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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
Nine months ended	Yen	Yen
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