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Notice Concerning Additional Accounting of Provision for Loss on Orders Received

ALBERT Inc. (hereafter "ALBERT") announced the press release *"Notice Concerning Accounting of Provision for Loss on Orders Received"* dated May 13, 2021, it accounted provision for loss on orders received at FY12/21. At this time, ALBERT announces additional accounting of provision for loss on orders received at FY12/21 3rd quarter as follows.

1. The contents of the provision for loss on orders received

Due to the one of the projects of AI system development order received was delay and appearing an additional production requirement, ALBERT accounted the provision for loss orders received 105M JPY at FY12/21 2nd quarter. At this time, the delay was continued at the end of FY12/21 3rd quarter, the provision accounts 81M JPY additionally. (Total amount of the provision is 187M JPY.)

The delay was caused by the fact that it took time to adjust the specifications of the system in question, which resulted in a delay from the initially expected schedule, the provision accounted as the amount equivalent to the additional man-hours. However, in addition to additional adjustments to the specifications, a problem occurred in the confirmation procedure for the operation of the system, and ALBERT has been focusing on investigating the cause and correcting the problem, because of that, schedule revising was needed.

ALBERT decided additional accounting the provision 81M JPY as the amount equivalent to the additional man-hours at FY12/21 3rd quarter.

At present, ALBERT is focusing on improving the accuracy of overall project management, clarifying the process of reaching consensus on specifications with the client company, and completing the implementation as soon as possible. The implementation AI systems is expected to lead to mid-long term growth for our business and ALBERT will plan to strengthen our business operating system.

2. Outlook

The forecast of FY12/21 announced on February 15, 2021, is unchanged.

ALBERT recorded record-high sales and profit at FY12/21 3rd quarter announced today and making steady progress toward achieving the forecast, including the provision. In this way, ALBERT is considering that ALBERT's data solution business is perform well in the present environment of growing momentum for digital transformation (DX).