

MARUBUN CORPORATION

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2012

1. Consolidated Financial Results for the Nine Months Ended December 31, 2012 (April 1, 2012 - December 31, 2012)

(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, 2012	157,915	(9.4)	993	(38.1)	790	(36.6)	(100)	-
December 31, 2011	174,393	8.6	1,605	2.2	1,246	17.2	499	98.7

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Nine months ended		
December 31, 2012	(3.86)	-
December 31, 2011	19.11	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2012	105,750	35,739	30.7
As of March 31, 2012	121,045	36,295	27.5

2. Dividends

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2012	-	5.00	-	7.00	12.00
Fiscal Year ending March 31, 2013	-	6.00	-		
Fiscal Year ending March 31, 2013 (Forecast)				9.00	15.00

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2013

	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, 2013	214,000	(11.8)	3,150	10.8	3,050	28.4	1,400	37.7

	Net Income Per Share
	Yen
For the Fiscal Year ending March 31, 2013	53.57

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, 2012 to December 31, 2012), the Japanese economy continued to be weak due to the prolonged European debt crisis and slower growth in the Chinese economy, although signs of a moderate recovery, driven by reconstruction demand in the aftermath of the Great East Japan Earthquake, were in evidence.

In the electronics industry, where the Marubun Group is positioned, demand for smartphones and tablet PCs continued to grow. In contrast, demand for digital cameras lost momentum, and demand for TV sets and game consoles remained weak. The slow recovery was seen in corporate investment in semiconductor manufacturing equipment and factory automation equipment. In the semiconductor and electronic components markets, prices of DRAM and LCD panels remained weak.

In this environment, net sales of the Group during the first three-quarters of the consolidated fiscal year under review fell 9.4% from the same period of the previous year, to 157,915 million yen. Consolidated operating income dropped 38.1% year on year, to 993 million yen, while consolidated ordinary income decreased 36.6% year on year, to 790 million yen. A consolidated net loss of 100 million yen (compared to net income of 499 million yen in the same period of the previous fiscal year) was recorded, the result of posting retirement incremental benefits, etc. arising from a voluntary retirement of 344 million yen and settlement package payments to a supplier of 283 million yen as an extraordinary loss.

Operating results by business segment are as follows.
(Electronic Devices business)

In the Electronic Devices business, demand for semiconductor and electronic components for cellular phone modules and smartphones was robust, and sales of semiconductors for automobiles increased, while sales of memory IC and LCD panels for PCs and consumer equipment declined. As a result, net sales in this segment fell 10.9% year on year, to 137,305 million yen, while segment income slipped 47.0% year on year, to 641 million yen.

(Electronic Systems business)

In the Electronic Systems business, demand for measurement and inspection equipment decreased, reflecting a slow recovery in corporate investment in equipment. However, sales of thin-film equipment for power semiconductor devices in scientific equipment remained robust, and demand for diagnostic imaging equipment in medical equipment increased. As a result, net sales in this segment increased 1.9% year on year, to 20,609 million yen, while segment income slipped 10.7% year on year, to 359 million yen, due to the drop in the gross margin ratio.

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 94,768 million yen, declining 15,785 million yen from the end of the previous fiscal year. This was mainly attributable to decreases in cash and deposits of 5,157 million yen and decreases in notes and accounts receivable-trade of 16,724 million yen, which was partially offset by an increase in merchandise and finished goods of 5,814 million yen. Noncurrent assets were 10,981 million yen, an increase of 490 million yen from the end of the previous fiscal year. This primarily reflected an increase in deferred tax assets of 512 million yen, which was partially offset by a decrease in investment securities of 127 million yen. As a result, total assets came to 105,750 million yen, a decrease of 15,295 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 51,817 million yen, a fall of 14,346 million yen from the end of the previous fiscal year. This figure chiefly reflects decreases in notes and accounts payable-trade of 3,159 million yen and short-term loans payable of 11,150 million yen. Noncurrent liabilities were 18,193 million yen, a decrease of 393 million yen from the end of the previous fiscal year. This was mainly attributable to decreases of 254 million yen in the provision for directors' retirement benefits and of 114 million yen in the provision for retirement benefits.

