

MARUBUN CORPORATION

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2011

1. Consolidated Financial Results for the Nine Months Ended December 31, 2011 (April 1, 2011 - December 31, 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 Nine months ended								
December 31, 2011	174,393	8.6	1,605	2.2	1,246	17.2	499	98.7
December 31, 2010	160,520	5.2	1,570	56.3	1,063	-	251	-

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Nine months ended		
December 31, 2011	19.11	-
December 31, 2010	9.62	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2011	130,211	35,403	24.9
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	-	5.00	-		
Fiscal Year ending March 31, 2012 (Forecast)				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 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 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 three quarters of the consolidated fiscal year under review (from April 1, 2011 to December 31, 2011), the Japanese economy continued to face difficult circumstances, given the weakness of global economies fanned by Europe's financial crisis, the appreciation of the yen, and the resurgence of disrupted supply chains affected by the flooding in Thailand in October, which overshadowed signs of steady recovery from the effects of the Great East Japan Earthquake.

In the electronics industry, where the Marubun Group is positioned, although demand for smartphones and tablet PCs grew on a global scale, the production of automobiles, PCs and digital cameras among other products declined because of the effects of the flooding in Thailand. In terms of capital spending, orders for machine tools rebounded, reflecting demand for reconstruction from the earthquake and the floods. However, orders for semiconductor manufacturing equipment declined. And in the semiconductor and electronic components markets, downward movements in prices of DRAM and LCD panels continued to accelerate.

In this environment, net sales of the Group during the consolidated first three quarters under review rose 8.6% from the same period of the previous year, to 174,393 million yen. Consolidated operating income increased 2.2% year on year, to 1,605 million yen, while consolidated ordinary income rose 17.2% year on year, to 1,246 million yen attributable to a fall in foreign exchange losses. Consolidated net income increased 98.7% from the same period of the previous year, to 499 million yen, primarily reflecting the posting of 78 million yen in gain on sales of investment securities.

Operating results by business segment are as follows.

(Electronic Devices business)

In the Electronic Devices business, demand for LCD panels for TV sets and semiconductors for cellular phone modules declined, and sales of semiconductors for automobiles and digital cameras also dropped because of the effects of the earthquake and the floods. Meanwhile, a business involving the sale of Samsung electronic products, which was acquired by a subsidiary of the Company in July 2011, contributed to results, while sales of semiconductors and electronic components for PCs and smartphones also increased. As a result, net sales in this segment rose 11.0% year on year, to 154,169 million yen, while segment income slipped 15.1% year on year, to 1,210 million yen, reflecting a fall in the gross profit margin and a rise in selling, general and administrative expenses.

(Electronic Systems business)

In the Electronic Systems business, although sales of measurement and inspection equipment increased, reflecting needs for reconstruction from the earthquake and the floods, sales of thin-film equipment among scientific equipment declined significantly. Sales of artificial satellite components in space and defense electronics also decreased, while sales of medical equipment remained weak. As a result, net sales of this segment decreased 6.3% year on year, to 20,224 million yen, while segment income increased 143.6%, to 402 million yen, thanks to an improvement in the gross profit margin.

2. Qualitative information relating to the consolidated financial position

Current assets at the end of the consolidated first three quarters under review stood at 119,190 million yen, climbing 23,910 million yen from the end of the previous fiscal year. This is mainly attributable to a decrease of 4,152 million yen in cash and deposits, offset by increases in notes and accounts receivable-trade of 26,102 million yen and merchandise and finished goods of 1,884 million yen, respectively. Noncurrent assets were 11,021 million yen, a decrease of 253 million yen from the end of the previous fiscal year. This primarily reflects a decrease in investment securities of 269 million yen.

As a result, total assets came to 130,211 million yen, an increase of 23,657 million yen from the end of the previous fiscal year.

Current liabilities at the end of the consolidated first three quarters under review were 89,641 million yen, a rise of 23,981 million yen from the end of the previous fiscal year. This figure chiefly reflects increases in notes and accounts payable of 15,108 million yen and short-term loans payable of 8,835 million yen, respectively. Noncurrent liabilities were 5,166 million yen, a drop of 113 million yen from the end of the previous fiscal year. This is mainly attributable to decreases in long-term loans payable of 25 million yen and the provision for directors' retirement benefits of 76 million yen, respectively.

