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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 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: November 9, 2023

Scheduled date of commencing dividend payments: December 1, 2023

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 Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

	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, 2023	34,588	22.8	1,856	164.1	2,048	136.9	893	146.2
September 30, 2022	28,156	4.2	702	125.3	864	37.0	363	38.5

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 2,436 million [420.4%]

Six months ended September 30, 2022: ¥ 468 million [(70.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	20.38	-
September 30, 2022	8.25	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	129,214	85,843	65.7
March 31, 2023	123,986	84,213	67.1

(Reference) Equity: As of September 30, 2023: ¥ 84,839 million

As of March 31, 2023: ¥ 83,223 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, 2023	-	20.00	-	23.00	43.00
Fiscal year ending March 31, 2024	-	24.00			
Fiscal year ending March 31, 2024(Forecast)			-	24.00	48.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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
Full year	90,000	10.6	8,100	59.4	8,600	45.4	5,500	37.6	125.29

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(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):

September 30, 2023: 46,918,542 shares

March 31, 2023: 46,918,542 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 2,981,847 shares

March 31, 2023: 3,111,634 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 43,862,491 shares

Six months ended September 30, 2022: 44,038,676 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

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	19,963	21,154
Notes and accounts receivable - trade	25,576	15,527
Electronically recorded monetary claims - operating	2,156	2,628
Merchandise and finished goods	3,336	4,617
Work in process	10,230	17,941
Raw materials and supplies	7,141	8,984
Other	2,518	3,073
Allowance for doubtful accounts	(154)	(128)
Total current assets	70,769	73,799
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,648	12,646
Machinery, equipment and vehicles, net	2,289	2,532
Land	18,753	18,739
Construction in progress	1,768	203
Other, net	794	831
Total property, plant and equipment	33,254	34,953
Intangible assets		
Goodwill	1,491	1,376
Other	1,027	986
Total intangible assets	2,518	2,362
Investments and other assets		
Investment securities	11,656	12,268
Retirement benefit asset	1,660	1,664
Other	4,134	4,173
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	17,443	18,099
Total non-current assets	53,216	55,415
Total assets	123,986	129,214

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,081	10,356
Electronically recorded obligations - operating	8,645	9,966
Short-term borrowings	-	1,537
Income taxes payable	936	1,051
Provision for bonuses	1,051	1,087
Provision for bonuses for directors (and other officers)	140	73
Provision for product warranties	447	351
Provision for recall	96	85
Other	7,921	9,289
Total current liabilities	30,321	33,799
Non-current liabilities		
Retirement benefit liability	3,833	3,939
Provision for retirement benefits for directors (and other officers)	13	14
Other	5,603	5,616
Total non-current liabilities	9,451	9,570
Total liabilities	39,772	43,370
Net assets		
Shareholders' equity		
Share capital	4,746	4,746
Capital surplus	5,080	5,137
Retained earnings	73,293	73,179
Treasury shares	(3,450)	(3,304)
Total shareholders' equity	79,670	79,759
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,512	4,961
Deferred gains or losses on hedges	11	(12)
Revaluation reserve for land	(2,600)	(2,600)
Foreign currency translation adjustment	1,363	2,465
Remeasurements of defined benefit plans	267	265
Total accumulated other comprehensive income	3,553	5,079
Non-controlling interests	990	1,004
Total net assets	84,213	85,843
Total liabilities and net assets	123,986	129,214

Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	28,156	34,588
Cost of sales	20,540	25,504
Gross profit	7,615	9,084
Selling, general and administrative expenses	6,913	7,227
Operating profit	702	1,856
Non-operating income		
Interest income	1	7
Dividend income	107	111
Rental income	44	43
Foreign exchange gains	-	9
Other	144	135
Total non-operating income	298	306
Non-operating expenses		
Interest expenses	31	26
Rental expenses	5	6
Foreign exchange losses	25	-
Share of loss of entities accounted for using equity method	35	42
Other	37	38
Total non-operating expenses	136	114
Ordinary profit	864	2,048
Extraordinary income		
Gain on sale of non-current assets	4	3
Gain on sale of investment securities	31	-
Total extraordinary income	36	3
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	10
Loss on valuation of shares of subsidiaries and associates	4	-
Relocation expenses	-	157
Total extraordinary losses	5	168
Profit before income taxes	895	1,882
Income taxes	532	974
Profit	362	908
Profit (loss) attributable to non-controlling interests	(0)	14
Profit attributable to owners of parent	363	893

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	362	908
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,061)	450
Deferred gains or losses on hedges	(26)	(23)
Foreign currency translation adjustment	935	1,019
Remeasurements of defined benefit plans, net of tax	(2)	(1)
Share of other comprehensive income of entities accounted for using equity method	261	82
Total other comprehensive income	105	1,527
Comprehensive income	468	2,436
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	471	2,419
Comprehensive income attributable to non-controlling interests	(2)	16

