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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

January 31, 2023

Company name: MORITA HOLDINGS CORPORATION
 Stock exchange listing: Tokyo
 Code number: 6455
 URL: <https://www.morita119.com/en>
 Representative: Shinichi Kanaoka, President
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 Scheduled date of filing quarterly securities report: February 10, 2023
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	43,804	(7.8)	934	(64.3)	1,265	(58.0)	627	(67.1)
December 31, 2021	47,510	(6.0)	2,618	(32.9)	3,016	(29.7)	1,903	(30.3)

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 361 million [(88.0)%]
 Nine months ended December 31, 2021: ¥ 3,012 million [(38.2)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	14.26	-
December 31, 2021	41.82	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	126,102	80,088	62.7
March 31, 2022	125,167	81,906	64.7

(Reference) Equity: As of December 31, 2022: ¥ 79,127 million
 As of March 31, 2022: ¥ 80,947 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	19.00	-	21.00	40.00
Fiscal year ending March 31, 2023	-	20.00	-		
Fiscal year ending March 31, 2023 (Forecast)				20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	74,000	(11.5)	3,700	(54.4)	4,200	(52.1)	2,700	(49.5)	61.46

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2022: 46,918,542 shares

March 31, 2022: 46,918,542 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022: 3,111,505 shares

March 31, 2022: 2,817,506 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 43,969,194 shares

Nine months ended December 31, 2021: 45,518,238 shares

* This report is out of audit scope by Certified Public Accountants or Audit companies.

* Statement regarding the proper use of financial forecasts and other remarks

Descriptions regarding the future, including the financial projections contained in this report, are based on certain assumptions currently available to the Company, which are, at the discretion of the Company, deemed reasonable, and the Company gives no guarantees that it will achieve these results. In addition, actual financial results may significantly vary due to various factors.

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Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	29,276	23,121
Notes and accounts receivable - trade	22,406	12,363
Electronically recorded monetary claims - operating	1,812	2,188
Merchandise and finished goods	3,512	6,383
Work in process	7,770	17,733
Raw materials and supplies	5,608	7,801
Other	1,457	3,315
Allowance for doubtful accounts	(216)	(64)
Total current assets	71,629	72,842
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,137	9,804
Machinery, equipment and vehicles, net	2,406	2,200
Land	18,468	18,753
Construction in progress	254	1,850
Other, net	912	860
Total property, plant and equipment	32,179	33,469
Intangible assets		
Goodwill	1,820	1,616
Other	852	982
Total intangible assets	2,672	2,598
Investments and other assets		
Investment securities	12,879	10,848
Retirement benefit asset	1,517	1,495
Other	4,906	4,855
Allowance for doubtful accounts	(616)	(8)
Total investments and other assets	18,686	17,192
Total non-current assets	53,538	53,260
Total assets	125,167	126,102

(Million yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,601	10,744
Electronically recorded obligations - operating	7,827	9,624
Short-term borrowings	954	904
Current portion of long-term borrowings	5,316	4,907
Income taxes payable	2,005	237
Provision for bonuses	1,161	508
Provision for bonuses for directors (and other officers)	119	60
Provision for product warranties	491	436
Provision for recall	179	140
Other	6,460	8,879
Total current liabilities	33,118	36,444
Non-current liabilities		
Long-term borrowings	54	59
Retirement benefit liability	4,075	4,258
Provision for retirement benefits for directors (and other officers)	11	12
Other	6,002	5,239
Total non-current liabilities	10,143	9,569
Total liabilities	43,261	46,014
Net assets		
Shareholders' equity		
Share capital	4,746	4,746
Capital surplus	5,048	5,080
Retained earnings	71,099	69,924
Treasury shares	(3,042)	(3,450)
Total shareholders' equity	77,851	76,300
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,319	4,084
Deferred gains or losses on hedges	11	(9)
Revaluation reserve for land	(2,600)	(2,600)
Foreign currency translation adjustment	321	1,509
Remeasurements of defined benefit plans	44	(156)
Total accumulated other comprehensive income	3,095	2,826
Non-controlling interests	959	961
Total net assets	81,906	80,088
Total liabilities and net assets	125,167	126,102

