

August 9, 2023

## Consolidated Financial Results for the Six Months Ended June 30, 2023 [Japanese GAAP]

Listed company name:	<b>Toyo Tanso Co., Ltd.</b>
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	5310
Website:	<a href="https://www.toyotanso.co.jp">https://www.toyotanso.co.jp</a>
Representative:	Naotaka Kondo Representative Director, Chairman & President, CEO
Contact:	Masaki Kuno, General Manager, Finance and Accounting Department
TEL:	81-6-6472-5811 (from overseas)
Scheduled date for submission of quarterly report:	August 10, 2023
Scheduled date for dividend payment:	-
Supplementary materials for quarterly financial summaries:	None
Quarterly financial results briefing:	Yes (for securities analysts and institutional investors)

### 1. Consolidated financial results for the six months ended June 30, 2023

(From January 1, 2023 to June 30, 2023)

#### (1) Operating results (cumulative total)

(Millions of yen, rounded down)

(Percentages indicate changes from the same period in the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%
Six months ended June 30, 2023	23,712	16.8	4,610	51.7	5,338	44.1	4,128	61.0
Six months ended June 30, 2022	20,293	15.7	3,039	28.4	3,705	33.3	2,564	40.6

(Note) Comprehensive income:

Six months ended June 30, 2023	5,403 million yen (7.6%)
Six months ended June 30, 2022	5,019 million yen (62.6%)

	Basic earnings per share		Diluted earnings per share	
		yen		yen
Six months ended June 30, 2023		196.85		-
Six months ended June 30, 2022		122.29		-

## (2) Financial position

(Millions of yen, rounded down)

	Total assets	Net assets	Equity ratio
			%
As of June 30, 2023	92,203	81,131	87.9
As of December 31, 2022	89,432	77,200	86.3
(Reference) Shareholders' equity:			
June 30, 2023		81,077 million yen	
December 31, 2022		77,147 million yen	

## 2. Dividends

	Dividends per share (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total (Full year)
Year ended December 31, 2022	-	0.00	-	70.00	70.00
Year ending December 31, 2023 (Actual)	-	0.00			
Year ending December 31, 2023 (Forecast)			-	90.00	90.00

(Note) Revisions of projected dividends most recently announced: Yes

For details, please refer to "Notification of Differences between Consolidated Earnings Forecasts for First Half of Fiscal Year and Actual Results, Revisions to Consolidated Earnings Forecasts for Fiscal Year, and Revisions to Dividend Forecasts for Fiscal Year" issued on August 9, 2023.

## 3. Consolidated results forecast for the fiscal year ending December 31, 2023

(From January 1, 2023 to December 31, 2023)

(Millions of yen, rounded down)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
		%		%		%		%	yen
Fiscal year ending December 31, 2023	48,500	10.8	8,500	27.5	9,300	26.2	7,000	35.1	333.77

(Note) Revisions of consolidated forecasts most recently announced: Yes

For details, please refer to "Notification of Differences between Consolidated Earnings Forecasts for First Half of Fiscal Year and Actual Results, Revisions to Consolidated Earnings Forecasts for Fiscal Year, and Revisions to Dividend Forecasts for Fiscal Year" issued on August 9, 2023.

**\* Others**

**(1) Changes in significant subsidiaries during the period under review**

(Changes in specified subsidiaries accompanying changes in scope of consolidation): None

New subsidiaries: \_\_\_ (name of company(ies))

Excluded subsidiaries: \_\_\_ (name of company(ies))

**(2) Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements: Yes**

(Note) For details, please refer to “Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements” on page 9 of the Attached Documents.

**(3) Changes in accounting policies and accounting estimates and restatements**

1) Changes in accounting policies due to revisions of accounting standards, etc.: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

**(4) Number of shares outstanding (common shares)**

1) Number of shares outstanding and issued at the end of period (including treasury shares)

As of June 30, 2023 20,992,588 shares

As of December 31, 2022 20,992,588 shares

2) Number of treasury shares at the end of period

As of June 30, 2023 20,128 shares

As of December 31, 2022 20,078 shares

3) Average number of shares during the period (quarterly cumulative total)

Six months ended June 30, 2023 20,972,490 shares

Six months ended June 30, 2022 20,972,546 shares

**\* This summary report is not subject to quarterly review by a certified public accountant or an audit corporation.**

**\* Disclaimer regarding appropriate use of forecasts and related points of note**

(We urge you to be cautious in relying on forward-looking statements.)

