

Translation

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

November 11, 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 file Semi-annual Securities Report: November 11, 2024
 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 six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended September 30, 2024	20,215	11.0	3,370	75.5	3,394	40.1	2,033	67.3
Six months ended September 30, 2023	18,206	1.0	1,920	(33.9)	2,422	(32.6)	1,215	(37.6)

Note: Comprehensive income For the six months ended September 30, 2024: ¥3,142 million [35.7%]
 For the six months ended September 30, 2023: ¥2,315 million [(17.0)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	164.60	–
Six months ended September 30, 2023	98.45	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	67,117	50,111	69.5
As of March 31, 2024	66,837	47,650	66.4

Reference: Equity

As of September 30, 2024: ¥46,659 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
Fiscal year ended March 31, 2024	–	0.00	–	48.00	48.00
Fiscal year ending March 31, 2025	–	0.00	–	–	–
Fiscal year ending March 31, 2025 (Forecast)	–	–	–	48.00	48.00

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

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
Full year	41,661	8.1	4,100	0.3	4,150	(13.7)	2,380	(19.6)	192.60

Note: Revisions to the forecast of consolidated financial results most recently announced: None

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: None

(2) Application of special accounting methods for preparing semi-annual 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 September 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 September 30, 2024	200,017 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)

Six months ended September 30, 2024	12,356,279 shares	Six months ended September 30, 2023	12,348,887 shares
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* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	20,798,032	20,487,423
Notes and accounts receivable - trade	7,309,129	6,139,417
Electronically recorded monetary claims - operating	2,737,690	2,438,408
Merchandise and finished goods	2,916,882	3,061,103
Work in process	3,548,758	3,847,234
Raw materials and supplies	6,646,223	6,592,350
Other	1,239,505	865,912
Allowance for doubtful accounts	(76,795)	(59,845)
Total current assets	45,119,426	43,372,005
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,375,014	5,402,881
Machinery, equipment and vehicles, net	1,357,243	1,415,176
Land	3,143,957	3,143,957
Construction in progress	2,346,746	762,285
Other, net	585,377	518,626
Total property, plant and equipment	9,808,339	11,242,926
Intangible assets		
Goodwill	976,943	909,567
Software	205,377	222,612
Software in progress	73,020	120,135
Other	117,034	107,202
Total intangible assets	1,372,375	1,359,518
Investments and other assets		
Investment securities	7,382,984	7,800,068
Deferred tax assets	433,179	451,858
Retirement benefit asset	915,790	909,104
Other	1,809,144	1,983,090
Allowance for doubtful accounts	(3,344)	(1,050)
Total investments and other assets	10,537,755	11,143,071
Total non-current assets	21,718,470	23,745,516
Total assets	66,837,897	67,117,521

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,753,271	1,395,319
Electronically recorded obligations - operating	3,610,610	2,081,644
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	939,996	909,996
Income taxes payable	534,592	947,795
Provision for bonuses	855,690	865,953
Provision for product warranties	154,044	160,284
Other	2,909,098	3,469,177
Total current liabilities	11,807,303	9,880,171
Non-current liabilities		
Long-term borrowings	4,840,838	4,395,840
Deferred tax liabilities	1,071,649	1,259,283
Provision for retirement benefits for directors (and other officers)	102,548	111,192
Retirement benefit liability	1,229,545	1,225,727
Other	135,708	133,805
Total non-current liabilities	7,380,290	7,125,849
Total liabilities	19,187,594	17,006,020
Net assets		
Shareholders' equity		
Share capital	1,460,000	1,460,000
Capital surplus	948,944	954,710
Retained earnings	38,466,449	39,907,330
Treasury shares	(322,131)	(309,488)
Total shareholders' equity	40,553,262	42,012,552
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,728,811	3,017,298
Foreign currency translation adjustment	860,210	1,450,950
Remeasurements of defined benefit plans	228,353	179,177
Total accumulated other comprehensive income	3,817,374	4,647,426
Non-controlling interests	3,279,665	3,451,521
Total net assets	47,650,302	50,111,500
Total liabilities and net assets	66,837,897	67,117,521

