

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 4, 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 TEL 0561-51-0839
 Scheduled date to file Quarterly Securities Report: February 12, 2016
 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, 2015 (from April 1, 2015 to December 31, 2015)

(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, 2015	22,319	(7.9)	2,559	27.8	2,613	4.8	1,664	19.7
Nine months ended December 31, 2014	24,227	0.3	2,002	(13.8)	2,494	(6.9)	1,390	(26.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	134.73		134.72	
Nine months ended December 31, 2014	112.57		112.56	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	47,378	41,127	86.8
As of March 31, 2015	49,445	41,000	82.9

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, 2015	–	18.00	–	18.00	36.00
Year ending March 31, 2016	–	19.00	–	–	–
Year ending March 31, 2016 (Forecast)	–	–	–	19.00	38.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

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	34,000	3.6	3,400	41.4	3,500	23.2	2,500	182.8	202.43

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2015
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2015	12,372,000 shares	As of March 31, 2015	12,372,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	22,033 shares	As of March 31, 2015	21,983 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, 2015	12,350,013 shares	Nine months ended December 31, 2014	12,350,063 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	14,224,593	14,205,785
Notes and accounts receivable - trade	8,491,300	7,777,590
Electronically recorded monetary claims - operating	439,199	425,849
Merchandise and finished goods	2,170,099	2,489,563
Work in process	1,864,301	1,645,813
Raw materials and supplies	3,097,696	3,021,334
Deferred tax assets	319,540	215,918
Other	811,100	1,009,279
Allowance for doubtful accounts	(11,420)	(11,500)
Total current assets	31,406,408	30,779,629
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,941,584	9,981,488
Accumulated depreciation	(5,306,942)	(5,420,607)
Buildings and structures, net	4,634,642	4,560,881
Machinery, equipment and vehicles	18,005,004	17,786,991
Accumulated depreciation	(13,486,127)	(13,429,790)
Machinery, equipment and vehicles, net	4,518,878	4,357,201
Land	3,518,446	3,517,915
Construction in progress	1,786,282	1,058,651
Other	3,514,181	3,439,157
Accumulated depreciation	(2,980,477)	(2,912,148)
Other, net	533,704	527,009
Total property, plant and equipment	14,991,951	14,021,657
Intangible assets		
Goodwill	426,091	208,452
Other	450,485	430,925
Total intangible assets	876,575	639,376
Investments and other assets	2,170,275	1,937,475
Total non-current assets	18,038,802	16,598,508
Total assets	49,445,209	47,378,137

(Thousands of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,989,435	3,006,063
Current portion of long-term loans payable	992,576	137,884
Income taxes payable	393,528	439,334
Provision for bonuses	458,819	264,874
Provision for directors' bonuses	4,750	2,375
Notes payable - facilities	184,241	180,404
Other	1,690,996	1,714,179
Total current liabilities	7,714,345	5,745,112
Non-current liabilities		
Long-term loans payable	253,393	152,680
Provision for environmental measures	26,256	26,256
Other	451,317	326,996
Total non-current liabilities	730,966	505,932
Total liabilities	8,445,311	6,251,044
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	21,031,247
Treasury shares	(46,922)	(47,072)
Total shareholders' equity	40,370,916	41,577,688
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	130,601	98,837
Foreign currency translation adjustment	495,314	(551,207)
Total accumulated other comprehensive income	625,915	(452,370)
Subscription rights to shares	1,775	1,775
Non-controlling interests	1,293	–
Total net assets	40,999,898	41,127,093
Total liabilities and net assets	49,445,209	47,378,137

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, 2014	Nine months ended December 31, 2015
Net sales	24,227,414	22,318,933
Cost of sales	16,527,366	14,454,679
Gross profit	7,700,048	7,864,254
Selling, general and administrative expenses	5,698,225	5,305,061
Operating income	2,001,823	2,559,194
Non-operating income		
Interest income	27,675	23,559
Rent income	72,776	68,443
Foreign exchange gains	401,804	–
Other	40,835	50,939
Total non-operating income	543,090	142,941
Non-operating expenses		
Interest expenses	10,040	4,791
Foreign exchange losses	–	45,874
Rent expenses on real estate for investments	28,487	28,984
Other	12,027	9,465
Total non-operating expenses	50,554	89,114
Ordinary income	2,494,359	2,613,021
Extraordinary income		
Gain on sales of non-current assets	3,311	7,845
Gain on sales of investment securities	21,498	–
Subsidy income	755,000	–
Total extraordinary income	779,810	7,845
Extraordinary losses		
Loss on sales and retirement of non-current assets	14,817	1,990
Loss on reduction of non-current assets	738,327	–
Loss on sales of investment securities	–	6,816
Impairment loss	192,134	–
Loss on abandonment of inventories	91,319	–
Other	41,029	–
Total extraordinary losses	1,077,626	8,806
Income before income taxes and minority interests	2,196,543	2,612,060
Income taxes - current	764,943	772,425
Income taxes - deferred	41,231	175,762
Total income taxes	806,174	948,187
Profit	1,390,369	1,663,873
Profit attributable to non-controlling interests	125	(0)
Profit attributable to owners of parent	1,390,244	1,663,873

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	1,390,369	1,663,873
Other comprehensive income		
Valuation difference on available-for-sale securities	65,275	(31,764)
Foreign currency translation adjustment	952,322	(1,046,521)
Total other comprehensive income	1,017,598	(1,078,285)
Comprehensive income	2,407,966	585,588
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,407,842	585,588
Comprehensive income attributable to non-controlling interests	125	(0)