

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

Company name: NEW COSMOS ELECTRIC CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6824 URL <https://www.new-cosmos.co.jp/>
 Representative: President and Representative Director Yoshinori Takahashi
 Director, Senior Corporate
 Inquiries: Officer, Administrative Senior General Taizo Murata TEL 06-6308-3112
 Manager
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Fiscal year ended March 31, 2024	38,546	3.6	4,086	(28.2)	4,809	(23.3)	2,959	(20.8)
Fiscal year ended March 31, 2023	37,206	8.4	5,693	4.8	6,269	3.7	3,736	(1.0)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥5,304 million [15.3%]
 For the fiscal year ended March 31, 2023: ¥4,600 million [9.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	239.62	–	7.0	7.9	10.6
Fiscal year ended March 31, 2023	302.75	–	9.8	11.9	15.3

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024: ¥134 million
 For the fiscal year ended March 31, 2023: ¥96 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	66,837	47,650	66.4	3,591.96
As of March 31, 2023	54,930	43,031	73.1	3,250.91

Reference: Equity

As of March 31, 2024: 44,370 million
 As of March 31, 2023: 40,135 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	2,549	(2,322)	4,265	19,997
Fiscal year ended March 31, 2023	2,619	(1,487)	(1,011)	15,138

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	0.00	–	47.00	47.00	580	15.5	1.5
Fiscal year ended March 31, 2024	–	0.00	–	48.00	48.00	592	20.0	1.4
Year ending March 31, 2025 (Forecast)	–	0.00	–	48.00	48.00		24.9	

3. Forecast of consolidated financial results for the 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
Full year	41,661	8.1	4,100	0.3	4,150	(13.7)	2,380	(19.6)	192.60

4. Notes

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Newly included: 1 company (TAIWAN NEW COSMOS ELECTRIC CO., LTD.)

Excluded: None

Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement

Changes in accounting policies due to revisions to accounting standards and other regulations:

None

Changes in accounting policies due to other reasons:

None

Changes in accounting estimates:

None

Restatement:

None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	12,561,000 shares	As of March 31, 2023	12,561,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	208,227 shares	As of March 31, 2023	215,027 shares
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Average number of shares during the period

Fiscal year ended March 31, 2024	12,350,681 shares	Fiscal year ended March 31, 2023	12,343,257 shares
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* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Cautionary statement with respect to forward-looking statements)

The forward-looking statements contained in this summary are based on the information currently available and certain assumptions considered reasonable. Actual operating results may differ significantly from these forecasts due to various factors.

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	15,676,551	20,798,032
Notes and accounts receivable - trade	6,696,429	7,309,129
Electronically recorded monetary claims - operating	2,393,915	2,737,690
Merchandise and finished goods	3,747,581	2,916,882
Work in process	2,372,880	3,548,758
Raw materials and supplies	5,426,455	6,646,223
Other	931,009	1,239,505
Allowance for doubtful accounts	(62,590)	(76,795)
Total current assets	37,182,233	45,119,426
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,210,310	2,375,014
Machinery, equipment and vehicles, net	1,012,725	1,357,243
Land	3,143,957	3,143,957
Construction in progress	1,204,096	2,346,746
Other, net	674,169	585,377
Total property, plant and equipment	8,245,259	9,808,339
Intangible assets		
Goodwill	1,111,694	976,943
Software	172,509	205,377
Software in progress	52,480	73,020
Other	103,759	117,034
Total intangible assets	1,440,443	1,372,375
Investments and other assets		
Investment securities	5,294,188	7,382,984
Deferred tax assets	416,162	433,179
Retirement benefit asset	600,515	915,790
Other	1,752,352	1,809,144
Allowance for doubtful accounts	(1,050)	(3,344)
Total investments and other assets	8,062,169	10,537,755
Total non-current assets	17,747,872	21,718,470
Total assets	54,930,106	66,837,897

