



## Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

April 28, 2022

Company name: CHORI CO., LTD. Stock exchange listing: Tokyo (Prime Market)  
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 Scheduled date of annual general meeting of shareholders: June 16, 2022  
 Scheduled date to commence dividend payments: June 1, 2022  
 Scheduled date to file annual securities report: June 17, 2022  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	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	%
Mar. 31, 2022	284,096	31.4	9,328	154.6	10,274	120.6	6,811	446.2
Mar. 31, 2021	216,233	—	3,663	(55.4)	4,656	(46.4)	1,247	(79.6)

Note: Comprehensive income

For the fiscal year ended Mar. 31, 2022: 8,157 million yen [212.3%]

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

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Mar. 31, 2022	276.82	—	11.0	8.4	3.3
Mar. 31, 2021	50.73	—	2.2	4.1	1.7

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

For the fiscal year ended Mar. 31, 2022: 295 million yen

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

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

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
Mar. 31, 2022	134,121	65,096	48.5	2,643.55
Mar. 31, 2021	110,591	58,831	53.2	2,390.06

Reference: Total equity

As of Mar. 31, 2022: 65,055 million yen

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

### (3) Consolidated 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Mar. 31, 2022	(2,330)	197	(4,015)	12,024
Mar. 31, 2021	5,889	(357)	(887)	17,601

### 2. Dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter	2nd quarter	3rd quarter	Fiscal year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
Mar. 31, 2021	—	14.00	—	23.00	37.00	910	72.9	1.6
Mar. 31, 2022	—	42.00	—	42.00	84.00	2,067	30.3	3.3
Fiscal year ending Mar. 31, 2023 (Forecast)	—	50.00	—	50.00	100.00		30.0	

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	330,000	16.2	11,500	23.3	12,000	16.8	8,200	20.4	333.21

#### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly included: 1 company (STX Company Limited)

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

Excluded: None

(2) 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 in accounting policies other than 1.: None
3. Changes in accounting estimates: None
4. Restatements: None

(3) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)	As of Mar. 31, 2022	25,303,478 shares	As of Mar. 31, 2021	25,303,478 shares
2. Number of treasury shares at the end of the period	As of Mar. 31, 2022	694,494 shares	As of Mar. 31, 2021	703,266 shares
3. Average number of shares outstanding during the period	Fiscal year ended Mar. 31, 2022	24,606,380 shares	Fiscal year ended Mar. 31, 2021	24,586,782 shares

Reference: Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2022	146,897	21.3	6,180	6.3	8,089	268.8	5,950	—
Mar. 31, 2021	121,103	—	5,813	9.3	2,193	(66.0)	95	(98.0)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
Mar. 31, 2022	241.83	—
Mar. 31, 2021	3.87	—

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

In addition, the percentage change of net income for the fiscal year ended March 31, 2022 against net income in the fiscal year ended March 31, 2021 has not been stated because the change is greater than 1,000%.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Mar. 31, 2022	84,471	52,541	62.2	2,135.07
Mar. 31, 2021	77,892	47,979	61.6	1,950.38

Reference: Total equity

As of Mar. 31, 2022: 52,541 million yen

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

< Reasons for differences between the non-consolidated financial results and the results for the previous fiscal year >

Net sales totaled 146,897 million yen, an increase of 21.3% against the previous fiscal year, mainly due to a generally strong performance by the Chemicals Business. Gross profit increased because of growth in revenue and so on. On the other hand, Tohcho Co., Limited, a consolidated subsidiary of the Company, recorded a provision of allowance for doubtful accounts for accounts receivable from a Chinese chemical manufacturing company group in the previous fiscal year. Consequently, in the non-consolidated financial results for the previous fiscal year, the Company recorded 5,114 million yen as a provision of allowance for doubtful accounts for loans receivable to Tohcho Co., Limited under non-operating expenses in response to a deterioration in its financial condition, which led to rebound from the provision in the current fiscal year. For these reasons, ordinary income totaled 8,089 million yen, an increase of 268.8%, and net income came to 5,950 million yen, an increase of 5,855 million yen against the previous fiscal year.

\* These financial results are outside 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.

