

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended April 30, 2021 (Based on Japanese GAAP)

June 4, 2021

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 11, 2021
 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, 2021 (from February 1, 2021 to April 30, 2021)

(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, 2021	7,125	5.8	611	186.5	630	171.8	196	197.8
Three months ended April 30, 2020	6,734	(17.4)	213	(75.0)	232	(73.3)	65	(88.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended April 30, 2021	55.87		–	
Three months ended April 30, 2020	18.76		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2021	22,866	16,769	73.3
As of January 31, 2021	24,039	16,778	69.8

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, 2021	–	0.00	–	60.00	60.00
Year ending January 31, 2022	–	–	–	–	–
Year ending January 31, 2022 (Forecast)	–	0.00	–	60.00	60.00

3. Forecast of non-consolidated financial results for the year ending January 31, 2022 (from February 1, 2021 to January 31, 2022)

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, 2021	12,240	6.0	260	–	290	–	150	–	42.66
Full year	26,500	3.2	860	14.5	900	4.4	500	42.0	142.21

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, 2021	⋮	3,669,226 shares	As of January 31, 2021	⋮	3,669,226 shares
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Number of treasury shares at the end of the period

As of April 30, 2021	⋮	153,562 shares	As of January 31, 2021	⋮	153,497 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, 2021	⋮	3,515,715 shares	Three months ended April 30, 2020	⋮	3,516,129 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2021	As of April 30, 2021
Assets		
Current assets		
Cash and deposits	3,417,188	7,512,202
Notes and accounts receivable - trade	5,671,457	1,588,953
Merchandise and finished goods	2,051,132	669,665
Work in process	325,788	633,207
Raw materials and supplies	373,282	450,135
Other	188,294	253,290
Allowance for doubtful accounts	(22,660)	(6,610)
Total current assets	12,004,482	11,100,845
Non-current assets		
Property, plant and equipment		
Buildings, net	2,537,767	2,492,957
Land	3,234,338	3,234,338
Other, net	1,873,855	1,826,751
Total property, plant and equipment	7,645,962	7,554,047
Intangible assets	120,020	109,538
Investments and other assets		
Investment securities	1,626,061	1,629,388
Other	2,648,220	2,473,533
Allowance for doubtful accounts	(5,240)	(1,190)
Total investments and other assets	4,269,041	4,101,732
Total non-current assets	12,035,024	11,765,319
Total assets	24,039,507	22,866,164

(Thousands of yen)

	As of January 31, 2021	As of April 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	926,631	852,251
Electronically recorded obligations - operating	1,706,124	734,739
Short-term borrowings	1,850,000	1,850,000
Income taxes payable	283,561	312,560
Provision for bonuses	224,210	498,496
Other	1,615,865	1,264,708
Total current liabilities	6,606,392	5,512,755
Non-current liabilities		
Provision for retirement benefits	74,677	75,690
Provision for environmental measures	2,085	–
Other	577,844	508,670
Total non-current liabilities	654,607	584,361
Total liabilities	7,261,000	6,097,117
Net assets		
Shareholders' equity		
Share capital	3,737,467	3,737,467
Capital surplus	3,921,919	3,921,919
Retained earnings	9,052,595	9,038,084
Treasury shares	(665,080)	(665,451)
Total shareholders' equity	16,046,903	16,032,020
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	441,465	446,887
Revaluation reserve for land	290,138	290,138
Total valuation and translation adjustments	731,604	737,026
Total net assets	16,778,507	16,769,047
Total liabilities and net assets	24,039,507	22,866,164

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended April 30, 2020	Three months ended April 30, 2021
Net sales	6,734,739	7,125,988
Cost of sales	3,558,477	3,623,539
Gross profit	3,176,261	3,502,448
Selling, general and administrative expenses	2,962,691	2,890,615
Operating profit	213,570	611,833
Non-operating income		
Interest income	546	1,463
Dividend income	1,675	1,350
Reversal of allowance for doubtful accounts	17,000	16,355
Other	7,600	8,845
Total non-operating income	26,822	28,014
Non-operating expenses		
Interest expenses	6,728	7,629
Other	1,532	1,250
Total non-operating expenses	8,260	8,879
Ordinary profit	232,131	630,967
Extraordinary losses		
Loss on sales and retirement of non-current assets	2,332	596
Loss on sales of investment securities	10,009	–
Loss on valuation of shares of subsidiaries and associates	–	220,663
Compensation for absence from work to employee	72,442	–
Total extraordinary losses	84,784	221,259
Profit before income taxes	147,347	409,708
Income taxes - current	70,132	279,391
Income taxes - deferred	11,260	(66,115)
Total income taxes	81,392	213,275
Profit	65,954	196,432