

Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2015



November 2014

MARUBUN CORPORATION

(Securities Code : 7537 / TSE1st Section)

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1H FY3/15

Summary of Consolidated Financial Results

1H FY3/15 Summary of Consolidated Financial Results

Net sales increased by ¥3,817 million (+3.2% YoY)

- **Electronic Devices Business** Increased 2.4% as a result of robust sales of Special-Use ICs for communication modules and other ICs for OA equipment and industrial equipment
- **Electronic Systems Business** Increased 8.9% as a result of increase in Measurement & Inspection Equipment and Scientific Equipment

Operating income decreased by ¥255 million (-21.7% YoY)

- Gross profit margin 7.1% → 6.6%

Ordinary income decreased by ¥610million (-52.0% YoY)

- Increase in foreign exchange losses (453million)

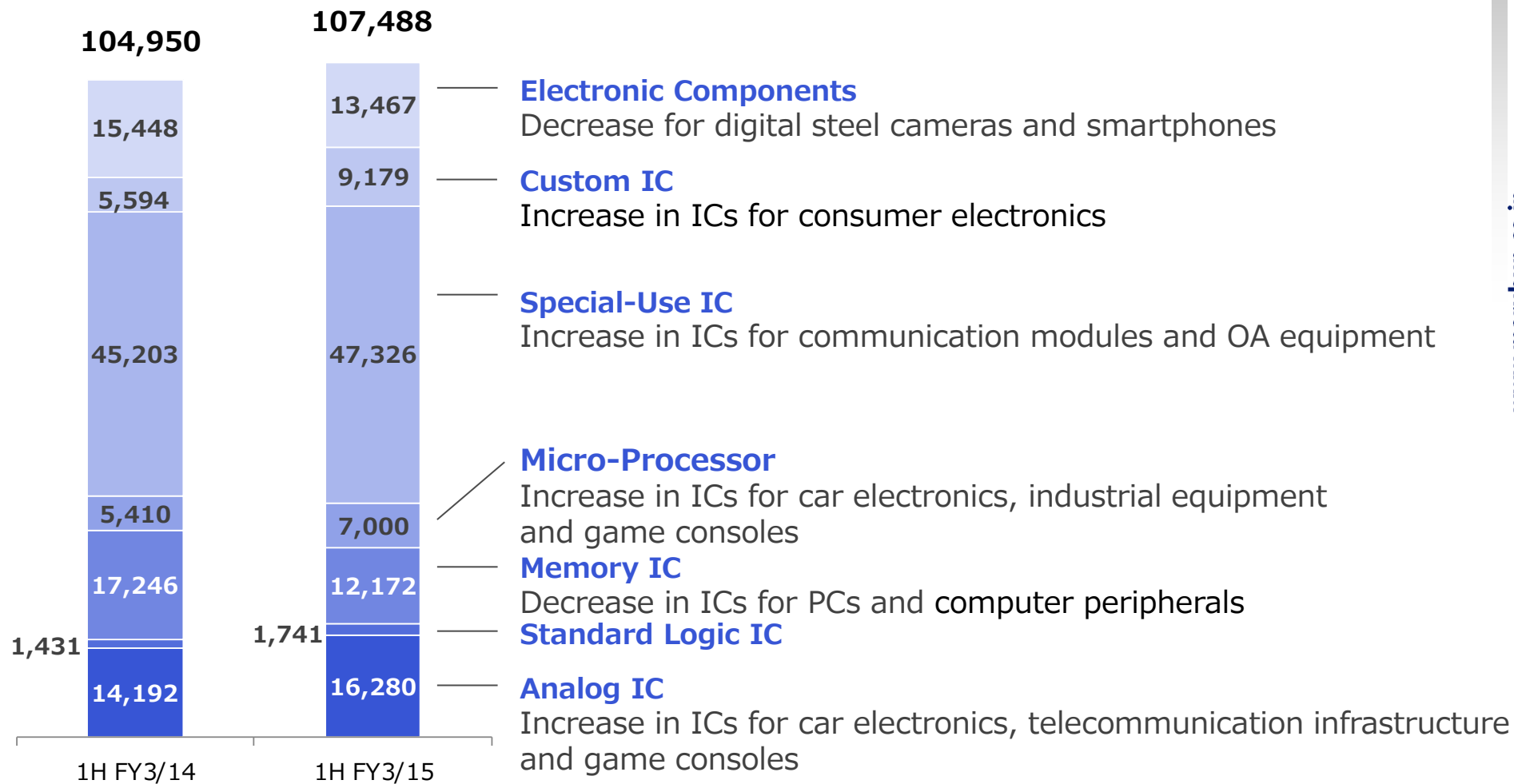
Net income decreased by ¥319 million (-54.5% YoY)

1H FY3/15 Summary of Financial Results

(¥ million)	1H 'FY3/14		1H FY3/15		YoY Changes		[Reference] FY3/15 Initial Forecasts	
	Actual	Composition Ratio	Actual	Composition Ratio	Amount	%	1H	Composition Ratio
Net sales	119,373	100.0%	123,190	100.0%	3,817	3.2%	114,000	100.0%
Electronic Devices	104,950	87.9%	107,488	87.3%	2,538	2.4%	100,000	87.7%
Electronic Systems	14,423	12.1%	15,701	12.7%	1,278	8.9%	14,000	12.3%
Gross profit	8,448	7.1%	8,157	6.6%	(291)	-3.4%	7,800	6.8%
SG&A expenses	7,274	6.1%	7,237	5.9%	(37)	-0.5%	7,500	6.6%
Personal expenses	4,557	3.8%	4,483	3.6%	(74)	-1.6%	-	-
Other	2,717	2.3%	2,754	2.2%	37	1.4%	-	-
Operating income	1,174	1.0%	919	0.7%	(255)	-21.7%	300	0.3%
Non-operating income	359	0.3%	345	0.3%	(14)	-3.9%	-	-
Non-operating expenses	360	0.3%	701	0.6%	341	94.7%	-	-
Ordinary income	1,173	1.0%	563	0.5%	(610)	-52.0%	350	0.3%
Extraordinary income	3	0.0%	-	0.0%	(3)	-100.0%	-	-
Extraordinary loss	37	0.0%	4	0.0%	(33)	-89.2%	-	-
Net income	585	0.5%	266	0.2%	(319)	-54.5%	100	0.1%
No. of employees at term-end	1,271	-	1,260	-	-11	-	-	-

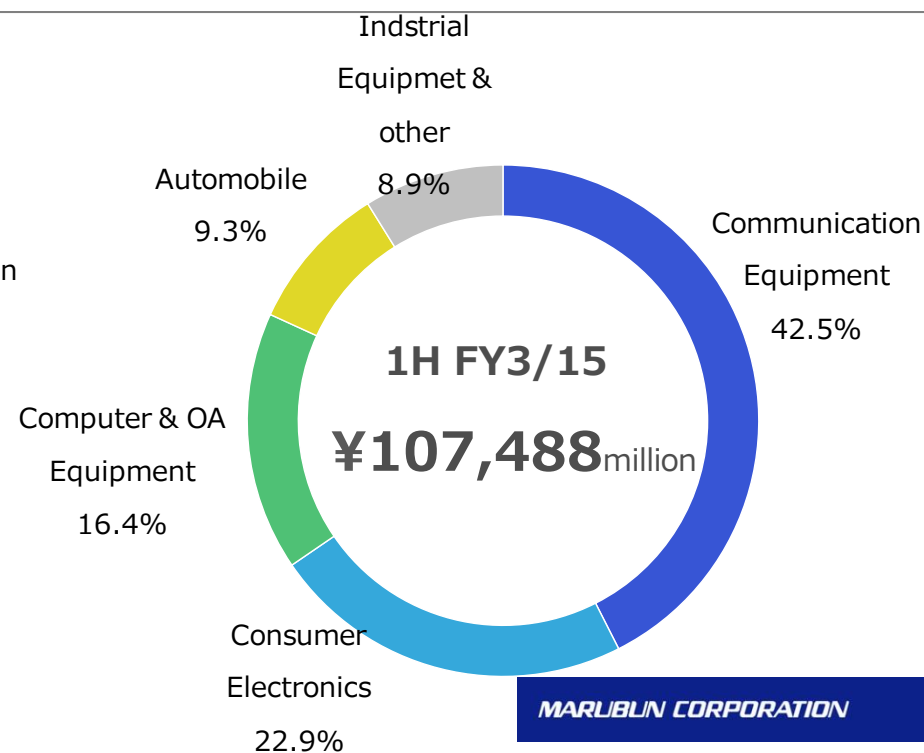
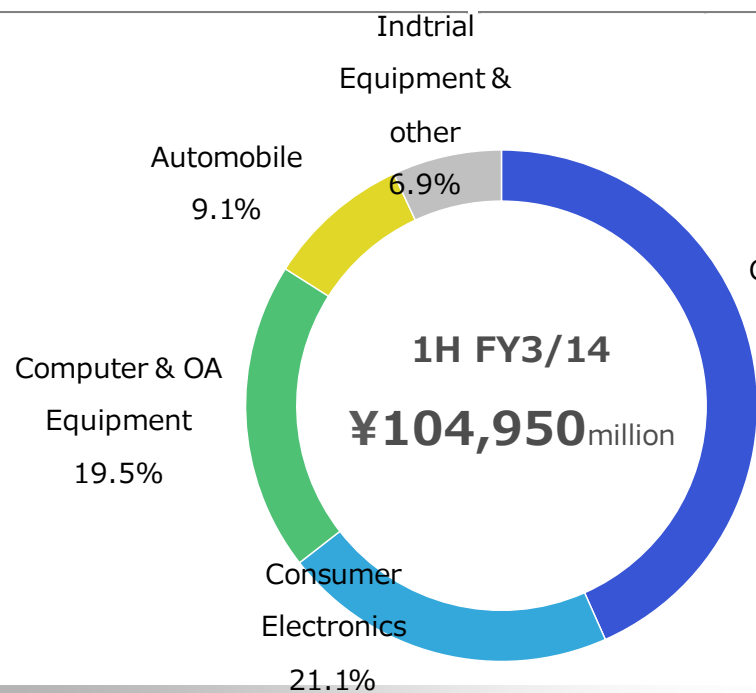
1H FY3/15 Electronic Devices Business Net Sales Breakdown by Product

(¥ million)



