GLORY LTD.

Consolidated Financial Results for the Three Months ended June 30, 2020

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GLORY 2020
Glory Group Medium-Term Management Plan

1 Consolidated Financial Results for the Three Months ended June 30, 2020

Impact of COVID-19 (Overseas)

As of the end of June 2020

Americas		【sales】 Many orders and deliveries are postponed because the business activities are limited. But, no cancellation of large orders. 【Maintenance services】 Operating rate is around 60% of normal times due to the closures of customers' stores, etc.
EMEA		【sales】 Economic activities in major countries are gradually resuming, but many orders and deliveries are postponed in major countries similarly to the U.S. 【Maintenance services】 Operation rate is around 70% of normal times due to the closure of customers' stores, etc.
Asia		【sales】 Many orders and deliveries are postponed because the business activities in major countries are limited. 【Maintenance services】 Operation rate is around 70% of normal times in major countries.
China	【sales】 【Maintenance services】	Normal sales activities and maintenance services are carried out without major restrictions.
Production Base	**China**	Production and procurement have resumed since April.
	Philippines	Production resumed gradually from early May and product shipment is not delayed.

Impact of COVID-19 (Japan)

As of the end of June 2020

Financial Market	Many orders and deliveries are postponed because the business activities were limited.
Retail and Transportation Market	Some orders and deliveries are postponed to 2nd half. Increasing demands for self-service products as a COVID-19 prevention measures.
Amusement Market	Business has resumed in almost all pachinko parlors, but customers are slow to return. Many parlors are cautious about opening new stores and making capital investments. Increasing number of parlors are being closed.

Performance Overview Year-on-Year

Net Sales Sales decreased due to business activity restrictions from COVID-19.

Income Income decreased significantly from the corresponding period of the previous year due to a decrease in sales, etc.

(Millions of yen)	FY2019		FY2020		Y-on-Y
	Three months ended June 30, 2019	Ratio	Three months ended June 30, 2020	Ratio	
Net Sales	49,076	100.0%	38,077	100.0%	-22.4%
Maintenance Sevices	17,660	36.0%	16,223	42.6%	-8.1%
Operating Income	3,171	6.5%	-972	- %	- %
Ordinary Income	2,738	5.6%	-919	- %	- %
Net Income Attributable to Owners of Parent	1,545	3.1%	-1,555	- %	- %
* EBITDA	6,450	13.1%	2,302	6.0%	-64.3%

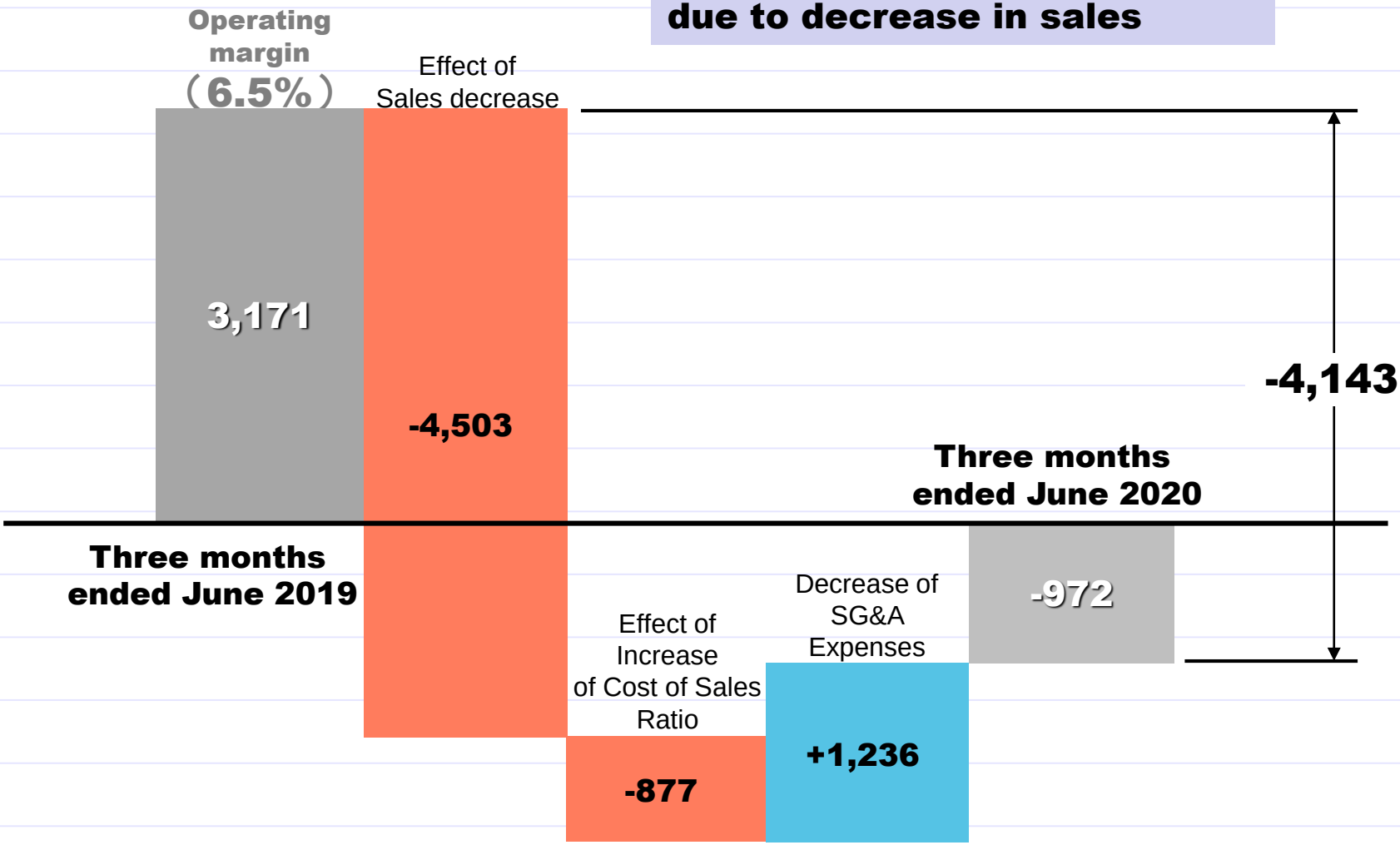
Exchange rate			
	US$	¥ 110	¥ 108
	Euro	¥ 123	¥ 118

