



Financial Results for the Nine Months Ended March 31, 2025 [Japanese GAAP] (Non-consolidated)



April 30, 2025

Company name: WELLNET CORPORATION

Stock exchange listing: Tokyo Stock Exchange, Sapporo Securities Exchange

Code number: 2428

URL: <https://www.wellnet.co.jp>

Representative: Kazuhiro Miyazawa, President and Representative Director

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Scheduled date of commencing dividend payments: –

Availability of supplementary briefing material on financial results: Not available

Schedule of financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Financial Results for the Nine Months Ended March 31, 2025 (July 1, 2024 to March 31, 2025)

(1) Operating Results (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|----------------------------------|-------------|-----|------------------|------|-----------------|------|-------------|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended March 31, 2025 | 8,309 | 9.9 | 1,259 | 36.6 | 1,421 | 54.0 | 913 | 41.8 |
| March 31, 2024 | 7,560 | 5.4 | 922 | 17.5 | 923 | 17.6 | 643 | 20.6 |

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Nine months ended March 31, 2025 | 48.79 | 48.14 |
| March 31, 2024 | 34.09 | 33.85 |

(2) Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of March 31, 2025 | 27,741 | 8,678 | 31.0 | 458.02 |
| As of June 30, 2024 | 27,141 | 8,378 | 30.5 | 437.87 |

(Reference) Equity: As of March 31, 2025: ¥8,588 million

As of June 30, 2024: ¥8,276 million

2. Dividends

| | Annual dividends | | | | |
|---|------------------|-----------------|-----------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended June 30, 2024 | – | 0.00 | – | 22.15 | 22.15 |
| Fiscal year ending June 30, 2025 | – | 0.00 | – | | |
| Fiscal year ending June 30, 2025 (Forecast) | | | | 28.00 | 28.00 |

(Note) Revision of dividends forecast from recently announced figures: Yes

3. Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Ordinary profit | | Profit | | Basic earnings per share |
|-----------|-------------|-----|-----------------|------|-------------|------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 10,800 | 6.6 | 1,600 | 30.7 | 1,050 | 25.5 | 56.00 |

(Note) Revision of financial results forecast from recently announced figures: Yes

* Notes:

- (1) Adoption of special accounting procedures for preparing quarterly financial statements: No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
As of March 31, 2025: 19,400,000 shares
As of June 30, 2024: 19,400,000 shares
 - 2) Total number of treasury shares at the end of the period:
As of March 31, 2025: 648,657 shares
As of June 30, 2024: 498,316 shares
 - 3) Average number of shares during the period:
Nine months ended March 31, 2025: 18,711,738 shares
Nine months ended March 31, 2024: 18,888,253 shares

* These financial results are outside the scope of review procedures by a certified public accountant or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The financial results forecast and dividends forecast above are based on certain assumptions judged to be reasonable based on information available to the Company at the time of the announcement of this document. Actual business performance and dividends may differ from the forecasts due to various factors that may arise in the future.

Performance forecast and shareholder returns

With regard to the financial results forecast for the fiscal year ending June 30, 2025, while the Company expects an increase in net sales compared to the previous fiscal year, the net sales forecast has been revised downward from the previously announced projection due to higher proportion of high-margin services in the sales mix under the profit growth strategy.

On the other hand, forecasts for ordinary profit, profit and basic earnings per share have been revised upward, reflecting the increased weighting of high-margin services and gains from investments in investment partnerships.

In line with these revisions, the year-end dividend forecast for the fiscal year ending June 30, 2025 has been revised from the previously forecasted ¥26.46 to ¥28.00, based on the Company's policy for sharing profits with shareholders (dividend payout ratio of 50% or more).

Full-year non-consolidated financial results forecasts for the fiscal year ending June 30, 2025 (July 1, 2024 to June 30, 2025)

| | Net sales | Ordinary profit | Profit | Basic earnings per share |
|--|-------------|-----------------|-------------|--------------------------|
| | Million yen | Million yen | Million yen | Yen |
| Previously announced forecast (A) | 12,000 | 1,500 | 1,000 | 52.91 |
| Revised forecast (B) | 10,800 | 1,600 | 1,050 | 56.00 |
| Change (B-A) | (1,200) | 100 | 50 | |
| Change (%) | (10.0) | 6.7 | 5.0 | |
| (Reference) Actual results for the previous fiscal year (Fiscal year ended June 30, 2024) | 10,132 | 1,223 | 836 | 44.29 |

Dividends forecast

| | Annual dividends | | |
|--|------------------|----------|-------|
| | 2nd quarter-end | Year-end | Total |
| | Yen | Yen | Yen |
| Previous forecast | | 26.46 | 26.46 |
| Revised forecast | | 28.00 | 28.00 |
| Actual results for the current fiscal year | 0.00 | | |
| (Reference) Actual results for the previous fiscal year (Fiscal year ended June 30, 2024) | 0.00 | 22.15 | 22.15 |

* The financial results forecast and dividends forecast above are based on certain assumptions judged to be reasonable based on information available to the Company at the time of the announcement of this document. Actual business performance and dividends may differ from the forecasts due to various factors that may arise in the future.

