

**FY2022 1Q (April 1, 2022 to June 30, 2022)**

**Financial Results Materials  
(Highlights)**

**July 26, 2022**

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)” starts.**

- Actual ordinary profit in FY2021 was ¥10.3 billion, reaching ¥10.0 billion for the first time.
- Steady progress to “consistently deliver ordinary profit at the ¥10.0 billion level”.

### Business results summary

- **Increased sales and profit YoY**
  - Ordinary profit in FY2022 1Q was ¥3.7 billion and net profit attributable to owners of parent was ¥2.3 billion, hitting new record highs.
  - Increased sales across all segments. The Chemicals segment was the driving force. Cf. ROA (ordinary profit basis): 10.5%, ROE (net profit basis): 13.8%

### Financial base

- **Equity-to-asset ratio: 47.1% Maintained at a high level**

### Topics

- **On June 16, 2022, updated the Corporate Governance Report (continued compliance with all 83 principles). Made disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).**
- **Initiated a Company-wide business transformation project (called CARAT) to overhaul Chori’s mission-critical system (will launch in October 2024).**

## Business Results Breakdown (YoY Comparison)

### POINT

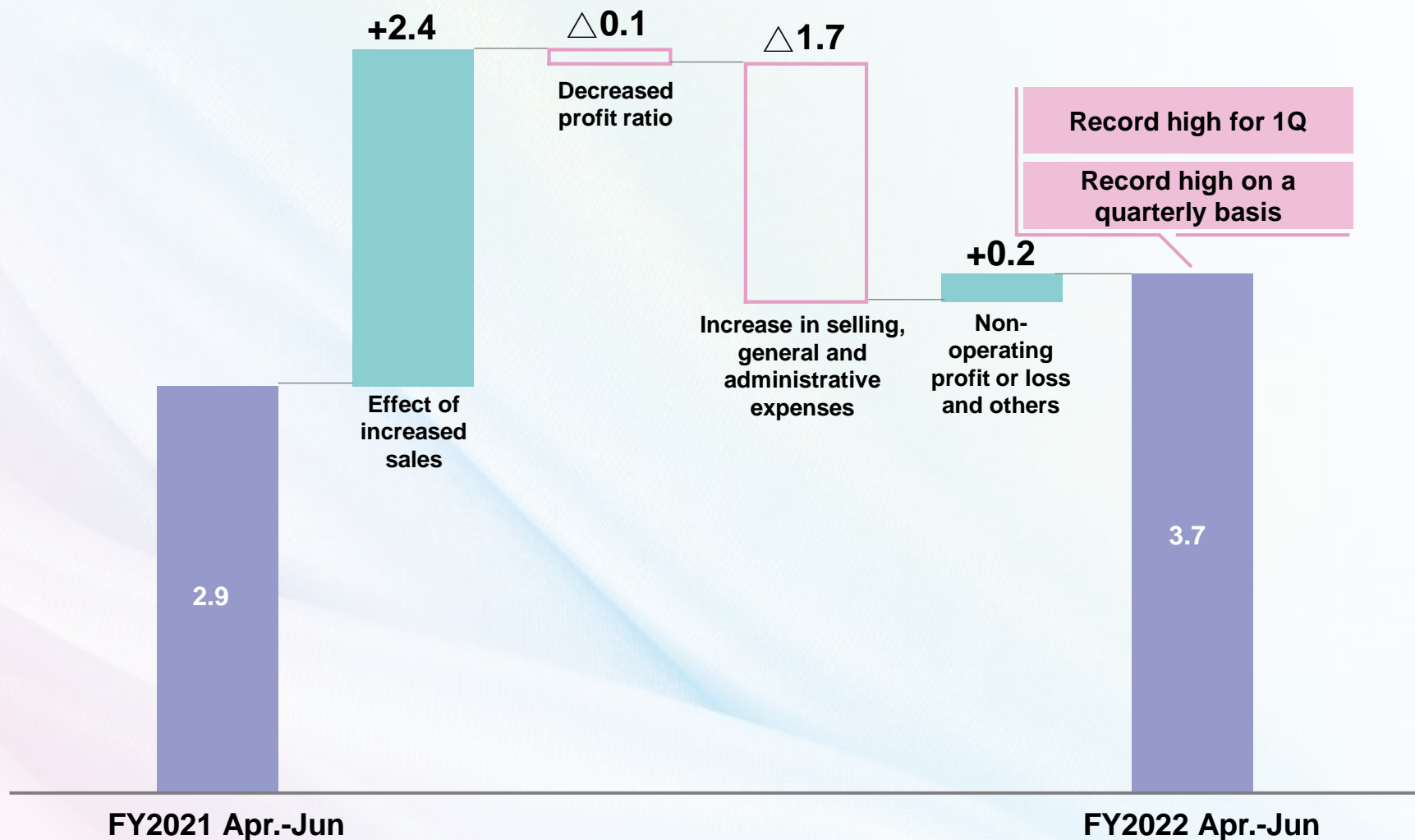
- Economic activity is trending toward recovery on a global scale partially due to the permeation of measures to prevent the spread of COVID-19.
- Supply chain disruptions are being protracted by zero-COVID policy in China and Russia's invasion of Ukraine. In Japan, price hikes are advancing, largely caused by surges in the price of raw materials and a rapidly depreciating yen, and the outlook of the business environment continues to be uncertain.
- In results, sales largely increased with a focus on the Chemicals business which continued to be favorable from the previous period, and ordinary profit increased significantly.

