



Note: This is a translation of part of the original Japanese version and is provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

4Q FY09/2020 Consolidated Financial Results

November 13, 2020
HENNGE K.K.
(4475 : TYO)

Table of Contents

- 1. 4Q FY09/2020 Consolidated Financial Results**
- 2. FY09/2021 Full-year Forecasts**
- 3. Growth Strategy**
- 4. Corporate Overview**
- 5. Appendix**

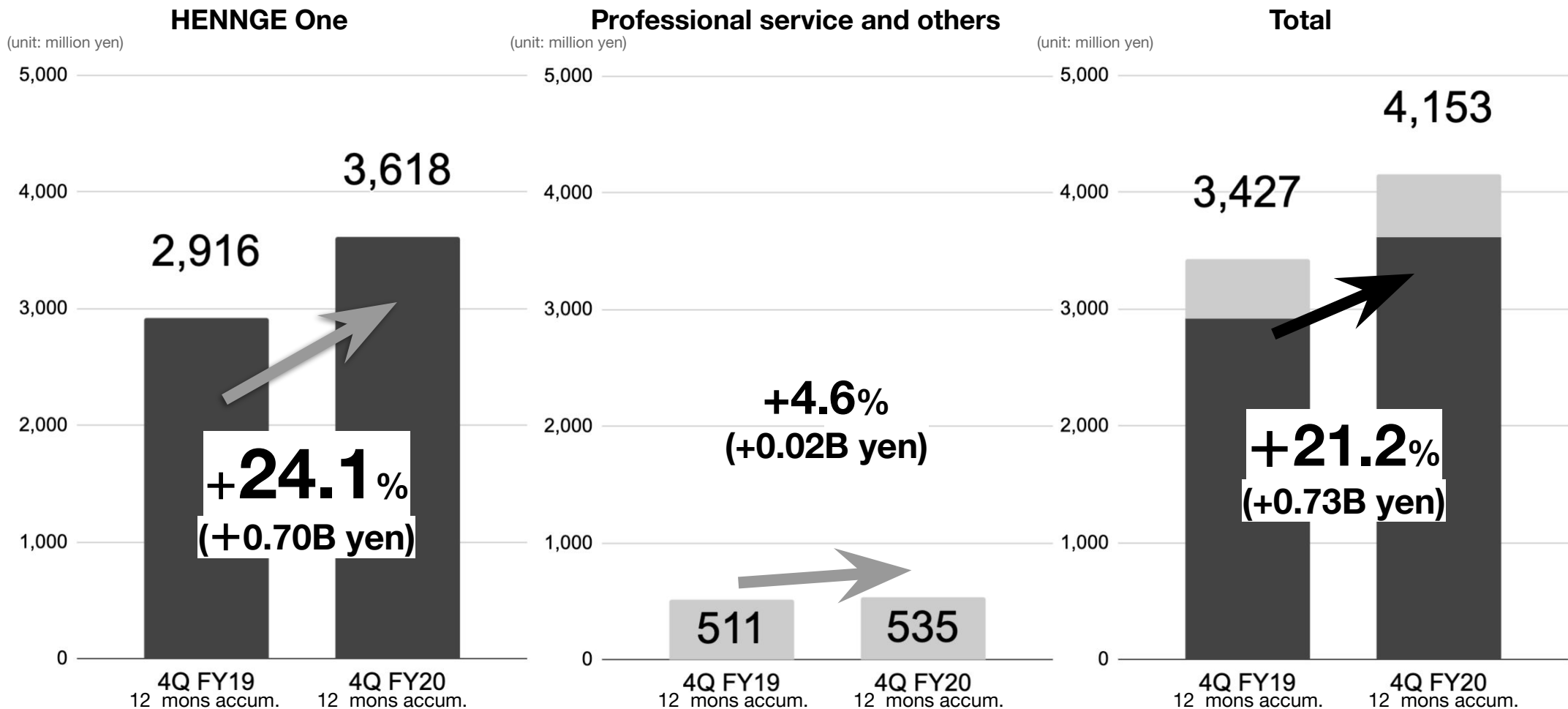
4Q FY09/2020
Consolidated Financial Results
(Financial Results)

Net Sales

(YoY, 12 months accumulated comparison, compared to 4Q FY09/2019 accumulated)

Net sales increased by 21.2% YoY to 4.153 billion yen.

Sales of HENNGE One, our key drive of growth, grew by 24.1% YoY.



Overview of Consolidated Financial Results

(YoY, 12 months accumulated comparison, compared to 4Q FY09/2019 accumulated)

(unit: million yen)	4Q FY19 12mons accum.	4Q FY20 12mons accum.	YoY	YoY (%)	FY2020 Forecast	progress (%)
Net sales	3,427	4,153	+726	+21.2%	4,110	101.0%
(HENNGE One)	2,916	3,618	+702	+24.1%	3,613	100.1%
(Professional service and others)	511	535	+24	+4.6%	497	107.6%
Total cost of sales	605	735	+130	+21.5%		
Gross profit	2,822	3,417	+596	+21.1%		
(Gross profit margin)	(82.3%)	(82.3%)		(-0.0pt)		
Total selling, general and administrative expenses	2,635	2,879	+244	+9.3%		
Operating income	187	539	+351	187.7%	480	112.2%
(Operating income margin)	(5.5%)	(13.0%)		(+7.5pt)	(11.7%)	
Ordinary income	178	535	+358	201.6%	480	111.6%
Profit attributable to owners of parent	110	355	+245	223.0%	280	126.8%
(Net income margin)	(3.2%)	(8.5%)		(+5.3pt)	(6.8%)	

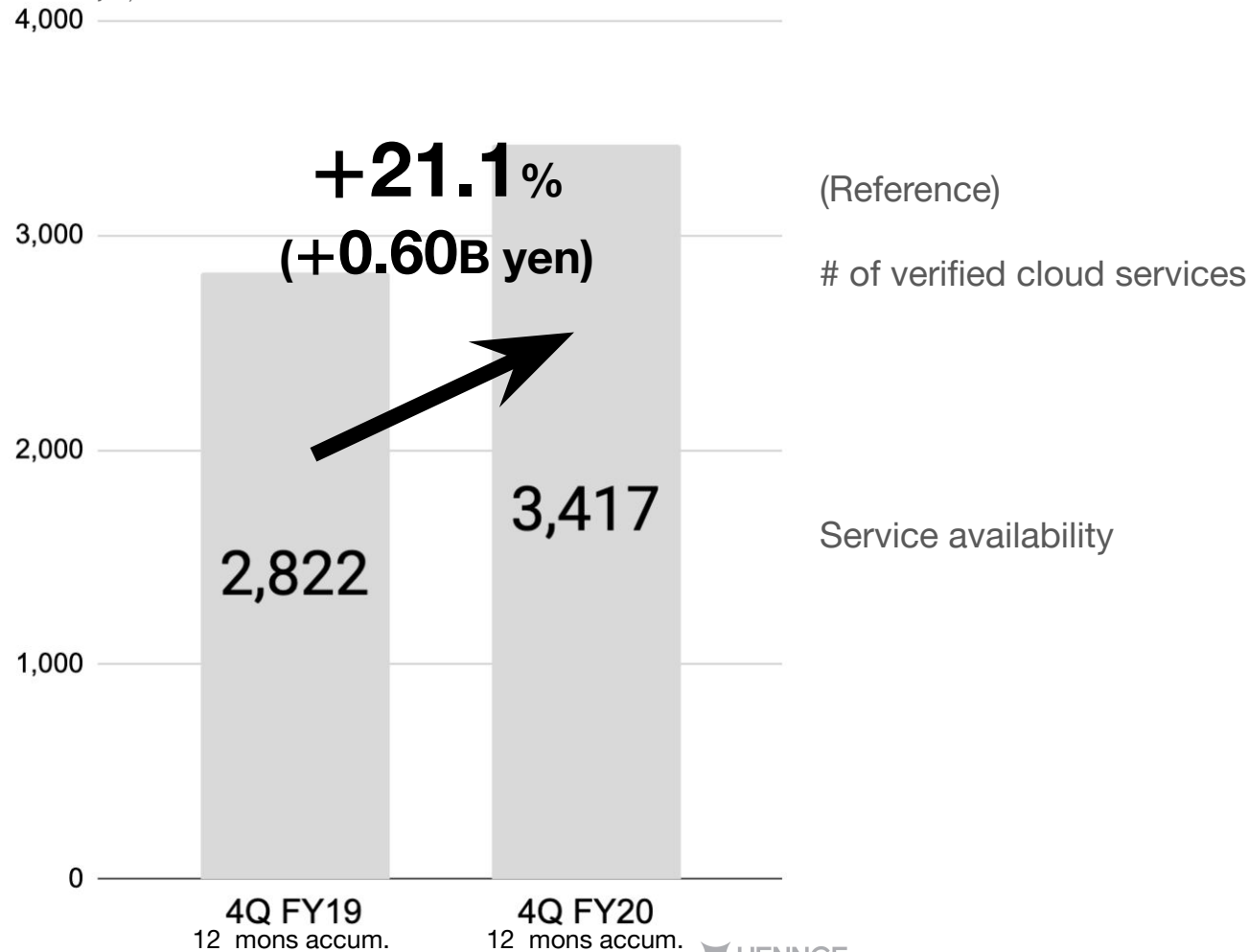
1. Net sales **rose** by **21.2%** YoY to **4.15 billion yen**. Sales of HENNGE One **rose** by **24.1%** YoY to **3.62 billion yen**.
2. Total selling, general and administrative expenses **increased** by **9.3%** (**0.24 billion yen**) YoY to **2.88 billion yen**.
3. Profit attributable to owners of parent **increased** by **0.25 billion yen** YoY to **355 million yen**.

Gross Profit

(YoY, 12 months accumulated comparison, compared to 4Q FY09/2019 accumulated)

Gross profit increased by 0.596 billion yen YoY to 3.417 billion yen.
Gross profit margin was 82.3%, unchanged YoY and remains high.

(unit: million yen)



(Reference)

of verified cloud services

152 services

Service availability

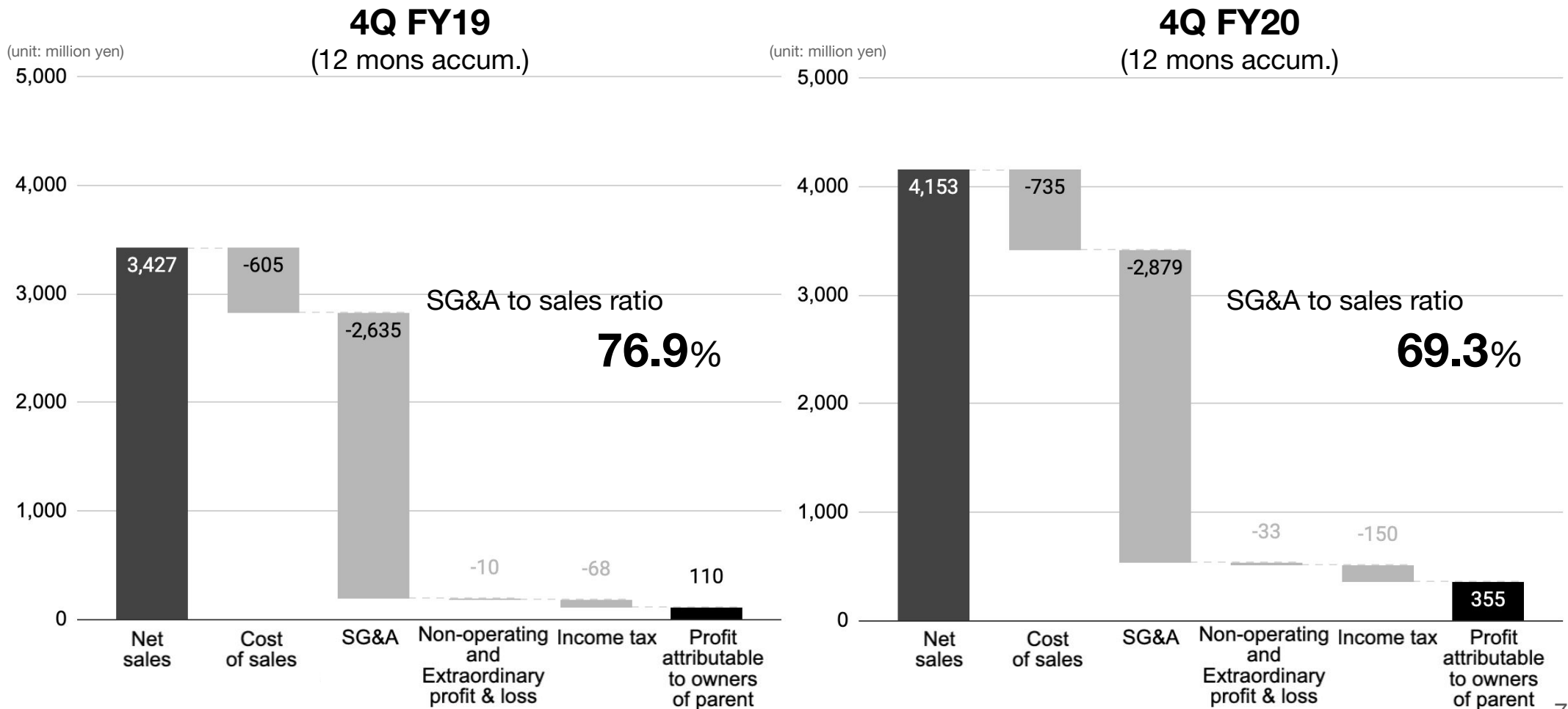
over 99.9%

(as of 2020-09-30)

Profit Attributable to Owners of Parent

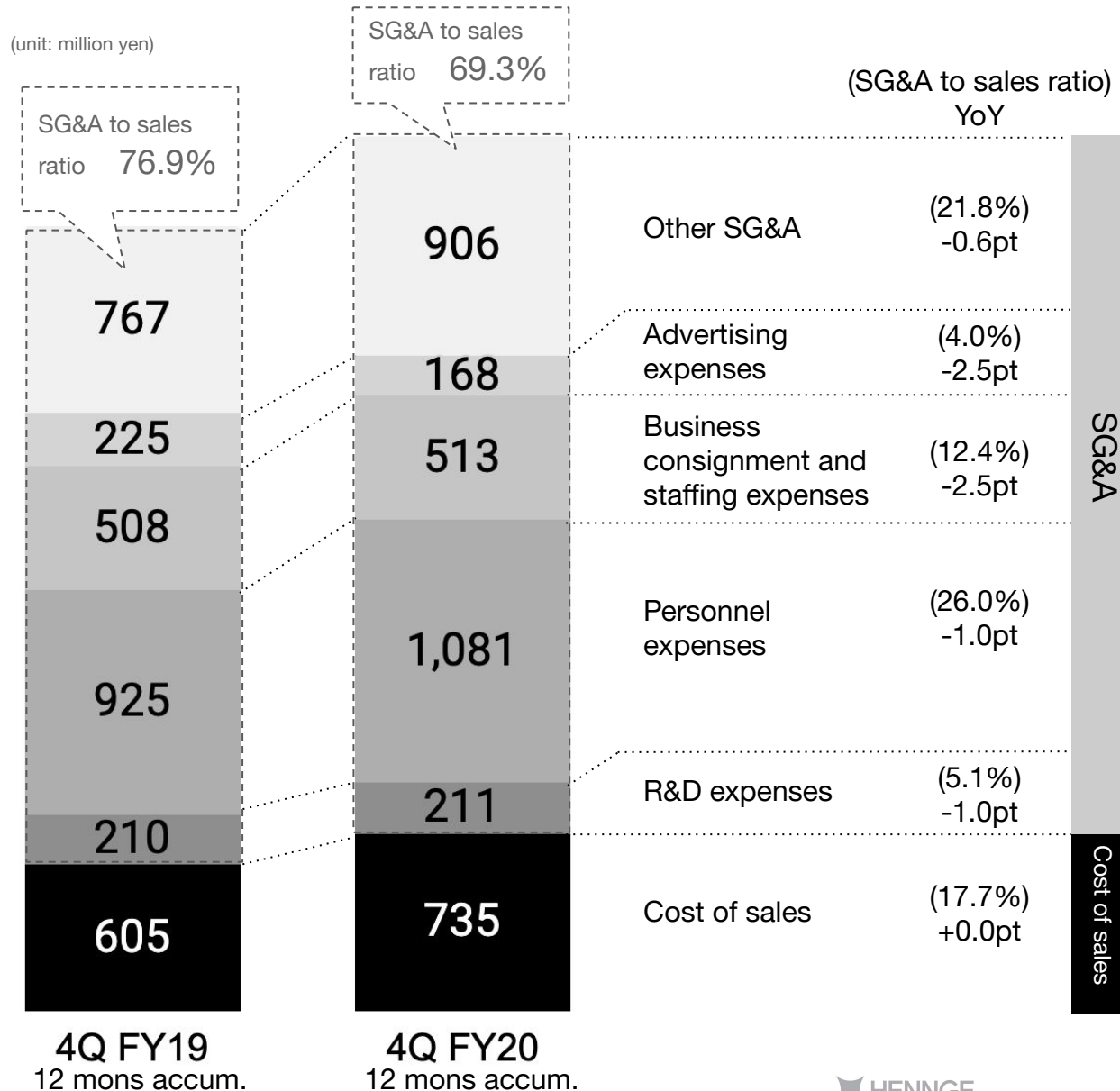
(YoY, 12 months accumulated comparison, compared to 4Q FY09/2019 accumulated)

SG&A to sales ratio decreased by 7.6pt YoY to 69.3% because money was not spent as planned. Profit attributable to owners of parent increased by 245 million yen YoY.



Structure of Operating Expenses

(YoY, 12 months accumulated comparison, compared to 4Q FY09/2019 accumulated)



For **other SG&A fees**, office rents and depreciation, etc, have increased due to the expansion and renewal of company's HQ and other branches to anticipate a future increase in headcount.

Recruiting expenses, etc, have increased due to proactive investing in sales and recruitment.

Temporary expenses of 0.4 million yen have been included for office expansion and IPO in Q1.

