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Nov. 7, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Japan GAAP)

Company Name: SORACOM, INC.
Stock Code: 147A
Company URL: http://soracom.com/
Stock Exchange Listing: Tokyo
Representative: Ken Tamagawa, Representative Director and President
Contact: Tomoko Igarashi, Director, Chief Financial Officer
Telephone: +81 050-1720-8147
Scheduled date of commencing dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing : Yes (For institutional investors and securities analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated Financial Results (cumulative)

(% indicates changes from the previous corresponding term)

	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 September 30, 2024	3,670	－	102	－	99	－	44	－
Six Months ended September 30, 2023	－	－	－	－	－	－	－	－

(Note) Comprehensive income Six months ended September 30, 2024: ¥ (59) million [－%]
Six months ended September 30, 2023: ¥ － million [－%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	0.98	0.91
Six months ended September 30, 2023	－	－

(Note) Since the Company did not prepare consolidated financial statements for the six months ended September 30, 2023, figures for the first quarter of the six months ended September 30, 2023 and the year-on-year change rate for the six months ended September 30, 2024 are not provided.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	11,330	9,838	85.2
As of March 31, 2024	10,917	8,404	75.5

(Reference) Equity: As of September 30, 2024 : ¥9,649 million
As of March 31, 2024 : ¥8,244 million

2. Dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2025	–	0.00			
Fiscal year ending March 31, 2025 (forecast)			–	0.00	0.00

(Note) Revisions of dividend forecast from recently announced figures: None

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

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	9,912	25.0	925	27.2	913	43.0	686	41.3	15.87

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: – companies (Company name) –
Excluded: – companies (Company name) –

(2) Changes in accounting policies, changes in accounting estimates, and restatements
1) Changes in accounting policies due to revisions to accounting standards: None
2) Changes in accounting policies other than 1): None
3) Changes in accounting estimates: None
4) Restatements: None

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

1) Total number of issued shares at the end of the period (including treasury shares):	As of September 30,2024	45,129,416 Shares	As of March 31,2024	43,220,809 Shares
2) Total number of treasury shares at the end of the period:	As of September 30,2024	–	As of March 31,2024	–
3) Average number of shares during the period (cumulative):	Six months ended September 30,2024	44,839,947 Shares	Six Months ended September 30,2024	38,487,009 Shares

* This summary of quarterly financial results is not subject to quarterly review procedures by certified public accountants or an audit firms.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	7,697,244	8,556,770
Accounts receivable - trade, and contract assets	1,738,045	1,047,492
Inventories	388,012	398,634
Other	272,684	295,846
Allowance for doubtful accounts	(1,835)	(2,450)
Total current assets	10,094,150	10,296,293
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,200	37,864
Other, net	57,404	48,699
Total property, plant and equipment	96,604	86,564
Intangible assets		
Software	155,953	226,420
Software in progress	59,621	68,597
Other	67,423	82,083
Total intangible assets	282,997	377,101
Investments and other assets		
Investment securities	198,302	248,302
Deferred tax assets	94,176	129,835
Other	130,573	171,055
Total investments and other assets	423,052	549,194
Total non-current assets	802,654	1,012,860
Deferred assets		
Share issuance costs	20,570	21,450
Total Deferred assets	20,570	21,450
Total assets	10,917,376	11,330,603
Liabilities		
Current liabilities		
Accounts payable – trade	579,099	186,825
Lease liabilities	12,547	11,876
Contract Liabilities	972,145	761,563
Provision for product warranties	320,149	183,324
Provision for bonuses	69,950	43,182
Other	507,857	259,664
Total current liabilities	2,461,748	1,446,437
Non-current liabilities		
Lease liabilities	12,626	5,962
Asset retirement obligations	13,794	13,877
Other	24,765	26,192
Total non-current liabilities	51,185	46,032
Total liabilities	2,512,934	1,492,470

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	2,004,762	2,736,824
Capital surplus	5,532,316	6,264,378
Retained earnings	502,341	546,463
Total shareholders' equity	8,039,420	9,547,665
Accumulated other comprehensive income		
Foreign currency translation adjustment	205,500	101,833
Total accumulated other comprehensive income	205,500	101,833
Share acquisition rights	159,519	188,633
Total net assets	8,404,441	9,838,133
Total liabilities and net assets	10,917,376	11,330,603

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2024
Net sales	3,670,002
Cost of sales	1,520,389
Gross profit	2,149,612
Selling, general and administrative expenses	2,047,372
Operating profit	102,239
Non-operating income	
Interest income	658
Foreign exchange gains	4,238
Total non-operating income	4,897
Non-operating expenses	
Interest expenses	2,046
Listing expenses	1,043
Share issuance costs	4,244
Total non-operating expenses	7, 334
Ordinary profit	99,802
Profit before income taxes	99,802
Income taxes - current	90,179
Income taxes - deferred	(34,499)
Total income taxes	55,680
Profit	44,122
Profit attributable to owners of parent	44,122

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2024
Profit	44,122
Other comprehensive income	
Foreign currency translation adjustment	(103,666)
Total other comprehensive income	(103,666)
Comprehensive income	(59,544)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(59,544)

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2024
Cash flows from operating activities	
Profit before income taxes	99,802
Depreciation	52,617
Increase (decrease) in allowance for doubtful accounts	615
Interest income	(658)
Interest expenses	2,046
Foreign exchange losses (gains)	6,806
Decrease (increase) in accounts receivables – trade, and contracts assets	670,427
Decrease (increase) in inventories	(22,804)
Increase (decrease) in trade payables	(391,531)
Share-based payment expenses	29,250
Listing expenses	1,043
Increase (decrease) in provision for bonuses	(26,767)
Increase (decrease) in provision for product warranties	(136,824)
Increase (decrease) in contract liabilities	(194,910)
Decrease (increase) in advance payments to suppliers	(32,352)
Other, net	(243,922)
Subtotal	(187,162)
Interest and dividends received	757
Interest paid	(194)
Income taxes paid	(55,464)
Net cash provided by (used in) operating activities	(242,063)
Cash flows from investing activities	
Purchase of property, plant and equipment	(5,239)
Purchase of investment securities	(50,000)
Purchase of intangible assets	(129,874)
Other, net	(49,922)
Net cash provided by (used in) investing activities	(235,036)
Cash flows from financing activities	
Payments for issuance of shares	1,284,956
Repayments of lease liabilities	(6,239)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	159,169
Other, net	(24,513)
Net cash provided by (used in) financing activities	1,413,372
Effect of exchange rate change on cash and cash equivalents	(76,746)
Net increase (decrease) in cash and cash equivalents	859,525
Cash and cash equivalents at beginning of period	7,697,244
Cash and cash equivalents at end of period	8,556,770