

April 28, 2026

Company name: Toray Industries, Inc.
Name of Representative: Mitsuo Ohya, President
(Securities code: 3402; TSE Prime Market)
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Notice Regarding Differences in Non-Consolidated Financial Results of a Subsidiary from the Previous Fiscal Year (Chori Co., Ltd.)

Toray Industries, Inc. (the “Company”) hereby announces the following differences between non-consolidated financial results of Chori Co., Ltd., a subsidiary of the Company, for the fiscal year ended March 31, 2026 and the fiscal year ended March 31, 2025.

Non-consolidated financial results for the fiscal years ended March 31, 2026 and March 31, 2025

(Percentages indicate year-on-year changes.)

Year ended	Net Sales		Operating profit		Ordinary profit		Profit before income taxes		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	152,153	(3.8)	5,544	(23.1)	11,244	2.2	11,202	1.2	11,253	32.3
March 31, 2025	158,239	1.2	7,205	(9.3)	11,003	16.8	11,070	18.2	8,503	37.5

The impact of this difference is immaterial on the Company’s forecast of consolidated financial results.

Please see the attached documents from Chori Co., Ltd. for details.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

April 28, 2026

Company name: CHORI CO., LTD. Listing: Tokyo Stock Exchange (Prime)
 Securities code: 8014 URL: <https://www.chori.co.jp/english/>
 Representative: Tatsuyuki Sakoda, President, CEO & COO
 Inquiries: Kazuyoshi Matsuura, Manager of Corporate Management Dept.
 Telephone: +81-3-5781-6201
 Scheduled date of annual general meeting of shareholders: June 18, 2026
 Scheduled date to commence dividend payments: June 3, 2026
 Scheduled date to file annual securities report: June 12, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit before income taxes		Net profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Mar. 31, 2026	299,293	(3.9)	13,056	(9.9)	14,193	(12.4)	14,187	(13.0)	12,011	3.0
Mar. 31, 2025	311,546	1.3	14,492	(3.6)	16,198	11.9	16,316	11.0	11,658	21.1

Note: Comprehensive income

For the fiscal year ended Mar.31, 2026: 14,162 million yen [8.9%]

For the fiscal year ended Mar.31, 2025: 13,009 million yen [2.7%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	yen	yen	%	%	%
Mar. 31, 2026	487.36	—	12.4	9.5	4.4
Mar. 31, 2025	473.06	—	13.4	11.2	4.7

Reference: Share of profit of entities accounted for using equity method

For the fiscal year ended Mar.31, 2026: 266 million yen

For the fiscal year ended Mar.31, 2025: 279 million yen

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Mar. 31, 2026	153,373	102,444	66.7	4,152.02
Mar. 31, 2025	146,076	92,101	63.0	3,733.26

Reference: Equity

As of Mar. 31, 2026: 102,328 million yen

As of Mar. 31, 2025: 92,009 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Mar. 31, 2026	11,543	(1,824)	(5,010)	28,198
Mar. 31, 2025	7,141	(1,027)	(4,775)	23,203

2. Dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
Mar. 31, 2025	—	61.00	—	81.00	142.00	3,518	30.0	4.0
Mar. 31, 2026	—	72.00	—	75.00	147.00	3,642	30.2	3.7
Fiscal year ending Mar. 31, 2027 (Forecast)	—	85.00	—	86.00	171.00		40.1	

3. Forecast of Consolidated Financial Results 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		Net 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	320,000	6.9	14,500	11.1	15,000	5.7	10,500	(12.6)	426.04

Note: In accordance with the adoption of operating profit as the key management indicator in the medium-term management plan “Chori Innovation Plan 2028,” announced today (April 28, 2026), from profit before income taxes to operating profit, the profit before income taxes has been removed.

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: —

Excluded: 1 company (company name) Tohcho Co., Limited

(2) Changes in accounting policies, changes in accounting estimates and restatements

1. Changes in accounting policies due to the revision of accounting standards, etc.: None

2. Changes in accounting policies due to other reasons: Yes

3. Changes in accounting estimates: None

4. Restatements: None

Note: Please refer to “3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements (Changes in accounting policies)” on page 14 of the Appendix for details.

