

Fiscal 2022 First Half Supplementary Information

November 11, 2022

DOWA HOLDINGS CO.,LTD.

Operating Results

■ Consolidated Income Statements

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2021 H1	FY2022 H1				Year on Year	
	Results	Forecasts on Aug. 10	Results	Changes			
Net Sales	423.2	405.0	401.8	(3.1)	(1%)	(21.4)	(5%)
Operating Income	37.9	31.0	30.0	(0.9)	(3%)	(7.9)	(21%)
Ordinary Income	47.4	37.5	36.9	(0.5)	(1%)	(10.5)	(22%)
Profit attributable to owners of parent	32.5	23.3	22.7	(0.5)	(2%)	(9.8)	(30%)

■ Exchange Rate and Metal Prices

	FY2021			FY2022		
	1Q averages	2Q averages	H1 averages	1Q averages	2Q averages	H1 averages
Exchange Rate: (¥/\$)	109.5	110.1	109.8	129.6	138.4	134.0
Copper: (\$/t)	9,711	9,372	9,541	9,526	7,742	8,634
Zinc: (\$/t)	2,916	2,991	2,954	3,925	3,269	3,597
Indium: (\$/kg)	198	209	204	240	230	235

Business Environment (FY2022 2Q)

Waste treatment- and recycling-related business

- Orders for waste treatment in Japan were firm.
- Collection volume of raw materials for recycling was firm.
- The treatment volume for the recycling of consumer electronics decrease compared to the same period of the previous year.

Automobile-related market

- Demand for certain automobile-related products and services have been in the correction phase due to low automobile production.

New forms of energy-related business

- Sales of Silver powder for solar panels decreased due to the change in the competitive environment caused by the progress of generalization of solar panels.

Electronic components-related business

- Sales of Copper rolled products for information/communication-related products decreased due to the slowdown of China market.

Exchange rates and Metal prices

- Compared to the same period of the previous year, the average exchange rate of the yen significantly weakened against the U.S. dollar.
- The average price of zinc increased, while the average prices of copper and precious metals decreased.

Energy and Material cost

- The cost of electricity, fuel and the other materials is expected to be much higher than the previous forecasts, on account of global rising in the energy cost or various materials costs.

Trends in Major Products

Indexes (100 for FY2021 1Q)

		FY2021				FY2022	
		1Q	2Q	3Q	4Q	1Q	2Q
Environmental Management & Recycling	Waste treatment volume in Japan	100	101	105	94	105	92
	Recycling materials collection volume (for Kosaka smelting & refining)	100	83	86	88	91	97
	Net sales of waste treatment in the Southeast Asia Business	100	106	110	125	100	104
Nonferrous Metals	Copper production volume (Total of 2 smelters, Kosaka and Onahama)	100	102	94	112	123	109
	Zinc production volume	100	74	102	99	100	71
Electronic Materials	LED sales volume	100	166	156	133	223	171
	Silver powder sales volume	100	128	99	101	93	64
Metal Processing	Copper alloy strips sales volume	100	100	103	96	98	93
Heat Treatment	Net sales in the Heat Treatment Processing Business	100	102	103	109	103	107
	Net sales in the Industrial Furnaces Business	100	144	178	338	119	167

Year-on-Year Comparison by Segment (FY2022 H1)

