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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2026 <Under Japanese GAAP>



October 30, 2026

Company name : CHUGAI RO CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 1964
 URL: <https://chugai.co.jp/en>
 Representative: Mamoru Sakata, President
 Inquiries: Ichiro Baba, Director, GM of Business Administration Div.
 TEL: +81-6-6221-1251
 Scheduled date to commence dividend payments: —
 Scheduled date to file semi-annual securities report: November 13, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)

(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	%
Six months ended September 30, 2026	16,055	8.7	637	291.2	751	187.8	285	(72.9)
September 30, 2025	14,769	0.3	163	109.3	261	12.3	1,055	103.8

Note: Comprehensive income For the six months ended September 30, 2026 ¥ 898million [(26.8%)]
 For the six months ended September 30, 2025 ¥1,227million [— %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2026	40.50	—
September 30, 2025	145.31	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2026	47,416	30,028	62.8
March 31, 2026	51,282	31,481	60.8

Reference: Equity As of September 30, 2026 ¥29,800million
 As of March 31, 2026 ¥31,200million

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, 2026	—	—	—	166.00	166.00
Fiscal year ending March 31, 2027	—	—			
Fiscal year ending March 31, 2027 (Forecast)			—	180.00	180.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	40,300	7.9	3,620	25.7	3,720	19.6	2,787	(40.3)	396.96

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

*For the revised earnings forecast, refer to the " Notice Regarding the Recording of Extraordinary Gains and Losses and the Revision of the Full-Year Earnings Forecast " announced on October 30, 2026

*** 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 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 : None
 - (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 September 30, 2026	7,800,000 shares	As of March 31, 2026	7,800,000 shares
As of September 30, 2026	818,645shares	As of March 31, 2026	562,810 shares
Six months ended September 30, 2026	7,055,450shares	Six months ended September 30, 2025	7,265,158shares

* 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, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	10,821	5,715
Notes and accounts receivable-trade, and contract assets	25,859	25,797
Inventories	1,670	1,838
Other	219	196
Allowance for doubtful accounts	(1)	(7)
Total current assets	38,569	33,540
Non-current assets		
Property, plant and equipment	5,815	5,913
Intangible assets	224	198
Investments and other assets		
Investment securities	5,330	6,387
Other	1,358	1,391
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	6,672	7,763
Total non-current assets	12,712	13,875
Total assets	51,282	47,416
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	877	515
Accounts payable-trade	6,887	5,193
Short-term borrowings	1,921	2,077
Provision	281	526
Other	5,475	4,207
Total current liabilities	15,442	12,519
Non-current liabilities		
Long-term borrowings	2,524	2,376
Retirement benefit liability	186	198
Provision	—	350
Other	1,647	1,943
Total non-current liabilities	4,358	4,867
Total liabilities	19,800	17,387

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Net assets		
Shareholders' equity		
Share capital	6,176	6,176
Capital surplus	1,544	1,544
Retained earnings	21,412	20,496
Treasury shares	(1,426)	(2,566)
Total shareholders' equity	27,707	25,651
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,787	3,512
Deferred gains or losses on hedges	81	16
Foreign currency translation adjustment	262	275
Remeasurements of defined benefit plans	361	344
Total accumulated other comprehensive income	3,493	4,149
Non-controlling interests	280	228
Total net assets	31,481	30,028
Total liabilities and net assets	51,282	47,416

(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, 2025	For the six months ended September 30, 2026
Net sales	14,769	16,055
Cost of sales	12,122	12,770
Gross profit	2,646	3,285
Selling, general and administrative expenses	2,483	2,647
Operating Profit	163	637
Non-operating income		
Dividend income	145	96
Foreign exchange gain	—	17
Other	27	45
Total non-operating income	172	159
Non-operating expenses		
Interest expenses	39	35
Foreign exchange losses	31	—
Other	4	9
Total non-operating expenses	74	45
Ordinary Profit	261	751
Extraordinary income		
Gain on sale of investment securities	1,284	—
Total extraordinary income	1,284	—
Extraordinary losses		
Provision for business restructuring	—	350
Total extraordinary losses	—	350
Profit before income taxes	1,546	401
Total income taxes	539	156
Profit	1,006	244
Loss attributable to non-controlling interests	(48)	(41)
Profit attributable to owners of parent	1,055	285

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	1,006	244
Other comprehensive income		
Valuation difference on available-for-sale securities	260	725
Deferred gains or losses on hedges	15	(65)
Foreign currency translation adjustment	(36)	10
Remeasurements of defined benefit plans, net of tax	(18)	(16)
Total other comprehensive income	220	654
Comprehensive income	1,227	898
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,291	941
Comprehensive income attributable to non-controlling interests	(64)	(42)

