

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, 2024 (Based on Japanese GAAP)

May 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 of ordinary general meeting of shareholders: June 18, 2024
 Scheduled date to file Securities Report: June 18, 2024
 Scheduled date to commence dividend payments: June 4, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	145,638	2.5	5,706	327.2	6,183	287.4	3,022	124.5
Year ended March 31, 2023	142,019	10.2	1,335	(53.1)	1,596	(46.2)	1,346	(68.4)

Note: Comprehensive income Year ended March 31, 2024 ¥8,402 million [465.6%]
 Year ended March 31, 2023 ¥1,485 million [(65.9)%]

	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, 2024	200.95	–	4.2	4.5	3.9
Year ended March 31, 2023	86.34	–	1.9	1.2	0.9

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

Year ended March 31, 2024 ¥5 million
 Year ended March 31, 2023 ¥(15) million

(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, 2024	140,556	76,423	53.4	5,069.98
As of March 31, 2023	131,797	70,683	52.6	4,548.62

Reference: Equity As of March 31, 2024 ¥75,119 million
 As of March 31, 2023 ¥69,326 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, 2024	14,764	(6,630)	(7,221)	19,444
Year ended March 31, 2023	9,495	(5,311)	(5,310)	17,658

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, 2023	–	47.00	–	53.00	100.00	1,539	115.8	2.2
Year ended March 31, 2024	–	50.00	–	50.00	100.00	1,503	49.8	2.1
Year ending March 31, 2025 (Forecast)	–	52.50	–	52.50	105.00		44.7	

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, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	72,600	8.4	1,900	81.0	1,700	6.6	1,000	2.4	68.66
Full year	150,000	3.0	5,200	(8.9)	4,800	(22.4)	3,400	12.5	234.75

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

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

(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, 2024	15,460,000 shares	As of March 31, 2023	16,960,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2024	643,519 shares	As of March 31, 2023	1,718,719 shares
----------------------	----------------	----------------------	------------------

Average number of shares during the period

Year ended March 31, 2024	15,039,512 shares	Year ended March 31, 2023	15,591,177 shares
---------------------------	-------------------	---------------------------	-------------------

Note: The number of shares at the end of the fiscal year includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust E account) (fiscal year ended March 31, 2023: - shares; fiscal year ended March 31, 2024: 221,800 shares). Moreover, the Company's shares held by Custody Bank of Japan, Ltd. (Trust E account) include treasury shares (fiscal year ended March 31, 2023: - shares; fiscal year ended March 31, 2024: 67,380 shares) that are excluded in the calculation of the average number of shares during the period.

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	2,690	(1.0)	1,110	(3.8)	1,048	(24.8)	1,335	(57.6)
Year ended March 31, 2023	2,718	(1.9)	1,153	(15.0)	1,393	(18.2)	3,145	(37.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2024	88.78		-	
Year ended March 31, 2023	201.76		-	

(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, 2024	41,209		30,258		73.4		2,042.25	
As of March 31, 2023	33,169		29,234		88.1		1,918.09	

Reference: Equity As of March 31, 2024 ¥30,258 million
As of March 31, 2023 ¥29,234 million

<Reasons for differences between non-consolidated financial results for fiscal year ended March 31, 2024 and the previous fiscal year>

The Company's ordinary profit for the fiscal year ended March 31, 2024 was lower year on year, mainly due to recording a provision of allowance for doubtful accounts under non-operating expenses in relation to a loan to a consolidated subsidiary. 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, 2023, 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, 2023 and the actual results of the fiscal year ended March 31, 2024.