As a result, total liabilities stood at 94,808 million yen, a rise of 23,867 million yen from the end of the previous fiscal year.

Total net assets at the end of the consolidated first three quarters under review were 35,403 million yen, a decrease of 210 million yen from the end of the previous fiscal year. The decline was primarily attributable to decreases in the valuation difference on available-for-sale securities of 180 million yen and foreign currency translation adjustments of 254 million yen, respectively, which were more than offset by an increase in retained earnings of 212 million yen.

As a result, the equity ratio stood at 24.9% (compared to 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 December 31, 2011
Assets		
Current assets		
Cash and deposits	16,330	12,178
Notes and accounts receivable-trade	46,599	72,702
Merchandise and finished goods	29,024	30,909
Work in process	9	70
Deferred tax assets	1,228	973
Other	2,116	2,393
Allowance for doubtful accounts	(29)	(36)
Total current assets	95,280	119,190
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,288	4,166
Accumulated depreciation	(2,690)	(2,678)
Buildings and structures, net	1,598	1,488
Machinery, equipment and vehicles	26	27
Accumulated depreciation	(21)	(21)
Machinery, equipment and vehicles, net	5	6
Tools, furniture and fixtures	2,317	2,250
Accumulated depreciation	(1,851)	(1,844)
Tools, furniture and fixtures, net	466	405
Land	2,520	2,516
Lease assets	18	26
Accumulated depreciation	(5)	(9)
Lease assets, net	12	17
Construction in progress	6	15
Total property, plant and equipment	4,609	4,449
Intangible assets		
Goodwill	10	8
Other	395	300
Total intangible assets	405	309
Investments and other assets		
Investment securities	1,550	1,281
Long-term loans receivable	6	6
Deferred tax assets	1,997	2,214
Real estate for investment	3,083	3,083
Accumulated depreciation	(1,966)	(2,006)
Real estate for investment, net	1,116	1,077
Other	1,587	1,682
Total investments and other assets	6,259	6,262
Total noncurrent assets	11,274	11,021
Total assets	106,554	130,211

(Millions of Yen)

	As of March 31, 2011	As of December 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	32,478	47,586
Short-term loans payable	10,660	19,496
Current portion of long-term loans payable	20,034	20,048
Current portion of bonds	48	34
Income taxes payable	210	252
Provision for bonuses	744	386
Asset retirement obligations	39	-
Other	1,443	1,835
Total current liabilities	65,660	89,641
Noncurrent liabilities		
Bonds payable	70	46
Long-term loans payable	2,606	2,580
Provision for retirement benefits	1,659	1,655
Provision for directors' retirement benefits	564	487
Asset retirement obligations	121	124
Other	257	272
Total noncurrent liabilities	5,280	5,166
Total liabilities	70,940	94,808
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	22,849	23,061
Treasury stock	(1,630)	(1,630)
Total shareholders' equity	33,787	33,999
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	216	35
Deferred gains or losses on hedges	(129)	(106)
Foreign currency translation adjustment	(1,196)	(1,450)
Total accumulated other comprehensive income	(1,109)	(1,522)
Minority interests	2,936	2,926
Total net assets	35,613	35,403
Total liabilities and net assets	106,554	130,211

(2) Consolidated Statements of Income

(Millions of Yen)

	Nine Months ended December 31, 2010	Nine Months ended December 31, 2011
Net sales	160,520	174,393
Cost of sales	148,319	161,560
Gross profit	12,201	12,832
Selling, general and administrative expenses	10,630	11,227
Operating income	1,570	1,605
Non-operating income		
Interest income	11	5
Dividends income	22	26
Equity in earnings of affiliates	75	43
Rent of real estate for investment	127	144
Miscellaneous income	211	146
Total non-operating income	447	365
Non-operating expenses		
Interest expenses	406	402
Foreign exchange losses	311	8
Miscellaneous loss	236	312
Total non-operating expenses	954	723
Ordinary income	1,063	1,246
Extraordinary income		
Gain on sales of noncurrent assets	7	1
Gain on sales of investment securities	-	78
Total extraordinary income	7	79
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	14	34
Loss on valuation of investment securities	-	3
Loss on liquidation of insurance funds	141	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	3	-
Other	0	0
Total extraordinary losses	160	38
Income before income taxes and minority interests	911	1,287
Income taxes	429	547
Income before minority interests	481	739
Minority interests in income	229	240
Net income	251	499

