

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

July 28, 2016

Company name: MARUWA CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 5344 URL: <http://www.maruwa-g.com/>
 Representative: President and Representative Director Sei Kanbe
 Inquiries: General Manager of Administrative Division Tamaki Nozoki TEL 0561-51-0839
 Scheduled date to file Quarterly Securities Report: August 10, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	7,341	2.1	1,101	69.0	819	10.0	509	15.0
Three months ended June 30, 2015	7,189	(4.3)	651	44.7	744	35.4	442	23.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	41.18		41.17	
Three months ended June 30, 2015	35.81		35.81	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	46,928	41,036	87.4
As of March 31, 2016	48,550	41,700	85.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	19.00	–	19.00	38.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	20.00	–	20.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	14,200	(2.5)	1,600	8.7	1,650	14.0	1,050	23.2	85.02
Full year	31,200	2.0	4,350	14.1	4,450	20.2	2,850	24.6	230.77

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2016	12,372,000 shares	As of March 31, 2016	12,372,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	22,083 shares	As of March 31, 2016	22,033 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	12,349,962 shares	Three months ended June 30, 2015	12,350,017 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	15,379,533	15,254,900
Notes and accounts receivable - trade	8,042,230	7,216,586
Electronically recorded monetary claims - operating	572,146	586,120
Merchandise and finished goods	2,489,838	2,521,151
Work in process	1,702,316	1,661,900
Raw materials and supplies	3,095,281	3,228,338
Deferred tax assets	285,439	143,236
Other	833,428	542,849
Allowance for doubtful accounts	(1,990)	(3,212)
Total current assets	32,398,221	31,151,868
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,078,873	9,842,036
Accumulated depreciation	(5,519,695)	(5,490,065)
Buildings and structures, net	4,559,178	4,351,971
Machinery, equipment and vehicles	18,712,379	17,993,329
Accumulated depreciation	(13,799,300)	(13,456,256)
Machinery, equipment and vehicles, net	4,913,079	4,537,073
Land	3,503,763	3,667,377
Construction in progress	276,133	521,775
Other	3,553,267	3,404,845
Accumulated depreciation	(3,007,107)	(2,887,936)
Other, net	546,160	516,910
Total property, plant and equipment	13,798,312	13,595,105
Intangible assets		
Goodwill	135,905	63,359
Other	433,269	288,217
Total intangible assets	569,174	351,576
Investments and other assets	1,784,068	1,829,420
Total non-current assets	16,151,555	15,776,101
Total assets	48,549,776	46,927,969

(Thousands of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,068,282	2,870,103
Current portion of long-term loans payable	137,984	127,484
Income taxes payable	589,934	282,328
Provision for bonuses	503,850	236,823
Provision for directors' bonuses	23,750	2,375
Notes payable - facilities	169,681	95,588
Other	1,824,564	1,752,064
Total current liabilities	6,318,045	5,366,765
Non-current liabilities		
Long-term loans payable	115,409	91,438
Provision for environmental measures	13,527	13,527
Deferred tax liabilities	76,973	100,545
Other	325,379	319,766
Total non-current liabilities	531,288	525,276
Total liabilities	6,849,333	5,892,041
Net assets		
Shareholders' equity		
Capital stock	8,646,720	8,646,720
Capital surplus	11,946,793	11,946,793
Retained earnings	21,654,339	21,928,206
Treasury shares	(47,072)	(47,229)
Total shareholders' equity	42,200,781	42,474,490
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,057	28,105
Foreign currency translation adjustment	(555,170)	(1,468,442)
Total accumulated other comprehensive income	(502,113)	(1,440,337)
Subscription rights to shares	1,775	1,775
Total net assets	41,700,443	41,035,928
Total liabilities and net assets	48,549,776	46,927,969

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	7,189,466	7,341,114
Cost of sales	4,681,670	4,573,757
Gross profit	2,507,796	2,767,357
Selling, general and administrative expenses	1,856,417	1,666,496
Operating income	651,380	1,100,861
Non-operating income		
Interest income	7,170	7,147
Rent income	22,890	9,501
Foreign exchange gains	54,586	-
Other	21,690	8,359
Total non-operating income	106,336	25,007
Non-operating expenses		
Interest expenses	3,125	598
Rent expenses on real estate for investments	6,997	10,798
Foreign exchange losses	-	286,325
Other	3,722	9,561
Total non-operating expenses	13,844	307,282
Ordinary income	743,872	818,586
Extraordinary income		
Gain on sales of non-current assets	325	-
Total extraordinary income	325	-
Extraordinary losses		
Loss on sales and retirement of non-current assets	-	6,054
Loss on sales of investment securities	6,816	-
Total extraordinary losses	6,816	6,054
Profit before income taxes	737,380	812,532
Income taxes - current	216,380	197,710
Income taxes - deferred	78,769	106,306
Total income taxes	295,148	304,016
Profit	442,232	508,516
Profit (loss) attributable to non-controlling interests	(0)	-
Profit attributable to owners of parent	442,232	508,516

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	442,232	508,516
Other comprehensive income		
Valuation difference on available-for-sale securities	18,596	(24,952)
Foreign currency translation adjustment	96,599	(913,272)
Total other comprehensive income	115,195	(938,224)
Comprehensive income	557,427	(429,708)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	557,427	(429,708)
Comprehensive income attributable to non-controlling interests	(0)	—