

Supplementary Financial Information for the first half of fiscal year ended March 2014

MARUBUN CORPORATION

<http://www.marubun.co.jp/en/index.html>

http://www.marubun.co.jp/en/ir_e/index.html (IR Website)

Within the presentation, information on the future performance such as results forecasts is based on the data available at the time this presentation was prepared that the Company assumes reasonable. Actual performance depends on various important factors and may differ significantly from the estimates contained herein.

Consolidated Statement of Income

(Unit: Yen in Million)

	FY2012	FY2013	Increase /Decrease
Net Sales	220,200	260,424	40,224
Electronic Devices	187,247	220,325	33,078
Electronic Systems	32,953	40,098	7,145
Cost of Sales	202,437	241,581	39,144
Gross Profit	17,763	18,842	1,079
Electronic Devices	12,154	12,656	502
Electronic Systems	5,608	6,185	577
Selling, general and administrative expenses	14,771	14,930	159
Personal expenses	9,317	9,437	120
Other	5,454	5,493	39
Operating income	2,991	3,912	921
Electronic Devices	1,619	2,475	856
Electronic Systems	1,381	1,450	69
Non-operating income	640	708	68
Equity in earnings of affiliates	154	270	116
Non-operating expenses	1,132	675	(457)
Foreign exchange losses	417	140	(277)
Ordinary income	2,500	3,944	1,444
Extraordinary income	124	12	(112)
Extraordinary loss	731	70	(661)
Income before income taxes and minority interests	1,892	3,886	1,994
Income taxes	578	1,423	845
Minority interests in income	456	454	(2)
Net income	857	2,008	1,151
Number of Employees	1,235	1,245	10
Gross Profit Margin	8.1%	7.2%	-
Electronic Devices	6.5%	5.7%	-
Electronic Systems	17.0%	15.4%	-
Operating Profit Margin	1.4%	1.5%	-
Electronic Devices	0.9%	1.1%	-
Electronic Systems	4.2%	3.6%	-
Ordinary Profit Margin	1.1%	1.5%	-
Net Profit Margin	0.4%	0.8%	-

Consolidated Sales by Segment

(Unit: Yen in Million)

	FY2012	FY2013	Increase /Decrease
Total Electronic Devices	187,247	220,325	33,078
Semiconductors	158,045	184,600	26,555
Analog IC	28,943	33,511	4,568
Standard Logic IC	2,490	2,285	(205)
Memory IC	27,783	35,959	8,176
Micro-Processor	13,080	11,572	(1,508)
Special-Use IC	73,004	89,255	16,251
Custom IC	12,509	11,688	(821)
Other	236	329	93
Electronic Components	29,202	35,725	6,523
Total Electronic Systems	32,953	40,098	7,145
Space & Defense Electronics	4,833	4,983	150
Measurement & Inspection Equipment	9,868	13,425	3,557
Scientific Equipment	2,620	341	(2,279)
Laser Equipment	2,997	4,099	1,102
Medical Equipment	12,636	17,251	4,615
Total Net Sales	220,200	260,424	40,224

Consolidated Balance Sheets

(Unit: Yen in Million)

	FY2012 Mar.31, 2013	FY2013 Mar.31, 2014	Increase /Decrease
Current assets	93,799	99,510	5,711
Cash and deposits	17,440	19,151	1,711
Notes and accounts receivable-trade	48,299	60,944	12,645
Merchandise and finished goods	25,378	16,860	(8,518)
Work in process	47	70	23
Deferred tax assets	1,567	1,070	(497)
Other	1,097	1,430	333
Allowance for doubtful accounts	(31)	(17)	14
Noncurrent assets	10,943	11,124	181
Property, plant and equipment	4,302	4,277	(25)
Buildings and structures	1,396	1,343	(53)
Land	2,466	2,510	44
other	439	423	(16)
Intangible assets	406	402	(4)
Investments and other assets	6,234	6,445	211
Investment securities	1,744	2,171	427
Real estate for investment	1,010	950	(60)
Deferred tax assets	1,617	990	(627)
Other	1,861	2,332	471
Total assets	104,743	110,635	5,892
Current liabilities	49,042	65,114	16,072
Notes and accounts payable-trade	33,523	39,910	6,387
Short-term loans payable	11,687	7,100	(4,587)
Current portion of long-term loans payable	34	15,043	15,009
Current portion of bonds	21	-	(21)
Provision for bonuses	808	789	(19)
Other	2,966	2,271	(695)
Noncurrent liabilities	18,153	3,050	(15,103)
Long-term loans payable	16,037	1,013	(15,024)
Provision for retirement benefits	1,461	-	(1,461)
Net defined benefit liability	-	1,330	1,330
Provision for directors' retirement benefits	244	225	(19)
Other	410	481	71
Total liabilities	67,195	68,165	970
Total net assets	37,547	42,469	4,922
Total liabilities and net assets	104,743	110,635	5,892

