



November 8, 2022

To whom it may concern:

Name of the company: Takachiho Koheki Co., Ltd.
 Code No.: 2676
 Representative (job title): Takanobu Ide (President and CEO)
 Contact person (job title): Masaya Iwamoto (General Manager of Administrative Department)

Differences between Consolidated Earnings Forecasts for the Second Quarter (cumulative) of the Fiscal Year Ending March 31, 2023, and Results, and Revision of Consolidated Earnings Forecasts and Notice of Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2023

Takachiho Koheki Co., Ltd. (the “Company”) announced the differences between consolidated earnings forecasts for the second quarter (cumulative) of the fiscal year ending March 31, 2023, announced on July 5, 2022, and the actual results announced today. The Company also resolved at a meeting of Board of Directors held on November 8, 2022, to revise the forecasts of consolidated result for the fiscal year ending March 31, 2023, and dividend forecast announced on May 13, 2022.

1. Forecast

(1) Differences between consolidated forecast for the second quarter (cumulative) of the fiscal year ending March 31, 2023, and results (April 1, 2022 to September 30, 2022)

	Net sales	Operating income	Ordinary income	Quarterly net income attributable to the shareholders of the parent company	Quarterly net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	11,300	500	680	480	53.73
Actual results (B)	11,118	584	894	657	73.54
Change (B - A)	(181)	84	214	177	-
Change (%)	(1.6)	16.9	31.5	37.0	-
(Ref.) Previous results for the second quarter of the fiscal year ended September 30, 2022	9,583	431	490	334	37.50

(2) Revision of consolidated earnings forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

	Net sales	Operating income	Ordinary income	Net income attributable to the shareholders of the parent company	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	22,500	1,300	1,300	920	102.98
Revised forecast (B)	23,000	1,350	1,500	1,040	116.33
Change (B - A)	500	50	200	120	-
Change (%)	2.2	3.8	15.4	13.0	-
(Ref.) Previous actual results for the fiscal year ended March 31, 2022	20,784	1,024	1,247	878	98.61

(3) Reasons for Differences and Revision

Despite good sales of electronics products, such as 5G base stations and electronic components for semiconductor manufacturing equipment, and global products for the fire protection systems business in Thailand, Net sales fell short of the previous forecast because of the postponement of projects due to the extension of security investments in the retail industry. On the other hand, in terms of income, operating income, ordinary income, and net income attributable to the shareholders of the parent exceeded the previous forecast, due to good sales of electronics products, MSP services (*), and foreign exchange gains on foreign currency-denominated transactions.

(*MSP service: our proprietary subscription-based service for maintenance, operation, and operation monitoring of cloud products)

There are still unstable factors such as fluctuations in production plan due to shortage of electronic component and materials.

However, based on recent trends, the Company decided to revise consolidated earnings forecast for the fiscal year ending March 31, 2023.

2. Revision of Dividend Forecast

(Yen)

	Dividend per share		
	2nd quarter-end	Year-end	Total
Previous forecast (announced on May 13, 2022)	-	79.00	103.00
Revised forecast	-	92.00	116.00
Current results	24.00	-	-
(Ref.) Previous results (Previous actual results for the fiscal year ended March 31,2022)	12.00	43.00	55.00

(Reason for Revision)

The company considers it an important business challenge to improve capital profitability. As described in the new Medium-term Management Plan "Challenges for Creation: Creating new value in a new normal era towards 100th anniversary." announced on February 2022, the dividend policy for the next fiscal year and beyond calls for a consolidated payout ratio of 100% until achieving ROE of 8% as a three-year average, aiming for actively providing returns to shareholders without increasing equity based on our existing stable dividend policy.

In accordance with our shareholder return policy and revision of consolidated earnings forecast for the fiscal year ending March 31, 2023, the company decided to pay year-end dividends of 92 yen per share. The company will pay interim dividend of 24 yen per share. As a result, the annual dividends will be 116 yen per share.

Note: The results forecast above was based on information available to the Company as of the data of release of this document. Actual operating results may differ due to a number of factors in the future.