



Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

October 27, 2023

Company name: CHORI CO., LTD. Listing: Tokyo Stock Exchange (Prime)
 Securities code: 8014 URL: <https://www.chori.co.jp>
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 Scheduled date to file quarterly securities report: November 13, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate 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, 2023	152,906	(9.2)	7,796	15.2	7,625	3.3	5,020	4.8
Sep. 30, 2022	168,472	29.6	6,765	40.5	7,383	40.1	4,789	20.1

Note: Comprehensive income

For the six months ended Sep.30, 2023: 7,636 million yen [4.2%]

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

	Basic earnings per share	Diluted earnings per share
Six months ended	yen	Yen
Sep. 30, 2023	204.04	—
Sep. 30, 2022	194.65	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Sep. 30, 2023	147,179	78,399	53.2
Mar. 31, 2023	143,200	72,158	50.4

Reference: Equity

As of Sep. 30, 2023: 78,367 million yen

As of Mar. 31, 2023: 72,158 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, 2023	—	50.00	—	55.00	105.00
Fiscal year ending Mar. 31, 2024	—	58.00			
Fiscal year ending Mar. 31, 2024 (Forecast)			—	58.00	116.00

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

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	340,000	3.2	14,200	12.2	14,000	12.6	9,400	15.7	382.00

Note: Revisions to the most recently announced forecasts of consolidated financial results: None

* Notes

(1) Changes in significant subsidiaries during this period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly included: —

Excluded: —

(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, 2023	25,303,478 shares	As of Mar. 31, 2023	25,303,478 shares
2. Number of treasury shares at the end of the period	As of Sep. 30, 2023	696,931 shares	As of Mar. 31, 2023	696,464 shares
3. Average number of shares outstanding during the period	Six months ended Sep. 30, 2023	24,606,833 shares	Six months ended Sep. 30, 2022	24,607,793 shares

Note: The Company has introduced the Board Benefit Trust - Restricted Stock (BBT-RS) effective the 2nd quarter of the current consolidated fiscal year, and the number of shares of the Company held by the trust are included in that of treasury shares to be deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

* 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, 2023	As of Sep. 30, 2023
Assets		
Current assets		
Cash and deposits	16,463	15,081
Deposits paid to subsidiaries and associates	2,500	2,000
Notes and accounts receivable - trade	77,130	81,916
Merchandise and finished goods	19,212	20,190
Work in process	831	924
Raw materials and supplies	17	38
Goods in transit	1,967	1,257
Other	6,614	5,758
Allowance for doubtful accounts	(2,656)	(3,656)
Total current assets	122,081	123,510
Non-current assets		
Property, plant and equipment	1,919	1,858
Intangible assets		
Goodwill	645	542
Customer-related assets	893	843
Other	1,316	2,483
Total intangible assets	2,855	3,869
Investments and other assets	16,344	17,940
Total non-current assets	21,118	23,668
Total assets	143,200	147,179
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,919	52,523
Short-term borrowings	4,816	3,737
Current portion of long-term borrowings	113	113
Income taxes payable	2,387	2,610
Provision for bonuses	927	946
Provision for loss on liquidation of subsidiaries and associates	42	42
Other	6,456	5,290
Total current liabilities	67,663	65,264
Non-current liabilities		
Long-term borrowings	132	75
Deferred tax liabilities	797	1,011
Provision for share awards	-	12
Retirement benefit liability	2,233	2,222
Other	215	192
Total non-current liabilities	3,378	3,515
Total liabilities	71,041	68,779

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Sep. 30, 2023
Net assets		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	1,804	2,083
Retained earnings	60,634	64,261
Treasury shares	(689)	(969)
Total shareholders' equity	68,549	72,174
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,392	2,378
Deferred gains or losses on hedges	(138)	188
Foreign currency translation adjustment	2,421	3,686
Remeasurements of defined benefit plans	(66)	(61)
Total accumulated other comprehensive income	3,609	6,192
Non-controlling interests	-	32
Total net assets	72,158	78,399
Total liabilities and net assets	143,200	147,179

