

Financial Results for Fiscal Year Ending March 31, 2015



May 2015

MARUBUN CORPORATION

(Securities Code : 7537 / TSE1st Section)

Copyright © MARUBUN CORPORATION All Rights Reserved.

FY3/15

Summary of Consolidated Financial Results

FY3/15 Summary of Consolidated Financial Results

Net sales increased by ¥19 billion (+7.6% YoY)

- **Electronic Devices Business** Increased 9.4% as a result of robust sales of Special-Use ICs for communication modules and other ICs for Projector, automobile and industrial equipment
- **Electronic Systems Business** Decreased 2.1% as a result of decrease in Medical Equipment and Space & Defence, Laser Equipment

Operating income increased by ¥776 million (+19.9% YoY)

Ordinary income increased by ¥122million (+3.1% YoY)

- Increase in foreign exchange losses (763million)
- Increased profits for 6 years

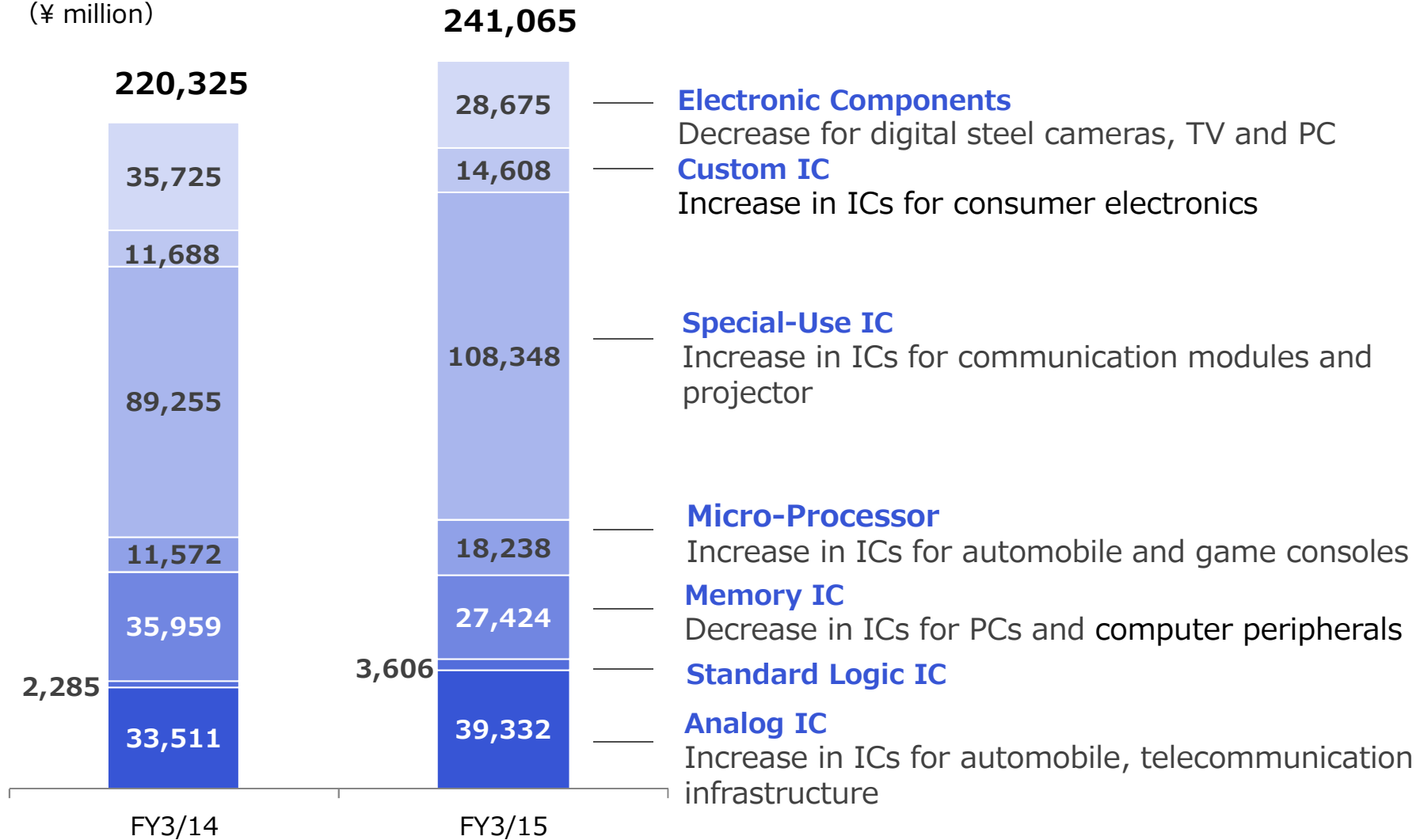
Net income decreased by ¥63 million (+3.1% YoY)

