

Translation

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**Summary of Consolidated Financial Results  
for the Three Months Ended June 30, 2017  
(Based on Japanese GAAP)**

July 25, 2017

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 Tamaki Nozoki  
 Inquiries: TEL 0561-51-0839  
 Scheduled date to file Quarterly Securities Report: August 9, 2017  
 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, 2017 (from April 1, 2017 to June 30, 2017)

(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, 2017	8,175	11.4	1,670	51.7	1,652	101.9	1,078	112.1
Three months ended June 30, 2016	7,341	2.1	1,100	69.0	818	10.0	508	15.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	87.33	–
Three months ended June 30, 2016	41.18	41.17

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	50,895	44,324	87.1
As of March 31, 2017	50,593	43,317	85.6

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, 2017	–	20.00	–	20.00	40.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		22.00	–	22.00	44.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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, 2017	14,800	(2.4)	2,100	(8.9)	2,100	3.6	1,300	12.8	105.24
Full year	33,350	3.6	5,400	9.0	5,450	9.5	3,400	19.3	275.25

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017  
 (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, 2017	12,372,000 shares	As of March 31, 2017	12,372,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	30,702 shares	As of March 31, 2017	19,629 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	12,351,971 shares	Three months ended June 30, 2016	12,349,962 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	18,027,046	18,696,547
Notes and accounts receivable - trade	8,736,607	8,196,274
Electronically recorded monetary claims - operating	503,710	527,220
Merchandise and finished goods	2,222,216	2,222,201
Work in process	1,400,373	1,506,084
Raw materials and supplies	3,249,129	3,337,259
Deferred tax assets	321,655	180,754
Other	755,238	431,395
Allowance for doubtful accounts	(2,850)	(2,725)
Total current assets	35,213,127	35,095,013
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,073,489	10,617,624
Accumulated depreciation	(5,731,785)	(5,844,711)
Buildings and structures, net	4,341,703	4,772,913
Machinery, equipment and vehicles	18,213,958	18,703,680
Accumulated depreciation	(14,338,009)	(14,676,139)
Machinery, equipment and vehicles, net	3,875,948	4,027,541
Land	3,668,726	3,673,759
Construction in progress	679,005	433,848
Other	3,590,735	3,745,948
Accumulated depreciation	(3,029,884)	(3,142,333)
Other, net	560,851	603,615
Total property, plant and equipment	13,126,235	13,511,678
Intangible assets		
Goodwill	20,740	13,827
Other	278,983	281,882
Total intangible assets	299,723	295,710
Investments and other assets	1,954,773	1,993,393
Total non-current assets	15,380,733	15,800,782
Total assets	50,593,860	50,895,796

(Thousands of yen)

As of March 31, 2017

As of June 30, 2017

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,503,852	2,767,556
Electronically recorded obligations - operating	–	657,413
Current portion of long-term loans payable	22,800	–
Income taxes payable	1,024,872	455,802
Provision for bonuses	458,385	250,662
Provision for directors' bonuses	27,500	2,750
Other	1,726,211	1,909,790
<b>Total current liabilities</b>	<b>6,763,623</b>	<b>6,043,975</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	187,311	201,213
Provision for environmental measures	13,526	13,526
Other	312,136	312,225
<b>Total non-current liabilities</b>	<b>512,973</b>	<b>526,965</b>
<b>Total liabilities</b>	<b>7,276,596</b>	<b>6,570,940</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	8,646,720	8,646,720
Capital surplus	11,948,946	11,948,946
Retained earnings	24,022,962	24,854,592
Treasury shares	(42,051)	(93,117)
<b>Total shareholders' equity</b>	<b>44,576,578</b>	<b>45,357,141</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	121,179	146,298
Foreign currency translation adjustment	(1,380,493)	(1,178,584)
<b>Total accumulated other comprehensive income</b>	<b>(1,259,314)</b>	<b>(1,032,285)</b>
<b>Total net assets</b>	<b>43,317,263</b>	<b>44,324,855</b>
<b>Total liabilities and net assets</b>	<b>50,593,860</b>	<b>50,895,796</b>

## 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, 2016	Three months ended June 30, 2017
Net sales	7,341,114	8,175,409
Cost of sales	4,573,757	4,774,372
Gross profit	2,767,357	3,401,036
Selling, general and administrative expenses	1,666,496	1,730,586
Operating profit	1,100,860	1,670,450
Non-operating income		
Interest income	7,146	5,379
Rent income	9,501	20,241
Other	8,359	8,915
Total non-operating income	25,007	34,536
Non-operating expenses		
Interest expenses	597	7
Rent expenses on real estate for investments	10,797	10,017
Foreign exchange losses	286,325	38,517
Other	9,561	3,471
Total non-operating expenses	307,281	52,014
Ordinary profit	818,586	1,652,971
Extraordinary income		
Gain on sales of non-current assets	-	537
Total extraordinary income	-	537
Extraordinary losses		
Loss on sales and retirement of non-current assets	6,053	55,363
Total extraordinary losses	6,053	55,363
Profit before income taxes	812,532	1,598,145
Income taxes - current	197,709	368,956
Income taxes - deferred	106,305	150,512
Total income taxes	304,015	519,468
Profit	508,516	1,078,677
Profit attributable to owners of parent	508,516	1,078,677

### Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	508,516	1,078,677
Other comprehensive income		
Valuation difference on available-for-sale securities	(24,951)	25,119
Foreign currency translation adjustment	(913,272)	201,908
Total other comprehensive income	(938,224)	227,028
Comprehensive income	(429,707)	1,305,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(429,707)	1,305,705