

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

April 26, 2024

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 Scheduled date of annual general meeting of shareholders: June 18, 2024
 Scheduled date to commence dividend payments: June 3, 2024
 Scheduled date to file annual securities report: June 19, 2024
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net profit before income taxes		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2024	307,699	(6.6)	15,039	18.8	14,476	16.4	14,698	14.9	9,624	18.5
Mar. 31, 2023	329,389	15.9	12,656	35.7	12,437	21.1	12,788	18.6	8,124	19.3

Note: Comprehensive income

For the fiscal year ended Mar.31, 2024: 12,663 million yen [34.8%]

For the fiscal year ended Mar.31, 2023: 9,397 million yen [15.2%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	yen	yen	%	%	%
Mar. 31, 2024	390.87	—	12.5	10.1	4.9
Mar. 31, 2023	330.16	—	11.8	9.0	3.8

Reference: Share of profit of entities accounted for using equity method

For the fiscal year ended Mar.31, 2024: (208) million yen

For the fiscal year ended Mar.31, 2023: 185 million yen

Note: In accordance with the establishment of net profit before income taxes as a management metric in the medium-term management plan Chori Innovation Plan 2025 announced on April 28, 2023, net profit before income taxes has been added as a metric from the current consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
Mar. 31, 2024	143,350	82,097	57.2	3,330.03
Mar. 31, 2023	143,200	72,158	50.4	2,932.46

Reference: Equity

As of Mar. 31, 2024: 82,056 million yen

As of Mar. 31, 2023: 72,158 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Mar. 31, 2024	9,693	(2,706)	(5,381)	21,088
Mar. 31, 2023	9,596	(261)	(3,099)	18,860

2. Dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
Mar. 31, 2023	—	50.00	—	55.00	105.00	2,583	31.8	3.8
Mar. 31, 2024	—	58.00	—	60.00	118.00	2,922	30.2	3.8
Fiscal year ending Mar. 31, 2025 (Forecast)	—	61.00	—	61.00	122.00		30.1	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit before income taxes		Net profit attributable to owners of parent		Basic earnings Per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	320,000	4.0	15,000	(0.3)	15,000	3.6	15,000	2.1	10,000	3.9	405.82

Note: As mentioned in the note to “1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024) (1) Consolidated operating results,” net profit before income taxes has been added as a metric from the current consolidated fiscal year.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly included: —

Excluded: —

(2) Changes in accounting policies, changes in accounting estimates and restatements

1. Changes in accounting policies due to the revision of accounting standards, etc.: None

2. Changes in accounting policies due to other reasons: None

3. Changes in accounting estimates: Yes

4. Restatements: None

(3) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)	As of Mar. 31, 2024	25,303,478 shares	As of Mar. 31, 2023	25,303,478 shares
2. Number of treasury shares at the end of the period	As of Mar. 31, 2024	662,180 shares	As of Mar. 31, 2023	696,464 shares
3. Average number of shares outstanding during the period	Fiscal year ended Mar. 31, 2024	24,622,777 shares	Fiscal year ended Mar. 31, 2023	24,607,482 shares

Note: The Company has introduced the Board Benefit Trust - Restricted Stock (BBT-RS) effective from the current consolidated fiscal year, and the number of shares of the Company held by the trust are included in that of treasury shares to be deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

Reference: Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net profit before income taxes		Net profit	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Mar. 31, 2024	156,365	(4.4)	7,942	4.3	9,421	(6.3)	9,365	(9.9)	6,184	(18.1)
Mar. 31, 2023	163,507	11.3	7,612	23.2	10,060	24.4	10,393	24.3	7,552	26.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
Mar. 31, 2024	251.16	—
Mar. 31, 2023	306.91	—

Notes:

- As mentioned in the note to “1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024) (1) Consolidated operating results,” net profit before income taxes has been added as a metric from the current fiscal year.
- The decline in ordinary profit, net profit before income taxes and net profit is due to the recording of a provision of allowance for doubtful accounts for the Company’s loans receivable from consolidated subsidiaries as non-operating expenses in the current fiscal year. Since this provision of allowance for doubtful accounts is eliminated in the process of consolidated financial closing, there is no impact on the consolidated financial results.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Mar. 31, 2024	95,351	62,011	65.0	2,516.55
Mar. 31, 2023	86,639	57,601	66.5	2,340.85

Reference: Equity

As of Mar. 31, 2024: 62,011 million yen

As of Mar. 31, 2023: 57,601 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or audit firms.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document are based on the information available at the time of publication and certain assumptions that the Company judges as rational. In addition, actual financial results may vary significantly due to various reasons. The Company, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements.

