

MARUBUN CORPORATION

Financial Information Meeting for the First Half of FY2007

November 16, 2007

Within the presentation, information on the future performance such as results forecasts is based on the data available at the time this presentation was prepared that the Company assumes reasonable. Actual performance depends on various important factors and may differ significantly from the estimates contained herein.

[Introduction]

- I would like to report on the earning for the first half of 2007 fiscal year and explain the forecasts and priority policies.

Consolidated Business Results for the First Half of FY2007

(million yen)

	Sept/07 Results	Sept/06 Results	Change
Net Sales	124,152	130,165	(4.6%)
Gross Profit	11,547	11,521	+0.2%
Operating Income	2,150	2,524	(14.8%)
Ordinary Income	1,861	2,611	(28.7%)
Net Income	884	1,599	(44.7%)

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[Consolidated Business Results for First Half of FY2007]

- First of all, I would like to provide a summary of the earnings for the first half of FY2007.
- Consolidated sales for the first half of FY2007 declined 5% year on year to 124.1 billion yen.
- The decline in sales was the result of a decline in sales within the Japan, particularly within the electronic devices business, although overseas sales for the first half rose 53% year on year to 37.6 billion from 25.3 billion yen.
- Operating income declined 15% to 2.1 billion yen, and ordinary income fell 29% to 1.8 billion yen.

Net Sales by Segment

(million yen)

	Sept/07 Results	Sept/06 Results	Change
Consolidated Net Sales	124,152	130,165	(6,013)
Electronic Devices	107,487	112,754	(5,267)
Electronic Systems	16,664	17,410	(746)

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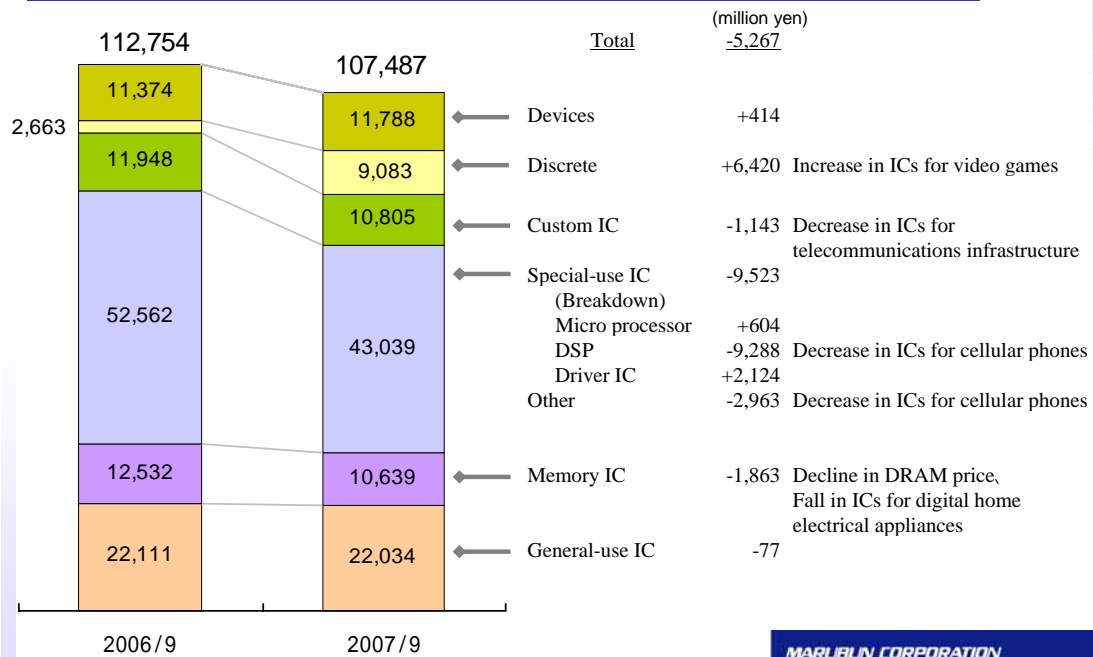
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[Net Sales By Segment]

- I would like to next provide an explanation of the sales by segment.
- Net sales for the electronic devices business declined 5.2 billion yen year on year, to 107.4 billion yen, and sales for the electronic system business shrank 700 million yen to 16.6 billion yen.
- For the electronic devices business, sales for digital home electrical appliances were firm but sales dropped as a result of the completion of some of large projects for the cellular phones.
- The decline in sales for the electronic systems business was because of a decline in sales for measurement and inspection equipment and medical equipment.

