

MARUBUN CORPORATION

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2010

1. Consolidated Financial Results for the Three Months Ended June 30, 2010 (April 1, 2010 - June 30, 2010)

(1) Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the Three months ended								
June 30, 2010	51,045	12.8	147	-	(60)	-	(269)	-
June 30, 2009	45,240	(7.3)	(306)	-	(633)	-	(374)	-

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Three months ended		
June 30, 2010	(10.29)	-
June 30, 2009	(14.32)	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of June 30, 2010	117,413	35,327	27.6	1,238.97
As of March 31, 2010	110,665	35,819	29.7	1,258.17

2. Dividends

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2010	-	3.00	-	5.00	8.00
Fiscal Year ending March 31, 2011	-				
Fiscal Year ending March 31, 2011 (Forecast)		5.00	-	6.00	11.00

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2011

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the Six Months ending September 30, 2010	102,000	1.6	750	94.5	420	-	95	-
For the Fiscal Year ending March 31, 2011	221,000	6.3	2,850	32.5	2,250	117.4	1,100	143.0
	Net Income Per Share							
	Yen							
For the Six Months ending September 30, 2010	3.63							
For the Fiscal Year ending March 31, 2011	42.09							

Note: These Financial Forecasts 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. Qualitative information relating to consolidated operating results

During the consolidated first quarter under review (from April 1, 2010 to June 30, 2010), the Japanese economy showed some positive signs, with corporate profits improving on rising exports to emerging markets and the effect of government stimulus measures, and individual consumption showing evidence of a recovery. Notwithstanding this, given the further appreciation of the yen and a fall in share prices stemming from the fiscal problems in Europe, the economic outlook remained uncertain.

In the electronics industry, where the Marubun Group is positioned, demand for smartphones grew on a global scale, while demand for notebook PCs and flat-screen TV sets remained strong. Capital spending in semiconductor manufacturing equipment, machine tools and other equipment also improved. The semiconductor market also remained buoyant, with growing demand for PCs and cellular phones in emerging markets, such as China and India.

In this environment, net sales for the Group during the consolidated first quarter under review rose 12.8% from the same period of the previous year, to 51,045 million yen. Consolidated operating income was 147 million yen (compared with a consolidated operating loss of 306 million yen for the same period of the previous year), reflecting higher net sales. The consolidated ordinary loss in the first quarter under review stood at 60 million yen (compared with a consolidated ordinary loss of 633 million yen for the same period of the previous year), reflecting a 131 million yen exchange loss. The consolidated net loss for the first quarter under review stood at 269 million yen (compared with a consolidated net loss of 374 million yen for the same period of the previous year), reflecting the posting of a loss of 156 million yen on the valuation of investment securities.

Operating results by business segment are as follows.

(Electronic Devices business)

In the Electronic Devices business, sales of LCD panels for TV sets and semiconductors designed for cellular phone modules were robust, and sales of semiconductors for industrial equipment and automobiles also increased. As a result, net sales of this segment rose 12.6% from the same period of the previous year, to 45,243 million yen, while operating income stood at 323 million yen, up 127.7%.

(Electronic Systems business)

In the Electronic Systems business, although sales of scientific equipment and laser equipment were almost on a par with those for the same period of the previous year, sales of measurement inspection equipment, such as IC inspection system and IC handlers, and medical equipment rose. As a result, net sales of this segment rose 14.8% from the same period of the previous year, to 5,802 million yen, while the operating loss stood at 173 million yen (compared with an operating loss of 448 million yen for the same period of the previous year).

2. Qualitative information relating to the consolidated financial position

Total assets at the end of the consolidated first quarter under review stood at 117,413 million yen, an increase of 6,748 million yen from the end of the previous consolidated fiscal year. The increase owed primarily to a rise in current assets of 6,009 million yen (notes and accounts receivable-trade rose 1,779 million yen, and merchandise and finished goods rose 4,592 million yen).

