

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 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: November 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 nine months ended September 30, 2021 (from January 1, 2021 to September 30, 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	%
Nine months ended September 30, 2021	22,258	14.6	2,197	(3.5)	2,395	(15.5)	1,451	(0.9)
Nine months ended September 30, 2020	19,416	(42.4)	2,277	(80.8)	2,833	(75.4)	1,464	(80.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2021	131.34	–
Nine months ended September 30, 2020	132.35	–

(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, 2021	70,841	50,828	61.8	3,964.89
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	Yen	Yen	Yen	Yen
Year ended December 31, 2020	–	100.00	–	100.00	200.00
Year ending December 31, 2021	–	100.00	–		
Year ending December 31, 2021 (Forecast)				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
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 nine months ended September 30, 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 September 30, 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 September 30, 2021	788,663 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)

Nine months ended September 30, 2021	11,050,601 shares	Nine months ended September 30, 2020	11,065,016 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	14,600	16,631
Notes and accounts receivable - trade	9,228	10,084
Merchandise and finished goods	9,366	8,272
Work in process	4,524	5,069
Raw materials and supplies	3,469	2,833
Income taxes receivable	1,350	114
Other	509	327
Allowance for doubtful accounts	(20)	(22)
Total current assets	43,028	43,311
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,227	17,390
Accumulated depreciation and impairment loss	(9,806)	(10,158)
Buildings and structures, net	7,420	7,232
Machinery and equipment	45,516	47,195
Accumulated depreciation and impairment loss	(37,778)	(38,849)
Machinery and equipment, net	7,737	8,345
Vehicles, tools, furniture and fixtures	3,293	3,379
Accumulated depreciation and impairment loss	(2,810)	(2,938)
Vehicles, tools, furniture and fixtures, net	483	441
Land	3,524	3,539
Construction in progress	968	85
Total property, plant and equipment	20,135	19,643
Intangible assets	198	275
Investments and other assets		
Investment securities	5,026	5,342
Deferred tax assets	334	373
Other	2,209	1,897
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	7,567	7,610
Total non-current assets	27,902	27,530
Total assets	70,930	70,841

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,321	3,625
Short-term borrowings	9,425	9,430
Accrued expenses	587	601
Income taxes payable	466	575
Provision for bonuses	146	398
Provision for bonuses for directors (and other officers)	43	36
Provision for loss on order received	13	–
Provision for plant relocation related expense	159	–
Other	1,418	1,344
Total current liabilities	15,580	16,011
Non-current liabilities		
Long-term borrowings	2,562	1,965
Deferred tax liabilities	422	657
Retirement benefit liability	771	772
Provision for retirement benefits for directors (and other officers)	52	56
Provision for share-based remuneration for directors (and other officers)	70	83
Provision for environmental measures	28	28
Asset retirement obligations	62	62
Other	380	374
Total non-current liabilities	4,351	4,001
Total liabilities	19,931	20,012
Net assets		
Shareholders' equity		
Share capital	7,402	7,402
Capital surplus	7,857	7,857
Retained earnings	29,287	28,527
Treasury shares	(1,913)	(2,011)
Total shareholders' equity	42,634	41,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,542	1,991
Foreign currency translation adjustment	53	93
Remeasurements of defined benefit plans	(84)	(73)
Total accumulated other comprehensive income	1,511	2,010
Non-controlling interests	6,852	7,040
Total net assets	50,998	50,828
Total liabilities and net assets	70,930	70,841

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, 2020	Nine months ended September 30, 2021
Net sales	19,416	22,258
Cost of sales	14,013	16,990
Gross profit	5,402	5,267
Selling, general and administrative expenses	3,125	3,069
Operating profit	2,277	2,197
Non-operating income		
Dividend income	70	53
Foreign exchange gains	16	100
Share of profit of entities accounted for using equity method	—	9
Insurance claim income	718	191
Other	231	92
Total non-operating income	1,037	447
Non-operating expenses		
Interest expenses	51	45
Share of loss of entities accounted for using equity method	110	—
Loss on retirement of non-current assets	137	2
Depreciation of inactive non-current assets	108	112
Other	73	88
Total non-operating expenses	481	249
Ordinary profit	2,833	2,395
Extraordinary income		
Gain on sales of investment securities	21	179
Total extraordinary income	21	179
Extraordinary losses		
Fire loss	247	102
Factory transfeer expenses	—	84
Total extraordinary losses	247	187
Profit before income taxes	2,607	2,387
Income taxes - current	648	825
Income taxes - deferred	128	(12)
Total income taxes	776	813
Profit	1,831	1,573
Profit attributable to non-controlling interests	367	122
Profit attributable to owners of parent	1,464	1,451

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	1,831	1,573
Other comprehensive income		
Valuation difference on available-for-sale securities	(854)	455
Foreign currency translation adjustment	(5)	63
Remeasurements of defined benefit plans, net of tax	9	10
Total other comprehensive income	(850)	528
Comprehensive income	981	2,102
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	623	1,956
Comprehensive income attributable to non-controlling interests	358	145