

Interim Financial Results for the March 2008 Term Handout for the Explanatory Meeting

November 16, 2007

MARUBUN CORPORATION

<http://www.marubun.co.jp/en/index.html>

http://www.marubun.co.jp/en/ir_e/index.html (IR Website)

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.

Consolidated Statement of Income (Results)

(Unit: Yen in Million)

	FY2007 07/4-9 Results	FY2006 06/4-9 Results	Increase /Decrease
Net Sales	124,152	130,165	(6,013)
Electronic Devices	107,487	112,754	(5,267)
Electronic Systems	16,664	17,410	(746)
Cost of Sales	112,604	118,644	(6,040)
Gross Profit	11,547	11,521	26
Electronic Devices	9,109	8,996	113
Electronic Systems	2,437	2,524	(87)
Selling, General and Administrative Expenses	9,396	8,996	400
Personnel Expenses	5,089	4,773	316
Other	4,308	4,223	85
Operating Income	2,150	2,524	(374)
Non-Operating Income	329	543	(214)
Equity in Net Incomes of Affiliates	104	103	1
Non-Operating Expenses	619	456	163
Ordinary Income	1,861	2,611	(750)
Extraordinary Gains	11	333	(322)
Extraordinary Losses	61	251	(190)
Income before Income Taxes	1,811	2,693	(882)
Income Taxes-Current	644	1,302	(658)
Income Taxes-Deferred	63	(226)	289
Minority Interest in Income of Consolidated Subsidiaries	219	18	201
Net Income	884	1,599	(715)
Number of Employees (Fiscal year-end)	1,315	1,196	119
Gross Profit Margin	9.3%	8.9%	-
Electronic Devices	8.5%	8.0%	-
Electronic Systems	14.6%	14.5%	-
Operating Profit Margin	1.7%	1.9%	-
Ordinary Profit Margin	1.5%	2.0%	-
Net Profit Margin	0.7%	1.2%	-

Consolidated Sales by Segment (Results)

(Unit: Yen in Million)

	FY2007 07/4-9 Results	FY2006 06/4-9 Results	Increase /Decrease
Total Electronic Devices	107,487	112,754	(5,267)
Semiconductors	95,699	101,380	(5,681)
General-Use ICs	22,034	22,111	(77)
Memory ICs	10,639	12,532	(1,893)
Special-Use ICs	43,039	52,562	(9,523)
Micro Processor	3,771	3,167	604
DSP	9,762	19,050	(9,288)
Display Driver	3,387	1,263	2,124
Other	26,119	29,082	(2,963)
Custom ICs	10,805	11,948	(1,143)
Discrete	9,083	2,663	6,420
Other	99	(436)	535
Devices	11,788	11,374	414
Electronic Components	10,054	9,603	451
Board Computer, etc.	1,734	1,771	(37)
Total Electronic Systems	16,664	17,410	(746)
Space and Defense Electronics	1,339	1,766	(427)
Mesaurement & Inspection Equipment	5,623	6,903	(1,280)
Scientific Equipment	1,313	512	801
Laser Equipment	1,582	1,057	525
Communication & Infomation Equipment	2,048	1,601	447
Medical Equipment	4,759	5,571	(812)
Total Net Sales	124,152	130,165	(6,013)

Consolidated Balance Sheets (Results)

(Unit: Yen in Million)

	FY2007 07/9 Results	FY2006 06/9 Results	Increase /Decrease
Current Assets	105,207	122,320	(17,113)
Cash on Hand and Cash in Banks	8,187	8,861	(674)
Receivables: 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)
Tangible Fixed Assets	5,381	5,573	(192)
Buildings and Structures	1,952	2,037	(85)
Land	2,621	2,792	(171)
Other	807	742	65
Intangible Fixed Assets	1,233	2,018	(785)
Investments and Other Assets	8,403	8,316	87
Investment Securities	2,904	2,909	(5)
Investments in Real Estates	1,333	1,654	(321)
Deferred Tax Assets	1,414	1,281	133
Other	2,750	2,470	280
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)
Deferred Tax Liabilities	1	3	(2)
Accrued Bonuses to Employees	944	896	48
Other	2,672	3,485	(813)
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	0	2,000	(2,000)
Accrued Employees' Retirement Benefits	636	653	(17)
Accrued Directors' and Corporate Auditors' Retirement Benefits	502	461	41
Deferred Tax Liabilities	51	52	(1)
Other	259	215	44
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)

