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## Summary of Consolidated Financial Results for the Six Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

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: +81-3-6891-3730

Scheduled date to file Semi-annual Securities Report: August 9, 2024

Scheduled date to commence dividend payments: September 6, 2024

Preparation of supplementary material on financial results: No

Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

#### (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	%
Six months ended June 30, 2024	18,800	3.9	3,393	7.0	3,775	10.6	2,292	17.1
Six months ended June 30, 2023	18,096	(1.5)	3,171	10.7	3,413	10.5	1,957	3.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2024	207.48	—
Six months ended June 30, 2023	177.28	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	82,244	60,308	63.0	4,685.67
As of December 31, 2023	78,466	57,681	63.0	4,478.09

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	—	100.00	—	100.00	200.00
Year ending December 31, 2024	—	100.00			
Year ending December 31, 2024 (Forecast)			—	100.00	200.00

## 3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(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
Full year	43,000	13.6	7,100	8.0	7,200	1.2	4,100	1.2	371.23

## 4. Notes

(1) Significant changes in the scope of consolidation during the six months ended June 30, 2024: 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 June 30, 2024: 11,832,504 shares As of December 31, 2023: 11,832,504 shares

Number of treasury shares at the end of the period

As of June 30, 2024: 776,229 shares As of December 31, 2023: 788,617 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024: 11,049,179 shares Six months ended June 30, 2023: 11,044,410 shares

# Consolidated balance sheets

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	14,527	13,612
Notes and accounts receivable - trade, and contract assets	11,703	11,691
Electronically recorded monetary claims - operating	1,878	1,893
Merchandise and finished goods	10,760	11,202
Work in process	4,555	5,038
Raw materials and supplies	3,545	3,943
Other	459	681
Allowance for doubtful accounts	(12)	(13)
Total current assets	47,416	48,050
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,608	18,300
Accumulated depreciation and impairment	(11,146)	(11,389)
Buildings and structures, net	6,462	6,910
Machinery and equipment	49,318	50,002
Accumulated depreciation and impairment	(41,059)	(41,728)
Machinery and equipment, net	8,259	8,273
Vehicles, tools, furniture and fixtures	3,803	4,117
Accumulated depreciation and impairment	(3,225)	(3,324)
Vehicles, tools, furniture and fixtures, net	578	792
Land	3,565	3,580
Construction in progress	732	1,269
Total property, plant and equipment	19,599	20,826
Intangible assets	215	199
Investments and other assets		
Investment securities	8,667	10,257
Deferred tax assets	514	560
Other	2,057	2,353
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	11,235	13,168
Total non-current assets	31,049	34,194
Total assets	78,466	82,244

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,091	4,033
Electronically recorded obligations - operating	835	712
Short-term borrowings	8,576	9,076
Accrued expenses	635	739
Income taxes payable	1,410	1,513
Advances received	454	226
Provision for bonuses	236	601
Provision for bonuses for directors (and other officers)	72	27
Other	1,609	1,919
Total current liabilities	17,923	18,850
Non-current liabilities		
Long-term borrowings	278	194
Deferred tax liabilities	1,254	1,633
Retirement benefit liability	766	751
Provision for retirement benefits for directors (and other officers)	32	30
Provision for share awards for directors (and other officers)	104	53
Provision for environmental measures	0	0
Asset retirement obligations	62	62
Other	361	357
Total non-current liabilities	2,861	3,085
Total liabilities	20,784	21,936
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,402	7,402
Capital surplus	7,858	7,858
Retained earnings	32,586	33,774
Treasury shares	(2,012)	(1,969)
Total shareholders' equity	45,835	47,065
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,421	4,406
Deferred gains or losses on hedges	(1)	—
Foreign currency translation adjustment	258	372
Remeasurements of defined benefit plans	(57)	(38)
Total accumulated other comprehensive income	3,620	4,740
Non-controlling interests	8,226	8,502
Total net assets	57,681	60,308
Total liabilities and net assets	78,466	82,244

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	18,096	18,800
Cost of sales	12,410	12,873
Gross profit	5,685	5,926
Selling, general and administrative expenses	2,513	2,533
Operating profit	3,171	3,393
Non-operating income		
Dividend income	93	144
Foreign exchange gains	214	272
Share of profit of entities accounted for using equity method	59	76
Other	72	105
Total non-operating income	438	598
Non-operating expenses		
Interest expenses	22	23
Loss on retirement of non-current assets	66	96
Depreciation of inactive non-current assets	73	73
Other	34	22
Total non-operating expenses	196	215
Ordinary profit	3,413	3,775
Extraordinary income		
Gain on sale of property, plant and equipment	—	196
Total extraordinary income	—	196
Extraordinary losses		
Loss on fire	101	—
Total extraordinary losses	101	—
Profit before income taxes	3,312	3,972
Income taxes - current	1,078	1,392
Income taxes - deferred	(44)	(107)
Total income taxes	1,034	1,285
Profit	2,278	2,686
Profit attributable to non-controlling interests	320	393
Profit attributable to owners of parent	1,957	2,292

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	2,278	2,686
Other comprehensive income		
Valuation difference on available-for-sale securities	1,297	985
Deferred gains or losses on hedges	—	1
Foreign currency translation adjustment	158	174
Remeasurements of defined benefit plans, net of tax	6	18
Total other comprehensive income	1,462	1,180
Comprehensive income	3,741	3,866
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,357	3,411
Comprehensive income attributable to non-controlling interests	383	454

# Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,312	3,972
Depreciation	1,288	1,398
Increase (decrease) in retirement benefit liability	34	12
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6	(1)
Loss (gain) on sale of non-current assets	—	(196)
Loss on retirement of non-current assets	66	96
Loss on fire	101	—
Interest and dividend income	(94)	(149)
Interest expenses	22	23
Share of loss (profit) of entities accounted for using equity method	(59)	(76)
Decrease (increase) in trade receivables	169	73
Decrease (increase) in inventories	(1,756)	(1,200)
Decrease (increase) in accounts receivable - other	488	(107)
Increase (decrease) in trade payables	(936)	(189)
Increase (decrease) in accrued expenses	86	104
Other, net	107	(520)
Subtotal	2,839	3,238
Interest and dividends received	94	149
Interest paid	(22)	(26)
Income taxes refund	24	—
Income taxes paid	(1,204)	(1,334)
Proceeds from insurance income	4	0
Net cash provided by (used in) operating activities	1,734	2,027
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,815)	(2,185)
Purchase of intangible assets	(24)	(25)
Purchase of investment securities	(934)	(202)
Proceeds from sale of property, plant and equipment	—	196
Net cash provided by (used in) investing activities	(2,773)	(2,217)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	500
Proceeds from long-term borrowings	200	—
Repayments of long-term borrowings	(624)	(83)
Net decrease (increase) in treasury shares	2	42
Dividends paid	(1,100)	(1,100)
Dividends paid to non-controlling interests	(174)	(178)
Net cash provided by (used in) financing activities	(1,696)	(820)
Effect of exchange rate change on cash and cash equivalents	64	95
Net increase (decrease) in cash and cash equivalents	(2,671)	(915)
Cash and cash equivalents at beginning of period	18,177	14,382
Cash and cash equivalents at end of period	15,506	13,467