

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 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 to file Quarterly Securities Report: November 12, 2021  
 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, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	42,644	1.5	1,234	(0.3)	1,356	(5.7)	808	7.7
Six months ended September 30, 2020	42,005	(1.4)	1,237	28.5	1,438	45.0	751	74.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	74.34		–	
Six months ended September 30, 2020	69.06		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	44,143	12,789	29.0
As of March 31, 2021	43,187	12,453	28.8

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, 2021	–	0.00	–	26.50	26.50
Year ending March 31, 2022	–	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	31.50	31.50

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	87,082	1.5	2,804	3.8	2,939	(9.7)	1,705	18.5	156.81

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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: 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: 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 September 30, 2021	10,987,200 shares	As of March 31, 2021	10,987,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	109,201 shares	As of March 31, 2021	109,201 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, 2021	10,877,999 shares	Six months ended September 30, 2020	10,878,041 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	22,848,737	24,780,296
Notes and accounts receivable - trade	10,325,422	–
Notes and accounts receivable - trade, and contract assets	–	9,351,461
Merchandise	678,662	690,439
Supplies	21,860	13,416
Other	1,010,359	923,276
Allowance for doubtful accounts	(4,495)	(4,063)
Total current assets	34,880,547	35,754,827
Non-current assets		
Property, plant and equipment	3,226,155	3,233,527
Intangible assets		
Goodwill	27,574	12,873
Other	1,164,578	1,136,357
Total intangible assets	1,192,153	1,149,231
Investments and other assets		
Guarantee deposits	2,148,646	2,169,885
Other	1,964,004	2,021,824
Allowance for doubtful accounts	(224,276)	(185,897)
Total investments and other assets	3,888,374	4,005,812
Total non-current assets	8,306,683	8,388,571
Total assets	43,187,230	44,143,398
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	333,537	246,349
Short-term borrowings	150,000	–
Current portion of long-term borrowings	2,848,466	3,422,876
Advances received	9,775,917	–
Contract liabilities	–	8,607,581
Accounts payable - other	6,379,866	5,625,077
Income taxes payable	922,292	539,743
Provision for bonuses	891,849	950,314
Asset retirement obligations	8,677	24,652
Other	2,819,412	2,291,089
Total current liabilities	24,130,019	21,707,683
Non-current liabilities		
Long-term borrowings	5,457,363	8,466,974
Provision for retirement benefits for directors (and other officers)	485,282	488,756
Asset retirement obligations	347,962	335,797
Other	313,542	354,939
Total non-current liabilities	6,604,151	9,646,468
Total liabilities	30,734,171	31,354,151

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	1,299,900	1,299,900
Capital surplus	799,691	799,691
Retained earnings	10,438,395	10,781,852
Treasury shares	(66,834)	(66,834)
Total shareholders' equity	12,471,152	12,814,609
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	719	692
Foreign currency translation adjustment	(18,812)	(26,054)
Total accumulated other comprehensive income	(18,092)	(25,362)
Total net assets	12,453,059	12,789,247
Total liabilities and net assets	43,187,230	44,143,398

## 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, 2020	Six months ended September 30, 2021
Net sales	42,005,720	42,644,529
Cost of sales	30,728,447	31,670,970
Gross profit	11,277,272	10,973,559
Selling, general and administrative expenses	10,039,412	9,738,964
Operating profit	1,237,859	1,234,594
Non-operating income		
Interest income	5,274	4,316
Reversal of allowance for doubtful accounts	–	40,888
Dividend income	42	42
Subsidy income	171,180	59,894
Other	75,675	47,367
Total non-operating income	252,172	152,508
Non-operating expenses		
Interest expenses	8,730	9,321
Settlement package	15,123	6,459
Provision of allowance for doubtful accounts	11,563	–
Other	15,749	14,761
Total non-operating expenses	51,167	30,541
Ordinary profit	1,438,865	1,356,561
Extraordinary income		
Gain on sale of non-current assets	683	518
Total extraordinary income	683	518
Extraordinary losses		
Loss on retirement of non-current assets	12,154	0
Loss on sale of non-current assets	–	141
Impairment losses	63,586	37,343
Total extraordinary losses	75,741	37,484
Profit before income taxes	1,363,807	1,319,595
Income taxes	612,618	510,881
Profit	751,189	808,714
Profit attributable to owners of parent	751,189	808,714

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	751,189	808,714
Other comprehensive income		
Valuation difference on available-for-sale securities	117	(27)
Foreign currency translation adjustment	(156)	(7,242)
Total other comprehensive income	(38)	(7,269)
Comprehensive income	751,150	801,444
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	751,150	801,444
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,363,807	1,319,595
Depreciation	450,056	444,956
Impairment losses	63,586	37,343
Amortization of goodwill	14,533	14,700
Settlement package	15,123	6,459
Loss on retirement of non-current assets	12,154	0
Loss (gain) on sale of non-current assets	(683)	(377)
Increase (decrease) in allowance for doubtful accounts	14,854	(39,142)
Increase (decrease) in provision for bonuses	56,413	58,464
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(13,607)	3,473
Subsidy income	(171,180)	(59,894)
Interest and dividend income	(5,317)	(4,358)
Interest expenses	8,730	9,321
Decrease (increase) in trade receivables	593,234	974,639
Decrease (increase) in inventories	33,140	(957)
Increase (decrease) in trade payables	(16,773)	(87,188)
Increase (decrease) in advances received	(1,847,650)	–
Increase (decrease) in contract liabilities	–	(1,423,988)
Increase (decrease) in accounts payable - other	(157,545)	(643,875)
Other, net	(667,655)	(487,965)
Subtotal	(254,777)	121,204
Interest and dividends received	7,012	4,373
Interest paid	(8,138)	(9,491)
Subsidies received	184,570	155,808
Settlement package paid	(12,623)	(6,747)
Income taxes refund (paid)	(598,601)	(1,080,769)
Net cash provided by (used in) operating activities	(682,557)	(815,622)
Cash flows from investing activities		
Purchase of property, plant and equipment	(398,917)	(384,404)
Purchase of intangible assets	(81,867)	(160,953)
Payments of guarantee deposits	(72,292)	(61,781)
Proceeds from refund of guarantee deposits	34,799	55,578
Loan advances	(282,681)	(16,600)
Proceeds from collection of loans receivable	182,901	20,978
Subsidy income	108,591	150,464
Payments for acquisition of businesses	(10,000)	–
Other, net	(382)	5,285
Net cash provided by (used in) investing activities	(519,850)	(391,432)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(130,000)	(150,000)
Proceeds from long-term borrowings	5,000,000	5,200,000
Repayments of long-term borrowings	(1,407,628)	(1,616,728)
Dividends paid	(174,048)	(288,267)
Net cash provided by (used in) financing activities	3,288,323	3,145,004
Effect of exchange rate change on cash and cash equivalents	(1,792)	(6,390)
Net increase (decrease) in cash and cash equivalents	2,084,123	1,931,559
Cash and cash equivalents at beginning of period	20,138,690	22,848,737
Cash and cash equivalents at end of period	22,222,814	24,780,296