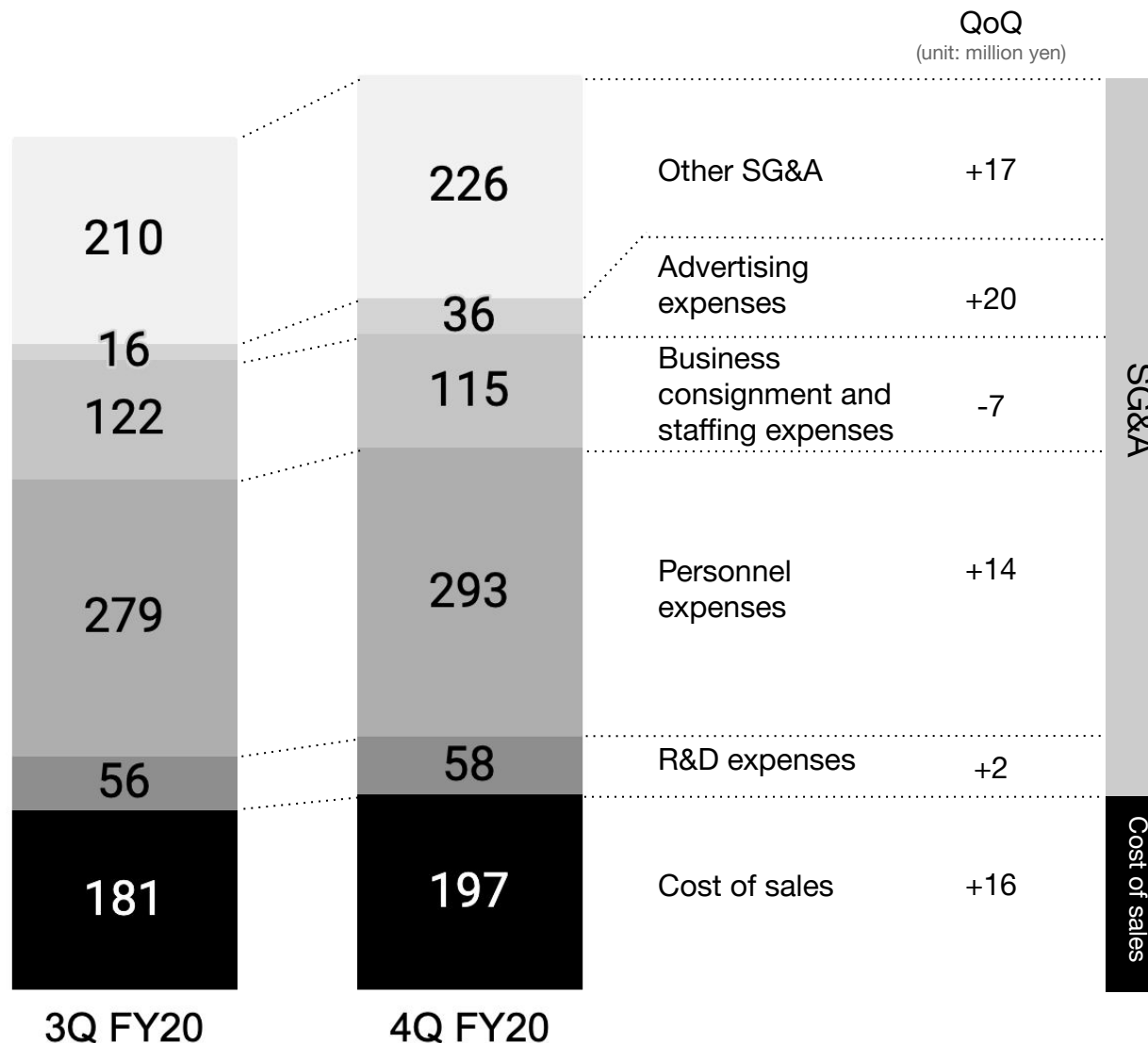
For **advertising expenses**, although we held our largest-ever event in Q1, the expenses decreased compared to the same period of FY09/2019, especially in Q3, due to the impact of COVID-19.

As **cost of sales ratio** maintains at a low rate of **17.7%**, we can proactively invest in customer acquisition.

Structure of Operating Expenses

(QoQ compared to 2Q FY09/2020)

(unit: million yen)



For **other SG&A fees**, recruiting expenses has increased due to proactively investing in sales recruitment.

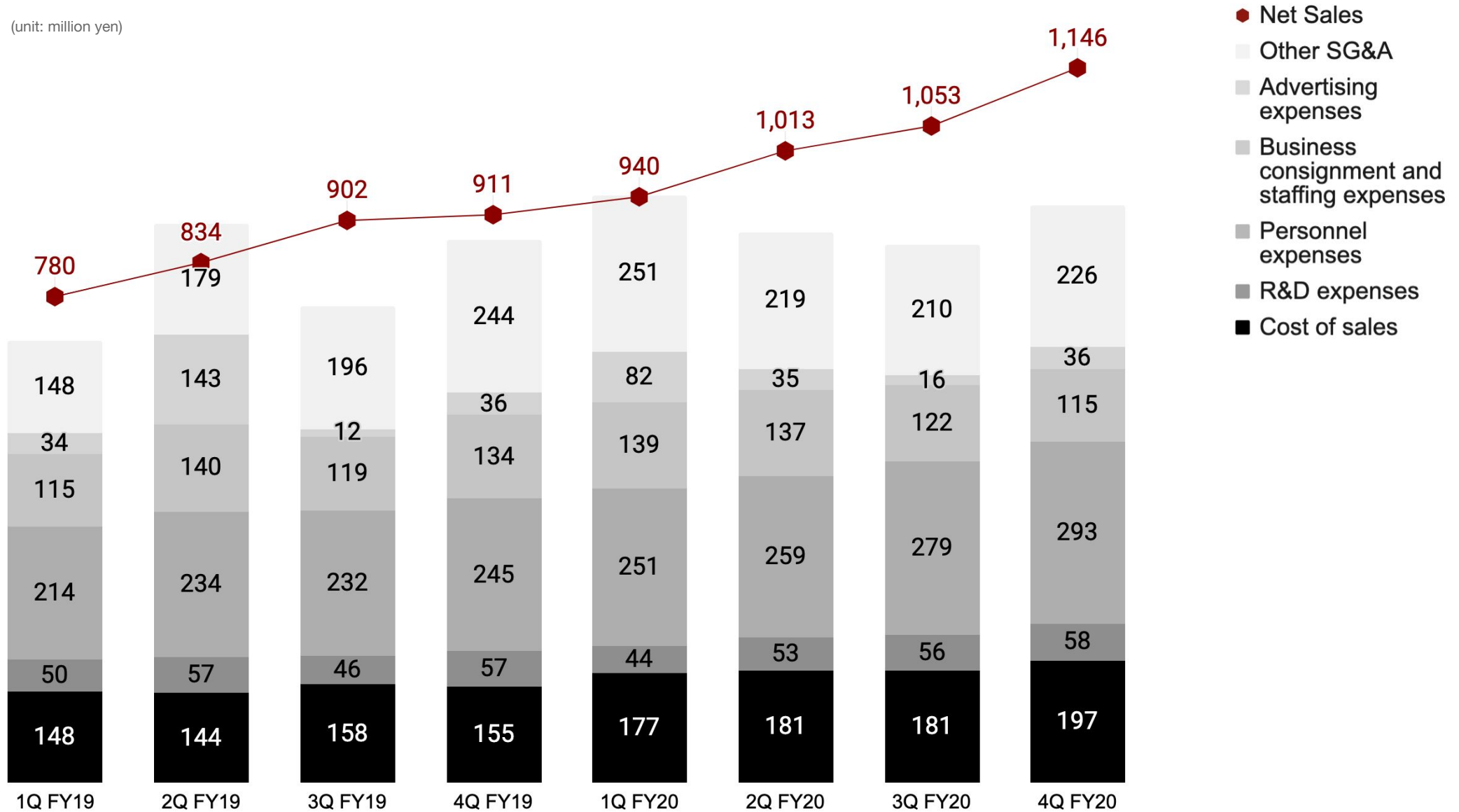
Traveling and transportation expenses, as well as entertainment expenses have increased compared to the previous fiscal year, although still at a low level due to the impact of COVID-19 pandemic.

Advertising expenses increased as a result of a new approach in holding online events and expanding web content, whereas onsite events were not held at the beginning of the fiscal year as a result of COVID-19.

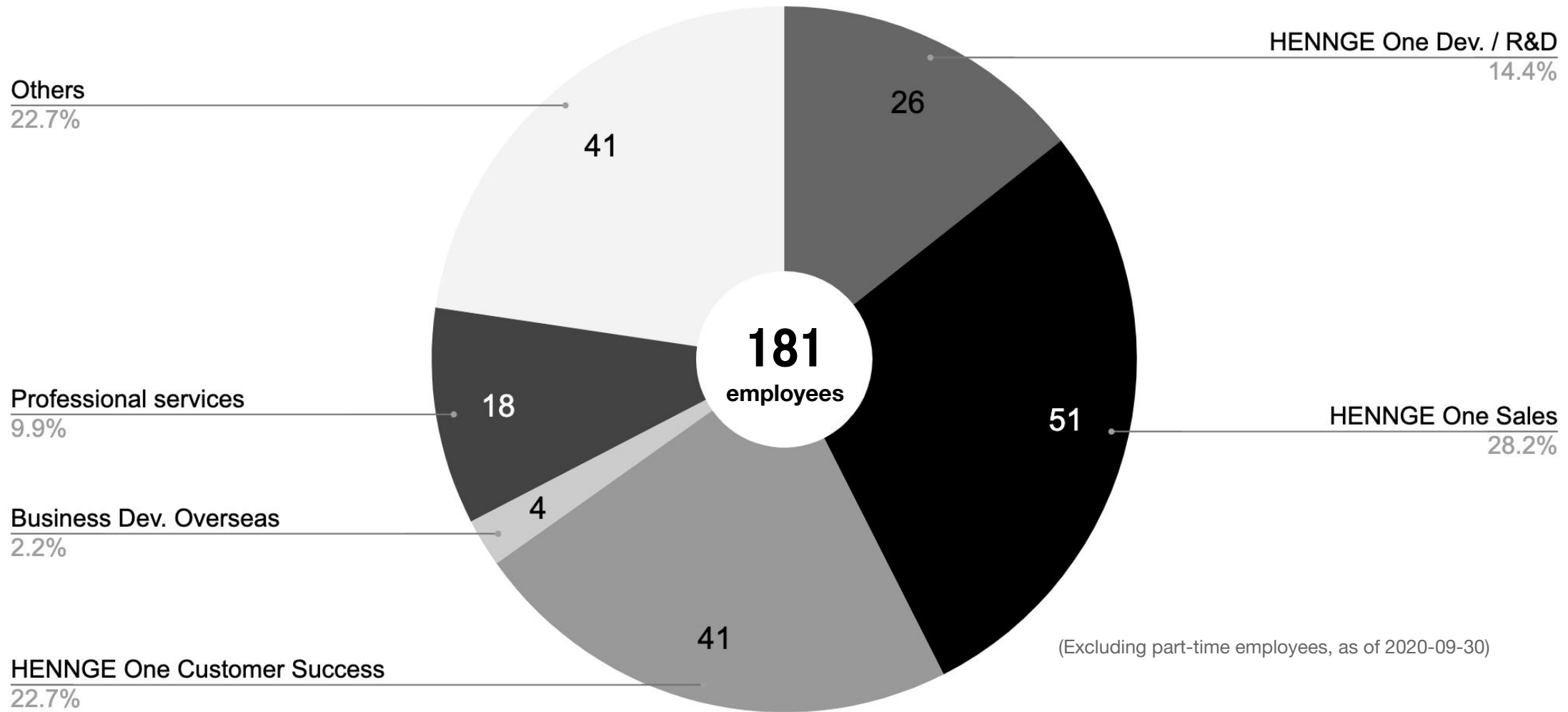
The sum of **cost of sales** and **R&D expenses** increased by 18 million yen QoQ, mainly due to the impact of transferred cost of sales from work in process in Professional Service and Others.

Net Sales and Operating Expenses

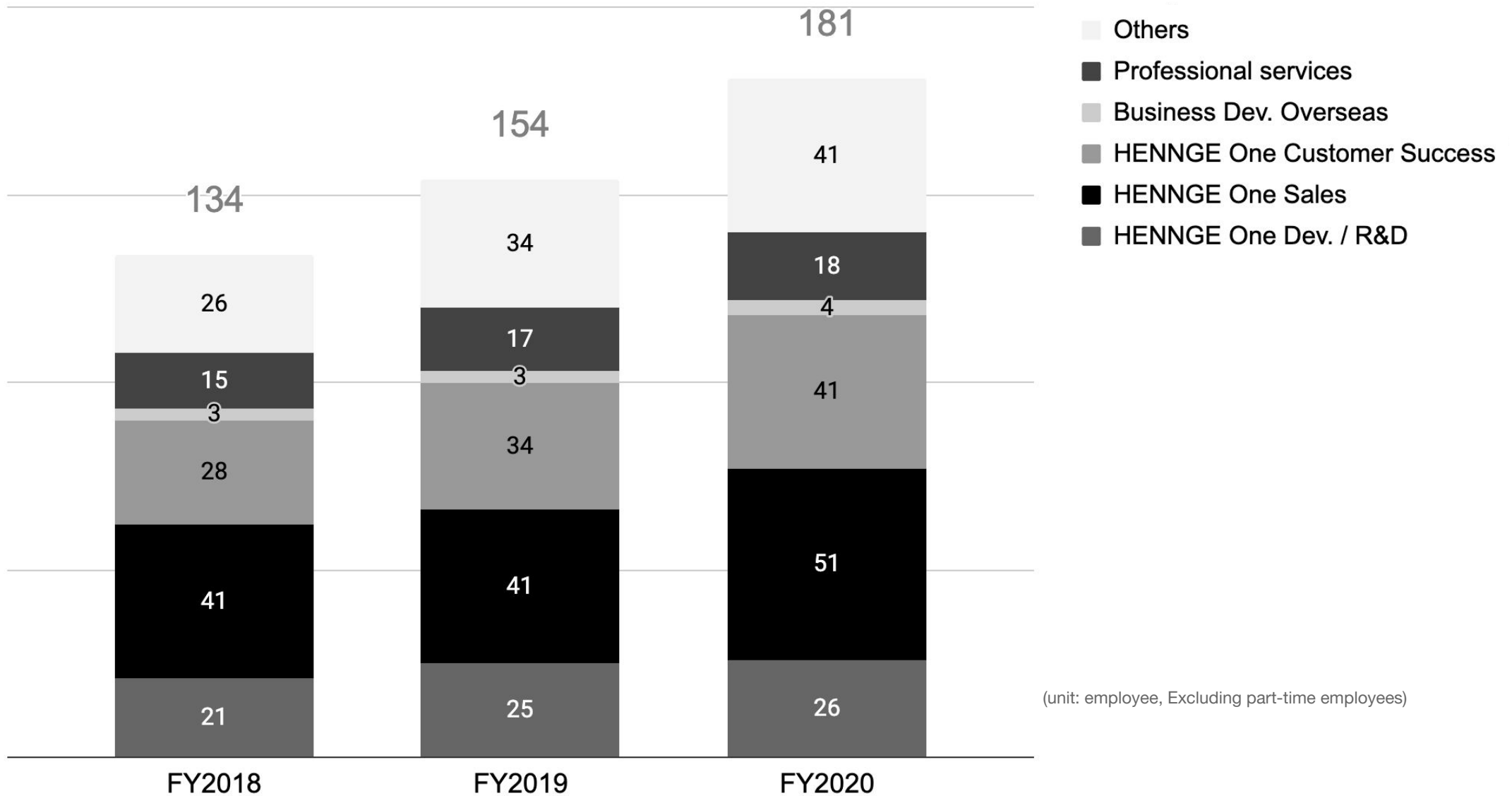
(unit: million yen)



Breakdown of Employees



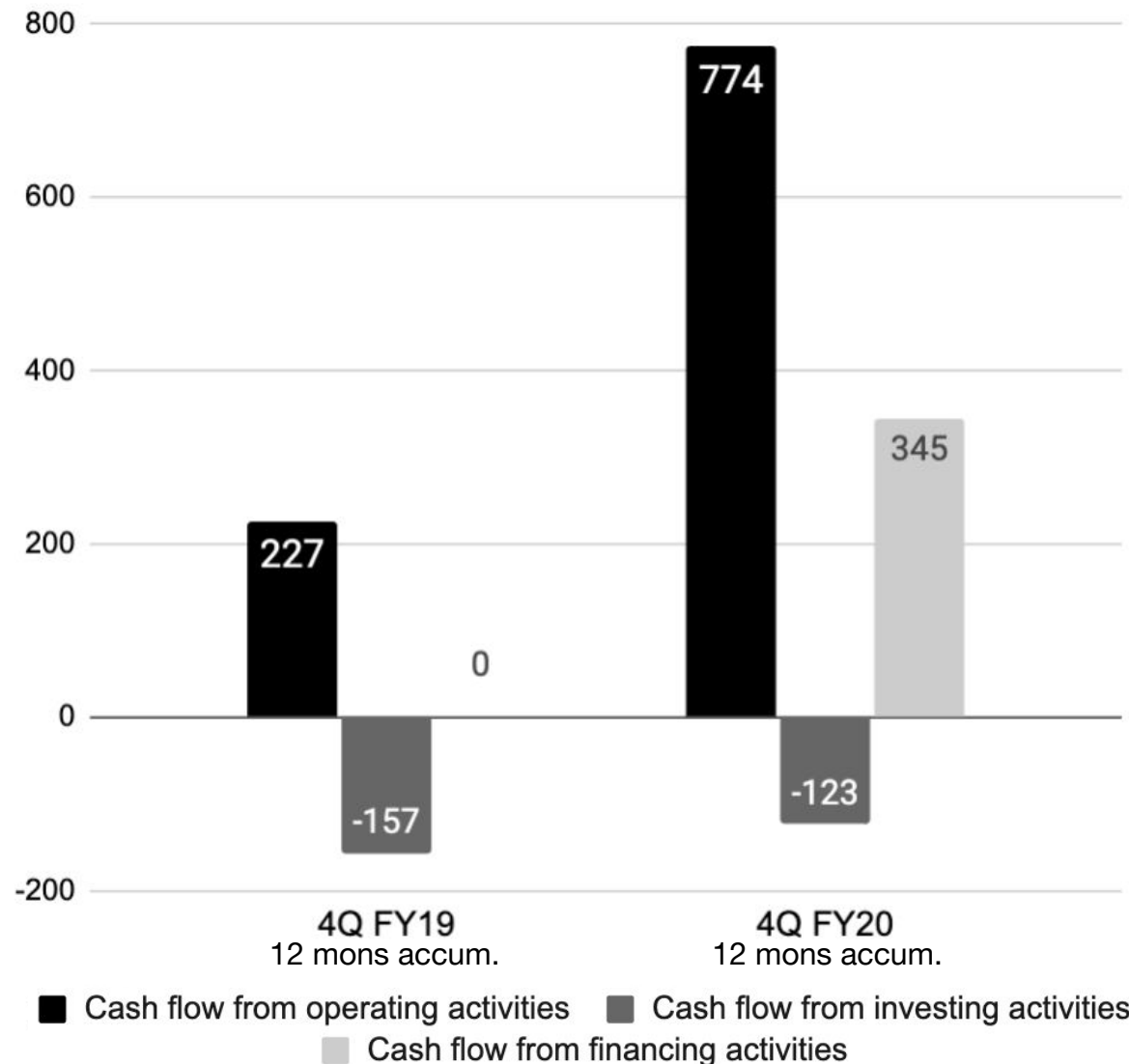
Number of Employees



Cash Flow Statement

(YoY, 12 months accumulated comparison, compared to 4Q FY09/2019 accumulated)

(unit: million yen)



- CF from operating activities** increased by 0.77 billion yen. Most of our revenue came from upfront payments for annual HENNGE One contracts, while advertising and other expenses in this fiscal year were low due to the impact of COVID-19 pandemic.
- CF from investing activities** decreased by 0.12 billion yen. A temporary payment increased in office expansion (fixtures and equipments, etc.).
- CF from financing activities** increased by 0.35 billion yen. The capital rose due to the issuance of new shares and the exercise of SO.

