

MARUBUN CORPORATION

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2009

1. Consolidated Financial Results for the Nine Months Ended December 31, 2009 (April 1,2009 - December 31,2009)

(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, 2009	152,568	(2.9)	1,004	119.1	(5)	-	3	-
December 31, 2008	157,166	-	458	-	(282)	-	(973)	-

	Net Income Per Share	Diluted Net Income Per Share
For the Nine months ended	Yen	Yen
December 31, 2009	0.13	-
December 31, 2008	(37.24)	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of December 31, 2009	111,297	34,925	28.9	1,231.93
As of March 31, 2009	105,583	34,686	30.3	1,223.22

2. Dividend

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2009	-	8.00	-	0.00	8.00
Fiscal Year ending March 31, 2010	-	3.00	-		
Fiscal Year ending March 31, 2010 (Forecast)				5.00	8.00

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2010

	Net Sales		Operating Income		Ordinary Income		Net Income	
For the Fiscal Year ending March 31, 2010	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
	210,000	5.0	2,300	107.4	1,350	-	600	-

	Net Income Per Share
For the Fiscal Year ending March 31, 2010	Yen
	22.96

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, 2009 to December 31, 2009), the Japanese economy suffered from weak capital spending in the corporate sector and continued employment difficulties. Still, some positive signs did emerge, with an improvement in overseas economies and the effect of the Japanese government stimulus measures as the backdrop.

The electronics industry, where the Marubun Group is positioned, continued to face generally uncertain conditions, although positive indicators emerged, including an increase in shipments of flat-screen TV sets induced by the eco-points system and growth in demand for notebook PCs and smartphones during the term. Meanwhile, the semiconductor market continued to recover, albeit modestly, centering on semiconductors for consumer electronics and PCs.

Under this environment, the Group's consolidated net sales for the first three quarters under review fell 2.9% from the same period of the previous year, to 152,568 million yen. Consolidated operating income increased 119.1% from the same period of the previous year, to 1,004 million yen, reflecting efforts to reduce labor costs and expenses.

The consolidated ordinary loss stood at 5 million yen (compared with a consolidated ordinary income of 282 million yen for the same period in the previous year), due primarily to the posting of an exchange loss of 682 million yen and a decrease of 134 million yen in equity in earnings of affiliates. Consolidated net income for the first three quarters under review stood at 3 million yen (compared with a consolidated net loss of 973 million yen for the same period in the previous year), reflecting a decrease of 455 million yen in the loss on the valuation of investment securities and a fall of 162 million yen in income taxes from the same period in the previous year.

Operating results by business segment are as follows.

(Electronic Devices business)

In the Electronic Devices business, although demand for LCD panels for TV sets was solid and semiconductors for cellular phone modules and personal computers also increased, sales of semiconductors for game consoles fell and demand for semiconductors and electronic components for industrial equipment and office automation equipment remained sluggish. As a result, net sales fell 0.1% from the same period of the previous year, to 132,413 million yen, while operating income recorded 1,351 million yen.

(Electronic Systems business)

In the Electronic Systems business, sales of medical equipment and scientific equipment increased. However, demand for measurement inspection equipment substantially declined owing to tightened capital spending in the corporate sector and sales of laser equipment, including optical communications components and laser micro machining equipment, and space and defense electronics remained weak. As a result, net sales fell by 18.0% from the same period of the previous year, to 20,155 million yen. Operating loss stood at 338 million yen.

Operating results by geographic segment are as follows.

(Japan)

In Japan, sales of measurement inspection equipment and laser equipment declined. Sales of semiconductors were also weak for consumer electronics and industry equipment. However, demand for LCD panels, and semiconductors for cellular phone modules and personal computers increased during the term. As a result, net sales rose 5.1% from the same period of the previous year to 123,718 million yen. Operating income stood at 527 million yen.

