TOCALO Co., Ltd.

Q2 Financial Results Briefing for the Fiscal Year Ending March 2023

November 9, 2022

Event Summary

[Company Name]	TOCALO Co., Ltd.	
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[Venue]	Webcast	
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[Participants]		
[Number of Speakers]	4	
	Noriyuki Mifune	Representative Director, President and Executive Officer / Doctor of Engineering
	Hiroshi Goto	Director, Managing Executive Officer, General Manager of Administrative Headquarters
	Kenji Hosomi	Manager of Accounting Division
	Hiroshi Shimizu	Manager of Corporate Planning Division

Presentation

Moderator: Now it's time to begin the Q2 Financial Results Briefing for the Fiscal Year Ending March 31, 2023, of TOCALO Co., Ltd.

We are holding this briefing in a hybrid format, with a live-streaming online session in addition to the on-site session.

First, I would like to introduce the four attendees from our company.

Dr. Noriyuki Mifune, Representative Director, President, and Executive Officer.

Mifune: Thank you.

Moderator: Mr. Hiroshi Goto, Director, Managing Executive Officer, and General Manager of Administrative Headquarters.

Goto: I am Goto. Thank you.

Moderator: Mr. Kenji Hosomi, Manager of Accounting Division.

Hosomi: Thank you very much.

Moderator: Mr. Hiroshi Shimizu, Manager of Corporate Planning Division.

Shimizu: Thank you very much.

Moderator: Today, Dr. Mifune will give us an explanation. After his explanation, we will be holding a question & answer session. We will take questions from those who are participating online this time.

Well then, Dr. Mifune, please start.

Mifune: Hello, everyone. I am Mifune, President of TOCALO. Since we have infection control measures in place today, I would like to give you an explanation with my mask off.

Thank you for taking time out of your busy schedule to attend today's briefing of TOCALO. And thank you very much for your continued support in our business operation. I would like to take this opportunity to express our gratitude.

As explained earlier, we are live-streaming this event online as well as holding this at this venue. I have been notified we have around 50 to 60 participants in total today. Thank you for your participation.

Let me begin with today's financial results briefing for Q2 of the fiscal year ending March 31, 2023.

We will be discussing three things today. I will begin with an overview of the consolidated financial results for Q2, followed by the consolidated earnings forecast for the fiscal year ending March 31, 2023, and an explanation of progress toward the medium-term management plan.

Summary of result 1H FY2022

TOCALO

Highlights

(1) Sales and profits reached record highs in the first half of the year
Sales of “Semiconductor･FPD” and “Iron & Steel” increased.
Progress in other areas was generally in line with forecasts.

(2) Overseas subsidiary sales and profit increased
Orders related to semiconductors and steel are also strong in China and Taiwan.

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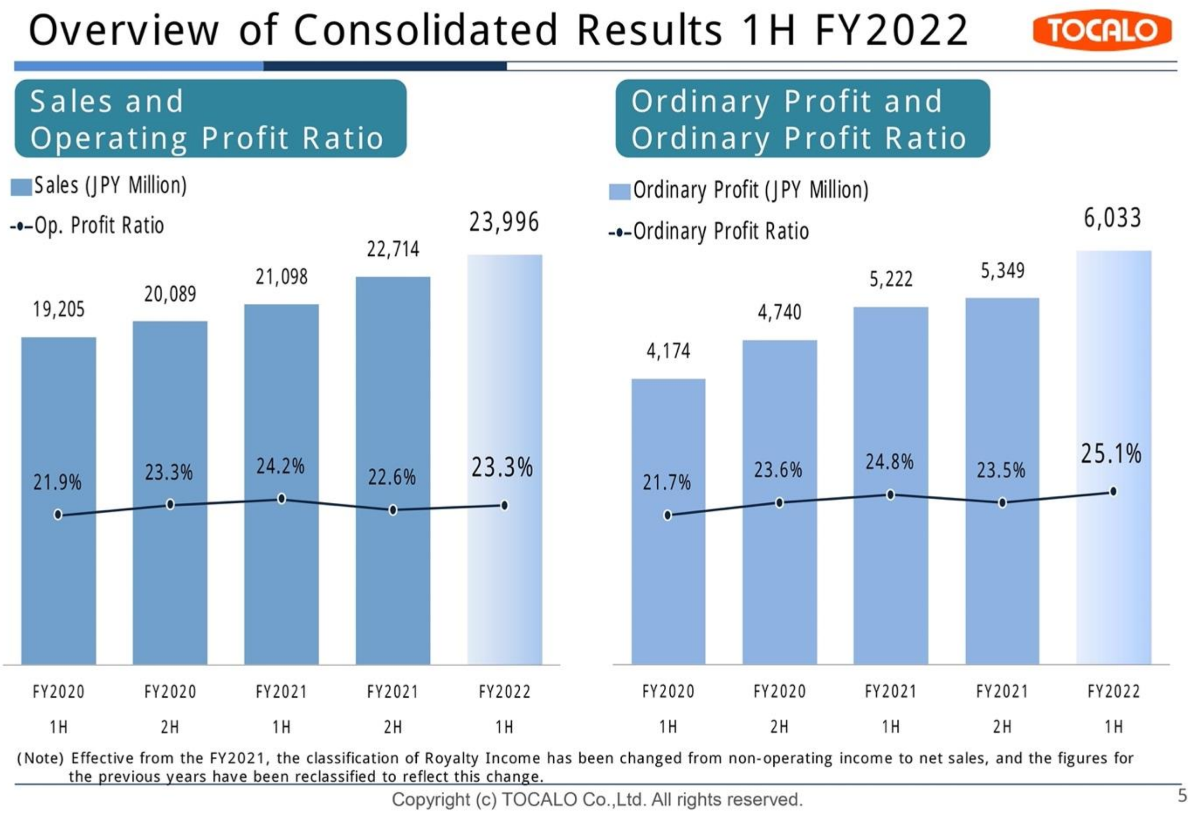
I will now give a brief overview of the consolidated financial results for Q2.

One of the highlights of these H1 results is that we achieved record highs in both net sales and profits, which is a reasonably good performance. In particular, sales of the semicon and FPD, and the iron and steel were on an increasing trend, and although there were some other areas where sales declined slightly, sales and profits generally remained steady.

Another is the strong performance of the overseas subsidiaries. The domestic subsidiaries is struggling due to automobile-related issues, but the overseas subsidiaries has done reasonably well despite the fact that they had to shut down their plants in China for about a month during the lockdown period from April to May. Overseas, sales of the semicon and FPD, and the iron and steel were particularly strong.

Another topic is the positive impact of the weaker yen on the exchange rate.



This graph compares Q2 consolidated results with the previous four quarters.

Sales for H1 of the fiscal year ending March 31, 2023, totaled JPY23,996 million. Operating profit was JPY5.5 billion, with an operating profit margin of 23.3%. As indicated in the right graph, ordinary profit was JPY5.5 billion, with an ordinary profit margin of 23.3%. The difference between operating profit and ordinary profit is due to foreign exchange gains.

On a half period basis, both net sales and ordinary profit have increased for seven consecutive half periods and have steadily increased each half period since the beginning of the coronavirus pandemic, when they dipped a bit.

Overview of Consolidated Results 1H FY2022

(JPY Million)	1H 2022/3		1H 2023/3		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	21,098	100.0%	23,996	100.0%	2,898	13.7%
Thermal Spray	16,000	75.8%	18,205	75.9%	2,205	13.8%
Semicon & FPD	9,938	47.1%	12,100	50.4%	2,162	21.8%
Industrial Parts	1,757	8.3%	1,739	7.2%	△ 17	-1.0%
Iron & Steel	1,623	7.7%	1,775	7.4%	151	9.4%
Others	2,680	12.7%	2,588	10.9%	△ 91	-3.4%
Other Surface Modif.	1,195	5.7%	1,367	5.6%	171	14.4%
Domestic Sub.	1,206	5.7%	1,197	5.0%	△ 9	-0.8%
Overseas Sub.	2,615	12.4%	3,140	13.1%	524	20.0%
Royalty Income	80	0.4%	86	0.4%	6	7.7%
Operating Profit	5,111	24.2%	5,581	23.3%	469	9.2%
Ordinary Profit	5,222	24.8%	6,033	25.1%	810	15.5%
Net income attribute to owners of parent	3,448	16.3%	3,919	16.3%	471	13.7%

