

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 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 to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: November 30, 2022
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly 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 six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Non-consolidated operating results (cumulative)

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	%
Six months ended September 30, 2022	44,534	17.5	1,666	(27.3)	1,642	(28.1)	1,106	(34.8)
Six months ended September 30, 2021	37,911	(14.5)	2,292	1.2	2,285	2.4	1,697	10.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	152.51		151.93	
Six months ended September 30, 2021	233.92		232.95	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2022	55,338		27,158		49.0	
As of March 31, 2022	57,617		26,798		46.5	

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, 2022	–	0.00	–	100.00	100.00
Year ending March 31, 2023	–	40.00			
Year ending March 31, 2023 (Forecast)			–	60.00	100.00

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
Full year	90,000	7.4	4,440	(5.0)	4,340	(6.4)	3,000	0.5	413.36

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: 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 September 30, 2022	7,282,400 shares	As of March 31, 2022	7,282,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	24,831 shares	As of March 31, 2022	24,651 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	7,257,626 shares	Six months ended September 30, 2021	7,255,977 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	11,657	10,796
Notes receivable, accounts receivable from completed construction contracts and other	30,850	27,323
Electronically recorded monetary claims - operating	2,284	3,150
Real estate for sale	2,216	2,198
Costs on construction contracts in progress	919	1,463
Other	403	1,070
Allowance for doubtful accounts	(6)	(6)
Total current assets	48,324	45,996
Non-current assets		
Property, plant and equipment	5,894	5,899
Intangible assets	127	116
Investments and other assets		
Other	3,271	3,326
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,270	3,325
Total non-current assets	9,292	9,341
Total assets	57,617	55,338

(Millions of yen)

As of March 31, 2022

As of September 30, 2022

Liabilities	As of March 31, 2022	As of September 30, 2022
Current liabilities		
Notes payable, accounts payable for construction contracts	11,751	10,286
Electronically recorded obligations - operating	6,319	6,489
Short-term borrowings	1,534	1,939
Income taxes payable	875	513
Advances received on construction contracts in progress	2,289	1,979
Provision for warranties for completed construction	133	169
Provision for loss on construction contracts	144	176
Provision for bonuses	569	395
Other	996	412
Total current liabilities	24,613	22,360
Non-current liabilities		
Long-term borrowings	4,363	3,888
Provision for retirement benefits	1,543	1,594
Other	299	336
Total non-current liabilities	6,206	5,819
Total liabilities	30,819	28,179
Net assets		
Shareholders' equity		
Share capital	4,329	4,329
Capital surplus	214	214
Retained earnings	21,939	22,320
Treasury shares	(26)	(26)
Total shareholders' equity	26,456	26,837
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	318	298
Total valuation and translation adjustments	318	298
Share acquisition rights	22	22
Total net assets	26,798	27,158
Total liabilities and net assets	57,617	55,338

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	37,911	44,534
Cost of sales	34,273	41,473
Gross profit	3,637	3,060
Selling, general and administrative expenses	1,345	1,393
Operating profit	2,292	1,666
Non-operating income		
Interest income	0	0
Dividend income	14	14
Interest on tax refund	0	–
Reversal of allowance for doubtful accounts	1	–
Insurance claim income	13	–
Other	11	5
Total non-operating income	39	20
Non-operating expenses		
Interest expenses	39	38
Commission expenses	5	5
Other	1	0
Total non-operating expenses	46	44
Ordinary profit	2,285	1,642
Extraordinary income		
Gain on sale of investment securities	125	–
Total extraordinary income	125	–
Profit before income taxes	2,410	1,642
Income taxes - current	687	470
Income taxes - deferred	26	66
Total income taxes	713	536
Profit	1,697	1,106

Non-consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,410	1,642
Depreciation	102	79
Increase (decrease) in allowance for doubtful accounts	(3)	–
Increase (decrease) in provision for warranties for completed construction	(109)	36
Increase (decrease) in provision for loss on construction contracts	(49)	31
Increase (decrease) in provision for bonuses	11	(174)
Increase (decrease) in provision for retirement benefits	58	51
Interest and dividend income	(14)	(14)
Interest expenses	39	38
Loss (gain) on sale of investment securities	(125)	–
Decrease (increase) in notes and accounts receivable-trade and others	867	2,660
Decrease (increase) in costs on construction contracts in progress	(705)	(543)
Increase (decrease) in trade payables	20	(1,295)
Decrease (increase) in consumption taxes refund receivable	(15)	(612)
Increase (decrease) in accrued consumption taxes	(745)	(512)
Increase (decrease) in advances received on construction contracts in progress	(941)	(310)
Other, net	446	(195)
Subtotal	1,247	881
Interest and dividends received	14	14
Interest paid	(40)	(39)
Income taxes paid	(865)	(820)
Net cash provided by (used in) operating activities	356	35
Cash flows from investing activities		
Purchase of property, plant and equipment	(11)	(28)
Proceeds from earnest related sales of property, plant and equipment	–	56
Purchase of intangible assets	(6)	(4)
Proceeds from sale of investment securities	200	–
Purchase of shares of subsidiaries and associates	–	(119)
Other, net	1	(2)
Net cash provided by (used in) investing activities	182	(98)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	474	493
Repayments of long-term borrowings	(544)	(563)
Dividends paid	(649)	(722)
Other, net	(4)	(6)
Net cash provided by (used in) financing activities	(723)	(799)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(184)	(861)
Cash and cash equivalents at beginning of period	11,835	11,657
Cash and cash equivalents at end of period	11,651	10,796