

12 February 2013

MARUWA CO., LTD.

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Consolidated financial results for the third quarter of Fiscal 2013

MARUWA CO., LTD. today announced its consolidated financial results for the second quarter of Fiscal

I. Summary of Consolidated Financial Results

(1) Summary of consolidated operating results

	JPY million		
	3rd Quarter	3rd Quarter	Change %
	1 April - 31 Dec.	1 April - 31 Dec.	
	2011	2012	
Net sales	16,102	15,849	-1.6%
Operating income	2,473	1,710	-30.9%
Income before income taxes	2,436	1,936	-20.5%
Net income	1,725	1,233	-28.5%
Net income per share:		JPY	
Basic	150.80	100.19	-33.6%
Diluted	150.57	100.16	--

(2) Summary of consolidated financial condition

	As of 31 March	As of 31 Dec.	Change %
	2012	2012	
Total assets	40,808	43,111	5.6%
Total net assets	34,407	35,812	4.1%
Equity ratio	84.2%	83.0%	-1.2%
Total net assets per share	2,793.23	2,906.94	

II. Dividends

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

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

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

The forecast figures for business results and dividends announced in 26 April 2012 are changed.

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

*Consolidated subsidiaries: 13 companies.

Review of Operations

1. Review of Operations

In this third quarter, the growth of the world economy has slowed due to the expanded Eurozone debt problem and to the rapidly developing economies in emerging countries, including China, rapidly losing steam, and in spite of an indication of economic recovery in the United States.

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, instability in electric power supply, deflation, the appreciation of the yen and diplomatic problems.

In this severe economic situation, the MARUWA Group's business results during this third quarter of this fiscal year were in line with our plans due to a strong demand for ceramic substrate for power modules, new products for smart phone devices and LED lighting.

As a result, our consolidated sales were 15,849 million yen. (This is down 1.6% compared to the same period last year) Our operating income was 1,710 million yen. (This is down 30.9% compared to the same period last year) Ordinary profit was 1,990 million yen (down 22.5%). Net income was 1,233 million yen (down 28.5%).

MARUWA acquired 100% of outstanding shares of Yamagiwa Corporation, which is one of the leading lighting solution companies in Japan. As a result of this share acquisition, Yamagiwa will become a consolidated subsidiary of the Company. By welcoming Yamagiwa as one of the core companies of the Group and utilizing its strong brand recognition and its position as a leading company in the area of lighting solutions, the Company aims to further expand its business base in the booming LED lighting market and enhance its global business growth.

2. Operating Results by Business Division

The Ceramic Components Division

The total sales for this business segment was 14,451 million yen. (This is down 2.6% 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 2,265 million yen.

Lighting Equipment Division

The turnover was 1,398 million yen. This is a 11.0% increase over the same period last year. Operating profit was 82 million yen. (This is increase 63.0% compared to the same period 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.

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Review of Operations

Review of operating results by segment

	JPY million	
	3rd Quarter	3rd Quarter
	1 April - 31 Dec.	1 April - 31 Dec.
	2011	2012
Ceramic Components:		
Net sales	14,843	14,451
Operating income	2,955	2,265
Lighting Equipment:		
Net sales	1,259	1,398
Operating income	50	82
Total:		
Net sales	16,102	15,849
Operating income	3,005	2,347
Elimination:		
Net sales	--	--
Operating income	(532)	(637)
Consolidated:		
Net sales	16,102	15,849
Operating income	2,473	1,710

3. Financial Condition

Total assets as of the end of this second quarter were 43,111 million yen. This is a 5.6% increase over compared to the end of last fiscal year.

Total liabilities were 7,299 million yen. This is increase over to 14.0% compared to the previous year-end. Total net assets were 35,812 million yen. This is increase over to 4.1% compared to previous year-end. This is due to increase of funds, capital surplus and retained earnings by flotation. As a result, capital ratio is 83.0%

Consolidated Balance Sheet

	JPY million	
	2nd Quarter	(Reference)
	As of 31 Dec.	As of 31 March
	2012	2012
ASSETS		
Current assets:		
Cash & deposits	9,733	10,649
Trade notes and accounts receivable	7,489	6,373
Inventories:	5,795	5,591
Deferred tax assets	128	219
Other current assets	745	716
Allowance for doubtful accounts	(23)	(2)
Total current assets	23,867	23,546
Property, plant & equipment:		
Land	3,621	3,789
Buildings & structures	4,006	3,965
Machinery & equipment	6,304	4,567
Other	610	533
Construction in progress	1,708	2,747
Total property, plant & equipment	16,249	15,601
Intangible assets:		
Goodwill	1,079	-
Other	358	221
Total Intangible assets	1,437	221
Investment & other assets:	1,558	1,440
Total noncurrent assets	19,244	17,262
Total assets	43,111	40,808

LIABILITIES**Current liabilities:**

Trade notes & accounts payable	2,475	2,230
Current portion of long-term debt	336	5
Accrued income taxes	233	739
Accrued bonus	199	322
Accrued bonus to directors	2	14
Notes payable for property acquisitions	404	1,457
Other	1,549	1,270
Total current liabilities	5,198	6,037

Long-term liabilities:

Long-term debt	776	111
Diferrred tax liabilities	9	17
Provision for retirement benefits	1,058	-
Other	258	236
Total long-term liabilities	2,101	364

Total liabilities	7,300	6,401
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NET ASSETS**Shareholders' equity:**

Common stock	8,647	8,647
Capital surplus	11,909	11,906
Retained earnings	16,374	15,510
Treasury stock, at cost	(134)	(141)
Total shareholders' equity	36,796	35,922

Valuation and translation adjustments:

Net unrealized gains(losses)on available-for-sale	(7)	13
Foreign currency translation adjustments	(1,009)	(1,562)
Total valuation and translation adjustments	(1,016)	(1,549)

A subscription warrant and Minority stockholders	32	34
Total shareholders' equity	32	34
Total net assets	35,812	34,407
Total liabilities and net assets	43,111	40,808

Consolidated Statements of Income

	JPY million	
	3rd Quarter	3rd Quarter
	1 April - 31 Dec.	1 April - 31 Dec.
	2011	2012
Net sales	16,102	15,849
Cost of sales	10,791	11,387
Gross profit	5,311	4,462
Selling, general & administrative expenses	2,838	2,752
Operating income	2,473	1,710
Other income (expenses):		
Interest & dividend income	21	29
Interest expenses	(2)	(2)
Rent income	82	72
Rent expenses on real estates for investments	(37)	(39)
Environmental expenses	-	(19)
Foreign exchange gain (loss), net	20	213
Stock issuance cost	(26)	-
Gain on sales of property, plant and equipment	12	3
Loss on disposal or sales of property, plant and equipment	(63)	(44)
Loss on reduction of noncurrent assets	-	(207)
State subsidy	-	207
Loss on valuation of inventories securities	(80)	-
Other, net	36	13
Other income (expenses), net	(37)	226
Income before income taxes	2,436	1,936
Income taxes:		
Current	711	585
Deferred	0	118
Total income taxes	711	703
Net income	1,725	1,233