



FY03/2024
(April 1, 2023 to March 31, 2024)

**Financial Results
Materials
(Highlights)**

April 26, 2024

CHORI CO., LTD.

Key Points of the Summary

POINT

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

- Profit at each stage exceeded our plan.
- Posted ordinary profit of ¥14.5 billion, net profit before income taxes of ¥14.7 billion, and net profit attributable to owners of parent of ¥9.6 billion, 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.

Financial base

- Equity ratio **57.2%** Maintained at a high level.
- ROE (net profit*1 basis) **12.5%**
- ROIC*2 **12.4%**

*1: Net profit attributable to owners of parent

*2: ROIC = Operating profit after income taxes / shareholders' equity (Equity + Interest-bearing debt) average during the period

Dividends

- **Year-end dividend increased from the dividend forecast announced on April 28, 2023.**
Year-end dividend ¥60 per share (Dividend increase of ¥2 per share) Annual dividend ¥118 per share
Consolidated dividend payout ratio: 30.2% Dividend on equity ratio (DOE): 4.1%

Topics

- **The company-wide business transformation project (mission critical system (SAP) implementation project, called CARAT) is progressing with system development as planned towards full-scale operation from FY2025.**
- **The Sustainability Promotion Committee was established on April 1, 2024.**
Today, we announced our materiality (key issues) and basic sustainability policy, etc.

Business Results Breakdown (YoY Comparison)

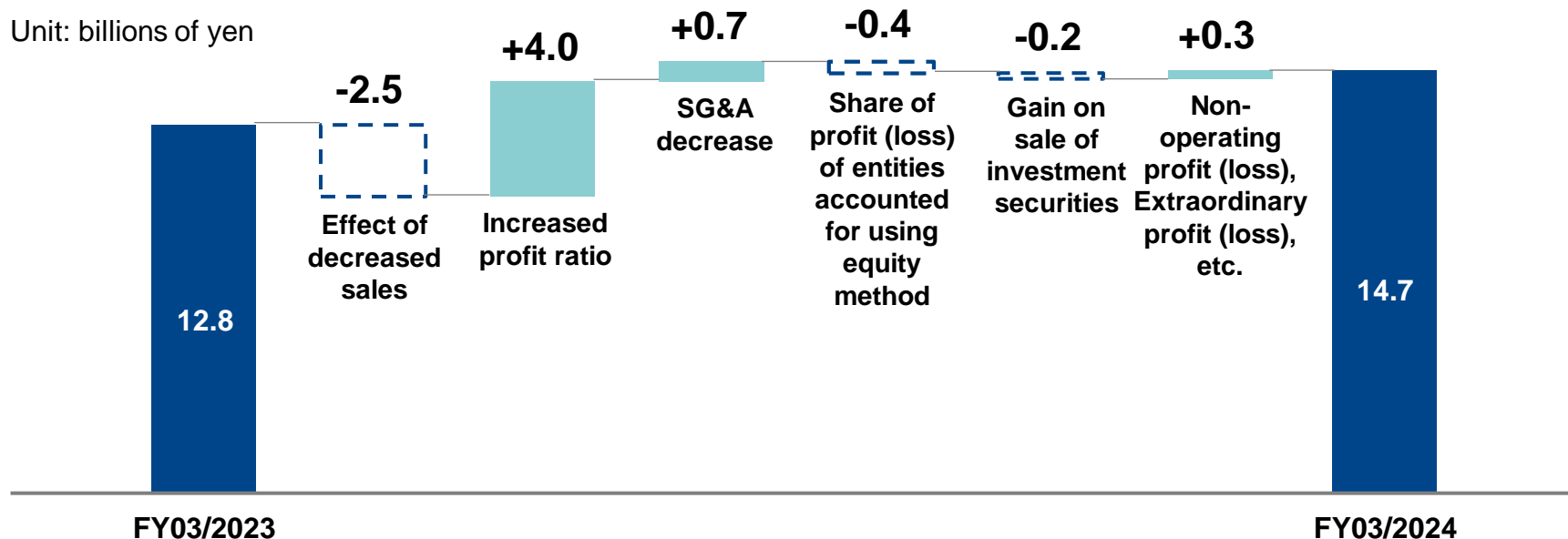
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- The Japanese economy is on a gradual recovery trend due to the rebound of the manufacturing industry and other factors. The outlook for the global economy is increasingly uncertain due to geopolitical risks such as Russia's invasion of Ukraine and conflict in the Middle East, as well as prolonged real estate recession in China, and other factors.
- Net sales decreased mainly due to lower sales in the Chemicals business outside Japan, but profit at each stage increased. The Fibers, Textiles and Garments business grew substantially, driven by expansion of fiber raw materials and domestic apparel-related products as well as improved profitability.

