



HIROSE ELECTRIC CO., LTD.

Q2 Financial Results Briefing for the Fiscal Year Ending March 2021

November 4, 2020

Event Summary

[Company Name]	HIROSE ELECTRIC CO., LTD.	
[Event Type]	Earnings Announcement	
[Event Name]	Q2 Financial Results Briefing for the Fiscal Year Ending March 2021	
[Fiscal Period]	FY2020 Q2	
[Date]	November 4, 2020	
[Time]	10:30 – 11:14 (Total: 44 minutes, Presentation: 27 minutes, Q&A: 17 minutes)	
[Venue]	Webcast	
[Number of Speakers]	3	
	Kazunori Ishii	President and Representative Director
	Hiroshi Fukumoto	Corporate Board Director, Group President, Administration Group
	Hideo Suzaki	Manager, IR Office, Administration Group

Presentation

Suzaki: Good morning. It is time to begin the Financial Results Briefing for the First Half of the Fiscal Year Ending March 31, 2021, of HIROSE ELECTRIC CO., LTD.

Thank you for participating today. My name is Suzaki of the IR Office. I will be the moderator today.

President Ishii will first give his greetings. I will then explain the financial results based on the materials. Group President of the Administration Group Fukumoto will lastly talk about full-year earnings. After that, we will spend the remaining time to answer your questions. The meeting is scheduled to end at 11:30 AM.

The earnings presentation and summary of financial results submitted to TSE the day before yesterday are available in PDF file format on the screen shown here. We also have press releases and the English version of materials available on our website. If you click the link on the screen, you'll go to the HIROSE ELECTRIC website, and you can download the materials there.

Thank you for your patience. We will now begin. President Ishii will first give his greetings.

Ishii: Good morning, everyone. This is Ishii of HIROSE ELECTRIC. Thank you for your support of HIROSE. I'm happy to hold the earnings briefing remotely, as we did last time, despite the coronavirus.

Around the same time last year, we were coping with the flooding at Koriyama Plant caused by the typhoon. This year, the 83rd anniversary of HIROSE's founding, we faced interruptions and other harsh obstacles due to COVID-19, especially our Malaysia Plant's closure due to regional lockdown. Now we're heading towards normalization.

I take pride in our on-the-ground workers who have tackled these challenges head-on, drawing on their collective wisdom to prevent stagnation. At HIROSE GROUP, our goal is continuous stable growth under any circumstances. It is indeed characteristic of HIROSE to demonstrate greater resilience than expected when the world is in turmoil, as it is now.

HIROSE's operations and business environment are as follows. We believe new opportunities are expanding. We're entering an age of ubiquitous connectedness through accelerated digitalization and new 5G technology. We can take advantage of these inflection points as opportunities for growth in our Connector Business.

Meanwhile, the harsh environment will weed out the weaker companies. We need to be aware that we are moving into an extremely tough and crowded market. HIROSE will continue to evolve in the future. To continue to advance, we will hone our sensibilities in all directions, including our response to changes in the environment and society. We aim to strengthen our reflexivity to those changes.

The year has passed by so quickly, and we're already in the second half of FY2020. Our IR representative will now report on our first-half results and the outlook. This concludes my opening words.

Summary of the business results (FY2020.1H From April, 2020 to September, 2020)

- In the second quarter of FY2020, the sales for smartphone and consumer market grew and the sales for automotive recovered. As a result, the sales of 1H increased by 1.3%, operating profit increased by 11.8% compared with the previous 1H and operating profit ratio resulted 21.1%.

(Yen in hundred millions)

	FY2019			FY2020			YoY
	1Q 2019. Apr-Jun	2Q 2019. Jul-Sep	1H 2019. Apr-Sep	1Q 2020. Apr-Jun	2Q 2020. Jul-Sep	1H 2020. Apr-Sep	FY2020.1H / FY2019.1H
Order	300.8	322.5	623.3	277.4	369.4	646.8	+3.8%
Sales	282.3	320.3	602.7	274.0	336.4	610.4	+1.3%
Operating profit	53.4	62.0	115.3	59.0	70.0	128.9	+11.8%
Operating profit ratio	18.9%	19.3%	19.1%	21.5%	20.8%	21.1%	+2.0pt

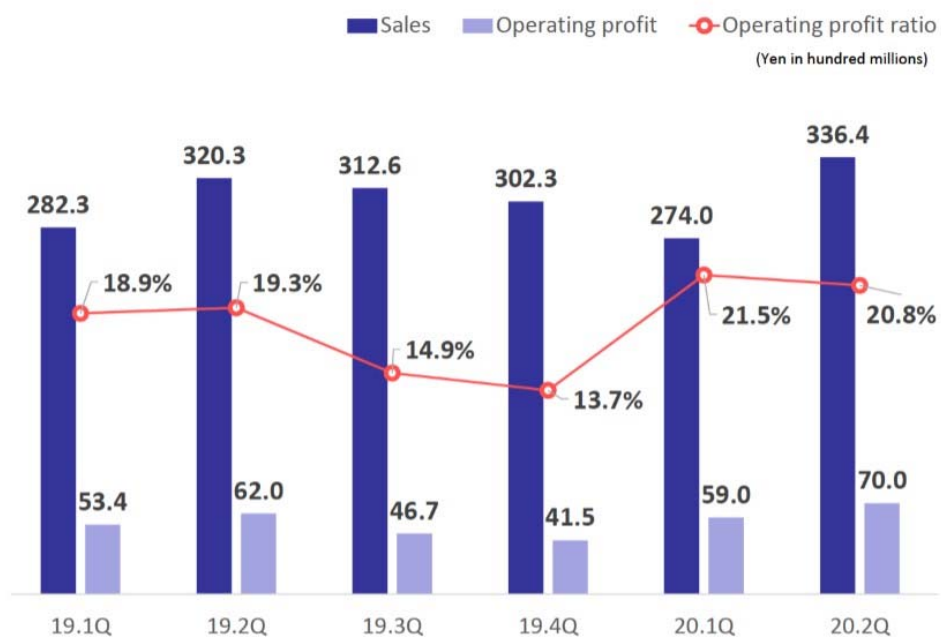
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Suzaki: We will now proceed with the briefing according to the earnings presentation.

