

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

July 30, 2025

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 Scheduled date to commence dividend payments: —
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit before income taxes		Net profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Jun. 30, 2025	71,577	(7.0)	3,286	(9.1)	3,277	(32.5)	3,238	(42.5)	2,505	(39.7)
Jun. 30, 2024	76,974	1.6	3,616	(8.2)	4,858	34.6	5,629	56.1	4,157	87.6

Note: Comprehensive income

For the three months ended Jun. 30, 2025: 1,458 million yen [(72.3%)]

For the three months ended Jun. 30, 2024: 5,262 million yen [46.7%]

	Basic earnings per share	Diluted earnings per share
Three months ended	yen	yen
Jun. 30, 2025	101.66	—
Jun. 30, 2024	168.71	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2025	139,954	91,564	65.4
Mar. 31, 2025	146,076	92,101	63.0

Reference: Equity

As of Jun. 30, 2025: 91,477 million yen

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

2. Dividends

	Annual dividends per share				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended Mar. 31, 2025	—	61.00	—	81.00	142.00
Fiscal year ending Mar. 31, 2026	—				
Fiscal year ending Mar. 31, 2026 (Forecast)		72.00	—	72.00	144.00

Note: Revisions to the most recently announced forecast of dividends: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit before income taxes		Net profit attributable to owners of parent		Basic earnings per share
Full Year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
	330,000	5.9	15,000	3.5	16,000	(1.2)	16,000	(1.9)	11,000	(5.6)	446.32

Note: Revisions to the most recently announced forecasts of consolidated financial results: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: —

Excluded: —

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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 “2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies)” on page 9 of the Appendix for details.

(4) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)	As of Jun. 30, 2025	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 Jun. 30, 2025	657,540 shares	As of Mar. 31, 2025	657,540 shares
3. Average number of shares outstanding during the period	Three months ended Jun. 30, 2025	24,645,938 shares	Three months ended Jun. 30, 2024	24,641,296 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.

* Review of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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 (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information” 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 Quarterly Consolidated Accounting Period

During the three months ended June 30, 2025, the Japanese economy led to a moderate recovery trend, supported by improvements in the employment and income environment on the back of solid corporate earnings. In the global economy, while China showed signs of recovery supported by firm domestic demand stemming from the government-led consumption stimulus measures, geopolitical risks in Russia, Ukraine, the Middle East, and other regions, as well as U.S. tariff policy, have acted as a drag, and the outlook remains 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 are working to achieve sustainable growth on a global basis and transform the Group’s business through digital transformation.

As for the consolidated financial results for the quarterly consolidated period, net sales decreased by 7.0% year-on-year to 71,577 million yen, operating profit decreased by 9.1% year-on-year to 3,286 million yen, ordinary profit decreased by 32.5% year-on-year to 3,277 million yen, profit before income taxes decreased by 42.5% year-on-year to 3,238 million yen, and net profit attributable to owners of parent decreased by 39.7% year-on-year to 2,505 million yen.

(Unit: Millions of yen)

	Three months ended Jun. 30, 2024	Three months ended Jun. 30, 2025	Increase (decrease)	Year-on-year (%)
Net sales	76,974	71,577	(5,396)	(7.0)
Operating profit	3,616	3,286	(330)	(9.1)
Ordinary profit	4,858	3,277	(1,581)	(32.5)
Profit before income taxes	5,629	3,238	(2,390)	(42.5)
Net profit attributable to owners of parent	4,157	2,505	(1,651)	(39.7)

The results of each business segment are as follows.

(i) Fibers, Textiles, and Garments

(Unit: Millions of yen)

	Three months ended Jun. 30, 2024	Three months ended Jun. 30, 2025	Increase (decrease)	Year-on-year (%)
Net sales	36,477	33,720	(2,756)	(7.6)
Profit before income taxes	2,591	1,514	(1,076)	(41.6)

In this segment, net sales decreased by 7.6% year-on-year to 33,720 million yen, primarily due to overall sluggish sales. Segment profit (profit before income taxes) decreased by 41.6% year-on-year to 1,514 million yen, mainly due to the absence of the gain on sale of investment securities recorded in the same period of the previous fiscal year.

