Company overview

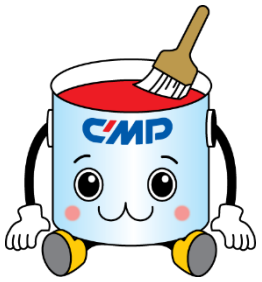
November,2026






Chugoku Marine Paints, Ltd.

TSE Code #4617



Company mascot, “Pentaro”

Outline

	Page
1. Company outline	3～10
2. Description of products and businesses	11～23
3. Medium-Term Management Plan	24～42
4. ESG information	43～47

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1. Company outline

What is Chugoku Marine Paints?

✓ Long-established paint manufacturer

→ Founded in Hiroshima in 1917

*Located in Chugoku area in Japan

✓ High niche market share

→ Approx. 60% of the domestic market share for marine coatings. We also have a top-class overseas market share.

✓ Global warming solutions

→Antifouling coatings,
Coatings for offshore wind power generation facilities

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Company outline

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
Headquarters	TOKYO ： Toranomon Hills Station Tower 16F, 2-6-1 Toranomon, 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	2,313 (consolidated, as of September 30, 2026) *including 1,617 overseas
Major shareholders and ownership ratios (as of Sep 30, 2026)	THE MASTER TRUST BANK OF JAPAN, LTD. (ACCOUNT IN TRUST)/11.4%, CHUGOKU MARINE PAINTS, LTD./9.7%, STATE STREET BANK AND TRUST COMPANY 505001/8.0%, THE HIROSHIMA BANK, LTD./4.4%, Custody Bank of Japan, Ltd. (ACCOUNT IN TRUST)/4.4%,

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CMP History (1)
From our founding to the top domestic market share

1917 **Establishment of Chugoku Chemical Industry Limited Partnership, with capital of 50,000 yen**

Founded in Hiroshima by Iwao Suzukawa with the goal of transitioning to domestic production of antifouling ship bottom coatings. At the time, Japan relied on imported products because no antifouling coatings with excellent performance were produced in Japan.

1923 **Reorganization as Chugoku Marine Paints, Ltd., with capital of 250,000 yen**



Hiroshima HQ in 1924

1945 **Dropping of atomic bomb on Hiroshima**



Hiroshima HQ after the disasters from A-bomb

The Hiroshima factory and divisions throughout Hiroshima city suffered catastrophic damage. At this time, we began producing daily necessities such as soaps and toothpastes at our alternate factory in Itsukaichi.

1946 Resuming production of coatings at Hiroshima factory

1949 **Listing on the Hiroshima Stock Exchange**

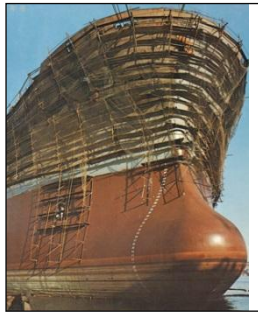


The 1950s

Transitioned from an antifouling ship bottom paint manufacturer into a comprehensive manufacturer of marine coatings; further branched out into the field of woodwork coatings

1961 **Listing on 2nd section of the Tokyo Stock Exchange (TSE)**

1962 **Completion of Shiga Factory**



The 1960s

Achieved the top domestic market share for marine coatings in step with the Japanese shipbuilding industry, which had become the largest in the world in terms of new ships constructed

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CMP History (2)
From overseas expansion to participation in new lines of business

1968 **Establishment of London representative office**

We began our active overseas expansion with the establishment of a business office in London. Our overseas network continues to expand today.

Years in which major foreign subsidiaries were established

Note: Years in parentheses indicate when factory construction was completed or when production began

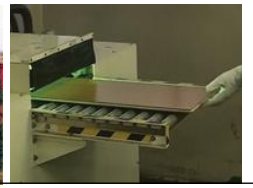
- **1973** **Hong Kong**
- **1980** **Singapore**(1986)
- **1983** **UK, Taiwan**
- **1984** **Greece**
- **1988** **Netherland**(1988)
  Indonesia(1989), **Korea**(2002)
- **1989** **Thailand**(1994)
- **1990** **Malaysia**(1992), **USA**(1990)
- **1993** **Shanghai**(1994)
- **1997** **Guangdong** (1999)**, Germany**
- **2012** **Italy**
- **2019** **Myanmar** (2020)



New factory in Netherland (2017)

1975 **Completion of Kyushu factory**



After the 1970s

Alongside our active overseas expansion, we aimed to enter a variety of new areas, including resin caulking materials for railway tracks, container coatings, heavy anti-corrosion coatings, and UV-curable coatings for woodwork.

1984 **Moving to the first section of the TSE**
(Prime Market from 2022)

1994 Completion of Otake research center in Hiroshima



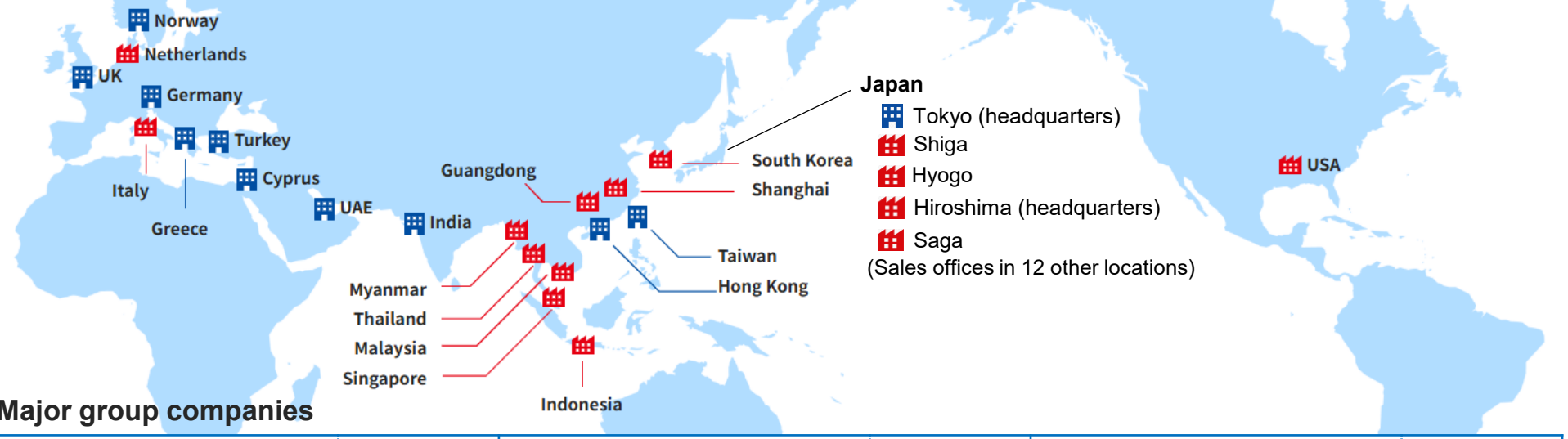

After 2000s

Received orders associated with large-scale properties overseas and accelerated development of environmentally friendly antifouling coatings; We will respond to the opportunities offered by expanding businesses primarily by developing multifunctional products with the same spirit of superior product production that we have nurtured since our founding.

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Bases and Group companies

Our business encompasses approximately 60 locations belonging to 24 companies located in 20 countries around the world.



