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Non-consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 14, 2024

Company name: ZENHOREN CO.,LTD.

Stock exchange listing: Tokyo

Code number: 5845

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

Representative: Yukiharu Sako

Representative Director, President and Executive Officer

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Manager, Corporate Planning

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Scheduled date of filing quarterly securities report: February 14, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

1. Non-consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(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	%
Nine months ended December 31, 2023	18,279	-	1,863	-	1,825	-	1,253	-
December 31, 2022	-	-	-	-	-	-	-	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	63.72		54.36	
December 31, 2022	-		-	

Note) Since the Company did not prepare quarterly financial statements for the third quarter of the fiscal year ended March 31, 2023, figures for the third quarter of the fiscal year ended March 31, 2023, changes from the same period of the previous year, and percentage change from the same period of the previous year for the third quarter of the fiscal year ending March 31, 2024, are not shown.

(2) Non-consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2023	20,262		4,474		22.1	
March 31, 2023	20,425		1,453		7.1	

(Reference) Equity: As of December 31, 2023: ¥ 4,469 million

As of March 31, 2023: ¥ 1,449 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 March 31, 2023	-	4.00	-	0.00	4.00
Fiscal year ending March 31, 2024	-	0.00	-		
Fiscal year ending March 31, 2024 (Forecast)				30.00	30.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(% 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
Full year	24,754	-	2,395	-	2,308	-	1,612	-	79.76

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly Non-consolidated financial statements: Yes

Notes on the Application of Special Accounting Methods for the Preparation of Quarterly Financial Statements

(Calculation of tax expenses)

Tax expenses are calculated by multiplying income before income taxes by the estimated effective tax rate, which is reasonably estimated by applying tax effect accounting to income before income taxes for the fiscal year including this second quarter.

(2) 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

(3) Total number of issued shares (common shares)

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

December 31, 2023: 22,998,000 shares

March 31, 2023: 19,448,800 shares

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

December 31, 2023: 1,105,884 shares

March 31, 2023: 1,105,884 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 19,663,982 shares

Nine months ended December 31, 2022: - 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.

Quarterly Non-consolidated Financial Statements
Quarterly Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,866	5,245
Accounts receivable - other	2,795	2,921
Right to reimbursement	5,210	7,429
Rent payment	1,251	1,962
Supplies	37	26
Other	2,829	2,042
Allowance for doubtful accounts	(2,737)	(5,884)
Total current assets	13,253	13,743
Non-current assets		
Property, plant and equipment	642	553
Intangible assets	2,482	1,941
Investments and other assets		
Deferred tax assets	3,586	3,586
Other	460	437
Total investments and other assets	4,047	4,024
Total non-current assets	7,172	6,519
Total assets	20,425	20,262

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Short-term borrowings	2,997	1,100
Current portion of long-term borrowings	233	222
Income taxes payable	11	570
Provision for loss of performance of guarantee	1,148	515
Provision for bonuses	274	91
Advances received	10,593	10,258
Lease liabilities	865	683
Other	1,422	1,566
Total current liabilities	17,547	15,007
Non-current liabilities		
Long-term borrowings	292	128
Lease liabilities	1,045	565
Asset retirement obligations	86	86
Total non-current liabilities	1,424	780
Total liabilities	18,971	15,788
Net assets		
Shareholders' equity		
Share capital	99	983
Capital surplus	2,449	3,333
Retained earnings	(463)	789
Treasury shares	(635)	(635)
Total shareholders' equity	1,449	4,469
Share acquisition rights	4	4
Total net assets	1,453	4,474
Total liabilities and net assets	20,425	20,262

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023
Net sales	18,279
Cost of sales	5,250
Gross profit	13,028
Selling, general and administrative expenses	11,165
Operating profit	1,863
Non-operating income	
Interest income	0
Recoveries of written off receivables	6
Interest on tax refund	3
Other	5
Total non-operating income	15
Non-operating expenses	
Interest expenses	52
Other	0
Total non-operating expenses	53
Ordinary profit	1,825
Extraordinary losses	
Loss on retirement of non-current assets	2
Total extraordinary losses	2
Profit before income taxes	1,823
Income taxes	570
Profit	1,253