(Consolidated quarterly statements of comprehensive income)

Income before minority interests	481	739
Other comprehensive income		
Valuation difference on available-for-sale securities	(70)	(178)
Deferred gains or losses on hedges	(126)	22
Foreign currency translation adjustment	(604)	(421)
Share of other comprehensive income of associates accounted for using equity method	(1)	(2)
Total other comprehensive income	(803)	(579)
Comprehensive income	(321)	159
Comprehensive income attributable to		
Comprehensive income attributable to owners of the	(328)	87
Comprehensive income attributable to minority interests	6	72

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine Months ended December 31, 2010	Nine Months ended December 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	911	1,287
Depreciation and amortization	481	392
Increase (decrease) in allowance for doubtful accounts	6	8
Increase (decrease) in provision for bonuses	(217)	(358)
Increase (decrease) in provision for directors' retirement benefits	24	(76)
Increase (decrease) in provision for retirement benefits	(167)	(4)
Interest and dividends income	(33)	(31)
Interest expenses	406	402
Foreign exchange losses (gains)	525	156
Equity in (earnings) losses of affiliates	(75)	(43)
Rent of real estate for investment	(127)	(144)
Gain on sales of noncurrent assets	(7)	(1)
Loss on sales and retirement of noncurrent assets	14	34
Loss (gain) on sales of investment securities	-	(78)
Loss (gain) on valuation of investment securities	-	3
Loss on liquidation of insurance funds	141	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	3	-
Other extraordinary loss (income)	0	0
Decrease (increase) in notes and accounts receivable-trade	(4,828)	(26,515)
Decrease (increase) in inventories	(10,002)	3,432
Increase (decrease) in notes and accounts payable-trade	1,925	15,420
Other, net	420	157
Subtotal	(10,599)	(5,957)
Interest and dividends income received	35	43
Interest expenses paid	(319)	(302)
Income taxes paid	(321)	(462)
Income taxes refund	111	42
Net cash provided by (used in) operating activities	(11,092)	(6,636)
Net cash provided by (used in) investing activities		
Payments into time deposits	(530)	(40)
Proceeds from withdrawal of time deposits	1,185	84
Purchase of property, plant and equipment	(66)	(114)
Proceeds from sales of property, plant and equipment	28	6
Purchase of intangible assets	(72)	(42)
Purchase of investment securities	(102)	(45)
Proceeds from sales of investment securities	-	88
Proceeds from rental of real estate for investment	128	132
Payments for transfer of business	-	(5,777)
Other, net	(45)	(139)
Net cash provided by (used in) investing activities	525	(5,848)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(355)	9,036
Proceeds from long-term loans payable	123	-
Repayment of long-term loans payable	(8)	(25)
Redemption of bonds	(1,024)	(24)
Cash dividends paid	(260)	(272)
Cash dividends paid to minority shareholders	(69)	(82)
Other, net	(1)	(3)
Net cash provided by (used in) financing activities	(1,596)	8,627
Effect of exchange rate change on cash and cash equivalents	(611)	(242)
Net increase (decrease) in cash and cash equivalents	(12,775)	(4,100)
Cash and cash equivalents at beginning of period	24,607	16,078
Cash and cash equivalents at end of period	11,831	11,978

Consolidated Segment Information

(Business Segments)

Nine Months ended December 31, 2010

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	138,944	21,576	160,520	160,520	-	160,520
(2) Inter-segment	9	86	95	95	(95)	-
Total Sales	138,953	21,662	160,616	160,616	(95)	160,520
Segment Income	1,426	165	1,591	1,591	(20)	1,570

Nine Months ended December 31, 2011

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	154,169	20,224	174,393	174,393	-	174,393
(2) Inter-segment	0	74	75	75	(75)	-
Total Sales	154,170	20,298	174,469	174,469	(75)	174,393
Segment Income	1,210	402	1,612	1,612	(7)	1,605