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## **Notice Regarding the Recording of Non-Operating Income (Foreign Exchange Gains) and the Revision of the Consolidated Earnings Forecast for the Second Quarter (Cumulative)**

During the first quarter of the fiscal year ending March 2025 (April 1, 2024 - June 30, 2024), we recorded non-operating income (foreign exchange gains). We would like to inform you of the details below.

In addition, based on the recording of non-operating income and recent performance trends, we have revised the consolidated earnings forecast for the second quarter cumulative period of the fiscal year ending March 2025, which was previously announced on May 10, 2024, as detailed below.

### **1. Recording of Non-Operating Income (Foreign Exchange Gains)**

Due to fluctuations in the exchange rate, during the first quarter of the fiscal year ending March 2025 (April 1, 2024 - June 30, 2024), we recorded foreign exchange gains of 350 million yen in the consolidated financial statements and 367 million yen in the non-consolidated financial statements as non-operating income.

These gains primarily resulted from the valuation of foreign currency-denominated receivables and payables held by our group based on the exchange rate at the end of the period (161.14 yen). The amount is subject to change depending on future exchange rate movements.

2. Revision of the Consolidated Earnings Forecast Figures for the Second Quarter (Cumulative) of the Fiscal Year Ending March 2025 (April 1, 2024 - September 30, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast	Millions of yen 6,500	Millions of yen 950	Millions of yen 750	Millions of yen 350	Yen 27.20
Newly announced forecast	7,250	1,500	1,270	760	59.06
Changes	750	550	520	410	—
Changes (%)	11.5%	57.9%	69.3%	117.1%	—
(Reference) Results for the second quarter (cumulative) of the fiscal year ended March 31, 2024	5,248	925	1,558	954	76.74

3. Reason for revision

The business progress of our group during the first quarter of the fiscal year (April 1, 2024 - June 30, 2024) has generally proceeded as planned. However, in terms of performance figures, while the Domestic Telecommunications Business was impacted by a retrospective settlement of interconnection fees (260 million yen) between telecommunications carriers from previous fiscal years, the Global Telecommunications Business performed well. This included the early recording of equipment sales related to the Philippine Domestic Submarine Cable Network (PDSCN), resulting in a performance that significantly exceeded our plans.

For the second quarter consolidated accounting period, we are revising our cumulative earnings forecast for the second quarter, announced on May 10, 2024, upward. This revision reflects the continued strong performance of the Global Telecommunications Business, including the expansion of PDSCN-related services, as well as the expected progress in the Domestic Telecommunications and Medical & Healthcare businesses as planned.

As for the full-year consolidated earnings forecast, we have not made any changes to the figures announced on May 10, 2024, as the strong progress in the Global Telecommunications Business is expected to cover the impact of the retrospective settlement in the Domestic Telecommunications Business.

Additionally, in the first quarter consolidated cumulative period, we recorded ¥350 million in foreign exchange gains under non-operating income. This gain primarily resulted from the comparison of the valuation of foreign currency-denominated receivables and payables held by the group at the end of the previous fiscal year (exchange rate of 151.40 yen) with the exchange rate at the end of the first quarter consolidated accounting period. Since this may fluctuate depending on future exchange rate conditions, the earnings forecasts for the second quarter cumulative period and the full year have been prepared assuming no foreign exchange gains or losses, except for the confirmed amounts in overseas subsidiaries.

Note: The above forecasts are based on information available as of the date of publication of this document, and actual results may differ from these forecasts due to various factors.