Unit: billions of yen	FY03/2023	FY03/2024	Difference	Ratio
Net sales	329.4	307.7	-21.7	-6.6%
Gross profit	37.1	38.7	+1.7	+4.5%
Selling, general and administrative expenses	24.4	23.7	-0.7	-2.9%
Operating profit	12.7	15.0	+2.4	+18.8%
Ordinary profit	12.4	14.5	+2.0	+16.4%
Net profit before income taxes	12.8	14.7	+1.9	+14.9%
Net profit attributable to owners of parent	8.1	9.6	+1.5	+18.5%

Reasons for Changes in Net Profit before Income Taxes

Unit: billions of yen



Trends in Business Performance

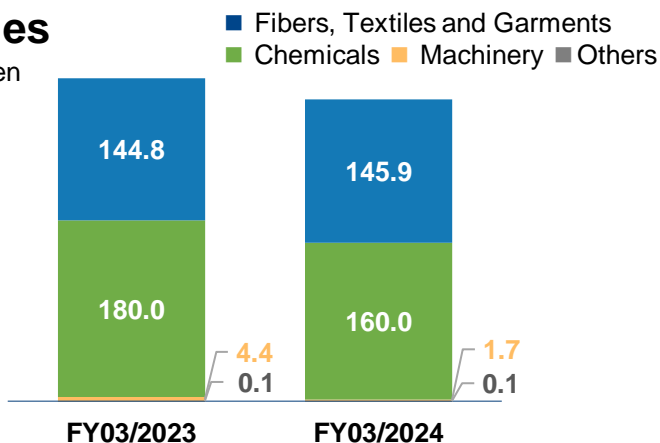
	FY03/2023					FY03/2024				
	1Q	2Q	3Q	4Q	Full-year total	1Q	2Q	3Q	4Q	Full-year total
Net sales	81.9	86.6	86.9	74.0	329.4	75.8	77.1	80.5	74.3	307.7
Net profit (loss) before income taxes	3.7	4.1	3.6	1.4	12.8	3.6	4.2	4.2	2.7	14.7
Fibers, Textiles and Garments	0.8	1.2	1.7	1.4	5.1	1.9	2.4	2.1	1.6	8.0
Chemicals	2.5	2.8	2.2	1.6	9.1	2.1	2.1	1.9	1.5	7.6
Machinery	-0.0	0.3	-0.2	-1.4	-1.3	-0.5	-0.3	0.4	-0.2	-0.6
Others*	0.4	-0.2	-0.1	-0.2	-0.2	0.0	-0.0	-0.3	-0.1	-0.4
Net profit attributable to owners of parent	2.3	2.5	2.8	0.6	8.1	2.2	2.8	3.0	1.6	9.6

*“Others” includes adjustments.

Segment Results

Net sales

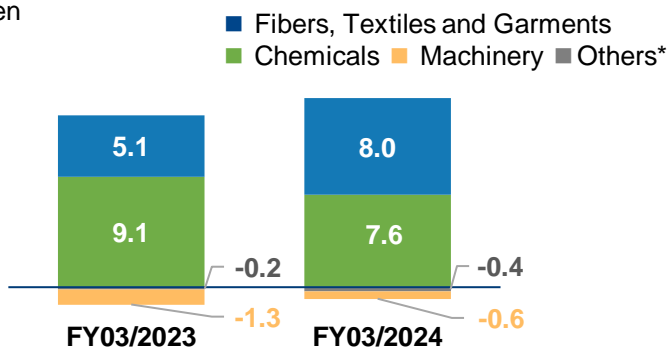
Unit: billions of yen



	FY03/2023	FY03/2024	Difference
Fibers, Textiles and Garments	144.8	145.9	+1.0
Chemicals	180.0	160.0	-20.0
Machinery	4.4	1.7	-2.7
Others	0.1	0.1	-0.0
Total	329.4	307.7	-21.7

Net profit (loss) before income taxes

Unit: billions of yen



	FY03/2023	FY03/2024	Difference
Fibers, Textiles and Garments	5.1	8.0	+2.9
Chemicals	9.1	7.6	-1.5
Machinery	-1.3	-0.6	+0.6
Others*	-0.2	-0.4	-0.2
Total	12.8	14.7	+1.9

*"Others" includes adjustments.

