

Translation

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## Summary of Consolidated Financial Results for the Year Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 2023

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 26, 2023  
 Scheduled date to file Securities Report: September 27, 2023  
 Scheduled date to commence dividend payments: September 27, 2023  
 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, 2023 (from July 1, 2022 to June 30, 2023)

(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, 2023	8,347	(4.0)	865	(2.0)	904	(3.1)	486	(75.4)
Year ended June 30, 2022	8,696	2.1	882	5.5	932	3.0	1,976	269.1

	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, 2023	53.39	51.80	6.6	8.7	10.4
Year ended June 30, 2022	204.80	198.36	24.5	7.9	10.1

(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, 2023	10,072	7,436	72.3	798.94
As of June 30, 2022	10,625	7,483	69.2	811.82

(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, 2023	(336)	(214)	(320)	4,738
Year ended June 30, 2022	739	2,221	(1,418)	5,609

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, 2022	–	17.00	–	18.00	35.00	334	17.1	4.1
Year ended June 30, 2023	–	18.00	–	19.00	37.00	337	69.3	4.6
Year ending June 30, 2024 (Forecast)	–	19.00	–	19.00	38.00		72.2	

3. Forecast of consolidated financial results for the year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

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	9,100	9.0	670	(22.6)	700	(22.6)	480	(1.3)	52.64

4. Notes

(1) Changes in significant subsidiaries during the year ended June 30, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): 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, 2023	10,749,700 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 June 30, 2023	1,632,636 shares	As of June 30, 2022	1,632,636 shares
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Average number of shares during the period

Year ended June 30, 2023	9,103,189 shares	Year ended June 30, 2022	9,649,016 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of June 30, 2022	As of June 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,634,168	4,762,731
Accounts receivable - trade, and contract assets	349,051	386,253
Accounts receivable - other	220,932	209,843
Money advanced to customers	1,132,312	1,367,897
Merchandise	1,704	1,953
Real estate for sale	171,507	199,406
Work in process	8,247	4,422
Supplies	10,406	10,319
Other	111,397	522,695
Allowance for doubtful accounts	(3,339)	(3,823)
<b>Total current assets</b>	<b>7,636,390</b>	<b>7,461,698</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	201,053	205,828
Accumulated depreciation	(105,368)	(110,880)
Buildings, net	95,684	94,948
Tools, furniture and fixtures	232,057	242,736
Accumulated depreciation	(204,547)	(213,088)
Tools, furniture and fixtures, net	27,509	29,647
Land	99,900	80,627
Leased assets	11,809	11,809
Accumulated depreciation	(7,873)	(10,234)
Leased assets, net	3,936	1,574
<b>Total property, plant and equipment</b>	<b>227,031</b>	<b>206,798</b>
<b>Intangible assets</b>		
Software	89,528	163,415
Software in progress	250,224	244,263
Other	9,193	10,945
<b>Total intangible assets</b>	<b>348,945</b>	<b>418,624</b>
<b>Investments and other assets</b>		
Investment securities	2,145,344	1,645,527
Deferred tax assets	102,324	98,672
Other	165,114	240,905
<b>Total investments and other assets</b>	<b>2,412,783</b>	<b>1,985,105</b>
<b>Total non-current assets</b>	<b>2,988,761</b>	<b>2,610,527</b>
<b>Total assets</b>	<b>10,625,151</b>	<b>10,072,226</b>

(Thousands of yen)

	As of June 30, 2022	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	164,560	180,777
Accounts payable - other	297,934	305,038
Income taxes payable	692,654	142,139
Contract liabilities	297,893	356,857
Customer deposits received	774,367	796,469
Deposits received	55,283	55,943
Provision for bonuses	52,997	53,958
Provision for bonuses for directors (and other officers)	9,520	9,346
Provision for shareholder benefit program	8,055	7,348
Other	113,330	137,890
<b>Total current liabilities</b>	<b>2,466,595</b>	<b>2,045,770</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	193,965	187,240
Deferred tax liabilities	479,236	403,009
Other	2,170	–
<b>Total non-current liabilities</b>	<b>675,371</b>	<b>590,249</b>
<b>Total liabilities</b>	<b>3,141,966</b>	<b>2,636,020</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	972,383	988,033
Capital surplus	727,333	742,983
Retained earnings	5,580,378	5,739,269
Treasury shares	(1,187,197)	(1,187,197)
<b>Total shareholders' equity</b>	<b>6,092,898</b>	<b>6,283,089</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,262,307	1,000,932
<b>Total accumulated other comprehensive income</b>	<b>1,262,307</b>	<b>1,000,932</b>
Share acquisition rights	127,978	152,184
<b>Total net assets</b>	<b>7,483,184</b>	<b>7,436,206</b>
<b>Total liabilities and net assets</b>	<b>10,625,151</b>	<b>10,072,226</b>

