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January 12, 2023

## Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending May 31, 2023 <Japanese GAAP>

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 Listed stock exchange: Tokyo  
 Securities code: 7725  
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 Submission of quarterly report: January 13, 2023  
 Dividend payment commencement date: –  
 Preparation of explanatory materials for quarterly financial results: Yes  
 Holding of a briefing on quarterly financial results: Yes (For Institutional Investors, Analysts)

(Amounts of less than one million yen are truncated)

### 1. Consolidated Financial Results for the Cumulative Second Quarter of the Fiscal Year Ending May 31, 2023 (June 1, 2022 to November 30, 2022)

#### (1) Consolidated operating results (Cumulative) (% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended November 30, 2022	3,032	1.1	614	3.4	660	8.0	429	11.1
Six months ended November 30, 2021	2,999	(11.2)	594	(32.3)	611	(30.7)	386	(34.1)

(Note) Comprehensive income: Six months ended November 30, 2022: ¥435 million / 12.7%  
 Six months ended November 30, 2021: ¥386 million / (35.1)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2022	39.42	—
Six months ended November 30, 2021	35.19	—

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2022	11,931	9,688	81.2
As of May 31, 2022	11,533	9,340	81.0

(Reference) Shareholders' equity: As of November 30, 2022: ¥9,688 million  
 As of May 31, 2022: ¥9,340 million

## 2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2022	–	0.00	–	20.00	20.00
Fiscal year ending May 31, 2023	–	0.00			
Fiscal year ending May 31, 2023 (Forecast)			–	25.00	25.00

(Note) Amendment to forecasts of dividends recently announced: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending May 31, 2023 (June 1, 2022 to May 31, 2023)

(% figures show year-on-year change for the full year and quarter)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	7,623	26.7	2,200	94.7	2,224	85.9	1,459	91.8	133.96

(Note) 1. Amendment to forecasts of financial results recently announced: None

2. The Company has implemented an ESOP and Directors' stock compensation plan both in the form of stock benefit trusts. Accordingly, profit per share is calculated based on the average number of shares during the fiscal year, excluding the number of treasury shares, which includes Inter Action stock held by the stock benefit ESOP trust accounts and Directors' compensation stock benefit trust accounts.

**\* Notes**

(1) Change in significant subsidiaries during six months ended November 30, 2022 (changes in specified subsidiaries affecting the scope of consolidation): None

New: - (Company name: ) Excluded: - (Company name: )

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies and estimates, and retrospective restatements

(i) Changes in accounting policies in accordance with revision of accounting standards: Yes

(ii) Changes in accounting policies other than item (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(Note) For details, refer to “(4) Note regarding the quarterly consolidated financial statements (Changes in accounting policies)” under “2. Quarterly Consolidated Financial Statements and Notes” (page 9) of the Attached Materials.

(4) Number of shares issued (common shares)

(i) Number of shares outstanding at end of period (including treasury shares)

As of November 30, 2022	11,510,200 shares
As of May 31, 2022	11,510,200 shares

(ii) Number of treasury shares at end of period

As of November 30, 2022	601,007 shares
As of May 31, 2022	647,207 shares

(iii) Average number of shares during period

For the six months ended November 30, 2022	10,881,847 shares
For the six months ended November 30, 2021	10,978,059 shares

(Note) The Company has implemented an ESOP and Directors’ stock compensation plan both in the form of stock benefit trusts. Accordingly, treasury shares, as stated, include Inter Action stock held by the stock benefit ESOP trust accounts and Directors’ compensation stock benefit trust accounts.

\* Quarterly financial results are not subject to auditing by a certified public accountant or an audit firm.

\* Proper use of earnings forecasts, and other special matters

The above forecasts of consolidated financial results are based on certain assumptions on economic situation, market trends, etc. deemed to be reasonable when the forecasts were made. Consequently, actual results may differ from the forecasts due to a variety of future factors. For details of the above forecasts, refer to “(3) Explanation of forward-looking information including consolidated earnings forecasts” under “1. Qualitative Information on Quarterly Results” (page 3) of the Attached Materials.

