### Translation

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

October 30, 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:

Hisako Imoto TEL 06-6309-7890
General Manager

General Planning Dept.

Scheduled date to file Quarterly Securities Report: November 13, 2020 Scheduled date to commence dividend payments: November 30, 2020

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, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	54,210	18.3	3,582	3.3	3,633	3.1	743	(65.6)
Six months ended September 30, 2019	45,810	7.4	3,467	4.0	3,523	4.0	2,160	(34.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	30.58	30.52
Six months ended September 30, 2019	87.82	87.77

### (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, 2020	156,758	37,648	24.0	1,547.61
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	-	20.00					
Year ending March 31, 2021 (Forecast)				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

							r creemages in	areate j	ear on year enanges
	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	111,000	12.4	6,500	(5.5)	6,400	(7.9)	2,500	(43.5)	102.89

#### 4. Notes

(1) Changes in significant subsidiaries during the six months ended September 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:

#### (4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

Total number of issued shares at the end of	tine period (morading treat	our y shares)	
As of September 30, 2020	24,612,227 shares	As of March 31, 2020	24,612,227 shares
Number of treasury shares at the end of the	period		
As of September 30, 2020	313,953 shares	As of March 31, 2020	313,853 shares
Average number of shares during the perio	d (cumulative from the beg	ginning of the fiscal year)	
Six months ended September 30, 2020	24,298,299 shares	Six months ended September 30, 2019	24,598,380 shares

# **Quarterly consolidated financial statements** Consolidated balance sheets

(Millions of yen)
tember 30, 2020

		(Millions of yen)
	As of March 31, 2020	As of September 30, 2020
ssets		
Current assets		
Cash and deposits	2,158	12,518
Notes and accounts receivable - trade	16,412	14,852
Electronically recorded monetary claims - operating	2,710	2,109
Accounts receivable-leasing business and maintenance	2,424	2,463
business		
Investments in leases	19,079	19,201
Merchandise and finished goods	7,849	7,562
Work in process	1,238	805
Raw materials and supplies	1,556	1,357
Prepaid expenses	2,448	3,320
Other	3,600	3,020
Allowance for doubtful accounts	(38)	(46
Total current assets	59,439	67,166
Non-current assets		
Property, plant and equipment		
Assets for lease	122,996	126,812
Accumulated depreciation	(67,966)	(69,303
Assets for lease,net	55,030	57,508
Land	8,606	8,603
Other	23,007	23,273
Accumulated depreciation	(10,265)	(10,882
Other, net	12,742	12,391
Total property, plant and equipment	76,379	78,503
Intangible assets		
Goodwill	1,453	1,321
Other	2,932	342
Total intangible assets	4,385	1,664
Investments and other assets	7,303	1,00-
Investments and outer assets  Investment securities	4,204	5,019
Long-term prepaid expenses	1,751	1,645
Deferred tax assets	1,084	812
Other		
	2,053	2,035
Allowance for doubtful accounts	(112)	(124
Total investments and other assets	8,981	9,389
Total non-current assets	89,747	89,556
Deferred assets	41	35
Total assets	149,228	156,758

		(Willions of yell)
	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,608	12,521
Electronically recorded obligations - operating	3,223	2,727
Short-term borrowings	6,720	10,720
Commercial papers	3,000	3,000
Current portion of bonds payable	260	5,260
Current portion of long-term borrowings	15,777	19,760
Lease obligations	19	15
Income taxes payable	1,322	299
Advances received-leasing business and maintenance	603	587
business	003	307
Provision for bonuses	770	860
Reserve for quality assurance	8	14
Other	2,514	1,770
Total current liabilities	48,827	57,537
Non-current liabilities		
Bonds payable	12,010	6,880
Long-term borrowings	47,955	51,159
Lease obligations	14	12
Retirement benefit liability	2,236	2,235
Provision for retirement benefits for directors (and other	4-2	4-4
officers)	176	171
Asset retirement obligations	436	437
Other	655	674
Total non-current liabilities	63,485	61,571
Total liabilities	112,312	119,109
Net assets		,
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	32,067	32,178
Treasury shares	(339)	(339)
Total shareholders' equity	36,061	36,173
Accumulated other comprehensive income	50,001	30,173
Valuation difference on available-for-sale securities	990	1,610
		1,610
Deferred gains or losses on hedges	11	(1)
Foreign currency translation adjustment	(20)	(34)
Remeasurements of defined benefit plans	(154)	(143)
Total accumulated other comprehensive income	826	1,431
Share acquisition rights	26	44
Total net assets	36,915	37,648
Total liabilities and net assets	149,228	156,758

