

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 1, 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 to file Quarterly Securities Report: August 12, 2022
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	30,286	2.2	2,212	(4.8)	2,354	0.0	1,498	0.3
Three months ended June 30, 2021	29,624	9.6	2,323	50.7	2,353	50.2	1,493	57.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	62.55		62.28	
Three months ended June 30, 2021	61.45		61.25	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	168,809	44,687	26.4	1,861.56
As of March 31, 2022	168,507	43,673	25.9	1,819.55

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, 2022	–	23.00	–	23.00	46.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		23.00	–	23.00	46.00

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 three months ended June 30, 2022
 (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 June 30, 2022	24,262,227 shares	As of March 31, 2022	24,262,227 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	314,376 shares	As of March 31, 2022	314,336 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	23,947,851 shares	Three months ended June 30, 2021	24,298,030 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	11,038	10,394
Notes and accounts receivable - trade	15,825	14,880
Electronically recorded monetary claims - operating	4,441	3,557
Accounts receivable-leasing business and maintenance business	2,497	2,589
Investments in leases	21,936	22,397
Merchandise and finished goods	8,173	9,501
Work in process	869	951
Raw materials and supplies	1,442	1,649
Prepaid expenses	2,407	3,793
Other	3,218	2,995
Allowance for doubtful accounts	(44)	(45)
Total current assets	71,806	72,666
Non-current assets		
Property, plant and equipment		
Assets for lease	136,375	136,917
Accumulated depreciation-lease business assets	(75,494)	(76,491)
Lease Assets Net	60,881	60,425
Land	10,835	10,836
Other	29,126	29,202
Accumulated depreciation	(14,913)	(15,139)
Other, net	14,212	14,063
Total property, plant and equipment	85,930	85,325
Intangible assets		
Goodwill	947	885
Other	445	496
Total intangible assets	1,392	1,382
Investments and other assets		
Investment securities	4,690	4,762
Long-term prepaid expenses	1,685	1,653
Deferred tax assets	1,089	1,118
Other	1,967	1,950
Allowance for doubtful accounts	(117)	(106)
Total investments and other assets	9,316	9,378
Total non-current assets	96,638	96,085
Deferred assets	61	57
Total assets	168,507	168,809

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,542	12,643
Electronically recorded obligations - operating	4,488	4,029
Short-term borrowings	4,350	4,300
Commercial papers	3,500	2,500
Current portion of bonds payable	260	260
Current portion of long-term borrowings	20,042	20,820
Lease liabilities	12	12
Income taxes payable	2,578	867
Advances received-leasing business and maintenance business	491	487
Provision for bonuses	944	1,335
Reserve for quality assurance	9	8
Other	2,409	2,277
Total current liabilities	52,629	49,541
Non-current liabilities		
Bonds payable	16,490	16,490
Long-term borrowings	52,386	54,742
Lease liabilities	7	5
Retirement benefit liability	1,999	2,009
Provision for retirement benefits for directors (and other officers)	220	189
Asset retirement obligations	489	498
Other	610	645
Total non-current liabilities	72,204	74,580
Total liabilities	124,834	124,122
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	38,201	39,148
Treasury shares	(368)	(368)
Total shareholders' equity	42,166	43,113
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,338	1,383
Deferred gains or losses on hedges	16	10
Foreign currency translation adjustment	72	92
Remeasurements of defined benefit plans	(20)	(19)
Total accumulated other comprehensive income	1,407	1,466
Share acquisition rights	98	106
Total net assets	43,673	44,687
Total liabilities and net assets	168,507	168,809

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	29,624	30,286
Cost of sales	22,961	23,494
Gross profit	6,662	6,792
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	254	284
Salaries, allowances and bonuses	1,448	1,507
Provision for bonuses	331	344
Retirement benefit expenses	81	84
Provision for retirement benefits for directors (and other officers)	7	7
Provision of allowance for doubtful accounts	(1)	(7)
Provision for quality assurance	1	(1)
Amortization of goodwill	61	61
Other	2,153	2,297
Total selling, general and administrative expenses	4,338	4,579
Operating profit	2,323	2,212
Non-operating income		
Dividend income	31	40
Purchase discounts	15	14
Foreign exchange gains	–	87
Other	20	34
Total non-operating income	67	178
Non-operating expenses		
Interest expenses	14	16
Commission expenses	8	7
Other	14	13
Total non-operating expenses	37	36
Ordinary profit	2,353	2,354
Extraordinary income		
Gain on sale of non-current assets	1	–
Total extraordinary income	1	–
Extraordinary losses		
Loss on sale and retirement of non-current assets	46	11
Loss on sale of investment securities	0	–
Loss on valuation of investment securities	–	0
Total extraordinary losses	46	11
Profit before income taxes	2,309	2,342
Income taxes - current	1,018	891
Income taxes - deferred	(202)	(47)
Total income taxes	816	844
Profit	1,493	1,498
Profit attributable to owners of parent	1,493	1,498

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	1,493	1,498
Other comprehensive income		
Valuation difference on available-for-sale securities	(133)	44
Deferred gains or losses on hedges	0	(6)
Foreign currency translation adjustment	15	20
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	(117)	58
Comprehensive income	1,376	1,556
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,376	1,556