

To whom it may concern:

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Notice on Differences between Consolidated and Non-Consolidated Earnings Forecasts for the Second Quarter of the Cumulative Period and Actual Results, and Revision of Full-Year Earnings Forecasts (Consolidated and Non-Consolidated), and Occurrence of Extraordinary Losses (Non-Consolidated)

We announce the revisions to our second-quarter cumulative period earnings forecasts (consolidated and non-consolidated) and full-year earnings forecasts (consolidated and non-consolidated), previously released on August 7, 2023. This announcement includes differences between our forecasts and the actual results. In addition, extraordinary losses (loss on valuation of shares of subsidiaries and associates) occurred during the non-consolidated second-quarter cumulative period.

1. Differences between the Forecasts and the Results of the 2nd quarter cumulative period of the fiscal year ending March 2024 (From April 1, 2023 to September 30, 2023)

Consolidated

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous Forecast (A)	80,000	1,500	1,800	700	107.32
Revised Forecast (B)	80,225	2,125	2,617	1,151	176.41
Difference (B-A)	225	625	817	451	—
Ratio (%)	0.3	41.7	45.4	64.4	—
Results of 2nd Quarter (Ended September, 2022)	74,015	822	1,929	306	46.88

Non-Consolidated

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	37,000	200	2,400	200	30.66
Revised Forecast (B)	37,797	878	4,741	2,042	312.89
Difference (B-A)	797	678	2,341	1,842	—
Ratio (%)	2.2	339.0	97.5	921.0	—
Results of 2nd Quarter (Ended September, 2022)	35,507	514	3,145	2,635	403.46

(Reason for the differences)

Regarding the non-consolidated performance, the operating income for the second-quarter cumulative period exceeded our previous forecast due to lower-than-expected cost increases associated with the rise in material prices and progress in transferring the increase in costs, such as materials and energy, to our selling prices. The ordinary income and profit exceeded our previous forecast as well due to the increase in operating income and the dividends received of 1,650 million yen (which does not affect consolidated performance) from an affiliate company accounted for using equity method, as announced on September 25, 2023. As for the consolidated performance, the operating income, ordinary income, and profit attributable to owner of parent exceeded our previous forecast, in line with the increase in non-consolidated profits.

2. Revisions to the forecasts for the fiscal year ending March 2024
(From April 1, 2023 to March 31, 2024)

Consolidated

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous Forecast (A)	153,000	2,400	2,700	500	76.65
Revised Forecast (B)	160,000	3,000	3,800	1,200	183.38
Difference (B-A)	7,000	600	1,100	700	—
Ratio (%)	4.6	25.0	40.7	140.0	—
(Reference) Results of Year Ended March31,2023	149,413	1,050	2,083	(3,595)	(550.88)

Non-Consolidated

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	77,000	800	5,000	700	107.32
Revised Forecast (B)	77,000	1,200	7,000	2,000	305.63
Difference (B-A)	0	400	2,000	1,300	—
Ratio (%)	0.0	50.0	40.0	185.7	—
(Reference) Results of Year Ended March31,2023	72,783	1,136	6,220	(1,731)	(265.23)

(Reason for the revision)

Given that the actual non-consolidated performance for the second-quarter cumulative period significantly exceeded our previous forecast, we will also revise our full-year forecast. As for the consolidated performance, in addition to the non-consolidated revisions, the performance of our subsidiaries in Asia is expected to exceed our previous forecast due to increased sales, and we will also revise our full-year forecast accordingly.

3. Regarding occurrence of extraordinary losses (loss on valuation of shares of subsidiaries and associates)

Regarding the shares of our U.S. subsidiary, T.RAD North America, Inc., due to the recording of loss and the consequent decrease in net assets, the fair value significantly declined against the book value on the non-consolidated balance sheet, leading us to record the loss on valuation of shares of subsidiaries and associates of 1,833 million yen. Please note that this loss is eliminated in the consolidated financial statements and, therefore, does not impact the consolidated performance.

(Note) The above forecast figures are based on information available to us on the issuance date of this document. The actual financial performance may differ from the forecast figures due to various factors in the future.

End.