

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

May 11, 2026

Stock exchange listings: Tokyo Prime

Company name CHUGOKU MARINE PAINTS, LTD.

Securities code 4617 URL <https://www.cmp.co.jp/>

Representative (Title) President (Name) Kenshi Date

Managing Executive Officer /

Inquiries (Title) Chief of Administration (Name) Shinji Nakamura Tel 03-6457-9025

Headquarter

Date of general shareholders' meeting (as planned) June 24, 2026

Dividend payable date (as planned) June 25, 2026

Annual securities report filing date (as planned) June 23, 2026

Supplemental material of annual results : Yes

Convening briefing of annual results : Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	139,364	6.3	17,437	13.4	17,840	8.2	10,995	(19.9)
March 31, 2025	131,152	12.9	15,381	26.2	16,481	26.5	13,721	38.7

Note: Comprehensive income For the fiscal year ended March 31, 2026 18,994 Millions of yen ((3.4)%) For the fiscal year ended March 31, 2025 19,672 Millions of yen (23.3%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	221.66	—	12.3	11.8	12.5
March 31, 2025	276.78	—	17.8	11.9	11.7

Reference: Investment profit (loss) on equity method For the fiscal year ended March 31, 2026 — Millions of yen For the fiscal year ended March 31, 2025 — Millions of yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	157,560	101,780	60.6	1,924.33
March 31, 2025	144,777	89,435	57.7	1,684.84

Reference: Owner's equity As of March 31, 2026 95,473 Millions of yen As of March 31, 2025 83,531 Millions of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	14,418	1,562	(10,337)	38,058
March 31, 2025	14,539	(103)	(12,480)	32,174

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	40.00	—	57.00	97.00	4,809	35.0	6.2
Fiscal year ended March 31, 2026	—	48.00	—	63.00	111.00	5,507	50.1	6.2
Fiscal year ending March 31, 2027 (Forecast)	—	50.00	—	50.00	100.00		—	

Note: Breakdown of year-end dividend for the fiscal year ending March 31, 2026

Ordinary dividend: 49.00 yen Special dividend: 14.00 yen

3. Consolidated financial forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027) (Percentages indicate year-on-year changes.)

	Net sales	
	Millions of yen	%
March 31, 2027	140,000 ~160,000	0.5 ~14.8

Note: For the fiscal year ending March 31, 2027, we will disclose our consolidated earnings forecast, focusing only on net sales in a range format.

* Notes

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

(2) 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

(3) Number of issued shares (common shares)

① Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

② Number of treasury stock at the end of fiscal year

③ Average number of shares

As of March 31, 2026	55,000,000shares	As of March 31, 2025	55,000,000shares
As of March 31, 2026	5,386,184shares	As of March 31, 2025	5,421,656shares
Fiscal year ended March 31, 2026	49,603,136shares	Fiscal year ended March 31, 2025	49,575,416shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	48,123	7.7	391	—	11,218	33.3	10,317	38.9
March 31, 2025	44,684	8.3	(271)	—	8,415	16.8	7,426	8.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	208.00	—
March 31, 2025	149.79	—

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	80,053	51,549	64.4	1,039.01
March 31, 2025	71,318	43,868	61.5	884.84

Reference: Owner's equity As of March 31, 2026 51,549 Millions of yen As of March 31, 2025 43,868 Millions of yen

* These financial results are not subject to review by certified public accountants or auditing firms.

* Explanation regarding the appropriate use of forecasts of business results and other special instructions

These forecasts are based on various assumptions made at the date of release of these materials, including the information available at the date of release of these materials and uncertain factors that may affect future results, and the Company makes no representations as to their achievability. Actual results may differ materially from these forecasts as a consequence of various factors.

