

Translation

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## Summary of Non-Consolidated Financial Results for the Three Months Ended April 30, 2019 (Based on Japanese GAAP)

June 4, 2019

Company name: Morozoff Limited  
 Stock exchange listing: Tokyo  
 Stock code: 2217 URL <http://www.morozoff.co.jp>  
 Representative: Representative Director and President Shinji Yamaguchi  
 Inquiries: Senior Managing Director Yoshinori Yamaoka TEL 078-822-5000  
 Scheduled date to file Quarterly Securities Report: June 12, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the three months ended April 30, 2019 (from February 1, 2019 to April 30, 2019)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended April 30, 2019	8,150	1.0	853	(15.8)	868	(15.6)	580	(15.8)
Three months ended April 30, 2018	8,070	(2.0)	1,014	(3.1)	1,028	(3.0)	689	(6.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended April 30, 2019	163.05		–	
Three months ended April 30, 2018	193.00		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2019	23,151	16,493	71.2
As of January 31, 2019	23,618	16,070	68.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended January 31, 2019	–	50.00	–	50.00	100.00
Year ending January 31, 2020	–	–	–	–	–
Year ending January 31, 2020 (Forecast)	–	50.00	–	50.00	100.00

3. Forecast of non-consolidated financial results for the year ending January 31, 2020 (from February 1, 2019 to January 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending July 31, 2019	14,060	0.1	860	(19.9)	890	(19.6)	560	(22.6)	156.87
Full year	29,500	(0.2)	1,800	(17.8)	1,830	(17.6)	1,160	(17.1)	324.95

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of April 30, 2019	⋮	3,669,226 shares	As of January 31, 2019	⋮	3,669,226 shares
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Number of treasury shares at the end of the period

As of April 30, 2019	⋮	110,321 shares	As of January 31, 2019	⋮	110,289 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended April 30, 2019	⋮	3,558,927 shares	Three months ended April 30, 2018	⋮	3,572,361 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2019	As of April 30, 2019
Assets		
Current assets		
Cash and deposits	2,411,424	5,544,288
Notes and accounts receivable - trade	5,574,871	1,967,688
Securities	2,100,000	2,299,812
Merchandise and finished goods	2,215,381	711,648
Work in process	253,807	628,754
Raw materials and supplies	388,429	519,048
Other	82,200	137,516
Allowance for doubtful accounts	(22,000)	(7,800)
Total current assets	13,004,115	11,800,957
Non-current assets		
Property, plant and equipment		
Buildings, net	2,585,239	2,577,972
Land	3,234,338	3,234,338
Other, net	1,805,259	2,074,675
Total property, plant and equipment	7,624,837	7,886,987
Intangible assets	159,277	157,036
Investments and other assets		
Investment securities	1,801,995	1,816,656
Other	1,028,180	1,490,086
Total investments and other assets	2,830,176	3,306,742
Total non-current assets	10,614,291	11,350,766
Total assets	23,618,407	23,151,723

(Thousands of yen)

	As of January 31, 2019	As of April 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,136,677	1,179,994
Electronically recorded obligations - operating	1,858,747	827,135
Short-term loans payable	1,850,000	1,850,000
Income taxes payable	365,575	273,715
Provision for bonuses	240,260	520,250
Other	1,682,292	1,530,791
Total current liabilities	7,133,552	6,181,887
Non-current liabilities		
Provision for retirement benefits	64,037	62,714
Provision for environmental measures	2,340	2,340
Other	348,051	411,320
Total non-current liabilities	414,428	476,375
Total liabilities	7,547,981	6,658,263
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,737,467	3,737,467
Capital surplus	3,921,855	3,921,919
Retained earnings	8,135,177	8,537,525
Treasury shares	(442,948)	(443,170)
Total shareholders' equity	15,351,552	15,753,742
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	428,734	449,578
Revaluation reserve for land	290,138	290,138
Total valuation and translation adjustments	718,873	739,717
Total net assets	16,070,425	16,493,460
Total liabilities and net assets	23,618,407	23,151,723

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended April 30, 2018	Three months ended April 30, 2019
Net sales	8,070,868	8,150,082
Cost of sales	4,015,571	4,106,820
Gross profit	4,055,296	4,043,261
Selling, general and administrative expenses	3,040,961	3,189,593
Operating profit	1,014,334	853,668
Non-operating income		
Interest income	211	175
Dividend income	1,202	1,235
Reversal of allowance for doubtful accounts	14,500	14,200
Other	7,379	8,075
Total non-operating income	23,293	23,685
Non-operating expenses		
Interest expenses	6,684	6,440
Other	2,248	2,905
Total non-operating expenses	8,932	9,345
Ordinary profit	1,028,695	868,008
Extraordinary income		
Gain on sales of investment securities	–	605
Total extraordinary income	–	605
Extraordinary losses		
Loss on sales and retirement of non-current assets	2,304	1,726
Total extraordinary losses	2,304	1,726
Profit before income taxes	1,026,390	866,887
Income taxes - current	408,163	234,953
Income taxes - deferred	(71,240)	51,640
Total income taxes	336,922	286,593
Profit	689,468	580,294