Consolidated Statement of Cash Flows (Results)

(Unit: Yen in Million)

	FY2007 07/4-9 Results	FY2006 06/4-9 Results	Increase /Decrease
Cash Flows from Operating Activities			
Income before Income Taxes	1,811	2,693	(882)
Depreciation and Amortization	591	485	106
Good will Depreciation	50	54	(4)
Exchange Gain/Loss	(49)	(61)	12
Increase/Decrease in Accounts Receivable	8,265	(8,597)	16,862
Increase/Decrease in Inventories	986	(8,331)	9,317
Increase/Decrease in Accounts Payable	(5,812)	(3,305)	(2,507)
Other	3,084	(4,640)	7,724
Sub Total	8,928	(21,703)	30,631
Interest and Dividends Received	40	27	13
Interest Paid	(330)	(238)	(92)
Income Taxes Paid	(1,718)	(1,566)	(152)
Net Cash provided by 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)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	164	(35)	199
Net Increase/Decrease in Cash and Cash Equivalents	884	1,589	(705)
Cash and Cash Equivalents at Beginning of Year	6,422	6,406	16
Increase in Cash and Cash Equivalents due to New Consolidated	181	-	181
Cash and Cash Equivalents at End of Year	7,487	7,996	(509)

Consolidated Statement of Income (Forecast)

(Unit: Yen in Million)

	FY2007 Forecast 07/4-08/3	FY2006 Results 06/4-07/3	Increase /Decrease
Net Sales	260,000	275,661	(15,661)
Electronic Devices	214,650	234,408	(19,758)
Electronic Systems	45,350	41,252	4,098
Cost of Sales	235,400	250,071	(14,671)
Gross Profit	24,600	25,589	(989)
Electronic Devices	18,200	19,392	(1,192)
Electronic Systems	6,400	6,197	203
Selling, General and Administrative Expenses	19,300	19,091	209
Operating Income	5,300	6,498	(1,198)
Non-Operating Income	900	856	44
Non-Operating Expenses	1,400	1,073	327
Ordinary Income	4,800	6,280	(1,480)
Extraordinary Gains	20	362	(342)
Extraordinary Losses	80	534	(454)
Income before Income Taxes	4,740	6,108	(1,368)
Income Taxes-Current	800	2,647	(1,847)
Income Taxes-Deferred	1,040	(312)	1,352
Minority Interest in Income of Consolidated Subsidiaries	400	290	110
Net Income	2,500	3,483	(983)
Gross Profit Margin	9.5%	9.3%	-
Electronic Devices	8.5%	8.3%	-
Electronic Systems	14.1%	15.0%	-
Operating Profit Margin	2.0%	2.4%	-
Ordinary Profit Margin	1.8%	2.3%	-
Net Profit Margin	1.0%	1.3%	-

Consolidated Sales by Segment (Forecast)

(Unit: Yen in Million)

	FY2007 Forecast 07/4-08/3	FY2006 Results 06/4-07/3	Increase /Decrease
Total Electronic Devices	214,650	234,408	(19,758)
Semiconductors	188,890	211,162	(22,272)
General-Use ICs	45,910	47,211	(1,301)
Memory ICs	21,885	25,380	(3,495)
Special-Use ICs	82,275	102,267	(19,992)
Micro Processor	7,915	6,459	1,456
DSP	16,870	31,740	(14,870)
Display Driver	6,560	3,110	3,450
Other	50,930	60,958	(10,028)
Custom ICs	22,070	27,764	(5,694)
Discrete	16,650	9,268	7,382
Other	100	(728)	828
Devices	25,760	23,245	2,515
Electronic Components	22,200	19,526	2,674
Board Computer, etc.	3,560	3,719	(159)
Total Electronic Systems	45,350	41,252	4,098
Space and Defense Electronics	4,250	3,765	485
Measurement & Inspection Equipment	17,540	13,540	4,000
Scientific Equipment	3,120	3,231	(111)
Laser Equipment	3,660	3,006	654
Communication & Information Equipment	4,480	3,678	802
Medical Equipment	12,300	14,032	(1,732)
Total Net Sales	260,000	275,661	(15,661)

