

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 10, 2022

Company name: Nippon Carbon Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5302 URL <https://www.carbon.co.jp>
 Representative: President and Representative Director Takafumi Miyashita
 Inquiries: General Manager of Business Control Div. Hiroshi Fujikawa TEL 03-6891-3730
 Scheduled date to file Quarterly Securities Report: May 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2022	7,812	28.5	1,018	145.2	1,127	205.9	766	237.8
Three months ended March 31, 2021	6,077	(2.7)	415	(63.0)	368	(66.8)	226	(53.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	69.36		–	
Three months ended March 31, 2021	20.50		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	72,013	51,824	61.9	4,034.53
As of December 31, 2021	72,692	52,257	61.9	4,073.58

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2021	–	100.00	–	100.00	200.00
Year ending December 31, 2022	–				
Year ending December 31, 2022 (Forecast)		100.00	–	100.00	200.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2022	17,200	18.3	2,300	61.5	2,400	59.8	1,500	68.6	135.76
Full year	35,800	13.4	4,900	32.2	5,000	12.8	3,100	13.6	280.57

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	11,832,504 shares	As of December 31, 2021	11,832,504 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	788,711 shares	As of December 31, 2021	788,766 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	11,043,750 shares	Three months ended March 31, 2021	11,060,584 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	17,865	17,135
Notes and accounts receivable - trade	11,592	–
Notes and accounts receivable - trade, and contract assets	–	11,162
Merchandise and finished goods	7,896	8,545
Work in process	4,595	4,556
Raw materials and supplies	2,886	3,080
Income taxes receivable	–	29
Other	585	566
Allowance for doubtful accounts	(22)	(23)
Total current assets	45,399	45,051
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,407	17,424
Accumulated depreciation and impairment	(10,230)	(10,358)
Buildings and structures, net	7,177	7,066
Machinery and equipment	47,249	47,368
Accumulated depreciation and impairment	(39,053)	(39,466)
Machinery and equipment, net	8,195	7,902
Vehicles, tools, furniture and fixtures	3,392	3,431
Accumulated depreciation and impairment	(2,927)	(2,968)
Vehicles, tools, furniture and fixtures, net	464	463
Land	3,544	3,550
Construction in progress	132	205
Total property, plant and equipment	19,515	19,187
Intangible assets	264	257
Investments and other assets		
Investment securities	5,172	5,059
Deferred tax assets	378	420
Other	1,964	2,038
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	7,513	7,516
Total non-current assets	27,292	26,961
Total assets	72,692	72,013

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,900	4,521
Short-term borrowings	9,180	9,180
Accrued expenses	516	440
Income taxes payable	1,038	367
Provision for bonuses	208	422
Provision for bonuses for directors (and other officers)	59	17
Other	2,123	1,901
Total current liabilities	17,027	16,850
Non-current liabilities		
Long-term borrowings	1,387	1,330
Deferred tax liabilities	633	629
Retirement benefit liability	776	797
Provision for retirement benefits for directors (and other officers)	55	26
Provision for share awards for directors (and other officers)	89	91
Provision for environmental measures	28	28
Asset retirement obligations	62	62
Other	373	371
Total non-current liabilities	3,407	3,337
Total liabilities	20,434	20,188
Net assets		
Shareholders' equity		
Share capital	7,402	7,402
Capital surplus	7,857	7,858
Retained earnings	29,805	29,414
Treasury shares	(2,011)	(2,011)
Total shareholders' equity	43,054	42,663
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,868	1,789
Foreign currency translation adjustment	124	160
Remeasurements of defined benefit plans	(59)	(57)
Total accumulated other comprehensive income	1,932	1,892
Non-controlling interests	7,270	7,268
Total net assets	52,257	51,824
Total liabilities and net assets	72,692	72,013

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	6,077	7,812
Cost of sales	4,689	5,623
Gross profit	1,387	2,189
Selling, general and administrative expenses	972	1,171
Operating profit	415	1,018
Non-operating income		
Rental income	7	8
Foreign exchange gains	–	125
Share of profit of entities accounted for using equity method	–	18
Other	34	17
Total non-operating income	42	169
Non-operating expenses		
Interest expenses	18	13
Loss on retirement of non-current assets	0	4
Depreciation of inactive non-current assets	37	37
Foreign exchange losses	0	–
Share of loss of entities accounted for using equity method	24	–
Other	6	4
Total non-operating expenses	89	60
Ordinary profit	368	1,127
Extraordinary income		
Gain on sale of investment securities	179	–
Total extraordinary income	179	–
Extraordinary losses		
Factory relocation related costs	90	–
Total extraordinary losses	90	–
Profit before income taxes	457	1,127
Income taxes - current	250	301
Income taxes - deferred	(11)	(10)
Total income taxes	239	291
Profit	218	835
Profit (loss) attributable to non-controlling interests	(8)	69
Profit attributable to owners of parent	226	766

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	218	835
Other comprehensive income		
Valuation difference on available-for-sale securities	220	(80)
Foreign currency translation adjustment	117	57
Remeasurements of defined benefit plans, net of tax	3	2
Total other comprehensive income	341	(20)
Comprehensive income	559	815
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	597	725
Comprehensive income attributable to non-controlling interests	(38)	89