

FY2022 3Q (April 1, 2022 to December 31, 2022)

**Financial Results Materials
(Highlights)**

January 27, 2023

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.

CHORI CO., LTD.

Key Points of the Summary

POINT

Final year of the Medium-Term Management Plan “Chori Innovation Plan 2022 (CIP2022)”

- Steady progress to our new stage, “consistently deliver ordinary profit at the ¥10.0 billion level.”

Business results summary

- Increased sales and profit YoY significantly
 - Ordinary profit in FY2022 3Q was ¥11.0 billion and net profit attributable to owners of parent was ¥7.5 billion, hitting new record highs.
 - Increased sales across all segments. Both the Fibers, Textiles and Garments segment and the Chemicals segment were strong.

Financial base

- Equity-to-asset ratio: 47.5% Maintained at a high level

Topics

- The full-year consolidated business results forecast (P. 7) and the fiscal year-end dividend forecast (P. 8) were revised upward.
Cf. Dividend forecast: Annual ¥100 per share ⇒ ¥105 per share
(Fiscal year-end ¥50 per share → ¥55 per share)
- Company-wide business transformation project (Chori’s new mission-critical system implementation project planned to be launched in October 2024, called CARAT) is ongoing.
- The next medium-term management plan is under consideration.

Business Results Breakdown (YoY Comparison)

