

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 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
 Senior Corporate Officer and Director
 Inquiries: Yoshio Yamada TEL 06-6308-3112
 General Manager Administrative Division
 Scheduled date to commence dividend payments: –
 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 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	9,446	14.4	1,317	80.4	1,581	54.6	800	137.1
Three months ended June 30, 2023	8,258	3.0	730	(33.7)	1,023	(34.0)	337	(47.3)

Note: Comprehensive income For the three months ended June 30, 2024: ¥1,512 million [55.5%]
 For the three months ended June 30, 2023: ¥972 million [(12.7)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	64.79	–
Three months ended June 30, 2023	27.34	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	65,394	48,463	69.0
As of March 31, 2024	66,837	47,650	66.4

Reference: Equity

As of June 30, 2024: ¥45,099 million
 As of March 31, 2024: ¥44,370 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	48.00	48.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		0.00	–	48.00	48.00

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) Significant changes in the scope of consolidation during the three months ended June 30, 2024: None
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2024	12,561,000 shares	As of March 31, 2024	12,561,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	208,317 shares	As of March 31, 2024	208,227 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	12,352,750 shares	Three months ended June 30, 2023	12,345,973 shares
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* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	20,798,032	19,507,045
Notes and accounts receivable - trade	7,309,129	6,481,307
Electronically recorded monetary claims - operating	2,737,690	2,902,538
Merchandise and finished goods	2,916,882	3,190,248
Work in process	3,548,758	3,750,097
Raw materials and supplies	6,646,223	6,783,411
Other	1,239,505	789,094
Allowance for doubtful accounts	(76,795)	(77,922)
Total current assets	45,119,426	43,325,820
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,375,014	2,347,206
Machinery, equipment and vehicles, net	1,357,243	1,333,235
Land	3,143,957	3,143,957
Construction in progress	2,346,746	2,341,980
Other, net	585,377	560,169
Total property, plant and equipment	9,808,339	9,726,548
Intangible assets		
Goodwill	976,943	943,255
Software	205,377	202,997
Software in progress	73,020	98,307
Other	117,034	119,297
Total intangible assets	1,372,375	1,363,857
Investments and other assets		
Investment securities	7,382,984	7,720,078
Deferred tax assets	433,179	464,735
Retirement benefit asset	915,790	912,025
Other	1,809,144	1,885,223
Allowance for doubtful accounts	(3,344)	(3,344)
Total investments and other assets	10,537,755	10,978,717
Total non-current assets	21,718,470	22,069,124
Total assets	66,837,897	65,394,945

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,753,271	2,020,511
Electronically recorded obligations - operating	3,610,610	3,056,264
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	939,996	929,996
Income taxes payable	534,592	616,020
Provision for bonuses	855,690	1,048,101
Provision for product warranties	154,044	159,548
Other	2,909,098	1,803,121
Total current liabilities	11,807,303	9,683,564
Non-current liabilities		
Long-term borrowings	4,840,838	4,608,339
Deferred tax liabilities	1,071,649	1,174,016
Provision for retirement benefits for directors (and other officers)	102,548	105,509
Retirement benefit liability	1,229,545	1,221,595
Other	135,708	138,734
Total non-current liabilities	7,380,290	7,248,194
Total liabilities	19,187,594	16,931,758
Net assets		
Shareholders' equity		
Share capital	1,460,000	1,460,000
Capital surplus	948,944	948,944
Retained earnings	38,466,449	38,673,876
Treasury shares	(322,131)	(322,330)
Total shareholders' equity	40,553,262	40,760,490
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,728,811	2,965,191
Foreign currency translation adjustment	860,210	1,169,660
Remeasurements of defined benefit plans	228,353	203,765
Total accumulated other comprehensive income	3,817,374	4,338,617
Non-controlling interests	3,279,665	3,364,078
Total net assets	47,650,302	48,463,186
Total liabilities and net assets	66,837,897	65,394,945

