

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 2022

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, 2022
 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, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	11,562	0.4	742	(16.2)	1,130	22.7	875	17.3
Three months ended June 30, 2021	11,520	12.1	885	76.7	921	79.0	746	184.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	93.23		–	
Three months ended June 30, 2021	84.12		83.67	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	66,879	33,960	48.0
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	–				
Year ending March 31, 2023 (Forecast)		30.00	–	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 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, 2022	23,000	(0.3)	1,200	(31.4)	1,600	(17.3)	1,000	(12.0)	106.53
Full year	48,500	3.2	2,800	(12.3)	3,400	(16.2)	2,000	3.6	213.06

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2022	9,394,029 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 June 30, 2022	7,086 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)

Three months ended June 30, 2022	9,386,947 shares	Three months ended June 30, 2021	8,868,446 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	11,376	11,998
Notes and accounts receivable - trade, and contract assets	14,773	14,910
Merchandise and finished goods	4,341	4,808
Work in process	1,743	1,944
Raw materials and supplies	3,088	3,358
Other	1,337	1,360
Allowance for doubtful accounts	(72)	(77)
Total current assets	36,588	38,303
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,919	6,883
Machinery, equipment and vehicles, net	3,734	4,081
Land	11,414	11,473
Other, net	2,751	2,995
Total property, plant and equipment	24,820	25,433
Intangible assets	776	773
Investments and other assets		
Other	2,429	2,437
Allowance for doubtful accounts	(69)	(69)
Total investments and other assets	2,360	2,368
Total non-current assets	27,957	28,575
Total assets	64,546	66,879

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,464	7,935
Short-term borrowings	6,871	6,485
Income taxes payable	584	331
Provision for bonuses	585	634
Provision for bonuses for directors (and other officers)	35	–
Other	3,048	3,648
Total current liabilities	18,591	19,035
Non-current liabilities		
Long-term borrowings	7,098	7,022
Retirement benefit liability	3,634	3,702
Provision for retirement benefits for directors (and other officers)	35	26
Deferred tax liabilities for land revaluation	2,636	2,636
Other	500	495
Total non-current liabilities	13,905	13,883
Total liabilities	32,496	32,919
Net assets		
Shareholders' equity		
Share capital	7,780	7,780
Capital surplus	3,150	3,150
Retained earnings	12,627	13,221
Treasury shares	(12)	(12)
Total shareholders' equity	23,546	24,139
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	303	317
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	5,856	5,856
Foreign currency translation adjustment	828	2,018
Remeasurements of defined benefit plans	(215)	(210)
Total accumulated other comprehensive income	6,772	7,982
Non-controlling interests	1,731	1,838
Total net assets	32,049	33,960
Total liabilities and net assets	64,546	66,879

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, 2021	Three months ended June 30, 2022
Net sales	11,520	11,562
Cost of sales	7,873	7,968
Gross profit	3,647	3,594
Selling, general and administrative expenses	2,761	2,852
Operating profit	885	742
Non-operating income		
Interest income	26	26
Dividend income	29	34
Foreign exchange gains	22	322
Other	52	76
Total non-operating income	130	458
Non-operating expenses		
Interest expenses	33	29
Electricity sale expenses	17	17
Other	44	23
Total non-operating expenses	94	70
Ordinary profit	921	1,130
Extraordinary losses		
Loss on valuation of investment securities	–	61
Total extraordinary losses	–	61
Profit before income taxes	921	1,069
Income taxes - current	198	175
Income taxes - deferred	(64)	(71)
Total income taxes	134	104
Profit	787	964
Profit attributable to non-controlling interests	41	89
Profit attributable to owners of parent	746	875

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	787	964
Other comprehensive income		
Valuation difference on available-for-sale securities	(98)	32
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	878	1,238
Remeasurements of defined benefit plans, net of tax	5	5
Total other comprehensive income	787	1,277
Comprehensive income	1,574	2,242
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,499	2,085
Comprehensive income attributable to non-controlling interests	74	156