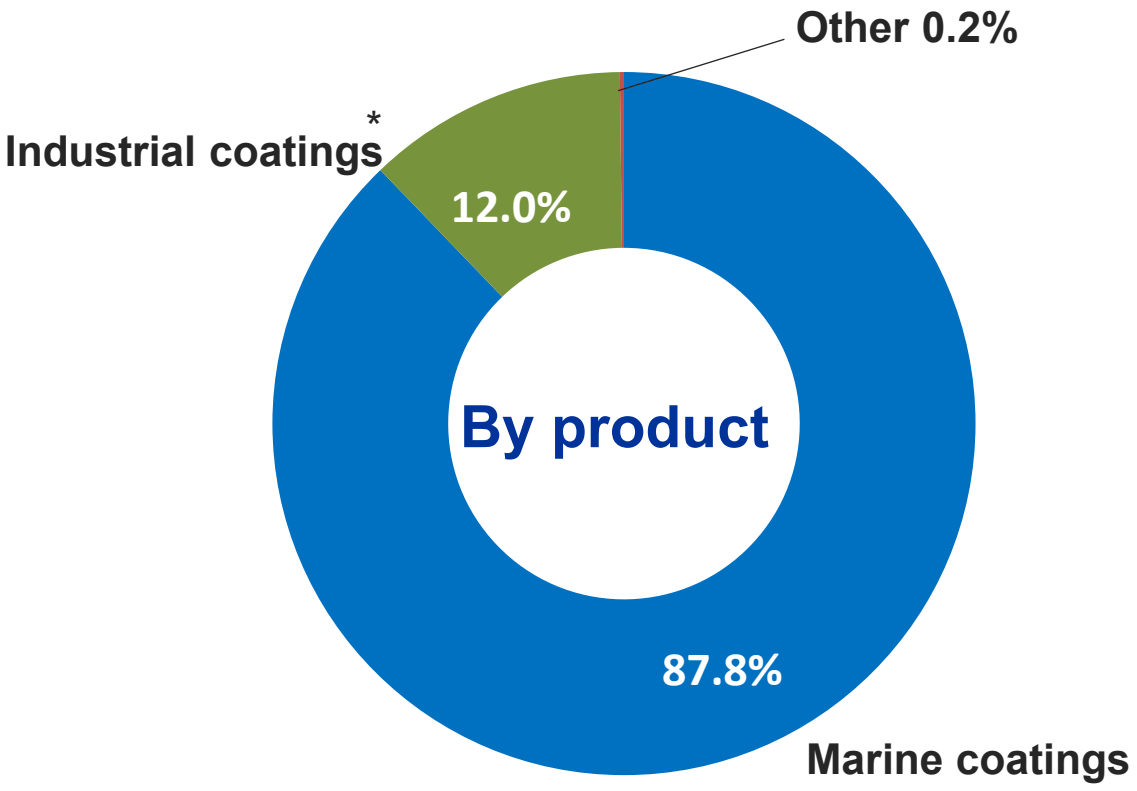
■ Major group companies

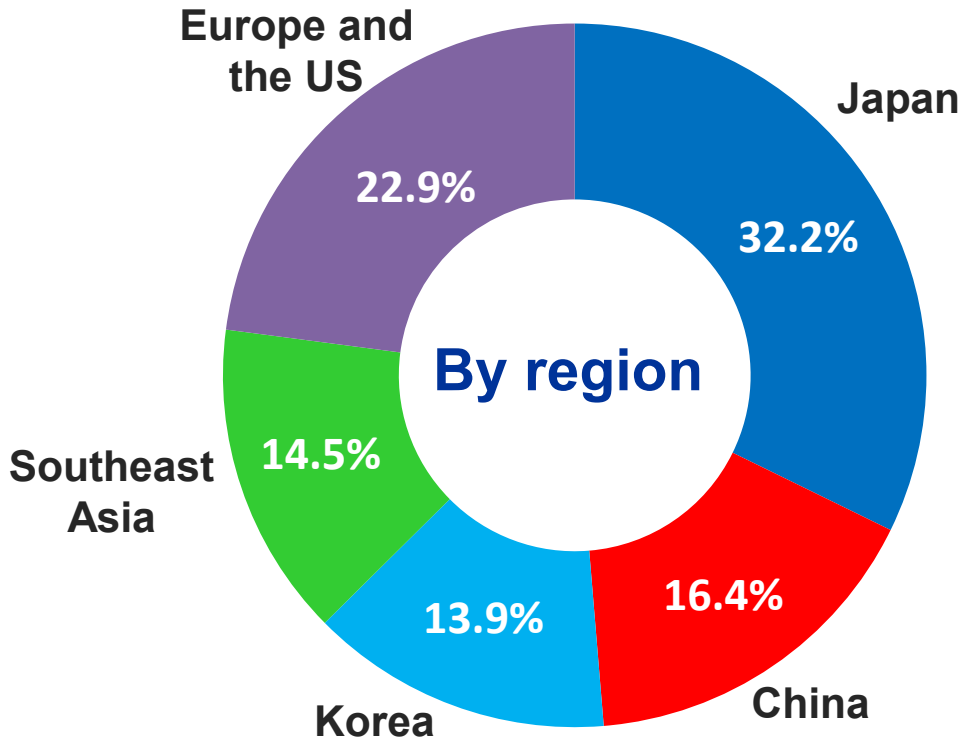
OHTAKE MEISHIN CHEMICAL, LTD.	Japan (Hiroshima)	CHUGOKU SAMHWA PAINTS, Ltd.	South Korea	CHUGOKU PAINTS B.V.	Holland
KOBE PAINTS, LTD.	Japan (Hyogo)	CHUGOKU MARINE PAINTS (Singapore) Pte. Ltd.	Singapore	CHUGOKU PAINTS (UK) Ltd.	UK
CHUGOKU MARINE PAINTS (Shanghai), Ltd.	China (Shanghai)	CHUGOKU PAINTS (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

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Sales by product and region

(FY2025)





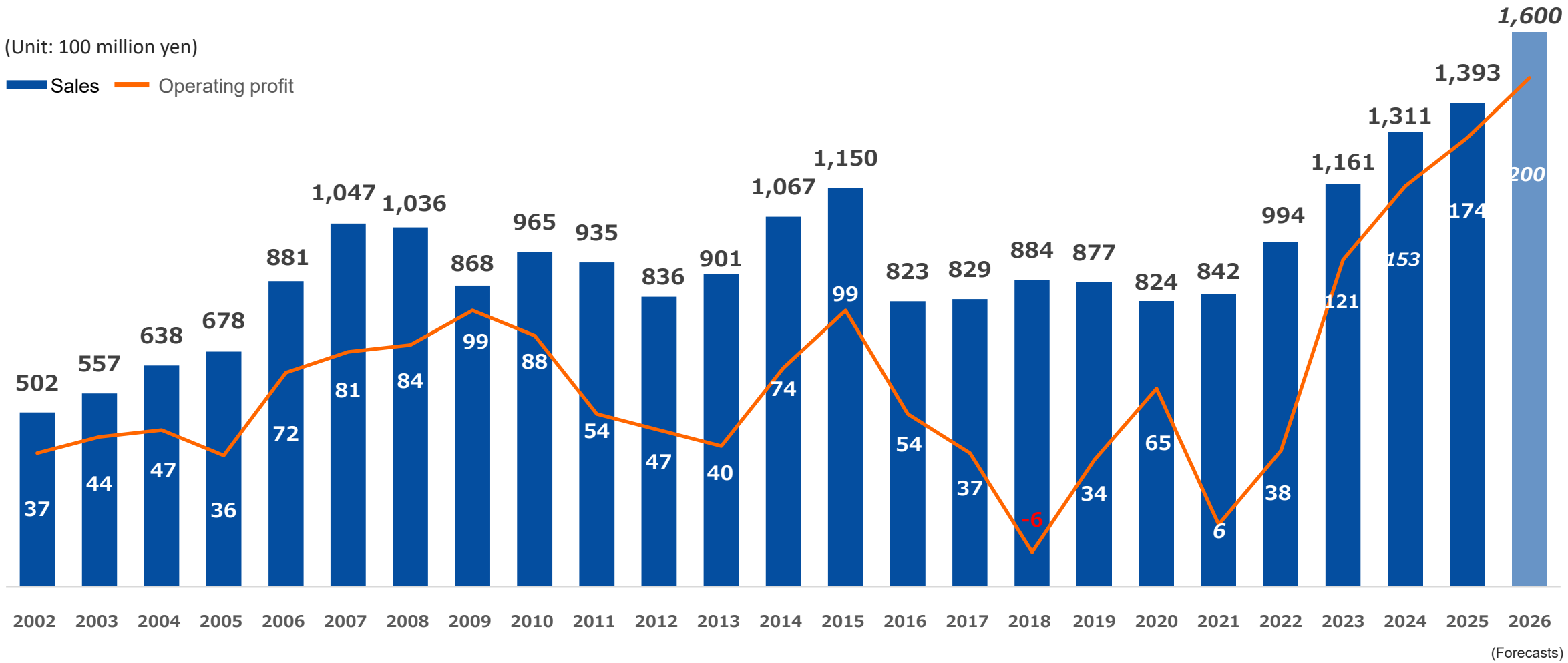
* industrial coatings include container coatings.

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Operating results

Although there were periods of stagnation, latest **record highs for the last three consecutive years** by management reform.

Consolidated Performance over the Past 25 Years



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2. Description of products and businesses

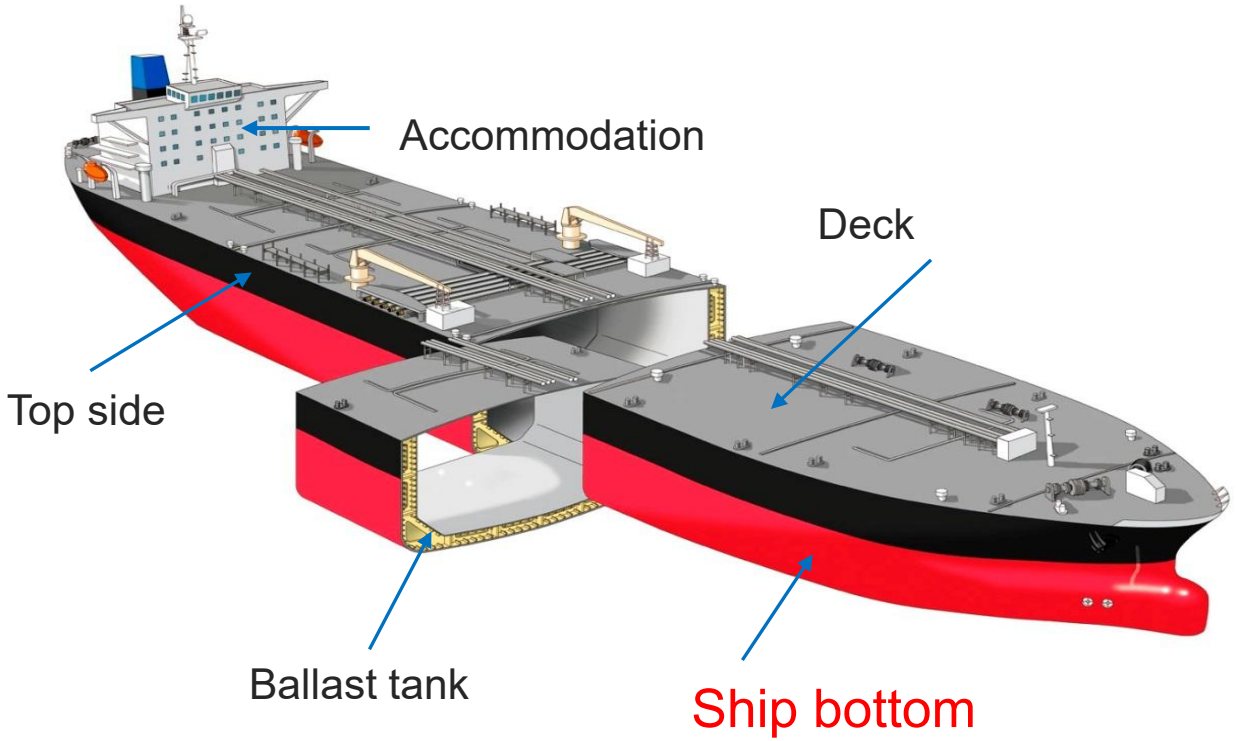
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Marine coatings (1) Primary products and applications

Anti-corrosion paint Applied to the entire hull (including tank interiors) to prevent iron corrosion

Antifouling paint Applied to ship bottoms to prevent contamination from marine life
→ **High value-added products**

Large vessels (commercial ships)



Pleasure boats & Fishing boats



Fishnets

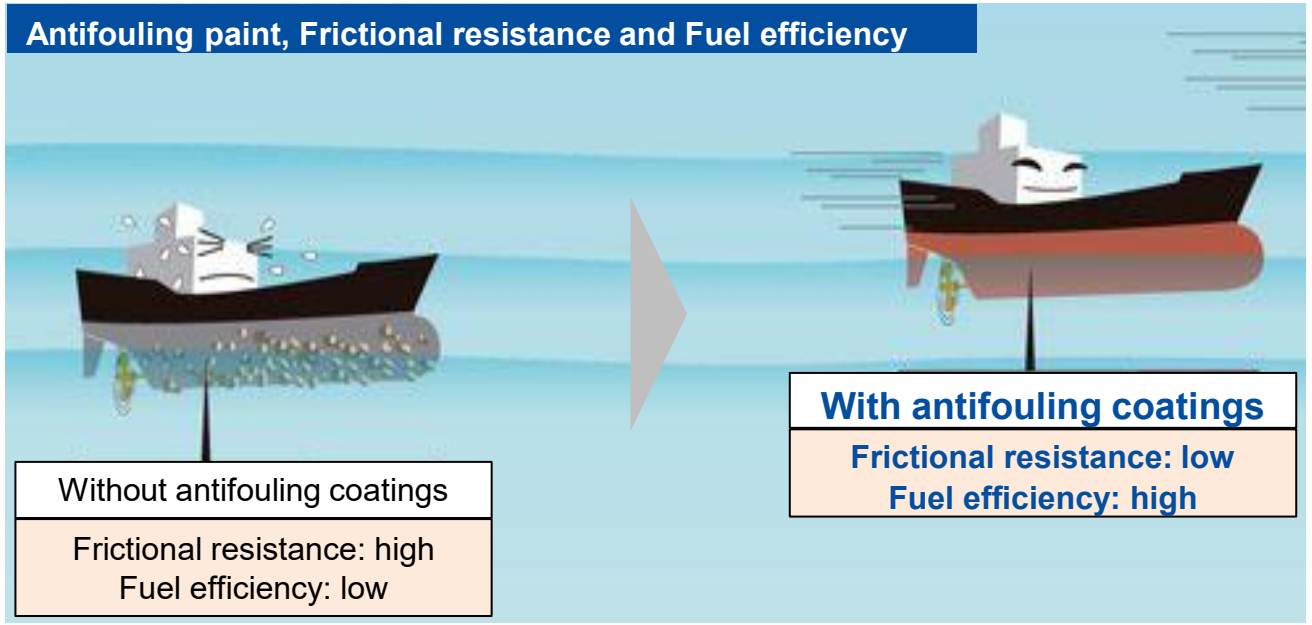


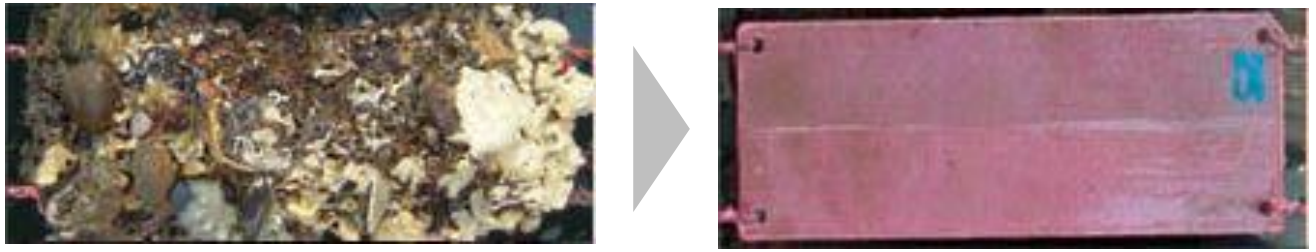
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Marine coatings (2) Antifouling paint

