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Financial Results for the March 2003 Term Handout for the Explanatory Meeting

May 21, 2003

MARUBUN CORPORATION

Statements made in this handout with respect to Marubun Corporation's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Marubun Corporation. These statements 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.

1. Recent Changes in Consolidated Results

(Unit: Yen in Million, %)

	FY1998		FY1999			FY2000			FY2001			FY2002		
		Share of		Share of	Growth Rate		Share of	Growth Rate		Share of	Growth Rate		Share of	Growth Rate
Net Sales	126,918	100.0	135,694	100.0	6.9	174,079	100.0	28.3	138,146	100.0	▲20.6	151,798	100.0	9.9
Components & Materials	77,717	61.2	85,881	63.3	10.5	115,880	66.6	34.9	87,753	63.5	▲24.3	102,987	67.8	17.4
Electronic Systems	48,860	38.5	49,477	36.5	1.3	57,864	33.2	17.0	50,059	36.2	▲13.5	48,810	32.2	▲2.5
Real Estate	340	0.3	335	0.2	▲1.5	335	0.2	0.0	333	0.2	▲0.6	—	—	—
Gross Profit	15,565	12.3	17,504	12.9	12.5	22,718	13.1	29.8	16,150	11.7	▲28.9	16,356	10.8	1.3
Selling, General and Administrative Expenses	14,257	11.2	14,481	10.7	1.6	15,197	8.7	4.9	14,693	10.6	▲3.3	14,811	9.8	0.8
Operating Income	1,307	1.0	3,022	2.2	131.2	7,521	4.3	148.9	1,456	1.1	▲80.6	1,544	1.0	6.0
Non-Operating Income/Expenses	▲192	—	▲1,046	—	—	▲1,123	—	—	▲202	—	—	▲328	▲0.2	—
Ordinary Income	1,115	0.9	1,976	1.5	77.2	6,397	3.7	223.7	1,254	0.9	▲80.4	1,216	0.8	▲3.0
Special Gains/Losses	265	0.2	▲234	—	—	▲272	—	—	▲2,511	—	—	218	0.1	—
Income before Taxes	1,381	1.1	1,742	1.3	26.1	6,125	3.5	251.6	▲1,256	▲0.9	▲120.5	1,434	0.9	—
Income and Inhabitant Taxes - Current	965	0.8	1,108	0.8	14.8	3,273	1.9	195.4	323	0.2	▲90.1	780	0.5	141.5
Income, Inhabitant and Business Taxes - Deferred	—	—	▲104	▲0.1	—	▲519	▲0.3	—	▲1,164	▲0.8	—	▲88	▲0.1	—
Minority Interest in Losses	—	—	—	—	—	—	—	—	—	—	—	3	0.0	—
Net Income	415	0.3	738	0.5	77.8	3,370	1.9	356.6	▲415	▲0.3	—	746	0.5	—
Total Assets	79,616	100.0	92,812	100.0	16.6	107,227	100.0	15.5	85,011	100.0	▲20.7	87,902	100.0	3.4
Shareholders' Equity	21,684	27.2	22,200	23.9	2.4	29,763	27.8	34.1	29,047	34.2	▲2.4	28,759	32.7	▲1.0
Number of Shares Outstanding (Thousand shares)	15,729		15,729			23,195			27,876			27,656		
Net Income per Share (Yen)	26.41		46.93			160.75			▲14.92			26.23		
Shareholders' Equity per Share (Yen)	1,378.55		1,411.43			1,283.15			1,041.99			1,039.89		
Cash Dividends per Share(Yen)	16		16			16			14			16		
Payout Ratio (%)	60.6		34.1			10.5			—			59.3		
Dividends on Equity (%)	1.16		1.13			1.19			1.34			1.54		
Number of Employees (Fiscal year-end)	1,037		1,035			1,027			1,107			1,085		

Note:1 The average number of outstanding shares was used to calculate the current-term net income per share and the equity capital per share.

