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February 13, 2025

Consolidated Financial Results for the Six Months Ended December 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 Semi-annual Securities Report: February 14, 2025
 Scheduled date to commence dividend payments: March 10, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for individual investors)

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

1. Consolidated financial results for the first six months of the fiscal year ending June 30, 2025 (from July 1, 2024 to December 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	%
Six months ended								
December 31, 2024	9,890	7.7	877	(12.1)	882	(12.2)	567	(5.5)
December 31, 2023	9,179	(15.2)	997	17.1	1,004	12.7	601	15.5

(Note) Comprehensive income For the six months ended December 31, 2024 ¥569 million [8.4%]
 For the six months ended December 31, 2023 ¥525 million [(5.2)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2024	38.05	-
December 31, 2023	40.29	40.16

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	10,460	4,474	41.3
June 30, 2024	8,472	4,136	46.9

(Reference) Equity
 As of December 31, 2024 ¥4,315 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	–	7.00			
Fiscal year ending June 30, 2025 (Forecast)			–	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 semi-annual 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 December 31, 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 December 31, 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)

Six months ended December 31, 2024	14,920,144 shares
Six months ended December 31, 2023	14,915,367 shares

* Semi-annual financial results reports are exempt from 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 financial results)

The supplementary material on financial results will be available on the Company's website on Thursday, February 13, 2025.

(Financial results presentation meeting)

The Company is scheduled to hold a financial results presentation meeting for individual investors on Saturday, February 22, 2025.

Semi-annual Consolidated Financial Statements

(1) Semi-annual consolidated balance sheet

(Thousands of yen)

	As of June 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	3,185,218	3,525,619
Notes receivable - trade	97,237	63,519
Accounts receivable - trade	2,494,086	4,227,340
Merchandise and finished goods	1,688	9,916
Costs on service contracts in progress	306,880	469,835
Raw materials and supplies	24,523	32,146
Other	447,779	187,219
Allowance for doubtful accounts	(7,786)	(14,924)
Total current assets	6,549,627	8,500,673
Non-current assets		
Property, plant and equipment		
Other, net	475,872	563,017
Total property, plant and equipment	475,872	563,017
Intangible assets		
Goodwill	234,702	213,993
Other	16,371	13,492
Total intangible assets	251,074	227,486
Investments and other assets		
Other	1,249,078	1,230,439
Allowance for doubtful accounts	(52,743)	(61,480)
Total investments and other assets	1,196,334	1,168,959
Total non-current assets	1,923,281	1,959,463
Total assets	8,472,908	10,460,136
Liabilities		
Current liabilities		
Accounts payable - trade	1,515,564	3,282,757
Short-term borrowings	236,000	500,000
Current portion of long-term borrowings	157,381	140,381
Income taxes payable	382,421	320,785
Provision for bonuses	307,495	169,509
Provision for bonuses for directors (and other officers)	139,900	-
Contract liabilities	163,451	182,840
Other	460,219	475,723
Total current liabilities	3,362,433	5,071,997
Non-current liabilities		
Long-term borrowings	563,416	496,476
Asset retirement obligations	153,295	159,967
Other	257,326	256,852
Total non-current liabilities	974,038	913,296
Total liabilities	4,336,472	5,985,293

(Thousands of yen)

	As of June 30, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	550,551	550,551
Capital surplus	698,914	698,914
Retained earnings	2,744,514	3,088,424
Treasury shares	(130,456)	(130,456)
Total shareholders' equity	3,863,524	4,207,434
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140,122	127,883
Deferred gains or losses on hedges	17	-
Foreign currency translation adjustment	(31,900)	(19,996)
Total accumulated other comprehensive income	108,238	107,886
Share acquisition rights	127,357	120,061
Non-controlling interests	37,316	39,459
Total net assets	4,136,436	4,474,843
Total liabilities and net assets	8,472,908	10,460,136

