

# Supplementary Financial Information

## for the first half of fiscal year ending March 2019

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## **MARUBUN CORPORATION**

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

[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

(Millions of Yen)	FY2017 17/4-9 Results	FY2018 18/4-9 Results	Increase /Decrease
<b>Net Sales</b>	<b>169,875</b>	<b>166,434</b>	<b>(3,441)</b>
Electronic Devices	150,361	145,394	(4,967)
Electronic Systems	19,513	21,040	1,527
Cost of Sales	159,603	155,052	(4,551)
<b>Gross Profit</b>	<b>10,272</b>	<b>11,382</b>	<b>1,110</b>
Electronic Devices	6,745	8,094	1,349
Electronic Systems	3,526	3,289	(237)
Selling, general and administrative expenses	8,518	8,807	289
Personal expenses	5,159	5,292	133
Other	3,358	3,514	156
<b>Operating income</b>	<b>1,753</b>	<b>2,575</b>	<b>822</b>
Electronic Devices	968	2,187	1,219
Electronic Systems	790	392	(398)
Non-operating income	319	296	(23)
Foreign exchange gains	6	-	(6)
Equity in earnings of affiliates	193	169	(24)
Non-operating expenses	757	2,254	1,497
Foreign exchange losses	-	1,612	1,612
<b>Ordinary income</b>	<b>1,314</b>	<b>617</b>	<b>(697)</b>
Extraordinary income	0	23	23
Extraordinary loss	211	17	(194)
<b>Income before income taxes and minority interests</b>	<b>1,104</b>	<b>623</b>	<b>(481)</b>
Income taxes	467	344	(123)
Profit attributable to non-controlling interests	246	145	(101)
<b>Profit attributable to owners of parent</b>	<b>390</b>	<b>133</b>	<b>(257)</b>
Number of Employees	1,408	1,350	(58)
Gross Profit Margin	6.0%	6.8%	-
Electronic Devices	4.5%	5.6%	-
Electronic Systems	18.1%	15.6%	-
Operating Profit Margin	1.0%	1.5%	-
Electronic Devices	0.6%	1.5%	-
Electronic Systems	4.0%	1.9%	-
Ordinary Profit Margin	0.8%	0.4%	-
Net Profit Margin	0.2%	0.1%	-

## Consolidated Sales by Segment

(Yen in Million)	FY2017 17/4-9 Results	FY2018 18/4-9 Results	Increase /Decrease
<b>Total Electronic Devices</b>	<b>150,361</b>	<b>145,394</b>	<b>(4,967)</b>
<b>Semiconductors</b>	<b>142,750</b>	<b>137,392</b>	<b>(5,358)</b>
Analog IC	31,048	31,466	418
Standard Logic IC	1,667	1,597	(70)
Memory IC	11,931	8,628	(3,303)
Micro-Processor	6,686	7,673	987
Special-Use IC	85,173	82,355	(2,818)
Custom IC	5,808	4,971	(837)
Other	436	702	266
<b>Electronic Components</b>	<b>7,611</b>	<b>8,002</b>	<b>391</b>
<b>Total Electronic Systems</b>	<b>19,513</b>	<b>21,040</b>	<b>1,527</b>
Space & Defense Electronics	1,965	2,422	457
Industrial Equipment	8,282	8,676	394
Laser Equipment	2,333	2,243	(90)
Information and communication Equipment	587	558	(30)
Medical Equipment	6,346	7,143	797
<b>Total Net Sales</b>	<b>169,875</b>	<b>166,434</b>	<b>(3,441)</b>

