

# MARUBUN CORPORATION

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2012

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2012 (April 1, 2012 - June 30, 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 Three months ended								
June 30, 2012	49,687	24.6	(4)	-	(96)	-	(327)	-
June 30, 2011	39,862	(21.9)	(325)	-	(458)	-	(323)	-

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Three months ended		
June 30, 2012	(12.52)	-
June 30, 2011	(12.39)	-

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2012	105,132	36,194	31.3
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	-				
Fiscal Year ending March 31, 2013 (Forecast)		6.00	-	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 Six Months ending September 30, 2012	110,000	6.1	315	(46.9)	155	(55.5)	(180)	-
For the Fiscal Year ending March 31, 2013	238,000	(1.9)	3,150	10.8	3,050	28.4	1,550	52.3

	Net Income Per Share
	Yen
For the Six Months ending September 30, 2012	(6.89)
For the Fiscal Year ending March 31, 2013	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, 2012-June 30, 2012), even though corporate profits and capital investment rebounded on the strength of demand associated with the recovery from the Great East Japan Earthquake and an improvement in consumer spending, the future remains unclear for the Japanese economy as the European debt crisis, the strong yen, and problems with the supply of electric power continued.

In the electronics industry, where the Marubun Group is positioned, demand for smartphones and tablet PCs grew on a global scale, and production of automobiles and digital cameras made progress in recovering from the earthquake and from flooding in Thailand. In the semiconductor and electronic components market, a halt in the decline of DRAM prices could be seen but, overall, the market remained weak due to the sluggish economy.

Under these conditions, net sales of the Group during the first quarter of the consolidated fiscal year under review rose 24.6% from the same period of the previous year, to 49,687 million yen. The consolidated operating loss was 4 million yen (compared to a consolidated operating loss of 325 million yen in the same period of the previous year) and the consolidated ordinary loss was 96 million yen (compared to a consolidated ordinary loss of 458 million yen in the same period of the previous year). As the result of posting an extraordinary loss of 283 million yen for a settlement with a supplier, the consolidated net loss was 327 million yen (compared to a consolidated net loss of 323 million yen in the same period of the previous year).

Operating results by business segment are as follows.

### (Electronic Devices business)

In the Electronic Devices business, sales of semiconductors for PCs declined but sales of semiconductors and electronic components for smartphones and cellular phone modules and LCD panels for TV sets increased while demand for semiconductors for automobiles also made progress in recovering from the earthquake and flooding. As a result, net sales in this segment increased 26.0% from the same period of the previous year to 44,536 million yen and segment income was 183 million yen (compared to a segment loss of 44 million yen in the same period of the previous year).

### (Electronic Systems business)

In the Electronic Systems business, sales of diagnostic imaging equipment in medical equipment and inspection equipment for electronic components in measurement and inspection equipment increased and, in laser equipment too, lamps for medical equipment and network equipment demand increased. As a result, net sales for the segment increased 14.3% from the same period of the previous consolidated year to 5,151 million yen and segment loss was 185 million yen (compared to a segment loss of 278 million yen in the same period of the previous year).

## 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 94,352 million yen, a decline of 16,201 million yen from the end of the previous consolidated fiscal year. This is mainly attributable to an increase of 1,141 million yen in merchandise and finished goods which was offset by a decrease in cash and deposits of 5,439 million yen and a decline of 12,588 million yen in notes and accounts receivable-trade. Noncurrent assets were 10,779 million yen, an increase of 288 million yen from the end of the previous consolidated fiscal year. This was largely attributable to an increase in deferred tax assets of 306 million yen.

As a result, total assets stood at 105,132 million yen, a decrease of 15,913 million yen from the end of the previous consolidated fiscal year.

Current liabilities at the end of the first quarter of the consolidated fiscal year under review were 50,397 million yen, a decline of 15,766 million yen from the end of the previous consolidated fiscal year. This is largely attributable to a 7,504 million yen decrease in notes and accounts payable-trade and an 8,755 million yen decline in short-term loans payable. Noncurrent liabilities stood at 18,540 million yen, a 46 million yen decrease from the end of the previous consolidated fiscal year. This was largely attributable to a 32 million yen decline in the provision for retirement benefits and a 32 million yen decrease in asset retirement obligations.

