

# Financial Results for 1st half of fiscal 2008 Handout for the Explanatory Meeting

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November 11, 2008

***MARUBUN CORPORATION***

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[http://www.marubun.co.jp/en/ir\\_e/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)

	FY2008 08/4-9 Results	FY2007 07/4-9 Results	Increase /Decrease
Net Sales	107,425	124,152	(16,727)
Electronic Devices	90,899	107,487	(16,588)
Electronic Systems	16,526	16,664	(138)
Cost of Sales	96,809	112,604	(15,795)
Gross Profit	10,615	11,547	(932)
Electronic Devices	7,971	9,109	(1,138)
Electronic Systems	2,644	2,437	207
Selling, general and administrative expenses	9,544	9,396	148
Personal expenses	5,611	5,089	522
Other	3,934	4,308	(374)
Operating income	1,071	2,150	(1,079)
Non-operating income	346	329	17
Equity in earnings of affiliates	116	104	12
Non-operating expenses	534	619	(85)
Ordinary income	882	1,861	(979)
Extraordinary income	102	11	91
Extraordinary loss	162	61	101
Income before income taxes	822	1,811	(989)
Income taxes-current	385	644	(259)
Income taxes-deferred	(59)	63	(122)
Minority interests in income	124	219	(95)
Net income	369	884	(515)
Number of Employees (Fiscal year-end)	1,399	1,315	84
Gross Profit Margin	9.9%	9.3%	-
Electronic Devices	8.8%	8.5%	-
Electronic Systems	16.0%	14.6%	-
Operating Profit Margin	1.0%	1.7%	-
Ordinary Profit Margin	0.8%	1.5%	-
Net Profit Margin	0.3%	0.7%	-

## Consolidated Sales by Segment (Results)

(Unit: Yen in Million)

	FY2008 08/4-9 Results	FY2007 07/4-9 Results	Increase /Decrease
Total Electronic Devices	90,899	107,487	(16,588)
Semiconductors	80,662	95,699	(15,037)
General-Use ICs	20,894	22,034	(1,140)
Memory ICs	6,286	10,639	(4,353)
Special-Use ICs	43,146	43,039	107
Micro Processor	3,236	3,771	(535)
DSP	6,575	9,762	(3,187)
Display Driver	4,216	3,387	829
Other	29,119	26,119	3,000
Custom ICs	6,694	10,805	(4,111)
Discrete	3,529	9,083	(5,554)
Other	113	99	14
Devices	10,237	11,788	(1,551)
Electronic Components	9,065	10,054	(989)
Board Computer, etc.	1,172	1,734	(562)
Total Electronic Systems	16,526	16,664	(138)
Space and Defense Electronics	3,359	1,959	1,400
Mesaurement & Inspection Equipment	5,824	5,783	41
Scientific Equipment	425	1,313	(888)
Laser Equipment	2,611	2,850	(239)
Medical Equipment	4,307	4,759	(452)
Total Net Sales	107,425	124,152	(16,727)

## Consolidated Balance Sheets (Results)

(Unit: Yen in Million)

