

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 3, 2020

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, 2020  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	27,032	21.4	1,541	6.0	1,567	4.4	946	2.9
Three months ended June 30, 2019	22,262	5.5	1,454	(2.6)	1,500	(1.5)	920	(4.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	38.97		38.90	
Three months ended June 30, 2019	37.42		–	

(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, 2020	153,256	37,650	24.5	1,548.04
As of March 31, 2020	149,228	36,915	24.7	1,518.16

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, 2020	–	20.00	–	26.00	46.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	20.00	–	20.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	52,000	13.5	2,500	(27.9)	2,530	(28.2)	1,540	(28.7)	63.38
Full year	110,000	11.4	5,000	(27.3)	4,940	(28.9)	2,960	(33.1)	121.82

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020  
 (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, 2020	24,612,227 shares	As of March 31, 2020	24,612,227 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	313,903 shares	As of March 31, 2020	313,853 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, 2020	24,298,324 shares	Three months ended June 30, 2019	24,598,402 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	2,158	6,196
Notes and accounts receivable - trade	16,412	14,246
Electronically recorded monetary claims - operating	2,710	2,745
Accounts receivable-leasing business and maintenance business	2,424	2,443
Investments in leases	19,079	19,256
Merchandise and finished goods	7,849	8,362
Work in process	1,238	793
Raw materials and supplies	1,556	1,235
Prepaid expenses	2,448	3,692
Other	3,600	2,900
Allowance for doubtful accounts	(38)	(46)
Total current assets	59,439	61,825
Non-current assets		
Property, plant and equipment		
Assets for lease	122,996	124,894
Accumulated depreciation-lease business assets	(67,966)	(68,584)
Lease Assets Net	55,030	56,309
Land	8,606	8,606
Other	23,007	23,141
Accumulated depreciation	(10,265)	(10,573)
Other, net	12,742	12,568
Total property, plant and equipment	76,379	77,484
Intangible assets		
Goodwill	1,453	1,396
Other	2,932	2,968
Total intangible assets	4,385	4,365
Investments and other assets		
Investment securities	4,204	4,809
Long-term prepaid expenses	1,751	1,709
Deferred tax assets	1,084	1,089
Other	2,053	2,044
Allowance for doubtful accounts	(112)	(111)
Total investments and other assets	8,981	9,541
Total non-current assets	89,747	91,391
Deferred assets	41	38
Total assets	149,228	153,256

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,608	12,882
Electronically recorded obligations - operating	3,223	3,304
Short-term borrowings	6,720	10,720
Commercial papers	3,000	1,000
Current portion of bonds payable	260	260
Current portion of long-term borrowings	15,777	18,564
Lease obligations	19	17
Income taxes payable	1,322	535
Advances received-leasing business and maintenance business	603	620
Provision for bonuses	770	1,134
Reserve for quality assurance	8	7
Other	2,514	2,362
Total current liabilities	48,827	51,407
Non-current liabilities		
Bonds payable	12,010	12,010
Long-term borrowings	47,955	48,671
Lease obligations	14	13
Retirement benefit liability	2,236	2,238
Provision for retirement benefits for directors (and other officers)	176	164
Asset retirement obligations	436	431
Other	655	668
Total non-current liabilities	63,485	64,198
Total liabilities	112,312	115,605
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	32,067	32,382
Treasury shares	(339)	(339)
Total shareholders' equity	36,061	36,376
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	990	1,416
Deferred gains or losses on hedges	11	4
Foreign currency translation adjustment	(20)	(34)
Remeasurements of defined benefit plans	(154)	(149)
Total accumulated other comprehensive income	826	1,237
Share acquisition rights	26	35
Total net assets	36,915	37,650
Total liabilities and net assets	149,228	153,256

**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, 2019	Three months ended June 30, 2020
Net sales	22,262	27,032
Cost of sales	17,258	21,242
Gross profit	5,003	5,789
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	214	243
Salaries, allowances and bonuses	1,145	1,458
Provision for bonuses	273	326
Retirement benefit expenses	62	86
Provision for retirement benefits for directors (and other officers)	6	6
Provision of allowance for doubtful accounts	(1)	6
Provision for quality assurance	1	(0)
Amortization of goodwill	67	74
Other	1,777	2,045
Total selling, general and administrative expenses	3,548	4,247
Operating profit	1,454	1,541
Non-operating income		
Dividend income	36	32
Purchase discounts	14	14
Other	22	17
Total non-operating income	73	64
Non-operating expenses		
Interest expenses	13	18
Commission expenses	6	8
Other	8	11
Total non-operating expenses	27	38
Ordinary profit	1,500	1,567
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	0	–
Total extraordinary income	0	1
Extraordinary losses		
Loss on sales and retirement of non-current assets	34	31
Loss on valuation of investment securities	–	16
Total extraordinary losses	34	47
Profit before income taxes	1,466	1,520
Income taxes - current	633	747
Income taxes - deferred	(87)	(172)
Total income taxes	546	574
Profit	920	946
Profit attributable to owners of parent	920	946

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	920	946
Other comprehensive income		
Valuation difference on available-for-sale securities	(40)	426
Deferred gains or losses on hedges	(18)	(6)
Foreign currency translation adjustment	16	(14)
Remeasurements of defined benefit plans, net of tax	2	5
Total other comprehensive income	(39)	410
Comprehensive income	880	1,357
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	880	1,357