

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 10, 2018

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: August 10, 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	20,926	7.4	574	28.1	602	22.0	376	26.2
Three months ended June 30, 2017	19,476	5.3	448	(43.9)	493	(41.3)	298	(37.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	34.58	–
Three months ended June 30, 2017	27.40	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	38,045	9,878	26.0
As of March 31, 2018	37,638	9,773	26.0

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, 2018	–	0.00	–	21.00	21.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		0.00	–	19.00	19.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Six months ending September 30, 2018	41,890	8.3	440	(54.9)	475	(53.8)	179	(70.9)	16.51
Full year	85,978	9.2	1,878	(0.9)	1,939	(3.0)	1,021	(9.7)	93.86

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
(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, 2018	10,987,200 shares	As of March 31, 2018	10,987,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	108,966 shares	As of March 31, 2018	108,966 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, 2018	10,878,234 shares	Three months ended June 30, 2017	10,878,279 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	18,461,766	19,412,350
Notes and accounts receivable - trade	9,148,096	8,649,074
Merchandise	514,545	598,930
Supplies	24,850	24,633
Other	706,746	758,056
Allowance for doubtful accounts	(6,138)	(6,101)
Total current assets	28,849,866	29,436,943
Non-current assets		
Property, plant and equipment	3,504,940	3,463,599
Intangible assets		
Goodwill	209,783	249,672
Other	971,141	1,006,764
Total intangible assets	1,180,925	1,256,436
Investments and other assets		
Guarantee deposits	2,202,357	2,197,488
Other	2,064,694	1,844,661
Allowance for doubtful accounts	(164,097)	(153,557)
Total investments and other assets	4,102,954	3,888,591
Total non-current assets	8,788,820	8,608,628
Total assets	37,638,687	38,045,572
Liabilities		
Current liabilities		
Accounts payable - trade	201,963	312,350
Short-term loans payable	250,000	350,000
Current portion of long-term loans payable	1,861,354	2,135,934
Advances received	10,465,132	8,978,302
Accounts payable - other	6,633,915	6,988,117
Income taxes payable	371,855	54,163
Provision for bonuses	796,883	455,635
Asset retirement obligations	6,200	5,005
Other	2,316,111	2,721,531
Total current liabilities	22,903,416	22,001,040
Non-current liabilities		
Long-term loans payable	4,006,407	5,185,311
Provision for directors' retirement benefits	421,117	429,757
Asset retirement obligations	316,761	322,722
Other	217,783	228,450
Total non-current liabilities	4,962,069	6,166,241
Total liabilities	27,865,486	28,167,281

	(Thousands of yen)	
	As of March 31, 2018	As of June 30, 2018
Net assets		
Shareholders' equity		
Capital stock	1,299,900	1,299,900
Capital surplus	809,900	809,900
Retained earnings	7,735,653	7,840,956
Treasury shares	(66,392)	(66,392)
Total shareholders' equity	9,779,060	9,884,363
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(124)	(415)
Foreign currency translation adjustment	(5,735)	(5,657)
Total accumulated other comprehensive income	(5,860)	(6,072)
Total net assets	9,773,200	9,878,290
Total liabilities and net assets	37,638,687	38,045,572

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, 2017	Three months ended June 30, 2018
Net sales	19,476,935	20,926,709
Cost of sales	13,997,096	15,063,325
Gross profit	5,479,838	5,863,384
Selling, general and administrative expenses	5,031,523	5,288,917
Operating profit	448,315	574,466
Non-operating income		
Interest income	1,901	2,287
Dividend income	1,880	821
Subsidy income	6,104	7,288
Reversal of allowance for doubtful accounts	10,176	10,284
Other	32,877	26,332
Total non-operating income	52,942	47,014
Non-operating expenses		
Interest expenses	3,579	3,060
Settlement package	1,206	4,905
Foreign exchange losses	—	4,055
Other	2,741	7,352
Total non-operating expenses	7,527	19,374
Ordinary profit	493,730	602,106
Extraordinary losses		
Impairment loss	3,770	—
Provision of allowance for doubtful accounts	602	—
Total extraordinary losses	4,372	—
Profit before income taxes	489,357	602,106
Income taxes	191,330	225,969
Profit	298,027	376,137
Profit attributable to owners of parent	298,027	376,137

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	298,027	376,137
Other comprehensive income		
Valuation difference on available-for-sale securities	104	(290)
Foreign currency translation adjustment	143	78
Total other comprehensive income	247	(212)
Comprehensive income	298,274	375,924
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	298,274	375,924
Comprehensive income attributable to non-controlling interests	—	—