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February 2, 2024

**Consolidated Financial Results**  
for the Third Quarter of the Fiscal Year Ending March 31, 2024  
(Based on Japanese GAAP)

Company name: Carlit Holdings 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  
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Scheduled date to file quarterly securities report: February 13, 2024  
Scheduled date to commence dividend payments: –  
Preparation of explanatory materials for quarterly financial results: No  
Holding of quarterly 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, 2024  
(from April 1, 2023 to December 31, 2023)

(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, 2023	26,905	1.3	2,384	37.0	2,639	31.2	1,859	27.4
Dec. 31, 2022	26,564	6.2	1,740	(0.9)	2,012	3.1	1,459	(15.0)

Note: Comprehensive income For the nine months ended Dec. 31, 2023: ¥3,230 million [100.7%]  
For the nine months ended Dec. 31, 2022: ¥1,609 million [(17.4)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
Dec. 31, 2023	78.56	–
Dec. 31, 2022	61.40	–

(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, 2023	53,619	35,838	66.8	1,520.56
Mar. 31, 2023	51,230	33,179	64.8	1,402.70

Reference: Shareholders' equity: As of Dec. 31, 2023: ¥35,838 million; As of Mar. 31, 2023: ¥33,179 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, 2023	–	0.00	–	20.00	20.00
Fiscal year ending Mar. 31, 2024	–	0.00	–		
Fiscal year ending Mar. 31, 2024 (Forecast)				20.00	20.00

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, 2024

(from April 1, 2023 to March 31, 2024)

(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	5.5	3,150	19.3	3,400	16.8	2,600	15.7	109.43

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

### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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” 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 Dec. 31, 2023	24,050,000 shares	As of Mar. 31, 2023	24,050,000 shares
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(ii) Number of treasury shares at the end of the period

As of Dec. 31, 2023	480,797 shares	As of Mar. 31, 2023	396,097 shares
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(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended Dec. 31, 2023	23,670,659 shares	Nine months ended Dec. 31, 2022	23,771,267 shares
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\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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. Quarterly Qualitative Information on 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. Quarterly Qualitative Information on Business Results

We have formulated our Medium-term Management Plan entitled “Challenge 2024” that kicked off in fiscal year 2022. Our management policy is to pursue improvements in corporate value through the optimization of our business portfolio. In line with this policy, 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) advancement of ESG management; and (5) rebuilding of business infrastructure.

In addition to these, in May 2023, we revised our Medium-term Management Plan “Challenge 2024” on a rolling basis in order to better ensure that we will achieve the goals of the Medium-term Management Plan by responding flexibly to changes in the business environment. We have formulated the new Medium-term Management Plan “Rolling Plan 2023,” which adds specific measures for improving our ROE and PER in order to improve our PBR.

### (1) Explanations of Business Results

#### (i) Explanation of operating results

In the nine months ended December 31, 2023, with socioeconomic activities beginning to normalize as restrictions on movement caused by COVID-19 eased, the electronic materials and silicon wafer areas were still affected by slowing global demand for semiconductors. However, all other business areas performed solidly.

(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, 2023	26,905	1.3	2,384	37.0	2,639	31.2	1,859	27.4
Dec. 31, 2022	26,564	6.2	1,740	(0.9)	2,012	3.1	1,459	(15.0)

#### (ii) Explanations by business segment

Starting from the first quarter ended June 30, 2023, in conjunction with the transition to business management for each, in conjunction with the transition to business management for each business domain based on the business portfolio, the Company has appointed an officer in charge for each business segment, aiming to clarify the investment efficiency, profitability, etc. of each business domain, and clarified the executive functions and scope of responsibility of the officers. In accordance with the revision of the management categories for making management decisions and formulating budgets, the reportable segments have been changed from the previous four categories of “Chemical Products Business,” “Bottling Business,” “Industrial Materials Business,” and “Engineering Services Business” to the four categories of “Chemical Products Business,” “Bottling Business,” “Metal Working Business,” and “Engineering Services Business.”

Segment information for the nine months ended December 31, 2022 is based on the classification of the reportable segments after the change. Our main products and services are as follows.

