



May 30, 2024

Company name: DKK Co., Ltd.

Representative: Tadatoshi Kondo, President & Representative Director

(Securities code: 6706, Tokyo Stock Exchange Prime Market)

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(Correction/numerical data correction) Partial correction to the “Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)”

We found errors in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)” announced May 10, 2024. As such, we are announcing the following corrections. As some numerical data (XBRL data) have also been corrected, we are also sending the corrected numerical data.

#### 1 . Reason for correction

We found errors in the amounts of deferred tax assets and deferred tax liabilities stated in the consolidated balance sheet and the calculation for the consolidated statement of comprehensive income of “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)” after we submitted it. We are thus correcting them.

Note that these corrections have no impact on the consolidated statement of income, the consolidated statement of changes in equity, and the consolidated statement of cash flows.

#### 2 . Corrections

Underlines indicate corrections.

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

< Summary information >

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

**【Before】**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	28,864	(9.3)	(1,787)	-	(1,537)	-	(1,977)	-
Fiscal year ended March 31, 2023	31,817	(6.3)	(1,510)	-	(1,219)	-	(1,181)	-

Note: Comprehensive income Fiscal year ended March 31, 2024 (848) Millions of yen (-%) Fiscal year ended March 31, 2023 (841) Millions of yen (-%)

**【After】**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	28,864	(9.3)	(1,787)	-	(1,537)	-	(1,977)	-
Fiscal year ended March 31, 2023	31,817	(6.3)	(1,510)	-	(1,219)	-	(1,181)	-

Note: Comprehensive income Fiscal year ended March 31, 2024 (842) Millions of yen (-%) Fiscal year ended March 31, 2023 (841) Millions of yen (-%)

(2) Consolidated financial position

**【Before】**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Fiscal year ended March 31, 2024	<u>54,906</u>	38,723	<u>69.0</u>	3,917.44
Fiscal year ended March 31, 2023	55,134	41,801	74.8	3,942.82

**【After】**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Fiscal year ended March 31, 2024	<u>55,237</u>	38,723	<u>68.6</u>	3,917.44
Fiscal year ended March 31, 2023	55,134	41,801	74.8	3,942.82

(Page 1 of Attachment)

○ Table of Contents of Attachment

**【Before】**

< Omitted >

(5) Notes to consolidated financial statements .....	15
(Notes on going concern assumptions) .....	15
(Changes in accounting policies) .....	15
(Additional information) .....	15
(Segment information, etc.) .....	16
(Per-share information) .....	21
(Significant events after balance-sheet date) .....	21

< Omitted >

**【After】**

< Omitted >

(5) Notes to consolidated financial statements .....	15
(Notes on going concern assumptions) .....	15
(Changes in accounting policies) .....	15
(Change in method of presentation) .....	<u>15</u>
(Additional information) .....	15
(Segment information, etc.) .....	16
(Per-share information) .....	21
(Significant events after balance-sheet date) .....	21

< Omitted >

(Page 3 of Attachment)

1. Summary of operating results, etc.

(2) Summary of financial position for the fiscal year

【Before】

Total assets at the end of the current consolidated fiscal year decreased 227 million yen from a year earlier to 54,906 million yen. Current assets decreased 2,360 million yen from the end of the previous fiscal year to 38,302 million yen. The main factors were decreases of 693 million yen in cash and deposits and 1,948 million yen in accounts receivable including notes receivable, despite an increase of 659 million yen in inventories.

Non-current assets increased 2,132 million yen from the end of the previous fiscal year to 16,604 million yen. The main factors were increases of 1,689 million yen in intangible assets, 599 million yen in net defined benefit assets, and 1,000 million yen in long-term time deposits, despite a decrease of 1,341 million yen in property, plant, and equipment.

Current liabilities increased 1,170 million yen from the end of the previous fiscal year to 10,338 million yen. The main factors were increases of 2,200 million yen in short-term loans payable, despite decreases of 693 million yen in accounts payable including notes payable and 515 million yen in contract liabilities.

Fixed liabilities increased 1,680 million yen from the end of the previous fiscal year to 5,845 million yen. The main factors were increases of 1,781 million yen in long-term unearned revenue, despite a decrease of 106 million yen in net defined benefit liability.

Net assets decreased 3,078 million yen from the end of the previous fiscal year to 38,723 million yen. The main factors were decreases of 5,448 million yen in retained earnings, despite increases in net assets due to increases of 479 million yen in valuation difference on available-for-sale securities, 375 million yen in foreign currency translation adjustment, and 978 million yen in treasury stock due to purchase and cancellation of treasury stock.

