

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

July 31, 2017

Company name: MARUWA UNYU KIKAN CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 9090 URL <http://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: August 10, 2017
 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(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 | % |
| Three months ended June 30, 2017 | 17,666 | 8.7 | 945 | 1.3 | 1,018 | 3.2 | 692 | 5.5 |
| Three months ended June 30, 2016 | 16,251 | 13.2 | 933 | 5.0 | 987 | 9.0 | 657 | 2.8 |

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2017 | 43.31 | 43.10 |
| Three months ended June 30, 2016 | 40.97 | 40.76 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2017 | 36,971 | 18,418 | 49.8 |
| As of March 31, 2017 | 36,697 | 17,935 | 48.9 |

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, 2017 | – | 31.75 | – | 31.75 | 63.50 |
| Year ending March 31, 2018 | – | | | | |
| Year ending March 31, 2018 (Forecast) | | 31.75 | – | 31.75 | 63.50 |

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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 |
| Six months ending September 30, 2017 | 34,870 | 6.9 | 2,320 | 9.4 | 2,350 | 4.0 | 1,670 | 11.9 | 104.39 |
| Full year | 72,000 | 7.2 | 4,950 | 12.5 | 5,000 | 8.4 | 3,210 | 4.2 | 200.65 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
(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 June 30, 2017 | 16,043,340 shares | As of March 31, 2017 | 16,042,940 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|---------------|----------------------|---------------|
| As of June 30, 2017 | 45,246 shares | As of March 31, 2017 | 45,246 shares |
|---------------------|---------------|----------------------|---------------|

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

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2017 | 15,997,826 shares | Three months ended June 30, 2016 | 16,038,598 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2017 | As of June 30, 2017 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,701,966 | 5,791,325 |
| Notes and accounts receivable - trade | 7,265,807 | 7,378,224 |
| Supplies | 32,058 | 28,900 |
| Other | 831,854 | 831,498 |
| Allowance for doubtful accounts | (1,310) | (611) |
| Total current assets | 15,830,375 | 14,029,337 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 6,838,096 | 6,738,956 |
| Machinery, equipment and vehicles, net | 944,093 | 2,910,473 |
| Land | 5,509,227 | 5,509,227 |
| Other, net | 2,662,503 | 2,293,180 |
| Total property, plant and equipment | 15,953,922 | 17,451,837 |
| Intangible assets | 653,087 | 813,239 |
| Investments and other assets | | |
| Other | 4,317,817 | 4,735,682 |
| Allowance for doubtful accounts | (57,868) | (58,385) |
| Total investments and other assets | 4,259,949 | 4,677,296 |
| Total non-current assets | 20,866,958 | 22,942,373 |
| Total assets | 36,697,334 | 36,971,710 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 4,672,603 | 4,656,839 |
| Short-term loans payable | — | 1,500,000 |
| Current portion of long-term loans payable | 1,942,683 | 1,871,372 |
| Income taxes payable | 674,648 | 332,332 |
| Provision for bonuses | 360,732 | 107,725 |
| Provision for loss on litigation | 12,362 | 350 |
| Other | 4,828,964 | 4,082,295 |
| Total current liabilities | 12,491,994 | 12,550,914 |
| Non-current liabilities | | |
| Long-term loans payable | 3,120,600 | 2,864,527 |
| Net defined benefit liability | 595,958 | 583,629 |
| Asset retirement obligations | 397,362 | 398,795 |
| Other | 2,155,627 | 2,155,173 |
| Total non-current liabilities | 6,269,547 | 6,002,125 |
| Total liabilities | 18,761,542 | 18,553,040 |

| | (Thousands of yen) | |
|---|----------------------|---------------------|
| | As of March 31, 2017 | As of June 30, 2017 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,650,296 | 2,650,404 |
| Capital surplus | 2,164,718 | 2,164,826 |
| Retained earnings | 12,965,368 | 13,148,951 |
| Treasury shares | (103,383) | (103,383) |
| Total shareholders' equity | 17,677,000 | 17,860,799 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 331,662 | 625,905 |
| Remeasurements of defined benefit plans | (72,871) | (68,034) |
| Total accumulated other comprehensive income | 258,791 | 557,871 |
| Total net assets | 17,935,792 | 18,418,670 |
| Total liabilities and net assets | 36,697,334 | 36,971,710 |

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

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Three months ended June 30, 2016 | Three months ended June 30, 2017 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 16,251,160 | 17,666,703 |
| Cost of sales | 14,385,200 | 15,813,070 |
| Gross profit | 1,865,959 | 1,853,632 |
| Selling, general and administrative expenses | 932,807 | 907,915 |
| Operating profit | 933,151 | 945,717 |
| Non-operating income | | |
| Interest income | 461 | 404 |
| Dividend income | 9,508 | 18,783 |
| Fiduciary obligation fee | — | 19,687 |
| Other | 64,676 | 48,943 |
| Total non-operating income | 74,646 | 87,817 |
| Non-operating expenses | | |
| Interest expenses | 17,871 | 8,752 |
| Loss on retirement of non-current assets | 44 | 5,638 |
| Other | 2,536 | 468 |
| Total non-operating expenses | 20,452 | 14,860 |
| Ordinary profit | 987,345 | 1,018,674 |
| Profit before income taxes | 987,345 | 1,018,674 |
| Income taxes | 330,296 | 325,730 |
| Profit | 657,048 | 692,944 |
| Profit attributable to non-controlling interests | — | — |
| Profit attributable to owners of parent | 657,048 | 692,944 |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Three months ended June 30, 2016 | Three months ended June 30, 2017 |
|--|-------------------------------------|-------------------------------------|
| Profit | 657,048 | 692,944 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (102,733) | 294,243 |
| Remeasurements of defined benefit plans, net of tax | 6,483 | 4,836 |
| Total other comprehensive income | (96,250) | 299,079 |
| Comprehensive income | 560,798 | 992,023 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 560,798 | 992,023 |
| Comprehensive income attributable to non-controlling interests | — | — |