

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 14, 2024

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 14, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	106,085	(2.0)	3,529	197.7	3,908	187.2	2,706	–
Nine months ended December 31, 2022	108,247	13.2	1,185	(21.6)	1,361	(23.7)	(585)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	179.38	–
Nine months ended December 31, 2022	(37.34)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	142,728	74,540	51.3
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	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	47.00	–	53.00	100.00
Year ending March 31, 2024	–	50.00	–		
Year ending March 31, 2024 (Forecast)				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
Full year	148,000	4.2	4,500	236.8	4,590	187.6	2,600	93.1	172.63

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2023	15,460,000 shares	As of March 31, 2023	16,960,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	493,619 shares	As of March 31, 2023	1,718,719 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, 2023	15,085,348 shares	Nine months ended December 31, 2022	15,683,240 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	18,245	21,717
Notes and accounts receivable - trade	33,027	35,889
Electronically recorded monetary claims - operating	1,506	1,910
Merchandise and finished goods	6,847	6,511
Work in process	2,341	3,181
Raw materials and supplies	4,894	5,016
Other	6,829	6,593
Allowance for doubtful accounts	(13)	(12)
Total current assets	73,679	80,809
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,998	20,097
Machinery, equipment and vehicles, net	11,057	12,071
Tools, furniture and fixtures, net	5,911	6,939
Land	5,102	5,231
Leased assets, net	282	283
Construction in progress	4,797	2,828
Total property, plant and equipment	46,148	47,451
Intangible assets	948	906
Investments and other assets		
Investment securities	8,477	10,768
Long-term loans receivable	269	283
Retirement benefit asset	622	675
Deferred tax assets	1,170	1,292
Other	497	542
Allowance for doubtful accounts	(15)	(2)
Total investments and other assets	11,021	13,560
Total non-current assets	58,117	61,918
Total assets	131,797	142,728

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,543	21,879
Electronically recorded obligations - operating	2,469	2,756
Short-term borrowings	21,451	21,790
Current portion of bonds payable	–	170
Current portion of long-term borrowings	1,710	1,928
Lease liabilities	249	302
Income taxes payable	510	805
Other	7,567	7,313
Total current liabilities	53,502	56,948
Non-current liabilities		
Bonds payable	–	1,029
Long-term borrowings	2,757	4,473
Lease liabilities	407	772
Deferred tax liabilities	3,210	3,659
Retirement benefit liability	387	409
Asset retirement obligations	173	173
Other	673	720
Total non-current liabilities	7,611	11,238
Total liabilities	61,114	68,187
Net assets		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	4,797	2,695
Retained earnings	56,484	57,631
Treasury shares	(2,626)	(1,055)
Total shareholders' equity	60,296	60,911
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,987	4,215
Deferred gains or losses on hedges	(1)	(2)
Foreign currency translation adjustment	5,617	7,731
Remeasurements of defined benefit plans	216	182
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	209	222
Total accumulated other comprehensive income	9,030	12,349
Non-controlling interests	1,356	1,279
Total net assets	70,683	74,540
Total liabilities and net assets	131,797	142,728

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, 2022	Nine months ended December 31, 2023
Net sales	108,247	106,085
Cost of sales	93,662	89,023
Gross profit	14,584	17,061
Selling, general and administrative expenses	13,399	13,531
Operating profit	1,185	3,529
Non-operating income		
Interest income	95	125
Dividend income	330	286
Foreign exchange gains	288	837
Share of profit of entities accounted for using equity method	–	6
Other	171	178
Total non-operating income	886	1,433
Non-operating expenses		
Interest expenses	615	940
Share of loss of entities accounted for using equity method	10	–
Other	84	114
Total non-operating expenses	710	1,054
Ordinary profit	1,361	3,908
Extraordinary income		
Gain on sale of non-current assets	211	122
Gain on sale of investment securities	483	121
Subsidy income	110	111
Total extraordinary income	805	355
Extraordinary losses		
Loss on sale of non-current assets	26	1
Loss on retirement of non-current assets	14	97
Impairment losses	947	–
Total extraordinary losses	988	99
Profit before income taxes	1,178	4,164
Income taxes	1,689	1,397
Profit (loss)	(511)	2,767
Profit attributable to non-controlling interests	73	61
Profit (loss) attributable to owners of parent	(585)	2,706

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	(511)	2,767
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,117)	1,232
Deferred gains or losses on hedges	–	(1)
Foreign currency translation adjustment	2,946	2,131
Remeasurements of defined benefit plans, net of tax	(39)	(33)
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	41	13
Share of other comprehensive income of entities accounted for using equity method	(16)	(17)
Total other comprehensive income	1,813	3,324
Comprehensive income	1,302	6,092
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,225	6,025
Comprehensive income attributable to non-controlling interests	76	66