

Translation

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

February 9, 2024

Company name: SUNCALL CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 5985 URL <https://www.suncall.co.jp>
 Representative: Representative Director Tadao Otani
 Director and Senior Managing Executive Officer,
 Inquiries: Chief Operating Officer Management and Masatoshi Kanada TEL 075-881-5280
 General Manager of Division,
 Corporate Planning & Management Division
 Scheduled date to file Quarterly Securities Report: February 9, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 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	%
Nine months ended December 31, 2023	38,539	(5.5)	(2,426)	–	(1,837)	–	(3,853)	–
Nine months ended December 31, 2022	40,798	15.9	867	56.8	1,296	52.8	916	67.5

Note: Comprehensive income For the nine months ended December 31, 2023 ¥(1,424) million [–%]

For the nine months ended December 31, 2022 ¥2,797 million [196.7%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	(128.08)		–	
Nine months ended December 31, 2022	30.51		30.45	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of December 31, 2023	67,259		36,054		53.6		1,197.33	
As of March 31, 2023	63,735		38,038		59.7		1,264.63	

Reference: Equity As of December 31, 2023 ¥36,049 million

As of March 31, 2023 ¥38,020 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	11.00	–	9.00	20.00
Year ending March 31, 2024	–	10.00	–		
Year ending March 31, 2024 (Forecast)				10.00	20.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 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	51,000	(4.5)	(3,500)	–	(2,800)	–	(4,800)	–	(159.53)

Note: Revisions to the forecast of financial results most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the nine 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	34,057,923 shares	As of March 31, 2023	34,057,923 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	3,960,608 shares	As of March 31, 2023	3,993,335 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	30,085,704 shares	Nine months ended December 31, 2022	30,034,722 shares
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Note: The number of treasury shares includes the Company's shares remained in the trust account related to the performance-linked and share-based remuneration plan.

(Number of treasury shares	As of December 31, 2023	309,350 shares
	As of December 31, 2022	342,210 shares)

* 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

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. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	7,707	6,378
Notes and accounts receivable - trade, and contract assets	10,941	13,181
Merchandise and finished goods	3,840	3,436
Work in process	2,983	3,498
Raw materials and supplies	3,990	4,640
Other	1,986	1,598
Total current assets	31,449	32,733
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,844	6,056
Machinery, equipment and vehicles, net	10,840	10,319
Other, net	6,316	7,102
Total property, plant and equipment	23,001	23,478
Intangible assets	344	336
Investments and other assets		
Investment securities	6,761	8,533
Other	2,179	2,177
Total investments and other assets	8,940	10,711
Total non-current assets	32,286	34,526
Total assets	63,735	67,259
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,103	7,938
Short-term borrowings	7,952	11,511
Current portion of long-term borrowings	526	363
Income taxes payable	152	143
Provision for bonuses for directors (and other officers)	–	35
Provision for bonuses	433	291
Other	5,156	4,958
Total current liabilities	21,324	25,243
Non-current liabilities		
Long-term borrowings	2,123	1,922
Retirement benefit liability	1,132	1,165
Provision for share awards	125	129
Other	990	2,744
Total non-current liabilities	4,372	5,961
Total liabilities	25,696	31,205

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	2,833	2,833
Retained earnings	27,169	22,738
Treasury shares	(1,684)	(1,666)
Total shareholders' equity	33,126	28,713
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,761	3,843
Deferred gains or losses on hedges	10	28
Foreign currency translation adjustment	1,465	2,829
Remeasurements of defined benefit plans	656	622
Total accumulated other comprehensive income	4,894	7,323
Share acquisition rights	17	17
Total net assets	38,038	36,054
Total liabilities and net assets	63,735	67,259

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	40,798	38,539
Cost of sales	35,823	36,800
Gross profit	4,974	1,738
Selling, general and administrative expenses		
Transportation and storage costs	542	490
Remuneration, salaries and allowances	1,037	1,124
Provision for bonuses for directors (and other officers)	45	35
Provision for bonuses	55	58
Retirement benefit expenses	64	64
Other	2,362	2,390
Total selling, general and administrative expenses	4,106	4,164
Operating profit or loss	867	(2,426)
Non-operating income		
Dividend income	153	153
Gain on sale of goods	139	129
Share of profit of entities accounted for using equity method	7	102
Foreign exchange gains	146	276
Other	69	115
Total non-operating income	516	777
Non-operating expenses		
Interest expenses	87	179
Other	0	8
Total non-operating expenses	87	188
Ordinary profit (loss)	1,296	(1,837)
Extraordinary income		
Gain on sale of investment securities	625	7
Profit on cancellation of leases	23	0
Insurance claim income	1,338	120
Other	2	6
Total extraordinary income	1,990	134
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	19	63
Impairment losses	–	260
compensation expenses	1,838	124
Other	0	–
Total extraordinary losses	1,859	449
Profit (loss) before income taxes	1,427	(2,153)
Income taxes - current	335	384
Income taxes - deferred	175	1,315
Total income taxes	511	1,700
Profit (loss)	916	(3,853)
Profit (loss) attributable to owners of parent	916	(3,853)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	916	(3,853)
Other comprehensive income		
Valuation difference on available-for-sale securities	(377)	1,081
Foreign currency translation adjustment	2,264	1,331
Remeasurements of defined benefit plans, net of tax	(19)	(32)
Share of other comprehensive income of entities accounted for using equity method	14	48
Total other comprehensive income	1,881	2,428
Comprehensive income	2,797	(1,424)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,797	(1,424)
Comprehensive income attributable to non-controlling interests	—	—