

Financial Results for the Fiscal Year Ending March 31,2026 (FY2025) and Explanatory Materials concerning the New Medium-Term Management Plan

May 18, 2026

Chugoku Marine Paints, Ltd.

(TSE Code: 4617)



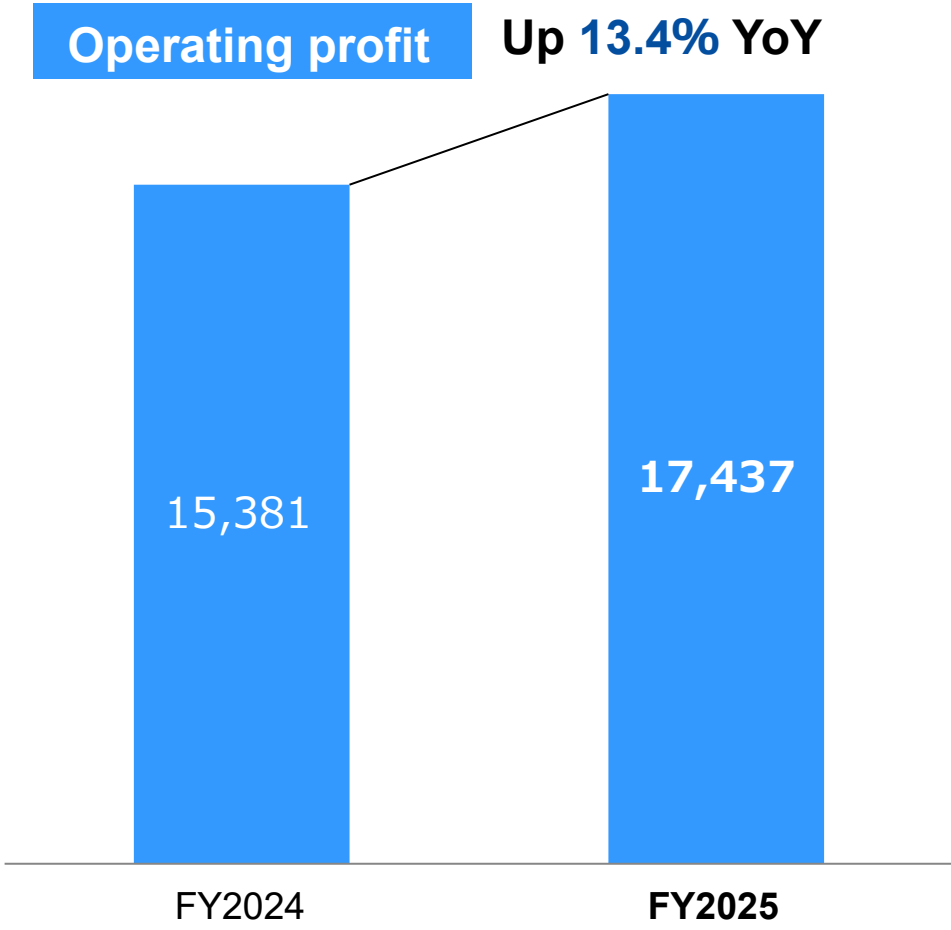
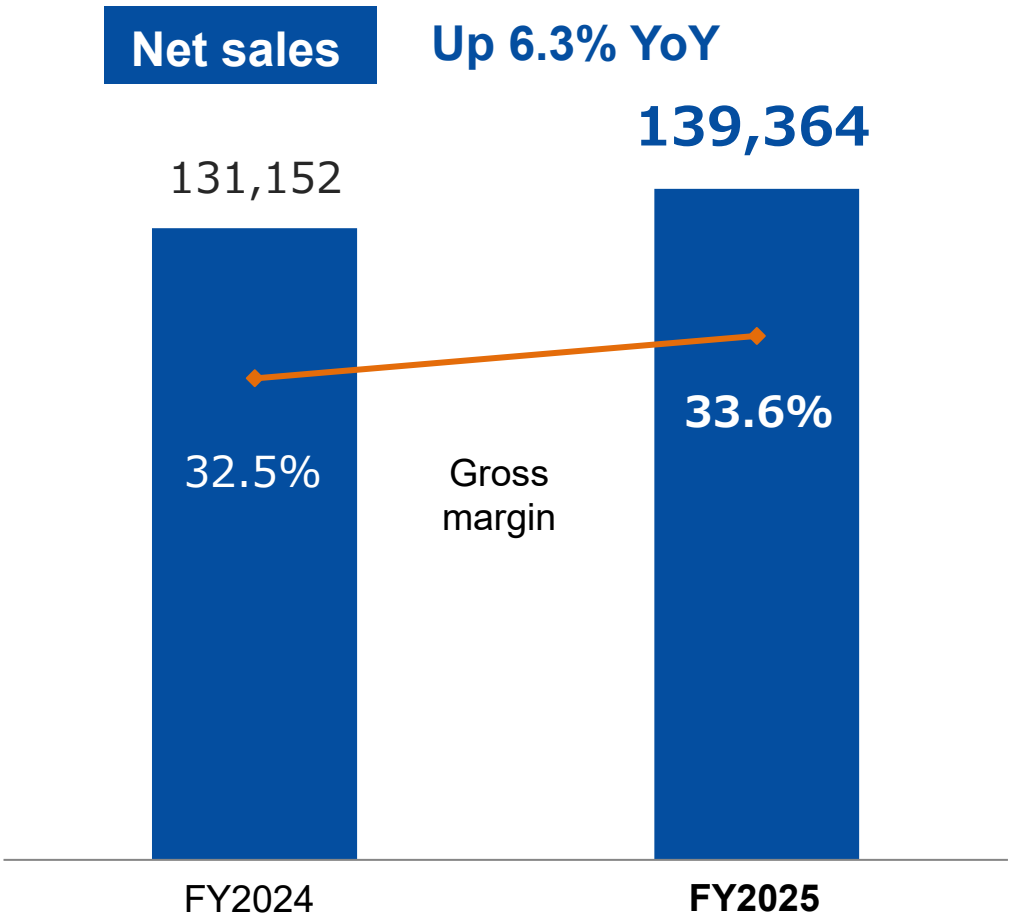
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Note: Figures presented in tables and graphs are expressed in millions of yen unless otherwise indicated.

1. Consolidated Earnings Summary

Full-year earnings highlights

- ✓ Net sales increased, driven by strong sales of mainstay marine coatings and the optimization of selling prices to better reflect manufacturing costs.
- ✓ Profitability improved, mainly due to selling price revisions and increased sales of high-value added products.
- ✓ Both net sales and operating profit reached record highs for the third consecutive year.



- Profitability improved due to selling price revisions and an improved product mix, with the gross margin up 1.1pt YoY.
- The operating profit margin rose to 12.5%, as higher gross profit absorbed an increase in SG&A expenses (mainly personnel and transportation expenses).
- Of the factors affecting operating profit, the increase in selling prices had a positive impact of about ¥5,090 million, while the impact of raw material procurement costs about –¥320 million, (both are estimates).
- Profit attributable to owners of parent declined, reflecting the absence of a ¥2,500 million gain on sale of non-current assets recorded YoY.

	FY2024		FY2025		Change	% change
Net sales	131,152	100.0%	139,364	100.0%	+ 8,211	+ 6.3%
Gross profit	42,599	32.5%	46,780	33.6%	+ 4,181	+ 9.8%
SG&A expenses	27,217	20.8%	29,342	21.1%	+ 2,125	+ 7.8%
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%
EBITDA	17,080	13.0%	19,284	13.8%	+ 2,204	+ 12.9%
Earnings per share (yen)	276.78		221.66		– 55.12	– 19.9%

	FY2024	FY2025	Change	% change
Depreciation	1,698	1,847	+ 148	+ 8.8%
R&D expenses	1,792	1,840	+ 48	+ 2.7%
Capital Investment	2,169	2,484	+ 315	+ 14.5%
◆ Exchange rate(JPY)				
USD	151.58	149.71	− 1.87	− 1.2%
EUR	163.95	169.00	+ 5.05	+ 3.1%
CNY	21.02	20.82	− 0.20	− 1.0%
KRW	0.1113	0.1054	− 0.0059	− 5.3%
SGD	113.40	114.53	+ 1.13	+ 1.0%
THB	4.30	4.55	+ 0.25	+ 5.8%

Note: Foreign exchange rates had a negative impact of approximately ¥0.01 billion on sales in FY2025.

Consolidated balance sheet summary

	FY2024	FY2025	Change	Main changes
Current assets	108,373	117,716	+ 9,342	Cash and deposits +3,491, trade receivables +2,928, merchandise and finished goods +1,223, raw materials and supplies +1,345
Property, plant and equipment	24,599	22,625	− 1,973	Buildings and structures +459, machinery, equipment and vehicles +629, land -3,303
Intangible assets	440	413	− 26	
Investments and other assets	11,363	16,804	+ 5,441	Investment securities +4,709, retirement benefit asset +750
Total assets	144,777	157,560	+ 12,783	
Current liabilities	46,268	43,475	− 2,792	Trade payables +1,204, borrowings -5,120, income taxes payable +1,491
Non-current liabilities	9,073	12,305	+ 3,231	Long-term borrowings +1,738, deferred tax liabilities +2,238, deferred tax liabilities for land revaluation -938
Total liabilities	55,342	55,780	+ 438	
Total assets	89,435	101,780	+ 12,344	Retained earnings +7,921, foreign currency translation adjustment +3,021, valuation difference on available-for-sale securities +2,618, revaluation reserve for land -2,141
Cash and deposits	36,768	40,259	+ 3,491	
Equity ratio	57.7%	60.6%	+ 2.9pt	

Consolidated cash flows statement summary



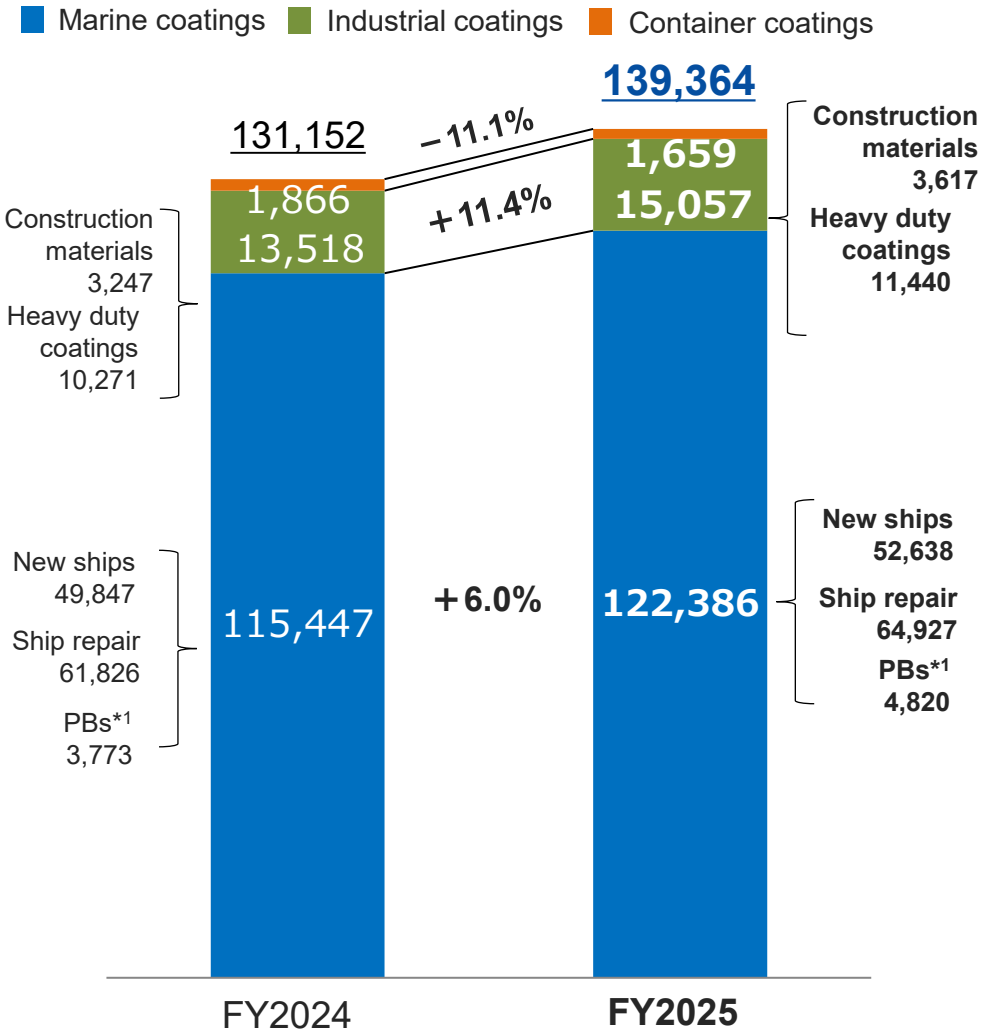
	FY2024	FY2025	Change	Main changes
Cash flows from operating activities	14,539	14,418	− 120	Impairment loss -776 Loss (gain) on sale and retirement of non-current assets +2,237 Decrease (increase) in trade receivables -2,601 Decrease (increase) in inventories +2,128 Increase (decrease) in trade payables -683
Cash flows from investing activities	△ 103	1,562	+ 1,666	Decrease (increase) in time deposits +2,030 Proceeds from sale of non-current assets +1,870 Purchase of non-current assets -741 Purchase of investment securities -859
Cash flows from financing activities	△ 12,480	△ 10,337	+ 2,142	Increase (decrease) in borrowings +2,379 Dividends paid -943 Purchase of shares of subsidiaries +1,062
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	

2. Summary by Product and Region

Sales by product and region

		Japan	China	South Korea	Southeast Asia	Europe and the US	Total
Marine coatings	FY2024	36,661	19,634	19,261	11,665	28,224	115,447
	FY2025	38,490	21,266	19,142	12,660	30,826	122,386
	% change	+ 5.0%	+ 8.3%	− 0.6%	+ 8.5%	+ 9.2%	+ 6.0%
Industrial coatings	FY2024	5,739	1,148	185	6,102	343	13,518
	FY2025	6,188	1,201	218	6,408	1,041	15,057
	% change	+ 7.8%	4.6%	+ 17.8%	+ 5.0%	+ 203.7%	+ 11.4%
Container coatings	FY2024	—	615	—	1,176	75	1,866
	FY2025	—	441	—	1,140	78	1,659
	% change	—	− 28.3%	—	− 3.1%	+ 4.5%	− 11.1%
Other	FY2024	320	—	—	—	—	320
	FY2025	260	—	—	—	—	260
	% change	− 18.6%	—	—	—	—	− 18.6%
Total	FY2024	42,721	21,398	19,446	18,944	28,642	131,152
	FY2025	44,939	22,908	19,360	20,208	31,946	139,364
	% change	+ 5.2%	+ 7.1%	− 0.4%	+ 6.7%	+ 11.5%	+ 6.3%

Summary by product



*1. Pleasure boats, fishing boats, fishing nets, and others
*2. Details for Other sales are omitted.

Marine coatings

Sales of new ship coatings remained solid overall, despite the easing of large-scale project concentration in South Korea, supported by selling price optimization and expanded sales of high-value-added products.

Sales of ship repair coatings were strong in Europe, the Group's largest market. Sales in Southeast Asia were also robust.

Industrial coatings

In construction material coatings, price optimization initiatives progressed in Japan, while shipment volumes continued to grow.

Sales of heavy-duty coatings grew by double digits, supported by an M&A transaction in Europe and shipments of CUS (resin filling material for railway tracks) for India's high-speed rail project.

Container coatings

Sales of container coatings were weighed down by container production adjustments by a major customer in Southeast Asia, as well as sluggish sales in China.

