To whom it may concern

Company Name: Avant Group Corporation

Name of Representative: Tetsuji Morikawa, President

and Group CEO

(Code: 3836, TSE Prime Market)

Inquiries: Naoyoshi Kasuga, Director and Group CFO

(TEL: 03-6388-6739)

(Corrections and corrections of numerical data): Partial Corrections and Numerical Data (XBRL) in the "Consolidated Summary Report under Japanese GAAP for the Fiscal Year ended June 30, 2023 " and "Financial Results Briefing for the Fiscal Year ended June 2023"

Avant Group Corporation (the "Company") is re-submitting the corrected XBRL data for the disclosure document published on 4 August 2023 (JST), as the following corrections have been made.

No corrections have been made to the Summary Information (XBRL).

1. Reason for corrections

Following the publication of the "Consolidated Summary Report under Japanese GAAP for the Fiscal Year ended June 30, 2023 " and "Financial Results Briefing for the Fiscal Year ended June 2023"announced on August 4, 2023", it was found that there were some errors in the contents, and corrections have been made.

2. Details of corrections

Corrections are underlined.

Consolidated Summary Report under Japanese GAAP for the Fiscal Year ended June 30, 2023 Page 4

(i) Orders Received

[Before corrections]

(i) Orders Received

(millions of yen, rounded down to the nearest unit)

			`	, ·			
		Fiscal Year ended		Fiscal Year ended June		Year on Year Change	
	June 3	0, 2022	30, 2	2023	Amo	ount	
	Orders Received	Outstandi ng Orders	Orders Received	Orders Received	Outstandin g Orders	Orders Received	
Group Governance	10,155	3,132	10,301	3,400	145	<u>267</u>	
Businesses	10,133	3,132	10,501	3,100	113	207	
Digital Transformation	6,902	1,131	9,060	1,810	2,158	679	
Business	-	-					
Outsourcing Business	3,751	2,164	<u>4,039</u>	<u>2,448</u>	<u>288</u>	<u>283</u>	
Elimination of inter-segment	(797)	(357)	(688)	(300)	108	57	
transactions	(, 5,)	(337)	(330)	(330)	100	3,	
Total	20,012	6,070	<u>22,713</u>	<u>7,359</u>	<u>2,700</u>	<u>1,288</u>	

[After corrections]

(i) Orders Received

(millions of yen, rounded down to the nearest unit)

	Fiscal Year ended		Fiscal Year ended June 30, 2023		Year on Year Change	
	June 3	0, 2022	30, 2	2023	Amo	ount
	Orders Received	Outstandi ng Orders	Orders Received	Orders Received	Outstandin g Orders	Orders Received
Group Governance Businesses	10,155	3,132	<u>9,839</u>	<u>2,938</u>	(316)	<u>(193)</u>
Digital Transformation Business	6,902	1,131	<u>9,208</u>	<u>1,957</u>	<u>2,305</u>	<u>826</u>
Outsourcing Business	3,751	2,164	<u>4,016</u>	<u>2,425</u>	<u>264</u>	<u>260</u>
Elimination of inter-segment transactions	(797)	(357)	(688)	(300)	108	57
Total	20,012	6,070	<u>22,375</u>	<u>7,021</u>	<u>2,362</u>	<u>950</u>

Consolidated Summary Report under Japanese GAAP for the Fiscal Year ended June 30, 2023 Page 6

(2) Discussion on Financial Position for the Fiscal Year under Review

[Before corrections]

a 110 million yen increase in accounts payable

[After corrections]

a $\underline{120}$ million yen increase in accounts payable

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

[Before corrections]

