

Explanation of Financial Results for the 2nd Quarter of the Year ending March 31, 2026

November 10, 2025

 **NIPPON CARBIDE INDUSTRIES CO.,INC.**



Summary of Financial Results for the 2nd Quarter of the Year ending March 31, 2026

Summary [Consolidated Statements of Income]



Unit: Million yen

	2nd Quarter of year ended March 31, 2025	2nd Quarter of year ending March 31, 2026	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	23,370	24,262	891	+3.8%
Operating profit	1,263	2,093	830	+65.7%
Operating profit/ net sales	5.4%	8.6%	—	+3.2point
Ordinary profit	1,381	2,363	982	+71.1%
Quarterly net profit	847	1,531	683	+80.6%

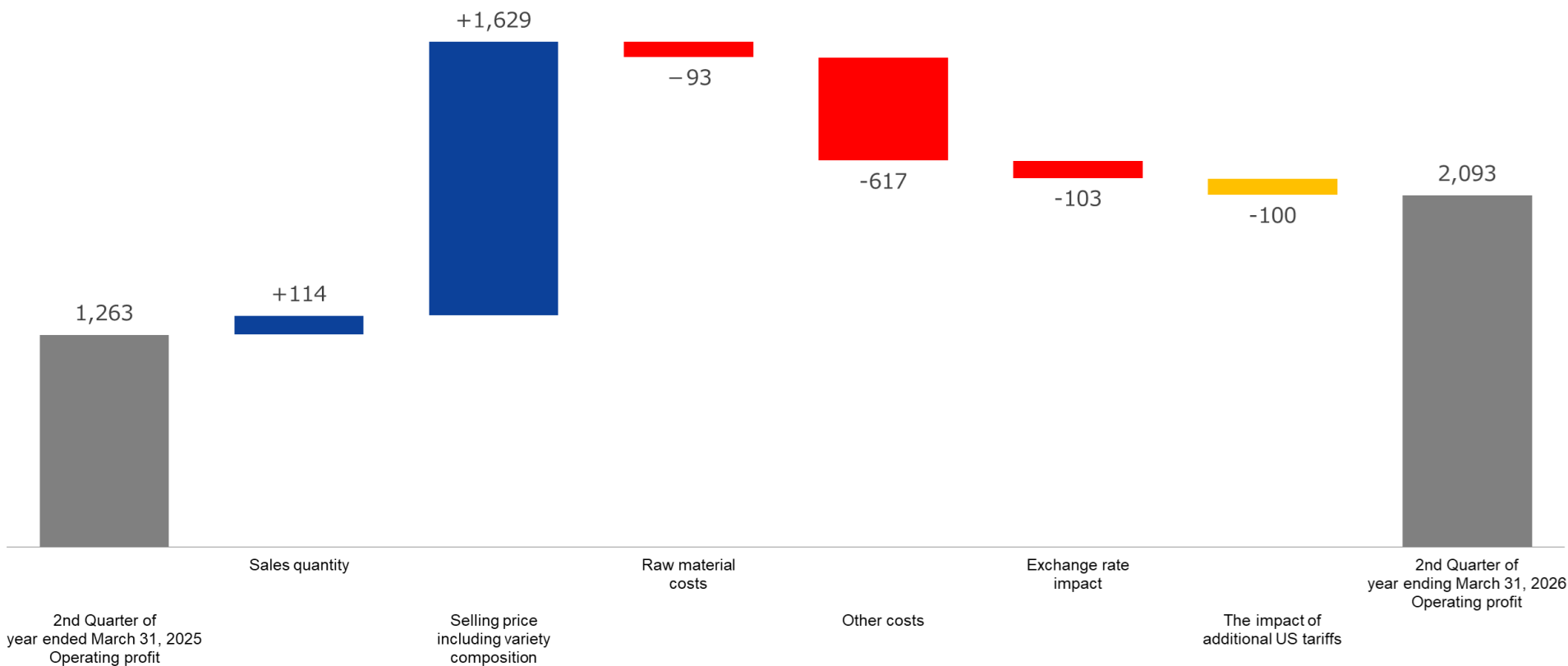
Analysis of factors leading to changes in operating profit

