

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 31, 2022

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: February 10, 2022
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	97,107	15.8	6,778	(2.4)	7,120	0.5	5,095	4.3
Nine months ended December 31, 2020	83,884	14.4	6,942	20.8	7,085	19.7	4,883	19.9

Note: Comprehensive income Nine months ended December 31, 2021: 4,704 million yen [(11.9)%]
 Nine months ended December 31, 2020: 5,339 million yen [14.8%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	40.53	37.34
Nine months ended December 31, 2020	38.33	38.00

Notes: 1. At the end of the previous fiscal year, the Company finalized the provisional accounting treatment for a business combination. As a result, figures for the third quarter of fiscal year ended March 31, 2021 reflect the finalization of the provisional accounting treatment.
 2. 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 December 31, 2021	79,531	28,023	35.2
As of March 31, 2021	73,191	25,708	35.1

Reference: Equity As of December 31, 2021: 28,023 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: No

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	49.71

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2021	128,843,520 shares	As of March 31, 2021	128,797,120 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	3,106,805 shares	As of March 31, 2021	3,108,388 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	125,714,206 shares	Nine months ended December 31, 2020	127,398,456 shares
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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

1. 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.
2. 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 third quarter cumulative period and the previous fiscal year are also changed from Thousands of yen to Millions of yen.

Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	26,488	23,699
Notes and accounts receivable - trade	12,339	19,457
Securities	–	3,000
Supplies	51	86
Other	1,126	1,123
Allowance for doubtful accounts	(1)	(2)
Total current assets	40,004	47,364
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,926	8,610
Machinery, equipment and vehicles, net	2,606	2,394
Land	6,582	6,670
Other, net	3,755	3,839
Total property, plant and equipment	21,871	21,515
Intangible assets		
Goodwill	672	578
Other	1,324	1,209
Total intangible assets	1,997	1,788
Investments and other assets		
Other	9,366	8,901
Allowance for doubtful accounts	(47)	(37)
Total investments and other assets	9,319	8,864
Total non-current assets	33,187	32,167
Total assets	73,191	79,531
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,856	13,343
Short-term borrowings	100	1,400
Current portion of long-term borrowings	2,118	1,857
Income taxes payable	1,693	763
Provision for bonuses	960	133
Provision for loss on litigation	17	7
Other	6,116	6,662
Total current liabilities	18,862	24,167
Non-current liabilities		
Convertible bonds	21,026	20,861
Long-term borrowings	3,882	2,839
Retirement benefit liability	878	921
Asset retirement obligations	776	782
Provision for share awards for directors (and other officers)	21	20
Provision for share-based remuneration for employees	25	24
Other	2,009	1,890
Total non-current liabilities	28,620	27,340
Total liabilities	47,483	51,507

	(Millions of yen)	
	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	2,665	2,667
Capital surplus	2,341	2,343
Retained earnings	24,948	27,651
Treasury shares	(5,758)	(5,758)
Total shareholders' equity	24,197	26,903
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,702	1,278
Remeasurements of defined benefit plans	(191)	(158)
Total accumulated other comprehensive income	1,511	1,120
Total net assets	25,708	28,023
Total liabilities and net assets	73,191	79,531

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	83,884	97,107
Cost of sales	73,180	86,291
Gross profit	10,704	10,815
Selling, general and administrative expenses	3,762	4,037
Operating profit	6,942	6,778
Non-operating income		
Interest income	19	165
Dividend income	87	92
Gain on sale of investment securities	—	2
Other	111	107
Total non-operating income	217	367
Non-operating expenses		
Interest expenses	15	10
Bond issuance costs	45	—
Provision of allowance for doubtful accounts	3	—
Loss on retirement of non-current assets	3	10
Other	6	5
Total non-operating expenses	74	26
Ordinary profit	7,085	7,120
Profit before income taxes	7,085	7,120
Income taxes	2,202	2,025
Profit	4,883	5,095
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	4,883	5,095

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	4,883	5,095
Other comprehensive income		
Valuation difference on available-for-sale securities	426	(424)
Remeasurements of defined benefit plans, net of tax	29	33
Total other comprehensive income	456	(391)
Comprehensive income	5,339	4,704
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,339	4,704
Comprehensive income attributable to non-controlling interests	—	—