

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 2021

Company name: Value HR Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6078 URL <https://www.valuehr.com/>
 Representative: President & CEO Michio Fujita
 Inquiries: Executive Vice President Gentaro Fujita TEL 03-6380-1300
 Scheduled date to file Quarterly Securities Report: May 14, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2021 (from January 1, 2021 to March 31, 2021)

(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	%
Three months ended March 31, 2021	1,316	15.4	237	30.9	229	33.5	125	11.3
Three months ended March 31, 2020	1,140	6.5	181	(23.8)	172	(24.6)	113	(24.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2021	10.58		10.48	
Three months ended March 31, 2020	9.56		9.44	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	14,071	2,940	20.9	246.84
As of December 31, 2020	13,815	2,976	21.5	249.67

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, 2020	–	7.50	–	10.00	17.50
Year ending December 31, 2021	–	–	–	–	–
Year ending December 31, 2021 (Forecast)	–	8.50	–	11.00	19.50

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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	5,440	21.1	940	31.9	900	21.1	547	19.1	46.02

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2021
(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 March 31, 2021	12,224,000 shares	As of December 31, 2020	12,214,400 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	317,110 shares	As of December 31, 2020	317,062 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2021	11,899,431 shares	Three months ended March 31, 2020	11,839,111 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	2,719,011	2,396,456
Accounts receivable - trade	473,272	517,926
Merchandise	1,521	1,370
Work in process	4,291	7,219
Supplies	35,771	23,570
Other	433,976	1,010,617
Total current assets	3,667,845	3,957,158
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,539,194	2,485,262
Machinery and equipment, net	34,545	32,818
Land	6,279,626	6,279,626
Other, net	118,453	242,120
Total property, plant and equipment	8,971,820	9,039,827
Intangible assets	343,015	343,572
Investments and other assets	832,975	731,112
Total non-current assets	10,147,811	10,114,512
Total assets	13,815,656	14,071,671
Liabilities		
Current liabilities		
Accounts payable - trade	60,848	78,162
Short-term borrowings	456,737	523,812
Income taxes payable	135,707	84,676
Deposits received	1,771,533	1,618,374
Provision for share-based remuneration	–	37,671
Other	1,526,323	1,688,698
Total current liabilities	3,951,150	4,031,394
Non-current liabilities		
Long-term borrowings	6,661,468	6,912,789
Provision for share-based remuneration	27,371	–
Other	198,773	186,544
Total non-current liabilities	6,887,613	7,099,333
Total liabilities	10,838,764	11,130,728

(Thousands of yen)

	As of December 31, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	542,542	545,519
Capital surplus	610,378	613,355
Retained earnings	1,992,620	1,999,047
Treasury shares	(341,398)	(341,490)
Total shareholders' equity	2,804,142	2,816,431
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	166,284	118,181
Total accumulated other comprehensive income	166,284	118,181
Share acquisition rights	1,862	1,736
Non-controlling interests	4,602	4,593
Total net assets	2,976,892	2,940,942
Total liabilities and net assets	13,815,656	14,071,671

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Net sales	1,140,727	1,316,923
Cost of sales	694,776	790,757
Gross profit	445,951	526,166
Selling, general and administrative expenses	264,180	288,247
Operating profit	181,771	237,918
Non-operating income		
Interest income	5	252
Gain on sales of investment securities	938	–
Subsidy income	2,250	–
Other	827	2,138
Total non-operating income	4,021	2,390
Non-operating expenses		
Interest expenses	9,855	10,439
Cancellation fee of consent	3,000	–
Other	815	77
Total non-operating expenses	13,671	10,516
Ordinary profit	172,121	229,792
Extraordinary losses		
Loss on retirement of non-current assets	–	28,513
Total extraordinary losses	–	28,513
Profit before income taxes	172,121	201,279
Income taxes	58,900	75,288
Profit	113,220	125,990
Loss attributable to non-controlling interests	–	(8)
Profit attributable to owners of parent	113,220	125,999

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Profit	113,220	125,990
Other comprehensive income		
Valuation difference on available-for-sale securities	(41,367)	(48,103)
Total other comprehensive income	(41,367)	(48,103)
Comprehensive income	71,852	77,886
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	71,852	77,895
Comprehensive income attributable to non-controlling interests	—	(8)