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2021 H1 Results			FY2022 H1 Results			Changes			Details of Changes to Ordinary Income
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	
Environmental Management & Recycling	66.0	6.6	6.5	71.5	5.2	5.8	5.4	(1.3)	(0.7)	<ul style="list-style-type: none"> - Rise in fuel and chemical costs - Increase in depreciation and labor costs - Recognize foreign exchange gain
Nonferrous Metals	231.8	23.1	27.1	224.6	17.7	23.5	(7.2)	(5.3)	(3.5)	<ul style="list-style-type: none"> - Decrease in the volume of PGM recovered - Rise in electricity costs - Profit contribution from a weak yen
Electronic Materials	96.1	3.0	3.6	75.6	2.8	3.8	(20.5)	(0.2)	0.1	<ul style="list-style-type: none"> - Increase in sales of Short-Wavelength-Infrared LEDs and Photo diodes (PD) - Decrease in sales of Silver powder - Recognize foreign exchange gain
Metal Processing	53.7	3.7	3.9	58.5	3.2	3.4	4.8	(0.4)	(0.4)	<ul style="list-style-type: none"> - Decrease in sales of automobile-related products and services - Decrease in sales of information/communication-related products - Rise in electricity and fuel costs
Heat Treatment	12.4	0.9	1.1	13.2	0.4	0.7	0.8	(0.5)	(0.3)	<ul style="list-style-type: none"> - Rise in electricity and fuel costs
Other/ Eliminations	(37.0)	0.4	5.0	(41.8)	0.4	(0.6)	(4.8)	0.0	(5.6)	<ul style="list-style-type: none"> - Decrease in profit of Fujita Kanko Inc., an equity method affiliate
Total	423.2	37.9	47.4	401.8	30.0	36.9	(21.4)	(7.9)	(10.5)	

Factor Analysis of Ordinary Income

Billion yen (Amounts less than 100 million yen are omitted.)

FY2022.H1 – FY2021.H1	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Other/ Eliminations	Total
Effect of various initiatives, increase/ decrease in sales, etc.	(0.1)	(2.0)	(1.3)	(0.0)	(0.0)	0.2	(3.3)
Of the above, free metal income difference (difference in volume)	—	(2.7)	—	—	—	—	(2.7)
Free metal income difference (difference in metal prices)	—	(1.2)	—	—	—	—	(1.2)
Difference in foreign currency-based income due to exchange rate	—	4.2	1.5	—	—	—	5.7
Purchasing conditions of raw material (difference in base conditions)	—	(1.6)	—	—	—	—	(1.6)
Difference between the market value and book value at sale, and between market value and valuation prices at end of period	—	(0.9)	—	(0.0)	—	—	(0.9)
Electricity charges	—	(2.3)	—	—	—	—	(2.3)
Manufacturing cost (depreciation, etc.), selling, general and administrative expenses, development and research expenses	(1.2)	(1.3)	(0.4)	(0.3)	(0.4)	(0.1)	(4.0)
Increase/decrease in operating income	(1.3)	(5.3)	(0.2)	(0.4)	(0.5)	0.0	(7.9)
Effect of non-operating income/expenses	—	—	—	—	—	—	—
- Equity method income or loss	(0.1)	0.4	(0.0)	(0.0)	—	(5.8)	(5.6)
- Others	0.8	1.3	0.4	0.1	0.1	0.0	3.0
Increase/decrease in ordinary income	(0.7)	(3.5)	0.1	(0.4)	(0.3)	(5.6)	(10.5)

Changes From Forecasts on Aug 10 by Segment (FY2022 H1)

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2022 H1 Forecasts announced on Aug. 6			FY2022 H1 results			Changes			Details of Changes to Ordinary Income
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	
Environmental Management & Recycling	70.5	5.5	6.0	71.5	5.2	5.8	1.0	(0.2)	(0.1)	- Decrease in recycling volume of automobile shredder residue
Nonferrous Metals	226.0	17.0	22.6	224.6	17.7	23.5	(1.3)	0.7	0.9	- Rise in metal prices
Electronic Materials	74.5	3.5	4.4	75.6	2.8	3.8	1.1	(0.6)	(0.5)	- Decrease in sales of Short-Wavelength-Infrared LEDs and Photo diodes (PD)
Metal Processing	60.0	3.8	4.1	58.5	3.2	3.4	(1.4)	(0.5)	(0.6)	- Reduction in gains on derivatives due to quarter evaluation
Heat Treatment	13.5	0.3	0.7	13.2	0.4	0.7	(0.2)	0.1	0.0	-
Other/ Eliminations	(39.5)	0.9	(0.3)	(41.8)	0.4	(0.6)	(2.3)	(0.4)	(0.3)	- Increase in selling, general and administrative expenses
Total	405.0	31.0	37.5	401.8	30.0	36.9	(3.1)	(0.9)	(0.5)	

Consolidated Balance Sheets

Billion yen (Amounts less than 100 million yen are omitted.)

