

April 15, 2024

Non-Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (Under Japanese GAAP)

Company name: VALUE CREATION Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9238
 URL: <http://value-creation.jp>
 Representative: Akito Shinya, CEO
 Inquiries: Koichi Wada, Executive Officer
 Telephone: +81-3-5468-6877
 Scheduled date of annual general meeting of shareholders: May 30, 2024
 Scheduled date to commence dividend payments: May 31, 2024
 Scheduled date to file annual securities report: May 31, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

May 30, 2024

May 31, 2024

May 31, 2024

Yes

Yes

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

1. Non-Consolidated financial results for the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(1) Non-Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2024	2,948	4.4	172	52.3	166	37.5	114	32.9
February 28, 2023	2,823	15.8	113	516.4	121	328.2	86	416.1

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
February 29, 2024	55.11	48.94	34.8	4.8	5.9
February 28, 2023	43.02	-	82.5	3.4	4.0

(Note) 1. Diluted net income per share for the fiscal year ending February 28, 2023 is not shown in the above table, because although there are residual shares, the average share price during the period cannot be determined because the Company's shares are unlisted.

2. Diluted net income per share for the fiscal year ending February 29, 2024 is calculated by considering the average share price from the initial listing date to the end of the current fiscal year as the average share price during the period, since the Company was listed on the Growth Market of the Tokyo Stock Exchange on November 22, 2023.

3. The Company conducted a 20-for-1 common stock split on August 25, 2023 and a 2-for-1 common stock split on March 16, 2024. "Basic earnings per share" and "diluted earnings per share" are calculated on the assumption that the said share split was conducted at the beginning of the previous fiscal year.

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 29, 2024	3,628	509	14.0	221.34
February 28, 2023	3,290	147	4.5	73.65

Reference: Equity

As of February 29, 2024: ¥ 509 million

As of February 28, 2023: ¥ 147 million

(Note) The Company conducted a 20-for-1 common stock split on August 25, 2023 and a 2-for-1 common stock split on March 16, 2024. "Net assets per share" is calculated on the assumption that the said share split was conducted at the beginning of the previous fiscal year.

(3) Non-Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 29, 2024	313	(87)	152	1,212
February 28, 2023	152	(9)	78	833

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
February 28, 2023	-	-	-	0.00	0.00	-	-	-
February 29, 2024	-	0.00	-	12.00	12.00	13	10.9	4.1
Fiscal year ending February 28, 2025 (Forecast)		0.00		6.50	6.50		12.5	

(Note) The Company conducted a 2-for-1 stock split of common shares on March 16, 2024; however, for the fiscal year ending February 29, 2024, the actual dividend amount before the stock split is shown.

3. Forecast of non-consolidated financial results for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2025	3,238	9.8	179	3.9	181	8.8	119	4.3	51.84

(Note) Since the Company manages its business performance on an annual basis, the forecast for the second quarter (cumulative) has been omitted.

* Notes

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Note: For details, please refer to “(5) Notes to non-consolidated financial statements (Changes in accounting policies)” of “3. Non-consolidated Financial Statements and Significant Notes Thereto” on page 9 of the attached materials.

(2) Number of issued shares (common shares)

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

As of February 29, 2024	2,300,800 shares
As of February 28, 2023	2,000,000 shares

(ii) Number of treasury shares at the end of the period

As of February 29, 2024	74 shares
As of February 28, 2023	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended February 29, 2024	2,075,239 shares
Fiscal year ended February 28, 2023	2,000,000 shares

(Note) The Company conducted a 20-for-1 common stock split on August 25, 2023 and a 2-for-1 common stock split on March 16, 2024. “Total number of issued shares at the end of the period,” “number of treasury shares at the end of the period,” and “average number of shares outstanding during the period” are calculated on the assumption that the said share split was conducted at the beginning of the previous fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. Please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 3 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

Balance sheet

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	833,150	1,212,314
Accounts receivable - trade	2,362,062	2,237,769
Advance payments to suppliers	30,318	23,329
Prepaid expenses	13,837	10,743
Other	19,268	22,724
Allowance for doubtful accounts	(8,999)	(1,537)
Total current assets	3,249,638	3,505,343
Non-current assets		
Property, plant and equipment		
Buildings, net	9,791	3,618
Tools, furniture and fixtures, net	6,535	5,090
Total property, plant and equipment	16,326	8,708
Intangible assets		
Software in progress	-	27,272
Total intangible assets	-	27,272
Investments and other assets		
Investments in capital	30	30
Long-term prepaid expenses	4,475	931
Deferred tax assets	4,819	11,527
Leasehold deposits	14,977	73,973
Other	600	600
Total investments and other assets	24,903	87,062
Total non-current assets	41,229	123,044
Total assets	3,290,867	3,628,388