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	8,258,702	9,446,689
Cost of sales	4,304,663	4,783,417
Gross profit	3,954,039	4,663,271
Selling, general and administrative expenses	3,223,548	3,345,494
Operating profit	730,490	1,317,776
Non-operating income		
Interest income	1,283	1,753
Dividend income	35,912	46,130
Share of profit of entities accounted for using equity method	19,787	20,678
Foreign exchange gains	216,160	177,633
Other	20,957	29,886
Total non-operating income	294,102	276,081
Non-operating expenses		
Interest expenses	691	9,648
Other	540	2,389
Total non-operating expenses	1,231	12,037
Ordinary profit	1,023,361	1,581,820
Extraordinary income		
Gain on sale of non-current assets	346	–
Total extraordinary income	346	–
Extraordinary losses		
Loss on retirement of non-current assets	1,032	810
Total extraordinary losses	1,032	810
Profit before income taxes	1,022,675	1,581,009
Income taxes	593,602	609,371
Profit	429,072	971,638
Profit attributable to non-controlling interests	91,506	171,278
Profit attributable to owners of parent	337,565	800,360

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	429,072	971,638
Other comprehensive income		
Valuation difference on available-for-sale securities	443,768	236,569
Foreign currency translation adjustment	94,749	288,726
Remeasurements of defined benefit plans, net of tax	(11,546)	(24,587)
Share of other comprehensive income of entities accounted for using equity method	16,806	40,090
Total other comprehensive income	543,779	540,799
Comprehensive income	972,851	1,512,437
Comprehensive income attributable to		
Owners of parent	861,840	1,321,602
Non-controlling interests	111,010	190,834

Consolidated statements of cash flows

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,022,675	1,581,009
Depreciation	225,073	259,404
Loss (gain) on sale and retirement of property, plant and equipment	686	810
Amortization of goodwill	33,687	33,687
Increase (decrease) in allowance for doubtful accounts	13,550	888
Increase (decrease) in provision for bonuses	257,441	186,986
Increase (decrease) in provision for product warranties	(14,427)	5,504
Increase (decrease) in retirement benefit liability	(20,773)	(39,822)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(29,908)	2,960
Interest and dividend income	(37,196)	(47,884)
Interest expenses	691	9,648
Share of loss (profit) of entities accounted for using equity method	(19,787)	(20,678)
Decrease (increase) in trade receivables	1,137,031	770,921
Decrease (increase) in inventories	(1,129,742)	(506,198)
Increase (decrease) in trade payables	(604,110)	(1,419,916)
Other, net	(122,679)	156,102
Subtotal	712,212	973,425
Interest and dividends received	55,879	98,183
Interest paid	(691)	(9,719)
Income taxes paid	(714,087)	(490,990)
Net cash provided by (used in) operating activities	53,313	570,898
Cash flows from investing activities		
Purchase of property, plant and equipment	(635,441)	(1,265,393)
Proceeds from sale of property, plant and equipment	648	–
Purchase of intangible assets	(36,244)	(43,562)
Purchase of investment securities	(1,496)	(1,519)
Proceeds from sale of investment securities	–	5,112
Other, net	(216,433)	128,345
Net cash provided by (used in) investing activities	(888,967)	(1,177,017)
Cash flows from financing activities		
Repayments of long-term borrowings	(92,500)	(242,499)
Purchase of treasury shares	–	(199)
Dividends paid	(569,657)	(581,118)
Dividends paid to non-controlling interests	(120,028)	(106,421)
Other, net	(2,349)	(8,721)
Net cash provided by (used in) financing activities	(784,535)	(938,960)
Effect of exchange rate change on cash and cash equivalents	144,464	229,121
Net increase (decrease) in cash and cash equivalents	(1,475,724)	(1,315,958)
Cash and cash equivalents at beginning of period	15,138,329	19,997,750
Cash and cash equivalents at end of period	13,662,605	18,681,792