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August 8, 2025

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2026
(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
Inquiries: Akira Yamamoto, 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 first three months of the fiscal year ending March 31, 2026
(from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
| Three months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Jun. 30, 2025 | 8,655 | (1.2) | 445 | 17.7 | 581 | 8.9 | 299 | (18.1) |
| Jun. 30, 2024 | 8,760 | (0.7) | 378 | (26.5) | 533 | (21.2) | 365 | (27.8) |

Note: Comprehensive income For the three months ended Jun. 30, 2025: ¥981 million [3.9%]

For the three months ended Jun. 30, 2024: ¥945 million [(11.3)%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen | Yen |
| Jun. 30, 2025 | 12.79 | — |
| Jun. 30, 2024 | 15.49 | — |

(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 |
| Jun. 30, 2025 | 55,346 | 37,095 | 67.0 | 1,603.30 |
| Mar. 31, 2025 | 53,012 | 37,479 | 70.7 | 1,590.20 |

Reference: Shareholders' equity:

As of Jun. 30, 2025: ¥37,095 million

As of Mar. 31, 2025: ¥37,479 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, 2025 | — | 0.00 | — | 36.00 | 36.00 |
| Fiscal year ending Mar. 31, 2026 | — | | | | |
| Fiscal year ending Mar. 31, 2026 (Forecast) | | 0.00 | — | 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, 2026

(from April 1, 2025 to March 31, 2026)

(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 |
| Six months ending Sep. 30, 2025 | 18,500 | 2.5 | 1,100 | (7.9) | 1,200 | (13.2) | 800 | (15.9) | 34.68 |
| Full year | 39,000 | 5.6 | 3,100 | 1.7 | 3,350 | 0.9 | 2,700 | 5.0 | 117.04 |

Note: Revisions to the forecasts of consolidated financial results most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(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: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

| | | | |
|---------------------|-------------------|---------------------|-------------------|
| As of Jun. 30, 2025 | 24,050,000 shares | As of Mar. 31, 2025 | 24,050,000 shares |
|---------------------|-------------------|---------------------|-------------------|

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

| | | | |
|---------------------|----------------|---------------------|----------------|
| As of Jun. 30, 2025 | 912,859 shares | As of Mar. 31, 2025 | 480,859 shares |
|---------------------|----------------|---------------------|----------------|

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

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended Jun. 30, 2025 | 23,377,141 shares | Three months ended Jun. 30, 2024 | 23,569,180 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 5 of the attached document.

(Other special matters)

Not applicable

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1. Overview of Business Results

In our Medium-term Management Plan “Challenge 2027,” which started this fiscal year, we have positioned several businesses, including ammonium perchlorate, a solid propellant ingredient for space rockets and defense-related products, as priority areas, focus areas, and development areas, and are promoting management based on a new business portfolio. The three years from fiscal year 2025 to fiscal year 2027, which is the period of the mid-term plan, are positioned as the “Investment Promotion” stage. To achieve business growth and profit expansion in the final year, we will actively execute investments such as production capacity enhancement, new production facilities, and energy-saving and labor-saving measures.

By executing our management philosophy of “For Confidence and Infinite Challenges,” we aim to promote the growth of existing businesses and establish new businesses, while also promoting 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 Three Months Ended June 30, 2025

(i) Explanation of operating results

In the three months ended June 30, 2025, performances were solid in the Chemical Products segment’s Explosives and Ceramics, as well as in the Metal Working segment and in the Engineering Services segment, resulting in increased profits. This is due to the positive impact of our sales efforts such as the reflection of fair prices, in addition to the solid demand in the domestic market.

On the other hand, Material assessment service, Chemicals, Silicon wafers within the Chemical Products segment, along with the Bottling segment experienced profit declines. Particularly, the inventory valuation losses in Silicon wafers and the reduction in the operation of the hot-temperature filling production line in the Bottling segment had a significant impact on the business results.

Although profit before income taxes increased compared to the same period last year, the profit attributable to owners of parent decreased. This is due to changes in the estimated effective tax rate resulting from the merger conducted on October 1, 2024.

Consequently, on the whole, the results are as follows.