FY3/15 Summary of Financial Results

(¥ million)	FY3/14		FY3/15		YoY Changes		FY3/15 Forecasts	
	Actual	Compositi	Actual	Composition Ratio	Amount	%	(Oct.2014)	Composition Ratio
Net sales	260,424	100.0%	280,320	100.0%	19,896	7.6%	263,000	100.0%
Electronic Devices	220,325	84.6%	241,065	86.0%	20,740	9.4%	223,500	85.0%
Electronic Systems	40,098	15.4%	39,254	14.0%	(844)	-2.1%	39,500	15.0%
Gross profit	18,842	7.2%	19,560	7.0%	718	3.8%	19,100	7.3%
SG&A expenses	14,930	5.7%	14,871	5.3%	(59)	-0.4%	15,000	5.7%
Personal expenses	9,437	3.6%	9,179	3.3%	(258)	-2.7%	-	-
Other	5,493	2.1%	5,692	2.0%	199	3.6%	-	-
Operating income	3,912	1.5%	4,688	1.7%	776	19.9%	4,100	1.6%
Non-operating income	708	0.3%	795	0.3%	87	12.3%	-	-
Non-operating expenses	675	0.3%	1,417	0.5%	742	109.9%	-	-
Ordinary income	3,944	1.5%	4,066	1.5%	122	3.1%	4,000	1.5%
Extraordinary income	12	0.0%	7	0.0%	(5)	-41.7%	-	-
Extraordinary loss	70	0.0%	110	0.0%	40	57.1%	-	-
Net income	2,008	0.8%	2,071	0.7%	63	3.1%	2,100	0.8%
No. of employees at term-end	1,245	—	1,236	—	(9)	-0.7%	—	—

