Translation

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Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 13, 2025

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 of ordinary general meeting of shareholders: March 26, 2025
Scheduled date to file Securities Report: March 27, 2025
Scheduled date to commence dividend payments: March 12, 2025
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 year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

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	%
Year ended December 31, 2024	8,376	18.0	1,117	(19.4)	1,181	(19.1)	791	(18.4)
Year ended December 31, 2023	7,100	15.1	1,385	16.1	1,459	11.2	970	10.1

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	29.60	29.53	12.2	6.7	13.3
Year ended December 31, 2023	37.01	36.99	16.3	8.6	19.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	17,864	6,689	37.3	250.06
As of December 31, 2023	17,234	6,320	36.5	237.52

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	2,020	(713)	(1,218)	5,188
Year ended December 31, 2023	1,346	(179)	(894)	5,099

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	–	12.00	–	12.00	24.00	634	64.8	10.6
Year ended December 31, 2024	–	12.00	–	13.00	25.00	671	84.5	10.3
Year ending December 31, 2025 (Forecast)	–	13.00	–	13.00	26.00		79.4	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

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	9,700	15.8	1,455	30.2	1,408	19.2	897	13.4	32.75

4. Notes

(1) Significant changes in the scope of consolidation during the year ended December 31, 2024: No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	27,388,600 shares	As of December 31, 2023	27,383,200 shares

Number of treasury shares at the end of the period

As of December 31, 2024	742,056 shares	As of December 31, 2023	885,635 shares

Average number of shares during the period

Year ended December 31, 2024	26,720,589 shares	Year ended December 31, 2023	26,208,402 shares

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	5,399,976	5,488,771
Accounts receivable - trade	707,743	678,380
Investments in leases	104,785	103,064
Merchandise	578	483
Work in process	8,908	3,022
Supplies	56,964	47,383
Accounts receivable - other	317,007	444,571
Other	154,279	213,180
Total current assets	6,750,244	6,978,856
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,064,574	3,078,348
Accumulated depreciation	(741,053)	(860,547)
Buildings and structures, net	2,323,520	2,217,801
Machinery and equipment	35,531	35,531
Accumulated depreciation	(17,622)	(21,203)
Machinery and equipment, net	17,909	14,327
Land	6,279,626	6,374,037
Other	513,482	563,911
Accumulated depreciation	(371,794)	(415,265)
Other, net	141,688	148,646
Total property, plant and equipment	8,762,744	8,754,812
Intangible assets		
Software	573,033	737,862
Software in progress	9,257	34,241
Other	408	369
Total intangible assets	582,700	772,473
Investments and other assets		
Investment securities	857,822	1,077,279
Sales guarantee deposits	19,750	19,750
Leasehold and guarantee deposits	104,083	122,493
Deferred tax assets	102,873	81,815
Other	54,236	57,155
Total investments and other assets	1,138,765	1,358,493
Total non-current assets	10,484,210	10,885,779
Total assets	17,234,455	17,864,636

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	147,139	168,878
Current portion of long-term borrowings	507,148	483,160
Lease liabilities	36,703	44,887
Accounts payable - other	562,362	602,775
Income taxes payable	345,571	117,296
Contract liabilities	430,393	476,043
Deposits received	2,401,341	3,299,370
Customer deposits received	393,569	411,942
Provision for share awards	142,808	85,861
Other	194,857	210,898
Total current liabilities	5,161,894	5,901,114
Non-current liabilities		
Long-term borrowings	5,497,294	5,014,134
Lease liabilities	78,240	71,476
Long-term guarantee deposits	173,973	185,273
Deferred tax liabilities	2	–
Asset retirement obligations	2,770	2,770
Total non-current liabilities	5,752,280	5,273,655
Total liabilities	10,914,174	11,174,769
Net assets		
Shareholders' equity		
Share capital	2,029,184	2,032,061
Capital surplus	2,110,344	2,256,730
Retained earnings	3,270,530	3,417,884
Treasury shares	(1,088,124)	(1,078,054)
Total shareholders' equity	6,321,935	6,628,621
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(28,145)	34,660
Total accumulated other comprehensive income	(28,145)	34,660
Share acquisition rights	23,124	23,469
Non-controlling interests	3,365	3,115
Total net assets	6,320,280	6,689,866
Total liabilities and net assets	17,234,455	17,864,636

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	7,100,488	8,376,016
Cost of sales	4,160,927	5,455,732
Gross profit	2,939,560	2,920,283
Selling, general and administrative expenses	1,553,588	1,802,529
Operating profit	1,385,971	1,117,753
Non-operating income		
Interest income	32	209
Dividend income	40,266	36,443
Gain on sale of investment securities	74,673	79,504
Subsidy income	13,674	14,336
Other	11,275	8,259
Total non-operating income	139,922	138,752
Non-operating expenses		
Interest expenses	33,027	39,593
Commission expenses	5,300	10,525
Share issuance costs	6,558	–
Office relocation expenses	20,146	21,760
Other	1,048	3,173
Total non-operating expenses	66,081	75,053
Ordinary profit	1,459,812	1,181,452
Extraordinary income		
Gain on reversal of share acquisition rights	102	–
Total extraordinary income	102	–
Extraordinary losses		
Loss on valuation of investment securities	–	47,525
Total extraordinary losses	–	47,525
Profit before income taxes	1,459,915	1,133,927
Income taxes - current	521,681	349,764
Income taxes - deferred	(31,058)	(6,662)
Total income taxes	490,623	343,102
Profit	969,291	790,824
Loss attributable to non-controlling interests	(726)	(250)
Profit attributable to owners of parent	970,017	791,075