(3) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)	As of Mar. 31, 2026	25,303,478 shares	As of Mar. 31, 2025	25,303,478 shares
2. Number of treasury shares at the end of the period	As of Mar. 31, 2026	658,000 shares	As of Mar. 31, 2025	657,540 shares
3. Average number of shares outstanding during the period	Fiscal year ended Mar. 31, 2026	24,645,792 shares	Fiscal year ended Mar. 31, 2025	24,644,580 shares

Note: The Company has introduced the Board Benefit Trust - Restricted Stock (BBT-RS), and the number of shares of the Company held by the trust are included in that of treasury shares to be deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

Reference: Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026

(from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit before income taxes		Net profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Mar. 31, 2026	152,153	(3.8)	5,544	(23.1)	11,244	2.2	11,202	1.2	11,253	32.3
Mar. 31, 2025	158,239	1.2	7,205	(9.3)	11,003	16.8	11,070	18.2	8,503	37.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
Mar. 31, 2026	456.59	—
Mar. 31, 2025	345.04	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Mar. 31, 2026	102,052	74,563	73.1	3,025.45
Mar. 31, 2025	97,577	66,875	68.5	2,713.45

Reference: Equity

As of Mar. 31, 2026: 74,563 million yen

As of Mar. 31, 2025: 66,875 million yen

<Reasons for differences in the non-consolidated financial results from the previous fiscal year>

Net sales totaled 152,153 million yen, a decrease of 3.8% from the previous fiscal year. In terms of profit, as disclosed in the “Notice Regarding the Dissolution of a Consolidated Subsidiary and Waiver of claims” on February 27, 2026, net profit for the current fiscal year increased by 32.3% from the previous fiscal year to 11,253 million yen. This was primarily due to the decrease in corporate taxes, resulting from the tax-deductible recognition of allowance for doubtful accounts that had been recorded in prior years in connection with the dissolution of a consolidated subsidiary and the waiver of claims.

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document are based on the information available at the time of publication and certain assumptions that the Company judges as rational. In addition, actual financial results may vary significantly due to various reasons. The Company, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements.

Please refer to “1. Overview of Operating Results (4) Future Outlook” on page 4 of the Appendix for the prerequisites for the forward-looking statements and precautions on their use.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Current Consolidated Fiscal Year

In the fiscal year ended March 31, 2026 (the “current consolidated fiscal year”), the Japanese economy continued on a moderate recovery trend, supported by robust corporate earnings and the stability of the employment and income environment, even as the impact of rising prices persisted.

On the other hand, the global economy showed resilient performance, particularly in the U.S., while in China, economic stagnation contrived due to the sluggish real estate market and the lackluster growth in domestic demand. Furthermore, the prolonged geopolitical risks, including the worsening situation in the Middle East, this has kept the outlook uncertain.

Under these circumstances, CHORI CO., LTD. (the “Company”) and its subsidiaries (the “Chori Group” or the “Group”) are steadily implementing the basic strategy of the medium-term management plan Chori Innovation Plan 2025 announced on April 28, 2023, and have been promoting to achieve sustainable growth on a global basis and transform the Group’s business through digital transformation.

As for the consolidated financial results of the current consolidated fiscal year, net sales decreased by 3.9% year-on-year to 299,293 million yen, operating profit decreased by 9.9% year-on-year to 13,056 million yen, ordinary profit decreased by 12.4% year-on-year to 14,193 million yen, profit before income taxes decreased by 13.0% year-on-year to 14,187 million yen, and net profit attributable to owners of parent increased by 3.0% year-on-year to 12,011 million yen mainly due to increased profitability.

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026	Increase (decrease)	Year-on-year (%)
Net sales	311,546	299,293	(12,252)	(3.9)
Operating profit	14,492	13,056	(1,436)	(9.9)
Ordinary profit	16,198	14,193	(2,005)	(12.4)
Profit before income taxes	16,316	14,187	(2,129)	(13.0)
Net profit attributable to owners of parent	11,658	12,011	352	3.0

The results of each business segment are as follows.

(i) Fibers, Textiles, and Garments

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026	Increase (decrease)	Year-on-year (%)
Net sales	152,738	145,775	(6,962)	(4.6)
Profit (loss) before income taxes	7,690	7,050	(639)	(8.3)

In this segment, net sales decreased by 4.6% year-on-year to 145,775 million yen, primarily due to the fibers and textiles materials sectors performing sluggishly. Segment profit (profit before income taxes) decreased by 8.3% year to 7,050 million yen, mainly due to the deterioration of the situation and market stagnation in the textiles sectors in the Middle East, and due to environmental and structural changes in the apparel sectors.

(ii) Chemicals

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026	Increase (decrease)	Year-on-year (%)
Net sales	157,864	152,667	(5,197)	(3.3)
Profit (loss) before income taxes	8,873	7,952	(921)	(10.4)

In this segment, net sales decreased by 3.3% year-on-year to 152,667 million yen, mainly due to sluggish market conditions in the performance chemicals field. Segment profit (profit before income taxes) decreased by 10.4% year-on-year to 7,952 million yen, mainly due to the absence of a reversal of allowance for doubtful accounts recorded in the same period of the previous fiscal year, when the Company collected a portion of receivables from a chemical manufacturing group in China.

(iii) Machinery

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026	Increase (decrease)	Year-on-year (%)
Net sales	860	773	(87)	(10.1)
Profit (loss) before income taxes	612	346	(266)	(43.4)

In this segment, net sales decreased by 10.1% year-on-year to 773 million yen, mainly due to the sluggish automobile sales for Europe. Segment profit (profit before income taxes) decreased by 43.4% year-on-year to 346 million yen.