1. Summary of Business Results

(1) Summary of Business Results for the Fiscal Year Ended March 31, 2026

(1) Operating results for the fiscal year under review

Operating results

(Millions of yen)

	Year ended March 31, 2025		Year ended March 31, 2026		Year-on-year change	
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	131,152	100	139,364	100	8,211	6.3
Operating profit	15,381	11.7	17,437	12.5	2,055	13.4
Ordinary profit	16,481	12.6	17,840	12.8	1,359	8.2
Profit before income taxes	18,228	13.9	17,899	12.8	(329)	(1.8)
Profit attributable to owners of parent	13,721	10.5	10,995	7.9	(2,726)	(19.9)

During the fiscal year ended March 31, 2026, the global economy maintained a moderate growth trajectory overall, despite the need for major economies to carefully balance monetary policy between curbing inflation and supporting economic activity. At the same time, uncertainty remained elevated, driven by the impact of US tariff policies and ongoing geopolitical risks in the Middle East and Eastern Europe.

Against this backdrop, the CMP Group's business performance was as follows. In the core marine coatings category, sales increased overall. For new ship coatings, shipment volumes remained solid, supported by higher shipbuilding activity mainly in China and Japan, as well as efforts to optimize selling prices in line with manufacturing costs. For ship repair coatings, demand for high-performance antifouling coatings continued to grow globally amid efforts to reduce CO₂ emissions from ships, including compliance with fuel-efficiency regulations set by the International Maritime Organization (IMO). In response, the Group promoted sales of high-value-added products, resulting in steady performance particularly in Europe and Southeast Asia. In the industrial coatings category, sales increased due to progress in selling price optimization initiatives and signs of demand recovery in Japan, along with higher shipment volumes in Europe. In the container coatings category, sales declined as the Group adopted a more selective approach to order intake in China and other markets.

Profitability improved due to continued efforts to optimize selling prices in response to higher manufacturing costs, as well as ongoing expansion of sales of high-value-added and environmentally friendly products, despite increases in selling expenses, including transportation costs, and increased investment in human capital. As a result, for the fiscal year under review, the Group reported net sales of ¥139,364 million (up 6.3% year on year), operating profit of ¥17,437 million (up 13.4% year on year), ordinary profit of ¥17,840 million (up 8.2% year on year), and profit attributable to owners of parent of ¥10,995 million (down 19.9% year on year). The decline in profit attributable to owners of parent was mainly due to the absence of extraordinary income of ¥2,694 million recorded in the previous fiscal year.

Segment results

(Millions of yen)

Reportable segment	Sales				Segment profit (loss)			
	Year ended March 31, 2025	Year ended March 31, 2026	Change	% change	Year ended March 31, 2025	Year ended March 31, 2026	Change	% change
Japan	42,721	44,939	2,217	5.2	2,220	3,287	1,066	48.0
China	21,398	22,908	1,510	7.1	2,716	2,968	252	9.3
South Korea	19,446	19,360	(85)	(0.4)	2,543	3,276	733	28.8
Southeast Asia	18,944	20,208	1,264	6.7	3,851	4,120	268	7.0
Europe and the US	28,642	31,946	3,304	11.5	2,191	1,109	(1,081)	(49.4)
Adjustments (Note 1)	—	—	—	—	1,858	2,675	817	44.0
Total	131,152	139,364	8,211	6.3	15,381	17,437	2,055	13.4

(Note 1) Adjustments refer to company-wide expenses and intersegment eliminations.

(Note 2) Reportable segment profit is based on operating profit.

1) Japan

In the marine coatings category, sales of new ship coatings increased as we continued to optimize selling prices in line with manufacturing costs amid steady demand. Sales of ship repair coatings declined in the first quarter of the fiscal year under review due to a lower contribution from large-scale projects and other factors; however, they subsequently recovered, and full-year sales reached a level largely in line with the previous fiscal year. In the industrial coatings category, sales increased owing to progress in selling price optimization initiatives, as well as signs of demand recovery in coatings for construction materials. As a result, segment sales amounted to ¥44,939 million (up 5.2% year on year). Although some low-margin projects for new ship coatings remained, segment profit totaled ¥3,287 million (up 48.0% year on year), reflecting group-wide efforts to optimize selling prices in response to higher manufacturing costs and expand sales of high-value-added products.

