



# Financial Results for the 2<sup>nd</sup> Quarter of Fiscal Year December 31, 2024

**Value HR Co., Ltd.**

Tokyo Stock Exchange Prime Market 6078

August 14, 2024

- 1. Financial Highlights in FY12/24 Q2**
2. Forecast for FY12/24 and Business policy
3. Shareholder return
4. Our business

## Financial Highlights in FY12/24 Q2 - Performance Summary

### Revenue

Revenue is progressing as planned. There has been an increase in new customers and expanded service orders from existing customers.

### Operating Profit

Same as Q1, operating profit decreased due to increased costs of sales arising from forward investments in system development and overall organizational strengthening, including an increase in temporary and outsourced personnel.

#### Value Cafeteria Segment

KPI : Users (Enterprise Groups)

**2.44million** (479)

As of 24/1Q +32,000 (+17)

- Increase in orders from new and existing customers.
  1. New customers are primarily through health examination outsourcing service.
  2. Expansion of additional orders from existing customers.

#### HR Management Segment

KPI : Health Insurance Societies

**71**

As of 24/1Q +7

- Support for the establishment of **5 new health insurance societies in April 2024.**

#### Corporate Action

- **Stock Buyback (5/23-12/31)**
  - Upper Limit: 700,000 shares, 1 billion yen
  - To address situations where performance trends are not reflected in the stock price, the buyback will be conducted flexibly while considering financial conditions and stock price levels comprehensively.

## Financial Highlights in FY12/24 Q2 - Performance Summary

### Net sales are progressing as planned.

Due to upfront investments in response to the growing customer base (strengthening system development and overall organizational structure), the cost of sales has increased, resulting in decreased profits.

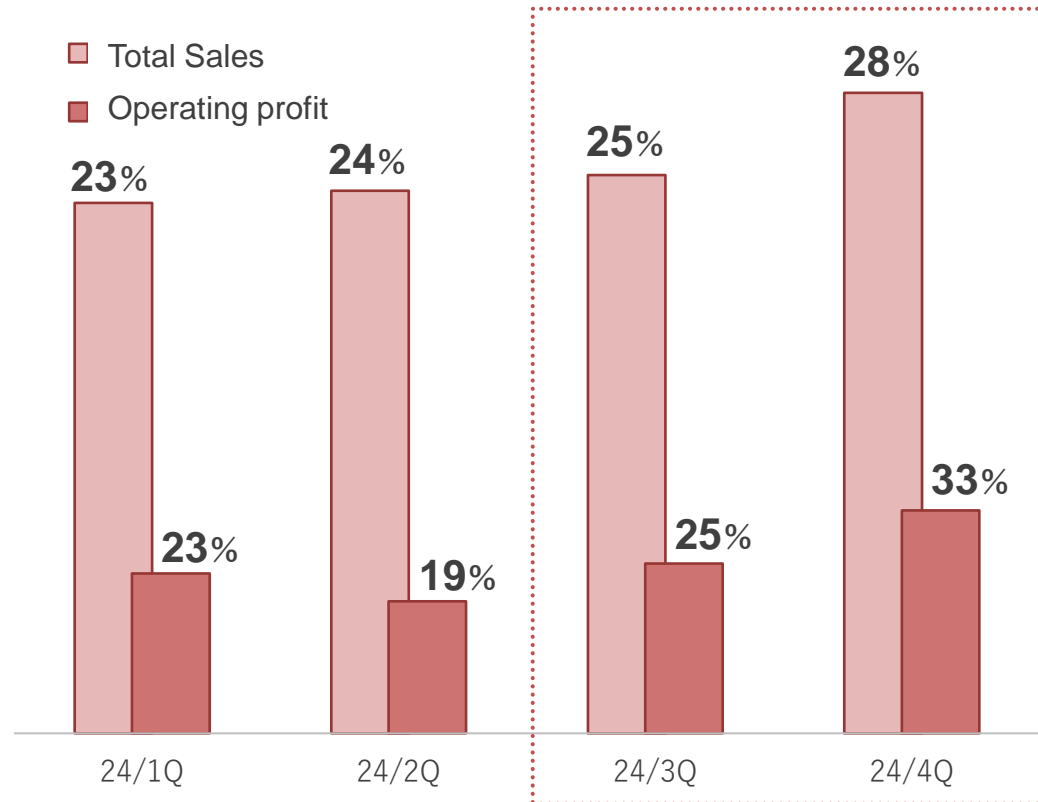
Unit: million JPY	FY12/23 Q1~2	Proportion	FY12/24 Q1~2	Proportion	YoY	Forecast for FY12/24	Ratio to Forecast
<b>Net sales</b>	<b>3,380</b>	—	<b>3,962</b>	—	+ 17.2%	<b>8,165</b>	<b>48.5%</b>
Value Cafeteria Segment	2,672	79.1%	3,174	80.1%	+ 18.8%	6,579	48.2%
HR Management Segment	708	20.9%	788	19.8%	+ 11.3%	1,586	49.7%
<b>Operating profit</b>	<b>577</b>	<b>17.1%</b>	<b>476</b>	<b>12.0%</b>	△17.6%	<b>1,435</b>	<b>33.2%</b>
Value Cafeteria Segment	909	26.9%	871	22.0%	△4.2%	2,115	41.2%
HR Management Segment	157	4.6%	140	3.5%	△11.2%	339	41.3%
SG&A	△489	△14.5%	△535	△13.5%	+ 9.4%	△1,020	52.5%
<b>Ordinary profit</b>	<b>595</b>	<b>17.6%</b>	<b>485</b>	<b>12.2%</b>	△18.4%	<b>1,500</b>	<b>32.3%</b>
<b>Net profit</b>	<b>392</b>	<b>11.6%</b>	<b>315</b>	<b>8.0%</b>	△19.8%	<b>1,000</b>	<b>31.5%</b>

Forecast for FY12/24 - Supplementary Explanation on the Quarterly Trend of Revenue and Operating Profit

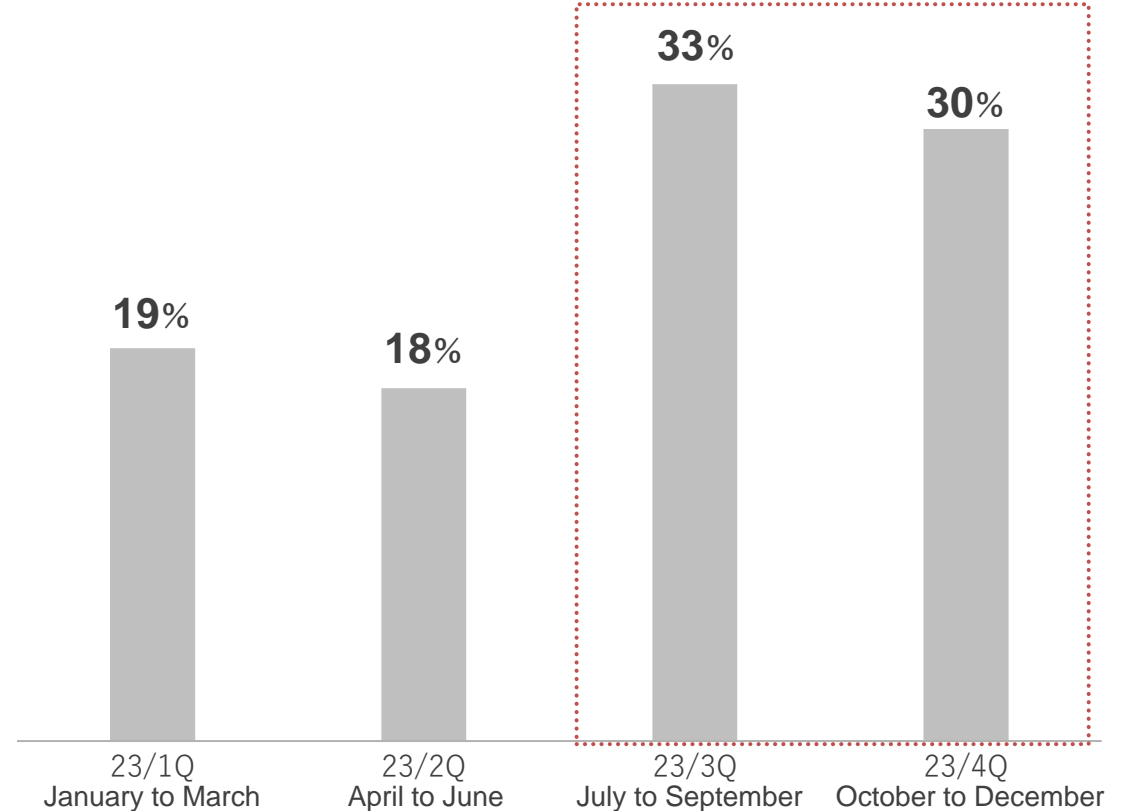
**Bias towards the latter half of the fiscal year.**

(Especially in the Value Cafeteria segment, customers' health check-up periods are concentrated in the latter half of the year.) In the latter half of the fiscal year, we will focus on replacing temporary employees with permanent staff and **improving efficiency and profitability** through the promotion of digital transformation (DX).

**Quarterly Revenue and Operating Profit Trend (Forecast)**



**Trend in Health Examination Attendees (2023 Actual Results)**

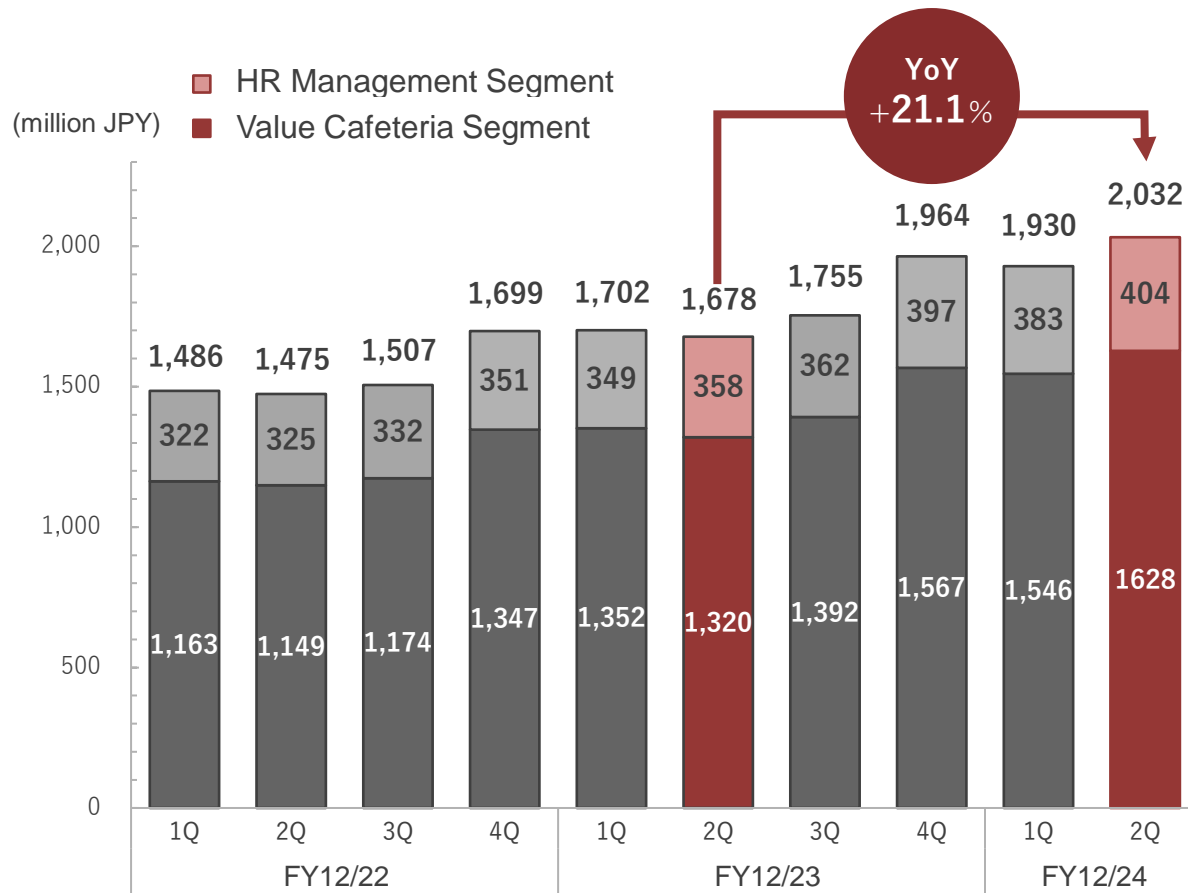


## Quarterly Total Sales / Total Operating Profit & Profit Margin

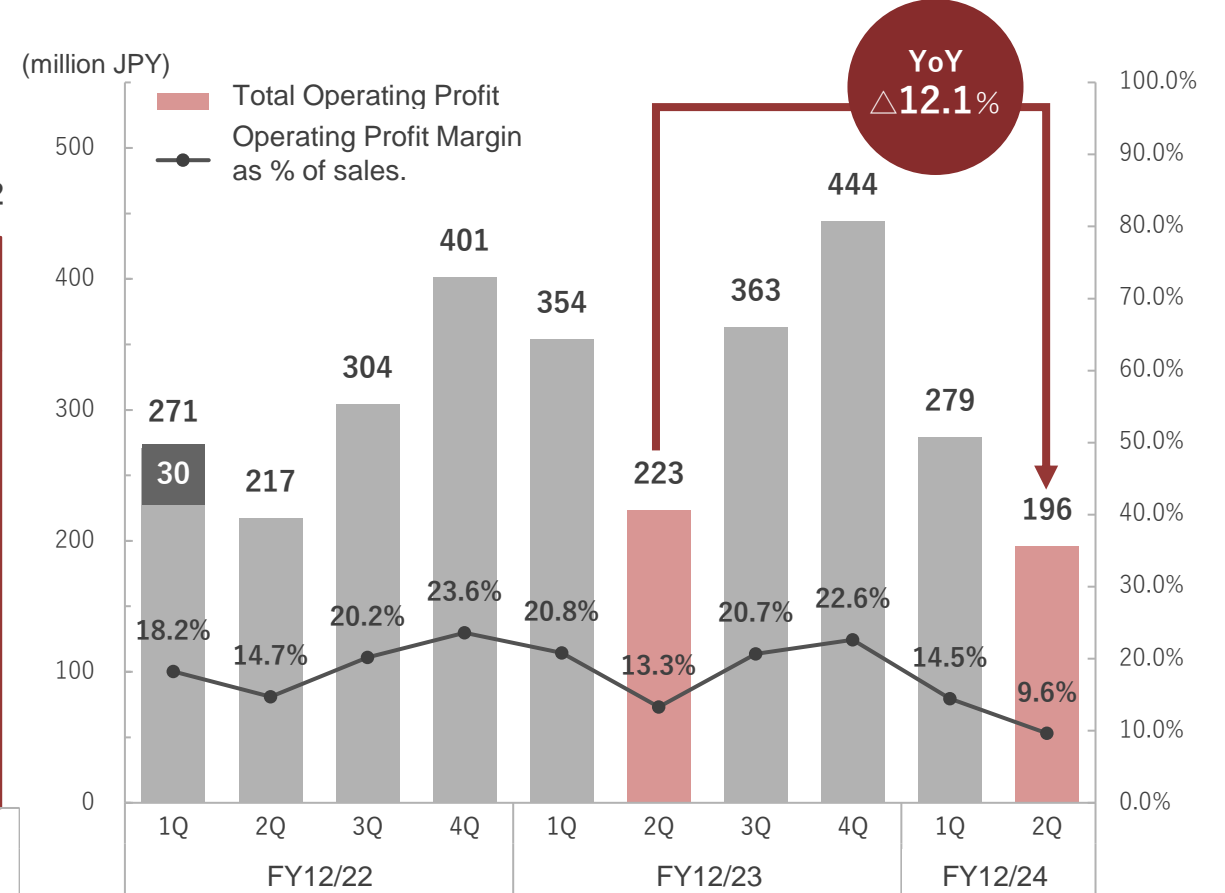
**Net sales Progress remains in line with the initial plan**, primarily due to an increase in new customers (mainly through health examination outsourcing service) and additional service orders from existing customers.

