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August 7, 2026

To whom it may concern

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Notice Concerning Recording of Non-operating Expenses (Loss on Investment in Silent Partnership), Difference between Consolidated Earnings Forecast and Actual Results for the Second Quarter of the Fiscal Year Ending December 2026 (Interim Period), and Revisions to Full-Year Consolidated Earnings Forecast

Chofu Seisakusho Co., Ltd. (the "Company") hereby announces that it recorded a loss on investments in silent partnerships for the second quarter of the fiscal year ending December 2026 (interim period), and that there is a discrepancy between the consolidated earnings forecast for the second quarter of the fiscal year ending December 2026 (interim period) announced at the time of the announcement of financial results on February 13, 2026 and the actual results announced today, as described below. The Company also announces that it has revised its consolidated earnings forecast for the fiscal year ending December 2026 as follows.

1. Recording of Non-operating Expenses (Loss on Investment in Silent Partnership)

The Company has recorded a non-operating expense of ¥805 million as a loss on investments in silent partnerships, representing an amount equivalent to the profit and loss interest recorded in the accounts of silent partnerships in which the Company invests.

The above is reflected in the "Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 2026 (Interim Period) [Japanese GAAP]" announced today.

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

Difference between consolidated forecasts and actual results for the second quarter of the fiscal year ending December 2026 (interim period) (January 1, 2026 to June 30, 2026)

	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)	22,000	500	1,900	1,300	38.23
Actual results (B)	21,129	561	1,248	991	29.16
Change (B-A)	(870)	61	(651)	(308)	
Change (%)	(4.0)	12.3	(34.3)	(23.7)	
(Reference) Results for the interim period of the previous fiscal year (Interim period for the fiscal year ended December 2025)	21,140	76	1,496	133	3.91

Revision to full-year consolidated earnings forecast for the fiscal year ending December 2026 (January 1, 2026 to December 31, 2026)

	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)	48,000	2,400	5,400	3,800	111.76
Revised forecasts (B)	48,000	2,400	4,600	3,200	94.11
Change (B-A)	-	-	(800)	(600)	
Change (%)	-	-	(14.8)	(15.8)	
(Reference) Results for the previous fiscal year (Fiscal year ended December 2025)	46,501	1,712	4,586	2,174	63.96

Reasons for differences and revisions

In the interim consolidated accounting period, net sales and operating profit were mostly in line with the plan due to the impact of finished goods price revisions and the Group's efforts to reduce costs. However, both ordinary profit and interim net income attributable to owners of the parent fell short of the initial forecast due to the recording of non-operating expenses (loss on investments in silent partnerships).

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

* 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.