

Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (FY2026)

July 31, 2026

Chugoku Marine Paints, Ltd.

(TSE Code: 4617)



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Periods included in Q1 FY2026

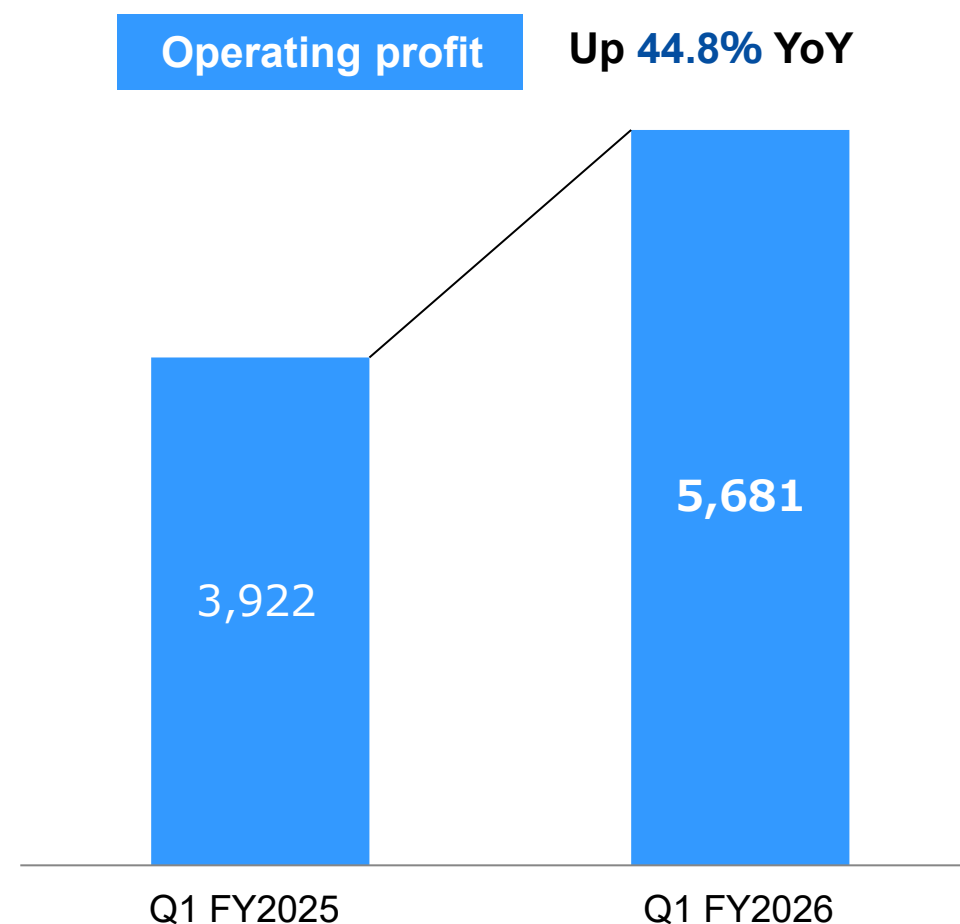
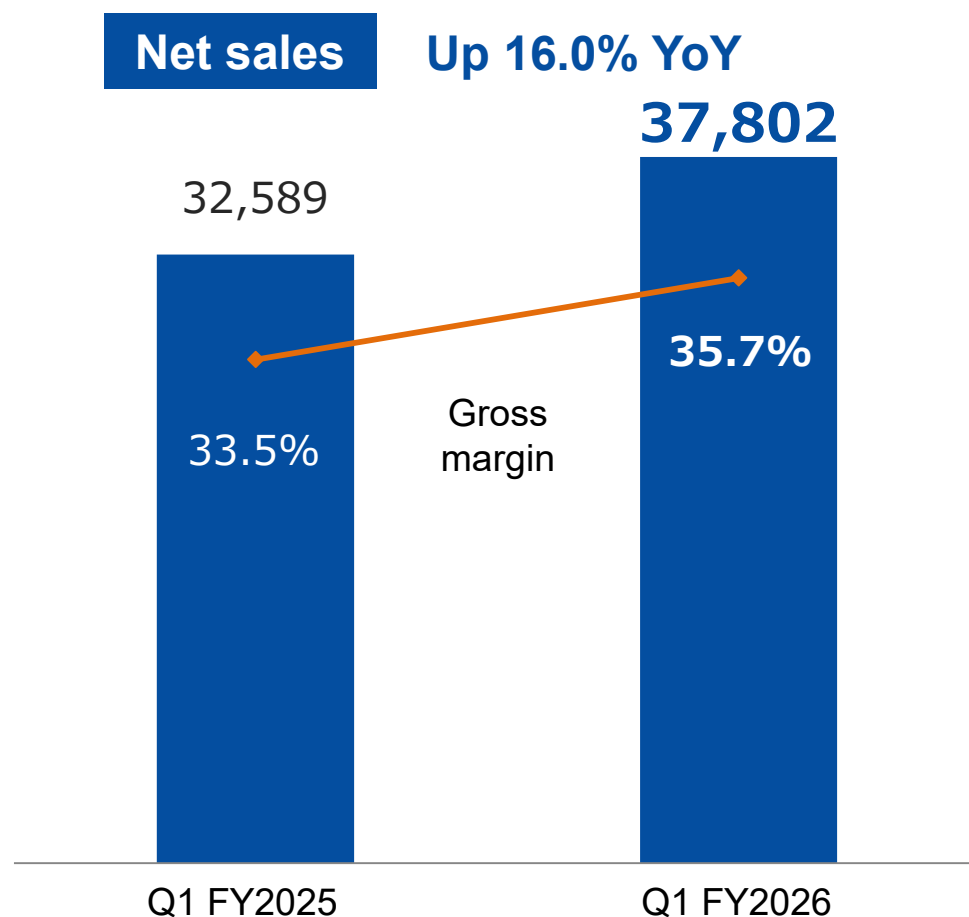
- The Company and its subsidiary Kobe Paints, Ltd.: April–June 2026
- All other subsidiaries, primarily overseas: January–March 2026

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

1. Consolidated Earnings Summary

Consolidated Q1 earnings highlights

- ✓ Net sales increased, primarily driven by higher shipments of new ship coatings, particularly in China, and selling price adjustments implemented within Japan in response to surging raw material costs caused by heightened tensions in the Middle East.
- ✓ Operating profit rose, supported by selling price increases. In addition, we used raw materials purchased before prices rose, delaying the impact of higher raw material costs on cost of sales.



- Profit margins improved mainly due to selling price adjustments and a better product mix, with the gross margin rising 2.2pt YoY.
- The operating profit margin rose to 15.0%, as higher gross profit more than offset an increase in SG&A expenses (mainly personnel and transportation expenses).
- Among the factors contributing to the YoY change in operating profit, higher selling prices had an estimated positive impact of approximately ¥1,860 million.
- Net non-operating income increased following the recognition of foreign exchange gains.

	Q1 FY2025		Q1 FY2026		Change	% change
Net sales	32,589	100.0%	37,802	100.0%	+ 5,212	+ 16.0%
Gross profit	10,910	33.5%	13,481	35.7%	+ 2,570	+ 23.6%
SG&A expenses	6,988	21.4%	7,800	20.6%	+ 812	+ 11.6%
Operating profit	3,922	12.0%	5,681	15.0%	+ 1,758	+ 44.8%
Ordinary profit	3,966	12.2%	6,176	16.3%	+ 2,210	+ 55.7%
Profit before income taxes	3,966	12.2%	6,176	16.3%	+ 2,210	+ 55.7%
Profit attributable to owners of parent	2,531	7.8%	3,814	10.1%	+ 1,283	+ 50.7%

	Q1 FY2025	Q1 FY2026	Change	% change
Depreciation	432	491	+ 58	+ 13.6%
R&D expenses	437	466	+ 28	+ 6.6%

◆Exchange rate(JPY)

USD	152.60	156.86	+ 4.26	+ 2.8%
EUR	160.50	183.65	+ 23.15	+ 14.4%
CNY	20.95	22.66	+ 1.71	+ 8.2%
KRW	0.1053	0.1072	+ 0.0019	+ 1.8%
SGD	113.02	122.97	+ 9.77	+ 8.6%
THB	4.50	4.97	+ 0.47	+ 10.4%

Note: Foreign exchange rates had a negative impact of approximately ¥1.8 billion on sales in Q1 FY2026.

