

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2022 (Based on Japanese GAAP)

November 8, 2022

Company name: SUNNEXTA GROUP Inc.
 Stock exchange listing: Tokyo
 Stock code: 8945 URL <https://www.sunnexa.co.jp/>
 Representative: Representative Director, President AKIRA TAKAKI
 Executive Officer, Head of Accounting and
 Inquiries: Finance Group ISAMU YOSHIDA TEL 03-5229-8839
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended September 30, 2022 (from July 1, 2022 to September 30, 2022)

(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, 2022	1,974	(5.4)	151	(3.0)	152	(4.9)	100	1.2
Three months ended September 30, 2021	2,086	4.3	156	(0.3)	159	(5.4)	99	79.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2022	11.13		10.79	
Three months ended September 30, 2021	9.95		9.67	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	10,249	7,578	72.6
As of June 30, 2022	10,625	7,483	69.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended June 30, 2022	–	17.00	–	18.00	35.00
Year ending June 30, 2023	–				
Year ending June 30, 2023 (Forecast)		18.00	–	18.00	36.00

3. Forecast of consolidated financial results for the year ending June 30, 2023 (from July 1, 2022 to June 30, 2023)

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	9,000	3.5	780	(11.6)	820	(12.1)	540	(72.7)	59.14

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (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: No
- 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, 2022	10,694,800 shares	As of June 30, 2022	10,692,700 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	1,632,636 shares	As of June 30, 2022	1,632,636 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, 2022	9,061,564 shares	Three months ended September 30, 2021	10,019,412 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	5,634,168	4,568,584
Accounts receivable - trade, and contract assets	349,051	246,533
Money advanced to customers	1,132,312	1,529,345
Merchandise	1,704	4,296
Real estate for sale	171,507	184,922
Work in process	8,247	7,010
Supplies	10,406	12,676
Other	332,330	478,792
Allowance for doubtful accounts	(3,339)	(2,870)
Total current assets	7,636,390	7,029,291
Non-current assets		
Property, plant and equipment	227,031	239,986
Intangible assets	348,945	370,093
Investments and other assets		
Investment securities	2,145,344	2,318,117
Other	267,439	291,845
Allowance for doubtful accounts	–	(23)
Total investments and other assets	2,412,783	2,609,938
Total non-current assets	2,988,761	3,220,017
Total assets	10,625,151	10,249,308
Liabilities		
Current liabilities		
Accounts payable - trade	164,560	131,634
Income taxes payable	692,654	80,855
Customer deposits received	641,150	507,562
Provision for bonuses	52,997	132,450
Provision for bonuses for directors (and other officers)	9,520	2,850
Provision for shareholder benefit program	8,055	–
Other	897,657	1,073,938
Total current liabilities	2,466,595	1,929,290
Non-current liabilities		
Retirement benefit liability	193,965	188,440
Deferred tax liabilities	479,236	551,258
Other	2,170	1,520
Total non-current liabilities	675,371	741,218
Total liabilities	3,141,966	2,670,509

(Thousands of yen)

	As of June 30, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	972,383	973,318
Capital surplus	727,333	728,268
Retained earnings	5,580,378	5,518,237
Treasury shares	(1,187,197)	(1,187,197)
Total shareholders' equity	6,092,898	6,032,627
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,262,307	1,413,458
Total accumulated other comprehensive income	1,262,307	1,413,458
Share acquisition rights	127,978	132,712
Total net assets	7,483,184	7,578,798
Total liabilities and net assets	10,625,151	10,249,308

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, 2021	Three months ended September 30, 2022
Net sales	2,086,440	1,974,507
Cost of sales	1,591,561	1,515,130
Gross profit	494,879	459,377
Selling, general and administrative expenses	338,817	307,939
Operating profit	156,061	151,438
Non-operating income		
Interest and dividend income	43	20
Commission income	606	259
Subsidy income	2,430	614
Insurance claim income	703	22
Other	1,024	129
Total non-operating income	4,808	1,044
Non-operating expenses		
Other	905	343
Total non-operating expenses	905	343
Ordinary profit	159,964	152,139
Extraordinary income		
Gain on reversal of share acquisition rights	–	51
Total extraordinary income	–	51
Extraordinary losses		
Loss on retirement of non-current assets	–	27
Total extraordinary losses	–	27
Profit before income taxes	159,964	152,163
Income taxes	60,179	51,222
Profit	99,785	100,940
Profit attributable to owners of parent	99,785	100,940

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Profit	99,785	100,940
Other comprehensive income		
Valuation difference on available-for-sale securities	1,752,145	151,150
Total other comprehensive income	1,752,145	151,150
Comprehensive income	1,851,930	252,091
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,851,930	252,091
Comprehensive income attributable to non-controlling interests	—	—