

Interim Financial Results for the March 2007 Term Handout for the Explanatory Meeting

November 16, 2006

MARUBUN CORPORATION

<http://www.marubun.co.jp>

<http://www.marubun.co.jp/ir/> (IR Website)

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.

Consolidated Statement of Income (Results)

(Unit: Yen in Million)

	FY2006 1H Results 06/4-9	FY2005 1H Results 05/4-9	Increase /Decrease
Net Sales	130,165	107,241	22,924
Electronic Devices	112,754	92,474	20,280
Electronic Systems	17,410	14,766	2,644
Cost of Sales	118,644	96,702	21,942
Gross Profit	11,521	10,538	983
Electronic Devices	8,996	8,238	758
Electronic Systems	2,524	2,305	219
Selling, General and Administrative Expenses	8,996	8,595	401
Personnel Expenses	4,773	4,550	223
Other	4,223	4,045	178
Operating Income	2,524	1,943	581
Non-Operating Income	543	262	281
Equity in Net Incomes of Affiliates	103	13	90
Non-Operating Expenses	456	626	(170)
November 16, 2006	2,611	1,579	1,032
Extraordinary Gains	333	69	264
Extraordinary Losses	251	22	229
Income before Income Taxes	2,693	1,625	1,068
Income Taxes- Current	1,302	682	620
Income Taxes- Deferred	(226)	19	(245)
Minority Interest in Losses	18	98	(80)
Net Income	1,599	825	774
Number of Employees (Fiscal year-end)	1,196	1,152	-
Gross Profit Margin	8.9%	9.8%	-
Electronic Devices	8.0%	8.9%	-
Electronic Systems	14.5%	15.6%	-
Operating Profit Margin	1.9%	1.8%	-
Ordinary Profit Margin	2.0%	1.5%	-
Net Profit Margin	1.2%	0.8%	-

Consolidated Sales by Segment (Results)

(Unit: Yen in Million)

	FY2006 1H Results 06/4-9	FY2005 1H Results 05/4-9	Increase /Decrease
Total Electronic Devices	112,754	92,474	20,280
Semiconductors	101,380	82,695	18,685
General-Use ICs	22,111	18,927	3,184
Memory ICs	12,532	10,149	2,383
Special-Use ICs	52,562	44,131	8,431
Micro Processor	3,167	3,391	(224)
DSP	19,050	13,012	6,038
Display Driver	1,263	1,857	(594)
Other	29,082	25,872	3,210
Custom ICs	11,948	7,548	4,400
Discrete	2,663	2,433	230
Other	(436)	(492)	56
Devices	11,374	9,779	1,595
Electronic Components	9,603	8,287	1,316
Board Computer, etc.	1,771	1,492	279
Total Electronic Systems	17,410	14,766	2,644
Space and Defense Electronics	1,766	1,091	675
Industrial Equipment	6,903	5,596	1,307
Scientific Equipment	512	136	376
Laser Equipment	1,057	1,440	(383)
Communication & Information Equipment	1,601	1,760	(159)
Medical Equipment	5,571	4,743	828
Total Net Sales	130,165	107,241	22,924

Consolidated Balance Sheets (Results)

(Unit: Yen in Million)

	FY2006 1H Results 06/9	FY2005 1H Results 05/9	Increase /Decrease
Current Assets	122,320	87,573	34,747
Cash on Hand and Cash in Banks	8,861	8,911	(50)
Receivables:Trade Notes and Accounts	71,666	54,491	17,175
Inventories	34,803	21,761	13,042
Deferred Tax Assets	597	502	95
Other	6,432	1,957	4,475
Allowance for Doubtful Accounts	(40)	(51)	11
Long-term Assets	15,908	16,233	(325)
Tangible Fixed Assets	5,573	5,481	92
Buildings and Structures	2,037	1,998	39
Land	2,792	2,648	144
Other	742	833	(91)
Intangible Fixed Assets	2,018	2,288	(270)
Investments and Other Assets	8,316	8,464	(148)
Novel Investment Securities	2,909	2,423	486
Investments in Real Estates	1,654	2,364	(710)
Deferred Tax Assets	1,281	1,174	107
Other	2,470	2,502	(32)
Total Assets	138,229	103,806	34,423
Current Liabilities	93,202	66,724	26,478
Payable:Trade Noets and Accounts	38,273	32,810	5,463
Short-Term Bank Loans	50,543	30,504	20,039
Deferred Tax Liabilities	3	0	0
Accrued Bonuses to Employees	896	868	28
Other	3,485	2,539	946
Long-term Liabilities	8,383	3,793	4,590
Bonds	1,000	-	1,000
Convertible Notes	4,000	-	4,000
Long-term Debt	2,000	2,000	-
Accrued Employees' Retirement Benefits	653	754	(101)
Accrued Directors' and Corporate Auditors' Retirement Benefits	461	408	53
Deferred Tax Liabilities	52	25	27
Other	215	605	(390)
Total Liabilities	101,586	70,518	31,068
Total Net Assets *	36,643	33,288	3,355
Total Liabilities and Net Assets	138,229	103,806	34,423

