



Making your dreams come true

FY2019 3Q (April 1 to December 31, 2019)

Financial Results Materials (Highlights)

January 30, 2020

A decorative graphic consisting of a thin blue line that starts on the left, dips down, then rises to cross a horizontal line, and finally curves upwards on the right. Three dark blue circles of varying sizes are placed along the horizontal line: a small one on the left, a medium one in the center, and a large one on the right.

Forecasts for operational performances, 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 contents and operational performances of the company in the future.

CHORI CO., LTD.

Key Points of the Summary

▶ Business Results Summary (YoY Comparison)

Net sales : Decrease in revenue. Full-year business results forecast has been revised
(¥370 billion ⇒ ¥330 billion)

Fibers, Textiles and
Garments Business

Business struggled to grow in the Japan market

Chemicals Business

Maintained the amount of handled bulk products, sales were sluggish due to drop in market price

Machinery Business

Continued on a track of expansion

Earnings : Profitable at each level of income and profits increased. Full-year business results forecasts remain unchanged.

Impact of decline on sales was limited on profits, curbed SG&A expenses mainly centered on improving profitability and logistics costs

▶ Profitability

Profitability enhanced for all segments, and segment profits (ordinary income) increased
ROA(ordinary income basis) : 8.1% (+0.8% YoY) , ROE(net income basis) : 11.5% (+0.7% YoY)

▶ Financial Base

 Equity ratio: 47.8% Maintained at a high level

▶ Shareholder returns

Year-end dividend forecast for FY2019 is ¥62 per share (forecast seventh consecutive increase in dividend)

(Interim dividend payment of ¥31 per share (result) + year-end dividend of ¥31 per share (forecast))

Business Results Breakdown (YoY Comparison)



- **Net sales** : Although the decrease in revenue was centered on the Fibers, Textiles, and Garments Business (business targeted at the Japanese market) and the Chemicals Business (organic chemicals sector), the Machinery Business continued on a track of expansion
- **Earnings** : All increased on each level of income due to enhanced profitability

Unit: billions of yen

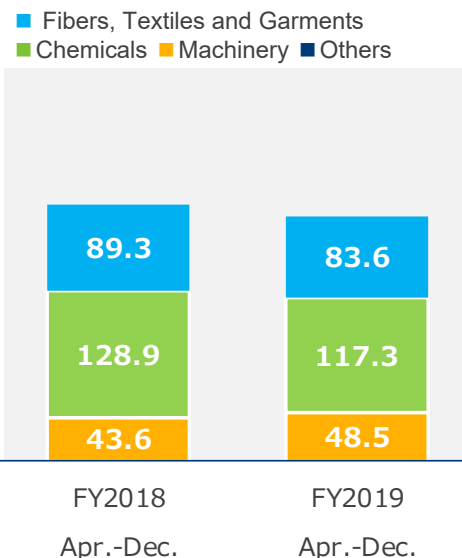
	FY2018 Apr.-Dec.	FY2019 Apr.-Dec.	Difference	Ratio
Net Sales	262.0	249.4	-12.5	-4.8%
Gross Profit	21.3	21.4	+0.2	+0.8%
Selling, general and administrative expenses	15.2	14.7	-0.5	-3.0%
Operating income	6.1	6.7	+0.6	+10.4%
Ordinary income	6.6	7.2	+0.6	+8.9%
Net income attributable to owners of the parent	4.3	4.7	+0.4	+9.5%

Segment Results

Net sales

Unit: billions of yen

	FY2018 Apr.-Dec.	FY2019 Apr.-Dec.	Difference
Fibers, Textiles and Garments	89.3	83.6	-5.7
Chemicals	128.9	117.3	-11.7
Machinery	43.6	48.5	+4.9
Others	0.1	0.1	-0.0
Total	262.0	249.4	-12.5



Fibers, Textiles and Garments

...Decreased sales and increased profit

- Steady** Overseas base materials
- Improvement** Domestic fibers, textiles, and garments

