

Thank you for visiting our website.

We would like to inform you that there was an error in the English translation of the "Financial Results Summary" posted on our website for the following period.

The relevant part has been corrected and reposted.

There are no corrections to the information disclosed in Japanese or the figures in the corresponding columns of the English translation.

We apologize for any inconvenience caused.

We will strengthen our internal system to prevent such things from happening again in the future.

Differences

8thline from the bottom of "3. Consolidated financial statements and Notes" (1) Consolidated balance sheet"

Item names listed in "Assets - Non-current assets - Investments and other assets "

Incorrect: Allowance for doubtful accounts

Correct: Total investments and other assets

Applicable period

FY2023 Q1 (June 2022), Q2 (September 2022),

Q3 (December 2022), Q4 (March 2023)

FY2024 Q1 (June 2023), Q2 (September 2023),

Q3 (December 2023), Q4 (March 2024)

FY2024 Q1 (June 2024), Q4 (October 2024)

(1) Material transfer of subsidiary in the current quarter consolidated cumulative period: None

(Specified subsidiary transfer with change of the consolidated scope)

New —(company name) Excluded —(company name)

(2) Application of accounting process specific to preparation of the quarterly consolidated accounting: None

(3) Change of accounting policy, change of accounting estimate, redisplay of revision

① Change of accounting policy for revision of accounting standard, etc. None

② Change of the accounting standard except for ① None

③ Change of the accounting estimate None

④ Redisplay of revision None

(Note)For details, see attached document P8. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)".

(4) Number of shares issued (ordinary shares)

① Number of term-end shares issued
(including own shares)

FY2024 Mar. 3Q	6,364,600shares	FY2023 Mar.	6,073,900Shares
FY2024 Mar. 3Q	61,508shares	FY2023 Mar.	61,508Shares
FY2024 Mar. 3Q	6,203,182shares	FY2023 Mar.	5,960,917shares

② Number of term-end own shares

③ Average number of midterm shares
(quarterly accumulation)

* The quarterly summary of accounting statement is not subject to quarterly review by the certified accountant or audit company.

* Explanation on appropriate use of the performance forecast and other special notes

1. Qualitative information concerning the current quarterly financial statement

(1) Explanation on the management result

During the third quarter in the consolidated cumulative period, the Japanese economy showed a gradual recovery in the domestic economy after the new coronavirus infection was classified as a Type 5 Specified Infectious Disease, and the restaurant, leisure, accommodation, and department store industries showed signs of recovery. Furthermore, from June onwards, increases in wages and other items promoted consumption behavior, accelerating the normalization of economic activity. On the other hand, the economic outlook remains uncertain as the yen continues to weaken and prices soar. The economy is gradually recovering as the employment and income environment continues to improve. However, in addition to the prolonged general price rise, there are geopolitical risks such as Russia's prolonged invasion of Ukraine and the increasingly tense situation in the Middle East, as well as interregional risks such as the stagnation of the Chinese economy and moves toward monetary tightening in Western countries. There are such regional disparities in recovery and a sense of uncertainty is observed about the future of the economy.

Under such economic circumstances, for the electronic and communication device business, in addition to sales expansion business mainly in the 5G related market and civil services/public related market, we have been also dedicated to new markets and client exploration to acquire orders from new fields.

We have also worked on enhancement of proposal of our self-developed products by continuously promoting "effort for high added-value products," "expansion and exploration of business field" and "co-development with the company of business tie-up."

As a result, newly explored clients and inquiries are increasing from new markets besides the existing analog high frequency products, including optics related products used for various business-use wireless, digital signal processor, etc. indispensable for high-speed signal processing, millimeter wave band, terahertz products, etc. necessary for wireless transmission of data of large volumes. We are also proactively working on the semiconductor manufacturing facility market, etc.

In the mobile communication field, since the communication common carriers' infrastructure investment was controlled, the demand for the existing products is decreasing. In the government and public sector markets, we have come out of a slow period for projects, and this fiscal year is a period of preparation for new projects. Due to the large increase in the national budget, our company has been receiving orders for large-scale projects one after another since the latter half of last year. Furthermore, we have a high probability of receiving inquiries at this time, so development and design will be our main focus this year. Although the contribution to high performance is limited in this fiscal year, these are large-scale and repeat projects, and we expect them to make a stable and continuous contribution to business results in the following fiscal year and beyond.

Besides, we have won new businesses of drone monitoring device and private satellite project, etc.

Finally in the FA and measurement field, we received an order from a new client at the beginning of the term for the semiconductor reliability test equipment. Since the semiconductor industry will be our country's policy and investment to advanced process will be more and more expanded hereafter, we will work on sales expansion to the semiconductor facility market with our high frequency technology which is essential to semiconductors for communication.

