First Half Results for the Fiscal Year Ending March 31, 2024

November 30, 2023

1. Result Highlights (Consolidated)

2. Forecasts for Current Fiscal Year (Consolidated)

3. Results and Forecasts of Each Business Field

4. Initiatives in Current Fiscal Year

5. Fundamental Reforms to Improve Business Performance



1. RESULT HIGHLIGHTS (CONSOLIDATED)



Overview of FY3/24 Results

- Net sales for the Radio Frequency Business increased, but that for the Telecommunication Business decreased; as a result, the overall net sales declined.
- Although operating loss improved slightly due to an improved cost of sales ratio, ordinary loss and net loss widened.

	1H FY3/23	1H FY3/24	YoY cl	nange
	results	results	Amount	Percentage
Net Sales	13,185	12,529	-656	-5.0%
Telecommunication	9,133	8,019	-1,114	-12.2%
Radio Frequency	3,994	4,451	457	11.5%
Cost of sales	11,523	10,895	-627	-5.4%
Gross profit	1,662	1,633	-28	-1.7%
Selling, general, and administrative expenses	2,854	2,796	-57	-2.0%
Operating Income	-1,192	-1,163	29	-
Operating margin	-9.0%	-9.3%	-	-
Telecommunication	-387	-291	95	-
Operating margin	-4.2%	-3.6%	-	-
Radio Frequency	582	462	-120	-20.6%
Operating margin	14.6%	10.4%	-	-
General and administrative expenses, etc.	-1,387	-1,334	53	-
Ordinary income	-906	-1,037	-131	-
Ordinary income margin	-6.9%	-8.3%	-	-
Net income attributable to shareholders of parent company	-637	-811	-174	-
Note 1. Net sales of Other segment omitted				



(Millions of ven)

Net Sales

The Telecommunication Business' net sales decreased 12.2% as demand from customer capital expenditure was restrained in the mobile communication-related field.

The Radio Frequency Business' net sales increased 11.5% thanks to recovery in demand for capital expenditures.





Operating Income

Net sales decreased and upward cost pressure came from such factors as spikes in energy prices, material prices and personnel expenses. However, operating loss remained unchanged as we worked to improve productivity to reduce costs and cut expenses.



Segment Income

Operating loss improved for the Telecommunication Business, although net sales decreased.
 Net sales increased but profit decreased for the Radio Frequency Business



2. FORECASTS FOR CURRENT FISCAL YEAR (CONSOLIDATED)



Overview of FY3/24 Forecasts

(Millions of yen)

	FY3/23	FY3/24	YoY cl	nange	
	results	forecasts	Amount	Percentage	
Net Sales	31,817	30,500	-1,317	-4.1%	
Telecommunication	22,578	20,100	-2,478	-11.0%	
Radio Frequency	9,131	10,300	1,168	12.8%	
Operating Income	-1,510	-1,500	10	-	
Operating margin	-4.7%	-4.9%	-	-	
Telecommunication	50	240	189	372.2%	
Operating margin	0.2%	1.2%	-	-	
Radio Frequency	1,132	1,100	-32	-2.9%	
Operating margin	12.4%	10.7%	-	-	
General and administrative	-2 60/	-2.8/0	-145	_	
expenses, etc.	-2,694 -2,840		-143		
Ordinary income	-1,219	-1,300	-80	-	
Ordinary income margin	-3.8%	-4.3%	-	-	
Net income attributable to shareholders of parent company	-1,181	-1,100	81	-	
ROE	-2.7%	-2.7%	-	-	

Note 1: Net sales of Other segment omitted

Note: The figures for FY3/24 are the latest forecasts released on November 10, 2023.



Net Sales and Operating Income Forecasts

- Net sales are expected to decrease due mainly to a demand slowdown in the Telecommunication Business and decreased opportunities for orders.
- Although net sales decreased and material prices, etc. have spiked, operating loss is expected to remain largely flat from a year earlier as we work to improve productivity to reduce costs and expenses.



Note: The figures for FY3/24 are the latest forecasts released on November 10, 2023.

DKK Co., Ltd.

Segment Forecasts

- Although net sales are expected to decrease for the Telecommunication Business, its segment income is expected to increase, driven by improved productivity.
- For the Radio Frequency Business, net sales is expected to increase but its segment income is expected to decrease as trend seen in the first half will remain.



