

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 12, 2021

Company name: HUMAN ASSOCIATES HOLDINGS, Inc.
 Stock exchange listing: Tokyo
 Stock code: 6575 URL <https://www.humanassociates.com>
 Representative: Representative Director, President Akihiko Watanabe
 Inquiries: Chief Financial Officer Yuichiro Furuya TEL 03-6747-4700
 Scheduled date to file Quarterly Securities Report: February 12, 2021
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	1,849	(9.2)	(48)	(170.9)	(41)	(160.6)	(74)	(377.2)
Nine months ended December 31, 2019	2,037	42.7	68	(56.6)	68	(56.5)	27	344.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	(23.09)		–	
Nine months ended December 31, 2019	8.59		8.40	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	2,521	1,096	43.1
As of March 31, 2020	2,391	1,190	49.6

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, 2020	–	0.00	–	10.00	10.00
Year ending March 31, 2021	–	0.00	–		
Year ending March 31, 2021 (Forecast)				0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	2,478	(6.3)	(63)	(415.3)	(58)	(409.3)	(98)	–	(30.46)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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: Yes
- (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, 2020	3,252,437 shares	As of March 31, 2020	3,237,337 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	117 shares	As of March 31, 2020	71 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, 2020	3,245,867 shares	Nine months ended December 31, 2019	3,147,679 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	789,785	979,731
Accounts receivable - trade	215,038	279,187
Income taxes receivable	84,912	24,706
Other	70,115	57,136
Allowance for doubtful accounts	(373)	(217)
Total current assets	1,159,478	1,340,544
Non-current assets		
Property, plant and equipment	234,764	216,923
Intangible assets		
Goodwill	198,858	182,734
Trademark right	176,339	169,469
Intangible assets	299,056	282,128
Other	79,744	87,445
Total intangible assets	753,998	721,778
Investments and other assets		
Other	267,864	249,223
Allowance for doubtful accounts	(24,327)	(7,117)
Total investments and other assets	243,536	242,105
Total non-current assets	1,232,300	1,180,808
Total assets	2,391,778	2,521,353
Liabilities		
Current liabilities		
Accounts payable - trade	7,873	28,097
Short-term borrowings	–	250,000
Current portion of bonds payable	20,000	20,000
Current portion of long-term borrowings	54,732	54,732
Income taxes payable	1,361	40,855
Provision for bonuses	41,336	26,798
Provision for repayment	5,239	3,794
Accounts payable - other	223,995	181,245
Advances received	122,769	169,658
Asset retirement obligations	–	7,040
Other	66,136	51,444
Total current liabilities	543,444	833,666
Non-current liabilities		
Bonds payable	30,000	10,000
Long-term borrowings	322,219	282,850
Provision for retirement benefits for directors (and other officers)	78,716	82,879
Asset retirement obligations	75,989	70,474
Other	150,797	144,679
Total non-current liabilities	657,722	590,882
Total liabilities	1,201,166	1,424,548

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	173,871	176,416
Capital surplus	364,197	366,741
Retained earnings	647,529	543,490
Treasury shares	(87)	(122)
Total shareholders' equity	1,185,511	1,086,525
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(37)	3
Total accumulated other comprehensive income	(37)	3
Share acquisition rights	5,137	10,275
Total net assets	1,190,611	1,096,804
Total liabilities and net assets	2,391,778	2,521,353

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, 2019	Nine months ended December 31, 2020
Net sales	2,037,756	1,849,302
Cost of sales	434,960	371,544
Gross profit	1,602,795	1,477,758
Selling, general and administrative expenses	1,534,577	1,526,119
Operating profit (loss)	68,218	(48,360)
Non-operating income		
Interest income	341	361
Subsidy income	800	21,744
Other	29	64
Total non-operating income	1,170	22,171
Non-operating expenses		
Interest expenses	1,140	1,876
Share of loss of entities accounted for using equity method	–	12,522
Foreign exchange losses	131	38
Other	48	636
Total non-operating expenses	1,319	15,073
Ordinary profit (loss)	68,069	(41,263)
Extraordinary losses		
Impairment loss	–	1,717
Loss on valuation of shares of subsidiaries and associates	952	–
Total extraordinary losses	952	1,717
Profit (loss) before income taxes	67,117	(42,980)
Income taxes	40,086	31,956
Profit (loss)	27,030	(74,937)
Profit (loss) attributable to owners of parent	27,030	(74,937)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	27,030	(74,937)
Other comprehensive income		
Valuation difference on available-for-sale securities	(27)	40
Total other comprehensive income	(27)	40
Comprehensive income	27,003	(74,897)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,003	(74,897)