Unit: billions of yen	FY2021 Apr.-Jun.	FY2022 Apr.-Jun.	Difference	Ratio
<b>Net sales</b>	60.7	81.9	+21.2	+35.0%
<b>Gross profit</b>	6.8	9.1	+2.3	+33.9%
<b>Selling, general and administrative expenses</b>	4.3	5.9	+1.7	+38.9%
<b>Operating profit</b>	2.6	3.2	+0.7	+25.4%
<b>Ordinary profit</b>	2.9	3.7	+0.8	+27.2%
<b>Net profit attributable to owners of parent</b>	2.3	2.3	+0.0	+1.4%



# Reasons for Changes in Ordinary Profit

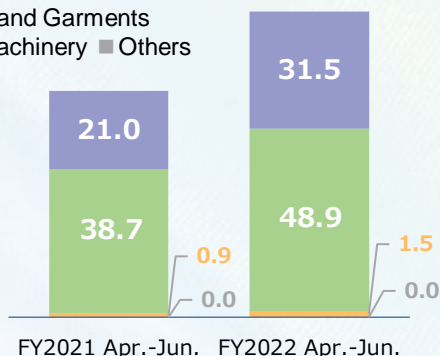
Unit: billions of yen



# Segment Results Unit: billions of yen

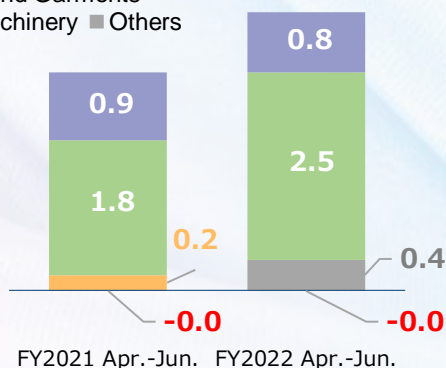
## Net sales

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



## Ordinary profit (loss)

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



Unit: billions of yen	FY2021 Apr.-Jun.	FY2022 Apr.-Jun.	Difference
<b>Fibers, Textiles and Garments</b>	21.0	31.5	+10.5
<b>Chemicals</b>	38.7	48.9	+10.1
<b>Machinery (*)</b>	0.9	1.5	+0.6
<b>Others</b>	0.0	0.0	+0.0
<b>Total</b>	<b>60.7</b>	<b>81.9</b>	<b>+21.2</b>

\* Reference: Trading amount handled ¥11.8 billion in FY2022 1Q

Unit: billions of yen	FY2021 Apr.-Jun.	FY2022 Apr.-Jun.	Difference
<b>Fibers, Textiles and Garments</b>	0.9	0.8	-0.1
<b>Chemicals</b>	1.8	2.5	+0.8
<b>Machinery</b>	0.2	-0.0	-0.3
<b>Others (*)</b>	-0.0	0.4	+0.4
<b>Total</b>	<b>2.9</b>	<b>3.7</b>	<b>+0.8</b>

\* Adjusted amounts for "Others" are included.

