

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 7, 2024

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, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	32,798	(4.5)	756	(44.5)	1,251	(36.7)	889	(36.9)
Nine months ended December 31, 2022	34,334	(0.9)	1,362	(46.9)	1,976	(34.0)	1,410	(21.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	94.58		–	
Nine months ended December 31, 2022	150.13		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	64,785	35,004	50.9
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)				50.00	80.00

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)	2,400	622.1	255.12

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	7,221 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)

Nine months ended December 31, 2023	9,407,336 shares	Nine months ended December 31, 2022	9,394,592 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	10,906	12,981
Notes and accounts receivable - trade, and contract assets	12,211	13,313
Merchandise and finished goods	5,017	4,841
Work in process	1,884	2,270
Raw materials and supplies	3,053	3,160
Other	738	884
Allowance for doubtful accounts	(165)	(202)
Total current assets	33,645	37,250
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,441	7,930
Machinery, equipment and vehicles, net	3,850	5,228
Land	10,707	10,812
Other, net	4,586	1,596
Total property, plant and equipment	25,585	25,567
Intangible assets	708	671
Investments and other assets		
Other	1,967	1,365
Allowance for doubtful accounts	(69)	(69)
Total investments and other assets	1,898	1,295
Total non-current assets	28,192	27,534
Total assets	61,838	64,785

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,912	6,314
Short-term borrowings	6,466	8,004
Income taxes payable	409	41
Provision for bonuses	612	648
Provision for bonuses for directors (and other officers)	31	21
Other	3,436	4,214
Total current liabilities	16,869	19,245
Non-current liabilities		
Long-term borrowings	4,994	3,569
Retirement benefit liability	3,715	3,822
Provision for retirement benefits for directors (and other officers)	18	21
Deferred tax liabilities for land revaluation	2,411	2,411
Other	742	710
Total non-current liabilities	11,882	10,535
Total liabilities	28,751	29,781
Net assets		
Shareholders' equity		
Share capital	7,789	7,797
Capital surplus	3,103	3,112
Retained earnings	12,909	13,188
Treasury shares	(12)	(12)
Total shareholders' equity	23,789	24,086
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	177	34
Deferred gains or losses on hedges	(0)	0
Revaluation reserve for land	5,342	5,342
Foreign currency translation adjustment	2,146	3,718
Remeasurements of defined benefit plans	(224)	(201)
Total accumulated other comprehensive income	7,441	8,894
Non-controlling interests	1,854	2,023
Total net assets	33,086	35,004
Total liabilities and net assets	61,838	64,785

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, 2022	Nine months ended December 31, 2023
Net sales	34,334	32,798
Cost of sales	24,314	23,417
Gross profit	10,020	9,380
Selling, general and administrative expenses	8,657	8,623
Operating profit	1,362	756
Non-operating income		
Interest income	98	168
Dividend income	58	16
Foreign exchange gains	422	335
Other	223	157
Total non-operating income	803	677
Non-operating expenses		
Interest expenses	66	57
Electricity sale expenses	52	48
Other	70	77
Total non-operating expenses	189	183
Ordinary profit	1,976	1,251
Extraordinary income		
Gain on sale of investment securities	75	206
Total extraordinary income	75	206
Extraordinary losses		
Loss on retirement of non-current assets	28	64
Loss on valuation of investment securities	61	–
Total extraordinary losses	89	64
Profit before income taxes	1,962	1,392
Income taxes - current	492	336
Refund of income taxes for prior periods	–	(120)
Income taxes - deferred	(40)	144
Total income taxes	452	360
Profit	1,509	1,032
Profit attributable to non-controlling interests	99	142
Profit attributable to owners of parent	1,410	889

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,509	1,032
Other comprehensive income		
Valuation difference on available-for-sale securities	(84)	(138)
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	2,482	1,637
Remeasurements of defined benefit plans, net of tax	23	25
Total other comprehensive income	2,421	1,525
Comprehensive income	3,931	2,557
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,707	2,342
Comprehensive income attributable to non-controlling interests	223	214