

March 13, 2026

Consolidated Financial Results for the Fiscal Year Ended January 31, 2026 (Under Japanese GAAP)

Company name: Morozoff Limited
 Listing: Tokyo Stock Exchange
 Securities code: 2217
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 Scheduled date of annual general meeting of shareholders: April 24, 2026
 Scheduled date to commence dividend payments: April 27, 2026
 Scheduled date to file annual securities report: April 23, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2026	36,273	0.7	1,264	(38.6)	1,286	(38.7)	642	(54.6)
January 31, 2025	36,017	3.1	2,058	(16.8)	2,098	(16.7)	1,414	(17.5)

Note: Comprehensive income For the fiscal year ended January 31, 2026: ¥1,053 million [(28.8)%]
 For the fiscal year ended January 31, 2025: ¥1,480 million [(18.0)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
January 31, 2026	31.85	-	3.3	4.8	3.5
January 31, 2025	68.85	-	7.2	7.8	5.7

Note: Since the stock split was conducted on February 1, 2025 at the ratio of three shares to one common share, net income per share is calculated assuming that the stock split occurred at the beginning of the previous fiscal year.

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2026	28,163	19,873	70.6	990.67
January 31, 2025	25,591	19,483	76.1	964.01

Reference: Equity
 As of January 31, 2026: ¥19,873 million
 As of January 31, 2025: ¥19,483 million

Note: Since the stock split was conducted on February 1, 2025 at the ratio of three shares to one common share, the net asset amount per share is calculated assuming that the stock split occurred at the beginning of the previous fiscal year.

(3) Consolidated cash flows

Fiscal year ended	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
January 31, 2026	399	(2,153)	276	2,109
January 31, 2025	(561)	(679)	(1,822)	3,594

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended January 31, 2025	-	35.00	-	47.00	82.00	558	39.7	2.9
Fiscal year ended January 31, 2026	-	6.00	-	10.00	16.00	324	50.2	1.6
Fiscal year ending January 31, 2027 (Forecast)		6.00		10.00	16.00		41.7	

Note: As of February 1, 2025, we have implemented a stock split at the ratio of 3 shares to 1 share of common stock. For the fiscal year ending January 31, 2025, the actual amount of dividends before the stock split is described.

3. Forecast of consolidated financial results for the fiscal year ending January 31, 2027 (from February 1, 2026 to January 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending July 31, 2026	16,420	1.4	450	6.1	480	2.4	370	36.3	18.43
Fiscal year ending January 31, 2027	36,820	1.5	1,310	3.6	1,350	5.0	770	19.8	38.34

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of January 31, 2026	21,265,356 shares
As of January 31, 2025	21,265,356 shares

- (ii) Number of treasury shares at the end of the period

As of January 31, 2026	1,204,758 shares
As of January 31, 2025	1,054,635 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended January 31, 2026	20,183,873 shares
Fiscal year ended January 31, 2025	20,551,802 shares

Note: 1. Since the stock split was conducted at the ratio of 3 shares per common stock on February 1, 2025, the number of shares outstanding at the end of the fiscal year, the number of treasury shares at the end of the period, and the average number of shares during the period are calculated assuming that the stock split occurred at the beginning of the previous fiscal year.

2. The Company has introduced an ESOP Trust for Employee Stock Ownership since the current fiscal year. The number of treasury shares at the end of the fiscal year includes the Company's shares held by the employee stock ESOP trust account (261,200 shares in the fiscal year ending January 31, 2026). In addition, the Company's shares held by the employee stock ESOP trust account are included in the number of treasury shares to be deducted in the calculation of the average number of shares during the period.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2026	35,093	2.1	1,313	(30.1)	1,412	(28.7)	765	(42.2)
January 31, 2025	34,373	2.0	1,880	(24.6)	1,979	(23.2)	1,323	(26.7)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2026	37.91	-
January 31, 2025	64.38	-

Note: Since the stock split was conducted on February 1, 2025 at the ratio of three shares to one common share, net income per share is calculated assuming that the stock split occurred at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2026	27,785	19,747	71.1	984.38
January 31, 2025	25,469	19,495	76.5	964.62

Reference: Equity

As of January 31, 2026:	¥19,747 million
As of January 31, 2025:	¥19,495 million

Note: Since the stock split was conducted on February 1, 2025 at the ratio of three shares to one common share, the net asset amount per share is calculated assuming that the stock split occurred at the beginning of the previous fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The above earnings forecasts are based on information available as of the date of this release, and actual results may differ due to various factors in the future.