Please refer to “1. Overview of Operating Results (4) Future outlook” on page 4 of the Appendix for the prerequisites for the forward-looking statements and precautions on their use.

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1. Overview of Operating Results

(1) Overview of operating results for the current consolidated fiscal year

In the fiscal year ended March 31, 2024 (the “current consolidated fiscal year”), the Japanese economy followed a moderate recovery trend mainly due to the rebound of the manufacturing industry, including automobiles. However, the yen weakened drastically and prices continued to surge for a wide range of consumer goods. Additionally, the global economy continued to be clouded by uncertainty as concerns over its outlook was not dispelled amid geopolitical risks, such as Russia's invasion of Ukraine and the conflict in the Middle East, the prolonged real estate recession in China, and monetary tightening in Europe.

Under these circumstances, CHORI CO., LTD. (the “Company”) and its subsidiaries (the “Chori Group” or the “Group”) are steadily implementing the basic strategy of the medium-term management plan Chori Innovation Plan 2025 announced on April 28, 2023, and are working to achieve sustainable growth on a global basis and transform the Group's business through digital transformation.

As a result, consolidated financial results of the current consolidated fiscal year improved year on year, and ordinary profit, net profit before income taxes, and net profit attributable to owners of parent reached record highs for the third consolidated fiscal year in a row. Although net sales decreased by 6.6% year on year to 307,699 million yen, operating profit increased by 18.8% year on year to 15,039 million yen, ordinary profit increased by 16.4% year on year to 14,476 million yen, net profit before income taxes increased by 14.9% year on year to 14,698 million yen, and net profit attributable to owners of parent increased by 18.5% year on year to 9,624 million yen mainly due to increased profitability.

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024	Increase (decrease)	Year on year (%)
Net sales	329,389	307,699	(21,689)	(6.6)
Operating profit	12,656	15,039	2,383	18.8
Ordinary profit	12,437	14,476	2,038	16.4
Net profit before income taxes	12,788	14,698	1,910	14.9
Net profit attributable to owners of parent	8,124	9,624	1,499	18.5

The results of each business segment are as follows.

(i) Fibers, Textiles, and Garments

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024	Increase (decrease)	Year on year (%)
Net sales	144,846	145,892	1,046	0.7
Net profit before income taxes	5,099	8,030	2,930	57.5

In this segment, net sales increased by 0.7% year on year to 145,892 million yen, mainly because sales of fiber raw materials and domestic apparel business were strong. In addition, segment profit (net profit before income taxes) increased by 57.5% year on year to 8,030 million yen, due to improved profitability.

(ii) Chemicals

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024	Increase (decrease)	Year on year (%)
Net sales	180,013	160,007	(20,005)	(11.1)
Net profit before income taxes	9,134	7,647	(1,486)	(16.3)

In this segment, net sales decreased by 11.1 % year on year to 160,007 million yen, and segment profit (net profit before income taxes) decreased by 16.3% year on year to 7,647 million yen, mainly due to an overall decrease in demand and poor market conditions.

(iii) Machinery

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024	Increase (decrease)	Year on year (%)
Net sales	4,448	1,724	(2,723)	(61.2)
Net loss before income taxes	(1,256)	(616)	639	—

In this segment, net sales decreased by 61.2% year on year to 1,724 million yen, mainly due to the selection and concentration of businesses, and in addition, a segment loss of 616 million yen (net loss before income taxes) was recorded due to foreign exchange losses caused by the impact of currency fluctuations (compared to a segment loss of 1,256 million yen (net loss before income taxes) in the previous consolidated fiscal year).

As described in “3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements (Segment information, etc.),” the Company changed the method of reporting segment profit from the current consolidated fiscal year, and it is now based on profit before income taxes instead of ordinary profit.

(2) Overview of financial position for the current consolidated fiscal year

Status of assets, liabilities, and net assets

(Assets)

Total assets at the end of the current consolidated fiscal year were 143,350 million yen, an increase of 150 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 1,941 million yen in investment securities, 1,937 million yen in distressed receivables, 1,871 million yen in software in progress, and 1,496 million yen in cash and deposits, offsetting a decrease of 6,792 million yen in notes and accounts receivable - trade.

In addition, the decrease in allowance for doubtful accounts in current assets (an increase in total assets) and the increase in allowance for doubtful accounts in non-current assets (a decrease in total assets) were due to the transfer of receivables from PLATINUM CORPORATION FZE and RELIANCE COMMODITIES DMCC to distressed receivables, and the transfer of the corresponding allowance for doubtful accounts from current assets to non-current assets.

