

Translation

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Summary of Consolidated Financial Results for the Three Months Ended April 30, 2023 (Based on Japanese GAAP)

June 9, 2023

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: June 13, 2023
 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, 2023 (from February 1, 2023 to April 30, 2023)

(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, 2023	8,758	9.6	660	3.2	663	(13.4)	433	(11.1)
Three months ended April 30, 2022	7,992	–	640	–	765	–	487	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended April 30, 2023	61.58		–	
Three months ended April 30, 2022	69.32		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2023	25,454	18,866	74.1
As of January 31, 2023	26,595	18,580	69.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended January 31, 2023	–	0.00	–	65.00	65.00
Year ending January 31, 2024	–	–	–	–	–
Year ending January 31, 2024 (Forecast)	–	0.00	–	55.00	55.00

3. Forecast of consolidated financial results for the year ending January 31, 2024 (from February 1, 2023 to January 31, 2024)

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, 2023	14,710	1.0	440	(44.8)	530	(46.1)	310	(50.6)	44.06
Full year	32,570	0.2	1,710	(29.4)	1,800	(31.2)	1,130	(33.7)	160.60

4. Notes

- (1) Changes in significant subsidiaries during the three months ended April 30, 2023
(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: No
- 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, 2023	7,088,452 shares	As of January 31, 2023	7,088,452 shares
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Number of treasury shares at the end of the period

As of April 30, 2023	51,618 shares	As of January 31, 2023	51,604 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, 2023	7,036,841 shares	Three months ended April 30, 2022	7,033,390 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2023	As of April 30, 2023
Assets		
Current assets		
Cash and deposits	6,137,290	10,245,977
Notes and accounts receivable - trade	6,512,340	2,192,452
Securities	499,950	499,950
Merchandise and finished goods	1,917,312	615,529
Work in process	283,427	579,312
Raw materials and supplies	474,326	549,076
Other	96,783	177,408
Allowance for doubtful accounts	(1,500)	(1,000)
Total current assets	15,919,931	14,858,707
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,523,842	2,484,779
Land	3,644,738	3,644,738
Other, net	1,627,055	1,602,660
Total property, plant and equipment	7,795,636	7,732,179
Intangible assets		
Other	139,687	133,641
Total intangible assets	139,687	133,641
Investments and other assets		
Investment securities	1,607,710	1,556,597
Retirement benefit asset	253,970	268,240
Other	879,015	905,560
Total investments and other assets	2,740,696	2,730,398
Total non-current assets	10,676,019	10,596,219
Total assets	26,595,951	25,454,926

(Thousands of yen)

	As of January 31, 2023	As of April 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	884,677	950,060
Electronically recorded obligations - operating	1,993,360	952,467
Short-term borrowings	1,670,000	1,620,000
Income taxes payable	608,273	348,140
Provision for bonuses	227,180	484,098
Other	1,967,247	1,611,698
Total current liabilities	7,350,739	5,966,465
Non-current liabilities		
Retirement benefit liability	81,333	80,390
Other	583,661	541,558
Total non-current liabilities	664,995	621,949
Total liabilities	8,015,734	6,588,414
Net assets		
Shareholders' equity		
Share capital	3,737,467	3,737,467
Capital surplus	3,918,352	3,918,352
Retained earnings	10,688,523	10,864,029
Treasury shares	(112,182)	(112,231)
Total shareholders' equity	18,232,161	18,407,619
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	474,108	519,812
Revaluation reserve for land	290,138	290,138
Foreign currency translation adjustment	–	51,167
Remeasurements of defined benefit plans	(416,193)	(402,226)
Total accumulated other comprehensive income	348,054	458,892
Total net assets	18,580,216	18,866,511
Total liabilities and net assets	26,595,951	25,454,926

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	Three months ended April 30, 2023
Net sales	7,992,842	8,758,173
Cost of sales	3,696,933	4,169,655
Gross profit	4,295,908	4,588,517
Selling, general and administrative expenses	3,655,853	3,927,960
Operating profit	640,055	660,556
Non-operating income		
Dividend income	1,755	1,755
Electricity sale income	2,517	2,494
Other	128,921	5,454
Total non-operating income	133,194	9,704
Non-operating expenses		
Interest expenses	6,422	5,754
Other	1,410	1,370
Total non-operating expenses	7,833	7,125
Ordinary profit	765,416	663,135
Extraordinary income		
Gain on sale of investment securities	–	5,153
Total extraordinary income	–	5,153
Extraordinary losses		
Loss on sale and retirement of non-current assets	7,121	222
Loss on sale of investment securities	16,697	–
Total extraordinary losses	23,819	222
Profit before income taxes	741,596	668,066
Income taxes	254,066	234,732
Profit	487,529	433,333
Profit attributable to owners of parent	487,529	433,333

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended April 30, 2022	Three months ended April 30, 2023
Profit	487,529	433,333
Other comprehensive income		
Valuation difference on available-for-sale securities	2,392	45,703
Foreign currency translation adjustment	–	9,196
Remeasurements of defined benefit plans, net of tax	8,231	13,966
Total other comprehensive income	10,623	68,867
Comprehensive income	498,153	502,201
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	498,153	502,201
Comprehensive income attributable to non-controlling interests	–	–