(2) Overview of Financial Position for the Current Consolidated Fiscal Year

Status of assets, liabilities, and net assets

(Assets)

Total assets at the end of the current consolidated fiscal year were 153,373 million yen, an increase of 7,297 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 6,724 million yen in cash and deposits, 3,880 million yen in software, 1,613 million yen in investment securities, and 1,229 million yen in income taxes receivable, and decreases of 6,032 million yen in distressed receivables, 6,030 million yen in allowance for doubtful account, 4,574 million yen in software in progress, and 1,961 million yen in notes and accounts receivable – trade. It should be noted that the decrease in distressed receivable and allowance for doubtful account is due to the exclusion of the dissolved consolidated subsidiary from the scope of consolidation. Furthermore, the decrease in the software in progress is attributable to the reallocation to software.

(Liabilities)

Liabilities at the end of the current consolidated fiscal year were 50,928 million yen, a decrease of 3,045 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 2,113 million yen in notes and accounts payable - trade, 936 million yen in income taxes payable, and 914 million yen in short-term borrowings.

(Net assets)

Net assets at the end of the current consolidated fiscal year were 102,444 million yen, an increase of 10,342 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 12,011 million yen resulting from the recording of net profit attributable to owners of parent, 1,086 million yen in valuation difference on available-for-sale securities, and 660 million yen in foreign currency translation adjustment, offsetting a decrease of 3,791 million yen due to the payment of dividends.

(3) Overview of Cash Flows for the Current Consolidated Fiscal Year

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current consolidated fiscal year increased by 4,994 million yen from the end of the previous consolidated fiscal year to 28,198 million yen at the end of the current consolidated fiscal year.

The status of cash flows in the current consolidated fiscal year and the contributing factors are as follows.

(a) Cash flows from operating activities

Funds provided by operating activities were 11,543 million yen (an inflow of 7,141 million yen in the previous consolidated fiscal year). The main components of income were profit before income taxes of 14,187 million yen, a decrease in distressed receivables of 6,103 million yen, a decrease in trade receivable of 2,215 million yen, and depreciation of 1,747 million yen. The main components of expenses were a decrease in allowance for doubtful accounts of 6,076 million yen, income taxes paid of 4,747 million yen, and a decrease in trade payables of 2,194 million yen.

(b) Cash flows from investing activities

Funds used in investing activities were 1,824 million yen (an outflow of 1,027 million yen in the previous consolidated fiscal year). The main component of expenses was purchase of property, plant and equipment of 554 million yen, and purchase of intangible assets of 476 million yen.

(c) Cash flows from financing activities

Funds used in financing activities decreased 5,010 million yen (an outflow of 4,775 million yen in the previous consolidated fiscal year). The main components of expenses were dividends paid of 3,790 million yen, and a net decrease in short-term borrowings of 907 million yen.

(4) Future Outlook

Regarding the outlook for the future, the Japanese economy is expected to continue its moderate recovery, primarily driven by personal consumption, supported by the resilience of the employment and income environment. On the other hand, while personal consumption in the United States is expected to remain robust, there are signs of a delayed economic recovery in China. Additionally, close attention must continue to be paid to the impact of the Middle East situation, including fluctuations in energy prices and disruptions in supply chains.

Under such circumstances, the Group will steadily implement the basic policy of Chori Innovation Plan 2028, the medium-term management plan announced today (April 28, 2026), which is “Advancing Expertise, Globalization and Strategic Business Investment.” For the fiscal year ending March 31, 2027, the first year of the medium-term management plan, we forecast net sales of 320,000 million yen (increase of 6.9% year-on-year), operating profit of 14,500 million yen (increase of 11.1% year-on-year), ordinary profit of 15,000 million yen (increase of 5.7% year-on-year), and net profit attributable to owners of parent of 10,500 million yen (decrease of 12.6% year-on-year).

	(Unit: Millions of yen)		
	Fiscal year ended Mar. 31, 2026 (Results)	Fiscal year ending Mar. 31, 2027 (Forecast)	Increase (decrease) (%)
Net sales	299,293	320,000	6.9
Operating profit	13,056	14,500	11.1
Ordinary profit	14,193	15,000	5.7
Net profit attributable to owners of parent	12,011	10,500	(12.6)

Any revisions to the above forecast will be promptly announced.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company believes that returning profits to shareholders is an important management priority. Accordingly, the Company has adopted a basic policy of distributing dividends twice a year, specifically an interim and a year-end dividend. From the standpoint of continuous and stable return of profits and ensuring stable management and financial affairs, the Company implements performance-based dividends according to the level of net profit attributable to owners of parent.

In accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, the Company's dividends are determined by a resolution of the board of directors, instead of by a resolution of the general meeting of shareholders, except as otherwise provided by laws and regulations. In addition, the amount of dividends for the current fiscal year is set at a level consistent with a consolidated dividend payout ratio of 30% (annually) based on net profit attributable to owners of parent, and a dividend on equity (DOE) ratio of 3.5% or more. In determining the amount of dividends, the Company considers a comprehensive range of factors including the management environment, while remaining mindful of the importance of securing the investment funds needed to develop business.

Under this policy, the Company decided to pay a year-end dividend for the current fiscal year of 75 yen per share, an increase of 3 yen from the previous forecast of 72 yen per share, as disclosed today (April 28, 2026). Hence, combined with the interim dividend of 72 yen per share, the annual dividend for the current fiscal year will be 147 yen per share.

Regarding dividends for the next fiscal year, at the Board of Directors meeting held today (April 28, 2026), we have resolved to adopt a consolidated dividend payout ratio of at least 40% (annually) based on net profit attributable to owners of parent, and a dividend on equity (DOE) ratio of 3.5% or more. Regarding dividends for the next fiscal year, we have set an annual dividend of 171 yen per share, an increase of 24 yen from the annual dividend for the current fiscal year, comprising an interim dividend of 85 yen and a year-end dividend of 86 yen.

(For details, please refer to the “Notice Regarding Dividend of Surplus (Dividend Increase) for the fiscal year ended March 2026” and the “Change in Dividend Policy from the Fiscal Year Ending March 2027,” disclosed today (April 28, 2026).)

2. Basic Approach to the Selection of Accounting Standards

Considering the comparability of consolidated financial statements over time and between companies, the Group intends to prepare consolidated financial statements under accounting principles generally accepted in Japan (Japanese GAAP) for the time being.

In the future, we will continue to consider the adoption of international financial reporting standards taking into account changes in the ratio of foreign shareholders and trends in adoption by peer companies in Japan.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

	(Unit: Millions of yen)	
	As of Mar. 31, 2025	As of Mar. 31, 2026
Assets		
Current assets		
Cash and deposits	22,812	29,537
Deposits paid to subsidiaries and associates	1,002	—
Notes and accounts receivable - trade	72,161	70,199
Merchandise and finished goods	17,350	17,259
Work in process	1,133	1,212
Raw materials and supplies	47	23
Goods in transit	1,759	2,046
Income taxes receivable	41	1,270
Other	5,448	5,597
Allowance for doubtful accounts	(191)	(216)
Total current assets	121,566	126,931
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,097	1,121
Accumulated depreciation	(538)	(581)
Buildings and structures, net	559	540
Machinery, equipment and vehicles	2,197	2,082
Accumulated depreciation	(1,931)	(1,601)
Machinery, equipment and vehicles, net	266	481
Tools, furniture and fixtures	880	863
Accumulated depreciation	(525)	(511)
Tools, furniture and fixtures, net	355	351
Construction in progress	95	13
Land	258	258
Leased assets	906	1,002
Accumulated depreciation	(649)	(502)
Leased assets, net	256	500
Total property, plant and equipment	1,791	2,145
Intangible assets		
Goodwill	243	48
Customer-related assets	692	592
Software	363	4,243
Software in progress	4,878	304
Other	18	16
Total intangible assets	6,197	5,205
Investments and other assets		
Investment securities	10,382	11,995
Long-term loans receivable	1,539	1,731
Distressed receivables	7,509	1,477
Retirement benefit asset	—	205
Deferred tax assets	753	1,050
Other	3,880	4,143
Allowance for doubtful accounts	(7,544)	(1,514)
Total investments and other assets	16,521	19,090
Total non-current assets	24,509	26,441
Total assets	146,076	153,373

(Unit: Millions of yen)

	As of Mar. 31, 2025	As of Mar. 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,597	38,484
Short-term borrowings	1,384	469
Current portion of long-term borrowings	19	—
Income taxes payable	2,036	1,099
Provision for bonuses	1,281	1,335
Provision for loss on liquidation of subsidiaries and associates	42	42
Other	5,195	5,546
Total current liabilities	50,556	46,978
Non-current liabilities		
Deferred tax liabilities	1,042	1,528
Provision for share awards	109	178
Retirement benefit liability	2,108	2,083
Other	158	159
Total non-current liabilities	3,418	3,950
Total liabilities	53,974	50,928
Net assets		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	2,152	2,142
Retained earnings	76,071	84,276
Treasury shares	(921)	(923)
Total shareholders' equity	84,101	92,295
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,112	3,199
Deferred gains or losses on hedges	3	157
Foreign currency translation adjustment	5,724	6,384
Remeasurements of defined benefit plans	67	292
Total accumulated other comprehensive income	7,907	10,033
Non-controlling interests	92	116
Total net assets	92,101	102,444
Total liabilities and net assets	146,076	153,373