* How to obtain supplementary financial results materials

Supplementary financial results materials will be posted on the Company's website on the same day. (Japanese only)

In addition, the Company plans to hold an earnings briefing for institutional investors and analysts on April 3, 2026. The materials used in this briefing will be posted on our website in advance. (Japanese only)

Consolidated balance sheet

(Thousands of yen)

	As of January 31, 2025	As of January 31, 2026
Assets		
Current assets		
Cash and deposits	4,594,650	2,109,585
Accounts receivable - trade	6,892,429	7,788,270
Securities	499,250	-
Merchandise and finished goods	2,372,148	2,419,756
Work in process	336,922	455,314
Raw materials and supplies	486,545	555,094
Other	112,629	99,686
Allowance for doubtful accounts	(1,000)	(1,000)
Total current assets	15,293,576	13,426,709
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,610,201	8,357,981
Accumulated depreciation	(5,621,332)	(5,666,983)
Buildings and structures, net	1,988,869	2,690,997
Machinery, equipment and vehicles	7,271,013	7,481,891
Accumulated depreciation	(6,166,214)	(6,417,454)
Machinery, equipment and vehicles, net	1,104,799	1,064,437
Tools, furniture and fixtures	2,779,356	2,853,123
Accumulated depreciation	(2,544,567)	(2,544,825)
Tools, furniture and fixtures, net	234,788	308,297
Land	3,644,738	3,644,738
Leased assets	111,871	111,871
Accumulated depreciation	(63,002)	(78,983)
Leased assets, net	48,868	32,887
Construction in progress	82,320	2,920,256
Total property, plant and equipment	7,104,385	10,661,616
Intangible assets		
Software	166,885	177,057
Other	52,636	53,094
Total intangible assets	219,522	230,152
Investments and other assets		
Investment securities	1,274,819	1,514,868
Retirement benefit asset	764,711	1,332,642
Other	936,499	997,244
Allowance for doubtful accounts	(2,500)	-
Total investments and other assets	2,973,529	3,844,756
Total non-current assets	10,297,437	14,736,524
Total assets	25,591,013	28,163,234

	As of January 31, 2025	As of January 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	955,273	1,016,123
Electronically recorded obligations - operating	529,098	517,034
Short-term borrowings	1,510,000	2,145,000
Income taxes payable	214,794	156,092
Accrued expenses	1,119,876	1,324,718
Provision for bonuses	218,570	225,130
Other	864,655	1,570,148
Total current liabilities	5,412,268	6,954,247
Non-current liabilities		
Long-term borrowings	-	380,000
Deferred tax liabilities	175,038	434,656
Deferred tax liabilities for land revaluation	202,735	208,635
Retirement benefit liability	80,093	76,262
Other	237,629	236,047
Total non-current liabilities	695,497	1,335,601
Total liabilities	6,107,765	8,289,848
Net assets		
Shareholders' equity		
Share capital	3,737,467	3,737,467
Capital surplus	3,924,810	4,009,854
Retained earnings	12,641,274	12,846,236
Treasury shares	(1,364,417)	(1,674,812)
Total shareholders' equity	18,939,136	18,918,745
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	461,392	616,946
Revaluation reserve for land	290,138	284,238
Foreign currency translation adjustment	107,985	97,956
Remeasurements of defined benefit plans	(315,404)	(44,502)
Total accumulated other comprehensive income	544,112	954,639
Total net assets	19,483,248	19,873,385
Total liabilities and net assets	25,591,013	28,163,234

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Net sales	36,017,735	36,273,371
Cost of sales	17,725,872	18,750,196
Gross profit	18,291,862	17,523,175
Selling, general and administrative expenses	16,233,066	16,258,226
Operating profit	2,058,795	1,264,948
Non-operating income		
Dividend income	30,771	34,057
Gain on adjustment of accounts payable	-	15,378
Electricity sale income	11,291	12,448
Other	27,598	43,462
Total non-operating income	69,661	105,347
Non-operating expenses		
Interest expenses	23,151	29,231
Arrangement Fee	-	46,500
Electricity sale expenses	3,523	3,531
Other	3,563	4,763
Total non-operating expenses	30,238	84,026
Ordinary profit	2,098,218	1,286,269
Extraordinary income		
Gain on sale of investment securities	424,053	21,905
Total extraordinary income	424,053	21,905
Extraordinary losses		
Loss on sale and retirement of non-current assets	13,814	26,021
Impairment losses	287,360	65,424
Dismantlement expenses	86,802	128,074
Other	125	-
Total extraordinary losses	388,103	219,520
Profit before income taxes	2,134,169	1,088,654
Income taxes - current	660,355	387,505
Income taxes - deferred	58,826	58,246
Total income taxes	719,182	445,752
Profit	1,414,986	642,902
Profit attributable to owners of parent	1,414,986	642,902

