

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 1, 2021

Company name: MARUWA UNYU KIKAN CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 9090 URL <https://www.momotaro.co.jp/>  
 Representative: President Masaru Wasami  
 Inquiries: Director and Managing Executive Officer Kazumi Kawada TEL 048(991)1000  
 Scheduled date to file Quarterly Securities Report: November 10, 2021  
 Scheduled date to commence dividend payments: December 3, 2021  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 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                         | %    |
| Six months ended September 30, 2021 | 59,749          | 11.1 | 4,333            | (1.0) | 4,544           | 1.5  | 3,260                                   | 5.7  |
| Six months ended September 30, 2020 | 53,768          | 13.0 | 4,376            | 27.6  | 4,477           | 26.5 | 3,084                                   | 26.4 |

Note: Comprehensive income Six months ended September 30, 2021: 3,288 million yen [6.0%]  
 Six months ended September 30, 2020: 3,103 million yen [15.0%]

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Six months ended September 30, 2021 | 25.94              |  | 23.87                      |  |
| Six months ended September 30, 2020 | 24.18              |  | 24.11                      |  |

Note: The Company conducted 2-for-1 share split on January 1, 2021. Accordingly, assuming that the stock split was conducted at the beginning of the previous fiscal year, the earnings per share and the diluted earnings per share are calculated.

(2) Consolidated financial position

|                          | Total assets    | Net assets      | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
|                          | Millions of yen | Millions of yen | %            |
| As of September 30, 2021 | 74,272          | 27,804          | 37.4         |
| As of March 31, 2021     | 73,191          | 25,708          | 35.1         |

Reference: Equity As of September 30, 2021: 27,804 million yen  
 As of March 31, 2021: 25,708 million yen

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             | –                          | 18.95           | –               | 9.48            | –     |
| Year ending March 31, 2022            | –                          | 9.50            |                 |                 |       |
| Year ending March 31, 2022 (Forecast) |                            |                 | –               | 9.50            | 19.00 |

Notes: 1. Any revision from the most recently announced dividend forecast: None

2. The Company conducted 2-for-1 share split on January 1, 2021. For the end of the second quarter of the fiscal year ended March 31, 2021, the actual amount of dividends before the stock split is stated. In addition, for the end of the fiscal year ended March 31, 2021, and the second quarter-end and the fiscal year-end (forecast) of the fiscal year ending March 31, 2022, the amount of dividends in consideration of the stock split is stated.

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

|           | 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 | 129,500         | 15.5 | 8,890            | 10.9 | 9,385           | 13.6 | 6,250                                   | 12.9 | 49.72              |

Note: Any revision from the most recently announced earnings forecast: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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: Yes
- (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 September 30, 2021 | 128,827,520 shares | As of March 31, 2021 | 128,797,120 shares |
|--------------------------|--------------------|----------------------|--------------------|

Number of treasury shares at the end of the period

|                          |                  |                      |                  |
|--------------------------|------------------|----------------------|------------------|
| As of September 30, 2021 | 3,106,805 shares | As of March 31, 2021 | 3,108,388 shares |
|--------------------------|------------------|----------------------|------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                    |                                     |                    |
|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Six months ended September 30, 2021 | 125,704,027 shares | Six months ended September 30, 2020 | 127,539,474 shares |
|-------------------------------------|--------------------|-------------------------------------|--------------------|

- Notes: 1. The Company conducted 2-for-1 share split on January 1, 2021. Accordingly, the number of issued shares is calculated as though the share split was conducted at the beginning of the previous fiscal year.
2. The number of treasury shares excluded from the calculation of the number of treasury shares at the end of the period and average number of shares during the period includes 358,292 Company shares held as investment assets in a stock benefit trust for officers and a stock benefit ESOP.

\* Quarterly financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

- The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.
- The amount of accounts and other matters showed in the Company's quarterly consolidated financial statements was previously stated in units of Thousands of yen. From the first quarter financial period and the first quarter cumulative period, the description has been changed to Millions of yen.  
To facilitate comparison, the previous second quarter cumulative period and the previous fiscal year are also changed from Thousands of yen to Millions of yen.

