Financial Results for the 3rd Quarter of Fiscal Year 2024

Value HR Co., Ltd.

Tokyo Stock Exchange Prime Market 6078

November 14, 2024

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1. **Financial Highlights in FY12/24 Q3**
2. **Forecast for FY12/24 and Business policy**
3. **Shareholder return**
4. **Our business**

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Financial Highlights in FY12/24 Q3 - 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

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)

2.54million (499)

As of 24/2Q ＋100,000 (+20)

- **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

74

As of 24/2Q +4

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

Corporate Action

- **Acquired commercial property in Hirosaki City, Aomori Prefecture. Scheduled to open in FY2025 (announced on 8/28).**
- **Capital and business alliance with Mental Health Technologies Inc., including sales collaboration (announced on 9/18).**
- **Stock Buyback (5/23-12/31)**
  - Maximum: 700,000 shares, 1 billion yen

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Financial Highlights in FY12/24 Q3 - Performance Summary

Net sales are progressing as planned.

To support the increased workload from new customers, we have continued to invest in securing human resources to strengthen our operational systems. As a result, the cost of sales has risen, leading to a decrease in profit.

Unit: million JPY	FY12/23 Q1~3	Proportion	FY12/24 Q1~3	Proportion	YoY	Forecast for FY12/24	Ratio to Forecast
Net sales	**5,135**	–	**6,082**	–	**＋18.4%**	**8,165**	**74.5%**
Value Cafeteria Segment	4,065	79.2%	4,883	80.3%	＋20.1%	6,579	74.2%
HR Management Segment	1,070	20.8%	1,198	19.7%	＋12.0%	1,586	75.5%
Operating profit	**941**	**18.3%**	**755**	**12.4%**	**△19.8%**	**1,435**	**52.6%**
Value Cafeteria Segment	1,401	27.3%	1,375	22.6%	△1.9%	2,115	65.0%
HR Management Segment	249	4.8%	197	3.2%	△21.0%	339	58.1%
SG&A	△710	△13.8%	△817	△13.4%	＋15.0%	△1,020	80.1%
Ordinary profit	**1,010**	**19.7%**	**741**	**12.2%**	**△26.6%**	**1,500**	**49.4%**
Net profit	**668**	**13.0%**	**480**	**7.9%**	**△28.1%**	**1,000**	**48.0%**

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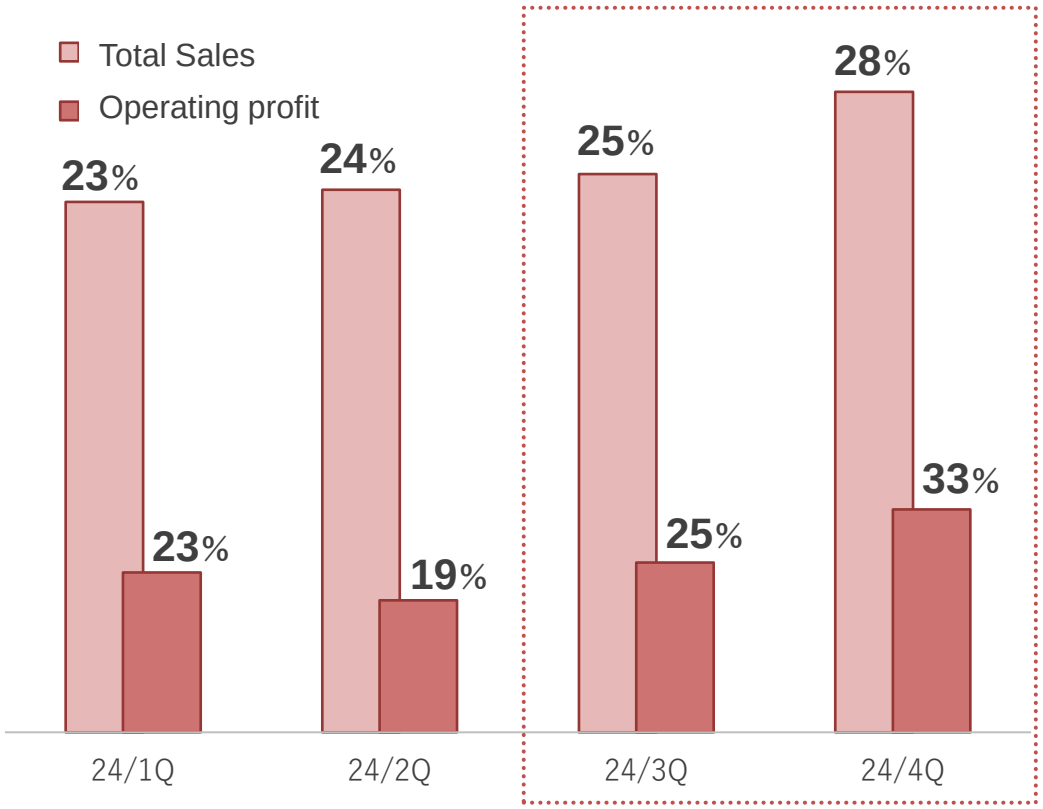
Forecast for FY12/24 - Supplementary Explanation on the Quarterly Trend of Revenue and Operating Profit

The business model is more heavily focused on the second half of the fiscal year.

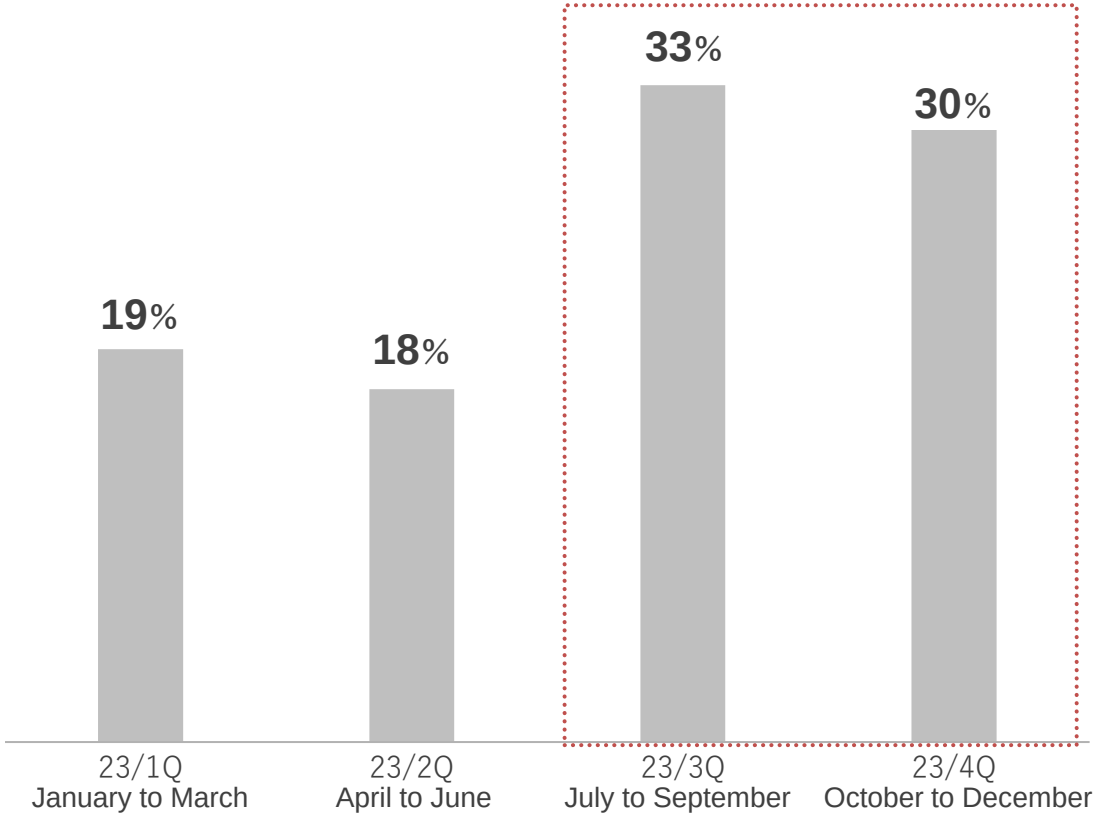
Specifically, in the Value Cafeteria business, the number of health check-ups increases significantly in the second half, resulting in a concentration of operational activities.

This leads to a maximization of sales and operating profit from the administrative outsourcing services.

Quarterly Revenue and Operating Profit Trend (Forecast)



Trend in Health Examination Attendees (2023 Actual Results)

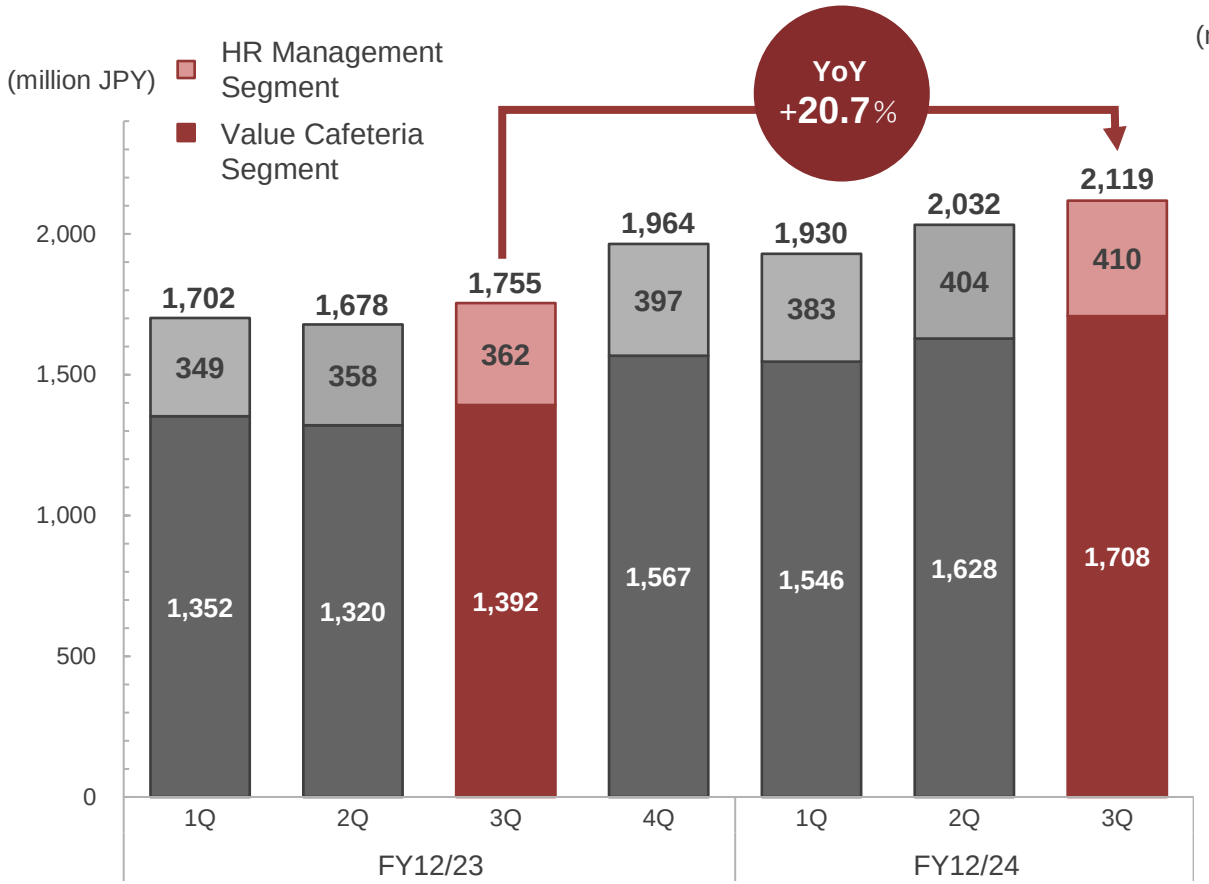


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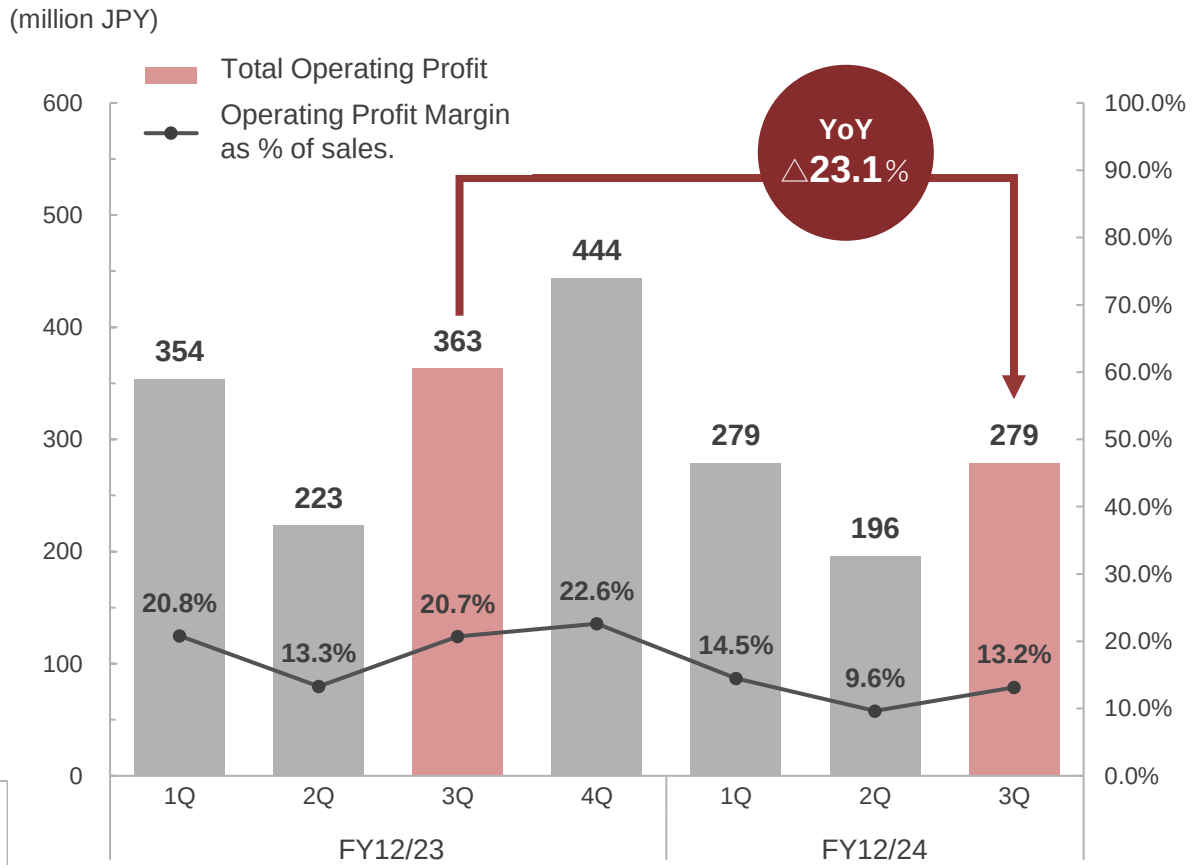
Quarterly Total Sales / Total Operating Profit & Profit Margin

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.
To support the increased workload from new customers, we have continued to invest in securing human resources to strengthen our operational systems. As a result, the cost of sales has risen, leading to a decrease in profit.

