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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 10, 2022

Company name: Vertex Corporation
 Stock exchange listing: Tokyo
 Code number: 5290
 URL: <https://www.vertex-grp.co.jp>
 Representative: Akihide Tsuchiya, Representative Director and President
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 Scheduled date of filing quarterly securities report: August 10, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 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	%
Three months ended June 30, 2022	8,160	9.1	858	(12.8)	906	(16.4)	619	(21.2)
June 30, 2021	7,482	1.9	984	94.3	1,083	67.9	786	36.6

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 611 million [(17.5)%]
 Three months ended June 30, 2021: ¥ 740 million [20.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	22.97	22.71
June 30, 2021	29.92	29.68

(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	%
June 30, 2022	44,690	28,712	63.9
March 31, 2022	47,419	29,196	61.3

(Reference) Equity: As of June 30, 2022: ¥ 28,561 million
 As of March 31, 2022: ¥ 29,045 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, 2022	—	—	—	80.00	80.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		—	—	25.00	25.00

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

(Note) The Company conducted a three-for-one stock split of common stocks as of July 1, 2022. The dividends per share for the fiscal year ending March 31, 2022 was the actual amount paid before the said stock split.

The dividends forecast for fiscal year ending March 31, 2023 takes into account the effect of this stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	16,400	0.5	2,050	(18.5)	2,150	(18.7)	1,450	(18.0)	54.30
Full year	39,000	4.0	6,200	0.9	6,500	1.0	4,350	2.5	163.98

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

(Note) The Company conducted a three-for-one stock split of common stocks as of July 1, 2022. The "Basic earnings per share" for the fiscal year ending March 31, 2023 takes into account the effect of this stock split.

* Notes:

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(changes in specified subsidiaries resulting in changes in scope of consolidation): No
- New - (Company name:)
- Exclusion: - (Company name:)

- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

- (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):

June 30, 2022: 30,553,350 shares
March 31, 2022: 30,553,350 shares

- 2) Total number of treasury shares at the end of the period:

June 30, 2022: 3,918,948 shares
March 31, 2022: 3,584,145 shares

- 3) Average number of shares during the period:

Three months ended June 30, 2022: 26,985,823 shares
Three months ended June 30, 2021: 26,297,661 shares

(Note) The Company conducted a three-for-one stock split of common stocks as of July 1, 2022. The "Total number of issued shares at the end of the period", the "Total number of treasury shares at the end of the period" and the "Average number of shares during the period" are calculated based on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.

* 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 June 30,2022
Assets		
Current assets		
Cash and deposits	12,905,546	11,799,005
Notes and accounts receivable - trade, and contract assets	9,871,147	7,657,036
Electronically recorded monetary claims - operating	2,818,635	2,742,717
Costs on construction contracts in progress	250,403	243,534
Merchandise and finished goods	3,916,875	4,285,325
Work in process	129,945	149,973
Raw materials and supplies	722,884	809,641
Other	536,304	805,484
Allowance for doubtful accounts	(8,394)	(6,532)
Total current assets	31,143,349	28,486,186
Non-current assets		
Property, plant and equipment		
Land	8,135,977	8,135,977
Other, net	4,260,129	4,210,723
Total property, plant and equipment	12,396,107	12,346,701
Intangible assets	360,122	359,855
Investments and other assets		
Investments and other assets	3,696,432	3,673,491
Allowance for doubtful accounts	(176,049)	(176,016)
Total investments and other assets	3,520,383	3,497,475
Total non-current assets	16,276,612	16,204,032
Total assets	47,419,962	44,690,218
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,983,538	2,975,333
Electronically recorded obligations - operating	3,493,166	2,841,191
Short-term borrowings	2,450,000	2,600,000
Current portion of long-term borrowings	755,678	624,401
Income taxes payable	1,226,579	351,978
Provision for bonuses	471,101	346,875
Other	1,791,683	1,363,875
Total current liabilities	13,171,748	11,103,656
Non-current liabilities		
Long-term borrowings	836,709	769,379
Provision for share awards	-	104,059
Retirement benefit liability	2,086,281	1,627,987
Provision for loss on closing of plants	90,050	90,050
Asset retirement obligations	382,425	382,465
Other	1,656,544	1,900,189
Total non-current liabilities	5,052,011	4,874,132
Total liabilities	18,223,759	15,977,788

(Thousand yen)

	As of March 31,2022	As of June 30,2022
Net assets		
Shareholders' equity		
Share capital	3,000,000	3,000,000
Capital surplus	1,535,868	1,710,068
Retained earnings	25,161,031	25,061,650
Treasury shares	(2,002,540)	(2,552,537)
Total shareholders' equity	27,694,359	27,219,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131,211	122,618
Revaluation reserve for land	1,219,799	1,219,799
Total accumulated other comprehensive income	1,351,010	1,342,417
Share acquisition rights	150,832	150,832
Total net assets	29,196,202	28,712,430
Total liabilities and net assets	47,419,962	44,690,218

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Net sales	7,482,808	8,160,999
Cost of sales	5,019,887	5,775,102
Gross profit	2,462,921	2,385,896
Selling, general and administrative expenses	1,478,597	1,527,782
Operating profit	984,323	858,114
Non-operating income		
Interest income	135	97
Dividend income	17,692	17,628
Reversal of allowance for doubtful accounts	13,281	2,265
Share of profit of entities accounted for using equity method	6,934	-
Gain on sale of scraps	24,152	8,068
Other	53,592	46,714
Total non-operating income	115,788	74,774
Non-operating expenses		
Interest expenses	8,406	5,489
Share of loss of entities accounted for using equity method	-	11,732
Other	7,770	9,513
Total non-operating expenses	16,176	26,735
Ordinary profit	1,083,935	906,153
Extraordinary income		
Gain on sale of non-current assets	4,244	692
Gain on partial termination of retirement benefit plan	-	56,253
Total extraordinary income	4,244	56,946
Extraordinary losses		
Loss on retirement of non-current assets	1,839	313
Total extraordinary losses	1,839	313
Profit before income taxes	1,086,341	962,785
Income taxes	299,386	342,988
Profit	786,954	619,797
Profit attributable to owners of parent	786,954	619,797

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

(Thousand yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	786,954	619,797
Other comprehensive income		
Valuation difference on available-for-sale securities	(46,266)	(8,593)
Total other comprehensive income	(46,266)	(8,593)
Comprehensive income	740,687	611,203
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	740,687	611,203