

MARUBUN CORPORATION

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Consolidated Financial Results for the Three Months Ended June 30, 2004

Summary of Consolidated First Quarter Financial Results

1. Financial Results for the Three Months Ended June 30, 2004

(1) Operating Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three Months Ended								
June 30, 2004	39,939	23.4	566	-	572	-	385	-
June 30, 2003	32,631	(2.2)	(153)	-	(92)	-	(91)	-
March 31, 2004	157,310		1,636		2,071		1,214	

	Net Income Per Share		Diluted Net Income Per Share	
	Yen		Yen	
Three Months Ended				
June 30, 2004	14.28		14.25	
June 30, 2003	(3.30)		-	
March 31, 2004	43.52		43.50	

Notes : Percentages for net sales, operating income, ordinary income and net income indicate changes from previous year

(2) Financial Position

	Total Assets	Shareholder's Equity	Shareholder's Equity to Total Assets	Shareholder's Equity Per Share
	Millions of Yen	Millions of Yen	%	Yen
Three Months Ended				
June 30, 2004	90,742	29,642	32.7	1,097.98
June 30, 2003	85,483	28,748	33.6	1,039.48
March 31, 2004	90,960	29,313	32.2	1,085.80

2. Financial Forecasts for the Fiscal Year Ending March 31, 2005

	Net Sales	Operating Income	Ordinary Income	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year Ending				
September 30, 2004	83,600	1,200	1,300	780

Reference : Expected net income per share : 28.89yen

The full-year consolidated performance has not yet been reviewed, but the full-year forecasts will be analyzed and published before or at the announcement of results for the first half of this fiscal year, if necessary.

Note: These Financial Forecasts are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. Marubun Corporation cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Consolidated Balance Sheets

(Millions of Yen)

	As of June 30, 2003		As of June 30, 2004		Increase/ Decrease	As of March 31, 2004	
	Amount	Composi- -tion (%)	Amount	Composi- -tion (%)		Amount	Composi- -tion (%)
(Assets)							
Current Assets							
Cash and Bank Deposits	8,611		6,101		(2,510)	5,935	
Notes and Accounts Receivable, Trade	37,868		45,315		7,447	47,654	
Marketable Securities	-		16		16	17	
Inventories	19,004		19,915		911	17,753	
Deferred Tax Assets	491		527		35	525	
Other	2,040		1,719		(320)	1,763	
Allowance for Doubtful Accounts	(16)		(29)		(12)	(35)	
Total Current Assets	67,999	79.5	73,567	81.1	5,567	73,615	80.9
Long-term Assets							
Tangible Fixed Assets							
Buildings and Structures	2,372		2,182		(190)	2,224	
Land	2,699		2,658		(40)	2,674	
Other	542		597		54	559	
Total Tangible Fixed Assets	5,614	6.6	5,438	6.0	(176)	5,458	6.0
Intangible Fixed Assets	2,291	2.7	1,925	2.1	(365)	2,022	2.2
Investments and Other Assets							
Investment Securities	2,956		3,476		520	3,472	
Deferred Tax Assets	1,566		1,415		(150)	1,408	
Investments in Real Estates	3,042		2,951		(90)	2,975	
Other	2,012		1,967		(45)	2,009	
Total Investments and Other Assets	9,578	11.2	9,811	10.8	233	9,865	10.9
Total Long-term Assets	17,483	20.5	17,174	18.9	(308)	17,345	19.1
Total Assets	85,483	100.0	90,742	100.0	5,258	90,960	100.0
(Liabilities)							
Current Liabilities							
Notes and Accounts Payable, Trade	22,282		24,257		1,974	27,712	
Short-term Loans Payable	23,416		28,721		5,304	25,042	
Current Portion of Bonds Payable	2,100		-		(2,100)	-	
Accrued Income Taxes and Other Taxes	115		258		143	793	
Deferred Tax Liabilities	-		-		-	0	
Allowance for Employees' Bonuses	375		401		26	782	
Other	2,584		2,454		(130)	2,286	
Total Current Liabilities	50,874	59.5	56,093	61.8	5,218	56,616	62.3
Long-term Liabilities							
Long-term Loans Payable	4,058		3,000		(1,058)	3,000	
Deferred Tax Liabilities	0		-		(0)	-	
Allowance for Employees' Retirement Benefits	682		930		247	969	
Allowance for Directors' Retirement Benefits	475		409		(65)	401	
Other	637		656		19	652	
Total Long-term Liabilities	5,854	6.9	4,996	5.5	(857)	5,023	5.5
Total Liabilities	56,729	66.4	61,090	67.3	4,361	61,640	67.8
(Minority Interests)	5	0.0	9	0.0	3	7	0.0
(Shareholders' Equity)							
Common Stock	6,214	7.3	6,214	6.8	-	6,214	6.8
Additional Paid-in Capital	6,351	7.4	6,351	7.0	-	6,351	7.0
Retained Earnings	16,608	19.4	17,842	19.7	1,233	17,456	19.2
Revaluation of Investment Securities	16	0.0	281	0.3	265	289	0.3
Foreign Currency Translation Adjustments	(38)	(0.0)	(220)	(0.2)	(181)	(171)	(0.2)
Treasury Stock	(404)	(0.5)	(827)	(0.9)	(423)	(827)	(0.9)
Total Shareholders' Equity	28,748	33.6	29,642	32.7	893	29,313	32.2
Total Liabilities, Minority Interest and Shareholders' Equity	85,483	100.0	90,742	100.0	5,258	90,960	100.0