Due to upfront investments in response to the growing customer base (strengthening system development and overall organizational structure), the cost of sales has increased, resulting in decreased profits.

Quarterly Total Sales



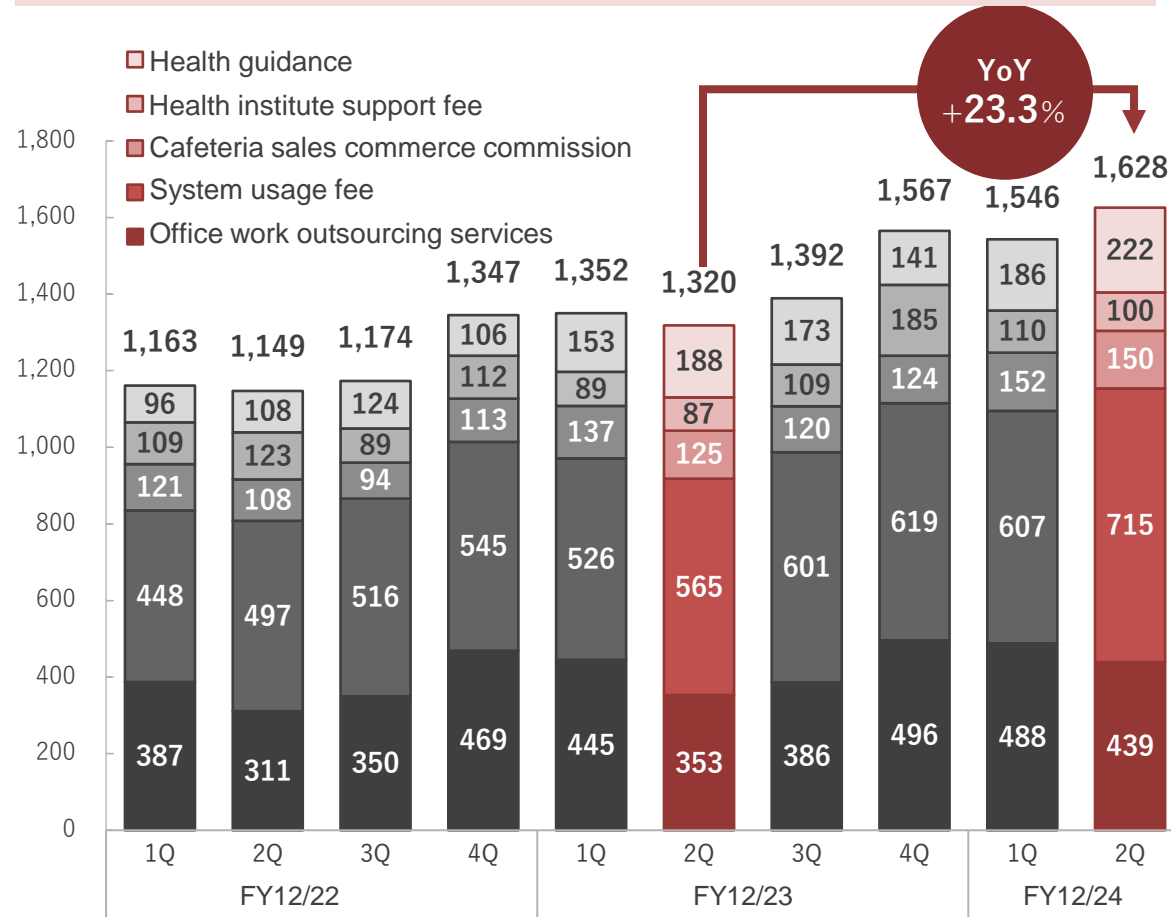
Total Operating Profit & Profit Margin



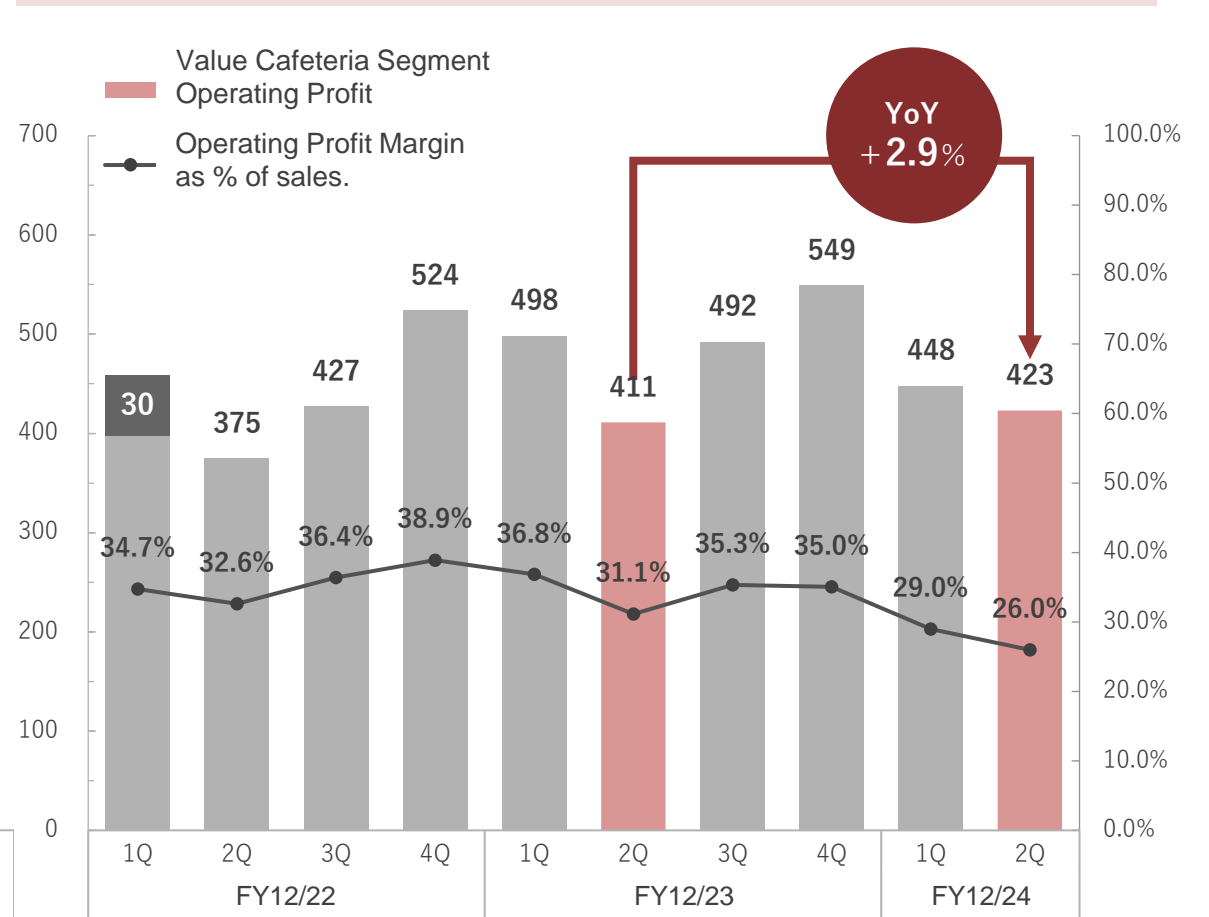
# Value Cafeteria Segment, Quarterly Net Sales / Operating Profit

**Net Sales have been strong**, driven by an increase in new customers and additional service orders from existing clients. Many systems were implemented from April to June, aligning with the start of the customers' fiscal year, leading to a record-high system usage fees. The cost of goods sold has slightly increased due to strengthened system development and improved health checkup services, including the use of temporary staff.

Quarterly Net Sales of Value Cafeteria Segment



Quarterly Operating Profit of Value Cafeteria Segment



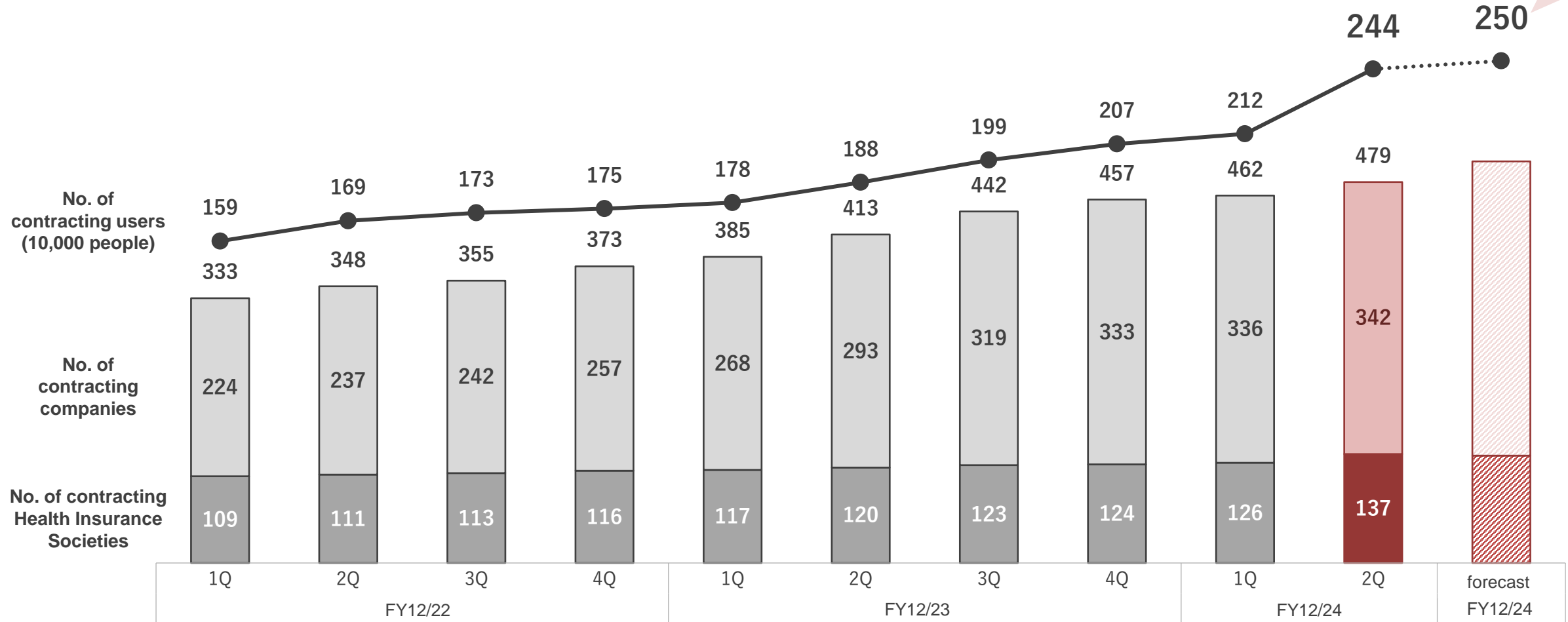
## KPI of Value Cafeteria Segment - Users, Companies, Health Insurance Societies

The total number of users **grew to 2.44 million**, with an increase of 320,000 users and 17 new contracted enterprise groups.

The year-end user forecast has been revised **upward from 2.4 million to 2.5 million users**.

Starting in Q3, many organizations are anticipating service releases, and the full-year outlook is expected to remain steady.

As of 23/4Q  
**+20%**

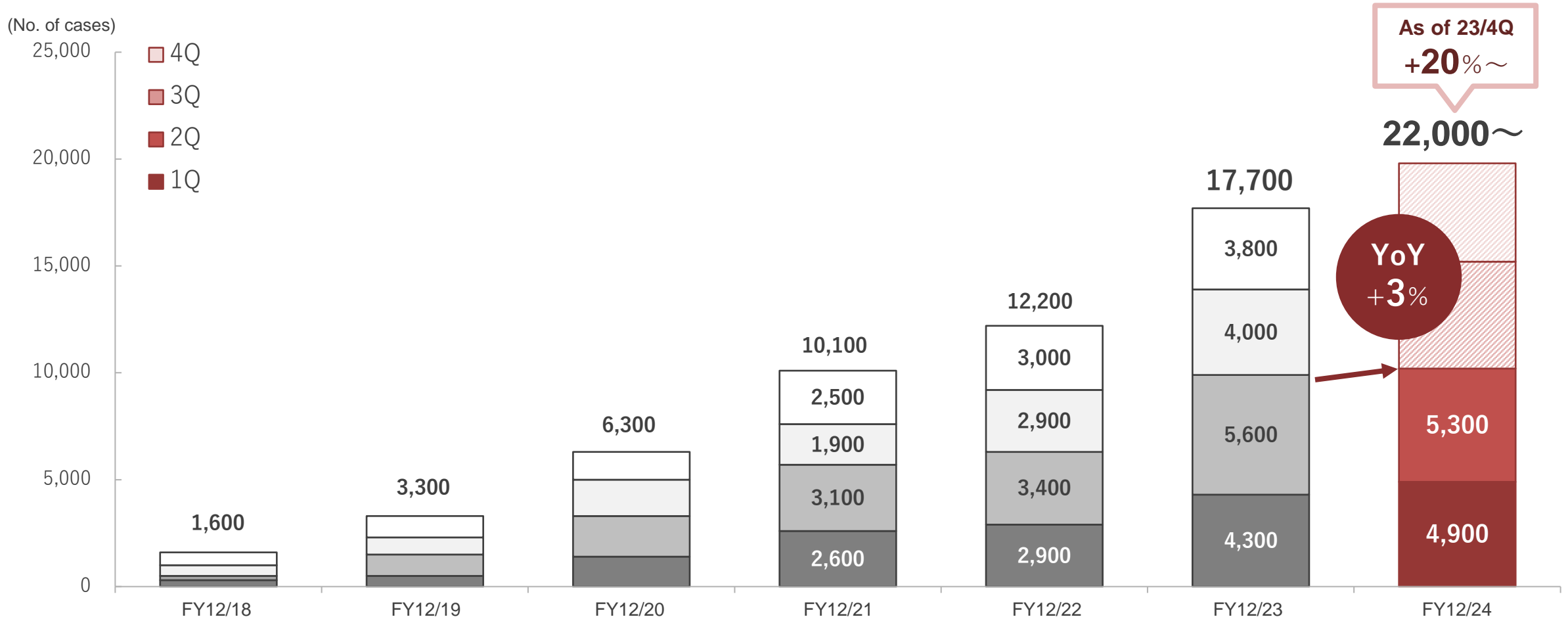




## Value Cafeteria Segment - Users receiving Specific Health Guidance **Up 3% YoY**

The number of initial consultations for specific health guidance totaled 10,200 cases in the cumulative period of Q1 and Q2, representing a 3% increase compared to the previous year but falling short of the plan.

Starting in Q3, with the rise in contracted organizations, the number of cases for the full fiscal year is expected to exceed 20,000.