	FY2008 08/9 Results	FY2007 07/9 Results	Increase /Decrease
<b>Current Assets</b>	<b>101,857</b>	<b>104,390</b>	<b>(2,533)</b>
Cash and deposits	9,254	7,451	1,803
Notes and accounts receivable-trade	55,517	61,536	(6,019)
Merchandise	31,315	30,978	337
Work in process	72	25	47
Deferred tax assets	1,816	1,875	(59)
Other	3,937	2,570	1,367
Allowance for doubtful accounts	(56)	(48)	(8)
<b>Noncurrent assets</b>	<b>12,621</b>	<b>12,948</b>	<b>(327)</b>
Property, plant and equipment	5,079	5,195	(116)
Buildings and structures	1,750	1,817	(67)
Land	2,528	2,546	(18)
Other	799	831	(32)
Intangible assets	996	1,093	(97)
Investments and other assets	6,545	6,659	(114)
Investment securities	1,837	2,130	(293)
Real estate for investment	1,255	1,301	(46)
Deferred tax assets	659	441	218
Other	2,792	2,786	6
<b>Total Assets</b>	<b>114,479</b>	<b>117,338</b>	<b>(2,859)</b>
<b>Current liabilities</b>	<b>69,892</b>	<b>72,658</b>	<b>(2,766)</b>
Notes and accounts payable-trade	30,692	34,734	(4,042)
Short-term loans payable	35,024	34,919	105
Deferred tax liabilities	-	2	(2)
Provision for bonuses	1,010	936	74
Other	3,164	2,065	1,099
<b>Noncurrent liabilities</b>	<b>6,875</b>	<b>6,633</b>	<b>242</b>
Bonds payable	1,193	1,217	(24)
Bonds with subscription rights to shares	4,000	4,000	0
Provision for retirement benefits	875	620	255
Provision for directors' retirement benefits	540	528	12
Deferred tax liabilities	-	5	(5)
Other	266	261	5
<b>Total Liabilities</b>	<b>76,768</b>	<b>79,292</b>	<b>(2,524)</b>
<b>Total Net Assets</b>	<b>37,710</b>	<b>38,046</b>	<b>(336)</b>
<b>Total Liabilities and Net Assets</b>	<b>114,479</b>	<b>117,338</b>	<b>(2,859)</b>

## Consolidated Statement of Cash Flows (Results)

(Unit: Yen in Million)

	FY2008 08/4-9 Results	FY2007 07/4-9 Results	Increase /Decrease
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes	822	1,811	(989)
Depreciation and amortization	356	591	(235)
Amortization of goodwill	54	50	4
Equity in (earnings) losses of affiliates	(60)	(49)	(11)
Decrease (increase) in notes and accounts receivable-trade	5,490	8,265	(2,775)
Decrease (increase) in inventories	(602)	986	(1,588)
Increase (decrease) in notes and accounts payable-trade	(3,707)	(5,812)	2,105
Other	11	3,084	(3,073)
Subtotal	2,362	8,928	(6,566)
Interest and dividends income received	41	40	1
Interest expenses paid	(310)	(330)	20
Income taxes paid	(168)	(1,718)	1,550
<b>Net cash provided by (used in) operating activities</b>	<b>1,925</b>	<b>6,920</b>	<b>(4,995)</b>
<b>Net cash provided by (used in) investment activities</b>	<b>(18)</b>	<b>42</b>	<b>(60)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(49)</b>	<b>(6,243)</b>	<b>6,194</b>
Effect of exchange rate change on cash and cash equivalents	(55)	164	(219)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,802</b>	<b>884</b>	<b>918</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>6,551</b>	<b>6,422</b>	<b>129</b>
Increase in cash and cash equivalents from newly consolidated	-	181	(181)
<b>Cash and cash equivalents</b>	<b>8,354</b>	<b>7,487</b>	<b>867</b>

## Consolidated Statement of Income (Forecast)

(Unit: Yen in Million)

	FY2008 Forecast 08/4-09/3	FY2007 Results 07/4-08/3	Increase /Decrease
Net Sales	229,000	245,289	(16,289)
Electronic Devices	184,650	205,309	(20,659)
Electronic Systems	44,350	39,979	4,371
Cost of Sales	206,500	222,970	(16,470)
Gross Profit	22,500	22,318	182
Electronic Devices	15,840	16,362	(522)
Electronic Systems	6,660	5,955	705
Selling, general and administrative expenses	19,100	18,670	430
Operating income	3,400	3,648	(248)
Non-operating income	790	707	83
Non-operating expenses	1,140	1,399	(259)
Ordinary income	3,050	2,956	94
Extraordinary income	150	7	143
Extraordinary loss	160	814	(654)
Income before income taxes	3,040	2,149	891
Income taxes-current	810	741	69
Income taxes-deferred	360	114	246
Minority interests in income	420	403	17
Net income	1,450	889	561
Gross Profit Margin	9.8%	9.1%	-
Electronic Devices	8.6%	8.0%	-
Electronic Systems	15.0%	14.9%	-
Operating Profit Margin	1.5%	1.5%	-
Ordinary Profit Margin	1.3%	1.2%	-
Net Profit Margin	0.6%	0.4%	-

## Consolidated Sales by Segment (Forecast)

(Unit: Yen in Million)

