

Consolidated Financial Results for the Term Ended December 2024 (Based on J-GAAP)

February 14, 2025

Company name: VELTRA Corporation

Stock code: 7048

URL <https://corp.veltra.com>

Listing: Tokyo Stock Exchange

Representative: Wataru Futagi, CEO

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Scheduled date of the Ordinary General Meeting of Shareholders: March 27, 2025

Scheduled date to submit the Annual Securities Report: March 28, 2025

Scheduled date to commence dividend payments: —

Availability of supplementary briefing materials on financial results: Available

Financial Results Briefing Session: Scheduled (For institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Term Ended December 2024 (January 1, 2024 to December 31, 024)

(1) Consolidated Results of Operations

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------------|-------------------|-------|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Term ended December 2024 | 4,304 | 37.8 | (175) | — | (298) | — | (407) | — |
| Term ended December 2023 | 3,123 | 168.4 | (67) | — | (112) | — | (57) | — |

(Note) Comprehensive income: Term ended December 2024: -353 million yen (—%) Term ended December 2023: -29 million yen (—%)

| | Profit per share | Fully diluted profit per share | Return on equity | Return on assets | Operating profit margin |
|--------------------------|------------------|--------------------------------|------------------|------------------|-------------------------|
| Term ended December 2024 | Yen (11.18) | — | Yen (21.3) | % (4.0) | % (4.1) |
| Term ended December 2023 | Yen (1.62) | — | Yen (4.3) | % (2.1) | % (2.2) |

(Reference) Equity in earnings of affiliates: Term ended December 2024: - million yen Term ended December 2023: - million yen

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| Term ended December 2024 | 8,584 | 2,888 | 29.1 | 68.64 |
| Term ended December 2023 | 6,466 | 1,360 | 20.5 | 37.31 |

(Reference) Shareholders' equity: Term ended December 2024: 2,496 million yen Term ended December 2023: 1,327 million yen

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Term ended December 2024 | 459 | (436) | 1,352 | 5,166 |
| Term ended December 2023 | 1,192 | (352) | 8 | 3,695 |

2. Dividends

| | Annual dividends | | | | | Dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------|------------------|-------------|-----------|-------------|-------------|----------------------|-----------------------------|---|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Annual | | | |
| Term ended December 2023 | Yen — | Yen 0.00 | Yen — | Yen 0.00 | Yen 0.00 | Millions of yen — | % — | % — |
| Term ended December 2024 | Yen — | Yen 0.00 | Yen — | Yen 0.00 | Yen 0.00 | Millions of yen — | % — | % — |
| Term ending December 2025 (forecasts) | — | 0.00 | — | 0.00 | 0.00 | Millions of yen — | % — | % — |

3. Consolidated Forecasts for the Term Ending December 2025 (from January 1, 2025 to December 31, 2025)

(% indicates changes from the previous term for full term and YoY changes)

| | Operating revenue | Operating profit | Ordinary profit | Profit attributable to owners of parent | Profit per share |
|-----------|-------------------|------------------|-----------------|---|------------------|
| | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 5,400 | 25.4 | 500 | — | 10.93 |

* Notes

(1) Significant changes of subsidiaries during the period (changes in specific subsidiaries involving changes in the scope of consolidation): No
New: 1 company Linktivity Korea Inc. Excluded: —

(2) Changes in accounting policies, changes in accounting estimates and restatements

- 1) Changes in accounting policies due to the revision of accounting standards: Not applicable
- 2) Changes in accounting policies other than 1): Not applicable
- 3) Changes in accounting estimates: Not applicable
- 4) Restatements: Not applicable

Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares)

2) Total number of treasury shares at the end of the period

3) Average number of shares during the period (cumulative)

| | | | |
|--------------------------|-------------------|--------------------------|-------------------|
| Term ended December 2024 | 36,598,980 shares | Term ended December 2023 | 35,580,100 shares |
| Term ended December 2024 | 97 shares | Term ended December 2023 | 97 shares |
| Term ended December 2024 | 36,481,380 shares | Term ended December 2023 | 35,567,065 shares |