First, please see page three. This is a summary of the financial results.

In the second quarter of FY2020, we experienced growth in smartphone and consumer market applications and recovery for automotive applications. As a result, first-half sales were up 1.3% YoY, operating profit was up 11.8%, and the operating profit margin was 21.1%.

Changes in sales and operating profit (FY2019.1Q-FY2020.2Q / Consolidated basis)



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Next, please see page four. This is a graph that shows our quarterly sales and operating profit trends.

In the second quarter, from July to September, sales came to JPY33.64 billion, and operating profit was JPY7 billion, with an operating profit margin of 20.8%.



Business Results for FY2020.2Q

(Yen in hundred millions)	FY2019.1H (FY ended Sep 30, 2019)	FY2020.1H (FY ended Sep 30, 2020)	Increase / Decrease (YoY)	Increase / Decrease Ratio (YoY)
Sales	602.7	610.4	+7.7	1.3%
COGS Ratio	57.1%	57.6%	+0.5%	
SGA Ratio	25.0%	23.8%	-1.3%	
Operating Profit	115.3	128.9	+13.6	11.8%
(%)	19.1%	21.1%	+2.0%	
Earnings before income tax	120.9	128.9	+8.0	6.6%
(%)	20.1%	21.1%	+1.0%	
Net profit	85.7	93.4	+7.6	8.9%
(%)	14.2%	15.3%	+1.1%	
Total Assets	3,434.5	3,480.7		
Shareholder's Equity Ratio	89.2%	89.6%	1US\$	FY2019.2Q 108.63 yen FY2020.2Q 106.92 yen
Income Per Share	235.12 yen	257.48 yen	1€	121.42 yen 121.30 yen
			100 won	9.22 yen 8.89 yen

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Next, please see page five. Here is the results summary.

First-half sales were JPY61.04 billion, up 1.3% YoY. Operating profit was JPY12.89 billion, up 11.8% YoY, with an operating profit margin of 21.1%. Earnings before income tax were JPY12.89 billion, up 6.6% YoY. Net profit was JPY9.34 billion, up 8.9% YoY. Total assets stood at JPY348.07 billion. We will go over this in more detail when covering the B/S later. EPS was JPY257.48.

The actual exchange rate was JPY106.92 against the dollar, JPY121.3 against the euro, JPY8.89 against KRW100, with a stronger yen than last year against all major currencies.

(Yen in hundred millions)

Sales	
7.7 hundred million yen Increased (602.7 → 610.4)	Non consolidated Hirose: +14.5 Subsidiaries: -6.8
COGS Ratio	
0.5pt Deteriorated (57.1% → 57.6%)	Depreciation Ratio: 10.2% → 10.8% Labor-cost Ratio: 6.8% → 7.0%
SGA Ratio	
1.2pt Improved (25.0% → 23.8%)	150.7 → 145.0 (Decreased by 5.7)
Financial revenue / expense	
5.6 hundred million yen Deteriorated (+5.5 → -0.1)	Exchange Loss: -0.6 → -4.3

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Please see page six. Here are the key changes from last year.

While sales increased JPY770 million, this resulted from a JPY1.45 billion increase at the parent, partly offset by a JPY680 million decrease at subsidiaries. The COGS ratio was 57.6%, down 0.5% YoY, mainly attributable to a rise in the depreciation expense ratio. SG&A expenses decreased JPY570 million YoY, a 1.2 percentage point improvement in the SG&A ratio from last year. Financial revenue deteriorated JPY560 million. As just explained, this mainly came from the negative impact of exchange rates stemming from the stronger yen.

FY2020.2Q YoY Variation Analysis

	(Yen in hundred millions)				
	Sales	Operating Profit	(%)	Earnings before income tax	(%)
FY2019.1H Actual	602.7	115.3	19.1%	120.9	20.1%
Exchange rate	-7.0	-5.2		-9.0	
Depreciation cost increase		-5.9		-5.9	
Labor cost increase		-1.2		-1.2	
Increase in freightage and packing expenses		-2.7		-2.7	
Increase in the product	14.7	8.9		8.9	
Gain on sale of land		-8.4		-8.4	
Insurance income		15.0		15.0	
Decrease in travel and overseas travel expenses		4.6		4.6	
Decrease in other SGA expenses		4.4		4.4	
Others		4.2		2.4	
Total amount of changes	7.7	13.6		8.0	
FY2020.1H Actual	610.4	128.9	21.1%	128.9	21.1%