Consolidated Statements of Income (Quarterly)

(Unit: Yen in Million)

	FY2006						FY2007		
	1st Quarter 06/4-6	2nd Quarter 06/7-9	Interim 06/4-9	3rd Quarter 06/10-12	4th Quarter 07/1-3	Full Year 06/4-07/3	1st Quarter 07/4-6	2nd Quarter 07/7-9	Interim 07/4-9
Net Sales	62,798	67,367	130,165	73,034	72,460	275,661	62,156	61,995	124,152
Electronic Devices	56,243	56,511	112,754	63,834	57,819	234,408	55,190	52,296	107,487
Electronic Systems	6,554	10,856	17,410	9,200	14,641	41,252	6,965	9,699	16,664
Cost of Sales	57,373	61,271	118,644	66,317	65,109	250,071	56,353	56,251	112,604
Gross Profit	5,425	6,096	11,521	6,717	7,350	25,589	5,803	5,744	11,547
Electronic Devices	4,451	4,545	8,996	5,306	5,089	19,392	4,815	4,294	9,109
Electronic Systems	973	1,551	2,524	1,410	2,262	6,197	987	1,450	2,437
Selling, General and Administrative Expenses	4,496	4,499	8,996	4,910	5,184	19,091	4,669	4,727	9,396
Operating Income	928	1,596	2,524	1,807	2,166	6,498	1,133	1,017	2,150
Non-Operating Income	184	358	543	336	(23)	856	406	(77)	329
Non-Operating Expenses	244	211	456	267	349	1,073	298	321	619
Ordinary Income	867	1,744	2,611	1,875	1,793	6,280	1,242	618	1,861
Extraordinary Gains	345	(13)	333	33	(4)	362	0	11	11
Extraordinary Losses	1	249	251	8	274	534	4	61	61
Income before Income Taxes	1,211	1,481	2,693	1,900	1,514	6,108	1,238	573	1,811
Income Taxes	460	615	1,075	649	609	2,334	574	133	708
Minority Interest in Income of Consolidated Subsidiaries	17	0	18	112	160	290	116	102	219
Net Income	734	865	1,599	1,139	745	3,483	547	337	884
Gross Profit Margin	8.6%	9.0%	8.9%	9.2%	10.1%	9.3%	9.3%	9.3%	9.3%
Electronic Devices	7.9%	8.0%	8.0%	8.3%	8.8%	8.3%	8.7%	8.2%	8.5%
Electronic Systems	14.8%	14.3%	14.5%	15.3%	15.4%	15.0%	14.2%	14.9%	14.6%
Operating Profit Margin	1.5%	2.4%	1.9%	2.5%	3.0%	2.4%	1.8%	1.6%	1.7%
Ordinary Profit Margin	1.4%	2.6%	2.0%	2.6%	2.5%	2.3%	2.0%	1.0%	1.5%
Net Profit Margin	1.2%	1.3%	1.2%	1.6%	1.0%	1.3%	0.9%	0.5%	0.7%

Consolidated Sales by Segment (Quarterly)

(Unit: Yen in Million)