Lease liabilities 12,428 12,25 Accounts payable - other, and accrued expenses 392,568 503,11 Income taxes payable 586,626 354,19 Contract liabilities 2,355,344 2,796,08 Asset retirement obligations 15,606 Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11* Non-current liabilities 18,324 6,03 Lease liabilities 180,576 210,90 Deferred tax liabilities 180,576 210,90 Total non-current liabilities 198,900 254,95 Total liabilities 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares			(Thousands of yen)
Current liabilities Notes and accounts payable - trade 662,316 634,75 Lease liabilities 12,428 12,25 Accounts payable - other, and accrued expenses 392,568 503,11 Income taxes payable 586,626 354,19 Contract liabilities 2,355,344 2,796,08 Asset retirement obligations 15,606 - Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 18,324 6,03 Lease liabilities 18,324 6,03 Asset retirement obligations 180,576 210,90 Deferred tax liabilities 198,900 254,95 Total inon-current liabilities 329,128 345,11 Capital surplus 265,928 281,91 Retained carnings 9,872,031 11,477,45		As of June 30, 2022	As of June 30, 2023
Notes and accounts payable - trade 662,316 634,75 Lease liabilities 12,428 12,25 Accounts payable - other, and accrued expenses 392,568 503,11 Income taxes payable 586,626 354,19 Contract liabilities 2,355,344 2,796,08 Asset retirement obligations 15,606 - Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11 Non-current liabilities 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities - 38,01 Total labilities - 38,01 Total surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares	Liabilities		
Lease liabilities 12,428 12,25 Accounts payable - other, and accrued expenses 392,568 503,11 Income taxes payable 586,626 354,19 Contract liabilities 2,355,344 2,796,08 Asset retirement obligations 15,606 Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11* Non-current liabilities 18,324 6,03 Lease liabilities 180,576 210,90 Deferred tax liabilities 180,576 210,90 Deferred tax liabilities 198,900 254,95 Total non-current liabilities 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares<	Current liabilities		
Accounts payable - other, and accrued expenses 392,568 503,11 Income taxes payable 586,626 354,19 Contract liabilities 2,355,344 2,796,08 Asset retirement obligations 15,606 - Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11* Non-current liabilities 18,324 6,03 Asset retirement obligations 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities - 38,01 Total sasets - 38,01 Shareholders' equity 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (Notes and accounts payable - trade	662,316	634,758
Income taxes payable 586,626 354,19 Contract liabilities 2,355,344 2,796,08 Asset retirement obligations 15,606 - Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11* Non-current liabilities 18,324 6,03 Asset retirement obligations 180,576 210,90 Deferred tax liabilities 198,900 254,95 Total non-current liabilities 198,900 254,95 Total sasets Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accum	Lease liabilities	12,428	12,257
Contract liabilities 2,355,344 2,796,08 Asset retirement obligations 15,606 - Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11* Non-current liabilities 18,324 6,03 Asset retirement obligations 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Shareholders' equity 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumu	Accounts payable - other, and accrued expenses	392,568	<u>503,111</u>
Asset retirement obligations 15,606 - Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11 Non-current liabilities 18,324 6,03 Asset retirement obligations 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 198,900 254,95 Total liabilities 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236	Income taxes payable	586,626	354,192
Provision for bonuses 1,050,315 1,038,32 Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage – 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11 Non-current liabilities 18,324 6,03 Asset retirement obligations 180,576 210,90 Deferred tax liabilities – 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Shareholders' equity 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608) Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income 103,126 183,92 Deferred gains or losses on hedges 236 30	Contract liabilities	2,355,344	2,796,086
Provision for bonuses for directors (and other officers) 170,813 172,38 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage – 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11 Non-current liabilities 18,324 6,03 Asset retirement obligations 180,576 210,90 Deferred tax liabilities – 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Shareholders' equity 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 <td>Asset retirement obligations</td> <td>15,606</td> <td>_</td>	Asset retirement obligations	15,606	_
officers) 170,813 172,36 Provision for loss on orders received 17,743 61,59 Provision for compensation for damage - 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11 Non-current liabilities 18,324 6,03 Lease liabilities 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Shareholders' equity 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41<		1,050,315	1,038,329
