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(Securities Code 8014)

June 2, 2026

(Date of commencement of electronic provision measures: May 27, 2026)

To Shareholders with Voting Rights:

Tatsuyuki Sakoda
President, CEO & COO
Chori Co., Ltd.
4-2-13, Awajimachi, Chuo-ku,
Osaka, Japan

**NOTICE OF
THE 79TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We are pleased to announce that the 79th Annual General Meeting of Shareholders of Chori Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and thus posted the matters subject to electronic provision on the Company’s website on the Internet as the “Notice of the 79th Annual General Meeting of Shareholders.”

The Company’s website: <https://www.chori.co.jp/english/ir/stock/assembly/>

In addition to the above website, matters subject to electronic provision are also made available on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website below, enter “CHORI” into “Issue name (company name)” or “8014” into “Code,” and select “Basic information” and “Documents for public inspection/PR information” in that order to find “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” in the “Filed information available for public inspection” section.

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please review the information in the Reference Documents for the General Meeting of Shareholders as stated below and submit your vote by no later than 5:30 p.m. on Wednesday, June 17, 2026, with reference to the Guidance for Exercising Your Voting Rights described on pages 3 to 4.

Date and Time: Thursday, June 18, 2026 at 10:00 a.m. Japan time (Reception opens at 9:30 a.m.)

Place: Shinagawa Intercity Hall, located at 2-15-4, Konan, Minato-ku, Tokyo, Japan

Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 79th Fiscal Year (April 1, 2025 - March 31, 2026) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
 2. Nonconsolidated Financial Statements for the Company's 79th Fiscal Year (April 1, 2025 - March 31, 2026)

Proposals to be resolved:

- Proposal No. 1:** Election of Five (5) Directors (Excluding Directors on the Audit & Supervisory Committee Member)
- Proposal No. 2:** Election of Four (4) Directors on the Audit & Supervisory Committee Member

- In the event of any revisions to the matters subject to electronic provision, the revised information will be posted on the aforementioned websites where such matters are posted.
- The following matters are not included in the document delivered to the shareholders who requested the delivery of the document, pursuant to the provisions of laws and regulations and the Articles of Incorporation of the Company. Therefore, this document is a part of the documents audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing the Audit Report.
 - Business Report: "Accounting Auditor" and "Company's Systems and Policies"
 - Consolidated Financial Statements: "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements"
 - Nonconsolidated Financial Statements: "Nonconsolidated Statement of Changes in Equity" and "Notes to the Nonconsolidated Financial Statements"

Guidance for Exercising Your Voting Rights

Please review the information in the Reference Documents for the General Meeting of Shareholders provided below and exercise your voting rights.

You can exercise your voting rights through any of the three methods set out below.

Exercising of Voting Rights by attending the General Meeting of Shareholders

Date and time of the General Meeting of Shareholders: Thursday, June 18, 2026 at 10:00 a.m. Japan time

Please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue. In addition, attendees are requested to bring the Notice of the 79th Annual General Meeting of Shareholders (this document) with them.

Exercise of Voting Rights in Writing

Deadline for the exercise of voting rights: Wednesday, June 17, 2026 at 5:30 p.m. Japan time

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us by the deadline.

Exercise of Voting Right via the Internet

Deadline for the exercise of voting rights: Wednesday, June 17, 2026 at 5:30 p.m. Japan time

Please access the Website for Exercising Voting Rights using a PC, smartphone or mobile phone to indicate your vote for or against the proposals.

Website for Exercising Voting Rights: <https://soukai.mizuho-tb.co.jp/>

For more information, please read the instructions on the next page.

- When exercising your voting rights by proxy, (1) a letter of attorney signed by the shareholder, the grantor, or with his/her signature and seal and (2) Voting Rights Exercise Form of the shareholder, the grantor, or other documents to confirm the identification of the shareholder, need to be submitted.
A proxy is limited to one shareholder who owns the Company's Voting Rights as stipulated in the Articles of Incorporation of the Company.
- If there is no indication of your vote for or against each proposal when you exercise your voting rights in writing, the Company will deem that you have voted for the proposals.
- If you exercise your voting rights both via the Voting Rights Exercise Form and the Internet, the vote exercised via the Internet will be recognized as valid. If you exercise your voting rights several times via the Internet, only the final vote will be deemed valid.

Guidance for Exercising your Voting Rights via the Internet

Scanning the QR Code “Smart Exercise”

1. Scan the QR code on the bottom right of your Voting Rights Exercise Form.
 2. Please follow the instructions on the screen to indicate your vote for or against the proposals.
- You can log in to the Website for Exercising Voting Rights without entering your voting rights exercise code or password.

You can only exercise your voting rights once using “Smart Exercise”.

If you would like to change your votes after exercising your voting rights, please access the PC website and log in by entering the “voting rights exercise code” and “password” provided on the back of the right-hand side of your Voting Rights Exercise Form, and exercise your voting rights again.

*If you scan the QR code again, you can access the PC website.

Entering your voting rights exercise code and password

Website for Exercising Voting Rights URL: <https://soukai.mizuho-tb.co.jp/>

1. Access the Website for Exercising Voting Rights.
2. Enter the “voting rights exercise code” provided on your Voting Rights Exercise Form.
3. Enter the “password” provided on your Voting Rights Exercise Form.
4. Please follow the instructions on the screen to indicate your vote for or against the proposals.

Inquiries

- Contact information for PC related technical inquiries
Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
Internet related technical support
Telephone: 0120-768-524 (Weekdays from 9:00 a.m. to 9:00 p.m.)
- Contact for other inquiries for stock-related administrative work
Telephone: 0120-288-324 (Weekdays from 9:00 a.m. to 5:00 p.m.)
- The password serves as a tool to verify the voter’s identity. Please be sure to keep it in a safe place until the conclusion of this General Meeting of Shareholders. We are unable to provide your password over the phone.
- If you enter the wrong password for a specified number of times in succession, the web page will be locked and become unusable. In this case, you need to follow the instructions on the screen to try again.
- Please understand that shareholder is solely responsible for any expenses incurred to connect to the Internet.
- The Company has tested and confirmed the operation of the Website for Exercising Voting Rights, using general Internet access devices, but certain types of devices may not be able to access the website.
- If you are an institutional investor, you may use the Electronic Voting System Platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1 Election of Five (5) Directors (Excluding Directors on the Audit & Supervisory Committee Member)

All of five (5) Directors (excluding Directors on the Audit & Supervisory Committee Member) of the Company will complete their terms of office at the conclusion of this General Meeting of Shareholders. The Company proposes the election of five (5) Directors (excluding Directors on the Audit & Supervisory Committee Member).

This proposal was determined by the Board of Directors after deliberation on the proposal by the Governance Committee, which is an advisory body for the Board of Directors. It was also reviewed by the Audit & Supervisory Committee, and no objection was raised.

The candidates for Directors (excluding Directors on the Audit & Supervisory Committee Member) are as follows:

No.		Name	Gender (Age)	Term of office	Current positions at the Company
1	[Reappointment]	Tatsuyuki Sakoda	Male (61 years old)	4 years	President, CEO & COO President and Executive Officer
2	[New appointment]	Yasutaka Kawamura	Male (55 years old)	—	Senior Executive Officer
3	[New appointment]	Hiroshi Yamada	Male (61 years old)	—	
4	[New appointment]	Kaoru Inoue	Female (54 years old)	—	
5	[Reappointment] [Outside Director] [Independent Director]	Chizu Sekine	Female (62 years old)	1 year	Outside Director

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 Tatsuyuki Sakoda November 4, 1964 61 years old Male [Term of office as Director] 4 years [Reappointment]	Apr. 1989 Joined the Company Jun. 2018 Executive Officer, Deputy General Manager of Corporate Planning Division and Department Manager of Corporate Management Department of the Company, and President of CHORI AMERICA, INC. Jun. 2020 Executive Officer of the Company, President & CEO of Miyako Kagaku Co., Ltd. Jun. 2021 Senior Executive Officer of the Company, President & CEO of Miyako Kagaku Co., Ltd. Jun. 2022 Director, Managing Executive Officer, General Manager of Corporate Planning Division, Executive Chief Representative for China and General Manager of Pharmacovigilance & Quality Assurance Office of the Company Jun. 2024 President, CEO & COO, and President and Executive Officer of the Company (to present) ■ Reasons for nominating the candidate for Director Since joining the Company in 1989, Mr. Tatsuyuki Sakoda has worked mainly in areas of finance, accounting, and corporate planning. He has extensive experience and strong expertise in corporate management, having served as president of a Group subsidiary. Since his appointment as President, CEO & COO in June 2024, he has been leading the promotion of growth strategies under the Company's medium-term management plan. We believe that he is capable of contributing to sustainable development of the Group and objectively supervising the management of the Company, and have therefore continuously nominated him as a candidate for Director.	9,437 shares

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 Yasutaka Kawamura June 28, 1970 55 years old Male [New appointment]	Apr. 1996 Joined the Company Apr. 2018 Vice President of CHORI (CHINA) CO., LTD. Jun. 2024 Executive Officer, Deputy General Manager of Corporate Planning Division of the Company, and President of Chori Machinery Co., Ltd. Apr. 2025 Executive Officer, Deputy General Manager of Corporate Planning Division of the Company, Responsible for promoting the Companywide Business Transformation Project, and President of Chori Machinery Co., Ltd. Apr. 2026 Senior Executive Officer, General Manager of Corporate Planning Division, Executive Chief Representative for China, and Manager of Affiliate Business Department of the Company (to present)	3,300 shares
■ Reasons for nominating the candidate for Director Mr. Yasutaka Kawamura has been with the Company since 1996, working mainly in finance and accounting, corporate planning, and IR and public relations. After serving as President of Chori Machinery Co., Ltd. and as the person responsible for promoting the Companywide Business Transformation Project, he has been serving as Senior Executive Officer, General Manager of Corporate Planning Division, Executive Chief Representative for China, and Manager of Affiliate Business Department of the Company since 2026. He has abundant business experience in the Company and the Group and broad knowledge in all the areas of management of a trading company. We believe that he is capable of carrying out appropriate business execution and objectively supervising the management of the Company, and have therefore newly nominated him as a candidate for Director.			

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Hiroshi Yamada January 30, 1965 61 years old Male [New appointment]	Apr. 1990 Joined TORAY INDUSTRIES, INC. Jun. 2013 General Manager, Women's & Men's Wear Fabrics Department of TORAY INDUSTRIES, INC. Apr. 2016 Director of Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd. Dec. 2017 Vice President and Director of Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd. Dec. 2022 Executive Vice President of Toray Textiles (Thailand) Public Company Limited May 2023 Director of Toray Industries (Thailand) Co., Ltd., President of Toray Textiles (Thailand) Public Company Limited Apr. 2025 Standing Director of TORAY INDUSTRIES, INC. and Representative of Toray in Thailand, President of Toray Industries (Thailand) Co., Ltd., and President of Toray Textiles (Thailand) Public Company Limited Apr. 2026 Executive Advisor of Affiliated Companies Division, of TORAY INDUSTRIES, INC. (to present)	0 shares
■ Reasons for nominating the candidate for Director Mr. Hiroshi Yamada joined TORAY INDUSTRIES, INC. in 1990 and has worked in the fiber and textiles business for many years. He has abundant experience and knowledge and deep expertise in the fiber and textiles business, as well as sufficient knowledge of management gained through his role as the top executive of overseas affiliates of said company. By leveraging this knowledge, expertise, and abundant global business experience, we believe that he is capable of carrying out appropriate business execution in the business areas and fields for which he is responsible and objectively supervising the management of the Company, and have therefore newly nominated him as a candidate for Director.			

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	 Kaoru Inoue July 26, 1971 54 years old Female [New appointment]	Apr. 1994 Joined TORAY INDUSTRIES, INC. May 2015 Deputy General Manager of Management Planning & Administration Division, of TORAY ADVANCED FILM CO., LTD. Apr. 2019 General Manager of Corporate Strategic Planning Division and Investor Relations Department, of TORAY INDUSTRIES, INC. Apr. 2025 Senior Manager of Corporate Strategic Planning Division and responsible for Corporate Communications Division (IR/SR) of TORAY INDUSTRIES, INC. Apr. 2026 Corporate Vice President of Affiliated Companies Division of TORAY INDUSTRIES, INC. (to present) ■ Reasons for nominating the candidate for Director Ms. Kaoru Inoue joined TORAY INDUSTRIES, INC. in 1994 and has worked for many years in the operations of subsidiaries of said company and in its corporate planning division. She has abundant experience and knowledge and deep expertise in such operations, as well as sufficient knowledge regarding the enhancement of corporate value gained through IR and SR operations. By leveraging this knowledge and expertise, we believe that she is capable of objectively supervising the management of the Company from the perspective of corporate management and providing valuable suggestions for achieving sustainable growth, and have therefore newly nominated her as a candidate for Director.	0 shares

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 Chizu Sekine August 11, 1963 62 years old Female [Term of office as Director] 1 year [Reappointment] [Outside Director] [Independent Director]	Apr. 1989 Joined Sumitomo Chemical Co., Ltd. (currently SUMITOMO CHEMICAL COMPANY, LIMITED) Apr. 2013 Associate Officer, Chief Researcher, Advanced Materials Development Laboratory of Sumitomo Chemical Co., Ltd. Apr. 2019 Director and Executive Vice President of Sumika Technical Information Service, Inc. Jun. 2020 President of Sumika Technical Information Service, Inc. Jun. 2024 Outside Director of KOKUSAI ELECTRIC CORPORATION Jul. 2024 Outside Director of rVirogen, Inc. (to present) Mar. 2025 Outside Director of SBS Holdings, Inc. (to present) Jun. 2025 Outside Director of the Company (to present) Outside Director (Audit and Supervisory Committee Member) of KOKUSAI ELECTRIC CORPORATION (to present) ■ Reasons for nominating the candidate for Outside Director and outline of expected roles Ms. Chizu Sekine has been engaged in research and development for many years in the field of electron chemistry and has extensive experience in corporate management as a top executive of Sumika Technical Information Service, Inc., a company that provides chemical technology information. We expect her to objectively supervise management and provide useful suggestions for achieving sustainable growth from a viewpoint of corporate management by leveraging her knowledge and ability. We have therefore continuously nominated her as a candidate for Outside Director. ■ Matters concerning independence Ms. Chizu Sekine is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Regulations for Enforcement of the Companies Act. She satisfies the requirements of an Independent Director as prescribed by the Tokyo Stock Exchange and the Company, and the Company believes that her independence as Outside Director is sufficiently ensured. Accordingly, the Company has registered her as Independent Director with the Tokyo Stock Exchange. If her appointment is approved, the Company will continue to register her as an Independent Director.	0 shares

- (Notes) 1. No material conflict of interest exists between the Company and any of the candidates for Directors.
2. The Company has entered into an agreement with Ms. Chizu Sekine to limit the liability for damages based on the Articles of Incorporation. Under this agreement, the limit of liability for damages shall be the minimum liability amount prescribed in Paragraph 1, Article 425 of the Companies Act, if she performs her duties in good faith and without gross negligence.

Proposal No. 2 Election of Four (4) Directors on the Audit & Supervisory Committee Member

All of four (4) Directors on the Audit & Supervisory Committee Member of the Company will complete their terms of office at the conclusion of this General Meeting of Shareholders. The Company proposes the election of four (4) Directors on the Audit & Supervisory Committee Member.

This proposal was determined by the Board of Directors after deliberation by the Governance Committee, which is an advisory body to the Board of Directors. The Audit & Supervisory Committee has also consented to this proposal.

The candidates for Directors on the Audit & Supervisory Committee Member are as follows:

No.		Name	Gender (Age)	Term of office	Current positions at the Company
1	[New appointment]	Seiji Noma	Male (58 years old)	—	
2	[Reappointment] [Outside Director] [Independent Director]	Masaaki Sawano	Male (72 years old)	8 years	Outside Director on the Audit & Supervisory Committee Member
3	[Reappointment] [Outside Director] [Independent Director]	Hiromasa Suzuki	Male (69 years old)	5 years	Outside Director on the Audit & Supervisory Committee Member
4	[Reappointment] [Outside Director] [Independent Director]	Hiroko Noda	Female (65 years old)	4 years	Outside Director on the Audit & Supervisory Committee Member

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 Seiji Noma October 14, 1967 58 years old Male [New appointment]	Apr. 1991 Joined the Company Apr. 2013 Department Manager of Corporate Accounting Department of the Company Jun. 2018 Representative Director and President of Business Anchor Corporation Jun. 2021 Director and Executive Officer, General Manager of Administrative Division of Sumitex International Company Limited (currently STX Company Limited) (to present) ■Reasons for nominating the candidate for Director on the Audit & Supervisory Committee Member Since joining the Company in 1991, Mr. Seiji Noma has worked mainly in accounting and finance. After serving as Representative Director and President of Business Anchor Corporation, he has served as Director, Executive Officer and General Manager of Administrative Division of STX Company Limited since 2021. We believe that he is capable of objectively supervising the management of the Company by utilizing his abundant business experience in the Group and knowledge related to all the areas of accounting, and have therefore newly nominated him as a candidate for Director on the Audit & Supervisory Committee Member.	3,491 shares

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 Masaaki Sawano March 2, 1954 72 years old Male [Term of office as Director] 8 years (Of which, term of office as Director on the Audit & Supervisory Committee Member: 8 years) [Reappointment] [Outside Director] [Independent Director]	Apr. 1985 Registered as a lawyer Apr. 1990 Joined Itoh & Matsuda Feb. 2003 Founding Partner of CITYYUWA PARTNERS (to present) Sep. 2012 Outside Audit & Supervisory Board Member of Homemade Cooking Co., Ltd. Apr. 2014 Member of Advisory Council on Fundamental Issues in Corporate Management of Urban Renaissance Agency (to present) Chairman of Advisory Council on Fundamental Issues in Corporate Management and Rent Council of Urban Renaissance Agency Jun. 2015 Substitute Audit & Supervisory Board Member of the Company Jun. 2016 Substitute Director on the Audit & Supervisory Committee Member of the Company Apr. 2017 President of Dai-Ichi Tokyo Bar Association, Vice President of Japan Federation of Bar Association Apr. 2018 Summary Court Judge Selection Committee Member of the Supreme Court Member of Business Evaluation Monitoring Committee of Urban Renaissance Agency (to present) Jun. 2018 Outside Director on the Audit & Supervisory Committee Member of the Company (to present) Jun. 2019 Outside Auditor of Japan Federation of Certified Public Tax Accountants' Associations (to present) National Property Kanto Region Deliberation Committee Member of Kanto Local Finance Bureau, Ministry of Finance Dec. 2019 Chairperson of Tokyo Metropolitan Government Election Administration Commission (to present) Oct. 2021 Director of Japan Bar Association Jun. 2023 Outside Auditor of JS Corporation (to present) Apr. 2024 Chairman of Advisory Council on Fundamental Issues in Corporate Management and Rent Council of Urban Renaissance Agency (to present) ■Reasons for nominating the candidate for Outside Director on the Audit & Supervisory Committee Member and outline of expected roles Although Mr. Masaaki Sawano has never been involved in corporate management other than as Outside Audit & Supervisory Board Member, the Company expects him to appropriately perform his duties as Audit & Supervisory Committee Member, on the grounds that he is deeply familiar with corporate legal work as a lawyer and he has sufficient insight to supervise corporate management. Accordingly, we have continuously nominated him as a candidate for Outside Director on the Audit & Supervisory Committee Member.	0 shares

