

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2024
(Based on Japanese GAAP)**

May 13, 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 of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	43,231	(1.8)	849	(32.7)	1,573	(17.3)	999	200.8
Year ended March 31, 2023	44,008	(6.4)	1,261	(60.5)	1,902	(53.1)	332	(82.8)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	106.42	–	3.1	2.6	2.0
Year ended March 31, 2023	35.37	–	1.1	3.0	2.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	61,020	34,623	53.5	3,506.87
As of March 31, 2023	61,838	33,086	50.5	3,322.62

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	5,373	(2,437)	(1,264)	12,057
Year ended March 31, 2023	3,606	(2,147)	(3,215)	9,821

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	30.00	–	35.00	65.00	610	183.8	2.0
Year ended March 31, 2024	–	30.00	–	50.00	80.00	747	75.2	2.3
Year ending March 31, 2025 (Forecast)	–	40.00	–	40.00	80.00		75.2	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	22,000	3.1	600	24.8	600	(41.6)	200	(74.6)	21.29
Full year	50,000	15.7	2,100	147.3	2,200	39.9	1,000	0.0	106.44

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	114,821 shares	As of March 31, 2023	7,168 shares
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Average number of shares during the period

Year ended March 31, 2024	9,395,298 shares	Year ended March 31, 2023	9,395,762 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,906	13,442
Notes and accounts receivable - trade, and contract assets	12,211	12,526
Merchandise and finished goods	5,017	4,699
Work in process	1,884	2,030
Raw materials and supplies	3,053	2,638
Other	738	566
Allowance for doubtful accounts	(165)	(183)
Total current assets	33,645	35,721
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,548	23,634
Accumulated depreciation	(15,107)	(15,936)
Buildings and structures, net	6,441	7,698
Machinery, equipment and vehicles	33,899	35,163
Accumulated depreciation	(30,049)	(31,705)
Machinery, equipment and vehicles, net	3,850	3,458
Tools, furniture and fixtures	7,010	7,181
Accumulated depreciation	(6,009)	(6,313)
Tools, furniture and fixtures, net	1,001	867
Land	10,707	10,610
Leased assets	1,528	1,581
Accumulated depreciation	(1,088)	(1,219)
Leased assets, net	440	361
Construction in progress	3,144	377
Total property, plant and equipment	25,585	23,374
Intangible assets	708	629
Investments and other assets		
Investment securities	926	435
Deferred tax assets	698	603
Other	342	297
Allowance for doubtful accounts	(69)	(41)
Total investments and other assets	1,898	1,295
Total non-current assets	28,192	25,299
Total assets	61,838	61,020

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,912	5,537
Short-term borrowings	6,466	6,214
Income taxes payable	409	175
Provision for bonuses	612	622
Provision for bonuses for directors (and other officers)	31	32
Other	3,436	2,098
Total current liabilities	16,869	14,681
Non-current liabilities		
Long-term borrowings	4,994	4,943
Retirement benefit liability	3,715	3,720
Provision for retirement benefits for directors (and other officers)	18	22
Deferred tax liabilities for land revaluation	2,411	2,411
Other	742	616
Total non-current liabilities	11,882	11,714
Total liabilities	28,751	26,396
Net assets		
Shareholders' equity		
Share capital	7,789	7,797
Capital surplus	3,103	3,112
Retained earnings	12,909	13,298
Treasury shares	(12)	(212)
Total shareholders' equity	23,789	23,996
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	177	49
Deferred gains or losses on hedges	(0)	0
Revaluation reserve for land	5,342	5,342
Foreign currency translation adjustment	2,146	3,333
Remeasurements of defined benefit plans	(224)	(90)
Total accumulated other comprehensive income	7,441	8,634
Non-controlling interests	1,854	1,992
Total net assets	33,086	34,623
Total liabilities and net assets	61,838	61,020

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	44,008	43,231
Cost of sales	31,394	31,027
Gross profit	12,614	12,203
Selling, general and administrative expenses	11,352	11,354
Operating profit	1,261	849
Non-operating income		
Interest income	141	223
Dividend income	59	17
Share of profit of entities accounted for using equity method	9	–
Foreign exchange gains	448	545
Other	253	190
Total non-operating income	911	977
Non-operating expenses		
Interest expenses	80	70
Rental costs	50	45
Electricity sale expenses	69	65
Share of loss of entities accounted for using equity method	–	14
Other	69	57
Total non-operating expenses	270	253
Ordinary profit	1,902	1,573
Extraordinary income		
Gain on sale of non-current assets	–	98
Gain on sale of investment securities	75	206
Gain on liquidation of subsidiaries and associates	76	–
Compensation for damage income	–	1,666
Total extraordinary income	151	1,971
Extraordinary losses		
Loss on retirement of non-current assets	27	86
Loss on valuation of investment securities	61	–
Impairment losses	744	1,660
Total extraordinary losses	832	1,746
Profit before income taxes	1,221	1,797
Income taxes - current	621	662
Income taxes for prior periods	177	–
Refund of income taxes for prior periods	–	(120)
Income taxes - deferred	15	83
Total income taxes	815	625
Profit	406	1,171
Profit attributable to non-controlling interests	73	172
Profit attributable to owners of parent	332	999