Provision for compensation for damage – 9,59 Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11 Non-current liabilities 18,324 6,03 Lease liabilities 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Shareholders' equity 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63		170,813	172,380
Other 556,718 539,81 Total current liabilities 5,820,483 6,122,11 Non-current liabilities 18,324 6,03 Lease liabilities 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63	Provision for loss on orders received	17,743	61,594
Total current liabilities 5,820,483 6,122,11 Non-current liabilities 18,324 6,03 Lease liabilities 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Shareholders' equity 265,928 281,91 Share capital 329,128 345,11 246,92 Capital surplus 265,928 281,91 11,477,45 Treasury shares (608) (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63	Provision for compensation for damage	_	<u>9,596</u>
Non-current liabilities Lease liabilities Asset retirement obligations Deferred tax liabilities Total non-current liabilities Total liabilities Total liabilities Total liabilities Total liabilities Total liabilities Shareholders' equity Share capital Capital surplus Retained earnings Total shareholders' equity Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Total accumulated other comprehensive	Other	556,718	539,812
Lease liabilities 18,324 6,03 Asset retirement obligations 180,576 210,90 Deferred tax liabilities - 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63	Total current liabilities	5,820,483	6,122,119
Asset retirement obligations 180,576 210,90 Deferred tax liabilities – 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608) Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63	Non-current liabilities		
Deferred tax liabilities — 38,01 Total non-current liabilities 198,900 254,95 Total liabilities 6,019,383 6,377,07 Net assets Shareholders' equity Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63	Lease liabilities	18,324	6,039
Total non-current liabilities 198,900 254,957 Total liabilities 6,019,383 6,377,077 Net assets Shareholders' equity Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,457 Treasury shares (608) (608) Total shareholders' equity 10,466,479 12,103,877 Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Total accumulated other comprehensive 131 183 224 63	_	180,576	210,900
Total liabilities 6,019,383 6,377,07 Net assets Shareholders' equity Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608) Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive	Deferred tax liabilities	_	38,016
Net assets Shareholders' equity Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,455 Treasury shares (608) (608) Total shareholders' equity 10,466,479 12,103,875 Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Total accumulated other comprehensive 131,183 224,635	Total non-current liabilities	198,900	254,956
Shareholders' equity Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608 Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63	Total liabilities	6,019,383	6,377,076
Share capital 329,128 345,11 Capital surplus 265,928 281,91 Retained earnings 9,872,031 11,477,45 Treasury shares (608) (608) Total shareholders' equity 10,466,479 12,103,87 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63	Net assets		
Capital surplus265,928281,91Retained earnings9,872,03111,477,45Treasury shares(608)(608Total shareholders' equity10,466,47912,103,87Accumulated other comprehensive income Valuation difference on available-for-sale securities103,126183,92Deferred gains or losses on hedges23630Foreign currency translation adjustment Total accumulated other comprehensive27,82040,41	Shareholders' equity		
Retained earnings 9,872,031 11,477,457 Treasury shares (608) (608) Total shareholders' equity 10,466,479 12,103,877 Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63	Share capital	329,128	345,113
Treasury shares (608) (608) Total shareholders' equity 10,466,479 12,103,879 Accumulated other comprehensive income Valuation difference on available-for-sale securities 103,126 183,92 Deferred gains or losses on hedges 236 30 Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,639			281,913
Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Total accumulated other comprehensive 10,466,479 12,103,87 103,126 103,126 183,92 236 30 40,41			11,477,458
Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Total accumulated other comprehensive 103,126 183,92 236 30 40,41 17,820 183,92 183,92 183,92	Treasury shares	· · · · · · · · · · · · · · · · · · ·	(608)
Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Total accumulated other comprehensive 103,126 183,92 236 30 40,41 131,183 224,63	Total shareholders' equity	10,466,479	12,103,876
securities Deferred gains or losses on hedges Foreign currency translation adjustment Total accumulated other comprehensive 103,126 236 30 40,41 131,183 224,63			
Foreign currency translation adjustment 27,820 40,41 Total accumulated other comprehensive 131,183 224,63		103,126	183,925
Total accumulated other comprehensive	Deferred gains or losses on hedges	236	302
	· · · · · · · · · · · · · · · · · · ·	27,820	40,411
	Total accumulated other comprehensive income	131,183	224,639
Total net assets 10,597,663 12,328,51	Total net assets	10,597,663	12,328,516
Total liabilities and net assets 16,617,046 18,705,59	Total liabilities and net assets	16,617,046	18,705,593

