

Consolidated Financial Results for the Second Quarter of Term Ending December 2024 (Based on J-GAAP)

August 14, 2024

Company name: VELTRA Corporation
Stock code: 7048 URL <https://corp.veltra.com>
Representative: Wataru Futagi, CEO
Contact: Jumpei Minashima, Headquarters Division Director
Scheduled date to submit Quarterly Securities Report: Monday, August 14, 2024
Scheduled date to commence dividend payments: —
Availability of supplementary briefing material on quarterly results: Available
Scheduled date of Quarterly Results Briefing Session: Available

Listing: Tokyo Stock Exchange

Tel: +81-3-6823-7990

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Term Ending December 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated Results of Operations (cumulative) (% indicates YoY changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Second quarter of the term ending December 2024	Millions of yen 1,815	% 56.8	Millions of yen (197)	% —	Millions of yen (285)	% —	Millions of yen (271)	% —
Second quarter of the term ended December 2024	1,157	225.6	(203)	—	(233)	—	(254)	—

(Note) Comprehensive income: Second quarter of the term ending December 2024: -194 million yen (-%)

Second quarter of the term ended December 2023: -200 million yen (-%)

	Profit per share	Fully diluted profit per share
Second quarter of the term ending December 2024	Yen (7.46)	Yen —
Second quarter of the term ended December 2023	(7.16)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Second quarter of the term ending December 2024	Millions of yen 9,447	Millions of yen 3,046	% 27.9
Term ended December 2023	6,466	1,360	20.5

(Reference) Shareholders' equity: Second quarter of the term ending December 2024: 2,643 million yen

Term ended December 2023: 1,327 million yen

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
Term ending December 2023	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Term ending December 2024	—	0.00	—	—	—
Term ending December 2024 (forecasts)	—	—	—	0.00	0.00

(Note) Revisions of dividend forecast from recently announced figures: Not applicable

3. Consolidated Forecasts for the Term Ending December 2024 (from January 1, 2024 to December 31, 2024)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
Full year	Millions of yen 5,468	% 76.4	Millions of yen 350	% —	Millions of yen 340	% —	Millions of yen 264	% —	Yen (7.25)

(Note) Revisions of forecast of financial results from recently announced figures: Not applicable

* Notes

(1) Significant changes of subsidiaries during the consolidated cumulative current quarter (changes in specific subsidiaries involving changes in the scope of consolidation): Not applicable

New: — (company name) , Excluded: — (company name)

(2) Adoption of specific accounting treatments to the preparation of consolidated quarterly financial statements: Not applicable

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to the revision of accounting standards: Not applicable

2) Changes in accounting policies other than 1): Not applicable

3) Changes in accounting estimates: Not applicable

4) Restatements: Not applicable

(4) Total number of issued shares (common stock)

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

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

3) Average number of shares during the period (cumulative)

Second quarter of the term ending December 2024	36,589,380 shares	Term ended December 2023	35,580,100 shares
Second quarter of the term ending December 2024	97 shares	Term ended December 2023	97 shares
Second quarter of the term ending December 2024	36,367,993 shares	Second quarter of the term ending December 2023	35,554,544 shares

* These consolidated quarterly financial results are outside the scope of quarterly review by a certified public accountant or an audit firm.

* Explanation for the appropriate use of performance forecasts and other special notes