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026
Net sales	311,546	299,293
Cost of sales	271,030	258,170
Gross profit	40,515	41,123
Selling, general and administrative expenses	26,022	28,067
Operating profit	14,492	13,056
Non-operating income		
Interest income	783	526
Dividend income	291	358
Share of profit of entities accounted for using equity method	279	266
Foreign exchange gains	129	195
Subsidy income	106	164
Reversal of allowance for doubtful accounts	873	42
Miscellaneous income	109	84
Total non-operating income	2,574	1,638
Non-operating expenses		
Interest expenses	127	91
Loss on sale of notes receivable - trade	709	381
Miscellaneous expenses	32	28
Total non-operating expenses	868	501
Ordinary profit	16,198	14,193
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	56
Gain on sale of investment securities	783	31
Gain on sale of non-current assets	7	7
Gain on liquidation of subsidiaries and associates	—	4
Total extraordinary income	791	99
Extraordinary losses		
Loss on valuation of investment securities	277	65
Loss on disposal of non-current assets	31	37
Loss on sale of investment securities	—	2
Impairment losses	364	—
Total extraordinary losses	673	105
Profit before income taxes	16,316	14,187
Income taxes - current	4,686	2,591
Income taxes - deferred	(76)	(442)
Total income taxes	4,610	2,149
Net profit	11,706	12,037
Net profit attributable to non-controlling interests	48	26
Net profit attributable to owners of parent	11,658	12,011

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026
Net profit	11,706	12,037
Other comprehensive income		
Valuation difference on available-for-sale securities	(894)	1,086
Deferred gains or losses on hedges	8	153
Foreign currency translation adjustment	1,777	548
Remeasurements of defined benefit plans, net of tax	37	224
Share of other comprehensive income of entities accounted for using equity method	372	110
Total other comprehensive income	1,302	2,124
Comprehensive income	13,009	14,162
Comprehensive income attributable to:		
Owners of parent	12,956	14,136
Non-controlling interests	52	25

(3) Statement of Changes in Consolidated Shareholders' Equity

For the year ended March 31, 2025 (from April 1, 2024, to March 31, 2025)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period (on Apr. 1, 2024)	6,800	2,152	67,429	(935)	75,446
Changes of items during the period					
Cash dividends			(2,998)		(2,998)
Net profit attributable to owners of parent			11,658		11,658
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				14	14
Changes of scope of consolidation					—
Changes in parent's ownership interest due to transactions with non-controlling interests					—
Other			(18)		(18)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	8,641	13	8,655
Balance at end of period (on Mar. 31, 2025)	6,800	2,152	76,071	(921)	84,101

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period (on Apr. 1, 2024)	3,006	(5)	3,578	29	6,609	41	82,097
Changes of items during the period							
Cash dividends							(2,998)
Net profit attributable to owners of parent							11,658
Purchase of treasury shares							(0)
Disposal of treasury shares							14
Changes of scope of consolidation							—
Changes in parent's ownership interest due to transactions with non-controlling interests							—
Other							(18)
Net changes in items other than shareholders' equity	(894)	8	2,145	37	1,298	50	1,349
Total changes during period	(894)	8	2,145	37	1,298	50	10,004
Balance at end of period (on Mar. 31, 2025)	2,112	3	5,724	67	7,907	92	92,101

For the year ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period (on Apr. 1, 2025)	6,800	2,152	76,071	(921)	84,101
Changes of items during the period					
Cash dividends			(3,791)		(3,791)
Net profit attributable to owners of parent			12,011		12,011
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares					—
Changes of scope of consolidation			(1)		(1)
Changes in parent's ownership interest due to transactions with non-controlling interests		(10)			(10)
Other			(13)		(13)
Net changes in items other than shareholders' equity					
Total changes during period	—	(10)	8,205	(1)	8,193
Balance at end of period (on Mar. 31, 2026)	6,800	2,142	84,276	(923)	92,295

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period (on Apr. 1, 2025)	2,112	3	5,724	67	7,907	92	92,101
Changes of items during the period							
Cash dividends							(3,791)
Net profit attributable to owners of parent							12,011
Purchase of treasury shares							(1)
Disposal of treasury shares							—
Changes of scope of consolidation							(1)
Changes in parent's ownership interest due to transactions with non-controlling interests							(10)
Other							(13)
Net changes in items other than shareholders' equity	1,086	153	660	224	2,125	23	2,149
Total changes during period	1,086	153	660	224	2,125	23	10,342
Balance at end of period (on Mar. 31, 2026)	3,199	157	6,384	292	10,033	116	102,444

