

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 2024

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: February 14, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(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	%
Nine months ended December 31, 2023	100,642	5.9	6,532	(9.6)	6,943	(7.0)	10,503	123.1
Nine months ended December 31, 2022	94,992	4.7	7,224	1.4	7,463	3.2	4,707	(2.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	436.68		435.26	
Nine months ended December 31, 2022	196.11		195.85	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	209,926	58,478	27.6	2,405.72
As of March 31, 2023	171,888	48,375	28.1	2,009.64

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, 2023	–	25.00	–	25.00	50.00
Year ending March 31, 2024	–	30.00	–		
Year ending March 31, 2024 (Forecast)				25.00	55.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	131,000	2.5	8,200	(7.5)	8,200	(9.9)	11,350	91.6	471.90

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 December 31, 2023	24,262,227 shares	As of March 31, 2023	24,262,227 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	209,641 shares	As of March 31, 2023	209,456 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	24,052,723 shares	Nine months ended December 31, 2022	24,006,269 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	10,154	17,580
Notes and accounts receivable - trade	15,961	20,133
Electronically recorded monetary claims - operating	5,308	3,426
Accounts receivable-leasing business and maintenance business	2,536	2,616
Investments in leases	24,389	28,869
Merchandise and finished goods	8,913	15,416
Work in process	1,000	1,515
Raw materials and supplies	2,042	7,104
Prepaid expenses	2,496	3,029
Other	3,808	3,931
Allowance for doubtful accounts	(46)	(10)
Total current assets	76,567	103,614
Non-current assets		
Property, plant and equipment		
Assets for lease	140,726	144,660
Accumulated depreciation-lease business assets	(80,869)	(85,106)
Lease Assets Net	59,857	59,554
Land	10,830	17,674
Other	29,962	49,625
Accumulated depreciation	(16,032)	(32,938)
Other, net	13,930	16,686
Total property, plant and equipment	84,618	93,915
Intangible assets		
Goodwill	700	515
Other	732	883
Total intangible assets	1,432	1,398
Investments and other assets		
Investment securities	4,672	6,259
Long-term prepaid expenses	1,564	1,603
Deferred tax assets	1,141	1,135
Other	1,931	2,029
Allowance for doubtful accounts	(81)	(99)
Total investments and other assets	9,228	10,928
Total non-current assets	95,279	106,243
Deferred assets	42	68
Total assets	171,888	209,926

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,017	15,152
Electronically recorded obligations - operating	5,384	6,424
Short-term borrowings	4,300	18,400
Commercial papers	3,500	3,000
Current portion of bonds payable	5,260	5,260
Current portion of long-term borrowings	20,571	21,008
Lease liabilities	7	3
Income taxes payable	1,606	803
Advances received-leasing business and maintenance business	452	450
Provision for bonuses	867	485
Reserve for quality assurance	19	17
Other	2,362	5,598
Total current liabilities	57,347	76,603
Non-current liabilities		
Bonds payable	11,230	16,100
Long-term borrowings	51,568	52,996
Lease liabilities	3	1
Retirement benefit liability	2,034	2,128
Provision for retirement benefits for directors (and other officers)	180	242
Asset retirement obligations	524	599
Other	624	2,774
Total non-current liabilities	66,165	74,844
Total liabilities	123,513	151,447
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	42,956	52,136
Treasury shares	(245)	(245)
Total shareholders' equity	47,045	56,225
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,317	1,633
Deferred gains or losses on hedges	(7)	(7)
Foreign currency translation adjustment	27	49
Remeasurements of defined benefit plans	(46)	(36)
Total accumulated other comprehensive income	1,292	1,638
Share acquisition rights	37	74
Non-controlling interests	-	540
Total net assets	48,375	58,478
Total liabilities and net assets	171,888	209,926

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	94,992	100,642
Cost of sales	73,869	79,200
Gross profit	21,122	21,441
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	863	940
Salaries, allowances and bonuses	5,462	5,650
Provision for bonuses	299	335
Retirement benefit expenses	224	254
Provision for retirement benefits for directors (and other officers)	23	25
Provision of allowance for doubtful accounts	(15)	(17)
Provision for quality assurance	(1)	(2)
Amortization of goodwill	185	185
Other	6,855	7,534
Total selling, general and administrative expenses	13,898	14,909
Operating profit	7,224	6,532
Non-operating income		
Dividend income	96	114
Purchase discounts	42	37
Foreign exchange gains	105	137
Other	101	235
Total non-operating income	344	525
Non-operating expenses		
Interest expenses	54	61
Commission expenses	16	18
Other	34	34
Total non-operating expenses	105	114
Ordinary profit	7,463	6,943
Extraordinary income		
Gain on sale of non-current assets	3	154
Gain on sale of investment securities	1	0
Gain on bargain purchase	–	5,870
Insurance claim income	–	24
Total extraordinary income	5	6,049
Extraordinary losses		
Loss on sale and retirement of non-current assets	47	58
Loss on sale of investment securities	3	–
Loss on valuation of investment securities	47	99
Loss on disaster	40	1
Loss on liquidation of business	–	84
Total extraordinary losses	138	245
Profit before income taxes	7,329	12,748
Income taxes - current	2,334	2,293
Income taxes - deferred	287	(59)
Total income taxes	2,621	2,233
Profit	4,707	10,514
Profit attributable to non-controlling interests	–	10
Profit attributable to owners of parent	4,707	10,503

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	4,707	10,514
Other comprehensive income		
Valuation difference on available-for-sale securities	(110)	315
Deferred gains or losses on hedges	(46)	(0)
Foreign currency translation adjustment	(45)	24
Remeasurements of defined benefit plans, net of tax	2	9
Total other comprehensive income	(200)	349
Comprehensive income	4,507	10,863
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,507	10,849
Comprehensive income attributable to non-controlling interests	–	13