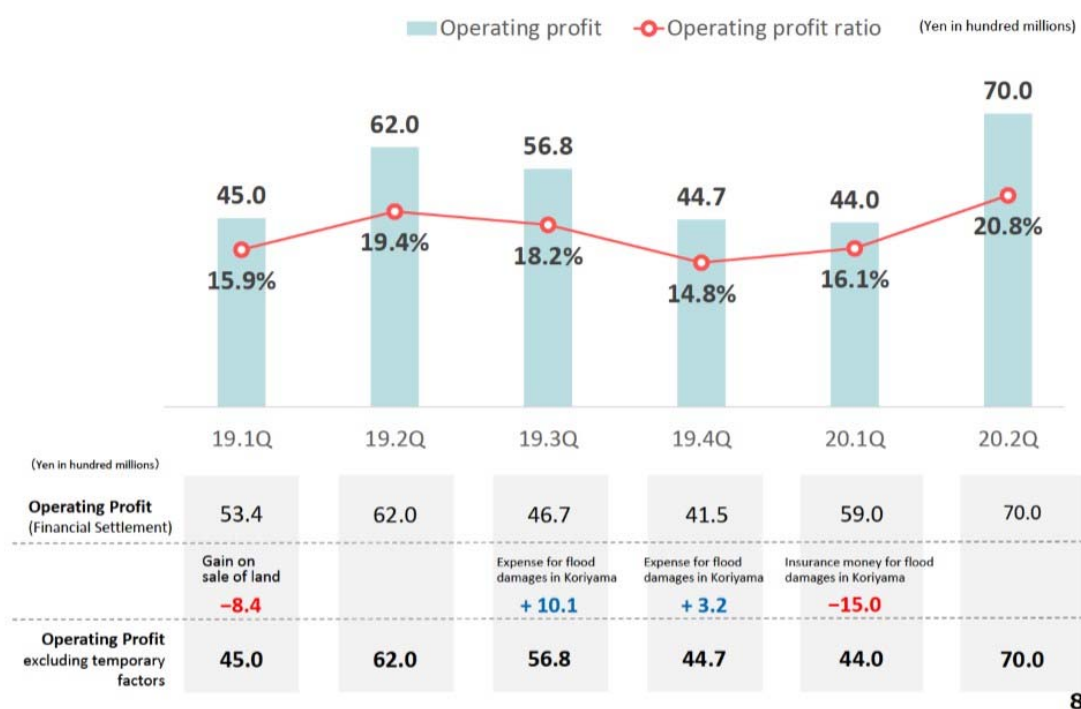
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Please see page seven. This is an analysis of YoY changes.

The stronger yen decreased sales by JPY700 million, operating profit by JPY520 million, and earnings before income tax by JPY900 million. An increase in depreciation expenses pushed down profit by JPY590 million. The increase in freight expenses came from higher logistics costs caused by reduced flights, but this has recently ameliorated. But it still had a negative impact of JPY270 million YoY in the first half.

The change in gain on sale of land reflects the gain booked in the first quarter of FY2019. Below that line is insurance income, which we booked in the first quarter of this year. The decrease in travel and overseas travel expenses increased profit by JPY250 million in the first quarter and JPY460 million in the first half, meaning travel expenses decreased by roughly JPY200 million in the second quarter.

Changes in operating profit excluding temporary factors (FY2019.1Q-FY2020.2Q)



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Please see page eight. For your reference, we show the operating profit, excluding temporary factors. There were no major changes in the second quarter.

Consolidated Balance Sheet

(Yen in hundred millions)

Account	Mar 31, 2020	Sep 30, 2020	Increase / Decrease	Remark	
Assets	Cash and cash equivalents	505.6	528.9	23.3	Maturity of fixed deposit, others
	Trade and other receivables	304.4	335.5	31.0	Increase in accounts receivable +2.77 billion yen, others
	Inventories	145.1	157.7	12.6	Increase in inventories of overseas sales offices
	Other financial assets	1,706.8	1,715.4	8.6	
	Tangible fixed assets	615.4	607.4	-8.0	
	Right-of-use asset	44.8	42.4	-2.4	
	Others	104.3	93.5	-10.8	Receivable consumption tax refund Δ 1.3 billion yen, others
	Total Assets	3,426.4	3,480.7	54.3	
Total of cash in bank	1,674.5	1,703.0	28.5	9	

Please see page nine for the B/S. First, starting with assets.

The increase in trade and other receivables reflects an increase in accounts receivable. The increase in inventories is due to a strategic expansion in inventories at overseas sales companies. Inventories increased from end-March, but they are still lower than the end-June level, at JPY16.4 billion, when we shared the first-quarter results. This means inventories fell around JPY0.6 billion in the past quarter, from June to September.