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	895	1,882
Depreciation	930	1,011
Amortization of goodwill	234	256
Increase (decrease) in allowance for doubtful accounts	(0)	(30)
Increase (decrease) in provision for recall loss	(25)	(11)
Interest and dividend income	(109)	(118)
Interest expenses	31	26
Share of loss (profit) of entities accounted for using equity method	35	42
Loss (gain) on sale and retirement of property, plant and equipment	(3)	7
Loss (gain) on sale of investment securities	(31)	-
Decrease (increase) in trade receivables	10,641	10,897
Decrease (increase) in inventories	(8,249)	(10,020)
Increase (decrease) in trade payables	(2,658)	154
Other, net	(983)	(185)
Subtotal	707	3,912
Interest and dividends received	113	120
Interest paid	(31)	(26)
Income taxes paid	(2,119)	(830)
Net cash provided by (used in) operating activities	(1,329)	3,176
Cash flows from investing activities		
Purchase of property, plant and equipment	(867)	(2,168)
Proceeds from sale of property, plant and equipment	16	18
Purchase of intangible assets	(178)	(133)
Proceeds from sale of investment securities	127	-
Loan advances	(21)	(0)
Proceeds from collection of loans receivable	89	0
Other, net	(143)	(159)
Net cash provided by (used in) investing activities	(977)	(2,443)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(175)	1,434
Repayments of long-term borrowings	(408)	-
Purchase of treasury shares	(575)	-
Dividends paid	(925)	(1,005)
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(93)	(104)
Net cash provided by (used in) financing activities	(2,179)	322
Effect of exchange rate change on cash and cash equivalents	42	(9)
Net increase (decrease) in cash and cash equivalents	(4,443)	1,046
Cash and cash equivalents at beginning of period	29,132	19,651
Cash and cash equivalents at end of period	24,688	20,698

Segment Information, etc.

I. For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

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

Millions of yen

	Reporting segment				Total
	Fire Fighting Vehicles	Fire Protection Equipment & Systems	Recycling Machines	Environmental Conservation Vehicles	
Net Sales:					
Revenue from Contracts with Customers	12,487	8,398	2,790	4,476	28,152
Other revenue	—	—	—	3	3
Sales to external customers	12,487	8,398	2,790	4,479	28,156
Inter segment sales or transfers	89	119	3	79	292
Total	12,576	8,518	2,794	4,559	28,448
Segment profit(loss)	(344)	561	314	164	696

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)

Millions of yen

Profit	Amount
Total amount of reporting segments	696
Elimination of inter-segment transaction	2
Adjusted amount of inventories	4
Operating profit in the consolidated financial statements	702

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

Not applicable.

II. For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

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

Millions of yen

	Reporting segment				Total
	Fire Fighting Vehicles	Fire Protection Equipment & Systems	Recycling Machines	Environmental Conservation Vehicles	
Net Sales:					
Revenue from Contracts with Customers	16,213	10,302	2,861	5,199	34,578
Other revenue	—	—	—	9	9
Sales to external customers	16,213	10,302	2,861	5,209	34,588
Inter segment sales or transfers	80	154	1	110	346
Total	16,293	10,457	2,863	5,319	34,934
Segment profit	151	1,020	399	289	1,861

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)

Millions of yen

Profit	Amount
Total amount of reporting segments	1,861
Elimination of inter-segment transaction	—
Adjusted amount of inventories	(5)
Operating profit in the consolidated financial statements	1,856

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 (Millions of yen)	Year on year change (%)
Fire Fighting Vehicles	22,054	17.9
Fire Protection Equipment & Systems	9,633	17.1
Recycling Machines	2,996	5.8
Environmental Conservation Vehicles	5,040	10.7
Total	39,724	15.7

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 (Millions of yen)	Year on year change (%)	Order backlog (Millions of yen)	Year on year change (%)
Fire Fighting Vehicles	40,207	(1.2)	54,828	26.9
Fire Protection Equipment & Systems	4,657	(3.3)	6,483	(3.8)
Recycling Machines	3,269	6.2	5,250	8.5
Environmental Conservation Vehicles	5,856	(5.5)	8,446	8.9
Total	53,991	(1.5)	75,009	19.9

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 conducts make-to-stock production.

(3) Sales performance

Reporting segment	Sales performance (Millions of yen)	Year on year change (%)
Fire Fighting Vehicles	16,213	29.8
Fire Protection Equipment & Systems	10,302	22.7
Recycling Machines	2,861	2.6
Environmental Conservation Vehicles	5,209	16.3
Total	34,588	22.8

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

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