2 Per adjusted share data have been retroactively adjusted for stock split.

2. Consolidated Statements of Income (Results)

(Unit: Yen in Million, %)

	FY2002 Results		FY2001 Results		Increase/Decrease		Comments
		Share of		Share of	Amount	%	
Net Sales	151,798	100.0%	138,146	100.0%	13,652	9.9%	
Components & Materials	102,987	67.8%	87,753	63.5%	15,234	17.4%	
Electronic Systems	48,810	32.2%	50,059	36.2%	▲1,249	▲2.5%	
Real Estate	—	—	333	0.2%	▲333	—	
Cost of Sales	135,442	89.2%	121,995	88.3%	13,447	11.0%	
Gross Profit	16,356	10.8%	16,150	11.7%	206	1.3%	
Components & Materials	9,888	6.5%	8,890	6.4%	998	11.2%	
Electronic Systems	6,467	4.3%	7,105	5.1%	▲638	▲9.0%	
Real Estate	—	—	154	0.1%	▲154	—	
Selling, General and Administrative Expenses	14,811	9.8%	14,693	10.6%	118	0.8%	
Personnel Expenses	8,289	5.5%	8,157	5.9%	132	1.6%	
Other	6,521	4.3%	6,535	4.7%	▲14	▲0.2%	
Operating Income	1,544	1.0%	1,456	1.1%	88	6.0%	
Non-Operating Income	604	0.4%	624	0.5%	▲20	▲3.2%	
Interest Income	4	0.0%	14	0.0%	▲10	▲71.4%	
Equity in Net Incomes of Affiliates	64	0.0%	97	0.1%	▲33	▲34.0%	
Income from Investments in Real Estates	315	0.2%	—	—	315	—	
Other	220	0.1%	512	0.4%	▲292	▲57.0%	
Non-Operating Expenses	933	0.6%	826	0.6%	107	13.0%	
Interest Expenses	396	0.3%	481	0.3%	▲85	▲17.7%	
Expenses incurred for Investments in Real Estates	166	0.1%	—	—	166	—	
Other	370	0.2%	344	0.2%	26	7.6%	
Ordinary Income	1,216	0.8%	1,254	0.9%	▲38	▲3.0%	
Extraordinary Gains	353	0.2%	6	0.0%	347	5783.3%	
Extraordinary Losses	135	0.1%	2,517	1.8%	▲2,382	▲94.6%	
Income before Taxes	1,434	0.9%	▲1,256	▲0.9%	2,690	—	
Income, Inhabitant and Business Taxes -Current	780	0.5%	323	0.2%	457	141.5%	
Income, Inhabitant and Business Taxes -Deferred	▲88	▲0.1%	▲1,164	▲0.8%	1,076	—	
Minority Interest in Losses	3	0.0%	—	—	3	—	
Net Income	746	0.5%	▲415	▲0.3%	1,161	—	
Number of Employees (Fiscal-year end)	1,085	—	1,107	—	▲22	▲2.0%	

Notice:

Although two businesses units, which deal with DLP Sub-System(Texas Instruments, Inc.) and Power semiconductor(International Rectifier Corporation), were classified as Electronic Systems segment in the past, the company started to categorize them as Components & Materials segment from the second half of FY2002.

On the other hand, in the financial results of FY2002 stated above, the company includes the results of the business units in Electronic Systems segment for the sake of comparison with previous year's results.

3. Consolidated Balance Sheets (Results)

(Unit: Yen in Million, %)

