

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 17, 2022

Company name: ICHIKEN Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 1847 URL <http://www.ichiken.co.jp>
 Representative: Representative Director & President Hiroyuki Hasegawa
 General Manager of
 Inquiries: Finance & Accounting Dept. Masanobu Kato TEL 03-5931-5642
 Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	83,776	(5.5)	4,674	(1.8)	4,636	(0.8)	2,985	(5.6)
Year ended March 31, 2021	88,624	2.4	4,758	8.6	4,673	10.2	3,161	8.4

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	411.38	409.74	11.6	8.3	5.6
Year ended March 31, 2021	435.86	433.95	13.6	8.8	5.4

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	57,617	26,798	46.5	3,689.25
As of March 31, 2021	54,028	24,619	45.5	3,390.14

(3) Non-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, 2022	757	(136)	(799)	11,657
Year ended March 31, 2021	543	(63)	(797)	11,835

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-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, 2021	—	0.00	—	90.00	90.00	652	20.6	2.8
Year ended March 31, 2022	—	0.00	—	100.00	100.00	725	24.3	2.8
Year ending March 31, 2023 (Forecast)	—	0.00	—	100.00	100.00		24.2	

3. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	44,000	16.1	2,100	(8.4)	2,050	(10.3)	1,400	(17.5)	192.92
Full year	90,000	7.4	4,440	(5.0)	4,340	(6.4)	3,000	0.5	413.40

4. Notes

(1) 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:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(2) Number of issued shares (common shares)

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

As of March 31, 2022	7,282,400 shares	As of March 31, 2021	7,278,400 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	24,651 shares	As of March 31, 2021	24,330 shares
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Average number of shares during the period

Year ended March 31, 2022	7,256,891 shares	Year ended March 31, 2021	7,254,292 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	11,835	11,657
Notes receivable - trade	31	5,509
Electronically recorded monetary claims - operating	2,008	2,284
Accounts receivable from completed construction contracts	24,490	–
Accounts receivable from completed construction contracts and other	–	25,341
Real estate for sale	2,249	2,216
Costs on construction contracts in progress	3,624	919
Prepaid expenses	103	125
Accounts receivable - other	82	101
Other	186	176
Allowance for doubtful accounts	(5)	(6)
Total current assets	44,606	48,324
Non-current assets		
Property, plant and equipment		
Buildings	3,531	3,300
Accumulated depreciation	(1,933)	(2,028)
Buildings, net	1,597	1,272
Structures	240	220
Accumulated depreciation	(200)	(203)
Structures, net	40	17
Vehicles	6	6
Accumulated depreciation	(2)	(3)
Vehicles, net	4	3
Tools, furniture and fixtures	330	336
Accumulated depreciation	(206)	(248)
Tools, furniture and fixtures, net	124	88
Land	4,789	4,507
Leased assets	27	24
Accumulated depreciation	(14)	(17)
Leased assets, net	13	6
Construction in progress	2	–
Total property, plant and equipment	6,572	5,894
Intangible assets		
Software	87	97
Other	5	29
Total intangible assets	92	127

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Investments and other assets		
Investment securities	1,544	1,468
Investments in capital	0	0
Distressed receivables	3	0
Long-term prepaid expenses	14	9
Deferred tax assets	838	1,211
Guarantee deposits	304	402
Other	54	178
Allowance for doubtful accounts	(3)	(0)
Total investments and other assets	2,756	3,270
Total non-current assets	9,421	9,292
Total assets	54,028	57,617

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable - trade	1,177	525
Electronically recorded obligations - operating	4,845	6,319
Accounts payable for construction contracts	9,116	11,225
Short-term borrowings	1,510	1,534
Lease liabilities	7	5
Accounts payable - other	327	261
Accrued expenses	131	132
Income taxes payable	924	875
Accrued consumption taxes	745	512
Advances received on construction contracts in progress	2,443	2,289
Deposits received	1,053	57
Provision for warranties for completed construction	247	133
Provision for loss on construction contracts	146	144
Provision for bonuses	409	569
Provision for compensation for damage	70	–
Other	13	25
Total current liabilities	23,170	24,613
Non-current liabilities		
Long-term borrowings	4,527	4,363
Lease liabilities	7	1
Provision for retirement benefits	1,474	1,543
Long-term accounts payable - other	9	9
Long-term deposits received	219	288
Total non-current liabilities	6,238	6,206
Total liabilities	29,408	30,819

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Net assets		
Shareholders' equity		
Share capital	4,327	4,329
Capital surplus		
Legal capital surplus	212	214
Total capital surplus	212	214
Retained earnings		
Legal retained earnings	432	498
Other retained earnings		
Retained earnings brought forward	19,173	21,441
Total retained earnings	19,606	21,939
Treasury shares	(26)	(26)
Total shareholders' equity	24,120	26,456
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	472	318
Total valuation and translation adjustments	472	318
Share acquisition rights	27	22
Total net assets	24,619	26,798
Total liabilities and net assets	54,028	57,617

