

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 12, 2025

Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2025
(Based on Japanese GAAP)

Company name: Carlit Co., Ltd. (hereafter “the Company”)
Listed exchange: Prime Market, Tokyo Stock Exchange Code number: 4275
URL: <https://www.carlithd.co.jp>
Representative: Hirofumi Kaneko, Representative Director and President & CEO
Inquiries: Takayuki Yanagisawa, General Manager of Finance Department
Telephone: +81-3-6893-7075
Scheduled date to commence dividend payments: –
Preparation of explanatory materials for financial results: No
Holding of financial results briefing: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the nine months of the fiscal year ending March 31, 2025
(from April 1, 2024 to December 31, 2024)

(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	%
Nine months ended								
Dec. 31, 2024	27,360	1.7	1,917	(19.6)	2,201	(16.6)	1,464	(21.3)
Dec. 31, 2023	26,905	1.3	2,384	37.0	2,639	31.2	1,859	27.4

Note: Comprehensive income For the nine months ended Dec. 31, 2024: ¥1,993 million [(38.3)%]

For the nine months ended Dec. 31, 2023: ¥3,230 million [100.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
Dec. 31, 2024	62.12	–
Dec. 31, 2023	78.56	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Dec. 31, 2024	57,195	37,978	66.4	1,611.37
Mar. 31, 2024	55,146	36,775	66.7	1,560.32

Reference: Shareholders' equity: As of Dec. 31, 2024: ¥37,978 million; As of Mar. 31, 2024: ¥36,775 million

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
Fiscal year ended Mar. 31, 2024	–	0.00	–	33.00	33.00
Fiscal year ending Mar. 31, 2025	–	0.00	–		
Fiscal year ending Mar. 31, 2025 (Forecast)				36.00	36.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecasts of consolidated financial results for the fiscal year ending March 31, 2025

(from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,000	3.9	2,900	(13.5)	3,100	(13.9)	2,800	7.7	118.42

Note: Revisions to the forecasts of consolidated financial results most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: Two companies (Japan Carlit Co., Ltd., Silicon Technology Corporation)

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements, (3) Notes to Quarterly Consolidated Financial Statements, Significant Changes in the Scope of Consolidation During the Period” on page 12 of the attached document.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements, (3) Notes to Quarterly Consolidated Financial Statements, Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements” on page 10 of the attached document.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements, (3) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies” on page 10 of the attached document.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of Dec. 31, 2024	24,050,000 shares	As of Mar. 31, 2024	24,050,000 shares
---------------------	-------------------	---------------------	-------------------

(ii) Number of treasury shares at the end of the period

As of Dec. 31, 2024	480,859 shares	As of Mar. 31, 2024	480,797 shares
---------------------	----------------	---------------------	----------------

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

Nine months ended Dec. 31, 2024	23,569,159 shares	Nine months ended Dec. 31, 2023	23,670,659 shares
---------------------------------	-------------------	---------------------------------	-------------------

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

(Notice concerning forward-looking statements)

The forward-looking statements described in this document, such as business forecasts, are based on information available at the time of release of these materials and reasonable assumptions made by the Company, and do not represent a commitment from the Company that they will be achieved. Actual financial results, etc. may differ significantly from this forecast due to various factors. For assumptions used for earnings forecasts and notes on the use of earnings forecasts, please refer to “1. Overview of Business Results, (3) Explanation of Forward-Looking Statements Including Forecasts of Consolidated Financial Results” on page 4 of the attached document.

(Other special matters)

Not applicable

Table of Contents

1. Overview of Business Results	2
(1) Overview of Business Results for the Nine Months Ended December 31, 2024.....	2
(2) Overview of the Consolidated Balance Sheets as of December 31, 2024	4
(3) Explanation of Forward-Looking Statements Including Forecasts of Consolidated Financial Results ..	4
2. Quarterly Consolidated Financial Statements	6
(1) Quarterly Consolidated Balance Sheets	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	8
Quarterly Consolidated Statements of Income (For the nine months).....	8
Quarterly Consolidated Statements of Comprehensive Income (For the nine months).....	9
(3) Notes to Quarterly Consolidated Financial Statements	10
Changes in Accounting Policies.....	10
Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements.....	10
Segment Information	11
Significant Changes in Amounts of Shareholders' Equity	12
Going Concern Assumption	12
Notes to Quarterly Consolidated Cash Flow Statement.....	12
Significant Changes in the Scope of Consolidation During the Period.....	12
Independent Auditor's Interim Review Report on the Quarterly Consolidated Financial Statements (Translation).....	13

