

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2020
(Based on Japanese GAAP)**

January 28, 2021

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
 Inquiries: Executive Officer Tamaki Nozoki TEL 0561-51-0839
 Scheduled date to file Quarterly Securities Report: February 10, 2021
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	30,569	(0.8)	7,573	13.1	7,413	9.2	5,078	24.3
Nine months ended December 31, 2019	30,810	2.2	6,699	(3.7)	6,789	(7.2)	4,087	(15.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	411.78	–
Nine months ended December 31, 2019	331.36	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	75,751	64,157	84.7
As of March 31, 2020	70,681	59,453	84.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	26.00	–	26.00	52.00
Year ending March 31, 2021	–	28.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	36.00	64.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	41,000	(0.6)	10,000	7.0	9,800	2.9	6,600	12.0	535.10

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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, 2020	12,372,000 shares	As of March 31, 2020	12,372,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	36,236 shares	As of March 31, 2020	40,163 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	12,333,434 shares	Nine months ended December 31, 2019	12,333,911 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	29,334,349	32,786,636
Notes and accounts receivable - trade	9,542,199	9,254,324
Electronically recorded monetary claims - operating	1,295,434	1,324,172
Merchandise and finished goods	2,061,801	1,854,816
Work in process	2,393,622	2,338,258
Raw materials and supplies	2,756,758	2,330,629
Other	1,757,311	2,000,141
Allowance for doubtful accounts	(8,180)	(8,079)
Total current assets	<u>49,133,297</u>	<u>51,880,899</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,650,214	15,280,402
Accumulated depreciation	(6,505,584)	(6,825,182)
Buildings and structures, net	<u>6,144,629</u>	<u>8,455,219</u>
Machinery, equipment and vehicles	20,998,043	21,970,902
Accumulated depreciation	(16,567,320)	(16,559,703)
Machinery, equipment and vehicles, net	<u>4,430,722</u>	<u>5,411,199</u>
Land	4,421,234	4,530,840
Construction in progress	3,445,592	2,821,569
Other	3,499,670	3,695,478
Accumulated depreciation	(2,898,143)	(3,103,741)
Other, net	<u>601,527</u>	<u>591,736</u>
Total property, plant and equipment	<u>19,043,706</u>	<u>21,810,565</u>
Intangible assets		
Goodwill	195,975	-
Other	254,672	243,965
Total intangible assets	<u>450,648</u>	<u>243,965</u>
Investments and other assets	<u>2,053,978</u>	<u>1,816,293</u>
Total non-current assets	<u>21,548,333</u>	<u>23,870,824</u>
Total assets	<u>70,681,631</u>	<u>75,751,723</u>

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,898,714	2,199,668
Electronically recorded obligations - operating	1,619,355	1,720,020
Short-term borrowings	900,000	900,000
Current portion of long-term borrowings	–	266,688
Income taxes payable	827,864	1,211,066
Provision for bonuses	608,949	387,332
Provision for bonuses for directors (and other officers)	63,000	24,750
Other	3,382,929	2,702,853
Total current liabilities	9,300,813	9,412,380
Non-current liabilities		
Long-term borrowings	1,200,000	1,666,640
Deferred tax liabilities	351,419	172,421
Other	375,829	342,791
Total non-current liabilities	1,927,248	2,181,852
Total liabilities	11,228,062	11,594,232
Net assets		
Shareholders' equity		
Share capital	8,646,720	8,646,720
Capital surplus	11,992,492	12,005,832
Retained earnings	40,526,723	44,939,510
Treasury shares	(239,524)	(216,635)
Total shareholders' equity	60,926,411	65,375,427
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	70,521	123,816
Foreign currency translation adjustment	(1,543,364)	(1,341,753)
Total accumulated other comprehensive income	(1,472,842)	(1,217,936)
Total net assets	59,453,569	64,157,490
Total liabilities and net assets	70,681,631	75,751,723

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, 2019	Nine months ended December 31, 2020
Net sales	30,810,745	30,569,592
Cost of sales	17,956,384	17,078,452
Gross profit	12,854,360	13,491,140
Selling, general and administrative expenses	6,155,145	5,917,416
Operating profit	6,699,214	7,573,723
Non-operating income		
Interest income	40,940	37,979
Rental income	71,853	65,898
Other	29,944	48,115
Total non-operating income	142,738	151,993
Non-operating expenses		
Interest expenses	–	4,459
Foreign exchange losses	2,099	248,789
Rent expenses on real estate for investments	36,714	37,061
Other	13,937	21,817
Total non-operating expenses	52,751	312,127
Ordinary profit	6,789,201	7,413,589
Extraordinary income		
Gain on sales of non-current assets	1,423	2,238
Gain on sales of investment securities	–	65,414
Gain on liquidation of subsidiaries	–	11,887
Settlement received	100,000	–
Total extraordinary income	101,423	79,540
Extraordinary losses		
Loss on sales and retirement of non-current assets	74,408	92,875
Loss on valuation of investment securities	27,510	–
Impairment loss	–	169,251
Loss related to infectious disease	–	68,127
Loss on liquidation of business	775,716	–
Total extraordinary losses	877,634	330,254
Profit before income taxes	6,012,990	7,162,874
Income taxes - current	2,103,322	2,038,091
Income taxes - deferred	(177,395)	46,021
Total income taxes	1,925,926	2,084,113
Profit	4,087,063	5,078,760
Profit attributable to owners of parent	4,087,063	5,078,760

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	4,087,063	5,078,760
Other comprehensive income		
Valuation difference on available-for-sale securities	38,526	53,295
Foreign currency translation adjustment	(224,656)	201,611
Total other comprehensive income	(186,129)	254,906
Comprehensive income	3,900,933	5,333,667
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,900,933	5,333,667