

MORESCO (5018)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2021		24,479	842	1,030	518	54.09	40.00	1,695.81
FY02/2022		27,300	1,434	2,011	1,808	192.76	40.00	1,914.94
FY02/2023CoE		31,500	1,110	1,700	1,000	107.71	40.00	-
FY02/2022		YoY	11.5%	70.3%	95.3%	249.1%	-	-
FY02/2023CoE		YoY	15.4%	(22.6%)	(15.5%)	(44.7%)	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY02/2022		13,366	923	1,163	1,359	-	-	-
Q3 to Q4 FY02/2022		13,934	511	848	449	-	-	-
Q1 to Q2 FY02/2023		14,523	295	846	504	-	-	-
Q3 to Q4 FY02/2023CoE		16,977	815	854	496	-	-	-
Q1 to Q2 FY02/2023		YoY	8.7%	(68.0%)	(27.3%)	(62.9%)	-	-
Q3 to Q4 FY02/2023CoE		YoY	21.8%	59.5%	0.7%	10.5%	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (13 October 2022)

Turning Point


On 13 October 2022, MORESCO, running operations of R&D, manufacture and sale of chemicals used in diverse applications with autos as the mainstay, released its Q1 to Q2 FY02/2023 results. It has been revealed that the Company is now seeing a trend of approaching a turning point with its quarterly earnings for H2 as decline in gross profit margin due to the sharp rise in raw material prices is likely to come to a halt. For the actual results of Q1 to Q2, crude oil prices have risen significantly above assumptions of initial Company forecasts and the prices of raw materials have been forced to move in a similar manner, which seems to have forced a considerable shortfall for operating profit. The Company did benefit from the effect of revision on selling prices of own products, but a certain time lag is necessary in order to fully “pass on” the rise in raw material prices (unit procurement prices) to selling prices of own products, according to the Company. Meanwhile, for H2, the Company is going for the rise in raw material prices to steadily “pass on”, unless there is a further rise in crude oil prices. By the way, we are to view the Company’s results briefing on the web, scheduled to be held on 17 October 2022, which is to be followed by our interview with management, so that we should be able to update [MORESCO \(5018\) In Transition \(7 September 2022\)](#) and release afresh.

IR Representative: Hirofumi Fujimoto, Director, Senior Executive Officer and CFO

(81-(0)78-303-9010 / hirofumi_fujimoto@moresco.co.jp)

