



# Results for Fiscal Year Ended March 31, 2023

May 30, 2023

DKK Co., Ltd.

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# 1. RESULT HIGHLIGHTS (CONSOLIDATED)

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# Overview of FY3/23 Results

- Net sales for the Radio Frequency Business increased, but that for the Telecommunication Business decreased; as a result, the overall net sales declined.
- A rise in cost-to-sales ratio, driven mainly by a spike in material prices, resulted in decreases in operating income, ordinary income and net income.

## ■ Full-year statement of income

(Millions of yen)

	FY3/22 results	FY3/23		YoY change		Difference from forecast	
		Forecasts	Results	Amount	Percentage	Amount	Percentage
<b>Net sales</b>	33,968	32,000	31,817	-2,151	-6.3%	-183	-0.6%
Cost of sales	27,770	-	27,732	-38	-0.1%	-	-
Gross profit	6,198	-	4,084	-2,114	-34.1%	-	-
Selling, general, and administrative expenses	6,145	-	5,595	-550	-8.9%	-	-
<b>Operating income</b>	53	-1,800	-1,510	-1,563	-	290	-
Operating margin	0.2%	-5.6%	-4.7%	-	-	-	-
<b>Ordinary income</b>	448	-1,500	-1,219	-1,667	-	281	-
Ordinary income margin	1.3%	-4.7%	-3.8%	-	-	-	-
<b>Net income attributable to shareholders of parent company</b>	705	-1,700	-1,181	-1,886	-	519	-
ROE	1.5%	-3.8%	-2.7%	-	-	-	-

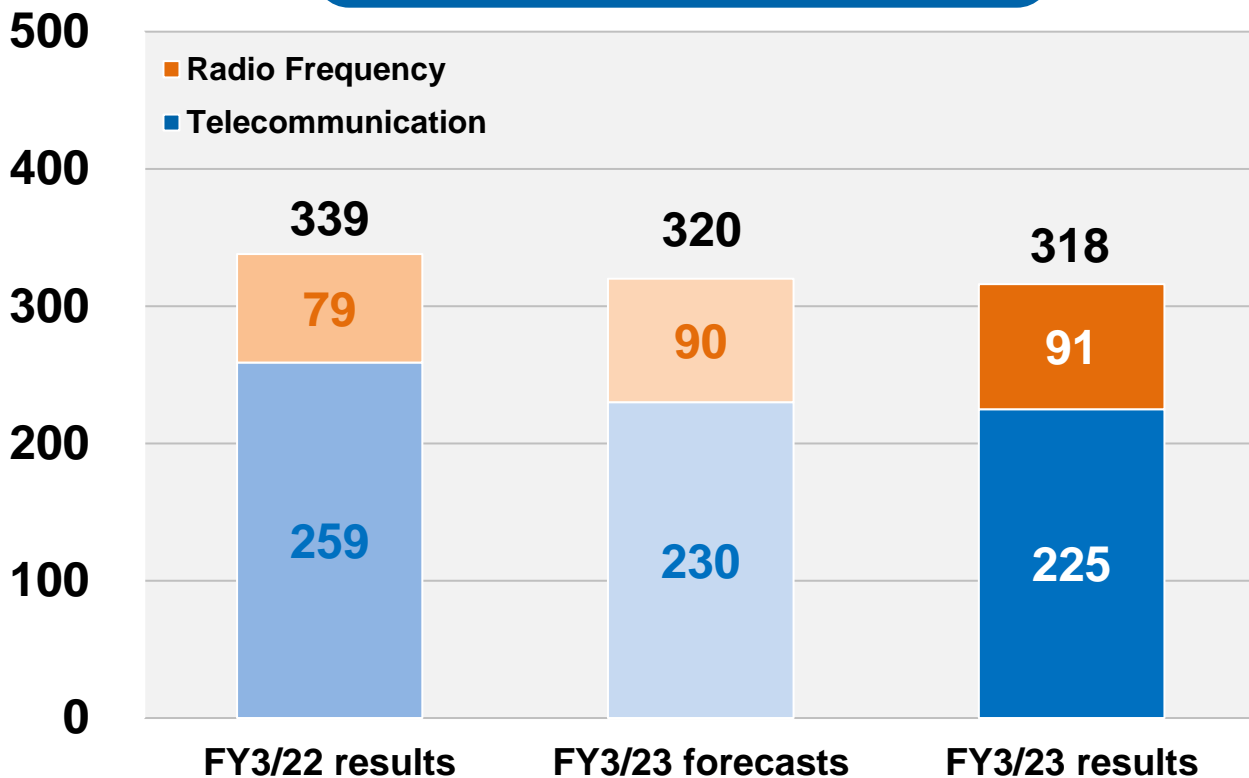
Note: The figures for FY3/23 is the latest forecasts released on March 24, 2023.

# Net Sales

- Net sales down 6.3%
- The Telecommunication Business' net sales decreased 12.8% as demand from customer capital expenditure was restrained in the mobile communication-related segment, although infrastructure investment recovered in some business areas.
- The Radio Frequency Business' net sales increased 14.7% thanks in part to a recovering trend in unit vehicle output.

(100 million yen)

## Net Sales



Net Sales  
31.8 billion yen

YoY change  
Down 2.1 billion yen  
(down 6.3%)

Telecommunication  
22.5 billion yen

YoY change  
Down 3.3 billion yen  
(down 12.8%)

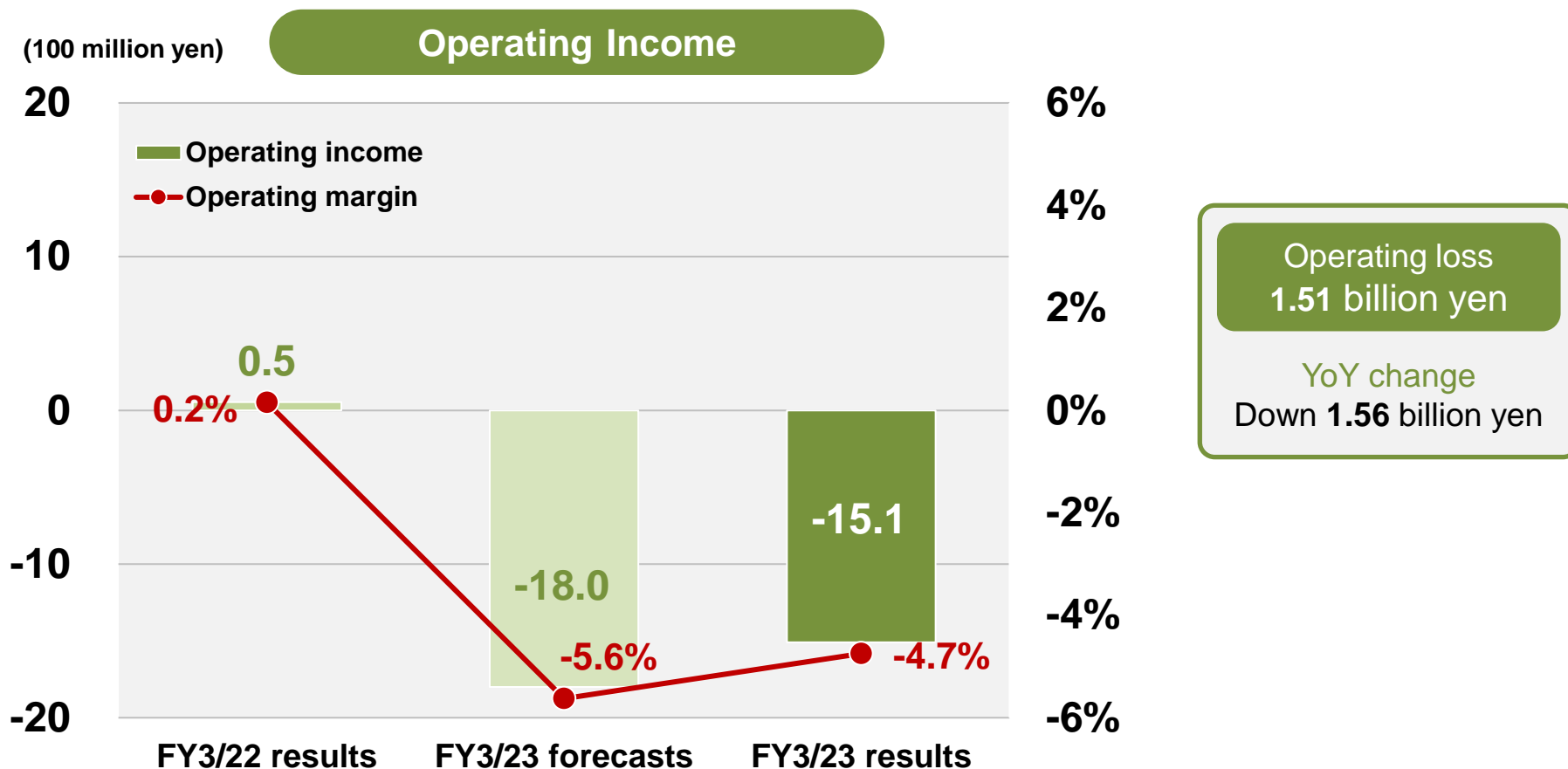
Radio Frequency  
9.1 billion yen

YoY change  
Up 1.1 billion yen  
(up 14.7%)

Note: The figures for FY3/23 is the latest forecasts released on March 24, 2023.

# Operating Income

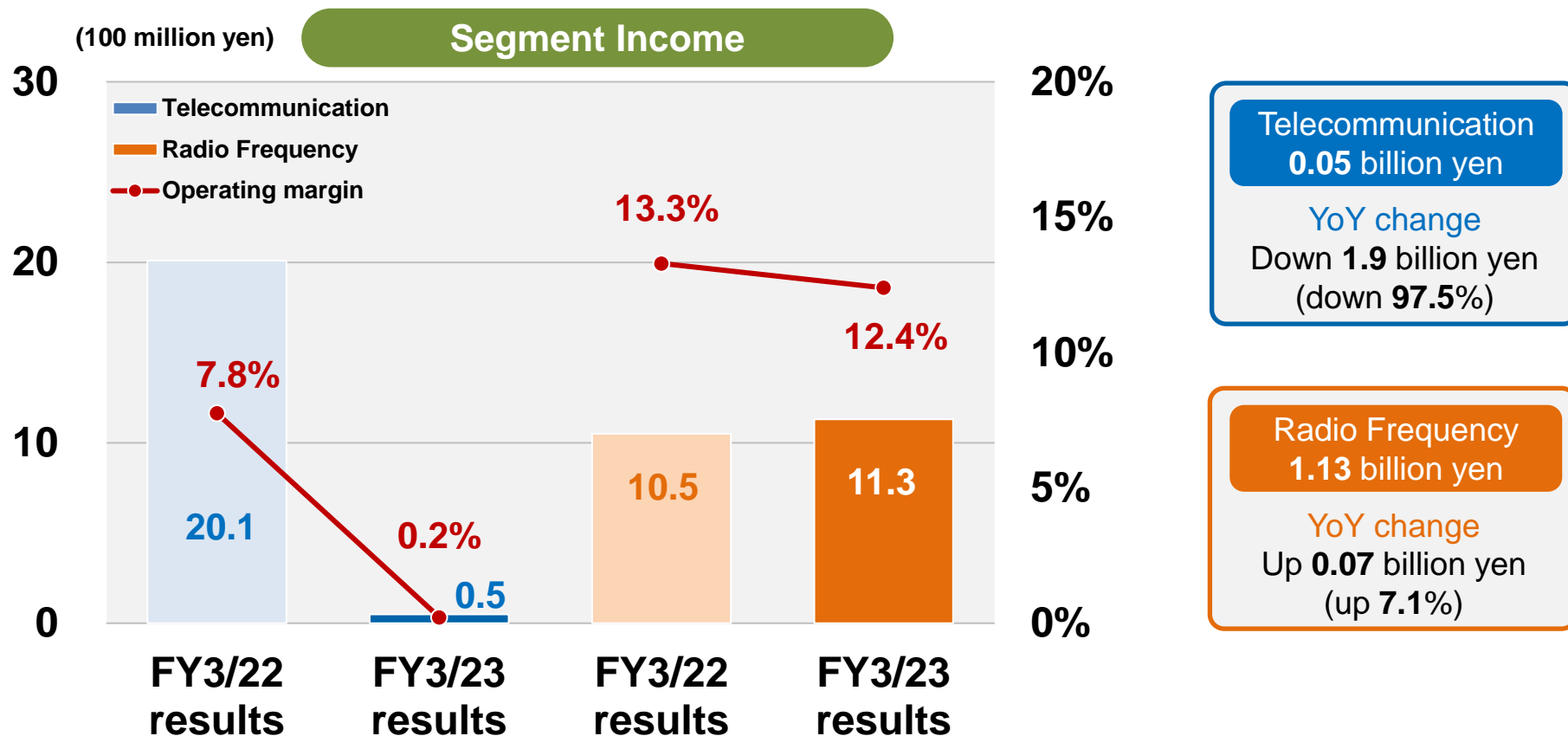
Operating income decreased due to factors including a decrease in net sales, spikes in material prices, procurement costs and energy prices, and a weaker yen, although the ratio of selling, general and administrative expenses to sales decreased.