As a result, total liabilities stood at 70,010 million yen, a decrease of 14,740 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 35,739 million yen, a fall of 555 million yen from the end of the previous fiscal year. The decrease was primarily attributable to a drop in retained earnings of 425 million yen and a fall in deferred gains or losses on hedges of 295 million yen, offsetting a rise in minority interests of 214 million yen.

As a result, the equity ratio stood at 30.7% (compared to 27.5% 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 2013 remain unchanged from the financial results forecast announced on October 31, 2012.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2012	As of December 31, 2012
Assets		
Current assets		
Cash and deposits	18,123	12,966
Notes and accounts receivable-trade	66,611	49,887
Short-term investment securities	-	500
Merchandise and finished goods	22,666	28,481
Work in process	51	195
Deferred tax assets	1,198	1,325
Other	1,934	1,478
Allowance for doubtful accounts	(31)	(65)
Total current assets	110,554	94,768
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,143	4,039
Accumulated depreciation	(2,663)	(2,636)
Buildings and structures, net	1,480	1,402
Machinery, equipment and vehicles	26	26
Accumulated depreciation	(21)	(22)
Machinery, equipment and vehicles, net	5	4
Tools, furniture and fixtures	2,261	2,125
Accumulated depreciation	(1,859)	(1,702)
Tools, furniture and fixtures, net	402	423
Land	2,466	2,466
Lease assets	26	37
Accumulated depreciation	(10)	(9)
Lease assets, net	16	28
Construction in progress	1	10
Total property, plant and equipment	4,372	4,334
Intangible assets		
Goodwill	7	5
Other	314	398
Total intangible assets	322	404
Investments and other assets		
Investment securities	1,468	1,341
Long-term loans receivable	5	4
Deferred tax assets	1,575	2,087
Real estate for investment	3,076	3,059
Accumulated depreciation	(2,012)	(2,036)
Real estate for investment, net	1,064	1,022
Other	1,683	1,786
Total investments and other assets	5,796	6,242
Total noncurrent assets	10,491	10,981
Total assets	121,045	105,750

(Millions of Yen)

As of March 31, 2012 As of December 31, 2012

Liabilities		
Current liabilities		
Notes and accounts payable-trade	42,506	39,346
Short-term loans payable	18,781	7,631
Current portion of long-term loans payable	1,534	1,534
Current portion of bonds	48	46
Income taxes payable	326	146
Deferred tax liabilities	0	-
Provision for bonuses	718	356
Other	2,246	2,755
Total current liabilities	66,163	51,817
Noncurrent liabilities		
Bonds payable	21	-
Long-term loans payable	16,072	16,046
Provision for retirement benefits	1,602	1,487
Provision for directors' retirement benefits	492	237
Asset retirement obligations	124	116
Other	273	304
Total noncurrent liabilities	18,586	18,193
Total liabilities	84,750	70,010
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	23,579	23,153
Treasury stock	(1,630)	(1,630)
Total shareholders' equity	34,517	34,091
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	176	105
Deferred gains or losses on hedges	(64)	(360)
Foreign currency translation adjustment	(1,381)	(1,359)
Total accumulated other comprehensive income	(1,269)	(1,613)
Minority interests	3,047	3,261
Total net assets	36,295	35,739
Total liabilities and net assets	121,045	105,750

(2) Consolidated Statements of Income

(Millions of Yen)

	Nine Months ended December 31, 2011	Nine Months ended December 31, 2012
Net sales	174,393	157,915
Cost of sales	161,560	145,864
Gross profit	12,832	12,050
Selling, general and administrative expenses	11,227	11,057
Operating income	1,605	993
Non-operating income		
Interest income	5	9
Dividends income	26	26
Equity in earnings of affiliates	43	61
Rent of real estate for investment	144	132
Miscellaneous income	146	196
Total non-operating income	365	426
Non-operating expenses		
Interest expenses	402	265
Foreign exchange losses	8	137
Miscellaneous loss	312	225
Total non-operating expenses	723	628
Ordinary income	1,246	790
Extraordinary income		
Gain on sales of noncurrent assets	1	-
Gain on sales of investment securities	78	91
Gain on sales of real estate for investment	-	2
Total extraordinary income	79	94
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	34	66
Loss on valuation of investment securities	3	19
Settlement package	-	283
Special extra retirement payments and so on	-	344
Other	0	-
Total extraordinary losses	38	713
Income before income taxes and minority interests	1,287	171
Income taxes	547	(17)
Income before minority interests	739	188
Minority interests in income	240	289
Net income (loss)	499	(100)

