Translation — Original text in Japanese

FY03/2026 Q2

(April 1, 2025 to September 30, 2025)

Financial Results Materials

(Highlights)

October 30, 2025

CHORI CO., LTD.

Key Points of the Summary

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POINT

Promoting the Medium-Term Management Plan "Chori Innovation Plan 2025 (CIP2025)"

- Gross profit margin improvement in progress for achieving the business results forecast for FY03/2026, the final year of CIP2025.

Business results summary

- **Net sales and profit decreased YoY.**

Financial base

- **Equity ratio 65.6% Maintained at a high level.**
- **ROE[*1] 11.0%**
- **ROIC[*2] 10.3%**

*1: Net profit attributable to owners of parent (annual basis)
*2: ROIC = Operating profit after income taxes (annual basis) / Invested capital (Equity + Interest-bearing debt) average during the period

Topics

- **Launched the new medium-term management plan development project. Established dedicated working teams for business strategy, financial strategy, non-financial strategy, human capital, and digital transformation. Considering measures aimed at becoming the company of choice.**
- **Selected as a component of the JPX-Nikkei Mid and Small Cap Index for the second consecutive year.**

Business Results Breakdown (YoY Comparison)

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- The Japanese economy continues to show a moderate recovery trend, with employment and income conditions remaining firm. The outlook for the global economy is uncertain mainly due to a slowdown in domestic demand in China and U.S. tariff policies.
- Net sales decreased mainly due to a market downturn and exchange rate impacts. Although the gross profit margin improved, operating profit declined due to the effect of decreased sales and the inability to absorb the increase in SG&A expenses. Moreover, profit before income taxes significantly decreased mainly due to the rebound of the reversal of allowance for doubtful accounts and the gain on sale of investment securities recorded in FY03/2025 H1.

Unit: billions of yen	FY03/2025 Apr.-Sep.	FY03/2026 Apr.-Sep.	Difference	Ratio
Net sales	**154.5**	**145.0**	**-9.5**	**-6.1%**
Gross profit	**20.4**	**20.3**	**-0.0**	**-0.2%**
Selling, general and administrative expenses	**13.0**	**13.7**	**+0.7**	**+5.6%**
Operating profit	**7.4**	**6.6**	**-0.8**	**-10.5%**
Ordinary profit	**8.6**	**6.8**	**-1.7**	**-20.1%**
Profit before income taxes	**9.3**	**6.9**	**-2.5**	**-26.4%**
Net profit attributable to owners of parent	**7.0**	**5.1**	**-1.9**	**-27.3%**