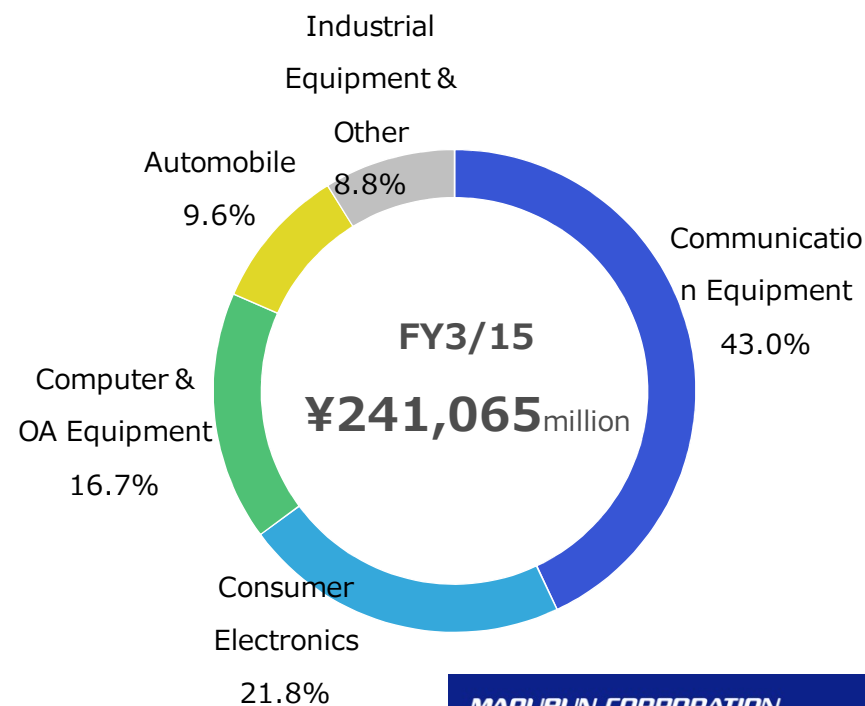
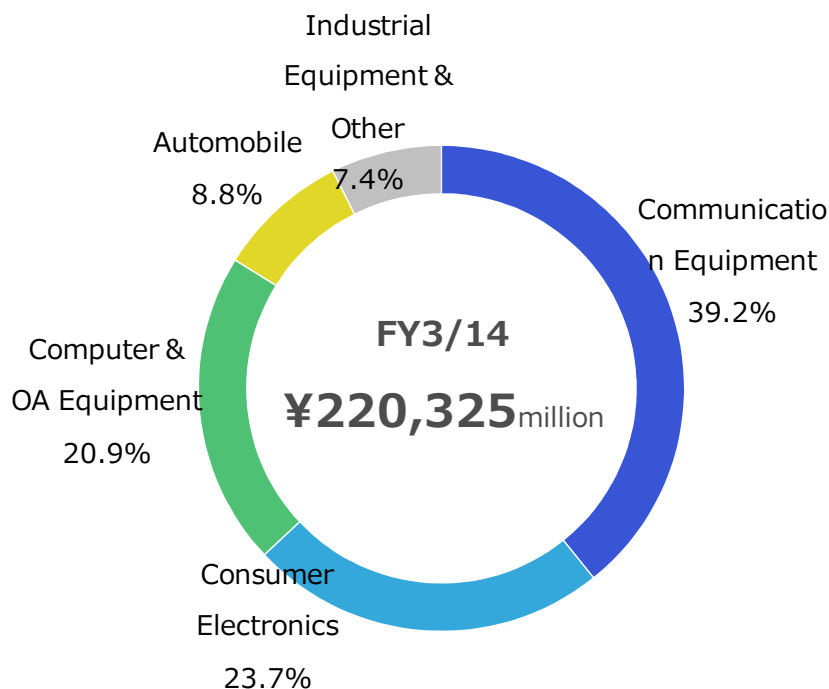
FY3/15 Electronic Devices Business Net Sales Breakdown by Product

(¥ million)