(Consolidated quarterly statements of comprehensive income)

Income before minority interests	739	188
Other comprehensive income		
Valuation difference on available-for-sale securities	(178)	(75)
Deferred gains or losses on hedges	22	(295)
Foreign currency translation adjustment	(421)	29
Share of other comprehensive income of associates accounted for using equity method	(2)	4
Total other comprehensive income	(579)	(337)
Comprehensive income	159	(148)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	87	(444)
Comprehensive income attributable to minority interests	72	296

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine Months ended December 31, 2011	Nine Months ended December 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,287	171
Depreciation and amortization	392	394
Increase (decrease) in allowance for doubtful accounts	8	33
Increase (decrease) in provision for bonuses	(358)	(361)
Increase (decrease) in provision for directors' retirement benefits	(76)	(254)
Increase (decrease) in provision for retirement benefits	(4)	(115)
Interest and dividends income	(31)	(36)
Interest expenses	402	265
Foreign exchange losses (gains)	156	(152)
Equity in (earnings) losses of affiliates	(43)	(61)
Loss (gain) on sales of real estate investment	-	(2)
Rent of real estate for investment	(144)	(132)
Loss (gain) on sales of investment securities	(78)	(91)
Loss (gain) on valuation of investment securities	3	19
Loss (gain) on sales and retirement of noncurrent assets	33	66
Settlement package	-	283
Special extra retirement payments and so on	-	344
Decrease (increase) in notes and accounts receivable-trade	(26,515)	16,735
Decrease (increase) in inventories	3,432	(5,952)
Increase (decrease) in notes and accounts payable-trade	15,420	(3,163)
Other, net	157	490
Subtotal	<u>(5,957)</u>	<u>8,479</u>
Interest and dividends income received	43	50
Interest expenses paid	(302)	(272)
Income taxes paid	(462)	(601)
Income taxes refund	42	33
Settlement package paid	-	(283)
Payments for special extra retirement payments and so on	-	(293)
Net cash provided by (used in) operating activities	<u>(6,636)</u>	<u>7,112</u>
Net cash provided by (used in) investing activities		
Payments into time deposits	(40)	-
Proceeds from withdrawal of time deposits	84	200
Purchase of property, plant and equipment	(114)	(195)
Proceeds from sales of property, plant and equipment	6	1
Purchase of intangible assets	(42)	(148)
Purchase of investment securities	(45)	(157)
Proceeds from sales of investment securities	88	191
Proceeds from sales of investments in real estates	-	10
Proceeds from rental of real estate for investment	132	132
Payments for transfer of business	(5,777)	-
Payments for asset retirement obligations	(37)	(106)
Other, net	(101)	(34)
Net cash provided by (used in) investing activities	<u>(5,848)</u>	<u>(107)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	9,036	(11,154)
Repayment of long-term loans payable	(25)	(25)
Redemption of bonds	(24)	(24)
Cash dividends paid	(272)	(337)
Cash dividends paid to minority shareholders	(82)	(81)
Other, net	(3)	(6)
Net cash provided by (used in) financing activities	<u>8,627</u>	<u>(11,630)</u>
Effect of exchange rate change on cash and cash equivalents	(242)	169
Net increase (decrease) in cash and cash equivalents	<u>(4,100)</u>	<u>(4,457)</u>
Cash and cash equivalents at beginning of period	16,078	17,923
Cash and cash equivalents at end of period	<u>11,978</u>	<u>13,466</u>

Consolidated Segment Information

Business Segments

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(loss)	1,210	402	1,612	1,612	(7)	1,605

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