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Consolidated Financial Results for the Nine Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: HENNGE K.K.

Listing: Tokyo Securities code: 4475 URL: https://hennge.com/jp/ Representative: Kazuhiro Ogura Inquiries: Ryo Kobayashi

Representative Director, Chief Executive Officer

Executive Officer

Telephone: +81-3-6415-3660

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended June 30, 2024 (October 1, 2023 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%			
June 30, 2024	6,061	22.8	917	64.3	918	67.9	72		
June 30, 2023	4,937	19.1	558	16.8	547	17.0	350		
(Note) Comprehensive income	: Nine moi	nths ended	l June 30, 2024	:	¥	567 millio	n [5	2.6%]	
•	Nine months ended June 30, 2023:			:	¥	372 millio	n [6	9.1%]	

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
June 30, 2024	22.43	22.41
June 30, 2023	11.01	-

(2) Consolidated Financial Position

(-)								
	Total assets	Net assets	Capital adequacy ratio					
As of	Millions of yen	Millions of yen	%					
June 30, 2024	7,860	2,877	36.0					
September 30, 2023	6,295	2,415	38.0					

(Reference) Equity: As of June 30, 2024: $\cup{$\xi$}$ 2,830 million As of September 30, 2023: $\cup{$\xi$}$ 2,393 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2023	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2024	-	0.00	-		
Fiscal year ending September 30, 2024 (Forecast)				0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: Non

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending September 30, 2024:

Commemorative dividend - yen Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2024(October 1, 2023 to September 30, 2024)

(Percentages indicate year-on-year changes.)

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	Net sale	es	Operating	profit	Ordinary 1	profit	Profit attribu		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,316	22.7	945	33.5	945	32.5	633	24.4	19.62

(Note) Revision to the financial results forecast announced most recently: None

- * Notes:
- (1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - 2) Changes in accounting policies due to other reasons: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None
- (4) Number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 32,500,600 shares September 30, 2023: 32,500,600 shares

2) Number of treasury shares at the end of the period:

June 30, 2024: 366,654 shares September 30, 2023: 233,017 shares

3) Average number of shares outstanding during the period:

Nine months ended June 30, 2024: 32,259,125 shares Nine months ended June 30, 2023: 32,310,360 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None
- * Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements Quarterly Consolidated Balance Sheets

		(Thousands of yen)
	As of September 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	4,585,223	5,916,523
Accounts receivable - trade	169,955	229,675
Prepaid expenses	330,999	365,251
Other	29,273	17,152
Total current assets	5,115,450	6,528,602
Non-current assets		
Property, plant and equipment	167,721	299,166
Intangible assets	44,688	44,688
Investments and other assets	966,927	987,600
Total non-current assets	1,179,336	1,331,454
Total assets	6,294,786	7,860,056
Liabilities		
Current liabilities		
Accounts payable - trade	29,149	74,557
Contract liabilities	2,791,415	3,756,102
Income taxes payable	190,878	239,045
Provision for bonuses	212,819	115,100
Other	568,985	586,804
Total current liabilities	3,793,246	4,771,608
Non-current liabilities		
Asset retirement obligations	61,682	159,273
Other	24,582	52,426
Total non-current liabilities	86,264	211,700
Total liabilities	3,879,510	4,983,308
Net assets		
Shareholders' equity		
Share capital	521,191	521,191
Capital surplus	486,891	489,269
Retained earnings	1,476,949	2,200,615
Treasury shares	(251,863)	(384,662)
Total shareholders' equity	2,233,167	2,826,412
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	157,707	-
Foreign currency translation adjustment	2,404	3,593
Total accumulated other comprehensive income	160,112	3,593
Share acquisition rights	21,997	46,743
Total net assets	2,415,276	2,876,748
Total liabilities and net assets	6,294,786	7,860,056

Quarterly Consolidated Statements of Income and Comprehensive Income Quarterly Consolidated Statements of Income (For the nine months)

		(Thousands of yen)
	For the nine months ended June 30, 2023	For the nine months ended June 30, 2024
Net sales	4,937,241	6,060,818
Cost of sales	820,779	967,552
Gross profit	4,116,462	5,093,266
Selling, general and administrative expenses	3,558,507	4,176,422
Operating profit	557,955	916,843
Non-operating income		
Interest income	75	157
Foreign exchange gains	-	24,636
Gain on valuation of derivatives	12,560	-
Other	-	30
Total non-operating income	12,635	24,822
Non-operating expenses		
Loss on investments in investment partnerships	7,679	11,182
Loss on valuation of derivatives	-	12,022
Foreign exchange losses	15,382	-
Other	811	451
Total non-operating expenses	23,872	23,656
Ordinary profit	546,717	918,010
Extraordinary income		
Gain on sale of investment securities		181,371
Total extraordinary income	-	181,371
Extraordinary losses		
Loss on valuation of investment securities	<u> </u>	543
Total extraordinary losses	-	543
Profit before income taxes	546,717	1,098,838
Income taxes - current	171,566	332,933
Income taxes - deferred	19,356	42,240
Total income taxes	190,922	375,173
Profit	355,796	723,665
Profit attributable to owners of parent	355,796	723,665

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

		(Thousands of yen)	
	For the nine months ended June 30, 2023	For the nine months ended June 30, 2024	
Profit	355,796	723,665	
Other comprehensive income			
Valuation difference on available-for-sale securities	16,492	(157,707)	
Foreign currency translation adjustment	(637)	1,189	
Total other comprehensive income	15,856	(156,518)	
Comprehensive income	371,651	567,147	
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	371,651	567,147	