Consolidated Statements of Cash Flows

(Unit: Yen in Million)

	FY2012	FY2013
Net cash provided by (used in) operating activities	8,301	5,999
Income before income taxes and minority interests	1,892	3,886
Depreciation and amortization	504	403
Equity in (earnings) losses of affiliates	(154)	(270)
Decrease (increase) in notes and accounts receivable-trade	19,256	(10,445)
Decrease (increase) in inventories	(2,255)	9,089
Increase (decrease) in notes and accounts payable-trade	(9,678)	4,604
Other, net	331	(588)
Subtotal	9,896	6,678
Interest and dividends income received	108	159
Interest expenses paid	(351)	(282)
Income taxes paid	(751)	(730)
Income taxes refund	33	174
Other	(635)	-
Net cash provided by (used in) investing activities	(406)	(162)
Net cash provided by (used in) financing activities	(9,261)	(5,382)
Effect of exchange rate change on cash and cash equivalents	854	1,110
Net increase(decrease) in cash and cash equivalents	(512)	1,565
Cash and cash equivalents at beginning of period	17,923	17,410
Cash and cash equivalents at end of period	17,410	18,976

Consolidated Statement of Income (Forecast)

(Unit: Yen in Million)

	FY2013 Results	FY2014 Forecast	Increase /Decrease
Net Sales	260,424	263,000	2,576
Electronic Devices	220,325	224,000	3,675
Electronic Systems	40,098	39,000	(1,098)
Cost of Sales	241,581	243,900	2,319
Gross Profit	18,842	19,100	258
Electronic Devices	12,656	12,950	294
Electronic Systems	6,185	6,150	(35)
Selling, general and administrative expenses	14,930	15,000	70
Operating income	3,912	4,100	188
Non-operating income	708	600	(108)
Non-operating expenses	675	700	25
Ordinary income	3,944	4,000	56
Extraordinary income	12	0	(12)
Extraordinary loss	70	50	(20)
Income before income taxes	3,886	3,950	64
Income taxes	1,423	1,350	(73)
Minority interests in income	454	500	46
Net income	2,008	2,100	92
Gross Profit Margin	7.2%	7.3%	-
Electronic Devices	5.7%	5.8%	-
Electronic Systems	15.4%	15.8%	-
Operating Profit Margin	1.5%	1.6%	-
Ordinary Profit Margin	1.5%	1.5%	-
Net Profit Margin	0.8%	0.8%	-

Consolidated Sales by Segment

(Unit: Yen in Million)

	FY2013 Results	FY2014 Forecast	Increase /Decrease
Total Electronic Devices	220,325	224,000	3,675
Semiconductors	184,600	185,126	526
Analog IC	33,511	37,400	3,889
Standard Logic IC	2,285	1,656	(630)
Memory IC	35,959	32,845	(3,114)
Micro-Processor	11,572	17,073	5,501
Special-Use IC	89,255	81,507	(7,748)
Custom IC	11,688	13,387	1,700
Other	329	1,258	928
Electronic Components	35,725	38,874	3,148
Total Electronic Systems	40,098	39,000	(1,098)
Space & Defense Electronics	4,983	4,503	(480)
Measurement & Inspection Equipment	13,425	13,913	488
Scientific Equipment	341	1,736	1,396
Laser Equipment	4,099	3,548	(551)
Medical Equipment	17,251	15,300	(1,951)
Total Net Sales	260,424	263,000	2,576

Consolidated Statements of Income (Quarterly)

(Unit: Yen in Million)