## Consolidated Balance Sheets

(Millions of Yen)	FY2017 18/3 Results	FY2018 18/9 Results	Increase /Decrease
<b>Current assets</b>	<b>122,297</b>	<b>123,569</b>	<b>1,272</b>
Cash and deposits	13,989	14,196	207
Notes and accounts receivable-trade	60,820	66,174	5,354
Merchandise and finished goods	44,987	38,044	(6,943)
Work in process	126	310	184
Other	2,386	4,860	2,474
Allowance for doubtful accounts	(13)	(17)	(4)
<b>Noncurrent assets</b>	<b>13,408</b>	<b>13,746</b>	<b>338</b>
<b>Property, plant and equipment</b>	<b>3,529</b>	<b>3,549</b>	<b>20</b>
<b>Intangible assets</b>	<b>1,601</b>	<b>1,696</b>	<b>95</b>
<b>Investments and other assets</b>	<b>8,277</b>	<b>8,499</b>	<b>222</b>
<b>Total assets</b>	<b>135,706</b>	<b>137,315</b>	<b>1,609</b>
<b>Current liabilities</b>	<b>75,765</b>	<b>78,220</b>	<b>2,455</b>
Notes and accounts payable-trade	37,247	39,133	1,886
Short-term loans payable	34,687	35,498	811
Current portion of long-term loans payable	112	50	(62)
Provision for bonuses	1,044	1,040	(4)
Other	2,672	2,498	(174)
<b>Noncurrent liabilities</b>	<b>10,763</b>	<b>10,448</b>	<b>(315)</b>
Long-term loans payable	8,875	8,700	(175)
Net defined benefit liability	1,388	1,274	(114)
Provision for directors' retirement benefits	108	115	7
Other	391	358	(33)
<b>Total liabilities</b>	<b>86,529</b>	<b>88,669</b>	<b>2,140</b>
Shareholders' equity	41,596	41,212	(384)
Accumulated other comprehensive income	1,439	1,337	(102)
Non-controlling interests	6,140	6,096	(44)
<b>Total net assets</b>	<b>49,177</b>	<b>48,646</b>	<b>(531)</b>
<b>Total liabilities and net assets</b>	<b>135,706</b>	<b>137,315</b>	<b>1,609</b>

\* "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" was applied from the first quarter of the fiscal year ended March 31, 2019, and deferred tax assets are shown in the category of other assets. The statements of the fiscal year ended March 31, 2018 were reorganized into new categories.

## Consolidated Statements of Cash Flows

(Millions of Yen)	FY2017 17/4-9 Results	FY2018 18/4-9 Results
<b>Net cash provided by (used in) operating activities</b>	<b>(12,672)</b>	<b>5,765</b>
Income before income taxes and minority interests	1,104	623
Depreciation and amortization	199	228
Foreign exchange losses (gains)	356	1,976
Equity in (earnings) losses of affiliates	(193)	(169)
Decrease (increase) in notes and accounts receivable-trade	(13,240)	(5,135)
Decrease (increase) in inventories	(4,000)	6,695
Increase (decrease) in notes and accounts payable-trade	2,340	1,882
Other, net	1,258	508
Subtotal	(12,174)	6,609
Interest and dividends income received	215	109
Interest expenses paid	(280)	(456)
Income taxes paid	(441)	(499)
Income taxes refund	9	2
<b>Net cash provided by (used in) investing activities</b>	<b>(557)</b>	<b>(2,950)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>16,564</b>	<b>(2,225)</b>
Effect of exchange rate change on cash and cash equivalents	(19)	17
Net increase(decrease) in cash and cash equivalents	3,316	607
Cash and cash equivalents at beginning of period	12,216	13,715
<b>Cash and cash equivalents at end of period</b>	<b>15,489</b>	<b>13,937</b>

## Consolidated Statement of Income (Forecast)

(Millions of Yen)	FY2017 Results			FY2018 Forecast			Increase/Decrease		
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year
<b>Net Sales</b>	<b>169,875</b>	<b>177,633</b>	<b>347,508</b>	<b>166,434</b>	<b>158,566</b>	<b>325,000</b>	<b>(3,441)</b>	<b>(19,067)</b>	<b>(22,508)</b>
Electronic Devices	150,361	146,163	296,524	145,394	126,606	272,000	(4,967)	(19,557)	(24,524)
Electronic Systems	19,513	31,470	50,983	21,040	31,960	53,000	1,527	490	2,017
Cost of Sales	159,603	166,743	326,346	155,052	146,648	301,700	(4,551)	(20,095)	(24,646)
<b>Gross Profit</b>	<b>10,272</b>	<b>10,889</b>	<b>21,161</b>	<b>11,382</b>	<b>11,918</b>	<b>23,300</b>	<b>1,110</b>	<b>1,029</b>	<b>2,139</b>
Electronic Devices	6,745	6,243	12,988	8,093	6,657	14,750	1,348	414	1,762
Electronic Systems	3,526	4,647	8,173	3,289	5,261	8,550	(237)	614	377
Selling, general and administrative expenses	8,518	8,872	17,390	8,807	8,693	17,500	289	(179)	110
<b>Operating income</b>	<b>1,753</b>	<b>2,018</b>	<b>3,771</b>	<b>2,575</b>	<b>3,225</b>	<b>5,800</b>	<b>822</b>	<b>1,207</b>	<b>2,029</b>
Non-operating income	319	1,454	1,773	296	254	550	(23)	(1,200)	(1,223)
Non-operating expenses	757	570	1,327	2,254	646	2,900	1,497	76	1,573
<b>Ordinary income</b>	<b>1,314</b>	<b>2,904</b>	<b>4,218</b>	<b>617</b>	<b>2,833</b>	<b>3,450</b>	<b>(697)</b>	<b>(71)</b>	<b>(768)</b>
Extraordinary income	0	6	6	23	2	25	23	(4)	19
Extraordinary loss	211	100	311	17	8	25	(194)	(92)	(286)
<b>Income before income taxes and minority interests</b>	<b>1,104</b>	<b>2,808</b>	<b>3,912</b>	<b>623</b>	<b>2,827</b>	<b>3,450</b>	<b>(481)</b>	<b>19</b>	<b>(462)</b>
Income taxes	467	906	1,373	344	556	900	(123)	(350)	(473)
Minority interests in income	246	215	461	145	305	450	(101)	90	(11)
<b>Profit attributable to owners of parent</b>	<b>390</b>	<b>1,687</b>	<b>2,077</b>	<b>133</b>	<b>1,667</b>	<b>1,800</b>	<b>(257)</b>	<b>(20)</b>	<b>(277)</b>
Gross Profit Margin	6.0%	6.1%	6.1%	6.8%	7.5%	7.2%	-	-	-
Electronic Devices	4.5%	4.3%	4.4%	5.6%	5.3%	5.4%	-	-	-
Electronic Systems	18.1%	14.8%	16.0%	15.6%	16.5%	16.1%	-	-	-
Operating Profit Margin	1.0%	1.1%	1.1%	1.5%	2.0%	1.8%	-	-	-
Ordinary Profit Margin	0.8%	1.6%	1.2%	0.4%	1.8%	1.1%	-	-	-
Net Profit Margin	0.2%	0.9%	0.6%	0.1%	1.1%	0.6%	-	-	-

