

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 Q1 to Q3 (Million Yen)	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q3 FY02/2022	20,415	1,375	1,732	1,730	-	-	-
Q1 to Q3 FY02/2023	22,479	511	1,144	719	-	-	-
Q1 to Q3 FY02/2023	YoY	10.1%	(62.8%)	(34.0%)	(58.5%)	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (13 January 2023)

Mixed Sentiment


On 13 January 2023, MORESCO, running operations of R&D, manufacture and sale of chemical goods used in diverse applications with autos as the mainstay, released its Q1 to Q3 FY02/2023 results. It has been revealed that the Company is seeing a steady trend of recovery in earnings for “lubricant-related,” principally exposed to autos, but seeing delays in recovery elsewhere. More importantly, however, such mixed sentiment is likely to be gradually terminating, going forward, which is expected to make the Company return to growth. Since the beginning of FY02/2023, the Company has been suffering from a hike in purchasing prices of raw materials, driven by drastic yen’s depreciation and soaring oil prices. As far as “lubricant-related” is concerned, the Company has just started to well cope with this by means of implementing revision on selling prices, having led to a steady trend of recovery in earnings here. Nevertheless, the Company has failed to make progress so far as much as anticipated with respect to revision on selling prices elsewhere. We are to speak to management on the web for information more in depth, so that we should be able to update [MORESCO \(5018\) Time Lag \(8 December 2022\)](#) and release afresh.

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

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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 November 2022)
No. of Shares	9,696,500 shares, including 468,970 treasury shares (as of the end of Nov. 2022)
Main Features	<ul style="list-style-type: none"> ● Independent (non-keiretsu) manufacturer of chemical goods, 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 chemical goods 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)

