

*January 12, 2021***Notice Concerning Revision to Consolidated Business Forecasts
for the First Half**

In view of recent trends in operating results, Watts Co., Ltd. revised its business forecasts for the first half of the fiscal year ending August 2021 announced on October 13, 2020, as follows.

1. Revision to consolidated business forecasts for the first half of the fiscal year ending August 2021
(September 1, 2020 – February 28, 2021)

	Sales	Operating profit	Recurring profit	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen 24,940	Million yen 400	Million yen 370	Million yen 330	Yen 24.63
Revised forecast (B)	25,340	770	750	620	46.28
Increase/ decrease (B-A)	400	370	380	290	
Percentage change %	1.6	92.5	102.7	87.9	
(Reference) Previous 1H results (FY8/20 1H)	25,982	786	783	420	31.39

2. Reason for revision

Sales are expected to exceed the forecast taking the following factors: overseas sales have been stronger than expected, although it did not reach the same level as in the previous fiscal year, while the Company had initially assumed that sales would decline significantly due to COVID-19; and domestic 100-Yen shop business also showed steady growth.

The Company also revised its profit forecasts upward from the initial figures as it expects lower-than-expected expenses, mainly in personnel expenses and shop opening and renovation expenses.

As for the full-year forecasts, the Company has left the previous figures unchanged due to the ongoing uncertainty of the impact of COVID-19. The Company will promptly disclose information if it deems it necessary to make revisions.

(Note) Above forecasts regarding future performance are based on information available at the time this report was prepared. Therefore, actual results may differ from the forecasts due to various factors.