

(2) Revisions to non-consolidated financial results forecasts for the current fiscal year (January 1, 2023 through December 31, 2023)

	(millions of yen)				
	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share (yen)
Forecast previously announced (A)	—	—	—	—	—
Revised forecast (B)	80,000	2,600	3,300	1,700	76.91
Change (B-A)	—	—	—	—	
Rate of change (%)	—	—	—	—	
(Ref.) Actual consolidated results for the previous fiscal year (Fiscal year ended Dec 31, 2022)	76,594	3,840	4,576	3,168	143.67

(3) Reasons for Revision

Net sales are expected to fall short of the initial plan mainly due to lower-than-expected sales in household products division, such as bath salts and oral hygiene products, as a result of changes in the market environment, in addition to weak sales in the Chinese market.

In terms of profit, gross profit is expected to fall short of the initial plan due to the above-mentioned sales shortfall, the higher-than-expected impact of soaring raw material prices, an increase in the cost of sales ratio due to a change in the sales mix, and expenses associated with the promotion of inventory reduction measures. Although SG&A expenses, including those strategically invested, have been properly managed within the initial plan, gross profit is expected to fall short of the initial plan in all profit categories, including operating income, due to the impact of the failure to achieve the gross sales target. The Company plans to pay a dividend of 118 yen per share from retained earnings, as previously announced.

Note: The above forecast of financial results is based on certain information available to the Company at the time of announcement, and actual operating results may differ from the forecast due to various factors.

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