

Translation

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## Summary of Consolidated Financial Results for the Year Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

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 Finance Group ISAMU YOSHIDA TEL 03-5229-8839  
 Scheduled date of ordinary general meeting of shareholders: September 27, 2024  
 Scheduled date to file Securities Report: September 30, 2024  
 Scheduled date to commence dividend payments: September 30, 2024  
 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 year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(1) Consolidated operating results

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	%
Year ended June 30, 2024	8,371	0.3	653	(24.5)	653	(27.7)	1,775	265.3
Year ended June 30, 2023	8,347	(4.0)	865	(2.0)	904	(3.1)	486	(75.4)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended June 30, 2024	194.45	188.36	23.7	6.2	7.8
Year ended June 30, 2023	53.39	51.80	6.6	8.7	10.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	10,894	7,908	70.9	846.12
As of June 30, 2023	10,072	7,436	72.3	798.94

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended June 30, 2024	957	1,969	(348)	7,316
Year ended June 30, 2023	(336)	(214)	(320)	4,738

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended June 30, 2023	–	18.00	–	19.00	37.00	337	69.3	4.6
Year ended June 30, 2024	–	19.00	–	20.00	39.00	356	20.1	4.7
Year ending June 30, 2025 (Forecast)	–	20.00	–	20.00	40.00		93.6	

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)	42.94

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended June 30, 2024: No
- (2) 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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of June 30, 2024	10,767,200 shares	As of June 30, 2023	10,749,700 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	1,632,636 shares	As of June 30, 2023	1,632,636 shares
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Average number of shares during the period

Year ended June 30, 2024	9,130,122 shares	Year ended June 30, 2023	9,103,189 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,762,731	7,340,737
Accounts receivable - trade, and contract assets	386,253	353,690
Accounts receivable - other	209,843	281,022
Money advanced to customers	1,367,897	1,322,786
Merchandise	1,953	1,677
Real estate for sale	199,406	290,582
Work in process	4,422	12,966
Supplies	10,319	8,862
Other	522,695	121,887
Allowance for doubtful accounts	(3,823)	(3,487)
<b>Total current assets</b>	<b>7,461,698</b>	<b>9,730,726</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	205,828	208,487
Accumulated depreciation	(110,880)	(82,106)
Buildings, net	94,948	126,380
Tools, furniture and fixtures	242,736	214,044
Accumulated depreciation	(213,088)	(177,067)
Tools, furniture and fixtures, net	29,647	36,976
Land	80,627	83,433
Leased assets	11,809	11,496
Accumulated depreciation	(10,234)	(766)
Leased assets, net	1,574	10,729
<b>Total property, plant and equipment</b>	<b>206,798</b>	<b>257,521</b>
<b>Intangible assets</b>		
Software	163,415	170,210
Software in progress	244,263	407,250
Other	10,945	10,199
<b>Total intangible assets</b>	<b>418,624</b>	<b>587,660</b>
<b>Investments and other assets</b>		
Investment securities	1,645,527	37,865
Deferred tax assets	98,672	94,034
Other	240,905	186,225
<b>Total investments and other assets</b>	<b>1,985,105</b>	<b>318,125</b>
<b>Total non-current assets</b>	<b>2,610,527</b>	<b>1,163,307</b>
<b>Total assets</b>	<b>10,072,226</b>	<b>10,894,034</b>

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	180,777	187,790
Accounts payable - other	305,038	335,134
Income taxes payable	142,139	769,753
Contract liabilities	356,857	357,231
Customer deposits received	796,469	901,286
Deposits received	55,943	63,388
Provision for bonuses	53,958	51,110
Provision for bonuses for directors (and other officers)	9,346	7,262
Provision for shareholder benefit program	7,348	8,481
Other	137,890	112,177
<b>Total current liabilities</b>	<b>2,045,770</b>	<b>2,793,617</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	187,240	180,112
Deferred tax liabilities	403,009	362
Other	–	11,759
<b>Total non-current liabilities</b>	<b>590,249</b>	<b>192,233</b>
<b>Total liabilities</b>	<b>2,636,020</b>	<b>2,985,851</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	988,033	996,516
Capital surplus	742,983	751,466
Retained earnings	5,739,269	7,167,906
Treasury shares	(1,187,197)	(1,187,197)
<b>Total shareholders' equity</b>	<b>6,283,089</b>	<b>7,728,692</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,000,932	285
<b>Total accumulated other comprehensive income</b>	<b>1,000,932</b>	<b>285</b>
Share acquisition rights	152,184	179,205
<b>Total net assets</b>	<b>7,436,206</b>	<b>7,908,182</b>
<b>Total liabilities and net assets</b>	<b>10,072,226</b>	<b>10,894,034</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	8,347,243	8,371,365
Cost of sales	6,256,180	6,381,685
Gross profit	2,091,063	1,989,679
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	55,320	55,200
Salaries and allowances	399,894	423,037
Provision for bonuses	29,672	25,594
Provision for bonuses for directors (and other officers)	9,346	7,262
Provision of allowance for doubtful accounts	507	(152)
Retirement benefit expenses	1,334	1,404
Other	729,714	823,764
Total selling, general and administrative expenses	1,225,789	1,336,109
Operating profit	865,273	653,569
Non-operating income		
Interest and dividend income	40,148	1,636
Commission income	831	348
Subsidy income	1,914	4,114
Interest on refund of income taxes	26	1,584
Other	1,459	904
Total non-operating income	44,380	8,588
Non-operating expenses		
Interest expenses	462	74
Compensation expenses	3,778	8,096
Other	1,224	403
Total non-operating expenses	5,465	8,575
Ordinary profit	904,188	653,583
Extraordinary income		
Gain on sale of non-current assets	9,626	4,211
Gain on sale of investment securities	–	2,213,700
Gain on reversal of share acquisition rights	4,129	11,993
Total extraordinary income	13,755	2,229,905
Extraordinary losses		
Loss on retirement of non-current assets	27	6,435
Loss on valuation of investment securities	128,000	–
Office relocation expenses	–	4,025
Impairment losses	–	101,721
Total extraordinary losses	128,027	112,183
Profit before income taxes	789,916	2,771,305
Income taxes - current	261,057	952,275
Income taxes - deferred	42,779	43,614
Total income taxes	303,836	995,889
Profit	486,079	1,775,416
Profit attributable to owners of parent	486,079	1,775,416