Consolidated balance sheet summary

	End-FY2025	Q1 End FY2026	Change	Main changes
Current assets	117,716	120,577	+ 2,861	Cash and deposits -5,439 Trade receivables +5,407 Merchandise and finished goods +2,703
Property, plant and equipment	22,625	22,453	− 172	
Intangible assets	413	517	+ 103	
Investments and other assets	16,804	16,670	− 134	
Total assets	157,560	160,219	+ 2,658	
Current liabilities	43,475	44,432	+ 956	Borrowings, net -444 Trade payables +1,974 Other current liabilities -435
Non-current liabilities	12,305	12,670	+ 365	Deferred tax liabilities -520 Other non-current liabilities +846
Total liabilities	55,780	57,103	+ 1,322	
Total assets	101,780	103,115	+ 1,335	Retained earnings +688 Foreign currency translation adjustment +759
Cash and deposits	40,259	34,820	− 5,439	
Equity ratio	60.6%	60.4%	− 0.2pt	

Consolidated cash flows statement summary

	Q1 FY2025	Q1 FY2026	Change	Main changes
Cash flows from operating activities	△508	△ 2,924	− 2,416	Profit before income taxes +2,209 Decrease (increase) in trade receivables -3,831 Decrease (increase) in inventories -1,280 Increase (decrease) in trade payables +2,072 Income taxes paid -1,137
Cash flows from investing activities	1,145	△ 352	− 1,498	Decrease (increase) in time deposits -3,091 Subsidies received +1,029 Purchase of shares of subsidiaries +377
Cash flows from financing activities	△4,782	△ 4,106	+ 675	Net increase (decrease) in borrowings +634
Effect of exchange rate change on cash and cash equivalents	△1,537	555	+ 2,092	
Net increase (decrease) in cash and cash equivalents	△5,682	△ 6,829	− 1,146	
Cash and cash equivalents at beginning of period	32,174	38,058	+ 5,883	
Cash and cash equivalents at end of period	26,492	31,229	+ 4,737	

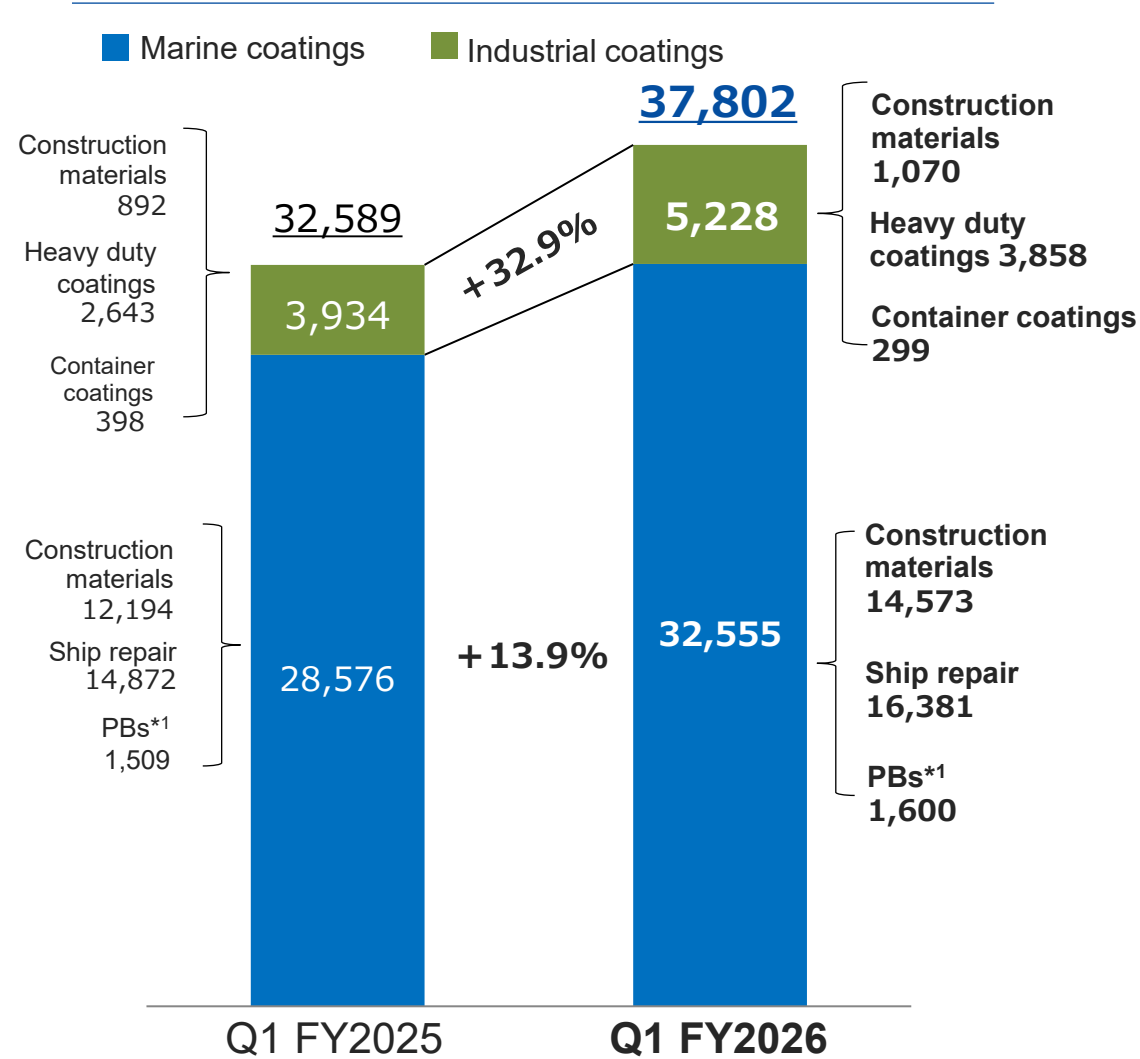
2. Summary by Product and Region

Sales by product and region

		Japan	China	South Korea	Southeast Asia	Europe and the US	Total
Marine coatings	Q1 FY2025	9,029	4,524	4,507	2,733	7,781	28,576
	Q1 FY2026	11,921	6,061	3,900	3,177	7,495	32,555
	% change	+ 32.0%	+ 34.0%	− 13.5%	+ 16.2%	− 3.7%	+ 13.9%
Industrial coatings (※)	Q1 FY2025	1,561	326	41	1,707	296	3,934
	Q1 FY2026	2,108	306	67	2,366	378	5,228
	% change	+ 35.0%	− 6.1%	+ 61.7%	+ 38.6%	+ 27.5%	+ 32.9%
Other	Q1 FY2025	78	—	—	—	—	78
	Q1 FY2026	17	—	—	—	—	17
	% change	− 77.3%	—	—	—	—	− 77.3%
Total	Q1 FY2025	10,669	4,851	4,549	4,441	8,078	32,589
	Q1 FY2026	14,047	6,368	3,968	5,544	7,873	37,802
	% change	+ 31.7%	+ 31.3%	− 12.8%	+ 24.8%	− 2.5%	+ 16.0%

Note: Beginning with Q1 FY2026, industrial coatings include container coatings. The Q1 FY2025 figures have been restated accordingly.

Summary by product



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

Marine coatings

- Shipments of new ship coatings increased sharply, particularly in China. Sales rose significantly, supported in part by selling price adjustments implemented within Japan in response to heightened tensions in the Middle East.
- Sales of ship repair coatings remained firm in Japan, Southeast Asia, and other markets. We continued adjusting selling prices to reflect manufacturing costs while striving to improve our product mix.

Industrial coatings

- Selling prices for construction material coatings rose in both Japan and Southeast Asia.
- Shipments of heavy-duty coatings increased substantially in Japan and Southeast Asia. Shipments of CUS—resin filler for railway tracks—for India's high-speed rail project provided an additional boost. Progress on bringing selling prices in line with costs also contributed to a significant increase in sales.

