November 12, 2024

To whom it may concern,

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Notice Regarding Differences between Business Forecasts and Results for the First Half and Revisions to the Business Results Forecasts.

In light of recent trends in business performance, Nippon Kayaku Co., Ltd. has revised the business results forecasts announced on July 31, 2024.

1. Differences between consolidated business forecasts and results for the first half of the fiscal year ending March 31, 2025 (April 1, 2024 to September 30, 2024)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
Previous forecast (A)	Million yen 108,400	Million yen 9,000	Million yen 10,300	Million yen 4,500	Yen 27.50
Results (B)	109,109	11,160	11,666	5,974	36.21
Change (B-A)	709	2,160	1,366	1,474	
Percentage change (%)	0.7	24.0	13.3	32.8	
(Reference) Previous results (April 1, 2023 to September 30, 2023)	97,908	4,767	8,313	6,092	36.74

2. Consolidated business results forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
Previous forecast (A)	Million yen 220,800	Million yen 18,100	Million yen 19,500	Million yen 12,000	Yen 73.32
Current revised forecast (B)	220,300	19,300	20,100	15,300	93.68
Change (B-A)	△500	1,200	600	3,300	
Percentage change (%)	△0.2	6.6	3.1	27.5	
(Reference) Previous results (the fiscal year ended March 31, 2024)	201,791	7,337	12,562	4,113	24.80

2. Reasons for the Differences and Revisions

(1) Reasons for the Differences

Regarding the result for the first half of the fiscal year ending March 31, 2025, operating income, ordinary income, and net income attributable to the parent company exceeded previously announced forecasts due to factors such as optimization of selling prices, cost reductions, and carry-over of R&D expenses to the second half of the fiscal year.

(2) Reasons for the Revisions

With respect to the full-year consolidated business results forecast, operating income is expected to exceed previously announced forecasts due to factors such as optimization of selling prices, cost reductions, and reductions in SG&A expenses. Ordinary income is also expected to exceed previously announced forecasts due to an increase in operating income despite foreign exchange losses incurred in the first half of the fiscal year. Furthermore, net income attributable to the parent company is also expected to exceed previously announced forecasts due to an expected gain on sales of investment securities and a decrease in tax expenses resulting from a reduction in the valuation allowance for deferred tax assets.

Note: The business results forecasts were calculated based on information currently available on the date they were announced. Actual performance may differ from numerical forecasts due to various factors that may affect results in the future.