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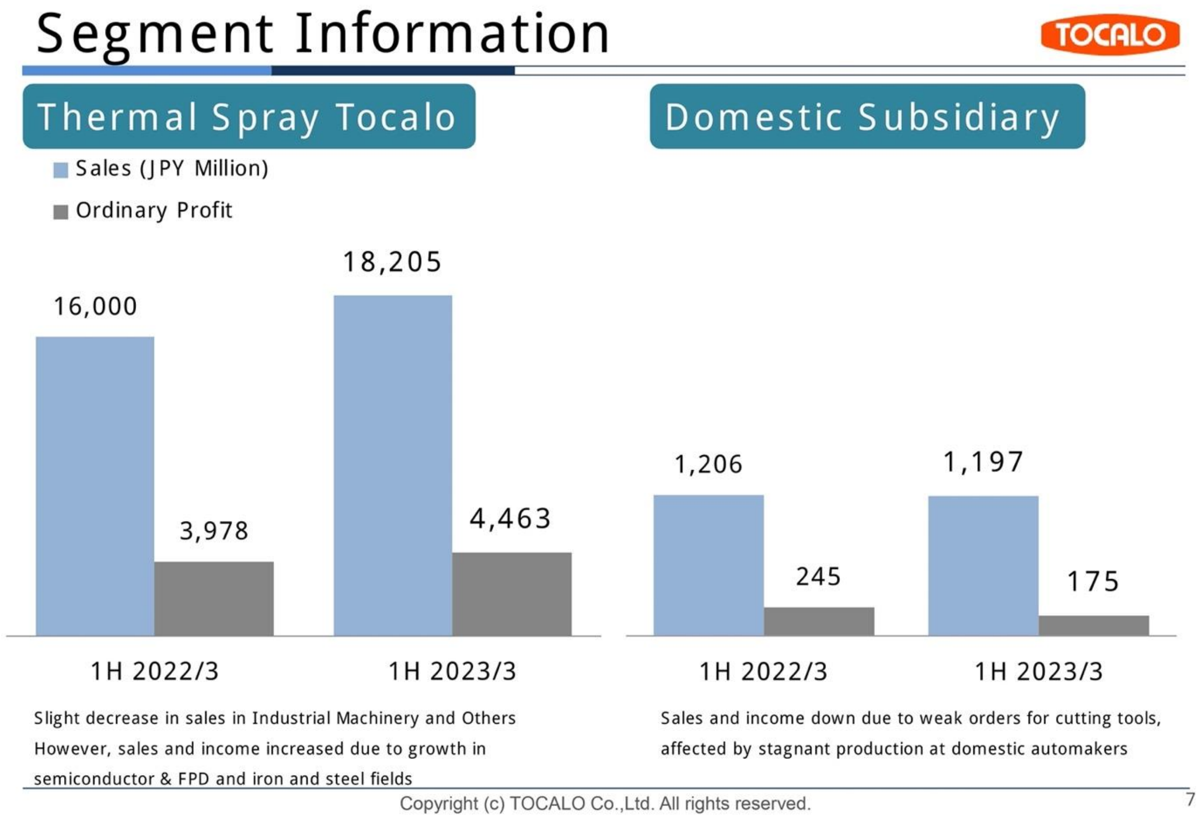
The following is a summary of the consolidated financial results for Q2.

Net sales totaled JPY23,996 million, up JPY2,898 million from JPY21,098 million in the previous year, a 13.7% increase.

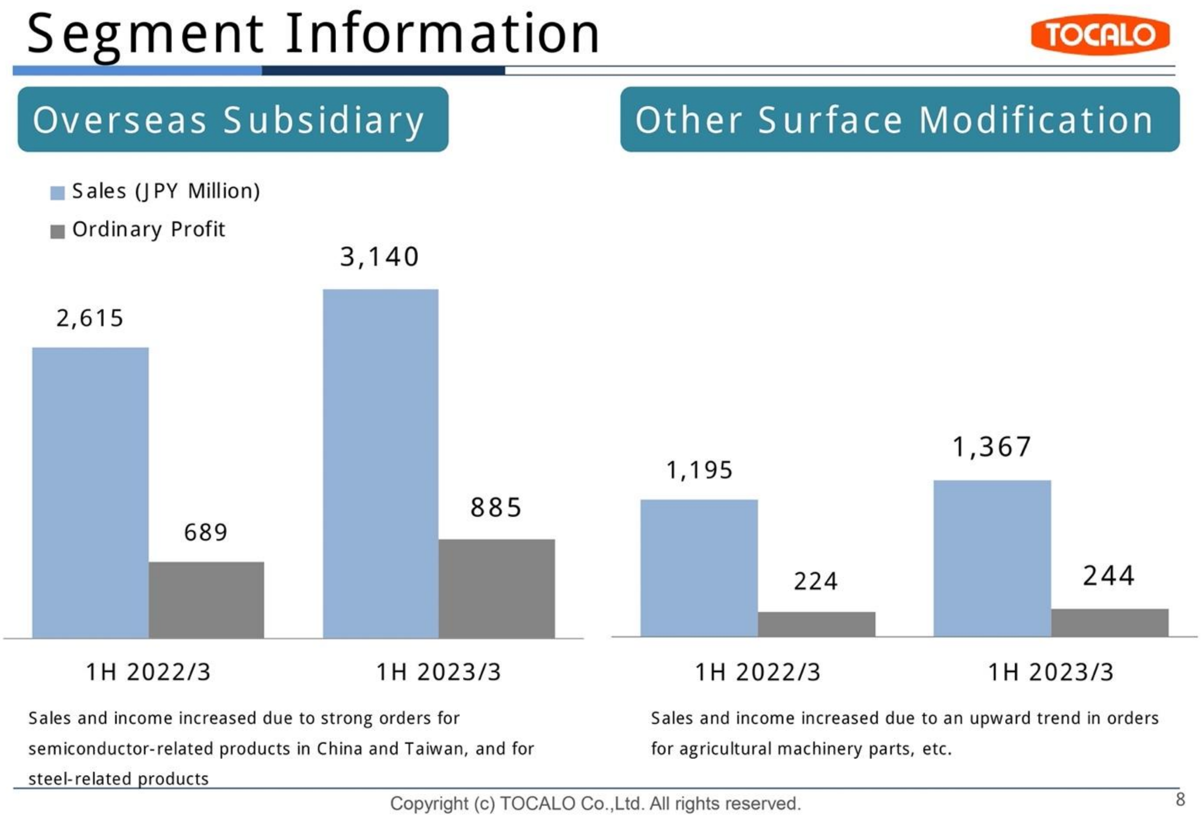
Of this total, the semicon and FPD led the way with an increase of JPY2.1 billion, or 21.8%. In addition, there was a 9.4% increase in the iron and steel, which is a strong performance, a 14.4% increase in the other surface modification, and a 20% increase in the overseas subsidiaries, which contributed to the overall operating profit of JPY5.5 billion, an increase of 9.2%. Then, ordinary profit increased 15.5% to JPY6 billion and net income increased 13.7% to JPY3.9 billion.



Here is a graph of segment information.

We have four segments. The thermal spray TOCALO on the left is thermal spray processing mainly for the semicon and FPD, and the iron and steel, and has the highest growth rate, with sales of JPY18.2 billion. Then, profit also increased to JPY4.463 billion.

The domestic subsidiary on the right is a PVD processing company that has strong relationships with the automotive industry. However, the automotive industry is still unstable, and some automakers have suspended operations to some extent, resulting in a slight decrease in sales and profit.



Then, as I mentioned earlier, the overseas subsidiaries are doing very well. The semiconductor business in China and Taiwan is favorable, with the exception of the coronavirus pandemic. While there are certainly areas where we do not know what will happen in the future, H1 has been favorable. This was especially positive due to the exchange rate.

In addition, we are also engaged in processing for agricultural machinery parts in the other surface modification, and this has contributed to the increase in both sales and profits, with sales of JPY1,367 million and profit of JPY244 million.

Segment Information

TOCALO

(JPY Million)	1H 2022/3		1H 2023/3		Change			
					Net Sales		Segment P/L	
	Net Sales	P/L	Net Sales	P/L	Amount	%	Amount	%
Thermal Spray TOCALO	16,000	3,978	18,205	4,463	2,205	13.8%	485	12.2%
Domestic Sub.	1,206	245	1,197	175	△ 9	-0.8%	△ 70	-28.7%
Overseas Sub.	2,615	689	3,140	885	524	20.0%	195	28.4%
Other Surface Modif.	1,195	224	1,367	244	171	14.4%	19	8.7%
Total	21,017	5,138	23,909	5,768	2,892	13.8%	630	12.3%

(Note) Royalty Income is not included in the Segment Net Sales.

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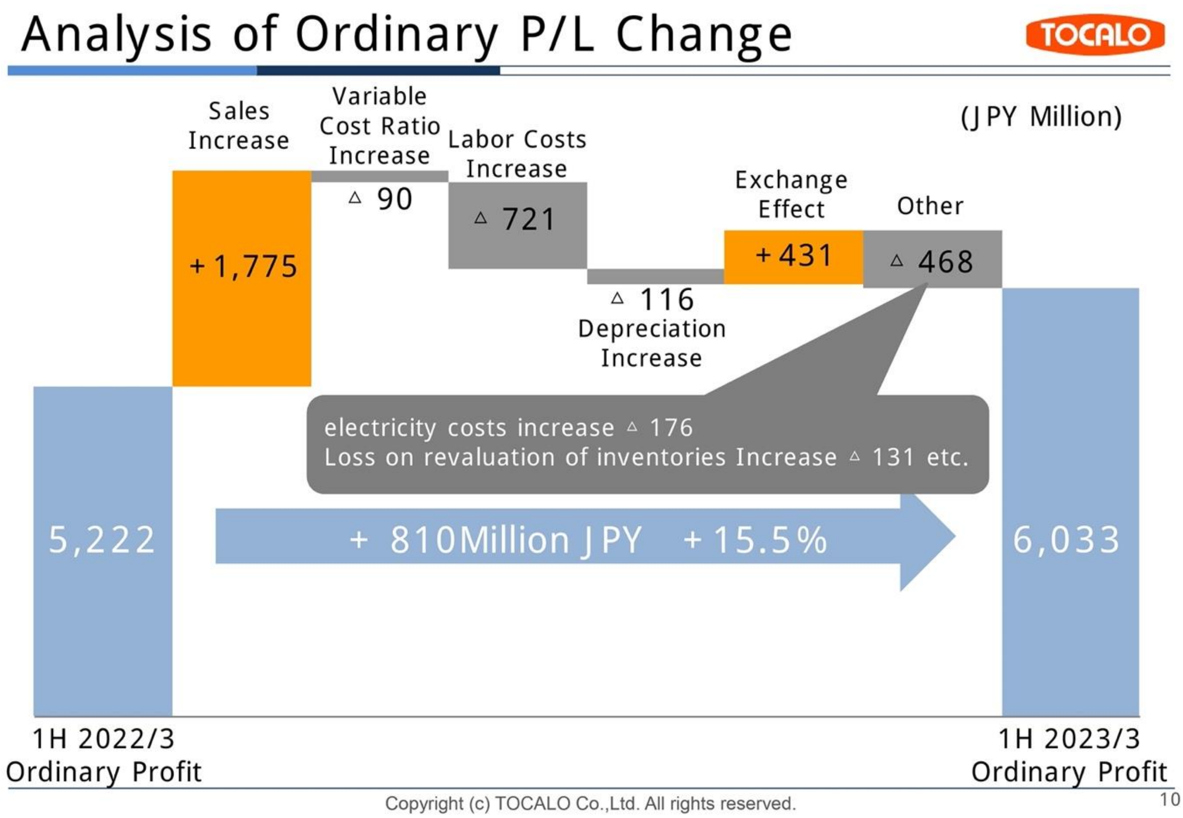
I would like to continue with the segment information, focusing on the profit side.

