



Results for Fiscal Year Ended March 31, 2022

May 27, 2022

DKK Co., Ltd.

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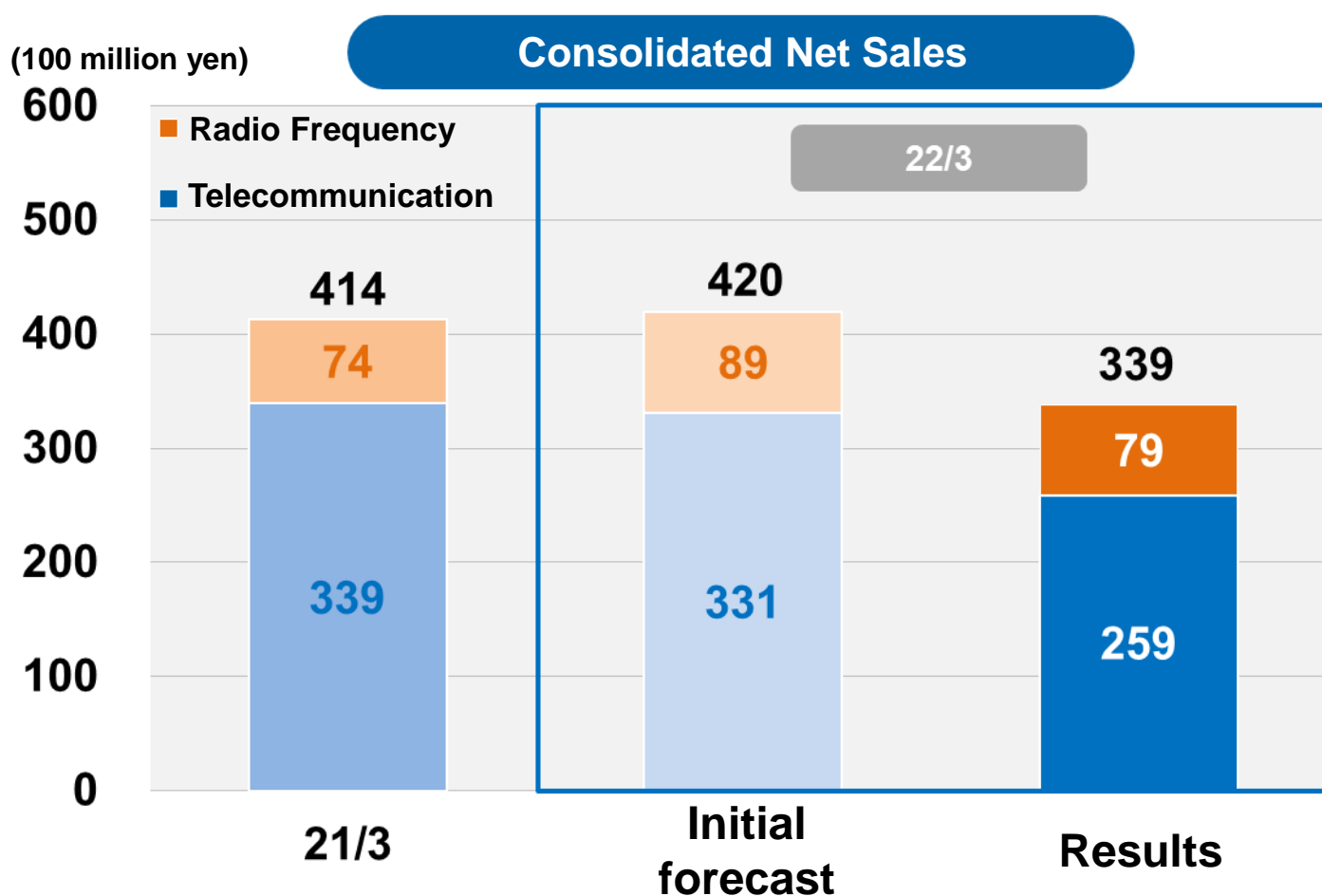
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1. RESULT HIGHLIGHTS

Consolidated Net Sales

- Consolidated net sales dropped.
- Net sales for Telecommunication Business dropped due to restriction or postponement of demand.
- Net sales for Radio Frequency Business showed signs of recovery but the increase remained small due to the semiconductor shortage.



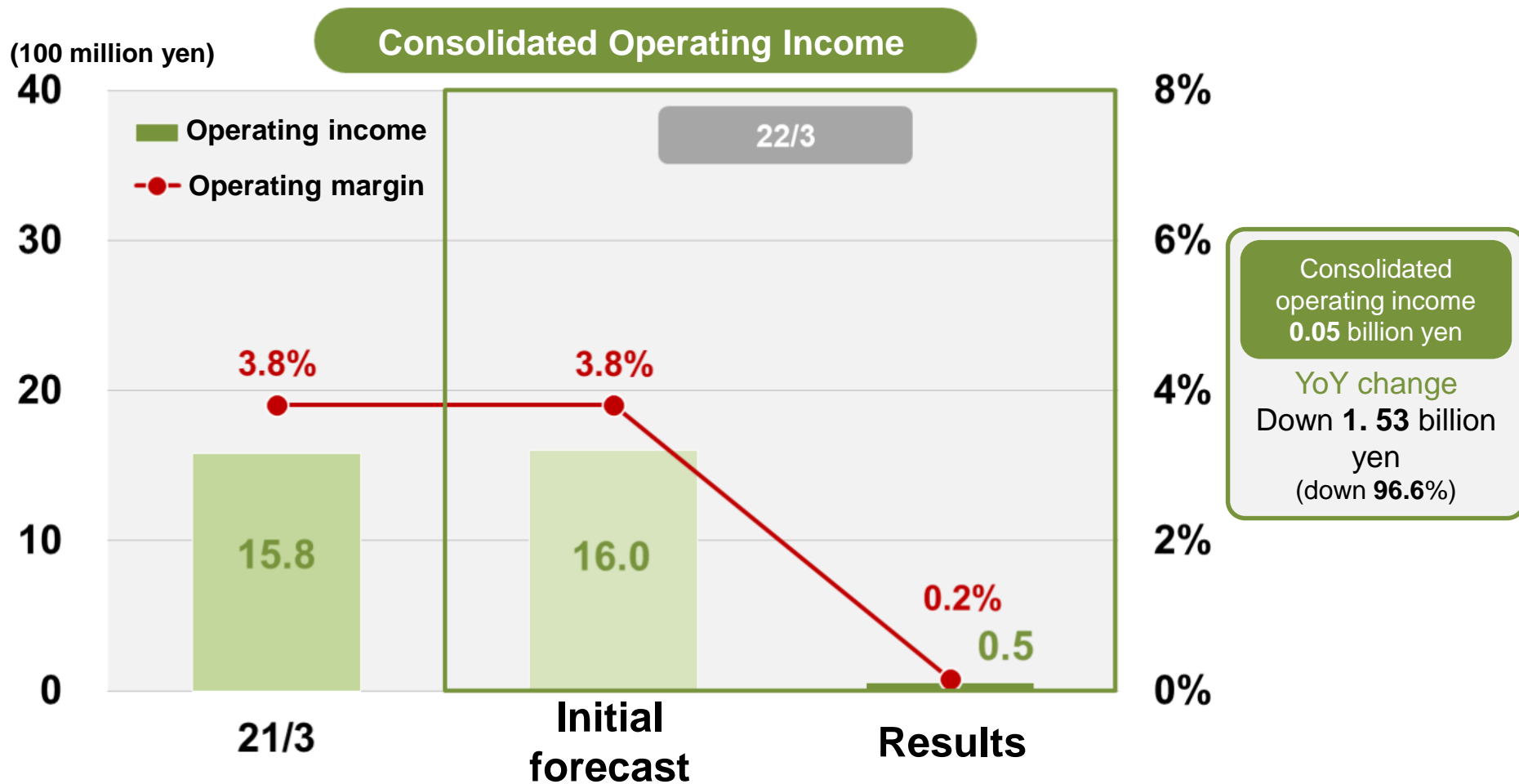
Consolidated Net Sales
33.9 billion yen
YoY change
Down 7.5 billion yen
(down 18.1%)

Telecommunication
25.9 billion yen
YoY change
Down 8.0 billion yen
(down 23.7%)

Radio Frequency
7.9 billion yen
YoY change
Up 0.5 billion yen
(up 7.1%)

Consolidated Operating Income

Consolidated operating income dropped due to decreased net sales, a spike in materials and logistics costs, etc.



Segment Income (Consolidated)

- Profit decreased for Telecommunication Business due to a spike in materials-related costs and intensified competition to win orders.
- Profit rose for the Radio Frequency Business due to a recovery trend in demand, although the impact from the semiconductor shortage was felt.

Segment Income

(100 million yen)

60

40

20

0

25%

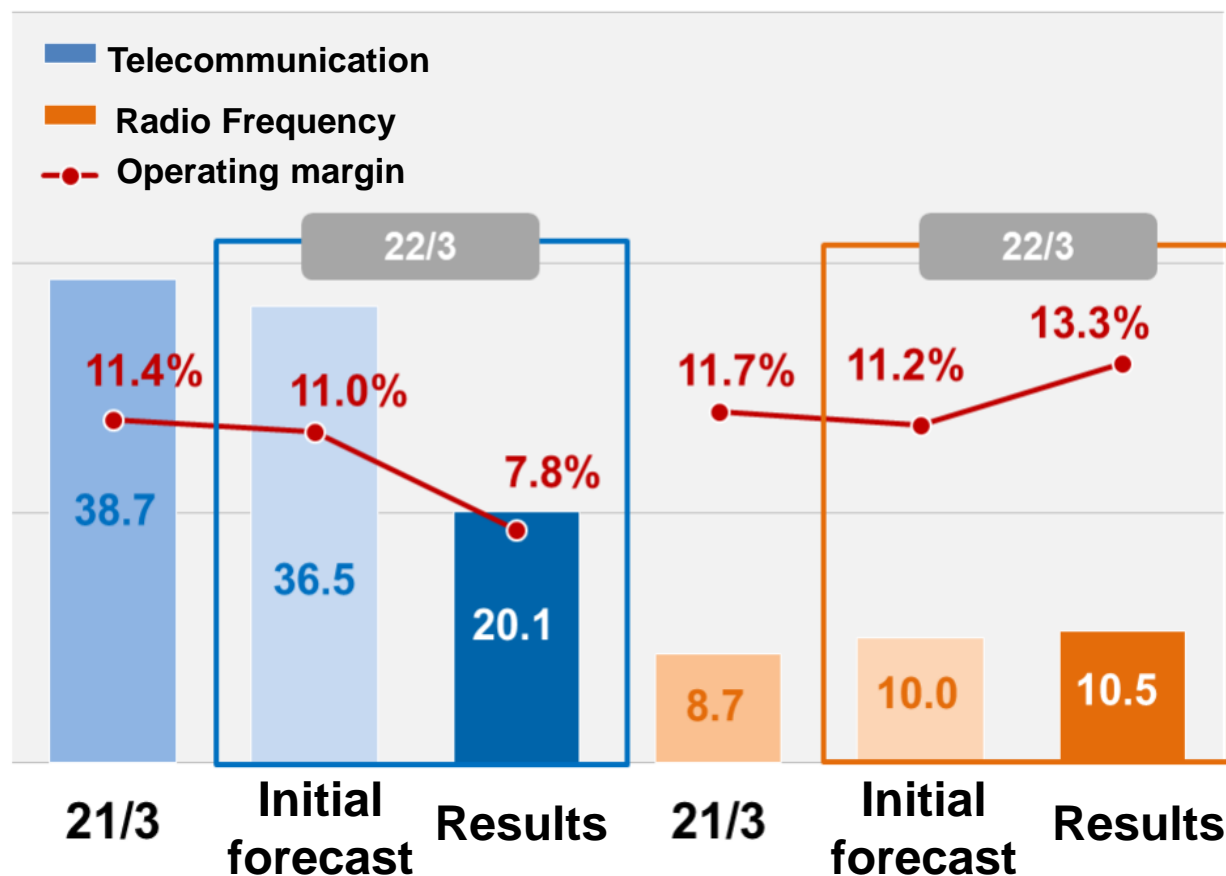
20%

15%

10%

5%

0%



Telecommunication
2.01 billion yen

YoY change
Down 1.86 billion yen
(down 48.1%)

Radio Frequency
1.05 billion yen

YoY change
Up 0.18 billion yen
(up 21.5%)

Overview of FY3/22 Consolidated Results

- Ordinary income fell 1.35 billion yen year-on-year as operating income decreased.
- Net income decreased 0.45 billion yen year-on-year.

