

Translation

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

November 8, 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: November 10, 2023
 Scheduled date to commence dividend payments: December 6, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	21,333	(8.5)	480	(55.0)	1,027	(41.0)	787	(42.4)
Six months ended September 30, 2022	23,313	1.1	1,069	(38.9)	1,740	(10.0)	1,367	20.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	83.71		-	
Six months ended September 30, 2022	145.62		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	63,205	34,910	52.1
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	-	30.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	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
Full year	44,000	(0.0)	800	(36.6)	1,300	(31.7)	900	170.8	95.69

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2023	9,419,659 shares	As of March 31, 2023	9,406,826 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	7,205 shares	As of March 31, 2023	7,168 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	9,405,147 shares	Six months ended September 30, 2022	9,392,414 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	10,906	11,611
Notes and accounts receivable - trade, and contract assets	12,211	12,629
Merchandise and finished goods	5,017	5,089
Work in process	1,884	2,131
Raw materials and supplies	3,053	2,999
Other	738	788
Allowance for doubtful accounts	(165)	(203)
Total current assets	33,645	35,046
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,441	6,376
Machinery, equipment and vehicles, net	3,850	3,789
Land	10,707	10,812
Other, net	4,586	5,171
Total property, plant and equipment	25,585	26,149
Intangible assets	708	683
Investments and other assets		
Other	1,967	1,394
Allowance for doubtful accounts	(69)	(69)
Total investments and other assets	1,898	1,325
Total non-current assets	28,192	28,158
Total assets	61,838	63,205

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,912	5,909
Short-term borrowings	6,466	8,696
Income taxes payable	409	230
Provision for bonuses	612	615
Provision for bonuses for directors (and other officers)	31	10
Other	3,436	2,313
Total current liabilities	16,869	17,775
Non-current liabilities		
Long-term borrowings	4,994	3,589
Retirement benefit liability	3,715	3,807
Provision for retirement benefits for directors (and other officers)	18	20
Deferred tax liabilities for land revaluation	2,411	2,411
Other	742	690
Total non-current liabilities	11,882	10,519
Total liabilities	28,751	28,294
Net assets		
Shareholders' equity		
Share capital	7,789	7,797
Capital surplus	3,103	3,112
Retained earnings	12,909	13,368
Treasury shares	(12)	(12)
Total shareholders' equity	23,789	24,266
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	177	45
Deferred gains or losses on hedges	(0)	(0)
Revaluation reserve for land	5,342	5,342
Foreign currency translation adjustment	2,146	3,482
Remeasurements of defined benefit plans	(224)	(208)
Total accumulated other comprehensive income	7,441	8,660
Non-controlling interests	1,854	1,984
Total net assets	33,086	34,910
Total liabilities and net assets	61,838	63,205

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	23,313	21,333
Cost of sales	16,482	15,093
Gross profit	6,830	6,239
Selling, general and administrative expenses	5,761	5,758
Operating profit	1,069	480
Non-operating income		
Interest income	60	107
Dividend income	34	14
Foreign exchange gains	532	426
Other	173	125
Total non-operating income	801	673
Non-operating expenses		
Interest expenses	48	36
Electricity sale expenses	34	32
Other	47	58
Total non-operating expenses	130	127
Ordinary profit	1,740	1,027
Extraordinary income		
Gain on sale of investment securities	–	206
Total extraordinary income	–	206
Extraordinary losses		
Loss on retirement of non-current assets	19	–
Loss on valuation of investment securities	61	–
Total extraordinary losses	80	–
Profit before income taxes	1,659	1,233
Income taxes - current	325	254
Income taxes - deferred	(88)	94
Total income taxes	237	349
Profit	1,422	884
Profit attributable to non-controlling interests	54	97
Profit attributable to owners of parent	1,367	787

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,422	884
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(122)
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	2,329	1,402
Remeasurements of defined benefit plans, net of tax	14	16
Total other comprehensive income	2,328	1,296
Comprehensive income	3,750	2,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,568	2,006
Comprehensive income attributable to non-controlling interests	181	174

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,659	1,233
Depreciation	1,013	969
Increase (decrease) in retirement benefit liability	53	51
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(6)	1
Increase (decrease) in provision for bonuses	44	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	(21)	(21)
Increase (decrease) in allowance for doubtful accounts	31	23
Interest and dividend income	(95)	(121)
Interest expenses	48	36
Loss on retirement of non-current assets	19	–
Loss (gain) on sale of investment securities	–	(206)
Loss (gain) on valuation of investment securities	61	–
Decrease (increase) in trade receivables	1,728	(105)
Decrease (increase) in inventories	(911)	218
Increase (decrease) in trade payables	(485)	(214)
Other, net	(135)	(56)
Subtotal	3,004	1,810
Interest and dividends received	122	124
Interest paid	(47)	(36)
Income taxes paid	(625)	(422)
Net cash provided by (used in) operating activities	2,453	1,476
Cash flows from investing activities		
Payments into time deposits	(481)	(910)
Proceeds from withdrawal of time deposits	385	750
Purchase of property, plant and equipment	(1,447)	(2,410)
Proceeds from sale of property, plant and equipment	12	0
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	–	469
Other, net	(9)	(7)
Net cash provided by (used in) investing activities	(1,540)	(2,108)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	719	2,600
Repayments of long-term borrowings	(2,235)	(1,775)
Dividends paid	(281)	(328)
Other, net	(89)	(79)
Net cash provided by (used in) financing activities	(1,887)	415
Effect of exchange rate change on cash and cash equivalents	1,122	627
Net increase (decrease) in cash and cash equivalents	147	411
Cash and cash equivalents at beginning of period	10,838	9,821
Cash and cash equivalents at end of period	10,986	10,232