

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

July 31, 2026

Company name CHUGOKU MARINE PAINTS, LTD. Stock exchange listings: Tokyo Prime
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
Dividend payable date (as planned) —
Supplemental material of results : Yes
Convening briefing of results : None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	37,802	16.0	5,681	44.8	6,176	55.7	3,814	50.7
June 30, 2025	32,589	12.1	3,922	16.5	3,966	2.4	2,531	(48.9)

Note: Comprehensive For the three months income ended June 30, 2026 4,887Millions of yen (—%) For the three months ended June 30, 2025 224Millions of yen ((97.3)%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	76.89	—
June 30, 2025	51.06	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2026	160,219	103,115	60.4	1,950.49
March 31, 2026	157,560	101,780	60.6	1,924.33

Reference: Owner's equity As of June 30, 2026 96,770Millions of yen As of March 31, 2026 95,473Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	48.00	—	63.00	111.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		50.00	—	50.00	100.00

Note: 1. Revisions to the forecast of cash dividends most recently announced : None

2. 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		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	160,000	14.8	17,500	0.4	18,000	0.9	11,000	0.0	221.71

Note:Revisions to the earnings forecasts most recently announced : None

* Notes

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

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

② Number of treasury stock at the period end

③ Average number of shares (quarterly period-YTD)

As of June 30, 2026	55,000,000 shares	As of March 31, 2026	55,000,000 shares
As of June 30, 2026	5,386,249 shares	As of March 31, 2026	5,386,184 shares
Three months ended June 30, 2026	49,613,784 shares	Three months ended June 30, 2025	49,578,200 shares

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

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 Three Months Ended June 30, 2026

During the three months ended June 30, 2026, the Group recorded a substantial increase in sales in its mainstay marine coatings category. Shipment volumes of new ship coatings remained robust in China as shipbuilding output increased. In Japan, the Group adjusted selling prices of new ship coatings to secure reliable supplies of raw materials and fulfill its responsibility to maintain product supply, amid heightened concerns over procurement and surging material prices caused by escalating tensions in the Middle East. Sales of ship repair coatings increased overall. Global demand for high-performance antifouling coatings continued to grow as efforts to reduce CO₂ emissions from ships gained momentum, driven in part by the need to comply with fuel-efficiency regulations imposed by the International Maritime Organization (IMO). Against this backdrop, the Group actively promoted sales of high-value-added products and adjusted selling prices to appropriately reflect raw material costs. Sales of industrial coatings also increased, primarily reflecting a recovery in demand for heavy-duty coatings in Southeast Asia, the Group's principal market for these products, as well as selling price adjustments implemented to reflect raw material costs.

Despite increases in raw material prices and various other outlays, including transportation and personnel costs, the Group continued its efforts to improve profitability by expanding sales of high-value-added and environmentally friendly products. Profitability also benefited from selling price adjustments implemented in response to heightened tensions in the Middle East. In addition, cost of sales for the three-month period under review included raw material inventories procured before prices surged, which further supported profitability.

As a result, for the three months ended June 30, 2026, the Group reported net sales of ¥37,802 million (up 16.0% year on year), operating profit of ¥5,681 million (up 44.8% year on year), ordinary profit of ¥6,176 million (up 55.7% year on year), and profit attributable to owners of parent of ¥3,814 million (up 50.7% year on year).

Operating results by segment for the three months ended June 30, 2026 were as follows.

1) Japan

In the marine coatings category, sales of both new ship coatings and ship repair coatings increased, supported by robust demand and temporary price adjustments implemented in response to heightened tensions in the Middle East. Sales of industrial coatings also increased, reflecting similar price adjustments and higher shipment volumes of heavy-duty coatings. As a result, segment sales amounted to ¥14,047 million (up 31.7% year on year). Segment profit increased ¥1,740 million year on year to ¥2,409 million (up 260.1% year on year), mainly reflecting selling price adjustments implemented in response to heightened tensions in the Middle East.

2) China

In the marine coatings category, sales of new ship coatings increased substantially, driven by a significant rise in shipment volumes. Sales of ship repair coatings also increased despite a decline in the number of docked ships during the three-month period under review as the Group focused on selling high-value-added products. As a result, segment sales amounted to ¥6,368 million (up 31.3% year on year). Although sales rose substantially, higher raw material costs limited profit growth. Segment profit increased ¥16 million year on year to ¥712 million (up 2.4% year on year).

3) South Korea

In the marine coatings category, sales of new ship coatings—a core product line in South Korea—declined, reflecting both the high comparison base created by a concentration of large projects at major shipyards during the same period of the previous fiscal year and slower shipments during the first quarter under review due to temporary delays in shipyard production schedules. Sales of ship repair coatings remained steady. As a result, segment sales amounted to ¥3,968 million (down 12.8% year on year). Segment profit increased ¥4 million year on year to ¥660 million (up 0.7% year on year), reflecting a higher share of high-value-added products in the shipment mix and lower selling and administrative expenses.