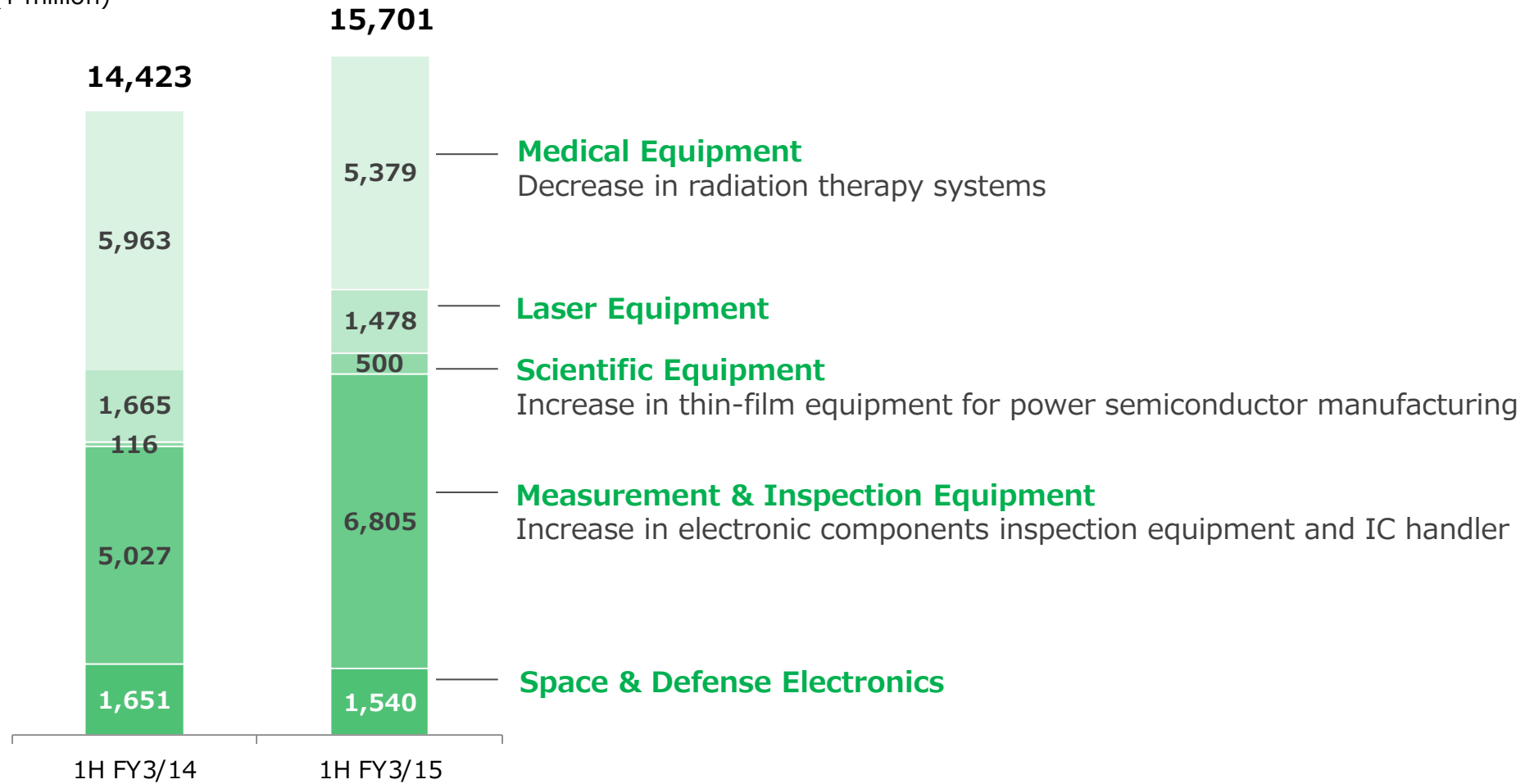
1H FY3/15 Electronic Devices Business Market Trend by Application

Application	Market Trend
Communication Equipment	→ Increase in ICs for communication modules and infrastructure
Consumer Electronics	→ Decrease in ICs for digital cameras, increase for TVs and game consoles
Computers & OA Equipment	→ Increase in ICs for projectors, decrease for PCs and computer peripherals
Automobile	→ Increase in ICs for car navigation systems and engine controls
Industrial Equipment & Other	→ Increase in ICs for factory automation equipment

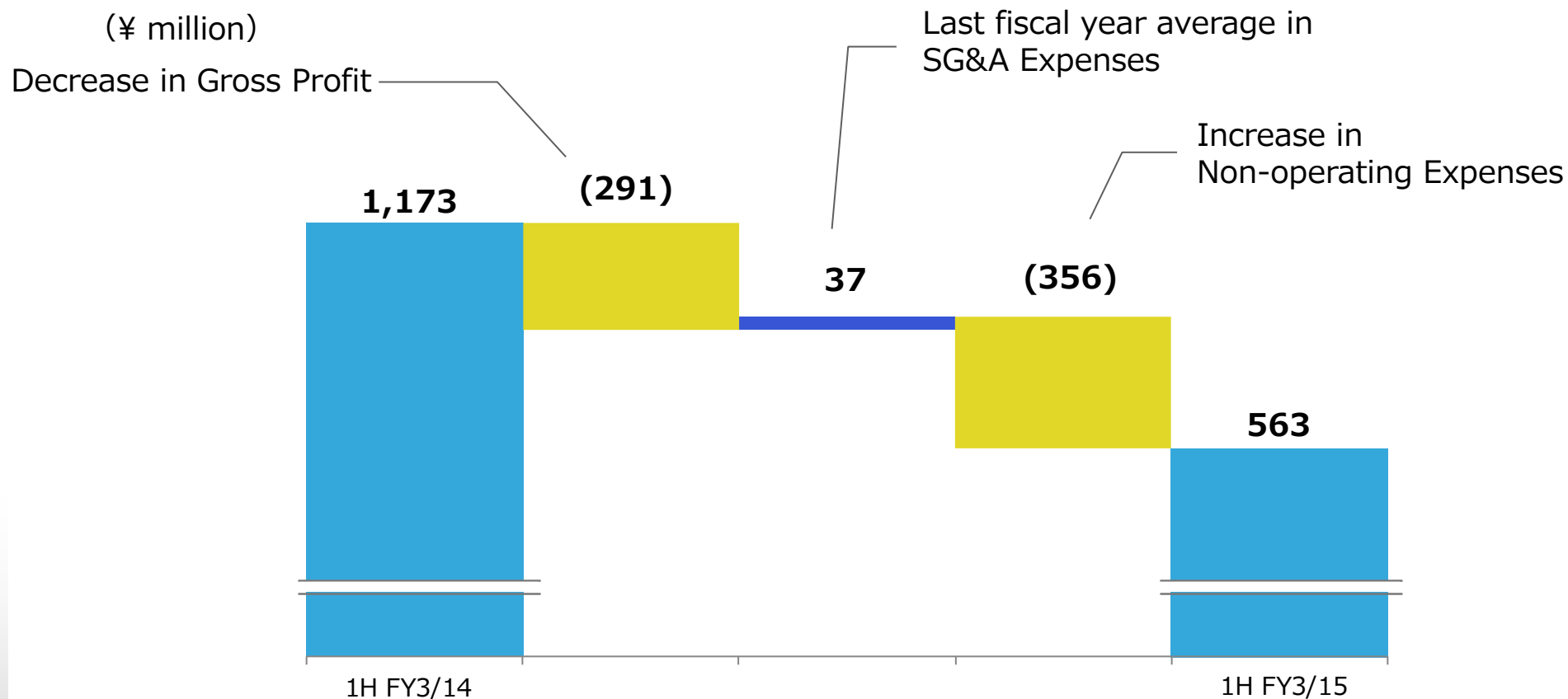


1H FY3/15 Electronic Systems Business Net Sales Breakdown by Product

(¥ million)



1H FY3/15 Factors Affecting Ordinary Income



Gross Profit

Decrease in Gross Profit (Margin)

1H FY3/14: ¥8,448million(7.1%) ⇒ 1H FY3/15: ¥8,157million(6.6%)

Non-operating
Income/Loss

Increase in foreign exchange losses

a valuation difference on assets and liabilities denominated in foreign currencies as a result of the drastic fluctuations of foreign exchange rates ⇒ ¥ 453million

1H End FY3/15 Summary of Balance Sheets

(¥ million)	FY3/14 End Actual	1H FY3/15 End Actual	Changes in 6 m/s Amount
Current assets	99,510	107,359	7,849
Cash and deposits	19,151	23,652	4,501
Notes and accounts receivable-trade	60,944	56,574	(4,370)
Inventories	16,931	22,944	6,013
Other	2,484	4,189	1,705
Noncurrent assets	11,124	11,402	278
Property, plant and equipment	4,277	4,240	(37)
Intangible assets	402	368	(34)
Investments and other assets	6,445	6,793	348
Total assets	110,635	118,761	8,126
Current liabilities	65,114	73,568	8,454
Notes and accounts payable-trade	39,910	50,929	11,019
Short-term loans payable and other (*1)	22,143	20,054	(2,089)
Other	3,061	2,585	(476)
Noncurrent liabilities	3,050	3,107	57
Long-term loans payable and other	1,013	1,009	(4)
Net defined benefit liability	1,330	1,379	49
Other	707	719	12
Total liabilities	68,165	76,676	8,511
Total net assets	42,469	42,085	(384)
Total liabilities and net assets	110,635	118,761	8,126

Increase in semiconductor inventories

Increase in semiconductor purchase due to increase of demand

*1 Short-term loans payable + Current portion of long-term loans payable + Current portion of bonds

1H FY3/15 Summary of Statements of Cash Flows

(¥ million)	1H FY3/14	1H FY3/15
	Actual	Actual
Net cash provided by (used in) operating activities	2,114	8,110
Income before income taxes	1,139	558
Decrease (increase) in notes and accounts receivable-trade	(3,179)	4,063
Decrease (increase) in inventories	(146)	(6,123)
Increase (decrease) in notes and accounts payable-trade	5,219	11,128
Other	(919)	(1,516)
Net cash provided by (used in) investing activities	(94)	(53)
Free cash flow	2,020	8,057
Net cash provided by (used in) financing activities	(205)	(3,088)
Net increase (decrease) in cash and cash equivalents	2,364	5,529
Cash and cash equivalents at end of period	19,774	24,505

Increase in semiconductor inventories

Increase in semiconductor purchase due to increase of demand

Medium-Term Vision

Progress of Business Strategies and Key Initiatives

Medium-Term Management Vision “Transforming into a robust company that can realize sustainable growth”

Medium-Term Management Slogan
“Think & Action”

Electronic Devices

- Expand the base business
- Develop businesses in growing markets
- Promote development of new products
- Enhance global operations

Electronic Systems

- Enhance engineering services
- Enrich product line-up
- Strengthen system integration capability

Electronic Devices Business: Overview of Key Initiative ①

● Expand the base business

**Steady
improvement in
our share**

Increase of Field application engineers and strengthen follow-up actions for clients' respective projects

Increase the usage of our line card in respective projects

Develop key devices and propose solutions for target applications

Processor

Custom IC

Analog IC

other devices

Software

Enhance the Demand Creation (DC) function

Electronic Devices Business: Progress of Key Initiatives ②

● Develop businesses in growing markets

Strategic Markets

Telecommunications

Car electronics

Medical
equipment

Industrial
equipment

Promote the development of key devices and solutions

Specific measures

Telecommunications area

Propose sensor solutions for IoT

- ▶ Develop original evaluation boards and various kinds of applications



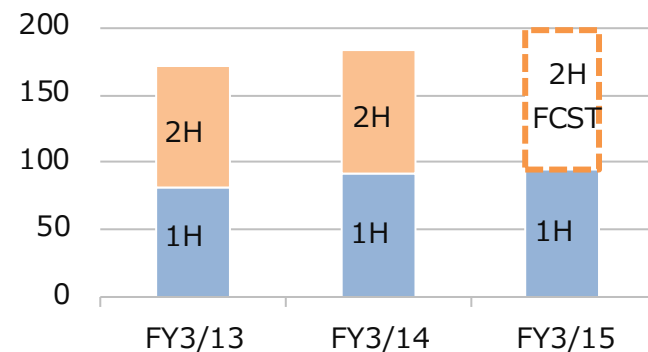
Original evaluation board

Car electronics area

Deepen the market by establishing a sales headquarters dedicated to car electronics

- ▶ Promote proposals of new technologies such as car driving support

(¥ million) Sales trend of ICs for car electronics



● Promote the development of new products

Environment

- Solar panels
 - Enhance sales channels for solar power facilities for farming “Solar Farming”
 - Added three major sales partners

Industry

- Connectors, industrial SSDs
 - Enhance the commercial rights of Molex and SanDisk Corporation
- Devices for display
 - Promote the sales expansion of electronic paper by Eink Holdings Inc.

