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Consolidated Financial Results for the Three Months Ended December 31, 2020 [Japanese GAAP]

February 10, 2021

Company name: HENNGE K.K.
 Stock exchange listing: Tokyo
 Code number: 4475
 URL: <https://hennge.com/jp/>
 Representative: Kazuhiro Ogura Representative Director, Chief Executive Officer
 Contact: Haruo Amano Director, Executive Vice President
 Phone: 03-6415-3660
 Scheduled date of filing quarterly securities report: February 10, 2021
 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, 2020 (October 01, 2020 to December 31, 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	%
Three months ended December 31, 2020	1,134	20.7	201	-	204	-	137	-
December 31, 2019	940	-	(3)	-	(2)	-	(5)	-

(Note) Comprehensive income: Three months ended December 31, 2020: ¥ (63) million [-%]
 Three months ended December 31, 2019: ¥ (5) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2020	8.58	8.46
December 31, 2019	(0.34)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2020	3,964	1,759	44.4
September 30, 2020	4,241	1,822	43.0

(Reference) Equity: As of December 31, 2020: ¥ 1,759 million
 As of September 30, 2020: ¥ 1,822 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, 2020	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2021	-				
Fiscal year ending September 30, 2021 (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, 2021 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2021(October 01, 2020 to September 30, 2021)

(% 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	4,841	16.6	310	(42.4)	310	(42.1)	193	(45.6)	12.06

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

* Notes:

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

December 31, 2020: 16,008,200 shares

September 30, 2020: 16,002,200 shares

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

December 31, 2020: 37 shares

September 30, 2020: 37 shares

3) Average number of shares during the period:

Three months ended December 31, 2020: 16,005,098 shares

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

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2020	As of December 31,2020
Assets		
Current assets		
Cash and deposits	2,870,891	2,580,773
Accounts receivable - trade	163,304	125,618
Work in process	-	2,012
Raw materials	29	29
Prepaid expenses	134,824	426,572
Other	2,408	3,935
Total current assets	3,171,457	3,138,939
Non-current assets		
Property, plant and equipment	188,314	187,028
Intangible assets	2,612	2,322
Investments and other assets	878,387	635,761
Total non-current assets	1,069,313	825,111
Total assets	4,240,770	3,964,049
Liabilities		
Current liabilities		
Accounts payable - trade	17,234	16,689
Unearned revenue	1,606,578	1,581,109
Income taxes payable	148,240	41,684
Provision for bonuses	155,326	83,261
Other	300,105	351,104
Total current liabilities	2,227,482	2,073,846
Non-current liabilities		
Asset retirement obligations	61,390	61,425
Other	130,091	69,487
Total non-current liabilities	191,481	130,912
Total liabilities	2,418,962	2,204,759
Net assets		
Shareholders' equity		
Share capital	503,153	503,378
Capital surplus	468,853	469,078
Retained earnings	423,536	560,928
Treasury shares	(109)	(109)
Total shareholders' equity	1,395,433	1,533,274
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	430,216	230,270
Foreign currency translation adjustment	(3,842)	(4,254)
Total accumulated other comprehensive income	426,375	226,016
Total net assets	1,821,808	1,759,291
Total liabilities and net assets	4,240,770	3,964,049

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	For the three months ended December 31,2020
Net sales	939,726	1,133,935
Cost of sales	176,644	194,709
Gross profit	763,082	939,226
Selling, general and administrative expenses	766,054	738,231
Operating profit (loss)	(2,972)	200,994
Non-operating income		
Foreign exchange gains	1,491	130
Subsidy income	-	2,500
Other	-	6
Total non-operating income	1,491	2,637
Non-operating expenses		
Commission expenses	666	-
Total non-operating expenses	666	-
Ordinary profit (loss)	(2,147)	203,631
Profit (loss) before income taxes	(2,147)	203,631
Income taxes - current	394	34,432
Income taxes - deferred	2,758	31,808
Total income taxes	3,152	66,240
Profit (loss)	(5,299)	137,391
Profit (loss) attributable to owners of parent	(5,299)	137,391

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

(Thousand yen)

	For the three months ended December 31,2019	For the three months ended December 31,2020
Profit (loss)	(5,299)	137,391
Other comprehensive income		
Valuation difference on available-for-sale securities	13	(199,946)
Foreign currency translation adjustment	406	(412)
Total other comprehensive income	419	(200,358)
Comprehensive income	(4,881)	(62,967)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,881)	(62,967)