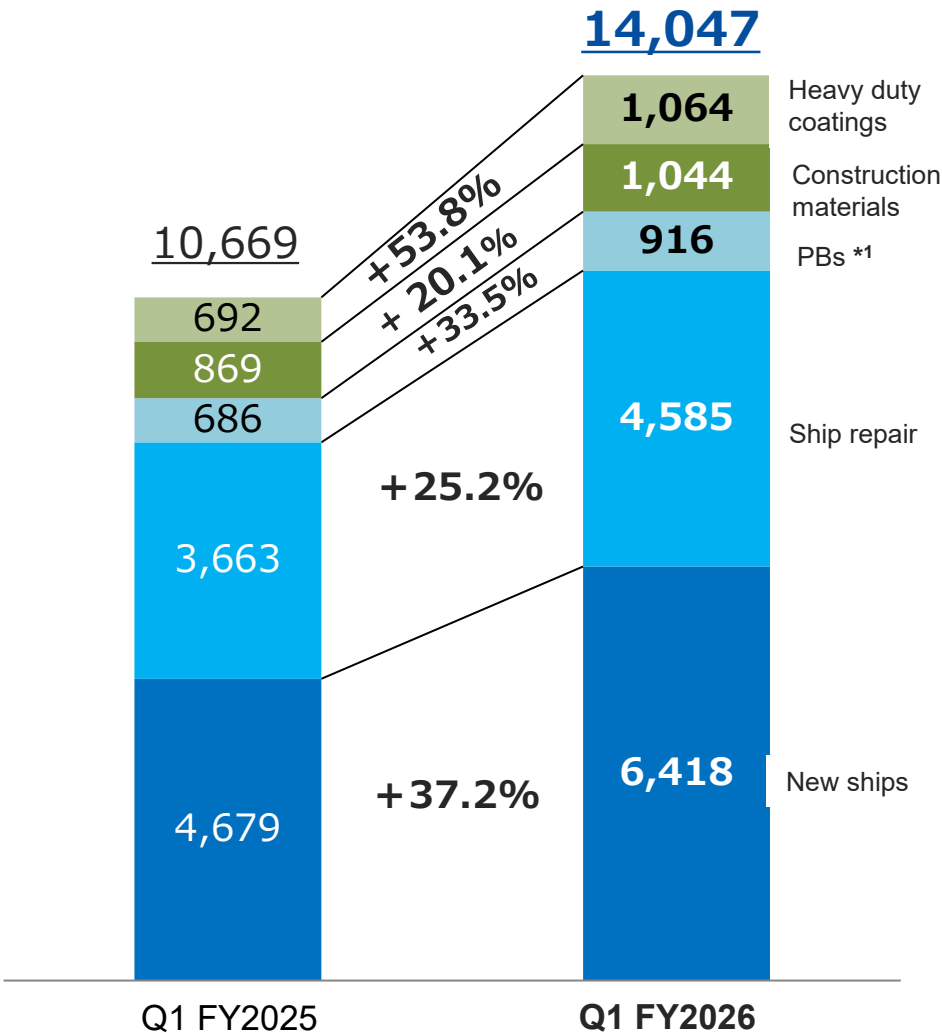
Sales increased substantially in Japan, China, and Southeast Asia. By contrast, sales declined in South Korea and Europe and the US due to the high comparison base in Q1 FY2025. Foreign exchange movements against the yen boosted sales in all overseas regions.

Segment profit rose sharply in Japan and Southeast Asia, mainly driven by higher selling prices. In Europe and the US, however, lower sales and higher expenses led to a sharp decline in segment profit.

		Japan	China	South Korea	Southeast Asia	Europe and the US	Adjustment	Total
Q1 FY2025	Sales	10,669	4,851	4,549	4,441	8,078	—	32,589
	Segment Profit	669	696	655	859	487	553	3,922
Q1 FY2026	Sales	14,047	6,368	3,968	5,544	7,873	—	37,802
	% change	+ 31.7%	+ 31.3%	− 12.8%	+ 24.8%	− 2.5%	—	+ 16.0%
	Segment profit	2,409	712	660	1,183	67	646	5,681
	Change	Approx 3.6	+ 2.4%	+ 0.7%	+ 37.7%	− 86.1%	+ 16.9%	+ 44.8%

Sales

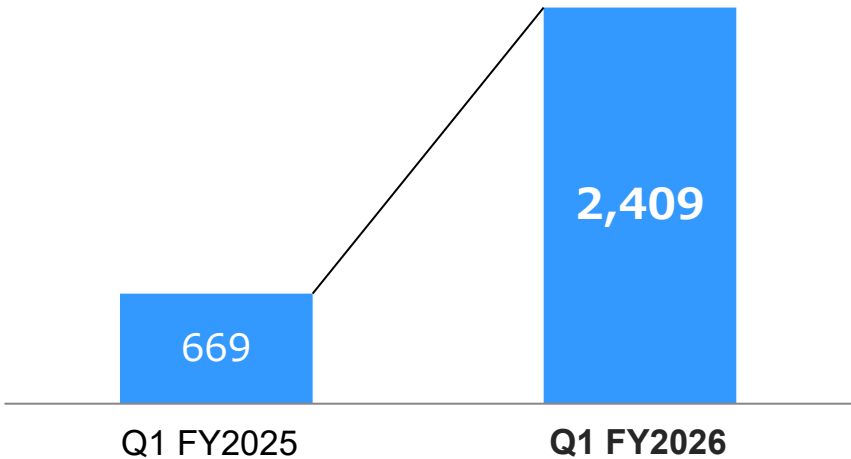
Up 31.7% YoY



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

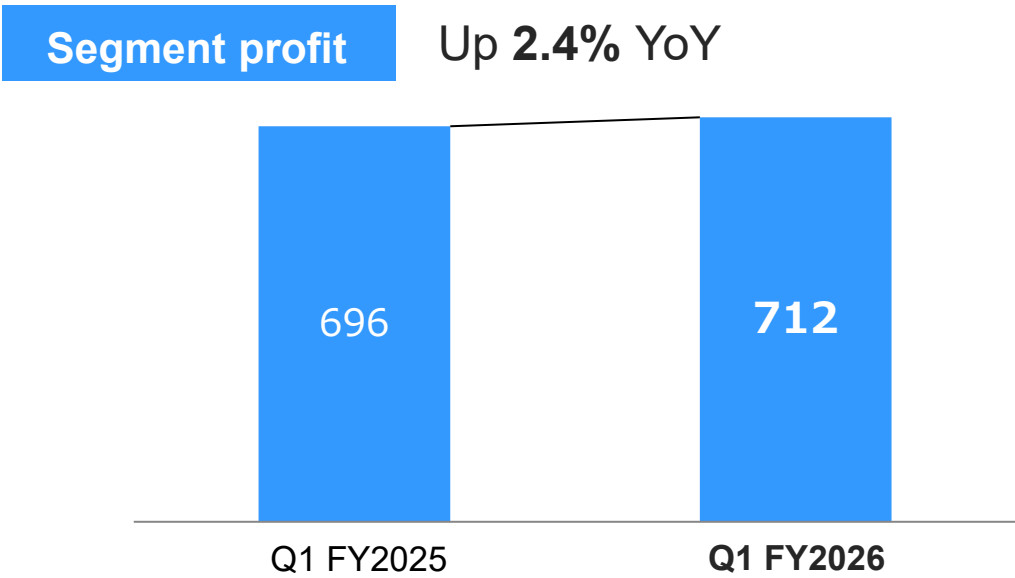
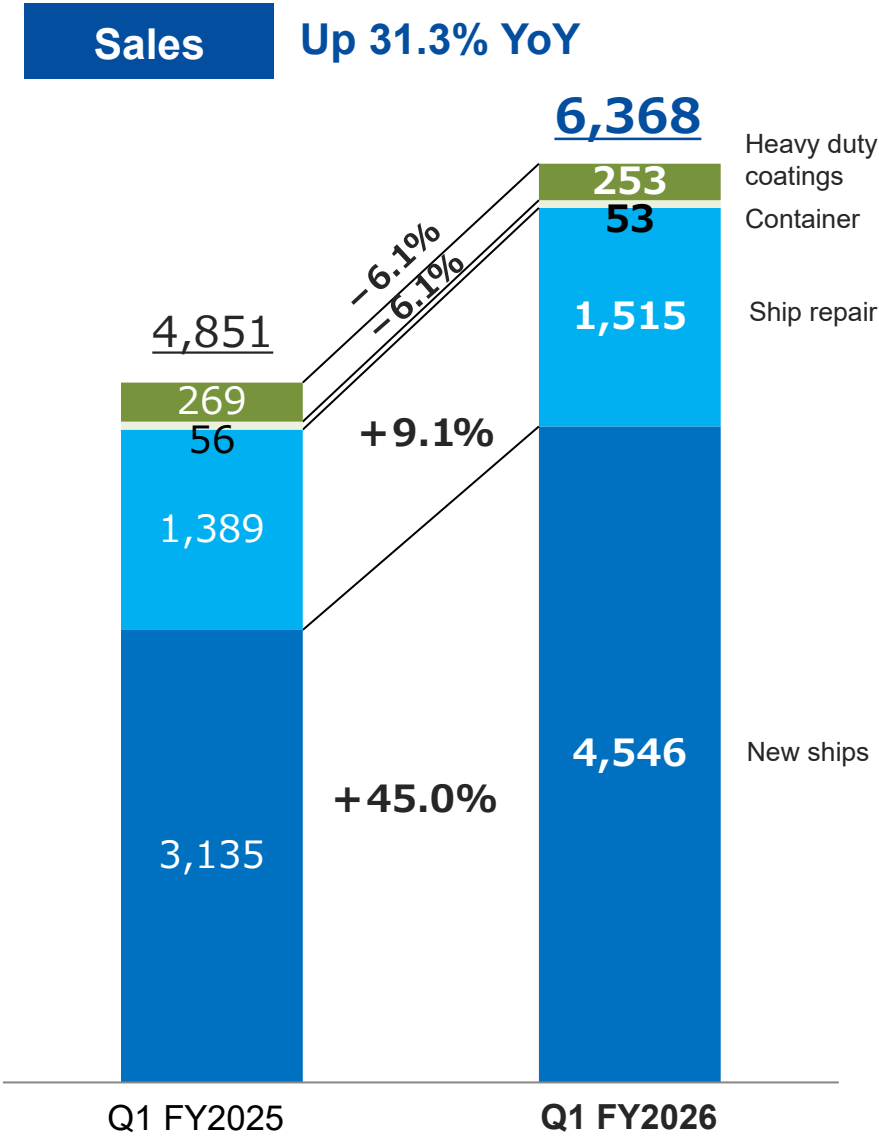
Segment profit