Reasons for Changes in Profit before Income Taxes

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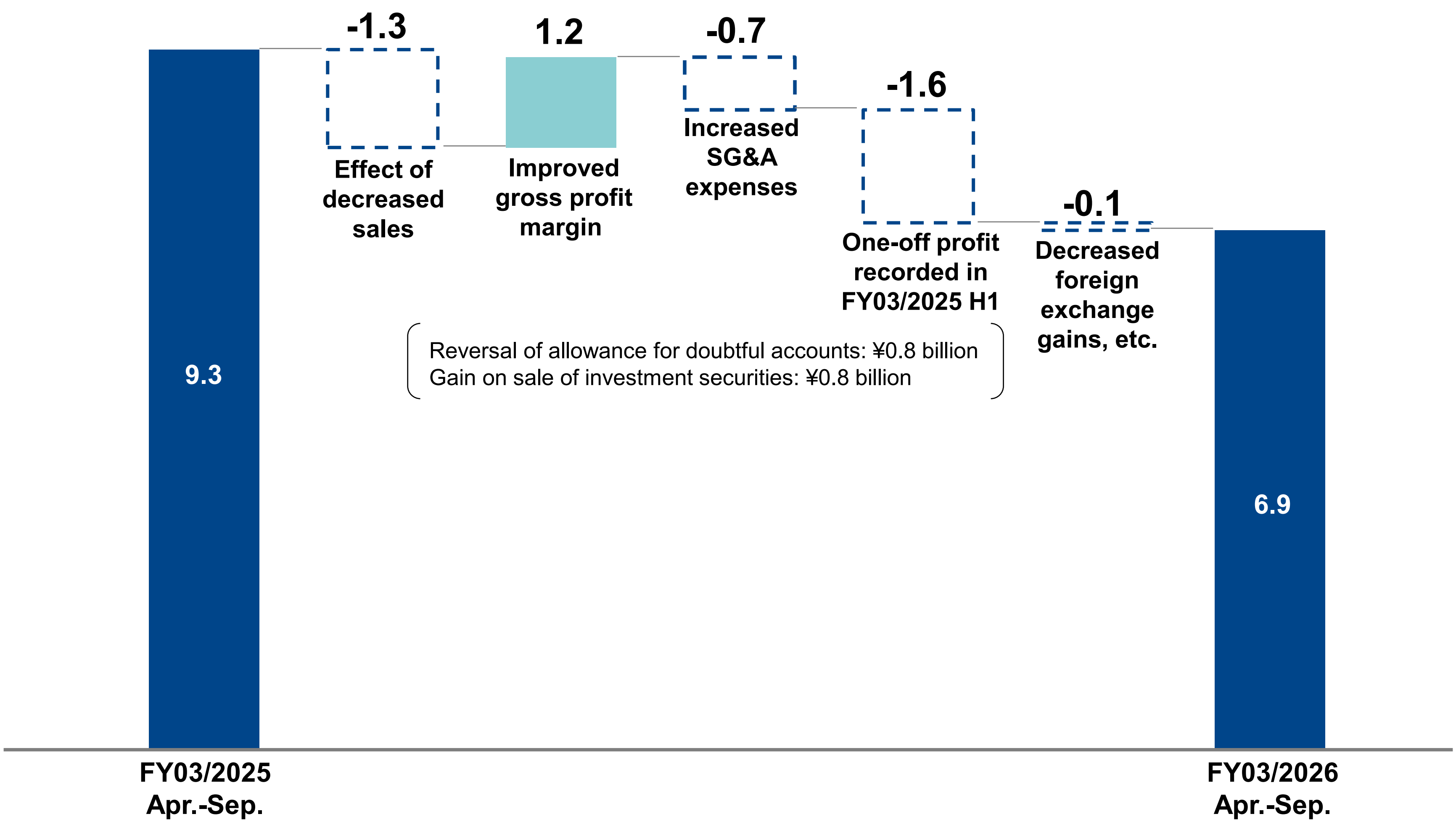
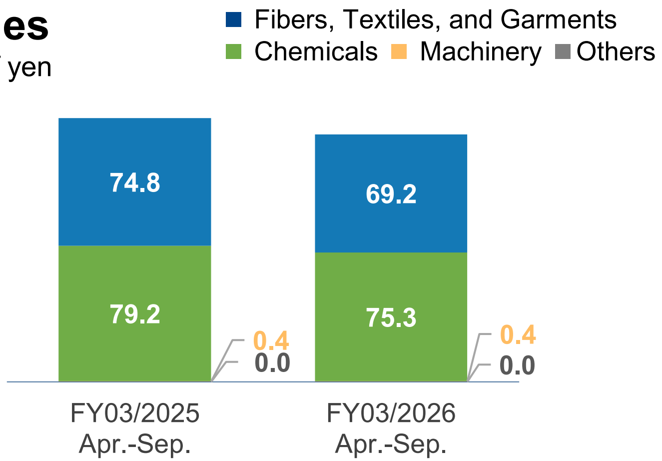
Unit: billions of yen



Segment Results

Net sales

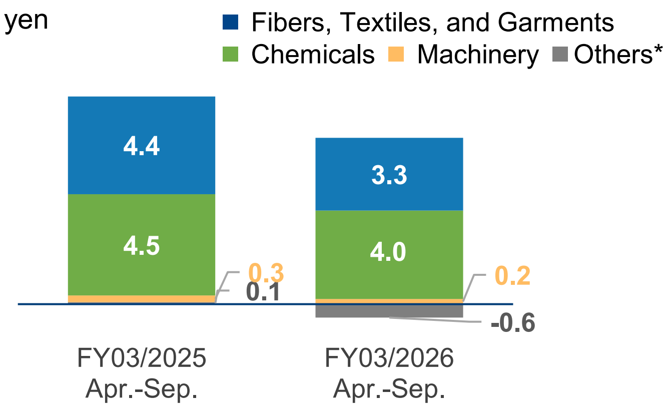
Unit: billions of yen



	FY03/2025 Apr.-Sep.	FY03/2026 Apr.-Sep.	Difference
Fibers, Textiles, and Garments	74.8	69.2	-5.5
Chemicals	79.2	75.3	-3.9
Machinery	0.4	0.4	-0.1
Others	0.0	0.0	-0.0
Total	154.5	145.0	-9.5

Profit (loss) before income taxes

Unit: billions of yen



	FY03/2025 Apr.-Sep.	FY03/2026 Apr.-Sep.	Difference
Fibers, Textiles, and Garments	4.4	3.3	-1.1
Chemicals	4.5	4.0	-0.6
Machinery	0.3	0.2	-0.1
Others*	0.1	-0.6	-0.7
Total	9.3	6.9	-2.5

*“Others” includes adjustments.