Consolidated Balance Sheet

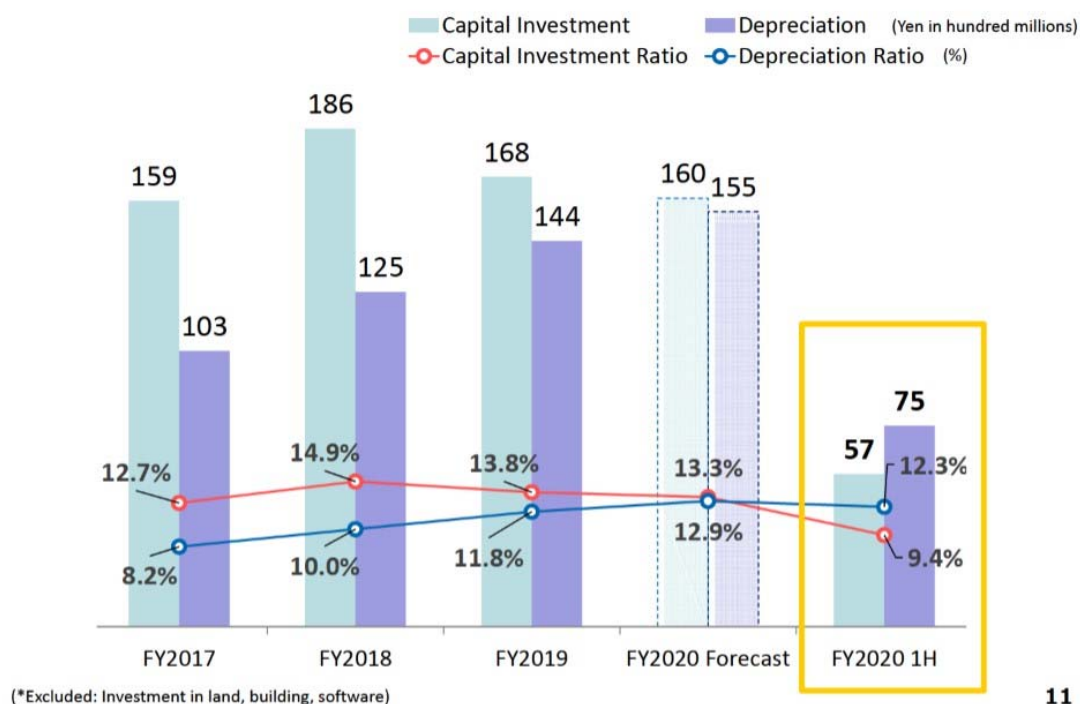
(Yen in hundred millions)

	Account	Mar 31, 2020	Sep 30, 2020	Increase / Decrease	Remark
Liabilities	Payables and other debt	167.5	166.8	-0.7	
	Lease liabilities	44.9	42.6	-2.3	
	Income Taxes Payable	29.6	32.3	2.7	
	Others	123.0	122.0	-1.0	
	Total	365.0	363.7	-1.4	
Shareholder's Equity	Capital stock and Capital surplus	207.0	206.9	-0.1	
	Retained Earnings	3,083.4	3,109.6	26.1	Net profit +9.34 billion Dividend △4.35 billion Transfer to treasury stocks △2.38 billion
	Treasury Stocks	-244.6	-220.8	23.8	Cancellation of treasury stock +2.38 billion
	Others	15.6	21.4	5.8	Translation adjustment +0.85 billion, others (because of strong won and weak yen)
	Total	3,061.4	3,117.1	55.6	
Total Liabilities and Shareholder's Equity		3,426.4	3,480.7	54.3	

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Next, page 10 shows our liabilities and net assets. We retired 205,000 treasury shares in June.

Changes in Capital Investment and Depreciation



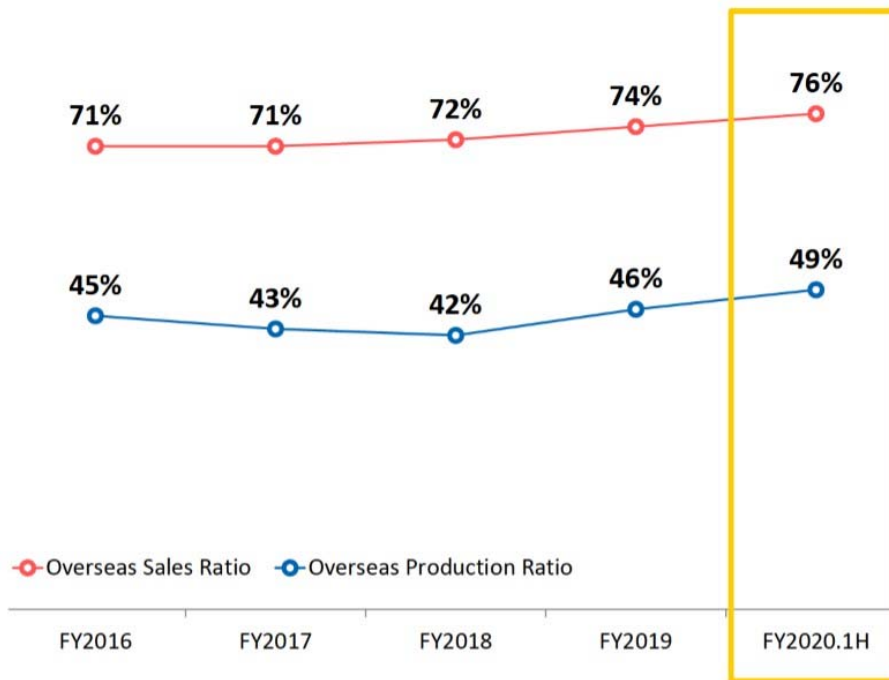
11

Please see page 11. These are the changes in capital investment and depreciation.

The first-half capital investment amounted to JPY5.7 billion and depreciation to JPY7.5 billion. The capital investment figure is slightly low compared to the full-year forecast. This is mainly because of activity restrictions caused by the coronavirus in the first half. But, given that we upwardly revised our full-year sales forecast, we have kept the plan unchanged.

First-half R&D expenses totaled JPY5 billion, and we retain our full-year plan of JPY12 billion.

