

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 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: November 12, 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 nine months ended September 30, 2021 (from January 1, 2021 to September 30, 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	%
Nine months ended September 30, 2021	3,987	22.3	722	50.2	716	54.6	412	51.9
Nine months ended September 30, 2020	3,259	3.5	481	(8.7)	463	(13.9)	271	(23.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2021	34.56		34.29	
Nine months ended September 30, 2020	22.90		22.63	

(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, 2021	13,910	3,099	22.2	258.34
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	–	8.50	–		
Year ending December 31, 2021 (Forecast)				16.00	24.50

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 nine months ended September 30, 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 September 30, 2021	12,286,800 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 September 30, 2021	317,136 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)

Nine months ended September 30, 2021	11,925,485 shares	Nine months ended September 30, 2020	11,847,330 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,719,011	2,874,756
Accounts receivable - trade	473,272	577,793
Merchandise	1,521	970
Work in process	4,291	5,552
Supplies	35,771	23,364
Other	433,976	476,723
Total current assets	3,667,845	3,959,160
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,539,194	2,519,073
Machinery and equipment, net	34,545	29,730
Land	6,279,626	6,279,626
Other, net	118,453	151,000
Total property, plant and equipment	8,971,820	8,979,430
Intangible assets	343,015	362,809
Investments and other assets	832,975	608,733
Total non-current assets	10,147,811	9,950,974
Total assets	13,815,656	13,910,135
Liabilities		
Current liabilities		
Accounts payable - trade	60,848	64,747
Short-term borrowings	456,737	507,148
Income taxes payable	135,707	127,777
Deposits received	1,771,533	1,710,912
Provision for share-based remuneration	–	59,033
Other	1,526,323	1,480,111
Total current liabilities	3,951,150	3,949,730
Non-current liabilities		
Long-term borrowings	6,661,468	6,638,377
Provision for share-based remuneration	27,371	–
Other	198,773	222,276
Total non-current liabilities	6,887,613	6,860,653
Total liabilities	10,838,764	10,810,384
Net assets		
Shareholders' equity		
Share capital	542,542	564,010
Capital surplus	610,378	631,846
Retained earnings	1,992,620	2,183,215
Treasury shares	(341,398)	(341,537)
Total shareholders' equity	2,804,142	3,037,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	166,284	54,787
Total accumulated other comprehensive income	166,284	54,787
Share acquisition rights	1,862	2,982
Non-controlling interests	4,602	4,446
Total net assets	2,976,892	3,099,751
Total liabilities and net assets	13,815,656	13,910,135

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, 2020	Nine months ended September 30, 2021
Net sales	3,259,304	3,987,021
Cost of sales	2,038,105	2,382,268
Gross profit	1,221,198	1,604,752
Selling, general and administrative expenses	739,931	882,052
Operating profit	481,266	722,700
Non-operating income		
Interest income	208	673
Dividend income	4,077	3,647
Gain on sales of investment securities	938	–
Subsidy income	–	9,186
Subsidy income	7,926	600
Other	3,184	11,949
Total non-operating income	16,334	26,056
Non-operating expenses		
Interest expenses	29,472	31,642
Other	4,443	472
Total non-operating expenses	33,916	32,115
Ordinary profit	463,685	716,640
Extraordinary losses		
Loss on retirement of non-current assets	–	38,341
Office relocation expenses	–	26,994
Total extraordinary losses	–	65,335
Profit before income taxes	463,685	651,305
Income taxes	192,524	239,215
Profit	271,160	412,090
Loss attributable to non-controlling interests	(156)	(156)
Profit attributable to owners of parent	271,317	412,246

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	271,160	412,090
Other comprehensive income		
Valuation difference on available-for-sale securities	34,673	(111,497)
Total other comprehensive income	34,673	(111,497)
Comprehensive income	305,834	300,593
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	305,991	300,749
Comprehensive income attributable to non-controlling interests	(156)	(156)