	FY2002 Results		FY2001 Results		Increase/Decrease		Comments
		Share of		Share of	Amount	%	
Current Assets	70,288	80.0%	67,581	79.5%	2,707	4.0%	
Cash and Bank Deposits	9,067	10.3%	8,726	10.3%	341	3.9%	
Notes and Accounts Receivable, Trade	42,480	48.3%	41,090	48.3%	1,390	3.4%	
Inventories	16,122	18.3%	14,453	17.0%	1,669	11.5%	
Deferred Tax Assets	432	0.5%	312	0.4%	120	38.5%	
Other	2,206	2.5%	3,050	3.6%	▲ 844	▲27.7%	
Allowance for Doubtful Accounts	▲ 21	▲0.0%	▲ 51	▲0.1%	30	—	
Long-term Assets	17,614	20.0%	17,429	20.5%	185	1.1%	
Tangible Fixed Assets	5,684	6.5%	8,870	10.4%	▲ 3,186	▲35.9%	
Buildings and Structures	2,415	2.7%	3,822	4.5%	▲ 1,407	▲36.8%	
Land	2,699	3.1%	4,003	4.7%	▲ 1,304	▲32.6%	
Other	569	0.6%	1,044	1.2%	▲ 475	▲45.5%	
Intangible Fixed Assets	2,442	2.8%	1,749	2.1%	693	39.6%	
Investments and Other Assets	9,487	10.8%	6,809	8.0%	2,678	39.3%	
Investment Securities	2,656	3.0%	3,092	3.6%	▲ 436	▲14.1%	
Investments in Real Estates	3,067	3.5%	—	—	3,067	—	
Deferred Tax Assets	1,614	1.8%	1,446	1.7%	168	11.6%	
Other	2,148	2.4%	2,270	2.7%	▲ 122	▲5.4%	
Total Liabilities	87,902	100.0%	85,011	100.0%	2,891	3.4%	
Current Liabilities	53,374	60.7%	51,088	60.1%	2,286	4.5%	
Notes and Accounts Payable, Trade	23,996	27.3%	21,643	25.5%	2,353	10.9%	
Short-term Loans Payable	23,615	26.9%	24,942	29.3%	▲ 1,327	▲5.3%	
Current Portion of Long-term Bonds	2,100	2.4%	—	—	2,100	—	
Other	3,662	4.2%	4,502	5.3%	▲ 840	▲18.7%	
Long-term Liabilities	5,763	6.6%	4,867	5.7%	896	18.4%	
Bonds Payable	—	—	2,100	2.5%	▲ 2,100	—	
Long-term Loans Payable	4,079	4.6%	1,188	1.4%	2,891	243.4%	
Other	1,684	1.9%	1,578	1.9%	106	6.7%	
Total Liabilities	59,138	67.3%	55,955	65.8%	3,183	5.7%	
Minority Interest	4	0.0%	8	0.0%	▲ 4	▲50.0%	
Common Stock	6,214	7.1%	6,214	7.3%	—	—	
Additional Paid-in Capital	6,351	7.2%	6,351	7.5%	—	—	
Retained Earnings	16,699	19.0%	16,414	19.3%	285	1.7%	
Revaluation of Investment Securities	▲ 124	▲0.1%	169	0.2%	▲ 293	—	
Foreign Currency Translation Adjustments	22	0.0%	143	0.2%	▲ 121	▲84.6%	
Treasury Stock	▲ 404	▲0.5%	▲ 246	▲0.3%	▲ 158	—	
Total Schereholders' Equity	28,759	32.7%	29,047	34.2%	▲ 288	▲1.0%	
Total Liabilities, Minority Interest and Shareholders' Equity	87,902	100.0%	85,011	100.0%	2,891	3.4%	

4. Consolidated Statements of Cash Flows (Results)

(Unit: Yen in Million)

	FY2002 Results	FY2001 Results	Increase/ Decrease	Comments
Cash Flows from Operating Activities				
Income/Loss before Taxes	1,434	▲ 1,256	2,690	
Depreciation and Amortization	789	629	160	
Equity in Net Incomes/Losses of Affiliates	▲ 9	▲ 39	30	
Increase/Decrease in Accounts Receivable	▲ 1,470	14,419	▲ 15,889	
Increase/Decrease in Inventories	▲ 1,669	9,093	▲ 10,762	
Increase/Decrease in Accounts Payable	2,405	▲ 6,780	9,185	
Other	▲ 474	5,110	▲ 5,584	
Sub Total	1,004	21,176	▲ 20,172	
Interest and Dividends Received	15	28	▲ 13	
Interest Paid	▲ 398	▲ 494	96	
Income Taxes Paid	▲ 270	▲ 2,838	2,568	
Net Cash used in Operating Activities	350	17,872	▲ 17,522	
Cash Flows from Investing Activities				
Payment for Time Deposits	▲ 613	▲ 13	▲ 600	
Proceeds from Time Deposits	1,112	24	1,088	
Payment for Tangible Fixed Assets	▲ 338	▲ 1,678	1,340	
Payment for Intangible Fixed Assets	▲ 1,078	▲ 1,155	77	
Payment for Investment Securities	▲ 24	▲ 1,467	1,443	
Other	568	205	363	
Net Cash Provided by Investing Activities	▲ 374	▲ 4,086	3,712	
Cash Flows from Financing Activities				
Proceeds from Short-term loans	6,200	8,705	▲ 2,505	
Repayment of Short-term loans	▲ 6,486	▲ 20,552	14,066	
Proceeds from Long-term loans	3,000	1,000	2,000	
Repayment of Long-term Loans	▲ 1,135	▲ 110	▲ 1,025	
Payments for Purchases of Treasury Stock	▲ 156	—	▲ 156	
Dividends Paid	▲ 388	▲ 401	13	
Other	0	▲ 239	239	
Net Cash Provided by Financing Activities	1,032	▲ 11,599	12,631	
Effect of Exchange Rate Changes on Cash and Cash Equivalents	▲ 168	110	▲ 278	
Net Increase/Decrease in Cash and Cash Equivalents	839	2,296	▲ 1,457	
Cash and Cash Equivalents at Beginning of Year	5,488	3,191	2,297	
Cash and Cash Equivalents at End of Year	6,327	5,488	839	

