

September 11, 2025

Consolidated Financial Results for the Six Months Ended July 31, 2025 (Under Japanese GAAP)

Company name: Morozoff Limited
 Listing: Tokyo Stock Exchange
 Securities code: 2217
 URL: <https://www.morozoff.co.jp>
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 Scheduled date to file semi-annual securities report: September 12, 2025
 Scheduled date to commence dividend payments: October 7, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended July 31, 2025 (from February 1, 2025 to July 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	%
Six months ended July 31, 2025	16,192	(1.7)	424	(41.7)	468	(37.4)	271	(44.2)
July 31, 2024	16,470	4.6	727	(12.8)	748	(12.6)	486	(9.8)

Note: Comprehensive income For the six months ended July 31, 2025: ¥287 million [(59.1)%]
 For the six months ended July 31, 2024: ¥703 million [6.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2025	13.43	-
July 31, 2024	23.43	-

Note: Since the stock split was conducted on February 1, 2025 at the ratio of three shares to one common share, interim net income per share is calculated assuming that the stock split occurred at the beginning of the fiscal year ending January 31, 2025.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of July 31, 2025	26,068	19,467	74.7
January 31, 2025	25,591	19,483	76.1

Reference: Equity
 As of July 31, 2025: ¥19,467 million
 As of January 31, 2025: ¥19,483 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2025	-	35.00	-	47.00	82.00
Fiscal year ending January 31, 2026	-				
Fiscal year ending January 31, 2026 (Forecast)		6.00		8.00	14.00

Note: 1. Revisions to the forecast of cash dividends most recently announced: None

2. As of February 1, 2025, we have conducted a stock split at the rate of 3 shares for 1 common share. For the fiscal year ending January 31, 2025, the actual amount of dividends before the stock split is described. For the fiscal year ending January 31, 2026 (forecast), the amount of dividends after the stock split is described.

3. Forecast of consolidated financial results for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending January 31, 2026	35,920	(0.3)	1,030	(50.0)	1,060	(49.5)	580	(59.0)	28.69

Note: Revisions to the earnings forecasts most recently announced: None

*Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

- (4) Number of issued shares (common shares)

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

As of July 31, 2025	21,265,356 shares
As of January 31, 2025	21,265,356 shares

- (ii) Number of treasury shares at the end of the period

As of July 31, 2025	1,047,484 shares
As of January 31, 2025	1,054,635 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2025	20,213,697 shares
Six months ended July 31, 2024	20,755,221 shares

Note: Since the stock split was conducted at the ratio of 3 shares to 1 common stock on February 1, 2025, the number of shares outstanding at the end of the fiscal year, the number of treasury shares at the end of the period, and the average number of shares during the period are calculated assuming that the stock split occurred at the beginning of the fiscal year ending January 31, 2025.

- * Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.
- * Proper use of earnings forecasts, and other special matters
The above earnings forecasts are based on information available as of the date of this release, and actual results may differ due to various factors in the future.
- * How to obtain supplementary financial results materials
Supplementary financial results materials will be posted on the Company's website on the same day.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of January 31, 2025	As of July 31, 2025
Assets		
Current assets		
Cash and deposits	4,594,650	6,676,638
Notes and accounts receivable - trade	6,892,429	3,445,078
Securities	499,250	-
Merchandise and finished goods	2,372,148	1,037,272
Work in process	336,922	1,588,727
Raw materials and supplies	486,545	704,824
Other	112,629	196,853
Allowance for doubtful accounts	(1,000)	(1,000)
Total current assets	15,293,576	13,648,394
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,988,869	1,925,251
Land	3,644,738	3,644,738
Other, net	1,470,777	3,384,570
Total property, plant and equipment	7,104,385	8,954,560
Intangible assets		
Other	219,522	210,417
Total intangible assets	219,522	210,417
Investments and other assets		
Investment securities	1,274,819	1,300,059
Retirement benefit asset	764,711	1,004,182
Other	936,499	950,394
Allowance for doubtful accounts	(2,500)	-
Total investments and other assets	2,973,529	3,254,637
Total non-current assets	10,297,437	12,419,616
Total assets	25,591,013	26,068,011