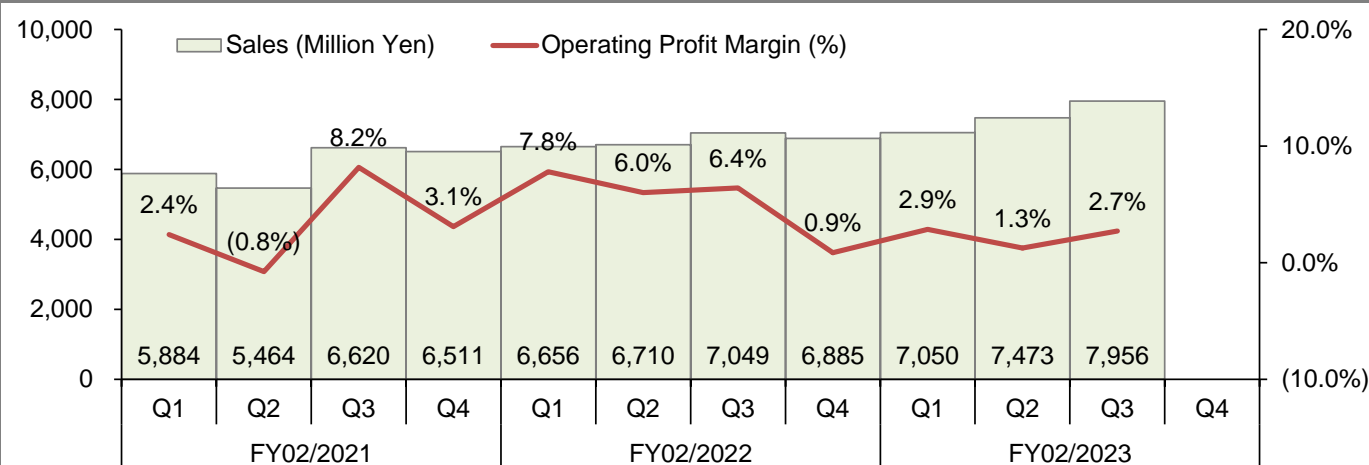
Source: Company Data

3.0 Recent Trading and Prospects

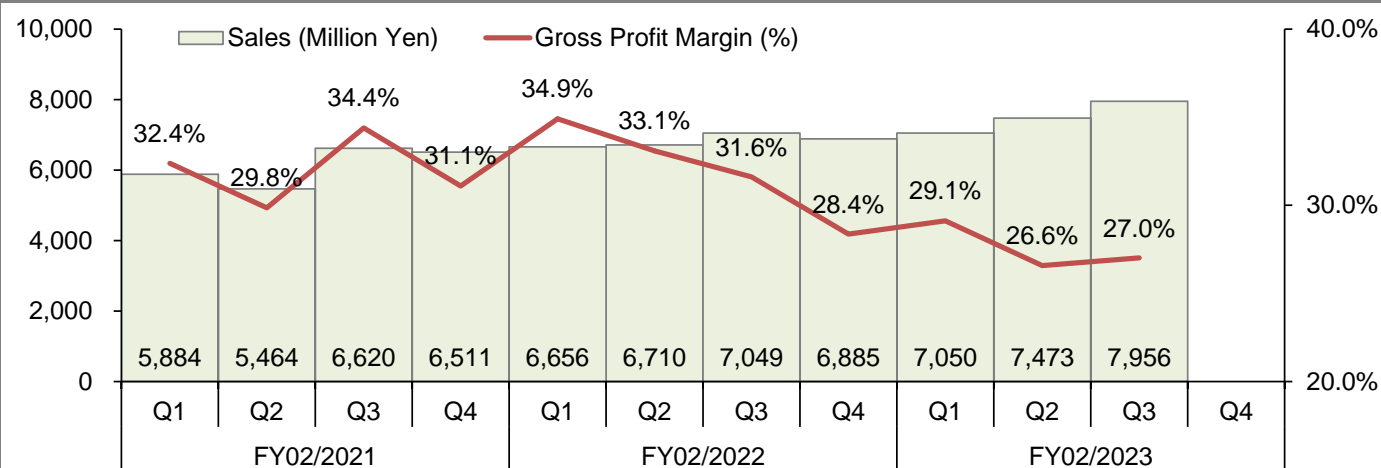
Q1 to Q3 FY02/2023

For Q1 to Q3 FY02/2023, sales came in at ¥22,479m (up 10.1% YoY), operating profit ¥511m (down 62.8%), recurring profit ¥1,144m (down 34.0%) and profit attributable to owners of parent ¥719m (down 58.5%). At the non-operating level, the Company saw net increase of ¥321m (¥161m to ¥482m) for currency gain 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 was 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.