Electronic Devices - Net Sales by Products



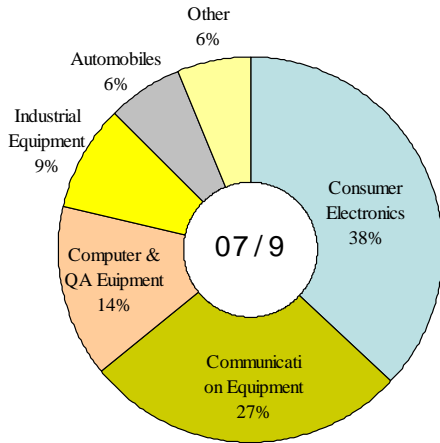
[Electronic Devices – Net Sales by Products]

- I would now like to discuss net sales by products for the electronic devices business.
- The decline in sales of memory ICs was due to fall in sales for digital home electrical appliances such as TVs.
- Sales of special-use ICs fell since sales of DSP for third-generation cellular phones declined and there was weak demand for bluetooth ICs although there was an increase in display driver ICs.
- As for discrete ICs, sales for video games rose substantially.

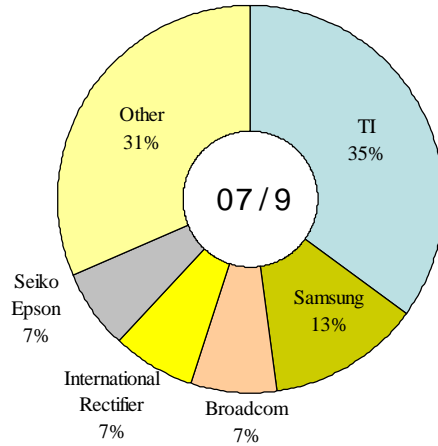
* DSP (digital signal processor)

Electronic Devices - Net Sales by Application and Supplier

Sales by Application



Sales by Supplier



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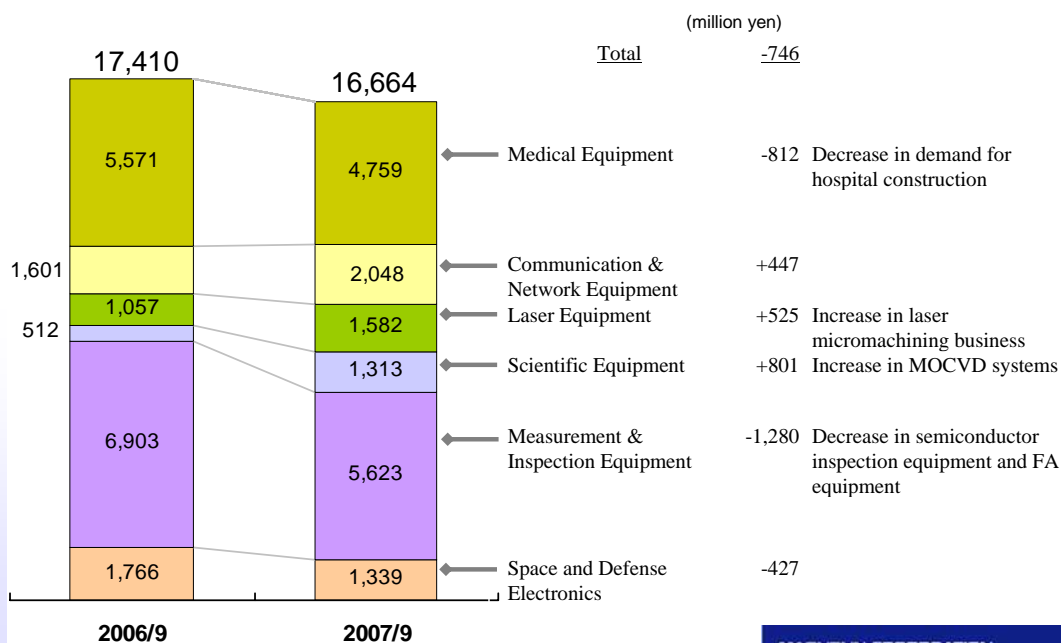
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[Electronic Devices Net Sales by Application and Supplier]

- In terms of application, cellular phone's share dropped, and consumer electronics accounted for 38% as a result of an increase in sales for video games.
- As for suppliers, while Texas Instruments, Inc. accounted for a smaller share of sales, International Rectifier Corporation, which has firm sales of discrete sales, saw its share rise.

