

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 Year Ended March 31, 2016
(Based on Japanese GAAP)**

April 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
 Director, General Manager of Administrative Division Tetsuya Nagamitsu
 Inquiries: TEL 0561-51-0839
 Scheduled date of ordinary general meeting of shareholders: June 23, 2016
 Scheduled date to file Securities Report: June 24, 2016
 Scheduled date to commence dividend payments: June 24, 2016
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	30,578	(6.8)	3,812	58.6	3,702	30.3	2,287	158.7
Year ended March 31, 2015	32,811	(2.0)	2,404	(28.2)	2,841	(22.1)	884	(65.8)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	185.18	185.17	5.5	7.6	12.5
Year ended March 31, 2015	71.59	71.58	2.2	5.7	7.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	48,474	41,700	86.0	3,376.42
As of March 31, 2015	49,445	41,000	82.9	3,319.58

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	4,154	(1,675)	(1,406)	14,541
Year ended March 31, 2015	3,688	(1,881)	(877)	13,684

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	–	18.00	–	18.00	36.00	445	50.3	1.1
Year ended March 31, 2016	–	19.00	–	19.00	38.00	469	20.5	1.1
Year ending March 31, 2017 (Forecast)	–	20.00	–	20.00	40.00		17.3	

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 year ended March 31, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2016	12,372,000 shares	As of March 31, 2015	12,372,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2016	22,033 shares	As of March 31, 2015	21,983 shares
----------------------	---------------	----------------------	---------------

Average number of shares during the period

Year ended March 31, 2016	12,350,001 shares	Year ended March 31, 2015	12,350,052 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	14,224,593	15,379,533
Notes and accounts receivable - trade	8,491,300	8,042,230
Electronically recorded monetary claims - operating	439,199	572,146
Merchandise and finished goods	2,170,099	2,489,838
Work in process	1,864,301	1,702,316
Raw materials and supplies	3,097,696	3,095,281
Deferred tax assets	319,540	285,439
Other	811,100	833,428
Allowance for doubtful accounts	(11,420)	(1,990)
Total current assets	31,406,408	32,398,221
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,941,584	10,078,873
Accumulated depreciation	(5,306,942)	(5,519,695)
Buildings and structures, net	4,634,642	4,559,178
Machinery, equipment and vehicles	18,005,004	18,712,379
Accumulated depreciation	(13,486,127)	(13,799,300)
Machinery, equipment and vehicles, net	4,518,878	4,913,079
Land	3,518,446	3,503,763
Construction in progress	1,786,282	276,133
Other	3,514,181	3,553,267
Accumulated depreciation	(2,980,477)	(3,007,107)
Other, net	533,704	546,160
Total property, plant and equipment	14,991,951	13,798,312
Intangible assets		
Goodwill	426,091	135,905
Other	450,485	433,269
Total intangible assets	876,575	569,174
Investments and other assets		
Investment securities	432,336	214,656
Deferred tax assets	272,254	20,722
Real estate for investment	1,003,155	1,023,527
Buildings and structures	624,499	662,939
Accumulated depreciation	(326,734)	(342,336)
Buildings and structures, net	297,765	320,604
Land	688,833	688,833
Other	42,204	42,204
Accumulated depreciation	(25,647)	(28,114)
Other, net	16,557	14,090
Other	481,772	467,496
Allowance for doubtful accounts	(19,243)	(18,167)
Total investments and other assets	2,170,275	1,708,234
Total non-current assets	18,038,802	16,075,721
Total assets	49,445,209	48,473,941

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,989,435	3,068,282
Current portion of long-term loans payable	992,576	137,984
Income taxes payable	393,528	589,934
Provision for bonuses	458,819	503,850
Provision for directors' bonuses	4,750	23,750
Notes payable - facilities	184,241	169,681
Other	1,690,996	1,824,564
Total current liabilities	7,714,345	6,318,045
Non-current liabilities		
Long-term loans payable	253,393	115,409
Deferred tax liabilities	–	1,139
Provision for environmental measures	26,256	13,527
Other	451,317	325,379
Total non-current liabilities	730,966	455,453
Total liabilities	8,445,311	6,773,498
Net assets		
Shareholders' equity		
Capital stock	8,646,720	8,646,720
Capital surplus	11,946,793	11,946,793
Retained earnings	19,824,325	21,654,339
Treasury shares	(46,922)	(47,072)
Total shareholders' equity	40,370,916	42,200,781
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	130,601	53,057
Foreign currency translation adjustment	495,314	(555,170)
Total accumulated other comprehensive income	625,915	(502,113)
Subscription rights to shares	1,775	1,775
Non-controlling interests	1,293	–
Total net assets	40,999,898	41,700,443
Total liabilities and net assets	49,445,209	48,473,941

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	32,810,623	30,578,092
Cost of sales	22,983,315	19,594,309
Gross profit	9,827,308	10,983,783
Selling, general and administrative expenses	7,422,922	7,171,349
Operating income	2,404,387	3,812,434
Non-operating income		
Interest income	56,268	50,853
Rent income	89,993	105,614
Foreign exchange gains	283,353	–
Other	72,226	63,210
Total non-operating income	501,840	219,677
Non-operating expenses		
Interest expenses	13,548	5,267
Foreign exchange losses	–	245,869
Rent expenses on real estate for investments	37,622	38,954
Other	14,352	40,225
Total non-operating expenses	65,523	330,315
Ordinary income	2,840,703	3,701,796
Extraordinary income		
Gain on sales of non-current assets	1,236	3,633
Gain on sales of investment securities	26,584	–
Subsidy income	755,000	–
Total extraordinary income	782,820	3,633
Extraordinary losses		
Loss on sales and retirement of non-current assets	35,970	28,357
Loss on reduction of non-current assets	738,327	–
Loss on sales of investment securities	–	6,816
Loss on valuation of shares of subsidiaries and associates	–	18,940
Impairment loss	949,949	–
Other	152,925	5,900
Total extraordinary losses	1,877,171	60,013
Profit before income taxes	1,746,352	3,645,416
Income taxes - current	987,068	1,068,997
Income taxes - deferred	(124,978)	289,454
Total income taxes	862,090	1,358,451
Profit	884,262	2,286,965
Profit attributable to non-controlling interests	135	(0)
Profit attributable to owners of parent	884,127	2,286,965