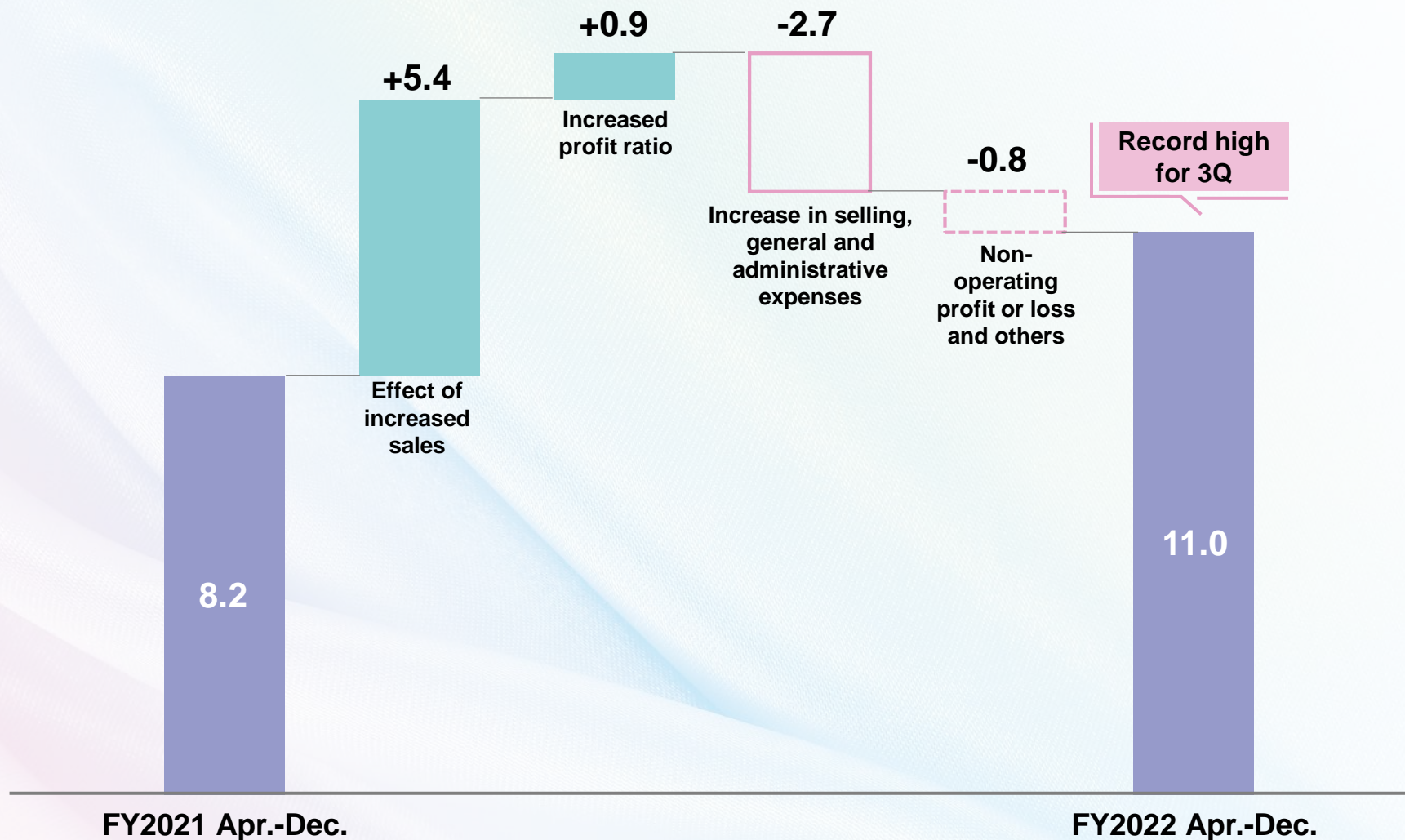
POINT

- Both the Fibers, Textiles and Garments business and the Chemicals business were strong. Increased sales and each profit YoY significantly.
- The business environment of the global and Japanese economy are still uncertain.

Unit: billions of yen	FY2021 Apr.-Dec.	FY2022 Apr.-Dec.	Difference	Ratio
Net sales	205.8	255.4	+49.5	+24.1%
Gross profit	22.3	28.5	+6.3	+28.1%
Selling, general and administrative expenses	14.9	17.6	+2.7	+18.2%
Operating profit	7.4	10.9	+3.5	+48.1%
Ordinary profit	8.2	11.0	+2.9	+35.0%
Net profit attributable to owners of parent	5.9	7.5	+1.7	+29.0%

Reasons for Changes in Ordinary Profit

Unit: billions of yen

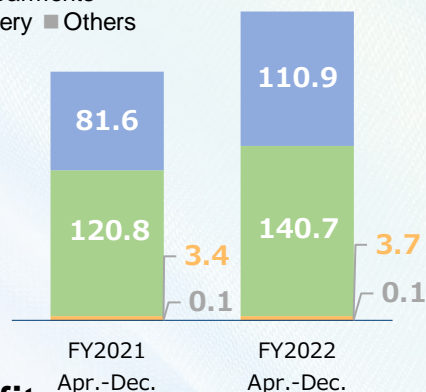


Segment Results

Unit: billions of yen

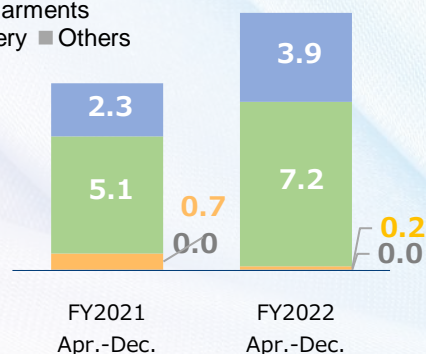
Net sales

■ Fibers, Textiles and Garments
■ Chemicals ■ Machinery ■ Others



Ordinary profit

■ Fibers, Textiles and Garments
■ Chemicals ■ Machinery ■ Others



Unit: billions of yen

	FY2021 Apr.-Dec.	FY2022 Apr.-Dec.	Difference
Fibers, Textiles and Garments	81.6	110.9	+29.3
Chemicals	120.8	140.7	+19.9
Machinery (*)	3.4	3.7	+0.3
Others	0.1	0.1	+0.0
Total	205.8	255.4	+49.5

*(Reference) Trading amount handled: FY2021 3Q ¥30.6 billion,
FY2022 3Q ¥41.2 billion

Unit: billions of yen

	FY2021 Apr.-Dec.	FY2022 Apr.-Dec.	Difference
Fibers, Textiles and Garments	2.3	3.7	+1.3
Chemicals	5.1	7.2	+2.1
Machinery	0.7	0.2	-0.5
Others (*)	0.0	0.0	-0.0
Total	8.2	11.0	+2.9

* Adjusted amounts for "Others" are included.

