

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 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: November 14, 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 nine months ended September 30, 2023 (from January 1, 2023 to September 30, 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	%
Nine months ended September 30, 2023	6,368	–	150	–	150	–	158	–
Nine months ended September 30, 2022	–	–	–	–	–	–	–	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	14.80		–	
Nine months ended September 30, 2022	–		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2023	2,896		931		31.0	
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	–	0.00	–	–	–
Year ending December 31, 2023 (Forecast)	–	–	–	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 September 30, 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 September 30, 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)

Nine months ended September 30, 2023	10,726,774 shares	Nine months ended September 30, 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 September 30, 2023
Assets		
Current assets		
Cash and deposits	1,352,332	1,683,713
Accounts receivable - trade	817,290	851,248
Merchandise	79,000	47,577
Prepaid expenses	247,589	105,318
Other	3,306	2,056
Allowance for doubtful accounts	(11,033)	(10,903)
Total current assets	2,488,485	2,679,011
Non-current assets		
Property, plant and equipment	38,580	27,285
Intangible assets	3,001	1,271
Investments and other assets		
Investment securities	84,239	82,354
Shares of subsidiaries and associates	108,427	8,427
Long-term prepaid expenses	307	94
Deferred tax assets	30,622	64,588
Long-term accounts receivable - other	188,499	187,188
Other	33,838	33,838
Allowance for doubtful accounts	(188,499)	(187,188)
Total investments and other assets	257,436	189,304
Total non-current assets	299,018	217,861
Total assets	2,787,503	2,896,872
Liabilities		
Current liabilities		
Accounts payable - trade	875,180	928,503
Short-term borrowings	500,000	500,000
Current portion of long-term borrowings	91,634	16,628
Accounts payable - other	498,616	460,733
Income taxes payable	13,493	21,897
Accrued consumption taxes	19,104	21,687
Deposits received	3,099	5,729
Unearned revenue	964	175
Other	3,116	–
Total current liabilities	2,005,208	1,955,355
Non-current liabilities		
Asset retirement obligations	10,170	10,249
Total non-current liabilities	10,170	10,249
Total liabilities	2,015,379	1,965,605
Net assets		
Shareholders' equity		
Share capital	908,009	908,009
Capital surplus	847,230	847,230
Retained earnings	(889,019)	(730,244)
Treasury shares	(127,657)	(127,657)
Total shareholders' equity	738,563	897,338
Share acquisition rights	33,560	33,929
Total net assets	772,123	931,267
Total liabilities and net assets	2,787,503	2,896,872

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2023
Net sales	6,368,768
Cost of sales	3,311,807
Gross profit	3,056,961
Selling, general and administrative expenses	2,906,406
Operating profit	150,555
Non-operating income	
Interest income	3
Commission income	331
Gain on forfeiture of unclaimed dividends	891
Reversal of allowance for doubtful accounts	1,789
Other	470
Total non-operating income	3,486
Non-operating expenses	
Interest expenses	1,385
Loss on investments in investment partnerships	1,884
Total non-operating expenses	3,270
Ordinary profit	150,772
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	147,162
Income taxes - current	22,352
Income taxes - deferred	(33,965)
Total income taxes	(11,612)
Profit	158,775