,955)
Total other comprehensive income	(217,194)	(308,684)
Comprehensive income	2,053,948	2,114,603
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,793,866	1,859,757
Comprehensive income attributable to non-controlling interests	260,081	254,846

Consolidated statements of changes in equity

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	4,150,294	2,653,732	8,407,909	(1,194,473)	14,017,463
Changes during period					
Dividends of surplus			(694,173)		(694,173)
Profit attributable to owners of parent			2,011,061		2,011,061
Purchase of treasury shares				(45)	(45)
Disposal of treasury shares		390,129		288,242	678,371
Change in ownership interest of parent due to transactions with non-controlling interests		75,968			75,968
Net changes in items other than shareholders' equity					
Total changes during period	–	466,097	1,316,887	288,197	2,071,181
Balance at end of period	4,150,294	3,119,829	9,724,796	(906,276)	16,088,644

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	624,611	16,681	(26,417)	614,874	19,224	985,351	15,636,913
Changes during period							
Dividends of surplus							(694,173)
Profit attributable to owners of parent							2,011,061
Purchase of treasury shares							(45)
Disposal of treasury shares							678,371
Change in ownership interest of parent due to transactions with non-controlling interests							75,968
Net changes in items other than shareholders' equity	(247,513)	47,976	(17,657)	(217,194)	(9,504)	269,254	42,555
Total changes during period	(247,513)	47,976	(17,657)	(217,194)	(9,504)	269,254	2,113,737
Balance at end of period	377,098	64,657	(44,075)	397,680	9,720	1,254,605	17,750,650

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	4,150,294	3,119,829	9,724,796	(906,276)	16,088,644
Changes during period					
Dividends of surplus			(733,548)		(733,548)
Profit attributable to owners of parent			2,168,441		2,168,441
Purchase of treasury shares				(205,807)	(205,807)
Change in scope of consolidation			919		919
Change in ownership interest of parent due to transactions with non-controlling interests		136,014			136,014
Net changes in items other than shareholders' equity					
Total changes during period	–	136,014	1,435,813	(205,807)	1,366,020
Balance at end of period	4,150,294	3,255,844	11,160,609	(1,112,083)	17,454,664

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	377,098	64,657	(44,075)	397,680	9,720	1,254,605	17,750,650
Changes during period							
Dividends of surplus							(733,548)
Profit attributable to owners of parent							2,168,441
Purchase of treasury shares							(205,807)
Change in scope of consolidation							919
Change in ownership interest of parent due to transactions with non-controlling interests							136,014
Net changes in items other than shareholders' equity	(280,183)	(31,955)	3,454	(308,684)	(9,720)	906,657	588,253
Total changes during period	(280,183)	(31,955)	3,454	(308,684)	(9,720)	906,657	1,954,273
Balance at end of period	96,915	32,701	(40,620)	88,995	–	2,161,263	19,704,923

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,734,772	4,055,940
Depreciation	1,354,233	1,642,761
Impairment losses	73,000	94,820
Amortization of goodwill	329,773	464,758
Increase (decrease) in allowance for doubtful accounts	(1,938,078)	11,592
Increase (decrease) in retirement benefit liability	49,308	(68,984)
Increase (decrease) in provision for bonuses for directors (and other officers)	39,079	38,787
Increase (decrease) in provision for bonuses	109,264	208,076
Interest and dividend income	(23,504)	(24,036)
Interest expenses	17,528	57,264
Share of loss (profit) of entities accounted for using equity method	(138,004)	(119,954)
Insurance claim income	(141,520)	—
Loss (gain) on sale and retirement of non-current assets	57,939	20,925
Loss (gain) on sale of investment securities	(306,195)	(227,966)
Loss (gain) on valuation of investment securities	200,044	—
Decrease (increase) in trade receivables and contract assets	1,798,455	(1,091,812)
Decrease (increase) in inventories	(91,342)	(201,042)
Decrease (increase) in accounts receivable - other	213,642	(45,819)
Decrease (increase) in prepaid expenses	(560,313)	(627,824)
Increase (decrease) in trade payables	(382,329)	702,759
Increase (decrease) in accrued consumption taxes	(230,496)	543,409
Increase (decrease) in accounts payable - other	(221,067)	(127,694)
Other, net	230,266	(75,508)
Subtotal	4,174,455	5,230,452
Interest and dividends received	24,225	55,900
Interest paid	(18,133)	(55,813)
Income taxes paid	(1,013,019)	(1,044,525)
Net cash provided by (used in) operating activities	3,167,528	4,186,014
Cash flows from investing activities		
Purchase of property, plant and equipment	(925,971)	(254,121)
Purchase of intangible assets	(689,824)	(544,420)
Proceeds from sale of investment securities	384,752	272,384
Purchase of investment securities	(111,938)	(1,116,960)
Loan advances	(40,090)	(1,070)
Proceeds from collection of loans receivable	8,251	90,902
Payments of guarantee deposits	(427,897)	(161,945)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	503,318	352,898
Purchase of insurance funds	(6,801)	(206,222)
Proceeds from cancellation of insurance funds	194,587	96,706
Other, net	49,285	60,933
Net cash provided by (used in) investing activities	(1,062,329)	(1,410,916)

	(Thousands of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(464,400)	(1,300,000)
Proceeds from long-term borrowings	100,000	1,700,000
Repayments of long-term borrowings	(345,295)	(2,234,222)
Redemption of bonds	–	(100,000)
Purchase of treasury shares	(45)	(205,807)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	170,000	345,212
Purchase of treasury shares of subsidiaries	(437)	(17,342)
Dividends paid	(692,501)	(731,559)
Dividends paid to non-controlling interests	(94,296)	(595,484)
Other, net	(127,219)	(175,483)
Net cash provided by (used in) financing activities	(1,454,195)	(3,314,687)
Effect of exchange rate change on cash and cash equivalents	12,191	850
Net increase (decrease) in cash and cash equivalents	663,194	(538,739)
Cash and cash equivalents at beginning of period	11,055,419	11,724,950
Increase in cash and cash equivalents resulting from merger	6,336	–
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(6)
Cash and cash equivalents at end of period	11,724,950	11,186,203