		(Thousands of yen)
	As of June 30, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	662,316	634,758
Lease liabilities	12,428	12,257
Accounts payable - other, and accrued expenses	392,568	<u>512,708</u>
Income taxes payable	586,626	354,192
Contract liabilities	2,355,344	2,796,086
Asset retirement obligations	15,606	_
Provision for bonuses	1,050,315	1,038,329
Provision for bonuses for directors (and other officers)	170,813	172,380
Provision for loss on orders received	17,743	61,594
Other	556,718	539,812
Total current liabilities	5,820,483	6,122,119
Non-current liabilities		
Lease liabilities	18,324	6,039
Asset retirement obligations	180,576	210,900
Deferred tax liabilities	_	38,016
Total non-current liabilities	198,900	254,956
Total liabilities	6,019,383	6,377,076
Net assets		
Shareholders' equity		
Share capital	329,128	345,113
Capital surplus	265,928	281,913
Retained earnings	9,872,031	11,477,458
Treasury shares	(608)	(608)
Total shareholders' equity	10,466,479	12,103,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	103,126	183,925
Deferred gains or losses on hedges	236	302
Foreign currency translation adjustment	27,820	40,411
Total accumulated other comprehensive income	131,183	224,639
Total net assets	10,597,663	12,328,516
Total liabilities and net assets	16,617,046	18,705,593

Consolidated Summary Report under Japanese GAAP for the Fiscal Year ended June 30, 2023 Page 11

- 3. Consolidated Financial Statements and Notes
- (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income Consolidated Statements of Income

[Before corrections]