Consolidated financial statements  
Consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	14,828	12,242
Deposits paid to subsidiaries and associates	3,000	—
Notes and accounts receivable - trade	56,141	74,272
Merchandise and finished goods	10,665	17,346
Work in process	816	1,045
Raw materials and supplies	4	4
Goods in transit	751	3,704
Other	4,442	6,220
Allowance for doubtful accounts	(114)	(964)
<b>Total current assets</b>	<b>90,537</b>	<b>113,871</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	884	859
Accumulated depreciation	(595)	(546)
Buildings and structures, net	288	313
Machinery, equipment and vehicles	2,128	2,645
Accumulated depreciation	(1,037)	(1,665)
Machinery, equipment and vehicles, net	1,090	979
Tools, furniture and fixtures	685	790
Accumulated depreciation	(478)	(579)
Tools, furniture and fixtures, net	207	210
Construction in progress	18	12
Land	670	262
Leased assets	525	767
Accumulated depreciation	(307)	(582)
Leased assets, net	218	185
<b>Total property, plant and equipment</b>	<b>2,493</b>	<b>1,964</b>
<b>Intangible assets</b>		
Goodwill	491	1,053
Customer-related assets	—	993
Other	335	401
<b>Total intangible assets</b>	<b>827</b>	<b>2,449</b>
<b>Investments and other assets</b>		
Investment securities	12,186	10,616
Long-term loans receivable	1,140	1,258
Distressed receivables	5,669	6,146
Retirement benefit asset	—	78
Deferred tax assets	655	692
Other	2,654	3,186
Allowance for doubtful accounts	(5,573)	(6,142)
<b>Total investments and other assets</b>	<b>16,733</b>	<b>15,836</b>
<b>Total non-current assets</b>	<b>20,054</b>	<b>20,249</b>
<b>Total assets</b>	<b>110,591</b>	<b>134,121</b>

(Unit: Millions of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	39,622	52,213
Short-term borrowings	1,809	4,944
Current portion of long-term borrowings	113	113
Income taxes payable	1,703	2,028
Provision for bonuses	686	916
Provision for loss on liquidation of subsidiaries and associates	42	42
Other	4,119	5,203
Total current liabilities	48,097	65,461
Non-current liabilities		
Long-term borrowings	358	245
Deferred tax liabilities	955	843
Retirement benefit liability	2,254	2,366
Other	94	107
Total non-current liabilities	3,662	3,562
<b>Total liabilities</b>	<b>51,759</b>	<b>69,024</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	1,792	1,799
Retained earnings	49,903	54,804
Treasury shares	(698)	(689)
Total shareholders' equity	57,798	62,714
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,663	1,221
Deferred gains or losses on hedges	138	285
Foreign currency translation adjustment	(705)	917
Remeasurements of defined benefit plans	(99)	(84)
Total accumulated other comprehensive income	997	2,340
Non-controlling interests	36	41
<b>Total net assets</b>	<b>58,831</b>	<b>65,096</b>
<b>Total liabilities and net assets</b>	<b>110,591</b>	<b>134,121</b>

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Unit: Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022
Net sales	216,233	284,096
Cost of sales	189,875	253,446
Gross profit	26,357	30,650
Selling, general and administrative expenses	22,693	21,321
Operating income	3,663	9,328
Non-operating income		
Interest income	299	286
Dividend income	182	291
Share of profit of entities accounted for using equity method	274	295
Foreign exchange gains	233	193
Gain on adjustment of account payable	83	64
Miscellaneous income	231	241
Total non-operating income	1,305	1,374
Non-operating expenses		
Interest expenses	71	75
Loss on sale of notes receivable - trade	86	177
Miscellaneous expenses	154	175
Total non-operating expenses	312	428
Ordinary income	4,656	10,274
Extraordinary income		
Gain on sale of non-current assets	65	318
Gain on sale of investment securities	28	221
Gain on revision of retirement benefit plan	—	79
Gain on sale of shares of subsidiaries and associates	—	18
Subsidy income	380	—
Other	1	—
Total extraordinary income	476	638
Extraordinary losses		
Loss on valuation of investment securities	158	51
Loss on liquidation of subsidiaries and associates	345	48
Impairment losses	—	21
Loss on sale of investment securities	25	7
Loss on disposal of non-current assets	44	4
Loss on tax purpose reduction entry of non-current assets	380	—
Other	2	—
Total extraordinary losses	957	134
Net income before income taxes	4,175	10,778
Income taxes - current	3,061	4,083
Income taxes - deferred	(78)	(118)
Total income taxes	2,982	3,964
Net income	1,192	6,814
Net income (loss) attributable to non-controlling interests	(54)	2
Net income attributable to owners of parent	1,247	6,811

Consolidated statements of comprehensive income

(Unit: Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022
Net income	1,192	6,814
Other comprehensive income		
Valuation difference on available-for-sale securities	1,621	(442)
Deferred gains or losses on hedges	(9)	146
Foreign currency translation adjustment	(121)	1,323
Remeasurements of defined benefit plans, net of tax	17	15
Share of other comprehensive income of entities accounted for using equity method	(88)	299
Total other comprehensive income	1,419	1,342
Comprehensive income	2,611	8,157
Comprehensive income attributable to:		
Owners of parent	2,668	8,154
Non-controlling interests	(56)	2

