

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 6, 2023

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 General Manager
 Inquiries: Hisako Imoto TEL 06-6309-7890
 General Planning Dept.
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: November 30, 2023
 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, 2023 (from April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	63,525	2.8	4,231	(13.9)	4,540	(11.6)	3,123	(3.2)
Six months ended September 30, 2022	61,772	4.6	4,916	4.1	5,138	7.2	3,226	5.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	129.88		129.51	
Six months ended September 30, 2022	134.54		134.41	

(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, 2023	179,396	51,300	28.6	2,130.23
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				
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)	5,480	(7.5)	227.83

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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, 2023	24,262,227 shares	As of March 31, 2023	24,262,227 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2023	209,476 shares	As of March 31, 2023	209,456 shares
--------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	24,052,761 shares	Six months ended September 30, 2022	23,982,851 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	10,154	15,414
Notes and accounts receivable - trade	15,961	15,222
Electronically recorded monetary claims - operating	5,308	2,016
Accounts receivable-leasing business and maintenance business	2,536	2,683
Investments in leases	24,389	28,411
Merchandise and finished goods	8,913	9,114
Work in process	1,000	1,184
Raw materials and supplies	2,042	2,766
Prepaid expenses	2,496	3,461
Other	3,808	3,760
Allowance for doubtful accounts	(46)	(10)
Total current assets	76,567	84,025
Non-current assets		
Property, plant and equipment		
Assets for lease	140,726	142,616
Accumulated depreciation	(80,869)	(83,333)
Assets for lease, net	59,857	59,282
Land	10,830	10,832
Other	29,962	30,348
Accumulated depreciation	(16,032)	(16,662)
Other, net	13,930	13,686
Total property, plant and equipment	84,618	83,801
Intangible assets		
Goodwill	700	576
Other	732	815
Total intangible assets	1,432	1,392
Investments and other assets		
Investment securities	4,672	5,383
Long-term prepaid expenses	1,564	1,563
Deferred tax assets	1,141	1,327
Other	1,931	1,982
Allowance for doubtful accounts	(81)	(114)
Total investments and other assets	9,228	10,143
Total non-current assets	95,279	95,338
Deferred assets	42	32
Total assets	171,888	179,396

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,017	11,761
Electronically recorded obligations - operating	5,384	5,513
Short-term borrowings	4,300	11,400
Commercial papers	3,500	2,000
Current portion of bonds payable	5,260	10,260
Current portion of long-term borrowings	20,571	20,837
Lease liabilities	7	4
Income taxes payable	1,606	1,623
Advances received-leasing business and maintenance business	452	468
Provision for bonuses	867	914
Reserve for quality assurance	19	17
Other	2,362	2,137
Total current liabilities	57,347	66,937
Non-current liabilities		
Bonds payable	11,230	6,100
Long-term borrowings	51,568	51,688
Lease liabilities	3	2
Retirement benefit liability	2,034	1,976
Provision for retirement benefits for directors (and other officers)	180	197
Asset retirement obligations	524	534
Other	624	659
Total non-current liabilities	66,165	61,158
Total liabilities	123,513	128,095
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	42,956	45,479
Treasury shares	(245)	(245)
Total shareholders' equity	47,045	49,567
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,317	1,684
Deferred gains or losses on hedges	(7)	26
Foreign currency translation adjustment	27	(0)
Remeasurements of defined benefit plans	(46)	(39)
Total accumulated other comprehensive income	1,292	1,670
Share acquisition rights	37	62
Total net assets	48,375	51,300
Total liabilities and net assets	171,888	179,396

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, 2022	Six months ended September 30, 2023
Net sales	61,772	63,525
Cost of sales	47,550	49,671
Gross profit	14,221	13,854
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	573	613
Salaries, allowances and bonuses	3,081	3,208
Provision for bonuses	797	694
Retirement benefit expenses	152	168
Provision for retirement benefits for directors (and other officers)	15	17
Provision of allowance for doubtful accounts	(1)	(3)
Provision for quality assurance	1	(2)
Amortization of goodwill	123	123
Other	4,562	4,803
Total selling, general and administrative expenses	9,305	9,622
Operating profit	4,916	4,231
Non-operating income		
Dividend income	61	67
Purchase discounts	27	23
Foreign exchange gains	124	122
Other	78	165
Total non-operating income	291	378
Non-operating expenses		
Interest expenses	34	33
Commission expenses	12	13
Other	23	22
Total non-operating expenses	70	69
Ordinary profit	5,138	4,540
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	–	0
Total extraordinary income	0	2
Extraordinary losses		
Loss on sale and retirement of non-current assets	25	34
Loss on sale of investment securities	0	–
Loss on valuation of investment securities	47	–
Loss on disaster	38	1
Loss on liquidation of business	–	70
Total extraordinary losses	111	106
Profit before income taxes	5,026	4,436
Income taxes - current	1,844	1,674
Income taxes - deferred	(44)	(362)
Total income taxes	1,799	1,312
Profit	3,226	3,123
Profit attributable to owners of parent	3,226	3,123

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	3,226	3,123
Other comprehensive income		
Valuation difference on available-for-sale securities	(54)	366
Deferred gains or losses on hedges	(0)	33
Foreign currency translation adjustment	0	(28)
Remeasurements of defined benefit plans, net of tax	1	6
Total other comprehensive income	(52)	377
Comprehensive income	3,173	3,501
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,173	3,501

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	5,026	4,436
Depreciation	8,580	8,715
Amortization of goodwill	123	123
Increase (decrease) in allowance for doubtful accounts	(4)	(3)
Interest and dividend income	(62)	(69)
Interest expenses	34	33
Loss (gain) on sale and retirement of non-current assets	20	32
Loss on liquidation of business	–	70
Decrease (increase) in trade receivables	1,715	4,034
Decrease (increase) in inventories	(1,563)	(972)
Net Decrease (increase) in lease investment assets	(1,697)	(4,378)
Decrease(Increase) in lease business assets	(6,495)	(6,994)
Increase (decrease) in trade payables	(1,641)	(1,098)
Interest and dividends received	60	69
Interest paid	(6)	(13)
Income taxes paid	(2,824)	(1,921)
Income taxes refund	1	669
Other, net	(1,730)	(1,666)
Net cash provided by (used in) operating activities	(463)	1,067
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,063)	(876)
Proceeds from sale of property, plant and equipment and intangible assets	5	1
Payments for retirement of non-current assets	(10)	(21)
Purchase of investment securities	(21)	(172)
Proceeds from sale of investment securities	0	1
Other, net	(86)	106
Net cash provided by (used in) investing activities	(1,175)	(960)
Cash flows from financing activities		
Proceeds from short-term borrowings	–	7,100
Repayments of short-term borrowings	(50)	–
Net increase (decrease) in commercial papers	–	(1,500)
Proceeds from long-term borrowings	13,300	11,500
Repayments of long-term borrowings	(10,808)	(11,113)
Redemption of bonds	(130)	(130)
Repayments of lease liabilities	(3)	(2)
Dividends paid	(550)	(601)
Other, net	94	(13)
Net cash provided by (used in) financing activities	1,851	5,239
Effect of exchange rate change on cash and cash equivalents	29	13
Net increase (decrease) in cash and cash equivalents	242	5,359
Cash and cash equivalents at beginning of period	10,890	9,984
Cash and cash equivalents at end of period	11,133	15,344