

November 8, 2022

Consolidated Financial Results for the Nine Months Ended September 30, 2022 [Japanese GAAP]

Listed company name:	Toyo Tanso Co., Ltd.
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	5310
Website:	https://www.toyotanso.co.jp
Representative:	Naotaka Kondo Representative Director, Chairman & President, CEO
Contact:	Shigeki Masuda, General Manager, Finance and Accounting Department
TEL:	81-6-6472-5811 (from overseas)
Scheduled date for submission of quarterly report:	November 9, 2022
Scheduled date for dividend payment:	-
Supplementary materials for quarterly financial summaries:	No
Quarterly financial results briefing:	No

1. Consolidated financial results for the nine months ended September 30, 2022

(From January 1, 2022 to September 30, 2022)

(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	
		%		%		%		%
Nine months ended September 30, 2022	32,028	16.7	4,965	19.7	5,932	28.3	4,152	31.1
Nine months ended September 30, 2021	27,449	18.7	4,148	50.8	4,623	51.4	3,168	51.9

Note: Comprehensive income:
 Nine months ended September 30, 2022 6,626 million yen (43.0 %)
 Nine months ended September 30, 2021 4,632 million yen (131.6%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Nine months ended September 30, 2022	198.02	-
Nine months ended September 30, 2021	151.07	-

(2) Financial position

(Millions of yen, rounded down)

	Total assets	Net assets	Equity ratio
			%
As of September 30, 2022	89,086	77,619	87.1
As of December 31, 2021	83,655	72,256	86.3

Reference: Shareholders' equity:
September 30, 2022 77,563 million yen
December 31, 2021 72,204 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, 2021	–	0.00	–	60.00	60.00
Year ending December 31, 2022 (Actual)	–	0.00	–		
Year ending December 31, 2022 (Forecast)				70.00	70.00

Note: Revisions of projected dividends most recently announced: None

3. Consolidated results forecast for the fiscal year ending December 31, 2022

(From January 1, 2022 to December 31, 2022)

(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, 2022	43,000	14.0	7,300	28.8	7,600	21.3	5,300	18.7	252.71

Note: Revisions of consolidated forecasts most recently announced: None

*** 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 8 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.: Yes

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

3) Changes in accounting estimates: None

4) Restatements: None

(Note) For details, please refer to “Changes in accounting policies” on page 8 of the Attached Documents.

(4) Number of shares outstanding (common shares)

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

As of September 30, 2022 20,992,588 shares

As of December 31, 2021 20,992,588 shares

2) Number of treasury shares at the end of period

As of September 30, 2022 20,078 shares

As of December 31, 2021 20,028 shares

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

Nine months ended September 30, 2022 20,972,534 shares

Nine months ended September 30, 2021 20,972,694 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.

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

(1) Explanation Regarding Business Results

During the first three quarters of the consolidated fiscal year under review, signs of recovery were visible domestically and in overseas economies, mainly in developed countries. However, an uncertain outlook continued due to factors including soaring resource prices and supply chain disruptions caused by the tense situation in Ukraine and constrained economic activity in China, as well as the stalling of economic recovery in some regions due to the acceleration of inflation in a number of countries.

Looking at the business environment surrounding the Group, in mobility applications, semiconductor shortages and supply constraints are affecting operations in the automobile industry. In energy applications, operations in the Chinese solar cell market remained weak due to factors including soaring raw material prices. In electronics applications, demand remained strong in the face-to-face market, although at this time there are concerns of declining demand in some applications.