	Mar. 31, 2022	Sep. 30, 2022	Changes		Mar. 31, 2022	Sep. 30, 2022	Changes
Current Assets	383.0	379.0	(3.9)	Current Liabilities	228.2	217.9	(10.3)
				Noncurrent Liabilities	100.4	88.0	(12.4)
Noncurrent Assets	274.2	282.4	8.2	Equity	313.4	341.9	28.4
				Non-Controlling Interests	15.1	13.6	(1.4)
Total Assets	657.2	661.5	4.2	Total Liabilities and Net Assets	657.2	661.5	4.2
				Interest-bearing debt	131.6	142.0	10.3
				Equity ratio (%)	47.7	51.7	4.0

- ✓ Total assets at the end of the first half of the current fiscal year increased by 4.2 billion yen from the end of the previous fiscal year to 661.5 billion yen as a result of an increase in in fixed assets resulting from capital investment, mainly in the Nonferrous Metals segment.
- ✓ The equity ratio at the end of the first half of the current fiscal year increased by 4.0 points from the end of the previous fiscal year to 51.7%.

Consolidated Statements of Cash Flows

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2021 H1	FY2022 H1	Changes
Cash Flows from Operating Activities	15.7	26.1	10.3
Profit before income taxes	48.3	36.4	(11.8)
Depreciation and amortization	10.6	11.1	0.4
Income taxes (paid) refund	(10.7)	(19.9)	(9.2)
Inventories	(3.7)	9.6	13.4
Other, net	(28.6)	(11.0)	17.5
Cash Flows from Investing Activities	2.9	(16.0)	(19.0)
Acquisition of property, plant and equipment	(15.6)	(16.0)	(0.3)
Other investments	18.6	(0.0)	(18.7)
Cash Flows from Financing Activities	(3.5)	(2.8)	0.7
Total	15.1	7.1	(7.9)

FY2022 Full Year Forecasts

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2021 Results (A)	FY2022 Forecasts			Changes		
		Announced on Aug. 10 (B)	Announced on Nov. 11 (C)	Changes (C) - (B)		(C) - (A)	
Net Sales	831.7	846.0	785.0	(61.0)	(7%)	(46.7)	(6%)
Operating Income	63.8	58.5	47.0	(11.5)	(20%)	(16.8)	(26%)
Ordinary Income	76.0	68.0	57.0	(11.0)	(16%)	(19.0)	(25%)
Profit attributable to owners of parent	51.0	43.0	35.0	(8.0)	(19%)	(16.0)	(31%)

Regarding the business environment in H2, demand for automobile-related products and services, and waste treatment/recycling-related services of the company is expected to be in line with the previous forecasts. However, demand for information/communication-related products and new energy-related products of the company is expected to decline.

In addition, metal prices are expected to remain slightly below the previous forecasts, and the yen is expected to weaken against the U.S. dollar.

On the other hand, the cost of electricity, fuel and the other materials is expected to be much higher than the previous forecasts, on account of global rising in the energy costs or various materials costs.

As a result, the full year consolidated financial forecasts for FY2022 is expected to be lower than the previous forecasts.

Changes From Forecasts on Aug 10 by Segment (FY2022 Full Year)