(How to obtain supplementary material on financial results)

As a measure to prevent the spread of novel coronavirus disease (COVID-19), we plan to hold the financial results meeting for institutional investors and analysts via livestream on Monday, November 15, 2021. The supplementary materials on financial results used on the day will promptly be posted on the Company website after the conclusion of the meeting.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|   | As of March 31, 2021 | As of September 30, 2021 |
|---|----------------------|--------------------------|
| <b>Assets</b>   |                      |                          |
| Current assets  |                      |                          |
| Cash and deposits   | 26,488               | 23,612                   |
| Notes and accounts receivable - trade                         | 12,339               | 13,668                   |
| Supplies  | 51                   | 52                       |
| Securities  | –                    | 3,000                    |
| Other   | 1,126                | 1,157                    |
| Allowance for doubtful accounts                               | (1)                  | (1)                      |
| Total current assets  | 40,004               | 41,489                   |
| Non-current assets  |                      |                          |
| Property, plant and equipment                                 |                      |                          |
| Buildings and structures, net                                 | 8,926                | 8,640                    |
| Machinery, equipment and vehicles, net                        | 2,606                | 2,464                    |
| Land  | 6,582                | 6,583                    |
| Other, net  | 3,755                | 3,810                    |
| Total property, plant and equipment                           | 21,871               | 21,499                   |
| Intangible assets   | 1,997                | 1,860                    |
| Investments and other assets                                  |                      |                          |
| Other   | 9,366                | 9,460                    |
| Allowance for doubtful accounts                               | (47)                 | (37)                     |
| Total investments and other assets                            | 9,319                | 9,423                    |
| Total non-current assets                                      | 33,187               | 32,783                   |
| Total assets  | 73,191               | 74,272                   |
| <b>Liabilities</b>  |                      |                          |
| Current liabilities   |                      |                          |
| Notes and accounts payable - trade                            | 7,856                | 8,180                    |
| Short-term borrowings   | 100                  | 1,800                    |
| Current portion of long-term borrowings                       | 2,118                | 1,878                    |
| Income taxes payable  | 1,693                | 1,424                    |
| Provision for bonuses   | 960                  | 666                      |
| Provision for loss on litigation                              | 17                   | 18                       |
| Other   | 6,116                | 4,806                    |
| Total current liabilities                                     | 18,862               | 18,774                   |
| Non-current liabilities                                       |                      |                          |
| Convertible bonds   | 21,026               | 20,916                   |
| Long-term borrowings  | 3,882                | 3,017                    |
| Retirement benefit liability                                  | 878                  | 917                      |
| Asset retirement obligations                                  | 776                  | 780                      |
| Provision for share awards for directors (and other officers) | 21                   | 20                       |
| Provision for share-based remuneration for employees          | 25                   | 24                       |
| Other   | 2,009                | 2,017                    |
| Total non-current liabilities                                 | 28,620               | 27,693                   |
| Total liabilities   | 47,483               | 46,468                   |

(Millions of yen)

|   | As of March 31, 2021 | As of September 30, 2021 |
|---|----------------------|--------------------------|
| Net assets  |                      |                          |
| Shareholders' equity                                  |                      |                          |
| Share capital   | 2,665                | 2,666                    |
| Capital surplus                                       | 2,341                | 2,342                    |
| Retained earnings                                     | 24,948               | 27,014                   |
| Treasury shares                                       | (5,758)              | (5,758)                  |
| Total shareholders' equity                            | 24,197               | 26,265                   |
| Accumulated other comprehensive income                |                      |                          |
| Valuation difference on available-for-sale securities | 1,702                | 1,708                    |
| Remeasurements of defined benefit plans               | (191)                | (169)                    |
| Total accumulated other comprehensive income          | 1,511                | 1,539                    |
| Total net assets                                      | 25,708               | 27,804                   |
| Total liabilities and net assets                      | 73,191               | 74,272                   |

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

|  | Six months ended<br>September 30, 2020 | Six months ended<br>September 30, 2021 |
|--|--|--|
| Net sales  | 53,768                                 | 59,749                                 |
| Cost of sales                                    | 46,881                                 | 52,738                                 |
| Gross profit                                     | 6,886                                  | 7,010                                  |
| Selling, general and administrative expenses     | 2,509                                  | 2,677                                  |
| Operating profit                                 | 4,376                                  | 4,333                                  |
| Non-operating income                             |  |  |
| Interest income                                  | 0                                      | 110                                    |
| Dividend income                                  | 44                                     | 44                                     |
| Other  | 73                                     | 76                                     |
| Total non-operating income                       | 118                                    | 231                                    |
| Non-operating expenses                           |  |  |
| Interest expenses                                | 8                                      | 7                                      |
| Provision of allowance for doubtful accounts     | 3                                      | –                                      |
| Loss on retirement of non-current assets         | 1                                      | 8                                      |
| Other  | 2                                      | 4                                      |
| Total non-operating expenses                     | 17                                     | 20                                     |
| Ordinary profit                                  | 4,477                                  | 4,544                                  |
| Profit before income taxes                       | 4,477                                  | 4,544                                  |
| Income taxes                                     | 1,393                                  | 1,283                                  |
| Profit   | 3,084                                  | 3,260                                  |
| Profit attributable to non-controlling interests | –                                      | –                                      |
| Profit attributable to owners of parent          | 3,084                                  | 3,260                                  |

