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(2) Operating income

In addition to the reduction of gross profit associated the above revision of sales forecast, the Company projected to invest profit from sale of SiTime's shares into the R&D of growth areas, and reduce forecasted amount of amortization of goodwill and intangible fixed assets after second quarter attributable to the reclassification of SiTime to the equity method affiliate, and reflected a change from an operating income to an non-operational expense as an equity in earnings of affiliates. As a result, the Company revises an operating income forecast to ¥3.2 billion (up by ¥500 million from previous forecast) and an ordinary income forecast to ¥2.1 billion (down by ¥200 million from previous forecast).

(3) Net income attributable to owners of the parent

In addition to the above revision of an ordinary income, the extraordinary income (gain on sale of subsidiary's stock and a change in equity) is projected to be ¥3.5 billion associated with the sale of SiTime's shares that the Company owned.

As to the impact and risk of Coronavirus infection, the Company also decided to implement a streamlining of business bases ahead of schedule, such as office leasing contract, buildings and accompanying facilities, and other tangible fixed assets, this led to an extraordinary loss for ¥900 million. Also, the Company reconsidered the recoverability of in-house developed software assets and forecasted an extraordinary loss of ¥1.1 billion.

As a result, the Company revises the net income attributable to owners of the parent to ¥1.8 billion (up by ¥1.4 billion from previous forecast).

2. The post of extraordinary profits on the non-consolidated performance settlement

The Company expects the profit from sale of SiTime's shares for ¥2.1 billion in the first quarter while the corporate taxes is expected to occur for ¥600 million.

※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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