



Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

Company name: CHUGOKU MARINE PAINTS, LTD.
 Stock exchange listing: Tokyo
 Stock code: 4617 URL <https://www.cmp.co.jp/>
 Representative: President Kenshi Date
 Director, Chief of Administration Katsunori Kobayashi TEL 03-3506-3951
 Inquiries: Headquarter
 Scheduled date to file Quarterly Securities Report: August 9, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	21,245	8.9	(450)	–	(149)	–	(461)	–
Three months ended June 30, 2021	19,506	0.5	817	(48.8)	1,069	(41.4)	822	(19.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	(8.95)		–	
Three months ended June 30, 2021	15.31		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	108,243	60,007	50.8	1,088.79
As of March 31, 2022	104,618	60,039	52.9	1,089.33

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	17.00	–	18.00	35.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		17.00	–	18.00	35.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	83,000	(1.5)	500	(27.3)	800	(21.0)	300	16.6	5.82

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	62,000,000 shares	As of March 31, 2022	62,000,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	11,525,593 shares	As of March 31, 2022	11,242,693 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	51,534,325 shares	Three months ended June 30, 2021	53,746,307 shares
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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.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	20,096	21,202
Notes and accounts receivable - trade	27,104	28,583
Electronically recorded monetary claims - operating	1,771	1,965
Merchandise and finished goods	11,075	12,034
Work in process	599	675
Raw materials and supplies	8,930	9,445
Other	2,408	2,136
Allowance for doubtful accounts	(492)	(513)
Total current assets	71,495	75,531
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,066	5,173
Machinery, equipment and vehicles, net	3,312	3,507
Land	13,068	13,109
Other, net	2,606	2,860
Total property, plant and equipment	24,054	24,649
Intangible assets	359	337
Investments and other assets		
Investment securities	7,731	6,735
Retirement benefit asset	178	181
Deferred tax assets	334	336
Other	1,803	1,905
Allowance for doubtful accounts	(1,339)	(1,433)
Total investments and other assets	8,708	7,724
Total non-current assets	33,123	32,712
Total assets	104,618	108,243

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,333	10,425
Electronically recorded obligations - operating	1,393	1,876
Short-term borrowings	16,995	19,743
Current portion of long-term borrowings	2	-
Accounts payable - other	2,242	2,597
Income taxes payable	415	461
Provision for bonuses	102	186
Provision for product warranties	165	165
Other	3,043	2,981
Total current liabilities	34,694	38,438
Non-current liabilities		
Long-term borrowings	2,734	2,737
Long-term accounts payable - other	89	89
Deferred tax liabilities	2,007	1,778
Deferred tax liabilities for land revaluation	2,223	2,223
Retirement benefit liability	1,850	1,955
Other	978	1,013
Total non-current liabilities	9,884	9,798
Total liabilities	44,578	48,236
Net assets		
Shareholders' equity		
Share capital	11,626	11,626
Capital surplus	1,504	1,504
Retained earnings	44,244	42,869
Treasury shares	(10,006)	(10,268)
Total shareholders' equity	47,367	45,731
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,123	2,431
Revaluation reserve for land	3,798	3,798
Foreign currency translation adjustment	932	2,929
Remeasurements of defined benefit plans	68	63
Total accumulated other comprehensive income	7,923	9,224
Non-controlling interests	4,748	5,051
Total net assets	60,039	60,007
Total liabilities and net assets	104,618	108,243

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, 2021	Three months ended June 30, 2022
Net sales	19,506	21,245
Cost of sales	14,156	16,781
Gross profit	5,349	4,464
Selling, general and administrative expenses	4,532	4,914
Operating profit (loss)	817	(450)
Non-operating income		
Interest income	22	20
Dividend income	94	190
Royalty income	25	29
Technical advisory fee income	16	13
Foreign exchange gains	114	101
Other	96	63
Total non-operating income	370	418
Non-operating expenses		
Interest expenses	85	94
Other	32	22
Total non-operating expenses	118	117
Ordinary profit (loss)	1,069	(149)
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	277	21
Gain on sale of membership	–	0
Total extraordinary income	278	21
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss related to COVID-19	–	53
Total extraordinary losses	–	53
Profit (loss) before income taxes	1,348	(181)
Income taxes - current	290	204
Income taxes - deferred	126	75
Total income taxes	416	280
Profit (loss)	931	(461)
Profit (loss) attributable to non-controlling interests	108	(0)
Profit (loss) attributable to owners of parent	822	(461)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	931	(461)
Other comprehensive income		
Valuation difference on available-for-sale securities	(99)	(691)
Foreign currency translation adjustment	1,791	2,294
Remeasurements of defined benefit plans, net of tax	(73)	(4)
Total other comprehensive income	1,618	1,598
Comprehensive income	2,549	1,136
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,290	840
Comprehensive income attributable to non-controlling interests	258	296

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	1,348	(181)
Depreciation	504	387
Increase (decrease) in allowance for doubtful accounts	(16)	3
Increase (decrease) in other provisions	50	71
Decrease (increase) in retirement benefit asset	4	0
Increase (decrease) in retirement benefit liability	25	20
Interest and dividend income	(117)	(210)
Interest expenses	85	94
Foreign exchange losses (gains)	(45)	(15)
Loss (gain) on sale of investment securities	(277)	(21)
Loss (gain) on sale and retirement of non-current assets	0	0
Decrease (increase) in trade receivables	1,353	(710)
Decrease (increase) in inventories	(1,480)	(647)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(151)	74
Increase (decrease) in trade payables	703	183
Other, net	(348)	202
Subtotal	1,640	(747)
Interest and dividends received	117	210
Interest paid	(83)	(90)
Income taxes paid	(639)	(131)
Net cash provided by (used in) operating activities	1,034	(760)
Cash flows from investing activities		
Payments into time deposits	(1,986)	(1,495)
Proceeds from withdrawal of time deposits	1,503	1,541
Net decrease (increase) in short-term loans receivable	4	0
Purchase of non-current assets	(191)	(308)
Proceeds from sale of non-current assets	0	0
Purchase of investment securities	(2)	(0)
Proceeds from sale of investment securities	383	25
Other, net	(8)	(2)
Net cash provided by (used in) investing activities	(297)	(239)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(15)	2,297
Repayments of long-term borrowings	(2)	(2)
Purchase of treasury shares	(1,879)	(261)
Dividends paid	(900)	(884)
Dividends paid to non-controlling interests	(41)	(0)
Other, net	(50)	(49)
Net cash provided by (used in) financing activities	(2,889)	1,099
Effect of exchange rate change on cash and cash equivalents	1,041	884
Net increase (decrease) in cash and cash equivalents	(1,110)	984
Cash and cash equivalents at beginning of period	21,920	17,148
Cash and cash equivalents at end of period	20,809	18,132