

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 27, 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 Toshiro Kanbe  
 Inquiries: Director Yukiko Morishita TEL 0561-51-0841  
 Scheduled date to file Quarterly Securities Report: November 10, 2022  
 Scheduled date to commence dividend payments: December 5, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 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 six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	29,668	20.0	10,616	33.9	12,219	50.5	8,604	54.5
Six months ended September 30, 2021	24,722	26.6	7,926	69.2	8,118	74.8	5,567	76.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	697.39		-	
Six months ended September 30, 2021	451.30		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	102,427	88,582	86.5
As of March 31, 2022	95,899	79,681	83.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	-	34.00	-	36.00	70.00
Year ending March 31, 2023	-	38.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	38.00	76.00

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
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 six months ended September 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: No
- 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 September 30, 2022	12,372,000 shares	As of March 31, 2022	12,372,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	34,599 shares	As of March 31, 2022	34,492 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	12,337,427 shares	Six months ended September 30, 2021	12,337,130 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	44,621	48,669
Notes receivable - trade	473	235
Accounts receivable - trade	12,876	13,390
Electronically recorded monetary claims - operating	1,810	1,728
Merchandise and finished goods	1,632	2,336
Work in process	2,648	3,048
Raw materials and supplies	3,706	3,850
Other	2,389	1,192
Allowance for doubtful accounts	(9)	(9)
Total current assets	70,149	74,443
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,101	10,269
Machinery, equipment and vehicles, net	5,478	7,528
Land	4,699	4,700
Construction in progress	2,653	2,725
Other, net	590	668
Total property, plant and equipment	23,524	25,893
Intangible assets		
Other	298	308
Total intangible assets	298	308
Investments and other assets	1,927	1,781
Total non-current assets	25,750	27,984
Total assets	95,899	102,427

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,444	3,024
Electronically recorded obligations - operating	2,419	1,994
Short-term borrowings	100	100
Current portion of long-term borrowings	866	866
Income taxes payable	4,731	3,252
Provision for bonuses	866	839
Provision for bonuses for directors (and other officers)	71	6
Other	2,455	2,620
<b>Total current liabilities</b>	<b>14,953</b>	<b>12,705</b>
<b>Non-current liabilities</b>		
Long-term borrowings	733	600
Deferred tax liabilities	153	177
Other	377	363
<b>Total non-current liabilities</b>	<b>1,264</b>	<b>1,140</b>
<b>Total liabilities</b>	<b>16,218</b>	<b>13,845</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,646	8,646
Capital surplus	12,017	12,018
Retained earnings	59,274	67,434
Treasury shares	(207)	(208)
<b>Total shareholders' equity</b>	<b>79,732</b>	<b>87,891</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	104	91
Foreign currency translation adjustment	(155)	598
<b>Total accumulated other comprehensive income</b>	<b>(51)</b>	<b>690</b>
<b>Total net assets</b>	<b>79,681</b>	<b>88,582</b>
<b>Total liabilities and net assets</b>	<b>95,899</b>	<b>102,427</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	24,722	29,668
Cost of sales	12,331	14,006
Gross profit	12,391	15,662
Selling, general and administrative expenses	4,464	5,046
Operating profit	7,926	10,616
Non-operating income		
Interest income	31	29
Rental income	49	48
Foreign exchange gains	112	1,531
Other	37	29
Total non-operating income	231	1,639
Non-operating expenses		
Interest expenses	4	2
Rent expenses on real estate for investments	22	24
Other	12	8
Total non-operating expenses	39	36
Ordinary profit	8,118	12,219
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on liquidation of subsidiaries	–	3
Subsidy income	89	15
Total extraordinary income	90	19
Extraordinary losses		
Loss on sale and retirement of non-current assets	3	16
Loss on tax purpose reduction entry of non-current assets	75	–
Loss related to infectious disease	41	–
Total extraordinary losses	119	16
Profit before income taxes	8,088	12,221
Income taxes - current	2,576	3,453
Income taxes - deferred	(55)	164
Total income taxes	2,520	3,617
Profit	5,567	8,604
Profit attributable to owners of parent	5,567	8,604

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	5,567	8,604
Other comprehensive income		
Valuation difference on available-for-sale securities	20	(12)
Foreign currency translation adjustment	33	754
Total other comprehensive income	54	741
Comprehensive income	5,621	9,345
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,621	9,345

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	8,088	12,221
Depreciation	1,235	1,469
Increase (decrease) in allowance for doubtful accounts	(4)	(0)
Loss (gain) on sale and retirement of non-current assets	3	16
Loss on tax purpose reduction entry of non-current assets	75	–
Interest and dividend income	(33)	(32)
Interest expenses	4	2
Subsidy income	(89)	(15)
Foreign exchange losses (gains)	(1)	(0)
Decrease (increase) in trade receivables	(2,101)	(31)
Decrease (increase) in inventories	(1,007)	(1,178)
Increase (decrease) in trade payables	356	(855)
Other, net	849	1,104
Subtotal	7,374	12,701
Interest and dividends received	33	32
Interest paid	(4)	(2)
Income taxes refund (paid)	(1,904)	(4,714)
Net cash provided by (used in) operating activities	5,498	8,016
Cash flows from investing activities		
Net decrease (increase) in time deposits	2	–
Purchase of property, plant and equipment	(1,221)	(3,930)
Proceeds from sale of property, plant and equipment	0	0
Purchase of investment securities	(151)	(23)
Purchase of intangible assets	(36)	(22)
Subsidies received	89	211
Other, net	(23)	9
Net cash provided by (used in) investing activities	(1,340)	(3,756)
Cash flows from financing activities		
Repayments of long-term borrowings	(133)	(133)
Purchase of treasury shares	(0)	(1)
Dividends paid	(444)	(444)
Net cash provided by (used in) financing activities	(577)	(579)
Effect of exchange rate change on cash and cash equivalents	25	352
Net increase (decrease) in cash and cash equivalents	3,605	4,033
Cash and cash equivalents at beginning of period	33,888	44,385
Cash and cash equivalents at end of period	37,493	48,419