	FY2008 Forecast 08/4-09/3	FY2007 Results 07/4-08/3	Increase /Decrease
Total Electronic Devices	184,650	205,309	(20,659)
Semiconductors	164,119	180,853	(16,734)
General-Use ICs	46,146	44,738	1,408
Memory ICs	13,930	19,568	(5,638)
Special-Use ICs	81,752	79,688	2,064
Micro Processor	7,012	7,372	(360)
DSP	13,210	16,898	(3,688)
Display Driver	7,290	6,921	369
Other	54,240	48,497	5,743
Custom ICs	14,006	20,625	(6,619)
Discrete	8,128	16,131	(8,003)
Other	157	103	54
Devices	20,531	24,457	(3,926)
Electronic Components	17,776	21,142	(3,366)
Board Computer, etc.	2,755	3,315	(560)
Total Electronic Systems	44,350	39,979	4,371
Space and Defense Electronics	6,517	5,462	1,055
Measurement & Inspection Equipment	15,800	13,614	2,186
Scientific Equipment	3,845	2,719	1,126
Laser Equipment	6,053	5,857	196
Medical Equipment	12,135	12,328	(193)
Total Net Sales	229,000	245,289	(16,289)

## Consolidated Statements of Income (Quarterly)

(Unit: Yen in Million)

	FY2007						FY2008		
	1st Quarter 07/4-6	2nd Quarter 07/7-9	Interim 07/4-9	3rd Quarter 07/10-12	4rd Quarter 08/1-3	Full Year 07/4-08/3	1st Quarter 08/4-6	2nd Quarter 08/7-9	Interim 08/4-9
Net Sales	62,156	61,995	124,152	61,300	59,836	245,289	48,785	58,639	107,425
Electronic Devices	55,190	52,296	107,487	52,148	45,673	205,309	41,899	48,999	90,899
Electronic Systems	6,965	9,699	16,664	9,152	14,162	39,979	6,886	9,640	16,526
Cost of Sales	56,353	56,251	112,604	55,478	54,886	222,970	43,734	53,075	96,809
Gross Profit	5,803	5,744	11,547	5,821	4,949	22,318	5,051	5,564	10,615
Electronic Devices	4,815	4,294	9,109	4,441	2,810	16,362	3,928	4,042	7,971
Electronic Systems	987	1,450	2,437	1,379	2,138	5,955	1,122	1,522	2,644
Selling, general and administrative expenses	4,669	4,727	9,396	4,636	4,637	18,670	4,830	4,714	9,544
Operating income	1,133	1,017	2,150	1,185	311	3,648	221	850	1,071
Non-operating income	406	(77)	329	211	166	707	192	153	346
Non-operating expenses	298	321	619	262	517	1,399	215	318	534
Ordinary income	1,242	618	1,861	1,134	(40)	2,956	197	684	882
Extraordinary income	0	11	11	2	(7)	7	9	93	102
Extraordinary loss	4	61	61	30	721	814	0	162	162
Income before income taxes	1,238	573	1,811	1,105	(768)	2,149	205	616	822
Income taxes	574	133	708	531	(384)	856	97	231	328
Minority interests in income	116	102	219	62	121	403	25	99	124
Net income	547	337	884	510	(506)	889	82	286	369
Gross Profit Margin	9.3%	9.3%	9.3%	9.5%	8.3%	9.1%	10.4%	9.5%	9.9%
Electronic Devices	8.7%	8.2%	8.5%	8.5%	6.2%	8.0%	9.4%	8.2%	8.8%
Electronic Systems	14.2%	14.9%	14.6%	15.1%	15.1%	14.9%	16.3%	15.8%	16.0%
Operating Profit Margin	1.8%	1.6%	1.7%	1.9%	0.5%	1.5%	0.5%	1.4%	1.0%
Ordinary Profit Margin	2.0%	1.0%	1.5%	1.8%	-0.1%	1.2%	0.4%	1.2%	0.8%
Net Profit Margin	0.9%	0.5%	0.7%	0.8%	-0.8%	0.4%	0.2%	0.5%	0.3%

## Consolidated Sales by Segment (Quarterly)

(Unit: Yen in Million)

