

**FY2022 (April 1, 2022 to March 31, 2023)**

# **Financial Results Materials (Highlights)**

**April 28, 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)”

- Achieved all of CIP2022 financial targets (Net Sales, Ordinary Profit, ROA, ROE).
- Reached a new stage to “consistently deliver ordinary income at the ¥10.0 billion level,” for the second consecutive fiscal year.
- Ordinary profit and net profit attributable to owners of parent hit new record highs following the previous fiscal year.

### Business results summary

- Increased sales YoY with significant increase in each profit
- Increased sales across all segments. Both the Fibers, Textiles and Garments business and the Chemicals business were strong.

Net Sales	¥329.4 billion	(CIP2022 target	¥280.0 billion)
Ordinary Profit	¥12.4 billion	(CIP2022 target	¥11.0 billion)
ROA (ordinary profit basis)	9.0%	(CIP2022 target	8% or more)
ROE (net profit basis)	11.8%	(CIP2022 target)	11% or more)

### Financial base

- Equity-to-asset ratio: 50.4% Maintained at a high level

### Shareholder returns

- The year-end dividend is as announced on January 27, 2023.  
Year-end dividend of ¥55 per share, annual dividend of ¥105 per share (dividend payout ratio of 32%)

### Topics

- Disclosed the new medium-term management plan “Chori Innovation Plan 2025 (CIP2025).”  
Period: FY2023 – FY2025 (three-year plan)



## Business Results Breakdown (YoY Comparison)

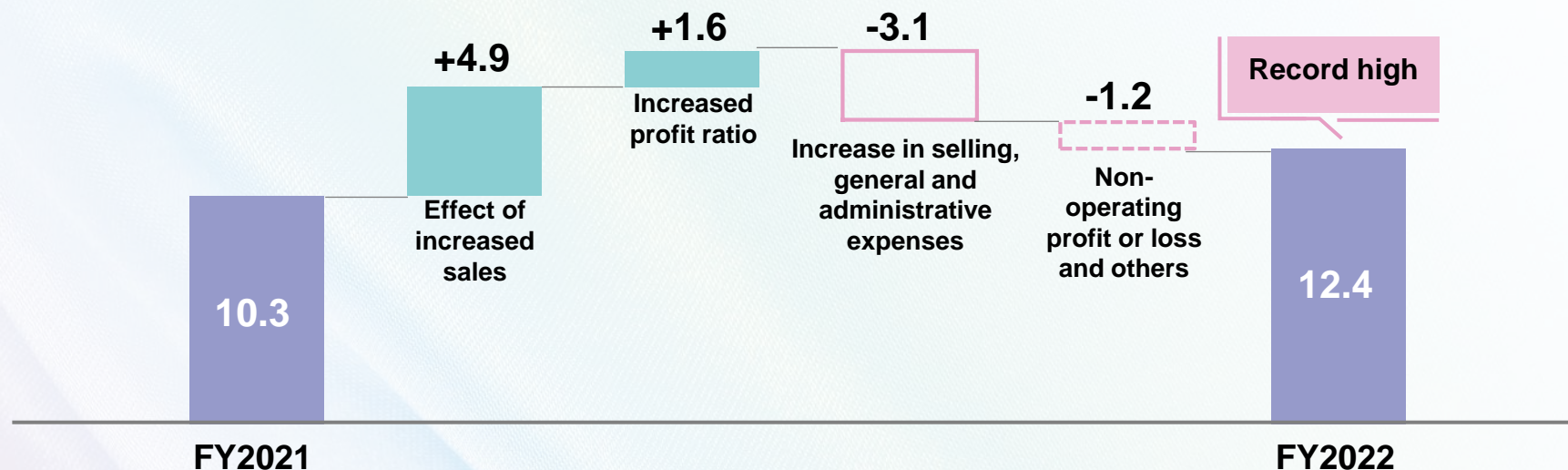
### POINT

- The business environment of the global and Japanese economy remains uncertain. Saw a slowdown in FY2022 4Q, mainly in the overseas business.
- Increased sales YoY with significant increase in profit in both the Fibers, Textiles and Garments business and the Chemicals business. However, a provision of allowance for doubtful accounts of ¥1.7 billion was recorded additionally in the Machinery business.

