

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 1, 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 of ordinary general meeting of shareholders: June 17, 2020  
 Scheduled date to file Securities Report: June 17, 2020  
 Scheduled date to commence dividend payments: June 18, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (Scheduled to hold conference call for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

#### (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, 2020	98,715	12.5	6,877	9.6	6,948	9.5	4,426	(13.7)
Year ended March 31, 2019	87,773	7.9	6,272	6.0	6,346	6.6	5,127	33.2

	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, 2020	180.13	179.82	12.5	5.0	7.0
Year ended March 31, 2019	208.44	–	16.0	5.1	7.1

#### (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, 2020	149,228	36,915	24.7	1,518.16
As of March 31, 2019	130,015	33,798	26.0	1,374.01

#### (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, 2020	1,823	(6,957)	5,094	2,158
Year ended March 31, 2019	909	(5,299)	5,213	2,201

## 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, 2019	–	20.00	–	20.00	40.00	983	19.2	3.1
Year ended March 31, 2020	–	20.00	–	26.00	46.00	1,123	25.5	3.2
Year ending March 31, 2021 (Forecast)	–	20.00	–	20.00	40.00		–	

## 3. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020

(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:

No

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, 2020	24,612,227 shares	As of March 31, 2019	24,612,227 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	313,853 shares	As of March 31, 2019	13,764 shares
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Average number of shares during the period

Year ended March 31, 2020	24,572,981 shares	Year ended March 31, 2019	24,598,526 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	2,201	2,158
Notes and accounts receivable - trade	13,034	16,412
Electronically recorded monetary claims - operating	1,516	2,710
Accounts receivable-leasing business and maintenance business	2,346	2,424
Investments in leases	18,606	19,079
Merchandise and finished goods	4,045	7,849
Work in process	786	1,238
Raw materials and supplies	705	1,556
Prepaid expenses	2,361	2,448
Other	1,935	3,600
Allowance for doubtful accounts	(4)	(38)
Total current assets	47,534	59,439
Non-current assets		
Property, plant and equipment		
Assets for lease	117,865	122,996
Accumulated depreciation	(65,654)	(67,966)
Lease assets, net	52,210	55,030
Buildings and structures	10,722	11,613
Accumulated depreciation	(4,329)	(4,851)
Buildings and structures, net	6,393	6,761
Tools, furniture and fixtures	4,608	5,196
Accumulated depreciation	(3,227)	(3,579)
Tools, furniture and fixtures, net	1,380	1,616
Machinery, equipment and vehicles	2,748	3,038
Accumulated depreciation	(1,448)	(1,721)
Machinery, equipment and vehicles, net	1,300	1,316
Land	7,564	8,606
Leased assets	194	134
Accumulated depreciation	(176)	(112)
Leased assets, net	17	21
Construction in progress	163	3,025
Total property, plant and equipment	69,030	76,379
Intangible assets		
Goodwill	1,604	1,453
Telephone subscription right	30	30
Software	3,051	2,900
Other	2	1
Total intangible assets	4,688	4,385

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Investments and other assets		
Investment securities	4,207	4,204
Long-term loans receivable	21	34
Long-term prepaid expenses	1,827	1,751
Deferred tax assets	862	1,084
Deposit-recycle	753	767
Other	1,157	1,251
Allowance for doubtful accounts	(107)	(112)
Total investments and other assets	8,721	8,981
Total non-current assets	82,441	89,747
Deferred assets		
Bond issuance costs	39	41
Total deferred assets	39	41
Total assets	130,015	149,228
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,572	14,608
Electronically recorded obligations - operating	1,324	3,223
Short-term borrowings	4,300	6,720
Commercial papers	4,000	3,000
Current portion of bonds payable	143	260
Current portion of long-term borrowings	13,063	15,777
Lease obligations	25	19
Accounts payable - other	1,271	1,526
Accrued expenses	30	36
Income taxes payable	674	1,322
Accrued consumption taxes	226	524
Advances received-leasing business and maintenance business	692	603
Provision for bonuses	581	770
Reserve for quality assurance	8	8
Other	796	426
Total current liabilities	38,712	48,827
Non-current liabilities		
Bonds payable	10,000	12,010
Long-term borrowings	44,968	47,955
Lease obligations	15	14
Long-term accounts payable - other	132	136
Deferred tax liabilities	164	188
Retirement benefit liability	1,523	2,236
Provision for retirement benefits for directors (and other officers)	135	176
Asset retirement obligations	392	436
Other	171	330
Total non-current liabilities	57,504	63,485
Total liabilities	96,216	112,312

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	28,624	32,067
Treasury shares	(14)	(339)
Total shareholders' equity	32,944	36,061
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	927	990
Deferred gains or losses on hedges	17	11
Foreign currency translation adjustment	7	(20)
Remeasurements of defined benefit plans	(98)	(154)
Total accumulated other comprehensive income	853	826
Share acquisition rights	–	26
Total net assets	33,798	36,915
Total liabilities and net assets	130,015	149,228

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	87,773	98,715
Cost of sales	67,519	76,407
Gross profit	20,254	22,307
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	831	884
Salaries, allowances and bonuses	4,992	5,687
Provision for bonuses	532	661
Retirement benefit expenses	233	250
Provision for retirement benefits for directors (and other officers)	31	28
Welfare expenses	1,321	1,479
Entertainment expenses	129	133
Provision of allowance for doubtful accounts	(3)	29
Provision for quality assurance	8	1
Depreciation	554	580
Rent expenses	619	677
Amortization of goodwill	269	280
Other	4,462	4,734
Total selling, general and administrative expenses	13,982	15,430
Operating profit	6,272	6,877
Non-operating income		
Interest income	1	1
Dividend income	78	89
Purchase discounts	57	52
Foreign exchange gains	20	6
Other	44	100
Total non-operating income	202	250
Non-operating expenses		
Interest expenses	25	35
Interest on bonds	27	15
Interest on commercial papers	3	4
Commission expenses	15	57
Amortization of bond issuance costs	17	11
Nondeductible consumption tax	18	18
Other	19	35
Total non-operating expenses	127	179
Ordinary profit	6,346	6,948
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	8	37
National subsidies	327	–
Gain on bargain purchase	1,145	414
Total extraordinary income	1,482	452

