



February 14, 2023

To whom it may concern,

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Notice on correction of expected consolidated performance for the full year ending March 2023

Based on the recent trend of performance, please be advised that the expected consolidated performance published on May 16, 2022 has been corrected as follows:

1. Correction of expected consolidated performance

Correction of expected numbers of consolidated performance for the full year ending March 2023
(4/1/2022~3/31/2023)

(Unit: million yen)

	Sales	Operating profit	Ordinary profit	Current net profit attributable to stockholders of the parent company	Current net profit per stock
Previous forecast (A)	5,019 ~5,813	65 ~166	3 ~104	2 ~73	(yen) 0.5 ~12.7
Correction at this time (B)	2,896 ~3,236	△550 ~△490	△605 ~△546	△580 ~△521	△97.5 ~△87.5
Increase/decrease amount (B – A)	△2,122 ~△2,577	△615 ~△657	△609 ~△651	△583 ~△595	—
Increase/decrease rate	△42.3% ~△44.3%	—	—	—	—
(For reference) Actual performance for the previous period (ending March 2022)	6,236	379	331	148	25.7

2. Reasons for correction

The sales, operating profit, ordinary profit, and current net profit attributable to stockholders of the parent company for the full year ending March 2023 are expected to be lower than the lowest limit of the range of expected performance published on May 16, 2022. Cases around the year-end in the electronics/communications equipment business may take time for receiving inspection on the customers' side and timing of power plant sales to customers is unclear in the renewable energy business due to the unstable world situation; therefore, disclosure of expected performance continues to be by the range.

In the electronics/communications equipment business, material procurement has been taking long due to insufficient supply of various materials in the world including semiconductors. Materials used for information communications equipment were significantly influenced in particular, and we have been taking measures by making arrangements ahead of time or expanding procurement from multiple sources; however, the influence of prolonged time to procure materials is significant and delay in production and sales resulted in expected decrease in sales from 3,600 million yen to 2,600~2,700 million yen. However, orders received have been going well with an increase in larger cases. Demand solidly continues to increase and is expected to grow in the future, and we continue to promote sales expansion activities in existing markets.

We will also aggressively promote expansion of the business domain by entering new markets. We began to receive orders from new markets and will continue activities to expand profits for our Company group to establish a solid business foundation for the overall electronics/communications equipment business.

Regarding the renewable energy business, electric power sales by the small-size wind power plants and low-pressure solar power plants that we own in Hokkaido are going well. During this period, we proceeded with development of small-size wind power plants in locations in good wind conditions of Hokkaido to accumulate solid development results with sustainable financing, etc. Financing by financial institutions for development of small-size wind power plants progressed, and we successfully developed a business model that does not rely on sales of a power plant; therefore, we decided to decrease the number of power plants for sales in comparison with the plan at the beginning of the period. As a result, the sales decreased from 1,319~2,113 million yen to 296~536 million yen, and other sales decreased by 100 million yen. Consequently, the sales and segment profit are expected to be below the forecast at the beginning of the period.

We plan to reduce the business risk and continue EBITDA management by continuing to develop small-size wind power plants with small per-unit size and ensuring risk diversification and profitability/mobility. We will also contribute to continuous reduction of greenhouse gases by accelerating the development of new renewable power sources.

Under such circumstances, we downwardly corrected the expected consolidated performance for the full year ending March 2023 as a result of reviewing the order status and its certainty for each business segment.

The current net profit attributable to stockholders of the parent company might fluctuate due to the influence of estimates relating to tax effect accounting; therefore, we will promptly make announcements if new events of significant influence occur.

It is the hope of our Company group to make efforts to continue to further expand the corporate value and maximize profits.

(Note) The expected performance in the above was prepared in accordance with information available at present and the actual performance may be different from the expected numbers due to various future factors.