

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended December 31, 2023 (Based on Japanese GAAP)

February 5, 2024

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: February 9, 2024  
 Scheduled date to commence dividend payments: March 5, 2024  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended December 31, 2023 (from July 1, 2023 to December 31, 2023)

#### (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	%
Six months ended December 31, 2023	4,043	1.4	279	(17.9)	283	(17.1)	196	(13.9)
Six months ended December 31, 2022	3,986	(5.5)	340	(1.5)	342	(4.1)	228	(84.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2023	21.54		20.89	
Six months ended December 31, 2022	25.11		24.29	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	10,466	7,937	74.2
As of June 30, 2023	10,072	7,436	72.3

### 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, 2023	–	18.00	–	19.00	37.00
Year ending June 30, 2024	–	19.00			
Year ending June 30, 2024 (Forecast)			–	19.00	38.00

### 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)	52.54

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 2023  
(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 December 31, 2023	10,767,100 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 December 31, 2023	1,632,636 shares	As of June 30, 2023	1,632,636 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2023	9,125,764 shares	Six months ended December 31, 2022	9,089,314 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of June 30, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,762,731	4,995,837
Accounts receivable - trade, and contract assets	386,253	291,645
Money advanced to customers	1,367,897	1,043,334
Merchandise	1,953	1,924
Real estate for sale	199,406	294,114
Work in process	4,422	15,645
Supplies	10,319	11,474
Other	732,538	576,377
Allowance for doubtful accounts	(3,823)	(2,606)
Total current assets	7,461,698	7,227,748
Non-current assets		
Property, plant and equipment	206,798	287,947
Intangible assets	418,624	355,691
Investments and other assets		
Investment securities	1,645,527	2,247,539
Other	339,601	347,907
Allowance for doubtful accounts	(23)	(81)
Total investments and other assets	1,985,105	2,595,365
Total non-current assets	2,610,527	3,239,004
Total assets	10,072,226	10,466,752
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	180,777	153,248
Income taxes payable	142,139	152,074
Customer deposits received	796,469	518,343
Provision for bonuses	53,958	46,120
Provision for bonuses for directors (and other officers)	9,346	5,600
Provision for shareholder benefit program	7,348	–
Other	855,730	881,814
Total current liabilities	2,045,770	1,757,200
Non-current liabilities		
Retirement benefit liability	187,240	181,580
Deferred tax liabilities	403,009	576,201
Other	–	14,343
Total non-current liabilities	590,249	772,124
Total liabilities	2,636,020	2,529,325

(Thousands of yen)

	As of June 30, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	988,033	996,454
Capital surplus	742,983	751,404
Retained earnings	5,739,269	5,762,638
Treasury shares	(1,187,197)	(1,187,197)
Total shareholders' equity	6,283,089	6,323,300
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,000,932	1,444,743
Total accumulated other comprehensive income	1,000,932	1,444,743
Share acquisition rights	152,184	169,383
Total net assets	7,436,206	7,937,427
Total liabilities and net assets	10,072,226	10,466,752

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Net sales	3,986,356	4,043,745
Cost of sales	3,025,123	3,108,990
Gross profit	961,232	934,754
Selling, general and administrative expenses	620,263	654,837
Operating profit	340,969	279,916
Non-operating income		
Interest and dividend income	1,263	760
Commission income	331	262
Interest on tax refund	–	1,584
Subsidy income	864	1,784
Insurance claim income	822	–
Other	287	275
Total non-operating income	3,569	4,666
Non-operating expenses		
Compensation expenses	1,332	586
Other	782	212
Total non-operating expenses	2,115	799
Ordinary profit	342,423	283,783
Extraordinary income		
Gain on sale of non-current assets	–	441
Gain on sale of investment securities	–	79,331
Gain on reversal of share acquisition rights	3,275	11,085
Total extraordinary income	3,275	90,858
Extraordinary losses		
Loss on retirement of non-current assets	27	6,383
Impairment losses	–	55,013
Office relocation expenses	–	4,025
Total extraordinary losses	27	65,422
Profit before income taxes	345,672	309,219
Income taxes	117,397	112,626
Profit	228,274	196,592
Profit attributable to owners of parent	228,274	196,592

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Profit	228,274	196,592
Other comprehensive income		
Valuation difference on available-for-sale securities	85,750	443,810
Total other comprehensive income	85,750	443,810
Comprehensive income	314,025	640,403
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	314,025	640,403
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	345,672	309,219
Depreciation	21,468	34,945
Impairment losses	–	55,013
Gain on reversal of share acquisition rights	(3,275)	(11,085)
Increase (decrease) in allowance for doubtful accounts	(587)	(1,217)
Increase (decrease) in provision for bonuses	(7,507)	(7,838)
Increase (decrease) in provision for bonuses for directors (and other officers)	(3,886)	(3,746)
Increase (decrease) in retirement benefit liability	(2,968)	(5,660)
Increase (decrease) in provision for shareholder benefit program	(8,055)	(7,348)
Share-based payment expenses	33,958	36,291
Interest and dividend income	(1,263)	(760)
Interest expenses	34	10
Loss on retirement of non-current assets	27	6,383
Gain on sale of non-current assets	–	(441)
Loss (gain) on sale of investment securities	–	(79,331)
Decrease (increase) in trade receivables	38,909	94,607
Increase (decrease) in trade payables	(16,061)	(27,529)
Increase (decrease) in money advanced to customers	139,984	324,562
Decrease (increase) in inventories	(35,748)	(107,058)
Increase (decrease) in advances received	60	–
Increase (decrease) in contract liabilities	31,572	823
Increase (decrease) in customer deposits received	(115,225)	(278,126)
Other, net	(112,236)	20,027
Subtotal	304,871	351,743
Interest and dividends received	1,263	760
Interest paid	(34)	(10)
Income taxes paid	(751,535)	(237,478)
Income taxes refund	–	404,318
Net cash provided by (used in) operating activities	(445,434)	519,331
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,718)	(104,065)
Purchase of intangible assets	(57,246)	(11,929)
Proceeds from sale of property, plant and equipment	–	3,833
Purchase of investment securities	(4,913)	–
Proceeds from redemption of investment securities	50,000	–
Proceeds from collection of loans receivable	255	–
Net cash provided by (used in) investing activities	(38,622)	(112,161)
Cash flows from financing activities		
Repayments of lease liabilities	(1,288)	(1,300)
Proceeds from issuance of shares	9,308	–
Dividends paid	(162,719)	(172,763)
Net cash provided by (used in) financing activities	(154,698)	(174,063)
Net increase (decrease) in cash and cash equivalents	(638,756)	233,106
Cash and cash equivalents at beginning of period	5,609,886	4,738,449
Cash and cash equivalents at end of period	4,971,130	4,971,555