	FY2007						FY2008		
	1st Quarter 07/4-6	2nd Quarter 07/7-9	Interim 07/4-9	3rd Quarter 07/10-12	4rd Quarter 08/1-3	Full Year 07/4-08/3	1st Quarter 08/4-6	2nd Quarter 08/7-9	Interim 08/4-9
Total Electronic Devices	55,190	52,297	107,487	52,150	45,672	205,309	41,899	49,000	90,899
Semiconductors	49,661	46,038	95,699	45,034	40,120	180,853	36,774	43,888	80,662
General-Use ICs	11,077	10,957	22,034	11,640	11,064	44,738	9,551	11,343	20,894
Memory ICs	4,971	5,668	10,639	5,018	3,911	19,568	2,824	3,462	6,286
Special-Use ICs	21,605	21,434	43,039	18,698	17,951	79,688	19,664	23,482	43,146
Micro Processor	1,640	2,131	3,771	1,860	1,741	7,372	1,546	1,690	3,236
DSP	5,113	4,649	9,762	3,381	3,755	16,898	3,277	3,298	6,575
Display Driver	1,341	2,046	3,387	1,829	1,705	6,921	2,173	2,043	4,216
Other	13,511	12,608	26,119	11,628	10,750	48,497	12,668	16,451	29,119
Custom ICs	6,113	4,692	10,805	5,721	4,099	20,625	3,196	3,498	6,694
Discrete	5,883	3,200	9,083	3,969	3,079	16,131	1,356	2,173	3,529
Other	12	87	99	(12)	16	103	183	(70)	113
Devices	5,529	6,259	11,788	7,116	5,553	24,457	5,125	5,112	10,237
Electronic Components	4,563	5,491	10,054	6,334	4,754	21,142	4,553	4,512	9,065
Board Computer, etc.	966	768	1,734	782	799	3,315	572	600	1,172
Total Electronic Systems	6,965	9,699	16,664	9,152	14,163	39,979	6,886	9,640	16,526
Space and Defense Electronics	748	1,211	1,959	1,226	2,276	5,462	1,425	1,934	3,359
Mesasurement & Inspection Equipment	2,297	3,486	5,783	2,927	4,904	13,614	2,177	3,647	5,824
Scientific Equipment	374	939	1,313	422	984	2,719	376	49	425
Laser Equipment	1,226	1,624	2,850	1,529	1,476	5,857	1,041	1,570	2,611
Medical Equipment	2,320	2,439	4,759	3,047	4,522	12,328	1,867	2,440	4,307
Total Net Sales	62,156	61,996	124,152	61,300	59,837	245,289	48,785	58,640	107,425

## Consolidated Balance Sheets (Quarterly)

(Unit: Yen in Million)