Semiconductors

- Custom ICs
 - Support high-volume production of ASICs and promote development of new projects

Excavation of new products

- Allocate full-time resident officers to the United States
 - Promote development by listing up several dozen companies



Solar Farming



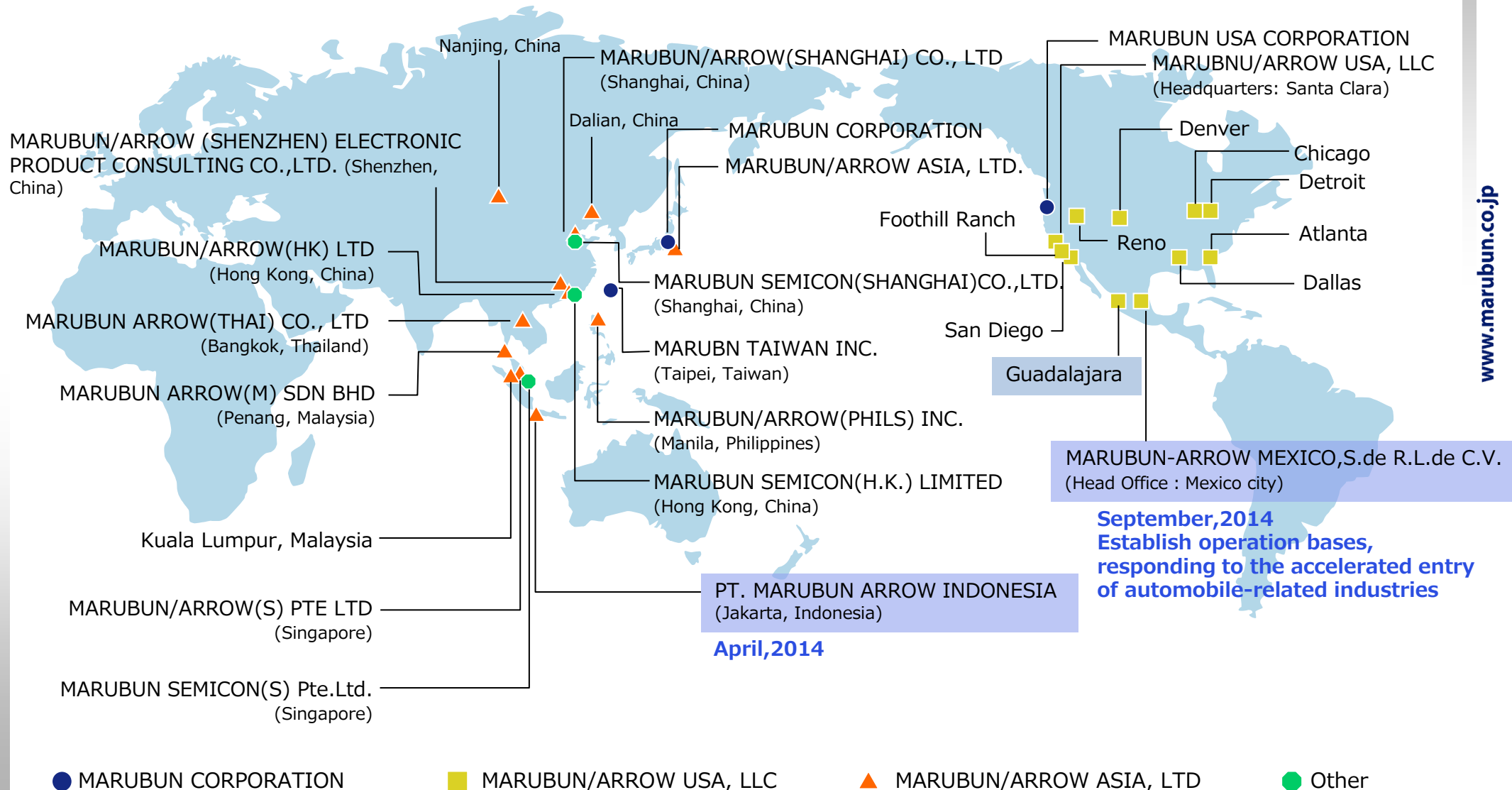
Electronic paper by Eink Holdings Inc.



ASIC of BaySand Inc.

Electronic Devices Business: Overview of Key Initiative ④

● Enhance global operations



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Electronic Systems Business: Progress of Strategies and Key Initiatives

Promote steady growth through sales activities mobilizing Group power

Enhance engineering services

Enrich product line-up

Strengthen system integration capabilities

Laser and Telecommunication Equipment	<ul style="list-style-type: none"> • Focus on sales of semiconductor lasers for installation on industrial equipment • Boost sales of original laser fine processing equipment • Enrich product line-up of network equipment 	 <p>Semiconductor lasers for installation</p>
Measurement & Inspection and Scientific Equipment	<ul style="list-style-type: none"> • Create synergy through business transfer of board computers • Promote evaluation of trial manufacturing with photonic crystal process integration system • Boost sales of MBE systems, in addition to MoCVD systems for power semiconductor manufacturing 	
Medical Equipment	<ul style="list-style-type: none"> • Promote local sales activities • Enhance capabilities in technical services and expand sales channels 	
Space & Defense Electronics	<ul style="list-style-type: none"> • Boost sales of high value-added products in aero and defense industries • Promote sales of measurement equipment for social infrastructure 	

FY3/15

Summary of Consolidated Financial Forecasts

FY3/15 Summary of Financial Forecasts

Net sales expected ¥263 billion (+1.0% YoY)

- **Electronic Devices Business** Expecting an increase in Special-Use ICs for communication modules and expansion of customer
- **Electronic Systems Business** Expecting a increase in Measurement & Inspection Equipment and Scientific Equipment, decrease in Medical Equipment and Space & Defense electronics

Operating income expected ¥4.1 billion (+4.8% YoY)

Ordinary income expected ¥4.0 billion (+1.4% YoY)

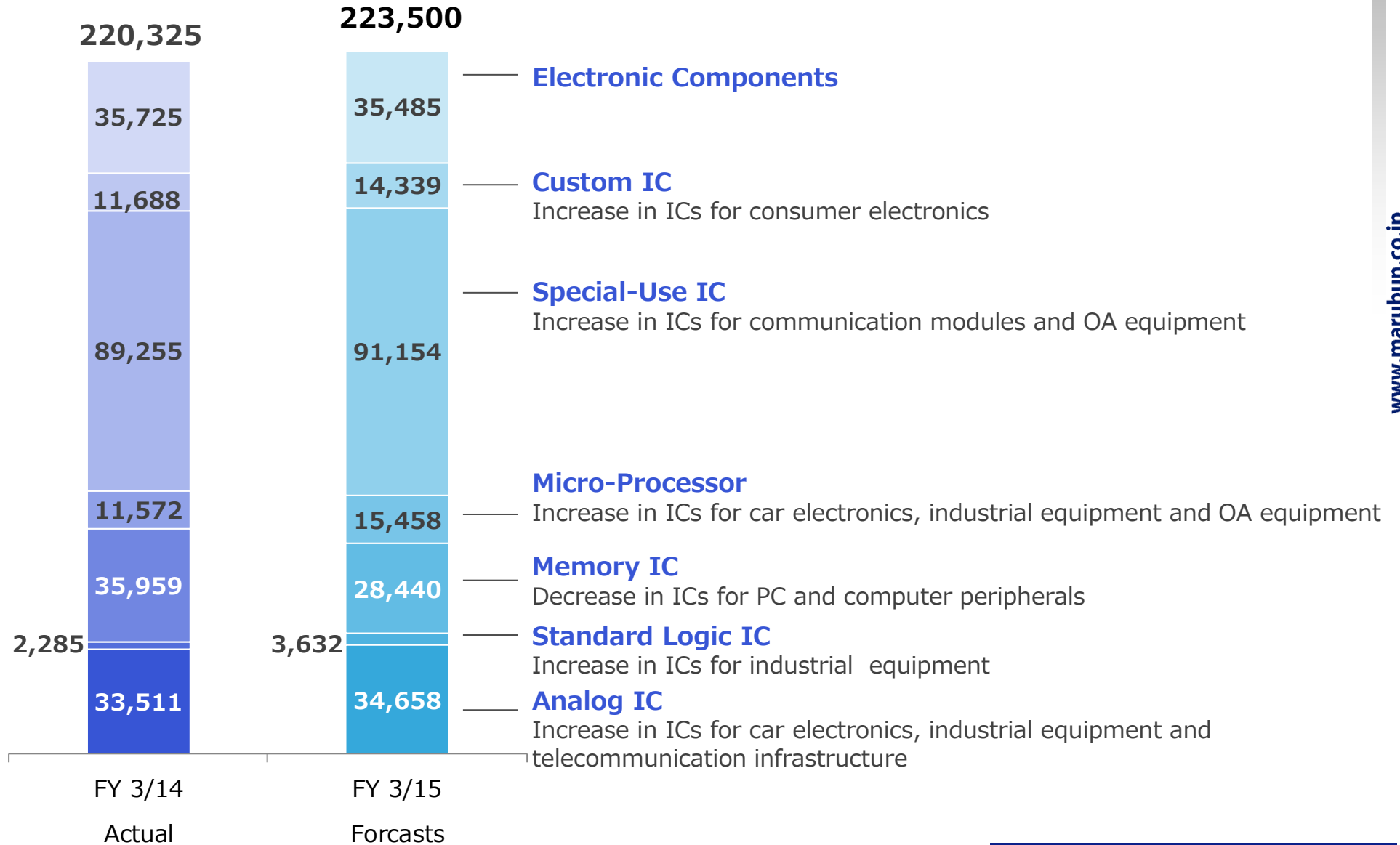
Net income expected ¥2.1 billion (+4.6% YoY)

