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Notice Regarding Revisions to Full-Year Earnings Forecasts

We have announced the following revisions to our consolidated earnings forecasts for the fiscal year ending April 2024, which were announced on June 14, 2023, in light of recent performance trends.

1.Contents of revision

Revisions to forecasts for the full year ending April 2024 (May 1, 2023-April 30, 2024)

	Net sales	Operating income	Ordinary income	Net profit attributable to owners of parent	Earnings Per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Initial forecast(A)	16,813	2,086	2,069	1,537	94.46
Revised forecast(B)	17,292	1,868	1,942	1,053	64.68
Change(B-A)	479	(218)	(127)	(484)	
Change (%)	2.8%	(10.5%)	(6.1%)	(31.5%)	
[Reference] Consolidated results for the previous fiscal year(FY04/23)	14,038	1,271	1,399	945	59.44

2.Reasons for the revisions

Considering the results in the third quarter consolidated cumulative period, we revised the full-year consolidated earnings forecast. The following is a summary of the results forecasts.

(1) Increase in tax expense due to recognition of deferred tax liabilities

As announced on September 14, 2023, Notice of Recording Deferred Tax Liabilities and paid dividends to us from overseas consolidated subsidiaries. In conjunction with this change, we incurred the following tax expenses.

① Foreign withholding taxes in the countries in which the foreign subsidiaries are located

② Japanese income taxes imposed in Japan on dividends we receive

Accompanying this change is a revision of the performance forecast, as the amount of adjustment (loss) for corporate tax increased by JPY332 million from the same period of the previous year to the same period of the third quarter, and as a result, the amount of current-term net revenue attributable to owners of the parent is expected to decrease by about 30% from the initial forecast.

This is a one-time special factor and does not imply a decline in our profitability.

(2) Commerce Business

In the Commerce Business, in addition to the sale performance of the Mobile Life Business, in which sales exceeded the previous year's level, the Cosmetics Business is the driving force behind the significant increase in sales for the group as a whole. However, due to stagnant consumer spending, sales in the Mobile Life Business remained below the initial plan.

In addition, the group will revise its earnings forecasts due to the anticipated continued aggressive investment in advertising to capitalize on the good opportunities behind the advancement of the cosmetics business and a significant increase in sales promotion expenses and other expenses associated with the development of wholesale customers.

In light of these conditions, we estimate that it will achieve net sales of JPY17,292 million (up 2.8% from the previous forecast), operating income of JPY1,868 million (down 10.5%), ordinary income of JPY1,942 million(down 6.1%), and net income attributable to owners of parent of JPY1,053 million (down 31.5%).

(NOTE)The above forecasts are based on information available as of the announcement date, and actual results may differ from the forecasts due to various factors going forward.

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