

*July 10, 2020***Notice Concerning Revision to Business Forecast**

In view of recent trends in operating results, Watts Co., Ltd. revised its consolidated business forecasts for the fiscal year ending August 2020 announced on October 10, 2019, as follows.

1. Revision to consolidated business forecasts for the fiscal year ending August 2020 (September 1, 2019 – August 31, 2020)

	Sales	Operating profit	Recurring profit	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen 51,860	Million yen 770	Million yen 790	Million yen 350	Yen 26.12
Revised forecast (B)	52,350	1,480	1,430	580	43.29
Increase/ decrease (B-A)	490	710	640	230	
Percentage change %	0.9	92.2	81.0	65.7	
(Reference) Previous results (FY8/19)	51,399	716	656	70	5.26

2. Reason for revision

In the "Notice Concerning Revision to Consolidated Business Forecasts for the First Half," announced on April 1, 2020, the Company had remained unchanged its previous forecasts due to uncertainty about the containment of the new coronavirus (COVID-19) infections and its impact on the future. However, the Company has decided to revise its business forecasts since the State of Emergency was lifted and the Company's results for the third quarter were fixed.

Regarding the impact of COVID-19 infections, the same-store sales at 100-Yen shops are growing strongly in line with rising demand for hygiene products and consumption from staying at home, but the Company assumes that the growth will slow down to some extent from July. However, as for the lifestyle products business and overseas business, the Company assumes that it will take some time to normalize, although their sales are gradually recovering.

(Note) Above forecasts regarding future performance are based on information available at the time this report was prepared. Therefore, actual results may differ from the forecasts due to various factors.