Electronic Systems Sales by Products



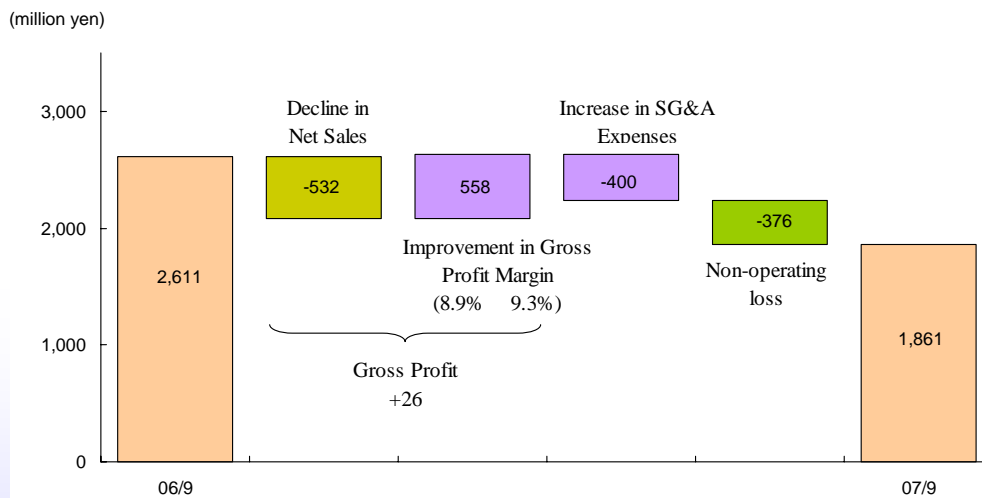
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[Electronic Systems - Sales by Products]

- In the electronic systems business, sales for scientific equipment and laser equipment increased, but those for the measurement and inspection equipment, and medical equipment fell.
- For industrial equipment, sales of both semiconductor inspection equipment and FA equipment declined.
- On the other hand, for scientific equipment, sales of the thin film systems used for producing compound semiconductors, such as LEDs, were firm.
- The decline in medical equipment was due to the completion of major projects, which Marubun was involved in last year.

Factors Effecting Ordinary Income



[Gross Profit] Gross profit rose 26 million year on year due to an improvement in the gross profit margin although sales decline.

[SG&A Expenses] Labor costs rose 316 million yen and expenses rose 85 million yen.

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[Factors Effecting Ordinary Income]

- I would like to look at the factors effecting ordinary income.
- Growth in gross profit was flat even though sales dropped since there was decline in large projects which have relatively thin profit margins.
- As for the SG&A expenses, labor cost mostly rose.
- Looking at non-operating profit, Marubun recorded a loss on foreign exchange translations of 10 million yen compared to a gain of 240 million yen for the first half of FY2006.
- Therefore, ordinary income totaled 1.8 billion yen.

Consolidated Balance Sheet

	Sept/07	Sept/06	Change
Current Assets	105,207	122,320	(17,113)
Cash on Hand and Cash in Banks	8,187	8,861	(674)
Receivable: Trade Notes and Accounts	60,909	71,666	(10,757)
Inventories	32,875	34,803	(1,928)
Deferred tax assets	661	597	64
Other	2,611	6,432	(3,821)
Allowance for doubtful accounts	(38)	(40)	2
Long-term Assets	15,018	15,908	(890)
Total assets	120,226	138,229	(18,003)
Current liabilities	73,638	93,202	(19,564)
Payable: Trade Notes and Accounts	29,116	38,273	(9,157)
Short-term Bank Loans	40,903	50,543	(9,640)
Other	3,618	4,386	(768)
Long-term liabilities	6,692	8,383	(1,691)
Bonds	1,242	1,000	242
Bonds with stock acquisition rights	4,000	4,000	0
Long-term Debt	-	2,000	(2,000)
Other	1,450	1,383	67
Total Liabilities	80,331	101,586	(21,255)
Total Net Assets	39,894	36,643	3,251
Total Liabilities and Net Assets	120,226	138,229	(18,003)

(million yen)

Reason for major changes

[Current Assets]

- Decline in receivables accompanying decline in sales

[Liabilities]

- Decline in payables accompanying decline in sales
- Decline in long- and short-term debt due to a fall in demand for working capital

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[Consolidated Balance Sheet]

- I would like to next explain the major items of the balance sheet.
- Total assets fell 18.0 billion yen year on year due to a decline in current assets.
- The decline in current assets was due to a fall in accounts receivable accompanying a fall in sales.
- Inventories shrank 1.9 billion yen to 32.8 billion yen, which is equivalent to the 1.6 months of sales.

