

*March 28, 2024*

**Notice Concerning Revision to Business Forecasts for the First Half and the Full-Year**

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 2024 and the full-year, which were announced on October 10, 2023. Details are as follows.

1. Revision to consolidated business forecasts for the first half of the fiscal year ending August 2024 (September 1, 2023 – February 29, 2024)

	Sales	Operating profit	Recurring profit	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen 29,720	Million yen 240	Million yen 190	Million yen 120	Yen 8.91
Revised forecast (B)	30,255	743	749	436	32.90
Increase/decrease (B-A)	535	503	559	316	
Percentage change %	1.8	209.8	294.3	263.5	
(Reference) Previous results (H1 FY8/23)	29,550	271	270	292	21.53

2. Revision to consolidated business forecasts for the full-year of the fiscal year ending August 2024 (September 1, 2023 – August 31, 2024)

	Sales	Operating profit	Recurring profit	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen 59,100	Million yen 500	Million yen 400	Million yen 270	Yen 20.05
Revised forecast (B)	60,200	1,050	1,000	620	46.77
Increase/decrease (B-A)	1,100	550	600	350	
Percentage change %	1.9	110.0	150.0	129.6	
(Reference) Previous results (FY8/23)	59,309	621	648	250	18.46

3. Reason for revision

In the first half of the current fiscal year, as the closing of unprofitable stores is proceeding as planned, sales are expected to exceed the previously announced forecast mainly due to steady sales in the 100-yen shop business.

Procurement costs continue to rise steeply due to the impact of the external environment. However, operating profit, recurring profit, and net income attributable to owners of parent are expected to exceed the previously announced forecasts, mainly because the gross profit margin achieved the target due to measures to increase the ratio of household item sales and the ratio of product sales other than 100-yen.

Due to these factors, the Company revised previous forecasts for sales, operating profit, recurring profit, and net income attributable to owners of parent for the first half of the fiscal year ending August 2024.

The Company has also revised previous forecasts for sales, operating profit, recurring profit, and net income attributable to owners of parent for the full-year of the fiscal year ending August 2024, as the situation for the first half of the current fiscal year is expected to continue in the second half.

(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.