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026
Cash flows from operating activities		
Profit before income taxes	16,316	14,187
Depreciation	901	1,747
Impairment losses	364	—
Amortization of goodwill	195	194
Increase (decrease) in retirement benefit liability	(10)	98
Increase (decrease) in allowance for doubtful accounts	(951)	(6,076)
Interest and dividend income	(1,074)	(884)
Interest expenses	127	91
Foreign exchange losses (gains)	28	(34)
Share of loss (profit) of entities accounted for using equity method	(279)	(266)
Loss (gain) on sale of non-current assets	23	29
Loss (gain) on sale of investment securities	(783)	(29)
Loss (gain) on valuation of investment securities	277	65
Loss (gain) on sale of shares of subsidiaries and associates	—	(56)
Gain (loss) on liquidation of subsidiaries and associates	—	(4)
Decrease (increase) in trade receivables	(752)	2,215
Decrease (increase) in inventories	1,394	(244)
Increase (decrease) in trade payables	(5,393)	(2,194)
Decrease (increase) in consumption taxes refund receivable	348	617
Decrease (increase) in distressed receivables	886	6,103
Decrease (increase) in other assets	33	(388)
Increase (decrease) in other liabilities	(296)	350
Other, net	177	(88)
Subtotal	11,531	15,434
Interest and dividends received	1,111	948
Interest paid	(130)	(91)
Income taxes refund (paid)	(5,370)	(4,747)
Net cash provided by (used in) operating activities	7,141	11,543
Cash flows from investing activities		
Purchase of property, plant and equipment	(744)	(554)
Proceeds from sale of property, plant and equipment	15	28
Purchase of intangible assets	(2,120)	(476)
Purchase of investment securities	(354)	(41)
Proceeds from sale of investment securities	2,390	65
Purchase of shares of subsidiaries and associates	(20)	(10)
Proceeds from sale of shares of subsidiaries and associates	—	67
Loan advances	(2)	(108)
Proceeds from collection of loans receivable	331	32
Other, net	(221)	(827)
Net cash provided by (used in) investing activities	(1,027)	(1,824)

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,364)	(907)
Repayments of long-term borrowings	(113)	(19)
Dividends paid	(2,996)	(3,790)
Purchase of treasury shares	(0)	(1)
Other, net	(299)	(290)
Net cash provided by (used in) financing activities	(4,775)	(5,010)
Effect of exchange rate change on cash and cash equivalents	775	287
Net increase (decrease) in cash and cash equivalents	2,114	4,996
Cash and cash equivalents at beginning of period	21,088	23,203
Net increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(1)
Cash and cash equivalents at end of period	23,203	28,198

(5) Notes to Consolidated Financial Statements

(Note regarding assumptions of a going concern)

Not applicable.

(Changes in accounting policies)

(Change in valuation method of inventories)

The Group's valuation standard and method for inventories have traditionally been based primarily on the cost method using the monthly weighted average method. However, from the beginning of the current consolidated fiscal year, we have changed to the cost method primarily using the moving average method.

This change was made in response to significant fluctuations in procurement costs, including recent sharp increases in raw material prices. It also reflects the implementation of a new core system promoted under the Company's medium-term management plan (Chori Innovation Plan 2025), aimed at business and management transformation through digital transformation (DX). The purpose of this change is to enable more timely and accurate profit and loss calculation for the period. The impact of this change is immaterial. Since the effect of this accounting policy change on prior periods is immaterial, retrospective application has not been adopted.

(Additional information)

(Performance-linked stock compensation plan for Directors, etc.)

Based on the resolution of the 76th Annual General Meeting of Shareholders held on June 16, 2023, the Company has introduced a performance-linked stock compensation plan, i.e. the Board Benefit Trust - Restricted Stock (BBT-RS), with the aim of clarifying the linkage between the compensation for directors (excluding directors who are Audit & Supervisory Committee members and non-executive Directors) and executive officers (together with directors, collectively, the "Directors, etc.") and the Company's business performance and share value, and enhancing their motivation to contribute to the improvement of the Company's business performance in the medium to long term and the enhancement of its corporate value.

The Company accounts for this plan in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

(i) Summary of the transaction

This is a performance-linked stock compensation plan under which the Company's shares are acquired through a trust using money contributed by the Company, and the Directors, etc. are provided with the Company's shares and an amount of money equivalent to the market value of the Company's shares through the trust, pursuant to the Share Benefit Regulations for Directors and Officers established by the Company.

In principle, the time when the Directors, etc. receive the Company's shares shall be a certain time after the end of each applicable period.

(ii) The Company's shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding ancillary costs). There were 135 thousand such treasury shares carried at 403 million yen at the end of the previous consolidated fiscal year and the end of the current consolidated fiscal year.

(Segment information, etc.)

[Segment information]

1 Summary of reportable segments

(1) Method of determination of reportable segments

Reportable segments are components of the Company whose operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company arranges divisions according to type of business. Each division formulates a comprehensive strategy for domestic and overseas business by type of business, and operates its business.