■ Full-year statement income [consolidated]

(Millions of yen)

	FY3/21	FY3/22		YoY change		Difference from initial forecast	
	results	Initial forecast	Results	Amount	Percentage	Amount	Percentage
Net sales	41,478	42,000	33,968	-7,510	-18.1%	-8,032	-19.1%
Cost of sales	33,750	-	27,770	-5,980	-17.7%	-	-
Gross profit	7,727	-	6,198	-1,529	-19.8%	-	-
Selling, general, and administrative expenses	6,143	-	6,145	2	0.0%	-	-
Operating income	1,583	1,600	53	-1,530	-96.6%	-1,547	-96.7%
Operating margin	3.8%	3.8%	0.2 %	-	-	-	-
Ordinary income	1,799	1,800	448	-1,351	-75.1%	-1,352	-75.1%
Ordinary income margin	4.3%	4.3%	1.3%	-	-	-	-
Net income attributable to shareholders of parent company	1,155	1,200	705	-450	-38.9%	-495	-41.3%
ROE	2.5%	2.5%	1.5%	-	-	-	-

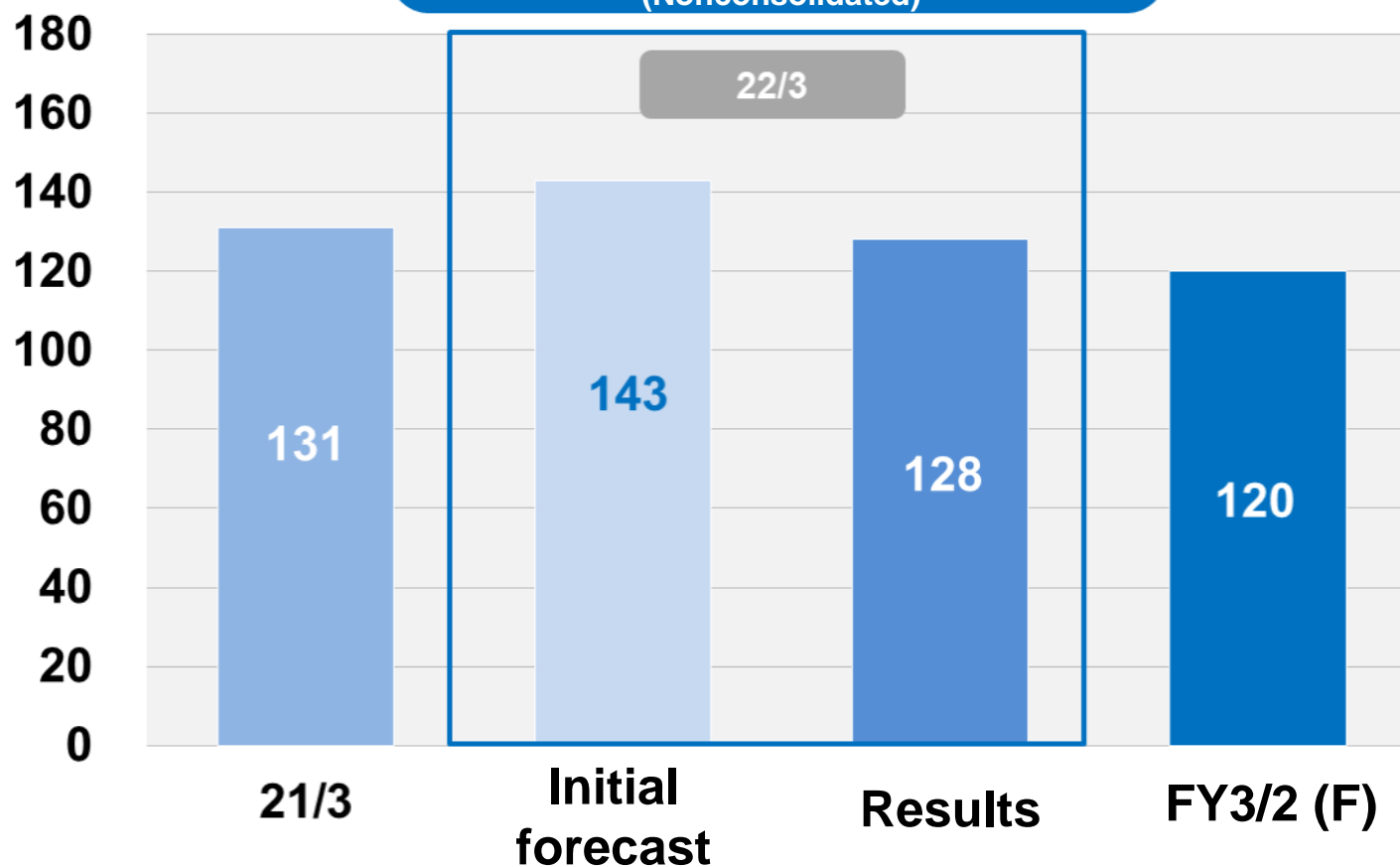
2. SEGMENT RESULTS (NONCONSOLIDATED)

Mobile Communications: Net Sales (Nonconsolidated)

- Net sales fell due to improved 5G investment efficiency and as mobile carriers pushed back some base-station construction plans.
- For the current fiscal year, we anticipate net sales will remain largely flat with a slight decrease.

(100 million yen)

Mobile Communications: Net Sales
(Nonconsolidated)



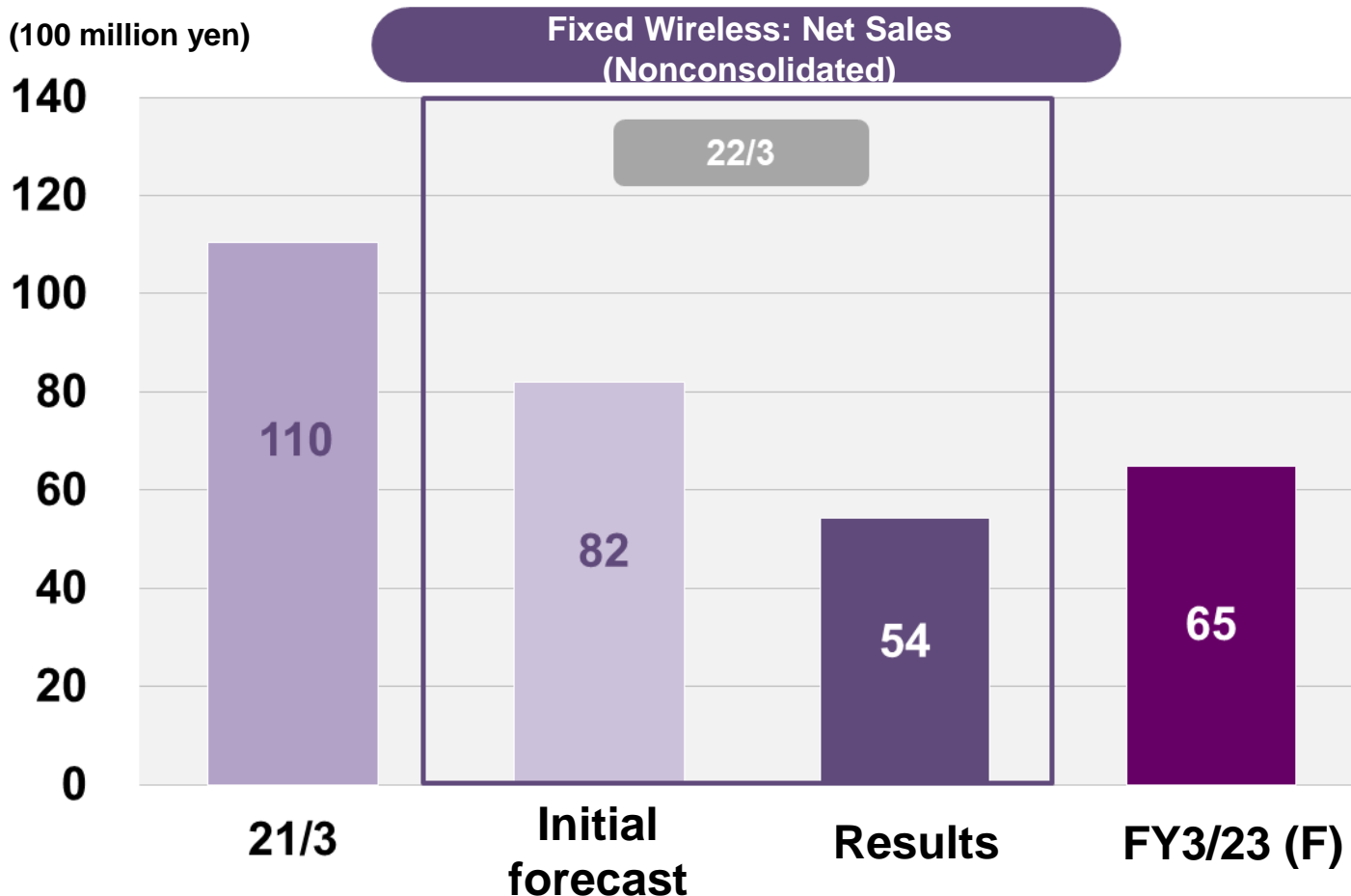
FY3/22 result
12.8 billion yen
YoY change
Down 0.2 billion yen
(down 2.0%)

FY3/23 forecast
12.0 billion yen
YoY change
Down 0.8 billion yen
(down 6.6%)

Fixed Wireless: Net Sales (Nonconsolidated)

- Net sales decreased due to extension of construction schedules affected by the impact of the COVID-19 pandemic.
- For the current fiscal year, we expect net sales to increase as demand from government offices is expected to gradually recover.

