

MARUBUN CORPORATION

Head Office : 8-1 Nihonbashi Odenmachi, Chuo-ku, Tokyo, Japan
 Securities Code : 7537 TSE, 1st section URL <http://www.marubun.co.jp>
 Representative : Akihiko Inamura, CEO and Representative Director
 Contact : Teruhiko Kanisawa, Manager, Corporate Planning Dept. TEL : +81-3-3639-3010



August 5, 2011

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2011

1. Consolidated Financial Results for the Three Months Ended June 30, 2011 (April 1, 2011 - June 30, 2011)

(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, 2011	39,862	(21.9)	(325)	-	(458)	-	(323)	-
June 30, 2010	51,045	12.8	147	-	(60)	-	(269)	-

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Three months ended		
June 30, 2011	(12.39)	-
June 30, 2010	(10.29)	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2011	102,802	35,375	31.5
As of March 31, 2011	106,554	35,613	30.7

2. Dividends

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2011	-	5.00	-	6.00	11.00
Fiscal Year ending March 31, 2012	-				
Fiscal Year ending March 31, 2012 (Forecast)		5.00	-	7.00	12.00

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2012

	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, 2011	101,000	(8.0)	350	(64.1)	100	(81.1)	(90)	-
For the Fiscal Year ending March 31, 2012	243,500	15.7	3,250	18.0	2,800	26.3	1,200	107.8

	Net Income Per Share
	Yen
For the Six Months ending September 30, 2011	(3.44)
For the Fiscal Year ending March 31, 2012	45.91

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 first quarter of the consolidated fiscal year under review (from April 1, 2011 to June 30, 2011), the Japanese economy was affected by reduced manufacturing activities and exports, given the impact of the Great East Japan Earthquake on production bases and resulting failures in the supply chain. Moreover, with lower consumer sentiment, corporate earnings remained under stress.

In the electronics industry, where the Marubun Group is positioned, demand for smartphones grew on a global scale, while increased capital spending for Asian markets contributed to rising demand for semiconductor manufacturing equipment, machine tools, and other equipment. In contrast, the output of automobiles, digital cameras, and office automation equipment decreased because of shortages of components in the aftermath of the earthquake, while demand for personal computers and TV sets slowed. In the semiconductor market, downward movements in DRAM prices also accelerated.

In this environment, net sales for the Group during the first quarter of the consolidated fiscal year under review fell 21.9% from the same period of the previous year, to 39,862 million yen. Reflecting lower net sales, consolidated operating results and ordinary results posted a loss of 325 million yen (compared with an operating income of 147 million yen in the same period of the previous year) and a loss of 458 million yen (compared with an ordinary loss of 60 million yen in the same period of the previous year), respectively. The Group recorded a quarterly net loss of 323 million yen (compared with a net loss of 269 million yen in the same period of the previous year).

Operating results by business segment are as follows.

(Electronic Devices business)

In the Electronic Devices business, sales of semiconductors designed for personal computers and telecommunications infrastructure increased, offset by declines in sales of LCD panels for TV sets and semiconductors for cellular phone modules. Demand for semiconductors for automobiles also decreased, reflecting the impact of the disaster. As a result, net sales in this segment fell 21.9% year on year, to 35,353 million yen, while operating results recorded a loss of 44 million yen (compared with an operating income of 323 million yen in the same period of the previous year).

(Electronic Systems business)

In the Electronic Systems business, sales of medical equipment and artificial satellite components in space and defense electronics decreased, while the sales performance of measurement & inspection equipment and laser equipment was also poor. As a result, net sales of this segment decreased 22.3% year on year, to 4,508 million yen, while operating results posted a loss of 278 million yen (compared with an operating loss of 173 million yen in the same period of the previous year).

2. Qualitative information relating to the consolidated financial position

Current assets at the end of the first quarter of the fiscal year under review stood at 91,268 million yen, declining 4,011 million yen from the end of the previous fiscal year. This is mainly attributable to an increase of 2,719 million yen in merchandise and finished goods, offset by decreases in cash and deposits of 1,809 million yen and notes and accounts receivable-trade of 5,679 million yen, respectively. Noncurrent assets were 11,533 million yen, an increase of 258 million yen from the end of the previous fiscal year. This primarily reflects an increase in deferred tax assets of 349 million yen.

