

October 31st, 2022

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Notice of the Revision Forecast of the Financial Results,
Distribution of Surplus and Year-end Dividend Forecast,
Stock Split and Partial amendment to the Articles of Incorporation

Fukuda Denshi (hereinafter, “the Group”) hereby announces that at the Board of Directors meeting held on October 31st, 2022, the Group resolved the following revisions to the earnings forecast, dividend of surplus (interim dividend), revision of the full-year dividend forecast, and stock split and partial amendment to the articles of incorporation accompanying the stock split.

1. Forecast of the Financial Results

(1) Forecast of consolidated financial results for the fiscal year ending March 31st, 2023
 (April 1st, 2022 through March 31st, 2023)

| | Net sales | Operating Profit | Ordinary Profit | Profit attributable to owners of parent | Earnings per share (Before stock split) |
|-----------------------------------|-------------|------------------|-----------------|---|---|
| | million yen | million yen | million yen | million yen | yen |
| Previous forecast (A) | 120,000 | 16,000 | 16,000 | 11,000 | 727.38 |
| This forecast (B) | 125,000 | 20,000 | 20,300 | 14,000 | 462.85 (925.70) |
| Fluctuation (B-A) | +5,000 | +4,000 | +4,300 | +3,000 | |
| Fluctuation rate (%) | +4.2 | +25.0 | +26.9 | +27.3 | |
| (Rf) Previous FY ended March 2022 | 132,098 | 22,708 | 23,422 | 16,216 | 1,072.38 |

(2) Reasons for revisions of the Forecast of the Financial Results

The forecast of consolidated “Net sales” is expected to be 125,000 million yen (up 5,000 million yen, from the previous forecast) due to the sales growth of COVID-19 related products with the continuing medical demand.

Also, “Operating Profit”, “Ordinary Profit” and “Profit attributable to owners of parent” are most likely exceeding the previous forecast, due to the favorable product mix.

2. Distribution of Surplus (Interim Dividend) and Revision of Year-end Dividend Forecast

(1) Distribution of Surplus (Interim Dividend)

| | Final amount | Latest dividend forecast (announced on May 13 th ,2022) | Interim dividend for the previous fiscal year ended March 31 st , 2022 |
|---------------------|-----------------------------------|--|---|
| Record date | September 30 th , 2022 | Same as on the left | September 30 th , 2021 |
| Dividends per share | 140.00yen | 100.00yen | 100.00yen |
| Total dividends | 2,134 million yen | - | 1,524 million yen |
| Effective date | December 5 th , 2022 | - | December 6 th , 2021 |
| Dividend source | Retained earnings | - | Retained earnings |

(2) Revision of Year-end Dividend Forecast

| | Annual Dividends per share | | |
|---|------------------------------|-------------------------|------------------|
| | End of the second quarter | Year-end | Annual |
| Previous forecast (May 13 th ,2022) | 100.00yen | 115.00yen | 215.00yen |
| Revised forecast (Before stock split) | - | 70.00yen (140.00yen) | - (280.00yen) |
| Dividend for the fiscal year ending March 31 st , 2023 | 140.00yen | - | - |
| Dividend for the previous fiscal year ended March 31 st , 2022 | 100.00yen | 205.00yen | 305.00yen |

(Note)

1. The interim dividend for the fiscal year ending March 31st, 2023, with a record date of September 30th, 2022, will be based on the number of shares before the stock split.
2. The year-end dividend for the fiscal year ending March 31st, 2023, which has a record date of March 31st, 2023, will be based on the number of shares after the stock split.
3. The annual dividend forecast per share has not been presented, as simple comparisons cannot be made due to the implementation of the stock split.

(3) Reasons for revisions

The Group has long positioned the return of profits to shareholders as the most important management measure, and has established a basic policy to enhance and strengthen its corporate structure while maintaining necessary internal reserves, developing competitive businesses, and continuing stable profit return.

At the Board of Directors meeting held on October 31st, 2022, the Group resolved the following issues. Regarding the dividend for the fiscal year ending March 31st, 2023, the interim dividend with the record date of September 30th, 2022 will be increased to an ordinary dividend of 110 yen per share and a special dividend of 30 yen, for a total of 140 yen, and the year-end dividend forecast with a record date of March 31st, 2023 will be an ordinary dividend of 55 yen (110 yen before the stock split), a special dividend of 15 yen (30 yen before the stock split), for a total of 70 yen (140 yen before the stock split) in accordance with the revision of the earnings forecast and the stock split.

3. Stock Split

(1) Purpose of the Stock Split

The objective of the stock split is to lower the minimum investment price per unit of the Company, thereby facilitating an environment where it is easier to invest in the Company's shares and expanding the Company's investor base.

(2) Stock Split Method

The record date of the stock split will be Wednesday, November 30th, 2022. Each share of the Company's common stock held by shareholders as of the record date will be subdivided into two shares.

(3) Increase in Number of Shares as a Result of the Stock Split

| | |
|--|--------------------|
| Number of shares outstanding prior to the stock split | 19,588,000 shares |
| Increase in total number of outstanding shares as a result of this stock split | 19,588,000 shares |
| Number of shares outstanding after the stock split | 39,176,000 shares |
| Number of shares authorized to be issued after the stock split | 156,000,000 shares |

(4) Stock Split Schedule

| | |
|--|---|
| Date of public notice of the record date | Tuesday, November 15 th , 2022 |
| Record date | Wednesday, November 30 th , 2022 |
| Effective date | Thursday, December 1 st , 2022 |

4. Partial amendment to the Articles of Incorporation

(1) Reasons for the amendment

In line with the stock split, pursuant to the Article 184, paragraph 2 of the Companies Act of Japan, the Company will amend as of Thursday, December 1st, 2022, as the effective date partial amendment to the articles of incorporation of the Company.

(2) Details of the amendment

Details are as follows:

(Updated contents are underlined.)

| Before the amendment | After the amendment |
|---|--|
| Article 6. (Aggregate Number of Issuable Shares) The total number of shares that the Company may issue shall be <u>78,000,000 shares</u> . | Article 6. (Aggregate Number of Issuable Shares) The total number of shares that the Company may issue shall be <u>156,000,000 shares</u> . |

(3) Schedule of the amendment to the Articles of Incorporation

Effective date : Thursday, December 1st, 2022

※Note

The forecasted financial results described above are based on information available as of the release date of this announcement. Actual results may differ from the results projected and presented hereby for a variety of reasons.

It will be promptly announced as soon as the revision of the forecast is needed.

※This English translation is for reference purposes only. The original Japanese version will prevail as the official authoritative version.

※The original disclosure in Japanese was released on October 31st, 2022 at 15:00 (GMT+9)