

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



October 31, 2025

Company name : CHUGAI RO CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 1964

URL: <https://chugai.co.jp/en>

Representative: Akira Ozaki, President, Executive Officer

Inquiries: Kazuo Noda, Executive Officer, GM of Business Administration Group.

TEL: +81-6-6221-1251

Scheduled date to commence dividend payments: —

Scheduled date to file semi-annual securities report: November 14, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated financial results for the Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(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	%
Six months ended September 30, 2025	14,769	0.3	163	109.3	261	12.3	1,055	103.8
September 30, 2024	14,721	16.8	77	—	232	—	518	(30.7)

Note: Comprehensive income

For the Six months ended September 30, 2025

1,227million yen [— %]

For the Six months ended September 30, 2024

(490) million yen [— %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	145.31	—
September 30, 2024	70.31	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	47,656	28,333	59.0
March 31, 2025	48,736	28,609	58.1

Reference: Equity

As of September 30, 2025

28,117million yen

As of March 31, 2025

28,328million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	—	—	150.00	150.00
Fiscal year ending March 31, 2026	—	—			
Fiscal year ending March 31, 2026 (Forecast)			—	150.00	150.00

Note: Revision to the forecast of cash dividends most recently announced: No

3. Consolidated earnings forecasts 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
Full year	37,500	3.5	3,000	9.7	3,150	4.9	3,700	23.4	510.18

Note: Revision to the financial forecasts most recently announced: Yes

*For the revised earnings forecast, refer to the "Announcement Regarding Revision of Earnings Forecast " announced on October 31, 2025

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None

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

(iii) Changes in accounting estimates : Yes

(iv) Restatement : None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	7,800,000 shares	As of March 31, 2025	7,800,000 shares
As of September 30, 2025	562,567 shares	As of March 31, 2025	459,009 shares
Six months ended September 30, 2025	7,265,158 shares	Six months ended September 30, 2024	7,367,735 shares

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	4,392	5,853
Notes and accounts receivable–trade, and contract assets	29,720	25,510
Inventories	1,731	2,377
Other	137	179
Allowance for doubtful accounts	(0)	(1)
Total current assets	35,982	33,918
Non-current assets		
Property, plant and equipment	5,053	5,760
Intangible assets	208	200
Investments and other assets		
Investment securities	6,533	6,753
Other	979	1,039
Allowance for doubtful accounts	(20)	(15)
Total investments and other assets	7,492	7,777
Total non-current assets	12,754	13,738
Total assets	48,736	47,656
Liabilities		
Current liabilities		
Electronically recorded obligations–operating	899	992
Accounts payable–trade	7,441	5,640
Short-term loans borrowings	2,569	2,548
Provision	166	415
Other	4,155	4,799
Total current liabilities	15,233	14,396
Non-current liabilities		
Long-term borrowings	2,938	2,692
Retirement benefit liability	141	153
Other	1,814	2,081
Total non-current liabilities	4,893	4,926
Total liabilities	20,127	19,322

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	6,176	6,176
Capital surplus	1,544	1,544
Retained earnings	17,845	17,799
Treasury shares	(1,023)	(1,425)
Total shareholders' equity	24,542	24,095
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,350	3,611
Deferred gains or losses on hedges	7	22
Foreign currency translation adjustment	217	196
Remeasurements of defined benefit plans	209	191
Total accumulated other comprehensive income	3,785	4,021
Non-controlling interests	280	216
Total net assets	28,609	28,333
Total liabilities and net assets	48,736	47,656

(2) Consolidated statement of income and consolidated statement of comprehensive income**Consolidated statement of income**

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	14,721	14,769
Cost of sales	12,280	12,122
Gross profit	2,440	2,646
Selling, general and administrative expenses	2,363	2,483
Operating Profit	77	163
Non-operating income		
Dividend income	129	145
Miscellaneous income	56	27
Total non-operating income	186	172
Non-operating expenses		
Interest expenses	28	39
Foreign exchange losses	—	31
Other	2	4
Total non-operating expenses	31	74
Ordinary Profit	232	261
Extraordinary income		
Gain on sale of investment securities	592	1,284
Total extraordinary income	592	1,284
Profit before income taxes	825	1,546
Total income taxes	289	539
Profit	535	1,006
Profit attributable to non-controlling interests /		
Loss attributable to non-controlling interests	17	(48)
Profit attributable to owners of parent	518	1,055

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	535	1,006
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,029)	260
Deferred gains or losses on hedges	(31)	15
Foreign currency translation adjustment	68	(36)
Remeasurements of defined benefit plans, net of tax	(34)	(18)
Total other comprehensive income	(1,026)	220
Comprehensive income	(490)	1,227
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(522)	1,291
Comprehensive income attributable to non-controlling interests	31	(64)

