Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

MEMBERSHIP

May 15, 2024

Consolidated Financial Results for the Twelve Months Ended March 31, 2024

[Under Japanese GAAP]

Company name: Nippon Denkai, Ltd.
Stock listing: Tokyo Stock Exchange
Stock ticker code: 5759
URL: https://www.nippon-denkai.co.jp/
Representative: Hidemasa Nakajima, President and CEO
Inquiries: Yasuaki Matsuzaki, Executive Officer of Finance
Email: ir_team@nippon-denkai.co.jp

Scheduled date for the annual general meeting of shareholders: June 21, 2024
Scheduled date to commence dividend payments: None
Scheduled date to submit securities report: June 24, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

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

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

(1) Consolidated operating results (cumulative)

(Percentages indicate Year-on-Year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Twelve months ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2024	16,650	-2.3	-1,034	—	-1,288	—	-874	—
March 31, 2023	17,047	-17.1	-1,611	—	-1,840	—	-1,933	—

Note: Comprehensive income Twelve months ended March 31, 2024: ¥ -722 million [— %]
Twelve months ended March 31, 2023: ¥ -1,736 million [— %]

	Earnings per share	Diluted earnings per share	Return on equity	Return on asset	Return on sales
Twelve months ended	Yen	Yen	%	%	%
March 31, 2024	-96.63	—	-12.3	-5.5	-6.2
March 31, 2023	-252.36	—	-29.3	-9.0	-9.5

(Reference) Investment Gains (Losses) on Equity Method Twelve months ended March 31, 2024: — million
Twelve months ended March 31, 2023: — million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
Twelve months ended	Millions of Yen	Millions of Yen	%	Yen
March 31, 2024	23,908	6,724	28.1	743.10
March 31, 2023	22,678	7,447	32.8	822.97

(Reference) Equity As of March 31, 2024： ¥6,724 million
As of March 31, 2023： ¥7,447 million

(3) Status of Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalent
Twelve months ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2024	698	-2,108	1,110	3,376
March 31, 2023	697	-6,495	6,606	3,579

2. Status of Dividends

	Annual dividends per share					Total dividends	Dividend payout ratio	Dividend on equity ratio
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Twelve months ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2023	—	0.00	—	0.00	0.00	—	—	—
March 31, 2024	—	0.00	—	0.00	0.00	—	—	—
March 31, 2025 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated financial forecast 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		Earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY 2024	19,700	18.3	0	—	-800	—	-800	—	-88.40

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates, and redisplay of corrections

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: Yes

(iv) Redisplay of corrections: None

(3)Number of issued shares (common stocks)

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

As of March 31, 2024	9,050,000 shares
As of March 31, 2023	9,050,000 shares

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

As of March 31, 2024	171 shares
As of March 31, 2023	69 shares

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

As of March 31, 2024	9,049,892 shares
As of March 31, 2023	7,663,473 shares

(Reference) The company individual financial results for the twelve months ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) The company individual operating results (Percentages indicate Year-on-Year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit for the period	
Twelve months ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2024	13,310	6.9	-475	—	-339	—	-146	—
March 31, 2023	12,451	-18.5	-389	—	-417	—	-469	—

	Earnings per share	Diluted earnings per share
Twelve months ended	Yen	Yen
March 31, 2024	-16.16	—
March 31, 2023	-61.28	—

(2) The company individual financial position

	Total Assets	Net Assets	Equity Ratio	Book value Per Share
Twelve months ended	Millions of Yen	Millions of Yen	%	Yen
March 31, 2024	21,945	6,554	29.9	724.24
March 31, 2023	21,633	6,930	32.0	765.75

(Reference) Equity As of March 31, 2024 : ¥ 6,554 million

As of March 31, 2023 : ¥ 6,930 million

* Financial results reports are not subject to audit by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Actual results may differ materially from forward-looking statements contained herein, including the forecasts of results of operations, as such statements are based on the information currently available to the company and certain assumptions that are deemed reasonable for the company. For cautions to be exercised when using the forecasts of financial results and assumptions that underlie the forecasts, please refer to “1. Qualitative Information on Financial Results - (4) Future Outlook” on Page 3 of the Appendix.

