Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

July 31, 2018

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, 2018
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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	20,192	14.3	1,292	36.6	1,392	36.7	1,043	50.6
Three months ended June 30, 2017	17,666	8.7	945	1.3	1,018	3.2	692	5.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	32.58	32.44
Three months ended June 30, 2017	21.66	21.55

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	39,464	21,341	54.1
As of March 31, 2018	39,454	20,617	52.3

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, 2018	–	31.75	–	15.88	–
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		18.20	–	18.20	36.40

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	40,610	13.3	2,390	31.6	2,490	28.5	1,790	34.0	55.90
Full year	84,790	14.0	5,630	24.9	5,800	22.0	3,870	27.1	120.85

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2018 (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, 2018	32,127,880 shares	As of March 31, 2018	32,113,080 shares

Number of treasury shares at the end of the period

As of June 30, 2018	90,534 shares	As of March 31, 2018	90,534 shares

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

Three months ended June 30, 2018	32,029,746 shares	Three months ended June 30, 2017	31,995,652 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	4,582,429	6,367,845
Notes and accounts receivable - trade	9,343,803	9,311,249
Supplies	28,787	28,955
Other	2,818,026	698,843
Allowance for doubtful accounts	(3,388)	(3,273)
Total current assets	16,769,658	16,403,620
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,537,313	6,611,481
Machinery, equipment and vehicles, net	864,094	843,967
Land	6,917,694	6,917,694
Other, net	2,324,028	2,284,573
Total property, plant and equipment	16,643,130	16,657,717
Intangible assets	957,140	939,110
Investments and other assets		
Other	5,136,918	5,515,866
Allowance for doubtful accounts	(52,511)	(51,628)
Total investments and other assets	5,084,406	5,464,237
Total non-current assets	22,684,677	23,061,065
Total assets	39,454,336	39,464,685
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,380,350	5,387,369
Short-term loans payable	400,000	400,000
Current portion of long-term loans payable	1,687,736	1,549,839
Income taxes payable	914,422	381,299
Provision for bonuses	324,774	123,947
Provision for loss on litigation	1,752	–
Other	4,215,781	4,693,245
Total current liabilities	12,924,816	12,535,699
Non-current liabilities		
Long-term loans payable	3,012,388	2,668,732
Net defined benefit liability	609,775	599,033
Asset retirement obligations	403,095	404,557
Other	1,887,037	1,915,150
Total non-current liabilities	5,912,296	5,587,473
Total liabilities	18,837,113	18,123,173

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Net assets		
Shareholders' equity		
Capital stock	2,653,980	2,655,985
Capital surplus	2,168,402	2,170,407
Retained earnings	14,991,531	15,525,172
Treasury shares	(103,478)	(103,478)
Total shareholders' equity	19,710,436	20,248,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,056,622	1,235,843
Remeasurements of defined benefit plans	(149,835)	(142,418)
Total accumulated other comprehensive income	906,787	1,093,424
Total net assets	20,617,223	21,341,512
Total liabilities and net assets	39,454,336	39,464,685

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, 2017	Three months ended June 30, 2018
Net sales	17,666,703	20,192,498
Cost of sales	15,813,070	17,862,916
Gross profit	1,853,632	2,329,581
Selling, general and administrative expenses	907,915	1,037,391
Operating profit	945,717	1,292,190
Non-operating income		
Interest income	404	685
Dividend income	18,783	21,037
Fiduciary obligation fee	19,687	19,687
Subsidy income	1,177	35,098
Other	47,765	31,460
Total non-operating income	87,817	107,968
Non-operating expenses		
Interest expenses	8,752	5,236
Loss on retirement of non-current assets	5,638	0
Litigation expenses	–	2,400
Other	468	42
Total non-operating expenses	14,860	7,678
Ordinary profit	1,018,674	1,392,480
Profit before income taxes	1,018,674	1,392,480
Income taxes	325,730	348,886
Profit	692,944	1,043,594
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	692,944	1,043,594

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	692,944	1,043,594
Other comprehensive income		
Valuation difference on available-for-sale securities	294,243	179,221
Remeasurements of defined benefit plans, net of tax	4,836	7,416
Total other comprehensive income	299,079	186,637
Comprehensive income	992,023	1,230,232
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	992,023	1,230,232
Comprehensive income attributable to non-controlling interests	–	–