(Liabilities)

Liabilities at the end of the current consolidated fiscal year were 61,253 million yen, a decrease of 9,788 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 7,380 million yen in notes and accounts payable - trade, and 2,193 million yen in short-term borrowings.

(Net assets)

Net assets at the end of the current consolidated fiscal year were 82,097 million yen, an increase of 9,938 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 9,624 million yen resulting from the recording of net profit attributable to owners of parent, 1,614 million yen in valuation difference on available-for-sale securities, and 1,156 million yen in foreign currency translation adjustment, offsetting a decrease of 2,788 million yen due to the payment of dividends.

(3) Overview of cash flows for the current consolidated fiscal year

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current consolidated fiscal year increased by 2,228 million yen from the end of the previous consolidated fiscal year to 21,088 million yen at the end of the current consolidated fiscal year.

The status of cash flows in the current consolidated fiscal year and the contributing factors are as follows.

(a) Cash flows from operating activities

Funds provided by operating activities were 9,693 million yen (an inflow of 9,596 million yen in the previous consolidated fiscal year). The main components of income were net profit before income taxes of 14,698 million yen, and a decrease in trade receivables of 6,407 million yen. The main components of expenses were a decrease in trade payables of 7,853 million yen, and income tax paid of 4,789 million yen.

(b) Cash flows from investing activities

Funds used in investing activities were 2,706 million yen (an outflow of 261 million yen in the previous consolidated fiscal year). The main component of expenses was purchase of intangible assets of 2,098 million yen.

(c) Cash flows from financing activities

Funds used in financing activities were 5,381 million yen (an outflow of 3,099 million yen in the previous consolidated fiscal year). The main components of expenses were dividends paid of 2,787 million yen, and a net decrease in short-term borrowings of 2,316 million yen.

(4) Future outlook

Although Japan's economy is expected to continue the recovery trend due to an increase in inbound tourist demand and wage increases, the future outlook requires close monitoring due to uncertainties such as the geopolitical risk caused by prolonged war in the Middle East, the lingering real estate recession in China, and exchange rate fluctuations.

Under such circumstances, the Group will steadily implement the three basic strategies of Chori Innovation Plan 2025, the medium-term management plan disclosed on April 28, 2023, namely, “Promote consolidated management centered on our global business,” “Develop sustainable businesses that adapt quickly to the changing business environment,” and “Promote ESG management.” For the fiscal year ending March 31, 2025, we forecast net sales of 320,000 million yen (increase of 4.0% year on year), operating profit of 15,000 million yen (decrease of 0.3% year on year), ordinary profit of 15,000 million yen (increase of 3.6% year on year), net profit before income taxes of 15,000 million yen (increase of 2.1% year on year), and net profit attributable to owners of parent of 10,000 million yen (increase of 3.9% year on year).

	Fiscal year ending Mar. 31, 2025 (Forecast)	Fiscal year ended Mar. 31, 2024 (Results)	(Unit: Millions of yen) Increase (decrease) (%)
Net sales	320,000	307,699	4.0
Operating profit	15,000	15,039	(0.3)
Ordinary profit	15,000	14,476	3.6
Net profit before income taxes	15,000	14,698	2.1
Net profit attributable to owners of parent	10,000	9,624	3.9

Any revisions to the above forecast will be promptly announced.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company believes that returning profits to shareholders is an important management priority. Accordingly, the Company has adopted a basic policy of distributing dividends twice a year, specifically an interim and a year-end dividend. From the standpoint of continuous and stable return of profits and ensuring stable management and financial affairs, the Company implements performance-based dividends according to the level of net profit attributable to owners of parent.

In accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, the Company's dividends are determined by a resolution of the board of directors, instead of by a resolution of the general meeting of shareholders, except as otherwise provided by laws and regulations. In addition, the amount of dividends is set at a level consistent with a consolidated dividend payout ratio of at least 30% (annually) based on net profit attributable to owners of parent, and a dividend on equity (DOE) ratio of 3.5% or more. In determining the amount of dividends, the Company considers a comprehensive range of factors including the management environment, while remaining mindful of the importance of securing the investment funds needed to develop business.

Under this policy, the Company considered the consolidated results for this fiscal year ended March, 31, 2024, and decided on a year-end dividend for the current fiscal year of 60 yen per share, an increase of 2 yen from the previous forecast of 58 yen per share, as announced today, April 26, 2024. Hence, combined with the interim dividend of 58 yen per share, the annual dividend for the current fiscal year will be 118 yen per share.