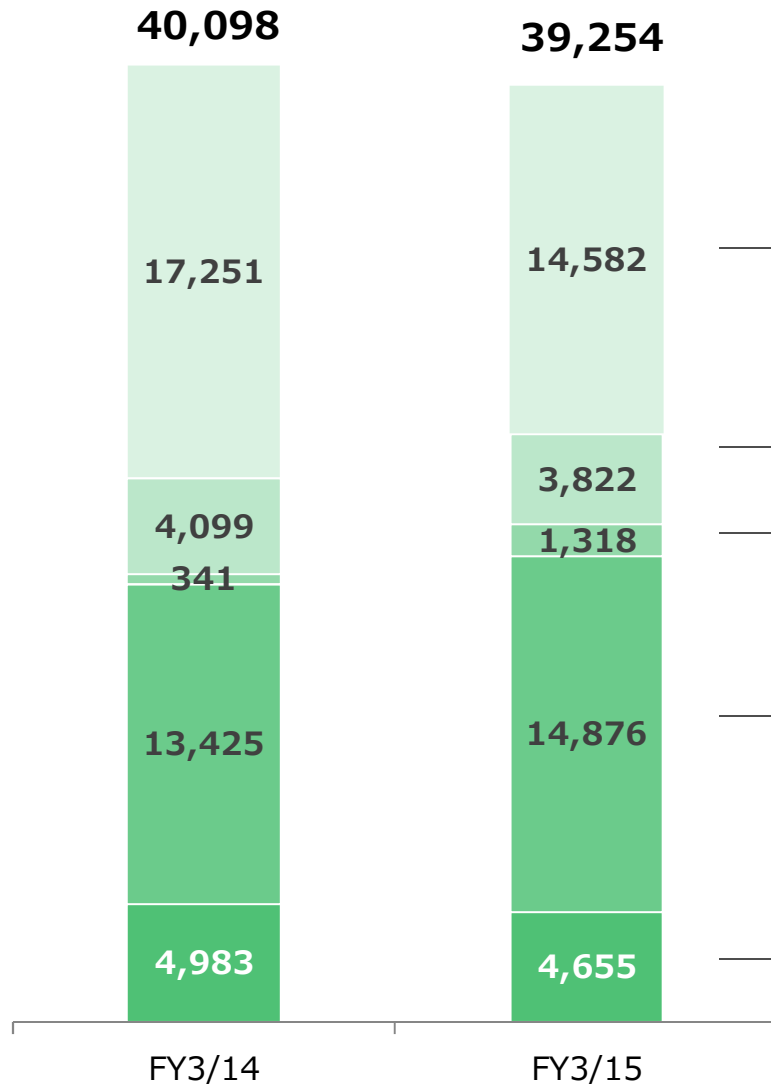
FY3/15 Electronic Devices Business Net Sales Breakdown by Product

Application		Market Trend
Communication Equipment	➔	Increase in ICs for communication modules and infrastructure
Consumer Electronics	➔	Decrease in ICs for digital cameras and TV, 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



FY3/15 Electronic Systems Business Net Sales Breakdown by Product

(¥ million)