2.0 Company Profile

Interface Science Specialist

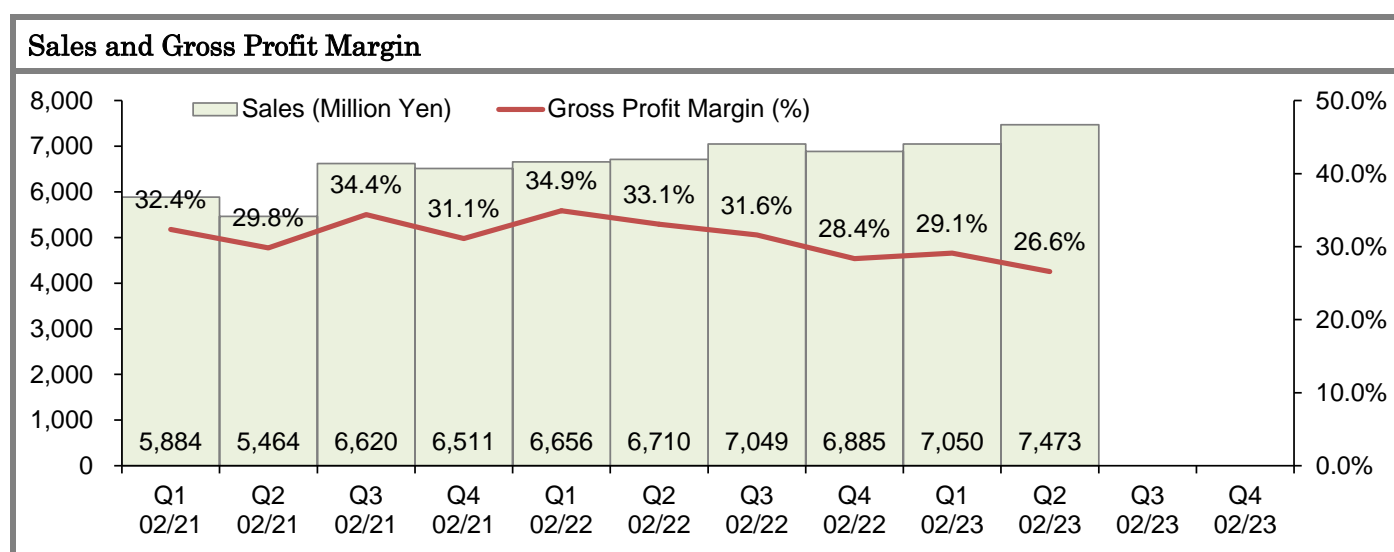
Company Name	MORESCO Corporation Company Website IR Information Share Price (Japanese) 
Established	27 October 1958
Listing	4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 5018) 14 February 2011: Tokyo Stock Exchange 1st section 29 July 2008: Tokyo Stock Exchange 2nd section 13 November 2003: Registered on the over-the-counter market of JSDA
Capital	¥2,118m (as of the end of August 2022)
No. of Shares	9,696,500 shares, including 468,970 treasury shares (as of the end of August 2022)
Main Features	<ul style="list-style-type: none"> ● Independent (non-keiretsu) manufacturer of chemicals, some 44% exposed to autos by application in terms of sales ● Specializing in “interface science” with exclusive exposure to niche markets ● R&D, manufacture and sale of chemicals to fulfil the functionalities of lubrications, adhesives and surface protections
Segments	I . Japan II . China III. Southeast / South Asia IV. North America
Representative	CEO, Representative Director and President: Motohisa Morozumi
Shareholders	Matsumura Oil 11.5%, Master Trust Bank of Japan, T. 8.2%, Cosmo Oil Lubricants 5.4%, MORESCO Employee Stock Ownership Plan 4.2% (as of the end of August 2022, but for treasury shares)
Head Office	Kobe-city, Hyogo-prefecture, JAPAN
No. of Personnel	Consolidated: 787, Parent: 384 (as of the end of February 2022)

Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q2 FY02/2023

For Q1 to Q2 FY02/2023, sales came in at ¥14,523m (up 8.7% YoY), operating profit ¥295m (down 68.0%), recurring profit ¥846m (down 27.3%) and profit attributable to owners of parent ¥504m (down 62.9%). At the non-operating level, the Company saw net increase of ¥347m (¥107m to ¥450m) for forex profit due to yen's depreciation, having pushed up recurring profit to a corresponding extent. Meanwhile, extraordinary gain of ¥833m from sale of MORESCO Honmachi Building, which were recorded during the same period of the previous year, did not reappear, having pushed down profit attributable to owners of parent to a corresponding extent.

