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Consolidated Financial Results for the Three Months Ended June 30, 2021 [Japanese GAAP]

August 10, 2021

Company name: VALOR HOLDINGS CO.,LTD.

Stock exchange listing: Tokyo, Nagoya

Code number: 9956

URL: <https://valorholdings.co.jp/>

Representative: Masami Tashiro

President and Representative Director

Contact: Akira Shinohana

Executive Director

Phone: 0574-60-0864

Scheduled date of filing quarterly securities report: August 13, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 01, 2021 to June 30, 2021)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2021	182,601	-	6,454	-	7,263	-	3,796	-
June 30, 2020	183,002	11.0	9,038	176.0	9,485	164.2	4,644	262.9

(Note) Comprehensive income: Three months ended June 30, 2021: ¥ 4,142 million [-%]
Three months ended June 30, 2020: ¥ 8,597 million [571.2%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	70.69	70.66
June 30, 2020	86.50	86.47

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2021	400,981	157,382	36.1
March 31, 2021	404,458	155,190	35.3

(Reference) Equity: As of June 30, 2021: ¥ 144,558 million
As of March 31, 2021: ¥ 142,862 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	25.00	-	29.00	54.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Forecast)		26.00	-	30.00	56.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2021	368,000	-	12,200	(25.3)	13,200	(24.6)	7,100	(19.3)	132.23
Full year	732,000	-	23,000	(10.3)	25,000	(12.0)	12,000	(4.7)	223.48

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

June 30, 2021: 53,987,499 shares

March 31, 2021: 53,987,499 shares

2) Total number of treasury shares at the end of the period:

June 30, 2021: 291,212 shares

March 31, 2021: 291,212 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 53,696,287 shares

Three months ended June 30, 2020: 53,694,244 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of June 30,2021
Assets		
Current assets		
Cash and deposits	29,924	18,690
Notes and accounts receivable - trade	13,717	-
Notes and accounts receivable - trade, and contract assets	-	14,562
Merchandise and finished goods	52,878	56,765
Raw materials and supplies	1,149	1,249
Other	14,537	15,188
Allowance for doubtful accounts	(7)	(7)
Total current assets	112,199	106,449
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	139,460	140,583
Land	52,096	52,106
Other, net	26,616	27,496
Total property, plant and equipment	218,173	220,185
Intangible assets		
Goodwill	1,496	1,533
Other	14,496	14,518
Total intangible assets	15,993	16,051
Investments and other assets		
Guarantee deposits	32,350	32,503
Other	26,134	26,214
Allowance for doubtful accounts	(392)	(422)
Total investments and other assets	58,092	58,294
Total non-current assets	292,259	294,532
Total assets	404,458	400,981

(Million yen)

	As of March 31,2021	As of June 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	59,423	60,530
Short-term borrowings	42,457	40,777
Commercial papers	10,000	10,000
Current portion of bonds payable	10,010	10
Income taxes payable	7,848	2,710
Provision for bonuses	3,634	5,821
Provisions	2,287	562
Asset retirement obligations	30	50
Other	29,793	31,328
Total current liabilities	165,484	151,791
Non-current liabilities		
Bonds payable	-	10,000
Long-term borrowings	44,520	42,400
Provisions	673	681
Retirement benefit liability	5,804	5,896
Asset retirement obligations	13,342	13,632
Other	19,442	19,196
Total non-current liabilities	83,783	91,807
Total liabilities	249,267	243,599
Net assets		
Shareholders' equity		
Share capital	13,609	13,609
Capital surplus	20,049	20,046
Retained earnings	108,998	111,196
Treasury shares	(561)	(561)
Total shareholders' equity	142,095	144,291
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	880	416
Foreign currency translation adjustment	140	96
Remeasurements of defined benefit plans	(254)	(245)
Total accumulated other comprehensive income	766	267
Share acquisition rights	134	121
Non-controlling interests	12,194	12,702
Total net assets	155,190	157,382
Total liabilities and net assets	404,458	400,981

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Net sales	176,978	176,555
Cost of sales	129,688	129,925
Gross profit	47,289	46,630
Operating revenue	6,024	6,046
Operating gross profit	53,314	52,676
Selling, general and administrative expenses	44,275	46,221
Operating profit	9,038	6,454
Non-operating income		
Interest income	31	33
Dividend income	2	3
Share of profit of entities accounted for using equity method	22	60
Administrative service fee income	410	403
Rental income	218	160
Other	305	633
Total non-operating income	990	1,293
Non-operating expenses		
Interest expenses	219	203
Rental costs on real estate	184	117
Other	140	164
Total non-operating expenses	544	485
Ordinary profit	9,485	7,263
Extraordinary income		
Gain on sale of non-current assets	24	2
Gain on bargain purchase	17	0
Penalty income	114	16
Subsidy income	0	-
Other	7	11
Total extraordinary income	163	30
Extraordinary losses		
Loss on sale of non-current assets	12	1
Loss on retirement of non-current assets	31	43
Impairment losses	93	213
Loss on voluntarily close	702	-
Other	73	55
Total extraordinary losses	915	313
Profit before income taxes	8,733	6,980
Income taxes - current	4,190	2,814
Income taxes - deferred	(1,022)	(522)
Total income taxes	3,167	2,292
Profit	5,565	4,687
Profit attributable to non-controlling interests	920	891
Profit attributable to owners of parent	4,644	3,796

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Profit	5,565	4,687
Other comprehensive income		
Valuation difference on available-for-sale securities	3,079	(467)
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	(41)	(86)
Remeasurements of defined benefit plans, net of tax	(4)	9
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	3,032	(544)
Comprehensive income	8,597	4,142
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,675	3,296
Comprehensive income attributable to non-controlling interests	922	846