



## Consolidated Financial Results for the Six Months Ended September 30, 2021 [Under Japanese GAAP]

October 26, 2021

Company name: CHORI CO., LTD. Stock exchange listing: Tokyo (1<sup>st</sup> section)  
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## Scheduled dates

Submission of quarterly securities report : November 12, 2021  
 Dividend payout : December 1, 2021  
 Supplementary materials to the quarterly results : Yes  
 Quarterly financial results briefings : Yes (targeted at institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)

## (1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

Six Months Ended	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	%
Sep. 30, 2021	130,026	27.3	4,813	201.3	5,269	188.6	3,987	—
Sep. 30, 2020	102,155	—	1,597	(65.4)	1,825	(62.6)	261	(91.9)

Note: Comprehensive income

Six months ended Sep. 30, 2021 : 5,033 million yen (—%)

Six months ended Sep. 30, 2020 : 281 million yen (- 90.4%)

Six Months Ended	Basic earnings per share	Diluted earnings per share
	yen	yen
Sep. 30, 2021	162.06	—
Sep. 30, 2020	10.64	—

Notes: 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 six months ended September 30, 2020 against net sales in the six months ended September 30, 2019 has not been stated.

The year-on-year percentage change of income attributable to owners of the parent and comprehensive income in the six months ended September 30, 2021 has not been stated because the rate of change exceeded 1,000%.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
Sep. 30, 2021	123,139	63,007	51.1
Mar. 31, 2021	110,591	58,831	53.2

Reference: Total equity

As of Sep. 30, 2021 : 62,968 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 (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

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  
Inclusion : 1 company Company name : Sumitex International Company Limited  
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 accounting estimates, and restatements  
1. Changes in accounting policies due to the revision of accounting standards, etc. : Yes  
2. Changes other than the above 1 : None  
3. Changes in accounting estimates : None  
4. Restatements : None

(4) Number of issued shares (common stock)

1. Number of issued shares at the end of period (Treasury shares included)	As of Sep. 30, 2021	shares 25,303,478	As of Mar. 31, 2021	shares 25,303,478
2. Number of treasury stocks at the end of period	As of Sep. 30, 2021	shares 694,345	As of Mar. 31, 2021	shares 703,266
3. Average number of shares during the period (quarterly cumulative)	Six months ended Sep. 30, 2021	shares 24,604,084	Six months ended Sep. 30, 2020	shares 24,575,082

\* 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 Sep. 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	14,828	14,326
Deposits paid to subsidiaries and associates	3,000	1,000
Notes and accounts receivable - trade	56,141	63,888
Merchandise and finished goods	10,665	16,440
Work in process	816	692
Raw materials and supplies	4	8
Goods in transit	751	1,042
Other	4,442	4,842
Allowance for doubtful accounts	(114)	(111)
Total current assets	90,537	102,130
Non-current assets		
Property, plant and equipment	2,493	2,112
Intangible assets		
Goodwill	491	2,006
Other	335	415
Total intangible assets	827	2,422
Investments and other assets	16,733	16,475
Total non-current assets	20,054	21,009
Total assets	110,591	123,139
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	39,622	42,040
Short-term borrowings	1,809	7,016
Current portion of long-term borrowings	113	113
Income taxes payable	1,703	1,401
Provision for bonuses	686	712
Provision for loss on liquidation of subsidiaries and associates	42	42
Other	4,119	5,117
Total current liabilities	48,097	56,443
Non-current liabilities		
Long-term borrowings	358	301
Deferred tax liabilities	955	936
Retirement benefit liability	2,254	2,348
Other	94	102
Total non-current liabilities	3,662	3,689
Total liabilities	51,759	60,132

(Unit: Millions of yen)

	As of Mar. 31, 2021	As of Sep. 30, 2021
Net assets		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	1,792	1,799
Retained earnings	49,903	53,014
Treasury shares	(698)	(689)
Total shareholders' equity	57,798	60,924
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,663	1,844
Deferred gains or losses on hedges	138	45
Foreign currency translation adjustment	(705)	245
Remeasurements of defined benefit plans	(99)	(92)
Total accumulated other comprehensive income	997	2,043
Non-controlling interests	36	39
Total net assets	58,831	63,007
Total liabilities and net assets	110,591	123,139