Quarterly Total Sales



Total Operating Profit & Profit Margin



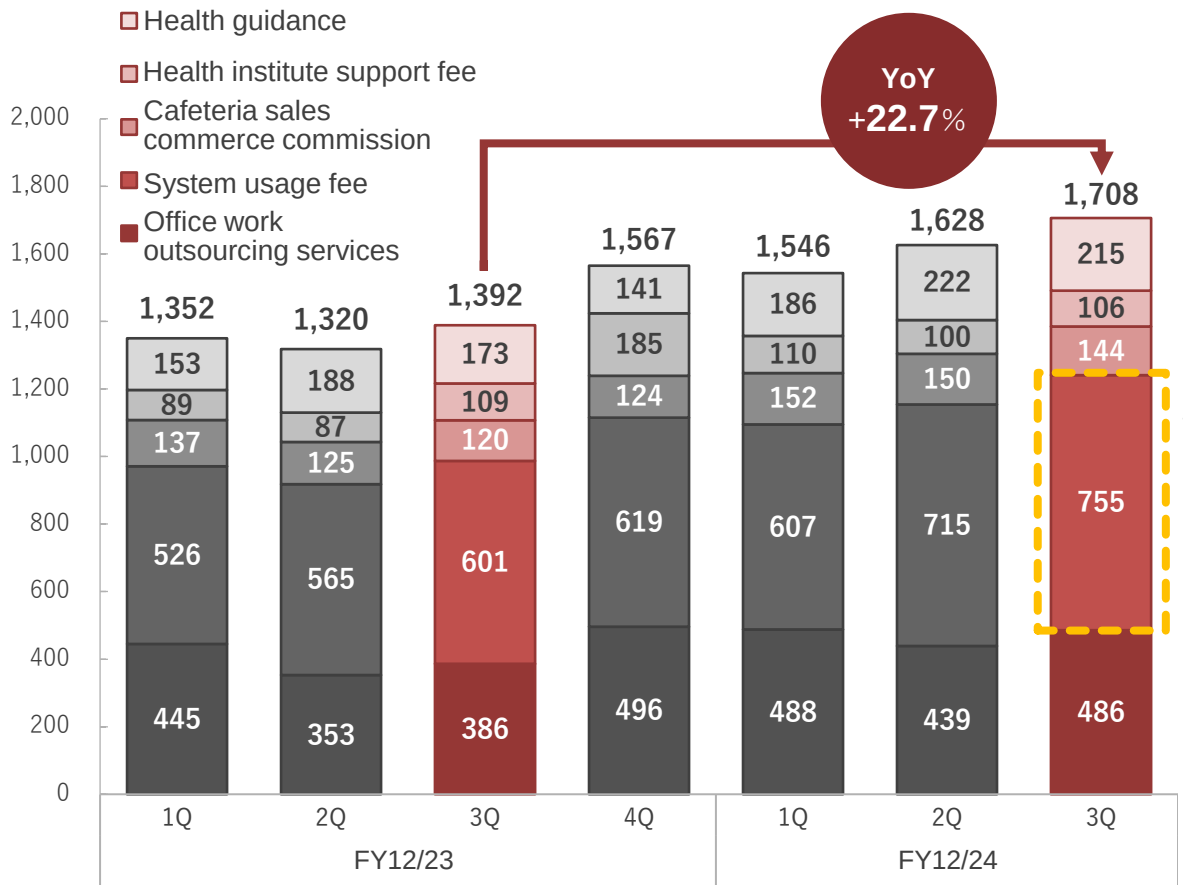
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Value Cafeteria Segment, Quarterly Net Sales / Operating Profit

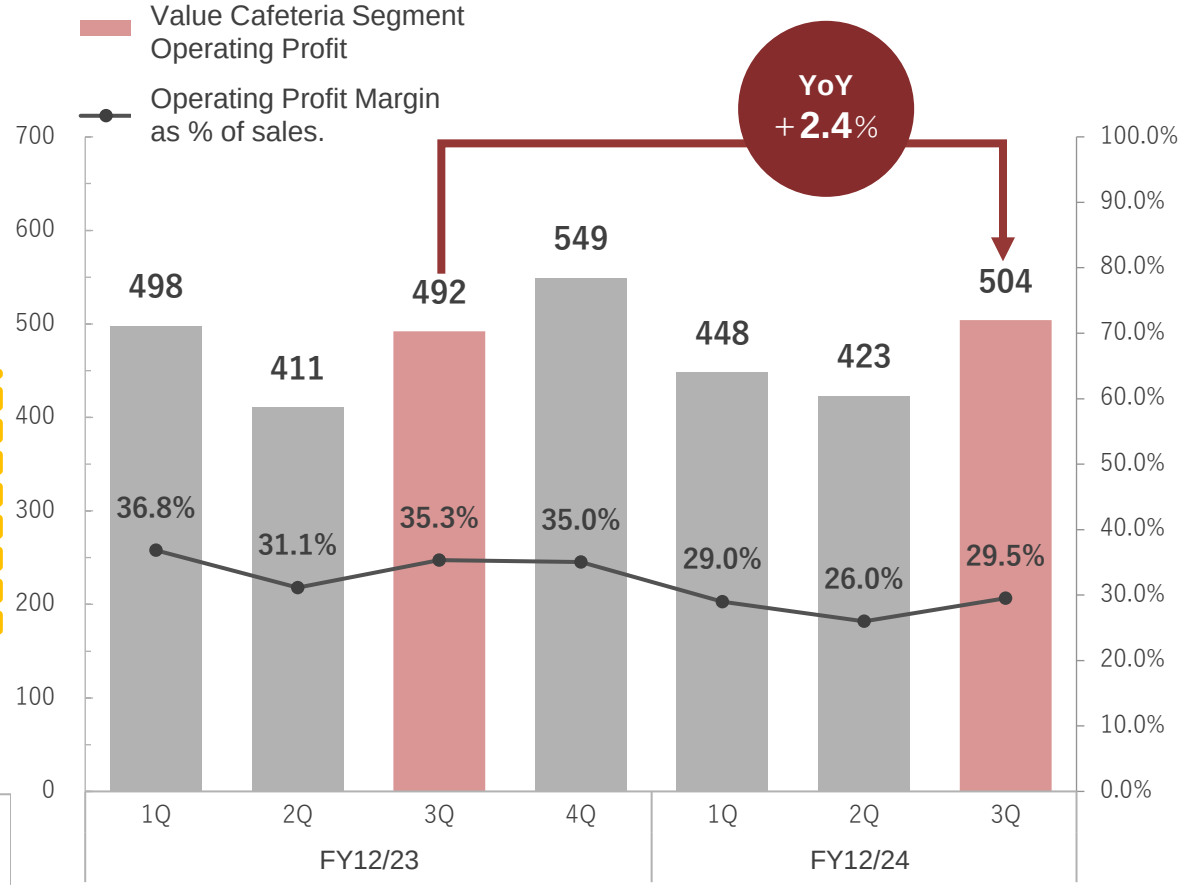
Net Sales have been strong, driven by an increase in new customers and additional service orders from existing clients.

The increase in cost of sales was driven by investments in system development to support customer growth and by strengthening the operational structure of the health check-up outsourcing service department.

Quarterly Net Sales of Value Cafeteria Segment



Quarterly Operating Profit of Value Cafeteria Segment

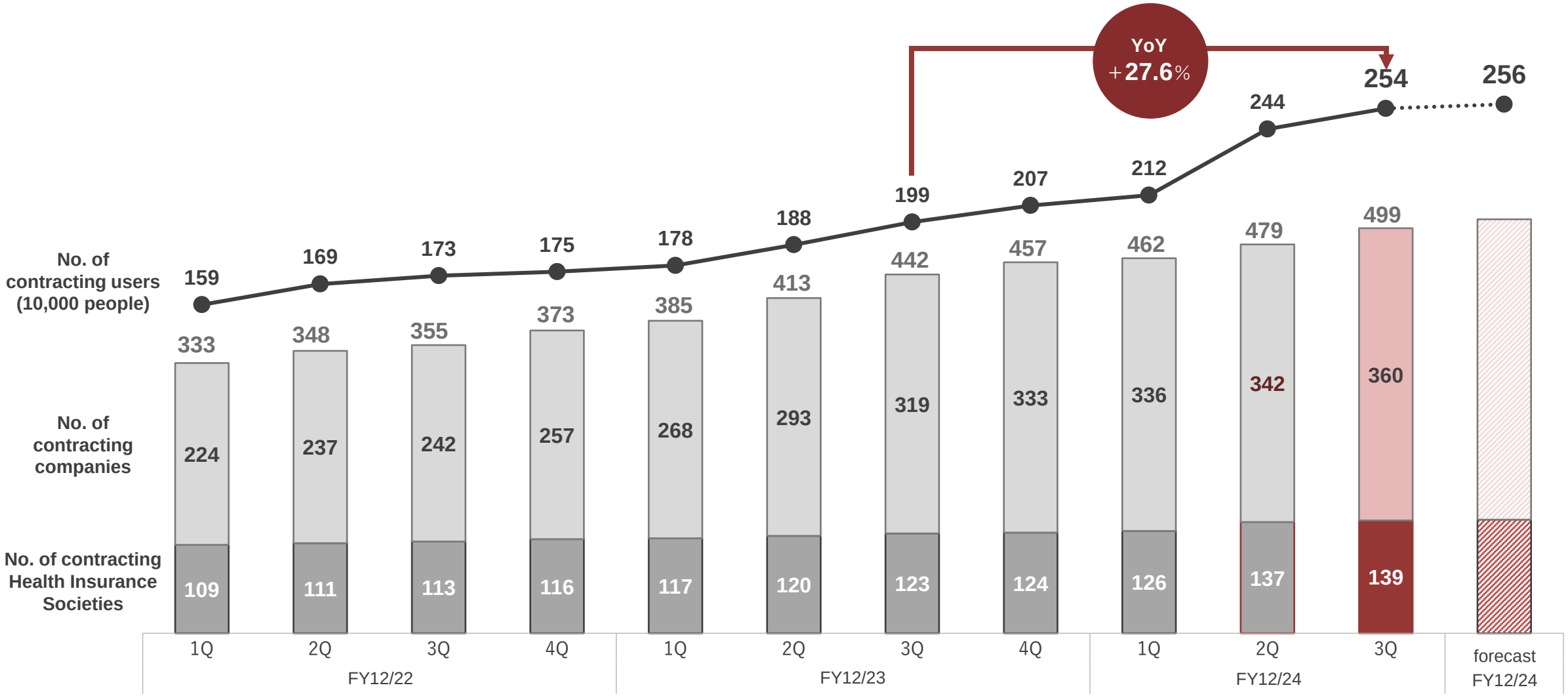


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KPI of Value Cafeteria Segment - Users, Companies, Health Insurance Societies

The total number of users **reached to 2.54 million in Q3**, with an increase of 100,000 users and 20 new contracted enterprise groups.

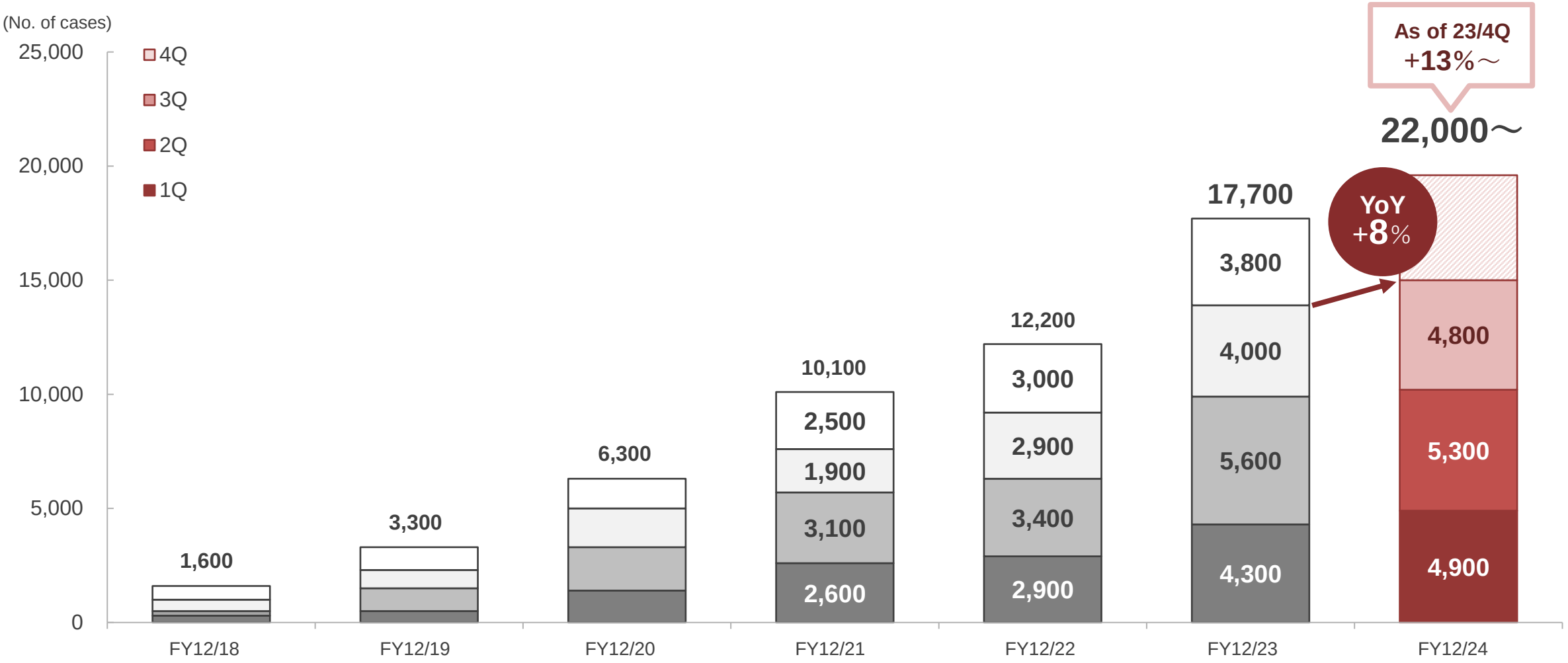
The year-end user forecast for Q4 has been revised **upward from 2.56 million, compared to the initial estimate of 2.4 million.**



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Value Cafeteria Segment - Users receiving Specific Health Guidance Up 8% YoY

The number of initial consultations for specific health guidance reached to 15,000 cases in the cumulative period of Q1 ~ Q3, representing a 8% increase compared to the previous year.
With the increase in contracted organizations, the number of cases for the full fiscal year is expected to exceed 20,000.



