

To whom it may concern,

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## Differences between the Earnings Forecast and Actual Results for the Cumulative Second Quarter of Fiscal Year of March 2024 and Notice Concerning Revision of Full-Year Earnings Forecasts

We inform as follows about differences between the consolidated forecast and the non-consolidated forecast for the second quarter of fiscal year March 2024 (April 1, 2023 to September 30, 2023) announced on May 10, 2023, and the actual results announced on today. And, the consolidated and non-consolidated earnings forecasts for the fiscal year March 2024 have been revised as follows.

### Notice

#### ● Differences between Forecast and Actual Results

Consolidated second quarter of fiscal year March 2024 (April 1, 2023 to September 30, 2023)

Difference with earnings forecast

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	23,350	330	610	270	12.02
Actual results (B)	22,048	197	1,334	632	28.17
Change (B-A)	△1,301	△132	724	362	
Rate of change (%)	△5.6	△40.2	118.7	134.4	
(For reference) Results of the second quarter of previous fiscal year (Second quarter of fiscal year ended March 31, 2024)	21,919	323	1,667	1,144	50.77

#### Reasons for the difference

In the consolidated cumulative second quarter, due to sluggish global demand and decline in demand for paper-based printing materials resulting from digitalization during the period when economic activity was constrained by COVID-19 in regard to Group's main product printing ink, sales of printing ink in the domestic and overseas markets were lower than forecast.

With regard to profits, operating profit was lower than forecast due to higher raw material prices, despite our ongoing efforts to revise selling price of products, to reduce expenses, and to improve efficiency of business operations. Ordinary profit and profit attributable to owners of parent exceeded forecast due to foreign exchange gains.

Non-consolidated second quarter of fiscal year March 2024 (April 1, 2023 to September 30, 2023)

Differences with earnings forecast

	Net sales	Operating profit	Ordinary profit	Net income	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	18,360	360	900	680	30.27
Actual results (B)	17,503	376	1,614	1,146	51.02
Change (B-A)	△856	16	714	466	
Rate of change (%)	△4.7	4.7	79.4	68.5	
(For reference) Results of the second quarter of previous fiscal year (Second quarter of fiscal year ended March 31, 2024)	17,032	287	1,900	2,643	117.29

Reason for the difference

In the cumulative second quarter, due to sluggish global demand and decline in demand for paper-based printing materials resulting from digitalization during the period when economic activity was constrained by COVID-19 in regard to sales of UV ink and other printing ink, net sales were lower than forecast.

With regard to profits, operating profit was higher than forecast due to our ongoing efforts to revise selling price of products, to reduce expenses, and to improve efficiency of business operations. Ordinary profit and net income exceeded forecast due to foreign exchange gains.

● Revision of Earnings Forecast

Revision of consolidated earnings forecast for the fiscal year March 2024 (April 1, 2023 to March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	49,180	1,400	2,140	1,360	60.54
Revised forecast (B)	45,500	900	2,600	1,500	66.77
Change (B-A)	△3,680	△500	460	140	
Rate of change (%)	△7.5	△35.7	21.5	10.3	
(For reference) Results of the previous fiscal year (Fiscal year ended March 31, 2023)	43,667	424	1,853	1,107	49.29

Reason for revision

Regarding a full-year earnings forecast, net sales is affected by decline in demand for printed materials in the domestic and overseas markets due to decline in demand for the publishing and commercial printing markets, and affected by delay of sales increasing we expected in ZHE JIANG T&K TOKA FINECHEMICALS CO., LTD., a Chinese subsidiary.

With regard to profits, we will continue to revise the selling prices of products and improve efficiency of business operations. However, in view of the situation of sales of printing ink in the domestic and overseas markets, and situation at ZHE JIANG T&K TOKA FINECHEMICALS CO., LTD., we forecast as above.

Ordinary profit and profit attributable to owners of parent are forecasted as above because of we recorded foreign exchange gains in the current consolidated second quarter.

Revision of non-consolidated earnings forecast for the fiscal year March 2024 (April 1, 2023 to March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Net income	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	38,170	1,100	1,860	1,400	62.32
Revised forecast (B)	35,930	1,000	2,450	1,780	79.23
Change (B-A)	△2,240	△100	590	380	
Rate of change (%)	△5.9	△9.1	31.7	27.1	
(For reference) Results of the previous fiscal year (Fiscal year ended March 31, 2023)	34,684	422	1,824	2,618	116.54

Reason for revision

Regarding a full-year earnings forecast, in regard to net sales and operating profit, sluggish global demand and decline in demand for printed materials in the domestic and overseas markets due to decline in demand for the publishing and commercial printing markets are expected. However, we forecast as above because of we will continue to revise the selling prices of products and improve efficiency of business operations.

Ordinary profit and net income are forecasted as above because of we recorded foreign exchange gains in the current second quarter period.

※ Earnings forecasts in this material are based on information available as of the announcement date. Actual results may differ due to various factors.

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