Medical Equipment

Decrease in radiation therapy systems and Diagnostic Imaging Equipment

Laser Equipment

Scientific Equipment

Increase in thin-film equipment for power semiconductor manufacturing

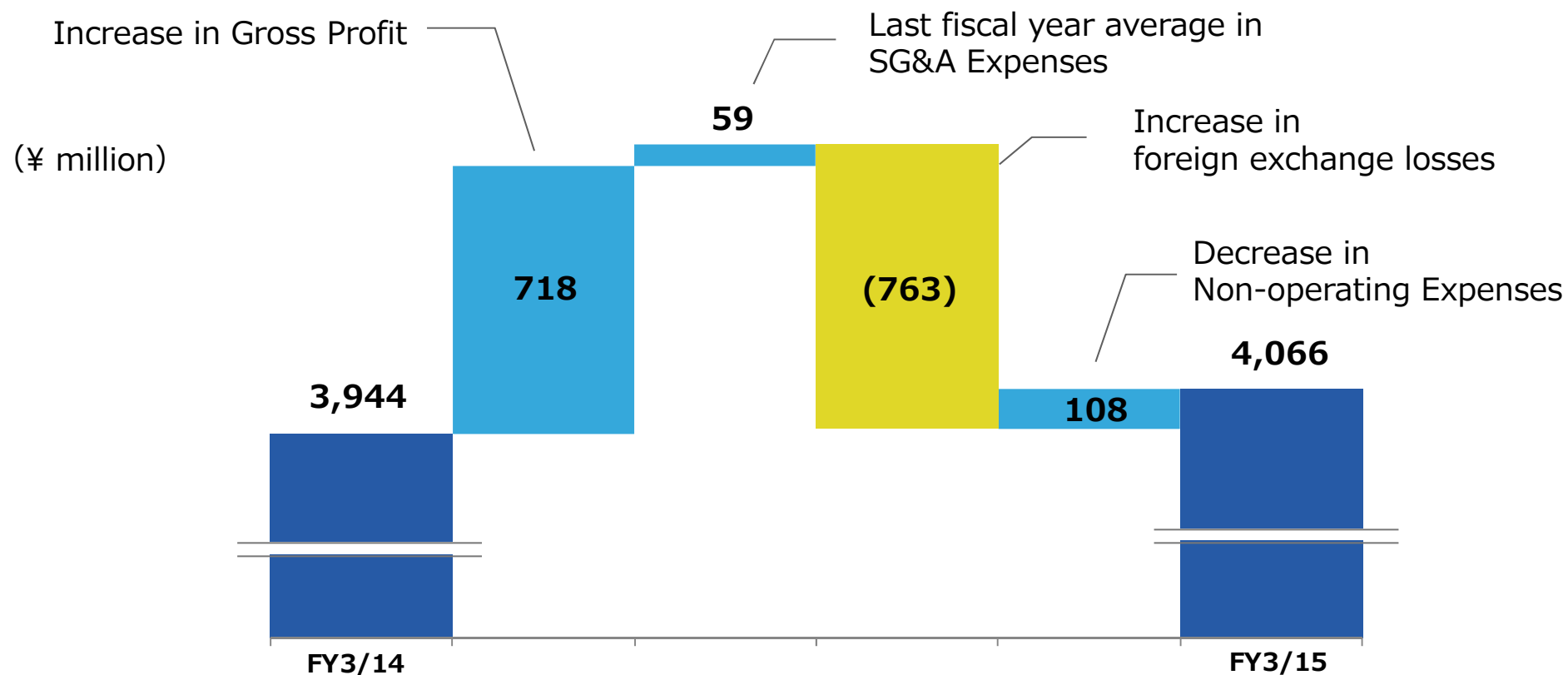
Measurement & Inspection Equipment

Increase in electronic components inspection equipment and Boad computers

Space & Defense Electronics

Decrease in High-reliability Components for satellite

FY3/15 Factors Affecting Ordinary Income



Gross Profit

Increase of Net sales and increase by the positive effects of a weaker yen

FY3/14: ¥18,842million(7.2%) ⇒ FY3/15: ¥19,560million(7.0%)

Non-operating
Income/Loss

Increase in foreign exchange losses by sharp fluctuations in exchange rates ¥140million ⇒ ¥903million

End FY3/15 Summary of Balance Sheets

(¥ million)	FY3/14 End Actual	FY3/15 End Actual	Changes in 12 m/s Amount
Current assets	99,510	117,084	17,574
Cash and deposits	19,151	21,725	2,574
Notes and accounts receivable-trade	60,944	63,393	2,449
Inventories	16,931	28,987	12,056
Other	2,484	2,978	494
Noncurrent assets	11,124	11,228	104
Property, plant and equipment	4,277	4,232	(45)
Intangible assets	402	448	46
Investments and other assets	6,445	6,548	103
Total assets	110,635	128,313	17,678
Current liabilities	65,114	72,594	7,480
Notes and accounts payable-trade	39,910	52,978	13,068
Short-term loans payable and other	22,143	16,306	(5,837)
Other	3,061	3,461	400
Noncurrent liabilities	3,050	9,416	6,366
Long-term loans payable and other	1,013	7,507	6,494
Net defined benefit liability	1,330	1,194	(136)
Other	707	714	7
Total liabilities	68,165	82,010	13,845
Total net assets	42,469	46,302	3,833
Total liabilities and net assets	110,635	128,313	17,678

