

November 5, 2019

Notice Concerning the Forecast of Non-consolidated Financial Results for FY2019

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We hereby announce the forecast of non-consolidated financial results for FY2019 ending March 31, 2020. The details are as follows.

1. Forecast of non-consolidated financial results for FY2019 ending March 31, 2020 (April 1, 2019 through March 31, 2020)

	Sales (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (yen)
Previous actual results (A) (FY2018 ended March 31, 2019)	118,228	8,721	7,197	150.19
Forecast (B) (FY2019 ending March 31, 2020)	123,000	(1,300)	(5,300)	(115.81)
Change (B) – (A)	4,772	(10,021)	(12,497)	
Percentage change (%)	4.0	-	-	

2. Reason for announcement

We have applied for the Advanced Pricing Agreement (APA) for the arm's length price calculation method to the Japanese and Mexican tax authorities regarding transfer prices for transactions with our subsidiary in Mexico, and they reached an agreement in the Mutual Agreement Procedure. Following the agreement, we have recorded 5.8 billion yen in income taxes for prior periods as price adjustments for previous transactions in our non-consolidated financial results for the second quarter of FY2019 ending March 31, 2020.

We also have applied for APA to the Japanese and the US tax authorities regarding transfer prices for transactions with our subsidiaries in the US, and they reached an agreement in the Mutual Agreement Procedure. This is expected to lead to our payment of price adjustment amount to the subsidiaries in the US.

As a result, a difference exceeding a predefined threshold is expected to arise between the forecast of non-consolidated financial results for FY2019 and the actual results of the previous fiscal year, and we therefore announce the forecast.

*The above forecasts are based on information available as of the date this announcement was released. Actual results may differ from the forecasted figures due to various factors arising in the future.