

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 9, 2019

Company name: Human Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2415 URL <https://www.athuman.com/>
 Representative: Representative Director, President and CEO Tomonari Sato
 Inquiries: Director, Corporate Planning Division Yasuhiro Sato TEL 03-6846-8002
 Scheduled date to file Quarterly Securities Report: August 9, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	21,231	1.5	550	(4.1)	545	(9.3)	203	(45.8)
Three months ended June 30, 2018	20,926	7.4	574	28.1	602	22.0	376	26.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	18.75		–	
Three months ended June 30, 2018	34.58		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	39,282	10,677	27.2
As of March 31, 2019	40,311	10,719	26.6

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, 2019	–	0.00	–	22.50	22.50
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	0.00	–	24.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	43,072	3.7	679	(21.9)	674	(21.8)	308	(39.3)	28.38
Full year	89,909	6.6	2,283	8.2	2,273	4.7	1,291	6.0	118.68

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (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: No
- (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, 2019	10,987,200 shares	As of March 31, 2019	10,987,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	109,159 shares	As of March 31, 2019	109,159 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, 2019	10,878,041 shares	Three months ended June 30, 2018	10,878,234 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	20,294,996	20,433,462
Notes and accounts receivable - trade	9,502,787	8,665,643
Merchandise	611,639	622,255
Supplies	21,671	30,241
Other	940,283	864,670
Allowance for doubtful accounts	(6,550)	(5,594)
Total current assets	31,364,828	30,610,678
Non-current assets		
Property, plant and equipment	3,366,426	3,289,313
Intangible assets		
Goodwill	125,252	116,440
Other	1,401,422	1,381,151
Total intangible assets	1,526,674	1,497,592
Investments and other assets		
Guarantee deposits	2,195,043	2,184,229
Other	1,987,441	1,839,713
Allowance for doubtful accounts	(128,909)	(138,757)
Total investments and other assets	4,053,575	3,885,186
Total non-current assets	8,946,676	8,672,092
Total assets	40,311,505	39,282,771
Liabilities		
Current liabilities		
Accounts payable - trade	259,787	350,225
Short-term borrowings	260,000	250,000
Current portion of long-term borrowings	2,045,755	2,330,651
Advances received	10,731,012	9,256,510
Accounts payable - other	7,049,617	6,796,178
Income taxes payable	486,022	73,465
Provision for bonuses	835,796	464,730
Other	2,485,433	2,804,416
Total current liabilities	24,153,424	22,326,179
Non-current liabilities		
Long-term borrowings	4,389,013	5,213,042
Provision for retirement benefits for directors (and other officers)	457,768	468,143
Asset retirement obligations	345,146	346,303
Other	246,894	251,140
Total non-current liabilities	5,438,823	6,278,629
Total liabilities	29,592,248	28,604,808

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	1,299,900	1,299,900
Capital surplus	809,900	809,900
Retained earnings	8,682,602	8,641,764
Treasury shares	(66,794)	(66,794)
Total shareholders' equity	10,725,608	10,684,770
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(637)	(1,050)
Foreign currency translation adjustment	(5,714)	(5,756)
Total accumulated other comprehensive income	(6,351)	(6,807)
Total net assets	10,719,257	10,677,963
Total liabilities and net assets	40,311,505	39,282,771

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	20,926,709	21,231,812
Cost of sales	15,063,325	15,227,188
Gross profit	5,863,384	6,004,623
Selling, general and administrative expenses	5,288,917	5,453,632
Operating profit	574,466	550,990
Non-operating income		
Interest income	2,287	2,806
Dividend income	821	106
Examination fee	7,448	6,095
Subsidy income	7,288	1,517
Reversal of allowance for doubtful accounts	10,284	–
Other	18,883	14,720
Total non-operating income	47,014	25,246
Non-operating expenses		
Interest expenses	3,060	3,240
Settlement package	4,905	2,030
Foreign exchange losses	4,055	5,522
Provision of allowance for doubtful accounts	–	9,580
Loss on abandonment of supplies	1,721	7,481
Other	5,630	2,541
Total non-operating expenses	19,374	30,397
Ordinary profit	602,106	545,839
Extraordinary losses		
Loss on retirement of non-current assets	–	1,457
Loss on valuation of investment securities	–	13,706
Loss on valuation of shares of subsidiaries and associates	–	46,122
Impairment loss	–	27,171
Total extraordinary losses	–	88,458
Profit before income taxes	602,106	457,381
Income taxes	225,969	253,463
Profit	376,137	203,917
Profit attributable to owners of parent	376,137	203,917

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	376,137	203,917
Other comprehensive income		
Valuation difference on available-for-sale securities	(290)	(413)
Foreign currency translation adjustment	78	(42)
Total other comprehensive income	(212)	(456)
Comprehensive income	375,924	203,461
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	375,924	203,461
Comprehensive income attributable to non-controlling interests	—	—