2) China

In the marine coatings category, sales of new ship coatings increased, partly reflecting a rebound from the decline in shipment volumes in the previous fiscal year caused by project delays. Sales of ship repair coatings also increased, supported by higher shipment volumes resulting from selling price adjustments aimed at enhancing competitiveness. In the industrial coatings category, shipments of heavy-duty coatings remained solid. As a result, segment sales totaled ¥22,908 million (up 7.1% year on year). Segment profit increased to ¥2,968 million (up 9.3% year on year), mainly due to lower raw material procurement costs.

3) South Korea

In the marine coatings category, sales of new ship coatings—a core product line in South Korea—were largely in line with the previous fiscal year, although large-scale projects at major shipyards had passed their peak. This performance was supported by sales of environmentally friendly coatings and continued efforts to optimize selling prices to better reflect manufacturing costs. Sales of ship repair coatings also remained solid. As a result, segment sales amounted to ¥19,360 million (down 0.4% year on year). Segment profit increased to ¥3,276 million (up 28.8% year on year), reflecting contributions from sales of high-value-added products.

4) Southeast Asia

In the marine coatings category, sales increased, supported by solid sales of ship repair coatings and significant growth in shipments of coatings for pleasure boats. In the industrial coatings category, although public works projects in Thailand—the Group's key market—continued to be delayed due to political instability and private-sector investment also declined, sales returned to growth owing to increased shipments of coatings for railway infrastructure projects in India. Sales of container coatings declined due to container production adjustments by a major customer in Malaysia. As a result, segment sales totaled ¥20,208 million (up 6.7% year on year). Segment profit increased to ¥4,120 million (up 7.0% year on year), mainly due to lower raw material procurement costs.

5) Europe and the US

In the marine coatings category, sales of ship repair coatings—a key product line in the region—increased, supported by a higher number of docked ships during the fiscal year under review. Sales growth was further driven by a focus on high-value-added products amid growing demand for environmentally friendly coatings, including products designed to support compliance with fuel-efficiency regulations, as well as efforts to optimize selling prices in line with manufacturing costs. Sales also increased in the industrial coatings category due to the consolidation of the business of an acquired subsidiary in Italy. As a result, segment sales amounted to ¥31,946 million (up 11.5% year on year). Segment profit declined to ¥1,109 million (down 49.4% year on year), reflecting increases in core system implementation costs and selling and administrative expenses.

(2) Outlook for the fiscal year ending March 31, 2027

While we expect steady demand centered on our core marine coatings, uncertainty remains high with regard to raw material costs and procurement amid escalating tensions in the Middle East.

In light of these circumstances, for the fiscal year ending March 31, 2027, we provide only a range forecast for net sales, as shown below, while leaving forecasts for the other items undetermined. We will promptly disclose those figures once we are able to make reasonable estimates.

(Millions of yen)	
	Consolidated forecast
Net sales	140,000–160,000
Operating profit	Undetermined
Ordinary profit	Undetermined
Profit attributable to owners of parent	Undetermined

(Note) The above earnings forecast is based on information currently available to the Company and is subject to risks and

uncertainties. Actual results may differ materially from the forecast due to various factors.

(For reference) Recent Business Conditions (as of May 11, 2026)

(1) Raw material procurement

In Japan, South Korea, and Southeast Asia—regions significantly affected by developments in the Middle East—we have generally secured raw materials for production through June and are making intensive efforts to secure supplies for July onward. In China, Europe, and the US, where the impact has been limited, procurement conditions remain normal for July onward as well, although procurement costs have risen globally.

(2) Production

Overall production volumes have remained generally in line with the previous fiscal year.

(3) Sales

Sales conditions, including demand trends, have remained generally solid. Regarding selling prices, we have been actively implementing price revisions since March in response to the recent increase in raw material procurement costs.

(2) Summary of Financial Position

(1) Assets, liabilities, and net assets

Financial position

	Year ended March 31, 2025	Year ended March 31, 2026	Change
Total assets (millions of yen)	144,777	157,560	12,783
Net assets (millions of yen)	89,435	101,780	12,344
Equity ratio (%)	57.7	60.6	2.9
Net assets per share (yen)	1,684.84	1,924.33	239.49

1) Assets

As of March 31, 2026, current assets amounted to ¥117,716 million, up ¥9,342 million from March 31, 2025. This was mainly due to increases of ¥3,491 million in cash and deposits, ¥2,730 million in accounts receivable–trade, and ¥1,345 million in raw materials and supplies.

