

July 15, 2021

**Notice of Extraordinary Income Expected to be Recorded
and Revisions to Business Forecasts**

The Company now expects to record an additional gain (approximately 3 billion yen) due to a gain on change in equity of an equity-method affiliate called Hangzhou Semiconductor Wafer Co., Ltd. (hereinafter “CCMC”) of our Group from the first quarter in the fiscal year ending March 2022. This is in regards to the approximately 1.35 billion yuan (approximately 23 billion yen) confirmed to have been paid up to July 9, 2021 (hereinafter “the reference date”) excluding the approximately 1.5 billion yuan (approximately 25.5 billion yen) previously confirmed to have been paid up to May 31, 2021 due to the issuance of new shares through third-party allotment (total issue amount: 3.3 billion yuan**) by CCMC as we announced in “Notice of the (Second) Issuance of New Shares through Third-Party Allotment and Capital Investment (Acquisition of Fixed Assets) at an Equity-Method Affiliate for Manufacturing Semiconductor Wafers” dated April 15, 2021. Accordingly, we have revised our consolidated business forecasts for the fiscal year ending March 2022. Details are as follows.

*We have changed the English abbreviation from the previous “FTHW” to “CCMC.”

**We have increased the total issue amount from the previous 3 billion yuan to 3.3 billion yuan in the “(Change of a Disclosed Item) Notice of the (Second) Issuance of New Shares through Third-Party Allotment and Capital Investment (Acquisition of Fixed Assets) at an Equity-Method Affiliate for Manufacturing Semiconductor Wafers” dated today.

1. Extraordinary income expected to be recorded

Our group's gain on change in equity is approximately 3 billion yen. This was estimated based on approximately 1.35 billion yuan (approx. 23 billion yen) that we have confirmed as of the reference date, out of the total amount of 3.3 billion yuan (approx. 56.1 billion yen) issued in the second third-party allotment by CCMC. This gain will be recorded as extraordinary income after the first quarter of the fiscal year ending March 2022, but this amount may change depending on the status of the payment in the future and the financial results after the first quarter of the fiscal year ending March 2022. With this, we have decided to revise our consolidated business forecasts reflecting the gain on change in equity based on the above paid-in amount, which we have confirmed at this time.

2. Revisions to consolidated business forecasts

(1) Revisions to consolidated business forecasts for the cumulative second quarter of the fiscal year ending March 2022 (April 1, 2021 to September 30, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A)	Million yen 51,000	Million yen 7,900	Million yen 7,200	Million yen 8,600	Yen 230.53
Revised forecasts (B)	51,000	7,900	7,200	11,600	310.95
Change (B-A)	0	0	0	3,000	
Change rate (%)	0.0%	0.0%	0.0%	34.9%	
(Reference) Previous 2Q results (FY3/21 2Q)	41,595	3,913	2,824	70	1.91

(2) Revisions to consolidated full-year business forecasts for the fiscal year ending March 2022

(April 1, 2021 to March 31, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	105,000	15,000	13,600	12,300	329.71
Revised forecasts (B)	105,000	15,000	13,600	15,300	410.13
Change (B-A)	0	0	0	3,000	
Change rate (%)	0.0%	0.0%	0.0%	24.4%	
(Reference) Previous results (FY3/21)	91,312	9,640	8,227	8,280	222.93

(3) Reasons for revisions

In light of the recording of extraordinary income (approximately 3 billion yen) after the first quarter of the fiscal year ending March 2022, we have revised our forecasts for net income attributable to owners of parent for the second quarter (cumulative) to 11,600 million yen (up 3,000 million yen from the previous forecast) and for the full year to 15,300 million yen (up 3,000 million yen from the previous forecast).

We have also revised net income per share for the second quarter (cumulative) to 310.95 yen (up 80.42 yen from the previous forecast) and for the full year to 410.13 yen (up 80.42 yen from the previous forecast).