Note: The figures for FY3/24 are the latest forecasts released on November 10, 2023.

DKK Co., Ltd.

3. RESULTS AND FORECASTS OF EACH BUSINESS FIELD

Note: The figures for FY3/24 are the latest forecasts released on November 10, 2023.



Mobile Communications-Related Field

- ^{1H} Net sales dropped as demand remained slumped due to revised capital spending plans by key customers.
- Full year Net sales is expected to decrease in the second half although we see signs of recovery.





DKK Co., Ltd.

- 1H Net sales increased driven by recovery in demand for administrative radio systems for disaster prevention associated with local governments' moves to reinforce disaster-prevention capabilities and promote digitalization.
- Full year Net sales are expected to decline as we expect that orders for projects will fall below the previous year's levels.



Broadcasting-Related Field

- 1H Net sales decreased as customers' updating plans for broadcasting equipment still remained postponed.
- Full year We expect that net sales will decrease because the trend in the first half will probably continue in the second half.





Solutions-Related Field

1H Net sales increased driven by sales boosting efforts for system solutions using the local 5G technology, etc.

Full year We expect to increase net sales as we participate in demonstration tests, create new businesses and expand customers.





Other Field

- 1H Net sales increased thanks to demand for surface treatment on outdoor steel building frameworks and the solid performance of environmentally friendly products, including LED aviation obstacle lights and fuel cells.
- Full year We expect that net sales will increase because demand for environmentally friendly products will probably sustain.





Induction Heating Equipment-Related Field Radio Frequency

- 1H Net sales increased, driven by recovery of demand for capital expenditures in the automotive industry.
- Full year We expect net sales to increase due mainly to sustained demand for capital expenditures and the expansion of sales to areas outside automobiles.





Contract Heat Treating Service-Related Field Radio Frequency

- 1H Net sales increased due to recovery in demand as automakers' production adjustments have run their course.
- Full year We expect net sales to increase thanks to recovery in auto production output and our responses to changes in components arising from the shift to EVs.





New Radio Frequency Areas Business-Related Field Radio Frequency

- Against the backdrop of growing interest in the SDGs and environmental considerations, our sales team targeted mainly the food industry
- Full year Promote activities to expand sales into the food industry, approaches to expanding applications, and collaborations with other companies





4. INITIATIVES IN CURRENT FISCAL YEAR



Progress of Financial Strategy

Capital allocation

- Carried 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
- Reduced cross-held shares

DKK Co., Ltd.

 Conducted share buybacks to optimize capital levels

Period of Medium-Term Business Plan (FY3/2023-FY3/2025)

M&A

- Acquired shares of Cybercore Co., Ltd. on September 29, 2023 (made it a subsidiary)
- Will consider additional M&A

1H F`	Y3/24 result	FY3/25 targ	jet (total)
Acquisition of 1.5 bi	Cybercore shares:	Up to 4.0 I	billion yen
	nvestment	strategy	
	Total investment in 1H FY3/24	Total investment through 1H FY3/24	FY3/25 investm target (total)
R&D investment	0.6 billion yen	2.0 billion yen	6.0 billion yer
Growth capital expenditures	0.6 billion yen	1.3 billion yen	4.0 billion yer
Other investments	0.2 billion yen	0.6 billion yen	4.0 billion yer



Progress of Shareholder Returns



Sustainability Initiatives (i)

ESG progress

Social

Workplace culture and work style reforms

Establishment of Human Rights Policy

(Established September 1, 2023)

Aim to become a company that is trusted and continuously chosen by society, by acting with an awareness of respect for human rights at the root of our business activities

Implementation of engagement improvement measures

- Established an "hourly leave" (paid leave granted in units of hours) system as requested by employees
- Expanded evaluation award system as measure to boost employee motivation toward work
- Introduced birthday leave that can be taken in the month of birth and volunteer leave of up to three days per year

<Status of leave granted: April 2023 - end-September>



iii Birthday leave usage

Number of occasions when volunteer leave was taken: 2

Governance

Strengthening corporate governance

Off-site meetings held

As an initiative to improve the effectiveness of the Board of Directors, off-site meetings (April-September 2023: 4 times) were held by members of the Board to discuss management issues.

