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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2025 (Based on Japanese GAAP)



August 8, 2025

Company name: Nippon Carbon Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5302
 URL: <https://www.carbon.co.jp>
 Representative: Representative Director, CEO Takafumi Miyashita
 Inquiries: General Manager of Business Control Div. Hiroshi Fujikawa
 TEL: +81-3-6891-3730
 Scheduled date to file Semi-annual Securities Report: August 8, 2025
 Scheduled date to commence dividend payments: September 8, 2025
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(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 June 30, 2025	18,305	(2.6)	2,609	(23.1)	2,722	(27.9)	2,296	0.2
Six months ended June 30, 2024	18,800	3.9	3,393	7.0	3,775	10.6	2,292	17.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	207.74	–
Six months ended June 30, 2024	207.48	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	84,914	62,559	63.1	4,844.03
As of December 31, 2024	82,348	60,819	63.2	4,704.60

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 December 31, 2024	–	100.00	–	100.00	200.00
Year ending December 31, 2025	–	100.00			
Year ending December 31, 2025 (Forecast)			–	100.00	200.00

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 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
Full year	36,400	(4.1)	4,800	(24.0)	5,300	(20.8)	5,900	44.7	533.61

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended June 30, 2025: No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(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, 2025: 11,832,504 shares As of December 31, 2024: 11,832,504 shares

Number of treasury shares at the end of the period

As of June 30, 2025: 775,207 shares As of December 31, 2024: 776,336 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2025: 11,056,671 shares Six months ended June 30, 2024: 11,049,179 shares

Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

(Revisions to consolidated financial results forecasts)

Geopolitical risks and inflation continue to create an uncertain outlook for the future. Within our group, for fine carbon-related products, semiconductor-related demand is expected to remain weak, and for electrode-related products, artificial graphite electrodes are anticipated to see deteriorating profitability due to the impact of U.S. tariff policies. On the other hand, we are proceeding with the reduction of cross-shareholdings deemed to have limited strategic importance, which is expected to result in gain on sale of investment securities. As a result, we are revising the consolidated financial results forecast for the full year ending December 31, 2025, which was previously announced on February 10, 2025 as described below:

Consolidated financial results forecasts for the full year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

	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
Previously announced forecasts (A)	40,000	6,500	6,800	4,100	370.91
Revised forecasts (B)	36,400	4,800	5,300	5,900	533.61
Change (B-A)	(3,600)	(1,700)	(1,500)	1,800	–
Change (%)	(9.0)%	(26.2)%	(22.1)%	43.9%	–
(Reference) Actual results for the year ended December 31, 2024	37,956	6,319	6,692	4,078	369.03

(1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	12,299	12,286
Notes and accounts receivable - trade, and contract assets	11,277	10,576
Electronically recorded monetary claims - operating	1,927	1,859
Merchandise and finished goods	11,301	11,420
Work in process	4,543	4,965
Raw materials and supplies	3,991	4,410
Income taxes refund receivable	27	-
Other	964	1,426
Allowance for doubtful accounts	(12)	(13)
Total current assets	46,319	46,931
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,096	19,579
Accumulated depreciation and impairment	(11,586)	(11,867)
Buildings and structures, net	7,509	7,712
Machinery and equipment	51,150	54,810
Accumulated depreciation and impairment	(42,339)	(43,404)
Machinery and equipment, net	8,811	11,405
Vehicles, tools, furniture and fixtures	4,230	4,440
Accumulated depreciation and impairment	(3,446)	(3,594)
Vehicles, tools, furniture and fixtures, net	784	845
Land	3,575	3,580
Construction in progress	2,183	412
Total property, plant and equipment	22,863	23,956
Intangible assets	182	152
Investments and other assets		
Investment securities	10,431	10,983
Deferred tax assets	599	683
Other	1,953	2,210
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	12,982	13,874
Total non-current assets	36,029	37,982
Total assets	82,348	84,914

