

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

Company name: Moriroku Holdings Company, Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4249 URL <https://www.moriroku.co.jp/>  
 Representative: President and CEO Takashi Kurita  
 General Manager of Corporate Communications & IR Division Naotake Sato TEL 03(3403)6102  
 Inquiries: Naotake Sato  
 Scheduled date of ordinary general meeting of shareholders: June 16, 2022  
 Scheduled date to file Securities Report: June 16, 2022  
 Scheduled date to commence dividend payments: June 1, 2022  
 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 March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (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 March 31, 2022	128,842	–	2,846	(49.8)	2,965	(47.0)	4,259	–
Year ended March 31, 2021	155,460	(9.0)	5,672	3.2	5,595	(1.3)	375	(89.3)

Note: Comprehensive income Year ended March 31, 2022 ¥4,350 million [(8.0)%]  
 Year ended March 31, 2021 ¥4,729 million [626.3%]

	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 March 31, 2022	258.92	–	6.1	2.2	2.2
Year ended March 31, 2021	22.68	–	0.6	4.4	3.6

Reference: Share of profit (loss) of entities accounted for using equity method

Year ended March 31, 2022 ¥(17) million

Year ended March 31, 2021 ¥(20) million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” and relevant ASBJ regulations from the beginning of the current fiscal year, and net sales for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Therefore, the percentage of year-on-year change is not shown.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	137,125	72,067	51.6	4,423.86
As of March 31, 2021	132,887	70,136	51.8	4,152.57

Reference: Equity As of March 31, 2022 ¥70,690 million

As of March 31, 2021 ¥68,813 million

#### (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 March 31, 2022	3,434	(1,140)	(2,824)	18,358
Year ended March 31, 2021	9,693	(5,260)	1,633	17,933

## 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 March 31, 2021	–	20.00	–	30.00	50.00	828	220.5	1.2
Year ended March 31, 2022	–	47.00	–	47.00	94.00	1,529	36.3	2.2
Year ending March 31, 2023 (Forecast)	–	47.00	–	53.00	100.00		31.8	

Note: Breakdown of fiscal year-end dividends for the fiscal year ending March 31, 2023 (forecast):

Ordinary dividend of ¥47.00, and commemorative dividend of ¥6.00 (360th anniversary commemorative dividend)

## 3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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 September 30, 2022	71,000	12.7	2,500	162.3	2,500	116.4	1,360	(43.8)	85.53
Full year	153,000	18.7	9,000	216.2	9,000	203.5	5,000	17.4	314.47

## 4. Notes

### (1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): 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: Yes

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 March 31, 2022	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 March 31, 2022	980,719 shares	As of March 31, 2021	388,628 shares
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Average number of shares during the period

Year ended March 31, 2022	16,449,433 shares	Year ended March 31, 2021	16,570,460 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	2,771	16.0	1,357	26.3	1,704	25.7	5,022	112.6
Year ended March 31, 2021	2,389	(14.4)	1,074	(23.7)	1,356	(21.2)	2,362	30.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2022	305.34		-	
Year ended March 31, 2021	142.60		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2022	38,172		30,739		80.5		1,923.72	
As of March 31, 2021	43,755		31,779		72.6		1,917.75	

Reference: Equity      As of March 31, 2022      ¥30,739 million  
                                  As of March 31, 2021      ¥31,779 million

<Reasons for differences between non-consolidated financial results for fiscal year ended March 31, 2022 and the previous fiscal year>