### Fibers, Textiles and Garments

#### Increased sales and decreased profit

**Recovering**

Textiles  
Domestic apparel-related

Main factors behind decreased profit

Continuation of raw material price surges  
Rapid yen depreciation

### Chemicals

#### Increased sales and profit

**Steady**

Overall

**Strong**

Inorganic chemical materials  
Fine chemicals

### Machinery

#### Increased sales and ordinary loss

**Increased sales**

Vehicles for Europe and Central America

**Loss**

Additional recording of allowance for doubtful accounts

# Net sales by Operation

**POINT**

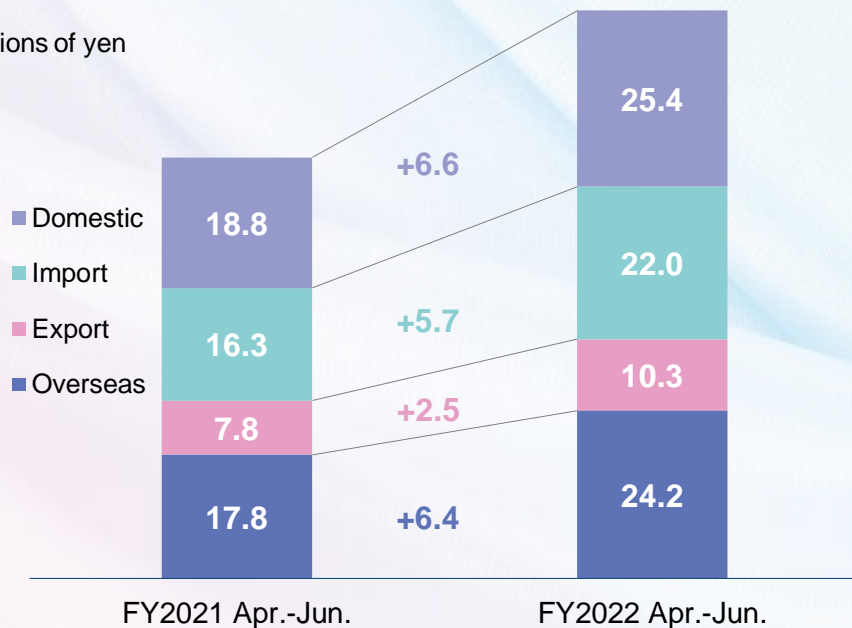
- **Trade ratio: 69.0% (+ 0.0% YoY)**
- **Domestic sales: Increased sales across all segments**
- **Overseas transactions: Increased sales across all segments**

**Net sales**                    **60.7**  
**Overseas transactions**    **41.9**  
 (Trade ratio)                **(69.0%)**

**Net sales**                    **81.9**  
**Overseas transactions**    **56.5**  
 (Trade ratio)                **(69.0%)**

**Net sales**                    **+21.2**  
**Overseas transactions**    **+14.7**  
 (Trade ratio)                **(+0.0%)**

Unit: billions of yen



**Domestic sales**                **Amount of domestic sales from domestic suppliers**

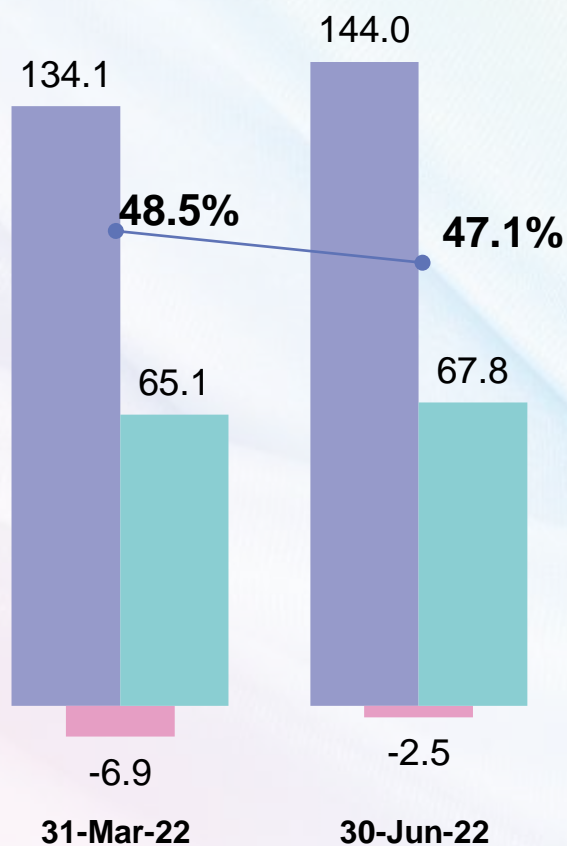
**Overseas transactions**

- 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  
■ Total equity    ● Equity-to-asset ratio

Unit: billions of yen



## Financial soundness

Unit: billions of yen	31-Mar-22	30-Jun-22	Difference
<b>Total assets</b>	134.1	144.0	+9.9
<b>Net interest-bearing debt</b>	-6.9	-2.5	+4.4
<b>Total equity</b>	65.1	67.8	+2.7
<b>Equity-to-asset ratio</b>	48.5%	47.1%	-1.4%

## Profitability/Capital efficiency

Unit: billions of yen	31-Mar-22	30-Jun-22 (*)	Difference
<b>ROA (Ordinary profit basis)</b>	8.4%	10.5%	+2.1%
<b>ROA (Net profit basis)</b>	5.6%	6.6%	+1.0%
<b>ROE (Net profit basis)</b>	11.0%	13.8%	+2.8%

\* Annual basis



## FY2022 Business Results Forecast

### POINT

- Making progress on “Chori Innovation Plan 2022 (CIP2022)”, the Company’s medium-term management plan.