Consolidated Statements of Income

(Millions of Yen)

	Three Months Ended June 30, 2003		Three Months Ended June 30, 2004		Increase/ Decrease	Fiscal Year Ended March 31, 2004	
	Amount	Ratio to Net Sales (%)	Amount	Ratio to Net Sales (%)		Amount	Ratio to Net Sales (%)
Net Sales	32,361	100.0	39,939	100.0	7,578	157,310	100.0
Cost of Sales	28,755	88.9	35,451	88.8	6,695	139,716	88.8
Gross Profit	3,605	11.1	4,488	11.2	883	17,593	11.2
Selling, General and Administrative Expenses	3,758	11.6	3,922	9.8	163	15,957	10.1
Operating Income	(153)	(0.5)	566	1.4	719	1,636	1.1
Non-Operating Income							
Interest Income	0		0			2	
Dividends Income	5		8			11	
Equity in Net Incomes of Affiliates	66		43			422	
Income from Investments in Real Estates	75		72			312	
Rent Revenue	20		20			76	
Foreign Currency Translation Gain	-		-			82	
Other	45		26			157	
Total Non-Operating Income	214	0.7	171	0.4	(42)	1,065	0.6
Non-Operating Expenses							
Interest Expenses	70		69			280	
Expenses incurred for Investments in Real Estates	38		35			154	
Foreign Currency Translation Loss	24		28			-	
Other	19		32			195	
Total Non-Operating Expenses	152	0.5	165	0.4	13	629	0.4
Ordinary Income	(92)	(0.3)	572	1.4	664	2,071	1.3
Extraordinary Gains	4	0.0	49	0.1	44	138	0.1
Extraordinary Losses	1	0.0	1	0.0	(0)	252	0.1
Income before Taxes	(88)	(0.3)	621	1.6	709	1,958	1.3
Income, Inhabitant and Business Taxes	1	0.0	233	0.6	231	741	0.5
Minority Interest in Losses	(1)	(0.0)	(2)	(0.0)	(1)	(2)	(0.0)
Net Income	(91)	(0.3)	385	1.0	476	1,214	0.8

Consolidated Net Sales by Segments

(Millions of Yen, %)

Segments	Three Months Ended June 30, 2003	Three Months Ended June 30, 2004	Increase/ Decrease (Percent Change from Previous Year) (%)	Fiscal Year Ended March 31, 2004
Components & Materials	26,062	33,095	27.0	119,432
Electronic Systems	6,298	6,843	8.7	37,878
Total	32,361	39,939	23.4	157,310

Consolidated Financial Results by the Quarter

Fiscal Year Ending March 31, 2005

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Three Months Ended June 30, 2004	Three Months Ended September 30, 2004	Three Months Ended December 31, 2004	Three Months Ended March 31, 2005
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Net Sales	39,939	-	-	-
Gross Profit	4,488	-	-	-
Operating Income	566	-	-	-
Ordinary Income	572	-	-	-
Income before Taxes	621	-	-	-
Net Income	385	-	-	-
	Yen	Yen	Yen	Yen
Net Income Per Share	14.28	-	-	-
Diluted Net Income Per Share	14.25	-	-	-
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Total Assets	90,742	-	-	-
Shareholder's Equity	29,642	-	-	-
	Yen	Yen	Yen	Yen
Shareholder's Equity Per Share	1,097.98	-	-	-

Fiscal Year Ended March 31, 2004

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Three Months Ended June 30, 2003	Three Months Ended September 30, 2003	Three Months Ended December 31, 2003	Three Months Ended March 31, 2004
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Net Sales	32,361	38,987	38,036	47,924
Gross Profit	3,605	4,084	4,404	5,498
Operating Income	(153)	(32)	609	1,213
Ordinary Income	(92)	223	683	1,257
Income before Taxes	(88)	202	650	1,193
Net Income	(91)	147	392	765
	Yen	Yen	Yen	Yen
Net Income Per Share	(3.30)	5.38	14.41	27.37
Diluted Net Income Per Share	-	5.38	14.41	27.37
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Total Assets	85,483	85,934	84,694	90,960
Shareholder's Equity	28,748	28,588	28,918	29,313
	Yen	Yen	Yen	Yen
Shareholder's Equity Per Share	1,039.48	1,045.68	1,062.95	1,085.80

Non-Consolidated Balance Sheets

(Millions of Yen)

