

Translation

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

February 14, 2022

Company name: SPACE VALUE HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1448 URL <https://www.svh.co.jp>
 Representative: President & CEO Naoki Morioka
 Director/General Manager of Corporate Junya Kikuchi
 Inquiries: Headquarters TEL 03-5439-6070
 Scheduled date to file Quarterly Securities Report: February 14, 2022
 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 December 31, 2021 (from April 1, 2021 to December 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	%
Nine months ended December 31, 2021	51,104	(3.4)	743	–	870	167.1	19	(98.2)
Nine months ended December 31, 2020	52,912	(10.7)	34	(97.2)	326	(77.4)	1,074	154.7

Note: Comprehensive income
 Nine months ended December 31, 2021 ¥(162) million [–%]
 Nine months ended December 31, 2020 ¥2,301 million [36.6%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	0.55		0.55	
Nine months ended December 31, 2020	30.57		30.53	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	73,280	25,242	34.4
As of March 31, 2021	79,175	25,895	32.6

Reference: Equity
 As of December 31, 2021 ¥25,187 million
 As of March 31, 2021 ¥25,821 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	15.00	15.00
Year ending March 31, 2022	–	0.00	–		
Year ending March 31, 2022 (Forecast)				0.00	0.00

Note: Revisions to the cash dividend forecasts most recently announced: None

As indicated in the “Notice Concerning Revision of Fiscal Year-End Dividend Forecast (No Dividend) for the Year Ending March 31, 2022 and Abolition of Shareholder Benefits System” released on November 12, 2021, because a tender offer by PTCJ-2 Holdings Inc. for the Company’s shares, etc. was completed, the Company will not pay a fiscal year-end dividend for the year ending March 31, 2022.

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

As indicated in the “Notice Concerning Results of Tender Offer by PTCJ-2 Holdings Inc. for the Company’s Shares etc. and Changes of Parent Company and Largest Shareholder as a Major Shareholder” released on December 28, 2021 and the “Notice Concerning Deletion of Provisions Regarding Consolidation of Shares and Number of Shares Constituting One Unit and Amendments to the Articles of Incorporation” released on February 4, 2022, because the Company plans to delist its shares through a series of procedures, the Company will not present the forecast of consolidated financial results for the year ending March 31, 2022.

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 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: Yes
- 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 December 31, 2021	35,556,584 shares	As of March 31, 2021	35,556,584 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	127,176 shares	As of March 31, 2021	194,454 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	35,185,622 shares	Nine months ended December 31, 2020	35,150,361 shares
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Note: The number of treasury shares at the end of each period does not include shares of the Company held by share-based benefit trusts (194,308 shares as of December 31, 2021 and 200,508 shares as of March 31, 2021). Also, the shares of the Company held by the share-based benefit trusts are included in treasury shares that are deducted for calculation of the average number of outstanding shares during the period (196,811 shares for the nine months ended December 31, 2021 and 201,502 shares for the nine months ended December 31, 2020).

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation of proper use of financial results forecast, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements shown in this document, including the financial results forecast, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	6,654	7,554
Notes receivable, accounts receivable from completed construction contracts	20,965	–
Notes receivable accounts receivable from completed construction contracts and contract assets	–	18,082
Accrued rental income	6,560	–
Accrued rental income and contract assets	–	6,092
Real estate for sale	1,654	2,572
Real estate for sale in process	255	800
Costs on construction contracts in progress	1,580	825
Other inventories	750	891
Other	1,555	1,685
Allowance for doubtful accounts	(167)	(68)
Total current assets	39,809	38,436
Non-current assets		
Property, plant and equipment		
Rental, net	2,774	2,840
Buildings and structures, net	5,591	5,350
Land	8,318	8,251
Other, net	5,219	4,124
Total property, plant and equipment	21,904	20,566
Intangible assets		
Goodwill	2,819	2,747
Other	1,527	1,652
Total intangible assets	4,347	4,399
Investments and other assets		
Investment securities	11,164	7,903
Other	2,356	2,381
Allowance for doubtful accounts	(406)	(407)
Total investments and other assets	13,113	9,878
Total non-current assets	39,366	34,844
Total assets	79,175	73,280

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	14,567	13,970
Short-term borrowings	9,144	7,500
Current portion of long-term borrowings	3,737	3,935
Income taxes payable	694	284
Advances received on construction contracts in progress	1,364	2,192
Advances received-rental	2,001	1,127
Provision for loss on construction contracts	1,087	1,046
Provision for warranties for completed construction	368	446
Provision for bonuses	689	332
Other provisions	82	243
Other	4,076	3,416
Total current liabilities	37,814	34,495
Non-current liabilities		
Long-term borrowings	10,460	9,128
Retirement benefit liability	1,891	1,921
Other provisions	152	176
Other	2,961	2,316
Total non-current liabilities	15,465	13,542
Total liabilities	53,279	48,038
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	1,774	1,221
Retained earnings	13,687	13,707
Treasury shares	(380)	(299)
Total shareholders' equity	22,081	21,629
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,784	3,461
Foreign currency translation adjustment	18	147
Remeasurements of defined benefit plans	(62)	(50)
Total accumulated other comprehensive income	3,740	3,558
Share acquisition rights	73	54
Total net assets	25,895	25,242
Total liabilities and net assets	79,175	73,280

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales		
Net sales of completed construction contracts	43,190	39,824
Rental sales	9,439	10,776
Sales in development business	281	502
Total net sales	52,912	51,104
Cost of sales		
Cost of sales of completed construction contracts	37,891	34,691
A rental cost	7,357	8,265
Cost of sales in development business	165	366
Total cost of sales	45,414	43,323
Gross profit		
Gross profit on completed construction contracts	5,299	5,133
Gross profit on rental	2,081	2,511
Gross profit - development business	116	136
Total gross profit	7,497	7,781
Selling, general and administrative expenses	7,462	7,037
Operating profit	34	743
Non-operating income		
Interest income	15	12
Dividend income	203	96
Land and house rent received	24	25
Purchase discounts	14	13
Subsidy income	183	–
Other	172	215
Total non-operating income	613	362
Non-operating expenses		
Interest expenses	135	114
Rent cost of real estate	12	11
Commission for syndicated loans	33	35
Settlement package	80	–
Other	61	74
Total non-operating expenses	321	235
Ordinary profit	326	870
Extraordinary income		
Gain on sale of non-current assets	737	10
Gain on sale of investment securities	–	504
Other	1	31
Total extraordinary income	739	547

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Extraordinary losses		
Loss on sale of non-current assets	33	15
Loss on retirement of non-current assets	29	32
Tender Offer Related Expenses	–	695
Loss on liquidation of business	–	82
Other	–	1
Total extraordinary losses	63	827
Profit before income taxes	1,002	590
Income taxes	(72)	570
Profit	1,074	19
Loss attributable to non-controlling interests	(0)	–
Profit attributable to owners of parent	1,074	19

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,074	19
Other comprehensive income		
Valuation difference on available-for-sale securities	1,167	(323)
Foreign currency translation adjustment	49	129
Remeasurements of defined benefit plans, net of tax	10	12
Total other comprehensive income	1,227	(182)
Comprehensive income	2,301	(162)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,302	(162)
Comprehensive income attributable to non-controlling interests	(0)	–