(ii) Chemicals

(Unit: Millions of yen)

	Three months ended Jun. 30, 2024	Three months ended Jun. 30, 2025	Increase (decrease)	Year-on-year (%)
Net sales	40,314	37,681	(2,632)	(6.5)
Profit before income taxes	2,776	2,021	(754)	(27.2)

In this segment, net sales decreased by 6.5% year-on-year to 37,681 million yen, mainly due to sluggish market conditions in the performance chemicals field. Segment profit (profit before income taxes) decreased by 27.2% year-on-year to 2,021 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)

	Three months ended Jun. 30, 2024	Three months ended Jun. 30, 2025	Increase (decrease)	Year-on-year (%)
Net sales	156	149	(7)	(4.6)
Profit before income taxes	136	129	(6)	(5.1)

In this segment, net sales decreased by 4.6% year-on-year to 149 million yen, mainly due to the sluggish automobile sales to Europe. Segment profit (profit before income taxes) decreased by 5.1% year-on-year to 129 million yen.

(2) Overview of Financial Position for the Current Quarterly Consolidated Accounting Period

(Assets)

Total assets at the end of the quarterly consolidated period under review were 139,954 million yen, a decrease of 6,122 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 4,877 million yen in software in progress, 2,626 million yen in notes and accounts receivable-trade, 2,036 million yen in cash and deposits, 440 million yen in goods in transit, and 324 million yen in merchandise and finished goods, partially offset by an increase of 4,607 million yen in software.

(Liabilities)

Liabilities at the end of the quarterly consolidated period under review were 48,390 million yen, a decrease of 5,584 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 3,769 million yen in notes and accounts payable-trade, 1,336 million yen in income taxes payable, and 699 million yen in provision for bonuses.

(Net assets)

Net assets at the end of the quarterly consolidated period under review were 91,564 million yen, a decrease of 537 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 2,007 million yen due to the payment of dividends and 1,172 million yen in foreign currency translation adjustment, partially offset by an increase of 2,505 million yen resulting from the recording of net profit attributable to owners of parent and an increase of 180 million yen in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

There have been no changes to the consolidated financial results forecast announced on April 28, 2025.

The financial results forecast is based on the information available at the time of publication and certain assumptions that the Company judges as rational. As such, actual financial results may vary significantly due to various reasons.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	As of Mar. 31, 2025	As of Jun. 30, 2025
Assets		
Current assets		
Cash and deposits	22,812	20,775
Deposits paid to subsidiaries and associates	1,002	1,000
Notes and accounts receivable - trade	72,161	69,534
Merchandise and finished goods	17,350	17,025
Work in process	1,133	1,255
Raw materials and supplies	47	10
Goods in transit	1,759	1,319
Other	5,489	4,874
Allowance for doubtful accounts	(191)	(135)
Total current assets	121,566	115,660
Non-current assets		
Property, plant and equipment	1,791	1,951
Intangible assets		
Goodwill	243	196
Customer-related assets	692	667
Software	363	4,970
Software in progress	4,878	1
Other	18	17
Total intangible assets	6,197	5,853
Investments and other assets	16,521	16,488
Total non-current assets	24,509	24,293
Total assets	146,076	139,954
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,597	36,828
Short-term borrowings	1,384	1,348
Current portion of long-term borrowings	19	—
Income taxes payable	2,036	700
Provision for bonuses	1,281	581
Provision for loss on liquidation of subsidiaries and associates	42	42
Other	5,195	5,248
Total current liabilities	50,556	44,749
Non-current liabilities		
Deferred tax liabilities	1,042	1,161
Provision for share awards	109	126
Retirement benefit liability	2,108	2,116
Other	158	236
Total non-current liabilities	3,418	3,640
Total liabilities	53,974	48,390

(Unit: Millions of yen)

