

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 Nine Months Ended June 30, 2020 [Japanese GAAP]

August 07, 2020

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
Executive Officer of Business Administration Division

Scheduled date of filing quarterly securities report: August 07, 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 Nine Months Ended June 30, 2020 (October 01, 2019 to June 30, 2020)

(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	%
Nine months ended June 30, 2020	3,006	19.5	318	117.1	317	138.4	180	125.1
June 30, 2019	2,516	-	146	-	133	-	80	-

(Note) Comprehensive income: Nine months ended June 30, 2020: ¥ 181 million [126.3%]
Nine months ended June 30, 2019: ¥ 80 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
June 30, 2020	11.51	11.11
June 30, 2019	5.20	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2020	3,459	1,205	34.8
September 30, 2019	2,603	691	26.6

(Reference) Equity: As of June 30, 2020: ¥ 1,205 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	-	0.00	-		
Fiscal year ending September 30, 2020 (Forecast)				0.00	0.00

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

(Note) Breakdown of the 3rd 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	480	156.4	480	170.4	280	154.8	17.82

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended June 30, 2020

(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):

June 30, 2020: 15,842,200 shares

September 30, 2019: 15,388,000 shares

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

June 30, 2020: 37 shares

September 30, 2019: - shares

3) Average number of shares during the period:

Nine months ended June 30, 2020: 15,642,212 shares

Nine months ended June 30, 2019: 15,388,000 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2019	As of June 30,2020
Assets		
Current assets		
Cash and deposits	1,874,179	2,674,941
Accounts receivable - trade	88,444	99,390
Work in process	240	4,198
Raw materials	29	29
Prepaid expenses	148,571	168,011
Other	3,779	3,999
Total current assets	2,115,242	2,950,568
Non-current assets		
Property, plant and equipment	174,010	195,759
Intangible assets	3,774	2,903
Investments and other assets	310,174	309,371
Total non-current assets	487,959	508,033
Total assets	2,603,200	3,458,601
Liabilities		
Current liabilities		
Accounts payable - trade	12,076	16,412
Unearned revenue	1,357,381	1,766,210
Income taxes payable	47,928	60,505
Provision for bonuses	132,216	77,446
Asset retirement obligations	10,020	-
Other	226,013	226,503
Total current liabilities	1,785,633	2,147,075
Non-current liabilities		
Asset retirement obligations	61,251	61,355
Other	65,022	45,325
Total non-current liabilities	126,273	106,680
Total liabilities	1,911,906	2,253,754
Net assets		
Shareholders' equity		
Share capital	330,800	497,153
Capital surplus	296,500	462,853
Retained earnings	68,555	248,622
Treasury shares	-	(109)
Total shareholders' equity	695,855	1,208,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57	33
Foreign currency translation adjustment	(4,618)	(3,705)
Total accumulated other comprehensive income	(4,561)	(3,672)
Total net assets	691,294	1,204,846
Total liabilities and net assets	2,603,200	3,458,601

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended June 30,2019	For the nine months ended June 30,2020
Net sales	2,515,840	3,006,322
Cost of sales	450,426	538,212
Gross profit	2,065,414	2,468,109
Selling, general and administrative expenses	1,919,103	2,150,412
Operating profit	146,311	317,698
Non-operating income		
Interest income	300	833
Dividend income	6	6
Other	72	-
Total non-operating income	377	839
Non-operating expenses		
Foreign exchange losses	13,839	1,172
Commission expenses	-	666
Total non-operating expenses	13,839	1,838
Ordinary profit	132,850	316,698
Extraordinary losses		
Loss on valuation of investment securities	-	30,000
Total extraordinary losses	-	30,000
Profit before income taxes	132,850	286,698
Income taxes - current	27,048	86,478
Income taxes - deferred	25,807	20,153
Total income taxes	52,855	106,632
Profit	79,995	180,067
Profit attributable to owners of parent	79,995	180,067

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

(Thousand yen)

	For the nine months ended June 30,2019	For the nine months ended June 30,2020
Profit	79,995	180,067
Other comprehensive income		
Valuation difference on available-for-sale securities	(51)	(24)
Foreign currency translation adjustment	10	913
Total other comprehensive income	(42)	889
Comprehensive income	79,953	180,955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	79,953	180,955