In the current fiscal year, both operating profit and ordinary profit increased due to an increase in operating revenue resulting from an increase in dividends from affiliated companies. In addition, profit also increased due to the recording of a gain on sale of cross-shareholdings as extraordinary income to improve asset efficiency and strengthen the Company's financial structure, resulting in a difference between the actual results for the previous fiscal year and the current fiscal year.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	17,947	18,373
Notes and accounts receivable - trade	31,369	–
Notes receivable - trade	–	1,274
Accounts receivable - trade	–	32,115
Electronically recorded monetary claims - operating	1,059	1,388
Merchandise and finished goods	6,104	7,762
Work in process	3,184	4,742
Raw materials and supplies	4,115	5,996
Other	3,592	5,419
Allowance for doubtful accounts	(12)	(13)
Total current assets	67,360	77,058
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,417	19,459
Machinery, equipment and vehicles, net	10,265	10,315
Tools, furniture and fixtures, net	5,637	5,566
Land	5,132	5,044
Leased assets, net	107	99
Construction in progress	3,247	4,133
Total property, plant and equipment	43,807	44,619
Intangible assets	1,003	981
Investments and other assets		
Investment securities	18,254	11,868
Long-term loans receivable	256	257
Retirement benefit asset	371	534
Deferred tax assets	1,240	1,158
Other	594	662
Allowance for doubtful accounts	(1)	(15)
Total investments and other assets	20,715	14,465
Total non-current assets	65,527	60,066
Total assets	132,887	137,125

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	21,052	21,801
Electronically recorded obligations - operating	2,300	2,853
Short-term borrowings	17,298	21,236
Current portion of long-term borrowings	1,514	1,307
Lease liabilities	228	255
Income taxes payable	854	1,663
Other	7,800	6,842
<b>Total current liabilities</b>	<b>51,049</b>	<b>55,961</b>
<b>Non-current liabilities</b>		
Long-term borrowings	4,638	3,510
Lease liabilities	604	478
Deferred tax liabilities	5,279	3,963
Retirement benefit liability	385	402
Asset retirement obligations	169	173
Other	625	566
<b>Total non-current liabilities</b>	<b>11,701</b>	<b>9,095</b>
<b>Total liabilities</b>	<b>62,750</b>	<b>65,057</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,640	1,640
Capital surplus	4,782	4,782
Retained earnings	53,638	56,622
Treasury shares	(237)	(1,350)
<b>Total shareholders' equity</b>	<b>59,824</b>	<b>61,694</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8,523	4,869
Foreign currency translation adjustment	(90)	3,584
Remeasurements of defined benefit plans	250	264
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	305	277
<b>Total accumulated other comprehensive income</b>	<b>8,989</b>	<b>8,995</b>
<b>Non-controlling interests</b>	<b>1,322</b>	<b>1,377</b>
<b>Total net assets</b>	<b>70,136</b>	<b>72,067</b>
<b>Total liabilities and net assets</b>	<b>132,887</b>	<b>137,125</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	155,460	128,842
Cost of sales	136,092	109,541
Gross profit	19,367	19,300
Selling, general and administrative expenses		
Salaries and bonuses	4,028	4,774
Freightage and warehousing expenses	2,781	3,832
Retirement benefit expenses	182	161
Provision of allowance for doubtful accounts	(11)	21
Research and development expenses	2,178	2,128
Other	4,534	5,536
Total selling, general and administrative expenses	13,694	16,454
Operating profit	5,672	2,846
Non-operating income		
Interest income	114	121
Dividend income	379	420
Other	194	189
Total non-operating income	689	732
Non-operating expenses		
Interest expenses	431	416
Share of loss of entities accounted for using equity method	20	17
Foreign exchange losses	217	1
Other	97	176
Total non-operating expenses	766	613
Ordinary profit	5,595	2,965
Extraordinary income		
Gain on sale of non-current assets	473	66
Gain on sale of investment securities	1,108	4,864
Subsidy income	296	109
Total extraordinary income	1,878	5,040
Extraordinary losses		
Loss on sale of non-current assets	6	13
Loss on retirement of non-current assets	14	76
Loss on sale of investment securities	0	–
Loss on valuation of investment securities	6	–
Impairment losses	2,593	–
Loss due to new corona virus infection	2,258	–
Total extraordinary losses	4,878	90
Profit before income taxes	2,596	7,915
Income taxes - current	2,714	3,137
Income taxes - deferred	(596)	434
Total income taxes	2,117	3,571
Profit	478	4,343
Profit attributable to non-controlling interests	102	84
Profit attributable to owners of parent	375	4,259

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	478	4,343
Other comprehensive income		
Valuation difference on available-for-sale securities	3,132	(3,654)
Foreign currency translation adjustment	796	3,680
Remeasurements of defined benefit plans, net of tax	320	13
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	1	(27)
Share of other comprehensive income of entities accounted for using equity method	1	(4)
Total other comprehensive income	4,250	6
Comprehensive income	4,729	4,350
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,623	4,265
Comprehensive income attributable to non-controlling interests	105	85

