

**Translation**

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 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 of ordinary general meeting of shareholders: June 22, 2023  
 Scheduled date to file Securities Report: June 22, 2023  
 Scheduled date to commence dividend payments: June 8, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	142,019	10.2	1,335	(53.1)	1,596	(46.2)	1,346	(68.4)
Year ended March 31, 2022	128,842	–	2,846	(49.8)	2,965	(47.0)	4,259	–

Note: Comprehensive income Year ended March 31, 2023 ¥1,485 million [(65.9)%]  
 Year ended March 31, 2022 ¥4,350 million [(8.0)%]

	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, 2023	86.34	–	1.9	1.2	0.9
Year ended March 31, 2022	258.92	–	6.1	2.2	2.2

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

Year ended March 31, 2023 ¥(15) million  
 Year ended March 31, 2022 ¥(17) million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, 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, 2023	131,797	70,683	52.6	4,548.62
As of March 31, 2022	137,125	72,067	51.6	4,423.86

Reference: Equity As of March 31, 2023 ¥69,326 million  
 As of March 31, 2022 ¥70,690 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, 2023	9,495	(5,311)	(5,310)	17,658
Year ended March 31, 2022	3,434	(1,140)	(2,824)	18,358

## 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, 2022	–	47.00	–	47.00	94.00	1,529	36.3	2.2
Year ended March 31, 2023	–	47.00	–	53.00	100.00	1,539	115.8	2.2
Year ending March 31, 2024 (Forecast)	–	50.00	–	50.00	100.00		79.4	

Note: Breakdown of fiscal year-end dividends for the fiscal year ended March 31, 2023:

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, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	58,500	(15.7)	500	–	110	(66.7)	(330)	–	(21.86)
Full year	130,000	(8.5)	3,500	162.0	2,900	81.7	1,900	41.1	126.51

## 4. Notes

### (1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: 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 March 31, 2023	16,960,000 shares	As of March 31, 2022	16,960,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2023	1,718,719 shares	As of March 31, 2022	980,719 shares
----------------------	------------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2023	15,591,177 shares	Year ended March 31, 2022	16,449,433 shares
---------------------------	-------------------	---------------------------	-------------------

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	2,718	(1.9)	1,153	(15.0)	1,393	(18.2)	3,145	(37.4)
Year ended March 31, 2022	2,771	16.0	1,357	26.3	1,704	25.7	5,022	112.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2023	201.76	—
Year ended March 31, 2022	305.34	—

(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, 2023	33,169	29,234	88.1	1,918.09
As of March 31, 2022	38,172	30,739	80.5	1,923.72

Reference: Equity      As of March 31, 2023      ¥29,234 million  
    As of March 31, 2022      ¥30,739 million

<Reasons for differences between non-consolidated financial results for fiscal year ended March 31, 2023 and the previous fiscal year>

In the fiscal year ended March 31, 2023, operating profit was lower year on year due to the grant of a special 360th anniversary contribution of the Company's shares to the employees who are members of the Employees Stock Ownership Association with the aim of encouraging employees' awareness of participating in the operation of the Company and increasing their motivation toward the Company's shareholder value over the medium and long term. Ordinary profit was lower year on year due to reduced dividend income due as the result of efforts to reduce cross-shareholdings aimed at improving asset efficiency and strengthening the financial structure, and profit was lower year on year due to the substantial impact from the gain on sale of investment securities recorded in the fiscal year ended March 31, 2022, despite recording gain on sale of investment securities in the current fiscal year. Due to the aforementioned reasons, a difference has arisen between the actual results of the fiscal year ended March 31, 2022 and the actual results of the fiscal year ended March 31, 2023.

\* 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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	18,373	18,245
Notes receivable - trade	1,274	1,238
Accounts receivable - trade	32,115	31,788
Electronically recorded monetary claims - operating	1,388	1,506
Merchandise and finished goods	7,762	6,847
Work in process	4,742	2,341
Raw materials and supplies	5,996	4,894
Other	5,419	6,829
Allowance for doubtful accounts	(13)	(13)
Total current assets	77,058	73,679
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,459	18,998
Machinery, equipment and vehicles, net	10,315	11,057
Tools, furniture and fixtures, net	5,566	5,911
Land	5,044	5,102
Leased assets, net	99	282
Construction in progress	4,133	4,797
Total property, plant and equipment	44,619	46,148
Intangible assets	981	948
Investments and other assets		
Investment securities	11,868	8,477
Long-term loans receivable	257	269
Retirement benefit asset	534	622
Deferred tax assets	1,158	1,170
Other	662	497
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	14,465	11,021
Total non-current assets	60,066	58,117
Total assets	137,125	131,797