Approx 3.6 YoY



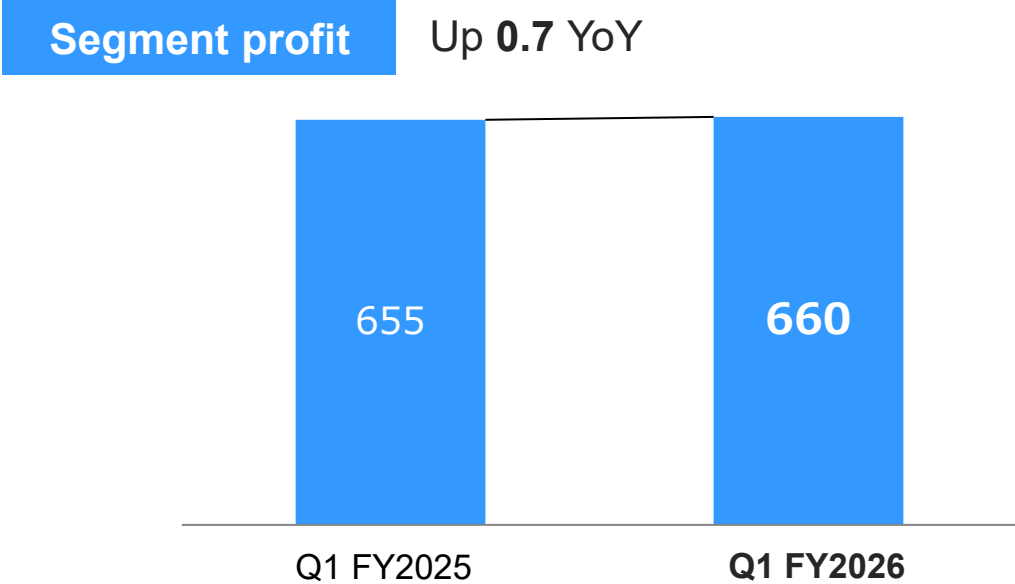
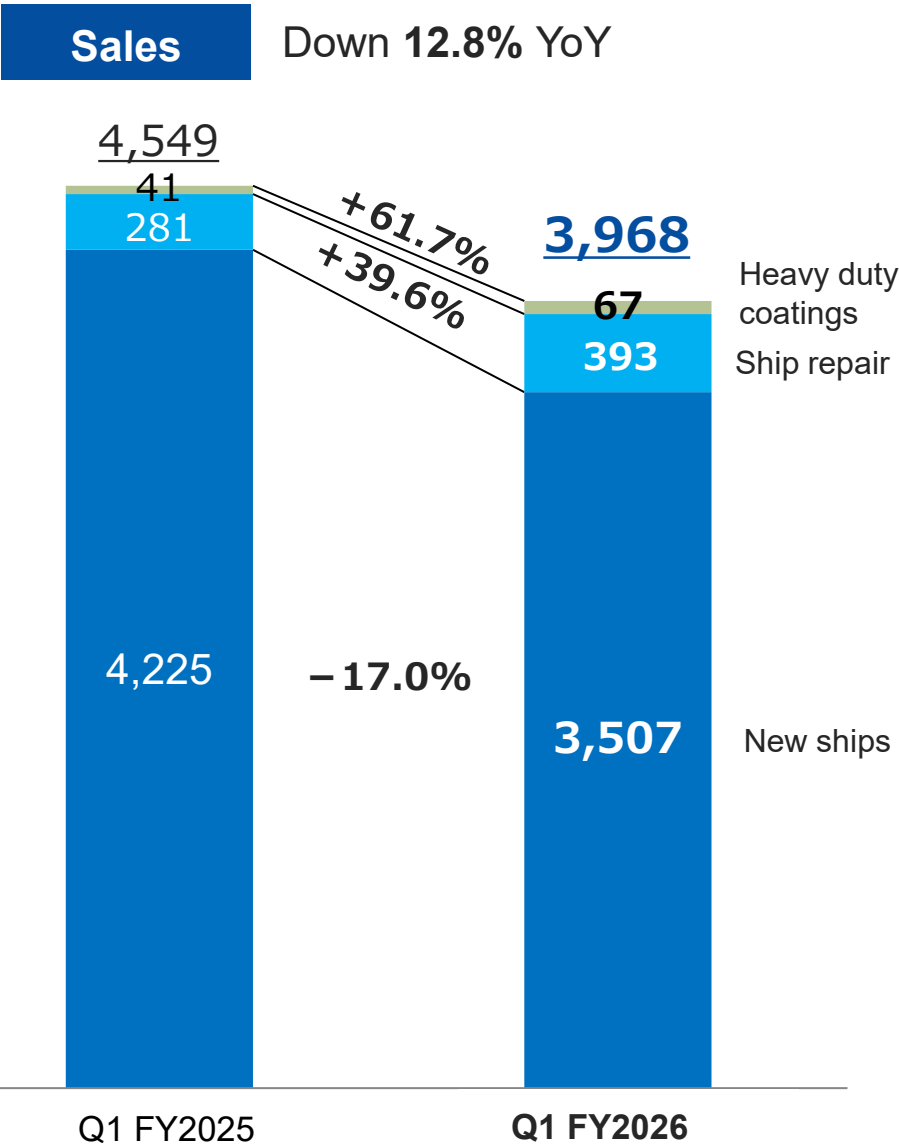
Overview

- ✓ With demand for both new ship coatings and ship repair coatings holding firm, selling price adjustments to reflect higher raw material costs amid heightened tensions in the Middle East boosted sales.
- ✓ Shipments of heavy-duty coatings increased, particularly for plant and power generation projects. Selling price adjustments to reflect higher raw material costs amid heightened tensions in the Middle East also contributed to substantial sales growth.
- ✓ Segment profit increased partly because we used raw materials purchased before prices rose, delaying the impact of higher raw material costs on cost of sales in Q1.