(100 million yen)



FY3/22 result
5.4 billion yen
YoY change
Down 5.6 billion yen
(down 50.9%)

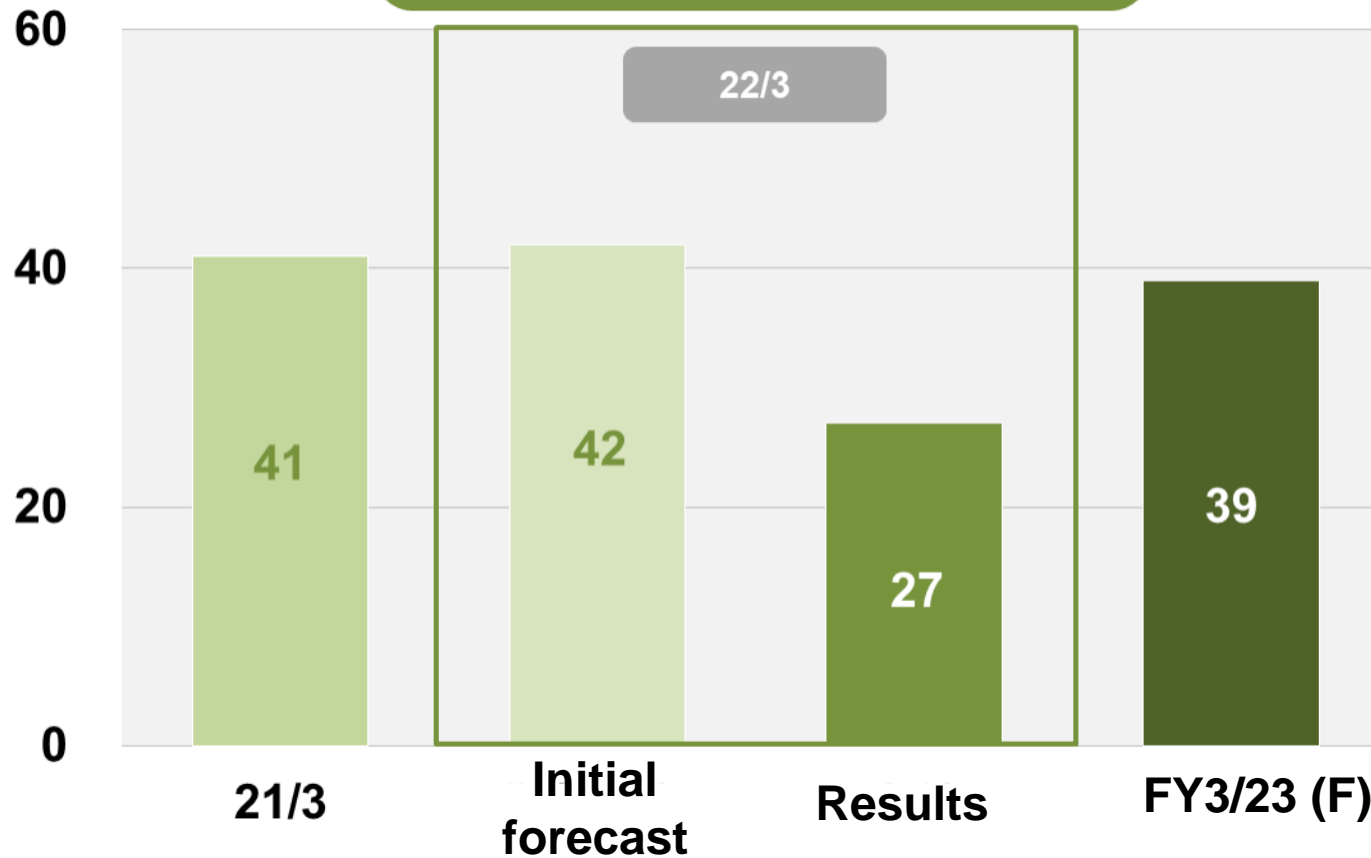
FY3/23 forecast
6.5 billion yen
YoY change
Up 1.0 billion yen
(up 20.0%)

Broadcasting: Net Sales (Nonconsolidated)

- Net sales decreased as capital expenditure demand from broadcasters dropped, affected mainly by the COVID-19 pandemic.
- For the current fiscal year, we expect to achieve an increase in net sales by working to capture demand from moves to update existing terrestrial digital broadcasting equipment.

(100 million yen)

Broadcasting: Net Sales (Nonconsolidated)



FY3/22 result
2.7 billion yen
YoY change
Down 1.3 billion yen
(down 32.6%)

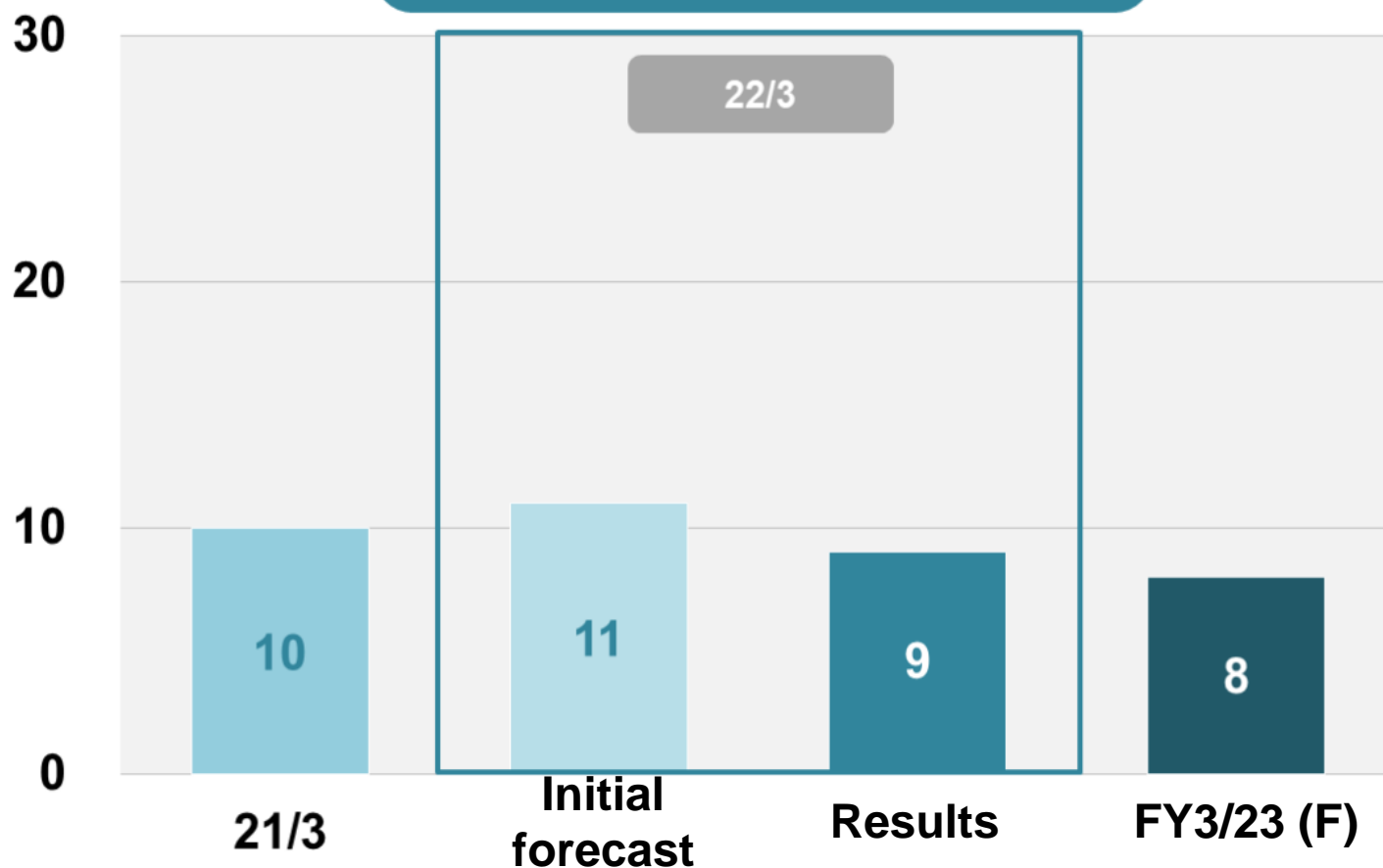
FY3/23 forecast
3.9 billion yen
YoY change
Up 1.1 billion yen
(up 41.1%)

Other: Net Sales (Nonconsolidated)

- While competition to win orders remained a challenge, net sales largely stayed flat thanks to our aggressive proposition sales effort.
- For the current fiscal year, we expect net sales to remain largely flat as we continue to work to capture demand.

(100 million yen)

Other: Net Sales (Nonconsolidated)

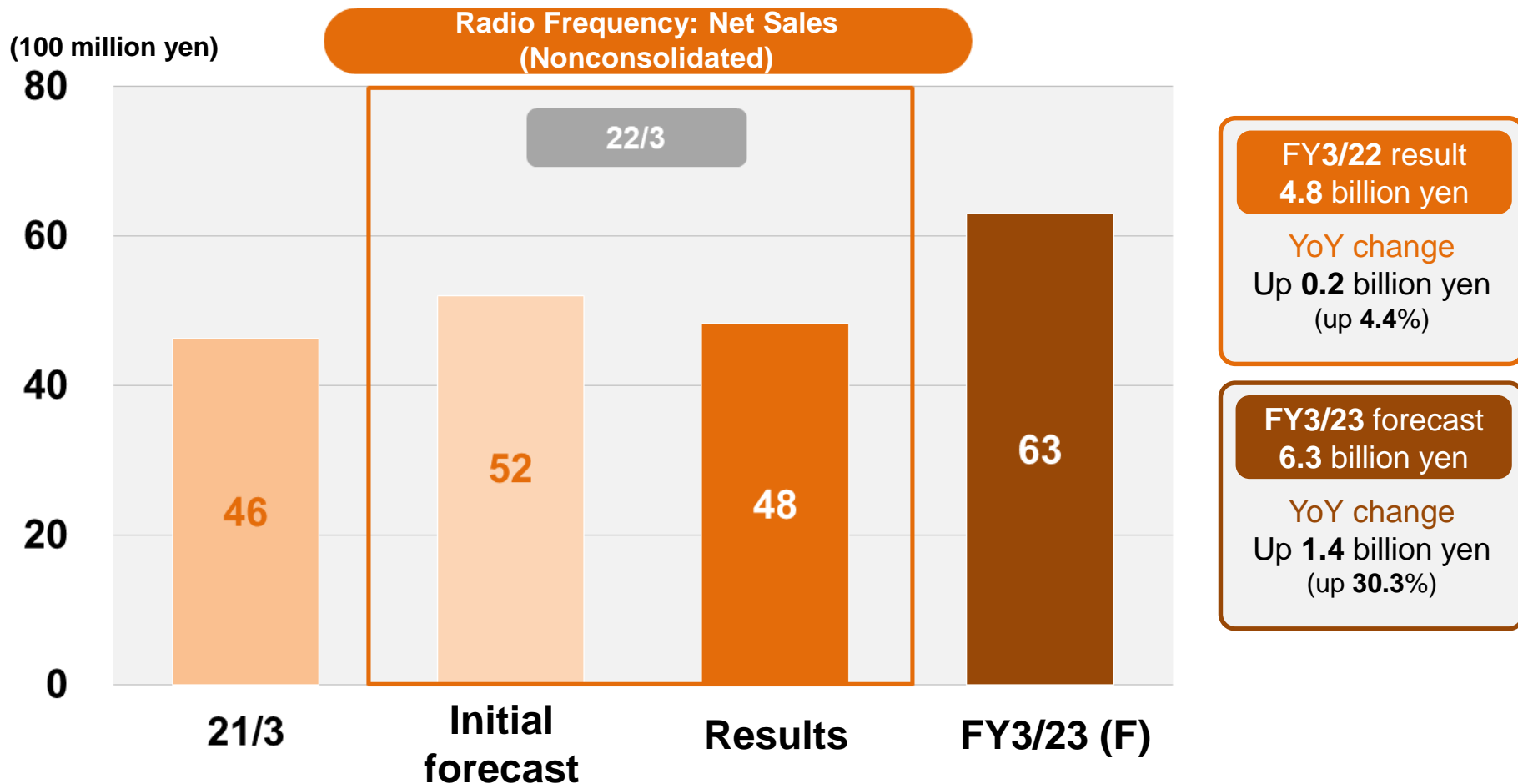


FY3/22 result
0.9 billion yen
YoY change
Down 0.07 billion yen
(down 7.0%)

FY3/23 forecast
0.8 billion yen
YoY change
Down 0.1 billion yen
(down 14.1%)

Radio Frequency: Net Sales (Nonconsolidated)

- Net sales increased, driven by recovering demand from the automotive industry.
- For the current fiscal year, we expect net sales to increase, although we anticipate the impact from the semiconductor shortage will be felt.



