

6 August 2013

MARUWA CO., LTD.

3-83, Minamihonjigahara-cho, Owariasahi-city, Aichi-pref., 488-0044 JAPAN

Consolidated financial results for the first quarter of Fiscal 2014

MARUWA CO., LTD. today announced its consolidated financial results for the first quarter of Fiscal 2013<1 April 2013 - 30 June 2013> as follows;

I. Summary of Consolidated Financial Results

(1) Summary of consolidated operating results

	JPY million		Change %
	1st Quarter 1 April - 30 June 2012	1st Quarter 1 April - 30 June 2013	
Net sales	5,310	7,713	45.3%
Operating income	625	828	32.3%
Income before income taxes	474	977	106.1%
Net income	334	679	103.3%
Net income per share:	JPY		
Basic	27.11	55.10	103.2%
Diluted	27.10	55.04	103.1%

(2) Summary of consolidated financial condition

	As of 31 March 2012	As of 30 June 2013	Change %
Total assets	45,610	45,817	0.5%
Total net assets	37,141	37,953	2.2%
Equity ratio	81.4%	82.8%	1.5%
Total net assets per share	3,014.90	3,074.23	

II. Dividends

	JPY per share	
	Fiscal 2012	Fiscal 2013 (forecast)
Interim	15	16
Year-end	15	16
Total	30	32

*Cautionary statements: the above forecasts are forward-looking statements involving risks and uncertainties. Due to a number of factors, actual results may differ significantly from these estimates.

II. Outlook for the fiscal

2013<1 April 2013 - 30 June 2013>

The forecast figures for business results and dividends announced in 15 May 2013 are not changed.

*The financial statements are

*Consolidated subsidiaries: 13 companies.

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 developing economies in emerging countries, including China, rapidly losing steam, and in spite of an indication of economic recovery in the United States.

The Japanese economy has attempted after new government appointment, the drop in the value of the yen and the positive stock market makes Japanese economy recover slowly.

In this severe economic situation, the MARUWA Group's business results during this first 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 7,713 million yen. (This is up 45.3% compared to the same period last year) Our operating income was 828 million yen. (This is up 32.4% compared to the same period last year) Ordinary profit was 951 million yen (This is up 94.0% compared to the same period last year). Net income was 679 million yen (This is up 103.4% compared to the same period last year).

2. Operating Results by Business Division

The Ceramic Components Division

The total sales for this business segment was 5,088 million yen. (This is up 1.4% 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 1,014 million yen.

Lighting Equipment Division

The turnover was 2,626 million yen. This is a 60.2% increase over the same period last year. Operating profit was 37 million yen. 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. Yamagiwa results was added to consolidated account.

Review of Operations

Review of operating results by segment

	JPY million	
	1st Quarter 1 April - 30 June 2012	1st Quarter 1 April - 30 June 2013
Ceramic Components:		
Net sales	5,016	5,088
Operating income	811	1,014
Lighting Equipment:		
Net sales	294	2,626
Operating income	23	37
Total:		
Net sales	5,310	7,713
Operating income	834	1,052
Elimination:		
Net sales	--	--
Operating income	(209)	(224)
Consolidated:		
Net sales	5,310	7,713
Operating income	625	827

3. Financial Condition

Total assets as of the end of this first quarter were 45,817million yen, up 0.5% from the end of last fiscal year . Total liabilities decreased 605 million yen to 7,864 million yen from the previous year-end. Total net assets increased 812 million yen to 37,952 million yen because of an increase in retained earnings.

Consolidated Balance Sheet

	JPY million	
	1st Quarter	(Reference)
	As of 30 June	As of 31 March
	2013	2013
ASSETS		
Current assets:		
Cash & deposits	11,546	11,312
Trade notes and accounts receivable	7,848	8,560
Electronically recorded monetary claims-operating	106	32
Inventories:	5,743	5,493
Deferred tax assets	360	260
Other current assets	659	619
Allowance for doubtful accounts	(24)	(23)
Total current assets	26,238	26,253
Property, plant & equipment:		
Land	3,632	3,625
Buildings & structures	4,061	4,039
Machinery & equipment	6,444	6,447
Other	628	622
Construction in progress	2,036	1,792
Total property, plant & equipment	16,801	16,525
Goodwill	934	1,006
Other	368	368
Net property, plant & equipment	18,103	17,899
Investment & other assets:		
Total investments & other assets	1,476	1,458
Total assets	45,817	45,610

Long-term liabilities:

Long-term debt	697	789
Diferred tax liabilities	285	104
Provision for retirement benefits	-	876
Provision for environmental measures	26	-
Other	597	239
Total long-term liabilities	<u>1,605</u>	<u>2,008</u>

Total liabilities	<u>7,864</u>	<u>8,469</u>
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NET ASSETS**Shareholders' equity:**

Common stock	8,647	8,647
Capital surplus	11,940	11,909
Retained earnings	17,675	17,181
Treasury stock, at cost	(61)	(134)
Total shareholders' equity	<u>38,201</u>	<u>37,603</u>

Valuation and translation adjustments:

Net unrealized gains(losses)on available-for-sale securities	32	16
Foreign currency translation adjustments	(288)	(511)
Total valuation and translation adjustments	<u>(256)</u>	<u>(495)</u>

A subscription warrant and Minority stockholders share

	8	33
Total shareholders' equity	<u>8</u>	<u>33</u>
Total net assets	<u>37,953</u>	<u>37,141</u>
Total liabilities and net assets	<u>45,817</u>	<u>45,610</u>

Consolidated Statements of Income

	JPY million	
	1st Quarter	1st Quarter
	1 April - 30 June	1 April - 30 June
	2012	2013
Net sales	5,310	7,713
Cost of sales	3,767	4,913
Gross profit	1,543	2,800
Selling, general & administrative expenses	918	1,973
Operating income	625	827
Other income (expenses):		
Interest & dividend income	9	7
Interest expenses	0	0
Rent income	23	24
Rent expenses on real estates for investments	(12)	(14)
Foreign exchange gain (loss), net	(160)	75
Gain on sales of property, plant and equipment	2	-
Compensation income	-	65
Loss on disposal or sales of property, plant and equipment	(8)	(12)
Loss on valuation of golf club membership	(11)	-
Provision for environmental measures	-	(26)
Other, net	6	31
Other income (expenses), net	(151)	150
Income before income taxes	474	977
Income taxes:		
Current	30	204
Deferred	110	94
Total income taxes	140	298
Net income	334	679