

Translation

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 : Shoji Mizuno, CEO and Representative Director

Contact : Toshihiro Shibuya, Director, Corporate Planning Dept. TEL : +81-3-3639-3010

Preparation of supplementary material : Yes

Holding of investor meeting : No



July 31, 2013

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2013 <under Japanese GAAP>

1. Consolidated Financial Results for the Three Months Ended June 30, 2013 (April 1, 2013 - June 30, 2013)

(1) Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
For the Three months ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
June 30, 2013	55,796	12.3	273	-	267	-	104	-
June 30, 2012	49,687	24.6	(4)	-	(96)	-	(327)	-

	Net Income Per Share	Diluted Net Income Per Share
For the Three months ended	Yen	Yen
June 30, 2013	4.01	-
June 30, 2012	(12.52)	-

(2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2013	107,718	38,297	31.8
As of March 31, 2013	104,743	37,547	32.2

2. Dividends

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2013	-	6.00	-	9.00	15.00
Fiscal Year ending March 31, 2014	-				
Fiscal Year ending March 31, 2014 (Forecast)		6.00	-	9.00	15.00

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2014

	Net Sales		Operating Income		Ordinary Income		Net Income	
For the Six Months ending	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2013	99,000	(3.9)	500	(3.4)	500	32.5	250	-
For the Fiscal Year ending March 31, 2014	225,500	2.4	3,350	12.0	3,200	28.0	1,550	80.7

	Net Income Per Share
	Yen
For the Six Months ending September 30, 2013	9.57
For the Fiscal Year ending March 31, 2014	59.30

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 (April 1, 2013-June 30, 2013), the Japanese economy was buoyed by high expectations for a recovery, with evidence of the effects of the government's economic and monetary policies and signs of improvement in exports and production, despite concerns about downside risks in overseas economies, such as the prolonged European debt crisis and slower growth in the Chinese economy.

In the electronics industry, where the Marubun Group is positioned, demand for digital cameras lost momentum, and demand for TV sets and game consoles also remained weak, while demand for smartphones and tablet PCs continued to grow and demand for products for automobiles and industrial equipment also began to recover. Demand for semiconductor manufacturing equipment bottomed out, as a trend for recovery in corporate investment in equipment emerged, and in the semiconductor and electronic components markets, prices of DRAM rose on increased demand, and prices of LCD panels also remained stable.

In this environment, net sales of the Group during the first quarter of the consolidated fiscal year under review climbed 12.3% year on year, to 55,796 million yen. Consolidated operating income was 273 million yen (compared to an operating loss of 4 million yen in the same period of the previous fiscal year), and consolidated ordinary income was 267 million yen (compared to an ordinary loss of 96 million yen in the same period of the previous fiscal year). Consolidated net income amounted to 104 million yen (compared to a net loss of 327 million yen in the same period of the previous fiscal year).

Operating results by business segment are as follows.

(Electronic Devices business)

In the Electronic Devices business, demand for semiconductor and electronic components for digital cameras and projectors declined, while sales of semiconductors for communication modules were robust, and sales of semiconductors for PCs also increased. As a result, net sales in this segment increased 13.5% year on year, to 50,550 million yen, and segment income rose 215.7% year on year, to 579 million yen.

(Electronic Systems business)

In the Electronic Systems business, demand for diagnostic imaging equipment in medical equipment declined, while sales of measurement and inspection equipment increased, reflecting the conversion of an affiliate that had been an equity-method company into a subsidiary from the period under review, and in laser equipment also, sales of optical communication components were robust. As a result, net sales in this segment climbed 1.8% year on year, to 5,246 million yen. However, the segment posted a loss of 302 million yen (compared to a segment loss of 185 million yen in the same period of the previous fiscal year), due to a lower gross profit margin and higher SG&A expenses.

2. Qualitative information relating to the consolidated financial position

Current assets at the end of the first quarter of the consolidated fiscal year under review stood at 96,385 million yen, increasing 2,585 million yen from the end of the previous fiscal year. This was mainly attributable to increases in cash and deposits of 5,082 million yen and securities of 2,000 million yen, partially offset by decreases in merchandise and finished goods of 2,799 million yen and notes and accounts receivable-trade of 2,008 million yen. Noncurrent assets were 11,333 million yen, rising 389 million yen from the end of the previous fiscal year. This primarily reflected an increase in investment securities of 149 million yen.

