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Summary of Consolidated Financial Results for the Three Month Ended June 30, 2026 <under Japanese GAAP>

July 24, 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: —
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, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	6,119	(3.6)	(209)	—	(108)	—	(74)	—
June 30, 2025	6,347	20.2	(371)	—	(252)	—	704	—

(Note) Comprehensive income: Three months ended June 30, 2026 ¥ 283 million [685.0%]
Three months ended June 30, 2025 ¥ 36 million [— %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	(10.51)	—
June 30, 2025	96.73	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	46,830	29,414	62.3
March 31, 2026	51,282	31,481	60.8

(Reference) Equity: As of June 30, 2026 ¥ 29,158 million
As of March 31, 2026 ¥ 31,200 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, 2026	—	—	—	166.00	166.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		—	—	180.00	180.00

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	2,516	(46.1)	361.31

*** 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 : 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)	As of June 30, 2026	7,800,000 shares	As of March 31, 2026	7,800,000 shares
(ii) Number of treasury shares at the end of the period	As of June 30, 2026	818,497 shares	As of March 31, 2026	562,810 shares
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	Three months ended June 30, 2026	7,111,002 shares	Three months ended June 30, 2025	7,285,884 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, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	10,821	7,674
Notes and accounts receivable–trade, and contract assets	25,859	23,589
Costs on construction contracts in progress	1,670	1,991
Other	219	369
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,569	33,622
Non-current assets		
Property, plant and equipment	5,815	5,779
Intangible assets	224	216
Investments and other assets		
Investment securities	5,330	5,859
Other	1,358	1,367
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	6,672	7,211
Total non-current assets	12,712	13,208
Total assets	51,282	46,830
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	877	1,085
Accounts payable-trade	6,887	4,103
Short-term borrowings	1,921	2,392
Provision	281	114
Other	5,475	5,252
Total current liabilities	15,442	12,948
Non-current liabilities		
Long-term borrowings	2,524	2,444
Retirement benefit liability	186	192
Other	1,647	1,831
Total non-current liabilities	4,358	4,468
Total liabilities	19,800	17,416

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders’ equity		
Share capital	6,176	6,176
Capital surplus	1,544	1,544
Retained earnings	21,412	20,136
Treasury shares	(1,426)	(2,566)
Total shareholders’ equity	27,707	25,291
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,787	3,146
Deferred gains or losses on hedges	81	105
Foreign currency translation adjustment	262	263
Remeasurements of defined benefit plans	361	352
Total accumulated other comprehensive income	3,493	3,867
Non-controlling interests	280	255
Total net assets	31,481	29,414
Total liabilities and net assets	51,282	46,830

(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, 2025	For the three months ended June 30, 2026
Net sales	6,347	6,119
Cost of sales	5,464	5,010
Gross profit	883	1,108
Selling, general and administrative expenses	1,254	1,317
Operating loss	(371)	(209)
Non-operating income		
Dividend income	143	93
Miscellaneous income	14	36
Total non-operating income	157	130
Non-operating expenses		
Interest expenses	20	19
Foreign exchange losses	15	—
Other	2	9
Total non-operating expenses	38	29
Ordinary loss	(252)	(108)
Extraordinary income		
Gain on sale of investment securities	1,284	—
Total extraordinary income	1,284	—
Profit before income taxes / Loss before income taxes	1,032	(108)
Total income taxes	358	(19)
Profit / loss	673	(88)
Loss attributable to non-controlling interests	(31)	(13)
Profit attributable to owners of parent / Loss attributable to owners of parent	704	(74)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit / loss	673	(88)
Other comprehensive income		
Valuation difference on available-for-sale securities	(529)	358
Deferred gains or losses on hedges	(26)	23
Foreign currency translation adjustment	(71)	(1)
Remeasurements of defined benefit plans, net of tax	(9)	(8)
Total other comprehensive income	(637)	371
Comprehensive income	36	283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	81	299
Comprehensive income attributable to non-controlling interests	(45)	(16)

(3) Notes to Segment information,etc.

[Segment information]

(i) Fiscal year ended 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.

(ii) Fiscal year ending March 31, 2027 (From April 1, 2026 to June 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	2,458	1,919	165	4,543	522	5,066	(522)	4,543
Overseas	51	1,125	11	1,188	491	1,680	(104)	1,575
Sales	2,510	3,045	176	5,732	1,014	6,746	(627)	6,119
Other income	—	—	—	—	—	—	—	—
Net sales	2,510	3,045	176	5,732	1,014	6,746	(627)	6,119
Segment profit (loss)	(422)	371	(163)	(215)	(27)	(243)	34	(209)

※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.

※4 Change in the Method for Measuring Profit or Loss of Reportable Segments

From the first quarter of the current consolidated fiscal period, a portion of the expenses that were previously included in the “Development Business” has been allocated as common expenses to each reporting segment. For the first quarter of the previous fiscal year, information on reportable segments is presented based on the previous measurement method, as it is practically difficult to prepare such information using the new method. Regarding the segment information for the first quarter of the current fiscal year, due to this change, compared to the previous method, the segment loss for the "Heat Treatment Business" increased by 260 million yen, the segment profit for the "Plant Business" decreased by 220 million yen, and the segment loss for the "Development Business" decreased by 480 million yen.

Others

(1) Status of orders received and sales

(i) Net sales

(Millions of yen)

Segment	For the three months ended June 30, 2025		For the three months ended June 30, 2026		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	3,729	58.8	2,510	41.0	(1,219)
Plant Business	2,009	31.7	3,045	49.8	1,035
Development Business	278	4.4	176	2.9	(101)
Others	1,295	20.4	1,014	16.6	(281)
Intersegment elimination	(965)	(15.2)	(627)	(10.3)	337
Total [Overseas]	6,347 [714]	100.0 [11.2]	6,119 [1,575]	100.0 [25.8]	(228) [861]

(ii) Orders received

(Millions of yen)

Segment	For the three months ended June 30, 2025		For the three months ended June 30, 2026		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	3,628	31.0	3,785	51.3	156
Plant Business	6,353	54.3	2,625	35.6	(3,728)
Development Business	989	8.5	372	5.0	(617)
Others	1,768	15.1	1,384	18.8	(384)
Intersegment elimination	(1,028)	(8.8)	(784)	(10.6)	244
Total [Overseas]	11,711 [2,984]	100.0 [25.5]	7,383 [1,103]	100.0 [14.9]	(4,328) [(1,881)]

(iii) Backorder

(Millions of yen)

Segment	For the three months ended June 30, 2025		For the three months ended June 30, 2026		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	14,335	33.3	14,091	36.2	(243)
Plant Business	23,767	55.2	21,703	55.7	(2,064)
Development Business	2,266	5.3	975	2.5	(1,290)
Others	3,894	9.0	3,060	7.9	(833)
Intersegment elimination	(1,225)	(2.8)	(850)	(2.2)	375
Total [Overseas]	43,037 [13,315]	100.0 [30.9]	38,980 [9,583]	100.0 [24.6]	(4,057) [(3,732)]