	FY2007				FY2008	
	1st	2nd	3rd	4th	1st	2nd
	Quarter 07/6	Quarter 07/9	Quarter 07/12	Quarter 08/3	Quarter 08/6	Quarter 08/9
<b>Current assets</b>	105,566	105,207	106,808	104,390	97,430	101,857
Cash and deposits	9,429	8,187	7,559	7,451	8,544	9,254
Notes and accounts receivable-trade	59,324	60,909	65,226	61,536	51,786	55,517
Merchandise	33,764	32,837	30,732	30,978	31,835	31,315
Work in process	28	37	31	25	45	72
Deferred tax assets	703	661	712	1,875	1,788	1,816
Other	2,369	2,611	2,591	2,570	3,484	3,937
Allowance for doubtful accounts	(53)	(38)	(45)	(48)	(53)	(56)
<b>Noncurrent assets</b>	15,526	15,018	14,676	12,948	13,084	12,621
Property, plant and equipment	5,493	5,381	5,368	5,195	5,132	5,079
Buildings and structures	1,971	1,952	1,879	1,817	1,777	1,750
Land	2,695	2,621	2,612	2,546	2,538	2,528
other	826	807	875	831	816	799
Intangible assets	1,447	1,233	1,142	1,093	1,054	996
Investments and other assets	8,584	8,403	8,165	6,659	6,898	6,545
Investment securities	3,270	2,904	2,630	2,130	2,340	1,837
Real estate for investment	1,366	1,333	1,317	1,301	1,270	1,255
Deferred tax assets	1,298	1,414	1,496	441	504	659
Other	2,648	2,750	2,720	2,786	2,782	2,792
<b>Total assets</b>	<b>121,092</b>	<b>120,226</b>	<b>121,485</b>	<b>117,338</b>	<b>110,514</b>	<b>114,479</b>
<b>Current liabilities</b>	74,867	73,638	75,962	72,658	66,276	69,892
Notes and accounts payable-trade	30,087	29,116	31,763	34,734	29,939	30,692
Short-term loans payable	40,644	40,903	40,515	34,919	32,882	35,024
Current portion of bonds	-	48	48	48	-	48
Deferred tax liabilities	0	1	2	2	2	-
Provision for bonuses	668	944	470	936	1,416	1,010
Other	3,466	2,623	3,162	2,016	2,035	3,115
<b>Noncurrent liabilities</b>	6,787	6,692	6,675	6,633	6,788	6,875
Bonds payable	1,315	1,242	1,242	1,217	1,217	1,193
Bonds with subscription rights to shares	4,000	4,000	4,000	4,000	4,000	4,000
Provision for retirement benefits	645	636	628	620	749	875
Provision for directors' retirement benefits	492	502	515	528	543	540
Deferred tax liabilities	77	51	31	5	18	-
Other	256	259	256	261	259	266
<b>Total liabilities</b>	<b>81,655</b>	<b>80,331</b>	<b>82,637</b>	<b>79,292</b>	<b>73,065</b>	<b>76,768</b>
<b>Total net assets</b>	<b>39,437</b>	<b>39,894</b>	<b>38,847</b>	<b>38,046</b>	<b>37,449</b>	<b>37,710</b>
<b>Total liabilities and net assets</b>	<b>121,092</b>	<b>120,226</b>	<b>121,485</b>	<b>117,338</b>	<b>110,514</b>	<b>114,479</b>

## Consolidated Statements of Cash Flows (Quarterly)

(Unit: Yen in Million)

	FY2007				FY2008	
	1st	2nd	3rd	4th	1st	2nd
	Quarter 07/4-6	Quarter 07/4-9	Quarter 07/4-12	Quarter 07/4-08/3	Quarter 08/4-6	Quarter 08/4-9
<b>Net cash provided by (used in) operating activities</b>						
Income before income taxes	1,238	1,811	2,917	2,149	205	822
Depreciation and amortization	292	591	795	1,000	175	356
Amortization of goodwill	23	50	78	105	27	54
Equity in (earnings) losses of affiliates	13	(49)	(60)	(129)	(49)	(60)
Decrease (increase) in notes and accounts receivable-trade	9,541	8,265	3,503	7,130	8,734	5,490
Decrease (increase) in inventories	(95)	986	2,853	2,576	(1,279)	(602)
Increase (decrease) in notes and accounts payable-trade	(4,526)	(5,812)	(2,728)	311	(4,100)	(3,707)
Other, net	3,614	3,084	2,940	3,455	(167)	11
Subtotal	10,101	8,928	10,298	16,599	3,544	2,362
Interest and dividends income received	24	40	64	77	22	41
Interest expenses paid	(163)	(330)	(386)	(674)	(44)	(310)
Income taxes paid	(1,518)	(1,718)	(2,064)	(2,359)	(233)	(168)
<b>Net cash provided by (used in) operating activities</b>	<b>8,444</b>	<b>6,920</b>	<b>7,910</b>	<b>13,643</b>	<b>3,289</b>	<b>1,925</b>
<b>Net cash provided by (used in) investment activities</b>	<b>(175)</b>	<b>42</b>	<b>(33)</b>	<b>(314)</b>	<b>(102)</b>	<b>(18)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(6,378)</b>	<b>(6,243)</b>	<b>(7,620)</b>	<b>(13,261)</b>	<b>(1,956)</b>	<b>(49)</b>
Effect of exchange rate change on cash and cash equivalents	25	164	0	(119)	(137)	(55)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,916</b>	<b>884</b>	<b>256</b>	<b>(51)</b>	<b>1,092</b>	<b>1,802</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>6,422</b>	<b>6,422</b>	<b>6,422</b>	<b>6,422</b>	<b>6,551</b>	<b>6,551</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>8,519</b>	<b>7,487</b>	<b>6,859</b>	<b>6,551</b>	<b>7,644</b>	<b>8,354</b>

