

To shareholders

Securities code: 6316

Nov. 30, 2022

4-15 Uchikanda 3-chome, Chiyoda-ku, Tokyo

Maruyama Mfg. Co., Inc.

Representative Director and President Takaharu Uchiyama

Notice of the 87th Annual General Meeting of Shareholders

We would like to express our heartfelt thanks to you for your exceptional support.

The 87th annual general meeting of shareholders of our company is scheduled to be held as described below.

Instead of attending the meeting, you can exercise your voting rights in writing or via the Internet. We are sorry for bothering you, but please read the reference material for the general meeting of shareholders below, and exercise your voting rights by 5:40 pm on Wednesday, December 21, 2022 (Japan time).

Sincerely

1 Date and time

Wednesday, December 22, 2022, 10:00 am (Japan time)
Reception will start at 9:00 am (Japan time)

2 Place

Bellesalle Kanda on the 2nd floor of Sumitomo Fudosan Kanda Bldg.,
7 Kandamitoshiro-cho, Chiyoda-ku, Tokyo
(Please see “Map of the venue of the general meeting of shareholders” on the back cover.)

3 Items to be discussed

Items to be reported	Business report, consolidated financial statements, non-consolidated financial statements and results of audit of consolidated financial statements by accounting auditor and the audit and supervisory committee for the 87th term (Oct. 1, 2021 to Sep. 30, 2022)
Items to be resolved	Proposal 1: Partial revision of the Articles of Incorporation Proposal 2: Appointment of five (5) directors, excluding directors who are audit and supervisory committee members

- When attending the meeting on that day, please submit your voting form enclosed herewith to the reception staff.
- Among the documents to be provided together with this notice, the following documents are available at [our website in the Internet \(https://www.maruyama.co.jp/\)](https://www.maruyama.co.jp/), in accordance with law and Article 15 of the Articles of Incorporation of our company.
 - (1) “Consolidated statements of changes in net assets” and “Notes to consolidated financial statements”
 - (2) “Non-consolidated statements of changes in net assets” and “Notes to non-consolidated financial statements”The above documents (1) and (2) are included in consolidated and non-consolidated financial statements audited by accounting auditor and the audit and supervisory committee for producing audit reports.
- If there is any revision to the reference materials for the general meeting of shareholders, business reports, consolidated or non-consolidated financial statements, we will post the revised version on our website in the Internet (<https://www.maruyama.co.jp/>).

1. Reason for the proposal

1. Our company is enriching the lessons and training facilities for unmanned aircraft, such as drones for spraying agricultural chemicals, as part of efforts to realize smart agriculture. In this situation, we would like to add new purposes of business in Article 2 (Purpose) of the current Articles of Incorporation and change item numbers accordingly, to diversify our business.
2. The amended provision set forth in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act (Act No. 70 of 2019)” was enforced on September 1, 2022, and a system for electronic provision of materials for general meetings of shareholders was adopted. Accordingly, we would like to revise the Articles of Incorporation as follows.
 - (1) It became mandatory to stipulate in the Articles of Incorporation that the information contained in reference materials for the general meeting of shareholders will be provided electronically, so we would like to newly establish the proposed first paragraph of Article 15 (Electronic Provision, etc.).
 - (2) We would like to newly establish the proposed second paragraph of Article 15 (Electronic Provision, etc.), so that among the matters for which the system for electronic provision of information contained in reference documents for general meeting of shareholders is adopted, the range of matters written in documents issued for shareholders demanding written documents will be limited to the range set forth by the Ordinance of the Ministry of Justice.
 - (3) Once a system for electronic provision of materials for general meetings of shareholders is adopted, the provisions of Article 15 of the current Articles of Incorporation (Disclosure on the Internet and Deemed Delivery of Reference Documents, etc. for General Meeting of Shareholders) will become unnecessary, so we would like to delete them.
 - (4) We would like to add supplementary provisions regarding the validity of the provisions to be deleted as mentioned above. Said supplementary provisions will be deleted after a specified period expires.

2. Details of the revision

The details of the revision are as follows.

(The underlined parts represent revised parts.)

Current Articles of Incorporation	Proposed revision
<p>(Purpose)</p> <p>Article 2 (provisions omitted)</p> <p>Items 1 through 19 (provisions omitted) (Newly established)</p> <p>Item 20 (provisions omitted)</p>	<p>(Purpose)</p> <p>Article 2 (unchanged)</p> <p>Items 1 through 19 (unchanged)</p> <p>Item <u>20</u></p> <p><u>Business of giving lessons and operating training facilities for unmanned aircraft, such as drones</u></p> <p>Item <u>21</u> (unchanged)</p>
<p><u>(Disclosure on the Internet and Deemed Delivery of Reference Documents, etc. for General Meeting of Shareholders)</u></p> <p><u>Article 15</u></p> <p><u>Upon convening a general meeting of shareholders, the Company may deem that the information which is required to be described or indicated in reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements have been provided to the shareholders through the method of using the Internet pursuant to the Ordinance of the Ministry of Justice.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>(Electronic Provision, etc.)</u></p> <p><u>Article 15</u></p> <p><u>1. The Company will provide the information contained in reference materials for the general meeting of shareholders in electronic format when convening a general meeting of shareholders.</u></p>

Current Articles of Incorporation

(Newly established)

Proposed revision

2. Among the matters to be provided in electronic format, the Company may choose not to include all or part of the matters specified by the Ordinance of the Ministry of Justice in written documents to be delivered to shareholders who have requested said documents by the record date of voting rights.

(Supplementary provisions)

(Transitional Measures for the Electronic Provision of Reference Materials for General Meetings of Shareholders)

Article 1

1. Pre-amended Article 15 of the Articles of Incorporation (Disclosure on the Internet and Deemed Delivery of Reference Documents, etc. for General Meeting of Shareholders) will remain effective for a general meeting of shareholders that will be held within 6 months after September 1, 2022 (hereinafter referred to as “the enforcement date”), which is the date of enforcement of the amended provision set forth in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act (Act No. 70 of 2019).”

2. The provisions of this article will be deleted on the date when 6 months have elapsed from the date of enforcement or 3 months have elapsed from the date of the general meeting of shareholders mentioned in the preceding paragraph, whichever is later.

●For reference

The electronic provision system means a system in which the materials of general meetings of shareholders are uploaded to our website, etc. and we inform shareholders of the URL of said website, etc. in writing, to offer said materials to shareholders.

It is mandatory for listed companies to adopt the electronic provision system, so our company will apply this system from the 88th annual meeting of shareholders to be held in December 2023. We will send only a simple convocation notice, which describes how to access our website, etc. to shareholders.

After the adoption of the electronic provision system, shareholders who want to receive written materials of general meetings of shareholders need to complete the procedure for “requesting the issuance of written documents” by the record date of each general meeting of shareholders. (If you want to receive written documents for the 88th annual meeting of shareholders to be held in December 2023, please complete the procedure by September 30, 2023.)

<Contact info for requesting the issuance of written documents>

To ask a securities company, please contact the securities company in which you opened an account.

To ask a shareholder registry administrator, please contact the Securities Agency Division of Mizuho Trust & Banking Co., Ltd. (Tel: 0120-524-324).

Appointment of five (5) directors, excluding directors who are audit and supervisory committee members

At the end of this general meeting, the terms of all of five (5) directors, excluding directors who are audit and supervisory committee members, will expire and they will retire. Accordingly, we would like you to appoint five (5) directors, excluding directors who are audit and supervisory committee members.

Regarding this proposal, the audit and supervisory committee of our company has judged that all candidates are eligible.

The candidates for directors, excluding directors who are audit and supervisory committee members, are as follows.

Candidate No.	Name	Current post and section in our company	
1	Masanobu Ogashira	Representative Director Director and Chairman	Reappointment
2	Takaharu Uchiyama	Representative Director Director and President	Reappointment
3	Takahiro Ishimura	Managing Director Head of Marketing Dept. and Head of Domestic Marketing Dept.	Reappointment
4	Kosuke Ohira	Managing Director General Manager of Production Division and Manager of Chiba Factory	Reappointment
5	Makoto Takatori	Director General Manager of Administration Division	Reappointment

Masanobu Ogashira

(Born on May 10, 1952)

No. of shares of our
company he holds

22,449



Reappointment

● **Biography: His posts and sections in our company**

April 1976: Joined our company

December 1997: Director and President of Maruyama U.S., Inc.

October 2001: Assistant to the President and Chief of Group Management Division of our company

December 2001: Director of our company

July 2002: General Manager of Management Planning Department of our company

December 2003: Managing Director of our company

October 2004: General Manager of Administration Division of our company

April 2007: General Manager of Manufacturing Dept. and Manager of Chiba Factory of our company

October 2008: Senior Managing Director and General Manager of Administration Division of our company

October 2009: General Manager of Domestic Sales Division and General Manager of Overseas Business Division of our company

October 2010: Representative Director and President of our company

October 2020: Representative Director and Chairman of our company (to the present)

● **Important concurrent posts**

There are no important concurrent posts.

● **Reason for choosing him as a candidate for a director**

Mr. Masanobu Ogashira had played a role for improving our corporate value in a sustainable manner by leading the management of our corporate group and supervising the decision making for and execution of important management items as Representative Director and President since October 2010. At present, he serves as Representative Director and Chairman, overseeing our business administration, and is expected to contribute to our business further. Therefore, we have chosen him as a candidate for a director of our company.

● **Notes on the candidate for a director**

1. There are no special interests between the candidate and our company.
2. Our company has entered into directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Masanobu Ogashira is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2022, including his equity in the executive share ownership plan.

Candidate
No.

2

Takaharu Uchiyama

(Born on September 22, 1971)

No. of shares of our
company he holds

11,335



●Biography: His posts and sections in our company

April 1996: Joined our company

February 2006: Director and Vice-president of Maruyama U.S., Inc.

October 2006: Director and President of Maruyama U.S., Inc.

July 2011: General Manager of Management Planning Department of our company

December 2011: Director of our company

October 2018: General Manager of Administration Division of our company

December 2018: Managing Director of our company

October 2020: Representative Director and President of our company (to the present)

Reappointment

●Important concurrent posts

Representative Director and President of Maruyama Excell Co., Ltd.

●Reason for choosing him as a candidate for a director

Mr. Takaharu Uchiyama possesses the experience of managing overseas subsidiaries of our company and working for the management planning department, and has led the management section for the entire corporate group, while exerting his leadership in strengthening corporate group management and global business management of our corporate group. At present, he oversees business administration, proceeds with business operation, and leads our corporate group as Representative Director and President. Since he is expected to contribute to our business further, we have chosen him as a candidate for a director of our company.

●Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Our company has entered into directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Takaharu Uchiyama is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2022, including his equity in the executive share ownership plan.

