Explanation of Financial Results for the 2nd Quarter of the Year ending March 31, 2027

November 9, 2026

NIPPON CARBIDE INDUSTRIES CO.,INC.

Summary of Financial Results for the 2nd Quarter of the Year ending March 31, 2027

Summary [Consolidated Statements of Income]

Unit: Million yen

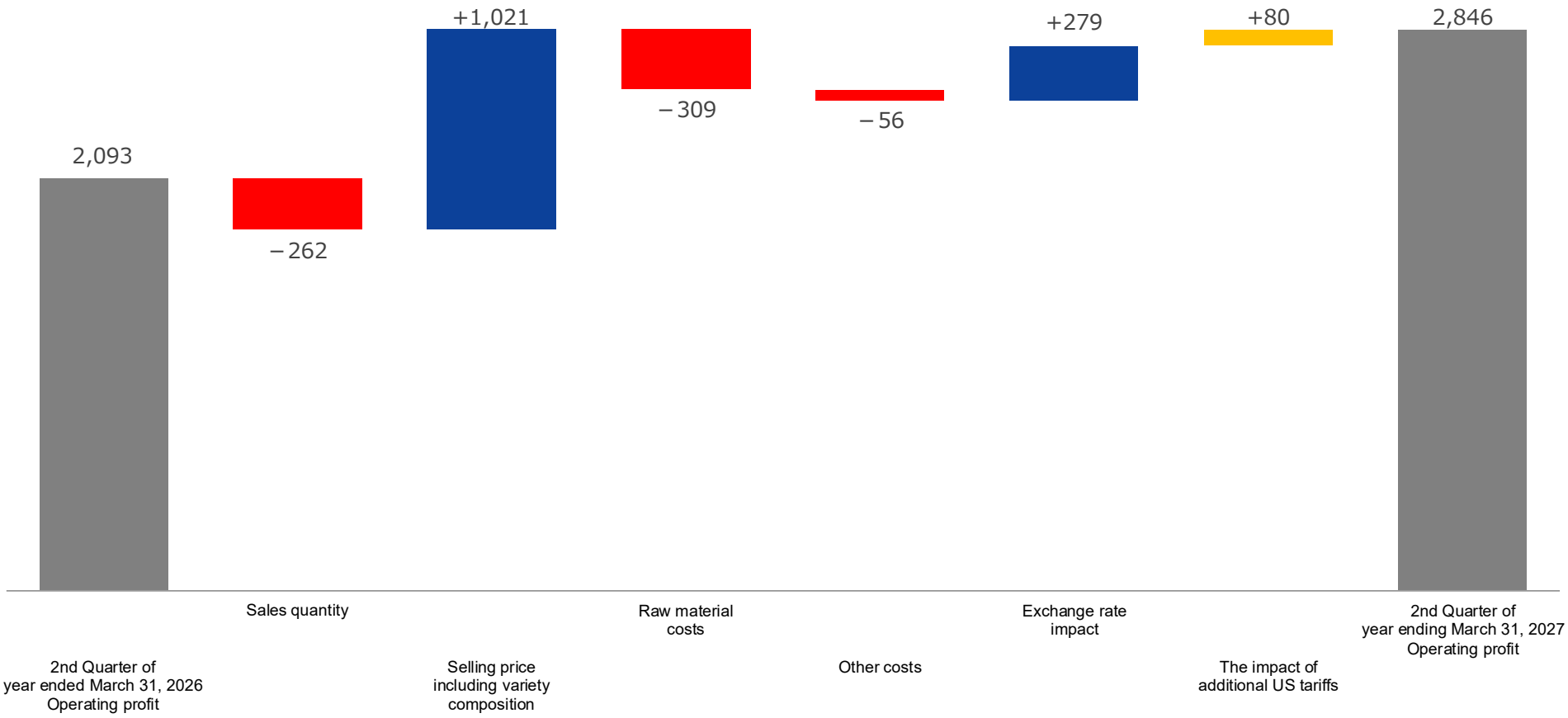
	2nd Quarter of year ending March 31, 2026	2nd Quarter of year ending March 31, 2027	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	24,262	**26,127**	1,865	+7.7%
Operating profit	2,093	**2,846**	752	+35.9%
Operating profit/ net sales	8.6%	**10.9%**	—	+2.3point
Ordinary profit	2,363	**2,851**	487	+20.6%
Quarterly net profit	1,531	**1,792**	260	+17.0%

