



FY03/2024 Q3
(April 1, 2023 to December 31, 2023)

Financial Results
Materials
(Highlights)

January 31, 2024

CHORI CO., LTD.

Key Points of the Summary

POINT

Promoted the first year of The Medium-Term Management Plan “Chori Innovation Plan 2025”

- Profit at each stage exceeded our plan
- Posted ordinary profit of 11.8 billion yen, profit before income taxes of 12.0 billion yen, and net profit attributable to owners of parent of 8.1 billion yen in FY03/2024 Q3, which were all record highs for a third straight year

Business results summary

- Despite a year-on-year decline in sales, profit increased mainly due to improved profitability.
- The Fibers, Textiles and Garments business profit grew substantially. The Chemicals business also performed well.
- Full-year financial results forecasts:
Considering the downward trend in net sales, we lowered our net sales forecast but left unchanged those for profit at each stage and dividends.

Financial base

- Equity-to-asset ratio: 54.4% Maintained at a high level.
- ROE (net income/annual basis) 14.1%
- ROIC (annual basis) 13.4%

Topics

- The company-wide business transformation project (mission critical system (SAP) implementation project, called CARAT) is developing systems in the implementation phase and is progressing as planned towards full scale operation from FY2025.
- The Sustainability Promotion Preparation Committee is considering materiality, value creation stories, etc.

Business Results Breakdown (YoY Comparison)

