

August 7, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: NIPPON CHEMI-CON CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 6997
 URL: <https://www.chemi-con.co.jp/>
 Representative: Norio Kamiyama, Representative Director and President
 Inquiries: Osamu Ishii, Director
 Telephone: +81-3-5436-7711
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------|-----------------|--------|------------------|--------|-----------------|--------|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended | | | | | | | | |
| June 30, 2024 | 29,296 | (28.8) | 520 | (78.4) | 514 | (80.5) | 451 | - |
| June 30, 2023 | 41,137 | 7.0 | 2,413 | (1.4) | 2,630 | 2.9 | (13,827) | - |

Note: Comprehensive income For the three months ended June 30, 2024: ¥ 2,086 million [- %]
 For the three months ended June 30, 2023: ¥ (12,556) million [- %]

| | Basic earnings per share | | Diluted earnings per share | |
|--------------------|--------------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Three months ended | | | | |
| June 30, 2024 | 21.12 | | 13.99 | |
| June 30, 2023 | (681.89) | | - | |

(2) Consolidated financial position

| | Total assets | | Net assets | | Equity-to-asset ratio | |
|----------------|-----------------|--|-----------------|--|-----------------------|--|
| | Millions of yen | | Millions of yen | | % | |
| As of | | | | | | |
| June 30, 2024 | 157,869 | | 55,536 | | 34.8 | |
| March 31, 2024 | 172,921 | | 53,610 | | 30.7 | |

Reference: Equity
 As of June 30, 2024 : ¥ 54,990 million
 As of March 31, 2024: ¥ 53,097 million

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | - | 0.00 | - | 0.00 | 0.00 |
| Fiscal year ending March 31, 2025 | - | | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | 0.00 | | | |

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: The year-end dividend forecast for the fiscal year ending March 31, 2025 is undecided at this time.

Note: The above "Cash dividends" refers to dividends on common shares. Please refer to "Cash dividends on class shares" below for the status of dividends on class shares (unlisted) that have different rights from those of common shares issued by the Company.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|-----------------|--------|------------------|--------|-----------------|--------|---|---|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2024 | 66,500 | (17.2) | 3,200 | (37.5) | 2,200 | (58.6) | 1,600 | - | 74.91 |
| Fiscal year ending March 31, 2025 | 153,000 | 1.5 | 11,500 | 22.0 | 10,000 | 26.4 | 7,400 | - | 346.47 |

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|----------------------|-------------------|
| As of June 30, 2024 | 21,939,933 shares |
| As of March 31, 2024 | 21,939,933 shares |

(ii) Number of treasury shares at the end of the period

| | |
|----------------------|----------------|
| As of June 30, 2024 | 582,159 shares |
| As of March 31, 2024 | 581,744 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|----------------------------------|-------------------|
| Three months ended June 30, 2024 | 21,357,958 shares |
| Three months ended June 30, 2023 | 20,277,634 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:
nil

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. Please refer to "1. Operating Results (3) Explanation of Forward-Looking Statements" on page 2 for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

Quarterly consolidated balance sheet

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 45,300 | 28,208 |
| Notes and accounts receivable - trade | 25,853 | 22,423 |
| Merchandise and finished goods | 11,186 | 12,940 |
| Work in process | 11,731 | 13,116 |
| Raw materials and supplies | 6,236 | 6,228 |
| Other | 4,564 | 4,658 |
| Allowance for doubtful accounts | (58) | (57) |
| Total current assets | 104,815 | 87,517 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 10,412 | 10,526 |
| Machinery, equipment and vehicles, net | 15,739 | 15,971 |
| Tools, furniture and fixtures, net | 2,733 | 2,747 |
| Land | 6,966 | 6,978 |
| Leased assets, net | 377 | 365 |
| Right of use asset, net | 3,084 | 3,166 |
| Construction in progress | 8,470 | 10,754 |
| Total property, plant and equipment | 47,784 | 50,509 |
| Intangible assets | 2,339 | 2,367 |
| Investments and other assets | | |
| Investment securities | 14,649 | 14,171 |
| Other | 3,350 | 3,320 |
| Allowance for doubtful accounts | (17) | (17) |
| Total investments and other assets | 17,982 | 17,475 |
| Total non-current assets | 68,106 | 70,352 |
| Total assets | 172,921 | 157,869 |

| | As of March 31, 2024 | As of June 30, 2024 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 7,143 | 7,495 |
| Short-term borrowings | 46,560 | 32,355 |
| Accounts payable - other | 7,501 | 6,695 |
| Income taxes payable | 1,161 | 622 |
| Provision for bonuses | 1,231 | 687 |
| Other | 11,419 | 11,767 |
| Total current liabilities | 75,017 | 59,622 |
| Non-current liabilities | | |
| Long-term borrowings | 38,904 | 37,383 |
| Other | 5,388 | 5,327 |
| Total non-current liabilities | 44,293 | 42,710 |
| Total liabilities | 119,310 | 102,333 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,452 | 5,452 |
| Capital surplus | 57,487 | 57,343 |
| Retained earnings | (26,702) | (26,267) |
| Treasury shares | (917) | (917) |
| Total shareholders' equity | 35,320 | 35,610 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (8) | 62 |
| Foreign currency translation adjustment | 11,790 | 13,419 |
| Remeasurements of defined benefit plans | 5,994 | 5,898 |
| Total accumulated other comprehensive income | 17,777 | 19,380 |
| Non-controlling interests | 513 | 545 |
| Total net assets | 53,610 | 55,536 |
| Total liabilities and net assets | 172,921 | 157,869 |

Quarterly consolidated statement of income

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 41,137 | 29,296 |
| Cost of sales | 32,168 | 23,537 |
| Gross profit | 8,969 | 5,758 |
| Selling, general and administrative expenses | 6,555 | 5,238 |
| Operating profit | 2,413 | 520 |
| Non-operating income | | |
| Interest income | 39 | 36 |
| Dividend income | 79 | 1 |
| Foreign exchange gains | 166 | 267 |
| Share of profit of entities accounted for using equity method | 206 | 129 |
| Other | 20 | 6 |
| Total non-operating income | 512 | 442 |
| Non-operating expenses | | |
| Interest expenses | 282 | 433 |
| Financing expenses | 3 | 4 |
| Other | 9 | 10 |
| Total non-operating expenses | 295 | 448 |
| Ordinary profit | 2,630 | 514 |
| Extraordinary income | | |
| Gain on sale of non-current assets | - | 0 |
| Gain on sale of investment securities | 2,223 | - |
| Total extraordinary income | 2,223 | 0 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 2 | 4 |
| Loss on antitrust law | 18,123 | - |
| Total extraordinary losses | 18,126 | 4 |
| Profit (loss) before income taxes | (13,272) | 510 |
| Income taxes - current | 591 | 162 |
| Income taxes - deferred | (34) | (102) |
| Total income taxes | 557 | 60 |
| Profit (loss) | (13,829) | 449 |
| Loss attributable to non-controlling interests | (2) | (1) |
| Profit (loss) attributable to owners of parent | (13,827) | 451 |

Quarterly consolidated statement of comprehensive income

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Profit (loss) | (13,829) | 449 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (957) | - |
| Foreign currency translation adjustment | 2,133 | 2,590 |
| Remeasurements of defined benefit plans, net of tax | 11 | (97) |
| Share of other comprehensive income of entities accounted for using equity method | 85 | (856) |
| Total other comprehensive income | 1,272 | 1,636 |
| Comprehensive income | (12,556) | 2,086 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (12,590) | 2,054 |
| Comprehensive income attributable to non-controlling interests | 34 | 31 |