



**FY03/2025 Q2**

**(April 1, 2024 to September 30, 2024)**

## **Financial Results Materials**

**(Highlights)**

**October 29, 2024**

**CHORI CO., LTD.**

# Key Points of the Summary

## POINT

### Promoted the Medium-Term Management Plan “Chori Innovation Plan 2025”

- Net sales and profit at each level steadily progressed in line with the business results forecast.
- Posted ordinary profit of ¥8.6 billion, profit before income taxes of ¥9.3 billion, and net profit attributable to owners of parent of ¥7.0 billion, which were all record highs.

## Business results summary

- Year-on-year increased sales, increased profit at the ordinary profit level and below.
- Increased profit in all segments.

## Financial base

- Equity ratio **61.5% Maintained at a high level.**
- ROE\*<sup>1</sup> (annual basis) **16.5%**
- ROIC\*<sup>2</sup> (annual basis) **11.7%**

\*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

## Topics

- The company-wide business transformation project (mission-critical system (SAP) implementation project, called CARAT) is progressing with system development as planned, and training personnel at each site started towards full-scale operation from FY2025.
- Selected for the first time as a component of the JPX-Nikkei Mid and Small Cap Index, which is jointly calculated and published by JPX Market Innovation & Research and Nikkei.

# Business Results Breakdown (YoY Comparison)

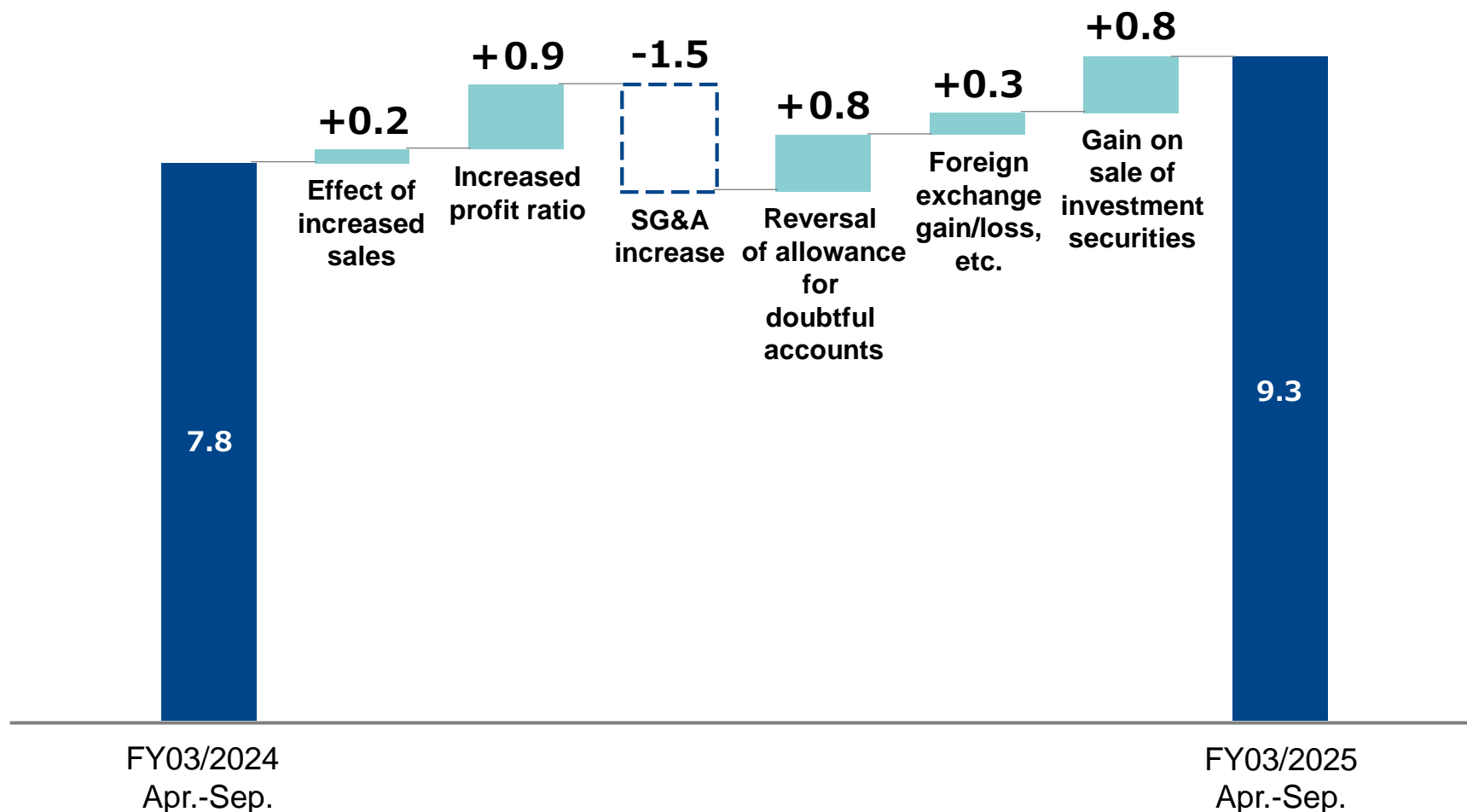