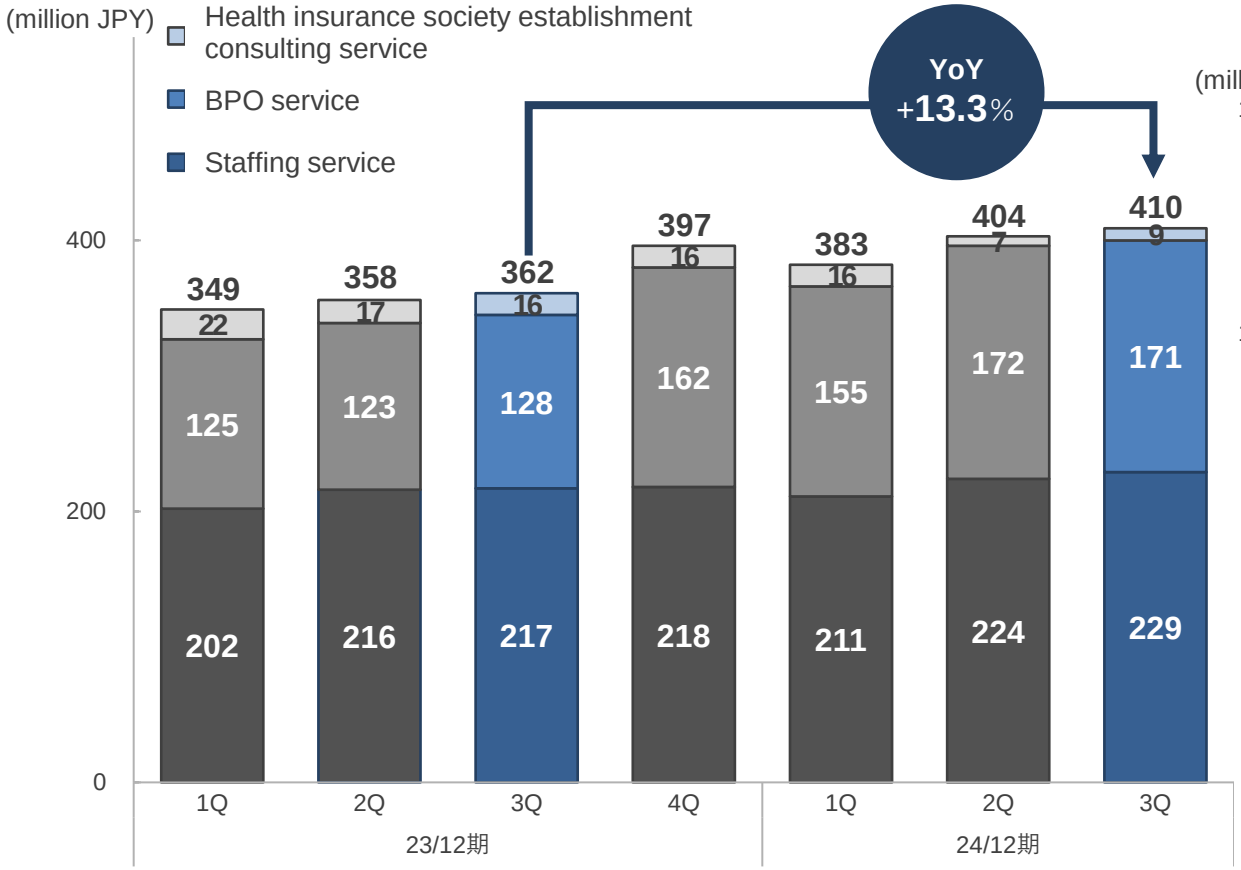
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Quarterly Net Sales / Quarterly Operating Profit of HR Management Segment

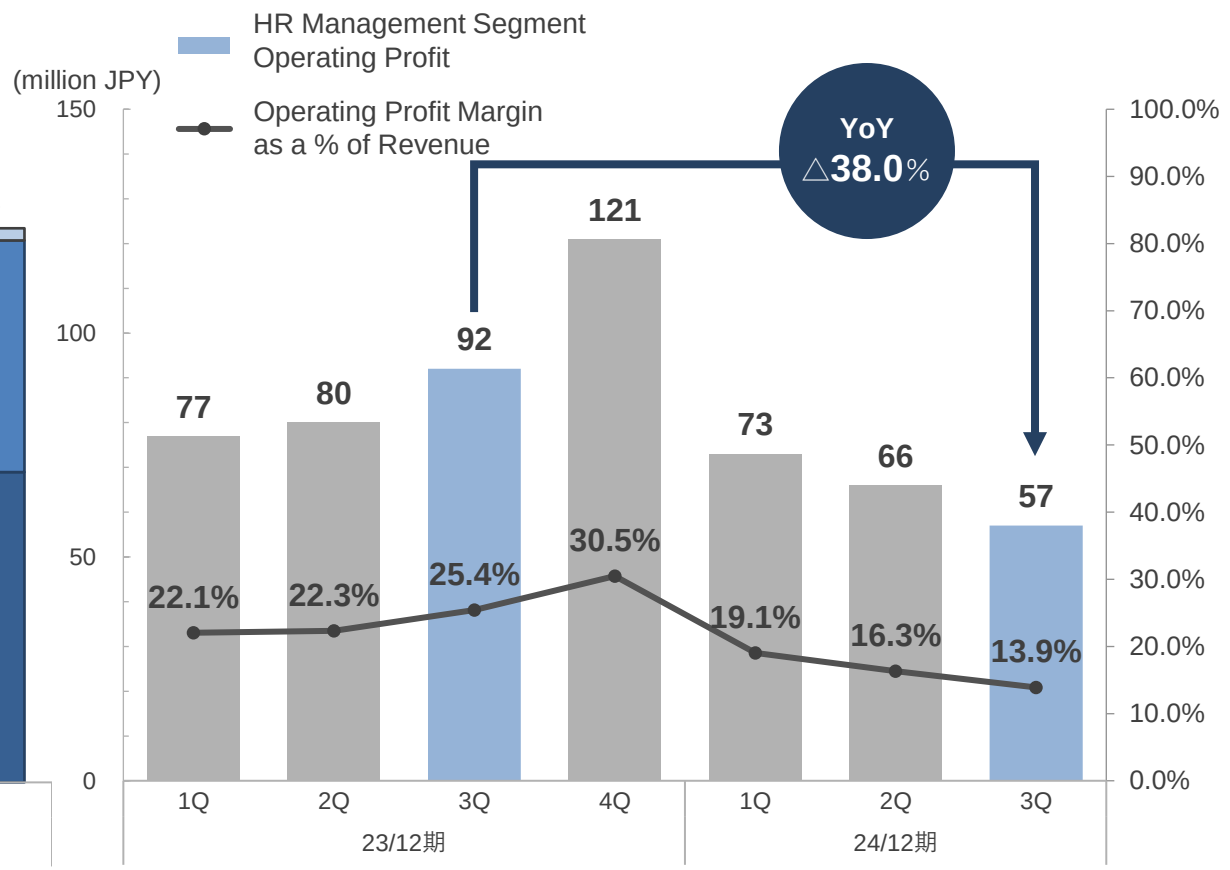
A favorable progress in net sales has been achieved due to the increase in the number of contract health insurance societies.

Operating profit decreased due to the strengthening of the BPO (Business Process Outsourcing) system to support customer growth.

Quarterly Net Sales of HR Management Segment



Quarterly Operating Profit of HR Management Segment



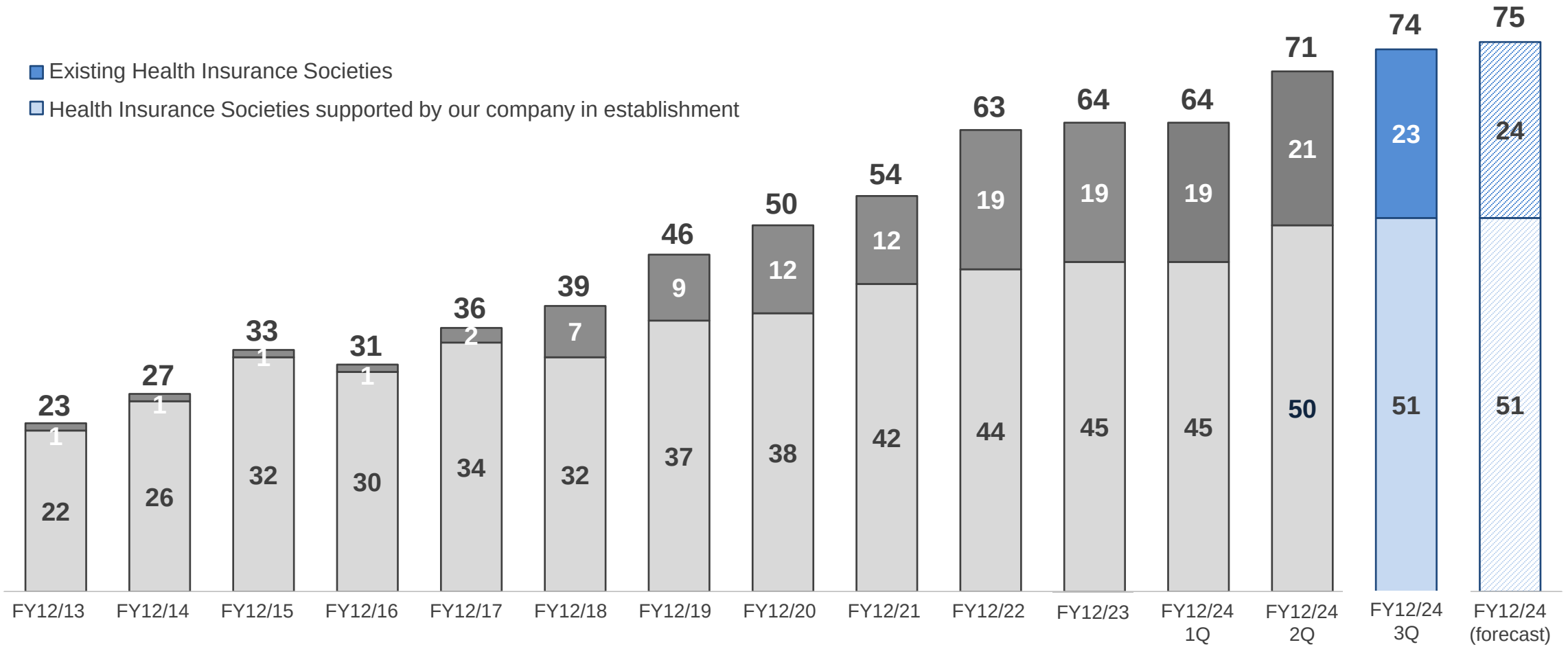
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KPI of HR Management - Business trend in contracted Health Insurance Societies

Starting BPO services for 1 newly established (re-contracted) and 2 existing health insurance societies in Q3.

The year-end forecast for the number of health insurance societies is **75**.

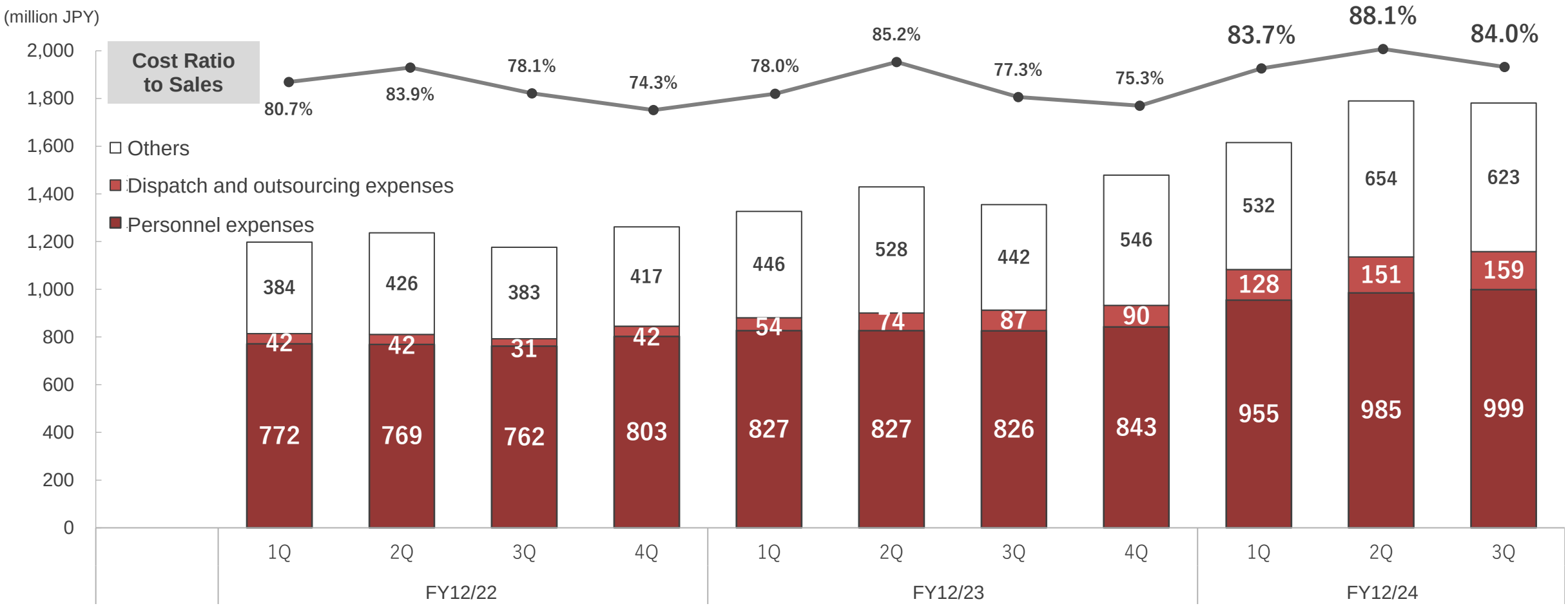
BPO services are scheduled to be contracted with one existing health insurance society.