Unit: billions of yen	FY2021	FY2022	Difference	Ratio
Net sales	284.1	329.4	+45.3	+15.9%
Gross profit	30.7	37.1	+6.4	+20.9%
Selling, general and administrative expenses	21.3	24.4	+3.1	+14.4%
Operating profit	9.3	12.7	+3.3	+35.7%
Ordinary profit	10.3	12.4	+2.2	+21.1%
Net profit attributable to owners of parent	6.8	8.1	+1.3	+19.3%

## Reasons for Changes in Ordinary Profit

Unit: billions of yen



## Trends in Business Performance

Unit: billions of yen	FY2021					FY2022				
	1Q	2Q	3Q	4Q	Full-year total	1Q	2Q	3Q	4Q	Full-year total
Net sales	60.7	69.4	75.8	78.3	284.1	81.9	86.6	86.9	74.0	329.4
Operating income	2.6	2.3	2.6	2.0	9.3	3.2	3.6	4.2	1.7	12.7
Ordinary income	2.9	2.4	2.9	2.1	10.3	3.7	3.7	3.6	1.4	12.4
Net income attributable to owners of parent	2.3	1.7	1.9	1.0	6.8	2.3	2.5	2.8	0.6	8.1

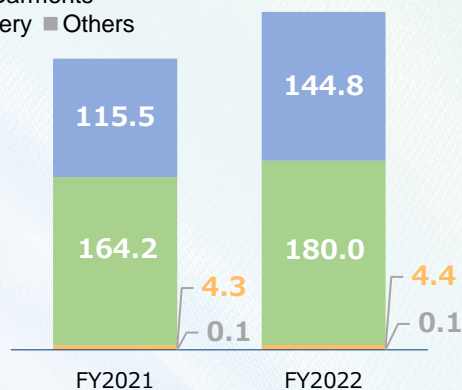


# Segment Results

Unit: billions of yen

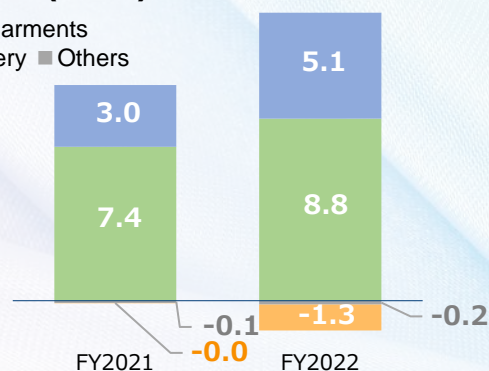
## Net sales

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



## Ordinary profit (loss)

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



Unit: billions of yen

	FY2021	FY2022	Difference
<b>Fibers, Textiles and Garments</b>	115.5	144.8	+29.3
<b>Chemicals</b>	164.2	180.0	+15.9
<b>Machinery (*)</b>	4.3	4.4	+0.1
<b>Others</b>	0.1	0.1	+0.0
<b>Total</b>	<b>284.1</b>	<b>329.4</b>	<b>+45.3</b>

\*(Reference) Trading amount handled: FY2021 ¥40.0 billion,  
FY2022 ¥50.1 billion

Unit: billions of yen

	FY2021	FY2022	Difference
<b>Fibers, Textiles and Garments</b>	3.0	5.1	+2.1
<b>Chemicals</b>	7.4	8.8	+1.4
<b>Machinery</b>	-0.0	-1.3	-1.2
<b>Others (*)</b>	-0.1	-0.2	-0.1
<b>Total</b>	<b>10.3</b>	<b>12.4</b>	<b>+2.2</b>

\* Adjusted amounts for "Others" are included.