## POINT

- The Japanese economy is on a gradual recovery trend due to an improved employment and income environment resulting from rising wages, as well as the expansion of inbound tourism demand and other factors. The outlook for the global economy is uncertain against the growing tension in the Israeli-Palestinian situation and the economic slowdown in China caused by sluggish domestic demand.
- Net sales increased. Operating profit decreased due to higher SG&A expenses, mainly due to higher personnel expenses and expenses related to the Osaka Head Office relocation. Ordinary profit increased due to reversal of allowance for doubtful accounts due to partial collection of the receivables from a chemical manufacturing group in China, and other factors. Profit before income taxes (segment profit) increased significantly due to gain on sale of investment securities.

Unit: billions of yen	FY03/2024 Apr.-Sep.	FY03/2025 Apr.-Sep.	Difference	Ratio
Net sales	152.9	154.5	+1.5	+1.0%
Gross profit	19.3	20.4	+1.1	+5.5%
Selling, general and administrative expenses	11.5	13.0	+1.5	+12.8%
Operating profit	7.8	7.4	-0.4	-5.3%
Ordinary profit	7.6	8.6	+0.9	+12.3%
Profit before income taxes	7.8	9.3	+1.5	+19.9%
Net profit attributable to owners of parent	5.0	7.0	+2.0	+40.2%

# Reasons for Changes in Profit before Income Taxes

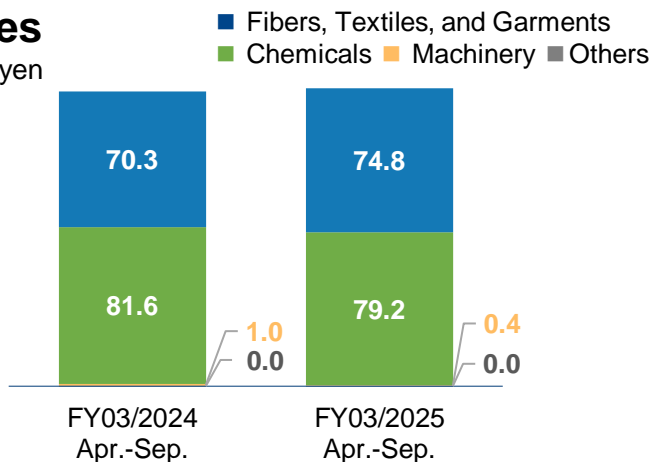
Unit: billions of yen



# Segment Results

## Net sales

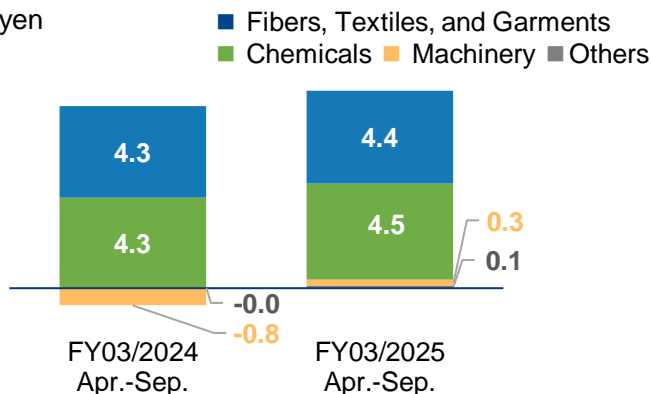
Unit: billions of yen



	FY03/2024 Apr.-Sep.	FY03/2025 Apr.-Sep.	Difference
Fibers, Textiles, and Garments	70.3	74.8	+4.5
Chemicals	81.6	79.2	-2.3
Machinery	1.0	0.4	-0.6
Others	0.0	0.0	+0.0
Total	152.9	154.5	+1.5