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Hiromasa Suzuki September 21, 1956 69 years old Male [Term of office as Director] 5 years (Of which, term of office as Director on the Audit & Supervisory Committee Member: 4 years) [Reappointment] [Outside Director] [Independent Director]	Apr. 1981 Joined Fujizoki Pharmaceutical Co., Ltd. Mar. 2001 Director of Fujirebio Inc. Director of Fujirebio America, Inc. Feb. 2002 Managing Director of Fujirebio Inc. Mar. 2003 President & CEO of Fujirebio Inc. Jun. 2005 Established Miraca Holdings Inc. President & CEO of Miraca Holdings Inc. Jul. 2005 President & CEO of Fujirebio Inc. Jun. 2006 Director of SRL, Inc. Jun. 2010 Chairman & Representative Director of Fujirebio Inc. Jun. 2014 Chairman & Director of Fujirebio Inc. Oct. 2016 Director, Executive Officer of Miraca Holdings Inc. Jun. 2017 Director of Miraca Holdings Inc. Jun. 2018 Senior Advisor of Miraca Holdings Inc. Jun. 2021 Outside Director of the Company Jun. 2022 Director on the Audit & Supervisory Committee Member of the Company (to present) Outside Director of Nitta Gelatin Inc. (to present) ■Reasons for nominating the candidate for Outside Director on the Audit & Supervisory Committee Member and outline of expected roles Mr. Hiromasa Suzuki has been involved in the management of Fujirebio Inc. for many years and has abundant experience in group management as a top executive of a company, including leading the establishment of Miraca Holdings Inc. We expect him to objectively supervise management from a perspective of corporate management and provide useful suggestions for achieving sustainable growth at the Company, and have therefore continuously nominated him as a candidate for Outside Director on the Audit & Supervisory Committee Member.	0 shares

No.	Name Date of birth Age	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	 Hiroko Noda July 3, 1960 65 years old Female [Term of office as Director] 4 years (Of which, term of office as Director on the Audit & Supervisory Committee Member: 2 years) [Reappointment] [Outside Director] [Independent Director]	Apr. 1987 Joined Minato Audit Corporation (currently KPMG AZSA LLC) Aug. 1987 Joined Tokyo Branch of Prudential Securities Incorporated Mar. 1990 Registered as a certified public accountant, Representative of Noda Certified Public Accountant Office (to present) Aug. 1992 Joined Tokyo Branch of Banque Indosuez S.A. (currently Crédit Agricole CIB) Jun. 2000 Joined Tokyo Branch of Canadian Bank of Commerce Jul. 2006 Joined BUSICOM Co., Ltd. Sep. 2007 Established Prominent Consulting Co., Ltd., Representative Director May 2010 Established Probity Consulting Co., Ltd., Representative Director (to present) Apr. 2014 Part-time lecturer, Graduate School of Asian and International Business Strategy, Asia University (to present) Mar. 2019 External Director of MODEC, Inc. Outside Director (Audit & Supervisory Committee Member) of Okabe Co., Ltd. (to present) Jun. 2021 Outside Director of S.T. CORPORATION (to present) Jun. 2022 Outside Director of the Company Mar. 2024 External Director (Audit and Supervisory Committee Member) of MODEC, Inc. Jun. 2024 Outside Director on the Audit & Supervisory Committee Member of the Company (to present) ■Reasons for nominating the candidate for Outside Director on the Audit & Supervisory Committee Member and outline of expected roles Ms. Hiroko Noda has knowledge, experience and capabilities as a certified public accountant. She also has sufficient knowledge on management based on her abundant experience as an outside director and management consultant. We expect her to objectively supervise management and provide useful suggestions for achieving sustainable growth by leveraging her knowledge and capabilities, and have therefore continuously nominated her as a candidate for Outside Director on the Audit & Supervisory Committee Member.	0 shares

- (Notes) 1. No material conflict of interest exists between the Company and any of the candidates for Directors.
2. Mr. Masaaki Sawano, Mr. Hiromasa Suzuki, and Ms. Hiroko Noda are candidates for Outside Directors. The Company register them as Independent Officers as stipulated by the Tokyo Stock Exchange. If the election of Mr. Masaaki Sawano, Mr. Hiromasa Suzuki, and Ms. Hiroko Noda is approved, they will continue to be Independent Officers.
3. The Company has entered into an agreement with Mr. Masaaki Sawano, Mr. Hiromasa Suzuki, and Ms. Hiroko Noda to limit the liability for damages based on the Articles of Incorporation. Under this agreement, the limit of liability for damages shall be the minimum liability amount prescribed in Paragraph 1, Article 425 of the Companies Act, if they perform their duties in good faith and without gross negligence. In addition, if the election of Mr. Masaaki Sawano, Mr. Hiromasa Suzuki, and Ms. Hiroko Noda is approved, the Company intends to continue the limited liability agreement with each of them.
4. S.T. CORPORATION, in which Ms. Hiroko Noda serves as Outside Director, received an order for action in accordance with the provisions of paragraph (1) of Article 7 of the Act against

Unjustifiable Premiums and Misleading Representations on April 25, 2024. She had not been aware of this conduct of breach until it was revealed, however, at the said company's Board of Directors and other occasions, she has verified the building and operation of internal control system and also reminded them of the importance of legal compliance on regular basis. After this breach was confirmed, she has fulfilled her responsibilities by making proposals for enhanced compliance with laws and regulations and for initiatives to prevent reoccurrence of such conducts and taking other actions.

(Reference) Stance on Corporate Governance and Corporate Governance Structure

1. The Company's Stance on the Appointment of Candidates for Directors

(1) Policies and Procedures for the Appointment of Candidates for Directors

The Board of Directors consists of members with diverse perspectives, experiences, and skills so that it can make transparent, fair, prompt, and decisive decisions. With respect to Outside Directors on the Audit & Supervisory Committee Member, a high degree of independence is ensured in order for them to exercise effective supervisory functions. In addition, they are expected to have a certain level of knowledge of the trading industry to which the Company belongs.

1) Directors (excluding Directors on the Audit & Supervisory Committee Member)

The nomination of candidates for Directors (excluding Directors on the Audit & Supervisory Committee Member) is proposed to the Board of Directors by the President, CEO & COO and the Governance Committee after deliberation by the Governance Committee, and submitted as a proposal to the General Meeting of Shareholders after a resolution of the Board of Directors.

2) Directors (Directors on the Audit & Supervisory Committee Member)

The nomination of candidates for Directors on the Audit & Supervisory Committee Member is also proposed to the Board of Directors by the President, CEO & COO and the Governance Committee after deliberation by the Governance Committee and with the consent of the Audit & Supervisory Committee, and submitted as a proposal to the General Meeting of Shareholders.

(2) Independence of Outside Directors

In accordance with the requirements under the Companies Act and the requirements for independence set forth by the Tokyo Stock Exchange, Inc., the Company determines independence based on the fact that there is no special personal relationship, capital relationship, or other interests between the Company and Outside Directors.

(3) Composition of the Board of Directors

In order to ensure the objectivity and appropriateness of the Board of Directors, one-third or more of Directors are Outside Directors, and thereby the Company is striving to strengthen corporate governance.

Skill Matrix of the Board of Directors after the General Meeting of Shareholders (Planned)

The skill matrix of the Board of Directors if the candidates described in this Notice are elected as proposed is as follows.

The skill matrix required for Directors of the Company is reviewed as necessary in light of changes in the external environment and the management strategies and management plans.

Name	Positions	Expertise and Experience					
		Corporate Management	Global	Finance and Accounting	Risk Management	Sales and Marketing	Sustainability and ESG
■ Tatsuyuki Sakoda	President, CEO & COO President and Executive Officer	•	•	•	•		•
■ Yasutaka Kawamura	Director Senior Executive Officer	•	•	•	•		•
■ Hiroshi Yamada	Director Executive Officer	•	•			•	
□ Kaoru Inoue	Director						•
□ Chizu Sekine	Outside Director	•	•				•
■ Seiji Noma	Director Audit & Supervisory Committee Member	•		•	•		
■ Masaaki Sawano	Outside Director Audit & Supervisory Committee Member				•		
■ Hiromasa Suzuki	Outside Director Audit & Supervisory Committee Member	•				•	
□ Hiroko Noda	Outside Director Audit & Supervisory Committee Member			•	•		•

(Note) The above table represents expertise expected by a company and does not represent all the knowledge possessed by each officer.

■ Male □ Female

<Definition of each skill>

Corporate Management

Has experience as a corporate manager and has considerable knowledge of organization management of a whole group as well as management strategies.

Global

Has experience working overseas and of management in an overseas company, and has considerable knowledge of global corporate management.

Finance and Accounting

Is a certified public accountant or a certified public tax accountant, or has experience engaging in finance and accounting in finance and accounting departments, etc. at a corporation, and has considerable knowledge of these fields.

Risk Management

Has business experience in the fields of risk management, corporate legal affairs and compliance, and has considerable knowledge in supervising corporate management.

Sales and Marketing

Has business experience in a sales department, and has considerable knowledge of sales and marketing in a wide range of business domains.

Sustainability and ESG

Has experience in corporate management aiming for sustainable growth, and has considerable knowledge of sustainability and ESG.

2. Basic Stance on Corporate Governance

The corporate philosophy of Chori and its subsidiaries (the “Chori Group”) says, “As members of the global community, we will work for the betterment of society. We take pride in being fair and sincere, and in continuing to offer superb service in order to deliver superior customer satisfaction.”

Based on this corporate philosophy, aiming for sound management and sustainable growth, CHORI CO., LTD. (the “Company”) is working to develop a structure to ensure the appropriateness of its operations.

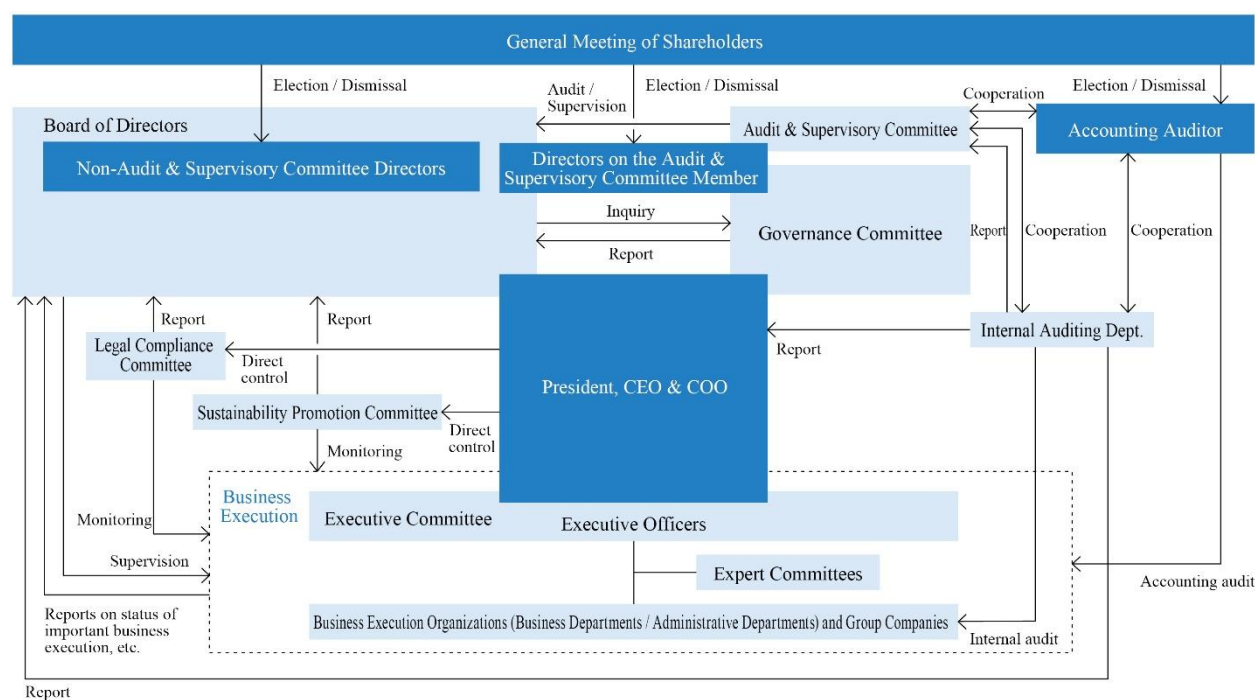
The Company positions the Board of Directors as a body to make strategic decisions and oversee business, and is striving to strengthen corporate governance while complying with laws and social norms, conducting operations effectively and efficiently, and ensuring the reliability of financial reporting.

To further strengthen the transparency and oversight function of the Board of Directors, the Company has an Audit & Supervisory Committee in place, the majority of which consists of outside directors. Directors who are Audit & Supervisory Committee members exercise voting rights at Board of Directors’ meetings. To deepen discussions at Board meetings, the maximum number of directors (excluding those who are members of the Audit & Supervisory Committee) is limited to 10, and the term of office of directors (excluding those who are members of the Audit & Supervisory Committee) and executive officers is set at one year to ensure a results-centered approach. The number of directors who are members of the Audit & Supervisory Committee is limited to five. The Governance Committee, established as a voluntary advisory body to the Board of Directors, consists of the president, CEO & COO and two outside directors who satisfy the requirements for independent directors as stipulated by the Tokyo Stock Exchange. The majority of the committee’s members are outside directors, and an outside director serves as its chair.

In addition, the Internal Auditing Department carries out internal audits regarding the legitimacy, appropriateness, and effectiveness of business execution as well as anticipated management risks.

The Company has established internal regulations concerning the management of subsidiaries. The regulations provide a certain level of authority and allow for flexibility while ensuring that business operations are appropriately and efficiently executed.

●Corporate Governance Structure



Business Report

(April 1, 2025 - March 31, 2026)

1. Overview of the Company Group

1. Business Progress and Results

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.

2. Trends in Assets and Income

(Millions of Japanese Yen)

Item	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026 (current fiscal year)
Net sales	329,389	307,699	311,546	299,293
Operating profit	12,656	15,039	14,492	13,056
Ordinary profit	12,437	14,476	16,198	14,193
Net profit before income taxes	12,788	14,698	16,316	14,187
Net profit attributable to owners of the parent	8,124	9,624	11,658	12,011
Net profit per share (yen)	330.16	390.87	473.06	487.36
Total assets	143,200	143,350	146,076	153,373
Total net assets	72,158	82,097	92,101	102,444
Net assets per share (yen)	2,932.46	3,330.03	3,733.26	4,152.02

(Notes) 1. Net profit per share is calculated based on the average number of shares during the period, while net assets per share are calculated based on the number of shares outstanding at the end of the period. The total number of shares outstanding at the end of the period does not include treasury shares.

2. The Company has introduced the Board Benefit Trust-Restricted Stock (BBT-RS) effective from fiscal 2024, and the number of shares of the Company held by the trust is recorded as treasury shares.

Accordingly, in calculating the average number of common stock shares outstanding during the period, which is the calculation basis of net profit per share, the number of shares of the Company held by the trust is included in that of treasury shares to be deducted.

In calculating the number of common stock shares outstanding at the end of the period, which is the calculation basis of net assets per share, the number of shares of the Company held by the trust is included in that of treasury shares to be deducted.

Business Performance by Segment

The Group engages in domestic sales, export and import of various products, and overseas transactions, which are classified into four business segments: fibers, textiles and garments, chemicals, machinery, and others as follows.

Fibers, textiles and garments

Major products or services

- 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

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.

Chemicals

Major products or services

- 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

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.

Machinery

Major products or services

- Transportation equipment such as automobiles, motorcycles and trucks and related materials

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

Others

Major products or services

- Office outsourcing services

In this segment, net sales decreased by 6.1% year on year to ¥77 million, and segment income (net profit before income taxes) decreased by 24.9% year on year to ¥19 million.

Fiscal years		Fiscal 2025	Fiscal 2026	Year-on-year comparison	Sales composition ratio
Business segment	Account	Amount	Amount	Increase (decrease) ratio	
		Millions of Japanese Yen	Millions of Japanese Yen	%	%
Fibers, Textiles and Garments	Net sales	152,738	145,775	(4.6)	48.7
	Net profit before income taxes	7,690	7,050	(8.3)	—
Chemicals	Net sales	157,864	152,667	(3.3)	51.0
	Net profit before income taxes	8,873	7,952	(10.4)	—
Machinery	Net sales	860	773	(10.1)	0.3
	Net profit before income taxes	612	346	(43.4)	—
Others	Net sales	82	77	(6.1)	0.0
	Net profit(loss) before income taxes	25	19	(24.9)	—

(Note) Net sales represent net sales from external customers.

3. Capital Investment

The total amount of capital investment in the current fiscal year was ¥977 million, due mainly to the acquisition of false twisting machines in the fibers, textiles, and garments business and the development of a data warehouse (DWH) system.

4. Fund Procurement

The Company has concluded a commitment line contract with a total amount of ¥10,000 million with three financial institutions centered on Mizuho Bank, Ltd. as an arranger for the purpose of stabilizing fund procurement. There is no drawn balance under the commitment line at the end of the current fiscal year.

5. Issues to be Addressed

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 on April 28, 2026, which is “Advancing Expertise, Globalization, and Strategic Business Investment.”

Review of the Previous Medium-Term Management Plan: Chori Innovation Plan 2025

Through continued optimization of the business portfolio, the Company achieved an ordinary profit level consistently in the range of 10.0 billion yen and established a robust, high-profitability business model. To further enhance corporate value, the Group will continue to work on expanding its business domains, promoting sustainability management, strengthening our management foundation through investments in human capital and DX, and addressing risk management.

Chori Innovation Plan 2028 (hereinafter “CIP2028”)

On April 28, 2026, we announced a new medium-term management plan, “CIP2028,” covering the three-year period from fiscal 2027 to fiscal 2029. An overview is provided below.

