

Translation

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

May 17, 2024

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 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	96,373	9.4	4,100	53.7	4,020	55.5	2,938	72.0
Year ended March 31, 2023	88,059	5.1	2,667	(43.0)	2,585	(44.2)	1,708	(42.8)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	404.79	403.35	10.2	6.7	4.3
Year ended March 31, 2023	235.35	234.46	6.3	4.6	3.0

(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, 2024	63,920	30,080	47.0	4,140.67
As of March 31, 2023	55,714	27,531	49.4	3,789.39

(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, 2024	1,882	417	(929)	13,023
Year ended March 31, 2023	1,276	(116)	(1,164)	11,653

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, 2023	—	40.00	—	60.00	100.00	725	42.5	2.7
Year ended March 31, 2024	—	45.00	—	65.00	110.00	798	27.2	2.8
Year ending March 31, 2025 (Forecast)	—	45.00	—	70.00	115.00		28.8	

3. Forecast of non-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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	49,000	(1.0)	2,200	13.6	2,150	13.5	1,550	11.2	213.52
Full year	93,000	(3.5)	4,100	(0.0)	4,000	(0.5)	2,900	(1.3)	399.49

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:	No
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, 2024	7,284,400 shares	As of March 31, 2023	7,284,400 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	25,231 shares	As of March 31, 2023	24,991 shares
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Average number of shares during the period

Year ended March 31, 2024	7,259,294 shares	Year ended March 31, 2023	7,257,891 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	11,653	13,023
Notes receivable - trade	206	2,667
Electronically recorded monetary claims - operating	169	1,635
Accounts receivable from completed construction contracts and other	30,695	32,306
Real estate for sale	2,181	5,421
Real estate for sale in process	–	2,130
Costs on construction contracts in progress	873	1,644
Prepaid expenses	143	171
Accounts receivable - other	47	57
Consumption taxes refund receivable	–	341
Other	392	614
Allowance for doubtful accounts	(3)	(3)
Total current assets	46,360	60,011
Non-current assets		
Property, plant and equipment		
Buildings	3,303	163
Accumulated depreciation	(2,096)	(94)
Buildings, net	1,206	68
Structures	220	–
Accumulated depreciation	(204)	–
Structures, net	16	–
Vehicles	6	6
Accumulated depreciation	(4)	(5)
Vehicles, net	2	0
Tools, furniture and fixtures	317	248
Accumulated depreciation	(238)	(179)
Tools, furniture and fixtures, net	78	68
Land	4,507	0
Leased assets	56	138
Accumulated depreciation	(20)	(39)
Leased assets, net	36	98
Construction in progress	–	8
Total property, plant and equipment	5,846	246
Intangible assets		
Software	104	120
Other	5	5
Total intangible assets	109	125

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	1,527	2,078
Shares of subsidiaries and associates	119	119
Investments in capital	0	0
Distressed receivables	0	–
Long-term prepaid expenses	17	20
Deferred tax assets	1,126	723
Guarantee deposits	428	428
Other	178	167
Allowance for doubtful accounts	(0)	–
Total investments and other assets	3,397	3,537
Total non-current assets	9,353	3,909
Total assets	55,714	63,920

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	169	42
Electronically recorded obligations - operating	6,347	7,283
Accounts payable for construction contracts	10,690	15,158
Short-term borrowings	1,605	3,646
Lease liabilities	10	33
Accounts payable - other	301	435
Accrued expenses	115	126
Income taxes payable	56	660
Accrued consumption taxes	155	–
Advances received on construction contracts in progress	1,810	2,044
Deposits received	37	46
Provision for warranties for completed construction	185	154
Provision for loss on construction contracts	276	8
Provision for bonuses	407	463
Other	79	36
Total current liabilities	22,248	30,139
Non-current liabilities		
Long-term borrowings	4,153	1,972
Lease liabilities	20	66
Provision for retirement benefits	1,564	1,525
Long-term accounts payable - other	9	9
Long-term deposits received	188	128
Total non-current liabilities	5,935	3,701
Total liabilities	28,183	33,840

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	4,329	4,329
Capital surplus		
Legal capital surplus	214	214
Total capital surplus	214	214
Retained earnings		
Legal retained earnings	599	676
Other retained earnings		
Retained earnings brought forward	22,031	24,131
Total retained earnings	22,631	24,807
Treasury shares	(27)	(27)
Total shareholders' equity	27,148	29,324
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	360	733
Total valuation and translation adjustments	360	733
Share acquisition rights	22	22
Total net assets	27,531	30,080
Total liabilities and net assets	55,714	63,920

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	87,646	93,264
Sales in real estate business	412	3,109
Total net sales	88,059	96,373
Cost of sales		
Cost of sales of completed construction contracts	82,436	86,904
Cost of sales in real estate business	227	2,448
Total cost of sales	82,663	89,352
Gross profit		
Gross profit on completed construction contracts	5,210	6,360
Gross profit - real estate business	185	660
Total gross profit	5,395	7,021
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	174	176
Employees' salaries and allowances	994	1,034
Retirement payments	0	7
Retirement benefit expenses	49	49
Provision for bonuses	79	86
Legal welfare expenses	177	185
Welfare expenses	33	35
Repair and maintenance expenses	52	59
Stationery expenses	28	19
Communication and transportation expenses	132	138
Power utilities expenses	4	4
Advertising expenses	28	32
Entertainment expenses	50	64
Donations	4	24
Rent expenses on land and buildings	187	184
Depreciation	99	107
Taxes and dues	136	168
Insurance expenses	18	20
Miscellaneous expenses	475	520
Total selling, general and administrative expenses	2,728	2,920
Operating profit	2,667	4,100

