

Translation

**MARUBUN CORPORATION**

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Preparation of supplementary material : Yes  
 Holding of investor meeting : Yes

October 31, 2013

**Summary of Consolidated Financial Results for the Six Months Ended September 30, 2013  
 <under Japanese GAAP>**

**1. Consolidated Financial Results for the Six Months Ended September 30, 2013 (April 1, 2013 - September 30, 2013)**

(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, 2013	119,373	15.9	1,174	126.7	1,173	210.9	585	-
September 30, 2012	103,038	(0.6)	517	(12.8)	377	8.5	(106)	-

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Six months ended		
September 30, 2013	22.40	-
September 30, 2012	(4.09)	-

(2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of September 30, 2013	113,254	39,441	31.0
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	-	6.00			
Fiscal Year ending March 31, 2014 (Forecast)			-	10.00	16.00

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

	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, 2014	253,000	14.9	3,500	17.0	3,350	34.0	1,675	95.3

	Net Income Per Share
	Yen
For the Fiscal Year ending March 31, 2014	64.09

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 first half of the consolidated fiscal year under review (from April 1, 2013 to September 30, 2013), there were increasing expectations for a recovery in the Japanese economy, reflecting signs of a pickup in exports, production, and capital investment due to the emergence of positive effects from the government's economic and monetary policies, despite concerns about the downside risks of overseas economies, including slower growth in China.

In the electronics industry, where the Marubun Group is positioned, demand for smartphones and tablet PCs continued to grow, and demand for automobile and industrial equipment products also began to recover, while demand for digital cameras, TVs, and game consoles remained weak. In the semiconductor market, DRAM prices rose due to increased demand. However, with respect to semiconductor manufacturing equipment, back-end equipment continued to face severe conditions, although demand for front-end equipment was strong.

In this environment, net sales of the Group during the first half of the consolidated fiscal year under review climbed 15.9% from the same period of the previous fiscal year, to 119,373 million yen. Consolidated operating income increased 126.7% year on year, to 1,174 million yen, and consolidated ordinary income was up 210.9% year on year, to 1,173 million yen. Consolidated net income amounted to 585 million yen (compared to a net loss of 106 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, sales of semiconductors for digital cameras, game consoles, and projectors declined, while sales of semiconductors for communication modules and PCs remained solid. As a result, net sales in this segment increased 17.8% year on year, to 104,950 million yen, and segment income rose 271.7% year on year, to 1,093 million yen.

(Electronic Systems business)

In the Electronic Systems business, in scientific equipment, sales of thin-film manufacturing equipment were weak, and sales of artificial satellite components in space and defense electronics also declined. However, sales of measurement and inspection equipment increased, reflecting higher demand for non-destructive testing equipment for semiconductors and the conversion of an affiliate that had been an equity-method company into a subsidiary. In laser equipment, sales of optical components were also robust. As a result, net sales in this segment climbed 3.4% year on year, to 14,423 million yen. However, segment income declined 62.6% year on year, to 85 million yen, due to higher SG&A expenses as a result of additional subsidiaries.

## 2. Qualitative information relating to the consolidated financial position

Current assets at the end of the first half of the consolidated fiscal year under review stood at 101,968 million yen, increasing 8,168 million yen from the end of the previous fiscal year. This is mainly attributable to an increase in notes and accounts receivable-trade of 4,746 million yen and an increase in cash and deposits of 2,502 million yen. Noncurrent assets were 11,285 million yen, an increase of 342 million yen from the end of the previous fiscal year. This primarily reflects an increase in investment securities of 258 million yen.

As a result, total assets came to 113,254 million yen, an increase of 8,510 million yen from the end of the previous fiscal year.

Current liabilities at the end of the first half of the consolidated fiscal year under review were 55,562 million yen, a rise of 6,520 million yen from the end of the previous fiscal year. This figure chiefly reflects an increase in notes and accounts payable-trade of 6,557 million yen. Noncurrent liabilities were 18,249 million yen, an increase of 96 million yen from the end of the previous fiscal year. This is mainly attributable to increases in the provision for retirement benefits of 68 million yen and long-term loans payable of 34 million yen.

As a result, total liabilities stood at 73,812 million yen, an increase of 6,616 million yen from the end of the previous fiscal year.

Total net assets at the end of the first half of the consolidated fiscal year under review were 39,441 million yen, a rise of 1,894 million yen from the end of the previous fiscal year. This increase was primarily attributable to increases in foreign currency translation adjustments of 706 million yen, minority interests of 554 million yen, and retained earnings of 350 million yen.