## Profit (loss) before income taxes

Unit: billions of yen



	FY03/2024 Apr.-Sep.	FY03/2025 Apr.-Sep.	Difference
Fibers, Textiles, and Garments	4.3	4.4	+0.1
Chemicals	4.3	4.5	+0.3
Machinery	-0.8	0.3	+1.1
Others*	-0.0	0.1	+0.1
Total	7.8	9.3	+1.5

\*\*"Others" includes adjustments.

### Fibers, Textiles, and Garments

Increased sales and profit

Steady

Overall

Strong

Fiber raw materials, Textiles (export) , Women's clothing

Profit

Gain on sale of investment securities

### Chemicals

Decreased sales and increased profit

Sluggish

Declining demand and poor market conditions for fine chemicals

Steady

Performance chemicals

Profit

Reversal of allowance for doubtful accounts

### Machinery

Decreased sales and increased profit (returned to profit)

Recovery

Improvement of foreign exchange gain/loss

# Net Sales by Operation

## POINT

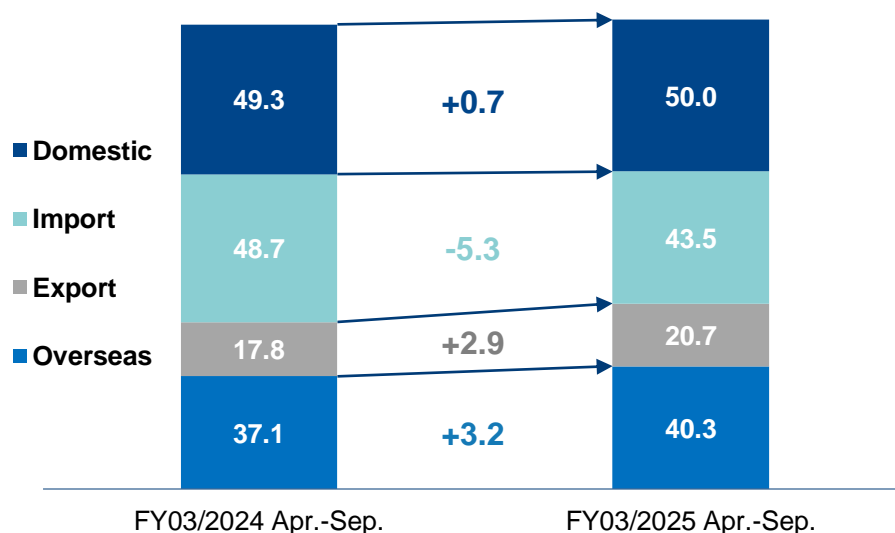
- Overseas and export sales increased, import sales declined in both the Fibers, Textiles, and Garments business and the Chemicals business.
- Trade ratio: 67.6% 0.2pt decrease YoY

Unit: billions of yen

<b>Net sales</b>	<b>152.9</b>	<b>Net sales</b>	<b>154.5</b>
<b>Overseas transactions</b>	<b>103.6</b>	<b>Overseas transactions</b>	<b>104.5</b>
<b>Trade ratio</b>	<b>67.8%</b>	<b>Trade ratio</b>	<b>67.6%</b>



<b>Net sales</b>	<b>+1.5</b>
<b>Overseas transactions</b>	<b>+0.8</b>
<b>Trade ratio</b>	<b>-0.2pt</b>