## Consolidated Sales by Segment (Forecast)

(Millions of Yen)	FY2017	FY2018	Increase /Decrease
	Results	Forecast	
<b>Total Electronic Devices</b>	<b>296,524</b>	<b>272,000</b>	<b>(24,524)</b>
<b>Semiconductors</b>	<b>279,472</b>	<b>251,419</b>	<b>(28,053)</b>
Analog IC	62,728	59,499	(3,229)
Standard Logic IC	3,273	2,870	(403)
Memory IC	19,914	11,241	(8,673)
Micro-Processor	14,142	12,274	(1,868)
Special-Use IC	167,999	157,984	(10,014)
Custom IC	10,943	7,040	(3,904)
Other	473	511	39
<b>Electronic Components</b>	<b>17,053</b>	<b>20,581</b>	<b>3,528</b>
<b>Total Electronic Systems</b>	<b>50,983</b>	<b>53,000</b>	<b>2,017</b>
Space & Defense Electronics	5,409	6,462	1,053
Industrial Equipment	19,763	20,379	617
Laser Equipment	5,186	6,156	971
Information and communication Equipment	1,514	1,733	219
Medical Equipment	19,116	18,270	(846)
<b>Total Net Sales</b>	<b>347,508</b>	<b>325,000</b>	<b>(22,508)</b>

## Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2017					FY2018	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
<b>Net Sales</b>	<b>70,464</b>	<b>99,410</b>	<b>99,847</b>	<b>77,785</b>	<b>347,508</b>	<b>71,211</b>	<b>95,222</b>
Electronic Devices	62,118	88,243	88,225	57,937	296,524	60,920	84,473
Electronic Systems	8,345	11,167	11,622	19,848	50,983	10,291	10,749
Cost of Sales	65,594	94,008	94,003	72,740	326,346	65,682	89,369
<b>Gross Profit</b>	<b>4,869</b>	<b>5,402</b>	<b>5,844</b>	<b>5,045</b>	<b>21,161</b>	<b>5,529</b>	<b>5,853</b>
Electronic Devices	3,384	3,360	4,006	2,236	12,988	3,966	4,126
Electronic Systems	1,485	2,041	1,837	2,809	8,173	1,562	1,726
Selling, general and administrative expenses	4,218	4,300	4,384	4,487	17,390	4,314	4,492
<b>Operating income</b>	<b>651</b>	<b>1,102</b>	<b>1,459</b>	<b>558</b>	<b>3,771</b>	<b>1,214</b>	<b>1,360</b>
Electronic Devices	541	426	1,036	(764)	1,239	1,128	1,059
Electronic Systems	112	678	426	1,325	2,542	88	303
Non-operating income	167	151	153	1,301	1,773	152	144
Non-operating expenses	166	591	311	258	1,327	1,440	813
<b>Ordinary income</b>	<b>652</b>	<b>662</b>	<b>1,301</b>	<b>1,601</b>	<b>4,218</b>	<b>(73)</b>	<b>691</b>
Extraordinary income	0	(0)	5	0	6	3	19
Extraordinary loss	17	193	14	86	311	0	16
<b>Income before income taxes and minority interests</b>	<b>635</b>	<b>468</b>	<b>1,292</b>	<b>1,515</b>	<b>3,912</b>	<b>(70)</b>	<b>694</b>
Income taxes	204	263	367	537	1,373	(44)	388
Profit attributable to non-controlling interests	128	117	121	94	461	44	100
<b>Profit attributable to owners of parent</b>	<b>302</b>	<b>87</b>	<b>803</b>	<b>883</b>	<b>2,077</b>	<b>(70)</b>	<b>204</b>
Gross Profit Margin	6.9%	5.4%	5.9%	6.5%	6.1%	7.8%	6.1%
Electronic Devices	5.4%	3.8%	4.5%	3.9%	4.4%	6.5%	4.9%
Electronic Systems	17.8%	18.3%	15.8%	14.2%	16.0%	15.2%	16.1%
Operating Profit Margin	0.9%	1.1%	1.5%	0.7%	1.1%	1.7%	1.4%
Ordinary Profit Margin	0.9%	0.7%	1.3%	2.1%	1.2%	-	0.7%
Net Profit Margin	0.4%	0.1%	0.8%	1.1%	0.6%	-	0.2%

## Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2017					FY2018	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
<b>Total Electronic Devices</b>	<b>62,118</b>	<b>88,243</b>	<b>88,225</b>	<b>57,937</b>	<b>296,524</b>	<b>60,920</b>	<b>84,473</b>
<b>Semiconductors</b>	<b>58,222</b>	<b>84,528</b>	<b>83,272</b>	<b>53,450</b>	<b>279,472</b>	<b>57,167</b>	<b>80,225</b>
Analog IC	15,449	15,599	16,227	15,453	62,728	15,093	16,373
Standard Logic IC	859	808	805	801	3,273	764	833
Memory IC	5,437	6,494	4,193	3,790	19,914	4,834	3,793
Micro-Processor	3,436	3,250	4,149	3,307	14,142	3,956	3,717
Special-Use IC	30,076	55,097	54,816	28,009	167,999	29,618	52,737
Custom IC	2,843	2,965	2,911	2,224	10,943	2,541	2,430
Other	122	314	171	(134)	473	362	341
<b>Electronic Components</b>	<b>3,896</b>	<b>3,715</b>	<b>4,954</b>	<b>4,488</b>	<b>17,053</b>	<b>3,753</b>	<b>4,248</b>
<b>Total Electronic Systems</b>	<b>8,345</b>	<b>11,167</b>	<b>11,622</b>	<b>19,848</b>	<b>50,984</b>	<b>10,291</b>	<b>10,749</b>
Space & Defense Electronics	897	1,068	1,200	2,244	5,409	997	1,425
Industrial Equipment	3,659	4,623	4,392	7,089	19,763	4,348	4,328
Laser Equipment	865	1,468	1,374	1,479	5,186	1,015	1,228
Information and communication Equipment	293	294	322	604	1,514	375	183
Medical Equipment	2,631	3,715	4,333	8,437	19,116	3,557	3,586
<b>Total Net Sales</b>	<b>70,464</b>	<b>99,410</b>	<b>99,847</b>	<b>77,785</b>	<b>347,508</b>	<b>71,211</b>	<b>95,222</b>

