

Translation

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

November 12, 2024

Company name: Solvvy Inc.
 Stock exchange listing: Tokyo
 Stock code: 7320 URL <https://solvvy.co.jp/>
 Representative: Representative director and president Yoshitaka Adachi
 Senior Executive Officer,
 Inquiries: General Manager of Administration Atsushi Yoshikawa TEL 03-6276-0401
 Headquarters
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended September 30, 2024 (from July 1, 2024 to September 30, 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	%
Three months ended September 30, 2024	1,473	33.0	395	51.1	480	49.4	326	49.1
Three months ended September 30, 2023	1,108	32.7	261	96.6	321	87.8	219	83.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2024	65.08	65.07
Three months ended September 30, 2023	43.73	43.72

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	24,846	3,141	12.6
As of June 30, 2024	24,593	3,005	12.2

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	–	0.00	–	15.00	15.00
Year ending June 30, 2025	–				
Year ending June 30, 2025 (Forecast)		0.00	–	20.00	20.00

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
Six months ending December 31, 2024	3,179	38.5	558	3.9	729	11.9	535	20.4	101.35
Full year	6,900	28.8	1,300	4.8	1,600	5.8	1,176	20.8	212.54

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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 September 30, 2024	5,118,300 shares	As of June 30, 2024	5,118,300 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	94,018 shares	As of June 30, 2024	93,974 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2024	5,024,308 shares	Three months ended September 30, 2023	5,016,356 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	2,626,435	3,537,380
Accounts receivable - trade	1,189,582	1,269,648
Securities	178,088	192,639
Prepaid expenses	684,016	746,227
Advances paid	3,515,034	2,921,685
Other	394,795	349,860
Total current assets	8,587,952	9,017,441
Non-current assets		
Property, plant and equipment	804,327	311,224
Intangible assets	483,167	524,260
Investments and other assets		
Investment securities	3,509,787	3,748,403
Investments in capital	200,000	200,000
Guarantee deposits	514,136	2,136
Long-term prepaid expenses	3,821,355	3,968,164
Investment property, net	5,940,958	6,241,290
Other	731,510	832,968
Total investments and other assets	14,717,748	14,992,962
Total non-current assets	16,005,242	15,828,447
Deferred assets	517	517
Total assets	24,593,712	24,846,406

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	80,550	74,102
Current portion of long-term borrowings	119,480	385,938
Lease liabilities	4,238	8,477
Income taxes payable	337,574	165,508
Unearned revenue	2,146,246	2,235,158
Deposits received	638,884	732,204
Provision for bonuses	236,329	27,770
Provision for bonuses for directors (and other officers)	72,812	–
Other	376,149	328,206
Total current liabilities	4,012,265	3,957,365
Non-current liabilities		
Long-term borrowings	2,379,171	2,082,843
Lease liabilities	9,889	4,591
Long-term unearned revenue	10,508,526	10,991,381
Long-term deposits received	4,572,721	4,602,140
Provision for point card certificates	6,635	7,585
Other	99,237	59,490
Total non-current liabilities	17,576,182	17,748,032
Total liabilities	21,588,447	21,705,398
Net assets		
Shareholders' equity		
Share capital	212,336	212,336
Capital surplus	198,689	198,689
Retained earnings	2,594,544	2,846,170
Treasury shares	(187,307)	(187,442)
Total shareholders' equity	2,818,263	3,069,755
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	187,001	71,253
Total accumulated other comprehensive income	187,001	71,253
Total net assets	3,005,264	3,141,008
Total liabilities and net assets	24,593,712	24,846,406

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Net sales	1,108,391	1,473,680
Cost of sales	279,736	392,167
Gross profit	828,654	1,081,513
Selling, general and administrative expenses	566,918	686,145
Operating profit	261,736	395,367
Non-operating income		
Interest income	9,567	9,803
Dividend income	986	3,477
Gain on sale of securities	16,590	3,018
Rental income from investment property	69,861	77,342
Gain on sales of investment property	—	67,717
Other	7,616	3,311
Total non-operating income	104,622	164,670
Non-operating expenses		
Interest expenses	4,283	5,080
Foreign exchange losses	—	21,294
Loss on sale of securities	—	3,075
Rent expenses of real estate for investment	40,371	42,435
Other	—	7,454
Total non-operating expenses	44,655	79,340
Ordinary profit	321,703	480,697
Profit before income taxes	321,703	480,697
Income taxes	102,337	153,705
Profit	219,365	326,991
Profit attributable to owners of parent	219,365	326,991

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Profit	219,365	326,991
Other comprehensive income		
Valuation difference on available-for-sale securities	7,020	(115,748)
Total other comprehensive income	7,020	(115,748)
Comprehensive income	226,386	211,243
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	226,386	211,243