



Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Under Japanese GAAP]

January 27, 2022

Company name: CHORI CO., LTD. Stock exchange listing: Tokyo (1st section)
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Scheduled date to file quarterly securities report : February 14, 2022
Scheduled date to commence dividend payments : —
Preparation of supplementary materials on quarterly financial results : Yes
Holding of quarterly financial results briefing : None

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
Dec. 31, 2021	205,835	30.8	7,377	86.2	8,158	86.7	5,851	213.5
Dec. 31, 2020	157,316	—	3,963	(40.9)	4,368	(39.2)	1,866	(60.6)

Note : Comprehensive income

Nine months ended Dec. 31, 2021 : 6,846 million yen [177.8%]

Nine months ended Dec. 31, 2020 : 2,464 million yen [(44.0%)]

	Basic earnings per share	Diluted earnings per share
Nine months ended	yen	yen
Dec. 31, 2021	237.81	—
Dec. 31, 2020	75.91	—

Note : The Accounting Standard for Revenue Recognition, etc. has been adopted since the beginning of the year ended March 31, 2021. Consequently, the percentage change of net sales in the nine months ended December 31, 2020 against net sales in the nine months ended December 31, 2019 has not been stated.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Dec. 31, 2021	131,191	63,787	48.6
Mar. 31, 2021	110,591	58,831	53.2

Reference : Equity

As of Dec. 31, 2021 : 63,747 million yen

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

2. Dividends

	Dividends per share				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
	yen	yen	yen	yen	yen
Year ended Mar. 31, 2021	—	14.00	—	23.00	37.00
Year ending Mar. 31, 2022	—	42.00	—		
Year ending Mar. 31, 2022 (Forecast)				42.00	84.00

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

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2022 (from 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 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

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

* Notes

(1) Changes affecting the consolidation status of significant subsidiaries (changes in specified subsidiary resulting in change in scope of consolidations) during this period : Yes

Newly Included : 1 company (Sumitex International Company Limited)

Note : Sumitex International Company Limited has changed its corporate name to STX Company Limited on January 1, 2022.

Excluded : 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 accounting estimates, and restatements

1. Changes in accounting policies due to the revision of accounting standards, etc. : Yes

2. Changes other than the above : None

3. Changes in accounting estimates : None

4. Restatements : None

(4) Number of issued shares (common shares)

1. Number of issued shares at the end of the period (including treasury shares)	As of Dec. 31, 2021	shares 25,303,478	As of Mar. 31, 2021	shares 25,303,478
2. Number of treasury shares at the end of the period	As of Dec. 31, 2021	shares 694,352	As of Mar. 31, 2021	shares 703,266
3. Average number of shares outstanding during the period (quarterly cumulative)	Nine months ended Dec. 31, 2021	shares 24,605,597	Nine months ended Dec. 31, 2020	shares 24,582,733

* 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, 2021	As of Dec. 31, 2021
Assets		
Current assets		
Cash and deposits	14,828	12,738
Deposits paid to subsidiaries and associates	3,000	1,000
Notes and accounts receivable - trade	56,141	72,998
Merchandise and finished goods	10,665	15,997
Work in process	816	1,023
Raw materials and supplies	4	5
Goods in transit	751	1,086
Other	4,442	5,931
Allowance for doubtful accounts	(114)	(196)
Total current assets	90,537	110,585
Non-current assets		
Property, plant and equipment	2,493	2,032
Intangible assets		
Goodwill	491	1,179
Customer-related assets	—	1,018
Other	335	386
Total intangible assets	827	2,585
Investments and other assets	16,733	15,988
Total non-current assets	20,054	20,605
Total assets	110,591	131,191
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,622	50,889
Short-term borrowings	1,809	6,575
Current portion of long-term borrowings	113	113
Income taxes payable	1,703	890
Provision for bonuses	686	497
Provision for loss on liquidation of subsidiaries and associates	42	42
Other	4,119	4,707
Total current liabilities	48,097	63,715
Non-current liabilities		
Long-term borrowings	358	273
Deferred tax liabilities	955	980
Retirement benefit liability	2,254	2,333
Other	94	100
Total non-current liabilities	3,662	3,687
Total liabilities	51,759	67,403

(Unit: Millions of yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Net assets		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	1,792	1,799
Retained earnings	49,903	53,846
Treasury shares	(698)	(689)
Total shareholders' equity	57,798	61,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,663	1,673
Deferred gains or losses on hedges	138	112
Foreign currency translation adjustment	(705)	294
Remeasurements of defined benefit plans	(99)	(88)
Total accumulated other comprehensive income	997	1,990
Non-controlling interests	36	40
Total net assets	58,831	63,787
Total liabilities and net assets	110,591	131,191

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, 2020	Nine months ended Dec. 31, 2021
Net sales	157,316	205,835
Cost of sales	137,742	183,553
Gross profit	19,574	22,282
Selling, general and administrative expenses	15,611	14,904
Operating income	3,963	7,377
Non-operating income		
Interest income	263	176
Dividend income	174	281
Share of profit of entities accounted for using equity method	171	131
Foreign exchange gains	—	216
Gain on adjustment of account payable	65	57
Miscellaneous income	154	204
Total non-operating income	830	1,067
Non-operating expenses		
Interest expenses	61	57
Loss on sale of notes receivable - trade	74	96
Foreign exchange losses	221	—
Miscellaneous expenses	67	133
Total non-operating expenses	425	287
Ordinary income	4,368	8,158
Extraordinary income		
Gain on sale of non-current assets	0	318
Gain on sale of investment securities	28	221
Gain on sale of shares of subsidiaries and associates	—	18
Gain on sale of golf membership	1	—
Total extraordinary income	30	558
Extraordinary losses		
Impairment losses	—	21
Loss on liquidation of subsidiaries and associates	259	16
Loss on sale of investment securities	25	7
Loss on disposal of non-current assets	8	2
Loss on valuation of investment securities	158	—
Other	2	—
Total extraordinary losses	454	48
Income before income taxes	3,944	8,668
Income taxes - current	2,029	2,737
Income taxes - deferred	103	76
Total income taxes	2,132	2,814
Net income	1,811	5,854
Net income (loss) attributable to non-controlling interests	(54)	3
Net income attributable to owners of parent	1,866	5,851

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Net income	1,811	5,854
Other comprehensive income		
Valuation difference on available-for-sale securities	1,217	10
Deferred gains or losses on hedges	(114)	(26)
Foreign currency translation adjustment	(326)	800
Remeasurements of defined benefit plans, net of tax	10	10
Share of other comprehensive income of entities accounted for using equity method	(134)	197
Total other comprehensive income	652	991
Comprehensive income	2,464	6,846
Comprehensive income attributable to :		
Owners of the parent	2,521	6,844
Non-controlling interests	(57)	1