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

Quarterly consolidated statements of income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
Net sales	102,155	130,026
Cost of sales	89,193	115,749
Gross profit	12,961	14,276
Selling, general and administrative expenses	11,363	9,462
Operating income	1,597	4,813
Non-operating income		
Interest income	41	126
Dividend income	119	222
Share of profit of entities accounted for using equity method	109	110
Gain on adjustment of account payable	48	44
Miscellaneous income	123	159
Total non-operating income	442	662
Non-operating expenses		
Interest expenses	44	40
Loss on sale of notes receivable - trade	39	52
Foreign exchange losses	93	3
Miscellaneous expenses	38	111
Total non-operating expenses	214	207
Ordinary income	1,825	5,269
Extraordinary income		
Gain on sale of non-current assets	0	316
Gain on sale of investment securities	15	221
Gain on sale of shares of subsidiaries and associates	—	18
Gain on sale of golf membership	1	—
Total extraordinary income	17	557
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	238	16
Loss on disposal of non-current assets	7	0
Loss on valuation of investment securities	98	—
Loss on sale of investment securities	25	—
Total extraordinary losses	369	17
Income before income taxes	1,473	5,808
Income taxes - current	1,422	1,833
Income taxes - deferred	(155)	(12)
Total income taxes	1,267	1,820
Net income	206	3,988
Net income (loss) attributable to non-controlling interests	(55)	0
Net income attributable to owners of parent	261	3,987

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
Net income	206	3,988
Other comprehensive income		
Valuation difference on available-for-sale securities	639	180
Deferred gains or losses on hedges	(90)	(93)
Foreign currency translation adjustment	(344)	771
Remeasurements of defined benefit plans, net of tax	6	7
Share of other comprehensive income of entities accounted for using equity method	(135)	180
Total other comprehensive income	75	1,045
Comprehensive income	281	5,033
Comprehensive income attributable to		
Owners of parent	338	5,033
Non-controlling interests	(56)	0

## Quarterly consolidated statements of cash flows

(Unit: Millions of yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
<b>Cash flows from operating activities</b>		
Income before income taxes	1,473	5,808
Depreciation	263	337
Amortization of goodwill	147	230
Increase (decrease) in retirement benefit liability	0	55
Increase (decrease) in allowance for doubtful accounts	2,710	56
Interest and dividend income	(161)	(348)
Interest expenses	44	40
Foreign exchange losses (gains)	29	(0)
Share of loss (profit) of entities accounted for using equity method	(109)	(110)
Loss (gain) on sale of non-current assets	6	(315)
Loss (gain) on sale of investment securities	10	(221)
Loss (gain) on valuation of investment securities	98	—
Loss (gain) on sale of shares of subsidiaries and associates	—	(18)
Loss on liquidation of subsidiaries and associates	238	16
Decrease (increase) in trade receivables	10,677	(2,710)
Decrease (increase) in inventories	597	(2,401)
Increase (decrease) in trade payables	(13,519)	(829)
Increase (decrease) in accrued consumption taxes	409	256
Decrease (increase) in other assets	222	(83)
Increase (decrease) in other liabilities	(296)	(343)
Other, net	(75)	(64)
Subtotal	2,768	(645)
Interest and dividends received	209	271
Interest paid	(44)	(38)
Income taxes refund (paid)	(1,774)	(2,146)
Net cash provided by (used in) operating activities	1,159	(2,559)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(561)	(27)
Proceeds from sale of property, plant and equipment	0	734
Purchase of intangible assets	(55)	(86)
Purchase of investment securities	(200)	(33)
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	4	254
Loan advances	(1)	(1)
Proceeds from collection of loans receivable	201	217
Other, net	(21)	(53)
Net cash provided by (used in) investing activities	(536)	415

	(Unit: Millions of yen)	
	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(307)	77
Proceeds from long-term borrowings	500	—
Repayments of long-term borrowings	(47)	(56)
Purchase of treasury shares	(0)	(1)
Dividends paid	(784)	(565)
Other, net	(96)	(112)
Net cash provided by (used in) financing activities	(736)	(659)
Effect of exchange rate change on cash and cash equivalents	(133)	320
Net increase (decrease) in cash and cash equivalents	(247)	(2,482)
Cash and cash equivalents at beginning of period	12,988	17,601
Cash and cash equivalents at end of period	12,741	15,118