4Q FY09/2020
Consolidated Financial Results
(Business Activities)

Business Highlights

- Advertising and events
 - **Online seminars with SaaS companies (Aug to Sep 2020)**
Held joint webinars with CloudSign, Cybertrust and Atlassian for HENNGE One
 - **Hosting, sponsoring and participating in other online events (July to Sep 2020)**

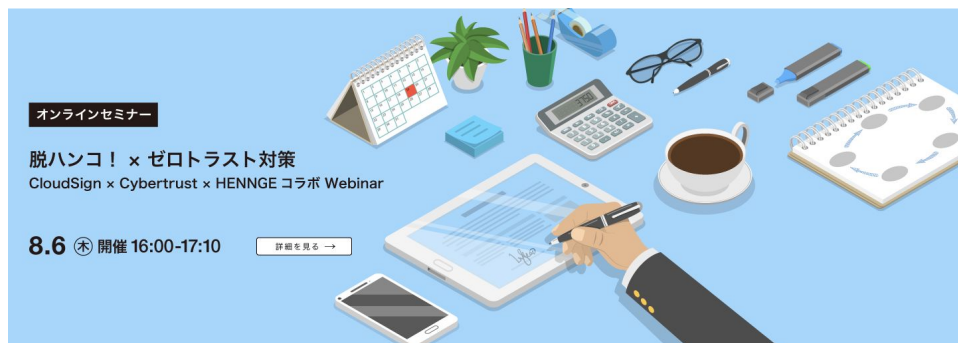
- Other
 - **Release of 'CHROMO' (Aug 2020)**
Released 'CHROMO', a communication service that enables smooth two-way communication with community residents to municipalities nationwide.
 - **An initial public offering of 'rakumo Inc', our portfolio company (Sep 2020)**

Advertising and Events

Holding various online events

Hanko-free and Zero Trust measures

CloudSign × Cybertrust
×
HENNGE One



* Hanko = stamps

Make your work more open and secure!

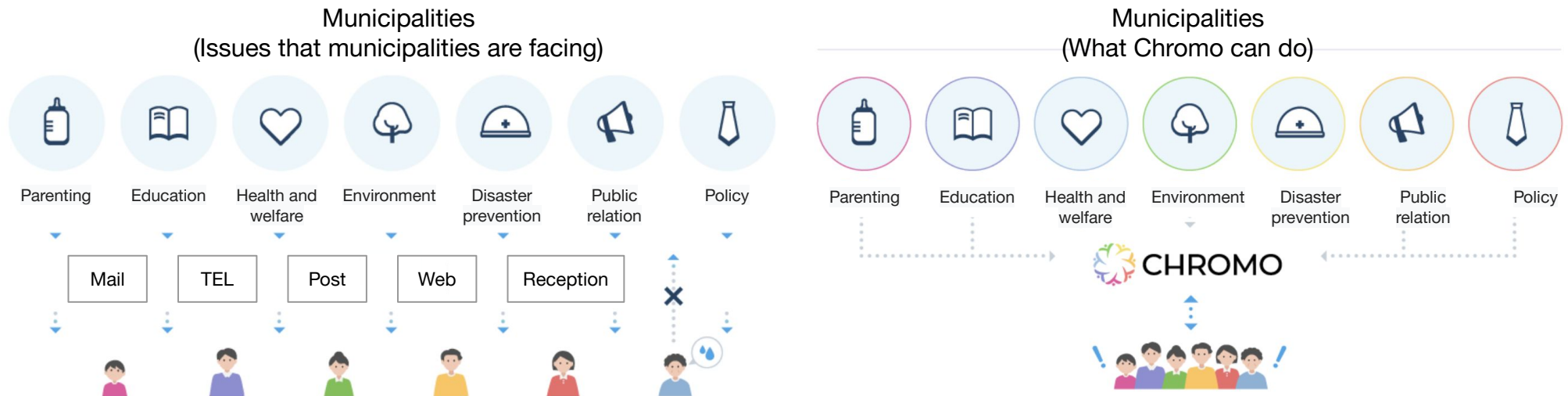
Atlassian
×
HENNGE One



New service

Release of 'CHROMO' (Aug 2020)

Released 'CHROMO', a communication service that enables smooth two-way communication with community residents to municipalities nationwide.



The delivery of information is divided between different departments.
It's one-way communication and difficult to receive the needs of local residents.

With CHROMO, it's easy to centralize management of information transmission and revitalize local communities through interactive communication.

Business Investments & New Business Development

Aiming to expand into new business fields adjacent to its existing businesses, our focus is on business investment and new business development, along with R&D activities.

One of the companies we have invested in, 'rakumo Inc.' went public in September 2020. (4060 : TYO)

Business investments

Invested in B2B startups that own proprietary elements and technologies, and that are also in sync with our existing businesses.

- Our portfolio (4 companies)



New business development

Regularly holding sessions across divisions to develop ideas for new businesses based on our mission, 'Making the world a better place through technology by continuing to change and challenge.'



新規事業アイデアコンテスト
Inspire Matsuri
 (インスパイア祭り)

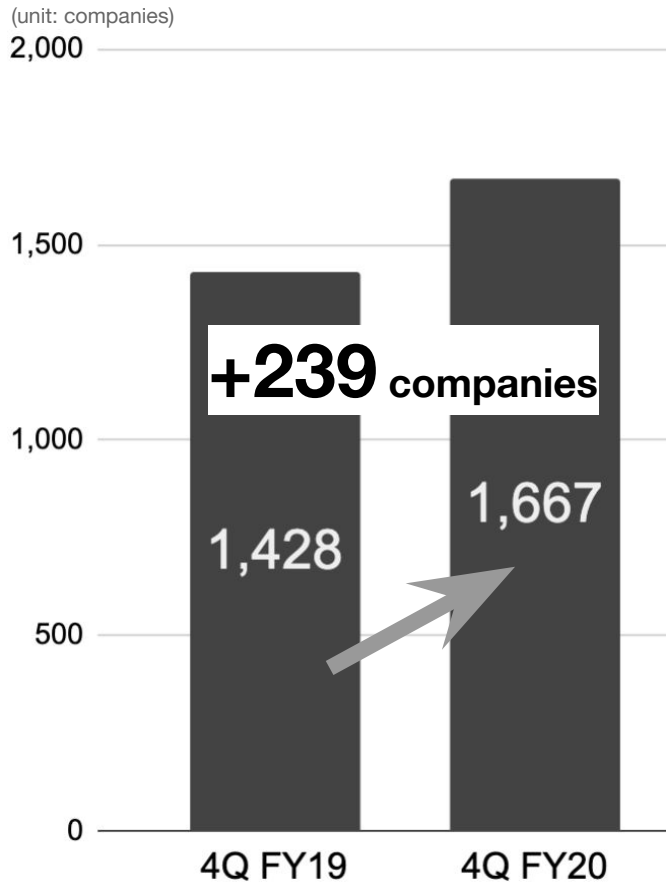
4Q FY09/2020
Consolidated Financial Results
(KPI Results)

HENNGE One KPI

(YoY, compared to the end of 4Q FY09/2019)

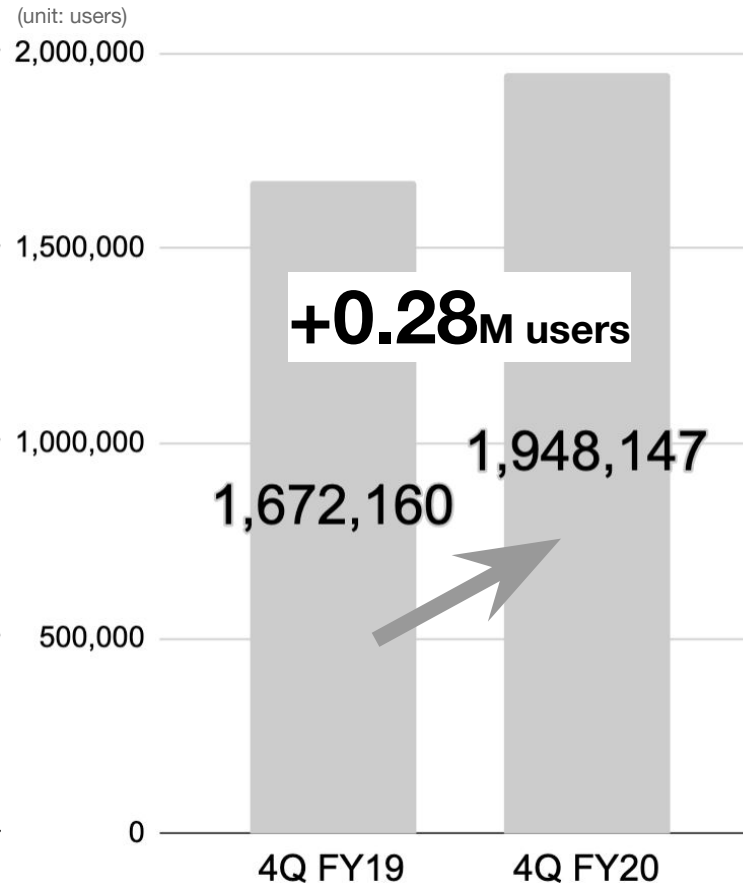
HENNGE One
contracted companies

YoY **+16.7%**
(as of 2020-09-30)



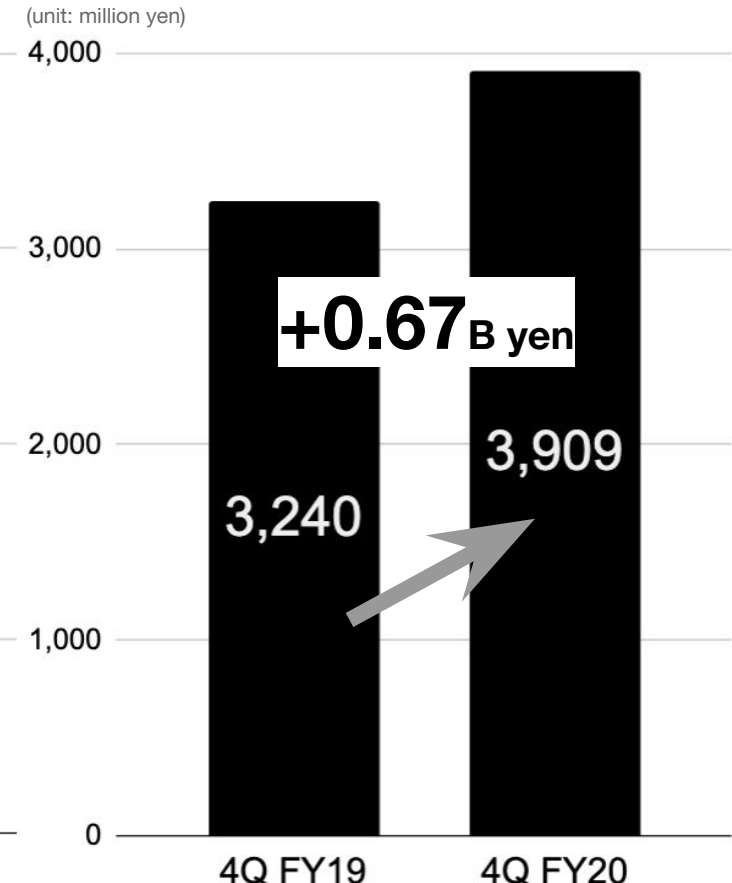
of HENNGE One
contracted users

YoY **+16.5%**
(as of 2020-09-30)



HENNGE One ARR

YoY **+20.7%**
(as of 2020-09-30)



HENNGE One KPI Highlights

(compared to the end of previous fiscal year)

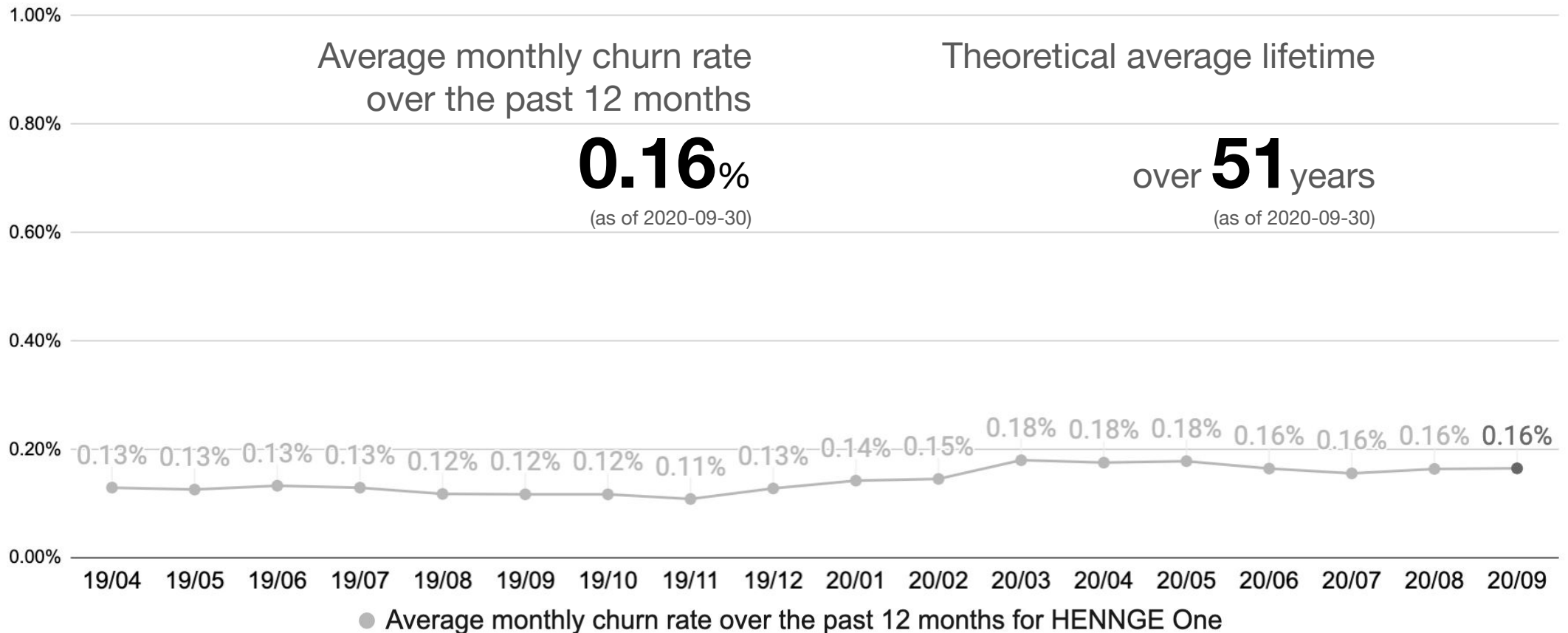
1. Average monthly churn rate over the past 12 months rose by **0.05pts** to **0.16%** compared to the end of FY09/2019 and remains low.
2. The number of user companies increased by **239** to **1,667** companies compared to the end of FY09/2019.
The number of contracted users increased by **0.28M** to **1.95M** users compared to the end of FY09/2019.
ARR increased by **0.67B** to **3.91B** yen compared to the end of FY09/2019 and has grown steadily.
3. ARPU increased by **68** yen to **2,007** yen (per user in annual) compared to the end of FY09/2019.