2nd Quarter of year ended March 31, 2025 vs 2nd Quarter of year ending March 31, 2026



Increase in profits by 830 million yen compared to the same period of the previous year

Unit: Million yen



Performance by segment



Unit: Million yen

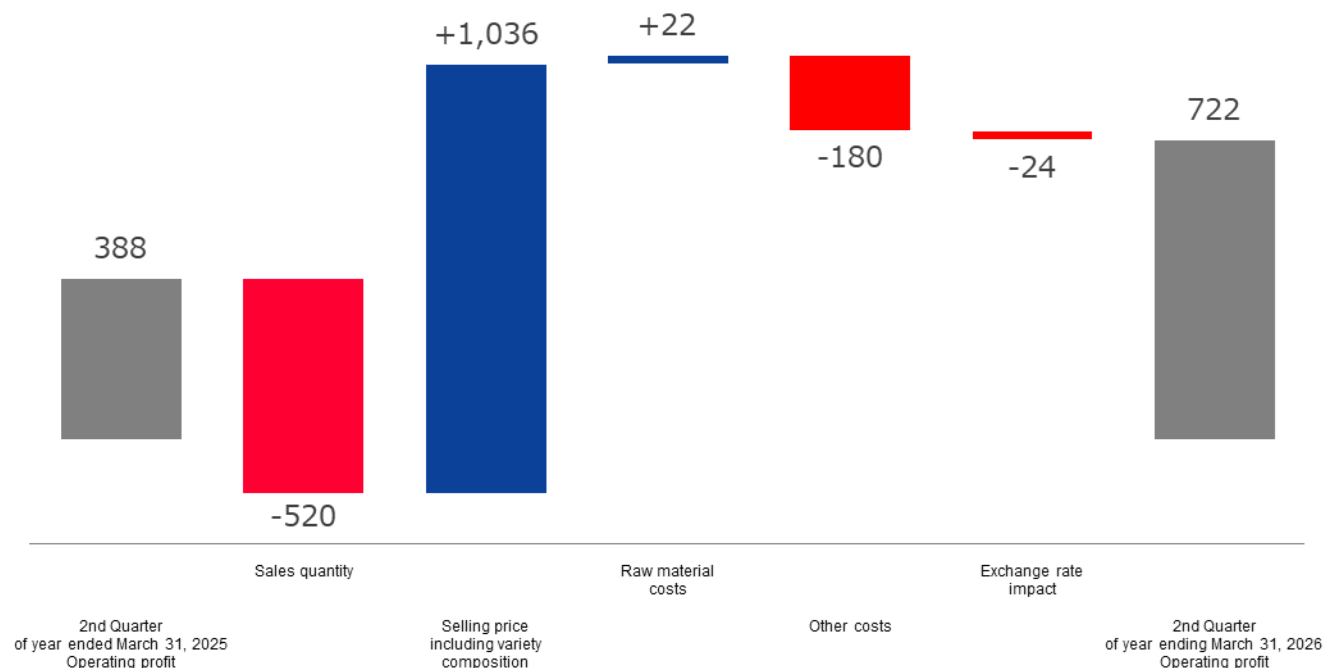
		2nd Quarter of year ended March 31, 2025	2nd Quarter of year ending March 31, 2026	Year-on-year comparison	
		Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Electronics and Functional Products	Net sales	8,621	8,261	-360	-4.2%
	Operating profit	388	722	333	+85.9%
Films and Sheetings Products	Net sales	9,963	10,460	496	+5.0%
	Operating profit	966	1,413	446	+46.2%
Construction Materials Related	Net sales	3,501	3,749	247	+7.1%
	Operating profit	11	78	66	+560.5%
Engineering	Net sales	1,422	1,911	488	+34.3%
	Operating profit	91	190	99	+109.7%
Consolidated adjustment amount	Net sales	-138	-120	18	-
	Operating profit	-194	-311	-117	-
Consolidated total amount	Net sales	23,370	24,262	891	+3.8%
	Operating profit	1,263	2,093	830	+65.7%