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,801	19,543
Electronically recorded obligations - operating	2,853	2,469
Short-term borrowings	21,236	21,451
Current portion of long-term borrowings	1,307	1,710
Lease liabilities	255	249
Income taxes payable	1,663	510
Other	6,842	7,567
Total current liabilities	55,961	53,502
Non-current liabilities		
Long-term borrowings	3,510	2,757
Lease liabilities	478	407
Deferred tax liabilities	3,963	3,210
Retirement benefit liability	402	387
Asset retirement obligations	173	173
Other	566	673
Total non-current liabilities	9,095	7,611
<b>Total liabilities</b>	<b>65,057</b>	<b>61,114</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	4,782	4,797
Retained earnings	56,622	56,484
Treasury shares	(1,350)	(2,626)
Total shareholders' equity	61,694	60,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,869	2,987
Deferred gains or losses on hedges	–	(1)
Foreign currency translation adjustment	3,584	5,617
Remeasurements of defined benefit plans	264	216
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	277	209
Total accumulated other comprehensive income	8,995	9,030
Non-controlling interests	1,377	1,356
<b>Total net assets</b>	<b>72,067</b>	<b>70,683</b>
<b>Total liabilities and net assets</b>	<b>137,125</b>	<b>131,797</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	128,842	142,019
Cost of sales	109,541	123,018
Gross profit	19,300	19,000
Selling, general and administrative expenses		
Salaries and bonuses	4,774	4,947
Freightage and warehousing expenses	3,832	3,665
Retirement benefit expenses	161	141
Provision of allowance for doubtful accounts	21	(0)
Research and development expenses	2,128	2,455
Other	5,536	6,455
Total selling, general and administrative expenses	16,454	17,664
Operating profit	2,846	1,335
Non-operating income		
Interest income	121	149
Dividend income	420	347
Foreign exchange gains	–	572
Other	189	372
Total non-operating income	732	1,442
Non-operating expenses		
Interest expenses	416	937
Share of loss of entities accounted for using equity method	17	15
Foreign exchange losses	1	–
Other	176	229
Total non-operating expenses	613	1,182
Ordinary profit	2,965	1,596
Extraordinary income		
Gain on sale of non-current assets	66	249
Gain on sale of investment securities	4,864	2,511
Subsidy income	109	141
Total extraordinary income	5,040	2,902
Extraordinary losses		
Loss on sale of non-current assets	13	42
Loss on retirement of non-current assets	76	25
Loss on tax purpose reduction entry of non-current assets	–	33
Loss on sale of investment securities	–	10
Impairment losses	–	978
Total extraordinary losses	90	1,090
Profit before income taxes	7,915	3,407
Income taxes - current	3,137	1,832
Income taxes - deferred	434	126
Total income taxes	3,571	1,959
Profit	4,343	1,448
Profit attributable to non-controlling interests	84	102
Profit attributable to owners of parent	4,259	1,346

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	4,343	1,448
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,654)	(1,878)
Deferred gains or losses on hedges	–	(1)
Foreign currency translation adjustment	3,680	2,029
Remeasurements of defined benefit plans, net of tax	13	(47)
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	(27)	(68)
Share of other comprehensive income of entities accounted for using equity method	(4)	4
Total other comprehensive income	6	37
Comprehensive income	4,350	1,485
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,265	1,380
Comprehensive income attributable to non-controlling interests	85	104

## Consolidated statements of changes in equity

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	Deferred gains or losses on hedges	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



Fiscal year ended March 31, 2023

(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	56,622	(1,350)	61,694
Changes during period					
Dividends of surplus			(1,483)		(1,483)
Profit attributable to owners of parent			1,346		1,346
Restricted Stock Awards		15		69	84
Purchase of treasury shares				(1,345)	(1,345)
Net changes in items other than shareholders' equity					
Total changes during period	-	15	(137)	(1,275)	(1,397)
Balance at end of period	1,640	4,797	56,484	(2,626)	60,296

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	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	4,869	-	3,584	264	277	8,995	1,377	72,067
Changes during period								
Dividends of surplus								(1,483)
Profit attributable to owners of parent								1,346
Restricted Stock Awards								84
Purchase of treasury shares								(1,345)
Net changes in items other than shareholders' equity	(1,881)	(1)	2,033	(47)	(68)	34	(21)	13
Total changes during period	(1,881)	(1)	2,033	(47)	(68)	34	(21)	(1,384)
Balance at end of period	2,987	(1)	5,617	216	209	9,030	1,356	70,683

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,915	3,407
Depreciation	7,916	8,320
Impairment losses	–	978
Loss (gain) on sale of non-current assets	(52)	(206)
Loss on retirement of non-current assets	76	25
Loss on tax purpose reduction entry of non-current assets	–	33
Loss (gain) on sale of investment securities	(4,864)	(2,501)
Increase (decrease) in allowance for doubtful accounts	15	(0)
Increase (decrease) in net defined benefit asset and liability	(151)	(175)
Interest and dividend income	(542)	(497)
Subsidy income	(109)	(141)
Interest expenses	416	937
Share of loss (profit) of entities accounted for using equity method	17	15
Decrease (increase) in trade receivables	(588)	1,346
Decrease (increase) in inventories	(2,847)	5,502
Increase (decrease) in trade payables	219	(3,279)
Other, net	(1,546)	(141)
Subtotal	5,875	13,624
Interest and dividends received	551	477
Interest paid	(381)	(923)
Income taxes paid	(2,611)	(3,682)
Net cash provided by (used in) operating activities	3,434	9,495
Cash flows from investing activities		
Payments into time deposits	–	(585)
Purchase of property, plant and equipment	(7,343)	(8,103)
Proceeds from sale of property, plant and equipment	281	262
Purchase of intangible assets	(62)	(69)
Purchase of investment securities	(138)	(662)
Proceeds from sale of investment securities	6,125	3,847
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	–	(108)
Subsidies received	–	93
Other, net	(2)	15
Net cash provided by (used in) investing activities	(1,140)	(5,311)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,466	(1,550)
Proceeds from long-term borrowings	219	948
Repayments of long-term borrowings	(1,945)	(1,815)
Purchase of treasury shares, etc.	(2,019)	(997)
Dividends paid	(1,275)	(1,483)
Dividends paid to non-controlling interests	(30)	(126)
Repayments of lease liabilities	(238)	(286)
Net cash provided by (used in) financing activities	(2,824)	(5,310)
Effect of exchange rate change on cash and cash equivalents	956	425
Net increase (decrease) in cash and cash equivalents	425	(699)
Cash and cash equivalents at beginning of period	17,933	18,358
Cash and cash equivalents at end of period	18,358	17,658