Overview of Nonconsolidated Net Sales

(Millions of yen)

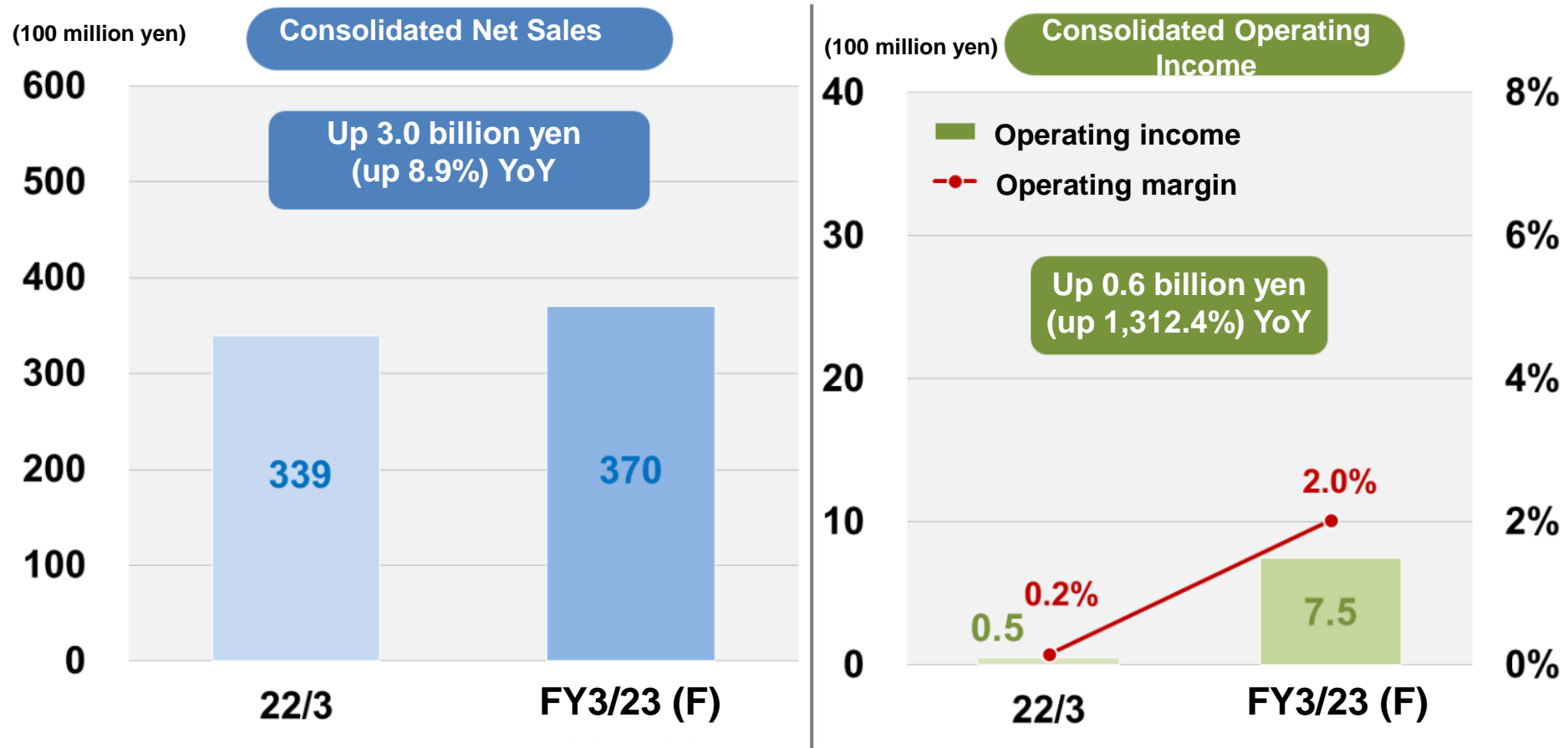
	FY3/21 results	FY3/22		YoY change		Difference from initial forecast		FY3/23 Forecasts	YoY change	
		Initial forecast	Results	Amount	Percentage	Amount	Percentage		Amount	Percentage
Net sales	34,308	33,400	27,310	-6,998	-20.4 %	-6,090	-18.2 %	30,000	2,690	9.8 %
Telecommunication	29,345	27,850	22,478	-6,867	-23.4 %	-5,372	-19.3 %	23,350	872	3.9 %
Mobile Communications	13,115	14,300	12,852	-263	-2.0 %	-1,448	-10.1 %	12,000	-852	-6.6 %
Fixed Wireless	11,037	8,200	5,418	-5,619	-50.9 %	-2,782	-33.9 %	6,500	1,082	20.0 %
Broadcasting	4,102	4,200	2,764	-1,338	-32.6 %	-1,436	-34.2 %	3,900	1,136	41.1 %
Cable Broadcasting	24	50	453	429	1787.5 %	403	806.0 %	100	-353	-77.9 %
Other Businesses	1,063	1,100	989	-74	-7.0 %	-111	-10.1 %	850	-139	-14.1 %
Radio Frequency	4,632	5,200	4,835	203	4.4 %	-365	-7.0 %	6,300	1,465	30.3 %
Other Businesses	330	350	330	0	0.0 %	-20	-5.7 %	350	20	6.1 %

Note: Of the figures for FY3/22, the ASBJ Statement No. 29 Accounting Standard for Revenue Recognition was applied only for the actual net sales of 27,310 million yen.

3. FORECASTS FOR CURRENT FISCAL YEAR

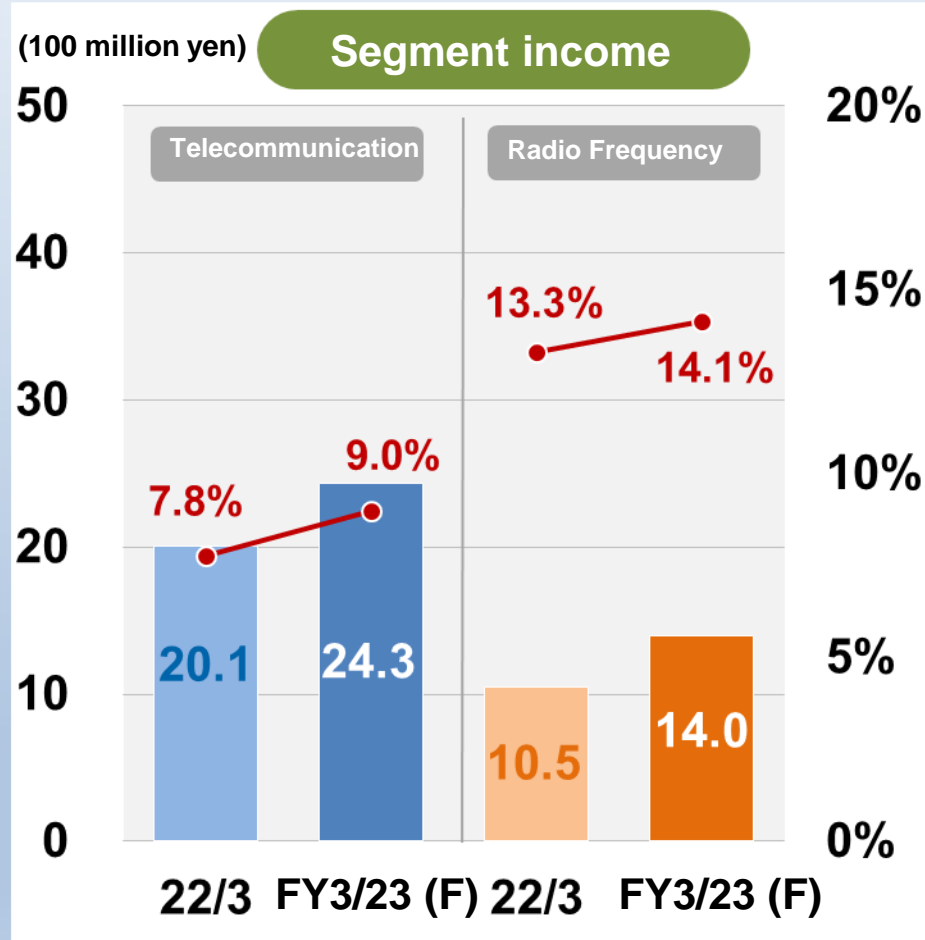
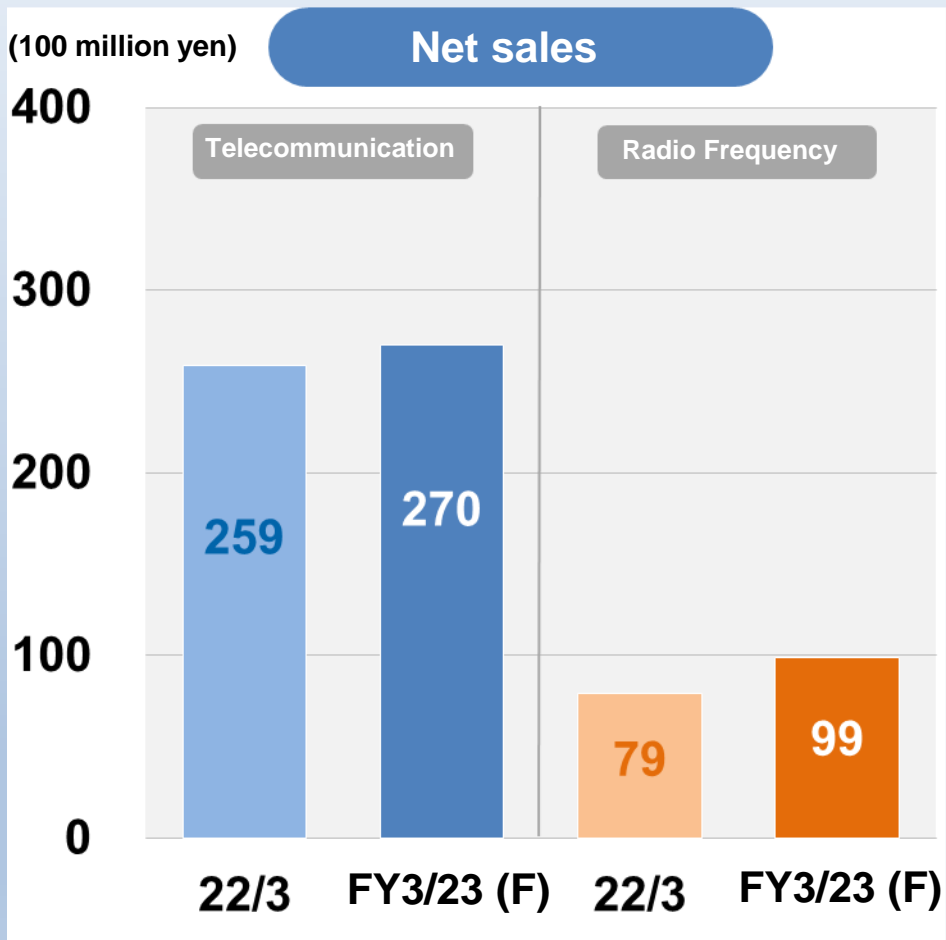
Consolidated Net Sales and Operating Income Forecasts

- Consolidated net sales have been recovering gradually from the impact of the COVID-19 pandemic. We expect the overall net sales will increase from a year earlier.
- Consolidated net income is expected to increase, driven by cost-cutting activities and efforts to improve operational efficiency.