Situation by segment Electronics & Functional Products Business



Unit: Million yen

	2nd Quarter of year ended March 31, 2025	2nd Quarter of year ending March 31, 2026	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	8,621	8,261	-360	-4.2%
Functional chemicals	1,889	2,359	470	+24.9%
Functional polymers	3,907	2,988	-919	-23.5%
Electric materials	2,825	2,913	88	+3.1%
Operating profit	388	722	333	+85.9%

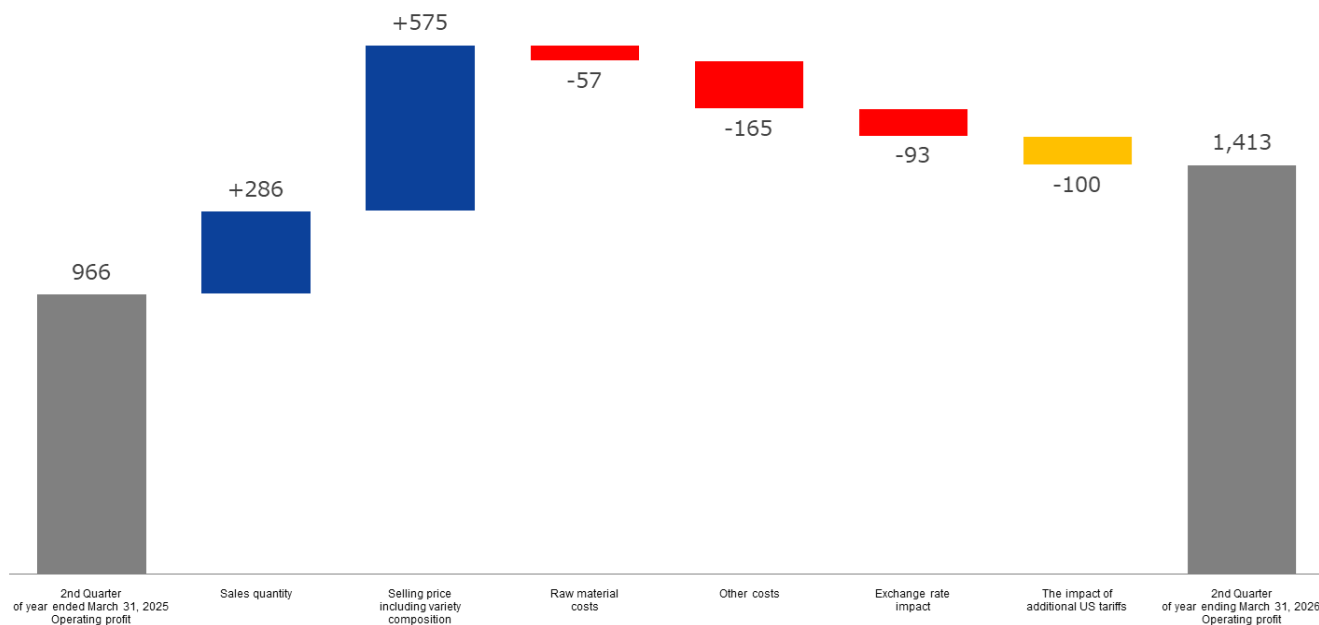


Situation by segment Films & Sheetings Products Business



Unit: Million yen

	2nd Quarter of year ended March 31, 2025	2nd Quarter of year ending March 31, 2026	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	9,963	10,460	496	+5.0%
Films	708	753	45	+6.4%
Stickers	3,588	3,785	197	+5.5%
Retroreflective sheetings	5,665	5,921	256	+4.5%
Operating profit	966	1,413	446	+46.2%