1. Overview of Business Results

We have established our Medium-term Management Plan entitled “Challenge 2024,” which kicked off in fiscal year 2022. Our management policy is to pursue improvements in corporate value through the optimization of our business portfolio, and we are currently carrying out the following five strategies: (1) accelerating growth businesses; (2) expanding R&D; (3) improving the profitability of existing businesses; (4) increasing the sophistication of ESG management; and (5) reconstructing of business infrastructure.

In addition to these, we formulated the “Rolling Plan 2023” in May 2023 and the “Grow Up Plan 2024” in March 2024, upon having revised our Medium-term Management Plan “Challenge 2024” on a rolling basis in order to better ensure that we will achieve the “Challenge 2024” by responding flexibly to changes in the business environment. We will promote management that is conscious of the cost of capital and the share price in pursuing improvements in corporate value enlisting PBR as a benchmark.

(1) Overview of Business Results for the Nine Months Ended December 31, 2024

(i) Explanation of operating results

In the nine months ended December 31, 2024, our performance was supported by strong sales mainly for the Chemical Products segment (Explosives, Chemicals, Electronic materials and Ceramics) and the Engineering Services segment. However, profit declined due to the significant effects of production and inventory adjustments in the semiconductor market, which are affecting Silicon wafers in the Chemical Products segment, and a decrease in production volume in the Bottling segment. Even in business segments and fields in which sales are strong, the impact of factors such as rising personnel expenses and energy costs is reducing the profit margin. Consequently, results for the period are as follows.

(Millions of yen, unless otherwise noted)

	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024	Amount of change	Rate of change
Net sales	26,905	27,360	455	1.7%
Operating profit	2,384	1,917	(467)	(19.6)%
Ordinary profit	2,639	2,201	(438)	(16.6)%
Profit attributable to owners of parent	1,859	1,464	(395)	(21.3)%

(ii) Explanations by business segment

On October 1, 2024, the Company transitioned from a holding company into an operating holding company by merging with its wholly owned subsidiaries, Japan Carlit Co., Ltd. and Silicon Technology Corporation, with the Company as the surviving entity, and management categories were revised. Accordingly, financial information of the Company that was included in the Other segment prior to this reorganization is now included in the Chemical Products segment, and the year-on-year analysis uses business results for the nine months ended December 31, 2023, that have been revised based on this change in reporting segments.

Our main products and services are as follows.

Chemical Products segment

Explosives = increase in sales and decrease in profit

- Although industrial explosives experienced a decrease in sales due to continued sluggish demand for crushing limestone, profit increased due to the reflection of fair prices from this fiscal year.
- Automotive emergency flares saw a decrease in sales and profit due to a drop in the production volume of new cars affected by the market and the automobile type approval issue at certain auto manufacturers, as well as the impact of rising production costs. A recovery is expected in the fourth quarter due to an increase in demand for replacements accompanying vehicle inspections.
- Demand for signal flares for highway use was steady without any significant changes in automobile traffic volume, etc. As a result of this and the reflection of fair prices, sales and profit increased.

- Raw materials for fireworks saw an increase in both sales and profit due to an increase in the number of fireworks shows.

Material assessment service = increase in sales and decrease in profit

- Each research and development market continued to be active, leading to a strong increase in safety evaluation testing and secondary batteries testing sales. However, delays to progress on tests in the first quarter and the impact of rising test costs led to a decline in profit.