Overseas production and sales ratio

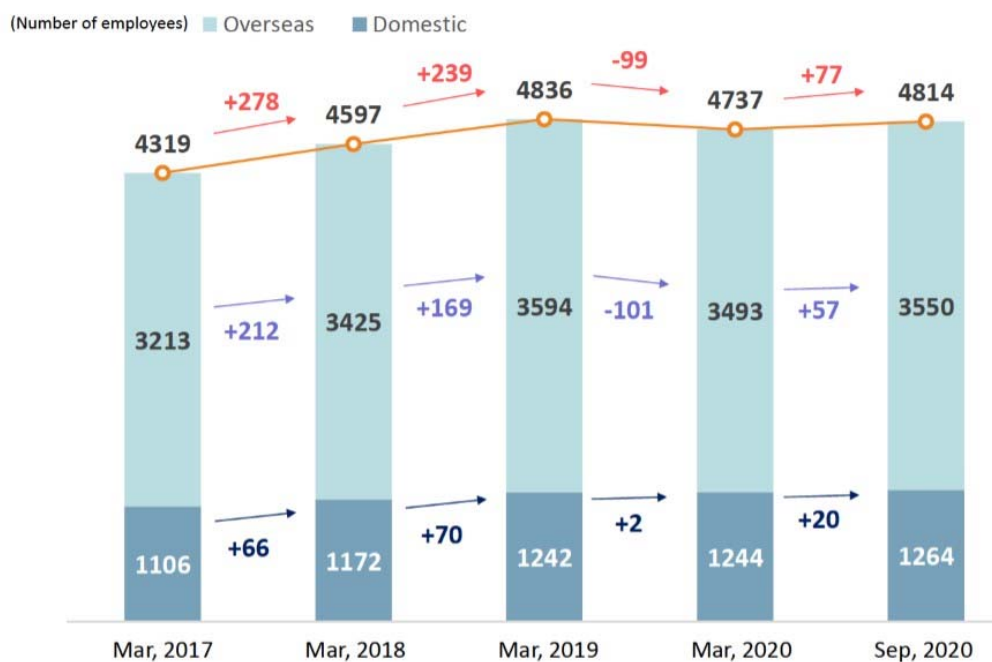


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Please see page 12. These are the changes in the overseas production and sales ratio.

The first-half sales ratio increased to 76%, up two percentage points from 74% the same period last year, chiefly due to an uptick in smartphone and consumer-related sales. The first-half production ratio was 49%, up three percentage points from 46%, mainly due to increased production in Korea and Malaysia.

Number of Employees (Financial Report Basis)

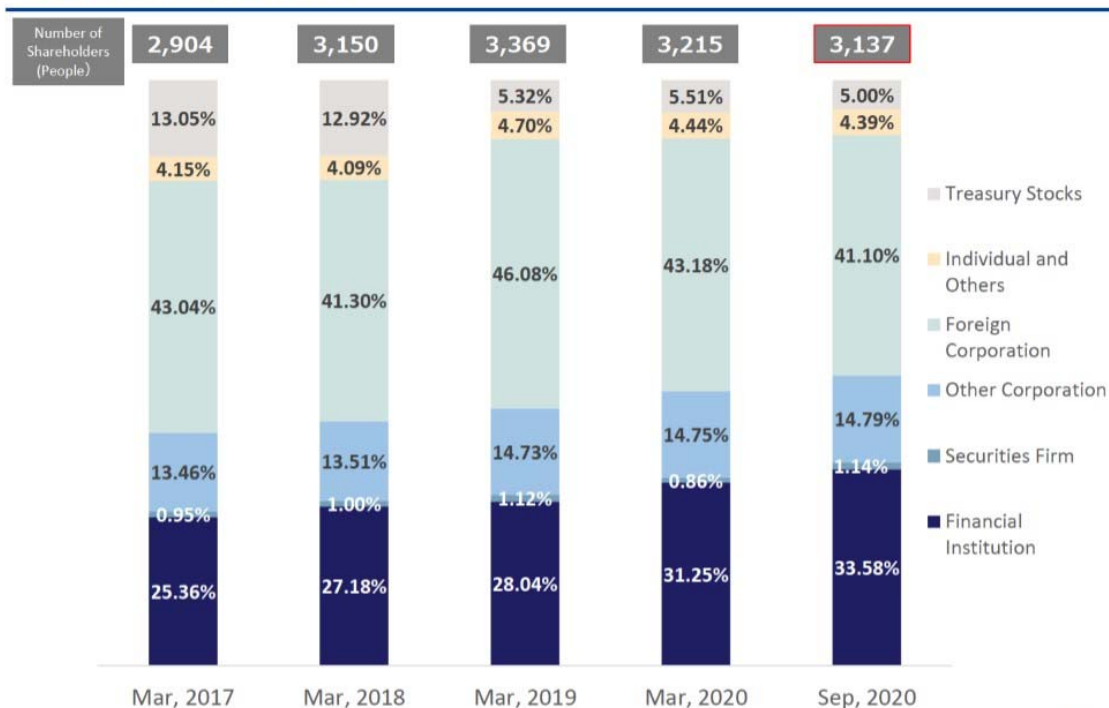


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Please see page 13. These are the changes in the number of employees.

As of end-September, we had 1,264 employees in Japan, 3,550 employees overseas, for a total of 4,814 employees, which is up 77 employees from end-March. The increase in the number of overseas employees reflects our response to increased production in Malaysia and Indonesia.

Distribution of Shareholders



Page 14 shows the distribution of shareholders.

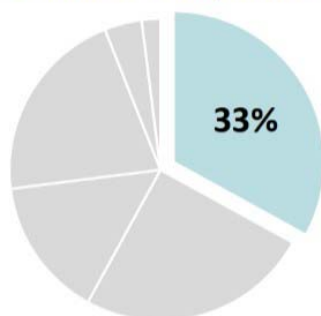
The ratio of foreign shareholders decreased slightly, while the ratio of domestic financial institutions increased. As for treasury shares, we retired the shares in excess of 5%, so they are now at 5%.