Non-current assets amounted to ¥39,844 million, up ¥3,440 million from March 31, 2025. This mainly reflected increases of ¥4,709 million in investment securities and ¥750 million in retirement benefit asset, partially offset by a ¥3,303 million decline in land.

As a result, total assets as of March 31, 2026 stood at ¥157,560 million, up ¥12,783 million from March 31, 2025.

2) Liabilities

As of March 31, 2026, current liabilities amounted to ¥43,475 million, down ¥2,792 million from March 31, 2025. This was primarily due to decreases of ¥3,420 million in short-term borrowings and ¥1,700 million in the current portion of long-term borrowings, partially offset by increases of ¥1,491 million in income taxes payable and ¥789 million in notes and accounts payable–trade.

Non-current liabilities amounted to ¥12,305 million, up ¥3,231 million from March 31, 2025. This mainly reflected increases of ¥2,238 million in deferred tax liabilities and ¥1,738 million in long-term borrowings, partially offset by a ¥938 million decrease in deferred tax liabilities for land revaluation.

As a result, total liabilities as of March 31, 2026 stood at ¥55,780 million, up ¥438 million from March 31, 2025.

3) Net assets

As of March 31, 2026, net assets amounted to ¥101,780 million, up ¥12,344 million from March 31, 2025. This was largely due to increases of ¥7,921 million in retained earnings and ¥3,021 million in foreign currency translation adjustment, partially offset by a ¥2,141 million decrease in revaluation reserve for land.

As a result, the equity ratio rose to 60.6% from 57.7% as of March 31, 2025.

(2) Cash flows

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026	Change
Cash flows from operating activities	14,539	14,418	(120)
Cash flows from investing activities	(103)	1,562	1,666
Cash flows from financing activities	(12,480)	(10,337)	2,142
Effect of exchange rate change on cash and cash equivalents	2,513	239	(2,273)
Net increase (decrease) in cash and cash equivalents	4,469	5,883	1,414
Cash and cash equivalents at beginning of period	27,705	32,174	4,469
Cash and cash equivalents at end of period	32,174	38,058	5,883

As of March 31, 2026, cash and cash equivalents totaled ¥38,058 million, an increase of ¥5,883 million from March 31, 2025. Cash flows by activity and the principal contributing factors during the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥14,418 million. The primary sources of cash were profit before income taxes of ¥17,899 million, depreciation of ¥1,847 million, and interest and dividends received of ¥850 million, while the main uses of cash were income taxes paid of ¥3,632 million, an increase of ¥1,405 million in inventories, and an increase of ¥1,243 million in trade receivables.

(Cash flows from investing activities)

Net cash provided by investing activities was ¥1,562 million. The main cash inflows were ¥8,745 million in proceeds from withdrawal of time deposits and ¥3,361 million in proceeds from sale of non-current assets, while the main cash outflows were ¥6,629 million in payments into time deposits and ¥2,530 million in purchase of non-current assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥10,337 million. The primary cash inflow was ¥1,700 million in proceeds from long-term borrowings, while the main cash outflows were dividends paid, including dividends paid to non-controlling interests, of ¥6,507 million, a net decrease of ¥3,421 million in short-term borrowings, and repayments of long-term borrowings of ¥1,707 million.

(Reference) Cash flow-related indicators

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026
Equity ratio (%)	52.9	51.6	53.3	57.7	60.6
Equity ratio based on market value (%)	43.9	48.1	84.9	72.3	102.7
Ratio of interest-bearing debt to cash flow (years)	—	743.9	2.0	1.6	1.3
Interest coverage ratio (times)	—	0.1	24.0	29.1	31.1

Equity ratio: shareholders' equity / total assets

Equity ratio based on market value: market capitalization / total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt / cash flow

Interest coverage ratio: cash flow / interest payments

(Note 1) All indicators are calculated based on consolidated financial figures.