(3) Consolidated statement of cash flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	825	1,546
Depreciation	273	244
Increase (decrease) in allowance for doubtful accounts	4	(3)
Increase (decrease) in retirement benefit liability and asset	(67)	(37)
Increase (decrease) in provision for loss on construction contracts	4	(0)
Increase (decrease) in provision for warranties for completed construction	—	109
Interest and dividend income	(130)	(147)
Interest expenses	28	39
Loss (gain) on sales of investment securities	(592)	(1,284)
Decrease (increase) in trade receivables and contract assets	(1,259)	4,117
Decrease (increase) in inventories	(629)	(695)
Increase (decrease) in trade payables	(1,711)	(1,608)
Increase (decrease) in contract liabilities	329	1,397
Other, net	(92)	(631)
Subtotal	(3,017)	3,045
Interest and dividend income received	130	147
Interest paid	(29)	(39)
Income taxes paid	(730)	(664)
Net cash provided by (used in) operating activities	(3,646)	2,488
Cash flows from investing activities		
Purchase of property, plant and equipment	(513)	(595)
Purchase of intangible assets	(50)	(34)
Purchase of investment securities	(3)	(3)
Proceeds from sale of investment securities	654	1,443
Other, net	(2)	(32)
Net cash provided by (used in) investing activities	85	777
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,300)	(2)
Proceeds from long-term borrowings	2,400	200
Repayments of long-term borrowings	(208)	(458)
Dividends paid	(594)	(1,101)
Purchase of treasury shares	(311)	(401)
Net cash provided by (used in) financing activities	(1,014)	(1,762)
Effect of exchange rate change on cash and cash equivalents	78	(44)
Net increase (decrease) in cash and cash equivalents	(4,497)	1,459
Cash and cash equivalents at beginning of period	10,019	4,348
Cash and cash equivalents at end of period	5,522	5,808

Segment information

[Segment information]

(i) Fiscal year ended March 31, 2025 (From April 1, 2024 to September 30, 2024)

1. Information on net sales and profit (loss) and breakdown information on income by reportable segment

(Millions of yen)

	Reportable Segment				Others ※1	Total	Adjustment ※2	Reported in consolidated financial statements ※3
	Heat Treatment Business	Plant Business	Development Business	Total				
Domestic	7,096	2,507	994	10,598	984	11,583	(810)	10,772
Overseas	408	1,936	178	2,523	1,930	4,454	(505)	3,949
Sales	7,505	4,444	1,172	13,122	2,915	16,037	(1,315)	14,721
Other income	—	—	—	—	—	—	—	—
Net sales	7,505	4,444	1,172	13,122	2,915	16,037	(1,315)	14,721
Segment profit (loss)	291	(175)	(76)	38	87	125	(48)	77

※1 Others is a business segment that is not included in the reporting segments, and includes the business of subsidiaries such as industrial furnaces, environmental protection equipment, combustion equipment, and temporary staffing.

※2 Adjustment is intersegment elimination.

※3 Segment profit (loss) is adjusted to operating loss in reported in consolidated statement of income.

(ii) Fiscal year ending March 31, 2026 (From April 1, 2025 to September 30, 2025)

1. Information on net sales and profit (loss) and breakdown information on income by reportable segment

(Millions of yen)

	Reportable Segment				Others ※1	Total	Adjustment ※2	Reported in consolidated financial statements ※3
	Heat Treatment Business	Plant Business	Development Business	Total				
Domestic	7,598	3,949	705	12,253	1,622	13,875	(1,563)	12,312
Overseas	247	1,346	4	1,598	1,455	3,054	(596)	2,257
Sales	7,845	5,295	710	13,851	3,078	16,929	(2,160)	14,769
Other income	—	—	—	—	—	—	—	—
Net sales	7,845	5,295	710	13,851	3,078	16,929	(2,160)	14,769
Segment profit (loss)	125	367	(180)	313	(142)	170	(7)	163

※1 Others is a business segment that is not included in the reporting segments, and includes the business of subsidiaries such as industrial furnaces, environmental protection equipment, combustion equipment, and temporary staffing.

※2 Adjustment is intersegment elimination.

※3 Segment profit (loss) is adjusted to operating profit in reported in consolidated statement of income.

Others**Status of orders received and sales**

(i) Net sales

(Millions of yen)

Segment	For the six months ended September 30, 2024		For the six months ended September 30, 2025		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	7,505	51.0	7,845	53.1	340
Plant Business	4,444	30.2	5,295	35.9	851
Development Business	1,172	8.0	710	4.8	(462)
Others	2,915	19.8	3,078	20.8	162
Intersegment elimination	(1,315)	(8.9)	(2,160)	(14.6)	(844)
Total	14,721	100.0	14,769	100.0	47
[Overseas]	[3,949]	[26.8]	[2,457]	[16.6]	[(1,492)]

(ii) Orders received

(Millions of yen)

Segment	For the six months ended September 30, 2024		For the six months ended September 30, 2025		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	8,114	47.4	7,289	38.8	(824)
Plant Business	7,802	45.6	8,743	46.5	941
Development Business	302	1.8	1,044	5.6	741
Others	3,285	19.2	3,964	21.1	679
Intersegment elimination	(2,393)	(14.0)	(2,243)	(11.9)	150
Total	17,110	100.0	18,798	100.0	1,687
[Overseas]	[2,013]	[11.8]	[4,737]	[25.2]	[2,723]

(iii) Backorder

(Millions of yen)

Segment	For the six months ended September 30, 2024		For the six months ended September 30, 2025		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	15,316	41.4	13,879	33.2	(1,436)
Plant Business	15,982	43.2	22,872	54.7	6,889
Development Business	2,369	6.4	1,887	4.5	(481)
Others	5,492	14.8	4,388	10.5	(1,104)
Intersegment elimination	(2,140)	(5.8)	(1,241)	(3.0)	899
Total	37,019	100.0	41,786	100.0	4,766
[Overseas]	[12,624]	[34.1]	[13,410]	[32.1]	[786]