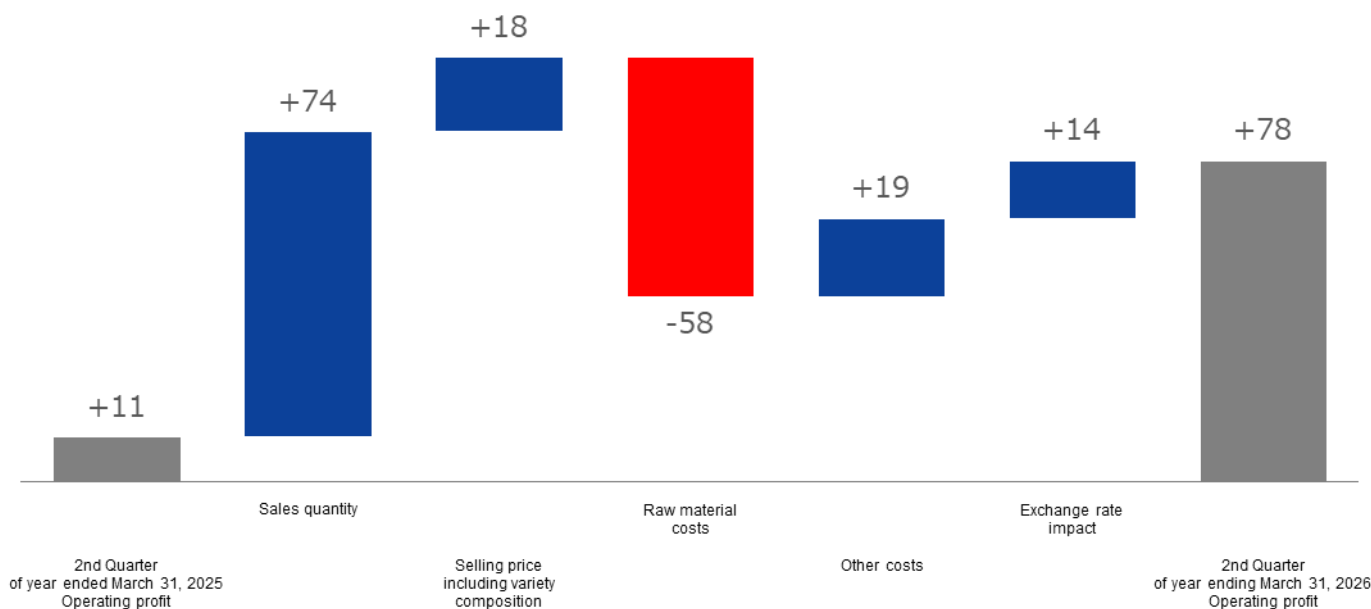


Situation by segment Construction Materials Related Business



Unit: Million yen

	2nd Quarter of year ended March 31, 2025	2nd Quarter of year ending March 31, 2026	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	3,501	3,749	247	+7.1%
Operating proffit	11	78	66	+560.5%





Unit: Million yen

	2nd Quarter of year ended March 31, 2025	2nd Quarter of year ending March 31, 2026	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	1,422	1,911	+488	+34.3%
Operating proffit	91	190	+99	+109.7%

[Summary] Consolidated balance sheets



Unit: Million yen

	Year ended March 31, 2025	2nd Quarter of year ending March 31, 2026	End-to-end ratio
Cash and deposits	14,538	13,211	-1,327
Notes and accounts receivable - trade	13,928	14,637	+709
Inventory	9,672	9,282	-389
Tangible fixed assets/intangible fixed assets	23,712	22,857	-854
Other	1,509	1,805	+295
Total assets	63,360	61,794	-1,566
Interest-bearing liabilities	9,902	8,524	-1,378
Notes and accounts payable - trade	5,890	5,353	-537
Other	9,662	9,862	+200
Total liabilities	25,454	23,739	-1,715
Shareholders' equity	25,388	26,569	+1,180
Accumulated other comprehensive income	10,333	9,214	-1,118
Non-controlling interests	2,184	2,271	+86
Total net assets	37,906	38,055	+149
Total liabilities and net assets	63,360	61,794	-1,566
D/E ratio	0.28	0.24	-0.04
Equity capital	35,721	35,783	62
Equity ratio	56.4%	57.9%	1.5point