FY3/15 Financial Forecasts

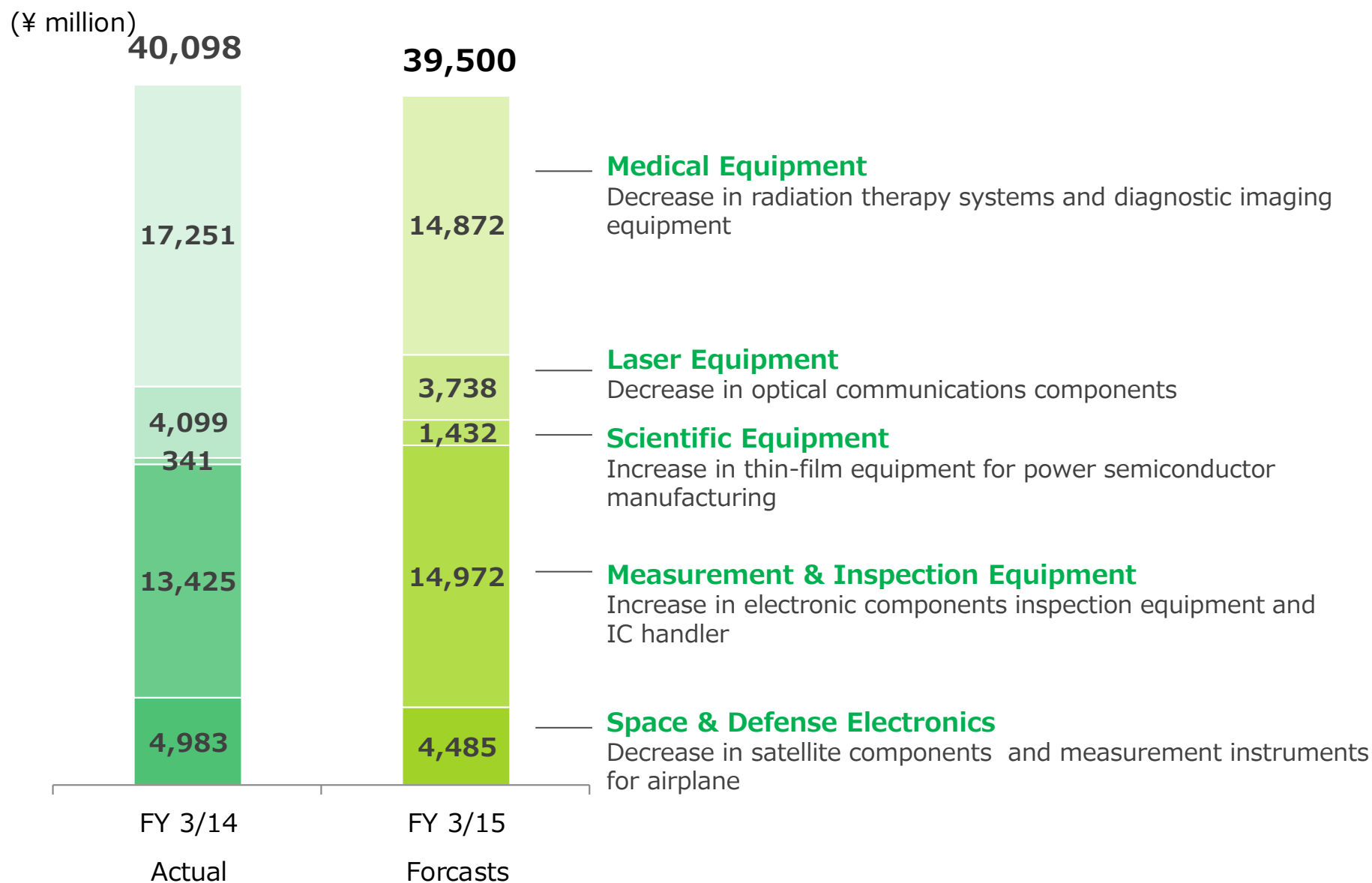
(¥ million)	FY3/14		FY3/15		YoY Changes	
	Actual	Composition Ratio	Forecast	Composition Ratio	Amount	%
Net sales	260,424	100.0%	263,000	100.0%	2,576	1.0%
Electronic Devices	220,325	84.6%	223,500	85.0%	3,175	1.4%
Electronic Systems	40,098	15.4%	39,500	15.0%	(598)	-1.5%
Gross profit	18,842	7.2%	19,100	7.3%	258	1.4%
SG&A expenses	14,930	5.7%	15,000	5.7%	70	0.5%
Operating income	3,912	1.5%	4,100	1.6%	188	4.8%
Non-operating income	708	0.3%	600	0.2%	(108)	-15.3%
Non-operating expenses	675	0.3%	700	0.3%	25	3.7%
Ordinary income	3,944	1.5%	4,000	1.5%	56	1.4%
Extraordinary income	12	0.0%	0	0.0%	(12)	-
Extraordinary loss	70	0.0%	140	0.1%	70	100.0%
Net income	2,008	0.8%	2,100	0.8%	92	4.6%

FY3/15 Electronic Devices Business Net Sales Forecasts by Product

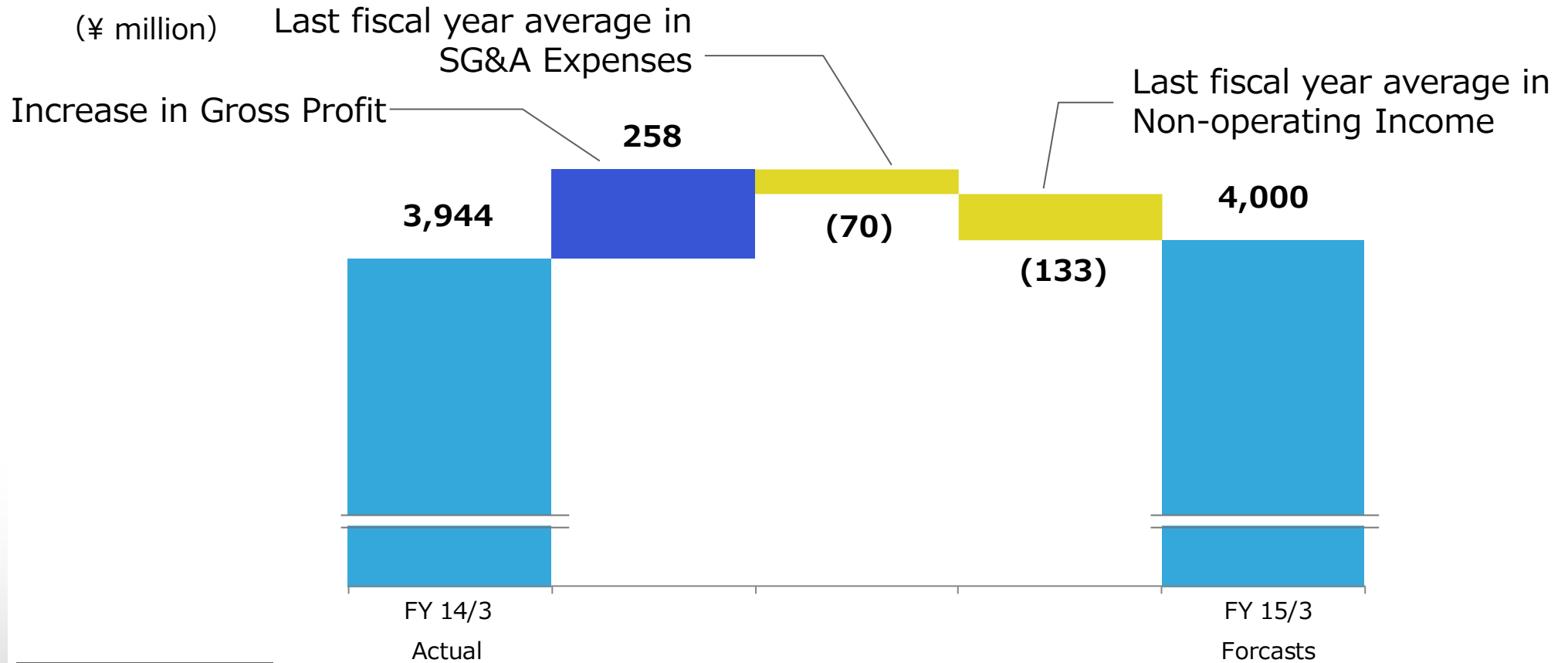
(¥ million)



FY3/15 Electronic Systems Business Net Sales Forecasts by Product



FY3/15 Factors Affecting Ordinary Income (Forecasts)



Gross Profit

Increase due to net sales increase

FY3/14: ¥18.8 billion ⇒ FY3/15: ¥19.1 billion

SG&A Expenses

Last fiscal year average

FY3/14: ¥14.9 billion ⇒ FY3/15: ¥15.0 billion

Non-operating Income/Loss

Last fiscal year average

Non-operating Income -¥108 million ; Non-operating Loss +¥25 million

Return to Shareholders

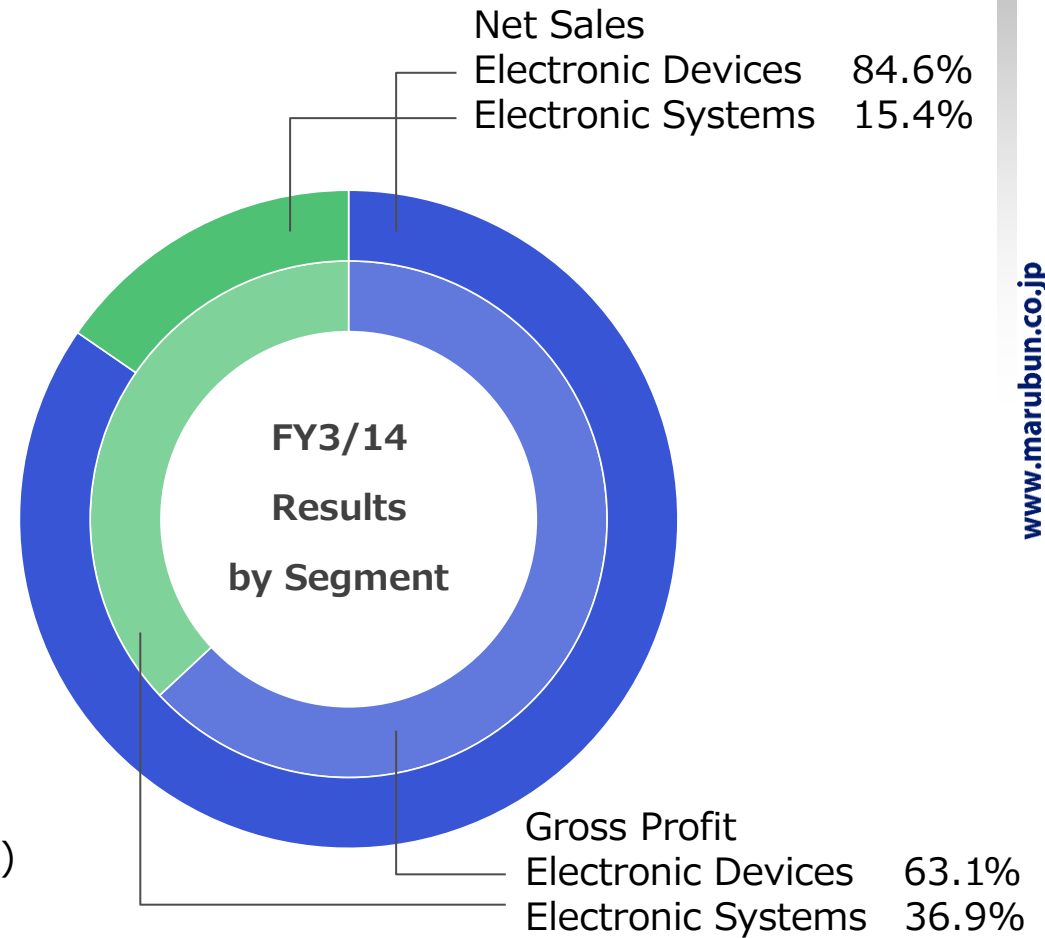
- Dividends Forecast

(¥)	FY3/14	FY3/15 Forecasts
Annual Dividend per Share	19.00	20.00
Interim Dividend	6.00	7.00
Year-End Dividend	13.00	13.00