Consolidated Statement of Cash flows

(million yen)

	07/9	06/9	Change
Income before Income Taxes	1,811	2,693	(882)
Depreciation and Amortization	591	485	106
Goodwill Depreciation	50	54	(4)
Equity in Net Incomes	(49)	(61)	12
Increase/decrease in accounts receivable	8,265	(8,597)	16,862
Increase/decrease in inventories	986	(8,331)	9,317
Decrease in accounts payable	(5,812)	(3,305)	(2,507)
Other	3,084	(4,640)	7,724
Subtotal	8,928	(21,703)	30,631
Interest and dividends received	40	27	13
Interest paid	(330)	(238)	(92)
Income tax paid	(1,718)	(1,566)	(152)
Cash flows from operating activities	6,920	(23,481)	30,401
Cash flows from investing activities	42	1,494	(1,452)
Cash flows from financing activities	(6,243)	23,612	(29,855)
Cash and cash equivalents at end of year	7,487	7,996	(509)

Main reason for Changes

Cash flows from operating activities - Decline in accounts receivable and accounts payable

Cash flows from financing activities - Net fall in short-term bank loans of 5,673 million yen

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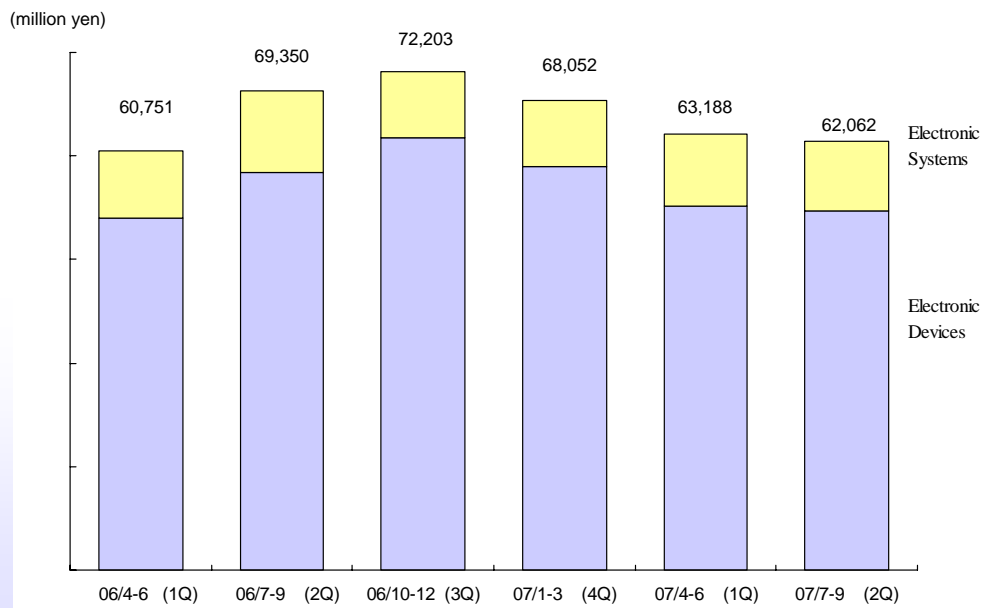
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[Consolidated Statement of Cash flows]

- I would like to now go over cash flows.
- Cash flows from operating activities for the first half resulted in a net inflow of 6.9 billion yen. This was due to a decline in both accounts receivable and accounts payable.
- As for cash flows from financing activities, there was a net outflow of 6.2 billion yen as a result of factors including a net decline in short-term bank loans and payment of dividends.
- Therefore, cash and cash equivalents at the first half end of the year totaled 7.4 billion yen.