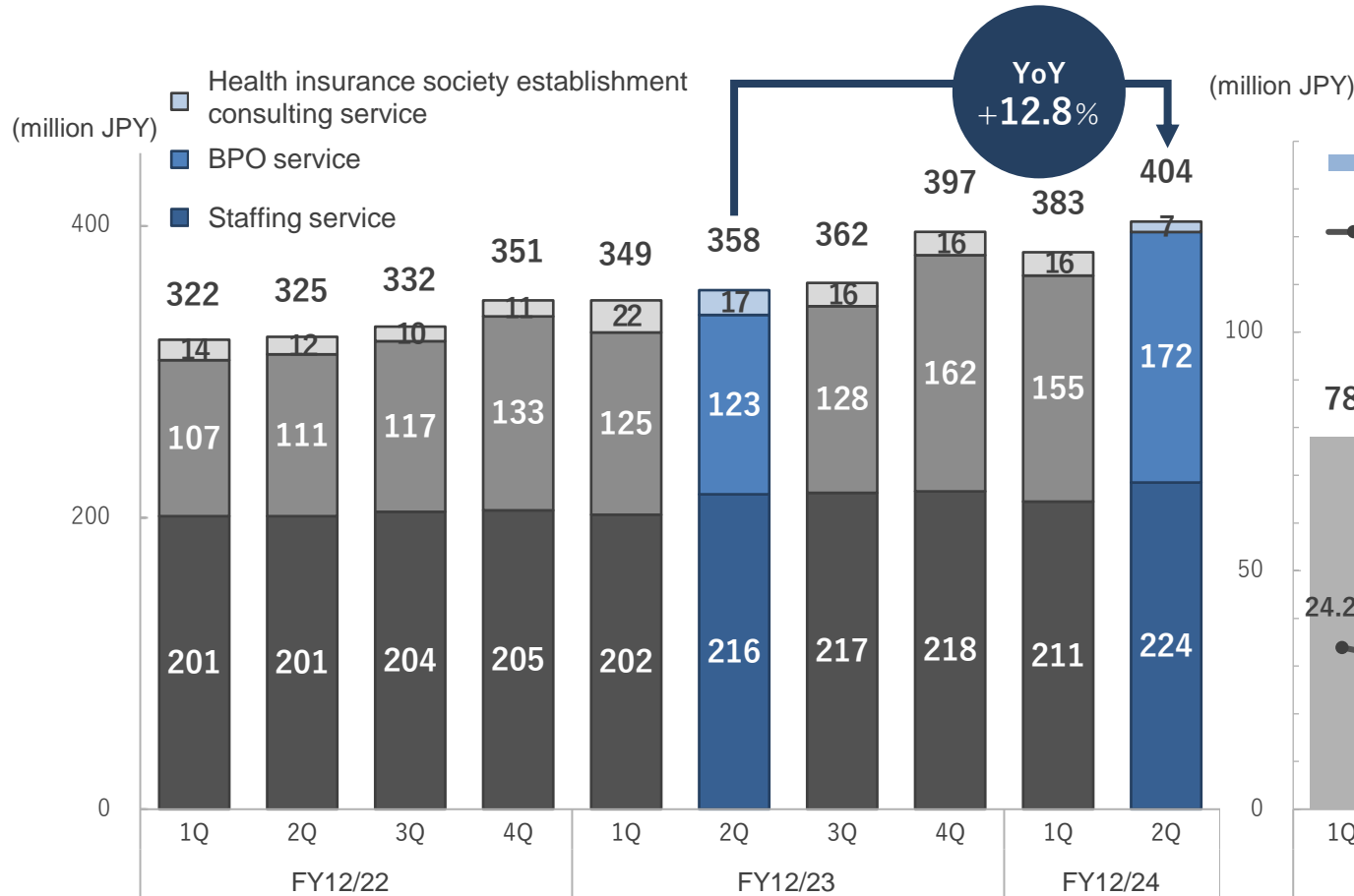


# Quarterly Net Sales / Quarterly Operating Profit of HR Management Segment

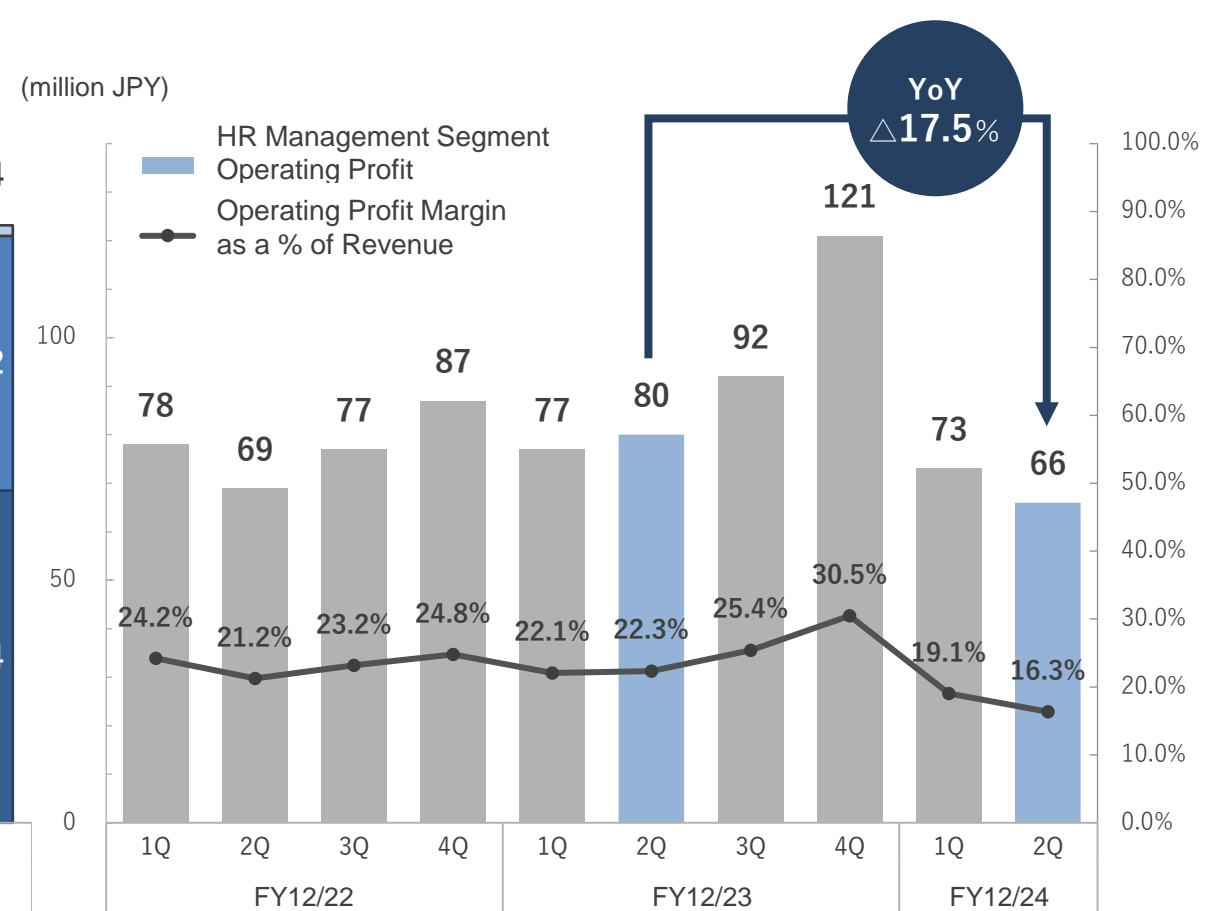
A favorable progress in net sales has been achieved due to the increase in the number of contract health insurance societies.

Operating profit decreased due to an increase in temporary staffing expenses.

Quarterly Net Sales of HR Management Segment



Quarterly Operating Profit of HR Management Segment

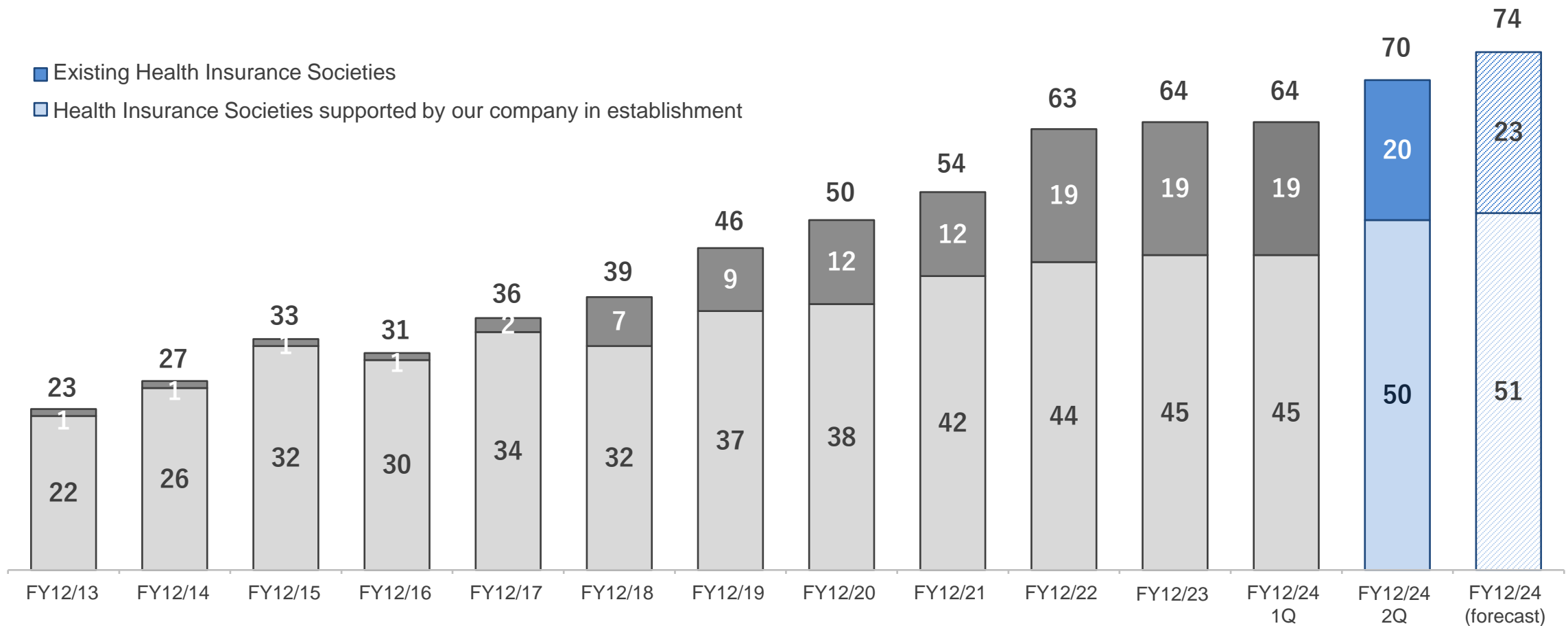


## KPI of HR Management - Business trend in contracted Health Insurance Societies

Starting BPO services for 5 newly established and 2 existing health insurance societies in Q1.

From Q2 onward, the year-end forecast for the number of health insurance societies has been revised from 72 to 74.

BPO services are scheduled to be contracted with three existing and one newly established(re-contracted) health insurance society.



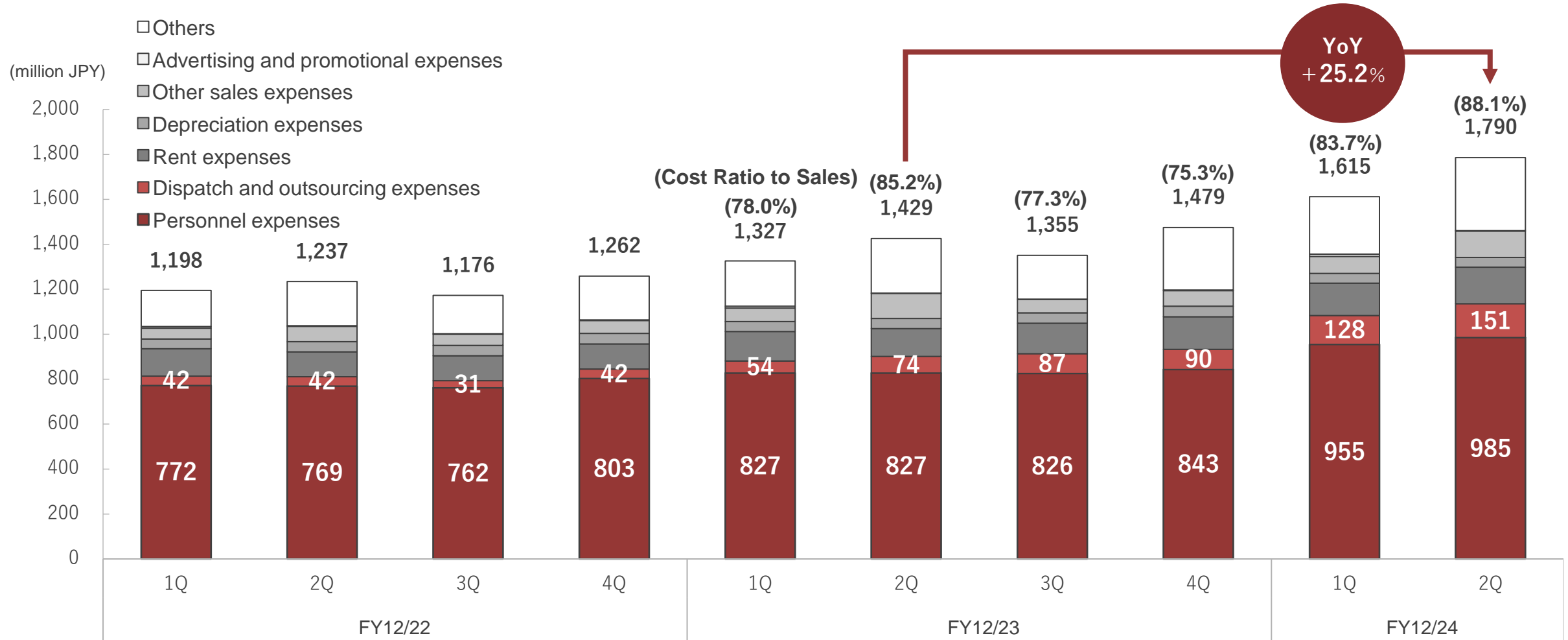
## The structure of the cost of goods sold, selling expenses, and general administrative expenses

Personnel expenses have increased by over 10% due to wage hikes starting in January.

Additionally, expenses for temporary and outsourcing staff increased as planned from the beginning of the period.

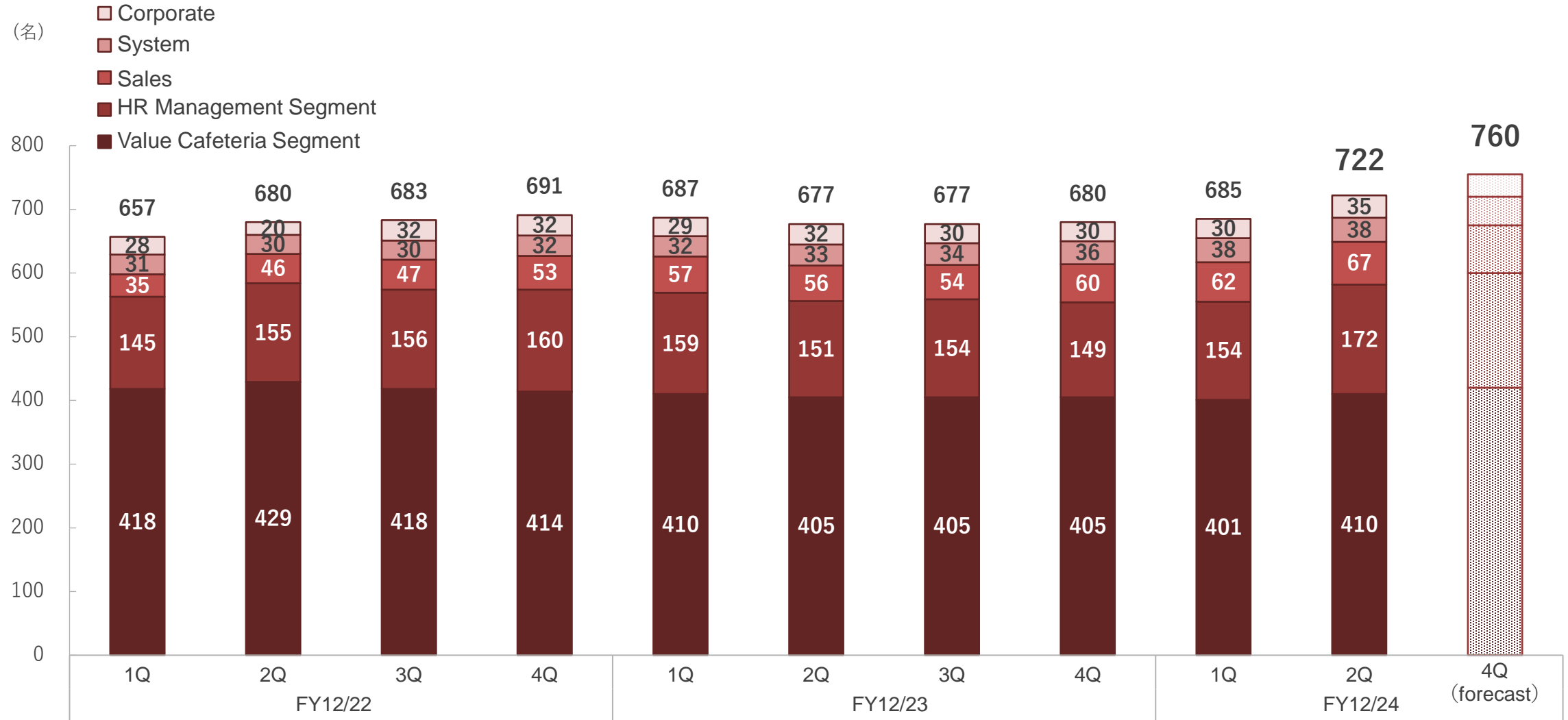
**This fiscal year, the use of temporary and outsourced personnel will continue.**