Sales by Application_General Industrial

(Yen in hundred millions)

	FY2019			FY2020			YoY
	1Q	2Q	1H	1Q	2Q	1H	FY2020.1H / FY2019.1H
Sales	86	93	179	103	95	198	+11%

● FY2020.1H Composition ratio



● Changes in quarterly sales



- There is some action in the market, but overall business of general industrial is recovering slowly.

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From page 15, we'll cover the sales by application, starting with general industrial applications.

The sales weighting was 33% and decreased compared to the first quarter, but it's still reasonably high. First-half sales were up 11% YoY.

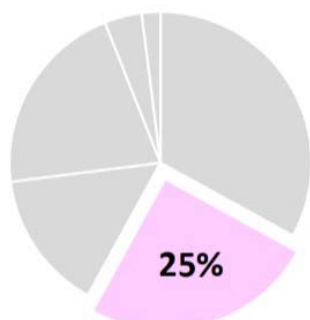
We expected industrial machinery applications to decline from the first to the second quarter, but the drop was milder than expected. We're recently spotting an uptick in some FA-related areas, but overall, we expect the recovery to be moderate over the full year.

Sales by Application_Smartphone

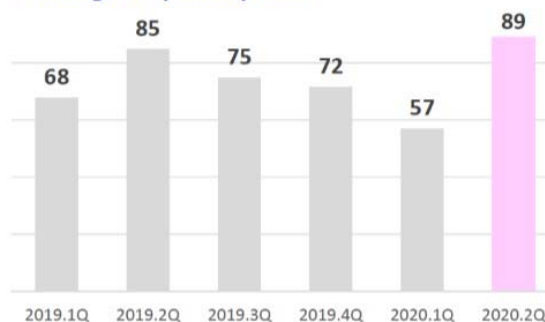
(Yen in hundred millions)

	FY2019			FY2020			YoY
	1Q	2Q	1H	1Q	2Q	1H	2020.1H/ 2019.1H
Sales	68	85	153	57	89	146	-5%

● FY2020.1H Composition ratio



● Changes in quarterly sales



- Initially we expected the sales would increase because of seasonal reason, but the actual sales for smartphone in 2Q exceeded our expectation.
- In the future, more 5G compatible new models will appear and it is expected that the sales will maintain high level.

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Page 16 shows the sales for smartphone and mobile phone applications.

We expected second-quarter sales to increase due to seasonal factors, but the increase was slightly higher than anticipated. Although first-half sales are down 5% YoY, second-quarter sales grew from JPY5.7 billion to JPY8.9 billion, a growth of over 1.5x. Part of this reflects the changes that are taking place in the smartphone industry. But we can't share the breakdown of sales by region, because it's related to customers' strategic information.

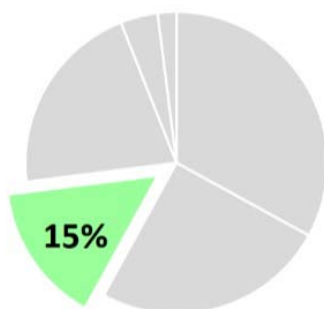
Undoubtedly, each company is moving aggressively into 5G. We believe we will see a similar trend as we saw when 4G was rolled out, where new 5G models will gain penetration before infrastructure.

Sales by Application_Automotive/Mobility-related

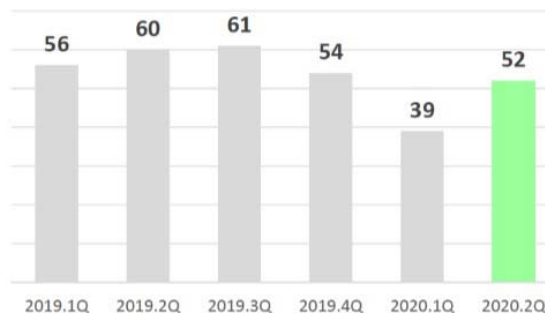
(Yen in hundred millions)

	FY2019			FY2020			YoY
	1Q	2Q	1H	1Q	2Q	1H	2020.1H / 2019.1H
Sales	56	60	116	39	52	91	-22%

● FY2020.1H Composition ratio



● Changes in quarterly sales



- The sales for automotive bottomed out in FY2020.1Q and is in recovery trend.

Page 17 shows the sales for automotive and mobility applications.

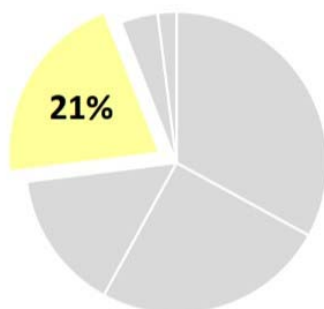
We believe automotive and mobility sales have bottomed and have entered a recovery phase in the second quarter. We increased sales from JPY3.9 billion in the first quarter to JPY5.2 billion in the second quarter. First-half sales are down 22% YoY, so the drop is significant, but we expect sales to increase again in the third quarter, so the margin of the decline that we anticipated initially will likely narrow.