○Table of Contents for Appendix

1. Qualitative Information on Financial Results …… 2
(1) Explanation on Operating Business Results …… 2
(2) Explanation on Financial Position …… 2
(3) Explanation on Cash Flows …… 3
(4) Future Outlook …… 3
(5) Material Events and other Matters Regarding Going Concern Assumption …… 4
2. Basic Approach to the Selection of Accounting Standards …… 5
3. Consolidated Financial Statements and Major Notes …… 6
(1) Consolidated Statement of Balance Sheet …… 6
(2) Consolidated Statement of Income and
Consolidated Statement of Comprehensive Income …… 8
(3) Consolidated Statement of Changes in shareholders' equity …… 10
(4) Consolidated Statement of Cash Flow …… 11
(5) Major Notes about Consolidated Statements …… 13
(Notes on going concern assumption) …… 13
(Changes in accounting estimates) …… 13
(Segment information, etc.) …… 13
(Information per share) …… 13
(Significant Subsequent Events) …… 13

1. Qualitative Information on Financial Results

(1)Explanation on Operating Business Results

During the consolidated fiscal year under review, the global economy showed signs of improvement based on a recovery in world trade and robust consumer spending. However, the economies in Europe and China showed weakness due to increasing economic instability caused by rising energy prices and inflationary pressures stemming from the situation in the Middle East and the Russian-Ukrainian crisis.

In the U.S., the economy expanded favorably with high employment and increased wages, despite weakness in consumer confidence and persistent inflation. In China, the economic recovery remained slow due the decrease in direct investment into China affected by the continued U.S.-China trade negotiations and a stagnant real estate market caused by sluggish housing sales. In Japan, the overall economy recovered moderately as expected. There were improvements in personal income, although personal consumption slowed due to the 2024 Noto Peninsula Earthquake, which also resulted in the acceleration of prices.

Regarding the market for automotive lithium-ion batteries (LIBs), current sales of electric vehicles (EVs) in the U.S. are lower than the forecasts set by the automakers due to a reduction in consumer demand in part due to the rising interest rates on loans. For the electronic components industry, where the main market for copper foil is for use in printed circuit boards, there are mixed signs of recovery. The launch of new popular smart phone models in Chain triggered new signs of demand, whereas the market for high-speed communication applications remained slow.

Under the business environment surrounding the Group, demand for copper foil used in automotive batteries experienced reduced demand for use in cells exported to U.S. due to the Inflation-Recovery Act (IRA) requirement of U.S. domestic content policy. However, the start of mass production at one of our customers' new Japanese factories resulted in new sales. Copper foil for printed circuit board applications decreased due to the malfunction of the plating rectifier in our U.S. operations. Additional business was added in this market through the adoption of new products through our Japanese customer base.

Group earnings resulted in losses in operating income and in all of the other profit categories due to the sluggish demand for copper foil for export EV battery cells and the impact of U.S. operations rectifier malfunction. However, net loss attributable to owners of the parent reduced losses, resulting from recording extraordinary profit and losses, including insurance claim income for the malfunction of rectifiers at the U.S. plant, gain on reversal of share acquisition rights due to the lapse of the share acquisition rights upon expiration of the exercise period, and other factors. As a result, the total production volume for the current fiscal year was 8,308 metric tons for all products (down 2.5% from the previous fiscal year), net sales were 16,650 million yen (down 2.3% from the previous fiscal year), operating loss was 1,034 million yen (1,611 million yen in the previous fiscal year), ordinary loss was 1,288 million yen (1,840 million yen in the previous fiscal year), and net loss attributable to owners of the parent was 874 million yen (1,933 million yen in the previous fiscal year).