【After】

Total assets at the end of the current consolidated fiscal year increased 103 million yen from a year earlier to 55,237 million yen. Current assets decreased 2,360 million yen from the end of the previous fiscal year to 38,302 million yen. The main factors were decreases of 693 million yen in cash and deposits and 1,948 million yen in accounts receivable including notes receivable, despite an increase of 659 million yen in inventories.

Non-current assets increased 2,463 million yen from the end of the previous fiscal year to 16,935 million yen. The main factors were increases of 1,689 million yen in intangible assets, 285 million yen in deferred tax assets, 599 million yen in net defined benefit assets, and 1,000 million yen in long-term time deposits, despite a decrease of 1,341 million yen in property, plant, and equipment.

Current liabilities increased 1,170 million yen from the end of the previous fiscal year to 10,338 million yen. The main factors were increases of 2,200 million yen in short-term loans payable, despite decreases of 693 million yen in accounts payable including notes payable and 515 million yen in contract liabilities.

Fixed liabilities increased 2,011 million yen from the end of the previous fiscal year to 6,175 million yen. The main factors were increases of 339 million yen in deferred tax liabilities and 1,781 million yen in long-term unearned revenue, despite a decrease of 106 million yen in net defined benefit liability.

Net assets decreased 3,078 million yen from the end of the previous fiscal year to 38,723 million yen. The main factors were decreases of 5,448 million yen in retained earnings, despite increases in net assets due to increases of 479 million yen in valuation difference on available-for-sale securities, 375 million yen in foreign currency translation adjustment, and 978 million yen in treasury stock due to purchase and cancellation of treasury stock.

(Page 6-7 of Attachment)

3. Consolidated financial statements and major notes

(1) Consolidated balance sheet

【Before】

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	19,759	19,066
Notes receivable-trade	419	292
Electronically recorded monetary claims-operating	1,537	1,394
Accounts receivable from completed construction contracts	5,108	3,759
Accounts receivable-trade	3,175	3,974
Contract assets	3,715	2,586
Costs on uncompleted construction contracts	17	39
Other inventories	5,720	6,358
Other Businesses	1,211	890
Allowance for doubtful accounts	(2)	(59)
<b>Total current assets</b>	<b>40,662</b>	<b>38,302</b>
<b>Non-current assets</b>		
<b>Property, plant, and equipment</b>		
Buildings and structures	11,179	10,824
Machinery, equipment, and vehicles	9,799	9,474
Tools, furniture, and fixtures	7,475	6,604
Land	2,251	2,221
Lease assets	268	245
Construction in progress	169	88
Accumulated depreciation	(24,614)	(24,269)
<b>Total property, plant, and equipment</b>	<b>6,529</b>	<b>5,188</b>
<b>Intangible assets</b>		
Goodwill	-	936
Technology-related assets	-	965
Other Businesses	598	386
<b>Total Intangible assets</b>	<b>598</b>	<b>2,287</b>
<b>Investments and other assets</b>		
Investment securities	4,549	4,554
Long-term loans receivable	1	1
Net defined benefit assets	831	1,431
Long-term time deposits	-	1,000
Deferred tax assets	886	841
Other Businesses	1,123	1,347
Allowance for doubtful accounts	(47)	(47)
<b>Total investments and other assets</b>	<b>7,344</b>	<b>9,128</b>
<b>Total non-current assets</b>	<b>14,472</b>	<b>16,604</b>
<b>Total assets</b>	<b>55,134</b>	<b>54,906</b>