		(Thousands of yen)
	Fiscal year ended	Fiscal year ended
	June 30, 2022 (From July 1, 2021	June 30, 2023 (From July 1, 2022
	to June 30, 2022)	to June 30, 2023)
Net sales	18,703,387	21,424,584
Cost of sales	9,782,137	12,028,711
Gross profit	8,921,250	9,395,873
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	356,348	396,002
Employees' salaries and bonuses	1,527,471	1,598,420
Provision for bonuses	1,047,472	1,047,155
Provision for bonuses for directors (and other	170,813	173,579
officers) Legal welfare expenses	224,193	246,204
Outsourcing expenses	55,071	76,652
Rent expenses on land and buildings	239,805	231,184
Utilities expenses	81,375	84,138
Commission expenses	615,796	746,590
Depreciation	263,488	269,179
Research and development expenses	382,473	375,674
Other	709,749	861,698
Total selling, general and administrative expenses	5,674,060	6,106,482
Operating profit	3,247,189	3,289,390
Non-operating income	3,247,109	3,209,390
Interest income	240	96
Dividend income	6,563	10,192
Gain on investments in investment partnerships	9,043	7,386
Subsidy income	2,127	531
Other	1,102	4,559
Total non-operating income	19,077	22,766
Non-operating expenses	15,077	22,700
Provision for loss on compensation for damage	_	9,596
Interest expenses	742	<u>3,336</u> 485
Share of loss of entities accounted for using equity		403
method	269,244	_
Loss on investments in investment partnerships	_	11,975
Commission expenses	5,682	<u>5,791</u>
Foreign exchange losses	695	4,426
Share issuance costs	281	228
Compensation for damage	-	13,377
Other _	647	289
Total non-operating expenses	277,294	46,172
Ordinary profit	2,988,973	3,265,983
Extraordinary losses		
Impairment losses		186,613
Total extraordinary losses	_	186,613
Profit before income taxes	2,988,973	3,079,370
Income taxes - current	1,186,181	1,009,937
Income taxes - deferred	(242,241)	(25,087)
Total income taxes	943,939	984,850
Profit	2,045,033	2,094,520
Profit attributable to non-controlling interests		
-		

		(Thousands of yen)
	Fiscal year ended	Fiscal year ended
	June 30, 2022	June 30, 2023
	(From July 1, 2021	(From July 1, 2022
	to June 30, 2022)	to June 30, 2023)
Profit attributable to owners of parent	2,045,033	2,094,520

		(Thousands of yen)
	Fiscal year ended	Fiscal year ended
	June 30, 2022	June 30, 2023
	(From July 1, 2021 to June 30, 2022)	(From July 1, 2022 to June 30, 2023)
Net sales	18,703,387	21,424,584
Cost of sales	9,782,137	12,028,711
Gross profit	8,921,250	9,395,873
Selling, general and administrative expenses	3/5=1/=33	5/655/6.6
Remuneration for directors (and other officers)	356,348	396,002
Employees' salaries and bonuses	1,527,471	1,598,420
Provision for bonuses	1,047,472	1,047,155
Provision for bonuses for directors (and other	170,813	173,579
officers)	·	
Legal welfare expenses	224,193	246,204
Outsourcing expenses	55,071	76,652
Rent expenses on land and buildings	239,805	231,184
Utilities expenses	81,375	84,138
Commission expenses	615,796	746,590
Depreciation	263,488	269,179
Research and development expenses	382,473	375,674
Other	709,749	861,698
Total selling, general and administrative expenses _	5,674,060	6,106,482
Operating profit	3,247,189	3,289,390
Non-operating income		
Interest income	240	96
Dividend income	6,563	10,192
Gain on investments in investment partnerships	9,043	7,386
Subsidy income	2,127	531
Other	1,102	4,559
Total non-operating income	19,077	22,766
Non-operating expenses		
Interest expenses	742	485
Share of loss of entities accounted for using equity method	269,244	_
Loss on investments in investment partnerships	_	11,975
Commission expenses	5,682	15,388
Foreign exchange losses	695	4,426
Share issuance costs	281	228
Compensation for damage	_	13,377
Other	647	289
Total non-operating expenses	277,294	46,172
Ordinary profit	2,988,973	3,265,983
Extraordinary losses	_,,,,,,,,	5/255/555
Impairment losses	_	186,613
Total extraordinary losses	_	186,613
Profit before income taxes	2,988,973	3,079,370
Income taxes - current	1,186,181	1,009,937
Income taxes - deferred	(242,241)	(25,087)
Total income taxes	943,939	984,850
Profit	2,045,033	2,094,520
Profit attributable to non-controlling interests	<u> </u>	<u></u>
Profit attributable to horr-controlling interests Profit attributable to owners of parent	2,045,033	2,094,520
Tronc accribatable to owners or parent	2,073,033	2,037,320

