

To Whom It May Concern:

September 16th, 2011

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President and CEO, Representative Director of the Board

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Notice of posting of extraordinary loss and reversal of deferred tax assets
accompanying the implementation of measures to strengthen structural reform

At its board meeting held on September 16, 2011, the Company decided to implement measures to strengthen structural reform. We hereby announce the details of an extraordinary loss that will accompany the implementation of these structural reform measures. We also announce a reversal of deferred tax assets that we expect to post for the second quarter of the fiscal year ending March 31, 2012.

1. Measures to strengthen structural reform

The yen is continuing to appreciate and there is increasing uncertainty about the future. In such circumstances, in the field of consumer electronics such as notebook PCs and mobile phones, which are our main markets, we are seeing rapid fluctuations in product demand and lower prices of products and services. These factors are causing our productivity to deteriorate and are placing us under pressure to cut prices. They have a significant influence on both our sales and profits.

Since the second half of the fiscal year 2011, we have been working to carry out emergency measures known as Actions to be taken urgently and structural reform to become a stronger company. They place top priority on recovering profits. However, the market environment is becoming even more adverse and our incoming orders have significantly deteriorated. We expect this very difficult business environment to continue in the future.

We will reform our cost structure so that we can generate profits even in this challenging environment, and build a solid business foundation for new growth. To this end, we believe that further structural reform is essential. In other words, aiming to lower the break-even point, we will tackle structural reform measures that will reduce costs by 9 billion yen.

An outline of these measures to strengthen structural reform is as follows.

- Integrate production sites: Close some plants in Japan and transfer facilities
- Reduce number of employees: Cut workforce by about 700 people (permanent employees and non-permanent employees combined)
- Reduce labor costs: Reduce the compensation paid to executives and the salaries and bonuses of managers and regular employees
- Sharpen response to yen appreciation: Encourage the procurement of raw materials abroad

2. Posting of extraordinary loss

With the implementation of the measures to strengthen structural reform, for the second quarter of the consolidated fiscal year ending March 31, 2012 we expect to post an extraordinary loss of 11.2 billion yen. This is made up of an impairment loss on fixed assets of about 7.8 billion yen, and a special additional amount and costs of a job-placement assistance program of about 3.4 billion yen, accompanying the call for voluntary retirement.

In addition, we are currently developing an overview of the call for voluntary retirement. We will announce it as soon as it has been decided.

3. Reversal of deferred tax assets

Considering our performance in the current fiscal year and expected performance in the future, we examined the recoverability of our deferred tax assets. As a result, we decided to reverse part of our deferred tax assets. For the second quarter of the consolidated fiscal year ending March 31, 2012, we plan to post a income taxes-deferred (tax expense) of about 4.7 billion yen by reversal of part of the deferred tax assets.