

Translation

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Summary of Consolidated Financial Results for the Year Ended January 31, 2025 (Based on Japanese GAAP)

March 14, 2025

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
 Inquiries: Management Division Kenji Isono TEL 078-822-5000
 Scheduled date of ordinary general meeting of shareholders: April 25, 2025
 Scheduled date to file Securities Report: April 28, 2025
 Scheduled date to commence dividend payments: April 28, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

(1) Consolidated operating results

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	%
Year ended January 31, 2025	36,017	3.1	2,058	(16.8)	2,098	(16.7)	1,414	(17.5)
Year ended January 31, 2024	34,933	7.5	2,474	2.1	2,517	(3.7)	1,715	0.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2025	68.85	—	7.2	7.8	5.7
Year ended January 31, 2024	81.55	—	9.0	9.2	7.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2025	25,591	19,483	76.1	964.01
As of January 31, 2024	27,919	19,719	70.6	950.26

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended January 31, 2025	(618)	(622)	(1,822)	3,594
Year ended January 31, 2024	2,117	(456)	(1,011)	6,640

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended January 31, 2024	—	0.00	—	98.00	98.00	677	40.1	3.6
Year ended January 31, 2025	—	35.00	—	47.00	82.00	558	39.7	2.9
Year ending January 31, 2026 (Forecast)	—	6.00	—	8.00	14.00		50.5	

3. Forecast of consolidated financial results for the year ending January 31, 2026 (from February 1, 2025 to January 31, 2026)

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, 2025	16,300	(1.0)	330	(54.6)	360	(51.9)	140	(71.2)	6.81
Full year	36,050	0.1	1,020	(50.5)	1,070	(49.0)	570	(59.7)	27.73

4. Notes

(1) Significant changes in the scope of consolidation during the year ended January 31, 2025: No

(2) 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

(3) Number of issued shares (common shares)

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

As of January 31, 2025	21,265,356 shares	As of January 31, 2024	21,265,356 shares
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Number of treasury shares at the end of the period

As of January 31, 2025	1,054,635 shares	As of January 31, 2024	513,351 shares
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Average number of shares during the period

Year ended January 31, 2025	20,551,802 shares	Year ended January 31, 2024	21,039,516 shares
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Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	7,130,761	4,594,650
Accounts receivable - trade	6,726,775	6,892,429
Securities	499,950	499,250
Merchandise and finished goods	2,144,975	2,372,148
Work in process	338,301	336,922
Raw materials and supplies	497,382	486,545
Other	115,363	112,629
Allowance for doubtful accounts	(1,000)	(1,000)
Total current assets	17,452,510	15,293,576
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,952,739	7,610,201
Accumulated depreciation	(5,642,370)	(5,621,332)
Buildings and structures, net	2,310,368	1,988,869
Machinery, equipment and vehicles	7,307,027	7,271,013
Accumulated depreciation	(6,206,545)	(6,166,214)
Machinery, equipment and vehicles, net	1,100,482	1,104,799
Tools, furniture and fixtures	2,987,153	2,779,356
Accumulated depreciation	(2,635,129)	(2,544,567)
Tools, furniture and fixtures, net	352,024	234,788
Land	3,644,738	3,644,738
Leased assets	111,871	111,871
Accumulated depreciation	(47,020)	(63,002)
Leased assets, net	64,850	48,868
Construction in progress	125,601	82,320
Total property, plant and equipment	7,598,065	7,104,385
Intangible assets		
Software	141,670	166,885
Other	49,834	52,636
Total intangible assets	191,505	219,522
Investments and other assets		
Investment securities	1,496,133	1,274,819
Retirement benefit asset	277,639	764,711
Other	903,891	936,499
Allowance for doubtful accounts	—	(2,500)
Total investments and other assets	2,677,664	2,973,529
Total non-current assets	10,467,235	10,297,437
Total assets	27,919,745	25,591,013

(Thousands of yen)

	As of January 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,048,751	955,273
Electronically recorded obligations - operating	2,185,384	529,098
Short-term borrowings	1,590,000	1,510,000
Income taxes payable	553,000	214,794
Accrued expenses	1,075,832	1,119,876
Provision for bonuses	206,050	218,570
Other	874,728	864,655
Total current liabilities	7,533,747	5,412,268
Non-current liabilities		
Deferred tax liabilities	86,959	175,038
Deferred tax liabilities for land revaluation	202,735	202,735
Retirement benefit liability	80,692	80,093
Other	295,745	237,629
Total non-current liabilities	666,132	695,497
Total liabilities	8,199,880	6,107,765
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	12,641,274
Treasury shares	(565,558)	(1,364,417)
Total shareholders' equity	19,240,846	18,939,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	486,662	461,392
Revaluation reserve for land	290,138	290,138
Foreign currency translation adjustment	86,331	107,985
Remeasurements of defined benefit plans	(384,115)	(315,404)
Total accumulated other comprehensive income	479,017	544,112
Total net assets	19,719,864	19,483,248
Total liabilities and net assets	27,919,745	25,591,013

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025
Net sales	34,933,847	36,017,735
Cost of sales	16,954,864	17,725,872
Gross profit	17,978,983	18,291,862
Selling, general and administrative expenses	15,504,590	16,233,066
Operating profit	2,474,392	2,058,795
Non-operating income		
Dividend income	32,286	30,771
Electricity sale income	11,564	11,291
Other	28,491	27,598
Total non-operating income	72,341	69,661
Non-operating expenses		
Interest expenses	23,450	23,151
Electricity sale expenses	3,524	3,523
Other	1,994	3,563
Total non-operating expenses	28,969	30,238
Ordinary profit	2,517,764	2,098,218
Extraordinary income		
Gain on sale of investment securities	157,263	424,053
Total extraordinary income	157,263	424,053
Extraordinary losses		
Loss on sale and retirement of non-current assets	13,286	13,814
Impairment losses	37,962	287,360
Dismantlement expenses	—	86,802
Other	—	125
Total extraordinary losses	51,248	388,103
Profit before income taxes	2,623,779	2,134,169
Income taxes - current	920,551	660,355
Income taxes - deferred	(12,461)	58,826
Total income taxes	908,090	719,182
Profit	1,715,689	1,414,986
Profit attributable to owners of parent	1,715,689	1,414,986