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

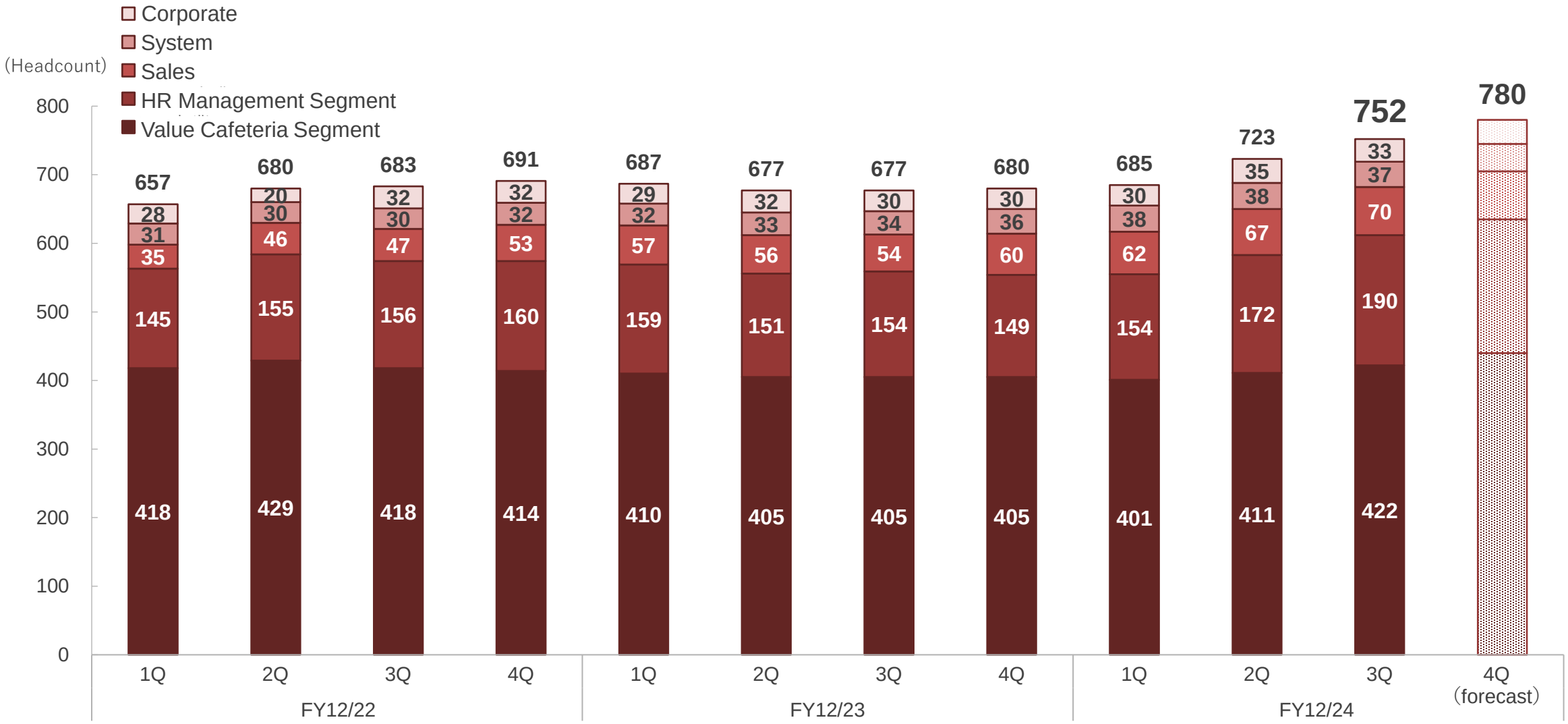
The increase in new customers exceeded expectations, leading to higher investments in securing human resources, which resulted in an increase in personnel costs (with wages rising by more than 10% starting in January).
We will continue using temporary staff for business processing and outsourcing for system development.
Starting next fiscal year, we plan to improve the ratio of temporary staff and outsourced work.



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The fluctuation in the number of employees over time

The improvement in employee benefits starting in January 2024 has led to better recruitment, with the number of employees exceeding 750 as of Q3. We will continue to enhance our recruitment efforts.

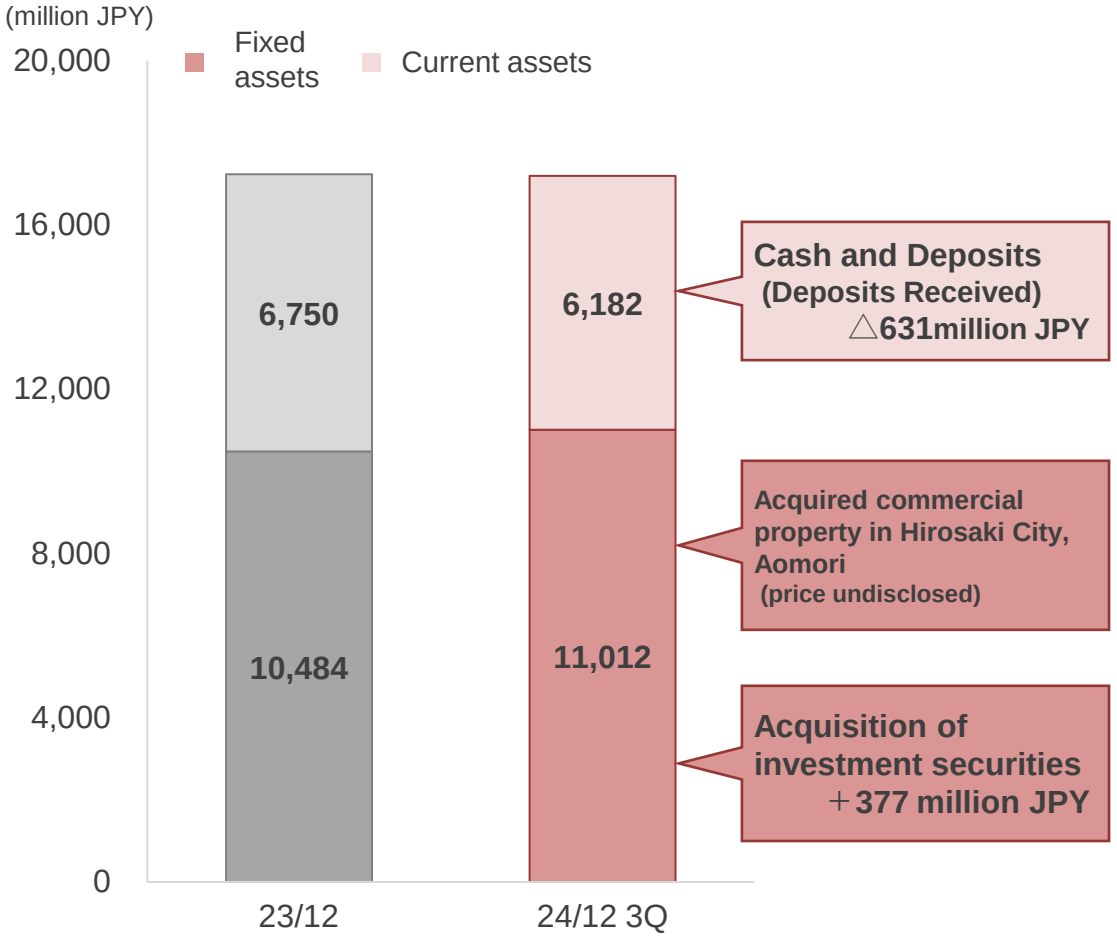


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Consolidated Balance Sheet

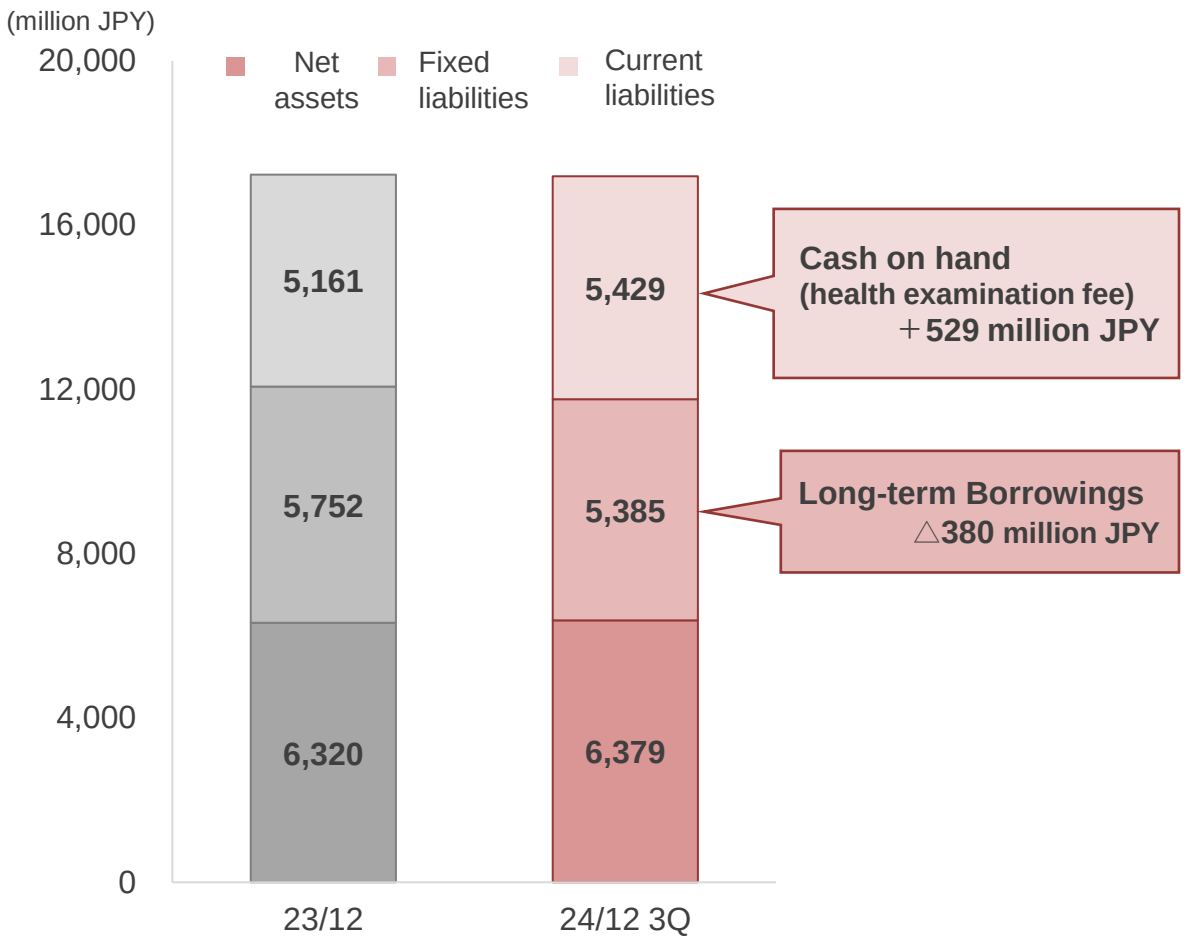
Assets

Total assets 17,194 million JPY
（As of FY23/12 △39million JPY）



Liabilities・Net assets

Equity Ratio 36.9%
（As of FY23/12 +0.4%）



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1. Financial Highlights in FY12/24 Q3

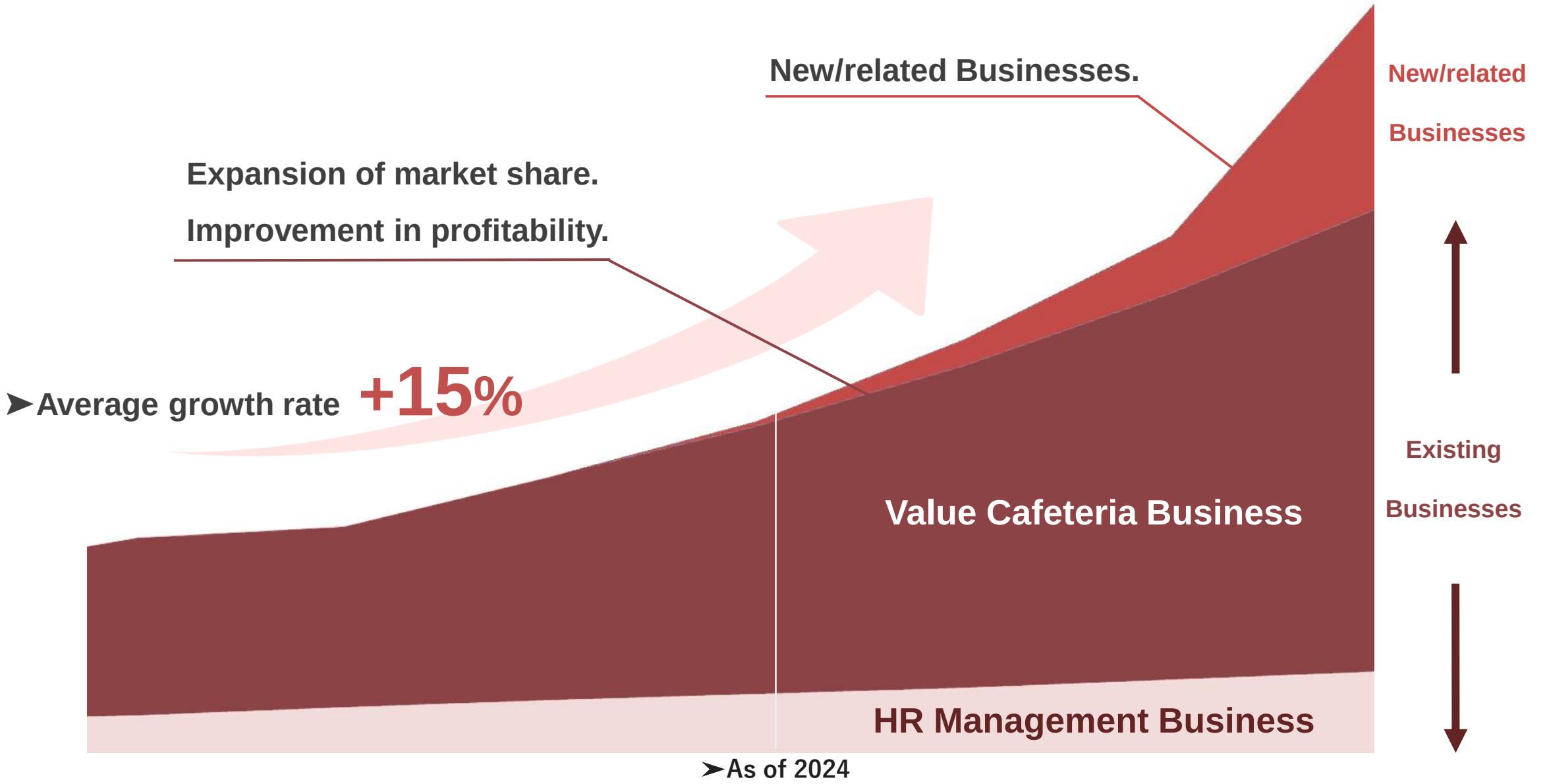
2. **Forecast for FY12/24 and Business policy**

3. Shareholder return

4. Our business

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Outline of Growth Strategy and Future Developments



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

Continuing from the previous fiscal year, we aim for **a 15% increase in sales** while also making proactive investments to strengthen system development and enhance the company's overall structure, with a focus on expanding the business scale in the mid- to long-term.