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

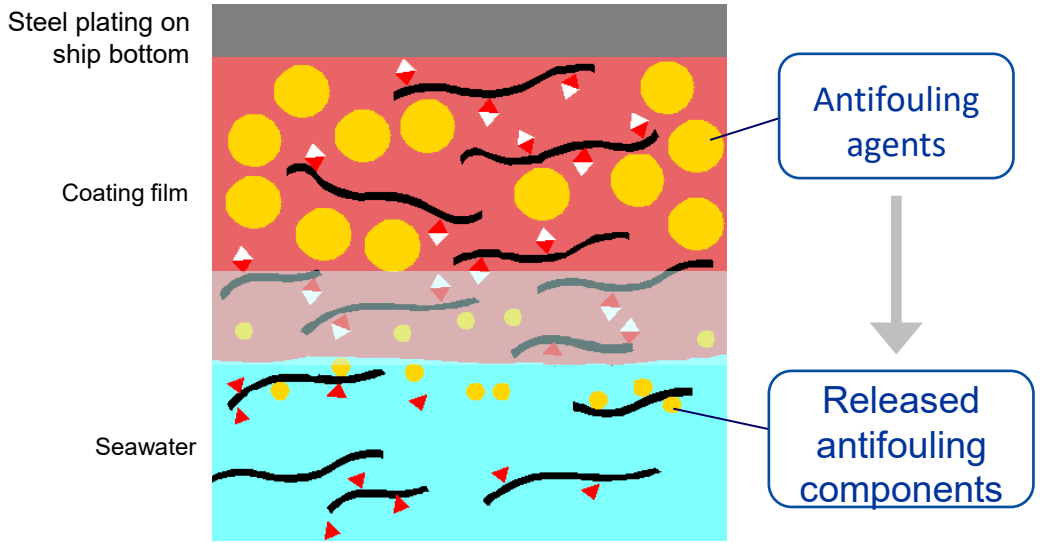
→ These coatings help improve ship fuel efficiency and reduce CO_2 emissions





Mechanism

Hydrolysis type,
which is the main type of bottom paint used today



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

Periodic repainting necessary

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Marine coatings (3) Business model

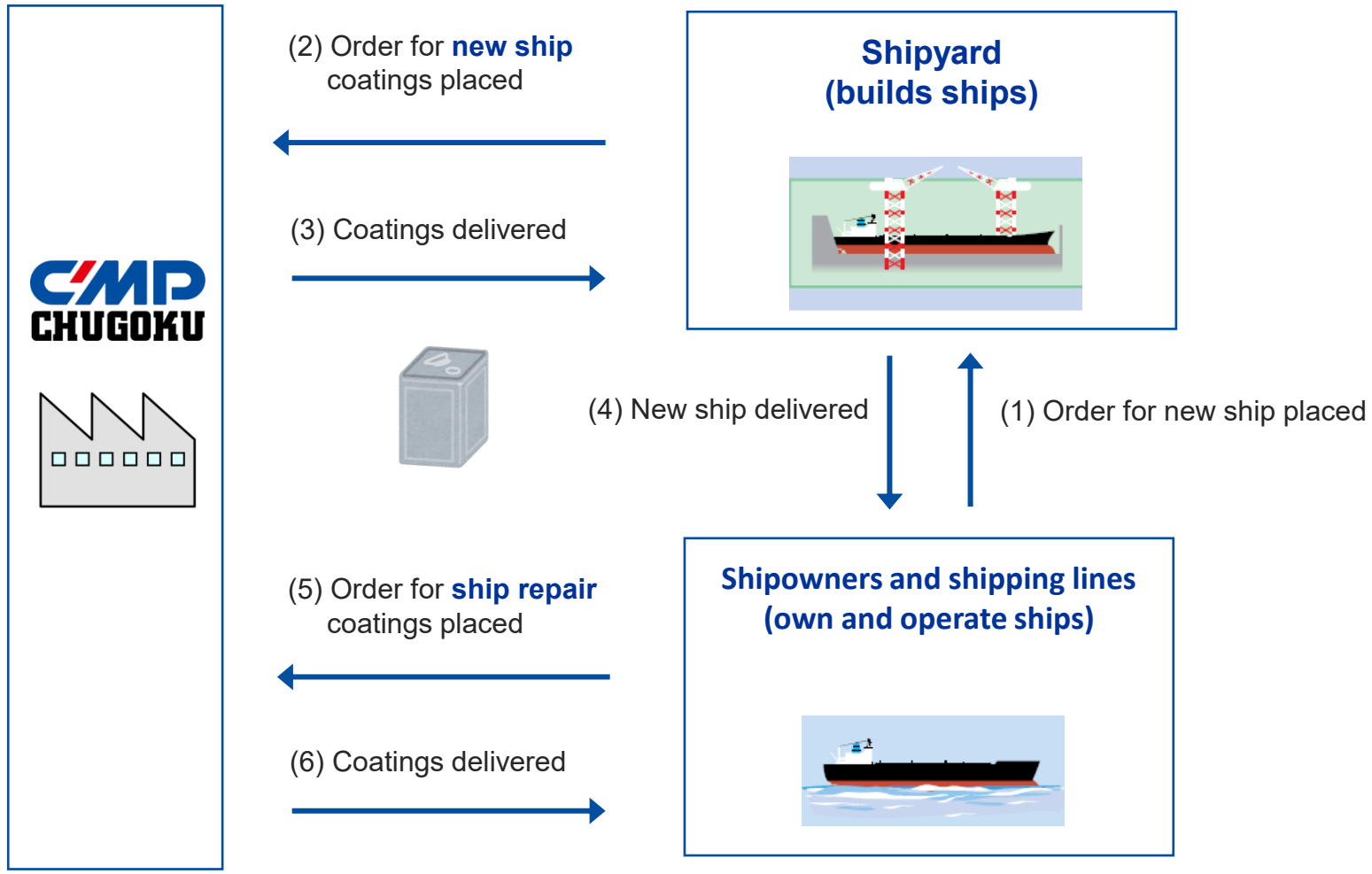
Business characteristics differ between marine coatings for new ships and marine coatings for ship repair.

New ships

- Customers are primarily shipyards
- More than 90% built in Japan, China, and South Korea
- Two- to three-year time period between order receipt and completion of delivery
- Coatings prices are easily influenced by ship prices

Ship repair

- Customers are mainly shipowners and shipping lines
- We supply coatings throughout the world, primarily in Asia and Europe
- High ratio of antifouling ship bottom coatings
- Coatings prices are relatively stable

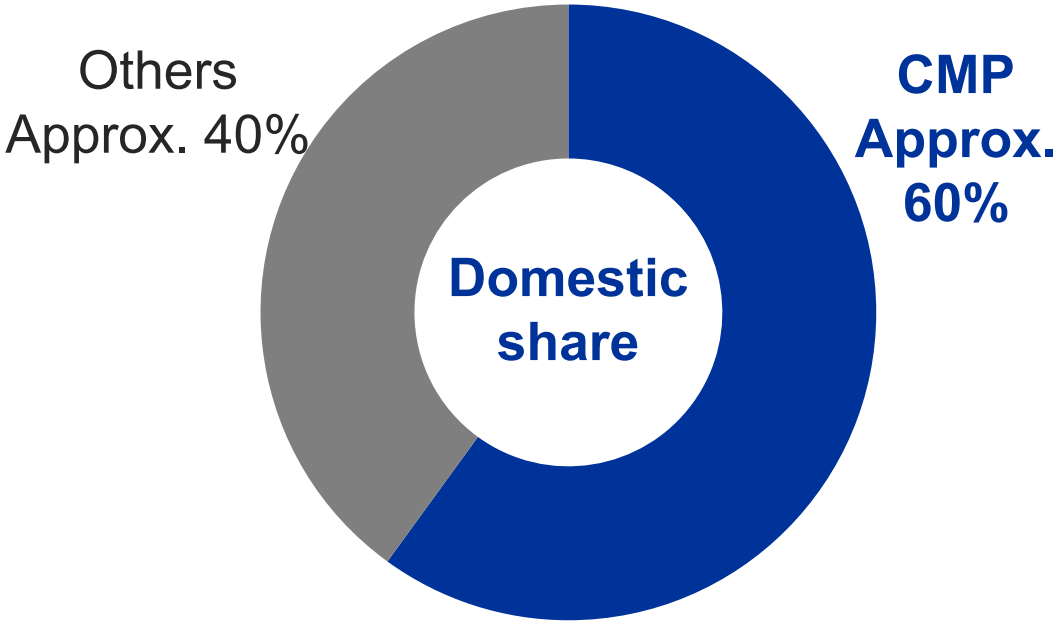


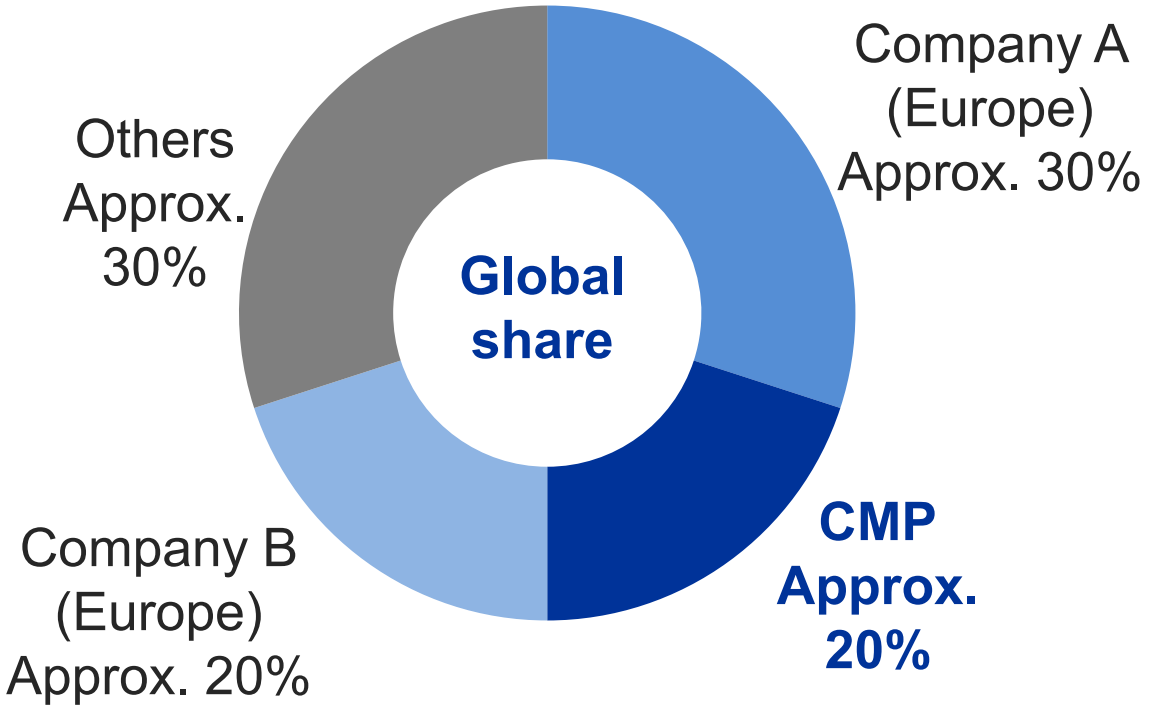
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Marine coatings (4) Market environment

The size of the global marine coatings market is around ¥600 billion.
The market has a limited number of players and is generally considered to be an **oligopolistic market**.