Note: The figures for FY3/23 is the latest forecasts released on March 24, 2023.

# Segment Income

- Income decreased for the Telecommunication Business, affected by a decrease in net sales and spikes in material prices, etc.
- The Radio Frequency Business' income increased, driven by such factors as increased net sales due to a recovering trend in demand from capital expenditures in the automotive industry and improved productivity, although an impact of spikes in material prices was felt.



## 2. FORECASTS FOR CURRENT FISCAL YEAR (CONSOLIDATED)



# Overview of FY3/24 Forecasts

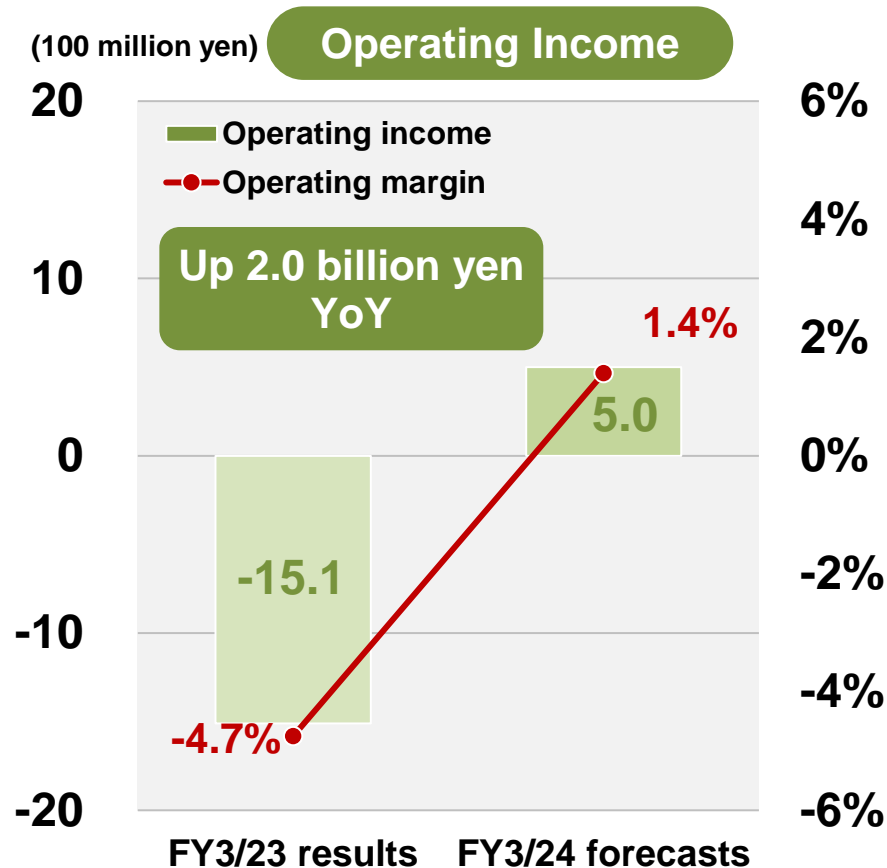
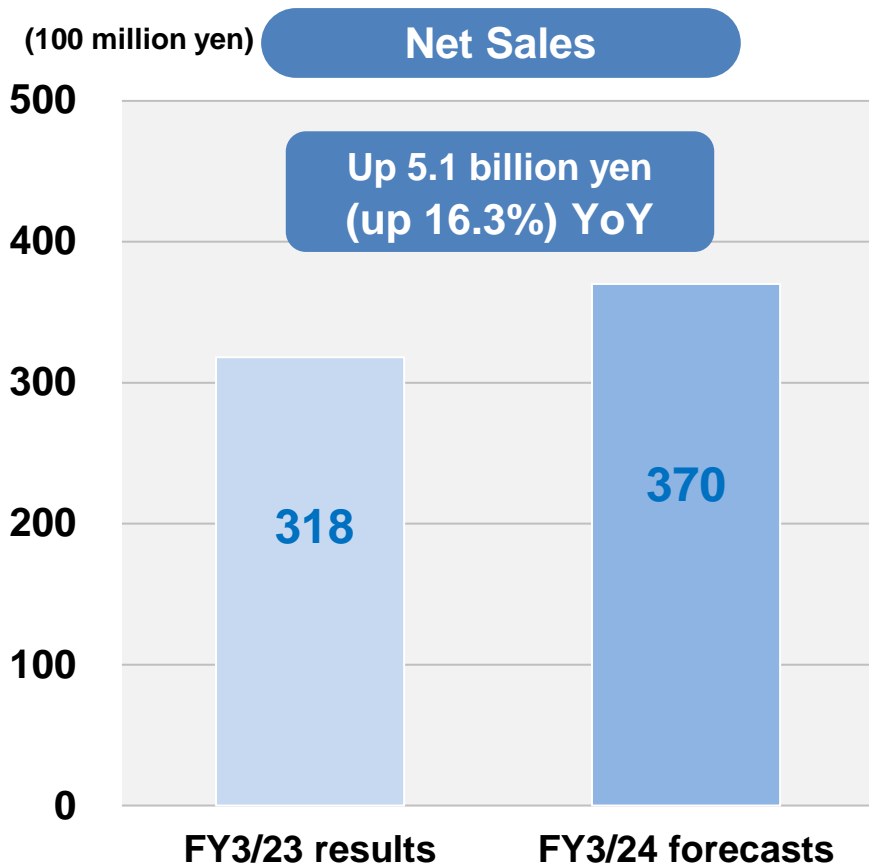
(Millions of yen)

	FY3/23 results	FY3/24 forecasts	YoY change	
			Amount	Percentage
<b>Net sales</b>	<b>31,817</b>	<b>37,000</b>	<b>5,183</b>	<b>16.3%</b>
<b>Telecommunication</b>	<b>22,578</b>	<b>25,800</b>	<b>3,222</b>	<b>14.3%</b>
<b>Radio Frequency</b>	<b>9,131</b>	<b>11,100</b>	<b>1,969</b>	<b>21.6%</b>
<b>Operating income</b>	<b>-1,510</b>	<b>500</b>	<b>2,010</b>	<b>-</b>
<b>Operating margin</b>	<b>-4.7%</b>	<b>1.4%</b>	<b>-</b>	<b>-</b>
<b>Telecommunication</b>	<b>50</b>	<b>1,600</b>	<b>1,550</b>	<b>3100.0%</b>
<b>Operating margin</b>	<b>0.2%</b>	<b>6.2%</b>	<b>-</b>	<b>-</b>
<b>Radio Frequency</b>	<b>1,132</b>	<b>1,550</b>	<b>418</b>	<b>36.9%</b>
<b>Operating margin</b>	<b>12.4%</b>	<b>14.0%</b>	<b>-</b>	<b>-</b>
General and administrative expenses, etc.	<b>-2,695</b>	<b>-2,650</b>	<b>45</b>	<b>-</b>
<b>Ordinary income</b>	<b>-1,219</b>	<b>600</b>	<b>1,819</b>	<b>-</b>
<b>Ordinary income margin</b>	<b>-3.8%</b>	<b>1.6%</b>	<b>-</b>	<b>-</b>
<b>Net income attributable to shareholders of parent company</b>	<b>-1,181</b>	<b>500</b>	<b>1,681</b>	<b>-</b>
<b>ROE</b>	<b>-2.7%</b>	<b>1.2%</b>	<b>-</b>	<b>-</b>

Note: Net sales of the facility-leasing business, the electric power sales business, etc., which are not included in the reportable segments, are omitted.

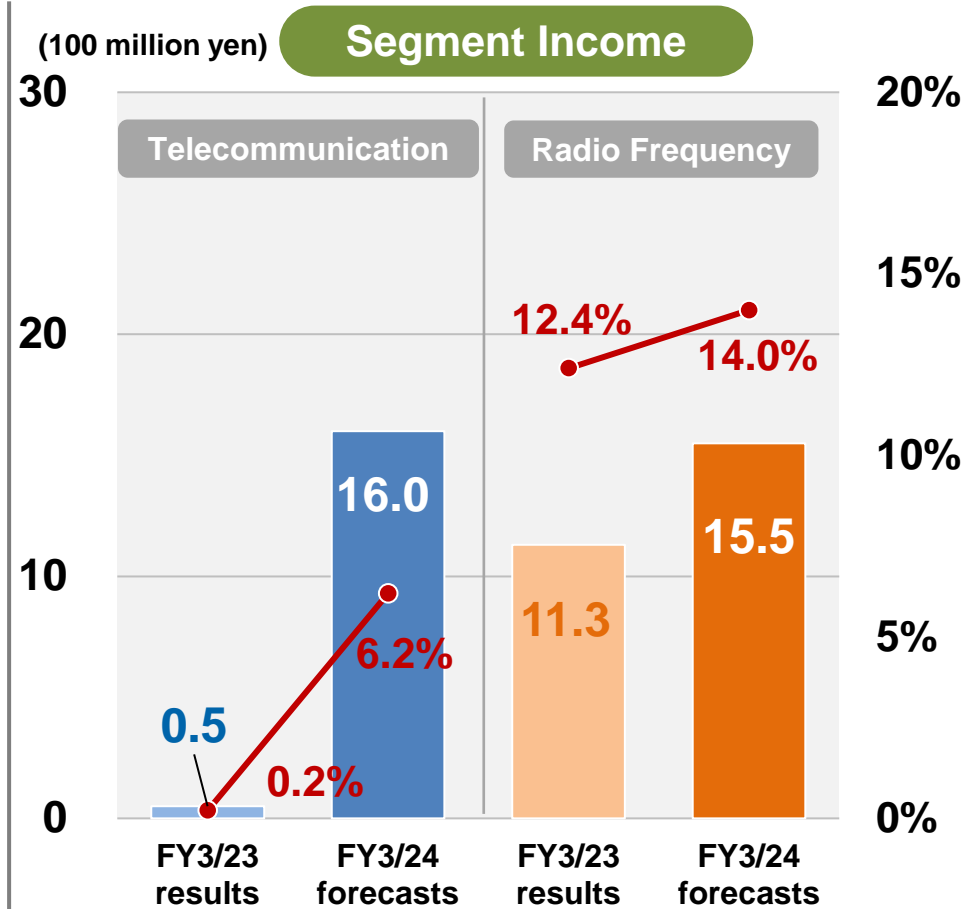
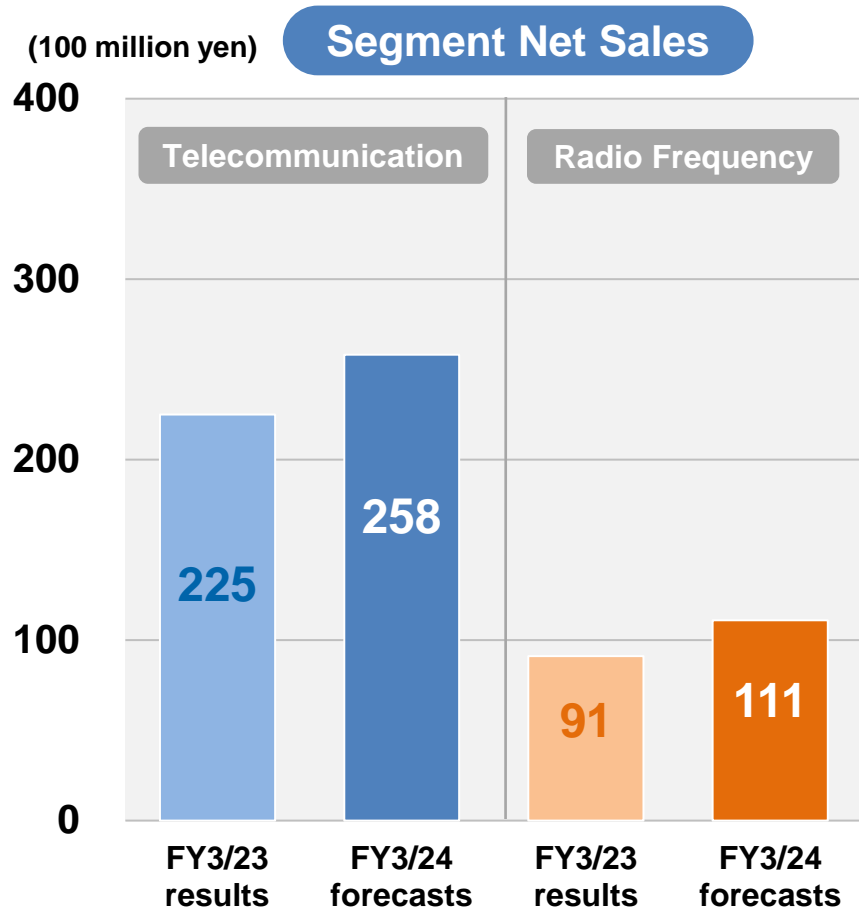
# Net Sales and Operating Income Forecasts

