

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended June 30, 2024 (Based on Japanese GAAP)

August 14, 2024

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 Semi-annual Securities Report: August 14, 2024  
 Scheduled date to commence dividend payments: August 19, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(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	%
Six months ended June 30, 2024	3,962	17.2	476	(17.6)	485	(18.4)	315	(19.8)
Six months ended June 30, 2023	3,380	14.1	577	18.3	595	3.3	392	2.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2024	11.76		11.75	
Six months ended June 30, 2023	14.95		14.94	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	16,334	6,866	41.9	254.54
As of December 31, 2023	17,234	6,320	36.5	237.52

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, 2023	–	12.00	–	12.00	24.00
Year ending December 31, 2024	–	12.00			
Year ending December 31, 2024 (Forecast)			–	13.00	25.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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	8,165	15.0	1,435	3.6	1,500	2.8	1,000	3.1	36.52

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing interim 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 June 30, 2024	27,388,600 shares	As of December 31, 2023	27,383,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	518,935 shares	As of December 31, 2023	885,635 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	26,773,457 shares	Six months ended June 30, 2023	26,267,049 shares
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**Interim consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,399,976	4,117,114
Accounts receivable - trade	707,743	662,520
Merchandise	578	1,356
Work in process	8,908	7,288
Supplies	56,964	60,871
Other	576,072	628,326
Total current assets	6,750,244	5,477,477
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,323,520	2,270,420
Machinery and equipment, net	17,909	16,118
Land	6,279,626	6,279,626
Other, net	141,688	151,754
Total property, plant and equipment	8,762,744	8,717,919
Intangible assets	582,700	656,515
Investments and other assets	1,138,765	1,482,222
Total non-current assets	10,484,210	10,856,657
Total assets	17,234,455	16,334,134
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	147,139	169,663
Short-term borrowings	507,148	507,148
Income taxes payable	345,571	201,565
Deposits received	2,401,341	1,137,707
Provision for share awards	142,808	68,769
Other	1,617,885	1,885,728
Total current liabilities	5,161,894	3,970,581
Non-current liabilities		
Long-term borrowings	5,497,294	5,243,720
Other	254,986	253,750
Total non-current liabilities	5,752,280	5,497,470
Total liabilities	10,914,174	9,468,051
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,029,184	2,032,061
Capital surplus	2,110,344	2,256,730
Retained earnings	3,270,530	3,265,768
Treasury shares	(1,088,124)	(743,991)
Total shareholders' equity	6,321,935	6,810,568
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(28,145)	28,882
Total accumulated other comprehensive income	(28,145)	28,882
Share acquisition rights	23,124	23,469
Non-controlling interests	3,365	3,161
Total net assets	6,320,280	6,866,082
Total liabilities and net assets	17,234,455	16,334,134

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	3,380,727	3,962,616
Cost of sales	2,009,026	2,575,023
Gross profit	1,371,701	1,387,592
Selling, general and administrative expenses	794,130	911,573
Operating profit	577,570	476,019
Non-operating income		
Interest income	14	12
Dividend income	35,824	17,838
Gain on sale of investment securities	–	9,142
Subsidy income	13,674	14,336
Other	3,030	829
Total non-operating income	52,543	42,158
Non-operating expenses		
Interest expenses	16,906	17,450
Office relocation expenses	15,308	10,014
Other	2,719	5,131
Total non-operating expenses	34,935	32,596
Ordinary profit	595,179	485,581
Extraordinary income		
Gain on reversal of share acquisition rights	102	–
Total extraordinary income	102	–
Profit before income taxes	595,281	485,581
Income taxes	202,895	170,689
Profit	392,386	314,891
Loss attributable to non-controlling interests	(377)	(203)
Profit attributable to owners of parent	392,763	315,095

## Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	392,386	314,891
Other comprehensive income		
Valuation difference on available-for-sale securities	53,044	57,028
Total other comprehensive income	53,044	57,028
Comprehensive income	445,430	371,919
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	445,808	372,123
Comprehensive income attributable to non-controlling interests	(377)	(203)

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	595,281	485,581
Depreciation	164,030	179,342
Amortization of lease and guarantee deposits	3,458	3,765
Share-based payment expenses	4,524	1,439
Increase (decrease) in provision for share awards	37,371	42,607
Interest and dividend income	(35,839)	(17,850)
Subsidy income	(1,312)	–
Subsidy income	(13,674)	(14,336)
Interest expenses	16,906	17,450
Loss (gain) on sale of investment securities	–	(9,142)
Decrease (increase) in trade receivables	24,113	45,222
Decrease (increase) in inventories	(5,615)	(3,063)
Decrease (increase) in investments in leases	17,612	15,782
Decrease (increase) in accounts receivable - other	11,887	20,397
Increase (decrease) in trade payables	36,937	22,523
Increase (decrease) in accounts payable - other	29,029	40,080
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(75,412)	(21,654)
Increase (decrease) in deposits received	(1,424,422)	(1,263,634)
Other, net	144,132	228,426
Subtotal	(470,990)	(227,062)
Interest and dividends received	35,839	17,850
Interest paid	(16,948)	(17,440)
Income taxes paid	(281,362)	(311,626)
Subsidies received	1,312	–
Subsidies received	13,674	14,336
Net cash provided by (used in) operating activities	(718,475)	(523,941)
Cash flows from investing activities		
Purchase of property, plant and equipment	(46,247)	(15,212)
Purchase of intangible assets	(159,003)	(166,842)
Purchase of investment securities	(101,719)	(378,517)
Proceeds from sale of investment securities	–	84,103
Payments of leasehold and guarantee deposits	(10)	(26,023)
Guarantee deposits received	4,170	11,300
Other, net	(4,594)	–
Net cash provided by (used in) investing activities	(307,406)	(491,191)
Cash flows from financing activities		
Repayments of long-term borrowings	(253,574)	(253,574)
Proceeds from exercise of employee share options	5,576	4,314
Proceeds from issuance of share acquisition rights	10,521	344
Proceeds from sale of treasury shares	3,651	1,118,648
Purchase of treasury shares	(281,269)	(798,126)
Repayments of lease liabilities	(22,543)	(19,276)
Dividends paid	(250,786)	(320,057)
Net cash provided by (used in) financing activities	(788,423)	(267,728)
Net increase (decrease) in cash and cash equivalents	(1,814,305)	(1,282,861)
Cash and cash equivalents at beginning of period	4,827,354	5,099,976
Cash and cash equivalents at end of period	3,013,048	3,817,114