HENNGE One Gross Revenue Churn Rate

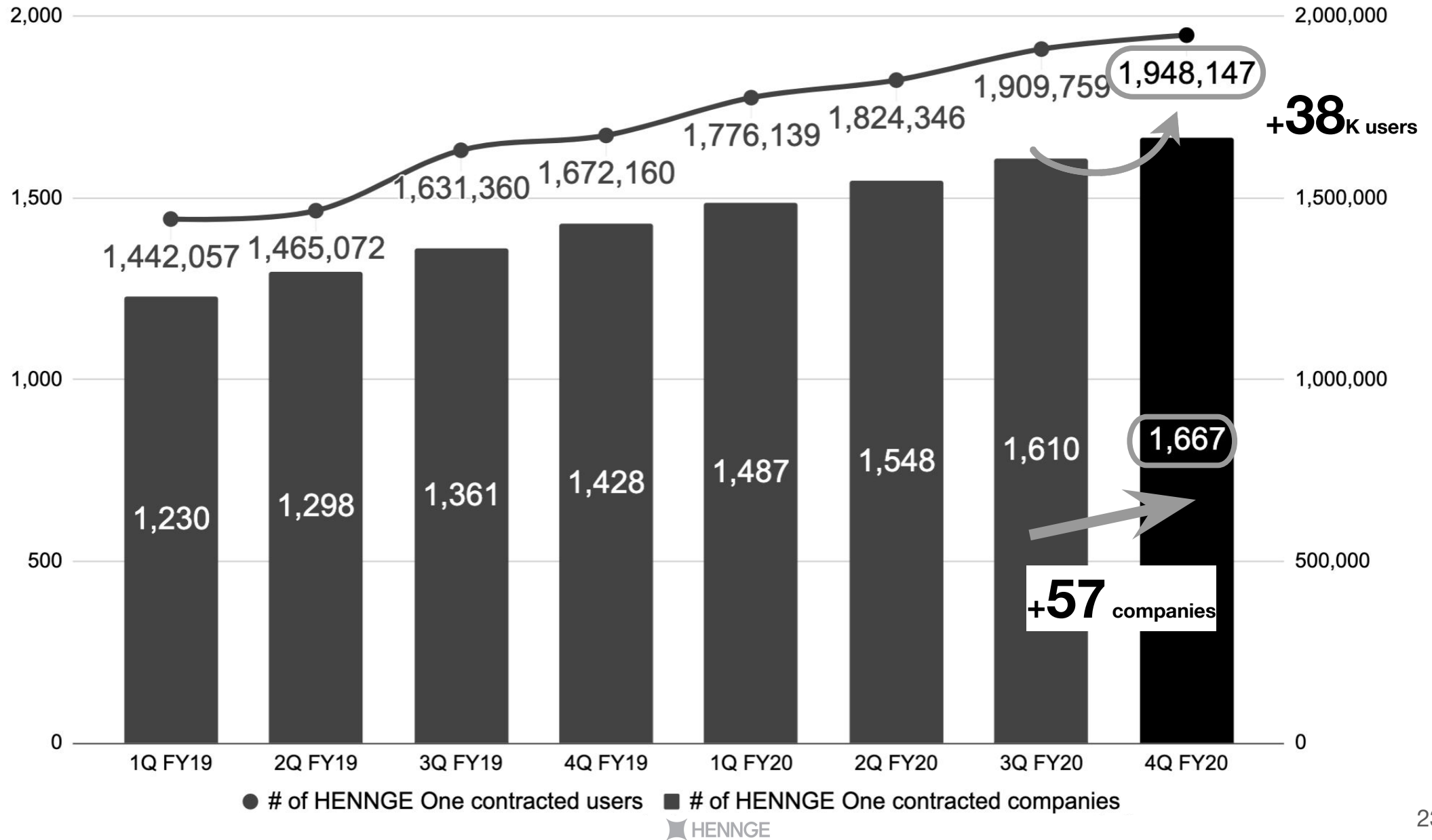
Average monthly churn rate over the past 12 months for HENNGE One 0.16%, unchanged QoQ and remains high.

A continuously stable and sustainable growth model has been achieved.

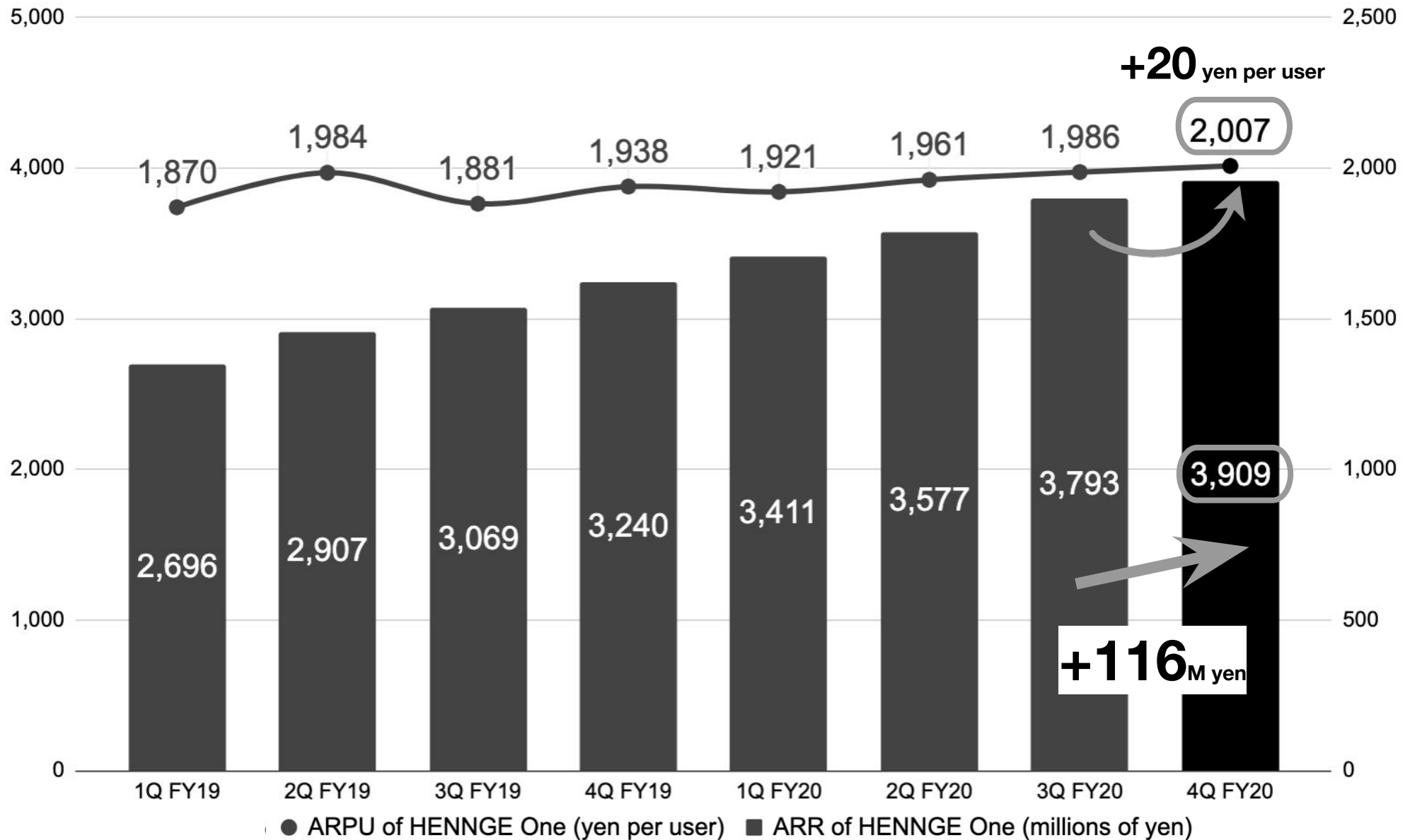
* Gross Revenue Churn Rate is calculated based on the decrease in contract value due to service cancellations, etc.



HENNGE One Contracted Companies & Users



HENNGE One ARR & ARPU



FY09/2021

Full-year Forecasts

Our Policy of FY09/2021

The main elements of our policy regarding the consolidated financial outlook are as follows;

**Accelerate medium-term growth in HENNGE One ARR
by aggressively investing in marketing and
capture growth opportunities in the ‘new normal.’**

Sales of HENNGE One

Create an inflection point in HENNGE One ARR growth in 2020 by increasing the number of contracted companies and ARPU, and achieve the sustained annual growth of 20% or more for HENNGE One ARR from FY09/2021 onward.

Advertising expenses

Hold a digital event ten times the size of previous events, and conduct an associated large-scale advertising campaign within the FH. A diverse group of companies, educational institutions, government municipalities and SaaS providers will join our digital event to discuss the utilization of SaaS in the new normal.

Personnel plan

Increase a total of 30+ headcount for mainly Sales and Customer Success positions.

Overview of FY09/2021 Forecasts

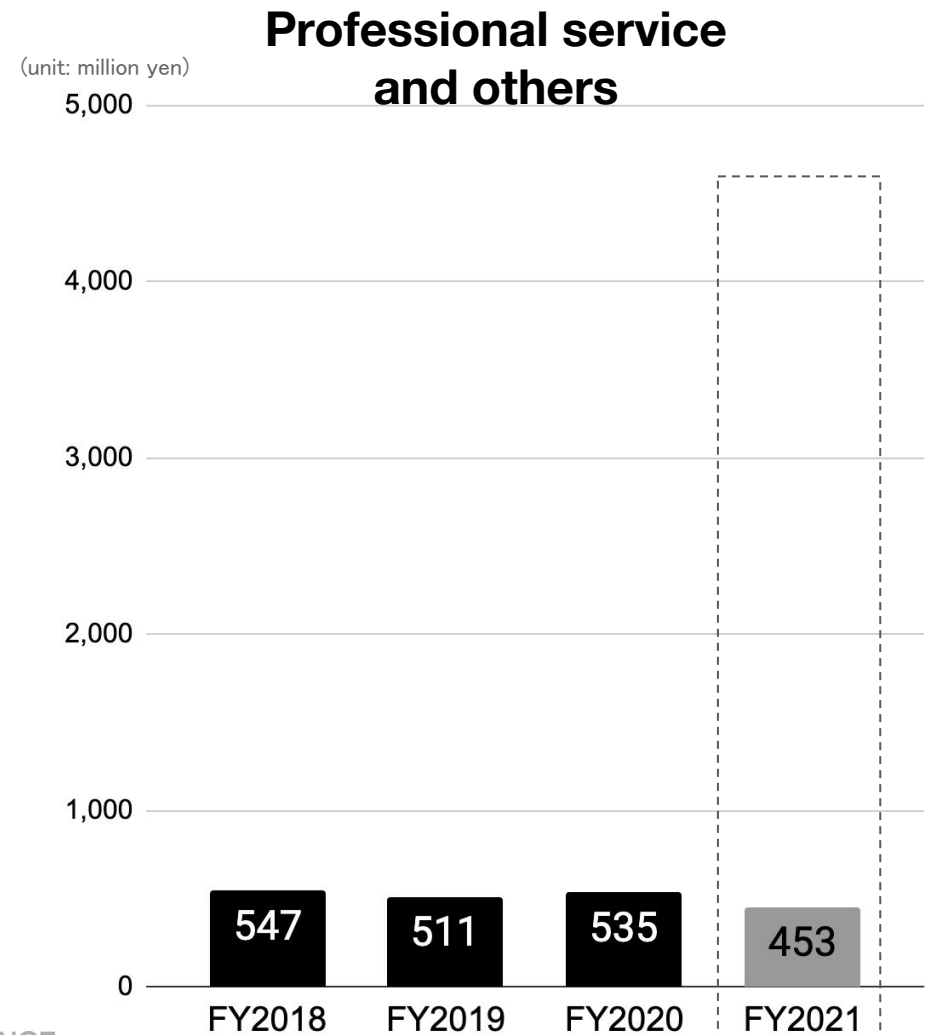
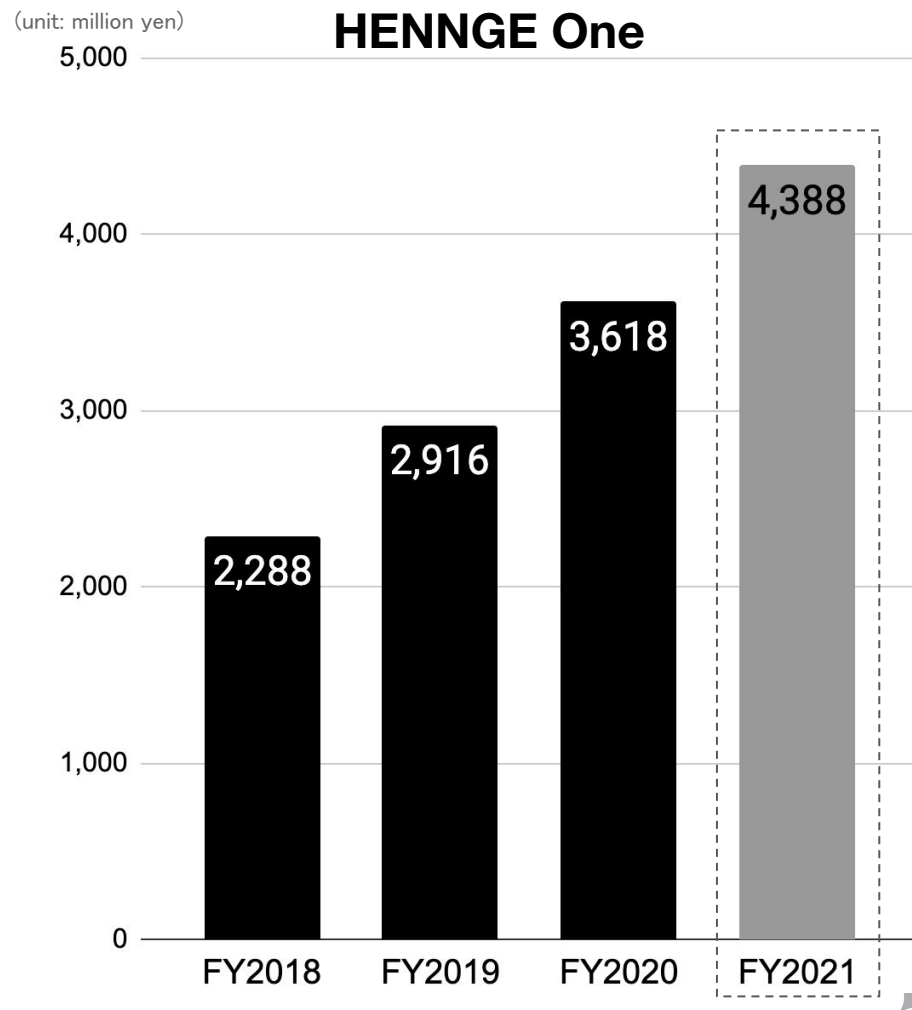
Accelerate medium-term growth in ARR from HENNGE One by investing aggressively in marketing and capture growth opportunities in the ‘new normal.’

	FY2019	FY2020	FY2021	YoY	YoY (%)
	Result	Result	Forecast		
	(unit: million yen)		(disclosed on 2020/11)		
Net sales	3,427	4,153	4,841	+689	+16.6%
(HENNGE One)	2,916	3,618	4,388	+770	+21.3%
(Professional service and others)	511	535	453	-82	-15.3%
Ordinary income	3,240	3,614	4,531	+917	+25.4%
Operating income	187	539	310	-229	-42.4%
(Operating income margin)	(5.5%)	(13.0%)	(6.4%)		(-6.6pt)
Ordinary income	178	535	310	-225	-42.1%
Profit attributable to owners of parent	110	355	193	-162	-45.6%
(Net income margin)	(3.2%)	(8.5%)	(4.0%)		(-4.6pt)

- Sales of HENNGE One, which is our key driver of growth is expected to grow by **21.3%** YoY. Sales of Professional service and others is expected to decrease by **15.3%** YoY.
- Net sales is expected to grow by **16.6%** YoY, but operating income is expected to decrease by **42.4%** YoY.

FY09/2021 Forecasts of Sales by Business

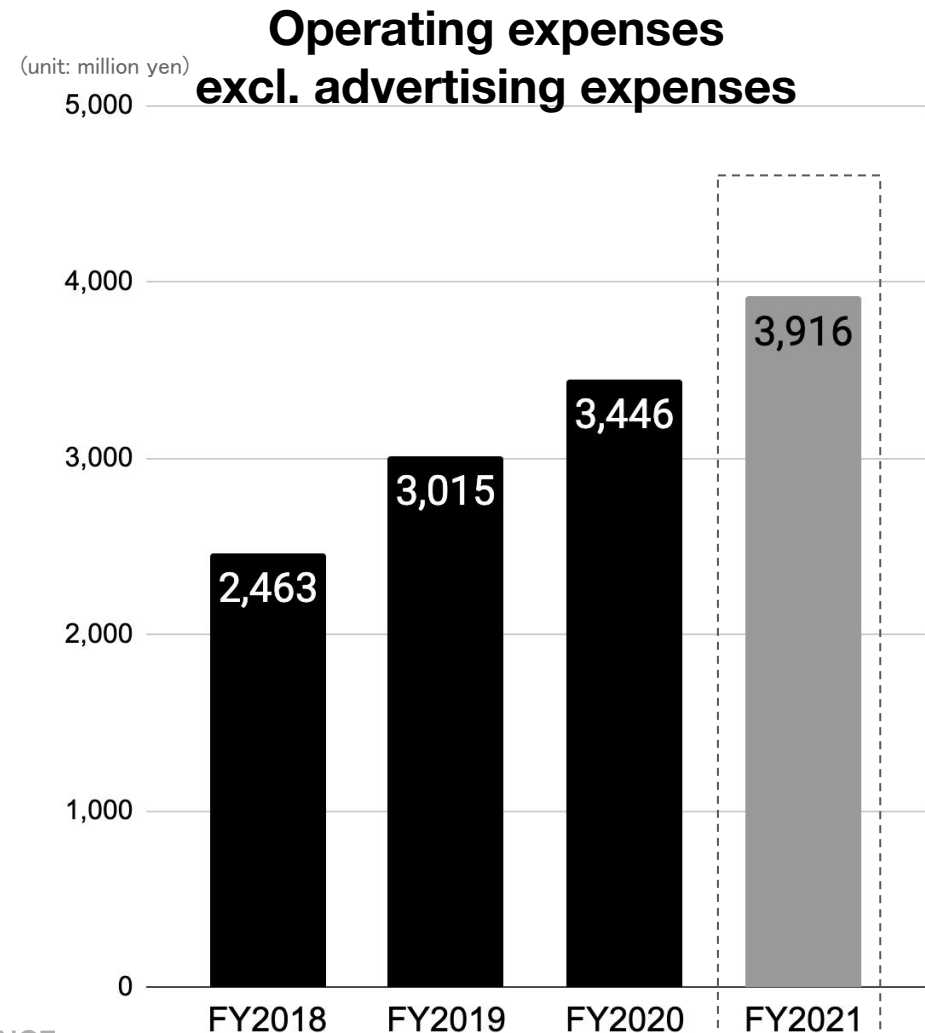
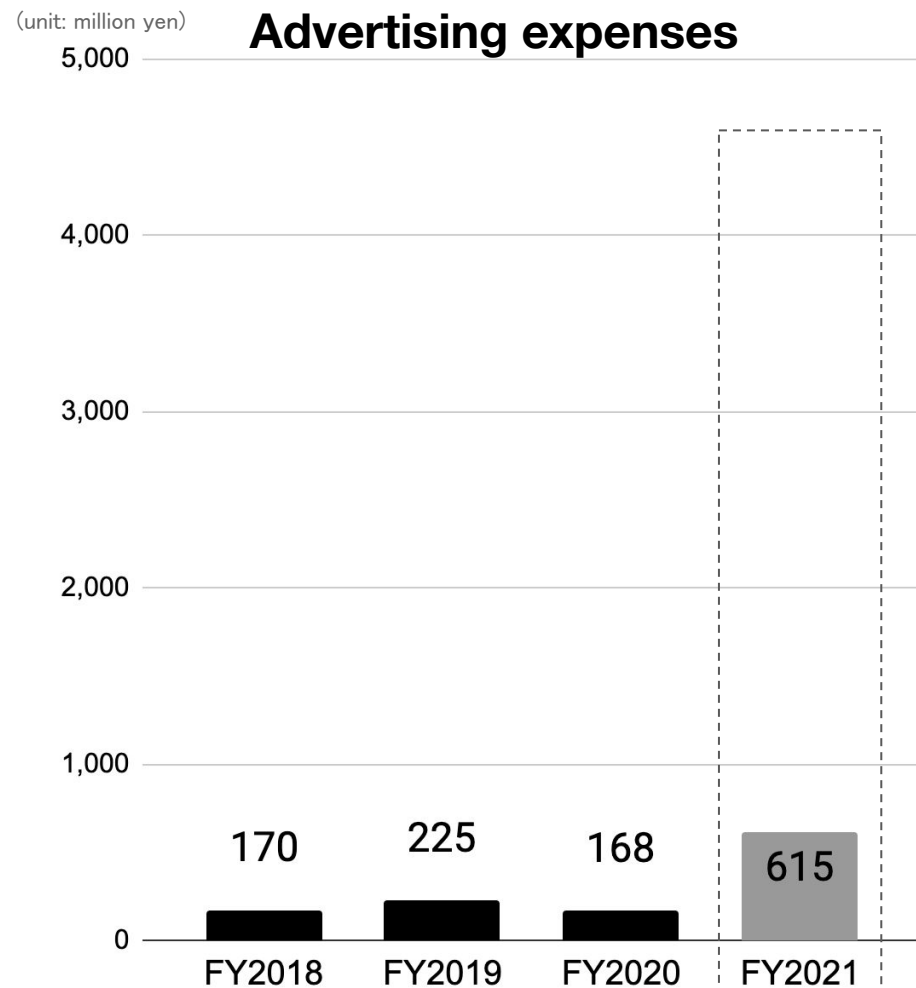
Sales of HENNGE One is expected to grow by 21.3% YoY to 4.388 billion yen.