Estimated Market share





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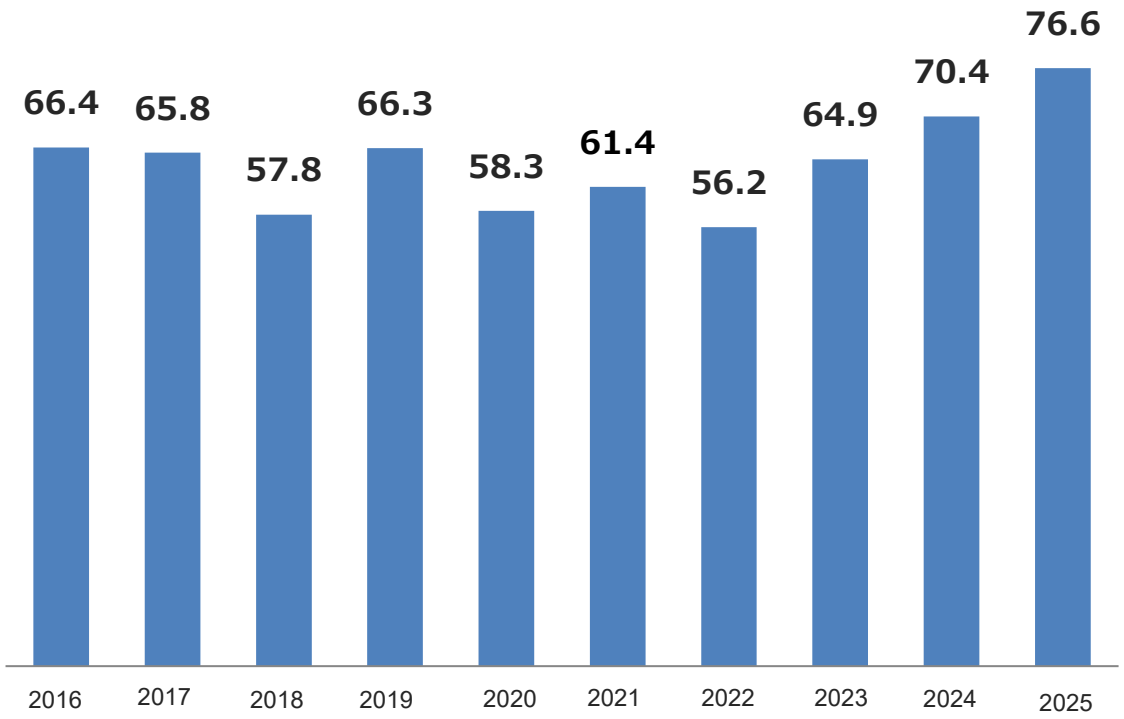
Marine coatings (5) Market environment

The shipbuilding market tends to fluctuate, but the current situation continues to **be lively due to an increase in demand.**

Shipping tonnage and seaborne transport volume, which are the cornerstones of ship repair demand, **are continuously increasing**.

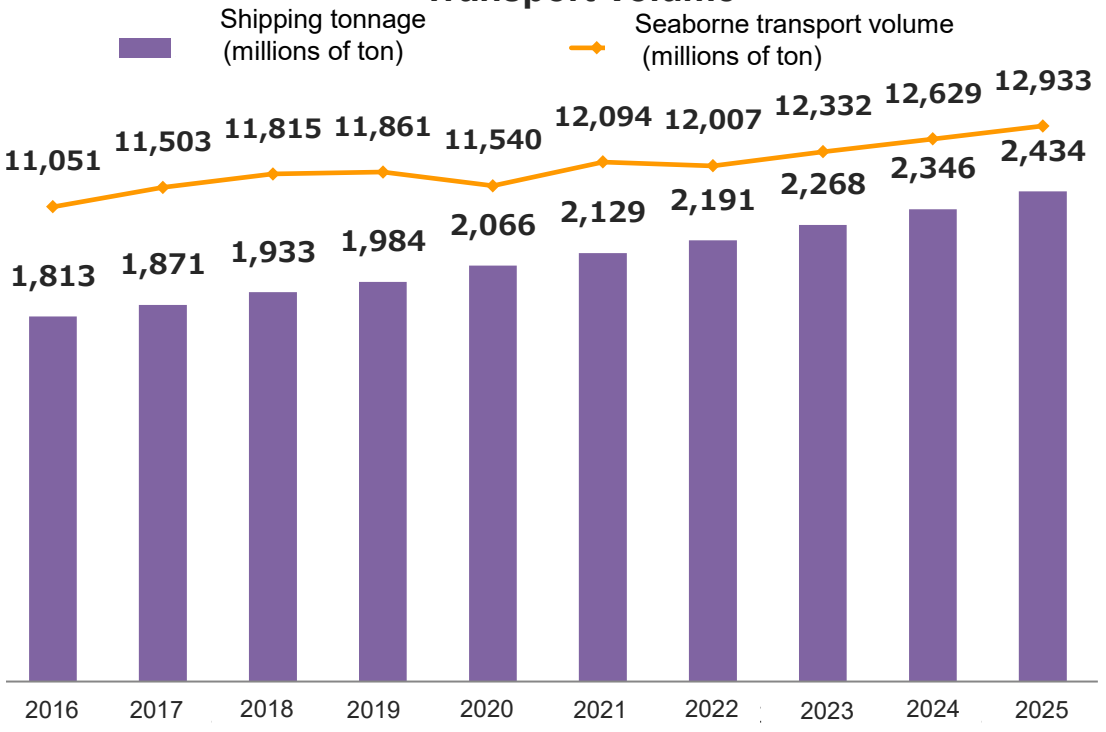
Global New Ship Completion

(Unit: millions of ton)



(Source: IHS Markit)

Global Shipping Tonnage and Seaborne Transport Volume



(Source: Clarksons)

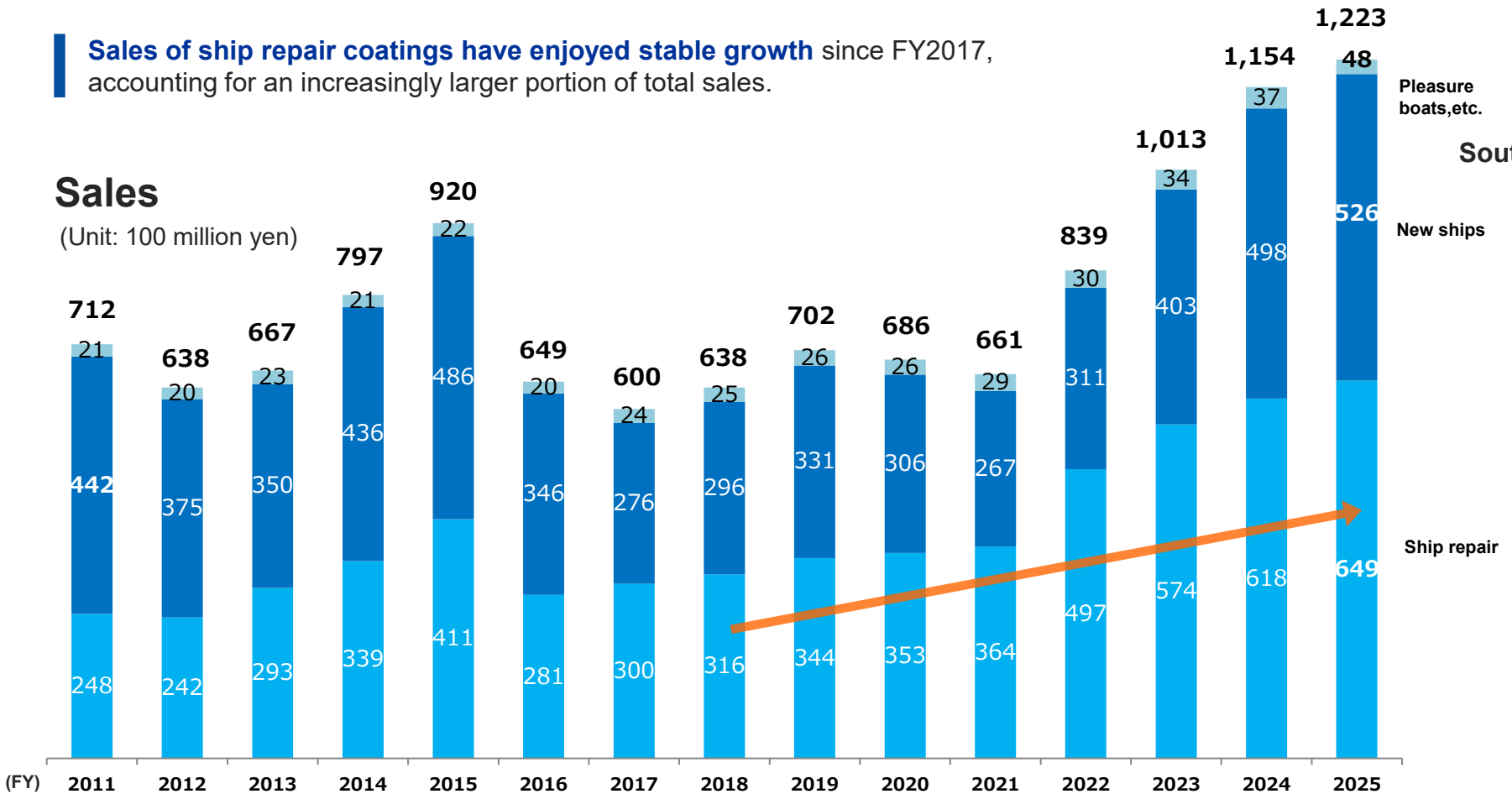
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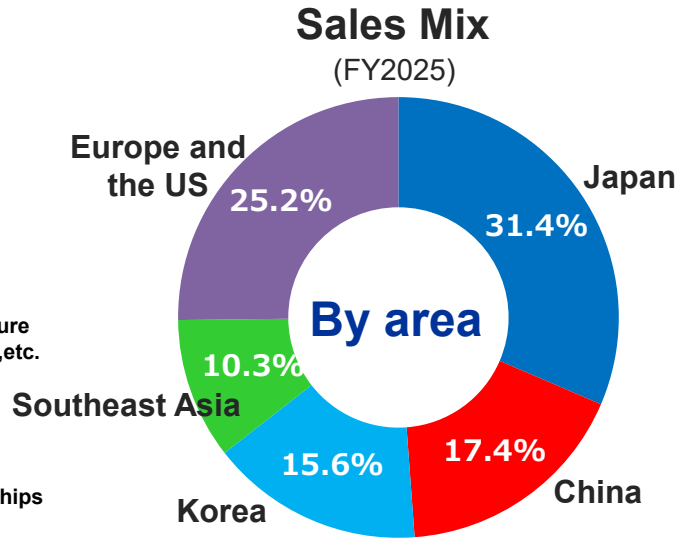
Marine coatings (6) Sales breakdown