4) Southeast Asia

In the marine coatings category, sales increased substantially, supported by robust demand for ship repair coatings. In the industrial coatings category, shipment volume increased in Thailand—the Group's key market in the region—thanks to strong demand associated with projects requiring heavy-duty coatings. As a result, segment sales amounted to ¥5,544 million (up 24.8% year on year). Selling price adjustments implemented to reflect manufacturing costs contributed to a ¥324 million year-on-year increase in segment profit, which rose to ¥1,183 million (up 37.7% year on year).

5) Europe and the US

In the marine coatings category, the Group focused on selling high-value-added, environmentally friendly ship repair coatings as demand for such products increased, partly due to the need to comply with CO₂ emissions regulations in Europe. Sales nevertheless declined, primarily because the number of docked ships during the three-month period under review decreased year on year. Sales of industrial coatings increased, supported by robust demand for heavy-duty coatings. As a result, segment sales amounted to ¥7,873 million (down 2.5% year on year). The decline in sales and an increase in various expenses resulted in a ¥419 million year-on-year decrease in segment profit, which fell to ¥67 million (down 86.1% year on year).

(2) Summary of Financial Position

(Assets)

As of June 30, 2026, current assets stood at ¥120,577 million, up ¥2,861 million from March 31, 2026. The rise was mainly attributable to increases of ¥3,803 million in notes and accounts receivable–trade, ¥2,703 million in merchandise and finished goods, and ¥1,604 million in electronically recorded monetary claims–operating, partially offset by a ¥5,439 million decrease in cash and deposits.

Non-current assets totaled ¥39,641 million, down ¥203 million from March 31, 2026. The decline primarily reflected decreases of ¥185 million in investment securities and ¥172 million in property, plant and equipment, partially offset by a ¥103 million increase in intangible assets.

As a result, total assets as of June 30, 2026 stood at ¥160,219 million, up ¥2,658 million from March 31, 2026.

(Liabilities)

As of June 30, 2026, current liabilities stood at ¥44,432 million, up ¥956 million from March 31, 2026. The rise was mainly due to a ¥1,669 million increase in notes and accounts payable–trade, partially offset by a ¥452 million decrease in short-term borrowings.

Non-current liabilities came to ¥12,670 million, up ¥365 million from March 31, 2026. The rise primarily reflected increases of ¥846 million in other non-current liabilities and ¥51 million in retirement benefit liability, partially offset by a ¥520 million decrease in deferred tax liabilities.

As a result, total liabilities as of June 30, 2026 stood at ¥57,103 million, up ¥1,322 million from March 31, 2026.

(Net assets)

As of June 30, 2026, net assets stood at ¥103,115 million, up ¥1,335 million from March 31, 2026. The rise mainly reflected increases of ¥759 million in foreign currency translation adjustment, ¥688 million in retained earnings, and ¥38 million in non-controlling interests, partially offset by a ¥130 million decrease in valuation difference on available-for-sale securities.

As a result, the equity ratio decreased to 60.4%, down from 60.6% as of March 31, 2026.

(3) Cash flows

As of June 30, 2026, cash and cash equivalents totaled ¥31,229 million, a decrease of ¥6,829 million from March 31, 2026.

(Cash flows from operating activities)

Net cash used in operating activities totaled ¥2,924 million. Operating cash flows were reduced mainly by increases of ¥5,198 million in trade receivables and ¥3,157 million in inventories, partially offset by profit before income taxes of ¥6,176 million.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥352 million. The main uses of cash were ¥4,096 million in payments into time deposits and ¥433 million in purchases of non-current assets. The main sources of cash were ¥3,173 million in proceeds from withdrawals of time deposits and ¥1,029 million in subsidies received.

(Cash flows from financing activities)

Net cash used in financing activities totaled ¥4,106 million, primarily reflecting dividend payments of ¥3,435 million (including dividends paid to non-controlling interests) and a ¥587 million net decrease in short-term borrowings.

(4) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements

The Group has not revised the consolidated earnings forecast released on July 3, 2026.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	40,259	34,820
Notes and accounts receivable - trade	37,619	41,422
Electronically recorded monetary claims - operating	5,489	7,093
Securities	1,327	855
Merchandise and finished goods	16,921	19,625
Work in process	928	821
Raw materials and supplies	13,104	13,816
Other	2,719	2,840
Allowance for doubtful accounts	(653)	(716)
Total current assets	117,716	120,577
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,930	5,960
Machinery, equipment and vehicles, net	4,829	4,837
Land	9,331	9,298
Other, net	2,535	2,356
Total property, plant and equipment	22,625	22,453
Intangible assets	413	517
Investments and other assets		
Investment securities	12,939	12,753
Retirement benefit asset	1,864	1,915
Deferred tax assets	1,278	1,269
Other	1,227	1,246
Allowance for doubtful accounts	(504)	(513)
Total investments and other assets	16,804	16,670
Total non-current assets	39,844	39,641
Total assets	157,560	160,219

