

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 27, 2022

Company name: MARUWA CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 5344 URL <https://www.maruwa-g.com/>
 Representative: Chairman Sei Kanbe
 Inquiries: Planning Office Manager Yukiko Morishita TEL 0561-51-0841
 Scheduled date of ordinary general meeting of shareholders: June 23, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to commence dividend payments: June 24, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	%
Year ended March 31, 2022	54,344	31.1	18,215	77.7	19,182	85.7	13,350	92.5
Year ended March 31, 2021	41,438	0.5	10,248	9.7	10,330	8.5	6,935	17.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	1,082.11	–	18.3	22.1	33.5
Year ended March 31, 2021	562.30	–	11.0	13.9	24.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	95,899	79,681	83.1	6,458.45
As of March 31, 2021	78,059	66,344	85.0	5,378.23

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	14,757	(3,522)	(1,132)	44,385
Year ended March 31, 2021	10,713	(5,376)	(801)	33,888

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	28.00	–	36.00	64.00	789	11.4	1.3
Year ended March 31, 2022	–	34.00	–	36.00	70.00	863	6.5	1.2
Year ending March 31, 2023 (Forecast)	–	38.00	–	38.00	76.00		7.3	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	27,000	9.2	8,100	2.2	8,100	(0.2)	5,500	(1.2)	445.79
Full year	60,000	10.4	18,500	1.6	18,500	(3.6)	12,900	(3.4)	1,045.59

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	34,492 shares	As of March 31, 2021	36,327 shares
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Average number of shares during the period

Year ended March 31, 2022	12,337,379 shares	Year ended March 31, 2021	12,333,994 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	34,088	44,621
Notes and accounts receivable - trade	9,834	–
Notes receivable - trade	–	473
Accounts receivable - trade	–	12,876
Electronically recorded monetary claims - operating	1,267	1,810
Merchandise and finished goods	1,641	1,632
Work in process	2,277	2,648
Raw materials and supplies	2,463	3,706
Other	2,148	2,389
Allowance for doubtful accounts	(8)	(9)
Total current assets	53,714	70,149
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,012	17,717
Accumulated depreciation	(6,967)	(7,615)
Buildings and structures, net	10,044	10,101
Machinery, equipment and vehicles	22,354	24,771
Accumulated depreciation	(17,149)	(19,292)
Machinery, equipment and vehicles, net	5,204	5,478
Land	4,544	4,699
Construction in progress	1,889	2,653
Other	3,887	4,256
Accumulated depreciation	(3,238)	(3,666)
Other, net	648	590
Total property, plant and equipment	22,332	23,524
Intangible assets		
Other	260	298
Total intangible assets	260	298
Investments and other assets		
Investment securities	248	230
Deferred tax assets	440	637
Investment property, net	963	948
Other	104	111
Allowance for doubtful accounts	(4)	(0)
Total investments and other assets	1,752	1,927
Total non-current assets	24,345	25,750
Total assets	78,059	95,899

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,404	3,444
Electronically recorded obligations - operating	1,931	2,419
Short-term borrowings	100	100
Current portion of long-term borrowings	266	866
Income taxes payable	1,986	4,731
Provision for bonuses	699	866
Provision for bonuses for directors (and other officers)	49	71
Other	2,172	2,455
Total current liabilities	9,612	14,953
Non-current liabilities		
Long-term borrowings	1,599	733
Deferred tax liabilities	160	153
Other	342	377
Total non-current liabilities	2,103	1,264
Total liabilities	11,715	16,218
Net assets		
Shareholders' equity		
Share capital	8,646	8,646
Capital surplus	12,005	12,017
Retained earnings	46,796	59,274
Treasury shares	(217)	(207)
Total shareholders' equity	67,231	79,732
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	119	104
Foreign currency translation adjustment	(1,006)	(155)
Total accumulated other comprehensive income	(886)	(51)
Total net assets	66,344	79,681
Total liabilities and net assets	78,059	95,899

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	41,438	54,344
Cost of sales	23,074	27,018
Gross profit	18,363	27,326
Selling, general and administrative expenses	8,114	9,110
Operating profit	10,248	18,215
Non-operating income		
Interest income	51	58
Rental income	88	95
Foreign exchange gains	–	810
Other	57	66
Total non-operating income	197	1,029
Non-operating expenses		
Interest expenses	6	7
Foreign exchange losses	50	–
Rent expenses on real estate for investments	46	44
Other	11	11
Total non-operating expenses	115	63
Ordinary profit	10,330	19,182
Extraordinary income		
Gain on sale of non-current assets	2	3
Gain on sale of investment securities	65	9
Gain on liquidation of subsidiaries	11	–
Subsidy income	–	481
Compensation income	–	186
Total extraordinary income	79	680
Extraordinary losses		
Loss on sale and retirement of non-current assets	258	16
Loss on tax purpose reduction entry of non-current assets	–	463
Impairment losses	169	–
Loss related to infectious disease	68	41
Other	28	8
Total extraordinary losses	525	531
Profit before income taxes	9,884	19,331
Income taxes - current	2,905	6,208
Income taxes - deferred	43	(227)
Total income taxes	2,948	5,980
Profit	6,935	13,350
Profit attributable to owners of parent	6,935	13,350

