

*October 4, 2023***[Delayed] Notice Concerning Revisions to Business Forecasts**

In view of recent trends in operating results, Watts Co., Ltd. revised its business forecasts for the full-year of the fiscal year ended August 2023, which were announced in the “Notice Concerning Revision to Business Forecasts” dated July 10, 2023. Details are as follows.

1. Revisions to consolidated business forecasts for the full-year of the fiscal year ended August 2023 (September 1, 2022 – August 31, 2023)

	Sales	Operating profit	Recurring profit	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen 59,000	Million yen 400	Million yen 400	Million yen 150	Yen 11.05
Revised forecast (B)	59,309	621	648	250	18.46
Increase/decrease (B-A)	309	221	248	100	
Percentage change %	0.5	55.4	62.2	67.1	
(Reference) Previous results (FY8/22)	58,347	998	1,148	781	57.83

2. Reason for revisions

Regarding the business forecasts for the fiscal year under review, sales are expected to exceed the previous forecast. This is primarily due to the stronger-than-expected recovery of same-store sales in our 100-Yen shops since July, despite sluggish growth observed since January 2023.

Additionally, gross profit is expected to exceed the forecast thanks to the reduction in the cost-of-sales ratio supported by the strong sales of products priced higher than 100 yen.

Furthermore, operating profit, ordinary profit, and net income attributable to owners of parent are also expected to exceed forecasts. This is because we were able to manage overall SG&A expenses, including utilities, within our budget.

(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.