Trends in Orders



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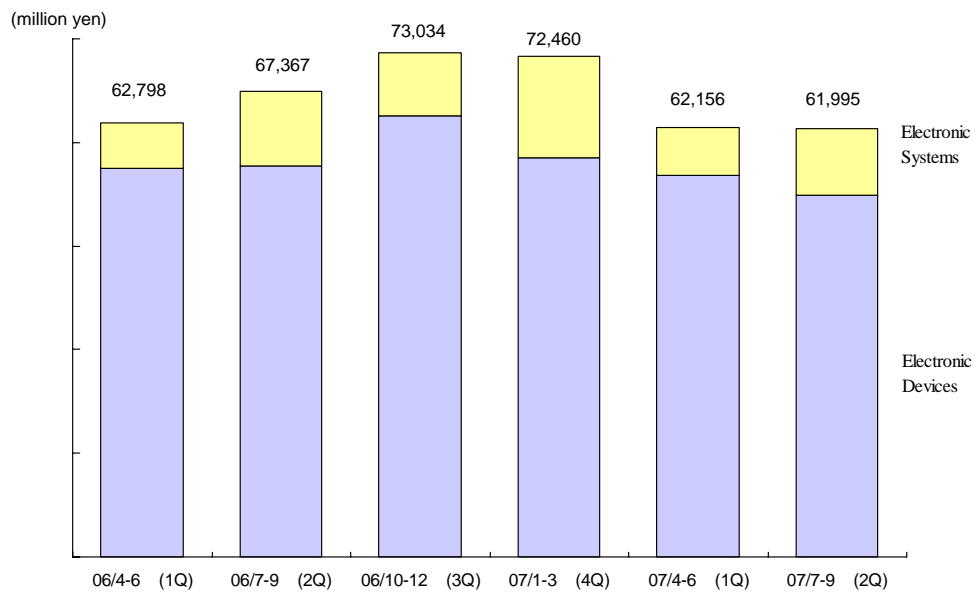
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[Trends in Orders]

- The graph shows orders for recent quarters.
- Orders for 2Q decline 1.8% compared to 1Q.

Trends in Net Sales



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[Trends in Net Sales]

- The graph shows recent sales.

FY2007 Consolidated Results Forecasts

(million yen)

	Mar/08 Forecasts	Mar/07 Result	Change
Net Sales	260,000	275,661	(5.7%)
Gross Profit	24,600	25,589	(3.9%)
Operating Income	5,300	6,498	(18.4%)
Ordinary Income	4,800	6,280	(23.6%)
Net Income	2,500	3,483	(28.2%)

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[FY2007 Consolidated Results Forecast]

- Next, I would like to explain forecasts for the current fiscal year.
- Consolidated sales are expected to decline 6% year on year, to 260.0 billion yen, operating income is forecast to drop 18% year on year to 5.3 billion yen, and ordinary income is projected to fall 24% to 4.8 billion yen.

FY2007 Consolidated Results Forecasts (comparison with initial forecast)

(million yen)

	Mar/2008 Current Forecast	Mar/2008 Initial Forecast	Change
Net Sales	260,000	284,000	(8.5%)
Gross Profit	24,600	26,300	(6.5%)
Operating Income	5,300	6,500	(18.5%)
Ordinary Income	4,800	5,900	(18.6%)
Net Income	2,500	3,170	(21.1%)

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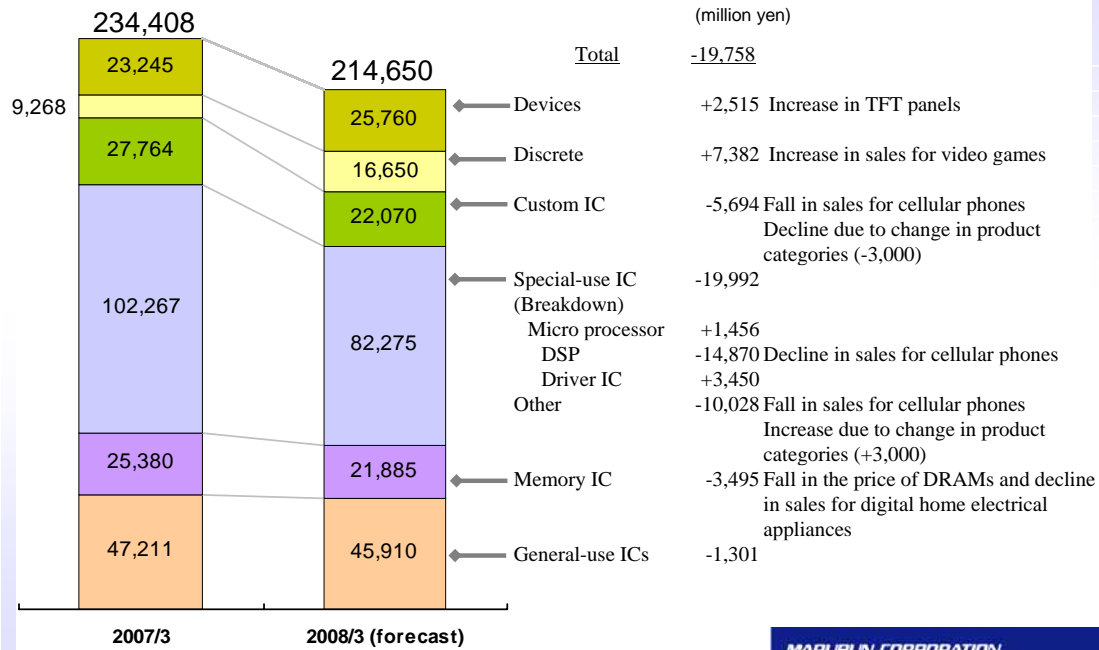
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[FY2007 Consolidated Results Forecast (comparison with initial outlook)]