For details of the medium-term management plan, please refer to the following Company’s website:
Company’s website: <https://www.chori.co.jp/english/ir/management/plan.html>

Vision for the Future

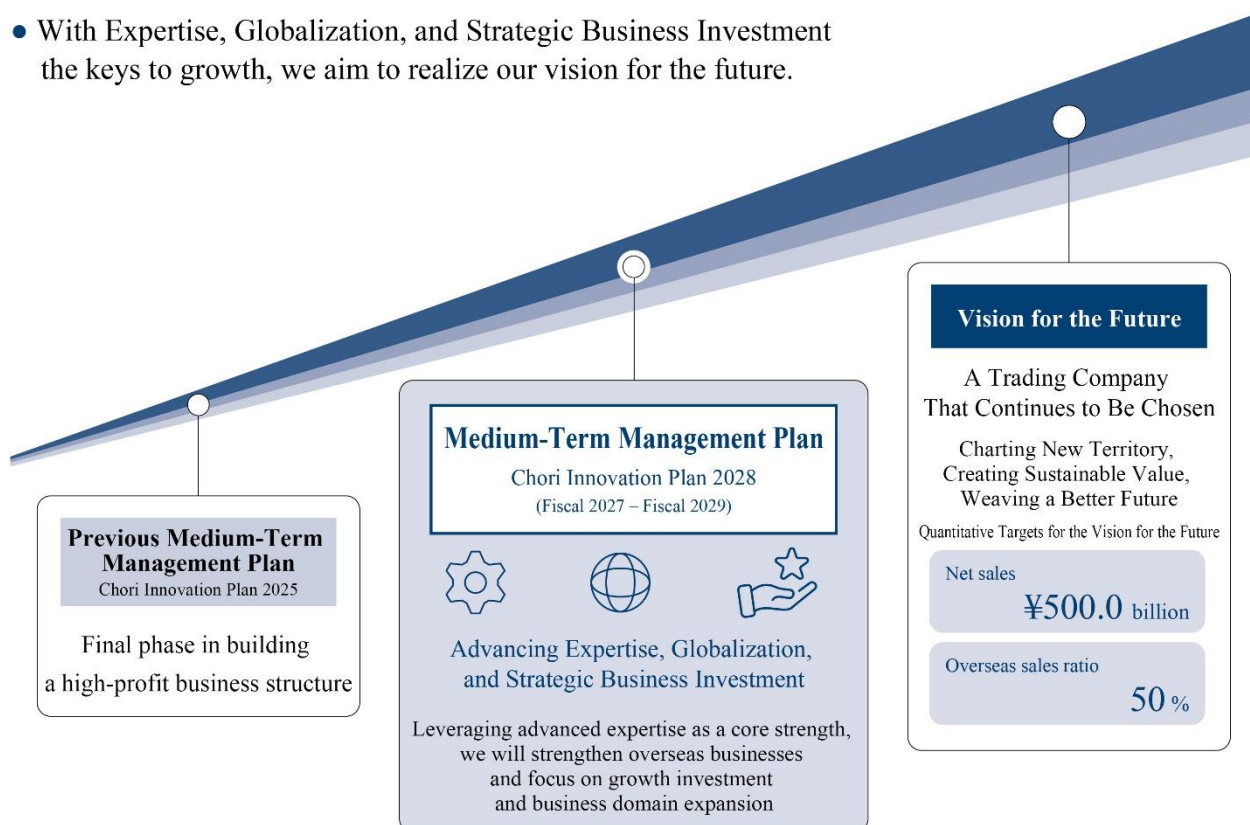
The Group has formulated its “Vision for the Future” as follows.

■ A Trading Company That Continues to Be Chosen

Charting New Territory, Creating Sustainable Value, Weaving a Better Future

This vision embodies our determination to become a Trading Company That Continues to Be Chosen by all of our stakeholders, by creating value for society through developing new global markets and supply chains and pursuing ever higher levels of functionality and expertise, and connecting our businesses and our company to the future.

- With Expertise, Globalization, and Strategic Business Investment the keys to growth, we aim to realize our vision for the future.



Basic Policy

■ Advancing “Expertise, Globalization, and Strategic Business Investment”

◆ Business Strategy

- Accelerate domain expansion in global markets by allocating human capital to overseas offices, making proactive business investments, and strengthening collaboration with partner companies
- Pursue ever higher levels of functionality and expertise, leverage our differentiated added value, and expand into new overseas markets while broadening our product offerings in existing markets

◆ Financial Strategy

- Under a cash allocation approach focused on capital efficiency, steadily execute growth investments aimed at enhancing corporate value
- For our dividend policy, please refer to “Return to shareholders: Basic policy on dividends” on the next page.

◆ Management Foundation Strategy

- Promote sustainability management based on our initiatives toward materiality and work to achieve sustainable enhancement of corporate value
- Pursue a human capital strategy that maximizes the capabilities of our “human resources,” which are our most important management resource, thereby enhancing corporate value and creating a virtuous cycle that leads to the further growth of our people
- Aim to drive business transformation through DX by building DX infrastructure, expanding DX human resources, and fostering a digital culture.

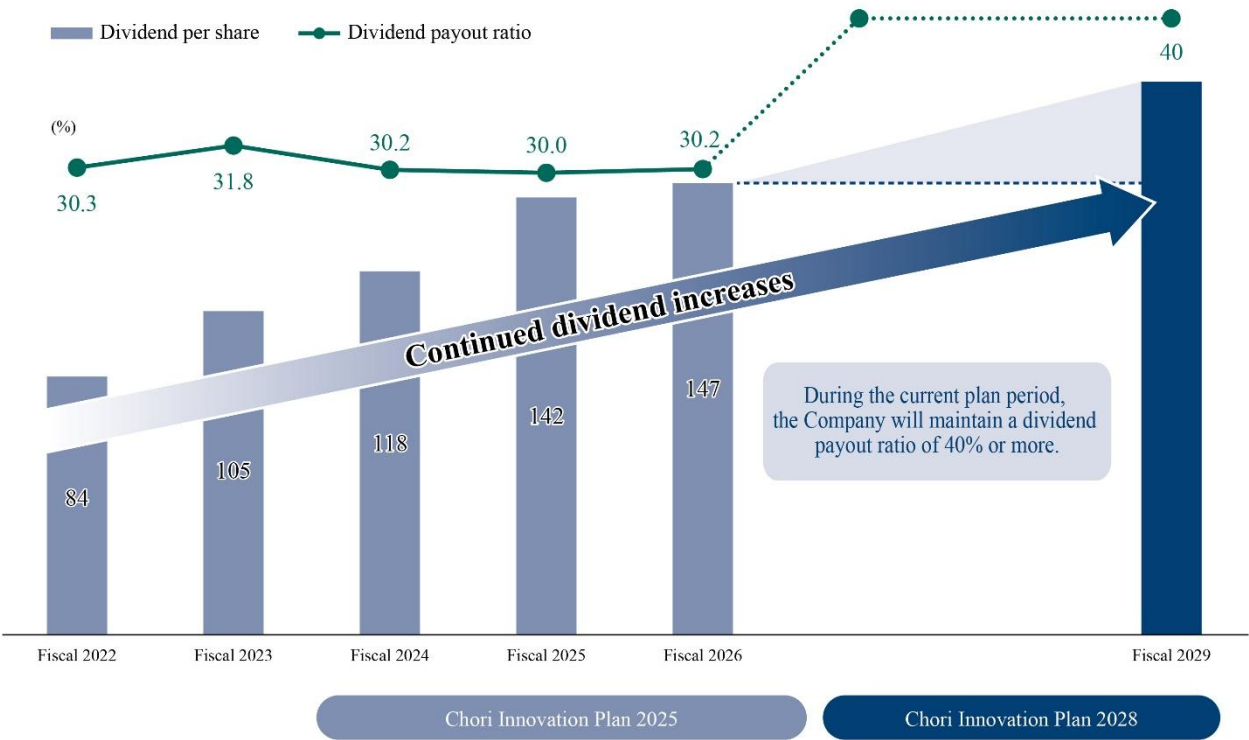
The key management targets of the medium-term management plan “CIP2028” are as follows.

	FY2026 Results	FY2029 Plan	Vision for the Future
Net sales	¥299.3 billion	¥350.0 billion	¥500.0 billion
Operating profit	¥13.1 billion	¥17.5 billion	¥30.0 billion
Operating profit margin (%)	4.4%	5%	6%
ROE (Net profit basis)	12.4%	10% or more	12% or more
Overseas sales ratio	37%	40% or more	50%

Return to shareholders: Basic policy on dividends

The Company recognizes that the distribution of profits to shareholders is an important management issue, and has adopted a basic policy of paying performance-linked dividends corresponding to the level of net profit attributable to owners of the parent, from the viewpoint of ensuring the continuous and stable return of profits and the stability of management and financial affairs. The amount of dividends is set at a level consistent with a consolidated dividend payout ratio of at least 40% (annually) based on net profit attributable to owners of the parent, and a dividend on equity (DOE) ratio of 3.5% or more.

- The Company’s dividend policy has been revised to increase the payout ratio from 30% or more to 40% or more, and to maintain a dividend on equity (DOE) * *Dividend on Equity (DOE) = Total dividends ÷ Net assets based on net assets of 3.5% or more.



Sustainability Initiatives

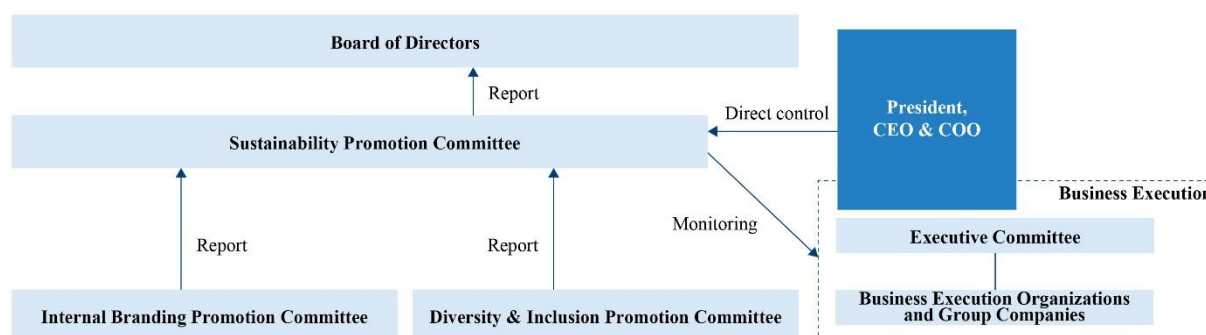
◆ Sustainability Promotion Committee

As declared in its corporate philosophy, the Group engages in business with sustainability at the forefront of our minds so that we can contribute to the betterment of society as members of the global community.

The Sustainability Promotion Committee, established in April 2024, aims to concretely advance initiatives related to the Group's sustainability management and work toward the sustainable enhancement of corporate value. Under the chairpersonship of the President, CEO & COO, committee members engage in discussions. Audit & Supervisory Committee members and Outside Directors also participate as observers, sharing opinions and various initiatives. The Sustainability Promotion Committee meets at least once per quarter and reports to the Board of Directors once a year.

The Sustainability Promotion Committee met four times in fiscal 2026, deliberating individually on the following themes: (1) risk management, (2) sustainable business management, (3) internal dissemination of policies and systems, (4) climate change, and (5) ESG evaluations.

Based on the activities in fiscal 2026, the Company established the Internal Branding Promotion Committee and the Diversity & Inclusion Promotion Committee on April 1, 2026 to further advance sustainability management and enhance corporate value.



◆ Chori's Material Issues

In April 2024, we identified material issues and formulated policies for sustainability. Continuing to aim to become a Trading Company That Continues to Be Chosen, we will promote business activities that align with the key themes of our material issues and further enhance corporate value.

Material Issues	Key Themes
 Promote businesses that contribute to the realization of a sustainable and prosperous society	• Help reduce the impact of climate change in order to achieve carbon neutrality by 2050 • Establish a circular economy by further expanding our line of carbon-free, recycling-oriented products • Resolve social issues through business activities • Create value through activities that go beyond the import and export of goods • Further expand our line of sustainable materials
 Promote human resource development and diversity	• Provide employees with a rewarding and enjoyable working environment • Invest in human capital (human resource development, strengthening of recruitment, promotion of diversity) • Increase employee engagement (create a rewarding, comfortable working environment) and promote health and productivity management
 Strengthen supply chain management	• Ensure ability to procure safe, high-quality products and raw materials • Strengthen and ensure stability of supply chains (maintain a stable business continuity plan) • Make effective use of resources and ensure their stable procurement and supply in line with global demand • Address the human rights, labor, and health and safety concerns of suppliers
 Strengthen governance and ensure compliance	• Strengthen governance structure with a view to achieving sustainable growth • Continue to foster employee awareness of the importance of compliance

6. Parent Company and Major Subsidiaries

1) Relationship with parent company

The Company's parent company, TORAY INDUSTRIES, INC., holds the Company's common stock of 12,967 thousand shares (voting right ratio of 52.41%). The Company constantly works to strengthen the combination of our ability to sell and collect information on fibers and chemicals, which represent our core business, in Japan and overseas, and the parent company's ability to develop materials in order to generate synergies and enhance corporate value for both companies. In addition, by operating under a parent company, the Company is able to gain a better understanding of market trends and the business environment, enhance its credibility, and enjoy other benefits that come with being a Group company.

With the exception of one director who does not execute business, the executives and employees at the Company do not concurrently serve as executives or employees at the parent company or Group companies and the Company does not accept employees through transfers from other companies. In addition, at Chori, we have our own management plan in place, through the execution of which we have developed our business.

2) Items concerning transactions with parent company and others

The Company conducts transactions for the purchase and sale of fibers and chemicals, etc. with the parent company, and the transactions for the current fiscal year amounted to ¥957 million in net sales and ¥6,010 million in net purchases. Terms and conditions for these transactions with the parent company are determined appropriately through fair procedures, with reference to market prices, as in ordinary transactions.

The Governance Committee, chaired by an independent Outside Director, periodically deliberates on whether the terms of such transactions with the parent company and its corporate group are equivalent to those with other business partners, thereby ensuring their appropriateness.

Furthermore, information exchange with the parent company is carried out on a regular basis to understand issues with legal compliance and issues from the viewpoint of efficiency.

In the event that a material transaction or act arises that involves a conflict of interest between the controlling shareholder and minority shareholders, a special committee consisting solely of independent Outside Directors and external experts will be established to deliberate and respond appropriately.

In addition, during the current fiscal year, the Company withdrew from the Toray Group's Cash Management System, which had been utilized as one of the Company's fund settlement methods. This is expected to enhance the transparency of the decision-making process regarding fund procurement and management, and contribute to strengthening governance. For the current fiscal year, the maximum transaction amount under the Toray Group's Cash Management System was ¥8,000 million in deposits.

The Company's Board of Directors understands the details of the above transactions and makes final decisions independently of the parent company. Accordingly, it has determined that such transactions do not harm the interests of the Company.

3) Agreement with parent company on important financial and business policies and outline of the agreement

The Company and its parent company, TORAY INDUSTRIES, INC., have entered into an agreement to implement the following items in order to achieve sustainable growth and enhance corporate value.

- (a) Examination of the appropriateness of maintaining the Company's listing
- (b) Execution of appropriate transactions between the Company and TORAY INDUSTRIES, INC.
- (c) Ensuring the effectiveness of governance that takes into consideration the interests of the Company's general shareholders
- (d) Appropriate execution of risk management as the TORAY Group (including matters for prior consultation on certain matters pertaining to governance and internal control)

4) Status of major subsidiaries

Company name	Capital	Voting right ratio (%)	Principal business
STX Company Limited	¥830 million	100.00	Manufacturing and sale of clothing, fabric materials, etc.
ASADA U CO., LTD.	¥20 million	100.00	Sale of vehicle interior materials and packaging materials
Miyako Kagaku Co., Ltd.	¥296 million	100.00	Sale of raw materials and products, etc. of chemicals, synthetic resins, pharmaceuticals, food, electronic components, etc.
KOZAKURA SHOKAI CO., LTD.	¥60 million	100.00	Sale of chemical products (lubricating oil additives, fuel oil additives, etc.)
CHORI GLEX CO., LTD.	¥499 million	100.00	Import and sales of chemicals, construction materials and industrial products
Chori Machinery Co., Ltd.	¥100 million	100.00	Sale of transportation equipment, etc.
Business Anchor Corporation	¥10 million	100.00	Office outsourcing services
CHORI AMERICA, INC.	US\$4,000 thousand	100.00	Sales in the United States, export and import, and overseas transactions of various products
CHORI (CHINA) CO., LTD.	CNY55,314 thousand	100.00	Sales in China, export and import, and overseas transactions of various products
THAI CHORI CO., LTD.	THB202,000 thousand	100.00	Sales in Thailand, export and import, and overseas transactions of various products
CHORI COMPANY, (HONG KONG) LIMITED.	HK\$20,000 thousand	100.00	Sales in Hong Kong, export and import, and overseas transactions of various products
PT. CHORI INDONESIA	IDR15,656 million	100.00	Sales in Indonesia, export and import, and overseas transactions of various products
TAIWAN CHORI MERCHANDISE COOPERATION LTD.	NT\$30,000 thousand	100.00	Sales in Taiwan, export and import, and overseas transactions of various products
CHORI VIETNAM COMPANY LIMITED	VND5,568 million	100.00	Sales in Vietnam, export and import, and overseas transactions of various products
CHORI (DALIAN) TRADING CO., LTD.	CNY8,112 thousand	100.00	Sales in China, export and import, and overseas transactions of various products
CHORI SINGAPORE PTE LTD	US\$2,430 thousand	100.00	Export and import and overseas transactions of various products
Chori Europe GmbH	€1,375 thousand	100.00	Sales in European countries, export and import, and overseas transactions of various products

5) Specified wholly-owned subsidiaries as of the balance sheet date

There are no subsidiaries that fall under specified wholly-owned subsidiaries.

7. Major Locations, etc.

1) Major offices of the Company

- 1** Osaka Head Office (Chuo-ku, Osaka)
- 2** Tokyo Head Office (Minato-ku, Tokyo)
- 3** Hokuriku Branch (Kanazawa-shi, Ishikawa)

2) Offices of principal subsidiaries

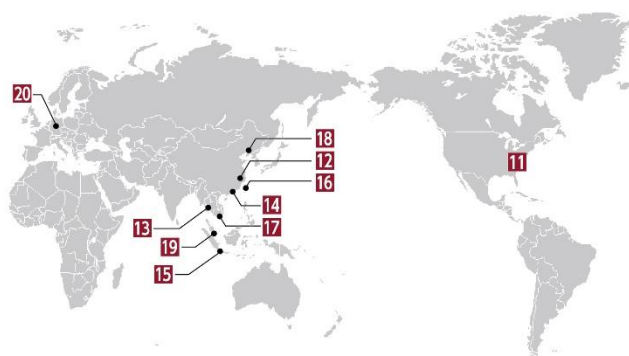
Domestic subsidiaries:

- 4** STX Company Limited
- 5** ASADA U CO., LTD.
- 6** Miyako Kagaku Co., Ltd. (Chiyoda-ku, Tokyo)
- 7** KOZAKURA SHOKAI CO., LTD.
- 8** CHORI GLEX CO., LTD. (Minato-ku, Tokyo)
- 9** Chori Machinery Co., Ltd. (Minato-ku, Tokyo)
- 10** Business Anchor Corporation (Chuo-ku, Osaka)



Overseas subsidiaries:

- 11** CHORI AMERICA, INC. (Jersey City)
- 12** CHORI (CHINA) CO., LTD.
- 13** THAI CHORI CO., LTD (Bangkok)
- 14** CHORI COMPANY, (HONG KONG) LIMITED
- 15** P.T. CHORI INDONESIA (Jakarta)
- 16** TAIWAN CHORI MERCHANDISE COOPERATION LTD.
- 17** CHORI VIETNAM COMPANY LIMITED (Ho Chi Minh)
- 18** CHORI (DALIAN) TRADING CO., LTD.
- 19** CHORI SINGAPORE PTE LTD
- 20** Chori Europe GmbH (Neu-Isenburg)



8. Employees

Status of employees of the Chori Group

Business segment	Number of employees				Year-on-year comparison
Fibers, Textiles and Garments	820	<	52	>	36
Chemicals	370	<	46	>	(2)
Machinery	11	<	2	>	(1)
Others	43	<	25	>	(5)
Companywide (common)	200	<	46	>	62
Total	1,444	<	171	>	90

(Notes) 1. The number of employees represents the number of persons in employment.

