

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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**Revisions to Business Performance Outlook for the Fiscal Year Ending in March 2024
and Distribution of Dividends from Surplus**

The consolidated business performance outlook for fiscal year ending in March 2024 announced on November 10, 2023 has been amended as follows.

The Company hereby announce that it has decided a to propose the payment of dividends from surplus at follows.

1. Differences between the Consolidated Business Performance Outlook and the Actual Results for the Fiscal Year Ending in 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)	98,300	580	460	450	1.56
Revised Outlook (B)	113,758	363	251	218	0.76
Change in Value (B–A)	15,458	△217	△209	△232	
Rate of Change (%)	15.7	△37.4	△45.4	△51.6	
Reference: Previous Year's Performance (Fiscal Year Ending March 2024)	84,822	794	648	398	1.38

2. Reason for the Differences

As for the consolidated financial results of the fiscal year, the revenue increased by 15,458 million yen from the previously announced outlook due to an increase in both gold bullion prices and gold bullion trading volume in the precious metals business, as gold prices remained at record high levels against the backdrop of trends in policy rates of major banks in various countries and geopolitical risks including the U.S. economy, and the situations in Ukraine and the Middle East.

On the other hand, operating profit, recurring profit, and net profit attributable to the shareholders of the parent company were affected by the following factors in the Precious Metals Business: higher energy prices due to the weaker yen, increase in production costs due to a significant increase in the volume of raw materials collected in addition to an increase in resource prices resulting from a sharp rise in the price of gold, and continuous downward trend of palladium price due to the outlook of declining demand and lack of new demand in the future with the rising popularity of EVs. Also, the profit margin of self-operated auctions declined due to the shrinking market size of the jewelry industry. In addition, due to efforts to optimize inventory of some products, the Content Business recorded operating profit of 217 million yen, recurring profit of 209 million yen, and net profit attributable to the shareholders of the parent company was 232 million yen, down from the previous outlook.

3. Distribution of Dividends from Surplus

(1) Details of the Dividends

	Determined Amount	Most recent dividend forecast (November 10, 2023)	Dividend paid for the previous fiscal year (FY ending March 2023)
Record date	March 31, 2024	March 31, 2024	March 31, 2023
Dividend per share	JPY0.00	TBD	JPY0.50
Total amount of dividends	—	—	JPY144 million
Effective date	—	—	June 30, 2023
Source of dividends	—	—	Retained earnings

(Reference) Breakdown of Annual Dividend

	Dividend per Share		
	Second Quarter	End of the FY	Annual
Record date			
Actual result for the current period	JPY0.50	JPY0.00	JPY0.50
Previous year's result (FY ending March 2023)	JPY0.00	JPY0.50	JPY0.50

(2) Reason

The Company's basic policy for profit distribution is to continue to pay stable dividends while securing the necessary internal reserves for future business development and strengthening of the management structure.

Although the Company paid an interim dividend of surplus with a payout ratio of 65.9% at the end of the second quarter of the current fiscal year (ending March 31, 2024), but as the financial results for the current fiscal year were lower than previously forecast for the aforementioned reasons and others, the Company has decided not to pay a year-end dividend for the current fiscal year (ending March 31, 2024).

The Company will continue to make efforts to improve profitability and would appreciate your continued support.

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.