(Reference) Summary of non-consolidated results

1. Non-consolidated results for the term ended December 2024 (January 1, 2024 to December 31, 2024)

(1) Non-consolidated Results of Operations

(% indicates YoY changes)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit | |
|--------------------------|-------------------|-------|------------------|---|-----------------|---|-----------------|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Term ended December 2024 | 3,311 | 39.0 | (131) | — | (248) | — | (335) | — |
| Term ended December 2025 | 2,383 | 244.1 | (187) | — | (233) | — | (181) | — |

| | Profit per share | | Fully diluted profit per share | |
|--------------------------|------------------|--|--------------------------------|--|
| | Yen | | Yen | |
| Term ended December 2023 | (9.19) | | — | |
| Term ended December 2022 | (5.10) | | — | |

(2) Non-consolidated Financial Position

| | Total assets | | Net assets | | Equity ratio | | Net assets per share | |
|--------------------------|-----------------|--|-----------------|--|--------------|--|----------------------|--|
| | Millions of yen | | Millions of yen | | % | | Yen | |
| Term ended December 2023 | 4,467 | | 1,075 | | 23.8 | | 29.37 | |
| Term ended December 2022 | 4,053 | | 896 | | 21.8 | | 24.87 | |

(Reference) Shareholders' equity: Term ended December 2023: 884 million yen Term ended December 2022: 1,062 million yen

2. Non-consolidated Forecasts for the Term Ending December 2025 (from January 1, 2025 to December 31, 2025)

| | Operating revenue | | Ordinary profit | | Profit attributable to owners of parent | | Profit per share | |
|-----------|-------------------|------|-----------------|---|---|---|------------------|--|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen | |
| Full year | 4,000 | 20.8 | 360 | — | 300 | — | 8.20 | |

* The summary of financial results is not subject to audit by a certified public accountant or an audit corporation.

* Explanation for the appropriate use of performance forecasts and other special notes

Forward-looking statements such as business results projections set forth in this report have been prepared based on information available at the time of publication of this report and on certain assumptions judged to be reasonable. Note that actual business results, etc., may differ due to future uncertain factors.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

| | As of December 31, 2023 | As of December 31, 2024 |
|-------------------------------------|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,695,659 | 5,166,676 |
| Trade accounts receivable | 1,883,285 | 2,404,817 |
| Other | 226,493 | 275,186 |
| Total current assets | <u>5,805,439</u> | <u>7,846,681</u> |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 5,465 | 5,975 |
| Tools, furniture and fixtures | 90,902 | 104,951 |
| Accumulated depreciation | △61,246 | △72,595 |
| Total property, plant and equipment | <u>35,121</u> | <u>38,331</u> |
| Intangible assets | | |
| Software | 268,239 | 443,054 |
| Software in progress | 28,172 | 31,712 |
| Other | 216 | 216 |
| Total intangible assets | <u>296,627</u> | <u>474,983</u> |
| Investments and other assets | | |
| Investment securities | 102,190 | 9,774 |
| Deferred tax assets | 79,194 | 78,054 |
| Guarantee deposits | - | 136,797 |
| Other | 147,871 | 100 |
| Total investments and other assets | <u>329,256</u> | <u>224,725</u> |
| Total non-current assets | <u>661,006</u> | <u>738,040</u> |
| Total assets | 6,466,445 | 8,584,721 |

(Thousands of yen)

| | As of December 31, 2023 | As of December 31, 2024 |
|---|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Trade accounts payable | 2,573,651 | 3,261,976 |
| Short-term borrowings | 500,000 | — |
| Accounts payable - other | 178,359 | 233,324 |
| Income taxes payable | 30,005 | 27,241 |
| Advances received | 1,504,435 | 1,845,744 |
| Provision for point card certificates | 40,809 | 41,217 |
| Contract liabilities | 157,472 | 170,559 |
| Other | 121,183 | 115,705 |
| Total current liabilities | 5,105,916 | 5,695,769 |
| Non-current liabilities | | |
| Deferred tax liabilities | 379 | 436 |
| Total non-current liabilities | 379 | 436 |
| Total liabilities | 5,106,295 | 5,696,206 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,823,717 | 2,078,381 |
| Capital surplus | 2,062,606 | 3,296,549 |
| Retained earnings | △2,629,324 | △3,037,267 |
| Treasury shares | △70 | △70 |
| Total shareholders' equity | 1,256,929 | 2,337,593 |
| Accumulated other comprehensive income | | |
| Deferred gains or losses on hedges | △1,572 | 2,308 |
| Foreign currency translation adjustment | 72,147 | 156,107 |
| Total accumulated other comprehensive income | 70,575 | 158,415 |
| Share acquisition rights | 16,216 | 16,028 |
| Non-controlling interests | 16,428 | 376,477 |
| Total net assets | 1,360,149 | 2,888,515 |
| Total liabilities and net assets | 6,466,445 | 8,584,721 |