	FY2006						FY2007		
	1st Quarter 06/4-6	2nd Quarter 06/7-9	Interim 06/4-9	3rd Quarter 06/10-12	4th Quarter 07/1-3	Full Year 06/4-07/3	1st Quarter 07/4-6	2nd Quarter 07/7-9	Interim 07/4-9
Total Electronic Devices	56,243	56,511	112,754	63,594	58,060	234,408	55,190	52,297	107,487
Semiconductors	51,441	49,939	101,380	56,827	52,955	211,162	49,661	46,038	95,699
General-Use ICs	10,886	11,225	22,111	12,881	12,219	47,211	11,077	10,957	22,034
Memory ICs	5,212	7,320	12,532	7,831	5,017	25,380	4,971	5,668	10,639
Special-Use ICs	29,134	23,428	52,562	26,080	23,625	102,267	21,605	21,434	43,039
Micro Processor	1,721	1,446	3,167	1,662	1,630	6,459	1,640	2,131	3,771
DSP	11,378	7,672	19,050	7,270	5,420	31,740	5,113	4,649	9,762
Display Driver	714	549	1,263	806	1,041	3,110	1,341	2,046	3,387
Other	15,321	13,761	29,082	16,342	15,534	60,958	13,511	12,608	26,119
Custom ICs	5,038	6,910	11,948	8,450	7,366	27,764	6,113	4,692	10,805
Discrete	1,292	1,371	2,663	1,881	4,724	9,268	5,883	3,200	9,083
Other	(121)	(315)	(436)	(296)	4	(728)	12	87	99
Devices	4,802	6,572	11,374	6,767	5,104	23,245	5,529	6,259	11,788
Electronic Components	3,970	5,633	9,603	5,703	4,220	19,526	4,563	5,491	10,054
Board Computer, etc.	832	939	1,771	1,064	884	3,719	966	768	1,734
Total Electronic Systems	6,554	10,856	17,410	9,201	14,641	41,252	6,965	9,699	16,664
Space and Defense Electronics	419	1,347	1,766	901	1,098	3,765	454	885	1,339
Mesaurement & Inspection Equipment	2,660	4,243	6,903	2,386	4,251	13,540	2,185	3,438	5,623
Scientific Equipment	265	247	512	755	1,964	3,231	351	962	1,313
Laser Equipment	321	736	1,057	685	1,264	3,006	552	1,030	1,582
Communication & Network Equipment	663	938	1,601	943	1,134	3,678	1,103	945	2,048
Medical Equipment	2,226	3,345	5,571	3,531	4,930	14,032	2,320	2,439	4,759
Total Net Sales	62,798	67,367	130,165	72,795	72,700	275,661	62,156	61,996	124,152

Consolidated Balance Sheets (Quarterly)

(Unit: Yen in Million)

	FY2006				FY2007	
	1st Quarter 06/6	2nd Quarter 06/9	3rd Quarter 06/12	4th Quarter 07/3	1st Quarter 07/6	2nd Quarter 07/9
Current Assets	109,365	122,320	126,141	115,899	105,566	105,207
Cash on Hand and Cash in Banks	8,212	8,861	6,644	7,372	9,429	8,187
Receivables:Trade Notes and Accounts	63,666	71,666	74,207	68,578	59,324	60,909
Inventories	34,727	34,803	38,128	33,624	33,792	32,875
Deferred Tax Assets	640	597	622	678	703	661
Other	2,151	6,432	6,578	5,694	2,369	2,611
Allowance for Doubtful Accounts	(33)	(40)	(39)	(38)	(53)	(38)
Long-term Assets	16,060	15,908	15,448	15,673	15,526	15,018
Tangible Fixed Assets	5,784	5,573	5,521	5,513	5,493	5,381
Buildings and Structures	2,106	2,037	2,002	1,972	1,971	1,952
Land	2,988	2,792	2,695	2,695	2,695	2,621
Other	690	742	822	844	826	807
Intangible Fixed Assets	2,186	2,018	1,819	1,656	1,447	1,233
Investments and Other Assets	8,088	8,316	8,107	8,504	8,584	8,403
Investment Securities	2,861	2,909	2,883	3,192	3,270	2,904
Investments in Real Estates	1,693	1,654	1,637	1,383	1,366	1,333
Deferred Tax Assets	1,074	1,281	1,095	1,317	1,298	1,414
Other	2,458	2,470	2,490	2,610	2,648	2,750
Total Assets	125,426	138,229	141,590	131,573	121,092	120,226
Current Liabilities	84,583	93,202	95,098	86,570	74,867	73,638
Payable:Trade Notes and Accounts	36,810	38,273	38,663	34,707	30,087	29,116
Short-term Bank Loans	44,081	50,543	53,031	46,575	40,644	40,903
Deferred Tax Liabilities	-	3	6	-	0	1
Accrued Bonuses to Employees	631	896	439	883	668	944
Other	3,059	3,485	2,957	4,416	3,466	2,672
Long-term Liabilities	4,719	8,383	8,422	6,417	6,787	6,692
Bonds	1,000	1,000	1,000	1,000	1,315	1,242
Bonds with stock acquisition rights	-	4,000	4,000	4,000	4,000	4,000
Long-term Debt	2,000	2,000	2,000	-	-	-
Accrued Employees' Retirement Benefits	669	653	639	625	645	636
Accrued Directors' and Corporate Auditors' Retirement Benefits	447	461	472	483	492	502
Deferred Tax Liabilities	62	52	55	50	77	51
Other	540	215	254	258	256	259
Total Liabilities	89,302	101,586	103,520	92,988	81,655	80,331
Total Net Assets	36,123	36,643	38,069	38,584	39,437	39,894
Total Liabilities, Net Assets	125,426	138,229	141,590	131,573	121,092	120,226