As a result, the equity ratio stood at 31.0% (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 has been revised from the financial results forecast announced on May 8, 2013.

Full-year net sales are projected at 253,000 million yen (up 14.9% from the previous fiscal year), in anticipation of increasing sales of semiconductors for communication modules and PCs in the Electronic Devices business and higher sales of measurement and inspection equipment and medical equipment in the Electronic Systems business. Operating income is projected to be 3,500 million yen (up 17.0% from the previous fiscal year), benefiting from an increase in gross profit; ordinary income is projected to be 3,350 million yen (up 34.0% year on year); and net income is projected to be 1,675 million yen (up 95.3% year on year).

For details about the revision to the financial results forecast, please refer to the “Notice of Differences Between Forecast and Actual Results for the First Half of the Fiscal Year Ending March 2014 and Revision of Full-Year Financial Results Forecast” announced separately on this date of October 31, 2013.

**Consolidated Financial Statements**  
**(1) Consolidated Balance Sheet**

(Millions of Yen)

	As of March 31, 2013	As of September 30, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	17,440	19,942
Notes and accounts receivable-trade	48,299	53,046
Merchandise and finished goods	25,378	25,911
Work in process	47	34
Deferred tax assets	1,567	1,556
Other	1,097	1,503
Allowance for doubtful accounts	(31)	(26)
Total current assets	93,799	101,968
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,062	4,117
Accumulated depreciation	(2,666)	(2,744)
Buildings and structures, net	1,396	1,372
Machinery, equipment and vehicles	26	27
Accumulated depreciation	(23)	(24)
Machinery, equipment and vehicles, net	3	3
Tools, furniture and fixtures	2,048	2,043
Accumulated depreciation	(1,643)	(1,673)
Tools, furniture and fixtures, net	405	370
Land	2,466	2,510
Lease assets	41	68
Accumulated depreciation	(11)	(17)
Lease assets, net	29	50
Construction in progress	0	13
Total property, plant and equipment	4,302	4,320
Intangible assets		
Goodwill	4	3
Other	401	410
Total intangible assets	406	414
Investments and other assets		
Investment securities	1,744	2,003
Long-term loans receivable	4	4
Deferred tax assets	1,617	1,440
Real estate for investment	3,059	3,034
Accumulated depreciation	(2,048)	(2,055)
Real estate for investment, net	1,010	978
Other	1,857	2,123
Total investments and other assets	6,234	6,550
Total noncurrent assets	10,943	11,285
Total assets	104,743	113,254

(Millions of Yen)

As of March 31, 2013      As of September 30, 2013

Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,523	40,081
Short-term loans payable	11,687	11,988
Current portion of long-term loans payable	34	34
Current portion of bonds	21	-
Income taxes payable	109	266
Provision for bonuses	808	794
Asset retirement obligations	12	-
Other	2,844	2,397
<b>Total current liabilities</b>	<b>49,042</b>	<b>55,562</b>
Noncurrent liabilities		
Long-term loans payable	16,037	16,072
Provision for retirement benefits	1,461	1,529
Provision for directors' retirement benefits	244	211
Asset retirement obligations	111	118
Other	298	317
<b>Total noncurrent liabilities</b>	<b>18,153</b>	<b>18,249</b>
<b>Total liabilities</b>	<b>67,195</b>	<b>73,812</b>
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	24,097	24,447
Treasury stock	(1,630)	(1,630)
<b>Total shareholders' equity</b>	<b>35,035</b>	<b>35,385</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	213	370
Deferred gains or losses on hedges	(656)	(530)
Foreign currency translation adjustment	(826)	(120)
<b>Total accumulated other comprehensive income</b>	<b>(1,269)</b>	<b>(279)</b>
Minority interests	3,781	4,335
<b>Total net assets</b>	<b>37,547</b>	<b>39,441</b>
<b>Total liabilities and net assets</b>	<b>104,743</b>	<b>113,254</b>

**(2) Consolidated Statements of Income**

(Millions of Yen)

