

Note: This document has been translated from the Japanese original as submitted to the Tokyo Stock Exchange for reference purposes only. In the event of any discrepancy, the original release in Japanese shall prevail.



August 13, 2024

## Consolidated Financial Results for the Fiscal Year Ended June 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  
 Inquiries: Atsuya Otake, Executive Officer, General Manager of Corporate Management  
 TEL: +81-3-6894-3233

Scheduled date of annual general meeting of shareholders: September 25, 2024  
 Scheduled date to commence dividend payments: September 26, 2024  
 Scheduled date to file Annual Securities Report: September 26, 2024  
 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 fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

#### (1) Consolidated operating results

(Percentages show year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	18,120	(4.4)	1,465	13.0	1,501	12.5	795	(10.1)
June 30, 2023	18,956	17.1	1,296	68.9	1,335	4.0	884	52.2

(Note) Comprehensive income For the fiscal year ended June 30, 2024 ¥717 million [(37.4)%]  
 For the fiscal year ended June 30, 2023 ¥1,145 million [119.8%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
June 30, 2024	53.30	53.23	21.1	17.6	8.1
June 30, 2023	59.28	—	28.3	16.5	6.8

(Reference) Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended June 30, 2024 ¥3 million  
 For the fiscal year ended June 30, 2023 ¥(4) million

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	8,472	4,136	46.9	266.20
June 30, 2023	8,595	3,728	41.4	238.78

(Reference) Equity

As of June 30, 2024	¥3,971 million
As of June 30, 2023	¥3,561 million

## (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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2024	655	(120)	(470)	3,169
June 30, 2023	846	(274)	(744)	3,074

## 2. Dividends

	Annual dividends					Total cash dividends (Total)	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	%	%
Fiscal year ended June 30, 2023	–	0.00	–	15.00	15.00	223	25.3	6.3
Fiscal year ended June 30, 2024	–	5.00	–	15.00	20.00	298	37.5	7.6
Fiscal year ending June 30, 2025 (Forecast)	–	7.00	–	15.00	22.00		34.2	

## 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	2.1	1,650	12.6	1,660	10.6	960	20.7	64.34

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes  
Excluded: 3 companies  
(company names: Wise Integration Co., Ltd., Scramble Inc. and Agile Co., Ltd.)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - Changes in accounting policies due to other reasons: None
  - Changes in accounting estimates: None
  - Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)	
As of June 30, 2024	15,197,600 shares
As of June 30, 2023	15,191,600 shares
b. Number of treasury shares at the end of the period	
As of June 30, 2024	277,456 shares
As of June 30, 2023	277,456 shares
c. Average number of shares outstanding during the period	
Fiscal year ended June 30, 2024	14,917,661 shares
Fiscal year ended June 30, 2023	14,920,807 shares

\* Financial results reports are exempt from audit 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.

(Financial results presentation meeting)

The Company is scheduled to hold a financial results presentation meeting for individual investors on Saturday, August 24, 2024.

# Consolidated Financial Statements

## (1) Consolidated balance sheet

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,089,935	3,185,218
Notes receivable - trade	22,093	97,237
Accounts receivable - trade	2,620,516	2,494,086
Merchandise and finished goods	4,573	1,688
Costs on service contracts in progress	551,986	306,880
Raw materials and supplies	25,083	24,523
Other	314,635	447,779
Allowance for doubtful accounts	(6,243)	(7,786)
<b>Total current assets</b>	<b>6,622,581</b>	<b>6,549,627</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	899,897	1,075,551
Accumulated depreciation	(635,413)	(687,013)
Buildings and structures, net	264,484	388,537
Machinery, equipment and vehicles	14,437	11,502
Accumulated depreciation	(6,710)	(6,348)
Machinery, equipment and vehicles, net	7,726	5,153
Leased assets	182,746	182,746
Accumulated depreciation	(136,781)	(143,834)
Leased assets, net	45,964	38,911
Other	250,096	268,986
Accumulated depreciation	(205,963)	(225,717)
Other, net	44,133	43,269
<b>Total property, plant and equipment</b>	<b>362,309</b>	<b>475,872</b>
<b>Intangible assets</b>		
Goodwill	276,121	234,702
Other	24,231	16,371
<b>Total intangible assets</b>	<b>300,352</b>	<b>251,074</b>
<b>Investments and other assets</b>		
Investment securities	483,326	304,822
Long-term loans receivable	6,891	5,022
Deferred tax assets	175,020	281,763
Leasehold and guarantee deposits	461,433	548,084
Other	229,197	109,385
Allowance for doubtful accounts	(45,713)	(52,743)
<b>Total investments and other assets</b>	<b>1,310,155</b>	<b>1,196,334</b>
<b>Total non-current assets</b>	<b>1,972,817</b>	<b>1,923,281</b>
<b>Total assets</b>	<b>8,595,398</b>	<b>8,472,908</b>

