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## Notice Regarding the Revision to Full-Year Consolidated Business Results Forecast and Revision in the Dividend Forecast

CHORI CO., LTD. (“the Company”) today announced revisions to its full-year consolidated business results forecasts issued on October 26, 2020 for the year ending March 31, 2021, as outlined below, taking into account recent business trends.

In addition, the Company also announced revisions to its dividend forecast following passage of a resolution by the Board of Directors at a meeting held on February 8, 2021.

### 1. Revision to Business Results Forecast

#### (1) Revision to Full-Year Consolidated Business Results Forecast for the Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous Forecast (A) (Announced on Oct. 26, 2020)	Millions of yen 210,000	Millions of yen 4,700	Millions of yen 5,000	Millions of yen 2,200	Yen 89.43
Revised Forecast (B)	210,000	6,000	6,400	3,000	122.02
Amount of Change (B-A)	0	1,300	1,400	800	
Percentage Change (%)	0.0	27.7	28.0	36.4	
[Reference] Results for the Previous Year (For the Year Ended Mar. 31, 2020)	329,360	8,219	8,685	6,101	248.46

#### (2) Reasons for the Revision to Business Results Forecast

In regard to the full-year consolidated business results forecast for the year ending March 31, 2021, the Company recorded a provision of allowance for doubtful accounts related to accounts receivable from a Chinese chemical manufacturing group for the first quarter and revised the business results forecast on July 27, 2020 for each income item, reducing the equivalent of the amount for the provision of allowance for doubtful accounts. As results for the second quarter show signs of firmness in the Company’s earnings capabilities in its main business and there have been effects from the likes of an improved profit ratio and cost cuts, the full-year consolidated business results forecast for the fiscal year ending March 31, 2021 was revised upward on October 26, 2020.

At this time, the Company has once again upwardly revised the full-year consolidated business results forecast for the fiscal year ending March 31, 2021 as listed above due to a reevaluation of the annual outlook because strong performance continued in the third quarter of the fiscal year ending March 31, 2021.

Furthermore, as mentioned above, the Company announced on July 27, 2020 that there had been a delay in the collection of accounts receivable against a chemical manufacturing group in China, and that consequently it had recorded a provision of allowance for doubtful accounts. The Company is still carrying out legal proceedings such as lawsuits against the chemical manufacturing group and is focusing efforts on the collection of the accounts receivable. In the third quarter of the year ending March 31, 2021, it has recorded a provision of allowance for doubtful accounts, having taken into consideration factors such as the continued operating status of the chemical manufacturing group and estimated value of chattel mortgage over collective property that has already been obtained. There is a possibility that future results may be impacted by factors such as the development of the chemical manufacturing group, the progress of legal proceedings, and the status of the chattel mortgage over collective property that has already been obtained. In the event that revisions to the business forecast and dividend forecast become necessary, the Company will swiftly issue a disclosure.

## 2. Revision to the Year-End Dividend Forecast

### (1) Dividend Forecast for the Fiscal Year Ending March 31, 2021

	Dividends per share		
	2nd quarter-end	Year-end	Annual total
Previous Forecast (Announced on October 26, 2020)	/	14.00 yen	28.00 yen
Revised Forecast	/	23.00 yen	37.00 yen
Result for the Current Year (For the Year Ending Mar. 31, 2021)	14.00 yen	/	/
Result for the Previous Year (For the Year Ended Mar. 31, 2020)	31.00 yen	32.00 yen	63.00 yen

### (2) Reasons

The Company has positioned returning profits to shareholders as an important management topic and has a basic policy of distributing twice annual dividends, an interim and a year-end dividend. From the standpoint of ensuring stable management and financial affairs through an expeditious return of profits, the Company implements performance-based dividends using net income attributable to owners of the parent as the standard. The amount of dividends is determined while taking a comprehensive view of the management environment and after securing investment funds needed to develop the business with a consolidated dividend payout ratio of at least 30% (annually) based on net income attributable to owners of the parent. The Company announced on October 26, 2020 that it would pay 14 yen for interim dividends and an annual total of 28 yen per share. However, the Company has revised the year-end dividend forecast to 23 yen per share, based on “1. Revision to Business Results Forecast” and the aforementioned dividend policy. Consequently, combined with the interim dividend of 14 yen per share, the annual dividend forecast is 37 yen per share.

Note: The business results forecast above is based on information available as of the date of this news release.

Various factors and risks could cause actual results to differ from the above forecast.