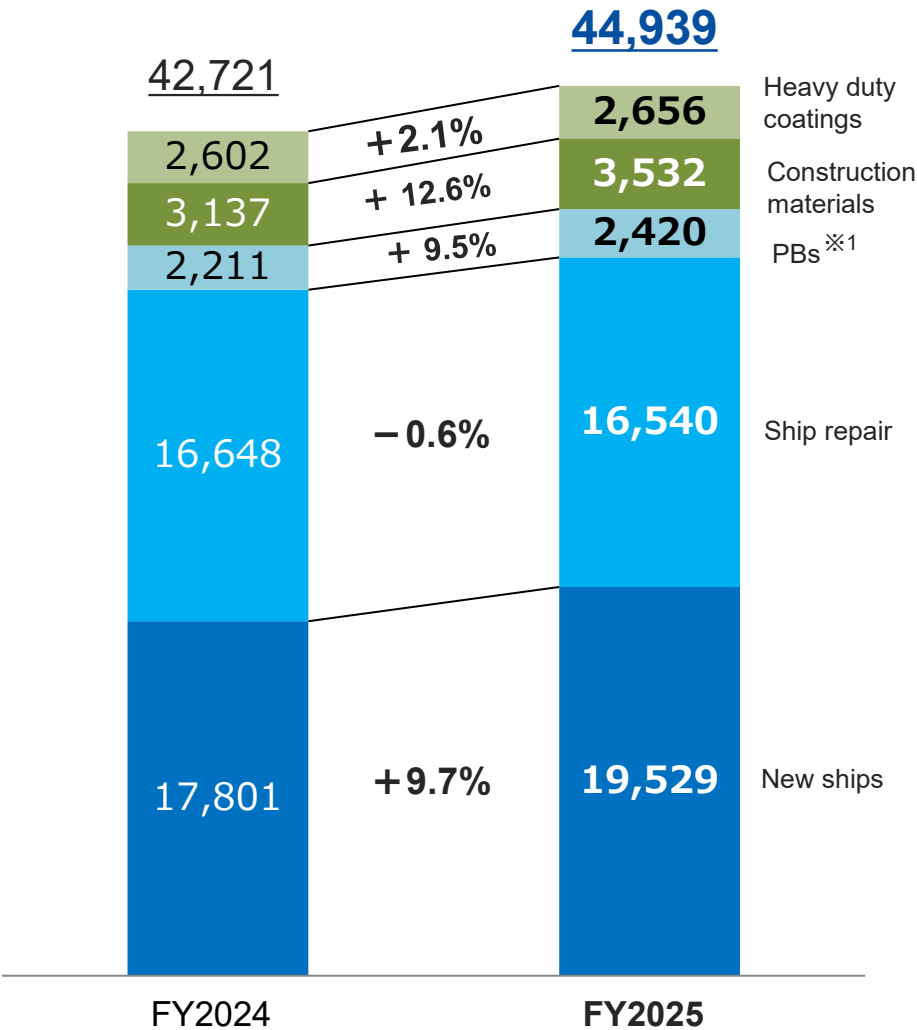
Sales increased in all regions except South Korea, primarily driven by strong sales of ship repair coatings in Europe. Forex impact (translation of local currencies into yen) put downward pressure on sales in China and South Korea, while boosting sales in Southeast Asia, Europe, and the US.

In Japan and South Korea, profit increased substantially backed by higher profit on new ship coating sales, which also led to margin growth. Meanwhile, profit fell sharply in Europe primarily due to increases in various expenses.

		Japan	China	South Korea	Southeast Asia	Europe and the US	Adjustment	Total
FY2024	Sales	42,721	21,398	19,446	18,944	28,642	—	131,152
	Segment Profit	2,220	2,716	2,543	3,851	2,191	1,858	15,381
FY2025	Sales	44,939	22,908	19,360	20,208	31,946	—	139,364
	% change	+ 5.2%	+ 7.1%	− 0.4%	+ 6.7%	+ 11.5%	—	+ 6.3%
	Segment profit	3,287	2,968	3,276	4,120	1,109	2,675	17,437
	Change	+ 48.0%	+ 9.3%	+ 28.8%	+ 7.0%	− 49.4%	+ 44.0%	+ 13.4%

Sales

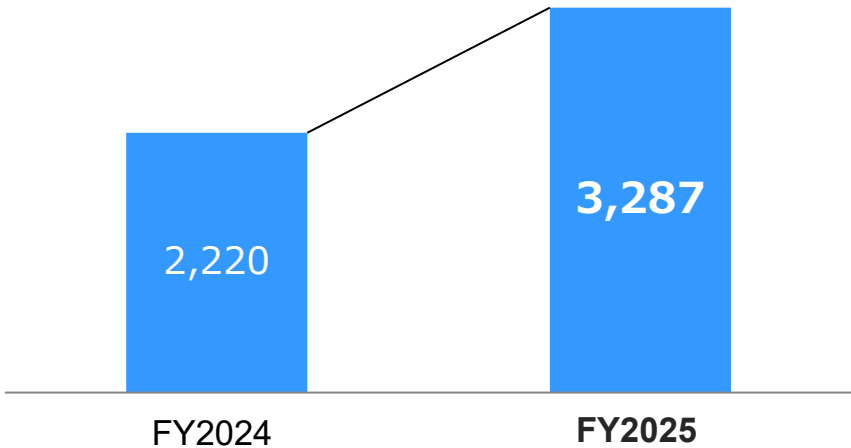
Up 5.2% YoY



*1: Pleasure boats, fishing boats, fishing nets, and others
*2: Sales generated by other products have been omitted.

Segment profit

Up 48.0% YoY

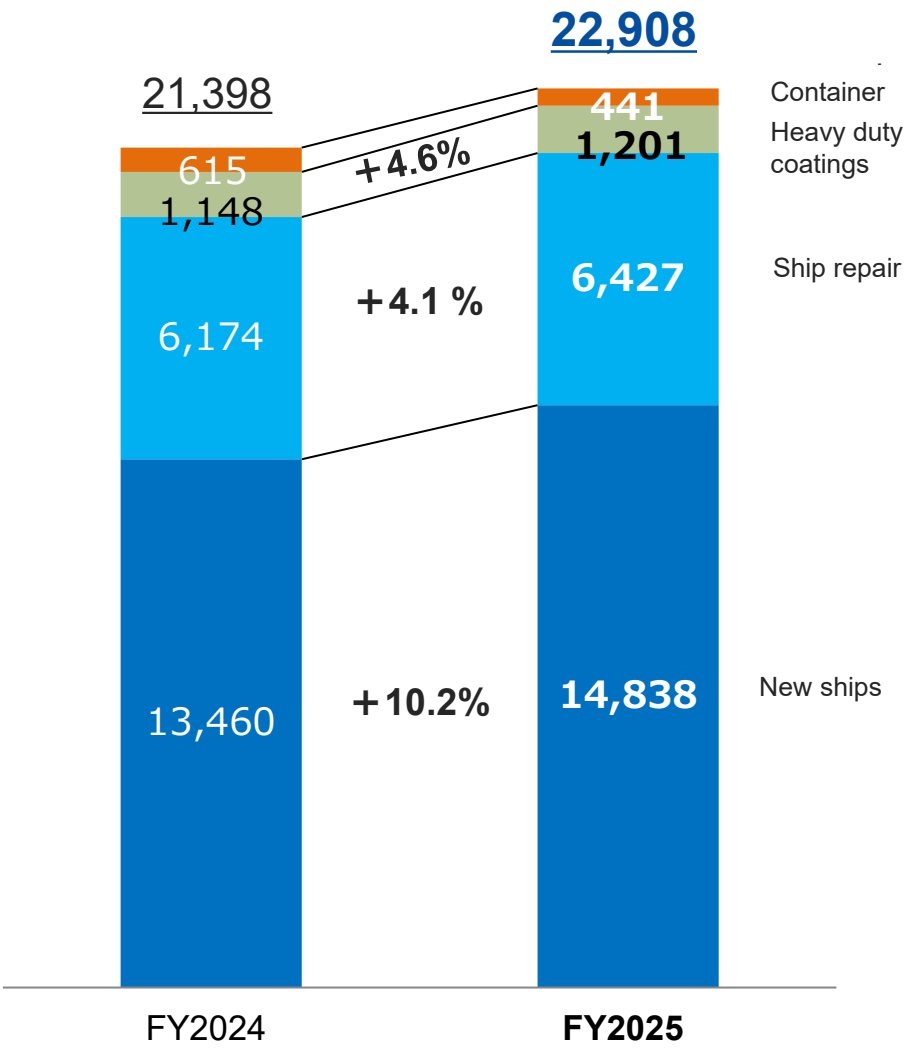


Overview

- ✓ Despite progress in efforts to optimize selling prices, profitability of new ship coatings remained weak compared with other regions.
- ✓ Despite a higher number of docked ships, sales of ship repair coatings declined slightly due to a lower contribution from large-scale projects.
- ✓ Sales of construction material coatings grew by double digits, backed by selling price revisions and increased shipment volumes.
- ✓ Segment profit increased significantly, as profitability improvements across all product categories offset cost increases.

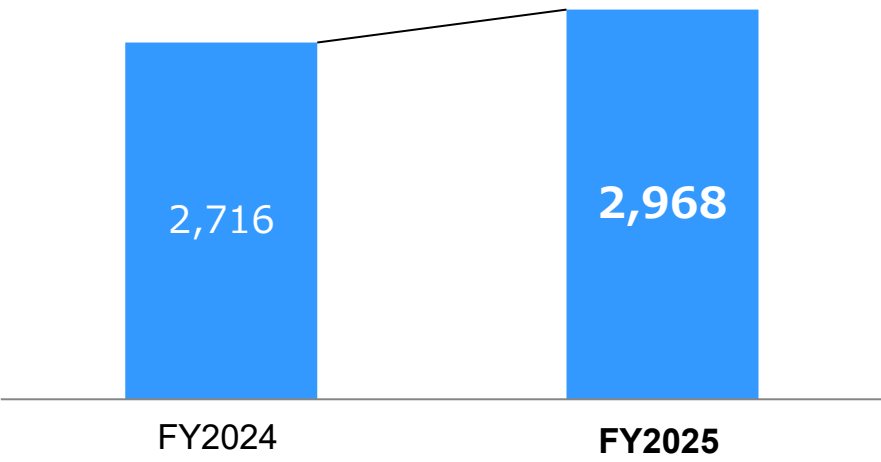
Sales

Up 7.1% YoY



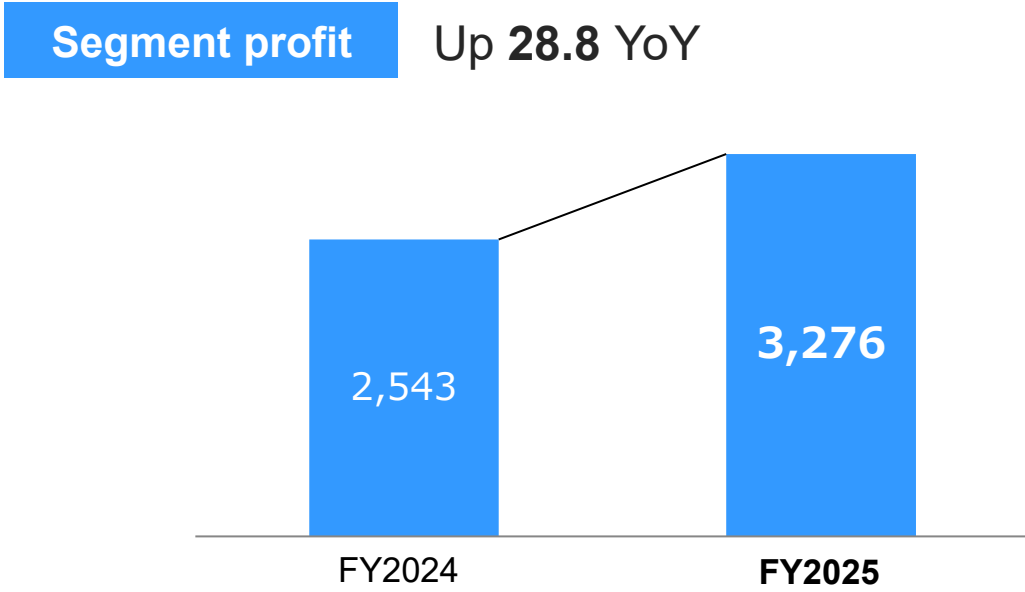
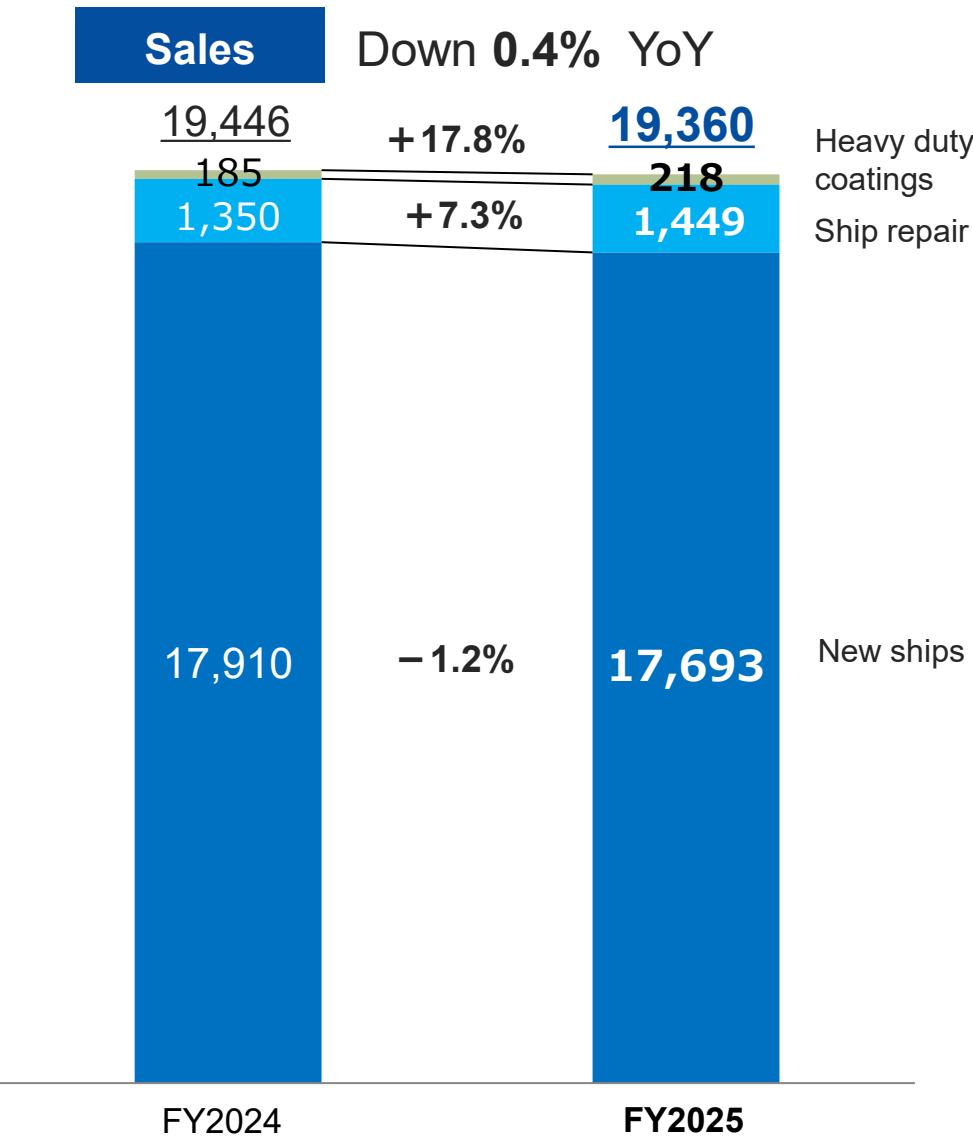
Segment profit