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Profit	1,414,986	642,902
Other comprehensive income		
Valuation difference on available-for-sale securities	(25,269)	155,553
Revaluation reserve for land	-	(5,900)
Foreign currency translation adjustment	21,653	(10,028)
Remeasurements of defined benefit plans, net of tax	68,710	270,902
Total other comprehensive income	65,094	410,527
Comprehensive income	1,480,081	1,053,430
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,480,081	1,053,430
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended January 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,737,467	3,922,552	12,146,385	(565,558)	19,240,846
Changes during period					
Purchase of treasury shares				(808,268)	(808,268)
Disposal of treasury shares		2,258		9,409	11,668
Dividends of surplus			(920,096)		(920,096)
Profit attributable to owners of parent			1,414,986		1,414,986
Net changes in items other than shareholders' equity					
Total changes during period	-	2,258	494,889	(798,859)	(301,710)
Balance at end of period	3,737,467	3,924,810	12,641,274	(1,364,417)	18,939,136

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	486,662	290,138	86,331	(384,115)	479,017	19,719,864
Changes during period						
Purchase of treasury shares						(808,268)
Disposal of treasury shares						11,668
Dividends of surplus						(920,096)
Profit attributable to owners of parent						1,414,986
Net changes in items other than shareholders' equity	(25,269)	-	21,653	68,710	65,094	65,094
Total changes during period	(25,269)	-	21,653	68,710	65,094	(236,615)
Balance at end of period	461,392	290,138	107,985	(315,404)	544,112	19,483,248

Consolidated statement of changes in equity

Fiscal year ended January 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,737,467	3,924,810	12,641,274	(1,364,417)	18,939,136
Changes during period					
Purchase of treasury shares				(780,657)	(780,657)
Disposal of treasury shares		85,043		470,261	555,305
Dividends of surplus			(437,941)		(437,941)
Profit attributable to owners of parent			642,902		642,902
Net changes in items other than shareholders' equity					
Total changes during period	-	85,043	204,961	(310,395)	(20,390)
Balance at end of period	3,737,467	4,009,854	12,846,236	(1,674,812)	18,918,745

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	461,392	290,138	107,985	(315,404)	544,112	19,483,248
Changes during period						
Purchase of treasury shares						(780,657)
Disposal of treasury shares						555,305
Dividends of surplus						(437,941)
Profit attributable to owners of parent						642,902
Net changes in items other than shareholders' equity	155,553	(5,900)	(10,028)	270,902	410,527	410,527
Total changes during period	155,553	(5,900)	(10,028)	270,902	410,527	390,136
Balance at end of period	616,946	284,238	97,956	(44,502)	954,639	19,873,385

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,134,169	1,088,654
Depreciation	774,065	666,053
Impairment losses	287,360	65,424
Dismantlement expenses	86,802	128,074
Increase (decrease) in provision for bonuses	12,520	6,560
Increase (decrease) in retirement benefit liability	465	4,160
Decrease (increase) in retirement benefit asset	(389,158)	(186,518)
Increase (decrease) in allowance for doubtful accounts	2,500	(2,500)
Interest expenses	23,151	29,231
Arrangement Fee	-	46,500
Interest and dividend income	(30,771)	(34,057)
Gain on adjustment of account payable	-	(15,378)
Loss (gain) on sale of investment securities	(424,053)	(21,905)
Loss (gain) on sale and retirement of non-current assets	13,814	26,021
Decrease (increase) in trade receivables	(160,996)	(900,424)
Decrease (increase) in inventories	(215,144)	(227,684)
Increase (decrease) in trade payables	(1,754,122)	49,831
Increase (decrease) in accrued consumption taxes	51,999	(118,739)
Other, net	15,635	230,826
Subtotal	428,239	834,130
Interest and dividends received	30,152	33,768
Interest paid	(25,309)	(30,991)
Income taxes paid	(994,300)	(437,529)
Net cash provided by (used in) operating activities	(561,218)	399,377