The thermal spray at the top had sales of JPY18.2 billion and profit of JPY4.4 billion for Q2 of the fiscal year ending March 31, 2023, a 12.2% increase over the previous year.

The domestic subsidiary, Japan Coating Center, reported a decrease in profit of less than 30%. The overseas subsidiaries is contributing to the overall trend, and the other surface modification is also having a positive effect.

In particular, the overseas subsidiaries has seen considerable effects from the weaker yen, resulting in a positive net sales of JPY524 million, a 20% increase, of which JPY347 million was due to the exchange rate, and 13% of the 20% was positive due to the exchange rate.

Profit was up JPY195 million, or 28.4%, but JPY96 million of that was due to foreign exchange, so half of the 28%, or 14%, was due to foreign exchange, which is the characteristic of this year's results. Profits fluctuated considerably depending on the exchange rate.



Looking at the factors behind the YoY increase or decrease in ordinary profit, the overall increase was JPY810 million, or 15.5%, with the largest contribution from the increase in net sales and a JPY430 million positive impact from foreign exchange.

There are two foreign exchange effects. One is the approximately JPY96 million related to the conversion rate of overseas subsidiaries as I mentioned earlier. The other is JPY330 million, which is due to foreign exchange gains from transactions in US dollars with US companies.

There are some negative factors, especially a JPY176 million increase in electricity costs in the other. Not only has the cost of electricity for the use of renewable energy increased, but also the removal of the cap on the fuel adjustment fee, which was previously controlled by the power company, has had a considerable impact on this cost increase.

Financial Position

TOCALO

(JPY Million)	FY2021 1H	FY2021 2H	FY2022 1H
Total Assets	66,430	69,517	72,454
Equity	46,633	49,099	52,170
Equity Ratio	70.2%	70.6%	72.0%
Interest-bearing debt	5,073	4,249	3,526

- Total assets increased 2,936 million yen from the end of the previous period (current assets increased 3,127 million yen)
- Equity ratio increased 1.4 percentage points from the end of the previous fiscal year to 72.0%
- Interest-bearing debt decreased by 723 million yen from the end of the previous period (no new borrowings)

Financial position.

Total assets at the end of the period were JPY72,454 million and equity was JPY52.1 billion. The equity ratio has reached 72%.

Also, interest-bearing debt has been reduced by the amount that has been repaid.

Cash Flow

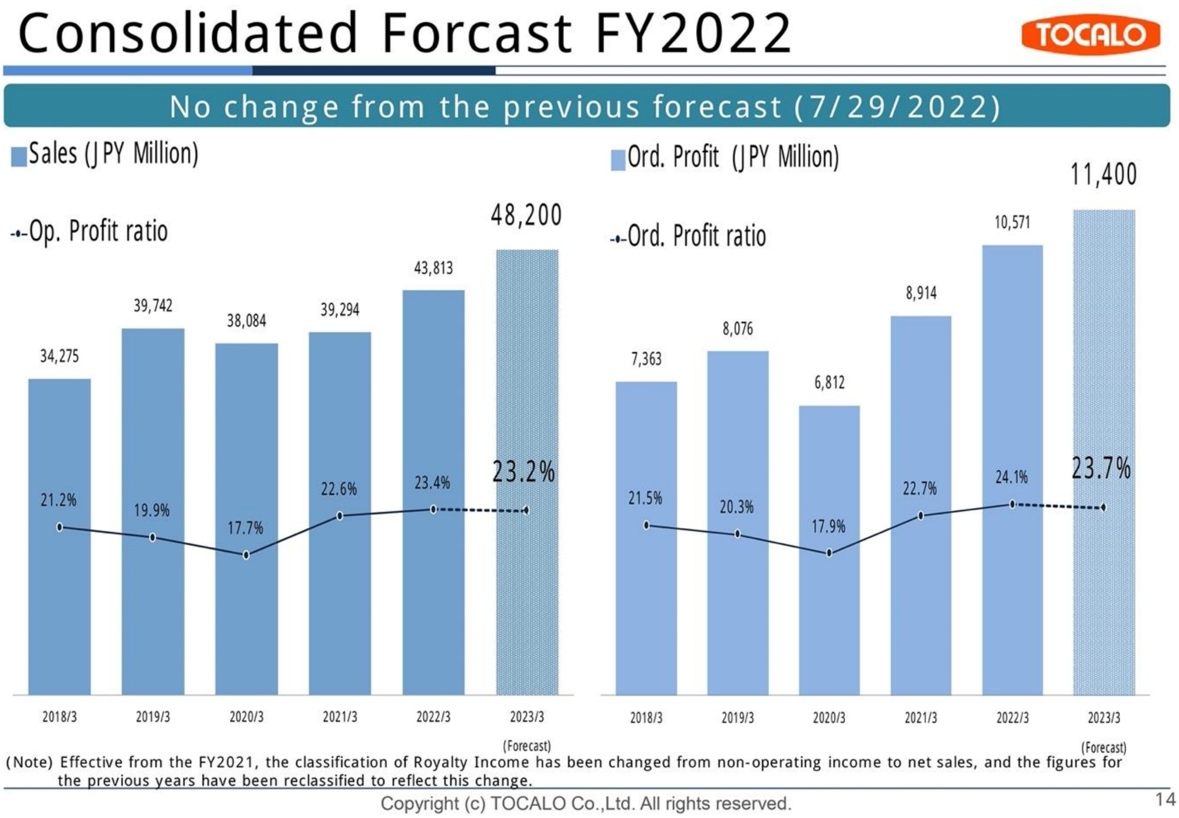
TOCALO

(JPY Million)	FY2021 1H	FY2022 1H
Operating CF	4,706	5,005
Investment CF	△ 1,820	△ 1,353
Financial CF	△ 2,494	△ 2,430
Cash Balance	19,174	20,650

- Free Cash Flow（Operating C F ＋Investment C F ）＋3.6 Billion JPY
- Investment C F ／Acquisition of tangible fixed assets
  Previous term：△ 1.8 Billion JPY　This term：△ 0. 9 Billion JPY
- Financial C F ／Dividends paid　Previous term ：△ 1.3 Billion JPY　This term：△ 1.5 Billion JPY

As for cash flow, operating cash flow for H1 is positive JPY5 billion and investing cash flow is negative JPY1.3 billion, so free cash flow is positive JPY3.6 billion. Financing cash flow was negative JPY2.4 billion due to dividends and repayment of debt. The final cash balance at the end of the current period will be JPY20.6 billion.

Now that I have finished presenting the H1 results, I would now like to talk about the consolidated earnings forecast for the fiscal year ending March 31, 2023.



As for the summary of the consolidated earnings forecast for the fiscal year ending March 31, 2023, net sales and operating profit margin are shown on the left, and ordinary profit and ordinary profit margin are shown on the right.

At the end of July of this fiscal year, we announced an upward revision to our forecast of ordinary profit of JPY11.4 billion on sales of JPY48.2 billion, and there is no change to these figures. We are working toward this projection in the midst of a very unstable future.

However, the figures of JPY48.2 billion and JPY11.4 billion will be the highest ever recorded sales and profits, and this is what we are aiming for at the moment.

Then, regarding the forecast for net income and ROE, net income will be JPY7,444 million against ordinary profit of JPY11.4 billion, which is also a record high. While we are forecasting ROE of 14.4%, our target is 15%, so we are working to build up a bit more profit toward that target.

Consolidated Forcast FY2022

(JPY Million)	FY2021		FY2022		Change	
	Result	Ratio	Forecast (7/29/2022)	Ratio	Amount	%
Net Sales	43,813	100.0%	48,200	100.0%	4,386	10.0%
Thermal Spray	33,043	75.4%	36,788	76.3%	3,744	11.3%
Semicon & FPD	20,643	47.1%	23,968	49.7%	3,324	16.1%
Industrial Parts	3,707	8.5%	3,819	7.9%	111	3.0%
Iron & Steel	3,450	7.9%	3,639	7.5%	188	5.5%
Others	5,242	11.9%	5,362	11.2%	119	2.3%
Other Surface Modif.	2,502	5.7%	2,638	5.5%	135	5.4%
Domestic Sub.	2,399	5.5%	2,457	5.1%	57	2.4%
Overseas Sub.	5,695	13.0%	6,137	12.7%	441	7.7%
Royalty Income	171	0.4%	180	0.4%	8	5.2%
Operating Profit	10,255	23.4%	11,200	23.2%	944	9.2%
Ordinary Profit	10,571	24.1%	11,400	23.7%	828	7.8%
Net income attribute to owners parent	6,909	15.8%	7,444	15.4%	534	7.7%

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This table shows consolidated forecasts for the fiscal year ending March 31, 2023, with net sales of JPY48.2 billion, an increase of JPY4,386 million, or 10%, over the previous year. Of these, semiconductors will definitely pull us up, and I think that the semicon and FPD will be about JPY24 billion, an increase of JPY3.3 billion, or 16.1%.