Environment

Promote environmental management

Calculation of Scope 3 emissions (from FY2019 to FY2021) completed

- Calculation for domestic and overseas group companies completed
- "Actual data on Greenhouse Gas Emissions" disclosed on our website



Sustainability Initiatives (ii)

Strengthening disclosure of sustainability information

Disclosure of sustainability report



"Sustainability Report 2023" (Only in Japanese)

Reports on approaches to sustainability and ESG, and initiatives for social contribution through business and activity results

<Sustainability Report URL>

https://denkikogyo.co.jp/sustainability/report/

Disclosure of various performance data



Sustainability KPIs and results

Describe outcomes in previous fiscal year and progress of KPIs (targets) set for each material issue.



Data on Environmental, Social and Governance

Collects data related to ESG (Environmental, Social, and Governance)



Actual data on Greenhouse Gas Emissions

Reports on actual GHG emissions (Scope1, 2 and 3) data and items recommended by TCFD, which are: "Governance," "Strategy," "Risk Management," and "Metrics and Targets."

Disclose data compiled on targets (KPIs), performance, and progress of sustainability and ESG

<Download data URL>

https://denkikogyo.co.jp/sustainability/data/



5. FUNDAMENTAL REFORMS TO IMPROVE BUSINESS PERFORMANCE



Medium-Term Business Plan "DKK-Plan 2025" released May 2022

Over the three relevant years, which are positioned as a period in which existing businesses are strengthened and investments are made in growth business areas, initiatives are stepped up in existing businesses and growth businesses in order to achieve 43.0 billion yen in net sales and 2.0 billion yen in net income (ROE 5.0%) for the year ending March 2025, aiming for fresh growth in the future.

	Performance targets and progress
_	(consolidated)

FY3/24 forecasts

Net SalesNet income30.5 billion yen-1.1 billion yen

FY3/25 targets

Net SalesNet income43.0 billion yen2.0 billion yen

- Challenges in current business environment
- 1. Rapid changes in market for existing businesses
- 2. Slow monetization of new businesses
- 3. Slow shift to organizational structure suited to business portfolio

Fundamental reforms are needed to improve business performance.



Outline of Fundamental Reforms to Improve Business Performance

In anticipation of the revision of the Medium-Term Management Plan, formulate and promote Fundamental Reforms to Improve Business Performance

Overall policy

- Reforms to optimize business portfolios based on demand forecasts for each segment
- Review of cost structure in consideration of the order receiving environment and promotion of fundamental reforms of entire company
- Improvement measures
 - **Business structural reforms**
 - 2
- Selection and integration of R&D
- 3
- **Reform of organizational structures**
- 4
- Reinforcing sales capabilities



DKK Co., Ltd.

Thorough improvement in operational efficiency

Business Structural Reforms

Overview

- Implement business structural reforms aimed at improving the corporate structure of the entire Group to improve corporate value
- Of the eight consolidated segments, designate Solutions, Fixed Wireless (Defense), and Radio Frequency businesses as "rising segments" to focus especially on and concentrate resources on them.
- In line with business structural reforms, optimize production and R&D structures and personnel allocation.
- For other segments, carry out optimum resource allocation after assessing impact of investment

Channel resources intensively to three rising segments

Solutions

Integrate Cybercore into the group for the early establishment of Solutions Business Capture demand increases associated with practical application of AI and advancement in wireless communication technology

Fixed Wireless (Defense)

In anticipation of a substantial increase in the defense budget, maximize opportunities to capture future demand, including for maintenance and development work

Radio Frequency

High possibility for business performance to improve, supported by growth potential of auto-related industry and potential growth rate of our business domains



Solving Social Issues -Solutions-



Source: Cabinet Office website (translated)



Business Structural Reforms - Solutions-

Roadmap

Vision	Solve social issues through AI-based Solutions Business
Short term	Aim to solve social issues through video-based AI solutions, strengthen proposal and development capabilities, and increase orders in collaboration with Cybercore.
Medium to long term	 Achieve license monetization by leveraging the compatibility of "communication × sensing × AI" to secure stable revenue source Commercialize "information services" by utilizing the obtained big data

Measures

- Increase staff in sales and development divisions
- Expand solution products
- Develop production and management structure aimed at transforming business model
- Build a new AI business to secure revenues from licensing

R&D expenses 0.6 billion yen (three-year total) <u>Net Sales</u> At least 5 billion yen by FY2030



Strengthening Solutions-Related Field

- > Acquired shares in image AI pioneer Cybercore Co., Ltd.
- > This is our group's first capital and business alliance with a company engaged in AI business.