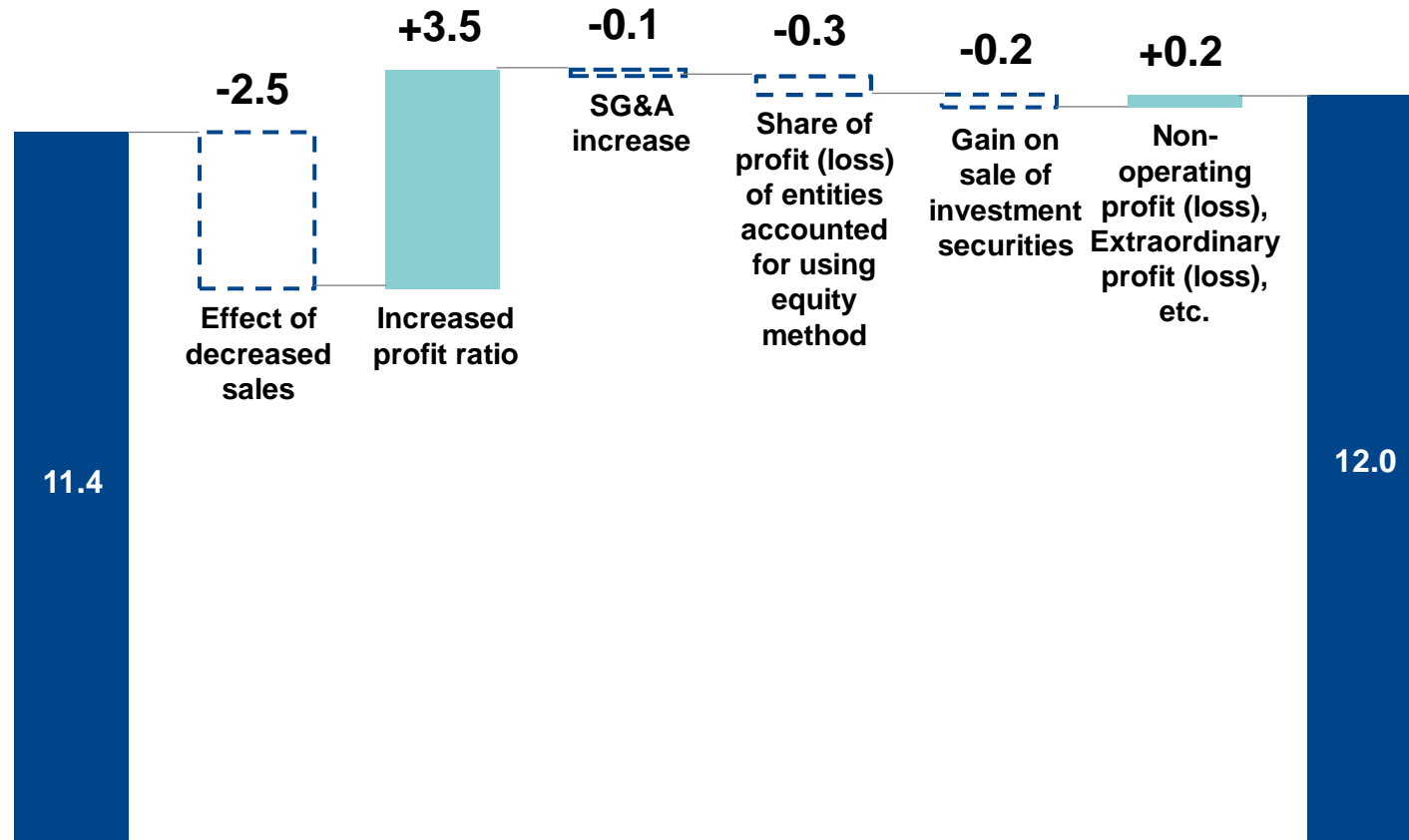
POINT

- The Japanese economy is showing signs of recovery. The manufacturing industry, including the automotive sector, is continuing its recovery trend, and economic activity is normalizing after COVID-19 was reclassified under Class 5.
- The outlook for the global economy remains unclear due to the delayed recovery of the Chinese economy, continued geopolitical risks such as Russia's prolonged invasion of Ukraine and heightened tensions in the Middle East, and high prices of raw materials and energy, among other factors.
- Despite a decrease in net sales due mainly to lower sales in the Chemicals business outside Japan, profit at each stage increased on the back of significant growth in the Fibers, Textiles and Garments business, driven by increased sales of fiber raw materials and domestic apparel-related products as well as improved profitability.

	Unit: billions of yen			
	FY03/2023 Apr.-Dec.	FY03/2024 Apr.-Dec.	Difference	Ratio
Net sales	255.4	233.4	-22.0	-8.6%
Gross profit	28.5	29.6	+1.1	+3.8%
Selling, general and administrative expenses	17.6	17.7	+0.1	+0.5%
Operating profit	10.9	11.9	+1.0	+9.2%
Ordinary profit	11.0	11.8	+0.8	+7.2%
Profit before income taxes	11.4	12.0	+0.6	+4.9%
Net profit attributable to owners of parent	7.5	8.1	+0.5	+6.9%

Reasons for Changes in Profit before Income Taxes

Unit: billions of yen



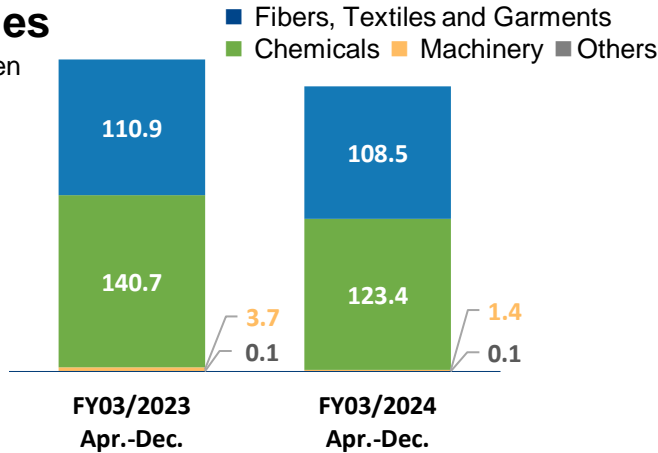
FY03/2023
Apr.-Dec.

FY03/2024
Apr.-Dec.

