



October 31, 2019

To Whom It May Concern

Company MARUBUN CORPORATION
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Notice of Differences Between Forecast and Actual Results for the First Half of the Fiscal Year Ending March 2020 and Revision of Full-Year Financial Results Forecast

The Marubun Group (the “Group”) hereby announces differences between its forecast announced on May 10, 2019 and the actual results for the first half of the fiscal year ending March 31, 2020. Details are as follows.

The Group also announces that it has revised its full-year financial results forecast for the fiscal year ending March 31, 2020 as follows.

(1) Difference between consolidated financial results forecast for the first half of the fiscal year ending March 2020 and actual results (April 1, 2019 - September 30, 2019)

| | Net Sales | Operating Income | Ordinary Income | Profit attributable to owners of parent | Net Income Per Share |
|---|-----------------|------------------|-----------------|---|----------------------|
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen | Yen |
| Previous Financial Forecast (A) | 140,000 | 650 | 250 | (185) | (7.08) |
| Results (B) | 138,703 | (71) | 323 | (110) | (4.23) |
| Amount of Change (B-A) | (1,297) | (721) | 73 | 75 | - |
| Change (%) | (0.9) | — | 29.2 | — | - |
| Results for the six months ended September 30, 2018 | 166,434 | 2,575 | 617 | 133 | 5.12 |

Reasons for difference

Net sales were lower than the previous forecast as a result of a decrease in demand for industrial equipment due to the control of capital expenditure and a fall in the sales of aerospace equipment. Operating income also fell below the previous forecast because of a decrease in the yen-denominated gross profit caused by the yen appreciation that continued during the period under review, in addition to the factors that contributed to the fall in net sales. Meanwhile, ordinary income and profit attributable to owners of parent slightly exceeded the previous forecast thanks to the foreign exchange gains of 987 million yen, including a gain on repayment of foreign currency-denominated liabilities and borrowings, resulting from foreign exchange fluctuations.

(2) Consolidated financial results forecast revision for the year ending March 31, 2020 (April 1, 2019-March 31, 2020)

| | Net Sales | Operating Income | Ordinary Income | Profit attributable to owners of parent | Net Income Per Share |
|---|-----------------|------------------|-----------------|---|----------------------|
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen | Yen |
| Previous Financial Forecast (A) | 291,500 | 4,000 | 3,150 | 1,750 | 66.96 |
| Revised Forecast (B) | 285,000 | 2,900 | 2,800 | 1,350 | 51.65 |
| Amount of Change (B-A) | (6,500) | (1,100) | (350) | (400) | - |
| Change (%) | (2.2) | (27.5) | (11.1) | (22.9) | - |
| Results for the year ended March 31, 2019 | 326,694 | 5,048 | 3,020 | 1,636 | 62.61 |

Reasons for difference

Net sales are expected to remain below the forecast previously announced due to a likely decline in demand for industrial equipment, laser equipment, semiconductors for industrial equipment, and other products caused by the control of capital expenditure that continues from the first half of the fiscal year under review. The profit forecast has been revised as presented in the above, taking into account the impact of foreign exchange fluctuations until the second quarter of the fiscal year under review, in addition to the decrease in net sales.

Note: The forecast values as described above were judged and calculated by us based on the information available to date. Please be aware that our actual business performance may have different results depending on a variety of factors.