



May 26, 2023

Company: KATITAS Co., Ltd.
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Notice Regarding Revision of Earnings Forecasts for the Fiscal Year ending March 31, 2024

As stated in the “Notice Regarding Ruling on Lawsuit Filed by the Company for Revocation of Consumption Tax Reassessment Penalty, etc.”, released on May 25, 2023, KATITAS Co., Ltd. (the “Company”) has filed a lawsuit against the Kantoshinetsu Regional Taxation Bureau (the “Regional Taxation Bureau”) seeking the revocation of a Written Notice of Reassessment of Consumption Tax and Local Consumption Tax and a Written Notice of Assessment and Determination Regarding Additional Tax (the “Reassessment Penalty, etc.”) the Company received from the Regional Taxation Bureau on April 28, 2020 (the “Lawsuit”), and the Tokyo District Court rendered a judgment dismissing the Company’s claim for revocation of the Reassessment Penalty, etc.

In light of the ruling, the Company has decided to calculate the difference arising from the discrepancies between the existing accounting treatment of the Group and the calculation method advocated by the Regional Taxation Bureau and record it as selling, general and administrative expenses, starting from the fiscal year ending March 31, 2024. We would like to inform you about the subsequent impact on the Group’s consolidated earnings forecasts, as follows.

1. Revision of earnings forecasts

Revision of the consolidated earnings forecasts for the first six months of the fiscal year ending March 31, 2024 (from April 1, 2023, to September 30, 2023)

	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
Previously announced forecast (A)	65,788	7,706	7,602	5,215	67.10
Revised forecast (B)	65,788	6,581	6,477	4,441	57.14
Change in amount (B-A)	0	(1,125)	(1,125)	(774)	
Change (%)	0.0	(14.6)	(14.8)	(14.8)	
(Reference) Results for the previous period (the first six months of the fiscal year ending March 31, 2023)	59,160	7,436	7,355	4,971	64.32

Revision of the consolidated earnings forecasts for the fiscal year ended March 31, 2024 (April 1, 2023, to March 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
Previously announced forecast (A)	132,464	15,466	15,204	10,416	134.00
Revised forecast (B)	132,464	13,216	12,954	8,866	114.06
Change in amount (B-A)	0	(2,250)	(2,250)	(1,550)	
Change (%)	0.0	(14.5)	(14.8)	(14.9)	
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2023)	121,341	14,060	13,833	6,091	78.66

Reason for revision

As the Group is continuing its existing accounting treatment for the previous fiscal years even after receiving the Reassessment Order, etc., a discrepancy with the calculation method advocated by the Regional Taxation Bureau has arisen.

Based on the results of the recent ruling by the Tokyo District Court, the Company has decided to calculate the difference arising from the discrepancies between the existing accounting treatment of the Group and the calculation method advocated by the Regional Taxation Bureau and record it as selling, general and administrative expenses, starting from the fiscal year ending March 31, 2024., and the correction is hereby made.

This revision of the earnings forecasts has not caused a revision in the dividend forecast.

3. Response to the ruling

With regard to the Lawsuit filed by the Company, it will scrutinize the first court's decision and consider future actions, and will promptly make an announcement as soon as a decision is made.

(Note) The earnings forecasts have been prepared based on information currently available to the Company as of the date of this material's release and actual results may differ from the forecasts due to various factors going forward.