Takahiro Ishimura

(Born on July 17, 1962)

No. of shares of our
company he holds

7,125



Reappointment

● **Biography: His posts and sections in our company**

April 1985: Joined our company

October 2005: General Manager of Mass Retailer-targeted Sales Division of our company

October 2007: Manager of Kanto-Koshinetsu Branch of our company

April 2011: General Manager of Sales Promotion Department of our company

December 2011: Director of our company

October 2012: General Manager of Marketing and Sales Support Department, Sales Division of our company

October 2013: General Manager of Marketing and Sales Support Department and General Manager of Sales Administration Division, Sales Division of our company

April 2014: General Manager of Marketing and Sales Support Department, Sales Division of our company

January 2017: General Manager of Overseas Sales Division and General Manager of Marketing and Sales Support Department, Sales Division of our company

April 2017: General Manager of Overseas Sales Division, Sales Division of our company

October 2020: Managing Director, General Manager of Sales Division and General Manager of Domestic Sales Division of our company (to the present)

● **Important concurrent posts**

Representative Director and President of Maruyama Logistics Co., Inc.

Director and Chairman of Maruyama U.S., Inc.

Director and President of Asian Maruyama (Thailand) Co., Ltd.

● **Reason for choosing him as a candidate for a director**

Mr. Takahiro Ishimura possesses the experience of the sales of agricultural machinery and mass retailer-targeted sales of our company, and exerted his leadership in marketing and sales support inside and outside Japan. At present, he manages sales inside and outside Japan as General Manager of Sales Division and General Manager of Domestic Sales Division. Since he is expected to contribute to our business further, we have chosen him as a candidate for a director of our company.

● **Notes on the candidate for a director**

1. There are no special interests between the candidate and our company.
2. Our company has entered into directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Takahiro Ishimura is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2022, including his equity in the executive share ownership plan.

Kosuke Ohhira

(Born on December 10, 1966)

No. of shares of our
company he holds 5,813



•Biography: His posts and sections in our company

April 1989: Joined our company

October 2010: Director and Factory Manager of Maruyama MFG (Thailand) Co., Ltd.

October 2013: Director and Factory Manager of Nippon Kreis Co., Ltd.

October 2018: Executive Officer and General Manager of Procurement Dept. of our company

October 2019: General Manager of Production Division and Manager of Chiba Factory of our company (to the present)

December 2019: Director of our company

October 2020: Managing Director of our company (to the present)

Reappointment

•Important concurrent posts

Representative Director and President of Nippon Kreis Co., Ltd.

Representative Director and President of Seibu Maruyama Co., Ltd.

•Reason for choosing him as a candidate for a director

Mr. Kosuke Ohira possesses the experience of working for production section of our company and serving as Director of a related production subsidiary, and has exerted his leadership in production sections inside and outside Japan. At present, he manages production sections as General Manager of Production Division, Manager of Chiba Factory, and Representative Director/President of a related production subsidiary. Since he is expected to contribute to our business further, we have chosen him as a candidate for a director of our company.

•Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Our company has entered into directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Kosuke Ohira is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2022, including his equity in the executive share ownership plan.

Candidate
No.

5

Makoto Takatori

(Born on December 6, 1966)

No. of shares of our
company he holds

3,034



●Biography: His posts and sections in our company

April 1989: Joined The Fuji Bank, Limited.

February 2009: Assistant Manager of IT/System Planning Division of Mizuho Financial Group, Inc.

April 2013: Manager of Shinjuku-shintoshin Branch of Mizuho Bank, Ltd.

April 2016: Manager of Kitakyushu Branch of Mizuho Bank, Ltd.

June 2019: General Manager of Accounting Department of our company

April 2020: Executive Officer of our company

October 2020: General Manager of Administration Division of our company (to the present)

December 2020: Director of our company (to the present)

Reappointment

●Important concurrent posts

There are no important concurrent posts.

●Reason for choosing him as a candidate for a director

Mr. Makoto Takatori possesses plenty of experience and broad knowledge regarding financial institutions, and has exerted his leadership in the accounting section of our company by utilizing his experience and knowledge. At present, he engages in the management and operation of the entire corporate group as General Manager of Administration Division. Since he is expected to contribute to our business further, we have chosen him as a candidate for a director of our company.

●Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Our company has entered into directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Makoto Takatori is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2022, including his equity in the executive share ownership plan.

For reference

If Proposal 2 is approved, the directors and their expected expertise will become as follows. Not all of their knowledge is tabulated below.

	General business administration	International experience	Marketing	Technology/production	Personnel/legal affairs	Finance/accounting	Digital technology/IT	Audit
Masanobu Ogashira Representative Director and Chairman	•	•	•	•		•		
Takaharu Uchiyama Representative Director and President	•	•	•	•		•		
Takahiro Ishimura Managing Director/General Manager of Sales Division		•	•					
Kosuke Ohhira Managing Director/General Manager of Production Division		•		•				
Makoto Takatori Director/General Manager of Administration Division			•		•	•	•	
Hiroyuki Hatano Outside Director/Full-time audit and supervisory committee member	•				•	•		•
Atsushi Toki Outside Director/Audit and supervisory committee member	•				•	•		•
Takashi Sekigawa Outside Director/Audit and supervisory committee member	•				•	•		•
Nobushige Ueki Substitute Outside Director/Audit and supervisory committee member						•		•

I Matters relating to the current status of our corporate group

I Progress and results of our business

During the consolidated fiscal year under review, the Japanese economy showed signs of a gradual recovery as the number of newly infected cases of COVID-19 began to decline and restrictions on social and economic activities gradually eased. However, the outlook remains uncertain due to energy issues, the substantial depreciation of the yen, and the prolonged situation in Ukraine, in addition to the shortage of semiconductors and the rising cost of raw materials.

In the agriculture and forestry machinery industry, the mainstay of our corporate group, shipments and production of machinery, both for domestic and export markets, declined slightly from the previous year, mainly due to a recoil from the effects of various policies implemented in the previous fiscal year.

Under these circumstances, in the domestic sales activities, our corporate group resumed large-scale exhibitions, etc. However, in anticipation of avoiding lost opportunities due to the reemergence of COVID-19, our company expanded online exhibitions on our website to introduce our products and enhance our product line-up. In addition, with the aim of cultivating new business fields, our company expanded sales activities for ultrafine bubble products by taking advantage of the pump technology, which is one of our company's strengths. Overseas, we continued to aggressively expand sales of agricultural and forestry machinery and ultrafine bubble products through online business negotiations, while resuming sales activities to visit local markets.

As a result, domestic sales of industrial pumps increased, but in the agri-distribution business, sales of large pest control equipment and power sprayers decreased due to the recoil from the business continuity subsidy policy implemented in the previous fiscal year, resulting in domestic net sales of 28,868 million yen (down 2.5% year-on-year). Overseas, sales of industrial pumps for North America and Europe and sales of brush cutters increased mainly in Central and South Americas increased, resulting in overseas net sales of 10,771 million yen (up 36.3% year-on-year) and total net sales of 39,639 million yen (up 5.7% from year-on-year).

In terms of profit, operating income increased 9.7% year-on-year to 1,521 million yen, ordinary income increased 25.6% year-on-year to 1,635 million yen, and net income attributable to owners of parent increased 35.3% year-on-year to 1,158 million yen, mainly due to an increase in gross profit due to larger sales, despite a deterioration in the gross profit margin caused by higher raw material costs.

Situation of each segment

	Sales composition	Net sales and operating income	Products												
Agricultural and forestry machinery	<p>Agricultural and forestry machinery 74.7% Net sales 29,838 million yen</p>	<p>Net sales (million yen)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Net sales</th> <th>Operating income</th> </tr> </thead> <tbody> <tr> <td>2020/9</td> <td>26,433</td> <td>1,034</td> </tr> <tr> <td>2021/9</td> <td>29,288</td> <td>2,027</td> </tr> <tr> <td>2022/9</td> <td>29,838</td> <td>1,227</td> </tr> </tbody> </table> <p>Operating income (million yen)</p>	Year	Net sales	Operating income	2020/9	26,433	1,034	2021/9	29,288	2,027	2022/9	29,838	1,227	<ul style="list-style-type: none"> • Power sprayers • Power dispersers • Large pest control equipment • Bush cutters • Chain saws • Others
Year	Net sales	Operating income													
2020/9	26,433	1,034													
2021/9	29,288	2,027													
2022/9	29,838	1,227													
Industrial machinery	<p>Industrial machinery 18.3% Net sales 7,313 million yen</p>	<p>Net sales (million yen)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Net sales</th> <th>Operating income</th> </tr> </thead> <tbody> <tr> <td>2020/9</td> <td>6,067</td> <td>1,020</td> </tr> <tr> <td>2021/9</td> <td>5,693</td> <td>1,162</td> </tr> <tr> <td>2022/9</td> <td>7,313</td> <td>1,820</td> </tr> </tbody> </table> <p>Operating income (million yen)</p>	Year	Net sales	Operating income	2020/9	6,067	1,020	2021/9	5,693	1,162	2022/9	7,313	1,820	<ul style="list-style-type: none"> • High-pressure pumps for industrial use • High-pressure cleaner
Year	Net sales	Operating income													
2020/9	6,067	1,020													
2021/9	5,693	1,162													
2022/9	7,313	1,820													
Other machinery	<p>Other machinery 5.8% Net sales 2,293 million yen</p>	<p>Net sales (million yen)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Net sales</th> <th>Operating income</th> </tr> </thead> <tbody> <tr> <td>2020/9</td> <td>2,199</td> <td>131</td> </tr> <tr> <td>2021/9</td> <td>2,328</td> <td>69</td> </tr> <tr> <td>2022/9</td> <td>2,293</td> <td>76</td> </tr> </tbody> </table> <p>Operating income (million yen)</p>	Year	Net sales	Operating income	2020/9	2,199	131	2021/9	2,328	69	2022/9	2,293	76	<ul style="list-style-type: none"> • Fire extinguishers • Disaster prevention-related equipment • Machinery for environmental sanitation • Others
Year	Net sales	Operating income													
2020/9	2,199	131													
2021/9	2,328	69													
2022/9	2,293	76													
Real estate leasing, etc.	<p>Real estate leasing, etc. 1.2% Net sales 479 million yen</p>	<p>Net sales (million yen)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Net sales</th> <th>Operating income</th> </tr> </thead> <tbody> <tr> <td>2020/9</td> <td>488</td> <td>282</td> </tr> <tr> <td>2021/9</td> <td>485</td> <td>239</td> </tr> <tr> <td>2022/9</td> <td>479</td> <td>276</td> </tr> </tbody> </table> <p>Operating income (million yen)</p>	Year	Net sales	Operating income	2020/9	488	282	2021/9	485	239	2022/9	479	276	<ul style="list-style-type: none"> • Real estate leasing • Electricity sales
Year	Net sales	Operating income													
2020/9	488	282													
2021/9	485	239													
2022/9	479	276													

*Sales in each segment include inter-segment transactions, and operating income is calculated before adjustment for corporate expenses, etc.

Overview of business results

Net sales
(year-on-year)
Up **1.9%**

Operating income
(year-on-year)
Down **39.4%**

In Japan, sales of large pest control equipment and power sprayers declined. Outside Japan, sales of brush cutters increased, resulting in total domestic and overseas net sales of agricultural and forestry machinery of 29,838 million yen (up 1.9% year-on-year) and operating income of 1,227 million yen (down 39.4% year-on-year).

Net sales
(year-on-year)
Up **28.5%**

Operating income
(year-on-year)
Up **56.6%**

In Japan, sales of industrial pumps increased. Outside Japan, sales of industrial pumps to North America and Europe also increased. As a result, total domestic and overseas net sales of industrial machinery amounted to 7,313 million yen (up 28.5% year-on-year), and operating income amounted to 1,820 million yen (up 56.6% year-on-year).