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts, and others	4,045	3,352
Short-term loans payable	2,200	4,400
Long-term loans payable to be repaid within a year	90	127
Lease obligations	48	42
Income taxes payable	116	211
Contract liabilities	728	213
Allowance for warranties on completed construction contracts	18	87
Allowance for product warranties	83	42
Allowance for employees' bonuses	662	530
Allowance for directors' bonuses	9	11
Allowances for losses on construction contracts	6	27
Allowances for losses on liquidation of subsidiaries and affiliates	76	14
Allowances for environmental measures	-	149
Asset retirement obligations	-	16
Other Businesses	1,079	1,112
<b>Total current liabilities</b>	<b>9,168</b>	<b>10,338</b>
<b>Fixed liabilities</b>		
Long-term loans payable	1,260	1,250
Lease obligations	75	64
Allowance for product warranties	18	5
Allowances for share-based remuneration for directors and corporate auditors	75	89
Allowances for environmental measures	-	50
Net defined benefit liability	2,626	2,520
Asset retirement obligations	49	40
Long-term unearned revenue	-	1,781
Other Businesses	58	41
<b>Total fixed liabilities</b>	<b>4,164</b>	<b>5,845</b>
<b>Total liabilities</b>	<b>13,332</b>	<b>16,183</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital	8,774	8,774
Capital surplus	9,693	9,693
Retained earnings	25,019	19,570
Treasury stock	(3,897)	(2,919)
<b>Total shareholders' equity</b>	<b>39,589</b>	<b>35,119</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	736	1,216
Deferred gains or losses on hedges	2	-
Foreign currency translation adjustment	494	870
Remeasurements of defined benefit plans	424	677
<b>Total accumulated other comprehensive income</b>	<b>1,658</b>	<b>2,763</b>
<b>Non-controlling interests</b>	<b>553</b>	<b>840</b>
<b>Total net assets</b>	<b>41,801</b>	<b>38,723</b>
<b>Total liabilities and net assets</b>	<b>55,134</b>	<b>54,906</b>

【After】

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	19,759	19,066
Notes receivable-trade	419	292
Electronically recorded monetary claims-operating	1,537	1,394
Accounts receivable from completed construction contracts	5,108	3,759
Accounts receivable-trade	3,175	3,974
Contract assets	3,715	2,586
Costs on uncompleted construction contracts	17	39
Other inventories	5,720	6,358
Other Businesses	1,211	890
Allowance for doubtful accounts	(2)	(59)
Total current assets	<u>40,662</u>	<u>38,302</u>
Non-current assets		
Property, plant, and equipment		
Buildings and structures	11,179	10,824
Machinery, equipment, and vehicles	9,799	9,474
Tools, furniture, and fixtures	7,475	6,604
Land	2,251	2,221
Lease assets	268	245
Construction in progress	169	88
Accumulated depreciation	(24,614)	(24,269)
Total property, plant, and equipment	<u>6,529</u>	<u>5,188</u>
Intangible assets		
Goodwill	-	936
Technology-related assets	-	965
Other Businesses	598	386
Total Intangible assets	<u>598</u>	<u>2,287</u>
Investments and other assets		
Investment securities	4,549	4,554
Long-term loans receivable	1	1
Net defined benefit assets	831	1,431
Long-term time deposits	-	1,000
Deferred tax assets	886	1,172
Other Businesses	1,123	1,347
Allowance for doubtful accounts	(47)	(47)
Total investments and other assets	<u>7,344</u>	<u>9,459</u>
Total non-current assets	<u>14,472</u>	<u>16,935</u>
Total assets	<u>55,134</u>	<u>55,237</u>

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts, and others	4,045	3,352
Short-term loans payable	2,200	4,400
Long-term loans payable to be repaid within a year	90	127
Lease obligations	48	42
Income taxes payable	116	211
Contract liabilities	728	213
Allowance for warranties on completed construction contracts	18	87
Allowance for product warranties	83	42
Allowance for employees' bonuses	662	530
Allowance for directors' bonuses	9	11
Allowances for losses on construction contracts	6	27
Allowances for losses on liquidation of subsidiaries and affiliates	76	14
Allowances for environmental measures	-	149
Asset retirement obligations	-	16
Other Businesses	1,079	1,112
Total current liabilities	9,168	10,338
<b>Fixed liabilities</b>		
Long-term loans payable	1,260	1,250
Lease obligations	75	64
Allowance for product warranties	18	5
Allowances for share-based remuneration for directors and corporate auditors	75	89
Allowances for environmental measures	-	50
Net defined benefit liability	2,626	2,520
Asset retirement obligations	49	40
Long-term unearned revenue	-	1,781
Deferred tax liabilities	0	339
Other Businesses	58	32
Total fixed liabilities	4,164	6,175
<b>Total liabilities</b>	13,332	16,514
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital	8,774	8,774
Capital surplus	9,693	9,693
Retained earnings	25,019	19,570
Treasury stock	(3,897)	(2,919)
Total shareholders' equity	39,589	35,119
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	736	1,216
Deferred gains or losses on hedges	2	-
Foreign currency translation adjustment	494	870
Remeasurements of defined benefit plans	424	677
Total accumulated other comprehensive income	1,658	2,763
<b>Non-controlling interests</b>	553	840
<b>Total net assets</b>	41,801	38,723
<b>Total liabilities and net assets</b>	55,134	55,237