Consolidated Summary Report under Japanese GAAP for the Fiscal Year ended June 30, 2023 Page 15

- 3. Consolidated Financial Statements and Notes
- (4) Consolidated Statements of Cash Flows

[Before corrections]

Cash flows from operating activities Fiscal year ended June 30, 2022 (From July 1, 2021 to June 30, 2022) Siscal year ended June 30, 2023 (From July 1, 2022) Cash flows from operating activities 7,988,973 3,079,370 Depreciation 349,494 449,223 Impairment losses 16,640 20,262 Increase (decrease) in allowance for doubtful accounts 260 (613 Increase (decrease) in provision for bonuses or directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 4885 Commission expenses 5,682 5,791 Share of loss (profit) of entities accounted for using equity method 269,244 — Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage — 9,596 Subsidy income (2,127) (531) Decrease (increase) in inotes and accounts receivable trade and contract assets (25,8725) 61,014 Decrease (increase)			(Thousands of yen)
Profit before income taxes 2,988,973 3,079,370 Depreciation 349,494 449,223 Impairment losses - 186,613 Share-based payment expenses 16,640 20,262 Increase (decrease) in allowance for doubtful accounts 260 (63) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses 44,311 8,190 directors (and other officers) 17,669 43,850 Increase (decrease) in provision for loss on orders received (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 5,791 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment (9,043) 4,589 partnerships 10,043 4,589 Increase (decrease) in provision for compensation - 9,596 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets 202,862 (27,558) Increase (decrease) in investmenses 4,913 (279,472) Increase (decrease) in investories 20,868 (27,558) Increase (decrease) in incontract assets 202,862 (27,558) Increase (decrease) in incontract assets 202,862 (27,558) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in contract liabilities 3,943,635 3,738,519 Other, net (175,457) (837,759) Subsidies received 2,2829 35,591 Other, net (175,457) (175,457) (175,457) Subsidies received 2,282 (175,5		June 30, 2022 (From July 1, 2021	June 30, 2023 (From July 1, 2022
Profit before income taxes 2,988,973 3,079,370 Depreciation 349,494 449,223 Impairment losses 16,640 20,262 Increase (decrease) in allowance for doubtful accounts 260 (63) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 5,791 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - 200,000 Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage 9,596 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets 258,725 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (decrease) in inventories (38,948) (27,578) Increase (decrease) in accounts payable - other, and accrued expenses 105,396 (51,169) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in contract liabilities 3,943,635 3,738,519 Interest and dividends received (175,457) (85,749) Substotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest and dividends received 6,804 10,480 Interest and dividends received 2,127 531 Income taxes paid (925,207) (1,560,275)	Cash flows from operating activities	to Julie 30, 2022)	to June 30, 2023)
Depreciation 349,494 449,223 Impairment losses — 186,613 Share-based payment expenses 16,640 20,262 Increase (decrease) in allowance for doubtful accounts 260 (63) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 5,791 Share issuance costs 281 228 Compensation for damage — 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 — Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage — 2,127 (531) Decrease (increase) in inotes and accounts receivable trade and contract assets (258,725) 61,014 Decreas	· -	2.988.973	3,079,370
Impairment losses			
Share-based payment expenses 16,640 20,262 Increase (decrease) in allowance for doubtful accounts 260 (63) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 5,791 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472)	·	-	·
Increase (decrease) in allowance for doubtful accounts 260 (63)	·	16.640	
Increase (decrease) in provision for bonuses for directors (and other officers) 17,669 43,850 10,000 17,669	Increase (decrease) in allowance for doubtful	•	•
directors (and other officers) 44,511 6,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 5,791 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage - 9,596 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in accrued consumption taxes 105,245 (128,220) Increase (dec	Increase (decrease) in provision for bonuses	273,579	(11,986)
Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 5,791 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in inventories (38,948) (279,472) Increase (decrease) in accounts payable - other, and accrued expenses (105,245 (128,220) Increase (decrease) in accounts payable - other, and accrued expenses (105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	directors (and other officers)	44,311	8,190
Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 5,791 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage - 9,596 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in ontract liabilities 26,613 440,741 Increase (decrease) in deposits r		17,669	43,850
Interest expenses 742 485 Commission expenses 5,682 5,791 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage - 9,596 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in ontract liabilities 26,613 440,741 Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net		(6,804)	(10,288)
Share issuance costs 281 228 Compensation for damage — 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 — Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage — 9,596 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in inventories (38,948) (27,578) Increase (decrease) in rade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and	Interest expenses		
Share issuance costs 281 228 Compensation for damage — 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 — Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage — 9,596 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest	Commission expenses	5,682	5,791
Share of loss (profit) of entities accounted for using equity method Loss (gain) on investments in investment partnerships Increase (decrease) in provision for compensation for damage Subsidy income Subsidy income Subsidy increase (increase) in notes and accounts receivable trade and contract assets Decrease (increase) in inventories Decrease (increase) in inventories Subsidy increase (increase) in interest in inventories Subsidy increase (increase) in inter	Share issuance costs	281	· · · · · · · · · · · · · · · · · · ·
using equity method 269,244 — Loss (gain) on investments in investment partnerships (9,043) 4,589 Increase (decrease) in provision for compensation for damage — 9,596 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage — </td <td>Compensation for damage</td> <td>_</td> <td>13,377</td>	Compensation for damage	_	13,377
Partnerships 1,043 4,389	using equity method	269,244	-
for damage 5,390 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	partnerships	(9,043)	4,589
Decrease (increase) in notes and accounts receivable trade and contract assets(258,725)61,014Decrease (increase) in inventories(38,948)(25,368)Decrease (increase) in prepaid expenses4,913(279,472)Increase (decrease) in trade payables202,862(27,558)Increase (decrease) in accounts payable - other, and accrued expenses105,245(128,220)Increase (decrease) in accrued consumption taxes105,396(51,169)Increase (decrease) in contract liabilities26,613440,741Increase (decrease) in deposits received22,82935,591Other, net(175,457)(85,749)Subtotal3,943,6353,738,519Interest and dividends received6,80410,480Interest paid(742)(485)Compensation paid for damage-(13,377)Subsidies received2,127531Income taxes paid(925,207)(1,560,275)		_	<u>9,596</u>
receivable trade and contract assets Decrease (increase) in inventories Decrease (increase) in prepaid expenses Decrease (increase) in prepaid expenses Increase (decrease) in trade payables Increase (decrease) in accounts payable - other, and accrued expenses Increase (decrease) in accounts payable - other, and accrued expenses Increase (decrease) in accrued consumption taxes Increase (decrease) in contract liabilities Increase (decrease) in deposits received Increase (decrease) in deposits received Increase (decrease) in deposits received Interest and dividends received Interest and dividends received Interest and dividends received Interest paid Interest	·	(2,127)	(531)
Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	receivable trade and contract assets		•
Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	· · · · · · · · · · · · · · · · · · ·		
Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (128,220) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)		•	
and accrued expenses 103,243 (128,220) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)		202,862	(27,558)
Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)		105,245	<u>(128,220)</u>
Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	·	105,396	(51,169)
Other, net (175,457) (85,749) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Increase (decrease) in contract liabilities	26,613	440,741
Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Increase (decrease) in deposits received	22,829	35,591
Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Other, net	(175,457)	(85,749)
Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Subtotal	3,943,635	3,738,519
Compensation paid for damage-(13,377)Subsidies received2,127531Income taxes paid(925,207)(1,560,275)	Interest and dividends received	6,804	10,480
Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Interest paid	(742)	(485)
Income taxes paid (925,207) (1,560,275)	Compensation paid for damage	_	(13,377)
	Subsidies received	2,127	531
Net cash provided by (used in) operating activities 3,026,616 2,175,390	Income taxes paid	(925,207)	(1,560,275)
	Net cash provided by (used in) operating activities _	3,026,616	2,175,390