We are targeting a 7.8% increase in ordinary profit, up JPY800 million, to JPY11.4 billion, and a profit margin of 23.7%.

Also, there was an impact of foreign exchange rates in the overseas subsidiaries in H1, but H2 will not have that much of an impact, and that is why we are giving these figures.

1H FY2022 Progress Rate

TOCALO

(JPY Million)	1H FY2022		FY2022		Progress
	Result	Ratio	Forecast	Ratio	Rate
Net Sales	23,996	100.0%	48,200	100.0%	49.8%
Thermal Spray	18,205	75.9%	36,788	76.3%	49.5%
Semicon & FPD	12,100	50.4%	23,968	49.7%	50.5%
Industrial Parts	1,739	7.2%	3,819	7.9%	45.6%
Iron & Steel	1,775	7.4%	3,639	7.5%	48.8%
Others	2,588	10.9%	5,362	11.2%	48.3%
Other Surface Modif.	1,367	5.6%	2,638	5.5%	51.8%
Domestic Sub.	1,197	5.0%	2,457	5.1%	48.7%
Overseas Sub.	3,140	13.1%	6,137	12.7%	51.2%
Royalty Income	86	0.4%	180	0.4%	48.3%
Operating Profit	5,581	23.3%	11,200	23.2%	49.8%
Ordinary Profit	6,033	25.1%	11,400	23.7%	52.9%
Net income attribute to owners of parent	3,919	16.3%	7,444	15.4%	52.7%

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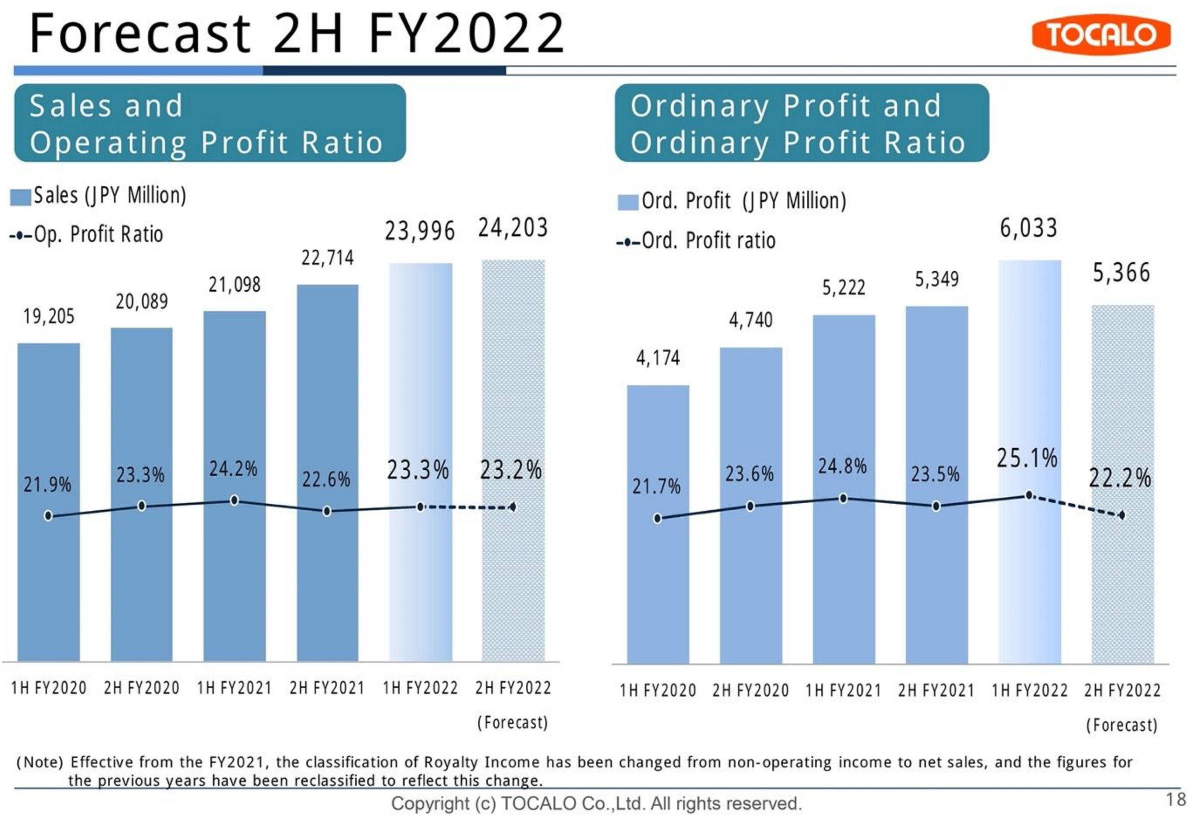
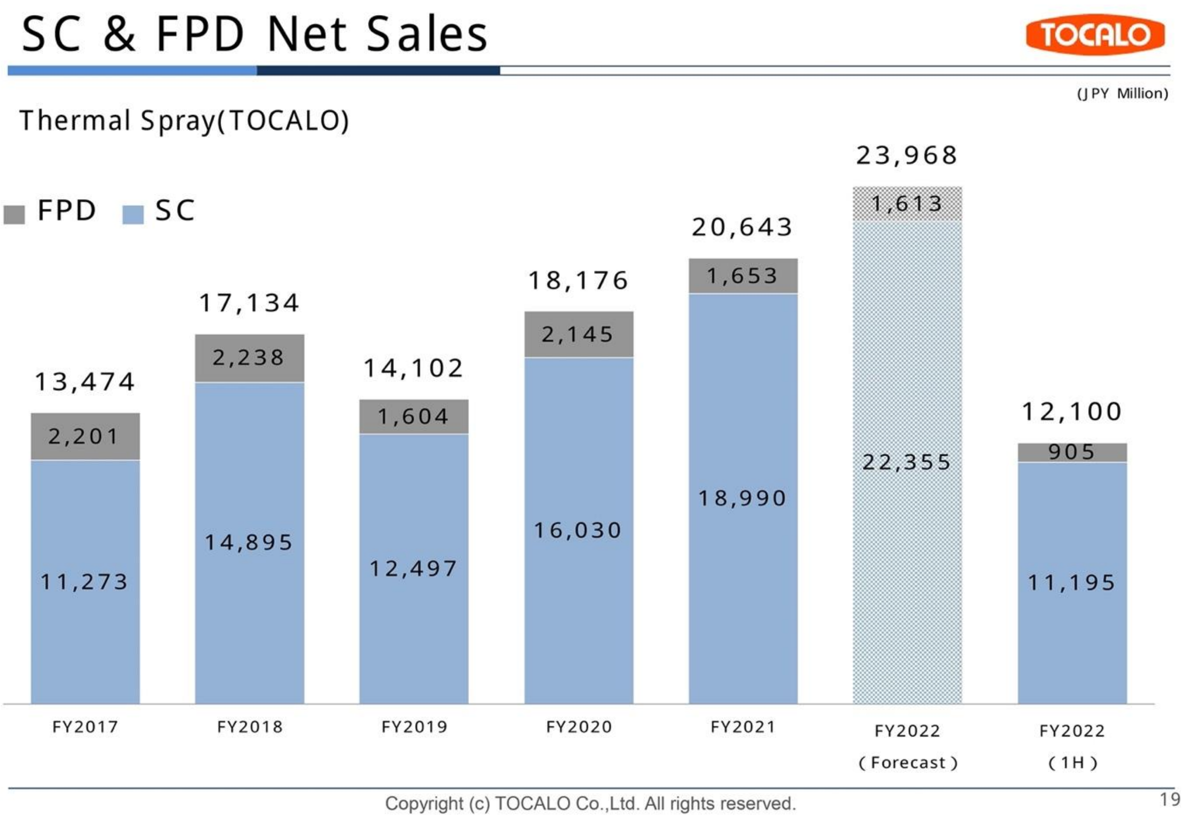
Next is the rate of progress.

The rate of progress is hovering around 50%, with semiconductors in particular at 50.5%. There are various predictions for the future of semiconductors. However, we have a certain amount of orders backlog and expect to be able to get through H2, but after that, it is difficult to predict. We are planning on the assumption that very little foreign exchange gains will be generated.

