

Translation

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To whom it may concern,

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President and CEO
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Notification on the difference between the consolidated earnings forecast and results for Q2 of FY 2024 and revisions to the full-year consolidated earnings forecast and the forecast term-end dividend

The results in the cumulative second quarter of the term ending March 2024 turned out to be different from the earnings forecast announced on May 12, 2023, so we hereby report as follows.

In addition, considering the recent performance, we have revised the consolidated earnings forecast and the forecast term-end dividend for the term ending March 2024, which were announced on May 12, 2023, as described below.

1. Difference between the consolidated earnings forecast and results for the cumulative Q2 of FY 2024 (April 1, 2023 to September 30, 2023)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previously announced forecast (A)	Million yen 87,500	Million yen 7,300	Million yen 7,500	Million yen 5,100	Yen 86.91
Results (B)	90,612	10,259	10,456	7,121	121.33
Amount of Change (B-A)	3,112	2,959	2,956	2,021	—
Percentage of Change (%)	3.6	40.5	39.4	39.6	—
(Reference) Results for 2Q of the previous fiscal year ended March 31, 2023	81,726	8,998	9,267	6,238	106.34

2. Revisions to the figures in the full-year earnings forecast for the term ending March 2024 (April 1, 2023 to March 31, 2024)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previously announced forecast (A)	Million yen 183,000	Million yen 15,000	Million yen 15,400	Million yen 10,500	Yen 178.93
Revised Forecast (B)	187,000	18,500	18,900	13,300	226.59
Amount of Change (B-A)	4,000	3,500	3,500	2,800	—
Percentage of Change (%)	2.2	23.3	22.7	26.7	—
(Reference) Results for the previous fiscal year ended March 31, 2023	176,022	20,280	20,690	14,005	238.71

3. Reasons for the difference between the earnings forecast and results for the cumulative Q2, and the revision to the full-year earnings forecast

Regarding the consolidated performance of our corporate group in the cumulative second quarter of the term ending March 2024, net sales and operating income exceeded the initial forecasts. Because the Domestic Interior Segment, which is the mainstay, had smaller impact of the hovering prices of raw materials and the augmentation of distribution costs than expected and the sales quantities of products increased thanks to some measures based on the medium-term business plan.

Regarding the full-year consolidated earnings forecast, we revised the previously announced forecast upwardly, although new housing starts are sluggish, because the augmentation of costs for energy and raw materials is expected to be less than the forecast thanks to some governmental measures, our sales quantities are projected to exceed the initial forecasts, and the revenue from our business in North America is expected to exceed the forecast.

4. Revision to the forecast term-end dividend

	Dividend per share [yen]		
	End of Q2	End of the term	Total
Previously announced forecast (announced on May 12, 2023)	65 yen	65 yen	130 yen
Revised forecast		70 yen	135 yen
Results in FY 2024	65 yen		
(Reference) Results for the previous fiscal year ended March 31, 2023	40 yen	65 yen	105 yen

5. Reason for the revision to the forecast term-end dividend

Our basic policy is to return profit to shareholders mainly through dividends with the aim of increasing the dividend amount stably while keeping the annual dividend per share from falling below 130 yen, based on the capital policy set in the Medium-term Business Plan (2023-2025) [BX 2025].

Under the above basic policy, considering the revision to the consolidated earnings forecast, we decided to revise the forecast term-end dividend to 70 yen/share, up 5 yen/share from the previously announced forecast. Accordingly, the forecast annual dividend became 135 yen/share, up 5 yen/share from the previously announced forecast and up 30 yen/share from the previous term.

*The above forecast was made with reference to the information available as of the date of release of this document, so it includes uncertainties and may change. Accordingly, actual performance may be different from the forecast due to various factors.