- Net sales are expected to increase driven by signs of market recovery and efforts for new businesses.
- Operating income is expected to increase, driven mainly by normalized selling prices, improved operational efficiency, and reorganized production structures.



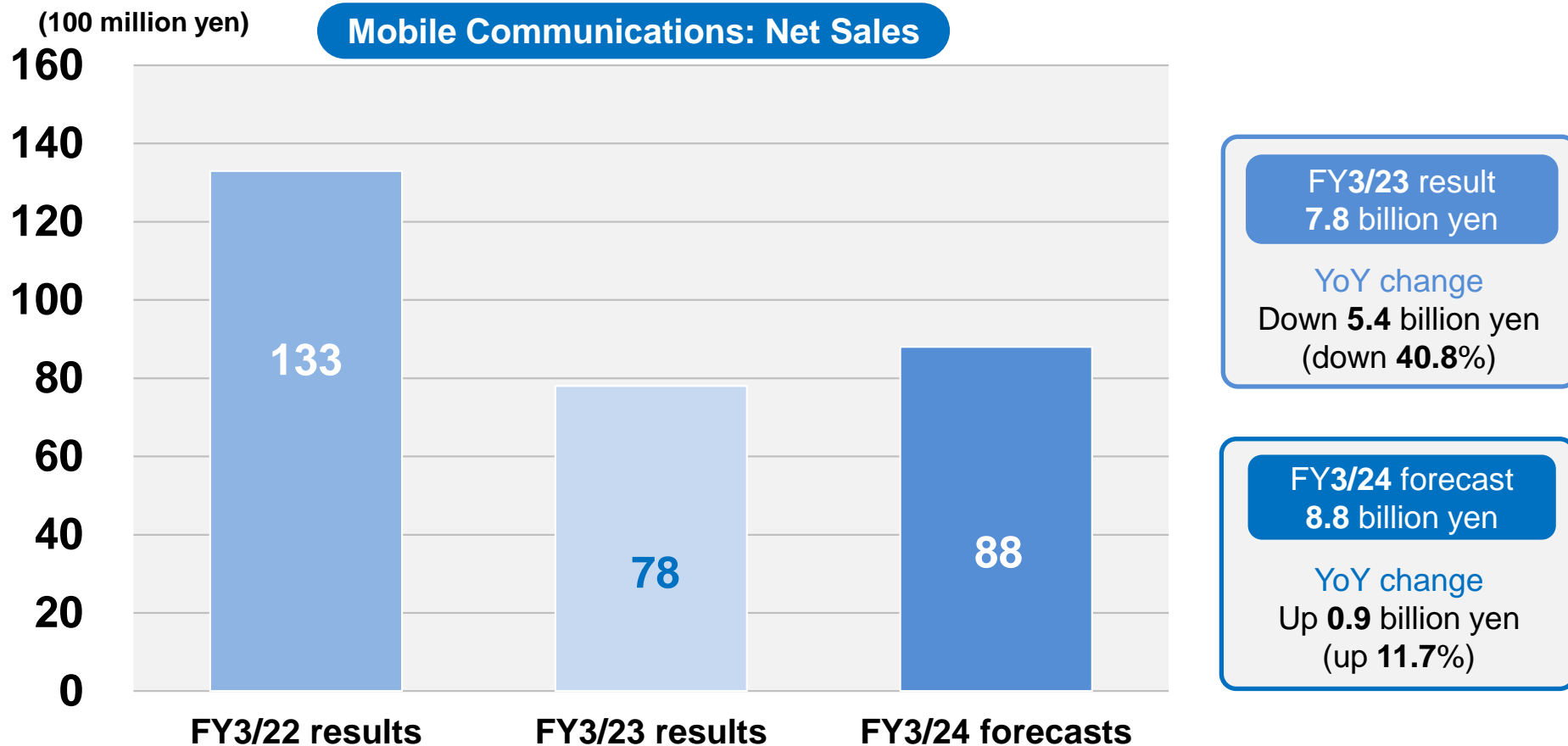
# Segment Forecasts

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

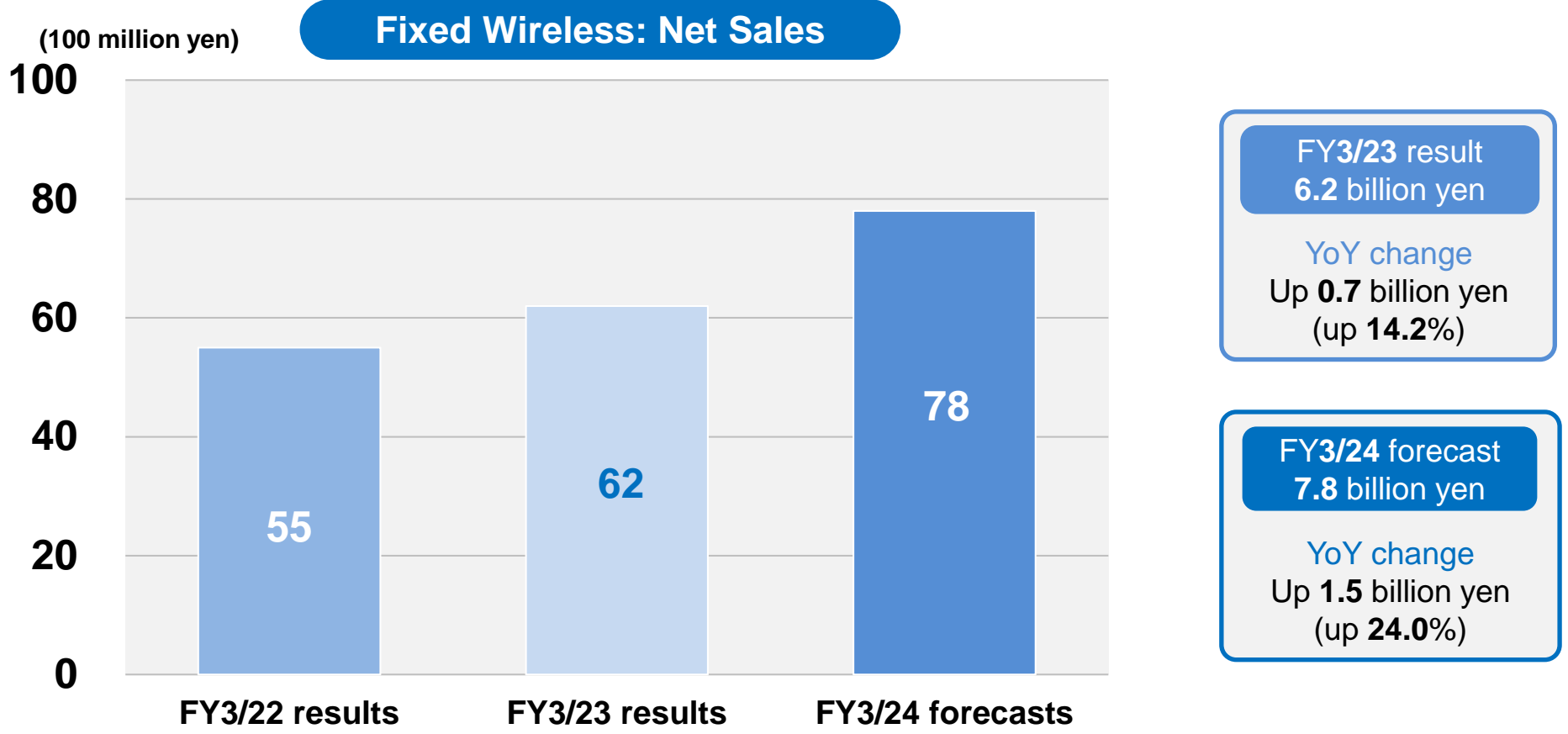


# 3. PERFORMANCE AND FORECASTS OF EACH BUSINESS FIELD

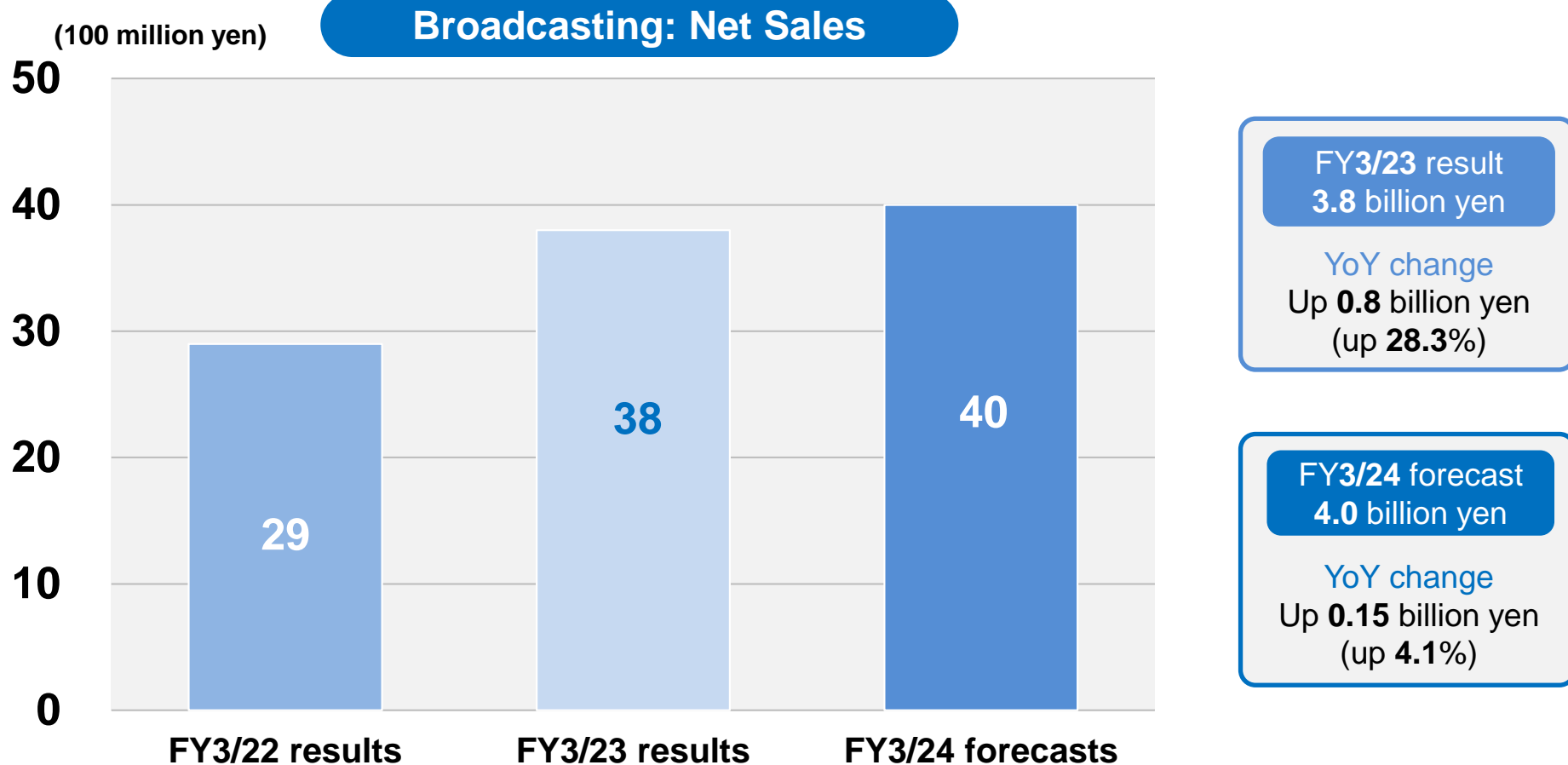
- As key customers restrained capital expenditures, demand dropped significantly, resulting in decreased net sales.
- We expect net sales to increase in the current fiscal year as we expect demand will recover for antennas for mobile communication base stations, wireless equipment products, etc.