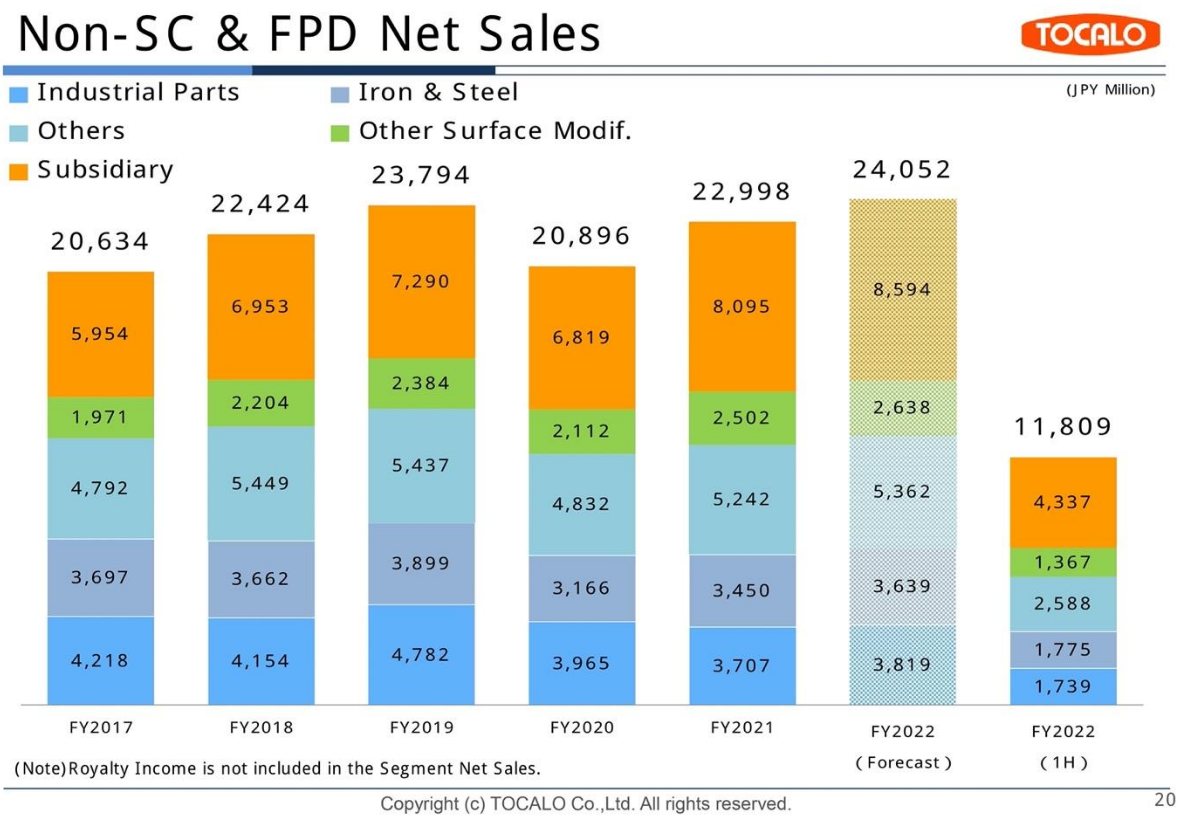


As for the forecast for H2, net sales and operating profit margin are shown on the left, and ordinary profit and ordinary profit margin are shown on the right. Net sales are compared to the past two fiscal years on a semi-annual basis, and have been rising steadily since the pandemic, which led to a dip.

Profits were also steadily rising to JPY6,033 million until H1, but unfortunately, in H2, they will likely be JPY5,366 million, or about 22.2% of ordinary profit. As I mentioned earlier, about JPY400 million of the JPY6 billion in H1 came from foreign exchange gains. In this sense, the JPY6 billion is not our actual performance, so please take it with a grain of salt. We also feel that H2 will be a struggle because of a slight increase in expenses.

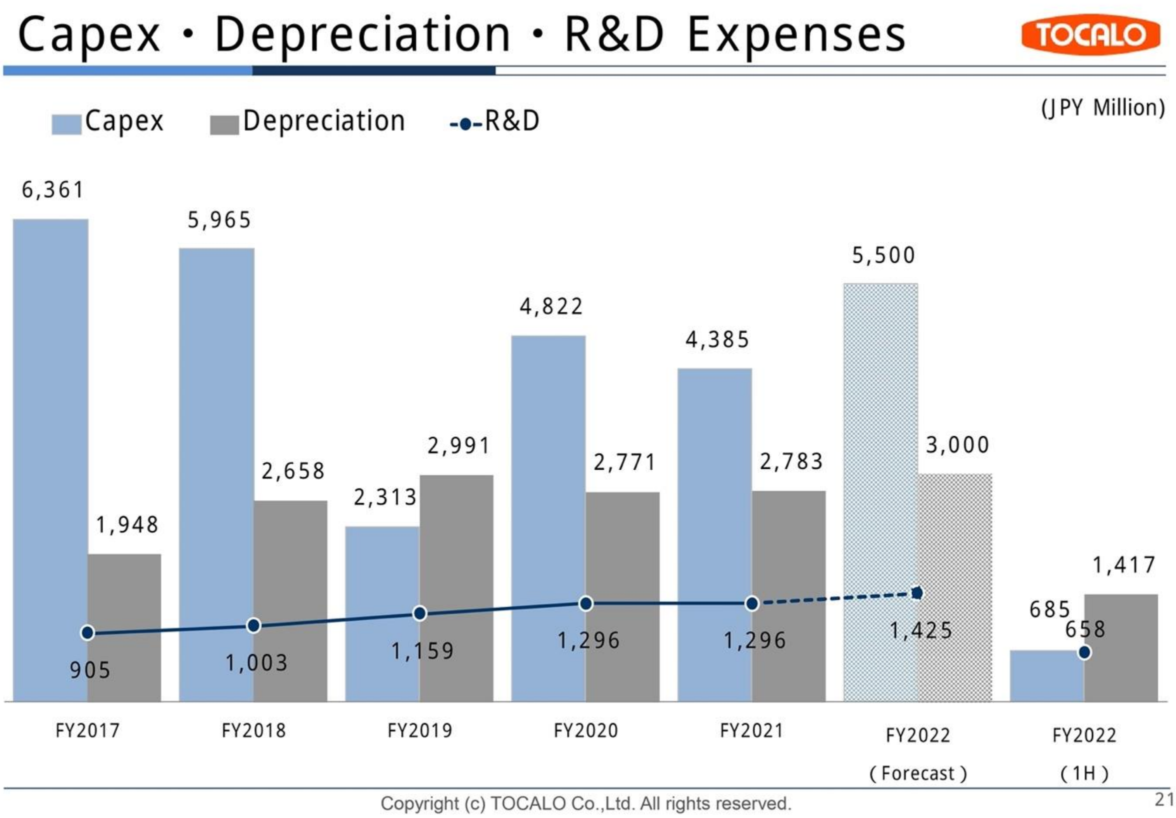


The biggest growth will be achieved in the semicon and FPD. This also shows the trend from fiscal year ended March 2018, and it has been going up since the fallout due to the pandemic. We are about halfway through H1 of the fiscal year and have made progress of 50.5%, so in that sense, we expect to achieve JPY23,968 million.



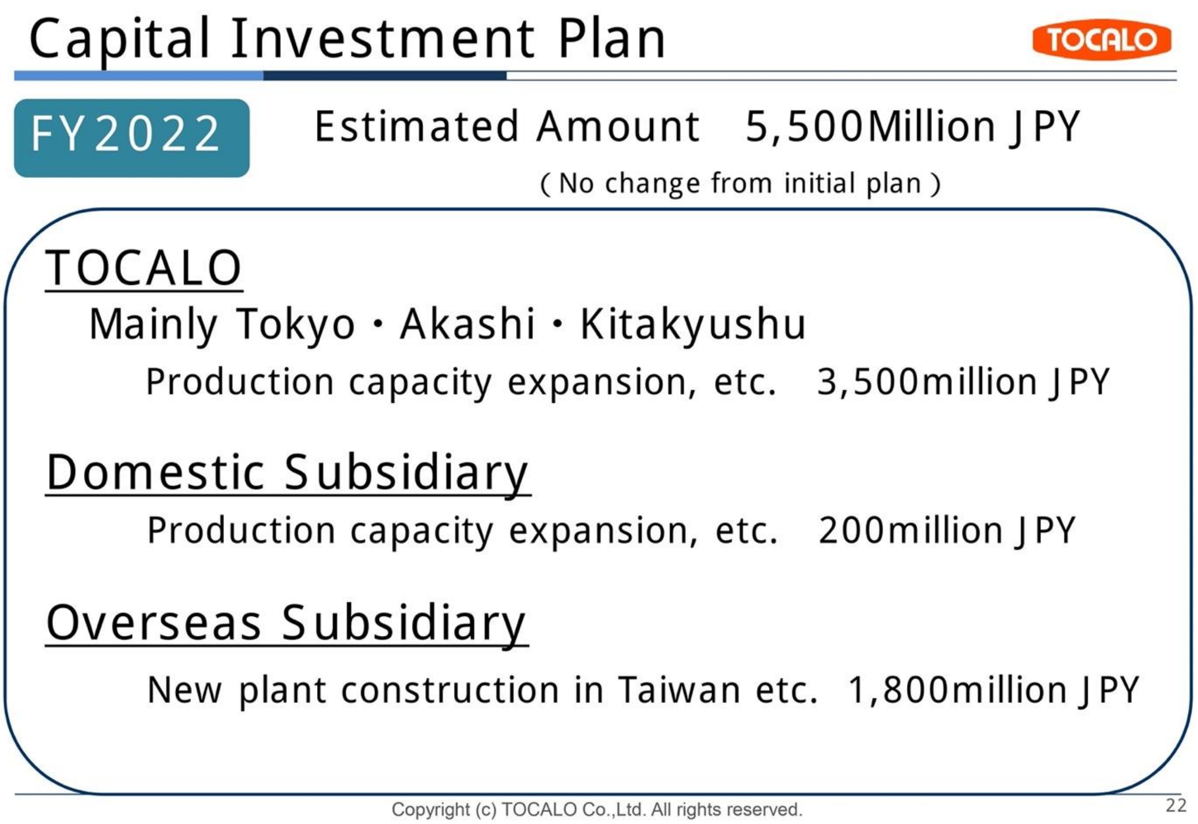
In the segments other than the semicon and FPD, we are planning JPY24.052 billion, and our current progress is JPY11.8 billion, which is less than 50% of the total. I think we will be able to push that part to some extent. In particular, orders for semiconductors will reach a plateau, so our goal for H2 is to hold our ground in the segments other than the semicon and FPD.