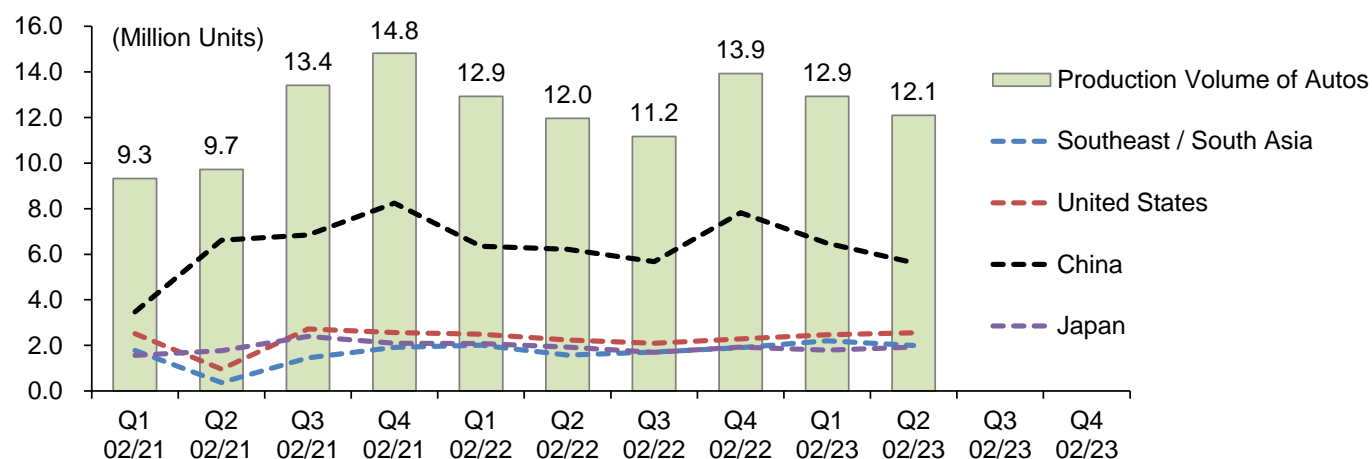


Source: Company Data, WRJ Calculation

Meanwhile, gross profit came in at ¥4,039m (down 11.1%) and SG&A expenses ¥3,744m (up 3.4%), implying gross profit margin of 27.8% (down 6.2% points) and SG&A expenses ratio of 25.8% (down 1.3% points), having resulted in operating profit margin of 2.0% (down 4.9% points). By the way, the Company saw gross profit margin having declined by 2.5% points from 29.1% for Q1 to 26.6% for Q2. In light of this, it should be the case that revision on selling prices of own products due to rise in raw material prices (unit procurement prices) has not been fully progressed in the actual results of the latest quarter.

As noted above, sales for the Company as whole increased by 8.7% over the same period of the previous year. The Company suggests that sales volume increased by 1.3% and 7.4% for selling prices. With respect to the mainstay application of autos, accounting for some 44% of sales for the Company as a whole, the Company saw production volume only edged up over the same period of the previous year in locations where it runs operations, which appears to be one of the reason why sales volume for the Company as whole saw limited rate of increase. Meanwhile, the Company says that it saw selling prices to have risen only by 4.2% in Japan, the mainstay by region, having accounted for 66.3% of sales for the Company as whole in the actual results for Q1 to Q2. That is to say, selling prices overseas have risen far higher, which is basically attributable to add-on increase in selling prices in terms of yen as a result of yen's depreciation.

Production Volume of Autos (in the locations where the Company runs operation / after adjustments)

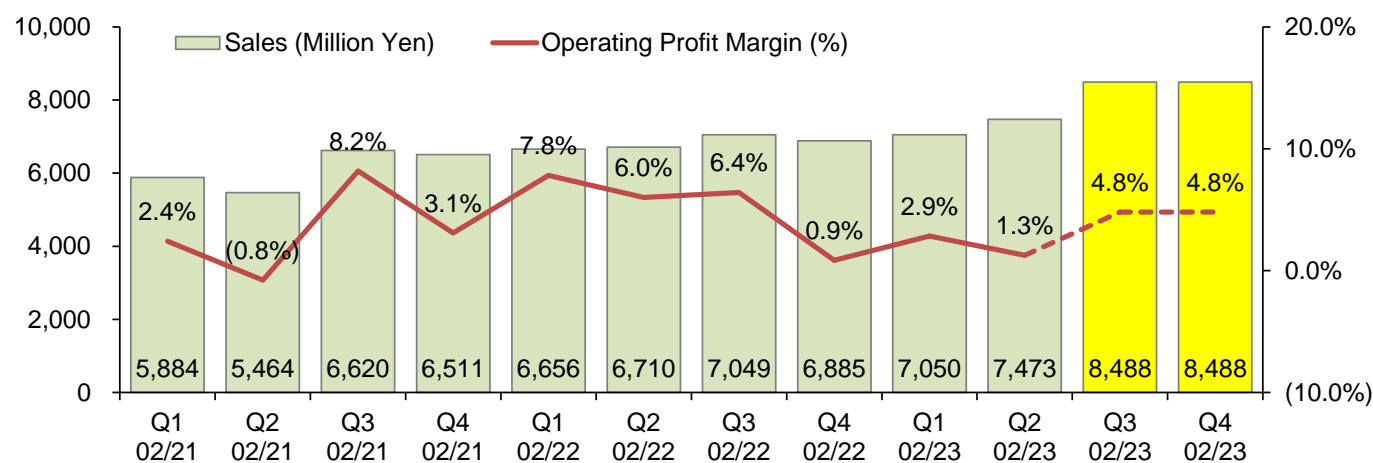


Source: Company Data (Southeast / South Asia: Thailand, Indonesia and India), WRJ Calculation