Chemicals = increase in sales and decrease in profit

- Sodium chlorate sales and profit increased as we maintained stable supply to meet demand for pulp bleaching applications.
- Demand for ammonium perchlorate (the raw material in propellants for rockets and defense missiles) remained similar to the same period of the previous year, but as product sales are concentrated in the fourth quarter, sales and profit decreased.
- Electrodes experienced an increase in sales and profit due to strong demand for replacement of electrodes for oxygen generation.
- Perchloric acid sales and profit decreased due to production adjustments by major domestic users and sluggish overseas demand.

Electronic materials = increase in sales and profit

- Despite the impact of a slowdown in electric vehicle (EV) market growth, demand for ancillary parts for artificial intelligence (AI) servers, etc. increased, resulting in an increase in sales and profit.

Ceramics = increase in sales and profit

- Despite continued sluggish demand from domestic grindstone and abrasive paper manufacturers, sales and profit increased due to the maintenance of fair prices, the handling of a wider range of products, and sales promotions.

Silicon wafers = decrease in sales and profit

- Sales and profit decreased amid an ongoing scenario of excessive customer inventories and production adjustments attributable to the sluggish semiconductor market. We will continue to focus on activities such as new development and expansion of market share in the small-diameter wafer market, and productivity improvement of existing product lines.

Bottling segment

- PET experienced a decline in orders despite efforts to recover production volumes in the first quarter, resulting in a decrease in both sales and profit.

Metal Working segment

- Heat-resistant metal parts for furnaces (anchors) and dust collectors parts (retainers) saw an increase in both sales and profit thanks to strong sales performance.
- For various metal spring and pressed products, sales and profit decreased due to a drop in demand among our major customers (construction machinery and autos). We will continue activities such as productivity improvement and maintaining fair prices.

Engineering Services segment

- For engineering and construction work, despite continued intensifying competition for external construction work, sales and profit increased due to an increase in construction work.
- For industrial paints and painting work, sales increased due to strong paint and equipment sales, but profit decreased due to a fall in demand for construction machinery in profitable painting work.
- Although structural design sales increased due to the successful acquisition of public projects, profit decreased due to the intensified competitive environment for profitable private-sector projects.

These results are provided below.

(Millions of yen)

Business segments	Net sales			Operating profit		
	Nine months ended			Nine months ended		
	Dec. 31, 2023	Dec. 31, 2024	Amount of change	Dec. 31, 2023	Dec. 31, 2024	Amount of change
Chemical Products	15,467	16,441	974	1,137	865	(272)
Bottling	3,838	3,459	(378)	424	233	(190)
Metal Working	5,474	5,454	(20)	360	386	25
Engineering Services	2,951	2,897	(54)	484	442	(42)
Subtotal	27,732	28,252	519	2,407	1,927	(479)
Eliminations	(826)	(891)	(64)	(22)	(10)	12
Total	26,905	27,360	455	2,384	1,917	(467)

(2) Overview of the Consolidated Balance Sheets as of December 31, 2024

(Assets)

Total assets was ¥57,195 million, an increase of ¥2,049 million from the end of the previous fiscal year.

The breakdown of major increases (decreases) in assets includes an increase in cash and deposits of ¥932 million and an increase in investment securities of ¥688 million.

(Liabilities)

Liabilities was ¥19,217 million, an increase of ¥846 million from the end of the previous fiscal year.

The breakdown of major increases (decreases) in liabilities includes an increase in interest-bearing liabilities of ¥1,499 million, a decrease in income taxes payable of ¥382 million and a decrease in provision for bonuses of ¥291 million.

(Net assets)

Total net assets was ¥37,978 million, an increase of ¥1,203 million from the end of the previous fiscal year.

The breakdown of major increases (decreases) in net assets includes an increase in retained earnings of ¥673 million most of which derived from the recoding of profit attributable to owners of parent and an increase in valuation difference on available-for-sale securities of ¥482 million.

As a result of the above, equity-to-asset ratio decreased from 66.7% to 66.4%.

(3) Explanation of Forward-Looking Statements Including Forecasts of Consolidated Financial Results

Growth rates in the global economy are expected to weaken, despite a tailwind provided by subsiding inflation rates and decreasing interest rates. Sectors such as the automotive and industrial machinery sectors in particular are expected to continue to struggle, as they lack drivers to improve business conditions.

