

Translation

**MARUBUN CORPORATION**

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Preparation of supplementary material : Yes  
 Holding of investor meeting : No

January 31, 2014

**Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2013  
 <under Japanese GAAP>**

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2013 (April 1, 2013 - December 31, 2013)**

(1) Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
For the Nine months ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
December 31, 2013	187,447	18.7	2,158	117.3	2,024	156.0	1,050	-
December 31, 2012	157,915	(9.4)	993	(38.1)	790	(36.6)	(100)	-

	Net Income Per Share	Diluted Net Income Per Share
For the Nine months ended	Yen	Yen
December 31, 2013	40.23	-
December 31, 2012	(3.86)	-

(2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2013	116,281	39,846	30.5
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	
For the Fiscal Year ending March 31, 2014	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
	253,000	14.9	3,500	17.0	3,350	34.0	1,675	95.3

	Net Income Per Share
For the Fiscal Year ending March 31, 2014	Yen
	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 three quarters of the consolidated fiscal year under review (April 1, 2013 to December 31, 2013), the Japanese economy continued to recover moderately, reflecting an improvement in corporate earnings and signs of a pickup in capital investment and consumer spending following 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 increased, while demand for consumer equipment such as digital cameras and TV sets remained weak. In the semiconductor market, DRAM prices rose due to increased demand. However, with respect to semiconductor manufacturing equipment, back-end equipment was slow to recover, although demand for front-end equipment was strong.

In this environment, net sales of the Group during the first three quarters of the consolidated fiscal year under review climbed 18.7% from the same period of the previous fiscal year, to 187,447 million yen. Consolidated operating income increased 117.3% year on year, to 2,158 million yen, and consolidated ordinary income was up 156.0% year on year, to 2,024 million yen. Consolidated net income amounted to 1,051 million yen (compared to a net loss of 100 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 remained solid. Sales of semiconductors for tablet and notebook PCs and automobile equipment as well as sales of LCD panels for TV sets also increased. As a result, net sales in this segment increased 19.4% year on year, to 163,988 million yen, and segment income rose 196.6% year on year, to 1,901 million yen.

(Electronic Systems business)

In the Electronic Systems business, in scientific equipment, sales of thin-film manufacturing equipment declined, but 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 medical equipment, sales of diagnostic imaging equipment also remained firm. As a result, net sales in this segment climbed 13.8% year on year, to 23,459 million yen. However, segment income declined 25.7% year on year, to 266 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 three quarters of the consolidated fiscal year under review stood at 104,757 million yen, increasing 10,957 million yen from the end of the previous fiscal year. This was mainly attributable to increases in notes and accounts receivable-trade of 10,238 million yen and cash and deposits of 4,972 million yen, which was partially offset by a decrease in merchandise and finished goods of 4,632 million yen. Noncurrent assets were 11,524 million yen, an increase of 580 million yen from the end of the previous fiscal year. This primarily reflected an increase in investment securities of 509 million yen.

As a result, total assets came to 116,281 million yen, an increase of 11,538 million yen from the end of the previous fiscal year.

Current liabilities at the end of the first three quarters of the consolidated fiscal year under review were 58,177 million yen, a rise of 9,135 million yen from the end of the previous fiscal year. This figure chiefly reflects increases in notes and accounts payable-trade of 9,409 million yen and income taxes payable of 136 million yen, which was partially offset by a decrease in provision for bonuses of 380 million yen. Noncurrent liabilities were 18,257 million yen, an increase of 103 million yen from the end of the previous fiscal year. This is mainly attributable to an increase in the provision for retirement benefits of 100 million yen.

As a result, total liabilities stood at 76,434 million yen, an increase of 9,239 million yen from the end of the previous fiscal year.

Total net assets at the end of the first three quarters of the consolidated fiscal year under review were 39,846 million yen, a rise of 2,298 million yen from the end of the previous fiscal year. This increase was primarily attributable to increases in foreign currency translation adjustments of 678 million yen, retained earnings of 659 million yen, minority interests of 587 million yen, and valuation difference on available-for-sale securities of 334 million yen.

As a result, the equity ratio stood at 30.5% (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 October 31, 2013.