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,494,662	2,753,271
Electronically recorded obligations - operating	2,943,807	3,610,610
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	345,000	939,996
Income taxes payable	458,091	534,592
Provision for bonuses	830,634	855,690
Provision for product warranties	168,907	154,044
Other	2,376,601	2,909,098
Total current liabilities	9,667,705	11,807,303
Non-current liabilities		
Long-term borrowings	447,500	4,840,838
Deferred tax liabilities	317,116	1,071,649
Provision for retirement benefits for directors (and other officers)	121,091	102,548
Retirement benefit liability	1,197,907	1,229,545
Other	147,763	135,708
Total non-current liabilities	2,231,377	7,380,290
Total liabilities	11,899,083	19,187,594
Net assets		
Shareholders' equity		
Share capital	1,460,000	1,460,000
Capital surplus	944,137	948,944
Retained earnings	36,087,293	38,466,449
Treasury shares	(332,651)	(322,131)
Total shareholders' equity	38,158,779	40,553,262
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,310,496	2,728,811
Foreign currency translation adjustment	561,280	860,210
Remeasurements of defined benefit plans	105,077	228,353
Total accumulated other comprehensive income	1,976,854	3,817,374
Non-controlling interests	2,895,387	3,279,665
Total net assets	43,031,022	47,650,302
Total liabilities and net assets	54,930,106	66,837,897

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	37,206,881	38,546,304
Cost of sales	19,428,873	21,049,683
Gross profit	17,778,008	17,496,621
Selling, general and administrative expenses		
Salaries and allowances	3,950,340	4,125,210
Remuneration for directors (and other officers)	346,740	356,559
Provision for bonuses	509,486	523,975
Retirement benefit expenses	108,823	100,081
Provision for retirement benefits for directors (and other officers)	34,651	18,427
Experimentation and research expenses	2,029,183	2,361,918
Provision for product warranties	134,581	154,044
Provision of allowance for doubtful accounts	(14,505)	16,049
Other	4,985,280	5,754,233
Total selling, general and administrative expenses	12,084,581	13,410,500
Operating profit	5,693,426	4,086,120
Non-operating income		
Interest income	15,581	7,732
Dividend income	97,927	124,146
Share of profit of entities accounted for using equity method	96,521	134,853
Foreign exchange gains	289,835	328,360
Insurance claim income	17,707	80,783
Other	72,318	61,904
Total non-operating income	589,891	737,781
Non-operating expenses		
Interest expenses	3,858	11,680
Other	9,691	2,840
Total non-operating expenses	13,550	14,521
Ordinary profit	6,269,768	4,809,381
Extraordinary income		
Gain on sale of non-current assets	4,341	371
Gain on sale of investment securities	9	—
Gain on liquidation of subsidiaries and associates	34,080	—
Compensation income for damage	—	20,992
Total extraordinary income	38,432	21,363
Extraordinary losses		
Loss on sale of non-current assets	174	—
Loss on retirement of non-current assets	86,539	2,002
Dismantlement expenses	189,840	—
Total extraordinary losses	276,553	2,002
Profit before income taxes	6,031,646	4,828,741
Income taxes - current	1,763,846	1,304,251
Income taxes - deferred	11,071	92,355
Total income taxes	1,774,917	1,396,606
Profit	4,256,729	3,432,135
Profit attributable to non-controlling interests	519,834	472,718
Profit attributable to owners of parent	3,736,894	2,959,416

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	4,256,729	3,432,135
Other comprehensive income		
Valuation difference on available-for-sale securities	90,088	1,418,788
Foreign currency translation adjustment	267,918	290,963
Remeasurements of defined benefit plans, net of tax	(50,401)	123,275
Share of other comprehensive income of entities accounted for using equity method	36,619	39,080
Total other comprehensive income	344,225	1,872,107
Comprehensive income	4,600,954	5,304,242
Comprehensive income attributable to		
Owners of parent	4,061,821	4,799,936
Non-controlling interests	539,132	504,306

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,460,000	942,938	32,806,871	(346,345)	34,863,464
Changes during period					
Dividends of surplus			(456,472)		(456,472)
Profit attributable to owners of parent			3,736,894		3,736,894
Purchase of treasury shares				(226)	(226)
Disposal of treasury shares		1,198		13,921	15,120
Net changes in items other than shareholders' equity					
Total changes during period	-	1,198	3,280,421	13,694	3,295,314
Balance at end of period	1,460,000	944,137	36,087,293	(332,651)	38,158,779

