

MORESCO (5018)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2022		27,300	1,434	2,011	1,808	192.76	40.00	1,914.94
FY02/2023		30,333	523	1,046	615	66.19	40.00	2,008.49
FY02/2024CoE		34,500	1,400	1,600	700	75.83	45.00	-
FY02/2023	YoY	11.1%	(63.5%)	(48.0%)	(66.0%)	-	-	-
FY02/2024CoE	YoY	13.7%	167.7%	53.0%	13.9%	-	-	-
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 FY02/2023		14,523	295	846	504	-	-	-
Q3 to Q4 FY02/2023		15,810	228	200	111	-	-	-
Q1 to Q2 FY02/2024		15,386	528	933	569	-	-	-
Q3 to Q4 FY02/2024CoE		19,114	872	667	131	-	-	-
Q1 to Q2 FY02/2024	YoY	5.9%	78.8%	10.4%	13.0%	-	-	-
Q3 to Q4 FY02/2024CoE	YoY	20.9%	282.5%	233.5%	18.0%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (12 October 2023)

Upward Momentum

On 12 October 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 Q2 FY02/2024 results. It has been revealed that the Company's gross profit margin is on the upswing. Owing to continued sharp rise in raw material prices, the Company was inevitably and consistently seeing a decline in gross profit margin for FY02/2022 and FY02/2023, but now the impact of passing on to unit selling prices appears to be starting to emerge. Combined with the curbing of SG&A expenses, the Company saw operating profit for Q1 to Q2 significantly increased over the same period of the previous year. Meanwhile, a concern is stagnated sales volume in Japan, the mainstay by region. During the relevant period, the auto production volume in Japan has increased significantly over the same period of the previous year and the Company did benefit from here, while having suffered from a weakness associated with applications other than autos, e.g., that of steels, etc., at the same time. We are to attend the results briefing via webcast (scheduled for 16 October 2023) and then interview the Company's management for further details so that we should be able to update our Company Report in light of the contents of both and release afresh.


Company Report: [MORESCO \(5018\) A Recovery of Gross Profit Margin \(5 September 2023\)](#)