Increase in semiconductor inventories

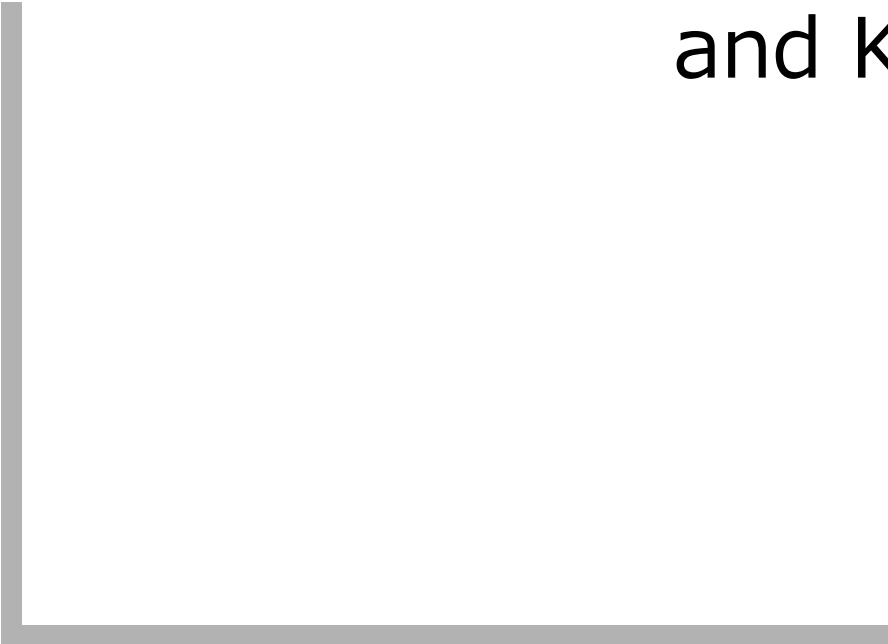
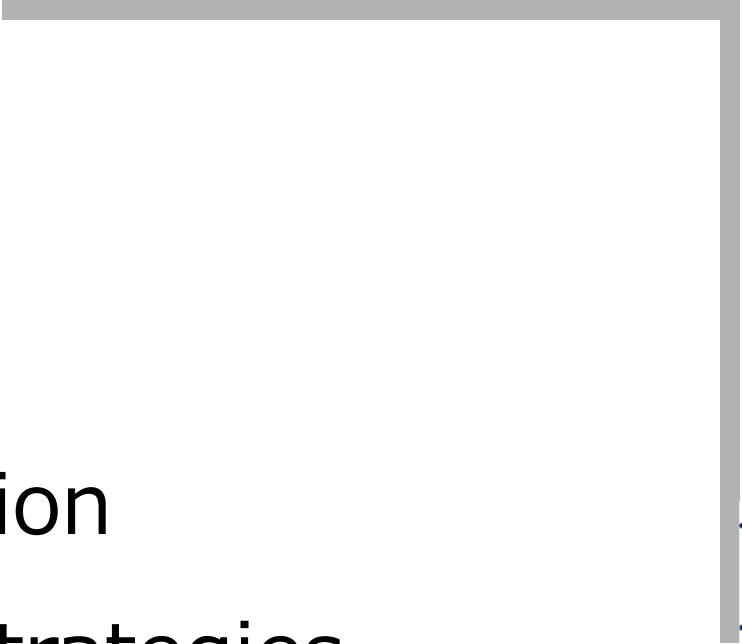
Increase in semiconductor purchase due to increase of demand

FY3/15 Summary of Statements of Cash Flows

(¥ million)	FY3/14 Actual	FY3/15 Actual
Net cash provided by (used in) operating activities	5,999	2,255
Income before income taxes	3,886	3,963
Decrease (increase) in notes and accounts receivable-trade	(10,445)	(1,212)
Decrease (increase) in inventories	9,089	(11,629)
Increase (decrease) in notes and accounts payable-trade	4,604	12,382
Other	(1,135)	(1,249)
Net cash provided by (used in) investing activities	(162)	(243)
Free cash flow	5,837	2,012
Net cash provided by (used in) financing activities	(5,382)	(1,514)
Net increase (decrease) in cash and cash equivalents	1,565	2,536
Cash and cash equivalents at end of period	18,976	21,512