With regard to dividends for the next fiscal year, based on the aforementioned consolidated earnings forecast and the above-mentioned dividend policy, we have set an annual dividend of 122 yen per share comprising an interim dividend of 61 yen per share and a year-end dividend of 61 yen per share, which is an increase of 4 yen per share from the annual dividend for the current fiscal year.

(For details, please refer to the “Notice Regarding Dividend of Surplus (Dividend Increase)” announced today, April 26, 2024.)

2. Basic Approach to the Selection of Accounting Standards

Considering the comparability of consolidated financial statements over time and between companies, the Group intends to prepare consolidated financial statements under accounting principles generally accepted in Japan (Japanese GAAP) for the time being.

In the future, we will continue to consider the adoption of international financial reporting standards taking into account changes in the ratio of foreign shareholders and trends in adoption by peer companies in Japan.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Assets		
Current assets		
Cash and deposits	16,463	17,960
Deposits paid to subsidiaries and associates	2,500	3,500
Notes and accounts receivable - trade	77,130	70,337
Merchandise and finished goods	19,212	18,689
Work in process	831	837
Raw materials and supplies	17	31
Goods in transit	1,967	1,805
Other	6,614	5,527
Allowance for doubtful accounts	(2,656)	(265)
Total current assets	122,081	118,423
Non-current assets		
Property, plant and equipment		
Buildings and structures	847	903
Accumulated depreciation	(574)	(593)
Buildings and structures, net	272	309
Machinery, equipment and vehicles	2,555	2,520
Accumulated depreciation	(1,734)	(1,798)
Machinery, equipment and vehicles, net	820	721
Tools, furniture and fixtures	813	826
Accumulated depreciation	(619)	(658)
Tools, furniture and fixtures, net	193	167
Construction in progress	13	1
Land	259	258
Leased assets	764	829
Accumulated depreciation	(404)	(440)
Leased assets, net	359	389
Total property, plant and equipment	1,919	1,847
Intangible assets		
Goodwill	645	444
Customer-related assets	893	793
Software in progress	1,050	2,922
Other	265	378
Total intangible assets	2,855	4,538
Investments and other assets		
Investment securities	10,766	12,707
Long-term loans receivable	1,436	1,586
Distressed receivables	6,536	8,473
Retirement benefit asset	—	67
Deferred tax assets	789	474
Other	3,378	3,728
Allowance for doubtful accounts	(6,562)	(8,498)
Total investments and other assets	16,344	18,540
Total non-current assets	21,118	24,926
Total assets	143,200	143,350

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,919	45,538
Short-term borrowings	4,816	2,623
Current portion of long-term borrowings	113	113
Income taxes payable	2,387	2,706
Provision for bonuses	927	1,097
Provision for loss on liquidation of subsidiaries and associates	42	42
Other	6,456	5,506
Total current liabilities	67,663	57,627
Non-current liabilities		
Long-term borrowings	132	19
Deferred tax liabilities	797	1,128
Provision for share awards	—	51
Retirement benefit liability	2,233	2,164
Other	215	262
Total non-current liabilities	3,378	3,625
Total liabilities	71,041	61,253
Net assets		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	1,804	2,152
Retained earnings	60,634	67,429
Treasury shares	(689)	(935)
Total shareholders' equity	68,549	75,446
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,392	3,006
Deferred gains or losses on hedges	(138)	(5)
Foreign currency translation adjustment	2,421	3,578
Remeasurements of defined benefit plans	(66)	29
Total accumulated other comprehensive income	3,609	6,609
Non-controlling interests	—	41
Total net assets	72,158	82,097
Total liabilities and net assets	143,200	143,350

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

Consolidated Statements of Income

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024
Net sales	329,389	307,699
Cost of sales	292,330	268,966
Gross profit	37,058	38,732
Selling, general and administrative expenses	24,401	23,692
Operating profit	12,656	15,039
Non-operating income		
Interest income	294	781
Dividend income	232	277
Share of profit of entities accounted for using equity method	185	—
Subsidy income	79	190
Gain on adjustment of accounts payable	51	39
Miscellaneous income	303	198
Total non-operating income	1,146	1,486
Non-operating expenses		
Interest expenses	542	592
Loss on sale of notes receivable - trade	403	812
Share of loss of entities accounted for using equity method	—	208
Foreign exchange losses	288	418
Miscellaneous expenses	130	19
Total non-operating expenses	1,365	2,050
Ordinary profit	12,437	14,476
Extraordinary income		
Gain on sale of investment securities	390	175
Gain on sale of shares of subsidiaries and associates	—	83
Gain on sale of non-current assets	9	2
Gain on liquidation of subsidiaries and associates	7	1
Other	—	0
Total extraordinary income	407	263
Extraordinary losses		
Loss on disposal of non-current assets	18	27
Loss on valuation of telephone subscription right	—	4
Loss on valuation of investment securities	35	4
Loss on valuation of golf club membership	2	2
Other	—	1
Total extraordinary losses	57	41
Net profit before income taxes	12,788	14,698
Income taxes - current	4,608	5,088
Income taxes - deferred	54	(56)
Total income taxes	4,663	5,032
Net profit	8,124	9,665
Net profit attributable to non-controlling interests	0	41
Net profit attributable to owners of parent	8,124	9,624