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Extraordinary losses		
Loss on sales and retirement of non-current assets	91	585
Impairment loss	–	22
Loss on tax purpose reduction entry of non-current assets	327	–
Loss on sales of investment securities	1	63
Loss on valuation of investment securities	7	19
Loss on sales of membership	–	0
Total extraordinary losses	428	690
Profit before income taxes	7,401	6,709
Income taxes - current	2,163	2,625
Income taxes - deferred	110	(342)
Total income taxes	2,273	2,283
Profit	5,127	4,426
Profit attributable to owners of parent	5,127	4,426

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	5,127	4,426
Other comprehensive income		
Valuation difference on available-for-sale securities	(517)	62
Deferred gains or losses on hedges	26	(6)
Foreign currency translation adjustment	7	(27)
Remeasurements of defined benefit plans, net of tax	(46)	(55)
Total other comprehensive income	(530)	(26)
Comprehensive income	4,597	4,399
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,597	4,399



## Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(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	24,432	(14)	28,752
Changes during period					
Dividends of surplus			(934)		(934)
Profit attributable to owners of parent			5,127		5,127
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	4,192	(0)	4,192
Balance at end of period	2,529	1,805	28,624	(14)	32,944

	Accumulated other comprehensive income					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	1,445	(9)	–	(51)	1,383	30,136
Changes during period						
Dividends of surplus					–	(934)
Profit attributable to owners of parent					–	5,127
Purchase of treasury shares					–	(0)
Net changes in items other than shareholders' equity	(517)	26	7	(46)	(530)	(530)
Total changes during period	(517)	26	7	(46)	(530)	3,662
Balance at end of period	927	17	7	(98)	853	33,798

Fiscal year ended March 31, 2020

(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	28,624	(14)	32,944
Changes during period					
Dividends of surplus			(983)		(983)
Profit attributable to owners of parent			4,426		4,426
Purchase of treasury shares				(325)	(325)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	0	3,442	(325)	3,117
Balance at end of period	2,529	1,805	32,067	(339)	36,061

	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	927	17	7	(98)	853	–	33,798
Changes during period							
Dividends of surplus					–		(983)
Profit attributable to owners of parent					–		4,426
Purchase of treasury shares					–		(325)
Disposal of treasury shares					–		0
Net changes in items other than shareholders' equity	62	(6)	(27)	(55)	(26)	26	(0)
Total changes during period	62	(6)	(27)	(55)	(26)	26	3,116
Balance at end of period	990	11	(20)	(154)	826	26	36,915

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	7,401	6,709
Depreciation	13,799	14,522
Impairment loss	–	22
Amortization of goodwill	269	280
Gain on bargain purchase	(1,145)	(414)
Increase (decrease) in allowance for doubtful accounts	(3)	(46)
Interest and dividend income	(79)	(90)
Interest expenses	56	55
Loss (gain) on sales of investment securities	(7)	26
Other loss (gain)	111	658
Decrease (increase) in trade receivables	(845)	1,756
Decrease (increase) in accounts receivable-leasing business and maintenance business	(35)	(77)
Decrease (increase) in inventories	(644)	(1,636)
Net decrease and increase in lease investment assets	(1,696)	(921)
Net decrease and increase in lease business assets	(14,415)	(14,993)
Increase (decrease) in retirement benefit liability	(81)	(119)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(22)	23
Increase (decrease) in trade payables	782	(190)
Increase (decrease) in accounts receivable-leasing business and maintenance business	(54)	(89)
Increase and decrease in other assets and debt	139	(1,714)
Subtotal	3,528	3,760
Interest and dividends received	79	88
Interest paid	(56)	(50)
Business security receive(paid)	6	(5)
Income taxes paid	(2,658)	(2,005)
Income taxes refund	9	35
Net cash provided by (used in) operating activities	909	1,823
Cash flows from investing activities		
Payments into time deposits	(0)	–
Proceeds from withdrawal of time deposits	79	–
Purchase of property, plant and equipment and intangible assets	(2,671)	(4,320)
Proceeds from sales of property, plant and equipment and intangible assets	23	6
Payments for retirement of non-current assets	(369)	(47)
Purchase of investment securities	(266)	(28)
Proceeds from sales of investment securities	21	223
Payments for absorption-type split	(2,120)	(2,813)
Other, net	4	23
Net cash provided by (used in) investing activities	(5,299)	(6,957)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Proceeds from short-term borrowings	100	4,520
Repayments of short-term borrowings	–	(4,900)
Net increase (decrease) in commercial papers	3,000	(1,000)
Proceeds from long-term borrowings	22,300	20,200
Repayments of long-term borrowings	(18,856)	(14,500)
Proceeds from issuance of bonds	4,973	2,285
Redemption of bonds	(5,342)	(173)
Repayments of lease obligations	(7)	(6)
Cash dividends paid by parent company	(934)	(983)
Balance by buying and selling self-stock	(0)	(325)
Other, net	(17)	(21)
Net cash provided by (used in) financing activities	5,213	5,094
Effect of exchange rate change on cash and cash equivalents	(4)	(4)
Net increase (decrease) in cash and cash equivalents	819	(43)
Cash and cash equivalents at beginning of period	1,382	2,201
Cash and cash equivalents at end of period	2,201	2,158