	As of June 30, 2003		As of June 30, 2004		Increase/ Decrease	As of March 31, 2004	
	Amount	Composi- tion (%)	Amount	Composi- tion (%)		Amount	Composi- tion (%)
(Assets)							
Current Assets							
Cash and Bank Deposits	6,792		3,944		(2,848)	4,122	
Notes Receivable, Trade	4,862		4,198		(663)	3,779	
Accounts Receivable, Trade	28,649		37,020		8,370	37,086	
Marketable Securities	-		16		16	17	
Inventories	18,584		19,435		851	17,208	
Advance Payment	1,284		1,192		(91)	831	
Deferred Tax Assets	397		437		40	437	
Other	589		448		(141)	877	
Allowance for Doubtful Accounts	(10)		(25)		(15)	(31)	
Total Current Assets	61,149	79.8	66,668	81.4	5,518	64,330	80.7
Long-term Assets							
Tangible Fixed Assets							
Buildings	1,797		1,730		(66)	1,764	
Land	2,300		2,300		-	2,300	
Other	524		625		101	587	
Total Fixed Assets	4,622	6.0	4,657	5.9	34	4,653	5.8
Intangible Fixed Assets	2,427	3.2	2,038	2.5	(389)	2,143	2.7
Investments and Other Assets							
Deferred Tax Assets	1,460		1,350		(110)	1,336	
Investments in Real Estates	3,042		2,951		(90)	2,975	
Other	3,967		4,202		235	4,250	
Total Investments and Other Assets	8,471	11.0	8,505	10.4	33	8,562	10.8
Total Long-term Assets	15,521	20.2	15,200	18.6	(320)	15,358	19.3
Total Assets	76,670	100.0	81,868	100.0	5,198	79,688	100.0
(Liabilities)							
Current Liabilities							
Notes Payable, Trade	2,280		2,852		572	2,568	
Accounts Payable, Trade	14,801		16,444		1,643	17,830	
Short-term Loans Payable	23,300		27,700		4,400	24,000	
Current Portion of Long-term Loans Payable	-		1,000		1,000	1,000	
Current Portion of Bonds Payable	2,100		-		(2,100)	-	
Accrued Income Taxes and Other Taxes	55		217		162	675	
Accrued Business Office Taxes	6		6		(0)	22	
Allowance for Employees' Bonuses	276		302		25	602	
Other	2,287		2,128		(159)	1,767	
Total Current Liabilities	45,108	58.8	50,651	61.9	5,452	48,467	60.8
Long-term Liabilities							
Long-term Loans Payable	4,000		3,000		(1,000)	3,000	
Allowance for Employees' Retirement Benefits	682		912		230	947	
Allowance for Directors' Retirement Benefits	369		362		(7)	356	
Other	627		627		(0)	622	
Total Long-term Liabilities	5,679	7.4	4,902	6.0	(777)	4,926	6.2
Total Liabilities	50,787	66.2	55,553	67.9	4,765	53,393	67.0
(Shareholders' Equity)							
Common Stock	6,214	8.1	6,214	7.6	-	6,214	7.8
Additional Paid-in Capital	6,351	8.3	6,351	7.8	-	6,351	8.0
Retained Earnings	13,713	17.9	14,354	17.5	640	14,312	17.9
Revaluation of Investment Securities	7	0.0	222	0.3	215	244	0.3
Treasury Stock	(404)	(0.5)	(827)	(1.0)	(423)	(827)	(1.0)
Total Shareholders' Equity	25,882	33.8	26,315	32.1	432	26,295	33.0
Total Liabilities and Shareholders' Equity	76,670	100.0	81,868	100.0	5,198	79,688	100.0

Non-Consolidated Statements of Income

(Millions of Yen)

	Three Months Ended June 30, 2003		Three Months Ended June 30, 2004		Increase/ Decrease	Fiscal Year Ended March 31, 2004	
	Amount	Ratio to Net Sales (%)	Amount	Ratio to Net Sales (%)		Amount	Ratio to Net Sales (%)
Net Sales	28,958	100.0	36,251	100.0	7,292	138,520	100.0
Cost of Sales	25,843	89.2	32,278	89.0	6,434	123,356	89.1
Gross Profit	3,114	10.8	3,972	11.0	858	15,164	10.9
Selling, General and Administrative Expenses	3,242	11.2	3,460	9.5	217	13,905	10.0
Operating Income	(128)	(0.4)	512	1.4	641	1,258	0.9
Non-Operating Income	165	0.6	139	0.4	(26)	648	0.4
Non-Operating Expenses	129	0.5	153	0.4	24	588	0.4
Ordinary Income	(92)	(0.3)	498	1.4	590	1,318	0.9
Extraordinary Gains	5	0.0	6	0.0	0	101	0.1
Extraordinary Losses	0	0.0	1	0.0	0	149	0.1
Income before Taxes	(88)	(0.3)	503	1.4	591	1,269	0.9
Income, Inhabitant and Business Taxes	(15)	(0.1)	201	0.6	216	553	0.4
Net Income	(72)	(0.2)	302	0.8	374	716	0.5
Retained Earnings at the Beginning of a Period	348		625		277	348	
Interim Dividend	-		-		-	191	
Unappropriated Retained Earnings	275		927		652	874	