## [Attached Materials]

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## 1. Qualitative Information on Quarterly Results

### (1) Explanation of consolidated operating results

Net sales in the Inter Action Group's financial results for the first six months of the consolidated fiscal year under review rose year on year. This is mainly attributable to solid sales of the products in the environmental energy related works segment and strong sales of the products in the promotion business of the Industry 4.0 segment.

Operating profit also rose year on year. This is mainly attributable to solid sales of high-profit products in the Internet of things related works segment and strong sales of the products in the promotion business of the Industry 4.0 segment.

As a result, the Inter Action Group's financial results for the first six months of the consolidated fiscal year under review were as follows. Net sales rose by 1.1% to 3,032 million yen (compared with 2,999 million yen in the previous fiscal year); gross profit rose by 5.7% to 1,468 million yen (compared with 1,389 million yen in the previous fiscal year), largely due to the improvement of gross margin ratio; operating profit rose by 3.4% to 614 million yen (compared with 594 million yen in the previous fiscal year); ordinary profit rose by 8.0% to 660 million yen (compared with 611 million yen in the previous fiscal year); and profit attributable to owners of parent excluding income taxes rose by 11.1% to 429 million yen (compared with 386 million yen of profit attributable to owners of parent in the previous fiscal year).

The overall performance of each business segment was as follows.

#### (Internet of things related works)

During the first six months of the consolidated fiscal year under review, net sales to this segment's external customers fell by 7.2% year on year to 1,829 million yen (compared with 1,971 million yen in the previous fiscal year), and segment profit increased by 2.5% to 973 million yen (compared with 950 million yen in the previous fiscal year). This reflects sluggish sales of inspection illuminators and pupil lens modules for domestic customers, which continued from the first quarter, in contrast with solid sales of the highly profitable inspection illuminators for overseas customers.

#### (Environmental energy related works)

During the first six months of the consolidated fiscal year under review, net sales to this segment's external customers rose by 6.1% to 360 million yen (compared with 340 million yen in the previous fiscal year), and segment loss was 14 million yen (profit of 13 million yen in the previous fiscal year). This is attributable to sluggish sales of high-profit maintenance projects, although the segment enjoyed robust sales of products with high unit price, such as drying deodorizers and exhaust gas treatment systems, a continuing trend from the first quarter.

#### (Promotion business of Industry 4.0)

During the first six months of the consolidated fiscal year under review, net sales to this segment's external customers increased by 22.5% to 842 million yen (compared with 687 million yen in the previous fiscal year), and the segment recorded a profit of 40 million yen (loss of 19 million yen in the previous fiscal year). This is attributable to strong sales of precision vibration isolation systems and solid sales also of gear testing systems.

### (2) Explanation of financial position

#### 1) Assets, Liabilities and Net Assets

As of the end of the second quarter of the consolidated fiscal year under review, net assets amounted to 11,931 million yen, an increase of 398 million yen compared with the end of the previous consolidated fiscal year.

Current assets amounted to 10,626 million yen, an increase of 410 million yen compared with the end of the previous consolidated fiscal year. This is mainly attributable to a 687 million yen increase in work in process and a 92 million yen increase in raw materials and supplies, despite a 384 million yen decline in electronically recorded monetary claims—operating.

Non-current assets amounted to 1,305 million yen, a decrease of 12 million yen compared with the end of the previous consolidated fiscal year.

As of the end of the second quarter of the consolidated fiscal year under review, liabilities amounted to 2,243 million yen, an increase of 51 million yen compared with the end of the previous consolidated fiscal year.

As of the end of the second quarter of the consolidated fiscal year under review, total assets amounted to 9,688 million yen, an increase of 347 million yen compared with the amount held at the end of the previous consolidated fiscal year. This is mainly attributable to recording of profit attributable to owners of parent of 429 million yen and a 132 million yen decrease of treasury shares despite year-end dividends of 221 million yen in the previous fiscal year.

## 2) Cash flows

At the end of the consolidated cumulative second quarter of the fiscal year under review, cash and cash equivalents amounted to 6,661 million yen, which is a decrease of 78 million yen in comparison to the balance at the end of the previous consolidated fiscal year.

The status of each type of cash flow for the consolidated second quarter of the fiscal year under review is as follows.