	As of January 31, 2025	As of July 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	955,273	1,294,310
Electronically recorded obligations - operating	529,098	420,707
Short-term borrowings	1,510,000	1,510,000
Income taxes payable	214,794	195,840
Provision for bonuses	218,570	216,910
Other	1,984,531	2,171,994
Total current liabilities	5,412,268	5,809,762
Non-current liabilities		
Retirement benefit liability	80,093	81,303
Other	615,403	709,610
Total non-current liabilities	695,497	790,913
Total liabilities	6,107,765	6,600,676
Net assets		
Shareholders' equity		
Share capital	3,737,467	3,737,467
Capital surplus	3,924,810	3,928,590
Retained earnings	12,641,274	12,596,121
Treasury shares	(1,364,417)	(1,355,245)
Total shareholders' equity	18,939,136	18,906,934
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	461,392	472,005
Revaluation reserve for land	290,138	284,238
Foreign currency translation adjustment	107,985	87,671
Remeasurements of defined benefit plans	(315,404)	(283,514)
Total accumulated other comprehensive income	544,112	560,400
Total net assets	19,483,248	19,467,335
Total liabilities and net assets	25,591,013	26,068,011

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended July 31, 2024	Six months ended July 31, 2025
Net sales	16,470,565	16,192,722
Cost of sales	7,915,647	8,041,120
Gross profit	8,554,917	8,151,602
Selling, general and administrative expenses	7,827,344	7,727,471
Operating profit	727,572	424,131
Non-operating income		
Dividend income	16,800	18,014
Gain on adjustment of accounts payable	-	15,378
Other	18,484	30,692
Total non-operating income	35,285	64,086
Non-operating expenses		
Interest expenses	11,461	12,069
Other	2,746	7,313
Total non-operating expenses	14,208	19,382
Ordinary profit	748,649	468,834
Extraordinary income		
Gain on sale of investment securities	-	21,905
Total extraordinary income	-	21,905
Extraordinary losses		
Loss on sale and retirement of non-current assets	2,131	5,989
Dismantlement expenses	-	3,980
Total extraordinary losses	2,131	9,969
Profit before income taxes	746,518	480,771
Income taxes	260,286	209,289
Profit	486,231	271,481
Profit attributable to owners of parent	486,231	271,481

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended July 31, 2024	Six months ended July 31, 2025
Profit	486,231	271,481
Other comprehensive income		
Valuation difference on available-for-sale securities	171,053	10,612
Revaluation reserve for land	-	(5,900)
Foreign currency translation adjustment	14,561	(20,314)
Remeasurements of defined benefit plans, net of tax	32,130	31,890
Total other comprehensive income	217,745	16,288
Comprehensive income	703,976	287,769
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	703,976	287,769
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended July 31, 2024	Six months ended July 31, 2025
Cash flows from operating activities		
Profit before income taxes	746,518	480,771
Depreciation	372,872	309,906
Dismantlement expenses	-	3,980
Increase (decrease) in provision for bonuses	5,230	(1,660)
Increase (decrease) in retirement benefit liability	(1,591)	1,166
Decrease (increase) in retirement benefit asset	(371,119)	(198,793)
Increase (decrease) in allowance for doubtful accounts	2,500	(2,500)
Interest expenses	11,461	12,069
Interest and dividend income	(19,001)	(20,632)
Gain on adjustment of account payable	-	(15,378)
Loss (gain) on sale of investment securities	-	(21,905)
Loss (gain) on sale and retirement of non-current assets	2,131	5,989
Decrease (increase) in trade receivables	3,348,067	3,438,485
Decrease (increase) in inventories	176,242	(6,588)
Increase (decrease) in trade payables	(1,745,468)	236,228
Other, net	(480,044)	(618,437)
Subtotal	2,047,799	3,602,699
Interest and dividends received	18,430	20,307
Interest paid	(13,330)	(13,975)
Income taxes paid	(483,595)	(138,019)
Net cash provided by (used in) operating activities	1,569,303	3,471,012
Cash flows from investing activities		
Payments into time deposits	(1,490,000)	(1,500,000)
Proceeds from withdrawal of time deposits	490,000	1,000,000
Purchase of securities	(798,999)	-
Proceeds from sale and redemption of securities	499,981	499,692
Purchase of property, plant and equipment and intangible assets	(347,518)	(1,566,409)
Purchase of investment securities	(1,447)	(2,052)
Proceeds from sale and redemption of investment securities	-	24,317
Other, net	(26,713)	(5,390)
Net cash provided by (used in) investing activities	(1,674,696)	(1,549,843)
Cash flows from financing activities		
Repayments of lease liabilities	(7,990)	(7,990)
Net decrease (increase) in treasury shares	(2,858)	(396)
Dividends paid	(673,691)	(315,419)
Net cash provided by (used in) financing activities	(684,540)	(323,807)
Effect of exchange rate change on cash and cash equivalents	11,203	(15,373)
Net increase (decrease) in cash and cash equivalents	(778,730)	1,581,987
Cash and cash equivalents at beginning of period	6,640,761	3,594,650
Cash and cash equivalents at end of period	5,862,030	5,176,638