

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 10, 2023

Company name: Nippon Carbon Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5302 URL <https://www.carbon.co.jp>
 Representative: Representative Director,CEO Takafumi Miyashita
 Inquiries: General Manager of Business Control Div. Hiroshi Fujikawa TEL 03-6891-3730
 Scheduled date to file Quarterly Securities Report: May 10, 2023
 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, 2023 (from January 1, 2023 to March 31, 2023)

(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, 2023	7,695	(1.5)	1,252	23.0	1,284	13.9	752	(1.7)
Three months ended March 31, 2022	7,812	28.5	1,018	145.2	1,127	205.9	766	237.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	68.16		–	
Three months ended March 31, 2022	69.36		–	

(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, 2023	74,504	53,355	61.4	4,141.00
As of December 31, 2022	74,181	53,210	61.4	4,125.77

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, 2022	–	100.00	–	100.00	200.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		100.00	–	100.00	200.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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, 2023	18,000	(2.1)	2,300	(19.7)	2,200	(28.8)	1,300	(31.1)	117.71
Full year	37,000	3.4	4,500	(6.1)	4,500	(10.8)	2,500	(21.7)	226.36

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(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, 2023	11,832,504 shares	As of December 31, 2022	11,832,504 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	787,773 shares	As of December 31, 2022	789,018 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, 2023	11,044,441 shares	Three months ended March 31, 2022	11,043,750 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	18,322	17,138
Notes and accounts receivable - trade, and contract assets	11,922	10,145
Merchandise and finished goods	8,661	10,573
Work in process	4,408	4,520
Raw materials and supplies	3,447	3,656
Income taxes refund receivable	16	30
Other	781	404
Allowance for doubtful accounts	(14)	(16)
Total current assets	47,546	46,453
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,494	17,531
Accumulated depreciation and impairment	(10,677)	(10,802)
Buildings and structures, net	6,817	6,728
Machinery and equipment	48,024	48,201
Accumulated depreciation and impairment	(39,629)	(40,029)
Machinery and equipment, net	8,394	8,171
Vehicles, tools, furniture and fixtures	3,558	3,647
Accumulated depreciation and impairment	(3,018)	(3,064)
Vehicles, tools, furniture and fixtures, net	540	583
Land	3,553	3,555
Construction in progress	197	179
Total property, plant and equipment	19,502	19,218
Intangible assets	240	228
Investments and other assets		
Investment securities	4,566	6,193
Deferred tax assets	434	485
Other	1,893	1,928
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	6,892	8,605
Total non-current assets	26,635	28,051
Total assets	74,181	74,504

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,416	5,681
Short-term borrowings	8,892	8,951
Accrued expenses	579	474
Income taxes payable	1,271	499
Advances received	801	982
Provision for bonuses	223	449
Provision for bonuses for directors (and other officers)	74	13
Provision for loss on orders received	0	1
Other	1,915	1,896
Total current liabilities	19,175	18,950
Non-current liabilities		
Long-term borrowings	200	313
Deferred tax liabilities	274	536
Retirement benefit liability	784	806
Provision for retirement benefits for directors (and other officers)	19	22
Provision for share awards for directors (and other officers)	85	89
Provision for environmental measures	0	0
Asset retirement obligations	62	62
Other	369	366
Total non-current liabilities	1,795	2,199
Total liabilities	20,971	21,149
Net assets		
Shareholders' equity		
Share capital	7,402	7,402
Capital surplus	7,858	7,858
Retained earnings	30,744	30,393
Treasury shares	(2,012)	(2,008)
Total shareholders' equity	43,992	43,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,493	1,994
Foreign currency translation adjustment	170	186
Remeasurements of defined benefit plans	(93)	(89)
Total accumulated other comprehensive income	1,570	2,090
Non-controlling interests	7,647	7,619
Total net assets	53,210	53,355
Total liabilities and net assets	74,181	74,504

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, 2022	Three months ended March 31, 2023
Net sales	7,812	7,695
Cost of sales	5,623	5,302
Gross profit	2,189	2,393
Selling, general and administrative expenses	1,171	1,140
Operating profit	1,018	1,252
Non-operating income		
Rental income	8	6
Foreign exchange gains	125	53
Share of profit of entities accounted for using equity method	18	20
Other	17	25
Total non-operating income	169	105
Non-operating expenses		
Interest expenses	13	11
Loss on retirement of non-current assets	4	4
Depreciation of inactive non-current assets	37	36
Other	4	21
Total non-operating expenses	60	73
Ordinary profit	1,127	1,284
Profit before income taxes	1,127	1,284
Income taxes - current	301	411
Income taxes - deferred	(10)	(12)
Total income taxes	291	399
Profit	835	885
Profit attributable to non-controlling interests	69	132
Profit attributable to owners of parent	766	752

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	835	885
Other comprehensive income		
Valuation difference on available-for-sale securities	(80)	502
Foreign currency translation adjustment	57	25
Remeasurements of defined benefit plans, net of tax	2	3
Total other comprehensive income	(20)	531
Comprehensive income	815	1,416
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	725	1,273
Comprehensive income attributable to non-controlling interests	89	143