

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2021
(Based on Japanese GAAP)**

May 14, 2021

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 of ordinary general meeting of shareholders: June 29, 2021
 Scheduled date to file Securities Report: June 30, 2021
 Scheduled date to commence dividend payments: June 30, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

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	%
Year ended March 31, 2021	85,811	(0.2)	2,702	35.0	3,253	52.9	1,439	69.7
Year ended March 31, 2020	85,989	2.0	2,002	(5.2)	2,127	(2.1)	848	(30.3)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	132.36	–	12.1	7.8	3.1
Year ended March 31, 2020	78.00	–	7.7	5.3	2.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	43,187	12,453	28.8	1,144.79
As of March 31, 2020	40,154	11,323	28.2	1,040.95

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	2,046	(1,022)	1,674	22,848
Year ended March 31, 2020	1,400	(1,221)	(333)	20,138

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	0.00	–	16.00	16.00	174	20.5	1.6
Year ended March 31, 2021	–	0.00	–	26.50	26.50	288	20.0	2.4
Year ending March 31, 2022 (Forecast)	–	0.00	–	24.00	24.00		20.3	

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
Full year	88,167	2.7	2,265	(16.2)	2,324	(28.6)	1,286	(10.7)	118.25

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	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 March 31, 2021	109,201 shares	As of March 31, 2020	109,159 shares
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Average number of shares during the period

Year ended March 31, 2021	10,878,037 shares	Year ended March 31, 2020	10,878,041 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	20,138,690	22,848,737
Notes and accounts receivable - trade	9,766,497	10,325,422
Merchandise	636,713	678,662
Supplies	33,787	21,860
Other	828,126	1,010,359
Allowance for doubtful accounts	(10,110)	(4,495)
Total current assets	31,393,705	34,880,547
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,446,523	2,428,591
Tools, furniture and fixtures, net	253,497	294,864
Land	502,700	502,700
Construction in progress	3,412	–
Total property, plant and equipment	3,206,133	3,226,155
Intangible assets		
Software	1,313,052	1,065,838
Goodwill	52,034	27,574
Other	98,971	98,740
Total intangible assets	1,464,058	1,192,153
Investments and other assets		
Investment securities	500,796	222,412
Long-term loans receivable	340,897	370,713
Guarantee deposits	2,272,842	2,148,646
Deferred tax assets	431,215	489,522
Other	680,538	881,356
Allowance for doubtful accounts	(135,955)	(224,276)
Total investments and other assets	4,090,336	3,888,374
Total non-current assets	8,760,528	8,306,683
Total assets	40,154,233	43,187,230

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	242,956	333,537
Short-term borrowings	280,000	150,000
Current portion of long-term borrowings	2,292,521	2,848,466
Advances received	10,644,179	9,775,917
Accounts payable - other	5,949,388	6,379,866
Income taxes payable	495,426	922,292
Accrued consumption taxes	1,401,707	1,327,622
Provision for bonuses	859,006	891,849
Asset retirement obligations	–	8,677
Other	1,538,393	1,491,789
Total current liabilities	23,703,579	24,130,019
Non-current liabilities		
Long-term borrowings	4,033,995	5,457,363
Provision for retirement benefits for directors (and other officers)	489,235	485,282
Asset retirement obligations	354,570	347,962
Other	249,319	313,542
Total non-current liabilities	5,127,119	6,604,151
Total liabilities	28,830,699	30,734,171
Net assets		
Shareholders' equity		
Share capital	1,299,900	1,299,900
Capital surplus	809,900	799,691
Retained earnings	9,286,285	10,438,395
Treasury shares	(66,794)	(66,834)
Total shareholders' equity	11,329,291	12,471,152
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	719
Foreign currency translation adjustment	(5,757)	(18,812)
Total accumulated other comprehensive income	(5,757)	(18,092)
Total net assets	11,323,533	12,453,059
Total liabilities and net assets	40,154,233	43,187,230

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	85,989,819	85,811,424
Cost of sales	62,529,695	62,950,517
Gross profit	23,460,124	22,860,906
Selling, general and administrative expenses	21,457,614	20,158,239
Operating profit	2,002,510	2,702,667
Non-operating income		
Interest income	11,198	8,977
Dividend income	112	45
Subsidy income	57,665	531,030
Compensation income	43,236	14,927
Other	86,587	136,472
Total non-operating income	198,800	691,454
Non-operating expenses		
Interest expenses	13,848	17,588
Provision of allowance for doubtful accounts	–	75,575
Settlement package	6,570	17,892
Foreign exchange losses	19,572	–
Loss on abandonment of supplies	10,187	5,175
Other	23,841	24,328
Total non-operating expenses	74,020	140,561
Ordinary profit	2,127,290	3,253,560
Extraordinary income		
Gain on sale of non-current assets	196	3,741
Gain on transfer of receivables	548	–
Total extraordinary income	744	3,741
Extraordinary losses		
Loss on retirement of non-current assets	11,468	20,464
Loss on valuation of investment securities	16,041	–
Loss on valuation of shares of subsidiaries and associates	141,942	6,858
Impairment losses	128,707	422,341
Total extraordinary losses	298,159	449,663
Profit before income taxes	1,829,875	2,807,638
Income taxes - current	995,091	1,426,454
Income taxes - deferred	(13,654)	(58,687)
Total income taxes	981,436	1,367,767
Profit	848,438	1,439,870
Profit attributable to owners of parent	848,438	1,439,870