- Net sales increased driven by recovery in demand for administrative radio systems for disaster prevention associated with local governments' efforts such as reinforcing disaster-prevention structures and promoting digitalization.
- In the current fiscal year, we expect net sales to increase as we are closely monitoring developments in defense-related budgets and anticipating a recovery in demand for administrative radio systems for disaster prevention.



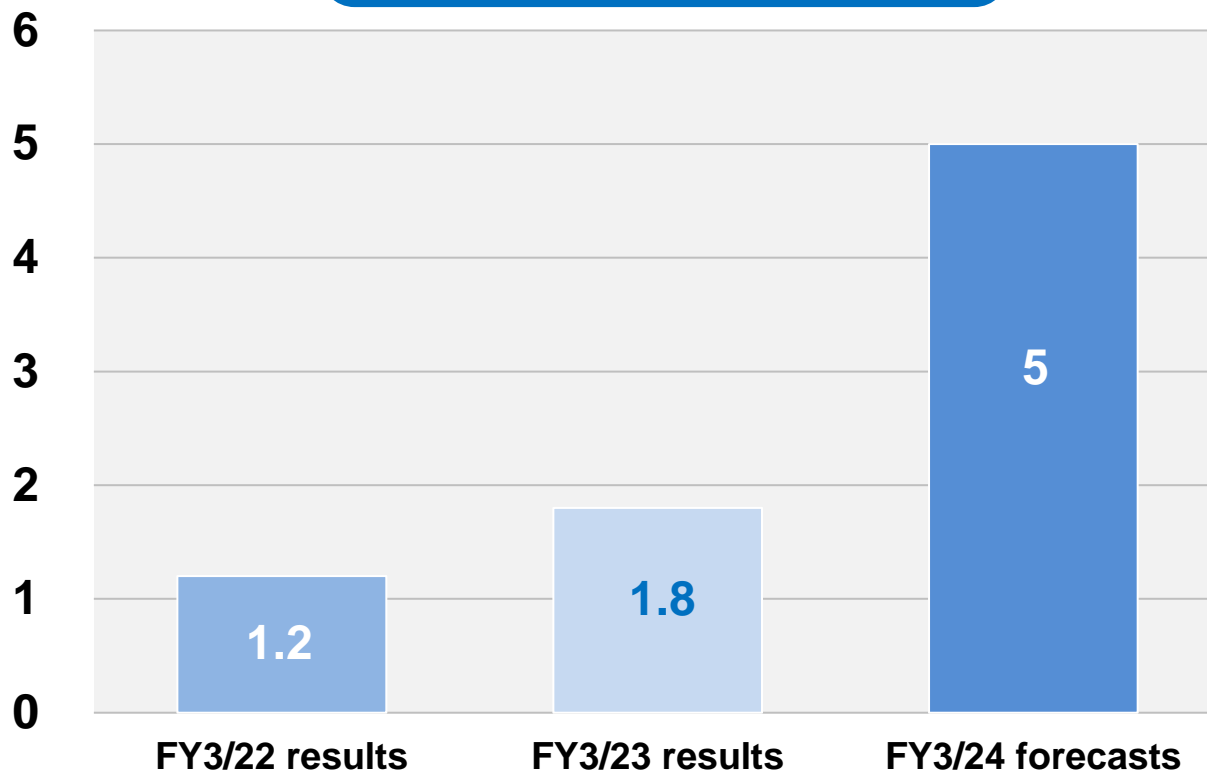
- Net sales increased thanks to aggressive sales expansion activities, although demand remains sluggish for capital expenditures from broadcasters.
- We expect net sales to increase for the current fiscal year, due to sustained demand for equipment renewal and maintenance from broadcasters.



- Net sales increased as system solutions using the local 5G technology, etc., camera solutions using the AI technology, etc. performed strongly, driven mainly by the national and local government customers.
- In the current fiscal year, we expect net sales to increase as we work to expand our customer base by participating in test projects and forming tie-ups with other companies to expand business.

## Solutions: Net Sales

(100 million yen)



**FY3/23 result**  
0.18 billion yen

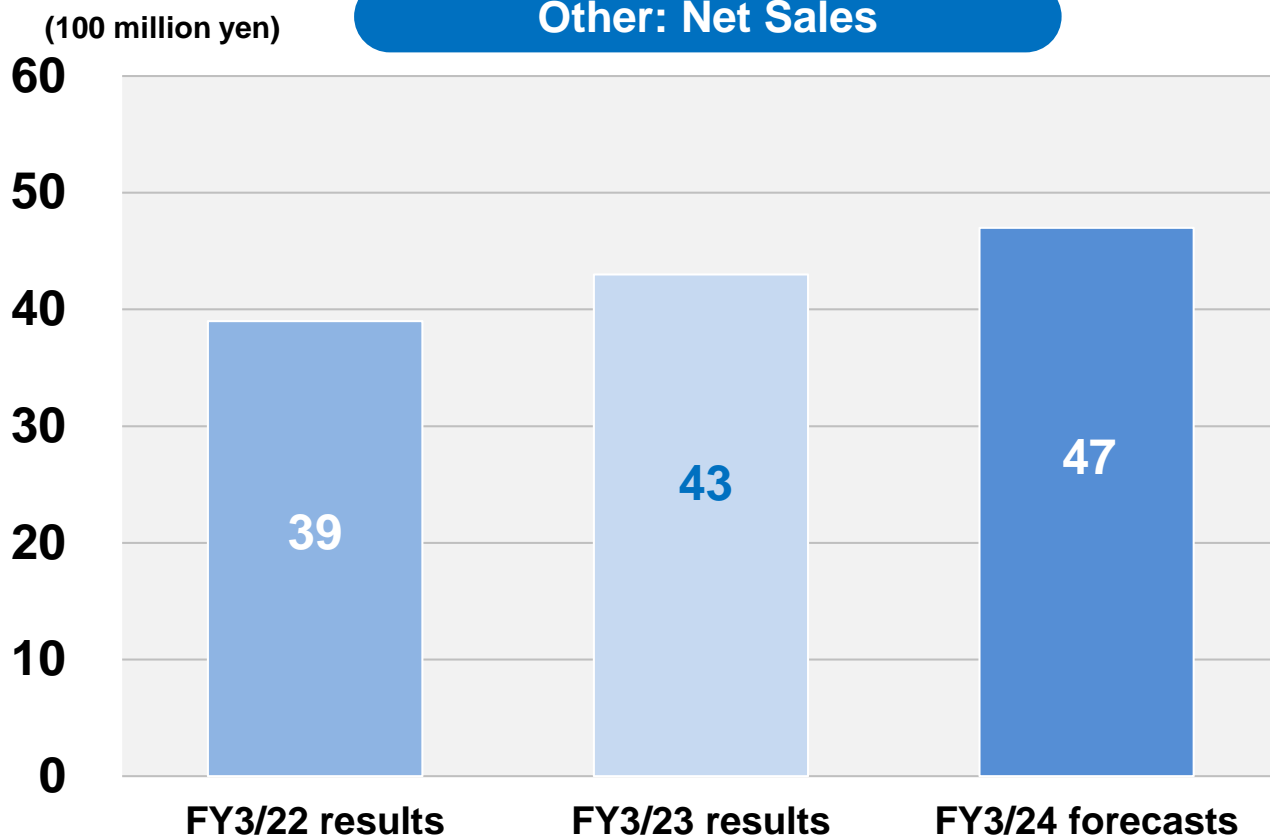
YoY change  
Up **0.06** billion yen  
(up **46.9%**)

**FY3/24 forecast**  
0.5 billion yen

YoY change  
Up **0.3** billion yen  
(up **166.0%**)



- Net sales increased thanks to solid performance of outdoor steel building frameworks and environmentally friendly products, including LED aviation obstacle lights and fuel cells.
- We expect net sales to increase in the current fiscal year, anticipating demand for environmentally friendly products, including aviation obstacle lights for offshore wind-power facilities, which are expected to grow.



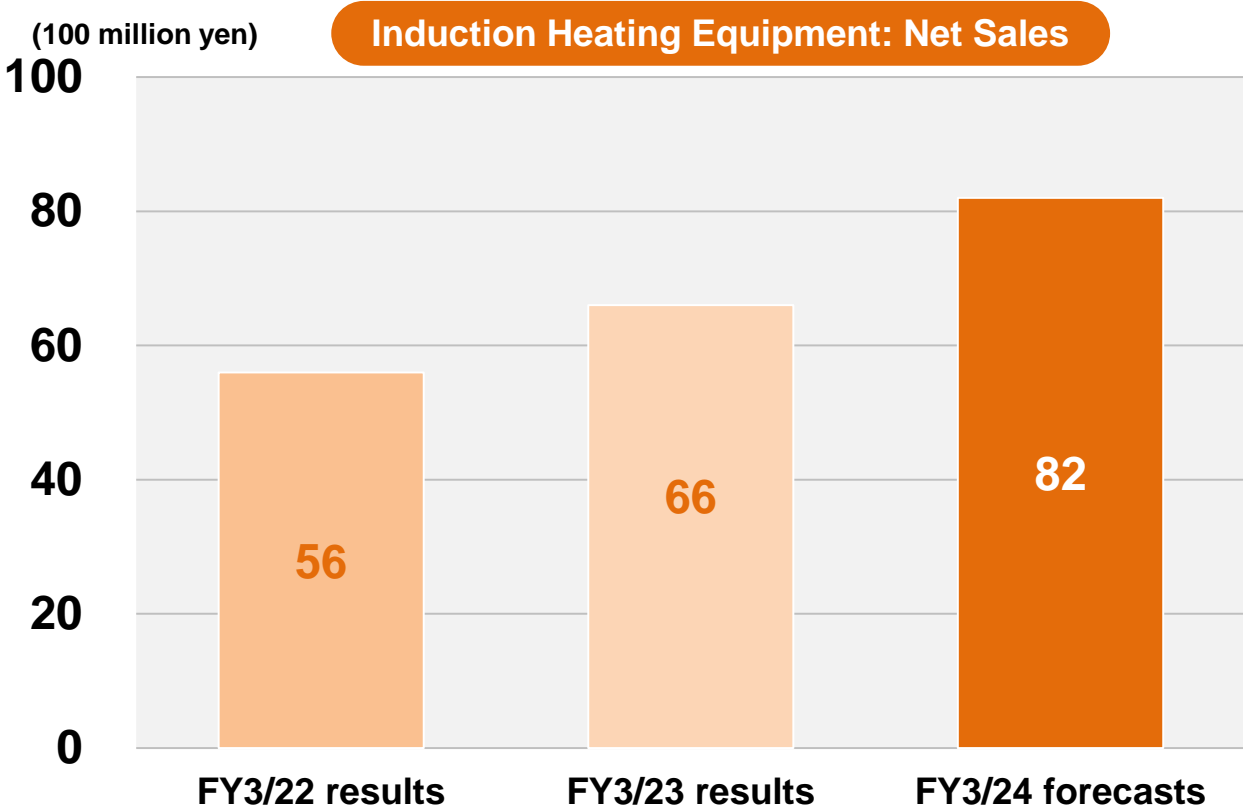
**FY3/23 result**  
4.3 billion yen

YoY change  
Up **0.4 billion yen**  
(up **10.3%**)

**FY3/24 forecast**  
4.7 billion yen

YoY change  
Up **0.3 billion yen**  
(up **7.5%**)

- Net sales increased, driven by a recovering trend of demand for capital expenditures in the automotive industry.
- We expect net sales to increase in the current fiscal year, anticipating that auto component makers' capital expenditures for EV-related components will remain active and that orders for heat-treatment equipment for auto components will be strong overseas, mainly in South Korea and China.