Analysis of factors leading to changes in operating profit

2nd Quarter of year ended March 31, 2026 vs 2nd Quarter of year ending March 31, 2027

Increase in profits by 752 million yen
compared to the same period of the previous year

Unit: Million yen



Performance by segment

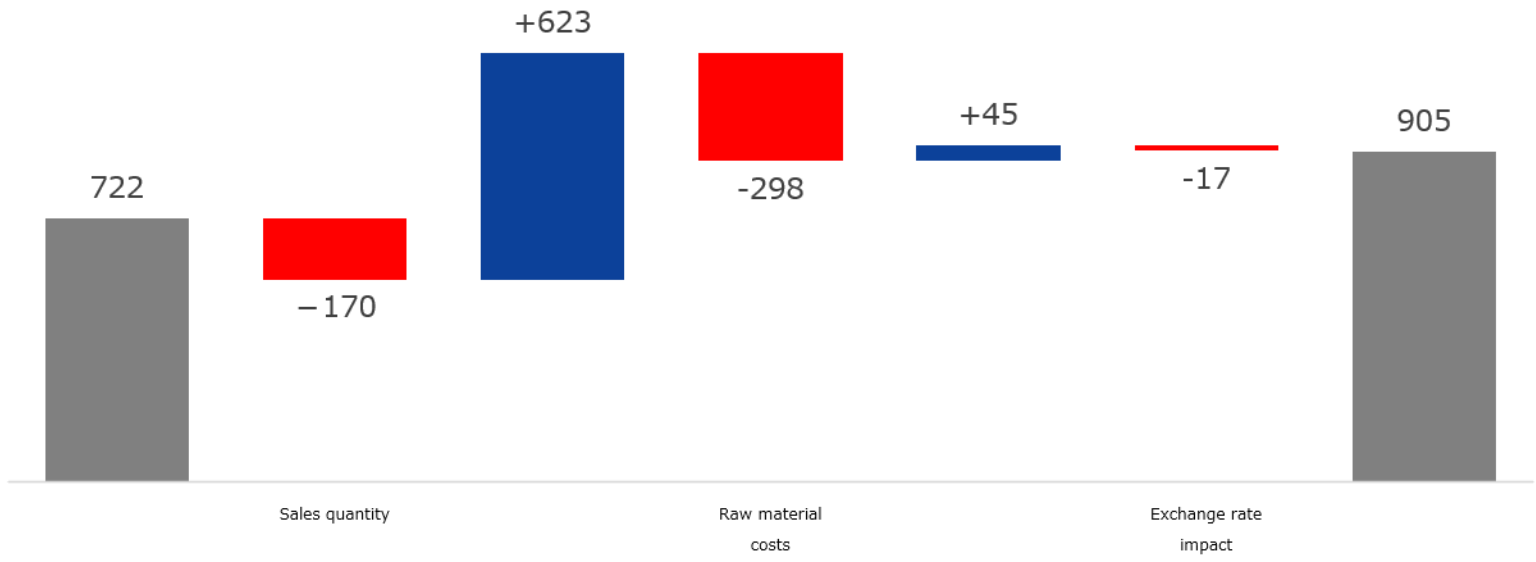
Unit: Million yen

		2nd Quarter of year ending March 31, 2026	2nd Quarter of year ending March 31, 2027	Year-on-year comparison	
		Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Electronic and Functional Products	Net sales	8,261	**8,500**	239	+2.9%
	Operating profit	722	**905**	182	+25.3%
Films and Sheetings Products	Net sales	10,460	**11,697**	1,237	+11.8%
	Operating profit	1,413	**1,994**	581	+41.1%
Construction Materials Related	Net sales	3,749	**3,479**	-270	-7.2%
	Operating profit	78	**42**	-36	-46.3%
Engineering	Net sales	1,911	**2,727**	815	+42.7%
	Operating profit	190	**162**	-28	-15.1%
Consolidated adjustment amount	Net sales	**-120**	**-276**	-156	-
	Operating profit	**-311**	**-258**	53	-
Consolidated total amount	Net sales	24,262	**26,127**	1,865	+7.7%
	Operating profit	2,093	**2,846**	752	+35.9%