(2) Explanation on Financial Position

(Assets)

Total assets as of the end of the current consolidated fiscal year was 23,908 million yen, up 1,229 million yen (5.4%) from the end of the previous consolidated fiscal year.

Current assets decreased by 764 million yen (8.2%) to 8,580 million yen, mainly due to a decrease of 203 million yen in cash and deposits, a decrease of 472 million yen in accounts receivable, a decrease of 46 million yen in finished goods, a decrease of 134 million yen in raw materials and supplies. Non-current assets increased by 1,993 million yen (14.9%) to 15,327 million yen, mainly due to a decrease of 512 million yen in machinery, equipment and vehicles, an increase of 2,367 million yen in construction in progress.

(Liabilities)

Total liabilities as of the end of the current consolidated fiscal year was 17,183 million yen, up 1,952 million yen (12.8%) from the end of the previous consolidated fiscal year. Current liabilities increased by 2,658 million yen (28.8%) to 11,885 million yen, mainly due to an increase of 1,711 million yen in short-term borrowings, and an increase of 498 million yen in current portion of long-term borrowings. Non-current liabilities decreased by 706 million yen (11.8%) to 5,298 million yen, mainly due to a decrease of 686 million

yen in long-term borrowings.

(Net assets)

Total equity as of the end of the current consolidated fiscal year decreased by 722 million yen (9.7%) from the end of the previous consolidated fiscal year to 6,724 million yen, mainly due to loss attributable to owners of parent of 874 million yen, a decrease of 24 million yen in foreign exchange translation adjustment, an increase of 176 million yen in remeasurements of defined benefit plans.

As a result of the above, the equity ratio is 28.1% (at the end of the previous consolidated fiscal year was 32.8%).

(3) Explanation on Cash Flows

Total cash and cash equivalent (hereinafter referred to as "funds") of the current consolidated fiscal year was 3,376 million yen, down 203 million yen from the end of the previous consolidated fiscal year. The major factors of increase / decrease in the current consolidated fiscal year are as follows.

(Cash flow from operating activities)

The funds increased by operating activities of the current consolidated fiscal year was 698 million yen. (The increase of the previous consolidated fiscal year was 697 million yen). Mainly, due to net profit or loss before income taxes of 870 million yen, depreciation of 1,225 million yen, a decrease in trade receivables of 579 million yen, a decrease in inventories of 138 million yen, and interest paid of 219 million yen.

(Cash flow from investment activities)

The funds decreased by investment activities of the current consolidated fiscal year was 2,108 million yen. (The decrease of the previous consolidated fiscal year was 6,495 million yen). Mainly, due to purchase of property, plant and equipment of 2,101 million yen.

(Cash flow from financial activities)

The funds increased by financial activities of the current consolidated fiscal year was 1,110 million yen. (The increase of the previous consolidated fiscal year was 6,606 million yen). Mainly, due to net increase of 1,646 million yen in short-term loans payable, an increase of 300 million yen in proceeds from long-term loans payable, repayments of long-term loans payable of 952 million yen.

(4) Future Outlook

Regarding the future outlook, the global economy remains uncertain due to the economic slowdown in China and high interest rates in the U.S. and Europe. In the automotive battery market, the growth of EVs, which leveled off in 2023, is expected to continue. In China, the national subsidy for new energy vehicles will end in 2022, and the competitive environment is changing. The European market indicated a trend to re-evaluation hybrid electric vehicles (HEVs) during the latter half of 2023, and automakers are scaling back their plans to achieve their once aggressive EV sales targets. In the U.S., there are multiple announcements to reduce current EV production and postpone new EV model launches. Major automotive manufactures have withdrawn plans for joint-venture plants with LIB manufacturers and shifting strategies to increase HEV production. In the electronic components industry, demand for copper foil for use in high-end substrates is expected to remain robust, although the market environment overall is expected to remain weak.