### (Cash flow from operating activities)

Net cash provided by operating activities during the consolidated second quarter of the fiscal year under review amounted to 143 million yen (in comparison with net cash provided by operating activities of 186 million yen in the previous fiscal year). This is mainly a result of having recorded 660 million yen in profit before income taxes and a decrease of 418 million yen in trade receivables, despite an increase of 779 million yen in inventories and 155 million yen in income taxes paid.

### (Cash flow from investing activities)

Net cash used in investing activities during the consolidated second quarter of the fiscal year under review amounted to 70 million yen (in comparison with net cash provided in operating activities of 54 million yen in the previous fiscal year). This is mainly a result of having recorded 60 million yen in purchase of property, plant and equipment.

### (Cash flow from financing activities)

Net cash used in financing activities during the consolidated second quarter of the fiscal year under review amounted to 200 million yen (in comparison with net cash used by financing activities of 424 million yen in the previous fiscal year). This is mainly a result of having recorded 220 million yen in cash dividends paid.

## (3) Explanation of forward-looking information including consolidated earnings forecasts

There is no amendment to consolidated earnings forecasts disclosed on October 12, 2022.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly consolidated balance sheets

(Unit: Thousands of yen)

	As of May 31, 2022	As of November 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,751,660	6,671,526
Notes and accounts receivable–trade	781,177	816,373
Electronically recorded monetary claims–operating	716,488	331,819
Operational investment securities	36,549	37,541
Merchandise and finished goods	167,254	116,299
Work in process	1,142,354	1,829,523
Raw materials and supplies	579,614	672,044
Other	69,594	170,464
Allowance for doubtful accounts	(28,624)	(18,969)
Total current assets	10,216,069	10,626,624
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	263,901	254,021
Land	165,149	165,149
Other, net	192,241	216,963
Total property, plant and equipment	621,292	636,134
Intangible assets		
Goodwill	185,882	161,460
Other	25,916	33,190
Total intangible assets	211,798	194,651
Investments and other assets		
Investment securities	130,437	130,447
Other	435,333	354,836
Allowance for doubtful accounts	(81,623)	(10,858)
Total investments and other assets	484,147	474,426
Total non-current assets	1,317,238	1,305,212
Total assets	11,533,308	11,931,836

(Unit: Thousands of yen)

	As of May 31, 2022	As of November 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	495,551	469,531
Short-term borrowings	180,000	240,000
Current portion of bonds payable	30,000	—
Current portion of long-term borrowings	69,902	56,292
Income taxes payable	143,282	198,205
Provision for product warranties	18,632	16,090
Provision for share awards for directors (and other officers)	133,000	73,400
Other	475,640	563,073
Total current liabilities	1,546,008	1,616,592
Non-current liabilities		
Long-term borrowings	523,954	496,126
Provision for share awards	8,457	9,149
Retirement benefit liability	87,716	95,355
Asset retirement obligations	10,150	10,150
Other	16,130	16,354
Total non-current liabilities	646,409	627,135
Total liabilities	2,192,417	2,243,727
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,760,299	1,760,299
Capital surplus	3,352,855	3,352,855
Retained earnings	5,362,752	5,570,486
Treasury shares	(1,142,686)	(1,009,866)
Total shareholders' equity	9,333,221	9,673,775
Accumulated other comprehensive income		
Foreign currency translation adjustment	7,669	14,333
Total accumulated other comprehensive income	7,669	14,333
Total net assets	9,340,890	9,688,109
<b>Total liabilities and net assets</b>	<b>11,533,308</b>	<b>11,931,836</b>



(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income  
(Quarterly consolidated statements of income)  
(June 1, 2022 – November 30, 2022)

(Unit: Thousands of yen)

