



Financial Results for the Year Ended March 31, 2021 [Based on Japanese GAAP] (Consolidated)

May 11, 2021

Company name: CHORI CO., LTD. Stock exchange listing: Tokyo (1st section)
TSE Code: 8014 URL: <https://www.chori.co.jp>
Representative: Kazuo Sakihama, President, CEO & COO
Inquiries: Yasutaka Kawamura, Manager of Corporate Management Dept.
Tel.: +81-3-5781-6201
Scheduled date of Annual General Meeting of Shareholders: June 17, 2021
Scheduled date to commence dividend payments: June 3, 2021
Scheduled date to file Securities Report: June 18, 2021
Supplementary materials on financial results: Yes
Results explanatory meeting: Yes

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

1. Consolidated Financial Results for the Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results

(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	%
For the year ended								
Mar. 31, 2021	216,233	—	3,663	(55.4)	4,656	(46.4)	1,247	(79.6)
Mar. 31, 2020	329,360	(7.6)	8,219	2.1	8,685	0.3	6,101	8.4

Note: Comprehensive income

For the year ended Mar. 31, 2021: 2,611 million yen (-48.0%)

For the year ended Mar. 31, 2020: 5,024 million yen (17.7%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating income to net sales
For the year ended	yen	yen	%	%	%
Mar. 31, 2021	50.73	—	2.2	4.1	1.7
Mar. 31, 2020	248.46	—	11.0	7.5	2.5

Reference: Share of profit of entities accounted for using equity method

For the year ended Mar. 31, 2021: 274 million yen

For the year ended Mar. 31, 2020: 339 million yen

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 against net sales in the year ended March 31, 2020, before the standard and related guidance were applied, has not been stated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
Mar. 31, 2021	110,591	58,831	53.2	2,390.06
Mar. 31, 2020	114,400	57,279	50.0	2,328.79

Reference: Total equity

As of Mar. 31, 2021: 58,795 million yen

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

(3) Consolidated Statements of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
For the year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Mar. 31, 2021	5,889	(357)	(887)	17,601
Mar. 31, 2020	2,857	8	(1,899)	12,988

2. Dividends

	Dividends per share					Total dividends	Dividends payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual			
For the year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
Mar. 31, 2020	—	31.00	—	32.00	63.00	1,547	25.4	2.8
Mar. 31, 2021	—	14.00	—	23.00	37.00	910	72.9	1.6
For the year ending Mar. 31, 2022 (forecast)	—	42.00	—	42.00	84.00		30.4	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(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	280,000	29.5	9,500	159.3	10,000	114.8	6,800	445.2	276.42

* Notes

(1) Changes in significant subsidiaries during the period: None

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

Inclusion: None

Exclusion: None

(2) 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

(3) Number of outstanding shares (common shares)

1. Number of outstanding shares at the end of the period (including treasury stock)	As of Mar. 31, 2021	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 Mar. 31, 2021	703,266 shares	As of Mar. 31, 2020	747,620 shares
3. Average number of shares during the period	For the year ended Mar. 31, 2021	24,586,782 shares	For the year ended Mar. 31, 2020	24,556,156 shares

Reference: Unconsolidated Financial Results

1. Unconsolidated Financial Results for the Year Ended March 31, 2021

(April 1, 2020 to March 31, 2021)

(1) Unconsolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended								
Mar. 31, 2021	121,103	—	5,813	9.3	2,193	(66.0)	95	(98.0)
Mar. 31, 2020	147,665	(12.7)	5,317	3.4	6,442	5.2	4,658	4.6

	Net income per share	Diluted net income per share
For the year ended	yen	yen
Mar. 31, 2021	3.87	—
Mar. 31, 2020	189.72	—

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 against net sales in the year ended March 31, 2020, before the standard and related guidance were applied, has not been stated.

(2) Unconsolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
Mar. 31, 2021	77,892	47,979	61.6	1,950.38
Mar. 31, 2020	74,911	48,468	64.7	1,973.79

