

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2022
(Based on Japanese GAAP)**

February 6, 2023

Company name: NIPPON CARBIDE INDUSTRIES CO.,INC.
 Stock exchange listing: Tokyo
 Stock code: 4064 URL <https://www.carbide.co.jp/>
 Representative: President Takahisa Sugiyama
 Director
 Executive Officer
 Inquiries: General Manager Yuichi Yokota TEL 03-5462-8224
 Corporate Planning Department
 Scheduled date to file Quarterly Securities Report: February 9, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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 December 31, 2022	34,334	(0.9)	1,362	(46.9)	1,976	(34.0)	1,410	(21.8)
Nine months ended December 31, 2021	34,640	14.9	2,567	105.6	2,995	111.6	1,802	89.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	150.13		–	
Nine months ended December 31, 2021	199.20		198.72	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	65,825	35,381	50.8
As of March 31, 2022	64,546	32,049	47.0

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 March 31, 2022	–	25.00	–	30.00	55.00
Year ending March 31, 2023	–	30.00	–		
Year ending March 31, 2023 (Forecast)				35.00	65.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	44,000	(6.4)	1,400	(56.2)	2,000	(50.7)	1,150	(40.4)	122.41

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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: Yes
- (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 December 31, 2022	9,406,826 shares	As of March 31, 2022	9,394,029 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	7,161 shares	As of March 31, 2022	7,081 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	9,394,592 shares	Nine months ended December 31, 2021	9,048,990 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	11,376	12,432
Notes and accounts receivable - trade, and contract assets	14,773	13,071
Merchandise and finished goods	4,341	5,177
Work in process	1,743	2,098
Raw materials and supplies	3,088	3,563
Other	1,337	869
Allowance for doubtful accounts	(72)	(153)
Total current assets	36,588	37,060
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,919	6,612
Machinery, equipment and vehicles, net	3,734	4,002
Land	11,414	11,479
Other, net	2,751	4,038
Total property, plant and equipment	24,820	26,133
Intangible assets	776	752
Investments and other assets		
Other	2,429	1,948
Allowance for doubtful accounts	(69)	(69)
Total investments and other assets	2,360	1,879
Total non-current assets	27,957	28,765
Total assets	64,546	65,825

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,464	6,863
Short-term borrowings	6,871	7,606
Income taxes payable	584	192
Provision for bonuses	585	694
Provision for bonuses for directors (and other officers)	35	24
Other	3,048	2,841
Total current liabilities	18,591	18,223
Non-current liabilities		
Long-term borrowings	7,098	5,261
Retirement benefit liability	3,634	3,819
Provision for retirement benefits for directors (and other officers)	35	30
Deferred tax liabilities for land revaluation	2,636	2,636
Other	500	472
Total non-current liabilities	13,905	12,220
Total liabilities	32,496	30,444
Net assets		
Shareholders' equity		
Share capital	7,780	7,789
Capital surplus	3,150	3,103
Retained earnings	12,627	13,474
Treasury shares	(12)	(12)
Total shareholders' equity	23,546	24,354
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	303	201
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	5,856	5,856
Foreign currency translation adjustment	828	3,206
Remeasurements of defined benefit plans	(215)	(194)
Total accumulated other comprehensive income	6,772	9,069
Non-controlling interests	1,731	1,957
Total net assets	32,049	35,381
Total liabilities and net assets	64,546	65,825

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	34,640	34,334
Cost of sales	23,850	24,314
Gross profit	10,790	10,020
Selling, general and administrative expenses	8,223	8,657
Operating profit	2,567	1,362
Non-operating income		
Interest income	73	98
Dividend income	57	58
Foreign exchange gains	315	422
Other	235	223
Total non-operating income	681	803
Non-operating expenses		
Interest expenses	92	66
Rental costs	56	38
Electricity sale expenses	50	52
Other	53	31
Total non-operating expenses	253	189
Ordinary profit	2,995	1,976
Extraordinary income		
Gain on sale of investment securities	–	75
Total extraordinary income	–	75
Extraordinary losses		
Loss on retirement of non-current assets	101	28
Loss on sale of investment securities	26	–
Loss on valuation of investment securities	–	61
Impairment losses	275	–
Total extraordinary losses	403	89
Profit before income taxes	2,592	1,962
Income taxes - current	642	492
Income taxes - deferred	33	(40)
Total income taxes	675	452
Profit	1,916	1,509
Profit attributable to non-controlling interests	114	99
Profit attributable to owners of parent	1,802	1,410

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,916	1,509
Other comprehensive income		
Valuation difference on available-for-sale securities	(50)	(84)
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	797	2,482
Remeasurements of defined benefit plans, net of tax	17	23
Total other comprehensive income	766	2,421
Comprehensive income	2,682	3,931
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,567	3,707
Comprehensive income attributable to non-controlling interests	115	223