FY09/2021 Forecasts of Operating Expenses

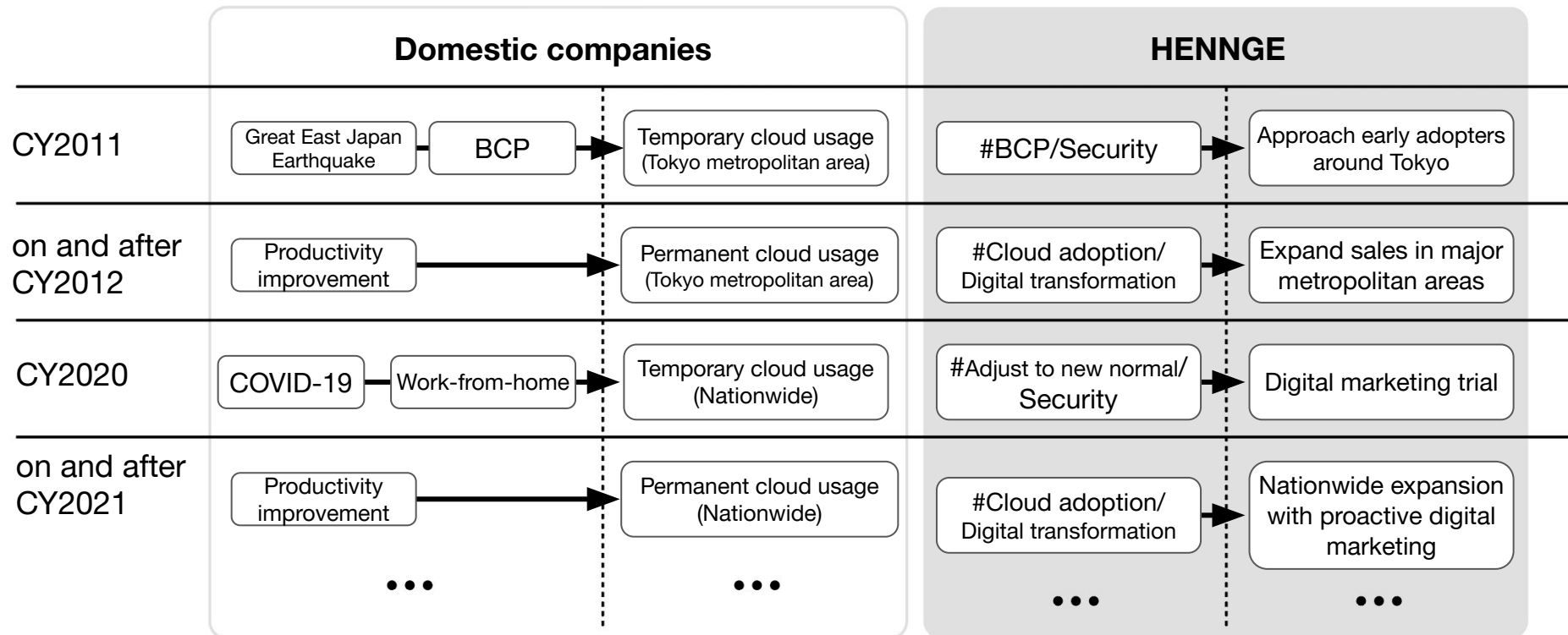
Advertising expenses is expected to increase by 265.8% YoY to 0.615 billion yen.

Operating expenses excluding advertising expenses is expected to increase by 13.6% to 3.916 billion yen.



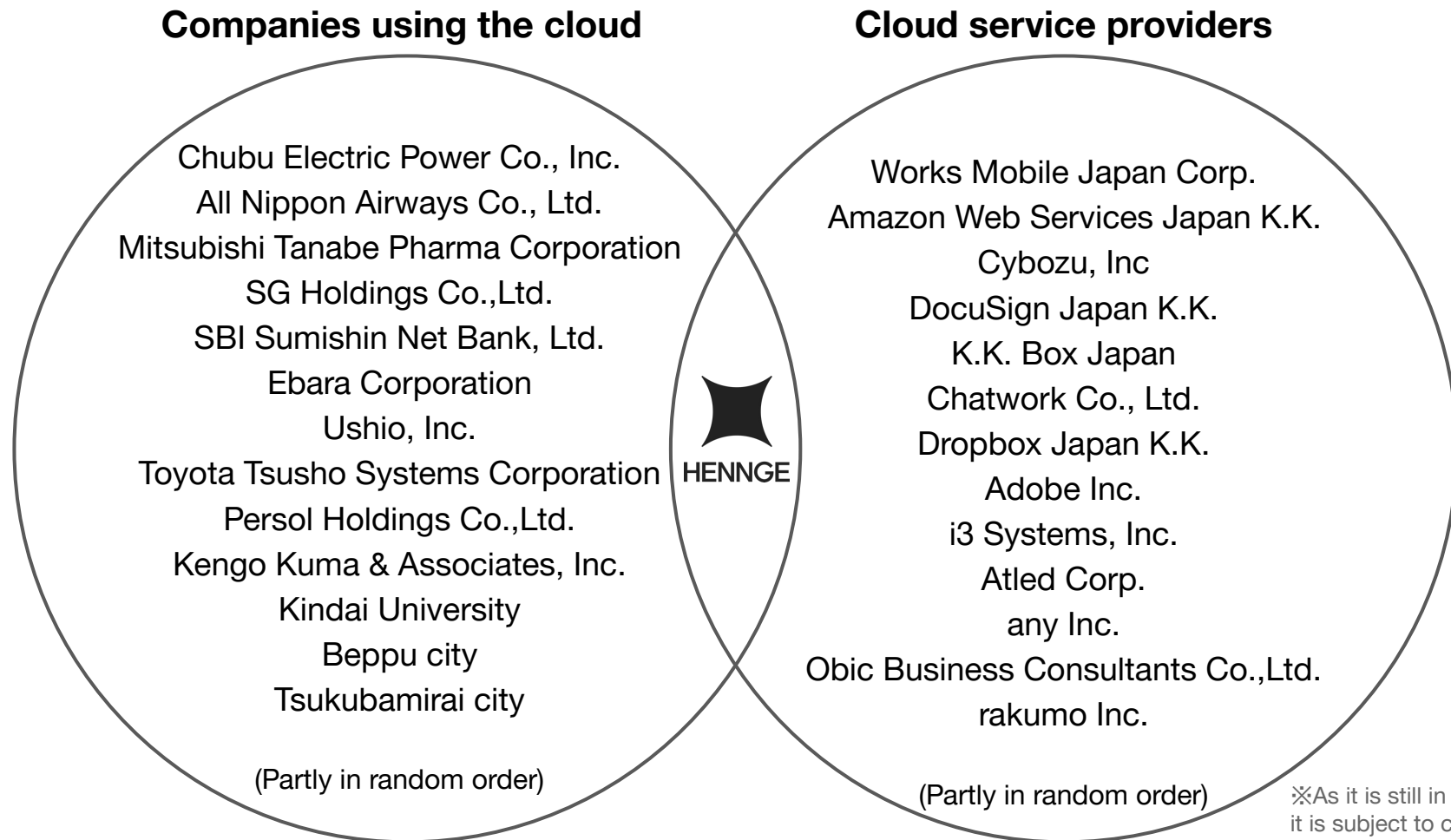
Changes in the Market Environment

The number of companies using cloud services in Japan is expected to rapidly increase due to the impact of COVID-19.



Large-scale Digital Event (in FH of FY09/2021)

The goal is to promote the future of SaaS in Japan and seize the opportunity by sharing the perspectives of both users and providers on SaaS utilization.



※As it is still in the planning stage, it is subject to change in part.

Growth Strategy

Maximize LTV

$$\mathbf{LTV = ARR \times Y \times r}$$

Y = [Average contract duration in years]

r = [Gross profit rate]

$$\mathbf{ARR = N \times n \times ARPU}$$

N = [# of contracted companies]

n = [Average # of contracted users per contracted company]

ARPU = [Average Revenue Per User]

Maximize ARR

$$\text{ARR} = N \times n \times \text{ARPU}$$

maximize **N**

N = # of contracted companies

- Increase our sales force
- Expand our business within the Tokai/Kansai/Kyushu area and overseas regions for the first-mover advantage
- Strengthen the partnership with our partner companies

maximize **n**

n = Average # of contracted users per contracted company

- Target large companies
- Increase our customer success power

maximize
ARR

maximize **ARPU**

ARPU = Average Revenue Per User

- Develop new features/services and cross-sell to both new and existing customers

Progress of Our Growth Strategy

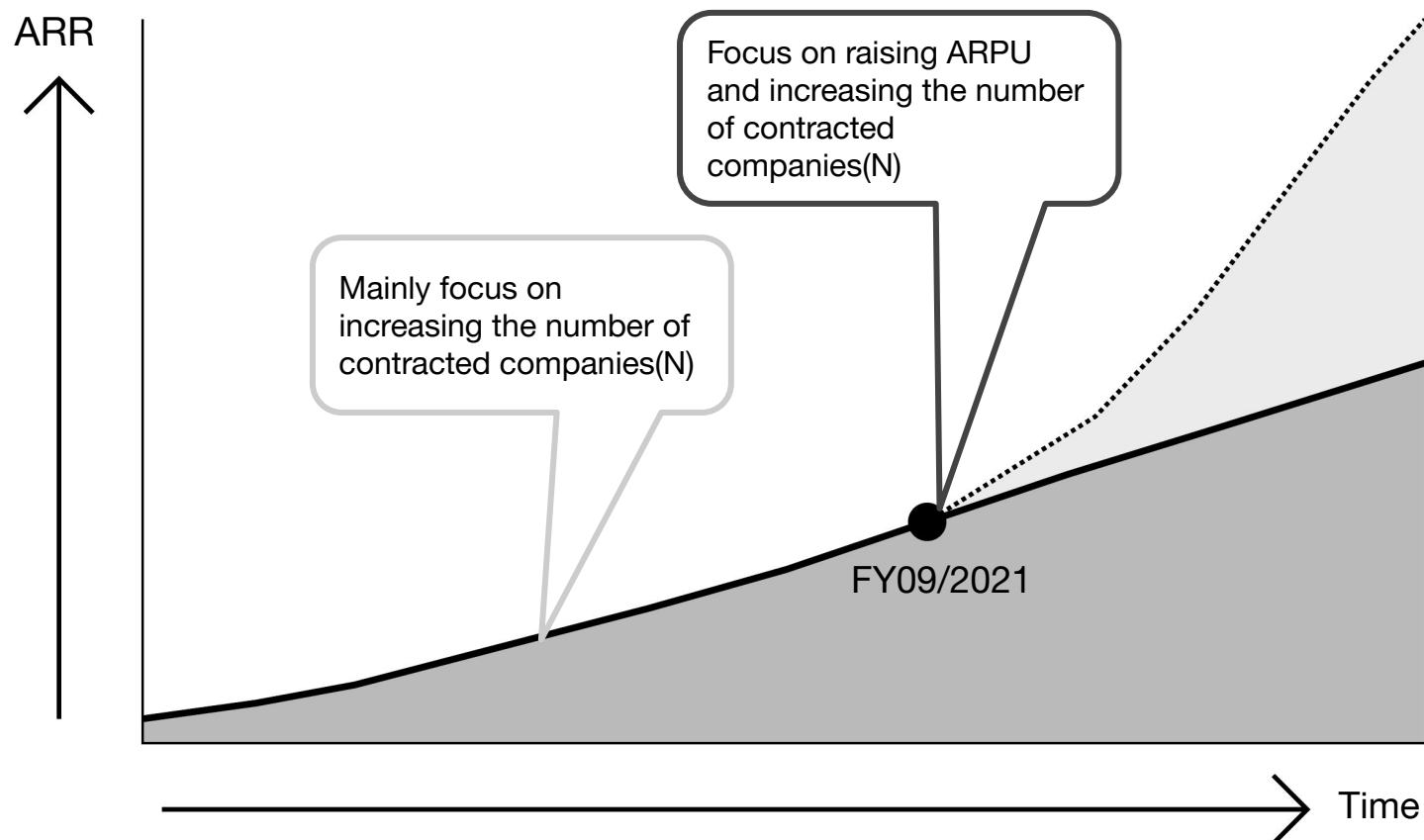
(HENNGE One)

With FY09/2021 as an inflection point, aim to accelerate ARR growth from FY09/2022 by focusing on increasing the # of contracted companies in the short term while increasing ARPU in the mid to long term.

	ARR			N			n			ARPU		
	ARR	YoY (%)	YoY	# of contracted companies	YoY (%)	YoY	Average # of contracted users per contracted company	YoY (%)	YoY	Average Revenue Per User	YoY (%)	YoY
	(millions of yen)			(companies)			(users)			(yen)		
4Q FY14	563			232			1,187			2,042		
4Q FY15	880	+56.5%	+318	399	+72.0%	+167	1,095	-7.8%	-93	2,015	-1.3%	-27
4Q FY16	1,288	+46.3%	+407	642	+60.9%	+243	1,018	-7.0%	-76	1,970	-2.2%	-45
4Q FY17	1,898	+47.4%	+611	928	+44.5%	+286	1,107	+8.7%	+89	1,848	-6.2%	-122
4Q FY18	2,552	+34.4%	+653	1,176	+26.7%	+248	1,166	+5.3%	+59	1,861	+0.7%	+13
4Q FY19	3,240	+27.0%	+688	1,428	+21.4%	+252	1,171	+0.4%	+5	1,938	+4.2%	+77
4Q FY20	3,909	+20.7%	+670	1,667	+16.7%	+239	1,169	-0.2%	-2	2,007	+3.5%	+68

Growth Strategy on and After FY09/2021

Create an inflection point in ARR growth by increasing the number of contracted companies (N) and ARPU.



(Image)

Achieving a Passwordless World

Single-Sign-On (SSO) is a solution that eliminates the burden of managing multiple passwords. However, we will be introducing a next-generation technology that supports a secure, passwordless environment.



(Snap this for
'passwordless' movie;
Japanese only)

Growth Strategy on and After FY09/2021

Grow with the trend of businesses adopting SaaS as HENNGE One is an IDaaS.



Currently integrates with

over **150** Cloud services

Establish SaaS platform

Corporate Overview

Corporate Profile

Company name: HENNGE K.K.

