Translation

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KOHOKU

To All Concerned Parties

August 8, 2024

Company name: KOHOKU KOGYO CO., LTD.

Representative: President and CEO Futoshi Ishii

(Securities code: 6524 TSE)

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Notice of Revision of Full-year Financial Forecast

Based on recent earnings trends, KOHOKU KOGYO CO., LTD. announces that the Company has revised the consolidated financial forecast for the fiscal year ending December 2024 (January 1, 2024 to December 31, 2024), which was announced on February 8, 2024, as follows.

1. Revision of consolidated financial forecast figures for the fiscal year ending December 2024 (January 1, 2024 to December 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	14,536	3,243	3,284	2,136	79.17
Revised forecasts (B)	16,376	4,098	4,637	3,045	112.84
Difference (B-A)	1,840	854	1,352	909	
Rate of change (%)	12.7%	26.4%	41.2%	42.6%	
(Reference) Actual results for the year ended December 31, 2023	13,472	2,812	3,152	1,904	70.55

2. Reason for the revision

The results for the semi-annual consolidated fiscal period followed a slightly faster recovery trend than expected at the beginning of the period due to sales of lead terminals tending to recover as inventory adjustments in the aluminum electrolytic capacitor market came to an end, and a sharp increase in orders from some customers in optical components and devices business where adjustments had continued.

Regarding foreign exchange trends, the yen has tended to be cheaper than 140 yen to the U.S. dollar, the assumption at the start of the period.

The Company thinks that although mild, the recovery will continue in the second half of this fiscal year, despite a number of concerns such as economic trends in China and the intensification of competition in the EV market.

Based on the circumstances above, the Company has revised consolidated earnings forecasts for the fiscal year ending December 2024 as detailed above.

Although there has been no change to the policy of returning profits to shareholders with a “consolidated dividend payout ratio target of 30% and DOE of 3% or more,” the Company will examine carefully the specific dividend amount while ascertaining future exchange rate trends, etc., and at the present time, the year-end dividend forecast for the current fiscal year remains unchanged from the dividend forecast at the beginning of the period.

In addition, we have formulated the earnings forecast for the second half of the current fiscal year based on the assumption of an exchange rate of 150 yen to the U.S. dollar.

(Note1) The above earnings forecasts have been prepared based on information available as of the date of this document's release, and actual results may differ from the forecasts due to various future factors.

(Note2) On April 1, 2024, the Company conducted a stock split at a ratio of 3 shares each common share. “Basic earnings per share” is calculated assuming that the stock split was carried out at the beginning of the previous consolidated fiscal year.