🛠 Cybercore	Profile and acquisition	Profile and acquisition of Cybercore Co., Ltd.		
Representative Director	Yoshihiro Tamaki	Total number of shares held before change	-	
Location	Headquarters: 2-9-1 Morioka-Eki Nishi- Dori, Morioka, Iwate	Number of shares acquired	150,000 shares	
Date of establishment	March 2007	Value of acquisition	1.5 billion yen	
		Number of shares held	150,000 shares (52,63% stake)	

Has the world's highest level of Al algorithm development capabilities in areas such as image processing, image recognition, and artificial intelligence algorithm development

2021: Vehicle Re-Identification algorithm ranked first on Papers with Code's website



DKK Co., Ltd.

2021: Won first prize in CVPR in persons/objects scope identification category



2022: Won first prize in CVPR in automated retail checkout category



2022: Ranked 9th globally and 1st among Japanese companies in facial recognition technology benchmark test by U.S. National Institute of Standards and Technology (NIST)



31

Strengthening Solutions-Related Field

- Solutions
- > Track record in collaborating with an AI analysis project for human flow and traffic in central Morioka
- > Further business synergies through telecommunication \times sensing \times AI

Morioka case study





Images of people-flow analysis, left, and vehicle recognition, right. The system makes it possible to grasp people flow by hours of day, attributes, number of vehicles, vehicle models, status of congestion, etc.

Synergies between telecommunication × sensing × AI

"Wireless communication technology" we have developed over the years and "sensing technology" centered on cameras

Cybercore's advanced AI technologies for image processing, image recognition, and artificial intelligence algorithm development

Work on "expansion of solution products" and "expansion of new and existing markets"



Strengthening Solutions-Related Field

Solutions

> Analyze customer behavior with Al cameras to analyze product trends



Al cameras analyze movements of customers' bone, hand, eyes, etc. to analyze their tendencies and preferences when they pick up products.

Identify trends by age and gender, and plan product layouts

> Use AI to compare working hours of experienced and young workers and identify variations between them

Improve productivity in factories

Hardening Al analysis Analysis of each individual Employee A operation Z Diversion work processes Time required Analysis rom targe -1 second No problem component removal 0 seconds No problem stall componen -3 second Machine operatio ecording Overall analysis (xx/xx/2023 hardening operation Z) Work evaluation of Employ Prompt supervisor Employee S Employee A Employee B Employee C (model) Work evaluation of Employee E Work evaluation of Employee C

Aim to improve work efficiency, stabilize production output, and normalize work by analyzing data and giving feedback to each worker

Grasping output quantities in real time makes it possible to provide customers with specific and clear delivery schedules.



Contribution to National Security - Fixed Wireless (Defense-Related) -

Acquisition, Technology & Logistics Agency (ATLA) technology strategy



Source: Ministry of Defense website (translated)

ATLA R&D Vision

- Persistent ISR including space
- Stand-off defense
- EMS domain
- Under-water warfare
- Cyber defense





Areas of our focus

- Next-generation field communication system
- Next-generation satellite trunk line communication system
- Microwave band technology..., etc.

Roadmap

Vision	Achieve stable earnings by taking advantage of wireless communication technology we developed over many years
Short term	Win orders through stable supply of equipment against the backdrop of increased defense budget and through proactive proposals targeting maintenance, inspection, and maintenance projects for existing facilities
Medium to long term	 Win orders by building structure of the sales and technology division in anticipation of major equipment renewal (Ebino Transmitting Station*) Expand new products through core technology development targeting fields of our focus

Measures

DKK Co., Ltd.

- Strengthen sales and technology division staff
- Launch production-sales joint defense project team
- Strengthen collaboration with partner companies

R&D expenses0.5 billion yen(three-year total)Net SalesAt least5 billion yenby FY2027

* The Ebino Transmitting Station is an anti-submarine radio facility operated by the Maritime Self-Defense Force.