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

(Millions of Yen)

	As of March 31, 2013	As of December 31, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	17,440	22,412
Notes and accounts receivable-trade	48,299	58,537
Merchandise and finished goods	25,378	20,746
Work in process	47	79
Deferred tax assets	1,567	1,451
Other	1,097	1,547
Allowance for doubtful accounts	(31)	(18)
Total current assets	93,799	104,757
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,062	4,119
Accumulated depreciation	(2,666)	(2,756)
Buildings and structures, net	1,396	1,362
Machinery, equipment and vehicles	26	27
Accumulated depreciation	(23)	(24)
Machinery, equipment and vehicles, net	3	2
Tools, furniture and fixtures	2,048	2,045
Accumulated depreciation	(1,643)	(1,695)
Tools, furniture and fixtures, net	405	350
Land	2,466	2,510
Lease assets	41	68
Accumulated depreciation	(11)	(21)
Lease assets, net	29	47
Construction in progress	0	13
Total property, plant and equipment	4,302	4,287
Intangible assets		
Goodwill	4	3
Other	401	413
Total intangible assets	406	416
Investments and other assets		
Investment securities	1,744	2,254
Long-term loans receivable	4	4
Deferred tax assets	1,617	1,389
Real estate for investment	3,059	3,019
Accumulated depreciation	(2,048)	(2,062)
Real estate for investment, net	1,010	957
Other	1,857	2,216
Total investments and other assets	6,234	6,820
Total noncurrent assets	10,943	11,524
Total assets	104,743	116,281

(Millions of Yen)

As of March 31, 2013      As of December 31, 2013

Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,523	42,933
Short-term loans payable	11,687	11,674
Current portion of long-term loans payable	34	34
Current portion of bonds	21	-
Income taxes payable	109	246
Provision for bonuses	808	427
Asset retirement obligations	12	-
Other	2,844	2,861
<b>Total current liabilities</b>	<b>49,042</b>	<b>58,177</b>
Noncurrent liabilities		
Long-term loans payable	16,037	16,032
Provision for retirement benefits	1,461	1,561
Provision for directors' retirement benefits	244	218
Asset retirement obligations	111	119
Other	298	325
<b>Total noncurrent liabilities</b>	<b>18,153</b>	<b>18,257</b>
<b>Total liabilities</b>	<b>67,195</b>	<b>76,434</b>
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	24,097	24,756
Treasury stock	(1,630)	(1,630)
<b>Total shareholders' equity</b>	<b>35,035</b>	<b>35,694</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	213	548
Deferred gains or losses on hedges	(656)	(616)
Foreign currency translation adjustment	(826)	(148)
<b>Total accumulated other comprehensive income</b>	<b>(1,269)</b>	<b>(216)</b>
Minority interests	3,781	4,368
<b>Total net assets</b>	<b>37,547</b>	<b>39,846</b>
<b>Total liabilities and net assets</b>	<b>104,743</b>	<b>116,281</b>

**(2) Consolidated Statements of Income**

(Millions of Yen)

	Nine Months ended December 31, 2012	Nine Months ended December 31, 2013
Net sales	157,915	187,447
Cost of sales	145,864	174,364
Gross profit	12,050	13,083
Selling, general and administrative expenses	11,057	10,925
Operating income	993	2,158
Non-operating income		
Interest income	9	9
Dividends income	26	29
Equity in earnings of affiliates	61	178
Rent of real estate for investment	132	117
Miscellaneous income	196	188
Total non-operating income	426	523
Non-operating expenses		
Interest expenses	265	211
Foreign exchange losses	137	245
Miscellaneous loss	225	200
Total non-operating expenses	628	657
Ordinary income	790	2,024
Extraordinary income		
Gain on sales of noncurrent assets	-	0
Gain on sales of investment securities	91	-
Gain on sales of real estate for investment	2	10
Gain on bargain purchase	-	1
Total extraordinary income	94	11
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	66	20
Loss on valuation of investment securities	19	29
Settlement package	283	-
Special extra retirement payments and so on	344	-
Loss on step acquisitions	-	17
Other	-	0
Total extraordinary losses	713	67
Income before income taxes and minority interests	171	1,969
Income taxes	(17)	667
Income before minority interests	188	1,301
Minority interests in income	289	249
Net income (loss)	(100)	1,051