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

(Millions of yen)

|  | Six months ended<br>September 30, 2020 | Six months ended<br>September 30, 2021 |
|--|--|--|
| Profit   | 3,084                                  | 3,260                                  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | (0)                                    | 5                                      |
| Remeasurements of defined benefit plans, net of tax            | 19                                     | 22                                     |
| Total other comprehensive income                               | 19                                     | 27                                     |
| Comprehensive income   | 3,103                                  | 3,288                                  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 3,103                                  | 3,288                                  |
| Comprehensive income attributable to non-controlling interests | —                                      | —                                      |

## Consolidated statements of cash flows

(Millions of yen)

|  | Six months ended<br>September 30, 2020 | Six months ended<br>September 30, 2021 |
|--|--|--|
| Cash flows from operating activities   |  |  |
| Profit before income taxes   | 4,477                                  | 4,544                                  |
| Depreciation   | 757                                    | 791                                    |
| Amortization of goodwill   | 14                                     | 62                                     |
| Increase (decrease) in allowance for doubtful accounts                           | 0                                      | (9)                                    |
| Increase (decrease) in provision for bonuses                                     | 32                                     | (294)                                  |
| Increase (decrease) in retirement benefit liability                              | 45                                     | 57                                     |
| Interest and dividend income   | (44)                                   | (155)                                  |
| Interest expenses  | 8                                      | 7                                      |
| Loss (gain) on sale and retirement of property, plant and equipment              | (4)                                    | (0)                                    |
| Decrease (increase) in trade receivables   | (13)                                   | (1,320)                                |
| Increase (decrease) in trade payables  | (218)                                  | 323                                    |
| Increase (decrease) in accounts payable - other                                  | 254                                    | (423)                                  |
| Increase (decrease) in accrued consumption taxes                                 | (359)                                  | (489)                                  |
| Other, net   | (370)                                  | (366)                                  |
| Subtotal   | 4,580                                  | 2,727                                  |
| Interest and dividends received  | 44                                     | 45                                     |
| Interest paid  | (9)                                    | (7)                                    |
| Income taxes paid  | (1,499)                                | (1,553)                                |
| Net cash provided by (used in) operating activities                              | 3,116                                  | 1,211                                  |
| Cash flows from investing activities   |  |  |
| Purchase of property, plant and equipment  | (944)                                  | (302)                                  |
| Proceeds from sale of property, plant and equipment                              | 7                                      | 9                                      |
| Purchase of intangible assets  | (117)                                  | (106)                                  |
| Purchase of investment securities  | (387)                                  | (36)                                   |
| Loan advances  | (2)                                    | (2)                                    |
| Proceeds from collection of loans receivable                                     | 66                                     | 14                                     |
| Payments of leasehold and guarantee deposits                                     | (343)                                  | (62)                                   |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (323)                                  | -                                      |
| Other, net   | 13                                     | 42                                     |
| Net cash provided by (used in) investing activities                              | (2,032)                                | (443)                                  |

(Millions of yen)

|   | Six months ended<br>September 30, 2020 | Six months ended<br>September 30, 2021 |
|---|--|--|
| Cash flows from financing activities  |  |  |
| Proceeds from short-term borrowings   | 4,300                                  | 1,700                                  |
| Repayments of short-term borrowings   | (1,100)                                | –                                      |
| Repayments of lease obligations   | (107)                                  | (46)                                   |
| Proceeds from long-term borrowings  | 4,000                                  | –                                      |
| Repayments of long-term borrowings  | (1,473)                                | (1,104)                                |
| Dividends paid  | (701)                                  | (1,194)                                |
| Purchase of treasury shares   | (316)                                  | (0)                                    |
| Proceeds from exercise of employee share options  | 5                                      | 2                                      |
| Net cash provided by (used in) financing activities   | 4,607                                  | (643)                                  |
| Net increase (decrease) in cash and cash equivalents  | 5,691                                  | 124                                    |
| Cash and cash equivalents at beginning of period  | 8,536                                  | 26,482                                 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 511                                    | –                                      |
| Cash and cash equivalents at end of period  | 14,739                                 | 26,606                                 |