FY02/2023 Company Forecasts

FY02/2023 Company forecasts (announced on 13 October 2022) are going for prospective sales of ¥31,500m (up 15.4% YoY), operating profit of ¥1,110m (down 22.6%), recurring profit of ¥1,700m (down 15.5%) and profit attributable to owners of parent of ¥1,000m (down 44.7%), while operating profit margin of 3.5% (down 1.7% points). At the same time, Company forecasts are going for prospective annual dividend of ¥40.00 per share, implying payout ratio of 37.1%.

Sales and Operating Profit Margin



Source: Company Data, WRJ Calculation (Q3 and Q4 FY02/2023: H2 Company forecasts, pro rata)

Compared with initial Company forecasts (announced on 12 April 2022), sales have been revised up slightly, while earnings have been revised down sharply mainly due to the aforementioned delay to “pass on”, i.e., up by ¥1,000m (3.3%) for sales and down by ¥740m (40.0%) for operating profit. Nevertheless, it appears that the bulk of the latter is accounted for by the shortfall in the actual results for Q1 to Q2 and that the extent of downward revision for H2 is rather limited in terms of comparison with assumptions of initial Company forecasts with a view for the rise in raw material prices to “pass on” for H2. By the way, initial Company forecasts have remained unchanged for prospective annual dividend.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023		
Sales	6,656	13,366	20,415	27,300	7,050	14,523	-	-	-	+1,157
Cost of Sales	4,332	8,822	13,643	18,575	4,997	10,484	-	-	-	+1,662
Gross Profit	2,324	4,544	6,772	8,725	2,053	4,039	-	-	-	(505)
SG&A Expenses	1,805	3,621	5,397	7,291	1,852	3,744	-	-	-	+123
Operating Profit	520	923	1,375	1,434	201	295	-	-	-	(628)
Non Operating Balance	201	240	357	577	270	551	-	-	-	+311
Recurring Profit	721	1,163	1,732	2,011	471	846	-	-	-	(317)
Extraordinary Balance	834	833	833	833	-	-	-	-	-	(833)
Profit before Income Taxes	1,555	1,996	2,565	2,844	471	846	-	-	-	(1,150)
Total Income Taxes	379	527	685	831	116	286	-	-	-	(241)
Profit Attributable to Non-Controlling Interests	81	110	150	205	38	56	-	-	-	(54)
Profit Attributable to Owners of Parent	1,095	1,359	1,730	1,808	317	504	-	-	-	(855)
Sales YoY	+13.1%	+17.8%	+13.6%	+11.5%	+5.9%	+8.7%	-	-	-	-
Operating Profit YoY	+265.0%	+820.0%	+114.5%	+70.3%	(61.4%)	(68.0%)	-	-	-	-
Recurring Profit YoY	-	-	+164.0%	+95.3%	(34.7%)	(27.3%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	+471.0%	+249.1%	(71.0%)	(62.9%)	-	-	-	-
Gross Profit Margin	34.9%	34.0%	33.2%	32.0%	29.1%	27.8%	-	-	-	(6.2%)
SG&A Expenses Ratio	27.1%	27.1%	26.4%	26.7%	26.3%	25.8%	-	-	-	(1.3%)
Operating Profit Margin	7.8%	6.9%	6.7%	5.3%	2.9%	2.0%	-	-	-	(4.9%)
Recurring Profit Margin	10.8%	8.7%	8.5%	7.4%	6.7%	5.8%	-	-	-	(2.9%)
Profit Attributable to Owners of Parent Margin	16.5%	10.2%	8.5%	6.6%	4.5%	3.5%	-	-	-	(6.7%)
Total Income Taxes / Profit before Income Taxes	24.4%	26.4%	26.7%	29.2%	24.6%	33.8%	-	-	-	+7.4%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	02/2023	
Sales	6,656	6,710	7,049	6,885	7,050	7,473	-	-	-	+763
Cost of Sales	4,332	4,490	4,821	4,932	4,997	5,487	-	-	-	+997
Gross Profit	2,324	2,220	2,228	1,953	2,053	1,986	-	-	-	(234)
SG&A Expenses	1,805	1,816	1,776	1,894	1,852	1,892	-	-	-	+76
Operating Profit	520	403	452	59	201	94	-	-	-	(309)
Non Operating Balance	201	39	117	220	270	281	-	-	-	+242
Recurring Profit	721	442	569	279	471	375	-	-	-	(67)
Extraordinary Balance	834	(1)	-	-	-	-	-	-	-	+1
Profit before Income Taxes	1,555	441	569	279	471	375	-	-	-	(66)
Total Income Taxes	379	148	158	146	116	170	-	-	-	+22
Profit Attributable to Non-Controlling Interests	81	29	40	55	38	18	-	-	-	(11)
Profit Attributable to Owners of Parent	1,095	264	371	78	317	187	-	-	-	(77)
Sales YoY	+13.1%	+22.8%	+6.5%	+5.7%	+5.9%	+11.4%	-	-	-	-
Operating Profit YoY	+265.0%	-	(16.5%)	(70.6%)	(61.4%)	(76.7%)	-	-	-	-
Recurring Profit YoY	-	-	(4.8%)	(25.4%)	(34.7%)	(15.2%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	(5.6%)	(63.7%)	(71.0%)	(29.2%)	-	-	-	-
Gross Profit Margin	34.9%	33.1%	31.6%	28.4%	29.1%	26.6%	-	-	-	(6.5%)
SG&A Expenses Ratio	27.1%	27.1%	25.2%	27.5%	26.3%	25.3%	-	-	-	(1.7%)
Operating Profit Margin	7.8%	6.0%	6.4%	0.9%	2.9%	1.3%	-	-	-	(4.7%)
Recurring Profit Margin	10.8%	6.6%	8.1%	4.1%	6.7%	5.0%	-	-	-	(1.6%)
Profit Attributable to Owners of Parent Margin	16.5%	3.9%	5.3%	1.1%	4.5%	2.5%	-	-	-	(1.4%)
Total Income Taxes / Profit before Income Taxes	24.4%	33.6%	27.8%	52.3%	24.6%	45.3%	-	-	-	+11.8%

