

[Reference Translation]

November 4, 2022

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Notice regarding Differences between Consolidated Financial Forecasts and Actual Results for the First Half of the Fiscal Year Ending March 31, 2023 and Revision of Forecast for Consolidated Financial Results for the Full Fiscal Year

Announcement of the following discrepancies between the consolidated financial results forecast for the first half of the fiscal year ending March 31, 2023 which was announced on May 12, 2022, and the actual results for the same period disclosed today.

In addition, we would like to announce the following revisions made to its forecast for the consolidated financial results for the full fiscal year ending March 31, 2023, in view of the trend in its recent business performance.

1. Difference between Consolidated Financial Forecast and Actual Results for the First Half of the Fiscal Year Ending March 31, 2023 (April 1, 2022 - September 30, 2022)

(Unit: million yen)

	Net sale	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Forecast previously announced (A)	29,100	400	400	250	10.23 yen
Actual results announced today (B)	29,975	(44)	56	(68)	(2.80) yen
Difference (B – A)	875	(444)	(343)	(318)	
Difference (%)	3.0	—	(85.9)	—	
<Reference>Actual results for first half of previous fiscal year ended March 31, 2022	28,275	614	683	497	20.37 yen

2. Revision to consolidated Financial Forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Unit: million yen)

	Net sale	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Forecast previously announced (A)	60,000	1,200	1,200	900	36.84 yen
Forecast announced today (B)	62,000	400	400	200	8.18 yen
Difference (B – A)	2,000	(800)	(800)	(700)	
Difference (%)	3.3	(66.7)	(66.7)	(77.8)	
<Reference> Actual results for previous fiscal year ended March 31, 2022	58,169	980	1,126	826	33.83 yen

3. Reasons for the difference and revision

Net sales for the first half of the fiscal year ending March 31, 2023 exceeded the previous forecast due to recovery in demand in overseas markets from the impact of the COVID-19 virus and increased yen equivalent value due to yen depreciation. As for profits, despite the recovery in demand, raw material prices, electricity costs, and ocean freight rates soared more than expected, and foreign currency-denominated purchase transactions also worked against us due to yen depreciation, resulting in lower than previously forecasted operating profit, ordinary profit, and net income attributable to owners of parent company.

Despite continued efforts to improve profitability by expanding sales, reviewing prices, reducing manufacturing costs, and lowering expenses through efficient business activities, we have revised its Financial Forecast for the full fiscal year ending March 31, 2023, in view of the recent trend of yen depreciation and crude oil prices, in addition to the actual results for the first half of the fiscal year.

*The above forecast is based on currently available information as of the announcement of this material and actual results may differ from the projected figures due to various factors.

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