



August 10, 2022

Company name: MEGMILK SNOW BRAND Co., Ltd.

Representative: Masatoshi Sato, President and Chief
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(Stock code: 2270, TSE Prime Market/SSE)

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Notice of Revisions to FY2022 Consolidated Earnings Forecasts

MEGMILK SNOW BRAND Co., Ltd. (the “Company”) today announced that it has revised its consolidated earnings forecasts for the fiscal year ending March 31, 2023, which were announced on May 13, 2022. The revisions were made in light of recent business performance and the impact of a fire (on June 30) at the Ami Logistics Center of SBS Fleck Co., Ltd., an equity method affiliate of the Company.

1. Revision details

(1) First half of FY2022 (April 1, 2022 - September 30, 2022)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	millions of yen	millions of yen	millions of yen	millions of yen	yen
Previous forecast (A)	298,000	8,000	8,500	5,500	81.44
Revised forecast (B)	288,000	7,000	6,500	2,200	32.58
Change (B) - (A)	△10,000	△1,000	△2,000	△3,300	—
Change (%)	△3.4	△12.5	△23.5	△60.0	—
Results for the previous 1H (ended September 2021)	286,904	12,210	13,277	8,575	126.99

(2) Full year (April 1, 2022 - March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	millions of yen	millions of yen	millions of yen	millions of yen	yen
Previous forecast (A)	585,000	15,000	16,500	10,000	148.07
Revised forecast (B)	575,000	14,000	15,500	9,300	137.71
Change (B) - (A)	△10,000	△1,000	△1,000	△700	—
Change (%)	△1.7	△6.7	△6.1	△7.0	—
Results for the previous year (ended March 2022)	558,403	18,059	19,987	12,068	178.70

2. Reasons for revisions

Based on business performance through the first quarter, and the current outlook for market conditions, the Company now expects net sales to fall short of the previous forecast. The Company also expects operating profit, ordinary profit, and profit attributable to owners of parent to fall below previous forecasts, mainly due to the lower net sales, higher raw materials costs, and the expected impact of inventory loss resulting from the June 30 fire at the Ami Logistics Center of SBS Fleck Co., Ltd., an equity method affiliate of the Company.

The full-year consolidated earnings forecast has also been revised based on the new consolidated earnings outlook for the first half. Since the extent of losses due to the fire, the amount of compensation for damages to be paid, and the amount of insurance proceeds to be received, cannot be determined at this time, these figures have not been factored into the forecast figures. The Company will promptly announce any further revisions should they become necessary once the full impact of the fire on consolidated earnings is determined.

Reference information:

- In the first quarter of the fiscal year ending March 31, 2023, the Company recorded an extraordinary loss of 2,239 million yen as “fire damage”, based on reasonable estimates of the amount of inventory loss and other factors.
- The Company also expects to record a loss of 1,088 million yen as “equity in losses of affiliates” for the first half of the fiscal year ending March 31, 2023, for the amount of loss due to physical damage to buildings and other assets, and stored goods, expected to be booked by SBS Fleck Co., Ltd.

3. Dividends

The Company has made no revisions to the dividend forecast announced on May 13, 2022.

Note: The above forecast figures were determined by the Company based on currently available information, which involves a significant degree of uncertainty. Actual results may differ from the above forecast figures due to a variety of factors including changes in business conditions.