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2022 Forecasts announced on Aug. 10			FY2022 Forecasts announced on Nov. 11			Changes			Details of Changes to Ordinary Income
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	
Environmental Management & Recycling	136.5	10.9	11.5	144.5	9.6	10.4	8.0	(1.3)	(1.1)	- Rise in fuel and chemical costs
Nonferrous Metals	474.5	29.6	38.0	452.0	25.1	33.7	(22.5)	(4.5)	(4.3)	- Rise in electricity costs - Decrease in the volume of PGM recovered
Electronic Materials	160.0	7.0	8.5	118.5	3.9	5.7	(41.5)	(3.1)	(2.8)	- Decrease in sales of Silver powder - Decrease in sales of Recording materials
Metal Processing	119.0	7.4	7.8	116.0	5.4	5.9	(3.0)	(2.0)	(1.9)	- Decrease in sales of information/communication- related products - Reduction in gains on derivatives due to quarter evaluation
Heat Treatment	30.5	2.3	2.7	31.0	2.0	2.3	0.5	(0.3)	(0.4)	- Decrease in order of heat treatment processing in Japan - Rise in electricity and fuel costs
Other/ Eliminations	(74.5)	1.3	(0.5)	(77.0)	1.0	(1.0)	(2.5)	(0.3)	(0.5)	- Increase in selling, general and administrative expenses
Total	846.0	58.5	68.0	785.0	47.0	57.0	(61.0)	(11.5)	(11.0)	

Year-on-Year Comparison by Segment (Full Year)

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2021 Results			FY2022 Forecasts announced on Nov. 11			Changes			Details of Changes to Ordinary Income
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	
Environmental Management & Recycling	135.0	12.6	13.6	144.5	9.6	10.4	9.4	(3.0)	(3.2)	- Rise in fuel and chemical costs - Increase in depreciation and labor costs
Nonferrous Metals	455.6	36.1	42.7	452.0	25.1	33.7	(3.6)	(11.0)	(9.0)	- Decline in metal prices and weaken yen against U.S. dollar - Rise in electricity costs - Increase in depreciation and labor costs
Electronic Materials	175.3	5.2	6.5	118.5	3.9	5.7	(56.8)	(1.3)	(0.8)	- Increase in sales of Short-Wavelength-Infrared LEDs and Photo diodes (PD) - Decrease in sales of Silver powder - Increase in R&D expenses
Metal Processing	111.9	6.3	6.8	116.0	5.4	5.9	4.0	(0.9)	(0.9)	- Decrease in sales of information/communication- related products - Rise in electricity and fuel costs
Heat Treatment	28.9	2.6	3.0	31.0	2.0	2.3	2.0	(0.6)	(0.7)	- Rise in electricity and fuel costs
Other/ Eliminations	(75.1)	0.7	3.2	(77.0)	1.0	(1.0)	(1.8)	0.2	(4.2)	- Decrease in profit of Fujita Kanko Inc., an equity method affiliate
Total	831.7	63.8	76.0	785.0	47.0	57.0	(46.7)	(16.8)	(19.0)	

FY2022 Full Year Forecasts by Segment

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2022 H1 Results			FY2022 H2 Forecasts			FY2022 Forecasts		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	71.5	5.2	5.8	72.9	4.3	4.5	144.5	9.6	10.4
Nonferrous Metals	224.6	17.7	23.5	227.3	7.3	10.1	452.0	25.1	33.7
Electronic Materials	75.6	2.8	3.8	42.8	1.0	1.8	118.5	3.9	5.7
Metal Processing	58.5	3.2	3.4	57.4	2.1	2.4	116.0	5.4	5.9
Heat Treatment	13.2	0.4	0.7	17.7	1.5	1.5	31.0	2.0	2.3
Other/ Eliminations	(41.8)	0.4	(0.6)	(35.1)	0.5	(0.3)	(77.0)	1.0	(1.0)
Total	401.8	30.0	36.9	383.1	16.9	20.0	785.0	47.0	57.0

Assumptions and Sensitivities (FY2022 H2)

Sensitivity (Operating Income / H2)			Million yen
	Assumptions	Fluctuation	Sensitivity
Exchange rate	145.0 ¥ / \$	±1 ¥ / \$	310
Copper	7,500 \$ / t	±100 \$ / t	20
Zinc	2,900 \$ / t	±100 \$ / t	240
Indium	210 \$ / kg	±10 \$ / kg	30

* Exchange rate sensitivity; Nonferrous Metals 260 million yen and Electronic Materials 50 million yen.