*EBITDA=Operating income(loss) + Depreciation and amortization + Goodwill amortization

Factors of Operating Income Change

(Millions of Yen)

Operating income decreased due to decrease in sales



Factors of Operating Income Change

(Millions of yen)	Sales			Operating Income		
	Three months ended June 30, 2019	Three months ended June 30, 2020	Y-on-Y	Three months ended June 30, 2019	Three months ended June 30, 2020	Y-on-Y
Overseas Market	21,541	17,866	-3,675 -17.1 %	1,246	-402	-1,648 - %
Financial Market	8,617	7,829	-788 -9.1 %	297	176	-121 -40.7 %
Retail & Transportation Market	12,531	9,542	-2,989 -23.9 %	1,532	268	-1,264 -82.5 %
Amusement Market	5,224	2,262	-2,962 -56.7 %	702	-316	-1,018 - %
Others	1,161	576	-585 -50.4 %	-608	-698	-90 - %
Total	49,076	38,077	-10,999 -22.4 %	3,171	-972	-4,143 - %

2

Details of Performance for the Three Months ended June 30, 2020

Overseas Market

Sales of main products were lower

	Three months ended June 30, 2019	Three months ended June 30, 2020	Y-on-Y
Sales	21,541	17,866	-3,675 -17.1 %
Ratio to total net sales	43.9 %	46.9 %	+3.0 pt
Operating income	1,246	-402	-1,648 - %
Ratio to total operating income	39.3%	- %	- pt
Operating margin	5.8 %	- %	- pt

Highlights

- ☑ Banknote recyclers for tellers
- ☑ Sales proceeds deposit machines for retail industries
  - ➡ Lower sales in Europe and the U.S.

Outline of the Segment

Sales and maintenance services to financial institutions, cash-in-transit companies, retail stores, casinos, OEM clients and others in overseas.

Main Products

Banknote recyclers for tellers <RBG series>

Sales proceeds deposit machines <CI-100 series>

Banknote sorters <UW series>

Sales by Geographical Segment of Overseas Market

(Millions of yen)	Three months ended June 30, 2019	Three months ended June 30, 2020	Y-on-Y	Y-on-Y Local currency basis
Americas	7,583	6,036	-1,547 -20.4 %	-18.7%
EMEA	10,011	7,582	-2,429 -24.3 %	-21.1%
Asia	2,480	2,912	+432 +17.4 %	-
China	445	1,063	+618 +138.9 %	+153.0%
OEM	1,465	1,334	-131 -8.9 %	-8.9%
Total overseas sales	21,541	17,866	-3,675 -17.1 %	-

Americas
Europe
} **Sales of products for retail industry and financial institutions were lower.**

Asia ··· **Sales of products for financial institutions were lower.**

China ··· **Sales of products for financial institutions were higher.**

OEM ··· **Sales of banknote recycling units for ATMs were steady.**

Financial Market

Sales of main products were lower

	Three months ended June 30, 2019	Three months ended June 30, 2020	Y-on-Y
Sales	8,617	7,829	-788 -9.1 %
Ratio to total net sales	17.6 %	20.6 %	+3.0 pt
Operating income	297	176	-121 -40.7 %
Ratio to total operating income	9.4 %	- %	- pt
Operating margin	3.4 %	2.2 %	-1.2 pt

Highlights

- ☑ Open teller systems
- ☑ Coin and banknote recyclers for tellers
  - ➡ Lower sales due to restrictions on business activities.

Outline of the Segment

Sales and maintenance services to financial institutions, OEM clients and others in Japan.