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,989,016	1,515,564
Short-term borrowings	586,000	236,000
Current portion of long-term borrowings	181,491	157,381
Lease liabilities	5,758	5,741
Income taxes payable	181,173	382,421
Provision for bonuses for directors (and other officers)	153,255	139,900
Provision for bonuses	-	307,495
Accrued expenses	521,893	286,407
Contract liabilities	212,403	163,451
Asset retirement obligations	-	32,991
Other	269,994	135,079
Total current liabilities	4,100,987	3,362,433
Non-current liabilities		
Long-term borrowings	411,109	563,416
Lease liabilities	34,382	28,740
Deferred tax liabilities	8,662	1,237
Asset retirement obligations	99,107	153,295
Other	212,874	227,348
Total non-current liabilities	766,136	974,038
Total liabilities	4,867,123	4,336,472
<b>Net assets</b>		
Shareholders' equity		
Share capital	547,764	550,551
Capital surplus	696,127	698,914
Retained earnings	2,247,658	2,744,514
Treasury shares	(130,456)	(130,456)
Total shareholders' equity	3,361,094	3,863,524
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	222,920	140,122
Deferred gains or losses on hedges	164	17
Foreign currency translation adjustment	(22,960)	(31,900)
Total accumulated other comprehensive income	200,124	108,238
Share acquisition rights	143,559	127,357
Non-controlling interests	23,496	37,316
Total net assets	3,728,275	4,136,436
Total liabilities and net assets	8,595,398	8,472,908

## (2) Consolidated statement of income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	18,956,914	18,120,653
Cost of sales	14,804,858	13,884,325
Gross profit	4,152,056	4,236,327
Selling, general and administrative expenses	2,855,314	2,770,910
Operating profit	1,296,741	1,465,417
Non-operating income		
Interest income	148	168
Foreign exchange gains	–	23,037
Dividend income	1,549	–
Share of profit of entities accounted for using equity method	–	3,891
Outsourcing service income	20,072	23,999
Subsidy income	59,706	12,000
Other	20,010	11,682
Total non-operating income	101,488	74,779
Non-operating expenses		
Interest expenses	8,169	5,345
Share of loss of entities accounted for using equity method	4,833	–
Distributions of profit or loss on silent partnerships	–	4,536
Customs duties for prior periods	18,965	15,485
Rental expenses on facilities	19,822	–
Provision of allowance for doubtful accounts	–	6,700
Other	11,300	6,746
Total non-operating expenses	63,089	38,813
Ordinary profit	1,335,139	1,501,382
Extraordinary income		
Gain on sale of non-current assets	3,793	7,821
Gain on liquidation of investments in capital	18,206	–
Gain on sale of shares of subsidiaries	–	37,880
Gain on sale of investment securities	2,564	45,828
Gain on reversal of share acquisition rights	–	11,661
Total extraordinary income	24,563	103,190
Extraordinary losses		
Loss on retirement of non-current assets	171	2,915
Loss on sale of non-current assets	744	–
Bad debts expenses	1,727	–
Loss on valuation of investment securities	104,981	55,349
Loss on sale of investments in capital of subsidiaries	29,342	–
Loss on valuation of investments in capital	33,717	101,279
Loss on sale of shares of subsidiaries and associates	8,647	–
Total extraordinary losses	179,332	159,545
Profit before income taxes	1,180,371	1,445,028
Income taxes - current	407,963	709,723
Income taxes - deferred	(110,769)	(73,682)
Total income taxes	297,193	636,040
Profit	883,177	808,987
Profit (loss) attributable to non-controlling interests	(1,435)	13,819
Profit attributable to owners of parent	884,612	795,167