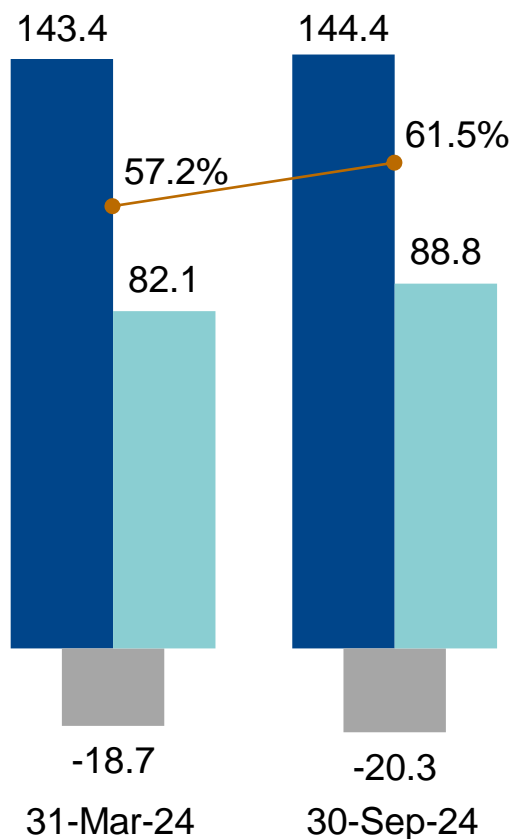


Domestic sales	Amount of domestic sales from domestic suppliers
<b>Overseas transactions</b>	
Import sales	Amount of net sales from overseas to Japan
Export sales	Amount of net sales from Japan to overseas
Overseas sales	Amount of net sales from overseas business

# Financial Position

Unit: billions of yen

■ Total assets    ■ Net interest-bearing debt  
■ Equity    ● Equity ratio



## Financial soundness

	31-Mar-24	30-Sep-24	Difference
Total assets	143.4	144.4	+1.1
Net interest-bearing debt	-18.7	-20.3	-1.6
Equity	82.1	88.8	+6.7
Equity ratio	57.2%	61.5%	+4.3pt

## Profitability/Capital efficiency

	31-Mar-24	30-Sep-24 <sup>*3</sup>	Difference
ROA (Net profit <sup>*1</sup> basis)	6.7%	9.8%	+3.1pt
ROE (Net profit <sup>*1</sup> basis)	12.5%	16.5%	+4.0pt
ROIC <sup>*2</sup>	12.4%	11.7%	-0.7pt
(Reference) ROA (Ordinary profit basis)	10.1%	11.9%	+1.8pt

\*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

\*3: Annual basis

# Cash Flows

## POINT

- Operating activities : Provided ¥2.1 billion due to profit before income taxes (¥9.3 billion), decrease in trade payables (¥6.5 billion) and others
- Investing activities : Provided ¥0.2 billion due to gain on sale of investment securities (¥2.3 billion) despite purchase of intangible assets associated with the introduction of a mission-critical system (¥1.3 billion) and others
- Financing activities : Used ¥2.1 billion due to dividend payments (¥1.5 billion) and others

Unit: billions of yen

	FY03/2024 Apr.-Sep.	FY03/2025 Apr.-Sep.	Difference
Cash flows from operating activities	1.5	2.1	+0.5
Cash flows from investing activities	-1.3	0.2	+1.5
Cash flows from financing activities	-2.8	-2.1	+0.6
Effect of exchange rate change on cash and cash equivalents	0.6	0.9	+0.2
Total cash flows	-1.9	1.0	+2.9
Cash and cash equivalents at end of period	17.0	22.0	+5.1



## FY03/2025 Business Results Forecast

## POINT

- For the FY03/2025 business results forecast, we anticipate a year-on-year increase in sales and a record-high profit before income taxes (segment profit) and expect net profit attributable to owners of parent to reach ¥10.0 billion.
- Steady progress toward the business results forecast in FY03/2025 Q2.

Unit: billions of yen	FY03/2025 Apr.-Sep. Result	FY03/2025 Apr.-Mar. Forecast	FY03/2025 Progress	FY03/2024 Result
Net sales	154.5	320.0	48.3%	307.7
Operating profit	7.4	15.0	49.2%	15.0
Ordinary profit	8.6	15.0	57.1%	14.5
Profit before income taxes	9.3	15.0	62.1%	14.7
Net profit attributable to owners of parent	7.0	10.0	70.4%	9.6

FY03/2025 Dividend

Basic dividend policy

- Recognizing the return of profits to shareholders as one of its most important management issues, the Company’s policy is to provide performance-based dividends in accordance with the levels of net profit attributable to owners of parent with a view to continuously and stably returning profits to shareholders and ensuring stable management and finances.
- Dividend policy: Consolidated dividend payout ratio of 30% and dividend on equity ratio (DOE) of 3.5% or more