#### Chemical Products

##### Explosives = increase in sales and profit

- Industrial explosives experienced a decrease in sales and profit due to a decline in demand for crushed limestone as well as soaring costs for raw materials and other factors.
- Automotive emergency flares saw an increase in sales and profit due to higher demand, as the automotive production increased.
- Signal flares for highway use experienced an increase in sales and profit due to higher demand, as the constraints on people’s movement caused by COVID-19 were eased.
- Raw materials for fireworks saw an increase in both sales and profits due to the improved profitability resulting from efforts to review the product mix among others, as well as an increase in the number of fireworks shows.

##### Material assessment service = increase in sales and profit

- Safety evaluation testing and secondary batteries testing sales and profit both increased due to active development of batteries continuing.

Chemicals = increase in sales and profit

- Sodium chlorate sales and profit increased as we maintained stable supply to meet demand for pulp bleaching applications.
- Ammonium perchlorate (the raw material in propellants for rockets and defense missiles) saw sales and profit increase due to increased demand for defense applications.
- Although electrodes experienced a decrease in sales due to inventory adjustments by customers and a decline in spot orders, profit increased due to increased sales of high value-added products.
- Perchloric acid sales increased given increased demand in Japan and overseas. However, profit decreased due to soaring costs for raw materials.

Electronic materials = decrease in sales and profit

- Sales and profits of electronic materials and functional materials decreased due to continued sluggish demand in Asia and other overseas markets, and domestic demand affected by such factors as customers' inventory adjustments. We will continue to focus on product development and sales activities including product performance enhancement and compliance with environmental regulations.

Ceramics = decrease in sales and profit

- Despite efforts to expand new sales and increase market share, sales and profit decreased due to sluggish demand from domestic grindstone and abrasive paper manufacturers.

Silicon wafers = decrease in sales and profit

- With the global slump in semiconductor demand, sales and profit decreased due to a drop-off in demand from several customers. We will continue to focus on activities such as expansion of applications for high value-added products including High Flatness Wafers, new development and expansion of market share in the small-diameter wafer market, and productivity improvement of existing product lines.

Bottling

- PET remained steady, driven by increased consumer spending and inbound tourist demand. In addition, the Company's efforts to maintain appropriate prices and improve costs delivered increased sales and profits.

Metal Working

- Heat-resistant metal parts for furnaces saw a decrease in sales due to the sale of a related subsidiary in the previous fiscal year to focus on stable growth and profitability as well as a review of the product mix, but an increase in profit due to the maintenance of fair prices and concentration of resources on products where we have strengths.
- For various metal spring and pressed products, while sales increased due to strong demand related to autos, profit decreased due to a change in the product mix resulting from a decline in demand from construction machinery, and the effects of a sharp rise in the cost of procured materials.

Engineering Services

- For engineering and construction work, while sales increased due to an increase in the number of construction starts, profit decreased due to a decline in completed project profits due to the lack of progress in completing work in hand.
- While sales of industrial paints and painting work decreased due to the absence of large spot projects recorded in the previous fiscal year, profit increased due to favorable market conditions overall.
- Structural design sales and profits increased due to an increase in highly profitable projects.

These results are provided below.

(Millions of yen)

Business segments	Net sales		Operating profit	
	Nine months ended		Nine months ended	
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Chemical Products	14,967	15,135	1,027	1,277
Bottling	3,464	3,838	31	424
Metal Working	5,572	5,474	342	360
Engineering Services	2,987	2,951	407	484
Subtotal	26,992	27,400	1,808	2,547
Other	(427)	(494)	(68)	(162)
Total	26,564	26,905	1,740	2,384

## **(2) Summary of the Consolidated Balance Sheets**

### **(Assets)**

Total assets was ¥53,619 million, an increase of ¥2,388 million from the end of the previous fiscal year. This was primarily driven by increases in notes and accounts receivable – trade, and contract assets of ¥1,627 million, investment securities of ¥1,813 million and inventories of ¥166 million; partially offset by a decrease in cash and deposits of ¥1,370 million.

### **(Liabilities)**

Liabilities was ¥17,781 million, a decrease of ¥270 million from the end of the previous fiscal year. This was primarily driven by decreases in retirement benefit liability of ¥749 million and interest - bearing liabilities of ¥857 million; partially offset by an increase in notes and accounts payable - trade of ¥1,330 million.

