

Translation — Original text in Japanese



FY03/2025 Q3
(April 1, 2024 to December 31, 2024)

Financial Results Materials
(Highlights)

January 31, 2025

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 ¥12.0 billion, profit before income taxes of ¥12.7 billion, and net profit attributable to owners of parent of ¥9.1 billion, which were all record highs for a fourth straight year.

Business results summary

- Despite a year-on-year decline in net sales, increased profit at the ordinary profit level and below.
- The Fibers, Textiles, and Garments business posted decreased profit but remains steady. The Chemicals business posted increased profit. The Machinery business returned to profit.

Financial base

- Equity ratio **61.7%** Maintained at a high level.
- ROE*¹ (annual basis) **14.3%**
- ROIC*² (annual basis) **10.5%**

*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 entering the training phase, and progressing as planned towards its operation starting from April 2025.
- Invested in PT. TAKAHA MULTICHEM INDONESIA (in Indonesia), which has professional know-how in the sale of cosmetics raw materials, making it a group company (an equity-method affiliate).

Business Results Breakdown (YoY Comparison)

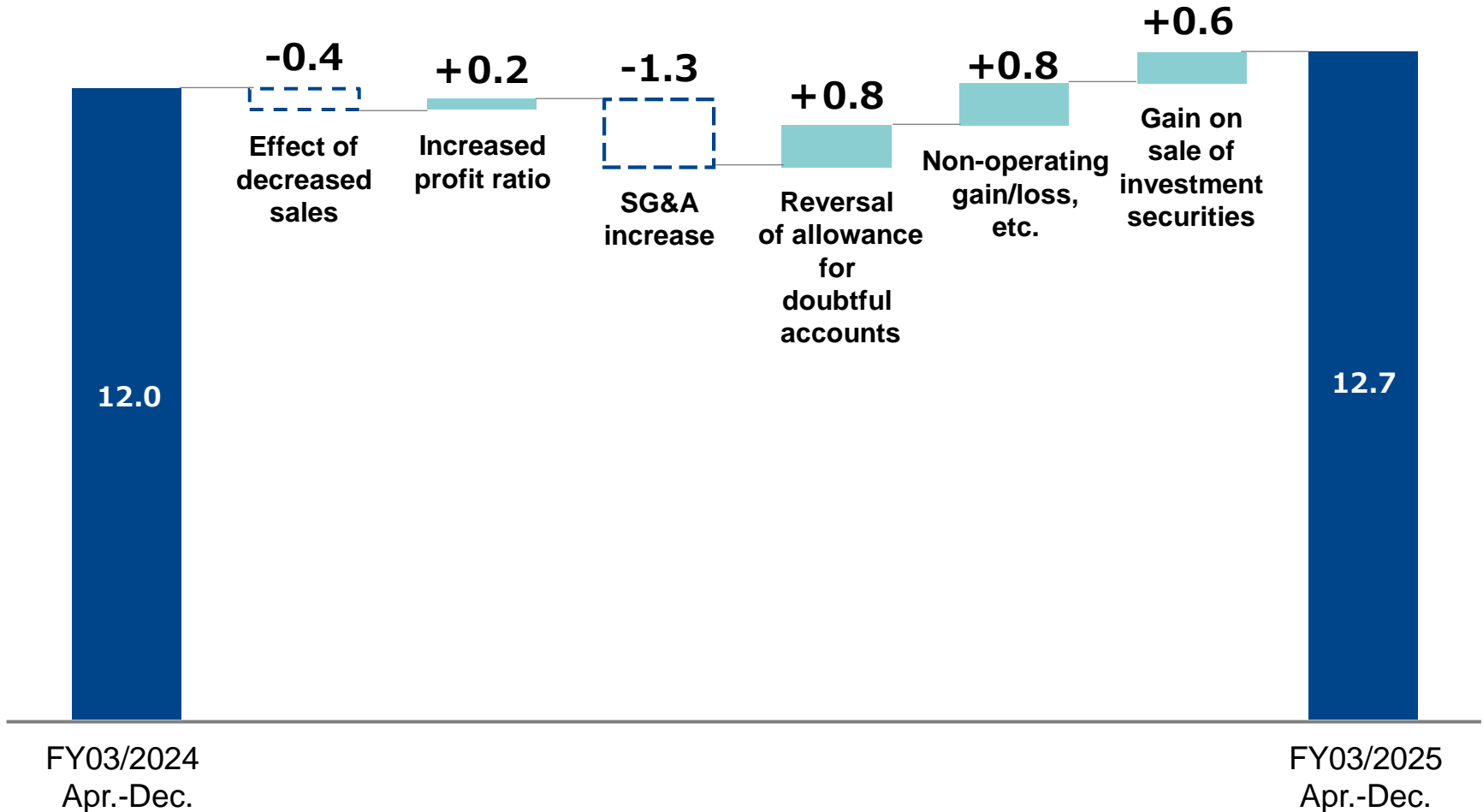
POINT

