

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Year Ended March 31, 2024
(Based on Japanese GAAP)**

May 14, 2024

Company name: VALTES HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 4442 URL <https://www.valtes-hd.co.jp/>
 Representative: Representative Director, Chairman, President Shinji Tanaka
 Inquiries: Director Yuichi Nishimura TEL 06(6534)6570
 Scheduled date of ordinary general meeting of shareholders: June 24, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 10, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	10,362	14.4	840	(13.3)	850	(13.5)	518	(20.5)
Year ended March 31, 2023	9,059	35.1	970	70.1	982	69.4	651	57.4

	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, 2024	25.34	25.31	19.8	17.9	8.1
Year ended March 31, 2023	31.94	31.83	31.6	28.0	10.7

(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, 2024	5,396	2,826	52.3	139.26
As of March 31, 2023	4,089	2,406	58.9	117.54

(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, 2024	457	(859)	625	1,740
Year ended March 31, 2023	846	(639)	(29)	1,515

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, 2023	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2024	—	0.00	—	4.00	4.00	81	15.8	3.1
Year ending March 31, 2025 (Forecast)	—	0.00	—	4.00	4.00		12.7	

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
Six months ending September 30, 2024	5,168	2.0	166	(49.1)	164	(49.9)	98	(49.7)	4.89
Full year	11,500	11.0	980	16.6	981	15.4	633	22.2	31.48

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(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:

No

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, 2024	21,450,000 shares	As of March 31, 2023	21,450,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2024	1,194,206 shares	As of March 31, 2023	975,438 shares
----------------------	------------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2024	20,444,542 shares	Year ended March 31, 2023	20,395,006 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,535,447	1,760,719
Accounts receivable - trade	1,119,589	1,205,806
Contract assets	88,699	138,672
Electronically recorded monetary claims - operating	7,003	–
Other	143,364	421,104
Total current assets	2,894,104	3,526,302
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	158,019	200,825
Accumulated depreciation	(24,579)	(50,541)
Facilities attached to buildings, net	133,440	150,283
Tools, furniture and fixtures	130,525	149,579
Accumulated depreciation	(81,505)	(102,061)
Tools, furniture and fixtures, net	49,019	47,518
Leased assets	17,959	17,959
Accumulated depreciation	(15,206)	(17,878)
Leased assets, net	2,752	80
Total property, plant and equipment	185,212	197,882
Intangible assets		
Goodwill	350,142	842,026
Software	101,326	72,115
Software in progress	–	70,899
Other	7	11,366
Total intangible assets	451,476	996,407
Investments and other assets		
Investment securities	192,000	212,000
Guarantee deposits	169,727	230,406
Deferred tax assets	178,743	169,742
Other	17,836	63,326
Total investments and other assets	558,306	675,475
Total non-current assets	1,194,995	1,869,765
Total assets	4,089,100	5,396,068

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	310,107	261,149
Short-term borrowings	115,000	115,000
Current portion of long-term borrowings	21,948	113,772
Accounts payable - other	556,967	542,816
Income taxes payable	255,876	164,733
Contract liabilities	5,494	11,748
Accrued consumption taxes	145,567	247,228
Provision for bonuses	175,550	207,192
Other	62,418	135,528
Total current liabilities	1,648,930	1,799,168
Non-current liabilities		
Long-term borrowings	32,799	768,358
Retirement benefit liability	72	48
Other	802	2,363
Total non-current liabilities	33,673	770,769
Total liabilities	1,682,603	2,569,938
Net assets		
Shareholders' equity		
Share capital	90,000	90,000
Capital surplus	775,589	801,203
Retained earnings	1,719,472	2,237,538
Treasury shares	(177,373)	(304,197)
Total shareholders' equity	2,407,687	2,824,544
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,191)	(3,728)
Total accumulated other comprehensive income	(1,191)	(3,728)
Share acquisition rights	–	5,313
Total net assets	2,406,496	2,826,129
Total liabilities and net assets	4,089,100	5,396,068

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

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	9,059,300	10,362,419
Cost of sales	6,356,134	7,368,716
Gross profit	2,703,165	2,993,702
Selling, general and administrative expenses	1,733,028	2,152,972
Operating profit	970,136	840,729
Non-operating income		
Interest and dividend income	21	31
Subsidy income	10,476	7,445
Foreign exchange gains	2,807	4,892
Other	1,372	4,743
Total non-operating income	14,677	17,114
Non-operating expenses		
Interest expenses	1,564	6,688
Guarantee commission	308	308
Commission for purchase of treasury shares	–	598
Total non-operating expenses	1,872	7,594
Ordinary profit	982,941	850,249
Extraordinary losses		
Loss on retirement of non-current assets	1,092	–
Loss on valuation of investment securities	–	30,000
Total extraordinary losses	1,092	30,000
Profit before income taxes	981,848	820,249
Income taxes - current	348,162	289,127
Income taxes - deferred	(17,790)	13,054
Total income taxes	330,372	302,182
Profit	651,476	518,066
Profit attributable to owners of parent	651,476	518,066

