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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 8, 2024

Company name: Vertex Corporation
 Listing: Tokyo
 Securities code: 5290
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: No
 Holding of financial results briefing: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 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	%
Three months ended								
June 30, 2024	8,241	8.2	781	(0.8)	830	(3.0)	209	(60.6)
June 30, 2023	7,615	(6.7)	787	(8.3)	856	(5.4)	532	(14.0)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 268 million [(49.6) %]
 Three months ended June 30, 2023: ¥ 533 million [(12.6) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2024	8.20	8.07
June 30, 2023	20.25	19.95

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2024	49,996	32,789	64.9
March 31, 2024	52,024	33,859	64.5

(Reference) Equity: As of June 30, 2024: ¥ 32,454 million
 As of March 31, 2024: ¥ 33,581 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	-	-	-	40.00	40.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		-	-	50.00	50.00

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

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.)

	Net sales		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
Six months ending September 30, 2024	17,000	5.0	2,000	(8.2)	2,100	(5.8)	1,400	5.6	55.02
Full year	40,000	8.6	6,000	4.8	6,200	6.0	4,050	8.6	159.74

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: No

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(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: No
- 2) Changes in accounting policies due to other reasons: No
- 3) Changes in accounting estimates: No
- 4) Restatement: No

(4) Number of issued shares (common shares)

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

June 30, 2024: 28,853,350 shares
March 31, 2024: 30,553,350 shares

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

June 30, 2024: 3,389,878 shares
March 31, 2024: 4,906,333 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 25,590,145 shares
Three months ended June 30, 2023: 26,303,076 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

The statements contained in this document are based on the various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related policies will actually be realized.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	13,921,937	13,447,046
Notes and accounts receivable - trade, and contract assets	9,131,798	6,642,841
Electronically recorded monetary claims - operating	4,151,452	4,775,185
Costs on construction contracts in progress	212,214	233,162
Merchandise and finished goods	3,815,166	4,259,052
Work in process	173,170	178,472
Raw materials and supplies	916,483	924,449
Other	501,261	773,035
Allowance for doubtful accounts	(20,357)	(15,545)
Total current assets	32,803,127	31,217,701
Non-current assets		
Property, plant and equipment		
Land	8,079,049	7,816,224
Other, net	4,459,783	4,379,484
Total property, plant and equipment	12,538,833	12,195,708
Intangible assets		
Goodwill	3,326,200	3,256,904
Other	457,811	433,543
Total intangible assets	3,784,012	3,690,448
Investments and other assets		
Investments and other assets	3,069,162	3,061,153
Allowance for doubtful accounts	(170,195)	(168,547)
Total investments and other assets	2,898,966	2,892,606
Total non-current assets	19,221,812	18,778,762
Total assets	52,024,939	49,996,463
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,679,982	2,186,575
Electronically recorded obligations - operating	4,465,819	4,813,910
Short-term borrowings	3,040,000	3,040,000
Current portion of long-term borrowings	254,376	254,376
Income taxes payable	1,089,172	324,047
Provision for bonuses	471,674	385,340
Provision for loss on closing of plants	48,600	-
Other	1,767,450	2,078,579
Total current liabilities	13,817,075	13,082,829
Non-current liabilities		
Long-term borrowings	1,458,347	1,357,253
Provision for share awards	244,461	266,209
Retirement benefit liability	722,138	654,755
Provision for loss on closing of plants	27,330	-
Asset retirement obligations	382,715	382,735
Other	1,513,025	1,463,438
Total non-current liabilities	4,348,019	4,124,391
Total liabilities	18,165,094	17,207,221

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	3,000,000	3,000,000
Capital surplus	1,713,569	367,796
Retained earnings	31,110,716	30,278,954
Treasury shares	(3,962,725)	(2,970,909)
Total shareholders' equity	31,861,559	30,675,841
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	421,888	480,948
Revaluation reserve for land	1,297,926	1,297,926
Total accumulated other comprehensive income	1,719,815	1,778,875
Share acquisition rights	278,469	334,525
Total net assets	33,859,844	32,789,242
Total liabilities and net assets	52,024,939	49,996,463

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	7,615,453	8,241,575
Cost of sales	5,149,657	5,596,101
Gross profit	2,465,795	2,645,474
Selling, general and administrative expenses	1,678,766	1,864,427
Operating profit	787,028	781,046
Non-operating income		
Interest income	65	46
Dividend income	14,946	18,772
Share of profit of entities accounted for using equity method	-	400
Reversal of allowance for doubtful accounts	10,273	13,826
Gain on sale of scraps	20,858	6,853
Other	42,962	33,463
Total non-operating income	89,106	73,363
Non-operating expenses		
Interest expenses	7,934	8,335
Share of loss of entities accounted for using equity method	1,408	-
Other	9,882	15,295
Total non-operating expenses	19,225	23,630
Ordinary profit	856,909	830,779
Extraordinary income		
Gain on sale of non-current assets	900	856
Total extraordinary income	900	856
Extraordinary losses		
Loss on retirement of non-current assets	1,553	14,187
Impairment losses	-	203,494
Total extraordinary losses	1,553	217,681
Profit before income taxes	856,256	613,954
Income taxes	323,523	404,107
Profit	532,733	209,846
Profit attributable to owners of parent	532,733	209,846

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

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	532,733	209,846
Other comprehensive income		
Valuation difference on available-for-sale securities	1,231	59,060
Total other comprehensive income	1,231	59,060
Comprehensive income	533,964	268,907
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	533,964	268,907