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November 13, 2023

Company name: MELCO HOLDINGS INC.
Name of representative: Hiroyuki Maki, President and CEO
(Securities code: 6676)
Inquiries: Yasukazu Kouketsu, General Manager of IR Division
(Telephone: +81-3-4213-1122)

Notice Concerning Revisions to Full-Year Consolidated Earnings Forecasts

MELCO HOLDINGS INC. (the "Company") hereby announces that it has resolved, at meeting of the Board of Directors held on November 13, 2023, on a revision of its consolidated earnings forecasts for the full fiscal year ending March 31, 2024, announced on May 12, 2023. The details are described below.

1. Consolidated earnings forecasts for the full fiscal year ending March 31, 2024 (April 1, 2023 through March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecasts (A)	150,000	4,000	4,300	3,000	177.98
Revised forecasts (B)	148,000	1,800	1,600	1,200	71.35
Differences (B-A)	(2,000)	(2,200)	(2,700)	(1,800)	
Change (%)	(1.3)	(55.0)	(62.8)	(60.0)	
(Reference) Actual results for the previous fiscal year (Fiscal year ended March 31, 2023)	142,576	4,518	4,718	3,057	181.23

2. Reason for revisions

   In the six months ended September 30, 2023, Buffalo Inc., the Company's main operating subsidiary in the IT-related sector, expanded sales of value-added products while maintaining and improving market share through efforts to ensure stable supply of products and to stabilize product prices. However, concerning profits, the rise in cost prices caused by the significant depreciation of the yen compared to the assumed average exchange rate for the fiscal year ending March 31, 2024 of 130 yen for 1 US dollar used in the initial forecasts resulted in an extremely challenging earnings environment. In the food sector, the Company worked to expand sales of value-added products and create markets to capture new demand. While the cost of production and labor rose due to rising raw material prices overall, including main ingredients such as wheat and soba flour, and labor shortages, the Company implemented initiatives to reduce cost prices and strove to allow the product price revisions implemented in February 2023 to take hold. As a result, the Company had solid performance in both net sales and profits in the sector.

   At Buffalo Inc., as the foreign exchange rate for the yen has consistently been weaker than the initial forecast, the exchange rate assumption for the second half of the fiscal year has been revised to 150 yen for 1 US dollar, which reflects the current level. In addition, as domestic demand is not expected to significantly improve, the Company has downwardly revised its consolidated forecasts for net sales, operating profit, ordinary profit, and profit attributable to owners of parent for the fiscal year ending March 31, 2024 from the previously announced forecasts.

Note:

The above earnings forecasts are prepared based on information currently available to the Company, and actual results may differ from the above forecasts due to a variety of factors going forward.

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