- The Japanese economy is on a gradual recovery trend, with personal consumption improving due to better employment and income environment, supported by robust corporate earnings. The outlook for the global economy is uncertain due to prolonged geopolitical risks such as the Russia-Ukraine situation and Middle East tensions, as well as a continued sense of economic slowdown in China.
- Net sales slightly decreased. Operating profit decreased due to higher SG&A expenses, mainly due to higher personnel expenses and expenses related to the Osaka Head Office relocation. Profit before income taxes (segment 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 the recording of gain on sale of investment securities.

| | Unit: billions of yen | | | |
|--|------------------------|------------------------|------------|--------|
| | FY03/2024 Apr.-Dec. | FY03/2025 Apr.-Dec. | Difference | Ratio |
| Net sales | 233.4 | 230.3 | -3.1 | -1.3% |
| Gross profit | 29.6 | 29.5 | -0.1 | -0.4% |
| Selling, general and administrative expenses | 17.7 | 19.0 | +1.3 | +7.3% |
| Operating profit | 11.9 | 10.5 | -1.4 | -11.8% |
| Ordinary profit | 11.8 | 12.0 | +0.2 | +1.7% |
| Profit before income taxes | 12.0 | 12.7 | +0.8 | +6.7% |
| Net profit attributable to owners of parent | 8.1 | 9.1 | +1.1 | +13.1% |