(Other parts of Asia)

In other parts of Asia, sales of semiconductors for cellular phones declined. Sales of semiconductors for consumer electronics and office automation equipment also remained weak. As a result, net sales from the segment declined by 27.0% from the same period of the previous year to 28,849 million yen. Operating income stood at 519 million yen.

2. Qualitative information relating to the consolidated financial position

(1) State of assets, liabilities and net assets

Total assets at the end of the consolidated first three quarters under review stood at 111,297 million yen, an increase of 5,713 million yen from the end of the previous consolidated fiscal year. The result principally reflects a rise of 6,269 million yen in current assets (cash and deposits and merchandise decreased 2,310 million yen and 6,418 million yen, respectively, while notes and accounts receivable-trade increased 16,957 million yen).

Liabilities rose 5,474 million yen from the end of the previous consolidated fiscal year, to 76,371 million yen. The result is ascribed to an increase of 10,237 million yen in current liabilities (short-term loans decreased 965 million yen, while notes and accounts payable-trade increased 11,027 million yen).

Net assets increased 238 million yen from the end of the previous consolidated fiscal year, to 34,925 million yen. The increase was attributable mainly to an increase of 130 million yen in the valuation difference on available-for-sale securities and an increase of 178 million yen in deferred gains on hedges despite a decrease of 75 million yen in retained earnings.

(2) State of consolidated cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the first three quarters under review stood at 17,669 million yen, a decrease of 2,401 million yen compared to the end of the previous consolidated fiscal year.

Individual cash flows during the consolidated first three quarters under review and their key components are as follows:

(Cash flows from operating activities)

Funds generated by operating activities came to 2,187 million yen. The main factors include an increase of 16,998 million yen in accounts receivable, an increase of 11,064 million yen in accounts payable, a decrease of 6,370 million yen in inventories, a decrease of 1,017 million yen in advance money in Other, and a decrease of 811 million yen in accounts due.

(Cash flows from investing activities)

Funds generated by investing activities stood at 592 million yen. This primarily reflects an payments of 591 million yen allocated to a time deposit, proceeds of 1,000 million yen from the withdrawal of a time deposit, and proceeds of 212 million yen from the sale of investment securities.

(Cash flows from financing activities)

Funds used for financing activities amounted to 5,139 million yen. The key contributors to this result include a net decrease of 950 million yen in short-term loans payable and an expenditure of 4,000 million yen in the redemption of bonds with subscription rights to shares.

3. Qualitative information relating to consolidated financial forecasts

Our full-year consolidated financial results forecast for the fiscal year ending March 2010 remain unchanged from the financial results forecast announced on November 6, 2009.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of December 31, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	18,660	20,971
Notes and accounts receivable-trade	59,774	42,817
Merchandise and finished goods	17,337	23,756
Work in process	38	16
Deferred tax assets	748	1,233
Other	2,137	3,616
Allowance for doubtful accounts	(49)	(32)
Total current assets	98,647	92,378
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,162	4,359
Accumulated depreciation	(2,561)	(2,648)
Buildings and structures, net	1,600	1,710
Machinery, equipment and vehicles	30	30
Accumulated depreciation	(28)	(28)
Machinery, equipment and vehicles, net	1	2
Tools, furniture and fixtures	2,298	2,292
Accumulated depreciation	(1,686)	(1,578)
Tools, furniture and fixtures, net	611	713
Land	2,528	2,528
Lease assets	7	7
Accumulated depreciation	(2)	(0)
Lease assets, net	5	6
Construction in progress	0	20
Total property, plant and equipment	4,748	4,982
Intangible assets		
Goodwill	42	149
Other	668	848
Total intangible assets	710	997
Investments and other assets		
Investment securities	1,320	1,201
Long-term loans receivable	8	9
Deferred tax assets	2,649	2,114
Real estate for investment	3,080	3,076
Accumulated depreciation	(1,895)	(1,859)
Real estate for investment, net	1,184	1,217
Other	2,027	2,682
Total investments and other assets	7,189	7,225
Total noncurrent assets	12,649	13,205
Total assets	111,297	105,583

(Millions of Yen)