	FY2012					FY2013				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Net Sales	49,687	53,350	54,877	62,285	220,200	55,796	63,576	68,073	72,976	260,424
Electronic Devices	44,536	44,546	48,223	49,941	187,247	50,550	54,399	59,038	56,337	220,325
Electronic Systems	5,151	8,804	6,654	12,343	32,953	5,246	9,177	9,035	16,638	40,098
Cost of Sales	45,923	49,109	50,831	56,572	202,437	51,888	59,037	63,438	67,217	241,581
Gross Profit	3,763	4,241	4,045	5,712	17,763	3,908	4,539	4,635	5,758	18,842
Electronic Devices	2,858	2,865	2,878	3,552	12,154	3,061	3,028	3,325	3,241	12,656
Electronic Systems	905	1,375	1,166	2,159	5,608	848	1,511	1,309	2,517	6,185
Selling, general and administrative expenses	3,768	3,718	3,570	3,713	14,771	3,635	3,638	3,651	4,005	14,930
Operating income	(4)	522	475	1,998	2,991	273	900	984	1,753	3,912
Electronic Devices	183	110	346	978	1,619	579	514	807	574	2,475
Electronic Systems	(185)	414	130	1,022	1,381	(302)	387	181	1,183	1,450
Non-operating income	166	117	142	214	640	180	178	163	184	708
Non-operating expenses	258	165	204	503	1,132	187	172	296	18	675
Ordinary income	(96)	474	413	1,709	2,500	267	906	851	1,919	3,944
Extraordinary income	2	0	91	29	124	1	2	8	0	12
Extraordinary loss	306	79	327	17	731	20	16	29	3	70
Income before income taxes and minority interests	(400)	394	177	1,721	1,892	247	891	830	1,917	3,886
Income taxes	(171)	104	49	596	578	47	327	292	755	1,423
Minority interests in income	98	69	122	166	456	95	83	71	204	454
Net income	(327)	220	6	958	857	104	480	466	957	2,008
Gross Profit Margin	7.6%	7.9%	7.4%	9.2%	8.1%	7.0%	7.1%	6.8%	7.9%	7.2%
Electronic Devices	6.4%	6.4%	6.0%	7.1%	6.5%	6.1%	5.6%	5.6%	5.8%	5.7%
Electronic Systems	17.6%	15.6%	17.5%	17.5%	17.0%	16.2%	16.5%	14.5%	15.1%	15.4%
Operating Profit Margin	-	1.0%	0.9%	3.2%	1.4%	0.5%	1.4%	1.4%	2.4%	1.5%
Ordinary Profit Margin	-	0.9%	0.8%	2.7%	1.1%	0.5%	1.4%	1.3%	2.6%	1.5%
Net Profit Margin	-	0.4%	0.0%	1.5%	0.4%	0.2%	0.8%	0.7%	1.3%	0.8%

Consolidated Sales by Segment (Quarterly)

(Unit: Yen in Million)

	FY2012					FY2013				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Total Electronic Devices	44,536	44,546	48,223	49,941	187,247	50,550	54,399	59,038	56,337	220,325
Semiconductors	36,606	37,653	41,721	42,065	158,045	43,584	45,918	47,956	47,141	184,600
Analog IC	7,140	6,966	6,869	7,968	28,943	6,571	7,621	8,437	10,882	33,511
Standard Logic IC	687	635	547	621	2,490	842	589	490	364	2,285
Memory IC	5,017	6,138	7,374	9,254	27,783	8,376	8,869	8,635	10,078	35,959
Micro-Processor	3,461	3,173	3,119	3,328	13,080	2,729	2,680	2,830	3,332	11,572
Special-Use IC	16,473	18,051	20,616	17,865	73,004	22,750	22,453	24,618	19,434	89,255
Custom IC	3,749	2,568	3,151	3,040	12,509	2,163	3,431	2,803	3,290	11,688
Other	79	123	45	(11)	236	153	275	143	(240)	329
Electronic Components	7,931	6,893	6,501	7,877	29,202	6,966	8,482	11,082	9,196	35,725
Total Electronic Systems	5,151	8,804	6,654	12,343	32,953	5,246	9,177	9,035	16,638	40,098
Space & Defense Electronics	639	1,302	978	1,912	4,833	605	1,046	1,226	2,105	4,983
Measurement & Inspection	1,565	2,673	2,087	3,543	9,868	1,835	3,192	3,310	5,087	13,425
Scientific Equipment	112	640	602	1,266	2,620	43	73	60	164	341
Laser Equipment	537	719	656	1,085	2,997	681	984	805	1,628	4,099
Medical Equipment	2,299	3,470	2,330	4,538	12,636	2,082	3,881	3,635	7,653	17,251
Total Net Sales	49,687	53,350	54,877	62,285	220,200	55,796	63,576	68,073	72,976	260,424

Consolidated Balance Sheets (Quarterly)

(Unit: Yen in Million)

