

Translation

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## Summary of Non-Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: WirelessGate, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 9419 URL <https://www.wirelessgate.co.jp/>  
 Representative: Representative Member of the Board and HAMA NOBUHIRO  
 CEO  
 CFO and Member of the Board, and CAO of the Company Minoru Harada TEL 03-6433-2045  
 Inquiries: Minoru Harada TEL 03-6433-2045  
 Scheduled date to file Quarterly Securities Report: May 12, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2023	2,122	–	20	–	21	–	53	–
Three months ended March 31, 2022	–	–	–	–	–	–	–	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	4.96		–	
Three months ended March 31, 2022	–		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of March 31, 2023	2,879		822		27.5	
As of December 31, 2022	2,787		772		26.5	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2022	–	0.00	–	0.00	0.00
Year ending December 31, 2023	–	–	–	–	–
Year ending December 31, 2023 (Forecast)	–	0.00	–	0.00	0.00

3. Forecast of non-consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,318	(2.5)	209	9.6	204	8.6	146	(25.2)	13.66

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	10,779,774 shares	As of December 31, 2022	10,779,774 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	53,000 shares	As of December 31, 2022	53,000 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	10,726,774 shares	Three months ended March 31, 2022	10,726,774 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,352,332	1,555,390
Accounts receivable - trade	817,290	818,546
Merchandise	79,000	61,339
Prepaid expenses	247,589	226,052
Other	3,306	2,599
Allowance for doubtful accounts	(11,033)	(10,889)
Total current assets	2,488,485	2,653,038
Non-current assets		
Property, plant and equipment	38,580	30,930
Intangible assets	3,001	1,696
Investments and other assets		
Investment securities	84,239	83,445
Shares of subsidiaries and associates	108,427	8,427
Long-term prepaid expenses	307	236
Deferred tax assets	30,622	67,920
Long-term accounts receivable - other	188,499	188,021
Other	33,838	33,838
Allowance for doubtful accounts	(188,499)	(188,021)
Total investments and other assets	257,436	193,869
Total non-current assets	299,018	226,496
Total assets	2,787,503	2,879,535
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	875,180	863,613
Short-term borrowings	500,000	500,000
Current portion of long-term borrowings	91,634	66,632
Accounts payable - other	498,616	582,738
Income taxes payable	13,493	4,695
Accrued consumption taxes	19,104	22,528
Deposits received	3,099	3,494
Unearned revenue	964	701
Other	3,116	2,561
Total current liabilities	2,005,208	2,046,965
Non-current liabilities		
Asset retirement obligations	10,170	10,196
Total non-current liabilities	10,170	10,196
Total liabilities	2,015,379	2,057,161
<b>Net assets</b>		
Shareholders' equity		
Share capital	908,009	908,009
Capital surplus	847,230	847,230
Retained earnings	(889,019)	(835,832)
Treasury shares	(127,657)	(127,657)
Total shareholders' equity	738,563	791,749
Share acquisition rights	33,560	30,623
Total net assets	772,123	822,373
Total liabilities and net assets	2,787,503	2,879,535

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended March 31, 2023
Net sales	2,122,623
Cost of sales	1,065,143
Gross profit	1,057,480
Selling, general and administrative expenses	1,037,478
Operating profit	20,001
Non-operating income	
Interest income	1
Commission income	301
Gain on forfeiture of unclaimed dividends	891
Reversal of allowance for doubtful accounts	956
Other	131
Total non-operating income	2,283
Non-operating expenses	
Interest expenses	460
Loss on investments in investment partnerships	793
Total non-operating expenses	1,253
Ordinary profit	21,031
Extraordinary income	
Gain on reversal of share acquisition rights	4,589
Total extraordinary income	4,589
Extraordinary losses	
Loss on retirement of non-current assets	5,260
Loss on extinguishment of tie-in shares	2,939
Total extraordinary losses	8,200
Profit before income taxes	17,421
Income taxes - current	1,532
Income taxes - deferred	(37,297)
Total income taxes	(35,765)
Profit	53,186