Strengthening Defense Field

> Won an order for the basic design of submarine broadcasting system transmission facilities

Supported by increased defense budget

- Won an order for the basic design of submarine broadcasting system transmission facilities from the Ministry of Defense in October 2023
- This project involves basic design work for the update of aging equipment of the Ebino Transmitting Station*, which has been operating for about three decades.
- Our unique know-how and track records are appreciated as we are versed in communication equipment and related services such as updating work and maintenance and monitoring services for transmitting equipment.



Fixed Wireless

Aim to win orders for various related projects expected in the future under company-wide effort as a communication infrastructure developer, taking advantage of our "experience and technological capabilities in antenna construction for the current facility" and "track records of over three decades in maintenance and operation."

* The Ebino Transmitting Station is an anti-submarine radio facility operated by the Maritime Self-Defense Force.





AWARDED BASIC DESIGN CONTRACT OF SUBMARINES BROADCAST TRANSMITTING FACILITIES BY JMSDF

- Our company was awarded basic design contract of submarines broadcast transmitting facilities by JMSDF(Japan Maritime Self-Defense Force) in October 2023.
- JMSDF, facing aging of its Ebino Transmitting Station (located in Ebino City, Miyazaki Pref.) which
 has been under operation for more than thirty years since establishment, is planning construction
 of new submarines VLF(Very Long Frequency) broadcast transmitting facilities as a replacement
 scheduled to commence operation no later than the end of FY2036.

JMSDF implements the basic design of new facilities in and after FY2023.

- Ebino Transmitting Station is an extremely large-scaled antenna facility equivalent to nothing in Japan. In the past, we have played a major and significant role in design and construction project of the Station. Subsequently, we have continuously been contributing management and maintenance of the Station until now.
- We are confident of being an outstanding leading company in Japan in the field of VLF technology.
- We are proud to be awarded the basic design contract, which could be evaluated as a proof of our strength in VLF technology backed by long-term experience. We have already prepared the best and will do utmost effort concentrating all our technological capabilities for the completion of the basic design, and further for contribution to the establishment of new transmitting facility.



(Photo Source: Website of Fleet Submarine Force, JMSDF)

Toward carbon neutrality

Japanese automakers

Largely aligned with the target of achieving carbon neutrality by 2050, which is also the government's target

We contribute to achieving carbon neutrality through the following equipment:

- EV and HEV motor shaft hardening and tempering equipment
- Hub unit hardening and tempering equipment
- CVJ hardening and tempering equipment
- Rack shaft hardening and tempering equipment



Roadmap

Vision	Work on technological development for carbon neutrality to maintain top global market share
Short term	 Upgrade equipment to downsize staff for improved productivity Increase orders by working with customers at an early stage of prototyping of new components associated with expansion of EVs Develop demand for maintenance work on existing equipment to stabilize revenue stream
Medium to long term	 Capture demand through technological development for power saving Rebuild our overseas manufacturing and maintenance structures based on the manufacturing bases of automobile manufacturers

Measures

- Improve development capabilities by increasing staff
- Establish a prototyping and research base in Tokai region
- Boost the production capacity of overseas affiliates

R&D expenses 0.5 billion yen (three-year total) <u>Net Sales</u> At least 10 billion yen by FY2028



Enhancing Productivity Improvement Through Equipment Improvements

Induction Heating Equipment

> Address smaller workforce

Shorten processing time and improve versatility





Gantry loader* used for internal conveyance

- Achieves complex and fast movements
- Capable of automatically changing hand positions
- Achieves versatility, with potential to be applied to various parts

Secure sufficient maintenance space thanks to the absence of devices other than heating coils in front of the equipment

* The gantry loader is a loader that moves items between processes.