Fibers, Textiles and Garments

Significant increased profit

Strong

Overall

Expansion

Fiber raw materials · Domestic apparel-related

Chemicals

Decreased sales and profit

Sluggish

Overall decrease in demand and poor market conditions

Steady

Fine chemicals · Life science

Machinery

Decreased sales and segment loss

Loss

Foreign exchange loss

Net Sales by Operation

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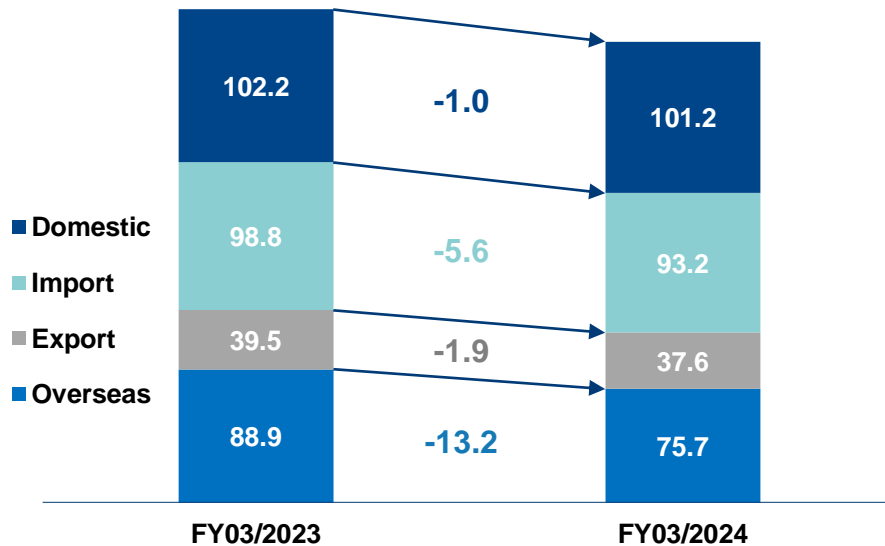
- Decreased sales across all operations. Overseas sales decreased primarily in the China business and the Chemicals business.
- Trade ratio: 67.1% 1.9pt decrease YoY

Unit: billions of yen

Net sales	329.4	Net sales	307.7
Overseas transactions	227.2	Overseas transactions	206.5
Trade ratio	69.0%	Trade ratio	67.1%

