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Notice regarding the recording of extraordinary loss (Provision for loss on litigation)

Toshiba Tec Corporation ("the Company") hereby announces that the Company that it recorded an extraordinary loss (Provision for loss on litigation) in the second quarter of the fiscal year ending March 31, 2023 as follows.

1. Details of the event

The Company and a domestic subsidiary received a petition for order of provisional disposition and a complaint for patent infringement in June 2021 and a petition for order of provisional disposition in February 2022, filed by Teraoka Seiko Co., Ltd. in the Tokyo District Court for infringement of its patent rights related to semi-self checkout. (Hereinafter, the "Litigations, etc.")

On the other hand, the Company filed several petitions for provisional disposition with the Tokyo District Court, with Teraoka Seiko Co., Ltd. and its group company DIGI I's Ltd. as debtors, based on the patent rights held by the Company. The Company has been taking appropriate measures after carefully examining the details of the case. However, the court encouraged both plaintiffs and defendants to settle in the first quarter of the fiscal year ending March 31, 2023, and since July 2022, the Company has begun settlement negotiations with the plaintiffs in an effort to reach a resolution. In the first quarter of the fiscal year ending March 31, 2023, settlement negotiations were in the initial stage and it was difficult to reasonably estimate the amount of loss due to the Litigations, etc. In the second quarter of the fiscal year ending March 31, 2023, as settlement negotiations progressed and it became possible to reasonably estimate the amount deemed necessary as a settlement payment, hence provision for loss on litigation was recorded as an extraordinary loss to prepare for possible future losses.

2. Effects of the event on non-consolidated profit or loss and consolidated profit or loss

Due to the event, the Company has recorded an extraordinary loss (Provision for loss on litigation) of ¥6,900 million in the consolidated financial results and non-consolidated financial results in the second quarter of the fiscal year ending March 31, 2023. The Provision for loss on litigation has been reflected at the consolidated financial results forecast in the "Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]" released today.