Forward-looking statements such as the earnings forecasts in this material are based on currently available information and certain assumptions deemed rational, and are not intended as a guarantee that these forecasts will be achieved. Accordingly, actual results may differ significantly from these forecasts due to various factors. For more information on the preconditions of the forecasts and on precautionary notes concerning the usage of these forecasts, please refer to “Explanation of Information Regarding Consolidated Earnings Forecasts and Other Projections” on page 3 of the Attached Documents.

(How to acquire supplementary materials for financial summaries and information disclosed at our financial results briefing.)

We are scheduled to hold a financial results briefing for securities analysts and institutional investors on August 21, 2023. The materials distributed at the briefing are scheduled to be disclosed on TDnet and our website on that same day.

○Attached Documents

<b>1. Qualitative Information Regarding Consolidated Results for the Six Months under Review</b> .....	<b>2</b>
(1) Explanation Regarding Business Results .....	2
(2) Explanation Regarding Financial Position .....	3
(3) Explanation of Information Regarding Consolidated Earnings Forecasts and Other Projections	3
<b>2. Quarterly Consolidated Financial Statements and Important Notes</b> .....	<b>4</b>
(1) Quarterly consolidated balance sheets .....	4
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income .....	6
(Quarterly consolidated statements of income) .....	6
(Quarterly consolidated statement of comprehensive income) .....	7
(3) Consolidated statements of cash flows .....	8
(4) Notes on quarterly consolidated financial statements .....	9
(Notes regarding the premise of a going concern) .....	9
(Notes if the amount of shareholders' equity has changed significantly) .....	9
(Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements) .....	9
(Consolidated statement of income) .....	9
(Segment information) .....	10
<b>3. Supplementary Information</b> .....	<b>12</b>
(1) Orders and sales by product category .....	12
(2) Overview .....	13

## 1. Qualitative Information Regarding Consolidated Results for the Six Months under Review

### (1) Explanation Regarding Business Results

During the first half of the consolidated fiscal year under review, signs of a modest recovery were visible in the global economy although some regions were showing weakness. However, the outlook remained uncertain amid factors such as monetary tightening causing concern over an economic slowdown in Europe and the United States, in addition to resource prices staying at high levels.

Looking at the business environment surrounding the Group, in electronics applications, demand remained strong in the face-to-face market including SiC wafer production for semiconductors, although the adjustment phase in the semiconductor industry protracted. In mobility applications, operations in the automobile industry have recovered, and in general industries, demand remained solid against the backdrop of customers' steady capital investment.

In this environment, to achieve the management targets of the new Medium-term Management Plan, the Group advanced business development that agilely captured changes in the external environment. While improving cost competitiveness through productivity enhancements, undertaking development and reinforcement of new and high value-added products that are able to keep pace with technological innovations, and while otherwise solidly addressing customer needs, we advanced business in a way that steadily captured business opportunities. In addition, we advanced initiatives aimed at securing and maintaining profitability in order to mitigate the effects of soaring raw fuel prices.

As a result, in the first half of the consolidated fiscal year under review, net sales were 23,712 million yen (up 16.8% year on year). This reflected firm demand for products for semiconductor and metallurgical applications combined with the impact of the yen depreciation, despite declining demand for carbon brush products. In terms of profits, in addition to the posting of one-off sales of high-value-added products, we succeeded in raising marginal profit through such measures as price pass-ons and sales mix differences, which resulted in operating profit of 4,610 million yen (up 51.7% year on year), ordinary profit of 5,338 million yen (up 44.1% year on year), and profit attributable to owners of parent of 4,128 million yen (up 61.0% year on year).

The overall performance of each business segment was as follows. (Please refer to "3. Supplementary Information" for an overview of each product category.)

#### Japan

Sales of products for semiconductor applications increased considerably year on year, supported by strong demand. Reflecting also continued strong sales of carbon products for mechanical applications, as well as products for industrial furnace applications and those for metallurgical applications including products for continuous casting, net sales in Japan were 12,308 million yen (up 15.5% year on year). Operating profit was 4,105 million yen (up 45.4% year on year), attributable in part to the posting of one-off sale of high-value-added products.

#### United States

Sales of products for semiconductor applications were strong. Sales of products for continuous casting, products for industrial furnaces, and other products for metallurgical applications and those for EDM electrodes increased significantly. As a result, in the United States, net sales were 2,068 million yen (up 37.7% year on year). Operating profit increased by 316.1% year on year to 152 million yen.