(3) Consolidated statement of cash flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,546	401
Depreciation	244	262
Increase (decrease) in allowance for doubtful accounts	(3)	5
Increase (decrease) in net defined benefit liability and net defined benefit asset	(37)	(57)
Increase (decrease) in provision for loss on construction contracts	(0)	—
Increase (decrease) in provision for warranties for completed construction	74	7
Increase (decrease) in provision for business restructuring	—	350
Interest and dividend income	(147)	(98)
Interest expenses	39	35
Loss (gain) on sales of investment securities	(1,284)	—
Decrease (increase) in accounts receivable trade and contract assets	4,117	141
Decrease (increase) in inventories	(695)	(141)
Increase (decrease) in trade payables	(1,573)	(2,143)
Increase (decrease) in contract liabilities	1,397	96
Other, net	(631)	(105)
Subtotal	3,045	(1,246)
Interest and dividends received	147	98
Interest paid	(39)	(32)
Income taxes paid	(664)	(1,333)
Net cash provided by (used in) operating activities	2,488	(2,514)
Cash flows from investing activities		
Purchase of property, plant and equipment	(595)	(183)
Purchase of intangible assets	(34)	(26)
Purchase of investment securities	(3)	(3)
Proceeds from sale of investment securities	1,443	—
Other, net	(32)	36
Net cash provided by (used in) investing activities	777	(177)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2)	185
Proceeds from long-term borrowings	200	—
Repayments of long-term borrowings	(458)	(196)
Dividends paid	(1,101)	(1,201)
Dividends paid to non-controlling interests	—	(9)
Purchase of treasury shares	(401)	(1,140)
Repayments of lease liabilities	—	(55)
Net cash provided by (used in) financing activities	(1,762)	(2,417)
Effect of exchange rate change on cash and cash equivalents	(44)	27
Net increase (decrease) in cash and cash equivalents	1,459	(5,081)
Cash and cash equivalents at beginning of period	4,348	10,777
Cash and cash equivalents at end of period	5,808	5,695

(4) Notes to Segment information,etc.

[Segment information]

(i) Fiscal year ended March 31, 2026 (From April 1, 2025 to September 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	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)	2,457
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.

(ii) Fiscal year ending March 31, 2027 (From April 1, 2026 to September 30, 2026)

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	6,579	4,875	454	11,909	1,015	12,924	(1,015)	11,909
Overseas	254	2,929	19	3,203	1,269	4,473	(326)	4,146
Sales	6,834	7,804	473	15,112	2,285	17,398	(1,342)	16,055
Other income	—	—	—	—	—	—	—	—
Net sales	6,834	7,804	473	15,112	2,285	17,398	(1,342)	16,055
Segment profit (loss)	(242)	1,207	(330)	633	(12)	621	16	637

※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.

2. Matters related to changes in reportable segments

(Change in the Method for Calculating Profit or Loss of Reportable Segments)

From the current consolidated interim accounting period, the GX Project has transitioned from a commissioned project (received orders from NEDO) to a grant project (received subsidies from NEDO). In line with this change, and considering the nature of the project as contributing to the overall research and development activities of our company, expenses of the GX Project, which were previously recorded under development projects, are now allocated to each reporting segment.

For the six months ended September 30, 2025, information on reportable segments is presented based on the previous calculation method, as it is practically difficult to prepare such information using the new method. Regarding the segment information for the six months ended September 30, 2026, due to this change, compared to the previous method, the segment loss for the "Heat Treatment Business" increased by 82 million yen, the segment profit for the "Plant Business" decreased by 64 million yen, and the segment loss for the "Development Business" decreased by 146 million yen.

[Significant Subsequent Events]

(Sale of Investment Securities)

In order to maintain the policy holding ratio of less than 20% of net assets, the Company resolved at the Board of Directors meeting held on September 30, 2026 to sell three investment securities held by the Company.

As a result, the Company expects to record a gain on sale of investment securities of approximately 700 million yen as extraordinary income in the consolidated financial results for the third quarter of the fiscal year ending March 31, 2027.

Please note that the amount of this extraordinary income is an estimate and may be subject to change.

Others**(1) Status of orders received and sales****(i) Net sales**

(Millions of yen)

Segment	For the six months ended September 30, 2025		For the six months ended September 30, 2026		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	7,845	53.1	6,834	42.6	(1,011)
Plant Business	5,295	35.9	7,804	48.6	2,509
Development Business	710	4.8	473	2.9	(236)
Others	3,078	20.8	2,285	14.2	(792)
Intersegment elimination	(2,160)	(14.6)	(1,342)	(8.4)	818
Total	14,769	100.0	16,055	100.0	1,286
[Overseas]	[2,457]	[16.6]	[4,146]	[25.8]	[1,689]

(ii) Orders received

(Millions of yen)

Segment	For the six months ended September 30, 2025		For the six months ended September 30, 2026		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	7,289	38.8	8,254	43.4	965
Plant Business	8,743	46.5	8,456	44.5	(286)
Development Business	1,044	5.6	1,397	7.4	352
Others	3,964	21.1	2,841	15.0	(1,123)
Intersegment elimination	(2,243)	(11.9)	(1,950)	(10.3)	293
Total	18,798	100.0	18,999	100.0	201
[Overseas]	[4,737]	[25.2]	[3,442]	[18.1]	[(1,295)]

(iii) Backorder

(Millions of yen)

Segment	For the six months ended September 30, 2025		For the six months ended September 30, 2026		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	13,879	33.2	14,237	35.0	357
Plant Business	22,872	54.7	22,775	55.9	(97)
Development Business	1,887	4.5	1,703	4.2	(184)
Others	4,388	10.5	3,309	8.1	(1,078)
Intersegment elimination	(1,241)	(3.0)	(1,311)	(3.2)	(69)
Total	41,786	100.0	40,713	100.0	(1,073)
[Overseas]	[13,410]	[32.1]	[9,404]	[23.1]	[(4,006)]