Translation

Notice: This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

Summary of Consolidated Financial Result for the Nine Months Ended September 30, 2024 (Based on Japanese GAAP)

November 14, 2024

Company name: WILLs Inc. Listing exchange: Tokyo Stock Exchange

Securities code: 4482 URL: https://www.wills-net.co.jp/

Representative: Mitsuo Sugimoto, President and CEO

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Scheduled date for commencing dividend payments: —

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing session: No

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

1. Consolidated Financial Results for the nine months ended September 30,2024 (from January 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent 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	%
Nine months ended September 30, 2024	3,623	8.2	777	1.7	781	2.5	527	1.0
September 30, 2023	3,348	16.2	764	25.8	762	27.1	522	35.8

(Note) Comprehensive income: Nine months ended September 30, 2024: 527 million yen 1.0%
Nine months ended September 30, 2023: 522 million yen 35.8%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2024	25.47	—
September 30, 2023	25.11	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of September 30,2024	4,154	2,102	50.4
December 31, 2023	3,662	1,853	50.5

Reference: Total shareholders' equity As of September 30, 2024: 2,094 million yen
As of December 31, 2023: 1,850 million yen

2. Cash Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	—	3.50	—	6.00	9.50
Fiscal year ended December 31, 2024	—	5.50	—		
Fiscal year ending December 2024 (forecast)				5.50	11.00

(Note) Revisions to the forecast of dividends most recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2024
(from January 1, 2024 to December 31, 2024) (Percentage figures represent year-on-year changes)

	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 December 2024	5,000	11.6	1,006	10.0	1,003	10.1	668	30.2	32.29

(Note) Revisions to the forecast most recently announced: None

*Explanatory notes

(1) Changes in significant subsidiaries during the fiscal year (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements: Yes

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

(i) Changes in accounting policies due to amendment of accounting standards, etc.: None
(ii) Changes in accounting policies other than those in (i) above: None
(iii) Changes in accounting estimates: None
(iv) Restatements: None

(4) Number of issued shares (common shares)

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

As of September 30, 2024:	21,054,400 shares	As of December 31, 2023:	21,054,400 shares

(ii) Number of treasury shares at end of period

As of September 30, 2024:	417,893 shares	As of December 31, 2023:	341,193 shares

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

Nine months ended September 30, 2024:	20,705,329 shares	Nine months ended September 30, 2023:	20,791,680 shares

* This summary of financial results is not subject to audit procedures by a public accountant or audit corporation.

* Explanation regarding appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual business performance and other results may differ materially due to various factors. For the conditions forming the assumptions on which earnings forecasts are based and explanatory notes for use of earnings forecasts, etc.

Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

(Unit: thousand yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	2,412,497	2,686,736
Notes receivable - trade	303,544	378,759
Electronically recorded monetary claims - operating	11,308	—
Merchandise	1,622	1,366
Work in process	20,095	80,455
Supplies	1,016	1,202
Other	45,896	42,528
Allowance for doubtful accounts	(601)	(417)
Total current assets	2,795,380	3,190,632
Non-current assets		
Property, plant and equipment	48,554	45,365
Intangible assets		
Software	217,369	210,078
Software in progress	122,522	222,290
Goodwill	215,668	198,374
Customer-related assets	25,377	23,550
Other	340	295
Total intangible assets	581,279	654,589
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,169	—
Other	237,520	263,730
Allowance for doubtful accounts	(2,169)	—
Total investments and other assets	237,520	263,730
Total non-current assets	867,354	963,685
Total assets	3,662,734	4,154,317

(Unit: thousand yen)

	As of December 31, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	333,156	493,458
Short-term borrowings	266,320	336,667
Current portion of long-term borrowings	23,280	18,560
Accounts payable - other	45,428	42,060
Income taxes payable	170,992	144,728
Contract liabilities	634,758	775,714
Provision for point card certificates	96,060	90,702
Provision for shareholder benefit program	39,976	26,517
Provision for bonuses	20,877	10,151
Provision for bonuses for directors	21,190	—
Other	117,769	87,212
Total current liabilities	1,769,809	2,025,774
Non-current liabilities		
Long-term borrowings	37,490	24,050
Asset retirement obligations	2,230	2,235
Total non-current liabilities	39,720	26,285
Total liabilities	1,809,530	2,052,059
Net assets		
Shareholders' equity		
Share capital	246,900	246,900
Capital surplus	246,447	246,447
Retained earnings	1,556,916	1,846,027
Treasury shares	(199,545)	(245,196)
Total shareholders' equity	1,850,717	2,094,178
Stock acquisition right	2,486	8,079
Total net assets	1,853,203	2,102,258
Total liabilities and net assets	3,662,734	4,154,317

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Unit: thousand yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Net sales	3,348,713	3,623,428
Cost of sales	1,790,891	1,867,910
Gross profit	1,557,822	1,755,518
Selling, general and administrative expenses	793,459	977,974
Operating profit	764,363	777,544
Non-operating income		
Interest income	16	7,141
Subsidy income	3	2,577
Refunded consumption taxes	3,305	—
Miscellaneous income	118	174
Gain on forfeiture of unclaimed dividends	88	—
Total non-operating income	3,533	9,894
Non-operating expenses		
Interest expenses	3,537	3,802
Commission fee	153	68
Loss on investments in partnership	459	902
Other	979	874
Total non-operating expenses	5,129	5,646
Ordinary profit	762,767	781,791
Extraordinary losses		
Loss on retirement of non-current assets	155	—
Total extraordinary losses	155	—
Profit before income taxes	762,612	781,791
Income taxes	240,584	254,477
Net profit	522,027	527,313
Profit attributable to owners of parent	522,027	527,313

(Quarterly Consolidated Statements of Comprehensive Income)

(Unit: thousand yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Net profit	522,027	527,313
Comprehensive income	522,027	527,313
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	522,027	527,313
Comprehensive income attributable to non-controlling interests	—	—