

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 2, 2020

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, 2020  
 Scheduled date to commence dividend payments: December 4, 2020  
 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, 2020 (from April 1, 2020 to September 30, 2020)

#### (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, 2020	53,768	13.0	4,376	27.6	4,477	26.5	3,084	26.4
Six months ended September 30, 2019	47,561	16.4	3,430	30.7	3,539	27.5	2,440	25.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	48.37		48.22	
Six months ended September 30, 2019	38.07		37.93	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	57,387	28,750	50.1
As of March 31, 2020	48,423	26,328	54.4

### 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, 2020	—	21.90	—	10.95	—
Year ending March 31, 2021	—	18.95			
Year ending March 31, 2021 (Forecast)			—	9.48	—

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	110,000	11.8	7,900	9.8	8,100	9.6	5,210	8.1	40.81

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020  
(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, 2020	64,369,760 shares	As of March 31, 2020	64,326,960 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	489,428 shares	As of March 31, 2020	439,612 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, 2020	63,769,738 shares	Six months ended September 30, 2019	64,102,571 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	8,541,130	14,745,768
Notes and accounts receivable - trade	11,020,893	11,488,679
Supplies	37,776	48,643
Other	837,531	939,887
Allowance for doubtful accounts	(4,314)	(4,269)
Total current assets	20,433,018	27,218,708
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,295,808	8,242,092
Machinery, equipment and vehicles, net	2,681,118	2,548,970
Land	6,540,656	6,579,956
Other, net	2,122,492	2,771,183
Total property, plant and equipment	19,640,076	20,142,203
Intangible assets		
Goodwill	171,859	719,568
Other	1,250,494	1,188,398
Total intangible assets	1,422,353	1,907,966
Investments and other assets		
Other	6,975,480	8,167,801
Allowance for doubtful accounts	(47,652)	(48,701)
Total investments and other assets	6,927,828	8,119,099
Total non-current assets	27,990,258	30,169,270
Total assets	48,423,277	57,387,978
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,125,738	7,234,582
Short-term borrowings	200,000	3,500,000
Current portion of long-term borrowings	2,158,648	2,713,645
Income taxes payable	1,593,545	1,534,284
Provision for bonuses	601,268	640,174
Provision for loss on litigation	18,600	18,600
Other	4,716,477	4,678,731
Total current liabilities	16,414,277	20,320,017
Non-current liabilities		
Bonds payable	—	92,000
Long-term borrowings	2,679,730	5,135,862
Retirement benefit liability	751,660	841,203
Asset retirement obligations	598,166	601,555
Provision for share-based remuneration for directors (and other officers)	8,354	8,394
Provision for share-based remuneration for employees	10,989	9,967
Other	1,631,982	1,628,482
Total non-current liabilities	5,680,883	8,317,466
Total liabilities	22,095,160	28,637,483

	(Thousands of yen)	
	As of March 31, 2020	As of September 30, 2020
Net assets		
Shareholders' equity		
Share capital	2,660,814	2,663,725
Capital surplus	2,175,236	2,339,735
Retained earnings	21,327,545	23,710,526
Treasury shares	(611,882)	(759,002)
Total shareholders' equity	25,551,714	27,954,985
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	954,922	954,177
Remeasurements of defined benefit plans	(178,519)	(158,667)
Total accumulated other comprehensive income	776,402	795,509
Total net assets	26,328,117	28,750,495
Total liabilities and net assets	48,423,277	57,387,978

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	47,561,792	53,768,256
Cost of sales	41,841,776	46,881,628
Gross profit	5,720,016	6,886,628
Selling, general and administrative expenses	2,289,997	2,509,723
Operating profit	3,430,018	4,376,904
Non-operating income		
Interest income	1,583	715
Dividend income	30,562	44,204
Insurance claim income	42,026	4,958
Gain on sales of investment securities	574	—
Other	54,941	68,218
Total non-operating income	129,689	118,097
Non-operating expenses		
Interest expenses	10,319	8,871
Loss on cancellation of leases	8,899	952
Provision of allowance for doubtful accounts	—	3,487
Other	755	3,725
Total non-operating expenses	19,974	17,036
Ordinary profit	3,539,733	4,477,965
Profit before income taxes	3,539,733	4,477,965
Income taxes	1,099,604	1,393,437
Profit	2,440,129	3,084,527
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,440,129	3,084,527

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

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	2,440,129	3,084,527
Other comprehensive income		
Valuation difference on available-for-sale securities	241,980	(745)
Remeasurements of defined benefit plans, net of tax	17,859	19,852
Total other comprehensive income	259,839	19,107
Comprehensive income	2,699,969	3,103,635
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,699,969	3,103,635
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	3,539,733	4,477,965
Depreciation	709,298	757,449
Amortization of goodwill	14,636	14,552
Increase (decrease) in allowance for doubtful accounts	9,324	666
Increase (decrease) in provision for bonuses	27,967	32,418
Increase (decrease) in allowance for other	–	(676)
Increase (decrease) in retirement benefit liability	29,288	45,337
Interest and dividend income	(32,146)	(44,919)
Interest expenses	10,319	8,871
Loss (gain) on sales and retirement of property, plant and equipment	(8,174)	(4,643)
Decrease (increase) in trade receivables	287,257	(13,358)
Increase (decrease) in trade payables	382	(218,905)
Increase (decrease) in accounts payable - other	(430,641)	254,892
Increase (decrease) in accrued consumption taxes	20,277	(359,217)
Other, net	(339,582)	(369,814)
Subtotal	3,837,940	4,580,619
Interest and dividends received	32,045	44,844
Interest paid	(8,800)	(9,019)
Income taxes paid	(1,233,755)	(1,499,936)
Net cash provided by (used in) operating activities	2,627,429	3,116,508
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,711,344)	(944,948)
Proceeds from sales of property, plant and equipment	11,718	7,055
Purchase of intangible assets	(142,851)	(117,322)
Purchase of investment securities	(1,010,221)	(387,870)
Loan advances	(107,496)	(2,000)
Collection of loans receivable	38,277	66,948
Payments of leasehold and guarantee deposits	(192,368)	(343,552)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(323,900)
Other, net	20,460	13,538
Net cash provided by (used in) investing activities	(3,093,825)	(2,032,053)

	(Thousands of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from financing activities		
Proceeds from short-term borrowings	1,600,000	4,300,000
Repayments of short-term borrowings	(100,000)	(1,100,000)
Repayments of lease obligations	(141,100)	(107,739)
Payments for accounts payable-other	(15,939)	—
Proceeds from long-term borrowings	1,000,000	4,000,000
Repayments of long-term borrowings	(1,220,344)	(1,473,441)
Dividends paid	(585,002)	(701,335)
Purchase of treasury shares	(229)	(316,236)
Proceeds from exercise of employee share options	4,065	5,820
Net cash provided by (used in) financing activities	541,449	4,607,068
Net increase (decrease) in cash and cash equivalents	75,054	5,691,523
Cash and cash equivalents at beginning of period	8,431,506	8,536,118
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	511,663
Cash and cash equivalents at end of period	8,506,560	14,739,305