

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2021  
(Based on Japanese GAAP)**

April 30, 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 of ordinary general meeting of shareholders: June 17, 2021  
 Scheduled date to file Securities Report: June 17, 2021  
 Scheduled date to commence dividend payments: June 18, 2021  
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	112,618	14.1	7,516	9.3	7,513	8.1	3,015	(31.9)
Year ended March 31, 2020	98,715	12.5	6,877	9.6	6,948	9.5	4,426	(13.7)

	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, 2021	124.12	123.76	7.9	4.8	6.7
Year ended March 31, 2020	180.13	179.82	12.5	5.0	7.0

(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, 2021	161,948	39,706	24.5	1,631.60
As of March 31, 2020	149,228	36,915	24.7	1,518.16

(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, 2021	3,161	(3,078)	9,746	11,984
Year ended March 31, 2020	1,823	(6,957)	5,094	2,158

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, 2020	–	20.00	–	26.00	46.00	1,123	25.5	3.2
Year ended March 31, 2021	–	20.00	–	20.00	40.00	971	32.2	2.5
Year ending March 31, 2022 (Forecast)	–	20.00	–	20.00	40.00		21.9	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Six months ending September 30, 2021	59,340	9.5	4,004	11.8	4,031	10.9	2,562	244.7	105.44
Full year	117,000	3.9	7,000	(6.9)	7,000	(6.8)	4,430	46.9	182.32

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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: No

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, 2021	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 March 31, 2021	314,197 shares	As of March 31, 2020	313,853 shares
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Average number of shares during the period

Year ended March 31, 2021	24,298,223 shares	Year ended March 31, 2020	24,572,981 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	2,158	11,984
Notes and accounts receivable - trade	16,412	17,074
Electronically recorded monetary claims - operating	2,710	2,718
Accounts receivable-leasing business and maintenance business	2,424	2,522
Investments in leases	19,079	19,780
Merchandise and finished goods	7,849	7,029
Work in process	1,238	779
Raw materials and supplies	1,556	1,414
Prepaid expenses	2,448	2,437
Other	3,600	2,962
Allowance for doubtful accounts	(38)	(44)
Total current assets	59,439	68,659
Non-current assets		
Property, plant and equipment		
Assets for lease	122,996	130,781
Accumulated depreciation	(67,966)	(70,759)
Lease assets, net	55,030	60,022
Buildings and structures	11,613	15,683
Accumulated depreciation	(4,851)	(5,287)
Buildings and structures, net	6,761	10,396
Tools, furniture and fixtures	5,196	5,713
Accumulated depreciation	(3,579)	(3,959)
Tools, furniture and fixtures, net	1,616	1,754
Machinery, equipment and vehicles	3,038	3,143
Accumulated depreciation	(1,721)	(1,911)
Machinery, equipment and vehicles, net	1,316	1,232
Land	8,606	8,602
Leased assets	134	128
Accumulated depreciation	(112)	(118)
Leased assets, net	21	9
Construction in progress	3,025	217
Total property, plant and equipment	76,379	82,235
Intangible assets		
Goodwill	1,453	1,193
Telephone subscription right	30	30
Software	2,900	345
Other	1	7
Total intangible assets	4,385	1,577

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Investments and other assets		
Investment securities	4,204	5,130
Long-term loans receivable	34	31
Long-term prepaid expenses	1,751	1,740
Deferred tax assets	1,084	593
Deposit-recycle	767	782
Other	1,251	1,336
Allowance for doubtful accounts	(112)	(167)
Total investments and other assets	8,981	9,446
Total non-current assets	89,747	93,259

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Deferred assets		
Bond issuance costs	41	29
Total deferred assets	41	29
Total assets	149,228	161,948
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,608	14,320
Electronically recorded obligations - operating	3,223	3,908
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	20,856
Lease obligations	19	15
Accounts payable - other	1,526	1,162
Accrued expenses	36	40
Income taxes payable	1,322	507
Accrued consumption taxes	524	554
Advances received-leasing business and maintenance business	603	563
Provision for bonuses	770	782
Reserve for quality assurance	8	6
Other	426	501
Total current liabilities	48,827	60,278
Non-current liabilities		
Bonds payable	12,010	6,750
Long-term borrowings	47,955	51,991
Lease obligations	14	9
Long-term accounts payable - other	136	135
Deferred tax liabilities	188	181
Retirement benefit liability	2,236	2,029
Provision for retirement benefits for directors (and other officers)	176	159
Asset retirement obligations	436	384
Other	330	321
Total non-current liabilities	63,485	61,962
Total liabilities	112,312	122,241
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	32,067	33,965
Treasury shares	(339)	(340)
Total shareholders' equity	36,061	37,959

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	990	1,690
Deferred gains or losses on hedges	11	1
Foreign currency translation adjustment	(20)	18
Remeasurements of defined benefit plans	(154)	(25)
Total accumulated other comprehensive income	826	1,684
Share acquisition rights	26	62
Total net assets	36,915	39,706
Total liabilities and net assets	149,228	161,948

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	98,715	112,618
Cost of sales	76,407	87,791
Gross profit	22,307	24,827
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	884	978
Salaries, allowances and bonuses	5,687	6,674
Provision for bonuses	661	707
Retirement benefit expenses	250	315
Provision for retirement benefits for directors (and other officers)	28	27
Welfare expenses	1,479	1,749
Entertainment expenses	133	69
Provision of allowance for doubtful accounts	29	68
Provision for quality assurance	1	(2)
Depreciation	580	676
Rent expenses	677	795
Amortization of goodwill	280	277
Other	4,734	4,975
Total selling, general and administrative expenses	15,430	17,311
Operating profit	6,877	7,516
Non-operating income		
Interest income	1	1
Dividend income	89	80
Purchase discounts	52	57
Foreign exchange gains	6	–
Dividend income of insurance	–	25
Subsidy income	20	27
Other	79	56
Total non-operating income	250	248
Non-operating expenses		
Interest expenses	35	54
Interest on bonds	15	22
Interest on commercial papers	4	3
Commission expenses	57	71
Amortization of bond issuance costs	11	12
Nondeductible consumption tax	18	32
Other	35	54
Total non-operating expenses	179	252
Ordinary profit	6,948	7,513
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on sale of investment securities	37	36
National subsidies	–	3
Gain on sale of membership	–	0
Gain on bargain purchase	414	–
Total extraordinary income	452	43

