

Revisions of Earnings Projections

In the FY3/22 Financial Statements (J-GAAP) (Consolidated) released on May 13, 2022, consolidated earnings projections for FY3/23 were undetermined. The Company has now issued its projections, as shown below.

● Revisions to Earnings Projections

Revisions to the consolidated earnings projections for FY3/23 1H (April 1, 2022 – September 30, 2022)
(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Yen)
Previous projections (A)	137,000	5,000	5,200	3,600	138.00
Revised projections (B)	159,000	7,400	7,700	5,300	203.17
Difference (B-A)	22,000	2,400	2,500	1,700	
Difference (%)	16.1	48.0	48.1	47.2	
(Reference) Previous first half results (FY3/22 1H)	136,041	7,269	7,834	5,469	209.66

Revisions to the consolidated earnings projections for FY3/23 (April 1, 2022 - March 31, 2023)
(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Yen)
Previous projections (A)	280,000	11,000	11,400	8,000	306.67
Revised projections (B)	300,000	12,800	13,300	9,300	356.51
Difference (B-A)	20,000	1,800	1,900	1,300	
Difference (%)	7.1	16.4	16.7	16.3	
(Reference) Previous FY results (FY3/22)	272,292	12,681	13,734	9,558	366.40

Reasons for revisions

In view of the favorable performance of the cumulative consolidated results for FY3/23 1Q, the consolidated earnings projections for FY3/23 1H and full-year FY3/23 have been revised as above.

In the precious metals business segment, strong production in the semiconductor and electronic devices field, which is the key customers in this business segment, drove an increase in the Group's precious metal recycling volume and the sales volume of products such as chemicals. As a result, the cumulative consolidated results for FY3/23 1Q exceeded the initial projections, so the consolidated earnings projections for FY3/23 1H and full-year FY3/23 have been revised upward. However, concerning the productivity of the semiconductor and electronic devices field, we anticipate the risk of a future downturn such as inventory adjustment corresponding to the demand and supply balance. For this reason, we expect volumes, such as the Group's precious metal recycling volume and the sales volume of products such as chemicals, to fall below the initial projections from the third quarter and after.

In the food business segment, against the backdrop of rising prices and supply instability, we were able to meet our customers' needs through stable supply and our ability to make attractive product proposals to customers, including substitute products. As this boosted an increase in the Group's sales volume, the cumulative consolidated results for FY3/23 1Q exceeded expectations. As a result, the consolidated earnings projections for FY3/23 1H and full-year FY3/23 have been revised upward. We expect sales volume for the second quarter and beyond to perform as initially projected due to the slowdown in personal consumption accompanying the price inflation, among other factors. In view of these reasons, the consolidated earnings projections for FY3/23 1H and full-year FY3/23 have been revised as above.

Dividend projections remain unchanged from the projections announced on May 13, 2022 (interim dividend of ¥24 and year-end dividend of ¥24).

Note: Forward-looking statements

The above projections are based on information available to the Company as of the date of release. Actual results may differ from projections due to a range of factors.