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Consolidated Financial Results for the Nine Months Ended June 30, 2022 [Japanese GAAP]

August 10, 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

Representative Director, Chief Executive Officer
Director, Executive Vice President

Scheduled date of filing quarterly securities report: August 10, 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

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended June 30, 2022 (October 01, 2021 to June 30, 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	%
Nine months ended June 30, 2022	4,145	17.4	478	110.6	467	103.3	312	108.0
June 30, 2021	3,531	17.5	227	(28.6)	230	(27.4)	150	(16.7)

(Note) Comprehensive income: Nine months ended June 30, 2022: ¥ 220 million [-%]
 Nine months ended June 30, 2021: ¥ (77) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2022	9.61	9.61
June 30, 2021	4.66	4.62

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2022	5,262	2,080	39.5
September 30, 2021	4,491	1,843	41.0

(Reference) Equity: As of June 30, 2022: ¥ 2,080 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 3rd 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 nine months ended June 30, 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):

June 30, 2022: 32,496,600 shares

September 30, 2021: 32,488,400 shares

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

June 30, 2022: 236 shares

September 30, 2021: 158 shares

3) Average number of shares during the period:

Nine months ended June 30, 2022: 32,493,002 shares

Nine months ended June 30, 2021: 32,216,065 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2021	As of June 30,2022
Assets		
Current assets		
Cash and deposits	3,392,761	4,022,039
Accounts receivable - trade	125,905	106,097
Prepaid expenses	216,298	477,597
Other	2,463	4,849
Total current assets	3,737,426	4,610,582
Non-current assets		
Property, plant and equipment	171,443	168,081
Intangible assets	1,450	579
Investments and other assets	580,898	482,933
Total non-current assets	753,791	651,592
Total assets	4,491,217	5,262,175
Liabilities		
Current liabilities		
Accounts payable - trade	24,151	26,006
Unearned revenue	1,929,328	-
Contract liabilities	-	2,577,744
Income taxes payable	83,300	52,062
Provision for bonuses	197,112	88,314
Other	314,951	347,631
Total current liabilities	2,548,842	3,091,757
Non-current liabilities		
Asset retirement obligations	61,531	61,638
Other	38,016	28,670
Total non-current liabilities	99,547	90,308
Total liabilities	2,648,388	3,182,064
Net assets		
Shareholders' equity		
Share capital	512,228	521,115
Capital surplus	477,928	486,815
Retained earnings	647,371	959,524
Treasury shares	(432)	(649)
Total shareholders' equity	1,637,095	1,966,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	207,048	113,263
Foreign currency translation adjustment	(1,314)	42
Total accumulated other comprehensive income	205,734	113,306
Total net assets	1,842,829	2,080,110
Total liabilities and net assets	4,491,217	5,262,175

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 30,2021	For the nine months ended June 30,2022
Net sales	3,531,161	4,144,650
Cost of sales	594,066	633,972
Gross profit	2,937,094	3,510,678
Selling, general and administrative expenses	2,710,316	3,033,105
Operating profit	226,778	477,573
Non-operating income		
Interest income	17	25
Dividend income	6	-
Foreign exchange gains	604	-
Subsidy income	2,500	-
Other	13	45
Total non-operating income	3,140	70
Non-operating expenses		
Foreign exchange losses	-	6,559
Loss on investments in investment partnerships	-	3,729
Total non-operating expenses	-	10,288
Ordinary profit	229,918	467,355
Profit before income taxes	229,918	467,355
Income taxes - current	49,733	117,806
Income taxes - deferred	30,116	37,397
Total income taxes	79,849	155,203
Profit	150,070	312,153
Profit attributable to owners of parent	150,070	312,153

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

(Thousand yen)

	For the nine months ended June 30,2021	For the nine months ended June 30,2022
Profit	150,070	312,153
Other comprehensive income		
Valuation difference on available-for-sale securities	(228,968)	(93,785)
Foreign currency translation adjustment	1,875	1,356
Total other comprehensive income	(227,093)	(92,428)
Comprehensive income	(77,023)	219,725
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(77,023)	219,725