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Consolidated Financial Results for the Three Months Ended December 31, 2024 [Japanese GAAP]

February 4, 2025

Company name: HENNGE K.K.
Listing: Tokyo
Securities code: 4475
URL: https://hennge.com/jp/
Representative: Kazuhiro Ogura Representative Director, Chief Executive Officer
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended December 31, 2024 (October 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	2,510	31.1	529	37.3	598	58.5	406	58.4
December 31, 2023	1,915	23.8	385	309.4	377	392.3	256	456.7

(Note) Comprehensive income: Three months ended December 31, 2024: ¥ 407 million [65.0%]
Three months ended December 31, 2023: ¥ 247 million [403.9%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2024	12.63	12.61
December 31, 2023	7.94	7.94

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	8,268	3,309	39.2
September 30, 2024	8,285	2,987	35.4

(Reference) Equity: As of December 31, 2024: ¥ 3,242 million
As of September 30, 2024: ¥ 2,931 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, 2024	-	0.00	-	3.00	3.00
Fiscal year ending September 30, 2025	-				
Fiscal year ending September 30, 2025 (Forecast)		0.00	-	4.00	4.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending September 30, 2025 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2025(October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes.)

	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	10,441	24.8	1,574	55.1	1,574	57.4	1,109	34.1	34.52

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024: 32,500,600 shares

September 30, 2024: 32,500,600 shares

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

December 31, 2024: 366,654 shares

September 30, 2024: 366,654 shares

3) Average number of shares outstanding during the period:

Three months ended December 31, 2024: 32,133,946 shares

Three months ended December 31, 2023: 32,267,570 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	6,327,872	5,500,756
Accounts receivable - trade	186,947	204,462
Prepaid expenses	403,932	851,120
Other	802	69,215
Total current assets	6,919,552	6,625,552
Non-current assets		
Property, plant and equipment	290,064	293,001
Intangible assets	43,083	41,478
Investments and other assets	1,032,527	1,307,948
Total non-current assets	1,365,675	1,642,426
Total assets	8,285,227	8,267,978
Liabilities		
Current liabilities		
Accounts payable - trade	38,206	41,982
Contract liabilities	3,702,787	3,748,155
Income taxes payable	280,848	149,025
Provision for bonuses	294,488	145,599
Other	776,424	640,440
Total current liabilities	5,092,752	4,725,201
Non-current liabilities		
Asset retirement obligations	159,549	159,827
Other	46,258	73,665
Total non-current liabilities	205,807	233,492
Total liabilities	5,298,559	4,958,692
Net assets		
Shareholders' equity		
Share capital	521,191	521,191
Capital surplus	489,269	489,269
Retained earnings	2,304,360	2,613,948
Treasury shares	(384,662)	(384,662)
Total shareholders' equity	2,930,157	3,239,745
Accumulated other comprehensive income		
Foreign currency translation adjustment	974	2,290
Total accumulated other comprehensive income	974	2,290
Share acquisition rights	55,537	67,251
Total net assets	2,986,668	3,309,286
Total liabilities and net assets	8,285,227	8,267,978

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended December 31, 2023	For the three months ended December 31, 2024
Net sales	1,915,175	2,510,284
Cost of sales	306,044	365,078
Gross profit	1,609,132	2,145,206
Selling, general and administrative expenses	1,224,165	1,616,692
Operating profit	384,967	528,514
Non-operating income		
Interest income	63	123
Foreign exchange gains	24,452	-
Gain on valuation of derivatives	-	77,932
Other	-	369
Total non-operating income	24,515	78,424
Non-operating expenses		
Loss on valuation of derivatives	32,034	-
Foreign exchange losses	-	8,275
Other	-	350
Total non-operating expenses	32,034	8,625
Ordinary profit	377,448	598,312
Profit before income taxes	377,448	598,312
Income taxes - current	78,455	131,547
Income taxes - deferred	42,690	60,775
Total income taxes	121,145	192,322
Profit	256,303	405,990
Profit attributable to owners of parent	256,303	405,990

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

(Thousands of yen)

	For the three months ended December 31, 2023	For the three months ended December 31, 2024
Profit	256,303	405,990
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,704)	-
Foreign currency translation adjustment	(758)	1,315
Total other comprehensive income	(9,463)	1,315
Comprehensive income	246,841	407,305
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	246,841	407,305