

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2021 (Based on Japanese GAAP)

May 10, 2021

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, 2021
 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, 2021 (from January 1, 2021 to March 31, 2021)

(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, 2021	6,077	(2.7)	415	(63.0)	368	(66.8)	226	(53.3)
Three months ended March 31, 2020	6,249	(48.4)	1,120	(78.0)	1,108	(77.8)	485	(85.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2021	20.50		–	
Three months ended March 31, 2020	43.88		–	

(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, 2021	70,172	50,317	61.9	3,936.19
As of December 31, 2020	70,930	50,998	62.2	3,989.30

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, 2020	–	100.00	–	100.00	200.00
Year ending December 31, 2021	–				
Year ending December 31, 2021 (Forecast)		100.00	–	100.00	200.00

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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, 2021	14,000	2.1	1,100	(51.1)	1,200	(45.4)	700	(40.4)	63.26
Full year	30,000	11.9	3,300	9.5	3,600	0.4	2,000	10.5	180.73

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2021
(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: No
- 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, 2021	11,832,504 shares	As of December 31, 2020	11,832,504 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	788,455 shares	As of December 31, 2020	766,371 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, 2021	11,060,584 shares	Three months ended March 31, 2020	11,062,904 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	14,600	14,835
Notes and accounts receivable - trade	9,228	8,932
Merchandise and finished goods	9,366	9,014
Work in process	4,524	4,742
Raw materials and supplies	3,469	3,196
Income taxes receivable	1,350	1,335
Other	509	184
Allowance for doubtful accounts	(20)	(21)
Total current assets	43,028	42,220
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,227	17,270
Accumulated depreciation and impairment loss	(9,806)	(9,931)
Buildings and structures, net	7,420	7,338
Machinery and equipment	45,516	46,633
Accumulated depreciation and impairment loss	(37,778)	(38,135)
Machinery and equipment, net	7,737	8,497
Vehicles, tools, furniture and fixtures	3,293	3,316
Accumulated depreciation and impairment loss	(2,810)	(2,852)
Vehicles, tools, furniture and fixtures, net	483	464
Land	3,524	3,533
Construction in progress	968	307
Total property, plant and equipment	20,135	20,142
Intangible assets	198	208
Investments and other assets		
Investment securities	5,026	4,978
Deferred tax assets	334	341
Other	2,209	2,284
Allowance for doubtful accounts	(2)	(3)
Total investments and other assets	7,567	7,601
Total non-current assets	27,902	27,952
Total assets	70,930	70,172

(Millions of yen)

	As of December 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,321	3,094
Short-term borrowings	9,425	9,420
Accrued expenses	587	556
Income taxes payable	466	278
Provision for bonuses	146	274
Provision for bonuses for directors (and other officers)	43	24
Provision for loss on order received	13	–
Provision for plant relocation related expense	159	249
Other	1,418	1,602
Total current liabilities	15,580	15,501
Non-current liabilities		
Long-term borrowings	2,562	2,510
Deferred tax liabilities	422	489
Retirement benefit liability	771	762
Provision for retirement benefits for directors (and other officers)	52	48
Provision for share-based remuneration for directors (and other officers)	70	71
Provision for environmental measures	28	28
Asset retirement obligations	62	62
Other	380	380
Total non-current liabilities	4,351	4,353
Total liabilities	19,931	19,855
Net assets		
Shareholders' equity		
Share capital	7,402	7,402
Capital surplus	7,857	7,857
Retained earnings	29,287	28,407
Treasury shares	(1,913)	(2,010)
Total shareholders' equity	42,634	41,657
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,542	1,755
Foreign currency translation adjustment	53	139
Remeasurements of defined benefit plans	(84)	(80)
Total accumulated other comprehensive income	1,511	1,813
Non-controlling interests	6,852	6,846
Total net assets	50,998	50,317
Total liabilities and net assets	70,930	70,172

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, 2020	Three months ended March 31, 2021
Net sales	6,249	6,077
Cost of sales	4,093	4,689
Gross profit	2,156	1,387
Selling, general and administrative expenses	1,035	972
Operating profit	1,120	415
Non-operating income		
Rental income	6	7
Insurance claim income	63	–
Other	41	34
Total non-operating income	111	42
Non-operating expenses		
Interest expenses	17	18
Loss on retirement of non-current assets	5	0
Depreciation of inactive non-current assets	36	37
Foreign exchange losses	16	0
Share of loss of entities accounted for using equity method	31	24
Other	16	6
Total non-operating expenses	123	89
Ordinary profit	1,108	368
Extraordinary income		
Gain on sales of investment securities	–	179
Total extraordinary income	–	179
Extraordinary losses		
Loss on fire	247	–
Factory relocation related costs	–	90
Total extraordinary losses	247	90
Profit before income taxes	861	457
Income taxes - current	319	250
Income taxes - deferred	(17)	(11)
Total income taxes	302	239
Profit	559	218
Profit (loss) attributable to non-controlling interests	74	(8)
Profit attributable to owners of parent	485	226

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Profit	559	218
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,036)	220
Foreign currency translation adjustment	(25)	117
Remeasurements of defined benefit plans, net of tax	3	3
Total other comprehensive income	(1,059)	341
Comprehensive income	(499)	559
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(555)	597
Comprehensive income attributable to non-controlling interests	56	(38)