

*July 11, 2022***Notice Concerning Revision to Business Forecasts**

In view of recent trends in operating results, Watts Co., Ltd. revised its full-year business forecasts, which were announced on October 12, 2021. Details are as follows.

1. Revision to consolidated business forecasts for the fiscal year ending August 2022  
(September 1, 2021 - August 31, 2022)

	Sales	Operating profit	Recurring profit	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen 60,200	Million yen 1,035	Million yen 955	Million yen 510	Yen 38.07
Revised forecast (B)	58,000	1,100	1,150	830	61.55
Increase/ decrease (B-A)	-2,200	65	195	320	
Percentage change %	-3.7	6.3	20.4	62.7	
(Reference) Previous results (FY8/21)	50,702	1,669	1,586	965	72.09

2. Reason for revision

As for the full-year business forecasts, sales are expected to fall short of the forecast due to weaker-than-expected same-store sales at 100-Yen shops and the number of new shops openings lagging behind the plan. Meanwhile, operating profit and recurring profit are expected to exceed initial forecasts, since the cost of sales ratio improved more than expected, and the Company could keep some costs below the plan, such as personnel costs, despite the **rise in** minimum wages, and costs related to shop openings and renovations.

In addition, the Company expects to record income taxes-deferred (gain) in the consolidated financial results for the fourth quarter of the fiscal year under review. Accordingly, net income attributable to owners of parent is expected to significantly exceed the plan.

(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.