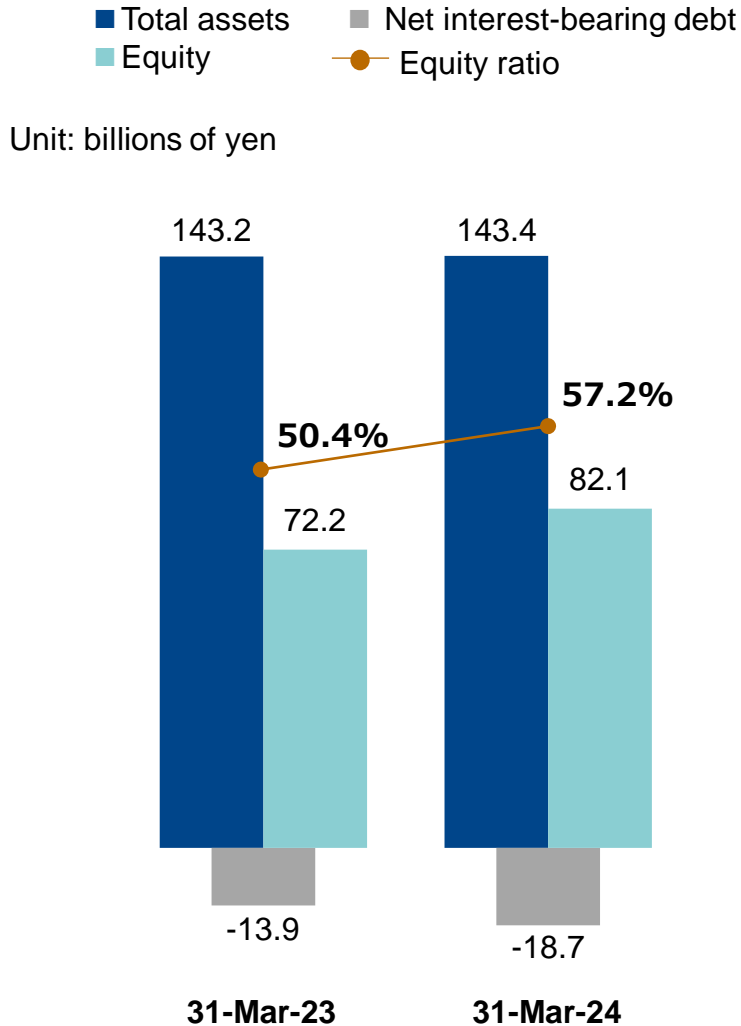


Net sales	-21.7
Overseas transactions	-20.6
Trade ratio	-1.9pt



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



Financial soundness

	31-Mar-23	31-Mar-24	Difference
Total assets	143.2	143.4	+0.2
Net interest-bearing debt	-13.9	-18.7	-4.8
Equity	72.2	82.1	+9.9
Equity ratio	50.4%	57.2%	+6.8pt

Profitability/Capital efficiency

	31-Mar-23	31-Mar-24	Difference
ROA (Net profit* ¹ basis)	5.9%	6.7%	+0.8pt
ROE (Net profit* ¹ basis)	11.8%	12.5%	+0.7pt
ROIC* ²	10.8%	12.4%	+1.6pt
(Reference) ROA (Ordinary profit basis)	9.0%	10.1%	+1.1pt

*1: Net profit attributable to owners of parent

*2: ROIC = Operating profit after income taxes / shareholders' equity (Equity + Interest-bearing debt) average during the period

Cash Flows

POINT

- **Cash and cash equivalents amounted to ¥21.1 billion.**

Operating activities: Provided ¥9.7 billion due to net profit before income taxes (¥14.7 billion) and others

Investing activities : Used ¥2.7 billion mainly due to the purchase of intangible assets associated with the introduction of a mission-critical system (¥1.9 billion)

Financing activities: Used ¥5.4 billion mainly due to dividend payments (¥2.8 billion), repayments of borrowings (¥2.4 billion) and others

Unit: billions of yen

	FY03/2023	FY03/2024	Difference
Cash flows from operating activities	9.6	9.7	+0.1
Cash flows from investing activities	-0.3	-2.7	-2.4
Cash flows from financing activities	-3.1	-5.4	-2.3
Effect of exchange rate change on cash and cash equivalents	0.6	0.6	+0.0
Total cash flows	6.8	2.2	-4.6
Cash and cash equivalents at end of period	18.9	21.1	+2.2

POINT

- Steadily promoting The Medium-Term Management Plan “Chori Innovation Plan 2025”
- We are on track to achieve record profits for the fourth consecutive year and net profit attributable to owners of parent of ¥10 billion.

Cf. Final Year (FY03/2026) Financial Targets

Net sales ¥360.0 billion, net profit before income taxes ¥16.0 billion, net profit attributable to owners of parent ¥11.0 billion, ROA (net profit*1 basis): 7% or higher, ROE (net profit*1 basis): 12% or higher, ROIC*2 Approx.10%

*1: Net profit attributable to owners of parent

*2: ROIC = Operating profit after income taxes / shareholders' equity (Equity + Interest-bearing debt) average during the period

Unit: billions of yen	FY03/2024 Result	FY03/2025 Forecast	Difference
Net sales	307.7	320.0	+12.3
Fibers, Textiles and Garments	145.9	155.0	+9.1
Chemicals	160.0	163.0	+3.0
Machinery	1.7	2.0	+0.3
Others	0.1	—	-0.1
Net profit (loss) before income taxes	14.7	15.0	+0.3
Fibers, Textiles and Garments	8.0	6.8	-1.2
Chemicals	7.6	8.0	+0.4
Machinery	-0.6	0.2	+0.8
Others*	-0.4	—	+0.4
Net profit attributable to owners of parent	9.6	10.0	+0.4

*“Others” includes adjustments.

