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(2) Operating income and ordinary income

The Company revises forecasts considering the expenses required for a completion of IPO of SiTime Corporation, the Company's consolidated subsidiary and the decrease in profit associated with a transfer of Smart Connectivity business division.

(3) Net Profit (loss) attributable to owners of parent

In addition to the above revision of an ordinary income, the Company is going to posts the loss on transfer of Smart Connectivity business (extraordinary loss) for amount of around 1.8 billion yen, and income taxes of about -600 million yen ("-" is profit) associated with the dissolution of MegaChips Technology America Corporation, the Company's US subsidiary, respectively in the 3rd quarter, and gain on dissolution of subsidiary for about 500 million yen (extraordinary profit).

And the Company expects to post loss on valuation of investment securities (extraordinary loss) in the 3rd quarter for approximately 500 million yen, thus revises previously published business forecast as follows.

2. Post of loss on valuation of investment securities

The Company approved a resolution in its Extraordinary Board of Directors meeting today to book impairment loss for the part of unlisted equity that the Company sees little likelihood of recovery among investment securities that the Company owns due to deterioration of financial condition of issuing company. Therefore, the Company expects to post a loss on valuation of investment securities for around 500 million yen in the 4th quarter.

※Note

The business forecasts described herein are forward-looking statements based on currently available information and certain premises that are judged to be rational at the time of writing. Actual results may materially differ from these forecasts due to potential risks and uncertainties.

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