	Six months ended November 30, 2021	Six months ended November 30, 2022
Net sales	2,999,600	3,032,703
Cost of sales	1,609,975	1,564,247
Gross profit	1,389,625	1,468,456
Selling, general and administrative expenses	795,243	853,841
Operating profit	594,381	614,614
Non-operating income		
Interest income	174	1,697
Dividend income	50	120
Income from assets for rent	4,763	4,620
Foreign exchange gains	13,077	43,137
Other	10,962	5,799
Total non-operating income	29,028	55,375
Non-operating expenses		
Interest expenses	4,438	3,965
Expenses of assets for rent	5,050	4,147
Share of loss of entities accounted for using equity method	520	—
Other	1,814	1,328
Total non-operating expenses	11,824	9,442
Ordinary profit	611,586	660,547
Extraordinary income		
Gain on sale of non-current assets	96	63
Total extraordinary income	96	63
Extraordinary losses		
Loss on retirement of non-current assets	5,095	—
Total extraordinary losses	5,095	—
Profit before income taxes	606,587	660,611
Income taxes—current	172,706	202,591
Income taxes—deferred	47,572	29,013
Total income taxes	220,279	231,604
Profit	386,308	429,006
Profit attributable to owners of parent	386,308	429,006

(Quarterly consolidated statements of comprehensive income)  
 (June 1, 2022 – November 30, 2022)

(Unit: Thousands of yen)

	Six months ended November 30, 2021	Six months ended November 30, 2022
Profit	386,308	429,006
Other comprehensive income		
Foreign currency translation adjustment	465	6,663
Share of other comprehensive income of entities accounted for using equity method	(116)	—
Total other comprehensive income	348	6,663
Comprehensive income	386,657	435,670
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	386,657	435,670
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated statement of cash flows

(Unit: Thousands of yen)

	2Q ended November 30, 2021 (June 1, 2021 to November 30, 2021)	2Q ended November 30, 2022 (June 1, 2022 to November 30, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	606,587	660,611
Depreciation	71,253	54,835
Amortization of goodwill	24,421	24,421
Increase (decrease) in allowance for doubtful accounts	1,170	(10,438)
Increase (decrease) in provision for product warranties	(2,691)	(2,562)
Increase (decrease) in provision for share awards	348	691
Increase (decrease) in provision for share awards for directors (and other officers)	(126,300)	(59,600)
Increase (decrease) in retirement benefit liability	(5,076)	7,175
Interest and dividend income	(224)	(1,818)
Interest expenses on borrowings and guarantee commission	4,530	3,974
Foreign exchange losses (gains)	(9,088)	(44,290)
Loss on retirement of property, plant and equipment	5,095	—
Loss (gain) on sale of property, plant and equipment	(96)	(63)
Loss on valuation of inventories	12,088	52,650
Decrease (increase) in trade receivables	20,602	418,237
Decrease (increase) in inventories	(167,281)	(779,263)
Decrease (increase) in investment securities for sale	1,986	(991)
Increase (decrease) in trade payables	80,818	(22,226)
Other, net	124,293	129
Subtotal	642,438	301,473
Interest and dividends received	224	1,818
Interest and guarantee commission received	(4,518)	(4,077)
Income taxes paid	(452,018)	(155,853)
Net cash provided by (used in) operating activities	186,126	143,359
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,300)	—
Proceeds from withdrawal of time deposits	3,000	1,300
Purchase of property, plant and equipment	(56,156)	(60,188)
Proceeds from sale of property, plant and equipment	97	—
Purchase of investment securities	(1,943)	(11,980)
Payments of leasehold deposits	(136)	—
Proceeds from refund of leasehold deposits	1,505	—
Other, net	146	—
Net cash provided by (used in) investing activities	(54,787)	(70,868)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(20,000)	60,000
Repayments of long-term borrowings	(83,223)	(41,438)
Redemption of bonds	(30,000)	(30,000)
Repayments of finance lease liabilities	(5,359)	(4,787)
Purchase of treasury shares	(135,124)	—
Proceeds from sale of treasury shares	74,049	36,012
Dividends paid	(225,073)	(220,519)
Net cash provided by (used in) financing activities	(424,730)	(200,731)
Effect of exchange rate change on cash and cash equivalents	8,747	49,407
Net increase (decrease) in cash and cash equivalents	(284,644)	(78,833)
Cash and cash equivalents at beginning of period	7,211,083	6,740,352
Cash and cash equivalents at end of period	6,926,439	6,661,519

(4) Note regarding the quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

During the first half of the fiscal year under review, the Company sold 20,800 shares (60,012 thousand yen) to make payments of cash to eligible persons and also furnished 25,200 shares (72,707 thousand yen) to eligible persons under the Directors' compensation stock benefit trust.

