

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 7, 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: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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 June 30, 2023	10,171	(12.0)	392	(47.1)	692	(38.8)	721	(17.6)
Three months ended June 30, 2022	11,562	0.4	742	(16.2)	1,130	22.7	875	17.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	76.72		–	
Three months ended June 30, 2022	93.23		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	62,952	33,772	50.7
As of March 31, 2023	61,838	33,086	50.5

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, 2023	–	30.00	–	35.00	65.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	30.00	–	35.00	65.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 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
Six months ending September 30, 2023	21,500	(7.8)	500	(53.2)	700	(59.8)	700	(48.8)	74.47
Full year	48,500	10.2	1,500	18.9	1,600	(15.9)	1,400	321.3	149.00

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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: 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, 2023	9,406,826 shares	As of March 31, 2023	9,406,826 shares
---------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of June 30, 2023	7,168 shares	As of March 31, 2023	7,168 shares
---------------------	--------------	----------------------	--------------

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

Three months ended June 30, 2023	9,399,658 shares	Three months ended June 30, 2022	9,386,947 shares
----------------------------------	------------------	----------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	10,906	10,732
Notes and accounts receivable - trade, and contract assets	12,211	13,405
Merchandise and finished goods	5,017	5,406
Work in process	1,884	2,166
Raw materials and supplies	3,053	3,134
Other	738	695
Allowance for doubtful accounts	(165)	(190)
Total current assets	33,645	35,350
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,441	6,406
Machinery, equipment and vehicles, net	3,850	3,816
Land	10,707	10,746
Other, net	4,586	4,592
Total property, plant and equipment	25,585	25,561
Intangible assets	708	692
Investments and other assets		
Other	1,967	1,417
Allowance for doubtful accounts	(69)	(69)
Total investments and other assets	1,898	1,347
Total non-current assets	28,192	27,602
Total assets	61,838	62,952

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,912	6,849
Short-term borrowings	6,466	7,426
Income taxes payable	409	98
Provision for bonuses	612	611
Provision for bonuses for directors (and other officers)	31	–
Other	3,436	2,394
Total current liabilities	16,869	17,380
Non-current liabilities		
Long-term borrowings	4,994	4,958
Retirement benefit liability	3,715	3,776
Provision for retirement benefits for directors (and other officers)	18	19
Deferred tax liabilities for land revaluation	2,411	2,411
Other	742	634
Total non-current liabilities	11,882	11,800
Total liabilities	28,751	29,180
Net assets		
Shareholders' equity		
Share capital	7,789	7,789
Capital surplus	3,103	3,103
Retained earnings	12,909	13,302
Treasury shares	(12)	(12)
Total shareholders' equity	23,789	24,182
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	177	24
Deferred gains or losses on hedges	(0)	(0)
Revaluation reserve for land	5,342	5,342
Foreign currency translation adjustment	2,146	2,567
Remeasurements of defined benefit plans	(224)	(216)
Total accumulated other comprehensive income	7,441	7,716
Non-controlling interests	1,854	1,873
Total net assets	33,086	33,772
Total liabilities and net assets	61,838	62,952

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	11,562	10,171
Cost of sales	7,968	6,939
Gross profit	3,594	3,232
Selling, general and administrative expenses	2,852	2,840
Operating profit	742	392
Non-operating income		
Interest income	26	45
Dividend income	34	13
Foreign exchange gains	322	256
Other	76	75
Total non-operating income	458	391
Non-operating expenses		
Interest expenses	29	27
Other	41	64
Total non-operating expenses	70	91
Ordinary profit	1,130	692
Extraordinary income		
Gain on sale of investment securities	–	206
Total extraordinary income	–	206
Extraordinary losses		
Loss on valuation of investment securities	61	–
Total extraordinary losses	61	–
Profit before income taxes	1,069	898
Income taxes - current	175	145
Income taxes - deferred	(71)	(9)
Total income taxes	104	136
Profit	964	762
Profit attributable to non-controlling interests	89	41
Profit attributable to owners of parent	875	721

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	964	762
Other comprehensive income		
Valuation difference on available-for-sale securities	32	(152)
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	1,238	440
Remeasurements of defined benefit plans, net of tax	5	8
Total other comprehensive income	1,277	296
Comprehensive income	2,242	1,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,085	996
Comprehensive income attributable to non-controlling interests	156	62