Fibers, Textiles, and Garments

Decreased sales and profit

Sluggish Automotive seat materials
Textile product sectors

Slowdown Textile sales to the Middle East and China

Decreased Rebound of the gain on sale of investment securities

Chemicals

Decreased sales and profit

Recovery Fine chemicals

Sluggish Performance chemicals

Decreased Rebound of the reversal of allowance for doubtful accounts

Machinery

Decreased sales and profit

Steady Automotive sales for the Central and South American market

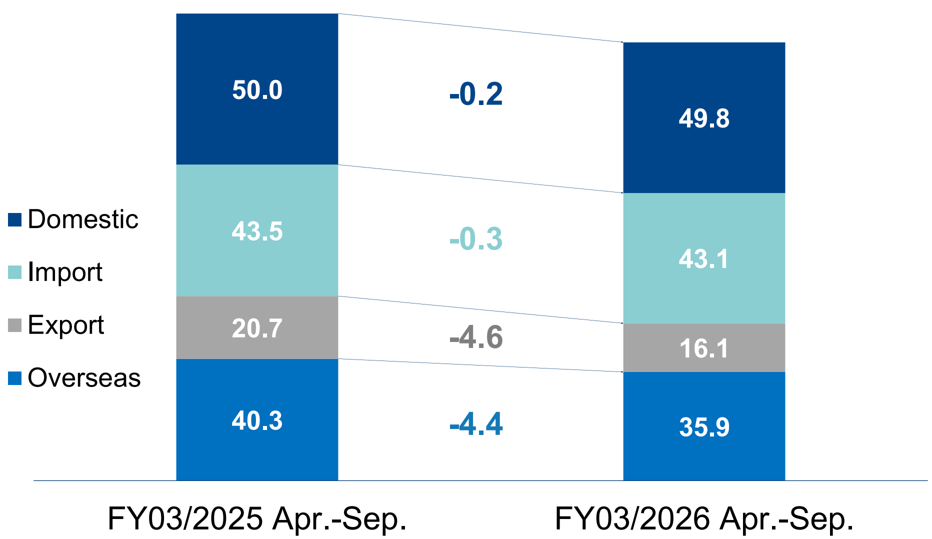
Net Sales by Operation

POINT

- Domestic sales decreased in the Chemicals business. Import sales decreased in the Fibers, Textiles, and Garments business. Shipments for the overseas market (export and overseas) decreased in both the Fibers, Textiles, and Garments business and the Chemicals business.
- Trade ratio: 65.6%　2.0pt decrease YoY

Unit: billions of yen

	FY03/2025 Apr.-Sep.	FY03/2026 Apr.-Sep.	Diff.
Net sales	154.5	145.0	-9.5
Overseas transactions	104.5	95.1	-9.3
Trade ratio	67.6%	65.6%	-2.0pt



Domestic sales	Amount of domestic sales from domestic suppliers

Overseas transactions

Import sales	Amount of net sales from overseas to Japan
Export sales	Amount of net sales from Japan to overseas
Overseas sales	Amount of net sales from overseas business