Increase in semiconductor inventories

Increase in semiconductor purchase due to increase of demand



Medium-Term Vision Progress of Business Strategies and Key Initiatives

Summary of Medium-Term Vision

Vision

**Transforming into a robust company
that can realize sustainable growth**

Slogan

Think & Action (T & A)

View structural changes as an opportunity,
accelerate management reforms,
and conduct positive management to make a breakthrough

Electronic Devices Four T & A

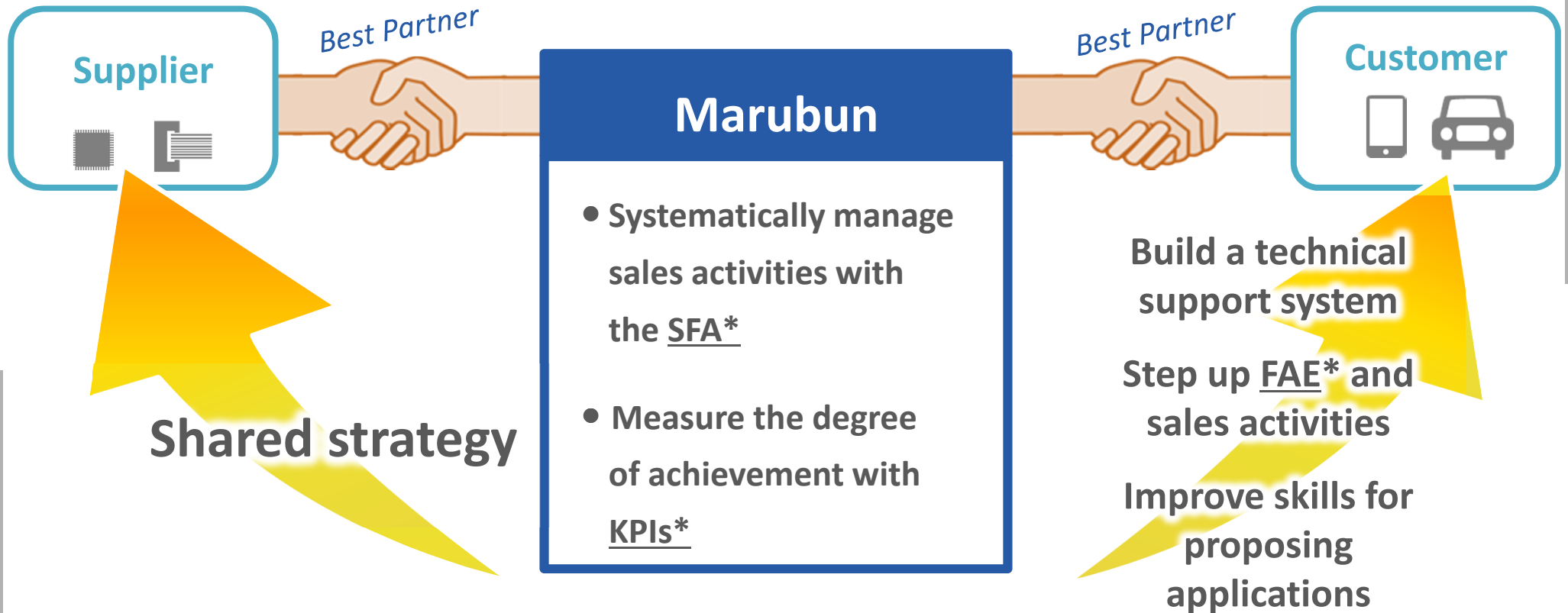
- (1) Expand the base business
- (2) Develop businesses in growing markets
- (3) Promote development of new products
- (4) Enhance global operations

Electronic Systems Three T & A

- (1) Enhance engineering services
- (2) Strengthen system integration capability
- (3) Enrich product line-up