In Japan, wage increases are expected to continue, supported by corporate earnings levels remaining high, resulting in a positive income environment that will aid a recovery in consumer spending. Adjustments to the prices of products and services are anticipated to continue, but consumer prices are expected to settle toward the second half of 2025 due to the trend of yen depreciation coming to an end. The difference in Japan and U.S. interest rates is also expected to shrink due to factors including the raising of interest rates by the Bank of Japan, so the strength of the yen in the dollar/yen exchange rate is expected to continue toward the second half of 2025.

The Company's outlook for each business segment is as follows.

In the Chemical Products segment, while Automotive emergency flares were affected by the impact of the automobile type approval issue on auto manufacturers, we expect the recovery that started in this third quarter to continue into the fourth

quarter. In Material assessment service, although the effects of the decreases in sales and profit in the first half still remain, we expect a recovery trend to continue from the third quarter onward due to active research and development of batteries in Japan. We will continue to promote the smooth implementation of various testing services and aim for increased sales and profit. Chemicals are expected to remain solid in line with the fortunes of the Japanese economy. Electronic materials are also expected to remain solid as the demand for ancillary parts for AI servers, etc. continues to increase. On the other hand, for Silicon wafers, we are still waiting to see if demand recovers from a slump in the semiconductor market.

In the Bottling segment, we were unable to recover from a decrease in production volume due to a delay in restarting operations after regular repairs undertaken in the first quarter, so we are forecasting a year-on-year decrease in profit. In the Metal Working segment, we expect the difficult environment to continue due to sluggish demand for construction machinery, but we expect to achieve the same level of performance as the previous year by strengthening sales in other markets, improving productivity, and continuing to negotiate fair prices. We expect the performance in the Engineering Services segment to remain solid in line with the fortunes of the Japanese economy.

In light of the economic environment and the Company's performance trends, as described above, we have revised our consolidated financial results forecasts for the fiscal year ending March 31, 2025, as follows. For details, please refer to the "Notice of Revision to Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2025" announced on February 12, 2025.

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,000	3.9	2,900	(13.5)	3,100	(13.9)	2,800	7.7	118.42

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	2,921	3,853
Notes and accounts receivable - trade, and contract assets	12,042	12,116
Merchandise and finished goods	3,588	3,816
Work in process	579	577
Raw materials and supplies	1,959	1,891
Other	2,445	2,193
Allowance for doubtful accounts	(18)	(8)
Total current assets	23,518	24,440
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,280	8,156
Machinery, equipment and vehicles, net	2,943	3,151
Land	5,868	5,871
Construction in progress	851	1,147
Other, net	1,171	1,059
Total property, plant and equipment	19,116	19,387
Intangible assets		
Other	187	343
Total intangible assets	187	343
Investments and other assets		
Investment securities	11,029	11,718
Retirement benefit asset	204	258
Other	1,148	1,079
Allowance for doubtful accounts	(59)	(32)
Total investments and other assets	12,323	13,023
Total non-current assets	31,627	32,754
Total assets	55,146	57,195

As of March 31, 2024

As of December 31, 2024

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,867	6,643
Short-term borrowings	89	2,071
Current portion of long-term borrowings	470	294
Income taxes payable	679	297
Provision for bonuses	716	424
Other	2,325	2,400
Total current liabilities	11,149	12,132
Non-current liabilities		
Long-term borrowings	470	294
Provision for share awards	12	38
Provision for share awards for directors (and other officers)	85	107
Retirement benefit liability	471	459
Other	6,181	6,184
Total non-current liabilities	7,221	7,084
Total liabilities	18,370	19,217
Net assets		
Shareholders' equity		
Share capital	2,099	2,099
Capital surplus	1,190	1,190
Retained earnings	27,491	28,164
Treasury shares	(333)	(333)
Total shareholders' equity	30,448	31,121
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,136	6,619
Deferred gains or losses on hedges	2	30
Foreign currency translation adjustment	158	169
Remeasurements of defined benefit plans	29	37
Total accumulated other comprehensive income	6,327	6,856
Total net assets	36,775	37,978
Total liabilities and net assets	55,146	57,195