	As of December 31, 2009	As of March 31, 2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	36,959	25,932
Short-term loans payable	13,812	14,778
Current portion of bonds	1,048	48
Income taxes payable	29	92
Deferred tax liabilities	0	3
Provision for bonuses	310	543
Other	1,834	2,359
Total current liabilities	<u>53,997</u>	<u>43,760</u>
Noncurrent liabilities		
Bonds payable	144	1,168
Bonds with subscription rights to shares	-	4,000
Long-term loans payable	20,000	20,000
Provision for retirement benefits	1,460	1,129
Provision for directors' retirement benefits	532	566
Other	236	272
Total noncurrent liabilities	<u>22,374</u>	<u>27,136</u>
Total liabilities	<u>76,371</u>	<u>70,897</u>
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	22,083	22,158
Treasury stock	(1,630)	(1,629)
Total shareholders' equity	<u>33,022</u>	<u>33,097</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5	(124)
Deferred gains or losses on hedges	40	(138)
Foreign currency translation adjustment	(869)	(862)
Total valuation and translation adjustments	(823)	(1,125)
Minority interests	2,727	2,715
Total net assets	<u>34,925</u>	<u>34,686</u>
Total liabilities and net assets	<u>111,297</u>	<u>105,583</u>

(2) Consolidated Statements of Income

(Millions of Yen)

	Nine Months ended December 31, 2008	Nine Months ended December 31, 2009
Net sales	157,166	152,568
Cost of sales	142,532	140,467
Gross profit	14,634	12,101
Selling, general and administrative expenses	14,176	11,096
Operating income (loss)	458	1,004
Non-operating income		
Interest income	26	17
Dividends income	33	24
Equity in earnings of affiliates	165	30
Rent of real estate for investment	164	141
Miscellaneous income	110	112
Total non-operating income	500	327
Non-operating expenses		
Interest expenses	454	435
Foreign exchange losses	560	682
Miscellaneous loss	227	219
Total non-operating expenses	1,242	1,337
Ordinary income (loss)	(282)	(5)
Extraordinary income		
Gain on sales of noncurrent assets	95	-
Gain on sales of investment securities	-	109
Gain on sales of real estate for investment	7	39
Total extraordinary income	102	148
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	4	17
Loss on valuation of investment securities	462	6
Loss on valuation of golf club membership	-	1
Loss on retirement of real estate for investment	0	-
Business structure improvement expenses	-	132
Total extraordinary losses	466	157
Income (loss) before income taxes and minority interests	(646)	(13)
Income taxes	38	(124)
Minority interests in income	288	106
Net income (loss)	(973)	3