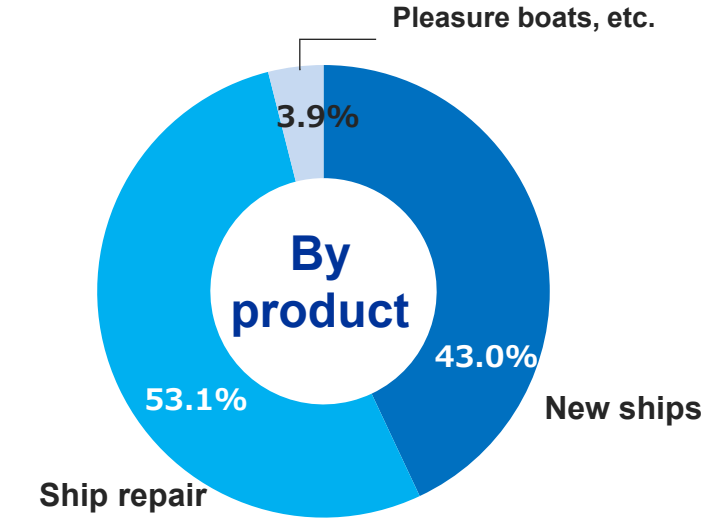
Sales of coatings for new ships account for a high ratio of marine coatings sales in Japan, China, and South Korea.
In Southeast Asia and Europe, sales of coatings for ship repair are predominant.

Sales of coatings for new ships fluctuate greatly due to changes in market conditions.

Sales of ship repair coatings have enjoyed stable growth since FY2017, accounting for an increasingly larger portion of total sales.





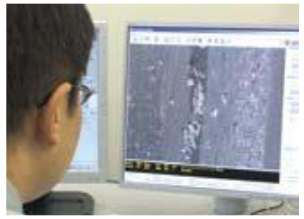
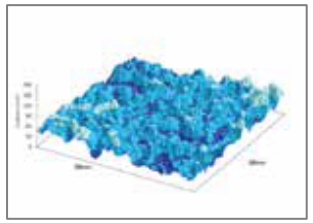


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Marine coatings (7) Our merits and strengths

Technical and product development capabilities

> **Over more than 100 years**, we have amassed high technical capabilities in the **extremely specialized** and **niche field** of marine coatings.
> We **concentrate** our management resources and R&D investment into **marine coatings**.
> We develop **innovative, high-performance, and environmentally friendly** products ahead of competitors.




Global supply chain

Our own network in 20 countries, including production bases in 9 countries around the world.

Relationship with customers

Long-standing and **strong relationship** with domestic & international leading ship owners and shipyards

These attributes act as **the entry barriers to would-be competitors**

Competition is unlikely to intensify.

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Marine coatings (8) Reducing GHG emissions from ships

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

2008年 (Base year for measuring emissions) | 2020 | 2023 | 2025 | 2030 | 2050

Roadmap for greenhouse gas emission reduction adopted by the IMO

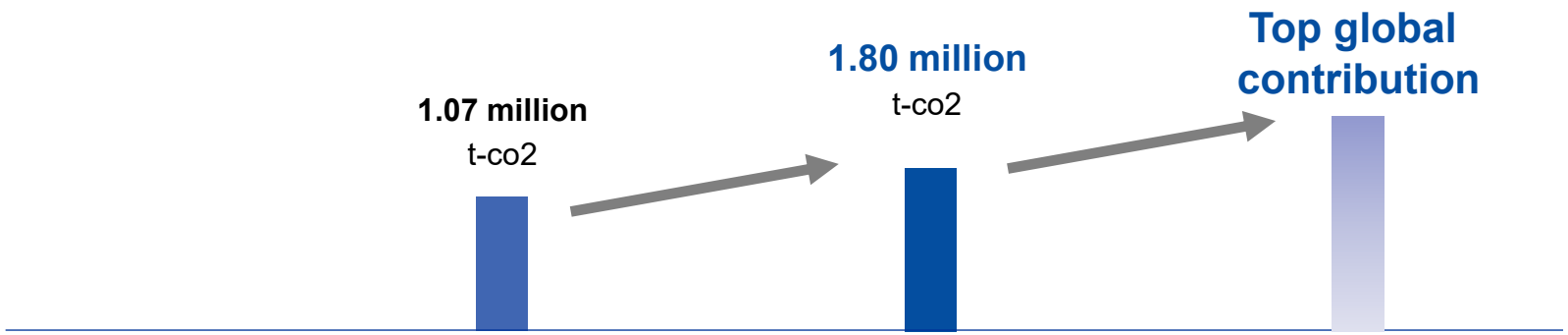
Application of fuel economy regulations* for existing ocean-going ships

40% reduction in emissions per transport volume

Net zero in emissions

* Regulations concerning the Energy Efficiency Existing Ship Index (EEXI), which is used to certify fuel efficiency in advance, and the Carbon Intensity Indicator (CII), which is used to check annual fuel efficiency ex post facto.

CO_2 emission reductions attributable to antifoulings from CMP
(2020 baseline / Numbers after 2030 are target values)



Over the long term, we project **expansion in demand for our high-performance antifoulings**, which contribute to fuel efficiency and the reduction of CO_2 emissions.

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Marine coatings (9) Results by Antifouling paint

Results generated by premium antifouling SEAFLO NEO CF PREMIUM

MR product tanker



Reduction of CO_2 emissions (five years)

9,450 Mt CO2e

- Average speed: 12 knots
- Utilization rate: 59%

Container ships (8,900 TEU)



Reduction of CO_2 emissions (five years)

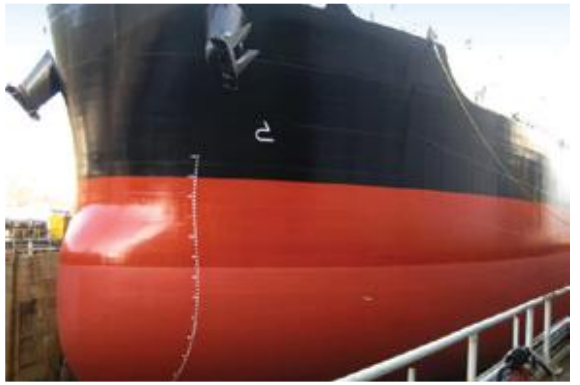
85,500 Mt CO2e

- Average speed: 17 knots
- Utilization rate: 78%

SEAFLO NEO SL Z, a low-friction antifouling for ocean-going ships

Features

- ✓ Cutting edge silyl technology and optimized pigment formulation provide an ultra-smooth coating surface and excellent hydrolysis performance.
- ✓ Low-VOC antifouling thanks to a high-solid formulation
- ✓ Ultra-smooth coating film achieved through a formulation based on our friction increase ratio (FIR) theory





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Industrial coatings (1) Primary products and applications

Supporting lives and industries while protecting the environment and safety

Heavy anti-corrosion

- ✓ Primarily coatings that protect structures such as equipment found in a variety of plants and bridges from rust and corrosion
- ✓ **Top domestic share (approx. 82%)** in coatings for cooling channels found in electrical power plants

■ Coatings for cooling channels in electrical power plants

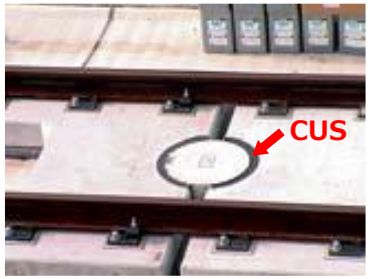


■ Coatings for bridges



■ Resin caulking materials for railway tracks (CUS)







Construction materials

- ✓ Primarily UV-curable coatings that set (dry) in short amounts of time through exposure to ultraviolet rays
- ✓ **Top domestic share (approx. 41%)** in UV-curable coatings for flooring materials

■ UV-curable coatings for Flooring materials, Building materials



■ UV-curable coatings for films, Plastics



Container coatings

✓ Coatings applied to shipping containers, supplied mainly across Southeast Asia

✓ In China, the largest market, we have been downsizing since 2023 due to intensifying price competition



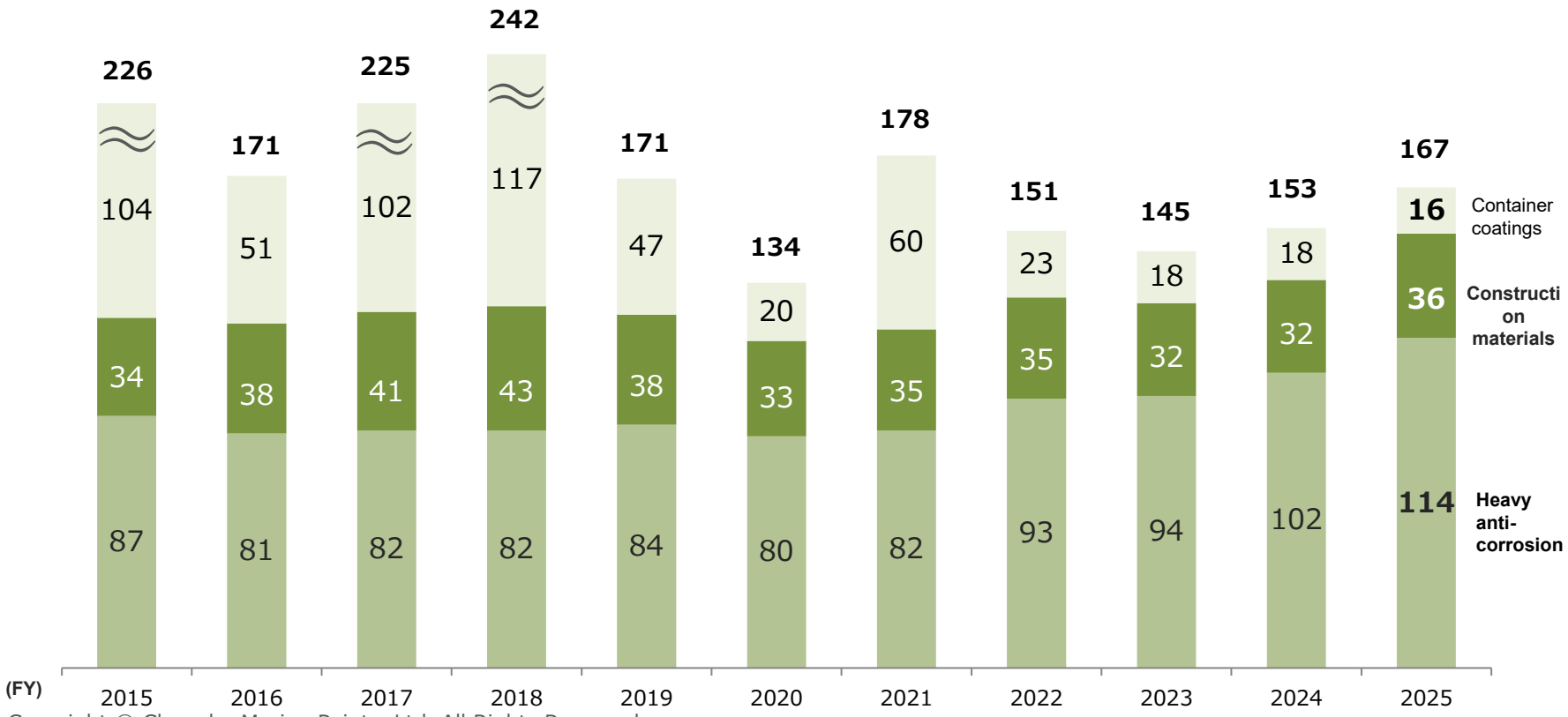
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Industrial coatings (2) Sales breakdown

