

Translation

Notice: This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

## Summary of Consolidated Financial Result for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 2023

Company name: WILLs Inc.

Listing exchange: Tokyo Stock Exchange

Securities code: 4482

URL: <https://www.wills-net.co.jp/>

Representative: Mitsuo Sugimoto, President and CEO

Inquiries: Yasuyuki Hasumoto, Senior Managing Director and CFO

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Scheduled date for third quarter report: November 14, 2023

Scheduled date for commencing dividend payments: —

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing session: No

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

1. Consolidated Financial Results for the nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent 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 September 30, 2023	3,348	16.2	764	25.8	762	27.1	522	35.8
September 30, 2022	2,882	12.1	607	30.0	600	29.1	384	20.8

(Note) Comprehensive income: Nine months ended September 30, 2023: 522 million yen 35.8%  
 Nine months ended September 30, 2022: 384 million yen 20.8%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2023	25.11	—
September 30, 2022	19.39	18.43

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of September 30, 2023	3,597	1,866	51.9
December 31, 2022	3,261	1,662	51.0

Reference: Total shareholders' equity As of September 30, 2023: 1,866 million yen  
 As of December 31, 2022: 1,662 million yen

## 2. Cash Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Fiscal year ended December 31, 2022	Yen —	Yen 0.00	Yen —	Yen 7.00	Yen 7.00
Fiscal year ended December 31, 2023	—	3.50	—		
Fiscal year ending December 2023 (forecast)				6.00 Dividend 4.00 Commemorative dividend 2.00	9.50 Dividend 7.50 Commemorative dividend 2.00

(Note) Revisions to the forecast of dividends most recently announced: Yes

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2023

(from January 1, 2023 to December 31, 2023)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Fiscal year ending December 2023	4,049	6.1	750	6.8	745	7.5	497	19.2	23.83

(Note) Revisions to the forecast most recently announced: None

### \*Explanatory notes

- (1) Changes in significant subsidiaries during the fiscal year (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
  - (i) Changes in accounting policies due to amendment of accounting standards, etc.: Yes
  - (ii) Changes in accounting policies other than those in (i) above: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatements: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at end of period (including treasury shares)

As of September 30, 2023:	21,054,400 shares	As of December 31, 2022:	21,054,400 shares
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- (ii) Number of treasury shares at end of period

As of September 30, 2023:	341,193 shares	As of December 31, 2022:	160,793 shares
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- (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2023:	20,791,680 shares	Nine months ended September 30, 2022:	19,936,615 shares
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\* This summary of financial results is not subject to audit procedures by a public accountant or audit corporation.

\* Explanation regarding appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual business performance and other results may differ materially due to various factors. For the conditions forming the assumptions on which earnings forecasts are based and explanatory notes for use of earnings forecasts, etc.

Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

(Unit: thousand yen)

	As of December 31, 2022	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,065,368	2,147,399
Notes receivable - trade	259,383	400,228
Electronically recorded monetary claims - operating	11,198	—
Merchandise	1,927	1,680
Work in process	6,191	46,604
Supplies	710	769
Other	25,494	31,979
Allowance for doubtful accounts	(2,911)	(3,017)
Total current assets	2,367,362	2,625,644
Non-current assets		
Property, plant and equipment	55,613	50,540
Intangible assets		
Software	216,121	222,742
Software in progress	188,481	262,065
Goodwill	238,728	221,433
Customer-related assets	27,813	25,986
Other	399	355
Total intangible assets	671,544	732,583
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,169	2,169
Other	166,638	188,515
Allowance for doubtful accounts	(2,169)	(2,169)
Total investments and other assets	166,638	188,515
Total non-current assets	893,796	971,639
Total assets	3,261,158	3,597,284

(Unit: thousand yen)

	As of December 31, 2022	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	272,737	407,894
Short-term borrowings	276,487	255,301
Current portion of long-term borrowings	25,192	23,280
Accounts payable - other	87,849	48,362
Income taxes payable	168,765	112,163
Contract liabilities	459,292	617,141
Provision for point card certificates	103,157	98,517
Provision for shareholder benefit program	23,320	17,725
Provision for bonuses	18,018	—
Provision for bonuses for directors	18,681	—
Other	81,797	104,586
<b>Total current liabilities</b>	<b>1,535,298</b>	<b>1,684,972</b>
<b>Non-current liabilities</b>		
Long-term borrowings	60,770	43,310
Asset retirement obligations	2,224	2,229
<b>Total non-current liabilities</b>	<b>62,994</b>	<b>45,539</b>
<b>Total liabilities</b>	<b>1,598,293</b>	<b>1,730,511</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	246,900	246,900
Capital surplus	246,447	246,447
Retained earnings	1,269,072	1,572,348
Treasury shares	(99,554)	(199,545)
<b>Total shareholders' equity</b>	<b>1,662,865</b>	<b>1,866,150</b>
Subscription rights to shares	—	621
<b>Total net assets</b>	<b>1,662,865</b>	<b>1,866,772</b>
<b>Total liabilities and net assets</b>	<b>3,261,158</b>	<b>3,597,284</b>

**(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
(Quarterly Consolidated Statements of Income)

(Unit: thousand yen)

	For the nine months ended September 30, 2022	For the nine months ended September 30, 2023
Net sales	2,882,676	3,348,713
Cost of sales	1,590,906	1,790,891
Gross profit	1,291,769	1,557,822
Selling, general and administrative expenses	684,305	793,459
Operating profit	607,463	764,363
Non-operating income		
Interest income	14	16
Subsidy income	21	3
Refunded consumption taxes	—	3,305
Miscellaneous income	320	118
Gain on disposal of unpaid dividend	—	88
Total non-operating income	356	3,533
Non-operating expenses		
Interest expenses	3,447	3,537
Commission fee	—	153
Loss on investments in partnership	—	459
Settlement package	3,706	—
Other	629	979
Total non-operating expenses	7,782	5,129
Ordinary profit	600,037	762,767
Extraordinary losses		
Loss on retirement of non-current assets	61	155
Total extraordinary losses	61	155
Profit before income taxes	599,975	762,612
Income taxes	215,595	240,584
Net profit	384,380	522,027
Profit attributable to owners of parent	384,380	522,027

(Quarterly Consolidated Statements of Comprehensive Income)

(Unit: thousand yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net profit	384,380	522,027
Comprehensive income	384,380	522,027
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	384,380	522,027
Comprehensive income attributable to non- controlling interests	—	—