

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 29, 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: November 12, 2021
 Scheduled date to commence dividend payments: November 30, 2021
 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 six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	59,047	8.9	4,721	31.8	4,791	31.9	3,064	312.3
Six months ended September 30, 2020	54,210	18.3	3,582	3.3	3,633	3.1	743	(65.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	126.41		125.97	
Six months ended September 30, 2020	30.58		30.52	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	165,125	41,818	25.3	1,742.82
As of March 31, 2021	161,948	39,706	24.5	1,631.60

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, 2021	–	20.00	–	20.00	40.00
Year ending March 31, 2022	–	23.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	20.00	43.00

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
Full year	118,350	5.1	8,000	6.4	8,020	6.7	5,100	69.1	211.66

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: Yes
- 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, 2021	24,262,227 shares	As of March 31, 2021	24,612,227 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	314,237 shares	As of March 31, 2021	314,197 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, 2021	24,240,646 shares	Six months ended September 30, 2020	24,298,299 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	11,984	13,013
Notes and accounts receivable - trade	17,074	15,023
Electronically recorded monetary claims - operating	2,718	3,269
Accounts receivable-leasing business and maintenance business	2,522	2,574
Investments in leases	19,780	21,547
Merchandise and finished goods	7,029	7,537
Work in process	779	748
Raw materials and supplies	1,414	1,146
Prepaid expenses	2,437	3,351
Other	2,962	3,418
Allowance for doubtful accounts	(44)	(43)
Total current assets	68,659	71,587
Non-current assets		
Property, plant and equipment		
Assets for lease	130,781	133,265
Accumulated depreciation	(70,759)	(72,820)
Assets for lease, net	60,022	60,445
Land	8,602	8,600
Other	24,887	25,587
Accumulated depreciation	(11,277)	(11,937)
Other, net	13,610	13,650
Total property, plant and equipment	82,235	82,696
Intangible assets		
Goodwill	1,193	1,070
Other	383	385
Total intangible assets	1,577	1,455
Investments and other assets		
Investment securities	5,130	4,959
Long-term prepaid expenses	1,740	1,681
Deferred tax assets	593	855
Other	2,150	1,933
Allowance for doubtful accounts	(167)	(116)
Total investments and other assets	9,446	9,313
Total non-current assets	93,259	93,466
Deferred assets	29	71
Total assets	161,948	165,125

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,320	12,173
Electronically recorded obligations - operating	3,908	4,259
Short-term borrowings	8,300	4,300
Commercial papers	3,500	1,500
Current portion of bonds payable	5,260	260
Current portion of long-term borrowings	20,856	21,184
Lease obligations	15	13
Income taxes payable	507	1,825
Advances received-leasing business and maintenance business	563	585
Provision for bonuses	782	937
Reserve for quality assurance	6	9
Other	2,259	1,793
Total current liabilities	60,278	48,841
Non-current liabilities		
Bonds payable	6,750	16,620
Long-term borrowings	51,991	54,588
Lease obligations	9	6
Retirement benefit liability	2,029	2,030
Provision for retirement benefits for directors (and other officers)	159	173
Asset retirement obligations	384	440
Other	638	605
Total non-current liabilities	61,962	74,464
Total liabilities	122,241	123,306
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	33,965	36,169
Treasury shares	(340)	(368)
Total shareholders' equity	37,959	40,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,690	1,577
Deferred gains or losses on hedges	1	-
Foreign currency translation adjustment	18	48
Remeasurements of defined benefit plans	(25)	(24)
Total accumulated other comprehensive income	1,684	1,601
Share acquisition rights	62	81
Total net assets	39,706	41,818
Total liabilities and net assets	161,948	165,125

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	54,210	59,047
Cost of sales	42,004	45,603
Gross profit	12,205	13,443
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	488	502
Salaries, allowances and bonuses	3,010	2,973
Provision for bonuses	662	745
Retirement benefit expenses	162	147
Provision for retirement benefits for directors (and other officers)	13	14
Provision of allowance for doubtful accounts	20	(3)
Provision for quality assurance	14	3
Amortization of goodwill	149	123
Other	4,100	4,216
Total selling, general and administrative expenses	8,622	8,722
Operating profit	3,582	4,721
Non-operating income		
Dividend income	47	48
Purchase discounts	26	28
Other	69	53
Total non-operating income	143	131
Non-operating expenses		
Interest expenses	40	28
Commission expenses	14	13
Other	37	18
Total non-operating expenses	92	60
Ordinary profit	3,633	4,791
Extraordinary income		
Gain on sale of non-current assets	1	2
Gain on sale of investment securities	35	2
Total extraordinary income	36	4
Extraordinary losses		
Loss on sale and retirement of non-current assets	2,389	61
Loss on sale of investment securities	–	0
Loss on valuation of investment securities	13	–
Total extraordinary losses	2,402	61
Profit before income taxes	1,267	4,735
Income taxes - current	495	1,927
Income taxes - deferred	29	(257)
Total income taxes	524	1,670
Profit	743	3,064
Profit attributable to owners of parent	743	3,064

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	743	3,064
Other comprehensive income		
Valuation difference on available-for-sale securities	620	(112)
Deferred gains or losses on hedges	(12)	(1)
Foreign currency translation adjustment	(14)	29
Remeasurements of defined benefit plans, net of tax	10	1
Total other comprehensive income	604	(83)
Comprehensive income	1,347	2,981
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,347	2,981

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,267	4,735
Depreciation	7,667	8,353
Amortization of goodwill	149	123
Increase (decrease) in allowance for doubtful accounts	20	(52)
Interest and dividend income	(48)	(50)
Interest expenses	40	28
Loss (gain) on sale and retirement of non-current assets	2,388	59
Decrease (increase) in trade receivables	2,160	18
Decrease (increase) in inventories	372	(293)
Net Decrease (increase) in lease investment assets	(369)	(822)
Decrease(Increase) in lease business assets	(8,633)	(7,566)
Increase (decrease) in trade payables	(2,590)	(1,800)
Interest and dividends received	48	49
Interest paid	(33)	(14)
Income taxes paid	(1,511)	(608)
Income taxes refund	17	172
Other, net	(538)	(1,295)
Net cash provided by (used in) operating activities	406	1,036
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(539)	(841)
Proceeds from sale of property, plant and equipment and intangible assets	8	5
Payments for retirement of non-current assets	(28)	(41)
Purchase of investment securities	(16)	(15)
Proceeds from sale of investment securities	121	28
Other, net	6	33
Net cash provided by (used in) investing activities	(448)	(831)
Cash flows from financing activities		
Proceeds from short-term borrowings	7,000	–
Repayments of short-term borrowings	(3,000)	(4,000)
Net increase (decrease) in commercial papers	–	(2,000)
Proceeds from long-term borrowings	14,908	14,400
Repayments of long-term borrowings	(7,721)	(11,474)
Proceeds from issuance of bonds	–	9,951
Redemption of bonds	(130)	(5,130)
Repayments of lease obligations	(3)	(4)
Dividends paid	(631)	(485)
Other, net	(15)	(452)
Net cash provided by (used in) financing activities	10,407	804
Effect of exchange rate change on cash and cash equivalents	(4)	18
Net increase (decrease) in cash and cash equivalents	10,360	1,029
Cash and cash equivalents at beginning of period	2,158	11,984
Cash and cash equivalents at end of period	12,518	13,013