

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, 2023 [Japanese GAAP]

August 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: +81-3-6415-3660

Representative Director, Chief Executive Officer
Director, Executive Vice President

Scheduled date of filing quarterly securities report: August 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 Nine Months Ended June 30, 2023 (October 1, 2022 to June 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended June 30, 2023	4,937	19.1	558	16.8	547	17.0	356	14.0
June 30, 2022	4,145	17.4	478	110.6	467	103.3	312	108.0

(Note) Comprehensive income: Nine months ended June 30, 2023: ¥ 372 million [69.1%]
Nine months ended June 30, 2022: ¥ 220 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
June 30, 2023	11.01	-
June 30, 2022	9.61	9.61

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	6,102	2,226	36.2
September 30, 2022	5,206	2,092	40.2

(Reference) Equity: As of June 30, 2023: ¥ 2,212 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	-	0.00	-		
Fiscal year ending September 30, 2023 (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, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2023(October 1, 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of 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 nine months ended June 30, 2023

(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, 2023: 32,500,600 shares

September 30, 2022: 32,500,600 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 233,017 shares

September 30, 2022: 276 shares

3) Average number of shares outstanding during the period:

Nine months ended June 30, 2023: 32,310,360 shares

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

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	4,053,700	4,626,468
Accounts receivable - trade	115,304	130,480
Other	367,792	531,355
Total current assets	4,536,797	5,288,303
Non-current assets		
Property, plant and equipment	160,876	172,454
Intangible assets	288	49,157
Investments and other assets	507,684	592,338
Total non-current assets	668,848	813,949
Total assets	5,205,645	6,102,252
Liabilities		
Current liabilities		
Accounts payable - trade	26,874	27,917
Contract liabilities	2,307,302	3,121,558
Income taxes payable	73,205	122,029
Provision for bonuses	168,565	98,895
Other	432,938	415,499
Total current liabilities	3,008,885	3,785,897
Non-current liabilities		
Asset retirement obligations	61,674	61,680
Other	43,281	29,074
Total non-current liabilities	104,955	90,755
Total liabilities	3,113,840	3,876,651
Net assets		
Shareholders' equity		
Share capital	521,191	521,191
Capital surplus	486,891	486,466
Retained earnings	968,541	1,324,337
Treasury shares	(684)	(251,863)
Total shareholders' equity	1,975,938	2,080,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112,896	129,388
Foreign currency translation adjustment	2,972	2,335
Total accumulated other comprehensive income	115,868	131,723
Share acquisition rights	-	13,748
Total net assets	2,091,805	2,225,601
Total liabilities and net assets	5,205,645	6,102,252

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

(Thousands of yen)

	For the nine months ended June 30, 2022	For the nine months ended June 30, 2023
Net sales	4,144,650	4,937,241
Cost of sales	633,972	820,779
Gross profit	3,510,678	4,116,462
Selling, general and administrative expenses	3,033,105	3,558,507
Operating profit	477,573	557,955
Non-operating income		
Interest income	25	75
Gain on valuation of derivatives	-	12,560
Other	45	-
Total non-operating income	70	12,635
Non-operating expenses		
Foreign exchange losses	6,559	15,382
Loss on investments in investment partnerships	3,729	7,679
Other	-	811
Total non-operating expenses	10,288	23,872
Ordinary profit	467,355	546,717
Profit before income taxes	467,355	546,717
Income taxes - current	117,806	171,566
Income taxes - deferred	37,397	19,356
Total income taxes	155,203	190,922
Profit	312,153	355,796
Profit attributable to owners of parent	312,153	355,796

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

(Thousands of yen)

	For the nine months ended June 30, 2022	For the nine months ended June 30, 2023
Profit	312,153	355,796
Other comprehensive income		
Valuation difference on available-for-sale securities	(93,785)	16,492
Foreign currency translation adjustment	1,356	(637)
Total other comprehensive income	(92,428)	15,856
Comprehensive income	219,725	371,651
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	219,725	371,651