As a result, total assets came to 107,718 million yen, a rise of 2,975 million yen from the end of the previous fiscal year.

Current liabilities at the end of the first quarter of the consolidated fiscal year under review were 51,129 million yen, climbing 2,086 million yen from the end of the previous consolidated fiscal year. This figure chiefly reflects an increase in short-term loans payable of 3,018 million yen, partially offset by a decrease in notes and accounts payable-trade of 826 million yen. Noncurrent liabilities were 18,291 million yen, a rise of 138 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 63 million yen in long-term loans payable and 41 million yen in the provision for retirement benefits.

As a result, total liabilities stood at 69,421 million yen, a rise of 2,225 million yen from the end of the previous fiscal year.

Total net assets at the end of the first quarter of the consolidated fiscal year under review were 38,297 million yen, an increase of 750 million yen from the end of the previous fiscal year. The increase was primarily attributable to rises of 471 million yen in foreign currency translation adjustment and 302 million yen in minority interests.

As a result, the equity ratio stood at 31.8% (compared to 32.2% 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 2014 remain unchanged from the financial results forecast announced on May 8, 2013.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2013	As of June 30, 2013
Assets		
Current assets		
Cash and deposits	17,440	22,522
Notes and accounts receivable-trade	48,299	46,291
Securities	-	2,000
Merchandise and finished goods	25,378	22,579
Work in process	47	119
Income taxes receivable	-	38
Deferred tax assets	1,567	1,523
Other	1,097	1,338
Allowance for doubtful accounts	(31)	(28)
Total current assets	93,799	96,385
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,062	4,121
Accumulated depreciation	(2,666)	(2,736)
Buildings and structures, net	1,396	1,385
Machinery, equipment and vehicles	26	27
Accumulated depreciation	(23)	(23)
Machinery, equipment and vehicles, net	3	3
Tools, furniture and fixtures	2,048	2,048
Accumulated depreciation	(1,643)	(1,663)
Tools, furniture and fixtures, net	405	384
Land	2,466	2,510
Lease assets	41	63
Accumulated depreciation	(11)	(14)
Lease assets, net	29	49
Construction in progress	0	13
Total property, plant and equipment	4,302	4,346
Intangible assets		
Goodwill	4	4
Other	401	389
Total intangible assets	406	393
Investments and other assets		
Investment securities	1,744	1,894
Long-term loans receivable	4	4
Deferred tax assets	1,617	1,668
Real estate for investment	3,059	3,059
Accumulated depreciation	(2,048)	(2,059)
Real estate for investment, net	1,010	999
Other	1,857	2,025
Total investments and other assets	6,234	6,593
Total noncurrent assets	10,943	11,333
Total assets	104,743	107,718

(Millions of Yen)

	As of March 31, 2013	As of June 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,523	32,697
Short-term loans payable	11,687	14,705
Current portion of long-term loans payable	34	34
Current portion of bonds	21	21
Income taxes payable	109	-
Provision for bonuses	808	567
Asset retirement obligations	12	12
Other	2,844	3,090
Total current liabilities	49,042	51,129
Noncurrent liabilities		
Long-term loans payable	16,037	16,101
Provision for retirement benefits	1,461	1,502
Provision for directors' retirement benefits	244	260
Asset retirement obligations	111	111
Other	298	315
Total noncurrent liabilities	18,153	18,291
Total liabilities	67,195	69,421
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	24,097	23,966
Treasury stock	(1,630)	(1,630)
Total shareholders' equity	35,035	34,904
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	213	306
Deferred gains or losses on hedges	(656)	(642)
Foreign currency translation adjustment	(826)	(355)
Total accumulated other comprehensive income	(1,269)	(690)
Minority interests	3,781	4,083
Total net assets	37,547	38,297
Total liabilities and net assets	104,743	107,718

