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Consolidated Financial Results for the Six Months Ended March 31, 2025 [Japanese GAAP]

May 7, 2025

Company name: HENNGE K.K.

Listing: Tokyo Stock Exchange

Securities code: 4475

URL: <https://hennge.com/jp/>

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Scheduled date to file semi-annual securities report: May 7, 2025

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director, Chief Executive Officer

Executive Officer

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

1. Consolidated Financial Results for the Six Months Ended March 31, 2025 (October 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	5,205	33.6	1,119	72.6	1,166	83.3	792	87.9
March 31, 2024	3,895	21.9	648	141.4	636	160.5	421	175.7

(Note) Comprehensive income: Six months ended March 31, 2025: ¥ 791 million [81.7%]
Six months ended March 31, 2024: ¥ 435 million [169.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
March 31, 2025	24.63	24.57
March 31, 2024	13.05	13.04

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	8,970	3,726	40.7
September 30, 2024	8,285	2,987	35.4

(Reference) Equity: As of March 31, 2025: ¥ 3,647 million
As of September 30, 2024: ¥ 2,931 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, 2024	-	0.00	-	3.00	3.00
Fiscal year ending September 30, 2025	-	0.00			
Fiscal year ending September 30, 2025 (Forecast)			-	4.00	4.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending September 30, 2025 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2025(October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,881	30.1	1,750 ~1,950	72.4% ~92.1%	1,750 ~1,950	75.0% ~95.0%	1,251 ~1,391	51.2% ~68.2%	38.94 ~43.29

(Note) Revision to the financial results forecast announced most recently: Yes

* 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 semi-annual 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):

March 31, 2025: 32,500,600 shares

September 30, 2024: 32,500,600 shares

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

March 31, 2025: 350,496 shares

September 30, 2024: 366,654 shares

3) Average number of shares outstanding during the period:

Six months ended March 31, 2025: 32,139,900 shares

Six months ended March 31, 2024: 32,273,831 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,327,872	5,589,217
Accounts receivable - trade	186,947	201,670
Prepaid expenses	403,932	766,061
Other	802	41,169
Total current assets	6,919,552	6,598,117
Non-current assets		
Property, plant and equipment	290,064	288,459
Intangible assets	43,083	39,873
Investments and other assets		
Investment securities	460,110	1,138,500
Leasehold and guarantee deposits	282,142	654,655
Other	290,275	250,704
Total investments and other assets	1,032,527	2,043,859
Total non-current assets	1,365,675	2,372,191
Total assets	8,285,227	8,970,308
Liabilities		
Current liabilities		
Accounts payable - trade	38,206	42,351
Contract liabilities	3,702,787	3,612,501
Income taxes payable	280,848	428,569
Provision for bonuses	294,488	311,328
Other	776,424	624,560
Total current liabilities	5,092,752	5,019,310
Non-current liabilities		
Asset retirement obligations	159,549	160,104
Other	46,258	65,144
Total non-current liabilities	205,807	225,248
Total liabilities	5,298,559	5,244,558
Net assets		
Shareholders' equity		
Share capital	521,191	521,191
Capital surplus	489,269	493,432
Retained earnings	2,304,360	2,999,531
Treasury shares	(384,662)	(367,715)
Total shareholders' equity	2,930,157	3,646,439
Accumulated other comprehensive income		
Deferred gains or losses on hedges	-	(1,520)
Foreign currency translation adjustment	974	1,866
Total accumulated other comprehensive income	974	346
Share acquisition rights	55,537	78,966
Total net assets	2,986,668	3,725,750
Total liabilities and net assets	8,285,227	8,970,308

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Net sales	3,895,018	5,205,250
Cost of sales	624,703	730,799
Gross profit	3,270,315	4,474,451
Selling, general and administrative expenses	2,621,931	3,355,444
Operating profit	648,383	1,119,007
Non-operating income		
Interest income	76	4,263
Foreign exchange gains	24,412	-
Gain on investments in investment partnerships	-	4,677
Gain on valuation of derivatives	-	49,790
Other	-	558
Total non-operating income	24,487	59,288
Non-operating expenses		
Loss on valuation of investment securities	-	5,016
Loss on investments in investment partnerships	11,182	-
Loss on valuation of derivatives	25,805	-
Foreign exchange losses	-	7,431
Total non-operating expenses	36,986	12,448
Ordinary profit	635,884	1,165,847
Profit before income taxes	635,884	1,165,847
Income taxes - current	221,487	392,386
Income taxes - deferred	(6,935)	(18,112)
Total income taxes	214,551	374,274
Profit	421,333	791,573
Profit attributable to owners of parent	421,333	791,573

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Profit	421,333	791,573
Other comprehensive income		
Valuation difference on available-for-sale securities	14,034	-
Deferred gains or losses on hedges	-	(1,520)
Foreign currency translation adjustment	(62)	891
Total other comprehensive income	13,971	(628)
Comprehensive income	435,304	790,945
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	435,304	790,945

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	635,884	1,165,847
Depreciation	15,508	24,222
Increase (decrease) in provision for bonuses	15,853	16,841
Loss (gain) on valuation of investment securities	-	5,016
Loss (gain) on valuation of derivatives	25,805	(49,790)
Interest and dividend income	(76)	(4,263)
Decrease (increase) in trade receivables	(17,284)	(14,724)
Decrease (increase) in prepaid expenses	(183,870)	(357,735)
Increase (decrease) in trade payables	3,890	4,145
Increase (decrease) in contract liabilities	(317,031)	(90,286)
Increase (decrease) in accounts payable - other	(156,966)	(227,558)
Decrease (increase) in long-term prepaid expenses	(117,176)	65,389
Other, net	70,789	60,613
Subtotal	(24,671)	597,718
Interest and dividends received	76	2,255
Income taxes paid	(166,651)	(250,464)
Net cash provided by (used in) operating activities	(191,247)	349,509
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,021)	(21,400)
Purchase of investment securities	(49,980)	(602,828)
Payments of leasehold and guarantee deposits	(112)	(374,111)
Other, net	18,261	5,586
Net cash provided by (used in) investing activities	(34,852)	(992,752)
Cash flows from financing activities		
Purchase of treasury shares	(43)	(63)
Dividends paid	-	(96,239)
Net cash provided by (used in) financing activities	(43)	(96,302)
Effect of exchange rate change on cash and cash equivalents	(92)	890
Net increase (decrease) in cash and cash equivalents	(226,234)	(738,656)
Cash and cash equivalents at beginning of period	4,585,223	6,327,872
Cash and cash equivalents at end of period	4,358,989	5,589,217