Situation by segment　Electronic & Functional Products Business

Unit: Million yen

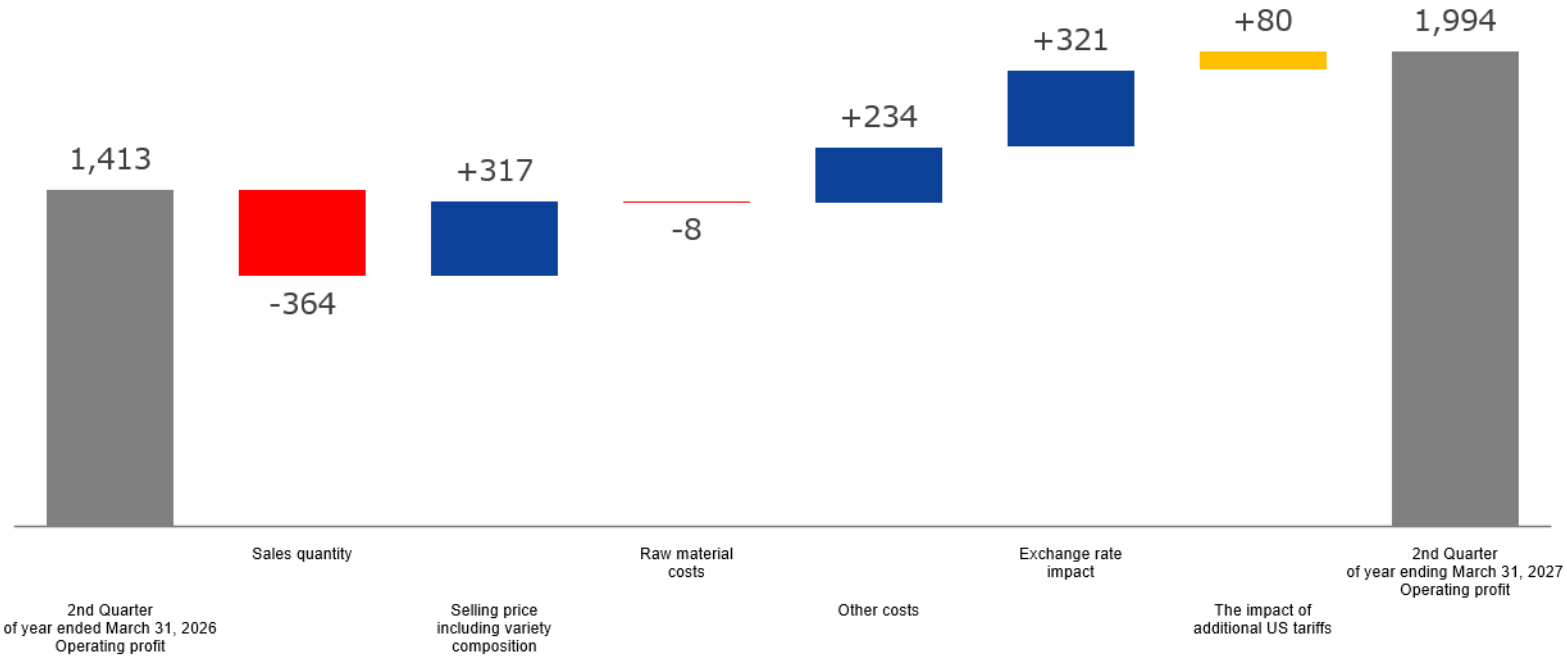
	2nd Quarter of year ended March 31, 2026	2nd Quarter of year ending March 31, 2027	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	8,261	**8,500**	239	+2.9%
Functional chemicals	2,359	**2,497**	138	+5.8%
Functional polymers	2,988	**2,997**	9	+0.3%
Electric materials	2,913	**3,005**	92	+3.2%
Operating profit	722	**905**	182	+25.3%