Reasons for Changes in Profit before Income Taxes

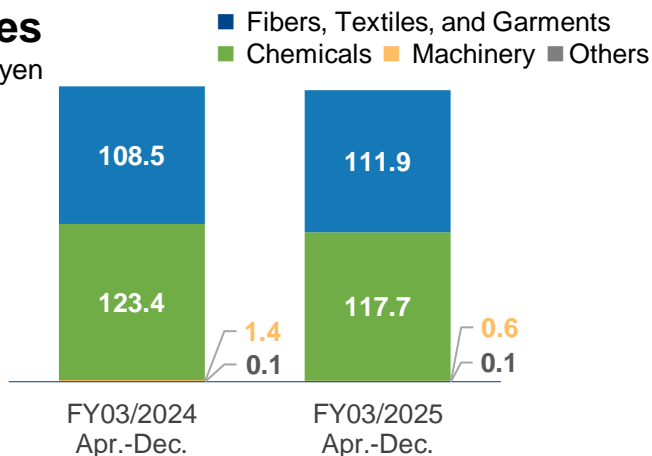
Unit: billions of yen



Segment Results

Net sales

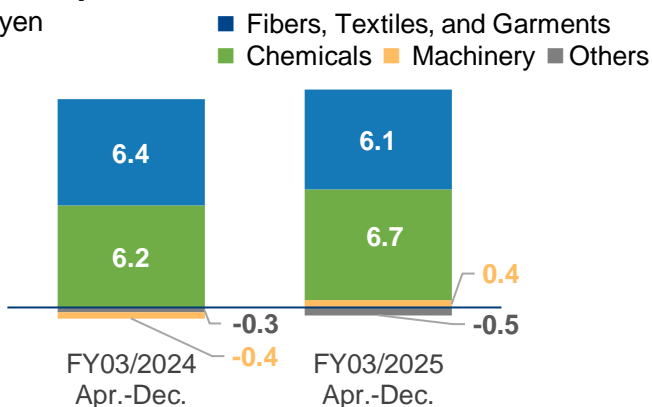
Unit: billions of yen



| | FY03/2024 Apr.-Dec. | FY03/2025 Apr.-Dec. | Difference |
|--------------------------------|---------------------|---------------------|-------------|
| Fibers, Textiles, and Garments | 108.5 | 111.9 | +3.4 |
| Chemicals | 123.4 | 117.7 | -5.7 |
| Machinery | 1.4 | 0.6 | -0.8 |
| Others | 0.1 | 0.1 | +0.0 |
| Total | 233.4 | 230.3 | -3.1 |

Profit (loss) before income taxes

Unit: billions of yen



| | FY03/2024 Apr.-Dec. | FY03/2025 Apr.-Dec. | Difference |
|--------------------------------|---------------------|---------------------|-------------|
| Fibers, Textiles, and Garments | 6.4 | 6.1 | -0.4 |
| Chemicals | 6.2 | 6.7 | +0.5 |
| Machinery | -0.4 | 0.4 | +0.8 |
| Others* | -0.3 | -0.5 | -0.2 |
| Total | 12.0 | 12.7 | +0.8 |

*"Others" includes adjustments.

Fibers, Textiles, and Garments

Increased sales and decreased profit

Sluggish

Men's suits and uniforms

Steady

Fiber raw materials, textiles (export), women's clothing

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 in foreign exchange gains/losses

Net Sales by Operation

POINT

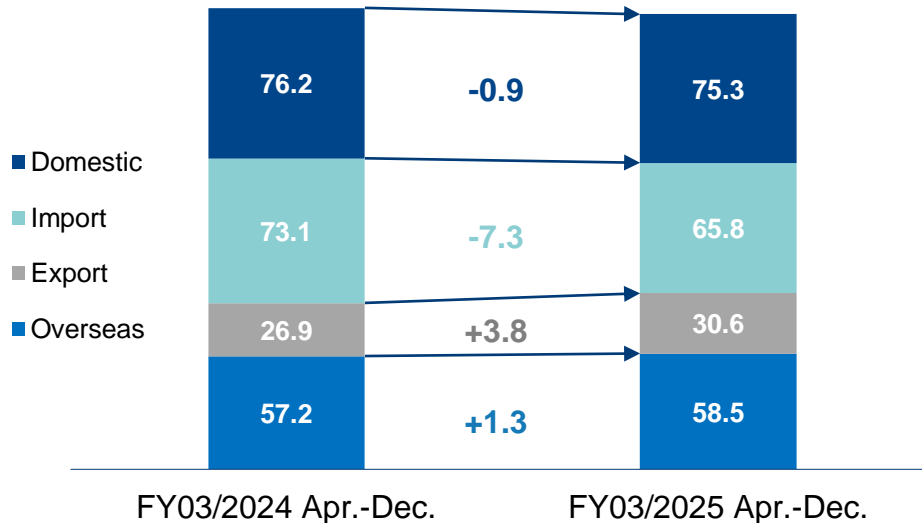
- Shipments for the domestic market (domestic and import) decreased, while shipments for the overseas market (export and overseas) increased.
- Trade ratio: 67.3% 0.1pt decrease YoY

Unit: billions of yen

| | | | |
|------------------------------|--------------|------------------------------|--------------|
| Net sales | 233.4 | Net sales | 230.3 |
| Overseas transactions | 157.2 | Overseas transactions | 155.0 |
| Trade ratio | 67.4% | Trade ratio | 67.3% |



| | |
|------------------------------|---------------|
| Net sales | -3.1 |
| Overseas transactions | -2.2 |
| Trade ratio | -0.1pt |

