

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

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 of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 30, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	86,292	0.6	2,474	(8.4)	2,711	(16.7)	1,646	14.4
Year ended March 31, 2021	85,811	(0.2)	2,702	35.0	3,253	52.9	1,439	69.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	151.41	–	12.6	6.1	2.9
Year ended March 31, 2021	132.36	–	12.1	7.8	3.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	46,320	13,625	29.4	1,252.58
As of March 31, 2021	43,187	12,453	28.8	1,144.79

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	1,826	(1,271)	2,099	25,496
Year ended March 31, 2021	2,046	(1,022)	1,674	22,848

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	0.00	–	26.50	26.50	288	20.0	2.4
Year ended March 31, 2022	–	0.00	–	30.50	30.50	331	20.1	2.5
Year ending March 31, 2023 (Forecast)	–	0.00	–	32.50	32.50		20.3	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	91,454	6.0	2,900	17.2	2,936	8.3	1,742	5.8	160.19

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	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 March 31, 2022	109,201 shares	As of March 31, 2021	109,201 shares
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Average number of shares during the period

Year ended March 31, 2022	10,877,999 shares	Year ended March 31, 2021	10,878,037 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	22,848,737	25,496,356
Notes and accounts receivable - trade	10,325,422	–
Notes receivable - trade	–	98,975
Accounts receivable - trade	–	10,346,499
Contract assets	–	39,150
Merchandise	678,662	709,725
Supplies	21,860	20,326
Other	1,010,359	1,035,863
Allowance for doubtful accounts	(4,495)	(3,131)
Total current assets	34,880,547	37,743,765
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,428,591	2,446,378
Tools, furniture and fixtures, net	294,864	271,400
Land	502,700	502,700
Construction in progress	–	5,940
Total property, plant and equipment	3,226,155	3,226,419
Intangible assets		
Software	1,065,838	1,084,382
Goodwill	27,574	8,604
Other	98,740	91,302
Total intangible assets	1,192,153	1,184,289
Investments and other assets		
Investment securities	222,412	479,383
Long-term loans receivable	370,713	442,373
Guarantee deposits	2,148,646	2,108,622
Deferred tax assets	489,522	584,325
Other	881,356	797,086
Allowance for doubtful accounts	(224,276)	(245,342)
Total investments and other assets	3,888,374	4,166,448
Total non-current assets	8,306,683	8,577,157
Total assets	43,187,230	46,320,923

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	333,537	232,033
Short-term borrowings	150,000	–
Current portion of long-term borrowings	2,848,466	3,212,476
Advances received	9,775,917	–
Contract liabilities	–	10,289,761
Accounts payable - other	6,379,866	6,555,913
Income taxes payable	922,292	254,275
Accrued consumption taxes	1,327,622	1,013,383
Provision for bonuses	891,849	868,345
Asset retirement obligations	8,677	1,079
Other	1,491,789	1,380,323
Total current liabilities	24,130,019	23,807,591
Non-current liabilities		
Long-term borrowings	5,457,363	7,631,917
Provision for retirement benefits for directors (and other officers)	485,282	506,522
Asset retirement obligations	347,962	355,387
Other	313,542	393,911
Total non-current liabilities	6,604,151	8,887,739
Total liabilities	30,734,171	32,695,331
Net assets		
Shareholders' equity		
Share capital	1,299,900	1,299,900
Capital surplus	799,691	799,691
Retained earnings	10,438,395	11,620,126
Treasury shares	(66,834)	(66,834)
Total shareholders' equity	12,471,152	13,652,883
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	719	990
Foreign currency translation adjustment	(18,812)	(28,282)
Total accumulated other comprehensive income	(18,092)	(27,291)
Total net assets	12,453,059	13,625,592
Total liabilities and net assets	43,187,230	46,320,923

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	85,811,424	86,292,937
Cost of sales	62,950,517	64,490,999
Gross profit	22,860,906	21,801,938
Selling, general and administrative expenses	20,158,239	19,327,443
Operating profit	2,702,667	2,474,495
Non-operating income		
Interest income	8,977	9,352
Dividend income	45	109
Subsidy income	531,030	163,317
Foreign exchange gains	18,202	48,360
Other	133,198	88,946
Total non-operating income	691,454	310,086
Non-operating expenses		
Interest expenses	17,588	20,708
Provision of allowance for doubtful accounts	75,575	19,330
Settlement payments	17,892	9,781
Other	29,504	23,339
Total non-operating expenses	140,561	73,159
Ordinary profit	3,253,560	2,711,421
Extraordinary income		
Gain on sale of non-current assets	3,741	3,238
Total extraordinary income	3,741	3,238
Extraordinary losses		
Loss on retirement of non-current assets	20,464	4,721
Loss on sale of non-current assets	–	141
Loss on valuation of shares of subsidiaries and associates	6,858	2,120
Impairment losses	422,341	44,968
Total extraordinary losses	449,663	51,951
Profit before income taxes	2,807,638	2,662,707
Income taxes - current	1,426,454	1,036,132
Income taxes - deferred	(58,687)	(20,415)
Total income taxes	1,367,767	1,015,717
Profit	1,439,870	1,646,990
Profit attributable to owners of parent	1,439,870	1,646,990

