

To whom it may concern:

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**Notice of Differences between the Forecasts and the Results of Financial Performance for the
2nd quarter of the Fiscal Year Ending March 31, 2021 and
Dividends from surplus(interim dividend)**

We hereby inform you of the differences between the forecasts announced on May 18, 2020 and results disclosed today for the 2nd quarter of the fiscal year ending March 2021, as follows.

Furthermore, the dividends of surplus (interim dividend) with September 30, 2020, as the record date, have been decided as follows:

1. Differences between the forecasts for the 2nd quarter of the fiscal year ending March 2021 and results

- Differences between the Forecasts and the Results of Consolidated Financial Performance for the 2nd Quarter Ended September 30, 2020
(From April 1, 2020 to September 30, 2020)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	48,600	(1,200)	(1,200)	(1,800)	(250.03)
Actual Result (B)	48,768	(1,634)	(1,647)	(2,469)	(342.39)
Difference (B-A)	168	-434	-447	-669	—
Ratio (%)	0.3	-36.2	-37.3	-37.2	—
Results of 2nd Quarter (Ended September, 2019)	66,100	1,666	1,633	1,701	224.46

- Differences between the Forecasts and the Results of Non-Consolidated Financial Performance for the 2nd Quarter Ended September 30, 2020
(From April 1, 2020 to September 30, 2020)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	23,000	(1,200)	0	(1,600)	(222.25)
Actual Result (B)	23,936	(1,769)	(460)	(1,411)	(195.79)
Difference (B-A)	936	-569	-460	189	—
Ratio (%)	4.1	-47.4	—	11.8	—
Results of 2nd Quarter (Ended September, 2019)	32,604	(290)	1,565	2,202	290.47

● Reason for the differences

(Consolidated)

• Due to the following non-consolidated factors that deteriorated our business performance, operating income, ordinary income, and profit attributable to owners of parent has become lower than those previously announced. The full-year results have not changed, as described below.

(Non-Consolidated)

• Our production efficiency further deteriorated due to a decrease in sales from the same period of the previous year mainly caused by the spread of novel coronavirus infection worldwide. Accordingly, the operating income and ordinary income fell below the previously announced forecast. The forecast on full-year earnings remains unchanged because the production and sales performance are expected to improve from the third quarter onward.

2. Regarding dividends from surplus (interim dividend)

	Decided amount	Latest Forecasts of Dividends	Result of Previous Fiscal Year
Record date	September 30, 2020	Same as on the left	September 30, 2019
Cash dividends per share(Yen)	0.00 yen	Not yet decided	40.00 yen
Cash dividends (Millions of Yen)	—	—	287Millions of yen
Effective date	—	—	November 29, 2019
Resource of dividends	—	—	Retained earnings

(Reason)

The forecast on the dividends of surplus (interim dividend) has not yet been decided. However, considering the above-mentioned second-quarter results, we regret to inform you of the suspension of dividends. The year-end dividend forecast will remain undecided as the uncertain situation continues, including the infection status of novel coronavirus.