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Non-consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 14, 2024

Company name: ZENHOREN CO.,LTD.

Listing: Tokyo

Securities code: 5845

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

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Scheduled date to file semi-annual securities report: November 14, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director, President and Executive Officer
Manager, Corporate Planning

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

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	12,731	4.6	1,234	(29.5)	1,218	(29.1)	837	(29.4)
September 30, 2023	12,174	-	1,749	-	1,719	-	1,186	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	36.58	33.84
September 30, 2023	62.87	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	20,404	5,367	26.3
March 31, 2024	21,793	4,759	21.8

(Reference) Equity: As of September 30, 2024: ¥ 5,363 million

As of March 31, 2024: ¥ 4,755 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, 2024	-	0.00	-	30.00	30.00
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)			-	30.00	30.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

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

(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
Full year	26,021	6.2	2,403	8.0	2,372	8.4	1,623	5.5	67.09

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

* Notes:

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: Yes

(2) 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

(3) Number of issued shares (common shares)

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

September 30, 2024:	24,158,500 shares
March 31, 2024:	22,998,000 shares

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

September 30, 2024:	1,079,201 shares
March 31, 2024:	1,105,884 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	22,884,854 shares
Six months ended September 30, 2023:	18,865,138 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Non-consolidated Financial Statements
Semi-annual Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,202	5,384
Accounts receivable - other	3,402	2,811
Right to reimbursement	5,753	7,065
Rent payment	1,542	2,030
Supplies	28	21
Other	2,122	2,403
Allowance for doubtful accounts	(3,288)	(5,907)
Total current assets	14,764	13,808
Non-current assets		
Property, plant and equipment	551	499
Intangible assets	1,849	1,477
Investments and other assets		
Shares of subsidiaries and associates	420	420
Deferred tax assets	3,754	3,754
Other	450	442
Total investments and other assets	4,626	4,618
Total non-current assets	7,028	6,595
Total assets	21,793	20,404

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Short-term borrowings	1,100	900
Current portion of long-term borrowings	205	71
Income taxes payable	934	380
Provision for loss of performance of guarantee	766	587
Provision for bonuses	374	281
Advances received	10,922	10,620
Lease liabilities	634	563
Other	1,501	1,390
Total current liabilities	16,439	14,796
Non-current liabilities		
Long-term borrowings	86	-
Lease liabilities	422	155
Asset retirement obligations	84	84
Total non-current liabilities	593	240
Total liabilities	17,033	15,037
Net assets		
Shareholders' equity		
Share capital	983	1,187
Capital surplus	3,333	3,541
Retained earnings	1,075	1,255
Treasury shares	(635)	(620)
Total shareholders' equity	4,755	5,363
Share acquisition rights	4	3
Total net assets	4,759	5,367
Total liabilities and net assets	21,793	20,404

Semi-annual Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	12,174	12,731
Cost of sales	2,974	4,347
Gross profit	9,199	8,383
Selling, general and administrative expenses	7,449	7,149
Operating profit	1,749	1,234
Non-operating income		
Interest income	0	0
Recoveries of written off receivables	4	2
Interest on tax refund	3	-
Other	1	1
Total non-operating income	9	4
Non-operating expenses		
Interest expenses	39	18
Other	0	2
Total non-operating expenses	40	20
Ordinary profit	1,719	1,218
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	1,719	1,217
Income taxes	532	380
Profit	1,186	837

Semi-annual Non-consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,719	1,217
Depreciation	540	510
Increase (decrease) in provision for bonuses	(90)	(92)
Increase (decrease) in allowance for doubtful accounts	1,403	2,619
Increase (decrease) in provision for loss of performance of guarantee	(274)	(178)
Interest and dividend income	(0)	(0)
Interest expenses	39	18
Loss on retirement of non-current assets	-	0
Decrease (increase) in accounts receivable - other	(51)	591
Decrease (increase) in right to reimbursement	(1,581)	(1,311)
Decrease (increase) in rent payment	(514)	(487)
Increase (decrease) in advances received	(32)	(302)
Other, net	143	(473)
Subtotal	1,302	2,111
Interest and dividends received	0	0
Interest paid	(39)	(18)
Income taxes refund (paid)	546	(816)
Net cash provided by (used in) operating activities	1,808	1,277
Cash flows from investing activities		
Purchase of property, plant and equipment	(17)	(22)
Proceeds from sale of investment securities	9	0
Purchase of intangible assets	(84)	(71)
Other, net	(0)	4
Net cash provided by (used in) investing activities	(93)	(89)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2	(200)
Repayments of long-term borrowings	(116)	(220)
Repayments of lease liabilities	(442)	(337)
Dividends paid	-	(656)
Proceeds from issuance of shares	360	408
Net cash provided by (used in) financing activities	(196)	(1,005)
Net increase (decrease) in cash and cash equivalents	1,518	181
Cash and cash equivalents at beginning of period	3,656	5,202
Cash and cash equivalents at end of period	5,174	5,384