

Human Creation Holdings (7361 TSE Mothers) - - - - - March 24,2021**Company dispatching engineers who develop, operate and maintain IT systems and can correspond to a wide range of customers and development fields**

This report is an English translation of part of the report issued on March 19, 2021.
For inquiries concerning the report, please contact info@stock-r.org

【 7361 Human Creation Holdings Sector : Services】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Sep. 2019	4,154	25.8	335	93.2	333	94.7	203	76.4	113.3	217.4	0.0
Sep. 2020	4,565	9.9	303	-9.4	303	-9.0	210	3.1	116.4	344.6	0.0
Sep. 2021 f	5,083	11.4	503	65.7	503	65.9	309	47.4	165.2	-	49.0

Note: Consolidated basis. Figures for the fiscal year ending September 2021 are the company's forecasts.
It conducted 1-to-3 stock split on December 15, 2020. Per share indices are adjusted retroactively.

Develops, Operates and Maintains Corporate Internal Systems by Dispatching Engineers

Human Creation Holdings is a pure holding company with its four consolidated subsidiaries participating in projects to develop corporate IT systems of which prime contractors are major system integrators and major electronics manufactures. The group mainly dispatches engineers that conduct system development, operation and maintenance by basically stationing engineers in customer companies. In addition, it also provides system consulting services directly to its end users.

The group provides system development to customers in a wide range of industries including financial services, manufacturing, distribution, energy and telecommunications/ media, and it also handles a wide variety of development fields such as logistics, manufacturing, marketing/sales and services.

Consolidated Subsidiaries

The four consolidated subsidiaries are Brain Knowledge Systems, CLS, Sailing and Asset Consulting Force.

Brain Knowledge Systems handles basic design/detailed design regarding system integration, and dispatches system engineers and programmers mainly based on worker dispatch contracts at its six bases nationwide, located in Sapporo, Sendai, Tokyo, Nagoya, Osaka and Fukuoka.

CLS is a system engineer group that handles requirement definition/basic design regarding system integration. It mainly dispatches engineers in project teams based on worker dispatch contracts to places within the Tokyo region.

Sailing is an engineer group that conducts system upgrades/renewals, function expansions/improvements, operations, maintenance mainly through engineer dispatching based on worker dispatch contracts. The company handles the final process of system integration procedures. Human Creation Holdings acquired the company in October 2019.

Asset Consulting Force was launched in July 2019 and provides services centering on consulting, which is the upper process of system integration (SI).

Human Creation Holdings (7361 TSE Mothers) - - - - - March 24,2021**Financial Statements**

Statement of income	Fiscal Year	Sep. 2019		Sep. 2020		Three months to Dec. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,154	100.0	4,565	100.0	1,210	100.0
Cost of sales		2,995	72.1	3,371	73.9	868	71.8
Gross profit		1,158	27.9	1,193	26.1	341	28.2
Selling, general and administrative expenses		823	19.8	890	19.5	220	18.2
Operating profit		335	8.1	303	6.7	120	10.0
Non-operating income		1	-	3	-	0	-
Non-operating expenses		3	-	3	-	0	-
Ordinary profit		333	8.0	303	6.6	120	10.0
Profit before income taxes		333	8.0	303	6.6	120	10.0
Profit attributable to owners of parent		203	4.9	210	4.6	79	6.6

Balance sheet	Fiscal Year	Sep. 2019		Sep. 2020		Three months to Dec. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		993	65.1	1,128	60.8	1,108	60.9
Cash and deposits		398	27.8	586	31.6	476	26.2
Accounts receivable-trade		497	34.6	511	27.6	572	31.5
Inventories		1	0.1	8	0.4	2	0.1
Non-current assets		501	34.9	726	39.2	710	39.1
Property, plant and equipment		65	4.5	69	3.8	67	3.7
Intangible assets		244	17.0	444	23.9	428	23.5
Investments and other assets		191	13.4	213	11.5	215	11.8
Total assets		1,435	100.0	1,855	100.0	1,819	100.0
Current liabilities		872	60.8	853	46.0	753	41.4
Accounts payable-trade		2	0.2	2	0.2	17	1.0
Short-term borrowings		45	3.1	-	-	-	-
Current portion of bonds payable		7	0.5	-	-	-	-
Current portion of long-term borrowings		87	6.1	93	5.0	93	5.1
Non-current liabilities		170	11.9	364	19.7	348	19.2
Bonds payable		29	2.0	-	-	-	-
Long-term borrowings		70	4.9	266	14.4	243	13.4
Net assets		391	27.3	637	34.3	716	39.4
Owners' equity		391	27.3	637	34.3	716	39.4

Statement of cash flows	Fiscal Year	Sep. 2019	Sep. 2020
		(mn yen)	(mn yen)
Cash flows from operating activities		308	338
Depreciation		15	15
Cash flows from investing activities		-70	-269
Cash flows from financing activities		-214	118
Dividends paid		-	-
Net increase in cash and cash equivalents		23	187
Cash and cash equivalents		398	586

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■ Supporting Members

Tokyo Stock Exchange, Inc.
Nomura Securities Co., Ltd.
Ernst & Young ShinNihon LLC
Deloitte Touche Tohmatsu LLC
SBI SECURITIES Co., Ltd.
Association of Japan
TAKARA PRINTING CO., LTD.

SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd.
ICMG Co., Ltd.
BDO Sanyu
Japan Securities Dealers Association
Ichiyoshi Securities Co., Ltd.
PRONEXUS INC.

Daiwa Securities Co. Ltd.
KPMG AZSA LLC
Grant Thornton Taiyo LLC
The Securities Analysts
A&A Partners

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.