Chemicals

...Decreased sales and increased profit

- Steady** Fine chemicals
- Sluggish** Organic chemical materials

Machinery

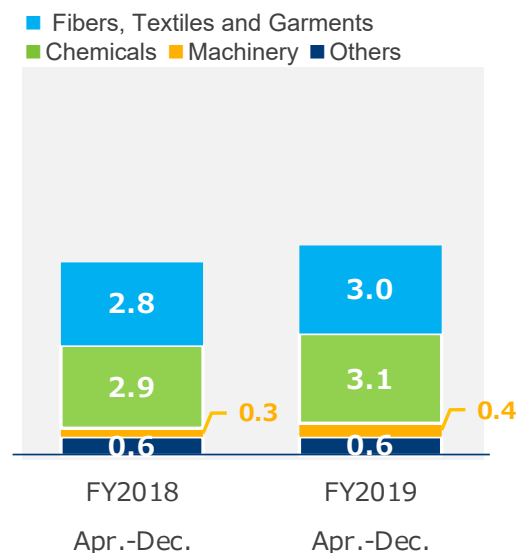
...Increased sales and profit

- Steady** Vehicles

Ordinary income

Unit: billions of yen

	FY2018 Apr.-Dec.	FY2019 Apr.-Dec.	Difference
Fibers, Textiles and Garments	2.8	3.0	+0.2
Chemicals	2.9	3.1	+0.2
Machinery	0.3	0.4	+0.1
Others	0.6	0.6	+0.0
Total	6.6	7.2	+0.6



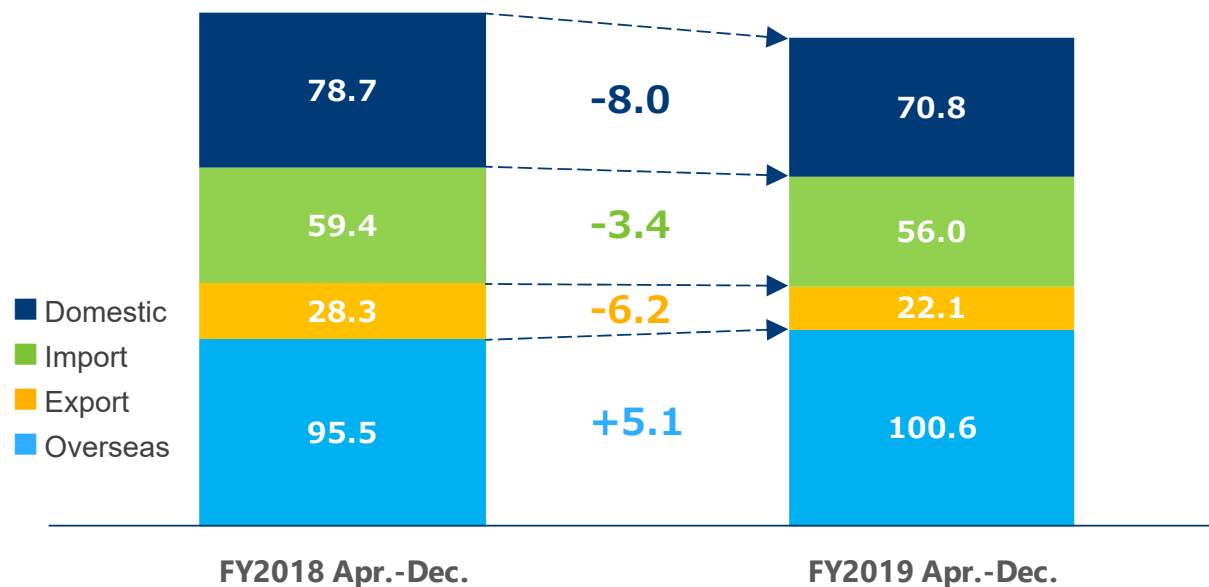
* Adjusted amounts for "Other" are included.

Net Sales by Operation

POINT ● Trade ratio : 71.6%(+1.7% YoY)
 Domestic sales : Decrease in revenue centered on the Fibers, Textiles and Garments Business at Chori Co., Ltd. and domestic chemical product subsidiaries
 Export sales : Decreased sales centered on the Chemicals Business

Net sales	262.0	Net sales	249.4	Net sales	-12.5
Overseas transactions	183.2	Overseas transactions	178.7	Overseas transactions	-4.5
(Trade ratio)	(69.9%)	(Trade ratio)	(71.6%)	(Trade ratio)	(+1.7%)