As a result, treasury shares decreased by 132,820 thousand yen to 1,009,866 thousand yen as of the end of the first half of the consolidated fiscal year under review.

(Changes in accounting policies)

(Application of implementation guidance on accounting standard for fair value measurement)

The Group has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Implementation Guidance") from the beginning of the first quarter of the fiscal year ending May 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Group has decided to apply the new accounting policies set forth by the Fair Value Measurement Implementation Guidance going forward.

This will have no impact on the quarterly consolidated financial statements.

(Additional information)

(Stock benefit trust system that delivers company shares to employees through the trust)

1. Overview of transactions

The Company has adopted an incentive plan "Employee Stock Ownership Plan (J-ESOP)" (hereinafter, "the System") for employees that offers them a stake in the Company's shares. We hope this will help to enhance employee motivation and morale, and thereby the Company's stock price and performance, by increasing the correlation between our stock price, business performance, and the treatment of employees, and sharing the economic effects with our shareholders.

The system is a mechanism for distributing the Company's shares to employees that meet certain criteria in accordance with the stock benefit regulations established in advance by the Company. The Company will award employees points according to their personal contribution, etc. and distribute shares equivalent to the points awarded when the entitlement is gained under certain conditions.

2. Shares of the company remaining in trust

Company shares remaining in trust are to be recorded at book value as "treasury shares" (excluding the amount of incidental costs) under net assets. The treasury shares in question had a book value of 13,736 thousand yen (27,400 shares) at the end of the previous fiscal year, and 13,636 thousand yen (27,200 shares) at the end of the second quarter of the consolidated fiscal year under review.

(A performance-linked stock compensation system that distributes the company's shares via a trust to the directors)

1. Overview of transactions

We have adopted a "Board Benefit Trust" (hereinafter, "BBT") that awards the Company's shares to directors. The purpose of the BBT is to further clarify the correlation between the remuneration of directors and the Company's performance and stock value. We hope this will not only contribute to boosting the stock price, but also contribute to increasing awareness of the importance of improving earnings and expanding corporate value over the longer term by sharing the risk of stock price downside with shareholders.

In the BBT system, the Company's stock is acquired through a trust using funds contributed by the Company. The BBT is a performance-based stock compensation plan in which the Company's stock is paid annually through a trust based on points granted to directors in accordance with their position and performance based on the director stock benefit regulations established by the Board of Directors.

## 2. Shares of the company remaining in trust

Company shares remaining in trust are to be recorded at book value as “treasury shares” (excluding the amount of incidental costs) under net assets. The treasury shares in question had a book value of 499,801 thousand yen (173,228 shares) at the end of the previous fiscal year, and 367,080 thousand yen (127,228 shares) at the end of the second quarter of the consolidated fiscal year under review.

(Implications of COVID-19, Russia-Ukraine situation and related issues for accounting estimates)

We have made no significant change in our assumptions regarding when the COVID-19 pandemic might be contained and the impact of the Russia-Ukraine situation from those announced in “Implications of COVID-19, Russia-Ukraine situation and related issues for accounting estimates” in the “Additional information” section of our full-year financial results for the fiscal year ended May 31, 2022.

(Segment information)

I. For the first six months of the fiscal year ended May 31, 2022 (June 1, 2021 to November 30, 2021)

### 1. Information on net sales and the amount of profits (losses) by reportable segment

(Unit: Thousands of yen)

	Internet of things related works	Environmental energy related works	Promotion business of Industry 4.0	Total
Net sales				
Sales to external customers	1,971,577	340,316	687,705	2,999,600
Intra-segment internal sales and transfer amount	—	—	—	—
Total	1,971,577	340,316	687,705	2,999,600
Segment profit (loss)	950,161	13,213	(19,679)	943,695

### 2. Difference between total amount of profits (losses) of reportable segments and the corresponding amount reported in the quarterly consolidated statements of income, and the key components of such difference (reconciliation)

(Unit: Thousands of yen)

Income	Amount
Total of reportable segments	943,695
Company-wide expenses <sup>(Note)</sup>	(337,434)
Inter-segment eliminations	209
Adjustment of inventories	(12,088)
Operating profit in the quarterly consolidated statements of income	594,381

(Note) Company-wide expenses mainly consist of expenses incurred by the Company’s head office administrative operations that are not attributable to the reportable segments.

