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Consolidated Financial Results for the Three Months Ended December 31, 2023 [Japanese GAAP]

February 9, 2024

Company name: HENNGE K.K.
Stock exchange listing: Tokyo
Code number: 4475
URL: <https://hennge.com/jp/>
Representative: Kazuhiro Ogura
Contact: Ryo Kobayashi
Phone: +81-3-6415-3660

Representative Director, Chief Executive Officer
Executive Officer

Scheduled date of filing quarterly securities report: February 9, 2024
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: Yes

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Three Months Ended December 31, 2023 (October 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2023	1,915	23.8	385	309.4	377	392.3	256	456.7
December 31, 2022	1,547	17.8	94	(51.6)	77	(58.8)	46	(63.5)

(Note) Comprehensive income: Three months ended December 31, 2023: ¥ 247 million [403.9%]
Three months ended December 31, 2022: ¥ 49 million [(68.7)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2023	7.94	7.94
December 31, 2022	1.42	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	6,165	2,670	42.8
September 30, 2023	6,295	2,415	38.0

(Reference) Equity: As of December 31, 2023: ¥ 2,640 million
As of September 30, 2023: ¥ 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	-				
Fiscal year ending September 30, 2024 (Forecast)		0.00	-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st 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)

(% indicates changes from the previous corresponding period.)

	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	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: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended December 31, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2023: 32,500,600 shares

September 30, 2023: 32,500,600 shares

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

December 31, 2023: 233,054 shares

September 30, 2023: 233,017 shares

3) Average number of shares outstanding during the period:

Three months ended December 31, 2023: 32,267,570 shares

Three months ended December 31, 2022: 32,398,368 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	4,585,223	4,102,281
Accounts receivable - trade	169,955	158,846
Prepaid expenses	330,999	698,694
Other	29,273	-
Total current assets	5,115,450	4,959,821
Non-current assets		
Property, plant and equipment	167,721	162,613
Intangible assets	44,688	44,688
Investments and other assets	966,927	998,196
Total non-current assets	1,179,336	1,205,498
Total assets	6,294,786	6,165,319
Liabilities		
Current liabilities		
Accounts payable - trade	29,149	32,617
Contract liabilities	2,791,415	2,690,471
Income taxes payable	190,878	91,552
Provision for bonuses	212,819	102,994
Other	568,985	453,121
Total current liabilities	3,793,246	3,370,755
Non-current liabilities		
Asset retirement obligations	61,682	61,684
Other	24,582	62,558
Total non-current liabilities	86,264	124,242
Total liabilities	3,879,510	3,494,997
Net assets		
Shareholders' equity		
Share capital	521,191	521,191
Capital surplus	486,891	486,891
Retained earnings	1,476,949	1,733,253
Treasury shares	(251,863)	(251,907)
Total shareholders' equity	2,233,167	2,489,427
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	157,707	149,003
Foreign currency translation adjustment	2,404	1,646
Total accumulated other comprehensive income	160,112	150,649
Share acquisition rights	21,997	30,245
Total net assets	2,415,276	2,670,322
Total liabilities and net assets	6,294,786	6,165,319

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

(Thousands of yen)

	For the three months ended December 31, 2022	For the three months ended December 31, 2023
Net sales	1,547,265	1,915,175
Cost of sales	272,000	306,044
Gross profit	1,275,265	1,609,132
Selling, general and administrative expenses	1,181,235	1,224,165
Operating profit	94,029	384,967
Non-operating income		
Interest income	32	63
Foreign exchange gains	-	24,452
Total non-operating income	32	24,515
Non-operating expenses		
Loss on valuation of derivatives	-	32,034
Foreign exchange losses	16,579	-
Other	811	-
Total non-operating expenses	17,390	32,034
Ordinary profit	76,672	377,448
Profit before income taxes	76,672	377,448
Income taxes - current	1,454	78,455
Income taxes - deferred	29,175	42,690
Total income taxes	30,629	121,145
Profit	46,042	256,303
Profit attributable to owners of parent	46,042	256,303

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

(Thousands of yen)

	For the three months ended December 31, 2022	For the three months ended December 31, 2023
Profit	46,042	256,303
Other comprehensive income		
Valuation difference on available-for-sale securities	4,781	(8,704)
Foreign currency translation adjustment	(1,838)	(758)
Total other comprehensive income	2,943	(9,463)
Comprehensive income	48,986	246,841
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	48,986	246,841