

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2024 (Based on Japanese GAAP)

February 10, 2025

Company name: SUNNEXTA GROUP Inc.
 Stock exchange listing: Tokyo
 Stock code: 8945 URL <https://www.sunnexta.co.jp/>
 Representative: Representative Director, President AKIRA TAKAKI
 Executive Officer, Head of Accounting and
 Inquiries: ISAMU YOSHIDA TEL 03-5229-8839
 Finance Group
 Scheduled date to file Semi-annual Securities Report: February 13, 2025
 Scheduled date to commence dividend payments: March 5, 2025
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2024 (from July 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|------------------------------------|-----------------|-----|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended December 31, 2024 | 4,195 | 3.7 | 273 | (2.3) | 276 | (2.5) | 182 | (7.0) |
| Six months ended December 31, 2023 | 4,043 | 1.4 | 279 | (17.9) | 283 | (17.1) | 196 | (13.9) |

| | Earnings per share | Diluted earnings per share |
|------------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Six months ended December 31, 2024 | 19.96 | 19.31 |
| Six months ended December 31, 2023 | 21.54 | 20.89 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2024 | 10,470 | 7,932 | 74.2 |
| As of June 30, 2024 | 10,894 | 7,908 | 70.9 |

2. Cash dividends

| | Annual dividends per share | | | | |
|--------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended June 30, 2024 | — | 19.00 | — | 20.00 | 39.00 |
| Year ending June 30, 2025 | — | 20.00 | | | |
| Year ending June 30, 2025 (Forecast) | | | — | 20.00 | 40.00 |

3. Forecast of consolidated financial results for the year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-----------------|-----|------------------|-------|-----------------|-------|---|--------|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 8,700 | 3.9 | 600 | (8.2) | 600 | (8.2) | 390 | (78.0) | 42.65 |

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended December 31, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

| | | | |
|-------------------------|-------------------|---------------------|-------------------|
| As of December 31, 2024 | 10,809,300 shares | As of June 30, 2024 | 10,767,200 shares |
|-------------------------|-------------------|---------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|------------------|---------------------|------------------|
| As of December 31, 2024 | 1,631,536 shares | As of June 30, 2024 | 1,632,636 shares |
|-------------------------|------------------|---------------------|------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|------------------------------------|------------------|------------------------------------|------------------|
| Six months ended December 31, 2024 | 9,154,414 shares | Six months ended December 31, 2023 | 9,125,764 shares |
|------------------------------------|------------------|------------------------------------|------------------|

Semi-annual consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

| | As of June 30, 2024 | As of December 31, 2024 |
|--|---------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,340,737 | 6,937,302 |
| Accounts receivable - trade, and contract assets | 353,690 | 365,155 |
| Money advanced to customers | 1,322,786 | 1,123,816 |
| Merchandise | 1,677 | 2,203 |
| Real estate for sale | 290,582 | 167,997 |
| Work in process | 12,966 | 25,037 |
| Supplies | 8,862 | 11,103 |
| Other | 402,910 | 464,866 |
| Allowance for doubtful accounts | (3,487) | (2,895) |
| Total current assets | 9,730,726 | 9,094,586 |
| Non-current assets | | |
| Property, plant and equipment | 257,521 | 258,663 |
| Intangible assets | 587,660 | 570,820 |
| Investments and other assets | | |
| Investment securities | 37,865 | 217,880 |
| Other | 280,260 | 328,482 |
| Total investments and other assets | 318,125 | 546,363 |
| Total non-current assets | 1,163,307 | 1,375,847 |
| Total assets | 10,894,034 | 10,470,433 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 187,790 | 139,725 |
| Current portion of long-term borrowings | — | 104,500 |
| Income taxes payable | 769,753 | 119,598 |
| Customer deposits received | 901,286 | 691,905 |
| Provision for bonuses | 51,110 | 47,569 |
| Provision for bonuses for directors (and other officers) | 7,262 | 5,600 |
| Provision for shareholder benefit program | 8,481 | — |
| Other | 867,931 | 897,811 |
| Total current liabilities | 2,793,617 | 2,006,709 |
| Non-current liabilities | | |
| Long-term borrowings | — | 313,500 |
| Retirement benefit liability | 180,112 | 176,460 |
| Other | 12,121 | 40,948 |
| Total non-current liabilities | 192,233 | 530,908 |
| Total liabilities | 2,985,851 | 2,537,618 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 996,516 | 1,015,268 |
| Capital surplus | 751,466 | 885,838 |
| Retained earnings | 7,167,906 | 7,167,962 |
| Treasury shares | (1,187,197) | (1,301,774) |
| Total shareholders' equity | 7,728,692 | 7,767,294 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 285 | 346 |
| Total accumulated other comprehensive income | 285 | 346 |
| Share acquisition rights | 179,205 | 165,173 |
| Total net assets | 7,908,182 | 7,932,815 |
| Total liabilities and net assets | 10,894,034 | 10,470,433 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Six months ended December 31, 2023 | Six months ended December 31, 2024 |
|--|---------------------------------------|---------------------------------------|
| Net sales | 4,043,745 | 4,195,341 |
| Cost of sales | 3,108,990 | 3,249,540 |
| Gross profit | 934,754 | 945,801 |
| Selling, general and administrative expenses | 654,837 | 672,309 |
| Operating profit | 279,916 | 273,491 |
| Non-operating income | | |
| Interest and dividend income | 760 | 1,284 |
| Guarantee commission income | — | 916 |
| Commission income | 262 | 84 |
| Interest on tax refund | 1,584 | 77 |
| Subsidy income | 1,784 | 914 |
| Other | 275 | 279 |
| Total non-operating income | 4,666 | 3,556 |
| Non-operating expenses | | |
| Compensation expenses | 586 | 359 |
| Other | 212 | 95 |
| Total non-operating expenses | 799 | 454 |
| Ordinary profit | 283,783 | 276,593 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 441 | — |
| Gain on sale of investment securities | 79,331 | — |
| Gain on reversal of share acquisition rights | 11,085 | 20,152 |
| Total extraordinary income | 90,858 | 20,152 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 6,383 | 0 |
| Impairment losses | 55,013 | 12,600 |
| Office relocation expenses | 4,025 | — |
| Total extraordinary losses | 65,422 | 12,600 |
| Profit before income taxes | 309,219 | 284,145 |
| Income taxes | 112,626 | 101,398 |
| Profit | 196,592 | 182,747 |
| Profit attributable to owners of parent | 196,592 | 182,747 |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Six months ended December 31, 2023 | Six months ended December 31, 2024 |
|--|---------------------------------------|---------------------------------------|
| Profit | 196,592 | 182,747 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 443,810 | 61 |
| Total other comprehensive income | 443,810 | 61 |
| Comprehensive income | 640,403 | 182,808 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 640,403 | 182,808 |
| Comprehensive income attributable to non-controlling interests | — | — |