Unit: million JPY	FY12/23 Performance	Proportion	FY12/24 Forecast	Proportion	YoY
Net sales	**7,100**	–	**8,165**	–	**+15.0%**
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%
Operating profit	**1,385**	**19.5%**	**1,435**	**17.6%**	**+3.6%**
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%
Ordinary profit	**1,459**	**20.5%**	**1,500**	**18.3%**	**+2.8%**
Net profit	**970**	**13.7%**	**1,000**	**12.2%**	**+3.1%**

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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.

We have raised the prices for system usage fees, administrative outsourcing service fees, and other related charges.

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)

An average wage increase of 10% for employees(from Jan.2024 onwards), along with enhanced recruitment competitiveness and employee development.

Continued strengthening of system development (enhancement of Value Cafeteria system functions and implementation of new features).

To enhance productivity, we are promoting the digital transformation (DX) of the health check-up outsourcing service department.

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 **75**

＜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

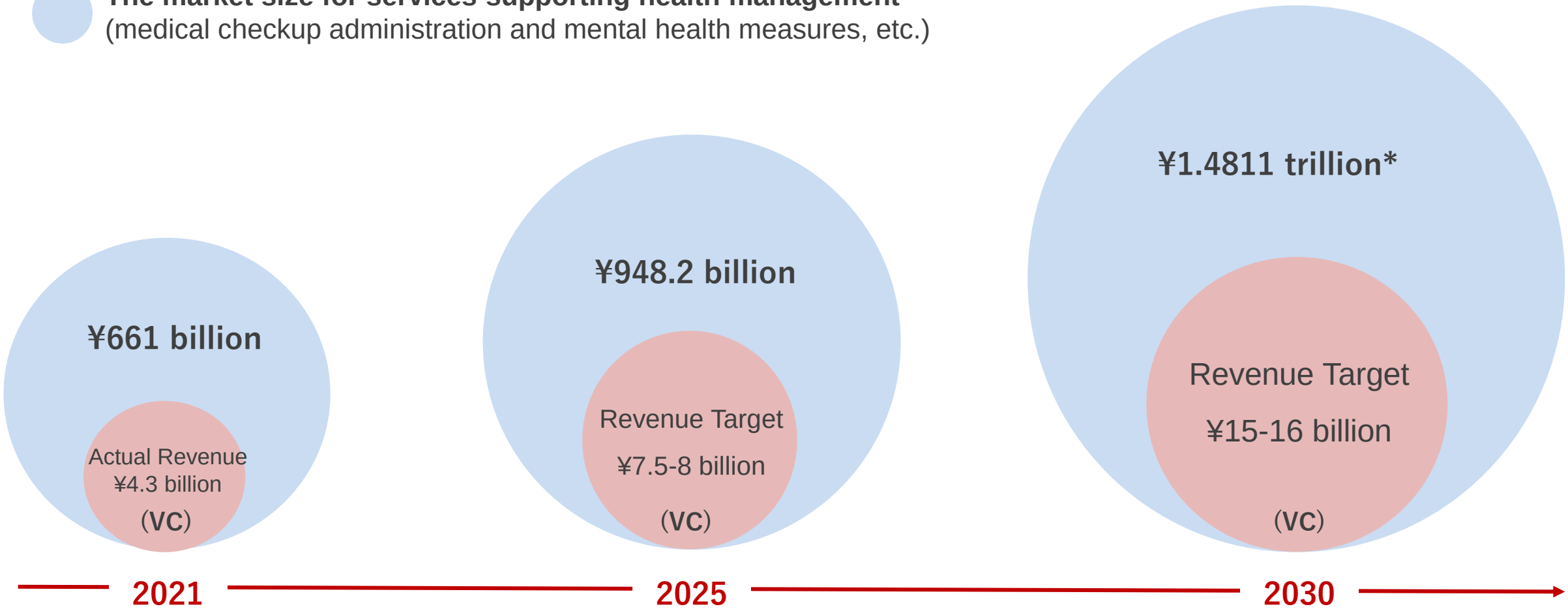
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Market Size: The market size for the VC business is continuously expanding.

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.

The market size for services supporting health management
(medical checkup administration and mental health measures, etc.)



* 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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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 >

日本生命 NISSAY

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 >

大和総研 Daiwa Institute of Research

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)

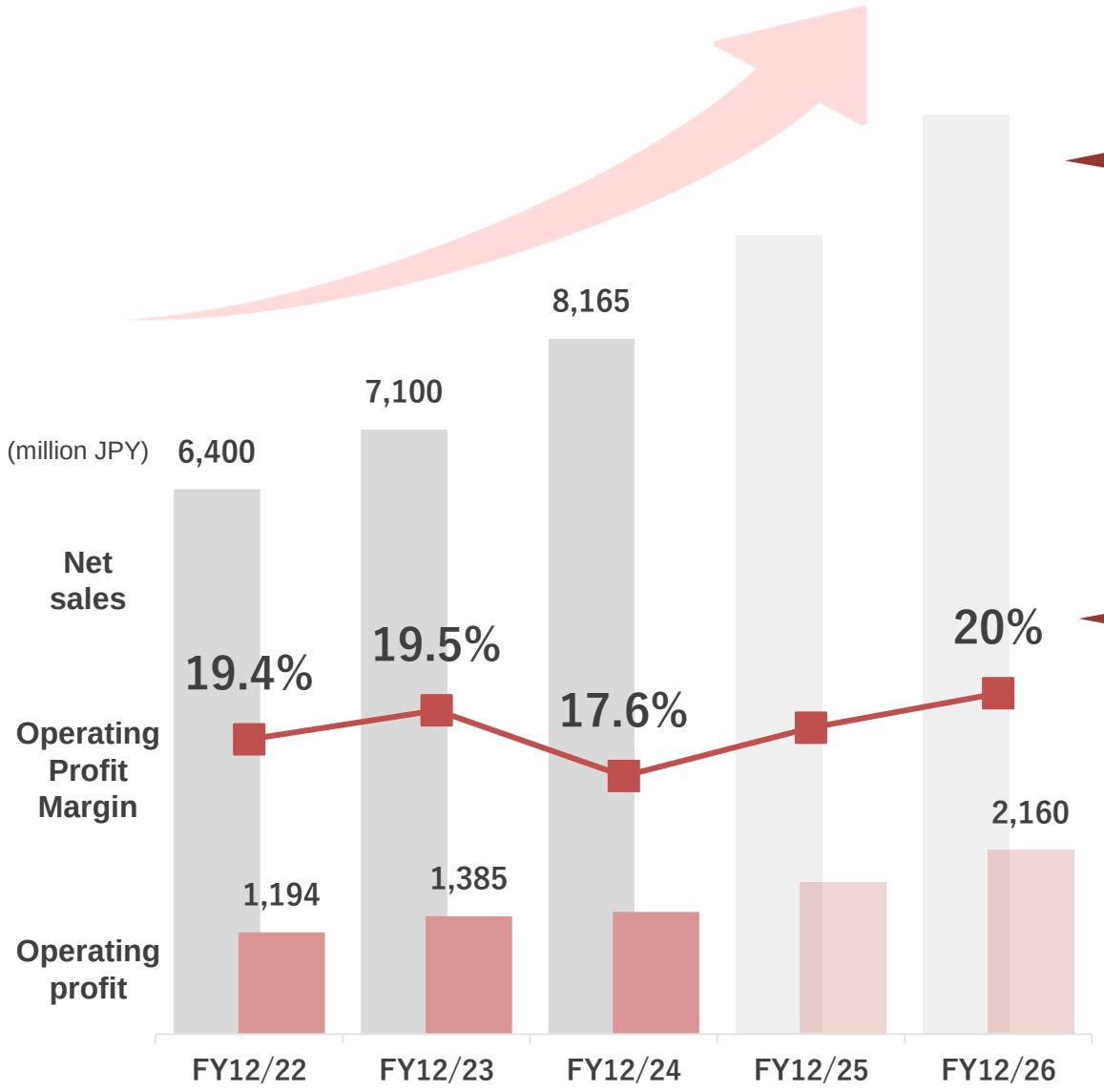
あまの創健 / 大同生命 / 東京海上日動 / 株式会社法研 / RELO CLUB / MentalHealth Technologies / ADVANTAGE Risk Management Group / あおぞら銀行 / SmartHR / kaonavi

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

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



Net sales

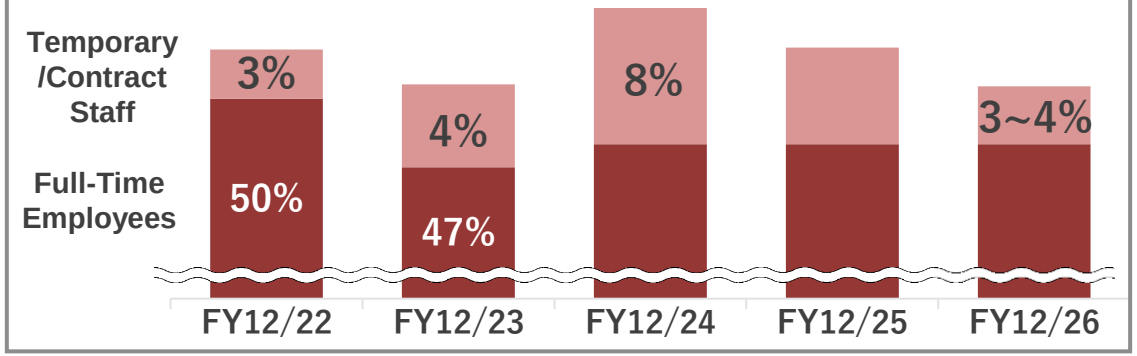
The revenue growth rate is maintained at +15%

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.

Cost Improvement Outlook (Cost Ratio to Sales)

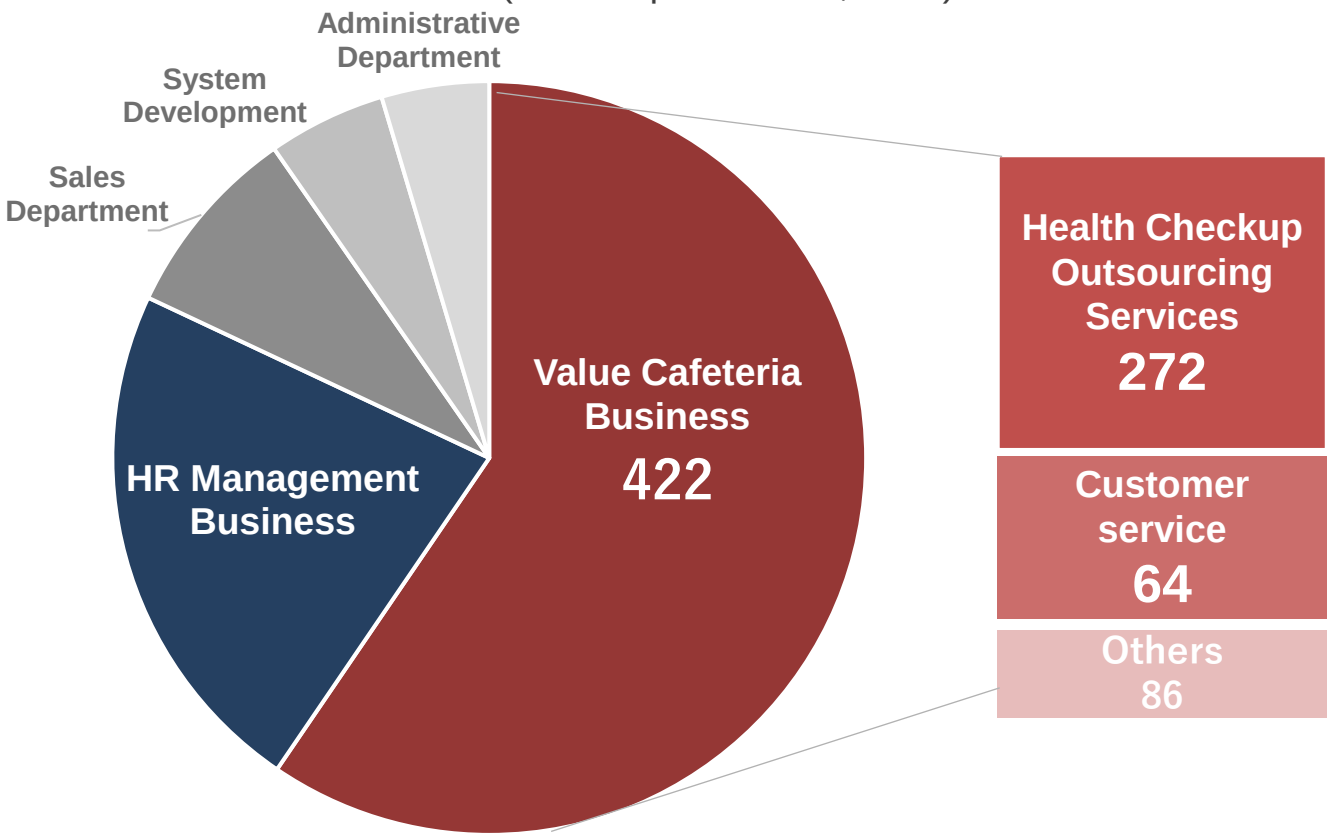


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Promoting the digital transformation of health check-up administrative outsourcing services

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.

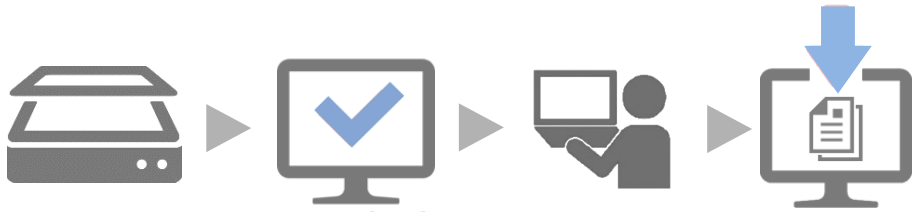
Number of employees
(as of September 30, 2024)



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.