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025
Profit	1,715,689	1,414,986
Other comprehensive income		
Valuation difference on available-for-sale securities	12,553	(25,269)
Foreign currency translation adjustment	44,361	21,653
Remeasurements of defined benefit plans, net of tax	32,077	68,710
Total other comprehensive income	88,992	65,094
Comprehensive income	1,804,681	1,480,081
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,804,681	1,480,081
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended January 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,737,467	3,918,352	10,688,523	(112,182)	18,232,161
Changes during period					
Purchase of treasury shares				(459,797)	(459,797)
Disposal of treasury shares		4,199		6,421	10,620
Change in scope of consolidation			199,567		199,567
Dividends of surplus			(457,395)		(457,395)
Profit attributable to owners of parent			1,715,689		1,715,689
Net changes in items other than shareholders' equity					
Total changes during period	—	4,199	1,457,861	(453,376)	1,008,684
Balance at end of period	3,737,467	3,922,552	12,146,385	(565,558)	19,240,846

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	474,108	290,138	—	(416,193)	348,054	18,580,216
Changes during period						
Purchase of treasury shares						(459,797)
Disposal of treasury shares						10,620
Change in scope of consolidation						199,567
Dividends of surplus						(457,395)
Profit attributable to owners of parent						1,715,689
Net changes in items other than shareholders' equity	12,553	—	86,331	32,077	130,963	130,963
Total changes during period	12,553	—	86,331	32,077	130,963	1,139,648
Balance at end of period	486,662	290,138	86,331	(384,115)	479,017	19,719,864

Fiscal year ended January 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,737,467	3,922,552	12,146,385	(565,558)	19,240,846
Changes during period					
Purchase of treasury shares				(808,268)	(808,268)
Disposal of treasury shares		2,258		9,409	11,668
Dividends of surplus			(920,096)		(920,096)
Profit attributable to owners of parent			1,414,986		1,414,986
Net changes in items other than shareholders' equity					
Total changes during period	—	2,258	494,889	(798,859)	(301,710)
Balance at end of period	3,737,467	3,924,810	12,641,274	(1,364,417)	18,939,136

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	486,662	290,138	86,331	(384,115)	479,017	19,719,864
Changes during period						
Purchase of treasury shares						(808,268)
Disposal of treasury shares						11,668
Dividends of surplus						(920,096)
Profit attributable to owners of parent						1,414,986
Net changes in items other than shareholders' equity	(25,269)	—	21,653	68,710	65,094	65,094
Total changes during period	(25,269)	—	21,653	68,710	65,094	(236,615)
Balance at end of period	461,392	290,138	107,985	(315,404)	544,112	19,483,248

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,623,779	2,134,169
Depreciation	727,739	774,065
Impairment losses	37,962	287,360
Increase (decrease) in provision for bonuses	(21,130)	12,520
Increase (decrease) in retirement benefit liability	1,460	465
Decrease (increase) in retirement benefit asset	20,436	(389,158)
Increase (decrease) in allowance for doubtful accounts	(500)	2,500
Interest expenses	23,450	23,151
Interest and dividend income	(32,286)	(30,771)
Loss (gain) on sale of investment securities	(157,263)	(424,053)
Loss (gain) on sale and retirement of non-current assets	13,286	13,814
Decrease (increase) in trade receivables	(153,560)	(160,996)
Decrease (increase) in inventories	(265,559)	(215,144)
Increase (decrease) in trade payables	324,078	(1,754,122)
Increase (decrease) in accrued consumption taxes	(89,431)	51,999
Other, net	43,473	45,335
Subtotal	3,095,937	371,136
Interest and dividends received	32,236	30,152
Interest paid	(23,943)	(25,309)
Income taxes paid	(986,834)	(994,300)
Net cash provided by (used in) operating activities	2,117,394	(618,320)
Cash flows from investing activities		
Payments into time deposits	(980,000)	(2,490,000)
Proceeds from withdrawal of time deposits	980,000	1,980,000
Purchase of securities	(999,912)	(1,298,383)
Proceeds from sale and redemption of securities	999,952	1,299,563
Purchase of property, plant and equipment and intangible assets	(607,208)	(673,476)
Proceeds from sale of property, plant and equipment and intangible assets	18	—
Payments for asset retirement obligations	—	(26,536)
Purchase of investment securities	(3,984)	(41,237)
Proceeds from sale of investment securities	175,309	660,320
Loan advances	(2,400)	(15,940)
Proceeds from collection of loans receivable	1,004	3,290
Payments of leasehold and guarantee deposits	(9,399)	(11,418)
Proceeds from refund of leasehold and guarantee deposits	9,072	10,047
Other payments	(19,192)	(18,441)
Net cash provided by (used in) investing activities	(456,741)	(622,213)

	(Thousands of yen)	
	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(80,000)	(80,000)
Repayments of lease liabilities	(15,659)	(15,981)
Net decrease (increase) in treasury shares	(459,883)	(810,306)
Dividends paid	(455,739)	(916,449)
Net cash provided by (used in) financing activities	(1,011,282)	(1,822,737)
Effect of exchange rate change on cash and cash equivalents	36,587	17,161
Net increase (decrease) in cash and cash equivalents	685,958	(3,046,110)
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	6,640,761	3,594,650