

February 2, 2023

For Immediate Release

Company Name: TOKAI Holdings Corporation
 Representative Name: Representative Director, President and CEO
 Katsuo Oguri
 (Code No. 3167, TSE Prime Market)

Notice Regarding Posting of Extraordinary Losses and Revisions to the Full-Year Financial Results Forecast

TOKAI Holdings Corporation (hereinafter, “the Company”) has decided to post the expenses for fact-finding investigations related to the inappropriate use of expenses by the former President and CEO (hereinafter, the “matter in question”) as extraordinary losses. The Company has also revised its full-year financial results forecast, which was announced on May 10, 2022, as described below.

1. Posting of extraordinary loss

As announced in its notice regarding the establishment of special investigation committee, dated September 22, 2022, and the notice regarding disclosure of investigation report by the special investigation committee, dated December 15, 2022, the Company has established a special investigation committee, to which it commissioned fact-finding investigations related to the matter in question, and received an investigation report from the committee. This has generated expenses for investigations by the special investigation committee and extra compensation for the accounting auditor. Accordingly, the Company will post extraordinary losses of 312 million yen as special investigation expenses in its financial results for the first nine months of the fiscal year ending March 31, 2023, which will be announced today.

2. Revisions to the business results forecasts

Revisions to the full-year financial results forecast for the fiscal year ending March 31, 2023 (April 1, 2022 – March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A)	223,000	14,500	14,300	8,300	63.43
Revised forecast (B)	223,000	14,500	12,600	6,300	48.12
Amount of change (B - A)	0	0	-1,700	-2,000	
Change (%)	0.0	0.0	-11.9	-24.1	
(Reference) Results for previous fiscal year (FY 03/22)	210,691	15,794	15,907	8,969	68.49

(Outline of the revisions)

Looking at the most recent trends in business performance, there has been steady progress in initiatives for increasing the number of continuing customers with the goal of expanding the earnings base, and the net sales and operating profit forecasts announced on May 10, 2022 are expected to be achieved. On the other hand, the forecast amount of ordinary profit was revised because impairment losses of goodwill of an equity-method affiliate in Vietnam, which were 1,746 million yen, were posted as non-operating expenses in the second quarter of the fiscal year ending March 31, 2023. Further, the forecast for profit attributable to owners of parent was revised by reflecting the aforementioned special investigation expenses of 312 million yen in extraordinary losses.

Note: The above forecasts are based on information that was available on the announcement date of this release. Actual results may differ from the forecasts due to various risks and uncertainties.

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