Segment Forecasts (Consolidated)

■ We estimate both net sales and profit will increase for the Telecommunication and Radio Frequency segments.



Overview of Consolidated FY23/3 Forecasts

(Millions of yen)

	FY3/22 results	FY3/23 forecasts	YoY change	
			Amount	Percentage
Net sales	33,968	37,000	3,032	8.9 %
Telecommunication	25,908	27,000	1,092	4.2 %
Radio Frequency	7,959	9,900	1,941	24.4 %
Operating income	53	750	697	1,312.4 %
Operating margin	0.2 %	2.0 %	-	-
Telecommunication	2,010	2,430	420	20.9 %
Operating margin	7.8 %	9.0 %	-	-
Radio Frequency	1,058	1,400	342	32.3 %
Operating margin	13.3 %	14.1 %	-	-
General and administrative expenses, etc.	-3,015	-3,080	-65	2.2 %
Ordinary income	448	900	452	100.8 %
Ordinary income margin	1.3 %	2.4 %	-	-
Net income attributable to shareholders of parent company	705	750	45	6.2 %
ROE	1.5 %	1.6 %	-	-

Note 1: Net sales of Other segment omitted

Promotion of radio equipment development

- Work to develop widely adaptable radio equipment to increase competitiveness as a growing adoption of the O-RAN international standard, as we can expect an increase in wide-ranging customer demand.



Development of antennas and peripheral devices

- Focus on development of advanced antennas required for 5G and expand a lineup of products in anticipation of “beyond-5G” demand, including measures for terahertz waves, not just 5G demand.
- In order to make attractive propositions to capture demand for local 5G solutions, develop repeaters and metamaterial reflector panels, which are essential for area construction, to ensure the advantageous position for products.



Shift to the high-frequency induction heating method as the share of heat-treatment furnaces is large in the metal heat processing industry.

Furnace heat treatment method

Advantages

- Can perform batch processing in large capacity
- Equipment already depreciated as it was introduced years ago

Disadvantages

- Take time to start up equipment as it burns gas or oil (and emits CO₂)
- Involve hazardous work that requires separate assignment of persons responsible for safety management



High-frequency induction heating method

Advantages

- Can process after starting up instantly
- Do not emit CO₂ while processing and is safe with limited scope of areas exposed to high temperatures
- Processing on production lines possible
- Can address mass production using automated processing by robots

Disadvantages

- Require spending for installing induction heating equipment

Initiatives on Governance

Compliance program

Management's commitment

Communicate from the management layer a message, clearly and on an ongoing basis, that compliance is the most important matter and precondition for the management and the management team is committed to leading the effort to maintain compliance.

Effective compliance promotion

Promote compliance for the group as a whole through, among others, meetings attended by persons responsible for compliance from the DKK group members.

Maintaining internal rules and ensuring everyone is aware of them

Appropriately reflect work processes in rules, including those of group companies, and take measures in response to amendments to related laws, etc.

Shareholder Return

- For FY3/22, we plan a year-end payout of 60 yen per share, with DOE of 1.5% set as the lower limit.
- As a measure to enhance shareholder returns and improve capital efficiency, we are in the process of buying back treasury shares totaling up to 1,100,000 shares or 2.5 billion yen in a period from February 2022 to December 2022.
- We decided on a policy to retire the portion in excess of 10% of treasury shares in FY3/22.

Our policy on shareholder return

Targeting payout ratio of **40%** on a consolidated basis with **DOE of 1.5%** as the lower limit.

Our policy for shareholder returns is to aim for a payout ratio of **40%** on a consolidated basis while not letting the dividend on equity ratio (**DOE**) on a consolidated basis to fall below **1.5%**. As part of a measure for enhancing shareholder return, we are buying back treasury shares totaling up to 2.5 billion yen setting in a period from **February 2022 to December 2022**.

We decided in **FY3/22** on a policy to retire the portion in excess of **10%** of treasury shares.

Year-end payout of **60 yen per share** planned for **FY3/22**

4. MEDIUM-TERM BUSINESS PLAN HIGHLIGHTS

DKK-Plan2025 Established

We established a **3-year** plan starting from **FY3/23**.

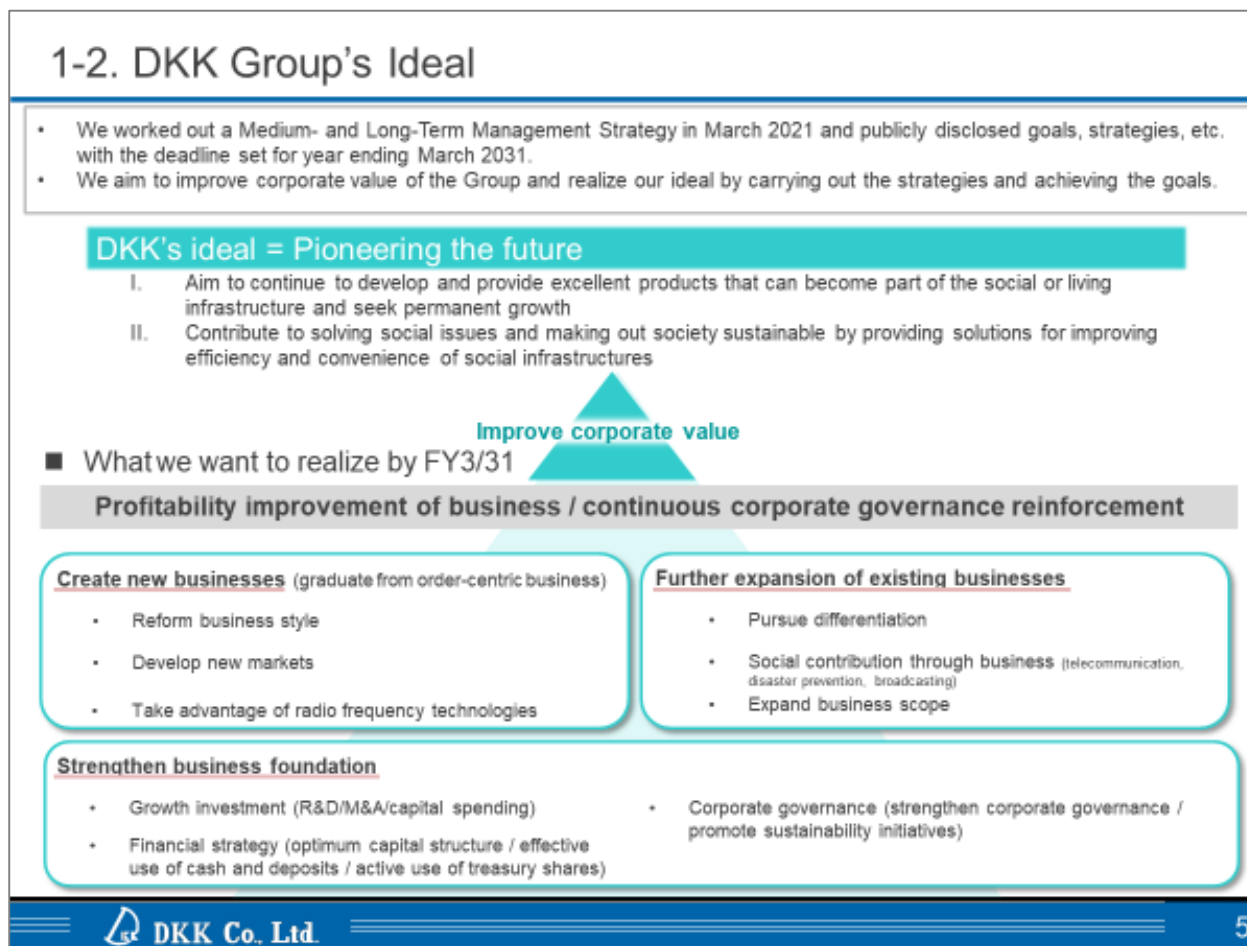


Access this URL for detailed information:

https://www.denkikogyo.co.jp/ir/library/pdf/plan/2022/DKK_plan2025.pdf

In Pursuit of Our Ideal

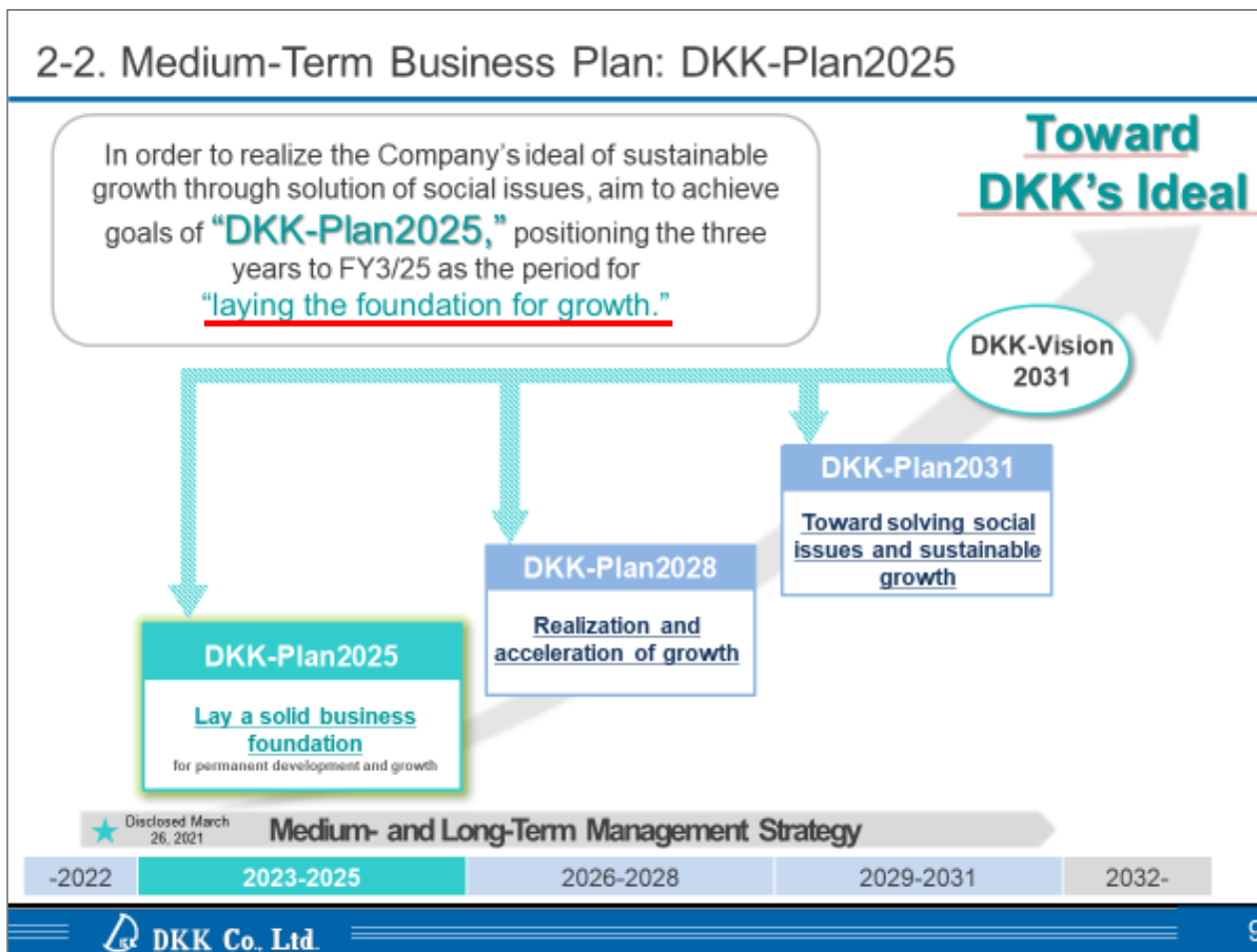
Create new businesses and further expand existing businesses by **FY3/31** to strengthen our business foundation