Executives:

Kazuhiro Ogura

Representative Director & Chief Executive Officer

Kazuaki Miyamoto

Representative Director & Executive Vice President

Yoshiki Nagatome

Director & Executive Vice President

Fumiaki Goto

Director

Koichi Tamura

Auditor

Akenobu Hayakawa

Auditor

Kunihiro Onai

Auditor

Founded on: November 5, 1996

of employees: 181

(as of 2020-09-30, excluding part-time employees)



Kazuhiro Ogura



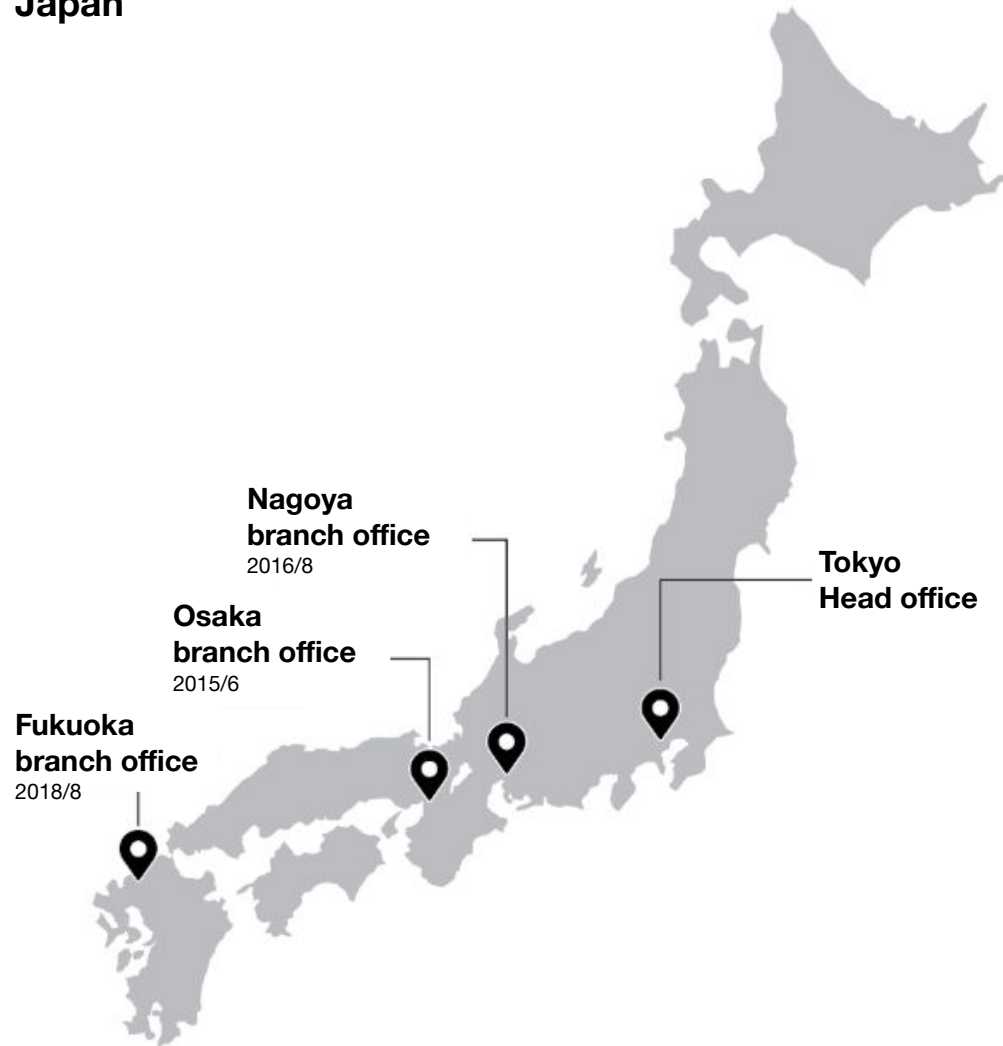
Kazuaki Miyamoto



Yoshiki Nagatome

Locations

Japan



Taiwan



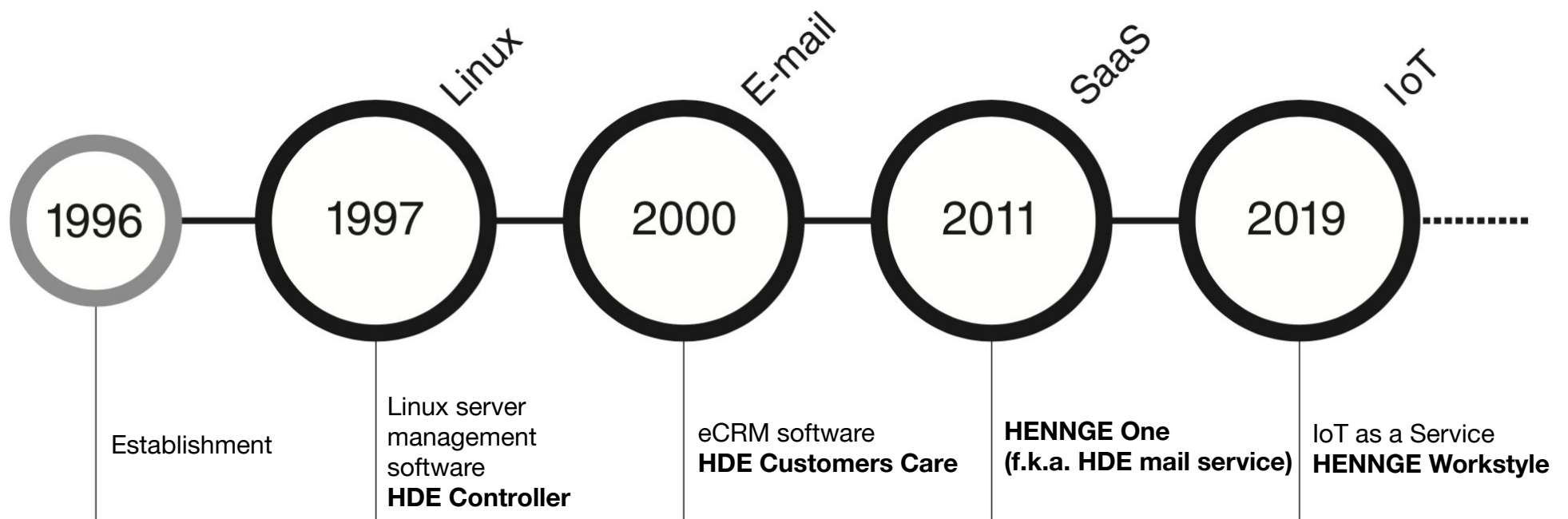
VISION

We want to deliver the power of technology to as many people as we can.

Liberation of Technology テクノロジーの解放

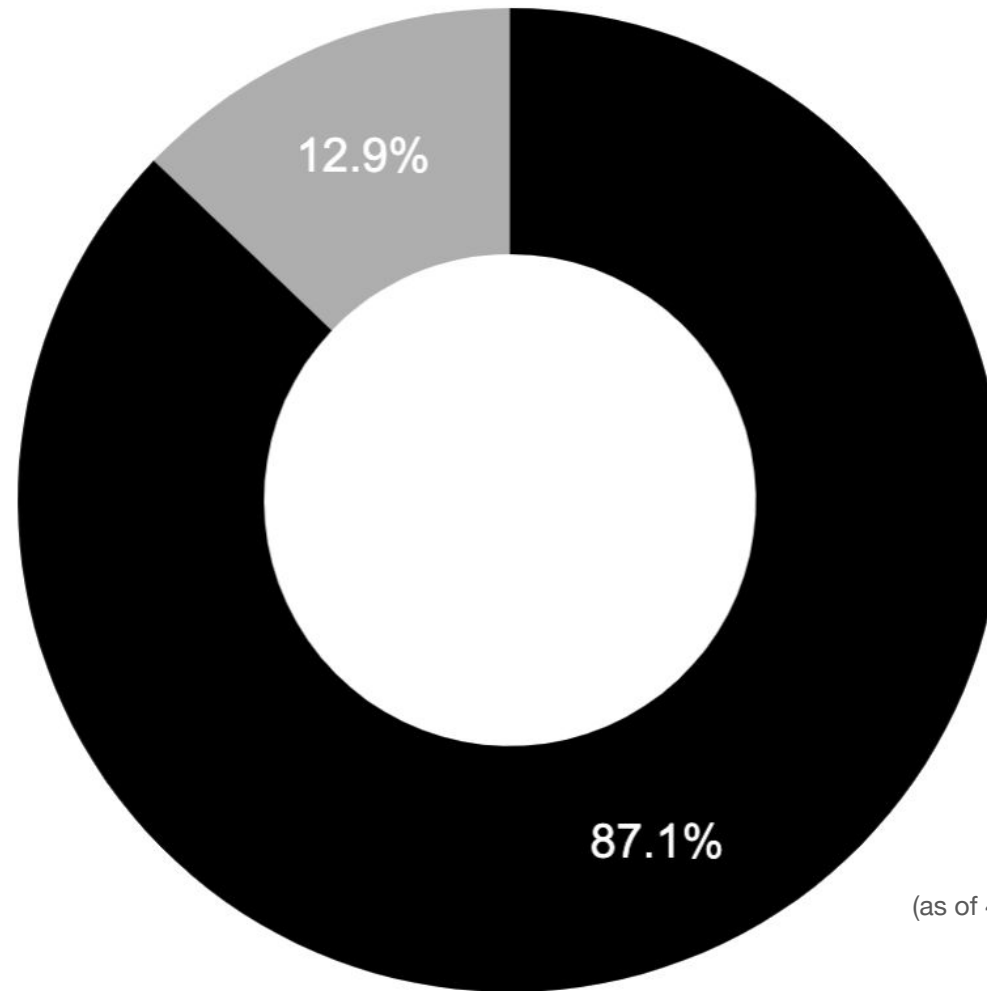
History

Our business domain is ever-changing, but our will remains steadfast.



Sales Structure by Business

87.1% of net sales comes from HENNGE One business.



(as of 4Q FY09/2020 accum.)

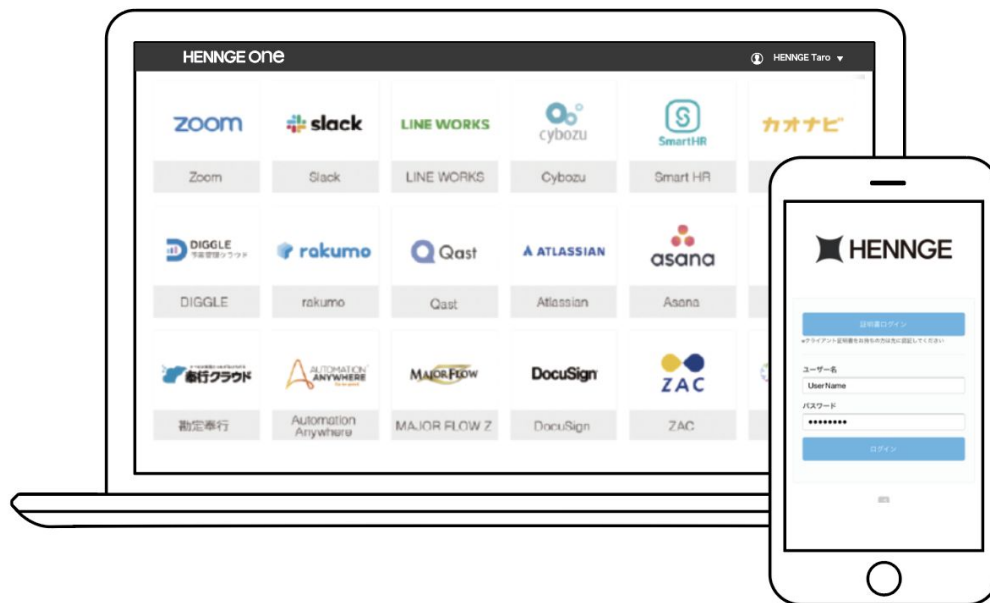
- HENNGE One
- Professional service and others
- ✦ HENNGE

HENNGE One

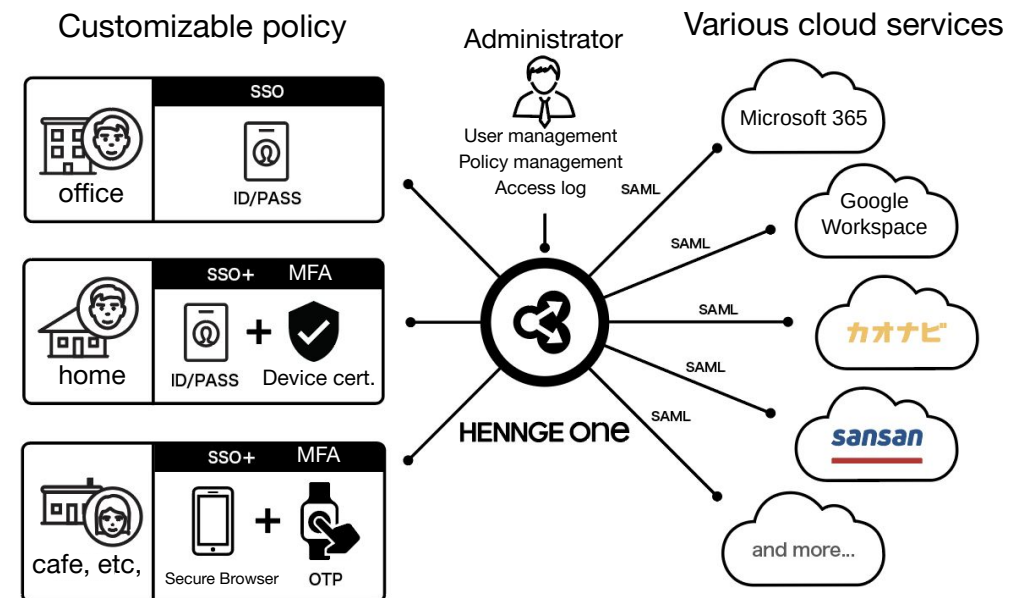
Identity as a Service (IDaaS)

Provides centralized authentication to various SaaS-es, with Single-Sign-On (SSO) technology

ID federation



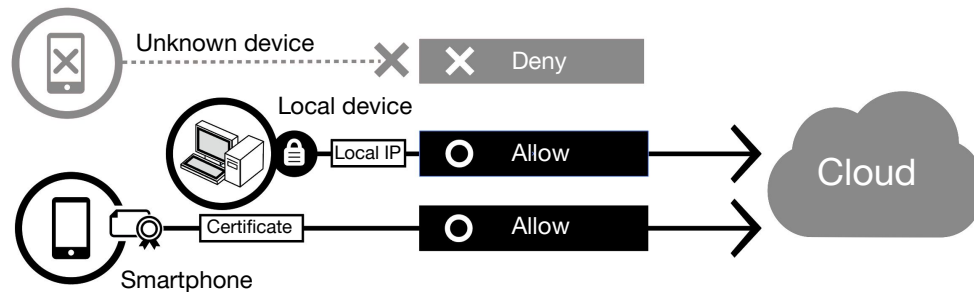
Access control



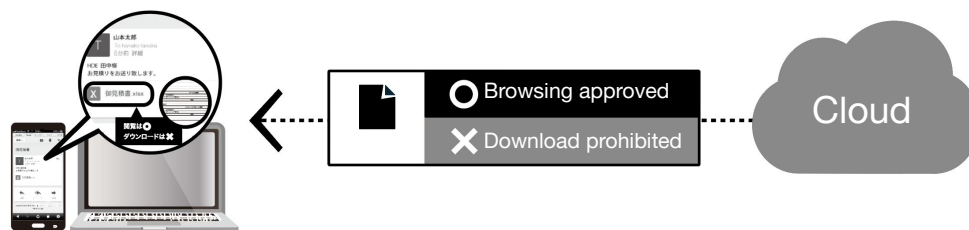
HENNGE One

Provides a balanced work environment of both convenience and security through five key features

1. HENNGE Access Control



2. HENNGE Secure Browser



3. HENNGE Email DLP



4. HENNGE Email Archive

5. HENNGE Secure Transfer

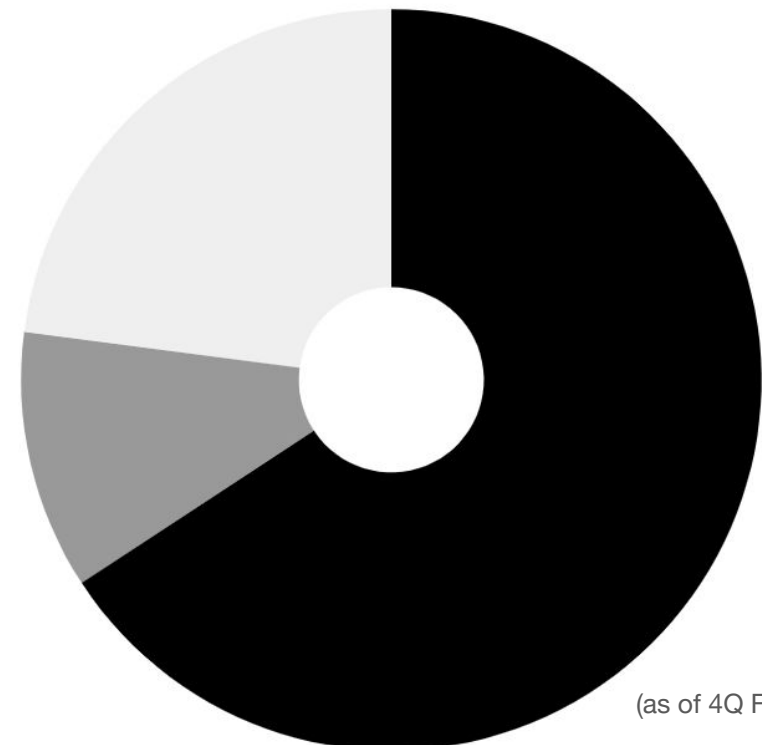
HENNGE One Solid Customer Base

HENNGE One is used by 1,667 customers in various industries, and has 1.95 million users.

(as of 2020-06-30)



Breakdown by Contracted Users Size (ARR Basis)



(as of 4Q FY09/2020)

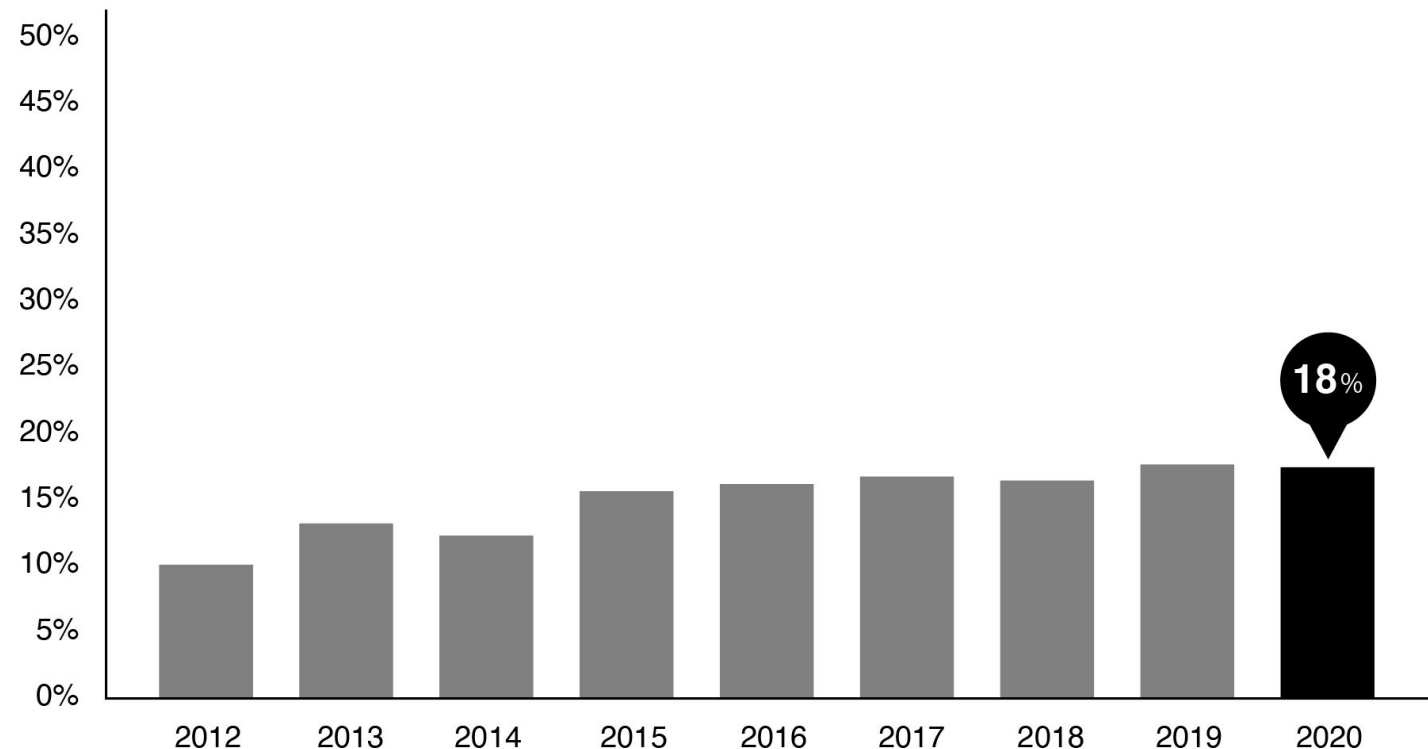
- 300 - 5000 users
- Less than 300 users
- Over 5000 users

Appendix

(Total Addressable Market)

Cloud Adoption Rate in Japan

Cloud adoption rate in Japan is 18%.
There is enough market capacity to expand in Japan.