*notes: Total Net Assets(FY2005) = Minority Interest(FY2005) + Total Schereholders' Equity(FY2005)

Consolidated Statement of Cash Flows (Results)

(Unit: Yen in Million)

	FY2006 1H Results 06/9	FY2005 1H Results 05/9	Increase /Decrease
Cash Flows from Operating Activities			
Income before Income Taxes	2,693	1,625	1,068
Depreciation and Amortization	485	471	14
Amortization of Consolidation Adjustments	-	54	(54)
Good will Depreciation	54	-	54
Equity in Net Losses of Affiliates	(61)	28	(89)
Increase/Decrease in Accounts Receivable	(8,597)	(4,051)	(4,546)
Increase/Decrease in Inventories	(8,331)	450	(8,781)
Increase/Decrease in Accounts Payable	(3,305)	4,098	(7,403)
Other	(4,640)	(651)	(3,989)
Sub Total	(21,703)	2,026	(23,729)
Interest and Dividends Received	27	17	10
Interest Paid	(238)	(145)	(93)
Income Taxes Paid	(1,566)	(774)	(792)
Net Cash provided by Operating Activities	(23,481)	1,123	(24,604)
Cash Flows from Investing Activities	1,494	(851)	2,345
Cash Flows from Financing Activities	23,612	774	22,838
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(35)	13	(48)
Net Increase/Decrease in Cash and Cash Equivalents	1,589	1,060	529
Cash and Cash Equivalents at Beginning of Year	6,406	3,974	2,432
Increase in Cash and Cash Equivalents due to New Consolidated Subsidiaries	-	1,567	1,567
Cash and Cash Equivalents at End of Year	7,996	6,602	1,394

Consolidated Statement of Income (Forecast)

(Unit: Yen in Million)

	FY2006 Forecast 06/4-07/3	FY2005 Results 05/4-06/3	Increase /Decrease
Net Sales	270,000	237,508	32,492
Electronic Devices	227,000	201,585	25,415
Electronic Systems	43,000	35,923	7,077
Cost of Sales	244,500	214,400	30,100
Gross Profit	25,500	23,108	2,392
Electronic Devices	19,200	17,509	1,691
Electronic Systems	6,300	5,599	701
Selling, General and Administrative Expenses	19,500	17,893	1,607
Operating Income	6,000	5,215	785
Non-Operating Income	800	623	177
Non-Operating Expenses	1,000	787	213
November 16, 2006	5,800	5,050	750
Extraordinary Gains	400	71	329
Extraordinary Losses	300	36	(36)
Income before Income Taxes	5,900	5,085	815
Income Taxes- Current	1,050	2,137	(1,087)
Income Taxes- Deferred	1,270	(86)	1,356
Minority Interest in Losses	260	360	(100)
Net Income	3,320	2,674	646
Gross Profit Margin	9.4%	9.7%	-
Electronic Devices	8.5%	8.7%	-
Electronic Systems	14.7%	15.6%	-
Operating Profit Margin	2.2%	2.2%	-
Ordinary Profit Margin	2.1%	2.1%	-
Net Profit Margin	1.2%	1.1%	-

Consolidated Sales by Segment (Forecast)

(Unit: Yen in Million)