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,640	4,779	54,307	(239)	60,487
Changes during period					
Dividends of surplus			(1,043)		(1,043)
Profit attributable to owners of parent			375		375
Restricted Stock Awards		3		1	4
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	3	(668)	1	(663)
Balance at end of period	1,640	4,782	53,638	(237)	59,824

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	Total accumulated other comprehensive income		
Balance at beginning of period	5,393	(887)	(69)	304	4,741	1,238	66,467
Changes during period							
Dividends of surplus							(1,043)
Profit attributable to owners of parent							375
Restricted Stock Awards							4
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	3,129	796	320	1	4,247	84	4,332
Total changes during period	3,129	796	320	1	4,247	84	3,668
Balance at end of period	8,523	(90)	250	305	8,989	1,322	70,136



Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,640	4,782	53,638	(237)	59,824
Changes during period					
Dividends of surplus			(1,275)		(1,275)
Profit attributable to owners of parent			4,259		4,259
Restricted Stock Awards					–
Purchase of treasury shares				(1,113)	(1,113)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,983	(1,113)	1,869
Balance at end of period	1,640	4,782	56,622	(1,350)	61,694

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	Total accumulated other comprehensive income		
Balance at beginning of period	8,523	(90)	250	305	8,989	1,322	70,136
Changes during period							
Dividends of surplus							(1,275)
Profit attributable to owners of parent							4,259
Restricted Stock Awards							–
Purchase of treasury shares							(1,113)
Net changes in items other than shareholders' equity	(3,654)	3,674	13	(27)	6	54	60
Total changes during period	(3,654)	3,674	13	(27)	6	54	1,930
Balance at end of period	4,869	3,584	264	277	8,995	1,377	72,067

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,596	7,915
Depreciation	7,085	7,916
Impairment losses	2,593	–
Loss (gain) on sale of non-current assets	(467)	(52)
Loss on retirement of non-current assets	14	76
Loss (gain) on sale of investment securities	(1,108)	(4,864)
Loss (gain) on valuation of investment securities	6	–
Increase (decrease) in allowance for doubtful accounts	(25)	15
Increase (decrease) in net defined benefit asset and liability	(94)	(151)
Interest and dividend income	(494)	(542)
Subsidy income	(296)	(109)
Interest expenses	431	416
Share of loss (profit) of entities accounted for using equity method	20	17
Loss due to new corona virus infection	2,258	–
Decrease (increase) in trade receivables	(827)	(588)
Decrease (increase) in inventories	(1,692)	(2,847)
Increase (decrease) in trade payables	1,092	219
Other, net	1,930	(1,546)
Subtotal	13,021	5,875
Interest and dividends received	483	551
Interest paid	(463)	(381)
Payment due to new corona virus infection	(1,541)	–
Income taxes paid	(1,806)	(2,611)
Net cash provided by (used in) operating activities	9,693	3,434
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	13	–
Purchase of property, plant and equipment	(7,382)	(7,343)
Proceeds from sale of property, plant and equipment	532	281
Purchase of intangible assets	(85)	(62)
Purchase of investment securities	(168)	(138)
Proceeds from sale of investment securities	1,641	6,125
Subsidies received	191	–
Other, net	(2)	(2)
Net cash provided by (used in) investing activities	(5,260)	(1,140)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,408	2,466
Proceeds from long-term borrowings	1,195	219
Repayments of long-term borrowings	(2,630)	(1,945)
Purchase of treasury shares	(0)	(2,019)
Dividends paid	(1,043)	(1,275)
Dividends paid to non-controlling interests	(21)	(30)
Repayments of lease liabilities	(275)	(238)
Net cash provided by (used in) financing activities	1,633	(2,824)
Effect of exchange rate change on cash and cash equivalents	213	956
Net increase (decrease) in cash and cash equivalents	6,279	425
Cash and cash equivalents at beginning of period	11,653	17,933
Cash and cash equivalents at end of period	17,933	18,358