Consolidated Statements of Cash Flows (Quarterly)

(Unit: Yen in Million)

	FY2006				FY2007	
	1st Quarter 06/4-6	2nd Quarter 06/4-9	3rd Quarter 06/4-12	4th Quarter 06/4-07/3	1st Quarter 07/4-6	2nd Quarter 07/4-9
Cash Flows from Operating Activities						
Income before Taxes	1,211	2,693	4,593	6,108	1,238	1,811
Depreciation and Amortization	242	485	771	1,069	292	591
Amortization of Consolidation Adjustments	27	-	-	-	-	-
Goodwill Depreciation	-	54	81	108	23	50
Equity in Net Incomes/Losses of Affiliates	(32)	(61)	(30)	(165)	13	(49)
Increase/Decrease in Accounts Receivable	(482)	(8,597)	(11,006)	(5,309)	9,541	8,265
Increase/Decrease in Inventories	(8,202)	(8,331)	(11,596)	(7,061)	(95)	986
Increase/Decrease in Accounts Payable	(4,517)	(3,305)	(3,118)	(7,150)	(4,526)	(5,812)
Other	(780)	(4,640)	(4,808)	(2,951)	3,614	3,084
Sub Total	(12,535)	(21,703)	(25,114)	(15,352)	10,101	8,928
Interest and Dividends Received	16	27	42	51	24	40
Interest Paid	(81)	(238)	(357)	(585)	(163)	(330)
Income Taxes Paid	(1,519)	(1,566)	(2,572)	(2,588)	(1,518)	(1,718)
Net Cash provided by Operating Activities	(14,119)	(23,481)	(28,002)	(18,475)	8,444	6,920
Net Cash provided by Investing Activities	449	1,494	1,452	1,095	(175)	42
Net Cash provided by Financing Activities	13,119	23,612	25,829	17,366	(6,378)	(6,243)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(8)	(35)	8	29	25	164
Net Increase/Decrease in Cash and Cash Equivalents	(558)	1,589	(712)	15	1,916	884
Cash and Cash Equivalents at Beginning of Year	6,406	6,406	6,406	6,406	6,422	6,422
Increase in Cash and Cash Equivalents due to New Consolidated Subsidiaries	-	-	-	-	181	181
Cash and Cash Equivalents at End of Year	5,847	7,996	5,694	6,422	8,519	7,487

Non-Consolidated statements of Income (Results) (Unit: Yen in Million)