## Fibers, Textiles and Garments

### Increased sales and profit

#### Recovering

Domestic apparel-related

#### Expanded transactions

Sustainable products

## Chemicals

### Increased sales and profit

#### Steady

Overall

#### Strong

Performance chemicals,  
Fine chemicals,  
Inorganic fine materials

## Machinery

### Increased sales and decreased profit

#### Increased sales

Vehicles for Europe and  
Central America

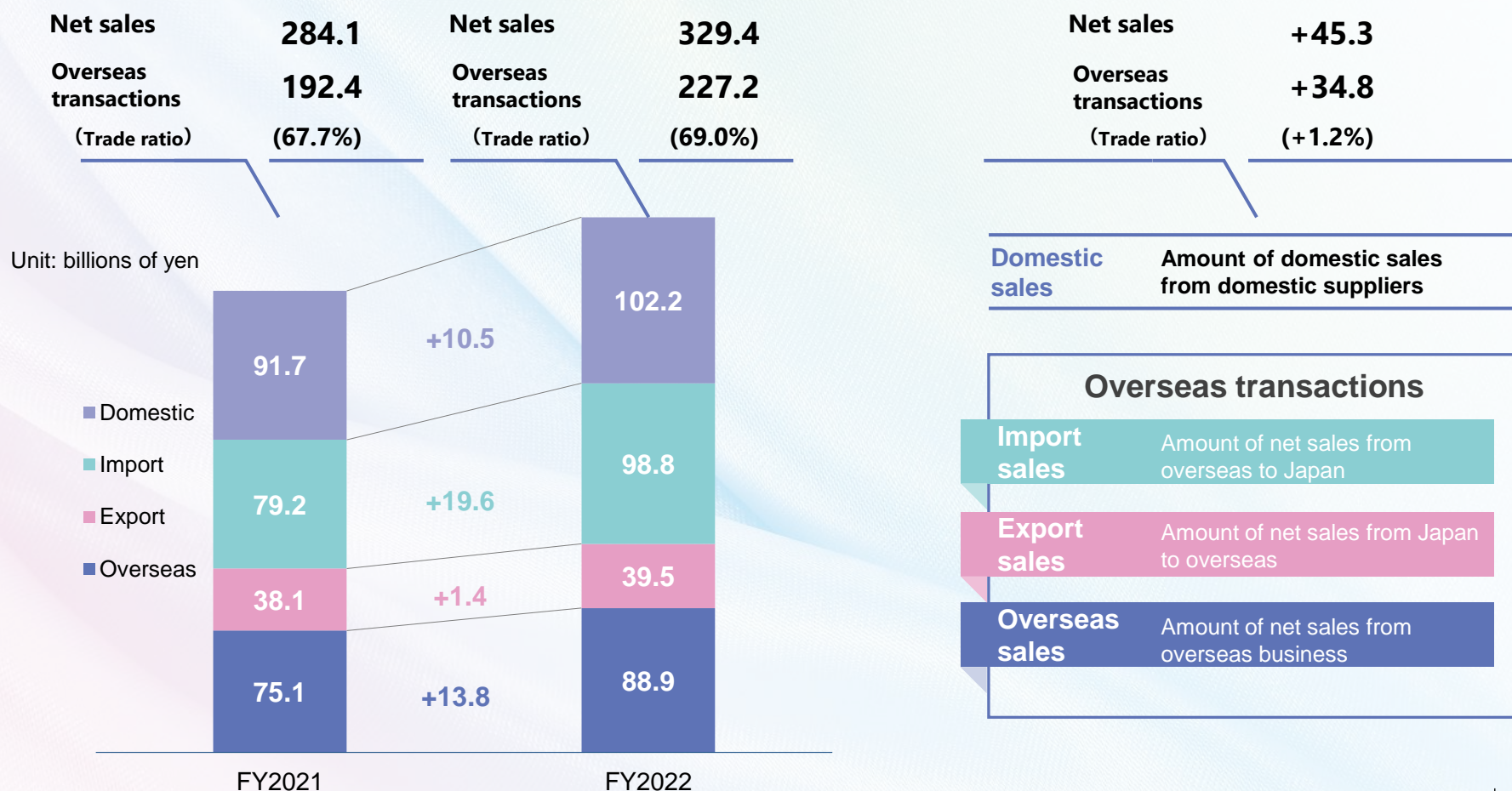
#### Loss

Additional recording of allowance  
for doubtful accounts

# Net Sales by Operation

## POINT

- Increased sales across all operations. Expanded overseas transactions (+18.1% YoY).
- Trade ratio: 69.0% (+1.2% YoY)