Under these circumstances, the consolidated net sales forecast for the fiscal year ending March 31, 2025, is expected to be 19,700 million yen based on a production volume of 9,500 metric tons, a copper market price at 1,350 yen/Kg and average forex rate for the period is assumed to be 148.00 yen to the U.S. dollar.

Sales of EV battery copper foils are expected to increase by about 20% (2.3 billion yen). The increase in sales is due to an increase in demand from existing customers and orders received to supply to new production lines, and start of supply to a new customer.

Circuit board copper foils, demand for electronic components is expected to recover slowly, we forecast

an increase in sales of about 800 million yen due to the start of product supply to a new customer in Japan and a recovery from the impact of the malfunction of rectifiers in the U.S. plant occurred in the fiscal year ending March 2024.

Operating income is expected to be 0 million yen, ordinary loss is expected to be 800 million yen, and net loss attributable to shareholders of the parent company is expected to be 800 million yen.

While the financial environment remains difficult, the Company will work to improve operating margins. Closely monitoring product sales price will offset impacts of electricity price fluctuations, and efforts will be made to reduce manufacturing cost through IoT and factory digital transformation projects.

The above forecasts are based on information available as of the date that this document is published, and actual results may differ from the forecasts due to various factors. If it becomes necessary to revise the forecast, the company will inform such revisions promptly.

(5) Material Events and Other Matters Regarding Going Concern Assumption

In the previous consolidated fiscal year, the Group recorded an operating loss of 1,611 million yen, an ordinary loss of 1,840 million yen, and a net loss attributable to owners of the parent of 1,933 million yen. In the current consolidated fiscal year, the Group recorded an operating loss of 1,034 million yen, an ordinary loss of 1,288 million yen, and a net loss attributable to owners of the parent of 874 million yen. In addition, at the end of the current fiscal year, the Group violated the financial covenants attached to the syndicated loan agreement and fell under the events of forfeiture of the benefit of time, etc.

As a result of the above, some events or situations may cast significant doubt on the Group's ability to continue as a going concern.

In response to this situation, the Group has set the following business policies to improve profitability to resolve this event or situation: (A) shift to high value-added fields, (B) further strengthen technological capabilities, (C) expand business synergies with Denkai America, Inc. (“Denkai America”), and (D) improve margins and reduce manufacturing costs through price revisions.

(A) The shift to high value-added fields: The Group will focus on copper foil for high-performance automotive batteries, where we can take advantage of our technological superiority, quality and reliability, and copper foil for high-frequency circuit boards targeting the high-speed communication field, aiming to improve the sales ratio of highly profitable products.

(B) Further strengthening of technological capabilities: The Group will strive to ensure cost competitiveness by further improving product quality and production efficiency through the promotion of process technology development. At the same time, the Group will also promote the development of products that meet future market needs. Regarding EV batteries copper foil, the Group will develop and launch products with special mechanical properties and surface treatment that meet the required characteristics of next-generation LIBs such as advanced LIBs and all-solid-state batteries. Regarding circuit boards copper foil, the Group will continue to develop and launch products targeting high-speed communications and high-density packaging areas.

(C) Expansion of business synergies with Denkai America: In response to the recent rapid shift to EV in the automotive industry and the growing global demand for copper foil for automotive LIBs, the Group will promote the development of a system to start production of EV batteries copper foil at the U.S. plant and promote a system that will enable the Company and Denkai America to supply EV batteries copper foil. In response to the growing global demand for copper foil for LIBs, the Group and its consolidated subsidiaries will promote the establishment of a system that will enable them to begin production of copper foil for automotive batteries. The Company and Denkai America will also consider further expansion of production capacity to meet demand. Denkai America is an electrodeposited copper foil manufacturer with a long history of production in the U.S., and its customers, LIB cell manufacturers, are constructing new plants in the U.S. Denkai America will take advantage of its location to supply products to the U.S. market.