Sales and Operating Profit Margin

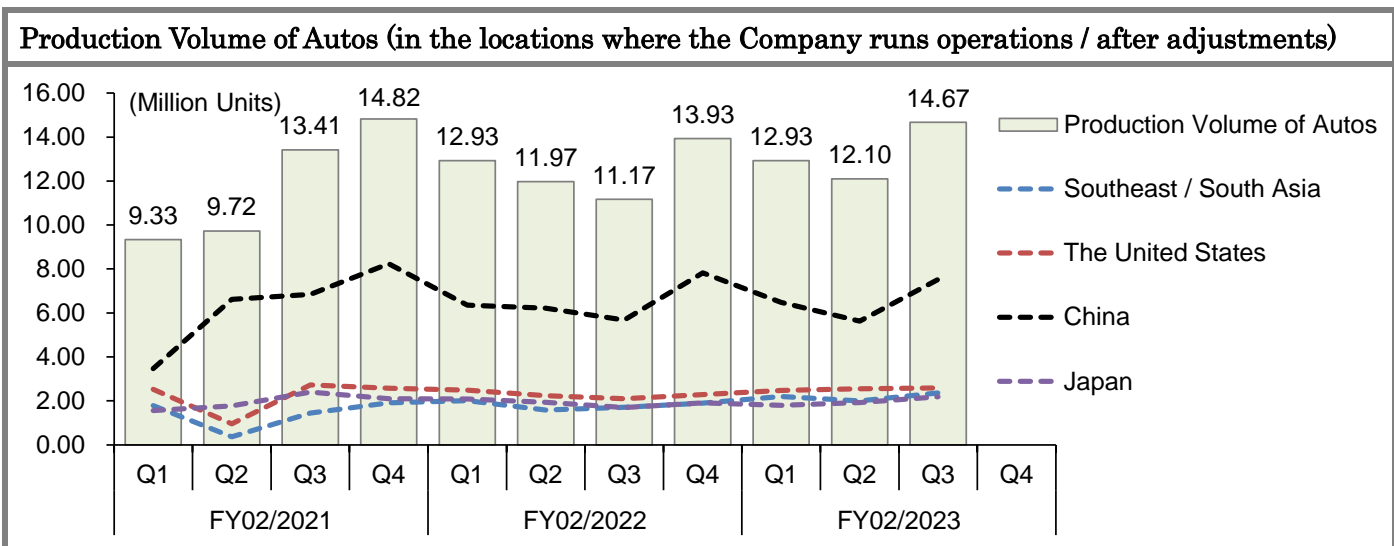


Sales and Gross Profit Margin



Source: Company Data, WRJ Calculation

Meanwhile, gross profit came in at ¥6,188m (down 8.6%) and SG&A expenses ¥5,677m (up 5.2%), implying gross profit margin of 27.5% (down 5.6% points) and SG&A ratio of 25.3% (down 1.2% points), having resulted in operating profit margin of 2.3% (down 4.5% points). In other words, the Company saw a significant decline in operating profit margin over the same period of the previous year due to that of gross profit margin. Nevertheless, the situation is that it could be the case that gross profit margin is now heading for a phase of recovery, driven by progress of revision on selling prices, in light of changes in the quarterly results by Q3.



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

With respect to autos, accounting for some 44% of sales as a whole for the Company by application, the Company reveals that production volume of autos (in the locations where it runs operations / after adjustments of gap between accounting period and fiscal yearend of subsidiaries) came in at 39.70m units (up 10.1%), while 5.90m units (up 3.3%) in Japan, where it mainly runs operations by region, implying that the Company saw relatively limited increase in production volume of autos in the mainstay region. However, it appears that the volume in Japan is likely to increase on a full-fledged basis after the solutions of all those problems stemming from shortage of semiconductors, components, etc. Thus, the Company is looking to an increase of sales volume in the mainstay Japan due to the impacts stemming from here.

In Japan, sales came in at ¥14,629m (up 5.7%). The Company suggests that sales volume has roughly unchanged over the same period of the previous year, while having seen an increase in sales by the impacts stemming from revision on selling prices to a corresponding extent. That is to say, the Company suggest that it saw increase in selling prices by some 5% as a result of revision of selling prices. Meanwhile, the Company saw the trends similar to those of Japan for sales volume and the impacts stemming from revision on selling prices for operations overseas. On top of this, however, the Company has additionally benefited from increase in selling prices due to yen's depreciation, having eventually resulted in increase in selling prices by some 10% for operations overseas as far as we could see.

FY02/2023 Company Forecasts

FY02/2023 Company forecasts (announced on 13 October 2022) have remained unchanged, 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 planned annual dividend of ¥40.00 per share, implying payout ratio of 37.1%.