- Sales are lower than those of marine coatings but are **more stable**.
- Most of our sales from coatings for construction materials are generated in Japan.
- We are **focusing on capturing infrastructure-related demand** in Southeast Asia, where sales of heavy anti-corrosion coatings are pivotal.
- In container coatings, we have been downsizing our China business since 2023

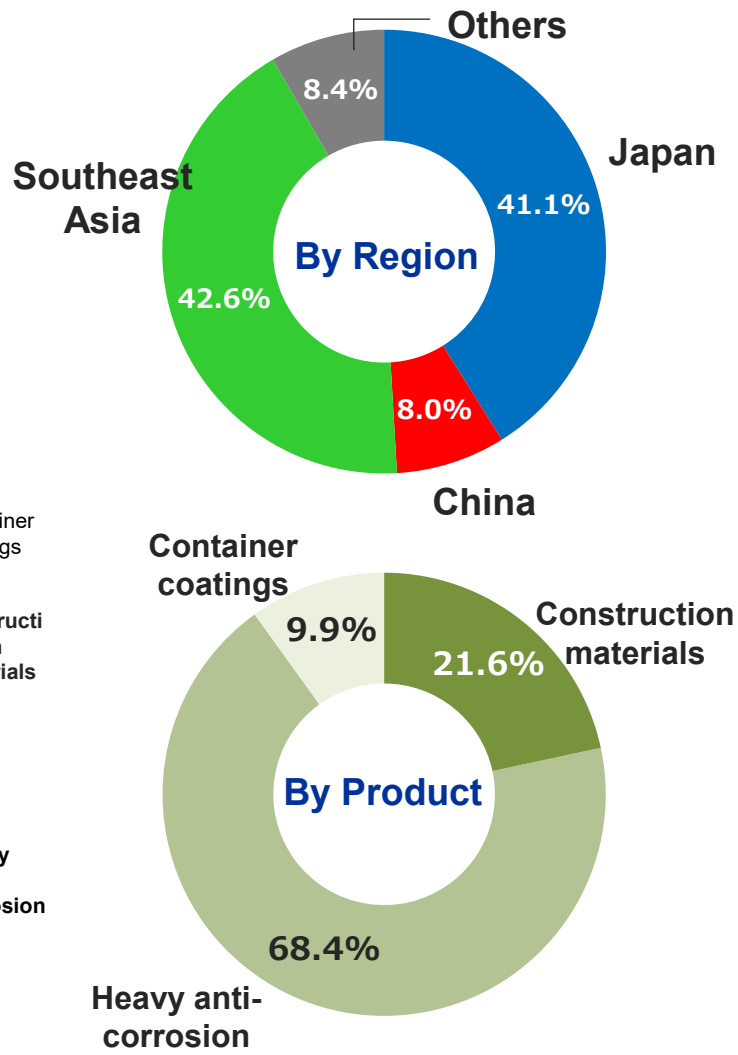
Sales

(Unit:100 million yen)



Sales Mix

(FY2025)



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Offshore structures

Pioneering new fields through the application of new technologies associated with marine coatings and heavy anti-corrosion coatings

Focus area

Offshore wind power generation

- ✓ Share of over 80% of domestic proof-of-concept projects
- ✓ The new market for commercial offshore wind power generation in Japan, which is to be launched in accordance with government policies, is currently facing many uncertainties. However, we project that the launch of this market will create measurable demand for coatings in the future.
- ✓ We will focus on capturing new demand in Japan primarily by establishing coating products with environmentally friendly (low-VOC) specs.

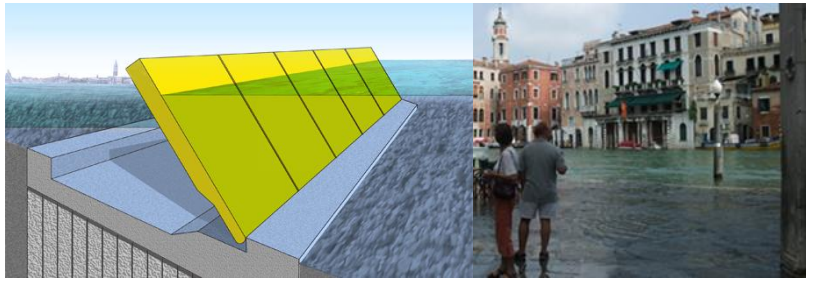


Results of large-scale projects

Mose project

- ✓ Mobile gates intended to protect the city of Venice, Italy from flooding.
- ✓ Our antifouling coatings were applied due to their strongly evaluated high performance.





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3. 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	• **Sluggish growth in market share and sales volume** • **Major capex for production facilities were considered but not executed**

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.

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Partial revision of the long-term vision

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)

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Positioning of the current medium-term management plan

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

FY2021 | 2025 | **2026** | **2030**

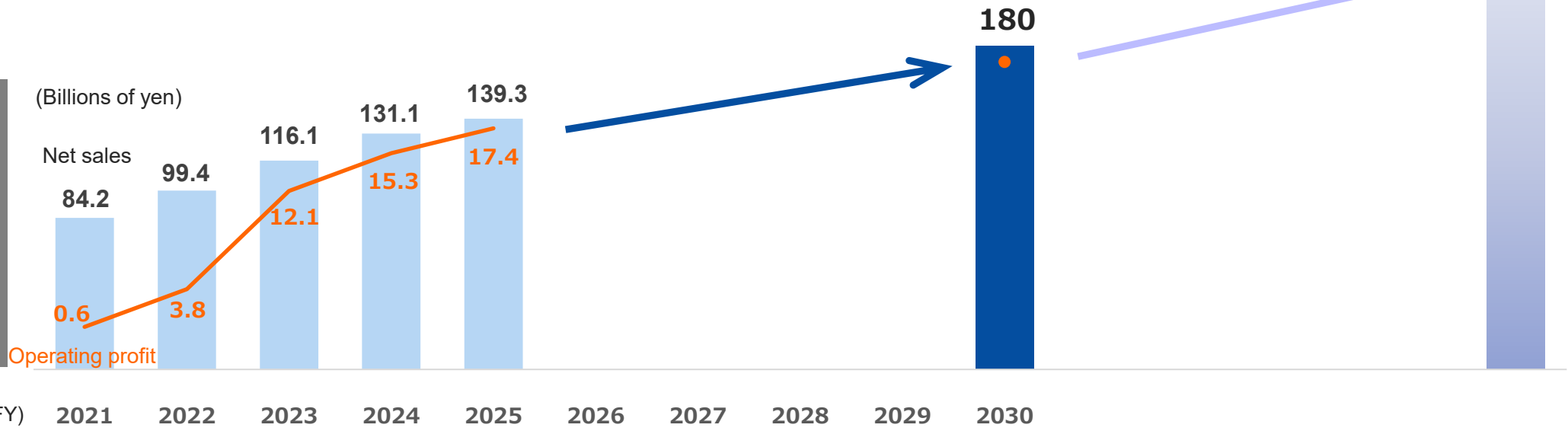
Long-term vision

A leading global niche company distinguished by sustainability and high profitability

Medium-term management plan

CMP New Century Plan 2	**CMP New Century Plan 3**	**Next medium-term management plan onward**
Promote managerial innovation and lay the foundation for value creation	**Refine strengths, create new value, and establish a decisive competitive advantage**	**Accelerate growth toward achieving the top share in the global marine coatings market**

Consolidated performance



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

Basic strategies (key themes)

Further refine existing strengths	×	Create new value
1 Expand value provided through environmental and social contributions		3 Address diverse customer needs and expand business opportunities
2 Further strengthen technological and product development capabilities		4 Rebuild and enhance the production system

5 Strengthen the management and organizational foundation in line with business expansion

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

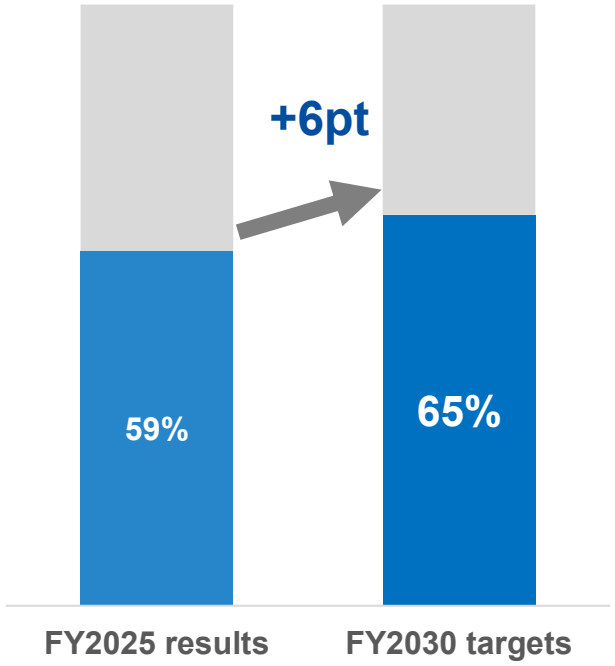
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Basic strategy 1: Expand value provided through environmental and social contributions (1)

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

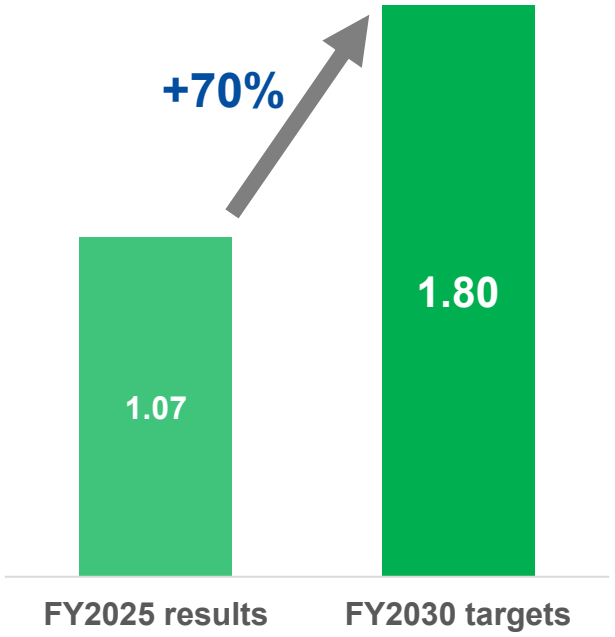
Contribute to reducing GHG emissions from the shipping industry by increasing the supply of high-performance antifouling coatings

