

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 1, 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 Managing Executive Officer
 Inquiries: Hisako Imoto TEL 06-6309-7890
 General Manager General Planning Dept.
 Scheduled date of ordinary general meeting of shareholders: June 18, 2024
 Scheduled date to file Securities Report: June 18, 2024
 Scheduled date to commence dividend payments: June 19, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	138,253	8.2	9,045	2.1	9,460	3.9	12,253	106.9
Year ended March 31, 2023	127,822	5.9	8,861	2.8	9,102	4.3	5,923	4.9

	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, 2024	509.46	507.57	22.5	5.1	6.5
Year ended March 31, 2023	246.63	246.18	12.9	5.3	6.9

(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, 2024	202,606	61,007	29.8	2,510.23
As of March 31, 2023	171,888	48,375	28.1	2,009.64

(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, 2024	5,266	(16,541)	9,636	8,374
Year ended March 31, 2023	2,716	(1,860)	(1,778)	9,984

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, 2023	–	25.00	–	25.00	50.00	1,202	20.3	2.6
Year ended March 31, 2024	–	30.00	–	30.00	60.00	1,443	11.8	2.7
Year ending March 31, 2025 (Forecast)	–	30.00	–	30.00	60.00		25.3	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	80,000	25.9	4,567	7.9	4,511	(0.7)	2,834	(9.3)	117.83
Full year	160,000	15.7	9,200	1.7	9,000	(4.9)	5,700	(53.5)	236.98

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(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, 2024	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 March 31, 2024	209,641 shares	As of March 31, 2023	209,456 shares
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Average number of shares during the period

Year ended March 31, 2024	24,052,689 shares	Year ended March 31, 2023	24,017,742 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,154	8,374
Notes and accounts receivable - trade	15,961	21,637
Electronically recorded monetary claims - operating	5,308	3,523
Accounts receivable-leasing business and maintenance business	2,536	2,644
Investments in leases	24,389	28,913
Merchandise and finished goods	8,913	15,830
Work in process	1,000	1,597
Raw materials and supplies	2,042	6,006
Prepaid expenses	2,496	2,515
Other	3,808	3,965
Allowance for doubtful accounts	(46)	(12)
Total current assets	76,567	94,997
Non-current assets		
Property, plant and equipment		
Assets for lease	140,726	147,080
Accumulated depreciation	(80,869)	(86,564)
Lease assets, net	59,857	60,516
Buildings and structures	18,455	27,915
Accumulated depreciation	(7,640)	(15,947)
Buildings and structures, net	10,815	11,967
Tools, furniture and fixtures	6,810	7,742
Accumulated depreciation	(4,985)	(5,807)
Tools, furniture and fixtures, net	1,825	1,934
Machinery, equipment and vehicles	4,402	13,171
Accumulated depreciation	(3,269)	(11,270)
Machinery, equipment and vehicles, net	1,132	1,901
Land	10,830	17,673
Leased assets	142	149
Accumulated depreciation	(136)	(140)
Leased assets, net	5	9
Construction in progress	150	237
Total property, plant and equipment	84,618	94,240
Intangible assets		
Goodwill	700	453
Telephone subscription right	30	30
Software	698	844
Other	3	6
Total intangible assets	1,432	1,335

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	4,672	6,863
Long-term loans receivable	22	33
Long-term prepaid expenses	1,564	1,587
Deferred tax assets	1,141	1,346
Deposit-recycle	819	838
Other	1,090	1,398
Allowance for doubtful accounts	(81)	(96)
Total investments and other assets	9,228	11,971
Total non-current assets	95,279	107,547

