Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 14, 2024

Company name: Moriroku Holdings Company, Ltd.
Stock exchange listing: Tokyo
Stock code: 4249 URL https://www.moriroku.co.jp/
Representative: Representative Director, President and CEO Naoki Kurose
Inquiries: Executive Officer, Accounting and IR Muga Koiwai TEL 03(3403)6102
Scheduled date to file Semi-annual Securities Report: November 14, 2024
Scheduled date to commence dividend payments: December 2, 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	71,670	7.0	1,626	54.9	562	(64.7)	201	(79.4)
Six months ended September 30, 2023	66,969	(3.5)	1,049	–	1,594	381.9	976	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	13.71	–
Six months ended September 30, 2023	64.56	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	131,770	75,701	56.5
As of March 31, 2024	140,556	76,423	53.4

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, 2024	–	50.00	–	50.00	100.00
Year ending March 31, 2025	–	52.50			
Year ending March 31, 2025 (Forecast)			–	52.50	105.00

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
Full year	145,000	(0.4)	3,200	(43.9)	1,980	(68.0)	1,110	(63.3)	75.69

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024	14,860,000 shares	As of March 31, 2024	15,460,000 shares

Number of treasury shares at the end of the period

As of September 30, 2024	210,219 shares	As of March 31, 2024	643,519 shares

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

Six months ended September 30, 2024	14,680,444 shares	Six months ended September 30, 2023	15,131,250 shares

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	19,660	18,312
Notes and accounts receivable - trade	35,658	31,039
Electronically recorded monetary claims - operating	1,933	1,722
Merchandise and finished goods	7,132	6,252
Work in process	3,629	3,841
Raw materials and supplies	4,519	4,430
Other	5,690	4,528
Allowance for doubtful accounts	(12)	(12)
Total current assets	78,212	70,115
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,008	19,554
Machinery, equipment and vehicles, net	11,668	11,575
Tools, furniture and fixtures, net	5,979	5,662
Land	5,259	5,258
Leased assets, net	282	405
Construction in progress	2,412	3,300
Total property, plant and equipment	45,610	45,756
Intangible assets	953	1,124
Investments and other assets		
Investment securities	12,544	11,611
Long-term loans receivable	311	283
Retirement benefit asset	1,284	1,300
Deferred tax assets	1,036	913
Other	606	668
Allowance for doubtful accounts	(2)	(3)
Total investments and other assets	15,779	14,774
Total non-current assets	62,343	61,655
Total assets	140,556	131,770

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,676	19,024
Electronically recorded obligations - operating	1,858	1,348
Short-term borrowings	16,943	15,260
Current portion of bonds payable	170	170
Current portion of long-term borrowings	1,697	1,546
Lease liabilities	504	296
Income taxes payable	812	576
Other	8,590	7,749
Total current liabilities	53,253	45,973
Non-current liabilities		
Bonds payable	1,029	944
Long-term borrowings	3,957	3,439
Lease liabilities	529	853
Deferred tax liabilities	4,191	3,698
Provision for loss on guarantees	26	93
Retirement benefit liability	449	463
Asset retirement obligations	173	173
Other	522	429
Total non-current liabilities	10,878	10,096
Total liabilities	64,132	56,069
Net assets		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	2,680	1,398
Retained earnings	57,947	57,341
Treasury shares	(1,467)	(570)
Total shareholders' equity	60,800	59,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,302	4,455
Deferred gains or losses on hedges	1	(1)
Foreign currency translation adjustment	8,058	9,291
Remeasurements of defined benefit plans	620	603
Remeasurements of other postretirement benefit plans of foreign consolidated subsaidiaries	335	316
Total accumulated other comprehensive income	14,318	14,666
Non-controlling interests	1,304	1,226
Total net assets	76,423	75,701
Total liabilities and net assets	140,556	131,770