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	Q1 to Q4	Net Chg.
	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	02/2023	
Sales	6,656	13,366	20,415	27,300	7,050	14,523	22,479	-	-	+2,064
Cost of Sales	4,332	8,822	13,643	18,575	4,997	10,484	16,291	-	-	+2,648
Gross Profit	2,324	4,544	6,772	8,725	2,053	4,039	6,188	-	-	(584)
SG&A Expenses	1,805	3,621	5,397	7,291	1,852	3,744	5,677	-	-	+280
Operating Profit	520	923	1,375	1,434	201	295	511	-	-	(864)
Non-Operating Balance	201	240	357	577	270	551	633	-	-	+276
Recurring Profit	721	1,163	1,732	2,011	471	846	1,144	-	-	(588)
Extraordinary Balance	833	833	833	833	-	-	-	-	-	(833)
Profit before Income Taxes	1,555	1,996	2,565	2,844	471	846	1,144	-	-	(1,421)
Total Income Taxes	379	527	685	831	116	286	347	-	-	(338)
Profit Attributable to Non-Controlling Interests	81	110	150	205	38	56	78	-	-	(72)
Profit Attributable to Owners of Parent	1,095	1,359	1,730	1,808	317	504	719	-	-	(1,011)
Sales YoY	+13.1%	+17.8%	+13.6%	+11.5%	+5.9%	+8.7%	+10.1%	-	-	-
Operating Profit YoY	+265.0%	+820.0%	+114.5%	+70.3%	(61.4%)	(68.0%)	(62.8%)	-	-	-
Recurring Profit YoY	-	-	+164.0%	+95.3%	(34.7%)	(27.3%)	(34.0%)	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	+471.0%	+249.1%	(71.0%)	(62.9%)	(58.5%)	-	-	-
Gross Profit Margin	34.9%	34.0%	33.2%	32.0%	29.1%	27.8%	27.5%	-	-	(5.6%)
SG&A Ratio	27.1%	27.1%	26.4%	26.7%	26.3%	25.8%	25.3%	-	-	(1.2%)
Operating Profit Margin	7.8%	6.9%	6.7%	5.3%	2.9%	2.0%	2.3%	-	-	(4.5%)
Recurring Profit Margin	10.8%	8.7%	8.5%	7.4%	6.7%	5.8%	5.1%	-	-	(3.4%)
Profit Attributable to Owners of Parent Margin	16.5%	10.2%	8.5%	6.6%	4.5%	3.5%	3.2%	-	-	(5.3%)
Total Income Taxes / Profit before Income Taxes	24.4%	26.4%	26.7%	29.2%	24.6%	33.8%	30.3%	-	-	+3.6%
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	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	7,956	-	-	+907
Cost of Sales	4,332	4,490	4,821	4,932	4,997	5,487	5,807	-	-	+986
Gross Profit	2,324	2,220	2,228	1,953	2,053	1,986	2,149	-	-	(79)
SG&A Expenses	1,805	1,816	1,776	1,894	1,852	1,892	1,933	-	-	+157
Operating Profit	520	403	452	59	201	94	216	-	-	(236)
Non-Operating Balance	201	39	117	220	270	281	82	-	-	(35)
Recurring Profit	721	442	569	279	471	375	298	-	-	(271)
Extraordinary Balance	833	-	-	-	-	-	-	-	-	-
Profit before Income Taxes	1,555	441	569	279	471	375	298	-	-	(271)
Total Income Taxes	379	148	158	146	116	170	61	-	-	(97)
Profit Attributable to Non-Controlling Interests	81	29	40	55	38	18	22	-	-	(18)
Profit Attributable to Owners of Parent	1,095	264	371	78	317	187	215	-	-	(156)
Sales YoY	+13.1%	+22.8%	+6.5%	+5.7%	+5.9%	+11.4%	+12.9%	-	-	-
Operating Profit YoY	+265.0%	-	(16.5%)	(70.6%)	(61.4%)	(76.7%)	(52.2%)	-	-	-
Recurring Profit YoY	-	-	(4.8%)	(25.4%)	(34.7%)	(15.2%)	(47.6%)	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	(5.6%)	(63.7%)	(71.0%)	(29.2%)	(42.0%)	-	-	-
Gross Profit Margin	34.9%	33.1%	31.6%	28.4%	29.1%	26.6%	27.0%	-	-	(4.6%)
SG&A Ratio	27.1%	27.1%	25.2%	27.5%	26.3%	25.3%	24.3%	-	-	(0.9%)
Operating Profit Margin	7.8%	6.0%	6.4%	0.9%	2.9%	1.3%	2.7%	-	-	(3.7%)
Recurring Profit Margin	10.8%	6.6%	8.1%	4.1%	6.7%	5.0%	3.7%	-	-	(4.3%)
Profit Attributable to Owners of Parent Margin	16.5%	3.9%	5.3%	1.1%	4.5%	2.5%	2.7%	-	-	(2.6%)
Total Income Taxes / Profit before Income Taxes	24.4%	33.6%	27.8%	52.3%	24.6%	45.3%	20.5%	-	-	(7.3%)

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative / Quarterly)