Unit: billions of yen



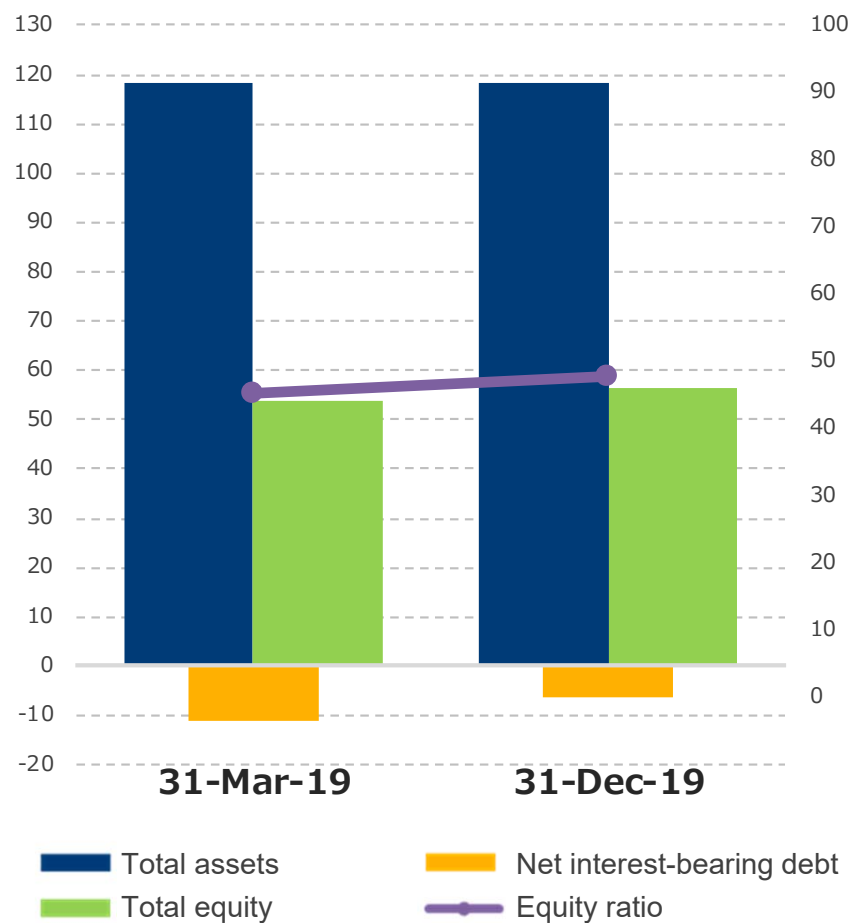
Domestic sales Amount of domestic sales

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 transactions

Financial Position

Unit: billions of yen



Financial soundness

Unit: billions of yen


	31-Mar-19	31-Dec-19	Difference
Total assets	118.5	118.3	-0.2
Net interest-bearing debt	-10.9	-6.5	+4.4
Total equity	53.8	56.6	+2.7
Equity ratio	45.4%	47.8%	+2.4%

Profitability/Capital efficiency

	31-Mar-19	31-Dec-19(*)	Difference
ROA (Ordinary income basis)	7.3%	8.1%	+0.8%
ROA (Net income basis)	4.7%	5.3%	+0.6%
ROE (Net income basis)	10.7%	11.5%	+0.7%

* Annual basis

FY2019 Business Results Revised Forecast

 **POINT**

- **Revision to the full-year business results forecast :**
 Due to decreased revenue for the organic chemicals sector in the Chemicals Business, net sales forecast has been reduced by ¥40 billion. The reduced amount has a limited impact on income, and there are no changes to the forecasts at each level of income
- **Net Sales: ¥370 billion ⇒ ¥330 billion (- ¥40 billion)**
- **Each income level, year-end dividends forecast: No changes**

Unit: billions of yen

	FY2018 Result	FY2019 Forecast (After Revision)	Difference	Ratio	FY2019 Apr.-Dec. Result	FY2019 Forecast Progress (After Revision)
Net Sales	356.5	330.0	-26.5	-7.4%	249.4	75.6%
Operating income	8.1	8.3	+0.3	+3.1%	6.7	80.8%
Ordinary income	8.7	9.0	+0.3	+3.9%	7.2	79.9%
Net income attributable to owners of the parent	5.6	5.8	+0.2	+3.0%	4.7	81.7%

M a k i n g y o u r d r e a m s c o m e t r u e

CHORI CO.,LTD.