* 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	18,245	19,660
Notes receivable - trade	1,238	989
Accounts receivable - trade	31,788	34,669
Electronically recorded monetary claims - operating	1,506	1,933
Merchandise and finished goods	6,847	7,132
Work in process	2,341	3,629
Raw materials and supplies	4,894	4,519
Other	6,829	5,690
Allowance for doubtful accounts	(13)	(12)
Total current assets	73,679	78,212
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,998	20,008
Machinery, equipment and vehicles, net	11,057	11,668
Tools, furniture and fixtures, net	5,911	5,979
Land	5,102	5,259
Leased assets, net	282	282
Construction in progress	4,797	2,412
Total property, plant and equipment	46,148	45,610
Intangible assets	948	953
Investments and other assets		
Investment securities	8,477	12,544
Long-term loans receivable	269	311
Retirement benefit asset	622	1,284
Deferred tax assets	1,170	1,036
Other	497	606
Allowance for doubtful accounts	(15)	(2)
Total investments and other assets	11,021	15,779
Total non-current assets	58,117	62,343
Total assets	131,797	140,556

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,543	22,676
Electronically recorded obligations - operating	2,469	1,858
Short-term borrowings	21,451	16,943
Current portion of bonds payable	–	170
Current portion of long-term borrowings	1,710	1,697
Lease liabilities	249	504
Income taxes payable	510	812
Other	7,567	8,590
Total current liabilities	53,502	53,253
Non-current liabilities		
Bonds payable	–	1,029
Long-term borrowings	2,757	3,957
Lease liabilities	407	529
Deferred tax liabilities	3,210	4,191
Provision for loss on guarantees	–	26
Retirement benefit liability	387	449
Asset retirement obligations	173	173
Other	673	522
Total non-current liabilities	7,611	10,878
Total liabilities	61,114	64,132
Net assets		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	4,797	2,680
Retained earnings	56,484	57,947
Treasury shares	(2,626)	(1,467)
Total shareholders' equity	60,296	60,800
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,987	5,302
Deferred gains or losses on hedges	(1)	1
Foreign currency translation adjustment	5,617	8,058
Remeasurements of defined benefit plans	216	620
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	209	335
Total accumulated other comprehensive income	9,030	14,318
Non-controlling interests	1,356	1,304
Total net assets	70,683	76,423
Total liabilities and net assets	131,797	140,556

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	142,019	145,638
Cost of sales	123,018	121,289
Gross profit	19,000	24,348
Selling, general and administrative expenses		
Salaries and bonuses	4,947	5,551
Freightage and warehousing expenses	3,665	3,516
Retirement benefit expenses	141	178
Provision of allowance for doubtful accounts	(0)	(1)
Research and development expenses	2,455	2,509
Other	6,455	6,887
Total selling, general and administrative expenses	17,664	18,641
Operating profit	1,335	5,706
Non-operating income		
Interest income	149	156
Dividend income	347	291
Foreign exchange gains	572	1,145
Share of profit of entities accounted for using equity method	–	5
Other	372	266
Total non-operating income	1,442	1,863
Non-operating expenses		
Interest expenses	937	1,216
Share of loss of entities accounted for using equity method	15	–
Other	229	170
Total non-operating expenses	1,182	1,387
Ordinary profit	1,596	6,183
Extraordinary income		
Gain on sale of non-current assets	249	129
Gain on sale of investment securities	2,511	221
Subsidy income	141	99
Total extraordinary income	2,902	450
Extraordinary losses		
Loss on sale of non-current assets	42	11
Loss on retirement of non-current assets	25	125
Loss on tax purpose reduction entry of non-current assets	33	6
Loss on sale of investment securities	10	–
Impairment losses	978	1,490
Provision for loss on guarantees	–	26
Total extraordinary losses	1,090	1,659
Profit before income taxes	3,407	4,974
Income taxes - current	1,832	1,952
Income taxes - deferred	126	(80)
Total income taxes	1,959	1,872
Profit	1,448	3,102
Profit attributable to non-controlling interests	102	80
Profit attributable to owners of parent	1,346	3,022

