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Notice Regarding Revisions of Earnings Forecast and Dividend Forecast

We hereby confirm that in light of recent earnings trends the earnings forecast and dividend forecast announced on April 11, 2023, have been revised as appears below.

1. Consolidated Forecast for the Fiscal Year Ending February 2024 (March 1, 2023, to February 29, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	Million yen 189,000	Million yen 24,000	Million yen 23,900	Million yen 17,200	Yen 360.83
Revised forecast (B)	205,000	33,100	33,200	24,200	507.68
Amount of change (B-A)	16,000	9,100	9,300	7,000	—
Percent of change (%)	8.5%	37.9%	38.9%	40.7%	—
(Reference) Actual results for FY ended Feb. 2023	178,966	21,221	21,379	15,979	335.19

Reasons for Revision

The demand for our products remained strong in both North America and Europe, the major markets of our group, and the sales volume in the first half of the year exceeded the volume expected in our previously announced forecast. In addition, the yen's depreciation compared to our assumptions provided a tailwind, and consolidated financial results for the first half of the fiscal year exceeded our previous forecast in terms of both net sales and profit.

In the second half of the fiscal year, we expect product demand to weaken in the UK, but to remain as strong as before in other major European countries and in North America. In the past, as a countermeasure to the global shortage of electronic components, we have shipped work-in-process machines without electronic components installed and sold them after the electronic components have been retrofitted locally in Europe and the US. However, with the recent significant improvement in the availability of electronic components, we expect this retrofitting process to end in the third quarter of this fiscal year. As a result, all such work-in-process machines are expected to be completed and sold to customers by the end of February 2024, and the sales volume for the second half of the

fiscal year is expected to exceed the assumption in the previously announced forecast.

Based on this situation, we have reviewed our full-year consolidated forecasts and expect full-year sales volume to be higher than expected. And with a revision of the assumed exchange rate to a weaker yen, full-year consolidated net sales and profits are expected to significantly exceed the previously announced forecast and reach a record high. The actual exchange rates (averaged during the period) for the first half of the current consolidated fiscal year are 1 US dollar = 138.45 yen, 1 British pound = 172.16 yen, 1 Euro = 149.84 yen, 1 yuan = 19.55 yen, and the assumed exchange rates for the second half are 1 US dollar = 137 yen, 1 British pound = 174 yen, 1 Euro = 149 yen, 1 yuan = 18.70 yen.

(The previous forecast rates were: 1 US dollar = 127 yen, 1 British pound = 154 yen, 1 Euro = 136 yen, 1 yuan = 18.70 yen)

(Reference)

Million yen

Net sales by region	Previous forecast		Revised forecast		
	First half	Full year	First half (results)	Full year	Change (%)
Japan	1,260	2,460	1,094	2,330	(5.3)%
North America	51,510	102,080	56,610	110,100	7.9%
Europe	40,900	79,580	44,318	87,200	9.6%
Asia	90	180	60	180	0.0%
Others	2,440	4,700	3,092	5,190	10.4%
Net sales	96,200	189,000	105,176	205,000	8.5%
Operating profit	14,500	24,000	16,969	33,100	37.9%
Ordinary profit	14,400	23,900	17,072	33,200	38.9%
Profit attributable to owners of parent	10,300	17,200	12,670	24,200	40.7%

2. Dividend forecast

	Annual dividend (yen)		
	As of the end of the second quarter	Year-end	Total
Previous forecast (Announced on April 11, 2023)		115	115
Revised Forecast		158	158
Results for the fiscal year Ending February 2024	0		
Results for the fiscal year ended February 2023	0	98	98

(Note) The year-end dividend in the previously announced forecast and the revised forecast includes a commemorative dividend of 5 yen per share for the 60th anniversary of founding.

Reasons for Revision

The Company regards the distribution of profits to our shareholders as one of our management priorities. The Company's basic policy for profit distribution is to strive to maintain stable dividends with a target consolidated payout ratio of 30% while securing the internal reserves necessary to strengthen its management structure and prepare for future business development.

Based on this basic policy, and after comprehensively considering the profit level and financial position for the fiscal year ending February 29, 2024, the Company has revised its year-end dividend forecast for the fiscal year ending February 29, 2024, to 158 yen per share, an increase of 43 yen per share from the previous forecast. This is an increase of 60 yen from the previous year's payment.

3. Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.