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	66,969	71,670
Cost of sales	57,006	60,403
Gross profit	9,963	11,266
Selling, general and administrative expenses	8,913	9,640
Operating profit	1,049	1,626
Non-operating income		
Interest income	72	80
Dividend income	125	195
Foreign exchange gains	953	–
Share of profit of entities accounted for using equity method	–	4
Other	97	88
Total non-operating income	1,249	369
Non-operating expenses		
Interest expenses	657	529
Foreign exchange losses	–	806
Share of loss of entities accounted for using equity method	0	–
Other	47	96
Total non-operating expenses	705	1,433
Ordinary profit	1,594	562
Extraordinary income		
Gain on sale of non-current assets	99	844
Gain on sale of investment securities	0	–
Subsidy income	159	33
Total extraordinary income	258	877
Extraordinary losses		
Loss on sale of non-current assets	1	26
Loss on retirement of non-current assets	85	10
Provision for loss on guarantees	–	66
Total extraordinary losses	87	104
Profit before income taxes	1,765	1,336
Income taxes	743	1,092
Profit	1,021	244
Profit attributable to non-controlling interests	44	42
Profit attributable to owners of parent	976	201

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,021	244
Other comprehensive income		
Valuation difference on available-for-sale securities	1,704	(847)
Deferred gains or losses on hedges	5	(4)
Foreign currency translation adjustment	2,240	1,242
Remeasurements of defined benefit plans, net of tax	(22)	(17)
Remeasurements of other postretirement benefit plans of foreign consolidated subsidiaries	25	(18)
Share of other comprehensive income of entities accounted for using equity method	(15)	(9)
Total other comprehensive income	3,938	345
Comprehensive income	4,959	589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,907	548
Comprehensive income attributable to non-controlling interests	52	40

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,765	1,336
Depreciation	4,151	4,013
Loss (gain) on sale of non-current assets	(97)	(817)
Loss on retirement of non-current assets	85	10
Loss (gain) on sale of investment securities	(0)	–
Increase (decrease) in allowance for doubtful accounts	(15)	1
Increase (decrease) in net defined benefit asset and liability	(58)	(21)
Interest and dividend income	(198)	(275)
Subsidy income	(159)	(33)
Interest expenses	657	529
Share of loss (profit) of entities accounted for using equity method	0	(4)
Decrease (increase) in trade receivables	(1,519)	5,158
Decrease (increase) in inventories	(644)	671
Increase (decrease) in trade payables	2,707	(4,323)
Other, net	1,200	(149)
Subtotal	7,874	6,095
Interest and dividends received	195	289
Interest paid	(638)	(530)
Income taxes paid	(187)	(845)
Net cash provided by (used in) operating activities	7,245	5,009
Cash flows from investing activities		
Payments into time deposits	–	(521)
Proceeds from withdrawal of time deposits	–	0
Purchase of property, plant and equipment	(3,328)	(3,365)
Proceeds from sale of property, plant and equipment	109	834
Purchase of intangible assets	(58)	(162)
Purchase of investment securities	(591)	(311)
Proceeds from sale of investment securities	0	–
Subsidies received	151	32
Net decrease (increase) in short-term loans receivable	7	–
Other, net	2	0
Net cash provided by (used in) investing activities	(3,707)	(3,494)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,104)	(2,153)
Proceeds from long-term borrowings	2,100	41
Repayments of long-term borrowings	(868)	(982)
Redemption of bonds	–	(85)
Proceeds from sale of treasury shares	–	100
Dividends paid	(807)	(751)
Dividends paid to non-controlling interests	(123)	(118)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(7)	–
Repayments of lease liabilities	(133)	(143)
Net cash provided by (used in) financing activities	(2,944)	(4,094)
Effect of exchange rate change on cash and cash equivalents	506	668
Net increase (decrease) in cash and cash equivalents	1,099	(1,911)
Cash and cash equivalents at beginning of period	17,658	19,444
Cash and cash equivalents at end of period	18,758	17,532