日本電解株式会社
Nippon Denkai, LTD.

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Notice of Extraordinary Losses and Revision of Full-Year Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2025

Nippon Denkai, Ltd. ("the Company", TSE:5759) hereby announces that the Company has recorded an extraordinary loss for the second quarter of the fiscal year ending March 31, 2025, and has revised full-year consolidated financial forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025) announced on August 9, 2024 (hereinafter, the "previous announced forecast").

1. Recording of extraordinary losses

As announced in the "Notice of returning land for construction of US new plant by Consolidated Subsidiary" dated July 12, 2024, due to changes in customer demand related to the adoption of US-manufactured electric vehicles, the Company has postponed the construction of a new plant in the U.S., And the Board of Directors meeting has resolved to cancel purchase orders for equipment manufacturing copper foil for automotive batteries that is not expected to be utilized in future. As a result, the Company expects to record an extraordinary loss of 775 million yen in the second quarter of the fiscal year ending March 2025, as the impairment of prepayment for the equipment, which is not be returned against cancellation.

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)	21,300	-300	-1,100	-1,200	-132.60
Revised forecasts (B)	21,440	-160	-960	-1,835	-202.77
Change (B-A)	140	140	140	-635	-
Change (%)	0.7	-	-	-	-
(Ref.) FY2023 Full Year Results	16,650	-1,034	-1,288	-874	-96.63

(2) Reasons for the revision of the full-year financial forecast

As stated in the "Notice Regarding Execution of Technology License and Support Agreement with Hindalco Industries Limited" separately disclosed today, due to the conclusion of the technical assistance agreement with Hindalco Industries Limited, the Company plans to record approximately 140 million yen as a result of the upfront payment received for technical consulting and technical support in the second quarter of the fiscal year ending March 2025. As a result, Net sales, operating profit and ordinary profit are expected to exceed the previously announced forecast.

Net income attributable to owners of parent is expected to be lower than the previous announced forecast as the results of the increase in the aforesaid ordinary income and the extraordinary loss as described in 1. above.

(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