

Translation

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

November 9, 2023

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 10, 2023
 Scheduled date to commence dividend payments: November 29, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	49,487	11.1	1,937	16.2	1,894	15.3	1,393	25.9
Six months ended September 30, 2022	44,534	17.5	1,666	(27.3)	1,642	(28.1)	1,106	(34.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	191.98		191.29	
Six months ended September 30, 2022	152.51		151.93	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2023	63,737		28,672		45.0	
As of March 31, 2023	55,714		27,531		49.4	

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	–	40.00	–	60.00	100.00
Year ending March 31, 2024	–	45.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	65.00	110.00

3. Forecast of non-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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	92,000	4.5	3,500	31.2	3,400	31.5	2,500	46.4	344.38

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, 2023	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 September 30, 2023	25,111 shares	As of March 31, 2023	24,991 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, 2023	7,259,362 shares	Six months ended September 30, 2022	7,257,626 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	11,653	13,500
Notes receivable, accounts receivable from completed construction contracts and other	30,902	35,028
Electronically recorded monetary claims - operating	169	647
Real estate for sale	2,181	–
Real estate for sale in process	–	2,079
Costs on construction contracts in progress	873	1,324
Other	583	1,628
Allowance for doubtful accounts	(3)	(4)
Total current assets	46,360	54,205
Non-current assets		
Property, plant and equipment	5,846	5,885
Intangible assets	109	103
Investments and other assets		
Other	3,398	3,543
Allowance for doubtful accounts	(0)	–
Total investments and other assets	3,397	3,543
Total non-current assets	9,353	9,532
Total assets	55,714	63,737

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	10,859	14,508
Electronically recorded obligations - operating	6,347	7,534
Short-term borrowings	1,605	3,991
Income taxes payable	56	594
Advances received on construction contracts in progress	1,810	1,464
Provision for warranties for completed construction	185	161
Provision for loss on construction contracts	276	246
Provision for bonuses	407	587
Other	699	472
Total current liabilities	22,248	29,558
Non-current liabilities		
Long-term borrowings	4,153	3,697
Provision for retirement benefits	1,564	1,597
Other	217	211
Total non-current liabilities	5,935	5,506
Total liabilities	28,183	35,065
Net assets		
Shareholders' equity		
Share capital	4,329	4,329
Capital surplus	214	214
Retained earnings	22,631	23,589
Treasury shares	(27)	(27)
Total shareholders' equity	27,148	28,106
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	360	544
Total valuation and translation adjustments	360	544
Share acquisition rights	22	22
Total net assets	27,531	28,672
Total liabilities and net assets	55,714	63,737

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	44,534	49,487
Cost of sales	41,473	46,066
Gross profit	3,060	3,420
Selling, general and administrative expenses	1,393	1,483
Operating profit	1,666	1,937
Non-operating income		
Interest income	0	0
Dividend income	14	16
Interest on tax refund	–	0
Other	5	8
Total non-operating income	20	24
Non-operating expenses		
Interest expenses	38	45
Commission expenses	5	5
Other	0	16
Total non-operating expenses	44	67
Ordinary profit	1,642	1,894
Extraordinary losses		
Loss on sale of non-current assets	–	2
Total extraordinary losses	–	2
Profit before income taxes	1,642	1,891
Income taxes - current	470	463
Income taxes - deferred	66	35
Total income taxes	536	498
Profit	1,106	1,393

Non-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	1,642	1,891
Depreciation	79	80
Increase (decrease) in allowance for doubtful accounts	–	0
Increase (decrease) in provision for warranties for completed construction	36	(24)
Increase (decrease) in provision for loss on construction contracts	31	(30)
Increase (decrease) in provision for bonuses	(174)	180
Increase (decrease) in provision for retirement benefits	51	32
Interest and dividend income	(14)	(16)
Interest expenses	38	45
Loss (gain) on sale of non-current assets	–	2
Decrease (increase) in notes and accounts receivable-trade and others	2,660	(4,602)
Decrease (increase) in real estate for sale	17	2,181
Decrease (increase) in real estate for sale in process	–	(2,079)
Decrease (increase) in costs on construction contracts in progress	(543)	(451)
Increase (decrease) in trade payables	(1,295)	4,835
Decrease (increase) in consumption taxes refund receivable	(612)	(512)
Increase (decrease) in accrued consumption taxes	(512)	(155)
Increase (decrease) in advances received on construction contracts in progress	(310)	(346)
Other, net	(212)	(675)
Subtotal	881	355
Interest and dividends received	14	16
Interest paid	(39)	(46)
Income taxes refund (paid)	(820)	57
Net cash provided by (used in) operating activities	35	382
Cash flows from investing activities		
Purchase of property, plant and equipment	(28)	(17)
Proceeds from earnest related sales of property, plant and equipment	56	–
Purchase of intangible assets	(4)	(12)
Purchase of shares of subsidiaries and associates	(119)	–
Other, net	(2)	11
Net cash provided by (used in) investing activities	(98)	(18)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	493	2,495
Repayments of long-term borrowings	(563)	(565)
Dividends paid	(722)	(433)
Other, net	(6)	(13)
Net cash provided by (used in) financing activities	(799)	1,483
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(861)	1,847
Cash and cash equivalents at beginning of period	11,657	11,653
Cash and cash equivalents at end of period	10,796	13,500