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To Whom It May Concern

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Notice of Extraordinary Losses Incurred and Revision of the Business Results Forecast for the Full Year

The Company hereby announces that a business structure reform cost will be recorded as an extraordinary loss in the closing of accounts for the fiscal year ending March 2018. This will be recorded in addition to the extraordinary losses in the closing of accounts for the second quarter of the fiscal year ending March 2018.

Moreover, the Company also announces the revision of the business results forecast for the full year which was announced on October 25, 2017 in light of recent market performance and order trends.

1. Extraordinary Losses Incurred

As announced on October 25, 2017, due to implementation of business structure reforms related to the withdrawal from non-strategic market and unprofitable products, an extraordinary loss of 16,531 million yen was recorded as a business structure reform cost in the second quarter. After reviewing the areas of withdrawal and scrutinizing inventory assets, the Company has also decided on an additional disposal of inventories, and this will incur an extraordinary loss of 1,965 million yen in business structure reform cost.

2. Revision of forecasted consolidated business results of the full year (cumulative) for the fiscal year ending March 2018 (from April 1, 2017 to March 31, 2018)

	Net Sales	Operating income	Ordinary Income	Profit attributable to owners of parent	Net income per share
Previous forecast (A) (Announced on Oct 25, 2017)	(millions of yen) 173,000	(millions of yen) 10,000	(millions of yen) 9,000	(millions of yen) -13,700	(yen) -113.04
Revised forecast (B)	177,700	11,400	11,200	-12,100	-99.84
Change (B-A)	4,700	1,400	2,200	1,600	—
Ratio of change (%)	2.7%	14.0%	24.4%	—	—
<Reference> Results of the previous year (The full year (from Apr 1, 2016 to Mar 31, 2017))	158,772	5,930	5,026	1,739	14.35

3. Reasons for the revision

As sales were strong for semiconductor device products such as ICs for white goods destined for Chinese air conditioner manufacturers and Korean washing machine and refrigerator manufacturers, as well as sensors and ICs used in vehicle transmission and power steering systems, net sales are expected to exceed our previous forecast.

As for profit and loss, a net loss is expected for the current fiscal year due to extraordinary losses incurred from the implementation of business structure reforms including those described in 1. above. However, operating income and ordinary income are expected to exceed our previous forecasts and the forecasts are therefore revised as shown. This is attributable to an increase in income resulting from an increase in sales, as well as the greater than anticipated depreciation of the yen from the start of the year.

The above description about future matters including financial forecast is based upon information available as of the present time and assumptions we considered valid. Due to various factors, our actual performance could greatly differ from the forecast.