Segmented Information (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		
Japan	4,537	9,053	13,843	18,385	4,738	9,624	14,629	-	+786	
China	830	1,677	2,612	3,625	854	1,737	2,813	-	+201	
Southeast / South Asia	1,080	2,205	3,345	4,501	1,276	2,726	4,274	-	+929	
North America	209	432	615	789	182	436	762	-	+147	
Sales	6,656	13,366	20,415	27,300	7,050	14,523	22,479	-	+2,064	
Japan	325	558	837	805	104	143	161	-	(676)	
China	113	235	327	432	48	95	205	-	(122)	
Southeast / South Asia	50	63	102	86	24	41	86	-	(16)	
North America	35	76	101	107	14	32	78	-	(23)	
Segment Profit	523	932	1,367	1,431	189	311	531	-	(836)	
Adjustments	(3)	(9)	7	4	11	(16)	(20)	-	(27)	
Operating Profit	520	923	1,375	1,434	201	295	511	-	(864)	
Japan	7.2%	6.2%	6.0%	4.4%	2.2%	1.5%	1.1%	-	(4.9%)	
China	13.6%	14.0%	12.5%	11.9%	5.6%	5.5%	7.3%	-	(5.2%)	
Southeast / South Asia	4.6%	2.9%	3.0%	1.9%	1.9%	1.5%	2.0%	-	(1.0%)	
North America	16.7%	17.6%	16.4%	13.6%	7.7%	7.3%	10.2%	-	(6.2%)	
Segment Profit Margin	7.9%	7.0%	6.7%	5.2%	2.7%	2.1%	2.4%	-	(4.3%)	
Adjustments	(0.0%)	(0.1%)	0.0%	0.0%	0.2%	(0.1%)	(0.1%)	-	(0.1%)	
Operating Profit Margin	7.8%	6.9%	6.7%	5.3%	2.9%	2.0%	2.3%	-	(4.5%)	

Segmented Information (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		
Japan	4,537	4,516	4,790	4,542	4,738	4,886	5,005	-	+215	
China	830	847	935	1,013	854	883	1,076	-	+141	
Southeast / South Asia	1,080	1,125	1,140	1,156	1,276	1,450	1,548	-	+408	
North America	209	223	183	174	182	254	326	-	+143	
Sales	6,656	6,710	7,049	6,885	7,050	7,473	7,956	-	+907	
Japan	325	233	279	(32)	104	39	18	-	(261)	
China	113	122	92	105	48	47	110	-	+18	
Southeast / South Asia	50	13	39	(16)	24	17	45	-	+6	
North America	35	41	25	6	14	18	46	-	+21	
Segment Profit	523	409	435	64	189	122	220	-	(215)	
Adjustments	(3)	(6)	16	(3)	11	(27)	(4)	-	(20)	
Operating Profit	520	403	452	59	201	94	216	-	(236)	
Japan	7.2%	5.2%	5.8%	(0.7%)	2.2%	0.8%	0.4%	-	(5.5%)	
China	13.6%	14.4%	9.8%	10.4%	5.6%	5.3%	10.2%	-	+0.4%	
Southeast / South Asia	4.6%	1.2%	3.4%	(1.4%)	1.9%	1.2%	2.9%	-	(0.5%)	
North America	16.7%	18.4%	13.7%	3.4%	7.7%	7.1%	14.1%	-	+0.4%	
Segment Profit Margin	7.9%	6.1%	6.2%	0.9%	2.7%	1.6%	2.8%	-	(3.4%)	
Adjustments	(0.0%)	(0.1%)	0.2%	(0.0%)	0.2%	(0.4%)	(0.1%)	-	(0.3%)	
Operating Profit Margin	7.8%	6.0%	6.4%	0.9%	2.9%	1.3%	2.7%	-	(3.7%)	