As a result, total liabilities came to 68,938 million yen, a decrease of 15,812 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 36,194 million yen, down 100 million yen from the end of the previous consolidated fiscal year. This is largely attributable to a 262 million yen increase in the foreign currency translation adjustment and a 190 million yen increase in minority interests being offset by a 510 million yen decrease in retained earnings.

As a result, the equity ratio stood at 31.3% (compared to 27.5% at the end of the previous consolidated fiscal year).

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

The consolidated forecast for the first half of the fiscal year ending March 2013 has been revised from the forecast announced on May 7, 2012.

In the first half, despite sales of ASICs for consumer electronics and LCD panels for televisions being below plan, sales of semiconductors for cellular phone modules are positive so, overall, net sales are expected to exceed the previous forecast to 110,000 million yen. On the other hand, looking at profits, the increase in sales of low-margin items is expected to reduce gross margins so that operating income is expected to be 315 million yen and ordinary income is expected to be 155 million yen, both below the original forecast. In addition, as the result of the posting of an extraordinary loss of 283 million yen for a settlement with a supplier, the net loss for the first half is expected to be 180 million yen.

The consolidated forecast for the full fiscal year to March 2013 will remain the same as was announced on May 7, 2012.

For details of the content of the revision, please refer to “Notice of Financial Results Forecast Revision” released today (August 3, 2012).

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

(Millions of Yen)

	As of March 31, 2012	As of June 30, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	18,123	12,683
Notes and accounts receivable-trade	66,611	54,022
Short-term investment securities	-	1,000
Merchandise and finished goods	22,666	23,808
Work in process	51	61
Deferred tax assets	1,198	1,190
Other	1,934	1,623
Allowance for doubtful accounts	(31)	(37)
Total current assets	<u>110,554</u>	<u>94,352</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,143	4,263
Accumulated depreciation	(2,663)	(2,729)
Buildings and structures, net	<u>1,480</u>	<u>1,533</u>
Machinery, equipment and vehicles	26	26
Accumulated depreciation	(21)	(21)
Machinery, equipment and vehicles, net	<u>5</u>	<u>5</u>
Tools, furniture and fixtures	2,261	2,253
Accumulated depreciation	(1,859)	(1,877)
Tools, furniture and fixtures, net	<u>402</u>	<u>375</u>
Land	2,466	2,466
Lease assets	26	26
Accumulated depreciation	(10)	(11)
Lease assets, net	<u>16</u>	<u>15</u>
Construction in progress	1	2
Total property, plant and equipment	<u>4,372</u>	<u>4,397</u>
Intangible assets		
Goodwill	7	7
Other	314	319
Total intangible assets	<u>322</u>	<u>326</u>
Investments and other assets		
Investment securities	1,468	1,317
Long-term loans receivable	5	5
Deferred tax assets	1,575	1,881
Real estate for investment	3,076	3,058
Accumulated depreciation	(2,012)	(2,013)
Real estate for investment, net	<u>1,064</u>	<u>1,045</u>
Other	1,683	1,804
Total investments and other assets	<u>5,796</u>	<u>6,055</u>
Total noncurrent assets	<u>10,491</u>	<u>10,779</u>
<b>Total assets</b>	<u><b>121,045</b></u>	<u><b>105,132</b></u>

(Millions of Yen)

	As of March 31, 2012	As of June 30, 2012
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	42,506	35,001
Short-term loans payable	18,781	10,025
Current portion of long-term loans payable	1,534	1,534
Current portion of bonds	48	48
Income taxes payable	326	83
Deferred tax liabilities	0	0
Provision for bonuses	718	541
Asset retirement obligations	-	122
Other	2,246	3,038
Total current liabilities	66,163	50,397
Noncurrent liabilities		
Bonds payable	21	21
Long-term loans payable	16,072	16,063
Provision for retirement benefits	1,602	1,569
Provision for directors' retirement benefits	492	502
Asset retirement obligations	124	92
Other	273	291
Total noncurrent liabilities	18,586	18,540
<b>Total liabilities</b>	<b>84,750</b>	<b>68,938</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	23,579	23,069
Treasury stock	(1,630)	(1,630)
Total shareholders' equity	34,517	34,007
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	176	106
Deferred gains or losses on hedges	(64)	(38)
Foreign currency translation adjustment	(1,381)	(1,118)
Total accumulated other comprehensive income	(1,269)	(1,050)
Minority interests	3,047	3,237
<b>Total net assets</b>	<b>36,295</b>	<b>36,194</b>
<b>Total liabilities and net assets</b>	<b>121,045</b>	<b>105,132</b>

