

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 2, 2017

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  
 Inquiries: General Manager of Administrative Division Tamaki Nozoki TEL 0561-51-0839  
 Scheduled date to file Quarterly Securities Report: February 14, 2017  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2016	23,335	4.6	3,594	40.4	3,611	38.2	2,215	33.1
Nine months ended December 31, 2015	22,319	(7.9)	2,559	27.8	2,613	4.8	1,664	19.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	179.35		179.34	
Nine months ended December 31, 2015	134.73		134.72	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	49,660	42,825	86.2
As of March 31, 2016	48,550	41,700	85.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	19.00	–	19.00	38.00
Year ending March 31, 2017	–	20.00	–		
Year ending March 31, 2017 (Forecast)				20.00	40.00

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
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 nine months ended December 31, 2016  
(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: Yes
- 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, 2016	12,372,000 shares	As of March 31, 2016	12,372,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	19,629 shares	As of March 31, 2016	22,033 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, 2016	12,351,410 shares	Nine months ended December 31, 2015	12,350,013 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	15,379,533	16,579,058
Notes and accounts receivable - trade	8,042,230	8,427,579
Electronically recorded monetary claims - operating	572,146	592,898
Merchandise and finished goods	2,489,838	2,430,598
Work in process	1,702,316	1,655,392
Raw materials and supplies	3,095,281	3,386,391
Deferred tax assets	285,439	244,102
Other	833,428	629,062
Allowance for doubtful accounts	(1,990)	(40,745)
Total current assets	32,398,221	33,904,335
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,078,873	10,073,226
Accumulated depreciation	(5,519,695)	(5,673,006)
Buildings and structures, net	4,559,178	4,400,220
Machinery, equipment and vehicles	18,712,379	18,288,574
Accumulated depreciation	(13,799,300)	(13,988,241)
Machinery, equipment and vehicles, net	4,913,079	4,300,333
Land	3,503,763	3,671,366
Construction in progress	276,133	666,323
Other	3,553,267	3,591,870
Accumulated depreciation	(3,007,107)	(3,028,665)
Other, net	546,160	563,205
Total property, plant and equipment	13,798,312	13,601,446
Intangible assets		
Goodwill	135,905	27,654
Other	433,269	285,079
Total intangible assets	569,174	312,733
Investments and other assets	1,784,068	1,841,972
Total non-current assets	16,151,555	15,756,152
Total assets	48,549,776	49,660,486

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,068,282	3,300,056
Current portion of long-term loans payable	137,984	58,900
Income taxes payable	589,934	491,442
Provision for bonuses	503,850	301,771
Provision for directors' bonuses	23,750	13,750
Notes payable - facilities	169,681	330,696
Other	1,824,564	1,847,664
<b>Total current liabilities</b>	<b>6,318,045</b>	<b>6,344,279</b>
<b>Non-current liabilities</b>		
Long-term loans payable	115,409	–
Deferred tax liabilities	76,973	165,242
Provision for environmental measures	13,527	13,527
Other	325,379	311,961
<b>Total non-current liabilities</b>	<b>531,288</b>	<b>490,729</b>
<b>Total liabilities</b>	<b>6,849,333</b>	<b>6,835,008</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	8,646,720	8,646,720
Capital surplus	11,946,793	11,948,947
Retained earnings	21,654,339	23,387,822
Treasury shares	(47,072)	(42,051)
<b>Total shareholders' equity</b>	<b>42,200,781</b>	<b>43,941,438</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	53,057	107,535
Foreign currency translation adjustment	(555,170)	(1,223,495)
<b>Total accumulated other comprehensive income</b>	<b>(502,113)</b>	<b>(1,115,960)</b>
<b>Subscription rights to shares</b>	<b>1,775</b>	<b>–</b>
<b>Total net assets</b>	<b>41,700,443</b>	<b>42,825,478</b>
<b>Total liabilities and net assets</b>	<b>48,549,776</b>	<b>49,660,486</b>

**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, 2015	Nine months ended December 31, 2016
Net sales	22,318,933	23,334,559
Cost of sales	14,454,679	14,594,359
Gross profit	7,864,254	8,740,199
Selling, general and administrative expenses	5,305,061	5,146,345
Operating income	2,559,194	3,593,854
Non-operating income		
Interest income	23,559	25,260
Rent income	68,443	53,976
Other	50,939	50,843
Total non-operating income	142,941	130,078
Non-operating expenses		
Interest expenses	4,791	1,358
Foreign exchange losses	45,874	53,026
Rent expenses on real estate for investments	28,984	32,951
Other	9,465	25,152
Total non-operating expenses	89,114	112,487
Ordinary income	2,613,021	3,611,446
Extraordinary income		
Gain on sales of non-current assets	7,845	582
Total extraordinary income	7,845	582
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,990	79,179
Loss on sales of investment securities	6,816	–
Loss on liquidation of business	–	235,069
Other	–	2,350
Total extraordinary losses	8,806	316,599
Profit before income taxes	2,612,060	3,295,430
Income taxes - current	772,425	910,712
Income taxes - deferred	175,762	169,537
Total income taxes	948,187	1,080,250
Profit	1,663,873	2,215,180
Loss attributable to non-controlling interests	(0)	–
Profit attributable to owners of parent	1,663,873	2,215,180

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	1,663,873	2,215,180
Other comprehensive income		
Valuation difference on available-for-sale securities	(31,764)	54,479
Foreign currency translation adjustment	(1,046,521)	(668,325)
Total other comprehensive income	(1,078,285)	(613,847)
Comprehensive income	585,588	1,601,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	585,588	1,601,333
Comprehensive income attributable to non-controlling interests	(0)	—