Main Products

Open teller systems
<WAVE series>

Coin and banknote recyclers for tellers
<RB series>

Multi-functional banknote changers
<EN series>

Retail and Transportation Market

Sales of main products were lower

	Three months ended June 30, 2019	Three months ended June 30, 2020	Y-on-Y
Sales	12,531	9,542	-2,989 -23.9 %
Ratio to total net sales	25.5 %	25.1 %	-0.5 pt
Operating income	1,532	268	-1,264 -82.5 %
Ratio to total operating income	48.3%	- %	- pt
Operating margin	12.2 %	2.8 %	-9.4 pt

Highlights

- ☑ Coin and banknote recyclers for cashiers
- ☑ Sales proceeds deposit machine
  - ➡ Lower sales due to restrictions on business activities.

Outline of the Segment

Sales and maintenance services to supermarkets, department stores, cash-in-transit companies, railroad companies, tobacco companies, hospitals, local governments and others in Japan.

Main Products

Coin and banknote recyclers for cashiers <RT / RAD series>

Sales proceeds deposit machines <DS / DSS series>

Sales proceeds deposit machines <DS series>

Amusement Market

Sales of main products were lower

	Three months ended June 30, 2019	Three months ended June 30, 2020	Y-on-Y
Sales	5,224	2,262	-2,962 -56.7 %
Ratio to total net sales	10.6 %	5.9 %	-4.7 pt
Operating income	702	-316	-1,018 - %
Ratio to total operating income	22.1%	- %	- pt
Operating margin	13.4 %	- %	- pt

Highlights

☑ Card systems

➡ Lower sales due to self-restraint in pachinko parlors

Outline of the Segment

Sales and maintenance services to amusement halls (pachinko parlors and others) in Japan.

Main Products

Card systems

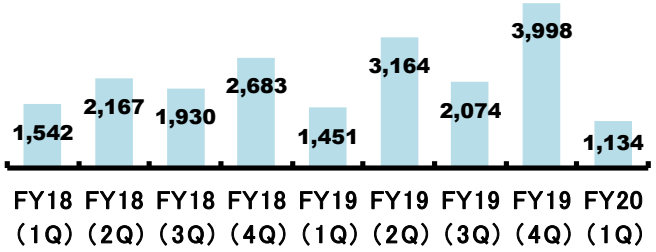
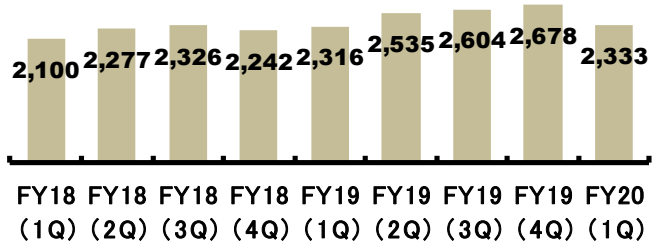
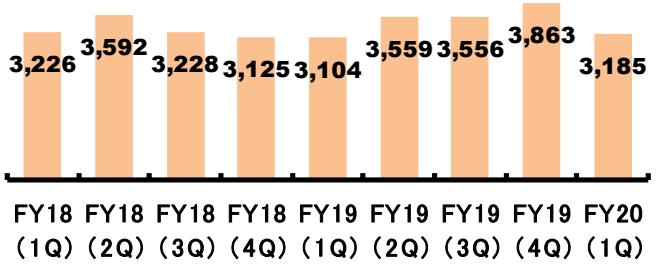
Management terminals

Pachinko ball counters

Prepaid card systems for pachinko parlors

Pachinko prize dispensing machines <JK series>

Capital Expenditures etc.

(Millions of yen)	Three months ended June 30, 2019	Three months ended June 30, 2020	Y-on-Y	Quarterly trend
Capital expenditures	1,451	1,134	-317 -21.8 %	
Depreciation and amortization	2,316	2,333	+17 +0.7 %	
R&D investment	3,104	3,185	+81 +2.6 %	

3 Financial / Dividend Forecast for FY2020

Business outlook (overseas)

Americas	【sales】 Anticipate business activities will continue to be constrained in the 1st half, and recover gradually from the 2nd half. 【Maintenance services】 Operating rate is expected to recover from the 2nd half
EMEA	【sales】 Economic activities are expected to recover gradually from the 2nd half, though there are some anxiety factors in major countries. 【Maintenance services】 Operating rate is expected to recover from the 2nd half
Asia	【sales】 Business activity recovery in major countries expected from the 2nd half 【Maintenance services】 Operating rate is expected to recover from the 2nd half
China	【sales】 【Maintenance services】 Anticipate normal sales activities and maintenance services will continue.

Business outlook (Japan)

Financial Market	Many orders and deliveries will be postponed to 2nd-half because the business activities are limited during 1st-half. Budget freezes are also seen at some financial institutions.
Retail and Transportation Market	Some orders and deliveries will be postponed and budget freezes are seen at some retail stores. Increasing demands for self-service products as a COVID-19 prevention measures.
Amusement Market	Customers are slow to return and parlors are cautious about opening new stores and making capital investments. Increasing number of parlors are being closed.

Financial Forecast for FY2020

Net Sales Lower sales due to restrictions on business activities from COVID-19 during 1st half .

