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Notice of Revision to Consolidated Financial Forecast

In light of the recent trend in our business performance, UNION TOOL CO. hereby revises consolidated financial forecast that was released on February 14, 2024, as follows.

1. Revision to Consolidated Financial Forecast

(1) Revision to consolidated financial forecast for the first half of fiscal year ending December 31, 2024
 (January 1, 2004 - June 30, 2024)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to owners of Parent	Earnings per Share
Previous Forecast (A)	millions of yen 12,700	millions of yen 1,700	millions of yen 1,700	millions of yen 1,200	yen 69.46
Revised Forecast (B)	14,400	2,600	2,900	2,100	121.56
Change (B-A)	1,700	900	1,200	900	
Rate of Change (%)	13.4	52.9	70.6	75.0	
(Ref.) Results for the first half of Fiscal Year Ending December 31, 2023	12,318	2,048	2,164	1,620	93.79

(2) Revision to consolidated financial forecast for the fiscal year ending December 31, 2024
 (January 1, 2024 - December 31, 2024)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to owners of Parent	Earnings per Share
Previous Forecast (A)	millions of yen 26,200	millions of yen 3,700	millions of yen 3,800	millions of yen 2,700	yen 156.29
Revised Forecast (B)	28,900	5,500	5,800	4,300	248.91
Change (B-A)	2,700	1,800	2,000	1,600	
Rate of Change (%)	10.3	48.6	52.6	59.3	
(Ref.) Results for the Fiscal Year Ending December 31, 2023	25,338	3,778	4,073	3,077	178.17

2. Reasons for the Revision

In our electronic industry, markets related to generative AI, a new growth area, are growing domestically and internationally. It causes increasing demand for package boards and high multilayer boards for servers in data centers. Against these industry trends, demand for our high-value-added tools has increased rapidly. We have dealt with this by increasing production capacity and strengthening cooperation between production bases. Although the recovery status of demand for logic semiconductors and memory, which have traditionally been our mainstay fields, is uncertain, demand trends across the industry will be stronger than we initially expected. We believe Union Tool will be able to secure high profit margins due to cost reduction effects from improved utilization rates at production bases. In addition, as the exchange rate is trending toward a weaker yen, we have changed the assumed exchange rate.

Based on the above, we have revised our sales forecasts for the cumulative second quarter and the full year upwards and have increased profit items accordingly.

The exchange rate from the second quarter of the current consolidated fiscal year is 140 yen to the US dollar and 20.0 yen to the renminbi, which is the basis for the performance forecast.