5. Consolidated Sales by Segment (Results)

(Unit: Yen in Million, %)

	FY2002 Results	FY2001 Results	Increase/Decrease		Comments
			Amount	%	
Semiconductors	89,520	74,333	15,187	20.4%	
General-Use ICs	43,050	39,121	3,929	10.0%	
Memory ICs	5,400	4,517	883	19.5%	
Special-Use ICs	25,978	21,093	4,885	23.2%	
Micro Processor	6,177	6,461	▲284	▲4.4%	
DSP	8,199	7,257	942	13.0%	
LCD Driver	5,661	4,873	788	16.2%	
Other	5,941	2,501	3,440	137.5%	
Custom ICs	12,081	7,924	4,157	52.5%	
Discrete	1,642	1,675	▲33	▲2.0%	
Other	1,366	—	1,366	—	
Devices	13,467	13,420	47	0.4%	
Electronic Components	10,934	11,424	▲490	▲4.3%	
Board Computer, etc.	2,532	1,995	537	26.9%	
Total Components & Materials	102,987	87,753	15,234	17.4%	
Space and Defense Electronics	7,996	7,550	446	5.9%	
Industrial Equipment	12,873	13,041	▲168	▲1.3%	
Scientific Equipment	1,625	1,643	▲18	▲1.1%	
Laser Equipment	4,839	5,374	▲535	▲10.0%	
Communication & Information Equipment	462	1,849	▲1,387	▲75.0%	
Visual Equipment	10,438	10,093	345	3.4%	
Medical Equipment	10,576	10,509	67	0.6%	
Total Electronic Systems	48,810	50,059	▲1,249	▲2.5%	

Notice:

Although two businesses units, which deal with DLP Sub-System(Texas Instruments, Inc.) and Power semiconductor(International Rectifier Corporation), were classified as Electronic Systems segment in the past, the company started to categorize them as Components & Materials segment from the second half of FY2002.

On the other hand, in the financial results of FY2002 stated above, the company includes the results of the business units in Electronic Systems segment for the sake of comparison with previous year's results.

6. Consolidated Statements of Income (Forecast)

(Unit: Yen in Million, %)

