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Consolidated Financial Results for the Three Months Ended December 31, 2022 [Japanese GAAP]

February 10, 2023

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

Representative Director, Chief Executive Officer
Director, Executive Vice President

Scheduled date of filing quarterly securities report: February 10, 2023
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, 2022 (October 01, 2022 to December 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	%
Three months ended December 31, 2022	1,547	17.8	94	(51.6)	77	(58.8)	46	(63.5)
December 31, 2021	1,313	15.8	194	(3.4)	186	(8.7)	126	(8.2)

(Note) Comprehensive income: Three months ended December 31, 2022: ¥ 49 million [(68.7)%]
Three months ended December 31, 2021: ¥ 91 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2022	1.42	-
December 31, 2021	3.88	3.88

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	4,691	1,870	39.9
September 30, 2022	5,206	2,092	40.2

(Reference) Equity: As of December 31, 2022: ¥ 1,870 million
As of September 30, 2022: ¥ 2,092 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, 2022	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2023	-				
Fiscal year ending September 30, 2023 (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, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2023(October 01, 2022 to September 30, 2023)

(% 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	6,725	19.1	561	21.3	561	24.0	353	10.0	10.87

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended December 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):

December 31, 2022: 32,500,600 shares

September 30, 2022: 32,500,600 shares

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

December 31, 2022: 250,717 shares

September 30, 2022: 276 shares

3) Average number of shares during the period:

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

Three months ended December 31, 2021: 32,488,170 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	4,053,700	3,110,208
Accounts receivable - trade	115,304	129,042
Prepaid expenses	364,479	815,676
Other	3,313	92
Total current assets	4,536,797	4,055,017
Non-current assets		
Property, plant and equipment	160,876	156,127
Intangible assets	288	192
Investments and other assets	507,684	479,345
Total non-current assets	668,848	635,664
Total assets	5,205,645	4,690,681
Liabilities		
Current liabilities		
Accounts payable - trade	26,874	28,210
Contract liabilities	2,307,302	2,173,445
Income taxes payable	73,205	10,150
Provision for bonuses	168,565	88,208
Other	432,938	421,227
Total current liabilities	3,008,885	2,721,240
Non-current liabilities		
Asset retirement obligations	61,674	61,676
Other	43,281	37,288
Total non-current liabilities	104,955	98,964
Total liabilities	3,113,840	2,820,203
Net assets		
Shareholders' equity		
Share capital	521,191	521,191
Capital surplus	486,891	486,891
Retained earnings	968,541	1,014,583
Treasury shares	(684)	(270,997)
Total shareholders' equity	1,975,938	1,751,667
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112,896	117,677
Foreign currency translation adjustment	2,972	1,134
Total accumulated other comprehensive income	115,868	118,811
Total net assets	2,091,805	1,870,478
Total liabilities and net assets	5,205,645	4,690,681

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

(Thousand yen)

	For the three months ended December 31,2021	For the three months ended December 31,2022
Net sales	1,313,005	1,547,265
Cost of sales	208,113	272,000
Gross profit	1,104,893	1,275,265
Selling, general and administrative expenses	910,694	1,181,235
Operating profit	194,199	94,029
Non-operating income		
Interest income	-	32
Total non-operating income	-	32
Non-operating expenses		
Foreign exchange losses	8,250	16,579
Other	-	811
Total non-operating expenses	8,250	17,390
Ordinary profit	185,949	76,672
Profit before income taxes	185,949	76,672
Income taxes - current	17,226	1,454
Income taxes - deferred	42,587	29,175
Total income taxes	59,813	30,629
Profit	126,136	46,042
Profit attributable to owners of parent	126,136	46,042

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

(Thousand yen)

	For the three months ended December 31,2021	For the three months ended December 31,2022
Profit	126,136	46,042
Other comprehensive income		
Valuation difference on available-for-sale securities	(34,326)	4,781
Foreign currency translation adjustment	(663)	(1,838)
Total other comprehensive income	(34,990)	2,943
Comprehensive income	91,146	48,986
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	91,146	48,986