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative / Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2022	Q1 to Q2 02/2022	Q1 to Q3 02/2022	Q1 to Q4 02/2022	Q1 02/2023	Q1 to Q2 02/2023	Q1 to Q3 02/2023	Q1 to Q4 02/2023		
(Million Yen)										
Japan	4,537	9,053	13,843	18,385	4,738	9,624	-	-		+571
China	830	1,677	2,612	3,625	854	1,737	-	-		+60
Southeast / South Asia	1,080	2,205	3,345	4,501	1,276	2,726	-	-		+521
North America	209	432	615	789	182	436	-	-		+4
Sales	6,656	13,366	20,415	27,300	7,050	14,523	-	-		+1,157
Japan	325	558	837	805	104	143	-	-		(415)
China	113	235	327	432	48	95	-	-		(140)
Southeast / South Asia	50	63	102	86	24	41	-	-		(22)
North America	35	76	101	107	14	32	-	-		(44)
Segment Profit	523	932	1,367	1,431	189	311	-	-		(621)
Adjustments	(3)	(9)	7	4	11	(16)	-	-		(7)
Operating Profit	520	923	1,375	1,434	201	295	-	-		(628)
Japan	7.2%	6.2%	6.0%	4.4%	2.2%	1.5%	-	-		(4.7%)
China	13.6%	14.0%	12.5%	11.9%	5.6%	5.5%	-	-		(8.5%)
Southeast / South Asia	4.6%	2.9%	3.0%	1.9%	1.9%	1.5%	-	-		(1.4%)
North America	16.7%	17.6%	16.4%	13.6%	7.7%	7.3%	-	-		(10.3%)
Adjustments	(0.0%)	(0.1%)	0.0%	0.0%	0.2%	(0.1%)	-	-		(0.0%)
Operating Profit Margin	7.8%	6.9%	6.7%	5.3%	2.9%	2.0%	-	-		(4.9%)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2022	Q2 02/2022	Q3 02/2022	Q4 02/2022	Q1 02/2023	Q2 02/2023	Q3 02/2023	Q4 02/2023		
(Million Yen)										
Japan	4,537	4,516	4,790	4,542	4,738	4,886	-	-		+370
China	830	847	935	1,013	854	883	-	-		+36
Southeast / South Asia	1,080	1,125	1,140	1,156	1,276	1,450	-	-		+325
North America	209	223	183	174	182	254	-	-		+31
Sales	6,656	6,710	7,049	6,885	7,050	7,473	-	-		+763
Japan	325	233	279	(32)	104	39	-	-		(194)
China	113	122	92	105	48	47	-	-		(75)
Southeast / South Asia	50	13	39	(16)	24	17	-	-		+4
North America	35	41	25	6	14	18	-	-		(23)
Segment Profit	523	409	435	64	189	122	-	-		(287)
Adjustments	(3)	(6)	16	(3)	11	(27)	-	-		(21)
Operating Profit	520	403	452	59	201	94	-	-		(309)
Japan	7.2%	5.2%	5.8%	(0.7%)	2.2%	0.8%	-	-		(4.4%)
China	13.6%	14.4%	9.8%	10.4%	5.6%	5.3%	-	-		(9.1%)
Southeast / South Asia	4.6%	1.2%	3.4%	(1.4%)	1.9%	1.2%	-	-		+0.0%
North America	16.7%	18.4%	13.7%	3.4%	7.7%	7.1%	-	-		(11.3%)
Adjustments	(0.0%)	(0.1%)	0.2%	(0.0%)	0.2%	(0.4%)	-	-		(0.3%)
Operating Profit Margin	7.8%	6.0%	6.4%	0.9%	2.9%	1.3%	-	-		(4.7%)