As a result, total assets came to 102,802 million yen, a decrease of 3,752 million yen from the end of the previous fiscal year.

Current liabilities at the end of the first quarter of the fiscal year under review were 62,133 million yen, a fall of 3,526 million yen from the end of the previous fiscal year. This figure chiefly reflects decreases in notes and accounts payable-trade and short-term loans payable of 2,887 million yen and 1,142 million yen, respectively. Noncurrent liabilities were 5,293 million yen, a rise of 12 million yen from the end of the previous fiscal year. This is mainly attributable to an increase in the provision for directors' retirement benefits of 9 million yen.

As a result, total liabilities stood at 67,426 million yen, a decline of 3,514 million yen from the end of the previous fiscal year.

Total net assets at the end of the first quarter of the fiscal year under review were 35,375 million yen, a decrease of 238 million yen from the end of the previous fiscal year. Increases in deferred gains on hedges and foreign currency translation adjustment of 149 million yen and 93 million yen, respectively, were more than offset by a fall of 480 million yen in retained earnings.

As a result, the equity ratio stood at 31.5% (compared with 30.7% at the end of the previous fiscal year).

3. Qualitative information relating to consolidated financial forecasts

Our full-year consolidated financial results forecast for the fiscal year ending March 2012 remain unchanged from the financial results forecast announced on May 9, 2011.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2011	As of June 30, 2011
Assets		
Current assets		
Cash and deposits	16,330	14,520
Notes and accounts receivable-trade	46,599	40,920
Merchandise and finished goods	29,024	31,744
Work in process	9	58
Deferred tax assets	1,228	1,048
Other	2,116	3,004
Allowance for doubtful accounts	(29)	(27)
Total current assets	<u>95,280</u>	<u>91,268</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,288	4,300
Accumulated depreciation	(2,690)	(2,740)
Buildings and structures, net	<u>1,598</u>	<u>1,559</u>
Machinery, equipment and vehicles	26	26
Accumulated depreciation	(21)	(22)
Machinery, equipment and vehicles, net	<u>5</u>	<u>4</u>
Tools, furniture and fixtures	2,317	2,329
Accumulated depreciation	(1,851)	(1,889)
Tools, furniture and fixtures, net	<u>466</u>	<u>440</u>
Land	2,520	2,520
Lease assets	18	26
Accumulated depreciation	(5)	(6)
Lease assets, net	<u>12</u>	<u>20</u>
Construction in progress	6	3
Total property, plant and equipment	<u>4,609</u>	<u>4,548</u>
Intangible assets		
Goodwill	10	10
Other	395	330
Total intangible assets	<u>405</u>	<u>340</u>
Investments and other assets		
Investment securities	1,550	1,511
Long-term loans receivable	6	6
Deferred tax assets	1,997	2,346
Real estate for investment	3,083	3,083
Accumulated depreciation	(1,966)	(1,979)
Real estate for investment, net	<u>1,116</u>	<u>1,103</u>
Other	1,587	1,674
Total investments and other assets	<u>6,259</u>	<u>6,644</u>
Total noncurrent assets	<u>11,274</u>	<u>11,533</u>
Total assets	<u>106,554</u>	<u>102,802</u>

(Millions of Yen)

	As of March 31, 2011	As of June 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	32,478	29,590
Short-term loans payable	10,660	9,518
Current portion of long-term loans payable	20,034	20,034
Current portion of bonds	48	48
Income taxes payable	210	67
Provision for bonuses	744	537
Asset retirement obligations	39	38
Other	1,443	2,297
Total current liabilities	65,660	62,133
Noncurrent liabilities		
Bonds payable	70	70
Long-term loans payable	2,606	2,598
Provision for retirement benefits	1,659	1,653
Provision for directors' retirement benefits	564	573
Asset retirement obligations	121	125
Other	257	272
Total noncurrent liabilities	5,280	5,293
Total liabilities	70,940	67,426
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	22,849	22,368
Treasury stock	(1,630)	(1,630)
Total shareholders' equity	33,787	33,306
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	216	194
Deferred gains or losses on hedges	(129)	19
Foreign currency translation adjustment	(1,196)	(1,102)
Total accumulated other comprehensive income	(1,109)	(888)
Minority interests	2,936	2,957
Total net assets	35,613	35,375
Total liabilities and net assets	106,554	102,802

(2) Consolidated Statements of Income

(Millions of Yen)

