

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 14, 2019

Company name: Human Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2415 URL <http://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: February 14, 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(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	%
Nine months ended December 31, 2018	63,085	7.8	1,616	14.0	1,622	8.6	988	10.6
Nine months ended December 31, 2017	58,521	6.3	1,418	9.1	1,494	5.4	894	19.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	90.88		–	
Nine months ended December 31, 2017	82.19		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	38,462	10,490	27.3
As of March 31, 2018	37,638	9,773	26.0

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, 2018	–	0.00	–	21.00	21.00
Year ending March 31, 2019	–	0.00	–		
Year ending March 31, 2019 (Forecast)				19.00	19.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	85,978	9.2	1,878	(0.9)	1,939	(3.0)	1,021	(9.7)	93.86

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
 (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 December 31, 2018	10,987,200 shares	As of March 31, 2018	10,987,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	109,028 shares	As of March 31, 2018	108,966 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	10,878,219 shares	Nine months ended December 31, 2017	10,878,274 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	18,461,766	19,454,647
Notes and accounts receivable - trade	9,148,096	8,878,316
Merchandise	514,545	608,136
Supplies	24,850	25,673
Other	706,746	725,047
Allowance for doubtful accounts	(6,138)	(6,955)
Total current assets	28,849,866	29,684,865
Non-current assets		
Property, plant and equipment	3,504,940	3,353,979
Intangible assets		
Goodwill	209,783	199,270
Other	971,141	1,285,747
Total intangible assets	1,180,925	1,485,017
Investments and other assets		
Guarantee deposits	2,202,357	2,160,069
Other	2,064,694	1,950,917
Allowance for doubtful accounts	(164,097)	(172,050)
Total investments and other assets	4,102,954	3,938,936
Total non-current assets	8,788,820	8,777,934
Total assets	37,638,687	38,462,799
Liabilities		
Current liabilities		
Accounts payable - trade	201,963	278,033
Short-term loans payable	250,000	550,000
Current portion of long-term loans payable	1,861,354	2,110,200
Advances received	10,465,132	8,588,756
Accounts payable - other	6,633,915	6,900,735
Income taxes payable	371,855	129,113
Provision for bonuses	796,883	449,609
Asset retirement obligations	6,200	4,353
Other	2,316,111	3,044,817
Total current liabilities	22,903,416	22,055,620
Non-current liabilities		
Long-term loans payable	4,006,407	4,886,843
Provision for directors' retirement benefits	421,117	447,404
Asset retirement obligations	316,761	335,105
Other	217,783	247,349
Total non-current liabilities	4,962,069	5,916,703
Total liabilities	27,865,486	27,972,323

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	1,299,900	1,299,900
Capital surplus	809,900	809,900
Retained earnings	7,735,653	8,453,436
Treasury shares	(66,392)	(66,525)
Total shareholders' equity	9,779,060	10,496,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(124)	(641)
Foreign currency translation adjustment	(5,735)	(5,593)
Total accumulated other comprehensive income	(5,860)	(6,235)
Total net assets	9,773,200	10,490,475
Total liabilities and net assets	37,638,687	38,462,799

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	58,521,282	63,085,242
Cost of sales	42,242,642	45,770,232
Gross profit	16,278,640	17,315,009
Selling, general and administrative expenses	14,860,011	15,698,433
Operating profit	1,418,628	1,616,576
Non-operating income		
Interest income	6,144	7,389
Dividend income	1,899	832
Subsidy income	11,668	18,815
Examination fee	23,376	22,921
Other	61,963	54,315
Total non-operating income	105,052	104,274
Non-operating expenses		
Interest expenses	11,893	10,923
Settlement package	9,474	68,254
Other	7,750	19,270
Total non-operating expenses	29,117	98,448
Ordinary profit	1,494,563	1,622,402
Extraordinary losses		
Loss on retirement of non-current assets	318	5,400
Loss on valuation of investment securities	53	-
Impairment loss	33,194	35,761
Provision of allowance for doubtful accounts	607	-
Total extraordinary losses	34,173	41,161
Profit before income taxes	1,460,390	1,581,240
Income taxes	566,321	592,623
Profit	894,069	988,617
Profit attributable to owners of parent	894,069	988,617

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	894,069	988,617
Other comprehensive income		
Valuation difference on available-for-sale securities	88	(516)
Foreign currency translation adjustment	(125)	141
Total other comprehensive income	(37)	(375)
Comprehensive income	894,031	988,242
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	894,031	988,242
Comprehensive income attributable to non-controlling interests	—	—