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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 10, 2022

Company name: Vertex Corporation
 Stock exchange listing: Tokyo
 Code number: 5290
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 Scheduled date of filing quarterly securities report: November 11, 2022
 Scheduled date of commencing dividend payments: -
 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, 2022 (April 01, 2022 to September 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	16,906	3.6	1,867	(25.7)	1,986	(24.9)	1,294	(26.8)
September 30, 2021	16,318	8.5	2,513	87.8	2,644	71.5	1,768	52.2

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 1,273 million [(26.9)%]
 Six months ended September 30, 2021: ¥ 1,740 million [43.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	48.41	47.80
September 30, 2021	67.58	66.94

(Note) The Company conducted a three-for-one stock split of common stocks as of July 1, 2022. The "Basic earnings per share" and the "Diluted earnings per share" are calculated based on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	45,404	29,146	63.6
March 31, 2022	47,419	29,196	61.3

(Reference) Equity: As of September 30, 2022: ¥ 28,896 million
 As of March 31, 2022: ¥ 29,045 million

* This summary of Consolidated Financial Results is outside the scope of an audit by a certified public accountant or an audit corporation.

* Statement regarding the proper use of financial forecasts and other special remarks

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	12,905,546	13,446,414
Notes and accounts receivable - trade, and contract assets	9,871,147	6,761,120
Electronically recorded monetary claims - operating	2,818,635	2,764,697
Costs on construction contracts in progress	250,403	304,740
Merchandise and finished goods	3,916,875	4,522,258
Work in process	129,945	168,257
Raw materials and supplies	722,884	802,615
Other	536,304	385,433
Allowance for doubtful accounts	(8,394)	(7,070)
Total current assets	31,143,349	29,148,466
Non-current assets		
Property, plant and equipment		
Land	8,135,977	8,135,455
Other, net	4,260,129	4,259,320
Total property, plant and equipment	12,396,107	12,394,775
Intangible assets	360,122	359,514
Investments and other assets		
Investments and other assets	3,696,432	3,682,973
Allowance for doubtful accounts	(176,049)	(181,562)
Total investments and other assets	3,520,383	3,501,410
Total non-current assets	16,276,612	16,255,700
Total assets	47,419,962	45,404,167
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,983,538	2,924,569
Electronically recorded obligations - operating	3,493,166	2,977,537
Short-term borrowings	2,450,000	2,640,000
Current portion of long-term borrowings	755,678	502,808
Income taxes payable	1,226,579	753,282
Provision for bonuses	471,101	690,617
Other	1,791,683	871,173
Total current liabilities	13,171,748	11,359,989
Non-current liabilities		
Long-term borrowings	836,709	848,649
Provision for share awards	-	125,197
Retirement benefit liability	2,086,281	1,551,853
Provision for loss on closing of plants	90,050	90,050
Asset retirement obligations	382,425	382,505
Other	1,656,544	1,899,326
Total non-current liabilities	5,052,011	4,897,583
Total liabilities	18,223,759	16,257,572

(Thousand yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Shareholders' equity		
Share capital	3,000,000	3,000,000
Capital surplus	1,535,868	1,710,145
Retained earnings	25,161,031	25,735,887
Treasury shares	(2,002,540)	(2,879,130)
Total shareholders' equity	27,694,359	27,566,902
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131,211	110,248
Revaluation reserve for land	1,219,799	1,219,799
Total accumulated other comprehensive income	1,351,010	1,330,047
Share acquisition rights	150,832	249,645
Total net assets	29,196,202	29,146,595
Total liabilities and net assets	47,419,962	45,404,167

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	16,318,949	16,906,960
Cost of sales	10,846,861	11,963,259
Gross profit	5,472,087	4,943,700
Selling, general and administrative expenses	2,958,109	3,075,930
Operating profit	2,513,977	1,867,770
Non-operating income		
Interest income	269	206
Dividend income	17,757	17,718
Reversal of allowance for doubtful accounts	12,055	1,547
Share of profit of entities accounted for using equity method	23	-
Compensation income	-	43,094
Gain on sale of scraps	34,340	15,502
Other	100,890	85,705
Total non-operating income	165,336	163,775
Non-operating expenses		
Interest expenses	15,444	11,381
Share of loss of entities accounted for using equity method	-	16,310
Other	18,974	17,523
Total non-operating expenses	34,419	45,215
Ordinary profit	2,644,895	1,986,330
Extraordinary income		
Gain on sale of non-current assets	25,429	2,765
Gain on sale of investment securities	-	325
Gain on partial termination of retirement benefit plan	-	56,253
Total extraordinary income	25,429	59,344
Extraordinary losses		
Loss on sale of non-current assets	-	176
Loss on retirement of non-current assets	2,569	5,055
Total extraordinary losses	2,569	5,231
Profit before income taxes	2,667,755	2,040,444
Income taxes	899,227	746,409
Profit	1,768,527	1,294,035
Profit attributable to owners of parent	1,768,527	1,294,035

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

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	1,768,527	1,294,035
Other comprehensive income		
Valuation difference on available-for-sale securities	(27,990)	(20,963)
Total other comprehensive income	(27,990)	(20,963)
Comprehensive income	1,740,536	1,273,071
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,740,536	1,273,071