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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 28, 2022

Company name: MORITA HOLDINGS CORPORATION

Stock exchange listing: Tokyo

Code number: 6455

URL: <https://www.morita119.com/en>

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Scheduled date of filing quarterly securities report: November 8, 2022

Scheduled date of commencing dividend payments: December 1, 2022

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, 2022 (April 1, 2022 to September 30, 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	%
Six months ended September 30, 2022	28,156	4.2	702	125.3	864	37.0	363	38.5
September 30, 2021	27,011	(4.1)	311	(61.5)	631	(38.0)	262	(48.0)

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

Six months ended September 30, 2021: ¥ 1,603 million [(4.9)%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	8.25		-	
September 30, 2021	5.76		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	121,186	81,071	66.1
March 31, 2022	125,167	81,906	64.7

(Reference) Equity: As of September 30, 2022: ¥ 80,116 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)	-	-	-	-	-

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

At this point, the dividends forecast for the fiscal year ending March 31, 2023 has yet to be determined. It will be announced promptly after the forecasts for consolidated financial results become reasonably predictable

3. The Forecasts of Business Results for the Fiscal Year ending March 31, 2023(From April 1, 2022 to March 31, 2023)

At this point, the forecasts of business results have yet to be determined due to uncertain factors related to provisions of chassis for the fire fighting vehicles segment and the environmental conservation vehicles segment, which make reasonable forecasts unpredictable. It will be announced promptly after the forecasts for consolidated financial results become reasonably predicible.

* Notes:

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

September 30, 2022: 46,918,542 shares

March 31, 2022: 46,918,542 shares

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

September 30, 2022: 3,111,356 shares

March 31, 2022: 2,817,506 shares

3) Average number of shares during the period:

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

Six months ended September 30, 2021: 45,494,644 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 September 30,2022
Assets		
Current assets		
Cash and deposits	29,276	24,976
Notes and accounts receivable - trade	22,406	13,510
Electronically recorded monetary claims - operating	1,812	1,948
Merchandise and finished goods	3,512	4,277
Work in process	7,770	13,673
Raw materials and supplies	5,608	7,587
Other	1,457	2,488
Allowance for doubtful accounts	(216)	(76)
Total current assets	71,629	68,386
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,137	9,941
Machinery, equipment and vehicles, net	2,406	2,309
Land	18,468	18,753
Construction in progress	254	786
Other, net	912	893
Total property, plant and equipment	32,179	32,683
Intangible assets		
Goodwill	1,820	1,744
Other	852	928
Total intangible assets	2,672	2,673
Investments and other assets		
Investment securities	12,879	11,157
Retirement benefit asset	1,517	1,518
Other	4,906	4,854
Allowance for doubtful accounts	(616)	(87)
Total investments and other assets	18,686	17,443
Total non-current assets	53,538	52,799
Total assets	125,167	121,186

(Million yen)

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,601	7,543
Electronically recorded obligations - operating	7,827	6,351
Short-term borrowings	954	859
Current portion of long-term borrowings	5,316	4,907
Income taxes payable	2,005	675
Provision for bonuses	1,161	1,142
Provision for bonuses for directors (and other officers)	119	36
Provision for product warranties	491	469
Provision for recall	179	154
Other	6,460	8,413
Total current liabilities	33,118	30,555
Non-current liabilities		
Long-term borrowings	54	62
Retirement benefit liability	4,075	4,068
Provision for retirement benefits for directors (and other officers)	11	12
Other	6,002	5,416
Total non-current liabilities	10,143	9,559
Total liabilities	43,261	40,114
Net assets		
Shareholders' equity		
Share capital	4,746	4,746
Capital surplus	5,048	5,080
Retained earnings	71,099	70,536
Treasury shares	(3,042)	(3,450)
Total shareholders' equity	77,851	76,913
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,319	4,260
Deferred gains or losses on hedges	11	(15)
Revaluation reserve for land	(2,600)	(2,600)
Foreign currency translation adjustment	321	1,518
Remeasurements of defined benefit plans	44	41
Total accumulated other comprehensive income	3,095	3,203
Non-controlling interests	959	954
Total net assets	81,906	81,071
Total liabilities and net assets	125,167	121,186

