

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2010

1. Consolidated Financial Results for the Six Months Ended September 30, 2010 (April 1, 2010 - September 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 Six months ended								
September 30, 2010	109,792	9.3	974	152.8	530	-	49	-
September 30, 2009	100,424	(6.5)	385	(64.0)	(325)	-	(279)	-

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Six months ended		
September 30, 2010	1.88	-
September 30, 2009	(10.70)	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of September 30, 2010	107,168	35,307	30.2	1,238.86
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	-	5.00			
Fiscal Year ending March 31, 2011 (Forecast)			-	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 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 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 half under review (from April 1, 2010 to September 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 capital spending and individual consumption showing evidence of a recovery. Notwithstanding this, given downside risks in overseas economies, the appreciation of the yen, a fall in share prices, and the effect of deflation, 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 remained buoyant, with growing demand for PCs and cellular phones in emerging markets, such as China and India, although the rate of growth of the semiconductor market slowed.

In this environment, net sales for the Group during the consolidated first half under review rose 9.3% from the same period of the previous year, to 109,792 million yen. Consolidated operating income was 974 million yen, a rise of 152.8% from the same period of the previous year, reflecting higher net sales. Consolidated ordinary income in the first half under review stood at 530 million yen (compared with a consolidated ordinary loss of 325 million yen for the same period of the previous year). Consolidated net income for the first half under review stood at 49 million yen (compared with a consolidated net loss of 279 million yen for the same period of the previous year), reflecting the posting of a loss of 161 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, although sales of semiconductors for telecommunications infrastructure and game consoles declined. Sales of semiconductors for industrial equipment and automobiles also increased. As a result, net sales of this segment rose 9.7% from the same period of the previous year, to 96,316 million yen, while operating income stood at 923 million yen, up 25.6%.

(Electronic Systems business)

In the Electronic Systems business, sales of thin-film equipment for LED manufacturing declined in scientific equipment, while sales of laser equipment were almost on par with those for the same period of the previous year. Meanwhile, sales of diagnostic imaging equipment were firm in medical equipment, and sales of semiconductor inspection equipment and IC handlers also increased in measurement & inspection equipment, attributable to the recovery of capital spending. As a result, net sales of this segment rose 6.4% from the same period of the previous year, to 13,476 million yen, while operating income stood at 88 million yen (compared with an operating loss of 345 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 half under review stood at 107,168 million yen, a decrease of 3,496 million yen from the end of the previous consolidated fiscal year. The decrease owed primarily to a fall in current assets of 4,047 million yen (notes and accounts receivable-trade and merchandise and finished goods rose 5,340 million yen and 1,587 million yen, respectively, while cash and deposits and deferred tax assets declined 10,415 million yen and 537 million yen, respectively).

Liabilities decreased to 71,861 million yen, falling 2,983 million yen from the end of the previous consolidated fiscal year, mainly because of a decline in current liabilities of 3,137 million yen (short-term loans payable decreased 3,221 million yen).

Net assets decreased by 512 million yen from the end of the previous consolidated fiscal year, to 35,307 million yen. The decrease was primarily attributable to decreases in retained earnings of 81 million yen, deferred gains or losses on hedges of 198 million yen, and foreign currency translation adjustment of 215 million yen.

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 September 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	15,172	25,588
Notes and accounts receivable-trade	58,710	53,370
Short-term investment securities	1,000	-
Merchandise and finished goods	17,122	15,535
Work in process	25	16
Deferred tax assets	1,172	1,709
Other	1,986	3,015
Allowance for doubtful accounts	(31)	(29)
Total current assets	<u>95,157</u>	<u>99,204</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,304	4,162
Accumulated depreciation	(2,651)	(2,589)
Buildings and structures, net	<u>1,652</u>	<u>1,572</u>
Machinery, equipment and vehicles	26	30
Accumulated depreciation	(20)	(28)
Machinery, equipment and vehicles, net	<u>6</u>	<u>1</u>
Tools, furniture and fixtures	2,287	2,311
Accumulated depreciation	(1,785)	(1,752)
Tools, furniture and fixtures, net	<u>502</u>	<u>559</u>
Land	2,528	2,528
Lease assets	18	10
Accumulated depreciation	(3)	(2)
Lease assets, net	<u>14</u>	<u>8</u>
Construction in progress	3	5
Total property, plant and equipment	<u>4,707</u>	<u>4,675</u>
Intangible assets		
Goodwill	17	12
Other	480	607
Total intangible assets	<u>498</u>	<u>620</u>
Investments and other assets		
Investment securities	1,324	1,513
Long-term loans receivable	7	7
Deferred tax assets	2,267	1,431
Real estate for investment	3,082	3,080
Accumulated depreciation	(1,938)	(1,910)
Real estate for investment, net	<u>1,144</u>	<u>1,169</u>
Other	2,060	2,043
Total investments and other assets	<u>6,804</u>	<u>6,165</u>
Total noncurrent assets	<u>12,010</u>	<u>11,460</u>
Total assets	<u>107,168</u>	<u>110,665</u>

(Millions of Yen)