From page 5 of Medium-Term Business Plan: DKK-Plan2025

To Realize DKK-Vision2031

Aim for further growth by laying a foundation for growth by **FY3/25**



From page 9 of Medium-Term Business Plan: DKK-Plan2025

Basic Policy and Priority Measures

Build a solid foundation for growth, with **three** measures at the center

2-3. DKK-Plan2025: Basic Policy and Priority Measures

Medium-Term Business Plan: DKK-Plan2025: Basic Policy

Improve corporate value through promotion of sustainability management

Priority measures

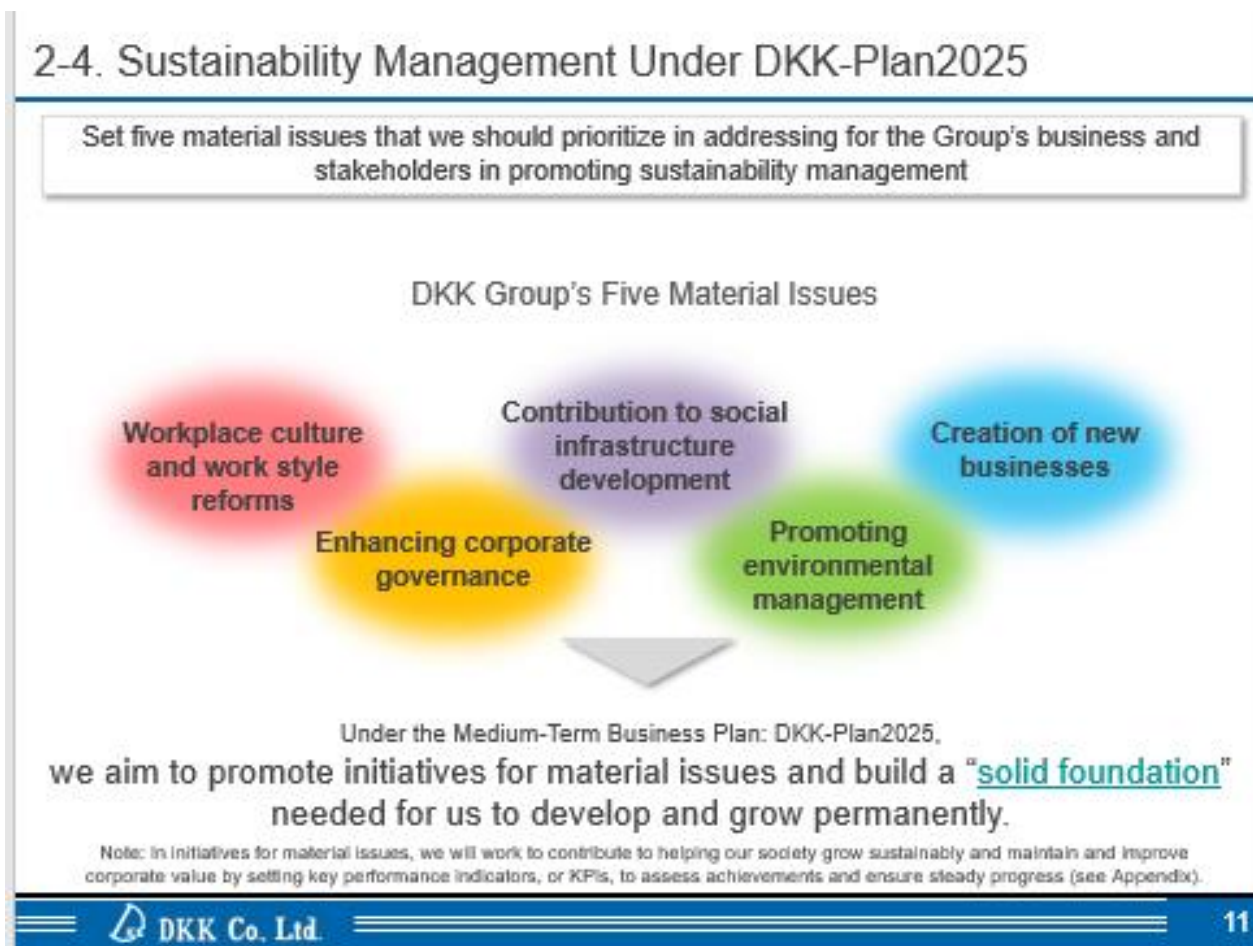
- 1 Strengthen business foundation**
 - Enhance corporate governance; promote compliance management
 - Improve employee engagement
 - Promoting environmental management
- 2 Optimize business portfolio**
 - Ensure visibility of business profitability of new segments/ROIC
 - Promote structural reforms, including the Group
 - Strengthen business foundation for profit creation
- 3 Realize new business creation early**
 - Capital tie-ups and active investment in M&A
 - Launch solution business toward resolving social issues
 - Aggressive investment in human resources development

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From page 10 of Medium-Term Business Plan: DKK-Plan2025

Material Issues to Achieve Goals

Promote initiatives for **five** material issues to achieve sustainable development and growth



From page 11 of Medium-Term Business Plan: DKK-Plan2025

Numerical Targets

Numerical targets set for pursuit to improve revenue base

2-5. Numerical Targets

■ DKK-Plan2025: numerical targets

By working to **maximize profit** and carrying out more flexible capital strategies, we aim to achieve **ROE of 5% a year ahead of the target date***.

* In comparison with the target at the time of Medium- and Long-Term Management Strategy

	FY3/22 results	FY3/25 targets
Net sales	33.9 billion yen	43.0 billion yen
Net income	0.7 billion yen	2.0 billion yen
D/E ratio	0.01	0.2-0.3
ROE	1.5%	5.0%

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From page 12 of Medium-Term Business Plan: DKK-Plan2025

Financial Strategy

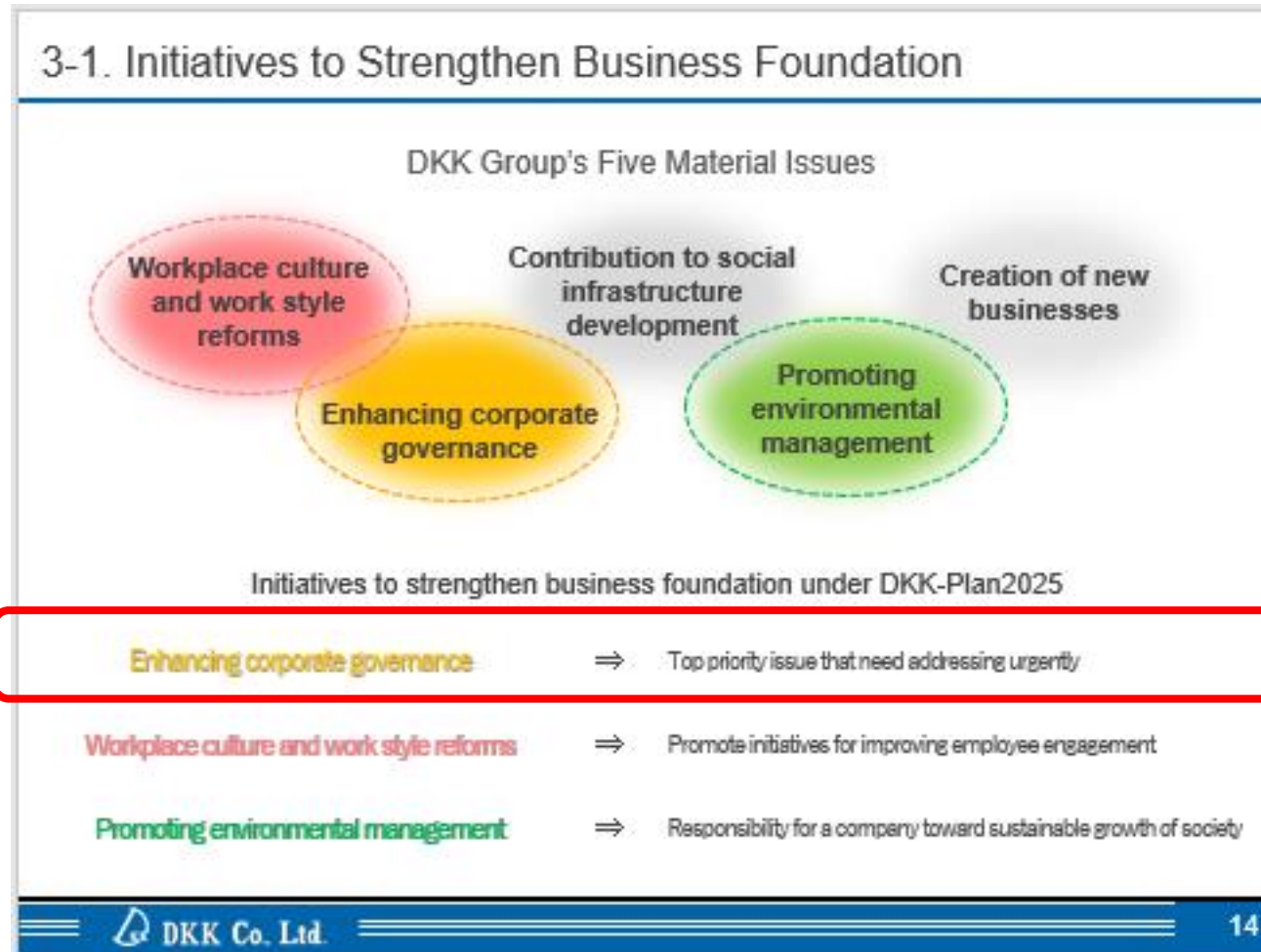
Aggressive investment to lay the foundation for improved profitability



From page 40 of Medium-Term Business Plan: DKK-Plan2025

Toward Strengthening Business Foundation

Restructure relationship of trust with all stakeholders by developing highly transparent management structure



From page 14 of Medium-Term Business Plan: DKK-Plan2025

Toward Strengthening Business Foundation

Solidify business foundation by securing a Board of Directors structure that incentivizes Directors to promote reforms

3-2. Initiatives for “Enhancing corporate governance” (2)

Board of Directors: Ensure soundness, transparency and effectiveness of Board of Directors

Change of Directors' term

Term to be shortened to one year

In order to clarify the management responsibilities and quickly respond to changes in the management environment, we plan to partially amend the Articles of Incorporation to change the term of office of Directors to one year from the current two years, pending the 2022 General Meeting of Shareholders approval.