2. The number in < > in the column of the number of employees represents the average number of temporary staff for the current fiscal year.

The status of employees of the Company is as follows.

Number of employees	Year-on-year comparison	Average age (years old)	Average years of service
391	20	39.7	12.6

(Note) The number of employees represents the number of persons in employment. However, employees hired locally at overseas representative offices are not included.

9. Major Lenders

There are no loans payable at the end of the current fiscal year that need special mention.

(Note) The Company has concluded a commitment line contract with a total amount of ¥10,000 million with a syndicate of three financial institutions. There was no outstanding loan balance under such a contract as of the end of the current fiscal year.

2. Status of Shares

1. Total Number of Shares Authorized to be Issued 55,000,000 shares

2. Total Number of Shares Outstanding 25,303,478 shares

3. Number of Shareholders 6,828 persons

4. Number of Shares of One Unit 100 shares

5. Major Shareholders

Shareholder name	Number of shares held (shares)	Percentage of shares held (%)
TORAY INDUSTRIES, INC.	12,967,310	52.33
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,567,000	6.32
BBH FOR FIDELITY LOW-PRICED STOCK FUND	952,573	3.84
MSIP CLIENT SECURITIES	690,863	2.79
Custody Bank of Japan, Ltd. (Trust Account)	669,000	2.70
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	557,186	2.25
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	514,772	2.08
Hurex Co., Ltd.	327,000	1.32
BNYMSANV RE BNYMIL RE WS ZENNOR JAPAN EQUITY INC OME FUND	312,900	1.26
NORTHERN TRUST CO. (AVFC) RE IEDP AIF CLIENTS NON TREATY ACCOUNT	296,000	1.19

- (Notes)
1. Treasury shares of the Company of 522,866 shares are excluded from the above table of Major Shareholders.
 2. The Company's treasury shares (522,866 shares) were excluded in the calculation of the percentage of shares held. The number of the Company's treasury shares does not include the 135,134 shares held by the trust in relation to Board Benefit Trust-Restricted Stock (BBT-RS).

6. Stocks Delivered to Company Officers as Consideration for the Execution of Their Duties During the Current Fiscal Year
Not applicable

3. Company Officers

1. Directors (as of March 31, 2026)

Position	Name	Responsibilities and significant concurrent positions
President, CEO & COO	Tatsuyuki Sakoda	CEO & COO
Director	Hiroshi Yoshida	General Manager of Corporate Planning Division and General Manager of Pharmacovigilance & Quality Assurance Office
Director	Kazuhiro Tohge	Special Appointee of the President (Textile Division)
Director	Nobuyuki Inohara	Corporate Vice President of TORAY INDUSTRIES, INC.
Director	Chizu Sekine	Outside Director (Audit and Supervisory Committee Member) of KOKUSAI ELECTRIC CORPORATION Outside Director of rVirogen, Inc. Outside Director of SBS Holdings, Inc.
Director (Full-Time Audit & Supervisory Committee Member)	Shigemasa Yabu	
Director (Audit & Supervisory Committee Member)	Masaaki Sawano	Founding Partner of CITY-YUWA PARTNERS Member of Advisory Council on Fundamental Issues in Corporate Management of Urban Renaissance Agency Chairperson of Advisory Council on Fundamental Issues in Corporate Management and Rent Council of Urban Renaissance Agency Member of Business Evaluation Monitoring Committee of Urban Renaissance Agency Outside Auditor of Japan Federation of Certified Public Tax Accountants' Associations Chairman of Tokyo Metropolitan Government Election Administration Commission Outside Auditor of JS Corporation
Director (Audit & Supervisory Committee Member)	Hiromasa Suzuki	Outside Director of Nitta Gelatin Inc.
Director (Audit & Supervisory Committee Member)	Hiroko Noda	Representative of Noda Certified Public Accountant Office Representative Director of Probity Consulting Co., Ltd. Part-time lecturer, Graduate School of Asian and International Business Strategy, Asia University Outside Director (Audit & Supervisory Committee Member) of Okabe Co., Ltd. Outside Director of S.T. CORPORATION

(Notes) 1. Changes in Directors for the current fiscal year

Appointment: At the 78th Annual General Meeting of Shareholders held on June 20, 2025, Ms. Chizu Sekine was newly elected and appointed as Director.

- Directors, Ms. Chizu Sekine, Mr. Masaaki Sawano, Mr. Hiromasa Suzuki, and Ms. Hiroko Noda, are Outside Directors as provided in Item 15, Article 2 of the Companies Act.
- Directors, Ms. Chizu Sekine, Mr. Masaaki Sawano, Mr. Hiromasa Suzuki, and Ms. Hiroko Noda, are registered as Independent Directors with the Tokyo Stock Exchange.
- Deeming that audits by a full-time member are essential to ensure the effectiveness of Audit & Supervisory Committee activities, the Company has elected a Full-time Audit & Supervisory Committee Member.
- A Director (Full-Time Audit & Supervisory Committee Member), Mr. Shigemasa Yabu, has considerable knowledge of all the areas of the management, legal affairs, finance, and accounting of trading companies, gained through the engagement mainly in finance and accounting, legal work and compliance, and IR and public relations operations for many years.
- An Outside Director (Audit & Supervisory Committee Member), Mr. Masaaki Sawano, has extensive experience and broad insight acquired in his career as a lawyer.
- An Outside Director (Audit & Supervisory Committee Member), Mr. Hiromasa Suzuki, has been involved in corporate management for many years and has extensive insight into group management.

8. An Outside Director (Audit & Supervisory Committee Member), Ms. Hiroko Noda, is a certified public accountant and has considerable knowledge of finance and accounting.
9. The Company has introduced the Executive Officer System to promptly and appropriately respond to changes in the business environment, to speed up decision-making related to business executions, as well as to enhance management efficiency.

The following are 10 Executive Officers. (as of March 31, 2026)

Title	Name	Major positions and responsibilities
President and Executive Officer	Tatsuyuki Sakoda	CEO & COO
Managing Executive Officer	Hiroshi Yoshida	General Manager of Corporate Planning Division and General Manager of Pharmacovigilance & Quality Assurance Office
Managing Executive Officer	Yoshihiro Teratani	General Manager of Chemicals Division
Managing Executive Officer	Naohiko Ashida	General Manager of Textile Division, Department Manager of Fibers and Textiles Business Department, Textile Division, and General Manager of Hokuriku Branch
Senior Executive Officer	Satoko Nakayama	Deputy General Manager of Corporate Planning Division (Human Resources & General Affairs Department, Information System Department), and General Manager of CHORI Innovation Activities
Senior Executive Officer	Masao Nakamura	Senior Manager of Chemical & Materials Business Department, Chemicals Division
Executive Officer	Kazuhiro Tohge	Special Appointee of the President (Textile Division)
Executive Officer	Yasuhiro Oiwa	Executive Chief Representative for China of the Company, Chairman and President of CHORI (CHINA) CO., LTD., and Chairman and President of CHORI (SHANGHAI) CO., LTD.
Executive Officer	Masahiro Takamaru	President of STX Company Limited
Executive Officer	Yasutaka Kawamura	Deputy General Manager of Corporate Planning Division (Corporate Management Department, Affiliate Business Department, Logistics Department (Textile), and Logistics Department (Chemicals)), Manager of Affiliate Business Department, Responsible for promoting the Companywide Business Transformation Project of the Company, and President (part-time) of Chori Machinery Co., Ltd.

2. Summary of the Limited Liability Agreement

The Company has entered into an agreement with its Directors (excluding Executive Directors, etc.) to limit their liability for damages due to their negligence of duties, pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act. Under the agreement, the amount limit of liability for damages shall be the minimum liability amount prescribed by laws and regulations.

3. Compensation to Directors for the Current Fiscal Year

(1) Total compensation to Directors

	Total compensation (Millions of Japanese Yen)	Total of compensation by type (Millions of Japanese Yen)			No. of eligible Directors
		Fixed compensation (monetary)	Performance-linked compensation		
			Bonus (monetary)*3	Board Benefit Trust-Restricted Stock (non-monetary)*3 *4	
Directors (excluding Audit & Supervisory Committee Members) *1 *2 (Of which, Outside Directors)	188 (5)	91 (5)	68 (-)	28 (-)	4 (1)
Directors (Audit & Supervisory Committee Members) (Of which, Outside Directors)	47 (28)	47 (28)	- (-)	- (-)	4 (3)
Total (Of which, Outside Directors)	235 (33)	139 (33)	68 (-)	28 (-)	8 (4)

- 1) Not including the portion of employee's salary for Directors who concurrently serve as employees.
- 2) The number of eligible Directors above does not include one Director (excluding Directors on the Audit & Supervisory Committee Members) serving without compensation.
- 3) Of the above items, bonuses are stated as payment amounts corresponding to ¥14,100 million for net profit before income taxes for fiscal 2026, and Board Benefit Trust-Restricted Stock are stated as payment amounts corresponding to the cumulative net profit before income taxes target of the medium-term management plan.
- 4) Of the above items, the amount stated as Board Benefit Trust-Restricted Stock is the amount recorded as an expense for the current fiscal year.

(2) Decision-making policy regarding details of compensation for individual Directors

- Method of establishing decision-making policy

The Governance Committee, a voluntary advisory body for the Board of Directors comprising two independent Outside Directors and the President, CEO & COO (established March 25, 2020), deliberates on policy for decision-making on the specifics of compensation for individual Directors of the Company. Based on the details reported by this committee, the Board of Directors of the Company passed a resolution at a meeting held on May 19, 2025 regarding policy on decision-making on the specifics of compensation of individual Directors of the Company (the "Decision-Making Policy").

- Decision-Making Policy

The system of compensation for Directors of the Company (excluding Directors on the Audit & Supervisory Committee Members; the same applies hereinafter) shall be linked with shareholder interests, in such a way as to fully bring to bear incentive mechanisms intended to sustainably improve corporate value. Compensation for individual Directors shall as a basic policy be set at an appropriate level in light of executive position and performance.

Director compensation comprises three elements: basic monthly compensation and annual bonus, to which is added Board Benefit Trust-Restricted Stock (BBT-RS). With regard to decision-making on compensation, decisions shall be made within the scope of a compensation framework adopted by a resolution of the General Meeting of Shareholders, within which appropriate levels shall be determined.

Fixed compensation, a monetary element, is paid as a monthly sum. A basic annual total, pegged to the role and position, etc., of the Director, is divided into 12 monthly payments.

Policies for bonuses, a performance-linked monetary form of compensation, and Board Benefit Trust-Restricted Stock (BBT-RS), a performance-linked non-monetary form of compensation, are described below.

Compensation for Outside Directors comprises fixed monetary compensation only, determined in light of the role and independence of the individual concerned. This is an annual total divided into 12 monthly payments.

- Method of calculation of monetary or other totals for performance-linked compensation

The Company pays its Directors (excluding Directors on the Audit & Supervisory Committee Members) performance-linked compensation in the forms of bonuses and Board Benefit Trust-Restricted Stock (BBT-RS). The bonus is calculated by multiplying a basic amount for each position by a coefficient reflecting net profit before income taxes performance (net profit before income taxes for fiscal 2026: ¥14,100 million) and progress in implementing the medium-term management plan for the fiscal year in question, in such a way as to realize the incentive program for the plan. Payment is made at a predetermined time each year.

Board Benefit Trust-Restricted Stock (BBT-RS) was introduced based on a resolution of the 76th Annual General Meeting of Shareholders, held on June 16, 2023. The aim of this plan is to further clarify the linkage of the compensation for Directors, etc. and the Company's business performance and its share value, and to enhance 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 by sharing not only the benefit of the rise in share prices but also the risks of a decline in share prices with the Company's shareholders. Based on the position of each Director, the Company provisionally grants each fiscal year to each Director the number of service points stipulated in the Share Benefit Regulations for Directors and Officers, and shall, in principle, determine the number of points as performance-linked points after the completion of the medium-term management plan by multiplying the performance-linked coefficient by the achievement level of cumulative net profit before income taxes. In principle, in proportion to the number of points determined, the Company delivers the Company's shares equivalent to one Company's share per point and a cash payment equivalent to the amount obtained by converting the Company's shares at market value. The timing of receipt of the benefits of shares shall be a certain time after the end of each Applicable Period (the three business years from the year ended March 31, 2024 to the year ended March 31, 2026 (hereinafter, such three business-year period is referred to as the "Initial Period," and the Initial Period and the period to be determined in advance each time by the Board of Directors (minimum of one fiscal year and maximum of five fiscal years) following the Initial Period are respectively referred to as "Applicable Period")), and the timing of receipt of the benefits of cash equivalent to the amount of the Company's shares converted at market value shall be, in principle, upon retirement from office. The cumulative net profit before income taxes for the Applicable Period amounts to ¥45,200 million.

- Policy regarding proportions for allocation of Director compensation by type

Policy regarding proportions for allocation of compensation for Directors (excluding Directors on the Audit & Supervisory Committee Members) by type is decided at a Board of Directors meeting after deliberation by the Governance Committee.

In the case of 100% attainment of cumulative net profit before income taxes targets in the medium-term management plan and of targets for net profit before income taxes in the final year of the mid-term plan, the proportions of compensation Directors are, broadly: 45% basic compensation and 55% performance-linked compensation, etc. (including non-monetary compensation, etc.). In performance-linked compensation, the ratio of bonus to Board Benefit Trust-Restricted Stock (BBT-RS) shall be 45% to 10%.

- Policy for procedures for deciding the specifics of compensation on an individual basis

Among compensation for Directors (excluding Directors on the Audit & Supervisory Committee Members), decisions on basic compensation are made on an individual basis by resolution of the Board of Directors, based on deliberations at the Governance Committee.

Among compensation for Directors (excluding Directors on the Audit & Supervisory Committee Members), specific details of bonus decisions in individual cases are entrusted to the President, CEO & COO. When deciding amounts of compensation in individual cases, the President, CEO & COO as entrusted by the Board of Directors shall make a decision based on the content of a report received from the Governance Committee, which deliberates the draft version; such decision being conditional on compliance with a resolution of the General Meeting of Shareholders and geared to ensuring the appropriateness of the compensation level and the transparency of the performance evaluation.

For compensation of Directors (excluding Directors on the Audit & Supervisory Committee Members), decisions on Board Benefit Trust-Restricted Stock (BBT-RS) are made on the Share Benefit Regulations for Directors and Officers. The Share Benefit Regulations for Directors and Officers shall be revised or abolished by a resolution of the Board of Directors based on deliberation of the Governance Committee.

(3) Reasons why the Board of Directors judged that the details of the compensation for individual Directors for the current fiscal year are in line with the Decision-Making Policy

Regarding the determination of details of compensation for individual Directors, the Governance Committee undertook a comprehensive review of the draft, including its consistency with the Decision-Making Policy, and the Board of Directors likewise reached its decision with due respect for the contents of the report, so that the Board of Directors concluded that the Decision-Making Policy was complied with.

(4) Matters pertaining to delegation of authority relating to decisions on compensation for individual Directors

In the current fiscal year, a resolution was passed at a Board of Directors meeting on June 13, 2025 with regard to performance-linked bonuses for Directors, to the effect that delegation of authority for details of decision-making in individual cases shall be vested in the President, CEO & COO Tatsuyuki Sakoda.

The reason for delegating these matters to the President, CEO & COO is that he is best positioned to judge the merits and duties of individual Directors while keeping an eye on performance on a Companywide basis. Assigned from the Board of Directors, the President, CEO & COO when deciding on a sum of bonus on a case-by-case basis shall, as a measure to ensure the proper exercise of his authority, the draft proposal is reviewed by the Governance Committee to ensure the appropriateness of the compensation level and the transparency of performance evaluation. Based on the report, the Board of Directors shall make a decision on the draft proposal.

(5) Matters concerning determination of compensation

Breakdowns and maximum totals for compensation (decided by resolution of the General Meeting of Shareholders) for Directors of the Company are as follows.

	Fixed compensation		Variable compensation	
	45%		45% (single fiscal year)	
			10% (medium to long term)	
	Note: Percentage applied in the case of full achievement of targets			
	Basic compensation	Bonuses	Performance-linked stock compensation	
Compensation Type	Fixed compensation	Short-term incentive compensation Linked to the performance in the relevant business year	Medium- to long-term incentive compensation Linked to the degree of achievement of the medium-term management plan	
Eligible Recipients	• Directors (excluding Audit & Supervisory Committee Members) • Directors (Audit & Supervisory Committee Members) • Outside Directors	• Directors (excluding Audit & Supervisory Committee Members) - -	• Directors (excluding Audit & Supervisory Committee Members) - -	
Grant Method	Cash	Cash	Shares and cash	
Evaluation Index (Variable Compensation)	-	• Net profit before income taxes results • Progress of medium-term management plan, etc.	• Net profit before income taxes results (over a three-year period) • Progress of medium-term management plan, etc.	
Maximum Amount of Compensation	Directors (excluding Audit & Supervisory Committee Members): No more than ¥300 million annually (Resolution passed at the 69th Annual General Meeting of Shareholders held on June 15, 2016) (Number of members: 7)		Directors (excluding Audit & Supervisory Committee Members): <Maximum number of points> The maximum number of points that the Company may grant to Eligible Officers for each Applicable Period (the number of points after adjustment after the end of each Applicable Period) shall be the number of points obtained by multiplying the number of fiscal years for the Applicable Period by 80,000 points (including 40,000 points for Directors). (Resolution passed at the 76th Annual General Meeting of Shareholders held on June 16, 2023) (Number of members: 3)	
	Directors (Audit & Supervisory Committee Members): No more than ¥100 million per year (Resolution at the 69th Annual General Meeting of Shareholders held on June 15, 2016) (Number of members: 3)			
Grant and Calculation Method	Monthly fixed compensation based on position	• Paid at a certain time of the year • Amount calculated according to the progress of the medium-term management plan and net profit before income taxes in the given business year	Based on position, the Company provisionally grants each fiscal year to each Director the number of service points stipulated in the Share Benefit Regulations for Directors and Officers, and in principle, determines the number of points as performance-linked points after the completion of the medium-term management plan by multiplying the performance-linked coefficient by the achievement level of cumulative net profit before income taxes. In principle, in proportion to the number of points determined, the Company delivers the Company’s shares equivalent to one Company’s share per point.	

1) Not including the portion of employee salary for Directors who concurrently serve as employees.

2) The number of eligible Directors is stated as the number of such Directors at the time of conclusion of the relevant General Meeting of Shareholders.

At its Board of Directors meeting held on April 28, 2026, the Company resolved to partially revise the above policy based on a recommendation from the Governance Committee. The revised content is as follows.

- Overview of the Content of the Decision-Making Policy

The compensation of the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter) is designed to be aligned with shareholder interests and to function effectively as an incentive for the sustainable enhancement of corporate value. In determining individual compensation for each Director, the Company adopts a basic policy of ensuring an appropriate level that takes into account position, responsibilities, and performance, while maintaining transparency in the compensation determination process.

