

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2019 (Based on Japanese GAAP)

November 13, 2019

Company name: Value HR Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6078 URL <https://www.valuehr.com/>
 Representative: President & CEO Michio Fujita
 Inquiries: Senior Managing Director Gentaro Fujita TEL 03-6380-1300
 Scheduled date to file Quarterly Securities Report: November 13, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2019 (from January 1, 2019 to September 30, 2019)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended September 30, 2019	3,147	20.2	526	35.4	538	156.9	354	187.7
Nine months ended September 30, 2018	2,618	20.2	389	30.0	209	(30.5)	123	(34.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2019	59.88		59.04	
Nine months ended September 30, 2018	21.54		20.40	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2019	11,205	2,391	21.3	404.82
As of December 31, 2018	10,768	2,264	21.0	381.14

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2018	–	8.50	–	15.50	24.00
Year ending December 31, 2019	–	13.00	–		
Year ending December 31, 2019 (Forecast)				20.00	33.00

3. Forecast of consolidated financial results for the year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,233	17.9	778	34.5	734	87.0	483	98.9	81.43

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2019	6,059,600 shares	As of December 31, 2018	6,050,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	158,521 shares	As of December 31, 2018	116,321 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2019	5,912,380 shares	Nine months ended September 30, 2018	5,712,918 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2018	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	1,900,124	1,759,239
Accounts receivable - trade	365,584	346,789
Merchandise	1,691	2,264
Work in process	3,281	1,825
Supplies	19,692	27,170
Other	245,411	368,427
Total current assets	2,535,785	2,505,717
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	700,340	847,061
Land	6,224,802	6,224,802
Other, net	491,546	529,723
Total property, plant and equipment	7,416,690	7,601,587
Intangible assets	253,504	291,177
Investments and other assets	562,244	806,928
Total non-current assets	8,232,439	8,699,693
Total assets	10,768,224	11,205,410
Liabilities		
Current liabilities		
Accounts payable - trade	92,819	132,502
Short-term loans payable	189,956	394,977
Income taxes payable	108,504	117,765
Deposits received	1,188,349	1,122,436
Other	1,140,946	1,228,379
Total current liabilities	2,720,575	2,996,062
Non-current liabilities		
Long-term loans payable	5,650,332	5,639,623
Other	132,840	178,647
Total non-current liabilities	5,783,172	5,818,270
Total liabilities	8,503,748	8,814,332
Net assets		
Shareholders' equity		
Capital stock	515,796	521,410
Capital surplus	559,707	565,321
Retained earnings	1,355,904	1,541,229
Treasury shares	(207,476)	(317,437)
Total shareholders' equity	2,223,932	2,310,523
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,643	78,366
Total accumulated other comprehensive income	37,643	78,366
Share acquisition rights	2,901	2,188
Total net assets	2,264,476	2,391,078
Total liabilities and net assets	10,768,224	11,205,410

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Net sales	2,618,457	3,147,567
Cost of sales	1,556,285	1,902,626
Gross profit	1,062,171	1,244,940
Selling, general and administrative expenses	672,920	717,981
Operating profit	389,250	526,958
Non-operating income		
Interest income	11	10
Dividend income	1,298	3,409
Gain on sales of investment securities	–	33,671
Subsidy income	23,356	3,438
Other	495	4,398
Total non-operating income	25,161	44,927
Non-operating expenses		
Interest expenses	26,462	29,254
Commission for syndicate loan	170,000	–
Other	8,297	4,125
Total non-operating expenses	204,759	33,379
Ordinary profit	209,651	538,506
Extraordinary income		
Gain on reversal of share acquisition rights	–	498
Total extraordinary income	–	498
Profit before income taxes	209,651	539,004
Income taxes	86,559	184,919
Profit	123,092	354,084
Profit attributable to owners of parent	123,092	354,084

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Profit	123,092	354,084
Other comprehensive income		
Valuation difference on available-for-sale securities	14,868	40,723
Total other comprehensive income	14,868	40,723
Comprehensive income	137,960	394,808
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	137,960	394,808
Comprehensive income attributable to non-controlling interests	—	—