	FY2012				FY2013			
	Jun.30,2012	Sep.30,2012	Dec.31,2012	Mar.31,2013	Jun.30,2013	Sep.30,2013	Dec.31,2013	Mar.31,2014
Current assets	94,352	95,577	94,768	93,799	96,385	101,968	104,757	99,510
Cash and deposits	12,683	12,905	12,966	17,440	22,522	19,942	22,412	19,151
Notes and accounts receivable-trade	54,022	52,763	49,887	48,299	46,291	53,046	58,537	60,944
Merchandise and finished goods	23,808	24,022	28,481	25,378	22,579	25,911	20,746	16,860
Work in process	61	118	195	47	119	34	79	70
Deferred tax assets	1,190	1,258	1,325	1,567	1,523	1,556	1,451	1,070
Other	2,623	4,584	1,978	1,097	3,377	1,503	1,547	1,430
Allowance for doubtful accounts	(37)	(75)	(65)	(31)	(28)	(26)	(18)	(17)
Noncurrent assets	10,779	10,887	10,981	10,943	11,333	11,285	11,524	11,124
Property, plant and equipment	4,397	4,453	4,334	4,302	4,346	4,320	4,287	4,277
Buildings and structures	1,533	1,480	1,402	1,396	1,385	1,372	1,362	1,343
Land	2,466	2,466	2,466	2,466	2,510	2,510	2,510	2,510
other	397	506	465	439	450	437	414	423
Intangible assets	326	330	404	406	393	414	416	402
Investments and other assets	6,055	6,103	6,242	6,234	6,593	6,550	6,820	6,445
Investment securities	1,317	1,352	1,341	1,744	1,894	2,003	2,254	2,171
Real estate for investment	1,045	1,033	1,022	1,010	999	978	957	950
Deferred tax assets	1,881	1,866	2,087	1,617	1,668	1,440	1,389	990
Other	1,810	1,850	1,791	1,861	2,030	2,127	2,220	2,332
Total assets	105,132	106,464	105,750	104,743	107,718	113,254	116,281	110,635
Current liabilities	50,397	52,021	51,817	49,042	51,129	55,562	58,177	65,114
Notes and accounts payable-trade	35,001	38,546	39,346	33,523	32,697	40,081	42,933	39,910
Short-term loans payable	10,025	8,925	7,631	11,687	14,705	11,988	11,674	7,100
Current portion of long-term loans payable	1,534	1,534	1,534	34	34	34	34	15,043
Current portion of bonds	48	46	46	21	21	-	-	-
Provision for bonuses	541	794	356	808	567	794	427	789
Other	3,245	2,174	2,901	2,966	3,102	2,663	3,107	2,271
Noncurrent liabilities	18,540	18,245	18,193	18,153	18,291	18,249	18,257	3,050
Bonds payable	21	-	-	-	-	-	-	-
Long-term loans payable	16,063	16,054	16,046	16,037	16,101	16,072	16,032	1,013
Provision for retirement benefits	1,569	1,526	1,487	1,461	1,502	1,529	1,561	-
Net defined benefit liability	-	-	-	-	-	-	-	1,330
Provision for directors' retirement benefits	502	230	237	244	260	211	218	225
Other	383	433	421	410	426	436	444	481
Total liabilities	68,938	70,267	70,010	67,195	69,421	73,812	76,434	68,165
Total net assets	36,194	36,196	35,739	37,547	38,297	39,441	39,846	42,469
Total liabilities and net assets	105,132	106,464	105,750	104,743	107,718	113,254	116,281	110,635

Consolidated Statements of Cash Flows (Quarterly)

(Unit: Yen in Million)

	FY2012				FY2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net cash provided by (used in) operating activities	4,659	8,378	7,112	8,301	3,884	2,114	4,553	5,999
Income before income taxes and minority interests	(400)	(6)	171	1,892	247	1,139	1,969	3,886
Depreciation and amortization	123	256	394	504	100	200	299	403
Equity in (earnings) losses of affiliates	(26)	(43)	(61)	(154)	(44)	(106)	(178)	(270)
Decrease (increase) in notes and accounts receivable-trade	12,937	13,898	16,735	19,256	3,174	(3,179)	(8,693)	(10,445)
Decrease (increase) in inventories	(976)	(1,387)	(5,952)	(2,255)	2,968	(146)	4,977	9,089
Increase (decrease) in notes and accounts payable-trade	(7,683)	(3,914)	(3,163)	(9,678)	(1,898)	5,219	8,030	4,604
Other, net	1,077	81	354	331	(362)	(704)	(1,295)	(588)
Subtotal	5,049	8,885	8,479	9,896	4,184	2,421	5,108	6,678
Interest and dividends income received	15	36	50	108	16	25	63	159
Interest expenses paid	(84)	(198)	(272)	(351)	(74)	(147)	(217)	(282)
Income taxes paid	(331)	(378)	(601)	(751)	(241)	(358)	(575)	(730)
Income taxes refund	10	33	33	33	0	174	174	174
Other	-	-	(576)	(635)	-	-	-	-
Net cash provided by (used in) investing activities	88	(92)	(107)	(406)	(78)	(94)	(77)	(162)
Net cash provided by (used in) financing activities	(9,099)	(10,228)	(11,630)	(9,261)	2,645	(205)	(717)	(5,382)
Effect of exchange rate change on cash and cash equivalents	112	(75)	169	854	474	550	1,133	1,110
Net increase(decrease) in cash and cash equivalents	(4,239)	(2,017)	(4,457)	(512)	6,926	2,364	4,892	1,565
Cash and cash equivalents at beginning of period	17,923	17,923	17,923	17,923	17,410	17,410	17,410	17,410
Cash and cash equivalents at end of period	13,683	15,905	13,466	17,410	24,336	19,774	22,303	18,976