**FY2022 ordinary profit forecast of ¥12.0 billion**

**(ROA (ordinary profit basis): 9.0%, ROE (net profit basis): 12.0%)**

**Cf. CIP2022 planned ordinary profit of ¥11.0 billion**

- The rate of progress compared to the full-year forecast for each profit level is progressing at over 25%.

Unit: billions of yen	FY2022 Apr.-Jun. Result	FY2022 Forecast	FY2022 Progress	FY2021 Result
<b>Net sales</b>	81.9	330.0	24.8%	284.1
<b>Operating profit</b>	3.2	11.5	27.9%	9.3
<b>Ordinary profit</b>	3.7	12.0	30.5%	10.3
<b>Net profit attributable to owners of parent</b>	2.3	8.2	28.0%	6.8



# FY2022 Dividend

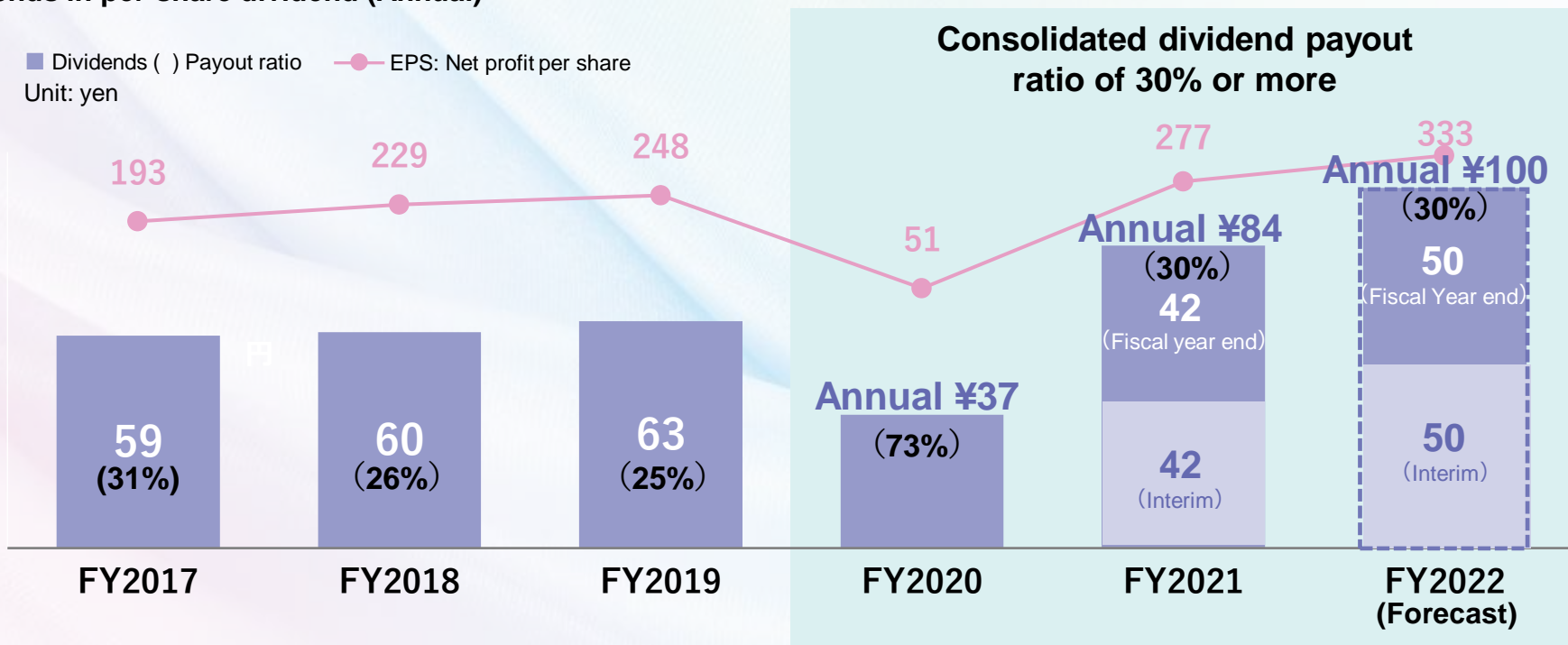
## Basic dividend policy

- 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].

## FY2022 Annual dividend forecast

The annual dividend forecast is ¥100 per share, (interim dividend of ¥50 per share, year-end dividend of ¥50 per share).

## Trends in per-share dividend (Annual)



**Making your dreams come true**

**CHORI CO., LTD.**