Specifically, Directors' compensation consists of three components: monthly base compensation, annual bonuses, and the Board Benefit Trust-Restricted Stock (BBT-RS). Compensation is determined within the compensation limits resolved at the General Meeting of Shareholders and is set at an appropriate level. Among these components, fixed monetary compensation is paid on a monthly basis, with the annual standard amount determined according to each Director's role and position and allocated over 12 months. Policies regarding bonuses, which represent performance-linked monetary compensation, and the Board Benefit Trust-Restricted Stock (BBT-RS), which represents performance-linked non-monetary compensation, are described below.

With respect to compensation for Outside Directors, in light of their roles and independence, compensation consists solely of fixed monetary compensation determined according to their respective roles, which is allocated over 12 months and paid on a monthly basis.

- Method for Calculating the Amount of Performance-Linked Compensation or the Number of Points

The Company provides performance-linked compensation to its Directors (excluding Directors who are Audit & Supervisory Committee Members) in the form of the Board Benefit Trust-Restricted Stock (BBT-RS).

Bonuses are designed to function as an incentive for achieving the Medium-Term Management Plan. Taking into account factors such as the Company's operating profit performance for the relevant fiscal year (¥13.0 billion for fiscal 2026), the bonus amount is calculated by applying a coefficient, reflecting such performance and other relevant factors, to a standard amount determined for each position. Bonuses are paid annually at a fixed time each year.

The Board Benefit Trust-Restricted Stock (BBT-RS) was introduced pursuant to a resolution of the 76th Ordinary General Meeting of Shareholders held on June 16, 2023. This system is intended to more clearly link the compensation of Directors and other officers with the Company's performance and share value, and to enhance their awareness of contributing to medium- to long-term improvement in performance and corporate value by sharing not only the benefits of share price increases but also the risks of share price declines with shareholders.

Under this system, position-based points prescribed in the Officers' Share Benefit Regulations are tentatively granted to each Director for each fiscal year based on his or her position. In principle, after the completion of the Medium-Term Management Plan, the number of performance-linked points is finalized by multiplying the position-based points by a performance-linked coefficient. This coefficient is calculated as the weighted average of coefficients derived from the respective achievement levels for the Company's performance indicators specified in the Medium-Term Management Plan, namely ROE, relative TSR, employee engagement, and the ratio of female managers.

Based on the finalized number of points, the Company provides, in principle, Company shares equivalent to one share for each point, as well as a monetary amount equivalent to the market value of such shares. The timing of the provision of Company shares is, in principle, a certain time after the end of each relevant performance period. The performance periods consist of the three fiscal years from the fiscal year ended March 31, 2024 to the fiscal year ended March 31, 2026 (the "Initial Performance Period"), as well as any periods separately determined in advance by the Board of Directors to commence after the Initial

Performance Period, which shall be no shorter than one fiscal year and no longer than five fiscal years (each, a “Performance Period”). The monetary payment equivalent to the market value of Company shares is, in principle, provided at the time of retirement.

- Policy on the Ratio of Compensation by Type for Directors

With respect to the ratio of compensation by type for Directors (excluding Directors who are Audit & Supervisory Committee Members), the Company determines such ratios by resolution of the Board of Directors following deliberations by the Governance Committee.

When the targets for the Company’s performance indicators for bonuses and the Board Benefit Trust-Restricted Stock (BBT-RS) are achieved at 100%, the compensation ratio for Directors is set at approximately 45% base compensation to 55% performance-linked compensation (including non-monetary compensation). Within performance-linked compensation, the ratio of bonuses to the Board Benefit Trust-Restricted Stock (BBT-RS) is approximately 35%: 20%.

- Policy on Procedures for Determining the Specific Details of Individual Compensation

With respect to the compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members), the Company determines the specific details of individual compensation by resolution of the Board of Directors, following deliberations by the Governance Committee.

Breakdowns and maximum totals for compensation (decided by resolution of the General Meeting of Shareholders) for Directors of the Company are as follows.

Fixed compensation		Variable compensation	
45%		35% (single fiscal year)	20% (medium to long term)
Note: Percentage applied in the case of full achievement of targets			
Basic compensation		Bonus	Stock-based compensation
Compensation type	Fixed compensation	Short-term incentive compensation Linked to performance in relevant business year	Medium- to long-term incentive compensation Linked to degree of achievement of the Medium-term Management Plan
Eligible recipients	- Directors (excluding Audit & Supervisory Committee members) - Directors who are Audit & Supervisory Committee members - Outside Directors	- Directors (excluding Audit & Supervisory Committee members) - -	- Directors (excluding Audit & Supervisory Committee members) - -
Grant Method	Cash	Cash	Shares and cash
Evaluation Indicators (Variable compensation)	-	Operating profit	- ROE - Relative TSR (Total Shareholder Return) - Employee Engagement - Ratio of Female Managers
Maximum amount of compensation	Directors (excluding Audit & Supervisory Committee members): No more than ¥300 million annually (Resolution passed at the 69th Ordinary General Meeting of Shareholders held on June 15, 2016) (Number of Personnel: 7)		Directors who are not Audit & Supervisory Committee members: <Maximum number of points> The maximum number of points that may be granted to Directors during each applicable term (the adjusted number of points after the end of each term) is the number of points obtained by multiplying the number of fiscal years during the applicable term by 80,000 points (of which, 40,000 points are for Directors). (Resolved at the 76th Ordinary General Meeting of Shareholders held on June 16, 2023) (Number of Personnel: 3)
	Directors who are Audit & Supervisory Committee members: No more than ¥100 million annually (Resolution passed at the 69th Ordinary General Meeting of Shareholders held on June 15, 2016) (Number of Personnel: 3)		
Grant and calculation method	Directors (excluding Audit & Supervisory Committee members): Monthly fixed compensation based on position	- Paid at a certain time of the year - Amount calculated according to operating profit for each fiscal year.	Position-based points prescribed in the Officers' Share Benefit Regulations are tentatively granted to each Director for each fiscal year based on his or her position. In principle, after the completion of the Medium-Term Management Plan, the number of performance-linked points is finalized by multiplying the position-based points by a performance-linked coefficient. This coefficient is calculated as the weighted average of coefficients derived from the respective achievement levels for the Company's performance indicators specified in the Medium-Term Management Plan, namely ROE, relative TSR, employee engagement, and the ratio of female managers. Based on the finalized number of points, the Company provides, in principle, Company shares equivalent to one share for each point.

1) Not including the portion of employee salary for Directors who concurrently serve as employees.

2) The number of eligible Directors is stated as the number of such Directors at the time of conclusion of the relevant General Meeting of Shareholders.

For details on the partial revision of the above policy, please refer to the “Notice Regarding the Revision of the Executive Compensation System” dated April 28, 2026.
Company’s website: <https://www.chori.co.jp/english/>

4. Outside Officers

- 1) Significant concurrent positions of Outside Officers and executives held in other companies and relationship between the Company and such companies

A Director of the Company, Ms. Chizu Sekine, concurrently serves as an Outside Director (Audit and Supervisory Committee Member) of KOKUSAI ELECTRIC CORPORATION, an Outside Director of rVirogen, Inc., and an Outside Director of SBS Holdings, Inc. There are no relationships between the Company and these companies that should be disclosed.

A Director (Audit & Supervisory Committee Member) of the Company, Mr. Masaaki Sawano, concurrently serves as a Founding Partner of CITY-YUWA PARTNERS, a member of Advisory Council on Fundamental Issues in Corporate Management of Urban Renaissance Agency, the Chairperson of Advisory Council on Fundamental Issues in Corporate Management and Rent Council of Urban Renaissance Agency, a member of Business Evaluation Monitoring Committee of Urban Renaissance Agency, an Outside Auditor of Japan Federation of Certified Public Tax Accountants' Associations, the Chairman of Tokyo Metropolitan Government Election Administration Commission, and an Outside Auditor of JS Corporation. There are no relationships between the Company and these organizations that should be disclosed.

A Director (Audit & Supervisory Committee Member) of the Company, Mr. Hiromasa Suzuki, concurrently serves as an Outside Director of Nitta Gelatin Inc. There is no relationship between the Company and said company that should be disclosed.

A Director (Audit & Supervisory Committee Member) of the Company, Ms. Hiroko Noda, concurrently serves as a Representative of Noda Certified Public Accountant Office, a Representative Director of Probity Consulting Co., Ltd., a part-time lecturer at the Graduate School of Asian and International Business Strategy, Asia University, an Outside Director (Audit & Supervisory Committee Member) of Okabe Co., Ltd., and an Outside Director of S.T. CORPORATION. There is no relationship between the Company and said companies, etc., that should be disclosed.

- 2) Main activities

Name	Attendance at Board of Directors meetings, etc. (Note)	Main activities (including an outline of duties performed in relation to the expected role)
Chizu Sekine (appointed in June 2025)	Board of Directors meetings 12/12	Ms. Sekine was expected to perform objective supervision of management from the perspective of a corporate manager and provide valuable suggestions for achieving sustainable growth, and she actively provided opinions and advice based on such expertise and contributed to the deepening of discussions. Ms. Sekine also contributed to discussions on overall management and played an important role in establishing a highly transparent governance structure.
Masaaki Sawano (appointed in June 2018)	Board of Directors meetings 17/17 Audit & Supervisory Committee meetings 15/15 Governance Committee meetings 10/10	Mr. Sawano was expected to play a role in supervising the execution of business at the Company by utilizing his insight related to corporate legal work acquired in his career as a lawyer, and he actively provided opinions and advice based on such expertise and contributed to the deepening of discussions. Mr. Sawano also served as chairman of the Governance Committee and contributed to discussions regarding the compensation, nomination, and evaluation of Directors and Executive Officers, and played an important role in establishing a highly transparent governance structure.
Hiromasa Suzuki (appointed in June 2021)	Board of Directors meetings 17/17 Audit & Supervisory Committee meetings 15/15 Governance Committee meetings 10/10	Mr. Suzuki was expected to perform objective supervision of management from the perspective of a corporate manager and provide valuable suggestions for achieving sustainable growth, and he actively provided opinions and advice based on such expertise and contributed to the deepening of discussions. Mr. Suzuki also contributed to discussions regarding compensation, nomination, evaluation, etc. of Directors and Executive Officers as a Governance Committee member and played a role as a Governance Committee member in establishing a highly transparent governance structure.

Hiroko Noda (appointed in June 2022)	Board of Directors meetings 17/17 Audit & Supervisory Committee meetings 15/15	Ms. Noda was expected to perform objective supervision of management based on knowledge, experience and capabilities as a certified public accountant and abundant experience as an outside director and management consultant, and she actively provided opinions and advice based on such expertise and contributed to the deepening of discussions. Ms. Noda also contributed to discussions regarding all the areas of management and played an important role in establishing a highly transparent governance structure.
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- (Notes) 1. Attendance at the Board of Directors meetings, Audit & Supervisory Committee meetings, and Governance Committee meetings held in fiscal 2026.
2. The number of attendances of Ms. Chizu Sekine at Board of Directors meetings is the number of times since assuming the office of Director.

4. Accounting Auditor

1. Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

2. Summary of the Limited Liability Agreement

Not applicable

3. Accounting Auditor's Compensation, etc. for the Current Fiscal Year

- | | |
|---|--------------|
| 1) Accounting Auditor's compensation, etc., for the current fiscal year | ¥83 million |
| 2) Total amount of compensation paid by the Company or its subsidiaries | ¥111 million |

- (Notes)
1. The Audit & Supervisory Committee carries out the necessary verification to determine whether the Accounting Auditor's audit plan, performance of accounting audit duties, and grounds for calculation of compensation estimates are appropriate in light of the content and scale of the Company's business, and consequently makes a decision on consent with regard to the amount of compensation for the Accounting Auditor pursuant to Article 399, Paragraph 1 of the Companies Act.
 2. The Company's major overseas subsidiaries are audited by certified public accountants (or audit corporations) other than the Company's Accounting Auditor.
 3. Under the audit agreement between the Company and its Accounting Auditor, the amount of compensation, etc. for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not strictly separated, and cannot be virtually separated. Consequently, the amount of compensation, etc. for the current fiscal year reflects the total amount of compensation for these audits.

4. Description of Non-Audit Services

Not applicable

5. Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditors

The Audit & Supervisory Committee shall decide on a proposal concerning the termination or nonrenewal of the Accounting Auditor's appointment in the event that the Audit & Supervisory Committee determines that it is necessary to do so because the execution of duties by the Accounting Auditor is hindered or for other reasons, and, based on that decision, the Board of Directors shall submit the proposal to the General Meeting of Shareholders.

In cases where the Accounting Auditor falls under any one of the items of Paragraph 1, Article 340 of the Companies Act, the Audit & Supervisory Committee shall terminate the Accounting Auditor's appointment upon consent of all Audit & Supervisory Committee Members. Under these circumstances, an Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee shall report the termination of the Accounting Auditor and the reasons for the termination at the first General Meeting of Shareholders following the termination of the appointment.

5. Company's Systems and Policies

1. System to Ensure Proper Execution of Business and Operating Status of That System

1. System to Ensure that the Directors and Employees of the Group Execute their Duties in Compliance with Laws and Regulations and the Articles of Incorporation
 - Rules concerning compliance systems such as the Guidelines for Corporate Behavior shall be established to set compliance with laws and regulations and social ethics as a code of conduct of our business.
 - The Company shall acknowledge its corporate social responsibilities and sever and eliminate relations with antisocial forces and groups that threaten social order and security.
 - In order to make all of the Directors, Executive Officers and employees of the Group fully aware of the initiatives for compliance, Corporate Divisions shall collaborate to hold compliance training and other training programs.
 - The Legal Compliance Committee with the President as a chairman shall be established to discuss important matters regarding compliance of the Group and report the results to the Board of Directors and the Executive Committee as necessary.
 - Directors and Executive Officers who are in charge of business operations are responsible for analyzing compliance matters unique to each operation of the Group and shall develop specific measures for them.
 - Internal control system to ensure the reliability of financial reporting, based on the Internal Control Rules, shall be established and operated accordingly.
 - The Governance Committee shall be established as an advisory body for the Board of Directors. The Governance Committee shall deliberate on matters related to the nomination and compensation of Directors and Executive Officers and determine policies, original plans, etc., in order to ensure objectivity and transparency regarding the nomination, compensation, etc. of Directors.
 - The Internal Auditing Department shall conduct audits on the status of compliance of the Group based on the Basic Internal Auditing Rules, and its activities will be reported to the Board of Directors and the Audit & Supervisory Committee on a regular basis.
 - An internal whistleblower system, where Directors, Executive Officers and employees of the Group can provide information directly to the Legal Compliance Committee, the lawyer in charge at the law firm with which the Company has concluded an advisory agreement, the Audit & Supervisory Committee and a lawyer who has no conflict of interest with the Company, shall be set up, and prevention of disadvantageous treatment on the grounds of the provision of such information shall be ensured.
 - For violations of laws and regulations, the Articles of Incorporation, and internal regulations and rules, specific punishment shall be determined by the Board of Directors and the Executive Committee through discussion at the Disciplinary Committee.

(Operating Status of the System)

The Group has established rules such as the Guidelines for Corporate Behavior and developed a system aimed at promoting compliance with laws and regulations and social ethics in order to establish internal controls concerning compliance and to carry out supervision. The Group has also addressed "Strengthen governance and ensure compliance" as one of its material issues. Furthermore, in order to make all Group Directors, Executive Officers and employees fully aware of compliance, compliance training and other educational programs are carried out on a regular basis. In addition, companywide CHORI Innovation Activities ("Choi-Katsu") were launched as a platform for realizing the message prioritized by management to promote the vitalization and efficiency of all business operations.

The Legal Compliance Committee meets every two months, and the minutes of each meeting are shared internally.

2. System for Storage and Management of Information related to the Execution of Duties of the Company's Directors
 - The storage and management of the minutes of meetings, approval request documents, financial information and other important documents and information related to decision-making on business shall be prescribed in the Document Management Rules and other internal rules. Each of the said documents shall be recorded and stored in the form of paper or electromagnetic media (hereinafter the "documentations").
 - Such documentations shall be kept accessible by Directors and Executive Officers whenever necessary.

- The Company shall clearly assign personnel who are responsible for the management of documentations recorded and stored by electromagnetic means in order to thoroughly control such documentations and take measures for the prevention of unauthorized access from outside the Group.

(Operating Status of the System)

The Document Management Rules and other internal rules regarding storage and management of the minutes of meetings, approval request documents, financial information and other important documents and information related to decision-making on business have been established. Recorded and stored documents are kept accessible by Directors and Executive Officers whenever necessary.

3. Rules or any other Systems of the Group for Management of Risk of Loss

- The Company shall identify potential risks in business activities of the Group, make efforts to reduce the level of such risks and prevent the occurrence of risk events, as well as develop a system to promptly respond and take appropriate actions in case of the occurrence of risk events.
- The Risk Management Rules, the Credit Management Rules, the Rules for Information Security Management, the Rules for Protection and Management of Personal Information and other rules shall be established in a respective department in charge and be fully understood by all through training and the preparation and distribution of manuals. Those rules shall be continuously reviewed and revised.
- Corporate Divisions and Business Planning Department shall collaborate in monitoring the status of the Group's risks and responding to risks.
- For newly identified risks, departments shall be promptly assigned to be responsible for said risk management and appropriate measures shall be taken.

(Operating Status of the System)

With regard to the Group's monitoring of risk status and risk response, the Risk Management Rules, the Credit Management Rules, the Rules for Information Security Management, the Rules for Protection and Management of Personal Information and other rules have been established, and training and preparation and distribution of manuals are carried out regularly.

In addition, the Sustainability Promotion Committee identifies risks and formulates response measures.

4. System to Ensure the Efficient Execution of Duties by the Company's Directors (excluding Directors on the Audit & Supervisory Committee Members)

- The Authority Rules shall be established as rules for decision-making, in which decision authorities held by each position, such as the Board of Directors and the President, shall be clearly stated.
- The Governance Committee shall periodically deliberate and confirm the effectiveness of the Board of Directors as a whole.
- The Executive Committee comprising Executive Officers shall be set up as a body that deliberates matters to be discussed at the Board of Directors and matters specified for decisions by the President, for efficient execution of duties.
- The Board of Directors shall consist of Directors, including Directors on the Audit & Supervisory Committee Members, and divide business execution duties to each Director and Executive Officer, and such Executive Directors and Executive Officers shall manage and supervise their relevant departments and subsidiaries in accordance with the Rules for Division of Duties.
- The Group's goals that shall be shared among all Executive Directors, Executive Officers, and employees shall be developed, and each department and subsidiary shall set up respective operational targets and budgets to meet said goals and conduct performance management on a timely basis.
- The Board of Directors and the Executive Committee shall analyze monthly performance and take measures for improvement.
- The operational and clerical efficiency improvement and expense rationalization project shall be established to promote the vitalization and efficiency of any business operation.

(Operating Status of the System)

The Executive Committee comprising Executive Officers has been set up as a deliberation body that facilitates decisions by the President for efficient execution of duties, in addition to matters to be discussed at meetings of the Board of Directors, and holds monthly meetings. In addition, the Board of Directors and the Executive Committee analyze monthly performance and formulate measures for improvement. In addition, the Business Review Committee, a specialized subcommittee of the Executive Committee, holds monthly meetings to manage performance targets and management resources for each division and subsidiary, thereby enabling timely performance management.

