

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2023
(Based on Japanese GAAP)**

October 26, 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 to file Quarterly Securities Report: November 10, 2023
Scheduled date to commence dividend payments: December 4, 2023
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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	28,063	(5.4)	8,649	(18.5)	9,616	(21.3)	6,777	(21.2)
Six months ended September 30, 2022	29,668	20.0	10,616	33.9	12,219	50.5	8,604	54.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	549.38	-
Six months ended September 30, 2022	697.39	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	113,985	101,174	88.8
As of March 31, 2023	108,031	94,215	87.2

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, 2023	-	38.00	-	40.00	78.00
Year ending March 31, 2024	-	43.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	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
Full year	61,500	4.6	21,000	4.3	-	-	-	-	-

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2023 (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: 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, 2023	12,372,000 shares	As of March 31, 2023	12,372,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	34,037 shares	As of March 31, 2023	34,649 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, 2023	12,337,296 shares	Six months ended September 30, 2022	12,337,427 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	49,795	49,155
Notes receivable - trade	343	262
Accounts receivable - trade	10,701	13,280
Electronically recorded monetary claims - operating	1,820	1,817
Merchandise and finished goods	2,267	2,503
Work in process	2,905	3,084
Raw materials and supplies	3,767	4,450
Other	3,043	1,766
Allowance for doubtful accounts	(9)	(10)
Total current assets	74,634	76,310
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,075	15,847
Machinery, equipment and vehicles, net	7,446	11,890
Land	4,872	4,961
Construction in progress	3,920	1,832
Other, net	731	853
Total property, plant and equipment	31,046	35,385
Intangible assets		
Other	284	305
Total intangible assets	284	305
Investments and other assets	2,066	1,985
Total non-current assets	33,397	37,675
Total assets	108,031	113,985

	(Millions of yen)	
	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,975	3,374
Electronically recorded obligations - operating	1,542	1,755
Current portion of long-term borrowings	333	200
Income taxes payable	2,684	2,615
Provision for bonuses	914	929
Provision for bonuses for directors (and other officers)	124	6
Other	4,334	3,056

Total current liabilities	12,910	11,937
Non-current liabilities		
Long-term borrowings	400	400
Deferred tax liabilities	141	111
Other	364	361
Total non-current liabilities	905	873
Total liabilities	13,816	12,810
Net assets		
Shareholders' equity		
Share capital	8,646	8,646
Capital surplus	12,018	12,031
Retained earnings	73,381	79,666
Treasury shares	(209)	(207)
Total shareholders' equity	93,838	100,137
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	125	156
Foreign currency translation adjustment	251	881
Total accumulated other comprehensive income	377	1,037
Total net assets	94,215	101,174
Total liabilities and net assets	108,031	113,985

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, 2022	Six months ended September 30, 2023
Net sales	29,668	28,063
Cost of sales	14,006	14,054
Gross profit	15,662	14,008
Selling, general and administrative expenses	5,046	5,359
Operating profit	10,616	8,649
Non-operating income		
Interest income	29	82
Rental income	48	58
Foreign exchange gains	1,531	800
Other	29	67
Total non-operating income	1,639	1,008
Non-operating expenses		
Interest expenses	2	0
Rent expenses on real estate for investments	24	25
Other	8	14
Total non-operating expenses	36	41
Ordinary profit	12,219	9,616
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	-	12
Gain on liquidation of subsidiaries	3	-
Subsidy income	15	-
Total extraordinary income	19	12
Extraordinary losses		
Loss on sale and retirement of non-current assets	16	134
Other	-	7
Total extraordinary losses	16	141
Profit before income taxes	12,221	9,486
Income taxes - current	3,453	2,646
Income taxes - deferred	164	62
Total income taxes	3,617	2,708
Profit	8,604	6,777
Profit attributable to owners of parent	8,604	6,777

Consolidated statements of comprehensive income (cumulative)

	(Millions of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	8,604	6,777
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	30
Foreign currency translation adjustment	754	629
Total other comprehensive income	741	660
Comprehensive income	9,345	7,438
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,345	7,438

Consolidated statements of cash flows

	(Millions of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	12,221	9,486
Depreciation	1,469	1,763
Increase (decrease) in allowance for doubtful accounts	(0)	0
Loss (gain) on sale of investment securities	-	(4)
Loss (gain) on sale and retirement of non-current assets	16	134
Interest and dividend income	(32)	(91)
Interest expenses	2	0
Subsidy income	(15)	-
Decrease (increase) in trade receivables	(31)	(2,395)
Decrease (increase) in inventories	(1,178)	(1,057)
Increase (decrease) in trade payables	(855)	293
Other, net	1,104	903
Subtotal	12,701	9,032
Interest and dividends received	32	91
Interest paid	(2)	(0)
Income taxes refund (paid)	(4,714)	(2,633)
Net cash provided by (used in) operating activities	8,016	6,490
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,930)	(6,832)
Proceeds from sale of property, plant and equipment	0	-
Payments for retirement of property, plant and equipment	-	(67)
Purchase of investment securities	(23)	(84)
Proceeds from sale of investment securities	-	166
Purchase of intangible assets	(22)	(35)
Subsidies received	211	-
Other, net	9	(10)
Net cash provided by (used in) investing activities	(3,756)	(6,863)
Cash flows from financing activities		
Repayments of long-term borrowings	(133)	(133)
Purchase of treasury shares	(1)	(3)
Proceeds from sale of treasury shares	-	17
Dividends paid	(444)	(493)
Net cash provided by (used in) financing activities	(579)	(612)
Effect of exchange rate change on cash and cash equivalents	352	333
Net increase (decrease) in cash and cash equivalents	4,033	(652)
Cash and cash equivalents at beginning of period	44,385	49,585
Cash and cash equivalents at end of period	48,419	48,933

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