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For Immediate Release

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**(Revision of Explanation and Numerical Data) Partial Revision of Summary of Financial Results for the Year Ended December 2023 [Japan GAAP] (Consolidated)**

We hereby announce a partial revision of the Summary of Financial Results for the Year Ended December 2023 [Japan GAAP] (Consolidated) announced on February 13, 2024. The details are provided below. There was also some numerical data requiring revision, and the revised data is provided below.

Revisions are underlined.

1. Reason for Revision

To revise the Summary of Financial Results for the Year Ended December 2023 [Japan GAAP] (Consolidated) in response to the discovery of information requiring correction after the announcement.

2. Details of Revision (revisions are underlined)

Summary Information 1. Financial results for the current fiscal year (January 1, 2023 - December 31, 2023)

(3) Cash flow position (consolidated)

(Before Revision)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended December 2023	<u>626</u>	<u>-3,635</u>	4,072	3,840
Year ended December 2022	255	-329	626	2,776

(After Revision)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended December 2023	<u>647</u>	<u>-3,656</u>	4,072	3,840
Year ended December 2022	255	-329	626	2,776

1. Analysis of Operating Performance and Financial Position

(3) Overview of Cash Flows

(Before Revision)

(Operating Activities)

Net cash provided by operating activities amounted to ¥626.637 million. This was a result of a ¥239.867 million increase in accounts payable - other, a ¥55.328 million increase in trade payables, ¥78.657 million in depreciation, and ¥60.279 million in amortization of goodwill, despite a ¥433.765 million increase in trade receivables, and ¥142.886 million in income taxes paid.

(Investment Activities)

Net cash used in investing activities amounted to ¥3,635.089 million. This was primarily a result of a ¥3,580.924 million in purchase of shares of subsidiaries resulting in change in scope of consolidation, and a ¥160.463 million payment for lease and guarantee deposits.

(After Revision)

(Operating Activities)

Net cash provided by operating activities amounted to ¥647.996 million. This was a result of a ¥261.226 million increase in accounts payable - other, a ¥55.328 million increase in trade payables, ¥78.657 million in depreciation, and ¥60.279 million in amortization of goodwill, despite a ¥433.765 million increase in trade receivables, and ¥142.886 million in income taxes paid.

(Investment Activities)

Net cash used in investing activities amounted to ¥3,656.448 million. This was primarily a result of a ¥3,580.924 million in purchase of shares of subsidiaries resulting in change in scope of consolidation, and a ¥160.463 million payment for lease and guarantee deposits.

## 3. Consolidated Financial Statements and Main Notes

## (4) Consolidated Statement of Cash Flows

(Before Revision)

(Thousands of yen)

	Previous consolidated fiscal year (January 1, 2022 - December 31, 2022)	Current consolidated fiscal year (January 1, 2023 - December 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	345,955	753,555
Depreciation	62,777	78,657
Amortization of goodwill	40,743	60,279
Increase (decrease) in allowance for doubtful accounts	(54)	21
Increase (decrease) in provision for bonuses	(42,819)	(72,439)
Increase (decrease) in provision for loss on order received	–	16,607
Impairment loss	139,933	–
Interest income and dividends received	(1,814)	(2,046)
Interest expenses	4,998	14,149
Decrease (increase) in trade receivables	(105,281)	(433,765)
Decrease (increase) in inventories	(20,125)	13,145
Increase (decrease) in trade payables	126,268	55,328
Increase (decrease) in net defined benefit liability	4,907	16,513
Increase (decrease) in accrued consumption taxes	(18,569)	66,644
Increase (decrease) in advances received	(484,702)	–
Increase (decrease) in contract liabilities	(1,505)	(2,353)
Increase (decrease) in accounts payable – other	98,825	<u>239,867</u>
Decrease (increase) in advance payments made	280,589	–
Share of loss (profit) of entities accounted for using equity method	3,775	(45,789)
Other, net	20,873	29,009
Subtotal	<u>454,775</u>	<u>787,385</u>
Interest and dividends received	1,814	2,046
Interest paid	(5,028)	(20,340)
Income taxes paid	(197,978)	(142,886)
Income taxes refund	1,672	433
Net cash provided by (used in) operating activities	<u>255,254</u>	<u>626,637</u>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(3,003)	(2,803)
Proceeds from withdrawal of time deposits	3,600	203,680
Purchase of property, plant and equipment	(269,065)	<u>(28,115)</u>
Purchase of intangible fixed assets	(19,385)	<u>(31,303)</u>
Payments of leasehold and guarantee deposits	(181)	(160,463)
Proceeds from refund of leasehold and guarantee deposits	475	53,125
Income from collection of loans receivable	1,946	–
Purchase of securities	–	(1,200,000)
Proceeds from redemption of securities	–	1,200,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,580,924)
Purchase of investment securities	(40,000)	(79,880)
Purchase of insurance funds	(9,969)	(10,911)
Proceeds from cancellation of insurance funds	5,721	2,506
Net cash provided by (used in) investing activities	<u>(329,860)</u>	<u>(3,635,089)</u>