Exchange Rate and Metal Prices

	FY2021			FY2022				Ref. Oct. 2022 averages
	H1 averages	H2 averages	Full year averages	H1 assumptions	H1 averages	H2 assumptions	Full year averages	
Exchange rate: (¥/\$)	109.8	115.0	112.4	133.3	134.0	145.0	139.5	147.2
Copper: (\$/t)	9,541	9,842	9,691	8,513	8,634	7,500	8,067	7,621
Zinc: (\$/t)	2,954	3,554	3,254	3,462	3,597	2,900	3,248	2,960
Indium: (\$/kg)	204	254	229	237	235	210	222	212

Sensitivity is based on assumptions that the Company assumes to be reasonable at the time of publication. Actual effects may differ materially due to a variety of factors.

Investments

Billion yen (Amounts less than 100 million yen are omitted.)

	FY2019			FY2020			FY2021			FY2022 H1			FY2022 Full Year		
	Capital investment & loan	R&D investment	Total	Capital investment & loan	R&D investment	Total	Capital investment & loan	R&D investment	Total	Capital investment & loan	R&D investment	Total	Capital investment & loan	R&D investment	Total
Environmental Management & Recycling	20.6	0.3	21.0	18.1	0.4	18.5	10.2	0.4	10.7	3.2	0.2	3.5	9.0	0.6	9.6
Nonferrous Metals	7.4	0.9	8.3	7.1	0.6	7.7	9.1	1.3	10.4	5.7	0.6	6.4	11.5	2.8	14.3
Electronic Materials	2.8	4.3	7.2	5.9	4.2	10.2	3.9	4.1	8.1	1.9	2.2	4.2	5.5	4.7	10.2
Metal Processing	6.2	0.6	6.8	3.7	0.7	4.5	4.7	0.7	5.4	1.9	0.3	2.3	5.4	0.8	6.2
Heat Treatment	4.3	0.1	4.5	1.6	0.2	1.8	1.5	0.2	1.8	0.6	0.1	0.7	1.2	0.3	1.5
Companywide, Other	1.1	(0.1)	1.0	2.6	0.0	2.5	2.9	0.0	3.0	1.9	0.2	2.1	3.6	0.3	3.9
Total	42.6	6.3	49.0	39.2	6.3	45.5	32.6	7.0	39.6	15.5	3.9	19.4	36.4	9.6	46.0

* R&D investment in Nonferrous Metals segment includes investment in mining development.

(Ref.) Depreciation Expenses

	FY2019	FY2020	FY2021	FY2022 H1	FY2022 Full Year
Environmental Management & Recycling	5.4	5.8	7.3	3.6	7.9
Nonferrous Metals	4.2	4.4	4.6	2.5	6.2
Electronic Materials	3.1	2.9	3.9	1.6	4.1
Metal Processing	3.0	3.2	3.3	1.5	3.4
Heat Treatment	2.5	2.6	2.4	1.2	2.3
Companywide, Other	0.8	0.8	0.8	0.4	1.1
Total	19.2	20.0	22.5	11.1	25.2

■ Major capital investment projects in FY2022

Environmental Management & Recycling:

Maintenance of incineration facilities

Nonferrous Metals:

Infrastructure investment, Maintenance of smelting facilities

Electronics Materials:

Equipment expansion of semiconductor and other production facilities

Metal Processing:

Equipment expansion of Copper alloy strips manufacturing facilities

Companywide, Other:

Improvement of data utilization infrastructure

Ref. Historical Data

■ Consolidated financial data

Billion yen (Amounts less than 100 million yen are omitted.)

