

**Translation**

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

Company name: SOURCENEXT CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 4344 URL <http://www.sourcenext.com>  
 Representative: President & COO Tomoaki Kojima  
 Inquiries: Director & CFO Fumihiko Aoyama TEL 03-5797-7165  
 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 three months ended June 30, 2024 (from April 1, 2024 to June 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	%
Three months ended June 30, 2024	2,516	10.5	(849)	–	(710)	–	(544)	–
Three months ended June 30, 2023	2,277	12.0	(962)	–	(873)	–	(770)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	(4.02)	–
Three months ended June 30, 2023	(5.69)	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	16,591	8,596	49.0	59.94
As of March 31, 2024	16,811	8,389	48.0	59.56

### 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	–	0.00	–	0.00	0.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	–	–

3. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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 June 30, 2024	136,358,300 shares	As of March 31, 2024	136,358,300 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	800,024 shares	As of March 31, 2024	800,024 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	135,558,276 shares	Three months ended June 30, 2023	135,549,576 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,282,046	4,055,453
Accounts receivable - trade	1,980,324	1,239,294
Merchandise and finished goods	2,494,996	2,400,054
Raw materials and supplies	76,622	70,368
Advance payments to suppliers	681,883	920,090
Income taxes refund receivable	13,528	13,528
Other	233,219	339,140
<b>Total current assets</b>	<b>8,762,622</b>	<b>9,037,930</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Property, plant and equipment	458,942	443,801
Accumulated depreciation	(318,516)	(322,711)
<b>Total property, plant and equipment</b>	<b>140,426</b>	<b>121,090</b>
<b>Intangible assets</b>		
Software	2,333,141	2,238,990
Contract based intangible assets	1,001,086	981,711
Other	208,010	371,530
<b>Total intangible assets</b>	<b>3,542,238</b>	<b>3,592,232</b>
<b>Investments and other assets</b>		
Investment securities	4,275,658	3,745,603
Deferred tax assets	2,251	2,251
Other	88,302	92,855
<b>Total investments and other assets</b>	<b>4,366,212</b>	<b>3,840,709</b>
<b>Total non-current assets</b>	<b>8,048,876</b>	<b>7,554,032</b>
<b>Total assets</b>	<b>16,811,498</b>	<b>16,591,962</b>

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	312,072	306,574
Short-term borrowings	3,825,000	3,600,000
Current portion of long-term borrowings	520,080	569,568
Accounts payable - other	768,911	766,606
Income taxes payable	39,466	26,411
Unearned revenue	529,274	586,545
Provision for bonuses	42,263	89,836
Other	292,021	291,121
<b>Total current liabilities</b>	<b>6,329,090</b>	<b>6,236,664</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,609,740	1,430,232
Long-term unearned revenue	272,140	284,361
Deferred tax liabilities	164,114	19,407
Other	46,849	25,271
<b>Total non-current liabilities</b>	<b>2,092,845</b>	<b>1,759,273</b>
<b>Total liabilities</b>	<b>8,421,935</b>	<b>7,995,937</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,703,401	3,703,401
Capital surplus	7,545,969	8,526,698
Retained earnings	(4,059,938)	(4,604,582)
Treasury shares	(163,122)	(163,122)
<b>Total shareholders' equity</b>	<b>7,026,310</b>	<b>7,462,395</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	829,149	435,432
Foreign currency translation adjustment	218,343	227,210
<b>Total accumulated other comprehensive income</b>	<b>1,047,492</b>	<b>662,643</b>
Share acquisition rights	315,759	335,224
Non-controlling interests	–	135,761
<b>Total net assets</b>	<b>8,389,563</b>	<b>8,596,025</b>
<b>Total liabilities and net assets</b>	<b>16,811,498</b>	<b>16,591,962</b>

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	2,277,444	2,516,648
Cost of sales	1,178,446	1,258,017
Gross profit	1,098,998	1,258,630
Selling, general and administrative expenses	2,061,890	2,108,160
Operating loss	(962,892)	(849,529)
Non-operating income		
Interest income	37	3,066
Dividend income	2,271	500
Foreign exchange gains	136,299	162,798
Other	2,179	3,970
Total non-operating income	140,787	170,335
Non-operating expenses		
Interest expenses	17,315	20,520
Share of loss of entities accounted for using equity method	33,830	11,048
Total non-operating expenses	51,145	31,569
Ordinary loss	(873,250)	(710,763)
Extraordinary income		
Gain on sale of investment securities	21,384	116,760
Gain on reversal of share acquisition rights	1,762	1,687
Total extraordinary income	23,146	118,448
Loss before income taxes	(850,104)	(592,314)
Income taxes - current	1,725	1,724
Income taxes - deferred	15,441	29,054
Total income taxes	17,166	30,779
Loss	(867,271)	(623,093)
Loss attributable to non-controlling interests	(96,588)	(78,449)
Loss attributable to owners of parent	(770,682)	(544,644)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Loss	(867,271)	(623,093)
Other comprehensive income		
Valuation difference on available-for-sale securities	34,334	(393,716)
Foreign currency translation adjustment	(10,493)	3,806
Total other comprehensive income	23,840	(389,909)
Comprehensive income	(843,430)	(1,013,003)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(743,740)	(929,493)
Comprehensive income attributable to non-controlling interests	(99,690)	(83,509)