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	47,510	43,804
Cost of sales	34,646	32,499
Gross profit	12,863	11,305
Selling, general and administrative expenses	10,245	10,371
Operating profit	2,618	934
Non-operating income		
Interest income	3	3
Dividend income	154	178
Rental income	62	69
Foreign exchange gains	-	10
Other	362	219
Total non-operating income	583	480
Non-operating expenses		
Interest expenses	45	47
Rental expenses	7	7
Foreign exchange losses	50	-
Share of loss of entities accounted for using equity method	47	47
Other	33	46
Total non-operating expenses	184	148
Ordinary profit	3,016	1,265
Extraordinary income		
Gain on sale of non-current assets	0	4
Gain on sale of investment securities	1	39
Gain on sale of membership	0	-
Gain on revision of retirement benefit plan	-	145
Total extraordinary income	2	189
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	1
Loss on valuation of shares of subsidiaries and associates	-	4
Total extraordinary losses	1	6
Profit before income taxes	3,017	1,449
Income taxes	1,075	815
Profit	1,942	633
Profit attributable to non-controlling interests	39	6
Profit attributable to owners of parent	1,903	627

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	1,942	633
Other comprehensive income		
Valuation difference on available-for-sale securities	593	(1,238)
Deferred gains or losses on hedges	(4)	(20)
Foreign currency translation adjustment	316	929
Remeasurements of defined benefit plans, net of tax	13	(201)
Share of other comprehensive income of entities accounted for using equity method	150	258
Total other comprehensive income	1,070	(272)
Comprehensive income	3,012	361
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,972	357
Comprehensive income attributable to non-controlling interests	40	4

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Cash flows from operating activities		
Profit before income taxes	3,017	1,449
Depreciation	1,399	1,414
Amortization of goodwill	340	356
Increase (decrease) in allowance for doubtful accounts	89	(22)
Increase (decrease) in provision for recall loss	-	(39)
Interest and dividend income	(158)	(181)
Interest expenses	45	47
Share of loss (profit) of entities accounted for using equity method	47	47
Loss (gain) on sale and retirement of property, plant and equipment	1	(2)
Loss (gain) on sale of investment securities	(1)	(39)
Decrease (increase) in trade receivables	11,368	11,851
Decrease (increase) in inventories	(11,030)	(14,688)
Increase (decrease) in trade payables	1,968	3,674
Other, net	(1,972)	(2,294)
Subtotal	5,115	1,571
Interest and dividends received	159	185
Interest paid	(38)	(40)
Income taxes paid	(2,754)	(2,893)
Net cash provided by (used in) operating activities	2,481	(1,177)
Cash flows from investing activities		
Purchase of property, plant and equipment	(459)	(2,021)
Proceeds from sale of property, plant and equipment	93	16
Payments for retirement of property, plant and equipment	(0)	(0)
Purchase of intangible assets	(160)	(264)
Proceeds from sale of investment securities	2	188
Loan advances	(281)	(22)
Proceeds from collection of loans receivable	1	89
Other, net	428	(96)
Net cash provided by (used in) investing activities	(375)	(2,111)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	805	(131)
Repayments of long-term borrowings	(408)	(408)
Purchase of treasury shares	-	(575)
Dividends paid	(1,719)	(1,793)
Dividends paid to non-controlling interests	(3)	(2)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(9)	-
Other, net	(126)	(143)
Net cash provided by (used in) financing activities	(1,461)	(3,055)
Effect of exchange rate change on cash and cash equivalents	29	92
Net increase (decrease) in cash and cash equivalents	673	(6,251)
Cash and cash equivalents at beginning of period	22,839	29,132
Cash and cash equivalents at end of period	23,513	22,881

Segment Information, etc.