Fiscal year ended June 30, 2022 (From July 1, 2021 to June 30, 2022) (From July 1, 2022 to June 30, 2023) (Increase (decrease) in provision for June 44,311 (From July 1, 2024 to June 44,311 (From July 1, 2			(Thousands of yen)
Cash flows from operating activities (From July 1, 2021 to June 30, 2023) (From July 1, 2022 to June 30, 2023) Cash flows from operating activities Profit before income taxes 2,988,973 3,079,370 Depreciation 349,494 449,223 Impairment losses — 186,613 Share-based payment expenses 16,640 20,262 Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses or directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage — 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 — Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (38,948)		Fiscal year ended	Fiscal year ended
Cash flows from operating activities 2,988,973 3,079,370 Profit before income taxes 2,988,973 3,079,370 Depreciation 349,494 449,223 Impairment losses — 186,613 Share-based payment expenses 16,6640 20,262 Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage — 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 — Loss (gain) on investments in investment (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in ontes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in prepaid expenses 4,913			(From July 1, 2022
Profit before income taxes 2,988,973 3,079,370 Depreciation 349,494 449,223 Impairment losses - 186,613 Share-based payment expenses 16,640 20,262 Increase (decrease) in allowance for doubtful accounts 260 (63) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014		to June 30, 2022)	to June 30, 2023)
Depreciation 349,494 449,223 Impairment losses - 186,613 Share-based payment expenses 16,640 20,262 Increase (decrease) in allowance for doubtful accounts 260 (63) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in prepaid expenses 4,913 (27	-		
Impairment losses			·
Share-based payment expenses 16,640 20,262 Increase (decrease) in allowance for doubtful accounts 260 (63) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease	·	349,494	·
Increase (decrease) in allowance for doubtful accounts 260 (63) Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in rade payables 20,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) <td>•</td> <td>_</td> <td></td>	•	_	
Increase (decrease) in provision for bonuses 273,579 (11,986) Increase (decrease) in provision for bonuses for directors (and other officers) Increase (decrease) in provision for loss on orders received Increase (decrease) in provision for loss on orders received Interest and dividend income (6,804) (10,288) Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - using equity method 269,244 269,244 - using equity method 279,472		16,640	20,262
Increase (decrease) in provision for bonuses for directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in inventories (38,948) (25,368) Decrease (decrease) in accounts payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in contract liabilities 26,613 440,741 <t< td=""><td></td><td>260</td><td>-</td></t<>		260	-
directors (and other officers) 44,311 8,190 Increase (decrease) in provision for loss on orders received 17,669 43,850 Interest and dividend income (6,804) (10,288) Interest expenses 742 485 Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in		273,579	(11,986)
Try,009	directors (and other officers)	44,311	8,190
Interest expenses 742 485 Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in intade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 <	received	17,669	43,850
Commission expenses 5,682 15,388 Share issuance costs 281 228 Compensation for damage — 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 — Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in inventories 4,913 (279,472) Increase (decrease) in prepaid expenses 4,913 (279,472) Increase (decrease) in accounts payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in ontract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal	Interest and dividend income		
Share issuance costs 281 228 Compensation for damage - 13,377 Share of loss (profit) of entities accounted for using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (7	Interest expenses	742	485
Compensation for damage Share of loss (profit) of entities accounted for using equity method Loss (gain) on investments in investment partnerships Subsidy income Cerease (increase) in notes and accounts receivable trade and contract assets Decrease (increase) in inventories Decrease (increase) in inventories Cerease (increase) in prepaid expenses Decrease (increase) in trade payables Decrease (decrease) in trade payables Increase (decrease) in accounts payable - other, and accrued expenses Increase (decrease) in accrued consumption taxes Increase (decrease) in contract liabilities Increase (decrease) in deposits received Cerease) in deposits received Cerease) in deposits received Compensation paid for damage Increase paid Compensation paid for damage Compensation paid for damage Contract taxes Contract taxe	Commission expenses	5,682	<u>15,388</u>
Share of loss (profit) of entities accounted for using equity method Loss (gain) on investments in investment partnerships Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets Decrease (increase) in inventories (38,948) Decrease (increase) in prepaid expenses Increase (decrease) in accounts payable other, and accrued expenses Increase (decrease) in accounts payable other, and accrued expenses Increase (decrease) in accrued consumption taxes Increase (decrease) in contract liabilities Increase (decrease) in deposits received Descrease (decrease) in decrease (decreas	Share issuance costs	281	228
using equity method 269,244 - Loss (gain) on investments in investment partnerships (9,043) 4,589 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531		-	13,377
partnerships (9,043) 4,369 Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	using equity method	269,244	_
Subsidy income (2,127) (531) Decrease (increase) in notes and accounts receivable trade and contract assets (258,725) 61,014 Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)		(9,043)	4,589
Decrease (increase) in notes and accounts receivable trade and contract assets(258,725)61,014Decrease (increase) in inventories(38,948)(25,368)Decrease (increase) in prepaid expenses4,913(279,472)Increase (decrease) in trade payables202,862(27,558)Increase (decrease) in accounts payable - other, and accrued expenses105,245(118,623)Increase (decrease) in accrued consumption taxes105,396(51,169)Increase (decrease) in contract liabilities26,613440,741Increase (decrease) in deposits received22,82935,591Other, net(175,457)(95,345)Subtotal3,943,6353,738,519Interest and dividends received6,80410,480Interest paid(742)(485)Compensation paid for damage-(13,377)Subsidies received2,127531Income taxes paid(925,207)(1,560,275)		(2,127)	(531)
Decrease (increase) in inventories (38,948) (25,368) Decrease (increase) in prepaid expenses 4,913 (279,472) Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Decrease (increase) in notes and accounts receivable trade and contract assets		
Increase (decrease) in trade payables 202,862 (27,558) Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)		(38,948)	(25,368)
Increase (decrease) in accounts payable - other, and accrued expenses 105,245 (118,623) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Decrease (increase) in prepaid expenses	4,913	(279,472)
and accrued expenses 105,245 (116,023) Increase (decrease) in accrued consumption taxes 105,396 (51,169) Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Increase (decrease) in trade payables	202,862	(27,558)
Increase (decrease) in contract liabilities 26,613 440,741 Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)		105,245	(118,623)
Increase (decrease) in deposits received 22,829 35,591 Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Increase (decrease) in accrued consumption taxes	105,396	(51,169)
Other, net (175,457) (95,345) Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Increase (decrease) in contract liabilities	26,613	440,741
Subtotal 3,943,635 3,738,519 Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Increase (decrease) in deposits received	22,829	35,591
Interest and dividends received 6,804 10,480 Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Other, net	(175,457)	<u>(95,345)</u>
Interest paid (742) (485) Compensation paid for damage - (13,377) Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Subtotal	3,943,635	3,738,519
Compensation paid for damage-(13,377)Subsidies received2,127531Income taxes paid(925,207)(1,560,275)	Interest and dividends received	6,804	10,480
Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Interest paid	(742)	(485)
Subsidies received 2,127 531 Income taxes paid (925,207) (1,560,275)	Compensation paid for damage	_	(13,377)
	Subsidies received	2,127	
	Income taxes paid	(925,207)	(1,560,275)
	Net cash provided by (used in) operating activities	3,026,616	2,175,390