Consolidated statements of cash flows

(Thousands of yen)

| | Six months ended December 31, 2023 | Six months ended December 31, 2024 |
|---|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 309,219 | 284,145 |
| Depreciation | 34,945 | 37,717 |
| Impairment losses | 55,013 | 12,600 |
| Gain on reversal of share acquisition rights | (11,085) | (20,152) |
| Increase (decrease) in allowance for doubtful accounts | (1,217) | (591) |
| Increase (decrease) in provision for bonuses | (7,838) | (3,541) |
| Increase (decrease) in provision for bonuses for directors (and | (3,746) | (1,662) |
| Increase (decrease) in retirement benefit liability | (5,660) | (3,652) |
| Increase (decrease) in provision for shareholder benefit | (7,348) | (8,481) |
| Share-based payment expenses | 36,291 | 30,822 |
| Interest and dividend income | (760) | (1,284) |
| Interest expenses | 10 | 79 |
| Loss on retirement of non-current assets | 6,383 | 0 |
| Gain on sale of non-current assets | (441) | – |
| Bad debt expenses | – | 52 |
| Loss (gain) on sale of investment securities | (79,331) | – |
| Decrease (increase) in trade receivables | 94,607 | (11,465) |
| Increase (decrease) in trade payables | (27,529) | (48,065) |
| Increase (decrease) in money advanced to customers | 324,562 | 198,970 |
| Decrease (increase) in inventories | (107,058) | 107,781 |
| Increase (decrease) in contract liabilities | 823 | (15,523) |
| Increase (decrease) in customer deposits received | (278,126) | (209,381) |
| Other, net | 20,027 | (89,817) |
| Subtotal | 351,743 | 258,551 |
| Interest and dividends received | 760 | 949 |
| Interest paid | (10) | (79) |
| Receipt of guarantee fees | – | 44,000 |
| Income taxes paid | (237,478) | (735,301) |
| Income taxes refund | 404,318 | 7,893 |
| Net cash provided by (used in) operating activities | 519,331 | (423,987) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (104,065) | (31,583) |
| Purchase of intangible assets | (11,929) | (7,800) |
| Proceeds from sale of property, plant and equipment | 3,833 | – |
| Purchase of investment securities | – | (179,926) |
| Payments of leasehold and guarantee deposits | – | (907) |
| Proceeds from refund of leasehold and guarantee deposits | – | 956 |
| Net cash provided by (used in) investing activities | (112,161) | (219,259) |
| Cash flows from financing activities | | |
| Proceeds from long-term borrowings | – | 418,000 |
| Repayments of lease liabilities | (1,300) | (2,433) |
| Proceeds from issuance of shares | – | 5,756 |
| Purchase of treasury shares | – | (4,585) |
| Proceeds from disposal of treasury shares | – | 5,628 |
| Dividends paid | (172,763) | (182,552) |
| Net cash provided by (used in) financing activities | (174,063) | 239,812 |
| Net increase (decrease) in cash and cash equivalents | 233,106 | (403,434) |
| Cash and cash equivalents at beginning of period | 4,738,449 | 7,316,454 |
| Cash and cash equivalents at end of period | 4,971,555 | 6,913,019 |