

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 14, 2018

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, 2018
 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, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	58,521	6.3	1,418	9.1	1,494	5.4	894	19.3
Nine months ended December 31, 2016	55,033	8.4	1,299	0.4	1,418	(0.3)	749	1.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	82.19	–
Nine months ended December 31, 2016	68.87	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	36,563	9,536	26.1
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	–	0.00	–		
Year ending March 31, 2018 (Forecast)				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 nine months ended December 31, 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 December 31, 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 December 31, 2017	108,966 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)

Nine months ended December 31, 2017	10,878,274 shares	Nine months ended December 31, 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 December 31, 2017
Assets		
Current assets		
Cash and deposits	16,814,135	18,265,596
Notes and accounts receivable - trade	8,830,345	8,397,305
Merchandise	542,694	556,445
Supplies	28,322	33,231
Other	1,074,469	962,907
Allowance for doubtful accounts	(8,782)	(7,560)
Total current assets	27,281,185	28,207,926
Non-current assets		
Property, plant and equipment	3,393,826	3,432,366
Intangible assets		
Goodwill	307,830	246,094
Other	803,325	957,311
Total intangible assets	1,111,156	1,203,405
Investments and other assets		
Guarantee deposits	2,211,182	2,177,274
Other	1,012,433	1,697,231
Allowance for doubtful accounts	(152,360)	(154,788)
Total investments and other assets	3,071,255	3,719,716
Total non-current assets	7,576,238	8,355,489
Total assets	34,857,423	36,563,415
Liabilities		
Current liabilities		
Accounts payable - trade	251,424	313,143
Short-term loans payable	220,000	450,000
Current portion of long-term loans payable	1,610,129	1,986,974
Advances received	10,814,852	8,528,208
Accounts payable - other	5,591,619	6,690,396
Income taxes payable	399,690	68,356
Provision for bonuses	758,611	418,180
Asset retirement obligations	57,543	6,166
Other	2,305,810	3,171,104
Total current liabilities	22,009,680	21,632,531
Non-current liabilities		
Long-term loans payable	3,122,161	4,428,703
Provision for directors' retirement benefits	380,767	410,815
Asset retirement obligations	296,804	315,690
Other	204,366	239,327
Total non-current liabilities	4,004,099	5,394,536
Total liabilities	26,013,780	27,027,067

	(Thousands of yen)	
	As of March 31, 2017	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	1,299,900	1,299,900
Capital surplus	809,900	809,900
Retained earnings	6,805,824	7,498,645
Treasury shares	(66,314)	(66,392)
Total shareholders' equity	8,849,310	9,542,052
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(270)	(182)
Foreign currency translation adjustment	(5,397)	(5,522)
Total accumulated other comprehensive income	(5,667)	(5,704)
Total net assets	8,843,643	9,536,348
Total liabilities and net assets	34,857,423	36,563,415

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, 2016	Nine months ended December 31, 2017
Net sales	55,033,508	58,521,282
Cost of sales	39,823,995	42,242,642
Gross profit	15,209,512	16,278,640
Selling, general and administrative expenses	13,909,681	14,860,011
Operating profit	1,299,831	1,418,628
Non-operating income		
Interest income	2,959	6,144
Dividend income	3,498	1,899
Subsidy income	45,325	11,668
Examination fee	23,240	23,376
Other	62,639	61,963
Total non-operating income	137,663	105,052
Non-operating expenses		
Interest expenses	13,598	11,893
Settlement package	1,917	9,474
Other	3,868	7,750
Total non-operating expenses	19,384	29,117
Ordinary profit	1,418,109	1,494,563
Extraordinary income		
Gain on sales of investment securities	2,285	—
Total extraordinary income	2,285	—
Extraordinary losses		
Loss on retirement of non-current assets	6,268	318
Loss on sales of investment securities	1,444	—
Loss on valuation of investment securities	—	53
Impairment loss	51,192	33,194
Provision of allowance for doubtful accounts	37,286	607
Total extraordinary losses	96,191	34,173
Profit before income taxes	1,324,203	1,460,390
Income taxes	575,033	566,321
Profit	749,169	894,069
Profit attributable to owners of parent	749,169	894,069

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	749,169	894,069
Other comprehensive income		
Valuation difference on available-for-sale securities	1,178	88
Foreign currency translation adjustment	(847)	(125)
Total other comprehensive income	330	(37)
Comprehensive income	749,500	894,031
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	749,500	894,031
Comprehensive income attributable to non-controlling interests	—	—