

For Immediate Release

(This is an English translation of the Japanese original.)

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LTS, Inc.

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(Correction)
Financial Results for the Year Ended December 2024
[Japanese GAAP] (Consolidated)

LTS, Inc. hereby announce that a partial correction has been made to the "Financial Results for the Year Ended December 2024 [Japanese GAAP] (Consolidated)" released on February 13, 2025, as detailed below. Please note that the corrected sections are underlined for clarity.

1. Reason for Correction

This correction is being made due to the identification of items requiring revision after the release of the "Financial Results for the Year Ended December 2024 [Japanese GAAP] (Consolidated)."

2. Details of the Correction

Summary Information

1. Consolidated Financial Results for the Fiscal Year Ended December 2024 (January 1, 2024 – December 31, 2024)

(3) Cash flow position (consolidated)

[Before Correction]

	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 2024	<u>777</u>	<u>2,176</u>	-1,355	5,439
Year ended December 2023	647	-3,656	4,072	3,840

[After Correction]

	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 2024	<u>816</u>	<u>2,137</u>	-1,355	5,439
Year ended December 2023	647	-3,656	4,072	3,840

Attachment 5 pages

1. Analysis of Operating Performance and Financial Position

(3) Overview of Cash Flows

[Before Correction]

(Operating Activities)

Net cash provided by operating activities came to ¥777 million, despite factors such as a gain on the sale of non-current assets of ¥567 million, a change in trade receivables of ¥195 million, and a change in accounts payable - other of ¥171 million. This was primarily due to the recording of a profit before income taxes of ¥1,459 million, an investment securities valuation gain of ¥208 million, depreciation and amortization of ¥162 million, and amortization of goodwill of ¥137 million.

(Investment Activities)

Net cash provided by investing activities amounted to ¥2,176 million, primarily due to proceeds of ¥2,139 million from the sale of property, plant, and equipment.

[After Correction]

(Operating Activities)

Net cash provided by operating activities came to ¥816 million, despite factors such as a gain on the sale of non-current assets of ¥567 million, a change in trade receivables of ¥195 million, and a change in accounts payable - other of ¥171 million. This was primarily due to the recording of a profit before income taxes of ¥1,459 million, an investment securities valuation gain of ¥208 million, depreciation and amortization of ¥162 million, and amortization of goodwill of ¥137 million.

(Investment Activities)

Net cash provided by investing activities amounted to ¥2,137 million, primarily due to proceeds of ¥2,100 million from the sale of property, plant, and equipment.

Attachment 11 pages

3. Consolidated Financial Statements and Main Notes

(3) Consolidated Statement of Changes in Net assets

[Before Correction]

Current consolidated fiscal year (January 1, 2024 - December 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	742	993	1,964	(200)	3,499
Changes during period					
Issuance of new shares	25	25	–	–	50
Profit attributable to owners of parent	–	–	973	–	973
Purchase of treasury shares	–	–	–	(93)	(93)
Increase (decrease) in noncontrolling interests from increase in consolidated subsidiaries	–	–	–	–	–
Increase (decrease) in ownership interest due to acquisition of shares of consolidated subsidiary	–	0	–	–	0
Increase (decrease) in ownership interest from capital increase in consolidated subsidiaries	–	0	–	–	0
Change in scope of application of equity method	–	–	6	–	6
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes during period	25	26	980	(93)	938
Balance at end of period	767	1,019	2,944	(293)	4,438

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(7)	1	(5)	75	49	3,618
Changes during period						
Issuance of new shares	–	–	–	–	–	50
Profit attributable to owners of parent	–	–	–	–	–	973
Purchase of treasury shares	–	–	–	–	–	(93)
Increase (decrease) in noncontrolling interests from increase in consolidated subsidiaries	–	–	–	–	(45)	(45)
Increase (decrease) in ownership interest due to acquisition of shares of consolidated subsidiary	–	–	–	–	(1)	(1)
Increase (decrease) in ownership interest from capital increase in consolidated subsidiaries	–	–	–	–	1	2
Change in scope of application of equity method	–	–	–	–	–	6

Net changes of items other than shareholders' equity	19	0	20	37	(2)	54
Total changes during period	19	0	20	37	(48)	947
Balance at end of period	12	1	14	112	1	4,566

[After Correction]

Current consolidated fiscal year (January 1, 2024 - December 31, 2024)

(Millions of yen)

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Increase (decrease) in ownership interest due to acquisition of shares of consolidated subsidiary	–	0	–	–	0
Increase (decrease) in ownership interest from capital increase in consolidated subsidiaries	–	0	–	–	0
Change in scope of application of equity method	–	–	6	–	6
Net changes of items other than shareholders' equity	–	–	–	–	–
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Changes during period						
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Profit attributable to owners of parent	–	–	–	–	–	973
Purchase of treasury shares	–	–	–	–	–	(93)
Increase (decrease) in noncontrolling interests from increase in consolidated subsidiaries	–	–	–	–	–	–
Increase (decrease) in noncontrolling interests from decrease in consolidated subsidiaries	–	–	–	–	(45)	(45)
Increase (decrease) in ownership interest due to acquisition of shares of consolidated subsidiary	–	–	–	–	(1)	(1)

Increase (decrease) in ownership interest from capital increase in consolidated subsidiaries	-	-	-	-	1	2
Change in scope of application of equity method	-	-	-	-	-	6
Net changes of items other than shareholders' equity	19	0	20	37	(2)	54
Total changes during period	19	0	20	37	(48)	947
Balance at end of period	12	1	14	112	1	4,566

