

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended July 31, 2024 (Based on Japanese GAAP)

September 11, 2024

Company name: Morozoff Limited  
 Stock exchange listing: Tokyo  
 Stock code: 2217 URL <https://www.morozoff.co.jp>  
 Representative: Representative Director and President Shinji Yamaguchi  
 Director and General Manager of Business Kenji Isono TEL 078-822-5000  
 Inquiries: Management Division  
 Scheduled date to file Semi-annual Securities Report: September 13, 2024  
 Scheduled date to commence dividend payments: October 4, 2024  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended July 31, 2024 (from February 1, 2024 to July 31, 2024)

#### (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	%
Six months ended July 31, 2024	16,470	4.6	727	(12.8)	748	(12.6)	486	(9.8)
Six months ended July 31, 2023	15,748	8.1	834	4.7	856	(13.0)	539	(14.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2024	70.28		-	
Six months ended July 31, 2023	76.63		-	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2024	25,715	19,756	76.8
As of January 31, 2024	27,919	19,719	70.6

### 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, 2024	-	0.00	-	98.00	98.00
Year ending January 31, 2025	-	35.00	-	-	-
Year ending January 31, 2025 (Forecast)	-	-	-	43.00	78.00

### 3. Forecast of consolidated financial results for the year ending January 31, 2025 (from February 1, 2024 to January 31, 2025)

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	35,850	2.6	2,000	(19.2)	2,020	(19.8)	1,350	(21.3)	195.13

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended July 31, 2024: No
- (2) Application of special accounting methods for preparing interim 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 July 31, 2024	7,088,452 shares	As of January 31, 2024	7,088,452 shares
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Number of treasury shares at the end of the period

As of July 31, 2024	168,507 shares	As of January 31, 2024	171,117 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2024	6,918,407 shares	Six months ended July 31, 2023	7,037,933 shares
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**Interim consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	7,130,761	7,352,030
Notes and accounts receivable - trade	6,726,775	3,381,477
Securities	499,950	799,450
Merchandise and finished goods	2,144,975	1,069,402
Work in process	338,301	1,235,697
Raw materials and supplies	497,382	582,248
Other	115,363	147,422
Allowance for doubtful accounts	(1,000)	(1,000)
Total current assets	17,452,510	14,566,729
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,310,368	2,263,222
Land	3,644,738	3,644,738
Other, net	1,642,958	1,648,884
Total property, plant and equipment	7,598,065	7,556,845
Intangible assets		
Other	191,505	221,620
Total intangible assets	191,505	221,620
Investments and other assets		
Investment securities	1,496,133	1,746,439
Retirement benefit asset	277,639	694,965
Other	903,891	931,622
Allowance for doubtful accounts	–	(2,500)
Total investments and other assets	2,677,664	3,370,527
Total non-current assets	10,467,235	11,148,992
Total assets	27,919,745	25,715,722
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,048,751	1,059,902
Electronically recorded obligations - operating	2,185,384	432,292
Short-term borrowings	1,590,000	1,590,000
Income taxes payable	553,000	188,880
Provision for bonuses	206,050	211,280
Other	1,950,561	1,642,292
Total current liabilities	7,533,747	5,124,648
Non-current liabilities		
Retirement benefit liability	80,692	79,023
Other	585,440	755,432
Total non-current liabilities	666,132	834,455
Total liabilities	8,199,880	5,959,103

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
Net assets		
Shareholders' equity		
Share capital	3,737,467	3,737,467
Capital surplus	3,922,552	3,924,810
Retained earnings	12,146,385	11,954,717
Treasury shares	(565,558)	(557,140)
Total shareholders' equity	19,240,846	19,059,855
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	486,662	657,716
Revaluation reserve for land	290,138	290,138
Foreign currency translation adjustment	86,331	100,893
Remeasurements of defined benefit plans	(384,115)	(351,985)
Total accumulated other comprehensive income	479,017	696,762
Total net assets	19,719,864	19,756,618
Total liabilities and net assets	27,919,745	25,715,722

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended July 31, 2023	Six months ended July 31, 2024
Net sales	15,748,729	16,470,565
Cost of sales	7,523,318	7,915,647
Gross profit	8,225,410	8,554,917
Selling, general and administrative expenses	7,391,212	7,827,344
Operating profit	834,197	727,572
Non-operating income		
Dividend income	17,476	16,800
Other	19,018	18,484
Total non-operating income	36,495	35,285
Non-operating expenses		
Interest expenses	11,651	11,461
Other	2,898	2,746
Total non-operating expenses	14,550	14,208
Ordinary profit	856,142	748,649
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	891	2,131
Impairment losses	623	–
Total extraordinary losses	1,514	2,131
Profit before income taxes	859,781	746,518
Income taxes	320,489	260,286
Profit	539,291	486,231
Profit attributable to owners of parent	539,291	486,231

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended July 31, 2023	Six months ended July 31, 2024
Profit	539,291	486,231
Other comprehensive income		
Valuation difference on available-for-sale securities	65,904	171,053
Foreign currency translation adjustment	29,884	14,561
Remeasurements of defined benefit plans, net of tax	27,933	32,130
Total other comprehensive income	123,722	217,745
Comprehensive income	663,014	703,976
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	663,014	703,976
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2023	Six months ended July 31, 2024
Cash flows from operating activities		
Profit before income taxes	859,781	746,518
Depreciation	346,981	372,872
Impairment losses	623	–
Increase (decrease) in provision for bonuses	(25,050)	5,230
Increase (decrease) in retirement benefit liability	244	(1,591)
Decrease (increase) in retirement benefit asset	9,962	(371,119)
Increase (decrease) in allowance for doubtful accounts	(500)	2,500
Interest expenses	11,651	11,461
Interest and dividend income	(18,613)	(19,001)
Loss (gain) on sale of investment securities	(5,153)	–
Loss (gain) on sale and retirement of non-current assets	891	2,131
Decrease (increase) in trade receivables	3,221,235	3,348,067
Decrease (increase) in inventories	376,531	176,242
Increase (decrease) in trade payables	(559,666)	(1,745,468)
Other, net	(573,166)	(480,044)
Subtotal	3,645,753	2,047,799
Interest and dividends received	18,588	18,430
Interest paid	(12,451)	(13,330)
Income taxes paid	(526,357)	(483,595)
Net cash provided by (used in) operating activities	3,125,533	1,569,303
Cash flows from investing activities		
Payments into time deposits	(490,000)	(1,490,000)
Proceeds from withdrawal of time deposits	490,000	490,000
Purchase of securities	(499,949)	(798,999)
Proceeds from sale and redemption of securities	499,976	499,981
Purchase of property, plant and equipment and intangible assets	(214,229)	(347,518)
Purchase of investment securities	(2,963)	(1,447)
Proceeds from sale and redemption of investment securities	10,809	–
Other, net	(17,880)	(26,713)
Net cash provided by (used in) investing activities	(224,237)	(1,674,696)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(70,000)	–
Repayments of lease liabilities	(7,668)	(7,990)
Net decrease (increase) in treasury shares	(1,835)	(2,858)
Dividends paid	(454,756)	(673,691)
Net cash provided by (used in) financing activities	(534,261)	(684,540)
Effect of exchange rate change on cash and cash equivalents	26,517	11,203
Net increase (decrease) in cash and cash equivalents	2,393,552	(778,730)
Cash and cash equivalents at beginning of period	5,647,290	6,640,761
Beginning balance in cash and cash equivalents resulting from newly consolidation of subsidiaries	307,512	–
Cash and cash equivalents at end of period	8,348,355	5,862,030