

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 10, 2021

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: August 10, 2021
 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 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	%
Three months ended June 30, 2021	16,311	1.9	262	–	295	148.0	104	–
Three months ended June 30, 2020	16,011	(2.5)	(3)	–	119	(60.4)	(71)	–

Note: Comprehensive income Three months ended June 30, 2021 ¥(58) million [–%]
 Three months ended June 30, 2020 ¥1,033 million [–%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	2.98	2.98
Three months ended June 30, 2020	(2.02)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	70,689	25,311	35.7
As of March 31, 2021	79,175	25,895	32.6

Reference: Equity As of June 30, 2021 ¥25,244 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	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	0.00	–	15.00	15.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		0.00	–	15.00	15.00

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

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

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
Six months ending September 30, 2021	33,800	(0.9)	400	—	400	953.1	200	(61.1)	5.69
Full year	84,000	8.4	2,100	—	2,400	227.6	1,400	325.5	39.82

Note: Revisions to the earnings forecasts most recently announced: None

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 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 June 30, 2021	170,086 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)

Three months ended June 30, 2021	35,162,357 shares	Three months ended June 30, 2020	35,130,061 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 (200,508 shares as of June 30, 2021 and 202,948 shares as of June 30, 2020). 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 (200,508 shares for the three months ended June 30, 2021 and 202,948 shares for the three months ended June 30, 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 June 30, 2021
Assets		
Current assets		
Cash and deposits	6,654	7,393
Notes receivable, accounts receivable from completed construction contracts	20,965	—
Notes receivable accounts receivable from completed construction contracts and contract assets	—	11,500
Accrued rental income	6,560	—
Accrued rental income and contract assets	—	6,992
Real estate for sale	1,654	1,909
Real estate for sale in process	255	615
Costs on construction contracts in progress	1,580	721
Other inventories	750	923
Other	1,555	1,926
Allowance for doubtful accounts	(167)	(54)
Total current assets	39,809	31,929
Non-current assets		
Property, plant and equipment		
Rental ,net	2,774	2,787
Buildings and structures, net	5,591	5,492
Land	8,318	8,318
Other, net	5,219	4,995
Total property, plant and equipment	21,904	21,594
Intangible assets		
Goodwill	2,819	2,767
Other	1,527	1,504
Total intangible assets	4,347	4,272
Investments and other assets		
Investment securities	11,164	10,905
Other	2,356	2,457
Allowance for doubtful accounts	(406)	(468)
Total investments and other assets	13,113	12,893
Total non-current assets	39,366	38,759
Total assets	79,175	70,689

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	14,567	11,541
Short-term borrowings	9,144	7,000
Current portion of long-term borrowings	3,737	3,771
Income taxes payable	694	268
Advances received on construction contracts in progress	1,364	1,426
Advances received-rental	2,001	960
Provision for loss on construction contracts	1,087	1,063
Provision for warranties for completed construction	368	540
Provision for bonuses	689	340
Other provisions	82	49
Other	4,076	3,854
Total current liabilities	37,814	30,817
Non-current liabilities		
Long-term borrowings	10,460	9,846
Retirement benefit liability	1,891	1,918
Other provisions	152	151
Other	2,961	2,645
Total non-current liabilities	15,465	14,561
Total liabilities	53,279	45,378
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	1,774	1,224
Retained earnings	13,687	13,792
Treasury shares	(380)	(350)
Total shareholders' equity	22,081	21,667
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,784	3,604
Foreign currency translation adjustment	18	32
Remeasurements of defined benefit plans	(62)	(58)
Total accumulated other comprehensive income	3,740	3,577
Share acquisition rights	73	67
Total net assets	25,895	25,311
Total liabilities and net assets	79,175	70,689

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales		
Net sales of completed construction contracts	12,028	11,285
Rental sales	3,885	4,953
Sales in development business	97	71
Total net sales	16,011	16,311
Cost of sales		
Cost of sales of completed construction contracts	10,689	10,167
A rental cost	2,848	3,441
Cost of sales in development business	37	38
Total cost of sales	13,575	13,648
Gross profit		
Gross profit on completed construction contracts	1,339	1,117
Gross profit on rental	1,036	1,512
Gross profit - development business	60	33
Total gross profit	2,436	2,663
Selling, general and administrative expenses	2,440	2,401
Operating profit (loss)	(3)	262
Non-operating income		
Interest income	7	5
Dividend income	52	51
Land and house rent received	7	8
Purchase discounts	4	3
Subsidy income	94	—
Other	50	65
Total non-operating income	217	135
Non-operating expenses		
Interest expenses	42	37
Rent cost of real estate	3	3
Commission for syndicated loans	31	31
Other	17	29
Total non-operating expenses	94	101
Ordinary profit	119	295
Extraordinary income		
Gain on sale of non-current assets	0	6
Reversal of impairment loss	—	1
Total extraordinary income	0	8
Extraordinary losses		
Loss on retirement of non-current assets	0	17
Other	—	0
Total extraordinary losses	0	17
Profit before income taxes	119	286
Income taxes	190	181
Profit (loss)	(71)	104
Loss attributable to non-controlling interests	(0)	—
Profit (loss) attributable to owners of parent	(71)	104

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	(71)	104
Other comprehensive income		
Valuation difference on available-for-sale securities	1,084	(180)
Foreign currency translation adjustment	16	13
Remeasurements of defined benefit plans, net of tax	3	4
Total other comprehensive income	1,104	(162)
Comprehensive income	1,033	(58)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,033	(58)
Comprehensive income attributable to non-controlling interests	(0)	—