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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 11, 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: November 15, 2021

Scheduled date of commencing dividend payments: December 06, 2021

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 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	%
Six months ended September 30, 2021	365,934	-	12,458	-	14,044	-	6,104	-
September 30, 2020	367,523	9.1	16,326	120.2	17,500	114.2	8,794	131.7

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 7,185 million [-%]
Six months ended September 30, 2020: ¥ 14,624 million [313.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	113.69	113.64
September 30, 2020	163.79	163.75

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2021	404,216	160,521	36.4
March 31, 2021	404,458	155,190	35.3

(Reference) Equity: As of September 30, 2021: ¥ 146,949 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	-	26.00			
Fiscal year ending March 31, 2022 (Forecast)			-	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
Full year	732,000	-	23,000	(10.3)	25,000	(12.0)	12,000	(4.7)	223.47

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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):

September 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:

September 30, 2021: 285,861 shares

March 31, 2021: 291,212 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 53,698,661 shares

Six months ended September 30, 2020: 53,695,170 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	29,924	22,284
Notes and accounts receivable - trade	13,717	-
Notes and accounts receivable - trade, and contract assets	-	14,419
Merchandise and finished goods	52,878	55,904
Raw materials and supplies	1,149	1,214
Other	14,537	15,483
Allowance for doubtful accounts	(7)	(8)
Total current assets	112,199	109,298
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	139,460	141,851
Land	52,096	52,162
Other, net	26,616	27,152
Total property, plant and equipment	218,173	221,166
Intangible assets		
Goodwill	1,496	1,581
Other	14,496	15,186
Total intangible assets	15,993	16,767
Investments and other assets		
Guarantee deposits	32,350	32,888
Other	26,134	24,509
Allowance for doubtful accounts	(392)	(413)
Total investments and other assets	58,092	56,983
Total non-current assets	292,259	294,917
Total assets	404,458	404,216

(Million yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	59,423	58,923
Short-term borrowings	42,457	41,625
Commercial papers	10,000	15,000
Current portion of bonds payable	10,010	5
Income taxes payable	7,848	4,354
Provision for bonuses	3,634	3,447
Provisions	2,287	548
Asset retirement obligations	30	98
Other	29,793	28,527
Total current liabilities	165,484	152,530
Non-current liabilities		
Bonds payable	-	10,000
Long-term borrowings	44,520	41,245
Provisions	673	603
Retirement benefit liability	5,804	5,956
Asset retirement obligations	13,342	13,840
Other	19,442	19,518
Total non-current liabilities	83,783	91,164
Total liabilities	249,267	243,694
Net assets		
Shareholders' equity		
Share capital	13,609	13,609
Capital surplus	20,049	20,060
Retained earnings	108,998	113,518
Treasury shares	(561)	(548)
Total shareholders' equity	142,095	146,640
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	880	448
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	140	95
Remeasurements of defined benefit plans	(254)	(236)
Total accumulated other comprehensive income	766	308
Share acquisition rights	134	121
Non-controlling interests	12,194	13,450
Total net assets	155,190	160,521
Total liabilities and net assets	404,458	404,216

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

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Net sales	355,534	353,780
Cost of sales	261,256	260,275
Gross profit	94,278	93,504
Operating revenue	11,988	12,153
Operating gross profit	106,267	105,658
Selling, general and administrative expenses	89,940	93,200
Operating profit	16,326	12,458
Non-operating income		
Interest income	66	66
Dividend income	86	90
Administrative service fee income	808	807
Rental income	435	320
Share of profit of entities accounted for using equity method	25	51
Other	774	1,098
Total non-operating income	2,196	2,434
Non-operating expenses		
Interest expenses	435	402
Rental costs on real estate	372	241
Other	214	204
Total non-operating expenses	1,023	848
Ordinary profit	17,500	14,044
Extraordinary income		
Gain on sale of non-current assets	41	67
Gain on bargain purchase	17	0
Penalty income	146	31
Subsidy income	164	379
Other	151	90
Total extraordinary income	521	569
Extraordinary losses		
Loss on sale of non-current assets	20	2
Loss on retirement of non-current assets	82	69
Impairment losses	231	462
Loss on tax purpose reduction entry of non-current assets	-	354
Loss on voluntarily close	702	-
Other	118	112
Total extraordinary losses	1,155	1,000
Profit before income taxes	16,866	13,613
Income taxes - current	6,552	4,425
Income taxes - deferred	(487)	1,498
Total income taxes	6,064	5,923
Profit	10,801	7,689
Profit attributable to non-controlling interests	2,006	1,584
Profit attributable to owners of parent	8,794	6,104

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

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	10,801	7,689
Other comprehensive income		
Valuation difference on available-for-sale securities	3,889	(433)
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(66)	(90)
Remeasurements of defined benefit plans, net of tax	(0)	19
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	3,823	(503)
Comprehensive income	14,624	7,185
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,588	5,646
Comprehensive income attributable to non-controlling interests	2,035	1,539

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit before income taxes	16,866	13,613
Depreciation	8,681	9,535
Impairment losses	231	462
Amortization of goodwill	198	264
Gain on bargain purchase	(17)	(0)
Increase (decrease) in allowance for doubtful accounts	99	14
Increase (decrease) in retirement benefit liability	194	172
Interest and dividend income	(153)	(157)
Interest expenses	435	402
Share of loss (profit) of entities accounted for using equity method	(25)	(51)
Loss on retirement of non-current assets	82	69
Loss on voluntarily close	702	-
Decrease (increase) in trade receivables	(195)	(524)
Decrease (increase) in inventories	(1,817)	(2,998)
Increase (decrease) in trade payables	329	(601)
Increase (decrease) in accounts payable - other, and accrued expenses	1,568	(2,566)
Other, net	1,144	(1,759)
Subtotal	28,327	15,873
Interest and dividends received	103	109
Interest paid	(421)	(396)
Income taxes paid	(3,822)	(7,759)
Net cash provided by (used in) operating activities	24,186	7,827
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,406)	(10,972)
Proceeds from sale of property, plant and equipment	816	158
Purchase of intangible assets	(364)	(1,295)
Payments of guarantee deposits	(730)	(1,459)
Proceeds from refund of guarantee deposits	1,018	835
Guarantee deposits received	300	268
Refund of guarantee deposits received	(601)	(177)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(112)	(401)
Payments for acquisition of businesses	(159)	-
Other, net	(370)	306
Net cash provided by (used in) investing activities	(13,608)	(12,736)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	982	(1,071)
Net increase (decrease) in commercial papers	-	5,000
Proceeds from long-term borrowings	8,494	5,632
Repayments of long-term borrowings	(9,174)	(8,781)
Proceeds from issuance of bonds	-	9,950
Redemption of bonds	(15)	(10,005)
Repayments of finance lease obligations	(1,330)	(1,407)
Dividends paid	(1,504)	(1,560)
Dividends paid to non-controlling interests	(207)	(319)
Other, net	4	13
Net cash provided by (used in) financing activities	(2,749)	(2,548)
Effect of exchange rate change on cash and cash equivalents	(83)	2
Net increase (decrease) in cash and cash equivalents	7,744	(7,455)
Cash and cash equivalents at beginning of period	24,159	29,349
Cash and cash equivalents at end of period	31,903	21,894