

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

April 27, 2023

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 of ordinary general meeting of shareholders: June 22, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to commence dividend payments: June 23, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	58,804	8.2	20,142	10.6	21,187	10.5	15,020	12.5
Year ended March 31, 2022	54,344	31.1	18,215	77.7	19,182	85.7	13,350	92.5

	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, 2023	1,217.45	–	17.3	20.8	34.3
Year ended March 31, 2022	1,082.11	–	18.3	22.1	33.5

(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, 2023	108,031	94,215	87.2	7,636.60
As of March 31, 2022	95,899	79,681	83.1	6,458.45

(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, 2023	15,647	(8,755)	(1,882)	49,585
Year ended March 31, 2022	14,757	(3,522)	(1,132)	44,385

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, 2022	–	34.00	–	36.00	70.00	863	6.5	1.2
Year ended March 31, 2023	–	38.00	–	40.00	78.00	962	6.4	1.1
Year ending March 31, 2024 (Forecast)	–	43.00	–	43.00	86.00	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	27,100	(8.7)	9,100	(14.3)	—	—	—	—	—
Full year	61,500	4.6	21,000	4.3	—	—	—	—	—

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(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:

No

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, 2023	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 March 31, 2023	34,649 shares	As of March 31, 2022	34,492 shares
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Average number of shares during the period

Year ended March 31, 2023	12,337,413 shares	Year ended March 31, 2022	12,337,379 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	44,621	49,795
Notes receivable - trade	473	343
Accounts receivable - trade	12,876	10,701
Electronically recorded monetary claims - operating	1,810	1,820
Merchandise and finished goods	1,632	2,267
Work in process	2,648	2,905
Raw materials and supplies	3,706	3,767
Other	2,389	3,043
Allowance for doubtful accounts	(9)	(9)
Total current assets	70,149	74,634
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,101	14,075
Machinery, equipment and vehicles, net	5,478	7,446
Land	4,699	4,872
Construction in progress	2,653	3,920
Other, net	590	731
Total property, plant and equipment	23,524	31,046
Intangible assets		
Other	298	284
Total intangible assets	298	284
Investments and other assets		
Investment securities	230	534
Deferred tax assets	637	484
Investment property, net	948	933
Other	111	114
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,927	2,066
Total non-current assets	25,750	33,397
Total assets	95,899	108,031

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,444	2,975
Electronically recorded obligations - operating	2,419	1,542
Short-term borrowings	100	–
Current portion of long-term borrowings	866	333
Income taxes payable	4,731	2,684
Provision for bonuses	866	914
Provision for bonuses for directors (and other officers)	71	124
Other	2,455	4,334
Total current liabilities	14,953	12,910
Non-current liabilities		
Long-term borrowings	733	400
Deferred tax liabilities	153	141
Other	377	364
Total non-current liabilities	1,264	905
Total liabilities	16,218	13,816
Net assets		
Shareholders' equity		
Share capital	8,646	8,646
Capital surplus	12,017	12,018
Retained earnings	59,274	73,381
Treasury shares	(207)	(209)
Total shareholders' equity	79,732	93,838
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	104	125
Foreign currency translation adjustment	(155)	251
Total accumulated other comprehensive income	(51)	377
Total net assets	79,681	94,215
Total liabilities and net assets	95,899	108,031

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	54,344	58,804
Cost of sales	27,018	28,396
Gross profit	27,326	30,408
Selling, general and administrative expenses	9,110	10,266
Operating profit	18,215	20,142
Non-operating income		
Interest income	58	107
Rental income	95	98
Foreign exchange gains	810	861
Other	66	45
Total non-operating income	1,029	1,112
Non-operating expenses		
Interest expenses	7	5
Rent expenses on real estate for investments	44	48
Other	11	12
Total non-operating expenses	63	66
Ordinary profit	19,182	21,187
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	9	–
Gain on liquidation of subsidiaries	–	3
Subsidy income	481	515
Compensation income	186	–
Total extraordinary income	680	519
Extraordinary losses		
Loss on sale and retirement of non-current assets	16	61
Loss on tax purpose reduction entry of non-current assets	463	481
Loss related to infectious disease	41	–
Other	8	–
Total extraordinary losses	531	542
Profit before income taxes	19,331	21,164
Income taxes - current	6,208	5,977
Income taxes - deferred	(227)	166
Total income taxes	5,980	6,143
Profit	13,350	15,020
Profit attributable to owners of parent	13,350	15,020

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	13,350	15,020
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	20
Foreign currency translation adjustment	851	407
Total other comprehensive income	835	428
Comprehensive income	14,186	15,448
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,186	15,448

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,646	12,017	59,274	(207)	79,732
Changes during period					
Dividends of surplus			(912)		(912)
Profit attributable to owners of parent			15,020		15,020
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		0	1
Net changes in items other than shareholders' equity					
Total changes during period	-	0	14,107	(1)	14,106
Balance at end of period	8,646	12,018	73,381	(209)	93,838

	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	104	(155)	(51)	79,681
Changes during period				
Dividends of surplus				(912)
Profit attributable to owners of parent				15,020
Purchase of treasury shares				(2)
Disposal of treasury shares				1
Net changes in items other than shareholders' equity	20	407	428	428
Total changes during period	20	407	428	14,534
Balance at end of period	125	251	377	94,215

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	19,331	21,164
Depreciation	2,570	3,087
Increase (decrease) in allowance for doubtful accounts	(34)	(0)
Loss (gain) on sale of investment securities	(0)	–
Loss (gain) on sale and retirement of non-current assets	13	61
Loss on tax purpose reduction entry of non-current assets	463	481
Interest and dividend income	(63)	(112)
Interest expenses	7	5
Subsidy income	(481)	(515)
Compensation income	(186)	–
Decrease (increase) in trade receivables	(3,883)	2,388
Decrease (increase) in inventories	(1,527)	(917)
Increase (decrease) in trade payables	1,519	(1,324)
Other, net	277	(1,007)
Subtotal	18,005	23,310
Interest and dividends received	63	112
Interest paid	(7)	(5)
Income taxes refund (paid)	(3,489)	(7,769)
Proceeds from compensation	186	–
Net cash provided by (used in) operating activities	14,757	15,647
Cash flows from investing activities		
Net decrease (increase) in time deposits	(12)	31
Purchase of property, plant and equipment	(3,738)	(8,697)
Proceeds from sale of property, plant and equipment	6	0
Purchase of intangible assets	(70)	(27)
Purchase of investment securities	(235)	(286)
Proceeds from sale of investment securities	232	–
Subsidies received	285	211
Other, net	9	12
Net cash provided by (used in) investing activities	(3,522)	(8,755)
Cash flows from financing activities		
Repayments of short-term borrowings	–	(100)
Repayments of long-term borrowings	(266)	(866)
Purchase of treasury shares	(2)	(2)
Dividends paid	(863)	(912)
Net cash provided by (used in) financing activities	(1,132)	(1,882)
Effect of exchange rate change on cash and cash equivalents	394	188
Net increase (decrease) in cash and cash equivalents	10,497	5,199
Cash and cash equivalents at beginning of period	33,888	44,385
Cash and cash equivalents at end of period	44,385	49,585