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	11,081	-	-	+1,394
Synthetic Lubricants	503	1,033	1,529	1,974	502	991	1,381	-	-	(148)
Liquid Paraffines & Sulfonates	807	1,672	2,579	3,480	902	1,855	2,849	-	-	+270
Hot Melt Adhesives	1,671	3,325	5,086	6,785	1,809	3,754	5,801	-	-	+715
Energy Device Materials	57	128	198	237	45	84	128	-	-	(70)
Other	528	859	1,328	1,794	372	812	1,239	-	-	(89)
Chemical Business	6,648	13,358	20,407	27,292	7,050	14,523	22,479	-	-	+2,072
Rental Building Business	8	8	8	8	-	-	-	-	-	(8)
Sales	6,656	13,366	20,415	27,300	7,050	14,523	22,479	-	-	+2,064
Functional Fluids	+25.1%	+36.5%	+27.2%	+23.2%	+10.9%	+10.8%	+14.4%	-	-	-
Synthetic Lubricants	(4.3%)	+12.6%	+7.0%	+5.5%	(0.1%)	(4.1%)	(9.7%)	-	-	-
Liquid Paraffines & Sulfonates	(6.4%)	(3.9%)	+2.6%	+2.8%	+11.9%	+11.0%	+10.5%	-	-	-
Hot Melt Adhesives	+2.8%	+0.7%	+0.5%	(0.3%)	+8.2%	+12.9%	+14.1%	-	-	-
Energy Device Materials	+159.6%	+202.2%	+149.4%	+109.9%	(21.3%)	(34.5%)	(35.1%)	-	-	-
Other	+41.8%	+27.3%	+7.8%	+6.6%	(29.5%)	(5.4%)	(6.7%)	-	-	-
Chemical Business	+13.2%	+18.0%	+13.8%	+11.7%	+5.9%	+8.7%	+10.2%	-	-	-
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%	+10.1%	-	-	-
Functional Fluids	46.3%	47.4%	47.5%	47.7%	48.5%	48.4%	49.3%	-	-	-
Synthetic Lubricants	7.6%	7.7%	7.5%	7.2%	7.1%	6.8%	6.1%	-	-	-
Liquid Paraffines & Sulfonates	12.1%	12.5%	12.6%	12.7%	12.8%	12.8%	12.7%	-	-	-
Hot Melt Adhesives	25.1%	24.9%	24.9%	24.9%	25.7%	25.8%	25.8%	-	-	-
Energy Device Materials	0.9%	1.0%	1.0%	0.9%	0.6%	0.6%	0.6%	-	-	-
Other	7.9%	6.4%	6.5%	6.6%	5.3%	5.6%	5.5%	-	-	-
Chemical Business	99.9%	99.9%	100.0%	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%	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	4,054	-	-	+708
Synthetic Lubricants	503	530	496	445	502	489	390	-	-	(106)
Liquid Paraffines & Sulfonates	807	865	907	901	902	953	994	-	-	+87
Hot Melt Adhesives	1,671	1,654	1,761	1,699	1,809	1,945	2,047	-	-	+286
Energy Device Materials	57	71	70	39	45	39	44	-	-	(26)
Other	528	331	469	466	372	440	427	-	-	(42)
Chemical Business	6,648	6,710	7,049	6,885	7,050	7,473	7,956	-	-	+907
Rental Building Business	8	-	-	-	-	-	-	-	-	-
Sales	6,656	6,710	7,049	6,885	7,050	7,473	7,956	-	-	+907
Functional Fluids	+25.1%	+49.2%	+12.7%	+13.1%	+10.9%	+10.7%	+21.2%	-	-	-
Synthetic Lubricants	(4.3%)	+35.2%	(2.9%)	+0.2%	(0.1%)	(7.7%)	(21.4%)	-	-	-
Liquid Paraffines & Sulfonates	(6.4%)	(1.4%)	+17.0%	+3.4%	+11.9%	+10.2%	+9.6%	-	-	-
Hot Melt Adhesives	+2.8%	(1.3%)	+0.2%	(2.9%)	+8.2%	+17.6%	+16.2%	-	-	-
Energy Device Materials	+159.6%	+255.0%	+89.2%	+14.7%	(21.3%)	(45.1%)	(37.1%)	-	-	-
Other	+41.8%	+9.2%	(15.8%)	+3.6%	(29.5%)	+32.9%	(9.0%)	-	-	-
Chemical Business	+13.2%	+23.1%	+6.7%	+6.0%	+5.9%	+11.4%	+12.9%	-	-	-
Rental Building Business	(36.7%)	-	-	-	-	-	-	-	-	-
Sales (YoY)	+13.1%	+22.8%	+6.5%	+5.7%	+5.9%	+11.4%	+12.9%	-	-	-
Functional Fluids	46.3%	48.6%	47.5%	48.4%	48.5%	48.3%	51.0%	-	-	-
Synthetic Lubricants	7.6%	7.9%	7.0%	6.5%	7.1%	6.5%	4.9%	-	-	-
Liquid Paraffines & Sulfonates	12.1%	12.9%	12.9%	13.1%	12.8%	12.8%	12.5%	-	-	-