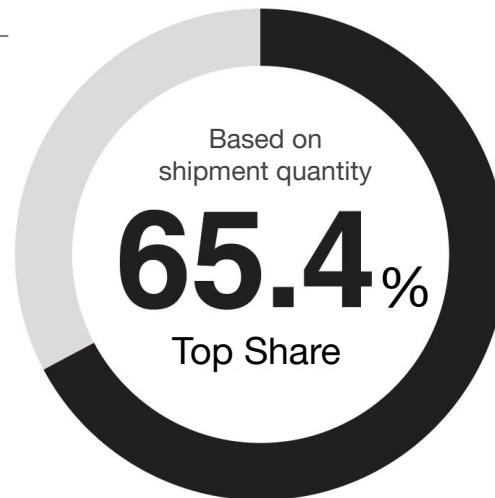


(Reference: Press release 'Latest Survey Finds Average Cloud Computing Adoption Rate of 18% in Japan' in May 2020 by Gartner, Inc. URL of the original release is <https://www.gartner.com/jp/newsroom/press-releases/pr-20200514>)

HENNGE One Domestic Market Share

Cloud-type Single Sign-on Service

IDaaS



Approx. **12.8%**
of listed Japanese companies are using
HENNGE One

(in-company investigation, as of 2020-09-30)

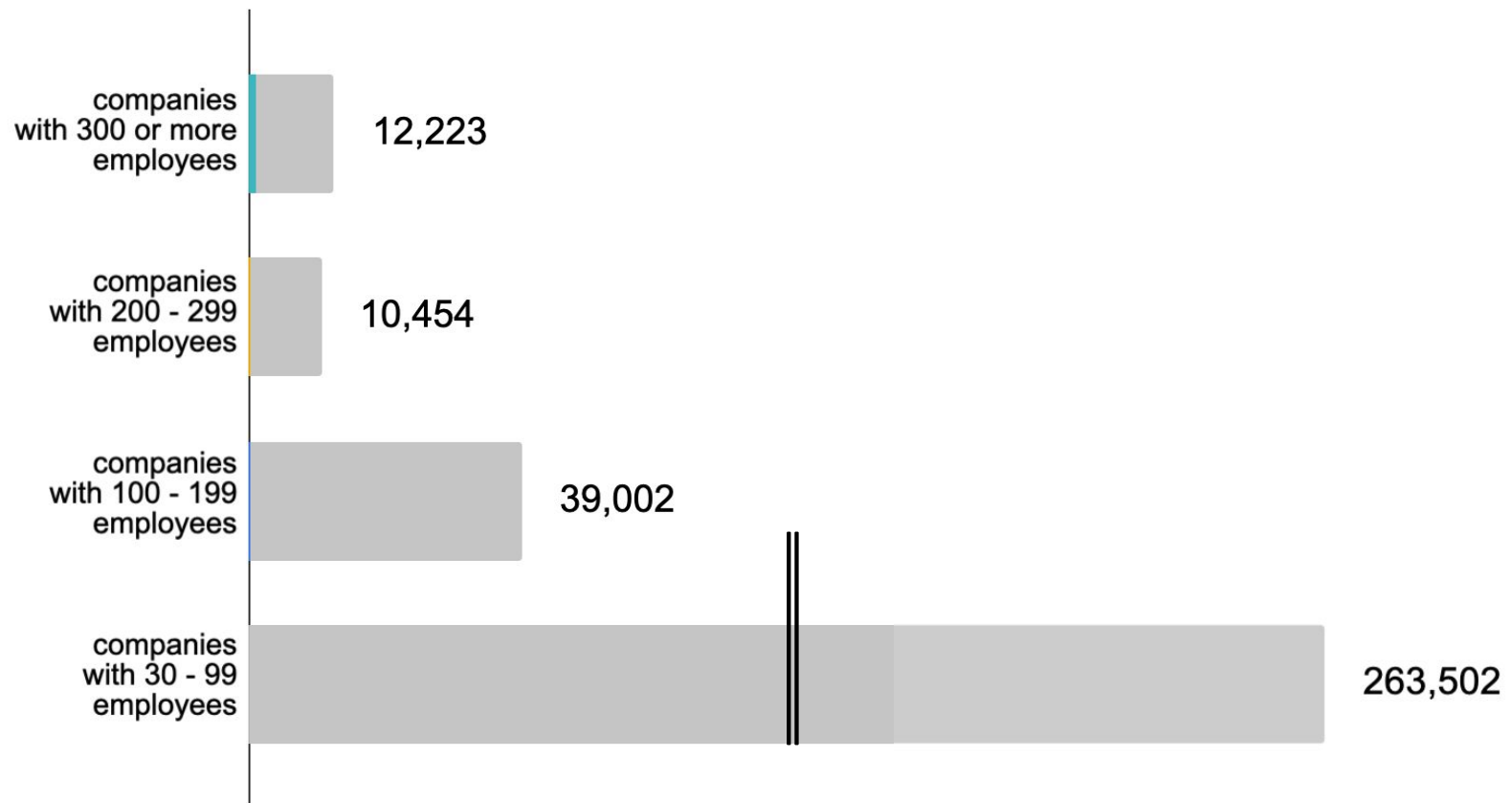
Approx. **1,169**
average users per contracted company

(as of 2020-09-30)

(Reference: 'Fuji Marketing Report BT: Trends in the 2018 Cloud-type Groupware/
Security Market' by Fuji Chimera Research Institute, Inc.)

Growth in # of Contracted Companies(N)

Lots of potential markets still exist within Japan, so we will first reach out to companies with 300+ employees for acquisition cost-effectiveness.



(References: 'Economic Census -Activity Survey Results' by Ministry of Economy, Trade and Industry of Japan in 2016)

Growth in # of Contracted Companies(N)

We will focus on increasing our customers not only in Tokyo, but also in Tokai, Kansai, Kyushu area for first-mover advantage.



Appendix (Other)

Impact of COVID-19

Impact during FY09/2020

- As some events and seminars for customer acquisition were postponed, advertising expenses in FY09/2020 was lower than initially planned.
- New orders in the second half of FY09/2020 were partially affected, and in some cases, the lead time to start of service took longer compared to our average year.
- Cross-selling of services such as HENNGE Device Certificate increased due to the promotion of diverse working styles including telework with our existing customers.
- Sales for HENNGE One in FY09/2020 were not affected significantly as orders remained strong and ARPU from new customers increased.

Impact on and after FY09/2021

- We believe the demand for diverse working styles will accelerate.
- In the event of an economic downturn, we cannot rule out potential service cancellations or reduced service usage.

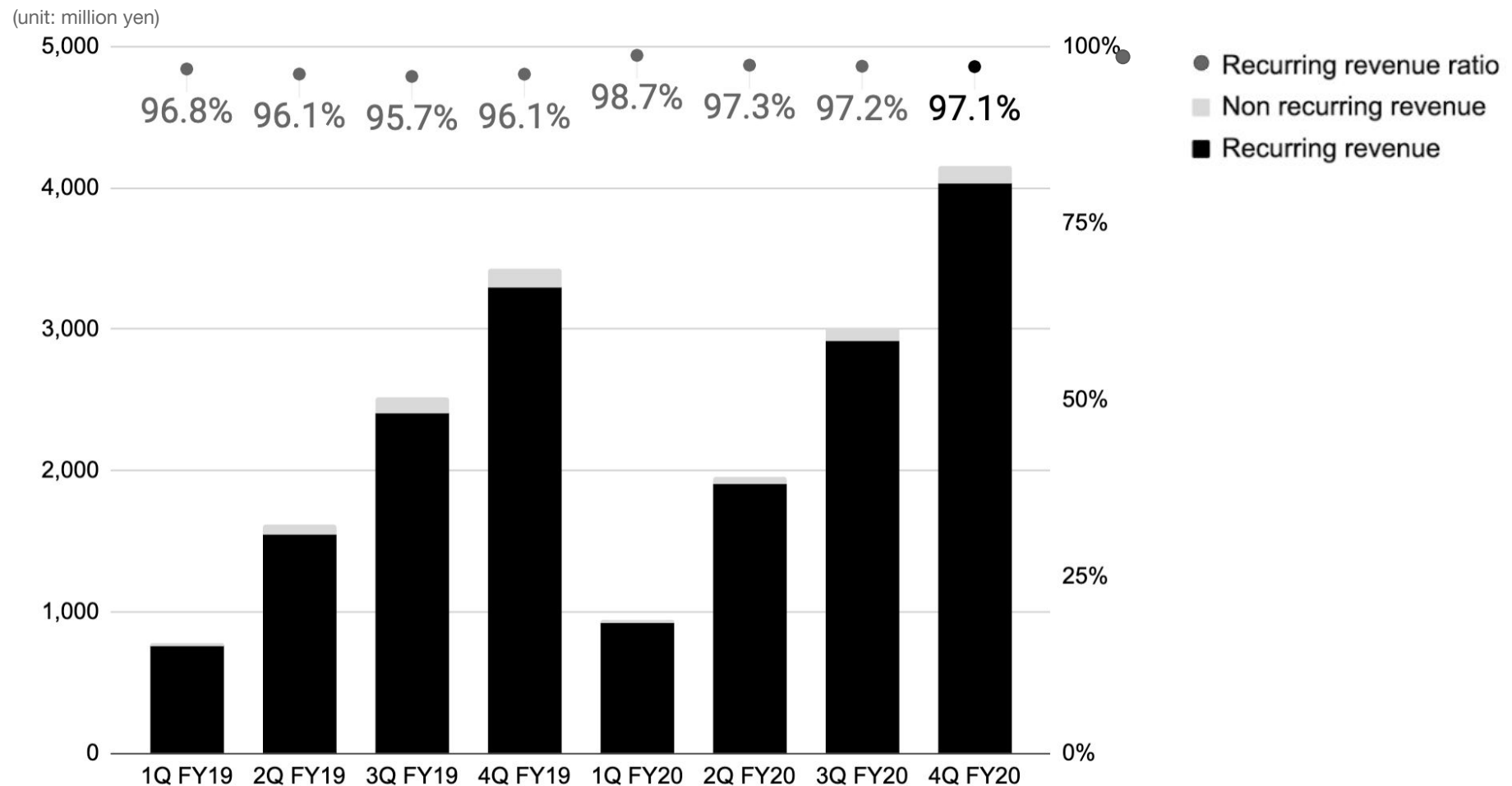
Other

- Delays in onboarding and hosting global talents.

Recurring Revenue Ratio

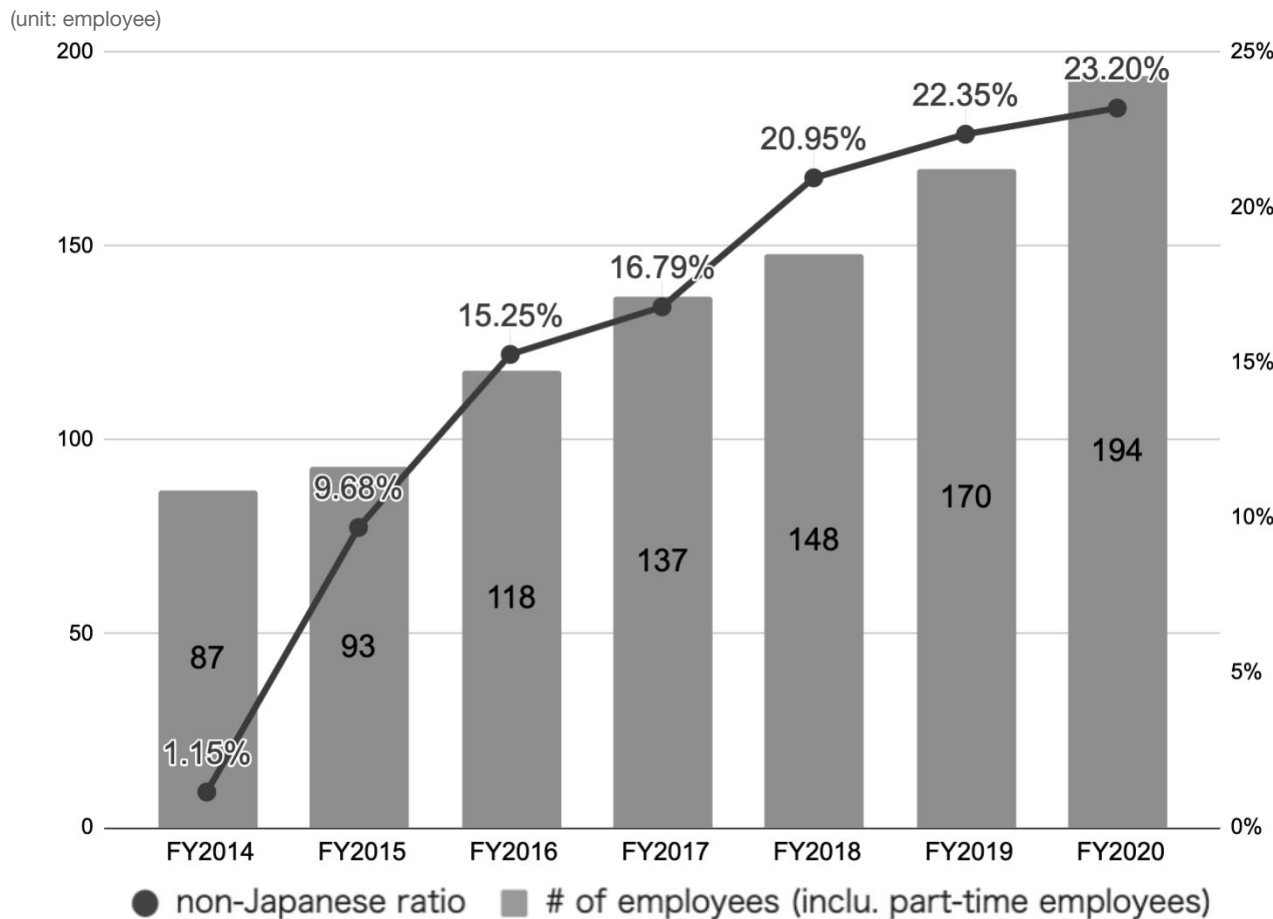
Recurring revenue ratio grew 1.1pt YoY to 97.1%.

We will continue to achieve a strong and stable recurring revenue model.



Diversity & Inclusion

We are focusing our efforts on the Global Internship Program (GIP) to not only provide career development opportunities for the most talented candidates from all over the world, but also to be the precedent organization of diversity and inclusion that utilizes the power of digital transformation to overcome social issues.



GIP Applications (accum.)

148 countries & regions

14,755 applicants

Interns (accum.)

24 countries & regions

91 interns

(Accumulated since 2012, as of 2020-09-30)

Employees (including part-time employees)

from more than **20** countries & regions

(as of 2020-09-30)

Appendix

(Frequently Asked Questions)

Frequently Asked Questions

- **What kind of companies are ‘HENNGE One’ partners?**

Our partners are primarily Microsoft 365 and Google Workspace resellers. They are also companies that support system integration for a specific region or group companies.

- **Where can I see the use case examples of ‘HENNGE One’?**

It is available on our website below:

<https://hennge.com/jp/service/one/case/> (Japanese only)

(Corporate website > Service > HENNGE One > Case)

- **What is ‘Professional service and others’ business?**

All sales other than HENNGE One are included in ‘Professional service and others’.

The lineup consists of:

- "HDE Mail Application Server #Delivery" - Securely delivers large volumes of emails at high speed and its accompanying SI services,
- "Customers Mail Cloud" - A cloud-based email delivery system, and
- On-premise products and their support services that we have been selling for many years.

Past Materials (New Services, etc.)

New Service

Release of 'HENNGE Workstyle' (Feb 2019)

Improve your workstyle through IoT and the Cloud

(M) Agile Meeting と Easy Check-in



New Service

Release of 'Chromo Education' (April 2019)

Provide fast and reliable communication between local governments and their residents to protect our children.