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'.

Dividends

A dividend payout ratio of 50% or higher

+

Shareholder Benefits

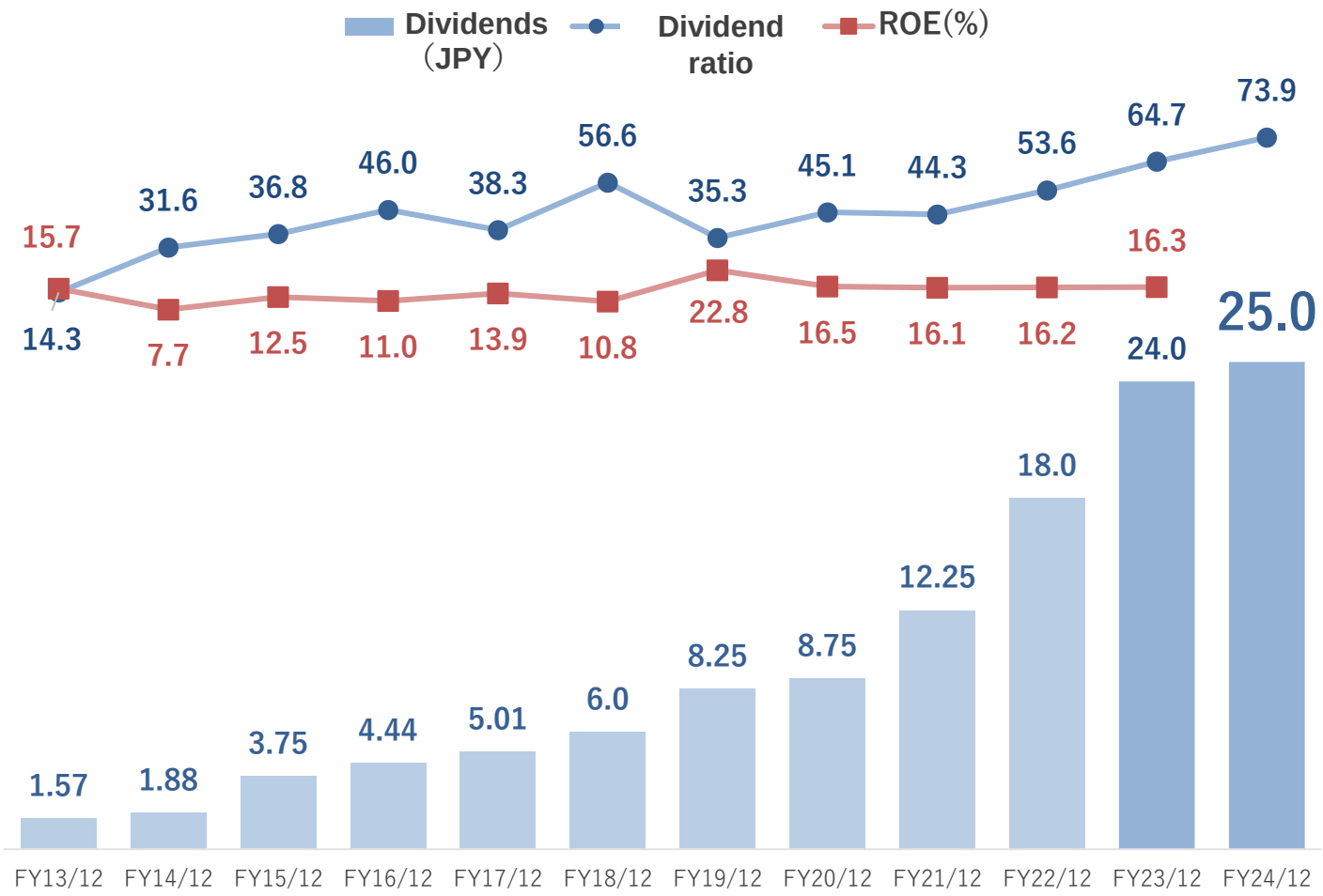
The provision of our in-house health management service, 'Value Cafeteria'

One unit (100 shares)	Dividends	Shareholder benefits	Dividends and benefits yield
JPY184,100 *Based on closing price on November 13, 2024	**JPY2,500** *Dividend performance for the fiscal year ending December 2024	[1st year] **2,500Pt** (6,600 JPY membership fee free of charge)	6.3%
		[2nd year] **3,500Pt** (6,600 JPY membership fee free of charge)	6.8%
		[3rd year or after] **5,000Pt** (6,600 JPY membership fee free of charge)	7.7%

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Dividends

Since going public, dividends have increased for 12 consecutive periods.
We intend to increase dividends in line with future performance improvements.



Dividend policy

Dividend ratio 50% or more

Dividends for the FY12/24 (forecast)

25 JPY

Interim 12 JPY
Year-end 13 JPY

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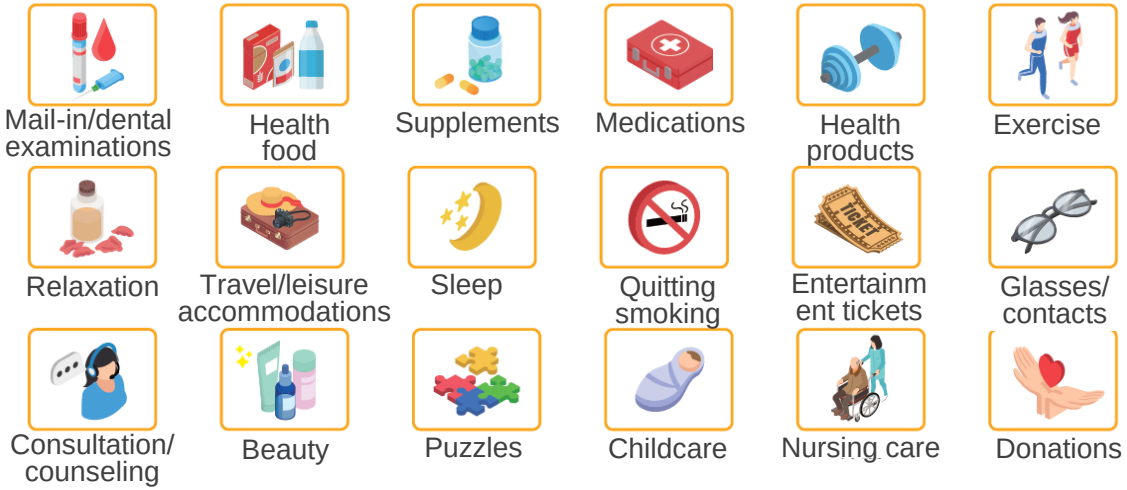
Shareholder Benefits

◆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!



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	・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. ・Delivers health and productivity management along with data-driven health support services. ・Provides assistance in the creation of new health insurance societies and offers Business Process Outsourcing （BPO） services for administrative operations.
Representative	President & CEO Michio Fujita
Date Established	July 2001
Date of listing	October 2013 （6078：Tokyo Stock Exchange Prime Market）



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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.

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Introduction of the Management Team

External Director

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)

Yuji Yoshimasu

With approximately 40 years of audit experience at Deloitte Tohmatsu, after leaving the firm, established Yoshimasa 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.

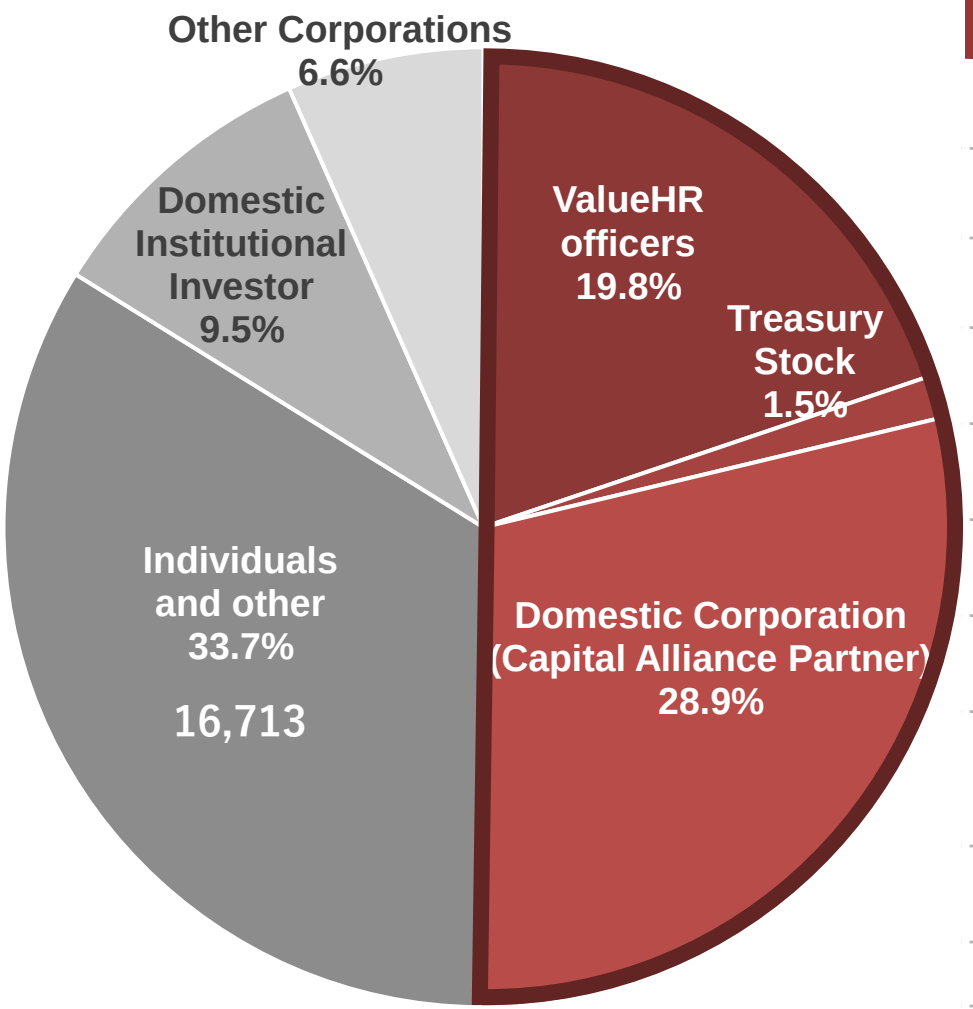
Toshi Yoshinari

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.

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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
	total	46.43	

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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

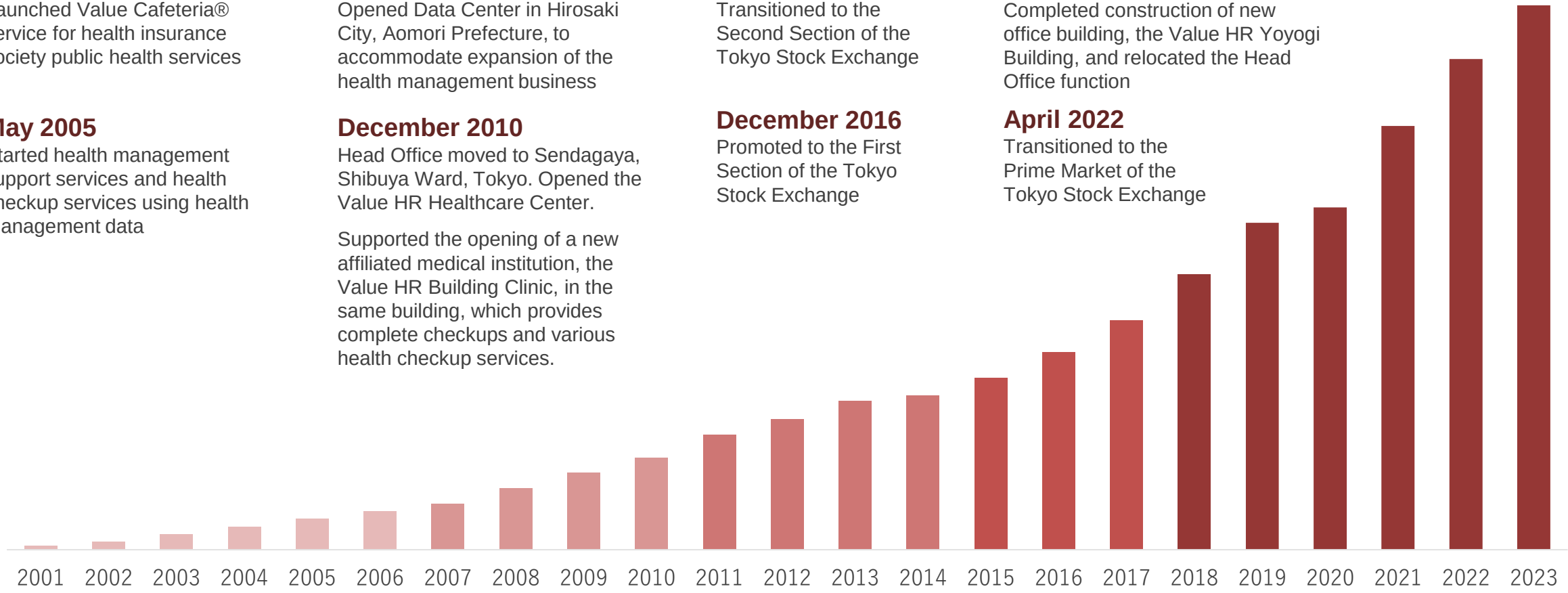
December 2016
Promoted to the First Section of the Tokyo Stock Exchange