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2.0 Company Profile

Interface Science Specialist

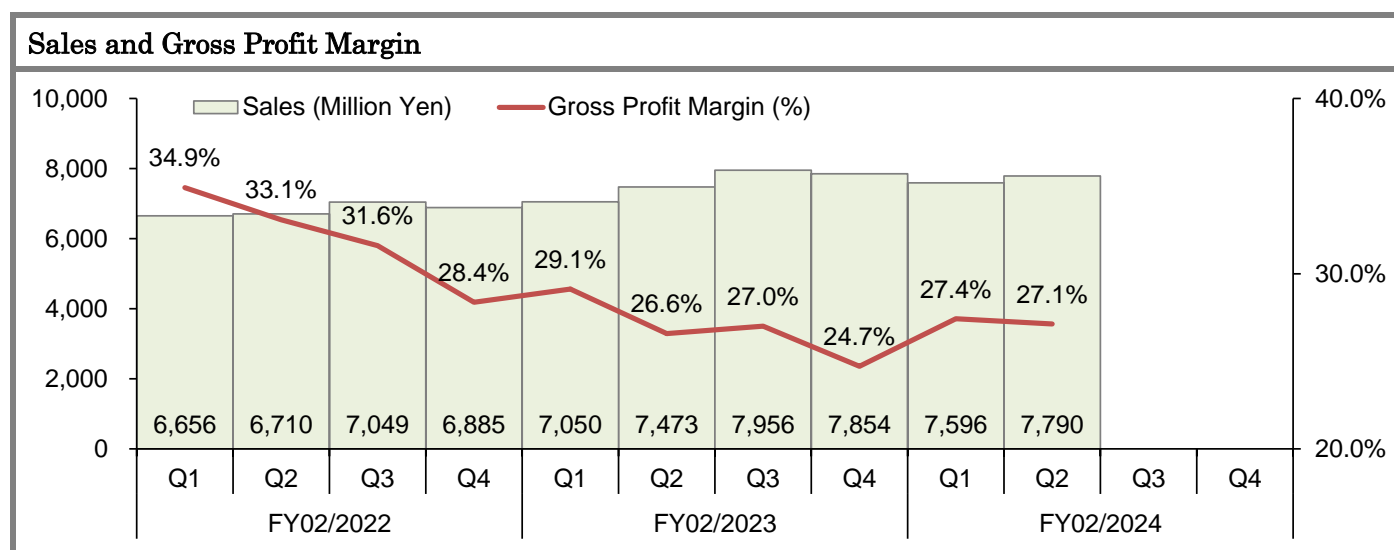
Company Name	MORESCO Corporation Company Website IR Information Share Price (Japanese) 
Established	27 October 1958
Listing	20 October 2023 (scheduled): Tokyo Stock Exchange Standard Market 4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 5018) 14 February 2011: Tokyo Stock Exchange 1st section 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 2023)
No. of Shares	9,696,500 shares, including 463,720 treasury shares (as of the end of August 2023)
Main Features	<ul style="list-style-type: none"> ● Independent (non-keiretsu) manufacturer of chemical goods, some 43% 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 (Thailand, Indonesia and India) IV. North America
Representative	CEO, Representative Director and President: Motohisa Morozumi
Shareholders	Matsumura Oil 11.5%, Cosmo Oil Lubricants 5.4%, Master Trust Bank of Japan, T. 4.6%, MORESCO Employee Stock Ownership Plan 4.3%, (as of the end of August 2023, but for treasury shares)
Head Office	Kobe-city, Hyogo-prefecture, JAPAN
No. of Personnel	Consolidated: 784, Parent: 381 (as of the end of February 2023)

Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q2 FY02/2024

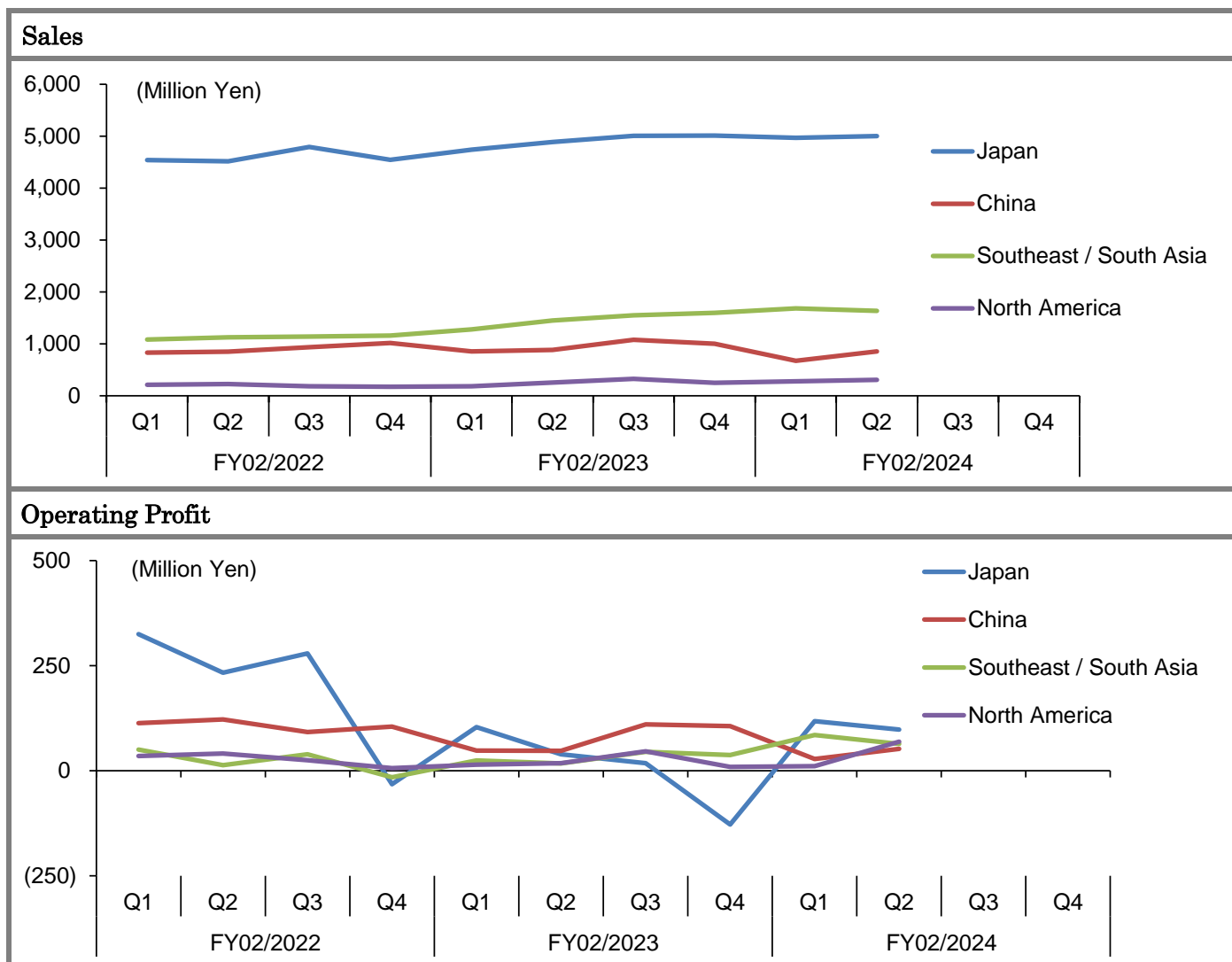
For Q1 to Q2 FY02/2024, sales came in at ¥15,386m (up 5.9% YoY), operating profit ¥528m (up 78.8%), recurring profit ¥933m (up 10.4%) and profit attributable to owners of parent ¥569m (up 13.0%). At the non-operating level, the Company saw currency gain substantially reduced from ¥454m to ¥268m, having cut back on the increase at the recurring profit level by the same amount. Meanwhile, gross profit came in at ¥4,197m (up 3.9%) and SG&A expenses ¥3,669m (down 2.0%), implying gross profit margin of 27.3% (down 0.5% points) and SG&A ratio of 23.8% (down 1.9% points), having resulted in operating profit margin of 3.4% (up 1.4% points).



Source: Company Data, WRJ Calculation

The Company's gross profit margin has rather declined over the same period of the previous year, but it appears that a V-shaped recovery has begun on a quarter on quarter basis, having had bottomed out for Q4 FY02/2023. By the way, for Q1 FY02/2024, MATSUKEN CO., LTD.(100% subsidiary) in charge of development, manufacture and sale of wastewater treatment equipment and wastewater treatment chemicals (consumables) saw sales on a large-scale project of wastewater treatment equipment in Japan, which gave a one-off positive impact to gross profit margin.

For the Company's performance as a whole, meanwhile, sales volume has declined 3.1% and unit selling prices risen 9.3%, according to the Company, which has a lot to do with the performance in Japan, the mainstay by region. During the relevant period (March to August), the auto production volume in Japan came in at 4.34m units (up 17.6%), having risen sharply over the same period of the previous year, which resulted in an accommodating increase in sales volume of die-casting fluids, the mainstay on the Functional Fluids side, comprising die-casting lubricants and plunger lubricants. Meanwhile, the Company saw a weakness in applications other than autos, i.e., that of steels, etc., which was more than offsetting in sales volume as a whole, according to the Company. However, the decline in sales volume was more than compensated for by a rise in unit selling prices, having resulted in an increase in sales and earnings in Japan.