**Plans are in place to reduce the ratio of temporary and outsourced personnel in the latter half of the year.**



## The fluctuation in the number of employees over time

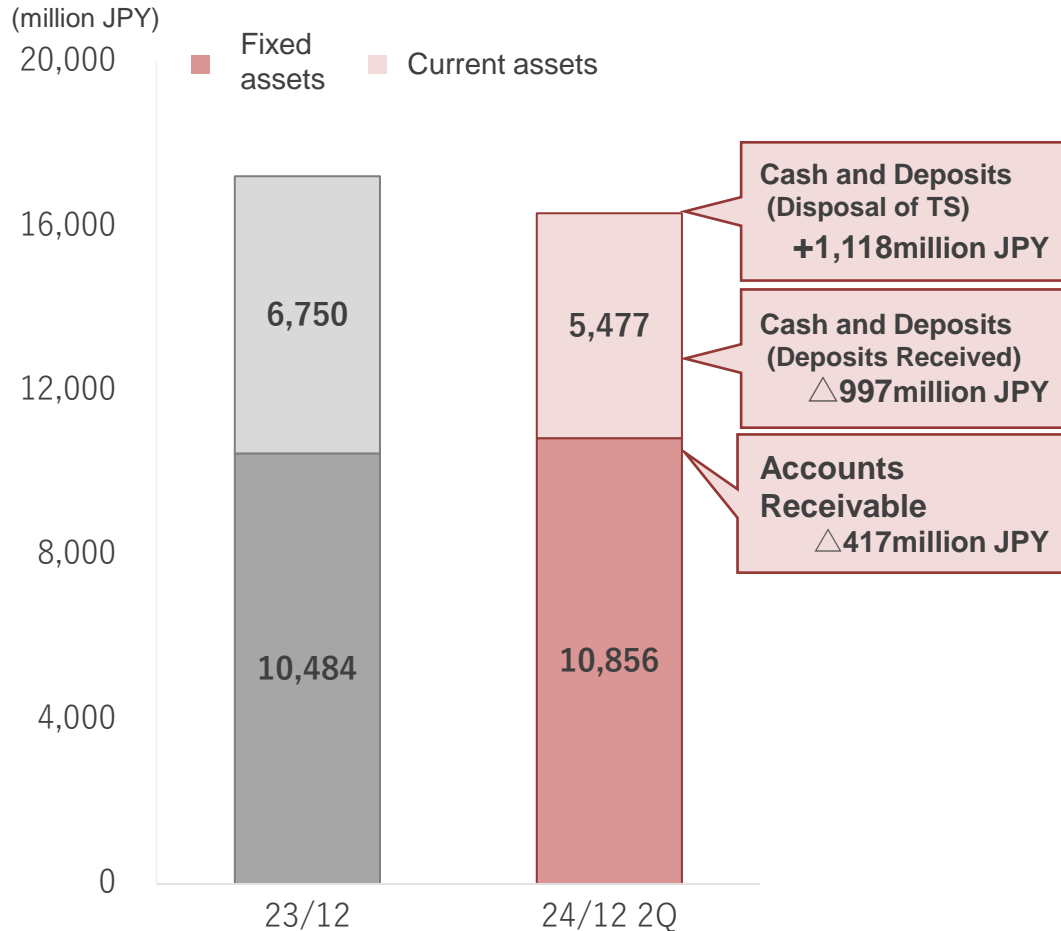
Recruitment has improved since January 2024, with the number of recruits surpassing 700 as of April 1st. We will continue to strengthen our recruitment efforts.



# Consolidated Balance Sheet

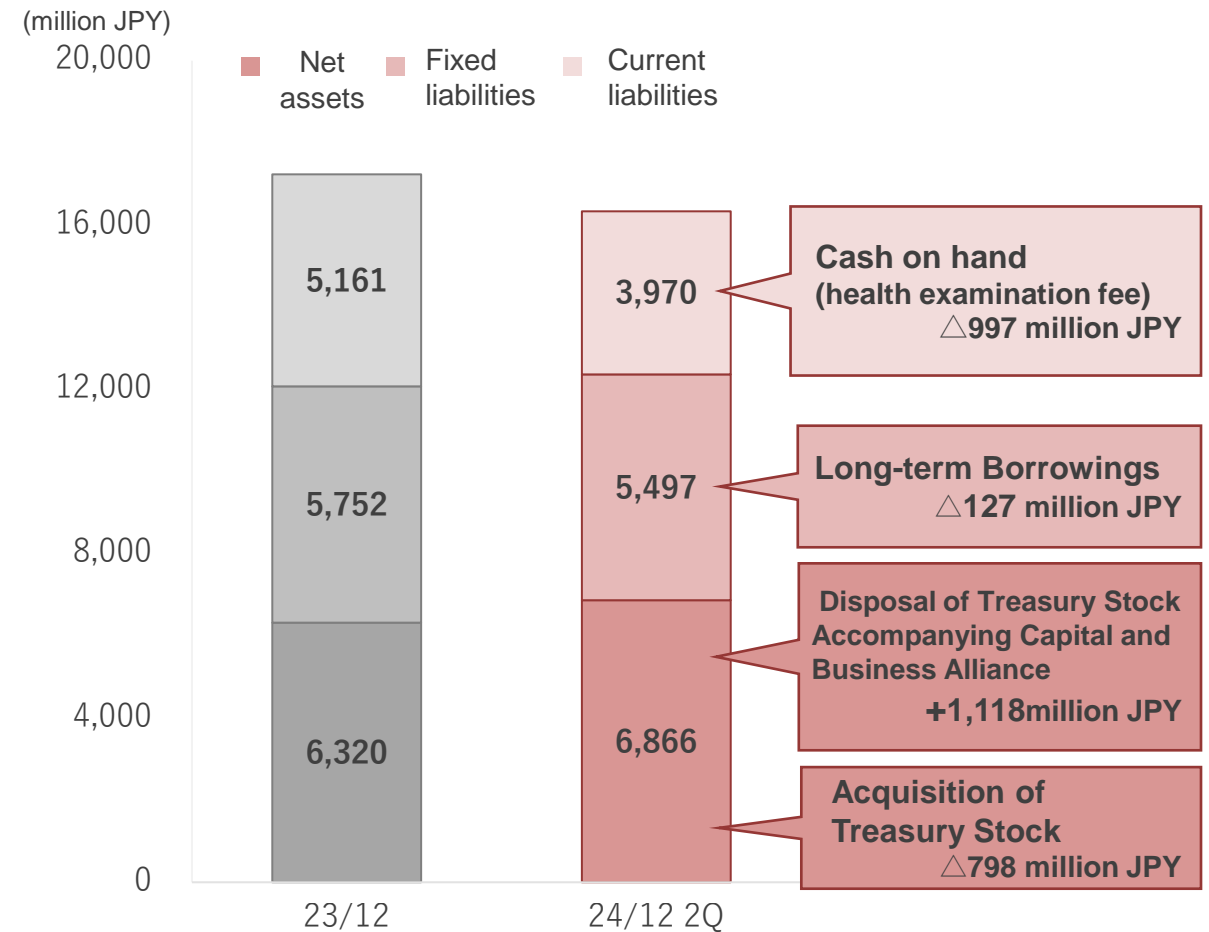
## Assets

**Total assets 16,334 million JPY**  
(As of FY23/12  $\Delta$ 9million JPY)



## Liabilities · Net assets

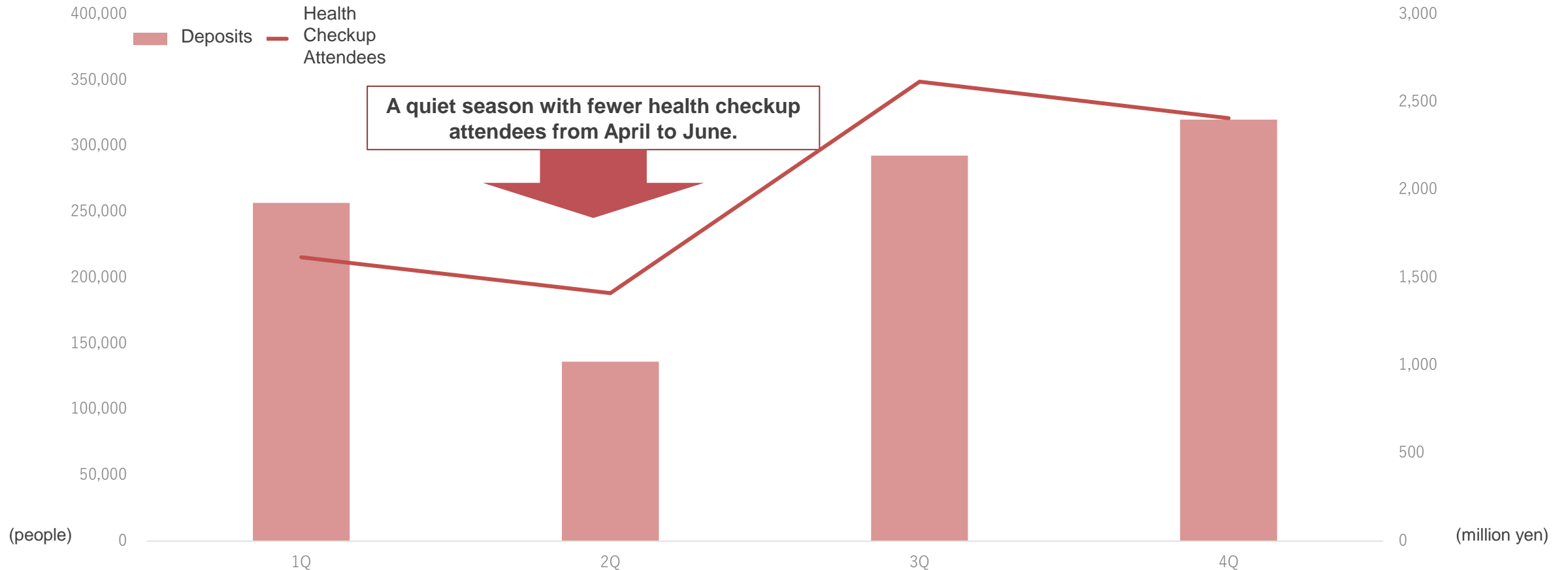
**Equity Ratio 42.0%**  
(As of FY23/12 +5.5%)



**BS Supplement - The Correlation between Current Liabilities (Deposits) and the trend of Health Checkup Attendees**

- Influence of paying agency services of health checkup fees which provided by the Health Checkups Outsourcing services.  
(The financial transactions resulting for health checkup fees: **Clients** (health insurance societies and companies) → **Value HR** → **Medical Institutions**)
- **1 billion JPY increase or decrease in current liabilities** and assets in FY12/23 which correlated with the number of health checkup attendees.
- Q2 is a quiet period with fewer health checkup attendees, leading to the annual decrease in the lowest total asset amount.

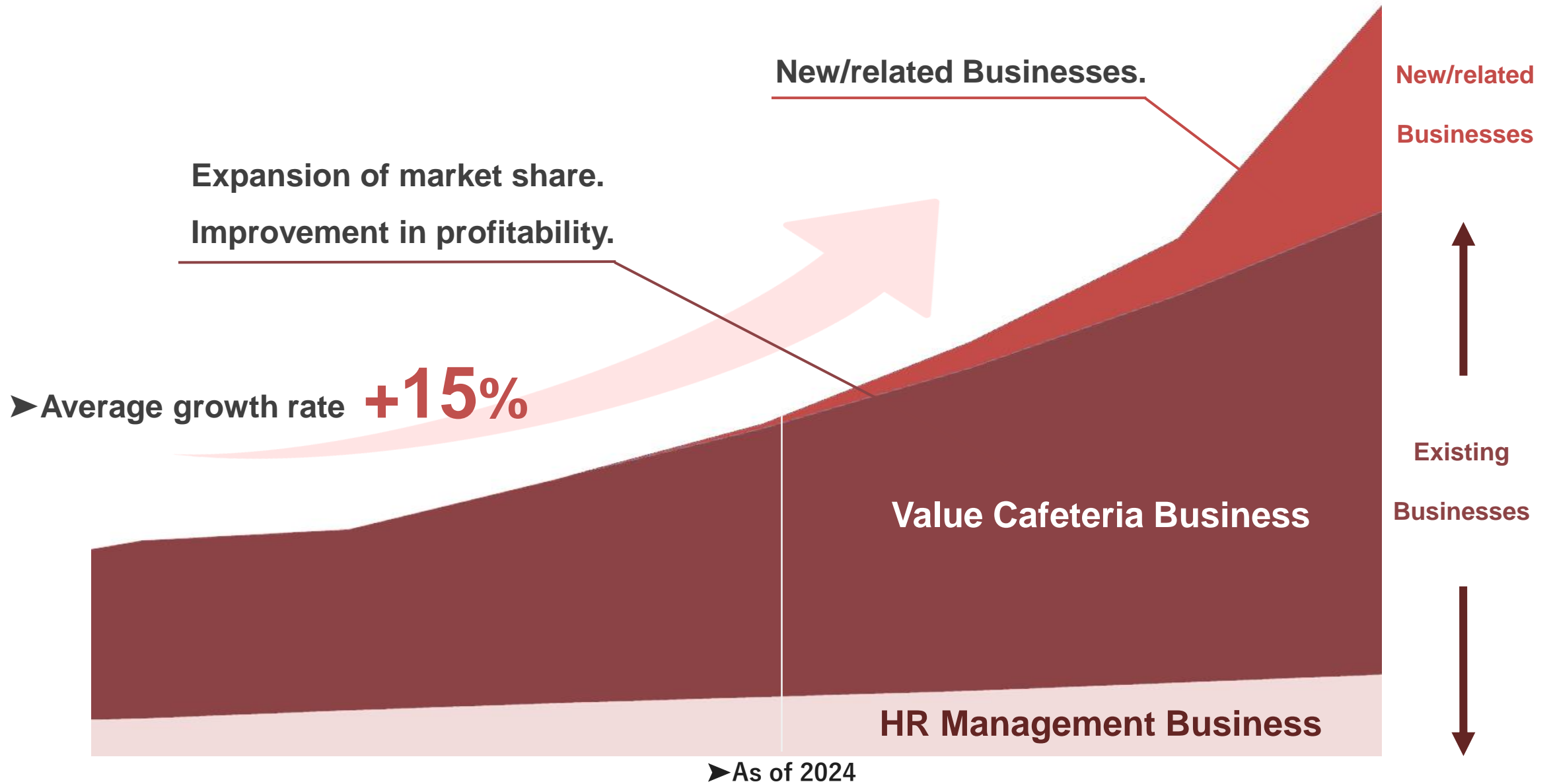
**Trend in Deposits and Number of Health Checkup Attendees (as of FY12/23)**



1. Financial Highlights in FY12/24 Q2
- 2. Forecast for FY12/24 and Business policy**
3. Shareholder return
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# Outline of Growth Strategy and Future Developments



## Forecast for FY12/24 (Maintaining the February 2023 Announcement)

Following the previous fiscal year, we are aiming to achieve a **15% increase in sales growth** while making upfront investments to strengthen system development and our overall organizational structure, with a view towards expanding our business scale in the mid-to-long term.

