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News Release

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Notice of Difference Between Forecast and Actual Results for the First Half of the Fiscal Year Ending March 31, 2025 and Revision of Full-Year Consolidated Earnings Forecast

Kanto Denka Kogyo Co., Ltd. (hereafter, the "Company") hereby announces that a difference has occurred between consolidated earnings forecast and actual results for the first half of the fiscal year ending March 31, 2025, and that it has revised its full-year consolidated earnings forecast, which was previously announced on August 9, 2024, in light of recent performance trends. The details are as follows.

1. Difference between forecast and actual results for the first half of the fiscal year ending March 31, 2025
(April 1, 2024–September 30, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen 31,000	Millions of yen 1,900	Millions of yen 2,000	Millions of yen 950	Yen 16.54
Actual results (B)	31,265	1,721	2,412	1,432	24.93
Difference (B – A)	165	-179	412	482	
% change	0.5	-9.4	20.6	50.7	
(Reference) Results for the first half of the fiscal year ended March 31, 2024	34,840	(428)	137	257	4.48

2. Revision of full-year consolidated earnings forecast for the fiscal year ending March 31, 2025
(April 1, 2024– March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	69,000	4,900	4,800	2,900	50.48
Revised forecast (B)	63,400	3,800	4,400	2,850	49.60
Difference (B – A)	-5,600	-1,100	-400	-50	
% change	-8.1	-22.4	-8.3	-1.7	
(Reference) Results for the fiscal year ended March 31, 2024	64,768	(1,968)	(1,304)	(4,610)	(80.25)

3. Reasons for revision

For the results for the first half of the fiscal year ending March 31, 2025, net sales exceeded the previous forecast due to higher sales volumes of specialty gasses because of the improved operating rates of semiconductor manufacturers. Operating profit fell short of the previous forecast due to decrease in selling price and recognition of a loss on valuation of inventories for battery materials. Ordinary profit surpassed the previous forecast due to fluctuations in foreign exchange rates. Profit attributable to owners of parent exceeded the previous forecast due to increase in ordinary profit and decrease in income taxes, despite recording of environmental expenses.

For the full-year consolidated earnings forecast, both sales and profits are expected to fall short of the previous forecast despite its exceeding the plan in specialty gasses. It is due to the slowdown in EV market growth and the postponement of inquiries regarding the critical minerals requirement related to the U.S. Inflation Reduction Act (IRA), in battery materials.

Note: The performance outlooks and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be realized. Actual results may differ significantly due to various factors.