

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 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 of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	47,003	11.3	3,192	33.7	4,055	42.2	1,930	(19.8)
Year ended March 31, 2021	42,231	(9.6)	2,388	(6.6)	2,852	1.3	2,406	38.1

	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, 2022	211.49	211.10	6.7	6.3	6.8
Year ended March 31, 2021	282.98	–	9.4	4.6	5.7

(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, 2022	64,546	32,049	47.0	3,229.86
As of March 31, 2021	63,906	28,500	42.2	3,066.98

(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, 2022	4,297	(2,360)	(4,210)	10,838
Year ended March 31, 2021	3,790	(1,047)	1,034	12,402

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, 2021	–	0.00	–	40.00	40.00	351	14.1	1.3
Year ended March 31, 2022	–	25.00	–	30.00	55.00	510	26.0	1.7
Year ending March 31, 2023 (Forecast)	–	30.00	–	35.00	65.00		29.7	

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	24,500	6.2	1,300	(25.7)	1,300	(32.8)	800	(29.6)	87.65
Full year	52,000	10.6	3,400	6.5	3,400	(16.2)	2,000	3.6	219.13

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

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, 2022	9,394,029 shares	As of March 31, 2021	8,792,529 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	7,081 shares	As of March 31, 2021	6,933 shares
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Average number of shares during the period

Year ended March 31, 2022	9,126,987 shares	Year ended March 31, 2021	8,502,437 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	12,985	11,376
Notes and accounts receivable - trade	14,355	–
Notes and accounts receivable - trade, and contract assets	–	14,773
Merchandise and finished goods	3,975	4,341
Work in process	1,783	1,743
Raw materials and supplies	2,236	3,088
Other	758	1,337
Allowance for doubtful accounts	(63)	(72)
Total current assets	36,030	36,588
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,839	21,621
Accumulated depreciation	(14,026)	(14,701)
Buildings and structures, net	6,813	6,919
Machinery, equipment and vehicles	31,726	32,235
Accumulated depreciation	(28,322)	(28,500)
Machinery, equipment and vehicles, net	3,404	3,734
Tools, furniture and fixtures	6,249	6,680
Accumulated depreciation	(5,218)	(5,597)
Tools, furniture and fixtures, net	1,030	1,083
Land	11,927	11,414
Leased assets	1,538	1,467
Accumulated depreciation	(926)	(950)
Leased assets, net	611	517
Construction in progress	552	1,150
Total property, plant and equipment	24,340	24,820
Intangible assets	822	776
Investments and other assets		
Investment securities	1,743	1,520
Deferred tax assets	566	571
Other	471	338
Allowance for doubtful accounts	(68)	(69)
Total investments and other assets	2,713	2,360
Total non-current assets	27,875	27,957
Total assets	63,906	64,546

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,200	7,464
Short-term borrowings	10,968	6,871
Income taxes payable	406	584
Provision for bonuses	562	585
Provision for bonuses for directors (and other officers)	35	35
Notes payable - facilities	256	580
Other	2,453	2,467
Total current liabilities	20,884	18,591
Non-current liabilities		
Long-term borrowings	7,226	7,098
Lease liabilities	435	398
Retirement benefit liability	3,557	3,634
Provision for retirement benefits for directors (and other officers)	48	35
Deferred tax liabilities for land revaluation	2,811	2,636
Other	442	102
Total non-current liabilities	14,520	13,905
Total liabilities	35,405	32,496
Net assets		
Shareholders' equity		
Share capital	7,407	7,780
Capital surplus	2,778	3,150
Retained earnings	10,873	12,627
Treasury shares	(12)	(12)
Total shareholders' equity	21,047	23,546
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	341	303
Deferred gains or losses on hedges	(1)	0
Revaluation reserve for land	6,255	5,856
Foreign currency translation adjustment	(491)	828
Remeasurements of defined benefit plans	(206)	(215)
Total accumulated other comprehensive income	5,897	6,772
Share acquisition rights	2	–
Non-controlling interests	1,553	1,731
Total net assets	28,500	32,049
Total liabilities and net assets	63,906	64,546

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	42,231	47,003
Cost of sales	29,115	32,859
Gross profit	13,115	14,144
Selling, general and administrative expenses	10,727	10,951
Operating profit	2,388	3,192
Non-operating income		
Interest income	128	100
Dividend income	76	61
Share of profit of entities accounted for using equity method	2	25
Foreign exchange gains	285	681
Other	362	306
Total non-operating income	855	1,175
Non-operating expenses		
Interest expenses	120	114
Rental costs	74	72
Electricity sale expenses	72	68
Other	123	57
Total non-operating expenses	391	312
Ordinary profit	2,852	4,055
Extraordinary income		
Gain on sale of investment securities	825	–
Total extraordinary income	825	–
Extraordinary losses		
Loss on retirement of non-current assets	224	165
Loss on sale of investment securities	–	36
Loss on valuation of investment securities	30	–
Impairment losses	118	763
Loss on withdrawal from business	–	462
Total extraordinary losses	373	1,428
Profit before income taxes	3,304	2,627
Income taxes - current	658	919
Income taxes - deferred	76	(412)
Total income taxes	734	506
Profit	2,570	2,120
Profit attributable to non-controlling interests	163	189
Profit attributable to owners of parent	2,406	1,930