#### Europe

Although sales of carbon brush products declined year on year, products for metallurgical applications, our mainstay products, saw strong performance, along with a significant increase in sales of products for semiconductor applications. As a result, in Europe, net sales were 2,426 million yen (up 28.3% year on year), and operating profit increased by 4.6% year on year to 98 million yen.

#### Asia

Sales of carbon brush products declined significantly due partly to customers' production adjustment, and sales of products for solar cell applications also decreased as a result of selective order acceptance. On the other hand, sales of products for semiconductor applications recorded year-on-year growth, while products for metallurgical and other applications also maintained solid sales. As a result, net sales were 6,907 million yen (up 10.7% year on year). Operating profit, which was impacted by declining demand in some regions, came to

383 million yen (down 29.9% year on year).

## **(2) Explanation Regarding Financial Position**

As of June 30, 2023, total assets increased by 2,770 million yen from the end of the previous consolidated fiscal year. This was primarily because, although cash and deposits decreased by 1,265 million yen and notes and accounts receivable – trade decreased by 142 million yen, there was an increase of 2,523 million yen in inventories, an increase of 262 million yen in other current assets attributable partly to an increase in advance payments to suppliers, an increase of 957 million yen in property, plant and equipment, and an increase of 405 million yen in investments and other assets.

Total liabilities decreased by 1,160 million yen from the end of the previous consolidated fiscal year. This was primarily because electronically recorded obligations – operating decreased by 237 million yen, short-term borrowings decreased by 284 million yen, provision for bonuses decreased by 185 million yen, and provision for bonuses for directors (and other officers) decreased by 113 million yen.

Total net assets increased by 3,930 million yen from the end of the previous consolidated fiscal year. This was primarily because retained earnings increased by 2,660 million yen and foreign currency translation adjustment increased by 1,165 million yen.

## **(3) Explanation of Information Regarding Consolidated Earnings Forecasts and Other Projections**

Based on the results of the first half of the consolidated fiscal year under review, the Group has revised its consolidated full-year forecasts for the fiscal year ending in December 2023, released on February 14, 2023.

For details, please refer to “Notification of Differences between Consolidated Earnings Forecasts for First Half of Fiscal Year and Actual Results, Revisions to Consolidated Earnings Forecasts for Fiscal Year, and Revisions to Dividend Forecasts for Fiscal Year” issued on August 9, 2023.

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly consolidated balance sheets

(Millions of yen, rounded down)

	As of December 31, 2022	As of June 30, 2023
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	15,437	14,172
Notes and accounts receivable – trade	16,606	16,464
Securities	2,999	2,999
Merchandise and finished goods	8,121	9,322
Work in process	7,127	7,963
Raw materials and supplies	3,167	3,653
Other	502	764
Allowance for doubtful accounts	(101)	(106)
Total current assets	53,861	55,234
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,022	10,874
Machinery, equipment and vehicles, net	9,993	10,082
Land	5,931	6,085
Leased assets, net	1,167	1,157
Construction in progress	1,773	2,677
Other, net	1,248	1,218
Total property, plant and equipment	31,138	32,096
Intangible assets	289	322
Investments and other assets	4,143	4,549
Total non-current assets	35,571	36,968
<b>Total assets</b>	<b>89,432</b>	<b>92,203</b>

(Millions of yen, rounded down)

	As of December 31, 2022	As of June 30, 2023
	Amount	Amount
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	2,328	2,310
Electronically recorded obligations – operating	1,004	766
Short-term borrowings	285	0
Accounts payable – other	1,890	1,791
Income taxes payable	1,734	1,672
Provision for bonuses	772	586
Provision for bonuses for directors (and other officers)	113	—
Other	3,018	2,929
Total current liabilities	11,147	10,057
Non-current liabilities		
Retirement benefit liability	147	165
Asset retirement obligations	272	277
Other	664	572
Total non-current liabilities	1,084	1,014
<b>Total liabilities</b>	12,231	11,071
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,947	7,947
Capital surplus	9,609	9,609
Retained earnings	55,672	58,332
Treasury shares	(60)	(60)
Total shareholders' equity	73,168	75,828
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	117	179
Foreign currency translation adjustment	3,944	5,110
Remeasurements of defined benefit plans	(83)	(40)
Total accumulated other comprehensive income	3,978	5,249
Non-controlling interests	53	53
<b>Total net assets</b>	77,200	81,131
<b>Total liabilities and net assets</b>	89,432	92,203



**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**

(Quarterly consolidated statements of income)

