

(This notice has been translated from the original notice in Japanese. In the event of any discrepancy, the original in Japanese shall prevail.)

November 5, 2020

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(Code No. 8150 Listed in the First Section of the Tokyo Stock Exchange)

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For Immediate Release:

Notice Regarding Announcement of Business Forecast and Dividend Forecast

The business forecast and dividend forecast for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021), which were previously undisclosed, are now announced as follows.

Details

1. Consolidated business results forecast for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Net profit attributable to shareholders of parent company	Net profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A)	—	—	—	—	—
Current Forecast (B)	108,000	1,600	1,550	1,350	70.37
Increase/Decrease (B-A)	—	—	—	—	
Rate of Increase/Decrease (%)	—	—	—	—	
(Reference) Results for Previous Term (Ended March 31, 2020)	123,085	1,958	1,858	1,451	75.66

2. Reason for announcing the consolidated business performance forecast for the fiscal year ending March 31, 2021

The spread of COVID-19 continues to cause strong uncertainty and make it difficult to forecast the future. Even so, economic activities are gradually resuming in Japan and overseas. As such, the Group announced the full-year business forecast shown above for the year ending March 31, 2021, which was previously undisclosed. The forecast values are based on business progress until the consolidated first-half period of the Group and on information which is currently available.

In the device business, while the operating system of production plants in China and other countries is gradually normalizing, the situation continues to be affected by the spread of COVID-19, although there are regional differences in the Western markets. Furthermore, the cancellation of the dealership agreement (as of June 30, 2020) with Renesas Electronics Corporation, which had been a major supplier, is expected to have an impact, and sales and profits are expected to decrease year-on-year.

In the solution business, the impact of the spread of COVID-19 infection during the consolidated first-half period was relatively small. Even from the third quarter onwards, the possibility remains of a significant postponement and decrease in scale of capital investment by customers, or of significant late deliveries due to stagnation of production activities at suppliers. Even so, both sales and profits are expected to be at roughly the same level as the previous fiscal year due to the forecast increase in digitalization needs such as telework-related products, etc.

Based on these conditions, the consolidated business performance forecast for the fiscal year ending March 31, 2021 is as follows: Net sales of ¥108,000 million (down 12.3% year-on-year), operating profit of ¥1,600 million (down 18.3% year-on-year), ordinary profit of ¥1,550 million (down 16.6% year-on-year), and net profit attributable to shareholders of parent company of ¥1,350 million (down 7.0% year-on-year).

3. Dividend forecast for the fiscal year ending March 31, 2021

(Yen)

	Dividend per share		
	2Q-end	Year-end	Annual
Previous Forecast	8.00	—	—
Current Forecast	8.00	27.00	35.00
Results for Previous Term (Ended March 31, 2020)	15.00	55.00	70.00

4. Reason for announcing dividend forecast

While aiming for a consolidated payout ratio of 50%, our basic policy is to decide on dividends while considering a balance of return to shareholders, investment for acquiring growth opportunities, maintenance of internal reserves for enabling sustainable growth, and improvement of capital efficiency. Based on this policy, in conjunction with announcing the forecast values for net profit attributable to shareholders of parent company for the fiscal year ending March 31, 2021, the Group announced the year-end dividend forecast as shown above, which was previously undisclosed.

Note: The projected results and forward-looking statements included in this document reflect the Company's expectations based on information available at the time of release, and are not intended as a guarantee that the Company will achieve these targets. Actual performance may differ considerably from the forecast due to various factors.