Unit: million JPY	FY12/23 Performance	Proportion	FY12/24 Forecast	Proportion	YoY
<b>Net sales</b>	<b>7,100</b>	—	<b>8,165</b>	—	<b>+15.0%</b>
Value Cafeteria Segment	5,632	79.3%	6,579	80.6%	+16.8%
HR Management Segment	1,467	20.7%	1,586	19.4%	+8.1%
<b>Operating profit</b>	<b>1,385</b>	<b>19.5%</b>	<b>1,435</b>	<b>17.6%</b>	<b>+3.6%</b>
Value Cafeteria Segment	1,951	27.5%	2,115	25.9%	+8.4%
HR Management Segment	371	5.2%	339	4.2%	△8.5%
SG&A	△937	△13.2%	△1,020	△12.5%	+8.9%
<b>Ordinary profit</b>	<b>1,459</b>	<b>20.5%</b>	<b>1,500</b>	<b>18.3%</b>	<b>+2.8%</b>
<b>Net profit</b>	<b>970</b>	<b>13.7%</b>	<b>1,000</b>	<b>12.2%</b>	<b>+3.1%</b>

## Forecast for FY12/24 - Business Policy Summary

**Net sales : Aiming for a growth of 15% or more in revenue.**

Expanding the customer base through collaboration with business partners and promoting the acquisition of new customers.  
Implementing price increases for system usage fees, administrative outsourcing service fees, etc.

**Operating profit : Anticipating a +3.6% growth, with an operating profit margin of 17.6%.****(a decrease of 1.9% compared to the previous year)**

Due to a comprehensive revision of the employee salary table, an average wage increase of 10% is planned (from Jan.2024 onwards).  
Accelerating system development, digital transformation (DX), and business efficiency by actively utilizing outsourced IT personnel, aiming to strengthen the foundation for further business growth and improvement in the operating profit margin.

**Value Cafeteria Segment**

- KPI : Users (Planned)

over **2.50** million

\*Adjusted Upwards from the  
Initial Forecast of 2.4 Million

- Enhancement of system functionality.
- Promotion of digital transformation.
- Strengthening the foundation of each services.

**HR Management Segment**

- KPI : health insurance societies (Planned)

over **74**

< Details >

- 5 of New Establishment
- 2 of BPO

- Strengthening the BPO personnel structure.
- Building the order-receiving system for the upcoming fiscal year and beyond.

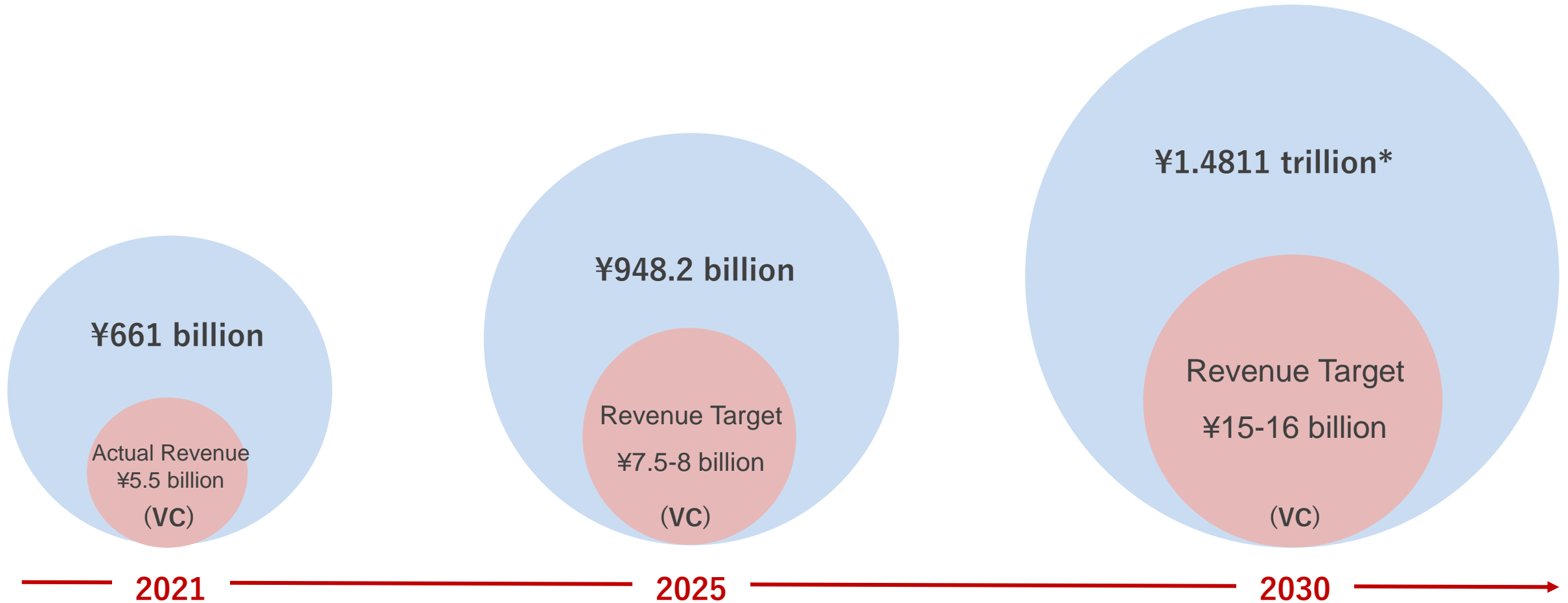
**Human Capital Management**

- Improving in benefits
- Strengthening Recruitment  
(New Graduates and Mid-Career Hires)
- Promoting Talent Development
- Aiming for Recognition as a The  
Health & Productivity Stock Selection

## Market Size: The market size for the VC business is continuously expanding.

Due to the policy effects of promoting health management (such as health checkup administration) and PHR, the market is expected to **grow by 6% annually**.

Our company aims for over 15% annual growth as an infrastructure supporting corporate health and productivity management.



\* Based on the "Healthcare Service Social Implementation Project for Fiscal Year 2022" (which involves research related to the promotion of health management both domestically and internationally), prepared by our company.  
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# Value Cafeteria Segment - Number of contracted companies/users, market size, and our share

Considering the total number of health insurance societies and domestic companies in Japan, there is still plenty of room for further growth.

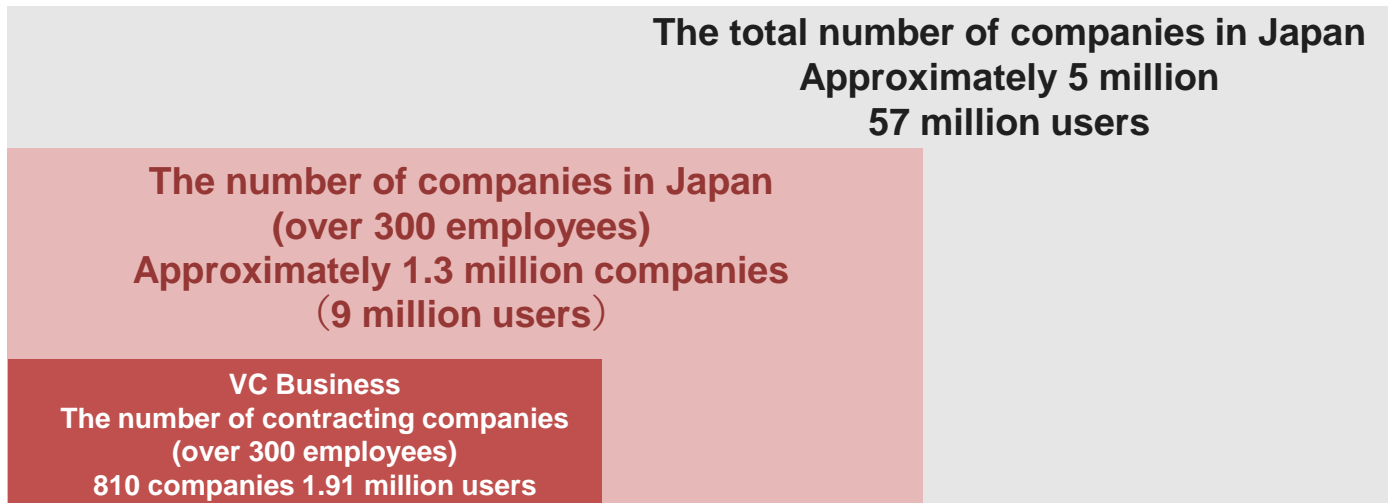


Source: "FY2021 Budget Situation of Health Insurance Societies," National Federation of Health Insurance Societies



## Our share

Contracting Health Insurance Societies **9.9%**



Source: Prepared by the Company based on the "2021 Economic Census for Business Activity" of the Statistics Bureau of the Ministry of Internal Affairs and Communications



## Our share

Contracting companies **6.7%**

Contracting Users **21.2%**

Expanding customer base and promoting the acquisition of new customers through collaboration with business partners

**We will strengthen our sales network through capital business alliances and expand our market share.**

< Nippon Life Insurance Company >



Providing our various health management services to **over 340,000 corporate clients** held by Nippon Life Insurance Company !

The total number of companies in Japan  
Approximately 5 million  
57 million users\*1

The number of corporate clients of Nippon Life Insurance Company  
About 0.34 million companies  
About 15 million users \*2

Value Cafeteria Segment  
2.44 million users

Share ratio (user)  
About **16%**

< Daiwa Institute of Research Ltd >



Providing our various health management services to **over 400 health insurance societies** held by Daiwa Institute of Research Ltd !

The total number of health insurance societies  
1,380\*3

The number of health insurance societies clients of Daiwa Institute of Research Ltd  
Over 400\*4

Value Cafeteria Segment number of health insurance societies  
137

Share ratio  
About **34%**

No. of partner companies  
More than 30 (excerpt)



Other affiliated health checkup institutions, financial institutions etc.

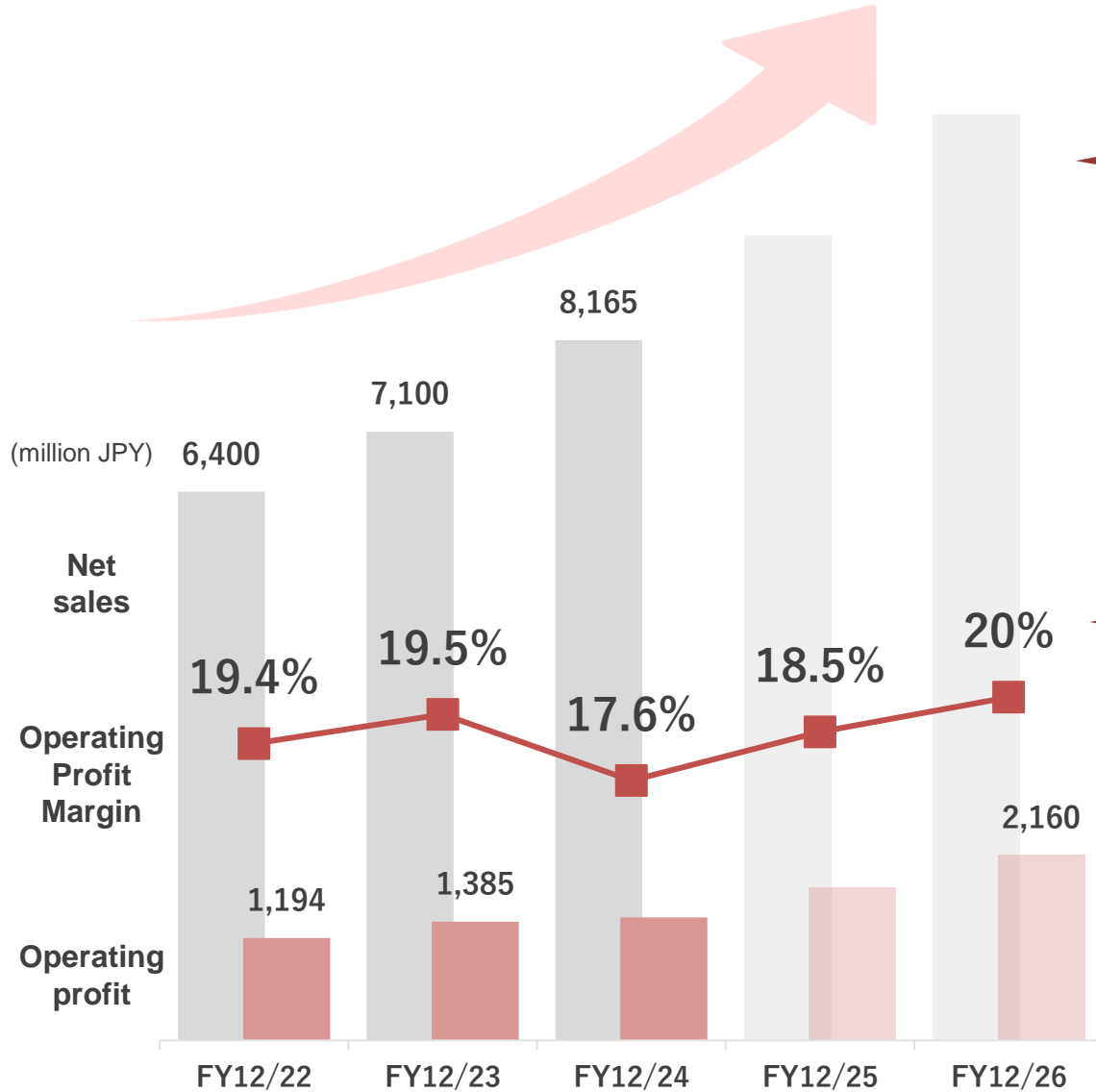
\*1 Source: Prepared by the Company based on the "2021 Economic Census for Business Activity"

\*2 Source: From Nippon Life Insurance Company's corporate website

\*3 Source: "FY2021 Budget Situation of Health Insurance Societies," National Federation of Health Insurance Societies

\*4 Source: From Daiwa Institute of Research Ltd. 's corporate website

# Toward improving the operating profit margin from 17.6% to over 20%



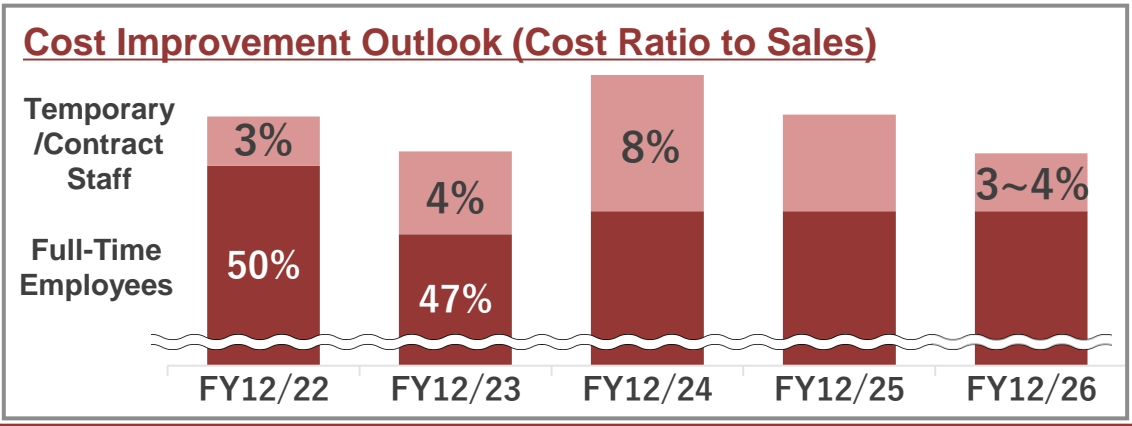
## Net sales

The revenue growth rate is maintained at **+15%**

## Operating profit Aim for over 20% by 2026

Due to the strengthening of our structure to accommodate the increase in customers, the number of temporary and outsourced personnel will temporarily increase.