- This graph shows revisions to our initial forecasts.
- The reason for the downward revision is stagnant growth in the electronic devices business.
- We initially expected that the forecast decline in sales for third generation cellular phones could be compensated for by an increase in sales in a wide range of fields, including video games, flat-panel TV, bluetooth devices, and telecommunication infrastructure.
- However, except for sales for digital home electrical appliances, sales growth has been stagnate, and we determined that a sudden recovery in the second half would be difficult and revised our forecasts downward.

Electronic Devices - Sales Projections by Products

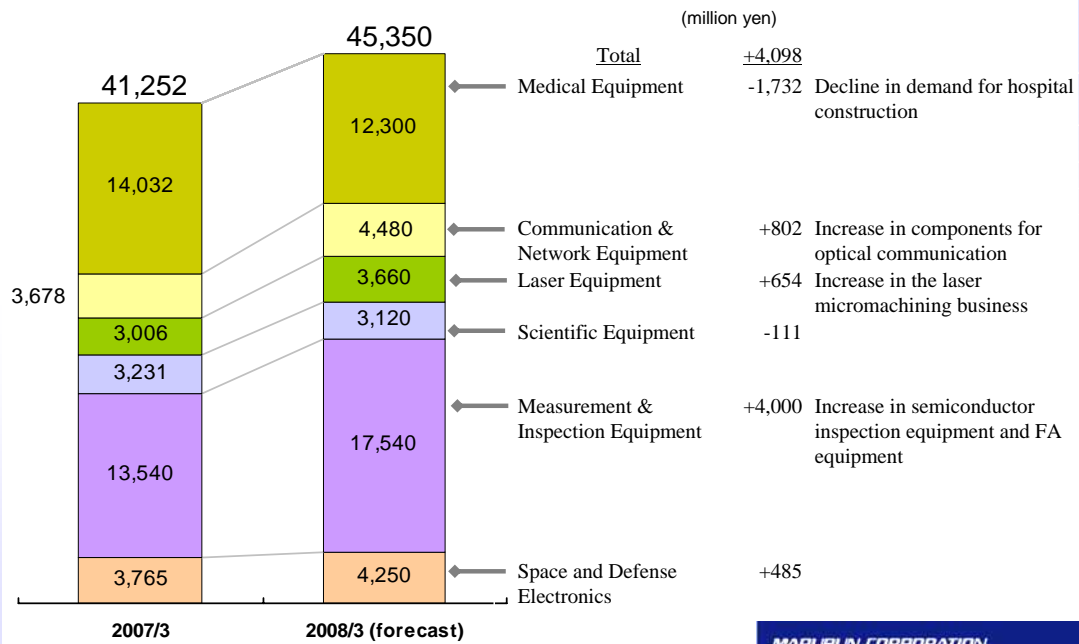


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[Electronic Devices – Sales Projections by Products]

- Sales for the electronic devices business are expected to decline 19.7 billion yen year on year to 214.6 billion yen.
- The decline in sales of memory ICs is due to a decline in sales for digital home electrical appliances and a fall in the price of DRAM.
- We expect that sales of special-use ICs will fall dramatically due to a decline in sales of products used for third generation cellular phones.
- As for discrete ICs, sales of those used for video games are projected to increase as they did in the first half.
- In the field of electronic components, sales of TFT panels are expected to rise.