	Year ended June 30, 2010	Year ended June 30, 2011
Net sales	51,045	39,862
Cost of sales	47,311	36,528
Gross profit	3,734	3,334
Selling, general and administrative expenses	3,586	3,660
Operating income (loss)	147	(325)
Non-operating income		
Interest income	4	1
Dividends income	10	13
Equity in earnings of affiliates	18	17
Rent of real estate for investment	40	62
Miscellaneous income	56	42
Total non-operating income	130	137
Non-operating expenses		
Interest expenses	141	127
Foreign exchange losses	131	46
Miscellaneous loss	65	95
Total non-operating expenses	338	269
Ordinary loss	(60)	(458)
Extraordinary income		
Gain on sales of noncurrent assets	0	-
Total extraordinary income	0	-
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	9	1
Loss on valuation of investment securities	156	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	3	-
Other	-	0
Total extraordinary losses	169	1
Loss before income taxes and minority interests	(229)	(459)
Income taxes	(1)	(186)
Loss before minority interests	(228)	(273)
Minority interests in income	40	50
Net loss	(269)	(323)
(Consolidated statements of comprehensive income)		
Loss before minority interests	(228)	(273)
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(23)
Deferred gains or losses on hedges	(129)	149
Foreign currency translation adjustment	44	146
Share of other comprehensive income of associates accounted for using equity method	0	1
Total other comprehensive income	(63)	273
Comprehensive income	(291)	0
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(371)	(102)
Comprehensive income attributable to minority interests	79	103

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended June 30, 2010	Year ended June 30, 2011
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(229)	(459)
Depreciation and amortization	155	167
Increase (decrease) in allowance for doubtful accounts	0	(2)
Increase (decrease) in provision for bonuses	(51)	(206)
Increase (decrease) in provision for directors' retirement benefits	11	9
Increase (decrease) in provision for retirement benefits	(65)	(6)
Interest and dividends income	(15)	(14)
Interest expenses	141	127
Foreign exchange losses (gains)	73	54
Equity in (earnings) losses of affiliates	(18)	(17)
Loss (gain) on sales of property, plant and equipment	(0)	-
Rent of real estate for investment	(40)	(62)
Loss (gain) on valuation of investment securities	156	-
Loss on retirement of property, plant and equipment	9	1
Loss on adjustment for changes of accounting standard for asset retirement obligations	3	-
Decrease (increase) in notes and accounts receivable-trade	(1,735)	5,784
Decrease (increase) in inventories	(4,587)	(2,677)
Increase (decrease) in notes and accounts payable-trade	6,693	(2,924)
Other, net	858	134
Subtotal	<u>1,358</u>	<u>(92)</u>
Interest and dividends income received	16	14
Interest expenses paid	(31)	(30)
Income taxes paid	(262)	(204)
Income taxes refund	1	-
Net cash provided by (used in) operating activities	<u>1,082</u>	<u>(313)</u>
Net cash provided by (used in) investing activities		
Payments into time deposits	(30)	(40)
Proceeds from withdrawal of time deposits	86	0
Purchase of property, plant and equipment	(33)	(22)
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible assets	(21)	(7)
Purchase of investment securities	(51)	(4)
Proceeds from rental of real estate for investment	40	48
Other, net	(33)	(46)
Net cash provided by (used in) investing activities	<u>(41)</u>	<u>(71)</u>
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,181	50
Decrease in short-term loans payable	(1,186)	(1,248)
Proceeds from long-term loans payable	132	-
Cash dividends paid	(118)	(140)
Cash dividends paid to minority shareholders	(69)	(82)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	<u>(61)</u>	<u>(1,422)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(64)</u>	<u>(44)</u>
Net increase (decrease) in cash and cash equivalents	<u>915</u>	<u>(1,852)</u>
Cash and cash equivalents at beginning of period	<u>24,607</u>	<u>16,078</u>
Cash and cash equivalents at end of period	<u>25,522</u>	<u>14,226</u>

Consolidated Segment Information

Business Segments

Year 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

Year ended June 30, 2011

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	35,353	4,508	39,862	39,862	-	39,862
(2) Inter-segment	-	5	5	5	(5)	-
Total Sales	35,353	4,514	39,868	39,868	(5)	39,862
Segment Income(loss)	(44)	(278)	(323)	(323)	(2)	(325)