

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 14, 2017

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, 2017
 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, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	55,033	8.4	1,299	0.4	1,418	(0.3)	749	1.0
Nine months ended December 31, 2015	50,773	10.1	1,294	(17.0)	1,421	(15.0)	741	(21.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	68.87	–
Nine months ended December 31, 2015	68.17	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	33,595	8,590	25.6
As of March 31, 2016	31,960	8,097	25.3

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, 2016	–	0.00	–	20.00	20.00
Year ending March 31, 2017	–	0.00	–		
Year ending March 31, 2017 (Forecast)				26.50	26.50

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	76,371	10.6	2,287	21.4	2,335	10.8	1,442	35.6	132.57

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016
(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 December 31, 2016	10,987,200 shares	As of March 31, 2016	10,987,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	108,921 shares	As of March 31, 2016	108,921 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, 2016	10,878,279 shares	Nine months ended December 31, 2015	10,878,279 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	15,095,189	16,652,870
Notes and accounts receivable - trade	8,273,488	8,002,189
Merchandise	395,438	498,365
Supplies	27,734	30,859
Other	1,109,178	861,071
Allowance for doubtful accounts	(7,624)	(6,933)
Total current assets	24,893,405	26,038,423
Non-current assets		
Property, plant and equipment	3,019,659	3,253,067
Intangible assets		
Goodwill	381,207	332,216
Other	707,564	724,187
Total intangible assets	1,088,771	1,056,403
Investments and other assets		
Guarantee deposits	1,939,747	2,234,365
Other	1,051,316	1,069,344
Allowance for doubtful accounts	(32,537)	(55,795)
Total investments and other assets	2,958,525	3,247,913
Total non-current assets	7,066,957	7,557,385
Total assets	31,960,362	33,595,808
Liabilities		
Current liabilities		
Accounts payable - trade	247,741	263,465
Short-term loans payable	550,000	250,000
Current portion of long-term loans payable	1,217,526	1,648,874
Advances received	10,557,774	8,530,560
Accounts payable - other	5,009,778	6,395,594
Income taxes payable	346,806	105,101
Provision for bonuses	732,226	441,003
Asset retirement obligations	2,264	57,928
Other	2,138,545	2,860,410
Total current liabilities	20,802,664	20,552,938
Non-current liabilities		
Long-term loans payable	2,225,420	3,509,677
Provision for directors' retirement benefits	410,854	421,944
Asset retirement obligations	250,461	299,884
Other	173,194	220,788
Total non-current liabilities	3,059,930	4,452,294
Total liabilities	23,862,595	25,005,232

	(Thousands of yen)	
	As of March 31, 2016	As of December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	1,299,900	1,299,900
Capital surplus	809,900	809,900
Retained earnings	6,055,524	6,552,512
Treasury shares	(66,314)	(66,314)
Total shareholders' equity	8,099,009	8,595,998
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,242)	(64)
Foreign currency translation adjustment	—	(5,358)
Total accumulated other comprehensive income	(1,242)	(5,422)
Total net assets	8,097,767	8,590,575
Total liabilities and net assets	31,960,362	33,595,808

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, 2015	Nine months ended December 31, 2016
Net sales	50,773,949	55,033,508
Cost of sales	36,560,894	39,823,995
Gross profit	14,213,055	15,209,512
Selling, general and administrative expenses	12,918,900	13,909,681
Operating income	1,294,154	1,299,831
Non-operating income		
Interest income	1,394	2,959
Dividend income	2,141	3,498
Subsidy income	24,362	45,325
Compensation income	66,094	—
Other	78,767	85,879
Total non-operating income	172,760	137,663
Non-operating expenses		
Interest expenses	15,218	13,598
Loss on cancellation of rental contracts	13,693	—
Other	16,167	5,786
Total non-operating expenses	45,079	19,384
Ordinary income	1,421,835	1,418,109
Extraordinary income		
Gain on sales of investment securities	—	2,285
Total extraordinary income	—	2,285
Extraordinary losses		
Loss on retirement of non-current assets	5,739	6,268
Loss on sales of investment securities	—	1,444
Impairment loss	29,555	51,192
Provision of allowance for doubtful accounts	—	37,286
Total extraordinary losses	35,294	96,191
Profit before income taxes	1,386,541	1,324,203
Income taxes	644,996	575,033
Profit	741,544	749,169
Profit attributable to owners of parent	741,544	749,169

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	741,544	749,169
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,363)	1,178
Foreign currency translation adjustment	—	(847)
Total other comprehensive income	(6,363)	330
Comprehensive income	735,181	749,500
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	735,181	749,500
Comprehensive income attributable to non-controlling interests	—	—