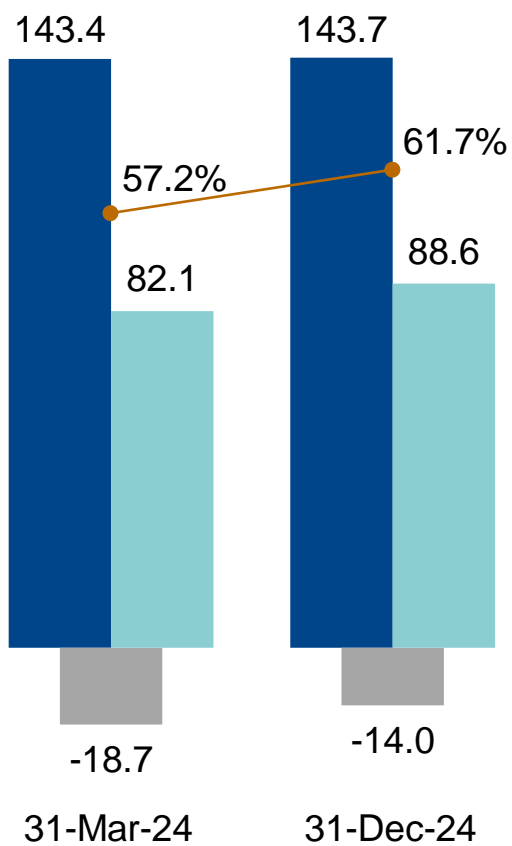


| Domestic sales | Amount of domestic sales from domestic suppliers |
|------------------------------|--|
| Overseas transactions | |
| Import sales | Amount of net sales from overseas to Japan |
| Export sales | Amount of net sales from Japan to overseas |
| Overseas sales | Amount of net sales from overseas business |

Financial Position

Unit: billions of yen

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



Financial soundness

| | 31-Mar-24 | 31-Dec-24 | Difference |
|---------------------------|-----------|-----------|------------|
| Total assets | 143.4 | 143.7 | +0.3 |
| Net interest-bearing debt | -18.7 | -14.0 | +4.7 |
| Equity | 82.1 | 88.6 | +6.6 |
| Equity ratio | 57.2% | 61.7% | +4.5pt |

Profitability/Capital efficiency

| | 31-Mar-24 | 31-Dec-24 ^{*3} | Difference |
|--|-----------|-------------------------|------------|
| ROA ^{*1} | 6.7% | 8.5% | +1.8pt |
| ROE ^{*1} | 12.5% | 14.3% | +1.8pt |
| ROIC ^{*2} | 12.4% | 10.5% | -1.9pt |
| (Reference) ROA (Ordinary profit basis) | 10.1% | 11.1% | +1.0pt |

*1: Net profit attributable to owners of parent basis

*2: ROIC = Operating profit after income taxes / shareholders' equity (Equity + Interest-bearing debt) average during the period

*3: Annual basis

FY03/2025 Business Results Forecast

POINT

- the FY03/2025 business results forecast remains unchanged from our initial forecasts. We anticipate 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 Q3.

| Unit: billions of yen | FY03/2025 Apr.-Dec. Result | FY03/2025 Apr.-Mar. Forecast | FY03/2025 Progress | FY03/2024 Result |
|---|----------------------------------|------------------------------------|-----------------------|---------------------|
| Net sales | 230.3 | 320.0 | 72.0% | 307.7 |
| Operating profit | 10.5 | 15.0 | 70.1% | 15.0 |
| Ordinary profit | 12.0 | 15.0 | 80.0% | 14.5 |
| Profit before income taxes | 12.7 | 15.0 | 85.0% | 14.7 |
| Net profit attributable to owners of parent | 9.1 | 10.0 | 91.2% | 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

