

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.



## Non-consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 15, 2024

Company name: ZENHOREN CO.,LTD.

Stock exchange listing: Tokyo

Code number: 5845

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

Representative: Yukiharu Sako

Contact: Hiroshi Kobayashi

Phone: +81-50-3124-6500

Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 13, 2024

Scheduled date of filing annual securities report: June 27, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

Representative Director, President and Executive Officer  
Manager, Corporate Planning

(Amounts of less than one million yen are rounded down.)

### 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

#### (1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	24,510	2.8	2,224	16.8	2,189	18.7	1,538	98.8
March 31, 2023	23,846	9.9	1,904	11.6	1,844	11.3	773	(30.2)

  

	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
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2024	76.09	67.29	49.6	10.4	9.1
March 31, 2023	32.65	-	106.8	7.9	8.0

#### (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, 2024	21,793	4,759	21.8	217.22
March 31, 2023	20,425	1,453	7.1	79.03

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

As of March 31, 2023: ¥ 1,449 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, 2024	3,325	(561)	(1,217)	5,202
March 31, 2023	(808)	2,046	(4,462)	3,656

## 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, 2023	-	4.00	-	0.00	4.00	94	12.3	10.1
March 31, 2024	-	0.00	-	30.00	30.00	656	39.4	20.3
Fiscal year ending								
March 31, 2025 (Forecast)	-	0.00	-	30.00	30.00		42.2	

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

(% indicates changes from the previous corresponding period.)

	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, 2024	12,724	4.5	1,051	(39.9)	1,036	(39.7)	723	(39.0)	31.70
Full year	26,021	6.2	2,403	8.0	2,372	8.4	1,623	5.5	71.04

### \* Notes:

#### (1) 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

#### (2) Total number of issued shares (common shares)

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

March 31, 2024:	22,998,000 shares
March 31, 2023:	19,448,800 shares

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

March 31, 2024:	1,105,884 shares
March 31, 2023:	1,105,884 shares

##### 3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	20,221,015 shares
Fiscal Year ended March 31, 2023:	23,703,389 shares

※Quarterly financial statements are not subject to quarterly review by a certified public accountant or auditing firm.

※Explanation of appropriate use of earnings forecasts and other special notes

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to various factors.

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	3,866	5,202
Accounts receivable - other	2,795	3,402
Right to reimbursement	5,210	5,753
Rent payment	1,251	1,542
Supplies	37	28
Prepaid expenses	559	453
Suspense payments	1,251	1,229
Other	1,019	439
Allowance for doubtful accounts	(2,737)	(3,288)
Total current assets	13,253	14,764
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	247	250
Structures	22	22
Vehicles	12	8
Tools, furniture and fixtures	604	669
Leased assets	1,233	1,225
Other	5	2
Accumulated depreciation	(1,484)	(1,626)
Total property, plant and equipment	642	551
Intangible assets		
Software	595	516
Leased assets	1,817	1,149
Other	70	184
Total intangible assets	2,482	1,849
Investments and other assets		
Investment securities	10	480
Investments in capital	60	-
Deferred tax assets	3,586	3,754
Other	390	390
Total investments and other assets	4,047	4,626
Total non-current assets	7,172	7,028
Total assets	20,425	21,793

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	2,997	1,100
Current portion of long-term borrowings	233	205
Income taxes payable	11	934
Accounts payable - other	464	521
Provision for loss of performance of guarantee	1,148	766
Provision for bonuses	274	374
Advances received	10,593	10,922
Lease liabilities	865	634
Other	958	975
Total current liabilities	17,547	16,435
Non-current liabilities		
Long-term borrowings	292	86
Lease liabilities	1,045	422
Asset retirement obligations	86	89
Total non-current liabilities	1,424	598
Total liabilities	18,971	17,033
<b>Net assets</b>		
Shareholders' equity		
Share capital	99	983
Capital surplus		
Legal capital surplus	-	883
Other capital surplus	2,449	2,449
Total capital surplus	2,449	3,333
Retained earnings		
Legal retained earnings	27	27
Other retained earnings		
Retained earnings brought forward	(490)	1,048
Other retained earnings	(490)	1,048
Total retained earnings	(463)	1,075
Treasury shares	(635)	(635)
Total shareholders' equity	1,449	4,755
Share acquisition rights	4	4
Total net assets	1,453	4,759
Total liabilities and net assets	20,425	21,793

## Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	23,846	24,510
Cost of sales	8,259	7,191
Gross profit	15,587	17,319
Selling, general and administrative expenses	13,683	15,094
Operating profit	1,904	2,224
Non-operating income		
Interest income	0	0
Recoveries of written off receivables	-	7
Other	39	23
Total non-operating income	39	30
Non-operating expenses		
Interest expenses	98	65
Other	0	0
Total non-operating expenses	98	66
Ordinary profit	1,844	2,189
Extraordinary income		
Gain on sale of non-current assets	-	1
Total extraordinary income	-	1
Extraordinary losses		
Loss on retirement of non-current assets	-	3
Total extraordinary losses	-	3
Profit before income taxes	1,844	2,187
Income taxes - current	23	816
Income taxes - deferred	1,047	(168)
Total income taxes	1,070	648
Profit	773	1,538

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(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	Total retained earnings
					Retained earnings brought forward		
Balance at beginning of period	99	-	4,877	4,877	27	(1,264)	(1,237)
Changes during period							
Issuance of new shares			(44)	(44)			
Issuance of new shares - exercise of share acquisition rights							
Profit						773	773
Purchase of treasury shares							
Disposal of treasury shares	-	-	(33)	(33)			
Cancellation of treasury shares			(2,349)	(2,349)			
Net changes in items other than shareholders' equity							
Total changes during period	-	-	(2,427)	(2,427)	-	773	773
Balance at end of period	99	-	2,449	2,449	27	(490)	(463)

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(764)	2,975	5	2,980
Changes during period				
Issuance of new shares		(44)		(44)
Issuance of new shares - exercise of share acquisition rights		-		-
Profit		773		773
Purchase of treasury shares	(2,349)	(2,349)		(2,349)
Disposal of treasury shares	128	94		94
Cancellation of treasury shares	2,349	-		-
Net changes in items other than shareholders' equity			(0)	(0)
Total changes during period	128	(1,525)	(0)	(1,526)
Balance at end of period	(635)	1,449	4	1,453

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	Total retained earnings
					Retained earnings brought forward		
Balance at beginning of period	99	-	2,449	2,449	27	(490)	(463)
Changes during period							
Issuance of new shares	703	703		703			
Issuance of new shares - exercise of share acquisition rights	180	180		180			
Profit						1,538	1,538
Purchase of treasury shares							
Disposal of treasury shares	-	-					
Cancellation 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				
Issuance of new shares		1,407		1,407
Issuance of new shares - exercise of share acquisition rights		360		360
Profit		1,538		1,538
Purchase of treasury shares		-		-
Disposal of treasury shares		-		-
Cancellation 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

## Non-consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,844	2,236
Depreciation	1,124	1,073
Increase (decrease) in provision for bonuses	51	99
Increase (decrease) in allowance for doubtful accounts	948	540
Increase (decrease) in provision for loss of performance of guarantee	494	(422)
Interest and dividend income	(0)	(0)
Interest expenses	98	65
Loss on retirement of non-current assets	-	3
Decrease (increase) in right to reimbursement	(1,389)	(542)
Decrease (increase) in inventories	3	9
Decrease (increase) in accounts receivable - other	(902)	(607)
Decrease (increase) in rent payment	(690)	(291)
Decrease (increase) in prepaid expenses	(152)	88
Decrease (increase) in deposits paid	(83)	-
Decrease (increase) in temporary payments	(317)	21
Increase (decrease) in accounts payable - other	71	57
Increase (decrease) in advances received	34	329
Other, net	(147)	622
Subtotal	990	3,282
Interest and dividends received	0	0
Interest paid	(98)	(65)
Income taxes refund (paid)	(1,700)	107
Net cash provided by (used in) operating activities	(808)	3,325
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(119)	(77)
Purchase of investment securities	-	(410)
Proceeds from sale of investment securities	-	(0)
Purchase of intangible assets	(229)	(274)
Proceeds from withdrawal of time deposits	2,400	210
Other, net	(4)	(7)
Net cash provided by (used in) investing activities	2,046	(561)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,000)	(1,897)
Repayments of long-term borrowings	(226)	(233)
Repayments of lease liabilities	(935)	(853)
Dividends paid	(44)	-
Proceeds from sale of treasury shares	94	-
Proceeds from issuance of shares	-	1,767
Repayment of Purchase of preferred shares	(2,383)	-
Other, net	33	-
Net cash provided by (used in) financing activities	(4,462)	(1,217)
Net increase (decrease) in cash and cash equivalents	(3,224)	1,546
Cash and cash equivalents at beginning of period	6,880	3,656
Cash and cash equivalents at end of period	3,656	5,202