Situation by segment　Films & Sheetings Products Business

Unit: Million yen

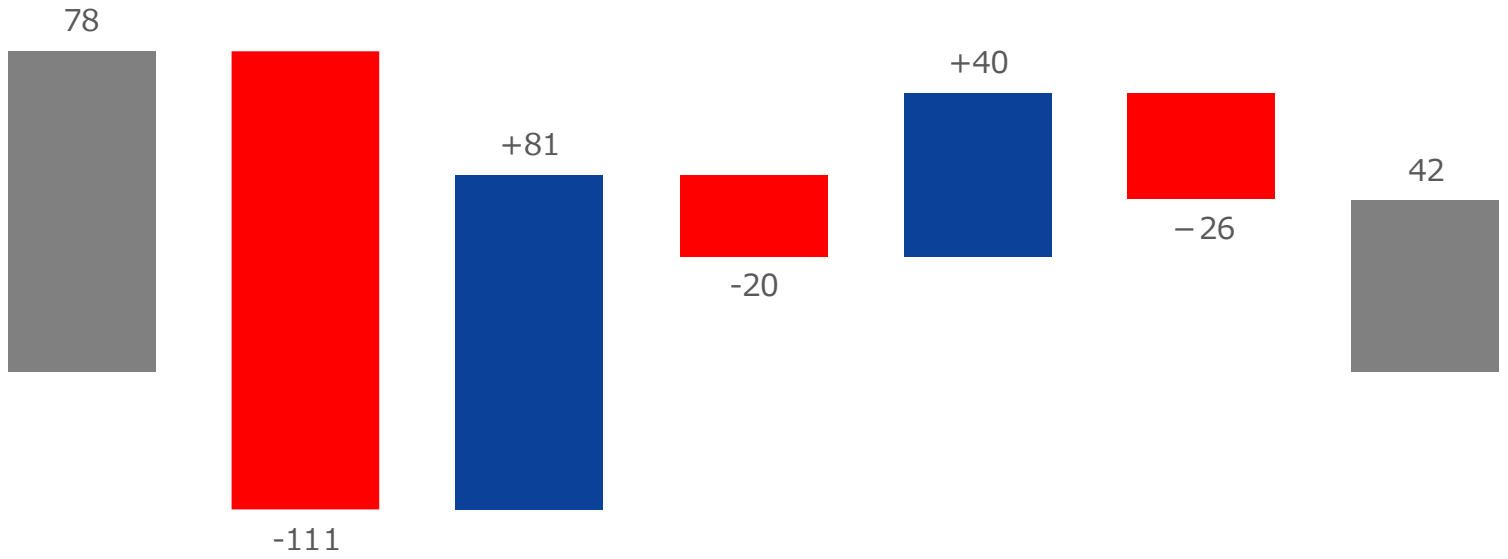
	2nd Quarter of year ended March 31, 2026	2nd Quarter of year ending March 31, 2027	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	10,460	**11,697**	1,237	+11.8%
Advanced Decorative Films	4,538	**5,188**	650	+14.3%
Optical Functional Films	5,921	**6,509**	588	+9.9%
Operating profit	1,413	**1,994**	581	+41.1%



Situation by segment　Construction Materials Related Business

Unit: Million yen

	2nd Quarter of year ended March 31, 2026	2nd Quarter of year ending March 31, 2027	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	3,749	**3,479**	-270	-7.2%
Operating proffit	78	**42**	-36	-46.3%



Situation by segment　Engineering Business

Unit: Million yen

	2nd Quarter of year ended March 31, 2026	2nd Quarter of year ending March 31, 2027	Year-on-year comparison	
	Results	Results	Year-on-year changes (amount)	Year-on-year changes (percentage)
Net sales	1,911	**2,727**	+815	+42.7%
Operating proffit	190	**162**	-28	-15.1%