Segment Results

Net sales

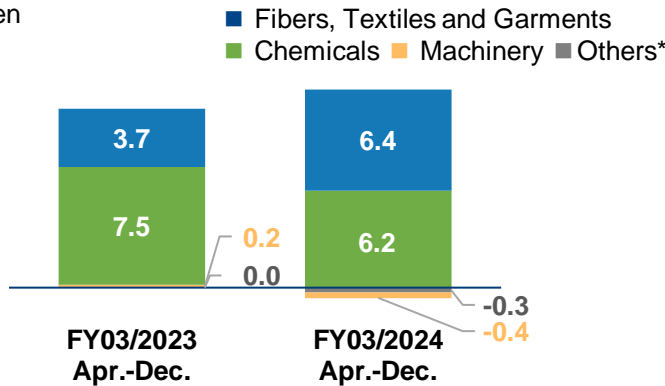
Unit: billions of yen



	FY03/2023 Apr.-Dec.	FY03/2024 Apr.-Dec.	Difference
Fibers, Textiles and Garments	110.9	108.5	-2.4
Chemicals	140.7	123.4	-17.3
Machinery	3.7	1.4	-2.3
Others	0.1	0.1	-0.0
Total	255.4	233.4	-22.0

Profit (loss) before income taxes

Unit: billions of yen



	FY03/2023 Apr.-Dec.	FY03/2024 Apr.-Dec.	Difference
Fibers, Textiles and Garments	3.7	6.4	+2.8
Chemicals	7.5	6.2	-1.4
Machinery	0.2	-0.4	-0.5
Others*	0.0	-0.3	-0.3
Total	11.4	12.0	+0.6

*Adjusted amounts for Others are included.

Fibers, Textiles and Garments

Significant increased profit

Steady

Overall

Expansion

Fiber row materials · Domestic apparel-related

Chemicals

Decreased sales and profit

Sluggish

Overall decrease in demand and poor market conditions

Steady

Fine chemicals

Machinery

Decreased sales and segment loss

Loss

Foreign exchange loss

Net sales by Operation

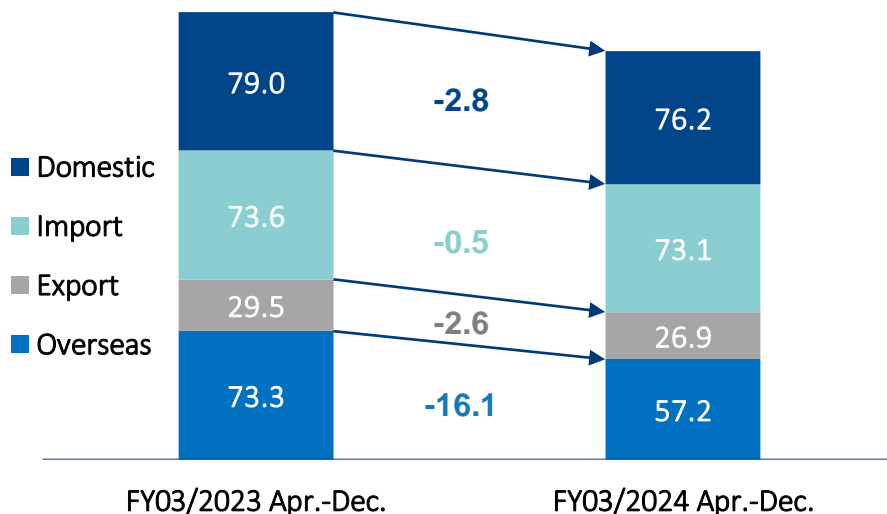
POINT

- Trade ratio: 67.4% (-1.7pt YoY)
- Overseas sales decreased primarily in the China business and the Chemicals business.