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,439,870	1,646,990
Other comprehensive income		
Valuation difference on available-for-sale securities	719	270
Foreign currency translation adjustment	(9,724)	(9,470)
Total other comprehensive income	(9,004)	(9,199)
Comprehensive income	1,430,866	1,637,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,430,866	1,637,791
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,900	809,900	9,286,285	(66,794)	11,329,291
Cumulative effects of changes in accounting policies					–
Restated balance	1,299,900	809,900	9,286,285	(66,794)	11,329,291
Changes during period					
Dividends of surplus			(174,048)		(174,048)
Profit attributable to owners of parent			1,439,870		1,439,870
Purchase of treasury shares				(39)	(39)
Change in scope of consolidation		(10,208)	(113,712)		(123,921)
Net changes in items other than shareholders' equity					
Total changes during period	–	(10,208)	1,152,109	(39)	1,141,861
Balance at end of period	1,299,900	799,691	10,438,395	(66,834)	12,471,152

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	–	(5,757)	(5,757)	11,323,533
Cumulative effects of changes in accounting policies				–
Restated balance	–	(5,757)	(5,757)	11,323,533
Changes during period				
Dividends of surplus				(174,048)
Profit attributable to owners of parent				1,439,870
Purchase of treasury shares				(39)
Change in scope of consolidation				(123,921)
Net changes in items other than shareholders' equity	719	(13,055)	(12,335)	(12,335)
Total changes during period	719	(13,055)	(12,335)	1,129,525
Balance at end of period	719	(18,812)	(18,092)	12,453,059

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,900	799,691	10,438,395	(66,834)	12,471,152
Cumulative effects of changes in accounting policies			(176,992)		(176,992)
Restated balance	1,299,900	799,691	10,261,403	(66,834)	12,294,160
Changes during period					
Dividends of surplus			(288,267)		(288,267)
Profit attributable to owners of parent			1,646,990		1,646,990
Purchase of treasury shares					–
Change in scope of consolidation					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,358,723	–	1,358,723
Balance at end of period	1,299,900	799,691	11,620,126	(66,834)	13,652,883

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	719	(18,812)	(18,092)	12,453,059
Cumulative effects of changes in accounting policies				(176,992)
Restated balance	719	(18,812)	(18,092)	12,276,067
Changes during period				
Dividends of surplus				(288,267)
Profit attributable to owners of parent				1,646,990
Purchase of treasury shares				–
Change in scope of consolidation				–
Net changes in items other than shareholders' equity	270	(9,470)	(9,199)	(9,199)
Total changes during period	270	(9,470)	(9,199)	1,349,524
Balance at end of period	990	(28,282)	(27,291)	13,625,592

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,807,638	2,662,707
Depreciation	917,509	938,320
Impairment losses	422,341	44,968
Amortization of goodwill	48,295	18,969
Increase (decrease) in allowance for doubtful accounts	82,369	19,431
Increase (decrease) in provision for bonuses	32,843	(23,504)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(3,952)	21,239
Settlement payments	17,892	9,781
Interest and dividend income	(9,023)	(9,462)
Subsidy income	(531,030)	(163,317)
Interest expenses	17,588	20,708
Loss on retirement of non-current assets	20,464	4,721
Gain on sale of non-current assets	(3,741)	(3,097)
Loss on valuation of shares of subsidiaries and associates	6,858	2,120
Decrease (increase) in trade receivables	(533,485)	(158,588)
Decrease (increase) in inventories	(25,578)	(26,509)
Increase (decrease) in trade payables	90,580	(101,504)
Increase (decrease) in advances received	(920,438)	–
Increase (decrease) in contract liabilities	–	257,572
Increase (decrease) in accounts payable - other	433,328	214,026
Increase (decrease) in accrued consumption taxes	(75,033)	(328,092)
Other, net	(139,250)	(44,911)
Subtotal	2,656,174	3,355,581
Interest and dividends received	10,807	9,411
Interest paid	(16,877)	(20,513)
Settlement paid	(17,892)	(10,069)
Subsidies received	449,380	267,667
Income taxes refund (paid)	(1,035,534)	(1,775,509)
Net cash provided by (used in) operating activities	2,046,058	1,826,568
Cash flows from investing activities		
Purchase of property, plant and equipment	(830,600)	(719,221)
Purchase of intangible assets	(260,660)	(422,126)
Purchase of investment securities	–	(258,677)
Payments for acquisition of businesses	(10,000)	–
Payments of guarantee deposits	(102,648)	(95,004)
Proceeds from refund of guarantee deposits	94,763	125,519
Loan advances	(149,441)	(112,428)
Proceeds from collection of loans receivable	110,692	49,461
Subsidy income	122,226	151,464
Other, net	2,915	9,544
Net cash provided by (used in) investing activities	(1,022,753)	(1,271,468)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(130,480)	(150,000)
Proceeds from long-term borrowings	5,018,453	6,002,630
Repayments of long-term borrowings	(3,039,246)	(3,464,966)
Dividends paid	(174,048)	(288,267)
Other, net	(39)	–
Net cash provided by (used in) financing activities	1,674,638	2,099,397
Effect of exchange rate change on cash and cash equivalents	259	(6,878)
Net increase (decrease) in cash and cash equivalents	2,698,203	2,647,618
Cash and cash equivalents at beginning of period	20,138,690	22,848,737
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	11,842	–
Cash and cash equivalents at end of period	22,848,737	25,496,356