By enhancing proposals of self-developed products along with active promotion of the business domain expansion, we will continue the activities for profit expansion in order to establish the stable business base as the entire electronics and communication device industry.

In the renewable energy business, we have continuously worked on acceleration of development of small wind power plants. In the current period, since there has been a global delay of procurement of the equipment in a number of industries, we increased the number of units for development by taking the measures such as advance procurement of the equipment, etc. In addition, as a result of diversification of fund procurement, 29 units of small wind power plants were newly interconnected in this first quarterly consolidated accumulative period by executing multiple project finances including sustainable loan, etc. We also sold 4 units of small wind power plants.

We are also aiming to establish a new profit base by accelerating the approach to increase the number of the developed units as well as promoting increase of the possessed units to secure stable profit by power selling. On the other hand, since inquiries are increasing for purchase of the small power wind plants by social demand for spreading

of renewable energy, we will consider sellout depending on the market environment.

In order for the stakeholders surrounding us to secure the precise profit structure and growth, we are aiming to build the unique business model in the renewable energy business as a domestic company focusing on owning small wind power plants from this period and expecting to launch various mechanism and structure reformations including the organizations of the same business. Simultaneously, we will contribute to continuous reduction of greenhouse gas by easing the business risk and accelerating development of new renewable energy sources with development of small wind power plants of which unit is small size and risk dispersion and securement of profitability and mobility.

Tokyo Stock Exchange opened the carbon credit market on October 11, 2022 in view of contribution to carbon pricing as a stock exchange in Japan with the result of verification experiment in 2022 to achieve the decarbonated society. We will focus on it since establishment of a new “emission right trading” market is considered to contribute to further expansion of renewable energy market.

As the result of the above, the amount of orders received in this second quarterly consolidated accumulative period was 2,413 mil. yen (26.5% increase compared with the same period of the previous year) and the sales amount was 254 mil. yen (477 mil. yen increase compared with the same period of the previous year). In terms of profit and loss, operating loss was recorded as 276 mil. yen (the operating loss of the same period of the previous year: 484 mil. yen) The quarterly net loss attributable to owners of the parent company was 394 mil yen (compared to the quarterly net loss attributable to owners of the parent company of 460 mil yen in the same period of the previous year) due to a 90 mil yen loss on valuation of investment securities.

In the electronic / communication device business, we will focus on acquirement of new businesses by setting our sales expansion activities of the mobile communication field (infrastructure sharing) public agency / public related market which is expected to continue to transit steadily and where the demand is stably increasing as the center. Furthermore, we will also proactively expand the business domain as well as continuing the activities for profit expansion in order to establish the stable business base as the entire electronic and communication device business by enhancement of proposals for self-developed products.

Our group is proactively considering development of the general environmental business in addition to the renewable energy business not only as domestic expansion but also overseas expansion mainly in Southeast Asia, and will actively conduct investment activities for expansion of the business operation. Our group will further work on CO2 reduction and the measures for global warming with all the Group employees and will proactively disclose information to the stakeholders surrounding us for ESG management and will take a positive challenge to achieve SDGs goals.

Operating results by segment are as follows.

a. Electronic and communication equipment business

In the electronic and communication equipment business, orders received were 2,640 million yen (down 18.9% from the same period last year) due to delays in contract timing for government offices and public-related businesses.

Although sales are slightly behind the initial plan, sales are progressing as planned and amounted to 1,980 million yen (16.1% increase compared to the same period last year). Segment profit was 72 million yen (segment loss was 70 million yen in the same period last year).

In addition, the order backlog is 3,877 million yen (23.3% increase compared to the same period last year), and the reason for the increase is that contracted delivery times with customers are becoming longer due to longer delivery times for semiconductors and non-ferrous metal materials worldwide. Similarly, inventories (parts/materials, work in process, and product inventory) increased by 32.1% compared to the same period last year due to the impact of longer contracted delivery dates.

b. Renewable energy business

In the renewable energy business, we have been working on the development of small wind power plants by utilizing development funds for small wind power plants, co-financing from banks, and funds from sustainable loans. In addition, the small wind power plants and low-voltage solar power plants that we own in Hokkaido and Tohoku are selling electricity steadily.

During the third quarter of the current consolidated cumulative period, 29 new small wind power plants were

interconnected. Additionally, sales increased compared to the same period last year as we were able to sell four small wind power plants. Furthermore, segment profit is also increasing due to steady sales of electricity from our small wind power plants and low voltage solar power plants.

As a result of the above, orders received were 858 million yen (324.2% increase compared to the same period last year), sales were 433 million yen (114.3% increase compared to the same period last year), and segment loss was 14 million yen (segment loss was 78 million yen).