Source: Company Data, WRJ Calculation

Sales by Business Division (Cumulative / Quarterly)

Sales by Business Division	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	02/2023	
Functional Fluids	3,083	6,341	9,687	13,021	3,420	7,027	-	-	-	+686
Synthetic Lubricants	503	1,033	1,529	1,974	502	991	-	-	-	(42)
Liquid Paraffines & Sulfonates	807	1,672	2,579	3,480	902	1,855	-	-	-	+183
Hot Melt Adhesives	1,671	3,325	5,086	6,785	1,809	3,754	-	-	-	+429
Device Materials	57	128	198	237	45	84	-	-	-	(44)
Other	528	859	1,328	1,794	372	812	-	-	-	(47)
Chemical Business	6,648	13,358	20,407	27,292	7,050	14,523	-	-	-	+1,165
Rental Building Business	8	8	8	8	-	-	-	-	-	(8)
Sales	6,656	13,366	20,415	27,300	7,050	14,523	-	-	-	+1,157
Functional Fluids	+25.1%	+36.5%	+27.2%	+23.2%	+10.9%	+10.8%	-	-	-	-
Synthetic Lubricants	(4.3%)	+12.6%	+7.0%	+5.5%	(0.1%)	(4.1%)	-	-	-	-
Liquid Paraffines & Sulfonates	(6.4%)	(3.9%)	+2.6%	+2.8%	+11.9%	+11.0%	-	-	-	-
Hot Melt Adhesives	+2.8%	+0.7%	+0.5%	(0.3%)	+8.2%	+12.9%	-	-	-	-
Device Materials	+159.6%	+202.2%	+149.4%	+109.9%	(21.3%)	(34.5%)	-	-	-	-
Other	+41.8%	+27.3%	+7.8%	+6.6%	(29.5%)	(5.4%)	-	-	-	-
Chemical Business	+13.2%	+18.0%	+13.8%	+11.7%	+5.9%	+8.7%	-	-	-	-
Rental Building Business	(36.7%)	(68.3%)	(78.9%)	(84.2%)	-	-	-	-	-	-
Sales (YoY)	+13.1%	+17.8%	+13.6%	+11.5%	+5.9%	+8.7%	-	-	-	-
Functional Fluids	46.3%	47.4%	47.5%	47.7%	48.5%	48.4%	-	-	-	-
Synthetic Lubricants	7.6%	7.7%	7.5%	7.2%	7.1%	6.8%	-	-	-	-
Liquid Paraffines & Sulfonates	12.1%	12.5%	12.6%	12.7%	12.8%	12.8%	-	-	-	-
Hot Melt Adhesives	25.1%	24.9%	24.9%	24.9%	25.7%	25.8%	-	-	-	-
Device Materials	0.9%	1.0%	1.0%	0.9%	0.6%	0.6%	-	-	-	-
Other	7.9%	6.4%	6.5%	6.6%	5.3%	5.6%	-	-	-	-
Chemical Business	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
Rental Building Business	0.1%	0.1%	0.0%	0.0%	-	-	-	-	-	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
Sales by Business Division	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	02/2023	
Functional Fluids	3,083	3,258	3,346	3,334	3,420	3,607	-	-	-	+349
Synthetic Lubricants	503	530	496	445	502	489	-	-	-	(41)
Liquid Paraffines & Sulfonates	807	865	907	901	902	953	-	-	-	+88