Appendix

Corporate Outline

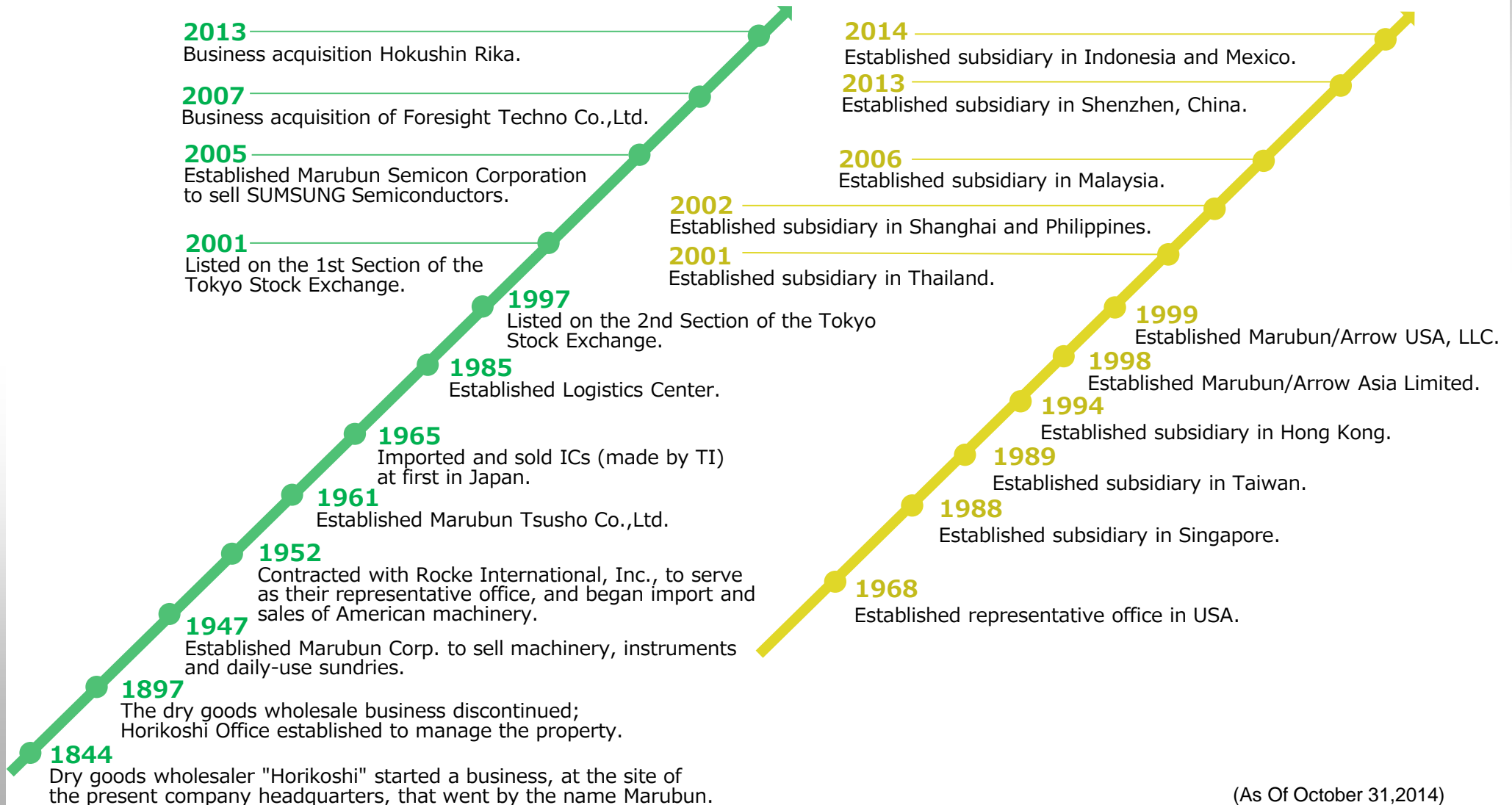
- Establishment July 1947
- Capital ¥6,214 million
- Activities Distribution of Cutting-edge Electronics Products
- Headquarters Chuo-ku, Tokyo
- Consolidated Net Sales 260,424 million yen(FY3/14)
- Numbers of Employees 1,260(As of September 30,2014)



History of Company Operations

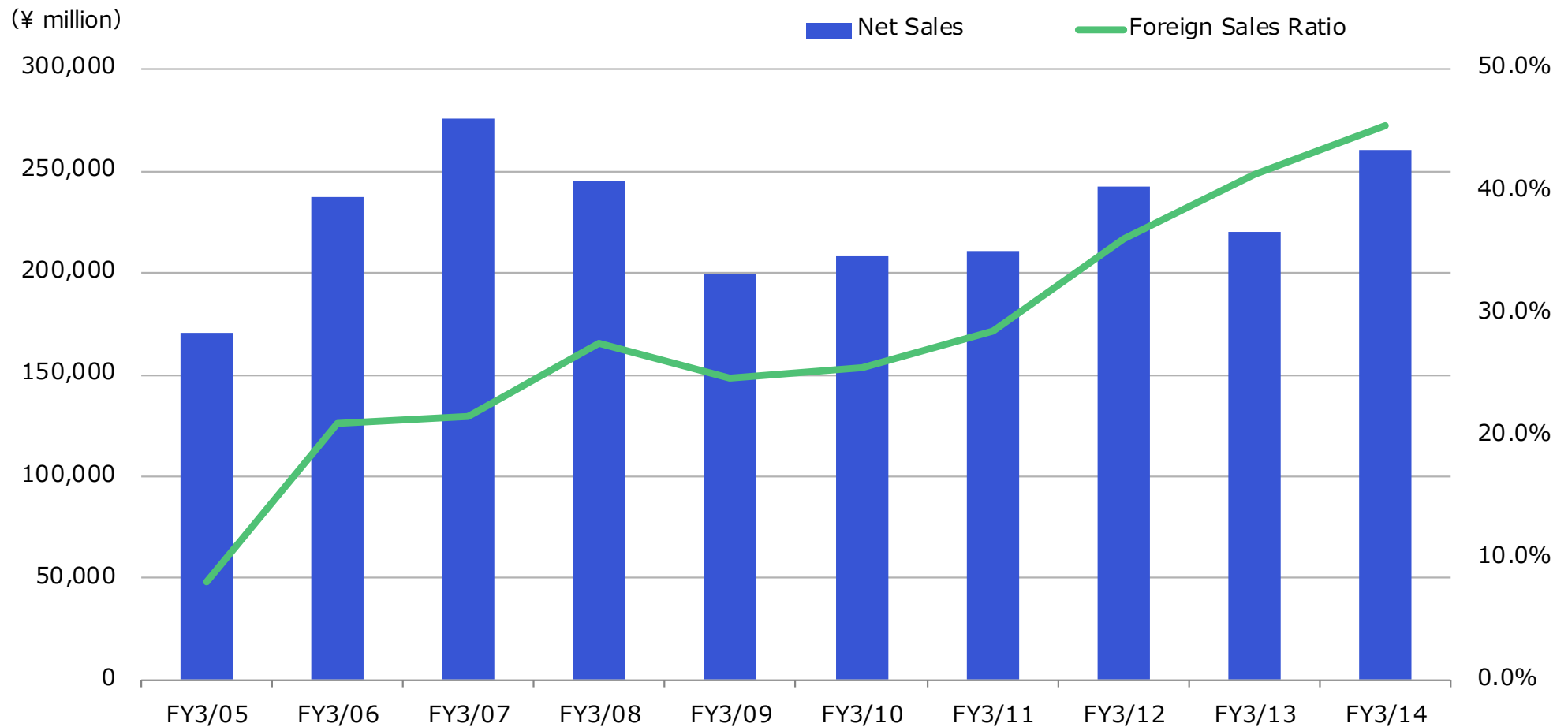
Japan

Over Seas



(As Of October 31,2014)

Trend of 10 years



Domestic Offices

- Operations
- Branch
- Sales Office
- △ Logistics Center
- ⊙ Affiliated Company

MARUBUN TSUSHO CO., LTD. (Head Office: Kanazawa)

- | | |
|-----------|----------------|
| Kanazawa | Nanao |
| Toyama | Tama |
| Fukui | Hakusan Center |
| Matsumoto | Tokyo |
| Nagano | Kofu |

IKEDA IRYOUDENNKI CO., LTD
(Head Office: Niigata)

HOKUSHIN RIKA
(Head Office: Nagano)
Matsumoto
Kofu

Himeji Carelectronics Office

Kyushu Satellite Office (Fukuoka)

Hiroshima Satellite Office

West Japan Operations
(Osaka)

Central Japan Operations
(Nagoya)

MARUBUN WEST CORPORATION
(Head Office: Kobe)
Himeji

Hokuriku

Hamamatsu Satellite Office

Tachikawa

Mishima Satellite Office

Matsumoto Satellite Office

Omiya

Tachikawa

Mishima Satellite Office

Matsumoto Satellite Office

MARUBUN SEMICON CORPORATION
(Head Office: Minato-ku, Tokyo)
Osaka
Nagoya

FORESIGHT TECHNO CO., LTD
(Head Office: Koto-ku, Tokyo)

Tokyo Head Office

East Japan Logistics Center

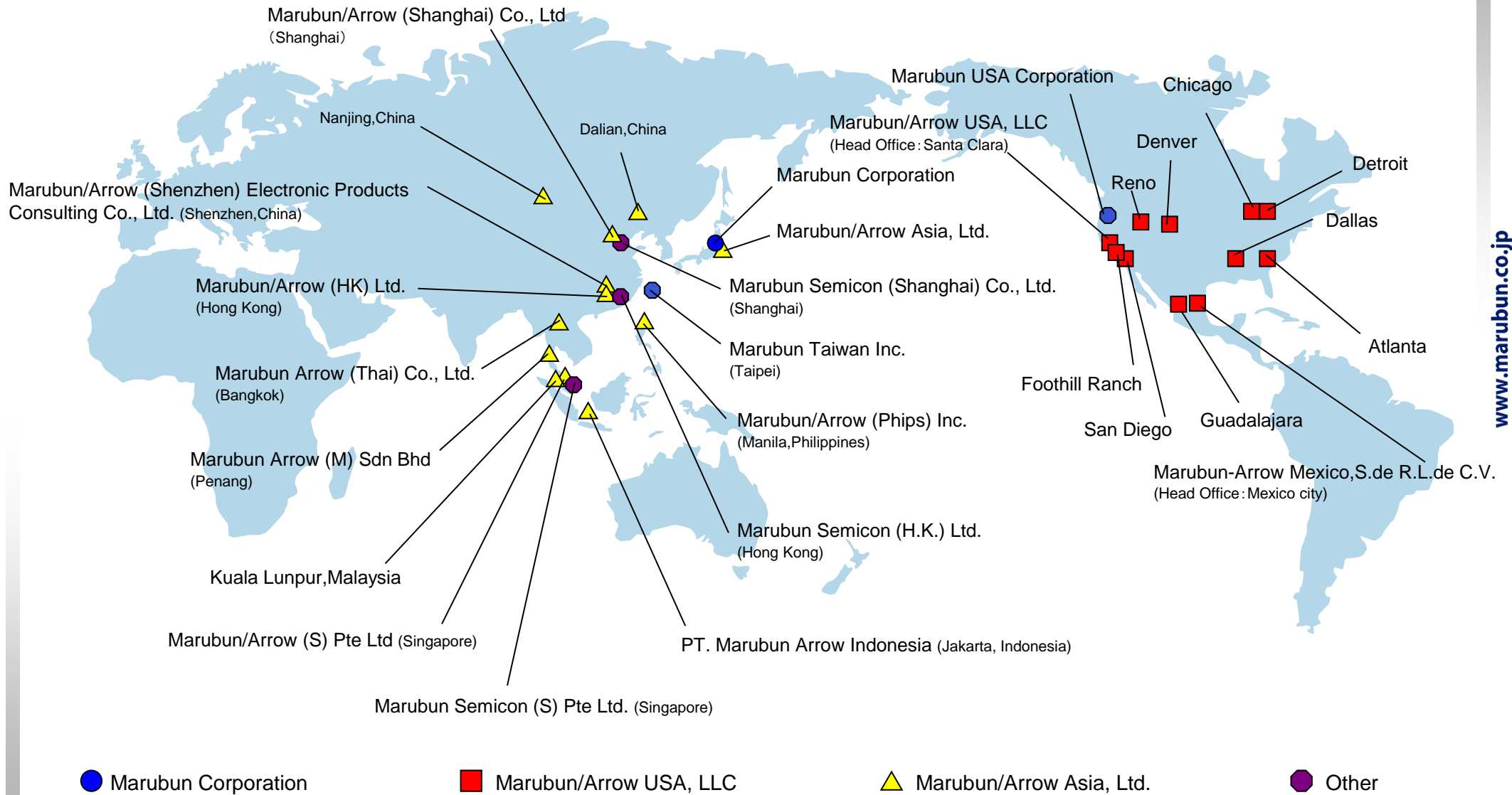
Minamisuna Logistics Center

Minamisuna Technical Center

Utsunomiya Carelectronics Office

(As Of October 31, 2014)

