

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Six Months Ended March 31, 2022 [Japanese GAAP]

May 12, 2022

Company name: HENNGE K.K.

Stock exchange listing: Tokyo

Code number: 4475

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

Representative: Kazuhiro Ogura

Contact: Haruo Amano

Phone: 03-6415-3660

Scheduled date of filing quarterly securities report: May 12, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

Representative Director, Chief Executive Officer

Director, Executive Vice President

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended March 31, 2022 (October 01, 2021 to March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended March 31, 2022	2,701	17.3	350	-	339	-	228	-
March 31, 2021	2,303	17.9	(23)	-	(20)	-	(20)	-

(Note) Comprehensive income: Six months ended March 31, 2022: ¥ 180 million [-%]
Six months ended March 31, 2021: ¥ (174) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2022	7.00	7.00
March 31, 2021	(0.63)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of March 31, 2022	4,673	2,040	43.7
September 30, 2021	4,491	1,843	41.0

(Reference) Equity: As of March 31, 2022: ¥ 2,040 million
As of September 30, 2021: ¥ 1,843 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, 2021	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2022	-	0.00			
Fiscal year ending September 30, 2022 (Forecast)			-	0.00	0.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending September 30, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2022(October 01, 2021 to September 30, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	5,782	19.3	434	14.2	434	13.3	273	22.1	8.41

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended March 31, 2022

(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: Yes

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):

March 31, 2022: 32,496,600 shares

September 30, 2021: 32,488,400 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022: 236 shares

September 30, 2021: 158 shares

3) Average number of shares during the period:

Six months ended March 31, 2022: 32,491,321 shares

Six months ended March 31, 2021: 32,103,007 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	3,392,761	3,238,410
Accounts receivable - trade	125,905	137,780
Prepaid expenses	216,298	539,510
Other	2,463	2,801
Total current assets	3,737,426	3,918,501
Non-current assets		
Property, plant and equipment	171,443	170,168
Intangible assets	1,450	869
Investments and other assets	580,898	583,491
Total non-current assets	753,791	754,528
Total assets	4,491,217	4,673,029
Liabilities		
Current liabilities		
Accounts payable - trade	24,151	24,296
Unearned revenue	1,929,328	-
Contract liabilities	-	1,801,953
Income taxes payable	83,300	124,962
Provision for bonuses	197,112	175,494
Other	314,951	416,861
Total current liabilities	2,548,842	2,543,566
Non-current liabilities		
Asset retirement obligations	61,531	61,602
Other	38,016	27,562
Total non-current liabilities	99,547	89,164
Total liabilities	2,648,388	2,632,730
Net assets		
Shareholders' equity		
Share capital	512,228	521,115
Capital surplus	477,928	486,815
Retained earnings	647,371	874,887
Treasury shares	(432)	(649)
Total shareholders' equity	1,637,095	1,882,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	207,048	159,482
Foreign currency translation adjustment	(1,314)	(1,349)
Total accumulated other comprehensive income	205,734	158,133
Total net assets	1,842,829	2,040,300
Total liabilities and net assets	4,491,217	4,673,029

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended March 31,2021	For the six months ended March 31,2022
Net sales	2,302,665	2,700,670
Cost of sales	390,175	415,379
Gross profit	1,912,490	2,285,292
Selling, general and administrative expenses	1,935,276	1,935,713
Operating profit (loss)	(22,786)	349,579
Non-operating income		
Interest income	17	25
Foreign exchange gains	477	-
Subsidy income	2,500	-
Other	6	-
Total non-operating income	3,000	25
Non-operating expenses		
Foreign exchange losses	-	6,864
Loss on investments in investment partnerships	-	3,729
Total non-operating expenses	-	10,593
Ordinary profit (loss)	(19,786)	339,010
Profit (loss) before income taxes	(19,786)	339,010
Income taxes - current	787	108,100
Income taxes - deferred	(255)	3,395
Total income taxes	532	111,495
Profit (loss)	(20,318)	227,515
Profit (loss) attributable to owners of parent	(20,318)	227,515

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

(Thousand yen)

	For the six months ended March 31,2021	For the six months ended March 31,2022
Profit (loss)	(20,318)	227,515
Other comprehensive income		
Valuation difference on available-for-sale securities	(152,846)	(47,567)
Foreign currency translation adjustment	(371)	(35)
Total other comprehensive income	(153,217)	(47,601)
Comprehensive income	(173,535)	179,914
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(173,535)	179,914