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	18,206,375	20,215,454
Cost of sales	9,670,650	9,938,762
Gross profit	8,535,725	10,276,691
Selling, general and administrative expenses	6,614,784	6,906,040
Operating profit	1,920,940	3,370,651
Non-operating income		
Interest income	4,395	21,401
Dividend income	46,245	60,453
Share of profit of entities accounted for using equity method	54,210	59,620
Foreign exchange gains	341,995	–
Other	57,611	84,022
Total non-operating income	504,458	225,497
Non-operating expenses		
Interest expenses	1,801	19,243
Foreign exchange losses	–	178,734
Other	941	3,479
Total non-operating expenses	2,743	201,458
Ordinary profit	2,422,655	3,394,690
Extraordinary income		
Gain on sale of non-current assets	369	–
Compensation income for damage	21,002	–
Compensation income	–	48,078
Total extraordinary income	21,372	48,078
Extraordinary losses		
Loss on retirement of non-current assets	1,753	1,095
Loss on inventories	–	39,134
Total extraordinary losses	1,753	40,229
Profit before income taxes	2,442,275	3,402,540
Income taxes	1,016,684	1,084,359
Profit	1,425,590	2,318,181
Profit attributable to non-controlling interests	209,874	284,367
Profit attributable to owners of parent	1,215,716	2,033,813

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,425,590	2,318,181
Other comprehensive income		
Valuation difference on available-for-sale securities	579,677	288,494
Foreign currency translation adjustment	295,215	491,069
Remeasurements of defined benefit plans, net of tax	(23,092)	(49,175)
Share of other comprehensive income of entities accounted for using equity method	38,206	93,573
Total other comprehensive income	890,007	823,962
Comprehensive income	2,315,597	3,142,143
Comprehensive income attributable to		
Owners of parent	2,077,735	2,863,865
Non-controlling interests	237,862	278,277

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,442,275	3,402,540
Depreciation	488,858	549,633
Loss (gain) on sale and retirement of property, plant and equipment	1,383	1,095
Compensation income for damage	(21,002)	–
Compensation income	–	(48,078)
Loss on inventories	–	39,134
Amortization of goodwill	67,375	67,375
Increase (decrease) in allowance for doubtful accounts	25,095	(19,050)
Increase (decrease) in provision for bonuses	(7,757)	(2,453)
Increase (decrease) in provision for product warranties	(14,952)	6,240
Increase (decrease) in retirement benefit liability	(25,921)	(68,613)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(24,464)	8,643
Interest and dividend income	(50,641)	(81,855)
Interest expenses	1,801	19,243
Share of loss (profit) of entities accounted for using equity method	(54,210)	(59,620)
Decrease (increase) in trade receivables	438,090	1,598,257
Decrease (increase) in inventories	(1,506,173)	(318,595)
Increase (decrease) in trade payables	296,790	(2,986,948)
Other, net	(396,712)	(237,168)
Subtotal	1,659,833	1,869,780
Interest and dividends received	70,255	133,090
Interest paid	(1,357)	(19,142)
Compensation income for damage received	21,002	–
Proceeds from compensation	–	48,078
Income taxes paid	(749,201)	(406,829)
Net cash provided by (used in) operating activities	1,000,532	1,624,976
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,363,102)	(1,113,837)
Proceeds from sale of property, plant and equipment	686	–
Purchase of intangible assets	(56,257)	(82,196)
Purchase of investment securities	(5,973)	(6,311)
Proceeds from sale of investment securities	–	5,112
Other, net	(194,963)	(314,492)
Net cash provided by (used in) investing activities	(1,619,610)	(1,511,725)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,000,000	–
Repayments of long-term borrowings	(185,000)	(474,998)
Purchase of treasury shares	–	(199)
Dividends paid	(578,936)	(594,042)
Dividends paid to non-controlling interests	(120,028)	(106,421)
Other, net	(9,386)	(16,600)
Net cash provided by (used in) financing activities	106,647	(1,192,262)
Effect of exchange rate change on cash and cash equivalents	345,267	299,577
Net increase (decrease) in cash and cash equivalents	(167,162)	(779,433)
Cash and cash equivalents at beginning of period	15,138,329	19,997,750
Cash and cash equivalents at end of period	14,971,167	19,218,316