	FY2006 Forecast 06/4-07/3	FY2005 Results 05/4-06/3	Increase /Decrease
Total Electronic Devices	227,000	201,585	25,415
Semiconductors	203,487	181,681	21,806
General-Use ICs	45,143	41,578	3,565
Memory ICs	24,744	20,003	4,741
Special-Use ICs	105,317	100,526	4,791
Micro Processor	6,612	7,055	(443)
DSP	34,214	32,080	2,134
Display Driver	3,963	3,510	453
Other	60,528	57,881	2,647
Custom ICs	20,744	14,879	5,865
Discrete	8,230	5,152	3,078
Other	(691)	(457)	(234)
Devices	23,513	19,903	3,610
Electronic Components	20,340	16,840	3,500
Board Computer, etc.	3,173	3,063	110
Total Electronic Systems	43,000	35,923	7,077
Space and Defense Electronics	3,541	2,954	587
Industrial Equipment	16,403	12,324	4,079
Scientific Equipment	2,353	1,223	1,130
Laser Equipment	3,030	4,189	(1,159)
Communication & Information Equipment	3,982	3,893	89
Medical Equipment	13,691	11,339	2,352
Total Net Sales	270,000	237,508	32,492

Consolidated Statements of Income (Quarterly)

(Unit: Yen in Million)

	FY2005						FY2006		
	1st Quarter 05/4-6	2nd Quarter 05/7-9	Interim 05/4-9	3rd Quarter 05/10-12	4th Quarter 06/1-3	Full Year 05/4-06/3	1st Quarter 06/4-6	2nd Quarter 06/7-9	Interim 06/4-9
Net Sales	49,241	57,999	107,241	57,519	72,748	237,508	62,798	67,367	130,165
Electronic Devices	44,034	48,439	92,474	49,225	59,885	201,585	56,243	56,511	112,754
Electronic Systems	5,206	9,560	14,766	8,293	12,862	35,923	6,554	10,856	17,410
Cost of Sales	44,350	52,351	96,702	51,702	65,995	214,400	57,373	61,271	118,644
Gross Profit	4,890	5,648	10,538	5,817	6,752	23,108	5,425	6,096	11,521
Electronic Devices	4,072	4,166	8,238	4,610	4,660	17,509	4,451	4,545	8,996
Electronic Systems	817	1,487	2,305	1,202	2,092	5,599	973	1,551	2,524
Selling, General and Administrative Expenses	4,238	4,356	8,595	4,653	4,644	17,893	4,496	4,499	8,996
Operating Income	651	1,291	1,943	1,163	2,108	5,215	928	1,596	2,524
Non-Operating Income	136	152	262	124	208	623	184	358	543
Non-Operating Expenses	246	407	626	(104)	238	787	244	211	456
Ordinary Income	542	1,037	1,579	1,392	2,078	5,050	867	1,744	2,611
Extraordinary Gains	61	7	69	2	0	71	345	(13)	333
Extraordinary Losses	6	15	22	1	13	36	1	249	251
November 16, 2006	597	1,028	1,625	1,393	2,066	5,085	1,211	1,481	2,693
Income Taxes	252	449	701	490	858	2,050	460	615	1,075
Minority Interest	51	46	93	124	137	360	17	0	18
Net Income	293	532	825	778	1,070	2,674	734	865	1,599
Gross Profit Margin	9.9%	9.7%	9.8%	10.1%	9.3%	9.7%	8.6%	9.0%	8.9%
Electronic Devices	9.2%	8.6%	8.9%	9.4%	7.8%	8.7%	7.9%	8.0%	8.0%
Electronic Systems	15.7%	15.6%	15.6%	14.5%	16.3%	15.6%	14.8%	14.3%	14.5%
Operating Profit Margin	1.3%	2.2%	1.8%	2.0%	2.9%	2.2%	1.5%	2.4%	1.9%
Ordinary Profit Margin	1.1%	1.8%	1.5%	2.4%	2.9%	2.1%	1.4%	2.6%	2.0%
Net Profit Margin	0.6%	0.9%	0.8%	1.4%	1.5%	1.1%	1.2%	1.3%	1.2%

