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Non-consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: ZENHOREN CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 5845

URL: <https://www.zenhoren.jp/>

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Scheduled date of annual general meeting of shareholders: June 27, 2025

Scheduled date to commence dividend payments: June 12, 2025

Scheduled date to file annual securities report: June 27, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director, President and Executive Officer

Executive Officer, General Manager of Corporate Planning

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	25,658	4.7	2,548	14.5	2,538	16.0	1,621	5.4
March 31, 2024	24,510	2.8	2,224	16.8	2,189	18.7	1,538	98.8

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	66.92	63.96	27.1	11.4	9.9
March 31, 2024	76.09	67.29	49.6	10.4	9.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million
Fiscal year ended March 31, 2024: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	22,762	7,193	31.6	276.20
March 31, 2024	21,793	4,759	21.8	217.22

(Reference) Equity: As of March 31, 2025: ¥ 7,192 million
As of March 31, 2024: ¥ 4,755 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	3,063	(668)	(328)	7,268
March 31, 2024	3,324	(560)	(1,217)	5,202

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	0.00	-	30.00	30.00	656	39.4	20.3
March 31, 2025	-	0.00	-	35.00	35.00	911	52.3	14.2
Fiscal year ending								
March 31, 2026 (Forecast)	-	0.00	-	35.00	35.00		50.3	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	12,960	1.8	1,186	(3.8)	1,184	(2.8)	795	(4.9)	32.85
Full year	26,003	1.3	2,667	4.7	2,662	4.9	1,829	12.9	75.55

* Notes:

(1) 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

(2) Number of issued shares (common shares)

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

March 31, 2025:	27,121,700 shares
March 31, 2024:	22,998,000 shares

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

March 31, 2025:	1,079,201 shares
March 31, 2024:	1,105,884 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025:	24,222,412 shares
Fiscal Year ended March 31, 2024:	20,221,015 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,202	7,768
Accounts receivable - other	3,402	3,248
Right to reimbursement	5,753	4,874
Rent payment	1,542	1,544
Supplies	28	22
Prepaid expenses	453	466
Suspense payments	1,229	1,431
Other	439	483
Allowance for doubtful accounts	(3,288)	(3,161)
Total current assets	14,764	16,677
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	250	240
Structures	22	22
Vehicles	8	8
Tools, furniture and fixtures	669	698
Leased assets	1,225	1,222
Other	2	0
Accumulated depreciation	(1,626)	(1,744)
Total property, plant and equipment	551	446
Intangible assets		
Software	516	565
Leased assets	1,149	506
Other	184	24
Total intangible assets	1,849	1,096
Investments and other assets		
Investment securities	60	60
Shares of subsidiaries and associates	420	420
Long-term prepaid expenses	16	12
Deferred tax assets	3,754	3,701
Other	374	347
Total investments and other assets	4,626	4,542
Total non-current assets	7,028	6,084
Total assets	21,793	22,762

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Short-term borrowings	1,100	900
Current portion of long-term borrowings	205	-
Income taxes payable	934	207
Accounts payable - other	521	651
Accrued expenses	84	88
Provision for loss of performance of guarantee	766	766
Provision for bonuses	374	377
Provision for bonuses for directors (and other officers)	-	99
Advances received	10,922	10,778
Lease liabilities	634	417
Other	895	1,198
Total current liabilities	16,439	15,485
Non-current liabilities		
Long-term borrowings	86	-
Lease liabilities	422	5
Asset retirement obligations	84	77
Total non-current liabilities	593	83
Total liabilities	17,033	15,568
Net assets		
Shareholders' equity		
Share capital	983	1,709
Capital surplus		
Legal capital surplus	883	1,610
Other capital surplus	2,449	2,453
Total capital surplus	3,333	4,063
Retained earnings		
Legal retained earnings	27	27
Other retained earnings		
Retained earnings brought forward	1,048	2,012
Total retained earnings	1,075	2,039
Treasury shares	(635)	(620)
Total shareholders' equity	4,755	7,192
Share acquisition rights	4	0
Total net assets	4,759	7,193
Total liabilities and net assets	21,793	22,762

Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	24,510	25,658
Cost of sales	7,191	8,504
Gross profit	17,319	17,154
Selling, general and administrative expenses	15,094	14,605
Operating profit	2,224	2,548
Non-operating income		
Interest income	0	3
Recoveries of written off receivables	7	7
Other	23	14
Total non-operating income	30	25
Non-operating expenses		
Interest expenses	65	32
Other	0	3
Total non-operating expenses	66	35
Ordinary profit	2,189	2,538
Extraordinary income		
Gain on sale of non-current assets	1	-
Total extraordinary income	1	-
Extraordinary losses		
Loss on retirement of non-current assets	3	1
Tender offer-related expenses	-	300
Total extraordinary losses	3	301
Profit before income taxes	2,187	2,237
Income taxes - current	816	563
Income taxes - deferred	(168)	53
Total income taxes	648	616
Profit	1,538	1,621

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	99	-	2,449	2,449	27	(490)	(463)
Changes during period							
Dividends of surplus							
Issuance of new shares	703	703		703			
Issuance of new shares - exercise of share acquisition rights	180	180		180			
Profit						1,538	1,538
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	883	883	-	883	-	1,538	1,538
Balance at end of period	983	883	2,449	3,333	27	1,048	1,075

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(635)	1,449	4	1,453
Changes during period				
Dividends of surplus		-		-
Issuance of new shares		1,407		1,407
Issuance of new shares - exercise of share acquisition rights		360		360
Profit		1,538		1,538
Disposal of treasury shares		-		-
Net changes in items other than shareholders' equity			-	-
Total changes during period	-	3,305	-	3,305
Balance at end of period	(635)	4,755	4	4,759

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	983	883	2,449	3,333	27	1,048	1,075
Changes during period							
Dividends of surplus						(656)	(656)
Issuance of new shares							
Issuance of new shares - exercise of share acquisition rights	726	726		726			
Profit						1,621	1,621
Disposal of treasury shares			3	3			
Net changes in items other than shareholders' equity							
Total changes during period	726	726	3	730	-	964	964
Balance at end of period	1,709	1,610	2,453	4,063	27	2,012	2,039

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(635)	4,755	4	4,759
Changes during period				
Dividends of surplus		(656)		(656)
Issuance of new shares		-		-
Issuance of new shares - exercise of share acquisition rights		1,453	(3)	1,450
Profit		1,621		1,621
Disposal of treasury shares	15	19		19
Net changes in items other than shareholders' equity			-	-
Total changes during period	15	2,437	(3)	2,433
Balance at end of period	(620)	7,192	0	7,193

Non-consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,187	2,237
Depreciation	1,073	1,034
Increase (decrease) in provision for bonuses	99	2
Increase (decrease) in provision for bonuses for directors (and other officers)	-	99
Increase (decrease) in allowance for doubtful accounts	550	(126)
Increase (decrease) in provision for loss of performance of guarantee	(382)	0
Interest and dividend income	(0)	(3)
Interest expenses	65	32
Loss on retirement of non-current assets	3	1
Tender offer-related expenses	-	300
Decrease (increase) in right to reimbursement	(542)	879
Decrease (increase) in inventories	9	6
Decrease (increase) in accounts receivable - other	(607)	154
Decrease (increase) in rent payment	(291)	(1)
Decrease (increase) in prepaid expenses	110	10
Decrease (increase) in temporary payments	21	(201)
Increase (decrease) in accounts payable - other	57	(78)
Increase (decrease) in advances received	329	(144)
Other, net	151	263
Subtotal	2,835	4,465
Interest and dividends received	0	3
Interest paid	(65)	(32)
Income taxes refund (paid)	554	(1,280)
Expenditures for tender offer	-	(92)
Net cash provided by (used in) operating activities	3,324	3,063
Cash flows from investing activities		
Purchase of property, plant and equipment	(77)	(43)
Purchase of investment securities	(420)	-
Proceeds from sale of investment securities	9	0
Purchase of intangible assets	(274)	(140)
Payments into time deposits	-	(500)
Proceeds from withdrawal of time deposits	210	-
Other, net	(7)	14
Net cash provided by (used in) investing activities	(560)	(668)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,897)	(200)
Repayments of long-term borrowings	(233)	(292)
Repayments of lease liabilities	(853)	(633)
Dividends paid	-	(656)
Proceeds from issuance of shares	1,767	1,453
Net cash provided by (used in) financing activities	(1,217)	(328)
Net increase (decrease) in cash and cash equivalents	1,546	2,065
Cash and cash equivalents at beginning of period	3,656	5,202
Cash and cash equivalents at end of period	5,202	7,268