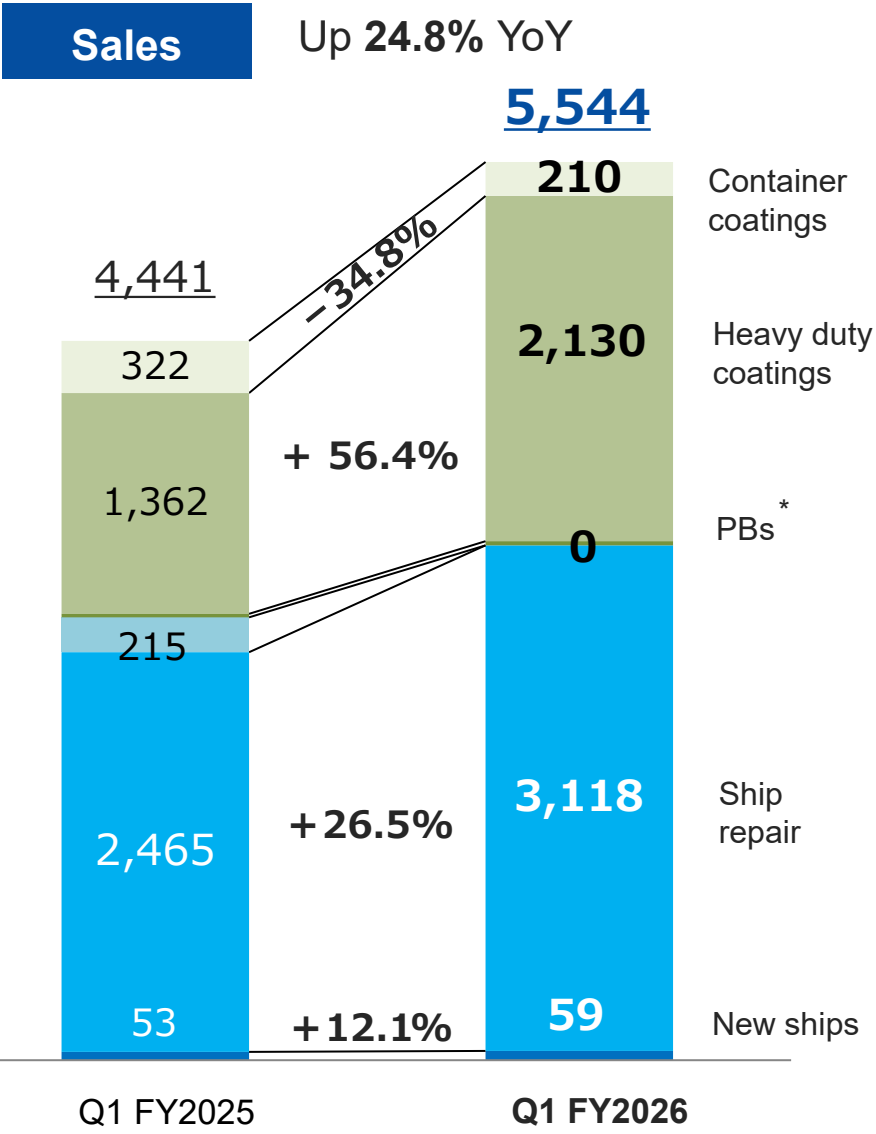
Overview

- ✓ Shipments of new ship coatings increased sharply amid expanding demand, driving substantial sales growth.
- ✓ Despite a decline in the number of docked ships, sales of ship repair coatings increased as we focused on selling high-value-added products.
- ✓ Segment profit growth remained modest, mainly due to higher raw material procurement costs.

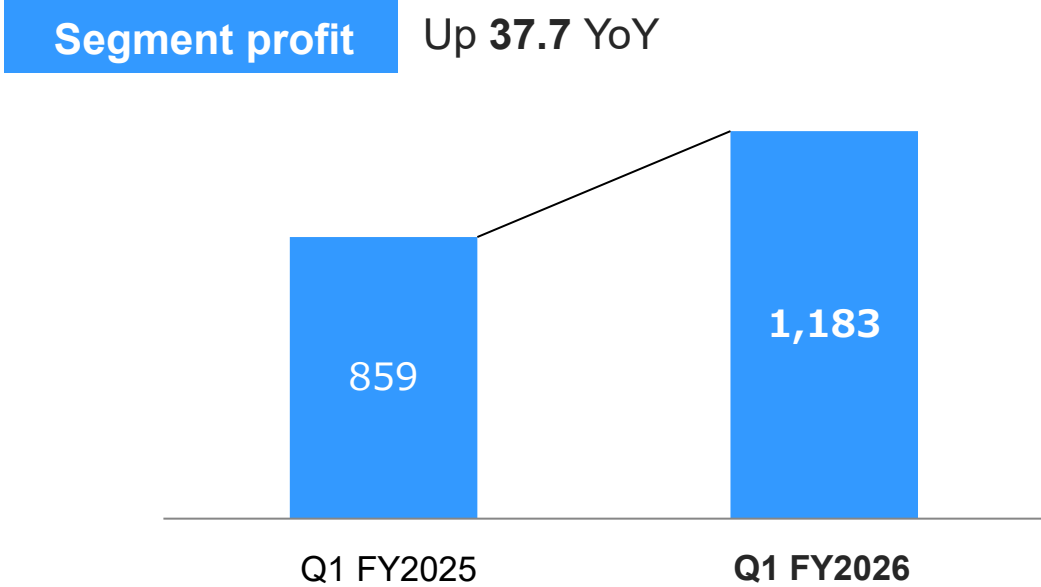


Overview

- ✓ Sales of new ship coatings declined due to lower shipment volumes, reflecting both the high comparison base in Q1 FY2025, when shipments for large projects were concentrated, and schedule delays at certain shipyards.
- ✓ Sales of ship repair coatings remained strong.
- ✓ Segment profit increased, as stronger sales of high-value-added products lifted average selling prices and efforts to contain SG&A expenses also contributed.

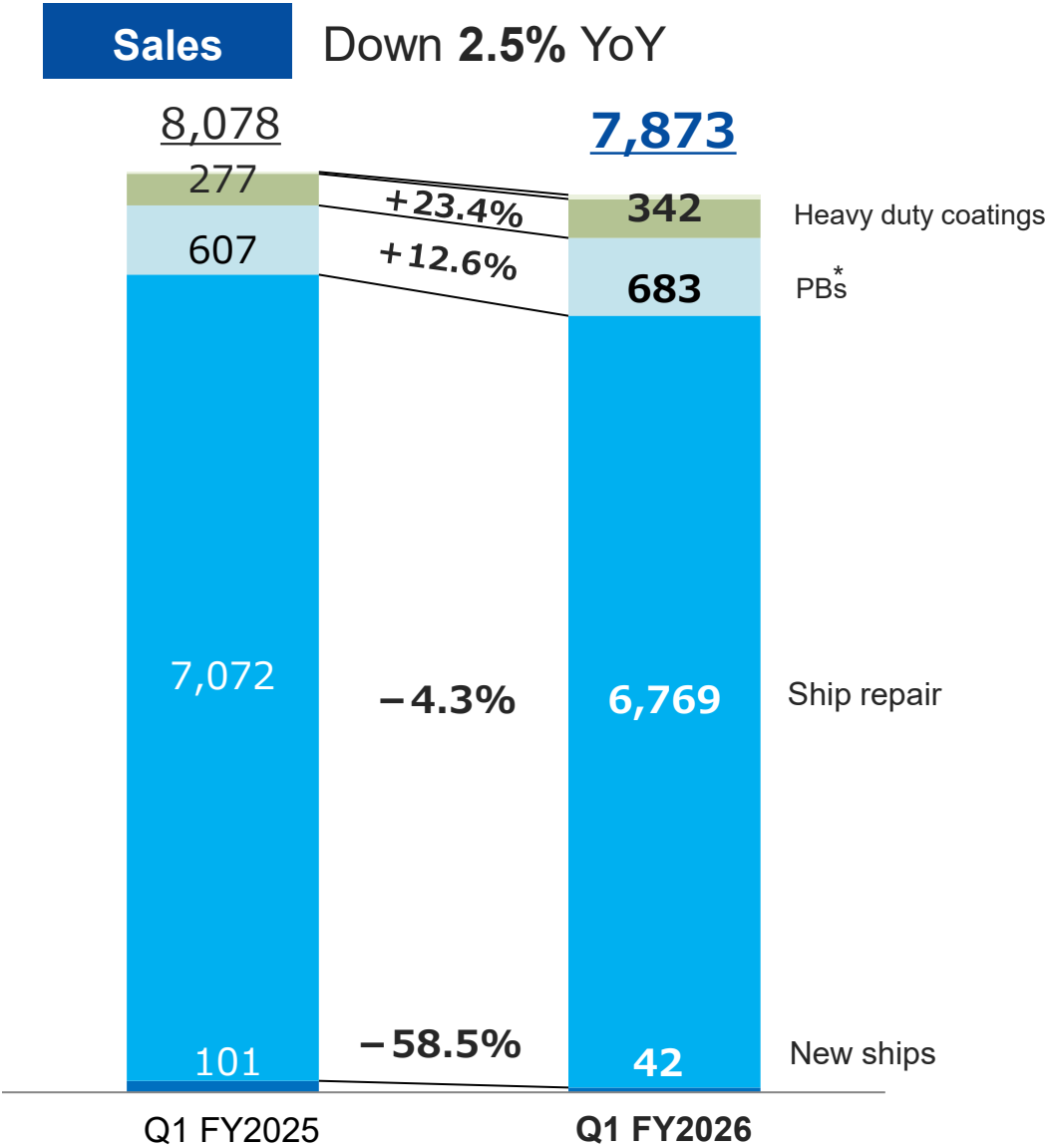


*Pleasure boats, fishing boats, fishing nets, and others

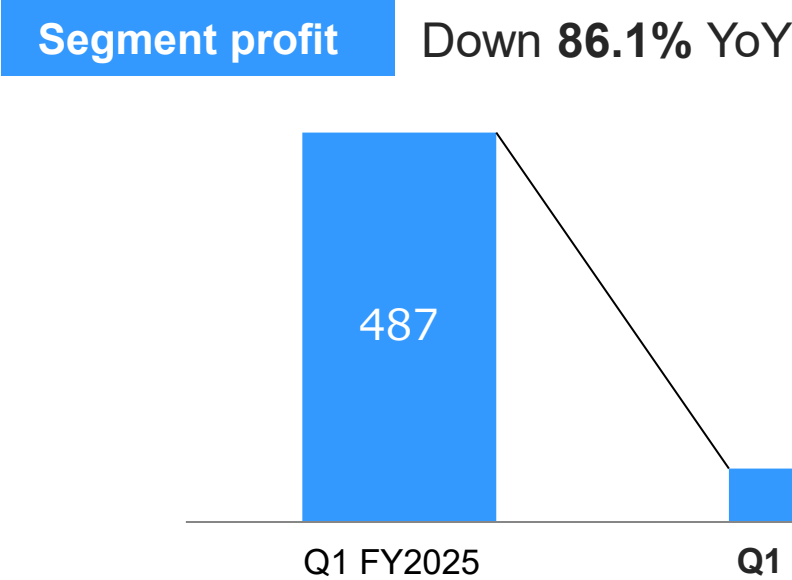


Overview

- ✓ Firm demand and continued selling price adjustments drove substantial growth in sales of ship repair coatings.
- ✓ Sales of heavy-duty coatings rose sharply, supported by a recovery in Thailand, the region's main market, and shipments of CUS—resin filler for railway tracks—for India's high-speed rail project.
- ✓ Higher profitability from selling price increases, together with sales growth, drove a substantial increase in segment profit and further improved the profit margin.



