

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 8, 2024

Company name: SUNCALL CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 5985 URL <https://www.suncall.co.jp>
 Representative: Representative Director Tadashi Nara
 Representative Director and Senior Managing
 Inquiries: Executive Officer, Masatoshi Kanada TEL 075-881-5280
 Chief Operating Officer Management
 Scheduled date to file Semi-annual Securities Report: November 11, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	30,281	20.3	27	–	(321)	–	(1,068)	–
Six months ended September 30, 2023	25,169	(6.1)	(1,406)	–	(834)	–	(681)	–

Note: Comprehensive income For the six months ended September 30, 2024 ¥(2,328) million [(289.1)%]
 For the six months ended September 30, 2023 ¥1,230 million [(30.5)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	(35.47)	–
Six months ended September 30, 2023	(22.66)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	61,557	26,735	43.4
As of March 31, 2024	60,447	29,351	48.6

Reference: Equity As of September 30, 2024 ¥26,735 million
 As of March 31, 2024 ¥29,348 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	10.00	–	10.00	20.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	0.00	0.00

Note: Revisions to the forecasts of cash dividends most recently announced: Yes

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	61,000	18.5	900	—	400	—	(2,800)	—	(92.88)

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

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual 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: Yes
- 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 September 30, 2024	34,057,923 shares	As of March 31, 2024	34,057,923 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	3,900,683 shares	As of March 31, 2024	3,934,678 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	30,137,847 shares	Six months ended September 30, 2023	30,079,831 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 September 30, 2024	280,350 shares
	As of March 31, 2024	309,350 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

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.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	7,422	8,681
Notes and accounts receivable - trade, and contract assets	11,721	14,561
Merchandise and finished goods	3,013	2,631
Work in process	4,158	3,594
Raw materials and supplies	3,644	4,058
Other	1,689	1,793
Total current assets	31,648	35,321
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,752	5,804
Machinery, equipment and vehicles, net	5,811	5,650
Other, net	3,956	4,709
Total property, plant and equipment	15,520	16,164
Intangible assets	316	279
Investments and other assets		
Investment securities	8,998	5,778
Other	3,964	4,012
Total investments and other assets	12,962	9,791
Total non-current assets	28,798	26,235
Total assets	60,447	61,557
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,866	8,342
Short-term borrowings	12,278	12,996
Current portion of long-term borrowings	358	703
Income taxes payable	150	128
Provision for bonuses for directors (and other officers)	—	22
Provision for bonuses	450	481
Other	4,481	6,688
Total current liabilities	24,584	29,364
Non-current liabilities		
Long-term borrowings	1,851	1,547
Retirement benefit liability	1,178	1,186
Provision for share awards	129	113
Other	3,351	2,610
Total non-current liabilities	6,510	5,456
Total liabilities	31,095	34,821

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	2,837	2,838
Retained earnings	14,775	13,402
Treasury shares	(1,655)	(1,637)
Total shareholders' equity	20,765	19,411
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,181	1,929
Deferred gains or losses on hedges	51	58
Foreign currency translation adjustment	2,532	3,596
Remeasurements of defined benefit plans	1,817	1,740
Total accumulated other comprehensive income	8,583	7,324
Share acquisition rights	2	—
Total net assets	29,351	26,735
Total liabilities and net assets	60,447	61,557

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	25,169	30,281
Cost of sales	23,799	27,411
Gross profit	1,369	2,869
Selling, general and administrative expenses		
Transportation and storage costs	322	332
Remuneration, salaries and allowances	752	766
Provision for bonuses for directors (and other officers)	23	22
Provision for bonuses	88	86
Retirement benefit expenses	43	17
Other	1,545	1,616
Total selling, general and administrative expenses	2,776	2,842
Operating profit (loss)	(1,406)	27
Non-operating income		
Dividend income	73	81
Gain on sale of goods	88	102
Share of profit of entities accounted for using equity method	49	—
Foreign exchange gains	400	—
Other	82	88
Total non-operating income	693	272
Non-operating expenses		
Interest expenses	113	157
Share of loss of entities accounted for using equity method	—	44
Foreign exchange losses	—	410
Other	8	7
Total non-operating expenses	121	620
Ordinary loss	(834)	(321)
Extraordinary income		
Gain on sale of investment securities	7	4,006
Insurance claim income	115	—
Profit on cancellation of leases	0	—
Other	1	0
Total extraordinary income	124	4,007
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	22	5
Impairment losses	—	465
compensation expenses	119	—
Settlement payments	—	3,955
Total extraordinary losses	141	4,425
Loss before income taxes	(851)	(739)
Income taxes - current	295	271
Income taxes - deferred	(464)	57
Total income taxes	(169)	329
Loss	(681)	(1,068)
Loss attributable to owners of parent	(681)	(1,068)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Loss	(681)	(1,068)
Other comprehensive income		
Valuation difference on available-for-sale securities	870	(2,253)
Foreign currency translation adjustment	1,088	992
Remeasurements of defined benefit plans, net of tax	(21)	(74)
Share of other comprehensive income of entities accounted for using equity method	(24)	76
Total other comprehensive income	1,912	(1,259)
Comprehensive income	1,230	(2,328)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,230	(2,328)
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	(851)	(739)
Depreciation	2,028	1,258
Impairment losses	—	465
Increase (decrease) in provisions	81	35
Increase (decrease) in retirement benefit liability	25	4
Decrease (increase) in retirement benefit asset	(46)	(140)
Interest and dividend income	(108)	(109)
Interest expenses	113	157
Share of loss (profit) of entities accounted for using equity method	(49)	44
Loss on abandonment of non-current assets	22	5
Loss (gain) on sale of investment securities	(7)	(4,006)
Settlement payments	—	3,955
Decrease (increase) in trade receivables	(442)	(2,519)
Decrease (increase) in inventories	106	893
Increase (decrease) in trade payables	(463)	1,324
Other, net	775	331
Subtotal	1,184	960
Interest and dividends received	108	109
Interest paid	(127)	(211)
Settlement paid	—	(2,000)
Income taxes paid	(298)	(327)
Income taxes refund	1	71
Net cash provided by (used in) operating activities	869	(1,397)
Cash flows from investing activities		
Purchase of non-current assets	(2,537)	(1,779)
Proceeds from sale of non-current assets	1	1
Proceeds from sale of investment securities	15	4,050
Loan advances	(63)	(0)
Net decrease (increase) in time deposits	(33)	—
Other, net	0	0
Net cash provided by (used in) investing activities	(2,617)	2,272
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,485	352
Repayments of lease liabilities	(98)	(98)
Proceeds from long-term borrowings	157	—
Repayments of long-term borrowings	(343)	(58)
Dividends paid	(273)	(303)
Proceeds from disposal of treasury shares	4	3
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	932	(103)
Effect of exchange rate change on cash and cash equivalents	252	482
Net increase (decrease) in cash and cash equivalents	(563)	1,254
Cash and cash equivalents at beginning of period	7,707	7,387
Cash and cash equivalents at end of period	7,144	8,641