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,570	2,120
Other comprehensive income		
Valuation difference on available-for-sale securities	36	(41)
Deferred gains or losses on hedges	(1)	1
Foreign currency translation adjustment	(398)	1,349
Remeasurements of defined benefit plans, net of tax	2	(7)
Total other comprehensive income	(360)	1,301
Comprehensive income	2,209	3,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,127	3,204
Comprehensive income attributable to non-controlling interests	82	216

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,055	2,425	8,796	(12)	18,265
Changes during period					
Issuance of new shares	352	352			704
Dividends of surplus			(328)		(328)
Profit attributable to owners of parent			2,406		2,406
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	352	352	2,077	(0)	2,781
Balance at end of period	7,407	2,778	10,873	(12)	21,047

	Accumulated other comprehensive income						Share acquisition rights	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	291	0	6,255	(139)	(232)	6,176	4	1,516	25,962
Changes during period									
Issuance of new shares									704
Dividends of surplus									(328)
Profit attributable to owners of parent									2,406
Purchase of treasury shares									(0)
Net changes in items other than shareholders' equity	49	(1)	-	(352)	25	(278)	(2)	37	(243)
Total changes during period	49	(1)	-	(352)	25	(278)	(2)	37	2,538
Balance at end of period	341	(1)	6,255	(491)	(206)	5,897	2	1,553	28,500

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,407	2,778	10,873	(12)	21,047
Cumulative effects of changes in accounting policies			4		4
Restated balance	7,407	2,778	10,878	(12)	21,052
Changes during period					
Issuance of new shares	372	372			744
Dividends of surplus			(580)		(580)
Profit attributable to owners of parent			1,930		1,930
Reversal of revaluation reserve for land			399		399
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	372	372	1,749	(0)	2,493
Balance at end of period	7,780	3,150	12,627	(12)	23,546

	Accumulated other comprehensive income						Share acquisition rights	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	341	(1)	6,255	(491)	(206)	5,897	2	1,553	28,500
Cumulative effects of changes in accounting policies								7	11
Restated balance	341	(1)	6,255	(491)	(206)	5,897	2	1,560	28,512
Changes during period									
Issuance of new shares									744
Dividends of surplus									(580)
Profit attributable to owners of parent									1,930
Reversal of revaluation reserve for land									399
Purchase of treasury shares									(0)
Net changes in items other than shareholders' equity	(38)	1	(399)	1,319	(8)	874	(2)	170	1,042
Total changes during period	(38)	1	(399)	1,319	(8)	874	(2)	170	3,536
Balance at end of period	303	0	5,856	828	(215)	6,772	-	1,731	32,049

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,304	2,627
Depreciation	2,001	2,068
Impairment losses	118	763
Increase (decrease) in retirement benefit liability	27	48
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	(12)
Increase (decrease) in provision for bonuses	(2)	23
Increase (decrease) in provision for bonuses for directors (and other officers)	2	0
Increase (decrease) in allowance for doubtful accounts	(30)	3
Interest and dividend income	(204)	(161)
Interest expenses	120	114
Foreign exchange losses (gains)	(3)	(176)
Share of loss (profit) of entities accounted for using equity method	(2)	(25)
Loss on retirement of non-current assets	224	165
Loss (gain) on valuation of investment securities	30	–
Loss (gain) on sale of investment securities	(825)	36
Loss on withdrawal from business	–	462
Decrease (increase) in trade receivables	140	146
Decrease (increase) in inventories	30	(1,088)
Increase (decrease) in trade payables	(448)	1,146
Other, net	(261)	(1,147)
Subtotal	4,216	4,995
Interest and dividends received	219	174
Interest paid	(121)	(114)
Income taxes paid	(560)	(758)
Income taxes refund	36	–
Net cash provided by (used in) operating activities	3,790	4,297
Cash flows from investing activities		
Payments into time deposits	(604)	(433)
Proceeds from withdrawal of time deposits	1,173	548
Purchase of property, plant and equipment	(2,654)	(2,541)
Proceeds from sale of property, plant and equipment	8	3
Purchase of investment securities	(13)	(3)
Proceeds from sale of investment securities	1,117	118
Loan advances	(4)	(4)
Proceeds from collection of loans receivable	4	4
Other, net	(74)	(52)
Net cash provided by (used in) investing activities	(1,047)	(2,360)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(155)	(4,502)
Proceeds from long-term borrowings	4,300	3,900
Repayments of long-term borrowings	(3,296)	(3,623)
Dividends paid	(328)	(580)
Repayments of lease liabilities	(123)	(91)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	702	742
Other, net	(65)	(54)
Net cash provided by (used in) financing activities	1,034	(4,210)
Effect of exchange rate change on cash and cash equivalents	(85)	709
Net increase (decrease) in cash and cash equivalents	3,691	(1,563)
Cash and cash equivalents at beginning of period	8,710	12,402
Cash and cash equivalents at end of period	12,402	10,838