Six months ended June 30, 2022 and 2023

	(Millions of yen, rounded down)	
	Six months ended June 30, 2022 Amount	Six months ended June 30, 2023 Amount
Net sales	20,293	23,712
Cost of sales	13,781	15,124
Gross profit	6,511	8,588
Selling, general and administrative expenses	3,471	3,977
Operating profit	3,039	4,610
Non-operating income		
Interest income	43	44
Dividend income	26	9
Foreign exchange gains	522	542
Share of profit of entities accounted for using equity method	20	109
Other	93	53
Total non-operating income	707	759
Non-operating expenses		
Interest expenses	18	17
Depreciation	8	8
Contracted research expenses	9	–
Other	4	5
Total non-operating expenses	41	31
Ordinary profit	3,705	5,338
Extraordinary income		
Gain on sales of non-current assets	4	81
Gain on sale of investment securities	1	–
Subsidy income	15	373
Total extraordinary income	21	455
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	58	73
Loss on suspension of operations	84*	–
Total extraordinary losses	143	73
Profit before income taxes	3,582	5,720
Income taxes	1,015	1,591
Profit	2,566	4,128
Profit attributable to non-controlling interests	1	0
Profit attributable to owners of parent	2,564	4,128

(Quarterly consolidated statement of comprehensive income)

Six months ended June 30, 2022 and 2023

(Millions of yen, rounded down)

	Six months ended June 30, 2022 Amount	Six months ended June 30, 2023 Amount
<b>Profit</b>	2,566	4,128
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	62
Foreign currency translation adjustment	2,369	1,113
Remeasurements of defined benefit plans, net of tax	16	42
Share of other comprehensive income of entities accounted for using equity method	119	55
Total other comprehensive income	2,453	1,274
Comprehensive income	5,019	5,403
Comprehensive income attributable to:		
Owners of parent	5,012	5,398
Non-controlling interests	7	4

### (3) Consolidated statements of cash flows

(Millions of yen, rounded down)

	Six months ended June 30, 2022 Amount	Six months ended June 30, 2023 Amount
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,582	5,720
Depreciation	1,528	1,644
Share of loss (profit) of entities accounted for using equity method	(20)	(109)
Increase (decrease) in net defined benefit asset or liability	(26)	14
Increase (decrease) in provision for bonuses	(158)	(199)
Increase (decrease) in provision for bonuses for directors (and other officers)	(29)	(113)
Increase (decrease) in allowance for doubtful accounts	(8)	(1)
Interest and dividend income	(70)	(53)
Interest expenses	18	17
Foreign exchange losses (gains)	(477)	(495)
Loss (gain) on sales of non-current assets	(3)	(81)
Loss on retirement of non-current assets	58	73
Decrease (increase) in trade receivables	(300)	595
Decrease (increase) in inventories	(1,097)	(1,962)
Increase (decrease) in trade payables	389	(568)
Other, net	544	(469)
Subtotal	3,929	4,007
Interest and dividends received	77	67
Interest paid	(19)	(20)
Income taxes paid	(955)	(1,725)
Net cash provided by (used in) operating activities	3,032	2,329
<b>Cash flows from investing activities</b>		
Payments into time deposits	(4,910)	(3,606)
Proceeds from withdrawal of time deposits	5,123	5,883
Purchase of property, plant and equipment	(2,325)	(2,128)
Proceeds from sales of property, plant and equipment	5	82
Purchase of intangible assets	(46)	(96)
Purchase of shares of subsidiaries and associates	(269)	–
Other, net	(66)	(72)
Net cash provided by (used in) investing activities	(2,489)	60
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	17	(284)
Repayments of long-term borrowings	(16)	(9)
Repayments of finance lease obligations	(79)	(95)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,258)	(1,466)
Dividends paid to non-controlling interests	(4)	(4)
Net cash provided by (used in) financing activities	(1,342)	(1,860)
<b>Effect of exchange rate change on cash and cash equivalents</b>	599	322
<b>Net increase (decrease) in cash and cash equivalents</b>	(199)	852
<b>Cash and cash equivalents at beginning of period</b>	12,470	11,773
<b>Cash and cash equivalents at end of period</b>	12,270	12,626

#### **(4) Notes on quarterly consolidated financial statements**

(Notes regarding the premise of a going concern)

Not applicable.

(Notes if the amount of shareholders' equity has changed significantly)

Not applicable.

(Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements)

(Tax expense calculations)

Tax expenses are calculated by multiplying profit before income taxes by an effective tax rate, which is reasonably estimated by applying tax effect accounting to estimated profit before income taxes for the fiscal year, including the second quarter of the consolidated fiscal year under review.

(Consolidated statement of income)

\* Losses due to suspension of operations

Six months ended June 30, 2022 (from January 1, 2022 to June 30, 2022)

At Shanghai Toyo Tanso Co., Ltd. and Shanghai Toyo Tanso Industrial Co., Ltd., in accordance with local government demands related to curbing the spread of the COVID-19 contagion, personnel expenses and depreciation for the period during which operations were suspended at some production bases were recorded as extraordinary losses.

Six months under review (from January 1, 2023 to June 30, 2023)

Not applicable.

(Segment information)

**I. Six months ended June 30, 2022 (From January 1, 2022 to June 30, 2022)**

**1. Information on net sales and the amount of profits (losses) by reportable segment**

(Millions of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated quarterly income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Net sales							
Goods transferred at a point in time	10,658	1,501	1,890	6,241	20,293	—	20,293
Goods transferred over time	—	—	—	—	—	—	—
Revenue from contracts with customers	10,658	1,501	1,890	6,241	20,293	—	20,293
Sales to unaffiliated customers	10,658	1,501	1,890	6,241	20,293	—	20,293
Intersegment sales or transfers	3,636	11	—	54	3,703	(3,703)	—
Total	14,294	1,513	1,890	6,296	23,996	(3,703)	20,293
Segment profit	2,824	36	94	547	3,502	(463)	3,039

- (Notes) 1. Adjusted segment profit mainly takes into account the elimination of intersegment transactions and unrealized income.  
2. Segment profit has been adjusted to reflect the operating income recorded in the consolidated quarterly statement of income.

**2. Regional information**

(Millions of yen, rounded down)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Net sales	8,555	1,641	1,938	8,082	5,917	74	20,293
Composition (%)	42.1	8.1	9.6	39.8	29.2	0.4	100.0

- (Notes) 1. Sales are based on the locations of our customers, and are categorized into the relevant country or region segment according to geographical proximity.  
2. The major countries or regions included in each geographic segment (except Japan) are listed below.  
(1) North America: United States  
(2) Europe: France, Germany, Italy  
(3) Asia: China, Taiwan, South Korea

## II. Six months ended June 30, 2023 (From January 1, 2023 to June 30, 2023)

### 1. Information on net sales and the amount of profits (losses) by reportable segment and disaggregated information on revenue from contracts with customers

(Millions of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated quarterly income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Net sales							
Goods transferred at a point in time	12,308	2,068	2,426	6,907	23,712	—	23,712
Goods transferred over time	—	—	—	—	—	—	—
Revenue from contracts with customers	12,308	2,068	2,426	6,907	23,712	—	23,712
Sales to unaffiliated customers	12,308	2,068	2,426	6,907	23,712	—	23,712
Intersegment sales or transfers	4,572	46	—	84	4,704	(4,704)	—
Total	16,881	2,115	2,426	6,992	28,416	(4,704)	23,712
Segment profit	4,105	152	98	383	4,740	(129)	4,610

(Notes) 1. Adjusted segment profit mainly takes into account the elimination of intersegment transactions and unrealized income.

2. Segment profit has been adjusted to reflect the operating income recorded in the consolidated quarterly statement of income.

### 2. Regional information

(Millions of yen, rounded down)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Net sales	10,425	2,087	2,677	8,445	6,421	76	23,712
Composition (%)	44.0	8.8	11.3	35.6	27.1	0.3	100.0

(Notes) 1. Sales are based on the locations of our customers, and are categorized into the relevant country or region segment according to geographical proximity.

2. The major countries or regions included in each geographic segment (except Japan) are listed below.

(1) North America: United States

(2) Europe: France, Germany, Italy

(3) Asia: China, Taiwan, South Korea

### 3. Supplementary Information

#### (1) Orders and sales by product category

##### i. Orders

(Millions of yen, rounded down)

Products	Year ended December 31, 2022						Year ending December 31, 2023		
	1Q	2Q	1H	3Q	4Q	Fiscal year total	1Q	2Q	1H
Special graphite products	4,638	5,286	9,924	5,098	5,593	20,617	5,738	6,244	11,983
Carbon products for general industries* <sup>2</sup> (for mechanical applications)	951	1,044	1,995	1,016	1,022	4,034	1,064	965	2,030
Carbon products for general industries (for electrical applications)	1,083	1,175	2,259	1,011	1,002	4,273	958	1,206	2,165
Compound materials and other products	3,034	3,092	6,127	3,852	3,752	13,732	3,393	3,848	7,241
Total	9,708	10,599	20,307	10,978	11,371	42,657	11,155	12,266	23,421

(Notes) 1. These orders were denominated in foreign currency prior to the previous quarter; discrepancies resulting from fluctuations in foreign exchange rates during the quarter under review are included in the figure for orders placed in this quarter.