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Cash flows from investing activities		
Payments into time deposits	(2,490,000)	(1,500,000)
Proceeds from withdrawal of time deposits	1,980,000	2,500,000
Purchase of securities	(1,298,383)	-
Proceeds from sale and redemption of securities	1,299,563	499,692
Purchase of property, plant and equipment and intangible assets	(673,476)	(3,650,284)
Payments for asset retirement obligations	(26,536)	(10,835)
Purchase of investment securities	(3,108)	(4,175)
Proceeds from sale of investment securities	622,190	24,317
Loan advances	(15,940)	-
Proceeds from collection of loans receivable	3,290	1,800
Payments of leasehold and guarantee deposits	(11,418)	(10,483)
Proceeds from refund of leasehold and guarantee deposits	10,047	14,180
Other payments	(75,544)	(18,591)
Other proceeds	-	1,000
Net cash provided by (used in) investing activities	(679,316)	(2,153,380)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(80,000)	588,500
Proceeds from long-term borrowings	-	380,000
Repayments of lease liabilities	(15,981)	(15,981)
Net decrease (increase) in treasury shares	(810,306)	(238,786)
Dividends paid	(916,449)	(436,898)
Net cash provided by (used in) financing activities	(1,822,737)	276,832
Effect of exchange rate change on cash and cash equivalents	17,161	(7,895)
Net increase (decrease) in cash and cash equivalents	(3,046,110)	(1,485,064)
Cash and cash equivalents at beginning of period	6,640,761	3,594,650
Cash and cash equivalents at end of period	3,594,650	2,109,585

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Group for which separate financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate the operating results.

The Group's main business is the manufacture and sale of Western confectionery such as chocolate, baked sweets, cheesecakes, and puddings, and is also engaged in the coffee and restaurant business. Therefore, the two reporting segments are "Confectionery manufacturing and sales" and "Cafe and restaurant business".

2. Method of calculating the amount of sales, profits, losses and other items for each reporting segment

Profit in the reporting segment is a figure based on operating income.

Segment assets and liabilities are not included in the list because they are not included in the determination of the allocation of management resources and the evaluation of operating results.

3. Information on the amount of sales, profits, losses and other items for each reported segment

The previous fiscal year (February 1, 2024 to January 31, 2025)

(Thousands of yen)

	Total			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Confectionery Division	Cafe and restaurant management Division	Total		
Sales					
Revenues from external customers	34,039,794	1,977,940	36,017,735	-	36,017,735
Transactions with other segments	-	-	-	-	-
Total	34,039,794	1,977,940	36,017,735	-	36,017,735
Segment profit (loss)	3,398,482	(25,041)	3,373,440	(1,314,644)	2,058,795
Other items					
Depreciation	700,665	15,635	716,300	54,023	770,324

Note: 1. The amount of adjustment is as follows.

(1) The adjusted amount of (1,314,644) thousand yen for segment profit or loss (loss) is a company-wide expense that is not allocated to each reporting segment and is mainly general and administrative expenses that are not attributable to the reporting segment.

(2) The adjustment amount of 54,023 thousand yen for depreciation and amortization is depreciation expense related to company-wide assets.

2. Segment profit or loss (loss) is adjusted for operating income in the consolidated financial statements.

The current fiscal year (February 1, 2025 to January 31, 2026)

(Thousands of yen)

	Total			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Confectionery Division	Cafe and restaurant management Division	Total		
Sales					
Revenues from external customers	34,199,885	2,073,486	36,273,371	-	36,273,371
Transactions with other segments	-	-	-	-	-
Total	34,199,885	2,073,486	36,273,371	-	36,273,371
Segment Profit	2,628,699	22,589	2,651,288	(1,386,340)	1,264,948
Other items					
Depreciation	594,581	14,287	608,869	53,504	662,374

Note: 1. The amount of adjustment is as follows.

(1) The adjusted segment profit of (1,386,340) thousand yen is a company-wide expense that is not allocated to each reporting segment and is mainly general and administrative expenses that are not attributable to the reporting segment.

(2) The adjustment amount of 53,504 thousand yen for depreciation and amortization is depreciation expense related to company-wide assets.

2. Segment profit is adjusted to operating income in consolidated financial statements.

Related Information

The previous fiscal year (February 1, 2024 to January 31, 2025)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3. Information per main customer

Since there are no counterparties that account for more than 10% of sales in the consolidated statements of income out of sales to external customers, the description is omitted.

The current fiscal year (February 1, 2025 to January 31, 2026)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3. Information per main customer

Since there are no counterparties that account for more than 10% of sales in the consolidated statements of income out of sales to external customers, the description is omitted.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (February 1, 2024 to January 31, 2025)

(Thousands of yen)

	Confectionery Division	Cafe and restaurant management Division	Total
Impairment losses	287,360	-	287,360

The current fiscal year (February 1, 2025 to January 31, 2026)

(Thousands of yen)

	Confectionery Division	Cafe and restaurant management Division	Total
Impairment losses	57,137	8,287	65,424

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (February 1, 2024 to January 31, 2025)

It is omitted because it is not important.

The current fiscal year (February 1, 2025 to January 31, 2026)

It is omitted because it is not important.

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (February 1, 2024 to January 31, 2025)

Not applicable.

The current fiscal year (February 1, 2025 to January 31, 2026)

Not applicable.