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	26,905	27,360
Cost of sales	19,875	20,641
Gross profit	7,030	6,718
Selling, general and administrative expenses	4,645	4,801
Operating profit	2,384	1,917
Non-operating income		
Interest income	0	0
Dividend income	233	246
Share of profit of entities accounted for using equity method	10	10
Miscellaneous income	79	83
Total non-operating income	323	341
Non-operating expenses		
Interest expenses	35	31
Inactive facility expenses	24	22
Miscellaneous losses	9	3
Total non-operating expenses	68	57
Ordinary profit	2,639	2,201
Extraordinary income		
Gain on sale of non-current assets	0	31
Gain on sale of investment securities	117	9
Total extraordinary income	117	40
Extraordinary losses		
Loss on retirement of non-current assets	22	36
Total extraordinary losses	22	36
Profit before income taxes	2,734	2,205
Income taxes	875	741
Profit	1,859	1,464
Profit attributable to owners of parent	1,859	1,464

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	1,859	1,464
Other comprehensive income		
Valuation difference on available-for-sale securities	1,272	482
Deferred gains or losses on hedges	20	28
Foreign currency translation adjustment	32	11
Remeasurements of defined benefit plans, net of tax	45	7
Total other comprehensive income	1,370	529
Comprehensive income	3,230	1,993
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,230	1,993

(3) Notes to Quarterly Consolidated Financial Statements

Changes in Accounting Policies

Application of Accounting Standard for Current Income Taxes and related guidance

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, revised October 28, 2022; hereafter, “the 2022 revised accounting standard”) and related guidance were applied from the beginning of the first quarter of the fiscal year ending March 31, 2025.

The revision to the account classification for current income taxes (taxes on other comprehensive income) follows the transitional treatment specified in the provisory clause of Paragraph 20-3 of the 2022 revised accounting standard and the transitional treatment specified in the provisory clause of Paragraph 65-2, Provision (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, revised October 28, 2022). The change in accounting policy had no effect on the quarterly consolidated financial statements.

Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements

Calculation method of income tax expense

Income tax expense is calculated by multiplying profit before income taxes by reasonably estimated effective tax rate after applying tax effect accounting for the fiscal year including this third quarter.

Also, income taxes - deferred is included in income taxes.

Segment Information

(1) First nine months of the fiscal year ended March 31, 2024 (April 1, 2023 to December 31, 2023)

(i) Amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segment					Adjustments (Note 1)	Amount recorded on quarterly consolidated statements of income (Note 2)
	Chemical Products	Bottling	Metal Working	Engineering Services	Sub-total		
Net sales							
Outside customers	14,981	3,835	5,361	2,726	26,905	–	26,905
Inter-segment sales	485	2	113	225	826	(826)	–
Total	15,467	3,838	5,474	2,951	27,732	(826)	26,905
Segment profit (loss)	1,137	424	360	484	2,407	(22)	2,384

Notes: 1. Adjustments to segment profit of negative ¥22 million are inter-segment eliminations.

2. Segment profit is adjusted to operating profit in the quarterly consolidated statement of income.

(2) First nine months of the fiscal year ending March 31, 2025 (April 1, 2024 to December 31, 2024)

(i) Amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segment					Adjustments (Note 1)	Amount recorded on quarterly consolidated statements of income (Note 2)
	Chemical Products	Bottling	Metal Working	Engineering Services	Sub-total		
Net sales							
Outside customers	15,903	3,459	5,334	2,663	27,360	–	27,360
Inter-segment sales	538	–	119	233	891	(891)	–
Total	16,441	3,459	5,454	2,897	28,252	(891)	27,360
Segment profit (loss)	865	233	386	442	1,927	(10)	1,917

Notes: 1. Adjustments to segment profit of negative ¥10 million are inter-segment eliminations.

2. Segment profit is adjusted to operating profit in the quarterly consolidated statement of income.

(ii) Changes to Reportable Segments

On October 1, 2024, the Company transitioned from a holding company into an operating holding company by merging with its wholly owned subsidiaries, Japan Carlit Co., Ltd. and Silicon Technology Corporation, with the Company as the surviving entity, and management categories were revised. Accordingly, financial information of the Company that was included in the Other segment prior to this reorganization will now be recorded in the Chemical Products segment.

