

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 11, 2021

Company name: HUMAN ASSOCIATES HOLDINGS, Inc.
 Stock exchange listing: Tokyo
 Stock code: 6575 URL <https://www.humanassociates.com>
 Representative: Representative Director, President Akihiko Watanabe
 Inquiries: Chief Financial Officer Yuichiro Furuya TEL 03-6747-4700
 Scheduled date to file Quarterly Securities Report: August 13, 2021
 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, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	592	24.2	(33)	–	(42)	–	(33)	–
Three months ended June 30, 2020	477	(2.4)	(128)	–	(126)	–	(83)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	(10.31)	–
Three months ended June 30, 2020	(25.78)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	2,434	1,029	41.7
As of March 31, 2021	2,481	1,067	42.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	0.00	–	0.00	–
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		0.00	–	6.00	–

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	2,926	17.4	137	–	129	–	65	–	20.03

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
(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: Yes
- (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: Yes
- 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, 2021	3,253,837 shares	As of March 31, 2021	3,253,237 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	117 shares	As of March 31, 2021	117 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, 2021	3,253,324 shares	Three months ended June 30, 2020	3,237,635 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	1,031,756	1,016,662
Accounts receivable - trade	236,558	203,659
Income taxes receivable	3,511	16,634
Other	47,612	60,084
Allowance for doubtful accounts	(840)	(1,047)
Total current assets	1,318,598	1,295,992
Non-current assets		
Property, plant and equipment	211,739	206,041
Intangible assets		
Goodwill	177,360	171,985
Trademark right	167,179	164,889
Intangible assets	276,486	270,843
Other	90,999	84,687
Total intangible assets	712,024	692,405
Investments and other assets		
Other	246,418	246,451
Allowance for doubtful accounts	(6,877)	(6,877)
Total investments and other assets	239,541	239,573
Total non-current assets	1,163,305	1,138,021
Total assets	2,481,904	2,434,013
Liabilities		
Current liabilities		
Accounts payable - trade	24,632	19,002
Short-term borrowings	250,000	250,000
Current portion of bonds payable	20,000	20,000
Current portion of long-term borrowings	54,732	54,732
Income taxes payable	36,484	11,979
Provision for bonuses	41,884	46,938
Provision for repayment	2,990	—
refund liability	—	3,642
Accounts payable - other	203,364	129,950
Advances received	125,746	240,776
Other	58,169	71,737
Total current liabilities	818,003	848,759
Non-current liabilities		
Bonds payable	10,000	—
Long-term borrowings	267,487	253,804
Provision for retirement benefits for directors (and other officers)	94,022	97,772
Asset retirement obligations	70,501	70,528
Other	154,291	133,396
Total non-current liabilities	596,302	555,501
Total liabilities	1,414,305	1,404,261

	(Thousands of yen)	
	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	176,689	176,790
Capital surplus	367,015	367,116
Retained earnings	512,026	472,265
Treasury shares	(122)	(122)
Total shareholders' equity	1,055,609	1,016,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Total accumulated other comprehensive income	1	1
Share acquisition rights	11,987	13,700
Total net assets	1,067,598	1,029,752
Total liabilities and net assets	2,481,904	2,434,013

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, 2020	Three months ended June 30, 2021
Net sales	477,029	592,438
Cost of sales	83,068	118,482
Gross profit	393,960	473,955
Selling, general and administrative expenses	522,642	507,722
Operating loss	(128,681)	(33,767)
Non-operating income		
Subsidy income	2,700	738
Other	537	157
Total non-operating income	3,237	895
Non-operating expenses		
Interest expenses	653	604
Share of loss of entities accounted for using equity method	—	9,411
Other	30	0
Total non-operating expenses	684	10,015
Ordinary loss	(126,128)	(42,887)
Loss before income taxes	(126,128)	(42,887)
Income taxes	(42,660)	(9,350)
Loss	(83,468)	(33,536)
Loss attributable to owners of parent	(83,468)	(33,536)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Loss	(83,468)	(33,536)
Other comprehensive income		
Valuation difference on available-for-sale securities	26	(0)
Total other comprehensive income	26	(0)
Comprehensive income	(83,441)	(33,537)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(83,441)	(33,537)