Up 9.3% YoY



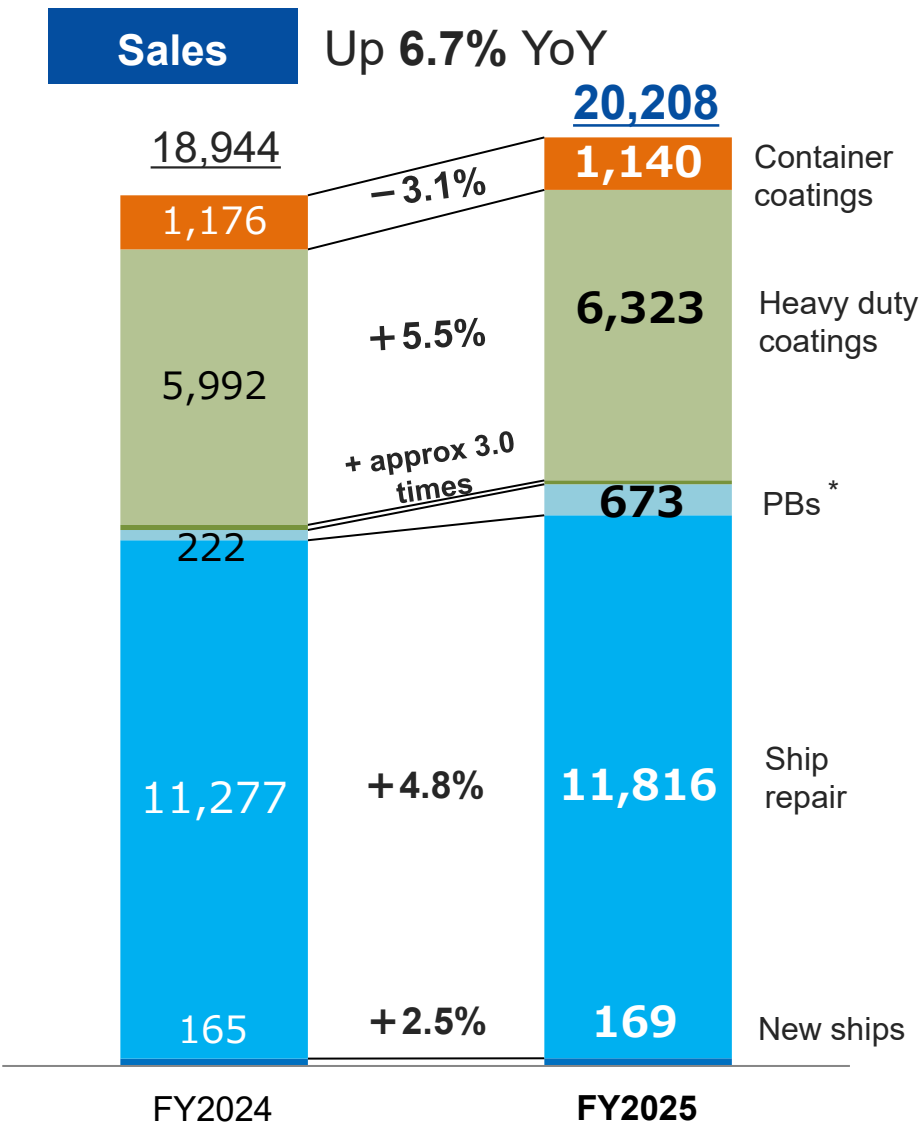
Overview

- ✓ Sales of new ship coatings increased, reflecting a rebound from lower shipment volumes in FY2024 caused by temporary project delays at shipyards, as well as higher average selling prices.
- ✓ Sales of ship repair coatings rose as increased shipment volumes offset the impact of selling price adjustments amid intensifying price competition.
- ✓ The profit margin improved, driven by lower raw material procurement costs and the absence of inventory valuation losses on container coatings recorded in FY2024.

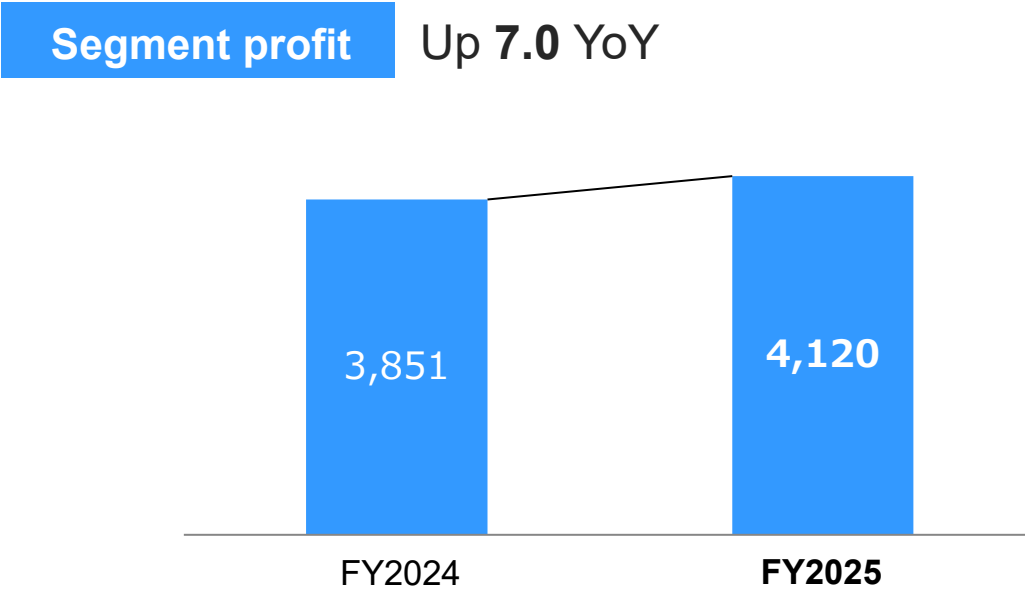


Overview

- ✓ The concentration of large projects at major shipyards had passed its peak. Nevertheless, sales of new ship coatings were largely unchanged YoY, supported by higher average selling prices due to increased sales of high-value-added products and other factors.
- ✓ Profitability improved substantially, with segment profit also rising, on the back of higher selling prices and tailwinds provided by the weak Korean won against the US dollar, as most transactions with shipyards are denominated in US dollars.

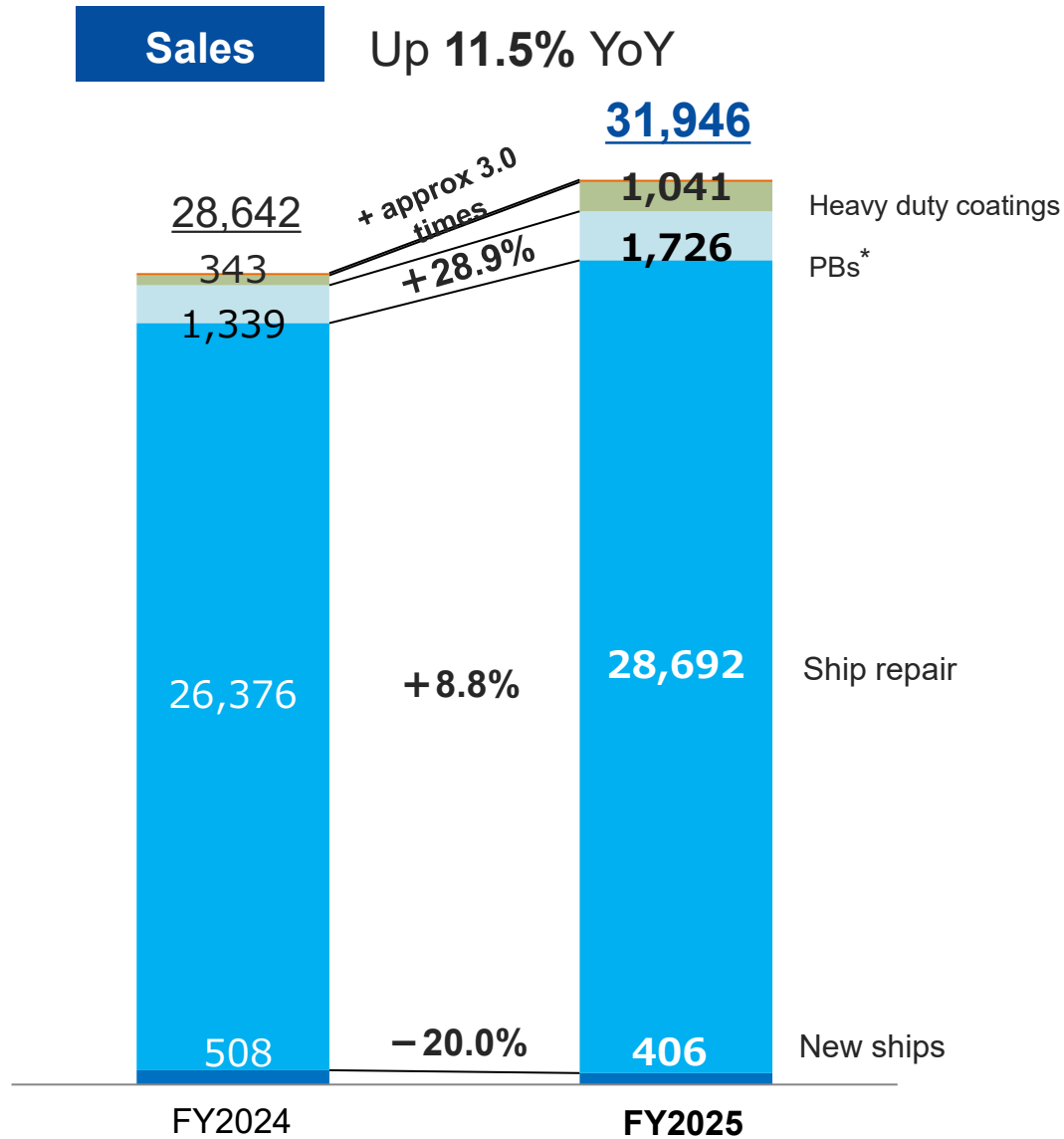


*Pleasure boats, fishing boats, fishing nets, and others

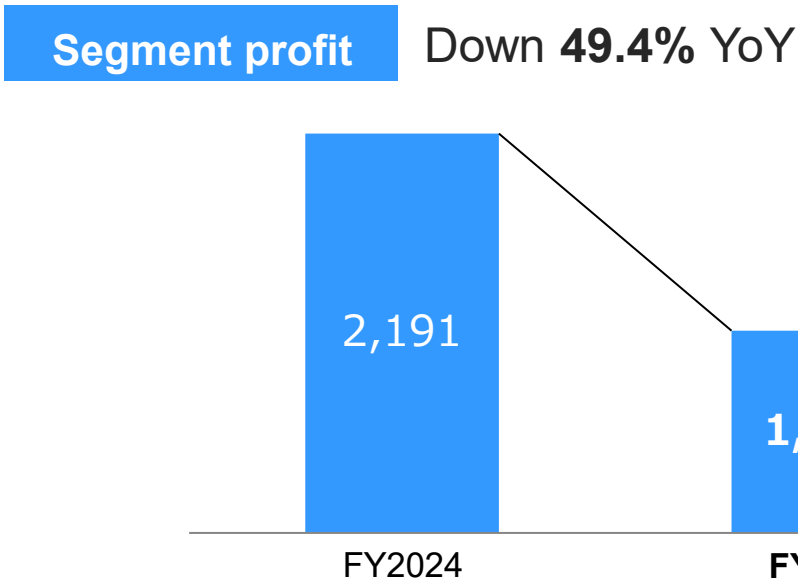


Overview

- ✓ Sales of ship repair coatings remained strong, mainly in Thailand.
- ✓ Sales of heavy-duty coatings increased despite delays in public works projects caused by political instability in Thailand, a key market, supported by shipments of CUS (resin filling material for railway tracks) for India’s high-speed rail project.
- ✓ Sales of marine coatings for pleasure boats to agents in New Zealand grew.
- ✓ Sales of container coatings decreased, due to container production adjustments by a major customer in Malaysia.
- ✓ Profit increased steadily, with the profit margin remaining in the 20% range.



*Pleasure boats, fishing boats, fishing nets, and others



Overview

- ✓ Sales of mainstay ship repair coatings rose significantly, driven by strong sales amid growing demand for eco-friendly products.
- ✓ Sales of heavy duty coatings increased, due to the consolidation of Italo Belge, an Italian coating manufacturer.
- ✓ Segment profit declined, as higher gross profit could not cover increases in core system implementation costs and selling expenses.

3. Medium-Term Management Plan

CMP New Century Plan 2 (FY2021 – FY2025)

Progress in FY2025

Positioning	Promote managerial innovation and lay foundations for value creation		
Basic strategy (key themes)	1	Expand value provided through environmental and social contributions	Promote the creation of social value by growing businesses that contribute to the environment and society, thereby expanding sales, which is a source of economic value.
	2	Improve and stabilize profit structure	Create stable economic value by sustainably improving profitability through a variety of approaches, while curtailing fluctuations caused by changes in business environment
	3	Reinforce organizational foundations	Establish foundations for value creation that contributes to the achievement of lasting growth by improving the performance of human resources that support the key themes above and by strengthening business management functions.
	4	Actively raise Shareholder returns and capital efficiency	Improve ROE by increasing profitability and controlling shareholders' equity through active shareholder returns.

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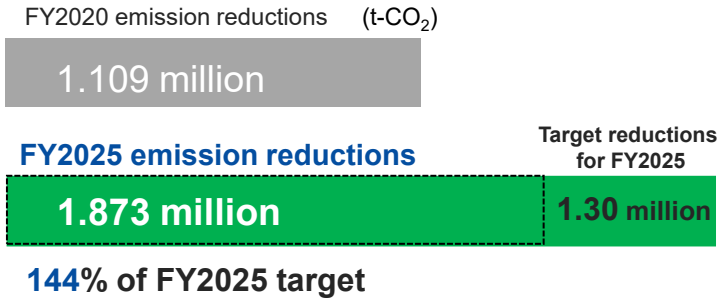
Expand value provided through environmental and social contributions

Further expand reductions in greenhouse gases (GHGs) and volatile organic compounds (VOCs)

Note: Both tables below display approximate reduction achieved by the Group compared to 2008 levels.

GHG (CO₂) emission reductions achieved through expanded supply of antifoulings

(Includes emissions from ocean-going ships with deadweight tonnage of 3,000 or more)

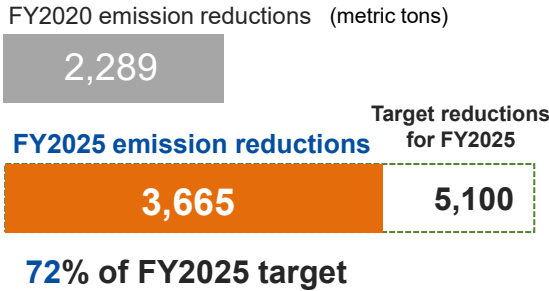


Low-friction high-performance antifoulings

- ✓ Sales remained strong due to growing demand, and the share of high-performance antifouling coatings in total antifouling coatings sales increased from approx. 30% in FY2020 to 59% in FY2025 (based on the number of vessels that applied CMP’s antifouling coatings).
- ✓ We actively promoted sales of new hydrolysis-type coatings while also working to expand sales of silicone-based coatings.

VOC emission reductions achieved through expanded sales of low-VOC coatings

(Includes emissions achieved through sales of general anticorrosive coatings)



Low-VOC coatings

- ✓ Adoption of CMP CERAZEUS, a thin-film shop primer, expanded steadily following its launch.
- ✓ Strong sales of low-VOC anticorrosive coatings, especially in South Korea following tighter VOC regulations, contributed to improved profitability. However, the reduction target was not met, as sales volumes significantly exceeded initial expectations.