Income Lower income because of a decrease in sales and continuing investments in new businesses

(Millions of yen)	FY2019		FY2020		Y-on-Y
	Full Year	Ratio	Full Year (Forecast)	Ratio	
Net Sales	224,170	100.0%	210,000	100.0%	-6.3%
Maintenance Sevices	71,099	31.7%	72,000	34.3%	+1.3%
Operating Income	17,927	8.0%	6,000	2.9%	-66.5%
Ordinary Income	15,657	7.0%	5,500	2.6%	-64.9%
Net Income Attributable to Owners of Parent	8,961	4.0%	2,500	1.2%	-72.1%

Exchange rate			
	US$	¥ 109	¥ 105
	Euro	¥ 121	¥ 120

Measures in FY2020

Build foundations for realizing sustainable business management (Existing Business)

Domestic Business Strategy

Respond to the market changes flexibly and promote solution proposals

- Realization of next generation branch style, expansion of "non-cash" business sector -

Key measures

【Financial】
- Expand sales of products that realize next generation branch style
- Expand main financial product sales

【Retail】
- Expand sales of products for self check-out such as Coin and banknote recyclers for cashiers & Ticket vending machines
- Expand "non-cash" business sector (electronic settlement, voucher processing, biometric authentication)

Overseas Business Strategy

Further growth of financial market by expanding business of self-operation machines and acceleration of retail business

Key measures

【Europe/Americas】
- (Financial) Wider use of banknote recycler for tellers & cultivation of "Self" market
- (Retail) Reinforce sales to back-office market and penetrate to front market
- (Retail) Create synergies with acquired companies

【Asia】
- (Financial) Expand sales of banknote recycler for tellers in main countries
- (Retail) Investment in potentially high-growth countries

Strengthen collaboration with various partners to solve social issues (New Business)

- Shift the business model from products (hardware) to solutions & services
- Further growth of the biometric/image recognition business & robot system integration

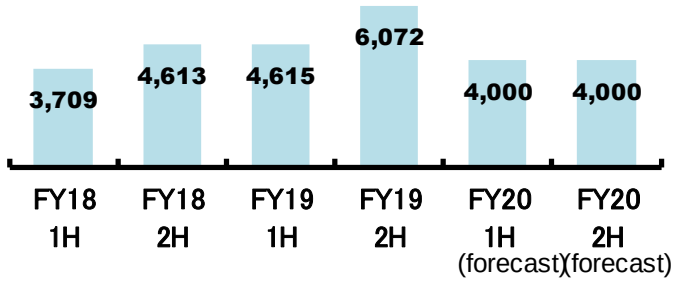
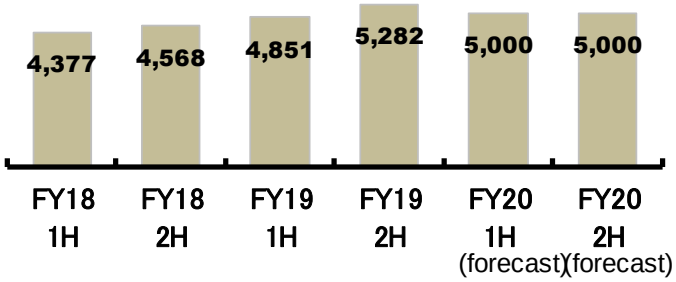
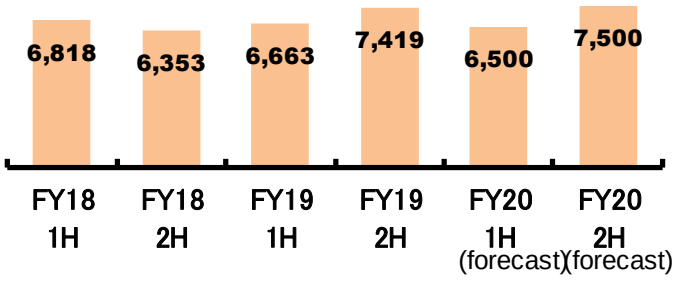
Sales & Operating Income Forecast by Business Segment

(Millions of yen)	Sales			Operating Income		
	FY2019 Full Year	FY2020 Full Year (Forecast)	Y-on-Y	FY2019 Full Year	FY2020 Full Year (Forecast)	Y-on-Y
Overseas Market	103,621	105,000	+1,379 +1.3 %	9,780	1,000	-8,780 -89.8 %
Financial Market	42,262	45,000	+2,738 +6.5 %	3,314	5,000	+1,686 +50.9 %
Retail & Transportation Market	52,487	45,000	-7,487 -14.3 %	5,198	2,500	-2,698 -51.9 %
Amusement Market	20,753	12,000	-8,753 -42.2 %	1,998	0	-1,998 - %
Others	5,045	3,000	-2,045 -40.5 %	-2,364	-2,500	-136 - %
Total	224,170	210,000	-14,170 -6.3 %	17,927	6,000	-11,927 -66.5 %

Sales Forecast by Geographical Segment of Overseas Market

(Millions of yen)	FY2019 Full Year	FY2020 Full Year (Forecast)	Y-on-Y	Y-on-Y Local currency basis
Americas	38,189	35,000	-3,189 -8.4 %	-5.1%
EMEA	43,313	50,000	+6,687 +15.4 %	+16.2%
Asia	14,802	14,000	-802 -5.4 %	-
China	5,694	6,000	+306 +5.4 %	+6.3%
OEM	7,316	6,000	-1,316 -18.0 %	-18.0%
Total overseas sales	103,621	105,000	+1,379 +1.3 %	-

Capital Expenditures etc.