(Page 10 of Attachment)

### 3. Consolidated financial statements and major notes

#### (2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of comprehensive income)

【Before】

(Millions of yen)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
Net loss	(1,265)	(1,991)
Other comprehensive income		
Valuation difference on available-for-sale securities	(136)	479
Deferred gains or losses on hedges	(35)	(2)
Foreign currency translation adjustment	489	413
Remeasurements of defined benefit plans, net of tax	106	252
Total other comprehensive income	424	1,142
Comprehensive income	(841)	(848)
(Breakdown)		
Comprehensive income attributable to shareholders of parent	(836)	(870)
Comprehensive income attributable to non-controlling interests	(4)	22

【After】

(Millions of yen)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
Net loss	(1,265)	(1,991)
Other comprehensive income		
Valuation difference on available-for-sale securities	(136)	479
Deferred gains or losses on hedges	(35)	(2)
Foreign currency translation adjustment	489	418
Remeasurements of defined benefit plans, net of tax	106	252
Total other comprehensive income	424	1,148
Comprehensive income	(841)	(842)
(Breakdown)		
Comprehensive income attributable to shareholders of parent	(836)	(864)
Comprehensive income attributable to non-controlling interests	(4)	22

(Page 15 of Attachment)

(5) Notes to consolidated financial statements

【Before】

< Omitted >

(Changes in accounting policies)

(Changes in inventory valuation)

The Company had adopted the moving-average cost method for valuation of inventories held as raw materials and supplies; however, at the beginning of the current consolidated fiscal year, the Company changed the method to the gross-average cost method.

The purpose of the change is to reflect more appropriate periodic profit and loss, taking into account longer cycles of raw materials and supplies and changes in their procurement prices.

The effect of the policy change on the past period is minor.

(Additional information)

(Share-based compensation scheme for directors)

The Company and some of its consolidated subsidiaries have a share-based compensation scheme (the “Scheme” hereafter) for their directors, excluding outside directors, with a purpose of establishing a clear connection between directors’ compensation and stock value of the Company and motivating them to contribute to a medium- to long-term increase in earnings and corporate value.

(1) Overview of transactions

Under the Scheme, the Company’s shares are held in the account of an employee stock ownership plan (ESOP) trust for officers (the “Trust” hereafter) established on Company funds and the number of shares corresponding to the points assigned to each director are granted to the director through the Trust in accordance with the share-granting rules established by the Company’s Board of Directors and those of some of its consolidated subsidiaries. Directors are granted the Company’s shares when they retire from directorship, in principle.

(2) The Company’s shares remaining in the trust account

The Company’s shares remaining in the trust account are recognized as treasury stock under net assets at the book value in the trust account (excluding associated expenses). The book value and number of such treasury stock were 196 million yen and 79,367 shares at the end of the previous consolidated fiscal year, and 185 million yen and 74,918 shares at the end of the current consolidated fiscal year.

【After】

< Omitted >

(Changes in accounting policies)

(Changes in inventory valuation)

The Company had adopted the moving-average cost method for valuation of inventories held as raw materials and supplies; however, at the beginning of the current consolidated fiscal year, the Company changed the method to the gross-average cost method.

The purpose of the change is to reflect more appropriate periodic profit and loss, taking into account longer cycles of raw materials and supplies and changes in their procurement prices.

The effect of the policy change on the past period is minor.

(Change in method of presentation)

(Consolidated balance sheet)

Beginning with the current fiscal year, we decided to indicate “deferred tax liabilities,” which was included in “Other Businesses” under “Fixed liabilities” in the previous fiscal year, as a separate line item because it increased in significance in terms of amount. We rearranged the financial statements of the previous consolidated fiscal year to reflect this change in presentation.

As a result, the 0 million yen presented in “Other Businesses” under “Fixed liabilities” in the consolidated balance sheet for the previous fiscal year has been reclassified as “Deferred tax liabilities” in an amount of 0 million yen.

(Additional information)

(Share-based compensation scheme for directors)

The Company and some of its consolidated subsidiaries have a share-based compensation scheme (the “Scheme” hereafter) for their directors, excluding outside directors, with a purpose of establishing a clear connection between directors’ compensation and stock value of the Company and motivating them to contribute to a medium- to long-term increase in earnings and corporate value.