2 Improve and stabilize profit structure

Selling price measures	<ul style="list-style-type: none">✓ Strove to optimize selling prices, including those for new ship coatings, to reflect increased manufacturing costs✓ Driven by price revisions and an improved product mix, average selling prices for marine coatings increased by roughly 70% from FY2020 to FY2025, contributing to higher profitability.
Production cost measures	<ul style="list-style-type: none">✓ Strengthened the internal framework for financial hedging to mitigate price volatility risks in raw material procurement; commenced pilot implementation for certain raw materials and products in FY2025✓ Diversified raw material suppliers and procurement methods to reduce procurement costs and strengthen supply chain resilience

3 Reinforce organizational foundations

Promote sustainable management	<ul style="list-style-type: none">✓ Established a talent strategy in April 2024 as part of the transition toward full-scale human capital management✓ Reformed HR systems based on the talent strategy and transitioned to a new HR system in April 2026✓ Enhanced education and training programs and improved the office environment
Improve human capital performance	<ul style="list-style-type: none">✓ Reviewed the operation of various meetings and committees to enhance their functionality and efficiency✓ Established a framework for more timely monitoring of monthly performance

4 Actively raise shareholder returns and capital efficiency

Shareholder return policy under the medium-term management plan		FY2021 results	FY2022 results	FY2023 results	FY2024 results	FY2025 results	FY2021 to FY2025
Shareholder return criteria	Total return on consolidated shareholders' equity (D&BOE): average of at least 5% over the course of the medium-term management plan	9.7%	5.3%	6.2%	6.2%	6.2%	Ave. 6.7%
Dividends	Consolidated payout ratio: at least 40%	711%	45.6%	40.1%	35.0%	50.1%	Total Dividends ¥17.8 billion
	Minimum annual dividend : at least 40%	35 yen	35 yen	80 yen	97 yen	Ordinary 97 yen Special 14 yen	
Share buybacks	We will flexibly conduct share buybacks in accordance with our D&BOE standards while duly considering proper balance between growth investment and dividends.	3.68 billion yen	1.26 billion yen	(No share buybacks)	(No share buybacks)	Reallocated the approx. ¥700mn originally planned for share buybacks to special dividends	Total Amount ¥4.9 billion

Note: in FY2024–FY2025, Partial Amendment to Dividend Policy and addition of Special Provisions

Capital investment

Target	Total investment of ¥17 billion, including a major investment of ¥12 billion in production facilities in Japan and East Asia
Results	Large-scale investments in production facilities were considered but not implemented during the medium-term management plan period; total investment amounted to approx. ¥9 billion

M&A

Policy	Actively pursue high-quality M&A opportunities, including overseas targets
Results	<ul style="list-style-type: none">Acquired Italian coatings manufacturer Italo Belge and made it a subsidiaryDecided to acquire DNT Zhejiang, the Chinese subsidiary of a Japanese coatings manufacturer, with plans to make it a subsidiary in FY2026

Marine coatings

- ✓ Business expanded steadily, driven by an increase in new shipbuilding volume and growing demand for GHG emissions reduction measures for vessels, including compliance with IMO fuel-efficiency regulations.
- ✓ Profitability improved, driven by selling price optimization initiatives and expanded sales of high-value-added products.
- ✓ Due to our focus on improving profitability, market share fell short of the target, except in the new ship coatings market in South Korea.

Industrial coatings

- ✓ Sales of construction material coatings struggled due to continued weakness in the Japanese housing market.
- ✓ Although sales reached a record high, supported by increased sales of heavy-duty coatings in Southeast Asia and an M&A transaction in Europe, results fell short of the target.

Container coatings

While the business grew in Southeast Asia, we downsized our operations in China in light of market contraction and persistently intense price competition.

Summary by Product

(millions of yen)	FY2025 target	FY2025 results	Achievement Rate
Marine coatings	100,000	122,386	122%
Industrial coatings	18,000	15,057	84%
Container coatings	2,000	1,659	83%

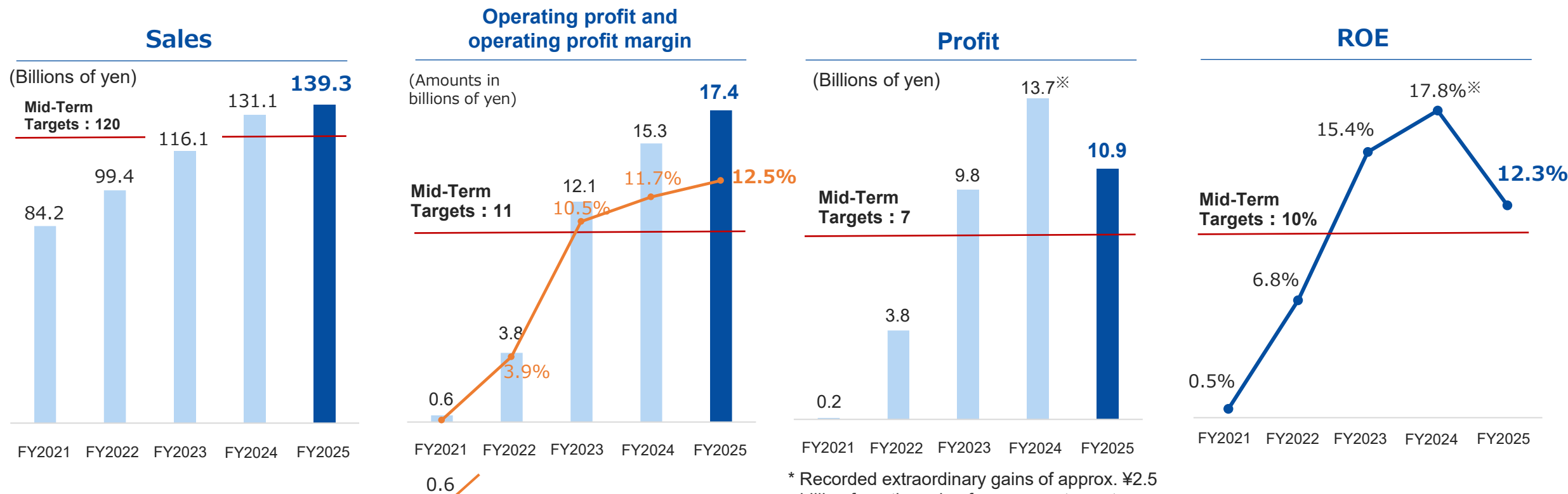
Marine Coatings Market Share

		FY2025 target	FY2025 results
	Japan	65%	62%
	China	17%	11%
	Korea	20%	25%
	New Ships ^{※1}	25%	23%
	Ship repair ^{※2}	22%	14%

*1. By weight

*2. By number of vessels

- Initiatives under the medium-term management plan delivered strong results, with final-year results **significantly exceeding the targets** across all metrics.
- We made notable progress in improving and stabilizing the profit structure, with both **operating profit and the operating profit margin continuing to increase throughout the plan period. Our earnings capability improved, and we firmly established a highly profitable business structure.**
- ROE remained high, supported by improved business profitability and active shareholder returns aimed at controlling shareholders' equity. We achieved **capital profitability exceeding the cost of capital**, based on an estimated cost of equity of approx. 8–9%.



* Recorded extraordinary gains of approx. ¥2.5 billion from the sale of non-current assets

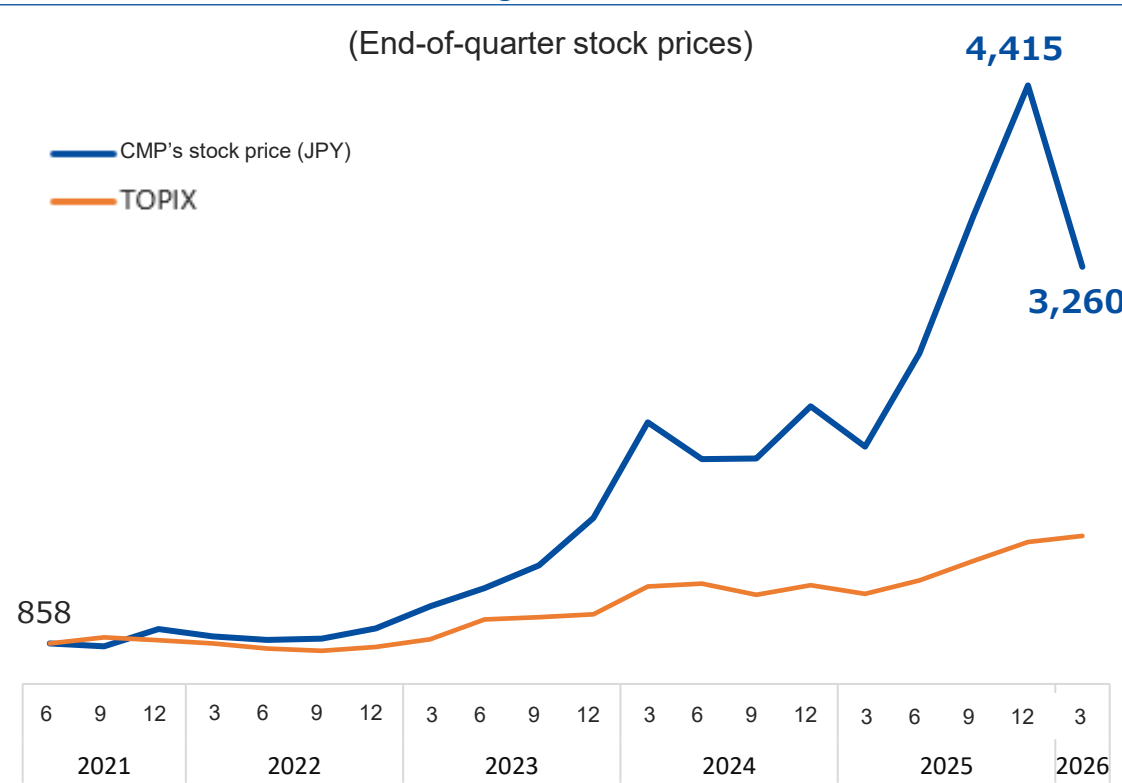
Steadily implement and generate results from the medium-term plan



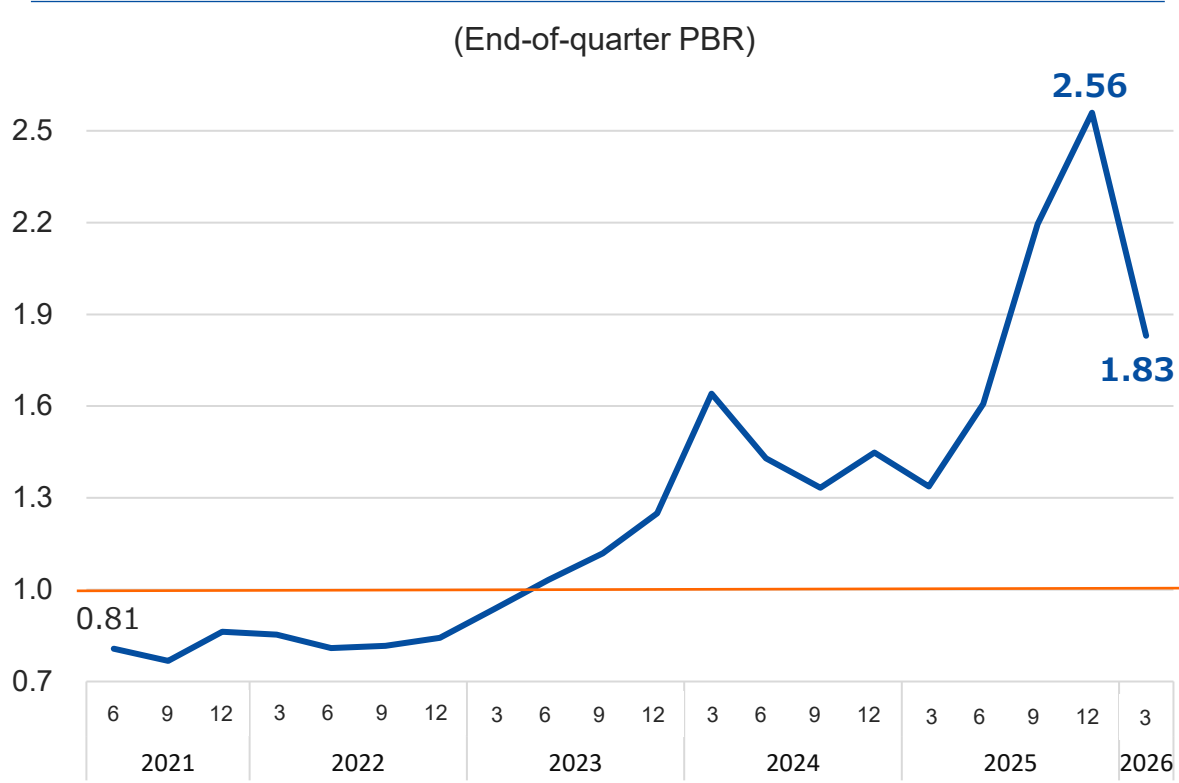
Increase PBR with improved valuation in the capital market

Supported by earnings growth and enhanced shareholder returns achieved under the medium-term management plan, CMP's valuation in the capital markets improved significantly over the past five years.

Stock Price During the Mid-Term Management Plan



PBR During the Mid-Term Management Plan



4. New Medium-Term Management Plan

CMP New Century Plan 3

(FY2026 – FY2030)

The strategies and targets set forth in this medium-term management plan are based on the assumption that the impact of escalating tensions in the Middle East on raw material procurement will not worsen beyond the current level and will largely normalize during FY2026. Accordingly, if future developments or changes in circumstances result in conditions that differ materially from these assumptions, the Company may revise the plan.

Review of the previous medium-term management plan

CMP New Century Plan 2



Achievements	Profit margins and unit selling prices improved significantly due to expanded sales of high-value-added products and optimized selling prices. Our earnings capability improved significantly.	Challenges	<ul style="list-style-type: none">Sluggish growth in market share and sales volumeMajor capex for production facilities were considered but not executed
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Theme	Key indicator	Quantitative target	Result
Expand value provided through environmental and social contributions	GHG (CO ₂) emissions reductions achieved through increased supply of antifouling coatings (FY2025)	1.30 million t-CO ₂	1.87 million t-CO ₂
Improve and stabilize the profit structure	Operating profit and operating profit margin (FY2025)	¥11.0 billion, 9.2%	¥17.4 billion, 12.5%
Actively raise shareholder returns and capital efficiency	Total return on consolidated shareholders' equity (D&BOE)	5% or higher on average over the medium-term management plan period	6.7% (Total returns amounted to ¥22.7 billion, equivalent to 55% of operating cash flow)
	ROE (FY2025)	10% or higher	12.3%
Expand sales of marine coatings	Sales (FY2025)	¥100.0 billion	¥122.3 billion
	Market share (FY2025)	New ship coatings: 25% Ship repair coatings: 22%	New ship coatings: 23% Ship repair coatings: 14% (market share by number of vessels)
Capital investment	Major capex on production facilities in Japan and East Asia	¥12.0 billion over the medium-term management plan period	Considered but not executed

In light of our current situation and the prevailing business environment, we have revised the timeline for our long-term vision to realize one of its goals—attaining the top share in the global marine coatings market—while maintaining current profitability levels.

