

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

July 28, 2023

Company name: MORITA HOLDINGS CORPORATION

Stock exchange listing: Tokyo

Code number: 6455

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

Representative: Shinichi Kanaoka, President

Contact: Shinya Murai, Director and Managing Executive Officer

Phone: +81-6-6208-1910

Scheduled date of filing quarterly securities report: August 9, 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 Three Months Ended June 30, 2023 (April 1, 2023 to June 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	%
Three months ended June 30, 2023	14,598	17.6	143	-	289	396.8	(44)	-
June 30, 2022	12,417	19.3	(27)	-	58	-	(124)	-

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 850 million [-%]
Three months ended June 30, 2022: ¥ (452) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(1.03)	-
June 30, 2022	(2.83)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	121,194	84,054	68.5
March 31, 2023	123,986	84,213	67.1

(Reference) Equity: As of June 30, 2023: ¥ 83,064 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	-				
Fiscal year ending March 31, 2024(Forecast)		24.00	-	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 three months ended June 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):

June 30, 2023: 46,918,542 shares

March 31, 2023: 46,918,542 shares

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

June 30, 2023: 3,112,019 shares

March 31, 2023: 3,111,634 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 43,806,790 shares

Three months ended June 30, 2022: 44,101,040 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.

Contents of attachments

Quarterly Consolidated Financial Statements

(Quarterly Consolidated Balance Sheets).....	2
(Quarterly Consolidated Statements of Income (For the three months)).....	4
(Quarterly Consolidated Statements of Comprehensive Income (For the three months)).....	5
(Quarterly Consolidated Statements of Cash Flows).....	6

Segment Information, etc.

(Segment Information).....	7
----------------------------	---

Supplementary Information

(Production performance, Order intake, Order backlog and Sales performance).....	8
--	---

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	19,963	20,656
Notes and accounts receivable - trade	25,576	12,652
Electronically recorded monetary claims - operating	2,156	2,408
Merchandise and finished goods	3,336	3,716
Work in process	10,230	14,095
Raw materials and supplies	7,141	8,033
Other	2,518	3,562
Allowance for doubtful accounts	(154)	(127)
Total current assets	70,769	64,998
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,648	9,541
Machinery, equipment and vehicles, net	2,289	2,233
Land	18,753	18,753
Construction in progress	1,768	4,013
Other, net	794	782
Total property, plant and equipment	33,254	35,323
Intangible assets		
Goodwill	1,491	1,400
Other	1,027	1,007
Total intangible assets	2,518	2,407
Investments and other assets		
Investment securities	11,656	12,571
Retirement benefit asset	1,660	1,662
Other	4,134	4,239
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	17,443	18,465
Total non-current assets	53,216	56,196
Total assets	123,986	121,194

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,081	7,589
Electronically recorded obligations - operating	8,645	8,134
Short-term borrowings	-	765
Income taxes payable	936	391
Provision for bonuses	1,051	552
Provision for bonuses for directors (and other officers)	140	24
Provision for product warranties	447	433
Provision for recall	96	91
Other	7,921	9,443
Total current liabilities	30,321	27,426
Non-current liabilities		
Retirement benefit liability	3,833	3,893
Provision for retirement benefits for directors (and other officers)	13	14
Other	5,603	5,806
Total non-current liabilities	9,451	9,713
Total liabilities	39,772	37,140
Net assets		
Shareholders' equity		
Share capital	4,746	4,746
Capital surplus	5,080	5,080
Retained earnings	73,293	72,241
Treasury shares	(3,450)	(3,451)
Total shareholders' equity	79,670	78,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,512	5,131
Deferred gains or losses on hedges	11	13
Revaluation reserve for land	(2,600)	(2,600)
Foreign currency translation adjustment	1,363	1,636
Remeasurements of defined benefit plans	267	266
Total accumulated other comprehensive income	3,553	4,447
Non-controlling interests	990	989
Total net assets	84,213	84,054
Total liabilities and net assets	123,986	121,194

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	12,417	14,598
Cost of sales	8,991	10,864
Gross profit	3,426	3,733
Selling, general and administrative expenses	3,454	3,589
Operating profit (loss)	(27)	143
Non-operating income		
Interest income	0	3
Dividend income	77	74
Rental income	21	21
Foreign exchange gains	-	58
Other	84	59
Total non-operating income	183	218
Non-operating expenses		
Interest expenses	15	9
Rental expenses	1	2
Foreign exchange losses	26	-
Share of loss of entities accounted for using equity method	35	48
Other	17	12
Total non-operating expenses	97	72
Ordinary profit	58	289
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	9
Relocation expenses	-	89
Total extraordinary losses	0	98
Profit before income taxes	58	190
Income taxes	188	235
Loss	(130)	(44)
Profit (loss) attributable to non-controlling interests	(5)	0
Loss attributable to owners of parent	(124)	(44)