	FY2003 Forecast		FY2002 Results		Increase/Decrease		Comments
		Share of		Share of	Amount	%	
Net Sales	158,600	100.0%	151,798	100.0%	6,802	4.5%	(Interim Forecast 72,100)
Components & Materials	121,000	76.3%	113,119	74.5%	7,881	7.0%	
Electronic Systems	37,600	23.7%	38,679	25.5%	▲1,079	▲2.8%	
Cost of Sales	141,320	89.1%	135,442	89.2%	5,878	4.3%	
Gross Profit	17,280	10.9%	16,356	10.8%	924	5.6%	(Interim Forecast 7,580)
Components & Materials	11,320	7.1%	10,485	6.9%	835	8.0%	
Electronic Systems	5,960	3.8%	5,870	3.9%	90	1.5%	
Selling, General and Administrative Expenses	16,240	10.2%	14,811	9.8%	1,429	9.6%	
Personnel Expenses	8,745	5.5%	8,289	5.5%	456	5.5%	
Other	7,495	4.7%	6,521	4.3%	974	14.9%	
Operating Income	1,040	0.7%	1,544	1.0%	▲504	▲32.6%	(Interim Forecast ▲540)
Non-Operating Income	840	0.5%	604	0.4%	236	39.1%	
Interest Income	1	0.0%	4	0.0%	▲3	▲75.0%	
Equity in Net Incomes of Affiliates	364	0.2%	64	0.0%	300	468.8%	
Income from Investments in Real Estates	305	0.2%	315	0.2%	▲10	▲3.2%	
Other	170	0.1%	220	0.1%	▲50	▲22.7%	
Non-Operating Expenses	650	0.4%	933	0.6%	▲283	▲30.3%	
Interest Expenses	325	0.2%	396	0.3%	▲71	▲17.9%	
Expenses incurred for Investments in Real Estates	164	0.1%	166	0.1%	▲2	▲1.2%	
Other	161	0.1%	370	0.2%	▲209	▲56.5%	
Ordinary Income	1,230	0.8%	1,216	0.8%	14	1.2%	(Interim Forecast ▲440)
Special Gains	—	—	353	0.2%	▲353	—	
Special Losses	10	0.0%	135	0.1%	▲125	▲92.6%	
Income before Taxes	1,220	0.8%	1,434	0.9%	▲214	▲14.9%	
Income, Inhabitant and Business Taxes -Current	210	0.1%	780	0.5%	▲570	▲73.1%	
Income, Inhabitant and Business Taxes -Deferred	290	0.2%	▲88	▲0.1%	378	—	
Minority Interest in Losses	0	—	3	0.0%	▲3	—	
Net Income	720	0.5%	746	0.5%	▲26	▲3.5%	(Interim Forecast ▲660)
Number of Employees (Fiscal-year end)	1,050	—	1,085	—	▲35	▲3.2%	

Notice:

Although two businesses units, which deal with DLP Sub-System(Texas Instruments, Inc.) and Power semiconductor(International Rectifier Corporation), were classified as Electronic Systems segment in the past, the company started to categorize them as Components & Materials segment from the second half of FY2002.

In the financial results of FY2002 stated above, the company includes the results of the business units in Components & Materials segment for the sake of comparison with financial forecasts.

7. Consolidated Sales by Segment (Forecast)

(Unit: Yen in Million, %)

	FY2003 Forecast	FY2002 Results	Increase/Decrease		Comments
			Amount	%	
Semiconductors	109,905	99,651	10,254	10.3%	
General-Use ICs	40,530	43,050	▲ 2,520	▲5.9%	
Memory ICs	7,895	5,400	2,495	46.2%	
Special-Use ICs	41,105	34,993	6,112	17.5%	
Micro Processor	6,205	6,177	28	0.5%	
DSP	11,570	8,199	3,371	41.1%	
LCD Driver	5,365	5,661	▲ 296	▲5.2%	
Other	17,965	14,956	3,009	20.1%	
Custom ICs	15,495	12,081	3,414	28.3%	
Discrete	3,860	2,758	1,102	40.0%	
Other	1,020	1,366	▲ 346	▲25.3%	
Devices & Materials	11,095	13,467	▲ 2,372	▲17.6%	
Electronic Components	8,890	10,934	▲ 2,044	▲18.7%	
Board Computer, etc.	2,205	2,532	▲ 327	▲12.9%	
Total Components & Materials	121,000	113,119	7,881	7.0%	
Space and Defense Electronics	4,835	7,996	▲ 3,161	▲39.5%	
Industrial Equipment	12,180	11,757	423	3.6%	
Scientific Equipment	1,260	1,625	▲ 365	▲22.5%	
Laser Equipment	5,030	4,839	191	3.9%	
Information Equipment	3,660	1,885	1,775	94.2%	
Medical Equipment	10,635	10,576	59	0.6%	
Total Electronic Systems	37,600	38,679	▲ 1,079	▲2.8%	

Notice:

Although two businesses units, which deal with DLP Sub-System(Texas Instruments, Inc.) and Power semiconductor(International Rectifier Corporation), were classified as Electronic Systems segment in the past, the company started to categorize them as Components & Materials segment from the second half of FY2002.

In the financial results of FY2002 stated above, the company includes the results of the business units in Components & Materials segment for the sake of comparison with financial forecasts.

