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June 21, 2024

To whom it may concern,

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Notice of Recording of Extraordinary Losses and  
Revisions to Consolidated Financial Results Forecast and Dividend Forecast

ENVIPRO HOLDINGS Inc. announces that it has recorded extraordinary losses for the fourth quarter of the fiscal year ending June 30, 2024 (April 1, 2024 to June 30, 2024), and has revised the consolidated financial results forecast and the dividend forecast for the fiscal year ending June 30, 2024 (July 1, 2023 to June 30, 2024) released on February 9, 2024.

1. Recording of extraordinary losses

(1) NEWSICON Inc. (hereinafter referred to as "NEWSICON"), a consolidated subsidiary of the Company, has been subject to a tax audit by the Tokyo Regional Taxation Bureau (hereinafter referred to as "the authority") since around August of last year, and is expected to receive a correction of consumption tax in the future. This is due to a difference of opinion between NEWSICON and the authority regarding the recording of tax exempt sales and taxable purchases in export sales transactions. As a result, 857 million yen (including Additional tax for understatement and delinquent tax) is estimated to be posted as extraordinary losses.

The Group recognizes that it has been paying appropriate taxes in accordance with laws and regulations. Therefore, we plan to promptly appeal against such correction once we are officially notified of the corrective action.

(2) At NITTO KAKO Co., Ltd, a consolidated subsidiary of the Company, buildings, production facilities and products owned by the company were burned by fire at the plant on June 10, 2024.

As a result, losses of 76 million yen are expected at this time and will be recorded as extraordinary losses due to the disaster.

## 2. Revision to consolidated financial results forecast

### (1) Revised consolidated financial results forecast for the current fiscal year (Jul. 1, 2023 – Jun. 30, 2024)

	Net sales (Million yen)	Operating profit (Million yen)	Ordinary profit (Million yen)	Profit attributable to owners of parent (Million yen)	Basic earnings per share
Previous forecast(A)	54,000	1,330	1,700	1,210	40.22
Revised forecast (B)	54,000	1,330	1,700	300	10.00
Change (B – A)	0	0	0	(910)	
Change (%)	0	0	0	(75.2)	
(Reference) Results for the previous fiscal year (ended Jun. 30, 2023)	49,189	1,542	1,901	1,236	41.64

### (2) Reason for revision

As mentioned above, due to the recording of extraordinary losses, profit attributable to owners of the parent is expected to be lower than the previous announced forecast.

(Note) The above business results forecasts have been prepared based on available information as of the date of this release, and actual results may differ from the forecasts due to a variety of factors going forward.

## 3. Revision to dividend forecast

### (1) Revised dividend forecast for the fiscal year ending June 30, 2024 (July 1, 2023 - June 30, 2024)

	Annual dividends (yen)		
	2 <sup>nd</sup> quarter-end	Year-end	Total
Previous forecast (February 9, 2024)	—	14	14
Revised forecast	—	3	3
Results for the current fiscal year	0		
Results for the previous fiscal year (ended June 30, 2023)	0	14	14

### (2) Reason for revision

The Company recognizes the return of profits to shareholders as a key issue and has set a basic policy of providing stable and continuous profit returns to shareholders from a long-term perspective while comprehensively taking into consideration factors such as profit sharing according to performance and internal reserves necessary to strengthen the management base. The Company will set a target consolidated payout ratio of 25-35% as an indicator of performance-based profit sharing.

Based on this policy, the Company plans to pay a year-end dividend of 3 yen per share for the fiscal year ending June 30, 2024, which is a decrease of 11 yen from the forecast of 14 yen per share announced on February 9, 2024. The Company plans to submit a proposal on this matter to the Ordinary General Meeting of Shareholders scheduled in September 2024.