Net sales
(year-on-year)
Down **1.5%**

Operating income
(year-on-year)
Up **9.4%**

Net sales of other machinery, mainly fire-fighting machinery, decreased 1.5% year-on-year to 2,293 million yen, but operating income increased 9.4% year-on-year to 76 million yen.

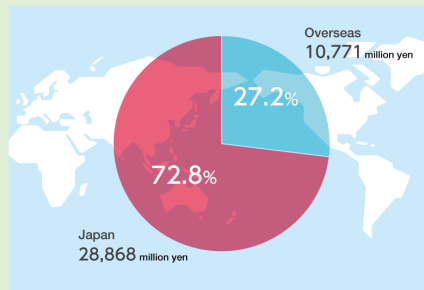
Net sales
(year-on-year)
Down **1.2%**

Operating income
(year-on-year)
Up **15.5%**

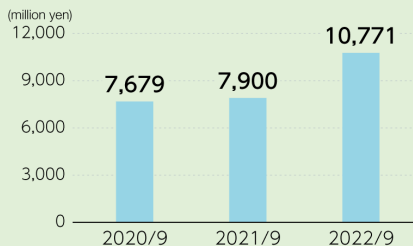
Net sales of real estate leasing, etc. decreased 1.2% year-on-year to 479 million yen, but operating income increased 15.5% year-on-year to 276 million yen.

Overseas sales situation

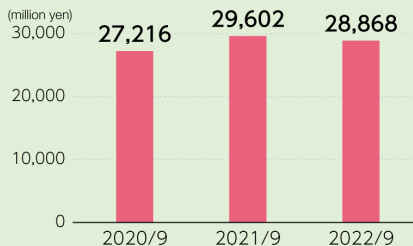
Ratio of overseas sales



Overseas



Japan



2. Status of capital investment, etc.

Total capital investment in the current consolidated fiscal year amounted to 875 million yen. The main items were renewal of production facilities at our Chiba Factory and manufacturing subsidiaries.

3. Status of fundraising

The funds required for the current fiscal year were financed by cash on hand and borrowings, and no funds were raised through the issuance of new shares.

4. Status of significant corporate restructuring, etc.

No significant corporate restructuring, etc. occurred in the current consolidated fiscal year.

5. Issues to be addressed

The next fiscal year is the first year of the 8th Medium-Term Management Plan (October 2022 to September 2027), and in order to follow the basic policy of this Medium-Term Management Plan, “Creation of Growth Businesses,” all employees will work together to achieve the single-year plan and Medium-Term Management Plan by focusing on the following items.

As a company that contributes to society in the areas of food, water, and the environment, our corporate group has continued to supply products. We will further strengthen ESG management and continue to provide products that contribute to society over the long term.

(1) Improvement of profit margin

We will strive to improve profit margin by developing high value-added products like ultrafine bubble products. We will also change our business portfolio by focusing resources on the industrial machinery field, where profit margin has been high.

(2) Establishing new businesses

By expanding the distribution of ultrafine bubble products to new markets, including overseas markets, we have been able to add distribution to the general consumer market to the one that had been mainly to corporate customers. In the future, we will take on the challenge of creating new growth businesses by utilizing DX and IoT technologies.

(3) Growth of overseas business

While expanding sales of models that have been successful in Japan in recent years, we will make maximum use of the capabilities of our local production subsidiaries in Thailand to aggressively develop and produce products and make further inroads into the Asian agricultural machinery market, which has become more active in recent years. In sales, we will strive to expand sales through more detailed market development and marketing by utilizing local human resources in each country.

(4) Further growth of existing businesses

In the agricultural machinery field, in addition to the development of smart agricultural equipment, we will develop products that apply IoT and sensor technologies, develop products with new environmentally friendly engines, and expand our battery product lineup. In the industrial machinery field, we will develop pump products for new applications and strive to further expand our business both in Japan and overseas.

(5) Strengthening financial position, risk management, and human resource development

We will strengthen our financial position by drastically revising our management methods for both product and parts inventories and by working to reduce inventories. In addition, we will upgrade and implement BCM (Business Continuity Management) to avoid various risks. Furthermore, we will strive to hire, train, and develop a wide variety of human resources for the future expansion of our business activities.

7th Medium-Term Management Plan (FY 9/2020 to FY 9/2022)

◆ Medium-term Management Plan Concept: “To Achieve Sustainable Growth”

- 1. Profitability improvement
 - ◆ Quality measures
 - ◆ Strengthening of financial position
- 2. Sparking innovation
 - ◆ Growth of industrial machinery and overseas business
 - ◆ Smart agriculture expansion

Numerical management targets (for FY 9/2022)

Net sales	37,700 million yen	Operating income	1,500 million yen	ROE	6.0% or higher
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(Note) On November 12, 2021, we revised our numerical management targets to 37,700 million yen for net sales, 1,500 million yen for operating income, and 6.0% or higher for ROE.

1. Profitability improvement

1. Profitability improvement

Production Division

- ◆ Stable quality
- ◆ Acceleration of product development
- ◆ Shortening of lead time for procurement
- ◆ Cost reduction

Administration Division

- ◆ Sustainable growth in mature markets
- ◆ After-sales market strategy
- ◆ Creation of synergy with industrial machinery business



Administration Division

- ◆ Human resources development and system reform
- ◆ Strengthening of our financial position
- ◆ Strengthening of BCP

2. Sparking innovation



To grow industrial machinery business

- ◆ Strengthen product strategy for MUFB products, etc.
- ◆ Sell high value-added finished products



To grow overseas business

- ◆ Develop products suited to local needs
- ◆ Build sales channels



To expand into smart agriculture

- ◆ Strengthen R&D and enrich the line-up of large machinery, drones and battery products
- ◆ Acquire software, system and service skills
- ◆ Form alliance and cooperation with companies in other industries



To grow service business

- ◆ Expand the after-sales market
- ◆ Respond quickly to changes in the market and demand
- ◆ Enhance our service organization
- ◆ Gain better grasp of end-user information

Results of management indicators

In the 7th Medium-Term Management Plan, as stated in “2. Sparking innovation,” we have been engaged in activities to expand sales in the industrial machinery business and overseas business, to enter the smart agriculture business, and to enhance after-sales service. As a result, net sales and operating income increased, and we were able to achieve our management targets of 39,639 million yen in net sales, 1,521 million yen in operating income, and 6.6% in ROE.

Going forward, we will strive for further growth by steadily implementing the various initiatives described in the 8th Medium-Term Management Plan on the next page.

Net sales	39,639 million yen	Operating income	1,521 million yen	ROE	6.6%
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Social issues

- Procurement difficulties and material price hikes
- Shortage of human and labor resources
- Global food and water shortages
- Environmental issues
- Countermeasures against viruses
- International political and economic issues

2030 long-term management vision

- To strengthen ESG management for SDGs
- To enter growing markets as a social contribution enterprise

Targets

- To solve social issues in the areas of food, water, and the environment
- To reduce CO₂ emissions by 50%
- To hire 7 female managers

8th Medium-Term Management Plan (FY 9/2023 – FY 9/2027)

◆ Medium-term Management Plan Concept: “Creation of Growth Businesses”

Strengthen ESG management

Aggressive ESG

Food, water and environmental markets
Social contribution

Defensive ESG

To create a sustainable structure
To strengthen risk management, investment, and governance



- ◆ To further evolve MUFB technology and promote smart agriculture
- ◆ To improve existing technologies
- ◆ To strengthen quality measures and product safety systems

- ◆ To develop new markets and grow existing markets in Japan
- ◆ To expand resources to Asian markets
- ◆ To achieve an overseas sales ratio of 35%
- ◆ To strengthen the after-sales market



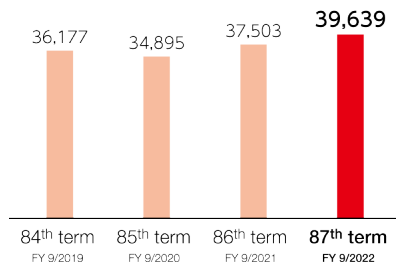
- ◆ To bolster brand strength and governance
- ◆ To reform workstyles, ensure occupational safety, and improve employee satisfaction
- ◆ To increase profitability and strengthen financial position
- ◆ To create an innovative organizational culture through Maruyama-style DX

Numerical management targets (for FY 9/2027)

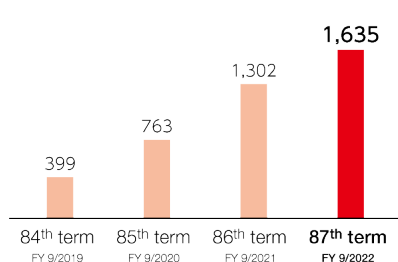
Net sales	48,000 million yen	Operating income	2,800 million yen	ROE	7.5%
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6. Changes in assets and profit/loss (consolidated)

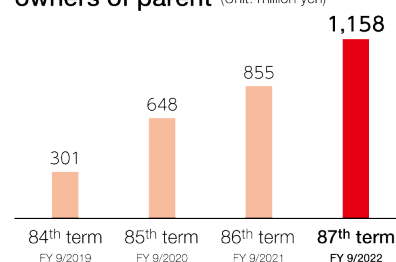
Net sales (Unit: million yen)



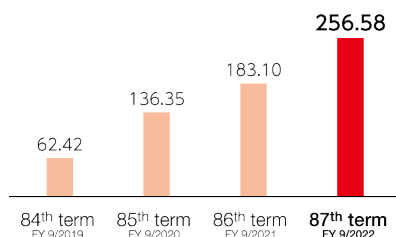
Ordinary income (Unit: million yen)



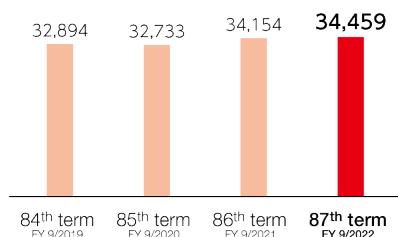
Net income attributable to owners of parent (Unit: million yen)



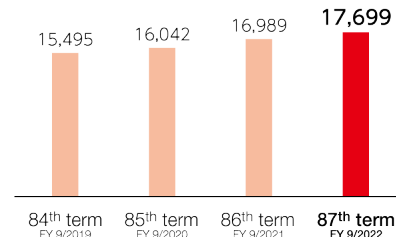
Net income per share (Unit: yen)



Total assets (Unit: million yen)



Net assets (Unit: million yen)



Item	By term	84 th term	85 th term	86 th term	87 th term
		FY 9/2019	FY 9/2020	FY 9/2021	FY 9/2022
Net sales	(Million yen)	36,177	34,895	37,503	39,639
Ordinary income	(Million yen)	399	763	1,302	1,635
Net income attributable to owners of parent	(Million yen)	301	648	855	1,158
Net income per share		62.42 yen	136.35 yen	183.10 yen	256.58 yen
Total assets	(Million yen)	32,894	32,733	34,154	34,459
Net assets	(Million yen)	15,495	16,042	16,989	17,699

(Notes)

- Net income per share is calculated based on the average number of shares outstanding during the term. The average number of shares outstanding during the term is calculated excluding treasury shares. For the number of treasury shares, please refer to the notes under "II Matters concerning the company's stock" below.
- "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied since the beginning of the current consolidated fiscal year, and the figures for the current consolidated fiscal year are those after the application of such accounting standards.