Financial Position

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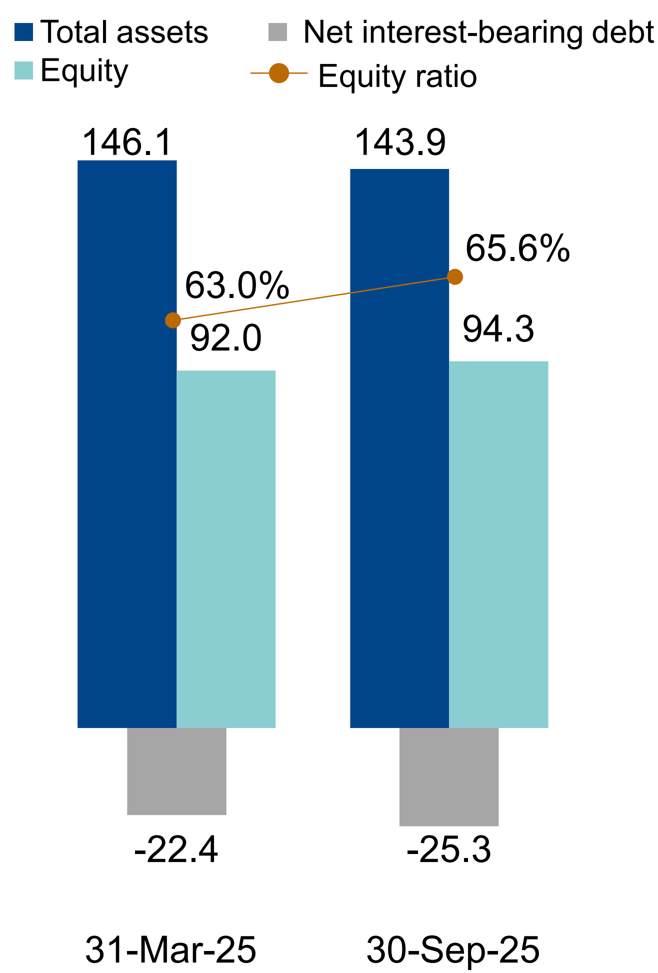
Unit: billions of yen



Financial soundness

	31-Mar-25	30-Sep-25	Difference
Total assets	**146.1**	**143.9**	**-2.2**
Net interest-bearing debt	**-22.4**	**-25.3**	**-2.9**
Equity	**92.0**	**94.3**	**+2.3**
Equity ratio	**63.0%**	**65.6%**	**+2.6pt**

Profitability/Capital efficiency

	31-Mar-25	30-Sep-25*3	Difference
ROA*1	**8.1%**	**7.1%**	**-1.0pt**
ROE*1	**13.4%**	**11.0%**	**-2.4pt**
ROIC*2	**11.1%**	**10.3%**	**-0.8pt**
(Reference) ROA (Ordinary profit basis)	**11.2%**	**9.4%**	**-1.8pt**

*1: Net profit attributable to owners of parent basis
*2: ROIC = Operating profit after income taxes / Invested capital (Equity + Interest-bearing debt) average during the period
*3: Annual basis

Cash Flows

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- Operating activities : Provided ¥5.9 billion due to profit before income taxes (+¥6.9 billion) and others
- Investing activities : Used ¥0.4 billion due to purchase of property, plant and equipment (-¥0.1 billion) and others
- Financing activities : Used ¥2.3 billion due to dividend payments (-¥2.0 billion) and others

(+: cash in, -: cash out)

Unit: billions of yen	FY03/2025 Apr.-Sep.	FY03/2026 Apr.-Sep.	Difference
Cash flows from operating activities	2.1	5.9	+3.9
Cash flows from investing activities	0.2	-0.4	-0.6
Cash flows from financing activities	-2.1	-2.3	-0.2
Effect of exchange rate change on cash and cash equivalents	0.9	-0.8	-1.6
Total cash flows	1.0	2.4	+1.4
Cash and cash equivalents at end of period	22.0	25.6	+3.5

FY03/2026 Business Results Forecast

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- **In the final year of CIP2025, we are establishing the foundation for our growth strategy. The new mission-critical system (SAP) went into operation. Although net sales are expected to fall short of the planned target of the final year of CIP2025, we will continue to improve profitability and secure stable profits.**
- **FY03/2026 H1 results progressed largely as anticipated.**

Unit: billions of yen		FY03/2026 Apr.-Sep. Result	FY03/2026 Forecast	FY03/2026 Progress rate	FY03/2025 Result
Net sales		145.0	330.0	43.9%	311.5
	Fibers, Textiles, and Garments	69.2	166.0	41.7%	152.7
	Chemicals	75.3	163.0	46.2%	157.9
	Machinery	0.4	1.0	35.5%	0.9
	Others	0.0	—	—	0.1
Profit (loss) before income taxes		6.9	16.0	42.8%	16.3
	Fibers, Textiles, and Garments	3.3	7.8	41.9%	7.7
	Chemicals	4.0	8.9	44.5%	8.9
	Machinery	0.2	0.3	76.3%	0.6
	Others*	-0.6	-1.0	—	-0.9
Net profit attributable to owners of parent		5.1	11.0	46.5%	11.7

*“Others” includes adjustments.