Hot Melt Adhesives	25.1%	24.6%	25.0%	24.7%	25.7%	26.0%	25.7%	-	-	-
Energy Device Materials	0.9%	1.1%	1.0%	0.6%	0.6%	0.5%	0.6%	-	-	-
Other	7.9%	4.9%	6.7%	6.8%	5.3%	5.9%	5.4%	-	-	-
Chemical Business	99.9%	100.0%	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%	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	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023		
Cash and Deposit	4,521	3,988	4,090	4,001	3,812	4,166	4,172	-	-	+82
Accounts Receivables	6,479	6,337	6,800	6,844	7,046	7,524	7,831	-	-	+1,031
Inventory	4,665	4,869	5,043	5,326	5,727	6,102	6,311	-	-	+1,268
Other	545	413	343	436	580	493	614	-	-	+271
Current Assets	16,210	15,607	16,276	16,607	17,165	18,285	18,928	-	-	+2,652
Tangible Assets	7,811	7,842	7,954	8,304	8,330	8,395	8,537	-	-	+583
Intangible Assets	742	706	672	633	614	649	643	-	-	(29)
Investments and Other Assets	3,238	3,182	3,320	3,465	3,583	3,764	3,820	-	-	+500
Fixed Assets	11,791	11,730	11,947	12,401	12,527	12,808	13,001	-	-	+1,054
Total Assets	28,001	27,337	28,223	29,008	29,691	31,092	31,929	-	-	+3,706
Accounts Payables	3,925	3,762	4,151	4,308	4,419	4,926	5,173	-	-	+1,022
Short-Term Debt	1,119	566	553	560	857	1,546	1,549	-	-	+996
Other	2,223	2,065	2,453	2,392	2,052	1,611	2,245	-	-	(208)
Current Liabilities	7,267	6,393	7,157	7,260	7,328	8,083	8,967	-	-	+1,810
Long-Term Debt	660	545	430	350	457	382	307	-	-	(123)
Other	568	587	590	847	785	910	834	-	-	+244
Fixed Liabilities	1,228	1,132	1,020	1,197	1,242	1,292	1,141	-	-	+121
Total Liabilities	8,495	7,525	8,178	8,457	8,570	9,375	10,108	-	-	+1,930
Shareholders' Equity	16,697	16,966	17,150	17,227	17,357	17,361	17,392	-	-	+242
Other	2,809	2,846	2,896	3,324	3,764	4,356	4,428	-	-	+1,532
Net Assets	19,506	19,812	20,046	20,551	21,121	21,717	21,820	-	-	+1,774
Total Liabilities & Net Assets	28,001	27,337	28,223	29,008	29,691	31,092	31,929	-	-	+3,706
Equity Capital	17,096	17,381	17,586	17,962	18,492	18,945	19,016	-	-	+1,430
Interest Bearing Debt	1,779	1,111	983	910	1,314	1,928	1,856	-	-	+873
Net Debt	(2,742)	(2,877)	(3,107)	(3,091)	(2,498)	(2,238)	(2,316)	-	-	+791
Equity Ratio	61.1%	63.6%	62.3%	61.9%	62.3%	60.9%	59.6%	-	-	-
Net Debt Equity Ratio	(16.0%)	(16.6%)	(17.7%)	(17.2%)	(13.5%)	(11.8%)	(12.2%)	-	-	-
ROE (12 months)	10.0%	12.0%	11.7%	10.7%	5.8%	5.2%	4.4%	-	-	-
ROA (12 months)	6.2%	7.9%	7.7%	7.1%	6.1%	5.8%	4.7%	-	-	-
Days for Inventory Turnover	98	98	95	98	104	101	99	-	-	-
Quick Ratio	151%	162%	152%	149%	148%	145%	134%	-	-	-
Current Ratio	223%	244%	227%	229%	234%	226%	211%	-	-	-

Source: Company Data, WRJ Calculation

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	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023		
Operating Cash Flow	-	1,327	-	2,333	-	535	-	-	-	-
Investing Cash Flow	-	1,043	-	603	-	(718)	-	-	-	-
Operating Cash Flow and Investing Cash Flow	-	2,370	-	2,936	-	(183)	-	-	-	-
Financing Cash Flow	-	(2,504)	-	(2,937)	-	487	-	-	-	-

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.

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