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary losses		
Loss on sale and retirement of non-current assets	585	2,483
Impairment losses	22	–
Loss on tax purpose reduction entry of non-current assets	–	3
Loss on sale of investment securities	63	–
Loss on valuation of investment securities	19	183
Loss on sale of membership	0	0
Total extraordinary losses	690	2,671
Profit before income taxes	6,709	4,885
Income taxes - current	2,625	1,764
Income taxes - deferred	(342)	104
Total income taxes	2,283	1,869
Profit	4,426	3,015
Profit attributable to owners of parent	4,426	3,015



## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	4,426	3,015
Other comprehensive income		
Valuation difference on available-for-sale securities	62	699
Deferred gains or losses on hedges	(6)	(9)
Foreign currency translation adjustment	(27)	38
Remeasurements of defined benefit plans, net of tax	(55)	128
Total other comprehensive income	(26)	858
Comprehensive income	4,399	3,873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,399	3,873

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,529	1,805	28,624	(14)	32,944
Changes during period					
Dividends of surplus			(983)		(983)
Profit attributable to owners of parent			4,426		4,426
Purchase of treasury shares				(325)	(325)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	0	3,442	(325)	3,117
Balance at end of period	2,529	1,805	32,067	(339)	36,061

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	927	17	7	(98)	853	–	33,798
Changes during period							
Dividends of surplus					–		(983)
Profit attributable to owners of parent					–		4,426
Purchase of treasury shares					–		(325)
Disposal of treasury shares					–		0
Net changes in items other than shareholders' equity	62	(6)	(27)	(55)	(26)	26	(0)
Total changes during period	62	(6)	(27)	(55)	(26)	26	3,116
Balance at end of period	990	11	(20)	(154)	826	26	36,915

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,529	1,805	32,067	(339)	36,061
Changes during period					
Dividends of surplus			(1,117)		(1,117)
Profit attributable to owners of parent			3,015		3,015
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,898	(0)	1,897
Balance at end of period	2,529	1,805	33,965	(340)	37,959

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	990	11	(20)	(154)	826	26	36,915
Changes during period							
Dividends of surplus					–		(1,117)
Profit attributable to owners of parent					–		3,015
Purchase of treasury shares					–		(0)
Net changes in items other than shareholders' equity	699	(9)	38	128	858	35	893
Total changes during period	699	(9)	38	128	858	35	2,791
Balance at end of period	1,690	1	18	(25)	1,684	62	39,706

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	6,709	4,885
Depreciation	14,522	15,864
Impairment losses	22	–
Amortization of goodwill	280	277
Gain on bargain purchase	(414)	–
Increase (decrease) in allowance for doubtful accounts	(46)	67
Interest and dividend income	(90)	(81)
Interest expenses	55	80
Loss (gain) on sale of investment securities	26	(36)
Loss (gain) on sale and retirement of non-current assets	585	2,481
Other loss (gain)	72	214
Decrease (increase) in trade receivables	1,756	(671)
Decrease (increase) in accounts receivable-leasing business and maintenance business	(77)	(98)
Decrease (increase) in inventories	(1,636)	981
Net decrease and increase in lease investment assets	(921)	(1,282)
Net decrease and increase in lease business assets	(14,993)	(18,302)
Increase (decrease) in retirement benefit liability	(119)	(11)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	23	(17)
Increase (decrease) in trade payables	(190)	386
Increase (decrease) in accounts receivable-leasing business and maintenance business	(89)	(39)
Increase and decrease in other assets and debt	(1,714)	1,208
Subtotal	3,760	5,905
Interest and dividends received	88	81
Interest paid	(50)	(77)
Business security receive(paid)	(5)	(12)
Income taxes paid	(2,005)	(2,754)
Income taxes refund	35	20
Net cash provided by (used in) operating activities	1,823	3,161
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(4,320)	(2,884)
Proceeds from sale of property, plant and equipment and intangible assets	6	9
Payments for retirement of non-current assets	(47)	(164)
Purchase of investment securities	(28)	(179)
Proceeds from sale of investment securities	223	123
Payments for absorption-type split	(2,813)	–
Other, net	23	17
Net cash provided by (used in) investing activities	(6,957)	(3,078)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	4,520	7,000
Repayments of short-term borrowings	(4,900)	(5,420)
Net increase (decrease) in commercial papers	(1,000)	500
Proceeds from long-term borrowings	20,200	26,713
Repayments of long-term borrowings	(14,500)	(17,597)
Proceeds from issuance of bonds	2,285	–
Redemption of bonds	(173)	(260)
Repayments of lease obligations	(6)	(9)
Cash dividends paid by parent company	(983)	(1,117)
Balance by buying and selling self-stock	(325)	(0)
Other, net	(21)	(60)
Net cash provided by (used in) financing activities	5,094	9,746
Effect of exchange rate change on cash and cash equivalents	(4)	(2)
Net increase (decrease) in cash and cash equivalents	(43)	9,826
Cash and cash equivalents at beginning of period	2,201	2,158
Cash and cash equivalents at end of period	2,158	11,984