**FY3/23 result**  
6.6 billion yen

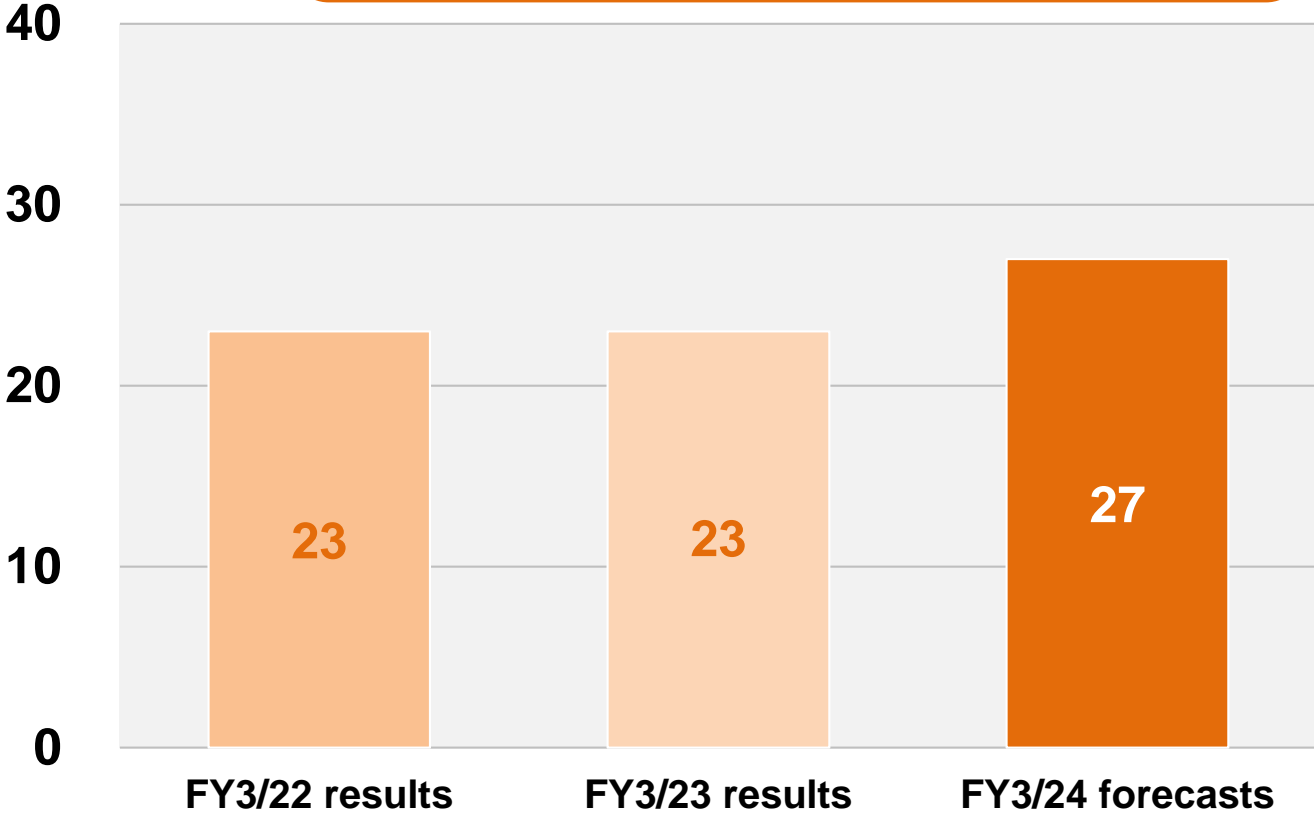
YoY change  
Up **1.0** billion yen  
(up **18.8%**)

**FY3/24 forecast**  
8.2 billion yen

YoY change  
Up **1.5** billion yen  
(up **22.8%**)

- Net sales increased slightly due to the impact of a recovering trend of unit output, although automakers adjusted production.
- We expect net sales to increase in the current fiscal year, anticipating a further recovery in vehicle output.

(100 million yen) **Contract High-frequency Heat Treating Service: Net Sales**



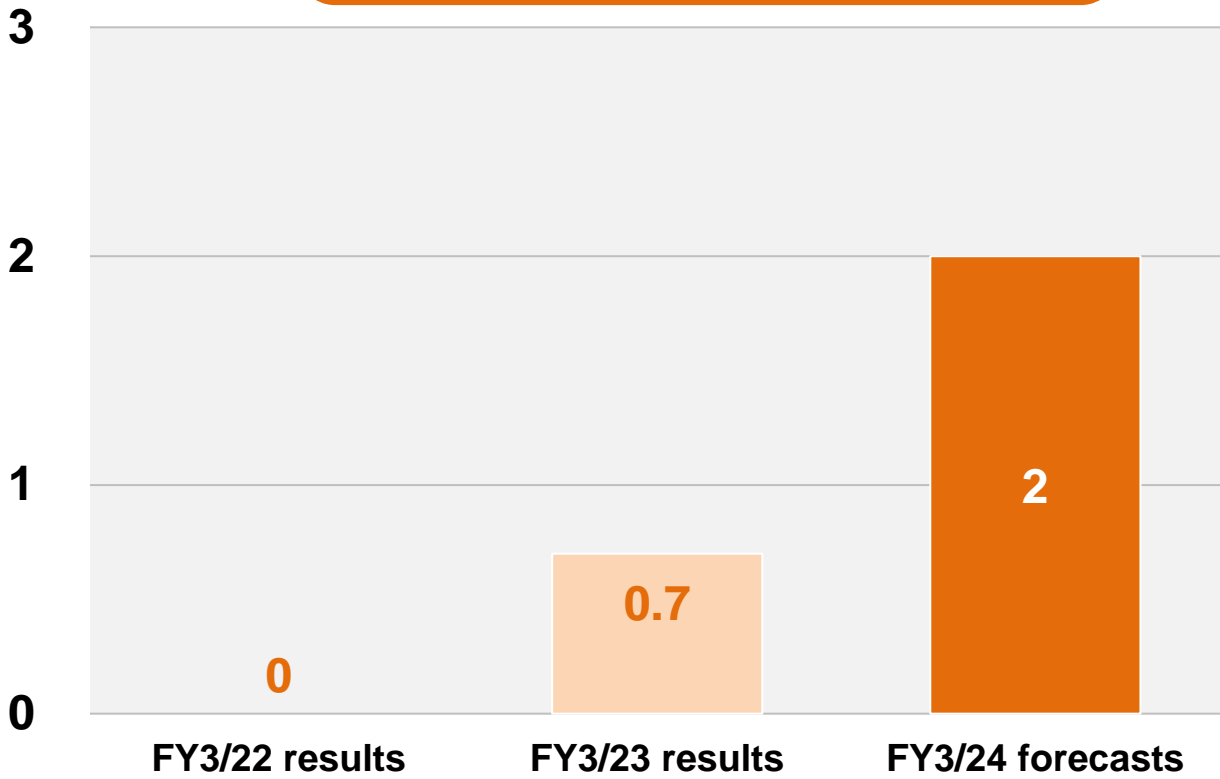
**FY3/23 result**  
2.3 billion yen  
YoY change  
Up **0.04** billion yen  
(up **1.7%**)

**FY3/24 forecast**  
2.7 billion yen  
YoY change  
Up **0.3** billion yen  
(up **13.5%**)

- Positive net sales were achieved thanks to orders won through sales activity for carburizing hardening equipment.
- We expect net sales to increase in the current fiscal year as we work on initiatives in new business areas by aggressively making investments, reaching out to new customers to expand uses, and promoting tie-ups with other companies.

New Radio Frequency Areas Business: Net Sales

(100 million yen)



**FY3/23 result**  
0.07 billion yen

YoY change  
Up 0.07 billion yen

**FY3/24 forecast**  
0.2 billion yen

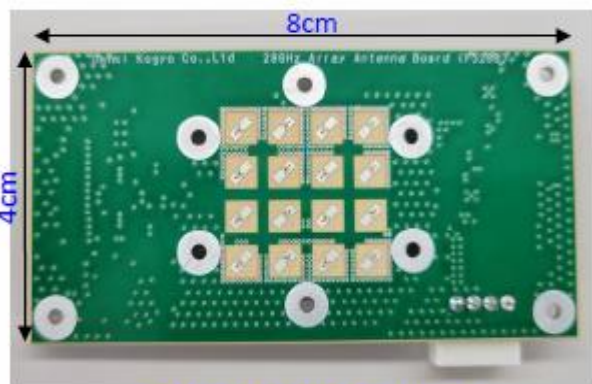
YoY change  
Up 0.12 billion yen  
(up 163.2%)

# 4. TOPICS

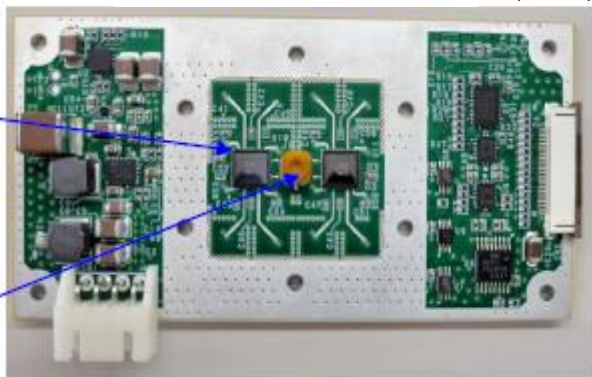
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- Promote research and development of millimeter-wave/terahertz band antenna technologies in preparation for Beyond 5G/6G
- Work on antenna in package, terahertz band antennas, metamaterial application, etc.