Source: Company Data, WRJ Calculation

The Company suggests that the auto production volume has risen in China, Southeast / South Asia (Thailand, Indonesia and India) and North America, while the Company's sales volume also having risen in Southeast / South Asia and North America accordingly. At the same time, the Company also suggests that unit selling prices have risen more than in Japan due to yen's depreciation as a general trend. Consequently, the Company saw an increase in earnings in Southeast / South Asia more than in Japan, while a steady increase in North America in spite of some charges incurred as a result of [business transfer](#) in the United States. Nevertheless, in China, the Company was inevitably exposed to stagnated production activities in local facilities of Japanese automakers, which led to a stagnation for the local operations with the Company.

FY02/2024 Company Forecasts

FY02/2024 Company forecasts, announced on 11 April 2023, have remained unchanged, going for prospective sales of ¥34,500m (up 13.7% YoY), operating profit of ¥1,400m (up 167.7%), recurring profit of ¥1,600m (up 53.0%) and profit attributable to owners of parent of ¥700m (up 13.9%), while operating profit margin of 4.1% (up 2.3% points). Company forecasts have remained unchanged also for planned annual dividend, going for ¥45.00 per share, implying payout ratio of 59.3%.

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.
	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024		
Sales	7,050	14,523	22,479	30,333	7,596	15,386	-	-	-	+863
Cost of Sales	4,997	10,484	16,291	22,204	5,513	11,188	-	-	-	+704
Gross Profit	2,053	4,039	6,188	8,129	2,083	4,197	-	-	-	+158
SG&A Expenses	1,852	3,744	5,677	7,606	1,826	3,669	-	-	-	(75)
Operating Profit	201	295	511	523	257	528	-	-	-	+233
Non-Operating Balance	270	551	633	523	138	405	-	-	-	(146)
Recurring Profit	471	846	1,144	1,046	395	933	-	-	-	+87
Extraordinary Balance	-	-	-	-	-	-	-	-	-	-
Profit before Income Taxes	471	846	1,144	1,046	395	933	-	-	-	+87
Total Income Taxes	116	286	347	320	125	262	-	-	-	(24)
Profit Attributable to Non-Controlling Interests	38	56	78	112	47	102	-	-	-	+46
Profit Attributable to Owners of Parent	317	504	719	615	224	569	-	-	-	+65
Sales YoY	+5.9%	+8.7%	+10.1%	+11.1%	+7.7%	+5.9%	-	-	-	-
Operating Profit YoY	(61.4%)	(68.0%)	(62.8%)	(63.5%)	+28.0%	+78.8%	-	-	-	-
Recurring Profit YoY	(34.7%)	(27.3%)	(34.0%)	(48.0%)	(16.1%)	+10.4%	-	-	-	-
Profit Attributable to Owners of Parent YoY	(71.0%)	(62.9%)	(58.5%)	(66.0%)	(29.5%)	+13.0%	-	-	-	-
Gross Profit Margin	29.1%	27.8%	27.5%	26.8%	27.4%	27.3%	-	-	-	(0.5%)
SG&A Ratio	26.3%	25.8%	25.3%	25.1%	24.0%	23.8%	-	-	-	(1.9%)
Operating Profit Margin	2.9%	2.0%	2.3%	1.7%	3.4%	3.4%	-	-	-	+1.4%
Recurring Profit Margin	6.7%	5.8%	5.1%	3.4%	5.2%	6.1%	-	-	-	+0.2%
Profit Attributable to Owners of Parent Margin	4.5%	3.5%	3.2%	2.0%	2.9%	3.7%	-	-	-	+0.2%
Total Income Taxes / Profit before Income Taxes	24.6%	33.8%	30.3%	30.6%	31.6%	28.1%	-	-	-	(5.7%)
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.
	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024		
Sales	7,050	7,473	7,956	7,854	7,596	7,790	-	-	-	+317
Cost of Sales	4,997	5,487	5,807	5,913	5,513	5,675	-	-	-	+188
Gross Profit	2,053	1,986	2,149	1,941	2,083	2,114	-	-	-	+128
SG&A Expenses	1,852	1,892	1,933	1,929	1,826	1,843	-	-	-	(49)
Operating Profit	201	94	216	12	257	271	-	-	-	+177
Non-Operating Balance	270	281	82	(110)	138	267	-	-	-	(14)
Recurring Profit	471	375	298	(98)	395	538	-	-	-	+163
Extraordinary Balance	-	-	-	-	-	-	-	-	-	-
Profit before Income Taxes	471	375	298	(98)	395	538	-	-	-	+163
Total Income Taxes	116	170	61	(27)	125	137	-	-	-	(33)
Profit Attributable to Non-Controlling Interests	38	18	22	34	47	55	-	-	-	+37
Profit Attributable to Owners of Parent	317	187	215	(104)	224	345	-	-	-	+158
Sales YoY	+5.9%	+11.4%	+12.9%	+14.1%	+7.7%	+4.2%	-	-	-	-
Operating Profit YoY	(61.4%)	(76.7%)	(52.2%)	(79.7%)	+28.0%	+188.3%	-	-	-	-
Recurring Profit YoY	(34.7%)	(15.2%)	(47.6%)	-	(16.1%)	+43.5%	-	-	-	-
Profit Attributable to Owners of Parent YoY	(71.0%)	(29.2%)	(42.0%)	-	(29.5%)	+84.5%	-	-	-	-
Gross Profit Margin	29.1%	26.6%	27.0%	24.7%	27.4%	27.1%	-	-	-	+0.6%
SG&A Ratio	26.3%	25.3%	24.3%	24.6%	24.0%	23.7%	-	-	-	(1.7%)
Operating Profit Margin	2.9%	1.3%	2.7%	0.2%	3.4%	3.5%	-	-	-	+2.2%
Recurring Profit Margin	6.7%	5.0%	3.7%	(1.2%)	5.2%	6.9%	-	-	-	+1.9%
Profit Attributable to Owners of Parent Margin	4.5%	2.5%	2.7%	(1.3%)	2.9%	4.4%	-	-	-	+1.9%
Total Income Taxes / Profit before Income Taxes	24.6%	45.3%	20.5%	27.6%	31.6%	25.5%	-	-	-	(19.9%)