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	406	1,171
Other comprehensive income		
Valuation difference on available-for-sale securities	(105)	(120)
Deferred gains or losses on hedges	(0)	1
Foreign currency translation adjustment	1,388	1,246
Remeasurements of defined benefit plans, net of tax	(5)	135
Total other comprehensive income	1,276	1,261
Comprehensive income	1,682	2,433
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,514	2,193
Comprehensive income attributable to non-controlling interests	167	240

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,780	3,150	12,627	(12)	23,546
Changes during period					
Issuance of new shares	8	8			17
Dividends of surplus			(563)		(563)
Profit attributable to owners of parent			332		332
Reversal of revaluation reserve for land			513		513
Purchase of treasury shares				(0)	(0)
Decrease (increase) of capital surplus by change of share to consolidated subsidiary		(55)			(55)
Net changes in items other than shareholders' equity					–
Total changes during period	8	(47)	282	(0)	243
Balance at end of period	7,789	3,103	12,909	(12)	23,789

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	303	0	5,856	828	(215)	6,772	1,731	32,049
Changes during period								
Issuance of new shares								17
Dividends of surplus								(563)
Profit attributable to owners of parent								332
Reversal of revaluation reserve for land								513
Purchase of treasury shares								(0)
Decrease (increase) of capital surplus by change of share to consolidated subsidiary								(55)
Net changes in items other than shareholders' equity	(125)	(0)	(513)	1,318	(8)	669	123	793
Total changes during period	(125)	(0)	(513)	1,318	(8)	669	123	1,036
Balance at end of period	177	(0)	5,342	2,146	(224)	7,441	1,854	33,086

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,789	3,103	12,909	(12)	23,789
Changes during period					
Issuance of new shares	8	8			17
Dividends of surplus			(611)		(611)
Profit attributable to owners of parent			999		999
Reversal of revaluation reserve for land			0		0
Purchase of treasury shares				(199)	(199)
Net changes in items other than shareholders' equity					-
Total changes during period	8	8	388	(199)	206
Balance at end of period	7,797	3,112	13,298	(212)	23,996

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	177	(0)	5,342	2,146	(224)	7,441	1,854	33,086
Changes during period								
Issuance of new shares								17
Dividends of surplus								(611)
Profit attributable to owners of parent								999
Reversal of revaluation reserve for land								0
Purchase of treasury shares								(199)
Net changes in items other than shareholders' equity	(128)	1	(0)	1,186	133	1,192	138	1,330
Total changes during period	(128)	1	(0)	1,186	133	1,192	138	1,537
Balance at end of period	49	0	5,342	3,333	(90)	8,634	1,992	34,623

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,221	1,797
Depreciation	1,991	2,014
Impairment losses	744	1,660
Increase (decrease) in retirement benefit liability	4	96
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(16)	3
Increase (decrease) in provision for bonuses	21	6
Increase (decrease) in provision for bonuses for directors (and other officers)	(4)	0
Increase (decrease) in allowance for doubtful accounts	87	(23)
Interest and dividend income	(200)	(241)
Interest expenses	80	70
Foreign exchange losses (gains)	(180)	(106)
Share of loss (profit) of entities accounted for using equity method	(9)	14
Loss on retirement of non-current assets	27	86
Loss (gain) on sale of non-current assets	–	(98)
Loss (gain) on valuation of investment securities	61	–
Loss (gain) on sale of investment securities	(75)	(206)
Compensation for damage income	–	(1,666)
Decrease (increase) in trade receivables	2,906	(37)
Decrease (increase) in inventories	(278)	1,027
Increase (decrease) in trade payables	(1,837)	(567)
Other, net	(90)	376
Subtotal	4,455	4,207
Interest and dividends received	212	261
Interest paid	(79)	(69)
Income taxes paid	(981)	(775)
Proceeds from compensation for damage	–	1,749
Net cash provided by (used in) operating activities	3,606	5,373
Cash flows from investing activities		
Payments into time deposits	(835)	(1,525)
Proceeds from withdrawal of time deposits	363	1,300
Purchase of property, plant and equipment	(2,143)	(2,939)
Proceeds from sale of property, plant and equipment	64	291
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	439	469
Loan advances	(1)	(3)
Proceeds from collection of loans receivable	3	3
Other, net	(38)	(33)
Net cash provided by (used in) investing activities	(2,147)	(2,437)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	419	200
Proceeds from long-term borrowings	1,100	2,700
Repayments of long-term borrowings	(4,027)	(3,203)
Dividends paid	(563)	(611)
Repayments of lease liabilities	(75)	(70)
Other, net	(68)	(279)
Net cash provided by (used in) financing activities	(3,215)	(1,264)
Effect of exchange rate change on cash and cash equivalents	740	564
Net increase (decrease) in cash and cash equivalents	(1,016)	2,235
Cash and cash equivalents at beginning of period	10,838	9,821
Cash and cash equivalents at end of period	9,821	12,057