## Antenna in package



Antenna (16-element array) (Front)



28GHz band AiP (16 elements) (Back)

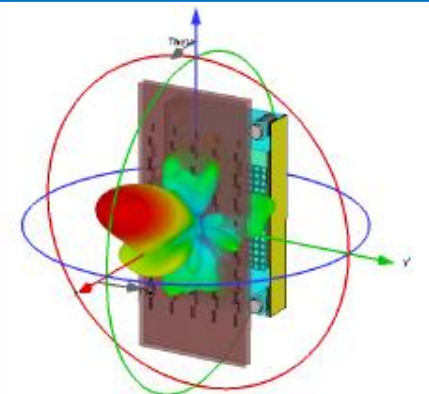
## Terahertz band antenna



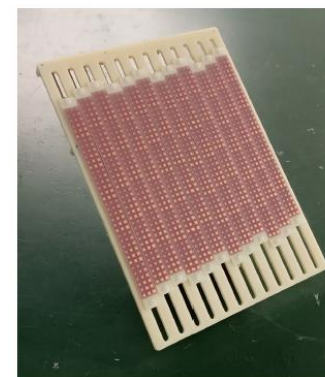
Terahertz band omnidirectional antenna

**World's first omnidirectional antenna in the 300GHz band realized (Source: DKK)**

## Metamaterial application



Transmissive metasurface

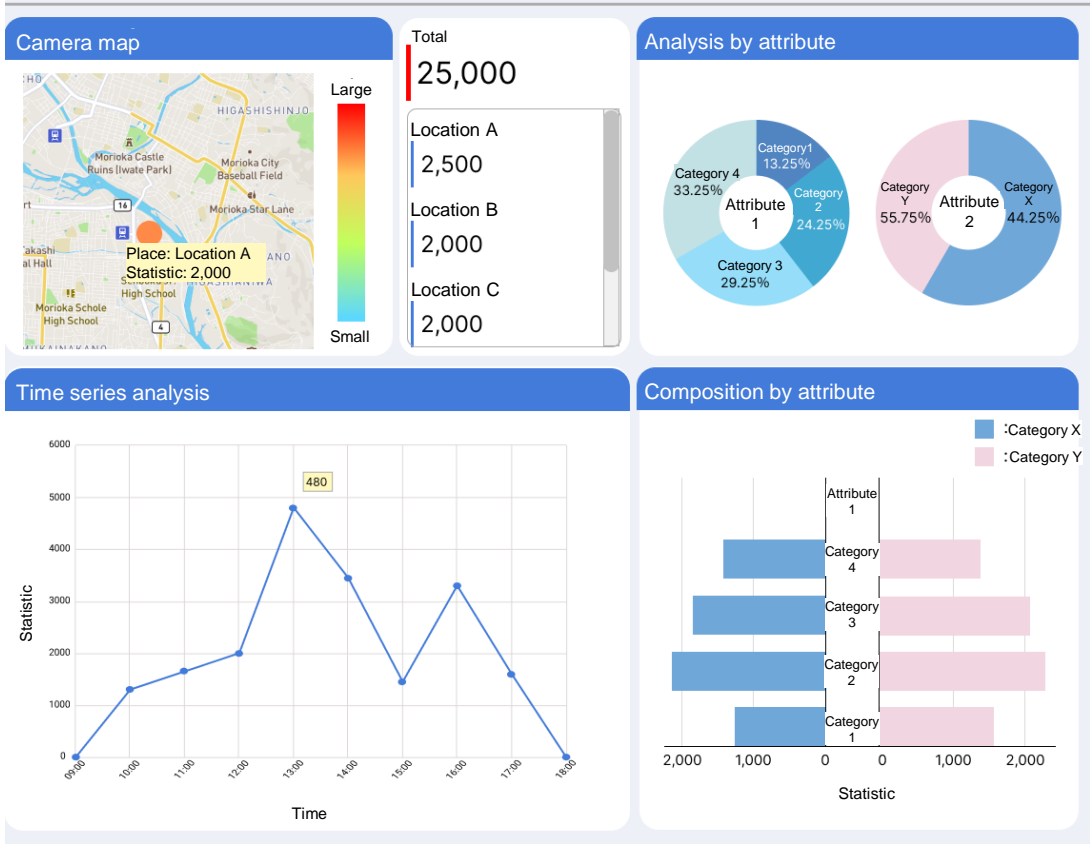
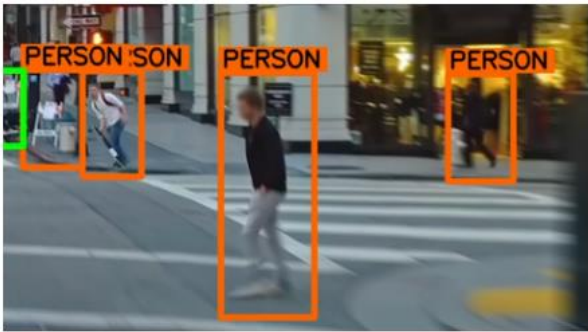


Variable incident-reflection angle reflector panel

- Tally the number, genders, and age segments of pedestrians using people movement analysis system that takes advantage of artificial intelligence (AI)
- Use the data for local communities to help them create liveliness and attract customers

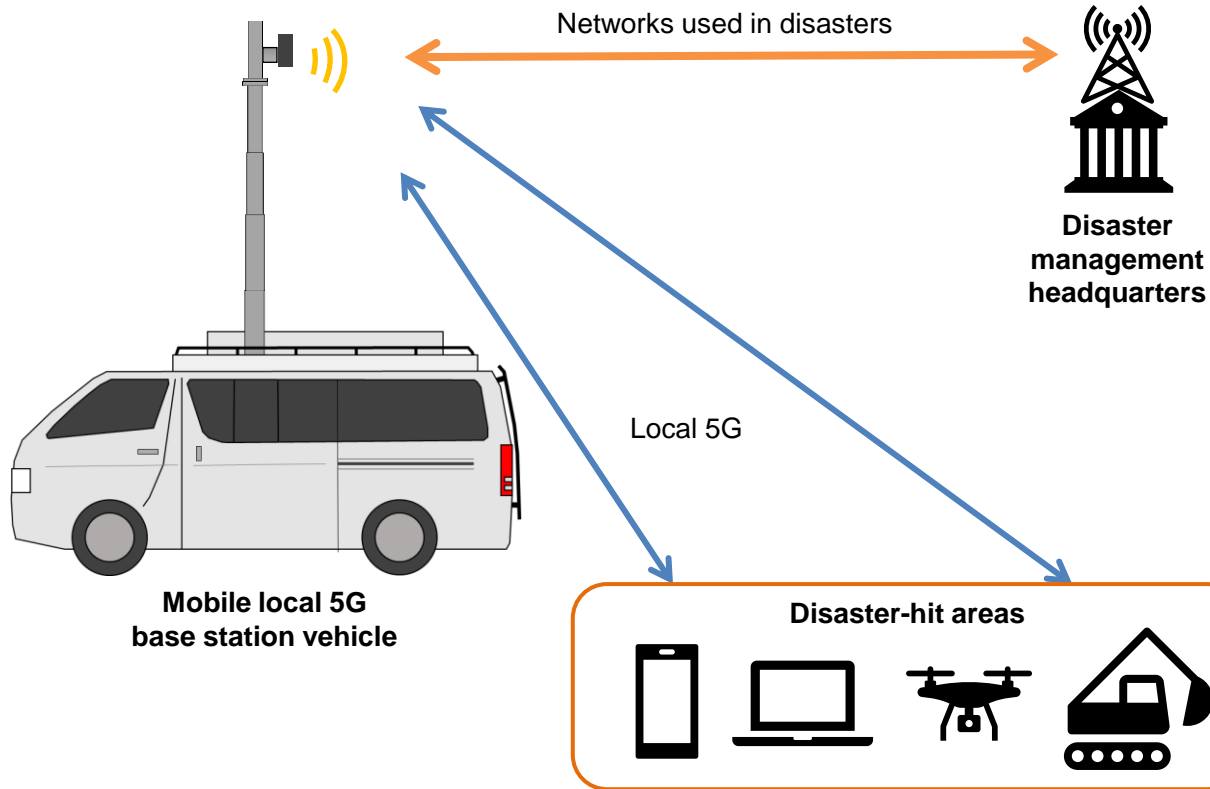
## Camera systems x AI

- Help solve regional issues using AI-based image analyzing technology and DKK's camera solution
- Provide one-stop service using network-building technology and system design



- > Participation in test projects on using local 5G to solve issues
- > Aim to construct systems that can be used in normal times, not just in addressing disasters

Work on disaster resistance improvement of disaster-prevention centers using mobile base station vehicles



- Construct networks for disaster situations that do not rely on telecommunications carriers
- Can connect to fiber-optic networks for road management by using local 5G self-operated wireless network
- Area construction suited to individual locational conditions by using DKK antennas



- > LED aviation obstacle lights and navigation aid lights using long-life light sources provided to offshore wind power equipment makers

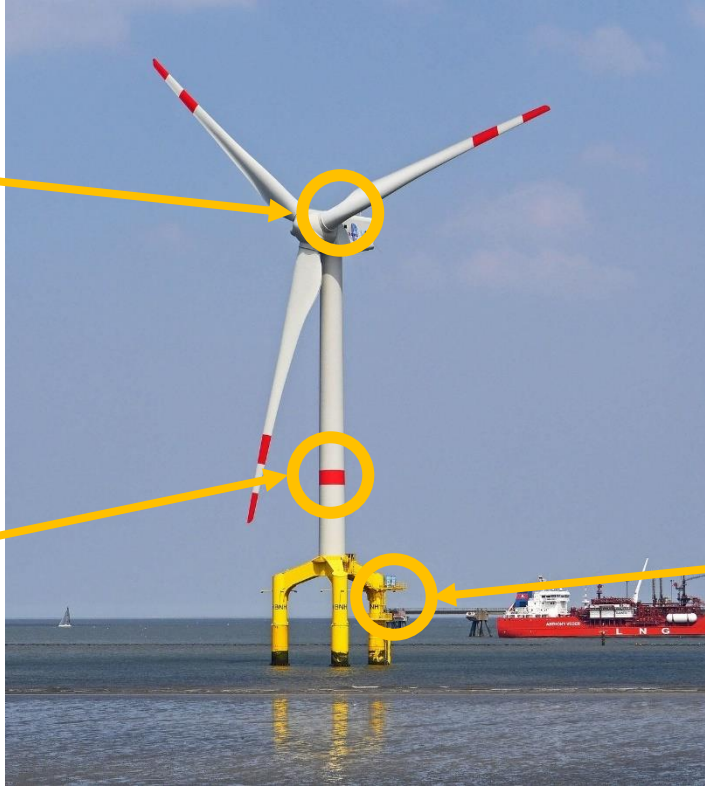
Contribution to reducing environmental impact



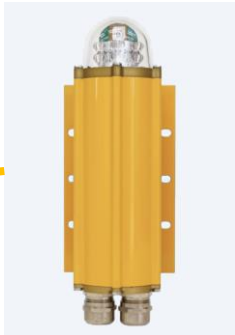
Medium-luminosity obstacle light



Low-luminosity obstacle light



- Reduce maintenance workload in areas where work is difficult by using long-life light source LEDs



Navigation aid light DKK Safety light

- Respond to changes in composition of auto parts amid global trend of vehicle electrification
- Promote development of high-frequency hardening equipment for motor components essential for EVs and HVs

**Integrated equipment system that can alone handle the entire shaft hardening process**



Hardening and tempering equipment for EV motor shafts

- Equipment that can alone perform all processes of hardening the outer surface (two locations) of a hollow shaft, hardening its inner surface, and tempering the whole of it
- Hardening and tempering equipment for EV components that are attracting interest

# Initiatives for Improving Customer Productivity

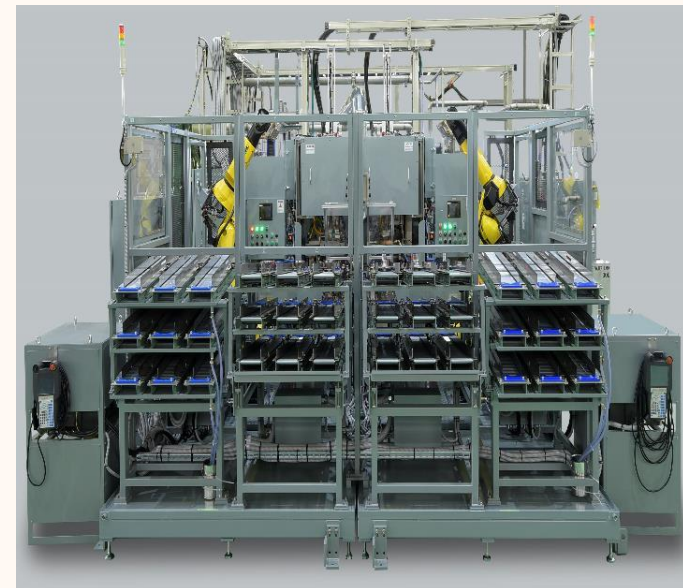
- Established technology to correct warping, a problem that mainly occurs during the hardening of large components
- Allows automated processing using robots