Dividend

Dividend policy

Consolidated dividend payout ratio of at least 30% and dividend on equity (DOE) ratio of 3.5% or more (FY03/2024-)

FY03/2024 Year-end dividend

Based on FY03/2024 consolidated results, the year-end dividend will be ¥60 per share, an increase of ¥2 per share from the previous forecast of ¥58 per share. Combined with the interim dividend of ¥58 per share, the annual dividend is ¥118 per share.

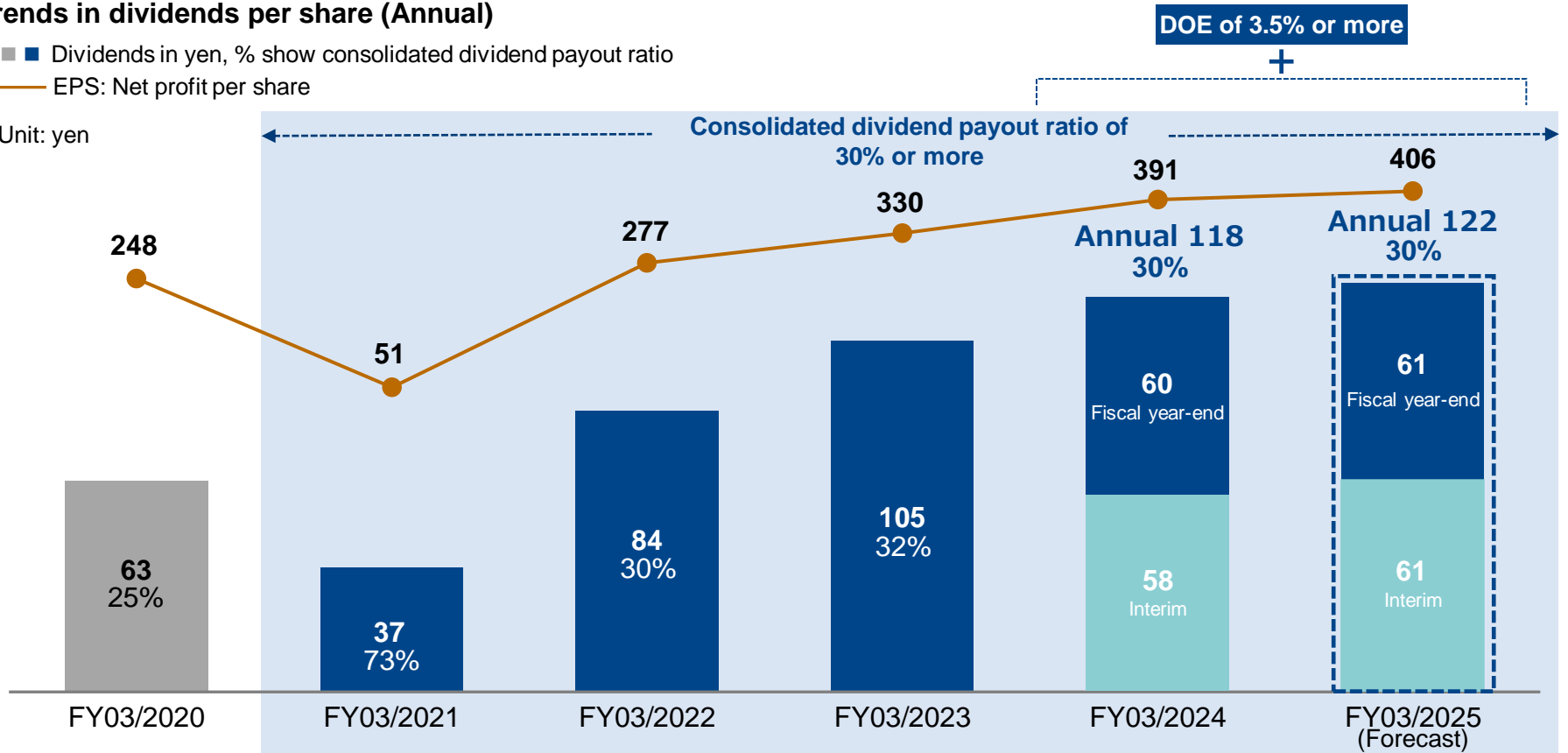
FY03/2025 Dividend forecast

The annual dividend forecast is ¥122 per share (interim dividend of ¥61 per share, year-end dividend of ¥61 per share), an increase of ¥4 per share from FY03/2024.

Trends in dividends per share (Annual)

- Dividends in yen, % show 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.