2.Consolidated financial statements and Notes

(1)Consolidated balance sheet

(In thousand yen)

	FY 2023 (consolidated) (As of March 31,2023)	3Q FY 2024 (consolidated) (As of December 31,2023)
Assets		
Current Assets		
Cash and deposits	1,055,068	1,228,030
Notes and accounts receivable - trade	1,371,660	1,302,853
Merchandise and finished goods	2,208,403	3,181,446
Work in proces	999,891	1,252,212
Raw materials and supplies	843,908	912,862
Advance payments - trade	83,993	45,380
Other	353,946	212,573
Allowance for doubtful accounts	△28,607	△29,288
Total current assets	6,888,266	8,106,071
Non-current assets		
Property, plant and equipment		
Buildings and structures	553,616	558,674
Accumulated depreciation	△399,192	△416,112
Buildings and structures, net	154,423	142,561
Machinery, equipment and vehicles	418,077	394,147
Accumulated depreciation	△207,331	△189,739
Machinery and equipment, net	210,745	204,407
Tools, furniture and fixtures	1,088,975	1,117,938
Accumulated depreciation	△863,189	△934,399
Tools, furniture and fixtures, net	225,785	183,538
Land	298,130	298,130
Construction in progress	0	13,322
Total property, plant and equipment	889,085	841,961
Intangible assets		
Goodwill	5,539	5,333
Software	51,519	40,967
Other	0	0
Total intangible assets	57,059	46,300
Investments and other assets		
Investment securities	356,541	264,845
Long-term loans receivable	50,000	50,000
Deferred tax assets	109,069	92,665
Other	283,615	279,116
Total investments and other assets	799,226	686,627
Total fixed assets	1,745,371	1,574,889
Deferred assets		
Stock issuance cost	1,984	5,779
opening expenses	671	739
Founding expenses	—	278
Total deferred assets	2,656	6,797
Total assets	8,636,293	9,687,758

(In thousand yen)

	FY 2023 (consolidated) (As of March 31,2023)	3Q FY 2024 (consolidated) (As of December 31,2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	591, 995	513, 751
Short-term loans payable	270, 332	443, 338
Current portion of long-term loans payable	100, 000	100, 000
Lease obligations	279, 298	377, 625
Accounts payable - other	4, 822	4, 880
Income taxes payable	90, 575	153, 158
Contract liability	21, 275	23, 392
Advances received	67, 510	64, 256
Provision for bonuses	23, 009	14, 262
Provision for product warranties	47, 981	24, 072
Other	48, 386	49, 161
Total current liabilities	72, 257	70, 968
Accounts payable - other	1, 617, 444	1, 838, 867
Non-current liabilities		
Long-term loans payable	1, 566, 520	2, 581, 864
Lease obligations	8, 810	5, 203
Retirement benefit liability	277, 579	280, 619
Asset retirement obligations	13, 127	13, 127
Other	150, 664	157, 248
Total non-current liabilities	2, 016, 703	3, 038, 062
Total liabilities	3, 634, 147	4, 876, 930
Net assets		
Shareholders' equity		
Capital stock	2, 535, 100	2, 635, 889
Capital surplus	1, 692, 213	1, 762, 940
Retained earnings	790, 618	396, 581
Treasury shares	△61, 394	△61, 394
Total shareholders' equity	4, 956, 537	4, 734, 016
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△45, 035	△43, 238
Foreign currency translation adjustment	77, 159	107, 040
Accumulated other comprehensive income	32, 124	63, 801
Share acquisition rights	11, 767	10, 069
Non-controlling interests	1, 716	2, 939
Total net assets	5, 002, 146	4, 810, 827
Total liabilities and net assets	8, 636, 293	9, 687, 758

(2) Quarterly consolidated statements of income and Quarterly consolidated statements of comprehensive income
Quarterly

Consolidated statements of income

Consolidates third quarter period

(In thousand yen)

	FY 2023 (consolidated) (As of March 31,2023)	3Q FY 2024 (consolidated) (As of December 31,2023)
Net Sales	1,908,466	2,413,779
Cost of sales	1,375,362	1,708,918
Gross profit	533,103	704,860
Selling, general and administrative expenses	1,010,216	959,093
Operating profit (loss (△))	△477,112	△254,232
Non-operating income		
Interest income	4,308	1,917
Dividend income	347	246
Insurance income	4,440	5,907
Gain on forgiveness of debts	38,252	—
Other	8,028	12,632
Total non-operating income	55,378	20,704
Non-operating expenses		
Interest expenses	18,065	27,172
Equity in losses of affiliates	—	1,732
Amortization of stock issuance expenses	3,080	—
Non-operating payment fee	15,615	2,090
Share of loss of entities accounted for using equity method	18,900	—
Other	5,811	9,055
Total non-operating expenses	1,652	2,430
Interest expenses	63,125	42,480
Ordinary profit (loss (△))	△484,859	△276,009
special profit		
Gain on sale of fixed assets	45,000	2,599
Total extraordinary profit	—	90
Gain on sale of fixed assets	45,000	2,690
Extraordinary loss		
Loss on disposal of fixed assets	0	1,827
office relocation costs	—	90,107
Total extraordinary loss	8,193	—
Loss on disposal of fixed assets	8,193	91,934
Profit (loss (△)) before income taxes	△448,052	△365,253
Income taxes - current	8,184	11,429
Income taxes - deferred	3,381	16,130
Total income taxes	11,566	27,560
Profit (loss (△))	△459,618	△392,813
Quarterly net income attributable to non-controlling interests	555	1,223
Profit (loss (△)) attributable to non-controlling interests	△460,174	△394,036