(2) Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended December 31, 2023	Six months ended December 31, 2024
Net sales	9,179,480	9,890,885
Cost of sales	6,931,795	7,636,468
Gross profit	2,247,685	2,254,417
Selling, general and administrative expenses	1,249,959	1,377,403
Operating profit	997,726	877,013
Non-operating income		
Interest income	83	857
Foreign exchange gains	17,487	6,113
Outsourcing service income	9,999	10,729
Other	5,934	5,866
Total non-operating income	33,505	23,566
Non-operating expenses		
Interest expenses	2,883	3,588
Share of loss of entities accounted for using equity method	2,221	5,341
Distributions of profit or loss on silent partnerships	2,388	2,841
Customs duties for prior periods	9,535	–
Provision of allowance for doubtful accounts	8,500	–
Compensation for damage	–	5,237
Other	1,403	1,372
Total non-operating expenses	26,933	18,382
Ordinary profit	1,004,297	882,198
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	12,288	7,296
Total extraordinary income	50,203	8,936
Extraordinary losses		
Loss on retirement of non-current assets	–	1
Loss on valuation of investments in capital	101,171	5,019
Loss on valuation of investment securities	2,014	–
Total extraordinary losses	103,185	5,020
Profit before income taxes	951,315	886,114
Income taxes	345,273	316,257
Profit	606,042	569,856
Profit attributable to non-controlling interests	4,973	2,143
Profit attributable to owners of parent	601,069	567,712

(3) Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended December 31, 2023	Six months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	951,315	886,114
Depreciation	47,815	61,757
Amortization of goodwill	20,709	20,709
Increase (decrease) in allowance for doubtful accounts	16,258	15,874
Increase (decrease) in provision for bonuses for directors (and other officers)	(153,255)	(139,900)
Increase (decrease) in provision for bonuses	111,000	(137,986)
Interest and dividend income	(83)	(857)
Interest expenses	2,883	3,588
Foreign exchange losses (gains)	(12,036)	(3,389)
Share of loss (profit) of entities accounted for using equity method	2,221	5,341
Outsourcing service income	(9,999)	(10,729)
Gain on sale of non-current assets	(35)	–
Loss on retirement of non-current assets	–	1
Share-based payment expenses	2,717	–
Loss (gain) on sale of shares of subsidiaries	(37,880)	–
Loss on valuation of investments in capital	101,171	5,019
Distributions of loss (profit) on silent partnerships	2,388	2,841
Loss (gain) on valuation of investment securities	2,014	(1,640)
Gain on reversal of share acquisition rights	(12,288)	(7,296)
Decrease (increase) in trade receivables	(1,770,849)	(1,722,640)
Decrease (increase) in inventories	(351,410)	(179,116)
Decrease (increase) in advance payments to suppliers	(220,485)	89,937
Decrease (increase) in other assets	17,434	110,810
Increase (decrease) in trade payables	1,578,271	1,768,111
Increase (decrease) in accounts payable - other	(42,841)	17,716
Increase (decrease) in accrued consumption taxes	(124,688)	38,047
Increase (decrease) in contract liabilities	81,601	19,389
Increase (decrease) in other liabilities	(258,062)	(67,705)
Subtotal	(56,115)	773,999
Interest and dividends received	83	857
Interest paid	(2,974)	(3,633)
Proceeds from outsourcing service income	9,999	9,666
Income taxes paid	(181,115)	(373,384)
Income taxes refund	48,479	61,102
Net cash provided by (used in) operating activities	(181,642)	468,608
Cash flows from investing activities		
Purchase of property, plant and equipment	(82,067)	(91,953)
Proceeds from sale of property, plant and equipment	35	–
Purchase of intangible assets	(12,575)	–
Payments for investments in capital	(10,010)	(10,000)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(10,746)	–
Proceeds from share of profits on investments in capital	4,247	10
Proceeds from collection of loans receivable	934	934
Payments of leasehold and guarantee deposits	–	(204)
Proceeds from refund of leasehold and guarantee deposits	73	–
Proceeds from sale of short-term and long-term investment securities	–	21,606
Net cash provided by (used in) investing activities	(110,109)	(79,606)

(Thousands of yen)

	Six months ended December 31, 2023	Six months ended December 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(64,159)	264,000
Repayments of long-term borrowings	(106,150)	(83,940)
Dividends paid	(222,749)	(223,539)
Repayments of lease liabilities	(2,830)	(1,577)
Proceeds from issuance of share acquisition rights	277	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	3,996	–
Net cash provided by (used in) financing activities	(391,616)	(45,057)
Effect of exchange rate change on cash and cash equivalents	12,351	(3,542)
Net increase (decrease) in cash and cash equivalents	(671,016)	340,401
Cash and cash equivalents at beginning of period	3,074,135	3,169,418
Cash and cash equivalents at end of period	2,403,119	3,509,819