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

# Consolidated statements of income (cumulative)

		(Millions of yen)
	Six months ended	Six months ended
	September 30, 2019	September 30, 2020
Net sales	45,810	54,210
Cost of sales	35,125	42,004
Gross profit	10,685	12,205
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	434	488
Salaries, allowances and bonuses	2,372	3,010
Provision for bonuses	564	662
Retirement benefit expenses	123	162
Provision for retirement benefits for directors (and other	13	13
officers)	13	13
Provision of allowance for doubtful accounts	3	20
Provision for quality assurance	2	14
Amortization of goodwill	134	149
Other	3,569	4,100
Total selling, general and administrative expenses	7,217	8,622
Operating profit	3,467	3,582
Non-operating income		
Dividend income	50	47
Purchase discounts	25	26
Other	33	69
Total non-operating income	109	143
Non-operating expenses		
Interest expenses	26	40
Commission expenses	10	14
Other	16	37
Total non-operating expenses	53	92
Ordinary profit	3,523	3,633
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	0	35
Total extraordinary income	0	36
Extraordinary losses		
Loss on sales and retirement of non-current assets	41	2,389
Loss on valuation of investment securities	55	13
Loss on sales of membership	0	=
Total extraordinary losses	97	2,402
Profit before income taxes	3,426	1,267
Income taxes - current	1,406	495
Income taxes - deferred	(140)	29
Total income taxes	1,266	524
Profit	2,160	743
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Profit attributable to owners of parent	2,160	743

### Consolidated statements of comprehensive income (cumulative)

		(Millions of yen)
	Six months ended	Six months ended
	September 30, 2019	September 30, 2020
Profit	2,160	743
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	620
Deferred gains or losses on hedges	(17)	(12)
Foreign currency translation adjustment	(27)	(14)
Remeasurements of defined benefit plans, net of tax	5	10
Total other comprehensive income	(82)	604
Comprehensive income	2,077	1,347
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,077	1,347

### Consolidated statements of cash flows

		(Millions of yen)
	Six months ended	Six months ended
	September 30, 2019	September 30, 2020
Cash flows from operating activities		
Profit before income taxes	3,426	1,267
Depreciation	7,147	7,667
Amortization of goodwill	134	149
Increase (decrease) in allowance for doubtful accounts	2	20
Interest and dividend income	(50)	(48)
Interest expenses	26	40
Loss (gain) on sales and retirement of non-current assets	41	2,388
Decrease (increase) in trade receivables	361	2,160
Decrease (increase) in inventories	(975)	372
Net Decrease (increase) in lease investment assets	(578)	(369)
Decrease(Increase) in lease business assets	(7,451)	(8,633)
Increase (decrease) in trade payables	(713)	(2,590)
Interest and dividends received	50	48
Interest paid	(30)	(33)
Income taxes paid	(850)	(1,511)
Income taxes refund	34	17
Other, net	(2,537)	(538)
Net cash provided by (used in) operating activities	(1,962)	406
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible		
assets	(2,146)	(539)
Proceeds from sales of property, plant and equipment and		
intangible assets	5	8
Payments for retirement of non-current assets	(24)	(28)
Purchase of investment securities	(14)	(16)
Proceeds from sales of investment securities	1	121
Other, net	3	6
Net cash provided by (used in) investing activities	(2,175)	(448)
Cash flows from financing activities	(2,173)	(110)
Proceeds from short-term borrowings	1,420	7,000
Repayments of short-term borrowings	1,420	(3,000)
Net increase (decrease) in commercial papers	(500)	(3,000)
Proceeds from long-term borrowings	9,900	14,908
Repayments of long-term borrowings	(7,249)	(7,721)
Proceeds from issuance of bonds	299	(7,721)
Redemption of bonds	(71)	(130)
Repayments of lease obligations	(4)	(3)
Dividends paid	(491)	(631)
Other, net	(11)	(15)
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Net cash provided by (used in) financing activities	3,289	10,407
Effect of exchange rate change on cash and cash equivalents	(5)	(4)
Net increase (decrease) in cash and cash equivalents	(852)	10,360
Cash and cash equivalents at beginning of period	2,201	2,158
Cash and cash equivalents at end of period	1,348	12,518