Partially revised the long-term vision, including the timeline (by 2030→beyond 2030) and ROE target (10%→12%)

A leading global niche company distinguished by sustainability and high profitability

Previously

(What CMP aims to become by 2030)

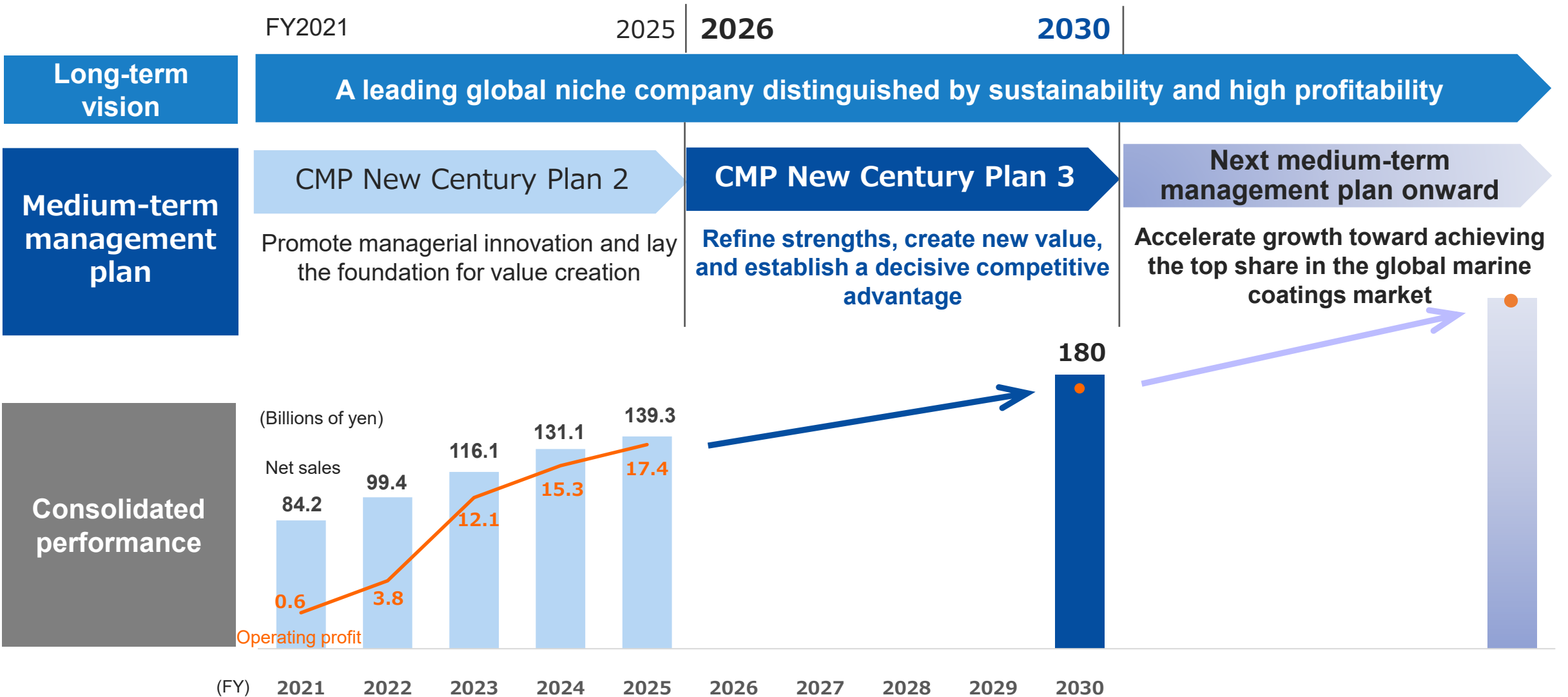
- ✓ Achieve the top share in the global marine coatings market
- ✓ Become the **world's leading coatings manufacturer** through efforts aimed at achieving a sustainable society by providing antifoulings that **help reduce GHG emissions from ships**
- ✓ Improve our presence through a focus on **environmental and social contributions** through our industrial and container coatings and coatings for offshore structures
- ✓ Establish a sustainable and strong **management base**
- ✓ Achieve a stable and **highly profitable business structure** (ROE of 10% or higher)

After revision

(What CMP aims to become beyond 2030)

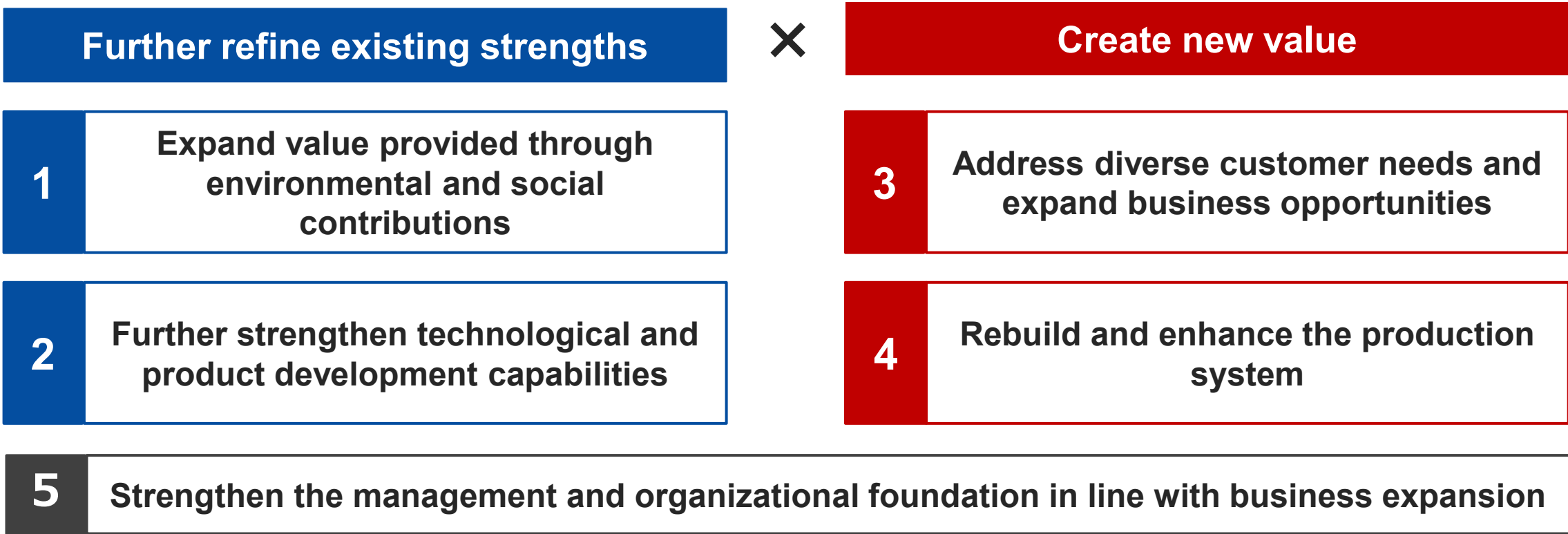
- ✓ Achieve the top share in the global marine coatings market
- ✓ Become the **world's leading coatings manufacturer** through efforts aimed at achieving a sustainable society by providing antifoulings that **help reduce GHG emissions from the shipping industry**
- ✓ Improve our presence through a focus on **environmental and social contributions** through our industrial coatings and coatings for offshore structures
- ✓ Establish a sustainable and strong **management base**
- ✓ Achieve a **stable and highly profitable business structure** (ROE of 12% or higher)

Preparation period for achieving the top share in the global marine coatings market and sustainable profit growth beyond 2030



Refine strengths, create new value, and establish a decisive competitive advantage

Basic strategies (key themes)



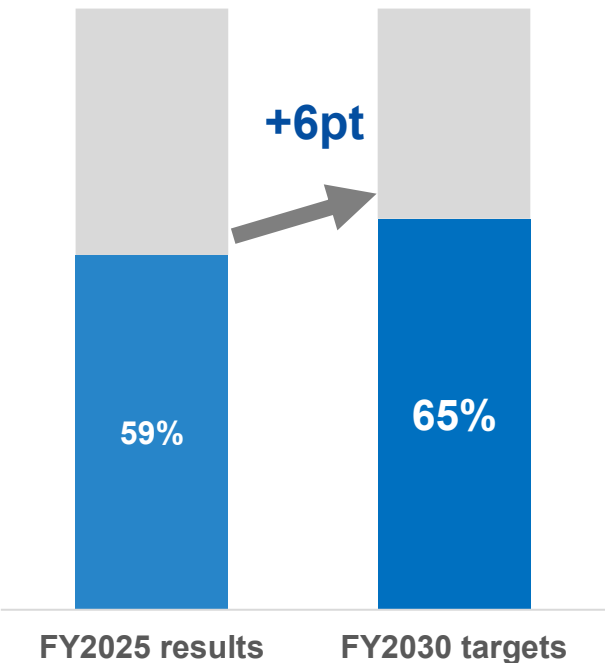
▶ Establish a decisive competitive advantage and prepare for a high-growth phase beyond 2030

Basic strategy 1: Expand value provided through environmental and social contributions (1)

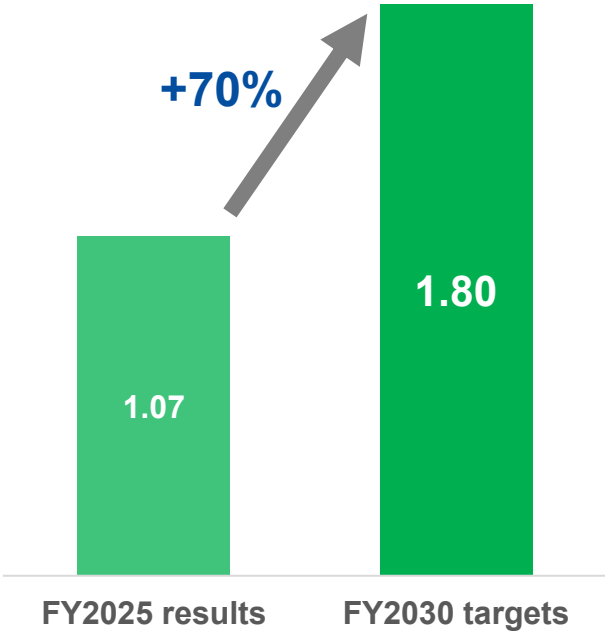
Supply high-value-added products to achieve both environmental and social contributions and profitability improvements

Contribute to reducing GHG emissions from the shipping industry by increasing the supply of high-performance antifouling coatings

Share of high-performance products in antifouling coatings sales (based on number of vessels)



Contribution to GHG (CO₂) emissions reduction (Millions of t-CO₂)



Method of calculating contribution to GHG emissions reduction
The GHG emissions reduction effect from the adoption of high-performance antifouling coatings was estimated using FY2020 results as the baseline. For the previous medium-term management plan, calculations were based on FY2008 results.



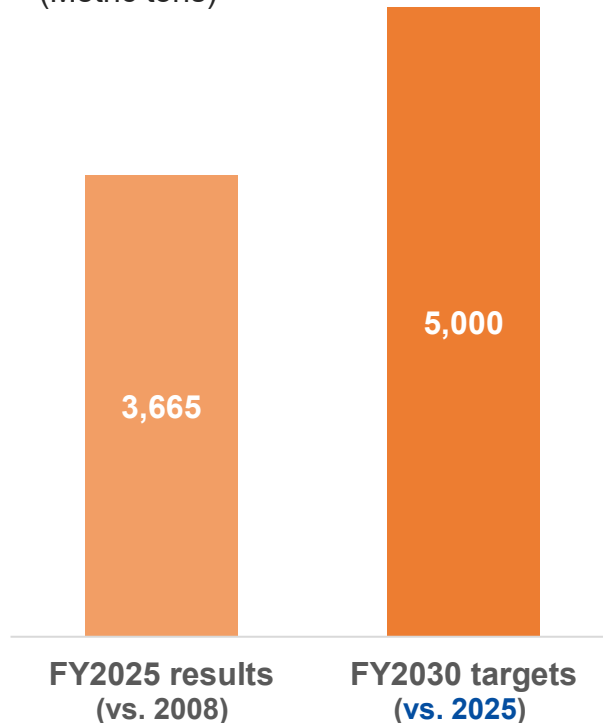
Scope: Ocean-going vessels with a gross tonnage of 3,000 or more

Supply high-value-added products to achieve both environmental and social contributions and profitability improvements

Reduce VOC emissions through expanded sales of low-VOC coatings (VOCs: volatile organic compounds)

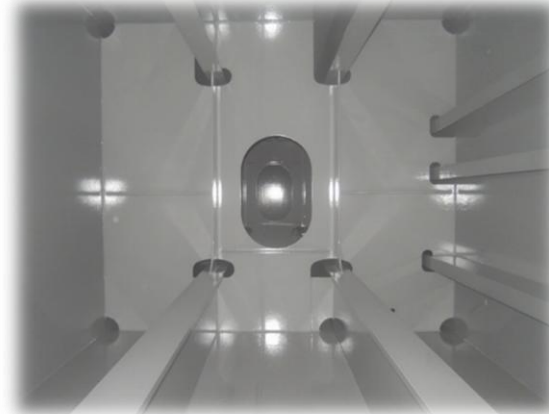
VOC emissions reduction

(Metric tons)



Calculation method

Reduction in VOC emissions was estimated based on FY2025 results, assuming a shift from the conventional product mix to a product mix centered on low-VOC coatings.



Scope: Anticorrosive coatings for major markets

Pursue further value creation

Material-based approaches

- ✓ Further increase the use of biomass-based raw materials
- ✓ Promote the conversion of existing coating specifications to waterborne coatings



Performance-based approaches

- ✓ Shorten shipyard construction processes
- ✓ Reduce maintenance requirements



Further refine capabilities to lead the industry over the long term



Advance environmentally friendly product development

- ✓ Enhance the performance of high-performance antifouling coatings while ensuring marine environmental protection
- ✓ Expand products that reduce environmental impact, including low-VOC coatings
- ✓ Fully adopt decarbonized raw materials in products



Develop innovative products

- ✓ Anticipate market needs and develop highly functional, high-value-added products through innovative ideas
- ✓ Promote open innovation with other companies and research institutions
- ✓ Enhance our presence and differentiation as an environmentally advanced manufacturer



Address diverse customer needs

- ✓ Expand product offerings that truly meet customer needs, including by striking an optimal balance between performance and price
- ✓ Optimize costs through product consolidation or discontinuation and the review of formulations and raw materials



Strengthen the R&D framework

- ✓ Accelerate development through proactive use of AI and DX
- ✓ Expand intellectual property strategies
- ✓ Renovate the research center as planned

Basic strategy 3: Address diverse customer needs and expand business opportunities

Broaden the scope of the coatings business

Optimize the product lineup

Combine high added value with price competitiveness

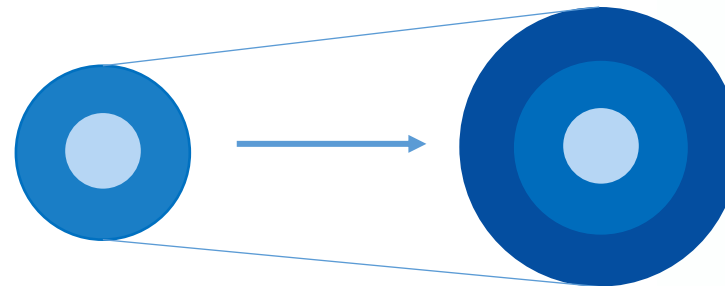
Actively cultivate new customers and business domains

Take calculated risks to drive high growth

Strengthen branding and marketing

Build a framework to become the preferred choice for more customers

Expand the customer base and broaden the scope of value provided to maximize earnings opportunities
Drive sustainable profit growth



Make strategic investments at four major domestic and overseas production sites, representing approx. 70% of global production volume, to establish a sustainable production system for long-term growth

Objectives of strategic investments



Expand production capacity in anticipation of future demand growth



Reduce the risk of supply disruptions caused by aging facilities and equipment



Improve productivity through automation, labor-saving initiatives, and DX



Strengthen interregional product supply capabilities to respond to fluctuations in demand



Introduce state-of-the-art production facilities optimized for high-value-added coatings



Reduce environmental footprint by lowering GHG emissions and waste

Ensure stable product supply while reducing quality maintenance costs

Make strategic investments at four major domestic and overseas production sites, representing approx. 70% of global production volume, to establish a sustainable production system for long-term growth

