

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended October 31, 2022 (Based on Japanese GAAP)

December 6, 2022

Company name: Morozoff Limited
 Stock exchange listing: Tokyo
 Stock code: 2217 URL <https://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: December 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 nine months ended October 31, 2022 (from February 1, 2022 to October 31, 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	%
Nine months ended October 31, 2022	19,921	–	430	–	624	–	337	–
Nine months ended October 31, 2021	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended October 31, 2022	47.95	–
Nine months ended October 31, 2021	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2022	24,253	17,418	71.8
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	–	0.00	–		
Year ending January 31, 2023 (Forecast)				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
Full year	31,360	–	1,750	–	1,950	–	1,170	–	166.35

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended October 31, 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 October 31, 2022	7,088,452 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 October 31, 2022	51,482 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)

Nine months ended October 31, 2022	7,035,611 shares	Nine months ended October 31, 2021	7,032,850 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of October 31, 2022

Assets	
Current assets	
Cash and deposits	6,888,170
Notes and accounts receivable - trade	2,063,459
Merchandise and finished goods	2,499,198
Work in process	952,984
Raw materials and supplies	626,155
Other	193,788
Allowance for doubtful accounts	(7,906)
Total current assets	13,215,850
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	2,516,506
Land	3,644,738
Other, net	1,692,395
Total property, plant and equipment	7,853,640
Intangible assets	
Other	129,639
Total intangible assets	129,639
Investments and other assets	
Investment securities	1,618,057
Retirement benefit asset	549,208
Other	886,648
Total investments and other assets	3,053,914
Total non-current assets	11,037,194
Total assets	24,253,044
Liabilities	
Current liabilities	
Notes and accounts payable - trade	1,335,737
Electronically recorded obligations - operating	1,224,042
Short-term borrowings	1,650,000
Income taxes payable	60,409
Provision for bonuses	482,998
Other	1,439,662
Total current liabilities	6,192,850
Non-current liabilities	
Retirement benefit liability	82,238
Other	559,911
Total non-current liabilities	642,149
Total liabilities	6,834,999

(Thousands of yen)

As of October 31, 2022

Net assets	
Shareholders' equity	
Share capital	3,737,467
Capital surplus	3,918,352
Retained earnings	9,322,649
Treasury shares	(111,717)
Total shareholders' equity	16,866,753
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	470,506
Revaluation reserve for land	290,138
Remeasurements of defined benefit plans	(209,354)
Total accumulated other comprehensive income	551,291
Total net assets	17,418,044
Total liabilities and net assets	24,253,044

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

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Nine months ended
	October 31, 2022
Net sales	19,921,465
Cost of sales	9,356,834
Gross profit	10,564,630
Selling, general and administrative expenses	10,134,566
Operating profit	430,063
Non-operating income	
Dividend income	66,029
Compensation income	98,090
Other	52,620
Total non-operating income	216,740
Non-operating expenses	
Interest expenses	18,678
Other	3,854
Total non-operating expenses	22,533
Ordinary profit	624,271
Extraordinary losses	
Loss on sale and retirement of non-current assets	23,203
Loss on sale of investment securities	16,697
Total extraordinary losses	39,901
Profit before income taxes	584,369
Income taxes	246,982
Profit	337,386
Profit attributable to owners of parent	337,386

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended October 31, 2022
Profit	337,386
Other comprehensive income	
Valuation difference on available-for-sale securities	50,342
Remeasurements of defined benefit plans, net of tax	24,694
Total other comprehensive income	<u>75,036</u>
Comprehensive income	<u>412,423</u>
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	412,423
Comprehensive income attributable to non-controlling interests	—