	Six Months ended September 30, 2012	Six Months ended September 30, 2013
Net sales	103,038	119,373
Cost of sales	95,033	110,925
Gross profit	8,005	8,448
Selling, general and administrative expenses	7,487	7,274
Operating income	517	1,174
Non-operating income		
Interest income	6	7
Dividends income	15	17
Equity in earnings of affiliates	43	106
Rent of real estate for investment	88	78
Miscellaneous income	129	149
Total non-operating income	284	359
Non-operating expenses		
Interest expenses	188	143
Foreign exchange losses	83	78
Miscellaneous loss	151	138
Total non-operating expenses	424	360
Ordinary income	377	1,173
Extraordinary income		
Gain on sales of real estate for investment	2	2
Gain on bargain purchase	-	1
Total extraordinary income	2	3
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	7	19
Loss on valuation of investment securities	91	-
Settlement package	283	-
Loss on step acquisitions	-	17
Other	4	0
Total extraordinary losses	386	37
Income (loss) before income taxes and minority interests	(6)	1,139
Income taxes	(66)	374
Income before minority interests	60	764
Minority interests in income	167	178
Net income (loss)	(106)	585

**(Consolidated statements of comprehensive income)**

Income before minority interests	60	764
Other comprehensive income		
Valuation difference on available-for-sale securities	(88)	154
Deferred gains or losses on hedges	66	125
Foreign currency translation adjustment	129	1,212
Share of other comprehensive income of associates accounted for using equity method	(0)	1
Total other comprehensive income	105	1,494
Comprehensive income	166	2,258
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(57)	1,574
Comprehensive income attributable to minority interests	223	683

**(3) Consolidated Statements of Cash Flows**

(Millions of Yen)

	Six Months ended September 30, 2012	Six Months ended September 30, 2013
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(6)	1,139
Depreciation and amortization	256	200
Increase (decrease) in allowance for doubtful accounts	43	(13)
Increase (decrease) in provision for bonuses	75	(27)
Increase (decrease) in provision for directors' retirement benefits	(261)	(32)
Increase (decrease) in provision for retirement benefits	(75)	56
Interest and dividends income	(22)	(24)
Interest expenses	188	143
Foreign exchange losses (gains)	82	(153)
Equity in (earnings) losses of affiliates	(43)	(106)
Loss (gain) on sales of real estate investment	(2)	(2)
Rent of real estate for investment	(88)	(78)
Loss (gain) on valuation of investment securities	91	-
Loss (gain) on sales and retirement of noncurrent assets	7	19
Settlement package	283	-
Gain on bargain purchase	-	(1)
Loss (gain) on step acquisitions	-	17
Decrease (increase) in notes and accounts receivable-trade	13,898	(3,179)
Decrease (increase) in inventories	(1,387)	(146)
Increase (decrease) in notes and accounts payable-trade	(3,914)	5,219
Other, net	(238)	(607)
Subtotal	8,885	2,421
Interest and dividends income received	36	25
Interest expenses paid	(198)	(147)
Income taxes paid	(378)	(358)
Income taxes refund	33	174
Net cash provided by (used in) operating activities	8,378	2,114
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(164)
Proceeds from withdrawal of time deposits	200	176
Purchase of property, plant and equipment	(100)	(92)
Proceeds from sales of property, plant and equipment	1	-
Purchase of intangible assets	(38)	(62)
Purchase of investment securities	(152)	(12)
Proceeds from sales of investments in real estates	10	13
Proceeds from rental of real estate for investment	88	78
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	46
Other, net	(99)	(78)
Net cash provided by (used in) investing activities	(92)	(94)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(9,917)	234
Repayment of long-term loans payable	(17)	(48)
Redemption of bonds	(24)	(21)
Cash dividends paid	(182)	(234)
Cash dividends paid to minority shareholders	(81)	(129)
Other, net	(4)	(6)
Net cash provided by (used in) financing activities	(10,228)	(205)
Effect of exchange rate change on cash and cash equivalents	(75)	550
Net increase (decrease) in cash and cash equivalents	(2,017)	2,364
Cash and cash equivalents at beginning of period	17,923	17,410
Cash and cash equivalents at end of period	15,905	19,774

## Consolidated Segment Information

### Business Segments

Six months ended September 30, 2012

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	89,082	13,955	103,038	103,038	-	103,038
(2) Inter-segment	0	129	129	129	(129)	-
Total Sales	89,082	14,085	103,168	103,168	(129)	103,038
Segment Income(loss)	294	228	522	522	(4)	517

Six months ended September 30, 2013

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	104,950	14,423	119,373	119,373	-	119,373
(2) Inter-segment	0	7	7	7	(7)	-
Total Sales	104,950	14,431	119,381	119,381	(7)	119,373
Segment Income(loss)	1,093	85	1,179	1,179	(5)	1,174