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

Feb. 13, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 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 Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated Financial Results (cumulative)

(% indicates changes from the previous corresponding term)

	Net sales		Recurring revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months ended December 31, 2024	5,705	4.6	4,781	21.2	123	(80.8)	83	(86.7)	(163)	―
Nine Months ended December 31, 2023	5,454	―	3,943	―	644	―	632	―	456	―

(Note) Comprehensive income Nine months ended December 31, 2024: ¥ (94) million [―%]
Nine months ended December 31, 2023: ¥ 494 million [―%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	(3.65)	―
Nine months ended December 31, 2023	11.86	―

(Note) 1. Regarding the diluted earnings per share for the nine months ended December 31, 2024, although potential shares exist, the diluted earnings per share are not presented due to the net loss per share.
2. Since the Company did not prepare quarterly financial statements for the nine months ended December 31, 2022, the year-on-year change rate for the nine months ended December 31, 2023, is not provided.
3. The Company was listed on the Tokyo Stock Exchange Growth Market on March 26, 2024, the diluted quarterly net income per share for the nine months ended December 31, 2023, is not disclosed.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	12,494	9,891	77.2
As of March 31, 2024	10,917	8,404	75.5

(Reference) Equity: As of December 31, 2024 : ¥9,640 million
As of March 31, 2024 : ¥8,244 million

2. Dividends

	Annual cash dividends per share				
	1Q	2Q	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		Recurring revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	9,000	13.5	6,550	21.7	650	(10.6)	640	0.3	310	(36.1)	6.90

(Note) Revision to the financial results forecast announced most recently: Yes

* 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 December 31,2024	45,147,914 Shares	As of March 31,2024	43,220,809 Shares
2) Total number of treasury shares at the end of the period:	As of December 31,2024	30 Shares	As of March 31,2024	–
3) Average number of shares during the period (cumulative):	Nine months ended December 31,2024	44,940,934 Shares	Nine Months ended December 31,2024	38,487,009 Shares

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

* Explanation on the Appropriate Use of Performance Forecasts and Other Important Notes

(Regarding the Appropriate Use of Performance Forecasts)

The performance forecasts and other forward-looking statements in this document are based on currently available information and certain assumptions deemed reasonable. These statements do not guarantee future performance, and actual results may vary significantly due to various factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	7,697,244	9,316,094
Accounts receivable - trade, and contract assets	1,738,045	1,358,072
Inventories	388,012	403,584
Other	272,684	471,529
Allowance for doubtful accounts	(1,835)	(3,245)
Total current assets	10,094,150	11,546,035
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,200	40,739
Other, net	57,404	52,119
Total property, plant and equipment	96,604	92,858
Intangible assets		
Software	155,953	271,963
Software in progress	59,621	80,103
Goodwill	-	49,343
Other	67,423	90,853
Total intangible assets	282,997	492,265
Investments and other assets		
Investment securities	198,302	50,000
Deferred tax assets	94,176	124,360
Other	130,573	169,173
Total investments and other assets	423,052	343,534
Total non-current assets	802,654	928,658
Deferred assets		
Share issuance costs	20,570	19,365
Total Deferred assets	20,570	19,365
Total assets	10,917,376	12,494,059

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable – trade	579,099	171,222
Lease liabilities	12,547	13,221
Contract liabilities	972,145	928,280
Provision for product warranties	320,149	152,637
Provision for bonuses	69,950	48,828
Current portion of long-term borrowings	-	249,996
Other	507,857	243,346
Total current liabilities	2,461,748	1,807,533
Non-current liabilities		
Lease liabilities	12,626	3,324
Asset retirement obligations	13,794	13,918
Long-term borrowings	-	750,004
Other	24,765	28,114
Total non-current liabilities	51,185	795,361
Total liabilities	2,512,934	2,602,895
Net assets		
Shareholders' equity		
Share capital	2,004,762	2,745,340
Capital surplus	5,532,316	6,275,895
Retained earnings	502,341	338,434
Treasury shares	-	(42)
Total shareholders' equity	8,039,420	9,359,627
Accumulated other comprehensive income		
Foreign currency translation adjustment	205,500	280,604
Total accumulated other comprehensive income	205,500	280,604
Share acquisition rights	159,519	203,583
Non-controlling interests	-	47,348
Total net assets	8,404,441	9,891,164
Total liabilities and net assets	10,917,376	12,494,059

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	5,454,279	5,705,649
Cost of sales	2,159,145	2,420,456
Gross profit	3,295,134	3,285,193
Selling, general and administrative expenses	2,650,583	3,161,698
Operating profit	644,550	123,495
Non-operating income		
Interest income	22	661
Other	304	36
Total non-operating income	326	698
Non-operating expenses		
Interest expenses	4,139	2,875
Foreign exchange losses	3,120	29,964
Listing expenses	-	1,043
Share issuance costs	-	6,389
Other	5,162	-
Total non-operating expenses	12,422	40,271
Ordinary profit	632,454	83,921
Extraordinary losses		
Loss on valuation of investment securities	-	198,302
Total extraordinary losses	-	198,302
Profit (loss) before income taxes	632,454	(114,380)
Income taxes - current	167,687	81,940
Income taxes - deferred	8,432	(26,615)
Total income taxes	176,119	55,325
Profit (loss)	456,334	(169,706)
Loss attributable to non-controlling interests	-	(5,799)
Profit (loss) attributable to owners of parent	456,334	(163,906)

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

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit (loss)	456,334	(169,706)
Other comprehensive income		
Foreign currency translation adjustment	37,907	75,104
Total other comprehensive income	37,907	75,104
Comprehensive income	494,241	(94,601)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	494,241	(88,802)
Comprehensive income attributable to non-controlling interests	-	(5,799)