Accordingly, the Company is composed of segments based on divisions, and each of its associates is composed of segments by type of business based on the products handled. There are three reportable segments, namely, “Fibers, Textiles, and Garments,” “Chemicals,” and “Machinery.”

(2) Types of products and services belonging to each reportable segment

Fibers, Textiles, and Garments: Raw materials for various synthetic fibers and natural fibers, various textiles, knitting, nonwoven fabrics and related products, various clothing products, as well as industrial fiber materials and related products

Chemicals: Various chemicals such as urethane raw materials, raw materials for resins, additives for resins, raw materials for cosmetics, raw materials for glass, raw materials for electronic components, battery-related materials, pharmaceutical and agrochemical intermediates, surface treatment agents, food ingredients and additives, and feed and feed additives

Machinery: Transportation equipment such as automobiles, motorcycles, and trucks, as well as related materials

2 Method of calculating net sales, profit or loss, assets, liabilities, and others by reportable segment

The method of accounting for reportable business segments is based on the accounting policies adopted for the preparation of the consolidated financial statements.

Profit of the reportable segments is based on profit before income taxes.

Internal sales and transfers between segments are based on prevailing market prices.

(3) Changes in reportable segments

(Change in valuation method of inventories)

As stated in the notes regarding the changes in accounting policies, the Group’s valuation standard and method for inventories have traditionally been based primarily on the cost method using the monthly weighted average method. However, from the beginning of the current consolidated fiscal year, we have changed to the cost method primarily using the moving average method.

This change was made in response to significant fluctuations in procurement costs, including recent sharp increases in raw material prices. It also reflects the implementation of a new core system promoted under the Company’s medium-term management plan (Chori Innovation Plan 2025), aimed at business and management transformation through digital transformation (DX). The purpose of this change is to enable more timely and accurate profit and loss calculation for the period. The impact of this change is immaterial.

3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2025

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Notes 2 and 4)	Consolidated total (Note 3)
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal				
Net sales								
Sales to external customers	152,738	157,864	860	311,463	82	311,546	—	311,546
Internal sales or transfers between segments	—	—	—	—	474	474	(474)	—
Total	152,738	157,864	860	311,463	556	312,020	(474)	311,546
Segment profit (loss)	7,690	8,873	612	17,176	25	17,201	(885)	16,316
Segment assets	75,133	69,018	880	145,032	191	145,224	851	146,076
Other items								
Depreciation	621	232	3	858	1	859	—	859
Amortization of goodwill	195	—	—	195	—	195	—	195
Share of loss of entities accounted for using equity method	(42)	322	—	279	—	279	—	279
Extraordinary income (Gain on sale of investment securities)	530 [523]	0 [—]	— [—]	531 [523]	— [—]	531 [523]	260 [260]	791 [783]
Extraordinary losses (Loss on disposal of non- current assets)	643 [364]	2 [—]	— [—]	645 [364]	— [—]	645 [364]	27 [—]	673 [364]
Investment in equity- method associates	201	4,434	—	4,635	—	4,635	—	4,635
Increase in property, plant and equipment and intangible fixed assets	1,549	1,292	—	2,841	—	2,841	—	2,841

- Notes: 1. The “Others” category is a business segment that is not attributable to reportable segments and includes the provision of various services such as commissioned back-office operations.
2. Adjustment to segment profit (loss) of negative 885 million yen represents company-wide profit (loss) that has not been allocated to reportable segments. Company-wide profit (loss) represents finance-related gains and losses that are not attributable to reportable segments.
3. The total of segment profit (loss) and adjustment for reportable segments and the Others business segments is consistent with profit before income taxes in the consolidated statements of income.
4. Of the segment assets, 851 million yen in company-wide assets included in adjustment represents the Company’s deferred tax assets.

Fiscal year ended March 31, 2026

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Notes 2 and 4)	Consolidated total (Note 3)
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal				
Net sales								
Sales to external customers	145,775	152,667	773	299,216	77	299,293	—	299,293
Internal sales or transfers between segments	—	—	—	—	501	501	(501)	—
Total	145,775	152,667	773	299,216	578	299,795	(501)	299,293
Segment profit	7,050	7,952	346	15,349	19	15,369	(1,181)	14,187
Segment assets	79,371	69,723	2,912	152,008	146	152,154	1,218	153,373
Other items								
Depreciation	933	578	2	1,514	0	1,514	193	1,708
Amortization of goodwill	194	—	—	194	—	194	—	194
Share of profit (loss) of entities accounted for using equity method	3	263	—	266	—	266	—	266
Extraordinary income (Gain on sale of investment securities)	74 [56]	24 [—]	— [—]	99 [56]	— [—]	99 [56]	— [—]	99 [56]
Extraordinary losses (Impairment losses)	29 [22]	47 [43]	— [—]	77 [65]	— [—]	77 [65]	28 [—]	105 [65]
Investment in equity- method associates	140	4,800	—	4,941	—	4,941	—	4,941
Increase in property, plant and equipment and intangible fixed assets	583	393	—	977	—	977	—	977