7. Status of important subsidiaries

Corporate name	Capital	Our company's shareholding ratio	Description of primary business
Nippon Kreis Co., Ltd.	95 million yen	100%	Manufacturing and sale of agricultural and forestry machinery

(Note)

There are 9 consolidated subsidiaries including the above important subsidiary.

8. Description of primary business

Division	Product line-up	
Agricultural and forestry machinery	Pest control equipment	Power sprayers, power dispersers and large pest control equipment
	Forestry machinery	Bush cutters, chain saws and hedge trimmers
	Parts	Attachments and accessory parts
	Others	Paddy ditch cutters, blowers, irrigation pumps, etc.
Industrial machinery	High-pressure pumps for industrial use, high-pressure cleaners and accessory parts	
Other machinery	Fire extinguishers, disaster prevention-related equipment and accessory parts, machinery for environmental sanitation, and others	
Real estate leasing, etc.	Real estate leasing and electricity sales	

9. Main sales offices and factories

(1) Our company

Name	Location	Name	Location	Name	Location
Head Office	Chiyoda-ku, Tokyo	Yamanashi Sales Office	Fuefuki-shi, Yamanashi	Hiroshima Sales Office	Hiroshima-shi, Hiroshima
Hokkaido Sales Office	Ebetsu-shi, Hokkaido	Ibaraki Sales Office	Tsuchiura-shi, Ibaraki	Shikoku Sales Office	Kanonji-shi, Kagawa
Aomori Sales Office	Towada-shi, Aomori	Kita-Kanto Sales Office	Kanuma-shi, Tochigi	Fukuoka Sales Office	Kurume-shi, Fukuoka
Akita Sales Office	Akita-shi, Akita	Chiba Sales Office z	Togane-shi, Chiba	Kumamoto Sales Office	Ozu-cho, Kikuchi-gun, Kumamoto
Iwate Sales Office	Yahaba-cho, Shiwa-gun, Iwate	Shizuoka Sales Office	Fujieda-shi, Shizuoka	Minami-Kyushu Sales Office	Kagoshima-shi, Kagoshima
South Tohoku Sales Office	Tendo-shi, Yamagata	Nagoya Sales Office	Toyota-shi, Aichi	Chiba Factory	Togane-shi, Chiba
Fukushima Sales Office	Ten-ei-mura, Iwase-gun, Fukushima	Hokuriku Sales Office	Kanazawa-shi, Ishikawa	Togane No. 2 Factory	Togane-shi, Chiba
Niigata Sales Office	Nagaoka-shi, Niigata	Osaka Sales Office	Ibaraki-shi, Osaka	Kagamino Office	Kagamino-cho, Tomata-gun, Okayama
Nagano Sales Office	Shiojiri-shi, Nagano	Okayama Sales Office	Kagamino-cho, Tomata-gun, Okayama	Fukushima Office	Ten-ei-mura, Iwase-gun, Fukushima

(Note)

As of October 1, 2022, the names of South Tohoku Sales Office and Miyagi Office were changed to Miyagi Sales Office.

(2) Subsidiaries

Corporate name	Head office location	Base location
Nippon Kreis Co., Ltd.	Togane-shi, Chiba	
Maruyama Excell Co., Ltd.	Chiyoda-ku, Tokyo	East Japan Sales Office (Chiba), West Japan Sales Office (Osaka) and Chiba Factory (Chiba)
MARUYAMA U.S., INC.	Texas, U.S.A.	
Seibu Maruyama Co., Ltd.	Kagamino-cho, Tomata-gun, Okayama	
Maruyama Logistics Co., Inc.	Ten-ei-mura, Iwase-gun, Fukushima	Chiba Center (Chiba Prefecture)
Futaba Shoji Co., Ltd.	Fuefuki-shi, Yamanashi	
MARUYAMA MFG(THAILAND) CO., LTD.	Chonburi, Thailand	
Maruyama (Shanghai) Trading Co., Inc.	Shanghai, China	
ASIAN MARUYAMA (THAILAND) CO.,LTD.	Chonburi, Thailand	

(Note)

In October 2021, we acquired the shares of Futaba Shoji Co., Ltd., making it a consolidated subsidiary in the current consolidated fiscal year.

10. Status of employees

(1) Consolidated

Segment name	Number of employees	Changes from the end of the previous term
Agriculture and forestry machinery	686	Up 4 employees
Industrial machinery	157	Up 29 employees
Other machinery	65	Up 2 employees
Company-wide (common)	44	-
Total	952	Up 35 employees

(2) Non-consolidated

Segment name	Number of employees	Changes from the end of the previous term
Agriculture and forestry machinery	407	Down 25 employees
Industrial machinery	131	Up 16 employees
Other machinery	11	-
Company-wide (common)	44	-
Total	593	Down 9 employees

11. Major lenders

Lenders	Amount of loan (million yen)
Mizuho Bank, Ltd.	751
Norinchukin Bank	668
Chiba Kogyo Bank, Ltd.	331
Sumitomo Mitsui Trust Bank, Limited	275
Mizuho Trust & Banking Co., Ltd.	262

II Matters concerning the company's stock

1. Total number of authorized shares	13,906,100
2. Total number of outstanding shares	5,029,332 (including 598,572 treasury shares)
3. Number of shares per trading lot	100
4. Number of shareholders	5,779

5. Major shareholders (top 10)

Name of shareholder	Number of shares held (thousand)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	295	6.67
Maruyama Mfg. Partners Shareholding Association	244	5.51
Mizuho Bank, Ltd.	210	4.74
Norinchukin Bank	205	4.63
Maruyama Mfg. Employees Shareholding Association	163	3.68
Chiba Kogyo Bank, Ltd.	162	3.67
KUBOTA Corporation	95	2.15
Mizuho Trust & Banking Co., Ltd.	90	2.03
Custody Bank of Japan, Ltd. (trust account)	83	1.88
Sumitomo Mitsui Trust Bank, Limited	73	1.66

(Notes)

1. Our company holds treasury shares (504,172 shares), which are not included in the above table.
2. The shareholding ratio is calculated excluding treasury shares (598,572 shares). As of September 30, 2022, 94,400 shares of our company's stock held by Custody Bank of Japan, Ltd. (trust E account) are included in the number of treasury shares, and are therefore not included in the table above.
Bank of Japan, Ltd. (trust E account) are included in the number of treasury shares, and are therefore not included in the table above.

6. Shares issued to corporate officers as remuneration for the execution of their duties during the fiscal year under review

	Number of shares	Number of persons to whom shares were delivered
Directors (excluding members of the audit and supervisory committee)	-	-
Executive officers	-	-
Executive officers (subsidiaries)	600	1

7. Other important matters concerning shares

None.

III Matters concerning share acquisition rights of our company

None.

IV Items regarding executives

1. Directors' names, etc.

Name	Post	Responsibility and important concurrent post
Masanobu Ogashira	Representative Director Director and Chairman	
Takaharu Uchiyama	Representative Director Director and President	Representative Director and President of Maruyama Excell Co., Ltd.
Takahiro Ishimura	Managing Director	Head of Marketing Dept. and Head of Domestic Marketing Dept. Representative Director and President of Maruyama Logistics Co., Inc. Director and Chairman of Maruyama U.S., Inc. Director and President of Asian Maruyama (Thailand) Co., Ltd.
Kosuke Ohira	Managing Director	General Manager of Production Division and Manager of Chiba Factory Representative Director and President of Nippon Kreis Co., Ltd. Representative Director and President of Seibu Maruyama Co., Ltd. Director and Chairman of Maruyama MFG (Thailand) Co., Ltd.
Makoto Takatori	Director	General Manager of Administration Division and Accounting Section Chief
Hiroyuki Hatano	Outside Director Full-time audit and supervisory committee member	
Atsushi Toki	Outside Director Audit and supervisory committee member	Lawyer Outside auditor of Midori Anzen Co., Ltd. Outside auditor of Nippon Steel Texeng Co., Ltd. Outside Director of Ajinomoto Co., Inc. Outside Director of GEOSTR Corporation Outside auditor of SECROTEC Co., Ltd.
Takashi Sekigawa	Outside Director Audit and supervisory committee member	Outside auditor of Kyodo Milk Industry Co., Ltd.

(Notes)

1. Managing Director Kosuke Ohira resigned from Director and Chairman of Maruyama MFG (Thailand) Co., Ltd. on October 1, 2022.
2. Director Makoto Takatori retired from the Accounting Section Chief, Accounting Department, on October 1, 2022
3. Three outside directors, Hiroyuki Hatano, Atsushi Toki, and Takashi Sekigawa, have been registered in the Tokyo Stock Exchange as independent officers.
4. Makoto Miyanishi, Outside Director, retired from his position at the end of the 86th Ordinary General Meeting of Shareholders held on December 21, 2021.
5. Toshihiro Kamakura, Director, resigned at the end of the 86th Ordinary General Meeting of Shareholders held on December 21, 2021
6. Atsushi Toki, Outside Director, assumed the position of outside auditor of SECROTEC Co., Ltd. in August 2022.
7. Takashi Sekigawa, Outside Director, resigned from Outside Director of Starzen Co., Ltd. in June 2022.
8. In order to strengthen the audit and supervisory function of the audit and supervisory committee, our company has appointed Mr. Hiroyuki Hatano as a full-time audit and

supervisory committee member to collect information from directors (excluding audit and supervisory committee members), share information at important internal meetings, and enable sufficient cooperation between the Internal Audit Department and the audit and supervisory committee.

2. Matters concerning remuneration for directors

(1) Total amount of directors' remuneration, etc.

Classification	Total amount of remuneration, etc. (million yen)	Total amount of remuneration by type (million yen)			Number of eligible directors and auditors
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration, etc.	
Director (excluding audit and supervisory committee members)	160	149	11	-	5
Director (audit and supervisory committee members)	37	37	-	-	5
(Outside Director)	(34)	(34)	(-)	(-)	(4)
Total	198	186	11	-	10

(Note)

- The above includes one director (audit and supervisory committee member) who retired and one director (audit and supervisory committee member) who resigned during the current fiscal year.
- Details of performance-linked remuneration are as described in "(2) Performance-linked remuneration" on page 34.

(2) Policy for determining directors' remuneration, etc.

1. Basic policy

We shall position the remuneration system for directors as a mechanism to realize continuous enhancement of our group's corporate value and sustainable growth over the medium to long term, based on our basic philosophy of corporate governance, and shall establish and operate the system in accordance with the following points:

- The remuneration system shall promote the improvement of short-term and medium/long-term business performance and corporate value.
- The type and level of remuneration shall be commensurate with the responsibilities, performance and results of each director within the range determined at a general meeting of shareholders.
- The Executive Remuneration Advisory Committee, the majority of which are composed of outside directors, shall ensure objectivity and transparency through deliberations.

The Board of Directors has confirmed that the method of determining the details of remuneration, etc. for each individual director for the current fiscal year and the details of remuneration, etc. determined are consistent with such policy, and that the report from the Executive Remuneration Advisory Committee is duly taken into consideration, and we have concluded that the remuneration is in line with such determination policy.

