



November 30, 2022

Company: Toshiba Tec Corporation
Representative: Hironobu Nishikori
Representative Director
President and Chief Executive Officer
(Securities code: 6588,
Tokyo Stock Exchange Prime Market)
Contact: Akira Abe
General Manager of Corporate
Communications Division
(Tel: +81-3-6830-9151)

Notice Regarding Resolution of Complaint through Settlement

Toshiba Tec Corporation (the “Company”) hereby announces that a resolution was achieved through a settlement on November 30, 2022, regarding a complaint and a petition for order of provisional disposition that were filed by Teraoka Seiko Co., Ltd. against the Company and a domestic subsidiary concerning patent rights related to semi-self checkout, as follows.

1. Course of events from the filing of a complaint and a petition for order of provisional disposition to the resolution

The Company and a domestic subsidiary (hereinafter, the “Company, etc.”) received a complaint for patent infringement and a petition for order of provisional disposition in June 2021, as well as another petition for order of provisional disposition in February 2022, filed by Teraoka Seiko Co., Ltd. (hereinafter, the “Plaintiff”) in the Tokyo District Court for infringement of its patent rights related to semi-self checkout. (Hereinafter, these complaint and petitions are collectively referred to as the “Teraoka’s Complaint.”)

On the other hand, the Company filed several petitions for provisional disposition with the Tokyo District Court, with the Plaintiff and its group company DIGI I’s Ltd. as debtors, based on the patent rights held by the Company. (Hereinafter, these petitions are collectively referred to as the “Company’s Petitions.”) The Company has been taking appropriate measures after carefully examining the details of the Teraoka’s Complaint.

In the first quarter of the fiscal year ending March 31, 2023, the Tokyo District Court encouraged both the Plaintiff and the Company, etc. to seek a settlement, and since July 2022, the Company has been engaged in settlement negotiations with the Plaintiff in an effort to reach a resolution of the Teraoka’s Complaint and the Company’s Petitions. As a result, the Plaintiff and the Company reached to an agreement to settle on November 30, 2022, and accordingly the Teraoka’s Complaint and the Company’s Petitions have been resolved.

2. The other party in the settlement

- (1) Name: Teraoka Seiko Co., Ltd.
- (2) Location: 5-13-12 Kugahara, Ota-ku, Tokyo
- (3) Name of representative: Kazuharu Teraoka, Chairman of the Board, Chief Technology Architect

3. Major details of the settlement agreement

The settlement agreement mainly includes the payment of ¥6.9 billion from the Company to the Plaintiff, the termination by the Company of its sales of semi-self POS systems from May 2024 and thereafter (see [Note] below; hereinafter, the “Discontinued Semi-self POS Systems”), allowance of the Company’s sales of the Discontinued Semi-self POS Systems only for a limited period until the termination of the sales, subject to payment of license fee for the use of patents, etc. granted by the Plaintiff, the Plaintiff’s withdrawal of its complaint and petition concerning the Teraoka’s Complaint, and the Company’s withdrawal of its petitions regarding the Company’s Petitions.

[Note]: Semi-self POS system refers to a system that enables a cashier to use a register to scan items purchased by a consumer, while allowing the consumer to pay at a payment station selected by the cashier from multiple payment stations. The system adopts the same method as in the Company’s POS software, PrimeStore Rev. 1 to 34, for transferring transaction data between the register and the payment station used by the consumer.

4. Future outlook

The effects of the event on the consolidated financial results for the fiscal year ending March 31, 2023 have been disclosed in the “Notice of revision to the consolidated financial results forecast for the fiscal year ended March 31, 2023 and year-end dividends forecast” and “Notice regarding the recording of extraordinary loss (Provision for loss on litigation)” announced on November 10, 2022.

5. The Company’s policy going forward

Following the termination of sales of the Discontinued Semi-self POS Systems (see the aforementioned [Note] in “3. Major details of the settlement agreement”) from May 2024 onward, the Company is scheduled to provide a new checkout solution. The new checkout solution is expected to expand the personal checkout market that can realize labor- and manpower-saving at stores, enhancement of consumers’ convenience, and new purchasing experience, by combining various checkout methods of the Company. By expanding the use of the personal checkout, the Company aims to build a solid foundation for the data and solutions business, which is positioned as its growth strategy, and to create an ecosystem in the distribution industry through co-creation with customers and partners.