Overview of strategic investments

Note: Expected investment for the current medium-term management plan period

Ulsan Metropolitan City

New facility

Planned start of investment: FY2026

Scheduled completion: FY2029

Estimated investment: Approx. ¥12 billion

Shiga Factory

Rebuild within the existing site

Planned start of investment: FY2026

Scheduled completion: FY2035*

Estimated investment: Approx. ¥13 billion

Shanghai area

New facility

Planned start of investment: FY2026

Scheduled completion: FY2030

Estimated investment: Approx. ¥10 billion

Kyushu Factory

Expansion and new construction on land adjacent to the existing site

Planned start of investment: FY2026

Scheduled completion: FY2032

Estimated investment: Approx. ¥17 billion

*Partial operations scheduled to commence in FY2030

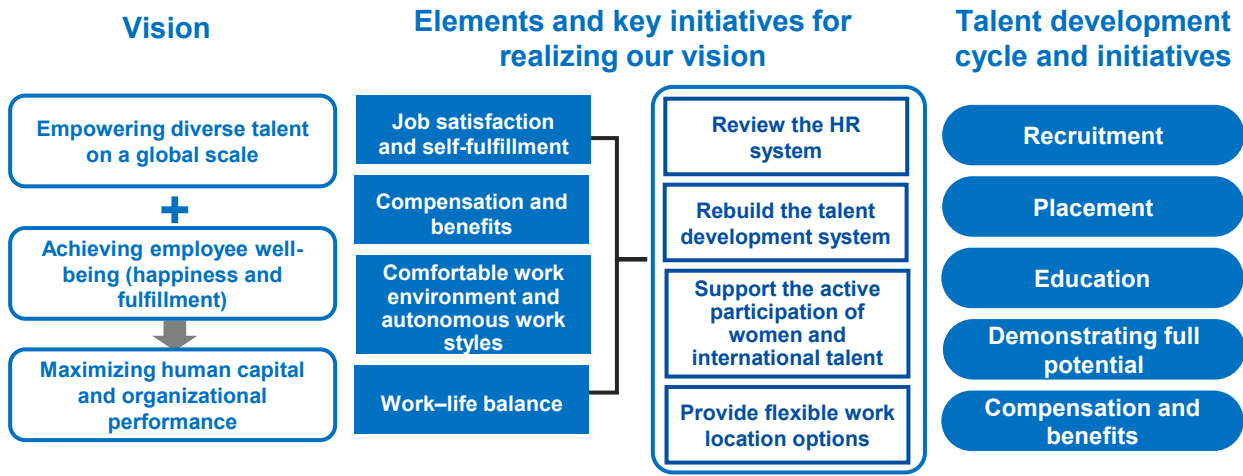
Enhance management quality as a global company to support business growth

Promote human capital management

Maximize human capital and organizational performance through HR strategy

- ✓ Develop self-driven talent through HR system reform
- ✓ Promote diversity
- ✓ Improve employee engagement
- ✓ Optimize talent allocation
- ✓ Strengthen recruitment competitiveness
- ✓ Transform corporate culture

■ Outline of HR strategy



Enhance operational efficiency and sophistication through IT and DX

- ✓ Strengthen systems for more advanced and precise performance management
- ✓ Utilize AI across the organization (business and back-office operations)
- ✓ Streamline and automate routine tasks
- ✓ Modernize the business information platform
- ✓ Strengthen information security

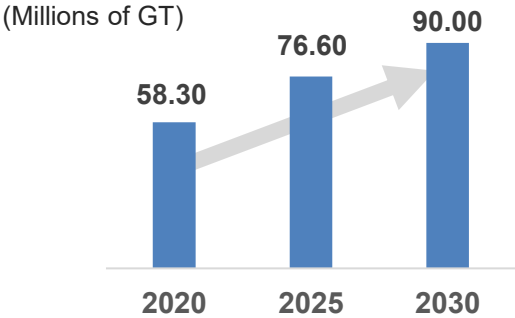
Strengthen governance

- ✓ Enhance and optimize group-wide governance structures
- ✓ Promote organizational restructuring for greater efficiency
- ✓ Strengthen risk management
- ✓ Further reduce strategic shareholdings

Adopt a more aggressive growth strategy to achieve the world’s top market share in the future
Strengthen competitiveness in both sales and products while proactively expanding the business

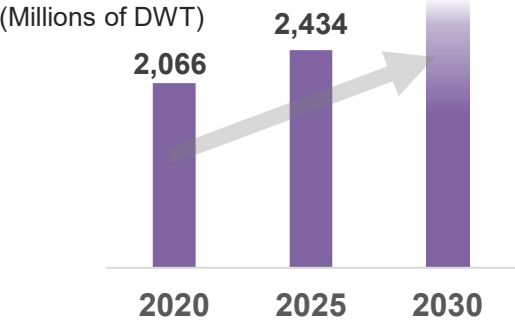
Global demand forecast

Newbuilding deliveries



(Source: Clarksons, National Maritime Research Institute)

Fleet capacity



(Source: Clarksons)

Market share targets

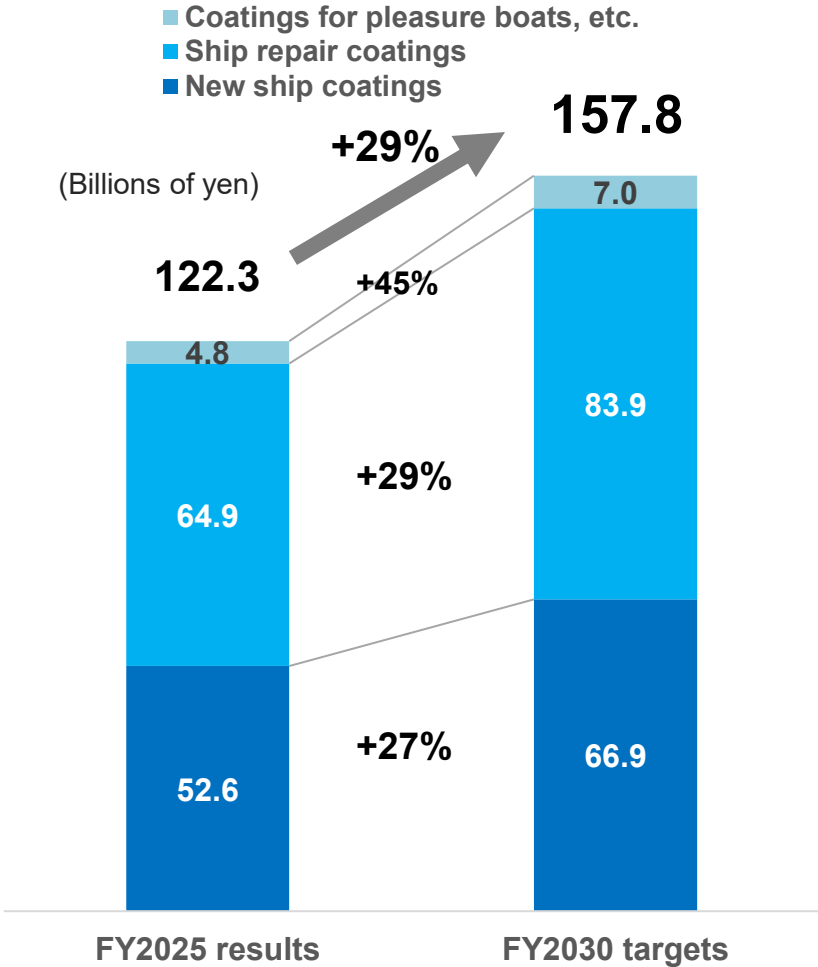
While overall demand is expected to remain solid, we aim to expand our market share, primarily in new ship coatings in China.

		FY2025 results	FY2030 targets
	Japan	62%	69%
	China	11%	18%
	South Korea	25%	24%
	New ship coatings*1	23%	25%
	Ship repair coatings*2 (global)	14%	18%

*1. By weight

*2. By number of vessels

Sales targets



Market environment

Shipbuilding volume is expected to increase, driven by demand for next-generation fuel vessels and replacement demand for existing vessels.

Japan: Shipyards are undertaking capacity expansion plans in line with the government's initiative to double shipbuilding volume, with production projected to increase by approximately 20% over the next five years.

South Korea: Plans are underway to increase shipbuilding volume through overseas expansion. The domestic regulatory environment also requires advanced technologies to address environmental regulations.

China: China holds the world's largest share of shipbuilding volume. Plans are underway to further expand capacity through measures such as reviving dormant shipyards.

Our strategy and initiatives

Adopt a more aggressive approach to order-taking to capture future demand for ship repair coatings and strategically expand market share

- ✓ Strengthen proposals for products that address shipyard challenges, such as shortening construction processes and improving working environments
- ✓ Strengthen collaboration between shipowner sales teams and shipyard sales teams
- ✓ Proactively acquire and cultivate new customers
- ✓ Optimize selling prices
- ✓ Optimize the product lineup in response to market needs
- ✓ Develop business in emerging shipbuilding countries



Market environment

Ship repair volume is also expected to increase, driven by growth in the number of vessels in operation resulting from higher new shipbuilding volume.

- ◆ Demand for fuel-efficient antifouling coatings remains strong as the shipping industry moves to comply with environmental regulations, including IMO EEXI/CII requirements and regulations aimed at preventing the transfer of invasive aquatic species.
- ◆ Demand for products that address labor shortages and reduce maintenance costs is growing.
- ◆ Demand for environmentally friendly products continues to increase as more customer companies adopt ESG management practices.

Our strategy and initiatives

Continue to position high-value-added products at the core of the business while addressing a broader range of customer needs to expand the customer base and achieve sustained high growth

- ✓ Focus on expanding sales of high-performance antifouling coatings that contribute to reducing GHG emissions
- ✓ Develop business through new approaches, including engagement with cargo owners and other stakeholders
- ✓ Optimize the product lineup in response to market needs
- ✓ Strengthen the onboard maintenance business (coatings for ship repairs during voyages)
- ✓ Expand supply locations in line with customers' vessel operations
- ✓ Enhance the functionality of CMP-MAP, our hull performance analysis service



Against the backdrop of expanding global infrastructure investment, we aim to drive growth primarily through overseas heavy-duty coatings while also exploring inorganic growth opportunities.

Heavy-duty coatings

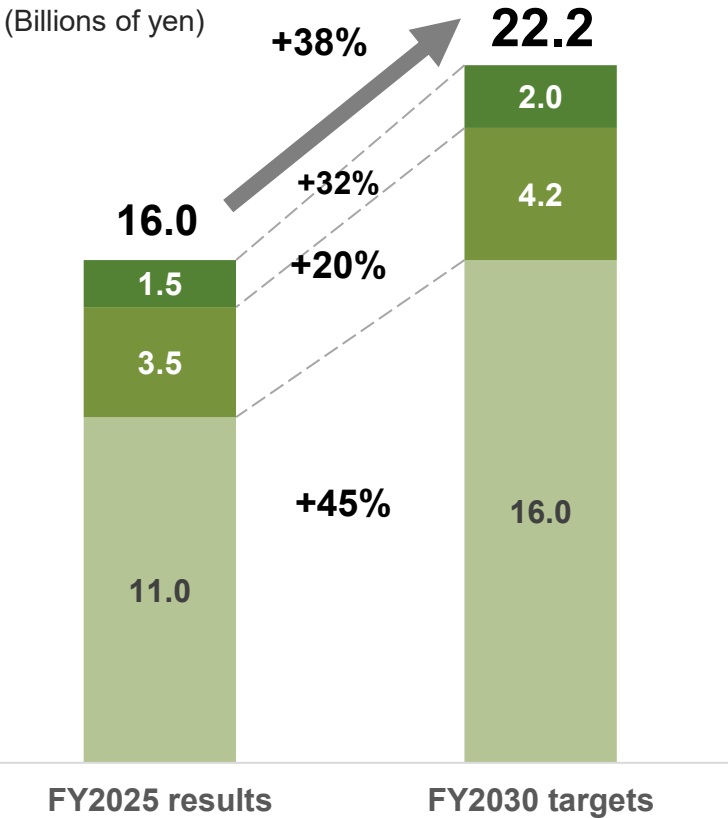
- ✓ Expand various resources necessary for business growth
- ✓ Strengthen responsiveness to customers' global procurement needs (product specifications and supply systems)
- ✓ Develop preventive maintenance services and maintenance-related markets in response to aging infrastructure
- ✓ Advance environmentally friendly technologies, including low-VOC and waterborne coatings

Coatings for construction materials

- ✓ Create products with higher added value and stimulate demand through the addition of new functionalities
- ✓ Develop renovation and remodeling markets
- ✓ Expand overseas operations in line with customer needs

Sales targets

- Container coatings*
- Coatings for construction materials
- Heavy-duty coatings



*Reclassified to industrial coatings from FY2026

Implement strategic investments to establish a decisive competitive advantage while maintaining the operating profit margin at the FY2025 level and improving the EBITDA margin

	FY2025 results		FY2030 targets		Growth vs. FY2025
Net sales	¥139.3 billion	100.0%	¥180.0 billion	100.0%	+29%
Operating profit	¥17.4 billion	12.5%	¥23.0 billion	12.8%	+32%
Profit attributable to owners of parent	¥10.9 billion	7.9%	¥16.0 billion	8.9%	+46%
EBITDA	¥19.2 billion	13.8%	¥27.0 billion	15.0%	+40%
ROE	12.3%		12% or higher		

Notes: EBITDA = Operating profit + depreciation and amortization

Exchange rates and major raw material prices are assumed to remain at the average levels for January–December 2025.

Expected cash allocation and financial policy during the five-year medium-term plan period

Cash inflow
Operating CF
Approx. ¥80.0bn
Debt financing
Balance sheet optimization
Approx. ¥27.0bn

Cash outflow
Strategic investment in production facilities and R&D centers
Approx. ¥64.5bn
Basic capex
Approx. ¥14.5bn
Shareholder returns (dividends)
Approx. ¥28.0bn

Implement growth investments and enhance capital efficiency

- ✓ With a view to sustainably enhancing corporate value, allocate the majority of operating cash flow to **strategic capital investments**
- ✓ Proactively utilize debt financing while maintaining financial soundness, with a policy of **increasing leverage**
- ✓ Consider flexible **M&A and share buybacks** depending on circumstances, financed in principle through cash on hand or debt financing
- ✓ **Optimize the balance sheet** by selling strategic shareholdings and improving the cash conversion cycle (CCC), among other measures

Shareholder return policy

Basic policy	Prioritize growth investments while actively returning excess capital to shareholders and appropriately managing shareholders' equity
Dividends	<ul style="list-style-type: none">• Implement progressive dividends starting from an annual dividend of ¥100 per share• Target dividend on equity (DOE) of approx. 5.0%
Share buybacks	Implement flexibly as appropriate, taking into consideration the balance between growth investments and dividends

5. FY2026 Outlook

While we expect steady demand, particularly for core marine coatings, uncertainty remains high regarding raw material costs and procurement amid escalating tensions in the Middle East.

We have presented only a range forecast for net sales, as shown below, while forecasts for other items remain undetermined. We will disclose them promptly once reasonable estimates become available.