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

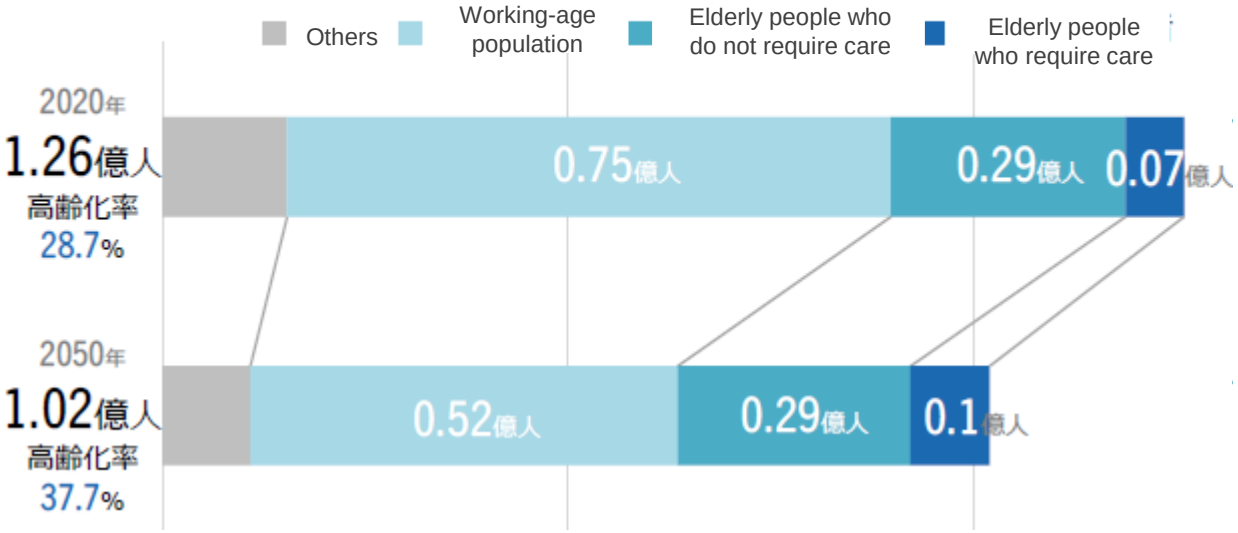
Fiscal year ended December 31, 2023 Net sales
7,100 million JPY



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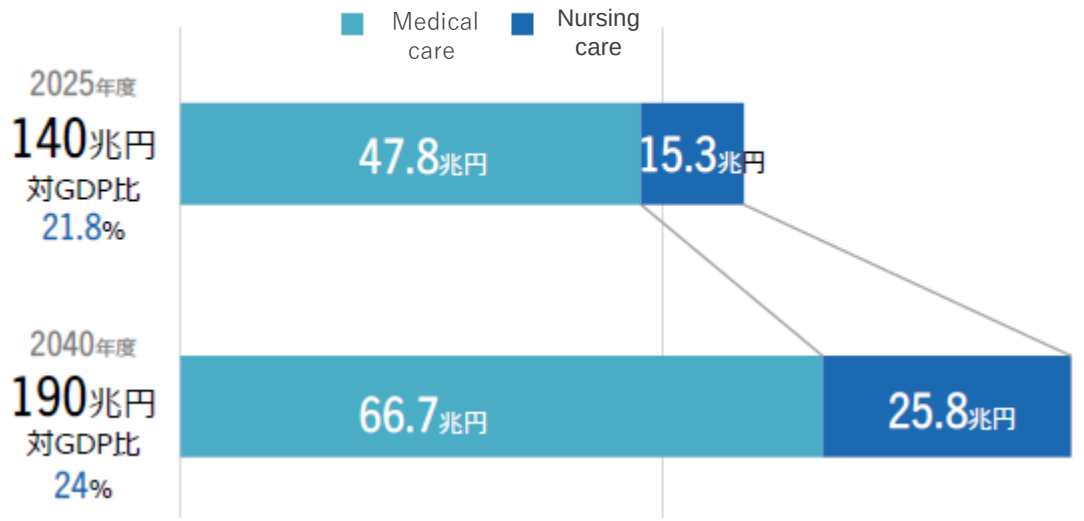
External Environment ① / "Aging Population" and "Increasing Social Security Burden"

Population・Working-age population・Number of elderly people Transition of the number of people requiring care



- ✓ By 2050, the total population is expected to decrease by 20%.
- ✓ Especially, the working-age population will decrease by more than 30%.
- ✓ Approximately 40% will be elderly, and around 10% will require long-term care.

Transition of social security costs



- ✓ The social security burden of public insurance is expected to increase by approximately 35%.
- ✓ It is important to focus on health investments by individuals, advancements in medical quality, and the development of industries outside the scope of public insurance.

（出所）経済産業省　健康経営の推進について　令和6年3月

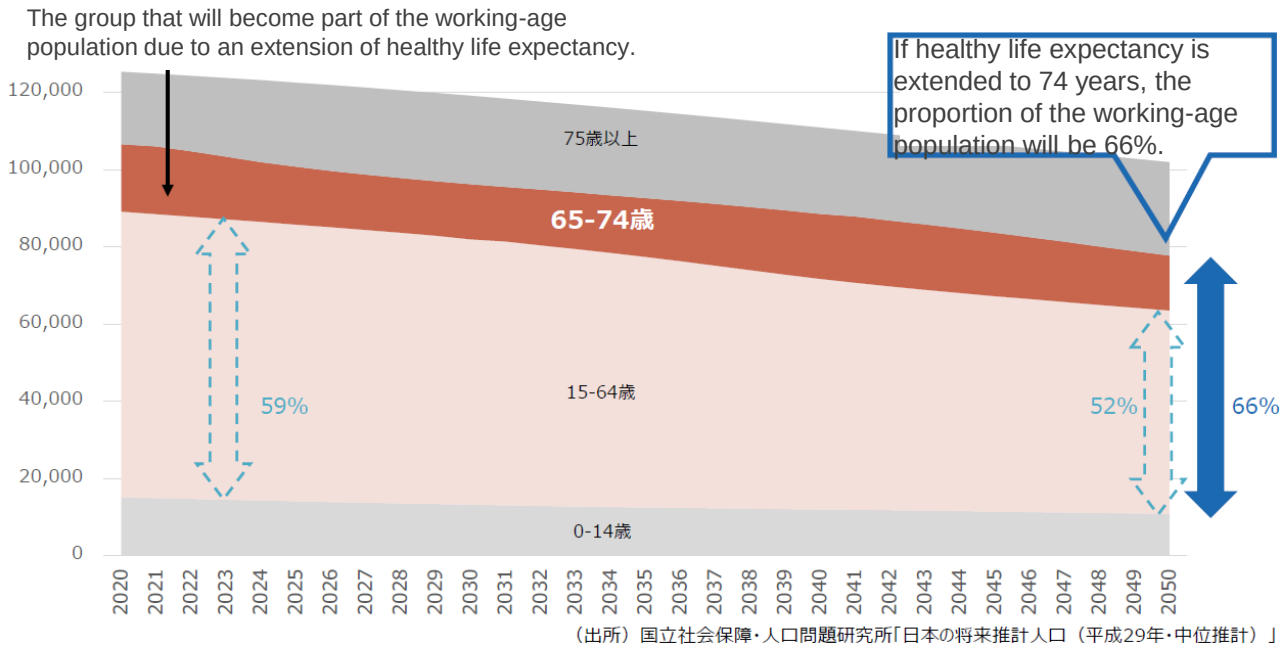
Extending "healthy life expectancy," allowing individuals to remain in good health and continue economic activities for a longer period, is crucial.

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External Environment ② / Japan's Vision: Building a Lifetime Active Society through the Extension of Healthy Life Expectancy

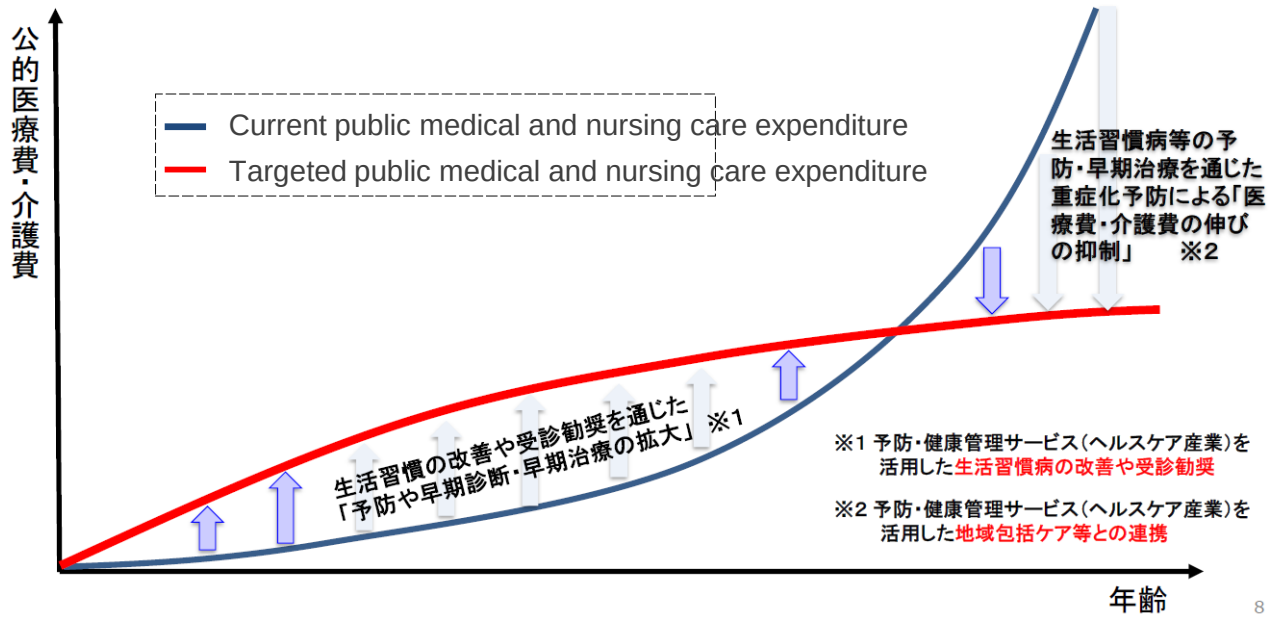
By extending "healthy life expectancy," the goal is to increase healthy life expectancy to over 75 years by 2040, leading to an approximately 15% increase (15 million people) in the working-age population, while also curbing social security burdens, ultimately aiming to build a society where people remain active throughout their lives.

Trends in the Working-Age Population



（出所）経済産業省　健康経営の推進について　令和6年3月

Reduction of social security burdens (Public healthcare and long-term care costs)



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External Environment ③ / Reforms in Related Laws and Systems for Extending Healthy Life Expectancy

Starting with the Data Health Plan, progressing to Health Management, and advancing toward the promotion of Human Capital Investment.

2005: Government and ruling party's Medical Reform Council announces the "Medical System Reform Outline"; shift to a preventive healthcare system.

2008: Ministry of Health, Labour and Welfare (MHLW) introduces the "Specified Health Checkup System"; standardization of electronic data for specified health checkups.

2013: **Cabinet Office issues "Japan Revitalization Strategy"; introduces Data Health Plans to extend citizens' healthy life expectancy.**

2014: **MHLW revises guidelines on health business; requires planning and implementation of Data Health Plans.**

2015: **MHLW launches the "First Data Health Plan" (until 2017).**

2016: **Cabinet Office releases "Basic Policy on Economic and Fiscal Management and Reform (Honebuto Policy) 2016"; emphasizes alignment of Data Health Plans with health management.**

2018: MHLW initiates the "Second Data Health Plan" (until 2023).

2020: Cabinet Office's "Basic Policy on Economic and Fiscal Management and Reform (Honebuto Policy) 2020" standardizes Data Health Plans.

2022: **Cabinet Office's "Basic Policy on Economic and Fiscal Management and Reform (Honebuto Policy) 2022" promotes investment in human capital.**

2024: MHLW to implement the "Third Data Health Plan" (until 2029).

（出所）厚生労働省　データヘルス計画作成の手引き　第3期改訂版　令和5年6月

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External Environment ④ / Three Policy Keywords Driving the Promotion of "Healthy Life Expectancy"

"Extension of Healthy Life Expectancy"



A management approach in which companies treat employees' knowledge and skills as valuable assets, promoting growth to establish a sustainable competitive advantage.

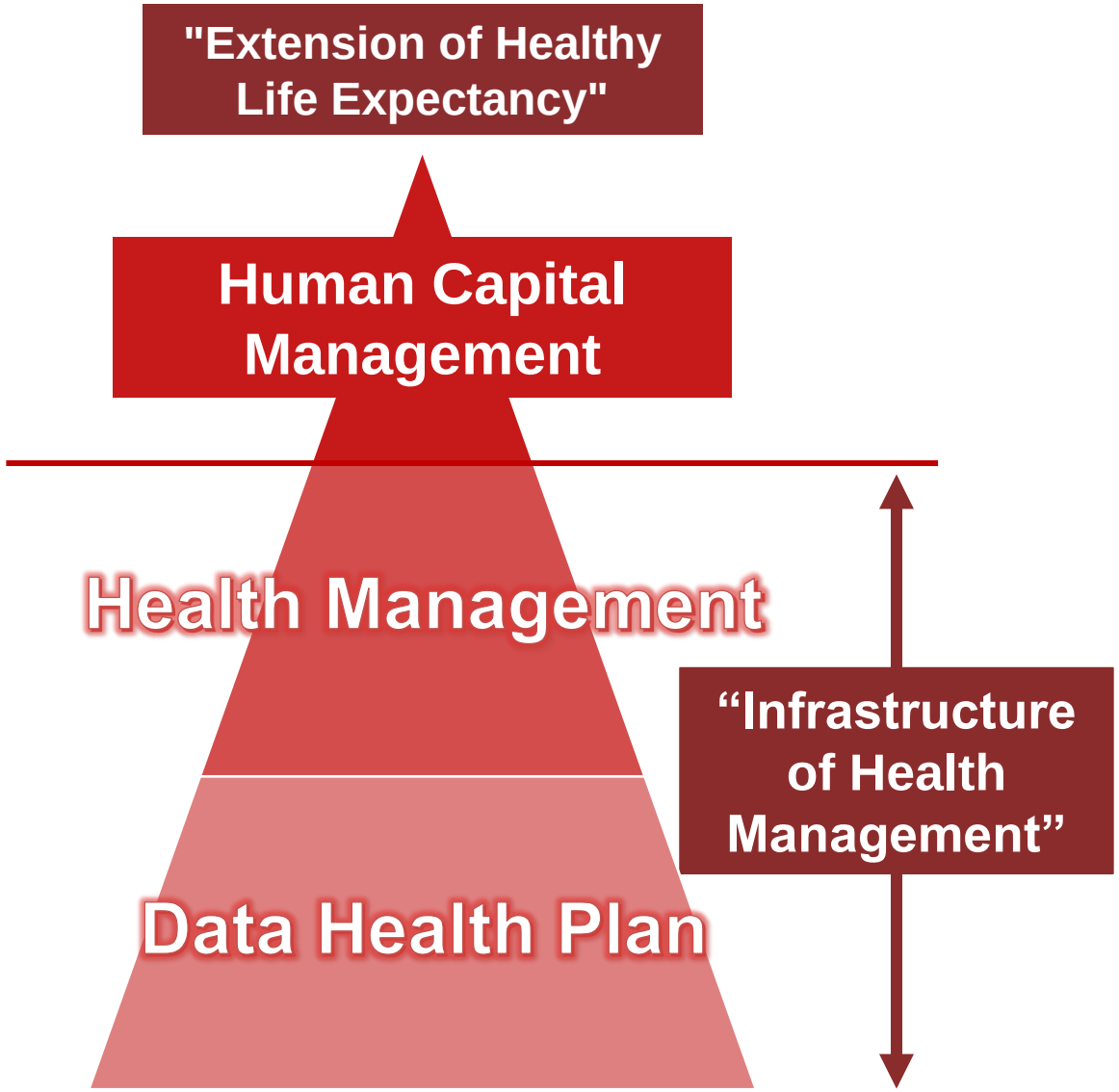
A strategy in which companies see employee health management as an “investment in well-being”, rather than a cost, to boost overall productivity and support long-term growth.

