

Listed Company Name: **Chugai Mining Co., Ltd.**
 Stock Code Number: 1491
 Stock Exchange: Tokyo Stock Exchange (Standard Market)
 Website: www.chugaikogyo.co.jp
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Differences between Business Performance Outlook and Actual Results for the Second Quarter and Revision to Business Performance Outlook for the Fiscal Year Ending in March 2023

The actual performance figures announced today differed from the consolidated business performance outlook for the cumulative second quarter of the fiscal year ending in March 2023 announced on August 10, 2022 as follows,

The consolidated business performance outlook for fiscal year ending in March 2023 is also amended as follows.

1. Differences between the Consolidated Business Performance Outlook and the Actual Results for the Cumulative Second Quarter of the Consolidated Fiscal Year Ending in March 2023 (April 1, 2022 – September 30, 2022)

	Revenue	Operating Profit	Recurring Profit	Current Net Profit Attributable to Owners of the Parent	Current Net Profit per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previously Announced Outlook (A)	40,600	260	250	240	0.83
Revised Outlook (B)	42,973	371	338	134	0.47
Change in Value (B–A)	2,373	111	88	–106	
Rate of Change (%)	5.8	42.7	35.2	–44.2	
Reference: Previous Year's Performance (Q2 of the Period Ending March 2022)	21,437	253	216	175	0.61

2. Revision to Consolidated Business Performance Outlook for the Current Consolidated Fiscal Year Ending March 2023 (April 1, 2022 – March 31, 2023)

	Revenue	Operating Profit	Recurring Profit	Current Net Profit Attributable to Owners of the Parent	Current Net Profit per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previously Announced Outlook (A)	70,900	380	300	280	0.97
Revised Outlook (B)	78,000	660	580	370	1.28
Change in Value (B–A)	7,100	280	280	90	
Rate of Change (%)	10.0	73.7	93.3	32.1	
Reference: Previous Year's Performance (Fiscal year ending March 2022)	51,590	586	509	546	1.89

3. Reason for the Revisions

Precious metals such as gold and platinum remained at high price range, and the supply volume of precious metal raw materials was much higher than initially expected, leading in a high factory utilization ratio and strong demand for jewelry. As a result, the revenue, the operating profit, and the recurring profit exceeded the previous forecast. On the other hand, although the Company recorded an income tax-deferred loss of 99 million yen due to the recognition of deferred tax assets, impairment loss of 198 million yen, and a provision of 100-million-yen expenses as extraordinary losses due to a resolution to demolish and rebuild an aging rental building, net income attributable to owners of the parent company fell short of the previous forecast.

As for the consolidated business performance outlook for the full year, precious metal prices are expected to remain at high levels and the supply of precious metal raw material to remain steady due to concerns about inflation caused by soaring raw material and resource prices, geopolitical risks, and exchange rate fluctuations. As a result, the revenue, the operating profit, the recurring profit, and the current net profit attributable to owners of the parent company are expected to exceed the previous forecast.

Note: The above projection was established based on information available to the Company at the time of this announcement and the actual business performance may differ from these figures in the event of unforeseen elements taking effect after this announcement.

This is an English translation of the financial report created in Japanese.

Should there be any discrepancies between the Japanese original and the English translation, the Japanese original shall prevail.