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	969,291	790,824
Other comprehensive income		
Valuation difference on available-for-sale securities	96,381	62,805
Total other comprehensive income	96,381	62,805
Comprehensive income	1,065,673	853,630
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,066,399	853,880
Comprehensive income attributable to non-controlling interests	(726)	(250)

Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income
Balance at beginning of period	1,574,571	1,655,731	2,866,083	(336,273)	5,760,114	(124,526)	(124,526)
Changes during period							
Issuance of new shares	454,612	454,612			909,225		
Dividends of surplus			(565,571)		(565,571)		
Profit attributable to owners of parent			970,017		970,017		
Purchase of treasury shares				(755,502)	(755,502)		
Disposal of treasury shares				3,651	3,651		
Net changes in items other than shareholders' equity						96,381	96,381
Total changes during period	454,612	454,612	404,446	(751,850)	561,820	96,381	96,381
Balance at end of period	2,029,184	2,110,344	3,270,530	(1,088,124)	6,321,935	(28,145)	(28,145)

(Thousands of yen)

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	5,414	4,091	5,645,093
Changes during period			
Issuance of new shares			909,225
Dividends of surplus			(565,571)
Profit attributable to owners of parent			970,017
Purchase of treasury shares			(755,502)
Disposal of treasury shares			3,651
Net changes in items other than shareholders' equity	17,710	(726)	113,365
Total changes during period	17,710	(726)	675,187
Balance at end of period	23,124	3,365	6,320,280

Fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income
Balance at beginning of period	2,029,184	2,110,344	3,270,530	(1,088,124)	6,321,935	(28,145)	(28,145)
Changes during period							
Issuance of new shares	2,876	2,876			5,753		
Dividends of surplus			(643,721)		(643,721)		
Profit attributable to owners of parent			791,075		791,075		
Purchase of treasury shares				(1,099,250)	(1,099,250)		
Disposal of treasury shares		143,508		1,109,321	1,252,829		
Net changes in items other than shareholders' equity						62,805	62,805
Total changes during period	2,876	146,385	147,353	10,070	306,686	62,805	62,805
Balance at end of period	2,032,061	2,256,730	3,417,884	(1,078,054)	6,628,621	34,660	34,660

(Thousands of yen)

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	23,124	3,365	6,320,280
Changes during period			
Issuance of new shares			5,753
Dividends of surplus			(643,721)
Profit attributable to owners of parent			791,075
Purchase of treasury shares			(1,099,250)
Disposal of treasury shares			1,252,829
Net changes in items other than shareholders' equity	344	(250)	62,899
Total changes during period	344	(250)	369,586
Balance at end of period	23,469	3,115	6,689,866

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,459,915	1,133,927
Depreciation	342,746	375,697
Loss (gain) on valuation of investment securities	–	47,525
Amortization of lease and guarantee deposits	6,917	7,698
Share-based payment expenses	9,949	1,439
Increase (decrease) in provision for share awards	69,596	77,235
Interest and dividend income	(40,299)	(36,652)
Subsidy income	(2,054)	–
Subsidy income	(13,674)	(14,336)
Interest expenses	33,027	39,593
Loss (gain) on sale of investment securities	(74,673)	(79,504)
Decrease (increase) in trade receivables	(76,027)	29,363
Decrease (increase) in inventories	(19,741)	15,562
Decrease (increase) in investments in leases	31,728	34,199
Decrease (increase) in accounts receivable - other	(28,511)	(91,145)
Increase (decrease) in trade payables	34,203	21,738
Increase (decrease) in accounts payable - other	122,056	107,433
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(4,574)	7,171
Increase (decrease) in deposits received	(46,178)	898,028
Increase (decrease) in customer deposits	(104,204)	18,373
Other, net	112,250	(11,949)
Subtotal	1,812,451	2,581,401
Interest and dividends received	40,299	36,652
Interest paid	(33,124)	(39,606)
Income taxes paid	(489,133)	(571,812)
Subsidies received	2,054	–
Subsidies received	13,674	14,336
Net cash provided by (used in) operating activities	1,346,221	2,020,971
Cash flows from investing activities		
Payments into time deposits	(300,000)	(300,000)
Proceeds from withdrawal of time deposits	300,000	300,000
Purchase of property, plant and equipment	(72,011)	(151,413)
Purchase of intangible assets	(302,808)	(387,755)
Purchase of investment securities	(463,910)	(737,447)
Proceeds from sale of investment securities	654,679	577,478
Payments of leasehold and guarantee deposits	(72)	(26,108)
Refund of guarantee deposits received	(952)	11,300
Guarantee deposits received	9,283	–
Other, net	(3,642)	–
Net cash provided by (used in) investing activities	(179,434)	(713,945)

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(507,148)	(507,148)
Proceeds from exercise of employee share options	11,968	4,314
Proceeds from issuance of share acquisition rights	10,521	344
Proceeds from issuance of shares	894,600	–
Proceeds from sale of treasury shares	3,651	1,118,648
Purchase of treasury shares	(705,029)	(1,149,724)
Repayments of lease liabilities	(37,811)	(40,780)
Dividends paid	(564,917)	(643,884)
Net cash provided by (used in) financing activities	(894,165)	(1,218,230)
Net increase (decrease) in cash and cash equivalents	272,621	88,794
Cash and cash equivalents at beginning of period	4,827,354	5,099,976
Cash and cash equivalents at end of period	5,099,976	5,188,771