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## Notice Regarding Recording of Non-operating Income (Foreign Exchange Gains) and Revisions of FY2024 Financial Forecasts

Nippon Den kai, Ltd. (“the Company”, TSE:5759) hereby announces the Board of Directors has resolved that the Company recorded a non-operating income and revises its consolidated financial forecasts for the fiscal year ending March 31, 2025, which was announced on May 15, 2024, as follows.

### 1. Non-operating income (foreign exchange gains)

During the first quarter of the fiscal year ending March 31, 2025, the Company recorded a foreign exchange gain of 266 million yen due to fluctuations in foreign exchange rates. This was mainly the result of translating foreign currency-denominated loans held by the Company to its overseas subsidiary at the first quarter end exchange rate.

### 2. FY2024 Financial Forecasts

#### (1) Revision of Consolidated Financial Forecasts for FY2024 (April 1, 2024 – March 31, 2025)

	Net Sales	Operating Profit	Ordinary Profit	Net Income Attributable to Owners of Parent	Net Income per Share
	million yen	million yen	million yen	million yen	yen
Previously announced forecasts (A)	19,700	0	-800	-800	-88.40
Revised forecasts (B)	21,300	-300	-1,100	-1,200	-132.60
Change (B-A)	1,600	-300	-300	-400	—
Change (%)	8.1	—	—	—	—
(Ref.) FY2023 Full Year Results	16,650	-1,034	-1,288	-874	-96.63

## (2) Reasons for Revision

The Company has adopted a sliding copper price scale (\*), under which the selling price is determined based on the market price of copper, with major customers. However, due to the recent sharp rise in copper prices, we have revised our forecast to 1,520 yen/kg based on the most recent market price of copper from 1,350 yen/kg as of the initial forecast. As a result, net sales are expected to increase by 1,600 million yen to 21,300 million yen, while operating income and ordinary income are expected to decrease by 300 million yen each due to increased material costs, resulting in an operating loss of 300 million yen and ordinary loss of 1,100 million yen.

Net income attributable to owners of parent is expected to decrease by 400 million yen to a net loss of 1,200 million yen due to the impairment loss (extraordinary loss) associated with the "Notice of returning land for construction of US new plant by Consolidated Subsidiary" dated July 12, 2024, which was not incorporated in the initial forecast, and the decrease in ordinary income mentioned above.

As a result, although net sales for the fiscal year ending March 31, 2025 are expected to exceed the initial forecast, operating income, ordinary income, and net income attributable to owners of parent are all expected to fall below the initial forecast, and therefore the Company has revised its financial forecast.

(\*) Although there is a time lag between the time copper prices fluctuate and the time they are reflected in selling prices, those fluctuations are essentially reflected in selling prices, offsetting the impacts of copper price fluctuations over the long term.

(Note) The above forecasts are based on information available at the time of preparation and actual results may differ from the forecasts due to various factors in the future.