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 02/2023	Q1 to Q2 02/2023	Q1 to Q3 02/2023	Q1 to Q4 02/2023	Q1 02/2024	Q1 to Q2 02/2024	Q1 to Q3 02/2024	Q1 to Q4 02/2024		
Japan	4,738	9,624	14,629	19,637	4,968	9,966	-	-	+342	
China	854	1,737	2,813	3,814	670	1,522	-	-	(215)	
Southeast / South Asia (Thailand, Indonesia and India)	1,276	2,726	4,274	5,870	1,679	3,313	-	-	+587	
North America	182	436	762	1,011	278	584	-	-	+148	
Sales	7,050	14,523	22,479	30,333	7,596	15,386	-	-	+863	
Japan	104	143	161	33	118	216	-	-	+73	
China	48	95	205	311	28	80	-	-	(15)	
Southeast / South Asia (Thailand, Indonesia and India)	24	41	86	123	85	149	-	-	+108	
North America	14	32	78	87	11	80	-	-	+48	
Segment Profit	189	311	531	553	242	525	-	-	+214	
Adjustments	11	(16)	(20)	(30)	15	3	-	-	+19	
Operating Profit	201	295	511	523	257	528	-	-	+233	
Japan	2.2%	1.5%	1.1%	0.2%	2.4%	2.2%	-	-	+0.7%	
China	5.6%	5.5%	7.3%	8.2%	4.2%	5.3%	-	-	(0.2%)	
Southeast / South Asia (Thailand, Indonesia and India)	1.9%	1.5%	2.0%	2.1%	5.1%	4.5%	-	-	+3.0%	
North America	7.7%	7.3%	10.2%	8.6%	4.0%	13.7%	-	-	+6.4%	
Segment Profit Margin	2.7%	2.1%	2.4%	1.8%	3.2%	3.4%	-	-	+1.3%	
Adjustments	0.2%	(0.1%)	(0.1%)	(0.1%)	0.2%	0.0%	-	-	+0.1%	
Operating Profit Margin	2.9%	2.0%	2.3%	1.7%	3.4%	3.4%	-	-	+1.4%	