Consolidated statements of cash flows



Free cash flow was 1,483million yen

Unit: Million yen

	2nd Quarter of year ended March 31,2025	2nd Quarter of year ending March 31,2026	Year-on-year comparison
Profit before income taxes	1,381	2,363	982
Depreciation	940	895	-45
Net cash provided by (used in) operating activities	-36	-1,269	-1,233
Other	-563	-266	298
Cash flows from operating actiities	1,722	1,723	1
Cash flows from investing actiities	99	-239	-338
Free cash flows	1,822	1,483	-339
Net increase (decrease) in borrowings	-1,455	-1,352	103
Dividends paid	-465	-372	93
Other	-122	-113	8
Cash flows from financing actiities	-2,042	-1,837	204
Effect of exchange rate change on cash and cash equivalents	927	-744	-1,671
Net increase (decrease) in cash and cash equivalents	706	-1,098	-1,805
Final balance of cash and cash equivalents	12,764	11,964	-799



Forecast of full-year results for the year ending 31 March, 2026

Forecast of consolidated results for the year ending 31 March 2026



Unit: Million yen

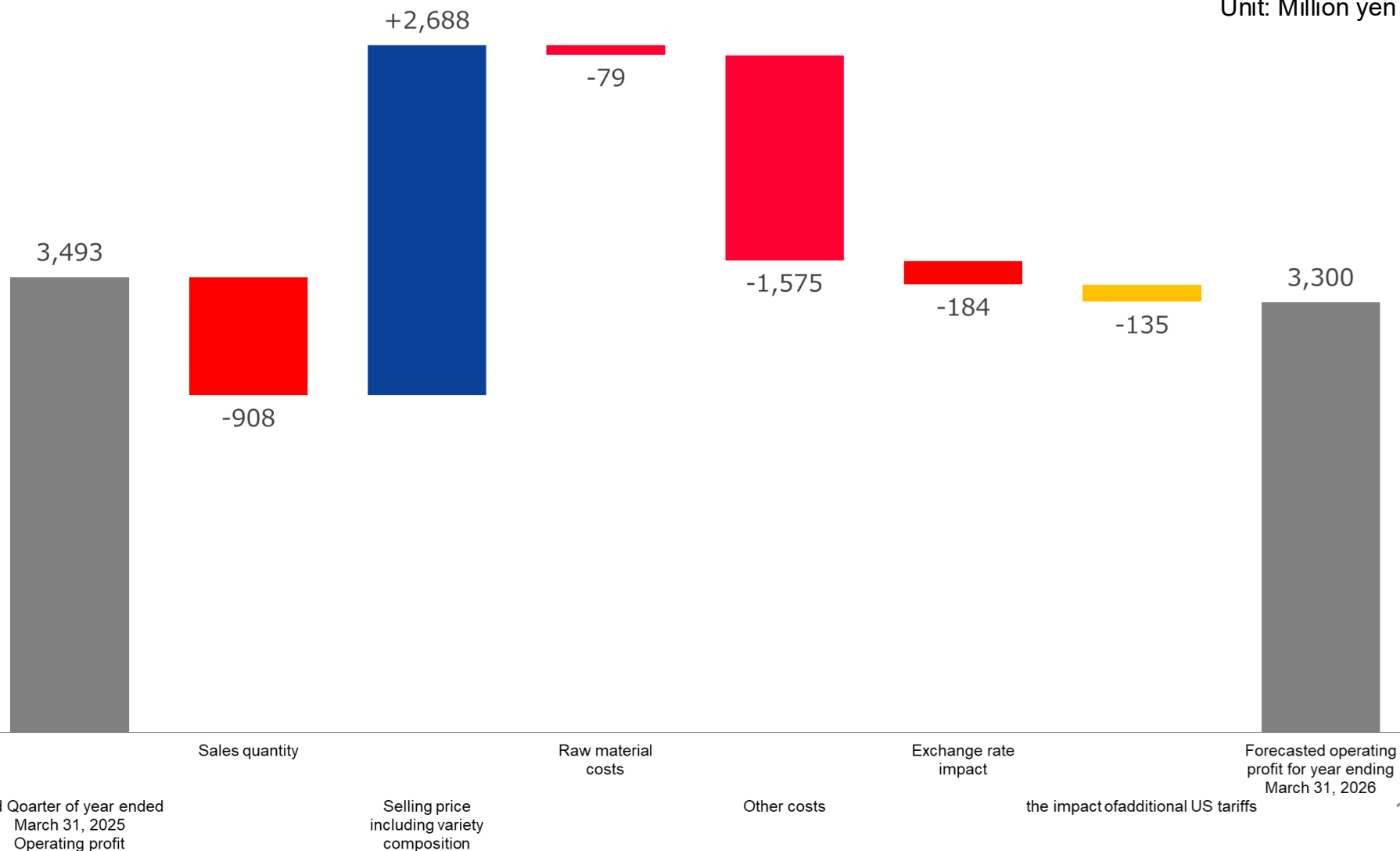
	Year ended March 31, 2025		Year ending March 31, 2026		Year ending March 31, 2026		Year-on-year changes	
	Results		Forecasts announced on 5/13		Forecasts at present		Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	48,727		49,000		49,000		273	+0.6%
Operating profit	3,493		3,300		3,300		-193	-5.5%
Profit margin	7.2%		6.7%		6.7%		-	-
Ordinary profit	3,761		3,400		3,400		-361	-9.6%
Profit margin	7.7%		6.9%		6.9%		-	-
Current net profit	2,211		2,300		2,300		89	+4.0%