Fibers, Textiles and Garments

Increased sales and profit

Recovering

Domestic apparel-related

Strong

Sustainable products

Chemicals

Increased sales and profit

Steady

Overall

Strong

Fine chemicals
Inorganic fine materials

Machinery

Increased sales and decreased profit

Increased sales

Vehicles for Europe and
Central America

Loss

Additional recording of allowance
for doubtful accounts

Net Sales by Operation

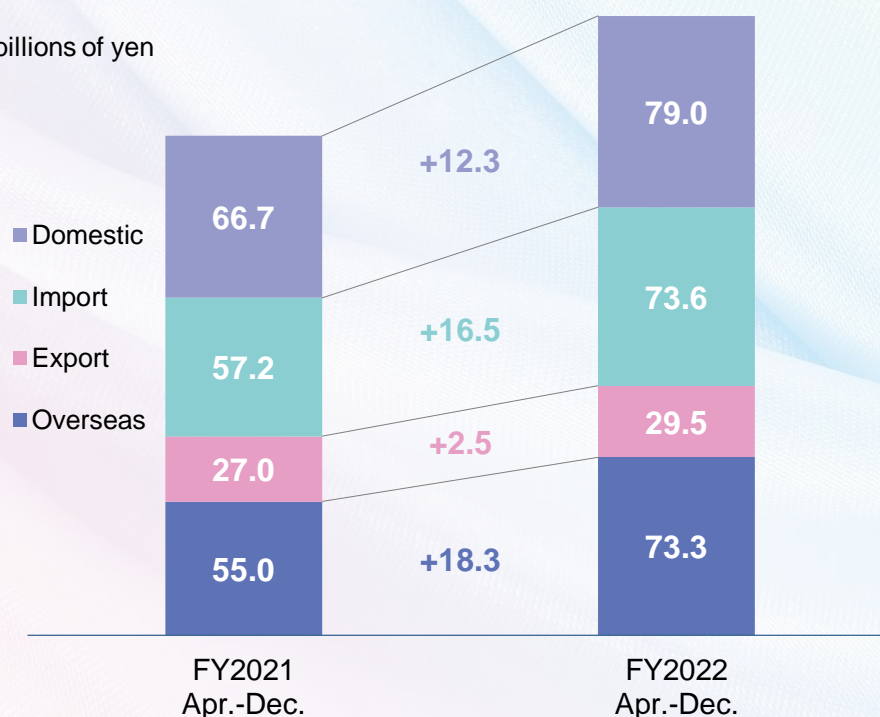
POINT

- Increased sales across all operations
- Trade ratio: 69.1% (+1.5% YoY)

Net sales	205.8	Net sales	255.4
Overseas transactions	139.1	Overseas transactions	176.4
(Trade ratio)	(67.6%)	(Trade ratio)	(69.1%)

Net sales	+49.5
Overseas transactions	+37.3
(Trade ratio)	(+1.5%)

Unit: billions of yen



Domestic sales	Amount of domestic sales from domestic suppliers
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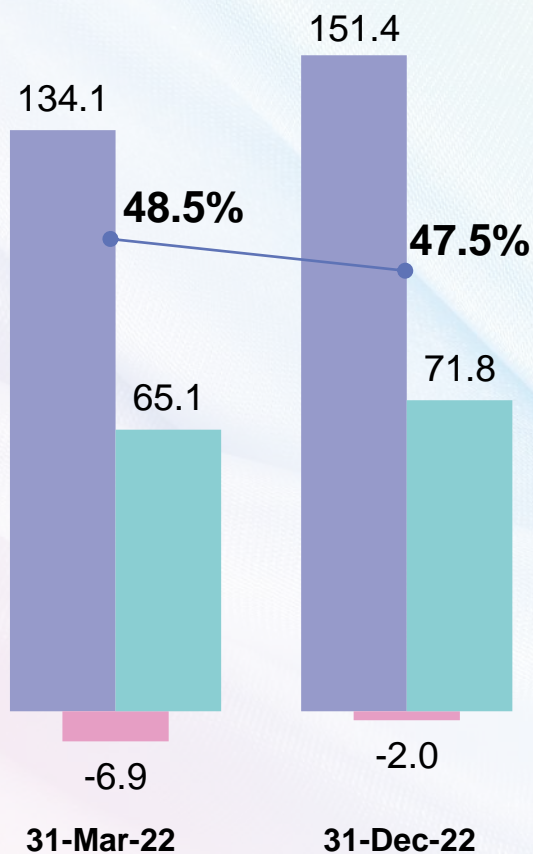
Overseas transactions

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
■ Total equity —●— Equity-to-asset ratio

Unit: billions of yen



Financial soundness

Unit: billions of yen

	31-Mar-22	31-Dec-22	Difference
Total assets	134.1	151.4	+17.2
Net interest-bearing debt	-6.9	-2.0	+4.9
Total equity	65.1	71.8	+6.8
Equity-to-asset ratio	48.5%	47.5%	-1.0%

Profitability/Capital efficiency

	31-Mar-22	31-Dec-22(*)	Difference
ROA (Ordinary profit basis)	8.4%	10.3%	+1.9%
ROA (Net profit basis)	5.6%	7.1%	+1.5%
ROE (Net profit basis)	11.0%	14.7%	+3.7%

