

Notice Regarding Revisions to Consolidated Results Forecasts for the First Half and the Full Year of the Fiscal Year Ending March 31, 2023 and Posting of Extraordinary Losses

Denka Company Limited (hereinafter "Denka") announces that it has revised the consolidated financial forecasts for the half of the fiscal year ending March 31, 2023 and those for the full year that were released on May 11, 2022. Details are as follows.

1. Revisions of Consolidated Results

(1) Revision to the consolidated results forecast for the first half of the fiscal year ending March 31, 2023

(April 1, 2022 - September 30, 2022)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share
Previous forecast (A)	Million Yen 210,000	Million Yen 18,000	Million Yen 17,000	Million Yen 13,000	Yen 150.76
Revised forecast (B)	202,500	18,000	17,000	14,000	162.36
Change (B - A)	-7,500	0	0	1,000	
Change (%)	-3.6%	0.0%	0.0%	7.7%	
(Reference) Consolidated results for the first half of the previous fiscal year (Six months ended September 30, 2021)	191,143	25,224	23,651	18,045	209.29

(2) Revision to the consolidated results forecast for the fiscal year ending March 31, 2023

(April 1, 2022 – March 31, 2023)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share
Previous forecast (A)	Million Yen 455,000	Million Yen 43,000	Million Yen 41,000	Million Yen 29,000	Yen 336.31
Revised forecast (B)	445,000	43,000	39,000	18,500	214.54
Change (B - A)	-10,000	0	-2,000	-10,500	
Change (%)	-2.2%	0.0%	-4.9%	-36.2%	
(Reference) Consolidated results for the previous fiscal year (Year ended March 2022)	384,849	40,123	36,474	26,012	301.67

(3) Reason for the revision of results forecast and posting of extraordinary loss

Regarding consolidated results for the first half of fiscal year ending March 31, 2023, sales will decrease, mainly reflecting price revisions due to a fall in raw material prices. However, operating income and ordinary income are expected to remain unchanged from the forecasts announced on May 11, 2022.

For consolidated results for the full year, as described in the "Notice Regarding Transfer of Cement Sales Business to a Wholly Owned Subsidiary through Company Split (Simplified Absorption-Type Company Split), Transfer of Shares in the Wholly Owned Subsidiary (Changes in Subsidiaries) and Withdrawal from Cement Business" released today, Denka has decided to transfer the cement sales business at the end of March 31, 2023 and withdraw completely from the in-house limestone mining and cement manufacturing businesses by around the first half of 2025. Based on this decision, approximately 19 billion yen in total covering the impairment of non-current assets and other expenses will be posted as extraordinary losses in the third quarter of the fiscal year ending March 31, 2023 and thereafter. Accordingly, ordinary income and income attributable to owners of parent are expected to decrease significantly from the previously announced levels, respectively.

The revisions to results forecasts do not cause any changes in the announced dividend forecasts.

(Note)

The above forecasts are based on information available to the Company at the time of the publication of this document and certain assumptions that the Company considers to be reasonable and may differ from the actual results due to various factors in the future.