By finally achieving JPY24 billion in net sales, we will surpass the previous record of JPY23.7 billion three years ago. We will not be able to do it all at once like the semicon and FPD, but we will move forward step by step.



In the current fiscal year, we plan to spend JPY5.5 billion on capital investment and JPY3 billion on depreciation, but we have made only about JPY680 million of progress on investment.

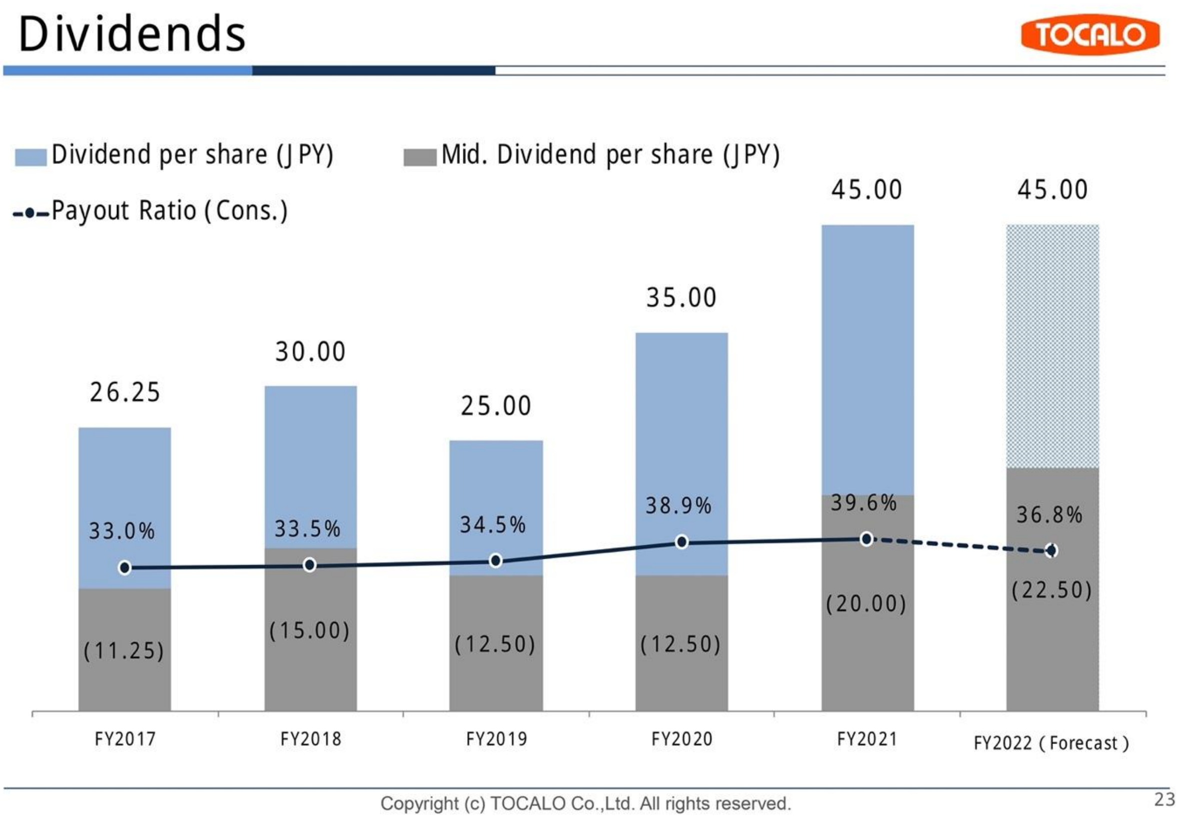
Capital investment was originally planned to be high in H2 of the fiscal year, but delivery of some equipment has been delayed, so H1 of the fiscal year is still sluggish. In H2, capital investment is expected to reach nearly JPY5.5 billion. Research expenses are expected to be JPY1.4 billion, roughly 3% of sales.



Capital expenditures remain unchanged from the initial plan at JPY5.5 billion, so we are sticking to this figure for the most part.

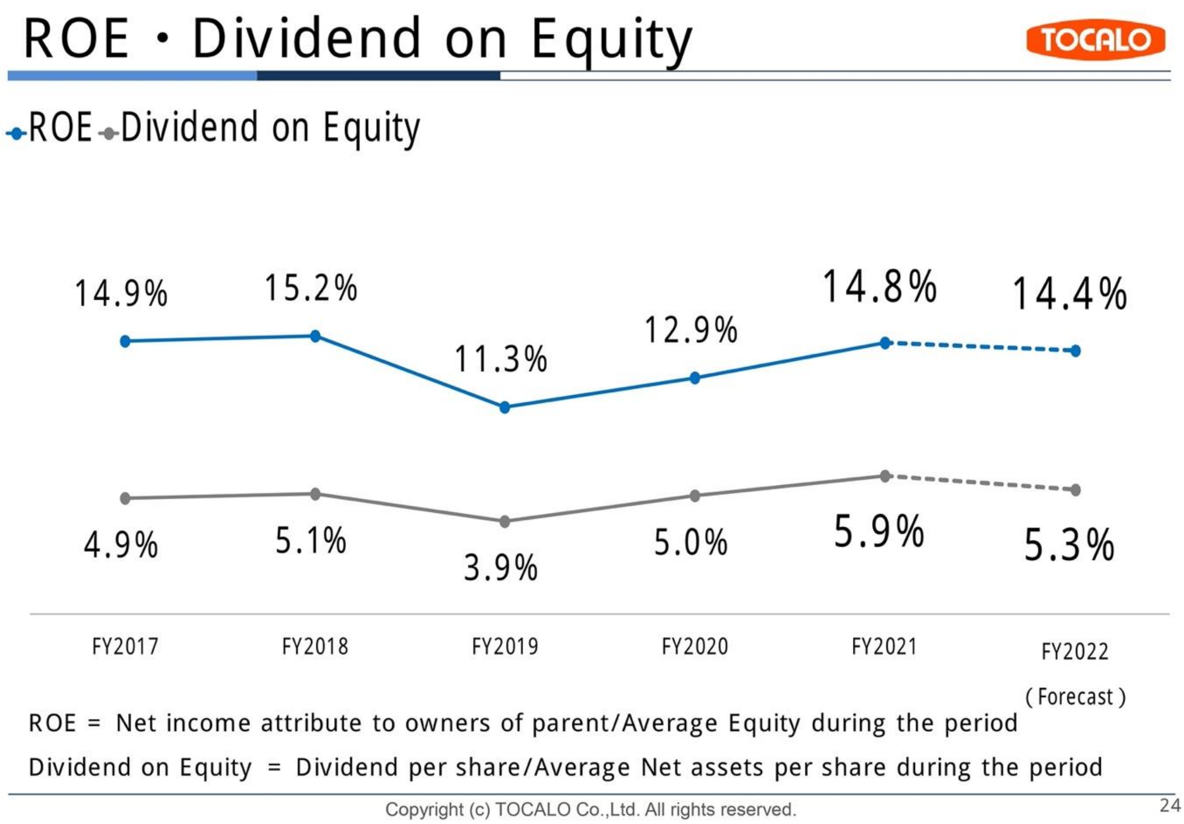
In particular, mainly the Tokyo, Akashi, and Kitakyushu plants, but including the Kobe and Kurashiki plants, we are also planning to expand our facilities by JPY3.5 billion, and JPY200 million for PVD equipment, etc., at the Japan Coating Center.

In addition, regarding our overseas subsidiaries, we have a plant under construction in Taiwan, and construction is underway for the plant to start around this time next year. Overall, we expect the investment to be about JPY1.8 billion in the current fiscal year.



The dividend per share and dividend payout ratio for this fiscal year are planned to be JPY45 per share as announced, with an interim dividend of JPY22.50 per share to be paid in December, for a total annual dividend of JPY45 per share.