CHROMO

New Plan

New plan of 'HENNGE One' (June 2019)

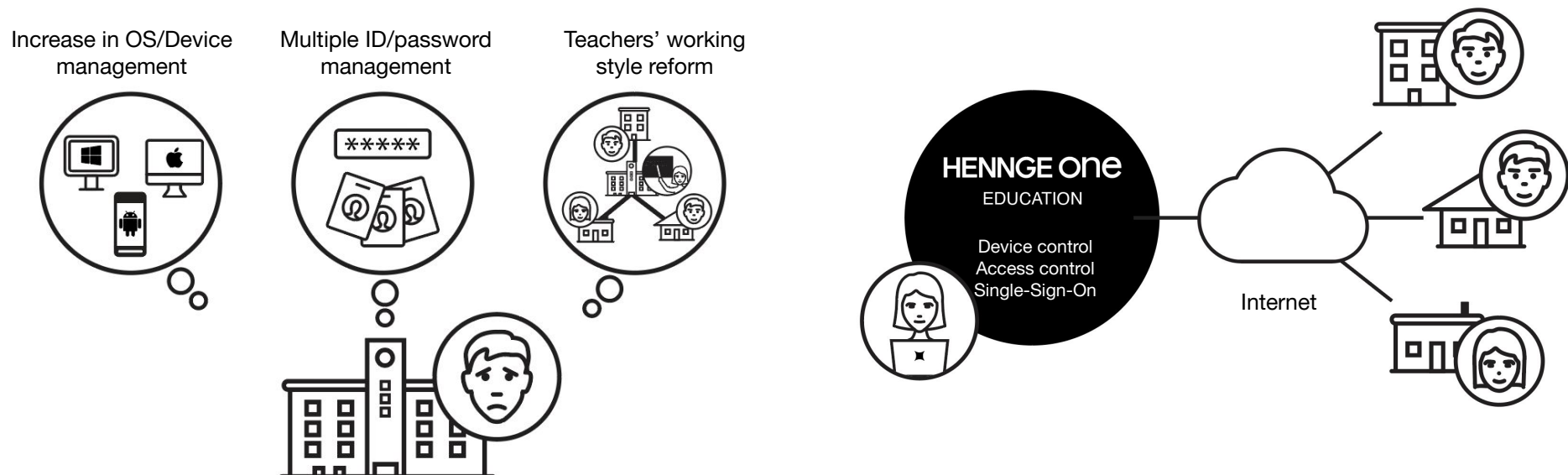
HENNGE One Secure Access	HENNGE One Standard	HENNGE One Business
<p>SaaSとのシングル・サインオンと端末制御機能を含めた、エントリー向けのプランです。</p>	<p>Office 365/G Suiteやその他SaaSとのSSOにメール誤送信対策を含めた標準プランです。</p>	<p>Standardプランに端末制御に必要なデバイス証明書を追加したエンタープライズプランです。</p>
<p>月額 400 円 (税抜) 1ユーザー/月 (年間契約)</p>	<p>月額 500 円 (税抜) 1ユーザー/月 (年間契約)</p>	<p>月額 750 円 (税抜) 1ユーザー/月 (年間契約)</p>
<p>プラン内容</p>	<p>プラン内容</p>	<p>プラン内容</p>
<ul style="list-style-type: none"> HENNGE Access Control HENNGE Secure Browser HENNGE Device Certificate 	<ul style="list-style-type: none"> HENNGE Access Control HENNGE Secure Browser HENNGE Email Archive HENNGE Email DLP HENNGE Secure Transfer 	<ul style="list-style-type: none"> HENNGE Access Control HENNGE Secure Browser HENNGE Email Archive HENNGE Email DLP HENNGE Device Certificate HENNGE Secure Transfer
<p>※ デバイス証明書発行 (1ユーザー1枚まで) ※ 提供可能ライセンス数 200ライセンス～</p>	<p>※ デバイス証明書発行 (有償オプション) ※ 提供可能ライセンス数 100ライセンス～</p>	<p>※ デバイス証明書発行 (1ユーザー3枚まで) ※ 提供可能ライセンス数 100ライセンス～</p>

New Plan

Announcement of ‘HENNGE One for Education’ (Jun 2020)

In response to ‘GIGA School Program’ advocated by the Japanese Ministry of Education, Culture, Sports, Science and Technology (MEXT), ‘HENNGE One for Education’ has become available from July 1, 2020, to all elementary, junior high, and high schools nationwide.

We will support to establish a safe and secure learning environment for children through this service.

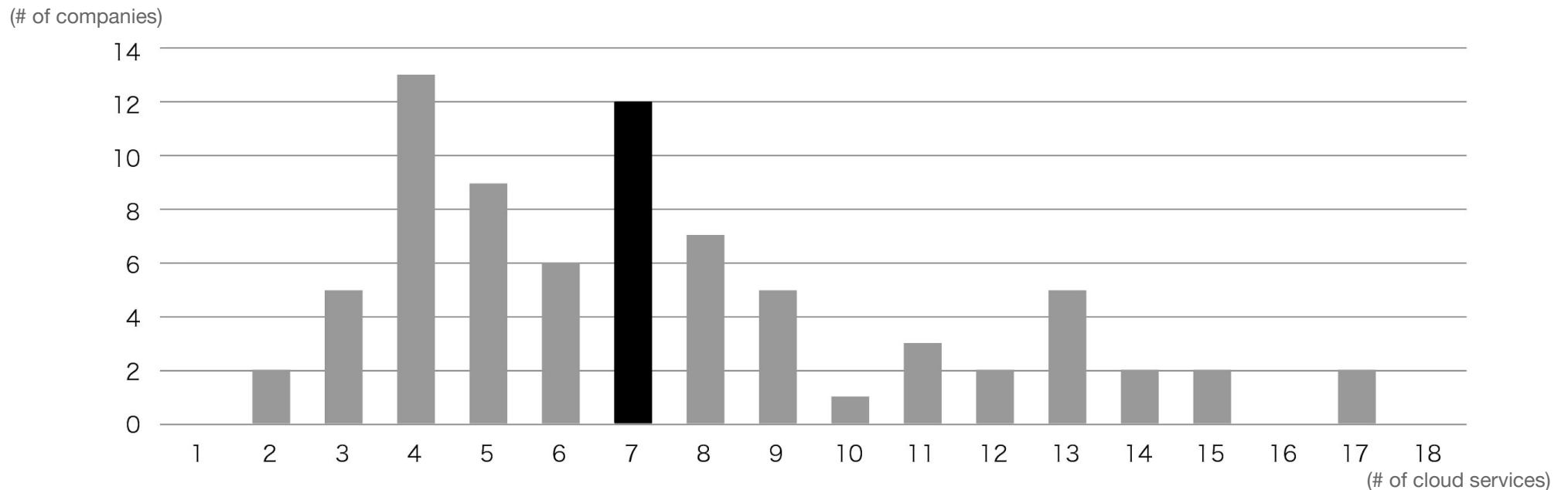


Past Materials (Our Surveys, etc.)

Our Survey

SaaS usage survey to our clients (Dec 2019)

On average, our clients are using 7 cloud services per company, and 24% of them are using 10 cloud services.



Survey overview: SaaS usage survey in business

Number of valid responses: 72

Survey date: November 14, 2019

Survey method: Analysis based on the above 72 valid responses to our usage survey from our HENNGE One users.

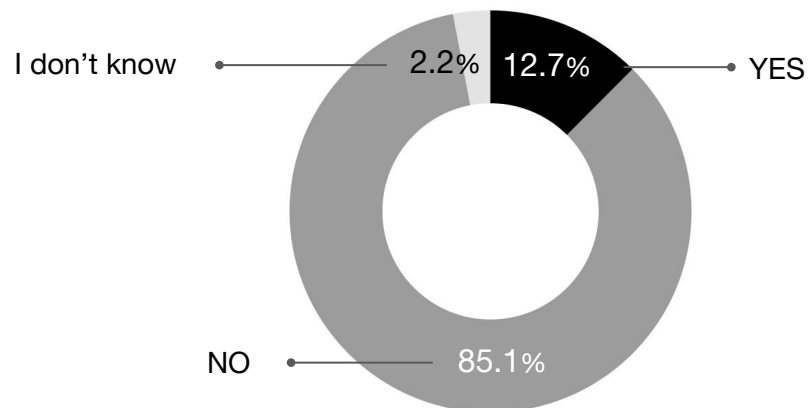
Our Survey

Correlation between SaaS usage and remote work (Mar 2020)

17.2% of companies are using more than one SaaS,
65% of companies that are already using SaaS have adopted remote work, while only
12.7% of companies that are not using SaaS have adopted remote work.

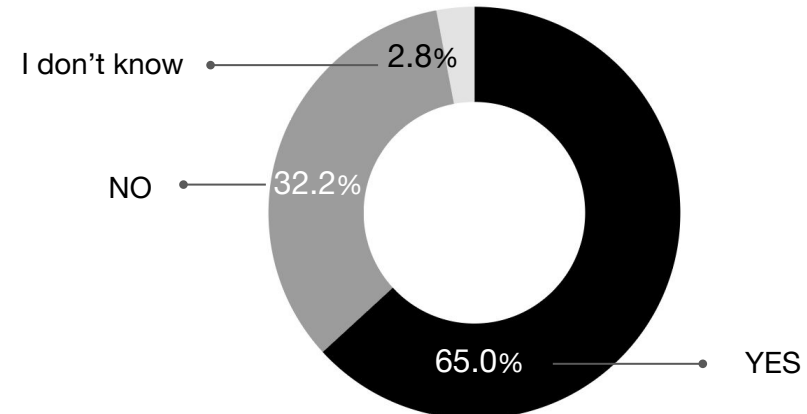
Companies not using SaaS

Q. Has your company adopt remote work?



Companies using SaaS

Q. Has your company adopt remote work?



Survey overview: Survey on correlation between SaaS usage and remote work

Number of valid responses: 1030

Survey date: March 10, 2020 - March 12, 2020

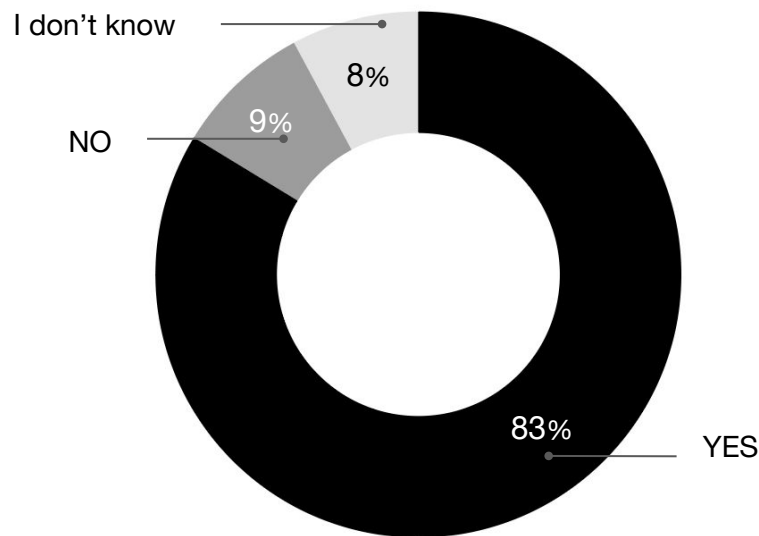
Survey method: Online survey (Research by Macromill, Inc.)

Survey target: Ages between 20 and 65, who work for a company with 50+ employees

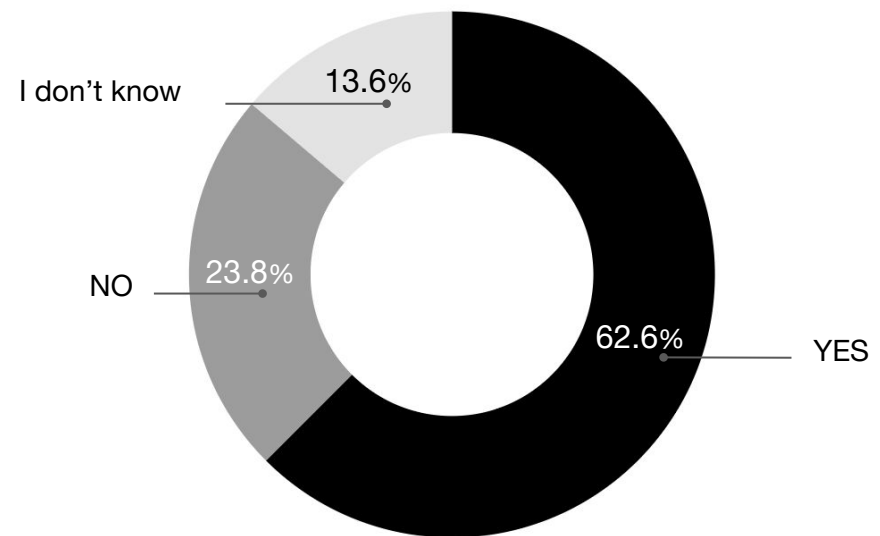
Our Survey

Correlation between remote work and VPN usage (June 2020)

Q. Has your company used VPN in adopting remote work during and after the state of emergency?



Q. Has your company faced any problems with VPN during and after the state of emergency?



Survey overview: Survey on correlation between remote work and VPN usage

Number of valid responses: 309

Survey date: June 8, 2020 - June 9, 2020

Survey method: online survey (Research by Macromill, Inc.)

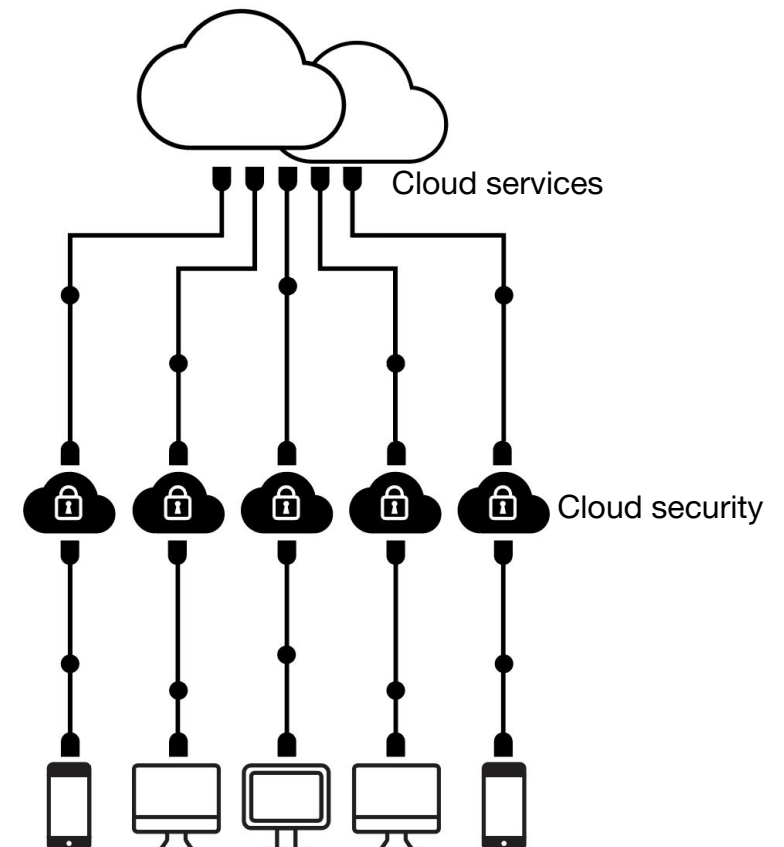
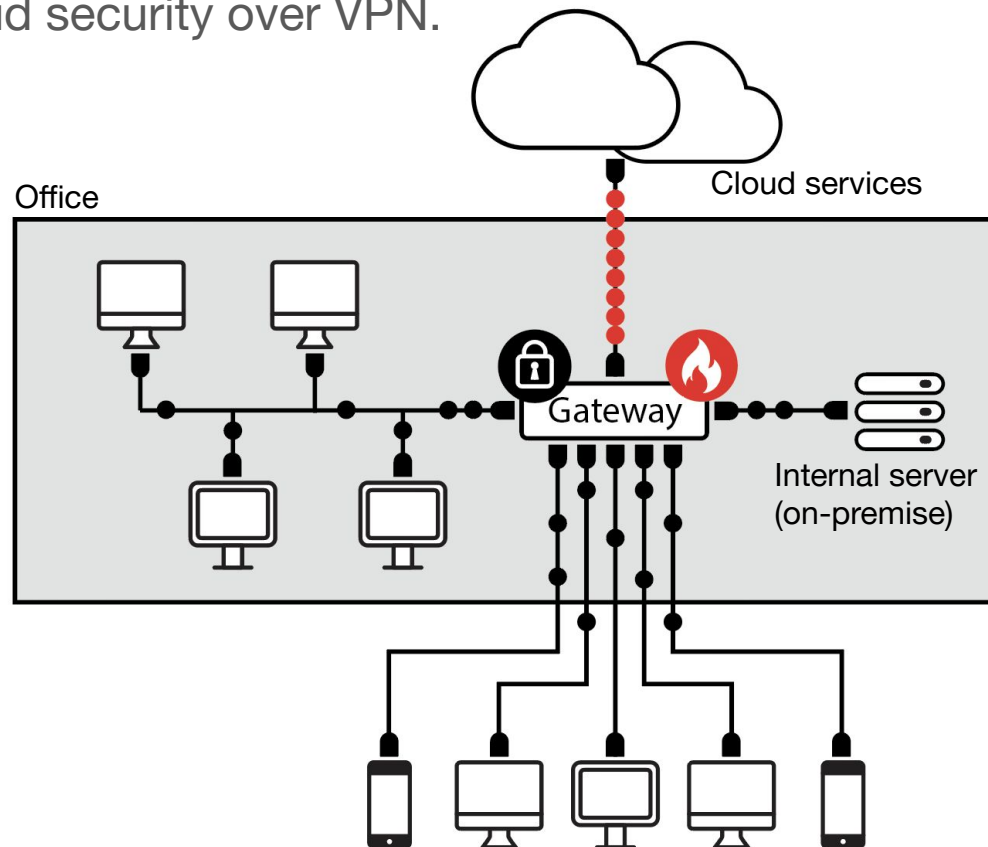
Survey target: People who are person in charge of Internal IT division at a company with 100 or more employees

Others: 'During and after the state of emergency' means 'on and after April 7, 2020'.

VPN Usage

VPN is a technology that grants secure access to company data from outside company premises in exceptional cases, to a configuration that was originally designed to only be used within company premises.

We believe that the ideal solution to distribute internet traffic when using SaaS is to use cloud security over VPN.



Disclaimer

This document has been prepared by HENNGE K.K. (the “Company”) solely for information purpose. This document does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in Japan, the United States or any other jurisdictions. It is prohibited to offer or distribute securities issued by the Company without due registration, or exemption of registration, required under applicable laws in Japan, the United States, or any other jurisdictions. The information contained herein is based on current economic, regulatory, market trends and other conditions. The Company makes no representation or guarantee with respect to the credibility, accuracy or completeness of the information herein. The information contained herein may change without prior notice. You may not publish or use this document and the contents thereof for any other purpose without a prior written consent of the Company. Furthermore, the information on future business results is forward-looking statements. Forward-looking statements include but not limited to expressions such as "believe", "expect", "plan", "strategic", "anticipate", "predict" and "possibility", as well as other similar expressions to explain future business activities, achievements, events and future conditions. Forward-looking statements are predictions about the future that reflect management’s judgment based on currently available information. As such, these forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements.

Therefore, you may not rely entirely on forward-looking statements. The Company does not assume any obligation to change or correct any forward-looking statements in light of new information, future events or other findings.

This document and its contents are confidential and are being provided to you solely for your information and may not be retransmitted. This presentation is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. In giving this presentation, the Company does not undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent.

Information on companies other than the Company and information provided from third parties are based on public information or sources. The Company has not independently verified the accuracy and appropriateness of such data and indicators used herein, nor assume any responsibility for the accuracy and appropriateness of such data and indicators presented in this document.



HENNGE