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May 13, 2024

Consolidated Financial Results for the Nine Months Ended March 31, 2024 (under Japanese GAAP)

Company name: SUNNY SIDE UP GROUP Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2180
 URL: <https://ssug.co.jp>
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 Scheduled date to file Quarterly Securities Report: May 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: None

(Figures shown are rounded down to the nearest million yen)

1. Consolidated financial results for the first nine months of the fiscal year ending June 30, 2024 (from July 1, 2023 to March 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages show 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	%
Nine months ended								
March 31, 2024	13,663	(2.5)	1,505	34.3	1,535	32.5	959	42.4
March 31, 2023	14,007	15.8	1,120	34.6	1,158	(13.5)	673	(15.0)

(Note) Comprehensive income For the nine months ended March 31, 2024 ¥877 million [7.9%]
 For the nine months ended March 31, 2023 ¥813 million [4.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2024	64.29	64.19
March 31, 2023	45.13	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	8,164	4,298	50.7
June 30, 2023	8,595	3,728	41.4

(Reference) Equity
 As of March 31, 2024 ¥4,141 million
 As of June 30, 2023 ¥3,561 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2023	–	0.00	–	15.00	15.00
Fiscal year ending June 30, 2024	–	5.00	–		
Fiscal year ending June 30, 2024 (Forecast)				15.00	20.00

(Note) Revisions to the dividends forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Percentages show year-on-year changes)

	Net sales		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	%	Yen
Fiscal year ending June 30, 2024	21,000	10.8	1,560	20.3	1,540	15.3	930	5.1	62.35

(Note) Revisions to the earnings forecasts most recently announced: None

* **Notes**

(1) Changes in significant subsidiaries during the nine months ended March 31, 2024 (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of specific accounting for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common shares)

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

As of March 31, 2024	15,197,400 shares
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As of June 30, 2023	15,191,600 shares
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b. Number of treasury shares at the end of the period

As of March 31, 2024	277,456 shares
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As of June 30, 2023	277,456 shares
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c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2024	14,916,882 shares
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Nine months ended March 31, 2023	14,923,020 shares
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* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

(Means of access to supplementary material on quarterly financial results)

The supplementary material on quarterly financial results will be available on the Company's website on Monday, May 13, 2024.

Quarterly Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of June 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,089,935	3,398,654
Notes receivable - trade	22,093	3,254
Accounts receivable - trade	2,620,516	2,360,833
Merchandise and finished goods	4,573	6,219
Costs on service contracts in progress	551,986	309,024
Raw materials and supplies	25,083	23,841
Other	314,635	408,547
Allowance for doubtful accounts	(6,243)	(6,271)
Total current assets	6,622,581	6,504,103
Non-current assets		
Property, plant and equipment		
Other, net	362,309	409,893
Total property, plant and equipment	362,309	409,893
Intangible assets		
Goodwill	276,121	245,057
Other	24,231	19,263
Total intangible assets	300,352	264,320
Investments and other assets		
Other	1,355,869	1,040,344
Allowance for doubtful accounts	(45,713)	(54,243)
Total investments and other assets	1,310,155	986,100
Total non-current assets	1,972,817	1,660,314
Total assets	8,595,398	8,164,417
Liabilities		
Current liabilities		
Accounts payable - trade	1,989,016	1,741,312
Short-term borrowings	586,000	236,000
Current portion of long-term borrowings	181,491	127,842
Income taxes payable	181,173	208,887
Provision for bonuses	-	111,000
Provision for bonuses for directors (and other officers)	153,255	-
Contract liabilities	212,403	310,975
Other	797,646	446,868
Total current liabilities	4,100,987	3,182,886
Non-current liabilities		
Long-term borrowings	411,109	332,637
Asset retirement obligations	99,107	100,322
Other	255,919	250,308
Total non-current liabilities	766,136	683,268
Total liabilities	4,867,123	3,866,154

(Thousands of yen)

	As of June 30, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	547,764	550,458
Capital surplus	696,127	698,821
Retained earnings	2,247,658	2,908,395
Treasury shares	(130,456)	(130,456)
Total shareholders' equity	3,361,094	4,027,219
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	222,920	140,530
Deferred gains or losses on hedges	164	288
Foreign currency translation adjustment	(22,960)	(26,655)
Total accumulated other comprehensive income	200,124	114,163
Share acquisition rights	143,559	129,109
Non-controlling interests	23,496	27,771
Total net assets	3,728,275	4,298,263
Total liabilities and net assets	8,595,398	8,164,417

(2) Consolidated statement of income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
Net sales	14,007,300	13,663,973
Cost of sales	10,972,099	10,359,213
Gross profit	3,035,201	3,304,759
Selling, general and administrative expenses	1,914,781	1,799,646
Operating profit	1,120,420	1,505,113
Non-operating income		
Interest income	117	133
Dividend income	1,549	–
Share of profit of entities accounted for using equity method	–	1,452
Foreign exchange gains	–	28,965
Outsourcing service income	15,072	14,999
Subsidy income	59,706	–
Other	8,974	9,971
Total non-operating income	85,421	55,523
Non-operating expenses		
Interest expenses	6,673	3,986
Distributions of profit or loss on silent partnerships	–	2,919
Share of loss of entities accounted for using equity method	5,886	–
Foreign exchange losses	21,011	–
Provision of allowance for doubtful accounts	–	7,600
Customs duties for prior periods	–	9,535
Other	13,316	1,505
Total non-operating expenses	46,889	25,548
Ordinary profit	1,158,952	1,535,088
Extraordinary income		
Gain on sale of non-current assets	1,636	35
Gain on sale of shares of subsidiaries	–	37,880
Gain on sale of investment securities	–	45,828
Gain on reversal of share acquisition rights	–	9,957
Total extraordinary income	1,636	93,700
Extraordinary losses		
Loss on retirement of non-current assets	0	2,915
Loss on sale of non-current assets	369	–
Loss on sale of investments in capital of subsidiaries	29,342	–
Loss on sale of shares of subsidiaries and associates	8,647	–
Loss on valuation of investments in capital	34,519	101,171
Loss on valuation of investment securities	–	55,349
Total extraordinary losses	72,878	159,437
Profit before income taxes	1,087,710	1,469,352
Income taxes	420,835	506,028
Profit	666,875	963,323
Profit (loss) attributable to non-controlling interests	(6,609)	4,275
Profit attributable to owners of parent	673,485	959,048