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, 2022	Six months ended Sep. 30, 2023
Net sales	168,472	152,906
Cost of sales	149,808	133,615
Gross profit	18,664	19,290
Selling, general and administrative expenses	11,898	11,494
Operating profit	6,765	7,796
Non-operating income		
Interest income	164	457
Dividend income	135	158
Share of profit of entities accounted for using equity method	144	140
Foreign exchange gains	421	-
Gain on adjustment of accounts payable	23	14
Miscellaneous income	175	275
Total non-operating income	1,065	1,047
Non-operating expenses		
Interest expenses	174	354
Loss on sale of notes receivable - trade	169	531
Foreign exchange losses	-	303
Miscellaneous expenses	104	30
Total non-operating expenses	448	1,218
Ordinary profit	7,383	7,625
Extraordinary income		
Gain on sale of investment securities	378	144
Gain on sale of non-current assets	6	0
Gain on liquidation or reorganization of subsidiaries and associates	7	-
Total extraordinary income	391	144
Extraordinary losses		
Loss on valuation of investment securities	8	4
Loss on disposal of non-current assets	2	2
Loss on valuation of golf club membership	2	-
Total extraordinary losses	13	7
Profit before income taxes	7,762	7,762
Income taxes - current	3,030	2,765
Income taxes - deferred	(58)	(56)
Total income taxes	2,971	2,709
Net profit	4,790	5,053
Net profit attributable to non-controlling interests	0	32
Net profit attributable to owners of parent	4,789	5,020

Quarterly consolidated statements of comprehensive income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2022	Six months ended Sep. 30, 2023
Net profit	4,790	5,053
Other comprehensive income		
Valuation difference on available-for-sale securities	73	986
Deferred gains or losses on hedges	(36)	326
Foreign currency translation adjustment	2,038	1,039
Remeasurements of defined benefit plans	4	5
Share of other comprehensive income of entities accounted for using equity method	458	224
Total other comprehensive income	2,539	2,582
Comprehensive income	7,329	7,636
Comprehensive income attributable to:		
Owners of parent	7,325	7,604
Non-controlling interests	4	32

Quarterly consolidated statement of cash flows - indirect

(Unit: Millions of yen)

	Six months ended Sep. 30, 2022	Six months ended Sep. 30, 2023
Cash flows from operating activities		
Profit before income taxes	7,762	7,762
Depreciation	426	410
Amortization of goodwill	237	98
Increase (decrease) in retirement benefit liability	(14)	(10)
Increase (decrease) in allowance for doubtful accounts	445	1,033
Interest and dividend income	(300)	(616)
Interest expenses	174	354
Foreign exchange losses (gains)	(214)	(176)
Share of loss (profit) of entities accounted for using equity method	(144)	(140)
Loss (gain) on sale of non-current assets	(3)	1
Loss on valuation of golf club membership	2	-
Loss (gain) on sale of investment securities	(378)	(144)
Loss (gain) on valuation of investment securities	8	4
Loss (gain) on liquidation of subsidiaries and associates	(7)	-
Decrease (increase) in trade receivables	(6,714)	(3,942)
Decrease (increase) in inventories	(1,737)	(130)
Increase (decrease) in trade payables	5,208	(948)
Decrease (increase) in consumption taxes refund receivable	(53)	347
Decrease (increase) in other assets	(323)	1,280
Increase (decrease) in other liabilities	395	(1,030)
Other, net	9	(371)
Subtotal	4,777	3,780
Interest and dividends received	385	668
Interest paid	(180)	(349)
Income taxes refund (paid)	(2,264)	(2,566)
Net cash provided by (used in) operating activities	2,716	1,533
Cash flows from investing activities		
Purchase of property, plant and equipment	(31)	(102)
Proceeds from sale of property, plant and equipment	12	3
Purchase of intangible assets	(353)	(1,148)
Purchase of investment securities	(35)	(36)
Proceeds from sale of investment securities	595	175
Loan advances	(80)	(3)
Proceeds from collection of loans receivable	1	2
Other, net	54	(187)
Net cash provided by (used in) investing activities	162	(1,298)

	(Unit: Millions of yen)	
	Six months ended Sep. 30, 2022	Six months ended Sep. 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,611	(1,236)
Repayments of long-term borrowings	(56)	(56)
Dividends paid	(1,031)	(1,352)
Purchase of treasury shares	(0)	(418)
Proceeds from sale of treasury shares	-	417
Other, net	(175)	(136)
Net cash provided by (used in) financing activities	347	(2,783)
Effect of exchange rate change on cash and cash equivalents	1,015	646
Net increase (decrease) in cash and cash equivalents	4,242	(1,901)
Cash and cash equivalents at beginning of period	12,024	18,860
Cash and cash equivalents at end of period	16,267	16,959