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,736,144	1,761,981
Short-term borrowings	120,838	100,000
Current portion of long-term borrowings	226,828	243,216
Accounts payable - other	443,268	471,504
Accrued expenses	53,767	56,640
Income taxes payable	27,807	48,708
Contract liabilities	8,705	13,098
Deposits received	9,748	10,615
Other	46,300	33,593
Total current liabilities	2,673,408	2,739,357
Non-current liabilities		
Long-term borrowings	470,167	379,783
Total non-current liabilities	470,167	379,783
Total liabilities	3,143,575	3,119,140
Net assets		
Shareholders' equity		
Share capital	34,000	157,839
Capital surplus		
Legal capital surplus	-	123,839
Total capital surplus	-	123,839
Retained earnings		
Other retained earnings		
Retained earnings brought forward	113,292	227,651
Total retained earnings	113,292	227,651
Treasury shares	-	(82)
Total shareholders' equity	147,292	509,247
Total net assets	147,292	509,247
Total liabilities and net assets	3,290,867	3,628,388

Statement of income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	2,823,748	2,948,333
Cost of sales	1,935,632	1,949,200
Gross profit	888,115	999,132
Selling, general and administrative expenses	774,643	826,355
Operating profit	113,472	172,777
Non-operating income		
Refund	17,379	17,134
Other	1,163	416
Total non-operating income	18,542	17,551
Non-operating expenses		
Interest expenses	9,344	10,738
Listing expenses	-	11,672
Other	1,400	1,168
Total non-operating expenses	10,744	23,579
Ordinary profit	121,270	166,750
Profit before income taxes	121,270	166,750
Income taxes - current	36,023	59,099
Income taxes - deferred	(785)	(6,707)
Total income taxes	35,238	52,391
Profit	86,032	114,358

Statement of changes in equity

Fiscal year ended February 28, 2023

(Thousands of yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
Balance at beginning of period	34,000	-	-	27,260	27,260	-	61,260	61,260
Issuance of new shares								
Profit				86,032	86,032		86,032	86,032
Purchase of treasury shares								
Total changes during period	-	-	-	86,032	86,032	-	86,032	86,032
Balance at end of period	34,000	-	-	113,292	113,292	-	147,292	147,292

Statement of changes in equity

Fiscal year ended February 29, 2024

(Thousands of yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
Balance at beginning of period	34,000	-	-	113,292	113,292	-	147,292	147,292
Issuance of new shares	123,839	123,839	123,839				247,678	247,678
Profit				114,358	114,358		114,358	114,358
Purchase of treasury shares						(82)	(82)	(82)
Total changes during period	123,839	123,839	123,839	114,358	114,358	(82)	361,954	361,954
Balance at end of period	157,839	123,839	123,839	227,651	227,651	(82)	509,247	509,247

Statement of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	121,270	166,750
Depreciation	4,118	10,964
Interest income	(2)	(5)
Interest expenses	9,344	10,738
Decrease (increase) in trade receivables	862,903	124,293
Increase (decrease) in trade payables	(835,232)	53,631
Other, net	23,692	4,055
Subtotal	186,095	370,427
Interest received	2	5
Interest paid	(9,344)	(10,738)
Income taxes paid	(24,650)	(45,818)
Net cash provided by (used in) operating activities	152,103	313,876
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,086)	(3,428)
Purchase of intangible assets	-	(27,272)
Payments of leasehold deposits	-	(58,996)
Other, net	(1,542)	2,223
Net cash provided by (used in) investing activities	(9,629)	(87,474)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20,838	(20,838)
Proceeds from long-term borrowings	350,000	250,000
Repayments of long-term borrowings	(292,128)	(323,996)
Proceeds from issuance of shares	-	247,678
Other, net	-	(82)
Net cash provided by (used in) financing activities	78,710	152,761
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	221,183	379,163
Cash and cash equivalents at beginning of period	611,966	833,150
Cash and cash equivalents at end of period	833,150	1,212,314