8. Non-Consolidated Statements of Income (Results)

(Unit: Yen in Million, %)

	FY2002 Results		FY2001 Results		Increase/Decrease		Comments
		Share of		Share of	Amount	%	
Net Sales	133,322	100.0%	119,741	100.0%	13,581	11.3%	
Components & Materials	98,765	74.1%	83,047	69.4%	15,718	18.9%	
Electronic Systems	34,556	25.9%	36,340	30.3%	▲1,784	▲4.9%	
Real Estate	—	—	353	0.3%	▲333	—	
Cost of Sales	119,418	89.6%	105,849	88.4%	13,569	12.8%	
Gross Profit	13,903	10.4%	13,891	11.6%	12	0.1%	
Components & Materials	9,326	7.0%	8,496	7.1%	830	9.8%	
Electronic Systems	4,576	3.4%	5,220	4.4%	▲644	▲12.3%	
Real Estate	—	—	174	0.1%	▲154	—	
Selling, General and Administrative Expenses	12,712	9.5%	12,651	10.6%	61	0.5%	
Personnel Expenses	6,697	5.0%	6,751	5.6%	▲54	▲0.8%	
Other	6,015	4.5%	5,900	4.9%	115	1.9%	
Operating Income	1,190	0.9%	1,239	1.0%	▲49	▲4.0%	
Non-Operating Income	558	0.4%	342	0.3%	216	63.2%	
Interest Income	3	0.0%	10	0.0%	▲7	▲70.0%	
Other	555	0.4%	331	0.3%	224	67.7%	
Non-Operating Expenses	870	0.7%	790	0.7%	80	10.1%	
Interest Expenses	360	0.3%	441	0.4%	▲81	▲18.4%	
Other	509	0.4%	348	0.3%	161	46.3%	
Ordinary Income	879	0.7%	792	0.7%	87	11.0%	
Extraordinary Gains	348	0.3%	6	0.0%	342	5700.0%	
Extraordinary Losses	304	0.2%	2,700	2.3%	▲2,396	▲88.7%	
Income before Taxes	923	0.7%	▲1,902	▲1.6%	2,825	—	
Income, Inhabitant and Business Taxes -Current	532	0.4%	86	0.1%	446	518.6%	
Income, Inhabitant and Business Taxes -Deferred	▲24	▲0.0%	▲776	▲0.6%	752	—	
Net Income	414	0.3%	▲1,211	▲1.0%	1,625	▲134.2%	
Number of Employees (Fiscal-year end)	826	—	890	—	▲64	▲7.2%	

Notice:

Although two businesses units, which deal with DLP Sub-System(Texas Instruments, Inc.) and Power semiconductor(International Rectifier Corporation), were classified as Electronic Systems segment in the past, the company started to categorize them as Components & Materials segment from the second half of FY2002.

On the other hand, in the financial results of FY2002 stated above, the company includes the results of the business units in Electronic Systems segment for the sake of comparison with previous year's results.

9. Non-Consolidated Balance Sheets (Results)

(Unit: Yen in Million, %)

