

Consolidated Financial Results for the 2nd Quarter of the Fiscal Year Ending June 30, 2015
 <Japanese Accounting Standards>

12-Feb-15

Company name: SUNNY SIDE UP Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 2180
 URL: <http://www.ssu.co.jp>

Representative: Etsuko Tsugihara, Representative Director
 Contact: Toshimitsu Aida, Corporate Officer, Administration Div. Manager, Public Relations / Investor Relations Dept. Manager
 Phone: +81-3-6894-3233

Quarterly statement filing date: February 13, 2015
 Dividend payable date: —
 Supplemental material of quarterly results: Yes
 Holding the briefing of quarterly results: Yes (for institutional investors and general investors)

Figures shown are rounded down to the nearest million yen

1. Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending June 30, 2015 (July 1, 2014 - Dec 31, 2014)

(1) Consolidated operating results

(Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	millions of yen	YoY %	millions of yen	YoY %	millions of yen	YoY %	millions of yen	YoY %
2Q of FY2015	6,707	1.0	(60)	-	37	-61.9	(42)	-
2Q of FY2014	6,642	-8.5	52	-90.2	99	-82.8	8	-97.6

(Note) Comprehensive income:

2Q of FY2015: \67 million (-%)

2Q of FY2014: \4 million (-%)

	Net income per share	Diluted net income per share
	yen	yen
2Q of FY2015	(12.09)	-
2Q of FY2014	2.52	2.43

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of Dec 31, 2014	6,262	1,759	25.9
As of June 30, 2014	5,613	1,906	31.6

(Reference) Equity

As of Dec 31, 2014: \1,620 million

As of June 30, 2014: \1,775 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	yen	yen	yen	yen	yen
FY2014	-	0.00	-	20.00	20.00
FY2015	-	0.00	-	-	-
FY2015 (forecast)	-	-	-	20.00	20.00

(Note) Corrections to the dividend forecast for this quarter: None

3. Consolidated Forecasts for the Fiscal Year Ending June 30, 2015 (July 1, 2014 – June 30, 2015)

(% changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	millions of yen	YoY %	millions of yen	YoY %	millions of yen	YoY %	millions of yen	YoY %	yen
Full year	11,610	-6.7	287	463.5	332	116.2	183	-	51.83

(Note) Corrections to the consolidated performance forecast figures for this quarter: None

(1) Consolidated Balance Sheet

	FY2014	2Q of FY2015
	As of June 30, 2014	As of Dec 31, 2014
	(thousands of yen)	(thousands of yen)
Assets		
Current assets		
Cash and deposits	1,001,512	1,367,502
Notes and accounts receivable – trade	1,838,638	2,121,093
Merchandise and finished goods	3,720	2,201
Costs on uncompleted services	208,760	202,438
Raw materials and supplies	15,131	29,048
Other	488,022	361,015
Allowance for doubtful accounts	(7,191)	(9,222)
Total current assets	3,548,593	4,074,077
Non-current assets		
Property, plant and equipment		
Buildings and structures	820,890	993,714
Land	520,818	520,818
Other, net	306,547	230,234
Total property, plant and equipment	1,648,256	1,744,767
Intangible assets		
Goodwill	22,881	24,297
Other	9,291	6,813
Total intangible assets	32,172	31,111
Investments and other assets		
Other	432,311	469,094
Allowance for doubtful accounts	(48,216)	(56,090)
Total investments and other assets	384,094	413,003
Total non-current assets	2,064,523	2,188,881
Total assets	5,613,117	6,262,959
Liabilities		
Current liabilities		
Accounts payable – trade	1,011,490	1,310,842
Short-term loans payable	1,066,610	1,863,554
Current portion of long-term loans payable	263,790	152,147
Income taxes payable	141,895	91,976
Other	405,245	279,356
Total current liabilities	2,889,032	3,697,877
Non-current liabilities		
Long-term loans payable	311,551	264,819
Asset retirement obligations	48,180	48,661
Other	457,608	492,108
Total non-current liabilities	817,340	805,589
Total liabilities	3,706,373	4,503,466
Net assets		
Shareholders' equity		
Capital stock	453,245	453,996
Capital surplus	513,845	514,596
Retained earnings	801,543	687,915
Treasury shares	(106)	(30,218)
Total shareholders' equity	1,768,528	1,626,290
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,180	3,757
Foreign currency translation adjustment	4,074	(9,908)
Total accumulated other comprehensive income	7,254	(6,150)
Minority interests	130,961	130,771
Subscription rights to shares	-	8,581
Total net assets	1,906,744	1,759,492
Total liabilities and net assets	5,613,117	6,262,959

(2) Consolidated Statement of Income and Comprehensive income
(Consolidated Statement of Income)