Consolidated Sales by Segment (Quarterly)

(Unit: Yen in Million)

	FY2005						FY2006		
	1st Quarter 05/4-6	2nd Quarter 05/7-9	Interim 05/4-9	3rd Quarter 05/10-12	4th Quarter 06/1-3	Full Year 05/4-06/3	1st Quarter 06/4-6	2nd Quarter 06/7-9	Interim 06/4-9
Total Electronic Devices	44,034	48,440	92,474	49,225	59,886	201,585	56,243	56,511	112,754
Semiconductors	38,230	44,465	82,695	44,442	54,544	181,681	51,441	49,939	101,380
General-Use ICs	8,772	10,155	18,927	10,520	12,131	41,578	10,886	11,225	22,111
Memory ICs	4,594	5,555	10,149	5,063	4,791	20,003	5,212	7,320	12,532
Special-Use ICs	19,940	24,191	44,131	23,918	32,477	100,526	29,134	23,428	52,562
Micro Processor	1,643	1,748	3,391	1,838	1,826	7,055	1,721	1,446	3,167
DSP	6,245	6,767	13,012	7,118	11,950	32,080	11,378	7,672	19,050
Display Driver	1,109	748	1,857	983	670	3,510	714	549	1,263
Other	10,943	14,929	25,872	13,980	18,029	57,881	15,321	13,761	29,082
Custom ICs	3,836	3,712	7,548	3,358	3,973	14,879	5,038	6,910	11,948
Discrete	1,192	1,241	2,433	1,411	1,308	5,152	1,292	1,371	2,663
Other	(111)	(381)	(492)	171	(136)	(457)	(121)	(315)	(436)
Devices	5,803	3,976	9,779	4,783	5,341	19,903	4,802	6,572	11,374
Electronic Components	5,035	3,252	8,287	3,967	4,586	16,840	3,970	5,633	9,603
Board Computer, etc.	767	725	1,492	816	755	3,063	832	939	1,771
Total Electronic Systems	5,206	9,560	14,766	8,293	12,864	35,923	6,554	10,856	17,410
Space and Defense Electronics	346	745	1,091	769	1,094	2,954	419	1,347	1,766
Industrial Equipment	1,730	3,866	5,596	2,744	3,984	12,324	2,660	4,243	6,903
Scientific Equipment	47	89	136	276	811	1,223	265	247	512
Laser Equipment	489	951	1,440	769	1,980	4,189	321	736	1,057
Communication & Information Equipment	738	1,022	1,760	891	1,242	3,893	663	938	1,601
Medical Equipment	1,856	2,887	4,743	2,845	3,751	11,339	2,226	3,345	5,571
Total Net Sales	49,241	58,000	107,241	57,519	72,748	237,508	62,798	67,367	130,165

Consolidated Balance Sheets (Quarterly)

(Unit: Yen in Million)