The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ significantly from forecast values. For conditions regarding assumptions used in projecting financial results and instructions to use projected financial results, please refer to "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information" on page 3 of the appendix to this report.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	3,695,659	6,148,605
Trade accounts receivable	1,883,285	2,303,325
Other	226,493	168,908
Total current assets	5,805,439	8,620,839
Non-current assets		
Property, plant and equipment	35,121	41,463
Intangible assets		
Software	268,239	365,554
Software in progress	28,172	60,762
Other	216	216
Total intangible assets	296,627	426,532
Investments and other assets	329,256	358,175
Total non-current assets	661,006	826,171
Total assets	6,466,445	9,447,011
Liabilities		
Current liabilities		
Trade accounts payable	2,573,651	2,715,379
Accounts payable - other	178,359	298,372
Short-term borrowings	※ 1 500,000	※ 1 500,000
Income taxes payable	30,005	36,228
Advances received	1,504,435	2,514,370
Provision for point card certificates	40,809	41,462
Contract liabilities	157,472	168,971
Other	121,183	125,323
Total current liabilities	5,105,916	6,400,107
Total non-current liabilities	379	420
Total liabilities	5,106,295	6,400,527
Net assets		
Shareholders' equity		
Share capital	1,823,717	2,078,007
Capital surplus	2,062,606	3,296,175
Retained earnings	△2,629,324	△2,900,632
Treasury shares	△70	△70
Total shareholders' equity	1,256,929	2,473,479
Accumulated other comprehensive income		
Deferred gains or losses on hedges	△1,572	△496
Foreign currency translation adjustment	72,147	161,463
Total accumulated other comprehensive income	70,575	160,966
Share acquisition rights	16,216	16,216
Non-controlling interests	16,428	395,820
Total net assets	1,360,149	3,046,483
Total liabilities and net assets	6,466,445	9,447,011

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

(Consolidated Quarterly Statements of Income)

(Second quarter consolidated cumulative period)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Operating revenue	1,157,902	1,815,828
Operating expenses	※ 1 1,361,016	※ 1 2,013,737
Operating loss	△203,114	△197,908
Non-operating income		
Interest income	11	21
Other	646	1,016
Total non-operating income	658	1,038
Non-operating expenses		
Interest expenses	1,145	1,398
Foreign exchange losses	29,309	71,516
Share issuance costs	-	8,875
Other	92	6,954
Total non-operating expenses	30,548	88,745
Ordinary loss	△233,003	△285,616
Loss before income taxes	△233,003	△285,616
Income taxes - current	19,887	9,201
Income taxes - deferred	-	△9,528
Total income taxes	19,887	△326
Loss	△252,891	△285,289
Profit (loss) attributable to non-controlling interests	1,613	△13,980
Loss attributable to owners of parent	△254,505	△271,308

(Quarterly Consolidated Statement of Comprehensive Income)
 (Second quarter consolidated cumulative period)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Loss	△252,891	△285,289
Other comprehensive income		
Deferred gains or losses on hedges	3,244	1,075
Foreign currency translation adjustment	49,371	89,315
Total other comprehensive income	52,615	90,391
Comprehensive income	△200,276	△194,898
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△201,889	△180,917
Comprehensive income attributable to non-controlling interests	1,613	△13,980

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Loss before income taxes	△233,003	△285,616
Depreciation	70,732	79,544
Increase (decrease) in provision for point card certificates	268	492
Increase (decrease) in contract liability	△10,412	9,275
Interest income	△11	△21
Interest expenses	1,145	1,398
Foreign exchange losses (gains)	3,814	1,813
Decrease (increase) in trade receivables	△1,140,770	△410,152
Decrease (increase) in other assets	△8,785	37,409
Increase (decrease) in trade payables	596,587	127,540
Increase (decrease) in accounts payable - other	80,797	120,287
Increase (decrease) in advances received	1,273,559	995,645
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	△63,433	21,389
Increase (decrease) in other liabilities	71	5,856
Other, net	968	△2,494
Subtotal	571,529	702,368
Interest received	11	21
Interest paid	△1,145	△1,398
Income taxes refund (paid)	△71,061	△4,953
Net cash provided by (used in) operating activities	499,333	696,038
Cash flows from investing activities		
Purchase of non-current assets	△84,170	△217,824
Payments of guarantee deposits	△119,350	△15,534
Purchase of investment securities	△100,000	-
Net cash provided by (used in) investing activities	△303,520	△233,358
Cash flows from financing activities		
Proceeds from issuance of shares	4,648	508,579
Proceeds from share issuance to non-controlling shareholders	-	1,372,652
Net cash provided by (used in) financing activities	4,648	1,881,231
Effect of exchange rate change on cash and cash equivalents	65,500	109,034
Net increase (decrease) in cash and cash equivalents	265,962	2,452,946
Cash and cash equivalents at beginning of period	2,799,164	3,695,659
Cash and cash equivalents at end of period	※ 1 3,065,127	※ 1 6,148,605