

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

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
 Inquiries: Executive Officer, Accounting and IR Muga Koiwai TEL 03(3403)6102
 Scheduled date to file Quarterly Securities Report: February 10, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	108,247	13.2	1,185	(21.6)	1,361	(23.7)	(585)	–
Nine months ended December 31, 2021	95,608	–	1,511	(63.1)	1,782	(48.9)	2,540	246.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	(37.34)	–
Nine months ended December 31, 2021	153.45	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	132,508	70,770	52.4
As of March 31, 2022	137,125	72,067	51.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	47.00	–	47.00	94.00
Year ending March 31, 2023	–	47.00	–		
Year ending March 31, 2023 (Forecast)				53.00	100.00

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
Full year	141,000	9.4	500	(82.4)	800	(73.0)	500	(88.3)	32.07

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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: 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 December 31, 2022	16,960,000 shares	As of March 31, 2022	16,960,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,566,819 shares	As of March 31, 2022	980,719 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, 2022	15,683,240 shares	Nine months ended December 31, 2021	16,557,400 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	18,373	16,660
Notes and accounts receivable - trade	33,389	31,779
Electronically recorded monetary claims - operating	1,388	1,684
Merchandise and finished goods	7,762	6,766
Work in process	4,742	2,513
Raw materials and supplies	5,996	5,750
Other	5,419	7,026
Allowance for doubtful accounts	(13)	(14)
Total current assets	77,058	72,166
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,459	19,232
Machinery, equipment and vehicles, net	10,315	10,996
Tools, furniture and fixtures, net	5,566	6,196
Land	5,044	5,016
Leased assets, net	99	236
Construction in progress	4,133	4,467
Total property, plant and equipment	44,619	46,145
Intangible assets	981	1,003
Investments and other assets		
Investment securities	11,868	10,612
Long-term loans receivable	257	248
Retirement benefit asset	534	607
Deferred tax assets	1,158	1,215
Other	662	525
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	14,465	13,193
Total non-current assets	60,066	60,342
Total assets	137,125	132,508

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,801	21,066
Electronically recorded obligations - operating	2,853	3,421
Short-term borrowings	21,236	19,275
Current portion of long-term borrowings	1,307	1,781
Lease liabilities	255	197
Income taxes payable	1,663	555
Other	6,842	6,746
Total current liabilities	55,961	53,044
Non-current liabilities		
Long-term borrowings	3,510	3,565
Lease liabilities	478	481
Deferred tax liabilities	3,963	3,487
Retirement benefit liability	402	403
Asset retirement obligations	173	173
Other	566	582
Total non-current liabilities	9,095	8,693
Total liabilities	65,057	61,737
Net assets		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	4,782	4,797
Retained earnings	56,622	54,553
Treasury shares	(1,350)	(2,355)
Total shareholders' equity	61,694	58,635
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,869	3,749
Foreign currency translation adjustment	3,584	6,513
Remeasurements of defined benefit plans	264	224
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	277	319
Total accumulated other comprehensive income	8,995	10,806
Non-controlling interests	1,377	1,327
Total net assets	72,067	70,770
Total liabilities and net assets	137,125	132,508

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, 2021	Nine months ended December 31, 2022
Net sales	95,608	108,247
Cost of sales	81,804	93,662
Gross profit	13,804	14,584
Selling, general and administrative expenses	12,292	13,399
Operating profit	1,511	1,185
Non-operating income		
Interest income	86	95
Dividend income	399	330
Foreign exchange gains	8	288
Other	157	171
Total non-operating income	652	886
Non-operating expenses		
Interest expenses	304	615
Share of loss of entities accounted for using equity method	3	10
Other	72	84
Total non-operating expenses	380	710
Ordinary profit	1,782	1,361
Extraordinary income		
Gain on sale of non-current assets	63	211
Gain on sale of investment securities	3,465	483
Subsidy income	40	110
Total extraordinary income	3,569	805
Extraordinary losses		
Loss on sale of non-current assets	15	26
Loss on retirement of non-current assets	67	14
Impairment losses	-	947
Total extraordinary losses	83	988
Profit before income taxes	5,268	1,178
Income taxes	2,643	1,689
Profit (loss)	2,625	(511)
Profit attributable to non-controlling interests	84	73
Profit (loss) attributable to owners of parent	2,540	(585)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit (loss)	2,625	(511)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,360)	(1,117)
Foreign currency translation adjustment	1,785	2,946
Remeasurements of defined benefit plans, net of tax	(35)	(39)
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	17	41
Share of other comprehensive income of entities accounted for using equity method	(3)	(16)
Total other comprehensive income	(597)	1,813
Comprehensive income	2,028	1,302
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,944	1,225
Comprehensive income attributable to non-controlling interests	84	76