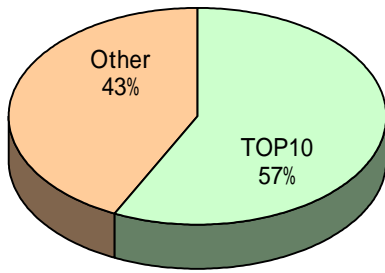
	FY2007 07/4-9 Results	FY2006 06/4-9 Results	Increase /Decrease
Net Sales	82,102	97,253	(15,151)
Electronic Devices	73,655	88,697	(15,042)
Electronic Systems	8,446	8,555	(109)
Cost of Sales	74,247	88,485	(14,238)
Gross Profit	7,854	8,767	(913)
Electronic Devices	6,459	7,324	(865)
Electronic Systems	1,394	1,442	(48)
Selling, General and Administrative Expenses	7,122	6,881	241
Personnel Expenses	3,452	3,323	129
Other	3,669	3,557	112
Operating Income	731	1,886	(1,155)
Non-Operating Income	655	464	191
Non-Operating Expenses	450	337	113
Ordinary Income	937	2,013	(1,076)
Extraordinary Gains	8	344	(336)
Extraordinary Losses	47	379	(332)
Income before Income Taxes	898	1,978	(1,080)
Income Taxes-Current	203	1,004	(801)
Income Taxes-Deferred	64	(170)	234
Net Income	630	1,145	(515)
Number of Employees (Fiscal-year end)	777	756	21
Gross Profit Margin	9.6%	9.0%	-
Electronic Devices	8.8%	8.3%	-
Electronic Systems	16.5%	16.9%	-
Operating Profit Margin	0.9%	1.9%	-
Ordinary Profit Margin	1.1%	2.1%	-
Net Profit Margin	0.8%	1.2%	-

Non-Consolidated statements of Income (Forecast) (Unit: Yen in Million)

	FY2007 07/4-9 Forecast	FY2006 06/4-9 Results	Increase /Decrease
Net Sales	172,100	203,501	(31,401)
Electronic Devices	148,650	183,279	(34,629)
Electronic Systems	23,450	20,221	3,229
Cost of Sales	154,730	184,858	(30,128)
Gross Profit	17,370	18,642	(1,272)
Electronic Devices	13,520	15,129	(1,609)
Electronic Systems	3,850	3,513	337
Selling, General and Administrative Expenses	14,530	14,407	123
Operating Income	2,840	4,234	(1,394)
Non-Operating Income	850	691	159
Non-Operating Expenses	870	810	60
Ordinary Income	2,820	4,116	(1,296)
Extraordinary Gains	10	377	(367)
Extraordinary Losses	50	651	(601)
Income before Income Taxes	2,780	3,842	(1,062)
Current	30	1,846	(1,816)
Deferred	1,050	(211)	1,261
Net Income	1,750	2,208	(458)
Gross Profit Margin	10.1%	9.2%	-
Electronic Devices	9.1%	8.3%	-
Electronic Systems	16.4%	17.4%	-
Operating Profit Margin	1.7%	2.1%	-
Ordinary Profit Margin	1.6%	2.0%	-
Net Profit Margin	1.0%	1.1%	-

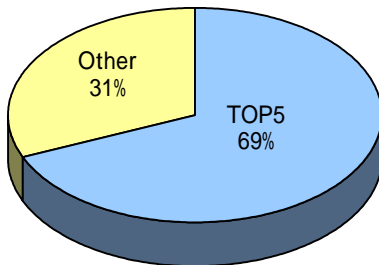
Consolidated Sales Breakdown (1H FY2007)

Sales by Customer



- | |
|--|
| <ol style="list-style-type: none"> 1. SHARP GROUP 2. SONY GROUP 3. MITSUBISHI ELECTRIC GROUP 4. MATSUSHITA ELECTRIC GROUP 5. CANON GROUP 6. NEC GROUP 7. OLYMPUS GROUP 8. TOHSHIBA GROUP 9. NINTENDO CORPORATION 10. SEIKO EPSON GROUP |
|--|

Sales of Electronic Devices by Supplier



- | |
|---|
| <ol style="list-style-type: none"> 1. Texas Instruments 2. Samsung 3. Broadcom 4. International Rectifier 5. Seiko Epson |
|---|

Sales of Electronic Devices by Application