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	27,011	28,156
Cost of sales	19,810	20,540
Gross profit	7,201	7,615
Selling, general and administrative expenses	6,889	6,913
Operating profit	311	702
Non-operating income		
Interest income	2	1
Dividend income	89	107
Rental income	41	44
Other	307	144
Total non-operating income	441	298
Non-operating expenses		
Interest expenses	28	31
Rental expenses	5	5
Foreign exchange losses	27	25
Share of loss of entities accounted for using equity method	42	35
Other	18	37
Total non-operating expenses	121	136
Ordinary profit	631	864
Extraordinary income		
Gain on sale of non-current assets	0	4
Gain on sale of investment securities	1	31
Gain on sale of membership	0	-
Total extraordinary income	2	36
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	5
Profit before income taxes	632	895
Income taxes	354	532
Profit	278	362
Profit (loss) attributable to non-controlling interests	16	(0)
Profit attributable to owners of parent	262	363

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	278	362
Other comprehensive income		
Valuation difference on available-for-sale securities	760	(1,061)
Deferred gains or losses on hedges	(3)	(26)
Foreign currency translation adjustment	426	935
Remeasurements of defined benefit plans, net of tax	9	(2)
Share of other comprehensive income of entities accounted for using equity method	132	261
Total other comprehensive income	1,325	105
Comprehensive income	1,603	468
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,588	471
Comprehensive income attributable to non-controlling interests	15	(2)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	632	895
Depreciation	928	930
Amortization of goodwill	226	234
Increase (decrease) in allowance for doubtful accounts	79	(0)
Increase (decrease) in provision for recall loss	-	(25)
Interest and dividend income	(92)	(109)
Interest expenses	28	31
Share of loss (profit) of entities accounted for using equity method	42	35
Loss (gain) on sale and retirement of property, plant and equipment	1	(3)
Loss (gain) on sale of investment securities	(1)	(31)
Decrease (increase) in trade receivables	15,062	10,641
Decrease (increase) in inventories	(8,826)	(8,249)
Increase (decrease) in trade payables	(2,200)	(2,658)
Other, net	(1,616)	(983)
Subtotal	4,264	707
Interest and dividends received	93	113
Interest paid	(28)	(31)
Income taxes paid	(2,038)	(2,119)
Net cash provided by (used in) operating activities	2,291	(1,329)
Cash flows from investing activities		
Purchase of property, plant and equipment	(327)	(867)
Proceeds from sale of property, plant and equipment	93	16
Purchase of intangible assets	(93)	(178)
Proceeds from sale of investment securities	2	127
Loan advances	(190)	(21)
Proceeds from collection of loans receivable	0	89
Other, net	(120)	(143)
Net cash provided by (used in) investing activities	(636)	(977)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	552	(175)
Repayments of long-term borrowings	(408)	(408)
Purchase of treasury shares	-	(575)
Dividends paid	(862)	(925)
Dividends paid to non-controlling interests	(3)	(2)
Other, net	(82)	(93)
Net cash provided by (used in) financing activities	(803)	(2,179)
Effect of exchange rate change on cash and cash equivalents	32	42
Net increase (decrease) in cash and cash equivalents	883	(4,443)
Cash and cash equivalents at beginning of period	22,839	29,132
Cash and cash equivalents at end of period	23,723	24,688

Segment Information, etc.

I. For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 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	11,910	8,058	2,411	4,620	27,001
Other revenue	—	—	—	10	10
Sales to external customers	11,910	8,058	2,411	4,630	27,011
Inter segment sales or transfers	68	101	3	100	273
Total	11,979	8,159	2,415	4,731	27,285
Segment profit(loss)	(506)	183	317	317	311

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	311
Elimination of inter-segment transaction	2
Adjusted amount of inventories	(2)
Operating profit in the consolidated financial statements	311

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, 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

Million 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)

Million 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.

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	18,708	(1.2)
Fire Protection Equipment & Systems	8,224	16.5
Recycling Machines	2,831	12.2
Environmental Conservation Vehicles	4,555	(11.0)
Total	34,319	2.0

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	40,712	10.0	43,207	11.2
Fire Protection Equipment & Systems	4,818	17.6	6,741	27.1
Recycling Machines	3,079	3.0	4,838	44.4
Environmental Conservation Vehicles	6,195	7.5	7,754	40.2
Total	54,806	9.9	62,541	17.9

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	12,487	4.8
Fire Protection Equipment & Systems	8,398	4.2
Recycling Machines	2,790	15.7
Environmental Conservation Vehicles	4,479	(3.3)
Total	28,156	4.2

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

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