	FY2005				FY2006	
	1st Quarter 05/6	2nd Quarter 05/9	3rd Quarter 05/12	4th Quarter 06/3	1st Quarter 06/6	2nd Quarter 06/9
Current Assets	82,931	87,573	87,985	101,079	109,365	122,320
Cash on Hand and Cash in Banks	10,319	8,911	8,621	8,876	8,212	8,861
Receivables:Trade Notes and Accounts	48,758	54,491	58,157	63,209	63,666	71,666
Inventories	21,675	21,761	19,322	26,537	34,727	34,803
Deferred Tax Assets	488	502	479	627	640	597
Other	1,747	1,957	1,459	1,874	2,151	6,432
Allowance for Doubtful Accounts	(58)	(51)	(54)	(45)	(33)	(40)
Long-term Assets	15,499	16,233	16,493	16,556	16,060	15,908
Tangible Fixed Assets	5,432	5,481	5,521	5,799	5,784	5,573
Buildings and Structures	2,029	1,998	2,166	2,134	2,106	2,037
Land	2,648	2,648	2,648	2,987	2,988	2,792
Other	753	833	706	677	690	742
Intangible Fixed Assets	2,109	2,288	2,333	2,277	2,186	2,018
Investments and Other Assets	7,957	8,464	8,639	8,479	8,088	8,316
Non-current Assets	2,207	2,423	2,788	3,188	2,861	2,909
Investment Securities	2,390	2,364	2,343	1,983	1,693	1,654
Investments in Real Estates	1,275	1,174	1,099	935	1,074	1,281
Deferred Tax Assets	2,085	2,502	2,408	2,371	2,458	2,470
Other						
Total Assets	98,430	103,806	104,478	117,636	125,426	138,229
Current Liabilities	61,901	66,724	65,293	77,291	84,583	93,202
Payable:Trade Notes and Accounts	30,602	32,810	30,800	41,707	36,810	38,273
Short-term Bank Loans	27,893	30,504	31,686	30,635	44,081	50,543
Deferred Tax Liabilities	0	0	0	-	-	3
Accrued Bonuses to Employees	403	868	432	848	631	896
Other	3,000	2,539	2,373	4,099	3,059	3,485
Long-term Liabilities	3,868	3,793	4,798	4,787	4,719	8,383
Bonds	-	-	1,000	1,000	1,000	1,000
Convertible Notes	-	-	-	-	-	4,000
Long-term Debt	2,000	2,000	2,000	2,000	2,000	2,000
Allowance for Employees'Retirement Benefits	798	754	717	685	669	653
Allowance for Directors'Retirement Benefits	441	408	424	437	447	461
Deferred Tax Liabilities	0	25	59	66	62	52
Other	628	605	597	598	540	215
Total Liabilities	65,769	70,518	70,092	82,079	89,302	101,586
Total Net Assets *	32,660	33,288	34,386	35,556	36,123	36,643
Total Liabilities and Net Assets	98,430	103,806	104,478	117,636	125,426	138,229

*notes: Total Net Assets(FY2005) = Minority Interest(FY2005) + Total Shareholders' Equity(FY2005)

Consolidated Statements of Cash Flows (Quarterly)

(Unit: Yen in Million)

	FY2005				FY2006	
	1st Quarter 05/4-6	2nd Quarter 05/4-9	3rd Quarter 05/4-12	4th Quarter 05/4-06/3	1st Quarter 06/4-6	2nd Quarter 06/4-9
Cash Flows from Operating Activities						
Income before Taxes	597	1,625	3,019	5,085	1,211	2,693
Depreciation and Amortization	223	471	715	929	242	485
Amortization of Consolidation Adjustments	27	54	81	108	27	-
Good will Depreciation	-	-	-	-	-	54
Equity in Net Incomes/Losses of Affiliates	19	28	(9)	(56)	(32)	(61)
Increase/Decrease in Accounts Receivable	1,557	(4,051)	(8,819)	(12,403)	(482)	(8,597)
Increase/Decrease in Inventories	479	450	2,972	(4,137)	(8,202)	(8,331)
Increase/Decrease in Accounts Payable	3,069	4,098	3,641	13,325	(4,517)	(3,305)
Other	(1,131)	(651)	(1,074)	(883)	(780)	(4,640)
Sub Total	4,842	2,026	526	1,969	(12,535)	(21,703)
Interest and Dividends Received	10	17	29	37	16	27
Interest Paid	(43)	(145)	(196)	(305)	(81)	(238)
Income Taxes Paid	(741)	(774)	(1,332)	(1,418)	(1,519)	(1,566)
Net Cash used in Operating Activities	4,068	1,123	(973)	284	(14,119)	(23,481)
Cash Flows from Investing Activities	(381)	(851)	(1,276)	(1,136)	449	1,494
Cash Flows from Financing Activities	(1,679)	774	2,692	1,572	13,119	23,612
Effect of Exchange Rate Changes on Cash and Cash Equivalents	59	13	67	144	(8)	(35)
Net Increase/Decrease in Cash and Cash Equivalents	2,066	1,060	509	864	(558)	1,589
Cash and Cash Equivalents at Beginning of Year	3,974	3,974	3,974	3,974	6,406	6,406
Increase in Cash and Cash Equivalents due to New Consolidated Subsidiaries	1,473	1,567	1,567	1,567	-	-
Cash and Cash Equivalents at End of Year	7,515	6,602	6,052	6,406	5,847	7,996

