

August 13, 2021

**Notice of the Revision to Consolidated Business Forecasts and
Dividend Forecasts (Special Dividend)**

Considering the recent healthy business performance, the Company has decided to revise the dividend forecasts while revising the consolidated business forecasts for the fiscal year ending March 2022, which was revised and disclosed on July 15, 2021. Details are as follows.

1. Revision to consolidated business forecasts

(1) Revision to consolidated business forecasts in the first half for 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 11,600	Yen 310.95
Revised forecasts (B)	58,000	10,000	12,000	16,000	427.70
Change (B-A)	7,000	2,100	4,800	4,400	
Change rate (%)	13.7%	26.6%	66.7%	37.9%	
(Reference) Previous results (1 st half of FY3/21)	41,595	3,913	2,824	70	1.91

(2) Revision 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
Previous forecasts (A)	Million yen 105,000	Million yen 15,000	Million yen 13,600	Million yen 15,300	Yen 410.13
Revised forecasts (B)	115,000	20,000	20,000	20,000	534.63
Change (B-A)	10,000	5,000	6,400	4,700	
Change rate (%)	9.5%	33.3%	47.1%	30.7%	
(Reference) Previous results (FY3/21)	91,312	9,640	8,227	8,280	222.93

(3) Reasons for the revision

Regarding sales, the operation rates of semiconductor device manufacturers remain high, because the demand for smartphones, PCs, servers, etc. has grown due to the global popularization of telecommuting amid the COVID-19 pandemic

and the global demand-supply gap for electronic parts has widened due to the turmoil in the supply chains of automobile makers. Accordingly, the semiconductor equipment-related business has seen healthy sales of vacuum feedthroughs for manufacturing equipment and materials (quartz, ceramics, etc.) used for the semiconductor manufacturing process and the precision parts cleaning and recycling service. In the electronic device business, the sales of thermo-electric modules, which are core products, remain healthy, as they are used for devices for 5G communication systems, medical testing apparatus, such as PCR testing devices, and also in the consumer field. In addition, new power semiconductor substrates for automobiles are increasingly adopted. Therefore, the total sales for the first half are projected to be 58,000 million yen, up 13.7% from the previous forecast, and annual total sales are forecast to be 115,000 million yen, up 9.5% from the previous forecast.

Regarding profit, operating income and ordinary income are expected to increase significantly, due to the sales growth of semiconductor materials, precision parts cleaning and recycling service, and thermo-electric modules as well as the reorganization of a semiconductor wafer-manufacturing subsidiary from a consolidated subsidiary into an equity-method affiliate, which was conducted in the third quarter of the previous term, excluding the depreciation, etc. of its business from consolidated financial statements. For the first half, it is forecast that operating income will be 10,000 million yen, up 26.6% from the previous forecast, ordinary income will be 12,000 million yen, up 66.7% from the previous forecast, and net income will be 16,000 million yen, up 37.9% from the previous forecast. For the full year, it is forecast that operating income will be 20,000 million yen, up 33.3% from the previous forecast, ordinary income will be 20,000 million yen, up 47.1% from the previous forecast, and net income will be 20,000 million yen, up 30.7% from the previous forecast. Here, ordinary income is expected to exceed operating income in the cumulative second quarter, due to the gain from the depreciation of the yen against the yuan from the beginning of the year (non-operating income), but from the third quarter, it is assumed that the appreciation of the yen against the yuan will progress, and annual ordinary income is expected to be at the same level as operating income. Net income is expected to exceed ordinary income considerably, thanks to the gain from the change in equity (extraordinary gain) through the allocation of new shares to a third party in affiliates in the second quarter, but from the third quarter, it is assumed that there will be no such extraordinary gain, and considering extraordinary losses and income taxes, annual ordinary income is expected to be at the same level as net income.

2. Revision to full-year dividend forecasts

	Dividend per share		
	End of the 2Q	Year-end	Annual
Previous forecasts (Announced on May 14, 2021) The brackets represent the breakdown.	Yen 14.00 [Common dividend: 14.00] [Special dividend: 0.00]	Yen 14.00 [Common dividend: 14.00] [Special dividend: 0.00]	Yen 28.00 [Common dividend: 28.00] [Special dividend: 0.00]
Revised forecasts The brackets represent the breakdown.	23.00 [Common dividend: 14.00] [Special dividend: 9.00]	23.00 [Common dividend: 14.00] [Special dividend: 9.00]	46.00 [Common dividend: 28.00] [Special dividend: 18.00]
Results of this term			
Previous results (FY3/21) The brackets represent the breakdown.	12.00 [Common dividend: 12.00] [Commemorative dividend: 0.00]	18.00 [Common dividend: 14.00] [Commemorative dividend: 4.00]	30.00 [Common dividend: 26.00] [Commemorative dividend: 4.00]

Our corporate group aims to improve our corporate value through sustainable growth by securing an appropriate amount of internal reserves and conducting capital investment, M&A, etc. while controlling investment risks by effectively using external funds. We recognize the return of profit to shareholders as one of important measures for business administration, and make efforts to return profit while pursuing the optimal balance between business performance and stable return through mainly

dividends. For the dividends in the current fiscal year, we plan to pay a special dividend, because profit is expected to considerably exceed the goal for the fiscal year 2022 set in the new mid-term management plan, which was announced on May 28, 2021, and achieve the plan for the fiscal year 2023 earlier than expected, considering the gain from the change in equity through the allocation of new shares to a third party in affiliates related to semiconductor wafers, etc. and the healthy performance of subsidiaries. Regarding the dividend forecasts for the current fiscal year, we plan to pay a common dividend of 14.00 yen/share plus a special dividend of 9.00 yen/share for a total of 23.00 yen/share at the end of the second quarter and at the end of the term (the annual dividend will be 46.00 yen/share).

<References> KPIs in the new mid-term management plan (The underlined parts are revised from the amount announced on May 28, 2021.)

KPI	Unit	Results for FY3/21 <small>(Note)</small>	New mid-term management plan			
			FY3/22	FY3/23	FY3/24	
Consolidated net sales	Million yen	91,312	105,000	125,000	150,000	
Operating income	Million yen	<u>9,640</u>	15,000	19,000	25,000	
Operating margin	%	<u>10.6</u>	14.3	15.2	16.7	
Net income	Million yen	<u>8,280</u>	7,800	11,000	15,000	
ROE	%	<u>14.3</u>	→			15.0
ROIC	%	<u>7.2</u>	→			8.0
Equity ratio	%	<u>37.9</u>	→			Over 40.0
Capital investments	Million yen	14,297	40,000	39,000	16,000	

Annual dividend	Yen	30.00	28.00	Increase in return to shareholders through profit growth
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Note: Since the new mid-term management plan was produced with reference to the quarterly financial results before revision, we have revised the actual KPIs for the fiscal year ended March 2021, excluding net sales, capital investments, and dividends (underlined), with reference to the revised quarterly financial results.