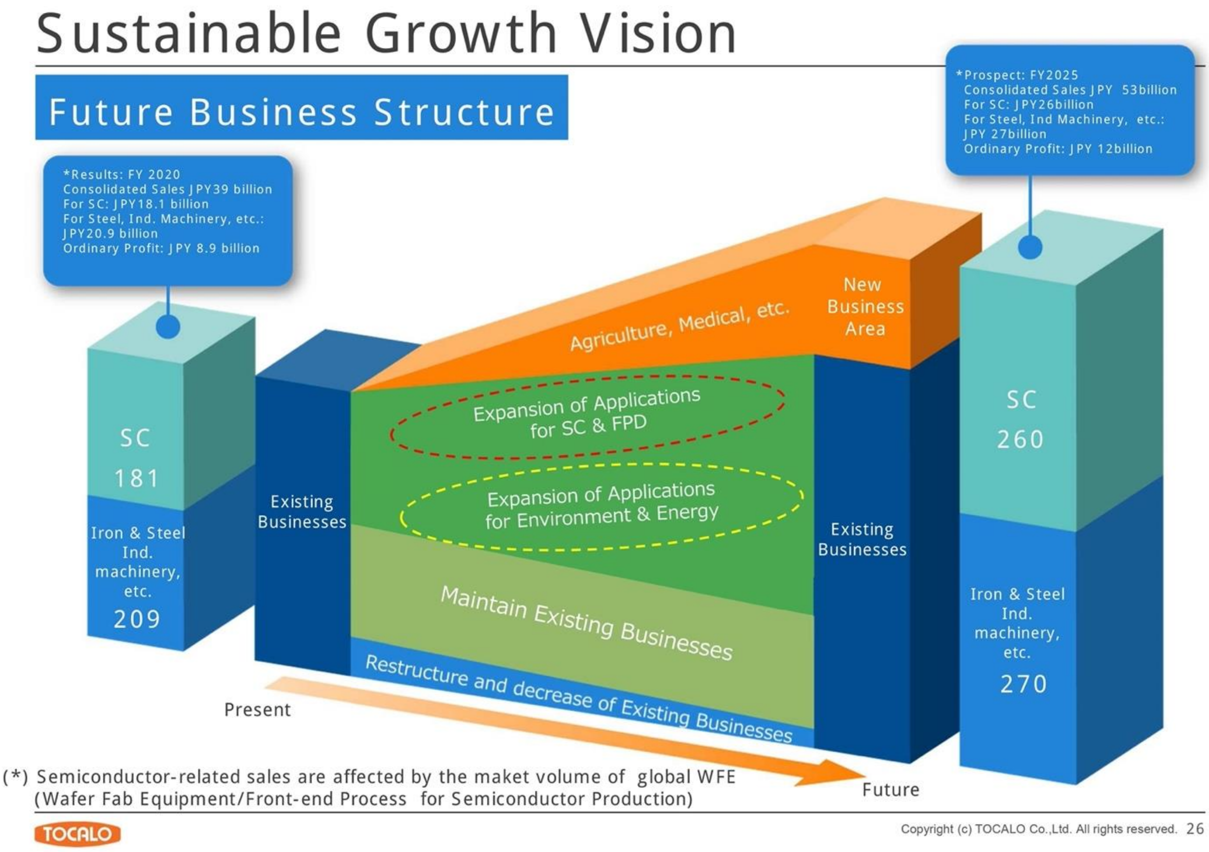
Now, the projected earnings per share is JPY122.36, which would roughly translate to a payout ratio of 36.8%. Since we reached close to 40% in the previous term, we would like to keep the percentage in the upper 30% range, although there may be a slight drop.



This is the ratio of ROE and dividends to net assets.

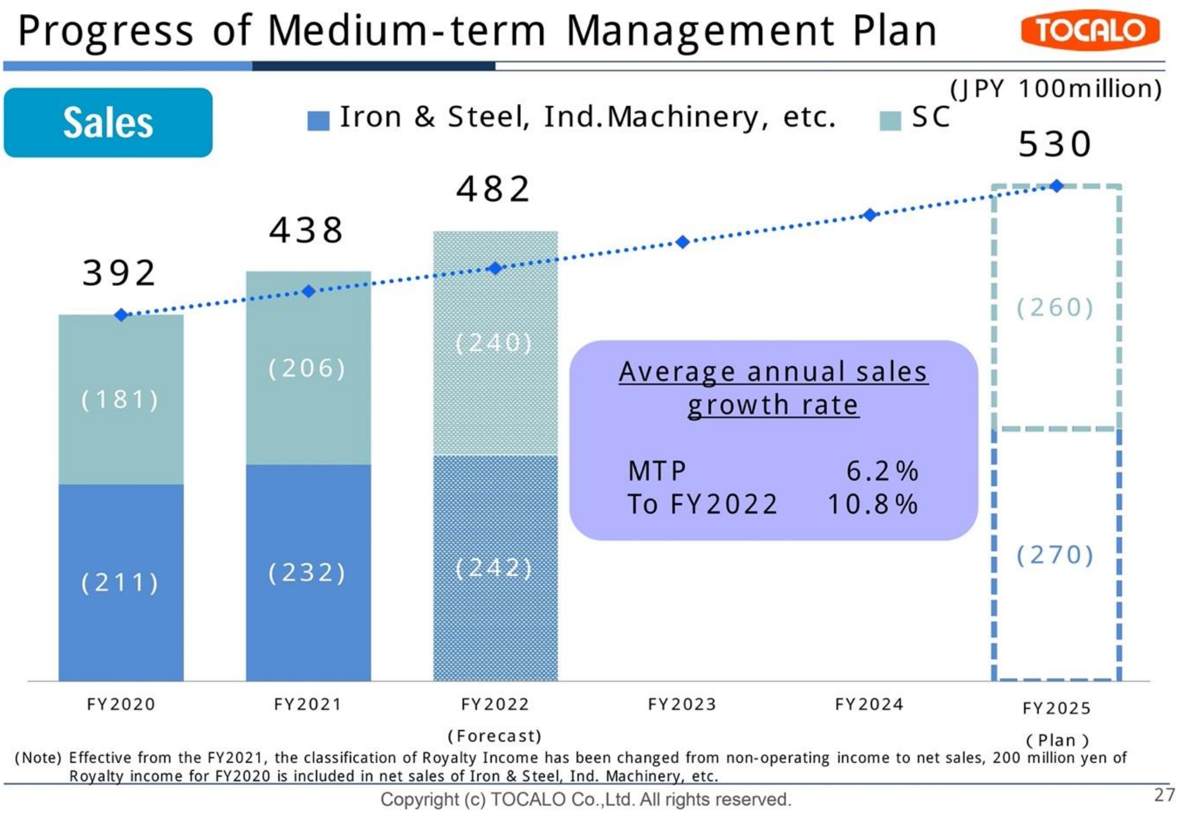
As I mentioned earlier, we are forecasting ROE of 14.4% and DOE of 5.3%, but since our targets are 15% for ROE and 5% for DOE, we would like to be particularly obsessed with raising profits in order to raise ROE in particular.

This concludes our financial forecast for the current fiscal year ending March 31, 2023. Next, I would like to explain the progress of our medium-term management plan.

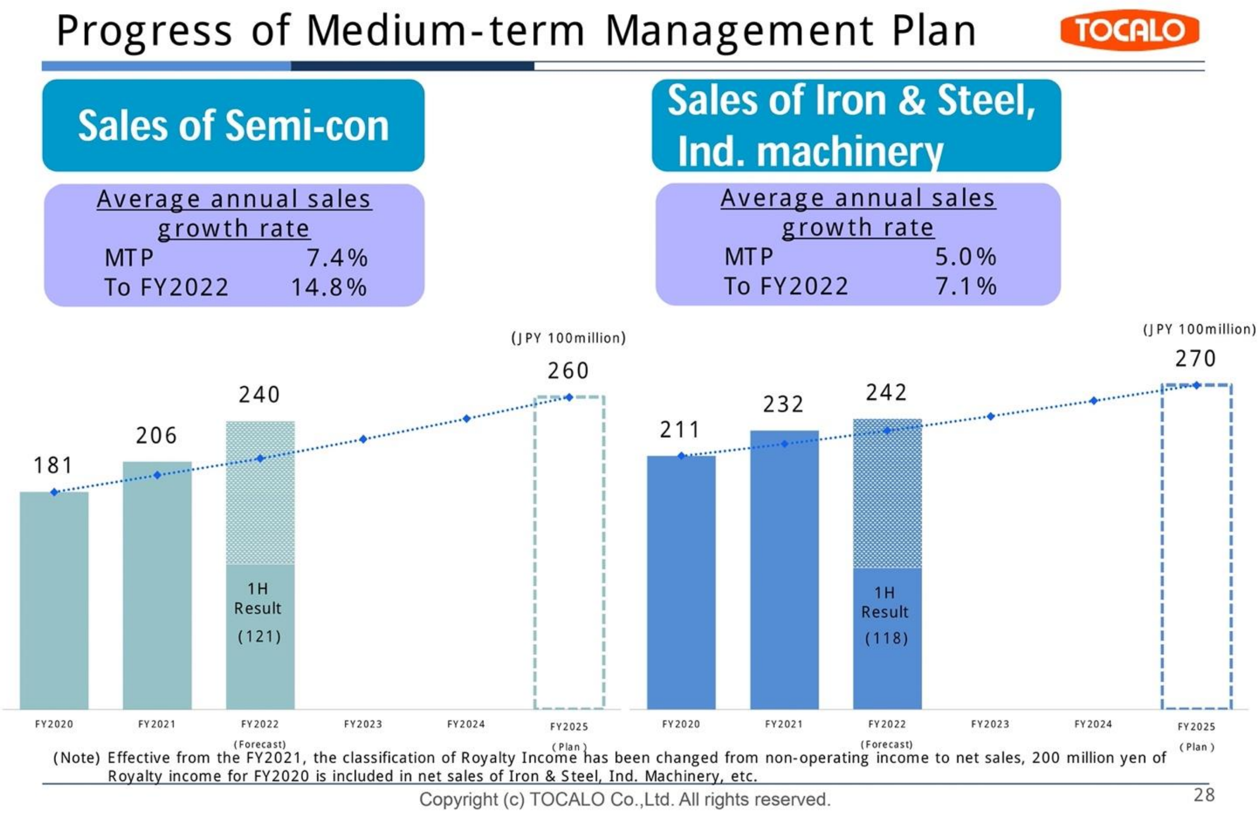


As announced last year, net sales for the fiscal year ending March 31, 2021, were JPY18.1 billion for the semicon and FPD and JPY20.9 billion for the non-semicon and FPD, for a total of JPY39 billion, but we are planning to achieve sales of JPY53 billion and profit of JPY12 billion in the fiscal year ending March 31, 2026, five years later.

