

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended October 31, 2023 (Based on Japanese GAAP)

December 11, 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: December 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 nine months ended October 31, 2023 (from February 1, 2023 to October 31, 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	%
Nine months ended October 31, 2023	21,652	8.7	480	11.8	504	(19.1)	255	(24.4)
Nine months ended October 31, 2022	19,921	–	430	–	624	–	337	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended October 31, 2023	36.26		–	
Nine months ended October 31, 2022	47.95		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2023	25,916	18,801	72.5
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	–	0.00	–		
Year ending January 31, 2024 (Forecast)				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
Full year	33,800	4.0	1,830	(24.5)	1,830	(30.0)	1,140	(33.1)	161.98

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended October 31, 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 October 31, 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 October 31, 2023	49,428 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)

Nine months ended October 31, 2023	7,038,347 shares	Nine months ended October 31, 2022	7,035,611 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2023	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	6,137,290	7,897,263
Notes and accounts receivable - trade	6,512,340	2,203,651
Securities	499,950	499,950
Merchandise and finished goods	1,917,312	2,705,954
Work in process	283,427	1,048,263
Raw materials and supplies	474,326	590,320
Other	96,783	304,349
Allowance for doubtful accounts	(1,500)	(1,000)
Total current assets	15,919,931	15,248,751
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,523,842	2,391,356
Land	3,644,738	3,644,738
Other, net	1,627,055	1,612,983
Total property, plant and equipment	7,795,636	7,649,078
Intangible assets		
Other	139,687	200,447
Total intangible assets	139,687	200,447
Investments and other assets		
Investment securities	1,607,710	1,615,172
Retirement benefit asset	253,970	299,291
Other	879,015	903,552
Total investments and other assets	2,740,696	2,818,017
Total non-current assets	10,676,019	10,667,542
Total assets	26,595,951	25,916,294
Liabilities		
Current liabilities		
Notes and accounts payable - trade	884,677	1,460,969
Electronically recorded obligations - operating	1,993,360	1,423,878
Short-term borrowings	1,670,000	1,600,000
Income taxes payable	608,273	70,071
Provision for bonuses	227,180	415,995
Other	1,967,247	1,454,333
Total current liabilities	7,350,739	6,425,248
Non-current liabilities		
Retirement benefit liability	81,333	81,228
Other	583,661	608,569
Total non-current liabilities	664,995	689,798
Total liabilities	8,015,734	7,115,046

(Thousands of yen)

	As of January 31, 2023	As of October 31, 2023
Net assets		
Shareholders' equity		
Share capital	3,737,467	3,737,467
Capital surplus	3,918,352	3,922,552
Retained earnings	10,688,523	10,685,919
Treasury shares	(112,182)	(108,607)
Total shareholders' equity	18,232,161	18,237,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	474,108	560,462
Revaluation reserve for land	290,138	290,138
Foreign currency translation adjustment	–	87,607
Remeasurements of defined benefit plans	(416,193)	(374,293)
Total accumulated other comprehensive income	348,054	563,915
Total net assets	18,580,216	18,801,247
Total liabilities and net assets	26,595,951	25,916,294

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	Nine months ended October 31, 2023
Net sales	19,921,465	21,652,754
Cost of sales	9,356,834	10,439,267
Gross profit	10,564,630	11,213,486
Selling, general and administrative expenses	10,134,566	10,732,644
Operating profit	430,063	480,842
Non-operating income		
Dividend income	66,029	18,971
Electricity sale income	9,710	9,419
Other	141,000	16,867
Total non-operating income	216,740	45,258
Non-operating expenses		
Interest expenses	18,678	17,521
Other	3,854	3,808
Total non-operating expenses	22,533	21,330
Ordinary profit	624,271	504,770
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	23,203	12,434
Loss on sale of investment securities	16,697	–
Impairment losses	–	623
Total extraordinary losses	39,901	13,058
Profit before income taxes	584,369	496,865
Income taxes	246,982	241,641
Profit	337,386	255,223
Profit attributable to owners of parent	337,386	255,223

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended October 31, 2022	Nine months ended October 31, 2023
Profit	337,386	255,223
Other comprehensive income		
Valuation difference on available-for-sale securities	50,342	86,354
Foreign currency translation adjustment	–	45,636
Remeasurements of defined benefit plans, net of tax	24,694	41,899
Total other comprehensive income	75,036	173,890
Comprehensive income	412,423	429,113
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	412,423	429,113
Comprehensive income attributable to non-controlling interests	–	–