**(2) Consolidated Statements of Income**

(Millions of Yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Net sales	39,862	49,687
Cost of sales	36,528	45,923
Gross profit	3,334	3,763
Selling, general and administrative expenses	3,660	3,768
Operating loss	(325)	(4)
Non-operating income		
Interest income	1	2
Dividends income	13	12
Equity in earnings of affiliates	17	26
Rent of real estate for investment	62	44
Miscellaneous income	42	80
Total non-operating income	137	166
Non-operating expenses		
Interest expenses	127	103
Foreign exchange losses	46	67
Miscellaneous loss	95	88
Total non-operating expenses	269	258
Ordinary loss	(458)	(96)
Extraordinary income		
Gain on sales of real estate for investment	-	2
Total extraordinary income	-	2
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1	2
Loss on valuation of investment securities	-	21
Settlement package	-	283
Other	0	-
Total extraordinary losses	1	306
Loss before income taxes and minority interests	(459)	(400)
Income taxes	(186)	(171)
Loss before minority interests	(273)	(228)
Minority interests in income	50	98
Net loss	(323)	(327)

**(Consolidated statements of comprehensive income)**

Loss before minority interests	(273)	(228)
Other comprehensive income		
Valuation difference on available-for-sale securities	(23)	(67)
Deferred gains or losses on hedges	149	25
Foreign currency translation adjustment	146	437
Share of other comprehensive income of associates accounted for using equity method	1	(1)
Total other comprehensive income	273	393
Comprehensive income	0	164
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(102)	(107)
Comprehensive income attributable to minority interests	103	272

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

(Millions of Yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(459)	(400)
Depreciation and amortization	167	123
Increase (decrease) in allowance for doubtful accounts	(2)	4
Increase (decrease) in provision for bonuses	(206)	(176)
Increase (decrease) in provision for directors' retirement benefits	9	9
Increase (decrease) in provision for retirement benefits	(6)	(32)
Interest and dividends income	(14)	(15)
Interest expenses	127	103
Foreign exchange losses (gains)	54	13
Equity in (earnings) losses of affiliates	(17)	(26)
Loss (gain) on sales of real estate investment	-	(2)
Rent of real estate for investment	(62)	(44)
Loss (gain) on valuation of investment securities	-	21
Loss (gain) on sales and retirement of noncurrent assets	1	2
Settlement package	-	283
Decrease (increase) in notes and accounts receivable-trade	5,784	12,937
Decrease (increase) in inventories	(2,677)	(976)
Increase (decrease) in notes and accounts payable-trade	(2,924)	(7,683)
Other, net	134	912
Subtotal	(92)	5,049
Interest and dividends income received	14	15
Interest expenses paid	(30)	(84)
Income taxes paid	(204)	(331)
Income taxes refund	-	10
Net cash provided by (used in) operating activities	(313)	4,659
Net cash provided by (used in) investing activities		
Payments into time deposits	(40)	-
Proceeds from withdrawal of time deposits	0	200
Purchase of property, plant and equipment	(22)	(71)
Proceeds from sales of property, plant and equipment	-	0
Purchase of intangible assets	(7)	(17)
Purchase of investment securities	(4)	(4)
Proceeds from sales of investments in real estates	-	10
Proceeds from rental of real estate for investment	48	44
Other, net	(46)	(71)
Net cash provided by (used in) investing activities	(71)	88
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,198)	(8,844)
Repayment of long-term loans payable	-	(8)
Cash dividends paid	(140)	(163)
Cash dividends paid to minority shareholders	(82)	(81)
Other, net	(1)	(1)
Net cash provided by (used in) financing activities	(1,422)	(9,099)
Effect of exchange rate change on cash and cash equivalents	(44)	112
Net increase (decrease) in cash and cash equivalents	(1,852)	(4,239)
Cash and cash equivalents at beginning of period	16,078	17,923
Cash and cash equivalents at end of period	14,226	13,683

## Consolidated Segment Information

### Business Segments

Three months ended June 30, 2011

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	35,353	4,508	39,862	39,862	-	39,862
(2) Inter-segment	-	5	5	5	(5)	-
Total Sales	35,353	4,514	39,868	39,868	(5)	39,862
Segment Income(loss)	(44)	(278)	(323)	(323)	(2)	(325)

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)