2. Policy on remuneration standards

(1) Executive directors (excluding those who are members of the audit and supervisory committee)

The remuneration for executive directors consists of three types of remuneration: basic remuneration as monetary compensation; performance-linked remuneration linked to the performance of the company, divisions, and individuals; and transfer-restricted stock remuneration. As the total amount of remuneration for executive directors, the amount of monetary remuneration is set at no more than 300 million yen per year by a resolution of the 82nd Ordinary General Meeting of Shareholders held on December 19, 2017. As of the end of said general meeting of shareholders, the number of eligible directors is 7. In addition, the amount of remuneration under the transfer-restricted stock remuneration, which is separate from monetary remuneration, is set at no more than 30 million yen per year by a resolution of the 84th Ordinary General Meeting of Shareholders held on December 19, 2019. The number of eligible directors as of the end of said general meeting of shareholders is 6.

(1) Basic remuneration

The level of remuneration is fixed on a monthly basis and is determined according to the director's position in the company's remuneration regulations. The level of remuneration will not fluctuate in the short term, but may be reviewed in the event of changes in the company's performance. In addition, in order to clarify management responsibility, the amount of remuneration will be reduced in the event of a significant decline in performance or in the event of misconduct.

(2) Performance-linked remuneration

Performance-linked remuneration consists of two components: performance and results-linked remuneration and single-year performance-linked remuneration.

a. Performance and results-linked remuneration

This is a monthly remuneration that fluctuates annually based on the company's performance in the previous fiscal year, the performance of the division in charge, and individual results. The amount of individual remuneration for directors is determined by Representative Director and President after deliberation by the Executive Remuneration Advisory Committee based on the evaluation conducted by Representative Director and President using the director performance evaluation chart specified in the regulations and other materials. In accordance with the resolution of the Board of Directors, the Executive Remuneration Advisory Committee shall deliberate on the amount of individual remuneration and delegate the authority to decide the remuneration to Takaharu Uchiyama, Representative Director and President. The reason for this delegation is that the company believes that the Representative Director is best suited to evaluate the divisions for which each Director is responsible while taking into consideration the company's overall business performance.

b. Single-year performance-linked remuneration

The monetary remuneration will reflect the Key Performance Indicators (KPI) determined to raise awareness of the need to improve performance for each fiscal year, and will be paid as a bonus at a certain time each year according to the degree of achievement of the target figures for each fiscal year. Specific performance indicators and the amount to be paid will be determined by the Board of Directors after deliberation by the Executive Remuneration Advisory Committee.

(3) Transfer-restricted stock remuneration

After setting a transfer restriction period in conjunction with the Medium-term Management Plan, common shares of the company ("the shares") will be issued with the aim of providing incentives to continuously improve the company's corporate value and to further improve value sharing with shareholders. Specific performance indicators and the number of shares to be delivered will be determined by the Board of Directors after deliberation by the Executive Remuneration Advisory Committee.

a. Transfer restriction period

The subject directors shall not transfer, create a security interest in, or dispose of the shares (the "transfer restriction") for a period of time specified by the company's Board of Directors between one year and three years (the "transfer restriction period").

b. Treatment upon retirement

If a subject director retires from the position predetermined by the company's Board of Directors during the period up to the time when whether or not the subject director has achieved the ordinary income and other performance targets predetermined by the company's Board of Directors (the "performance targets"), we shall naturally acquire the shares without compensation.

c. Cancellation of transfer restriction

On the condition that the subject director continuously holds the position predetermined by the Board of Directors of the company during the period up to the time when the company determines whether or not the performance targets have been achieved, and provided that the performance targets have been achieved, it shall cancel the transfer restriction with respect to all of the shares at the time when the transfer restriction period expires. In addition, our company will naturally acquire without any compensation the shares for which the transfer restriction has not yet been lifted as of the time immediately following said lifting of the restriction.

d. Treatment in the event of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement under which the company shall become a defunct company, a share exchange agreement under which the company shall become a wholly owned subsidiary, a share transfer plan, or any other matters relating to organizational restructuring, etc. are approved at a general meeting of shareholders of the company (however, if such organizational restructuring, etc. does not require approval at a general meeting of shareholders, then the Board of Directors of the company shall approve such matters), the company will acquire the shares without compensation.

e. Other matters

Other matters shall be determined by the Board of Directors of the company.

(2) Directors who are members of the audit and supervisory committee

In consideration of their roles, the remuneration of directors who are members of the audit and supervisory committee shall consist solely of a monthly fixed remuneration, which shall be determined through discussions by the audit and supervisory committee, taking into consideration the distribution of duties, within the limit of the total amount of remuneration resolved at the general meeting of shareholders. The total amount of such remuneration is set at no more than 84 million yen per year by resolution of the 82nd Ordinary General Meeting of Shareholders held on December 19, 2017. As of the end of the said general meeting of shareholders, the number of eligible directors is 3.

3. Policy on determination of the ratio of remuneration for each individual director

The Executive Remuneration Advisory Committee will consider the ratio of remuneration for each type of executive directors based on benchmark remuneration levels set by companies of similar business size and in related industries and business categories. The Board of Directors will respect the report of the Executive Remuneration Advisory Committee and determine the details of remuneration, etc. for each individual director within the range of the ratio of remuneration, etc. by type as indicated in the said report. The standard ratio for each type of remuneration, etc. is as follows: basic remuneration: performance-linked remuneration: transfer-restricted stock remuneration = 5:4:1 (in the case of achievement of performance indicators).

3. Matters concerning outside directors and outside audit and supervisory committee members

(1) Significant concurrent positions and relationships with the company

(i) Atsushi Toki, Director, concurrently serves as outside auditor of Midori Anzen Co., Ltd., outside auditor of Nippon Steel Texeng Co., Ltd., Outside Director of Ajinomoto Co., Inc., Outside Director of GEOSTR Corporation, and outside auditor of SECROTEC Co., Ltd. There is no special relationship between the company and Midori Anzen, Nippon Steel Texeng, Ajinomoto, GEOSTR, and SECROTEC.

(ii) Takashi Sekigawa, Director, concurrently serves as outside auditor of Kyodo Milk Industry Co., Ltd., but there is no special relationship between the company and Kyodo Milk Industry. In addition, Mr. Sekigawa served concurrently as Outside Director of our company and Starzen Co., Ltd., but there is no special relationship between our company and Starzen Co., Ltd.

(2) Major activities during the current fiscal year

	Attendance at Board of Directors meetings and audit and supervisory committee meetings	Statements made at Board of Directors meetings and audit and supervisory committee meetings Summary of duties performed in relation to roles expected of outside directors
Director Hiroyuki Hatano	Board of Directors: 13/13 (100%) Audit and supervisory committee: 14/14 (100%) Executive Selection Advisory Committee: 2/2 (100%) Executive Remuneration Advisory Committee: 2/2 (100%)	As a full-time audit and supervisory committee member, he asked questions and expressed his opinions on proposals, deliberations, etc., as appropriate and as necessary, based on his abundant experience at other companies and from various perspectives.
Director Atsushi Toki	Board of Directors: 12/13 (92%) Audit and supervisory committee: 13/14 (93%) Executive Selection Advisory Committee: 2/2 (100%) Executive Remuneration Advisory Committee: 1/2 (50%)	He asked questions and expressed his opinions on proposals, deliberations, etc. as necessary based on his abundant experience as an attorney and from professional perspectives.
Director Takashi Sekigawa	Board of Directors: 10/10 (100%) Audit and supervisory committee: 10/10 (100%) Executive Selection Advisory Committee: 2/2 (100%) Executive Remuneration Advisory Committee: 0/0 (0%)	Since assuming his position on December 21, 2021, he has asked questions and expressed his opinions on proposals, deliberations, etc., as appropriate and as necessary, based on his abundant experience at other companies and from various perspectives.

4. Matters concerning liability limitation agreement

An agreement between our company and each director (excluding executive directors) limits the liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability based on the contract is the minimum liability limit stipulated by laws and regulations.

5. Matters concerning directors and officers liability insurance contract

Our company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which covers damages that may arise from an insured person being held liable for the performance of his/her duties or being subject to claims related to the pursuit of such liability. However, there are certain exclusions of liability, such as not covering damages caused by acts committed with the knowledge that such acts are in violation of laws and regulations.

The insured under such insurance contract are the company's directors (including directors who are members of the audit and supervisory committee), directors and audit and supervisory committee members of its subsidiaries. The premiums for all those insured are fully borne by our company.

V Matters concerning an accounting auditor

1. Name Seinan Audit Corporation

2. Amount of remuneration, etc.

(1)	Amount of remuneration to the accounting auditor for the current fiscal year	25 million yen
(2)	Total amount of cash and other financial benefits payable by the company and its subsidiaries	25 million yen

(Notes)

1. The audit contract between our company and the accounting auditor does not distinguish between remuneration, etc. for audits based on the Companies Act and remuneration, etc. for audits based on the Financial Instruments and Exchange Act, and since it is practically impossible to distinguish between the two, the amount of remuneration, etc. in 1) is stated as the sum of these amounts.
2. The audit and supervisory committee decided to consent to the amount of remuneration, etc. of the accounting auditor as stipulated in Article 399, Paragraph 1 of the Companies Act after reviewing the details of the audit, the performance of duties, and the estimated amount of remuneration of the accounting auditor.

3. Non-audit services

There are no applicable matters.

4. Policy on dismissal or non-reappointment of an accounting auditor

The audit and supervisory committee shall dismiss the accounting auditor with the unanimous consent of all audit and supervisory committee members if the accounting auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and dismissal is deemed appropriate.

In addition, the audit and supervisory committee shall decide the content of the proposal for dismissal or non-reappointment of the accounting auditor to be submitted to the general meeting of shareholders when it is deemed that any event has occurred that would impede the accounting auditor from conducting proper audits, etc.

5. Matters concerning liability limitation agreement

Our company and the accounting auditor have entered into an agreement to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability based on this agreement is the minimum liability amount stipulated in laws and regulations.

VI Company structure and policies

I. System to ensure the appropriateness of business operations

The Board of Directors of our company has established and put into practice the following ten items as a system to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and systems to ensure the appropriateness of business operations of our company and its subsidiaries.

- (1) System to ensure that the execution of duties by directors and employees of the corporate group consisting of our company and its subsidiaries (“our corporate group”) complies with laws and regulations and the Articles of Incorporation
 - (i) Our company regards compliance as one of the most important management issues and distributes the “Maruyama Group Compliance Manual,” which was formulated by the CSR Committee and established by the Board of Directors, to all executives and employees of our corporate group, and periodically conducts awareness-raising and training programs to instill a compliance mindset.
 - (ii) In preparation for the occurrence of compliance problems, we shall establish a reporting and consultation hotline to receive whistleblower reports from within and outside our corporate group and maintain a whistleblower system that provides checks, prevents problems and responds promptly. We will also ensure the protection of whistleblowers in accordance with the “Whistleblower Protection Regulations.”
 - (iii) We shall not have any relationship, including business transactions, with antisocial forces or groups that threaten the order and safety of civil society. We will also take a resolute stance against unjustified demands. To this end, we will establish necessary systems, including a department in charge and a method of response.
- (2) System for the storage and management of information related to the execution of duties by the company’s directors
 - (i) In accordance with the Articles of Incorporation and the Rules of the Board of Directors, minutes of the general meeting of shareholders and the Board of Directors meetings shall be prepared, stored and managed appropriately. In the same manner, the company shall properly store and manage related reference materials.
 - (ii) Minutes and reference materials of important internal meetings such as business execution meetings, management meetings, joint management meetings, and various committees shall be prepared, stored, and managed appropriately in accordance with the Document Management Regulations.
 - (iii) Approval documents for directors shall be properly stored and managed in accordance with the provisions of the Approval Document Regulations.
- (3) Regulations and other systems for managing the risk of loss for our corporate group
 - (i) In preparation for the occurrence of serious risks to corporate management (large-scale accidents, disasters, scandals, disputes, etc.), the director in charge of crisis management shall periodically review and enhance the “Crisis Management Response Manual” and take measures to prevent the occurrence of such problems. In addition, we will operate Business Continuity Management (BCM) to ensure business continuity, and review the Business Continuity Plan (BCP) and related manuals in a timely manner.