		FY2020					FY2021					FY2022				
		1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Total	Net Sales	115.4	137.0	151.1	184.4	588.0	207.9	215.3	188.6	219.8	831.7	209.9	191.8	-	-	-
	Operating Income	4.9	7.6	11.1	13.7	37.4	19.6	18.2	14.3	11.5	63.8	19.3	10.7	-	-	-
	Ordinary Income	3.3	5.9	12.3	15.5	37.2	28.2	19.2	17.0	11.5	76.0	23.2	13.6	-	-	-
	Profit attributable to owners of parent	0.1	1.4	6.8	13.3	21.8	19.9	12.6	11.5	6.9	51.0	13.0	9.6	-	-	-
Environmental Management & Recycling	Net Sales	27.7	28.7	29.0	31.9	117.6	33.8	32.2	33.1	35.8	135.0	36.5	35.0	-	-	-
	Operating Income	1.8	1.8	2.2	2.5	8.4	3.1	3.5	3.7	2.2	12.6	3.1	2.0	-	-	-
	Ordinary Income	2.1	1.2	2.4	2.8	8.6	3.0	3.5	4.2	2.8	13.6	3.4	2.3	-	-	-
Nonferrous Metals	Net Sales	60.4	63.5	69.3	88.7	282.0	118.2	113.6	97.6	126.1	455.6	115.0	109.5	-	-	-
	Operating Income	3.4	4.2	5.1	7.4	20.3	12.8	10.3	6.8	6.1	36.1	11.2	6.5	-	-	-
	Ordinary Income	3.3	5.2	7.3	9.9	25.9	14.7	12.4	8.8	6.8	42.7	14.3	9.2	-	-	-
Electronic Materials	Net Sales	23.8	38.5	41.2	47.6	151.2	43.9	52.2	40.1	38.9	175.3	45.0	30.5	-	-	-
	Operating Income	0.6	0.2	0.7	0.7	2.4	1.0	2.0	1.1	0.9	5.2	1.8	0.9	-	-	-
	Ordinary Income	1.0	0.6	0.9	1.0	3.6	1.3	2.3	1.5	1.3	6.5	2.5	1.3	-	-	-
Metal Processing	Net Sales	14.9	16.1	22.0	24.6	77.8	26.4	27.2	28.7	29.4	111.9	29.5	29.0	-	-	-
	Operating Income	(0.4)	1.0	2.1	1.6	4.3	2.1	1.5	1.6	0.9	6.3	2.5	0.7	-	-	-
	Ordinary Income	(0.3)	1.0	2.1	1.7	4.6	2.2	1.6	1.7	1.1	6.8	2.7	0.7	-	-	-
Heat Treatment	Net Sales	3.9	5.7	5.8	7.6	23.1	5.8	6.5	7.0	9.4	28.9	6.2	7.0	-	-	-
	Operating Income	(0.9)	0.2	0.6	0.8	0.7	0.3	0.5	0.6	0.9	2.6	0.1	0.3	-	-	-
	Ordinary Income	(1.0)	0.3	0.5	1.0	0.8	0.4	0.6	0.7	1.1	3.0	0.3	0.4	-	-	-
Other/ Eliminations	Net Sales	(15.5)	(15.6)	(16.4)	(16.1)	(63.9)	(20.3)	(16.7)	(18.1)	(20.0)	(75.1)	(22.4)	(19.3)	-	-	-
	Operating Income	0.2	0.0	0.2	0.4	1.0	0.1	0.2	0.1	0.1	0.7	0.3	0.0	-	-	-
	Ordinary Income	(1.7)	(2.5)	(1.0)	(1.2)	(6.5)	6.4	(1.3)	0.0	(1.7)	3.2	0.0	(0.5)	-	-	-

■ Exchange Rate and Metal Prices

	FY2020 (averages)					FY2021 (averages)					FY2022 (averages)				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Exchange Rate: (¥/\$)	107.6	106.2	104.5	105.9	106.1	109.5	110.1	113.7	116.2	112.4	129.6	138.4	-	-	-
Copper: (\$/t)	5,341	6,521	7,174	8,479	6,879	9,711	9,372	9,698	9,985	9,691	9,526	7,742	-	-	-
Zinc: (\$/t)	1,959	2,340	2,631	2,748	2,419	2,916	2,991	3,365	3,743	3,254	3,925	3,269	-	-	-
Indium: (\$/kg)	146	148	174	197	166	198	209	260	247	229	240	230	-	-	-

DOWA

* Forward-looking statements made in this document, such as business forecast, are based on the information available at this time and on certain premises that the Company assumes to be reasonable. Actual performance may differ materially from such forecasts due to a variety of factors.