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For Immediate Release

Ad-Sol Nissin Corporation
Tomizo Ueda, Chairman and CEO
(Stock code: 3837, Prime Market of the Tokyo Stock Exchange)
<Inquiries>
Norikazu Teramura, Director, General Manager of Administrative Dept
(TEL: +81-3-5796-3131)

Notice of Revisions to Full-year Operating Results Forecast and Year-end Dividend Forecast (Dividend increase) for the fiscal year ending March 2024

Ad-Sol Nissin Corporation (the “Company”) announces that it has revised its operating results forecast and year-end dividend forecast for FY’24/3 published on May 9, 2023, based on recent trends in business performance, as follows.

1. Revisions to Full-year Operating Results Forecast

Revisions to consolidated operating results forecast for FY’24/3 (April 1, 2023–March 31, 2024)

| | Net sales | Operating income | Ordinary income | Net income attributable to owners of parent | Net income per share |
|------------------------------------|---------------|------------------|-----------------|---|----------------------|
| | ¥ million | ¥ million | ¥ million | ¥ million | ¥ |
| Previous Forecast (A) | 13,600 | 1,300 | 1,340 | 897 | 96.38 |
| Revised Forecast (B) | 14,000 | 1,430 | 1,476 | 961 | 103.15 |
| Difference (B-A) | 400 | 130 | 136 | 64 | |
| Difference (%) | 2.9 | 10.0 | 10.1 | 7.1 | |
| (Reference) Results for FY’23/3 | 12,842 | 1,210 | 1,244 | 841 | 90.41 |

(Reasons for the revisions)

Sales of social infrastructure-related systems for electric power, gas, aviation, space, and other sectors, as well as projects for digital transformation (DX) systems that lead to improved operational efficiency and the creation of new services, remained strong. As a result, we expect 14 billion yen in net sales, 2.9% higher than the initial forecast.

In terms of profits, the gross profit margin increased due to company-wide quality improvement activities, in addition to reviewing of contract terms and strengthening our focus on highly profitable upstream projects. This increases in gross profit exceeded the cost increases due to strengthening strategic investments, including compensation revisions for all employees, human resource development, initiatives for generative AI, strengthening of offshore development systems in Vietnam, product/solution development and promotion, and expansion of office facilities. As a result, operating income is expected to be 1.43 billion yen, 10.0% higher than the initial forecast.

2. Revisions to Year-end Dividend Forecast

| | Dividend per share (¥) | | |
|--------------------------------------|------------------------|----------|-------|
| | End of Q2 | Year-end | Total |
| Previous forecast(As of May 9, 2023) | 19.00 | 20.00 | 39.00 |
| Revised forecast | — | 23.00 | 42.00 |
| Actual dividend in FY'24/3 | 19.00 | — | — |
| Actual dividend in FY'23/3 | 18.00 | 20.00 | 38.00 |

(Reasons for the revisions)

The Company intend to continue making stable profit distribution reflecting any improvement in our performance based on the dividend policy of "dividend payout ratio of 40% or more," while executing aggressive and strategic investments to achieve sustainable growth and increase corporate value.

At the beginning of the fiscal year, the annual dividend plan was 39 yen (interim: 19 yen, year-end: 20 yen). Based on the upward revision of the full-year operating results forecast, we have increased the year-end dividend by 3 yen to 23 yen.

This results in an annual dividend forecast of 42 yen (up 4 yen from the previous year), an increase for the 14th consecutive year, and the dividend payout ratio will be 40.7%.

This will be put on the agenda at the Annual General Meeting of Shareholders scheduled to be held on June 2024.

(Note:1) The above forecast is based on information available to the Company as of the date of release of this document. Various uncertainties may cause actual results to differ materially from the forecast.

(Note:2) English documents are prepared as a courtesy to our shareholders. In the event of any inconsistency between English-language documents and Japanese-language documents, the Japanese-language documents will prevail.