



Financial Results for the Nine Months Ended December 31, 2020 [Based on Japanese GAAP] (Consolidated)

February 8, 2021

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: February 10, 2021
 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 Nine Months Ended December 31, 2020

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
Dec.31, 2020	157,316	—	3,963	(40.9)	4,368	(39.2)	1,866	(60.6)
Dec.31, 2019	249,440	(4.8)	6,707	10.4	7,188	8.9	4,740	9.5

Note: Comprehensive income

Dec.31, 2020: 2,464 million yen (-44.0%)

Dec.31, 2019: 4,400 million yen (33.0%)

	Net income per share	Diluted net income per share
Nine months ended	yen	yen
Dec.31, 2020	75.91	—
Dec.31, 2019	193.03	—

Note: 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 change in net sales against the nine months ended December 31, 2019, before the standard and related guidance were applied, has not been stated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
Dec.31, 2020	107,259	58,685	54.7
Mar.31, 2020	114,400	57,279	50.0

Reference: Total equity

As of Dec. 31, 2020: 58,650 million yen

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

2. Dividends

	Dividends per share				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
	yen	yen	yen	yen	yen
Year ended Mar. 31, 2020	—	31.00	—	32.00	63.00
Year ending Mar. 31, 2021	—	14.00	—		
Year ending Mar. 31, 2021 (forecast)				23.00	37.00

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

For details, please refer to the news release titled “Notice Regarding Revision to Full-Year Consolidated Business Results Forecast and Revision in the Dividends Forecast” announced today (February 8, 2021).

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 profit		Ordinary profit		Net income attributable to owners of the parent t		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	210,000	(36.2)	6,000	(27.0)	6,400	(26.3)	3,000	(50.8)	122.02

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

For details, please refer to “Notice Regarding the Revision to Full-Year Consolidated Business Results Forecast and Revision in the Dividends Forecast” announced today (February 8, 2021).

* Notes

(1) Changes in significant subsidiaries during the nine months ended Dec.31, 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 Dec. 31, 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 Dec. 31, 2020	702,929 shares	As of Mar. 31, 2020	747,620 shares
3. Average number of shares during the period (quarterly cumulative)	Nine months ended Dec.31, 2020	24,582,733 shares	Nine months ended Dec. 31, 2019	24,556,240 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 Dec. 31, 2020
Assets		
Current assets		
Cash and deposit	13,342	15,456
Deposit paid in subsidiaries and affiliates	500	—
Notes and accounts receivable - trade	64,034	58,327
Merchandise and finished goods	12,746	11,243
Work in process	64	809
Raw materials and supplies	5	2
Goods in transit	1,006	326
Other	4,517	4,024
Allowance for doubtful accounts	(39)	(2,490)
Total current assets	96,178	87,701
Non-current assets		
Property, plant and equipment	2,376	2,881
Intangible assets		
Goodwill	781	562
Other	353	344
Total intangible assets	1,135	907
Investment and other assets	14,710	15,768
Total non-current assets	18,221	19,557
Total assets	114,400	107,259
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,235	37,825
Short-term loans payable	1,843	2,025
Accrued income taxes	1,618	744
Accrued employee bonuses	819	421
Allowance for losses from liquidation of subsidiaries and affiliates	42	42
Other	4,522	3,814
Total current liabilities	54,081	44,873
Non-current liabilities		
Long-term loans payable	35	386
Deferred tax liabilities	565	950
Retirement benefit liabilities	2,233	2,240
Other	205	122
Total non-current liabilities	3,039	3,700
Total liabilities	57,121	48,574

(Unit: Millions of yen)

	As of Mar. 31, 2020	As of Dec. 31, 2020
Net assets		
Shareholders' equity		
Capital stock	6,800	6,800
Capital surplus	1,753	1,792
Retained earnings	49,797	50,522
Treasury stock	(741)	(697)
Total shareholders' equity	57,608	58,418
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	1,259
Deferred gains or losses on hedges	148	34
Foreign currency translation adjustments	(497)	(955)
Remeasurements of defined benefit plans	(116)	(106)
Total accumulated other comprehensive income	(423)	232
Non-controlling interests	93	35
Total net assets	57,279	58,685
Total liabilities and net assets	114,400	107,259

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

Quarterly consolidated statements of income

	(Unit: Millions of yen)	
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Net sales	249,440	157,316
Cost of sales	227,993	137,742
Gross profit	21,446	19,574
Selling, general and administrative expenses	14,739	15,611
Operating income	6,707	3,963
Non-operating income		
Interest income	179	263
Dividend income	192	174
Share of profit of entities accounted for using equity method	177	171
Foreign exchange gains	9	—
Gain on adjustment of account payable	56	65
Miscellaneous income	146	154
Total non-operating income	761	830
Non-operating expenses		
Interest expenses	65	61
Loss on sales of notes receivable - trade	144	74
Foreign exchange losses	—	221
Miscellaneous expenses	71	67
Total non-operating expenses	281	425
Ordinary income	7,188	4,368
Extraordinary income		
Gain on sales of investment securities	11	28
Gain on sales of golf memberships	—	1
Gain on sales of non-current assets	1	0
Total extraordinary income	12	30
Extraordinary losses		
Loss on liquidation of subsidiaries and affiliates	—	259
Loss on valuation of investment securities	83	158
Loss on sales of investment securities	4	25
Loss on disposal of non-current assets	2	8
Other	2	2
Total extraordinary loss	93	454
Profit before income taxes	7,107	3,944
Income taxes - current	2,182	2,029
Income taxes - deferred	175	103
Total income taxes	2,358	2,132
Net income	4,748	1,811
Net income (loss) attributable to non-controlling interests	8	(54)
Net income attributable to owners of the parent	4,740	1,866

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Net income	4,748	1,811
Other comprehensive income		
Valuation difference on available-for-sale securities	397	1,217
Deferred gains or losses on hedges	(140)	(114)
Foreign currency translation adjustment	(433)	(326)
Remeasurements of defined benefit plans, net of tax	4	10
Share of other comprehensive income of entities accounted for using equity method	(175)	(134)
Total other comprehensive income	(348)	652
Comprehensive income	4,400	2,464
Comprehensive income attributable to:		
Owners of the parent	4,390	2,521
Non-controlling interests	9	(57)