I. For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

1. Information concerning net sales, profit or loss by reporting segment, and information on disaggregation of revenue

Million yen

	Reporting segment				Total
	Fire Fighting Vehicles	Fire Protection Equipment & Systems	Recycling Machines	Environmental Conservation Vehicles	
Net Sales:					
Revenue from Contracts with Customers	24,936	12,303	3,350	6,898	47,489
Other revenue	—	—	—	21	21
Sales to external customers	24,936	12,303	3,350	6,920	47,510
Inter segment sales or transfers	122	161	6	154	445
Total	25,058	12,465	3,356	7,074	47,955
Segment profit	1,414	316	402	489	2,622

2. Differences between the total amounts of reporting segments and the amounts stated in the consolidated financial statements and the main contents of the differences (matters related to the adjustment of differences)

Million yen

Profit	Amount
Total amount of reporting segments	2,622
Elimination of inter-segment transaction	3
Adjusted amount of inventories	(8)
Operating profit in the consolidated financial statements	2,618

3. Information related to losses on the impairment of fixed assets or goodwill for each reportable segment

Not applicable.

II. For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

1. Information concerning net sales, profit or loss by reporting segment, and information on disaggregation of revenue

Million yen

	Reporting segment				Total
	Fire Fighting Vehicles	Fire Protection Equipment & Systems	Recycling Machines	Environmental Conservation Vehicles	
Net Sales:					
Revenue from Contracts with Customers	20,384	12,859	4,037	6,519	43,801
Other revenue	—	—	—	3	3
Sales to external customers	20,384	12,859	4,037	6,522	43,804
Inter segment sales or transfers	138	186	7	156	489
Total	20,523	13,046	4,044	6,679	44,293
Segment profit(loss)	(588)	804	467	256	940

2. Differences between the total amounts of reporting segments and the amounts stated in the consolidated financial statements and the main contents of the differences (matters related to the adjustment of differences)

Million yen

Profit	Amount
Total amount of reporting segments	940
Elimination of inter-segment transaction	1
Adjusted amount of inventories	(7)
Operating profit in the consolidated financial statements	934

3. Information related to losses on the impairment of fixed assets or goodwill for each reportable segment

Not applicable.

Supplementary Information

[Production performance, Order intake, Order backlog and Sales performance]

(1) Production performance

Reporting segment	Production performance (Million yen)	Year on year change (%)
Fire Fighting Vehicles	30,971	(8.5)
Fire Protection Equipment & Systems	12,782	13.6
Recycling Machines	4,459	11.7
Environmental Conservation Vehicles	6,923	(7.6)
Total	55,137	(2.6)

Note: 1. Inter-segment transactions are offset and eliminated.

2. The amount indicated above are shown as sales price.

3. The amount indicated above do not include consumption and other taxes.

(2) Order intake and Order backlog

Reporting segment	Order Intake (Million yen)	Year on year change (%)	Order backlog (Million yen)	Year on year change (%)
Fire Fighting Vehicles	47,932	13.2	43,047	36.0
Fire Protection Equipment & Systems	7,682	19.9	7,965	32.4
Recycling Machines	4,648	(6.8)	5,159	17.0
Environmental Conservation Vehicles	8,615	1.8	8,131	36.9
Total	68,878	10.8	64,303	33.9

Note: 1. Inter-segment transactions are offset and eliminated.

2. The amount indicated above are shown as sales price.

3. The amount indicated above do not include consumption and other taxes.

4. The amount of Fire Protection Equipment & Systems Business do not include those of the fire protection equipment department because it does not conduct make-to-stock production.

(3) Sales performance

Reporting segment	Sales performance (Million yen)	Year on year change (%)
Fire Fighting Vehicles	20,384	(18.3)
Fire Protection Equipment & Systems	12,859	4.5
Recycling Machines	4,037	20.5
Environmental Conservation Vehicles	6,522	(5.7)
Total	43,804	(7.8)

Note: 1. Inter-segment transactions are offset and eliminated.

2. The amount indicated above do not include consumption and other taxes.