[Summary] Consolidated balance sheets

Unit: Million yen

	Year ended March 31,2026	2nd Quarter of year ending March 31,2027	End-to-end ratio
Cash and deposits	**15,552**	**14,469**	-1,083
Notes and accounts receivable - trade	**12,840**	**15,161**	2,321
Inventory	**10,020**	**10,716**	696
Tangible fixed assets/intangible fixed assets	**22,405**	**22,121**	-283
Other	**1,947**	**2,878**	931
Total assets	**62,765**	**65,348**	2,582
Interest-bearing liabilities	**7,107**	**6,416**	-691
Notes and accounts payable - trade	**5,182**	**5,667**	485
Other	**9,527**	**10,083**	555
Total liabilities	**21,817**	**22,167**	349
Shareholders' equity	**27,262**	**28,567**	1,304
Accumulated other comprehensive income	**11,196**	**11,835**	639
Non-controlling interests	**2,489**	**2,777**	287
Total net assets	**40,948**	**43,180**	2,232
Total liabilities and net assets	**62,765**	**65,348**	2,582
D/E ratio	**0.18**	**0.15**	-0.03
Equity capital	38,458	**40,403**	1,944
Equity ratio	61.3%	**61.8%**	0.5point

Consolidated statements of cash flows

Free cash flow was -164 million yen

Unit: Million yen

	2nd Quarter of year ending March 31,2026	2nd Quarter of year ending March 31,2027	Year-on-year comparison
Profit before income taxes	2,363	**2,737**	373
Depreciation	895	**823**	-71
Net cash provided by (used in) operating activities	-1,270	**-2,283**	-1,013
Other	-265	**-1,112**	-846
Cash flows from operating actiities	1,723	**165**	-1,558
Cash flows from investing actiities	-239	**-330**	-90
Free cash flows	1,483	**-164**	-1,648
Net increase (decrease) in borrowings	-1,352	**-670**	681
Dividends paid	-372	**-475**	-103
Other	-113	**-133**	-20
Cash flows from financing actiities	-1,837	**-1,279**	558
Effect of exchange rate change on cash and cash equivalents	-744	**404**	1,149
Net increase (decrease) in cash and cash equivalents	-1,098	**-1,039**	59
Final balance of cash and cash equivalents	11,964	**12,802**	837

