

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 2, 2022

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, 2022  
 Scheduled date to file Securities Report: June 17, 2022  
 Scheduled date to commence dividend payments: June 20, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	120,644	7.1	8,623	14.7	8,728	16.2	5,646	87.2
Year ended March 31, 2021	112,618	14.1	7,516	9.3	7,513	8.1	3,015	(31.9)

	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, 2022	234.36	233.40	13.6	5.3	7.1
Year ended March 31, 2021	124.12	123.76	7.9	4.8	6.7

(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, 2022	168,507	43,673	25.9	1,819.55
As of March 31, 2021	161,948	39,706	24.5	1,631.60

(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, 2022	5,093	(4,671)	(1,543)	10,890
Year ended March 31, 2021	3,161	(3,078)	9,746	11,984

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, 2021	—	20.00	—	20.00	40.00	971	32.2	2.5
Year ended March 31, 2022	—	23.00	—	23.00	46.00	1,101	19.6	2.7
Year ending March 31, 2023 (Forecast)	—	23.00	—	23.00	46.00		22.6	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	61,381	4.0	4,098	(13.2)	4,137	(13.7)	2,621	(14.5)	109.45
Full year	122,000	1.1	7,660	(11.2)	7,700	(11.8)	4,880	(13.6)	203.78

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

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, 2022	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 March 31, 2022	314,336 shares	As of March 31, 2021	314,197 shares
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Average number of shares during the period

Year ended March 31, 2022	24,094,711 shares	Year ended March 31, 2021	24,298,223 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	11,984	11,038
Notes and accounts receivable - trade	17,074	15,825
Electronically recorded monetary claims - operating	2,718	4,441
Accounts receivable-leasing business and maintenance business	2,522	2,497
Investments in leases	19,780	21,936
Merchandise and finished goods	7,029	8,173
Work in process	779	869
Raw materials and supplies	1,414	1,442
Prepaid expenses	2,437	2,407
Other	2,962	3,218
Allowance for doubtful accounts	(44)	(44)
Total current assets	68,659	71,806
Non-current assets		
Property, plant and equipment		
Assets for lease	130,781	136,375
Accumulated depreciation	(70,759)	(75,494)
Lease assets, net	60,022	60,881
Buildings and structures	15,683	18,290
Accumulated depreciation	(5,287)	(7,118)
Buildings and structures, net	10,396	11,172
Tools, furniture and fixtures	5,713	6,469
Accumulated depreciation	(3,959)	(4,659)
Tools, furniture and fixtures, net	1,754	1,809
Machinery, equipment and vehicles	3,143	4,200
Accumulated depreciation	(1,911)	(3,004)
Machinery, equipment and vehicles, net	1,232	1,195
Land	8,602	10,835
Leased assets	128	142
Accumulated depreciation	(118)	(131)
Leased assets, net	9	11
Construction in progress	217	24
Total property, plant and equipment	82,235	85,930
Intangible assets		
Goodwill	1,193	947
Telephone subscription right	30	30
Software	345	409
Other	7	5
Total intangible assets	1,577	1,392
Investments and other assets		
Investment securities	5,130	4,690
Long-term loans receivable	31	28
Long-term prepaid expenses	1,740	1,685
Deferred tax assets	593	1,089
Deposit-recycle	782	797
Other	1,336	1,141
Allowance for doubtful accounts	(167)	(117)
Total investments and other assets	9,446	9,316
Total non-current assets	93,259	96,638

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Deferred assets		
Bond issuance costs	29	61
Total deferred assets	29	61
Total assets	161,948	168,507
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,320	13,542
Electronically recorded obligations - operating	3,908	4,488
Short-term borrowings	8,300	4,350
Commercial papers	3,500	3,500
Current portion of bonds payable	5,260	260
Current portion of long-term borrowings	20,856	20,042
Lease liabilities	15	12
Accounts payable - other	1,162	1,283
Accrued expenses	40	73
Income taxes payable	507	2,578
Accrued consumption taxes	554	792
Advances received-leasing business and maintenance business	563	491
Provision for bonuses	782	944
Reserve for quality assurance	6	9
Other	501	259
Total current liabilities	60,278	52,629
Non-current liabilities		
Bonds payable	6,750	16,490
Long-term borrowings	51,991	52,386
Lease liabilities	9	7
Long-term accounts payable - other	135	148
Deferred tax liabilities	181	121
Retirement benefit liability	2,029	1,999
Provision for retirement benefits for directors (and other officers)	159	220
Asset retirement obligations	384	489
Other	321	340
Total non-current liabilities	61,962	72,204
Total liabilities	122,241	124,834
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	33,965	38,201
Treasury shares	(340)	(368)
Total shareholders' equity	37,959	42,166
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,690	1,338
Deferred gains or losses on hedges	1	16
Foreign currency translation adjustment	18	72
Remeasurements of defined benefit plans	(25)	(20)
Total accumulated other comprehensive income	1,684	1,407
Share acquisition rights	62	98
Total net assets	39,706	43,673
Total liabilities and net assets	161,948	168,507

