

August 2, 2022

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Notice Concerning Revisions of Consolidated Financial Results Forecasts

Sekisui Kasei Co., Ltd. (the “Company”) hereby announces that the Company has revised its consolidated financial results forecasts for the first half and full year of the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023), which were announced on April 28, 2022, as described below.

1. Revisions of financial results forecasts

(1) Revisions of consolidated financial results forecasts for the first half of the fiscal year ending March 31, 2023 (April 1, 2022 to September 30, 2022)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the parent	Net Income Attributable to Owners of the Parent per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecasts (A)	60,000	400	300	100	2.21
Revised forecasts (B)	60,000	(450)	(220)	(700)	(15.49)
Change (B-A)	0	(850)	(520)	(800)	
Change (%)	0.0	-	-	-	
(Reference) Actual results for the first half of the previous fiscal year	59,419	653	750	336	7.46

(2) Revisions of consolidated financial results forecasts for the full year of the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income Attributable to Owners of the Parent per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecasts (A)	125,000	1,800	1,600	900	19.91
Revised forecasts (B)	125,000	950	1,080	100	2.21
Change (B-A)	0	(850)	(520)	(800)	
Change (%)	0.0	(47.2)	(32.5)	(88.9)	
(Reference) Actual results for the full year of the previous fiscal year	117,567	1,463	1,401	(5,917)	(130.99)

(3) Reasons for revisions of the financial results forecasts (figures in parentheses represent the amounts of the impact of the revisions for the first half of the fiscal year, on an operating income basis)

- Impact of soaring raw material and fuel prices (approximately ¥(800) million)
At the time of the announcement of the financial results forecasts for the fiscal year under review disclosed on April 28, 2022, we had prepared a plan based on certain estimates for increases in raw material and fuel prices, and were proceeding to shift those increases to selling prices. However, there have been delays in shifting further increases in raw material and fuel prices to selling prices due to repeated, sudden sharp rises since that time, resulting in significant pressure on revenue.
- Decrease in demand due to the Shanghai lockdown (approximately ¥(100) million)
The lockdown in Shanghai, China forced a temporary suspension of plants in China, and had a significant impact on business activities. Although the lockdown was lifted in June, the supply chain has still not returned to normal, primarily due to a reoccurrence of COVID-19 infections, and demand has been affected.
- Response to the fire at Sekisui Kasei Oita Co., Ltd. (approximately ¥(200) million)
Sekisui Kasei Oita Co., Ltd., which produces ESLEN Sheets, a raw material for food containers, experienced a fire on April 22, 2022. To fulfill our responsibility to supply products to customers, we are responding by increasing production at other production subsidiaries. However, we have incurred temporary expenses such as shipping costs from other bases to the Kyushu area.
In July, Sekisui Kasei Oita Co., Ltd. partially resumed production. Going forward, we will continue to work on restoration of the plant.
- Others (cost reductions, etc.) (approximately ¥250 million)

As described above, we are working on cost reductions and fixed cost reductions to cope with various factors that have put pressure on revenue. However, we have not been able to cover all such factors, and have thus revised our financial results forecasts.

With regard to the performance for the second half of the fiscal year, the forecast figures previously incorporated in the forecast will remain unchanged due to the implementation of measures to address the negative impact of the first half of the fiscal year. Therefore, the revised amount of the full-year consolidated operating income forecast is the same as the revised amount for the first half of the fiscal year.

2. Revisions of dividend forecasts

There is no revision to the dividend forecast (total annual dividend for the fiscal year ending March 31, 2023: ¥12 (interim: ¥3, year-end: ¥9)) as a result of the revisions of the financial results forecasts.

If it becomes necessary to make further revisions to the financial results forecasts in the future, we will make an announcement promptly.

Note: The forward-looking statements in this document, including financial results forecasts, are based on information available as of the date of the announcement. Actual results may differ from these forecasts due to various factors.