Role of Health Insurance Societies:
From Treatment to Prevention

The goal is to maintain the population's health and reduce medical expenses by utilizing health data, such as health check-up results and medical receipts.

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As a “Infrastructure of Health Management company”, we promote the national policy of "extending healthy life expectancy."



Value HR Credo

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.

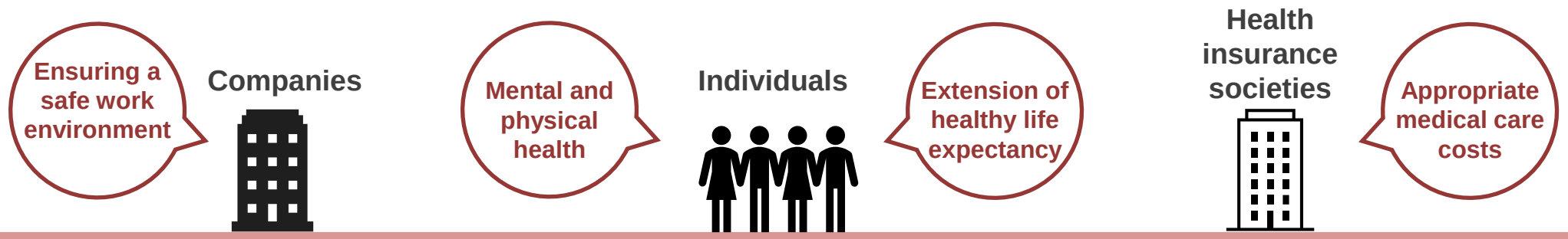
Our Culture

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

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What involved in the “Infrastructure of Health Management”?

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



Fulfillment of company's obligation of safety	Implementation of welfare benefits	Compulsory health checkups and employee health checkups results reporting for labor standards inspection office	Promotion of health and productivity management	Implementation of public health service	
	Correction of long working hours	Specific medical checkup	Health guidance	Data health plan	
Stress check	Reinforcement of occupational health	Health maintenance and promotion	Health guidance		

Labor Standards Act	Industrial Safety and Health Act	Health Promotion Act	Health Insurance Act
Labor Contracts Act	Act on the Arrangement of Related Acts to Promote Work Style Reform	Act on the Protection of Personal Information	Act on Assurance of Medical Care for Elderly People

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

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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.

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Value Cafeteria Segment Service Introduction Revenue Model

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

Office Work Outsourcing Service（suppl.P44）

Promoting health checkups

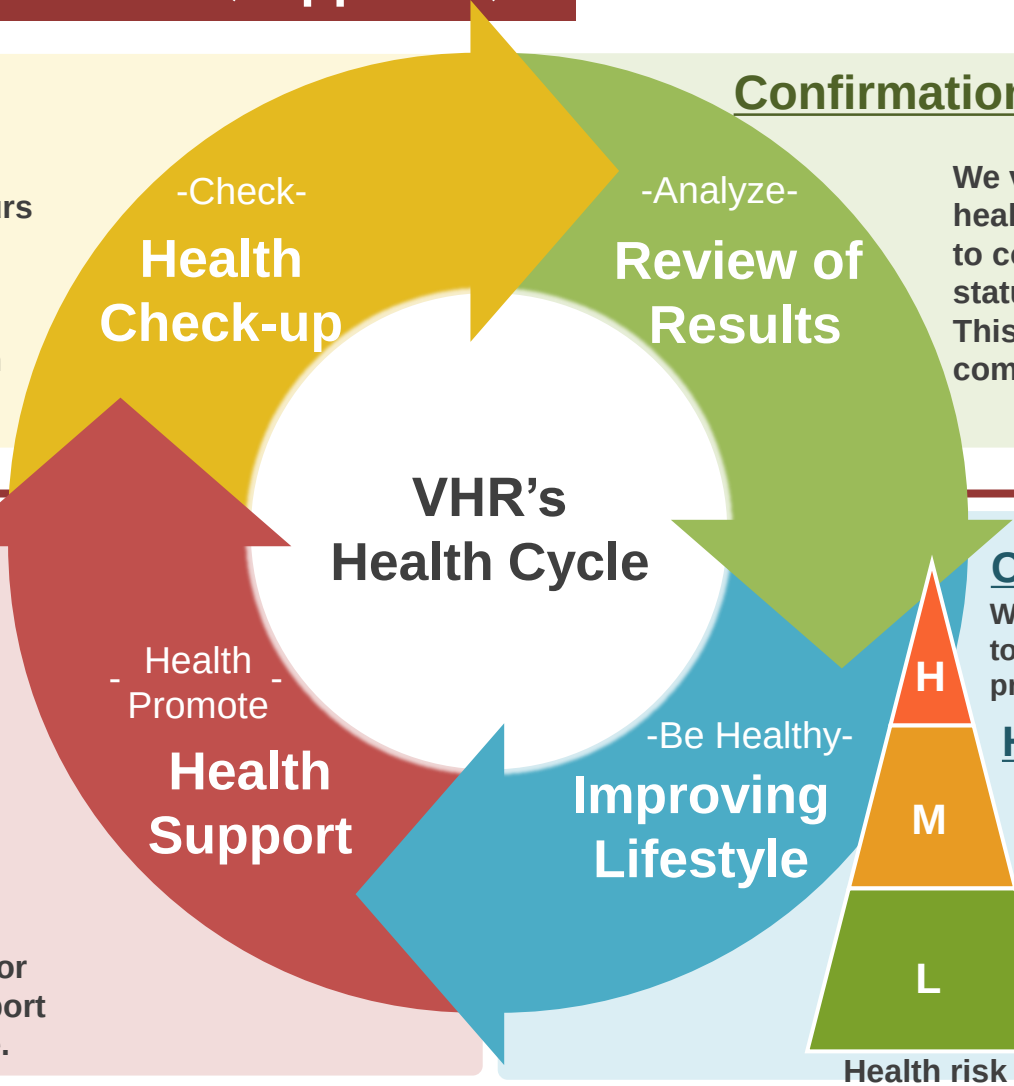


Easy to make a health checkup reservation 24 hours a day, 7 days a week, from anywhere in the world.
This also contributes to improving the rate of health checkups.

Confirmation of health checkup results

We visualize the outcomes of health checkups, enabling you to comprehend your health status.
This makes it possible to easily compare the results over time.





Cafeteria Plan (welfare)



Incentive points are given according to the results of actions such as health checkup reservations, health checkup results, and health guidance. (1 Pt = 1 JPY)

You can purchase items and use services for health management and promotion to support your health and improve your quality of life.

Online medical treatment



We provide online support from consultation to medication delivery. We work to prevent the progression of illnesses.

Health guidance



We provide health guidance to support your lifestyle. We actively prevent lifestyle-related diseases.

"Kuuneru Aruku"



You can take pleasure in learning the correct lifestyle habits for enhanced well-being.

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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.



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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.



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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

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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	・Health and productivity management support
	Utilization and Promotion of health checkups and Screenings	Implementation of employee health checkups (Achieve a 100% Examination Rate)	・Health checkup reservation system
		Encouraging health checkups, physical examinations	・Health checkup results management system
		Implementation of stress tests on workplaces with less than 50 employees	・Stress check system
Creating a basic foundation and work engagement for realizing H&PM.	Improving health literacy	Education for managers and employees	・Kuuneru Aruku® + Fusegu
	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.	
Specific measures to promote the mental and physical health of its employees	Health Guidance	Implementation of health guidance and providing opportunities for specific health guidance	・Health guidance
	Specific measures for health maintenance and enhancement	Dietary habits	・Kuuneru Aruku® + Fusegu
		Increasing opportunities for physical activity	
		Women's health maintenance and enhancement	
		Addressing long working hours for employees	・Health checkup results management system
		Supporting individuals with mental health issues	・Online medical treatment
	Preventive measures against Infectious Diseases	Immunizations, hygiene products	・Kuuneru Aruku® + Fusegu
	Tobacco control	Reducing smoking rates	
		Passive smoking prevention	

Our Support Services

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HR Management Segment Service Introduction Revenue Model

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HR Management Segment

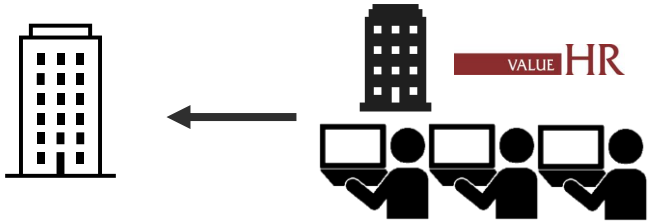
We offer comprehensive assistance for the establishment, consolidation, and division of health insurance societies, along with operational support.

Support consulting for establishment of health insurance societies



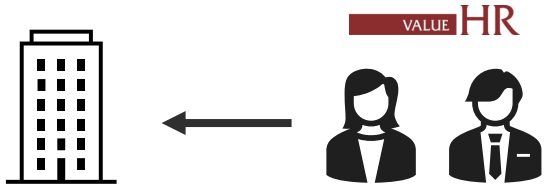
We support the establishment of corporate health insurance societies with our know-how cultivated through our experience in supporting the establishment of more than **50 health insurance societies**.
We have a support track record with a 46% share, which ranked No.1 in the industry.

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.

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Advantages of a Company Establishing Its Own Health Insurance Society

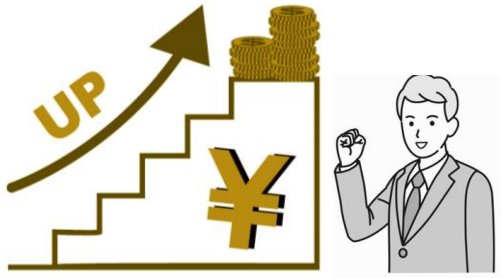
1

Reduction in Insurance Premium Burden

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



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



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

2

Expansion and Activation of Company's Health Management Policies

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.

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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	
Payment	Staff	BPO service
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～)		

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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.**

SUSTAINABLE DEVELOPMENT GOALS

E **(Environment)**		・Promote DX and paperless health checkups overall by providing a health management system ・Promote paperless internal applications
S **(Society)**		・Promote employee job satisfaction and economic growth by providing health and productivity management support to companies ・The president is taking the lead in promoting Health and Productivity Management that incorporates our company's health management service. ・Secure financial resources to maintain the health insurance system and disease prevention at health insurance societies ・Improve efficiency and convenience of operation by supporting DX of health insurance societies ・Provide educational opportunities on health promotion and disease prevention Contribute to extending healthy life expectancy by improving health literacy ・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) ・Ensure work-life balance (89.7% of employees take paid holidays, 15.7 days on average) ・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
G **(Governance)**		・Disclosure of basic policy on corporate governance ・Acquisition of ISO 27001, JIS Q 27001, and Privacy Mark certification

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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

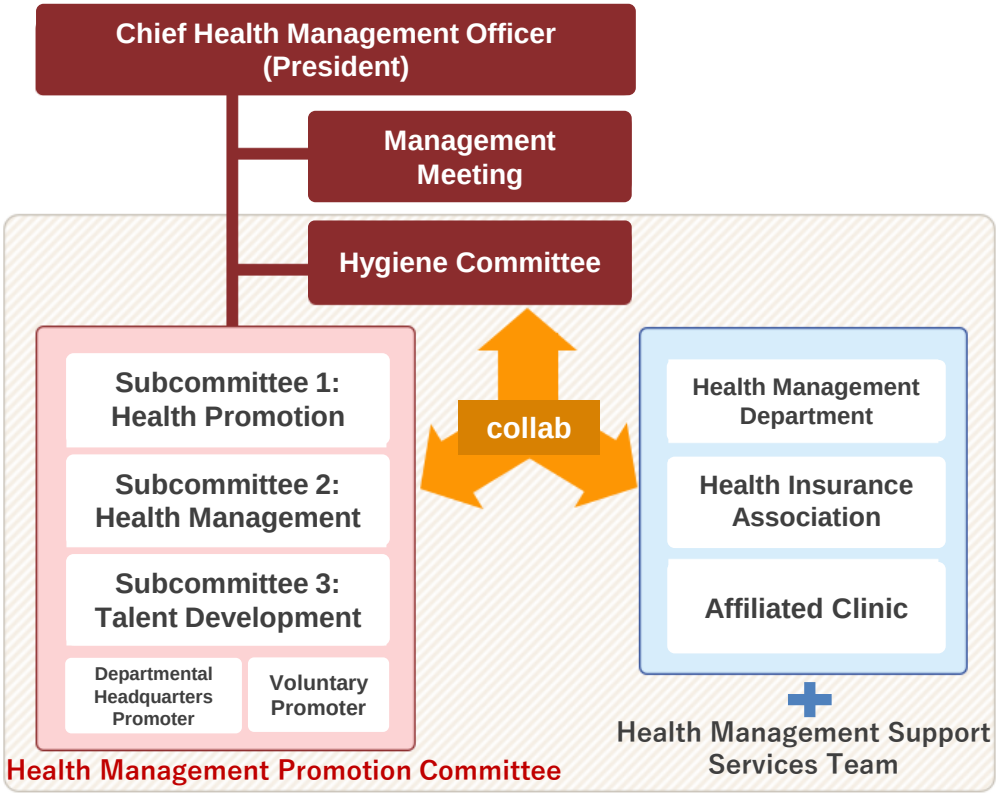
3rd time

The Health & Productivity Stock Selection 2023

7th time

The Certified H&PM Organization Recognition Program 2024

✓ Structure for Promoting Health and Productivity Management



The top management is responsible for promoting health management, with the Health Management Promotion Committee leading efforts to manage employee health. Within the committee, subcommittees are established to reflect the voices from the workplace and implement effective measures. The Women's Health Promotion Team addresses health issues specific to women and promotes the creation of a more supportive work environment. Additionally, the CEO also serves as a director of the Tohmatsu Health Insurance Association, strengthening collaboration with the association to implement effective measures based on health check-up results and data.

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- 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

Email　info@valuehr.com

URL　https://www.valuehr.com/

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