(Millions of yen, unless otherwise noted)

| | Three months ended Jun. 30, 2024 | Three months ended Jun. 30, 2025 | Amount of change | Rate of change |
|--|-------------------------------------|-------------------------------------|------------------|----------------|
| Net sales | 8,760 | 8,655 | (104) | (1.2)% |
| Operating profit | 378 | 445 | 67 | 17.7% |
| Ordinary profit | 533 | 581 | 47 | 8.9% |
| Profit attributable to owners of parent | 365 | 299 | (66) | (18.1)% |

(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 consolidated subsidiaries, Japan Carlit Co., Ltd. and Silicon Technology Corporation, with the Company as the surviving entity. Accordingly, management categories were revised, and financial information of the Company that was included in the Other segment prior to this reorganization is now included in the Chemical Products segment. The year-on-year analysis uses business results for the three months ended June 30, 2024, 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 profit

- Industrial explosives experienced a decrease in sales volume due to reduced demand for crushing limestone, but sales increased due to the reflection of fair prices. Profit remained flat.

- Automotive emergency flares saw an increase in demand from automobile factories, while demand for vehicle inspection replacements decreased, resulting in flat sales. Moreover, efforts to reflect the increase in production costs in prices are still underway, leading to a decrease in profits.
- Signal flares for highway use saw solid demand. Efforts to reflect fair prices bore fruit, resulting in increased sales and profits.
- Raw materials for fireworks did not see a significant fluctuation in demand, resulting in flat sales. A decrease in profits was due to increased manufacturing costs of potassium perchlorate.

Material assessment service = sales remained flat and profit decreased.

- Demand in each research and development market continued to be solid, with flat sales in both safety evaluation testing and secondary batteries testing. Due to the impact of the composition of test item types and the depreciation of new equipment, there was a decrease in profits.

Chemicals = decrease in sales and profit

- Sodium chlorate sales and profit decreased due to a decline in demand for paper pulp bleaching, despite efforts to ensure stable supply.
- For ammonium perchlorate (the raw material in propellants for rockets and defense missiles), sales decreased due to the postponement of some sales plans. However, sales price optimization led to increased profit.
- Electrodes experienced an increase in sales and profit due to strong replacement demand for both oxygen generation and chlorine generation applications.
- Perchloric acid sales and profit decreased. There was solid demand from domestic users but overseas demand was sluggish.

Electronic materials = decrease in sales and profit

- Conductive polymer materials remained solid due to a strong market for AI server capacitors, but decreased sales and profits were seen due to the impact of U.S. tariff policies on electrolytes for the U.S. market and inventory adjustments for domestic liquid crystal materials.

Ceramics = increase in sales and profit

- In addition to maintaining fair prices and promoting sales, steady customer demand in metal working-related areas led to increased sales and profits.

Silicon wafers = increase in sales and decrease in profit

- Although uncertainty remains due to excessive customer inventories and production adjustments, some demand is recovering, resulting in increased sales. However, due to sluggish sales of high-profit products, increased costs, and inventory valuation losses, there was a decrease in profits.

Bottling segment

- The first quarter is typically in the red due to regular maintenance conducted every April. Plans are in place to secure profits in the second to fourth quarters. For PET, the order volume for the ambient-temperature filling production line is high due to the preferences of customers who prioritize environmental considerations, but the hot-temperature filling production line has seen a decrease in orders, resulting in decreased sales and profits.

Metal Working segment

- Anchors for use inside heat-resistant furnaces have seen strong demand due to regular maintenance at steel mills, cement factories, and waste treatment facilities. Although the replacement demand for retainers for dust collectors showed a slight downward trend, overall, there was an increase in sales and profits.
- Various metal springs and pressed products saw a decline in demand from major clients (construction machinery and automobiles), but efforts to improve productivity and maintain appropriate prices led to increased sales and profits.

Engineering Services segment

- For engineering and construction work, amid continued intensifying competition for external construction work, sales and profit increased due to an increase in construction work.
- Sales of industrial paints and painting work remained flat due to strong paint sales. In profitable painting work, however, there was a decrease in profits due to reduced demand for construction machinery.
- Structural design saw strong acquisition in seismic reinforcement design and seismic diagnosis, but sales and profits decreased due to sluggish growth in architectural and civil engineering design.

