



Financial Results for the Nine Months Ended December 31, 2019 [Based on Japanese GAAP] (Consolidated)

January 30, 2020

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 14, 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 Nine Months Ended December 31, 2019

(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	%
Nine months ended								
Dec. 31, 2019	249,440	(4.8)	6,707	10.4	7,188	8.9	4,740	9.5
Dec. 31, 2018	261,956	16.2	6,077	8.5	6,602	13.6	4,327	12.3

Note: Comprehensive income

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

Dec. 31, 2018: 3,307 million yen (-37.7%)

	Net income per share	Diluted net income per share
Nine months ended	yen	yen
Dec. 31, 2019	193.03	—
Dec. 31, 2018	176.23	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
Dec. 31, 2019	118,258	56,655	47.8
Mar. 31, 2019	118,499	53,897	45.4

Reference: Total equity

As of Dec. 31, 2019: 56,563 million yen

As of Mar. 31, 2019: 53,813 million yen

2. Dividends

	Dividends per share				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
	yen	yen	yen	yen	yen
Year ended Mar. 31, 2019	—	26.00	—	34.00	60.00
Year ending Mar. 31, 2020	—	31.00	—		
Year ending Mar. 31, 2020 (forecast)				31.00	62.00

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

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(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	330,000	(7.4)	8,300	3.1	9,000	3.9	5,800	3.0	236.19

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

For details of the revision of the consolidated business results forecasts, please refer to the press release "Notice about a Revision to the Full-Year Consolidated Business Performance Forecast for the Fiscal Year Ending March 31, 2020" that was issued today (January 30, 2020).

* Notes

(1) Changes in significant subsidiaries during the nine months ended Dec. 31, 2019: 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. : None

3. Changes in accounting estimates : None

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, 2019	25,303,478 shares	As of Mar. 31, 2019	25,303,478 shares
2. Number of treasury stocks at the end of the period	As of Dec. 31, 2019	747,445 shares	As of Mar. 31, 2019	747,117 shares
3. Average number of shares during the period (quarterly cumulative)	Nine months ended Dec. 31, 2019	24,556,240 shares	Nine months ended Dec. 31, 2018	24,555,842 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, 2019	As of Dec. 31, 2019
Assets		
Current assets		
Cash and deposit	12,896	10,575
Notes and accounts receivable - trade	66,537	67,327
Merchandise and finished goods	14,159	14,579
Work in process	25	82
Raw materials and supplies	4	7
Goods in transit	936	290
Other	4,447	5,037
Allowance for doubtful accounts	(10)	(29)
Total current assets	98,997	97,871
Non-current assets		
Property, plant and equipment	2,772	3,219
Intangible assets		
Goodwill	1,956	1,075
Other	346	328
Total intangible assets	2,303	1,404
Investment and other assets	14,426	15,763
Total non-current assets	19,502	20,387
Total assets	118,499	118,258
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,635	49,022
Short-term loans payable	1,937	2,045
Short-term loans payable to subsidiaries and affiliates	—	2,000
Accrued income taxes	1,411	735
Accrued employee bonuses	872	549
Allowance for losses from liquidation of subsidiaries and affiliates	42	42
Other	4,752	3,983
Total current liabilities	61,651	58,379
Non-current liabilities		
Long-term loans payable	71	44
Deferred tax liabilities	729	867
Retirement benefit liabilities	2,053	2,077
Other	97	234
Total non-current liabilities	2,951	3,223
Total liabilities	64,602	61,602

(Unit: Millions of yen)

	As of Mar. 31, 2019	As of Dec. 31, 2019
Net assets		
Shareholders' equity		
Capital stock	6,800	6,800
Capital surplus	1,753	1,753
Retained earnings	45,337	48,436
Treasury stock	(740)	(741)
Total shareholders' equity	53,149	56,248
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	773	1,170
Deferred gains or losses on hedges	249	108
Foreign currency translation adjustments	(323)	(933)
Remeasurements of defined benefit plans	(35)	(30)
Total accumulated other comprehensive income	664	315
Non-controlling interests	83	92
Total net assets	53,897	56,655
Total liabilities and net assets	118,499	118,258

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, 2018	Nine months ended Dec. 31, 2019
Net sales	261,956	249,440
Cost of sales	240,682	227,993
Gross profit	21,274	21,446
Selling, general and administrative expenses	15,196	14,739
Operating income	6,077	6,707
Non-operating income		
Interest income	98	179
Dividend income	183	192
Share of profit of entities accounted for using equity method	202	177
Foreign exchange gains	95	9
Gain on adjustment of account payable	60	56
Miscellaneous income	214	146
Total non-operating income	854	761
Non-operating expenses		
Interest expenses	71	65
Loss on sales of notes receivable - trade	162	144
Miscellaneous expenses	95	71
Total non-operating expenses	329	281
Ordinary income	6,602	7,188
Extraordinary income		
Gain on sales of investment securities	1	11
Gain on sales of non-current assets	2	1
Total extraordinary income	3	12
Extraordinary losses		
Loss on valuation of investment securities	0	83
Loss on sales of investment securities	—	4
Loss on disposal of non-current assets	8	2
Other	—	2
Total extraordinary loss	8	93
Profit before income taxes	6,597	7,107
Income taxes - current	2,075	2,182
Income taxes - deferred	189	175
Total income taxes	2,265	2,358
Net Income	4,332	4,748
Net income attributable to non-controlling interests	5	8
Net income attributable to owners of the parent	4,327	4,740

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019
Net income	4,332	4,748
Other comprehensive income		
Valuation difference on available-for-sale securities	(795)	397
Deferred gains or losses on hedges	139	(140)
Foreign currency translation adjustment	(274)	(433)
Remeasurements of defined benefit plans, net of tax	3	4
Share of other comprehensive income of entities accounted for using equity method	(98)	(175)
Total other comprehensive income	(1,025)	(348)
Comprehensive income	3,307	4,400
Comprehensive income attributable to:		
Owners of the parent	3,301	4,390
Non-controlling interests	5	9