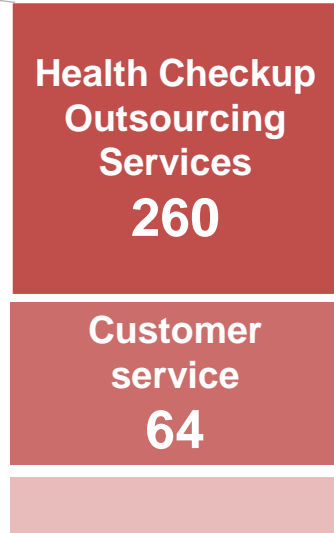
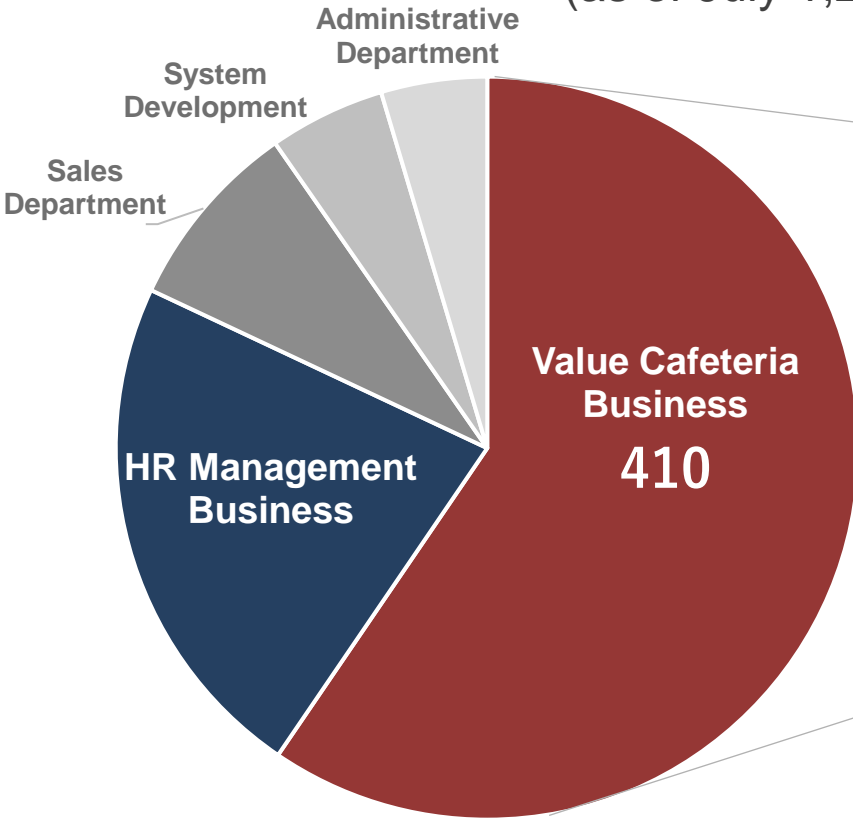
We aim to reduce reliance on temporary and outsourced personnel by strengthening our in-house recruitment, leading to cost improvements and quality enhancement.



# Promoting the digital transformation of health check-up administrative outsourcing services

We aim to enhance productivity through the promotion of Digital Transformation (DX) in health check-up administrative outsourcing services, which will lead to increased sales and cost reduction, thereby improving our profitability.

Number of employees  
(as of July 1, 2024)



## Action for promotion of DX

### AI-OCR and auto-check system

Used to read and input checkup results, and the auto-check system automatically converts read errors.

**Data import**  
AI-OCR + XML or CSV

**Auto-check**  
Auto-conversion of misreading

**Human check**  
Data correction

**Data delivery**

### RPA (Robotic Process Automation)

### Chatbot

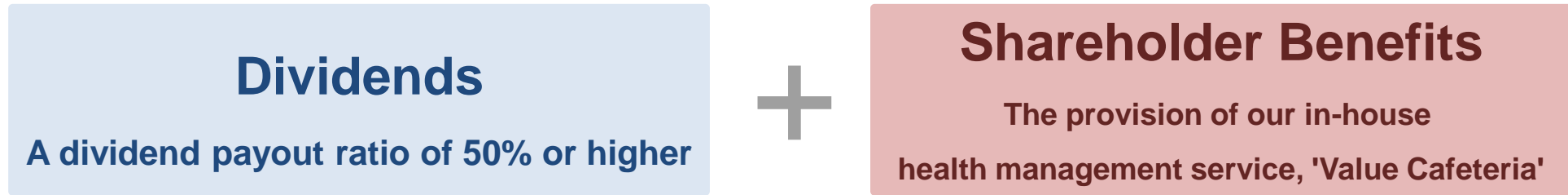


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# Shareholder return

Our policy is to balance sustained growth and the stable and continuous return of profits to our shareholders. The profit distribution is based on a dividend payout ratio of 50% or higher, taking into consideration the business performance, future expansion plans, and investment intentions. We strive for continuous and stable dividend growth.

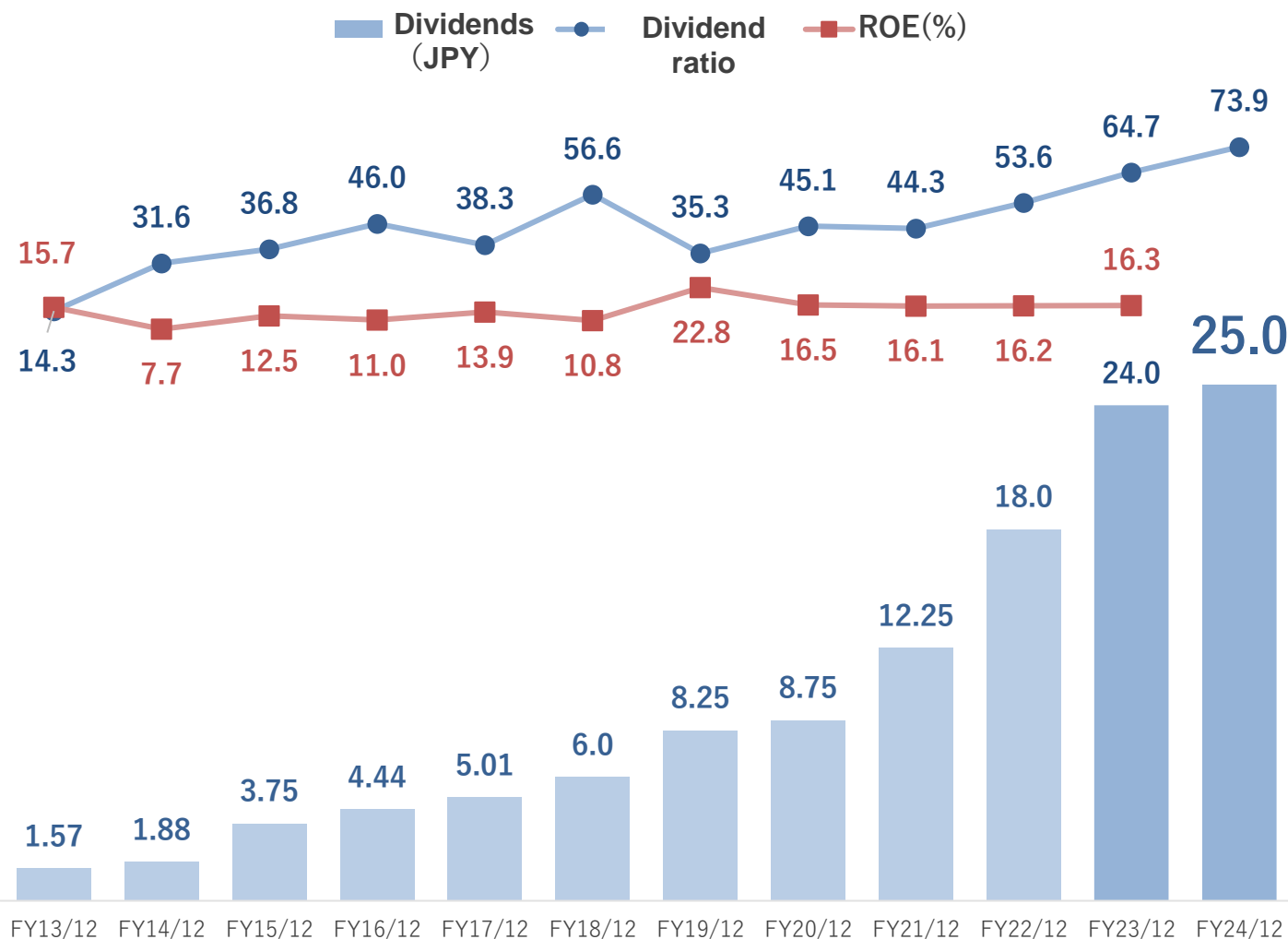
Regarding shareholder returns, the allocated funds for return consist of both 'dividends' and 'shareholder benefits'.



One unit (100 shares)	Dividends	Shareholder benefits	Dividends and benefits yield
JPY153,600 <small>*Based on closing price on August 13, 2024</small>	JPY2,500 <small>*Dividend performance for the fiscal year ending December 2024</small>	[1st year] <b>2,500Pt</b> (6,600 JPY membership fee free of charge)	7.6%
		[2nd year] <b>3,500Pt</b> (6,600 JPY membership fee free of charge)	8.2%
		[3rd year or after] <b>5,000Pt</b> (6,600 JPY membership fee free of charge)	9.2%

# Dividends

Since going public, dividends have increased for 12 consecutive periods.



Dividend policy

Dividend ratio **50%** or more

Dividends for the FY12/24 (forecast)



















**25** JPY      Interim 12 JPY  
Year-end 13 JPY

# Shareholder Benefits

## ◆The main features of "Value Cafeteria®"

1. The realization of longitudinal management through the digitization of individual health information.
2. An e-commerce site offering a range of products to support healthy behaviors.

Access over **23,000 health-related products** at member prices and redeemable points!

 Mail-in/dental examinations	 Health food	 Supplements	 Medications	 Health products	 Exercise
 Relaxation	 Travel/leisure accommodations	 Sleep	 Quitting smoking	 Entertainment tickets	 Glasses/contacts
 Consultation/counseling	 Beauty	 Puzzles	 Childcare	 Nursing care	 Donations

## Supporting shareholders' health management and healthy lifestyles!



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## Company Overview and Credo (Mission, Vision, Culture)

**An industry-leading company in professional health management services and the establishment and operation of health insurance societies.**

**We offer an extensive array of professional services that contribute to extending healthy life expectancy and achieving well-being.**

Company name	Value HR Co., Ltd.
Content of Business	<ul style="list-style-type: none"> <li>• Offers comprehensive health information digitization services and a variety of health management solutions (such as health checkup reservations, health checkup results tracking, health guidance, and cafeteria plans, etc.) through its proprietary Value Cafeteria® system.</li> <li>• Delivers health and productivity management along with data-driven health support services.</li> <li>• Provides assistance in the creation of new health insurance societies and offers Business Process Outsourcing (BPO) services for administrative operations.</li> </ul>
Representative	President & CEO Michio Fujita
Date Established	July 2001
Date of listing	October 2013 (6078 : Tokyo Stock Exchange Prime Market)

### Our Mission

Contribute to extending a healthy lifestyle and promoting longevity by supporting each individual's health management and behaviors.

### Our Vision

Provide essential services as an infrastructure company for the digitization of health information and health management.

### Our Culture

Value the communication with our customers to understand their needs as well as offer the best possible service to gain their trust.

## Introduction of the Management Team



### President & CEO **Michio Fujita**

Born in 1960 in Hirosaki, Aomori Prefecture. Graduated from International Business University (now Tokyo International University) in 1982. Started career as a certified public accountant at Arthur Andersen & Co. (now Azusa LLC). Subsequently held roles at Merrill Lynch Securities (now BofA Securities) and Aoyama Audit Corporation (now PwC Arata LLC) including positions in Human Resources and as a Human Resources Consultant. Transitioned to PricewaterhouseCoopers Consultant in 1998. Founded Value HR in 2001 after involvement in health insurance union division and establishment.



### Executive Vice President **Gentaro Fujita**

Born in Tokyo in 1985. Graduated from Chuo University's Faculty of Humanities in 2008, and joined our company as a fresh graduate. Initially tasked with operational planning for the cafeteria plan. Subsequently involved in new health insurance society establishment support, consulting sales, and later took on responsibilities in the President's office, concentrating on new ventures and partnerships. Promoted to directorship in 2014, with oversight of the Cafeteria Business Division. Advanced to the position of Executive Director in 2019, leading Investor Relations as the Head of Corporate Planning. Assumed the roles of President and Deputy CEO in 2021.



### Executive Vice President **Isao Iizuka**

Serving as the Director of the Medical Division at the Japan Cancer Knowledge Dissemination Association. Gained experience as the head of facility and mobile health checkups, emphasizing the importance of early detection of lifestyle diseases and mental disorders in the workplaces. Joined the company in 2005 and have been dedicated to implementing effective health initiatives within health insurance societies. In 2019, assumed the role of Executive Vice President and Director. Concurrently hold responsibilities as the Head of the Healthcare Support Business Division and the Sales Department.



### Executive Managing Director (CIO) **Yuji Omura**

After establishing a sole proprietorship as a software engineer, joined the company in 2001. Served as a Director and Head of the Information Systems Division, contributing to the development and construction of the Value Cafeteria® system. In 2014, appointed Executive Managing Director and hold the position of Chief within the Information Security and Compliance Department.

## Introduction of the Management Team

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### External Director

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#### Director **Takeshi Karasawa**

After joining the Ministry of Health, Labour and Welfare, dedicated myself to reforming the Long-Term Care Insurance Act and establishing the elderly healthcare and nursing insurance system. In 2014, assumed the position of Director of the Insurance Bureau at the same ministry. Following my tenure there, became the Chairman of the Social Welfare Corporation Sun Vision, Visiting Professor at Saku University, and an external director of Shimmick Holdings Co., Ltd. In 2019, appointed as an external director of our company.

#### Director **Akiko Yanagisawa**

After working at Arthur Andersen & Company and the Embassy of Denmark in Japan, and subsequently joining the Embassy of the United Kingdom in Japan, took on the role of Chief Commercial Officer of the International Trade Department. Contributed to promoting Japan-focused initiatives and expanding imports from the UK. Currently, serve as a visiting researcher at Waseda University's Sports Business Research Institute and as a researcher at the University of Stirling (Mind Sports), among other roles. In 2022, assumed the position of external director at our company.

### External Director (Audit and Supervisory Committee Member)

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#### **Yuji Yoshimasu**

With approximately 40 years of audit experience at Deloitte Tohmatsu, after leaving the firm, established Yoshimasu Certified Public Accountants' Office. I serve as an external director at Mizuho Securities and as an external audit committee member at two major subsidiaries of Nippon Life. In 2017, I assumed the position of external director at our company.

#### **Akinori Nakanishi**

After joining the Ministry of Health, Labour and Welfare, I held positions as the Chief of the Minister's Secretariat and the Director-General of the Social Insurance Agency. Following my tenure at the ministry, I became the Chairman of the Social Insurance Medical Fee Payment Fund and the President and CEO of Ai Holdings. In 2016, I assumed the position of external director at our company.

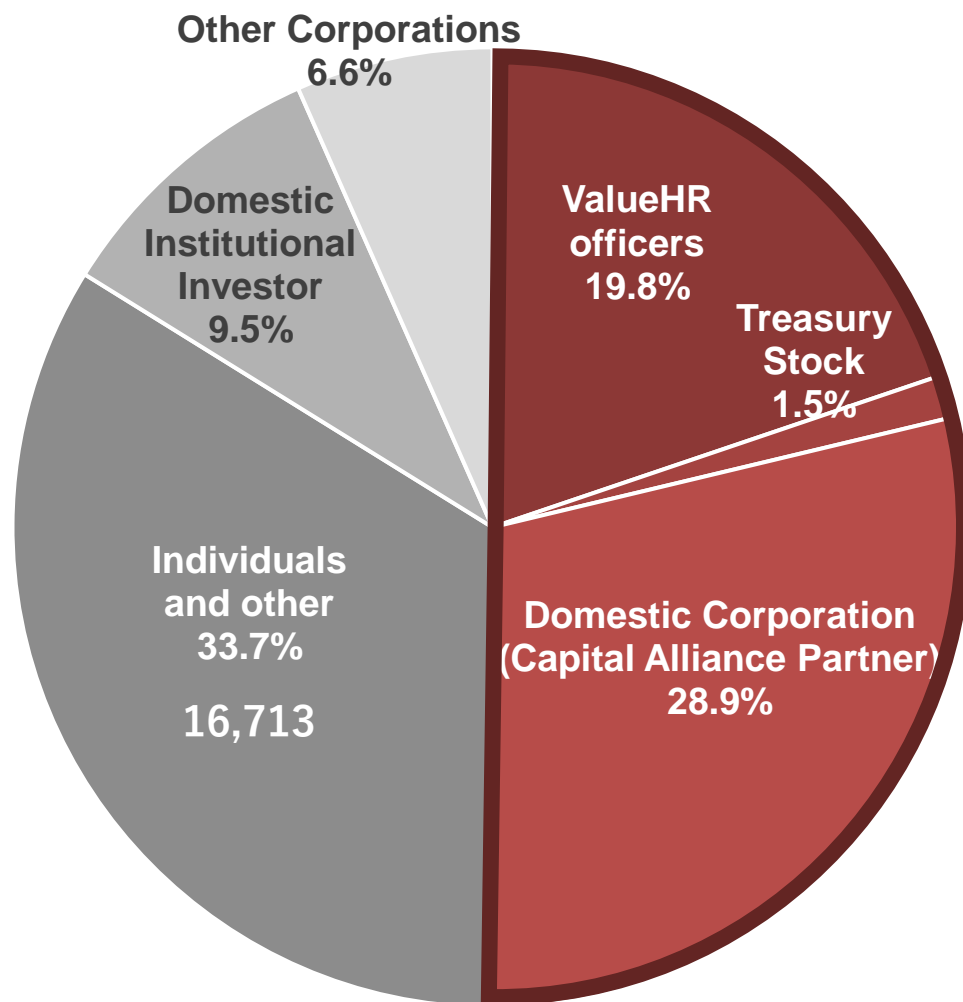
#### **Toshi Yoshinari**

As a certified public accountant assistant, I joined Arthur Andersen & Co. After passing the bar examination, I established a law firm and have been practicing as a lawyer for over 30 years. I have served as an auditor for numerous companies listed on the first section of the Tokyo Stock Exchange, including Takara Tomy. In 2017, I assumed the position of external director at our company.