In this environment, to achieve the management targets of the new Medium-term Management Plan that we announced in February 2022, the Group advanced business development that agilely captured change 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 three quarters of the consolidated fiscal year under review, net sales were 32,028 million yen (up 16.7% year on year). This reflected firm demand of products for semiconductor and metallurgical applications combined with the impact of the yen depreciation, despite declining demand for carbon brush products. On the profit side, operating profit rose 19.7% year on year to 4,965 million yen despite a profit decline that resulted from a larger-than-anticipated increase in unrealized profit on inventories due to the yen depreciation, while ordinary profit rose 28.3% year on year to 5,932 million yen due in part to recording of foreign exchange gains. Profit attributable to owners of parent stood at 4,152 million yen, up 31.1% 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. Sales of products for industrial furnace applications and products for metallurgical applications overall, including products for EDM electrodes, remained strong. Sales of carbon products for mechanical applications also remained solid. As a result, net sales in Japan were 16,450 million yen (up 17.8% year on year), and operating profit was 4,739 million yen (up 51.7% year on year).

United States

Sales of products for semiconductor applications were strong. Sales of products for continuous casting and other products for metallurgical applications increased significantly. As a result, in the United States, net sales were 2,487 million yen (up 27.5% year on year), and operating profit was 95 million yen (up 71.2% year on year).

Europe

Although sales of carbon brush products declined year on year due partly to a demand slowdown resulting from economic stagnation, products for metallurgical applications, our mainstay products, saw strong performance, along with an increase in sales of products for semiconductor applications. As a result, in Europe, net sales were 2,813 million yen (up 15.5% year on year), and there was an operating profit of 111 million yen (down 14.2% year on year).

Asia

Sales of carbon brush products declined from the high level of the same period in the previous year due to slower demand for home appliances and power tools, while sales of products for solar cell applications declined partly because we pushed forward with the shift to high value-added products through selective order acceptance. On the other hand, products for semiconductor applications grew substantially and those for

metallurgical applications remained solid. Although the supply chain disruptions caused by movement restrictions in China had no small impact, sales performance as mentioned above led to a 12.9% year-on-year increase in net sales in Asia to 10,276 million yen and a 3.7% year-on-year increase in operating profit to 836 million yen.

(2) Explanation Regarding Financial Position

As of September 30, 2022, total assets increased by 5,431 million yen from the end of the previous consolidated fiscal year. This was primarily because, notes and accounts receivable – trade increased by 1,847 million yen, inventories increased by 2,571 million yen, property, plant and equipment increased by 445 million yen, and investments and other assets increased by 826 million yen.

Total liabilities increased by 68 million yen from the end of the previous consolidated fiscal year. This primarily reflected a 380 million yen increase in notes and accounts payable – trade, a 231 million yen increase in income taxes payable, and a 490 million yen increase in provision for bonuses, despite a decrease of 425 million yen in accounts payable – other and a decrease of 650 million yen in other current liabilities due largely to a decrease in notes payable – facilities.

Total net assets increased by 5,362 million yen from the end of the previous consolidated fiscal year. This was primarily because retained earnings increased by 2,894 million yen and foreign currency translation adjustment increased by 2,502 million yen.

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

Consolidated forecasts for the year ending December 31, 2022 are unchanged from the figures announced on August 9, 2022.

2. Quarterly Consolidated Financial Statements and Important Notes

(1) Quarterly consolidated balance sheets

(Millions of yen, rounded down)

	As of December 31, 2021	As of September 30, 2022
	Amount	Amount
Assets		
Current assets		
Cash and deposits	15,364	15,202
Notes and accounts receivable – trade	14,198	16,045
Securities	2,999	2,999
Merchandise and finished goods	7,477	8,276
Work in process	5,722	7,102
Raw materials and supplies	2,823	3,215
Other	526	434
Allowance for doubtful accounts	(103)	(105)
Total current assets	49,009	53,171
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,229	11,244
Machinery, equipment and vehicles, net	9,289	9,952
Land	5,891	5,967
Leased assets, net	1,233	1,228
Construction in progress	2,181	1,729
Other, net	1,221	1,370
Total property, plant and equipment	31,046	31,491
Intangible assets	283	281
Investments and other assets	3,316	4,142
Total non-current assets	34,645	35,915
Total assets	83,655	89,086

(Millions of yen, rounded down)