World-wide Sales Network



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(As Of October 31,2014)

Characteristic and Strength -Electronic Devices-



Electronic Devices

- Wide Range of Products made by Leading Semiconductor Manufacturers
- Global Sales Network in alliance with Arrow Electronics, Inc.
- Broad Customer base.



Affiliations -Electronic Devices-



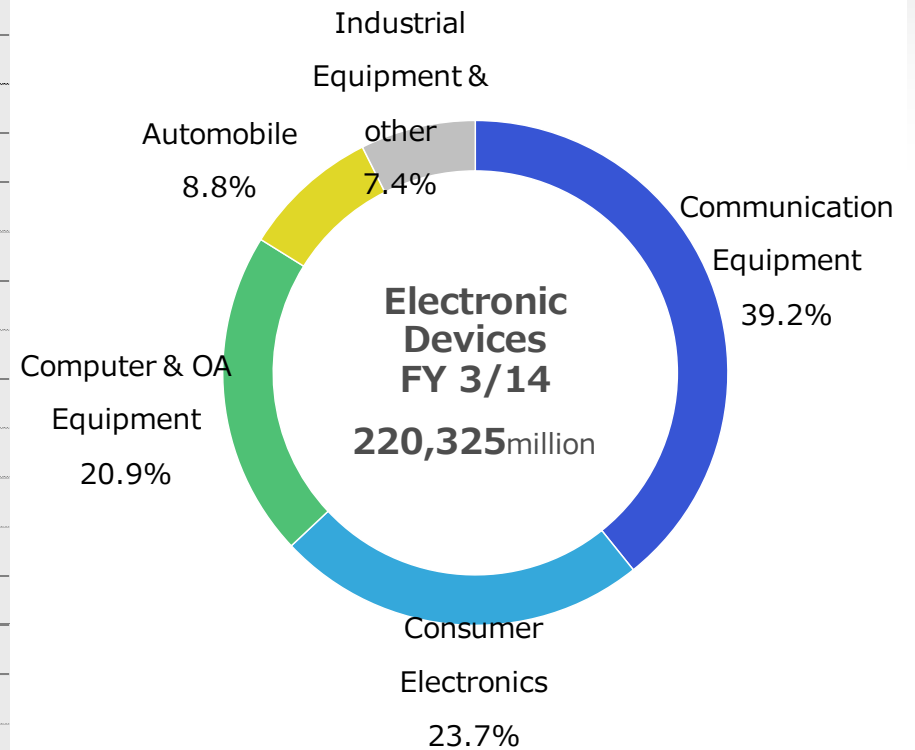
Company	Headquarters	Establishment	Shares	Principal Business
Marubun Semicon Corporation	Minato-ku, Tokyo	Mar. 2005	100.0%	Devices Business
Marubun Semicon (Shanghai) Co., Ltd.	Shanghai, China	Mar. 2005	100.0%	
Marubun Semicon (H.K.) Ltd.	Hong Kong, China	Jan. 2010	100.0%	
Marubun Semicon (S) Pte. Ltd.	Alexandra Road, Singapore	Nov.2013	100.0%	
Marubun USA Corporation	California, U.S.A.	Oct. 1983	100.0%	Devices Business/Holding Company
Marubun Taiwan, Inc.	Taipei, Taiwan	Nov. 1989	100.0%	Devices Business
Marubun/Arrow Asia, Ltd.	British Virgin Islands	Oct. 1998	50.0%	Devices Business/Holding Company
Marubun/Arrow (S) Pte Ltd.	Anson Road, Singapore	Mar. 1988	50.0%	Devices Business
Marubun/Arrow (HK) Ltd.	Hong Kong, China	Aug. 1994	50.0%	
Marubun Arrow (Thailand) Co., Ltd.	Bangkok, Thailand	Oct. 2000	50.0%	
Marubun/Arrow (Phils), Inc.	Laguna, Philippines	Oct. 2001	50.0%	
Marubun Arrow (M) SDN BHD	Penang, Malaysia	Jun. 2006	50.0%	
Marubun/Arrow (Shanghai) Co., Ltd.	Shanghai, China	Sep. 2002	50.0%	
Marubun/Arrow (Shenzhen) Electronic Product Consulting Co.,Ltd.	Shenzhen, China	Jun. 2013	50.0%	
PT. Marubun Arrow Indonesia	Jakarta, Indonesia	Apr. 2013	50.0%	
Marubun/Arrow USA, LLC*	Delaware, U.S.A.	Nov. 1998	50.0%	
Marubun-Arrow Mexico, S. de R.L. de C.V.*	MexicoCity, Mexico	Sep. 2014	50.0%	
Future Technology & Service Co., Ltd. *	Toshima-ku, Tokyo	Nov. 2006	29.3%	Devices Business

* Marubun/Arrow USA, Marubun-Arrow Mexico, Future Technology & Service Co., Ltd. :Affiliate company

Main Products (by Application) -Electronic Devices-



		Application				
		Communication Equipment	Consumer Equipment	Computer & OA	Automobile	Industrial Equipment
Semiconductor						
Analog IC	Analog	●	●	●	●	●
	Discrete	●	●		●	●
Standard Logic IC		●	●	●	●	●
Memory IC	DRAM	●	●	●	●	
	Flash	●	●	●		
Micro-Processor	MPU,MCU	●	●	●	●	●
	DSP	●	●		●	●
	ASSP	●	●		●	
Special-Use IC	Display Driver	●	●	●	●	
	DMD		●	●		●
	LED		●			
Custom IC		●	●	●	●	
Electronic Components						
LCD Panel		●	●	●	●	●
OELD		●	●			
Crystal Device		●	●		●	●
Connector,Swich,PCB		●	●			



Main Products(by Supplier) -Electronic Devices-



		Supplier									
		Asahi Kasei Microdevices	ISSI	International Rectifier	Samsung	Seiko Epson	Texas Instruments	Triquint	Freescale	Broadcom	Maxim
Semiconductor											
Analog IC	Analog	●					●	●	●		●
	Discrete			●				●			
Standard Logic IC							●				
Memory IC	DRAM		●		●						
	Flash				●						
Micro- Processor	MPU,MCU					●	●	●			
	DSP	●					●	●			
Special-Use IC		●				●	●	●	●		●
IC	ASSP	●				●	●	●	●	●	●
	Display Driver				●	●	●				
	DMD						●				
Custom IC		●			●	●	●				
Electronic Components											
LCD Panel					●						
OELD					●						
Crystal Device						●					
Connector,Swich,PCB											●

Characteristic and Strength -Electronic Systems-

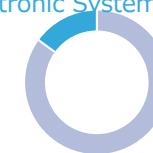


- Providing Unrivalled Products in High-end Markets
- Value-added Technical Support
(System Integration, Installation and Maintenance Services)



Affiliations -Electronic Systems-

Electronic Systems



■ システム事業

Company	Headquarters	Establishment	Shares	Principal Business
Marubun Tsusho Co.,Ltd.	Kanazawa, Ishikawa	Mar. 1961	100.0%	Systems Business
Hokushinrika	Nagano, Nagano	Nov. 1951	100.0%	Systems Business
Ikeda iryoudenki Co.,Ltd. *	Niigata, Niigata	Aug. 1961	41.0%	Systems Business
Marubun West Corporation	Kobe, Hyogo	May. 2005	100.0%	Systems Business

