

Supplementary Financial Information

for the first half of fiscal year ending March 2018

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MARUBUN CORPORATION

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

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

Information on future performance contained within this document material, such as the results forecasts, is based on the data available and assumptions judged to be reasonable as of when the Company prepared this document material.

Consolidated Statement of Income

(Millions of Yen)	FY2016 16/4-9 Results	FY2017 17/4-9 Results	Increase /Decrease
Net Sales	127,741	169,875	42,134
Electronic Devices	105,536	150,361	44,825
Electronic Systems	22,205	19,513	(2,692)
Cost of Sales	119,408	159,603	40,195
Gross Profit	8,333	10,272	1,939
Electronic Devices	5,188	7,058	1,870
Electronic Systems	3,145	3,213	68
Selling, general and administrative expenses	8,768	8,518	(250)
Personal expenses	5,464	5,159	(305)
Other	3,304	3,358	54
Operating income	(435)	1,753	2,188
Electronic Devices	(983)	968	1,951
Electronic Systems	553	790	237
Non-operating income	462	319	(143)
Foreign exchange gains	125	6	(119)
Equity in earnings of affiliates	212	193	(19)
Non-operating expenses	221	757	536
Ordinary income	(194)	1,314	1,508
Extraordinary income	0	0	0
Extraordinary loss	17	211	194
Income before income taxes and minority interests	(212)	1,104	1,316
Income taxes	(1)	467	468
Profit attributable to non-controlling interests	168	246	78
Profit attributable to owners of parent	(379)	390	769
Number of Employees	1,438	1,408	(30)
Gross Profit Margin	6.5%	6.0%	-
Electronic Devices	4.9%	4.7%	-
Electronic Systems	14.2%	16.5%	-
Operating Profit Margin	-	1.0%	-
Electronic Devices	-	0.6%	-
Electronic Systems	2.5%	4.0%	-
Ordinary Profit Margin	-	0.8%	-
Net Profit Margin	-	0.2%	-

Consolidated Sales by Segment

(Millions of Yen)	FY2016 16/4-9 Results	FY2017 17/4-9 Results	Increase /Decrease
Total Electronic Devices	105,536	150,361	44,825
Semiconductors	98,724	142,750	44,026
Analog IC	24,587	31,048	6,461
Standard Logic IC	2,188	1,667	(521)
Memory IC	11,801	11,931	130
Micro-Processor	10,737	6,686	(4,050)
Special-Use IC	43,999	85,173	41,174
Custom IC	5,196	5,808	612
Other	218	436	218
Electronic Components	6,812	7,611	799
Total Electronic Systems	22,205	19,513	(2,692)
Space & Defense Electronics	1,769	1,965	196
Measurement & Inspection Equipment	10,253	7,869	(2,384)
Scientific Equipment	159	413	253
Laser Equipment	2,233	2,920	687
Medical Equipment	7,791	6,346	(1,445)
Total Net Sales	127,741	169,875	42,134

Consolidated Balance Sheets

(Millions of Yen)	FY2016 17/3 Results	FY2017 17/9 Results	Increase /Decrease
Current assets	113,711	132,509	18,798
Cash and deposits	12,584	15,840	3,256
Notes and accounts receivable-trade	65,443	78,373	12,930
Merchandise and finished goods	29,385	33,094	3,709
Work in process	291	408	117
Deferred tax assets	1,149	1,156	7
Other	4,947	3,652	(1,295)
Allowance for doubtful accounts	(90)	(17)	73
Noncurrent assets	12,273	12,263	(10)
Property, plant and equipment	3,549	3,523	(26)
Intangible assets	1,148	1,407	259
Investments and other assets	7,575	7,332	(243)
Total assets	125,984	144,773	18,789
Current liabilities	67,272	86,334	19,062
Notes and accounts payable-trade	37,987	40,171	2,184
Short-term loans payable	25,077	42,572	17,495
Current portion of long-term loans payable	112	112	0
Provision for bonuses	1,034	1,027	(7)
Other	3,060	2,450	(610)
Noncurrent liabilities	11,161	11,032	(129)
Long-term loans payable	8,988	8,932	(56)
Net defined benefit liability	1,586	1,510	(76)
Provision for directors' retirement benefits	96	101	5
Other	490	489	(1)
Total liabilities	78,434	97,367	18,933
Shareholders' equity	40,143	40,171	28
Accumulated other comprehensive income	1,563	1,427	(136)
Non-controlling interests	5,843	5,807	(36)
Total net assets	47,550	47,406	(144)
Total liabilities and net assets	125,984	144,773	18,789