Functional reinforcement to Nomination and Compensation Committee

Chairman to be served by independent outside director; promotion of revitalization

Regarding personnel decisions, compensation, etc. of the management layer, which plays the role of ensuring sustainable growth and enhancing reliability of the Company, we established Nomination Committee and Compensation Committee in each of which independent outside directors represent the majority, as advisory bodies for the Board of Directors to provide a function to enhance objectivity and transparency of the decision-making process. We appoint independent outside director as chairperson of each committee, work on revitalization and enhance functions of the committees.

Revision in Directors' compensation system

Promotion of “pay for performance”

The shares of Directors' compensation types will be set to “70 fixed : 30 variable” as a short-term plan, and thereafter the system will be reviewed with an aim to expand the variable portion in steps.

Note: [Currently] The shares of compensation types are set at “85 fixed : 15 variable” when performance-linked compensation (Directors' bonuses) is paid in full.

In addition, a Directors' compensation system that contributes to improving corporate value will be developed by reviewing the evaluation content for the variable portion and considering to introduce malus and clawback provisions in the internal rules related to the Company's share awards.

Practicing effectiveness evaluation and enhancing disclosure content

Disclosure of effectiveness evaluation results

Utilize effectiveness evaluation as a measure to improve effectiveness of the Board of Directors. We disclose effectiveness evaluation results and identified issues and work hard on initiatives to resolve them.

Toward Strengthening Business Foundation

Prioritize human resources, which form the basis for management
Aim for growth and sustainability while paying attention to external environment

3-3. Initiatives for “Workplace culture and work style reforms” (1)

A working group set up in 2021 to promote “workplace culture and work style reforms”
The working group is participated mainly by personnel affairs-related divisions, as well as individuals from offices other than the headquarters as group members and its full-fledged activity began in FY2022.

■ Key measures under DKK-Plan2025



Increase employee engagement

by promoting the initiatives of “workplace culture and work style reforms”

3-4. Initiatives for “Promoting environmental management” (1)

A working group set up in 2021 to promote environmental management
Step up initiatives for social contribution through efforts coordinated across the entire Group, with members from affiliates in Japan and overseas participating.

■ Key measures under DKK-Plan2025

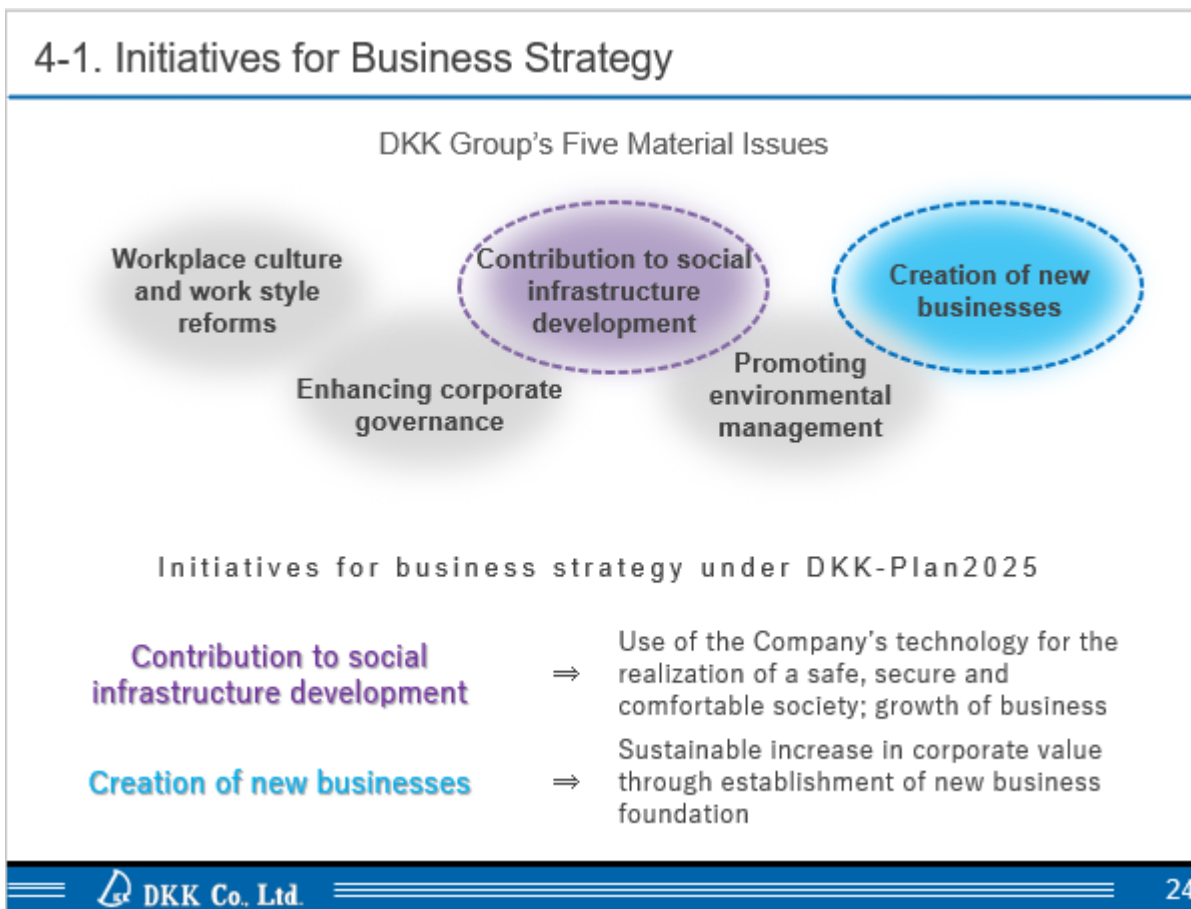


Fulfill the responsibility as a company to help maintain sustainable growth of society

by promoting environmental management under coordinated efforts across the Group

Business Strategy

Work to optimize business portfolio, with **two** of the **five** material issues as axes



From page 24 of Medium-Term Business Plan: DKK-Plan2025

Business Strategy

Establish new segments for the purpose of business structural reforms and clear management of profit for each division

4-2. Toward Optimizing Business Portfolio

- Change the Group's business segmentation description in response to change in the business environment and the business structure
- Work on business style reforms, development of new markets, and application of radio frequency technologies under group-wide effort toward an optimum business portfolio composition

Former segments

Consolidated: 2 divisions /
Nonconsolidated: 5 segments

Telecommunication Business	Mobile Communications	Mobile phone base stations; antennas, construction work, steel towers, etc.
	Fixed Wireless	Disaster-prevention radio systems for government offices and fire-fighting wireless systems, telecommunication antennas and equipment for defense use, etc.
	Broadcasting	Transmitter station equipment for TV and radio broadcasting, maintenance, etc.
	Other Businesses	Aviation obstacle lights, LED lights, renewable energy-related, etc.
Radio Frequency Business	Radio Frequency	Manufacture and sale of high-frequency induction heating equipment for automotive components, contract heat treating service, etc.

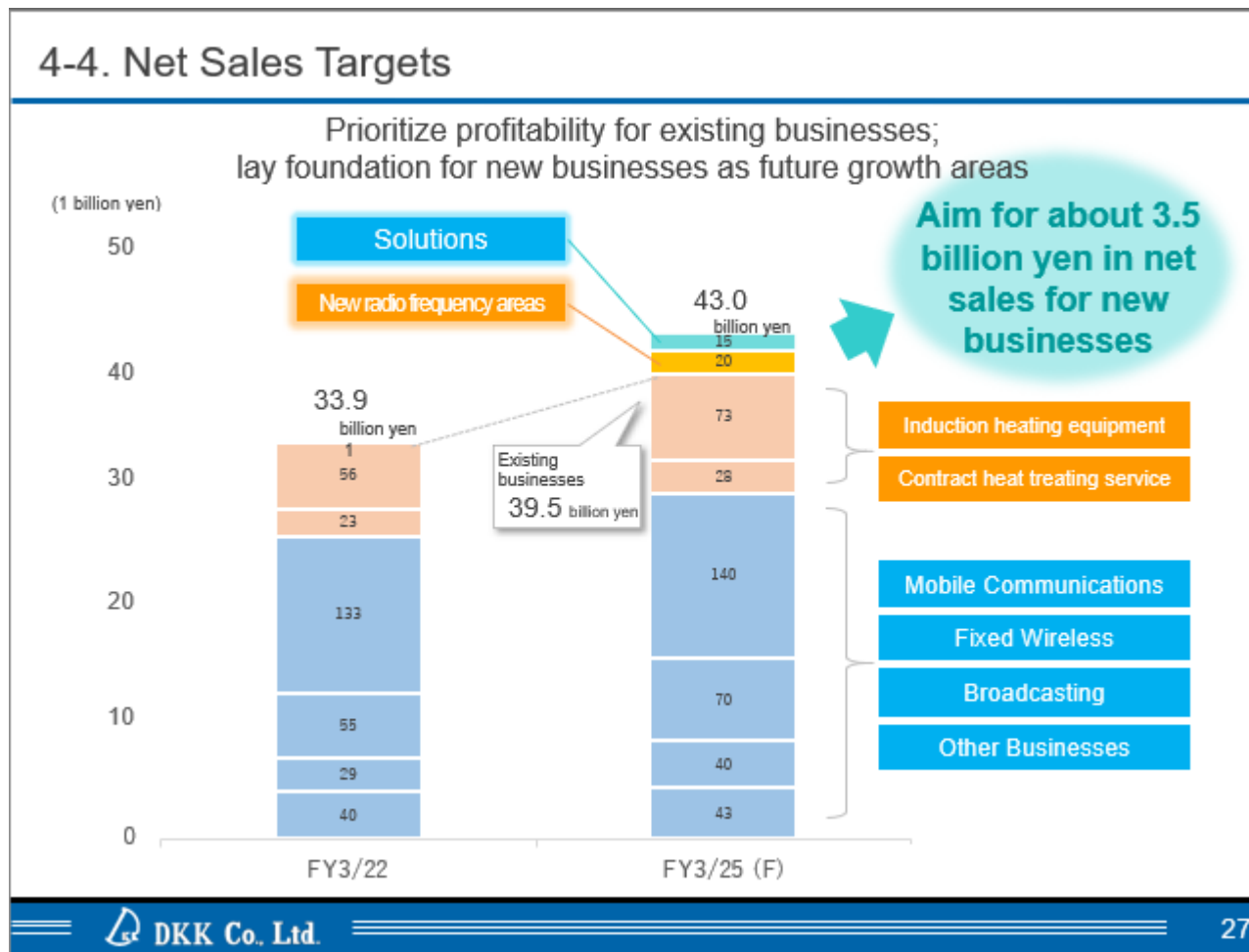
New segments

Consolidated: 8 segments

Mobile Communications	Mobile phone base station antennas, construction work and steel towers, radio equipment, etc.
Fixed Wireless	Disaster-prevention radio systems for government offices and fire-fighting wireless systems, telecommunication antennas and equipment for defense use, etc.
Broadcasting	Transmitter station equipment for TV and radio broadcasting, maintenance, etc.
Solutions	Network-related business, including services (local 5G, etc.)
Other Businesses	Steel structure manufacturing and plating, aviation obstacle lights, LED lights, renewable energy-related, etc.
Induction heating equipment	Manufacture and maintenance of high-frequency induction heating equipment for automotive components
Contract heat treating service	Contract heat treating service for automotive components, etc.
New radio frequency areas	Applied high-frequency business for environment- and food-related use; businesses targeting other new areas

Business Strategy

Aim for net sales of **43.0** billion yen by **FY3/25**, up about **25%** from the level in **FY3/22**



From page 27 of Medium-Term Business Plan: DKK-Plan2025

Business Strategy

Set local **5G** as the key target, develop radio technology and a solution service for customer issues, and grow it into a **5.0** billion yen business

4-5. Solutions Business Strategy

Solutions Business

(Local 5G, network-related businesses/services, etc.)