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,419	17,089
Electronically recorded obligations - operating	2,324	2,629
Short-term borrowings	13,666	13,213
Current portion of long-term borrowings	—	8
Accounts payable - other	3,411	3,375
Income taxes payable	3,138	2,943
Provision for bonuses	262	365
Provision for product warranties	145	134
Other	5,106	4,671
Total current liabilities	43,475	44,432
Non-current liabilities		
Long-term borrowings	2,738	2,727
Deferred tax liabilities	4,825	4,304
Deferred tax liabilities for land revaluation	1,036	1,036
Retirement benefit liability	2,347	2,398
Other	1,357	2,204
Total non-current liabilities	12,305	12,670
Total liabilities	55,780	57,103
Net assets		
Shareholders' equity		
Share capital	11,626	11,626
Retained earnings	66,708	67,397
Treasury shares	(4,859)	(4,859)
Total shareholders' equity	73,475	74,164
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,485	6,355
Deferred gains or losses on hedges	2	—
Revaluation reserve for land	984	984
Foreign currency translation adjustment	13,792	14,551
Remeasurements of defined benefit plans	733	715
Total accumulated other comprehensive income	21,998	22,606
Non-controlling interests	6,306	6,344
Total net assets	101,780	103,115
Total liabilities and net assets	157,560	160,219

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	32,589	37,802
Cost of sales	21,679	24,321
Gross profit	10,910	13,481
Selling, general and administrative expenses	6,988	7,800
Operating profit	3,922	5,681
Non-operating income		
Interest income	150	94
Dividend income	170	225
Royalty income	46	41
Technical advisory fee income	19	19
Foreign exchange gains	—	188
Other	102	75
Total non-operating income	490	644
Non-operating expenses		
Interest expenses	115	105
Foreign exchange losses	308	—
Other	22	43
Total non-operating expenses	446	149
Ordinary profit	3,966	6,176
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	0	—
Total extraordinary income	3	0
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on sale of investment securities	3	—
Total extraordinary losses	3	0
Profit before income taxes	3,966	6,176
Income taxes - current	838	2,178
Income taxes - deferred	306	(429)
Total income taxes	1,144	1,748
Profit	2,821	4,427
Profit attributable to non-controlling interests	290	613
Profit attributable to owners of parent	2,531	3,814

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	2,821	4,427
Other comprehensive income		
Valuation difference on available-for-sale securities	140	(130)
Deferred gains or losses on hedges	0	(2)
Foreign currency translation adjustment	(2,826)	609
Remeasurements of defined benefit plans, net of tax	88	(16)
Total other comprehensive income	(2,597)	459
Comprehensive income	224	4,887
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	257	4,423
Comprehensive income attributable to non-controlling interests	(32)	464

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,966	6,176
Depreciation	432	491
Increase (decrease) in allowance for doubtful accounts	(48)	63
Increase (decrease) in other provisions	262	96
Decrease (increase) in retirement benefit asset	55	(60)
Increase (decrease) in retirement benefit liability	36	(17)
Interest and dividend income	(321)	(320)
Interest expenses	115	105
Foreign exchange losses (gains)	47	(91)
Loss (gain) on sale and retirement of non-current assets	(3)	19
Loss (gain) on sale of investment securities	3	—
Decrease (increase) in trade receivables	(1,367)	(5,198)
Decrease (increase) in inventories	(1,876)	(3,157)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(260)	32
Increase (decrease) in trade payables	(123)	1,949
Other, net	(421)	(903)
Subtotal	497	(814)
Interest and dividends received	318	342
Interest paid	(110)	(101)
Income taxes paid	(1,213)	(2,350)
Net cash provided by (used in) operating activities	(508)	(2,924)
Cash flows from investing activities		
Payments into time deposits	(2,160)	(4,096)
Proceeds from withdrawal of time deposits	4,329	3,173
Net decrease (increase) in short-term loans receivable	10	1
Purchase of non-current assets	(612)	(433)
Proceeds from sale of non-current assets	5	8
Subsidies received	—	1,029
Purchase of investment securities	(0)	—
Proceeds from sale of investment securities	9	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(377)	—
Other, net	(58)	(35)
Net cash provided by (used in) investing activities	1,145	(352)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,221)	(587)
Proceeds from long-term borrowings	1	—
Repayments of long-term borrowings	(3)	(2)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,745)	(3,009)
Dividends paid to non-controlling interests	(746)	(426)
Other, net	(67)	(82)
Net cash provided by (used in) financing activities	(4,782)	(4,106)
Effect of exchange rate change on cash and cash equivalents	(1,537)	555
Net increase (decrease) in cash and cash equivalents	(5,682)	(6,829)
Cash and cash equivalents at beginning of period	32,174	38,058
Cash and cash equivalents at end of period	26,492	31,229