(1) Overview of transactions

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The Company’s shares remaining in the trust account are recognized as treasury stock under net assets at the book value in the trust account (excluding associated expenses). The book value and number of such treasury stock were 196 million yen and 79,367 shares at the end of the previous consolidated fiscal year, and 185 million yen and 74,918 shares at the end of the current consolidated fiscal year.

(Page 16-18 of Attachment)

(5) Notes to consolidated financial statements

【Before】

(Segment information, etc)

【Segment information】

< Omitted >

3 Information on amounts of net sales, profit/loss, assets, liabilities, etc. by reportable segment  
Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment			Others (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note)3
	Telecommunication Business	Radio Frequency Business	Total				
Net sales							
Sales to external customers	19,136	9,623	28,759	104	28,864	-	28,864
Intersegment sales or transfers	30	-	30	160	191	(191)	-
Total	19,167	9,623	28,790	265	29,056	(191)	28,864
Segment income (loss)	(56)	1,023	966	123	1,089	(2,877)	(1,787)
Segment assets	<u>22,256</u>	10,601	<u>32,857</u>	608	<u>33,466</u>	<u>21,439</u>	<u>54,906</u>
Other items							
Depreciation	644	304	948	61	1,009	193	1,203
Depreciation of goodwill	85	-	85	-	85	-	85
Balance of undepreciated goodwill	936	-	936	-	936	-	936
Increase in property, plant, and equipment and intangible assets	1,456	848	2,304	15	2,320	62	2,383

(Notes) 1 The “Others” segment, which is not included in reportable segments, includes equipment leasing and electric power sales businesses.

2 Details of adjustments are as follows.

- (1) The segment income adjustment of (2,877) million yen includes (65) million yen in elimination of intersegment transactions and (2,811) million yen in corporate expenses that are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.
- (2) Adjustment to segment assets is a corporate asset that is not allocated to reportable segments. Corporate assets are primarily the Company’s cash and deposits, etc. of the headquarters that are not allocated to reportable segments.
- (3) Adjustment to depreciation is a corporate expense that is not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.
- (4) Adjustment to increase in property, plant, and equipment and intangible assets is the amount of capital expenditures of the corporate assets that is not allocated to reportable segments. Corporate assets are mainly capital expenditures at the headquarters that are not attributable to any reportable segments.

3 Adjustments are made to reconcile segment income (loss) with operating loss in the consolidated statement of income.

【After】

(Segment information, etc)

【Segment information】

<Omitted>

3 Information on amounts of net sales, profit/loss, assets, liabilities, etc. by reportable segment  
Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment			Others (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Telecommunication Business	Radio Frequency Business	Total				
Net sales							
Sales to external customers	19,136	9,623	28,759	104	28,864	-	28,864
Intersegment sales or transfers	30	-	30	160	191	(191)	-
Total	19,167	9,623	28,790	265	29,056	(191)	28,864
Segment income (loss)	(56)	1,023	966	123	1,089	(2,877)	(1,787)
Segment assets	<u>22,448</u>	10,601	<u>33,049</u>	608	<u>33,658</u>	<u>21,579</u>	<u>55,237</u>
Other items							
Depreciation	644	304	948	61	1,009	193	1,203
Depreciation of goodwill	85	-	85	-	85	-	85
Balance of undepreciated goodwill	936	-	936	-	936	-	936
Increase in property, plant, and equipment and intangible assets	1,456	848	2,304	15	2,320	62	2,383

(Notes) 1 The “Others” segment, which is not included in reportable segments, includes equipment leasing and electric power sales businesses.

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(1) The segment income adjustment of (2,877) million yen includes (65) million yen in elimination of intersegment transactions and (2,811) million yen in corporate expenses that are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.

(2) Adjustment to segment assets is a corporate asset that is not allocated to reportable segments. Corporate assets are primarily the Company’s cash and deposits, etc. of the headquarters that are not allocated to reportable segments.

(3) Adjustment to depreciation is a corporate expense that is not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.

(4) Adjustment to increase in property, plant, and equipment and intangible assets is the amount of capital expenditures of the corporate assets that is not allocated to reportable segments. Corporate assets are mainly capital expenditures at the headquarters that are not attributable to any reportable segments.

3 Adjustments are made to reconcile segment income (loss) with operating loss in the consolidated statement of income.

End