Contribute to shorter preparation time



Machin parts and heating coils assembled on single base plate as a unit

Shorten the time for preparatory work, including changing components in the feeder and discharger



Strengthening Initiatives for EVs

> Received order for threaded shaft processing for electromechanical brake systems





Solving Social Issues - Radio Frequency (New Areas) -

Contribute to achieving SDGs using high-frequency induction heating technology developed through our work for automotive industry



Source: Ministry of the Environment website (translated)



Roadmap

Vision	Establish a new environmental business
Short term	 Resolve customer issues and expand lineup, focusing on disposal of food and other waste Speed up development and achieve early commercialization by channeling resources
Medium to long term	Expand business scope by commercializing recycling services

Measures

- Boost sales and enhance development capabilities by strengthening staff
- Establish business model and expand applications
 - Develop overseas sales channels





Strengthening New Radio Frequency Areas Field

New Radio Frequency Areas

> Step up development of superheated steam systems

[Outline of superheated steam equipment] A device that generates water vapor of 100° C or higher using high-frequency induction heating with zero direct CO₂ emissions

[Features]

- Can heat to ultra-high temperatures in short time (up to 700°C)
- Can help save energy by shortening warm-up time thanks to its quick heating capability
- Can be optimally customized according to the purpose or request

Improvement in superheated steam equipment

Conveyor belt type launched

Enables continuous processing and drying treatment of food residues

Contributes to achievingement of SDGs through waste reduction and recycling





> Strengthening Initiatives for SDGs



- Enables effective use of waste that was to be discarded, by drying it and mixing resin into it
- Dried waste materials have the potential to be reused in various forms depending on their type, characteristics, properties, etc.
 E.g., fertilizers, feed (for livestock), mixed in pulp molds

Selection and integration of R&D

Overview

DKK Co., Ltd.

- Selection and integration aimed at improving R&D performance
- Accelerate commercialization through aggressive investment in rising segments
- Take medium- to long-term strategies and investment impact into account in selecting R&D targets



Medium- to Long-Term R&D Strategy

Medium- to Long-Term Vision

Establish new businesses in rising segments Enter new markets by applying antennas, our core technology

- Strengthen profitability of rising segments through selection and integration of R&D
- Work on application of our core technologies over a medium to long term and develop new markets

Solutions	Establish a new business combining consulting services, using various application programs of "camera + AI solutions," and software licensing
New Radio Frequency Areas	Establish waste recycling and processing business using superheated steam as a new business
Antenna Application Field	 Realize shared wireless power transmission system Enter ITS market. Supply a shared system for communication with millimeter-wave radar as infrastructure facility

Future of Wireless Power Transmission



Source: Information and Communication Technology Section Subcommittee of Information and Communications Council "Technical Conditions of Spatial Transmission Wireless Power Transmission System in Premises" report (translated)



Future of ITS*1 With Next-Generation V2X*2 Communication Technology



Roles of next-generation V2X communication technology in large intersections (3 lanes on each side)

(Source: National Institute of Information and Communications Technology website (translated))

*1 "ITS (intelligent transport systems)" is a transportation system that aims to solve traffic problems (accidents, traffic congestion, etc.) using information and communication technology.

*2 "V2X (vehicle to X)" is a generic term for wireless communication technology that connects vehicles and everything.



Reform of Organizational Structures; Reinforcing Sales Capabilities; Improve Operations Thoroughly

Overview

- Implement organizational structure reforms in line with business portfolio
- Optimize production, sales and R&D structures, and rationalize organizations and personnel including the head office administrative divisions.
- Shift to profit-centric sales structure by strengthening sales capabilities and improving sales efficiency
- · Conduct drastic review of operations to improve operational efficiency and reduce fixed costs

Reform of organizational structures	Implement organizational structure reforms in line with business portfolio Review current organization and structures, optimize production, sales, and R&D structures, and rationalize organizations and personnel including administrative divisions
Reinforcing sales capabilities	Aim for sales organization that can flexibly respond to changes in market environment Improve sales efficiency by setting sales KPIs and using digital tools, including sales force automation (SFA)
Improve Operations Thoroughly	Reduce costs, including fixed costs, thoroughly Improve efficiency by promoting DX and outsourcing of operations and reviewing internal rules



Upcoming Schedule

DKK Co., Ltd.

November 30, 2023	 FY3/2024 first-half results briefing Outline of Fundamental Reforms to Improve Business Performance explained
4Q FY3/24	Medium-Term Business Plan "DKK-Plan 2025" Rolling plans to be announced
April 1, 2024	Medium-Term Business Plan "DKK-Plan 2025" rolling plans carried out based on the organizational structure after structural reforms Fundamental reforms promoted to improve business performance
First half of 2025	Medium-Term Business Plan "DKK-Plan 2028" to be announced

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.