(Millions of yen)	FY2019	FY2020 (Forecast)	Y-on-Y	Changes by six-month periods
Capital expenditures	10,687	8,000	-2,687 -25.1 %	
Depreciation and amortization	10,133	10,000	-133 -1.3 %	
R&D investment	14,082	14,000	-82 -0.6 %	

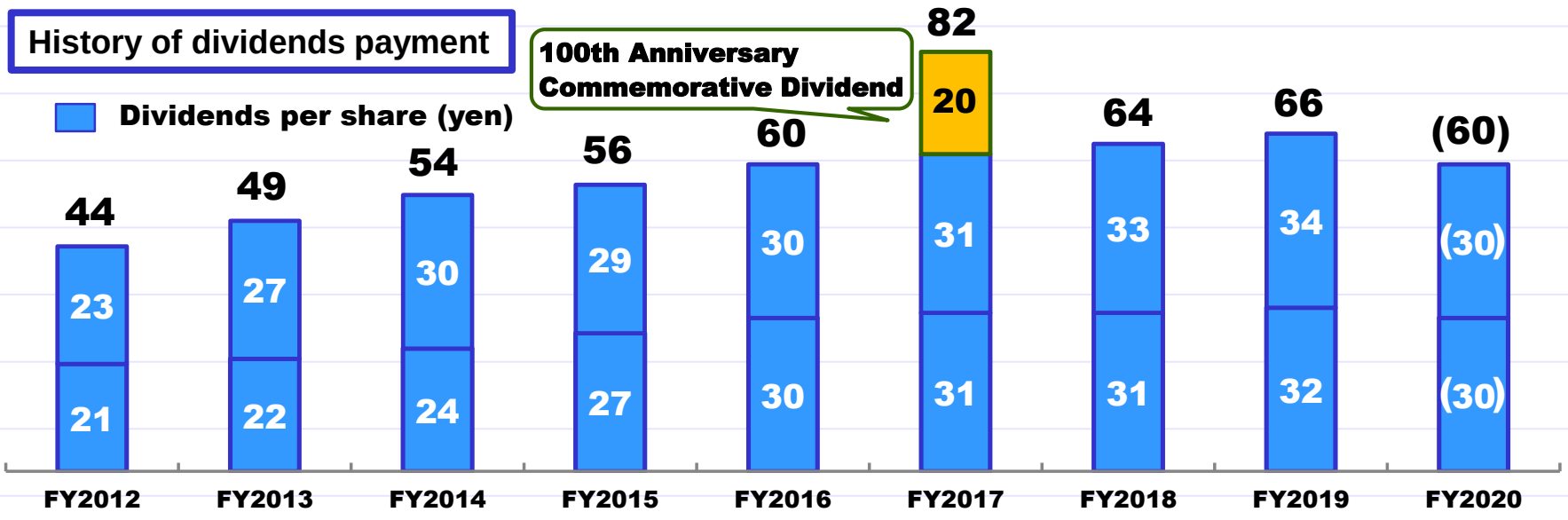
Dividends for FY2020

Basic policy on profit distribution

GLORY considers the return of profits to shareholders to be an important management task and retains a policy to continue stable dividends while striving to maintain and enhance sound financial standing in preparation for future business growth. GLORY has set a target of dividend payout ratio of 30% or higher on a consolidated basis.

	Interim (plan)	Year-end (plan)	Annual (plan)
Dividends per share	¥30	¥30	¥60 (Dividend payout ratio 145%)

History of dividends payment



4 Strategic Investments • Biometric/image Recognition

Strategic Investments

【Total amount of strategic investments】 FY2018-FY2019 : Approx.¥44.5 billion

1）Expanded and strengthened direct sales & maintenance network (Approx. ¥10 billion)

(Italy)
・Increased ownership ratio of Sitrade to 75%
・Acquired CTS Solutions, a distributor (Italy)

(Austria)
・Established of Austrian Subsidiary

(Mexico)
・Acquired Sortek, a distributor (Mexico)