Establish it as a business by the end of the period in this Medium-Term Business Plan and expand it into a business worth about 5.0 billion yen by 2031 (for a long term)

Goal

- Take advantage of wireless communication technology, the Company's strength, to expand business into a broad range of markets including adoption of other wireless technologies, while using local 5G as the pillar
- Break away from order-centric industry by establishing issue-solving-style service business

Strategy

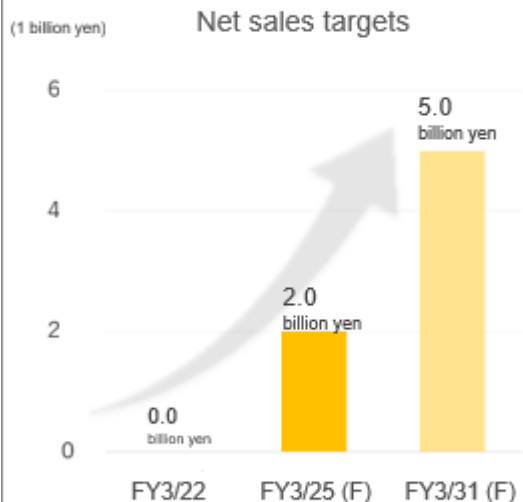
- Enhance and expand lineups using alliance
- Offer one-stop service covering from planning to operation
- Use solution-/network-related technologies in existing businesses
- Expand throughout Japan by establishing dedicated sales division and reinforce Sler human resources
- Expand and enhance support structure by establishing dedicated operational management division
- Use solutions unique to the Company, including repeaters and metamaterial reflector panels, and realize efficient communication environment using area simulation based on the Company's know-how
- Actively use it at the Company's plants and construct model cases for introduction of smart factories

Business Strategy

Develop a new market by finding applications for the superheated steam technology
Set it as the core business of environmental management and grow it into a **5.0** billion yen business

4-6. Strategy for New Radio Frequency Areas Business

New radio frequency areas business (Applied high-frequency business for environment- and food-related use and other new areas)



Establish it as a business by the end of the period in this Medium-Term Business Plan and expand it into a business worth about 5.0 billion yen by 2031 (for a long term)

Goal

- To grow it into a core business for environmental management
- To create businesses, including value-addition to industrial waste, in addition to equipment delivery

Value addition to industrial waste

Mix plastics into dried industrial waste to process it into plastic pellets and plastic products









Strategy

- Expand application to nonautomotive areas by enhancing superheated steam technology
- Speed up expansion of business areas through alliance with peripheral companies
- Reinforce development/sales personnel
- Expand business into overseas markets by using overseas group members

Business Strategy

Work to expand our market share and improve profitability through social contribution by building social infrastructures, using the technology and trust we have developed as the basis

	Goal	Strategy
 Mobile Communications	To expand our shares in the 5G market and improve profitability by entering the radio equipment market, in addition to antennas, in earnest	Take advantage of our antennas to expand shares, expand scope of business fields by enhancing/expanding O-RAN radio equipment products, and improve profitability reforming production locations and consolidating construction work divisions
 Fixed Wireless	To help establish society resistant to disasters and improve profitability by stepping up development of administrative radio systems	Increase sale of 280MHz band disaster-prevention radio systems, develop disaster-prevention products in collaboration with solutions business, and improve profitability by unifying calculation divisions and consolidating construction work divisions
 Broadcasting	To maintain and update broadcasting equipment as a social mission	Steadily capture demand from update needs, increase orders by reinforcing the strengths that allow us to take on wide-ranging areas of work, and improve profitability by consolidating construction work divisions
 Other Businesses	To actively sell products friendly to the environment and capture continuous demand for outdoor steel building frameworks	Expand sales of environmentally friendly products, including LED aviation obstacle lights, improve quality in steel building frameworks and plating processing business, and step up differentiation measures for ancillary work, etc.
 Induction Heating Equipment	To capture emerging demands associated with electrification of vehicles, expand market shares, and improve profitability	Promote activities to convert other heat treatment methods to the induction heating method, which has a low impact on the environment, capture demand from emerging needs in the EV market and develop coil-manufacturing technology to improve profitability
 Contract Heat Treating Service	To promote use of the induction heating method in the global market and improve profitability	Cut costs and improve profitability by developing markets using overseas operations, downsizing staff in the heat-treatment process, making factories smart, and introducing solar power equipment

Excerpts from pages 32 to 37 of Medium-Term Business Plan: DKK-Plan2025

Business Strategy

Expand existing businesses, beginning with drastic reforms and begin to target overseas markets, rather than just the domestic market

4-8. Structural Reforms

Carry out drastic organizational reforms for optimizing Business Portfolio, execution of growth strategy

Reform of internal organization

- **Acceleration toward resolution of management issues**
Set up president's office to enable swift execution of management decisions; set up cross-divisional committees according to purposes
- **Reinforce sales abilities**
Human resource investment in sales divisions; establish issue-solving-format sales styles
- **Consolidate R&D divisions**
Consolidate wireless equipment development divisions into Wireless R&D Center offices and consolidate Wireless R&D Center and Future Research Center offices to accelerate innovative R&D



Improved organizational performance

Reform of affiliate companies in preparation for group integration

- **Consolidate production facilities**
Consolidate/split subsidiaries based on the business field or area
- **Consolidate construction work divisions**
Separation from sales divisions; enhance cost management by integrating technologies from across Japan
- **Promote active use of human resources**
Use human resources within the Group in flexible manner



Stronger profit structure

Optimization of overseas strategies

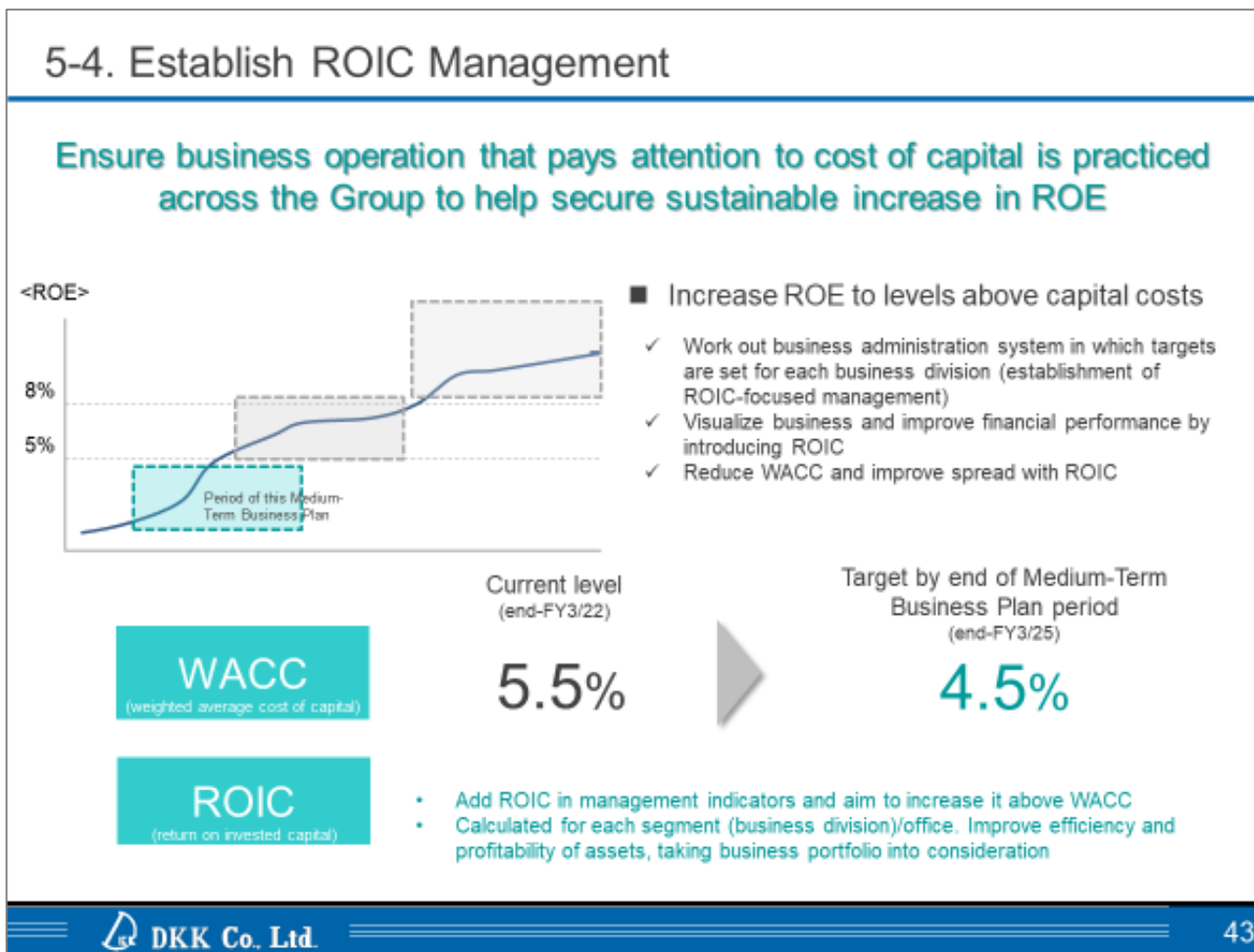
- **Create optimum production structure**
Reorganize production facilities in a flexible manner, including partner companies, in order to address currency risks and improve profitability
- **Expand areas of Radio Frequency operations overseas**
Expand and enhance services through optimum allocation of equipment-production, maintenance and contract-processing services
Channeling human resources in response to demand



Improved profitability of overseas operations

Capital Strategy

Make **ROIC** and **WACC** the key indicators to make us aware of investment impacts toward future growth and business expansion



From page 43 of Medium-Term Business Plan: DKK-Plan2025

Thank you very much
for your attention.

APPENDIX

Operating Results Recalculated According to New Business Segmentation

(Millions of yen)

	FY3/22 Results
Net sales	33,968
Telecommunication	25,908
Mobile Communications	13,310
Fixed Wireless	5,509
Broadcasting	2,996
Solutions	128
Other Businesses	3,966
Radio Frequency	7,959
Induction Heating Equipment-Related	5,619
Contract Heat Treating Service	2,341
New Areas Business	0

New segment in
Telecommunication
Business

New segments in
Radio Frequency
Business

Note 1: Net sales includes revenues from facility leasing and power sale in addition to Telecommunication and Radio Frequency.

Notes on Earnings Forecasts

Figures included in this document that are related to descriptions, including plans and policies and not past facts, are forecasts regarding future earnings. They are all calculated based on management assumptions and views based on information grasped by the company at the time of writing.

Therefore, these forecasts include risks and uncertain factors, and actual results may differ from them due to a variety of factors. Such potential risks and uncertain factors include changes in economic situations and product demand levels in major markets, fluctuations in the foreign exchange market, changes in regulations in Japan and overseas, and accounting standards and practices.