Electronic Systems - Sales Projections by Products

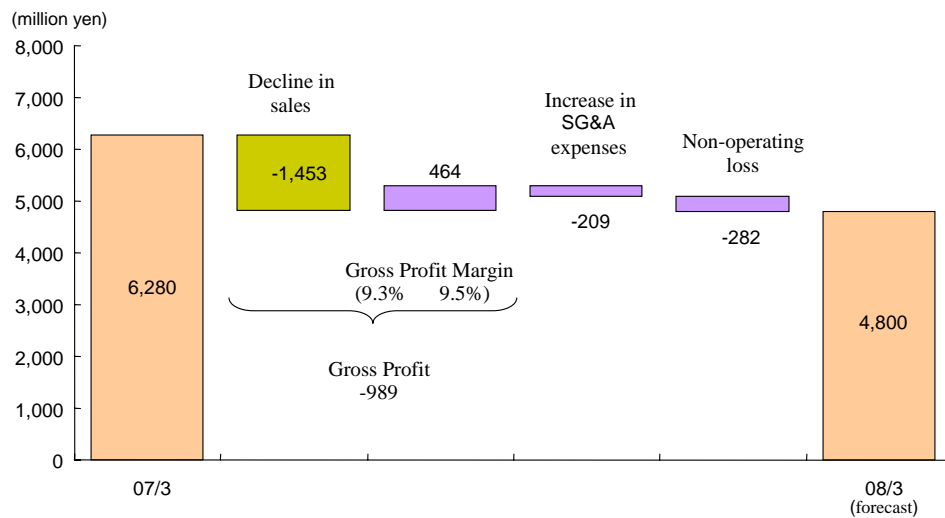


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[Electronic Systems Sales Projections by Products]

- Sales for the electronic system business are expected to total 45.3 billion yen.
- As for Measurement & Inspection equipment, there are plans to expand sales of both FA equipment and semiconductor inspection system, which were stagnant in the first half.
- We are also projecting growth in sales for the laser micromachining business.

Factors Effecting Ordinary Income



[Gross profit] Gross profit are expected to decline 989 million yen due to fall in sales

[SG&A expenses] SG&A expenses are projected to increase due to the investment in information systems and complying with the J-SOX law.

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[Factors Effecting Ordinary Income]

- I would now like to explain the factors that will effect income.
- We expect gross profit to decline 900 million yen due to the fall in sales.
- While efforts have been made to reduce SG&A expenses, they are projected to increase 2 million yen for various reasons including efforts to comply with the J-SOX law and information system investments in order to strengthen Marubun's ability to respond to customers and to improve the company's business efficiency.
- As for the non-operating losses, both interest paid and foreign exchange losses are projected to increase.
- Therefore, ordinary income is forecast to decline 1.4 billion yen year on year to 4.8 billion yen.

Goals of Value Up Plan

Increase efficiency of existing businesses

Create new businesses and projects

Establish a risk management system

... etc.

Establish a new foundation
as a general electronics trading company.

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[Goal of the Value Up plan]

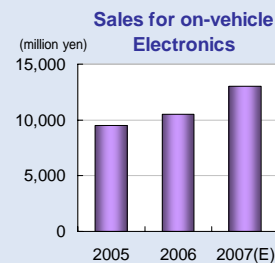
- As explained previously, the company is facing very difficult business conditions this year.
- At the explanatory meeting in May, we designated fiscal 2007 as the year to “strengthen the foundation” and explained our efforts related to increasing the value added by the company, in other words efforts related to Value Up, the theme of the medium-term business plan.
- Value UP involves building a new foundation as a general electronics trading company and covers items from improving the efficiency of existing businesses to establishing a risk management system that can respond to the new business environment, which includes green purchasing and the J-SOX law, and to creating new business projects. At the present time, these efforts are progressing smoothly.
- While there is a lot of resistance, we want to steadily implement the plan in order to realize sustainable growth in the future.

Priority Policies for the Electronic Devices Business

Key phrases – No. 1 Strategy, Only One Strategy, Improving customer satisfaction

- Establish a foundation for stable growth

- Deepen industrial machines market
 - Expanding sales of high-performance analog ICs
- Increase sales in the car electronics market
 - Establish a new base and develop customer-centered services



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- Develop of new markets

- Develop the fields of information security, environment, health and medicine
 - Conclude an agency contract with Authen Tec Inc., the leading fingerprint sensor company
 - Develop the information security by tying up with system businesses

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[Priority Policies for the Electronic Devices Business]

- Next, I would like to move onto an explanation of the priority policies for the second half.
- First of all, the three key phrases for growth in the electronic devices business are No. 1 strategy, Only One strategy, and improving customer satisfaction, which are the basis for Marubun's efforts related to Value Up.
- The following are the priority measures for the second half in order to accelerate the implementation of these policies.
- First, we will establish a firmer foundation for stable growth.
- We are working to deepen the industrial equipment and automobile markets, the foundation of the electronic devices business.
- In terms of sales targeting industrial equipment, we are working to expand sales of high-performance analog ICs.
- For the on-vehicle Electronics business, while focusing on risk analysis and new project development, we have established a new base as one link in our efforts to rapidly respond to the customers.
- Second, we are developing new fields such as information security, medicine, and environmental products.
- With regards to the information security field, we have concluded an agency agreement with AuthenTec Inc., the leading company for fingerprint recognition sensors.
- In this field, we plan to the develop the market by tying it up with the system business.