These results are provided below.

(Millions of yen)

| Business segments | Net sales | | | Operating profit | | |
|----------------------|--------------------|---------------|------------------|--------------------|---------------|------------------|
| | Three months ended | | | Three months ended | | |
| | Jun. 30, 2024 | Jun. 30, 2025 | Amount of change | Jun. 30, 2024 | Jun. 30, 2025 | Amount of change |
| Chemical Products | 5,257 | 5,305 | 48 | 347 | 433 | 86 |
| Bottling | 1,046 | 931 | (114) | (232) | (301) | (69) |
| Metal Working | 1,817 | 1,868 | 51 | 95 | 172 | 76 |
| Engineering Services | 911 | 1,200 | 289 | 154 | 158 | 4 |
| Subtotal | 9,032 | 9,306 | 274 | 365 | 463 | 98 |
| Eliminations | (272) | (651) | (379) | 12 | (18) | (31) |
| Total | 8,760 | 8,655 | (104) | 378 | 445 | 67 |

(2) Overview of the Consolidated Balance Sheets as of June 30, 2025

(Assets)

Total assets was ¥55,346 million, an increase of ¥2,333 million from the end of the previous fiscal year.

The breakdown of major increases (decreases) in assets includes an increase in investment securities of ¥1,047 million and an increase in cash and deposits of ¥787 million.

(Liabilities)

Liabilities was ¥18,250 million, an increase of ¥2,717 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 ¥2,902 million and a decrease in income taxes payable of ¥974 million.

(Net assets)

Total net assets was ¥37,095 million, a decrease of ¥383 million from the end of the previous fiscal year.

The breakdown of major increases (decreases) in net assets includes a decrease in retained earnings of ¥563 million most of which derived from the payment of dividends, a decrease of ¥503 million due to repurchase of treasury shares and an increase in valuation difference on available-for-sale securities of ¥711 million.

As a result of the above, equity-to-asset ratio decreased from 70.7% to 67.0%.

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

The global economy in fiscal year 2025 is expected to slow down due to the U.S. tariff increases. In addition to a significant slowdown in the U.S.'s own growth rate, regions outside the U.S. are expected to see a decrease in exports to the U.S. China is expected to partially offset the decrease in exports to the U.S. through export drives and expansion of exports to third countries, but continued sluggish domestic demand is expected to be a hindrance, leading to a slowdown in growth rate.

In Japan, the impact of tariffs is expected to be a headwind, leading to low growth in fiscal year 2025. On the other hand, the decline in crude oil prices is expected to suppress import costs, allowing corporate profits to remain at a high level, and under strong labor shortages, the momentum for wage increases is expected to continue. Consequently, consumer spending is expected to continue a gradual recovery, and a severe economic recession is expected to be avoided. In light of the economic environment mentioned above, our outlook for each business segment is as follows.

The Chemical Products segment, including Explosives and Chemicals, is expected to continue solid sales as in the previous fiscal year overall, but the recovery in sales for the Silicon wafers is expected from the second half of fiscal year 2025 onwards due to the slow progress in inventory digestion of small-diameter Silicon wafers. The Bottling segment is expected to perform solidly due to the early onset of intense heat starting in June. We expect the performance in the Metal Working segment and Engineering Services segment to remain solid as in the previous year in line with the fortunes of the Japanese economy.

The consolidated earnings forecast for the fiscal year ending March 31, 2026 is as announced on May 15, 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 |
| Six months ending Sep. 30, 2025 | 18,500 | 2.5 | 1,100 | (7.9) | 1,200 | (13.2) | 800 | (15.9) | 34.68 |
| Full year | 39,000 | 5.6 | 3,100 | 1.7 | 3,350 | 0.9 | 2,700 | 5.0 | 117.04 |