### 3. Information on impairment loss for non-current assets or goodwill of each reportable segment

No items to report.

II. For the first six months of the fiscal year ending May 31, 2023 (June 1, 2022 to November 30, 2022)

1. Information on net sales and the amount of profits (losses) by reportable segment

(Unit: Thousands of yen)

	Internet of things related works	Environmental energy related works	Promotion business of Industry 4.0	Total
Net sales				
Sales to external customers	1,829,632	360,946	842,123	3,032,703
Intra-segment internal sales and transfer amount	—	—	—	—
Total	1,829,632	360,946	842,123	3,032,703
Segment profit (loss)	973,592	(14,776)	40,126	998,942

2. Difference between total amount of profits (losses) of reportable segments and the corresponding amount reported in the quarterly consolidated statements of income, and the key components of such difference (reconciliation)

(Unit: Thousands of yen)

Income	Amount
Total of reportable segments	998,942
Company-wide expenses <sup>(Note)</sup>	(331,876)
Inter-segment eliminations	199
Adjustment of inventories	(52,650)
Operating profit in the quarterly consolidated statements of income	614,614

(Note) Company-wide expenses mainly consist of expenses incurred by the Company's head office administrative operations that are not attributable to the reportable segments.

3. Information on impairment loss for non-current assets or goodwill of each reportable segment

No items to report.

(Revenue recognition-related information)

Disaggregated information on revenue from contracts with customers

For the first six months of the fiscal year ended May 31, 2022 (June 1, 2021 to November 30, 2021)

(Unit: Thousands of yen)

	Internet of things related works	Environmental energy related works	Promotion business of Industry 4.0	Total
Goods transferred at a point in time	1,971,577	340,303	687,705	2,999,587
Goods transferred over time	—	—	—	—
Revenue from contracts with customers	1,971,577	340,303	687,705	2,999,587
Other revenue <sup>(Note)</sup>	—	13	—	13
Sales to external customers	1,971,577	340,316	687,705	2,999,600

(Note) Other revenue is that recognized in “Accounting Standard for Financial Instruments” (Accounting Standards Board of Japan (ASBJ) Statement No. 10).

For the first six months of the fiscal year ending May 31, 2023 (June 1, 2022 to November 30, 2022)

(Unit: Thousands of yen)

	Internet of things related works	Environmental energy related works	Promotion business of Industry 4.0	Total
Goods transferred at a point in time	1,829,632	357,955	842,123	3,029,711
Goods transferred over time	—	—	—	—
Revenue from contracts with customers	1,829,632	357,955	842,123	3,029,711
Other revenue <sup>(Note)</sup>	—	2,991	—	2,991
Sales to external customers	1,829,632	360,946	842,123	3,032,703

(Note) Other revenue is that recognized in “Accounting Standard for Financial Instruments” (Accounting Standards Board of Japan (ASBJ) Statement No. 10).

### 3. Supplementary explanation of consolidated financial results for the second quarter of the fiscal year ending May 31, 2023

#### (1) Status of orders

##### 1) Orders received

Segment	First six months of the previous consolidated fiscal year (June 1, 2021 to November 30, 2021)		First six months of the current consolidated fiscal year (June 1, 2022 to November 30, 2022)		Change	
	Amount of orders received (Thousands of Yen)	Backlog of orders (Thousands of Yen)	Amount of orders received (Thousands of Yen)	Backlog of orders (Thousands of Yen)	Amount of orders received (Thousands of Yen)	Backlog of orders (Thousands of Yen)
Internet of things related works	2,248,919	1,992,492	1,494,126	3,063,998	(754,792)	1,071,505
Environmental energy related works	383,663	326,164	490,164	808,445	106,501	482,280
Promotion business of Industry 4.0	697,073	257,167	717,316	347,407	20,242	90,239
Total	3,329,656	2,575,825	2,701,607	4,219,851	(628,048)	1,644,026

(Note) The above amounts do not include results of the operations which engage in make-to-stock production.