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

(Thousands of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Net sales	8,696,650	8,347,243
Cost of sales	6,462,030	6,256,180
Gross profit	2,234,619	2,091,063
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	72,657	55,320
Salaries and allowances	432,576	399,894
Provision for bonuses	29,320	29,672
Provision for bonuses for directors (and other officers)	12,220	9,346
Provision of allowance for doubtful accounts	1,617	507
Retirement benefit expenses	1,192	1,334
Amortization of goodwill	25,501	–
Other	777,052	729,714
Total selling, general and administrative expenses	1,352,137	1,225,789
Operating profit	882,482	865,273
Non-operating income		
Interest and dividend income	40,105	40,148
Commission income	986	831
Subsidy income	8,103	1,914
Other	4,647	1,485
Total non-operating income	53,841	44,380
Non-operating expenses		
Interest expenses	415	462
Compensation expenses	195	3,778
Commission for purchase of treasury shares	1,026	–
Other	1,699	1,224
Total non-operating expenses	3,337	5,465
Ordinary profit	932,986	904,188
Extraordinary income		
Gain on sale of non-current assets	–	9,626
Gain on sale of investment securities	1,903,068	–
Gain on sale of shares of subsidiaries and associates	51,494	–
Gain on reversal of share acquisition rights	5,453	4,129
Total extraordinary income	1,960,016	13,755
Extraordinary losses		
Loss on retirement of non-current assets	336	27
Loss on valuation of investment securities	–	128,000
Impairment losses	7,758	–
Total extraordinary losses	8,095	128,027
Profit before income taxes	2,884,907	789,916
Income taxes - current	935,425	261,057
Income taxes - deferred	(26,658)	42,779
Total income taxes	908,766	303,836
Profit	1,976,141	486,079
Profit attributable to owners of parent	1,976,141	486,079

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Profit	1,976,141	486,079
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,028,004)	(261,375)
Total other comprehensive income	(2,028,004)	(261,375)
Comprehensive income	(51,863)	224,704
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(51,863)	224,704
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended June 30, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	908,886	1,100,036	3,945,832	(459,582)	5,495,172
Changes during period					
Issuance of new shares	63,497	63,497			126,994
Dividends of surplus			(341,595)		(341,595)
Profit attributable to owners of parent			1,976,141		1,976,141
Purchase of treasury shares				(1,163,814)	(1,163,814)
Cancellation of treasury shares		(436,200)		436,200	—
Net changes in items other than shareholders' equity					
Total changes during period	63,497	(372,702)	1,634,545	(727,614)	597,726
Balance at end of period	972,383	727,333	5,580,378	(1,187,197)	6,092,898

	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	3,290,312	3,290,312	119,644	8,905,128
Changes during period				
Issuance of new shares				126,994
Dividends of surplus				(341,595)
Profit attributable to owners of parent				1,976,141
Purchase of treasury shares				(1,163,814)
Cancellation of treasury shares				—
Net changes in items other than shareholders' equity	(2,028,004)	(2,028,004)	8,334	(2,019,670)
Total changes during period	(2,028,004)	(2,028,004)	8,334	(1,421,944)
Balance at end of period	1,262,307	1,262,307	127,978	7,483,184

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



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,884,907	789,916
Depreciation	51,013	50,218
Amortization of goodwill	25,501	–
Impairment losses	7,758	–
Gain on reversal of share acquisition rights	(5,453)	(4,129)
Increase (decrease) in allowance for doubtful accounts	1,617	483
Increase (decrease) in provision for bonuses	(4,673)	961
Increase (decrease) in provision for bonuses for directors (and other officers)	2,092	(173)
Increase (decrease) in retirement benefit liability	5,225	(6,725)
Increase (decrease) in provision for shareholder benefit program	2,080	(706)
Share-based payment expenses	50,792	50,881
Interest and dividend income	(40,105)	(40,148)
Interest expenses	564	462
Loss (gain) on sale of investment securities	(1,903,068)	–
Loss (gain) on valuation of investment securities	–	128,000
Loss (gain) on sale of shares of subsidiaries and associates	(51,494)	–
Loss (gain) on sale of non-current assets	–	(9,626)
Loss on retirement of non-current assets	336	27
Decrease (increase) in trade receivables	(63,099)	(37,201)
Increase (decrease) in trade payables	(3,939)	16,217
Decrease (increase) in money advanced to customers	342,545	(235,584)
Decrease (increase) in inventories	(94,111)	(17,858)
Increase (decrease) in advances received	(339,420)	–
Increase (decrease) in contract liabilities	297,893	58,964
Increase (decrease) in customer deposits	118,025	22,102
Other, net	(170,199)	39,182
Subtotal	1,114,789	805,262
Interest and dividends received	40,105	40,249
Interest paid	(564)	(462)
Income taxes paid	(569,493)	(1,181,932)
Income taxes refund	154,899	–
Net cash provided by (used in) operating activities	739,735	(336,882)
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(74,890)	(52,557)
Purchase of intangible assets	(241,023)	(117,323)
Proceeds from sale of property, plant and equipment	669	52,482
Purchase of investment securities	(97,997)	(54,913)
Proceeds from sale of investment securities	1,946,803	–
Proceeds from redemption of investment securities	–	50,000
Proceeds from sale of shares of subsidiaries and associates	542,243	–
Proceeds from collection of loans receivable	145,205	383
Payments of leasehold and guarantee deposits	–	(92,368)
Net cash provided by (used in) investing activities	2,221,010	(214,297)

(Thousands of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Cash flows from financing activities		
Repayments of lease liabilities	(2,558)	(2,582)
Proceeds from issuance of shares	89,370	9,308
Purchase of treasury shares	(1,163,814)	–
Dividends paid	(341,257)	(326,983)
Net cash provided by (used in) financing activities	(1,418,259)	(320,257)
Net increase (decrease) in cash and cash equivalents	1,542,486	(871,437)
Cash and cash equivalents at beginning of period	4,067,400	5,609,886
Cash and cash equivalents at end of period	5,609,886	4,738,449