

August 10, 2021

Attention: All concerned parties

Toyo Tanso Co., Ltd.

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(Stock Exchange Code: 5310, 1st Section, Tokyo Stock Exchange)

Notification of Differences between Consolidated Earnings Forecasts for First Half of Fiscal Year and Actual Results, and Revisions to Consolidated Earnings Forecasts for Fiscal Year

The consolidated earnings forecasts announced on May 12, 2021 for the first half of the fiscal year ending December 31, 2021 (January 1, 2021 – June 30, 2021) differ from the actual results announced today, as noted below.

Also, based on the latest business circumstances, we have revised the earnings forecast for the consolidated fiscal year (January 1, 2021 – December 31, 2021) as follows.

Particulars

1. Differences between consolidated earnings forecasts and actual results for the first half of the fiscal year ending December 31, 2021 (January 1, 2021 – June 30, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	16,500	1,800	2,100	1,300	61.99
Actual results (B)	17,535	2,366	2,779	1,824	86.98
Amount of increase/decrease (B-A)	1,035	566	679	524	—
Percentage of increase/decrease (%)	6.3	31.5	32.4	40.3	—
(Ref.) Results for the first half of the previous fiscal year (first half of the fiscal year ended December 31, 2020)	15,514	2,063	2,105	1,461	69.69

2. Revision of figures in consolidated earnings forecast for the year ending December 31, 2021
(January 1, 2021 – December 31, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	33,600	4,000	4,300	2,900	138.27
Revised forecast (B)	36,500	5,600	6,000	4,200	200.26
Amount of increase/decrease (B-A)	2,900	1,600	1,700	1,300	—
Percentage of increase/decrease (%)	8.6	40.0	39.5	44.8	—
(Ref.) Previous fiscal year results (Year ended December 31, 2020)	31,226	3,422	3,877	2,662	126.95

3. Reasons for differences and revision

In the first half of the consolidated fiscal year under review, net sales exceeded the plan on the back of strong demand notably in electronics applications led by applications for single-crystal silicon manufacturing and compound semiconductor applications, as well as carbon brushes. On the profit front, results also exceeded the plan, attributable in part to an increase in marginal profit along with an increase in sales.

In the third quarter and beyond, firmness is expected by and large for all applications against the backdrop of continued strength of demand for semiconductors and recovery of operation in face-to-face industries, although there are causes of concern such as the competitive environment of the solar cell market and stay-at-home demand for carbon brush products, which is running its course and declining, in addition to the impact of COVID-19 rebound and trade frictions between the US and China. In light of these conditions and the results of the first half of the consolidated fiscal year under review, we have revised the full-year consolidated earnings forecast.

*Exchange rates for the fiscal year ending December 31, 2021

Actual exchange rates for the consolidated first half: 107.7 yen/US\$, 129.8 yen/EUR, 16.6 yen/CNY

Assumed exchange rates for the third quarter and beyond: 105 yen/US\$, 128 yen/EUR, 16.5 yen/CNY

Note: The above forecasts are based on the information available when these materials were released, and actual results may differ from these forecasts due to various factors.

Please direct inquiries regarding the current situation to:

<p>Toyo Tanso Co., Ltd. Publicity & Investor Relations E-mail: info@toyotanso.co.jp</p>