(D) Improving margins and reducing manufacturing costs through price revisions: The Group will continue to work on expanding the scope of reflecting electricity price fluctuations in selling prices to secure appropriate margins, and in addition to cost reductions, the Group will reduce manufacturing costs by adopting effects by digital transformation in the plants.

Furthermore, on the funding side, the Group has an agreement with financial institutions with which we do business not to exercise the right to forfeit the benefit of time, etc., so that we expect to continue being

supported by financial institutions, although the Group was in breach of financial covenants at the end of the current fiscal year. In addition, the Group is working to secure and maintain stable business and working capital by selling assets held and carefully selecting and restraining capital investment projects, while improving and strengthening its financial position and considering all possible capital policies to enhance its working capital.

As a result of the above, the Group has determined that there are no significant uncertainties regarding the premise of a going concern.

2. Basic Approach to the Selection of Accounting Standards

The Company currently applies Japanese GAAP for consolidated financial statements. The Company believes that the consolidated financial statements prepared in accordance with this accounting standard adequately present the financial position and operating results of the company.

However, the Company will consider the possibility of adopting different accounting standards in the future, such as International Financial Reporting Standards, while taking into the globalization of the Company and the differences from the application of the current accounting standard.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Balance Sheet

(Thousands of Yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,579,657	3,376,480
Accounts receivable	2,478,357	2,005,508
Finished goods	899,463	853,300
Work in process	1,212,083	1,349,502
Raw materials and supplies	628,242	494,081
Other current assets	546,914	501,628
Total current assets	9,344,718	8,580,502
Non-current assets		
Tangible non-current assets		
Buildings and structures, net	1,379,685	1,297,481
Machinery, equipment and vehicles, net	3,196,055	2,683,567
Land	661,568	675,580
Leased assets, net	223,940	203,714
Construction in progress	7,499,402	9,866,756
Other non-current assets, net	139,467	97,584
Total tangible non-current	13,100,119	14,824,685
Intangible non-current assets	27,419	27,375
Investments and other assets		
Deferred tax assets	2,663	2,663
Net defined benefit assets	156,742	426,508
Others	47,310	46,376
Total investments and other assets	191,838	475,548
Total non-current assets	13,334,256	15,327,609
Total assets	22,678,974	23,908,111

(Thousands of Yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Account payable	1,771,739	1,559,129
Short-term borrowings	5,000,000	6,711,650
Current portion of long-term borrowings	1,358,760	1,856,940
Short-term lease obligation	20,600	19,808
Income taxes payable	27,502	26,463
Contract liabilities	65,313	—
Provision for bonuses	103,019	108,877
Provision for directors' bonuses	4,486	—
Other current liabilities	875,429	1,602,251
Total current liabilities	9,226,853	11,885,120
Non-current liabilities		
Long-term borrowings	5,762,200	5,075,910
Long-term lease obligation	235,528	215,720
Deferred tax liabilities	1,868	1,731
Other non-current liabilities	4,729	4,729
Total non-current liabilities	6,004,326	5,298,091
Total liabilities	15,231,180	17,183,212
Equity		
Shareholders' equity		
Common stock	1,858,509	1,858,509
Capital surplus	4,058,509	4,058,509
Retained earnings	1,157,645	283,160
Treasury stock	-196	-318
Total shareholders' equity	7,074,467	6,199,861
Accumulated other comprehensive income		
Foreign exchange translation adjustment	382,823	358,051
Remeasurements of defined benefit plans	-9,496	166,986
Total accumulated other comprehensive income	373,327	525,037
Net assets	7,447,794	6,724,899
Total liabilities and equity	22,678,974	23,908,111

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Thousands of Yen)