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	3,435	3,520
Electronically recorded obligations - operating	653	600
Short-term borrowings	9,016	9,479
Accrued expenses	504	636
Income taxes payable	1,165	1,400
Advances received	270	436
Provision for bonuses	237	593
Provision for bonuses for directors (and other officers)	64	29
Provision for loss on orders received	–	0
Other	3,191	2,755
Total current liabilities	18,538	19,453
Non-current liabilities		
Long-term borrowings	196	140
Deferred tax liabilities	1,570	1,509
Retirement benefit liability	698	732
Provision for retirement benefits for directors (and other officers)	36	33
Provision for share awards for directors (and other officers)	60	62
Provision for environmental measures	0	1
Asset retirement obligations	62	62
Other	365	360
Total non-current liabilities	2,990	2,901
Total liabilities	21,529	22,355
Net assets		
Shareholders' equity		
Share capital	7,402	7,402
Capital surplus	7,858	7,858
Retained earnings	34,454	35,646
Treasury shares	(1,969)	(1,965)
Total shareholders' equity	47,745	48,941
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,921	3,823
Foreign currency translation adjustment	336	819
Remeasurements of defined benefit plans	11	(21)
Total accumulated other comprehensive income	4,268	4,620
Non-controlling interests	8,804	8,997
Total net assets	60,819	62,559
Total liabilities and net assets	82,348	84,914

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	18,800	18,305
Cost of sales	12,873	13,093
Gross profit	5,926	5,212
Selling, general and administrative expenses	2,533	2,603
Operating profit	3,393	2,609
Non-operating income		
Dividend income	144	210
Foreign exchange gains	272	–
Share of profit of entities accounted for using equity method	76	57
Other	105	98
Total non-operating income	598	366
Non-operating expenses		
Interest expenses	23	50
Foreign exchange losses	–	73
Loss on retirement of non-current assets	96	9
Depreciation of inactive non-current assets	73	81
Other	22	36
Total non-operating expenses	215	253
Ordinary profit	3,775	2,722
Extraordinary income		
Gain on sale of property, plant and equipment	196	–
Gain on sale of investment securities	–	1,052
Total extraordinary income	196	1,052
Profit before income taxes	3,972	3,775
Income taxes - current	1,392	1,248
Income taxes - deferred	(107)	(117)
Total income taxes	1,285	1,131
Profit	2,686	2,643
Profit attributable to non-controlling interests	393	346
Profit attributable to owners of parent	2,292	2,296

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	2,686	2,643
Other comprehensive income		
Valuation difference on available-for-sale securities	985	(98)
Deferred gains or losses on hedges	1	–
Foreign currency translation adjustment	174	47
Remeasurements of defined benefit plans, net of tax	18	(29)
Share of other comprehensive income of entities accounted for using equity method	–	457
Total other comprehensive income	1,180	376
Comprehensive income	3,866	3,020
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,411	2,652
Comprehensive income attributable to non-controlling interests	454	368

(3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	3,972	3,775
Depreciation	1,398	1,692
Increase (decrease) in retirement benefit liability	12	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1)	(3)
Interest and dividend income	(149)	(214)
Interest expenses	23	50
Share of loss (profit) of entities accounted for using equity method	(76)	(57)
Loss (gain) on sale of non-current assets	(196)	(0)
Loss (gain) on sale of investment securities	–	(1,052)
Loss on retirement of non-current assets	96	9
Decrease (increase) in trade receivables	73	759
Decrease (increase) in inventories	(1,200)	(950)
Decrease (increase) in accounts receivable - other	(107)	243
Increase (decrease) in trade payables	(189)	29
Increase (decrease) in accrued expenses	104	132
Other, net	(520)	165
Subtotal	3,238	4,580
Interest and dividends received	149	214
Interest paid	(26)	(51)
Income taxes paid	(1,334)	(1,022)
Proceeds from insurance income	0	48
Net cash provided by (used in) operating activities	2,027	3,770
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,185)	(3,112)
Purchase of intangible assets	(25)	(28)
Purchase of investment securities	(202)	(185)
Proceeds from sale of property, plant and equipment	196	2
Proceeds from sale of investment securities	–	409
Net cash provided by (used in) investing activities	(2,217)	(2,914)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	500	500
Repayments of long-term borrowings	(83)	(93)
Net decrease (increase) in treasury shares	42	3
Dividends paid	(1,100)	(1,094)
Dividends paid to non-controlling interests	(178)	(175)
Other, net	–	(5)
Net cash provided by (used in) financing activities	(820)	(864)
Effect of exchange rate change on cash and cash equivalents	95	(3)
Net increase (decrease) in cash and cash equivalents	(915)	(12)
Cash and cash equivalents at beginning of period	14,382	12,154
Cash and cash equivalents at end of period	13,467	12,141