## Consolidated Balance Sheets (Quarterly)

(Yen in Million)	FY2017				FY2018	
	Jun.30,2017	Sep.30,2017	Dec.31,2017	Mar.31,2018	Jun.30,2018	Sep.30,2018
<b>Current assets</b>	<b>112,428</b>	<b>132,509</b>	<b>122,835</b>	<b>123,322</b>	<b>123,333</b>	<b>123,569</b>
Cash and deposits	13,482	15,840	11,813	13,989	16,813	14,196
Notes and accounts receivable-trade	63,827	78,373	72,641	60,820	60,738	66,174
Merchandise and finished goods	30,172	33,094	34,251	44,987	43,523	38,044
Work in process	427	408	286	126	186	310
Deferred tax assets	1,040	1,156	1,016	1,024	-	-
Other	3,565	3,652	2,838	2,386	2,086	4,860
Allowance for doubtful accounts	(87)	(17)	(12)	(13)	(14)	(17)
<b>Noncurrent assets</b>	<b>12,341</b>	<b>12,263</b>	<b>12,590</b>	<b>12,474</b>	<b>13,436</b>	<b>13,746</b>
Property, plant and equipment	3,511	3,523	3,521	3,529	3,485	3,549
Intangible assets	1,253	1,407	1,512	1,601	1,682	1,696
Investments and other assets	7,577	7,332	7,557	7,342	8,268	8,499
<b>Total assets</b>	<b>124,770</b>	<b>144,773</b>	<b>135,426</b>	<b>135,796</b>	<b>136,770</b>	<b>137,315</b>
<b>Current liabilities</b>	<b>66,542</b>	<b>86,334</b>	<b>76,109</b>	<b>75,765</b>	<b>78,185</b>	<b>78,220</b>
Notes and accounts payable-trade	34,829	40,171	40,498	37,247	34,122	39,133
Short-term loans payable	27,636	42,572	32,491	34,687	40,272	35,498
Current portion of long-term loans payable	112	112	112	112	112	50
Provision for bonuses	705	1,027	564	1,044	539	1,040
Other	3,258	2,450	2,442	2,672	3,138	2,498
<b>Noncurrent liabilities</b>	<b>11,093</b>	<b>11,032</b>	<b>11,005</b>	<b>10,854</b>	<b>10,695</b>	<b>10,448</b>
Long-term loans payable	8,960	8,932	8,904	8,875	8,847	8,700
Net defined benefit liability	1,555	1,510	1,477	1,388	1,353	1,274
Provision for directors' retirement benefits	100	101	104	108	111	115
Other	477	489	518	481	382	358
<b>Total liabilities</b>	<b>77,636</b>	<b>97,367</b>	<b>87,114</b>	<b>86,619</b>	<b>88,881</b>	<b>88,669</b>
Shareholders' equity	40,083	40,171	40,713	41,596	41,007	41,212
Accumulated other comprehensive income	1,376	1,427	1,603	1,439	1,015	1,337
Non-controlling interests	5,673	5,807	5,995	6,140	5,866	6,096
<b>Total net assets</b>	<b>47,134</b>	<b>47,406</b>	<b>48,311</b>	<b>49,177</b>	<b>47,889</b>	<b>48,646</b>
<b>Total liabilities and net assets</b>	<b>124,770</b>	<b>144,773</b>	<b>135,426</b>	<b>135,796</b>	<b>136,770</b>	<b>137,315</b>

\* "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" was applied from the first quarter of the fiscal year ended March 31, 2019, and deferred tax assets are shown in the category of other assets.

## Consolidated Statements of Cash Flows (Quarterly)

(Yen in Million)	FY2017				FY2018	
	1Q	2Q	3Q	4Q	1Q	2Q
<b>Net cash provided by (used in) operating activities</b>	<b>(728)</b>	<b>(12,672)</b>	<b>(6,060)</b>	<b>(7,619)</b>	<b>(189)</b>	<b>5,765</b>
Income before income taxes and minority interests	635	1,104	2,396	3,912	(70)	623
Depreciation and amortization	99	199	301	406	99	228
Foreign exchange losses (gains)	(7)	356	425	(1,283)	1,262	1,976
Equity in (earnings) losses of affiliates	(89)	(193)	(296)	(397)	(88)	(169)
Decrease (increase) in notes and accounts receivable-trade	1,315	(13,240)	(7,454)	4,326	(2)	(5,135)
Decrease (increase) in inventories	(1,077)	(4,000)	(5,008)	(15,582)	1,175	6,695
Increase (decrease) in notes and accounts payable-trade	(3,016)	2,340	2,652	(492)	(2,969)	1,882
Other, net	1,643	1,258	1,883	2,659	912	508
Subtotal	(497)	(12,174)	(5,100)	(6,450)	319	6,609
Interest and dividends income received	204	215	296	314	96	109
Interest expenses paid	(119)	(280)	(468)	(653)	(226)	(456)
Income taxes paid	(317)	(441)	(799)	(841)	(379)	(499)
Income taxes refund	2	9	11	11	1	2
<b>Net cash provided by (used in) investing activities</b>	<b>(359)</b>	<b>(557)</b>	<b>(749)</b>	<b>(964)</b>	<b>(262)</b>	<b>(2,950)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>2,074</b>	<b>16,564</b>	<b>6,199</b>	<b>10,374</b>	<b>3,699</b>	<b>(2,225)</b>
Effect of exchange rate change on cash and cash equivalents	(75)	(19)	(20)	(248)	(3)	17
Net increase(decrease) in cash and cash equivalents	910	3,316	(631)	1,542	3,243	607
Cash and cash equivalents at beginning of period	12,216	12,216	12,216	12,216	13,715	13,715
<b>Cash and cash equivalents at end of period</b>	<b>13,084</b>	<b>15,489</b>	<b>11,541</b>	<b>13,715</b>	<b>16,574</b>	<b>13,937</b>