Reference: Total equity

As of Mar. 31, 2021: 47,979 million yen

As of Mar. 31, 2020: 48,468 million yen

- * This Financial Results is out of the scope of 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 Mar. 31, 2021
Assets		
Current assets		
Cash and deposit	13,342	14,828
Deposit paid in subsidiaries and affiliates	500	3,000
Notes and accounts receivable - trade	64,034	56,141
Merchandise and finished goods	12,746	10,665
Work in process	64	816
Raw materials and supplies	5	4
Goods in transit	1,006	751
Other	4,517	4,442
Allowance for doubtful accounts	(39)	(114)
Total current assets	96,178	90,537
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,055	884
Accumulated depreciation	(650)	(595)
Buildings and structures, net	405	288
Machinery, equipment and vehicles	1,382	2,128
Accumulated depreciation	(948)	(1,037)
Machinery, equipment and vehicles, net	433	1,090
Tools, furniture and fixtures	672	685
Accumulated depreciation	(476)	(478)
Tools, furniture and fixtures, net	195	207
Construction in progress	225	18
Land	806	670
Leased assets	576	525
Accumulated depreciation	(266)	(307)
Leased assets, net	309	218
Total property, plant and equipment	2,376	2,493
Intangible assets		
Goodwill	781	491
Other	353	335
Total intangible assets	1,135	827
Investment and other assets		
Investment securities	9,913	12,186
Long-term loans receivable	1,473	1,140
Distressed receivables	421	5,669
Retirement benefit asset	5	—
Deferred tax assets	856	655
Other	2,460	2,654
Allowance for doubtful accounts	(420)	(5,573)
Total investment and other assets	14,710	16,733
Total non-current assets	18,221	20,054
Total assets	114,400	110,591

(Unit: Millions of yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,235	39,622
Short-term loans payable	1,843	1,809
Current portion of long-term borrowings	—	113
Accrued income taxes	1,618	1,703
Accrued employee bonuses	819	686
Allowance for losses from liquidation of subsidiaries and affiliates	42	42
Other	4,522	4,119
Total current liabilities	54,081	48,097
Non-current liabilities		
Long-term loans payable	35	358
Deferred tax liabilities	565	955
Retirement benefit liabilities	2,233	2,254
Other	205	94
Total non-current liabilities	3,039	3,662
Total liabilities	57,121	51,759
Net assets		
Shareholders' equity		
Capital stock	6,800	6,800
Capital surplus	1,753	1,792
Retained earnings	49,797	49,903
Treasury stock	(741)	(698)
Total shareholders' equity	57,608	57,798
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	1,663
Deferred gains or losses on hedges	148	138
Foreign currency translation adjustments	(497)	(705)
Remeasurements of defined benefit plans	(116)	(99)
Total accumulated other comprehensive income	(423)	997
Non-controlling interests	93	36
Total net assets	57,279	58,831
Total liabilities and net assets	114,400	110,591

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

Quarterly consolidated statements of income

(Unit: Millions of yen)

	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Net sales	329,360	216,233
Cost of sales	301,050	189,875
Gross profit	28,310	26,357
Selling, general and administrative expenses	20,091	22,693
Operating income	8,219	3,663
Non-operating income		
Interest income	202	299
Dividend income	202	182
Share of profit of entities accounted for using equity method	339	274
Foreign exchange gains	—	233
Gain on adjustment of account payable	91	83
Miscellaneous income	179	231
Total non-operating income	1,015	1,305
Non-operating expenses		
Interest expenses	95	71
Loss on sales of notes receivable - trade	227	86
Foreign exchange losses	93	—
Miscellaneous expenses	132	154
Total non-operating expenses	549	312
Ordinary income	8,685	4,656
Extraordinary income		
Subsidy income	—	380
Gain on sales of non-current assets	777	65
Gain on sales of investment securities	11	28
Other	—	1
Total extraordinary income	788	476
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	—	380
Loss on liquidation of subsidiaries and affiliates	—	345
Loss on valuation of investment securities	131	158
Loss on disposal of non-current assets	11	44
Loss on sales of investment securities	4	25
Impairment loss	32	—
Other	2	2
Total extraordinary loss	183	957
Profit before income taxes	9,290	4,175
Income taxes - current	3,184	3,061
Income taxes - deferred	(4)	(78)
Total income taxes	3,179	2,982
Net income	6,110	1,192
Net income (loss) attributable to non-controlling interests	9	(54)
Net income attributable to owners of the parent	6,101	1,247

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Net income	6,110	1,192
Other comprehensive income		
Valuation difference on available-for-sale securities	(731)	1,621
Deferred gains or losses on hedges	(101)	(9)
Foreign currency translation adjustments	(106)	(121)
Remeasurements of defined benefit plans, net of tax	(81)	17
Share of other comprehensive income of entities accounted for using equity method	(66)	(88)
Total other comprehensive income	(1,085)	1,419
Comprehensive income	5,024	2,611
Comprehensive income attributable to:		
Owners of the parent	5,013	2,668
Non-controlling interests	11	(56)

Consolidated Statements of Changes in Shareholders' Equity
For the year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance on Apr. 1, 2019	6,800	1,753	45,337	(740)	53,149
Changes of items during the period					
Cash dividends			(1,596)		(1,596)
Net income attributable to owners of the parent			6,101		6,101
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock					—
Changes in scope of equity method			(28)		(28)
Other			(16)		(16)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	4,460	(0)	4,459
Balance on Mar. 31, 2020	6,800	1,753	49,797	(741)	57,608