Unit: billions of yen

Net sales	255.4	Net sales	233.4
Overseas transactions	176.4	Overseas transactions	157.2
(Trade ratio)	(69.1%)	(Trade ratio)	(67.4%)

Diff.	Net sales	-22.0
	Overseas transactions	-19.2
	(Trade ratio)	(-1.7pt)

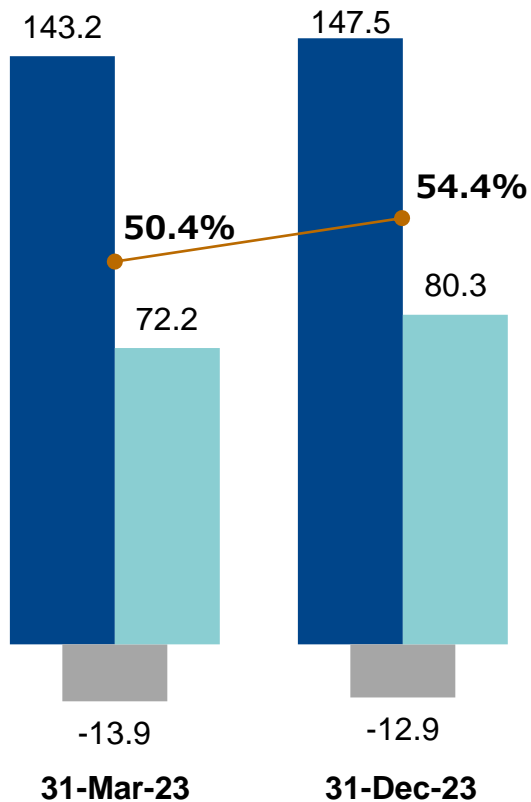


Domestic sales	Amount of domestic sales from domestic suppliers
Overseas transactions	
Import sales	Amount of net sales from overseas to Japan
Export sales	Amount of net sales from Japan to overseas
Overseas sales	Amount of net sales from overseas business

Financial Position

■ Total assets ■ Net interest-bearing debt
■ Equity ● Equity-to-asset ratio

Unit: billions of yen



Financial soundness

	31-Mar-23	31-Dec-23	Difference
Total assets	143.2	147.5	+4.3
Net interest-bearing debt	-13.9	-12.9	+1.0
Equity	72.2	80.3	+8.2
Equity-to-asset ratio	50.4%	54.4%	+4.0pt

Profitability/Capital efficiency

	31-Mar-23	31-Dec-23*1	Difference
ROA (Net profit*2 basis)	5.9%	7.4%	+1.5pt
ROE (Net profit*2 basis)	11.8%	14.1%	+2.3pt
ROIC	10.8%	13.4%	+2.6pt
(Reference) ROA (Ordinary income basis)	9.0%	10.8%	+1.8pt

*1 Annual basis

*2 Net profit attributable to owners of parent

FY03/2024 Business Results Forecast

POINT

- Given the business performance trends, such as decreased sales in the Chemicals business, we lowered the net sales forecast.
- For profit at each stage, the progress rates against the full-year forecasts are over 80%, and our initial forecasts will remain unchanged.

Unit: billions of yen	FY03/2024 Forecast (Announced on Apr. 28)	FY03/2024 Revised Forecast (Announced on Jan. 31)	Difference	FY03/2024 Apr.-Dec. Result	FY03/2024 Progress	FY03/2023 Result
Net sales	340.0	310.0	-30.0	233.4	75.3%	329.4
Operating profit	14.2	14.2	—	11.9	84.0%	12.7
Ordinary profit	14.0	14.0	—	11.8	84.3%	12.4
Profit before income taxes	14.0	14.0	—	12.0	85.4%	12.8
Net profit attributable to owners of parent	9.4	9.4	—	8.1	85.8%	8.1

FY03/2024 Dividend

Basic dividend policy

- Recognizing the return of profits to shareholders as one of its most important management issues, the Company's policy is to provide performance-based dividends in accordance with the levels of net profit attributable to owners of parent with a view to continuously and stably returning profits to shareholders and ensuring stable management and finances.
- Dividend policy: Consolidated dividend payout ratio of 30% and dividend on equity ratio (DOE) of 3.5% or more (FY03/2024~)