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 02/2023	Q2 02/2023	Q3 02/2023	Q4 02/2023	Q1 02/2024	Q2 02/2024	Q3 02/2024	Q4 02/2024		
Japan	4,738	4,886	5,005	5,008	4,968	4,998	-	-	+112	
China	854	883	1,076	1,001	670	852	-	-	(31)	
Southeast / South Asia (Thailand, Indonesia and India)	1,276	1,450	1,548	1,596	1,679	1,634	-	-	+184	
North America	182	254	326	249	278	306	-	-	+52	
Sales	7,050	7,473	7,956	7,854	7,596	7,790	-	-	+317	
Japan	104	39	18	(128)	118	98	-	-	+59	
China	48	47	110	106	28	52	-	-	+5	
Southeast / South Asia (Thailand, Indonesia and India)	24	17	45	37	85	64	-	-	+47	
North America	14	18	46	9	11	69	-	-	+51	
Segment Profit	189	122	220	22	242	283	-	-	+161	
Adjustments	11	(27)	(4)	(10)	15	(12)	-	-	+15	
Operating Profit	201	94	216	12	257	271	-	-	+177	
Japan	2.2%	0.8%	0.4%	(2.6%)	2.4%	2.0%	-	-	+1.2%	
China	5.6%	5.3%	10.2%	10.6%	4.2%	6.1%	-	-	+0.8%	
Southeast / South Asia (Thailand, Indonesia and India)	1.9%	1.2%	2.9%	2.3%	5.1%	3.9%	-	-	+2.7%	
North America	7.7%	7.1%	14.1%	3.6%	4.0%	22.5%	-	-	+15.5%	
Segment Profit Margin	2.7%	1.6%	2.8%	0.3%	3.2%	3.6%	-	-	+2.0%	
Adjustments	0.2%	(0.4%)	(0.1%)	(0.1%)	0.2%	(0.2%)	-	-	+0.2%	
Operating Profit Margin	2.9%	1.3%	2.7%	0.2%	3.4%	3.5%	-	-	+2.2%	