- (ii) In the event of a significant problem involving our corporate group, the director in charge of crisis management shall promptly convene a meeting of the CSR Committee to discuss countermeasures, and the designated director in charge shall implement the countermeasures appropriately.
- (4) System to ensure the efficient execution of duties by directors of our corporate group
 - (i) Our company will maintain an internal system that enables prompt and rational decision-making through the appropriate use of such meeting bodies as the business execution meetings, management meetings, joint management meetings, and the CSR Committee.
 - (ii) We will enhance the internal system that enables the efficient execution of duties by reviewing and improving internal regulations such as the distribution of duties among directors, segregation of duties among divisions, and authority of duties.
 - (iii) The Internal Audit Office, which reports directly to the President, will audit the business operations of the entire company, including group companies, in accordance with internal audit standards.
- (5) System to ensure the appropriateness of business operations in our corporate group
 - (i) Our company shall establish a system to ensure the appropriateness of the group's business operations by holding business execution meetings and management meetings consisting of the principal executives (including a full-time audit and supervisory committee member) of our corporate group and joint management meetings consisting of all executives of our corporate group, based on an annual plan, to communicate and exchange information through regular reports on the financial status and other important information of the group companies.
 - (ii) In the event that our corporate group is found to have committed an improper act or a serious violation of laws/regulations, the Articles of Incorporation, or internal regulations, or any other act that may be a concern from a risk management perspective, the directors of our corporate group shall report such act to the director in charge of crisis management. Upon receipt of the report, the director in charge of crisis management shall promptly convene a meeting of the CSR Committee, investigate the facts, and take necessary measures to avoid or mitigate the risk.
 - (iii) Our corporate group shall comply with all laws and regulations, including the Code of Conduct, as described in the "Maruyama Group Compliance Manual."
- (6) Matters concerning the employees to assist the audit and supervisory committee in the event that the audit and supervisory committee requests the appointment of such employees (assistant employees)

Our company will assign one or more dedicated employees with extensive experience in the company's business to assist the audit and supervisory committee in its duties.
- (7) Matters concerning the independence of employees assisting the audit and supervisory committee from directors
 - (i) Employees assigned to assist the audit and supervisory committee shall not be subject to the direction and orders of directors other than members of the audit and supervisory committee.
 - (ii) When transferring, assigning, disciplining, or otherwise changing the employees assigned to the audit and supervisory committee, prior approval shall be obtained in coordination with the audit and supervisory committee.

- (8) System for reporting to the audit and supervisory committee by directors and employees of our corporate group as well as other systems related to reporting to the audit and supervisory committee
- (i) In the event that a director or employee of our corporate group discovers any improper act or a serious violation of laws/regulations, the Articles of Incorporation, or internal regulations, or any other act that may be a concern from a risk management perspective, he/she shall immediately report such matter to the director in charge of crisis management, who shall report the matter to the audit and supervisory committee without delay if such matter falls under the following items:
 - a. Matters that may cause significant damage to the company
 - b. Important matters related internal audit status and risk management
 - c. Material non-compliance, including reports through whistleblowing
 - d. Other important matters concerning the management of the company
 - (ii) If an employee assigned to the audit and supervisory committee discovers a material fact regarding the preceding paragraph, he/she shall report it directly to the audit and supervisory committee without delay.
 - (iii) We ensure that the reporter is protected so that he/she will not be treated disadvantageously for making such a report.
- 9) Other systems to ensure that audits by the audit and supervisory committee are conducted effectively
- (i) The departments of our corporate group shall promptly respond to and cooperate with investigations and information gathering by employees assigned to the audit and supervisory committee based on the instructions of the audit and supervisory committee.
 - (ii) When requested by the audit and supervisory committee to report on the execution of operations, the director or employee in charge will promptly make a report.
 - (iii) Audit and supervisory committee members may attend all important internal meetings and various committees, including the business execution meetings, management meetings, and joint management meetings without any conditions.
 - (iv) The Representative Directors, etc. and audit and supervisory committee members shall have opportunities to exchange information on a regular basis.
 - (v) Audit and supervisory committee members shall be able to receive advance payment and reimbursement of expenses necessary for the performance of their duties so as not to restrain their audit duties.
- (10) Establishment of a system to ensure the appropriateness of financial reporting
- (i) The Internal Audit Office shall appropriately evaluate the status of development and operation of the internal control system to ensure the appropriateness of financial reporting.
 - (ii) In order to make the internal control system more effective in ensuring the appropriateness of financial reporting, the Internal Control Promotion Committee shall play a central role in the development and appropriate operation of the system.

2. Overview of the operation of the system to ensure the appropriateness of business operations

(1) Execution of duties by directors

We have established the Rules of the Board of Directors and internal regulations to ensure that directors act in accordance with laws, regulations, and the Articles of Incorporation. In the fiscal year under review, the Board of Directors met 13 times, the business execution meetings met 12 times, the management meetings met 7 times, and the joint management meetings met twice.

(2) Execution of duties by the audit and supervisory committee

Audit and supervisory committee members conduct audits in accordance with the audit plan determined by the audit and supervisory committee, attend meetings of the Board of Directors, business execution meetings, management meetings, and joint management meetings, and regularly exchange information with Representative Directors, an accounting auditor, and the Internal Audit Office to audit the execution of duties by directors and confirm the status of the development and operation of internal controls.

(3) Internal audits

We conduct internal audits of our company and its group companies in accordance with the internal audit plan.

(4) Internal control over financial reporting

We evaluate internal control based on the basic policy for internal control over financial reporting.

VII Policy on determination of dividends from surplus, etc.

Our basic policy is to maintain stable dividends, while taking into consideration internal reserves necessary for future business development and projected business performance. Also, we consider it one of our important management issues to appropriately return profits to shareholders while maintaining sound management and responding to the future business environment, and we will continue to make efforts to enhance such returns.

Based on this basic policy, our Board of Directors decided on November 14, 2022 to pay a year-end dividend of 55 yen per share, with a payment date of December 23, 2022.

(1) Year-end dividend	55 yen per share (Total of 248,883,800 yen)
(2) Record date for year-end dividend	September 30, 2022
(3) Payment start date	Friday, December 23, 2022
(4) Dividend source	Retained earnings

(Note) Amounts shown in this business report are rounded down to the indicated unit.

Consolidated balance sheet (as of September 30, 2022)

Item	Amount
(Assets)	
Current assets	22,615,028
Cash and deposits	4,995,662
Notes receivable	92,968
Accounts receivable-trade	4,082,149
Electronically recorded monetary claims	3,062,946
Securities	51,073
Merchandise and finished products	5,792,479
Work in process	267,127
Raw materials and supplies	2,855,515
Other	1,423,581
Allowance for doubtful accounts	-8,476
Fixed assets	11,844,916
Property, plant, and equipment	7,931,377
Buildings and structures	3,298,553
Machinery, equipment and vehicles	1,028,892
Land	2,657,511
Construction in progress	537,547
Other	408,872
Intangible assets	52,879
Other	52,879
Investments and other assets	3,860,660
Investment securities	2,871,728
Deferred tax assets	751,451
Other	250,678
Allowance for doubtful accounts	-13,198
Total assets	34,459,945

Item	Amount
(Liabilities)	
Current liabilities	14,293,500
Notes and accounts payable-trade	2,029,784
Electronically recorded obligations	6,754,770
Short-term borrowings	2,615,848
Current portion of long-term borrowings	109,262
Corporate bonds redeemable within one year	10,000
Income taxes payable	299,325
Contract liabilities	185,362
Reserve for bonuses	552,845
Reserve for product warranties	125,084
Reserve for shareholder benefits	15,592
Other	1,595,625
Fixed liabilities	2,466,494
Corporate bonds	40,000
Long-term borrowings	51,121
Liabilities for retirement benefits	1,837,301
Deferred tax liabilities	147,002
Asset retirement obligation	176,597
Other	214,470
Total liabilities	16,759,995
(Net assets)	
Shareholders' equity	16,195,194
Capital	4,651,066
Capital surplus	4,514,110
Retained earnings	7,986,042
Treasury shares	-956,025
Accumulated other comprehensive income	1,426,122
Valuation difference on available-for-sale securities	996,333
Deferred gains or losses on hedges	148
Foreign currency translation adjustment	232,679
Cumulative adjustment related to retirement benefits	196,960
Non-controlling interest	78,633
Total net assets	17,699,950
Total liabilities and net assets	34,495,945

Note: The figures have been rounded off to the nearest thousand yen.

Consolidated profit-(from October 1, 2021 to September 30, 2022) and-loss statement

[Unit: thousand yen]

Item	Amount	
Net sales		39,639,995
Cost of sales		29,675,567
Gross profit		9,964,428
Selling and general administrative expenses		8,442,593
Operating income		1,521,834
Non-operating income		
Interest received	647	
Dividends received	80,713	
Insurance benefits received	24,501	
Other	113,034	218,897
Non-operating expenses		
Interest paid	36,520	
Loss on sale of receivables	14,973	
Non-deductible consumption tax, etc.	13,260	
Other	40,043	104,797
Ordinary income		1,635,934
Extraordinary income		
Gain from sale of fixed assets	4,825	
Gain from sale of investment securities	19,400	
Gain from negative goodwill	63,857	88,083
Extraordinary loss		
Loss on disposal of fixed assets	143,586	143,586
Net income before taxes and other adjustments		1,580,431
Income taxes-current	356,102	
Income taxes in previous fiscal years	25,484	
Deferred income taxes	36,805	418,393
Net income		1,162,038
Net income attributable to non-controlling interest		3,589
Net income attributable to owners of parent		1,158,448

Note: The figures have been rounded off to the nearest thousand yen.