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine Months ended December 31, 2008	Nine Months ended December 31, 2009
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(646)	(13)
Depreciation and amortization	543	532
Amortization of goodwill	81	81
Increase (decrease) in allowance for doubtful accounts	18	16
Increase (decrease) in provision for bonuses	(446)	(232)
Increase (decrease) in provision for directors' retirement benefits	24	(33)
Increase (decrease) in provision for retirement benefits	372	331
Interest and dividends income	(60)	(42)
Interest expenses	454	435
Foreign exchange losses (gains)	134	66
Equity in (earnings) losses of affiliates	(39)	(30)
Gain on sales of noncurrent assets	(95)	-
Loss (gain) on sales of real estate investment	(7)	(39)
Rent of real estate for investment	(164)	(141)
Loss on retirement of real estate investment	0	-
Loss (gain) on sales of investment securities	-	(109)
Loss (gain) on valuation of investment securities	462	6
Loss on valuation of golf club memberships	-	1
Loss on sales and retirement of noncurrent assets	4	17
Decrease (increase) in notes and accounts receivable-trade	9,617	(16,998)
Decrease (increase) in inventories	90	6,370
Increase (decrease) in notes and accounts payable-trade	(9,238)	11,064
Other, net	(335)	1,416
Subtotal	768	2,697
Interest and dividends income received	59	41
Interest expenses paid	(353)	(327)
Income taxes paid	(561)	(328)
Income taxes refund	272	104
Net cash provided by (used in) operating activities	186	2,187
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(591)
Proceeds from withdrawal of time deposits	-	1,000
Purchase of property, plant and equipment	(184)	(145)
Proceeds from sales of property, plant and equipment	139	0
Purchase of intangible assets	(165)	(40)
Purchase of investment securities	(16)	(14)
Proceeds from sales of investment securities	-	212
Proceeds from sales of investments in real estates	23	47
Proceeds from rental of real estate for investment	166	138
Collection of loans receivable	2	0
Other, net	(54)	(15)
Net cash provided by (used in) investing activities	(88)	592
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	4,222	7,755
Decrease in short-term loans payable	(2,384)	(8,705)
Redemption of bonds	(24)	(24)
Redemption of bonds with subscription rights to shares	-	(4,000)
Proceeds from sales of treasury stock	5	-
Cash dividends paid	(343)	(77)
Cash dividends paid to minority shareholders	(98)	(84)
Other, net	(1)	(1)
Net cash provided by (used in) financing activities	1,376	(5,139)
Effect of exchange rate change on cash and cash equivalents	(318)	(42)
Net increase (decrease) in cash and cash equivalents	1,156	(2,401)
Cash and cash equivalents at beginning of period	6,551	20,071
Cash and cash equivalents at end of period	7,708	17,669

Consolidated Segment Information

a. Business Segments

Nine Months ended December 31, 2008

(Millions of Yen)

	Electronic Devices	Electronic Systems	Total	Unallocated & Eliminations	Consolidated
Net Sales					
(1) Outside Customers	132,578	24,588	157,166	-	157,166
(2) Inter-segment	1	13	15	(15)	-
Total Sales	132,580	24,602	157,182	(15)	157,166
Operation Income	2,554	631	3,186	(2,727)	458

Nine Months ended December 31, 2009

(Millions of Yen)

	Electronic Devices	Electronic Systems	Total	Unallocated & Eliminations	Consolidated
Net Sales					
(1) Outside Customers	132,413	20,155	152,568	-	152,568
(2) Inter-segment	13	26	40	(40)	-
Total Sales	132,426	20,182	152,608	(40)	152,568
Operation Income (loss)	1,351	(338)	1,012	(7)	1,004

b. Geographic Segments

Nine Months ended December 31, 2008

(Millions of Yen)

	Japan	Asia	Other	Total	Unallocated & Eliminations	Consolidated
Net Sales						
(1) Outside Customers	117,667	39,499	-	157,166	-	157,166
(2) Inter-segment	8,141	1,613	-	9,755	(9,755)	-
Total Sales	125,809	41,112	-	166,921	(9,755)	157,166
Operation Income (loss)	1,946	1,227	(3)	3,169	(2,711)	458

Nine Months ended December 31, 2009

(Millions of Yen)

	Japan	Asia	Other	Total	Unallocated & Eliminations	Consolidated
Net Sales						
(1) Outside Customers	123,718	28,849	-	152,568	-	152,568
(2) Inter-segment	5,228	652	-	5,880	(5,880)	-
Total Sales	128,946	29,502	-	158,449	(5,880)	152,568
Operation Income (loss)	527	519	(3)	1,042	(37)	1,004

c. Net Sales to Overseas Customers**Nine Months ended December 31, 2008**

(Millions of Yen)

	Asia	Other	Total
Net Sales to Overseas Customers	44,094	130	44,225
Consolidated Net Sales	-	-	157,166
Ratio of "Net Sales to Overseas Customers" to "Consolidated Net Sales"	28.1	0.1	28.1

Nine Months ended December 31, 2009

(Millions of Yen)

	Asia	Other	Total
Net Sales to Overseas Customers	37,093	37	37,130
Consolidated Net Sales	-	-	152,568
Ratio of "Net Sales to Overseas Customers" to "Consolidated Net Sales"	24.3	0.0	24.3