### **(Net assets)**

Total net assets was ¥35,838 million, an increase of ¥2,659 million from the end of the previous fiscal year. This was primarily driven by increases in retained earnings of ¥1,380 million, most of which were derived from profit attributable to owners of parent, and valuation difference on available-for-sale securities of ¥1,272 million.

As a result of the above, equity-to-asset ratio increased from 64.8% to 66.8%.

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

In the U.S., we expect the labor market manpower shortage and supply chain goods shortage (supply constraints) to ease, leading to a simultaneous normalization of economic activity and a rapid slowdown in inflation. Due to the effects of monetary tightening to date, we expect the economy to slow in 2024, but avoid negative growth.

In China, the slowdown is expected to intensify in 2023 and 2024 due to the prolonged adjustment in the real estate sector, while in ASEAN and elsewhere, the economy is expected to recover through to 2025 due to a pickup in the semiconductor cycle, policy rate cuts, and a recovery in external demand.

In Japan, we expect only a moderate recovery in fiscal year 2024 due to the slowdown in overseas economies and sluggish growth in real employment compensation, in addition to a lull in the recovery of services consumption and inbound demand associated with the receding of infection concerns.

In light of the economic environment mentioned above, our outlook for each business segment is as follows.

In the Chemical Products Business segment, although the semiconductor cycle is picking up, the market for upstream raw materials such as electronic materials and silicon wafers, which are our business areas, will continue to be sluggish, so we expect demand to recover towards the second half of fiscal year 2024. On the other hand, we expect sales of products for automotive applications and basic chemical products to remain solid. We are expecting the Bottling Business to continue to increase revenues and profits due to the recovery of inbound tourist demand and winter beverage consumption. We expect the Metal Working Business and Engineering Services Business to achieve solid results in line with the fortunes of the Japanese economy.

The consolidated earnings forecast for the fiscal year ending March 31, 2024 is as announced on September 11, 2023.



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

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,966	2,595
Notes and accounts receivable - trade, and contract assets	9,957	11,584
Merchandise and finished goods	3,056	3,482
Work in process	514	495
Raw materials and supplies	2,309	2,070
Other	2,236	2,456
Allowance for doubtful accounts	(13)	(12)
Total current assets	22,027	22,672
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,260	8,246
Machinery, equipment and vehicles, net	3,049	2,971
Land	5,868	5,868
Construction in progress	400	473
Other, net	1,319	1,211
Total property, plant and equipment	18,898	18,771
Intangible assets		
Other	85	142
Total intangible assets	85	142
Investments and other assets		
Investment securities	9,066	10,879
Retirement benefit asset	5	21
Other	1,232	1,207
Allowance for doubtful accounts	(84)	(76)
Total investments and other assets	10,218	12,032
Total non-current assets	29,202	30,946
Total assets	51,230	53,619

As of March 31, 2023

As of December 31, 2023

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,584	6,914
Short-term borrowings	157	24
Current portion of long-term borrowings	847	564
Income taxes payable	594	441
Provision for bonuses	676	328
Other	2,168	2,155
<b>Total current liabilities</b>	<b>10,029</b>	<b>10,429</b>
Non-current liabilities		
Long-term borrowings	941	588
Provision for environmental measures	5	—
Provision for share awards	—	9
Provision for share awards for directors (and other officers)	75	74
Retirement benefit liability	1,218	469
Other	5,780	6,208
<b>Total non-current liabilities</b>	<b>8,021</b>	<b>7,351</b>
<b>Total liabilities</b>	<b>18,051</b>	<b>17,781</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,099	2,099
Capital surplus	1,190	1,190
Retained earnings	25,371	26,752
Treasury shares	(241)	(333)
<b>Total shareholders' equity</b>	<b>28,420</b>	<b>29,709</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,758	6,030
Deferred gains or losses on hedges	8	29
Foreign currency translation adjustment	137	169
Remeasurements of defined benefit plans	(145)	(100)
<b>Total accumulated other comprehensive income</b>	<b>4,758</b>	<b>6,129</b>
<b>Total net assets</b>	<b>33,179</b>	<b>35,838</b>
<b>Total liabilities and net assets</b>	<b>51,230</b>	<b>53,619</b>