3. Consolidated Financial Statements and Main Notes

(4) Consolidated Statement of Cash Flows

[Before Correction]

(Millions of yen)

	Previous consolidated fiscal year (January 1, 2023 - December 31, 2023)	Current consolidated fiscal year (January 1, 2024 - December 31, 2024)
Net cash provided by (used in) operating activities		
Profit before income taxes	748	1,459
Depreciation and amortization	78	162
Amortization of goodwill	56	137
Amortization of customer-related assets	8	28
Increase (decrease) in provision for bonuses	(72)	27
Increase (decrease) in order loss provision	16	(13)
Interest expenses	14	53
Loss (gain) on sale of non-current assets	–	(567)
Loss (gain) on valuation of investment securities	–	208
Loss (gain) on sale of investment securities	–	(32)
Decrease (increase) in trade receivables	(433)	(195)
Decrease (increase) in inventories	13	(6)
Increase (decrease) in trade payables	55	0
Increase (decrease) in net defined benefit liability	16	18
Increase (decrease) in accrued consumption taxes	66	96
Increase (decrease) in contract liabilities	(2)	(15)
Increase (decrease) in accounts payable - other	261	(171)
Share of loss (profit) of entities accounted for using equity method	(45)	55
Other	26	5
Subtotal	808	1,253
Interest and dividends received	2	2
Interest paid	(20)	(59)
Income taxes paid	(142)	(442)
Income taxes refund	0	23
Net cash provided by (used in) operating activities	647	777
Cash flows from investing activities		
Payments into time deposits	(2)	(3)
Proceeds from withdrawal of time deposits	203	–
Proceeds from sale of property, plant and equipment	–	2,139
Purchase of property, plant and equipment	(42)	(217)
Purchase of intangible assets	(37)	(59)
Payments of leasehold and guarantee deposits	(160)	(4)
Proceeds from refund of leasehold and guarantee deposits	53	1
Purchase of securities	(1,200)	–
Proceeds from redemption of securities	1,200	–
Proceeds from sales of shares of subsidiaries and associates	–	124
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,580)	–
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	–	(9)
Proceeds from sale of investment securities	–	233
Purchase of investment securities	(79)	(17)
Purchase of insurance funds	(10)	(11)
Proceeds from cancellation of insurance funds	2	1
Cash flows from investing activities	(3,656)	2,176

(Millions of yen)

	Previous consolidated fiscal year (January 1, 2023 - December 31, 2023)	Current consolidated fiscal year (January 1, 2024 - December 31, 2024)
Net cash provided by (used in) financing activities		
Proceeds from short-term borrowings	40	450
Repayments of short-term borrowings	(10)	(690)
Proceeds from long-term borrowings	4,600	600
Repayments of long-term borrowings	(385)	(1,671)
Proceeds from issuance of shares	28	50
Purchase of treasury shares	(200)	(93)
Payments for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(1)
Proceeds from third-party allocation of shares by consolidated subsidiary	–	2
Repayments of lease obligations	0	(1)
Net cash provided by (used in) financing activities	4,072	(1,355)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	1,063	1,598
Cash and cash equivalents at beginning of period	2,776	3,840
Cash and cash equivalents at end of period	3,840	5,439

[After Correction]

(Millions of yen)

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Interest expenses	14	53
Loss (gain) on sale of non-current assets	–	(567)
Loss (gain) on valuation of investment securities	–	208
Loss (gain) on sale of investment securities	–	(32)
Decrease (increase) in trade receivables	(433)	(195)
Decrease (increase) in inventories	13	(6)
Increase (decrease) in trade payables	55	0
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Increase (decrease) in accrued consumption taxes	66	96
Increase (decrease) in contract liabilities	(2)	(15)
Increase (decrease) in accounts payable - other	261	(171)
Share of loss (profit) of entities accounted for using equity method	(45)	55
Other	26	45
Subtotal	808	1,293
Interest and dividends received	2	2
Interest paid	(20)	(59)
Income taxes paid	(142)	(443)
Income taxes refund	0	23
Net cash provided by (used in) operating activities	647	816

Cash flows from investing activities		
Payments into time deposits	(2)	(3)
Proceeds from withdrawal of time deposits	203	–
Proceeds from sale of property, plant and equipment	–	<u>2,100</u>
Purchase of property, plant and equipment	(42)	(217)
Purchase of intangible assets	(37)	(59)
Payments of leasehold and guarantee deposits	(160)	(4)
Proceeds from refund of leasehold and guarantee deposits	53	1
Purchase of securities	(1,200)	–
Proceeds from redemption of securities	1,200	–
Proceeds from sales of shares of subsidiaries and associates	–	124
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,580)	–
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	–	(9)
Proceeds from sale of investment securities	–	233
Purchase of investment securities	(79)	(17)
Purchase of insurance funds	(10)	(11)
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Cash flows from investing activities	<u>(3,656)</u>	<u>2,137</u>

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Net cash provided by (used in) financing activities	<u>4,072</u>	<u>(1,355)</u>
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	<u>1,063</u>	<u>1,598</u>
Cash and cash equivalents at beginning of period	<u>2,776</u>	<u>3,840</u>
Cash and cash equivalents at end of period	<u>3,840</u>	<u>5,439</u>

End