

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 10, 2022

Company name: Moriroku Holdings Company, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4249 URL <http://www.moriroku.co.jp/>
 Representative: President and CEO Takashi Kurita
 Inquiries: General Manager of Corporate Communications & IR Division Naotake Sato TEL 03(3403)6102
 Scheduled date to file Quarterly Securities Report: February 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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 December 31, 2021 (from April 1, 2021 to December 31, 2021)

(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 December 31, 2021	95,608	–	1,511	(63.1)	1,782	(48.9)	2,540	246.1
Nine months ended December 31, 2020	112,164	(12.4)	4,093	15.0	3,491	(3.2)	734	(64.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	153.45		–	
Nine months ended December 31, 2020	44.30		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	134,097	70,432	51.5
As of March 31, 2021	132,887	70,136	51.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	20.00	–	30.00	50.00
Year ending March 31, 2022	–	47.00	–		
Year ending March 31, 2022 (Forecast)				47.00	94.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	136,000	–	3,000	(47.1)	3,200	(42.8)	5,200	–	313.79

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(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: Yes
- (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: Yes
- 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 December 31, 2021	16,960,000 shares	As of March 31, 2021	16,960,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	622,476 shares	As of March 31, 2021	388,628 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	16,557,400 shares	Nine months ended December 31, 2020	16,570,161 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	17,947	17,463
Notes and accounts receivable - trade	32,428	33,250
Merchandise and finished goods	6,104	7,622
Work in process	3,184	4,269
Raw materials and supplies	4,115	5,692
Other	3,592	4,663
Allowance for doubtful accounts	(12)	(15)
Total current assets	67,360	72,948
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,417	19,096
Machinery, equipment and vehicles, net	10,265	9,684
Tools, furniture and fixtures, net	5,637	5,341
Land	5,132	4,966
Leased assets, net	107	90
Construction in progress	3,247	4,035
Total property, plant and equipment	43,807	43,214
Intangible assets	1,003	961
Investments and other assets		
Investment securities	18,254	14,294
Long-term loans receivable	256	254
Retirement benefit asset	371	431
Deferred tax assets	1,240	1,285
Other	594	721
Allowance for doubtful accounts	(1)	(14)
Total investments and other assets	20,715	16,972
Total non-current assets	65,527	61,148
Total assets	132,887	134,097

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,052	22,319
Electronically recorded obligations - operating	2,300	3,420
Short-term borrowings	17,298	18,040
Current portion of long-term borrowings	1,514	1,760
Lease obligations	228	257
Income taxes payable	854	1,372
Other	7,800	6,671
Total current liabilities	51,049	53,843
Non-current liabilities		
Long-term borrowings	4,638	4,094
Lease obligations	604	499
Deferred tax liabilities	5,279	4,120
Retirement benefit liability	385	397
Asset retirement obligations	169	169
Other	625	539
Total non-current liabilities	11,701	9,821
Total liabilities	62,750	63,664
Net assets		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	4,782	4,782
Retained earnings	53,638	54,903
Treasury shares	(237)	(663)
Total shareholders' equity	59,824	60,663
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,523	6,163
Foreign currency translation adjustment	(90)	1,691
Remeasurements of defined benefit plans	250	214
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	305	322
Total accumulated other comprehensive income	8,989	8,392
Non-controlling interests	1,322	1,376
Total net assets	70,136	70,432
Total liabilities and net assets	132,887	134,097

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	112,164	95,608
Cost of sales	98,216	81,804
Gross profit	13,948	13,804
Selling, general and administrative expenses	9,855	12,292
Operating profit	4,093	1,511
Non-operating income		
Interest income	96	86
Dividend income	330	399
Foreign exchange gains	–	8
Other	150	157
Total non-operating income	576	652
Non-operating expenses		
Interest expenses	333	304
Share of loss of entities accounted for using equity method	26	3
Foreign exchange losses	752	–
Other	66	72
Total non-operating expenses	1,178	380
Ordinary profit	3,491	1,782
Extraordinary income		
Gain on sale of non-current assets	23	63
Gain on sale of investment securities	1,034	3,465
Subsidy income	190	40
Total extraordinary income	1,248	3,569
Extraordinary losses		
Loss on sale of non-current assets	5	15
Loss on retirement of non-current assets	6	67
Impairment losses	428	–
Loss due to new corona virus infection	2,225	–
Total extraordinary losses	2,666	83
Profit before income taxes	2,073	5,268
Income taxes	1,279	2,643
Profit	793	2,625
Profit attributable to non-controlling interests	59	84
Profit attributable to owners of parent	734	2,540

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	793	2,625
Other comprehensive income		
Valuation difference on available-for-sale securities	2,588	(2,360)
Foreign currency translation adjustment	(558)	1,785
Remeasurements of defined benefit plans, net of tax	(7)	(35)
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	(1)	17
Share of other comprehensive income of entities accounted for using equity method	0	(3)
Total other comprehensive income	2,021	(597)
Comprehensive income	2,814	2,028
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,755	1,944
Comprehensive income attributable to non-controlling interests	59	84