	As of December 31, 2021	As of September 30, 2022
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,225	2,606
Electronically recorded obligations – operating	968	1,128
Short-term borrowings	191	210
Accounts payable – other	2,041	1,616
Income taxes payable	852	1,084
Provision for bonuses	602	1,092
Provision for directors’ bonuses	29	–
Other	3,233	2,583
Total current liabilities	10,145	10,322
Non-current liabilities		
Long-term borrowings	8	–
Net defined benefit liability	150	169
Asset retirement obligations	269	271
Other	825	703
Total non-current liabilities	1,252	1,144
Total liabilities	11,398	11,467
Net assets		
Shareholders’ equity		
Capital stock	7,947	7,947
Capital surplus	9,609	9,609
Retained earnings	51,748	54,643
Treasury shares	(60)	(60)
Total shareholders’ equity	69,245	72,139
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	159	97
Foreign currency translation adjustment	2,833	5,335
Remeasurements of defined benefit plans	(33)	(8)
Total accumulated other comprehensive income	2,959	5,424
Non-controlling interests	52	55
Total net assets	72,256	77,619
Total liabilities and net assets	83,655	89,086

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

(Quarterly consolidated statements of income)

Nine months ended September 30, 2021 and 2022

	(Millions of yen, rounded down)	
	Nine months ended September 30, 2021	Nine months ended September 30, 2022
	Amount	Amount
Net sales	27,449	32,028
Cost of sales	18,454	21,604
Gross profit	8,994	10,423
Selling, general and administrative expenses	4,845	5,458
Operating profit	4,148	4,965
Non-operating income		
Interest income	59	68
Dividend income	47	60
Foreign exchange gains	200	681
Share of profit of entities accounted for using equity method	56	86
Subsidies for employment adjustment	42	–
Other	125	125
Total non-operating income	531	1,022
Non-operating expenses		
Interest expenses	20	27
Depreciation	12	12
Contracted research expenses	13	9
Other	9	6
Total non-operating expenses	56	56
Ordinary profit	4,623	5,932
Extraordinary income		
Gain on sales of non-current assets	2	5
Gain on sale of investment securities	–	1
Subsidy income	11	21
Total extraordinary income	14	28
Extraordinary losses		
Loss on sales of non-current assets	0	1
Loss on retirement of non-current assets	109	87
Loss on suspension of operations	–	86 ^{*2}
Total extraordinary losses	109	175
Profit before income taxes	4,528	5,784
Income taxes	1,167	1,628
Income taxes for prior periods	189 ^{*1}	–
Total income taxes	1,357	1,628
Profit	3,171	4,156
Profit attributable to non-controlling interests	3	3
Profit attributable to owners of parent	3,168	4,152

(Quarterly consolidated statement of comprehensive income)

Nine months ended September 30, 2021 and 2022

(Millions of yen, rounded down)

	Nine months ended September 30, 2021 Amount	Nine months ended September 30, 2022 Amount
Profit	3,171	4,156
Other comprehensive income		
Valuation difference on available-for-sale securities	28	(61)
Foreign currency translation adjustment	1,357	2,385
Remeasurements of defined benefit plans, net of tax	7	24
Share of other comprehensive income of entities accounted for using equity method	68	121
Total other comprehensive income	1,461	2,470
Comprehensive income	4,632	6,626
Comprehensive income attributable to:		
Owners of parent	4,625	6,617
Non-controlling interests	7	8

(3) 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.

(Changes in accounting policies)

(Application of accounting standard for revenue recognition and related guidance)

The Group began applying the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereafter "Accounting Standard for Revenue Recognition") from the beginning of the first quarter of the consolidated fiscal year under review. Accordingly, revenue is recognized at a point in time when control of promised goods or services is transferred to customers, at the amount that is expected to be received in exchange for the goods or services.

Through the application of this, while revenue for some export sales has been recognized on a shipping basis, the Group has changed to the method of recognizing revenue at the time that risk exposure is transferred to the customer, based on terms of trade prescribed by Incoterms, etc.