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



Overview

- ✓ Although we focused on expanding sales of environmentally friendly, high-value-added products, sales of mainstay ship repair coatings declined, mainly due to a YoY decline in the number of docked ships.
- ✓ Sales of pleasure boat coatings and heavy-duty coatings both increased.
- ✓ Segment profit declined sharply, reflecting the euro’s appreciation against the US dollar—the principal currency used in European transactions—as well as higher personnel and other operating expenses.

3. Full-year Outlook and Topics

FY2026 full-year earnings forecasts (released on July 3, 2026.)

We initially provided only a projected range for net sales due to uncertainty surrounding raw material costs and procurement. As tensions in the Middle East have since eased, reducing these risks sufficiently to allow reasonably reliable estimates, we issued a revised forecast on July 3 that also included profit figures.

We anticipate solid net sales growth, supported by firm demand for both marine and industrial coatings and selling price adjustments to reflect higher raw material procurement costs.

After factoring in the effects of these selling price adjustments and fluctuations in various costs, we expect profit levels to remain broadly unchanged YoY.

	FY2025 Results	FY2026 previous forecast	FY2026 revised forecast	% revision	% change YoY (amount of change)
Net Sales	139,364	140,000～160,000	160,000	+ 14.3%～±0.0%	+ 14.8%
Operating Profit	17,437	—	17,500	—	+ 0.4%
Ordinary profit	17,840	—	18,000	—	+ 0.9%
Profit attributable to owners of parent	10,995	—	11,000	—	+ 0.0%
Earnings per share (yen)	221.66	—	221.71	—	+ 0.0%

Exchange rate
Assumptions

Exchange Rates for May 2026
(USD = approx. ¥158, EUR = approx. ¥185, CNY = approx. ¥23.3, KRW = approx. ¥0.106)

Sales forecasts by Product and Region

		FY2025 results	FY2026 forecast	% change YoY (amount of change)
Product	Marine coatings	122,386	139,570	+ 14.0%
	Industrial coatings	16,717	20,380	+ 21.9%
	Other	260	50	− 80.8%
Region	Japan	44,939	53,040	+ 18.0%
	China	22,908	27,760	+ 21.2%
	Korea	19,360	20,160	+ 4.1%
	Southeast Asia	20,208	25,260	+ 25.0%
	Europe and the US	31,946	33,780	+ 5.7%
Total		139,364	160,000	+ 14.8%



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Forecasts presented in these materials are based on judgments made in accordance with information available to CMP as of July 31, 2026. Actual results may differ materially from forecasts due to various risks and uncertainties.

4. 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
Headquarter	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
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 24 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.

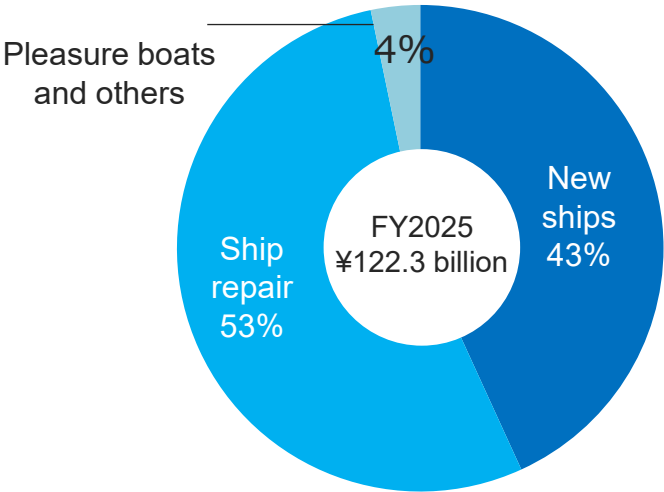
In addition to Japan, the Company has manufacturing bases in China and South Korea, where many new ships are built, and has established a network along major shipping routes from Europe to East Asia. Supported by this global supply structure, CMP boasts one of the world’s leading market shares.

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.



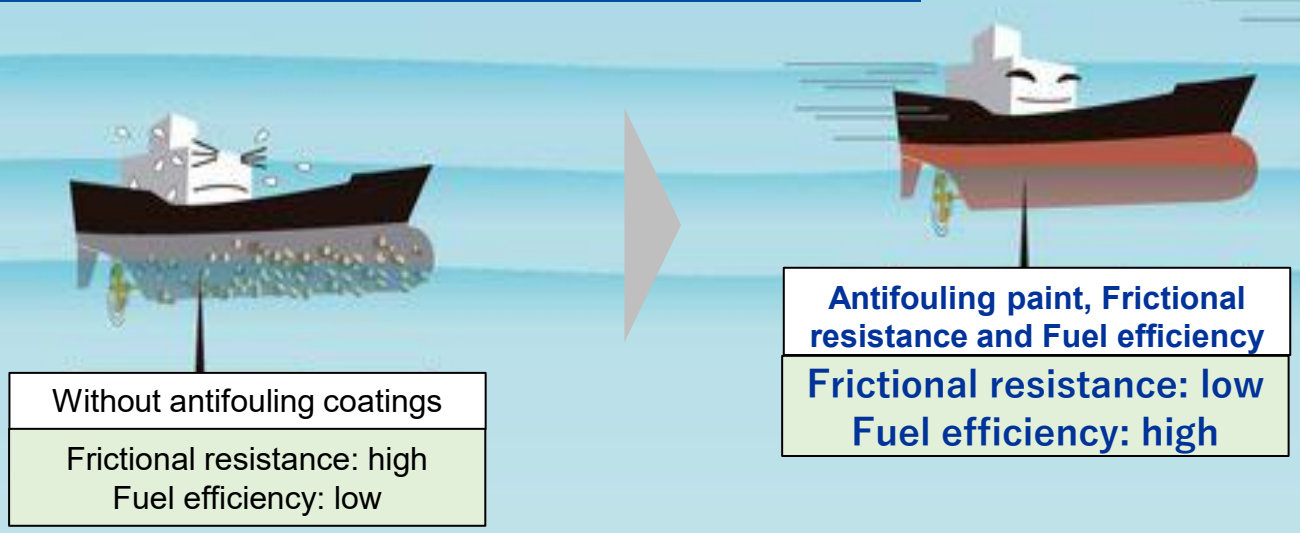
CMP group sales



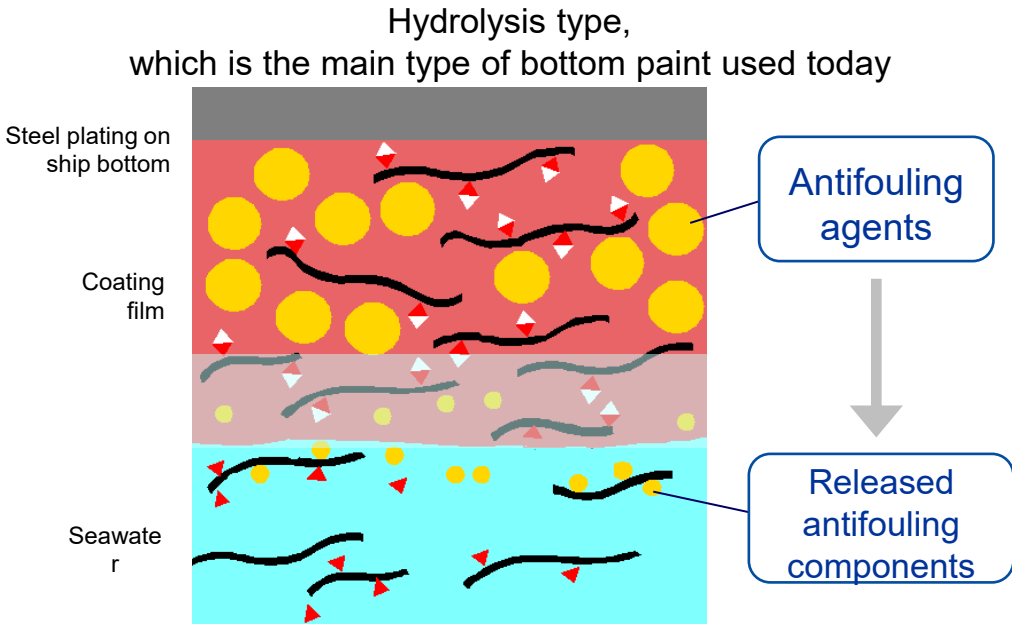
Antifouling paint prevents increases to surface drag caused by barnacles and other marine organisms that attach themselves to ship bottoms.

