

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 : Yes

October 30, 2015

**Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015  
 <under Japanese GAAP>**

**1. Consolidated Financial Results for the Six Months Ended September 30, 2015 (April 1, 2015 - September 30, 2015)**

(1) Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
For the Six months ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2015	147,803	19.9	1,415	53.3	1,492	162.6	827	206.5
September 30, 2014	123,240	-	923	-	568	-	269	-

	Net Income Per Share	Diluted Net Income Per Share
For the Six months ended	Yen	Yen
September 30, 2015	31.65	-
September 30, 2014	10.33	-

(2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of September 30, 2015	123,564	46,608	32.9
As of March 31, 2015	128,313	46,302	31.5

**2. Dividends**

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2015	-	7.00	-	13.00	20.00
Fiscal Year ending March 31, 2016	-	12.00			
Fiscal Year ending March 31, 2016 (Forecast)			-	18.00	30.00

00

**3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2016**

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Net Income Per Share
For the Fiscal Year ending March 31, 2016	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
	284,000	3.8	4,550	(0.1)	4,500	15.8	2,550	28.1	97.60

Note1: 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.

Note2: Previously, revenue and expense accounts of consolidated foreign subsidiaries and affiliated companies were translated into Japanese yen at the spot rate prevailing as of the reporting date. From the first quarter of FY2015, the Company has changed to a translation method using the average exchange rate. The Company changed its method of translation to more accurately reflect the performances of foreign subsidiaries and affiliated companies in the consolidated financial statements by eliminating the effects of temporary fluctuations in exchange rates. The prior year financial statements for the second quarter and full year have been adjusted retrospectively to apply the change in accounting policy.

## 1. Qualitative information relating to consolidated operating results

During the first half of the consolidated fiscal year under review (April 1, 2015- to September 30, 2015), the Japanese economy continued to show signs of a gradual recovery, reflecting an improvement in the employment and income situation and in corporate earnings. However, the future remained uncertain, given concerns over downside risks in overseas economies, including China and other emerging economies in Asia.

In the electronics industry, where the Marubun Group is positioned, the market for smartphones, primarily sophisticated models, was strong, and demand for automobile equipment products and servers for data centers increased, while demand for digital cameras, PCs, and TV sets remained sluggish. Because of the effect of a slowdown in growth in emerging markets, capital expenditure slowed. Demand for industrial equipment and semiconductor manufacturing equipment declined.

In this environment, net sales of the Group during the first half of the consolidated fiscal year under review rose 19.9% year on year, to 147,803 million yen. Consolidated operating income climbed 53.3% year on year, to 1,415 million yen, and consolidated ordinary income increased 162.6% year on year, to 1,492 million yen. Consolidated profit attributable to owners of parent jumped 206.5%, to 827 million yen.

Operating results by business segment are as follows.

(Electronic Devices business)

In the Electronic Devices business, demand for memory ICs for PCs declined, while demand for semiconductors for telecommunication modules rose significantly. Sales of semiconductors for automobiles, projectors, and telecommunication infrastructure were strong, and sales of liquid crystal panels for TV sets and PCs increased mainly due to the start of new projects. As a result, net sales in this segment rose 20.5% year on year, to 129,599 million yen, and segment income increased 43.5% year on year, to 1,086 million yen.

(Electronic Systems business)

In the Electronic Systems business, sales of measurement and inspection equipment and scientific equipment declined in reaction to their strong sales in the same period of the previous fiscal year, but sales of medical equipment increased significantly as an equity method affiliate became a subsidiary. Of laser equipment, sales of semiconductor lasers to be embedded in industrial equipment and network-related equipment were strong. As a result, net sales in this segment increased 15.9% year on year, to 18,203 million yen, and segment income rose 94.8% year on year, to 334 million yen.

## 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 113,483 million yen, declining 3,600 million yen from the end of the previous fiscal year. This was mainly attributable to a decline in cash and deposits of 7,265 million yen, partially offset by increases of 2,447 million yen in merchandise and finished goods, 507 million yen in notes and accounts receivable-trade, and 301 million yen in work in process. Non-current assets were 10,080 million yen, falling 1,148 million yen from the end of the previous fiscal year. This primarily reflected decreases of 594 million yen in land, 296 million yen in buildings and structures, and 715 million yen in other non-current assets (real estate for investment), partially offset by an increase in investment securities of 214 million yen.

As a result, total assets came to 123,564 million yen, a decrease of 4,749 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 67,779 million yen, declining 4,814 million yen from the end of the previous fiscal year. This figure chiefly reflected a decrease in short-term loans payable of 5,694 million yen, partially offset by increases of 390 million yen in notes and accounts payable-trade and 74 million yen in income taxes payable. Non-current liabilities were 9,175 million yen, a decrease of 240 million yen from the end of the previous fiscal year. This was mainly attributable to a decline of 108 million yen in the provision for directors' retirement benefits.