Consolidated Statements of Cash Flows

(Millions of Yen)	FY2016 16/4-9 Results	FY2017 17/4-9 Results
Net cash provided by (used in) operating activities	(6,505)	(12,672)
Income before income taxes and minority interests	(212)	1,104
Depreciation and amortization	188	199
Foreign exchange losses (gains)	(863)	356
Equity in (earnings) losses of affiliates	(212)	(193)
Decrease (increase) in notes and accounts receivable-trade	(3,385)	(13,240)
Decrease (increase) in inventories	3,510	(4,000)
Increase (decrease) in notes and accounts payable-trade	(6,398)	2,340
Other, net	1,370	1,258
Subtotal	(6,004)	(12,174)
Interest and dividends income received	181	215
Interest expenses paid	(128)	(280)
Income taxes paid	(557)	(441)
Income taxes refund	4	9
Net cash provided by (used in) investing activities	(607)	(557)
Net cash provided by (used in) financing activities	5,143	16,564
Effect of exchange rate change on cash and cash equivalents	(1,103)	(19)
Net increase(decrease) in cash and cash equivalents	(3,072)	3,316
Cash and cash equivalents at beginning of period	13,702	12,216
Cash and cash equivalents at end of period	10,629	15,489

Consolidated Statement of Income (Forecast)

(Millions of Yen)	FY2016 Results			FY2017 Forecast			Increase/Decrease		
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year
Net Sales	127,741	142,956	270,698	169,875	156,125	326,000	42,134	13,169	55,302
Electronic Devices	105,536	114,648	220,184	150,361	123,639	274,000	44,825	8,991	53,816
Electronic Systems	22,205	28,308	50,513	19,513	32,487	52,000	(2,692)	4,179	1,487
Cost of Sales	119,408	130,677	250,085	159,603	144,497	304,100	40,195	13,820	54,015
Gross Profit	8,333	12,279	20,612	10,272	11,628	21,900	1,939	(651)	1,288
Electronic Devices	5,188	7,553	12,741	7,058	6,542	13,600	1,870	(1,011)	859
Electronic Systems	3,145	4,725	7,871	3,213	5,087	8,300	68	362	429
Selling, general and administrative expenses	8,768	8,960	17,729	8,518	8,882	17,400	(250)	(78)	(329)
Operating income	(435)	3,319	2,883	1,753	2,747	4,500	2,188	(572)	1,617
Non-operating income	462	242	705	319	381	700	(143)	139	(5)
Non-operating expenses	221	715	937	757	443	1,200	536	(272)	263
Ordinary income	(194)	2,845	2,651	1,314	2,686	4,000	1,508	(159)	1,349
Extraordinary income	0	1	1	0	-	-	(0)	(1)	(1)
Extraordinary loss	17	47	65	211	39	250	194	(8)	185
Income before income taxes and minority interests	(212)	2,799	2,587	1,104	2,646	3,750	1,316	(153)	1,163
Income taxes	(1)	536	535	467	433	900	468	(103)	365
Minority interests in income	168	233	402	246	204	450	78	(29)	48
Profit attributable to owners of parent	(379)	2,029	1,650	390	1,660	2,050	769	(369)	400
Gross Profit Margin	6.5%	8.6%	7.6%	6.0%	7.4%	6.7%	-	-	-
Electronic Devices	4.9%	6.6%	5.8%	4.7%	5.3%	5.0%	-	-	-
Electronic Systems	14.2%	16.7%	15.6%	16.5%	15.7%	16.0%	-	-	-
Operating Profit Margin	-	2.3%	1.1%	1.0%	1.8%	1.4%	-	-	-
Ordinary Profit Margin	-	2.0%	1.0%	0.8%	1.7%	1.2%	-	-	-
Net Profit Margin	-	1.4%	0.6%	0.2%	1.1%	0.6%	-	-	-

Consolidated Sales by Segment (Forecast)