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,220,595	275,853	155,479	1,651,927	2,487,240	39,002,633
Changes during period						
Dividends of surplus						(456,472)
Profit attributable to owners of parent						3,736,894
Purchase of treasury shares						(226)
Disposal of treasury shares						15,120
Net changes in items other than shareholders' equity	89,901	285,427	(50,401)	324,927	408,146	733,074
Total changes during period	89,901	285,427	(50,401)	324,927	408,146	4,028,389
Balance at end of period	1,310,496	561,280	105,077	1,976,854	2,895,387	43,031,022

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,460,000	944,137	36,087,293	(332,651)	38,158,779
Changes during period					
Dividends of surplus			(580,260)		(580,260)
Profit attributable to owners of parent			2,959,416		2,959,416
Purchase of treasury shares					–
Disposal of treasury shares		4,807		10,519	15,327
Net changes in items other than shareholders' equity					
Total changes during period	–	4,807	2,379,155	10,519	2,394,482
Balance at end of period	1,460,000	948,944	38,466,449	(322,131)	40,553,262

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,310,496	561,280	105,077	1,976,854	2,895,387	43,031,022
Changes during period						
Dividends of surplus						(580,260)
Profit attributable to owners of parent						2,959,416
Purchase of treasury shares						–
Disposal of treasury shares						15,327
Net changes in items other than shareholders' equity	1,418,315	298,929	123,275	1,840,519	384,277	2,224,797
Total changes during period	1,418,315	298,929	123,275	1,840,519	384,277	4,619,280
Balance at end of period	2,728,811	860,210	228,353	3,817,374	3,279,665	47,650,302

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,031,646	4,828,741
Depreciation	1,051,733	1,104,948
Loss (gain) on sale and retirement of property, plant and equipment	82,200	1,631
Loss (gain) on sale of intangible assets	172	–
Loss (gain) on sale of investment securities	(9)	–
Loss (gain) on liquidation of subsidiaries and associates	(34,080)	–
Compensation income for damage	–	(20,992)
Dismantlement expenses	189,840	–
Amortization of goodwill	134,750	134,750
Increase (decrease) in allowance for doubtful accounts	(14,505)	16,049
Increase (decrease) in provision for bonuses	75,768	19,050
Increase (decrease) in provision for product warranties	13,303	(14,863)
Increase (decrease) in retirement benefit liability	(49,488)	(106,516)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(15,658)	(18,542)
Interest and dividend income	(113,509)	(131,879)
Interest expenses	3,858	11,680
Share of loss (profit) of entities accounted for using equity method	(96,521)	(134,853)
Decrease (increase) in trade receivables	443,725	(836,809)
Decrease (increase) in inventories	(3,104,937)	(1,417,118)
Increase (decrease) in trade payables	843,357	740,836
Other, net	(440,962)	(373,215)
Subtotal	5,000,681	3,802,897
Interest and dividends received	152,244	160,515
Interest paid	(3,824)	(13,415)
Compensation income for damage received	–	20,992
Income taxes paid	(2,529,267)	(1,421,864)
Net cash provided by (used in) operating activities	2,619,833	2,549,125
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,435,860)	(1,905,090)
Proceeds from sale of property, plant and equipment	9,639	689
Purchase of intangible assets	(97,299)	(115,382)
Purchase of investment securities	(54,606)	(50,912)
Proceeds from sale of investment securities	10	–
Proceeds from liquidation of subsidiaries and associates	54,080	–
Other, net	36,160	(252,106)
Net cash provided by (used in) investing activities	(1,487,876)	(2,322,802)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	–	5,500,000
Repayments of long-term borrowings	(410,000)	(511,666)
Purchase of treasury shares	(226)	–
Dividends paid	(456,635)	(579,097)
Dividends paid to non-controlling interests	(130,072)	(120,028)
Other, net	(14,231)	(23,392)
Net cash provided by (used in) financing activities	(1,011,166)	4,265,815
Effect of exchange rate change on cash and cash equivalents	445,302	367,281
Net increase (decrease) in cash and cash equivalents	566,092	4,859,420
Cash and cash equivalents at beginning of period	14,572,236	15,138,329
Cash and cash equivalents at end of period	15,138,329	19,997,750