Impacts of New Coronavirus (COVID-19)

We inform about impacts of new Coronavirus (COVID-19) infectious disease.

1. Impacts on production activities
   Our group production subsidiary in Philippines
   PRICON MICROELECTRONICS INC.
   On March 16, Philippines government issued a limit to going out in every part of Luzon Island due to New Coronavirus (COVID-19) infectious disease spread. By this announcement, residents must stay inside, and there are a stop of public transportation and delay of physical distribution in whole area of Luzon Island at this moment.
   In addition, Kabuyaw-city in Laguna state in southern part of Luzon Island, where our group production subsidiary “Pricon Microelectronics Inc.” (hereinafter referred to as the “Philippines factory”) is located, issued restrictions against all travelling of people and goods starting from March 19, today. As a result, we made a judgement that it was difficult for Philippines factory to continue the production and decided to suspend the production operations from March 19, 2020.

2. Impacts on business performance to group company
   At this moment, it is uncertain when Philippines factory can resume the operation.
   We anticipate that there is some possibility of affecting to the production and shipment in some area of our products. We will try to minimize impacts to our customers.
   Further, our factory in Japan is in normal production operation.
   As for impacts on consolidated financial result of fiscal year ending March 2020, as soon as we can make an appropriate and reasonable calculation we will disclose immediately.