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024
Net profit	8,124	9,665
Other comprehensive income		
Valuation difference on available-for-sale securities	171	1,614
Deferred gains or losses on hedges	(424)	133
Foreign currency translation adjustment	1,231	1,005
Remeasurements of defined benefit plans, net of tax	17	96
Share of other comprehensive income of entities accounted for using equity method	276	148
Total other comprehensive income	1,272	2,997
Comprehensive income	9,397	12,663
Comprehensive income attributable to:		
Owners of parent	9,393	12,624
Non-controlling interests	4	38

(3) Statement of Changes in Consolidated Shareholders' Equity

For the year ended Mar. 31, 2023 (from Apr. 1, 2022, to Mar. 31, 2023)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period (on Apr. 1, 2022)	6,800	1,799	54,804	(689)	62,714
Changes of items during the period					
Cash dividends			(2,263)		(2,263)
Net profit attributable to owners of parent			8,124		8,124
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		1		1	3
Transfer of treasury shares to stock ownership plan trust					—
Purchase of treasury shares by stock ownership plan trust					—
Change in ownership interest of parent due to transactions with non-controlling interests		2			2
Other			(30)		(30)
Net changes in items other than shareholders' equity					
Total changes during period	—	4	5,830	0	5,835
Balance at end of period (on Mar. 31, 2023)	6,800	1,804	60,634	(689)	68,549

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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		
Balance at the beginning of period (on Apr. 1, 2022)	1,221	285	917	(84)	2,340	41	65,096
Changes of items during the period							
Cash dividends							(2,263)
Net profit attributable to owners of parent							8,124
Purchase of treasury shares							(1)
Disposal of treasury shares							3
Transfer of treasury shares to stock ownership plan trust							—
Purchase of treasury shares by stock ownership plan trust							—
Change in ownership interest of parent due to transactions with non-controlling interests							2
Other							(30)
Net changes in items other than shareholders' equity	171	(424)	1,503	17	1,268	(41)	1,227
Total changes during period	171	(424)	1,503	17	1,268	(41)	7,062
Balance at end of period (on Mar. 31, 2023)	1,392	(138)	2,421	(66)	3,609	—	72,158

For the year ended Mar. 31, 2024 (from Apr. 1, 2023, to Mar. 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period (on Apr. 1, 2023)	6,800	1,804	60,634	(689)	68,549
Changes of items during the period					
Cash dividends			(2,788)		(2,788)
Net profit attributable to owners of parent			9,624		9,624
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		69		34	104
Transfer of treasury shares to stock ownership plan trust		278		138	417
Purchase of treasury shares by stock ownership plan trust				(417)	(417)
Change in ownership interest of parent due to transactions with non-controlling interests					—
Other			(40)		(40)
Net changes in items other than shareholders' equity					—
Total changes during period	—	348	6,794	(246)	6,897
Balance at end of period (on Mar. 31, 2024)	6,800	2,152	67,429	(935)	75,446

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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		
Balance at the beginning of period (on Apr. 1, 2023)	1,392	(138)	2,421	(66)	3,609	—	72,158
Changes of items during the period							
Cash dividends							(2,788)
Net profit attributable to owners of parent							9,624
Purchase of treasury shares							(1)
Disposal of treasury shares							104
Transfer of treasury shares to stock ownership plan trust							417
Purchase of treasury shares by stock ownership plan trust							(417)
Change in ownership interest of parent due to transactions with non-controlling interests							—
Other							(40)
Net changes in items other than shareholders' equity	1,614	133	1,156	96	3,000	41	3,041
Total changes during period	1,614	133	1,156	96	3,000	41	9,938
Balance at end of period (on Mar. 31, 2024)	3,006	(5)	3,578	29	6,609	41	82,097