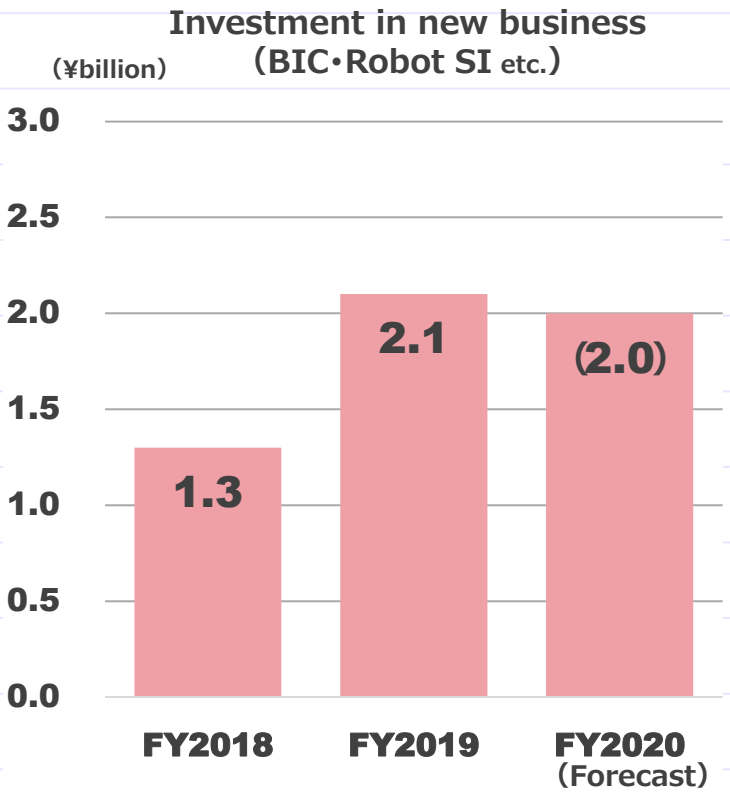
2）Building synergies between new business model & existing business (Approx. ¥31 billion)

Expansion of Retail Market					
Acquisition / Alliance	Company	Acrelec GroupS.A.S	・Cash Payment Solutions GmbH ・SOCASH PTE. LTD	FueTrek Co., Ltd.	AdInte co.,ltd.
	Amount	¥24.2billion	Not available	¥2.6billion	Not available
Solutions		・Store management platform ・Non cash payment ・Customer experience	・ Expansion of cash access points ・Providing a cash payment platform for e-commerce	・Utilizing voice recognition technology ・Provision of CRM	・Attracting customers of retail & hospitality industry through data collection & analysis ・Web targeting ads
Synergies		・Expansion of sales of Coin and banknote recyclers for cashiers to largest quick service restaurant ・Expansion of sales by utilizing sales channels of both Acrelec & Glory ・Realize new services through combined Glory's technology	・Expansion of sales of Coin and banknote recyclers for cashiers & Banknote recyclers. ・Expansion of customer base ・Realization of low cost cash cycle	・Provision various payment methods ・Provision a high-quality personal authentication system by combining image recognition technology and voice recognition technology	・Provision of analyses & recommendations concerning the improvement of customer service & business flows in retail stores ・Provision of solution services based on the use of data analytics technology combining AdInte's data & data from Glory's products.

Strategic Investments

3) Building new business models in Japan (Approx. ¥3.5 billion)

Positioning of new business investment		
	BIC Business Innovation Center	・Creating added value for existing business (Short & Medium Term) ・Creating a new business model (Medium & Long Term)
	Robot system integration	・Promotion of automation (Short & Medium Term)



FY	BIC	Robot system integration
	Achievement	
2018	・"BioPay" developed ・Proof of concept of "Next-generation payment terminal CASHPOINT" ・"OCR for patient information management system" developed	Introduced by: ・FUJIREBIO Inc. ・Major research organization etc.
2019	・Proof of concept of "BioPay" ・"BioCheck" developed ・Demonstration of "e-money charger with cloud" ・Demonstration of "OCR for patient information management system" ・Proof of concept of the application, "Rejitomo" ・Demonstration of the application, "Shoppers Cloud" ・"IC credit card payment" developed ・"QR-code payment" developed	Introduced by: ・Building material manufacturer ・Major research organization ・Valve manufacturer ・Cosmetics manufacturer etc.
2020 (Plan)	・Proof of concept of "BioPay" ・Development for commercialization of "BioCheck" ・Development for commercialization of "OCR for patient information management system" ・"Rejitomo" developed ・Development for commercialization of " Shoppers Cloud"	To be introduced by: ・Pharmaceutical manufacturer ・Food product manufacturer ・Major research organization etc.

Business Development in the Medical & Nursing Field

AMEC Advanced Medical Engineering Center × GLORY

The "Glory Medical Engineering Collaborative Research Project" has been established as part of the Advanced Medical Engineering Research Center (AMEC), University of Hyogo. By utilizing Glory's recognition and identification technologies, the aim is to develop technologies that will be useful for early detection, diagnosis, and treatment of various diseases associated with an aging society.

順天堂大学 JUNTENDO UNIVERSITY × GLORY

Collaborative research is being conducted with Juntendo University and several other companies. By using Glory's facial expression recognition technology , IBM Japan's AI, and other technologies, the aim is to establish a system that can detect Parkinson's disease and dementia, at an early stage and diagnose their progression based on facial expressions and speech.

