



## Financial Results for the Three Months Ended June 30, 2020 [Based on Japanese GAAP] (Consolidated)

July 27, 2020

Company name: CHORI CO., LTD. Stock exchange listing: Tokyo (1<sup>st</sup> section)  
 TSE Code: 8014 URL: <https://www.chori.co.jp>  
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 Scheduled date to file Quarterly Securities Report: August 13, 2020  
 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, 2020

#### (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, 2020	49,004	—	(890)	—	(695)	—	(1,185)	—
Jun. 30, 2019	83,187	0.9	2,305	14.6	2,400	6.9	1,629	10.9

Note: Comprehensive income

Jun. 30, 2020 : (1,569) million yen (—%)

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

	Net income per share	Diluted net income per share
Three months ended	yen	yen
Jun. 30, 2020	(48.30)	—
Jun. 30, 2019	66.36	—

Notes: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued on March 30, 2018) and Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, issued on March 30, 2018) have been adopted from the beginning of the year ending March 31, 2021. Consequently, the percentage of changes in net sales for the three months ended June 30, 2019, before the standard was applied, has not been stated.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2020	99,530	54,911	55.1
Mar. 31, 2020	114,400	57,279	50.0

Reference: Total equity

As of Jun. 30, 2020 : 54,877 million yen

As of Mar. 31, 2020 : 57,185 million yen

## 2. Dividends

	Dividends per share				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended Mar. 31, 2020	yen —	yen 31.00	yen —	yen 32.00	yen 63.00
Year ending Mar. 31, 2021	—	—	—	—	—
Year ending Mar. 31, 2021 (forecast)	—	—	—	—	—

Note: Revisions to the most recently announced forecast of the dividend: Yes

The dividend forecast for the year ending March 31, 2021 is undetermined. For the details, please refer to “Notice Regarding the Recording of a Provision of Allowance for Doubtful Accounts and Revisions to Forecasts of Business Results and Dividends” announced today July 27, 2020.

## 3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(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	200,000	(39.3)	4,200	(48.9)	4,500	(48.2)	2,100	(65.6)	85.52

Note: Revisions to the most recently announced forecasts of consolidated financial results: Yes

For the details, please refer to “Notice Regarding the Recording of a Provision of Allowance for Doubtful Accounts and Revisions to Forecasts of Business Results and Dividends” announced today July 27, 2020.

### \* Notes

(1) Changes in significant subsidiaries during the three months ended Jun. 30, 2020: 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. : Yes

3. Changes in accounting estimates : Yes

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, 2020	25,303,478 shares	As of Mar. 31, 2020	25,303,478 shares
2. Number of treasury stocks at the end of the period	As of Jun. 30, 2020	747,681 shares	As of Mar. 31, 2020	747,620 shares
3. Average number of shares during the period (quarterly cumulative)	Three months ended Jun. 30, 2020	24,555,828 shares	Three months ended Jun. 30, 2019	24,556,342 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, 2020	As of Jun. 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposit	13,342	11,021
Deposit paid in subsidiaries and affiliates	500	—
Notes and accounts receivable - trade	64,034	53,886
Merchandise and finished goods	12,746	14,029
Work in process	64	759
Raw materials and supplies	5	2
Goods in transit	1,006	326
Other	4,517	4,066
Allowance for doubtful accounts	(39)	(2,560)
Total current assets	96,178	81,532
Non-current assets		
Property, plant and equipment	2,376	2,326
Intangible assets		
Goodwill	781	706
Other	353	360
Total intangible assets	1,135	1,066
Investment and other assets	14,710	14,605
Total non-current assets	18,221	17,998
<b>Total assets</b>	<b>114,400</b>	<b>99,530</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	45,235	34,078
Short-term loans payable	1,843	1,612
Accrued income taxes	1,618	363
Accrued employee bonuses	819	391
Allowance for losses from liquidation of subsidiaries and affiliates	42	42
Other	4,522	4,601
Total current liabilities	54,081	41,089
Non-current liabilities		
Long-term loans payable	35	443
Deferred tax liabilities	565	676
Retirement benefit liabilities	2,233	2,228
Other	205	181
Total non-current liabilities	3,039	3,529
<b>Total liabilities</b>	<b>57,121</b>	<b>44,619</b>

(Unit: Millions of yen)

	As of Mar. 31, 2020	As of Jun. 30, 2020
Net assets		
Shareholders' equity		
Capital stock	6,800	6,800
Capital surplus	1,753	1,753
Retained earnings	49,797	47,814
Treasury stock	(741)	(741)
Total shareholders' equity	57,608	55,626
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	307
Deferred gains or losses on hedges	148	99
Foreign currency translation adjustments	(497)	(1,043)
Remeasurements of defined benefit plans	(116)	(113)
Total accumulated other comprehensive income	(423)	(749)
Non-controlling interests	93	34
Total net assets	57,279	54,911
Total liabilities and net assets	114,400	99,530

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, 2019	Three months ended Jun. 30, 2020
Net sales	83,187	49,004
Cost of sales	76,009	42,937
Gross profit	7,178	6,066
Selling, general and administrative expenses	4,872	6,957
Operating income (loss)	2,305	(890)
Non-operating income		
Interest income	67	18
Dividend income	90	64
Share of profit of entities accounted for using equity method	40	30
Foreign exchange gains	—	49
Gain on adjustment of account payable	19	10
Miscellaneous income	63	83
Total non-operating income	282	258
Non-operating expenses		
Interest expenses	33	34
Loss on sales of notes receivable - trade	31	9
Sales discounts	11	8
Foreign exchange losses	96	—
Miscellaneous expenses	13	10
Total non-operating expenses	188	62
Ordinary income (loss)	2,400	(695)
Extraordinary income		
Gain on sales of investment securities	10	15
Gain on sales of golf memberships	—	1
Gain on sales of non-current assets	—	0
Total extraordinary income	10	17
Extraordinary losses		
Loss on sales of investment securities	—	21
Loss on disposal of non-current assets	0	0
Loss on valuation of investment securities	83	—
Total extraordinary loss	84	21
Profit (loss) before income taxes	2,327	(699)
Income taxes - current	592	448
Income taxes - deferred	108	93
Total income taxes	701	541
Net income (loss)	1,625	(1,241)
Net income (loss) attributable to non-controlling interests	(3)	(55)
Net income (loss) attributable to owners of the parent	1,629	(1,185)

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2020
Net income (loss)	1,625	(1,241)
Other comprehensive income		
Valuation difference on available-for-sale securities	106	265
Deferred gains or losses on hedges	(153)	(48)
Foreign currency translation adjustment	179	(385)
Remeasurements of defined benefit plans, net of tax	1	3
Share of other comprehensive income of entities accounted for using equity method	72	(162)
Total other comprehensive income	206	(328)
Comprehensive income	1,832	(1,569)
Comprehensive income attributable to:		
Owners of the parent	1,835	(1,511)
Non-controlling interests	(2)	(58)