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,945 | 5,733 |
| Notes and accounts receivable - trade, and contract assets | 9,649 | 9,611 |
| Merchandise and finished goods | 3,503 | 3,675 |
| Work in process | 628 | 651 |
| Raw materials and supplies | 2,045 | 1,992 |
| Other | 2,146 | 2,076 |
| Allowance for doubtful accounts | (12) | (15) |
| Total current assets | 22,906 | 23,725 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 7,950 | 8,200 |
| Machinery, equipment and vehicles, net | 3,280 | 3,555 |
| Land | 5,751 | 5,751 |
| Construction in progress | 1,484 | 1,261 |
| Other, net | 1,016 | 989 |
| Total property, plant and equipment | 19,482 | 19,757 |
| Intangible assets | | |
| Other | 480 | 527 |
| Total intangible assets | 480 | 527 |
| Investments and other assets | | |
| Investment securities | 8,631 | 9,678 |
| Retirement benefit asset | 425 | 482 |
| Other | 1,107 | 1,184 |
| Allowance for doubtful accounts | (21) | (9) |
| Total investments and other assets | 10,142 | 11,336 |
| Total non-current assets | 30,105 | 31,621 |
| Total assets | 53,012 | 55,346 |

| | As of March 31, 2025 | As of June 30, 2025 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 5,164 | 4,845 |
| Short-term borrowings | — | 3,000 |
| Current portion of long-term borrowings | 235 | 235 |
| Income taxes payable | 1,347 | 373 |
| Provision for bonuses | 815 | 1,145 |
| Other | 2,372 | 2,846 |
| Total current liabilities | 9,935 | 12,445 |
| Non-current liabilities | | |
| Long-term borrowings | 235 | 176 |
| Provision for share awards | 42 | 46 |
| Provision for share awards for directors (and other officers) | 111 | 119 |
| Retirement benefit liability | 342 | 342 |
| Other | 4,865 | 5,119 |
| Total non-current liabilities | 5,597 | 5,805 |
| Total liabilities | 15,533 | 18,250 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,099 | 2,099 |
| Capital surplus | 1,190 | 1,190 |
| Retained earnings | 29,271 | 28,707 |
| Treasury shares | (333) | (836) |
| Total shareholders' equity | 32,228 | 31,161 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,838 | 5,550 |
| Deferred gains or losses on hedges | (10) | (7) |
| Foreign currency translation adjustment | 198 | 171 |
| Remeasurements of defined benefit plans | 224 | 219 |
| Total accumulated other comprehensive income | 5,251 | 5,934 |
| Total net assets | 37,479 | 37,095 |
| Total liabilities and net assets | 53,012 | 55,346 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income

(Millions of yen)

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2025 |
|---|---|---|
| Net sales | 8,760 | 8,655 |
| Cost of sales | 6,801 | 6,744 |
| Gross profit | 1,959 | 1,911 |
| Selling, general and administrative expenses | 1,581 | 1,466 |
| Operating profit | 378 | 445 |
| Non-operating income | | |
| Interest income | 0 | 0 |
| Dividend income | 121 | 123 |
| Share of profit of entities accounted for using equity method | 3 | 6 |
| Other | 41 | 25 |
| Total non-operating income | 166 | 155 |
| Non-operating expenses | | |
| Interest expenses | 9 | 8 |
| Commission for purchase of treasury shares | — | 4 |
| Foreign exchange losses | — | 6 |
| Other | 1 | 0 |
| Total non-operating expenses | 10 | 19 |
| Ordinary profit | 533 | 581 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 17 | 0 |
| Total extraordinary income | 17 | 0 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | 22 |
| Total extraordinary losses | 0 | 22 |
| Profit before income taxes | 550 | 559 |
| Income taxes | 185 | 260 |
| Profit | 365 | 299 |
| Profit attributable to owners of parent | 365 | 299 |

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2025 |
|---|---|---|
| Profit | 365 | 299 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 537 | 711 |
| Deferred gains or losses on hedges | 19 | 3 |
| Foreign currency translation adjustment | 20 | (26) |
| Remeasurements of defined benefit plans, net of tax | 2 | (5) |
| Total other comprehensive income | 579 | 682 |
| Comprehensive income | 945 | 981 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 945 | 981 |

(3) Notes to 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 first quarter.