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	6,935	13,350
Other comprehensive income		
Valuation difference on available-for-sale securities	49	(15)
Foreign currency translation adjustment	536	851
Total other comprehensive income	585	835
Comprehensive income	7,521	14,186
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,521	14,186

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,646	11,992	40,526	(239)	60,926
Changes during period					
Dividends of surplus			(665)		(665)
Profit attributable to owners of parent			6,935		6,935
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		13		24	37
Net changes in items other than shareholders' equity					
Total changes during period	-	13	6,269	21	6,304
Balance at end of period	8,646	12,005	46,796	(217)	67,231

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	70	(1,543)	(1,472)	59,453
Changes during period				
Dividends of surplus				(665)
Profit attributable to owners of parent				6,935
Purchase of treasury shares				(2)
Disposal of treasury shares				37
Net changes in items other than shareholders' equity	49	536	585	585
Total changes during period	49	536	585	6,890
Balance at end of period	119	(1,006)	(886)	66,344

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,646	12,005	46,796	(217)	67,231
Cumulative effects of changes in accounting policies			(8)		(8)
Restated balance	8,646	12,005	46,787	(217)	67,222
Changes during period					
Dividends of surplus			(863)		(863)
Profit attributable to owners of parent			13,350		13,350
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		12		12	24
Net changes in items other than shareholders' equity					
Total changes during period	–	12	12,486	10	12,509
Balance at end of period	8,646	12,017	59,274	(207)	79,732

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	119	(1,006)	(886)	66,344
Cumulative effects of changes in accounting policies				(8)
Restated balance	119	(1,006)	(886)	66,335
Changes during period				
Dividends of surplus				(863)
Profit attributable to owners of parent				13,350
Purchase of treasury shares				(2)
Disposal of treasury shares				24
Net changes in items other than shareholders' equity	(15)	851	835	835
Total changes during period	(15)	851	835	13,345
Balance at end of period	104	(155)	(51)	79,681

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	9,884	19,331
Impairment losses	169	–
Depreciation	2,169	2,570
Amortization of goodwill	26	–
Increase (decrease) in allowance for doubtful accounts	1	(34)
Loss (gain) on liquidation of subsidiaries	(11)	–
Loss (gain) on sale of investment securities	(65)	(0)
Loss (gain) on sale and retirement of non-current assets	256	13
Loss on tax purpose reduction entry of non-current assets	–	463
Interest and dividend income	(56)	(63)
Interest expenses	6	7
Subsidy income	–	(481)
Compensation income	–	(186)
Foreign exchange losses (gains)	(0)	(1)
Decrease (increase) in trade receivables	(168)	(3,883)
Decrease (increase) in inventories	872	(1,527)
Increase (decrease) in trade payables	664	1,519
Other, net	(1,307)	278
Subtotal	12,439	18,005
Interest and dividends received	56	63
Interest paid	(7)	(7)
Income taxes refund (paid)	(1,776)	(3,489)
Proceeds from compensation	–	186
Net cash provided by (used in) operating activities	10,713	14,757
Cash flows from investing activities		
Net decrease (increase) in time deposits	32	(12)
Purchase of property, plant and equipment	(5,536)	(3,738)
Proceeds from sale of property, plant and equipment	4	6
Purchase of intangible assets	(40)	(70)
Purchase of investment securities	(3)	(235)
Proceeds from sale of investment securities	109	232
Proceeds from liquidation of subsidiaries	34	–
Subsidies received	–	285
Other, net	22	9
Net cash provided by (used in) investing activities	(5,376)	(3,522)
Cash flows from financing activities		
Proceeds from short-term borrowings	100	–
Repayments of short-term borrowings	(900)	–
Proceeds from long-term borrowings	800	–
Repayments of long-term borrowings	(133)	(266)
Purchase of treasury shares	(2)	(2)
Dividends paid	(665)	(863)
Net cash provided by (used in) financing activities	(801)	(1,132)
Effect of exchange rate change on cash and cash equivalents	238	394
Net increase (decrease) in cash and cash equivalents	4,773	10,497
Cash and cash equivalents at beginning of period	29,114	33,888
Cash and cash equivalents at end of period	33,888	44,385