* Annual basis

FY2022 Business Results Forecast

POINT

- Making active and steady progress on “Chori Innovation Plan 2022 (CIP2022),” the Company’s medium-term management plan.
- Based on results trends, the full-year business results forecast was revised upward.
Increased sales YoY significantly: ¥+55.9 billion/+20%
Increased ordinary YoY profit significantly: ¥+2.7 billion / +27%
Cf. ROA (Ordinary profit basis): 9.0% → 9.7% ROE (Net profit basis): 12.0% → 12.5%

	FY2021 Result	FY2022 Forecast (Announced on Apr. 28)	FY2022 Revised Forecast (Announced on Jan. 27)	Difference	
	(A)	(B)	(C)	(C) - (B)	(C) - (A)
Unit: billions of yen					
Net sales	284.1	330.0	340.0	+10.0	+55.9
Operating profit	9.3	11.5	12.5	+1.0	+3.2
Ordinary profit	10.3	12.0	13.0	+1.0	+2.7
Net profit attributable to owners of parent	6.8	8.2	8.6	+0.4	+1.8

Revised FY2022 Dividend Forecast

POINT

- Revised fiscal year-end dividend forecast:

¥50 per share (announced in April 28, 2022) ⇒ ¥55 per share

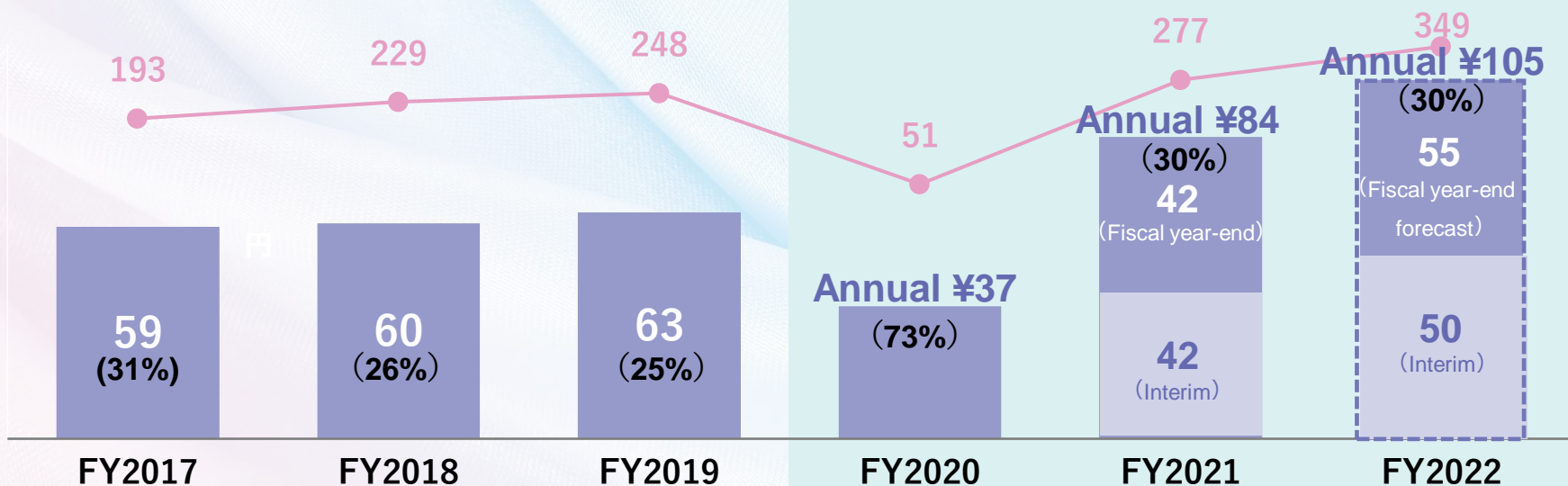
- Annual dividend forecast: ¥100 per share (announced in April 28, 2022) ⇒ ¥105 per share

Basic dividend policy

- The policy is to provide performance-based dividends in accordance with the levels of net profit attributable to owners of parent from the perspectives of flexibly returning profits to shareholders and ensuring stable management and finances while securing appropriate funds for investments in growth strategies.
- Dividend policy: From FY2020, the dividend payout ratio has been raised from at least 25% [to 30% or more].

Trends in per share dividend (Annual)

■ Dividends () Payout ratio ● EPS: Net profit per share
Unit: yen



Making your dreams come true

CHORI CO., LTD.