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	884,262	2,286,965
Other comprehensive income		
Valuation difference on available-for-sale securities	82,494	(77,544)
Foreign currency translation adjustment	449,909	(1,050,483)
Total other comprehensive income	532,403	(1,128,028)
Comprehensive income	1,416,665	1,158,937
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,416,530	1,158,938
Comprehensive income attributable to non-controlling interests	135	(0)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,646,720	11,946,793	19,372,451	(46,551)	39,919,414
Changes of items during period					
Dividends of surplus			(432,253)		(432,253)
Profit attributable to owners of parent			884,127		884,127
Purchase of treasury shares				(372)	(372)
Disposal of treasury shares					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	451,874	(372)	451,502
Balance at end of current period	8,646,720	11,946,793	19,824,325	(46,922)	40,370,916

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	48,107	45,405	93,512	1,775	1,158	40,015,859
Changes of items during period						
Dividends of surplus						(432,253)
Profit attributable to owners of parent						884,127
Purchase of treasury shares						(372)
Disposal of treasury shares						–
Net changes of items other than shareholders' equity	82,494	449,909	532,403		135	532,538
Total changes of items during period	82,494	449,909	532,403	–	135	984,040
Balance at end of current period	130,601	495,314	625,915	1,775	1,293	40,999,898

Fiscal year ended March 31, 2016

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,646,720	11,946,793	19,824,325	(46,922)	40,370,916
Changes of items during period					
Dividends of surplus			(456,951)		(456,951)
Profit attributable to owners of parent			2,286,965		2,286,965
Purchase of treasury shares				(149)	(149)
Disposal of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period			1,830,015	(149)	1,829,865
Balance at end of current period	8,646,720	11,946,793	21,654,339	(47,072)	42,200,781

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	130,601	495,314	625,915	1,775	1,293	40,999,898
Changes of items during period						
Dividends of surplus						(456,951)
Profit attributable to owners of parent						2,286,965
Purchase of treasury shares						(149)
Disposal of treasury shares						
Net changes of items other than shareholders' equity	(77,544)	(1,050,483)	(1,128,028)		(1,293)	(1,129,321)
Total changes of items during period	(77,544)	(1,050,483)	(1,128,028)		(1,293)	700,545
Balance at end of current period	53,057	(555,170)	(502,113)	1,775	–	41,700,443

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	1,746,352	3,645,416
Depreciation	2,137,169	1,903,292
Impairment loss	949,949	–
Amortization of goodwill	290,185	290,185
Increase (decrease) in allowance for doubtful accounts	(4,406)	(6,244)
Loss on valuation of shares of subsidiaries and associates	–	18,940
Increase (decrease) in provision for environmental measures	–	(12,730)
Loss (gain) on sales of investment securities	(26,584)	6,816
Loss (gain) on sales and retirement of non-current assets	34,735	24,724
Loss on reduction of non-current assets	738,327	–
Interest and dividend income	(59,943)	(63,300)
Foreign exchange losses (gains)	(98,511)	264,023
Decrease (increase) in notes and accounts receivable - trade	396,906	95,205
Decrease (increase) in inventories	(1,049,050)	(418,729)
Increase (decrease) in notes and accounts payable - trade	299,267	(873,176)
Other, net	(222,123)	97,409
Subtotal	5,132,273	4,971,833
Interest and dividend income received	60,440	63,124
Interest expenses paid	(14,033)	(4,786)
Income taxes paid	(1,490,957)	(876,570)
Net cash provided by (used in) operating activities	3,687,723	4,153,600
Cash flows from investing activities		
Payments into time deposits	(313,612)	(417,600)
Proceeds from withdrawal of time deposits	717,695	43,877
Purchase of property, plant and equipment	(2,138,871)	(1,342,585)
Proceeds from sales of property, plant and equipment	14,102	7,485
Purchase of investment securities	(206,770)	(3,745)
Proceeds from sales of investment securities	167,104	95,980
Purchase of intangible assets	(69,133)	(50,147)
Purchase of long-term prepaid expenses	–	(1,500)
Other, net	(51,873)	(6,835)
Net cash provided by (used in) investing activities	(1,881,358)	(1,675,070)
Cash flows from financing activities		
Repayments of long-term loans payable	(444,684)	(947,648)
Purchase of treasury shares	(372)	(149)
Cash dividends paid	(432,253)	(456,951)
Dividends paid to non-controlling interests	–	(1,233)
Net cash provided by (used in) financing activities	(877,309)	(1,405,982)
Effect of exchange rate change on cash and cash equivalents	247,254	(222,485)
Net increase (decrease) in cash and cash equivalents	1,176,310	850,063
Cash and cash equivalents at beginning of period	12,507,198	13,683,508
Increase in cash and cash equivalents from newly consolidated subsidiary	–	7,000
Cash and cash equivalents at end of period	13,683,508	14,540,571