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance on Apr. 1, 2019	773	249	(323)	(35)	664	83	53,897
Changes of items during the period							
Cash dividends							(1,596)
Net income attributable to owners of the parent							6,101
Purchase of treasury stock							(0)
Disposal of treasury stock							—
Changes in scope of equity method							(28)
Other							(16)
Net changes of items other than shareholders' equity	(731)	(101)	(174)	(81)	(1,087)	10	(1,077)
Total changes of items during the period	(731)	(101)	(174)	(81)	(1,087)	10	3,381
Balance on Mar. 31, 2020	42	148	(497)	(116)	(423)	93	57,279

Consolidated Statements of Changes in Shareholders' Equity
For the year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance on Apr. 1, 2020	6,800	1,753	49,797	(741)	57,608
Changes of items during the period					
Cash dividends			(1,130)		(1,130)
Net income attributable to owners of the parent			1,247		1,247
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		39		44	84
Changes in scope of equity method					—
Other			(10)		(10)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	39	106	43	189
Balance on Mar. 31, 2021	6,800	1,792	49,903	(698)	57,798

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance on Apr. 1, 2020	42	148	(497)	(116)	(423)	93	57,279
Changes of items during the period							
Cash dividends							(1,130)
Net income attributable to owners of the parent							1,247
Purchase of treasury stock							(1)
Disposal of treasury stock							84
Changes in scope of equity method							—
Other							(10)
Net changes of items other than shareholders' equity	1,621	(9)	(207)	17	1,420	(57)	1,363
Total changes of items during the period	1,621	(9)	(207)	17	1,420	(57)	1,552
Balance on Mar. 31, 2021	1,663	138	(705)	(99)	997	36	58,831

Quarterly consolidated statements of cash flows

(Unit: Millions of yen)

	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Cash flows from operating activities		
Profit before income taxes	9,290	4,175
Depreciation	529	518
Impairment loss	32	—
Amortization of goodwill	1,175	290
Increase (decrease) in retirement benefit liabilities	179	49
Increase (decrease) in allowance for doubtful accounts	(16)	5,226
Interest and dividend income	(404)	(482)
Interest expenses	95	71
Foreign exchange losses (gains)	(11)	(46)
Share of loss (profit) of entities accounted for using equity method	(339)	(274)
Loss (gain) on sales of property, plant and equipment and others	(765)	(21)
Loss (gain) on sales of investment securities	(6)	(2)
Loss (gain) on valuation of investment securities	131	158
Loss on liquidation of subsidiaries and affiliates	—	345
Subsidy income	—	(380)
Loss on tax purpose reduction entry of non-current assets	—	380
Decrease (increase) in notes and accounts receivable-trade	2,313	2,545
Decrease (increase) in inventories	1,280	1,297
Increase (decrease) in notes and accounts payable-trade	(7,307)	(5,534)
Increase (decrease) in accrued consumption taxes	(47)	(491)
Decrease (increase) in other assets	(124)	756
Increase (decrease) in other liabilities	(367)	(356)
Other, net	(149)	(216)
Subtotal	5,487	8,009
Interest and dividends received	439	564
Subsidies received	—	380
Interest paid	(96)	(73)
Income taxes (paid) refund	(2,973)	(2,990)
Net cash provided by (used in) operating activities	2,857	5,889
Cash flows from investing activities		
Purchase of property, plant and equipment	(459)	(1,087)
Proceeds from sales of property, plant and equipment	1,634	186
Purchase of intangible assets	(122)	(100)
Purchase of investment securities	(72)	(276)
Proceeds from sales of investment securities	58	96
Purchase of shares of subsidiaries and affiliates	(10)	—
Proceeds from sales of investments in capital	36	82
Proceeds from sales of investments in capital of subsidiaries and affiliates	26	—
Payments of loans receivable	(1,279)	(1)
Collection of loans receivable	153	202
Other, net	45	540
Net cash provided by (used in) investing activities	8	(357)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(32)	4
Proceeds from long-term loans payable	—	500
Repayments of long-term loans payable	(78)	(75)
Purchase of treasury stock	(0)	(1)
Dividends paid	(1,594)	(1,129)
Other, net	(192)	(185)
Net cash provided by (used in) financing activities	(1,899)	(887)
Effect of exchange rate changes on cash and cash equivalents	(20)	(32)
Net increase (decrease) in cash and cash equivalents	946	4,612
Cash and cash equivalents at beginning of period	12,042	12,988
Cash and cash equivalents at end of period	12,988	17,601