



January 30, 2024

To All

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Notice of Revision of Full-Year Earnings Forecasts for the Fiscal Year Ending March 31, 2024, Recording of Impairment Losses, and Revision of Dividend Forecasts for the Fiscal Year Ending March 31, 2024

In the third quarter of the fiscal year ending March 31, 2024 (the "current fiscal year") (the "third quarter"), we have revised our consolidated earnings forecast and dividend forecast for the full fiscal year ending March 31, 2024 announced on July 28, 2023, as follows, based on recent performance trends. The Company also announces that it has recorded an impairment loss on fixed assets in the third quarter of the current fiscal year.

1. Revision of Financial Results

(1) Revision of consolidated earnings forecast for the fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(Unit: "Millions of yen" except information of per share, %)

	(A) Forecast (Jul. 28, 2023)	(B) Forecast (Jan. 30, 2024)	(B) - (A)	(B) / (A)	Ref. FY2022 (Apr. 1 - Mar. 30)
Net Sales	960,000	957,000	-3,000	-0.3%	933,114
Operating Income	32,500	16,500	-16,000	-49.2%	33,595
Ordinary Income	33,500	17,500	-16,000	-47.8%	34,940
Profit attributable to owners of parent	20,000	-35,000	-55,000	-275.0%	11,470
Net Income per Share	97.33	-170.27	-267.60	-274.9%	55.77

(2) Reasons for Revision

Although the business environment improved in the current consolidated fiscal year due to the weaker-than-expected yen exchange rate, changes in the composition of sales in each segment resulted in a trend of increasing deterioration in earnings. In the Component Segment, the sales composition of products for smartphones to some major customers has changed, and in the Module and System Segment, sales of low-profit products have increased due to increased costs associated with the production launch of new module products, while sales have decreased

due to the termination of deliveries of products to some customers. Operating income is expected to be lower than the previous forecast. As for ordinary income, non-operating income (foreign exchange gains) is expected to be lower than the previous forecast. In addition, net income attributable to shareholders of the parent company is expected to be lower than the previous forecast due to the recording of impairment losses as described in 2 below.

Taking these circumstances into account, we have revised our full-year consolidated forecasts for net sales, operating income, ordinary income, and net income attributable to owners of the parent for the fiscal year ending March 31, 2024, which were announced on July 28, 2023.

The exchange rates for the fourth quarter onward are estimated at US\$1 = 145 yen, 1 euro = 156 yen, and 1 Chinese yuan = 20 yen.

2. Recording of Impairment Loss on Fixed Assets for Business Use

(1) Reason for the loss

The Company expects to record an impairment loss of 35.3 billion yen for fixed assets for business use related to module products that comprise the Module and System Segment and some products for the automotive market that are included in the Sensor and Communication Segment as an extraordinary loss. In addition, it is expected to take time to improve the profit structure of these products, and the latest situation is reflected in the estimate of future cash flows in the third quarter of the current fiscal year. As a result, the present value of future cash flows was less than the book value of the fixed assets held by the Company.

In light of the above, the Company will cancel its 2nd Mid-Term Management Plan (for the period April 1, 2022 through March 31, 2024), which is currently underway, and embark on fundamental management structural reforms to achieve an early recovery during the 3rd Mid-Term Management Plan (for the period April 1, 2025 through March 31, 2027).

The future outlook and details of the management structural reforms will be announced at the time of the full-year financial results for the fiscal year ending March 31, 2024.

(2) Amount of Loss

Business fixed assets (buildings, machinery and equipment, tools, furniture and fixtures, etc.) 35.3 billion yen

3. Revision of Dividend Forecast

(1) Details of Revision (Dividend Reduction)

Dividend per share	Interim dividend	Year-end dividend	Annual dividend
Fiscal 2023 (previous announcement as of October 30, 2023)	—	20.00 yen	40.00 yen
Fiscal 2023 (present announcement)	—	10.00 yen	30.00 yen
Fiscal 2023 (actual)	20.00 yen	—	—
Fiscal 2022(actual)	20.00 yen	20.00 yen	40.00 yen

(2) Reason for dividend revision

Due to the above revision of the financial forecast and the impairment loss, we regret to announce that the year-end dividend per share has been revised downward by 10 yen from the most recent forecast to 10 yen per share, and the annual dividend forecast is 30 yen per share (interim 20 yen per share, year-end 10 yen per share). We would appreciate your understanding in this matter.

(Notes)

The above forecasts are based on information available as of the date of release of these materials.

Actual results may differ from the forecast figures due to various factors in the future.