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	651,476	518,066
Other comprehensive income		
Foreign currency translation adjustment	(778)	(2,537)
Total other comprehensive income	(778)	(2,537)
Comprehensive income	650,698	515,528
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	650,698	515,528
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	90,000	760,431	1,067,995	(205,097)	1,713,329
Changes during period					
Profit attributable to owners of parent			651,476		651,476
Purchase of treasury shares				(206)	(206)
Disposal of treasury shares		15,157		27,930	43,088
Issuance of share acquisition rights					
Net changes in items other than shareholders' equity					
Total changes during period	–	15,157	651,476	27,724	694,357
Balance at end of period	90,000	775,589	1,719,472	(177,373)	2,407,687

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(412)	(412)	–	1,712,917
Changes during period				
Profit attributable to owners of parent				651,476
Purchase of treasury shares				(206)
Disposal of treasury shares				43,088
Issuance of share acquisition rights				–
Net changes in items other than shareholders' equity	(778)	(778)		(778)
Total changes during period	(778)	(778)	–	693,579
Balance at end of period	(1,191)	(1,191)	–	2,406,496

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	90,000	775,589	1,719,472	(177,373)	2,407,687
Changes during period					
Profit attributable to owners of parent			518,066		518,066
Purchase of treasury shares				(133,054)	(133,054)
Disposal of treasury shares		25,614		6,230	31,844
Issuance of share acquisition rights					
Net changes in items other than shareholders' equity					
Total changes during period	–	25,614	518,066	(126,824)	416,856
Balance at end of period	90,000	801,203	2,237,538	(304,197)	2,824,544

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(1,191)	(1,191)	–	2,406,496
Changes during period				
Profit attributable to owners of parent				518,066
Purchase of treasury shares				(133,054)
Disposal of treasury shares				31,844
Issuance of share acquisition rights			5,313	5,313
Net changes in items other than shareholders' equity	(2,537)	(2,537)		(2,537)
Total changes during period	(2,537)	(2,537)	5,313	419,633
Balance at end of period	(3,728)	(3,728)	5,313	2,826,129

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	981,848	820,249
Depreciation	72,292	101,185
Loss (gain) on valuation of investment securities	–	30,000
Amortization of goodwill	35,878	91,988
Loss on retirement of non-current assets	1,092	–
Increase (decrease) in provision for bonuses	31,923	20,033
Interest and dividend income	(22)	(32)
Interest expenses	1,564	6,688
Decrease (increase) in accounts receivable - trade, and contract assets	(279,927)	(59,432)
Increase (decrease) in trade payables	135,745	(55,304)
Increase (decrease) in accounts payable - other	123,717	(13,520)
Other, net	(37,159)	(28,928)
Subtotal	1,066,954	912,926
Interest and dividends received	22	32
Interest paid	(1,564)	(6,688)
Income taxes refund (paid)	(218,451)	(448,635)
Net cash provided by (used in) operating activities	846,961	457,634
Cash flows from investing activities		
Purchase of property, plant and equipment	(98,689)	(77,358)
Proceeds from sale of property, plant and equipment	–	4,964
Purchase of intangible assets	(19,174)	(86,705)
Purchase of investment securities	(130,000)	(50,000)
Proceeds from cancellation of insurance funds	–	21,494
Payments of leasehold and guarantee deposits	(108,660)	(48,643)
Proceeds from refund of leasehold and guarantee deposits	13,137	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(296,295)	(622,602)
Other, net	10	(680)
Net cash provided by (used in) investing activities	(639,671)	(859,530)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,000)	–
Proceeds from long-term borrowings	–	900,000
Repayments of long-term borrowings	(21,948)	(72,616)
Purchase of treasury shares	(206)	(133,054)
Decrease (increase) in deposits for purchase of treasury shares	–	(66,393)
Other, net	(2,284)	(2,855)
Net cash provided by (used in) financing activities	(29,438)	625,080
Effect of exchange rate change on cash and cash equivalents	1,062	2,086
Net increase (decrease) in cash and cash equivalents	178,914	225,271
Cash and cash equivalents at beginning of period	1,336,533	1,515,447
Cash and cash equivalents at end of period	1,515,447	1,740,719