



Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 31, 2023

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 8, 2023  
 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, 2023 (from April 1, 2023 to June 30, 2023)

#### (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, 2023	26,489	24.7	2,074	–	2,391	–	1,729	–
Three months ended June 30, 2022	21,245	8.9	(450)	–	(149)	–	(461)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	34.90		–	
Three months ended June 30, 2022	(9.12)		–	

#### (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, 2023	115,221	65,210	52.1	1,211.72
As of March 31, 2023	112,747	63,130	51.6	1,174.01

### 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, 2023	–	17.00	–	18.00	35.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		34.00	–	34.00	68.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	105,000	5.5	8,400	116.1	9,300	113.7	8,400	118.2	169.52

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
(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, 2023	55,000,000 shares	As of March 31, 2023	55,000,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	5,448,585 shares	As of March 31, 2023	5,446,058 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, 2023	49,553,121 shares	Three months ended June 30, 2022	50,563,657 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, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	21,177	21,762
Notes and accounts receivable - trade	31,667	33,684
Electronically recorded monetary claims - operating	2,218	2,303
Merchandise and finished goods	12,864	12,985
Work in process	630	573
Raw materials and supplies	10,781	10,229
Other	2,240	1,867
Allowance for doubtful accounts	(490)	(492)
Total current assets	81,089	82,914
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,953	4,929
Machinery, equipment and vehicles, net	3,337	3,403
Land	13,136	13,146
Other, net	3,360	3,503
Total property, plant and equipment	24,788	24,983
Intangible assets	332	303
Investments and other assets		
Investment securities	5,324	5,813
Retirement benefit asset	275	274
Deferred tax assets	476	473
Other	1,864	1,884
Allowance for doubtful accounts	(1,402)	(1,426)
Total investments and other assets	6,537	7,019
Total non-current assets	31,658	32,306
<b>Total assets</b>	<b>112,747</b>	<b>115,221</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,428	11,578
Electronically recorded obligations - operating	1,730	1,902
Short-term borrowings	20,437	20,218
Current portion of long-term borrowings	1,700	1,700
Accounts payable - other	2,676	2,494
Income taxes payable	719	663
Provision for bonuses	140	211
Provision for product warranties	157	145
Other	3,225	3,290
<b>Total current liabilities</b>	<b>42,216</b>	<b>42,205</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,000	1,000
Long-term accounts payable - other	16	16
Deferred tax liabilities	1,286	1,615
Deferred tax liabilities for land revaluation	2,223	2,223
Retirement benefit liability	1,855	1,899
Other	1,019	1,050
<b>Total non-current liabilities</b>	<b>7,401</b>	<b>7,805</b>
<b>Total liabilities</b>	<b>49,617</b>	<b>50,010</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	11,626	11,626
Retained earnings	41,536	42,373
Treasury shares	(4,918)	(4,918)
<b>Total shareholders' equity</b>	<b>48,244</b>	<b>49,081</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,868	2,242
Revaluation reserve for land	3,798	3,798
Foreign currency translation adjustment	4,131	4,786
Remeasurements of defined benefit plans	133	132
<b>Total accumulated other comprehensive income</b>	<b>9,932</b>	<b>10,960</b>
<b>Non-controlling interests</b>	<b>4,953</b>	<b>5,167</b>
<b>Total net assets</b>	<b>63,130</b>	<b>65,210</b>
<b>Total liabilities and net assets</b>	<b>112,747</b>	<b>115,221</b>

## 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, 2022	Three months ended June 30, 2023
Net sales	21,245	26,489
Cost of sales	16,781	19,249
Gross profit	4,464	7,240
Selling, general and administrative expenses	4,914	5,165
Operating profit (loss)	(450)	2,074
Non-operating income		
Interest income	20	59
Dividend income	190	173
Royalty income	29	30
Technical advisory fee income	13	14
Foreign exchange gains	101	98
Other	63	72
Total non-operating income	418	449
Non-operating expenses		
Interest expenses	94	107
Other	22	24
Total non-operating expenses	117	132
Ordinary profit (loss)	(149)	2,391
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	21	56
Gain on sale of membership	0	–
Total extraordinary income	21	57
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	(181)	2,448
Income taxes - current	204	419
Income taxes - deferred	75	172
Total income taxes	280	591
Profit (loss)	(461)	1,856
Profit (loss) attributable to non-controlling interests	(0)	127
Profit (loss) attributable to owners of parent	(461)	1,729

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	(461)	1,856
Other comprehensive income		
Valuation difference on available-for-sale securities	(691)	374
Foreign currency translation adjustment	2,294	737
Remeasurements of defined benefit plans, net of tax	(4)	(0)
Total other comprehensive income	1,598	1,110
Comprehensive income	1,136	2,967
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	840	2,757
Comprehensive income attributable to non-controlling interests	296	209

## Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(181)	2,448
Depreciation	387	394
Increase (decrease) in allowance for doubtful accounts	3	(11)
Increase (decrease) in other provisions	71	60
Decrease (increase) in retirement benefit asset	0	(2)
Increase (decrease) in retirement benefit liability	20	7
Interest and dividend income	(210)	(233)
Interest expenses	94	107
Foreign exchange losses (gains)	(15)	(4)
Loss (gain) on sale of investment securities	(21)	(56)
Loss (gain) on sale and retirement of non-current assets	0	(0)
Decrease (increase) in trade receivables	(710)	(1,656)
Decrease (increase) in inventories	(647)	782
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	74	520
Increase (decrease) in trade payables	183	204
Other, net	202	(325)
Subtotal	(747)	2,234
Interest and dividends received	210	225
Interest paid	(90)	(104)
Income taxes paid	(131)	(465)
Net cash provided by (used in) operating activities	(760)	1,889
Cash flows from investing activities		
Payments into time deposits	(1,495)	(1,258)
Proceeds from withdrawal of time deposits	1,541	1,983
Net decrease (increase) in short-term loans receivable	0	4
Purchase of non-current assets	(308)	(302)
Proceeds from sale of non-current assets	0	1
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	25	98
Other, net	(2)	(3)
Net cash provided by (used in) investing activities	(239)	522
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,297	(357)
Repayments of long-term borrowings	(2)	–
Purchase of treasury shares	(261)	–
Dividends paid	(884)	(863)
Dividends paid to non-controlling interests	(0)	(0)
Other, net	(49)	(57)
Net cash provided by (used in) financing activities	1,099	(1,280)
Effect of exchange rate change on cash and cash equivalents	884	113
Net increase (decrease) in cash and cash equivalents	984	1,245
Cash and cash equivalents at beginning of period	17,148	18,214
Cash and cash equivalents at end of period	18,132	19,460