Liabilities increased to 82,086 million yen, rising 7,240 million yen from the end of the previous consolidated fiscal year, mainly because of an increase in current liabilities of 7,002 million yen (notes and accounts payable-trade rose 6,703 million yen).

Net assets decreased by 492 million yen from the end of the previous consolidated fiscal year, to 35,327 million yen. The decrease was primarily owing to a decrease in retained earnings of 400 million yen, and deferred gains or losses on hedges of 129 million yen, offsetting an increase of 21 million yen in the valuation difference on available-for-sale securities.

3. Qualitative information relating to consolidated financial forecasts

Our full-year consolidated financial results forecast for the fiscal year ending March 2011 remain unchanged from the financial results forecast announced on May 7, 2010.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of June 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	26,456	25,588
Notes and accounts receivable-trade	55,149	53,370
Merchandise and finished goods	20,127	15,535
Work in process	28	16
Income taxes receivable	11	-
Deferred tax assets	1,092	1,709
Other	2,379	3,015
Allowance for doubtful accounts	(30)	(29)
Total current assets	<u>105,214</u>	<u>99,204</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,302	4,162
Accumulated depreciation	(2,623)	(2,589)
Buildings and structures, net	<u>1,679</u>	<u>1,572</u>
Machinery, equipment and vehicles	30	30
Accumulated depreciation	(28)	(28)
Machinery, equipment and vehicles, net	<u>1</u>	<u>1</u>
Tools, furniture and fixtures	2,329	2,311
Accumulated depreciation	(1,787)	(1,752)
Tools, furniture and fixtures, net	<u>542</u>	<u>559</u>
Land	2,528	2,528
Lease assets	10	10
Accumulated depreciation	(3)	(2)
Lease assets, net	<u>7</u>	<u>8</u>
Construction in progress	3	5
Total property, plant and equipment	<u>4,761</u>	<u>4,675</u>
Intangible assets		
Goodwill	21	12
Other	543	607
Total intangible assets	<u>564</u>	<u>620</u>
Investments and other assets		
Investment securities	1,372	1,513
Long-term loans receivable	7	7
Deferred tax assets	2,251	1,431
Real estate for investment	3,082	3,080
Accumulated depreciation	(1,924)	(1,910)
Real estate for investment, net	<u>1,158</u>	<u>1,169</u>
Other	2,083	2,043
Total investments and other assets	<u>6,873</u>	<u>6,165</u>
Total noncurrent assets	<u>12,199</u>	<u>11,460</u>
Total assets	<u>117,413</u>	<u>110,665</u>

(Millions of Yen)

	As of June 30, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	41,936	35,233
Short-term loans payable	12,273	12,284
Current portion of bonds	1,048	1,048
Income taxes payable	-	145
Provision for bonuses	536	588
Other	2,052	1,545
Total current liabilities	57,848	50,845
Noncurrent liabilities		
Bonds payable	119	119
Long-term loans payable	21,632	21,500
Provision for retirement benefits	1,513	1,578
Provision for directors' retirement benefits	563	551
Asset retirement obligations	140	-
Other	269	250
Total noncurrent liabilities	24,238	23,999
Total liabilities	82,086	74,845
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	22,133	22,533
Treasury stock	(1,630)	(1,630)
Total shareholders' equity	33,071	33,471
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	119	97
Deferred gains or losses on hedges	(78)	50
Foreign currency translation adjustment	(729)	(735)
Total valuation and translation adjustments	(689)	(587)
Minority interests	2,944	2,935
Total net assets	35,327	35,819
Total liabilities and net assets	117,413	110,665

(2) Consolidated Statements of Income

(Millions of Yen)

