

Consolidated financial results for the first quarter of Fiscal 2013

MARUWA CO., LTD. today announced its consolidated financial results for the first quarter of Fiscal 2012<1 April 2012 - 30 June 2012> as follows;

I. Summary of Consolidated Financial Results

(1) Summary of consolidated operating results

	JPY million		
	1st Quarter	1st Quarter	Change %
	1 April - 30 June 2011	1 April - 30 June 2012	
Net sales	5,355	5,310	-0.8%
Operating income	993	625	-37.1%
Income before income taxes	1,023	474	-53.7%
Net income	687	334	-51.4%
Net income per share:			
	JPY		
Basic	63.92	27.11	-57.6%
Diluted	63.83	27.10	--

(2) Summary of consolidated financial condition

	As of 31 March	As of 30 June	Change %
	2012	2012	
Total assets	40,808	38,916	-4.6%
Total net assets	34,407	33,994	-1.2%
Equity ratio	84.2%	87.3%	3.0%
Total net assets per share			
	JPY		
	2,793.36	2,759.24	

II. Dividends

	JPY per share	
	Fiscal 2012	Fiscal 2013
		(forecast)
Interim	15	15
Year-end	15	15
Total	30	30

utionary statements: the above forecasts are forward-looking statements involving risks and

II. Outlook for the fiscal 2013<1 April 2012 - 31 March 2013>

The forecast figures for business results and dividends announced in 28 April 2011 are not changed.

*The financial statements are prepared in conformity with the accounting principles generally accepted in Japan.

*Consolidated subsidiaries: 13companies.

Review of Operations

1. Review of Operations

In this first quarter, the growth of the world economy has slowed due to the expanded Eurozone debt problem and to the rapidly economies in emerging countries, including China, rapidly losing steam.

Despite a strong automotive market and the need for the reconstruction of the Tohoku area, the Japanese economy still has some uncertainty in its outlook because of unstable employment, sluggish personal consumption, unstable electric power supply, deflation and the appreciation of the yen.

In this severe economic situation, the MARUWA Group's business results during this first half of this fiscal year was in line with our plan due to strong demand for ceramic substrate for power modules and for new products for smart phone devices.

As a result, our consolidated sales were 5,310 million yen. (This is down 0.8% compared to the same period last year) Our operating income was 625 million yen. (This is down 37.0% compared to the same period last year) Ordinary profit was 490 million yen (down 52.5%). Net income was 334 million yen (down 51.4%).

2. Operating Results by Business Division

The Ceramic Components Division

The total sales for this business segment was 5,016 million yen. (This is down 2.1% compared to the same period last year).

The market for environment-related products, the power modules market and the smart phone market have remained strong.

Operating income was 811 million yen.

Lighting Equipment Division

The turnover was 294 million yen. This is a 27.1% increase over the same period last year. Operating profit was 23 million yen compared to a 35 million loss last year. This improvement is due to a consistent increase in inquiries and orders for LED lighting devices in the public utilities markets. New types of products were very successful. MARUWA is continuing to press forward with the development and promotion of new LED lighting products.

Review of Operations

Review of operating results by segment

	JPY	
	1st Quarter	1st Quarter
	1 April - 30 June	1 April - 30 June
	2011	2012
Ceramic Components:		
Net sales	5,124	5,016
Operating income	1,199	811
Lighting Equipment:		
Net sales	231	294
Operating income	(35)	23
Total:		
Net sales	5,355	5,310
Operating income	1,164	834
Elimination:		
Net sales	--	--
Operating income	(171)	(209)
Consolidated:		
Net sales	5,355	5,310
Operating income	993	625

3. Financial Condition

Total assets as of the end of this first quarter were 38,916million yen, down 4.6% from the end of last fiscal year . Total liabilities decreased 1,479 million yen to 4,922 million yen from the previous year-end. Total net assets decreased 413 million yen to 33,994 million yen because of an increase in retained earnings.

Consolidated Balance Sheet

Consolidated Balance Sheet

	JPY million	
	1st Quarter	(Reference)
	As of 30 June	As of 31 March
	2012	2012
ASSETS		
Current assets:		
Cash & deposits	9,236	10,649
Trade notes and accounts receivable	6,701	6,373
Inventories:	5,497	5,591
Deferred tax assets	100	219
Other current assets	303	716
Allowance for doubtful accounts	(1)	(2)
Total current assets	21,836	23,546
Property, plant & equipment:		
Land	3,571	3,789
Buildings & structures	3,839	3,965
Machinery & equipment	4,956	4,567
Other	534	533
Construction in progress	2,582	2,747
Total property, plant & equipment	15,482	15,601
Intangible Assets	220	221
Net property, plant & equipment	15,702	15,822
Investment & other assets:		
Total investments & other assets	1,378	1,440
Total assets	38,916	40,808

LIABILITIES**Current liabilities:**

Trade notes & accounts payable	1,820	2,230
Current portion of long-term debt	5	5
Accrued income taxes	71	739
Accrued bonus	171	322
Accrued bonus to directors	2	14
Notes payable for property acquisitions	978	1,457
Other	1,523	1,270
Total current liabilities	4,570	6,037

Long-term liabilities:

Long-term debt	110	111
Diferrred tax liabilities	5	17
Other	237	236
Total long-term liabilities	352	364

Total liabilities	4,922	6,401
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NET ASSETS**Shareholders' equity:**

Common stock	8,647	8,647
Capital surplus	11,909	11,906
Retained earnings	15,659	15,510
Treasury stock, at cost	(134)	(141)
Total shareholders' equity	36,081	35,922

Valuation and translation adjustments:

Net unrealized gains(losses)on available-for-sale	(25)	13
Foreign currency translation adjustments	(2,094)	(1,562)
Total valuation and translation adjustments	(2,119)	(1,549)

A subscription warrant and Minority stockholders	32	34
Total shareholders' equity	32	34
Total net assets	33,994	34,407
Total liabilities and net assets	38,916	40,808

Consolidated Statements of Income

	JPY million	
	1st Quarter	1st Quarter
	1 April - 30 June	1 April - 30
	2011	2012
Net sales	5,355	5,310
Cost of sales	3,435	3,767
Gross profit	1,920	1,543
Selling, general & administrative expenses	927	918
Operating income	993	625
Other income (expenses):		
Interest & dividend income	8	9
Interest expenses	0	0
Rent income	27	23
Rent expenses on real estates for investments	(13)	(12)
Foreign exchange gain (loss), net	9	(160)
Gain on sales of property, plant and equipment	8	2
Loss on disposal or sales of property, plant and equipment	(17)	(8)
Loss on valuation of golf club membership		(11)
Other, net	8	6
Other income (expenses), net	30	(151)
Income before income taxes	1,023	474
Income taxes:		
Current	238	30
Deferred	98	110
Total income taxes	336	140
Net income	687	334