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Profit	486,079	1,775,416
Other comprehensive income		
Valuation difference on available-for-sale securities	(261,375)	(1,000,646)
Total other comprehensive income	(261,375)	(1,000,646)
Comprehensive income	224,704	774,769
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	224,704	774,769
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended June 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972,383	727,333	5,580,378	(1,187,197)	6,092,898
Changes during period					
Issuance of new shares	15,649	15,649			31,299
Dividends of surplus			(327,188)		(327,188)
Profit attributable to owners of parent			486,079		486,079
Net changes in items other than shareholders' equity					
Total changes during period	15,649	15,649	158,891	–	190,190
Balance at end of period	988,033	742,983	5,739,269	(1,187,197)	6,283,089

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	1,262,307	1,262,307	127,978	7,483,184
Changes during period				
Issuance of new shares				31,299
Dividends of surplus				(327,188)
Profit attributable to owners of parent				486,079
Net changes in items other than shareholders' equity	(261,375)	(261,375)	24,206	(237,168)
Total changes during period	(261,375)	(261,375)	24,206	(46,978)
Balance at end of period	1,000,932	1,000,932	152,184	7,436,206

Fiscal year ended June 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	988,033	742,983	5,739,269	(1,187,197)	6,283,089
Changes during period					
Issuance of new shares	8,483	8,483			16,966
Dividends of surplus			(346,779)		(346,779)
Profit attributable to owners of parent			1,775,416		1,775,416
Net changes in items other than shareholders' equity					
Total changes during period	8,483	8,483	1,428,636	–	1,445,603
Balance at end of period	996,516	751,466	7,167,906	(1,187,197)	7,728,692

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	1,000,932	1,000,932	152,184	7,436,206
Changes during period				
Issuance of new shares				16,966
Dividends of surplus				(346,779)
Profit attributable to owners of parent				1,775,416
Net changes in items other than shareholders' equity	(1,000,646)	(1,000,646)	27,020	(973,626)
Total changes during period	(1,000,646)	(1,000,646)	27,020	471,976
Balance at end of period	285	285	179,205	7,908,182



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	789,916	2,771,305
Depreciation	50,218	78,381
Impairment losses	–	101,721
Gain on reversal of share acquisition rights	(4,129)	(11,993)
Increase (decrease) in allowance for doubtful accounts	483	(336)
Increase (decrease) in provision for bonuses	961	(2,847)
Increase (decrease) in provision for bonuses for directors (and other officers)	(173)	(2,083)
Increase (decrease) in retirement benefit liability	(6,725)	(7,128)
Increase (decrease) in provision for shareholder benefit program	(706)	1,132
Share-based payment expenses	50,881	55,463
Interest and dividend income	(40,148)	(1,636)
Interest expenses	462	74
Loss (gain) on sale of investment securities	–	(2,213,700)
Loss (gain) on valuation of investment securities	128,000	–
Loss (gain) on sale of non-current assets	(9,626)	(4,211)
Loss on retirement of non-current assets	27	6,435
Relocation expenses	–	4,025
Decrease (increase) in trade receivables	(37,201)	32,562
Increase (decrease) in trade payables	16,217	7,013
Decrease (increase) in money advanced to customers	(235,584)	45,110
Decrease (increase) in inventories	(17,858)	(97,988)
Increase (decrease) in contract liabilities	58,964	373
Increase (decrease) in customer deposits	22,102	104,816
Other, net	39,182	39,907
Subtotal	805,262	906,400
Interest and dividends received	40,249	533
Interest paid	(462)	(74)
Payments of relocation expenses	–	(4,025)
Income taxes paid	(1,181,932)	(342,132)
Income taxes refund	–	396,425
Net cash provided by (used in) operating activities	(336,882)	957,126
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(52,557)	(130,897)
Purchase of intangible assets	(117,323)	(269,520)
Proceeds from sale of property, plant and equipment	52,482	23,926
Purchase of investment securities	(54,913)	–
Proceeds from sale of investment securities	–	2,379,093
Proceeds from redemption of investment securities	50,000	–
Proceeds from collection of loans receivable	383	–
Expenses for restoration to original state	–	(32,918)
Payments of leasehold and guarantee deposits	(92,368)	(2,293)
Proceeds from refund of leasehold and guarantee deposits	–	2,078
Net cash provided by (used in) investing activities	(214,297)	1,969,468

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from financing activities		
Repayments of lease liabilities	(2,582)	(2,551)
Proceeds from issuance of shares	9,308	102
Dividends paid	(326,983)	(346,139)
Net cash provided by (used in) financing activities	(320,257)	(348,589)
Net increase (decrease) in cash and cash equivalents	(871,437)	2,578,005
Cash and cash equivalents at beginning of period	5,609,886	4,738,449
Cash and cash equivalents at end of period	4,738,449	7,316,454