### (3) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,180,371	1,445,028
Depreciation	85,143	92,681
Amortization of goodwill	41,418	41,418
Increase (decrease) in allowance for doubtful accounts	(21,452)	8,573
Increase (decrease) in provision for bonuses	–	307,495
Increase (decrease) in provision for bonuses for directors (and other officers)	24,183	(13,355)
Interest and dividend income	(1,698)	(168)
Interest expenses	8,169	5,345
Share of loss (profit) of entities accounted for using equity method	4,833	(3,891)
Loss (gain) on sale of investments in capital of subsidiaries	29,342	–
Loss (gain) on sale of shares of subsidiaries	–	(37,880)
Loss (gain) on sale of shares of subsidiaries and associates	8,647	–
Foreign exchange losses (gains)	(28,055)	(25,976)
Subsidy income	(59,706)	(12,000)
Outsourcing service income	(20,072)	(23,999)
Loss (gain) on sale and retirement of non-current assets	(3,049)	(7,821)
Loss on retirement of non-current assets	171	2,915
Loss (gain) on sale of investment securities	(2,564)	(45,828)
Loss (gain) on valuation of investment securities	104,981	55,349
Gain on liquidation of investments in capital	(18,206)	–
Loss on valuation of investments in capital	33,717	101,279
Loss on transfer of receivables	978	–
Share-based payment expenses	43,542	(3,378)
Distributions of loss (profit) on silent partnerships	4,655	4,536
Gain on reversal of share acquisition rights	–	(11,661)
Customs duties for prior periods	18,965	15,485
Rental expenses on facilities	19,822	–
Decrease (increase) in trade receivables	(641,550)	(26,241)
Decrease (increase) in inventories	(263,925)	248,523
Decrease (increase) in advance payments to suppliers	41,189	(114,382)
Decrease (increase) in other assets	39,880	(98,225)
Increase (decrease) in trade payables	951,480	(421,817)
Increase (decrease) in accounts payable - other	(102,406)	(37,283)
Increase (decrease) in accrued consumption taxes	(95,921)	(79,936)
Increase (decrease) in contract liabilities	31,683	(48,952)
Increase (decrease) in other liabilities	65,617	(238,732)
Subtotal	1,480,183	1,077,100
Interest and dividends received	16,598	168
Interest paid	(9,020)	(5,398)
Proceeds from outsourcing service income	20,072	23,999
Income taxes paid	(742,983)	(500,964)
Subsidies received	59,706	12,000
Income taxes refund	21,768	48,479
Net cash provided by (used in) operating activities	846,327	655,385

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(73,680)	(123,316)
Proceeds from sale of property, plant and equipment	3,269	20,037
Purchase of intangible assets	(15,477)	(7,115)
Proceeds from sale of intangible assets	375	–
Proceeds from collection of loans receivable	1,869	1,869
Payments of leasehold and guarantee deposits	(5,428)	(82,594)
Proceeds from refund of leasehold and guarantee deposits	673	166
Purchase of short-term and long-term investment securities	(23,805)	–
Proceeds from sale of short-term and long-term investment securities	8,960	49,656
Proceeds from share of profits on investments in capital	2,021	51,750
Payments for investments in capital	(136,500)	(20,010)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(33,617)	(10,746)
Proceeds from sale of shares of subsidiaries and associates	1,750	–
Purchase of golf club membership	(5,355)	–
Net cash provided by (used in) investing activities	(274,943)	(120,301)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	48,000	(300,000)
Proceeds from long-term borrowings	–	312,500
Repayments of long-term borrowings	(496,991)	(184,302)
Purchase of treasury shares	(100,007)	–
Dividends paid	(180,431)	(297,480)
Repayments of lease liabilities	(15,037)	(5,659)
Proceeds from issuance of share acquisition rights	–	277
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	4,134
Net cash provided by (used in) financing activities	(744,468)	(470,532)
Effect of exchange rate change on cash and cash equivalents	32,847	30,730
Net increase (decrease) in cash and cash equivalents	(140,237)	95,282
Cash and cash equivalents at beginning of period	3,214,372	3,074,135
Cash and cash equivalents at end of period	3,074,135	3,169,418