## Shareholder Composition(Base date: end Jun 2024)

### Distribution by Ownership



### Major Shareholders

(excluding financial institutions other than capital and business alliance partners)

No	Shareholder name	Shares held (%)	Relationship w/ Value HR
1.	Michio Fujita	15.66	President and Representative Director
2.	Amanosouken Co.	6.53	Capital / business alliance partner(from before listing)
3.	Daido Life Insurance Company	5.49	Capital / business alliance partner(from June 2016)
4.	Nippon Life Insurance Company	4.72	Capital / business alliance partner(from March 2024)
5.	Tokio Marine & Nichido Fire Insurance Co., Ltd.	3.57	Capital / business alliance partner(from December 2021)
6.	Houken Corporation	2.77	Capital / business alliance partner(from before listing)
7.	Daiwa Institute of Research Ltd.	2.55	Capital / business alliance partner(from November 2023)
8.	Toshi Yoshinari	1.92	Outside Director (Audit & Supervisory Board Member)
9.	Ad-Sol Nissin Corporation	1.76	Capital / business alliance partner(from May 2019)
10.	Value HR Co., Ltd.	1.46	Treasury Stock
	<b>total</b>	<b>46.43</b>	

# Company History

## July 2001

Established in Ebisu, Shibuya Ward, Tokyo; contracted from the Deloitte Touche Tohmatsu LLC Group to establish a health insurance society

## November 2001

Launched Value Cafeteria® service for health insurance society public health services

## May 2005

Started health management support services and health checkup services using health management data

## July 2008

Obtained agency organization No. (91399048) for implementation of specific medical checkups and health guidance

## July 2009

Opened Data Center in Hirosaki City, Aomori Prefecture, to accommodate expansion of the health management business

## December 2010

Head Office moved to Sendagaya, Shibuya Ward, Tokyo. Opened the Value HR Healthcare Center.

Supported the opening of a new affiliated medical institution, the Value HR Building Clinic, in the same building, which provides complete checkups and various health checkup services.

## October 2013

Listed on the JASDAQ market of the Tokyo Stock Exchange

## November 2014

Transitioned to the Second Section of the Tokyo Stock Exchange

## December 2016

Promoted to the First Section of the Tokyo Stock Exchange

## July 2019

Opened Operation Center in Hirosaki City, Aomori Prefecture

## December 2020

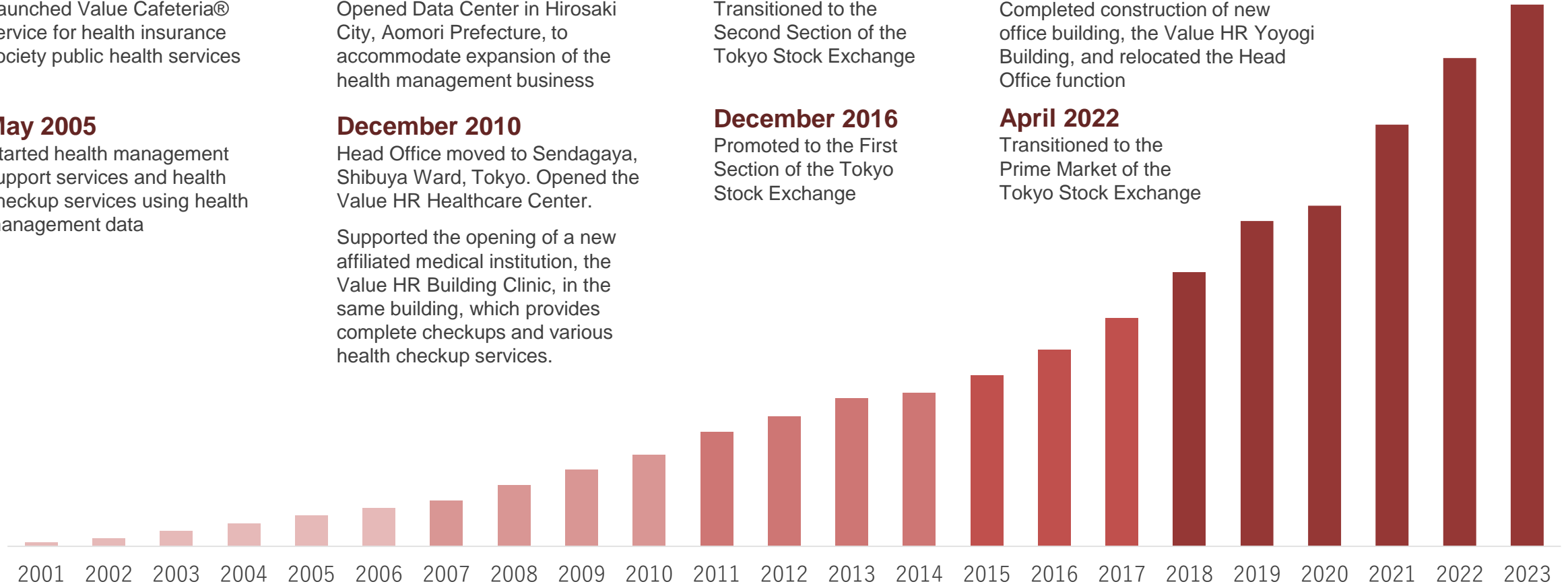
Completed construction of new office building, the Value HR Yoyogi Building, and relocated the Head Office function

## April 2022

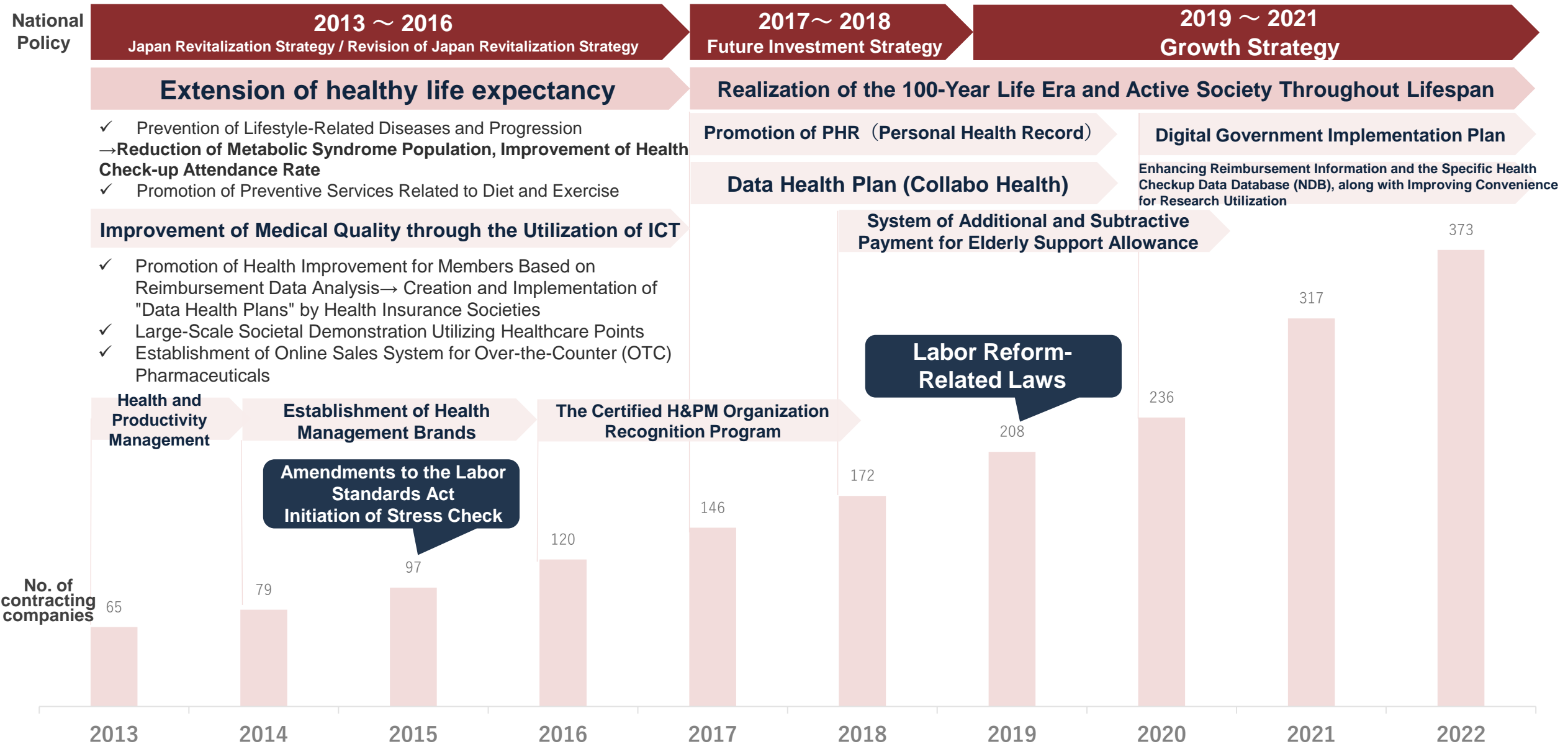
Transitioned to the Prime Market of the Tokyo Stock Exchange

Fiscal year ended  
December 31, 2023  
Net sales

7,100 million JPY

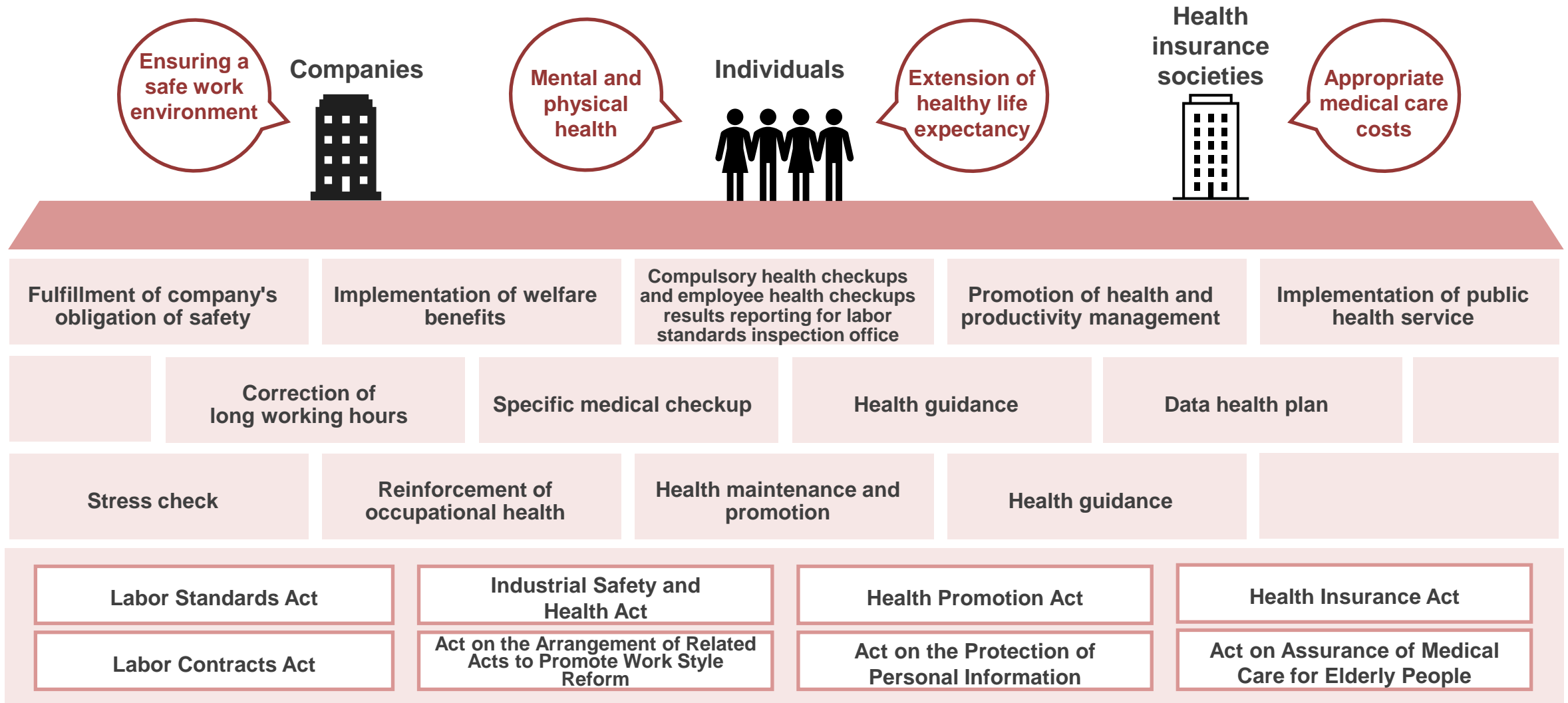


# External Environment / Trends in National Policies and Regulations regarding health promotion



# What involved in the “Infrastructure of Health Management”?

As the infrastructure of health management, we provide services that directly support legal health management.



# Breakdown of revenue composition by business segment along with some additional details

## Value Cafeteria Segment

➤ **Health Management Service Value Cafeteria® System (One-stop Service)**



Companies



Health insurance societies



Individuals



Medical/Health guidance organizations



Partner business operators

### Sales Composition

**80%**

Break down	1)	System usage fee	40%
	2)	Office work outsourcing services	32%
	3)	Specific Health Guidance	13%
	4)	Cafeteria sales commerce commissions and advertising	8%
	5)	Health institute support, etc.	7%

## HR Management Segment

➤ **Administrative and Operational Services**  
➤ **Establishment consulting**



health insurance societies

### Sales Composition

**20%**

Break down	1)	Staffing services	60%
	2)	BPO	35%
	3)	Health insurance society establishment consulting	5%

# Our uniqueness and Strengths

## 1) One-stop health management service for corporations

Providing a one-stop health management service that **enables full outsourcing of health management measures mandated by laws and regulations.**

## 2) Supporting Customization

**Respond to customers' requests and new laws and regulations.**

**Offer flexible customization** to meet a variety of needs through our in-house system development capabilities.

## 3) Experienced professionals with extensive industry background

- **Over 20 years of experience** in supporting the establishment of health insurance societies and public health services.
- Providing staffing services, ranging from health insurance society staff to managers.
- No.1 share (46%) of the market for health insurance society establishment support.

## Financial Impact

**Maximizing revenue  
= Improving ARPU**

Revenue growth from future cross-selling opportunities starting with the introduction of one service.