5. System to Ensure the Proper Operations of the Company Group, comprising the Group as well as its Parent Company

- The Subsidiaries and Associates Management Rules and the Overseas Branches Management Rules shall be established for the purpose of ensuring consistency in operations and efficient business execution while respecting the autonomy of management of subsidiaries.
- Executive Directors, Executive Officers, each Senior Manager, and each Department Manager shall develop and operate a system to ensure the appropriateness of business execution at subsidiaries associated with the business area of which they are in charge.
- In order to ensure the appropriateness of business execution at subsidiaries, a system shall be established under which the Company's prior approval shall be given and discussion held for important management matters based on relevant rules. In addition, a system shall be established for reporting performance regularly, or as necessary when important matters arise.
- The Internal Auditing Department shall conduct internal audits under the direct control of the President based on the Basic Internal Auditing Rules regarding the legitimacy, propriety, and efficiency of business execution at each of the subsidiaries. The result will be reported to relevant departments and said departments will provide support and advice for guidance and implementation of measures for improvement as needed.
- The Governance Committee shall periodically deliberate on the status of transactions with TORAY INDUSTRIES, INC., the Company's parent company, and ensure their appropriateness.
- Information exchange with TORAY INDUSTRIES, INC., the Company's parent company, shall be carried out on a regular basis to understand issues on legal compliance and issues from the viewpoint of efficiency.

(Operating Status of the System)

With regard to the management of subsidiaries, the Subsidiaries and Associates Management Rules and the Overseas Branches Management Rules have been established to ensure proper business execution at subsidiaries, and a system has been established for prior approval and consultation with the Company regarding important management matters.

Furthermore, based on the Basic Internal Auditing Rules, the Internal Auditing Department conducts internal audits and regularly conducts audits regarding the legitimacy, propriety, and efficiency of business execution at each subsidiary.

Within the corporate group headed by the parent company, a contract has been established concerning important financial and business policies to ensure sustainable growth and the enhancement of corporate value, and prior consultation is conducted on specified matters related to governance and internal controls.

6. Matters regarding Employees who Assist the Duties of the Audit & Supervisory Committee, and the Independence of such Employees as well as Matters regarding Ensuring of Effectiveness of Instructions to such Employees
 - Dedicated staff shall be assigned to assist with the duties of the Audit & Supervisory Committee. In addition, the Internal Auditing Department shall assist the Audit & Supervisory Committee.
 - Dedicated staff of the Audit & Supervisory Committee and employees of the Internal Auditing Department who are requested to assist with the duties necessary for auditing shall perform such duties as instructed by Audit & Supervisory Committee Members and shall not be directed or ordered by Directors (excluding Directors on the Audit & Supervisory Committee Members), Executive Officers, or the Department Manager of the Internal Auditing Department.
 - The Audit & Supervisory Committee shall be consulted in advance concerning the personnel change and evaluation of such dedicated staff and employees.

(Operating Status of the System)

Dedicated staff who are independent of the executive departments are assigned to assist with the duties of the Audit & Supervisory Committee. In addition, the Internal Auditing Department assists with duties necessary for auditing.

7. System to Report to the Company's Audit & Supervisory Committee by the Group's Directors (excluding Directors on the Audit & Supervisory Committee Members) and Employees, other Reporting System to the Audit & Supervisory Committee and System to Ensure that the Persons who Reported do not Receive Disadvantageous Treatment on the Grounds of such Reporting
 - Executive Directors, Executive Officers, and employees of the Group shall report matters concerning the execution of duties upon requests from the Audit & Supervisory Committee.
 - System shall be established for Audit & Supervisory Committee Members to attend the Board of Directors meetings and other important meetings to understand material decision-making process as well as the status of execution of business.
 - System shall be developed so that material matters concerning the performance status of internal auditing and risk management as well as important items concerning compliance will be reported to the Audit & Supervisory Committee in a timely manner, and it shall be ensured that the persons

reporting such matters do not receive disadvantageous treatment on the grounds of such reporting to the Audit & Supervisory Committee.

(Operating Status of the System)

Each Audit & Supervisory Committee Member attends the Executive Committee and other important meetings, in addition to meetings of the Board of Directors, to confirm the status of business execution and status of compliance by the Directors, etc., and conducts exchanges of information with the Accounting Auditor and others, thereby strengthening and enhancing the management monitoring function.

8. Matters regarding Policy on Expenses Incurred for Execution of Duties of the Audit & Supervisory Committee and Other Systems to Ensure that Audits by the Audit & Supervisory Committee are Effective

- Based on the audit policies and plans prescribed by the Audit & Supervisory Committee, Audit & Supervisory Committee Members shall conduct individual meetings with each Director (excluding Directors on the Audit & Supervisory Committee Members), Executive Officer, and important employee, and set up regular opportunities to exchange information with the President.
- System shall be ensured so that the Audit & Supervisory Committee can appoint, as needed, lawyers, certified public accountants, and other experts such as external advisers to seek advice on performing audits.
- When the Audit & Supervisory Committee requests advance payment or reimbursement of the necessary expenses for executing its duties, such expenses or debts shall be promptly paid or reimbursed.

(Operating Status of the System)

Based on the audit policies and plans prescribed by the Audit & Supervisory Committee, Audit & Supervisory Committee Members conduct individual meetings with each Director, Executive Officer, and important employee, and regularly exchange information with them.

2. Basic Policy regarding the Company's control

No specific provisions are prescribed on this matter.

6. A Policy concerning the Decision on the Distribution of Surplus

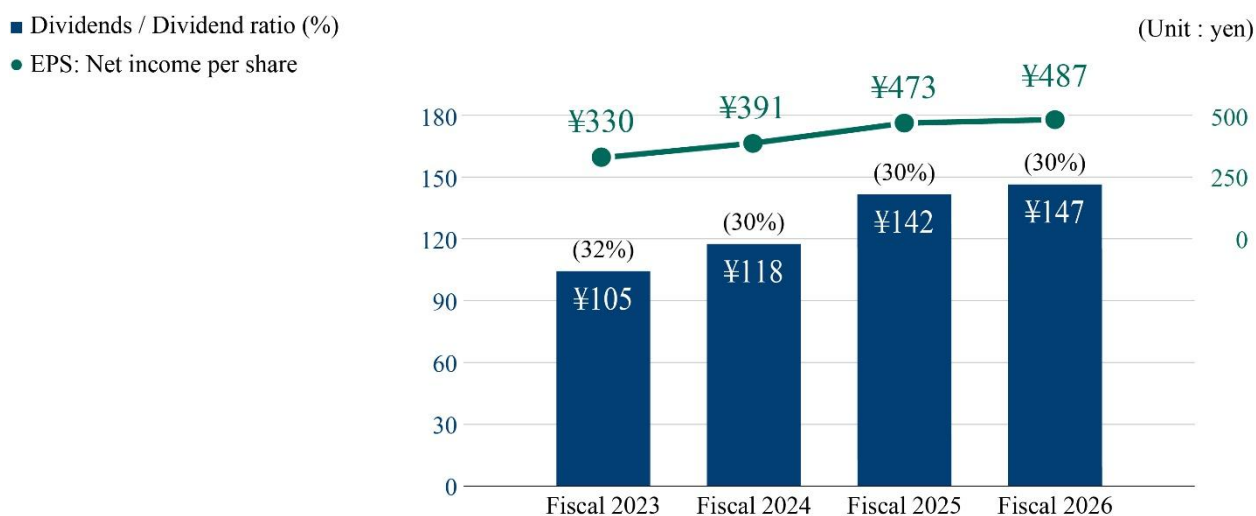
The Company recognizes that the distribution of profits to shareholders is an important management issue, and sets it as its basic policy to pay dividends twice a year, an interim dividend and a year-end dividend, which are performance-linked dividends corresponding to net profit attributable to owners of the parent of the year, from the viewpoint of ensuring the continuous and stable return of profits and the stability of management and financial affairs.

The decision-making body for these dividends is not the General Meeting of Shareholders, but the Board of Directors, based on Paragraph 1, Article 459 of the Companies Act, except as otherwise provided in laws and regulations. With regard to the amount of dividends for the current fiscal year, the Company targets 30% (annual) of the consolidated dividend ratio based on net profit attributable to owners of the parent and a dividend on equity (DOE) ratio of 3.5% or more, considering the business environment and other matters comprehensively while maintaining sufficient investment funds for business growth.

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 on 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 on 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.

(Reference) Trends in dividend per share



(Remarks)

Figures shown in millions of Japanese yen in this Report are rounded down to the nearest million.

CONSOLIDATED BALANCE SHEET

As of March 31, 2026

ASSETS	
Item	Amounts
	Millions of Japanese Yen
Current assets	¥126,931
Cash and deposits	29,537
Notes and accounts receivable-trade	70,199
Merchandise and finished goods	17,259
Work in process	1,212
Raw materials and supplies	23
Goods in transit	2,046
Income taxes receivable	1,270
Other	5,597
Allowance for doubtful accounts	(216)
Non-current assets	26,441
Property, plant and equipment	2,145
Buildings and structures	1,121
Accumulated depreciation	(581)
Machinery, equipment and vehicles	2,082
Accumulated depreciation	(1,601)
Tools, Furniture and fixtures	863
Accumulated depreciation	(511)
Construction in progress	13
Land	258
Leased assets	1,002
Accumulated depreciation	(502)
Intangible assets	5,205
Goodwill	48
Customer-related assets	592
Software	4,243
Other	320
Investments and other assets	19,090
Investment securities	11,995
Long-term loans receivable	1,731
Distressed receivables	1,477
Retirement benefit asset	205
Deferred tax assets	1,050
Other	4,143
Allowance for doubtful accounts	(1,514)
Total assets	¥153,373

LIABILITIES AND NET ASSETS	
Item	Amounts
	Millions of Japanese Yen
Current liabilities	¥46,978
Notes and accounts payable-trade	38,484
Short-term borrowings	469
Income taxes payable	1,099
Provision for bonuses	1,335
Provision for loss on liquidation of subsidiaries and associates	42
Other	5,546
Non-current liabilities	3,950
Deferred tax liabilities	1,528
Provision for share awards	178
Retirement benefit liability	2,083
Other	159
Total liabilities	50,928
Net assets	
Shareholders' equity	92,295
Share capital	6,800
Capital surplus	2,142
Retained earnings	84,276
Treasury shares	(923)
Total accumulated other comprehensive income	10,033
Valuation difference on available-for-sale securities	3,199
Deferred gains or losses on hedges	157
Foreign currency translation adjustments	6,384
Remeasurements of defined benefit plans	292
Non-controlling interests	116
Total net assets	102,444
Total liabilities and net assets	¥153,373

CONSOLIDATED STATEMENT OF INCOME

Year Ended March 31, 2026

Item	Amounts	
	Millions of Japanese Yen	
Net sales		¥299,293
Cost of sales		<u>258,170</u>
Gross profit		41,123
Selling, general and administrative expenses		<u>28,067</u>
Operating profit		13,056
Non-operating profit		
Interest income	526	
Dividend income	358	
Share of profit of entities accounted for using equity method	266	
Foreign exchange gains	195	
Subsidy income	164	
Miscellaneous income	<u>126</u>	1,638
Non-operating expenses		
Interest expenses	91	
Loss on sale of notes receivable - trade	381	
Miscellaneous expenses	<u>28</u>	<u>501</u>
Ordinary profit		14,193
Extraordinary profit		
Gain on sale of shares of subsidiaries and associates	56	
Gain on sale of investment securities	31	
Gain on sale of non-current assets	7	
Gain on liquidation of subsidiaries and associates	<u>4</u>	99
Extraordinary losses		
Loss on valuation of investment securities	65	
Loss on disposal of non-current assets	<u>37</u>	
Loss on sale of investment securities	<u>2</u>	<u>105</u>
Net profit before income taxes		14,187
Income taxes		
Current	2,591	
Deferred	<u>(442)</u>	<u>2,149</u>
Net profit:		12,037
Net profit attributable to non-controlling interests		<u>26</u>
Net profit attributable to owners of the parent		¥12,011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended March 31, 2026

(Millions of Japanese Yen)

	Shareholders' equity					Total accumulated other comprehensive income					Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	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 (loss)		
Balance as of April 1, 2025	¥6,800	¥2,152	¥76,071	¥(921)	¥84,101	¥2,112	¥3	¥5,724	¥67	¥7,907	¥92	¥92,101
Changes in items during the period												
Dividends from earnings			(3,791)		(3,791)							(3,791)
Net profit attributable to owners of the parent			12,011		12,011							12,011
Purchases of treasury shares				(1)	(1)							(1)
Changes of scope of consolidation			(1)		(1)							(1)
Changes in parent's ownership interest due to transactions with non-controlling interests		(10)			(10)							(10)
Other			(13)		(13)							(13)
Net changes of items other than shareholders' equity during the period						1,086	153	660	224	2,125	23	2,149
Total changes of items during the period	-	(10)	8,205	(1)	8,193	1,086	153	660	224	2,125	23	10,342
Balance as of March 31, 2026	¥6,800	¥2,142	¥84,276	¥(923)	¥92,295	¥3,199	¥157	¥6,384	¥292	¥10,033	¥116	¥102,444

(Reference)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended March 31, 2026

Item	Amounts
	Millions of Japanese Yen
Net profit	¥12,037
Other comprehensive income	
Valuation difference on available-for-sale securities	1,086
Deferred gains or losses on hedges	153
Foreign currency translation adjustments	548
Remeasurements of defined benefit plans, net of tax	224
Share of other comprehensive income of entities accounted for using equity method	110
Total other comprehensive income	2,124
Comprehensive income	14,162
Total comprehensive income attributable to:	
Owners of the parent	14,136
Non-controlling interests	25

(Note) (For reference) The consolidated statement of comprehensive income is not subject to audit.

Notes to the Consolidated Financial Statements

Amounts less than one million yen were rounded down in the consolidated financial statements.

Significant Items Forming the Basis of Preparation for the Consolidated Financial Statements

1. Scope of Consolidation

(1) Consolidated subsidiaries

- | | |
|--|---|
| a) Number of consolidated subsidiaries | 30 |
| b) Names of significant subsidiaries | STX Company Limited; ASADA U CO., LTD.; Miyako Kagaku Co., Ltd.;
KOZAKURA SHOKAI CO., LTD.; CHORI GLEX CO., LTD.;
Chori Machinery Co., Ltd.; Business Anchor Corporation;
CHORI AMERICA, INC.; and CHORI (CHINA) CO., LTD. |

(2) Unconsolidated subsidiaries

- | | |
|--|---|
| a) Names of major unconsolidated subsidiaries | Tohcho Co., Limited, CHORI IRAN CO., LTD. |
| b) Reasons for exclusion from the scope of consolidation | Total assets, sales, net profit/loss and retained earnings (amounts corresponding to the equity interest) of the unconsolidated subsidiary were excluded from the scope of consolidation as they would not have a material effect on the consolidated financial statements. |

2. Application of the Equity Method

(1) Unconsolidated subsidiaries and associates accounted for by the equity method

- | | |
|---|------------------|
| a) Number of unconsolidated subsidiaries and associates | 6 |
| b) Name of major company | MEGACHEM LIMITED |

(2) Unconsolidated subsidiaries and associates not accounted for by the equity method

- | | |
|--|--|
| a) Names of major companies | Tohcho Co., Limited, FIELTEX INDUSTRIA TEXTIL LTDA. |
| b) Reason for not applying the equity method | These companies were excluded from the scope of application of the equity method, as its exclusion has no significant influence on the consolidated financial statements and is not material as a whole. |

3. Changes in the Scope of Consolidation and Application of the Equity Method

(1) Consolidation

One company was excluded from the scope of consolidation due to a resolution to dissolve and a decrease in materiality.

(2) Equity method

One company was excluded from the scope of application of the equity method due to the transfer of all shares, and one company due to liquidation.

4. Matters related to Accounting Policies

(1) Valuation standards and methods for significant assets

a) Securities

Available-for-sale securities

Other than nonmarketable available-for-sale securities: Fair value (unrealized gains and losses are included in the net assets section of the balance sheet, and costs of securities sold are generally calculated using the moving-average method).

Nonmarketable available-for-sale securities: Valued at cost, generally by the moving-average method.

b) Derivatives are stated at fair value.

c) Inventories are stated at cost, generally by the moving-average method.

(Carrying costs on the consolidated balance sheet are written down based on the decreased profitability of such assets.)

(2) Depreciation and amortization methods for significant depreciable assets

- a) Property, plant and equipment (excluding leased assets) are generally depreciated using the straight-line method.

The useful lives of major assets are summarized as follows.

Buildings and structures 2-50 years

Machinery, equipment and vehicles 2-15 years

- b) Intangible assets (excluding leased assets) are amortized using the straight-line method.

Software for internal use is generally amortized using the straight-line method over their estimated useful lives (five years or less).

Customer-related assets are amortized using the straight-line method over their useful lives (9 to 14 years).

- c) Leased assets are depreciated or amortized using the straight-line method over the lease term with a residual value of zero.

(3) Accounting standards for allowances

- a) Allowance for doubtful accounts

To provide for losses due to bad debt expense, the allowance for doubtful accounts is recorded at amounts considered to be appropriate based upon past credit loss experience for general receivables with specific consideration for certain receivables deemed doubtful of collection.

- b) Provision for bonuses

Provision for bonuses are provided for based on estimated amounts attributable to services rendered by employees for the current fiscal year, which are paid in the following fiscal year.

- c) Provision for loss on liquidation of subsidiaries and associates

To provide for a loss arising from the liquidation of an unconsolidated subsidiary, the estimated loss to be borne by the Company exceeding equity investments in and loans receivables from this subsidiary was recorded.

- d) Provision for share awards

To provide for granting the Company's shares to Directors and Executive Officers pursuant to the Share Benefit Regulations for Directors and Officers of the Company, this provision was recorded based upon the estimated share award obligations as of the end of the current fiscal year.

(4) Accounting for retirement benefits

- a) Method of attributing projected retirement benefits to periods

The liability for retirement benefits was determined based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis.

- b) Method of amortizing net actuarial gains and losses for retirement benefits

Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (total accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss over 12 years (in principle), no longer than the expected average remaining service period of the employees.

- c) Adoption of the simplified method for small-sized companies

Certain consolidated subsidiaries have adopted the simplified method for calculating the liability for retirement benefits and net periodic benefit costs, by determining retirement benefit obligations based on the hypothetical amount of voluntary retirement payments that would have been payable at fiscal yearend.

(5) Accounting standards for revenue and expenses

The Group recognizes revenue based on the following five-step approach.

Step 1: Identifying the contract(s) with a customer

Step 2: Identifying the performance obligations in the contract

Step 3: Determining the transaction price

Step 4: Allocate the transaction price to the performance obligation in the contract

Step 5: Recognizing revenue when (or as) the entity satisfies a performance obligation

The Group sells products including textiles, chemicals, and machinery. Revenue from product sales is primarily recognized at the time of delivery as our performance obligation is satisfied when the customer takes control of the goods upon delivery. For certain product sales in Japan, revenue is recognized at a specific point in time (upon shipment) before a customer obtains control of the goods.