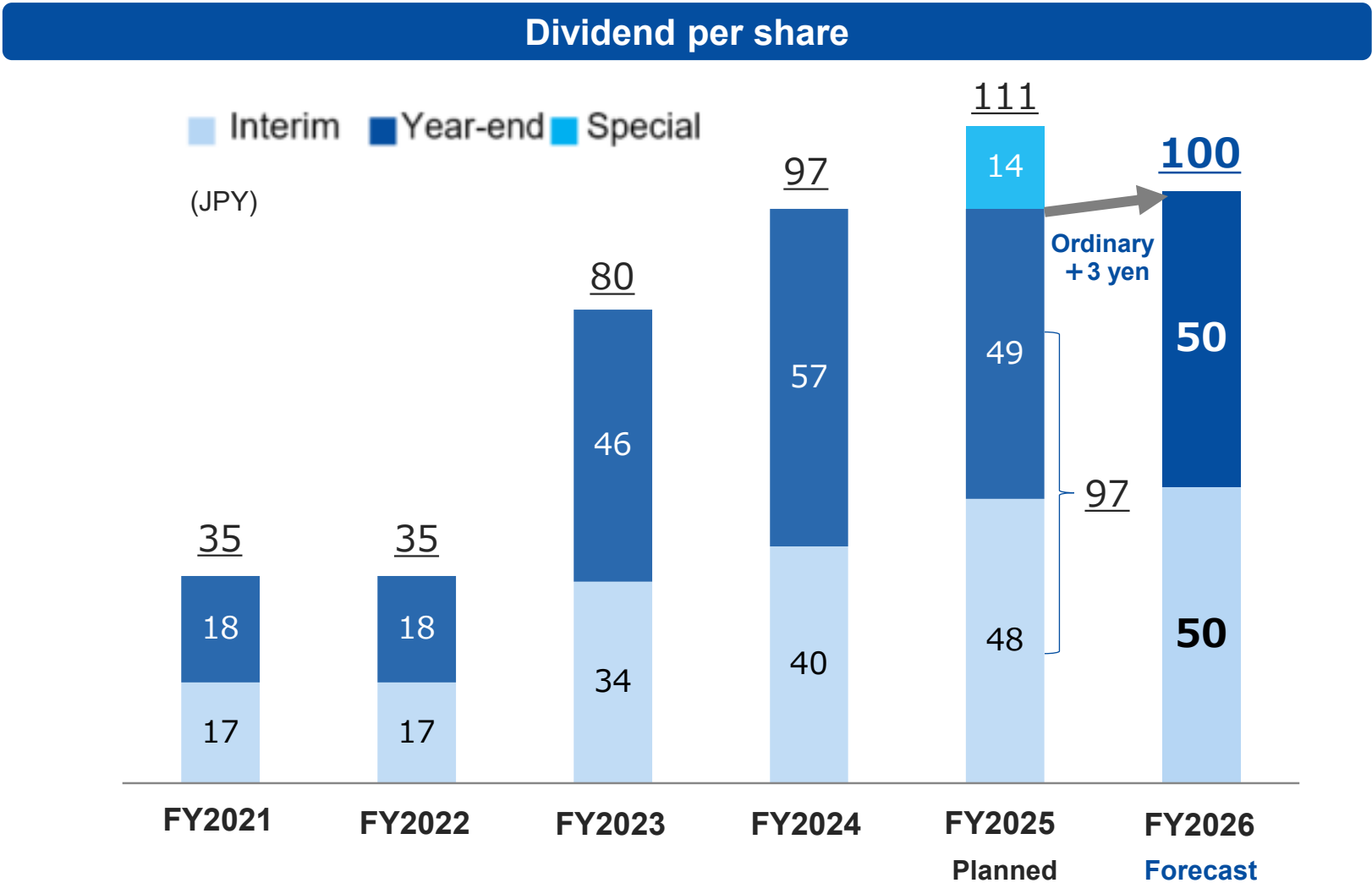
	FY2025 Results	FY2026 Forecasts	Change
Net Sales	139,364	140,000~160,000	+ 0.5%~ + 14.8%
Operating Profit	17,437	To be determined	—
Ordinary profit	17,840		
Profit attributable to owners of parent	10,995		
Earnings per share (yen)	221.66		

(Reference) Recent business conditions (as of May 18, 2026)

Raw material procurement	<ul style="list-style-type: none">• 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.
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Production	Overall production volumes have remained generally in line with FY2025 levels.
Sales	Sales conditions, including demand trends, have remained generally solid. We have been actively implementing selling price revisions since March in response to the recent increase in raw material procurement costs.

Based on the shareholder return policy under the new medium-term management plan, we plan to pay an annual ordinary dividend of ¥100 per share, up ¥3 YoY.





www.cmp.co.jp

www.cmp-chugoku.com

Forecasts presented in these materials are based on judgments made in accordance with information available to CMP as of May 15, 2026. Actual results may differ materially from forecasts due to various risks and uncertainties.

6 . Reference

Name	Chugoku Marine Paints, Ltd.
Establishment	May 1917 (in business for 109 years)
Main business	Production and sales of functional coatings centered on marine coatings
Capital	11,626 million yen
Headquarters	TOKYO : Toranomom Hills Station Tower 16F, 2-6-1 Toranomom, Minato-ku, Tokyo, HIROSHIMA : 1-7, Meiji-Shingai, Otake-Shi, Hiroshima (registered headquarters address)
Representative	Kenshi Date, President & CEO
Stock exchange	Prime Market of the Tokyo Stock Exchange (Code: 4617)
Net sales	¥139,364 million (consolidated, as of March 31, 2026)
Employees	2,198 (consolidated, as of March 31, 2026) *Including 1,530 overseas employees
Major shareholders and ownership ratios (as of Mar 31, 2026)	THE MASTER TRUST BANK OF JAPAN, LTD. (ACCOUNT IN TRUST)/11.3%, CHUGOKU MARINE PAINTS, LTD./9.8%, CUSTODY BANK OF JAPAN, Ltd. (ACCOUNT IN TRUST)/5.1%, THE HIROSHIMA BANK, LTD./4.4%, IMABARI SHIPBUILDING CO.,LTD./4.2%,

Our business encompasses approximately 60 locations belonging to 25 companies located in 20 countries around the world.



■ Major group companies

OHTAKE MEISHIN CHEMICAL, LTD.	Japan (Hiroshima)	CHUGOKU SAMHWA PAINTS, Ltd.	South Korea	CHUGOKU PAINTS B.V.	Holland
KOBE PAINTS, LTD.	Japan (Hyogo)	CHUGOKU MARINE PAINTS (Singapore) Pte. Ltd.	Singapore	CHUGOKU PAINTS (UK) Ltd.	UK
CHUGOKU MARINE PAINTS (Shanghai), Ltd.	China (Shanghai)	CHUGOKU PAINTS (Malaysia) Sdn. Bhd.	Malaysia	CHUGOKU PAINTS (Germany) G.M.B.H.	Germany
CHUGOKU MARINE PAINTS (Guangdong), Ltd.	China (Guangdong)	TOA-CHUGOKU PAINTS Co., Ltd.	Thailand	CHUGOKU-BOAT ITALY S.P.A.	Italy
CHUGOKU MARINE PAINTS (Hong Kong), Ltd.	Hong Kong	P.T. CHUGOKU PAINTS INDONESIA	Indonesia	CHUGOKU MARINE PAINTS (Hellas), S.A.	Greece
CHUGOKU MARINE PAINTS (Taiwan), Ltd.	Taiwan	CHUGOKU PAINTS (India) Pvt. Ltd	India	CMP COATINGS, Inc.	USA

Marine coatings

CMP provides antifoulings that protects ship bottoms from contamination and products for every part of the hull, including heavy duty coatings protecting a variety of tanks from corrosion.

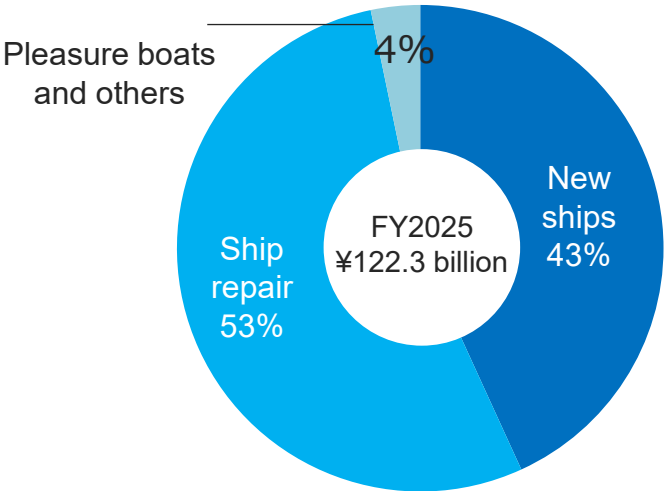
In addition to Japan, the Company has manufacturing bases in China and South Korea, where many new ships are built, and has established a network along major shipping routes from Europe to East Asia. Supported by this global supply structure, CMP boasts one of the world’s leading market shares.

In recent years, demand for new ship building has weakened due to oversupply of ships, but demand is expected to increase over the medium- to long-term due to global economic growth and increased marine transportation. More ships will result in greater demand for ship repairs.

Market scale (global)	Around ¥600 billion
Main players and share	Jotun (Norway), Hempel (Denmark), and CMP account for approximately 70% of global market.



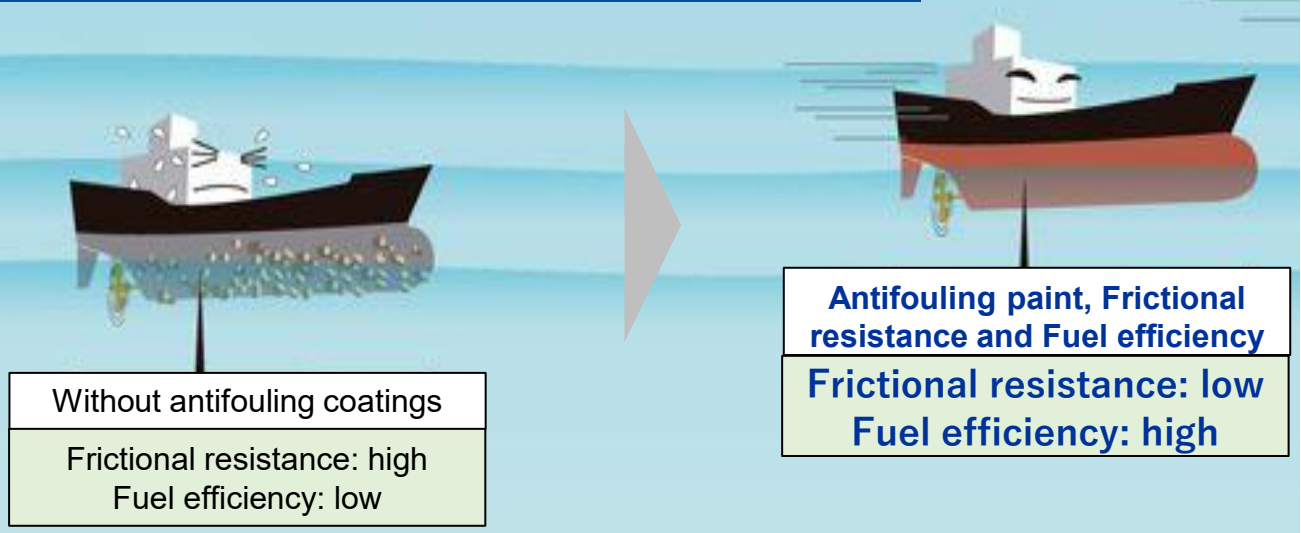
CMP group sales



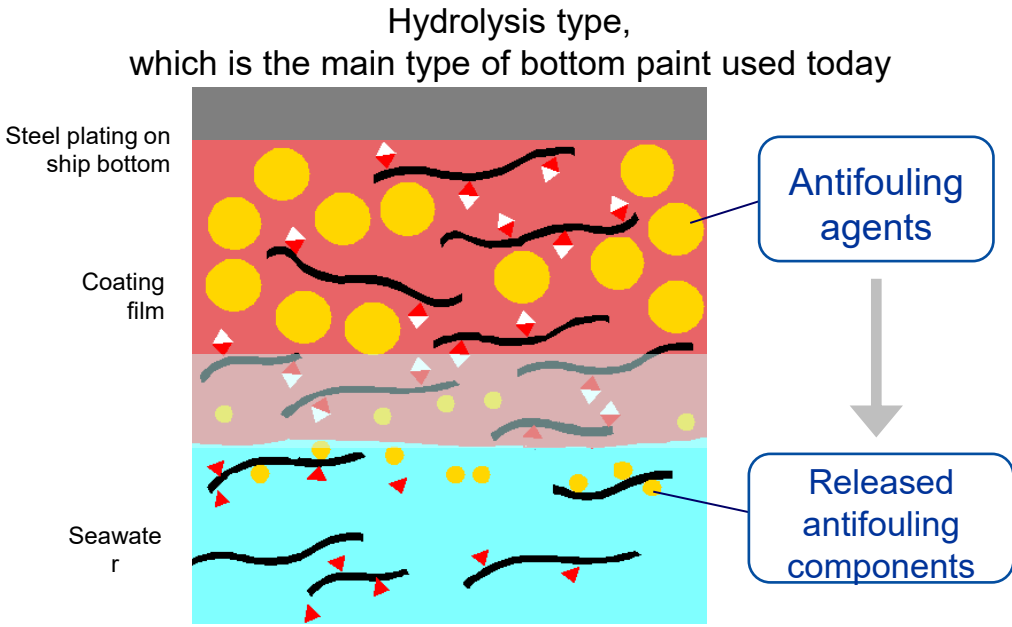
Antifouling paint prevents increases to surface drag caused by barnacles and other marine organisms that attach themselves to ship bottoms.

→ These coatings help improve ship fuel efficiency and reduce CO₂ emissions

Antifouling paint, Frictional resistance and Fuel efficiency



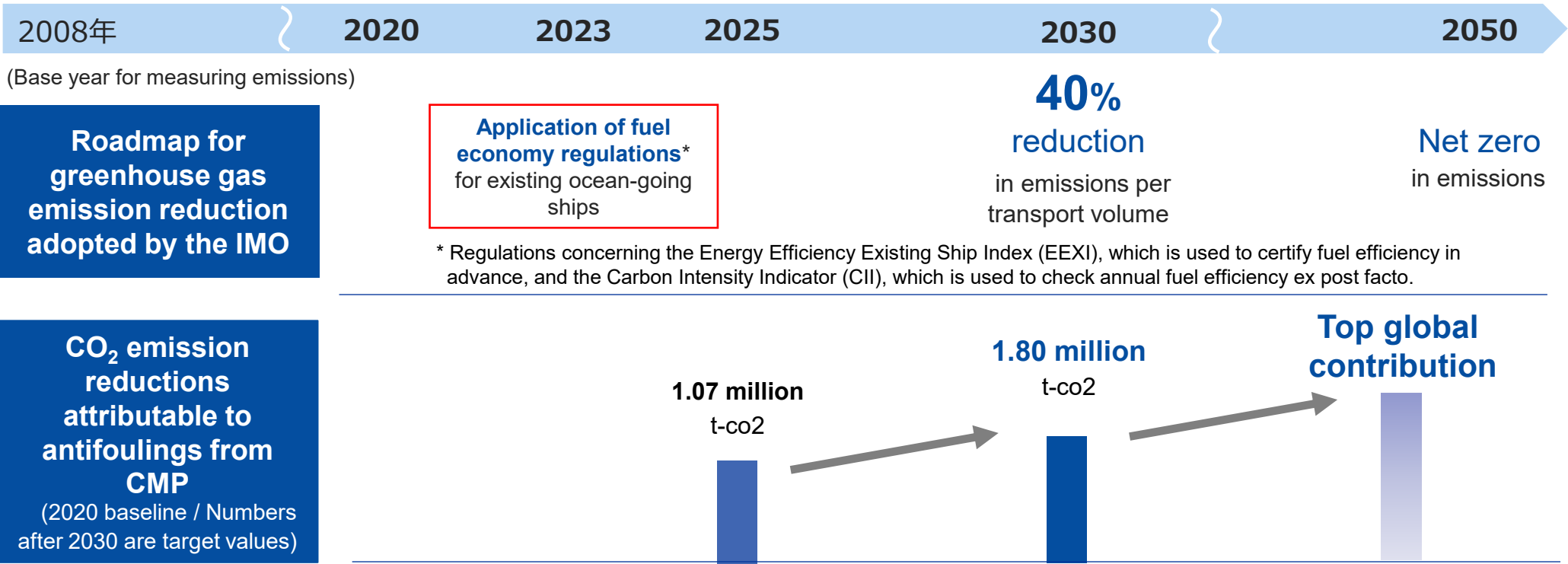
Mechanism



The antifouling agents in the paint act by gradually **dissolving into seawater like soap**

Periodic repainting necessary

Efforts to make ships environmentally compliant through the reduction of greenhouse gas emissions represent a business opportunity for CMP



Over the long term, we project **expansion in demand for our high-performance antifoulings**, which contribute to fuel efficiency and the reduction of CO₂ emissions.