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales		
Net sales of completed construction contracts	87,942	83,316
Sales in real estate business	681	459
Total net sales	88,624	83,776
Cost of sales		
Cost of sales of completed construction contracts	80,300	76,114
Cost of sales in real estate business	662	274
Total cost of sales	80,962	76,389
Gross profit		
Gross profit on completed construction contracts	7,642	7,202
Gross profit - real estate business	18	185
Total gross profit	7,661	7,387
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	182	175
Employees' salaries and allowances	1,005	976
Retirement payments	6	3
Retirement benefit expenses	46	49
Provision for bonuses	73	105
Legal welfare expenses	172	176
Welfare expenses	62	43
Repair and maintenance expenses	43	46
Stationery expenses	21	25
Communication and transportation expenses	127	133
Power utilities expenses	2	2
Advertising expenses	22	17
Provision of allowance for doubtful accounts	1	1
Entertainment expenses	41	39
Donations	23	3
Rent expenses on land and buildings	158	164
Depreciation	125	109
Taxes and dues	168	160
Insurance expenses	16	17
Miscellaneous expenses	600	458
Total selling, general and administrative expenses	2,903	2,712
Operating profit	4,758	4,674

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Non-operating income		
Interest income	0	0
Dividend income	24	26
Interest on tax refund	0	0
Insurance claim income	–	13
Miscellaneous income	11	14
Total non-operating income	36	54
Non-operating expenses		
Interest expenses	86	78
Loss on sale of notes receivable - trade	22	5
Commission expenses	12	9
Miscellaneous expenses	0	0
Total non-operating expenses	121	92
Ordinary profit	4,673	4,636
Extraordinary income		
Gain on sale of investment securities	–	125
Total extraordinary income	–	125
Extraordinary losses		
Loss on retirement of non-current assets	28	–
Impairment losses	–	544
Total extraordinary losses	28	544
Profit before income taxes	4,645	4,217
Income taxes - current	1,504	1,558
Income taxes - deferred	(20)	(326)
Total income taxes	1,483	1,231
Profit	3,161	2,985

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
				Retained earnings brought forward				
Balance at beginning of period	4,327	212	212	367	16,730	17,097	(25)	21,611
Changes during period								
Issuance of new shares - exercise of share acquisition rights	-	-	-					-
Provision of legal retained earnings				65	(65)	-		-
Dividends of surplus					(652)	(652)		(652)
Profit					3,161	3,161		3,161
Purchase of treasury shares							(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	65	2,443	2,508	(0)	2,508
Balance at end of period	4,327	212	212	432	19,173	19,606	(26)	24,120

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	241	241	27	21,880
Changes during period				
Issuance of new shares - exercise of share acquisition rights				-
Provision of legal retained earnings				-
Dividends of surplus				(652)
Profit				3,161
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	231	231	-	231
Total changes during period	231	231	-	2,739
Balance at end of period	472	472	27	24,619

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
				Retained earnings brought forward				
Balance at beginning of period	4,327	212	212	432	19,173	19,606	(26)	24,120
Changes during period								
Issuance of new shares - exercise of share acquisition rights	2	2	2					4
Provision of legal retained earnings				65	(65)	-		-
Dividends of surplus					(652)	(652)		(652)
Profit					2,985	2,985		2,985
Purchase of treasury shares							(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	2	2	2	65	2,267	2,332	(0)	2,336
Balance at end of period	4,329	214	214	498	21,441	21,939	(26)	26,456

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	472	472	27	24,619
Changes during period				
Issuance of new shares - exercise of share acquisition rights				4
Provision of legal retained earnings				-
Dividends of surplus				(652)
Profit				2,985
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	(153)	(153)	(4)	(158)
Total changes during period	(153)	(153)	(4)	2,178
Balance at end of period	318	318	22	26,798

Non-consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,645	4,217
Depreciation	219	200
Impairment losses	–	544
Increase (decrease) in allowance for doubtful accounts	(130)	(1)
Increase (decrease) in provision for warranties for completed construction	(96)	(114)
Increase (decrease) in provision for loss on construction contracts	27	(1)
Increase (decrease) in provision for bonuses	(12)	160
Increase (decrease) in provision for retirement benefits	82	69
Interest and dividend income	(25)	(27)
Insurance claim income	–	(13)
Interest expenses	86	78
Loss (gain) on sale of investment securities	–	(125)
Decrease (increase) in trade receivables	186	–
Decrease (increase) in notes and accounts receivable-trade and others	–	(6,602)
Decrease (increase) in costs on construction contracts in progress	(2,106)	2,704
Increase (decrease) in trade payables	(3,916)	2,931
Decrease (increase) in consumption taxes refund receivable	63	–
Increase (decrease) in accrued consumption taxes	745	(232)
Increase (decrease) in advances received on construction contracts in progress	874	(154)
Other, net	1,330	(1,154)
Subtotal	1,975	2,478
Interest and dividends received	25	27
Proceeds from insurance income	–	30
Interest paid	(86)	(77)
Compensation paid for damage	–	(91)
Payments into deposit money	(30)	–
Income taxes paid	(1,341)	(1,608)
Net cash provided by (used in) operating activities	543	757
Cash flows from investing activities		
Purchase of property, plant and equipment	(294)	(30)
Purchase of intangible assets	(13)	(77)
Purchase of investment securities	–	(200)
Proceeds from sale of investment securities	–	201
Proceeds from refund of guarantee deposits	247	5
Other, net	(2)	(35)
Net cash provided by (used in) investing activities	(63)	(136)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(831)	(28)
Proceeds from long-term borrowings	1,795	978
Repayments of long-term borrowings	(1,103)	(1,089)
Repayments of lease liabilities	(7)	(7)
Dividends paid	(650)	(651)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(797)	(799)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(317)	(178)
Cash and cash equivalents at beginning of period	12,153	11,835
Cash and cash equivalents at end of period	11,835	11,657