

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 Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 29, 2024

Company name: MARUWA CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 5344 URL <https://www.maruwa-g.com/>
 Representative: President Toshiro Kanbe
 Inquiries: Corporate Officer Daisuke Yamaguchi TEL 0561-51-0841
 Scheduled date to file Semi-annual Securities Report: November 13, 2024
 Scheduled date to commence dividend payments: December 2, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	34,822	24.1	12,789	47.9	11,999	24.8	8,440	24.5
Six months ended September 30, 2023	28,063	(5.4)	8,649	(18.5)	9,616	(21.3)	6,777	(21.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	684.12	—
Six months ended September 30, 2023	549.38	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	131,278	118,030	89.9
As of March 31, 2024	122,515	109,203	89.1

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, 2024	—	43.00	—	43.00	86.00
Year ending March 31, 2025	—	47.00			
Year ending March 31, 2025 (Forecast)			—	47.00	94.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	70,300	14.2	23,000	16.2	—	—	—	—	—

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(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 September 30, 2024	12,372,000 shares	As of March 31, 2024	12,372,000 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2024	32,058 shares	As of March 31, 2024	34,125 shares
--------------------------	---------------	----------------------	---------------

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

Six months ended September 30, 2024	12,339,942 shares	Six months ended September 30, 2023	12,337,296 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	55,250	64,882
Notes receivable - trade	360	155
Accounts receivable - trade	13,960	14,318
Electronically recorded monetary claims - operating	1,746	1,384
Merchandise and finished goods	2,248	2,103
Work in process	2,960	3,427
Raw materials and supplies	4,575	4,673
Other	2,516	1,586
Allowance for doubtful accounts	(133)	(103)
Total current assets	83,485	92,428
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,947	14,787
Machinery, equipment and vehicles, net	12,040	11,544
Land	5,005	5,007
Construction in progress	2,952	4,176
Other, net	786	823
Total property, plant and equipment	36,733	36,338
Intangible assets		
Other	318	396
Total intangible assets	318	396
Investments and other assets	1,977	2,114
Total non-current assets	39,029	38,849
Total assets	122,515	131,278

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,957	2,618
Electronically recorded obligations - operating	2,355	892
Current portion of long-term borrowings	400	400
Income taxes payable	2,851	3,696
Provision for bonuses	1,042	1,189
Provision for bonuses for directors (and other officers)	124	6
Other	3,091	3,997
Total current liabilities	12,821	12,800
Non-current liabilities		
Deferred tax liabilities	127	85
Other	361	361
Total non-current liabilities	489	447
Total liabilities	13,311	13,247
Net assets		
Shareholders' equity		
Share capital	8,646	8,646
Capital surplus	12,031	12,103
Retained earnings	87,573	95,483
Treasury shares	(210)	(197)
Total shareholders' equity	108,042	116,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	171	115
Foreign currency translation adjustment	989	1,878
Total accumulated other comprehensive income	1,161	1,994
Total net assets	109,203	118,030
Total liabilities and net assets	122,515	131,278

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	28,063	34,822
Cost of sales	14,054	16,101
Gross profit	14,008	18,720
Selling, general and administrative expenses	5,359	5,930
Operating profit	8,649	12,789
Non-operating income		
Interest income	82	99
Rental income	58	66
Foreign exchange gains	800	—
Other	67	72
Total non-operating income	1,008	237
Non-operating expenses		
Foreign exchange losses	—	969
Interest expenses	0	0
Rent expenses on real estate for investments	25	31
Other	14	27
Total non-operating expenses	41	1,028
Ordinary profit	9,616	11,999
Extraordinary income		
Gain on sale of non-current assets	—	0
Gain on sale of investment securities	12	—
Subsidy income	—	2,576
Total extraordinary income	12	2,576
Extraordinary losses		
Loss on sale and retirement of non-current assets	134	86
Loss on tax purpose reduction entry of non-current assets	—	2,360
Other	7	—
Total extraordinary losses	141	2,447
Profit before income taxes	9,486	12,128
Income taxes - current	2,646	3,745
Income taxes - deferred	62	(58)
Total income taxes	2,708	3,687
Profit	6,777	8,440
Profit attributable to owners of parent	6,777	8,440

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	6,777	8,440
Other comprehensive income		
Valuation difference on available-for-sale securities	30	(56)
Foreign currency translation adjustment	629	888
Total other comprehensive income	660	832
Comprehensive income	7,438	9,273
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,438	9,273

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	9,486	12,128
Depreciation	1,763	2,158
Increase (decrease) in allowance for doubtful accounts	0	(31)
Loss (gain) on sale of investment securities	(4)	–
Loss (gain) on sale and retirement of non-current assets	134	86
Interest and dividend income	(91)	(103)
Interest expenses	0	0
Subsidy income	–	(2,576)
Loss on tax purpose reduction entry of non-current assets	–	2,360
Decrease (increase) in trade receivables	(2,395)	333
Decrease (increase) in inventories	(1,057)	(334)
Increase (decrease) in trade payables	293	(1,150)
Other, net	903	1,020
Subtotal	9,032	13,892
Interest and dividends received	91	103
Interest paid	(0)	(0)
Income taxes refund (paid)	(2,633)	(2,886)
Net cash provided by (used in) operating activities	6,490	11,109
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,832)	(3,828)
Proceeds from sale of property, plant and equipment	–	0
Payments for retirement of property, plant and equipment	(67)	(72)
Purchase of intangible assets	(35)	(93)
Purchase of investment securities	(84)	(133)
Proceeds from sale of investment securities	166	–
Subsidies received	–	2,676
Other, net	(10)	5
Net cash provided by (used in) investing activities	(6,863)	(1,446)
Cash flows from financing activities		
Repayments of long-term borrowings	(133)	–
Purchase of treasury shares	(3)	(0)
Proceeds from sale of treasury shares	17	–
Dividends paid	(493)	(530)
Net cash provided by (used in) financing activities	(612)	(531)
Effect of exchange rate change on cash and cash equivalents	333	511
Net increase (decrease) in cash and cash equivalents	(652)	9,643
Cash and cash equivalents at beginning of period	49,585	55,013
Cash and cash equivalents at end of period	48,933	64,656