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	848,438	1,439,870
Other comprehensive income		
Valuation difference on available-for-sale securities	637	719
Foreign currency translation adjustment	(42)	(9,724)
Total other comprehensive income	594	(9,004)
Comprehensive income	849,032	1,430,866
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	849,032	1,430,866
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,900	809,900	8,682,602	(66,794)	10,725,608
Changes during period					
Dividends of surplus			(244,755)		(244,755)
Profit attributable to owners of parent			848,438		848,438
Purchase of treasury shares					
Change in scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	603,682	–	603,682
Balance at end of period	1,299,900	809,900	9,286,285	(66,794)	11,329,291

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(637)	(5,714)	(6,351)	10,719,257
Changes during period				
Dividends of surplus				(244,755)
Profit attributable to owners of parent				848,438
Purchase of treasury shares				–
Change in scope of consolidation				–
Net changes in items other than shareholders' equity	637	(42)	594	594
Total changes during period	637	(42)	594	604,276
Balance at end of period	–	(5,757)	(5,757)	11,323,533

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,900	809,900	9,286,285	(66,794)	11,329,291
Changes during period					
Dividends of surplus			(174,048)		(174,048)
Profit attributable to owners of parent			1,439,870		1,439,870
Purchase of treasury shares				(39)	(39)
Change in scope of consolidation		(10,208)	(113,712)		(123,921)
Net changes in items other than shareholders' equity					
Total changes during period	–	(10,208)	1,152,109	(39)	1,141,861
Balance at end of period	1,299,900	799,691	10,438,395	(66,834)	12,471,152

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	–	(5,757)	(5,757)	11,323,533
Changes during period				
Dividends of surplus				(174,048)
Profit attributable to owners of parent				1,439,870
Purchase of treasury shares				(39)
Change in scope of consolidation				(123,921)
Net changes in items other than shareholders' equity	719	(13,055)	(12,335)	(12,335)
Total changes during period	719	(13,055)	(12,335)	1,129,525
Balance at end of period	719	(18,812)	(18,092)	12,453,059

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,829,875	2,807,638
Depreciation	888,974	917,509
Impairment losses	128,707	422,341
Amortization of goodwill	85,823	48,295
Increase (decrease) in allowance for doubtful accounts	10,595	82,369
Increase (decrease) in provision for bonuses	23,210	32,843
Increase (decrease) in provision for retirement benefits for directors (and other officers)	31,466	(3,952)
Settlement package	6,570	17,892
Interest and dividend income	(11,311)	(9,023)
Subsidy income	(57,665)	(531,030)
Compensation income	(43,236)	(14,927)
Interest expenses	13,848	17,588
Loss on retirement of non-current assets	11,468	20,464
Gain on sale of non-current assets	(196)	(3,741)
Loss (gain) on valuation of investment securities	16,041	–
Gain on transfer of receivables	(548)	–
Loss on valuation of shares of subsidiaries and associates	141,942	6,858
Decrease (increase) in trade receivables	(259,233)	(533,485)
Decrease (increase) in inventories	(40,513)	(25,578)
Increase (decrease) in trade payables	(16,830)	90,580
Increase (decrease) in advances received	(84,453)	(920,438)
Increase (decrease) in accounts payable - other	(938,666)	433,328
Increase (decrease) in accrued consumption taxes	428,989	(75,033)
Other, net	176,822	(139,250)
Subtotal	2,341,681	2,641,247
Interest and dividends received	11,333	10,807
Interest paid	(13,843)	(16,877)
Settlement package paid	(7,043)	(17,892)
Proceeds from compensation	43,236	14,927
Subsidies received	27,615	449,380
Income taxes refund (paid)	(1,002,382)	(1,035,534)
Net cash provided by (used in) operating activities	1,400,597	2,046,058
Cash flows from investing activities		
Purchase of property, plant and equipment	(595,130)	(830,600)
Purchase of intangible assets	(538,866)	(260,660)
Purchase of investment securities	(104,338)	–
Payments for acquisition of businesses	(33,399)	(10,000)
Payments of guarantee deposits	(110,701)	(102,648)
Proceeds from refund of guarantee deposits	19,766	94,763
Loan advances	(76,002)	(149,441)
Proceeds from collection of loans receivable	81,794	110,692
Subsidy income	135,000	122,226
Other, net	186	2,915
Net cash provided by (used in) investing activities	(1,221,691)	(1,022,753)

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20,000	(130,480)
Proceeds from long-term borrowings	2,250,000	5,018,453
Repayments of long-term borrowings	(2,358,252)	(3,039,246)
Dividends paid	(244,755)	(174,048)
Other, net	–	(39)
Net cash provided by (used in) financing activities	(333,007)	1,674,638
Effect of exchange rate change on cash and cash equivalents	(2,203)	259
Net increase (decrease) in cash and cash equivalents	(156,305)	2,698,203
Cash and cash equivalents at beginning of period	20,294,996	20,138,690
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	11,842
Cash and cash equivalents at end of period	20,138,690	22,848,737