

October 3, 2024

Notice Concerning Revisions to Business Forecasts and Dividend Forecasts

In view of recent trends in operating results, Watts Co., Ltd. revised its business forecasts for the fiscal year ending August 2024, which were announced in the press release “Notice Concerning Revision to Business Forecasts for the First Half and the Full-Year” dated March 28, 2024. Details are as follows.

1. Revisions to business forecasts

(1) Revisions to consolidated full-year business forecasts for 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
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	60,200	1,050	1,000	620	46.77
Revised forecast (B)	61,257	1,246	1,228	904	68.45
Increase/decrease (B-A)	1,057	196	228	284	
Percentage change %	1.8	18.7	22.8	45.8	
(Reference) Previous results (FY8/23)	59,309	621	648	250	18.46

(2) Reason for revision

Regarding the full-year business forecast, sales are expected to exceed the previously announced forecast, mainly due to steady sales in the 100-yen shop business compared to expectations. In addition, the gross profit margin improved from expectations due to measures to increase the percentage of sales from household items and products other than 100 yen. As a result, operating profit, recurring profit, and net income attributable to owners of parent are also expected to exceed the previously announced forecasts.

2. Revisions to dividend forecasts

(1) Details of the revision

	Annual dividend		
	End of Q2	Year-end	Total
Previous forecast (Announced on October 10, 2023)	0.00 yen	15.00 yen	15.00 yen
Revised forecast	—	20.00 yen (Ordinary dividend: 15.00 yen) (Special dividend: 5.00 yen)	20.00 yen (Ordinary dividend: 15.00 yen) (Special dividend: 5.00 yen)
Current results	0.00 yen		
Previous results (FY8/23)	0.00 yen	15.00 yen	15.00 yen

(2) Reason for revision

The Company regards long-term, continuous profit growth for shareholders to be a management priority. Its basic policy on dividends is to pay stable and continuous dividends without a decrease while taking into consideration the accumulation of retained earnings required for future business development, strengthening the financial condition, and other reasons, with the possibility of an extraordinary dividend depending on business performance and other factors.

The dividend forecast for the fiscal year ending August 2024 was set at 15.00 yen per share, but based on the above revision to business forecasts, we have revised the forecast to a total of 20.00 yen by adding a special dividend of 5.00 yen per share.

(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.