

Listed Company Name: **Chugai Mining Co., Ltd.**
 (Stock code no.: 1491, Tokyo Stock Exchange Standard Market)
 Representative: Takeo NISHIMOTO, CEO and President
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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 2024

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 2024 announced on May 12, 2023 as follows.

The consolidated business performance outlook for fiscal year ending in March 2024 announced on May 12, 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 2024 (April 1, 2023 – September 30, 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)	41,800	310	280	270	0.94
Revised Outlook (B)	51,087	240	228	221	0.77
Change in Value (B – A)	9,287	△70	△52	△49	
Rate of Change (%)	22.2	△22.6	△18.6	△18.1	
Reference: Previous Year's Performance (Q2 of the Period Ending March 2023)	42,973	371	338	134	0.47

2. Revision to Consolidated Business Performance Outlook for the Current Consolidated Fiscal Year Ending March 2024 (April 1, 2023 – March 31, 2024)

	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)	84,500	630	490	470	1.63
Revised Outlook (B)	98,300	580	460	450	1.56
Change in Value (B – A)	13,800	△50	△30	△20	
Rate of Change (%)	16.3	△8.0	△6.1	△4.3	
Reference: Previous Year's Performance (Fiscal year ending March 2023)	84,822	794	648	398	1.38

3. Reason for the Revisions

During the first half of the current fiscal year, gold prices, in our precious metal business remained high due to heightened geopolitical risks such as in Russia and Ukraine, and as a result, the trading volume of gold bullion significantly exceeded our initial forecast and net sales increased from the previously announced forecast of 9,287 million yen. On the other hand, operating profit, recurring profit, and net income attributable to our corporate shareholders for the period under review were affected by a foreign exchange gain of 37 million yen on overseas investments due to the depreciation of the yen resulting from the difference in interest rates between Japan and the U.S. and other factors. Operating profit, recurring profit, and net income attributable to owners of the parent decreased by 70 million yen, 52 million yen, and 49 million yen, respectively, from the previously announced forecasts, mainly due to the recording of 62 million yen in inventory valuation losses resulting from a temporary decline in gold prices and other factors at the end of the second quarter.

As for the consolidated business performance outlook for the full year, although there are concerns about rising interest rates in the precious metals business due to policy revisions by the Japanese and U.S. monetary authorities, gold prices are expected to remain high due to heightened geopolitical risks such as the situations in Russia and Ukraine and in the Middle East. As a result, the Company expects revenues to increase by 13,800 million yen since the volume of gold bullion transactions is expected to increase from the previously announced forecast.

On the other hand, operating income, ordinary income, and net income attributable to owners of the parent are expected to fall short of the previously announced forecasts as shown above due to expected increases in energy and resource prices and other costs resulting from the weaker yen.

The Company will announce promptly should there be a need to revise the earnings 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.