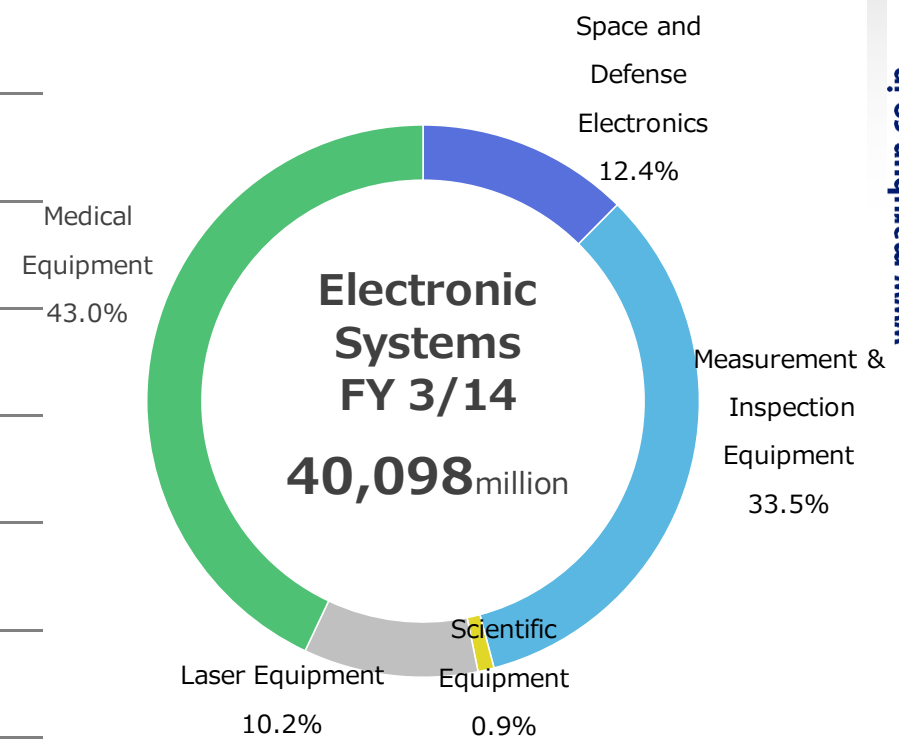
*Ikeda iryoudenki :Affiliate company

Main Products -Electronic Systems-

Electronic Systems

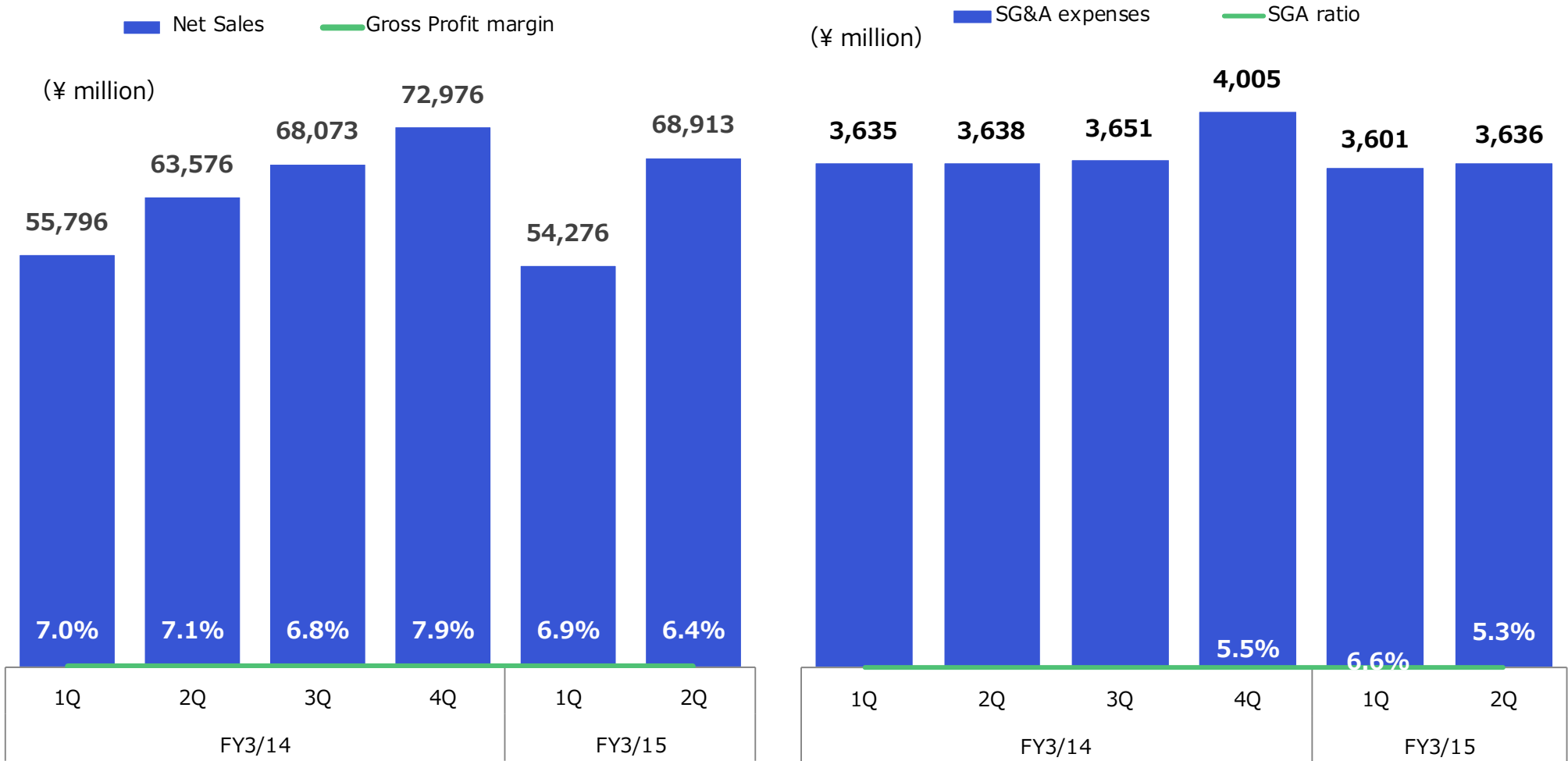


Segment	Main Products	Major Supplier
Space and Defense Electronics	High-reliability Components, Sensors	Tele Communication Systems, Plascore, Lavision
	Avionics Test System, Microwave Equipment	CPI, L3 Communications
Measurement & Inspection Equipment	Measurement & Inspection Equipment, Boad Computer	Akim, Shimadzu, Artesyn, ADLINK
	Manufacturing Equipment	Seiko Epson, Nippon Avionics
Scientific Equipment	MOCVD System, MBE Equipment	AIXTRON, Riber
Laser Equipment	Laser Oscillators & Processing Equipment	nLight, Laserline
	Network Equipment, Optical Components	Microsemi, Calnex Solutions, Excelitas Technologies
Medical Equipment	Diagnostic Imaging Equipment	Shimadzu, Siemens Japan, Konica Minolta Healthcare
	Hemo Dialysis Equipment	Nikkiso, Asahi Kasei Medical, Kaneka Medix



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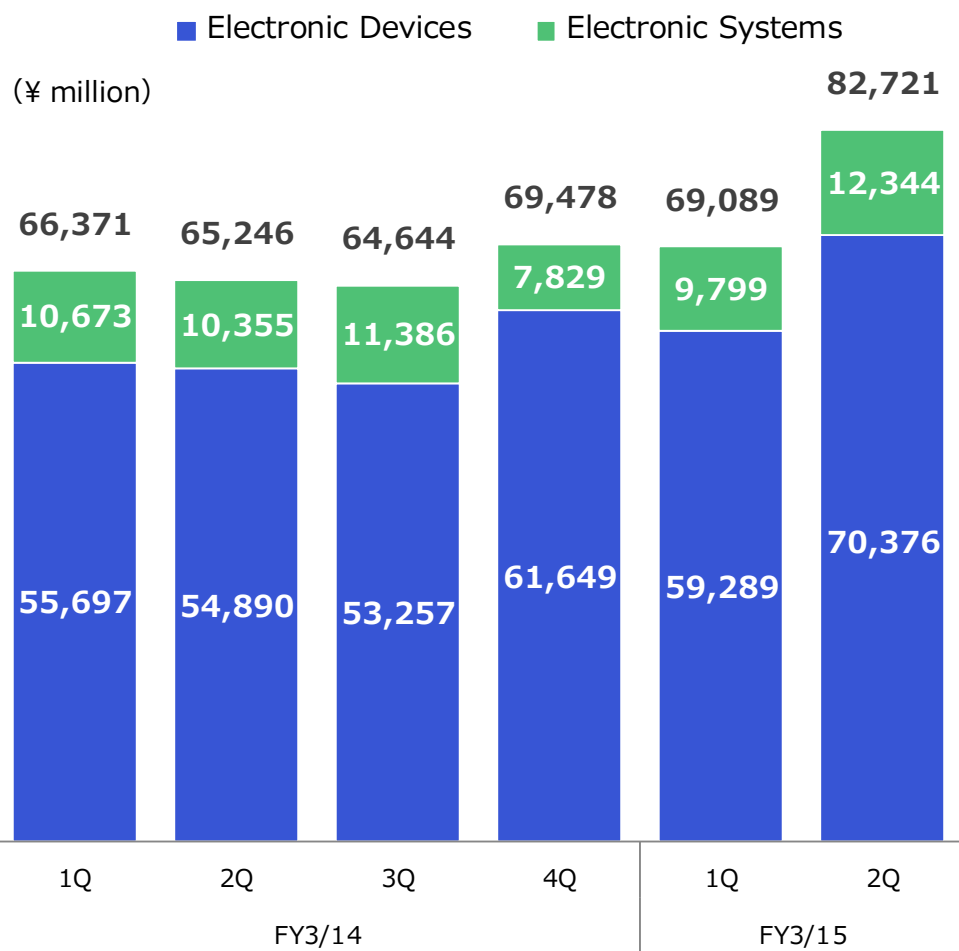
Trend in Net Sales/Gross Profit/SG&A expenses



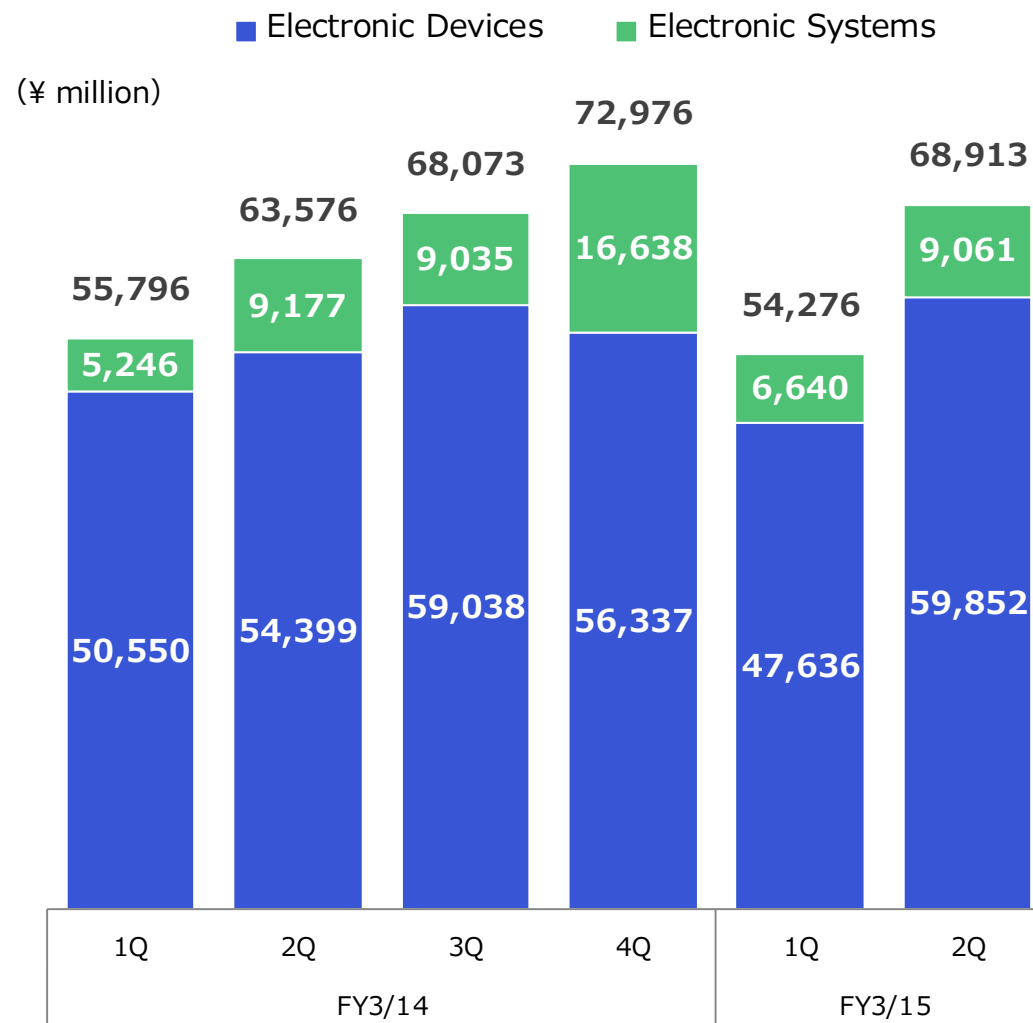
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Trend in Orders/Sales