Hot Melt Adhesives	1,671	1,654	1,761	1,699	1,809	1,945	-	-	-	+291
Device Materials	57	71	70	39	45	39	-	-	-	(32)
Other	528	331	469	466	372	440	-	-	-	+109
Chemical Business	6,648	6,710	7,049	6,885	7,050	7,473	-	-	-	+763
Rental Building Business	8	-	-	-	-	-	-	-	-	-
Sales	6,656	6,710	7,049	6,885	7,050	7,473	-	-	-	+763
Functional Fluids	+25.1%	+49.2%	+12.7%	+13.1%	+10.9%	+10.7%	-	-	-	-
Synthetic Lubricants	(4.3%)	+35.2%	(2.9%)	+0.2%	(0.1%)	(7.7%)	-	-	-	-
Liquid Paraffines & Sulfonates	(6.4%)	(1.4%)	+17.0%	+3.4%	+11.9%	+10.2%	-	-	-	-
Hot Melt Adhesives	+2.8%	(1.3%)	+0.2%	(2.9%)	+8.2%	+17.6%	-	-	-	-
Device Materials	+159.6%	+255.0%	+89.2%	+14.7%	(21.3%)	(45.1%)	-	-	-	-
Other	+41.8%	+9.2%	(15.8%)	+3.6%	(29.5%)	+32.9%	-	-	-	-
Chemical Business	+13.2%	+23.1%	+6.7%	+6.0%	+5.9%	+11.4%	-	-	-	-
Rental Building Business	(36.7%)	-	-	-	-	-	-	-	-	-
Sales (YoY)	+13.1%	+22.8%	+6.5%	+5.7%	+5.9%	+11.4%	-	-	-	-
Functional Fluids	46.3%	48.6%	47.5%	48.4%	48.5%	48.3%	-	-	-	-
Synthetic Lubricants	7.6%	7.9%	7.0%	6.5%	7.1%	6.5%	-	-	-	-
Liquid Paraffines & Sulfonates	12.1%	12.9%	12.9%	13.1%	12.8%	12.8%	-	-	-	-
Hot Melt Adhesives	25.1%	24.6%	25.0%	24.7%	25.7%	26.0%	-	-	-	-
Device Materials	0.9%	1.1%	1.0%	0.6%	0.6%	0.5%	-	-	-	-
Other	7.9%	4.9%	6.7%	6.8%	5.3%	5.9%	-	-	-	-
Chemical Business	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
Rental Building Business	0.1%	-	-	-	-	-	-	-	-	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2022	Q2 02/2022	Q3 02/2022	Q4 02/2022	Q1 02/2023	Q2 02/2023	Q3 02/2023	Q4 02/2023		
Cash and Deposit	4,521	3,988	4,090	4,001	3,812	4,166	-	-	-	+178
Accounts Receivables	6,479	6,337	6,800	6,844	7,046	7,524	-	-	-	+1,187
Inventory	4,665	4,869	5,043	5,326	5,727	6,102	-	-	-	+1,233
Other	545	413	343	436	580	493	-	-	-	+80
Current Assets	16,210	15,607	16,276	16,607	17,165	18,285	-	-	-	+2,678
Tangible Assets	7,811	7,842	7,954	8,304	8,330	8,395	-	-	-	+553
Intangible Assets	742	706	672	633	614	649	-	-	-	(57)
Investments and Other Assets	3,238	3,182	3,320	3,465	3,583	3,764	-	-	-	+582
Fixed Assets	11,791	11,730	11,947	12,401	12,527	12,808	-	-	-	+1,078
Total Assets	28,001	27,337	28,223	29,008	29,691	31,092	-	-	-	+3,755