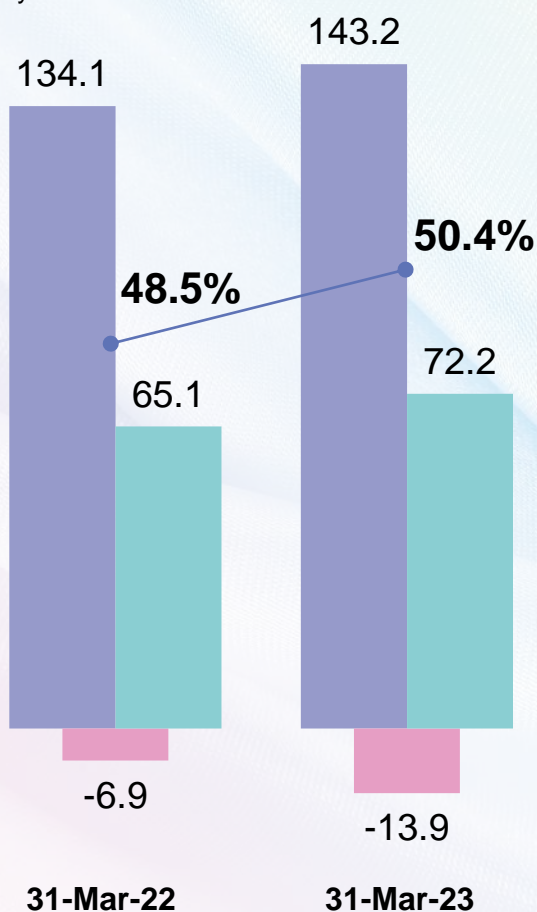




## Financial Position

■ 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-Mar-23	Difference
Total assets	134.1	143.2	+9.1
Net interest-bearing debt	-6.9	-13.9	-7.0
Total equity	65.1	72.2	+7.1
Equity-to-asset ratio	48.5%	50.4%	+1.9%

## Profitability/Capital efficiency

	31-Mar-22	31-Mar-23	Difference
ROA (Ordinary profit basis)	8.4%	9.0%	+0.6%
ROA (Net profit basis)	5.6%	5.9%	+0.3%
ROE (Net profit basis)	11.0%	11.8%	+0.8%



## Cash Flows

### POINT

- **Operating activities:** Provided ¥9.6 billion mainly due to net profit before income taxes despite a slight increase in working capital
- **Investing activities:** Used ¥0.3 billion mainly due to the acquisition of intangible assets associated with the introduction of a mission-critical system
- **Financing activities:** Used ¥3.1 billion mainly due to dividend payments
- **Provided ¥6.8 billion in total, with cash and cash equivalents at the end of period standing at ¥18.9 billion**

	Unit: billions of yen	FY2021	FY2022	Difference
Cash flows from operating activities		-2.3	9.6	+11.9
Cash flows from investing activities		0.2	-0.3	-0.5
Cash flows from financing activities		-4.0	-3.1	+0.9
Effect of exchange rate changes on cash and cash equivalents		0.6	0.6	+0.0
Total cash flows		-5.6	6.8	+12.4
Cash and cash equivalents at end of period		12.0	18.9	+6.8



## FY2022 Business Results Forecast

## POINT

- “Chori Innovation Plan 2025 (CIP2025),” the Company’s medium-term management plan started.
- Implement the basic strategies: “Promote consolidated global business axis management,” “Create sustainable businesses that respond instantly to changes,” and “Promote ESG management.”

**Financial targets for final fiscal year of CIP2025 (FY2025)**

Net sales: ¥360.0 billion Profit before income taxes: ¥16.0 billion Net profit\*1: ¥11.0 billion

ROA\*2: 7% or more ROE\*2: 12% or more ROIC: approximately 10%

\*1: Net profit attributable to owners of parent

\*2: Net profit attributable to owners of parent basis

Unit: billions of yen	FY2022 Result	FY2023 Forecast	Difference	Ratio
Net sales	329.4	340.0	+10.6	+3.2%
Operating profit	12.7	14.2	+1.5	+12.2%
Ordinary profit	12.4	14.0	+1.6	+12.6%
Profit before income taxes	12.8	14.0	+1.2	+9.5%
Net profit attributable to owners of parent	8.1	9.4	+1.3	+15.7%



