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To whom it may concern

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Notice Regarding Revisions to Consolidated Earnings Forecasts and Dividend Forecasts

ORGANO CORPORATION (the “Company”) hereby announces that, in light of recent performance trends and other factors, it has revised the consolidated earnings forecasts and dividend forecasts, which were announced on May 12, 2023, as shown below.

1. Revisions to consolidated earnings forecasts

(1) Revisions to the consolidated earnings forecasts for the six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

	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)	70,000	6,600	6,600	4,600	100.24
Revised forecast (B)	65,000	7,800	8,500	5,500	119.80
Change (B-A)	(5,000)	1,200	1,900	900	
Change (%)	(7.1)	18.2	28.8	19.6	
Reference: Six months results ended September 30, 2022	62,117	6,510	7,451	5,027	109.67

(2) Revisions to the consolidated earnings forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	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)	150,000	16,000	16,000	11,200	244.07
Revised forecast (B)	150,000	20,000	20,700	14,000	304.95
Change (B-A)	0	4,000	4,700	2,800	
Change (%)	0.0	25.0	29.4	25.0	
Reference: Full-year results ended March 31, 2023	132,426	15,212	16,020	11,730	255.77

2. Reasons for revisions

(1) Consolidated earnings forecasts for the six months

With respect to the earnings forecasts for the six months, we are expecting orders received of ¥76,000 million (up 8.6% from the initial forecast), net sales of ¥65,000 million (down 7.1%), operating profit of ¥7,800 million (up 18.2%), ordinary profit of ¥8,500 million (up 28.8%), and profit attributable to owners of parent of ¥5,500 million (up 19.6%). For large-scale plant projects in the Water Treatment Engineering Business Unit, we expect net sales to decline owing to greater-than-expected delays in construction projects, despite a larger-than-expected increase in orders received for projects ordered ahead of schedule. The profit amounts are expected to exceed those in the initial forecasts because of improvements achieved in the profitability rate as a result of reducing costs in large-scale plant projects in Japan and abroad, particularly in the electronics industry, and various measures to improve profitability, along with strong results in the Service Solutions Division and the Performance Products Business Unit and the expected recording of foreign exchange gains as non-operating income.

(2) Consolidated earnings forecasts for the fiscal year

With respect to the full-year earnings forecasts, we are expecting orders received of ¥150,000 million (on par with the initial forecast), net sales of ¥150,000 million (on par with the initial forecast), operating profit of ¥20,000 million (up 25.0% from the initial forecast), ordinary profit of ¥20,700 million (up 29.4%), and profit attributable to owners of parent of ¥14,000 million (up 25.0%). Regarding orders received and net sales, we expect that capital investments and progress of constructions to be generally according to forecasts for the full year, despite observing that some projects are currently experiencing delays regarding investment plans and construction progress in the electronics industry. Moreover, the Company expects to achieve the initial forecasts due to the strong performance of the Service Solutions Division and the Performance Products Business Unit. Moreover, regarding profits, the Company is expecting to achieve a level of profits exceeding the initial forecast mainly due to the aforementioned improvement in the profitability rate of plant projects and the strong performances from the Service Solutions Division and the Performance Products Unit.

3. Revisions to dividend forecasts

(1) Reasons for revisions to dividend forecasts

The Company treats the return of profits to shareholders as one of the Company's most important management agendas, and it strives to provide distribution of profits taking into account the Company's revenue status while adhering to a basic policy of providing stable and continuous dividends. Furthermore, in the current Medium-term Management Plan, which has the fiscal year ending March 31, 2026, as its final year, the Company will aim balance shareholder returns with growth investment, and striving to continue to increase dividends, it aims to raise the payout ratio to a level of 30% or higher.

Having given consideration to the above policy and revisions to the earnings forecasts, etc., the Company has revised its forecasts for the interim dividend and the year-end dividend for the fiscal year ending March 31, 2024, to ¥41 per share for each, which is an increase of ¥8 per share, respectively (total annual dividends of ¥82).

(2) Details of revision

	Annual dividends per share		
	Second quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen
Previous forecast (Announced on May 12, 2023)	33.00	33.00	66.00
Revised forecast	41.00	41.00	82.00
Dividends paid (FYE March 31, 2024)			
Dividends paid (FYE March 31, 2023)	116.00	33.00	–

* The Company implemented a 4-for-1 share split of common shares on October 1, 2022. For the dividend per share for the second quarter-end of the fiscal year ended March 31, 2023, the amounts before the share split are stated, and "–" is stated for the total annual dividends per share. The annual dividends per share for the fiscal year ended March 31, 2023, after being converted based on the number of shares after the share split would have amounted to ¥62.

* The earnings forecasts are based on information available to the Company as of the date of this material's release. Actual earnings results may differ from the forecast figures due to various factors going forward.