



Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

October 28, 2022

Company name: CHORI CO., LTD. Listing: Tokyo Stock Exchange (Prime)
 Securities code: 8014 URL: <https://www.chori.co.jp>
 Representative: Kazuo Sakihama, President, CEO & COO
 Inquiries: Yasutaka Kawamura, Manager of Corporate Management Dept.
 Telephone: +81-3-5781-6201
 Scheduled date to file quarterly securities report: November 11, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicated year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Sep. 30, 2022	168,472	29.6	6,765	40.5	7,383	40.1	4,789	20.1
Sep. 30, 2021	130,026	27.3	4,813	201.3	5,269	188.6	3,987	—

Note: Comprehensive income

For the six months ended Sep. 30, 2022: 7,329 million yen [45.6%]

For the six months ended Sep. 30, 2021: 5,033 million yen [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended	yen	yen
Sep. 30, 2022	194.65	—
Sep. 30, 2021	162.06	—

Note: The year-on-year percentage change of net profit attributable to owners of parent and comprehensive income in the six months ended September 30, 2021 are not stated because the rate of change exceeds 1,000%.

s

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Sep. 30, 2022	150,298	71,334	47.5
Mar. 31, 2022	134,121	65,096	48.5

Reference: Equity

As of Sep. 30, 2022: 71,317 million yen

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

2. Dividends

	Dividends per share				
	Quarter-end			Fiscal year-end	Annual total
	1st	2nd	3rd		
	yen	yen	yen	yen	yen
Fiscal year ended Mar. 31, 2022	—	42.00	—	42.00	84.00
Fiscal year ending Mar. 31, 2023	—	50.00			
Fiscal year ending Mar. 31, 2023 (Forecast)			—	50.00	100.00

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

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

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit 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

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: None

Newly included: None

Excluded: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: 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.: None

2. Changes in accounting policies due to other reasons: None

3. Changes in accounting estimates: None

4. Restatements: None

(4) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)	As of Sep. 30, 2022	25,303,478 shares	As of Mar. 31, 2022	25,303,478 shares
2. Number of treasury shares at the end of the period	As of Sep. 30, 2022	696,209 shares	As of Mar. 31, 2022	694,494 shares
3. Average number of shares outstanding during the period	Six months ended Sep. 30, 2022	24,607,793 shares	Six months ended Sep. 30, 2021	24,604,084 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document are based on the information available at the time of publication and certain assumptions that the Company judges as rational. Actual financial results may vary significantly due to various reasons. The Company, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements.

Quarterly consolidated financial statements

Quarterly consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Sep. 30, 2022
Assets		
Current assets		
Cash and deposits	12,242	16,489
Notes and accounts receivable - trade	74,272	82,574
Merchandise and finished goods	17,346	21,590
Work in process	1,045	1,019
Raw materials and supplies	4	7
Goods in transit	3,704	1,714
Other	6,220	6,847
Allowance for doubtful accounts	(964)	(1,440)
Total current assets	113,871	128,802
Non-current assets		
Property, plant and equipment	1,964	2,181
Intangible assets		
Goodwill	1,053	803
Customer-related assets	993	943
Other	401	740
Total intangible assets	2,449	2,488
Investments and other assets	15,836	16,825
Total non-current assets	20,249	21,495
Total assets	134,121	150,298
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,213	58,416
Short-term borrowings	4,944	6,900
Current portion of long-term borrowings	113	113
Income taxes payable	2,028	2,833
Provision for bonuses	916	934
Provision for loss on liquidation of subsidiaries and affiliates	42	42
Other	5,203	6,008
Total current liabilities	65,461	75,248
Non-current liabilities		
Long-term borrowings	245	188
Deferred tax liabilities	843	902
Retirement benefit liability	2,366	2,357
Other	107	266
Total non-current liabilities	3,562	3,714
Total liabilities	69,024	78,963

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Sep. 30, 2022
Net assets		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	1,799	1,801
Retained earnings	54,804	58,528
Treasury shares	(689)	(688)
Total shareholders' equity	62,714	66,441
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,221	1,294
Deferred gains or losses on hedges	285	249
Foreign currency translation adjustment	917	3,410
Remeasurements of defined benefit plans	(84)	(79)
Total accumulated other comprehensive income	2,340	4,875
Non-controlling interests	41	17
Total net assets	65,096	71,334
Total liabilities and net assets	134,121	150,298