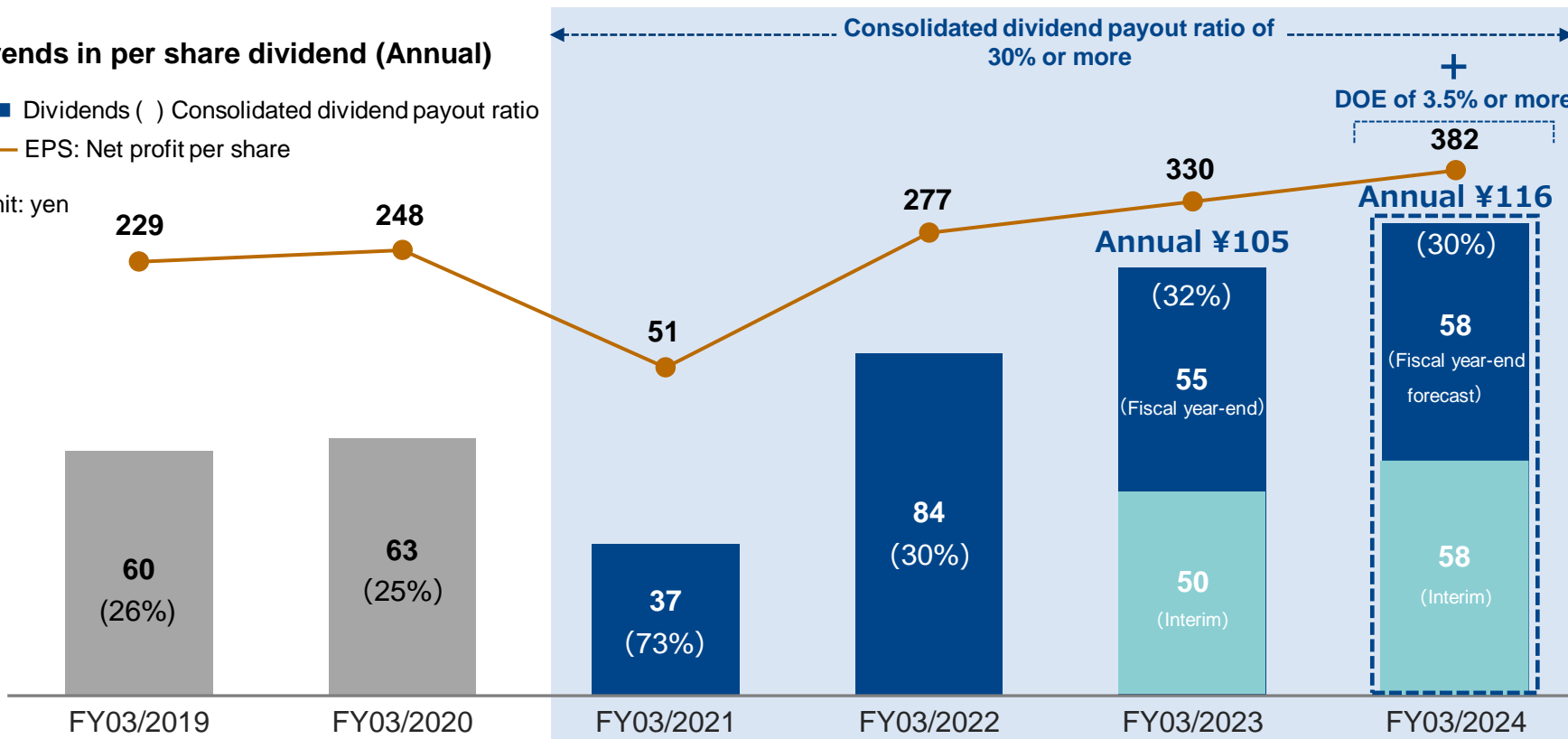
FY03/2024 Annual dividend forecast

Based on the business results forecast and the policy above, an interim dividend of ¥58 per share was paid. The annual dividend forecast is ¥116 per share (year-end dividend of ¥58 per share).

Trends in per share dividend (Annual)

■ Dividends () Consolidated dividend payout ratio
 — EPS: Net profit per share

Unit: yen





Making your dreams come true

CHORI CO., LTD.

Forecasts of operational performance, as well as future predictions described in this document, were prepared based on information available as of the day on which this document was released. This document in no way guarantees the condition and operational performance of the company in the future.