

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 28, 2022

Company name: MARUWA CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 5344 URL <https://www.maruwa-g.com/>
 Representative: President and Representative Director Sei Kanbe
 Inquiries: Planning Office Manager Yukiko Morishita TEL 0561-51-0841
 Scheduled date to file Quarterly Securities Report: February 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2021	40,070	31.1	13,361	76.4	13,819	86.4	9,511	87.3
Nine months ended December 31, 2020	30,569	(0.8)	7,573	13.1	7,413	9.2	5,078	24.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	770.98	–
Nine months ended December 31, 2020	411.78	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	89,589	75,326	84.1
As of March 31, 2021	78,059	66,344	85.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	28.00	–	36.00	64.00
Year ending March 31, 2022	–	34.00	–		
Year ending March 31, 2022 (Forecast)				36.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	54,500	31.5	17,900	74.7	17,900	73.3	11,800	70.1	956.44

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2021	12,372,000 shares	As of March 31, 2021	12,372,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	34,345 shares	As of March 31, 2021	36,327 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	12,337,311 shares	Nine months ended December 31, 2020	12,333,434 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	34,088	39,122
Notes and accounts receivable - trade	9,834	13,757
Electronically recorded monetary claims - operating	1,267	1,976
Merchandise and finished goods	1,641	1,758
Work in process	2,277	2,558
Raw materials and supplies	2,463	3,642
Other	2,148	1,614
Allowance for doubtful accounts	(8)	(9)
Total current assets	53,714	64,420
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,012	17,618
Accumulated depreciation	(6,967)	(7,406)
Buildings and structures, net	10,044	10,212
Machinery, equipment and vehicles	22,354	23,976
Accumulated depreciation	(17,149)	(18,591)
Machinery, equipment and vehicles, net	5,204	5,385
Land	4,544	4,550
Construction in progress	1,889	2,145
Other	3,887	4,165
Accumulated depreciation	(3,238)	(3,510)
Other, net	648	654
Total property, plant and equipment	22,332	22,947
Intangible assets		
Other	260	288
Total intangible assets	260	288
Investments and other assets	1,752	1,932
Total non-current assets	24,345	25,168
Total assets	78,059	89,589

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,404	3,859
Electronically recorded obligations - operating	1,931	2,238
Short-term borrowings	100	100
Current portion of long-term borrowings	266	266
Income taxes payable	1,986	2,703
Provision for bonuses	699	437
Provision for bonuses for directors (and other officers)	49	35
Other	2,172	2,714
Total current liabilities	9,612	12,355
Non-current liabilities		
Long-term borrowings	1,599	1,399
Deferred tax liabilities	160	170
Other	342	336
Total non-current liabilities	2,103	1,907
Total liabilities	11,715	14,262
Net assets		
Shareholders' equity		
Share capital	8,646	8,646
Capital surplus	12,005	12,017
Retained earnings	46,796	55,436
Treasury shares	(217)	(206)
Total shareholders' equity	67,231	75,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	119	119
Foreign currency translation adjustment	(1,006)	(686)
Total accumulated other comprehensive income	(886)	(567)
Total net assets	66,344	75,326
Total liabilities and net assets	78,059	89,589

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	30,569	40,070
Cost of sales	17,078	19,876
Gross profit	13,491	20,194
Selling, general and administrative expenses	5,917	6,833
Operating profit	7,573	13,361
Non-operating income		
Interest income	37	45
Rental income	65	72
Foreign exchange gains	–	333
Other	48	55
Total non-operating income	151	507
Non-operating expenses		
Interest expenses	4	6
Foreign exchange losses	248	–
Rent expenses on real estate for investments	37	33
Other	21	9
Total non-operating expenses	312	49
Ordinary profit	7,413	13,819
Extraordinary income		
Gain on sale of non-current assets	2	3
Gain on sale of investment securities	65	–
Gain on liquidation of subsidiaries	11	–
Subsidy income	–	89
Total extraordinary income	79	92
Extraordinary losses		
Loss on sale and retirement of non-current assets	92	17
Loss on tax purpose reduction entry of non-current assets	–	75
Impairment losses	169	–
Loss related to infectious disease	68	41
Total extraordinary losses	330	133
Profit before income taxes	7,162	13,778
Income taxes - current	2,038	4,180
Income taxes - deferred	46	85
Total income taxes	2,084	4,266
Profit	5,078	9,511
Profit attributable to owners of parent	5,078	9,511

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	5,078	9,511
Other comprehensive income		
Valuation difference on available-for-sale securities	53	(0)
Foreign currency translation adjustment	201	320
Total other comprehensive income	254	319
Comprehensive income	5,333	9,831
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,333	9,831