

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 Three Months Ended December 31, 2019 [Japanese GAAP]

February 12, 2020

Company name: HENNGE K.K.
Stock exchange listing: Tokyo
Code number: 4475
URL: <https://www.henнге.com/jp/>
Representative: Kazuhiro Ogura
Contact: Haruo Amano
Phone: 03-6415-3660

Representative Director, Chief Executive Officer
Executive Officer of Business Administration Division

Scheduled date of filing quarterly securities report: February 12, 2020
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, 2019 (October 01, 2019 to December 31, 2019)

(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, 2019	940	-	(3)	-	(2)	-	(5)	-
December 31, 2018	-	-	-	-	-	-	-	-

(Note) Comprehensive income: Three months ended December 31, 2019: ¥ (5) million [-%]
Three months ended December 31, 2018: ¥ - million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2019	(0.34)	-
December 31, 2018	-	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2019	2,793	1,004	35.9
September 30, 2019	2,603	691	26.6

(Reference) Equity: As of December 31, 2019: ¥ 1,004 million
As of September 30, 2019: ¥ 691 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, 2019	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2020	-				
Fiscal year ending September 30, 2020 (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, 2020 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2020(October 01, 2019 to September 30, 2020)

(% 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	4,110	19.9	259	38.3	259	45.9	145	31.9	9.42

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended December 31, 2019

(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, 2019: 15,634,200 shares

September 30, 2019: 15,388,000 shares

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

December 31, 2019: - shares

September 30, 2019: - shares

3) Average number of shares during the period:

Three months ended December 31, 2019: 15,554,165 shares

Three months ended December 31, 2018: - shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2019	As of December 31,2019
Assets		
Current assets		
Cash and deposits	1,874,179	1,762,952
Accounts receivable - trade	88,444	83,559
Work in process	240	1,737
Raw materials	29	29
Prepaid expenses	148,571	425,338
Other	3,779	17,951
Total current assets	2,115,242	2,291,566
Non-current assets		
Property, plant and equipment	174,010	203,860
Intangible assets	3,774	3,484
Investments and other assets	310,174	293,987
Total non-current assets	487,959	501,331
Total assets	2,603,200	2,792,897

(Thousand yen)

	As of September 30,2019	As of December 31,2019
Liabilities		
Current liabilities		
Accounts payable - trade	12,076	13,186
Unearned revenue	1,357,381	1,362,419
Income taxes payable	47,928	5,605
Provision for bonuses	132,216	69,706
Asset retirement obligations	10,020	-
Other	226,013	220,815
Total current liabilities	1,785,633	1,671,731
Non-current liabilities		
Asset retirement obligations	61,251	61,286
Other	65,022	56,361
Total non-current liabilities	126,273	117,647
Total liabilities	1,911,906	1,789,378
Net assets		
Shareholders' equity		
Share capital	330,800	489,353
Capital surplus	296,500	455,053
Retained earnings	68,555	63,256
Total shareholders' equity	695,855	1,007,662
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57	70
Foreign currency translation adjustment	(4,618)	(4,212)
Total accumulated other comprehensive income	(4,561)	(4,143)
Total net assets	691,294	1,003,519
Total liabilities and net assets	2,603,200	2,792,897

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, 2019
Net sales	939,726
Cost of sales	176,644
Gross profit	763,082
Selling, general and administrative expenses	766,054
Operating loss	(2,972)
Non-operating income	
Foreign exchange gains	1,491
Total non-operating income	1,491
Non-operating expenses	
Commission expenses	666
Total non-operating expenses	666
Ordinary loss	(2,147)
Loss before income taxes	(2,147)
Income taxes - current	394
Income taxes - deferred	2,758
Total income taxes	3,152
Loss	(5,299)
Loss attributable to owners of parent	(5,299)

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

(Thousand yen)

	For the three months ended December 31,2019
Loss	(5,299)
Other comprehensive income	
Valuation difference on available-for-sale securities	13
Foreign currency translation adjustment	406
Total other comprehensive income	419
Comprehensive income	(4,881)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(4,881)