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## Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 12, 2024

Company name: VALOR HOLDINGS CO.,LTD.

Listing: Tokyo, Nagoya

Securities code: 9956

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

Representative: Masami Tashiro

President and Representative Director

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Executive Director

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Scheduled date to file semi-annual securities report: November 14, 2024

Scheduled date to commence dividend payments: December 9, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	422,016	5.7	10,434	(6.4)	12,209	(3.4)	6,736	1.6
September 30, 2023	399,140	6.5	11,142	16.5	12,643	13.8	6,627	15.5

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 5,587 million [ (39.4)%]  
Six months ended September 30, 2023: ¥ 9,222 million [ 63.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	126.34	126.32
September 30, 2023	123.75	123.73

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	450,564	180,377	36.6
March 31, 2024	444,807	179,328	36.9

(Reference) Equity: As of September 30, 2024: ¥ 164,818 million  
As of March 31, 2024: ¥ 164,049 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, 2024	-	28.00	-	37.00	65.00
Fiscal year ending March 31, 2025	-	29.00			
Fiscal year ending March 31, 2025 (Forecast)			-	39.00	68.00

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	840,000	4.0	23,500	2.9	26,400	3.1	12,300	3.0	230.66

(Note) Revision to the financial results forecast announced most recently: None

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 53,987,499 shares

March 31, 2024: 53,987,499 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 1,318,198 shares

March 31, 2024: 421,996 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 53,325,898 shares

Six months ended September 30, 2023: 53,559,424 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

Semi-annual Consolidated Financial Statements  
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	29,598	25,596
Notes and accounts receivable - trade, and contract assets	25,976	26,562
Merchandise and finished goods	63,065	65,472
Raw materials and supplies	1,454	1,457
Other	16,041	15,980
Allowance for doubtful accounts	(536)	(6)
Total current assets	135,600	135,062
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	151,411	153,485
Land	53,191	53,684
Other, net	24,801	29,721
Total property, plant and equipment	229,404	236,890
Intangible assets		
Goodwill	1,828	1,570
Other	15,935	15,675
Total intangible assets	17,763	17,246
Investments and other assets		
Guarantee deposits	32,954	33,256
Other	29,432	28,589
Allowance for doubtful accounts	(347)	(482)
Total investments and other assets	62,039	61,364
Total non-current assets	309,207	315,501
Total assets	444,807	450,564

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	64,662	71,566
Short-term borrowings	36,925	35,808
Commercial papers	19,000	21,991
Income taxes payable	5,267	4,791
Provision for bonuses	4,146	4,243
Provisions	904	1,245
Asset retirement obligations	228	113
Other	35,784	33,768
Total current liabilities	166,919	173,528
Non-current liabilities		
Bonds payable	10,100	10,100
Long-term borrowings	44,395	41,771
Provisions	528	547
Retirement benefit liability	6,683	6,814
Asset retirement obligations	19,205	19,421
Other	17,647	18,002
Total non-current liabilities	98,560	96,657
Total liabilities	265,479	270,186
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,609	13,609
Capital surplus	20,066	20,054
Retained earnings	128,340	133,086
Treasury shares	(816)	(2,929)
Total shareholders' equity	161,200	163,821
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,143	1,419
Deferred gains or losses on hedges	8	(23)
Foreign currency translation adjustment	(296)	(399)
Remeasurements of defined benefit plans	(6)	0
Total accumulated other comprehensive income	2,849	996
Share acquisition rights	19	19
Non-controlling interests	15,258	15,539
Total net assets	179,328	180,377
<b>Total liabilities and net assets</b>	<b>444,807</b>	<b>450,564</b>

## Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	386,512	408,488
Cost of sales	284,102	300,552
Gross profit	102,410	107,936
Operating revenue	12,628	13,527
Operating gross profit	115,038	121,464
Selling, general and administrative expenses	103,896	111,029
Operating profit	11,142	10,434
Non-operating income		
Interest income	59	60
Dividend income	111	132
Administrative service fee income	800	789
Rental income	408	454
Share of profit of entities accounted for using equity method	1	38
Other	926	1,149
Total non-operating income	2,307	2,623
Non-operating expenses		
Interest expenses	360	408
Rental costs on real estate	331	277
Other	113	163
Total non-operating expenses	806	848
Ordinary profit	12,643	12,209
Extraordinary income		
Gain on sale of non-current assets	645	11
Gain on sale of investment securities	1	63
Gain on bargain purchase	15	-
Penalty income	73	31
Subsidy income	-	70
Total extraordinary income	736	176
Extraordinary losses		
Loss on sale of non-current assets	4	0
Loss on retirement of non-current assets	53	52
Impairment losses	714	150
Provision for loss on store closings	-	83
Other	97	11
Total extraordinary losses	868	298
Profit before income taxes	12,511	12,087
Income taxes - current	5,053	4,493
Income taxes - deferred	(207)	(22)
Total income taxes	4,845	4,471
Profit	7,666	7,616
Profit attributable to non-controlling interests	1,038	879
Profit attributable to owners of parent	6,627	6,736

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	7,666	7,616
Other comprehensive income		
Valuation difference on available-for-sale securities	1,680	(1,758)
Deferred gains or losses on hedges	10	(31)
Foreign currency translation adjustment	(150)	(202)
Remeasurements of defined benefit plans, net of tax	14	(36)
Share of other comprehensive income of entities accounted for using equity method	1	(0)
Total other comprehensive income	1,556	(2,029)
Comprehensive income	9,222	5,587
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,240	4,857
Comprehensive income attributable to non-controlling interests	981	729

## Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	12,511	12,087
Depreciation	10,195	10,999
Impairment losses	714	150
Amortization of goodwill	344	272
Gain on bargain purchase	(15)	-
Increase (decrease) in allowance for doubtful accounts	253	(396)
Increase (decrease) in retirement benefit liability	128	114
Interest and dividend income	(170)	(192)
Interest expenses	360	408
Share of loss (profit) of entities accounted for using equity method	(1)	(38)
Loss (gain) on sale of non-current assets	(641)	(11)
Loss on retirement of non-current assets	53	52
Subsidy income	-	(70)
Penalty income	(73)	(31)
Decrease (increase) in trade receivables	(2,825)	(376)
Decrease (increase) in inventories	(2,777)	(2,392)
Increase (decrease) in trade payables	3,573	6,886
Increase (decrease) in accounts payable - other, and accrued expenses	3,831	(1,962)
Other, net	(2,339)	(1,690)
Subtotal	23,121	23,809
Interest and dividends received	126	153
Penalty income received	73	31
Interest paid	(351)	(417)
Income taxes paid	(4,314)	(3,715)
Net cash provided by (used in) operating activities	18,655	19,861
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(11,237)	(14,942)
Proceeds from sale of property, plant and equipment	1,687	737
Purchase of intangible assets	(888)	(446)
Payments of guarantee deposits	(920)	(840)
Proceeds from refund of guarantee deposits	585	585
Guarantee deposits received	83	99
Refund of guarantee deposits received	(265)	(136)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(946)	(574)
Purchase of shares unconsolidated subsidiaries	-	(308)
Payments for acquisition of businesses	(165)	(104)
Other, net	(88)	(664)
Net cash provided by (used in) investing activities	(12,156)	(16,594)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,800	(1,431)
Net increase (decrease) in commercial papers	(3,000)	2,991
Proceeds from long-term borrowings	5,500	4,800
Repayments of long-term borrowings	(5,371)	(7,755)
Repayments of finance lease liabilities	(1,322)	(1,249)
Purchase of treasury shares	(0)	(2,285)
Proceeds from sale of treasury shares	10	9
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(2)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	50	-
Dividends paid	(1,667)	(1,989)
Dividends paid to non-controlling interests	(324)	(296)
Net cash provided by (used in) financing activities	(4,325)	(7,209)
Effect of exchange rate change on cash and cash equivalents	3	2
Net increase (decrease) in cash and cash equivalents	2,176	(3,939)
Cash and cash equivalents at beginning of period	20,973	28,813
Cash and cash equivalents at end of period	23,149	24,873