Profit margin	4.5%		4.7%		4.7%		-	-
Dividend per share	Interim	40 yen	Interim	41 yen	Interim	41 yen	2 yen	+2.5%
	Year end	40 yen	Year end	41 yen	Year end	41 yen		

Analysis of factors leading to changes in operating profit FY2025 vs FY2026



Decrease in profits by 193million yen compared to the previous period

Unit: Million yen



Forecast by segment



Unit: Million yen

		Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2026	Year-on-year changes	
		Results	Forecasts announced on 5/13	Forecasts at present	Year-on-year changes (amount)	Year-on-year changes (percentage)
Electronics and Functional Products	Net sales	17,414	17,800	16,600	-814	-4.7%
	Operating profit	936	1,840	1,280	344	+36.8%
Films and Sheetings Products	Net sales	20,955	20,300	21,300	345	+1.6%
	Operating profit	2,568	1,940	2,510	-58	-2.3%
Construction Materials Related	Net sales	7,004	7,400	7,400	396	+5.7%
	Operating profit	75	140	80	5	+6.7%
Engineering	Net sales	3,598	4,000	4,000	402	+11.2%
	Operating profit	433	300	290	-143	-33.0%
Consolidated adjustment amount	Net sales	-245	-500	-300	-55	-
	Operating profit	-518	-920	-860	-342	-
Consolidated total amount	Net sales	48,727	49,000	49,000	273	+0.6%
	Operating profit	3,493	3,300	3,300	-193	-5.5%

**For questions and inquiries from analysts/institutional investors,
please contact**



NIPPON CARBIDE INDUSTRIES CO.,INC.

Public Relations & Investor Relations Group
Corporate Planning Department

Please contact us via e-mail:
prir@carbide.co.jp

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