Regarding the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment set forth in the proviso to Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retroactively applying the new accounting policy prior to the beginning of the first quarter of the consolidated fiscal year under review has been added to or subtracted from retained earnings at the beginning of the first quarter of the consolidated fiscal year under review, and the new accounting policy has been applied to the opening balance at the start of this three-month period. There is no impact on the balance at the beginning of the period.

Also, there is no impact on the quarterly consolidated financial statements during the first three quarters of the consolidated fiscal year under review.

Furthermore, as permitted by the transitional treatment set forth in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), disaggregated information on revenue from contracts with customers during the first three quarters of the previous consolidated fiscal year has not been disclosed.

(Application of accounting standard for fair value measurement and related guidance)

The Group began applying the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter "Accounting Standard for Fair Value Measurement" and related guidance from the beginning of the first quarter of the consolidated fiscal year under review. In accordance with the transitional treatment set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement and related guidance will be applied into the future. This will have no impact on the quarterly consolidated financial statements.

(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 third quarter of the consolidated fiscal year under review.

(Additional information)

No significant changes have been made to assumptions regarding the impacts of the COVID-19 pandemic described in "Additional information" in the securities report for the previous consolidated fiscal year.

(Consolidated statement of income)

*1. Income taxes for prior periods

Nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

Following a tax audit conducted by the Osaka Regional Taxation Bureau regarding income taxes for the taxable years from the fiscal year ended December 2016 to the fiscal year ended December 2018, the Company recorded 189 million yen in income taxes for prior periods.

Nine months under review (from January 1, 2022 to September 30, 2022)

Not applicable.

*2. Losses due to suspension of operations

Nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

Not applicable.

Nine months under review (from January 1, 2022 to September 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.

(Segment information)

I. Nine months ended September 30, 2021 (From January 1, 2021 to September 30, 2021)

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							
(1) Sales to unaffiliated customers	13,958	1,951	2,435	9,103	27,449	—	27,449
(2) Intersegment sales or transfers	5,424	36	0	270	5,731	(5,731)	—
Total	19,383	1,987	2,435	9,374	33,180	(5,731)	27,449
Segment profit	3,124	55	129	806	4,116	32	4,148

(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	11,158	2,170	2,591	11,369	8,606	158	27,449
Composition (%)	40.7	7.9	9.4	41.4	31.4	0.6	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. Nine months ended September 30, 2022 (From January 1, 2022 to September 30, 2022)

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	16,450	2,487	2,813	10,276	32,028	—	32,028
Goods transferred over time	—	—	—	—	—	—	—
Revenue from contracts with customers	16,450	2,487	2,813	10,276	32,028	—	32,028
Sales to unaffiliated customers	16,450	2,487	2,813	10,276	32,028	—	32,028
Intersegment sales or transfers	5,956	28	—	104	6,090	(6,090)	—
Total	22,406	2,516	2,813	10,381	38,118	(6,090)	32,028
Segment profit	4,739	95	111	836	5,782	(816)	4,965

(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	13,234	2,645	2,917	13,056	9,627	173	32,028
Composition (%)	41.3	8.3	9.1	40.8	30.1	0.5	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. Matters concerning changes in reportable segments, etc.

As described in “Notes (Changes in accounting policies),” the “Accounting Standard for Revenue Recognition” was applied from the first quarter of the consolidated fiscal year under review. As the accounting method for recognition of revenue has changed, methods for the calculation of profit or loss in business segments has similarly changed.