## Warping-correcting technology and automated processing equipment using robots



- Equipment that hardens and tempers 2-meter-long linear gear
- Hardens and tempers the linear gear surface and the back side separately by using two oscillators, and adjusted output and frequencies, successfully reducing warping

- Automatically performs hardening processing, washing and stamping with two robots set up in front of the hardening machine
- Workers only perform simple operation of taking work piece out of or into the stocker. Achieves normalization and labor-saving



# Initiatives to Expand Sales Channels

- Sales channel expansion to non-auto industries
- Hardening and tempering equipment for large construction machinery

Many successful results for large components for construction machinery



- Heats power shaft parts of large construction machinery vehicles weighing up to 1.5 ton while rotating them
- Using eccentric heating coils to achieve the optimum conditions for hardening heating
- Design with large components in mind, which has a large opening for maintenance, making it convenient to set up the components to be processed

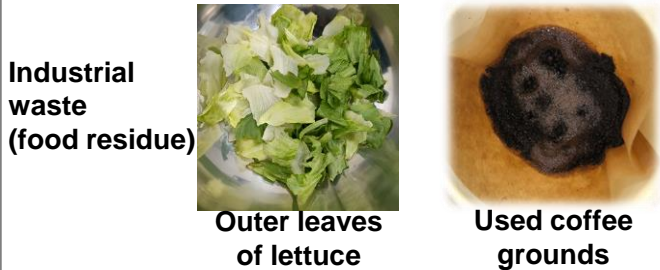


- > Developed technology to dry industrial waste using superheated steam
- > Contribution to achieving SDGs through energy saving and waste reduction

## Drying treatment technology for industrial waste (food residue)

### ● DKK superheated steam drying technology

### ● Customized design of processing equipment



<Continuous processing equipment>

<Batch processing>

### DKK TECHNOLOGY

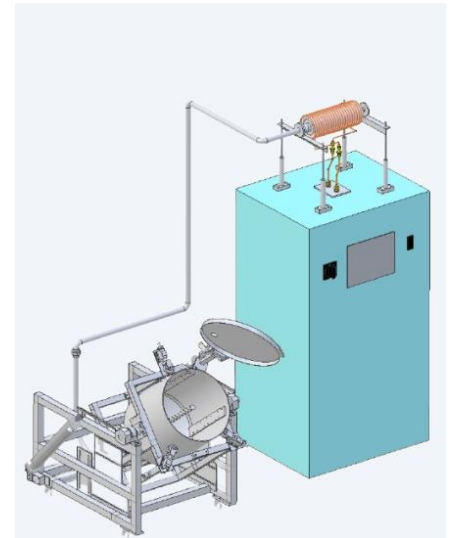
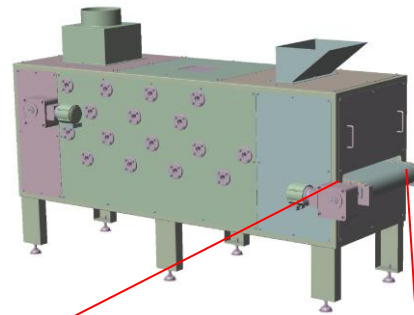


- Reduction of industrial waste
- Feed for livestock, etc.

- Reuse of industrial waste



- Used coffee ground pellets



- Design customized to suit location of installation, amounts of processing

# 5. PROGRESS OF MEDIUM- TERM BUSINESS PLAN

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In order to realize sustainable growth through solution of social issues, we established “DKK-Plan 2025,” our medium-term management plan which clearly states the goals and what to focus on and promote for the period through FY3/25.

## Medium-Term Business Plan: DKK-Plan 2025: 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
- Promote 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

# OVERVIEW OF MEDIUM-TERM BUSINESS PLAN: DKK-PLAN 2025 (I)

## Numerical Targets

### Overall targets

	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%

### Segment net sales targets for FY3/25

	Net sales targets	Net sales targets
Mobile Communications	14.0 billion yen	Induction Heating Equipment 7.3 billion yen
Fixed Wireless	7.0 billion yen	Contract Heat Treating Service 2.8 billion yen
Broadcasting	4.0 billion yen	New Radio Frequency Areas 2.0 billion yen
Solutions	1.5 billion yen	
Other Businesses	4.3 billion yen	

Existing businesses: 39.5 billion yen  
 New businesses: 3.5 billion yen

\* New businesses are Solutions and New Radio Frequency Areas.



# OVERVIEW OF MEDIUM-TERM BUSINESS PLAN: DKK-PLAN 2025 (II)

## Structural Reforms

**Optimize business portfolio**  
**Drastic organizational reforms for execution of growth strategy**

■ **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**

## Shareholder Return Policy and Investment Strategy

### Shareholder returns

Dividends / share buybacks **Minimum 10.0 billion yen**

Note: Including share buybacks disclosed in February 2022

- ✓ Pay attention to growth investment aimed at improving earnings and optimum balance sheet composition, in addition to dividends, and continue to carry out share buybacks
- ✓ Cancel all treasury shares bought back except for about 10% of the total outstanding shares

### M & A

M & A **Up to 4.0 billion yen**

- ✓ Aggressively carry out for new business creation

### Growth investment

(total for period through end-March 2025)

Capital expenditures **About 4.0 billion yen**

R&D investment **About 6.0 billion yen**

- ✓ Make investments that pay attention to cost of capital

### Other investments

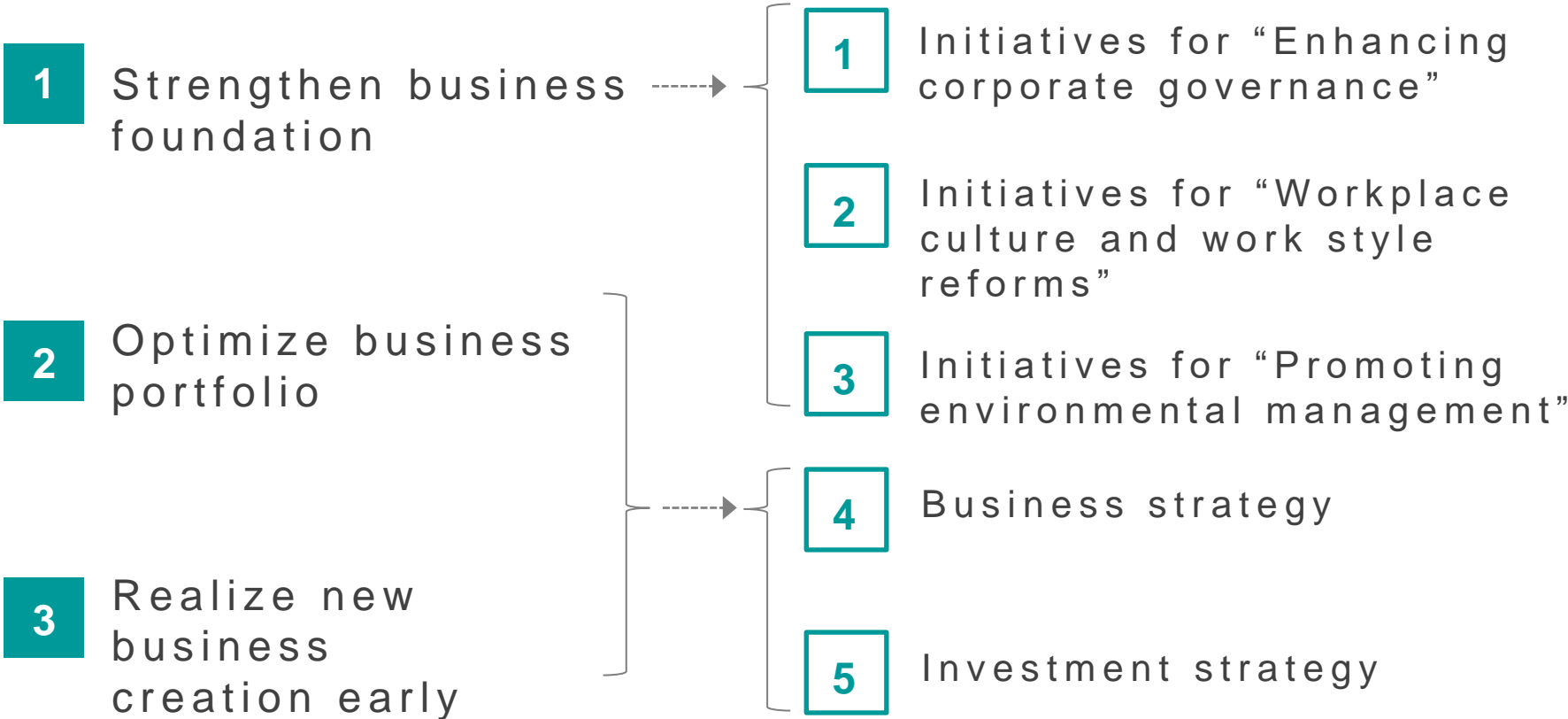
Update investment / DX investment / ESG-related investment **About 4.0 billion yen**

# Priority Measures and Initiatives under DKK-Plan 2025

- Based on priority measures of DKK-Plan 2025, five initiative items were established according to what to address.

## Priority measures

## Initiative items



## Strengthening corporate governance

### Board of Directors

- Nomination Committee  
**FY3/23: Met 4 times**  
 Review of skills matrix
- Compensation Committee  
**FY3/23: Met 5 times**  
 Directors' compensation ratio changed (70 basic : 30 performance-linked)  
 KPI for calculating directors' bonuses (consolidated operating income) added  
 Malus and clawback provisions introduced
- Effectiveness evaluation
  - (i) Deepening deliberation regarding Medium- and Long-Term Management Strategy
  - (ii) Further improvement in Board of Directors operation

### Organization


- Expanded divisions obtaining ISO 27001 certification  
 Mainly headquarters, administrative divisions of operations, defense-related divisions obtained certification

### Other

- Execution of reduction in cross-held shares

	No. of issues held		Balance
End-March 2021	40 issues		5,243 million yen
End-March 2022	37 issues	10 issues Down 2,264 million yen	3,736 million yen
<b>End-March 2023</b>	<b>30 issues</b>		<b>2,979 million yen</b>
End-March 2025 target	20 issues		2,622 million yen

## Workplace culture and work style reforms

- Enlisted external service to conduct “employee engagement survey”
- Ratio of female managers increased 

April 2022: 5.9%  
April 2023: **6.5%** \*Line managerial position ratio
- Mid-career personnel managerial position ratio improved

April 2022: 15.3%  
April 2023: **15.9%**
- Reduction in average annual total working hours driven by productivity improvement through use of DX

FY3/23 result: 1,851 hours (FY3/25 target: about 1,800 hours)

## Promote environmental management

- **Express support of TCFD\* recommendations and disclose information in compliance with them**

\* TCFD: Task Force on Climate-Related Financial Disclosures

DKK group's Scopes 1 and 2 GHG emissions measured (for FY3/20–FY3/22)

Scope 3 measurement began

Information disclosure compliant with TCFD recommendations carried out

- **Contribution to the environment through operation of business**

Percentage of waste recycled measured (FY3/20–FY3/22)

- **Employee environmental awareness improved**

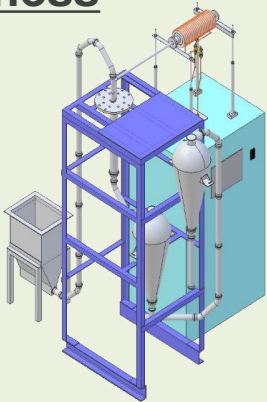
Environmental education conducted

Light down

- **Development of superheated steam equipment**

Equipment with low CO<sub>2</sub> emissions aimed at contributing to decarbonization

- **Sales increase of environmentally friendly products, including aviation obstacle lights targeting power generation equipment for offshore wind-power facilities**



▲ Cyclone method superheated steam equipment

Patent No. 7063948

# Progress Toward DKK-Plan 2025 Numerical Targets

## ■ Numerical targets under DKK-Plan 2025 and results in current fiscal year

- Net sales came to 31.8 billion yen in FY3/23, affected by restrained capital expenditures by customers in the Mobile Communications segment.
- We need to improve both net sales and net income to achieve FY3/25 targets.