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, 2021	Six months ended Sep. 30, 2022
Net sales	130,026	168,472
Cost of sales	115,749	149,808
Gross profit	14,276	18,664
Selling, general and administrative expenses	9,462	11,898
Operating profit	4,813	6,765
Non-operating income		
Interest income	126	164
Dividend income	222	135
Share of profit of entities accounted for using equity method	110	144
Foreign exchange gains	—	421
Gain on adjustment of account payable	44	23
Miscellaneous income	159	175
Total non-operating income	662	1,065
Non-operating expenses		
Interest expenses	40	174
Loss on sale of notes receivable - trade	52	169
Foreign exchange losses	3	—
Miscellaneous expenses	111	104
Total non-operating expenses	207	448
Ordinary profit	5,269	7,383
Extraordinary income		
Gain on sale of investment securities	221	378
Gain on liquidation of subsidiaries and affiliates	—	7
Gain on sale of non-current assets	316	6
Gain on sale of shares of subsidiaries and affiliates	18	—
Total extraordinary income	557	391
Extraordinary losses		
Loss on valuation of investment securities	—	8
Loss on disposal of non-current assets	0	2
Loss on valuation of golf club membership	—	2
Loss on liquidation of subsidiaries and affiliates	16	—
Total extraordinary losses	17	13
Profit before income taxes	5,808	7,762
Income taxes - current	1,833	3,030
Income taxes - deferred	(12)	(58)
Total income taxes	1,820	2,971
Net profit	3,988	4,790
Net profit attributable to non-controlling interests	0	0
Net profit attributable to owners of parent	3,987	4,789

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2021	Six months ended Sep. 30, 2022
Net profit	3,988	4,790
Other comprehensive income		
Valuation difference on available-for-sale securities	180	73
Deferred gains or losses on hedges	(93)	(36)
Foreign currency translation adjustment	771	2,038
Remeasurements of defined benefit plans	7	4
Share of other comprehensive income of entities accounted for using equity method	180	458
Total other comprehensive income	1,045	2,539
Comprehensive income	5,033	7,329
Comprehensive income attributable to:		
Owners of parent	5,033	7,325
Non-controlling interests	0	4

Quarterly consolidated statements of cash flows

(Unit: Millions of yen)

	Six months ended Sep. 30, 2021	Six months ended Sep. 30, 2022
Cash flows from operating activities		
Profit before income taxes	5,808	7,762
Depreciation	337	426
Amortization of goodwill	230	237
Increase (decrease) in retirement benefit liability	55	(14)
Increase (decrease) in allowance for doubtful accounts	56	445
Interest and dividend income	(348)	(300)
Interest expenses	40	174
Foreign exchange loss (gain)	(0)	(214)
Share of loss (gain) of entities accounted for using equity method	(110)	(144)
Loss (gain) on sale of non-current assets	(315)	(3)
Loss on valuation of golf club membership	—	2
Loss (gain) on sale of investment securities	(221)	(378)
Loss (gain) on valuation of investment securities	—	8
Loss (gain) on sale of shares of subsidiaries and affiliates	(18)	—
Loss (gain) on liquidation of subsidiaries and affiliates	16	(7)
Decrease (increase) in trade receivables	(2,710)	(6,714)
Decrease (increase) in inventories	(2,401)	(1,737)
Increase (decrease) in trade payables	(829)	5,208
Decrease (increase) in consumption taxes refund receivable	256	(53)
Decrease (increase) in other assets	(83)	(323)
Increase (decrease) in other liabilities	(343)	395
Other, net	(64)	9
Subtotal	(645)	4,777
Interest and dividends received	271	385
Interest paid	(38)	(180)
Income taxes refund (paid)	(2,146)	(2,264)
Net cash provided by (used in) operating activities	(2,559)	2,716
Cash flows from investing activities		
Purchase of property, plant and equipment	(27)	(31)
Proceeds from sale of property, plant and equipment	734	12
Purchase of intangible assets	(86)	(353)
Purchase of investment securities	(33)	(35)
Proceeds from sale of investment securities	2	595
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,294)	—
Proceeds from sale of shares of subsidiaries and affiliates	702	—
Proceeds from sale of investments in capital	254	—
Loan advances	(1)	(80)
Proceeds from collection of loans receivable	217	1
Other, net	(53)	54
Net cash provided by (used in) investing activities	415	162

	(Unit: Millions of yen)	
	Six months ended Sep. 30, 2021	Six months ended Sep. 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	77	1,611
Repayments of long-term borrowings	(56)	(56)
Purchase of treasury shares	(1)	(0)
Dividends paid	(565)	(1,031)
Other, net	(112)	(175)
Net cash provided by (used in) financing activities	(659)	347
Effect of exchange rate change on cash and cash equivalents	320	1,015
Net increase (decrease) in cash and cash equivalents	(2,482)	4,242
Cash and cash equivalents at beginning of period	17,601	12,024
Cash and cash equivalents at end of period	15,118	16,267