As a result, total liabilities stood at 76,955 million yen, a decrease of 5,055 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 46,608 million yen, an

increase of 305 million yen from the end of the previous fiscal year. This was primarily attributable to a 487 million yen rise in retained earnings, partially offset by a 242 million yen decrease in valuation difference on available-for-sale securities.

As a result, the equity ratio stood at 32.9% (compared to 31.5% at the end of the previous fiscal year).

### 3. Qualitative information relating to consolidated financial forecasts

We have revised our full-year consolidated financial results forecast for the fiscal year ending March 2016 announced on May 8, 2015.

We forecast that net sales in the fiscal year ending March 31, 2016 will rise 3.8% year on year, to 284,000 million yen, reflecting an increase in sales of semiconductors for automobiles, medical equipment, and laser equipment. Operating income is projected to fall 0.1% year on year, to 4,550 million yen, and ordinary income is expected to increase 15.8% year on year, to 4,500 million yen. Consolidated profit attributable to owners of parent is forecast to rise 28.1% year on year, to 2,550 million yen.

For the details of the revision, please refer to the Notice of Differences between Forecast and Actual Results for the First Half of the Fiscal Year Ending March 2016, Revision of Full-Year Financial Results Forecast published separately on October 30, 2015.

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

(Millions of Yen)

	As of March 31, 2015	As of September 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	21,725	14,459
Notes and accounts receivable - trade	63,393	63,900
Merchandise and finished goods	28,818	31,266
Work in process	169	471
Deferred tax assets	1,060	1,087
Other	1,937	2,321
Allowance for doubtful accounts	(19)	(22)
Total current assets	117,084	113,483
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,160	3,633
Accumulated depreciation	(2,871)	(2,641)
Buildings and structures, net	1,288	992
Machinery, equipment and vehicles	25	21
Accumulated depreciation	(19)	(21)
Machinery, equipment and vehicles, net	5	0
Tools, furniture and fixtures	2,080	2,056
Accumulated depreciation	(1,731)	(1,722)
Tools, furniture and fixtures, net	348	334
Land	2,517	1,922
Leased assets	118	122
Accumulated depreciation	(47)	(61)
Leased assets, net	70	60
Construction in progress	1	2
Total property, plant and equipment	4,232	3,313
Intangible assets	448	395
Investments and other assets		
Investment securities	2,783	2,998
Deferred tax assets	240	319
Net defined benefit asset	42	43
Other	3,481	3,010
Total investments and other assets	6,548	6,371
Total non-current assets	11,228	10,080
Total assets	128,313	123,564

(Millions of Yen)

	As of March 31, 2015	As of September 30, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	52,978	53,368
Short-term loans payable	15,300	9,605
Current portion of long-term loans payable	1,006	1,008
Lease obligations	58	53
Income taxes payable	249	323
Provision for bonuses	818	874
Asset retirement obligations	—	5
Other	2,182	2,540
<b>Total current liabilities</b>	<b>72,594</b>	<b>67,779</b>
Non-current liabilities		
Long-term loans payable	7,507	7,500
Lease obligations	107	87
Net defined benefit liability	1,194	1,184
Provision for directors' retirement benefits	260	151
Asset retirement obligations	133	131
Other	212	119
<b>Total non-current liabilities</b>	<b>9,416</b>	<b>9,175</b>
<b>Total liabilities</b>	<b>82,010</b>	<b>76,955</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	27,131	27,618
Treasury shares	(1,630)	(1,630)
<b>Total shareholders' equity</b>	<b>38,068</b>	<b>38,556</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	898	655
Deferred gains or losses on hedges	32	(7)
Foreign currency translation adjustment	1,251	1,374
Remeasurements of defined benefit plans	199	99
<b>Total accumulated other comprehensive income</b>	<b>2,382</b>	<b>2,122</b>
Non-controlling interests	5,851	5,930
<b>Total net assets</b>	<b>46,302</b>	<b>46,608</b>
<b>Total liabilities and net assets</b>	<b>128,313</b>	<b>123,564</b>