	FY3/22 results	FY3/23 results	FY3/25 targets
Net sales	<b>33.9 billion yen</b>	<b>31.8 billion yen</b>	<b>43.0 billion yen</b>
Net income	<b>0.7 billion yen</b>	<b>-1.1 billion yen</b>	<b>2.0 billion yen</b>
D/E ratio	<b>0.01</b>	<b>0.09</b>	<b>0.2–0.3</b>
ROE	<b>1.5%</b>	<b>-2.7%</b>	<b>5.0%</b>



## Creation of new businesses

- **Promote research and development of millimeter-wave/terahertz band antenna technologies in preparation for Beyond 5G/6G**  
Initiatives for antenna in package, terahertz band antennas, metamaterial application, etc.
- **Business matching**  
Promote efforts to collaborate with wide-ranging companies and universities
- **Adopted for the Ministry of Internal Affairs and Communications' "Development Demonstrations for Realizing Local 5G to Solve Local Issues"**  
Help local governments speed up initial disaster response using local 5G transmission of high-definition video from drones
- **Planning and production project launched**  
Launched as a project that can be actively participated by young employees with the purpose of creating new businesses, etc.  
In this fiscal year, we plan to expand the target scope and launch a project for managers.

## Contribution to social infrastructure development

- **Began delivery of wireless equipment for NTT DOCOMO's 5G commercial services**  
Realized flexible network construction not restricted by specific vendors
- **Succeeded in developing local 5G millimeter-wave antenna using low-loss circuit boards**  
Realized antenna that excels in both electrical properties and mechanical strength
- **Administrative radio systems for disaster prevention associated with local governments' effort to reinforce disaster-prevention structures, promote digitalization, etc.**
- **Continuation of broadcasters' equipment update and maintenance**  
Maintain and update broadcasting equipment as a social mission
- **Measures for vehicle electrification**  
Developed integrated equipment that can process the entire shaft hardening process with just a single system
- **Labor saving and improved productivity of heat treatment equipment**  
Automation of warping-correcting technology using robots



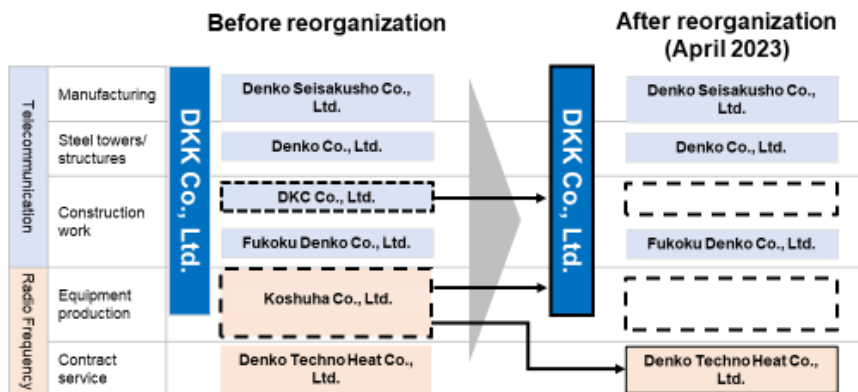
# Progress of DKK-Plan 2025 (Structural Reforms)

## Domestic and overseas group company reorganization

- Carried out drastic organizational reforms, aiming to improve profitability by improving operational efficiency, reducing costs, and reallocating assets and invested capital

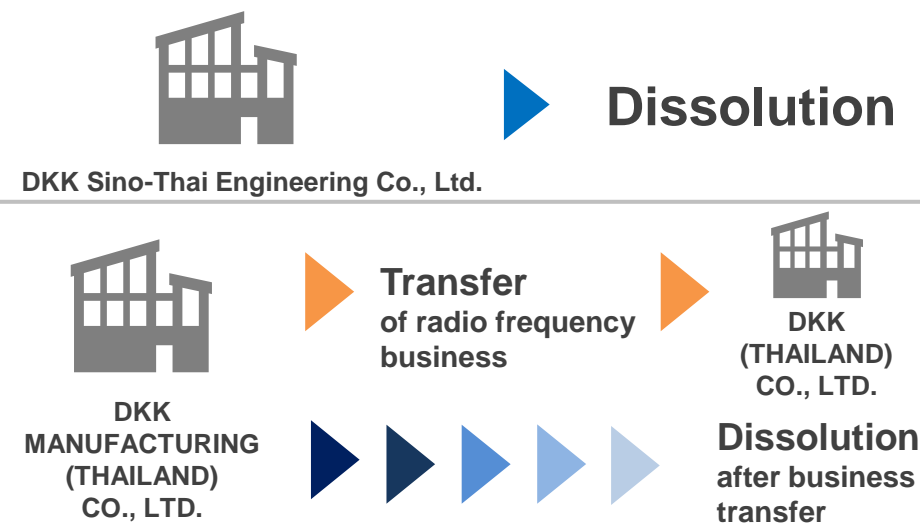
### Domestic affiliate reorganization

- Carried out reorganization (merger/company split) among DKC Co., Ltd., Koshuha Co., Ltd. and Denko Techno Heat Co., Ltd., our wholly owned subsidiaries, on the effective date of April 1, 2023
- Working to strengthen profitability in construction divisions and consolidate businesses, improve their competitiveness, etc. in the radio frequency business



### Overseas affiliate reorganization

- Proceeding with dissolution of DKK Sino-Thai Engineering Co., Ltd. and reorganization involving business transfers between DKK MANUFACTURING (THAILAND) CO., LTD. and DKK (THAILAND) CO., LTD.
- Working to withdraw from unprofitable business in Thailand where demand for communication steel towers has decreased, improve profitability by overhauling antenna production facilities, and consolidate businesses in Radio Frequency Business to boost competitiveness

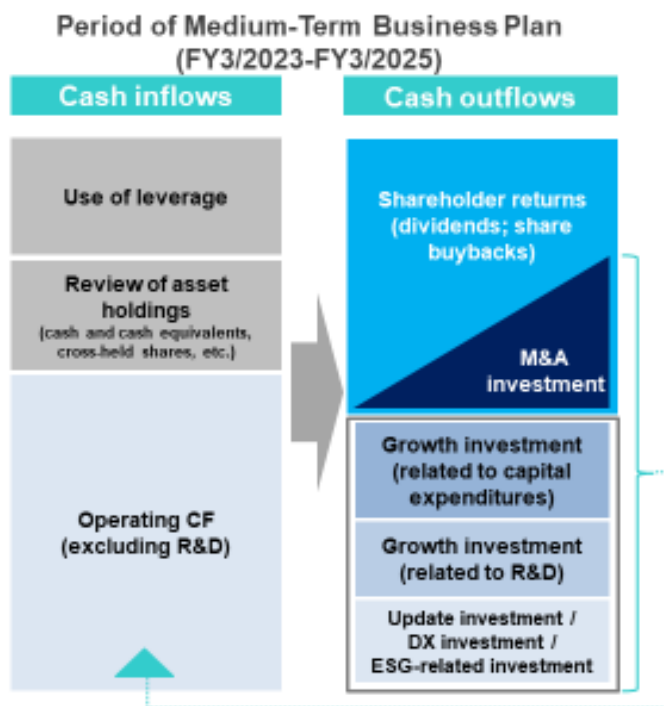


# Progress of DKK-Plan 2025 (Capital Strategy)

Capital allocation worked out as capital strategy to achieve sustainable growth  
Working to put interest-bearing debts to effective use, improve capital efficiency, carry out investment to ensure growth, and strengthen shareholder returns

## Capital allocation

- Carry out rebuilding of commitment lines to take advantage of interest-bearing debts, with the target set at D/E ratio of 0.2 to 0.3
- Reduce cross-held shares
- Conduct share buybacks to optimize capital levels



## Investment strategy

	FY3/23 investment amount	FY3/25 investment plan (cumulative)
<b>R&amp;D investment</b>	1.4 billion yen	6.0 billion yen
<b>Growth capital expenditures</b>	0.63 billion yen	4.0 billion yen
<b>Other investments</b>	0.43 billion yen	4.0 billion yen

## M&A

- Options being considered, linking them with other growth investment (development investments, etc.) plans
- Investment Committee established
- Money to be used to shore up shareholder returns if M&A not carried out

	FY3/23	FY3/25
<b>M&amp;A</b>	None applicable	Up to 4.0 billion yen

# Shareholder Returns / Investment Performance

## Shareholder return policy

Shareholder returns totaled 10 billion yen over three years from FY3/22

Payout ratio 40%

DOE 2% Lower bound of target  
1.5%

- We aim to actively implement measures to enhance shareholder returns.

## Pay dividends

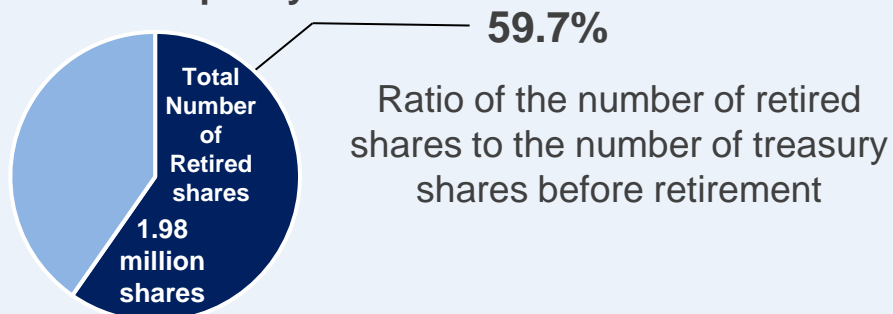
- Interim dividend of 30 yen per share paid out
- Year-end payout of 30 yen planned

FY3/23

30 yen (Interim)      30 yen (Year-end, targeted)

## Purchase of treasury stock

- Share buybacks totaling 2.5 billion yen completed
- Retirement carried out in accordance with retirement policy

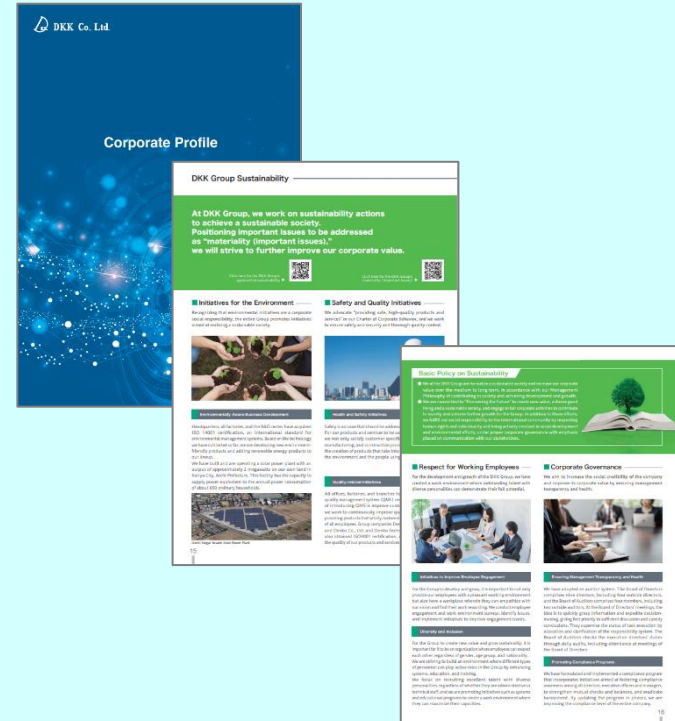


- Share buybacks worth 2.5 billion yen underway

# Progress of DKK-Plan 2025 (Sustainability Initiatives)

## Other: Sustainability-related track record

- DKK website / company brochure sustainability page created



- Supply chain sustainability

Basic Policy and Guidelines on Sustainability in Supply Chains established

# 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.