We must make steady progress to ensure that these figures do not fall short of our plans. Overall, we are expanding the semicon and FPD, and are also working to contribute to society through surface modification in the currently hot environmental and energy fields.

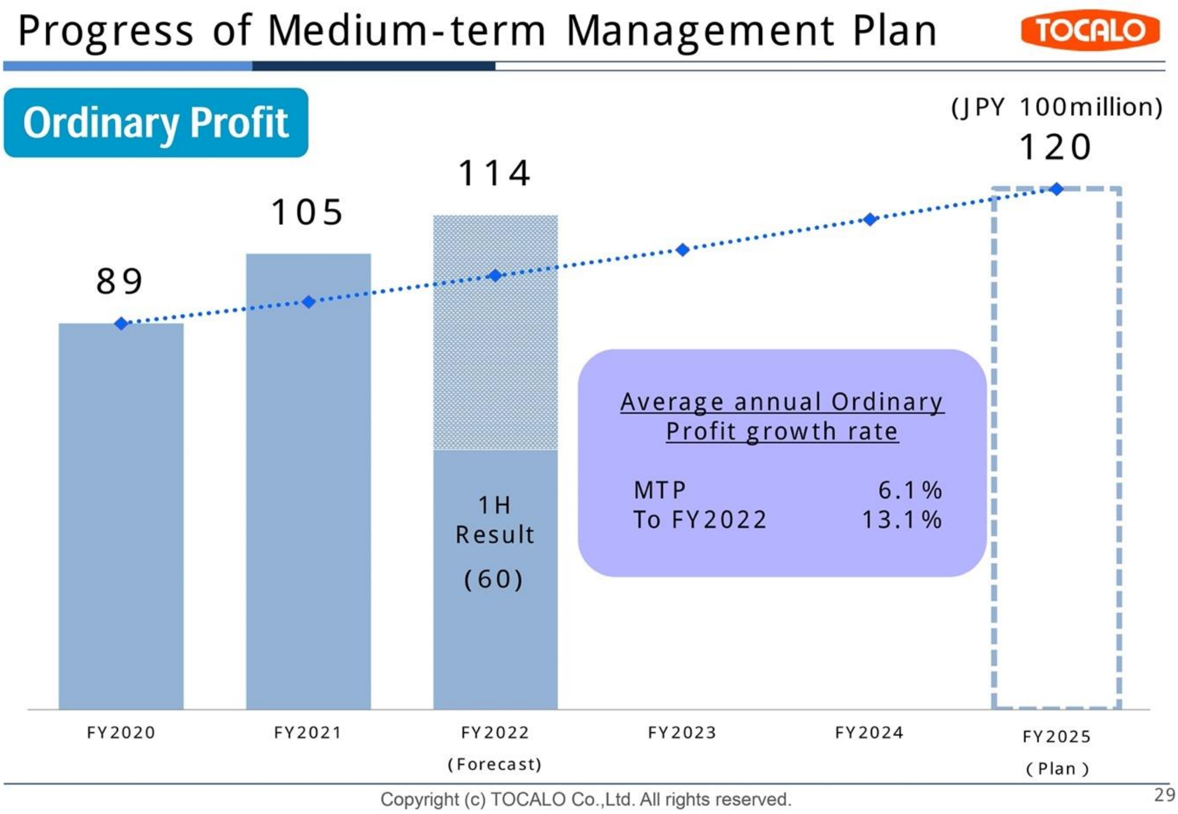


Let me just talk about the numbers today. Starting with JPY39.2 billion in sales, we had JPY43.8 billion in the previous fiscal year and forecast JPY48.2 billion for this fiscal year, so in terms of average annual growth rate, raising JPY48.2 billion this fiscal year will result in a 10.8% growth rate, compared to 6.2% in the plan. I will explain next, but the semicon and FPD is contributing.



Looking at the semicon and FPD sales, it is expected to reach about JPY24 billion this fiscal year against a starting line of JPY18.1 billion, a growth rate of 14.8%, about double the original target of 7.4%.

In addition, sales of other areas besides the semicon and FPD, such as the iron and steel and the industrial parts, have also been increasing, albeit slightly, from the planned 5% growth to 7.1% in the current fiscal year's forecast.



This is the progress of the plan.

Again, ordinary profit has been trending at JPY8.9 billion, JPY10.5 billion, and JPY11.4 billion, and the average growth rate is expected to be 13.1%, compared to the plan of 6.1%. Our target for the fiscal year ending March 31, 2026, is JPY12 billion, so if we raise JPY11.4 billion this fiscal year, we will be close to that, and we really wanted to bring that forward next year, but we are still unable to see next year's schedule at this point, so we are now closely examining the situation.

This concludes my explanation. Thank you very much for your attention.

Question & Answer

Moderator [M]: So, as scheduled, we will begin with a question & answer session from the attendees at the venue.

Now then, please go ahead.

Tanaka [Q]: My name is Tanaka from J Capital Partners. I have three questions.

Sorry, maybe it is written somewhere, but one thing I would like to ask is the assumed exchange rate for this fiscal year.

Second, I understand that procurement, including parts and materials, has been quite a challenge for your company, but what is the outlook for the future, especially how much will the cost base be affected?

Third, I understand very well that your ROE is at an extremely high level, which is fine, but I would like to ask what risk factors, if any, should be looked at in the current environment that the President is particularly considering in the mid- to long-term perspective.

These three are my questions.

Company Representative [A]: Thank you very much. Let me give you a brief answer.

The exchange rate used as the average rate for January to September 2022 is JPY128 to the US dollar.

Is that correct in your calculation?

Tanaka [Q]: Sorry, the assumed rate used in the forecast for this year is JPY144.

Company Representative [A]: Sorry, it's JPY128.

Tanaka [M]: Your forecast for this fiscal year is calculated at JPY128? On the other hand, you have factored in foreign exchange gains up to the interim period, resulting in a reasonable amount of foreign exchange gains, but you continue to assume JPY128. I understand.

Company Representative [A]: Then, regarding procurement, I don't know if I should call this procurement, but as I mentioned earlier, the cost of electricity is going up a lot. Also, we purchase our materials from overseas, which has certainly increased our costs, but it has not affected us that much.

We are more afraid of the risk of not receiving materials due to the problems in China and Ukraine, and we are working to make it possible to procure materials from sources other than China. The risk would be the inability of procurement rather than the monetary amount.

In terms of ROE risk, the current issue is the impact of the US policy toward China. Our subsidiary is also located in China, so it is difficult to say to what extent advanced technology will be involved, as the government policy has not yet been properly announced. We will naturally conform to the policies of the Japanese government.

I am concerned about how this will turn out, but if you have such information, I would like to know.

Tanaka [M]: Okay. That is all. Thank you very much.

Company Representative [M]: Thank you very much.

Moderator [M]: Thank you very much.

Any other questions?

Participant [Q]: Thank you very much. I have two questions.

First, I think there is recoating in thermal spray processing and semiconductors, but what is the ratio of recoating now, for example, about 30%? If we assume that it is linked to the operation, is there a possibility that recoating will decrease in the future, or is recoating fairly stable, or will it rather increase after it builds up, and what is the outlook for that?

Company Representative [A]: Thank you.

It is quite difficult to say what percentage is recoating, but what the subsidiary is doing is completely recoating. But at headquarters, we also do what we call spares, and it is best to consider that recoating is rarely done domestically.

Other than manufacturing equipment makers, the percentage of domestic recoating is in the single-digit range.

There are some that will appear in the new work and some that will be spares, and it is not easy to grasp which are spares and which are new work.

They are actually in operation. The parts that are placed in the first equipment with a few spares, are operating, and after three washes, they are coated. The coating is usually done locally, for example in Taiwan.

And, if the base material itself is damaged, spares are added, which are usually brought from Japan. As a matter of fact, we have not been able to find out that percentage.

Moderator [M]: Could you please hold the microphone closer?

Company Representative [A]: But as for recoating, of course it is done locally, but I think it is a national policy to give priority to local manufacturers or job shops, and especially in Korea, they are prioritizing them.

We have a joint venture company in Taiwan, and of course we are also processing, but there are also many Taiwanese original manufacturers who are also doing recoating. We initially thought that since we were the first to enter the market, we would capture the recoating demand, but things don't work that well in the real world

Participant [Q]: Thank you.

The second is about thermal power boilers in the industrial parts. With the tone of environmental and energy policies in many countries changing slightly, do you feel that your business is changing now, for example, with the winter coming up, or do you feel that the direction of your business could change somewhat in the longer term, or not change much?

Company Representative [A]: As for coal-fired power plants, about 100 out of 150 will be shut down. Naturally, some of the power plants will operate, so I feel that maintenance on the operating plants is becoming more active. That is one thing.

Also, there have been quite a few cases of reducing the coal ratio by co-firing while adding hydrogen and ammonia, and biomass has become particularly relevant recently. We are currently receiving a variety of inquiries about coating for biomass, and I have a feeling that this will gradually increase.

It is becoming so because a variety of damage occurs, including corrosion. Then, in terms of batteries, there has been a resurgence of NAS batteries.

That is all.

Participant [M]: Thank you very much.

Moderator [M]: Thank you very much.

Any other questions?

There seems no question from the participants here. And we have not received any questions so far from online participants.

Just to be sure, how about any additional information from the Company?

Company Representative [M]: There seems nothing to add, so if you come up with any questions, we would like to address them individually.

Moderator [M]: Now, we will conclude today's financial results briefing.

Thank you all very much.

Company Representative [M]: Thank you very much.

[END]

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Document Notes

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
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