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Deferred assets		
Bond issuance costs	42	61
Total deferred assets	42	61
Total assets	171,888	202,606
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,017	16,076
Electronically recorded obligations - operating	5,384	5,488
Short-term borrowings	4,300	4,400
Commercial papers	3,500	2,000
Current portion of bonds payable	5,260	5,230
Current portion of long-term borrowings	20,571	21,536
Lease liabilities	7	4
Accounts payable - other	1,256	1,985
Accrued expenses	100	170
Income taxes payable	1,606	3,478
Accrued consumption taxes	707	553
Advances received-leasing business and maintenance business	452	429
Provision for bonuses	867	1,274
Reserve for quality assurance	19	18
Other	298	913
Total current liabilities	57,347	63,559
Non-current liabilities		
Bonds payable	11,230	16,000
Long-term borrowings	51,568	58,381
Lease liabilities	3	7
Long-term accounts payable - other	194	165
Deferred tax liabilities	84	153
Retirement benefit liability	2,034	1,867
Provision for retirement benefits for directors (and other officers)	180	247
Asset retirement obligations	524	598
Other	345	617
Total non-current liabilities	66,165	78,038
Total liabilities	123,513	141,598

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	2,529	2,529
Capital surplus	1,805	1,805
Retained earnings	42,956	53,887
Treasury shares	(245)	(245)
Total shareholders' equity	47,045	57,975
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,317	2,063
Deferred gains or losses on hedges	(7)	6
Foreign currency translation adjustment	27	58
Remeasurements of defined benefit plans	(46)	273
Total accumulated other comprehensive income	1,292	2,401
Share acquisition rights	37	86
Non-controlling interests	–	543
Total net assets	48,375	61,007
Total liabilities and net assets	171,888	202,606

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	127,822	138,253
Cost of sales	100,001	108,478
Gross profit	27,820	29,775
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	1,153	1,287
Salaries, allowances and bonuses	7,082	7,513
Provision for bonuses	779	985
Retirement benefit expenses	289	334
Provision for retirement benefits for directors (and other officers)	31	35
Welfare expenses	1,845	2,003
Entertainment expenses	140	170
Provision of allowance for doubtful accounts	(13)	(15)
Provision for quality assurance	10	(1)
Depreciation	861	948
Rent expenses	858	911
Amortization of goodwill	246	246
Other	5,674	6,309
Total selling, general and administrative expenses	18,959	20,730
Operating profit	8,861	9,045
Non-operating income		
Interest income	1	5
Dividend income	112	138
Purchase discounts	55	50
Foreign exchange gains	106	174
Dividend income of insurance	17	35
Subsidy income	12	20
Compensation income	–	125
Other	105	192
Total non-operating income	411	744
Non-operating expenses		
Interest expenses	59	80
Interest expenses on bonds	13	32
Interest expenses on commercial papers	1	1
Commission expenses	23	116
Amortization of bond issuance costs	19	22
Nondeductible consumption tax	24	34
Other	29	40
Total non-operating expenses	170	328
Ordinary profit	9,102	9,460
Extraordinary income		
Gain on sale of non-current assets	7	157
Gain on sale of investment securities	1	15
National subsidies	106	–
Gain on bargain purchase	–	6,354
Insurance claim income	–	22
Compensation income	40	–
Total extraordinary income	156	6,550

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary losses		
Loss on sale and retirement of non-current assets	74	81
Impairment losses	–	278
Loss on tax purpose reduction entry of non-current assets	106	–
Loss on sale of investment securities	3	–
Loss on valuation of investment securities	49	99
Loss on disaster	40	1
Loss on liquidation of business	–	211
Compensation for damage	–	64
Total extraordinary losses	274	738
Profit before income taxes	8,983	15,272
Income taxes - current	3,120	5,020
Income taxes - deferred	(59)	(2,014)
Total income taxes	3,060	3,006
Profit	5,923	12,265
Profit attributable to non-controlling interests	–	11
Profit attributable to owners of parent	5,923	12,253

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,923	12,265
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	745
Deferred gains or losses on hedges	(24)	13
Foreign currency translation adjustment	(44)	35
Remeasurements of defined benefit plans, net of tax	(25)	319
Total other comprehensive income	(115)	1,114
Comprehensive income	5,808	13,380
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,808	13,363
Comprehensive income attributable to non-controlling interests	–	17

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(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	38,201	(368)	42,166
Changes during period					
Dividends of surplus			(1,152)		(1,152)
Profit attributable to owners of parent			5,923		5,923
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(16)		123	106
Transfer from retained earnings to capital surplus		16	(16)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	4,755	122	4,878
Balance at end of period	2,529	1,805	42,956	(245)	47,045