\*2. Data for Carbon products for general industries (for mechanical applications) includes orders that have not been officially confirmed.

##### ii. Outstanding orders

(Millions of yen, rounded down)

Products	Year ended December 31, 2022				Year ending December 31, 2023	
	1Q	2Q	3Q	4Q	1Q	2Q
Special graphite products	5,249	6,215	6,438	6,728	7,197	7,887
Carbon products for general industries* <sup>2</sup> (for mechanical applications)	830	979	1,012	964	1,053	1,025
Carbon products for general industries (for electrical applications)	993	1,108	848	802	777	838
Compound materials and other products	4,854	5,255	5,940	5,995	6,949	7,260
Total	11,927	13,559	14,239	14,490	15,978	17,011

(Notes) 1. These orders were denominated in foreign currency prior to the previous quarter; discrepancies resulting from fluctuations in foreign exchange rates during the quarter under review are included in the figure for orders placed in this quarter.

\*2. Data for Carbon products for general industries (for mechanical applications) includes orders that have not been officially confirmed.

### iii. Sales performance by product category

(Millions of yen, rounded down)

Products	Year ended December 31, 2022						Year ending December 31, 2023		
	1Q	2Q	1H	3Q	4Q	Fiscal year total	1Q	2Q	1H
Special graphite products	4,340	4,801	9,142	5,309	5,778	20,230	5,648	6,048	11,697
[Electronics applications]	1,612	1,878	3,491	2,114	2,498	8,104	2,429	2,510	4,940
[General industries applications]	2,187	2,284	4,472	2,575	2,550	9,598	2,588	2,797	5,386
[Others]	540	638	1,179	618	729	2,527	630	740	1,370
Carbon products for general industries (for mechanical applications)	926	933	1,859	1,012	1,113	3,985	993	1,023	2,017
Carbon products for general industries (for electrical applications)	1,371	1,092	2,464	1,283	1,075	4,823	957	1,145	2,102
Compound materials and other products	2,656	2,770	5,426	3,228	3,110	11,765	3,137	3,608	6,745
[3 major products]	2,241	2,328	4,570	2,742	2,632	9,944	2,702	3,100	5,802
[Other products]	414	441	856	485	478	1,820	435	507	942
Related goods	611	789	1,400	901	667	2,969	567	581	1,149
Total	9,906	10,386	20,293	11,735	11,746	43,774	11,304	12,407	23,712

## (2) Overview

### Special graphite products

In electronics applications, sales of products for solar cell manufacturing applications significantly declined due to selective order acceptance. Despite this, sales of products for single-crystal silicon manufacturing and products for SiC semiconductors in the compound semiconductor applications, increased significantly, resulting in an increase of 41.5% year on year.

In general industries applications, sales of products for continuous casting, products for industrial furnaces, and other products for metallurgical applications, as well as products for EDM electrodes, increased, resulting in an increase of 20.4% year on year.

Due to these factors, sales of special graphite products overall were up 27.9% over the previous year.

### Carbon products for general industries

In carbon products for mechanical applications, demand for our mainstay bearings, sealing rings, etc. remained solid, and sales increased by 8.5% year on year.

In carbon products for electrical applications, sales declined by 14.7% year on year as a result notably of a substantial decrease in demand for compact motors which partly reflected customers' production adjustment.

Due to these factors, sales of carbon products for general industries overall fell 4.7% over the previous fiscal year.

### Compound materials and other products

Sales of SiC (silicon carbide)-coated graphite products significantly increased year on year due to considerable growth in sales of Si (silicon) and SiC (silicon carbide) semiconductors. Sales of C/C composite products increased year on year due to factors including strong demand for industrial furnace applications and semiconductor applications. Sales of graphite sheet products increased year on year attributable notably to solid sales of semiconductors and metallurgical applications, although sales of automobile applications were sluggish.

Due to these factors, sales of the three major products rose 27.0% over the previous year, and sales of compound materials and other products increased 24.3% over the previous year.