

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

January 30, 2018

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
 Director, General Manager of Administrative Division Tamaki Nozoki
 Inquiries: TEL 0561-51-0839
 Scheduled date to file Quarterly Securities Report: February 9, 2018
 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, 2017 (from April 1, 2017 to December 31, 2017)

(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, 2017	28,005	20.0	6,629	84.5	6,599	82.7	4,396	98.5
Nine months ended December 31, 2016	23,334	4.6	3,593	40.4	3,611	38.2	2,215	33.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	355.63	–
Nine months ended December 31, 2016	179.34	179.34

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	56,681	48,120	84.9
As of March 31, 2017	50,593	43,317	85.6

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, 2017	–	20.00	–	20.00	40.00
Year ending March 31, 2018	–	22.00	–		
Year ending March 31, 2018 (Forecast)				22.00	44.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	18.1	8,900	79.7	8,900	78.8	5,700	100.0	461.06

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
(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, 2017	12,372,000 shares	As of March 31, 2017	12,372,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	702 shares	As of March 31, 2017	19,629 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, 2017	12,362,683 shares	Nine months ended December 31, 2016	12,351,410 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	18,027,046	19,896,171
Notes and accounts receivable - trade	8,736,607	10,325,697
Electronically recorded monetary claims - operating	503,710	776,183
Merchandise and finished goods	2,222,216	2,597,749
Work in process	1,400,373	1,697,260
Raw materials and supplies	3,249,129	3,573,829
Deferred tax assets	321,655	331,074
Other	755,238	851,283
Allowance for doubtful accounts	(2,850)	(1,710)
Total current assets	35,213,127	40,047,539
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,073,489	11,099,141
Accumulated depreciation	(5,731,785)	(6,091,373)
Buildings and structures, net	4,341,703	5,007,768
Machinery, equipment and vehicles	18,213,958	19,816,058
Accumulated depreciation	(14,338,009)	(15,602,110)
Machinery, equipment and vehicles, net	3,875,948	4,213,947
Land	3,668,726	3,868,420
Construction in progress	679,005	454,389
Other	3,590,735	4,104,651
Accumulated depreciation	(3,029,884)	(3,417,400)
Other, net	560,851	687,251
Total property, plant and equipment	13,126,235	14,231,777
Intangible assets		
Goodwill	20,740	-
Other	278,983	285,040
Total intangible assets	299,723	285,040
Investments and other assets	1,954,773	2,116,739
Total non-current assets	15,380,733	16,633,558
Total assets	50,593,860	56,681,097

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,503,852	2,464,841
Electronically recorded obligations - operating	–	1,559,230
Current portion of long-term loans payable	22,800	–
Income taxes payable	1,024,872	1,351,518
Provision for bonuses	458,385	358,506
Provision for directors' bonuses	27,500	31,500
Provision for environmental measures	–	13,526
Other	1,726,211	2,036,123
Total current liabilities	6,763,623	7,815,246
Non-current liabilities		
Deferred tax liabilities	187,311	322,270
Net defined benefit liability	–	115,742
Provision for environmental measures	13,526	–
Other	312,136	307,838
Total non-current liabilities	512,973	745,851
Total liabilities	7,276,596	8,561,097
Net assets		
Shareholders' equity		
Capital stock	8,646,720	8,646,720
Capital surplus	11,948,946	11,996,407
Retained earnings	24,022,962	27,900,348
Treasury shares	(42,051)	(2,129)
Total shareholders' equity	44,576,578	48,541,346
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121,179	209,004
Foreign currency translation adjustment	(1,380,493)	(630,350)
Total accumulated other comprehensive income	(1,259,314)	(421,346)
Total net assets	43,317,263	48,120,000
Total liabilities and net assets	50,593,860	56,681,097

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, 2016	Nine months ended December 31, 2017
Net sales	23,334,558	28,005,826
Cost of sales	14,594,359	15,820,021
Gross profit	8,740,199	12,185,805
Selling, general and administrative expenses	5,146,344	5,556,595
Operating profit	3,593,854	6,629,209
Non-operating income		
Interest income	25,259	23,708
Rent income	53,975	54,668
Other	50,842	27,017
Total non-operating income	130,078	105,394
Non-operating expenses		
Interest expenses	1,358	7
Foreign exchange losses	53,026	99,867
Rent expenses on real estate for investments	32,950	31,162
Other	25,152	4,123
Total non-operating expenses	112,486	135,160
Ordinary profit	3,611,445	6,599,444
Extraordinary income		
Gain on sales of non-current assets	582	8,162
Gain on bargain purchase	–	8,199
Total extraordinary income	582	16,362
Extraordinary losses		
Loss on sales and retirement of non-current assets	79,179	57,982
Loss on liquidation of business	235,069	83,248
Other	2,350	–
Total extraordinary losses	316,598	141,231
Profit before income taxes	3,295,429	6,474,575
Income taxes - current	910,712	1,971,317
Income taxes - deferred	169,537	106,657
Total income taxes	1,080,249	2,077,974
Profit	2,215,179	4,396,601
Profit attributable to owners of parent	2,215,179	4,396,601

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	2,215,179	4,396,601
Other comprehensive income		
Valuation difference on available-for-sale securities	54,478	87,824
Foreign currency translation adjustment	(668,325)	750,142
Total other comprehensive income	(613,846)	837,967
Comprehensive income	1,601,332	5,234,568
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,601,332	5,234,568