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For immediate release

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Notice of revision of consolidated earnings forecasts for FY12/2023 and upward revision of final dividend forecast

The Board of Directors of Ultrafabrics Holdings, Co., Ltd. resolved at a meeting held today to revise the consolidated earnings forecasts for the full fiscal year ending December 31, 2023 previously announced on February 14, 2023, as shown in the table below. In addition, the Board decided to revise the final dividend forecast for the same fiscal year, previously announced on the same date, as below.

1. Revisions to consolidated earnings forecasts for fiscal year ending December 31, 2023 (January 1, 2023 through December 31, 2023)

(1) Revisions to consolidated earnings forecasts

	Sales revenue	Operating income	Income before taxes	Net income	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	¥ million 21,100	¥ million 3,500	¥ million 3,000	¥ million 2,100	¥ million 2,100	¥ 115.00
Revised forecast (B)	21,000	3,700	3,000	2,600	2,600	153.50
Difference (B — A)	(100)	200	0	500	500	—
Difference (%)	(0.5)	5.7	0.0	23.8	23.8	—
Reference: FY2023 result	19,595	3,197	2,865	2,051	2,051	109.17

\* Ultrafabrics Holdings conducted a 2-for-1 stock split on April 1, 2023. Consolidated earnings forecasts for FY12/2023 and basic earnings per share for FY12/2022 have been adjusted to take account of the split.

## (2) Rationale

Sales volume in FY12/2023 fell below initial forecasts, especially in the second quarter, owing to inventory corrections for furniture and camping car applications accompanying the normalization of marine transportation, as well as the effect of high policy rates in the US. However, sales revenue came in broadly on par with forecast on a yen basis, thanks to brisk sales for aircraft applications and a prevailing forex rate of ¥140.6/\$ (compared to an assumption of ¥125.0/\$). Operating income was higher than forecast owing to the weaker yen and an undershoot in logistics costs. Net income is expected to exceed the forecast further, given a decline in the effective tax rate caused by a transfer pricing-related tax adjustment between the US and Japan.

The revised earnings forecasts are based on information available to Ultrafabrics Holdings as of the time the document was released, and certain assumptions deemed reasonable to management. However, actual results could differ considerably due to various factors.

## 2. Revision to dividend forecast for year ending December 31, 2023

### (1) Nature of revision

	Annual dividend per share (¥)				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
Previous forecast	-	-	-	¥ 31.00	¥ 31.00
Revised forecast	-	-	-	39.00	39.00
Current year dividend declared	-	0.00	-	-	-
Previous year dividend (FY2022)	-	0.00	-	31.00	31.00

\* Ultrafabrics Holdings conducted a 2-for-1 stock split on April 1, 2023. Consolidated earnings forecasts for FY12/2023 and basic earnings per share for FY12/2022 have been adjusted to take account of the split.

\*\* The revision in table (1) regards dividends paid to holders of common stock. Information regarding dividends paid to holders of Type A preferred stock (non-listed), which carry different rights to common stock, is presented below.

	Annual dividend per share (¥)				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
Previous forecast	-	-	-	¥ 68.00	¥ 68.00
Revised forecast	-	-	-	85.00	85.00
Current year dividend declared	-	0.00	-	-	-
Previous year dividend (FY2022)	-	0.00	-	68.00	68.00

The number of Type A preferred stocks did not change as a result of the stock split. Instead, the conversion ratio

applied when an owner of Type A preferred stocks exercises their right to exchange for common stock was increased in proportion to the stock split ratio. The dividend per Type A preferred stock is calculated as the dividend per common stock, multiplied by two (the stock split ratio), multiplied by 1.1 (rounding down to nearest whole yen).

(2) Rationale

Ultrafabrics Holdings' basic policy is to maintain stable dividends to shareholders, while simultaneously enhancing corporate structures and giving due consideration to the build-up of internal reserves sufficient for future business expansion. In the 2023-2025 Medium-Term Management Plan, Ultrafabrics set the dividend payout ratio target at around 30% given the ongoing demand for capital investment, aiming to strike an appropriate balance in the allocation of profits generated to investment, retained earnings, and shareholder returns.

The initial forecasts for final dividend per share for fiscal year ending December 31, 2023 were ¥31 for common stock and ¥68 for Type A preferred stock, equivalent to a dividend payout ratio of 27.1%. However, with earnings for the fiscal year now expected to come in above initial forecasts, as noted above, Ultrafabrics Holdings decided to revise the dividend forecasts to ¥39 for common stock and ¥85 for Type A preferred stock, equivalent to a dividend payout ratio of 27.5%, taking comprehensive account of future earnings momentum, financial position, and business developments.