	As of Mar. 31, 2025	As of Jun. 30, 2025
Net assets		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	2,152	2,152
Retained earnings	76,071	76,580
Treasury shares	(921)	(921)
Total shareholders' equity	84,101	84,610
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,112	2,293
Deferred gains or losses on hedges	3	(44)
Foreign currency translation adjustment	5,724	4,551
Remeasurements of defined benefit plans	67	66
Total accumulated other comprehensive income	7,907	6,866
Non-controlling interests	92	86
Total net assets	92,101	91,564
Total liabilities and net assets	146,076	139,954

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

Quarterly Consolidated Statements of Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2024	Three months ended Jun. 30, 2025
Net sales	76,974	71,577
Cost of sales	67,108	61,510
Gross profit	9,865	10,067
Selling, general and administrative expenses	6,248	6,781
Operating profit	3,616	3,286
Non-operating income		
Interest income	236	112
Dividend income	170	149
Share of profit of entities accounted for using equity method	—	77
Foreign exchange gains	307	—
Reversal of allowance for doubtful accounts	780	65
Gain on adjustment of accounts payable	6	6
Miscellaneous income	32	27
Total non-operating income	1,533	439
Non-operating expenses		
Interest expenses	41	33
Loss on sale of notes receivable - trade	243	80
Share of loss of entities accounted for using equity method	4	—
Foreign exchange losses	—	333
Miscellaneous expenses	1	1
Total non-operating expenses	291	448
Ordinary profit	4,858	3,277
Extraordinary income		
Gain on sale of investment securities	770	6
Gain on sale of non-current assets	0	0
Total extraordinary income	770	7
Extraordinary losses		
Loss on valuation of investment securities	—	43
Loss on disposal of non-current assets	0	2
Total extraordinary losses	0	45
Profit before income taxes	5,629	3,238
Income taxes - current	1,300	603
Income taxes - deferred	147	130
Total income taxes	1,448	733
Net profit	4,180	2,504
Net profit (loss) attributable to non-controlling interests	23	(0)
Net profit attributable to owners of parent	4,157	2,505

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2024	Three months ended Jun. 30, 2025
Net Profit	4,180	2,504
Other comprehensive income		
Valuation difference on available-for-sale securities	(316)	180
Deferred gains or losses on hedges	239	(47)
Foreign currency translation adjustment	997	(961)
Remeasurements of defined benefit plans, net of tax	(0)	(1)
Share of other comprehensive income of entities accounted for using equity method	161	(216)
Total other comprehensive income	1,081	(1,046)
Comprehensive income	5,262	1,458
Comprehensive income attributable to:		
Owners of parent	5,236	1,464
Non-controlling interests	26	(5)

(3) Notes to Quarterly Consolidated Financial Statements

(Note regarding assumptions of a going concern)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

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 first quarter 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- to long-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 quarterly consolidated period under review.

(Notes on segment information, etc.)

[Segment information]

For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal				
Net sales								
Net sales to outside customers	36,477	40,314	156	76,948	25	76,974	—	76,974
Inter-segment net sales or transfers	—	—	—	—	114	114	(114)	—
Total	36,477	40,314	156	76,948	140	77,088	(114)	76,974
Segment profit	2,591	2,776	136	5,504	19	5,523	105	5,629

- 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 105 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 quarterly consolidated statements of income.

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal				
Net sales								
Net sales to outside customers	33,720	37,681	149	71,551	25	71,577	—	71,577
Inter-segment net sales or transfers	—	—	—	—	129	129	(129)	—
Total	33,720	37,681	149	71,551	154	71,706	(129)	71,577
Segment profit	1,514	2,021	129	3,665	19	3,684	(446)	3,238

- 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 446 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 quarterly consolidated statements of income.

2. 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 first quarter 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- to long-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.

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the current quarterly consolidated accounting period have not been prepared.

Depreciation expenses (including amortization expenses pertaining to intangible assets excluding goodwill) and amortization expenses of goodwill pertaining to the quarterly consolidated period under review are as follows.

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	226 million yen	430 million yen
Amortization of goodwill	49 million yen	49 million yen