	FY2002 Results		FY2001 Results		Increase/Decrease		Comments
		Share of		Share of	Amount	%	
Current Assets	61,437	79.7%	59,832	79.4%	1,605	2.7%	
Cash and Bank Deposits	6,808	8.8%	7,185	9.5%	▲ 377	▲5.2%	
Notes Receivable, Trade	3,234	4.2%	4,844	6.4%	▲ 1,610	▲33.2%	
Accounts Receivable, Trade	33,052	42.9%	30,506	40.5%	2,546	8.3%	
Inventories	15,754	20.4%	14,083	18.7%	1,671	11.9%	
Deferred Tax Assets	363	0.5%	261	0.3%	102	39.1%	
Other	2,238	2.9%	2,992	4.0%	▲ 754	▲25.2%	
Allowance for Doubtful Accounts	▲ 15	▲0.0%	▲ 41	▲0.1%	26	—	
Long-term Assets	15,695	20.3%	15,526	20.6%	169	1.1%	
Tangible Fixed Assets	4,681	6.1%	7,828	10.4%	▲ 3,147	▲40.2%	
Buildings	1,832	2.4%	3,237	4.3%	▲ 1,405	▲43.4%	
Land	2,300	3.0%	3,602	4.8%	▲ 1,302	▲36.1%	
Other	547	0.7%	988	1.3%	▲ 441	▲44.6%	
Intangible Fixed Assets	2,549	3.3%	1,741	2.3%	808	46.4%	
Investments and Other Assets	8,464	11.0%	5,957	7.9%	2,507	42.1%	
Investment Securities	1,308	1.7%	1,582	2.1%	▲ 274	▲17.3%	
Investments in Subsidiaries and Affiliates	1,082	1.4%	1,275	1.7%	▲ 193	▲15.1%	
Investments in Real EstateS	3,067	4.0%	—	—	3,067	—	
Deferred Tax Assets	1,501	1.9%	1,393	1.8%	108	7.8%	
Other	1,504	1.9%	1,704	2.3%	▲ 200	▲11.7%	
Total Assets	77,132	100.0%	75,359	100.0%	1,773	2.4%	
Current Liabilities	45,467	58.9%	44,296	58.8%	1,171	2.6%	
Notes Payable, Trade	2,129	2.8%	2,202	2.9%	▲ 73	▲3.3%	
Accounts Payable, Trade	15,027	19.5%	13,577	18.0%	1,450	10.7%	
Short-term Loans Payable	23,300	30.2%	23,600	31.3%	▲ 300	▲1.3%	
Current Portion of Long-term Loans Payable	—	—	1,000	1.3%	▲ 1,000	—	
Current Portion of Long-term Bonds	2,100	2.7%	—	—	2,100	—	
Other	2,910	3.8%	3,916	5.2%	▲ 1,006	▲25.7%	
Long-term Liabilities	5,575	7.2%	4,569	6.1%	1,006	22.0%	
Bonds Payable	—	—	2,100	2.8%	▲ 2,100	—	
Long-term Loans Payable	4,000	5.2%	1,000	1.3%	3,000	300.0%	
Other	1,575	2.0%	1,469	1.9%	106	7.2%	
Total Liabilities	51,042	66.2%	48,866	64.8%	2,176	4.5%	
Common Stock	6,214	8.1%	6,214	8.2%	0	0.0%	
Additional Paid-in Capital	6,351	8.2%	6,351	8.4%	0	0.0%	
Retained Earnings	14,045	18.2%	14,019	18.6%	26	0.2%	
Revaluation of Investment in Securities	▲ 116	▲0.2%	154	0.2%	▲ 270	—	
Treasury Stock	▲ 404	▲0.5%	▲ 246	▲0.3%	▲ 158	—	
Total Shareholders' Equity	26,090	33.8%	26,493	35.2%	▲ 403	▲1.5%	
Total Liabilities and Shareholders' Equity	77,132	100.0%	75,359	100.0%	1,773	2.4%	

10. Non-Consolidated Statements of Income (Forecast)

(Unit: Yen in Million, %)

	FY2003 Forecast		FY2002 Results		Increase/Decrease		Comments
		Share of		Share of	Amount	%	
Net Sales	139,600	100.0%	133,322	100.0%	6,278	4.7%	(Interim Forecast 64,400)
Components & Materials	116,500	83.5%	108,980	81.7%	7,520	6.9%	
Electronic Systems	23,100	16.5%	24,342	18.3%	▲1,242	▲5.1%	
Cost of Sales	124,840	89.4%	119,418	89.6%	5,422	4.5%	
Gross Profit	14,760	10.6%	13,903	10.4%	857	6.2%	(Interim Forecast 6,540)
Components & Materials	10,790	7.7%	9,997	7.5%	793	7.9%	
Electronic Systems	3,970	2.8%	3,906	2.9%	64	1.6%	
Selling, General and Administrative Expenses	14,050	10.1%	12,712	9.5%	1,338	10.5%	
Personnel Expenses	7,202	5.2%	6,697	5.0%	505	7.5%	
Other	6,848	4.9%	6,015	4.5%	833	13.8%	
Operating Income	710	0.5%	1,190	0.9%	▲480	▲40.3%	(Interim Forecast ▲500)
Non-Operating Income	470	0.3%	558	0.4%	▲88	▲15.8%	
Interest Income	1	0.0%	3	0.0%	▲2	▲66.7%	
Other	469	0.3%	555	0.4%	▲86	▲15.5%	
Non-Operating Expenses	600	0.4%	870	0.7%	▲270	▲31.0%	
Interest Expenses	295	0.2%	360	0.3%	▲65	▲18.1%	
Other	305	0.2%	509	0.4%	▲204	▲40.1%	
Ordinary Income	580	0.4%	879	0.7%	▲299	▲34.0%	(Interim Forecast ▲530)
Extraordinary Gains	—	—	348	0.3%	▲348	—	
Extraordinary Losses	10	0.0%	304	0.2%	▲294	▲96.7%	
Income before Taxes	570	0.4%	923	0.7%	▲353	▲38.2%	
Income, Inhabitant and Business Taxes -Current	24	0.0%	532	0.4%	▲508	▲95.5%	
Income, Inhabitant and Business Taxes -Deferred	316	0.2%	▲24	▲0.0%	340	—	
Net Income	230	0.2%	414	0.3%	▲184	▲44.4%	(Interim Forecast ▲740)
Number of Employees (Fiscal-year end)	800	—	826	—	▲26	▲3.1%	