	2Q of FY2014 (July 1, 2013 – Dec 31, 2013)	2Q of FY2015 (July 1, 2014 – Dec 31, 2014)
	(thousands of yen)	(thousands of yen)
Net sales	6,642,596	6,707,128
Cost of sales	5,906,298	6,041,148
Gross profit	736,298	665,980
Selling, general and administrative expenses	683,486	726,097
Operating income	52,811	(60,117)
Non-operating income		
Interest income	249	298
Dividend income	265	292
Foreign exchange gains	39,248	88,087
House rent income	19,308	19,630
Other	5,733	6,399
Total non-operating income	64,806	114,708
Non-operating expenses		
Interest expenses	7,254	5,962
Share of loss of entities accounted for using equity method	1,661	420
Rent expenses	8,850	7,535
Other	791	2,939
Total non-operating expenses	18,557	16,859
Ordinary income	99,060	37,732
Extraordinary losses		
Loss on retirement of non-current assets	-	13
Loss on sales of non-current assets	-	1,989
Impairment loss	10,593	-
Loss on transfer of investments in capital of subsidiaries and associates	31,846	-
Total extraordinary losses	42,440	2,002
Income before income taxes	56,620	35,729
Income taxes – current	117,427	90,323
Income (loss) before minority interests	(60,807)	(54,593)
Minority interests in income (loss)	(69,744)	(11,811)
Net income (loss)	8,937	(42,781)

(Consolidated Statement of Comprehensive Income)

	2Q of FY2014 (July 1, 2013 – Dec 31, 2013)	2Q of FY2015 (July 1, 2014 – Dec 31, 2014)
	(thousands of yen)	(thousands of yen)
Income (loss) before minority interests	(60,807)	(54,593)
Other comprehensive income		
Valuation difference on available-for-sale securities	741	577
Foreign currency translation adjustment	(28,632)	(13,982)
Changes in equity	84,655	—
Total other comprehensive income	56,765	(13,405)
Comprehensive income	(4,041)	(67,999)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,768	(56,187)
Comprehensive income attributable to minority interests	(44,810)	(11,811)

(3) Consolidated Statement of Cash Flows

	2Q of FY2014 (July 1, 2013 – Dec 31, 2013)	2Q of FY2015 (July 1, 2014 – Dec 31, 2014)
	(thousands of yen)	(thousands of yen)
Cash flows from operating activities		
Income before income taxes and minority interests	56,620	35,729
Depreciation	46,966	79,282
Impairment loss	10,593	-
Amortization of goodwill	1,190	2,890
Increase (decrease) in allowance for doubtful accounts	228	9,904
Increase (decrease) in provision for directors' bonuses	(11,000)	-
Interest and dividend income	(514)	(591)
Interest expenses	7,254	5,962
Foreign exchange losses (gains)	(40,663)	(103,081)
Share of (profit) loss of entities accounted for using equity method	1,661	420
Stock based compensation expense	-	8,581
Loss (gain) on sales and retirement of non-current assets	-	1,989
Loss on retirement of noncurrent asset	-	13
Loss (gain) on transfer of investments in capital of subsidiaries and associates	31,846	-
Decrease (increase) in notes and accounts receivable – trade	(314,213)	(301,197)
Decrease (increase) in inventories	(164,413)	(4,827)
Decrease (increase) in advance payments	(4,815)	60,272
Decrease (increase) in other assets	(61,863)	60,724
Increase (decrease) in notes and accounts payable – trade	194,359	290,219
Increase (decrease) in accounts payable – other	(2,676)	(3,248)
Increase (decrease) in accrued consumption taxes	(27,330)	30,080
Increase (decrease) in advances received	78,804	(154,065)
Increase (decrease) in other liabilities	(103,498)	(17,551)
Subtotal	(301,461)	1,509
Interest and dividend income received	255	233
Interest expenses paid	(5,428)	(6,081)
Income taxes paid	(105,777)	(137,077)
Income taxes refund	6,824	22,375
Net cash provided by (used in) operating activities	(405,587)	(119,041)
Cash flows from investing activities		
Purchase of property, plant and equipment	(147,302)	(56,306)
Proceeds from disposal of property, plant, and equipment	-	7,222
Purchase of intangible assets	-	(114)
Purchase of investment securities	(9,000)	-
Payments for transfer of investments in capital of subsidiaries and associates resulting in change in scope of consolidation	(108,187)	-
Purchase of shares of subsidiaries	-	(2,044)
Purchase of shares of associates	(3,000)	-
Payments of loans receivable	(400)	-
Proceeds from Collection of loans receivable	-	473
Payments for lease and guarantee deposits	(10,286)	(19,091)
Proceeds from collection of lease and guarantee deposits	14,936	528
Other	(794)	876
Net cash provided by (used in) investing activities	(264,034)	(68,456)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	382,767	796,944
Proceeds from long-term loans payable	150,000	21,802
Repayments of long-term loans payable	(78,408)	(182,485)
Proceeds from issuance of common shares	1,502	1,502
Purchase of treasury shares	(106)	(30,112)
Proceeds from share issuance to minority shareholders	109,434	-
Cash dividends paid	(69,463)	(70,376)
Repayments of lease obligations	(9,614)	(7,935)
Net cash provided by (used in) financing activities	486,110	529,339
Effect of exchange rate change on cash and cash equivalents	14,190	24,149
Net increase (decrease) in cash and cash equivalents	(169,321)	365,990
Cash and cash equivalents at beginning of period	875,061	996,512
Cash and cash equivalents at end of period	705,740	1,362,502