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Net Sales	17,047,433	16,650,302
Cost of sales	16,943,255	16,460,119
Gross profit	104,178	190,183
Selling, general and administrative expenses	1,715,978	1,224,417
Operating profit or loss	-1,611,800	-1,034,233
Non-operating income		
Interest income	519	37
Income from sale of scraps	35,298	36,128
Insurance claim income	17,793	—
Foreign exchange gains	—	540,014
Subsidy income	—	150,322
Other non-operating incomes	4,216	4,115
Total non-operating income	57,828	730,618
Non-operating expenses		
Interest expense	179,999	221,774
Remuneration	—	644,701
Other non-operating expenses	106,320	118,674
Total non-operating expenses	286,319	985,150
Ordinary profit or loss	-1,840,291	-1,288,765
Extraordinary incomes		
Gain on sale of fixed assets	38,417	8,450
Settlement received	23,636	—
Gain on reversal of subscription rights to shares	—	209,947
Insurance income	—	534,546
Total extraordinary incomes	62,054	752,944
Extraordinary loss		
Loss on disposal of non-current assets	80,530	65,557
Impairment loss	3,626	—
Temporary loss	—	268,660
Total extraordinary loss	84,156	334,217
Net profit or loss before income taxes	-1,862,394	-870,039
Current income taxes	4,480	4,814
Deferred income taxes	67,054	-369
Total income taxes	71,534	4,445
Profit or loss for the period	-1,933,928	-874,484
Profit or loss attributable to owners of parent	-1,933,928	-874,484

Consolidated Statement of Comprehensive Income

(Thousands of Yen)

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Profit or loss for the period	-1,933,928	-874,484
Other comprehensive income		
Foreign exchange translation adjustment	230,940	-24,772
Remeasurements of defined benefit plans	-33,597	176,483
Total other comprehensive income	197,342	151,710
Comprehensive income	-1,736,585	-722,773
（Breakdown of comprehensive income）		
Comprehensive income attributable to owners of parent	-1,736,585	-722,773

(3) Consolidated Statement of Changes in shareholders' equity

FY2022 (from April 1, 2022 to March 31, 2023)

(Thousands of Yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Foreign exchange translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	143,937	2,343,937	3,091,573	—	5,579,448	151,883	24,101	175,984	5,755,433
Changes of items during period									
Issuance of new shares	1,714,571	1,714,571			3,429,143				3,429,143
Profit attributable to owners of parent			-1,933,928		-1,933,928				-1,933,928
Repurchase of treasury stock				-196	-196				-196
Net changes of items other than shareholders' equity						230,940	-33,597	197,342	197,342
Total Changes of items during period	1,714,571	1,714,571	-1,933,928	-196	1,495,018	230,940	-33,597	197,342	1,692,361
Balance at end of period	1,858,509	4,058,509	1,157,645	-196	7,074,467	382,823	-9,496	373,327	7,447,794

FY2023 (from April 1, 2023 to March 31, 2024)

(Thousands of Yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Foreign exchange translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,858,509	4,058,509	1,157,645	-196	7,074,467	382,823	-9,496	373,327	7,447,794
Changes of items during period									
Profit attributable to owners of parent			-874,484		-874,484				-874,484
Repurchase of treasury stock				-121	-121				-121
Net changes of items other than shareholders' equity						-24,772	176,483	151,710	151,710
Total Changes of items during period	-	-	-874,484	-121	-874,605	-24,772	176,483	151,710	-722,895
Balance at end of period	1,858,509	4,058,509	283,160	-318	6,199,861	358,051	166,986	525,037	6,724,899

(4) Consolidated Statement of Cash Flow

(Thousands of Yen)

