

*April 1, 2022***Notice Concerning Revision to Business Forecasts for the First Half**

In view of recent trends in operating results, Watts Co., Ltd. revised its business forecasts for the first half of the fiscal year ending August 2022, which were announced on October 12, 2021. Details are as follows.

1. Revision to consolidated business forecasts for the first half of the fiscal year ending August 2022 (September 1, 2021 - February 28, 2022)

	Sales	Operating profit	Recurring profit	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen 29,350	Million yen 470	Million yen 420	Million yen 215	Yen 16.05
Revised forecast (B)	28,506	637	678	361	26.89
Increase/ decrease (B-A)	-843	167	258	146	
Percentage change %	-2.9	35.6	61.6	68.1	
(Reference) Previous 1H results (FY8/21 1H)	25,618	1,085	1,066	800	59.72

2. Reason for revision

For the first half of the current fiscal year, net sales are expected to fall short of the plan, mainly due to lower-than-expected 100-Yen shop same-store sales. On the other hand, profits are expected to be largely higher than the initial plan due to steady improvement in the cost to sales ratio at our 100-Yen shops and lower-than-expected personnel expenses and expenses related to store openings and renovations.

We have left our full-year business forecasts unchanged from the previous forecast due to continued uncertainty over the impact of COVID-19, foreign exchange rates, resource price trends, and other factors. If we deem it necessary to revise the forecasts, we will promptly make a disclosure.

(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.