	Three Months ended June 30, 2009	Three Months ended June 30, 2010
Consolidated quarterly statements of income		
Net sales	45,240	51,045
Cost of sales	41,823	47,311
Gross profit	3,417	3,734
Selling, general and administrative expenses	3,723	3,586
Operating income (loss)	(306)	147
Non-operating income		
Interest income	3	4
Dividends income	9	10
Equity in earnings of affiliates	6	18
Rent of real estate for investment	49	40
Miscellaneous income	50	56
Total non-operating income	119	130
Non-operating expenses		
Interest expenses	146	141
Foreign exchange losses	243	131
Miscellaneous loss	56	65
Total non-operating expenses	446	338
Ordinary loss	(633)	(60)
Extraordinary income		
Gain on sales of noncurrent assets	-	0
Gain on sales of real estate for investment	34	-
Total extraordinary income	34	0
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	3	9
Loss on valuation of investment securities	-	156
Business structure improvement expenses	13	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	3
Total extraordinary losses	17	169
Loss before income taxes and minority interests	(616)	(229)
Income taxes	(212)	(1)
Loss before minority interests	-	(228)
Minority interests in income (loss)	(29)	40
Net loss	(374)	(269)

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Three Months ended June 30, 2009	Three Months ended June 30, 2010
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(616)	(229)
Depreciation and amortization	168	155
Amortization of goodwill	27	-
Increase (decrease) in allowance for doubtful accounts	17	0
Increase (decrease) in provision for bonuses	(96)	(51)
Increase (decrease) in provision for directors' retirement	12	11
Increase (decrease) in provision for retirement benefits	107	(65)
Interest and dividends income	(12)	(15)
Interest expenses	146	141
Foreign exchange losses (gains)	2	73
Equity in (earnings) losses of affiliates	(6)	(18)
Loss (gain) on sales of property, plant and equipment	0	(0)
Loss (gain) on sales of real estate investment	(34)	-
Rent of real estate for investment	(49)	(40)
Loss (gain) on valuation of investment securities	-	156
Loss on retirement of property, plant and equipment	3	9
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	3
Decrease (increase) in notes and accounts receivable-trade	(5,803)	(1,735)
Decrease (increase) in inventories	1,642	(4,587)
Increase (decrease) in notes and accounts payable-trade	6,059	6,693
Other, net	2,607	858
Subtotal	4,174	1,358
Interest and dividends income received	11	16
Interest expenses paid	(17)	(31)
Income taxes paid	(141)	(262)
Income taxes refund	7	1
Net cash provided by (used in) operating activities	4,034	1,082
Net cash provided by (used in) investing activities		
Payments into time deposits	(300)	(30)
Proceeds from withdrawal of time deposits	-	86
Purchase of property, plant and equipment	(39)	(33)
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	(11)	(21)
Purchase of investment securities	(4)	(51)
Proceeds from sales of investments in real estates	34	-
Proceeds from rental of real estate for investment	48	40
Other, net	(101)	(33)
Net cash provided by (used in) investing activities	(373)	(41)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	967	1,181
Decrease in short-term loans payable	(2,413)	(1,186)
Proceeds from long-term loans payable	-	132
Cash dividends paid	(0)	(118)
Cash dividends paid to minority shareholders	-	(69)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,446)	(61)
Effect of exchange rate change on cash and cash equivalents	119	111
Net increase (decrease) in cash and cash equivalents	2,333	1,090
Cash and cash equivalents at beginning of period	20,071	24,431
Cash and cash equivalents at end of period	22,404	25,522

Consolidated Segment Information

Three Months ended June 30, 2009

(Millions of Yen)

	Electronic Devices	Electronic Systems	Total	Unallocated & Eliminations	Consolidated
Net Sales					
(1) Outside Customers	40,188	5,052	45,240	-	45,240
(2) Inter-segment	-	8	8	(8)	-
Total Sales	40,188	5,061	45,249	(8)	45,240
Operating Income(loss)	142	(448)	(306)	-	(306)

Three Months ended June 30, 2010

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	45,243	5,802	51,045	51,045	-	51,045
(2) Inter-segment	6	7	13	13	(13)	-
Total Sales	45,249	5,809	51,058	51,058	(13)	51,045
Segment Income(loss)	323	(173)	150	150	(3)	147