



Translation—Original text in Japanese

Financial Results for the Three Months Ended June 30, 2019 [Based on Japanese GAAP] (Consolidated)

July 24, 2019

Company name: CHORI CO., LTD. Stock exchange listing: Tokyo (1st section)
 TSE Code: 8014 URL: <https://www.chori.co.jp>
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 Scheduled date to file Quarterly Securities Report: August 9, 2019
 Scheduled date to commence dividend payments: —
 Supplementary materials on quarterly financial results: Yes
 Quarterly results explanatory meeting: None

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2019

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
Jun. 30, 2019	83,187	0.9	2,305	14.6	2,400	6.9	1,629	10.9
Jun. 30, 2018	82,457	22.1	2,012	36.6	2,244	38.9	1,469	32.5

Note: Comprehensive income

Jun. 30, 2019 : 1,832 million yen (60.3%)

Jun. 30, 2018 : 1,143 million yen (-15.7%)

	Net income per share	Diluted net income per share
Three months ended	yen	yen
Jun. 30, 2019	66.36	—
Jun. 30, 2018	59.85	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2019	113,463	54,847	48.3
Mar. 31, 2019	118,499	53,897	45.4

Reference: Total equity

As of Jun. 30, 2019 : 54,768 million yen

As of Mar. 31, 2019: 53,813 million yen

2. Dividends

	Dividends per share				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
	yen	yen	yen	yen	yen
Year ended Mar. 31, 2019	—	26.00	—	34.00	60.00
Year ending Mar. 31, 2020	—	—	—	—	—
Year ending Mar. 31, 2020 (forecast)	—	31.00	—	31.00	62.00

Note: Revisions to the most recently announced forecast of the dividend: None

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	370,000	3.8	8,300	3.1	9,000	3.9	5,800	3.0	236.19

Note: Revisions to the most recently announced forecasts of consolidated financial results: None

* Notes

(1) Changes in significant subsidiaries during the three months ended Jun. 30, 2019: None

(Transfer of specified subsidiaries resulting in changes in the scope of consolidation)

Inclusion: None

Exclusion: None

(2) Specific accounting process applied to the preparation of the consolidated financial statements for the quarter:

None

(3) Changes in accounting policies, changes in financial forecasts and retrospective restatement

1. Changes in accounting policies due to the revision of accounting standards, etc. : None

2. Changes in accounting policies other than 1. : None

3. Changes in accounting estimates : None

4. Restatements : None

(4) Number of outstanding shares (common shares)

1. Number of outstanding shares at the end of the period (including treasury stock)	As of Jun. 30, 2019	25,303,478 shares	As of Mar. 31, 2019	25,303,478 shares
2. Number of treasury stocks at the end of the period	As of Jun. 30, 2019	747,194 shares	As of Mar. 31, 2019	747,117 shares
3. Average number of shares during the period (quarterly cumulative)	Three months ended Jun. 30, 2019	24,556,342 shares	Three months ended Jun. 30, 2018	24,556,046 shares

* Quarterly financial reports are out of the scope of quarterly review by certified public accountants or audit corporations.

* Explanation on the appropriate use of the forecasts of financial results and other comments

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. The Company is under no obligation to guarantee their achievement. Actual financial results may vary significantly due to various reasons.

Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2019	As of Jun. 30, 2019
Assets		
Current assets		
Cash and deposit	12,896	11,070
Notes and accounts receivable - trade	66,537	62,898
Merchandise and finished goods	14,159	14,873
Work in process	25	34
Raw materials and supplies	4	4
Goods in transit	936	747
Other	4,447	4,255
Allowance for doubtful accounts	(10)	(14)
Total current assets	98,997	93,870
Non-current assets		
Property, plant and equipment	2,772	3,087
Intangible assets		
Goodwill	1,956	1,663
Other	346	356
Total intangible assets	2,303	2,019
Investment and other assets	14,426	14,486
Total non-current assets	19,502	19,593
Total assets	118,499	113,463
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,635	47,990
Short-term loans payable	1,937	1,929
Accrued income taxes	1,411	570
Accrued employee bonuses	872	422
Allowance for losses from liquidation of subsidiaries and affiliates	42	42
Other	4,752	4,495
Total current liabilities	61,651	55,451
Non-current liabilities		
Long-term loans payable	71	60
Deferred tax liabilities	729	787
Retirement benefit liabilities	2,053	2,039
Other	97	275
Total non-current liabilities	2,951	3,164
Total liabilities	64,602	58,615

(Unit: Millions of yen)

	As of Mar. 31, 2019	As of Jun. 30, 2019
Net assets		
Shareholders' equity		
Capital stock	6,800	6,800
Capital surplus	1,753	1,753
Retained earnings	45,337	46,085
Treasury stock	(740)	(740)
Total shareholders' equity	53,149	53,898
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	773	879
Deferred gains or losses on hedges	249	96
Foreign currency translation adjustments	(323)	(71)
Remeasurements of defined benefit plans	(35)	(33)
Total accumulated other comprehensive income	664	870
Non-controlling interests	83	79
Total net assets	53,897	54,847
Total liabilities and net assets	118,499	113,463

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Net sales	82,457	83,187
Cost of sales	75,528	76,009
Gross profit	6,929	7,178
Selling, general and administrative expenses	4,916	4,872
Operating income	2,012	2,305
Non-operating income		
Interest income	37	67
Dividend income	89	90
Share of profit of entities accounted for using equity method	66	40
Foreign exchange gains	60	—
Gain on adjustment of account payable	26	19
Miscellaneous income	56	63
Total non-operating income	337	282
Non-operating expenses		
Interest expenses	44	33
Loss on sales of notes receivable - trade	23	31
Sales discounts	17	11
Foreign exchange losses	—	96
Miscellaneous expenses	20	13
Total non-operating expenses	105	188
Ordinary income	2,244	2,400
Extraordinary income		
Gain on sales of investment securities	—	10
Total extraordinary income	—	10
Extraordinary losses		
Loss on valuation of investment securities	0	83
Loss on disposal of non-current assets	0	0
Total extraordinary loss	0	84
Profit before income taxes	2,244	2,327
Income taxes - current	675	592
Income taxes - deferred	96	108
Total income taxes	772	701
Net income	1,427	1,625
Net income attributable to non-controlling interests	2	(3)
Net income attributable to owners of the parent	1,469	1,629

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Net income	1,472	1,625
Other comprehensive income		
Valuation difference on available-for-sale securities	(124)	106
Deferred gains or losses on hedges	161	(153)
Foreign currency translation adjustment	(297)	179
Remeasurements of defined benefit plans, net of tax	1	1
Share of other comprehensive income of entities accounted for using equity method	(69)	72
Total other comprehensive income	(328)	206
Comprehensive income	1,143	1,832
Comprehensive income attributable to:		
Owners of the parent	1,141	1,835
Non-controlling interests	1	(2)