(Note 2) Market capitalization is calculated based on the number of outstanding shares.

(Note 3) Cash flow is based on operating cash flow.

(Note 4) Interest-bearing debt includes all liabilities on the consolidated balance sheet for which interest is paid.

(Note 5) The ratio of interest-bearing debt to cash flow and the interest coverage ratio for the fiscal year ended March 31, 2022 are not shown because operating cash flow was negative.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

We view shareholder returns as a key management priority and have maintained dividend payments since 1953. Under the medium-term management plan covering the period from April 2021 to March 2026, we have set total return on consolidated shareholders' equity—the ratio of the total amount of dividends and share buybacks to shareholders' equity—at an average of 5% or more during the plan period as a benchmark for proactive shareholder returns. We have also set the consolidated dividend payout ratio at 40% or more, with a minimum annual dividend of ¥35 per share. To eliminate one-time profit factors as much as possible in calculating dividend amounts and ensure the stable and sustainable expansion of shareholder returns, we have established special provisions. For details on the special provisions, please refer to the “Notice of Partial Amendment to Dividend Policy and Revision (Increase) of Dividend Forecast,” dated October 31, 2024.

Based on the above shareholder return policy and special provisions, we plan to pay an ordinary year-end dividend of ¥49 per share for the fiscal year ended March 31, 2026. In addition, as announced on February 3, 2026, we plan to pay a special dividend of ¥14 per share, replacing the originally planned share buyback amounting to approximately ¥700 million, equivalent to 40% of the total extraordinary gains and losses deducted from the dividend base for the fiscal year ended March 31, 2025. As a result, the total year-end dividend for the fiscal year under review is expected to be ¥63 per share. Since we paid an interim dividend of ¥48 per share on December 2, 2025, the annual dividend for the fiscal year under review will amount to ¥111 per share.

Under the new medium-term management plan covering the period from April 2026 to March 2031, we have adopted a progressive dividend policy* starting from an annual dividend of ¥100 per share as our approach to shareholder returns. We intend to maintain a dividend level with a target dividend on equity (DOE) ratio of approximately 5%. Based on this shareholder return policy under the new medium-term management plan, we currently plan to pay a dividend of ¥100 per share for the fiscal year ending March 31, 2027, consisting of an interim dividend of ¥50 per share and a year-end dividend of ¥50 per share.

* A dividend policy under which dividends per share are, in principle, maintained or increased and not reduced.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	36,768	40,259
Notes receivable - trade	1,943	799
Accounts receivable - trade	34,088	36,819
Electronically recorded monetary claims - operating	4,148	5,489
Securities	954	1,327
Merchandise and finished goods	15,697	16,921
Work in process	813	928
Raw materials and supplies	11,758	13,104
Other	2,776	2,719
Allowance for doubtful accounts	(575)	(653)
Total current assets	108,373	117,716
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,945	21,858
Accumulated depreciation	(15,475)	(15,927)
Buildings and structures, net	5,470	5,930
Machinery, equipment and vehicles	19,836	21,196
Accumulated depreciation	(15,637)	(16,367)
Machinery, equipment and vehicles, net	4,199	4,829
Tools, furniture and fixtures	5,551	5,592
Accumulated depreciation	(4,754)	(4,731)
Tools, furniture and fixtures, net	797	861
Land	※ 2 12,635	※ 2 9,331
Leased assets	2,247	2,424
Accumulated depreciation	(885)	(1,091)
Leased assets, net	1,361	1,333
Construction in progress	136	340
Total property, plant and equipment	24,599	22,625
Intangible assets	440	413
Investments and other assets		
Investment securities	8,229	12,939
Retirement benefit asset	1,113	1,864
Deferred tax assets	1,316	1,278
Other	1,311	1,227
Allowance for doubtful accounts	(607)	(504)
Total investments and other assets	11,363	16,804
Total non-current assets	36,403	39,844
Total assets	144,777	157,560