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	Q1 to Q4	Net Chg.
	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	02/2024	
Functional Fluids	3,420	7,027	11,081	15,105	3,688	7,736	-	-	-	+709
Synthetic Lubricants	502	991	1,381	1,703	301	607	-	-	-	(384)
Liquid Paraffins & Sulfonates	902	1,855	2,849	3,793	998	1,940	-	-	-	+85
Hot Melt Adhesives	1,809	3,754	5,801	7,664	2,108	4,194	-	-	-	+440
Energy Device Materials	45	84	128	209	30	54	-	-	-	(30)
Other	372	812	1,239	1,859	470	856	-	-	-	+44
Sales	7,050	14,523	22,479	30,333	7,596	15,386	-	-	-	+863
Functional Fluids	+10.9%	+10.8%	+14.4%	+16.0%	+7.8%	+10.1%	-	-	-	-
Synthetic Lubricants	(0.1%)	(4.1%)	(9.7%)	(13.7%)	(40.0%)	(38.7%)	-	-	-	-
Liquid Paraffins & Sulfonates	+11.9%	+11.0%	+10.5%	+9.0%	+10.6%	+4.6%	-	-	-	-
Hot Melt Adhesives	+8.2%	+12.9%	+14.1%	+13.0%	+16.6%	+11.7%	-	-	-	-
Energy Device Materials	(21.3%)	(34.5%)	(35.1%)	(11.8%)	(31.9%)	(35.7%)	-	-	-	-
Other	(29.5%)	(5.4%)	(6.7%)	+3.6%	+26.4%	+5.3%	-	-	-	-
Sales (YoY)	+5.9%	+8.7%	+10.1%	+11.1%	+7.7%	+5.9%	-	-	-	-
Functional Fluids	48.5%	48.4%	49.3%	49.8%	48.6%	50.3%	-	-	-	-
Synthetic Lubricants	7.1%	6.8%	6.1%	5.6%	4.0%	3.9%	-	-	-	-
Liquid Paraffins & Sulfonates	12.8%	12.8%	12.7%	12.5%	13.1%	12.6%	-	-	-	-
Hot Melt Adhesives	25.7%	25.8%	25.8%	25.3%	27.8%	27.3%	-	-	-	-
Energy Device Materials	0.6%	0.6%	0.6%	0.7%	0.4%	0.4%	-	-	-	-
Other	5.3%	5.6%	5.5%	6.1%	6.2%	5.6%	-	-	-	-
Sales (Componet Percentages)	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	Q4	Net Chg.
	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	02/2024	
Functional Fluids	3,420	3,607	4,054	4,024	3,688	4,048	-	-	-	+441
Synthetic Lubricants	502	489	390	322	301	306	-	-	-	(183)
Liquid Paraffins & Sulfonates	902	953	994	944	998	942	-	-	-	(11)
Hot Melt Adhesives	1,809	1,945	2,047	1,863	2,108	2,086	-	-	-	+141
Energy Device Materials	45	39	44	81	30	24	-	-	-	(15)
Other	372	440	427	620	470	386	-	-	-	(54)
Sales	7,050	7,473	7,956	7,854	7,596	7,790	-	-	-	+317
Functional Fluids	+10.9%	+10.7%	+21.2%	+20.7%	+7.8%	+12.2%	-	-	-	-
Synthetic Lubricants	(0.1%)	(7.7%)	(21.4%)	(27.6%)	(40.0%)	(37.4%)	-	-	-	-
Liquid Paraffins & Sulfonates	+11.9%	+10.2%	+9.6%	+4.8%	+10.6%	(1.2%)	-	-	-	-
Hot Melt Adhesives	+8.2%	+17.6%	+16.2%	+9.7%	+16.6%	+7.2%	-	-	-	-
Energy Device Materials	(21.3%)	(45.1%)	(37.1%)	+107.7%	(31.9%)	(38.5%)	-	-	-	-
Other	(29.5%)	+32.9%	(9.0%)	+33.0%	+26.4%	(12.3%)	-	-	-	-
Sales (YoY)	+5.9%	+11.4%	+12.9%	+14.1%	+7.7%	+4.2%	-	-	-	-
Functional Fluids	48.5%	48.3%	51.0%	51.2%	48.6%	52.0%	-	-	-	-
Synthetic Lubricants	7.1%	6.5%	4.9%	4.1%	4.0%	3.9%	-	-	-	-
Liquid Paraffins & Sulfonates	12.8%	12.8%	12.5%	12.0%	13.1%	12.1%	-	-	-	-
Hot Melt Adhesives	25.7%	26.0%	25.7%	23.7%	27.8%	26.8%	-	-	-	-
Energy Device Materials	0.6%	0.5%	0.6%	1.0%	0.4%	0.3%	-	-	-	-