Segment information for the nine months ended December 31, 2023 is based on the classification of the reportable segments after the change.

Significant Changes in Amounts of Shareholders' Equity

Not applicable

Going Concern Assumption

Not applicable

Notes to Quarterly Consolidated Cash Flow Statement

There is no quarterly consolidated statement of cash flows for the nine months ended December 31, 2024.

Depreciation for the nine months ended December 31, 2024/2023 is as follows:

	(Millions of yen)	
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	1,297	1,284

Significant Changes in the Scope of Consolidation During the Period

During this third quarter, Japan Carlit Co., Ltd. and Silicon Technology Corporation, which were consolidated subsidiaries of the Company, were dissolved in an absorption-type merger with the Company as the surviving company, and have therefore been excluded from the scope of consolidation.

Independent Auditor's Interim Review Report on the Quarterly Consolidated Financial Statements (Translation)

February 12, 2025

The Board of Directors
Carlit Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo Office, Japan

Eri Sekiguchi
Designated Engagement Partner
Certified Public Accountant

Tetsuya Kawawaki
Designated Engagement Partner
Certified Public Accountant

Auditor's Conclusion

We have conducted an interim review of the quarterly consolidated financial statements, namely, the quarterly consolidated balance sheets, the quarterly consolidated statements of income and the quarterly consolidated statements of comprehensive income, and notes thereto, for the third quarter ended December 31, 2024 (October 1, 2024 to December 31, 2024) and for the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024), which are included in the attached materials to the Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025) of Carlit Co., Ltd.

In the interim review we conducted, we found no matter that would lead us to believe that the above quarterly consolidated financial statements have not been prepared in any material respect in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards generally accepted in Japan for quarterly financial statements (however, the omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied).

Basis for Auditor's Conclusion

We conducted our interim review in accordance with interim review standards generally accepted in Japan. Our responsibilities under the standards for interim reviews are described in "Auditor's Responsibilities for Interim Review of Quarterly Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to form the basis for expressing a conclusion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards generally accepted in Japan for quarterly financial statements (however, the omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied); this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards generally accepted in Japan for quarterly financial statements (however, the omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied), matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for Interim Review of Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the interim review report based on the interim review we conducted.

In accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review. We also:

- Make inquiries, primarily of management and other persons responsible for financial and accounting matters, and perform analytical procedures and other interim review procedures. Interim review procedures are more limited in scope compared with an audit of annual financial statements conducted in accordance with auditing standards generally accepted in Japan.
- Determine whether there is significant uncertainty regarding events or circumstances that give rise to significant doubts regarding matters related to the going concern assumption. If significant uncertainty exists, we will make a conclusion, based on the evidence obtained, as to whether there are any matters that lead one to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards generally accepted in Japan for quarterly financial statements (however, the omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied). In addition, if significant uncertainties regarding the going concern assumption are recognized, the interim review report is required to draw attention to the notes to the quarterly consolidated financial statements, or, if the notes to the quarterly consolidated financial statements regarding significant uncertainties are not appropriate, to express a qualified or adverse conclusion on the quarterly consolidated financial statements. Although our conclusion is based on the evidence obtained up to the date of the interim review report, future events or circumstances may cause the Group to be unable to continue as a going concern.

- Evaluate whether there are any matters that lead one to believe that the presentation and notes of the quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange Inc. and the accounting standards generally accepted in Japan for quarterly financial statements (however, the omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. are applied).
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for directing, supervising and inspecting the interim review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board on the scope and timing of the planned interim review, and any significant findings from the interim review.

We shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board that we have complied with the provisions related to professional ethics in Japan regarding independence and any matters that could reasonably be considered to affect our independence, and any measures taken to eliminate impediments or safeguards applied to reduce impediments to an acceptable level, if any.

Conflicts of Interest

Our firm and the designated engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

- (Notes)
1. The original copy of the above interim review report is kept separately by the Company (the company disclosing the quarterly financial statements).
 2. XBRL data and HTML data are not included in the scope of the interim review.