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

Segment Information

(1) First three months of the fiscal year ended March 31, 2025 (April 1, 2024 to June 30, 2024)

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

(Millions of yen)

| | Reportable Segment | | | | | Adjust- ments (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 | 5,073 | 1,046 | 1,782 | 857 | 8,760 | – | 8,760 |
| Inter-segment sales | 184 | – | 34 | 53 | 272 | (272) | – |
| Total | 5,257 | 1,046 | 1,817 | 911 | 9,032 | (272) | 8,760 |
| Segment profit (loss) | 347 | (232) | 95 | 154 | 365 | 12 | 378 |

Notes: 1. Adjustments to segment profit of ¥12 million are inter-segment eliminations.

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

(2) First three months of the fiscal year ending March 31, 2026 (April 1, 2025 to June 30, 2025)

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

(Millions of yen)

| | Reportable Segment | | | | | Adjust- ments (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 | 5,045 | 931 | 1,832 | 845 | 8,655 | – | 8,655 |
| Inter-segment sales | 259 | – | 35 | 355 | 651 | (651) | – |
| Total | 5,305 | 931 | 1,868 | 1,200 | 9,306 | (651) | 8,655 |
| Segment profit (loss) | 433 | (301) | 172 | 158 | 463 | (18) | 445 |

Notes: 1. Adjustments to segment profit of negative ¥18 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 consolidated subsidiaries, Japan Carlit Co., Ltd. and Silicon Technology Corporation, with the Company as the surviving entity. Accordingly, management categories were revised, and financial information of the Company that was included in the Other segment prior to this reorganization is now included in the Chemical Products segment.

Segment information for the three months ended June 30, 2024 is based on the classification of the reportable segments after the change.

Significant Changes in Amounts of Shareholders' Equity

Repurchase and cancellation of treasury shares

The Company, at the Board of Directors meeting held on May 15, 2025, resolved the matters concerning the repurchase of treasury shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act and also resolved the matters concerning the cancellation of treasury shares pursuant to the provisions of Article 178 of the Companies Act. The details of the repurchase are as follows.

Repurchase of treasury shares (as of June 30, 2025)

| | |
|---|-----------------|
| Total number of repurchased shares: | 432,000 shares |
| Total amount of the repurchase of shares: | 503,044,400 yen |

(Reference)

Details of the resolution passed at the meeting of the Board of Directors held on May 15, 2025

1. Reason for repurchase and cancellation of treasury shares

Our Medium-term Management Plan "Challenge 2027" (from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028) announced in March 2025 sets out the Group's financial policy of providing appropriate shareholder returns based on an optimal capital structure. Based on this policy, we have decided to repurchase and cancel treasury shares with the aim of providing flexible shareholder returns that are directed to improve capital efficiency.

2. Details of matters related to the repurchase

| | |
|--|---|
| (1) Class of shares to be repurchased | Common shares of the Company |
| (2) Total number of shares to be repurchased | 1,300,000 shares (maximum) (5.4% of total number of issued shares (excluding treasury shares)) |
| (3) Total amount of the repurchase of shares | 1.0 billion yen (maximum) |
| (4) Repurchase period | From May 16, 2025 to November 28, 2025 |
| (5) Method of repurchase | Market purchase on the Tokyo Stock Exchange |

3. Details of matters related to the cancellation

| | |
|--|---|
| (1) Class of shares to be cancelled | Common shares of the Company |
| (2) Total number of shares to be cancelled | All treasury shares repurchased by the process described in "2." above. |
| (3) Scheduled date of cancellation | December 26, 2025 |

Going Concern Assumption

Not applicable

Notes to Quarterly Consolidated Cash Flow Statement

There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2025.

Depreciation for the three months ended June 30, 2025/2024 is as follows:

| | (Millions of yen) | |
|--------------|---|---|
| | For the three months ended June 30, 2024 | For the three months ended June 30, 2025 |
| Depreciation | 415 | 420 |

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

August 8, 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 first quarter ended June 30, 2025 (April 1, 2025 to June 30, 2025) and for the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025), which are included in the attached materials to the Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026) 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 (including the provisions applicable to audits of financial statements of entities with higher social impact), 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.