Balance sheet (as of September 30, 2022)

Item	Amount
(Assets)	
Current assets	20,864,313
Cash and deposits	3,109,192
Notes receivable	34,912
Electronically recorded monetary claims	3,043,063
Accounts receivable-trade	3,595,899
Securities	51,073
Merchandise and finished products	3,962,463
Work in process	213,165
Raw materials and supplies	1,657,161
Accounts receivable-other	3,343,772
Other	1,899,693
Allowance for doubtful accounts	-46,084
Fixed assets	11,880,045
Property, plant, and equipment	6,895,519
Buildings	2,969,284
Structures	122,663
Machinery and equipment	699,798
Vehicles	3,893
Tools, furniture and fixtures	189,048
Land	2,547,440
Lease assets	18,427
Construction in progress	344,963
Intangible assets	52,244
Other	52,244
Investments and other assets	4,932,280
Investment securities	2,836,513
Shares of affiliates	1,285,816
Investment in capital	2,408
Investment in affiliates	126,026
Long-term loans to affiliates	37,900
Deferred tax assets	511,117
Other	244,784
Allowance for doubtful accounts	-112,285
 Total assets	 32,744,359

[Unit: thousand yen]

Item	Amount
(Liabilities)	
Current liabilities	16,035,261
Notes payable	12,891
Electronically recorded obligations	4,206,811
Accounts payable-trade	5,427,733
Short-term borrowings	3,350,000
Current portion of long-term borrowings	100,000
Accounts payable-other	1,728,610
Income taxes payable	216,225
Contract liabilities	160,544
Reserve for bonuses	417,838
Reserve for product warranties	89,537
Notes payable-equipment	2,051
Reserve for shareholder benefits	15,592
Other	307,424
Fixed liabilities	2,008,826
Liabilities for retirement benefits	1,645,421
Long-term deposits payable	119,099
Asset retirement obligation	176,597
Other	67,708
Total liabilities	18,044,088
(Net assets)	
Shareholders' equity	13,705,034
Capital	4,651,066
Capital surplus	4,514,110
Capital reserve	1,225,143
Other capital surplus	3,288,967
Retained earnings	5,495,882
Other retained earnings	5,495,882
Reserve for reduction entry	6,040
General reserve	1,100,000
Retained earnings carried forward	4,389,841
Treasury shares	-956,025
Valuation and translation adjustments	995,236
Valuation difference on available-for-sale securities	995,087
Deferred gains or losses on hedges	148
Total net assets	14,700,270
Total liabilities and net assets	32,744,359

Note: The figures have been rounded off to the nearest thousand yen.

Profit-and-loss (from October 1, 2021 to September 30, 2022)

statement

[Unit: thousand yen]

Item	Amount	
Net sales		35,967,692
Cost of sales		27,970,976
Gross profit		7,996,715
Selling and general administrative expenses		7,326,301
Operating income		670,414
Non-operating income		
Interest received	13,308	
Dividends received	82,294	
Exchange gain	137,041	
Other	138,170	370,815
Non-operating expenses		
Interest paid	36,519	
Loss on sale of receivables	14,973	
Other	26,778	78,271
Ordinary income		962,957
Extraordinary income		
Gain from sale of fixed assets	2,572	
Gain from sale of investment securities	19,400	21,972
Extraordinary loss		
Loss on disposal of fixed assets	143,407	143,407
Net income before taxes		841,523
Income taxes-current	267,234	
Income taxes in previous fiscal years	27,098	
Deferred income taxes	-57,762	236,570
Net income		604,952

Note: The figures have been rounded off to the nearest thousand yen.

Certified copy of the audit report on consolidated financial statements by accounting auditor

Audit Report by Independent Auditor

November 14, 2022

To the Board of Directors of Maruyama Mfg. Co., Inc.

Seinan Audit Corporation
Minato-ku, Tokyo

Representative Partner, Executive Member	Certified Public Accountant	Takeshi Onogi
Executive Member	Certified Public Accountant	Miho Toriumi

Audit opinions

Our audit corporation audited the consolidated financial statements (consolidated balance sheet, consolidated profit-and-loss statement, consolidated statements of changes in net assets, and notes to them) of Maruyama Mfg. Co., Inc. for the consolidated fiscal year from October 1, 2021 to September 30, 2022, in accordance with Article 444, Paragraph 4 of the Companies Act.

Our audit corporation confirmed that the above consolidated financial statements comply with the corporate accounting standards that are generally considered as fair and appropriate in Japan and appropriately indicate the statuses of assets, profit, and loss of the corporate group composed of Maruyama Mfg. Co., Inc. and its consolidated subsidiaries in the period covered by said consolidated financial statements in all important aspects.

Grounds for the audit opinions

Our audit corporation conducted this audit, in accordance with the audit standards that are generally considered as fair and appropriate in Japan. The responsibilities of our audit corporation in the audit standards are described in the section titled "Responsibilities of auditors in the audit of consolidated financial statements." Our audit corporation is independent of your company and consolidated subsidiaries in accordance with the Japanese regulations regarding professional ethics, and fulfills our ethical responsibilities as an auditor. Our audit corporation believes that we have obtained a sufficient amount of appropriate auditing evidence for expressing opinions.

Emphasized items

As mentioned in the section titled "Important subsequent events," your company and some consolidated subsidiaries changed the system for lump-sum retirement benefits to the defined-contribution pension system on October 1, 2022.

This does not affect the opinions of our audit corporation.

Other items

Other items are the business report and attached statements. Employers are responsible for producing and disclosing them. The audit and supervisory committee is responsible for overseeing the execution of duties of directors in determining and operating the process of reporting the other items.

Our audit corporation's opinions about the consolidated financial statements do not cover the other items. Our audit corporation does not express opinions about them.

When auditing the consolidated financial statements, our audit corporation is responsible for reading through the other items, checking whether or not there is any serious discrepancy between the contents of the other items and the consolidated financial statements or our knowledge obtained through the audit, and also checking whether or not there is any sign of significant errors in the other items other than serious discrepancies.

If our audit corporation finds any significant error in the other items during our audit, we are required to report this fact.

There are no other items to be reported regarding the other items.

Responsibilities of employers and the audit and supervisory committee with respect to the consolidated financial statements

Employers are responsible for producing and appropriately indicating the consolidated financial statements in accordance with the corporate accounting standards that are generally considered as fair and appropriate in Japan. Their responsibilities include the establishment and operation of an internal control system that is considered necessary by them for producing and appropriately indicating the consolidated financial statements that do not include serious false contents due to misconduct or error.

At the time of production of the consolidated financial statements, employers are responsible for judging whether or not it is appropriate to produce the consolidated financial statements under the going concern assumption, and disclosing the going concern items, if it is necessary to do so in accordance with the corporate accounting standards that are generally considered as fair and appropriate in Japan.

The audit and supervisory committee is responsible for overseeing the execution of duties of directors in determining and operating a financial reporting process.

Responsibilities of auditors when auditing the consolidated financial statements

Auditors are responsible for obtaining a reasonable guarantee about whether the consolidated financial statements have no serious false contents due to misconduct or error through their audits, and expressing their opinions about the consolidated financial statements from an independent viewpoint in their audit reports. False contents may be produced through misconduct or error. If such false contents are likely to individually or collectively affect the decision making of those who have read the consolidated financial statements, they are considered as material.

Auditors are supposed to make professional judgments and conduct the following while maintaining professional skepticism in the auditing process, in accordance with the auditing standards that are generally considered as fair and appropriate in Japan.

- To identify and evaluate material false indication risks due to misconduct or error, and then design and implement auditing procedures to cope with the material false indication risks. The selection and application of auditing procedures depend on the judgments of auditors. Furthermore, auditors obtain a sufficient volume of appropriate auditing evidence for expressing their opinions.
- The objective in auditing the consolidated financial statements is not to express opinions about the effectiveness of internal control, but auditors discuss the internal control related to audits, in order to design appropriate auditing procedures according to situations when evaluating risks.
- To evaluate the appropriateness of the accounting policy and its application method adopted by employers, the rationality of estimation in accounting carried out by employers, and the validity of related notes.

- To determine whether or not it is appropriate for employers to produce the consolidated financial statements under the going concern assumption and whether or not there are material uncertainties over the events or situations that would cause serious doubts about the going concern assumption, based on the obtained auditing evidence. If there is any material uncertainty over the going concern assumption, auditors need to give instructions about the notes of the consolidated financial statements, and if the notes of the consolidated financial statements regarding material uncertainties are not appropriate, auditors need to express their modified opinions of the consolidated financial statements in their audit reports. The conclusion of auditors is based on the auditing evidence they have obtained before the date of submitting their audit report, but there is a possibility that an enterprise will become unable to keep existing as a going business, according to future events or situations.
- To check whether or not the indication and notes of the consolidated financial statements comply with the corporate accounting standards that are generally considered as fair and appropriate in Japan and whether or not the indication, structure, and contents of the consolidated financial statements, including related notes, and transactions and accounting events based on the consolidated financial statements are indicated appropriately.
- To obtain a sufficient volume of appropriate auditing evidence regarding the financial information of your company and consolidated subsidiaries, in order to express opinions about the consolidated financial statements. Auditors are responsible for giving instructions on, supervising, and implementing the audit of consolidated financial statements. Auditors are responsible for their respective audit opinions.
Auditors report to the audit and supervisory committee the ranges of audits they planned, their dates, material findings in audits, such as serious defects in internal control founded during audits, and other items demanded by the auditing standards.
Auditors report to the audit and supervisory committee the observance of the Japanese regulations on professional ethics regarding independence, items that are reasonably considered to affect the independence of auditors, and the details of safeguard measures for removing or alleviating constraints if any.

Interests

Between your company or consolidated subsidiaries and our audit corporation or executive members, there are no interests that should be described in accordance with the Certified Public Accountants Act.

Certified copy of the audit report by accounting auditor

Audit Report by Independent Auditor

November 14, 2022

To the Board of Directors of Maruyama Mfg. Co., Inc.

Seinan Audit Corporation
Minato-ku, Tokyo

Representative
Partner,
Executive
Member

Certified
Public
Accountant

Takeshi Onogi

Executive
Member

Certified
Public
Accountant

Miho Toriumi

Audit opinions

Our audit corporation audited the financial statements (non-consolidated balance sheet, non-consolidated profit-and-loss statement, non-consolidated statements of changes in net assets, and notes to them) and attached statements (“the non-consolidated financial statements”) of Maruyama Mfg. Co., Inc. for the 87th fiscal year from October 1, 2021 to September 30, 2022, in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

Our audit corporation confirmed that the above non-consolidated financial statements comply with the corporate accounting standards that are generally considered as fair and appropriate in Japan and appropriately indicate the statuses of assets, profit, and loss in the period covered by said non-consolidated financial statements in all important aspects

Grounds for the audit opinions

Our audit corporation conducted this audit, in accordance with the audit standards that are generally considered as fair and appropriate in Japan. The responsibilities of our audit corporation in the audit standards are described in the section titled “Responsibilities of auditors in the audit of non-consolidated financial statements.” Our audit corporation is independent of your company in accordance with the Japanese regulations regarding professional ethics, and fulfills our ethical responsibilities as an auditor. Our audit corporation believes that we have obtained a sufficient amount of appropriate auditing evidence for expressing opinions.

Emphasized items

As mentioned in the section titled “Important subsequent events,” your company changed the system for lump-sum retirement benefits to the defined-contribution pension system on October 1, 2022.

This does not affect the opinions of our audit corporation.

Other items

Other items are the business report and attached statements. Employers are responsible for producing and disclosing them. The audit and supervisory committee is responsible for overseeing the execution of duties of directors in determining and operating the process of reporting the other items.

Our audit corporation’s opinions about the non-consolidated financial statements do not cover the other items. Our audit corporation does not express opinions about them.

When auditing the non-consolidated financial statements, our audit corporation is responsible for reading through the other items, checking whether or not there is any serious discrepancy between the contents of the other items and the non-consolidated financial statements or our knowledge obtained through the audit, and also checking whether or not there is any sign of significant errors in the other items other than serious discrepancies.