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



Contribution to GHG (CO_2) emissions reduction

(Millions of t-CO_2)



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

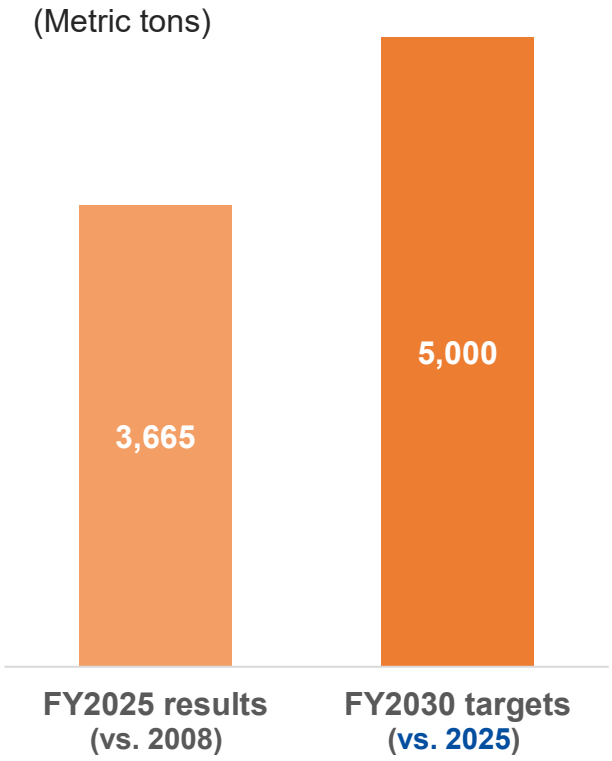
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Basic strategy 1: Expand value provided through environmental and social contributions (2)

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

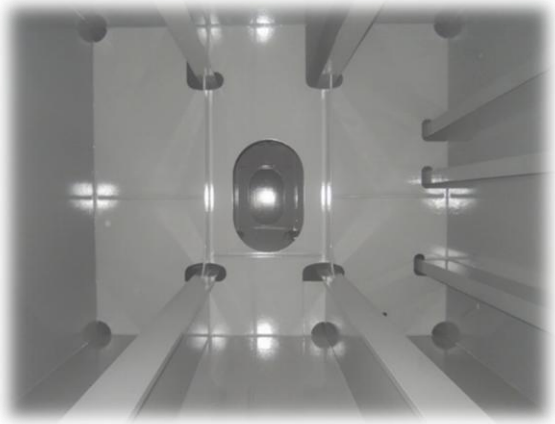
Reduce VOC emissions through expanded sales of low-VOC coatings (VOCs: volatile organic compounds)

VOC emissions reduction



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





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Basic strategy 2: Further strengthen technological and product development capabilities

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

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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

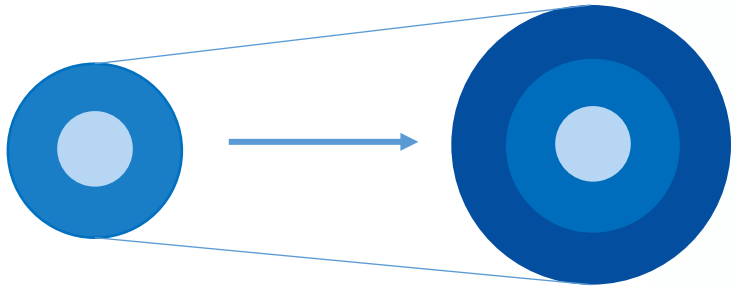
Take calculated risks to drive high growth

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







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Basic strategy 4: Rebuild and enhance the production system (1)

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

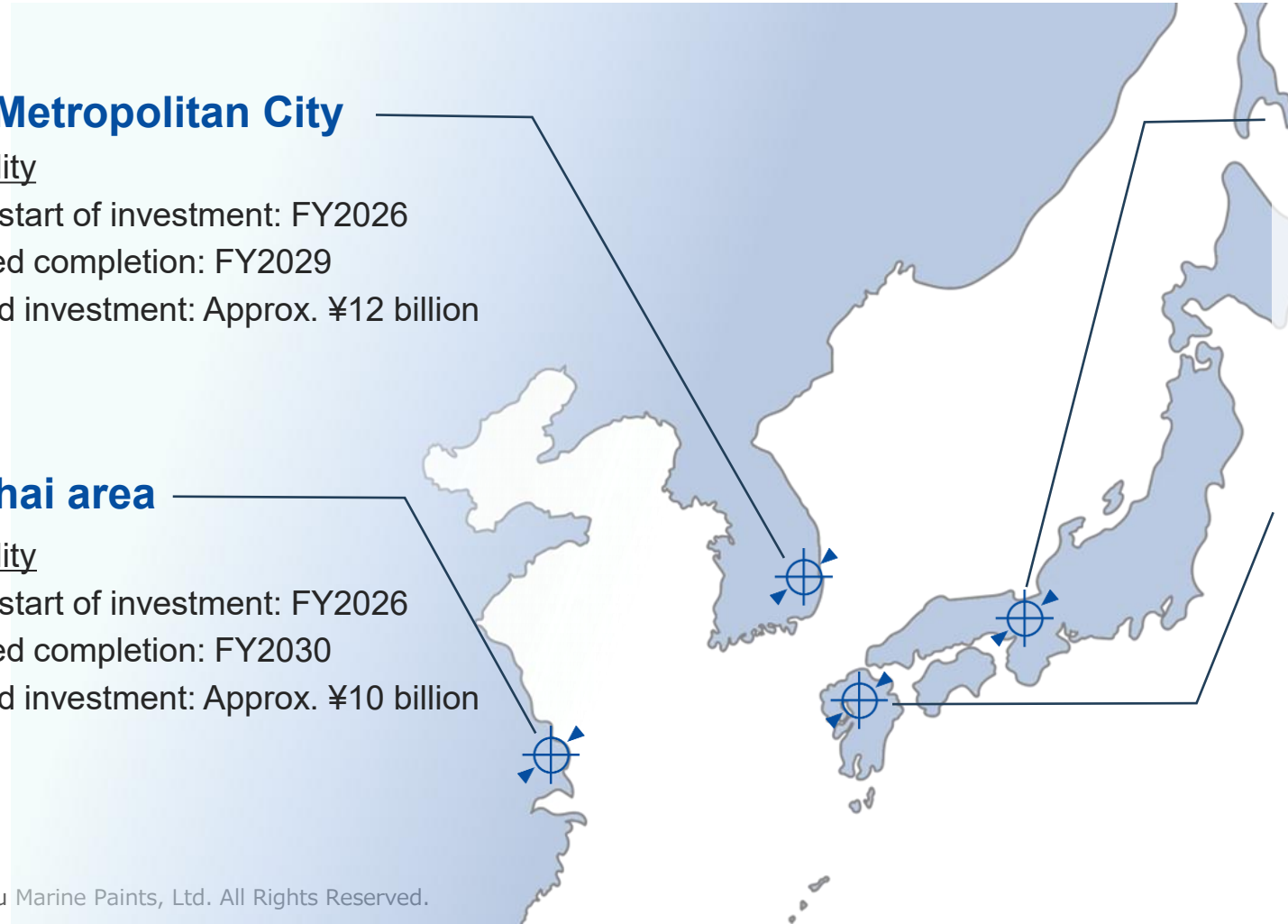
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Basic strategy 4: Rebuild and enhance the production system (2)

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

Shanghai area

New facility
Planned start of investment: FY2026
Scheduled completion: FY2030
Estimated investment: Approx. ¥10 billion

Shiga Factory

Rebuild within the existing site
Planned start of investment: FY2026
Scheduled completion: FY2035*
Estimated investment: Approx. ¥13 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

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Basic strategy 5: Strengthen the management and organizational foundation in line with business expansion

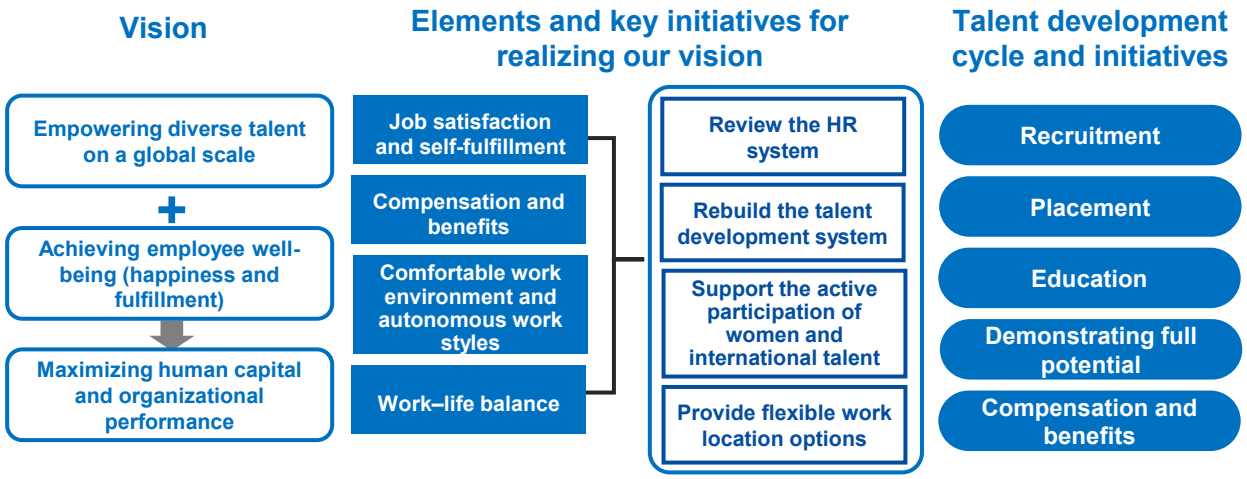
Enhance management quality as a global company to support business growth

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

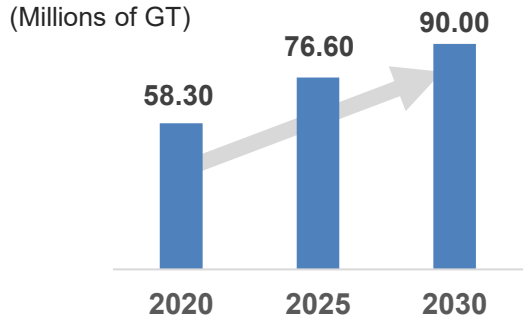
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Growth strategy, initiatives, and targets in marine coatings (overall)

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

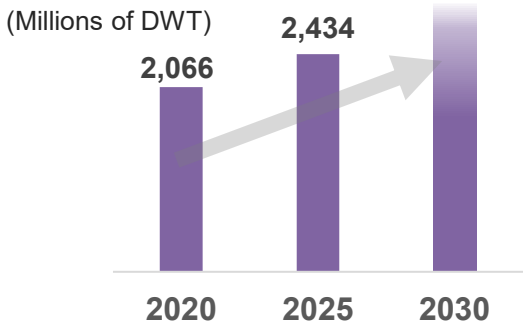
Global demand forecast

Newbuilding deliveries



(Source: Clarksons, National Maritime Research Institute)

