

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 9, 2023

Company name: VALTES CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 4442 URL <https://www.valtes.co.jp/>
 Representative: President Shinji Tanaka
 Inquiries: Director Yuichi Nishimura TEL 06(6534)6561
 Scheduled date to file Quarterly Securities Report: August 9, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	2,466	26.3	84	(57.4)	87	(56.7)	55	(57.2)
Three months ended June 30, 2022	1,952	34.8	198	–	202	–	129	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	8.12	8.11
Three months ended June 30, 2022	19.11	19.02

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	4,490	2,460	54.8
As of March 31, 2023	4,089	2,406	58.9

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, 2023	–	0.00	–	0.00	0.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	4.00	4.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	11,178	23.4	1,228	26.7	1,233	25.5	833	28.0	40.72

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: No
- 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, 2023	7,150,000 shares	As of March 31, 2023	7,150,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	325,946 shares	As of March 31, 2023	325,146 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, 2023	6,824,454 shares	Three months ended June 30, 2022	6,774,373 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	1,535,447	1,487,032
Notes and accounts receivable - trade, and contract assets	1,208,289	1,198,462
Electronically recorded monetary claims - operating	7,003	—
Other	143,364	152,592
Total current assets	2,894,104	2,838,087
Non-current assets		
Property, plant and equipment	185,212	232,848
Intangible assets		
Goodwill	350,142	749,704
Other	101,333	104,012
Total intangible assets	451,476	853,716
Investments and other assets		
Deferred tax assets	178,743	158,570
Other	379,563	407,429
Total investments and other assets	558,306	565,999
Total non-current assets	1,194,995	1,652,564
Total assets	4,089,100	4,490,652
Liabilities		
Current liabilities		
Accounts payable - trade	310,107	276,493
Short-term borrowings	115,000	115,000
Current portion of long-term borrowings	21,948	91,944
Accounts payable - other	556,967	512,303
Income taxes payable	255,876	14,800
Provision for bonuses	175,550	95,576
Provision for loss on orders received	—	3,650
Other	213,480	262,335
Total current liabilities	1,648,930	1,372,103
Non-current liabilities		
Long-term borrowings	32,799	657,316
Retirement benefit liability	72	78
Other	802	729
Total non-current liabilities	33,673	658,123
Total liabilities	1,682,603	2,030,226
Net assets		
Shareholders' equity		
Share capital	90,000	90,000
Capital surplus	775,589	775,589
Retained earnings	1,719,472	1,774,862
Treasury shares	(177,373)	(177,373)
Total shareholders' equity	2,407,687	2,463,077
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,191)	(2,652)
Total accumulated other comprehensive income	(1,191)	(2,652)
Total net assets	2,406,496	2,460,425
Total liabilities and net assets	4,089,100	4,490,652

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, 2022	Three months ended June 30, 2023
Net sales	1,952,043	2,466,317
Cost of sales	1,404,832	1,823,150
Gross profit	547,211	643,167
Selling, general and administrative expenses	348,773	558,557
Operating profit	198,437	84,610
Non-operating income		
Interest income	3	2
Subsidy income	1,139	922
Foreign exchange gains	2,734	3,390
Other	405	373
Total non-operating income	4,283	4,689
Non-operating expenses		
Interest expenses	414	1,624
Total non-operating expenses	414	1,624
Ordinary profit	202,306	87,675
Extraordinary losses		
Loss on retirement of non-current assets	1,092	—
Total extraordinary losses	1,092	—
Profit before income taxes	201,213	87,675
Income taxes - current	33,846	11,436
Income taxes - deferred	37,915	20,849
Total income taxes	71,762	32,285
Profit	129,451	55,390
Profit attributable to owners of parent	129,451	55,390

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	129,451	55,390
Other comprehensive income		
Foreign currency translation adjustment	(625)	(1,461)
Total other comprehensive income	(625)	(1,461)
Comprehensive income	128,825	53,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	128,825	53,928
Comprehensive income attributable to non-controlling interests	—	—