

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 7, 2020

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 7, 2020
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	21,079	(0.7)	796	44.5	828	51.8	450	120.8
Three months ended June 30, 2019	21,231	1.5	550	(4.1)	545	(9.3)	203	(45.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	41.38		–	
Three months ended June 30, 2019	18.75		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	40,981	11,599	28.3
As of March 31, 2020	40,154	11,323	28.2

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, 2020	–	0.00	–	16.00	16.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	0.00	–	5.50	5.50

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	41,789	(1.9)	726	(24.6)	834	(16.0)	293	(31.7)	27.00
Full year	85,812	(0.2)	1,415	(29.3)	1,499	(29.5)	288	(66.0)	26.52

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (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, 2020	10,987,200 shares	As of March 31, 2020	10,987,200 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2020	109,159 shares	As of March 31, 2020	109,159 shares
---------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	10,878,041 shares	Three months ended June 30, 2019	10,878,041 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	20,138,690	21,578,651
Notes and accounts receivable - trade	9,766,497	9,132,568
Merchandise	636,713	652,811
Supplies	33,787	31,066
Other	828,126	1,010,986
Allowance for doubtful accounts	(10,110)	(9,358)
Total current assets	31,393,705	32,396,725
Non-current assets		
Property, plant and equipment	3,206,133	3,227,265
Intangible assets		
Goodwill	52,034	44,903
Other	1,412,023	1,321,527
Total intangible assets	1,464,058	1,366,430
Investments and other assets		
Guarantee deposits	2,272,842	2,287,537
Other	1,953,448	1,848,644
Allowance for doubtful accounts	(135,955)	(145,481)
Total investments and other assets	4,090,336	3,990,700
Total non-current assets	8,760,528	8,584,396
Total assets	40,154,233	40,981,121
Liabilities		
Current liabilities		
Accounts payable - trade	242,956	212,536
Short-term borrowings	280,000	150,000
Current portion of long-term borrowings	2,292,521	3,150,986
Advances received	10,644,179	8,415,314
Accounts payable - other	5,949,388	5,610,881
Income taxes payable	495,426	208,083
Provision for bonuses	859,006	486,067
Asset retirement obligations	–	5,229
Other	2,940,101	2,941,350
Total current liabilities	23,703,579	21,180,449
Non-current liabilities		
Long-term borrowings	4,033,995	7,108,756
Provision for retirement benefits for directors (and other officers)	489,235	466,435
Asset retirement obligations	354,570	349,792
Other	249,319	276,434
Total non-current liabilities	5,127,119	8,201,418
Total liabilities	28,830,699	29,381,867

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	1,299,900	1,299,900
Capital surplus	809,900	809,900
Retained earnings	9,286,285	9,562,387
Treasury shares	(66,794)	(66,794)
Total shareholders' equity	11,329,291	11,605,393
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	41
Foreign currency translation adjustment	(5,757)	(6,181)
Total accumulated other comprehensive income	(5,757)	(6,139)
Total net assets	11,323,533	11,599,254
Total liabilities and net assets	40,154,233	40,981,121

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, 2019	Three months ended June 30, 2020
Net sales	21,231,812	21,079,465
Cost of sales	15,227,188	15,234,833
Gross profit	6,004,623	5,844,631
Selling, general and administrative expenses	5,453,632	5,048,518
Operating profit	550,990	796,113
Non-operating income		
Interest income	2,806	2,717
Dividend income	106	42
Examination fee	6,095	1,200
Subsidy income	1,517	7,205
Insurance claim income	–	13,770
Other	14,720	29,938
Total non-operating income	25,246	54,875
Non-operating expenses		
Interest expenses	3,240	3,982
Provision of allowance for doubtful accounts	9,580	8,407
Loss on abandonment of supplies	7,481	732
Other	10,094	9,372
Total non-operating expenses	30,397	22,495
Ordinary profit	545,839	828,493
Extraordinary losses		
Loss on retirement of non-current assets	1,457	12,154
Loss on valuation of investment securities	13,706	–
Loss on valuation of shares of subsidiaries and associates	46,122	–
Impairment loss	27,171	13,847
Total extraordinary losses	88,458	26,002
Profit before income taxes	457,381	802,491
Income taxes	253,463	352,340
Profit	203,917	450,150
Profit attributable to owners of parent	203,917	450,150

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	203,917	450,150
Other comprehensive income		
Valuation difference on available-for-sale securities	(413)	41
Foreign currency translation adjustment	(42)	(423)
Total other comprehensive income	(456)	(382)
Comprehensive income	203,461	449,768
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	203,461	449,768
Comprehensive income attributable to non-controlling interests	—	—