(Millions of Yen)	FY2016 Results	FY2017 Forecast	Increase /Decrease
Total Electronic Devices	220,184	274,000	53,816
Semiconductors	204,418	256,026	51,609
Analog IC	51,060	58,630	7,570
Standard Logic IC	4,093	3,230	(863)
Memory IC	22,229	18,559	(3,669)
Micro-Processor	21,123	12,678	(8,445)
Special-Use IC	94,386	152,169	57,783
Custom IC	11,040	10,328	(712)
Other	487	431	(55)
Electronic Components	15,768	17,974	2,206
Total Electronic Systems	50,513	52,000	1,487
Space & Defense Electronics	5,000	5,745	745
Measurement & Inspection Equipment	19,849	19,264	(585)
Scientific Equipment	804	1,558	754
Laser Equipment	5,453	7,144	1,690
Medical Equipment	19,407	18,290	(1,117)
Total Net Sales	270,698	326,000	55,302

Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2016					FY2017	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Net Sales	56,755	70,985	66,612	76,344	270,698	70,464	99,410
Electronic Devices	47,991	57,544	56,228	58,420	220,184	62,118	88,243
Electronic Systems	8,764	13,441	10,384	17,924	50,513	8,345	11,167
Cost of Sales	53,366	66,041	60,959	69,718	250,085	65,594	94,008
Gross Profit	3,389	4,944	5,653	6,625	20,612	4,869	5,402
Electronic Devices	2,131	3,056	3,906	3,647	12,741	3,528	3,529
Electronic Systems	1,257	1,887	1,747	2,978	7,871	1,340	1,872
Selling, general and administrative expenses	4,440	4,328	4,419	4,540	17,729	4,218	4,300
Operating income	(1,050)	615	1,233	2,085	2,883	651	1,102
Electronic Devices	(993)	9	872	559	448	541	426
Electronic Systems	(54)	608	363	1,528	2,445	112	678
Non-operating income	360	102	39	202	705	167	151
Non-operating expenses	105	116	973	(257)	937	166	591
Ordinary income	(796)	601	299	2,545	2,651	652	662
Extraordinary income	-	0	2	(1)	1	0	(0)
Extraordinary loss	4	13	29	18	65	17	193
Income before income taxes and minority interests	(800)	588	273	2,526	2,587	635	468
Income taxes	(203)	201	45	490	535	204	263
Profit attributable to non-controlling interests	66	101	63	170	402	128	117
Profit attributable to owners of parent	(664)	284	164	1,865	1,650	302	87
Gross Profit Margin	6.0%	7.0%	8.5%	8.7%	7.6%	6.9%	5.4%
Electronic Devices	4.4%	5.3%	6.9%	6.2%	5.8%	5.7%	4.0%
Electronic Systems	14.3%	14.0%	16.8%	16.6%	15.6%	16.1%	16.8%
Operating Profit Margin	-	0.9%	1.9%	2.7%	1.1%	0.9%	1.1%
Ordinary Profit Margin	-	0.8%	0.4%	3.3%	1.0%	0.9%	0.7%
Net Profit Margin	-	0.4%	0.2%	2.4%	0.6%	0.4%	0.1%

Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2016					FY2017	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Total Electronic Devices	47,991	57,544	56,228	58,420	220,184	62,118	88,243
Semiconductors	44,601	54,124	51,590	54,103	204,418	58,222	84,528
Analog IC	12,083	12,504	11,875	14,598	51,060	15,449	15,599
Standard Logic IC	1,044	1,144	1,097	808	4,093	859	808
Memory IC	5,473	6,327	5,093	5,335	22,229	5,437	6,494
Micro-Processor	5,534	5,203	4,642	5,744	21,123	3,436	3,250
Special-Use IC	17,570	26,429	25,431	24,956	94,386	30,076	55,097
Custom IC	2,723	2,473	2,969	2,875	11,040	2,843	2,965
Other	175	43	482	(214)	487	122	314
Electronic Components	3,391	3,421	4,637	4,318	15,768	3,896	3,715
Total Electronic Systems	8,764	13,441	10,384	17,924	50,513	8,345	11,167
Space & Defense Electronics	800	968	1,501	1,730	5,000	897	1,068
Measurement & Inspection Equipment	4,282	5,971	3,909	5,686	19,849	3,613	4,257
Scientific Equipment	79	80	394	250	804	47	366
Laser Equipment	1,022	1,211	1,325	1,895	5,453	1,158	1,762
Medical Equipment	2,580	5,211	3,254	8,363	19,407	2,631	3,715
Total Net Sales	56,755	70,985	66,612	76,344	270,698	70,464	99,410

Consolidated Balance Sheets (Quarterly)

