

Translation

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

October 31, 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: November 14, 2022
 Scheduled date to commence dividend payments: November 30, 2022
 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, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	61,772	4.6	4,916	4.1	5,138	7.2	3,226	5.3
Six months ended September 30, 2021	59,047	8.9	4,721	31.8	4,791	31.9	3,064	312.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	134.54		134.41	
Six months ended September 30, 2021	126.41		125.97	

(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, 2022	170,592	46,316	27.1	1,925.11
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	–	25.00			
Year ending March 31, 2023 (Forecast)			–	23.00	48.00

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
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 six months ended September 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 September 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 September 30, 2022	209,376 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)

Six months ended September 30, 2022	23,982,851 shares	Six months ended September 30, 2021	24,240,646 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	11,038	11,373
Notes and accounts receivable - trade	15,825	14,540
Electronically recorded monetary claims - operating	4,441	4,021
Accounts receivable-leasing business and maintenance business	2,497	2,613
Investments in leases	21,936	23,410
Merchandise and finished goods	8,173	9,197
Work in process	869	1,101
Raw materials and supplies	1,442	1,876
Prepaid expenses	2,407	3,361
Other	3,218	3,565
Allowance for doubtful accounts	(44)	(47)
Total current assets	71,806	75,016
Non-current assets		
Property, plant and equipment		
Assets for lease	136,375	137,622
Accumulated depreciation	(75,494)	(77,763)
Assets for lease, net	60,881	59,858
Land	10,835	10,831
Other	29,126	29,674
Accumulated depreciation	(14,913)	(15,497)
Other, net	14,212	14,176
Total property, plant and equipment	85,930	84,866
Intangible assets		
Goodwill	947	823
Other	445	659
Total intangible assets	1,392	1,483
Investments and other assets		
Investment securities	4,690	4,586
Long-term prepaid expenses	1,685	1,640
Deferred tax assets	1,089	1,138
Other	1,967	1,904
Allowance for doubtful accounts	(117)	(95)
Total investments and other assets	9,316	9,174
Total non-current assets	96,638	95,523
Deferred assets	61	52
Total assets	168,507	170,592

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,542	12,388
Electronically recorded obligations - operating	4,488	3,927
Short-term borrowings	4,350	4,300
Commercial papers	3,500	3,500
Current portion of bonds payable	260	260
Current portion of long-term borrowings	20,042	20,746
Lease liabilities	12	11
Income taxes payable	2,578	1,830
Advances received-leasing business and maintenance business	491	485
Provision for bonuses	944	1,044
Reserve for quality assurance	9	10
Other	2,409	1,881
Total current liabilities	52,629	50,385
Non-current liabilities		
Bonds payable	16,490	16,360
Long-term borrowings	52,386	54,174
Lease liabilities	7	4
Retirement benefit liability	1,999	2,011
Provision for retirement benefits for directors (and other officers)	220	186
Asset retirement obligations	489	517
Other	610	637
Total non-current liabilities	72,204	73,890
Total liabilities	124,834	124,276
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	38,201	40,860
Treasury shares	(368)	(245)
Total shareholders' equity	42,166	44,949
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,338	1,284
Deferred gains or losses on hedges	16	16
Foreign currency translation adjustment	72	72
Remeasurements of defined benefit plans	(20)	(18)
Total accumulated other comprehensive income	1,407	1,354
Share acquisition rights	98	11
Total net assets	43,673	46,316
Total liabilities and net assets	168,507	170,592

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, 2021	Six months ended September 30, 2022
Net sales	59,047	61,772
Cost of sales	45,603	47,550
Gross profit	13,443	14,221
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	502	573
Salaries, allowances and bonuses	2,973	3,081
Provision for bonuses	745	797
Retirement benefit expenses	147	152
Provision for retirement benefits for directors (and other officers)	14	15
Provision of allowance for doubtful accounts	(3)	(1)
Provision for quality assurance	3	1
Amortization of goodwill	123	123
Other	4,216	4,562
Total selling, general and administrative expenses	8,722	9,305
Operating profit	4,721	4,916
Non-operating income		
Dividend income	48	61
Purchase discounts	28	27
Foreign exchange gains	0	124
Other	53	78
Total non-operating income	131	291
Non-operating expenses		
Interest expenses	28	34
Commission expenses	13	12
Other	18	23
Total non-operating expenses	60	70
Ordinary profit	4,791	5,138
Extraordinary income		
Gain on sale of non-current assets	2	0
Gain on sale of investment securities	2	–
Total extraordinary income	4	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	61	25
Loss on sale of investment securities	0	0
Loss on valuation of investment securities	–	47
Loss on disaster	–	38
Total extraordinary losses	61	111
Profit before income taxes	4,735	5,026
Income taxes - current	1,927	1,844
Income taxes - deferred	(257)	(44)
Total income taxes	1,670	1,799
Profit	3,064	3,226
Profit attributable to owners of parent	3,064	3,226

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	3,064	3,226
Other comprehensive income		
Valuation difference on available-for-sale securities	(112)	(54)
Deferred gains or losses on hedges	(1)	(0)
Foreign currency translation adjustment	29	0
Remeasurements of defined benefit plans, net of tax	1	1
Total other comprehensive income	(83)	(52)
Comprehensive income	2,981	3,173
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,981	3,173

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,735	5,026
Depreciation	8,353	8,580
Amortization of goodwill	123	123
Increase (decrease) in allowance for doubtful accounts	(52)	(4)
Interest and dividend income	(50)	(62)
Interest expenses	28	34
Loss (gain) on sale and retirement of non-current assets	59	20
Decrease (increase) in trade receivables	18	1,715
Decrease (increase) in inventories	(293)	(1,563)
Net Decrease (increase) in lease investment assets	(822)	(1,697)
Decrease(Increase) in lease business assets	(7,566)	(6,495)
Increase (decrease) in trade payables	(1,800)	(1,641)
Interest and dividends received	49	60
Interest paid	(14)	(6)
Income taxes paid	(608)	(2,824)
Income taxes refund	172	1
Other, net	(1,295)	(1,730)
Net cash provided by (used in) operating activities	1,036	(463)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(841)	(1,063)
Proceeds from sale of property, plant and equipment and intangible assets	5	5
Payments for retirement of non-current assets	(41)	(10)
Purchase of investment securities	(15)	(21)
Proceeds from sale of investment securities	28	0
Other, net	33	(86)
Net cash provided by (used in) investing activities	(831)	(1,175)
Cash flows from financing activities		
Repayments of short-term borrowings	(4,000)	(50)
Net increase (decrease) in commercial papers	(2,000)	–
Proceeds from long-term borrowings	14,400	13,300
Repayments of long-term borrowings	(11,474)	(10,808)
Proceeds from issuance of bonds	9,951	–
Redemption of bonds	(5,130)	(130)
Repayments of lease liabilities	(4)	(3)
Dividends paid	(485)	(550)
Other, net	(452)	94
Net cash provided by (used in) financing activities	804	1,851
Effect of exchange rate change on cash and cash equivalents	18	29
Net increase (decrease) in cash and cash equivalents	1,029	242
Cash and cash equivalents at beginning of period	11,984	10,890
Cash and cash equivalents at end of period	13,013	11,133