Other	5.3%	5.9%	5.4%	7.9%	6.2%	5.0%	-	-	-	-
Sales (Componet Percentages)	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 02/2023	Q2 02/2023	Q3 02/2023	Q4 02/2023	Q1 02/2024	Q2 02/2024	Q3 02/2024	Q4 02/2024		
Cash and Deposit	3,812	4,166	4,172	4,256	3,935	3,756	-	-	(410)	
Accounts Receivables	7,046	7,524	7,831	7,595	7,462	7,453	-	-	(71)	
Inventory	5,727	6,102	6,311	6,306	6,451	6,378	-	-	+276	
Other	580	493	614	653	564	566	-	-	+73	
Current Assets	17,165	18,285	18,928	18,810	18,412	18,153	-	-	(132)	
Tangible Assets	8,330	8,395	8,537	8,610	8,666	9,114	-	-	+719	
Intangible Assets	614	649	643	589	749	744	-	-	+95	
Investments and Other Assets	3,583	3,764	3,820	4,002	4,068	4,166	-	-	+402	
Fixed Assets	12,527	12,808	13,001	13,202	13,483	14,024	-	-	+1,216	
Deferred Assets	-	-	-	6	18	32	-	-	+32	
Total Assets	29,691	31,092	31,929	32,017	31,913	32,208	-	-	+1,116	
Accounts Payables	4,419	4,926	5,173	5,144	4,828	4,467	-	-	(459)	
Short-Term Debt	857	1,546	1,549	2,381	2,145	2,096	-	-	+550	
Other	2,052	1,611	2,245	2,074	1,787	1,629	-	-	+18	
Current Liabilities	7,328	8,083	8,967	9,599	8,760	8,192	-	-	+109	
Long-Term Debt	457	382	307	472	942	887	-	-	+505	
Other	785	910	834	707	667	748	-	-	(162)	
Fixed Liabilities	1,242	1,292	1,141	1,179	1,609	1,635	-	-	+343	
Total Liabilities	8,570	9,375	10,108	10,778	10,369	9,827	-	-	+452	
Shareholders' Equity	17,357	17,361	17,392	17,287	17,327	17,678	-	-	+317	
Other	3,764	4,356	4,428	3,953	4,217	4,703	-	-	+347	
Net Assets	21,121	21,717	21,820	21,240	21,544	22,381	-	-	+664	
Total Liabilities & Net Assets	29,691	31,092	31,929	32,017	31,913	32,208	-	-	+1,116	
Equity Capital	18,492	18,945	19,016	18,533	18,743	19,418	-	-	+473	
Interest Bearing Debt	1,314	1,928	1,856	2,853	3,087	2,983	-	-	+1,055	
Net Debt	(2,498)	(2,238)	(2,316)	(1,403)	(848)	(773)	-	-	+1,465	
Equity Ratio	62.3%	60.9%	59.6%	57.9%	58.7%	60.3%	-	-	-	
Net Debt Equity Ratio	(13.5%)	(11.8%)	(12.2%)	(7.6%)	(4.5%)	(4.0%)	-	-	-	
ROE (12 months)	5.8%	5.2%	4.4%	3.4%	2.8%	3.5%	-	-	-	
ROA (12 months)	6.1%	5.8%	4.7%	3.4%	3.1%	3.6%	-	-	-	
Days for Inventory Turnover	104	101	99	97	106	102	-	-	-	
Quick Ratio	148%	145%	134%	123%	130%	137%	-	-	-	
Current Ratio	234%	226%	211%	196%	210%	222%	-	-	-	

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 02/2023	Q1 to Q2 02/2023	Q1 to Q3 02/2023	Q1 to Q4 02/2023	Q1 02/2024	Q1 to Q2 02/2024	Q1 to Q3 02/2024	Q1 to Q4 02/2024		
Operating Cash Flow	-	535	-	515	-	1,004	-	-	+469	
Investing Cash Flow	-	(718)	-	(1,172)	-	(1,305)	-	-	(587)	
Operating Cash Flow and Investing Cash Flow	-	(183)	-	(657)	-	(301)	-	-	(118)	
Financing Cash Flow	-	487	-	1,227	-	(115)	-	-	(602)	

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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