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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

January 31, 2024

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 9, 2024

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, 2023 (April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	54,708	24.9	3,296	252.8	3,450	172.6	1,715	173.6
December 31, 2022	43,804	(7.8)	934	(64.3)	1,265	(58.0)	627	(67.1)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 3,707 million [924.7%]

Nine months ended December 31, 2022: ¥ 361 million [(88.0)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	39.09	-
December 31, 2022	14.26	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	131,558	86,059	64.6
March 31, 2023	123,986	84,213	67.1

(Reference) Equity: As of December 31, 2023: ¥ 85,032 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 nine months ended December 31, 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):

December 31, 2023: 46,918,542 shares

March 31, 2023: 46,918,542 shares

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

December 31, 2023: 2,982,083 shares

March 31, 2023: 3,111,634 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 43,884,682 shares

Nine months ended December 31, 2022: 43,969,194 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	19,963	21,370
Notes and accounts receivable - trade	25,576	12,735
Electronically recorded monetary claims - operating	2,156	2,506
Merchandise and finished goods	3,336	8,914
Work in process	10,230	18,000
Raw materials and supplies	7,141	9,547
Other	2,518	2,927
Allowance for doubtful accounts	(154)	(128)
Total current assets	70,769	75,872
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,648	12,466
Machinery, equipment and vehicles, net	2,289	2,439
Land	18,753	18,739
Construction in progress	1,768	433
Other, net	794	787
Total property, plant and equipment	33,254	34,866
Intangible assets		
Goodwill	1,491	1,241
Other	1,027	945
Total intangible assets	2,518	2,187
Investments and other assets		
Investment securities	11,656	12,780
Retirement benefit asset	1,660	1,666
Other	4,134	4,192
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	17,443	18,632
Total non-current assets	53,216	55,685
Total assets	123,986	131,558

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,081	11,565
Electronically recorded obligations - operating	8,645	10,813
Short-term borrowings	-	2,028
Income taxes payable	936	866
Provision for bonuses	1,051	577
Provision for bonuses for directors (and other officers)	140	98
Provision for product warranties	447	345
Provision for recall	96	80
Other	7,921	9,407
Total current liabilities	30,321	35,783
Non-current liabilities		
Retirement benefit liability	3,833	4,012
Provision for retirement benefits for directors (and other officers)	13	15
Other	5,603	5,686
Total non-current liabilities	9,451	9,715
Total liabilities	39,772	45,498
Net assets		
Shareholders' equity		
Share capital	4,746	4,746
Capital surplus	5,080	5,137
Retained earnings	73,293	72,947
Treasury shares	(3,450)	(3,304)
Total shareholders' equity	79,670	79,526
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,512	5,286
Deferred gains or losses on hedges	11	(14)
Revaluation reserve for land	(2,600)	(2,600)
Foreign currency translation adjustment	1,363	2,569
Remeasurements of defined benefit plans	267	265
Total accumulated other comprehensive income	3,553	5,506
Non-controlling interests	990	1,027
Total net assets	84,213	86,059
Total liabilities and net assets	123,986	131,558

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	43,804	54,708
Cost of sales	32,499	40,173
Gross profit	11,305	14,535
Selling, general and administrative expenses	10,371	11,238
Operating profit	934	3,296
Non-operating income		
Interest income	3	8
Dividend income	178	189
Rental income	69	64
Foreign exchange gains	10	-
Other	219	207
Total non-operating income	480	468
Non-operating expenses		
Interest expenses	47	52
Rental expenses	7	8
Foreign exchange losses	-	142
Share of loss of entities accounted for using equity method	47	65
Other	46	45
Total non-operating expenses	148	314
Ordinary profit	1,265	3,450
Extraordinary income		
Gain on sale of non-current assets	4	4
Gain on sale of investment securities	39	-
Gain on revision of retirement benefit plan	145	-
Total extraordinary income	189	4
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	-	168
Total extraordinary losses	6	179
Profit before income taxes	1,449	3,275
Income taxes	815	1,526
Profit	633	1,748
Profit attributable to non-controlling interests	6	33
Profit attributable to owners of parent	627	1,715

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	633	1,748
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,238)	780
Deferred gains or losses on hedges	(20)	(25)
Foreign currency translation adjustment	929	1,067
Remeasurements of defined benefit plans, net of tax	(201)	(1)
Share of other comprehensive income of entities accounted for using equity method	258	138
Total other comprehensive income	(272)	1,958
Comprehensive income	361	3,707
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	357	3,668
Comprehensive income attributable to non-controlling interests	4	39

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,449	3,275
Depreciation	1,414	1,577
Amortization of goodwill	356	393
Increase (decrease) in allowance for doubtful accounts	(22)	(30)
Increase (decrease) in provision for recall loss	(39)	(16)
Interest and dividend income	(181)	(197)
Interest expenses	47	52
Share of loss (profit) of entities accounted for using equity method	47	65
Loss (gain) on sale and retirement of property, plant and equipment	(2)	6
Loss (gain) on sale of investment securities	(39)	-
Decrease (increase) in trade receivables	11,851	14,242
Decrease (increase) in inventories	(14,688)	(14,999)
Increase (decrease) in trade payables	3,674	2,281
Other, net	(2,294)	(631)
Subtotal	1,571	6,020
Interest and dividends received	185	199
Interest paid	(40)	(52)
Income taxes paid	(2,893)	(1,641)
Net cash provided by (used in) operating activities	(1,177)	4,525
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,021)	(2,611)
Proceeds from sale of property, plant and equipment	16	19
Payments for retirement of property, plant and equipment	(0)	-
Purchase of intangible assets	(264)	(178)
Proceeds from sale of investment securities	188	-
Loan advances	(22)	(0)
Proceeds from collection of loans receivable	89	0
Other, net	(96)	(110)
Net cash provided by (used in) investing activities	(2,111)	(2,881)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(131)	1,929
Repayments of long-term borrowings	(408)	-
Purchase of treasury shares	(575)	-
Dividends paid	(1,793)	(2,045)
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(143)	(160)
Net cash provided by (used in) financing activities	(3,055)	(278)
Effect of exchange rate change on cash and cash equivalents	92	(52)
Net increase (decrease) in cash and cash equivalents	(6,251)	1,313
Cash and cash equivalents at beginning of period	29,132	19,651
Cash and cash equivalents at end of period	22,881	20,965

Segment Information, etc.

I. 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

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	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)

Millions of 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.

II. For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	27,753	15,360	4,358	7,210	54,682
Other revenue	—	—	—	26	26
Sales to external customers	27,753	15,360	4,358	7,236	54,708
Inter segment sales or transfers	121	222	7	159	511
Total	27,874	15,582	4,366	7,396	55,219
Segment profit	766	1,647	546	336	3,297

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	3,297
Elimination of inter-segment transaction	0
Adjusted amount of inventories	(1)
Operating profit in the consolidated financial statements	3,296

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	37,700	21.7
Fire Protection Equipment & Systems	14,807	15.8
Recycling Machines	4,533	1.7
Environmental Conservation Vehicles	7,700	11.2
Total	64,741	17.4

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	47,185	(1.6)	51,076	18.7
Fire Protection Equipment & Systems	7,544	(1.8)	7,247	(9.0)
Recycling Machines	4,983	7.2	5,468	6.0
Environmental Conservation Vehicles	9,025	4.8	9,587	17.9
Total	68,739	(0.2)	73,379	14.1

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	27,753	36.1
Fire Protection Equipment & Systems	15,360	19.4
Recycling Machines	4,358	7.9
Environmental Conservation Vehicles	7,236	10.9
Total	54,708	24.9

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

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