FY03/2025 Annual dividend forecast

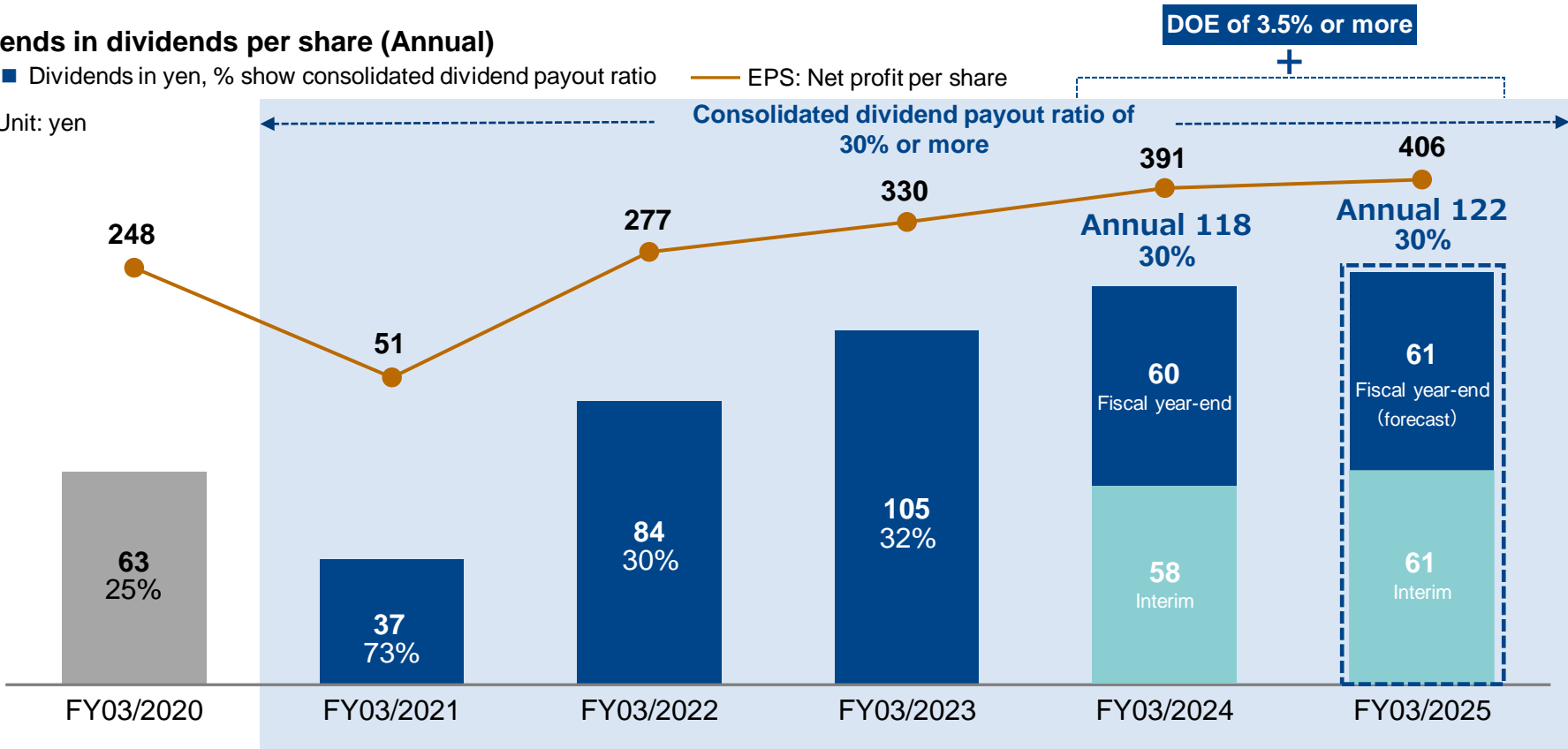
Based on the business results forecast announced on April 26, 2024 and the policy above, an interim dividend of ¥61 per share will be paid. The annual dividend forecast is ¥122 per share (year-end dividend of ¥61 per share).

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.