	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	1,338	16	72	(20)	1,407	98	43,673
Changes during period							
Dividends of surplus					–		(1,152)
Profit attributable to owners of parent					–		5,923
Purchase of treasury shares					–		(0)
Disposal of treasury shares					–		106
Transfer from retained earnings to capital surplus					–		–
Net changes in items other than shareholders' equity	(20)	(24)	(44)	(25)	(115)	(61)	(176)
Total changes during period	(20)	(24)	(44)	(25)	(115)	(61)	4,701
Balance at end of period	1,317	(7)	27	(46)	1,292	37	48,375

Fiscal year ended March 31, 2024

(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	42,956	(245)	47,045
Changes during period					
Dividends of surplus			(1,322)		(1,322)
Profit attributable to owners of parent			12,253		12,253
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	10,931	(0)	10,930
Balance at end of period	2,529	1,805	53,887	(245)	57,975

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	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	1,317	(7)	27	(46)	1,292	37	–	48,375
Changes during period								
Dividends of surplus					–			(1,322)
Profit attributable to owners of parent					–			12,253
Purchase of treasury shares					–			(0)
Net changes in items other than shareholders' equity	745	13	30	319	1,109	49	543	1,701
Total changes during period	745	13	30	319	1,109	49	543	12,632
Balance at end of period	2,063	6	58	273	2,401	86	543	61,007

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,983	15,272
Depreciation	17,242	17,855
Impairment losses	–	278
Amortization of goodwill	246	246
Gain on bargain purchase	–	(6,354)
Increase (decrease) in allowance for doubtful accounts	(18)	(19)
Interest and dividend income	(113)	(144)
Interest expenses	74	114
Loss (gain) on sale of investment securities	2	(15)
Loss (gain) on sale and retirement of non-current assets	66	(76)
Other loss (gain)	158	544
Decrease (increase) in trade receivables	(999)	1,350
Decrease (increase) in accounts receivable-leasing business and maintenance business	(39)	(107)
Decrease (increase) in inventories	(1,239)	(314)
Net decrease and increase in lease investment assets	(2,993)	(5,277)
Net decrease and increase in lease business assets	(14,079)	(15,892)
Increase (decrease) in retirement benefit liability	(4)	(89)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(40)	31
Increase (decrease) in trade payables	420	858
Increase (decrease) in accounts receivable-leasing business and maintenance business	(38)	(22)
Increase and decrease in other assets and debt	(242)	(221)
Subtotal	7,385	8,017
Interest and dividends received	112	143
Interest paid	(53)	(56)
Business security receive(paid)	11	(2)
Income taxes paid	(4,740)	(3,504)
Income taxes refund	1	669
Net cash provided by (used in) operating activities	2,716	5,266
Cash flows from investing activities		
Payments into time deposits	(170)	–
Proceeds from withdrawal of time deposits	148	170
Purchase of property, plant and equipment and intangible assets	(1,769)	(1,598)
Proceeds from sale of property, plant and equipment and intangible assets	16	177
Payments for retirement of non-current assets	(38)	(40)
Purchase of investment securities	(67)	(240)
Proceeds from sale of investment securities	10	46
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(15,063)
Other, net	9	5
Net cash provided by (used in) investing activities	(1,860)	(16,541)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	–	23,100
Repayments of short-term borrowings	(50)	(23,000)
Net increase (decrease) in commercial papers	–	(1,500)
Proceeds from long-term borrowings	21,500	30,000
Repayments of long-term borrowings	(21,789)	(22,222)
Proceeds from issuance of bonds	–	9,958
Redemption of bonds	(260)	(5,260)
Repayments of lease liabilities	(6)	(3)
Cash dividends paid by parent company	(1,152)	(1,322)
Balance by buying and selling self-stock	(0)	(0)
Other, net	(19)	(113)
Net cash provided by (used in) financing activities	(1,778)	9,636
Effect of exchange rate change on cash and cash equivalents	15	27
Net increase (decrease) in cash and cash equivalents	(906)	(1,610)
Cash and cash equivalents at beginning of period	10,890	9,984
Cash and cash equivalents at end of period	9,984	8,374