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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Under Japanese GAAP]

July 30, 2024

Company name: MORITA HOLDINGS CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 6455

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

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	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, 2024	18,622	27.6	1,431	894.4	1,672	476.9	993	-
June 30, 2023	14,598	17.6	143	-	289	396.8	(44)	-

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 2,060 million [142.3%]
Three months ended June 30, 2023: ¥ 850 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	22.76	-
June 30, 2023	(1.03)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	133,974	92,594	68.3
March 31, 2024	139,695	91,583	64.8

(Reference) Equity: As of June 30, 2024: ¥ 91,519 million
As of March 31, 2024: ¥ 90,511 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, 2024	-	24.00	-	24.00	48.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025(Forecast)		25.00	-	25.00	50.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	100,000	5.0	10,000	5.8	10,500	9.1	7,000	16.4	160.13

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
 Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2024: 46,918,542 shares

March 31, 2024: 46,918,542 shares

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

June 30, 2024: 3,283,181 shares

March 31, 2024: 3,282,234 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 43,635,628 shares

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

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	26,384	26,900
Notes and accounts receivable - trade, and contract assets	26,668	14,631
Electronically recorded monetary claims - operating	2,468	3,073
Merchandise and finished goods	3,481	4,975
Work in process	13,047	14,519
Raw materials and supplies	8,022	9,147
Other	1,747	2,303
Allowance for doubtful accounts	(226)	(182)
Total current assets	81,592	75,369
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,339	12,182
Machinery, equipment and vehicles, net	2,766	2,713
Land	18,778	18,779
Construction in progress	567	536
Other, net	939	914
Total property, plant and equipment	35,390	35,126
Intangible assets		
Goodwill	1,101	998
Other	1,096	1,058
Total intangible assets	2,198	2,057
Investments and other assets		
Investment securities	14,529	15,472
Retirement benefit asset	1,972	1,975
Other	4,019	3,980
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	20,513	21,420
Total non-current assets	58,103	58,604
Total assets	139,695	133,974

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,554	8,150
Electronically recorded obligations - operating	10,388	9,884
Short-term borrowings	1,432	1,198
Income taxes payable	2,911	773
Provision for bonuses	1,272	621
Provision for bonuses for directors (and other officers)	190	38
Provision for product warranties	462	464
Provision for recall	80	78
Other	11,038	9,909
Total current liabilities	38,332	31,118
Non-current liabilities		
Retirement benefit liability	3,965	4,040
Provision for retirement benefits for directors (and other officers)	16	16
Other	5,798	6,203
Total non-current liabilities	9,779	10,260
Total liabilities	48,111	41,379
Net assets		
Shareholders' equity		
Share capital	4,746	4,746
Capital surplus	5,137	5,137
Retained earnings	77,273	77,219
Treasury shares	(3,790)	(3,790)
Total shareholders' equity	83,366	83,312
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,704	7,356
Deferred gains or losses on hedges	5	4
Revaluation reserve for land	(2,631)	(2,631)
Foreign currency translation adjustment	2,553	2,969
Remeasurements of defined benefit plans	513	507
Total accumulated other comprehensive income	7,144	8,207
Non-controlling interests	1,072	1,074
Total net assets	91,583	92,594
Total liabilities and net assets	139,695	133,974

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, 2023	For the three months ended June 30, 2024
Net sales	14,598	18,622
Cost of sales	10,864	13,379
Gross profit	3,733	5,242
Selling, general and administrative expenses	3,589	3,810
Operating profit	143	1,431
Non-operating income		
Interest income	3	1
Dividend income	74	84
Rental income	21	21
Foreign exchange gains	58	185
Other	59	77
Total non-operating income	218	370
Non-operating expenses		
Interest expenses	9	24
Rental expenses	2	2
Share of loss of entities accounted for using equity method	48	98
Other	12	4
Total non-operating expenses	72	130
Ordinary profit	289	1,672
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	9	1
Relocation expenses	89	-
Total extraordinary losses	98	1
Profit before income taxes	190	1,671
Income taxes	235	675
Profit (loss)	(44)	996
Profit attributable to non-controlling interests	0	2
Profit (loss) attributable to owners of parent	(44)	993

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit (loss)	(44)	996
Other comprehensive income		
Valuation difference on available-for-sale securities	621	653
Deferred gains or losses on hedges	2	(0)
Foreign currency translation adjustment	249	313
Remeasurements of defined benefit plans, net of tax	(0)	(5)
Share of other comprehensive income of entities accounted for using equity method	23	102
Total other comprehensive income	894	1,064
Comprehensive income	850	2,060
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	848	2,056
Comprehensive income attributable to non-controlling interests	1	4

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	190	1,671
Depreciation	463	541
Amortization of goodwill	125	140
Increase (decrease) in allowance for doubtful accounts	(28)	(45)
Increase (decrease) in provision for recall loss	(5)	(2)
Interest and dividend income	(77)	(86)
Interest expenses	9	24
Share of loss (profit) of entities accounted for using equity method	48	98
Loss (gain) on sale and retirement of property, plant and equipment	9	0
Decrease (increase) in accounts receivable - trade, and contract assets	12,995	11,228
Decrease (increase) in inventories	(5,014)	(3,786)
Increase (decrease) in trade payables	(4,059)	(3,132)
Other, net	(33)	(1,918)
Subtotal	4,625	4,734
Interest and dividends received	77	86
Interest paid	(9)	(24)
Income taxes paid	(1,479)	(2,746)
Net cash provided by (used in) operating activities	3,213	2,049
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,194)	(344)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(60)	(21)
Loan advances	(0)	-
Proceeds from collection of loans receivable	0	1
Other, net	(74)	(50)
Net cash provided by (used in) investing activities	(2,329)	(414)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	753	(281)
Dividends paid	(992)	(1,037)
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(51)	(34)
Net cash provided by (used in) financing activities	(291)	(1,356)
Effect of exchange rate change on cash and cash equivalents	27	168
Net increase (decrease) in cash and cash equivalents	620	446
Cash and cash equivalents at beginning of period	19,651	25,910
Cash and cash equivalents at end of period	20,272	26,357

Segment Information, etc.

I. 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.

II. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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	8,633	5,963	1,526	2,498	18,622
Other revenue	—	—	—	0	0
Sales to external customers	8,633	5,963	1,526	2,498	18,622
Inter segment sales or transfers	61	90	0	33	185
Total	8,695	6,053	1,527	2,531	18,808
Segment profit	154	1,044	165	70	1,436

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	1,436
Elimination of inter-segment transaction	—
Adjusted amount of inventories	(4)
Operating profit in the consolidated financial statements	1,431

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	11,511	47.6
Fire Protection Equipment & Systems	5,503	23.6
Recycling Machines	1,401	(3.0)
Environmental Conservation Vehicles	2,542	(4.9)
Total	20,958	28.1

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.

(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	33,717	11.7	62,449	14.7
Fire Protection Equipment & Systems	4,211	69.4	8,694	38.3
Recycling Machines	1,247	(18.7)	4,303	(13.7)
Environmental Conservation Vehicles	3,613	36.0	10,250	26.2
Total	42,789	16.1	85,698	16.1

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	8,633	51.3
Fire Protection Equipment & Systems	5,963	15.4
Recycling Machines	1,526	9.8
Environmental Conservation Vehicles	2,498	7.1
Total	18,622	27.6

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

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