Sales by Application_Consumer/Mobile Equipment

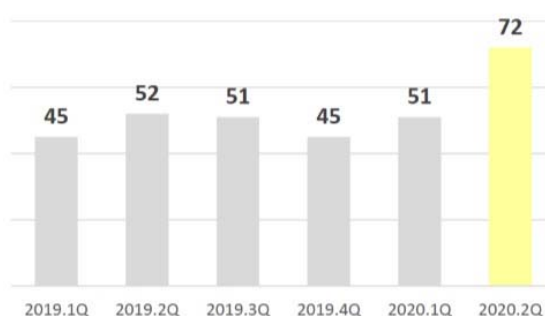
(Yen in hundred millions)

	FY2019			FY2020			YoY
	1Q	2Q	1H	1Q	2Q	1H	2020.1H / 2019.1H
Sales	45	52	97	51	72	123	+27%

● FY2020.1H Composition ratio



● Changes in quarterly sales



■ Remote working became more popular as a preventive measure of COVID-19. The demand for personal and small consumer equipment increased temporarily.

Page 18 shows the sales for consumer and mobile equipment applications.

To give a quick breakdown of these devices, our connectors are used in IT home appliances, wearable devices, consumer game consoles, digital cameras, mobile devices, notebook PCs, and tablet PCs.

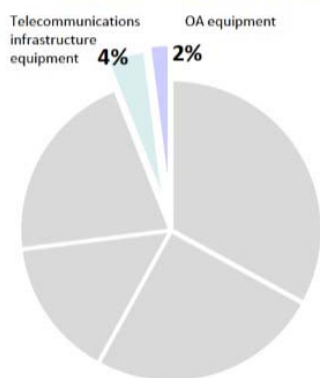
We are continuing to see brisk demand spurred by the adoption of remote work, resulting in strong second-quarter sales. The first-half sales weighting was just above 20% of total sales, but sales growth was 27% YoY. We expect sales to continue to be higher than initially anticipated for the rest of the year.

Sales by Application_Telecommunications infrastructure equipment / OA equipment

(Yen in hundred millions)

	FY2019			FY2020			YoY
	1Q	2Q	1H	1Q	2Q	1H	2020.1H / 2019.1H
Telecommunications infrastructure	11	14	25	11	13	24	-4%
OA equipment	6	7	13	5	5	10	-23%

● FY2020.1H Composition ratio



● Changes in quarterly sales

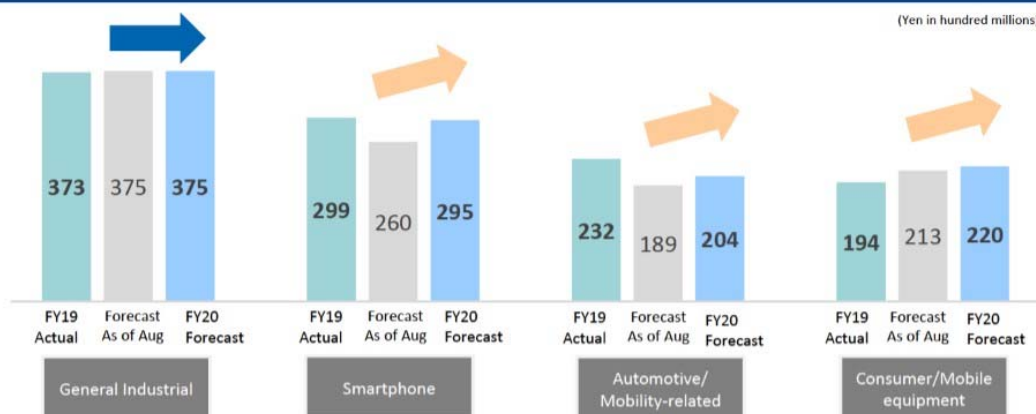


Page 19 shows the sales for telecommunications infrastructure equipment and OA equipment applications.

Sales recovered slightly in the second quarter for telecommunications and infrastructure equipment applications.

Annual sales forecast by applications [Updated]

(Yen in hundred millions)



FY2020 Annual growth rate	Forecast as of Aug, 2020	Updated forecast of growth rate
● General Industrial	+1%	+1%
● Smartphone	-13%	-1%
● Automotive / Mobility-related	-18%	-12%
● Consumer / Mobile equipment	+10%	+14%

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Please see page 20 for the updated annual sales forecast by application.

We updated our annual growth forecasts, which we announced along with first-quarter results.

First, we haven't changed our sales forecast for general industrial applications, at an annual growth of 1%. We upwardly revised our forecast for smartphone applications to an annual decline of 1% from a decline of 13% previously. We upwardly revised our forecast for automotive applications to an annual decline of 12% from a decline of 18% previously. We upwardly revised our forecast for consumer applications to annual growth of 14% from annual growth of 10% previously, reflecting the higher-than-anticipated first-half sales.

Summary of the revision of business forecast for the year ending March, 2021

Following the Annual sales forecast [Updated], we revise up our full year business forecast

(Yen in hundred millions)

	① Forecast as of May, 2020	② Updated Forecast as of November, 2020	②-① Revised amount
Sales	1,150	1,200	+50
Operating Profit	172	215	+43
(%)	15.0%	17.9%	
Operating Profit Ratio	130	160	+30
(%)	11.3%	13.3%	

- Smartphone...The demand has been increasing owing to 5G compatible new models
- Automotive...In the phase of recovery trend because of increased demand in China
- Consumer / Mobile equipment...Remote working became popular and the demand expanded

For these reasons, the annual business performance is expected to exceed our initial estimates and revise our business forecast.

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Please see page 21 for the revision of our full-year earnings forecast.

We upwardly revised our forecast announced in May to sales of JPY120 billion, operating profit of JPY21.5 billion, and net profit of JPY16 billion. We attribute the upward revisions to increased demand for 5G smartphone model applications, a recovery in demand for automotive applications, and expanded demand for consumer and mobile equipment applications.