(After Revision)

(Thousands of yen)

	Previous consolidated fiscal year (January 1, 2022 - December 31, 2022)	Current consolidated fiscal year (January 1, 2023 - December 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	345,955	753,555
Depreciation	62,777	78,657
Amortization of goodwill	40,743	60,279
Increase (decrease) in allowance for doubtful accounts	(54)	21
Increase (decrease) in provision for bonuses	(42,819)	(72,439)
Increase (decrease) in provision for loss on order received	–	16,607
Impairment loss	139,933	–
Interest income and dividends received	(1,814)	(2,046)
Interest expenses	4,998	14,149
Decrease (increase) in trade receivables	(105,281)	(433,765)
Decrease (increase) in inventories	(20,125)	13,145
Increase (decrease) in trade payables	126,268	55,328
Increase (decrease) in net defined benefit liability	4,907	16,513
Increase (decrease) in accrued consumption taxes	(18,569)	66,644
Increase (decrease) in advances received	(484,702)	–
Increase (decrease) in contract liabilities	(1,505)	(2,353)
Increase (decrease) in accounts payable – other	98,825	261,226
Decrease (increase) in advance payments made	280,589	–
Share of loss (profit) of entities accounted for using equity method	3,775	(45,789)
Other, net	20,873	29,009
Subtotal	454,775	808,744
Interest and dividends received	1,814	2,046
Interest paid	(5,028)	(20,340)
Income taxes paid	(197,978)	(142,886)
Income taxes refund	1,672	433
Net cash provided by (used in) operating activities	255,254	647,996
<b>Cash flows from investing activities</b>		
Payments into time deposits	(3,003)	(2,803)
Proceeds from withdrawal of time deposits	3,600	203,680
Purchase of property, plant and equipment	(269,065)	(42,958)
Purchase of intangible fixed assets	(19,385)	(37,818)
Payments of leasehold and guarantee deposits	(181)	(160,463)
Proceeds from refund of leasehold and guarantee deposits	475	53,125
Income from collection of loans receivable	1,946	–
Purchase of securities	–	(1,200,000)
Proceeds from redemption of securities	–	1,200,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,580,924)
Purchase of investment securities	(40,000)	(79,880)
Purchase of insurance funds	(9,969)	(10,911)
Proceeds from cancellation of insurance funds	5,721	2,506
Net cash provided by (used in) investing activities	(329,860)	(3,656,448)

3. Consolidated Financial Statements and Main Notes

(5) Notes to the Consolidated Financial Statements

(Notes - Business Combinations)

(Before Revision)

6. Amounts and breakdown of assets and liabilities taken over on date of business combination

Current assets	¥ <u>2,228.884</u> million
Non-current assets	¥ <u>3,462.762</u> million
(Land)	¥1,963.200 million
(Building)	¥460.363 million
<u>Total assets</u>	<u>¥5,691.646</u> million
Current liabilities	¥772.960 million
Non-current liabilities	¥433.101 million
<u>Total liabilities</u>	<u>¥1,206.062</u> million

7. Estimated impact of business combination on consolidated statement of income for fiscal year under review if it had been completed at beginning of fiscal year and method of calculation

Net sales	¥3,172.593 million
Operating profit	¥ <u>8.662</u> million

(After Revision)

6. Amounts and breakdown of assets and liabilities taken over on date of business combination

Current assets	¥ <u>2,228.752</u> million
Non-current assets	¥ <u>3,321.449</u> million
(Land)	¥1,963.200 million
(Building)	¥460.363 million
<u>Total assets</u>	<u>¥5,550.201</u> million
Current liabilities	¥772.960 million
Non-current liabilities	¥433.101 million
<u>Total liabilities</u>	<u>¥1,206.062</u> million

7. Estimated impact of business combination on consolidated statement of income for fiscal year under review if it had been completed at beginning of fiscal year and method of calculation

Net sales	¥3,172.593 million
Operating profit	¥ <u>4.171</u> million