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

Antifouling paint, Frictional resistance and Fuel efficiency



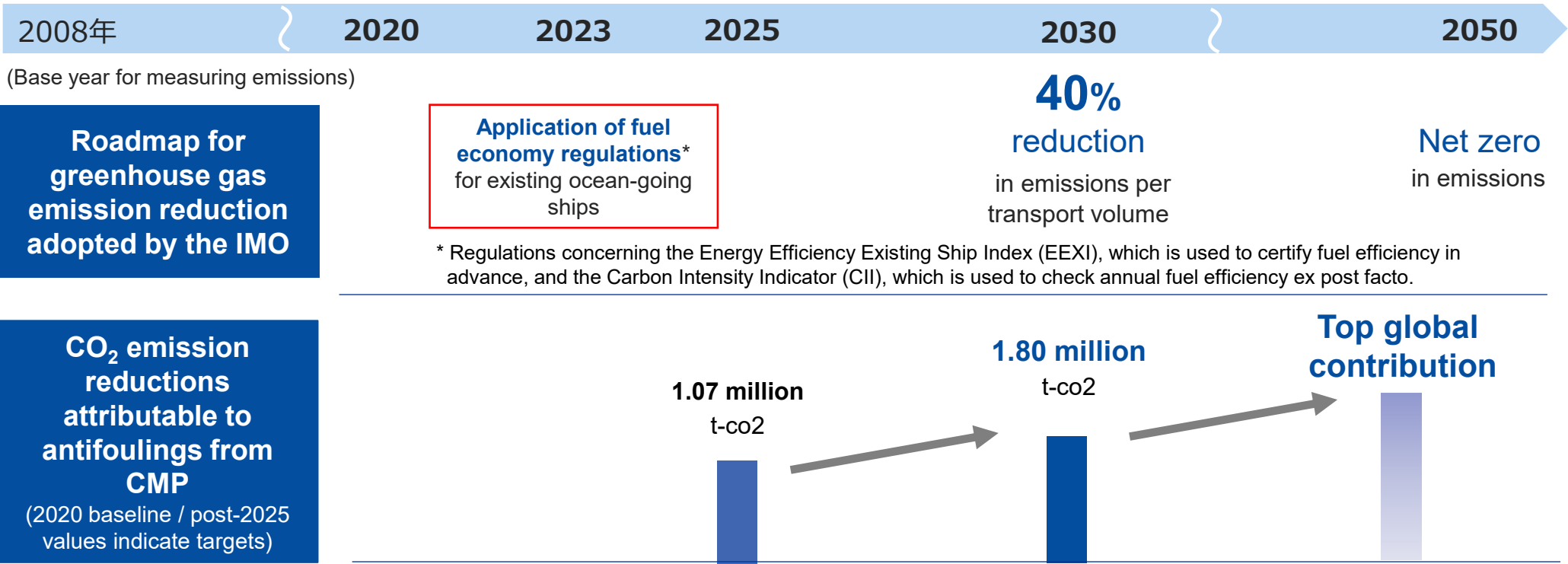
Mechanism



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.



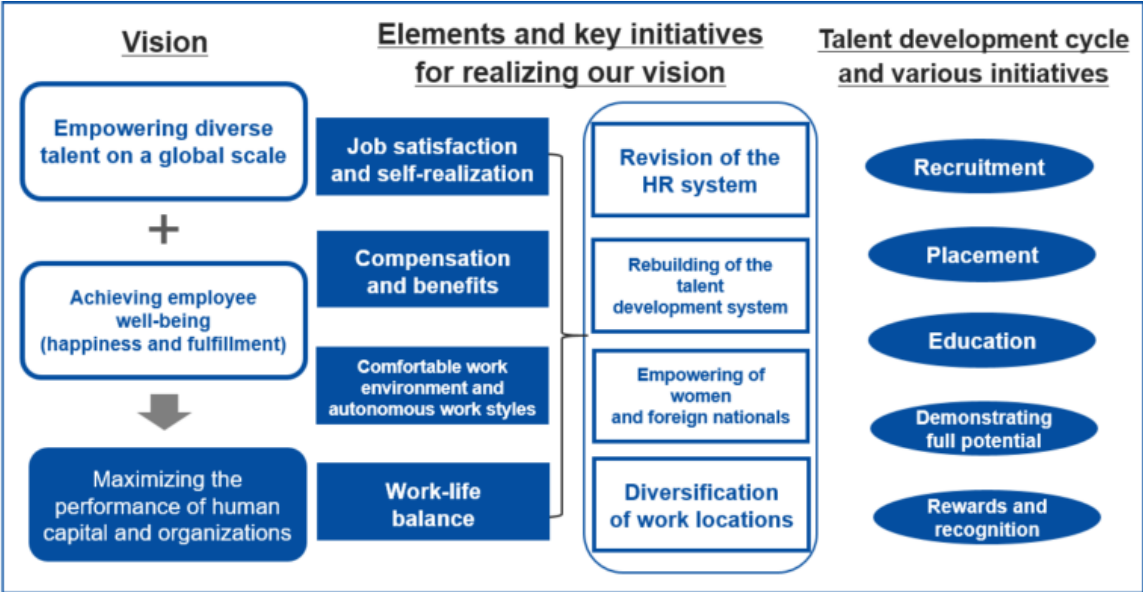
FLUOREX, fluorine
resin paint



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.

Shareholder return policy

(FY2026~FY2030)

Basic policy

Prioritize growth investments while actively returning excess capital to shareholders and appropriately managing shareholders' equity

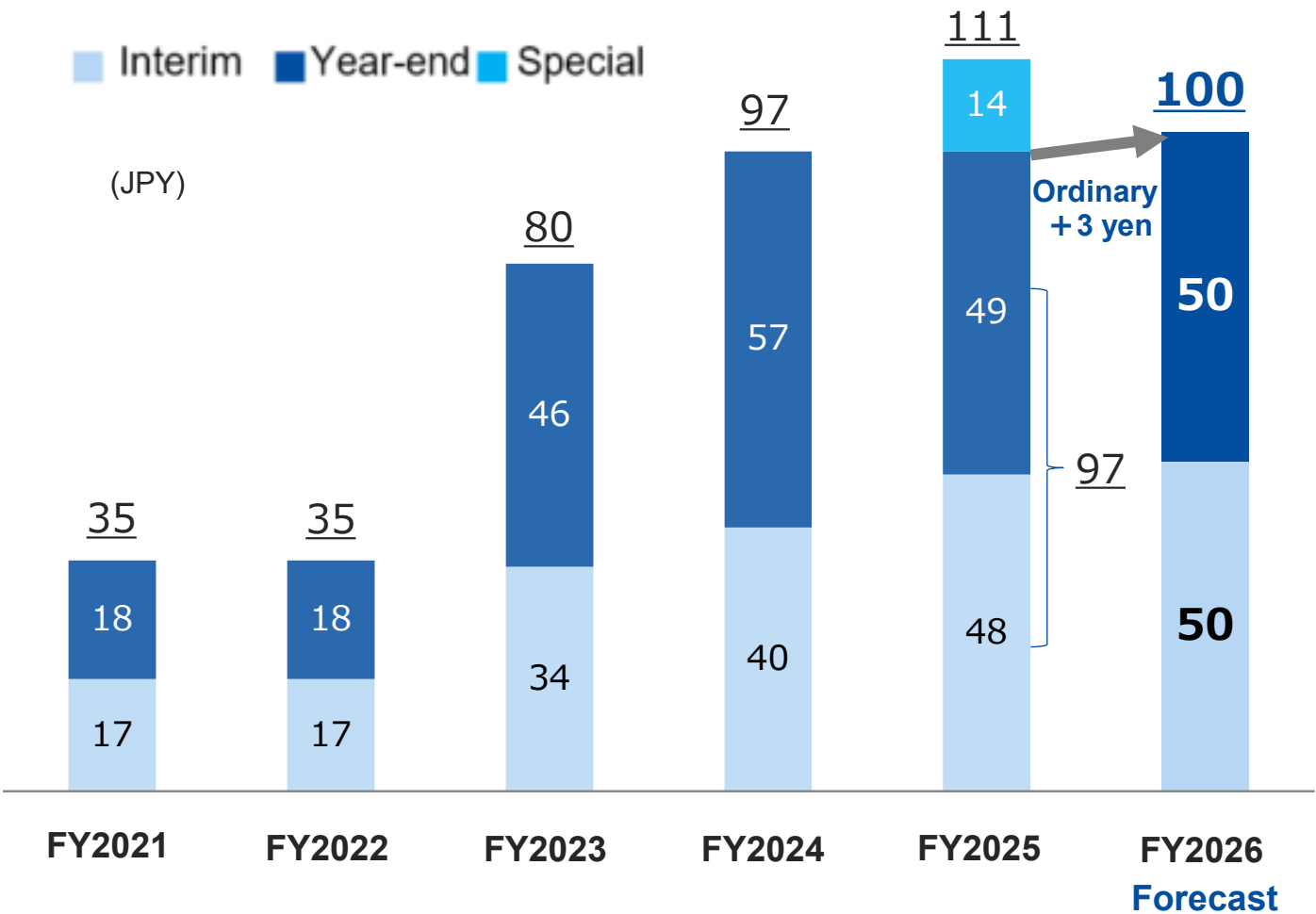
Dividends

- Implement **progressive dividends** starting from an annual dividend of **¥100** per share
- Target dividend on equity (**DOE**) of **approx. 5.0%**