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,630	15,419
Electronically recorded obligations - operating	1,910	2,324
Short-term borrowings	17,086	13,666
Current portion of long-term borrowings	1,700	—
Lease liabilities	224	268
Accounts payable - other	3,870	3,411
Accrued expenses	3,685	3,927
Income taxes payable	1,647	3,138
Provision for bonuses	265	262
Provision for product warranties	141	145
Other	1,105	911
Total current liabilities	46,268	43,475
Non-current liabilities		
Long-term borrowings	1,000	2,738
Lease liabilities	780	717
Deferred tax liabilities	2,586	4,825
Deferred tax liabilities for land revaluation	※ 2 1,975	※ 2 1,036
Retirement benefit liability	2,190	2,347
Other	541	640
Total non-current liabilities	9,073	12,305
Total liabilities	55,342	55,780
Net assets		
Shareholders' equity		
Share capital	11,626	11,626
Retained earnings	58,787	66,708
Treasury shares	(4,891)	(4,859)
Total shareholders' equity	65,522	73,475
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,867	6,485
Deferred gains or losses on hedges	—	2
Revaluation reserve for land	※ 2 3,125	※ 2 984
Foreign currency translation adjustment	10,770	13,792
Remeasurements of defined benefit plans	245	733
Total accumulated other comprehensive income	18,009	21,998
Non-controlling interests	5,903	6,306
Total net assets	89,435	101,780
Total liabilities and net assets	144,777	157,560

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	131,152	139,364
Cost of sales	※ 1, ※ 3 88,553	※ 1, ※ 3 92,584
Gross profit	42,599	46,780
Selling, general and administrative expenses	※ 2, ※ 3 27,217	※ 2, ※ 3 29,342
Operating profit	15,381	17,437
Non-operating income		
Interest income	548	513
Dividend income	344	336
Royalty income	121	154
Technical advisory fee income	78	111
Foreign exchange gains	323	—
Rental income from real estate	87	87
Other	343	347
Total non-operating income	1,848	1,550
Non-operating expenses		
Interest expenses	506	467
Loss on retirement of non-current assets	75	7
Foreign exchange losses	—	564
Other	166	107
Total non-operating expenses	748	1,147
Ordinary profit	16,481	17,840
Extraordinary income		
Gain on sale of non-current assets	※ 4 2,500	※ 4 195
Gain on sale of investment securities	5	24
Other	188	—
Total extraordinary income	2,694	219
Extraordinary losses		
Loss on sale of non-current assets	※ 5 0	※ 5 0
Impairment losses	※ 6 928	※ 6 152
Loss on sale of investment securities	—	3
Loss on valuation of investment securities	19	—
Other	—	4
Total extraordinary losses	947	160
Profit before income taxes	18,228	17,899
Income taxes - current	3,260	5,205
Income taxes - deferred	(557)	18
Total income taxes	2,703	5,223
Profit	15,525	12,675
Profit attributable to non-controlling interests	1,803	1,680
Profit attributable to owners of parent	13,721	10,995

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	15,525	12,675
Other comprehensive income		
Valuation difference on available-for-sale securities	72	2,618
Deferred gains or losses on hedges	—	2
Revaluation reserve for land	(32)	—
Foreign currency translation adjustment	4,248	3,222
Remeasurements of defined benefit plans, net of tax	(140)	475
Total other comprehensive income	4,147	6,319
Comprehensive income	19,672	18,994
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,438	17,125
Comprehensive income attributable to non-controlling interests	2,234	1,868

Consolidated statements of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,626	6	48,852	(4,902)	55,582
Changes during period					
Dividends of surplus			(4,263)		(4,263)
Profit attributable to owners of parent			13,721		13,721
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		14		11	26
Transfer from retained earnings to capital surplus		163	(163)		—
Purchase of shares of consolidated subsidiaries		(184)			(184)
Reversal of revaluation reserve for land			640		640
Net changes in items other than shareholders' equity					
Total changes during period	—	(6)	9,935	10	9,940
Balance at end of period	11,626	—	58,787	(4,891)	65,522

