

Translation

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

October 31, 2022

Company name: AZ-COM MARUWA Holdings Inc.  
(New trade name. MARUWA UNYU KIKAN CO.,LTD. moved to a holding company structure on October 1, 2022.)

Stock exchange listing: Tokyo

Stock code: 9090 URL <https://www.az-com-maruwa-hd.co.jp/>

Representative: President Masaru Wasami

Inquiries: Director and Executive Operating Officer Masanao Kuzuno TEL 048(991)1000

Scheduled date to file Quarterly Securities Report: November 10, 2022

Scheduled date to commence dividend payments: December 2, 2022

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, 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	84,330	41.1	5,029	16.1	5,267	15.9	3,449	5.8
Six months ended September 30, 2021	59,749	11.1	4,333	(1.0)	4,544	1.5	3,260	5.7

Note: Comprehensive income Six months ended September 30, 2022: 4,899 million yen [49.0%]  
Six months ended September 30, 2021: 3,288 million yen [6.0%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	27.43		25.29	
Six months ended September 30, 2021	25.94		23.87	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2022	101,585		33,436		32.0	
As of March 31, 2022	85,909		29,735		33.7	

Reference: Equity As of September 30, 2022: 32,501 million yen  
As of March 31, 2022: 28,944 million yen

### 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	–	9.50	–	9.50	19.00
Year ending March 31, 2023	–	11.75	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	11.75	23.50

Note: Any revision from the most recently announced dividend forecast: No

### 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	171,500	28.9	11,130	28.7	11,522	26.1	7,380	20.5	58.68

Note: Any revision from the most recently announced earnings forecast: No

\* 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): 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: 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	128,886,720 shares	As of March 31, 2022	128,848,320 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	3,103,363 shares	As of March 31, 2022	3,105,879 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	125,750,595 shares	Six months ended September 30, 2021	125,704,027 shares
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Note: 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 354,850 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.

(How to obtain supplementary material on financial results)

The Company is scheduled to hold a financial results briefing on Thursday, November 24, 2022, inviting institutional investors and analysts to attend either in person or via livestream. After the conclusion of the briefing, an overview of the events that took place during the briefing as well as the proceedings of the briefing will be posted on the Company's website along with the supplementary materials on financial results distributed to the attendant on the day of the briefing.

**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	29,679	30,512
Notes and accounts receivable - trade	18,196	19,496
Supplies	93	103
Other	1,264	1,473
Allowance for doubtful accounts	(14)	(17)
Total current assets	49,219	51,567
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,686	8,451
Machinery, equipment and vehicles, net	2,366	2,380
Land	7,022	14,857
Other, net	4,362	4,166
Total property, plant and equipment	22,438	29,855
Intangible assets		
Goodwill	3,681	6,896
Other	1,334	1,256
Total intangible assets	5,015	8,152
Investments and other assets		
Other	9,272	12,046
Allowance for doubtful accounts	(36)	(37)
Total investments and other assets	9,235	12,008
Total non-current assets	36,689	50,017
Total assets	85,909	101,585
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,287	12,207
Short-term borrowings	145	3,824
Current portion of long-term borrowings	3,134	4,369
Income taxes payable	1,652	1,887
Provision for bonuses	835	787
Provision for loss on litigation	1	–
Other	6,916	6,524
Total current liabilities	23,972	29,599
Non-current liabilities		
Bonds payable	5	35
Convertible bonds	20,806	20,696
Long-term borrowings	6,960	12,677
Retirement benefit liability	955	998
Asset retirement obligations	786	795
Provision for share awards for directors (and other officers)	31	30
Provision for share-based remuneration for employees	39	38
Provision for retirement benefits for directors (and other officers)	55	51
Other	2,560	3,225
Total non-current liabilities	32,201	38,549
Total liabilities	56,173	68,148

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	2,667	2,668
Capital surplus	2,343	2,347
Retained earnings	28,681	30,932
Treasury shares	(5,758)	(5,757)
Total shareholders' equity	27,933	30,191
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,207	2,484
Remeasurements of defined benefit plans	(196)	(174)
Total accumulated other comprehensive income	1,010	2,310
Non-controlling interests	790	934
Total net assets	29,735	33,436
Total liabilities and net assets	85,909	101,585

**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	59,749	84,330
Cost of sales	52,738	75,300
Gross profit	7,010	9,029
Selling, general and administrative expenses	2,677	4,000
Operating profit	4,333	5,029
Non-operating income		
Interest income	110	110
Dividend income	44	56
Gain on sale of non-current assets	8	55
Other	67	65
Total non-operating income	231	287
Non-operating expenses		
Interest expenses	7	15
Loss on retirement of non-current assets	8	1
Commission for syndicated loans	–	23
Other	4	9
Total non-operating expenses	20	49
Ordinary profit	4,544	5,267
Profit before income taxes	4,544	5,267
Income taxes	1,283	1,668
Profit	3,260	3,599
Profit attributable to non-controlling interests	–	149
Profit attributable to owners of parent	3,260	3,449

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	3,260	3,599
Other comprehensive income		
Valuation difference on available-for-sale securities	5	1,277
Remeasurements of defined benefit plans, net of tax	22	22
Total other comprehensive income	27	1,299
Comprehensive income	3,288	4,899
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,288	4,749
Comprehensive income attributable to non-controlling interests	–	149

## 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	4,544	5,267
Depreciation	791	894
Amortization of goodwill	62	289
Increase (decrease) in allowance for doubtful accounts	(9)	2
Increase (decrease) in provision for bonuses	(294)	(66)
Increase (decrease) in retirement benefit liability	57	60
Interest and dividend income	(155)	(167)
Interest expenses	7	15
Loss (gain) on sale and retirement of property, plant and equipment	(0)	(52)
Decrease (increase) in trade receivables	(1,320)	(594)
Increase (decrease) in trade payables	323	353
Increase (decrease) in accounts payable - other	(423)	(299)
Increase (decrease) in accrued consumption taxes	(489)	(141)
Other, net	(366)	(398)
Subtotal	2,727	5,162
Interest and dividends received	45	56
Interest paid	(7)	(15)
Income taxes paid	(1,553)	(1,533)
Net cash provided by (used in) operating activities	1,211	3,670
Cash flows from investing activities		
Purchase of property, plant and equipment	(302)	(7,654)
Proceeds from sale of property, plant and equipment	9	78
Purchase of intangible assets	(106)	(112)
Purchase of investment securities	(36)	(15)
Loan advances	(2)	(5)
Proceeds from collection of loans receivable	14	14
Payments of leasehold and guarantee deposits	(62)	(540)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(4,044)
Other, net	42	109
Net cash provided by (used in) investing activities	(443)	(12,168)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	1,700	4,285
Repayments of short-term borrowings	–	(986)
Repayments of lease liabilities	(46)	(102)
Proceeds from long-term borrowings	–	7,194
Repayments of long-term borrowings	(1,104)	(1,646)
Redemption of bonds	–	(5)
Dividends paid	(1,194)	(1,197)
Purchase of treasury shares	(0)	–
Proceeds from exercise of employee share options	2	2
Other, net	–	0
Net cash provided by (used in) financing activities	(643)	7,544
Net increase (decrease) in cash and cash equivalents	124	(953)
Cash and cash equivalents at beginning of period	26,482	29,442
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	1,584
Cash and cash equivalents at end of period	26,606	30,073