These numbers may appear somewhat conservative. Although we expect third-quarter sales to be as strong as second-quarter sales, the forecast reflects the uncertainty around demand trends in the fourth quarter as we move into 2021, when we think demand is prone to fluctuation.

That's all from me. Group President of the Administration Group Fukumoto will explain the details.

Fukumoto: This is Fukumoto. Good morning. Suzaki covered most of the details in his explanation just now. On September 24, we announced the upward revision to our initial first-half sales and profit forecast. Fortunately, we were able to finish even higher than the revised forecast.

In connection, along with the latest results, we announced an upward revision to our full-year forecast issued in May to sales of JPY120 billion, operating profit of JPY21.5 billion, and net profit of JPY16 billion. People have told me that this upward revision brings our estimates in line with the analyst consensus. It was thus disappointing to see this morning that our share price fell JPY800 to JPY900 from the previous day.

Business Forecast for the Year Ending March 31, 2021 (Consolidated)

The business for smartphone, automotive and consumer is expected to exceed our initial estimates, and revise the forecast published on May, 2020.

(Yen in hundred millions)	FY2019 (FY ended March 31, 2020) Actual		FY2020 (FY ending March 31, 2021)			First Half Over the Previous Actual Amount		For the Year Over the Previous Actual Amount	
	First Half	For the Year	First Half Actual	Forecast as of May, 2020	Revised forecast	Amount Change	%	Amount Change	%
Sales	602.7	1,217.6	610.4	1,150.0	1,200.0	+7.7	1.3%	-17.6	-1.4%
COGS Ratio	57.1%	57.8%	57.6%	60.4%	58.2%				
Operating Profit	115.3	203.6	128.9	172.0	215.0	+13.6	11.8%	+11.4	+5.6%
(%)	19.1%	16.7%	21.1%	15.0%	17.9%				
Earnings before income tax	120.9	212.1	128.9	180.0	220.0	+8.0	6.6%	+7.9	+3.7%
(%)	20.1%	17.4%	21.1%	15.7%	18.3%				
Net Profit	85.7	153.1	93.4	130.0	160.0	+7.6	8.9%	+6.9	+4.5%
(%)	14.2%	14.4%	15.3%	11.3%	13.3%				
Income Per Share	—	420.39 yen	—	358.45 yen	441.17 yen				
Dividend Per Share	120 yen	240 yen	120 yen	240 yen	240 yen				
Consolidated Dividend Payout Ratio	—	57.1%	—	67.0%	54.4%				

(Yen)	FY2019 Actual	FY2020 Forecast As of Nov, 2020
1US\$	108.74	105.96
1€	120.82	122.65
100won	9.21	9.00

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The revisions to sales forecast by application are as explained earlier by Suzuki. Frankly, I think what many analysts and investors are concerned about when looking at our revised forecast is that they look at the difference between first-half results and the second-half forecast and wonder why we expect lower sales and profit in the second half than in the first half. To be honest, we have a fairly clear idea about sales up until October or November, but, unfortunately, the outlook isn't necessarily clear in terms of how sales would perform from the latter half of December into next year.

That is why, at this stage right now, we aim to achieve JPY120 billion securely, and we have, of course, notified this to employees. FY2019 sales were JPY121.76 billion, so we want to aim higher than that as much as possible, but I hope you will understand that the minimum figure we can commit to is JPY120 billion.

If you look at today's materials and calculate backwards, you'd probably see that in terms of the changes from the first half to second half, we particularly expect a somewhat sluggish second-half performance in industrial machinery applications.

In terms of automotive applications, we expect sales to increase in the second half compared to the first half. In terms of consumer applications, we expect a slightly weaker performance in the second half compared to the first half, targeting sales about JPY2 billion lower than the first half.

We posted a first-half operating profit of JPY12.89 billion. If you calculate backward, it means we aim for operating profit of JPY8.61 billion in the second half. As I stated earlier, we expect slightly lower sales, particularly for general industrial machinery applications, which we think would negatively impact profit by about JPY1.3 billion. Also, we booked JPY1.5 billion in the first half as insurance income for the Koriyama flooding, and this amount will drop out in the second half. That is another negative JPY1.5 billion to profit.

On top of that, we expect depreciation expenses, SG&A expenses, and perhaps some equipment-related disposal that would push down profit by around JPY1.4 billion. We formulated our second-half target after pricing in all of these factors.

Note that our annual foreign exchange rate assumptions are shown on the bottom right of page 22 in the material. The yen has again appreciated recently, so it's unclear what the actual exchange rates would be, but the rates written here are used as the assumptions to calculate our sales and profit forecast.

Also, we plan to pay an interim dividend per share of JPY120. For the full year, we forecast a final dividend per share of JPY240, to be approved at the Annual General Meeting next year, with a payout ratio of 54.4%.

That's all for my explanation. It's a little sad that we haven't met in person for some time. Hopefully, we can start holding face-to-face briefings again a few times a year by the next meeting or the meeting after that.

That's all from me.

Suzaki: Thank you very much for today. We ask for your continued support.

Ishii: Thank you.

Fukumoto: Thank you very much.

Disclaimer

In this material, there are descriptions based on current estimation by Hirose Electric.

Hirose cautions you that a number of important risks, uncertainties and others could cause actual results to differ materially from those discussed in the *forward-looking statements. Thank you for your understanding.

*Forward-looking statements include, but are not limited to, those statements using words such as “believe,” “expect,” “plans,” “strategy,” “prospects,” “forecast,” “estimate,” “project,” “anticipate,” “aim,” “may” or “might” and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. These statements are based on management’s assumptions and beliefs in light of the information currently available to it.