FY03/2026 Dividend

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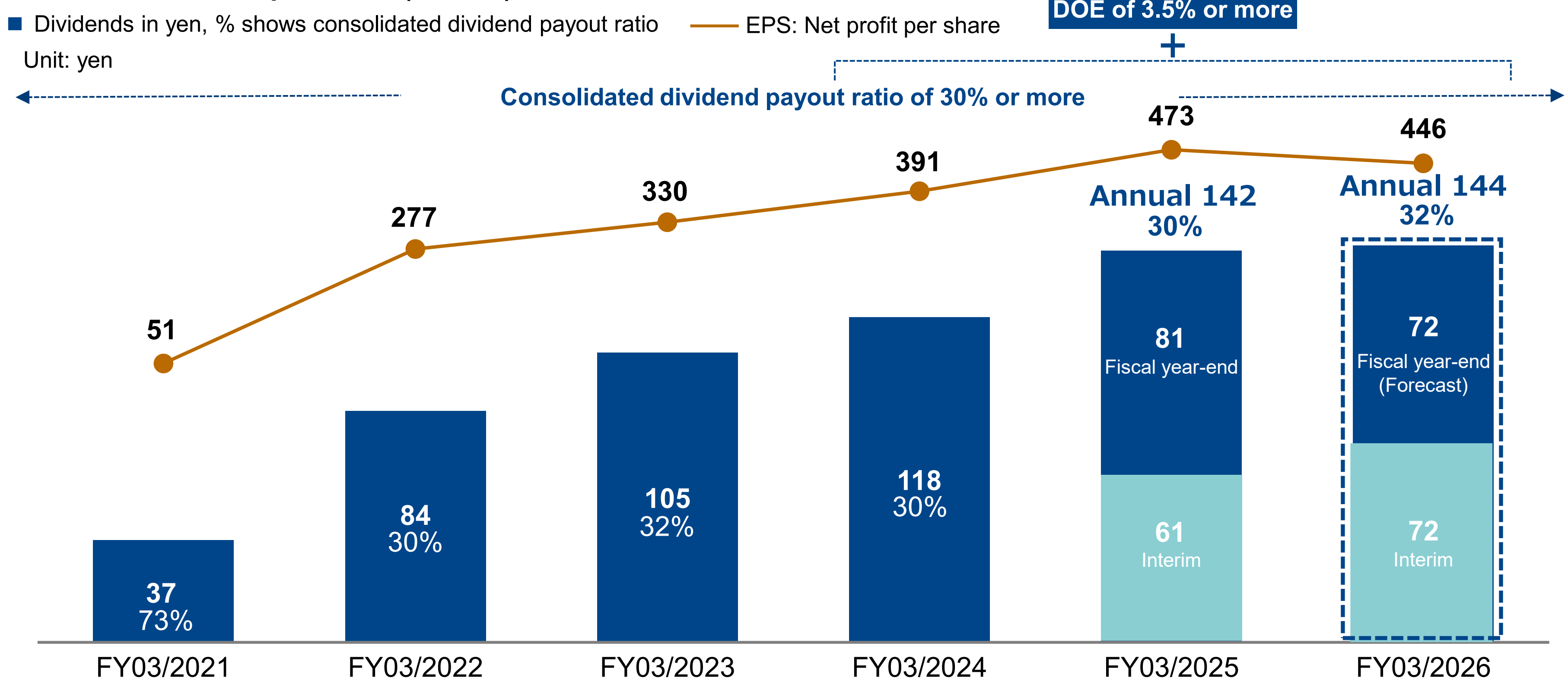
Basic dividend policy

- The Company's policy is to provide performance-based dividends in accordance with the levels of net profit attributable to owners of parent with a view to continuously and stably returning profits to shareholders and ensuring stable management and finances.
- Dividend policy: Consolidated dividend payout ratio of 30% and dividend on equity ratio (DOE) of 3.5% or more

FY03/2026 Annual dividend forecast

Based on the business results forecast announced on April 28, 2025 and the policy above, an interim dividend of ¥72 per share will be paid. The annual dividend forecast is ¥144 per share (year-end dividend of ¥72 per share).

Trends in dividends per share (Annual)



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