Financial Results Briefing for the Fiscal Year ended June 2023 Page 7 [Before corrections]

(millions of yen)

		FY6/23	YoY Va	riance
		Q4	Yr earlier	% chg
	Net Sales	2,208	2,566	-14.0%
	Operating Income	192	507	-62.1%
Group Governance	ОРМ	8.7%	19.8%	-11.1pt
dovernance	Orders	3,084	3,340	<u>-7.7%</u>
	Order Backlog	3,400	3,132	<u>8.6%</u>
	Net Sales	2,207	1,741	26.8%
Digital	Operating Income	280	263	6.5%
Transformation (DX)	ОРМ	12.7%	15.1%	-2.4pt
	Orders	2,662	2,063	<u>29.0%</u>
	Order Backlog	<u>1,810</u>	1,131	60.0%
	Net Sales	982	791	24.1%
	Operating Income	195	82	137.8%
Outsoursing	ОРМ	19.9%	10.5%	9.4pt
	Orders	<u>1,548</u>	1,240	<u>24.8%</u>
	Order Backlog	<u>2,448</u>	2,164	<u>13.1%</u>

FY6/23	YoY Variance		
F10/23	Yr earlier	% chg	
10,033	9,372	7.0%	
1,709	2,060	-17.0%	
17.0%	22.0%	-4.9pt	
<u>10,301</u>	10,155	<u>1.4%</u>	
3,400	3,132	<u>8.6%</u>	
8,381	7,015	19.5%	
1,521	1,244	22.3%	
18.1%	17.7%	0.4pt	
9,060	6,902	31.3%	
<u>1,810</u>	1,131	60.0%	
3,755	3,044	23.4%	
824	661	24.7%	
21.9%	21.7%	0.2pt	
4,039	3,751	7.7%	
2,448	2,164	<u>13.1%</u>	

[After corrections]

(millions of yen)

		FY6/23	YoY Variance	
		Q4	Yr earlier	% chg
	Net Sales	2,208	2,566	-14.0%
	Operating Income	192	507	-62.1%
Group Governance	ОРМ	8.7%	19.8%	-11.1pt
dovernance	Orders	2,622	3,340	-21.5%
	Order Backlog	2,938	3,132	-6.2%
	Net Sales	2,207	1,741	26.8%
Digital	Operating Income	280	263	6.5%
Transformation	ОРМ	12.7%	15.1%	-2.4pt
(DX)	Orders	2,810	2,063	36.2%
	Order Backlog	1,957	1,131	73.0%
	Net Sales	982	791	24.1%
Outsoursing	Operating Income	195	82	137.8%
	ОРМ	19.9%	10.5%	9.4pt
	Orders	1,525	1,240	23.0%
	Order Backlog	2,425	2,164	12.1%

FY6/23	YoY Variance	
	Yr earlier	% chg
10,033	9,372	7.0%
1,709	2,060	-17.0%
17.0%	22.0%	-4.9pt
9,839	10,155	<u>-3.1%</u>
2,938	3,132	<u>-6.2%</u>
8,381	7,015	19.5%
1,521	1,244	22.3%
18.1%	17.7%	0.4pt
9,208	6,902	33.4%
1,957	1,131	<u>73.1%</u>
3,755	3,044	23.4%
824	661	24.7%
21.9%	21.7%	0.2pt
4,016	3,751	7.1%
2,425	2,164	12.1%

Ends