Revenue is measured at the consideration promised in contracts with customers, less discounts, returns, rebates, etc. A significant financing component is not included since the consideration in the sales contract is primarily recovered within one year from when the performance obligations are satisfied.

Revenue is recognized as a net amount if the nature of its promise in contracts with customers is a performance obligation to arrange for goods or services to be provided by another party as an agent. The Group determines whether the nature of its promise is a principal or an agent based on comprehensive consideration of whether it has primary responsibility, discretion in pricing, inventory risk, etc.

For transactions where the Group supplies materials to a customer with charge under a repurchase agreement, the Group accounts for such transactions as a financial transaction and recognizes the physical inventory of such supplied materials retained by the customer at the end of the fiscal year as “Work in process” and the consideration received from said customer as “Deposits received (financial liabilities).”

For transactions where the Group receives supplied materials from a supplier with charge under a resale agreement, revenue is recognized on a net basis, excluding the purchase price of raw materials, etc., upon resale to the supplier.

(6) Standards for translation of foreign currency-denominated assets and liabilities into Japanese Yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing on the balance sheet date. The resulting translation gains or losses are included in the determination of net profit. Assets, liabilities, revenue and expenses of overseas subsidiaries are translated into Japanese yen based on spot exchange rates at their respective fiscal closing dates. Differences arising from such translations are included in “Foreign currency translation adjustments” and “Non-controlling interests” in the net assets section of the balance sheet.

(7) Significant hedge accounting methods

a) Hedge accounting methods

In principle, the Company uses deferred hedging. Forward exchange contracts qualifying for hedge accounting are translated at the contracted rates.

b) Hedging instruments and hedged items

<u>Hedging instruments</u>	<u>Related hedged items</u>
Forward exchange contracts	Receivables, payables, and forecasted transactions denominated in foreign currencies

c) Hedging policies

The Company and certain consolidated subsidiaries use derivatives to mitigate the risk of foreign exchange fluctuations in accordance with internal management rules.

d) Methods of assessing hedging effectiveness

Forward exchange contracts are entered into for the same currencies and the same periods in accordance with hedging policies, and as their correlations related to subsequent fluctuations in market exchange rates are already determined, assessments of the effectiveness of the forward exchange contracts as of the balance sheet date are omitted.

(8) Amortization of goodwill

Goodwill is generally amortized ratably over five years, but is written off in its entirety in the year of occurrence when such amounts are not significant.

(9) Other significant items for preparation of the consolidated financial statements

Accounting for non-deductible consumption tax

Non-deductible consumption taxes, etc., pertaining to assets are included in expenses for the fiscal year in which they occur.

Notes to 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.

Notes to Changes in Presentation

1. Consolidated Balance Sheet

“Income taxes receivable” previously included in “Other” under “Current assets” is which was separately presented in the current fiscal year due to its increased importance in terms of amount.

“Software” previously included in “Other” under “Intangible assets” is which was separately presented in the current fiscal year due to its increased importance in terms of amount.

“Software in progress” which was separately presented in the previous fiscal year is included in “Other” under “Intangible assets” in the current fiscal year as the amount has become insignificant.

2. Consolidated Statement of Income

“Reversal of allowance for doubtful accounts” and “Gain on adjustment of accounts payable,” which were separately presented” which was separately presented in the previous fiscal year are included in “Miscellaneous income” under “Non-operating profit” in the current fiscal year as the amounts have become insignificant.

Notes to Accounting Estimates

Measurement of allowance for doubtful accounts

(1) Carrying amounts in the current year's consolidated financial statements

(Millions of Japanese Yen)

	Current fiscal year
Allowance for doubtful accounts (current assets)	¥(216)
Allowance for doubtful accounts (non-current assets)	(1,514)

(2) Information on the nature of significant accounting estimates for identified items

(i) Method in making the accounting estimates

Allowance for doubtful accounts is recorded at amounts considered to be appropriate based upon past credit loss experience for general receivables with specific consideration for certain receivables deemed doubtful of collection.

(ii) Key assumptions used in making the accounting estimates

For general receivables, the estimated doubtful accounts are measured based on past credit loss experience and other factors over a certain period of time, assuming that credit risk does not fluctuate significantly. In addition, the estimated doubtful accounts are measured based on basic information, such as the status of collection at the end of the reporting period and historical credit loss experience, estimates in solvency of debtors and collateral value, and assumptions for forward-looking information of the economic conditions, after determining whether there is a significant increase in credit risk since initial recognition.

(iii) The effect on the following fiscal year's consolidated financial statements

The Company estimates the allowance for doubtful accounts after careful consideration based on available information. However, changes in the past credit loss experience, changes in the financial position of individual counterparties and the status of collections may affect the amount of the allowance for doubtful accounts in the consolidated financial statements for the following fiscal year.

Notes to the Consolidated Balance Sheet

(Millions of Japanese Yen)

1. Assets Pledged as Collateral and Secured Liabilities

(1) Assets pledged as collateral

Cash and deposits	¥20
Investment securities	2,455
Total	¥2,475

(2) Secured liabilities

Notes and accounts payable-trade	¥4,889
----------------------------------	--------

2. Contingent Liabilities

Discounted export notes	¥7,286
Endorsed notes receivable	611

3. Tax Purpose Reduction

Acquisition costs for certain machinery, equipment and vehicles acquired using subsidies were reduced by ¥380 million based on certain tax regulations.

4. Notes and Accounts Receivable-Trade from Contracts with Customers

Notes receivable-trade	¥17,390 million
Accounts receivable-trade	52,809 million

Notes to the Consolidated Statement of Changes in Equity

1. Numbers and Types of Shares Issued and Treasury shares

(Shares)

Types of stock	As of April 1, 2025	Increase	Decrease	As of March 31, 2026
Shares issued				
Common stock	25,303,478	-	-	25,303,478
Total	25,303,478	-	-	25,303,478
Treasury shares				
Common stock	657,540	460	-	658,000
Total	657,540	460	-	658,000

(Summary of reasons for changes)

1. The number of common stock shares of treasury shares as of March 31, 2026 includes the 135,134 shares held by the trust in relation to Board Benefit Trust-Restricted Stock (BBT-RS).
2. The increase in the number of common stock shares of treasury shares was due to an increase of 460 shares from the purchase of fractional shares.

2. Dividends

(1) Amount of dividends paid

(Millions of Japanese Yen unless otherwise specified)

Resolution	Type of stock	Total amount of dividends	Dividends per share (Japanese Yen)	Record date	Effective date
Board of Directors Meeting (April 28, 2025)	Common stock	¥2,007	¥81.00	March 31, 2025	June 5, 2025
Board of Directors Meeting (October 30, 2025)	Common stock	1,784	72.00	September 30, 2025	December 1, 2025

- (Notes) 1. The total amount of dividends of common stock of ¥2,007 million by a resolution of the Board of Directors meeting on April 28, 2025 includes dividends of ¥10 million related to the Company shares held by the trust in relation to Board Benefit Trust - Restricted Stock (BBT-RS).
2. The total amount of dividends of common stock of ¥1,784 million by a resolution of the Board of Directors meeting on October 30, 2025 includes dividends of ¥9 million related to the Company shares held by the trust in relation to Board Benefit Trust-Restricted Stock (BBT-RS).

(2) Dividends for which the record date is in the fiscal year ended March 31, 2026 and the effective date is in the following fiscal year

(Millions of Japanese Yen unless otherwise specified)

Resolution	Type of stock	Dividend source	Total amount of dividends	Dividends per share (Japanese Yen)	Record date	Effective date
Board of Directors Meeting (April 28, 2026)	Common stock	Retained earnings	¥1,858	¥75.00	March 31, 2026	June 3, 2026

(Note) The total amount of dividends of common stock of ¥1,858 million by a resolution of the Board of Directors meeting on April 28, 2026 includes dividends of ¥10 million related to the Company shares held by the trust in relation to Board Benefit Trust-Restricted Stock (BBT-RS).

Notes to Financial Instruments

1. Matters Concerning Financial Instruments

The Group restricts its investment of funds to short-term deposits, etc., and procures funds through loans from financial institutions.

Risk reduction of customer credit risks related to notes and accounts receivable-trade are handled in accordance with internal management rules. Investment securities primarily consist of stock, and the market values of listed shares are checked quarterly.

The usage of loans payable, etc. is mainly for working capital purposes. Derivatives are utilized based on actual demand and in accordance with internal management rules.

2. Matters Concerning the Fair Value of Financial Instruments

Carrying amounts on the consolidated balance sheet, fair values and their differences as of March 31, 2026 (current consolidated closing date) are as follows.

(Millions of Japanese Yen)

	Carrying amount on the consolidated balance sheet	Fair value	Unrealized gain
(1) Investment securities (*2)			
Investments in unconsolidated subsidiaries and associates	¥2,086	¥2,102	¥15
Available-for-sale securities	8,282	8,282	-
(2) Derivatives (*3)	413	413	-

(*1) Cash and deposits, notes and accounts receivable-trade, notes and accounts payable-trade, short-term borrowings, and income taxes payable omitted as the carrying values of these items approximate fair value because of their short maturities.

(*2) The financial instruments below are not included in "(1) Investment securities" as they are investments with no market price. These financial instruments are recorded as below on the consolidated balance sheet.

(Millions of Japanese Yen)

Category	Current fiscal year (March 31, 2026)
Unlisted equity securities	1,626

(*3) Net receivables and payables arising from derivatives are stated on a net basis and items in parentheses represent net debt in total.

Derivatives

a) Derivative transactions to which hedge accounting is not applied: The contracted amounts or principal-equivalent amounts set forth in contracts, market values, unrealized gain or loss, and method of calculating market values for each type of transaction item as of the fiscal year end are as follows.

Currency related (the calculation method for market value is based on market forward exchange rates.)

(Millions of Japanese Yen)

Category	Type of derivative financial instrument	Contract amount		Fair value	Unrealized gain /loss
			Due after 1 year		
Transactions other than market transactions	Foreign currency forward contracts				
	Selling				
	U.S. Dollar	¥73	-	¥0	¥0
	Yen	3,627	-	128	128
	Rupiah	126	-	(0)	(0)
	Foreign currency forward contracts				
	Buying				
	U.S. Dollar	528	-	12	12
	Yuan	3	-	0	0
	Euro	68	-	4	4
	Rupiah	7	-	0	0
	Yen	20	-	0	0
Total		¥4,455	-	¥145	¥145

b) Derivative transaction to which hedge accounting is applied: The contract amounts or principal-equivalent amounts set forth in contracts for each hedge accounting method as of the consolidated fiscal year end are as follows.

(Millions of Japanese Yen)

Hedge accounting method	Type of derivative financial instrument	Hedged item	Contract amount	Contract amount due after 1 year	Fair value (*1)
Forward contracts qualifying for hedge accounting translated at contract rates	Foreign currency forward contracts Selling U.S. Dollar Yuan	Accounts receivable	¥5,679 219	- -	(*)2
	Foreign currency forward contracts Buying U.S. Dollar Yuan	Accounts payable	7,166 2,316	- -	(*)2
Forward contracts qualifying for hedge accounting for which gains and losses are deferred	Foreign currency forward contracts Selling U.S. Dollar Yuan	Accounts receivable	5,369 133	- -	¥(97) (0)
	Foreign currency forward contracts Buying U.S. Dollar Yuan	Accounts payable	13,348	-	333
	U.S. Dollar		1,495	-	32
	Euro		27	-	0
	Pound		4	-	(0)
Total			35,761	-	267

(*1) The fair value of derivative transactions is measured at the quoted price obtained from the financial institution with which the Company has transactions.

(*2) The foreign currency forward contracts qualifying for hedge accounting translated at contract rates are accounted for together with the underlying receivables and payables, and their market values are included in the market values of such receivables and payables.

3. Matters Concerning Breakdown of Fair Value of Financial Instruments by Appropriate Classifications

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured by using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement

Level 2 fair value: Fair value measured by using observable inputs other than Level 1 inputs

Level 3 fair value: Fair value measured by using unobservable inputs

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in the level of the lowest priority in the fair value measurement among the levels to which each of these inputs belongs.

a) Financial assets with the carrying amount recorded using the fair value

Category	Fair value (Millions of Japanese Yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Equity securities	¥8,282	-	-	¥8,282
Derivative transactions				
Currency related	-	413	-	413
Total assets	8,282	413	-	8,696

b) Financial assets with the carrying amount not recorded using the fair value

Category	Fair value (Millions of Japanese Yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Investments in shares of subsidiaries and associates	¥2,102	-	-	¥2,102
Total assets	2,102	-	-	2,102

(Note) Valuation method and inputs related to the measurement of fair value

Investment securities

Listed equity securities are evaluated at market prices. The fair value of listed equity securities is classified into Level 1 as they are traded in active markets.

Derivative transactions

The fair value of derivative transactions is measured at the quoted price obtained from the financial institution with which the Company has transactions and classified into Level 2.

Notes to Revenue Recognition

1. Disaggregation of Revenue from Contracts with Customers

Year Ended March 31, 2026

(Millions of Japanese Yen)

	Reportable segments				Others (Note)	Total
	Fibers, textiles and garments	Chemicals	Machinery	Subtotal		
Domestic	¥43,874	¥56,223	—	¥100,097	¥77	¥100,175
Import	48,717	38,454	—	87,171	—	87,171
Export	11,185	22,378	0	33,564	—	33,564
Overseas	41,999	35,610	772	78,382	—	78,382
Total	¥145,775	¥152,667	¥773	¥299,216	¥77	¥299,293

(Note) “Others” is a business segment not included in the reportable segments and includes the provision of various services such as entrusted administrative work.

Above transactions are defined as below:

Domestic: Sales which are purchased from and sold to domestic corporations

Import: Sales which are purchased from foreign corporations and sold to domestic corporations

Export: Sales which are purchased from domestic corporations and sold to foreign corporations

Overseas: Sales which are purchased from and sold to foreign corporations and sales of consolidated subsidiaries overseas

2. Basic Information to Understand Revenues from Contracts with Customers

Basic information to understand revenues from contracts with customers is stated in “4. Matters related to Accounting Policies (5) Accounting standards for revenue and expenses (Significant Items Forming the Basis of Preparation for the Consolidated Financial Statements).”

3. Information About the Relationship Between Satisfaction of Performance Obligations and Cash Flows Arising from the Contracts with Customers, and

Information on the Expected Amount and Timing of Revenue Recognition which is included in the contract balance at the End of the Current

Consolidated Fiscal Year

(1) Contract balance

The balance of contract liabilities is as follows:

(Millions of Japanese Yen)

	Year Ended March 31, 2026
Contract liabilities (balance at beginning of the year)	¥1,207
Contract liabilities (balance at end of the year)	1,127

Contract liabilities mainly consist of advances received from customers before delivery or shipment of products. The amount of revenue recognized, which is included in the balance of contract liabilities at beginning of the year, is not material for the year ended March 31, 2026. The amount of revenue recognized from performance obligations which had been satisfied in the past year is not material for the year ended March 31, 2026.

(2) Transaction price allocated to the remaining performance obligation

The Group has no significant transactions with individual expected contractual terms exceeding one year. In addition, there is no significant amount in consideration from contracts with customers which is not included in the transaction price.

Per Share Information

(Japanese Yen)

(1) Net assets per share

¥4,152.02

(2) Net profit per share

487.36

(Note) The Company has introduced the Board Benefit Trust-Restricted Stock (BBT-RS) effective from the current fiscal year, and the number of shares of the Company held by the trust, which is recorded as treasury shares in shareholders' equity, is included in that of treasury shares to be deducted in calculating the total number of issued shares at the end of the period and the average number of shares outstanding during the period to determine net assets per share and net profit 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 current fiscal year, and for the calculation of net profit per share, 135 thousand shares were deducted from the average number of treasury shares during the period in the current fiscal year.

Notes for Significant Subsequent Events

Not applicable.

Other Notes

(Performance-linked Stock Compensation Plan for Directors, etc.)

The Company introduced a performance-linked stock compensation plan called “Board Benefit Trust-Restricted Stock (BBT-RS)” for Directors (excluding Directors on the Audit & Supervisory Committee Members and non-executive Directors) and Executive Officers of the Company (together with directors, collectively, the “Eligible Officers”) based on a resolution of the 76th Annual General Meeting of Shareholders, held on June 16, 2023, to further clarify the linkage of the compensation for Eligible Officers and the Company’s business performance and its share value, and to enhance 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 Eligible Officers 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 Eligible Officers 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 at the end of the current fiscal year.

NONCONSOLIDATED BALANCE SHEET

As of March 31, 2026

ASSETS	
Item	Amounts
	Millions of Japanese Yen
Current assets	¥68,896
Cash and deposits	12,877
Deposits paid in subsidiaries and associates	900
Notes receivable-trade	12,562
Accounts receivable-trade	25,576
Merchandise and finished goods	10,289
Work in process	327
Goods in transit	934
Advance payments	815
Prepaid expenses	98
Short-term loans receivable	17
Income taxes receivable	1,257
Other	3,258
Allowance for doubtful accounts	(17)
Non-current assets	33,155
Property, plant and equipment	849
Buildings	350
Machinery and equipment	278
Tools, Furniture and fixtures	220
Intangible assets	4,307
Software	4,013
Other	294
Investments and other assets	27,997
Investment securities	3,024
Investments in shares of subsidiaries and associates	18,389
Investments in capital	312
Investments in capital of subsidiaries and associates	2,366
Long-term loans receivable	1,700
Long-term loans receivable from subsidiaries and associates	980
Distressed receivables	208
Deferred tax assets	1,218
Other	637
Allowance for doubtful accounts	(841)
Total assets	¥102,052

LIABILITIES AND NET ASSETS	
Item	Amounts
	Millions of Japanese Yen
Current liabilities	¥25,240
Notes payable-trade	585
Accounts payable-trade	15,015
Accounts payable-other	1,041
Accrued expenses	143
Income taxes payable	11
Advances received	625
Deposits received	6,931
Provision for bonuses	841
Provision for loss on liquidation of subsidiaries and associates	42
Other	2
Non-current liabilities	2,247
Provision for share awards	178
Liability for retirement benefits	2,068
Total liabilities	27,488
Net assets	
Shareholders' equity	73,440
Share capital	6,800
Capital surplus	2,150
Legal capital surplus	1,700
Other capital surplus	450
Retained earnings	65,414
Other retained earnings	65,414
Retained earnings brought forward	65,414
Treasury shares	(923)
Valuation and translation adjustments	1,123
Valuation difference on available-for-sale securities	1,003
Deferred gains or losses on hedges	120
Total net assets	74,563
Total liabilities and net assets	¥102,052

NONCONSOLIDATED STATEMENT OF INCOME

Year Ended March 31, 2026

Item	Amounts	
	Millions of Japanese Yen	
Net sales		¥152,153
Cost of sales		<u>132,023</u>
Gross profit		20,130
Selling, general and administrative expenses		<u>14,586</u>
Operating profit		5,544
Non-operating profit		
Interest income	141	
Dividend income	5,149	
Foreign exchange gains	146	
Miscellaneous income	<u>533</u>	5,971
Non-operating expenses		
Interest expenses	83	
Loss on sale of notes receivable-trade	137	
Miscellaneous expenses	<u>50</u>	<u>271</u>
Ordinary profit		11,244
Extraordinary profit		
Gain on sale of shares of subsidiaries and associates	11	
Gain on sale of investment securities	6	
Gain on sale of non-current assets	<u>1</u>	19
Extraordinary losses		
Loss on disposal of non-current assets	29	
Loss on valuation of investment securities	22	
Loss on valuation of shares of subsidiaries and associates	10	
Other	<u>0</u>	<u>62</u>
Net profit before income taxes		11,202
Income taxes		
Current	375	
Deferred	<u>(425)</u>	<u>(50)</u>
Net profit		¥11,253

NONCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended March 31, 2026

(Millions of Japanese Yen)

(in millions of Japanese Yen)

	Shareholders' equity								Valuation and translation adjustments			Total net assets
	Capital stock	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings						
					Retained earnings brought forward							
Balance as of April 1, 2025	¥6,800	¥1,700	¥450	¥2,150	¥57,952	¥57,952	¥(921)	¥65,980	¥803	¥91	¥895	¥66,875
Changes in items during the period												
Dividends from earnings					(3,791)	(3,791)		(3,791)				(3,791)
Net profit					11,253	11,253		11,253				11,253
Purchases of treasury shares							(1)	(1)				(1)
Net changes of items other than shareholders' equity during the period									199	28	228	228
Total changes of items during the period	-	-	-	-	7,461	7,461	(1)	7,459	199	28	228	7,688
Balance as of March 31, 2026	¥6,800	¥1,700	¥450	¥2,150	¥65,414	¥65,414	¥(923)	¥73,440	¥1,003	¥120	¥1,123	¥74,563

Notes to the Nonconsolidated Financial Statements

Amounts less than one million yen have been rounded down in the nonconsolidated financial statements.