(Yen in Million)	FY2016				FY2017	
	Jun.30,2016	Sep.30,2016	Dec.31,2016	Mar.31,2017	Jun.30,2017	Sep.30,2017
Current assets	95,941	98,418	109,910	113,711	112,428	132,509
Cash and deposits	11,998	10,966	12,559	12,584	13,482	15,840
Notes and accounts receivable-trade	49,995	60,710	65,313	65,443	63,827	78,373
Merchandise and finished goods	30,160	23,594	27,317	29,385	30,172	33,094
Work in process	192	193	316	291	427	408
Deferred tax assets	828	812	662	1,149	1,040	1,156
Other	2,858	2,218	3,811	4,947	3,565	3,652
Allowance for doubtful accounts	(92)	(77)	(70)	(90)	(87)	(17)
Noncurrent assets	10,985	10,966	12,027	12,273	12,341	12,263
Property, plant and equipment	3,139	3,177	3,484	3,549	3,511	3,523
Intangible assets	931	897	937	1,148	1,253	1,407
Investments and other assets	6,915	6,891	7,605	7,575	7,577	7,332
Total assets	106,927	109,385	121,938	125,984	124,770	144,773
Current liabilities	51,347	54,453	66,793	67,272	66,542	86,334
Notes and accounts payable-trade	24,704	29,401	33,186	37,987	34,829	40,171
Short-term loans payable	21,733	20,868	29,390	25,077	27,636	42,572
Current portion of long-term loans payable	114	113	112	112	112	112
Provision for bonuses	662	970	539	1,034	705	1,027
Other	4,132	3,099	3,564	3,060	3,258	2,450
Noncurrent liabilities	11,412	11,335	11,313	11,161	11,093	11,032
Long-term loans payable	9,073	9,045	9,017	8,988	8,960	8,932
Net defined benefit liability	1,818	1,773	1,748	1,586	1,555	1,510
Provision for directors' retirement benefits	84	88	92	96	100	101
Other	435	427	455	490	477	489
Total liabilities	62,760	65,788	78,107	78,434	77,636	97,367
Shareholders' equity	38,090	38,375	38,278	40,143	40,083	40,171
Accumulated other comprehensive income	466	(0)	546	1,563	1,376	1,427
Non-controlling interests	5,610	5,220	5,005	5,843	5,673	5,807
Total net assets	44,167	43,596	43,831	47,550	47,134	47,406
Total liabilities and net assets	106,927	109,385	121,938	125,984	124,770	144,773

Consolidated Statements of Cash Flows (Quarterly)

(Yen in Million)	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
Net cash provided by (used in) operating activities	(6,494)	(6,505)	(9,863)	(5,894)	(728)	(12,672)
Income before income taxes and minority interests	(800)	(212)	61	2,587	635	1,104
Depreciation and amortization	93	188	285	394	99	199
Foreign exchange losses (gains)	(596)	(863)	1,680	911	(7)	356
Equity in (earnings) losses of affiliates	(120)	(212)	(331)	(455)	(89)	(193)
Decrease (increase) in notes and accounts receivable-trade	8,043	(3,385)	(7,932)	(6,972)	1,315	(13,240)
Decrease (increase) in inventories	(2,844)	3,510	(464)	(1,925)	(1,077)	(4,000)
Increase (decrease) in notes and accounts payable-trade	(11,449)	(6,398)	(2,737)	1,450	(3,016)	2,340
Other, net	1,497	1,370	429	(867)	1,643	1,258
Subtotal	(6,175)	(6,004)	(9,008)	(4,876)	(497)	(12,174)
Interest and dividends income received	175	181	241	253	204	215
Interest expenses paid	(58)	(128)	(211)	(320)	(119)	(280)
Income taxes paid	(437)	(557)	(888)	(956)	(317)	(441)
Income taxes refund	1	4	4	4	2	9
Net cash provided by (used in) investing activities	(734)	(607)	(1,155)	(1,862)	(359)	(557)
Net cash provided by (used in) financing activities	5,714	5,143	9,754	6,282	2,074	16,564
Effect of exchange rate change on cash and cash equivalents	(580)	(1,103)	(210)	(10)	(75)	(19)
Net increase(decrease) in cash and cash equivalents	(2,094)	(3,072)	(1,475)	(1,485)	910	3,316
Cash and cash equivalents at beginning of period	13,702	13,702	13,702	13,702	12,216	12,216
Cash and cash equivalents at end of period	11,607	10,629	12,226	12,216	13,084	15,489