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024
Cash flows from operating activities		
Net profit before income taxes	12,788	14,698
Depreciation	807	892
Amortization of goodwill	403	197
Increase (decrease) in retirement benefit liability	(79)	(5)
Increase (decrease) in allowance for doubtful accounts	1,597	(1,401)
Interest and dividend income	(526)	(1,058)
Interest expenses	542	592
Foreign exchange losses (gains)	(83)	(187)
Share of loss (profit) of entities accounted for using equity method	(185)	208
Loss (gain) on sale of non-current assets	9	25
Loss on valuation of golf club membership	2	2
Loss (gain) on sale of investment securities	(390)	(175)
Loss (gain) on valuation of investment securities	35	4
Loss (gain) on sale of shares of subsidiaries and associates	—	(83)
Gain (loss) on liquidation of subsidiaries and associates	(7)	(1)
Decrease (increase) in trade receivables	(1,870)	6,407
Decrease (increase) in inventories	418	884
Increase (decrease) in trade payables	(0)	(7,853)
Decrease (increase) in consumption taxes refund receivable	(116)	(121)
Decrease (increase) in other assets	(405)	1,828
Increase (decrease) in other liabilities	642	(782)
Others	168	(53)
Subtotal	13,751	14,015
Interest and dividends received	645	1,054
Interest paid	(546)	(587)
Income taxes refund (paid)	(4,253)	(4,789)
Net cash provided by (used in) operating activities	9,596	9,693
Cash flows from investing activities		
Purchase of property, plant and equipment	(87)	(247)
Proceeds from sale of property, plant and equipment	24	6
Purchase of intangible assets	(935)	(2,098)
Purchase of investment securities	(65)	(85)
Proceeds from sale of investment securities	644	278
Proceeds from sale of investments in capital	16	0
Loan advances	(82)	(3)
Proceeds from collection of loans receivable	3	16
Others	221	(572)
Net cash provided by (used in) investing activities	(261)	(2,706)

(Unit: Millions of yen)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(417)	(2,316)
Repayments of long-term borrowings	(113)	(113)
Dividends paid	(2,260)	(2,787)
Purchase of treasury shares	(1)	(419)
Proceeds from sale of treasury shares	—	521
Others	(307)	(267)
Net cash provided by (used in) financing activities	(3,099)	(5,381)
Effect of exchange rate change on cash and cash equivalents	601	623
Net increase (decrease) in cash and cash equivalents	6,836	2,228
Cash and cash equivalents at beginning of period	12,024	18,860
Cash and cash equivalents at end of period	18,860	21,088

(5) Notes to Consolidated Financial Statements

(Note regarding assumptions of a going concern)

Not applicable.

(Changes in accounting estimates)

(Changes in estimates of useful lives and asset retirement obligations)

In the current consolidated fiscal year, the details and timing of the relocation of the head office in Osaka, Japan have finalized. Therefore, the Company has changed the estimates of the useful lives of non-current assets that are not expected to be used after the relocation.

In addition, regarding expenses related to the restoration of the property to its original state based on the real estate lease contract, we have changed the amortization period and the amount of the security deposit that is deemed to be unrecoverable.

As a result of these changes in estimates, operating profit, ordinary profit, and net profit before income taxes for the current consolidated fiscal year decreased by 59 million yen compared to those under the previous method.

(Additional information)

(Performance-linked stock compensation plan for Directors, etc.)

Based on the resolution of the 76th Annual General Meeting of Shareholders held on June 16, 2023, the Company has introduced a performance-linked stock compensation plan, i.e. the Board Benefit Trust - Restricted Stock (BBT-RS), with the aim of clarifying the linkage between the compensation for directors (excluding directors who are Audit & Supervisory Committee members and non-executive Directors) and executive officers (together with directors, collectively, the "Directors, etc.") and the Company's business performance and share value, and enhancing their motivation to contribute to the improvement of the Company's business performance in the medium to long term and the enhancement of its corporate value.

The Company accounts for this plan in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

(i) Summary of the transaction

This is a performance-linked stock compensation plan under which the Company's shares are acquired through a trust using money contributed by the Company, and the Directors, etc. are provided with the Company's shares and an amount of money equivalent to the market value of the Company's shares through the trust, pursuant to the Share Benefit Regulations for Directors and Officers established by the Company.

In principle, the time when the Directors, etc. receive the Company's shares shall be a certain time after the end of each applicable period.

(ii) The Company's shares remaining in the trust

The Company's shares remaining in the trust is recorded as treasury shares under net assets at their book value in the trust (excluding ancillary costs). There were 140 thousand such treasury shares carried at 417 million yen at the end of the current consolidated fiscal year.

(Segment information, etc.)

