To whom it may concern:

February 6, 2023

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Notice of Revisions to Forecasts of Financial Performance and Dividend Forecasts

We hereby inform you that forecast of financial performance and dividend forecasts announced on May 16th, 2022 for the year ending March 31, 2023 have been revised in light of recent earnings trend as below.

1. Revisions to the Forecasts of Financial Results

● Revised Consolidated Financial Forecast for the Year Ending March 31, 2023
(From April 1, 2022 to March 31, 2023)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous Forecast (A)	158,400	4,200	4,600	1,500	229.54
Revised Forecast (B)	150,200	1,100	2,100	(3,700)	(567.23)
Difference (B-A)	-8,200	-3,100	-2,500	-5,200	—
Ratio (%)	-5.2	**-73.8**	**-54.3**	**-346.7**	—
Results of Year Ended (March 31,2022)	133,581	5,041	5,997	3,600	515.97

● Revised Non-Consolidated Financial Forecast for the Year Ending March 31, 2023
(From April 1, 2022 to March 31, 2023)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	77,000	1,800	4,900	3,800	581.49
Revised Forecast (B)	72,700	900	6,000	(2,100)	(321.94)
Difference (B-A)	-4,300	-900	1,100	-5,900	—
Ratio (%)	-5.6	**-50.0**	22.4	**-155.3**	—
Results of Year Ended (March 31,2022)	68,308	1,473	5,496	3,901	559.11

● Reason for the revision

(Consolidated)

・As for the consolidated financial forecast, our operating income and ordinary income are expected to be much lower than those previously forecasted due to deteriorated performance in the U.S. and China on a non-consolidated basis. There were significant increases in costs of materials, parts, labor and distribution for our U.S. subsidiaries. On the other hand, the price pass-through of these cost increases to suppliers did not progress as planned. We expect the forecast figures to be substantially lower than the previously forecasted figures. As for our Chinese subsidiaries, there was a deterioration in demand in China due to the impact of COVID-19. Furthermore, there was a decrease in production due to a semiconductor shortage. In addition, there was a significant decrease in the sales of products for commercial vehicles to local customers at our subsidiary in Qingdao, and the provision for product warranties was recorded. As a result of these factors, the forecast figures are expected to be substantially lower than those previously forecasted. Please refer to the (Non-Consolidated) items below for the deterioration of non-consolidated results.

In addition, the aluminum products business in the U.S. will likely incur impairment losses (extraordinary losses) due to its deteriorating performance in the current fiscal year and continued losses. With such losses factored in, the profit attributable to the owners of parent is expected to be much lower than previously forecasted.

(Non-Consolidated)

・Regarding the non-consolidated financial forecast, our operating income is expected to be lower than previously forecasted due to suppliers' prolonged production cutbacks caused by the semiconductor shortage and other factors. Net income is expected to be lower than the previously forecasted figures, despite an increase in dividends from consolidated subsidiaries, due to a loss on subsidiary stock valuation when the worsening as mentioned above in the U.S. and the impairment losses are factored in. Therefore, the net income is expected to be significantly lower than the figure previously forecasted. The dividends from consolidated subsidiaries and loss on the valuation of subsidiary stocks will be eliminated in the consolidated financial statements; therefore, there will be no impact on consolidated financial results.

2. Revisions to the dividend forecasts

	Annual dividend		
	2Q	Year-end	Total
	Yen	Yen	Yen
Previous Forecast (Announced on May 16,2022)	80.00	80.00	160.00
Revised Forecast		0.00	80.00
Result of Current Fiscal Year	80.00		
(Reference) Results of Year Ended March31,2022	40.00	120.00	160.00

(Reason for the revision)

Our policy is to return profits to shareholders, aiming for a dividend payout ratio of at least 30% and a total return ratio of at least 90% while maintaining the company's financial soundness and investment in development.

Concerning the year-end dividend forecast, the profit attributable to the owners of parent will be in the red in the abovementioned consolidated financial forecast for the full fiscal year. Therefore, we regret to inform you that we will not be able to pay a year-end dividend.

We sincerely apologize to our shareholders and ask for their continued support as we strive to recover our business performance from the next fiscal year onward. In particular, we will implement drastic reforms at our U.S. subsidiaries to achieve an immediate recovery in business performance.

(Note) The aforementioned forecasts have been calculated based on information available as of the date of the announcement of this document. Actual performance may differ from these projections due to various factors in the future.

End.