- Notes: 1. The “Others” category is a business segment that is not attributable to reportable segments and includes the provision of various services such as commissioned back-office operations.
2. Adjustment to segment profit of negative 1,181 million yen represents company-wide profit (loss) that has not been allocated to reportable segments. Company-wide profit (loss) represents finance-related gains and losses that are not attributable to reportable segments.
3. The total of segment profit and adjustment for reportable segments and the Others business segments is consistent with profit before income taxes in the consolidated statements of income.
4. Of the segment assets, 1,218 million yen in company-wide assets included in adjustment represents the Company’s deferred tax assets.

[Entity-wide disclosures]

Fiscal year ended March 31, 2025

1. Information about products and services

Statement is omitted as it is available in “Segment information.”

2. Regional information

(1) Net sales

(Unit: Millions of yen)

Japan	China	Others	Total
188,297	48,262	74,986	311,546

Note: Net sales are categorized by country based on the location of customers.

(2) Property, plant, and equipment

(Unit: Millions of yen)

Japan	China	Others	Total
1,262	255	273	1,791

3. Key customer-specific information

Not applicable, as there are no external counterparties that account for 10% or more of net sales in the consolidated statements of income.

Fiscal year ended March 31, 2026

1. Information about products and services

Statement is omitted as it is available in “Segment information.”

2. Regional information

(1) Net sales

(Unit: Millions of yen)

Japan	China	Others	Total
187,347	47,529	64,417	299,293

Note: Net sales are categorized by country based on the location of customers.

(2) Property, plant, and equipment

(Unit: Millions of yen)

Japan	China	Vietnam	Others	Total
1,377	321	259	186	2,145

3. Key customer-specific information

Not applicable, as there are no external counterparties that account for 10% or more of net sales in the consolidated statements of income.

[Information on losses on impairment of non-current assets by reportable segment]

Fiscal year ended March 31, 2025

	Reportable segment				Others	Company-wide / elimination	Total
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal			
Impairment losses	364	—	—	364	—	—	364

Fiscal year ended March 31, 2026

Not applicable.

[Information on amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended March 31, 2025

(Unit: Millions of yen)

	Reportable segment				Others	Company-wide / elimination	Total
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal			
Amortization in the current consolidated fiscal year	195	—	—	195	—	—	195
Balance at the end of the current consolidated fiscal year	243	—	—	243	—	—	243

Fiscal year ended March 31, 2026

(Unit: Millions of yen)

	Reportable segment				Others	Company-wide / elimination	Total
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal			
Amortization in the current consolidated fiscal year	194	—	—	194	—	—	194
Balance at the end of the current consolidated fiscal year	48	—	—	48	—	—	48

[Information on gains on bargain purchase by reportable segment]

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

Not applicable.

(Per share information)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026
Net assets per share	3,733.26 yen	4,152.02 yen
Basic earnings per share	473.06 yen	487.36 yen

Notes: 1. Diluted earnings per share is not presented because there are no potential shares.

2. The Company has introduced the Board Benefit Trust - Restricted Stock (BBT-RS) effective from the current consolidated fiscal year, and the number of shares of the Company held by the trust are included in that of treasury shares to be deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period to determine net assets per share and basic earnings per share.

For the calculation of net assets per share, 135 thousand shares were deducted from the number of treasury shares at the end of the period in the previous consolidated fiscal year, and 135 thousand shares were deducted from the number of treasury shares at the end of the period in the current consolidated fiscal year.

For the calculation of basic earnings per share, 136 thousand shares were deducted from the average number of treasury shares during the period in the previous consolidated fiscal year, and 135 thousand shares were deducted from the average number of treasury shares during the period in the current consolidated fiscal year.

3. Calculation basis of basic earnings per share is as follows.

Item	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026
Basic earnings per share		
Net profit attributable to owners of parent (Millions of yen)	11,658	12,011
Amount not attributable to common shareholders (Millions of yen)	—	—
Net profit attributable to owners of parent related to common shares (Millions of yen)	11,658	12,011
Average number of common shares during the period (Thousands of shares)	24,644	24,645

4. Calculation basis of net assets per share is as follows.

Item	As of Mar. 31, 2025	As of Mar. 31, 2026
Total amount of net assets on the consolidated balance sheet (Millions of yen)	92,101	102,444
Net assets related to common shares (Millions of yen)	92,009	102,328
Main components of the difference (Millions of yen) Non-controlling shareholder's interest	92	116
Number of common shares outstanding (Thousands of shares)	25,303	25,303
Number of treasury common shares (Thousands of shares)	657	658
Number of common shares used to calculate net assets per share (Thousands of shares)	24,645	24,645

(Material subsequent events)

Not applicable.