

Translation

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## Summary of Non-Consolidated Financial Results for the Three Months Ended April 30, 2020 (Based on Japanese GAAP)

June 4, 2020

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: Representative Director and Vice President Yoshinori Yamaoka TEL 078-822-5000  
 Scheduled date to file Quarterly Securities Report: June 12, 2020  
 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, 2020 (from February 1, 2020 to April 30, 2020)

(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, 2020	6,734	(17.4)	213	(75.0)	232	(73.3)	65	(88.6)
Three months ended April 30, 2019	8,150	1.0	853	(15.8)	868	(15.6)	580	(15.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended April 30, 2020	18.76		–	
Three months ended April 30, 2019	163.05		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2020	21,929	16,347	74.5
As of January 31, 2020	23,678	16,591	70.1

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, 2020	–	50.00	–	50.00	100.00
Year ending January 31, 2021	–	–	–	–	–
Year ending January 31, 2021 (Forecast)	–	0.00	–	–	–

3. Forecast of non-consolidated financial results for the year ending January 31, 2021 (from February 1, 2020 to January 31, 2021)

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, 2020	10,570	(24.1)	(810)	–	(760)	–	(600)	–	–
Full year	–	–	–	–	–	–	–	–	–

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, 2020	⋮	3,669,226 shares	As of January 31, 2020	⋮	3,669,226 shares
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Number of treasury shares at the end of the period

As of April 30, 2020	⋮	153,118 shares	As of January 31, 2020	⋮	153,075 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, 2020	⋮	3,516,129 shares	Three months ended April 30, 2019	⋮	3,558,927 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2020	As of April 30, 2020
Assets		
Current assets		
Cash and deposits	2,306,581	5,166,096
Notes and accounts receivable - trade	5,688,208	1,030,021
Securities	1,199,929	1,199,761
Merchandise and finished goods	2,356,135	1,062,288
Work in process	287,749	593,028
Raw materials and supplies	404,123	422,199
Other	85,450	488,748
Allowance for doubtful accounts	(22,454)	(4,500)
Total current assets	12,305,723	9,957,643
Non-current assets		
Property, plant and equipment		
Buildings, net	2,723,376	2,675,640
Land	3,234,338	3,234,338
Other, net	2,070,524	2,112,389
Total property, plant and equipment	8,028,240	8,022,368
Intangible assets	154,621	146,334
Investments and other assets		
Investment securities	1,607,708	1,435,239
Other	1,586,267	2,372,946
Allowance for doubtful accounts	(4,046)	(5,000)
Total investments and other assets	3,189,929	3,803,185
Total non-current assets	11,372,791	11,971,888
Total assets	23,678,515	21,929,532

(Thousands of yen)

	As of January 31, 2020	As of April 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,133,545	753,066
Electronically recorded obligations - operating	1,824,145	768,009
Short-term borrowings	1,850,000	1,850,000
Income taxes payable	146,827	105,403
Provision for bonuses	230,780	500,024
Other	1,375,744	1,042,718
Total current liabilities	6,561,041	5,019,222
Non-current liabilities		
Provision for retirement benefits	69,341	69,415
Provision for environmental measures	2,085	2,085
Other	455,031	491,122
Total non-current liabilities	526,457	562,623
Total liabilities	7,087,498	5,581,846
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,737,467	3,737,467
Capital surplus	3,921,919	3,921,919
Retained earnings	8,876,219	8,766,366
Treasury shares	(662,718)	(662,930)
Total shareholders' equity	15,872,888	15,762,824
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	375,974	294,723
Revaluation reserve for land	342,153	290,138
Total valuation and translation adjustments	718,128	584,862
Total net assets	16,591,016	16,347,686
Total liabilities and net assets	23,678,515	21,929,532

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

(Thousands of yen)

	Three months ended April 30, 2019	Three months ended April 30, 2020
Net sales	8,150,082	6,734,739
Cost of sales	4,106,820	3,558,477
Gross profit	4,043,261	3,176,261
Selling, general and administrative expenses	3,189,593	2,962,691
Operating profit	853,668	213,570
Non-operating income		
Interest income	175	546
Dividend income	1,235	1,675
Reversal of allowance for doubtful accounts	14,200	17,000
Other	8,075	7,600
Total non-operating income	23,685	26,822
Non-operating expenses		
Interest expenses	6,440	6,728
Other	2,905	1,532
Total non-operating expenses	9,345	8,260
Ordinary profit	868,008	232,131
Extraordinary income		
Gain on sales of investment securities	605	–
Total extraordinary income	605	–
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,726	2,332
Loss on sales of investment securities	–	10,009
Compensation for absence from work to employee	–	72,442
Total extraordinary losses	1,726	84,784
Profit before income taxes	866,887	147,347
Income taxes - current	234,953	70,132
Income taxes - deferred	51,640	11,260
Total income taxes	286,593	81,392
Profit	580,294	65,954