

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2018
(Based on Japanese GAAP)**

January 31, 2019

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 TEL 0561-51-0839
 Inquiries: Division
 Scheduled date to file Quarterly Securities Report: February 8, 2019
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	30,149	7.7	6,959	5.0	7,315	10.9	4,838	10.1
Nine months ended December 31, 2017	28,005	20.0	6,629	84.5	6,599	82.7	4,396	98.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	391.50		–	
Nine months ended December 31, 2017	355.63		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	62,192	52,898	85.1
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				
Year ended March 31, 2018	–	22.00	–	22.00	44.00
Year ending March 31, 2019	–	24.00	–		
Year ending March 31, 2019 (Forecast)				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
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 nine months ended December 31, 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 December 31, 2018	12,372,000 shares	As of March 31, 2018	12,372,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	18,876 shares	As of March 31, 2018	9,702 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, 2018	12,359,895 shares	Nine months ended December 31, 2017	12,362,683 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	21,994,568	21,711,149
Notes and accounts receivable - trade	9,790,135	10,247,875
Electronically recorded monetary claims - operating	1,047,980	1,282,873
Merchandise and finished goods	2,220,883	3,269,379
Work in process	1,817,145	2,185,853
Raw materials and supplies	3,630,476	4,310,665
Other	1,171,284	1,224,325
Allowance for doubtful accounts	(1,670)	(1,740)
Total current assets	41,670,803	44,230,382
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,159,776	11,604,116
Accumulated depreciation	(6,133,121)	(6,388,471)
Buildings and structures, net	5,026,654	5,215,644
Machinery, equipment and vehicles	19,595,623	20,457,414
Accumulated depreciation	(15,542,570)	(16,167,078)
Machinery, equipment and vehicles, net	4,053,052	4,290,335
Land	3,943,218	3,942,195
Construction in progress	389,265	1,160,478
Other	4,163,793	4,502,448
Accumulated depreciation	(3,483,672)	(3,678,959)
Other, net	680,121	823,489
Total property, plant and equipment	14,092,312	15,432,144
Intangible assets		
Goodwill	-	262,785
Other	274,885	279,980
Total intangible assets	274,885	542,766
Investments and other assets	2,476,673	1,986,972
Total non-current assets	16,843,870	17,961,882
Total assets	58,514,674	62,192,265

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,428,784	2,419,018
Electronically recorded obligations - operating	1,456,612	1,950,146
Income taxes payable	2,061,684	741,216
Provision for bonuses	542,637	398,537
Provision for directors' bonuses	63,000	31,500
Provision for environmental measures	3,436	–
Other	2,079,222	2,908,487
Total current liabilities	8,635,378	8,448,906
Non-current liabilities		
Deferred tax liabilities	449,309	492,647
Net defined benefit liability	82,126	–
Other	318,304	352,346
Total non-current liabilities	849,740	844,993
Total liabilities	9,485,118	9,293,900
Net assets		
Shareholders' equity		
Capital stock	8,646,720	8,646,720
Capital surplus	11,996,407	11,994,350
Retained earnings	29,048,238	33,318,499
Treasury shares	(77,131)	(132,111)
Total shareholders' equity	49,614,235	53,827,457
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	166,404	115,953
Foreign currency translation adjustment	(751,083)	(1,045,045)
Total accumulated other comprehensive income	(584,678)	(929,092)
Total net assets	49,029,556	52,898,365
Total liabilities and net assets	58,514,674	62,192,265

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, 2017	Nine months ended December 31, 2018
Net sales	28,005,826	30,149,733
Cost of sales	15,820,021	16,948,543
Gross profit	12,185,805	13,201,190
Selling, general and administrative expenses	5,556,595	6,242,188
Operating profit	6,629,209	6,959,002
Non-operating income		
Interest income	23,708	21,212
Rent income	54,668	57,211
Foreign exchange gains	–	250,261
Other	27,017	83,028
Total non-operating income	105,394	411,714
Non-operating expenses		
Interest expenses	7	–
Foreign exchange losses	99,867	–
Rent expenses on real estate for investments	31,162	45,143
Other	4,123	9,743
Total non-operating expenses	135,160	54,887
Ordinary profit	6,599,444	7,315,829
Extraordinary income		
Gain on sales of non-current assets	8,162	4,043
Gain on bargain purchase	8,199	–
Gain on sales of investment securities	–	3,469
Total extraordinary income	16,362	7,512
Extraordinary losses		
Loss on sales and retirement of non-current assets	57,982	5,354
Loss on liquidation of business	83,248	–
Retirement benefit expenses	–	51,447
Total extraordinary losses	141,231	56,801
Profit before income taxes	6,474,575	7,266,540
Income taxes - current	1,971,317	2,223,395
Income taxes - deferred	106,657	204,222
Total income taxes	2,077,974	2,427,618
Profit	4,396,601	4,838,922
Profit attributable to owners of parent	4,396,601	4,838,922

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	4,396,601	4,838,922
Other comprehensive income		
Valuation difference on available-for-sale securities	87,824	(50,450)
Foreign currency translation adjustment	750,142	(293,962)
Total other comprehensive income	837,967	(344,413)
Comprehensive income	5,234,568	4,494,508
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,234,568	4,494,508