Quarterly consolidated statements of comprehensive income

Consolidated third quarter period

(In thousand yen)

	FY 2023 (consolidated) (As of March 31,2023)	3Q FY 2024 (consolidated) (As of December 31,2023)
Profit (loss (△))	△459,618	△392,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△43,687	1,796
Foreign currency translation adjustment	39,726	29,880
Total other comprehensive income	△3,960	31,677
Comprehensive income	△463,579	△361,136
(breakdown)		
Comprehensive income attributable to owners of parent	△464,135	△362,359
Quarterly comprehensive income attributable to non-controlling interests	555	1,223

(3) Notes for the quarterly consolidated financial statements

(Notes for precondition of continuing company): NA

I . Current 3Q consolidated cumulative period (from April 1, 2023 to December 31, 2023)

Information concerning the sales amount and the amount of profit or loss per report segment

(unit: thousand yen)

	Report segment			Adjusted amount (Note) 1	Amount recorded in quarterly consolidated profit and loss statement (Note) 2
	Electronic / communication device business	Renewable energy business	Total		
Sales amount					
Mobile communications infrastructure	601, 124	—	601, 124	—	601, 124
Government office	345, 829	—	345, 829	—	345, 829
Public project	426, 698	—	426, 698	—	426, 698
FA • Measurement • Other	332, 540	—	332, 540	—	332, 540
Solar power plant	—	145, 710	145, 710	—	145, 710
Wind power plant	—	48, 306	48, 306	—	48, 306
Revenue from Contracts with Customers	1, 706, 192	194, 016	1, 900, 209	—	1, 900, 209
Other profit	—	8, 256	8, 256	—	8, 256
Sales amount to external clients	1, 706, 192	202, 273	1, 908, 466	—	1, 908, 466
Between segments	—	—	—	—	—
Internal sales or transfer amount	—	—	—	—	—
Total	1, 706, 192	202, 273	1, 908, 466	—	1, 908, 466
Segment profit	△70, 023	△78, 742	△148, 765	△328, 346	△477, 112

(Note)

(1) Adjustment amount of segment loss (△) △328,346 thousand yen is the fee △328,346 thousand yen of the group management department which is not distributed to the business segment.

2. Segment loss (△) matches the operating loss in the quarterly consolidated profit and loss statement.

II Current 3Q consolidated cumulative period (from April 1, 2023 to December 31, 2023)

Information concerning the sales amount and the amount of profit or loss per report segment

(unit: thousand yen)

	Report segment			Adjusted amount (Note) 1	Amount recorded in quarterly consolidated profit and loss statement (Note) 2
	Electronic / communication device business	Renewable energy business	Total		
Sales amount					
Mobile communications infrastructure	781, 119	—	781, 119	—	781, 119
Government office	436, 369	—	436, 369	—	436, 369
Public project	452, 420	—	452, 420	—	452, 420
FA • Measurement • Other	310, 300	—	310, 300	—	310, 300
Solar power plant	—	157, 627	157, 627	—	157, 627
Wind power plant	—	267, 706	267, 706	—	267, 706
Revenue from Contracts with Customers	1, 980, 210	425, 334	2, 405, 544	—	2, 405, 544
Other profit	—	8, 234	8, 234	—	8, 234
Sales amount to external clients	1, 980, 210	433, 568	2, 413, 779	—	2, 413, 779
Between segments	—	—	—	—	—
Internal sales or transfer amount	—	—	—	—	—
Total	1, 980, 210	433, 568	2, 413, 779	—	2, 413, 779
Segment profit	72, 830	△14, 691	58, 138	△312, 371	△254, 232

(Note)

1. The adjustment amount of $\Delta 312,371$ thousand yen for segment profit or loss (Δ) is $\Delta 312,371$ thousand yen in expenses for the group management department that are not allocated to business segments.
2. Segment profit or loss (Δ) matches the operating loss in the quarterly consolidated statement of income.

(Profit recognition related)

Information which dissolves the profit arising from the agreement with the clients is as described in "Note (segment information, etc.)."