Accounts Payables	3,925	3,762	4,151	4,308	4,419	4,926	-	-	-	+1,164
Short Term Debt	1,119	566	553	560	857	1,546	-	-	-	+980
Other	2,223	2,065	2,453	2,392	2,052	1,611	-	-	-	(454)
Current Liabilities	7,267	6,393	7,157	7,260	7,328	8,083	-	-	-	+1,690
Long Term Debt	660	545	430	350	457	382	-	-	-	(163)
Other	568	587	590	847	785	910	-	-	-	+323
Fixed Liabilities	1,228	1,132	1,020	1,197	1,242	1,292	-	-	-	+160
Total Liabilities	8,495	7,525	8,178	8,457	8,570	9,375	-	-	-	+1,850
Shareholders' Equity	16,697	16,966	17,150	17,227	17,357	17,361	-	-	-	+395
Other	2,809	2,846	2,896	3,324	3,764	4,356	-	-	-	+1,510
Net Assets	19,506	19,812	20,046	20,551	21,121	21,717	-	-	-	+1,905
Total Liabilities & Net Assets	28,001	27,337	28,223	29,008	29,691	31,092	-	-	-	+3,755
Equity Capital	17,096	17,381	17,586	17,962	18,492	18,945	-	-	-	+1,564
Interest Bearing Debt	1,779	1,111	983	910	1,314	1,928	-	-	-	+817
Net Debt	(2,742)	(2,877)	(3,107)	(3,091)	(2,498)	(2,238)	-	-	-	+639
Equity Ratio	61.1%	63.6%	62.3%	61.9%	62.3%	60.9%	-	-	-	-
Net Debt Equity Ratio	(16.0%)	(16.6%)	(17.7%)	(17.2%)	(13.5%)	(11.8%)	-	-	-	-
ROE (12 months)	10.0%	12.0%	11.7%	10.7%	5.8%	5.2%	-	-	-	-
ROA (12 months)	6.2%	7.9%	7.7%	7.1%	6.1%	5.8%	-	-	-	-
Days for Inventory Turnover	98	98	95	98	104	101	-	-	-	-
Quick Ratio	151%	162%	152%	149%	148%	145%	-	-	-	-
Current Ratio	223%	244%	227%	229%	234%	226%	-	-	-	-

Source: Company Data, WRJ Calculation

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Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2022	Q1 to Q2 02/2022	Q1 to Q3 02/2022	Q1 to Q4 02/2022	Q1 02/2023	Q1 to Q2 02/2023	Q1 to Q3 02/2023	Q1 to Q4 02/2023		
Operating Cash Flow	-	1,327	-	2,333	-	535	-	-	-	(792)
Investing Cash Flow	-	1,043	-	603	-	(718)	-	-	-	(1,761)
Operating Cash Flow and Investing Cash Flow	-	2,370	-	2,936	-	(183)	-	-	-	(2,553)
Financing Cash Flow	-	(2,504)	-	(2,937)	-	487	-	-	-	+2,991

Source: Company Data, WRJ Calculation

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

Company name: Walden Research Japan Incorporated

Head office: Level 4 Ginza Ishii Building, 6-14-8 Ginza Chuo-ku Tokyo 104-0061, JAPAN

URL: <https://walden.co.jp/>

E-mail: info@walden.co.jp

Tel: 81-(0)3-3553-3769
