

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

July 26, 2018

Company name: MARUWA CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 5344 URL <https://www.maruwa-g.com/>
 Representative: President and Representative Director Sei Kanbe
 Director, General Manager of Administrative Division Tamaki Nozoki
 Inquiries: TEL 0561-51-0839
 Scheduled date to file Quarterly Securities Report: August 9, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2018	9,329	14.1	2,051	22.8	2,250	36.1	1,509	40.0
Three months ended June 30, 2017	8,175	11.4	1,670	51.7	1,652	101.9	1,078	112.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	122.11	–
Three months ended June 30, 2017	87.32	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	57,972	50,193	86.6
As of March 31, 2018	58,514	49,029	83.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	22.00	–	22.00	44.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		24.00	–	24.00	48.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2018	18,100	3.7	4,050	3.9	4,050	1.8	2,700	2.2	218.40
Full year	40,300	4.6	9,800	6.8	9,850	11.1	6,550	18.1	529.83

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
 (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: No
- 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 June 30, 2018	12,372,000 shares	As of March 31, 2018	12,372,000 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2018	9,826 shares	As of March 31, 2018	9,702 shares
---------------------	--------------	----------------------	--------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	12,362,225 shares	Three months ended June 30, 2017	12,351,971 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	21,994,568	22,020,958
Notes and accounts receivable - trade	9,790,135	9,213,579
Electronically recorded monetary claims - operating	1,047,980	1,155,141
Merchandise and finished goods	2,220,883	2,470,471
Work in process	1,817,145	1,817,393
Raw materials and supplies	3,630,476	3,666,912
Other	1,171,284	752,163
Allowance for doubtful accounts	(1,670)	(1,580)
Total current assets	41,670,803	41,095,040
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,159,776	11,248,478
Accumulated depreciation	(6,133,121)	(6,212,037)
Buildings and structures, net	5,026,654	5,036,441
Machinery, equipment and vehicles	19,595,623	19,803,893
Accumulated depreciation	(15,542,570)	(15,686,639)
Machinery, equipment and vehicles, net	4,053,052	4,117,253
Land	3,943,218	3,940,123
Construction in progress	389,265	468,728
Other	4,163,793	4,259,698
Accumulated depreciation	(3,483,672)	(3,546,604)
Other, net	680,121	713,094
Total property, plant and equipment	14,092,312	14,275,641
Intangible assets		
Other	274,885	283,611
Total intangible assets	274,885	283,611
Investments and other assets	2,476,673	2,317,779
Total non-current assets	16,843,870	16,877,032
Total assets	58,514,674	57,972,073

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,428,784	2,238,456
Electronically recorded obligations - operating	1,456,612	1,357,949
Income taxes payable	2,061,684	535,555
Provision for bonuses	542,637	320,382
Provision for directors' bonuses	63,000	3,500
Provision for environmental measures	3,436	–
Other	2,079,222	2,339,284
Total current liabilities	8,635,378	6,795,128
Non-current liabilities		
Deferred tax liabilities	449,309	582,514
Net defined benefit liability	82,126	76,508
Other	318,304	324,539
Total non-current liabilities	849,740	983,562
Total liabilities	9,485,118	7,778,690
Net assets		
Shareholders' equity		
Capital stock	8,646,720	8,646,720
Capital surplus	11,996,407	11,996,407
Retained earnings	29,048,238	30,285,886
Treasury shares	(77,131)	(78,195)
Total shareholders' equity	49,614,235	50,850,818
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	166,404	164,943
Foreign currency translation adjustment	(751,083)	(822,379)
Total accumulated other comprehensive income	(584,678)	(657,435)
Total net assets	49,029,556	50,193,382
Total liabilities and net assets	58,514,674	57,972,073

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	8,175,409	9,329,907
Cost of sales	4,774,372	5,315,196
Gross profit	3,401,036	4,014,710
Selling, general and administrative expenses	1,730,586	1,963,094
Operating profit	1,670,450	2,051,616
Non-operating income		
Interest income	5,379	5,030
Rent income	20,241	19,681
Foreign exchange gains	–	150,284
Other	8,915	44,964
Total non-operating income	34,536	219,961
Non-operating expenses		
Interest expenses	7	–
Rent expenses on real estate for investments	10,017	13,679
Foreign exchange losses	38,517	–
Other	3,471	7,812
Total non-operating expenses	52,014	21,491
Ordinary profit	1,652,971	2,250,085
Extraordinary income		
Gain on sales of non-current assets	537	473
Gain on sales of investment securities	–	3,458
Total extraordinary income	537	3,932
Extraordinary losses		
Loss on sales and retirement of non-current assets	55,363	1,576
Total extraordinary losses	55,363	1,576
Profit before income taxes	1,598,145	2,252,442
Income taxes - current	368,956	452,742
Income taxes - deferred	150,512	290,082
Total income taxes	519,468	742,824
Profit	1,078,677	1,509,618
Profit attributable to owners of parent	1,078,677	1,509,618

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	1,078,677	1,509,618
Other comprehensive income		
Valuation difference on available-for-sale securities	25,119	(1,460)
Foreign currency translation adjustment	201,908	(71,296)
Total other comprehensive income	227,028	(72,756)
Comprehensive income	1,305,705	1,436,861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,305,705	1,436,861