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,795	—	3,798	6,941	398	14,933	5,659	76,175
Changes during period								
Dividends of surplus								(4,263)
Profit attributable to owners of parent								13,721
Purchase of treasury shares								(0)
Disposal of treasury shares								26
Transfer from retained earnings to capital surplus								—
Purchase of shares of consolidated subsidiaries								(184)
Reversal of revaluation reserve for land								640
Net changes in items other than shareholders' equity	72	—	(673)	3,828	(152)	3,075	244	3,319
Total changes during period	72	—	(673)	3,828	(152)	3,075	244	13,259
Balance at end of period	3,867	—	3,125	10,770	245	18,009	5,903	89,435

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,626	—	58,787	(4,891)	65,522
Changes during period					
Dividends of surplus			(5,207)		(5,207)
Profit attributable to owners of parent			10,995		10,995
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		66		33	100
Transfer from retained earnings to capital surplus		7	(7)		—
Purchase of shares of consolidated subsidiaries		(74)			(74)
Reversal of revaluation reserve for land			2,141		2,141
Net changes in items other than shareholders' equity					
Total changes during period	—	—	7,921	31	7,952
Balance at end of period	11,626	—	66,708	(4,859)	73,475

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,867	—	3,125	10,770	245	18,009	5,903	89,435
Changes during period								
Dividends of surplus								(5,207)
Profit attributable to owners of parent								10,995
Purchase of treasury shares								(1)
Disposal of treasury shares								100
Transfer from retained earnings to capital surplus								—
Purchase of shares of consolidated subsidiaries								(74)
Reversal of revaluation reserve for land								2,141
Net changes in items other than shareholders' equity	2,618	2	(2,141)	3,021	487	3,989	402	4,391
Total changes during period	2,618	2	(2,141)	3,021	487	3,989	402	12,344
Balance at end of period	6,485	2	984	13,792	733	21,998	6,306	101,780

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	18,228	17,899
Depreciation	1,698	1,847
Impairment losses	928	152
Increase (decrease) in allowance for doubtful accounts	(91)	(79)
Increase (decrease) in other provisions	49	(6)
Decrease (increase) in retirement benefit asset	(790)	(746)
Increase (decrease) in retirement benefit liability	592	683
Interest and dividend income	(892)	(849)
Interest expenses	506	467
Foreign exchange losses (gains)	(277)	173
Loss (gain) on sale and retirement of non-current assets	(2,424)	(187)
Loss (gain) on sale of investment securities	(5)	(20)
Loss (gain) on valuation of investment securities	19	—
Decrease (increase) in trade receivables	1,358	(1,243)
Decrease (increase) in inventories	(3,534)	(1,405)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(417)	(151)
Increase (decrease) in trade payables	1,387	703
Other, net	687	428
Subtotal	17,022	17,664
Interest and dividends received	914	850
Proceeds from insurance income	370	—
Interest paid	(498)	(463)
Income taxes paid	(3,268)	(3,632)
Net cash provided by (used in) operating activities	14,539	14,418
Cash flows from investing activities		
Payments into time deposits	(6,235)	(6,629)
Proceeds from withdrawal of time deposits	6,320	8,745
Net decrease (increase) in short-term loans receivable	18	30
Purchase of non-current assets	(1,789)	(2,530)
Proceeds from sale of non-current assets	1,491	3,361
Proceeds from deposits for sales of property, plant and equipment	371	—
Purchase of investment securities	(34)	(893)
Proceeds from sale of investment securities	6	35
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(397)
Other, net	(254)	(159)
Net cash provided by (used in) investing activities	(103)	1,562
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,808)	(3,421)
Proceeds from long-term borrowings	1,000	1,700
Repayments of long-term borrowings	(1,000)	(1,707)
Proceeds from sale of treasury shares	26	100
Purchase of treasury shares	(0)	(1)
Dividends paid	(4,256)	(5,199)
Dividends paid to non-controlling interests	(878)	(1,307)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,299)	(236)
Other, net	(262)	(262)
Net cash provided by (used in) financing activities	(12,480)	(10,337)
Effect of exchange rate change on cash and cash equivalents	2,513	239
Net increase (decrease) in cash and cash equivalents	4,469	5,883
Cash and cash equivalents at beginning of period	27,705	32,174
Cash and cash equivalents at end of period	※ 32,174	※ 38,058