

Translation

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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 9, 2025

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
 Inquiries (Title) Executive Officer / Chief of Administration Headquarter (Name) Shinji Nakamura Tel 03-6457-9025
 Date of general shareholders' meeting (as planned) June 25, 2025 Dividend payable date (as planned) June 26, 2025
 Annual securities report filing date (as planned) June 25, 2025
 Supplemental material of annual results : Yes
 Convening briefing of annual results : Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	131,152	12.9	15,381	26.2	16,481	26.5	13,721	38.7
March 31, 2024	116,174	16.8	12,185	213.5	13,025	199.4	9,892	157.0

Note: Comprehensive income For the fiscal year ended March 31, 2025 19,672 Million s of yen (23.3%) For the fiscal year ended March 31, 2024 15,949 Million s of yen (147.1%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	276.78	—	17.8	11.9	11.7
March 31, 2024	199.60	—	15.4	10.6	10.5

Reference: Investment profit (loss) on equity method For the fiscal year ended March 31, 2025 — Million s of yen For the fiscal year ended March 31, 2024 — Million s of yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	144,777	89,435	57.7	1,684.84
March 31, 2024	132,404	76,175	53.3	1,422.60

Reference: Owner's equity As of March 31, 2025 83,531 Million s of yen As of March 31, 2024 70,515 Million s of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	14,539	(103)	(12,480)	32,174
March 31, 2024	12,388	(1,625)	(1,980)	27,705

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	34.00	—	46.00	80.00	3,965	40.1	6.2
Fiscal year ended March 31, 2025	—	40.00	—	57.00	97.00	4,809	35.0	6.2
Fiscal year ending March 31, 2026 (Forecast)	—	48.00	—	49.00	97.00		43.7	

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	133,000	1.4	16,000	4.0	16,500	0.1	11,000	(19.8)	221.87

* Notes

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

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes

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

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(3) Number of issued shares (common shares)

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

② Number of treasury stock at the end of fiscal year

③ Average number of shares

As of March 31, 2025	55,000,000 ^{sha} _{res}	As of March 31, 2024	55,000,000 ^{sha} _{res}
As of March 31, 2025	5,421,656 ^{sha} _{res}	As of March 31, 2024	5,431,781 ^{sha} _{res}
Fiscal year ended March 31, 2025	49,575,416 ^{sha} _{res}	Fiscal year ended March 31, 2024	49,564,167 ^{sha} _{res}

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	44,684	8.3	(271)	—	8,415	16.8	7,426	8.5
March 31, 2024	41,261	5.9	(70)	—	7,206	253.8	6,847	124.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended March 31, 2025	Yen 149.79	Yen —
March 31, 2024	138.15	—

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	71,318	43,868	61.5	884.84
March 31, 2024	67,326	40,747	60.5	822.06

Reference: Owner's equity As of March 31, 2025 43,868 Million s of yen As of March 31, 2024 40,747 Million s of yen

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

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

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

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	32,890	36,768
Notes receivable - trade	4,434	1,943
Accounts receivable - trade	32,393	34,088
Electronically recorded monetary claims - operating	3,037	4,148
Securities	—	954
Merchandise and finished goods	13,283	15,697
Work in process	646	813
Raw materials and supplies	9,481	11,758
Other	1,815	2,776
Allowance for doubtful accounts	(601)	(575)
Total current assets	97,379	108,373
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,691	20,945
Accumulated depreciation	(15,400)	(15,475)
Buildings and structures, net	5,290	5,470
Machinery, equipment and vehicles	18,906	19,836
Accumulated depreciation	(15,194)	(15,637)
Machinery, equipment and vehicles, net	3,712	4,199
Tools, furniture and fixtures	5,463	5,551
Accumulated depreciation	(4,818)	(4,754)
Tools, furniture and fixtures, net	645	797
Land	13,504	12,635
Leased assets	2,622	2,247
Accumulated depreciation	(950)	(885)
Leased assets, net	1,672	1,361
Construction in progress	174	136
Total property, plant and equipment	25,000	24,599
Intangible assets	331	440
Investments and other assets		
Investment securities	8,040	8,229
Retirement benefit asset	329	1,113
Deferred tax assets	860	1,316
Other	1,050	1,311
Allowance for doubtful accounts	(587)	(607)
Total investments and other assets	9,693	11,363
Total non-current assets	35,025	36,403
Total assets	132,404	144,777

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,432	14,630
Electronically recorded obligations - operating	2,197	1,910
Short-term borrowings	22,017	17,086
Current portion of long-term borrowings	1,000	1,700
Lease liabilities	217	224
Accounts payable - other	2,969	3,870
Accrued expenses	2,992	3,685
Income taxes payable	1,347	1,647
Provision for bonuses	194	265
Provision for product warranties	151	141
Other	2,001	1,105
Total current liabilities	47,520	46,268
Non-current liabilities		
Long-term borrowings	1,700	1,000
Lease liabilities	651	780
Long-term accounts payable - other	16	—
Deferred tax liabilities	2,305	2,586
Deferred tax liabilities for land revaluation	2,223	1,975
Retirement benefit liability	1,363	2,190
Other	448	541
Total non-current liabilities	8,708	9,073
Total liabilities	56,229	55,342
Net assets		
Shareholders' equity		
Share capital	11,626	11,626
Capital surplus	6	—
Retained earnings	48,852	58,787
Treasury shares	(4,902)	(4,891)
Total shareholders' equity	55,582	65,522
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,795	3,867
Revaluation reserve for land	3,798	3,125
Foreign currency translation adjustment	6,941	10,770
Remeasurements of defined benefit plans	398	245
Total accumulated other comprehensive income	14,933	18,009
Non-controlling interests	5,659	5,903
Total net assets	76,175	89,435
Total liabilities and net assets	132,404	144,777

