

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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: February 10, 2023
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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	133,291	37.3	8,564	26.3	8,990	26.3	6,072	19.2
Nine months ended December 31, 2021	97,107	15.8	6,778	(2.4)	7,120	0.5	5,095	4.3

Note: Comprehensive income Nine months ended December 31, 2022: 7,900 million yen [67.9%]
Nine months ended December 31, 2021: 4,704 million yen [(11.9)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	48.28	44.67
Nine months ended December 31, 2021	40.53	37.34

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	109,383	34,928	31.0
As of March 31, 2022	85,909	29,735	33.7

Reference: Equity As of December 31, 2022: 33,902 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	Yen	Yen	Yen	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 nine months ended December 31, 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 December 31, 2022	128,905,920 shares	As of March 31, 2022	128,848,320 shares
-------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of December 31, 2022	3,103,314 shares	As of March 31, 2022	3,105,879 shares
-------------------------	------------------	----------------------	------------------

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

Nine months ended December 31, 2022	125,764,170 shares	Nine months ended December 31, 2021	125,714,206 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

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 354,758 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.

Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	29,679	32,616
Notes and accounts receivable - trade	18,196	23,347
Supplies	93	98
Other	1,264	1,469
Allowance for doubtful accounts	(14)	(16)
Total current assets	49,219	57,516
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,686	8,386
Machinery, equipment and vehicles, net	2,366	2,333
Land	7,022	14,950
Other, net	4,362	4,333
Total property, plant and equipment	22,438	30,003
Intangible assets		
Goodwill	3,681	6,674
Other	1,334	1,193
Total intangible assets	5,015	7,868
Investments and other assets		
Other	9,272	14,035
Allowance for doubtful accounts	(36)	(40)
Total investments and other assets	9,235	13,994
Total non-current assets	36,689	51,866
Total assets	85,909	109,383
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,287	14,811
Short-term borrowings	145	3,627
Current portion of long-term borrowings	3,134	5,033
Income taxes payable	1,652	1,470
Provision for bonuses	835	318
Provision for loss on litigation	1	—
Other	6,916	8,738
Total current liabilities	23,972	33,998
Non-current liabilities		
Bonds payable	5	35
Convertible bonds	20,806	20,641
Long-term borrowings	6,960	14,303
Retirement benefit liability	955	1,009
Asset retirement obligations	786	797
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	52
Other	2,560	3,547
Total non-current liabilities	32,201	40,456
Total liabilities	56,173	74,454

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	2,667	2,669
Capital surplus	2,343	2,347
Retained earnings	28,681	32,073
Treasury shares	(5,758)	(5,757)
Total shareholders' equity	27,933	31,333
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,207	2,732
Remeasurements of defined benefit plans	(196)	(163)
Total accumulated other comprehensive income	1,010	2,569
Non-controlling interests	790	1,025
Total net assets	29,735	34,928
Total liabilities and net assets	85,909	109,383

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, 2021	Nine months ended December 31, 2022
Net sales	97,107	133,291
Cost of sales	86,291	118,686
Gross profit	10,815	14,605
Selling, general and administrative expenses	4,037	6,040
Operating profit	6,778	8,564
Non-operating income		
Interest income	165	166
Dividend income	92	112
Gain on sale of non-current assets	15	73
Other	93	149
Total non-operating income	367	501
Non-operating expenses		
Interest expenses	10	31
Loss on retirement of non-current assets	10	2
Commission for syndicated loans	—	23
Other	5	18
Total non-operating expenses	26	75
Ordinary profit	7,120	8,990
Extraordinary income		
Gain on bargain purchase	—	349
Total extraordinary income	—	349
Extraordinary losses		
Loss on valuation of investments in capital	—	75
Total extraordinary losses	—	75
Profit before income taxes	7,120	9,264
Income taxes	2,025	2,923
Profit	5,095	6,340
Profit attributable to non-controlling interests	—	268
Profit attributable to owners of parent	5,095	6,072

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	5,095	6,340
Other comprehensive income		
Valuation difference on available-for-sale securities	(424)	1,525
Remeasurements of defined benefit plans, net of tax	33	33
Total other comprehensive income	(391)	1,559
Comprehensive income	4,704	7,900
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,704	7,630
Comprehensive income attributable to non-controlling interests	—	269