**(Consolidated statements of comprehensive income)**

Income before minority interests	188	1,301
Other comprehensive income		
Valuation difference on available-for-sale securities	(75)	329
Deferred gains or losses on hedges	(295)	39
Foreign currency translation adjustment	29	1,144
Share of other comprehensive income of associates accounted for using equity method	4	5
Total other comprehensive income	(337)	1,518
Comprehensive income	(148)	2,820
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(444)	2,103
Comprehensive income attributable to minority interests	296	716

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

(Millions of Yen)

	Nine Months ended December 31, 2012	Nine Months ended December 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	171	1,969
Depreciation and amortization	394	299
Increase (decrease) in allowance for doubtful accounts	33	(22)
Increase (decrease) in provision for bonuses	(361)	(393)
Increase (decrease) in provision for directors' retirement benefits	(254)	(26)
Increase (decrease) in provision for retirement benefits	(115)	87
Interest and dividends income	(36)	(38)
Interest expenses	265	211
Foreign exchange losses (gains)	(152)	(737)
Equity in (earnings) losses of affiliates	(61)	(178)
Loss (gain) on sales of real estate investment	(2)	(10)
Rent of real estate for investment	(132)	(117)
Loss (gain) on sales of investment securities	(91)	-
Loss (gain) on valuation of investment securities	19	29
Loss (gain) on sales and retirement of noncurrent assets	66	20
Settlement package	283	-
Special extra retirement payments and so on	344	-
Gain on bargain purchase	-	(1)
Loss (gain) on step acquisitions	-	17
Decrease (increase) in notes and accounts receivable-trade	16,735	(8,693)
Decrease (increase) in inventories	(5,952)	4,977
Increase (decrease) in notes and accounts payable-trade	(3,163)	8,030
Other, net	490	(313)
Subtotal	8,479	5,108
Interest and dividends income received	50	63
Interest expenses paid	(272)	(217)
Income taxes paid	(601)	(575)
Income taxes refund	33	174
Settlement package paid	(283)	-
Payments for special extra retirement payments and so on	(293)	-
Net cash provided by (used in) operating activities	7,112	4,553
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(168)
Proceeds from withdrawal of time deposits	200	239
Purchase of property, plant and equipment	(195)	(124)
Proceeds from sales of property, plant and equipment	1	0
Purchase of intangible assets	(148)	(118)
Purchase of investment securities	(157)	(17)
Proceeds from sales of investment securities	191	-
Proceeds from sales of investments in real estates	10	33
Proceeds from rental of real estate for investment	132	115
Payments for asset retirement obligations	(106)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	46
Other, net	(34)	(84)
Net cash provided by (used in) investing activities	(107)	(77)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(11,154)	(78)
Repayment of long-term loans payable	(25)	(87)
Redemption of bonds	(24)	(21)
Cash dividends paid	(337)	(389)
Cash dividends paid to minority shareholders	(81)	(129)
Other, net	(6)	(10)
Net cash provided by (used in) financing activities	(11,630)	(717)
Effect of exchange rate change on cash and cash equivalents	169	1,133
Net increase (decrease) in cash and cash equivalents	(4,457)	4,892
Cash and cash equivalents at beginning of period	17,923	17,410
Cash and cash equivalents at end of period	13,466	22,303

## Consolidated Segment Information

### Business Segments

Nine Months ended December 31, 2012

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	137,305	20,609	157,915	157,915	-	157,915
(2) Inter-segment	0	165	165	165	(165)	-
Total Sales	137,305	20,774	158,080	158,080	(165)	157,915
Segment Income(loss)	641	359	1,000	1,000	(6)	993

Nine Months ended December 31, 2013

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	163,988	23,459	187,447	187,447	-	187,447
(2) Inter-segment	0	11	11	11	(11)	-
Total Sales	163,988	23,470	187,459	187,459	(11)	187,447
Segment Income(loss)	1,901	266	2,168	2,168	(9)	2,158