**(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, 2022	For the nine months ended December 31, 2023
Net sales	26,564	26,905
Cost of sales	20,217	19,875
Gross profit	6,346	7,030
Selling, general and administrative expenses	4,606	4,645
Operating profit	1,740	2,384
Non-operating income		
Interest income	0	0
Dividend income	227	233
Share of profit of entities accounted for using equity method	8	10
Miscellaneous income	98	79
Total non-operating income	334	323
Non-operating expenses		
Interest expenses	45	35
Inactive facility expenses	—	24
Miscellaneous losses	17	9
Total non-operating expenses	62	68
Ordinary profit	2,012	2,639
Extraordinary income		
Gain on sale of non-current assets	6	0
Gain on sale of investment securities	168	117
Total extraordinary income	175	117
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	2	22
Loss on sale of shares of subsidiaries and associates	50	—
Total extraordinary losses	53	22
Profit before income taxes	2,134	2,734
Income taxes	674	875
Profit	1,459	1,859
Profit attributable to owners of parent	1,459	1,859

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	1,459	1,859
Other comprehensive income		
Valuation difference on available-for-sale securities	75	1,272
Deferred gains or losses on hedges	(15)	20
Foreign currency translation adjustment	60	32
Remeasurements of defined benefit plans, net of tax	28	45
Total other comprehensive income	149	1,370
Comprehensive income	1,609	3,230
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,609	3,230

### (3) Notes to Quarterly Consolidated Financial Statements

#### Going Concern Assumption

Not applicable

#### Significant Changes in Amounts of Shareholders' Equity

Pursuant to a resolution at a meeting of the Board of Directors held on November 28, 2023, the Company purchased 131,800 shares of treasury shares in connection with the introduction of an employee share benefit trust (J-ESOP), resulting in an increase of ¥91 million in treasury shares in the nine months ended December 31, 2023. Treasury shares at the end of this third quarter was ¥333 million.

#### 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, 2023 (April 1, 2022 to December 31, 2022)

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

(Millions of yen)

	Reportable Segment					Other (Note)	Total
	Chemical Products	Bottling	Metal Working	Engineering Services	Sub-total		
Net sales							
Outside customers	14,704	3,464	5,449	2,827	26,446	117	26,564
Inter-segment sales	263	–	122	159	545	1,657	2,202
Total	14,967	3,464	5,572	2,987	26,992	1,774	28,767
Segment profit (loss)	1,027	31	342	407	1,808	762	2,571

Note: "Other" comprises business operations that are not categorized as reportable segments, and includes the Company as a holding company.

(ii) Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statements of income and details thereof (reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	1,808
"Other" segment profit	762
Inter-segment eliminations	(830)
Operating profit in the quarterly consolidated statements of income	1,740

**(2) First nine months of the fiscal year ending 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					Other (Note)	Total
	Chemical Products	Bottling	Metal Working	Engineering Services	Sub-total		
Net sales							
Outside customers	14,865	3,835	5,361	2,726	26,788	116	26,905
Inter-segment sales	270	2	113	225	611	1,688	2,299
Total	15,135	3,838	5,474	2,951	27,400	1,805	29,205
Segment profit (loss)	1,277	424	360	484	2,547	834	3,381

Note: "Other" comprises business operations that are not categorized as reportable segments, and includes the Company as a holding company.

**(ii) Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statements of income and details thereof (reconciliation)**

(Millions of yen)

Profit	Amount
Reportable segments total	2,547
"Other" segment profit	834
Inter-segment eliminations	(997)
Operating profit in the quarterly consolidated statements of income	2,384

**(iii) Changes to Reportable Segments**

Starting from the first quarter ended June 30, 2023, in conjunction with the transition to business management for each business domain based on the business portfolio, the Company has appointed an officer in charge for each business segment, aiming to clarify the investment efficiency, profitability, etc. of each business domain, and clarified the executive functions and scope of responsibility of the officers. In accordance with the revised management categories for making management decisions and formulating budgets, the reportable segments have been changed from the previous four categories of "Chemical Products Business," "Bottling Business," "Industrial Materials Business," and "Engineering Services Business" to the four categories of "Chemical Products Business," "Bottling Business," "Metal Working Business," and "Engineering Services Business."

Segment information for the nine months ended December 31, 2022 is based on the classification of the reportable segments after the change.