February 7, 2025

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Notice Regarding the Revision of the Consolidated Full-Year Earnings Forecast for the Fiscal Year Ending March 31, 2025

We hereby announce a revision to the consolidated full-year earnings forecast for the fiscal year ending March 2025, which was previously disclosed on May 10, 2024. This revision reflects recent business performance trends and other relevant factors.

1. Revision of Earnings Forecast

Revision of the Consolidated Full-Year Earnings Forecast FY24 (From April 1, 2024 to March 31, 2025)

(All amounts are rounded to the nearest million except for percentages and earnings per share data)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings Per Share
Previous Forecast (A) (Announced on May 10, 2024)	162,000	8,000	7,000	4,200	116.97
Revised Forecast (B)	160,000	5,000	4,500	0	0.00
Increase/Decrease (B-A)	△2,000	△3,000	△2,500	△4,200	△116.97
Percentage Change (%)	△1.2	△37.5	△35.7	—	—
Reference: Previous Fiscal Year (FY2023)	156,814	8,053	7,296	4,216	117.42

2. Reasons for the Revision

For the consolidated full-year earnings forecast for the fiscal year ending March 2025, net sales are expected to increase, supported by strong sales performance in North America and favorable currency translation effects from yen depreciation. However, the revised forecast slightly lower than the previous estimate due to significant production cuts by Japanese automakers in China.

Regarding profitability, operating profit is expected to decline further, primarily due to lower revenue in China, delays in compensation negotiations for production cuts, and higher fixed costs, including severance payments related to workforce reductions. Additionally, profit is projected to decrease in Europe due to sluggish sales by OEMs, rising material costs, and delays in price adjustments to offset inflation-driven labour cost increases. Furthermore, one-time expenses recorded in the Americas have also impacted earnings, resulting in downward revision of operating profit and ordinary profit.

Net income attributable to owners of the parent company is also expected to fall significantly below the previous forecast. This reflects the decline in ordinary profit, additional costs related to workforce reductions in Europe, and the potential recognition for impairment losses in China. If impairment losses or other extraordinary losses are confirmed and meet the disclosure criteria, a separate announcement will be made promptly.

※ The above forecast is based on the information available as of the date of this announcement. Actual results may differ from the forecast due to various factors in the future.