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

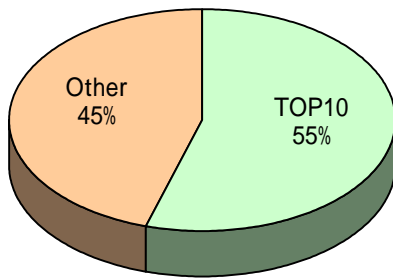
	FY2008 08/4-9 Results	FY2007 07/4-9 Results	Increase /Decrease
Net Sales	73,673	82,102	(8,429)
Electronic Devices	64,826	73,655	(8,829)
Electronic Systems	8,846	8,446	400
Cost of Sales	66,226	74,247	(8,021)
Gross Profit	7,446	7,854	(408)
Electronic Devices	5,869	6,459	(590)
Electronic Systems	1,577	1,394	183
Selling, general and administrative expenses	7,168	7,122	46
Personal expenses	3,859	3,452	407
Other	3,309	3,669	(360)
Operating income	277	731	(454)
Non-operating income	555	655	(100)
Non-operating expenses	476	450	26
Ordinary income	357	937	(580)
Extraordinary income	102	8	94
Extraordinary loss	162	47	115
Income before income taxes	297	898	(601)
Income taxes-current	119	203	(84)
Income taxes-deferred	(56)	64	(120)
Net income	235	630	(395)
Number of Employees	821	777	44
Gross Profit Margin	10.1%	9.6%	-
Electronic Devices	9.1%	8.8%	-
Electronic Systems	17.8%	16.5%	-
Operating Profit Margin	0.4%	0.9%	-
Ordinary Profit Margin	0.5%	1.1%	-
Net Profit Margin	0.3%	0.8%	-

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

	FY2008 08/4-09/3 Forecast	FY2007 07/4-08/3 Results	Increase /Decrease
Net Sales	152,000	162,745	(10,745)
Electronic Devices	129,300	143,134	(13,834)
Electronic Systems	22,700	19,610	3,090
Cost of Sales	136,200	147,567	(11,367)
Gross Profit	15,800	15,178	622
Electronic Devices	11,900	11,783	117
Electronic Systems	3,900	3,394	506
Selling, general and administrative expenses	14,500	14,066	434
Operating income	1,300	1,111	189
Non-operating income	750	902	(152)
Non-operating expenses	800	896	(96)
Ordinary income	1,250	1,116	134
Extraordinary income	150	7	143
Extraordinary loss	160	661	(501)
Income before income taxes	1,240	463	777
Income taxes-current	130	21	109
Income taxes-deferred	350	112	238
Net income	760	329	431
Gross Profit Margin	10.4%	9.3%	-
Electronic Devices	9.2%	8.2%	-
Electronic Systems	17.2%	17.3%	-
Operating Profit Margin	0.9%	0.7%	-
Ordinary Profit Margin	0.8%	0.7%	-
Net Profit Margin	0.5%	0.2%	-

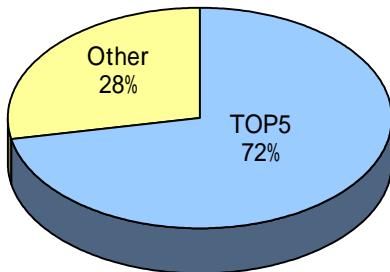
# Consolidated Sales Breakdown (1H FY2008)

## Sales by Customer



- 1. SHARP GROUP
- 2. MURATA MANUFACTURING GROUP
- 3. MITSUBISHI ELECTRIC GROUP
- 4. SONY GROUP
- 5. CANON GROUP
- 6. NEC GROUP
- 7. SEIKO EPSON GROUP
- 8. TOHSHIBA GROUP
- 9. Panasonic GROUP
- 10. Pioneer GROUP

## Sales of Electronic Devices by Supplier



- 1. Texas Instruments
- 2. Broadcom
- 3. Samsung
- 4. Seiko Epson, Epson Toyocom
- 5. Freescale

## Sales of Electronic Devices by Application