	As of September 30, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	34,920	35,233
Short-term loans payable	9,062	12,284
Current portion of bonds	1,048	1,048
Income taxes payable	208	145
Provision for bonuses	758	588
Other	1,709	1,545
Total current liabilities	47,708	50,845
Noncurrent liabilities		
Bonds payable	95	119
Long-term loans payable	21,623	21,500
Provision for retirement benefits	1,461	1,578
Provision for directors' retirement benefits	565	551
Asset retirement obligations	140	-
Other	267	250
Total noncurrent liabilities	24,153	23,999
Total liabilities	71,861	74,845
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	22,451	22,533
Treasury stock	(1,630)	(1,630)
Total shareholders' equity	33,389	33,471
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	87	97
Deferred gains or losses on hedges	(147)	50
Foreign currency translation adjustment	(950)	(735)
Total valuation and translation adjustments	(1,010)	(587)
Minority interests	2,927	2,935
Total net assets	35,307	35,819
Total liabilities and net assets	107,168	110,665

(2) Consolidated Statements of Income

(Millions of Yen)

	Six Months ended September 30, 2009	Six Months ended September 30, 2010
Consolidated quarterly statements of income		
Net sales	100,424	109,792
Cost of sales	92,640	101,722
Gross profit	7,784	8,070
Selling, general and administrative expenses	7,399	7,095
Operating income	385	974
Non-operating income		
Interest income	10	9
Dividends income	12	12
Equity in earnings of affiliates	13	50
Rent of real estate for investment	95	84
Miscellaneous income	83	127
Total non-operating income	214	284
Non-operating expenses		
Interest expenses	295	276
Foreign exchange losses	486	293
Miscellaneous loss	142	158
Total non-operating expenses	925	729
Ordinary income (loss)	(325)	530
Extraordinary income		
Gain on sales of real estate for investment	34	-
Total extraordinary income	34	-
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	5	13
Loss on valuation of investment securities	1	161
Loss on valuation of golf club membership	1	-
Business structure improvement expenses	123	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	3
Total extraordinary losses	131	179
Income (loss) before income taxes and minority interests	(422)	351
Income taxes	(168)	129
Income before minority interests	-	221
Minority interests in income	25	172
Net income (loss)	(279)	49

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Six Months ended September 30, 2009	Six Months ended September 30, 2010
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(422)	351
Depreciation and amortization	340	310
Amortization of goodwill	54	-
Increase (decrease) in allowance for doubtful accounts	16	2
Increase (decrease) in provision for bonuses	58	169
Increase (decrease) in provision for directors' retirement	(44)	13
Increase (decrease) in provision for retirement benefits	216	(101)
Interest and dividends income	(22)	(22)
Interest expenses	295	276
Foreign exchange losses (gains)	54	422
Equity in (earnings) losses of affiliates	(13)	(50)
Loss (gain) on sales of real estate investment	(34)	-
Rent of real estate for investment	(95)	(84)
Loss (gain) on valuation of investment securities	1	161
Loss on valuation of golf club memberships	1	-
Loss (gain) on sales and retirement of noncurrent assets	5	13
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	3
Decrease (increase) in notes and accounts receivable-trade	(13,794)	(5,636)
Decrease (increase) in inventories	4,856	(1,746)
Increase (decrease) in notes and accounts payable-trade	11,070	(103)
Other, net	1,722	933
Subtotal	4,267	(5,084)
Interest and dividends income received	21	39
Interest expenses paid	(264)	(284)
Income taxes paid	(201)	(276)
Income taxes refund	104	103
Net cash provided by (used in) operating activities	3,927	(5,503)
Net cash provided by (used in) investing activities		
Payments into time deposits	(635)	(530)
Proceeds from withdrawal of time deposits	-	629
Purchase of property, plant and equipment	(82)	(59)
Proceeds from sales of property, plant and equipment	0	1
Purchase of intangible assets	(36)	(30)
Purchase of investment securities	(10)	(57)
Proceeds from sales of investments in real estates	34	-
Proceeds from rental of real estate for investment	94	85
Collection of loans receivable	0	-
Other, net	12	(67)
Net cash provided by (used in) investing activities	(621)	(27)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,416	8,105
Decrease in short-term loans payable	(2,513)	(11,272)
Proceeds from long-term loans payable	-	123
Redemption of bonds	(24)	(24)
Redemption of bonds with subscription rights to shares	(4,000)	-
Cash dividends paid	(0)	(130)
Cash dividends paid to minority shareholders	(84)	(69)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(5,207)	(3,268)
Effect of exchange rate change on cash and cash equivalents	60	(328)
Net increase (decrease) in cash and cash equivalents	(1,841)	(9,128)
Cash and cash equivalents at beginning of period	20,071	24,431
Cash and cash equivalents at end of period	18,230	15,303

Consolidated Segment Information

Six Months ended September 30, 2009

(Millions of Yen)

	Electronic Devices	Electronic Systems	Total	Unallocated & Eliminations	Consolidated
Net Sales					
(1) Outside Customers	87,761	12,663	100,424	-	100,424
(2) Inter-segment	0	17	17	(17)	-
Total Sales	87,761	12,681	100,442	(17)	100,424
Operating Income(loss)	735	(345)	390	(4)	385

Six Months ended September 30, 2010

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	96,316	13,476	109,792	109,792	-	109,792
(2) Inter-segment	6	64	70	70	(70)	-
Total Sales	96,322	13,541	109,863	109,863	(70)	109,792
Segment Income(loss)	923	88	1,012	1,012	(37)	974