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,448	3,102
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,878)	2,323
Deferred gains or losses on hedges	(1)	4
Foreign currency translation adjustment	2,029	2,454
Remeasurements of defined benefit plans, net of tax	(47)	404
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	(68)	125
Share of other comprehensive income of entities accounted for using equity method	4	(13)
Total other comprehensive income	37	5,299
Comprehensive income	1,485	8,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,380	8,310
Comprehensive income attributable to non-controlling interests	104	91

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,640	4,797	56,484	(2,626)	60,296
Changes during period					
Dividends of surplus			(1,559)		(1,559)
Profit attributable to owners of parent			3,022		3,022
Restricted Stock Awards		1		4	6
Purchase of treasury shares				(1,638)	(1,638)
Disposal of treasury shares		270		391	661
Cancellation of treasury shares		(2,401)		2,401	–
Change in ownership interest of parent due to transactions with non-controlling interests		11			11
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,117)	1,462	1,158	504
Balance at end of period	1,640	2,680	57,947	(1,467)	60,800

	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	2,987	(1)	5,617	216	209	9,030	1,356	70,683
Changes during period								
Dividends of surplus								(1,559)
Profit attributable to owners of parent								3,022
Restricted Stock Awards								6
Purchase of treasury shares								(1,638)
Disposal of treasury shares								661
Cancellation of treasury shares								–
Change in ownership interest of parent due to transactions with non-controlling interests								11
Net changes in items other than shareholders' equity	2,314	3	2,440	404	125	5,288	(51)	5,236
Total changes during period	2,314	3	2,440	404	125	5,288	(51)	5,740
Balance at end of period	5,302	1	8,058	620	335	14,318	1,304	76,423

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,407	4,974
Depreciation	8,320	8,699
Impairment losses	978	1,490
Loss (gain) on sale of non-current assets	(206)	(118)
Loss on retirement of non-current assets	25	125
Loss on tax purpose reduction entry of non-current assets	33	6
Loss (gain) on sale of investment securities	(2,501)	(221)
Increase (decrease) in allowance for doubtful accounts	(0)	(15)
Increase (decrease) in net defined benefit asset and liability	(175)	(33)
Interest and dividend income	(497)	(447)
Subsidy income	(141)	(99)
Interest expenses	937	1,216
Share of loss (profit) of entities accounted for using equity method	15	(5)
Decrease (increase) in trade receivables	1,346	(1,582)
Decrease (increase) in inventories	5,502	13
Increase (decrease) in trade payables	(3,279)	1,573
Other, net	(141)	869
Subtotal	13,624	16,445
Interest and dividends received	477	454
Interest paid	(923)	(1,266)
Income taxes paid	(3,682)	(868)
Net cash provided by (used in) operating activities	9,495	14,764
Cash flows from investing activities		
Payments into time deposits	(585)	(198)
Proceeds from withdrawal of time deposits	–	594
Purchase of property, plant and equipment	(8,103)	(6,670)
Proceeds from sale of property, plant and equipment	262	144
Purchase of intangible assets	(69)	(92)
Purchase of investment securities	(662)	(882)
Proceeds from sale of investment securities	3,847	357
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(108)	–
Subsidies received	93	77
Net decrease (increase) in short-term loans receivable	–	7
Other, net	15	32
Net cash provided by (used in) investing activities	(5,311)	(6,630)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,550)	(6,406)
Proceeds from long-term borrowings	948	2,739
Repayments of long-term borrowings	(1,815)	(1,862)
Proceeds from issuance of bonds	–	1,200
Purchase of treasury shares, etc.	(997)	(1,616)
Proceeds from sale of treasury shares	–	638
Dividends paid	(1,483)	(1,559)
Dividends paid to non-controlling interests	(126)	(123)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(7)
Repayments of lease liabilities	(286)	(223)
Net cash provided by (used in) financing activities	(5,310)	(7,221)
Effect of exchange rate change on cash and cash equivalents	425	871
Net increase (decrease) in cash and cash equivalents	(699)	1,785
Cash and cash equivalents at beginning of period	18,358	17,658
Cash and cash equivalents at end of period	17,658	19,444