[Segment information]

1 Summary of reportable segments

(1) Method of determination of reportable segments

Reportable segments are components of the Company whose operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company arranges divisions according to type of business. Each division formulates a comprehensive strategy for domestic and overseas business by type of business, and operates its business.

Accordingly, the Company is composed of segments based on divisions, and each of its associates is composed of segments by type of business based on the products handled. There are three reportable segments, namely, "Fibers, Textiles, and Garments," "Chemicals," and "Machinery."

(2) Types of products and services belonging to each reportable segment

Fibers, Textiles, and Garments: 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

Chemicals: 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

Machinery: Transportation equipment such as automobiles, motorcycles, and trucks, agricultural machinery, construction machinery and related materials

2. Method of calculating net sales, profit or loss, assets, liabilities, and others by reportable segment

The method of accounting for reportable business segments is roughly the same as "Important Matters Fundamental for the Preparation of Consolidated Financial Statements" in the annual securities report.

Profit of the reportable segments is based on net profit before income taxes.

Internal sales and transfers between segments are based on prevailing market prices.

(Matters related to profit or loss by reportable segment)

The Company has set forth net profit before income taxes as the management metrics in its medium-term management plan Chori Innovation Plan 2025 announced on April 28, 2023. Accordingly, while segment profit was previously based on ordinary profit and adjusted with ordinary profit in the consolidated statements of income, starting from the current consolidated fiscal year, it is based on net profit before income taxes and adjusted with net profit before income taxes in the consolidated statements of income.

"Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment" for the previous consolidated fiscal year is stated using the revised method.

3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2023

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Notes 2 and 4)	Consolidated total (Note 3)
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal				
Net sales								
Sales to external customers	144,846	180,013	4,448	329,307	81	329,389	—	329,389
Internal sales or transfers between segments	—	—	—	—	454	454	(454)	—
Total	144,846	180,013	4,448	329,307	536	329,843	(454)	329,389
Segment profit (loss)	5,099	9,134	(1,256)	12,978	64	13,042	(254)	12,788
Segment assets	62,597	68,667	10,962	142,228	167	142,395	804	143,200
Other items								
Depreciation	529	228	4	763	0	763	—	763
Amortization of goodwill	206	197	—	403	—	403	—	403
Share of profit (loss) of entities accounted for using equity method	(62)	248	—	185	—	185	—	185
Extraordinary income (Gain on sale of investment securities)	31 (26)	368 (364)	— (—)	399 (390)	7 (—)	407 (390)	— (—)	407 (390)
Extraordinary losses (Loss on sale of investment securities)	33 (26)	10 (8)	— (—)	43 (35)	— (—)	43 (35)	13 (—)	57 (35)
Investment in equity- method associates	381	3,724	—	4,106	—	4,106	—	4,106
Increase in property, plant and equipment and intangible fixed assets	637	554	—	1,192	—	1,192	—	1,192

- Notes: 1. The “Others” category is a business segment that is not attributable to reportable segments and includes the provision of various services such as commissioned back-office operations.
2. Adjustment to segment profit (loss) of negative 254 million yen represents company-wide profit (loss) that has not been allocated to reportable segments. Company-wide profit (loss) represents finance-related gains and losses that are not attributable to reportable segments.
3. The total of segment profit (loss) and adjustment for reportable segments and the Others business segments is consistent with net profit before income taxes in the consolidated statements of income.
4. Of the segment assets, 804 million yen in company-wide assets included in adjustment represents the Company’s deferred tax assets.

Fiscal year ended March 31, 2024

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Notes 2 and 4)	Consolidated total (Note 3)
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal				
Net sales								
Sales to external customers	145,892	160,007	1,724	307,625	74	307,699	—	307,699
Internal sales or transfers between segments	—	—	—	—	467	467	(467)	—
Total	145,892	160,007	1,724	307,625	541	308,166	(467)	307,699
Segment profit (loss)	8,030	7,647	(616)	15,061	48	15,109	(411)	14,698
Segment assets	73,206	66,441	2,988	142,636	192	142,829	521	143,350
Other items								
Depreciation	601	234	4	839	1	841	—	841
Amortization of goodwill	197	—	—	197	—	197	—	197
Share of loss of entities accounted for using equity method	(101)	(106)	—	(208)	—	(208)	—	(208)
Extraordinary income (Gain on sale of investment securities)	237 (152)	23 (23)	— (—)	261 (175)	— (—)	261 (175)	1 (—)	263 (175)
Extraordinary losses (Loss on sale of investment securities)	30 (23)	5 (0)	— (—)	35 (23)	— (—)	35 (23)	5 (3)	41 (27)
Investment in equity- method associates	232	3,755	—	3,988	—	3,988	—	3,988
Increase in property, plant and equipment and intangible fixed assets	1,322	1,065	0	2,387	—	2,387	—	2,387