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated statement of income)

(Thousands of yen)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Operating revenue | 3,123,349 | 4,304,918 |
| Operating expenses | 3,190,421 | 4,480,513 |
| Operating loss | $\Delta 67,071$ | $\Delta 175,594$ |
| Non-operating income | | |
| Interest income | 28 | 378 |
| Gain on investments in silent partnerships | 1,016 | 1,201 |
| Other | 3,328 | 1,638 |
| Total non-operating income | 4,373 | 3,218 |
| Non-operating expenses | | |
| Interest expenses | 2,530 | 2,928 |
| Foreign exchange losses | 44,930 | 106,580 |
| Share issuance costs | - | 8,875 |
| Loss on retirement of non-current assets | 323 | — |
| Other | 1,866 | 7,605 |
| Total non-operating expenses | 49,650 | 125,988 |
| Ordinary loss | $\Delta 112,349$ | $\Delta 298,365$ |
| Extraordinary income | | |
| Gain on liquidation of subsidiaries and associates | 8,882 | — |
| Total extraordinary income | 8,882 | — |
| Extraordinary losses | | |
| Loss on repurchase of subscription rights to shares | - | 29,046 |
| Loss on valuation of investment securities | - | 93,617 |
| Total extraordinary losses | - | 122,663 |
| Loss before income taxes | $\Delta 103,466$ | $\Delta 421,029$ |
| Income taxes - current | 28,948 | 19,097 |
| Income taxes - deferred | $\Delta 76,842$ | 1,140 |
| Total income taxes | $\Delta 47,893$ | 20,238 |
| Loss | $\Delta 55,573$ | $\Delta 441,267$ |
| Profit (loss) attributable to non-controlling interests | 2,135 | $\Delta 33,323$ |
| Loss attributable to owners of parent | $\Delta 57,708$ | $\Delta 407,943$ |

(Consolidated statement of comprehensive income)

(Thousands of yen)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Loss | △55,573 | △441,267 |
| Other comprehensive income | | |
| Deferred gains or losses on hedges | △795 | 3,880 |
| Foreign currency translation adjustment | 26,656 | 83,959 |
| Total other comprehensive income | 25,861 | 87,840 |
| Comprehensive income | △29,711 | △353,426 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | △31,847 | △320,102 |
| Comprehensive income attributable to non-controlling interests | 2,135 | △33,323 |

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)

(Thousands of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,821,276 | 2,060,164 | △2,571,615 | △70 | 1,309,754 |
| Changes during period | | | | | |
| Issuance of new shares | 2,441 | 2,441 | | | 4,882 |
| Issuance of new shares - exercise of share acquisition rights | | | | | |
| Loss attributable to owners of parent | | | △57,708 | | △57,708 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 2,441 | 2,441 | △57,708 | | △57,708 |
| Balance at end of period | 1,823,717 | 2,062,606 | △2,629,324 | △70 | 1,256,929 |

| | Accumulated other comprehensive income | | | Share acquisition rights | Non-controlling interests | Total net assets |
|---|--|---|--|--------------------------|---------------------------|------------------|
| | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | △776 | 45,491 | 44,714 | 12,370 | 14,293 | 1,381,132 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 4,882 |
| Issuance of new shares - exercise of share acquisition rights | | | | | | |
| Loss attributable to owners of parent | | | | | | △57,708 |
| Net changes in items other than shareholders' equity | △795 | 26,656 | 25,861 | 3,845 | 2,135 | 31,842 |
| Total changes during period | △795 | 26,656 | 25,861 | 3,845 | 2,135 | △20,983 |
| Balance at end of period | △1,572 | 72,147 | 70,575 | 16,216 | 16,428 | 1,360,149 |

Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)