* The Company will promptly announce any significant events that should be disclosed.

Financial Statements

(1) Balance Sheet

(Thousands of yen)

| | As of June 30, 2024 | As of March 31, 2025 |
|---|---------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 16,657,168 | 15,361,929 |
| Accounts receivable - trade, and contract assets | 809,182 | 705,140 |
| Merchandise | 2,202 | 2,858 |
| Work in process | - | 1,017 |
| Supplies | 600 | 955 |
| Prepaid expenses | 77,875 | 101,370 |
| Deposits paid | 3,641,155 | 4,133,142 |
| Other | 558,398 | 925,187 |
| Total current assets | 21,746,583 | 21,231,603 |
| Non-current assets | | |
| Property, plant and equipment | 3,790,788 | 3,790,542 |
| Intangible assets | 340,829 | 419,275 |
| Investments and other assets | 1,263,173 | 2,300,160 |
| Total non-current assets | 5,394,791 | 6,509,977 |
| Total assets | 27,141,374 | 27,741,580 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 483,478 | 490,289 |
| Deposits received | 4,250,235 | 4,883,283 |
| Current portion of long-term borrowings | 125,000 | 100,000 |
| Receiving agency deposits | 11,427,285 | 10,917,091 |
| Income taxes payable | 241,344 | 294,048 |
| Provision for bonuses | 24,963 | 65,708 |
| Provision for point card certificates | 1 | 196 |
| Other | 365,531 | 531,070 |
| Total current liabilities | 16,917,841 | 17,281,689 |
| Non-current liabilities | | |
| Long-term borrowings | 1,600,000 | 1,525,000 |
| Provision for share awards | 83,610 | 92,152 |
| Provision for retirement benefits | - | 1,043 |
| Asset retirement obligations | 15,941 | 16,034 |
| Long-term accounts payable - other | 119,007 | 119,007 |
| Other | 26,042 | 28,575 |
| Total non-current liabilities | 1,844,600 | 1,781,812 |
| Total liabilities | 18,762,442 | 19,063,501 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 667,782 | 667,782 |
| Capital surplus | 3,509,216 | 3,509,216 |
| Retained earnings | 4,766,481 | 5,168,714 |
| Treasury shares | (671,118) | (751,998) |
| Total shareholders' equity | 8,272,361 | 8,593,714 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 4,185 | (5,303) |
| Total valuation and translation adjustments | 4,185 | (5,303) |
| Share acquisition rights | 102,385 | 89,667 |
| Total net assets | 8,378,932 | 8,678,079 |
| Total liabilities and net assets | 27,141,374 | 27,741,580 |

(2) Statement of Income
(Nine months ended March 31)

(Thousands of yen)

| | Nine months ended March 31, 2024 | Nine months ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 7,560,101 | 8,309,178 |
| Cost of sales | 5,992,894 | 6,349,629 |
| Gross profit | 1,567,207 | 1,959,548 |
| Selling, general and administrative expenses | 645,007 | 699,819 |
| Operating profit | 922,200 | 1,259,729 |
| Non-operating income | | |
| Interest income | 51 | 2,930 |
| Interest on securities | - | 255 |
| Gain on investments in investment partnerships | - | 159,829 |
| Rental income | 450 | 550 |
| Subsidy income | 2,351 | 524 |
| Business cooperation fee | 1,350 | 1,350 |
| Other | 922 | 544 |
| Total non-operating income | 5,125 | 165,984 |
| Non-operating expenses | | |
| Interest expenses | 2,675 | 3,760 |
| Loss on investments in investment partnerships | 1,197 | - |
| Total non-operating expenses | 3,873 | 3,760 |
| Ordinary profit | 923,451 | 1,421,953 |
| Extraordinary income | | |
| Gain on reversal of share acquisition rights | 208 | 190 |
| Total extraordinary income | 208 | 190 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | - | 69,167 |
| Total extraordinary losses | - | 69,167 |
| Profit before income taxes | 923,660 | 1,352,976 |
| Income taxes - current | 286,436 | 464,532 |
| Income taxes - deferred | (6,608) | (24,568) |
| Total income taxes | 279,827 | 439,963 |
| Profit | 643,833 | 913,013 |