3. Supplementary Information

(1) Orders and sales by product category

i. Orders

(Millions of yen, rounded down)

Products	Year ended December 31, 2021						Year ending December 31, 2022			
	1Q	2Q	3Q	1Q-3Q	4Q	Fiscal year total	1Q	2Q	3Q	1Q-3Q
Special graphite products	4,319	4,630	4,540	13,489	4,881	18,371	4,638	5,286	5,098	15,023
Carbon products for general industries*2 (for mechanical applications)	912	975	834	2,723	928	3,651	951	1,044	1,016	3,011
Carbon products for general industries (for electrical applications)	1,462	1,572	1,231	4,267	1,472	5,739	1,083	1,175	1,011	3,270
Compound materials and other products	2,466	2,618	3,104	8,188	3,573	11,762	3,034	3,092	3,852	9,979
Total	9,160	9,797	9,711	28,669	10,856	39,525	9,708	10,599	10,978	31,285

(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 general carbon products (carbon for mechanical applications) includes orders that have not been officially confirmed.

ii. Outstanding orders

(Millions of yen, rounded down)

Products	Year ended December 31, 2021				Year ending December 31, 2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Special graphite products	3,072	3,691	3,906	4,533	5,249	6,215	6,438
Carbon products for general industries*2 (for mechanical applications)	760	828	779	775	830	979	1,012
Carbon products for general industries (for electrical applications)	1,275	1,349	1,174	1,229	993	1,108	848
Compound materials and other products	2,284	2,741	3,366	4,400	4,854	5,255	5,940
Total	7,393	8,611	9,227	10,938	11,927	13,559	14,239

(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 general carbon products (carbon 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, 2021						Year ending December 31, 2022			
	1Q	2Q	3Q	1Q-3Q	4Q	Fiscal year total	1Q	2Q	3Q	1Q-3Q
Special graphite products	3,588	4,296	4,627	12,512	4,630	17,143	4,340	4,801	5,309	14,452
[Electronics applications]	1,359	1,741	1,874	4,975	1,776	6,751	1,612	1,878	2,114	5,605
[General industries applications]	1,790	2,088	2,181	6,060	2,317	8,377	2,187	2,284	2,575	7,048
[Others]	438	467	571	1,477	536	2,013	540	638	618	1,798
Carbon products for general industries (for mechanical applications)	927	945	906	2,780	958	3,738	926	933	1,012	2,872
Carbon products for general industries (for electrical applications)	1,423	1,506	1,407	4,338	1,388	5,727	1,371	1,092	1,283	3,747
Compound materials and other products	2,052	2,186	2,495	6,734	2,571	9,306	2,656	2,770	3,228	8,654
[3 major products]	1,743	1,836	2,073	5,653	2,155	7,808	2,241	2,328	2,742	7,312
[Other products]	308	350	421	1,080	416	1,497	414	441	485	1,342
Related goods	297	310	476	1,083	735	1,819	611	789	901	2,301
Total	8,288	9,246	9,913	27,449	10,285	37,734	9,906	10,386	11,735	32,028

(2) Overview

Special graphite products

In electronics applications, sales of products for solar cell manufacturing applications declined partly because we pushed forward with the shift to high value-added products through selective order acceptance. Despite this, sales of products for single-crystal silicon manufacturing and products for compound semiconductor manufacturing applications, including for SiC (silicon carbide) semiconductors, increased significantly, resulting in an increase of 12.7% year on year.

In general industrial 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 significantly, resulting in an increase of 16.3% year on year.

Due to these factors, sales of special graphite products overall were up 15.5% 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 3.3% year on year.

In carbon products for electrical applications, sales declined by 13.6% year on year due to a slowdown of stay-at-home demand and a decrease in demand for compact motors reflecting slower demand for home appliances and power tools.

Due to these factors, sales of carbon products for general industries overall fell 7.0% 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 for Si (silicon) and SiC (silicon carbide) semiconductors. Sales of C/C composite products increased year on year due to factors including strong demand for products for industrial furnace applications

and semiconductor applications. Sales of graphite sheet products increased year on year attributable notably to strong sales of products for semiconductor applications and metallurgical applications, although sales of products for automobile applications declined.

Due to these factors, sales of the three major products rose 29.3% over the previous year, and sales of compound materials and other products increased 28.5% over the previous year.