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				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period (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 parent			1,247		1,247
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		39		44	84
Changes in scope of equity method					—
Other			(10)		(10)
Net changes in items other than shareholders' equity					
Total changes during period	—	39	106	43	189
Balance at end of period (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 at beginning of period (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 parent							1,247
Purchase of treasury shares							(1)
Disposal of treasury shares							84
Changes in scope of equity method							—
Other							(10)
Net changes in items other than shareholders' equity	1,621	(9)	(207)	17	1,420	(57)	1,363
Total changes during period	1,621	(9)	(207)	17	1,420	(57)	1,552
Balance at the end of period (on Mar. 31, 2021)	1,663	138	(705)	(99)	997	36	58,831



Consolidated Statements of Changes in Shareholders' Equity  
For the year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period (on Apr. 1, 2021)	6,800	1,792	49,903	(698)	57,798
Changes of items during the period					
Cash dividends			(1,599)		(1,599)
Net income attributable to owners of parent			6,811		6,811
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		6		9	16
Changes in scope of equity method			(300)		(300)
Other			(10)		(10)
Net changes in items other than shareholders' equity					
Total changes during period	—	6	4,901	8	4,916
Balance at the end of period (on Mar. 31, 2022)	6,800	1,799	54,804	(689)	62,714

	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 at beginning of period (on Apr. 1, 2021)	1,663	138	(705)	(99)	997	36	58,831
Changes of items during the period							
Cash dividends							(1,599)
Net income attributable to owners of parent							6,811
Purchase of treasury shares							(1)
Disposal of treasury shares							16
Changes in scope of equity method							(300)
Other							(10)
Net changes in items other than shareholders' equity	(442)	146	1,623	15	1,342	5	1,348
Total changes during period	(442)	146	1,623	15	1,342	5	6,264
Balance at the end of period (on Mar. 31, 2022)	1,221	285	917	(84)	2,340	41	65,096

## Consolidated statements of cash flows

(Unit: Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022
<b>Cash flows from operating activities</b>		
Net income before income taxes	4,175	10,778
Depreciation	518	794
Impairment losses	—	21
Amortization of goodwill	290	435
Increase (decrease) in retirement benefit liability	49	83
Increase (decrease) in allowance for doubtful accounts	5,226	871
Interest and dividend income	(482)	(578)
Interest expenses	71	75
Foreign exchange losses (gains)	(46)	(116)
Share of loss (profit) of entities accounted for using equity method	(274)	(295)
Loss (gain) on sale of non-current assets	(21)	(314)
Loss (gain) on sale of investment securities	(2)	(214)
Loss (gain) on valuation of investment securities	158	51
Loss (gain) on sale of shares of subsidiaries and associates	—	(18)
Loss on liquidation of subsidiaries and associates	345	48
Subsidy income	(380)	—
Loss on tax purpose reduction entry of non-current assets	380	—
Decrease (increase) in trade receivables	2,545	(12,719)
Decrease (increase) in inventories	1,297	(6,228)
Increase (decrease) in trade payables	(5,534)	9,203
Decrease (increase) in consumption taxes refund receivable	(491)	(186)
Decrease (increase) in other assets	756	(421)
Increase (decrease) in other liabilities	(356)	(274)
Other, net	(216)	24
Subtotal	8,009	1,020
Interest and dividends received	564	510
Subsidies received	380	—
Interest paid	(73)	(74)
Income taxes refund (paid)	(2,990)	(3,787)
Net cash provided by (used in) operating activities	5,889	(2,330)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,087)	(78)
Proceeds from sale of property, plant and equipment	186	750
Purchase of intangible assets	(100)	(152)
Purchase of investment securities	(276)	(60)
Proceeds from sale of investment securities	96	2
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,294)
Proceeds from sale of shares of subsidiaries and associates	—	702
Proceeds from sale of investments in capital	82	258
Loan advances	(1)	(4)
Proceeds from collection of loans receivable	202	218
Other, net	540	(144)
Net cash provided by (used in) investing activities	(357)	197

(Unit: Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	4	(2,069)
Proceeds from long-term borrowings	500	—
Repayments of long-term borrowings	(75)	(113)
Purchase of treasury shares	(1)	(1)
Dividends paid	(1,129)	(1,598)
Other, net	(185)	(233)
Net cash provided by (used in) financing activities	(887)	(4,015)
Effect of exchange rate change on cash and cash equivalents	(32)	571
Net increase (decrease) in cash and cash equivalents	4,612	(5,576)
Cash and cash equivalents at the beginning of period	12,988	17,601
Cash and cash equivalents at the end of period	17,601	12,024