Industrial coatings

CMP provides a variety of products including construction materials such as flooring materials and cladding, high-function coatings for films and plastic products, and heavy duty coatings for factories, bridges, and other structures.

In addition to Japan, our main market is emerging countries in Southeast Asia, where economic growth is driving robust infrastructure investment.

- UV-curable coatings for flooring materials (approx. 42% share in Japan)



- UV-curable coatings for films



- coatings for cooling channels in electrical power plants (approx. 74% share in Japan)



- Resin caulking materials for railway tracks



Container coatings

CMP supplies container coatings mainly in China and Southeast Asia, the leading producer of containers.

Environmental regulations have tightened since 2017, and the shift to water-based coatings has been accelerating. In response to this trend, we developed technologies early on and have been supplying high-quality container coatings.

Container shipping is expanding driven by growth in the global economy and globalized distribution, but container production is subject to sharp near-term fluctuations in line with shipping market conditions and other factors.



E: Environment

Products contributing to the realization of a sustainable society

Reducing CO₂ and saving energy

Antifoulings, the core product of marine coatings, improve ship mileage by reducing surface resistance due to presence of barnacles and other marine organisms, leading to a reduction in CO₂ and energy conservation.



SEAFLO NEO Z, low-fuel consumption antifouling ship paint

Heightening coating film smoothness reduces friction resistance in water. Received Japan Environment Minister's Award for Global Warming Prevention Activities.

Saving resources

coatings function to protect material from corrosion and deterioration. CMP's paint products contribute to saving resources by protecting iron, concrete, wood, and other materials from rust and corrosion, reducing losses.

Renewable energy

CMP promotes joint research with universities and research institutions and participates in several offshore wind power generation projects as a paint manufacturer.



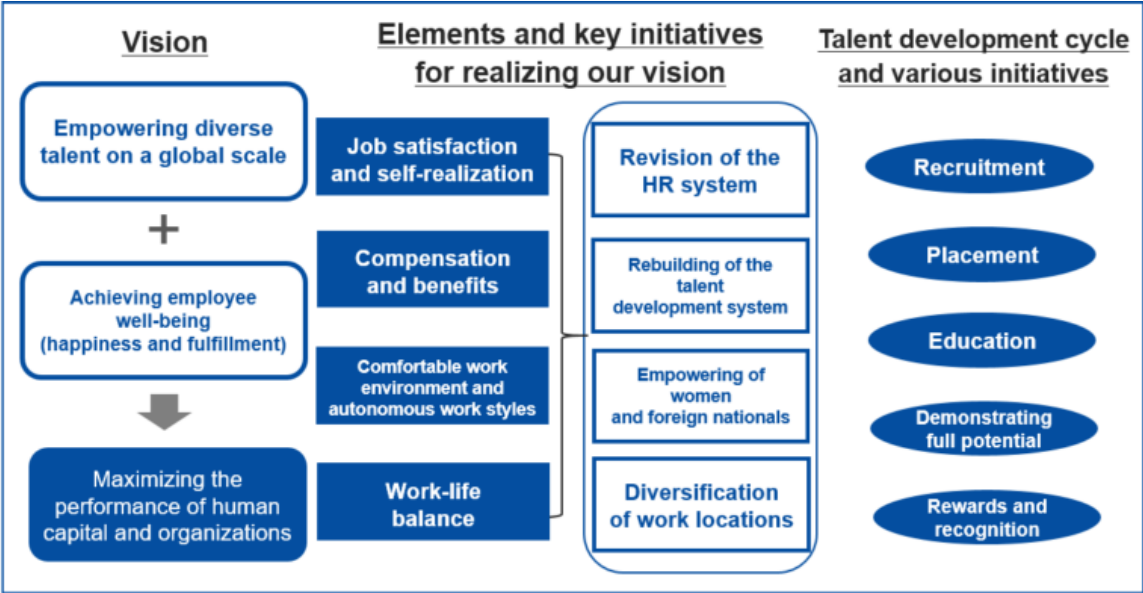
FLUOREX, fluorine
resin paint



Titanium foil corrosion
prevention system

S:Society

【Outline of the HR strategy】



【Community Contribution】



Donation of Vegetables to Children's Cafeterias (Japan)



Donation of scholarships (South Korea)



Donation of coatings to school (Thailand)

G:Governance

Structure

- Organization: Company with auditors
- Director's term: One year
- Officer composition:
Two of seven directors are outside directors. (More than 1/3.)
Two of four auditors are outside auditors.
- Outside officers (*All are independent directors as defined by the Tokyo Stock Exchange)

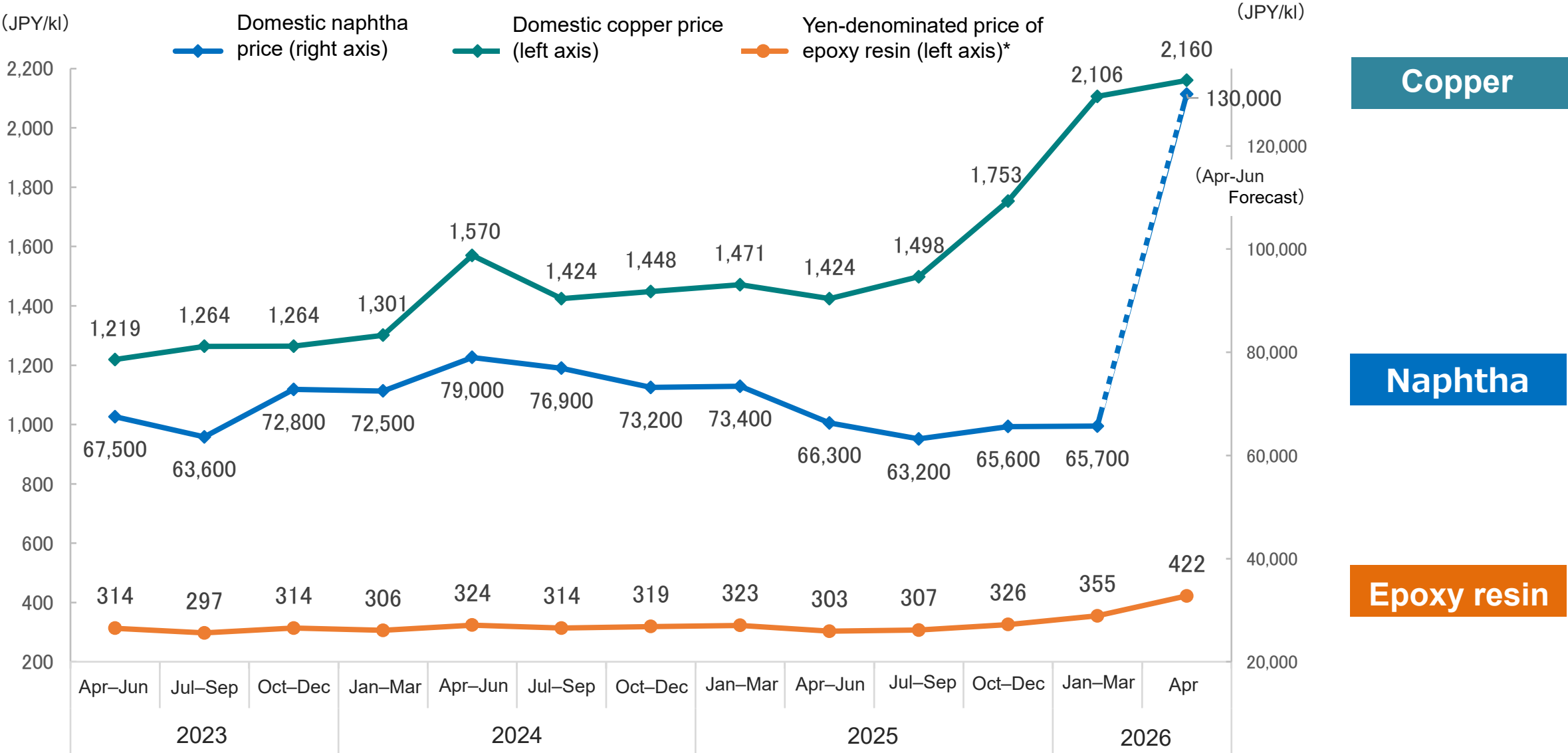
Positionv	Name	Profession
Outside director	Mr. Toshihumi Inami	Former company officer
Outside director	Ms. Akiko Monden	Attorney
Outside director	Mr. Takumi Kudo	Former company officer
Outside auditor	Ms. Kie Yamada	Certified public accountant
Outside auditor	Mr. Tetsuji Nakamura	Certified public tax accountant

- Discretionary committees: We have established Nominating committee and Compensation committee

Strategic shareholdings

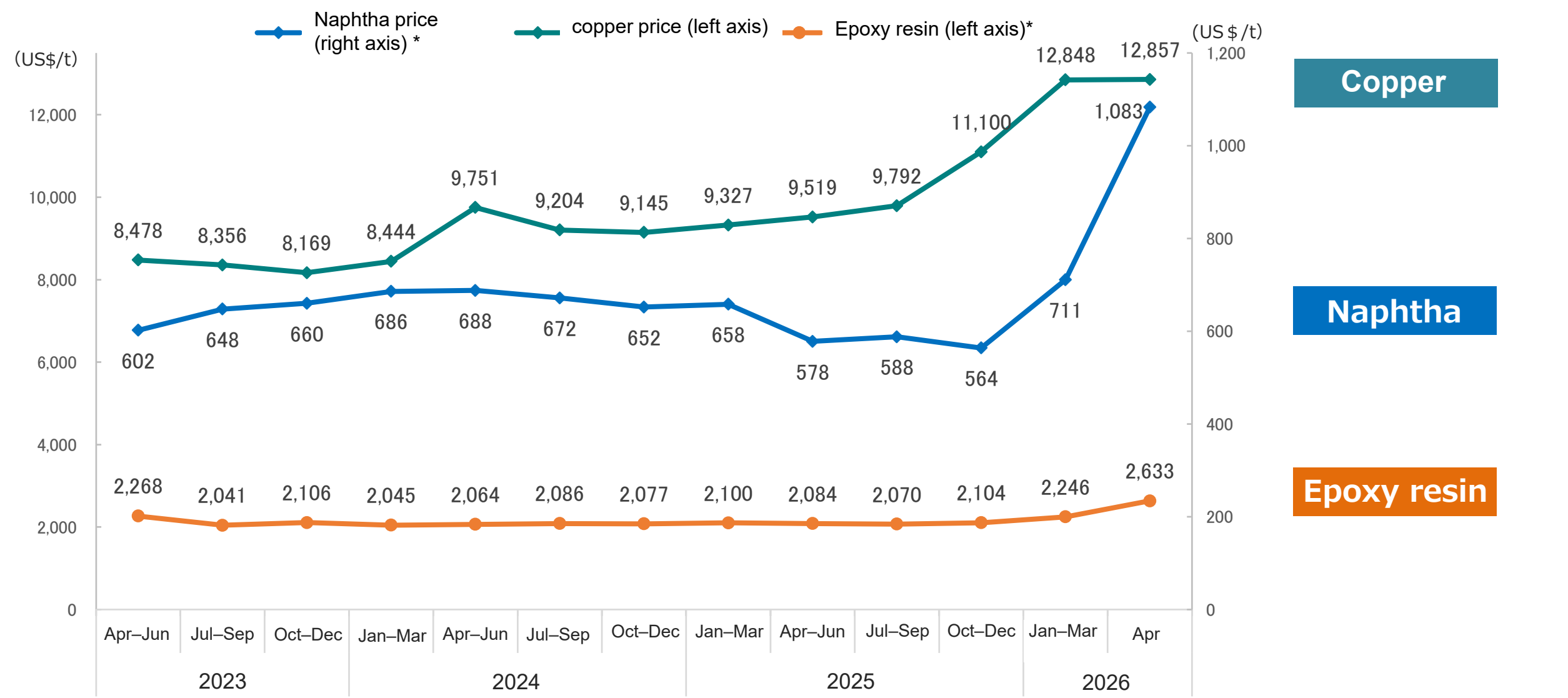
CMP's policy is to promote reduction in strategic shareholdings. In FY2025, we sold strategic shareholdings in two companies.

Key raw material prices (domestic market)



*Simple yen conversion of Asian market prices shown on next page, using exchange rates for the corresponding periods

Key raw material prices (overseas market)



Copper

Naphtha

Epoxy resin

*Asian market prices provided by third-party institutions

Fact Sheet (FY2021-FY2025)

Note: Underlined figures were revised on December 27, 2021.

【Consolidated Basis】

		FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	(millions of yen)	84,295	99,481	116,174	131,152	139,364
Operating profit	(millions of yen)	687	3,887	12,185	15,381	17,437
Ordinary profit	(millions of yen)	1,012	4,351	13,025	16,481	17,840
Profit attributable to owners of parent	(millions of yen)	257	3,848	9,892	13,721	10,995
Net assets	(millions of yen)	60,039	63,130	76,175	89,435	101,780
Total assets	(millions of yen)	104,618	112,747	132,404	144,777	157,560
Net assets per share	(yen)	1,089.33	1,174.01	1,422.60	1,684.84	1,924.33
Earnings per share	(yen)	4.92	76.69	199.60	276.78	221.66
Annual dividends per share (interim dividends per share)	(yen)	35.00 (17.00)	35.00 (17.00)	80.00 (34.00)	97.00 (40.00)	111.00 (48.00)
Equity ratio	(%)	52.9	51.6	53.3	57.7	60.6
Return On Equity (ROE)	(%)	0.5	6.8	15.4	17.8	12.3
Cash flows from operating activities	(millions of yen)	△238	29	12,388	14,539	14,418
Cash flows from investing activities	(millions of yen)	155	514	△1,625	△103	1,562
Cash flows from financing activities	(millions of yen)	△6,318	△654	△1,980	△12,480	△10,337
Cash and cash equivalents at end of period	(millions of yen)	17,148	18,214	27,705	32,174	38,058
Number of Employees		2,207	2,199	2,104	2,137	2,198

Fact Sheet (FY2016-FY2020)

Note: Underlined figures were revised on December 27, 2021.

【Consolidated Basis】

		FY2016	FY2017	FY2018	FY2019	FY2020
Net sales	(millions of yen)	82,368	82,980	88,452	87,729	82,442
Operating profit	(millions of yen)	5,429	3,704	△643	<u>3,441</u>	<u>6,506</u>
Ordinary profit	(millions of yen)	6,034	3,855	△224	<u>4,007</u>	<u>6,376</u>
Profit attributable to owners of parent	(millions of yen)	3,604	2,394	△760	<u>△124</u>	<u>3,279</u>
Net assets	(millions of yen)	77,554	80,462	67,804	<u>62,221</u>	<u>62,315</u>
Total assets	(millions of yen)	122,061	125,775	113,855	<u>106,074</u>	<u>105,170</u>
Net assets per share	(yen)	1,098.94	1,137.96	1,033.20	<u>987.09</u>	<u>1,050.10</u>
Earnings per share	(yen)	54.91	36.56	△12.16	<u>△2.09</u>	<u>57.69</u>
Annual dividends per share (interim dividends per share)	(yen)	18.00 (8.00)	28.00 (9.00)	34.00 (17.00)	34.00 (17.00)	34.00 (17.00)
Equity ratio	(%)	59.0	59.3	55.1	<u>54.2</u>	<u>54.6</u>
Return On Equity (ROE)	(%)	5.0	3.3	△1.1	<u>△0.2</u>	5.7
Cash flows from operating activities	(millions of yen)	10,750	△629	3,135	4,612	7,129
Cash flows from investing activities	(millions of yen)	△5,448	△1,049	△186	2,237	867
Cash flows from financing activities	(millions of yen)	△2,737	△1,388	△6,754	△5,950	△7,009
Cash and cash equivalents at end of period	(millions of yen)	28,403	25,279	20,799	21,479	21,920
Number of Employees		2,298	2,293	2,272	2,279	2,276