## Dividend

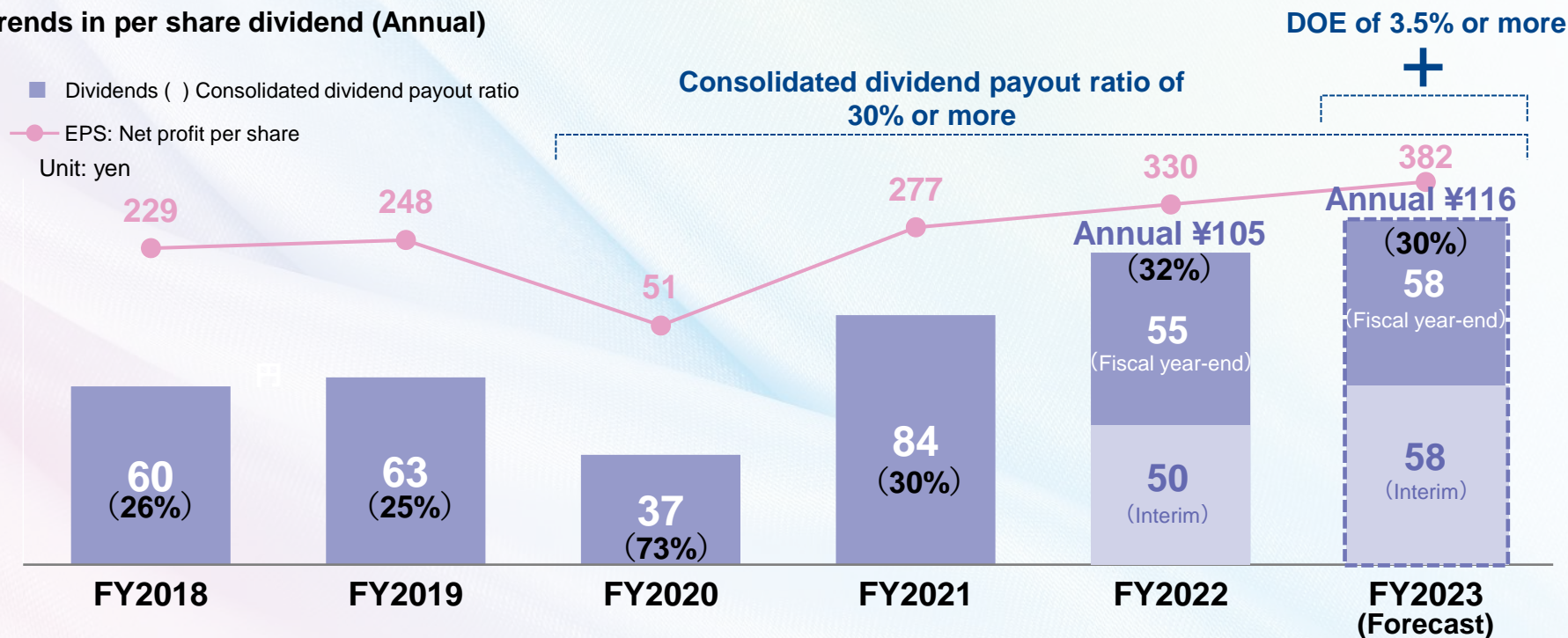
### FY2022

- Dividend policy: Consolidated dividend payout ratio of 30% or more (raised from 25% from FY2020).
- Dividend: As announced on January 27, 2023, year-end dividend of ¥55 per share will be paid, bringing the annual dividend to ¥105 per share.

### FY2023

- Change in dividend policy:** Consolidated dividend payout ratio of 30% or more and dividend on equity ratio (DOE) of 3.5% or more (from FY2023).
- Dividend: The annual dividend forecast is ¥116 per share, an increase of ¥11 per share from the FY2022 dividend (interim dividend of ¥58 per share, year-end dividend of ¥58 per share).

### Trends in per share dividend (Annual)





**Making your dreams come true**

**CHORI CO., LTD.**