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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 05, 2022

Company name: Maruichi Steel Tube Ltd.

Stock exchange listing: Tokyo

Code number: 5463

URL: <https://www.maruichikokan.co.jp>

Representative: Hiroyuki Suzuki

Contact: Kohji Aoyama

Phone: 06-6643-0101

Scheduled date of filing quarterly securities report: August 10, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

Chairman Representative Director and CEO
General Manager of Finance Department

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-------------|------|------------------|-------|-----------------|-------|---|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Three months ended June 30, 2022 | 65,541 | 43.7 | 8,789 | 13.6 | 9,777 | 13.0 | 6,453 | 6.0 |
| June 30, 2021 | 45,612 | 18.9 | 7,735 | 117.3 | 8,651 | 105.4 | 6,089 | 137.5 |

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 8,428 million [(33.0) %]
Three months ended June 30, 2021: ¥ 12,579 million [337.7 %]

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2022 | 80.95 | 80.87 |
| June 30, 2021 | 74.34 | 74.26 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|---------------------|--------------|-------------|------------------------|
| | Million yen | Million yen | % |
| As of June 30, 2022 | 372,750 | 310,899 | 80.3 |
| March 31, 2022 | 370,078 | 307,593 | 80.4 |

(Reference) Equity: As of June 30, 2022: ¥ 299,504 million
As of March 31, 2022: ¥ 297,474 million

2. Dividends

| | Annual dividends | | | | |
|--|------------------|-----------------|-----------------|----------|--------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2022 | - | 40.00 | - | 51.00 | 91.00 |
| Fiscal year ending March 31, 2023 | - | | | | |
| Fiscal year ending March 31, 2023 (Forecast) | | 40.00 | - | 66.00 | 106.00 |

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-------------------------------------|-------------|------|------------------|--------|-----------------|-------|---|--------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Six months ended September 30, 2022 | 136,000 | 36.6 | 16,000 | (7.5) | 18,200 | (2.3) | 11,800 | (12.3) | 148.11 |
| Full year | 279,200 | 24.5 | 32,100 | (11.5) | 34,900 | (9.3) | 22,600 | (18.6) | 283.77 |

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2022: 84,000,000 shares

March 31, 2022: 84,000,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2022: 4,392,009 shares

March 31, 2022: 4,033,365 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 79,718,038 shares

Three months ended June 30, 2021: 81,910,951 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

| | As of March 31,2022 | As of June 30,2022 |
|---------------------------------------|---------------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 71,050 | 67,476 |
| Notes and accounts receivable - trade | 50,248 | 52,733 |
| Securities | 13,189 | 11,544 |
| Finished goods | 19,880 | 21,533 |
| Raw materials and supplies | 34,321 | 39,610 |
| Other | 3,952 | 3,720 |
| Allowance for doubtful accounts | (79) | (87) |
| Total current assets | 192,562 | 196,531 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land | 36,577 | 36,654 |
| Other | 50,204 | 52,558 |
| Total property, plant and equipment | 86,782 | 89,212 |
| Intangible assets | | |
| Goodwill | 318 | 326 |
| Other | 1,343 | 1,351 |
| Total intangible assets | 1,662 | 1,678 |
| Investments and other assets | | |
| Investment securities | 85,842 | 82,068 |
| Other | 3,231 | 3,263 |
| Allowance for doubtful accounts | (3) | (3) |
| Total investments and other assets | 89,071 | 85,328 |
| Total non-current assets | 177,515 | 176,219 |
| Total assets | 370,078 | 372,750 |

| | As of March 31,2022 | As of June 30,2022 |
|--|---------------------|--------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 34,477 | 34,482 |
| Short-term borrowings | 2,874 | 5,173 |
| Income taxes payable | 5,174 | 2,566 |
| Provision for bonuses | 1,288 | 557 |
| Provision for bonuses for directors (and other officers) | 156 | 162 |
| Other | 6,017 | 7,805 |
| Total current liabilities | 49,988 | 50,748 |
| Non-current liabilities | | |
| Long-term borrowings | 345 | 325 |
| Provision for retirement benefits for directors (and other officers) | 169 | 119 |
| Provision for share awards | 247 | 302 |
| Retirement benefit liability | 3,782 | 3,852 |
| Deferred tax liabilities | 7,306 | 5,831 |
| Other | 645 | 672 |
| Total non-current liabilities | 12,496 | 11,102 |
| Total liabilities | 62,485 | 61,850 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 9,595 | 9,595 |
| Capital surplus | 15,796 | 15,796 |
| Retained earnings | 257,951 | 260,014 |
| Treasury shares | (10,072) | (11,068) |
| Total shareholders' equity | 273,270 | 274,337 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 22,477 | 20,288 |
| Foreign currency translation adjustment | 1,006 | 4,246 |
| Remeasurements of defined benefit plans | 720 | 632 |
| Total accumulated other comprehensive income | 24,204 | 25,167 |
| Share acquisition rights | 162 | 162 |
| Non-controlling interests | 9,955 | 11,233 |
| Total net assets | 307,593 | 310,899 |
| Total liabilities and net assets | 370,078 | 372,750 |

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

| | For the three months ended June 30,2021 | For the three months ended June 30,2022 |
|---|--|--|
| Net sales | 45,612 | 65,541 |
| Cost of sales | 34,305 | 52,779 |
| Gross profit | 11,306 | 12,761 |
| Selling, general and administrative expenses | 3,571 | 3,972 |
| Operating profit | 7,735 | 8,789 |
| Non-operating income | | |
| Interest income | 54 | 59 |
| Dividend income | 445 | 627 |
| Share of profit of entities accounted for using equity method | 77 | 119 |
| Foreign exchange gains | 136 | 51 |
| Rental income from real estate | 211 | 193 |
| Other | 94 | 84 |
| Total non-operating income | 1,020 | 1,137 |
| Non-operating expenses | | |
| Interest expenses | 24 | 19 |
| Rental expenses on real estate | 69 | 71 |
| Other | 10 | 59 |
| Total non-operating expenses | 104 | 149 |
| Ordinary profit | 8,651 | 9,777 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 0 | 86 |
| Gain on sale of investment securities | 0 | 33 |
| Total extraordinary income | 1 | 119 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 48 | 60 |
| Loss on sale of investment securities | 0 | 0 |
| Total extraordinary losses | 48 | 61 |
| Profit before income taxes | 8,604 | 9,835 |
| Income taxes | 2,066 | 2,937 |
| Profit | 6,538 | 6,897 |
| Profit attributable to non-controlling interests | 449 | 444 |
| Profit attributable to owners of parent | 6,089 | 6,453 |

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

| | For the three months ended June 30,2021 | For the three months ended June 30,2022 |
|--|--|--|
| Profit | 6,538 | 6,897 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,421 | (3,295) |
| Foreign currency translation adjustment | 1,844 | 3,394 |
| Remeasurements of defined benefit plans, net of tax | 108 | (87) |
| Share of other comprehensive income of entities accounted for using equity method | 667 | 1,519 |
| Total other comprehensive income | 6,040 | 1,531 |
| Comprehensive income | 12,579 | 8,428 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 11,858 | 7,416 |
| Comprehensive income attributable to non-controlling interests | 721 | 1,012 |