EcoNaviSta エコナビスタ株式会社 × GLORY

Collaborate on health monitoring services for care and welfare facilities. Glory's facial-recognition-driven System When a hospitalized patient tries to leave the hospital, the facial-recognition camera installed will detect them and send a message to hospital staff computers and tablets together with images taken.

株式会社 EMシステムズ × GLORY

Collaborated with EM Systems on a prescription input support system for health insurance pharmacies. Glory's optical character recognition (OCR) technology has been installed into a system provided by EM Systems that manages patient information. Available from October 2019.

Expansion of Biometric/image Recognition Field

Providing solutions for realizing a safe and secure society

Development of walk-through facial recognition system

【Outline】

・Enable Customers to make payments by biometric identification using their facial images registered on the system.

・Using facial images linked with credit card and bank account information.

Joint shoplifting prevention project at book stores in Shibuya

Glory's facial recognition system is used in the first project in the industry joined by three bookstores in Shibuya-ku, Tokyo to detect shoplifters by sharing face images.

The project helps to prevent repeat offenses and reduce damage to bookstores, providing customers with a safe and secure store environment.

Development of license plate image clarification technology

Developed the industry's first technology that can read characters with high accuracy even when the license plate image is unclear.

With this technology, the rate of correct reading of license number from the video/image is improved by 20%, and it supports the strengthening of crime prevention.

Commercialized "BioPay" (Biometric payment)

【Features】

・Accurate personal identification is possible even in severe environments, such as wearing a mask or sunglasses, backlit or dark place, and a three-quarter face on pre-registered data.

・Can manage face images for up to 1000 stores.

References

Three Months
ended June 30, 2020

Consolidated Statement of Income / Statement of Comprehensive Income

(Millions of yen)	FY2019		FY2020		Y-on-Y
	Q1	Ratio	Q1	Ratio	
Net sales	49,076	100.0%	30,877	100.0%	-18,199
Cost of sales	28,983	59.1%	23,364	75.7%	-5,619
Selling, general and administrative expenses	16,921	34.5%	15,685	50.8%	-1,236
Operating income	3,171	6.5%	-972	-3.1%	-4,143
Non-operating income	186	0.4%	295	1.0%	+109
Non-operating expenses	619	1.3%	242	0.8%	-377
Ordinary income	2,738	5.6%	-919	-3.0%	-3,657
Extraordinary income	0	0.0%	2	0.0%	+2
Extraordinary loss	59	0.1%	182	0.6%	+123
Income before income taxes and minority interests	2,679	5.5%	-1,099	-3.6%	-3,778
Income taxes	741	1.5%	278	0.9%	-463
Net Income	1,938	3.9%	-1,378	-4.5%	-3,316
Net income attributable to owners of parent	1,545	3.1%	-1,555	-5.0%	-3,100

Net Income	1,938	3.9%	-1,378	-4.5%	-3,316
Valuation difference on available-for-sale securities	-248		384		+632
Foreign currency translation adjustment	-2,429		-900		+1,529
Remeasurements of defined benefit plans	34		87		+53
Total other comprehensive income	-2,638	-5.4%	-418	-1.4%	+2,220
Comprehensive income	-699	-1.4%	-1,796	-5.8%	-1,097

Consolidated Balance Sheet

(Millions of yen)	As of March 31, 2020	As of June 30, 2020	Increase/ Decrease
Cash, deposits and	73,583	51,680	-21,903
Notes and accounts	52,838	43,689	-9,149
Inventories	51,681	60,435	+8,754
Other	3,306	5,742	+2,436
Current assets	181,408	161,546	-19,862
Property, plant and equipment	38,503	39,310	+807
Customer relationships	17,968	17,418	-550
Goodwill	43,246	60,235	① +16,989
Other	6,701	7,214	+513
Intangible assets	67,915	84,867	+16,952
Total investments and other assets	20,935	22,380	+1,445
Total noncurrent assets	127,354	146,557	+19,203
Total assets	308,763	308,104	-659

	As of March 31, 2020	As of June 30, 2020	Increase/ Decrease
Notes and accounts payable-trade	18,500	16,646	-1,854
Short-term loans payable	24,951	21,202	② -3,749
Other	42,172	42,133	-39
Total current liabilities	85,623	79,981	-5,642
Long-term loans payable	46	4,408	+4,362
Other	35,950	45,917	+9,967
Noncurrent liabilities	35,996	50,325	+14,329
Total liabilities	121,620	130,307	+8,687
Capital stock	12,892	12,892	0
Retained earnings	163,070	159,448	-3,622
Other	11,181	5,457	③ -5,724
Total netassets	187,143	177,797	-9,346
Total liabilities and net assets	308,763	308,104	-659

① Goodwill increased due to acquisition of Acrelec.
② Short-term debt decreased.
③ Capital surplus decreased due to put option to non-controlling shareholders of Acrelec.