If our audit corporation finds any significant error in the other items during our audit, we are required to report this fact.

There are no other items to be reported regarding the other items.

Responsibilities of employers and the audit and supervisory committee with respect to the non-consolidated financial statements

Employers are responsible for producing and appropriately indicating the non-consolidated financial statements in accordance with the corporate accounting standards that are generally considered as fair and appropriate in Japan. Their responsibilities include the establishment and operation of an internal control system that is considered necessary by them for producing and appropriately indicating the non-consolidated financial statements that do not include serious false contents due to misconduct or error.

At the time of production of the non-consolidated financial statements, employers are responsible for judging whether or not it is appropriate to produce the non-consolidated financial statements under the going concern assumption, and disclosing the going concern items, if it is necessary to do so in accordance with the corporate accounting standards that are generally considered as fair and appropriate in Japan.

The audit and supervisory committee is responsible for overseeing the execution of duties of directors in determining and operating a financial reporting process.

Responsibilities of auditors when auditing the non-consolidated financial statements

Auditors are responsible for obtaining a reasonable guarantee about whether the non-consolidated financial statements have no serious false contents due to misconduct or error through their audits, and expressing their opinions about the non-consolidated financial statements from an independent viewpoint in their audit reports. False contents may be produced through misconduct or error. If such false contents are likely to individually or collectively affect the decision making of those who have read the non-consolidated financial statements, they are considered as material.

Auditors are supposed to make professional judgments and conduct the following while maintaining professional skepticism in the auditing process, in accordance with the auditing standards that are generally considered as fair and appropriate in Japan.

- To identify and evaluate material false indication risks due to misconduct or error, and then design and implement auditing procedures to cope with the material false indication risks. The selection and application of auditing procedures depend on the judgments of auditors. Furthermore, auditors obtain a sufficient volume of appropriate auditing evidence for expressing their opinions.
- The objective in auditing the non-consolidated financial statements is not to express opinions about the effectiveness of internal control, but auditors discuss the internal control related to audits, in order to design appropriate auditing procedures according to situations when evaluating risks.
- To evaluate the appropriateness of the accounting policy and its application method adopted by employers, the rationality of estimation in accounting carried out by employers, and the validity of related notes.

- To determine whether or not it is appropriate for employers to produce the non-consolidated financial statements under the going concern assumption and whether or not there are material uncertainties over the events or situations that would cause serious doubts about the going concern assumption, based on the obtained auditing evidence. If there is any material uncertainty over the going concern assumption, auditors need to give instructions about the notes of the consolidated financial statements, and if the notes of the consolidated financial statements regarding material uncertainties are not appropriate, auditors need to express their modified opinions of the consolidated financial statements in their audit reports. The conclusion of auditors is based on the auditing evidence they have obtained before the date of submitting their audit report, but there is a possibility that an enterprise will become unable to keep existing as a going business, according to future events or situations.
- To check whether or not the indication and notes of the non-consolidated financial statements comply with the corporate accounting standards that are generally considered as fair and appropriate in Japan and whether or not the indication, structure, and contents of the non-consolidated financial statements, including related notes, and transactions and accounting events based on the non-consolidated financial statements are indicated appropriately.

Auditors report to the audit and supervisory committee the ranges of audits they planned, their dates, material findings in audits, such as serious defects in internal control founded during audits, and other items demanded by the auditing standards.

Auditors report to the audit and supervisory committee the observance of the Japanese regulations on professional ethics regarding independence, items that are reasonably considered to affect the independence of auditors, and the details of safeguard measures for removing or alleviating constraints if any.

Interests

Between your company and our audit corporation or executive members, there are no interests that should be described in accordance with the Certified Public Accountants Act.

Certified copy of the audit report by the audit and supervisory committee

Audit Report

The audit and supervisory committee audited the execution of duties by directors in the 87th fiscal year from October 1, 2021 to September 30, 2022. The method and results thereof are as follows.

1. Method and details of the audit

The audit and supervisory committee regularly received reports about the details of the resolutions of the Board of Directors regarding (b) and (c) of Article 399-13, Paragraph 1, Item 1 of the Companies Act and the statuses of establishment and operation of a system developed based on said resolutions (the internal control system) from directors, employees, and others; demanded explanations when necessary, expressed our opinions, and conducted an audit with the following method.

- (i) In accordance with the auditing policy, the allocation of duties, etc. specified by the audit and supervisory committee, we attended important meetings, received reports about the execution of duties of directors, employees, and others from them, demanded explanations when necessary, browsed documents on important decisions, etc., and investigated the situations of business operations and assets at the headquarters and major offices, in cooperation with the Internal Audit Department and other departments in charge of internal control, while utilizing telephone lines, the Internet, etc. For subsidiaries, we communicated and exchanged information with the directors, audit and supervisory committee members, and others of subsidiaries, and received business reports from subsidiaries when necessary.
- (ii) We oversaw and checked whether the accounting auditor maintains its independent position and conducts appropriate audits, received reports on the status of execution of duties of the accounting auditor from them, and demanded explanations when necessary. In addition, the accounting auditor informed us that a “system for ensuring appropriate execution of duties (items mentioned in Article 131 of the Regulation on Corporate Accounting)” has been established in accordance with “the Quality Control Standards for Audit (Business Accounting Council on October 28, 2005)” and so on, and we demanded explanations when necessary.

Based on the above methods, we examined the business report and attached statements, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated profit-and-loss statement, non-consolidated statements of changes in net assets, and notes to the non-consolidated financial statements), attached statements, and consolidated financial statements (consolidated balance sheet, consolidated profit-and-loss statement, consolidated statements of changes in net assets, and notes to consolidated financial statements) for the relevant fiscal year.

2. Results of the audit

(1) Results of the audit of the business report, etc.

- (i) We confirmed that the business report and attached statements comply with laws, regulations, and the Articles of Incorporation and accurately describe the situation of the company.
- (ii) There is no misconduct related to the execution of duties by directors or serious violation of laws, regulations, or the Articles of Incorporation.
- (iii) We confirmed that the resolution of the Board of Directors regarding the internal control system is appropriate. In addition, there are no items to be pointed out in the business report regarding said internal control system or execution of duties by directors.

(2) Results of the audit of the non-consolidated financial statements and attached statements

We confirmed that the method and results of the audit conducted by Seinan Audit Corporation are appropriate.

(3) Results of the audit of the consolidated financial statements

We confirmed that the method and results of the audit conducted by Seinan Audit Corporation are appropriate.

November 14, 2022

Audit and supervisory committee of Maruyama Mfg. Co., Inc.

Full-time audit and supervisory committee member (Outside Director)	Hiroyuki Hatano
Audit and supervisory committee member (Outside Director)	Atsushi Toki
Audit and supervisory committee member (Outside Director)	Takashi Sekigawa

Topics

Establishment of “Fine Bubble Tech Co., Ltd.” a limited liability company with Shibata Co., Ltd.



Establishment of “Fine Bubble Tech Co., Ltd.” a limited liability company with Shibata Co., Ltd.

Our company has been putting energy into the development and sale of products based on “ultrafine bubbles” for several years.

This time, we have established a new company named “Fine Bubble Tech Co., Ltd.” for researching and developing ultrafine bubble products through the joint investment by our company and Shibata Co., Ltd., which develops ultrafine bubble products, and started business operations on October 1, 2022.

The purpose of Fine Bubble Tech Co., Ltd. is to design and develop new ultrafine bubble products by utilizing Shibata’s technology for generating ultrafine bubbles and our pump technology.

From now on, we will develop products for our daily lives and industries, and collaborate with research institutes and experts, to popularize and distribute ultrafine bubble products more broadly.



— Release of the ultrafine bubble showerhead “habiller” —

Release of the ultrafine bubble showerhead “habiller”

Our company developed and released “habiller,” a showerhead that can produce ultrafine bubbles. “habiller” was developed for general consumers, as our company will keep concentrating on the ultrafine bubble business as the mainstay. Three kinds of water streams can be generated according to purpose of use, and ultrafine bubbles are produced in all modes. 100 million ultrafine bubbles per 1 ml are produced with a bubble diameter of around 0.1 μm , which can reach the depth of each pore to remove excessive sebum and dirt while moisturizing hairs and the skin.

Our company will continue constant endeavors to cultivate new fields and markets.



Rainy stream

Water volume is the largest, and this stream embraces the whole body gently with the characteristic soft texture.



Silky stream

This stream is characterized by its thinness and intensity, and can be expected to massage the skin if the showerhead approaches the skin.



Line stream

Water pressure is moderate, and the stream is straight. Users can feel that they are taking a shower sufficiently, so this stream mode is suited for warming a broad body part, such as the back.



1. 100 million bubbles we achieved as a result of pursuit of gentle skin and hair treatment
2. Simple design with a large round shape
3. Easily installed just by replacing your old showerhead with it

habiller

— We donated the showerhead “habiller” to Togane City. —

We donated the showerhead “habiller” to Togane City.

Our company donated 18 “habiller” ultrafine bubble showerheads to Togane City.

The donated showerheads will be installed in the shower rooms of Togane Arena. If a disaster occurs, Togane Arena will be used as an evacuation center accommodating 1,070 evacuees. Therefore, we hope that habiller will be installed in the facility as an environmental improvement item, to help maintain the hygienic environment.

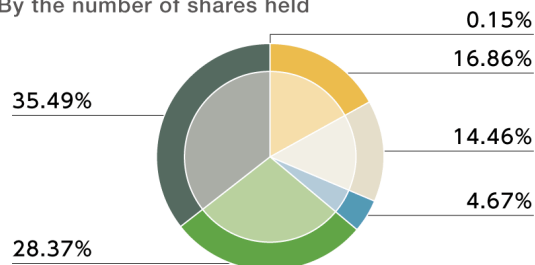
Our company will continue activities for contributing to local communities.



Stock information (as of September 30, 2022)

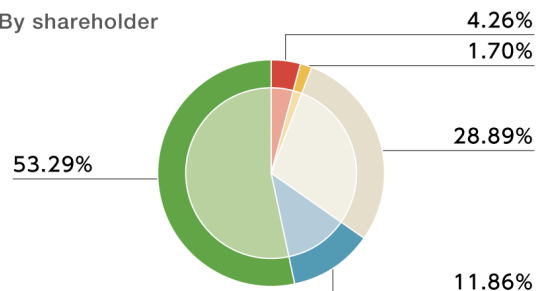
► Stock distribution

● By the number of shares held



Less than 100 shares	590 shareholders	7,848 shares
100 to 999 shares	4,694 shareholders	847,929 shares
1,000 to 4,999 shares	418 shareholders	727,110 shares
5,000 to 9,999 shares	34 shareholders	234,700 shares
10,000 to 99,999 shares	36 shareholders	1,426,820 shares
100,000 or more shares	7 shareholders	1,784,925 shares

● By shareholder



Foreign corporations, etc.	214 thousand shares
Securities firms	85 thousand shares
Financial institutions	1,453 thousand shares
Other Japanese corporations	597 thousand shares
Individuals and others	2,680 thousand shares

► Variations in share price and trading volume

Trading volume [100 shares] ■

□ Share price [yen]