Significant Accounting Policies

1. Valuation Standards and Methods for Assets

- (1) Securities
 - Stocks of subsidiaries and associates: Valued at cost by the moving-average method
 - Available-for-sale securities:
 - Other than nonmarketable available-for-sale securities: Fair value
(Unrealized gains and losses are included in the net assets section of the balance sheet, and cost of securities sold is calculated using the moving-average method.)
 - Nonmarketable available-for-sale securities: Valued at cost by the moving-average method
- (2) Derivatives are stated at fair value.
- (3) Inventories are valued at cost, determined by the moving-average method.
(Carrying costs on the balance sheet were written down based on the decreased profitability of such assets.)

2. Depreciation and Amortization Methods for Non-current Assets

- (1) Property, plant and equipment are depreciated using the straight-line method.
 - The ranges of useful lives for assets are summarized as follows.

Buildings	2-50 years
Machinery and equipment	2-10 years
- (2) Intangible assets are amortized using the straight-line method.
 - Software for internal use is amortized using the straight-line method over estimated useful lives (five years or less).

3. Standards for Translation of Foreign Currency Denominated Assets and Liabilities into Japanese Yen

All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing on the balance sheet date. The resulting translation gains or losses are included in the determination of net profit.

4. Accounting Standards for Allowances

- (1) Allowance for Doubtful Accounts
 - To provide for losses due to bad debt expense, the allowance for doubtful accounts is recorded at amounts considered to be appropriate based upon past credit loss experience for general receivables with specific consideration for certain receivables deemed doubtful of collection.
- (2) Provision for bonuses
 - Provision for bonuses are provided for based on estimated amounts attributable to services rendered by employees for the current fiscal year, which are paid in the following fiscal year.
- (3) Provision for loss on liquidation of subsidiaries and associates
 - To provide for a loss arising from the liquidation of an unconsolidated subsidiary, the estimated loss amounts to be borne by the Company exceeding equity investments in and loans receivables from the subsidiary were recorded.
- (4) Provision for Share Awards
 - To provide for granting the Company's shares to Directors and Executive Officers pursuant to the Share Benefit Regulations for Directors and Officers, this provision was recorded based upon the estimated share award obligations as of the end of the current fiscal year.
- (5) Liability for Retirement Benefits
 - Liability for retirement benefits is provided for based on the projected retirement benefit obligations as of the end of the current fiscal year.
 - a) Method of Attributing Projected Retirement Benefits to Periods
 - To calculate retirement benefit obligations, projected retirement benefits attributable through the end of the current fiscal year are determined by the benefit formula method.
 - b) Method of Amortizing Net Actuarial Gains and Losses for Retirement Benefits
 - Net actuarial gains and losses are amortized ratably using the straight-line method over a fixed period (12 years) not longer than the average remaining service years of employees for the fiscal year in which the differences occurred, beginning with the following fiscal year.

5. Hedge Accounting Methods

(1) Methods of Hedge Accounting

In principle, the Company uses deferred hedging. Forward exchange contracts qualifying for hedge accounting are translated at the contracted rates.

(2) Hedging Instruments and Hedged Items

Hedging Instruments

Forward exchange contracts

Related Hedged Items

Receivables, payables, and forecasted transactions denominated in foreign currencies

(3) Hedging Policies

The Company uses derivatives to mitigate the risk of foreign exchange fluctuations in accordance with internal management rules.

(4) Methods of Assessing Hedging Effectiveness

Forward exchange contracts are entered into for the same currencies and the same periods in accordance with hedging policies, and as their correlations related to subsequent fluctuations in market exchange rates are already determined, assessments of the effectiveness of the forward exchange contracts as of the balance sheet date are omitted.

6. Accounting Standards for Revenue and Expenses

The Company recognizes revenue based on the following five-step approach.

Step 1: Identifying the contract with a customer

Step 2: Identifying the performance obligations in the contract

Step 3: Determining the transaction price

Step 4: Allocate the transaction price to the performance obligation in the contract

Step 5: Recognizing revenue when (or as) the entity satisfies a performance obligation

The Company sells products including textiles and chemicals, among others. Revenue from product sales is primarily recognized at the time of delivery as our performance obligation is satisfied when the customer takes control of the goods upon delivery. For certain product sales in Japan, revenue is recognized at a specific point in time (upon shipment) before a customer obtains control of the goods.

Revenue is measured at the consideration promised in contracts with customers, less discounts, returns, rebates, etc. A significant financing component is not included since the consideration in the sales contract is primarily recovered within one year from when the performance obligations are satisfied.

Revenue is recognized as a net amount if the nature of its promise in contracts with customers is a performance obligation to arrange for goods or services to be provided by another party as an agent. The Company determines whether the nature of its promise is a principal or an agent based on comprehensive consideration of whether it has primary responsibility, discretion in pricing, inventory risk, etc.

For transactions where the Company supplies materials to a customer with a charge under a repurchase agreement, the Company accounts for such transactions as a financial transaction and recognizes the physical inventory of such supplied materials retained by the customer at the end of the fiscal year as "Work in process" and the consideration received from said customer as "Deposits received (financial liabilities)."

For transactions where the Company receives supplied materials from a supplier with charge under a resale agreement, revenue is recognized on a net basis, excluding the purchase price of raw materials, etc., upon resale to the supplier.

7. Other Significant Items Forming the Basis of Preparation for the Nonconsolidated Financial Statements

(1) Accounting for Retirement Benefits

The accounting method for unrecognized net actuarial gains and losses related to retirement benefits is different from the method used in the consolidated financial statements.

(2) Accounting for Non-deductible Consumption Tax

Non-deductible consumption taxes, etc., pertaining to assets are included in expenses for the fiscal year in which they occur.

Notes to Changes in Accounting Policies

(Change in Valuation Method of Inventories)

The Company's valuation standard and method for inventories have traditionally been based on the cost method using the monthly weighted average method. However, from the beginning of the current fiscal year, the Company changed this to the cost method 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 transforming business operations and management through digital transformation (DX). The purpose of this change is to enable more timely and accurate calculation of periodic profit and loss. The impact of this change is immaterial. Since the effect of this accounting policy change on prior periods is immaterial, the change has not been applied retrospectively.

Notes to Changes in Presentation

1. Balance Sheet

“Software in progress” which was separately presented in the previous fiscal year is included in “Other” under “Intangible assets” in the current fiscal year as the amount has become insignificant.

2. Statement of Income

Statement of Income

“Reversal of allowance for doubtful accounts” and “Gain on adjustment of accounts payable,” which were separately presented in the previous fiscal year are included in “Miscellaneous income” under “Non-operating profit” in the current fiscal year as the amounts have become insignificant

Notes to Accounting Estimates

Measurement of allowance for doubtful accounts

(1) Carrying amounts in the current year's nonconsolidated financial statements

(Millions of Japanese Yen)

	Current fiscal year
Allowance for doubtful accounts (current assets)	(17)
Allowance for doubtful accounts (non-current assets)	(841)

(2) Information on the nature of significant accounting estimates for identified items

(i) Method in making the accounting estimates

Allowance for doubtful accounts is recorded at amounts considered to be appropriate based upon past credit loss experience for general receivables with specific consideration for certain receivables deemed doubtful of collection.

(ii) Key assumptions used in making the accounting estimates

For general receivables, the estimated doubtful accounts are measured based on past credit loss experience and other factors over a certain period of time, assuming that credit risk does not fluctuate significantly.

With regard to receivables from debtors (excluding subsidiaries; the same applies hereinafter) in legal bankruptcy, such as in bankruptcy or liquidation, under corporate reorganization, bankruptcy protection or civil rehabilitation, or in other situations, those from debtors that are experiencing severe financial difficulties and their lack of potential for restructuring has been confirmed, and those from debtors not in bankruptcy but with serious problems with the repayment of debts or with a high likelihood of having such problems, the estimated doubtful accounts are measured based on the estimated collectable amount by collateral and trade insurance, historical collection rate, and other factors.

With regard to receivables from subsidiaries whose financial conditions are a cause for concern, the estimated doubtful accounts are measured with comprehensive consideration for collectability based on the subsidiary's excessive liabilities amount, future business plan, and other factors.

(iii) The effect on the following fiscal year's nonconsolidated financial statements

The Company estimates the allowance for doubtful accounts after careful consideration based on available information. However, changes in the past credit loss experience, changes in the financial position of individual counterparties, and the status of collections may affect the amount of the allowance for doubtful accounts in the nonconsolidated financial statements for the following fiscal year.

Notes to the Nonconsolidated Balance Sheet

Millions of Japanese Yen

1. Accumulated Depreciation of Property, Plant and Equipment ¥1,489

2. Monetary Receivables from and Payable to Subsidiaries and Associates
 Monetary receivables from and payable to subsidiaries and associates, other than those separately presented, are set out below.

Short-term monetary receivables	¥3,988
Long-term monetary receivables	0
Short-term monetary payable	8,742

3. Contingent Liabilities
 Discounted export notes ¥40

4. Amount of Reduction Entry
 The amount of reduction entry deducted from the acquisition cost for property, plant and equipment was 380 million yen for machinery and equipment.

5. Debt Guarantees
 The Company guarantees the following affiliated companies' transactions with financial institutions.
 Chori Machinery Co., Ltd. ¥30,000 million
 (Note) The maximum amount of guarantees is stated.

Notes to the Nonconsolidated Statement of Income

Millions of Japanese Yen

Transactions with Subsidiaries and Associates	Net sales	¥11,905
	Amount of purchase	20,928
	Non-operating transactions	5,177

Notes to the Nonconsolidated Statement of Changes in Equity

Numbers and Types of Treasury shares

(Shares)

Types of stock	As of April 1, 2025	Increase	Decrease	As of March 31, 2026
Common stock	657,540	460	-	658,000
Total	657,540	460	-	658,000

(Summary of reasons for changes)

1. The number of common stock shares of treasury shares as of March 31, 2026 includes the 135,134 shares held by the trust in relation to Board Benefit Trust-Restricted Stock (BBT-RS).
2. The increase in the number of common stock shares of treasury shares was due to an increase of 460 shares from the purchase of fractional shares.

Notes to Tax Effect Accounting

Breakdown of Major Factors for Deferred Tax Assets and Deferred Tax Liabilities

(Millions of Japanese Yen)

Deferred tax assets		
Loss on valuation of goods		¥19
Impairment loss on investment securities		32
Impairment loss on stocks of subsidiaries and associates		258
Loss on valuation of golf club membership		2
Allowance for doubtful accounts		270
Provision for bonuses		264
Provision for loss on liquidation of subsidiaries and associates		13
Provision for share awards		56
Liability for retirement benefits		651
Impairment losses		114
Tax loss carryforward		510
Other		458
Subtotal deferred tax assets		2,652
Valuation allowances		(994)
Total deferred tax assets		1,657
Deferred tax liabilities		
Valuation difference on available-for-sale securities		¥ (324)
Deferred gains or losses on hedges		(55)
Income taxes receivable		(48)
Other		(11)
Total deferred tax liabilities		(438)
Net deferred tax assets		1,218

Notes to Transactions with Related Parties

Parent Company, Major Corporate Shareholders, etc.

(Millions of Japanese Yen)

Company type	Company name or person's name	Location	Share capital or equity investments	Description of business or occupation	Percentage of ownership (or owned) of voting rights, etc.	Relation with the related party	Details of transactions	Amount of transactions	Account	Balance at the end of fiscal year
Parent company	TORAY INDUSTRIES, INC.	Chuo-ku, Tokyo	¥147,873	Manufacture, processing and sale and purchase of fibers, chemicals, etc.	(Owned) Directly: 52.41% Indirectly: -	Sale and purchase of fibers, chemicals, etc.; common director; deposit of funds	Sale of fibers, chemicals, etc.	¥957	Accounts receivable-trade	¥492
							Purchase of fibers, chemicals, etc.	6,010	Accounts payable-trade	1,152
							Deposit of funds	8,000	-	-

Terms and conditions of transactions and policies for their determination

- (Notes)
1. Terms and conditions concerning sales and purchases of fibers, chemicals, etc. are determined through negotiation based on market prices, etc.
 2. Consumption taxes are not included in the amounts of transactions, while consumption taxes are included in the balances at fiscal year-end.
 3. The deposit of funds is made through the Toray Group's Cash Management System. Interest rates on these transactions are determined at reasonable levels after due consideration of market interest rates. In addition, since the deposit of funds are made on a daily basis, the amounts for transactions are reported at their maximum amounts. The Company withdrew from the Toray Group's Cash Management System during the current fiscal year, and there is no balance at fiscal year-end.

Subsidiaries and Associates, Etc.

(Millions of Japanese Yen unless otherwise specified)

Company type	Company name or person's name	Location	Share capital or equity investments	Description of business or occupation	Percentage of ownership (or owned) of voting rights, etc.	Relation with the related party	Details of transactions	Amount of transactions	Account	Balance at the end of fiscal year
Subsidiary	CHORI (CHINA) CO., LTD.	Shanghai (China)	55,314 thousand yuan	Sale in China, export and import, and overseas transactions of various products	(Ownership) Directly: 100.00% Indirectly: -	Sale and purchase of fibers, chemicals, etc.; custody of funds; common officers	Sale of fibers, chemicals, etc.	¥3,051	Accounts receivable-trade	¥432
							Custody of funds	1,416	-	-
Subsidiary	Miyako Kagaku Co., Ltd.	Chiyoda-ku, Tokyo	¥296	Sale of chemicals, etc.	(Ownership) Directly: 100.00% Indirectly: -	Sale and purchase of chemicals, etc.; custody of funds; common officers	Custody of funds	3,400	Deposits received	3,400
Subsidiary	KOZAKURA SHOKAI Co., Ltd.	Minato-ku, Tokyo	¥60	Sale of chemicals, etc.	(Ownership) Directly: 100.00% Indirectly: -	Sale and purchase of chemicals, etc.; custody of funds	Custody of funds	1,500	Deposits received	1,500
Subsidiary	Tohcho Co., Limited	Minato-ku, Tokyo	¥50	Sale of chemicals, etc.	(Ownership) Directly: 70.00% Indirectly: -	Financial support	Waiver of claims	6,587	-	-
Subsidiary	STX Company Limited	Chiyoda-ku, Tokyo	¥830	Manufacturing and distribution of clothing, fabric materials, etc.	(Ownership) Directly: 100.00% Indirectly: -	Sale and purchase of fibers, etc.; financial support; common officers	Deposit of funds	2,000	Deposits paid in subsidiaries and associates	900
Subsidiary	Chori Machinery Co., Ltd.	Minato-ku, Tokyo	¥100	Sale of transportation equipment, etc.	(Ownership) Directly: 100.00% Indirectly: -	Sale of transportation equipment, etc.; financial support; debt guarantees	Loan of funds	1,150	Long-term loans receivable from subsidiaries and associates	950
							Debt guarantees	30,000	-	-
Subsidiary	THAI CHORI CO., LTD.	Bangkok (Thailand)	THB202,000 thousand	Sale in Thailand, export and import, and overseas transactions of various products	(Ownership) Directly: 100.00% Indirectly: -	Sale and purchase of fibers, chemicals, etc.; custody of funds	Custody of funds	930	Deposits received	930

Terms and conditions of transactions and policies for their determination

- (Notes)
1. Terms and conditions concerning sales of fibers, chemicals, etc. are determined through negotiation based on market prices, etc.
 2. Consumption taxes are not included in the amounts of transactions or in the balances at fiscal year-end.
 3. Custody and deposit of funds are managed in accordance with funding needs. Interest rates on these transactions are determined at reasonable levels after due consideration of market interest rates. In addition, since the custody and deposit of funds are made on a daily basis, the amounts for both transactions are reported at their maximum amounts.
 4. Tohcho Co., Limited was dissolved in March 2026, and the transaction amount represents the forgiveness of loan receivables associated with the dissolution. The allowance for doubtful accounts recorded up to the end of the previous fiscal year has been applied against said forgiven receivables.
 5. The Company recorded an allowance for doubtful accounts of ¥596 million and a reversal of allowance for doubtful accounts of ¥327 million in the current fiscal year for long-term loans receivable from Chori Machinery Co., Ltd., a subsidiary and associate. Interest rates on these transactions are determined at reasonable levels after due consideration of market interest rates. The Company guarantees Chori Machinery Co., Ltd.'s bank lines of credit for trade transactions such as LC openings, Japanese loans, and export bill discounts. The maximum amount of guarantees is stated. The Company receives a guarantee fee of 0.05% per annum.

Notes to Revenue Recognition

These notes are omitted since the basic information to understand revenues from contracts with customers is provided in “Notes to Revenue Recognition” in “Notes to the Consolidated Financial Statements.”

Per Share Information

(Japanese Yen)

(1)	Net assets per share	¥3,025.45
(2)	Net profit per share	456.59

(Note) As stated in “Per Share Information” in “Notes to the Consolidated Financial Statements,” the Company has introduced the Board Benefit Trust-Restricted Stock (BBT-RS), and the number of shares of the Company held by the trust is included in that of treasury shares to be deducted in calculating the items for the said Information.

Notes for Significant Subsequent Events

Not applicable.

Other Notes

(Performance-linked Stock Compensation Plan for Directors, etc.)

These notes regarding transactions of delivering the Company’s own stock to Directors (excluding Directors on the Audit & Supervisory Committee Members and non-executive Directors) and Executive Officers through a trust are omitted since the same information is provided in “Other Notes” in “Notes to the Consolidated Financial Statements.”