(2) Consolidated Statements of Income

(Millions of Yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net sales	49,687	55,796
Cost of sales	45,923	51,888
Gross profit	3,763	3,908
Selling, general and administrative expenses	3,768	3,635
Operating income (loss)	(4)	273
Non-operating income		
Interest income	2	2
Dividends income	12	13
Equity in earnings of affiliates	26	44
Rent of real estate for investment	44	39
Miscellaneous income	80	80
Total non-operating income	166	180
Non-operating expenses		
Interest expenses	103	72
Foreign exchange losses	67	49
Miscellaneous loss	88	65
Total non-operating expenses	258	187
Ordinary income (loss)	(96)	267
Extraordinary income		
Gain on sales of real estate for investment	2	-
Gain on bargain purchase	-	1
Total extraordinary income	2	1
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	2	3
Loss on valuation of investment securities	21	-
Settlement package	283	-
Loss on step acquisitions	-	17
Total extraordinary losses	306	20
Income (loss) before income taxes and minority interests	(400)	247
Income taxes	(171)	47
Income (loss) before minority interests	(228)	200
Minority interests in income	98	95
Net income (loss)	(327)	104
 (Consolidated statements of comprehensive income)		
Income (loss) before minority interests	(228)	200
Other comprehensive income		
Valuation difference on available-for-sale securities	(67)	90
Deferred gains or losses on hedges	25	13
Foreign currency translation adjustment	437	808
Share of other comprehensive income of associates accounted for using equity method	(1)	2
Total other comprehensive income	393	914
Comprehensive income	164	1,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(107)	683
Comprehensive income attributable to minority interests	272	431

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(400)	247
Depreciation and amortization	123	100
Increase (decrease) in allowance for doubtful accounts	4	(7)
Increase (decrease) in provision for bonuses	(176)	(255)
Increase (decrease) in provision for directors' retirement benefits	9	16
Increase (decrease) in provision for retirement benefits	(32)	29
Interest and dividends income	(15)	(16)
Interest expenses	103	72
Foreign exchange losses (gains)	13	(221)
Equity in (earnings) losses of affiliates	(26)	(44)
Loss (gain) on sales of real estate investment	(2)	-
Rent of real estate for investment	(44)	(39)
Loss (gain) on valuation of investment securities	21	-
Loss (gain) on sales and retirement of noncurrent assets	2	3
Settlement package	283	-
Gain on bargain purchase	-	(1)
Loss (gain) on step acquisitions	-	17
Decrease (increase) in notes and accounts receivable-trade	12,937	3,174
Decrease (increase) in inventories	(976)	2,968
Increase (decrease) in notes and accounts payable-trade	(7,683)	(1,898)
Other, net	912	40
Subtotal	5,049	4,184
Interest and dividends income received	15	16
Interest expenses paid	(84)	(74)
Income taxes paid	(331)	(241)
Income taxes refund	10	0
Net cash provided by (used in) operating activities	4,659	3,884
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(110)
Proceeds from withdrawal of time deposits	200	103
Purchase of property, plant and equipment	(71)	(45)
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible assets	(17)	(37)
Purchase of investment securities	(4)	(5)
Proceeds from sales of investments in real estates	10	-
Proceeds from rental of real estate for investment	44	40
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	46
Other, net	(71)	(68)
Net cash provided by (used in) investing activities	88	(78)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(8,844)	3,008
Repayment of long-term loans payable	(8)	(19)
Cash dividends paid	(163)	(211)
Cash dividends paid to minority shareholders	(81)	(129)
Other, net	(1)	(3)
Net cash provided by (used in) financing activities	(9,099)	2,645
Effect of exchange rate change on cash and cash equivalents	112	474
Net increase (decrease) in cash and cash equivalents	(4,239)	6,926
Cash and cash equivalents at beginning of period	17,923	17,410
Cash and cash equivalents at end of period	13,683	24,336

Consolidated Segment Information

Business Segments

Three months ended June 30, 2012

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	44,536	5,151	49,687	49,687	-	49,687
(2) Inter-segment	0	7	7	7	(7)	-
Total Sales	44,536	5,159	49,695	49,695	(7)	49,687
Segment Income(loss)	183	(185)	(2)	(2)	(2)	(4)

Three months ended June 30, 2013

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	50,550	5,246	55,796	55,796	-	55,796
(2) Inter-segment	0	7	7	7	(7)	-
Total Sales	50,550	5,253	55,804	55,804	(7)	55,796
Segment Income(loss)	579	(302)	276	276	(2)	273