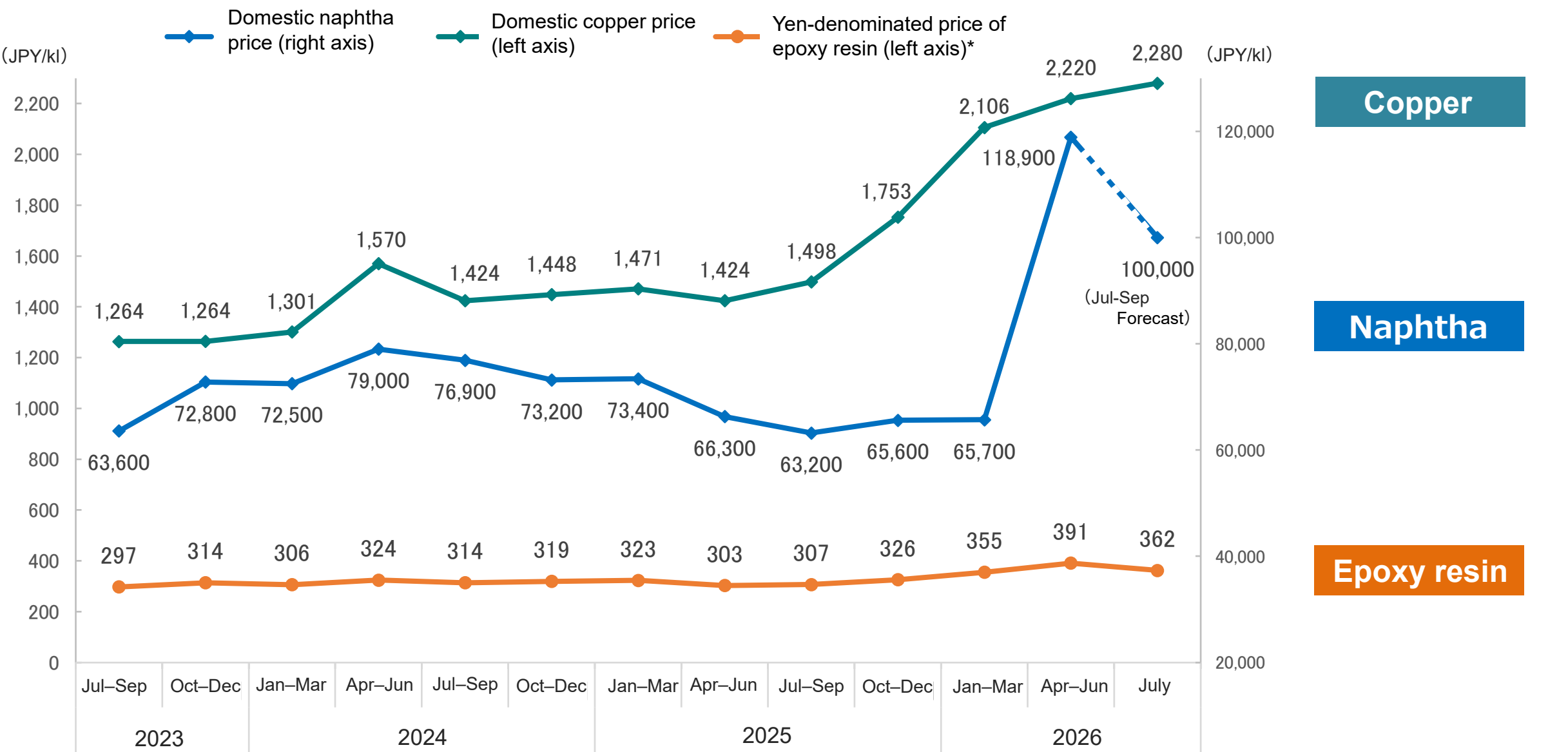
Share buybacks

Implement flexibly as appropriate, taking into consideration the balance between growth investments and dividends

Dividend per share

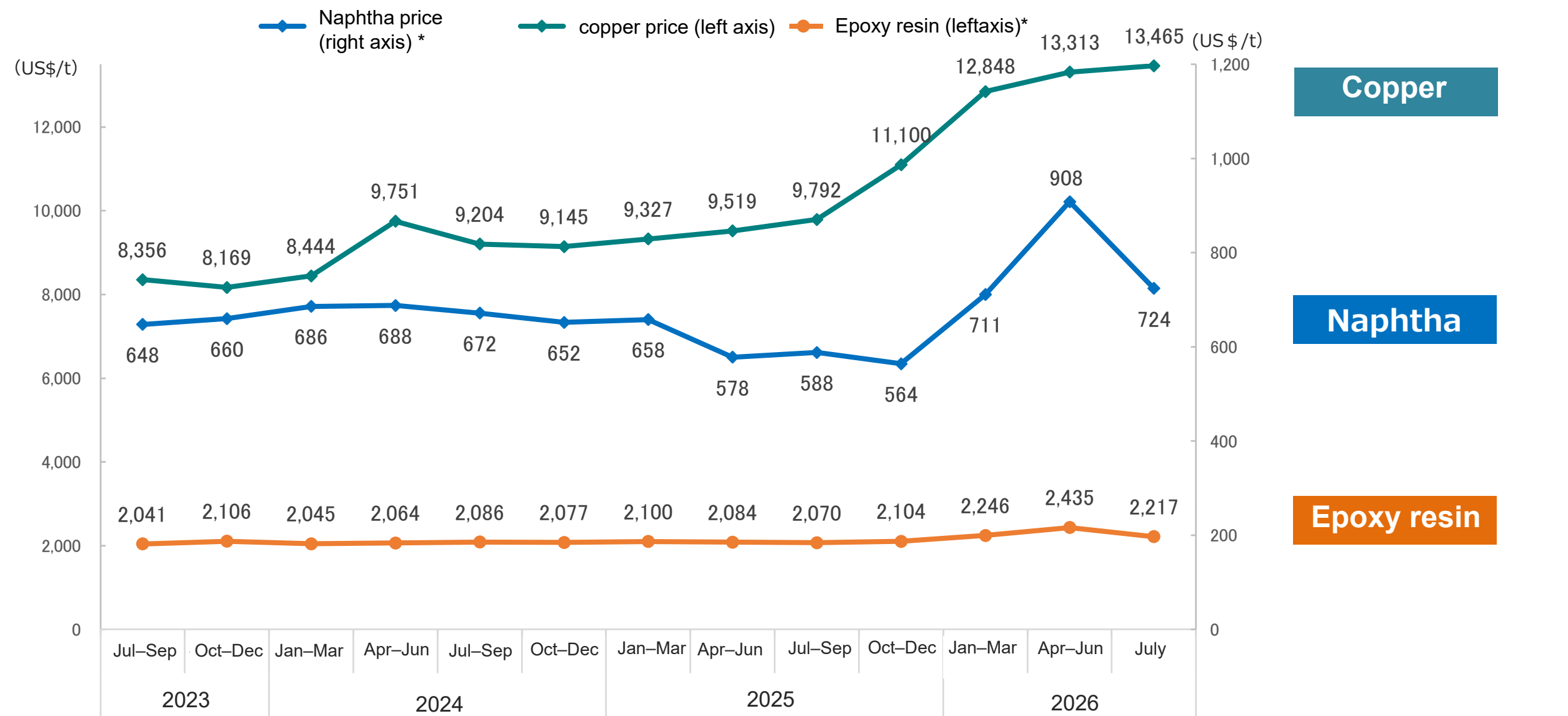


Key raw material prices (domestic market)



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

Key raw material prices (overseas market)



*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