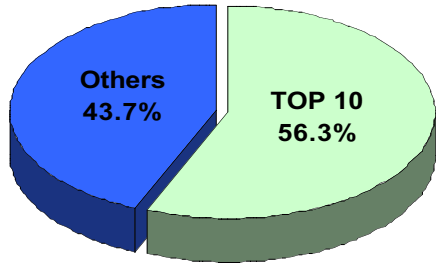
Notice:

Although two businesses units, which deal with DLP Sub-System(Texas Instruments, Inc.) and Power semiconductor(International Rectifier Corporation), were classified as Electronic Systems segment in the past, the company started to categorize them as Components & Materials segment from the second half of FY2002.

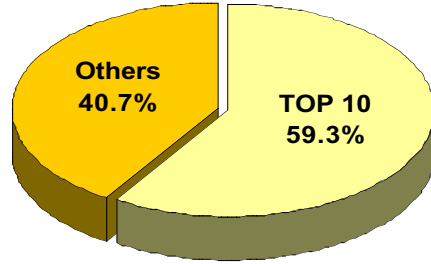
In the financial results of FY2002 stated above, the company includes the results of the business units in Components & Materials segment for the sake of comparison with financial forecasts.

• Non-Consolidated Sales Breakdown (2003/3 Results)

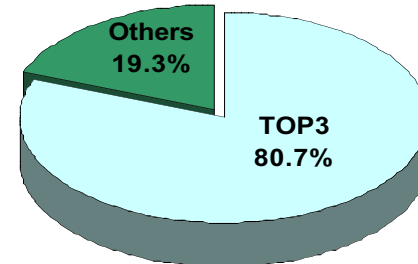
Sales by customer



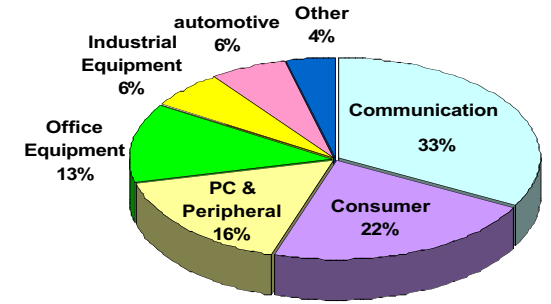
Sales of Components & Materials



Sales of Components & Materials



Sales of Components & Materials by Application



1	MITSUBISHI ELECTRIC GROUP
2	SEIKO EPSON GROUP
3	NEC GROUP
4	SONY GROUP
5	TOSHIBA GROUP
6	SHARP GROUP
7	SANYO ELECTRIC GROUP
8	PLUS GROUP
9	CANON GROUP
10	MATSUSHITA ELECTRIC INDUSTRIAL GROUP

1	SEIKO EPSON GROUP
2	MITSUBISHI ELECTRIC GROUP
3	NEC GROUP
4	SONY GROUP
5	TOSHIBA GROUP
6	SANYO ELECTRIC GROUP
7	SHARP GROUP
8	CANON GROUP
9	MATSUSHITA ELECTRIC INDUSTRIAL GROUP
10	PLUS GROUP

1	TEXAS INSTRUMENTS
2	SEIKO EPSON
3	MOTOROLA