

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 2023

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: November 14, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	47,274	5.2	1,041	40.0	1,050	17.8	603	7.6
Six months ended September 30, 2022	44,942	5.4	743	(39.7)	891	(34.3)	560	(30.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	55.44		–	
Six months ended September 30, 2022	51.53		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	50,859	15,035	29.6
As of March 31, 2023	48,694	14,716	30.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	0.00	–	27.00	27.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	42.50	42.50

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	97,053	6.0	2,697	19.7	2,632	4.6	1,537	5.8	141.31

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(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 September 30, 2023	10,987,200 shares	As of March 31, 2023	10,987,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	109,201 shares	As of March 31, 2023	109,201 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	10,877,999 shares	Six months ended September 30, 2022	10,877,999 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	27,169,621	29,923,966
Notes and accounts receivable - trade, and contract assets	11,073,129	10,664,942
Merchandise	843,219	650,560
Supplies	21,846	19,990
Other	1,387,226	1,003,755
Allowance for doubtful accounts	(4,088)	(3,825)
Total current assets	40,490,953	42,259,389
Non-current assets		
Property, plant and equipment	3,009,024	2,876,768
Intangible assets		
Goodwill	52,786	41,507
Other	1,294,341	1,440,006
Total intangible assets	1,347,127	1,481,513
Investments and other assets		
Guarantee deposits	2,133,681	2,139,785
Other	2,029,418	2,244,803
Allowance for doubtful accounts	(315,342)	(142,345)
Total investments and other assets	3,847,757	4,242,244
Total non-current assets	8,203,909	8,600,526
Total assets	48,694,862	50,859,915
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	344,320	250,948
Current portion of long-term borrowings	3,332,487	3,581,346
Contract liabilities	10,310,915	9,387,887
Accounts payable - other	6,649,768	7,954,257
Income taxes payable	461,588	539,573
Provision for bonuses	884,437	976,929
Other	2,663,861	3,023,641
Total current liabilities	24,647,378	25,714,583
Non-current liabilities		
Long-term borrowings	7,938,026	8,692,533
Provision for retirement benefits for directors (and other officers)	558,577	565,244
Asset retirement obligations	363,405	366,203
Other	471,184	485,602
Total non-current liabilities	9,331,193	10,109,582
Total liabilities	33,978,571	35,824,165

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,299,900	1,299,900
Capital surplus	734,737	734,737
Retained earnings	12,744,362	13,053,709
Treasury shares	(66,834)	(66,834)
Total shareholders' equity	14,712,166	15,021,512
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,447	3,003
Foreign currency translation adjustment	2,677	11,233
Total accumulated other comprehensive income	4,124	14,237
Total net assets	14,716,291	15,035,749
Total liabilities and net assets	48,694,862	50,859,915

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	44,942,104	47,274,667
Cost of sales	33,838,008	35,388,419
Gross profit	11,104,096	11,886,247
Selling, general and administrative expenses	10,360,196	10,844,943
Operating profit	743,899	1,041,303
Non-operating income		
Interest income	5,895	6,203
Dividend income	63	63
Subsidy income	115,987	26,269
Foreign exchange gains	80,906	31,201
Other	33,582	38,095
Total non-operating income	236,435	101,833
Non-operating expenses		
Interest expenses	12,644	17,278
Provision of allowance for doubtful accounts	57,274	39,728
Commission for purchase of treasury shares	–	21,807
Other	18,774	14,276
Total non-operating expenses	88,693	93,090
Ordinary profit	891,641	1,050,046
Extraordinary income		
Gain on sale of non-current assets	7,000	–
Gain on sale of shares of subsidiaries and associates	28,335	–
Total extraordinary income	35,335	–
Extraordinary losses		
Loss on retirement of non-current assets	37	1,040
Loss on valuation of shares of subsidiaries and associates	19,243	–
Impairment losses	6,387	19,739
Total extraordinary losses	25,668	20,779
Profit before income taxes	901,308	1,029,267
Income taxes	340,712	426,214
Profit	560,596	603,052
Profit attributable to owners of parent	560,596	603,052

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	560,596	603,052
Other comprehensive income		
Valuation difference on available-for-sale securities	15	1,555
Foreign currency translation adjustment	(19,212)	8,556
Total other comprehensive income	(19,196)	10,112
Comprehensive income	541,399	613,164
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	541,399	613,164
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	901,308	1,029,267
Depreciation	429,794	448,926
Impairment losses	6,387	19,739
Amortization of goodwill	2,021	11,279
Loss on retirement of non-current assets	37	1,040
Loss (gain) on sale of non-current assets	(7,000)	–
Commission for purchase of treasury shares	–	21,807
Increase (decrease) in allowance for doubtful accounts	56,616	40,488
Increase (decrease) in provision for bonuses	57,605	92,492
Increase (decrease) in provision for retirement benefits for directors (and other officers)	10,568	6,667
Subsidy income	(115,987)	(26,269)
Interest and dividend income	(5,958)	(6,267)
Interest expenses	12,644	17,278
Loss (gain) on sale of shares of subsidiaries and associates	(28,335)	–
Loss on valuation of shares of subsidiaries and associates	19,243	–
Decrease (increase) in trade receivables	567,475	408,206
Decrease (increase) in inventories	57,680	194,274
Increase (decrease) in trade payables	(49,597)	(93,372)
Increase (decrease) in contract liabilities	(1,037,633)	(927,458)
Increase (decrease) in accounts payable - other	(126,756)	1,447,410
Other, net	(114,792)	144,098
Subtotal	635,321	2,829,606
Interest and dividends received	6,050	5,354
Interest paid	(12,934)	(17,098)
Subsidies received	125,185	95,316
Income taxes refund (paid)	(295,614)	(456,828)
Net cash provided by (used in) operating activities	458,008	2,456,351
Cash flows from investing activities		
Purchase of property, plant and equipment	(319,418)	(288,902)
Purchase of intangible assets	(283,142)	(356,071)
Purchase of investment securities	(63,800)	(201,157)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(25,933)	–
Payments of guarantee deposits	(29,889)	(38,226)
Proceeds from refund of guarantee deposits	23,253	35,205
Loan advances	(39,806)	(21,046)
Proceeds from collection of loans receivable	40,288	65,638
Subsidy income	162,750	394,960
Other, net	8,600	(9,182)
Net cash provided by (used in) investing activities	(527,098)	(418,782)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Proceeds from long-term borrowings	3,700,000	2,800,000
Repayments of long-term borrowings	(1,783,538)	(1,796,634)
Dividends paid	(331,779)	(293,705)
Other, net	–	(5,000)
Net cash provided by (used in) financing activities	1,584,682	704,660
Effect of exchange rate change on cash and cash equivalents	(12,613)	12,115
Net increase (decrease) in cash and cash equivalents	1,502,979	2,754,344
Cash and cash equivalents at beginning of period	25,496,356	27,169,621
Cash and cash equivalents at end of period	26,999,335	29,923,966