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For Immediate Release

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Notice Concerning Upward Revision of the Business Results Forecast and Dividend Forecast and About Appropriation of Non-Operating Expenses

Ryosan Company, Limited (“the Company”) hereby announces that, in view of recent business results, the Company has revised upward its forecasts of first-half and full-year business results as well as its dividend forecast for consolidated fiscal year 2022 (April 1, 2022 to March 31, 2023), published on May 13, 2022, as follows. Information on the appropriation of non-operating expenses is also provided.

1. Revision of Forecast of Business Results

(1) Revision of Forecast of First-Half Business Results for the Consolidated Fiscal Year 2022

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen 134,000	Million yen 3,300	Million yen 3,200	Million yen 2,200	Yen 93.90
Revised forecast (B)	167,000	9,000	6,500	4,400	187.81
Change (B-A)	+33,000	+5,700	+3,300	+2,200	
Rate of change (%)	+24.6	+172.7	+103.1	+100.0	
Reference: Business results for the first half of the previous fiscal year (April 1, 2021 to September 30, 2021)	124,247	4,097	4,059	2,909	124.17

(2) Revision of Forecast of Full-Year Business Results for the Consolidated Fiscal Year 2022

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen 265,000	Million yen 7,000	Million yen 6,800	Million yen 4,800	Yen 204.88
Revised forecast (B)	300,000	13,000	10,000	7,000	298.79
Change (B-A)	+35,000	+6,000	+3,200	+2,200	
Rate of change (%)	+13.2	+85.7	+47.1	+45.8	
Reference: Business results for the previous fiscal year (April 1, 2021 to March 31, 2022)	272,647	8,857	8,085	5,359	228.75

(3) Reason for Revision

In the business results for the first half of consolidated fiscal year 2022, the Company was able to multiply sales in a wide range of fields, having secured sufficient products beforehand to cover market needs. A depreciating yen also contributed to results. Net sales rose to 167 billion yen (an improvement of 24.6% over the previously announced forecast). In operating income, swelling revenues and efforts to restrain selling, general and administrative expenses powered this figure to 9 billion yen (upward revision of 172.7%). Ordinary income more than doubled, to 6.5 billion yen (upward revision of 103.1%), despite appropriation of foreign-exchange losses in non-operating expenses. Profit attributable to owners of parent doubled to 4.4 billion yen (upward revision of 100.0%).

Regarding the full-year forecast of business results, the Company anticipates a degree of continuing sales expansion, despite worsening uncertainty over the macro environment. The forecast of net sales and all earnings indicators are revised upward from the previously announced figures.

2. Revision of Dividend Forecast

(1) Details of Revision of Dividend Forecast

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
Previous forecast (Announced on May 13, 2022)	Yen —	Yen 50.00	Yen —	Yen 50.00	Yen 100.00
Revised forecast	—	75.00	—	75.00	150.00
Dividends in current fiscal year	—				
Dividends in previous fiscal year (April 1, 2021 to March 31, 2022)	—	50.00	—	70.00	120.00

(2) Reason for Revision

The Company recognizes that returning earnings to shareholders is one of its most vital policies. Moreover, the Company has a basic policy of striving to boost basic earnings per share and to aim for a consolidated dividend payout ratio of 50%.

Guided by this policy, in the forecast of dividends at the end of the second quarter and end of the 2022

fiscal year, the Company has decided to increase each of these dividends by ¥25, from the previous forecast of ¥50 per share to ¥75 per share. As such, the annual dividend is forecast to increase to ¥150 per share.

3. Appropriation of Non-Operating Expenses

During the consolidated first half of the 2022 fiscal year, the Company will appropriate non-operating expenses (foreign-exchange losses) of 2.387 billion yen. This result occurred due to revaluation of foreign-currency-denominated assets and liabilities held by the Group as a response to exchange-rate risk in foreign-currency-denominated sales. This amount is current as of September 30, 2022 and is subject to change in light of future exchange-rate trends.

Note: The forecast of business results and other forward-looking statements contained in this document are based on information available to the Company at the time of writing and certain assumptions judged by the Company to be reasonable. They do not constitute a promise of performance on the part of the Company. Actual business results may differ significantly from these forecasts as a result of a wide range of factors.