- Notes: 1. The “Others” category is a business segment that is not attributable to reportable segments and includes the provision of various services such as commissioned back-office operations.
2. Adjustment to segment profit (loss) of negative 411 million yen represents company-wide profit (loss) that has not been allocated to reportable segments. Company-wide profit (loss) represents finance-related gains and losses that are not attributable to reportable segments.
3. The total of segment profit (loss) and adjustment for reportable segments and the Others business segments is consistent with net profit before income taxes in the consolidated statements of income.
4. Of the segment assets, 521 million yen in company-wide assets included in adjustment represents the Company’s deferred tax assets.

[Entity-wide disclosures]

Fiscal year ended March 31, 2023

1. Information about products and services

Statement is omitted as it is available in “Segment information.”

2. Regional information

(1) Net sales

(Unit: Millions of yen)

Japan	China	Others	Total
200,992	50,009	78,387	329,389

Note: Net sales are categorized by country based on the location of customers.

(2) Property, plant, and equipment

(Unit: Millions of yen)

Japan	China	Others	Total
1,383	313	221	1,919

3. Key customer-specific information

Not applicable, as there are no external counterparties that account for 10% or more of net sales in the consolidated statements of income.

Fiscal year ended March 31, 2024

1. Information about products and services

Statement is omitted as it is available in “Segment information.”

2. Regional information

(1) Net sales

(Unit: Millions of yen)

Japan	China	Others	Total
194,369	45,110	68,218	307,699

Note: Net sales are categorized by country based on the location of customers.

(2) Property, plant, and equipment

(Unit: Millions of yen)

Japan	China	Others	Total
1,250	303	293	1,847

3. Key customer-specific information

Not applicable, as there are no external counterparties that account for 10% or more of net sales in the consolidated statements of income.

[Information on losses on impairment of non-current assets by reportable segment]

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

[Information on amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended March 31, 2023

(Unit: Millions of yen)

	Reportable segment				Others	Company-wide / elimination	Total
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal			
Amortization in the current consolidated fiscal year	206	197	—	403	—	—	403
Balance at the end of the current consolidated fiscal year	645	—	—	645	—	—	645

Fiscal year ended March 31, 2024

(Unit: Millions of yen)

	Reportable segment				Others	Company-wide / elimination	Total
	Fibers, Textiles, and Garments	Chemicals	Machinery	Subtotal			
Amortization in the current consolidated fiscal year	197	—	—	197	—	—	197
Balance at the end of the current consolidated fiscal year	444	—	—	444	—	—	444

[Information on gains on bargain purchase by reportable segment]

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(Per share information)

	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024
Net assets per share	2,932.46 yen	3,330.03 yen
Basic earnings per share	330.16 yen	390.87 yen

Notes: 1. Diluted earnings per share is not presented because there are no potential shares.

2. The Company has introduced the Board Benefit Trust - Restricted Stock (BBT-RS) effective from the current consolidated fiscal year, and the number of shares of the Company held by the trust are included in that of treasury shares to be deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period to determine net assets per share and basic earnings per share.

For the calculation of net assets per share, 140 thousand shares were deducted from the number of treasury shares at the end of the period in the current consolidated fiscal year.

For the calculation of basic earnings per share, 86 thousand shares were deducted from the average number of treasury shares during the period in the current consolidated fiscal year.

3. Calculation basis of basic earnings per share is as follows.

Item	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024
Basic earnings per share		
Net profit attributable to owners of parent (Millions of yen)	8,124	9,624
Amount not attributable to common shareholders (Millions of yen)	—	—
Net profit attributable to owners of parent related to common shares (Millions of yen)	8,124	9,624
Average number of common shares during the period (Thousands of shares)	24,607	24,622

4. Calculation basis of net assets per share is as follows.

Item	As of Mar. 31, 2023	As of Mar. 31, 2024
Total amount of net assets on the consolidated balance sheet (Millions of yen)	72,158	82,097
Net assets related to common shares (Millions of yen)	72,158	82,056
Main components of the difference (Millions of yen) Non-controlling shareholder's interest	—	41
Number of common shares outstanding (Thousands of shares)	25,303	25,303
Number of treasury common shares (Thousands of shares)	696	662
Number of common shares used to calculate net assets per share (Thousands of shares)	24,607	24,641

(Material subsequent events)

Not applicable.