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Net profit or loss before income taxes	-1,862,394	-870,039
Depreciation	1,255,537	1,225,964
Impairment loss	3,626	—
Settlement money received	-23,636	—
Income on reversal of subscription rights to shares	—	-209,947
Insurance income	—	-534,546
Increase (decrease) in accrued bonuses for employees	-45,952	1,375
Increase (decrease) in accrued bonuses for directors and corporate auditors	-11,900	-4,858
Decrease (increase) in assets related to retirement benefits	-90,192	-78,123
Retirement benefit expenses	-26,684	10,283
Interest income	-519	-37
Foreign exchange loss (income)	21,723	-523,995
Subsidy income	—	-150,322
Interest expense	179,999	221,774
Loss (income) on sales and disposal of fixed assets	33,684	48,835
Decrease (increase) in trade receivables	834,203	579,642
Decrease (increase) in inventories	771,718	138,963
Increase (decrease) in notes and accounts payable-trade	-71,138	-250,284
(Increase) decrease in accounts receivable-other	-94,348	103,056
Increase (decrease) in contract liabilities	65,892	-70,723
Increase (decrease) in accounts payable-other	868	610,830
Increase (decrease) in consumption taxes payable or receivable	23,857	-58,208
Other	-13,402	45,994
Subtotal cash flows from operating activities	950,940	235,633
Received interest income	519	37
Interest paid	-180,016	-219,209
Received subsidies	—	150,322
Received insurance proceeds	—	534,546
Received settlement proceeds	23,636	—
Income taxes (paid) refund	-97,751	-3,136
Cash flows from operating activities	697,328	698,194
Cash flows from investment activities		
Purchase of property, plant and equipment	-6,578,228	-2,101,819
Purchase of intangible assets	-3,907	-16,554
Proceeds from sales of non-current assets	86,857	8,450
Other cash flows from investment activities	—	1,279
Cash flows from investment activities	-6,495,278	-2,108,644

(Thousands of Yen)

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Cash flows from financial activities		
Net increase (decrease) in short-term loans payable	4,200,000	1,646,955
Proceeds from long-term loans payable	—	300,000
Repayments of long-term loans payable	-958,760	-952,730
Proceeds from issuance of common shares	3,373,787	—
Proceeds from issuance of New Share Warrants	20,754	181,744
Repayments of lease obligations	-20,734	-20,600
Other cash flows from financial activities	-8,714	-45,195
Cash flow from financial activities	6,606,333	1,110,173
Effect of exchange rate change on cash and cash equivalents	270,505	97,099
Net increase (decrease) in cash and cash equivalents	1,078,888	-203,177
Cash and cash equivalents at beginning of period	2,500,768	3,579,657
Cash and cash equivalents at end of period	3,579,657	3,376,480

(5) Major Notes about Consolidated Statements

(Notes on going concern assumption)

Not applicable

(Changes in accounting estimates)

(Change in residual value and useful life)

With the completion of construction of copper foil facilities for automotive batteries, Denkai America Inc., a consolidated subsidiary of the company, reviewed the residual value and estimated economic useful life of tangible fixed assets held and changed them prospectively beginning with the current consolidated fiscal year.

As a result, operating loss and ordinary loss increased by 41,266 thousand yen each, a net loss before income taxes increased by 53,014 thousand yen in the current consolidated fiscal year, compared with the previous method.

(Segment information, etc.)

【Segment information】

FY2022 (from April 1, 2022 to March 31, 2023)

Segment information is omitted as the company operates in a single segment of the Manufacturing of Electrodeposited Copper foil.

FY2023 (from April 1, 2023 to March 31, 2024)

Segment information is omitted as the company operates in a single segment of the Manufacturing of Electrodeposited Copper foil.

(Information per share)

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Book value per share	822.97 Yen	743.10 Yen
Earnings per share	-252.36 Yen	-96.63 Yen

Note: 1. Diluted Earnings per share is not written because there is no potential share.

2. The basis of calculation of Earnings per share is as follow.

	FY2022 (from April 1, 2022 to March 31, 2023)	FY2023 (from April 1, 2023 to March 31, 2024)
Earnings per share		
Profit attributable to owners of parent (Thousands of Yen)	-1,933,928	-874,484
Amount not attributable to common shareholders (Thousands of Yen)	—	—
Profit attributable to common shareholders (Thousands of Yen)	-1,933,928	-874,484
Common stock of average shares during the period (shares)	7,663,473	9,049,892

(Significant Subsequent Events)

Not applicable