

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2019
(Based on Japanese GAAP)**

July 30, 2019

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
 Inquiries: TEL 0561-51-0839
 Scheduled date to file Quarterly Securities Report: August 9, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 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	%
Three months ended June 30, 2019	10,382	11.3	2,233	8.9	2,203	(2.1)	1,515	0.4
Three months ended June 30, 2018	9,329	14.1	2,051	22.8	2,250	36.1	1,509	40.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	122.82	–
Three months ended June 30, 2018	122.11	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	63,899	55,683	87.1
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	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	26.00	–	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
Six months ending September 30, 2019	18,000	(7.5)	3,450	(21.9)	3,450	(27.4)	2,350	(27.3)	190.39
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 three months ended June 30, 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 June 30, 2019	12,372,000 shares	As of March 31, 2019	12,372,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	39,958 shares	As of March 31, 2019	28,920 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, 2019	12,337,951 shares	Three months ended June 30, 2018	12,362,225 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	22,627,403	24,009,846
Notes and accounts receivable - trade	10,266,096	9,218,219
Electronically recorded monetary claims - operating	1,476,219	1,428,183
Merchandise and finished goods	3,161,672	2,871,123
Work in process	2,337,293	2,461,798
Raw materials and supplies	4,277,629	4,228,231
Other	1,430,685	671,856
Allowance for doubtful accounts	(1,920)	(2,515)
Total current assets	45,575,080	44,886,743
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,583,053	12,527,072
Accumulated depreciation	(6,512,559)	(6,562,438)
Buildings and structures, net	6,070,494	5,964,634
Machinery, equipment and vehicles	20,957,313	20,995,920
Accumulated depreciation	(16,322,648)	(16,286,892)
Machinery, equipment and vehicles, net	4,634,664	4,709,027
Land	4,003,430	3,995,988
Construction in progress	813,830	1,046,759
Other	4,615,622	4,570,456
Accumulated depreciation	(3,790,482)	(3,778,117)
Other, net	825,140	792,338
Total property, plant and equipment	16,347,560	16,508,748
Intangible assets		
Goodwill	249,423	236,061
Other	283,871	284,147
Total intangible assets	533,294	520,208
Investments and other assets	2,171,586	1,983,749
Total non-current assets	19,052,442	19,012,706
Total assets	64,627,522	63,899,450

	(Thousands of yen)	
	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,827,288	2,627,926
Electronically recorded obligations - operating	1,704,169	1,362,963
Income taxes payable	1,590,551	537,266
Provision for bonuses	627,985	377,209
Provision for bonuses for directors (and other officers)	63,000	3,500
Other	2,047,119	2,482,880
Total current liabilities	<u>8,860,114</u>	<u>7,391,747</u>
Non-current liabilities		
Deferred tax liabilities	452,364	459,013
Other	360,543	364,771
Total non-current liabilities	<u>812,907</u>	<u>823,785</u>
Total liabilities	<u>9,673,021</u>	<u>8,215,533</u>
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	36,468,844
Treasury shares	(188,864)	(238,097)
Total shareholders' equity	<u>55,701,864</u>	<u>56,869,960</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	117,622	115,835
Foreign currency translation adjustment	(864,986)	(1,301,878)
Total accumulated other comprehensive income	<u>(747,363)</u>	<u>(1,186,043)</u>
Total net assets	<u>54,954,500</u>	<u>55,683,917</u>
Total liabilities and net assets	<u>64,627,522</u>	<u>63,899,450</u>

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, 2018	Three months ended June 30, 2019
Net sales	9,329,907	10,382,863
Cost of sales	5,315,196	6,108,659
Gross profit	4,014,710	4,274,204
Selling, general and administrative expenses	1,963,094	2,040,244
Operating profit	2,051,616	2,233,960
Non-operating income		
Interest income	5,030	13,782
Rental income	19,681	24,225
Foreign exchange gains	150,284	–
Other	44,964	7,641
Total non-operating income	219,961	45,649
Non-operating expenses		
Rent expenses on real estate for investments	13,679	12,773
Foreign exchange losses	–	54,410
Other	7,812	9,159
Total non-operating expenses	21,491	76,344
Ordinary profit	2,250,085	2,203,265
Extraordinary income		
Gain on sales of non-current assets	473	222
Gain on sales of investment securities	3,458	–
Total extraordinary income	3,932	222
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,576	6,218
Total extraordinary losses	1,576	6,218
Profit before income taxes	2,252,442	2,197,269
Income taxes - current	452,742	493,666
Income taxes - deferred	290,082	188,183
Total income taxes	742,824	681,849
Profit	1,509,618	1,515,419
Profit attributable to owners of parent	1,509,618	1,515,419

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,509,618	1,515,419
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,460)	(1,787)
Foreign currency translation adjustment	(71,296)	(436,892)
Total other comprehensive income	(72,756)	(438,679)
Comprehensive income	1,436,861	1,076,740
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,436,861	1,076,740