

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2020 (Based on Japanese GAAP)

November 13, 2020

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, 2020
 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, 2020 (from January 1, 2020 to September 30, 2020)

(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, 2020	3,259	3.5	481	(8.7)	463	(13.9)	271	(23.4)
Nine months ended September 30, 2019	3,147	20.2	526	35.4	538	156.9	354	187.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2020	22.90	22.63
Nine months ended September 30, 2019	29.94	29.52

(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, 2020	11,990	2,714	22.6	227.80
As of December 31, 2019	11,829	2,593	21.9	218.92

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2019	–	13.00	–	20.00	33.00
Year ending December 31, 2020	–	7.50	–		
Year ending December 31, 2020 (Forecast)				10.00	17.50

3. Forecast of consolidated financial results for the year ending December 31, 2020 (from January 1, 2020 to December 31, 2020)

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	4,465	4.2	711	(5.0)	732	(9.1)	422	(23.6)	35.68

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2020
(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, 2020	12,188,800 shares	As of December 31, 2019	12,155,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	317,042 shares	As of December 31, 2019	317,042 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, 2020	11,847,330 shares	Nine months ended September 30, 2019	11,824,761 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2019	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	2,364,210	1,931,782
Accounts receivable - trade	408,552	407,765
Merchandise	1,598	1,702
Work in process	4,058	2,514
Supplies	31,288	45,332
Other	333,861	416,849
Total current assets	3,143,569	2,805,947
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	836,223	805,637
Land	6,224,802	6,224,802
Other, net	527,289	1,033,842
Total property, plant and equipment	7,588,315	8,064,283
Intangible assets	304,782	331,904
Investments and other assets	793,283	788,818
Total non-current assets	8,686,382	9,185,006
Total assets	11,829,951	11,990,953
Liabilities		
Current liabilities		
Accounts payable - trade	110,480	55,006
Short-term borrowings	256,335	387,445
Income taxes payable	204,028	68,306
Deposits received	1,630,672	1,146,892
Other	1,318,342	1,453,144
Total current liabilities	3,519,860	3,110,795
Non-current liabilities		
Long-term borrowings	5,547,610	5,972,317
Provision for share-based remuneration	—	15,640
Other	168,653	177,929
Total non-current liabilities	5,716,263	6,165,888
Total liabilities	9,236,124	9,276,683
Net assets		
Shareholders' equity		
Share capital	529,344	536,582
Capital surplus	573,256	604,419
Retained earnings	1,740,260	1,803,842
Treasury shares	(317,437)	(341,362)
Total shareholders' equity	2,525,424	2,603,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,323	100,996
Total accumulated other comprehensive income	66,323	100,996
Share acquisition rights	2,079	5,148
Non-controlling interests	—	4,643
Total net assets	2,593,827	2,714,270
Total liabilities and net assets	11,829,951	11,990,953

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, 2019	Nine months ended September 30, 2020
Net sales	3,147,567	3,259,304
Cost of sales	1,902,626	2,038,105
Gross profit	1,244,940	1,221,198
Selling, general and administrative expenses	717,981	739,931
Operating profit	526,958	481,266
Non-operating income		
Interest income	10	208
Dividend income	3,409	4,077
Gain on sales of investment securities	33,671	938
Subsidy income	3,438	7,926
Other	4,398	3,184
Total non-operating income	44,927	16,334
Non-operating expenses		
Interest expenses	29,254	29,472
Other	4,125	4,443
Total non-operating expenses	33,379	33,916
Ordinary profit	538,506	463,685
Extraordinary income		
Gain on reversal of share acquisition rights	498	—
Total extraordinary income	498	—
Profit before income taxes	539,004	463,685
Income taxes	184,919	192,524
Profit	354,084	271,160
Loss attributable to non-controlling interests	—	(156)
Profit attributable to owners of parent	354,084	271,317

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Profit	354,084	271,160
Other comprehensive income		
Valuation difference on available-for-sale securities	40,723	34,673
Total other comprehensive income	40,723	34,673
Comprehensive income	394,808	305,834
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	394,808	305,991
Comprehensive income attributable to non-controlling interests	—	(156)