Half Year Forecast

(Millions of yen)	FY2019		FY2020		Y-on-Y
	First Half	Ratio	First Half (Forecast)	Ratio	
Net Sales	108,505	100.0%	85,000	100.0%	-21.7%
Maintenance Sevices	35,489	32.7%	33,000	38.8%	-7.0%
Operating Income	9,018	8.3%	-2,000	-2.4%	-%
Ordinary Income	8,316	7.7%	-2,000	-2.4%	-%
Net Income Attributable to Owners of Parent	4,859	4.5%	-3,000	-3.5%	-%

Exchange rate			
	US$	¥ 109	¥ 105
	Euro	¥ 121	¥ 120

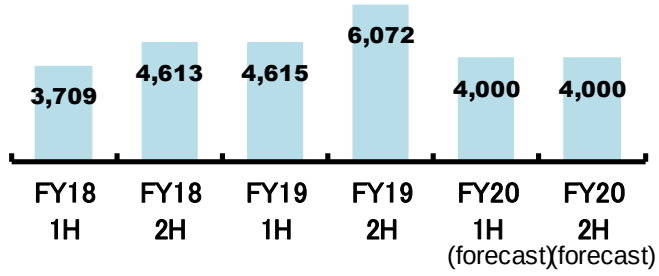
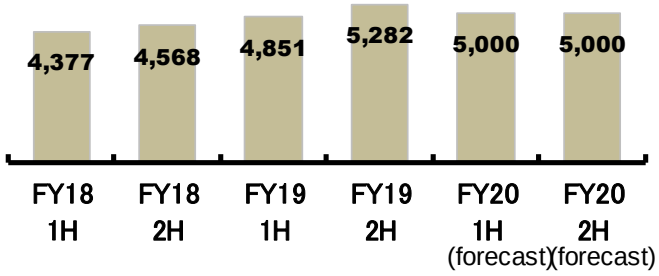
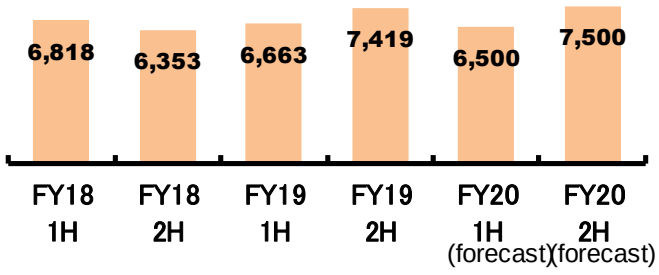
Sales & Operating Income Forecast by Business Segment

(Millions of yen)	Sales			Operating Income		
	FY2019 First Half	FY2020 First Half (Forecast)	Y-on-Y	FY2019 First Half	FY2020 First Half (Forecast)	Y-on-Y
Overseas Market	47,564	40,000	-7,564 -15.9 %	4,047	-2,000	-6,047 - %
Financial Market	22,335	19,000	-3,335 -14.9 %	2,068	1,000	-1,068 -51.6 %
Retail & Transportation Market	25,483	20,000	-5,483 -21.5 %	2,919	500	-2,419 -82.9 %
Amusement Market	10,543	4,500	-6,043 -57.3 %	1,293	-500	-1,793 - %
Others	2,578	1,500	-1,078 -41.8 %	-1,309	-1,000	+309 - %
Total	108,505	85,000	-23,505 -21.7 %	9,018	-2,000	-11,018 - %

Sales Forecast by Geographical Segment of Overseas Market

(Millions of yen)	FY2019 First Half	FY2020 First Half (Forecast)	Y-on-Y	Local currency basis
Americas	16,954	14,000	-2,954 -17.4 %	-14.6%
EMEA	20,345	18,000	-2,345 -11.5 %	-10.5%
Asia	6,511	5,500	-1,011 -15.5 %	-
China	2,265	2,700	+435 +19.2 %	+20.9%
OEM	3,753	2,500	-1,253 -33.4 %	-33.4%
Total overseas sales	47,564	40,000	-7,564 -15.9 %	-

Capital Expenditures etc.

(Millions of yen)	FY2019 First Half	FY2020 First Half (Forecast)	Y-on-Y	Changes by six-month periods
Capital expenditures	4,615	4,000	-615 -13.3 %	
Depreciation and amortization	4,851	5,000	+149 +3.1 %	
R&D investment	6,663	6,500	-163 -2.4 %	

Topics

July 3, 2020

Included in ESG Investment Indexes

Glory has been Included in FTSE4Good Index Series and FTSE Blossom Japan Index which are leading indexes of ESG investment.

June 29, 2020

Launched Mobile Seal Stamp Scanner

The product reads the seal imprint directly from the seal stamp and enable wireless communication. In addition, the product size is about 50% thinner compared to the conventional model.
Sales staff can perform paperless transaction by using the product with tablet terminal.

<Notes>

1.The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to the company and certain assumptions which the company regards as legitimate, and are not promises regarding the achievement of forecasts. Actual performance may differ greatly from these forecasts due to various present and future factors.
The factors includes changes in the economic conditions in the company's principal markets, changes in demand for the company's products, fluctuations of exchange rates, and impacts of changes in various regulations, accounting principles and practices.
Please also take note that forecasts in this document may change without prior notice unless required by laws.

2.Amounts are rounded down to the nearest million yen for calculating percentages of year-on-year changes and composition ratios.