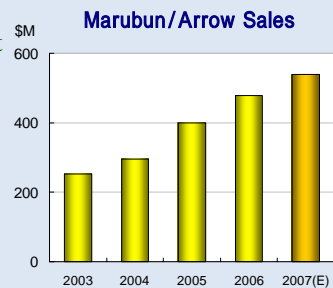
Priority Measures for the Electronic Devices Business

- Create a new business model

- Develop purchasing agency business and new services such as subcontracted machine design
 - Examination is being made targeting overseas EMS corporation

- Move forward with the collaboration with Arrow

- Examine new joint activities in the Japanese market
- Firm business overseas
 - Examine expansion into the Europe



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[Priority Measures for the Electronic Devices Business]

- The third point is building a new business model.
- We are examining a new business that will make use of our abundant line card and sales and proposal abilities and will add roles such as acting as sales agency for EMS companies and undertaking outsourced machine design.
- The fourth point is promoting Marubun's collaboration with Arrow Electronics Inc.
- Arrow Electronics Inc., which Marubun has a tie-up with, established the subsidiary, Arrow Electronics Japan, GK. in order to enter the Japanese market.
- Marubun and Arrow Electronics Inc. established the joint venture Marubun/Arrow in 1998 and provide services to Japanese companies that require support overseas.
- While maintaining a cooperative relationship as good partners in the future, both companies verified and examined types of new joint activities in the Japanese market when Arrow Electronics Japan, GK. was founded.
- Marubun/Arrow sales for the fiscal year are expected to grow to more than 60.0 billion yen, which is the total for both Japan and the U.S.
- We are also examining expanding into the European market.

Priority Policies for the Electronic Systems Business

Expand business area by aggressive investment activities.

- Promotion of system integration business
 - Laser micromachining business
 - Make use the demonstration tests
 - Launch Wafer Inspection Project
 - Jointly develop new inspection systems and carrying technology for ultra-thin wafers
 - Establish a model room in the offices
- Strategic alliance with partner companies
 - Invest X-Line Corp.
 - Promote alliance with major companies in the security field
- Enhancement of maintenance service business
 - Turn Foresight Techno Co., Ltd., into a subsidiary in order to build stable earnings foundation

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[Priority Policies for Electronic System Business]

- For the electronic system business, aggressive investments are being made to establish new business, and with a basic strategy of expanding business, Marubun is working to transform its business model.
- In the system integration business, we are moving forward with the Marubun Wafer Inspection Project in addition to the laser micromachining business, which is already underway.
- The project involves the joint development of new carrying technology and inspection system for ultra-thin wafers with a partner manufacturer. An inspection system and carrying technology demonstration room is expected to be opened in January of 2008.
- As a strategic alliance, we have invested in X-Line Corp., a venture company that handles X-ray inspection equipment.
- In addition, based on our proposals, we are moving forward with an alliance project among major companies with the goal of integrating displays and security.
- In the maintenance business, we are developing a maintenance service business in the space and defense field and a new engineering business within the electronic systems business based on Foresight Techno Co.,Ltd. a consolidated subsidiary, this year.
- We want to further increase the quality of our service and establish a stable earnings foundation.

Capital Policy

- **Expected dividend**

- Determine based on 25% and above of dividend ratio on consolidated base or 30% and above of dividend ratio on non-consolidated base

	FY2007 Projection	FY2006 Actual
Annual dividend per share	23 yen	30 yen
Interim dividend	12 yen	12 yen
End of the year dividend	11 yen	18 yen

- **Stock repurchase**

- A resolution was passed to conduct a share buyback with an upper limit of 800,000 share or 1,040 million yen.

[Capital Policy]

- Finally, I would like to discuss the return of profits to shareholders.
- For the time being, the plan is to determine the dividend amount with a target of either a higher dividend payout ratio of more than 25% on a consolidated basis, or a non-consolidated dividend payout ratio of more than 30%.
- Based on this policy and taking into consideration of the earnings forecast, we are expecting to pay an annual dividend of 23 yen per share.
- In addition, a resolution regarding a stock repurchase was passed and announced on October 19.
- Upper limits on total shares purchased (800,000 shares) and total value (1.0 billion yen) were set, and the purchases are expected to be made through the end of March.