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	116,174	131,152
Cost of sales	80,830	88,553
Gross profit	35,343	42,599
Selling, general and administrative expenses	23,158	27,217
Operating profit	12,185	15,381
Non-operating income		
Interest income	372	548
Dividend income	296	344
Royalty income	123	121
Technical advisory fee income	68	78
Foreign exchange gains	345	323
Rental income from real estate	96	87
Other	242	343
Total non-operating income	1,545	1,848
Non-operating expenses		
Interest expenses	518	506
Loss on retirement of non-current assets	51	75
Other	135	166
Total non-operating expenses	705	748
Ordinary profit	13,025	16,481
Extraordinary income		
Gain on sale of non-current assets	77	2,500
Gain on sale of investment securities	144	5
Other	—	188
Total extraordinary income	222	2,694
Extraordinary losses		
Loss on sale of non-current assets	0	0
Impairment losses	644	928
Loss on sale of investment securities	0	—
Loss on valuation of investment securities	—	19
Total extraordinary losses	646	947
Profit before income taxes	12,601	18,228
Income taxes - current	2,345	3,260
Income taxes - deferred	(346)	(557)
Total income taxes	1,998	2,703
Profit	10,602	15,525
Profit attributable to non-controlling interests	709	1,803
Profit attributable to owners of parent	9,892	13,721

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	10,602	15,525
Other comprehensive income		
Valuation difference on available-for-sale securities	1,925	72
Revaluation reserve for land	—	(32)
Foreign currency translation adjustment	3,168	4,248
Remeasurements of defined benefit plans, net of tax	252	(140)
Total other comprehensive income	5,346	4,147
Comprehensive income	15,949	19,672
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,893	17,438
Comprehensive income attributable to non-controlling interests	1,055	2,234

Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,626	-	41,536	(4,918)	48,244
Changes during period					
Dividends of surplus			(2,577)		(2,577)
Profit attributable to owners of parent			9,892		9,892
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		6		16	22
Net changes in items other than shareholders' equity					
Total changes during period	-	6	7,315	16	7,338
Balance at end of period	11,626	6	48,852	(4,902)	55,582

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,868	3,798	4,131	133	9,932	4,953	63,130
Changes during period							
Dividends of surplus							(2,577)
Profit attributable to owners of parent							9,892
Purchase of treasury shares							(0)
Disposal of treasury shares							22
Net changes in items other than shareholders' equity	1,926	-	2,810	264	5,000	705	5,706
Total changes during period	1,926	-	2,810	264	5,000	705	13,044
Balance at end of period	3,795	3,798	6,941	398	14,933	5,659	76,175

Fiscal year ended March 31, 2025

(Millions of yen)

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

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

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	12,601	18,228
Depreciation	1,641	1,698
Impairment losses	644	928
Increase (decrease) in allowance for doubtful accounts	(809)	(91)
Increase (decrease) in other provisions	36	49
Decrease (increase) in retirement benefit asset	(44)	(790)
Increase (decrease) in retirement benefit liability	(176)	592
Interest and dividend income	(669)	(892)
Interest expenses	518	506
Foreign exchange losses (gains)	(59)	(277)
Loss (gain) on sale of investment securities	(143)	(5)
Loss (gain) on valuation of investment securities	—	19
Loss (gain) on sale and retirement of non-current assets	(26)	(2,424)
Decrease (increase) in trade receivables	(3,551)	1,358
Decrease (increase) in inventories	2,128	(3,534)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	386	(417)
Increase (decrease) in trade payables	933	1,387
Other, net	659	687
Subtotal	14,071	17,022
Interest and dividends received	617	914
Proceeds from insurance income	—	370
Interest paid	(515)	(498)
Income taxes paid	(1,786)	(3,268)
Net cash provided by (used in) operating activities	12,388	14,539
Cash flows from investing activities		
Payments into time deposits	(5,557)	(6,235)
Proceeds from withdrawal of time deposits	3,641	6,320
Net decrease (increase) in short-term loans receivable	18	18
Purchase of non-current assets	(1,532)	(1,789)
Proceeds from sale of non-current assets	101	1,491
Proceeds from deposits for sales of property, plant and equipment	1,524	371
Purchase of investment securities	(54)	(34)
Proceeds from sale of investment securities	243	6
Other, net	(10)	(254)
Net cash provided by (used in) investing activities	(1,625)	(103)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,185	(5,808)
Proceeds from long-term borrowings	1,700	1,000
Repayments of long-term borrowings	(1,700)	(1,000)
Proceeds from sale of treasury shares	22	26
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,573)	(4,256)
Dividends paid to non-controlling interests	(366)	(878)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(1,299)
Other, net	(247)	(262)
Net cash provided by (used in) financing activities	(1,980)	(12,480)
Effect of exchange rate change on cash and cash equivalents	709	2,513
Net increase (decrease) in cash and cash equivalents	9,491	4,469
Cash and cash equivalents at beginning of period	18,214	27,705
Cash and cash equivalents at end of period	27,705	32,174