**(2) Consolidated Statements of Income**

(Millions of Yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	123,240	147,803
Cost of sales	115,073	138,854
Gross profit	8,166	8,948
Selling, general and administrative expenses	7,242	7,533
Operating income	923	1,415
Non-operating income		
Interest income	4	9
Dividend income	22	29
Share of profit of entities accounted for using equity method	122	191
Rent of real estate for investment	62	45
Miscellaneous income	133	99
Total non-operating income	346	374
Non-operating expenses		
Interest expenses	116	95
Sales discounts	61	79
Foreign exchange losses	453	50
Rent expenses on real estate for investment	49	29
Miscellaneous loss	20	42
Total non-operating expenses	701	297
Ordinary income	568	1,492
Extraordinary income		
Gain on sales of non-current assets	—	51
Gain on sales of investment securities	—	26
Gain on sales of real estate for investment	—	561
Gain on bargain purchase	—	27
Other	—	27
Total extraordinary income	—	693
Extraordinary losses		
Loss on sales and retirement of non-current assets	4	0
Impairment loss	—	739
Loss on step acquisitions	—	10
Other	—	4
Total extraordinary losses	4	755
Income before income taxes and minority interests	564	1,431
Income taxes	222	477
Profit	341	953
Profit attributable to non-controlling interests	71	126
Profit attributable to owners of parent	269	827

**(3) Consolidated statements of comprehensive income**

(Millions of Yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	341	953
Other comprehensive income		
Valuation difference on available-for-sale securities	273	(242)
Deferred gains or losses on hedges	23	(40)
Foreign currency translation adjustment	(436)	190
Remeasurements of defined benefit plans, net of tax	(102)	(99)
Share of other comprehensive income of entities accounted for using equity method	5	—
Total other comprehensive income	(237)	(192)
Comprehensive income	103	760
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	221	567
Comprehensive income attributable to non-controlling interests	(117)	193

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

(Millions of Yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	564	1,431
Depreciation	175	171
Impairment loss	—	739
Increase (decrease) in allowance for doubtful accounts	33	2
Increase (decrease) in provision for bonuses	7	50
Increase (decrease) in provision for directors' retirement benefits	28	(129)
Increase (decrease) in net defined benefit liability	(132)	(172)
Decrease (increase) in net defined benefit asset	(41)	(11)
Interest and dividend income	(27)	(38)
Interest expenses	116	95
Foreign exchange losses (gains)	(116)	231
Share of (profit) loss of entities accounted for using equity method	(122)	(191)
Loss (gain) on sales of real estate investment	—	(561)
Rent of real estate for investment	(62)	(45)
Rent expenses on real estate for investment	49	29
Loss (gain) on sales of investment securities	—	(26)
Loss (gain) on sales and retirement of non-current assets	4	(50)
Gain on bargain purchase	—	(27)
Loss (gain) on step acquisitions	—	10
Decrease (increase) in notes and accounts receivable - trade	4,078	493
Decrease (increase) in inventories	(6,135)	(2,691)
Increase (decrease) in notes and accounts payable - trade	11,132	(542)
Other, net	(725)	295
<b>Subtotal</b>	<b>8,827</b>	<b>(938)</b>
Interest and dividend income received	26	86
Interest expenses paid	(116)	(95)
Income taxes paid	(616)	(390)
Income taxes refund	2	5
<b>Net cash provided by (used in) operating activities</b>	<b>8,123</b>	<b>(1,332)</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(144)	(327)
Proceeds from withdrawal of time deposits	168	282
Proceeds from sales of property, plant and equipment	—	292
Purchase of property, plant and equipment	(64)	(85)
Purchase of intangible assets	(19)	(15)
Proceeds from sales of investment securities	—	59
Purchase of investment securities	(12)	(631)
Proceeds from sales of investments in real estates	—	1,266
Proceeds from rental of real estate for investment	60	37
Payments for rent expenses on real estate for investment	(38)	(33)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	122
Other, net	(4)	(406)
<b>Net cash provided by (used in) investing activities</b>	<b>(52)</b>	<b>560</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	2,394	(6,235)
Proceeds from long-term loans payable	—	30
Repayments of long-term loans payable	(5,023)	(65)
Cash dividends paid	(339)	(339)
Dividends paid to non-controlling interests	(102)	(115)
Other, net	(10)	(18)
<b>Net cash provided by (used in) financing activities</b>	<b>(3,082)</b>	<b>(6,744)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>541</b>	<b>78</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,529</b>	<b>(7,438)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>18,976</b>	<b>21,512</b>
<b>Cash and cash equivalents at end of period</b>	<b>24,505</b>	<b>14,074</b>

## Consolidated Segment Information

### Business Segments

Six months ended September 30, 2014

(Millions of Yen)

	Business segments reported			Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total		
Net Sales					
(1) Outside Customers	107,538	15,701	123,240	-	123,240
(2) Inter-segment	0	77	77	(77)	-
Total Sales	107,538	15,779	123,317	(77)	123,240
Segment Income(loss)	756	171	928	(4)	923

Six months ended September 30, 2015

(Millions of Yen)

	Business segments reported			Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total		
Net Sales					
(1) Outside Customers	129,599	18,203	147,803	-	147,803
(2) Inter-segment	0	108	108	(108)	-
Total Sales	129,599	18,312	147,911	(108)	147,803
Segment Income(loss)	1,086	334	1,420	(4)	1,415