

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 27, 2020

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  
 Inquiries: Executive Officer Tamaki Nozoki TEL 0561-51-0839  
 Scheduled date to file Quarterly Securities Report: August 7, 2020  
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	8,981	(13.5)	2,154	(3.5)	2,158	(2.0)	1,445	(4.6)
Three months ended June 30, 2019	10,382	11.3	2,233	8.9	2,203	(2.1)	1,515	0.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	117.21	–
Three months ended June 30, 2019	122.82	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	71,953	60,631	84.3
As of March 31, 2020	70,681	59,453	84.1

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, 2020	–	26.00	–	26.00	52.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	28.00	–	28.00	56.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	16,500	(18.9)	3,400	(18.1)	3,400	(18.6)	2,300	(19.8)	186.50
Full year	36,500	(11.5)	7,900	(15.5)	7,900	(17.0)	5,450	(7.5)	441.94

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020  
 (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, 2020	12,372,000 shares	As of March 31, 2020	12,372,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	38,313 shares	As of March 31, 2020	40,163 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, 2020	12,331,951 shares	Three months ended June 30, 2019	12,337,951 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

	(Thousands of yen)	
	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	29,334,349	30,955,925
Notes and accounts receivable - trade	9,542,199	8,038,120
Electronically recorded monetary claims - operating	1,295,434	1,211,264
Merchandise and finished goods	2,061,801	2,057,523
Work in process	2,393,622	2,585,007
Raw materials and supplies	2,756,758	2,754,495
Other	1,757,311	1,610,717
Allowance for doubtful accounts	(8,180)	(7,903)
Total current assets	49,133,297	49,205,150
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,650,214	12,668,977
Accumulated depreciation	(6,505,584)	(6,576,128)
Buildings and structures, net	6,144,629	6,092,849
Machinery, equipment and vehicles	20,998,043	20,916,530
Accumulated depreciation	(16,567,320)	(16,509,377)
Machinery, equipment and vehicles, net	4,430,722	4,407,153
Land	4,421,234	4,420,539
Construction in progress	3,445,592	4,896,180
Other	3,499,670	3,560,779
Accumulated depreciation	(2,898,143)	(2,966,072)
Other, net	601,527	594,706
Total property, plant and equipment	19,043,706	20,411,429
Intangible assets		
Goodwill	195,975	182,613
Other	254,672	248,988
Total intangible assets	450,648	431,602
Investments and other assets	2,053,978	1,905,205
Total non-current assets	21,548,333	22,748,237
Total assets	70,681,631	71,953,388

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,898,714	2,402,955
Electronically recorded obligations - operating	1,619,355	1,992,723
Short-term borrowings	900,000	900,000
Income taxes payable	827,864	527,753
Provision for bonuses	608,949	334,701
Provision for bonuses for directors (and other officers)	63,000	3,333
Other	3,382,929	3,177,604
<b>Total current liabilities</b>	<b>9,300,813</b>	<b>9,339,071</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,200,000	1,200,000
Deferred tax liabilities	351,419	395,740
Other	375,829	387,006
<b>Total non-current liabilities</b>	<b>1,927,248</b>	<b>1,982,746</b>
<b>Total liabilities</b>	<b>11,228,062</b>	<b>11,321,818</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,646,720	8,646,720
Capital surplus	11,992,492	11,996,508
Retained earnings	40,526,723	41,651,296
Treasury shares	(239,524)	(228,593)
<b>Total shareholders' equity</b>	<b>60,926,411</b>	<b>62,065,930</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	70,521	111,241
Foreign currency translation adjustment	(1,543,364)	(1,545,602)
<b>Total accumulated other comprehensive income</b>	<b>(1,472,842)</b>	<b>(1,434,360)</b>
<b>Total net assets</b>	<b>59,453,569</b>	<b>60,631,569</b>
<b>Total liabilities and net assets</b>	<b>70,681,631</b>	<b>71,953,388</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, 2019	Three months ended June 30, 2020
Net sales	10,382,863	8,981,962
Cost of sales	6,108,659	4,909,773
Gross profit	4,274,204	4,072,189
Selling, general and administrative expenses	2,040,244	1,917,352
Operating profit	2,233,960	2,154,836
Non-operating income		
Interest income	13,782	14,537
Rental income	24,225	26,106
Other	7,641	17,597
Total non-operating income	45,649	58,242
Non-operating expenses		
Interest expenses	–	751
Rent expenses on real estate for investments	12,773	11,312
Foreign exchange losses	54,410	23,524
Other	9,159	18,935
Total non-operating expenses	76,344	54,523
Ordinary profit	2,203,265	2,158,554
Extraordinary income		
Gain on sales of non-current assets	222	0
Gain on liquidation of subsidiaries	–	11,887
Total extraordinary income	222	11,888
Extraordinary losses		
Loss on sales and retirement of non-current assets	6,218	37
Loss related to infectious disease	–	67,531
Total extraordinary losses	6,218	67,569
Profit before income taxes	2,197,269	2,102,874
Income taxes - current	493,666	447,031
Income taxes - deferred	188,183	210,414
Total income taxes	681,849	657,445
Profit	1,515,419	1,445,428
Profit attributable to owners of parent	1,515,419	1,445,428

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	1,515,419	1,445,428
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,787)	40,720
Foreign currency translation adjustment	(436,892)	(2,238)
Total other comprehensive income	(438,679)	38,482
Comprehensive income	1,076,740	1,483,910
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,076,740	1,483,910