

February 14, 2022

To All Concerned Parties,

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Notice Regarding Differences between Consolidated Earnings Forecasts and Actual Results for the Cumulative Period for the Second Quarter of Fiscal Year Ending June 2022

This is inform you that there is a difference between the consolidated earnings forecast and actual results for the cumulative second quarter of the fiscal year ending June 2022 announced on August 13, 2021.

1. Differences between consolidated earnings forecasts and actual results for the cumulative period for the second quarter (From July 1st, 2021 to 31st December, 2021)

| | Revenue | Operating income excluding goodwill amortization, etc. | Operating income | Ordinary income | Net income attributable to parent company shareholders | Earnings Per Share (Yen) |
|---|---------|--|------------------|-----------------|--|--------------------------|
| Previous forecast (A) | 36,784 | 7,470 | 6,661 | 6,639 | 4,818 | 17.74 |
| Actual Results (B) | 37,702 | 8,902 | 8,101 | 8,590 | 6,383 | 23.54 |
| Change (Amount)(B-A) | +917 | +1,432 | +1,439 | +1,950 | +1,565 | +5.80 |
| Change (%) | +2.5 | +19.2 | +21.6 | +29.4 | +32.5 | - |
| (Reference) Previous Results (The first half of FYE June 2021) | 28,301 | 6,261 | 6,186 | 6,097 | 4,451 | 17.08 |

(Amount :Millions of yen)

2. Reasons for differences and corrections

<Regarding the content of the differences between consolidated earnings forecast and actual results for the cumulative period for the second quarter>

The forecast for the current fiscal period was based on the assumption that the impact of the COVID-19 infection would recover except in some areas. In the United States and Europe, the recovery of the number of cases due to the spread of infection has been delayed more than expected. However, revenue exceeded expectations because the yen depreciated, the revenue of the Medical division in China exceeded expectations with increasing demand and both medical and industrial components business in Device division performed better than expected.

Operating income excluding amortization of goodwill and operating income exceeded expectation because gross profit exceeded expectations in proportion to strong sales and SGA expense was delayed and unused in some due to the impact of the COVID-19.

Ordinary income exceeded expectations due to an increase in foreign exchange gains.

Net income attributable to parent company shareholders exceeded expectations due to an increase extraordinary gain from step acquisitions gain in connection with the acquisitions related to business combination dated on July 1st, 2021.

Under these circumstances, in regard to the cumulative period for the second quarter, there was a difference between earnings forecast and actual results in revenue, operating income excluding amortization of goodwill, operating income, ordinary income and net income attributable to parent company shareholders.

<Regarding to the full-year earnings forecast>

Although the second quarter results progressed favorably more than expected, full-year forecast remain unchanged.

At present, the business performance is favorable mainly in the Chinese market of the Medical division and the Device division. We have not revise the full-year earnings forecast announced on August 13, 2021 in consideration of uncertain trends as above, because the number of cases and activity ratio is unknown due to the uncertain trend of COVID-19 in most regions in Japan and overseas, delays in SGA expenses is expected to occur and exchange trends is uncertain.

If it becomes necessary to revise the full-year earnings forecast, we will promptly announce it.

There is no change in the dividend forecast at this time, however we will make a decision based on a comprehensive assessment of the final consolidated business results for the current fiscal year and future business prospects, based on or basic policy of continuing to pay stable dividends over the long term.

*Caution regarding earning forecast

The above forecasts are based on information available to the Company at the time of this announcement and assumptions based on reasonable assumptions. Therefore, please note that actual results may differ greatly from those described in this document due to various factors.