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November 6, 2020

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 Representative President and Representative Director
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**Notice of the Gap between Forecast and Actual Results
 for the Consolidated Cumulative Second Quarter of the Fiscal Year ending March 31, 2021**

We hereby explain the gap between the actual results for the consolidated cumulative second quarter of the fiscal year ending March 31, 2021 and the forecast which was announced on July 15, 2020, as follows.

1. The Gap between Actual and Forecast in 2Q of the Fiscal Year Ending March 31, 2021 (Accumulate)
 (April 1, 2020 - September 30, 2020)

	Net Sales	Operating income	Ordinary Income	Quarterly profit attributable to owners of parent	Quarterly net income per share
	Yen in million	Yen in million	Yen in million	Yen in million	Yen
Previous forecast (A) (As of July 15, 2020)	41,000	△4,000	△4,100	△2,000	△26.52
Actual Result (B) (As of November 6, 2020)	42,897	△2,449	△2,077	△1,265	△16.78
Changes in amount (B-A)	1,897	1,551	2,022	734	
Rate of Change (%)	4.6	—	—	—	
(References) 2Q of the previous FY (2Q of the fiscal year ended March 31, 2020)	65,926	2,638	2,906	2,210	29.31

2. Reasons for the Gap

In terms of net sales, we had assumed that the impact of the spread of COVID-19 in Japan and overseas would continue for a certain period of the time and that the slump would continue. But the business condition in Japan began to show signs of bottoming out after July, and it exceeded the initial forecast. The operating loss was smaller than expected as a result of an increase in gross profit due to an increase in net sales, a decrease in fixed expenses, and ongoing efforts to reduce SG&A expenses such as advertising and sales promotions. Ordinary income and quarterly profit attributable to owners of parent exceeded the previously announced forecasts, mainly due to equity in earnings of affiliates is higher than our expectations due to the strong performance of Descente China Holding Limited.

We do not change our full-year forecast for FY2020 from the previous forecast because the spread of COVID-19 continues to affect business activities in Japan and overseas, and the outlook is still uncertain. If we determine that it is necessary to revise the forecast based on future performance trends, we will promptly announce it.

(Note)

The above forecast is based on information currently available. Actual results may differ depending on various factors in the future.