

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2019
(Based on Japanese GAAP)**

January 30, 2020

Company name: MARUWA CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 5344 URL <https://www.maruwa-g.com/>
 Representative: President and Representative Director Sei Kanbe
 Director, General Manager of Administrative Division Tamaki Nozoki TEL 0561-51-0839
 Inquiries: Division
 Scheduled date to file Quarterly Securities Report: February 7, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2019	30,810	2.2	6,699	(3.7)	6,789	(7.2)	4,087	(15.5)
Nine months ended December 31, 2018	30,149	7.7	6,959	5.0	7,315	10.9	4,838	10.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	331.36	–
Nine months ended December 31, 2018	391.50	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	66,529	58,186	87.5
As of March 31, 2019	64,627	54,954	85.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	24.00	–	24.00	48.00
Year ending March 31, 2020	–	26.00	–		
Year ending March 31, 2020 (Forecast)				26.00	52.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,000	(7.8)	7,800	(18.4)	7,800	(21.4)	5,300	(21.7)	429.39

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019
 (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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2019	12,372,000 shares	As of March 31, 2019	12,372,000 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2019	40,113 shares	As of March 31, 2019	28,920 shares
-------------------------	---------------	----------------------	---------------

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

Nine months ended December 31, 2019	12,333,911 shares	Nine months ended December 31, 2018	12,359,895 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	22,627,403	26,144,617
Notes and accounts receivable - trade	10,266,096	9,360,223
Electronically recorded monetary claims - operating	1,476,219	1,408,325
Merchandise and finished goods	3,161,672	2,521,012
Work in process	2,337,293	2,288,582
Raw materials and supplies	4,277,629	3,080,234
Other	1,430,685	1,201,467
Allowance for doubtful accounts	(1,920)	(6,442)
Total current assets	45,575,080	45,998,020
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,583,053	12,660,478
Accumulated depreciation	(6,512,559)	(6,473,603)
Buildings and structures, net	6,070,494	6,186,874
Machinery, equipment and vehicles	20,957,313	21,214,074
Accumulated depreciation	(16,322,648)	(16,531,842)
Machinery, equipment and vehicles, net	4,634,664	4,682,232
Land	4,003,430	4,044,290
Construction in progress	813,830	2,397,425
Other	4,615,622	3,898,887
Accumulated depreciation	(3,790,482)	(3,235,157)
Other, net	825,140	663,729
Total property, plant and equipment	16,347,560	17,974,553
Intangible assets		
Goodwill	249,423	209,337
Other	283,871	272,315
Total intangible assets	533,294	481,653
Investments and other assets	2,171,586	2,074,960
Total non-current assets	19,052,442	20,531,167
Total assets	64,627,522	66,529,187

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,827,288	2,105,607
Electronically recorded obligations - operating	1,704,169	1,358,134
Income taxes payable	1,590,551	775,435
Provision for bonuses	627,985	329,627
Provision for bonuses for directors (and other officers)	63,000	31,500
Other	2,047,119	3,162,815
Total current liabilities	8,860,114	7,763,121
Non-current liabilities		
Deferred tax liabilities	452,364	198,758
Other	360,543	380,821
Total non-current liabilities	812,907	579,579
Total liabilities	9,673,021	8,342,701
Net assets		
Shareholders' equity		
Share capital	8,646,720	8,646,720
Capital surplus	11,994,350	11,992,492
Retained earnings	35,249,658	38,719,859
Treasury shares	(188,864)	(239,092)
Total shareholders' equity	55,701,864	59,119,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	117,622	156,149
Foreign currency translation adjustment	(864,986)	(1,089,642)
Total accumulated other comprehensive income	(747,363)	(933,493)
Total net assets	54,954,500	58,186,486
Total liabilities and net assets	64,627,522	66,529,187

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	30,149,733	30,810,745
Cost of sales	16,948,543	17,956,384
Gross profit	13,201,190	12,854,360
Selling, general and administrative expenses	6,242,188	6,155,145
Operating profit	6,959,002	6,699,214
Non-operating income		
Interest income	21,212	40,940
Rental income	57,211	71,853
Foreign exchange gains	250,261	-
Other	83,028	29,944
Total non-operating income	411,714	142,738
Non-operating expenses		
Foreign exchange losses	-	2,099
Rent expenses on real estate for investments	45,143	36,714
Other	9,743	13,937
Total non-operating expenses	54,887	52,751
Ordinary profit	7,315,829	6,789,201
Extraordinary income		
Gain on sales of non-current assets	4,043	1,423
Gain on sales of investment securities	3,469	-
Settlement received	-	100,000
Total extraordinary income	7,512	101,423
Extraordinary losses		
Loss on sales and retirement of non-current assets	5,354	74,408
Loss on valuation of investment securities	-	27,510
Loss on liquidation of business	-	775,716
Retirement benefit expenses	51,447	-
Total extraordinary losses	56,801	877,634
Profit before income taxes	7,266,540	6,012,990
Income taxes - current	2,223,395	2,103,322
Income taxes - deferred	204,222	(177,395)
Total income taxes	2,427,618	1,925,926
Profit	4,838,922	4,087,063
Profit attributable to owners of parent	4,838,922	4,087,063

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	4,838,922	4,087,063
Other comprehensive income		
Valuation difference on available-for-sale securities	(50,450)	38,526
Foreign currency translation adjustment	(293,962)	(224,656)
Total other comprehensive income	(344,413)	(186,129)
Comprehensive income	4,494,508	3,900,933
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,494,508	3,900,933