

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 12, 2025

Company name: FORVAL CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8275 URL <https://www.forval.co.jp>
 Representative: President and COO Masanori Nakajima
 Inquiries: Managing Director Koji Kato TEL 03-3498-1541
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(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	%
Nine months ended December 31, 2024	51,957	13.0	2,343	22.6	2,477	17.5	1,370	10.9
Nine months ended December 31, 2023	45,981	9.2	1,911	77.3	2,109	61.5	1,236	104.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2024	52.46		–	
Nine months ended December 31, 2023	48.08		48.07	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	40,356	19,391	41.7
As of March 31, 2024	40,730	17,750	40.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	–	0.00	–	28.00	28.00
Year ending March 31, 2025	–	0.00	–		
Year ending March 31, 2025 (Forecast)				30.00	30.00

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
Full year	67,000	5.5	3,600	11.3	3,700	7.0	2,100	4.4	80.16

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: No
- (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
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|--|-----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| 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 December 31, 2024	27,732,622 shares	As of March 31, 2024	27,732,622 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	1,687,500 shares	As of March 31, 2024	1,534,469 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	26,125,388 shares	Nine months ended December 31, 2023	25,710,142 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	11,928,320	11,361,888
Notes and accounts receivable - trade, and contract assets	9,878,783	9,162,104
Investments in leases	1,122,023	1,114,553
Merchandise and finished goods	932,815	1,095,291
Work in process	88,381	182,279
Raw materials and supplies	295,065	336,854
Accounts receivable - other	1,854,091	1,646,198
Other	1,959,780	1,836,164
Allowance for doubtful accounts	(112,525)	(146,907)
Total current assets	27,946,736	26,588,427
Non-current assets		
Property, plant and equipment	2,559,824	2,562,876
Intangible assets		
Goodwill	2,706,563	2,857,211
Other	1,430,324	1,449,756
Total intangible assets	4,136,887	4,306,968
Investments and other assets		
Investment securities	1,949,202	2,671,441
Distressed receivables	227,019	253,548
Deferred tax assets	1,819,426	1,602,326
Other	2,437,223	2,711,237
Allowance for doubtful accounts	(346,003)	(340,561)
Total investments and other assets	6,086,868	6,897,992
Total non-current assets	12,783,580	13,767,837
Total assets	40,730,317	40,356,265
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,104,811	7,226,166
Short-term borrowings	1,536,132	675,384
Accounts payable - other	2,856,705	2,442,438
Income taxes payable	704,145	522,472
Provision for bonuses	847,796	865,966
Provision for bonuses for directors (and other officers)	255,542	217,024
Other	3,908,379	3,579,633
Total current liabilities	17,213,514	15,529,085
Non-current liabilities		
Long-term borrowings	2,552,419	2,257,828
Retirement benefit liability	2,875,668	2,852,696
Provision for retirement benefits for directors (and other officers)	46,928	46,928
Deferred tax liabilities	19,456	22,513
Liabilities from application of equity method	24,576	28,460
Other	247,102	227,003
Total non-current liabilities	5,766,152	5,435,430
Total liabilities	22,979,666	20,964,516

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	4,150,294	4,150,294
Capital surplus	3,119,829	3,259,809
Retained earnings	9,724,796	10,362,581
Treasury shares	(906,276)	(1,112,083)
Total shareholders' equity	16,088,644	16,660,602
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	377,098	158,783
Foreign currency translation adjustment	64,657	51,491
Remeasurements of defined benefit plans	(44,075)	(35,000)
Total accumulated other comprehensive income	397,680	175,274
Share acquisition rights	9,720	–
Non-controlling interests	1,254,605	2,555,872
Total net assets	17,750,650	19,391,749
Total liabilities and net assets	40,730,317	40,356,265

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	45,981,359	51,957,681
Cost of sales	29,710,671	33,543,267
Gross profit	16,270,688	18,414,414
Selling, general and administrative expenses	14,359,031	16,070,967
Operating profit	1,911,656	2,343,446
Non-operating income		
Interest income	3,752	4,544
Dividend income	16,499	12,593
Share of profit of entities accounted for using equity method	130,860	79,173
Foreign exchange gains	19,025	40,756
Other	61,163	64,562
Total non-operating income	231,300	201,631
Non-operating expenses		
Interest expenses	13,110	43,352
loss on retirement of long-term prepaid expenses	12,965	–
Other	7,847	24,422
Total non-operating expenses	33,923	67,775
Ordinary profit	2,109,034	2,477,303
Extraordinary income		
Gain on sale of non-current assets	1,587	110
Gain on sale of investment securities	12,930	230,910
Insurance claim income	141,520	–
Compensation for forced relocation	77,578	–
Gain on reversal of asset retirement obligations	19,440	–
Other	9,369	9,720
Total extraordinary income	262,427	240,740
Extraordinary losses		
Loss on sale and retirement of non-current assets	47,089	3,456
Impairment losses	–	1,820
Bad debts expenses	–	8,880
Retirement benefits for directors (and other officers)	15,000	–
Other	1,075	3,095
Total extraordinary losses	63,164	17,253
Profit before income taxes	2,308,297	2,700,791
Income taxes - current	816,250	836,579
Income taxes - deferred	71,065	316,120
Total income taxes	887,315	1,152,700
Profit	1,420,981	1,548,090
Profit attributable to non-controlling interests	184,955	177,676
Profit attributable to owners of parent	1,236,026	1,370,414

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,420,981	1,548,090
Other comprehensive income		
Valuation difference on available-for-sale securities	(114,768)	(218,314)
Remeasurements of defined benefit plans, net of tax	3,269	9,074
Share of other comprehensive income of entities accounted for using equity method	17,580	(13,165)
Total other comprehensive income	(93,917)	(222,406)
Comprehensive income	1,327,064	1,325,684
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,142,109	1,148,008
Comprehensive income attributable to non-controlling interests	184,955	177,676