Fleet capacity



(Source: Clarksons)

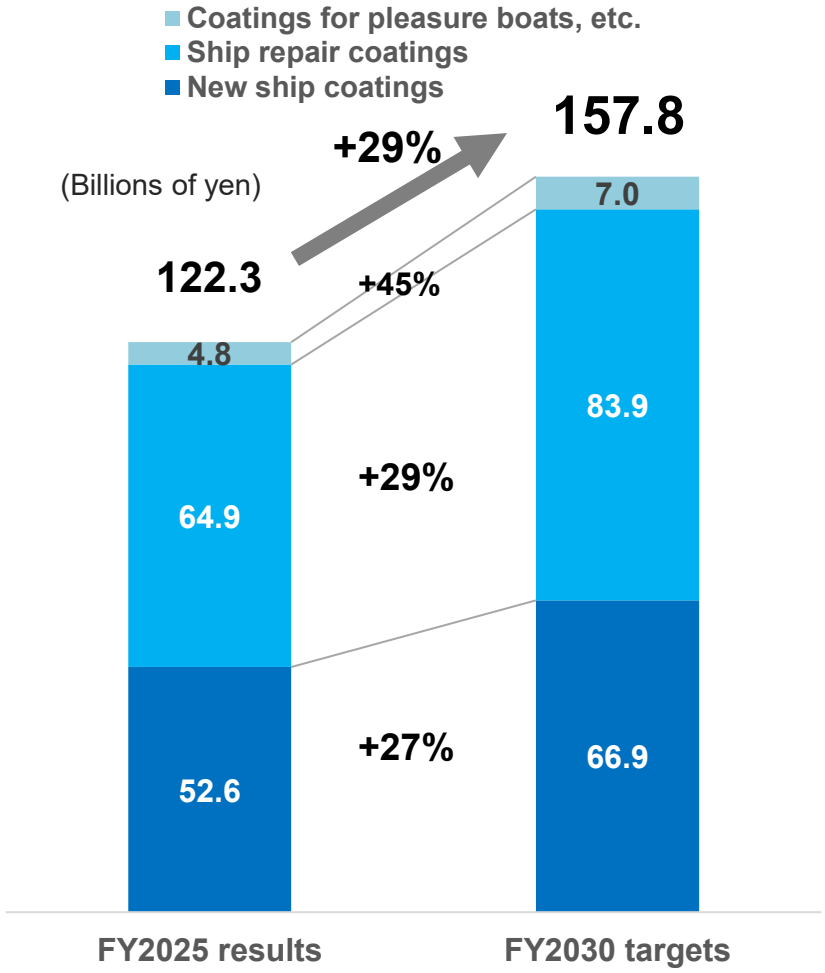
Market share targets

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



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Growth strategy, initiatives, and targets in marine coatings (new ship coatings)

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



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Growth strategy, initiatives, and targets in marine coatings (ship repair coatings)

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



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Growth strategy, initiatives, and targets in industrial coatings

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.

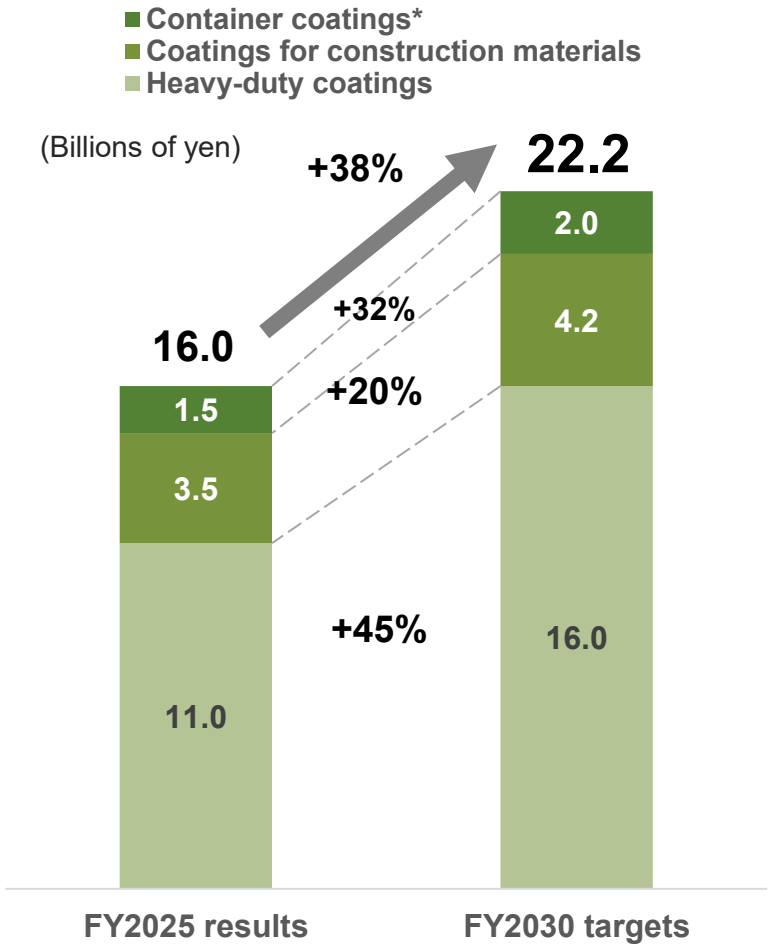
Heavy-duty coatings

- ✓ 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









*Reclassified to industrial coatings from FY2026

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Consolidated performance targets (FY2030)

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**		

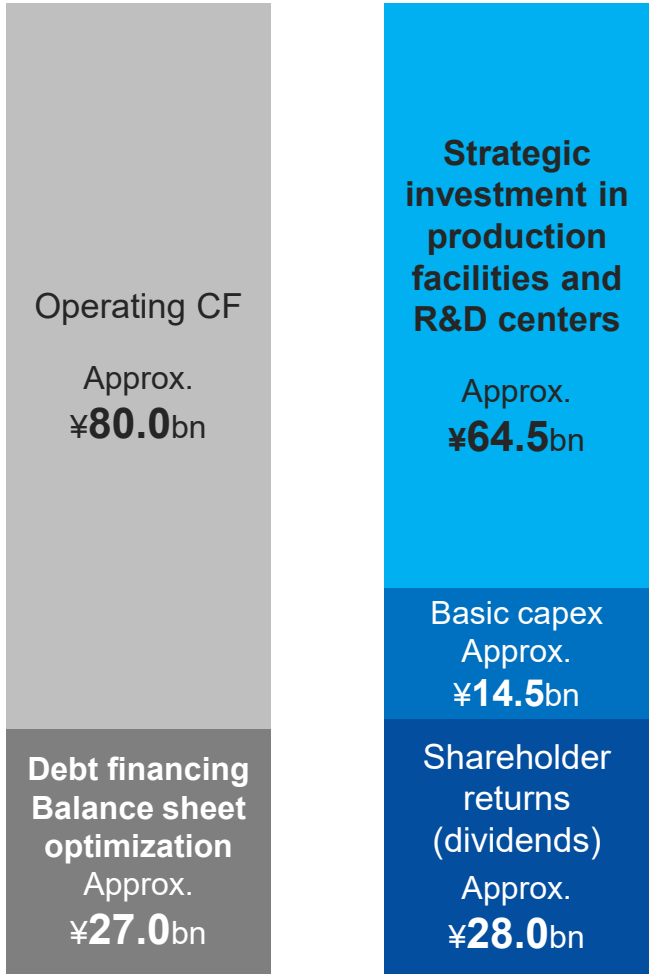
Notes: EBITDA = Operating profit + depreciation and amortization

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

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Cash allocation, financial policy, and shareholder return policy

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



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	・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

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４．ESG information (Environment・Social・Governance)

Our businesses and products are leading to solutions for environmental issues

Global warming countermeasures

Reducing GHG (greenhouse gas)

■ **Antifouling coatings**



■ Coatings for offshore wind power generation facilities



■ Heat-resistant coatings





Saving resources

Protect materials from rust and corrosion and reduce loss

■ Coatings characterized by long-term durability



■ Construction methods that prevent concrete flaking





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【Outline of the HR strategy】

Vision

Empowering diverse talent on a global scale

+

Achieving employee well-being (happiness and fulfillment)

↓

Maximizing the performance of human capital and organizations

Elements and key initiatives for realizing our vision

- Job satisfaction and self-realization
- Compensation and benefits
- Comfortable work environment and autonomous work styles
- Work-life balance

Talent development cycle and various initiatives

- Revision of the HR system
- Rebuilding of the talent development system
- Empowering of women and foreign nationals
- Diversification of work locations

- Recruitment
- Placement
- Education
- Demonstrating full potential
- Rewards and recognition

【Community Contribution】



Donation of Vegetables to Children‘s Cafeterias (Japan)



Donation of scholarships (South Korea)



Donation of coatings to school (Thailand)

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Corporate Governance

1 Lineup

Board of Directors

Three of seven members are **outside directors, one of whom is a female.**

Title	Name	Responsibilities (primary and concurrent)
President	Kenshi Date	
Senior Managing Director	Hideyuki Tanaka	In charge of Technology and Production
Managing Director	Katsunori Kobayashi	In charge of Administration and Compliance
Managing Director	Takao Shimizu	In charge of Corporate Strategy
Outside Director	Toshifumi Inami	Independent Director of KYOEI TANKER CO.,LTD.
Outside Director	Akiko Monden	Lawyer
Outside Director	Takumi Kudo	Executive Advisor, Wholesale Business Planning Department, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

Board of Corporate Auditors

Two of four members are outside auditors,one of whom is a female.

Title	Name	Concurrent positions
Standing Corporate auditor	Junichi Yokozeki	
Standing Corporate Auditor	Tatsuro Enomoto	
Outside Auditor	Kie Yamada	Certified public accountant
Outside Auditor	Tetsuji Nakamura	Certified public tax accountant

※All of five outside directors/auditors are Independent directors/auditors required by the rules of Tokyo Stock Exchange.

Voluntary Advisory Committee

Position	Nominating Committee	Compensation Committee	Position on the Board of Directors (in addition to positions on the left)
Chairman	Toshifumi Inami	Akiko Monden	Outside Director
Member	Akiko Monden	Toshifumi Inami	Outside Director
Member	Takumi Kudo	Takumi Kudo	Outside Director
Member	Kenshi Date	Kenshi Date	Representative Director

2 Compensation Structure

Category	Classification	Form of compensation	Percentage of total compensation	Notes
Basic compensation	Fixed	Cash	About 57%	
Annual incentives	Variable	Cash	About 18%	Linked to single year profit and ESG (GHG reduction rate) indicators
Medium- to long-term incentives	Variable	Stock	About 25%	Restricted stock compensation

* The component ratio excludes outside directors and assumes annual incentives are paid at 100% (FY2026 forecast)

3 Cross-shareholdings

- Our policy aims to reduce our cross-shareholdings, and we **sold off shares in two companies** during FY2025.

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Forecasts presented in these materials are based on judgments made in accordance with information available to CMP as of November 11, 2026. Actual results may differ materially from forecasts due to various risks and uncertainties.