Non-Consolidated statements of Income (Results)

(Unit: Yen in Million)

	FY2006 1H Results 06/4-9	FY2005 1H Results 05/4-9	Increase /Decrease
Net Sales	97,253	79,883	17,370
Electronic Devices	88,697	72,633	16,064
Electronic Systems	8,555	7,249	1,306
Cost of Sales	88,485	72,094	16,391
Gross Profit	8,767	7,788	979
Electronic Devices	7,324	6,489	835
Electronic Systems	1,442	1,299	143
Selling, General and Administrative Expenses	6,881	6,588	293
Personnel Expenses	3,323	3,266	57
Other	3,557	3,322	235
Operating Income	1,886	1,200	686
Non-Operating Income	464	285	179
Non-Operating Expenses	337	414	(77)
Ordinary Income	2,013	1,071	942
November 16, 2006	344	69	275
Extraordinary Losses	379	21	358
Income before Income Taxes	1,978	1,119	859
Income Taxes- Current	1,004	463	541
Income Taxes- Deferred	(170)	25	(195)
Net Income	1,145	630	515
Number of Employees (Fiscal-year end)	756	741	-
Gross Profit Margin	9.0%	9.7%	-
Electronic Devices	8.3%	8.9%	-
Electronic Systems	16.9%	17.9%	-
Operating Profit Margin	1.9%	1.5%	-
Ordinary Profit Margin	2.1%	1.3%	-
Net Profit Margin	1.2%	0.8%	-

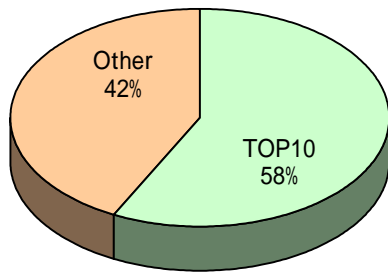
Non-Consolidated statements of Income (Forecast)

(Unit: Yen in Million)

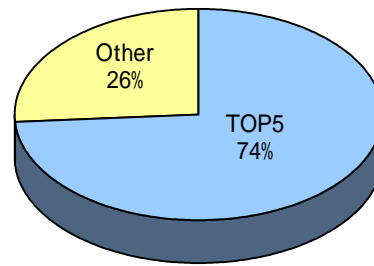
	FY2006 Forecast 06/4-07/3	FY2005 Results 05/4-06/3	Increase /Decrease
Net Sales	193,400	174,197	19,203
Electronic Devices	171,650	156,057	15,593
Electronic Systems	21,750	18,139	3,611
Cost of Sales	174,930	157,012	17,918
Gross Profit	18,470	17,184	1,286
Electronic Devices	14,820	13,911	909
Electronic Systems	3,650	3,272	378
Selling, General and Administrative Expenses	14,280	13,531	749
Personnel Expenses	6,780	6,731	49
Other	7,500	6,800	700
Operating Income	4,190	3,653	537
Non-Operating Income	480	510	(30)
Non-Operating Expenses	700	749	(49)
Ordinary Income	3,970	3,413	557
Extraordinary Gains	400	68	(68)
Extraordinary Losses	420	32	(32)
Income before Income Taxes	3,950	3,450	500
Current	380	1,494	(1,114)
Deferred	1,270	(11)	1,281
Net Income	2,300	1,966	334
Gross Profit Margin	9.6%	9.9%	-
Electronic Devices	8.6%	8.9%	-
Electronic Systems	16.8%	18.0%	-
Operating Profit Margin	2.2%	2.1%	-
Ordinary Profit Margin	2.1%	2.0%	-
Net Profit Margin	1.2%	1.1%	-

Consolidated Sales Breakdown (1H FY2006)

Sales by Customer



Sales of Electronic Devices



November 16, 2006

- 1. SHARP GROUP
- 2. MITSUBISHI ELECTRIC GROUP
- 3. SONY GROUP
- 4. MURATA MANUFACTURING GROUP
- 5. TOSHIBA GROUP
- 6. NEC GROUP
- 7. MATSUSHITA ELECTRIC GROUP
- 8. CANON GROUP
- 9. PIONEER GROUP
- 10. SEIKO EPSON GROUP

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