

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 30, 2023

Company name: RIKEN TECHNOS CORPORATION
Name of representative: Kazuaki Tokiwa, Representative Director,
President & CEO
(Securities code: 4220; Tokyo Prime Market)
Inquiries: Ryoichi Takami, Accounting General Manager
(Telephone: +81-3-5297-1650)

Notice Concerning the Difference between Consolidated Financial Forecasts (and Non-Consolidated Financial Forecasts) and Actual Results for the Six Months Ended September 30, 2023 and the Revision of Consolidated Financial Forecasts (and Non-Consolidated Financial Forecasts) for the Fiscal Year Ending March 31, 2024

RIKEN TECHNOS CORPORATION (the “Company”) hereby announces the difference between its consolidated financial forecasts (and non-consolidated financial forecasts) for the six months ended September 30, 2023 announced on May 1, 2023 and actual results announced today. The Company also announces the revision of its consolidated financial forecasts (and non-consolidated financial forecasts) for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024) based on the actual results of the first half and the most recent operating trends, as described below.

1. Difference between its consolidated financial forecasts (and non-consolidated financial forecasts) for the six months ended September 30, 2023 and actual results (from April 1, 2023 to September 30, 2023)

(1) Consolidated financial results for the six months ended September 30, 2023

(Millions of Yen, except Consolidated earnings per share)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previously announced forecasts (A)	61,000	2,900	3,000	1,700	26.87
Actual results (B)	61,397	3,621	4,202	2,507	39.62
Difference (B-A)	397	721	1,202	807	
Difference (%)	0.7	24.9	40.1	47.5	
(Reference) Actual consolidated financial results for the six months ended September 30, 2022	59,527	3,498	4,040	2,377	37.64

(2) Non-Consolidated financial results for the six months ended September 30, 2023

(Millions of Yen, except Earnings per share)

	Net sales	Ordinary profit	Profit	Basic earnings per share (Yen)
Previously announced forecasts (A)	30,000	1,500	1,200	18.97
Actual results (B)	30,005	2,731	2,176	34.40
Difference (B-A)	5	1,231	976	
Difference (%)	0.0	82.1	81.4	

2. Revision of its consolidated financial forecasts (and non-consolidated financial forecasts) for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated financial forecasts for the fiscal year ending March 31, 2024

(Millions of Yen, except Consolidated earnings per share)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previously announced forecasts (A)	128,000	7,600	7,800	4,500	71.14
Revised forecasts (B)	128,000	8,400	9,000	5,200	82.14
Change (B-A)	0	800	1,200	700	
Change (%)	0	10.5	15.4	15.6	
(Reference) Actual consolidated financial results for the previous fiscal year (Fiscal year ended March 31, 2023)	123,497	7,506	7,964	4,557	72.11

(2) Non-Consolidated financial forecasts for the fiscal year ending March 31, 2024

(Millions of Yen, except Earnings per share)

	Net sales	Ordinary profit	Profit	Basic earnings per share (Yen)
Previously announced forecasts (A)	62,000	5,000	4,100	64.81
Revised forecasts (B)	62,000	6,200	4,900	77.40
Change (B-A)	0	1,200	800	
Change (%)	0	24.0	19.5	
(Reference) Actual non-consolidated financial results for the previous fiscal year (Fiscal year ended March 31, 2023)	57,080	5,332	4,232	66.96

Note: "Basic earnings per share" in (1) and (2) does not take into account the impact of share repurchases based on the "Notice Concerning Determination of Matters Related to Acquisition of Own Shares" announced separately today.

3. Reason for difference and revision

The consolidated financial forecasts for the fiscal year ending March 31, 2024 announced on May 1, 2023, the assumed situation is as follows. The Japanese economy is heading towards a gradual recovery due to some economic boosting effects in the process of transitioning to the post COVID-19. The future of the world is uncertain, including monetary tightening in Europe and the U.S. in response to global inflation, the prolonged situation in Ukraine, weakening exports due to a slowdown in overseas economies, and a growing sense of stagnation due to the impact of rising commodity prices due to soaring resource prices. In our group's business activities, the assumption that various costs will rise due to the rise in utility costs, including electricity charges, and increases in logistics costs, which will have an impact on business performance.

With regard to the consolidated financial results for the six months ended September 30, 2023, profit at each stage exceeded initial forecasts due to hold down increases in utility costs such as electricity charges more than expected, and depreciation of the yen and other factors.

With regard to the consolidated financial forecasts for the fiscal year ending March 31, 2024, although the future remains uncertain, profit at each stage is expected to exceed the initial forecast, reflecting the actual results of the first half.

The year-end dividend forecast for the fiscal year ending March 31, 2024, has remained unchanged due to the need to consider the impact of share buybacks based on the “Notice Concerning Determination of Matters Related to Acquisition of Own Shares”

* Statements related to business forecasts contained in this document are based on information currently available and certain assumptions considered to be reasonable. Actual results may differ significantly due to various factor.