

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 Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 9, 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: August 9, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	32,526	(4.5)	173	(49.5)	581	(18.0)	414	–
Three months ended June 30, 2022	34,054	3.9	342	(66.0)	708	(30.6)	(23)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	27.29		–	
Three months ended June 30, 2022	(1.46)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	135,648	72,410	52.5
As of March 31, 2023	131,797	70,683	52.6

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, 2023	–	47.00	–	53.00	100.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	50.00	–	50.00	100.00

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 three months ended June 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 June 30, 2023	16,960,000 shares	As of March 31, 2023	16,960,000 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2023	1,832,019 shares	As of March 31, 2023	1,718,719 shares
---------------------	------------------	----------------------	------------------

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

Three months ended June 30, 2023	15,184,369 shares	Three months ended June 30, 2022	15,872,950 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	18,245	18,339
Notes and accounts receivable - trade	33,027	32,834
Electronically recorded monetary claims - operating	1,506	1,597
Merchandise and finished goods	6,847	6,938
Work in process	2,341	2,706
Raw materials and supplies	4,894	4,688
Other	6,829	6,511
Allowance for doubtful accounts	(13)	(12)
Total current assets	73,679	73,604
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,998	19,757
Machinery, equipment and vehicles, net	11,057	11,778
Tools, furniture and fixtures, net	5,911	6,554
Land	5,102	5,216
Leased assets, net	282	289
Construction in progress	4,797	4,695
Total property, plant and equipment	46,148	48,291
Intangible assets	948	940
Investments and other assets		
Investment securities	8,477	10,107
Long-term loans receivable	269	296
Retirement benefit asset	622	641
Deferred tax assets	1,170	1,205
Other	497	563
Allowance for doubtful accounts	(15)	(2)
Total investments and other assets	11,021	12,811
Total non-current assets	58,117	62,043
Total assets	131,797	135,648

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,543	19,903
Electronically recorded obligations - operating	2,469	2,573
Short-term borrowings	21,451	21,993
Current portion of long-term borrowings	1,710	1,557
Lease liabilities	249	243
Income taxes payable	510	520
Other	7,567	8,514
Total current liabilities	53,502	55,306
Non-current liabilities		
Long-term borrowings	2,757	2,655
Lease liabilities	407	415
Deferred tax liabilities	3,210	3,574
Retirement benefit liability	387	401
Asset retirement obligations	173	173
Other	673	711
Total non-current liabilities	7,611	7,931
Total liabilities	61,114	63,237
Net assets		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	4,797	4,797
Retained earnings	56,484	56,091
Treasury shares	(2,626)	(2,845)
Total shareholders' equity	60,296	59,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,987	4,081
Deferred gains or losses on hedges	(1)	5
Foreign currency translation adjustment	5,617	6,947
Remeasurements of defined benefit plans	216	205
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	209	227
Total accumulated other comprehensive income	9,030	11,467
Non-controlling interests	1,356	1,259
Total net assets	70,683	72,410
Total liabilities and net assets	131,797	135,648

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	34,054	32,526
Cost of sales	29,339	27,899
Gross profit	4,715	4,626
Selling, general and administrative expenses	4,372	4,453
Operating profit	342	173
Non-operating income		
Interest income	50	38
Dividend income	151	121
Foreign exchange gains	293	528
Share of profit of entities accounted for using equity method	–	0
Other	62	63
Total non-operating income	557	752
Non-operating expenses		
Interest expenses	165	316
Share of loss of entities accounted for using equity method	3	–
Other	21	27
Total non-operating expenses	191	344
Ordinary profit	708	581
Extraordinary income		
Gain on sale of non-current assets	10	31
Subsidy income	27	26
Total extraordinary income	38	58
Extraordinary losses		
Loss on sale of non-current assets	3	–
Loss on retirement of non-current assets	7	8
Total extraordinary losses	10	8
Profit before income taxes	736	630
Income taxes	736	194
Profit	0	435
Profit attributable to non-controlling interests	23	21
Profit (loss) attributable to owners of parent	(23)	414

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	0	435
Other comprehensive income		
Valuation difference on available-for-sale securities	(540)	1,096
Deferred gains or losses on hedges	–	8
Foreign currency translation adjustment	2,458	1,339
Remeasurements of defined benefit plans, net of tax	(11)	(11)
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	51	17
Share of other comprehensive income of entities accounted for using equity method	(4)	(8)
Total other comprehensive income	1,952	2,442
Comprehensive income	1,953	2,878
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,929	2,851
Comprehensive income attributable to non-controlling interests	23	26