**Competitive advantage  
& churn rate of less than 1%**

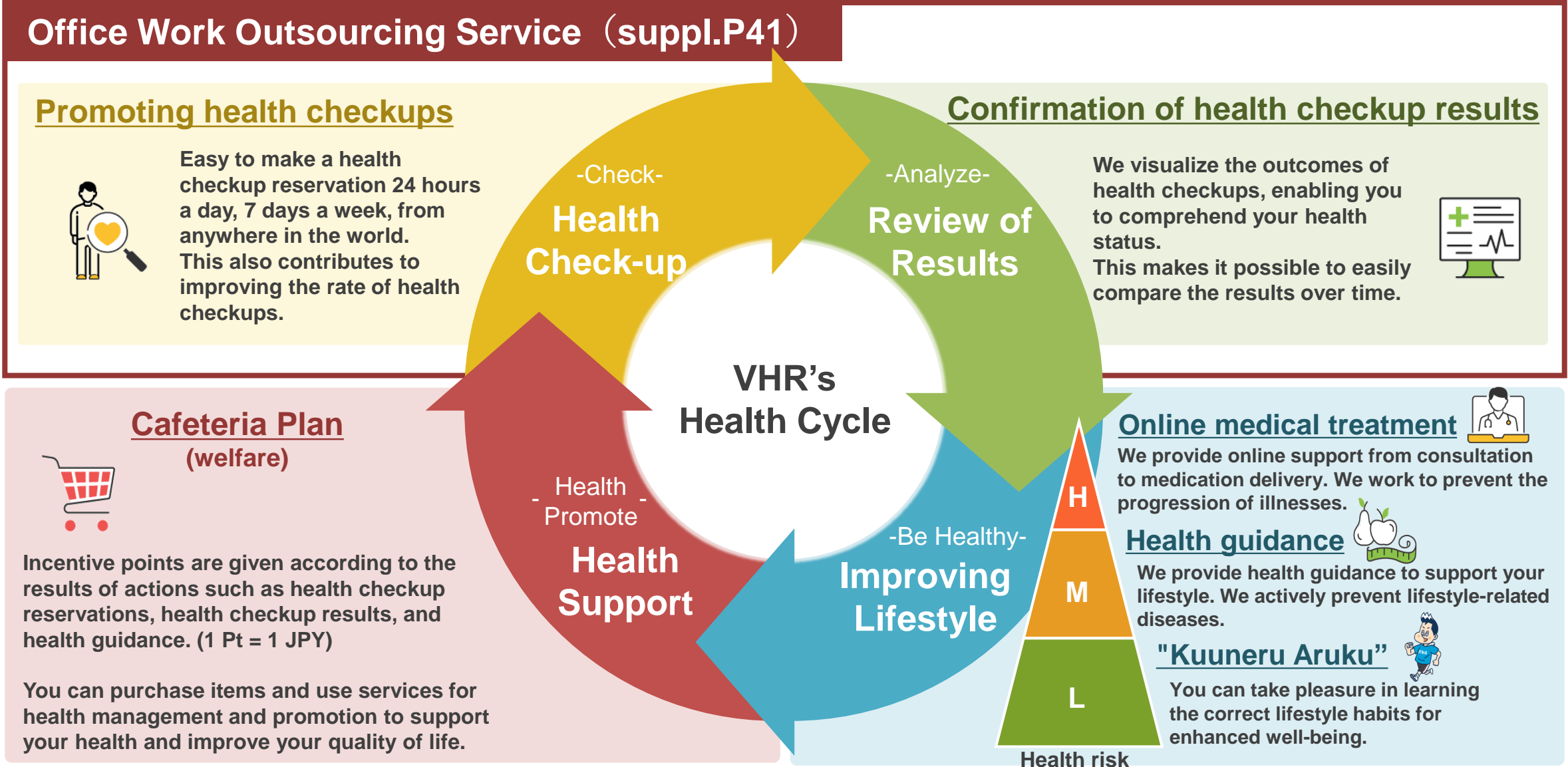
Achieve differentiation from competitors and contribute to increased customer satisfaction.

**Barriers to Entry**

Providing a win-win service through deep knowledge and extensive network of industry-experienced professionals.

**Value Cafeteria Segment  
Service Introduction  
Revenue Model**

# Flow of one-stop Health Management Service(The Four Key Areas)





# Health Management One-stop Service and Profit Structure

We offer our proprietary systems and services to assist companies, health insurance societies, and individuals in managing their health. We contribute to individual health management and the promotion of healthy behaviors by offering a range of services tailored to meet specific needs.



# Office Work Outsourcing Service

- We offer comprehensive support, encompassing tasks from preparing for health checkups, making reservations, and handling payments to result management. This significantly streamlines complex administrative tasks for both companies and health insurance societies.
- This service constitutes 32% of the profit structure of the Value Cafeteria Segment and is presently the most extensively utilized service.



# Maximizing ARPU through additional service orders

We aim to develop new customers and maximize ARPU.

## New customer development

### Popular services during Initial orders

Health checkup reservation system



Health checkup results management system



Office work outsourcing service



Promotion of corporate Health & Productivity Management  
+  
Enhancing efficiency and Accuracy management of health checkup operations

Increasing demand for outsourcing of health checkup operations

Average unit price per user/year

¥ 4,000

## Maximization of ARPU

### Services from the second year onwards

Health guidance



Metabolic Risk Improvement

Kuuneru Aruku® + Fusegu



Improvement of health literacy

Cafeteria Plan



Incentive Provision

Health and Productivity Management support



Corporate Consulting

Data health planning support



Health Insurance Data Analysis

Maximize unit price per user/year











¥ 40,000

# Health and Productivity Management Support - Service areas supported by our company

Health & Productivity Stock Selection 2023 & Assessment criteria of Health & Productivity Management Outstanding Organizations.  
 (Large Enterprise Division in 2023) ※Excerpt from the 'Implementation system and measures' Section.

Understanding employees' health issues and discussing necessary measures	Setting Specific Goals based on health challenges	Specific implementation plan for H&PM
	Utilization and Promotion of health checkups and Screenings	Implementation of employee health checkups (Achieve a 100% Examination Rate)
		Encouraging health checkups, physical examinations
Creating a basic foundation and work engagement for realizing H&PM.	Improving health literacy	Education for managers and employees
	Promotion of good work-life balance	Achieving 「Appropriate Work Styles」
	Revitalization the workspace	Promotion of internal communication
	Support that balances the treatment of illness and Work	Supporting return to Work and Work-Life Balance in cases of Personal Illness and related situations.
	Health Guidance	Implementation of health guidance and providing opportunities for specific health guidance
Specific measures to promote the mental and physical health of its employees	Specific measures for health maintenance and enhancement	Dietary habits
		Increasing opportunities for physical activity
		Women's health maintenance and enhancement
		Addressing long working hours for employees
	Supporting individuals with mental health issues	
	Preventive measures against Infectious Diseases	Immunizations, hygiene products
	Tobacco control	Reducing smoking rates
	Passive smoking prevention	

## Our Support Services

- Health and productivity management support 
- Health checkup reservation system 
- Health checkup results management system 
- Stress check system 
- Kuuneru Aruku® + Fusegu 
- Health guidance 
- Kuuneru Aruku® + Fusegu 
- Health checkup results management system 
- Online medical treatment 
- Kuuneru Aruku® + Fusegu 

# HR Management Segment Service Introduction Revenue Model

# HR Management Segment

We offer comprehensive assistance for the establishment, consolidation, and division of health insurance societies, along with operational support.

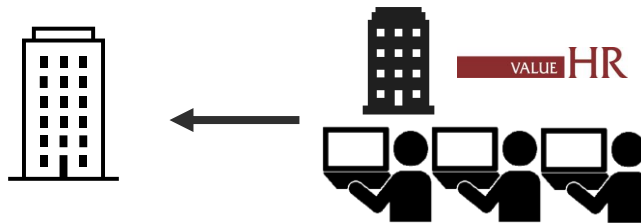
## Support consulting for establishment of health insurance societies



We support the establishment of corporate health insurance societies with our know-how cultivated through our experience in supporting the establishment of more than **50 health insurance societies**.

**We have a support track record with a 46% share, which ranked No.1 in the industry.**

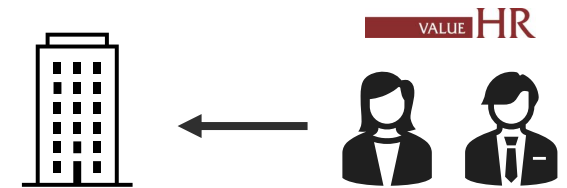
## Business Process Outsourcing (BPO)



Specialist staff in our BPO center leverage our extensive expertise in business supporting health insurance societies to handle the day-to-day administration of the health insurance society on your behalf.

We can ensure a work system that does not depend on specific people.

## Staffing Services



We dispatch experienced staff, ranging from staff to managers, who are well versed in health insurance society operations.

# Advantages of a Company Establishing Its Own Health Insurance Society

1

## Reduction in Insurance Premium Burden

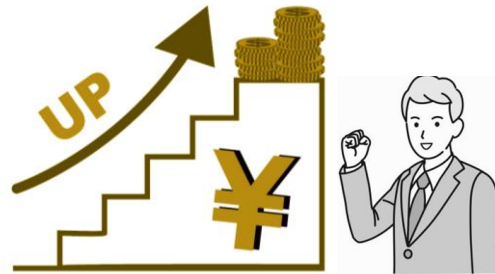
- Insurance premium rates can be set arbitrarily by each health insurance society.

2

## Expansion and Activation of Company's Health Management Policies



- ✓ **Significant Annual Cost Savings for the Company**



- ✓ **Increase in Employees' Take-home Pay.**

### Enhancement of employee welfare programs.

Some welfare services can be conducted as health projects of the health insurance society, providing tax advantages (from taxable to non-taxable).

### Realization of High-Level Health Management

Implementing disease prevention and health promotion measures tailored to the company's business type and workforce composition, contributing to the health management of employees and their families.

# HR Management Segment – Revenue Structure

We provide full support for the establishment, merger, and division of health insurance societies, as well as operational support.



## Two Main Functions of Health Insurance Society

### 1) Daily Operations

		Our Services
Approval & Authorization	Director	Staffing service
General affairs and Budgeting	Manager	
Application	Staff	BPO service
Payment	Staff	
Accounting		
Contact		

### 2) Health activities Operations

		Our Services
Medical checkup , Cancer screening	Staff	Value Cafeteria® System
Lifestyle preventive measures, Smoking cessation support		
Mental health support		
Promotion of exercise habits		
Health Guidance(2008~)		
Data Health Plan(2013~)		



# Sustainability Initiatives

As a company aiming to become the infrastructure of health management, we are committed to contributing to the resolution of social issues through our business activities.



<p><b>E</b> (Environment)</p>		<ul style="list-style-type: none"> <li>• Promote DX and paperless health checkups overall by providing a health management system</li> <li>• Promote paperless internal applications</li> </ul>
<p><b>S</b> (Society)</p>		<ul style="list-style-type: none"> <li>• Promote employee job satisfaction and economic growth by providing health and productivity management support to companies</li> <li>• The president is taking the lead in promoting Health and Productivity Management that incorporates our company's health management service.</li> <li>• Secure financial resources to maintain the health insurance system and disease prevention at health insurance societies</li> <li>• Improve efficiency and convenience of operation by supporting DX of health insurance societies</li> <li>• Provide educational opportunities on health promotion and disease prevention Contribute to extending healthy life expectancy by improving health literacy</li> <li>• Actively recruit female employees and promote them to management positions, 100% return rate of employees on parental leave (As of the end of 2023, 78.4% of employees are female, 33.3% are in management positions, and 81.8% have returned to work after parental leave)</li> <li>• Ensure work-life balance (89.7% of employees take paid holidays, 15.7 days on average)</li> <li>• Support the vaccination of employees and their families with the coronavirus vaccine by setting up an inoculation center in a building owned by the Company</li> </ul>
<p><b>G</b> (Governance)</p>		<ul style="list-style-type: none"> <li>• Disclosure of basic policy on corporate governance</li> <li>• Acquisition of ISO 27001, JIS Q 27001, and Privacy Mark certification</li> </ul>

# The Purpose and Structure of Promoting Health and Productivity Management

✓ The Purpose of Promoting Health and Productivity Management

**Value HR Health and Productivity Management Declaration**

Value HR Co., Ltd. and its group companies declare the practice of health management under the belief that, as a company aiming for the digitization of health information and the infrastructure for health management, enhancing the health maintenance and improvement of employees, and creating a more comfortable working environment are important elements for strengthening corporate capabilities. The declaration is made with the understanding that health management is a crucial factor in enhancing corporate strength.

President and Representative Director  
Michio Fujita

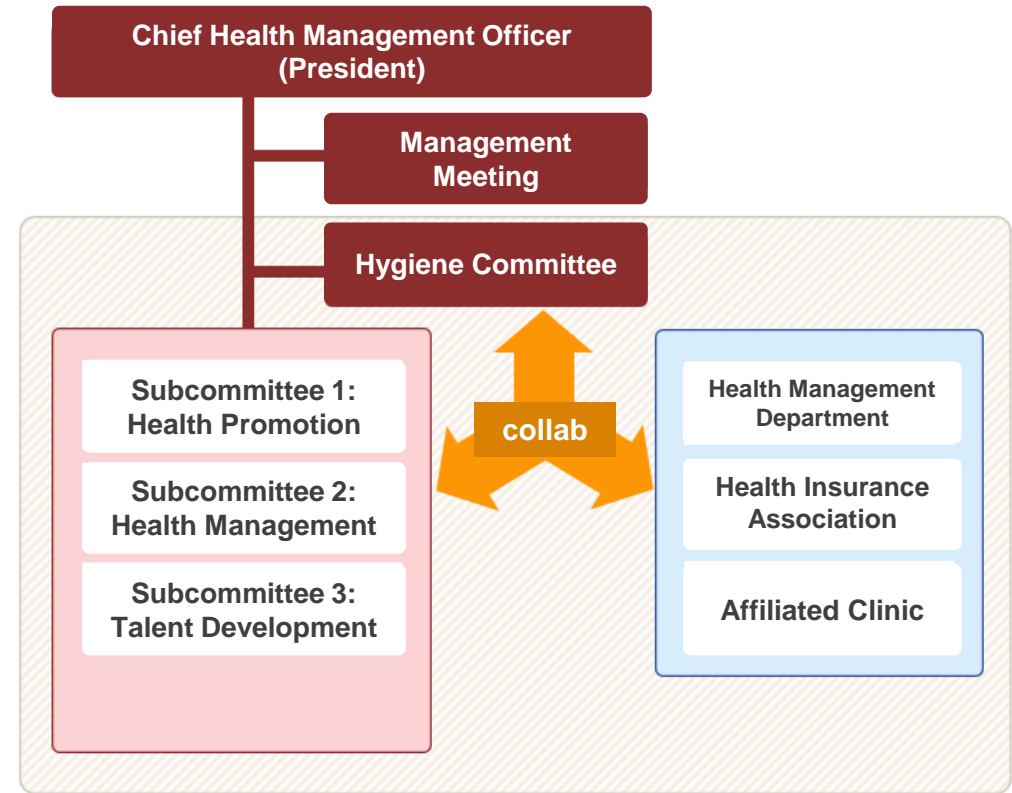
**3rd time**  
The Health & Productivity Stock Selection 2023



**7th time**  
The Certified H&PM Organization Recognition Program 2024



✓ Structure for Promoting Health and Productivity Management



At the top of the management, health management is led by a dedicated committee consisting of various departments, occupational health physicians, health nurses, and other members. Internally and externally, stakeholders and experts work together to information. Additionally, our company representative concurrently serves as promote health management through discussions involving planning, implementation of initiatives, and sharing the latest health-related insurance association and realizing collaborative health initiatives a director of the Tomatsu Health Insurance Association, strengthening collaboration with the health

- This document is intended to provide information on the business performance of Value HR Co., Ltd. (hereinafter, the “Company”) and is not intended as a solicitation to invest in securities issued by the Company.
- This document contains forward-looking statements and materials regarding the Company's performance, strategies, and business plans. These forward-looking statements and materials are not historical facts, but are instead forecasts based on the Company’s judgment in accordance with information available at the time of publication.
- These statements and materials also include potential risks and uncertainties, such as economic trends and competition with other companies. Accordingly, please be aware that actual results, business development, or financial condition may differ materially from these forward-looking statements due to various factors, including future economic trends, competition in the industry, market demand, and other economic, social, and political conditions.

**[Inquiries regarding this document and the Company’s IR activities]**

**Value HR Co., Ltd. IR Representative**

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