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August 8, 2025

To whom it may concern,

Name of listed company: Chofu Seisakusho Co., Ltd.
Name of representative: Gaku Yamashita, President

(Code No. 5946, TSE Prime)

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Accounting Section of Corporate Administration Department (TEL +81-83-248-2777)

Notice Concerning Extraordinary Loss (Provision for Product Compensation Loss), Difference between Consolidated Earnings Forecast and Actual Results for the Second Quarter of the Fiscal Year Ending December 31, 2025 (Interim Period), and Revisions to Full-Year Consolidated Earnings Forecast

Chofu Seisakusho Co., Ltd. (the "Company") hereby announces that it recorded a provision for product compensation loss for the second quarter of the fiscal year ending December 31, 2025 (interim period), and that there is a discrepancy between the consolidated earnings forecast for the second quarter of the fiscal year ending December 31, 2025 (interim period) announced at the time of the announcement of financial results on February 7, 2025, and the actual results announced today, as described below. The Company also announces that is has revised its consolidated earnings forecast for the fiscal year ending December 31, 2025 as follows.

1. Recording of Extraordinary Loss (Provision for Loss on Product Warranties)

The Company has decided to record an extraordinary loss of ¥1,500 million as a provision for product compensation loss due to expenses incurred for countermeasures against defects in some air-conditioning equipment sold by the Company.

The above is reflected in the "Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2025 (Interim Period) [Japanese GAAP]" announced today.

2. Differences between Consolidated Earnings Forecasts and Actual Results and Revisions to Full-Year Consolidated Earnings Forecast

Difference between consolidated earnings forecasts and actual results for the second quarter of the fiscal year ending December 31, 2025 (January 1, 2025 to June 30, 2025)

	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
Previously announced forecasts (A)	20,500	700	1,600	1,100	32.35
Actual results (B)	21,140	76	1,496	133	3.91
Change (B-A)	640	(623)	(103)	(966)	
Change (%)	3.1	(89.1)	(6.5)	(87.9)	
(Reference) Results for the interim period of the previous fiscal year (Interim period of the fiscal year ended December 31, 2024)	20,234	188	1,343	974	28.71

Revisions to full-year consolidated earnings forecast for the fiscal year ending December 31, 2025 (January 1, 2025 to December 31, 2025)

	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
Previously announced forecasts (A)	47,000	2,500	5,000	3,500	102.93
Revised forecasts (B)	47,000	1,700	4,500	2,200	64.70
Change (B-A)	-	(800)	(500)	(1,300)	
Change (%)	-	(32.0)	(10.0)	(37.1)	
(Reference) Results for the previous					
fiscal year	46,123	1,745	4,492	3,139	92.45
(Fiscal year ended December 31, 2024)					

Reasons for differences and revisions

In the interim consolidated accounting period, net sales were mostly in line with the plan, but operating profit fell significantly below the initial forecast with a decline in gross profit due to the impact of persistently high raw material prices, etc. Ordinary profit fell below the initial forecast despite an increase in non-operating income such as foreign exchange gains. Profit attributable to owners of parent fell significantly below the initial forecast due to the recording of an extraordinary loss (provision for product compensation loss).

The Company has also revised its full-year consolidated earnings forecast as described above based on the results for the interim consolidated accounting period.

(Note) The above forecasts are based on information available as of the date of the announcement of this document. Actual results may differ from the forecasts due to various factors in the future.