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Summary of Consolidated Financial Results for the Three Month Ended June 30, 2025 <under Japanese GAAP>



July 25, 2025

Company name : CHUGAI RO CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 1964

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

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: No

Holding of financial results presentation meeting: No

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(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, 2025	6,347	20.2	(371)	—	(252)	—	704	—
June 30, 2024	5,280	11.4	(682)	—	(541)	—	(12)	—

(Note) Comprehensive income: Three months ended June 30, 2025 ¥ 36 million [— %]

Three months ended June 30, 2024 ¥ (481) million [— %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	96.73	—
June 30, 2024	(1.67)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	46,023	27,143	58.5
March 31, 2025	48,736	28,609	58.1

(Reference) Equity: As of June 30, 2025 ¥ 26,908 million

As of March 31, 2025 ¥ 28,328 million

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

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	2,800	(6.6)	387.92

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly 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)
- (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)

As of June 30, 2025	7,800,000 shares	As of March 31, 2025	7,800,000 shares
As of June 30, 2025	562,390 shares	As of March 31, 2025	459,009 shares
Three months ended June 30, 2025	7,285,884 shares	Three months ended June 30, 2024	7,387,461 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

*** 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 June 30, 2025
Assets		
Current assets		
Cash and deposits	4,392	6,071
Notes and accounts receivable-trade, and contract assets	29,720	25,717
Costs on construction contracts in progress	1,731	2,006
Other	137	139
Allowance for doubtful accounts	(0)	(1)
Total current assets	35,982	33,932
Non-current assets		
Property, plant and equipment	5,053	5,327
Intangible assets	208	188
Investments and other assets		
Investment securities	6,533	5,607
Other	979	983
Allowance for doubtful accounts	(20)	(15)
Total investments and other assets	7,492	6,575
Total non-current assets	12,754	12,091
Total assets	48,736	46,023
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	899	1,049
Accounts payable-trade	7,441	5,351
Short-term borrowings	2,569	3,801
Provision	166	127
Other	4,155	4,249
Total current liabilities	15,233	14,580
Non-current liabilities		
Long-term borrowings	2,938	2,596
Retirement benefit liability	141	150
Other	1,814	1,552
Total non-current liabilities	4,893	4,299
Total liabilities	20,127	18,879

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	6,176	6,176
Capital surplus	1,544	1,544
Retained earnings	17,845	17,448
Treasury shares	(1,023)	(1,424)
Total shareholders' equity	24,542	23,745
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,350	2,821
Deferred gains or losses on hedges	7	(19)
Foreign currency translation adjustment	217	160
Remeasurements of defined benefit plans	209	200
Total accumulated other comprehensive income	3,785	3,162
Non-controlling interests	280	235
Total net assets	28,609	27,143
Total liabilities and net assets	48,736	46,023

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

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	5,280	6,347
Cost of sales	4,759	5,464
Gross profit	521	883
Selling, general and administrative expenses	1,203	1,254
Operating loss	(682)	(371)
Non-operating income		
Dividend income	126	143
Miscellaneous income	30	14
Total non-operating income	156	157
Non-operating expenses		
Interest expenses	13	20
Foreign exchange losses	-	15
Other	2	2
Total non-operating expenses	16	38
Ordinary loss	(541)	(252)
Extraordinary income		
Gain on sale of investment securities	592	1,284
Total extraordinary income	592	1,284
Profit before income taxes / Loss before income taxes	50	1,032
Total income taxes	60	358
Profit / loss	(9)	673
Profit attributable to non-controlling interests /		
Loss attributable to non-controlling interests	2	(31)
Profit attributable to owners of parent /		
Loss attributable to owners of parent	(12)	704

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit / loss	(9)	673
Other comprehensive income		
Valuation difference on available-for-sale securities	(532)	(529)
Deferred gains or losses on hedges	45	(26)
Foreign currency translation adjustment	32	(71)
Remeasurements of defined benefit plans, net of tax	(17)	(9)
Total other comprehensive income	(471)	(637)
Comprehensive income	(481)	36
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(487)	81
Comprehensive income attributable to non-controlling interests	6	(45)

(3) Notes to Segment information, etc.**[Segment information]**

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

1. Information on net sales and profit (loss) 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	2,884	1,139	312	4,337	454	4,791	(370)	4,421
Overseas	156	386	10	552	611	1,164	(305)	859
Sales	3,041	1,525	323	4,890	1,065	5,955	(675)	5,280
Other income	—	—	—	—	—	—	—	—
Net sales	3,041	1,525	323	4,890	1,065	5,955	(675)	5,280
Segment profit (loss)	(193)	(289)	(169)	(653)	(47)	(701)	18	(682)

※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(loss) in reported in consolidated statement of income.

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

1. Information on net sales and profit (loss) 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	3,606	1,676	276	5,559	816	6,375	(742)	5,633
Overseas	122	333	1	458	479	937	(223)	714
Sales	3,729	2,009	278	6,017	1,295	7,312	(965)	6,347
Other income	—	—	—	—	—	—	—	—
Net sales	3,729	2,009	278	6,017	1,295	7,312	(965)	6,347
Segment profit (loss)	(100)	(89)	(108)	(298)	(91)	(390)	18	(371)

※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(loss) in reported in consolidated statement of income.

Others

(1) Status of orders received and sales

(i) Net sales

(Millions of yen)

Segment	For the three months ended June 30, 2024		For the three months ended June 30, 2025		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	3,041	57.6	3,729	58.8	688
Plant Business	1,525	28.9	2,009	31.7	483
Development Business	323	6.1	278	4.4	(45)
Others	1,065	20.2	1,295	20.4	230
Intersegment elimination	(675)	(12.8)	(965)	(15.2)	(289)
Total	5,280	100.0	6,347	100.0	1,066
[Overseas]	[859]	[16.3]	[714]	[11.2]	[(145)]

(ii) Orders received

(Millions of yen)

Segment	For the three months ended June 30, 204		For the three months ended June 30, 2025		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	4,524	55.6	3,628	31.0	(896)
Plant Business	3,233	39.8	6,353	54.3	3,120
Development Business	279	3.4	989	8.5	709
Others	1,395	17.2	1,768	15.1	373
Intersegment elimination	(1,298)	(16.0)	(1,028)	(8.8)	269
Total	8,134	100.0	11,711	100.0	3,577
[Overseas]	[802]	[9.9]	[2,984]	[25.5]	[2,181]

(iii) Backorder

(Millions of yen)

Segment	For the three months ended June 30, 2024		For the three months ended June 30, 2025		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	16,190	43.4	14,335	33.3	(1,855)
Plant Business	14,331	38.4	23,767	55.2	9,435
Development Business	3,195	8.6	2,266	5.3	(929)
Others	5,234	14.0	3,894	9.0	(1,339)
Intersegment elimination	(1,649)	(4.4)	(1,225)	(2.8)	(423)
Total	37,302	100.0	43,037	100.0	5,734
[Overseas]	[14,321]	[38.4]	[13,315]	[30.9]	[(1,006)]