(Thousands of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,823,717 | 2,062,606 | △2,692,324 | △70 | 1,256,929 |
| Changes during period | | | | | |
| Issuance of new shares | 249,999 | 249,999 | | | 499,999 |
| Issuance of new shares - exercise of share acquisition rights | 4,664 | 4,664 | | | 9,328 |
| Loss attributable to owners of parent | | | △407,943 | | △407,943 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 979,279 | | | 979,279 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 254,664 | 1,233,943 | △407,943 | | 1,080,664 |
| Balance at end of period | 2,078,381 | 3,296,549 | △3,037,267 | △70 | 2,337,593 |

| | Accumulated other comprehensive income | | | Share acquisition rights | Non-controlling interests | Total net assets |
|---|--|---|--|--------------------------|---------------------------|------------------|
| | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | △1,572 | 72,147 | 70,575 | 16,216 | 16,428 | 1,360,149 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 499,999 |
| Issuance of new shares - exercise of share acquisition rights | | | | | | 9,328 |
| Loss attributable to owners of parent | | | | | | △407,943 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | 979,279 |
| Net changes in items other than shareholders' equity | 3,880 | 83,959 | 87,840 | △187 | 360,048 | 447,701 |
| Total changes during period | 3,880 | 83,959 | 87,840 | △187 | 360,048 | 1,528,366 |
| Balance at end of period | 2,308 | 156,107 | 158,415 | 16,028 | 376,477 | 2,888,515 |

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|--|--|--|
| Cash flows from operating activities | | |
| Loss before income taxes | △103,466 | △421,029 |
| Depreciation | 145,956 | 168,626 |
| Increase (decrease) in provision for point card certificates | △772 | 274 |
| Increase (decrease) in contract liabilities | △4,357 | 11,220 |
| Interest income | △28 | △378 |
| Loss on repurchase of subscription rights to shares | - | 29,046 |
| Interest expenses | 2,530 | 2,928 |
| Foreign exchange losses (gains) | 2,246 | 2,828 |
| Gain on reversal of share acquisition rights | - | △147 |
| Loss (gain) on investments in silent partnerships | △1,016 | △1,201 |
| Loss (gain) on valuation of investment securities | - | 93,617 |
| Loss (gain) on liquidation of subsidiaries and associates | △8,882 | — |
| Decrease (increase) in trade receivables | △1,058,983 | △514,851 |
| Decrease (increase) in other assets | △105,909 | △4,501 |
| Increase (decrease) in trade payables | 1,346,154 | 677,762 |
| Increase (decrease) in accounts payable - other | 90,062 | 53,762 |
| Increase (decrease) in advances received | 984,565 | 333,036 |
| Increase (decrease) in other liabilities | 47,059 | 1,657 |
| Decrease (increase) in consumption taxes refund receivable | △60,962 | △38,610 |
| Other, net | △1,606 | 98,048 |
| Subtotal | 1,272,589 | 492,089 |
| Interest received | 28 | 378 |
| Interest paid | △2,530 | △2,928 |
| Income taxes refund (paid) | △77,184 | △29,974 |
| Net cash provided by (used in) operating activities | 1,192,903 | 459,565 |
| Cash flows from investing activities | | |
| Purchase of non-current assets | △137,815 | △351,000 |
| Payments of guarantee deposits | - | △85,201 |
| Payments of leasehold and guarantee deposits | △123,456 | — |
| Proceeds from refund of leasehold deposits | 10,000 | — |
| Purchase of investment securities | △100,800 | — |
| Net cash provided by (used in) investing activities | △352,071 | △436,202 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | - | △500,000 |
| Proceeds from issuance of shares | 4,882 | 509,328 |
| Proceeds from share issuance to non-controlling shareholders | - | 1,372,652 |
| Proceeds from issuance of share acquisition rights | 3,845 | — |
| expense for share acquisition right repurchase | - | △29,086 |
| Net cash provided by (used in) financing activities | 8,728 | 1,352,893 |
| Effect of exchange rate change on cash and cash equivalents | 46,934 | 94,760 |
| Net increase (decrease) in cash and cash equivalents | 896,495 | 1,471,017 |
| Cash and cash equivalents at beginning of period | 2,799,164 | 3,695,659 |
| Cash and cash equivalents at end of period | 3,695,659 | 5,166,676 |

