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November 14, 2024

Consolidated Financial Results for the Three Months Ended September 30, 2024 (under Japanese GAAP)

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

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

1. Consolidated financial results for the first three months of the fiscal year ending June 30, 2025 (from July 1, 2024 to September 30, 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	%
Three months ended								
September 30, 2024	3,679	13.4	180	(35.1)	193	(32.6)	128	32.4
September 30, 2023	3,246	(30.6)	278	(23.0)	286	(29.0)	96	(55.0)

(Note) Comprehensive income For the three months ended September 30, 2024 ¥140 million [343.6%]
 For the three months ended September 30, 2023 ¥31 million [(88.9)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2024	8.60	–
September 30, 2023	6.50	6.46

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	7,102	4,047	54.7
June 30, 2024	8,472	4,136	46.9

(Reference) Equity
 As of September 30, 2024 ¥3,887 million
 As of June 30, 2024 ¥3,971 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, 2024	–	5.00	–	15.00	20.00
Fiscal year ending June 30, 2025	–				
Fiscal year ending June 30, 2025 (Forecast)		7.00	–	15.00	22.00

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

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

(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, 2025	18,500	3.3	1,650	12.6	1,660	10.6	960	20.7	64.34

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

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: 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: Yes
 - 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 September 30, 2024	15,197,600 shares
As of June 30, 2024	15,197,600 shares
 - b. Number of treasury shares at the end of the period

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

Three months ended September 30, 2024	14,920,144 shares
Three months ended September 30, 2023	14,914,149 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* 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 financial results)

The supplementary material on financial results will be available on the Company's website on Thursday, November 14, 2024.

Quarterly Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	3,185,218	2,402,187
Notes receivable - trade	97,237	40,801
Accounts receivable - trade	2,494,086	1,834,586
Merchandise and finished goods	1,688	1,688
Costs on service contracts in progress	306,880	380,074
Raw materials and supplies	24,523	24,167
Other	447,779	554,242
Allowance for doubtful accounts	(7,786)	(4,917)
Total current assets	6,549,627	5,232,830
Non-current assets		
Property, plant and equipment		
Other, net	475,872	449,680
Total property, plant and equipment	475,872	449,680
Intangible assets		
Goodwill	234,702	224,348
Other	16,371	14,778
Total intangible assets	251,074	239,126
Investments and other assets		
Other	1,249,078	1,231,882
Allowance for doubtful accounts	(52,743)	(51,243)
Total investments and other assets	1,196,334	1,180,638
Total non-current assets	1,923,281	1,869,445
Total assets	8,472,908	7,102,276
Liabilities		
Current liabilities		
Accounts payable - trade	1,515,564	1,011,403
Short-term borrowings	236,000	136,000
Current portion of long-term borrowings	157,381	148,881
Income taxes payable	382,421	69,300
Provision for bonuses	307,495	110,507
Provision for bonuses for directors (and other officers)	139,900	–
Contract liabilities	163,451	90,899
Other	460,219	557,903
Total current liabilities	3,362,433	2,124,896
Non-current liabilities		
Long-term borrowings	563,416	529,946
Asset retirement obligations	153,295	152,959
Other	257,326	247,135
Total non-current liabilities	974,038	930,041
Total liabilities	4,336,472	3,054,938

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	550,551	550,551
Capital surplus	698,914	698,914
Retained earnings	2,744,514	2,649,110
Treasury shares	(130,456)	(130,456)
Total shareholders' equity	3,863,524	3,768,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140,122	152,462
Deferred gains or losses on hedges	17	(10,966)
Foreign currency translation adjustment	(31,900)	(22,575)
Total accumulated other comprehensive income	108,238	118,921
Share acquisition rights	127,357	121,981
Non-controlling interests	37,316	38,315
Total net assets	4,136,436	4,047,338
Total liabilities and net assets	8,472,908	7,102,276

(2) Consolidated statement of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Net sales	3,246,393	3,679,929
Cost of sales	2,390,452	2,835,749
Gross profit	855,941	844,180
Selling, general and administrative expenses	577,788	663,782
Operating profit	278,152	180,397
Non-operating income		
Interest income	53	245
Share of profit of entities accounted for using equity method	281	–
Foreign exchange gains	20,904	13,198
Outsourcing service income	–	6,000
Other	10,179	2,142
Total non-operating income	31,419	21,585
Non-operating expenses		
Interest expenses	1,329	1,676
Share of loss of entities accounted for using equity method	–	3,823
Distributions of profit or loss on silent partnerships	–	2,287
Customs duties for prior periods	9,535	–
Provision of allowance for doubtful accounts	9,400	–
Other	2,413	842
Total non-operating expenses	22,679	8,629
Ordinary profit	286,892	193,354
Extraordinary income		
Gain on sale of non-current assets	35	–
Gain on sale of shares of subsidiaries	37,880	–
Gain on sale of investment securities	–	1,640
Gain on reversal of share acquisition rights	–	5,376
Total extraordinary income	37,915	7,016
Extraordinary losses		
Loss on valuation of investments in capital	96,616	5,019
Loss on retirement of non-current assets	–	1
Total extraordinary losses	96,616	5,020
Profit before income taxes	228,192	195,349
Income taxes	126,502	65,951
Profit	101,689	129,397
Profit attributable to non-controlling interests	4,732	999
Profit attributable to owners of parent	96,957	128,397