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Loss	(130)	(44)
Other comprehensive income		
Valuation difference on available-for-sale securities	(892)	621
Deferred gains or losses on hedges	0	2
Foreign currency translation adjustment	490	249
Remeasurements of defined benefit plans, net of tax	(1)	(0)
Share of other comprehensive income of entities accounted for using equity method	80	23
Total other comprehensive income	(322)	894
Comprehensive income	(452)	850
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(446)	848
Comprehensive income attributable to non-controlling interests	(6)	1

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	58	190
Depreciation	455	463
Amortization of goodwill	114	125
Increase (decrease) in allowance for doubtful accounts	(22)	(28)
Increase (decrease) in provision for recall loss	(12)	(5)
Interest and dividend income	(78)	(77)
Interest expenses	15	9
Share of loss (profit) of entities accounted for using equity method	35	48
Loss (gain) on sale and retirement of property, plant and equipment	(0)	9
Decrease (increase) in trade receivables	10,991	12,995
Decrease (increase) in inventories	(4,154)	(5,014)
Increase (decrease) in trade payables	(3,773)	(4,059)
Other, net	133	(33)
Subtotal	3,763	4,625
Interest and dividends received	78	77
Interest paid	(8)	(9)
Income taxes paid	(2,683)	(1,479)
Net cash provided by (used in) operating activities	1,149	3,213
Cash flows from investing activities		
Purchase of property, plant and equipment	(506)	(2,194)
Proceeds from sale of property, plant and equipment	12	0
Purchase of intangible assets	(111)	(60)
Loan advances	(0)	(0)
Proceeds from collection of loans receivable	61	0
Other, net	(69)	(74)
Net cash provided by (used in) investing activities	(615)	(2,329)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(10)	753
Dividends paid	(906)	(992)
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(44)	(51)
Net cash provided by (used in) financing activities	(963)	(291)
Effect of exchange rate change on cash and cash equivalents	15	27
Net increase (decrease) in cash and cash equivalents	(414)	620
Cash and cash equivalents at beginning of period	29,132	19,651
Cash and cash equivalents at end of period	28,718	20,272

Segment Information, etc.

I. For the three months ended June 30, 2022 (from April 1, 2022 to June 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	4,906	4,042	1,344	2,121	12,414
Other revenue	—	—	—	2	2
Sales to external customers	4,906	4,042	1,344	2,124	12,417
Inter segment sales or transfers	28	55	2	30	116
Total	4,934	4,098	1,346	2,154	12,534
Segment profit(loss)	(431)	234	122	41	(33)

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	(33)
Elimination of inter-segment transaction	0
Adjusted amount of inventories	4
Operating loss in the consolidated financial statements	(27)

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

Not applicable.

II. For the three months ended June 30, 2023 (from April 1, 2023 to June 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	5,705	5,168	1,390	2,333	14,597
Other revenue	—	—	—	0	0
Sales to external customers	5,705	5,168	1,390	2,333	14,598
Inter segment sales or transfers	42	67	0	67	178
Total	5,748	5,236	1,390	2,401	14,776
Segment profit(loss)	(600)	491	174	77	143

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	143
Elimination of inter-segment transaction	—
Adjusted amount of inventories	0
Operating profit in the consolidated financial statements	143

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	7,796	3.4
Fire Protection Equipment & Systems	4,453	11.8
Recycling Machines	1,444	12.9
Environmental Conservation Vehicles	2,672	22.9
Total	16,366	9.3

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	30,179	19.5	54,438	56.7
Fire Protection Equipment & Systems	2,485	21.8	6,288	11.7
Recycling Machines	1,534	(16.6)	4,987	(1.1)
Environmental Conservation Vehicles	2,656	(16.2)	8,121	14.7
Total	36,856	14.1	73,836	40.6

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.

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 (Millions of yen)	Year on year change (%)
Fire Fighting Vehicles	5,705	16.3
Fire Protection Equipment & Systems	5,168	27.9
Recycling Machines	1,390	3.4
Environmental Conservation Vehicles	2,333	9.8
Total	14,598	17.6

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

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