

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 10, 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: August 10, 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(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, 2017	19,476	5.3	448	(43.9)	493	(41.3)	298	(37.5)
Three months ended June 30, 2016	18,499	10.5	799	81.0	840	58.7	476	103.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	27.40	–
Three months ended June 30, 2016	43.82	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	35,485	8,940	25.2
As of March 31, 2017	34,857	8,843	25.4

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, 2017	–	0.00	–	18.50	18.50
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		0.00	–	26.50	26.50

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	81,593	9.6	2,290	23.9	2,327	18.0	1,433	43.0	131.80

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
(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 June 30, 2017	10,987,200 shares	As of March 31, 2017	10,987,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	108,921 shares	As of March 31, 2017	108,921 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, 2017	10,878,279 shares	Three months ended June 30, 2016	10,878,279 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	16,814,135	17,862,541
Notes and accounts receivable - trade	8,830,345	7,929,060
Merchandise	542,694	507,987
Supplies	28,322	30,312
Other	1,074,469	1,211,957
Allowance for doubtful accounts	(8,782)	(7,019)
Total current assets	27,281,185	27,534,840
Non-current assets		
Property, plant and equipment	3,393,826	3,373,079
Intangible assets		
Goodwill	307,830	285,867
Other	803,325	808,489
Total intangible assets	1,111,156	1,094,357
Investments and other assets		
Guarantee deposits	2,211,182	2,139,073
Other	1,012,433	1,488,724
Allowance for doubtful accounts	(152,360)	(144,881)
Total investments and other assets	3,071,255	3,482,916
Total non-current assets	7,576,238	7,950,352
Total assets	34,857,423	35,485,193
Liabilities		
Current liabilities		
Accounts payable - trade	251,424	211,533
Short-term loans payable	220,000	500,000
Current portion of long-term loans payable	1,610,129	2,147,439
Advances received	10,814,852	9,418,906
Accounts payable - other	5,591,619	5,187,930
Income taxes payable	399,690	55,591
Provision for bonuses	758,611	423,779
Asset retirement obligations	57,543	—
Other	2,305,810	2,515,451
Total current liabilities	22,009,680	20,460,632
Non-current liabilities		
Long-term loans payable	3,122,161	5,151,245
Provision for directors' retirement benefits	380,767	390,211
Asset retirement obligations	296,804	317,063
Other	204,366	225,370
Total non-current liabilities	4,004,099	6,083,890
Total liabilities	26,013,780	26,544,523

	(Thousands of yen)	
	As of March 31, 2017	As of June 30, 2017
Net assets		
Shareholders' equity		
Capital stock	1,299,900	1,299,900
Capital surplus	809,900	809,900
Retained earnings	6,805,824	6,902,603
Treasury shares	(66,314)	(66,314)
Total shareholders' equity	8,849,310	8,946,089
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(270)	(165)
Foreign currency translation adjustment	(5,397)	(5,253)
Total accumulated other comprehensive income	(5,667)	(5,419)
Total net assets	8,843,643	8,940,669
Total liabilities and net assets	34,857,423	35,485,193

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, 2016	Three months ended June 30, 2017
Net sales	18,499,160	19,476,935
Cost of sales	13,107,708	13,997,096
Gross profit	5,391,451	5,479,838
Selling, general and administrative expenses	4,591,770	5,031,523
Operating profit	799,681	448,315
Non-operating income		
Interest income	753	1,901
Dividend income	1,437	1,880
Subsidy income	26,472	6,104
Other	28,942	43,054
Total non-operating income	57,606	52,942
Non-operating expenses		
Interest expenses	4,105	3,579
Foreign exchange losses	10,405	—
Other	2,130	3,948
Total non-operating expenses	16,640	7,527
Ordinary profit	840,646	493,730
Extraordinary income		
Gain on sales of investment securities	2,285	—
Total extraordinary income	2,285	—
Extraordinary losses		
Loss on retirement of non-current assets	1,028	—
Loss on sales of investment securities	1,444	—
Impairment loss	43,909	3,770
Provision of allowance for doubtful accounts	—	602
Total extraordinary losses	46,382	4,372
Profit before income taxes	796,549	489,357
Income taxes	319,858	191,330
Profit	476,691	298,027
Profit attributable to owners of parent	476,691	298,027

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	476,691	298,027
Other comprehensive income		
Valuation difference on available-for-sale securities	1,071	104
Foreign currency translation adjustment	(302)	143
Total other comprehensive income	769	247
Comprehensive income	477,460	298,274
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	477,460	298,274
Comprehensive income attributable to non-controlling interests	—	—