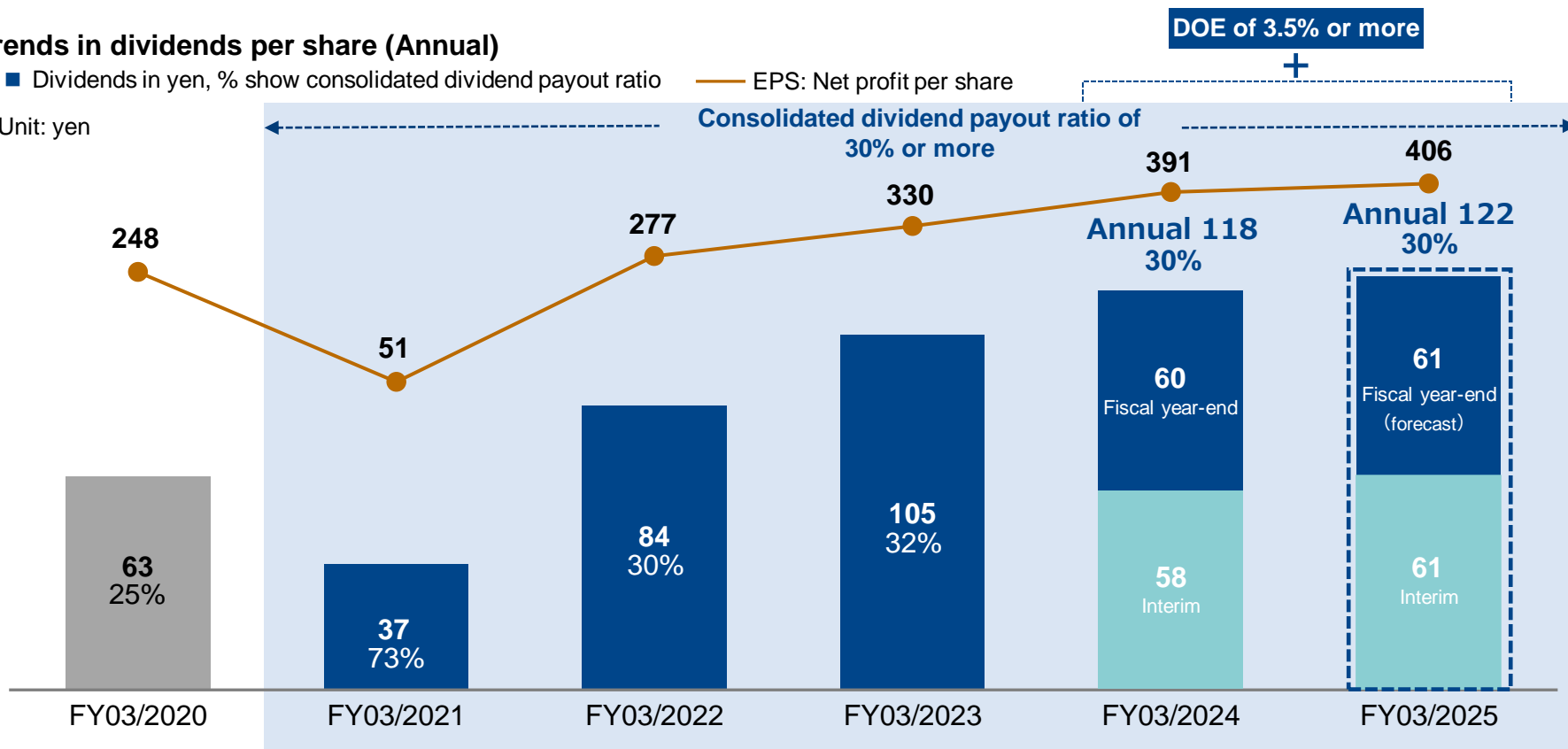
Based on the business results forecast announced on April 26, 2024 and the dividend policy above, an interim dividend of ¥61 per share will be paid. The annual dividend forecast is ¥122 per share (year-end dividend of ¥61 per share).

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.