Forecast of full-year results for the year ending 31 March, 2027

Forecast of consolidated results for the year ending 31 March 2027

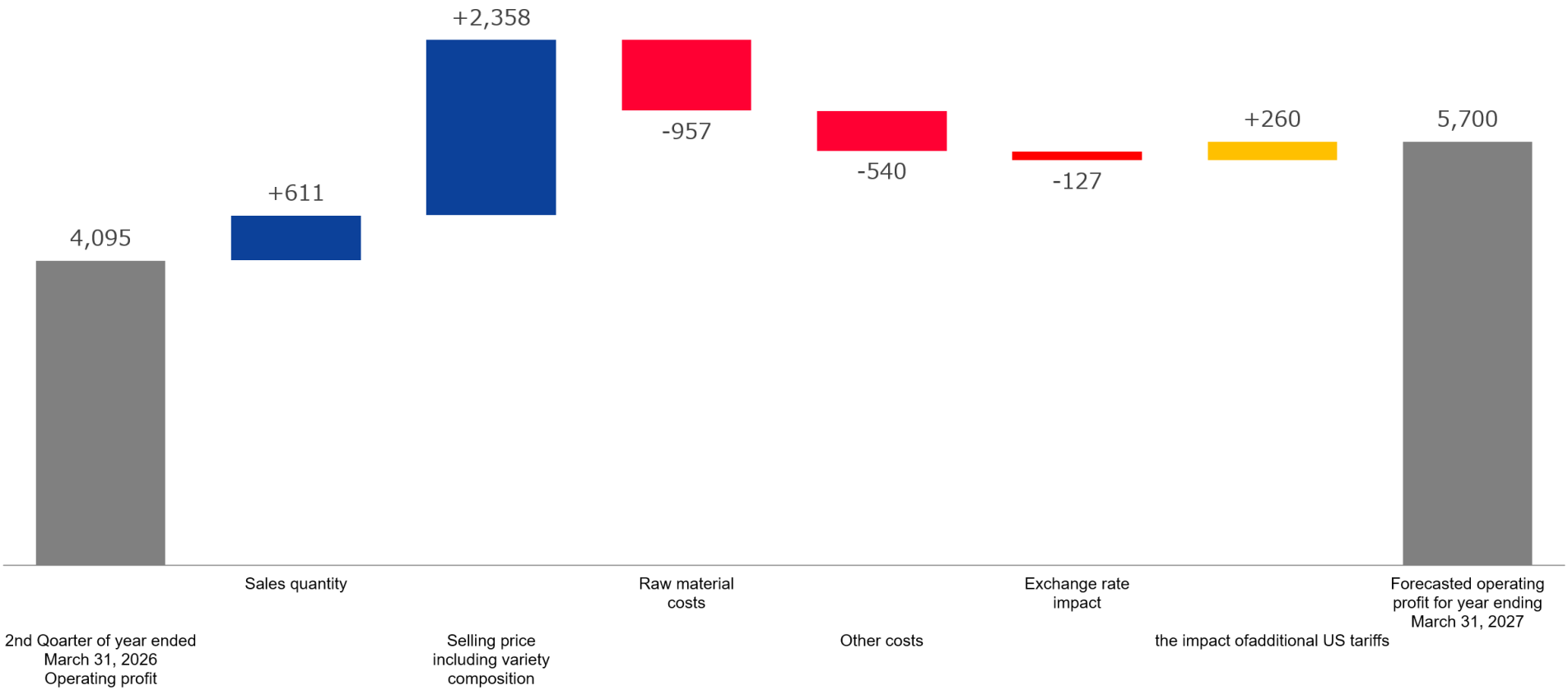
Unit: Million yen

	Year ended March 31, 2026	Year ending March 31, 2027	Year ending March 31, 2027	Year-on-year changes		(Reference) Record profits
	Results	Forecasts announced on 5/13	Forecasts at present	Year-on-year changes (amount)	Year-on-year changes (percentage)	
Net sales	49,909	52,000	52,000	2,091	+4.2%	
Operating profit	4,095	4,500	5,700	1,605	+39.2%	4,750
Profit margin	8.2%	8.7%	11.0%	-	-	(Year ending March 31, 2011)
Ordinary profit	4,583	4,700	5,700	1,117	+24.4%	4,583
Profit margin	9.2%	9.0%	11.0%	-	-	(Year ending March 31, 2026)
Current net profit	2,607	3,100	3,800	1,193	+45.8%	2,900
Profit margin	5.2%	6.0%	7.3%	-	-	(Year ending March 31, 2011)
Dividend per share	Interim 41 yen	Interim 67 yen	Interim 67 yen	+71 yen	+77.2%	
	Year end 51 yen	Year end 67 yen	Year end 96 yen			

Analysis of factors leading to changes in operating profit FY2026 vs FY2027

Increase in profits by 1,605 million yen
compared to the same period of the previous year

Unit: Million yen



Forecast by segment

Unit: Million yen

		Year ended March 31, 2026	Year ended March 31, 2027	Year ended March 31, 2027	Year-on-year changes	
		Results	Forecasts announced on 5/13	Forecasts at present	Year-on-year changes (amount)	Year-on-year changes (percentage)
Electronic and Functional Products	Net sales	16,837	17,600	**18,200**	1,363	+8.1%
	Operating profit	1,479	1,640	**2,350**	871	+58.9%
Films and Sheetings Products	Net sales	22,395	23,000	**22,200**	-195	-0.9%
	Operating profit	2,945	3,350	**3,900**	955	+32.4%
Construction Materials Related	Net sales	7,109	7,400	**7,200**	91	+1.3%
	Operating profit	90	80	**100**	10	+11.1%
Engineering	Net sales	4,041	4,500	**4,900**	859	+21.3%
	Operating profit	233	330	**300**	67	+28.8%
Consolidated adjustment amount	Net sales	-474	-500	**-500**	-26	-
	Operating profit	-655	-900	**-950**	-295	-
Consolidated total amount	Net sales	49,909	52,000	**52,000**	2,091	+4.2%
	Operating profit	4,095	4,500	**5,700**	1,605	+39.2%

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

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