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Non-operating income		
Interest income	0	2
Dividend income	27	31
Interest on tax refund	–	0
Insurance claim income	13	–
Reversal of allowance for doubtful accounts	3	0
Miscellaneous income	7	14
Total non-operating income	52	48
Non-operating expenses		
Interest expenses	76	91
Loss on sale of notes receivable - trade	6	28
Commission expenses	50	9
Miscellaneous expenses	0	–
Total non-operating expenses	133	128
Ordinary profit	2,585	4,020
Extraordinary income		
Gain on sale of non-current assets	–	46
Total extraordinary income	–	46
Extraordinary losses		
Loss on retirement of non-current assets	1	2
Loss on sale of non-current assets	–	2
Loss on valuation of golf club membership	–	5
Total extraordinary losses	1	10
Profit before income taxes	2,584	4,056
Income taxes - current	808	883
Income taxes - deferred	68	234
Total income taxes	876	1,117
Profit	1,708	2,938

Non-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
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
				Retained earnings brought forward				
Balance at beginning of period	4,329	214	214	498	21,441	21,939	(26)	26,456
Changes during period								
Issuance of new shares - exercise of share acquisition rights	0							0
Provision of legal retained earnings				101	(101)	–		–
Dividends of surplus					(1,016)	(1,016)		(1,016)
Profit					1,708	1,708		1,708
Purchase of treasury shares							(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	0	–	–	101	590	692	(0)	691
Balance at end of period	4,329	214	214	599	22,031	22,631	(27)	27,148

	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	318	318	22	26,798
Changes during period				
Issuance of new shares - exercise of share acquisition rights				0
Provision of legal retained earnings				–
Dividends of surplus				(1,016)
Profit				1,708
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	41	41		41
Total changes during period	41	41	–	733
Balance at end of period	360	360	22	27,531

Fiscal year ended March 31, 2024

(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	4,329	214	214	599	22,031	22,631	(27)	27,148
Changes during period								
Issuance of new shares - exercise of share acquisition rights								
Provision of legal retained earnings				76	(76)	-		-
Dividends of surplus					(762)	(762)		(762)
Profit					2,938	2,938		2,938
Purchase of treasury shares							(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	76	2,100	2,176	(0)	2,175
Balance at end of period	4,329	214	214	676	24,131	24,807	(27)	29,324

	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	360	360	22	27,531
Changes during period				
Issuance of new shares - exercise of share acquisition rights				-
Provision of legal retained earnings				-
Dividends of surplus				(762)
Profit				2,938
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	373	373		373
Total changes during period	373	373	-	2,549
Balance at end of period	733	733	22	30,080

Non-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	2,584	4,056
Depreciation	157	165
Increase (decrease) in allowance for doubtful accounts	(3)	(0)
Increase (decrease) in provision for warranties for completed construction	52	(31)
Increase (decrease) in provision for loss on construction contracts	131	(268)
Increase (decrease) in provision for bonuses	(162)	56
Increase (decrease) in provision for retirement benefits	21	(39)
Interest and dividend income	(28)	(33)
Insurance claim income	(13)	(5)
Interest expenses	76	91
Loss (gain) on sale of non-current assets	–	(43)
Decrease (increase) in notes and accounts receivable-trade and others	2,062	(5,538)
Decrease (increase) in real estate for sale	34	2,181
Decrease (increase) in real estate for sale in process	–	(2,130)
Decrease (increase) in costs on construction contracts in progress	45	(771)
Increase (decrease) in trade payables	(863)	5,277
Decrease (increase) in consumption taxes refund receivable	–	(341)
Increase (decrease) in accrued consumption taxes	(357)	(155)
Increase (decrease) in advances received on construction contracts in progress	(479)	233
Other, net	(420)	(466)
Subtotal	2,840	2,236
Interest and dividends received	28	33
Proceeds from insurance income	83	5
Interest paid	(75)	(90)
Income taxes refund (paid)	(1,599)	(302)
Net cash provided by (used in) operating activities	1,276	1,882
Cash flows from investing activities		
Purchase of property, plant and equipment	(40)	(32)
Proceeds from sale of property, plant and equipment	–	507
Proceeds from earnest related sales of property, plant and equipment	56	–
Purchase of intangible assets	(9)	(53)
Purchase of investment securities	–	(10)
Purchase of shares of subsidiaries and associates	(119)	–
Proceeds from refund of guarantee deposits	3	6
Other, net	(7)	(0)
Net cash provided by (used in) investing activities	(116)	417

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	88	(48)
Proceeds from long-term borrowings	914	1,033
Repayments of long-term borrowings	(1,142)	(1,124)
Repayments of lease liabilities	(11)	(29)
Dividends paid	(1,012)	(759)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,164)	(929)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(4)	1,370
Cash and cash equivalents at beginning of period	11,657	11,653
Cash and cash equivalents at end of period	11,653	13,023