

Translation

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Summary of Consolidated Financial Results for the Three Months Ended April 30, 2022 (Based on Japanese GAAP)

June 6, 2022

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 13, 2022
 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. Consolidated financial results for the three months ended April 30, 2022 (from February 1, 2022 to April 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended April 30, 2022	7,992	–	640	–	765	–	487	–
Three months ended April 30, 2021	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended April 30, 2022	69.32	–
Three months ended April 30, 2021	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2022	23,865	17,493	73.3
As of January 31, 2022	–	–	–

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, 2022	–	0.00	–	90.00	90.00
Year ending January 31, 2023	–	–	–	–	–
Year ending January 31, 2023 (Forecast)	–	0.00	–	45.00	45.00

3. Forecast of consolidated financial results for the year ending January 31, 2023 (from February 1, 2022 to January 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending July 31, 2022	13,820	–	410	–	550	–	300	–	42.66
Full year	30,630	–	1,540	–	1,680	–	1,000	–	142.19

4. Notes

- (1) Changes in significant subsidiaries during the three months ended April 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of April 30, 2022	7,338,452 shares	As of January 31, 2022	7,338,452 shares
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Number of treasury shares at the end of the period

As of April 30, 2022	305,136 shares	As of January 31, 2022	304,988 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, 2022	7,033,390 shares	Three months ended April 30, 2021	7,031,430 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of April 30, 2022

Assets	
Current assets	
Cash and deposits	8,936,429
Notes and accounts receivable - trade	2,063,753
Merchandise and finished goods	729,220
Work in process	615,179
Raw materials and supplies	480,338
Other	137,365
Allowance for doubtful accounts	(7,940)
Total current assets	12,954,347
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	2,513,077
Land	3,644,738
Other, net	1,663,486
Total property, plant and equipment	7,821,303
Intangible assets	
Other	107,273
Total intangible assets	107,273
Investments and other assets	
Investment securities	1,437,557
Retirement benefit asset	515,835
Other	1,028,790
Total investments and other assets	2,982,183
Total non-current assets	10,910,759
Total assets	23,865,107

(Thousands of yen)

As of April 30, 2022

Liabilities	
Current liabilities	
Notes and accounts payable - trade	861,872
Electronically recorded obligations - operating	805,551
Short-term borrowings	1,730,000
Income taxes payable	365,976
Provision for bonuses	498,194
Other	1,518,658
Total current liabilities	<u>5,780,253</u>
Non-current liabilities	
Retirement benefit liability	82,220
Other	509,613
Total non-current liabilities	<u>591,833</u>
Total liabilities	<u>6,372,087</u>
Net assets	
Shareholders' equity	
Share capital	3,737,467
Capital surplus	3,923,562
Retained earnings	10,006,680
Treasury shares	(661,569)
Total shareholders' equity	<u>17,006,141</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	422,556
Revaluation reserve for land	290,138
Remeasurements of defined benefit plans	(225,816)
Total accumulated other comprehensive income	<u>486,878</u>
Total net assets	<u>17,493,019</u>
Total liabilities and net assets	<u>23,865,107</u>

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Three months ended
	April 30, 2022
Net sales	7,992,842
Cost of sales	3,696,933
Gross profit	4,295,908
Selling, general and administrative expenses	3,655,853
Operating profit	640,055
Non-operating income	
Dividend income	1,755
Compensation income	96,389
Other	35,049
Total non-operating income	133,194
Non-operating expenses	
Interest expenses	6,422
Other	1,410
Total non-operating expenses	7,833
Ordinary profit	765,416
Extraordinary losses	
Loss on sale and retirement of non-current assets	7,121
Loss on sale of investment securities	16,697
Total extraordinary losses	23,819
Profit before income taxes	741,596
Income taxes	254,066
Profit	487,529
Profit attributable to owners of parent	487,529

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended April 30, 2022
Profit	487,529
Other comprehensive income	
Valuation difference on available-for-sale securities	2,392
Remeasurements of defined benefit plans, net of tax	8,231
Total other comprehensive income	10,623
Comprehensive income	498,153
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	498,153
Comprehensive income attributable to non-controlling interests	—