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	112,618	120,644
Cost of sales	87,791	93,910
Gross profit	24,827	26,733
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	978	1,031
Salaries, allowances and bonuses	6,674	6,845
Provision for bonuses	707	840
Retirement benefit expenses	315	276
Provision for retirement benefits for directors (and other officers)	27	31
Welfare expenses	1,749	1,755
Entertainment expenses	69	88
Provision of allowance for doubtful accounts	68	15
Provision for quality assurance	(2)	3
Depreciation	676	869
Rent expenses	795	847
Amortization of goodwill	277	287
Other	4,975	5,218
Total selling, general and administrative expenses	17,311	18,110
Operating profit	7,516	8,623
Non-operating income		
Interest income	1	2
Dividend income	80	95
Purchase discounts	57	63
Foreign exchange gains	–	25
Dividend income of insurance	25	17
Subsidy income	27	8
Other	56	60
Total non-operating income	248	275
Non-operating expenses		
Interest expenses	54	39
Interest on bonds	22	21
Interest on commercial papers	3	2
Commission expenses	71	27
Amortization of bond issuance costs	12	16
Nondeductible consumption tax	32	26
Other	54	36
Total non-operating expenses	252	169
Ordinary profit	7,513	8,728
Extraordinary income		
Gain on sale of non-current assets	2	16
Gain on sale of investment securities	36	2
National subsidies	3	–
Gain on sale of membership	0	–
Gain on bargain purchase	–	259
Total extraordinary income	43	278

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary losses		
Loss on sale and retirement of non-current assets	2,483	79
Impairment losses	–	209
Loss on tax purpose reduction entry of non-current assets	3	–
Loss on sale of investment securities	–	0
Loss on valuation of investment securities	183	49
Loss on sale of membership	0	–
Total extraordinary losses	2,671	339
Profit before income taxes	4,885	8,668
Income taxes - current	1,764	3,450
Income taxes - deferred	104	(429)
Total income taxes	1,869	3,021
Profit	3,015	5,646
Profit attributable to owners of parent	3,015	5,646

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	3,015	5,646
Other comprehensive income		
Valuation difference on available-for-sale securities	699	(351)
Deferred gains or losses on hedges	(9)	15
Foreign currency translation adjustment	38	53
Remeasurements of defined benefit plans, net of tax	128	5
Total other comprehensive income	858	(277)
Comprehensive income	3,873	5,369
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,873	5,369

## Consolidated statements of changes in equity

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



Fiscal year ended March 31, 2022

(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	33,965	(340)	37,959
Cumulative effects of changes in accounting policies			35		35
Restated balance	2,529	1,805	34,001	(340)	37,995
Changes during period					
Dividends of surplus			(1,036)		(1,036)
Profit attributable to owners of parent			5,646		5,646
Purchase of treasury shares				(438)	(438)
Cancellation of treasury shares		(0)	(410)	410	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	4,199	(28)	4,171
Balance at end of period	2,529	1,805	38,201	(368)	42,166

	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	1,690	1	18	(25)	1,684	62	39,706
Cumulative effects of changes in accounting policies							35
Restated balance	1,690	1	18	(25)	1,684	62	39,742
Changes during period							
Dividends of surplus					–		(1,036)
Profit attributable to owners of parent					–		5,646
Purchase of treasury shares					–		(438)
Cancellation of treasury shares					–		–
Net changes in items other than shareholders' equity	(351)	15	53	5	(277)	36	(240)
Total changes during period	(351)	15	53	5	(277)	36	3,930
Balance at end of period	1,338	16	72	(20)	1,407	98	43,673

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,885	8,668
Depreciation	15,864	16,898
Impairment losses	–	209
Amortization of goodwill	277	287
Gain on bargain purchase	–	(259)
Increase (decrease) in allowance for doubtful accounts	67	(36)
Interest and dividend income	(81)	(98)
Interest expenses	80	62
Loss (gain) on sale of investment securities	(36)	(2)
Loss (gain) on sale and retirement of non-current assets	2,481	63
Other loss (gain)	214	114
Decrease (increase) in trade receivables	(671)	(1,473)
Decrease (increase) in accounts receivable-leasing business and maintenance business	(98)	24
Decrease (increase) in inventories	981	(1,044)
Net decrease and increase in lease investment assets	(1,282)	(1,518)
Net decrease and increase in lease business assets	(18,302)	(15,430)
Increase (decrease) in retirement benefit liability	(11)	(33)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(17)	3
Increase (decrease) in trade payables	386	(430)
Increase (decrease) in accounts receivable-leasing business and maintenance business	(39)	(72)
Increase and decrease in other assets and debt	1,208	272
Subtotal	5,905	6,203
Interest and dividends received	81	99
Interest paid	(77)	(33)
Business security receive(paid)	(12)	123
Income taxes paid	(2,754)	(1,473)
Income taxes refund	20	173
Net cash provided by (used in) operating activities	3,161	5,093
Cash flows from investing activities		
Payments into time deposits	–	(6)
Purchase of property, plant and equipment and intangible assets	(2,884)	(2,446)
Proceeds from sale of property, plant and equipment and intangible assets	9	123
Payments for retirement of non-current assets	(164)	(45)
Purchase of investment securities	(179)	(30)
Proceeds from sale of investment securities	123	28
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,419)
Other, net	17	123
Net cash provided by (used in) investing activities	(3,078)	(4,671)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	7,000	–
Repayments of short-term borrowings	(5,420)	(4,010)
Net increase (decrease) in commercial papers	500	–
Proceeds from long-term borrowings	26,713	22,400
Repayments of long-term borrowings	(17,597)	(23,120)
Proceeds from issuance of bonds	–	9,951
Redemption of bonds	(260)	(5,260)
Repayments of lease liabilities	(9)	(7)
Cash dividends paid by parent company	(1,117)	(1,036)
Balance by buying and selling self-stock	(0)	(438)
Other, net	(60)	(21)
Net cash provided by (used in) financing activities	9,746	(1,543)
Effect of exchange rate change on cash and cash equivalents	(2)	28
Net increase (decrease) in cash and cash equivalents	9,826	(1,093)
Cash and cash equivalents at beginning of period	2,158	11,984
Cash and cash equivalents at end of period	11,984	10,890