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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Based on Japanese GAAP)

November 11, 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
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 Scheduled date to commence dividend payments: —
 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 nine months ended September 30, 2024 (from January 1, 2024 to September 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	%
Nine months ended September 30, 2024	27,423	2.2	4,741	10.3	4,865	5.8	2,887	9.7
Nine months ended September 30, 2023	26,840	0.6	4,298	(0.8)	4,598	(1.9)	2,631	(10.8)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2024	261.29	—
Nine months ended September 30, 2023	238.26	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	79,240	59,270	63.9	4,583.30
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 nine months ended September 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 September 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 September 30, 2024: 776,303 shares As of December 31, 2023: 788,617 shares

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

Nine months ended September 30, 2024: 11,051,292 shares Nine months ended September 30, 2023: 11,044,332 shares

Consolidated balance sheets

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	14,527	11,332
Notes and accounts receivable - trade, and contract assets	11,703	10,392
Electronically recorded monetary claims - operating	1,878	1,924
Merchandise and finished goods	10,760	11,447
Work in process	4,555	4,726
Raw materials and supplies	3,545	3,872
Other	459	629
Allowance for doubtful accounts	(12)	(12)
Total current assets	47,416	44,314
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,608	18,716
Accumulated depreciation and impairment	(11,146)	(11,501)
Buildings and structures, net	6,462	7,215
Machinery and equipment	49,318	50,303
Accumulated depreciation and impairment	(41,059)	(42,095)
Machinery and equipment, net	8,259	8,207
Vehicles, tools, furniture and fixtures	3,803	4,195
Accumulated depreciation and impairment	(3,225)	(3,392)
Vehicles, tools, furniture and fixtures, net	578	802
Land	3,565	3,561
Construction in progress	732	1,509
Total property, plant and equipment	19,599	21,296
Intangible assets	215	191
Investments and other assets		
Investment securities	8,667	10,149
Deferred tax assets	514	581
Other	2,057	2,709
Allowance for doubtful accounts	(3)	(2)
Total investments and other assets	11,235	13,438
Total non-current assets	31,049	34,926
Total assets	78,466	79,240

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,091	3,339
Electronically recorded obligations - operating	835	638
Short-term borrowings	8,576	9,006
Accrued expenses	635	400
Income taxes payable	1,410	589
Advances received	454	214
Provision for bonuses	236	528
Provision for bonuses for directors (and other officers)	72	47
Provision for loss on orders received	—	0
Other	1,609	2,091
Total current liabilities	17,923	16,857
Non-current liabilities		
Long-term borrowings	278	253
Deferred tax liabilities	1,254	1,592
Retirement benefit liability	766	746
Provision for retirement benefits for directors (and other officers)	32	33
Provision for share awards for directors (and other officers)	104	56
Provision for environmental measures	0	0
Asset retirement obligations	62	62
Other	361	365
Total non-current liabilities	2,861	3,112
Total liabilities	20,784	19,970
Net assets		
Shareholders' equity		
Share capital	7,402	7,402
Capital surplus	7,858	7,858
Retained earnings	32,586	33,263
Treasury shares	(2,012)	(1,969)
Total shareholders' equity	45,835	46,555
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,421	3,908
Deferred gains or losses on hedges	(1)	—
Foreign currency translation adjustment	258	236
Remeasurements of defined benefit plans	(57)	(25)
Total accumulated other comprehensive income	3,620	4,118
Non-controlling interests	8,226	8,596
Total net assets	57,681	59,270
Total liabilities and net assets	78,466	79,240

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Net sales	26,840	27,423
Cost of sales	18,703	18,932
Gross profit	8,137	8,490
Selling, general and administrative expenses	3,838	3,749
Operating profit	4,298	4,741
Non-operating income		
Dividend income	95	146
Foreign exchange gains	254	—
Insurance claim income	4	0
Share of profit of entities accounted for using equity method	96	149
Other	110	156
Total non-operating income	562	452
Non-operating expenses		
Interest expenses	32	39
Foreign exchange losses	—	46
Loss on retirement of non-current assets	69	96
Depreciation of inactive non-current assets	109	109
Other	50	36
Total non-operating expenses	262	328
Ordinary profit	4,598	4,865
Extraordinary income		
Gain on sale of property, plant and equipment	—	196
Total extraordinary income	—	196
Extraordinary losses		
Loss on fire	154	—
Total extraordinary losses	154	—
Profit before income taxes	4,444	5,062
Income taxes - current	1,451	1,560
Income taxes - deferred	(53)	43
Total income taxes	1,398	1,603
Profit	3,045	3,459
Profit attributable to non-controlling interests	414	571
Profit attributable to owners of parent	2,631	2,887

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	3,045	3,459
Other comprehensive income		
Valuation difference on available-for-sale securities	2,100	482
Deferred gains or losses on hedges	—	1
Foreign currency translation adjustment	148	(39)
Remeasurements of defined benefit plans, net of tax	10	31
Total other comprehensive income	2,258	475
Comprehensive income	5,304	3,934
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,833	3,350
Comprehensive income attributable to non-controlling interests	471	584