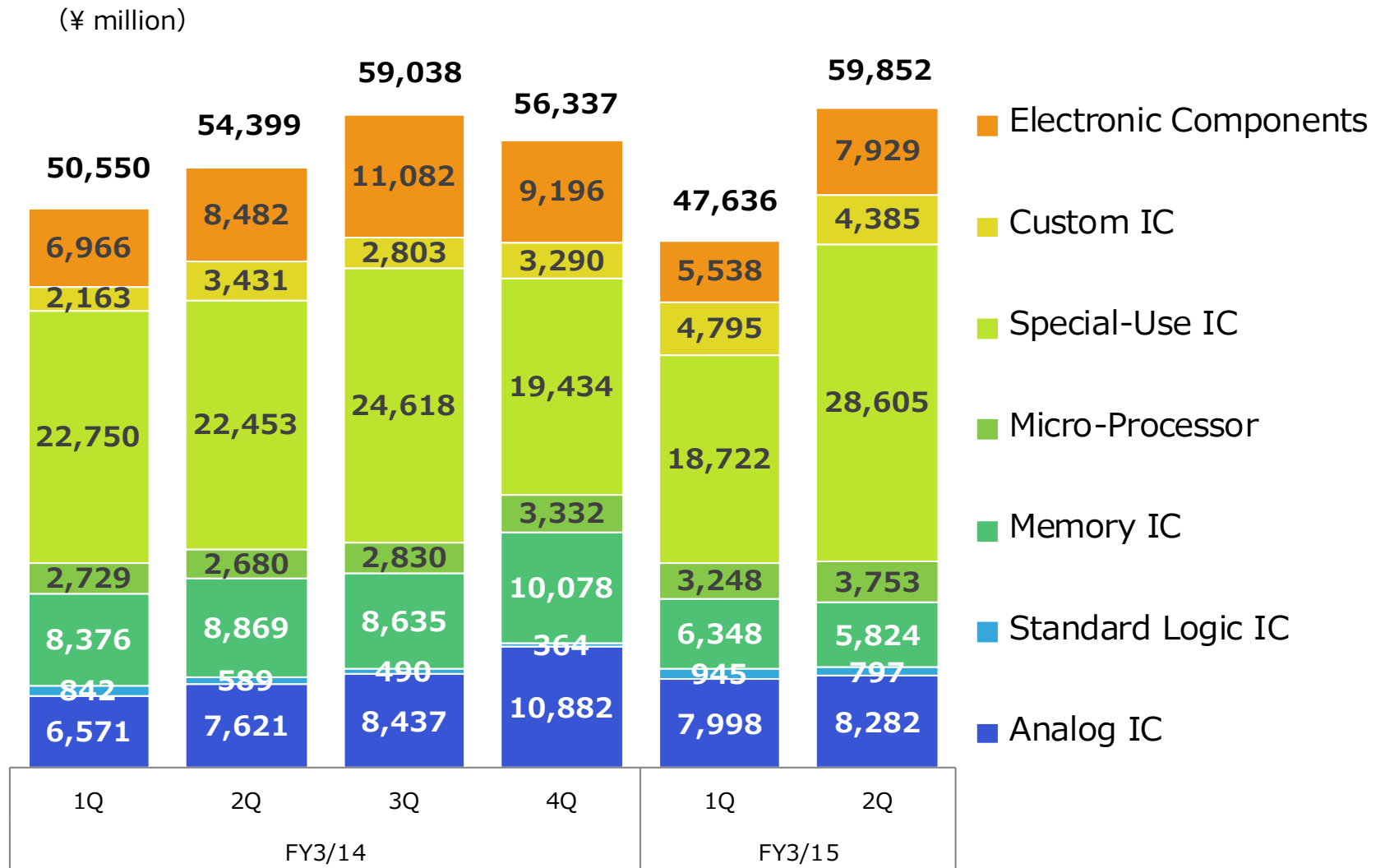
Orders



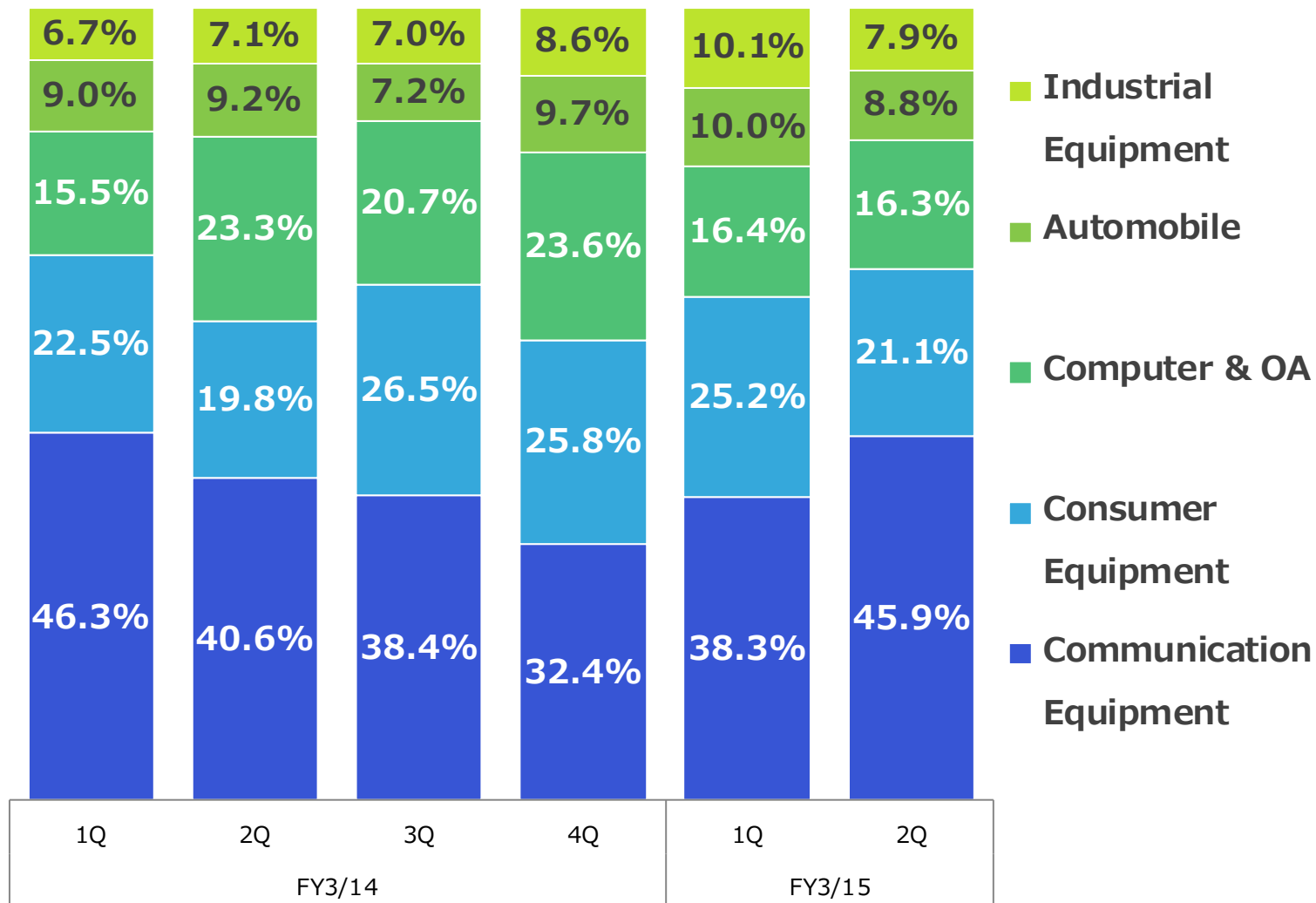
Sales



Trend in Sales of Electronic Devices by Products

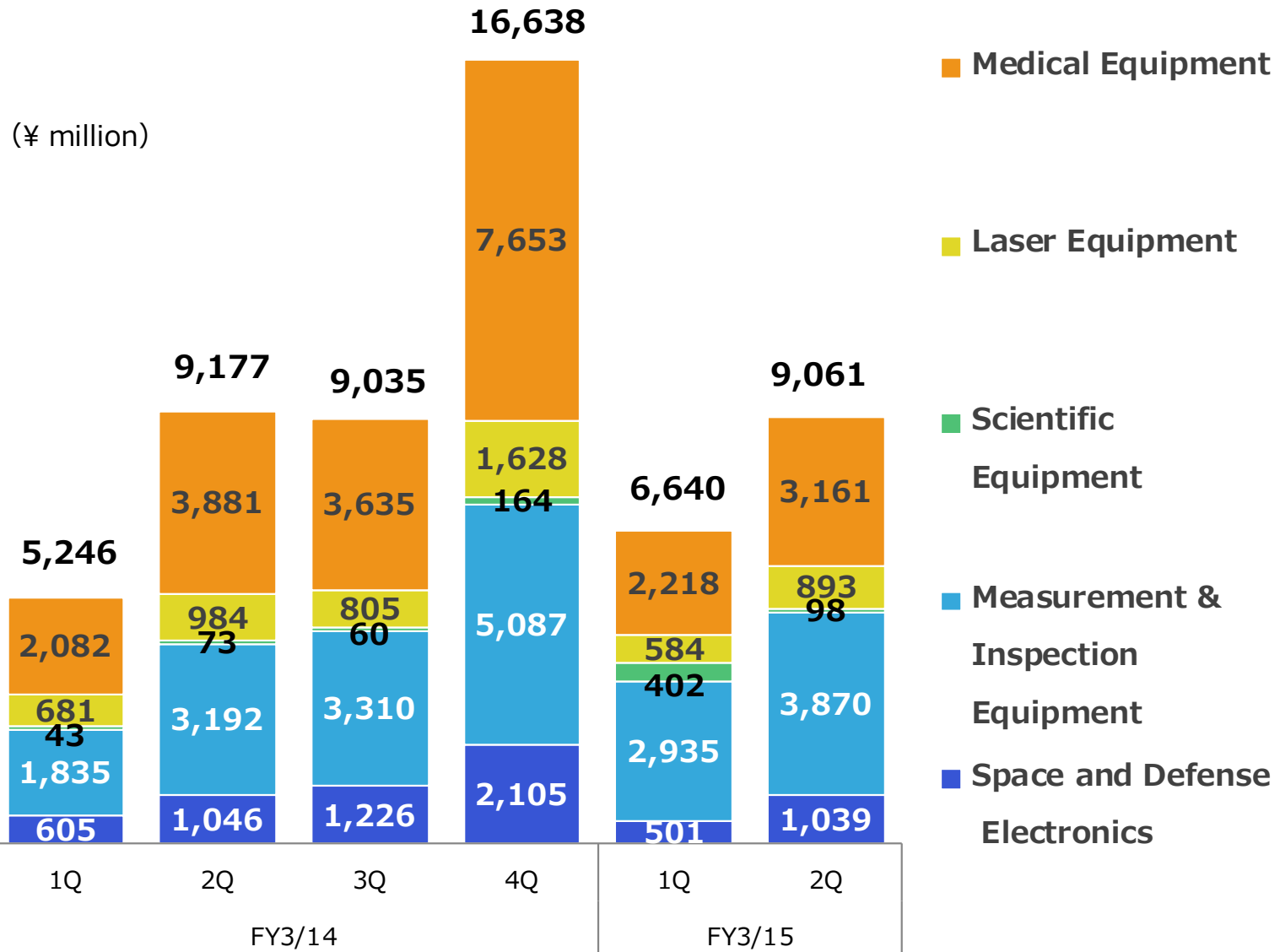


Trend in Sales of Electronic Devices by Applications



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Trend in Sales of Electronic Systems



Cautionary Statement

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.

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