

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2020
(Based on Japanese GAAP)**

November 13, 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: November 13, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	42,005	(1.4)	1,237	28.5	1,438	45.0	751	74.6
Six months ended September 30, 2019	42,585	2.5	963	10.8	992	15.1	430	(15.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	69.06		–	
Six months ended September 30, 2019	39.56		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	41,803	11,900	28.5
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	–	0.00			
Year ending March 31, 2021 (Forecast)			–	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 attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
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 six months ended September 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 September 30, 2020	10,987,200 shares	As of March 31, 2020	10,987,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	109,159 shares	As of March 31, 2020	109,159 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2020	10,878,041 shares	Six months ended September 30, 2019	10,878,041 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	20,138,690	22,222,814
Notes and accounts receivable - trade	9,766,497	9,173,100
Merchandise	636,713	602,496
Supplies	33,787	23,572
Other	828,126	854,879
Allowance for doubtful accounts	(10,110)	(9,571)
Total current assets	31,393,705	32,867,291
Non-current assets		
Property, plant and equipment	3,206,133	3,182,600
Intangible assets		
Goodwill	52,034	42,274
Other	1,412,023	1,264,837
Total intangible assets	1,464,058	1,307,112
Investments and other assets		
Guarantee deposits	2,272,842	2,267,249
Other	1,953,448	2,330,617
Allowance for doubtful accounts	(135,955)	(151,281)
Total investments and other assets	4,090,336	4,446,584
Total non-current assets	8,760,528	8,936,296
Total assets	40,154,233	41,803,588
Liabilities		
Current liabilities		
Accounts payable - trade	242,956	226,183
Short-term borrowings	280,000	150,000
Current portion of long-term borrowings	2,292,521	3,116,061
Advances received	10,644,179	8,794,851
Accounts payable - other	5,949,388	5,622,824
Income taxes payable	495,426	595,829
Provision for bonuses	859,006	915,419
Other	2,940,101	2,560,777
Total current liabilities	23,703,579	21,981,946
Non-current liabilities		
Long-term borrowings	4,033,995	6,802,827
Provision for retirement benefits for directors (and other officers)	489,235	475,628
Asset retirement obligations	354,570	358,426
Other	249,319	284,125
Total non-current liabilities	5,127,119	7,921,006
Total liabilities	28,830,699	29,902,952

(Thousands of yen)

	As of March 31, 2020	As of September 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	9,863,425
Treasury shares	(66,794)	(66,794)
Total shareholders' equity	11,329,291	11,906,431
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	117
Foreign currency translation adjustment	(5,757)	(5,913)
Total accumulated other comprehensive income	(5,757)	(5,796)
Total net assets	11,323,533	11,900,635
Total liabilities and net assets	40,154,233	41,803,588

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	42,585,203	42,005,720
Cost of sales	30,845,726	30,728,447
Gross profit	11,739,476	11,277,272
Selling, general and administrative expenses	10,775,847	10,039,412
Operating profit	963,628	1,237,859
Non-operating income		
Interest income	5,727	5,274
Dividend income	106	42
Compensation income	22,273	14,927
Subsidy income	1,717	171,180
Other	37,622	60,747
Total non-operating income	67,447	252,172
Non-operating expenses		
Interest expenses	6,983	8,730
Settlement package	3,114	15,123
Loss on abandonment of supplies	9,313	2,127
Provision of allowance for doubtful accounts	8,839	11,563
Other	10,329	13,622
Total non-operating expenses	38,580	51,167
Ordinary profit	992,495	1,438,865
Extraordinary income		
Gain on sales of non-current assets	196	683
Total extraordinary income	196	683
Extraordinary losses		
Loss on retirement of non-current assets	7,253	12,154
Loss on valuation of investment securities	13,706	–
Loss on valuation of shares of subsidiaries and associates	46,122	–
Impairment loss	62,007	63,586
Total extraordinary losses	129,089	75,741
Profit before income taxes	863,601	1,363,807
Income taxes	433,316	612,618
Profit	430,284	751,189
Profit attributable to owners of parent	430,284	751,189

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	430,284	751,189
Other comprehensive income		
Valuation difference on available-for-sale securities	(460)	117
Foreign currency translation adjustment	(58)	(156)
Total other comprehensive income	(519)	(38)
Comprehensive income	429,765	751,150
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	429,765	751,150
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	863,601	1,363,807
Depreciation	428,974	450,056
Impairment loss	62,007	63,586
Amortization of goodwill	42,885	14,533
Settlement package	3,114	15,123
Loss (gain) on valuation of investment securities	13,706	–
Loss on valuation of shares of subsidiaries and associates	46,122	–
Loss on retirement of non-current assets	7,253	12,154
Gain on sales of non-current assets	(196)	(683)
Compensation income	(22,273)	(14,927)
Increase (decrease) in allowance for doubtful accounts	8,853	14,854
Increase (decrease) in provision for bonuses	40,396	56,413
Increase (decrease) in provision for retirement benefits for directors (and other officers)	20,847	(13,607)
Subsidy income	(1,717)	(171,180)
Interest and dividend income	(5,834)	(5,317)
Interest expenses	6,983	8,730
Decrease (increase) in trade receivables	701,153	593,234
Decrease (increase) in inventories	44,424	33,140
Increase (decrease) in trade payables	(39,489)	(16,773)
Increase (decrease) in advances received	(1,124,995)	(1,847,650)
Increase (decrease) in accounts payable - other	(1,502,900)	(157,545)
Other, net	(259,357)	(652,727)
Subtotal	(666,439)	(254,777)
Interest and dividends received	7,138	7,012
Interest paid	(7,074)	(8,138)
Subsidies received	4,819	184,570
Settlement package paid	(3,587)	(12,623)
Proceeds from compensation	1,273	–
Income taxes (paid) refund	(575,726)	(598,601)
Net cash provided by (used in) operating activities	(1,239,596)	(682,557)
Cash flows from investing activities		
Purchase of property, plant and equipment	(350,532)	(398,917)
Purchase of intangible assets	(361,272)	(81,867)
Purchase of investment securities	(4,338)	–
Payments of guarantee deposits	(29,330)	(72,292)
Proceeds from refund of guarantee deposits	12,138	34,799
Loan advances	(25,268)	(282,681)
Collection of loans receivable	37,395	182,901
Subsidy income	135,000	108,591
Payments for acquisition of businesses	(33,399)	(10,000)
Other, net	196	(382)
Net cash provided by (used in) investing activities	(619,410)	(519,850)

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	40,000	(130,000)
Proceeds from long-term borrowings	2,150,000	5,000,000
Repayments of long-term borrowings	(1,144,704)	(1,407,628)
Dividends paid	(244,755)	(174,048)
Net cash provided by (used in) financing activities	800,540	3,288,323
Effect of exchange rate change on cash and cash equivalents	(1,733)	(1,792)
Net increase (decrease) in cash and cash equivalents	(1,060,201)	2,084,123
Cash and cash equivalents at beginning of period	20,294,996	20,138,690
Cash and cash equivalents at end of period	19,234,795	22,222,814