

Translation

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

February 4, 2021

Company name: ICHINEN HOLDINGS CO., LTD
 Stock exchange listing: Tokyo
 Stock code: 9619 URL <https://www.ichinenhd.co.jp>
 Representative: President Masashi Kuroda
 Director
 Executive Officer
 Inquiries: General Manager Hisako Imoto TEL 06-6309-7890
 General Planning Dept.
 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: Yes

(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	83,612	18.4	5,692	16.4	5,711	14.0	2,014	(35.9)
Nine months ended December 31, 2019	70,645	8.4	4,892	0.4	5,012	1.0	3,142	(26.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	82.92		82.71	
Nine months ended December 31, 2019	127.77		127.60	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	160,175	38,578	24.1	1,585.53
As of March 31, 2020	149,228	36,915	24.7	1,518.16

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, 2020	–	20.00	–	26.00	46.00
Year ending March 31, 2021	–	20.00	–		
Year ending March 31, 2021 (Forecast)				20.00	40.00

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	111,000	12.4	6,500	(5.5)	6,400	(7.9)	2,500	(43.5)	102.89

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: 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 December 31, 2020	24,612,227 shares	As of March 31, 2020	24,612,227 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	314,038 shares	As of March 31, 2020	313,853 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	24,298,262 shares	Nine months ended December 31, 2019	24,598,391 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	2,158	11,226
Notes and accounts receivable - trade	16,412	16,471
Electronically recorded monetary claims - operating	2,710	2,724
Accounts receivable-leasing business and maintenance business	2,424	2,517
Investments in leases	19,079	19,477
Merchandise and finished goods	7,849	7,515
Work in process	1,238	764
Raw materials and supplies	1,556	1,211
Prepaid expenses	2,448	2,863
Other	3,600	3,403
Allowance for doubtful accounts	(38)	(47)
Total current assets	59,439	68,128
Non-current assets		
Property, plant and equipment		
Assets for lease	122,996	128,805
Accumulated depreciation-lease business assets	(67,966)	(70,175)
Lease Assets Net	55,030	58,630
Land	8,606	8,602
Other	23,007	24,767
Accumulated depreciation	(10,265)	(11,015)
Other, net	12,742	13,752
Total property, plant and equipment	76,379	80,984
Intangible assets		
Goodwill	1,453	1,255
Other	2,932	366
Total intangible assets	4,385	1,621
Investments and other assets		
Investment securities	4,204	5,277
Long-term prepaid expenses	1,751	1,740
Deferred tax assets	1,084	488
Other	2,053	2,044
Allowance for doubtful accounts	(112)	(144)
Total investments and other assets	8,981	9,407
Total non-current assets	89,747	92,014
Deferred assets	41	32
Total assets	149,228	160,175

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,608	12,437
Electronically recorded obligations - operating	3,223	3,823
Short-term borrowings	6,720	8,300
Commercial papers	3,000	3,500
Current portion of bonds payable	260	5,260
Current portion of long-term borrowings	15,777	20,775
Lease obligations	19	15
Income taxes payable	1,322	176
Advances received-leasing business and maintenance business	603	590
Provision for bonuses	770	324
Reserve for quality assurance	8	9
Other	2,514	2,435
Total current liabilities	48,827	57,648
Non-current liabilities		
Bonds payable	12,010	6,880
Long-term borrowings	47,955	53,530
Lease obligations	14	12
Retirement benefit liability	2,236	2,220
Provision for retirement benefits for directors (and other officers)	176	179
Asset retirement obligations	436	441
Other	655	683
Total non-current liabilities	63,485	63,947
Total liabilities	112,312	121,596
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	32,067	32,964
Treasury shares	(339)	(339)
Total shareholders' equity	36,061	36,958
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	990	1,715
Deferred gains or losses on hedges	11	(0)
Foreign currency translation adjustment	(20)	(9)
Remeasurements of defined benefit plans	(154)	(138)
Total accumulated other comprehensive income	826	1,566
Share acquisition rights	26	53
Total net assets	36,915	38,578
Total liabilities and net assets	149,228	160,175

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	70,645	83,612
Cost of sales	54,726	65,062
Gross profit	15,918	18,550
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	656	734
Salaries, allowances and bonuses	4,239	5,159
Provision for bonuses	247	292
Retirement benefit expenses	191	240
Provision for retirement benefits for directors (and other officers)	21	21
Provision of allowance for doubtful accounts	17	42
Provision for quality assurance	1	1
Amortization of goodwill	206	215
Other	5,445	6,149
Total selling, general and administrative expenses	11,026	12,857
Operating profit	4,892	5,692
Non-operating income		
Dividend income	78	71
Purchase discounts	40	42
Other	84	92
Total non-operating income	203	207
Non-operating expenses		
Interest expenses	41	60
Commission expenses	12	56
Other	28	71
Total non-operating expenses	83	188
Ordinary profit	5,012	5,711
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	19	35
Gain on sales of memberships	-	0
Total extraordinary income	20	37
Extraordinary losses		
Loss on sales and retirement of non-current assets	52	2,464
Impairment loss	18	-
Loss on valuation of investment securities	0	14
Loss on sales of investment securities	8	-
Loss on sales of membership	0	0
Total extraordinary losses	81	2,479
Profit before income taxes	4,951	3,269
Income taxes - current	1,730	947
Income taxes - deferred	77	307
Total income taxes	1,808	1,255
Profit	3,142	2,014
Profit attributable to owners of parent	3,142	2,014

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	3,142	2,014
Other comprehensive income		
Valuation difference on available-for-sale securities	282	725
Deferred gains or losses on hedges	(17)	(11)
Foreign currency translation adjustment	(61)	10
Remeasurements of defined benefit plans, net of tax	8	15
Total other comprehensive income	212	739
Comprehensive income	3,355	2,754
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,355	2,754