Target of Ordinary Income FY3/17 ¥6billion

Electric Devices Business: Four T & A (1) Expand fundamental business



***SFA** Sales Force Automation

***KPI** Key Performance Indicator


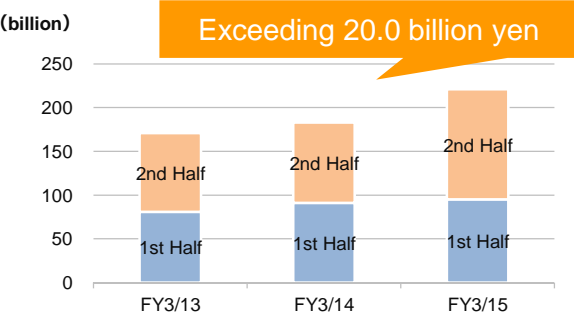
***FAE** Field Application Engineer

A sales support system that makes effective use of information

Indices of significant business results for evaluation

Sales personnel with technical knowledge on products and solutions who are capable of making technical proposals

Electric Devices Business: Four T & A (2) Step up actions for growth markets

Focus Markets	Communications	<p>Focus attention on IoT*</p> <ul style="list-style-type: none"> - Develop original evaluation boards and present different solutions to move the cultivation of the market forward. 																	
	Automobiles	<p>Step up efforts related to ADAS* and other next-gen technologies.</p> <ul style="list-style-type: none"> - Areas of differentiation, such as automotive navigation systems, meter panels, and engine controls contribute to business results. - Bolster efforts in North American market, Southeast Asian market, and other overseas markets. 	<p>(billion)</p>  <table border="1"> <caption>Revenue (billion yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>1st Half</th> <th>2nd Half</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY3/13</td> <td>~80</td> <td>~90</td> <td>~170</td> </tr> <tr> <td>FY3/14</td> <td>~90</td> <td>~90</td> <td>~180</td> </tr> <tr> <td>FY3/15</td> <td>~100</td> <td>~120</td> <td>~220</td> </tr> </tbody> </table>	Fiscal Year	1st Half	2nd Half	Total	FY3/13	~80	~90	~170	FY3/14	~90	~90	~180	FY3/15	~100	~120	~220
	Fiscal Year	1st Half	2nd Half	Total															
	FY3/13	~80	~90	~170															
FY3/14	~90	~90	~180																
FY3/15	~100	~120	~220																
Industrial Equipment	<p>Focus energy on factory automation equipment.</p> <ul style="list-style-type: none"> - Brisk sales of products for servo motors and sequencers. - Broaden the array of sensors and other products. 																		
Medical Equipment	<p>Develop projects in areas related to endoscopes and advanced medical systems.</p> <ul style="list-style-type: none"> - Push ahead with project development in areas where Japan is a leader in hopes of accelerating their progress in the future. 																		

*IoT *Internet of Things*

A technology for recognizing different things connected to the network, and how to control these things

*ADAS *Advanced Driving Assistant System*

A sophisticated system for automated driving and other forms of assisted driving

Electric Devices Business: Four T & A (3) Promote development of new products

Offering the latest technologies and products in form of solutions to at least 50 companies based mainly in the United States, Taiwan, and China

Semi-conductor	<ul style="list-style-type: none"> • OpenSilicon(ASIC) • Baysand(ASIC) • SanDisk(Flash/SSD) <p>⇒ Full-scale launch</p>
Electronic components	<ul style="list-style-type: none"> • Eink(E-Paper) • Molex(Connector) • IDT(Clock IC) • CNI(Cover Glass) <p>⇒ Expansion of business areas and business opportunities</p>
Ecology	<ul style="list-style-type: none"> • Winaico (Photovoltaic panels) <p>⇒ Entry into the housing market in alliance with a major sales partner</p>



Baysand ASIC



Eink E-Paper



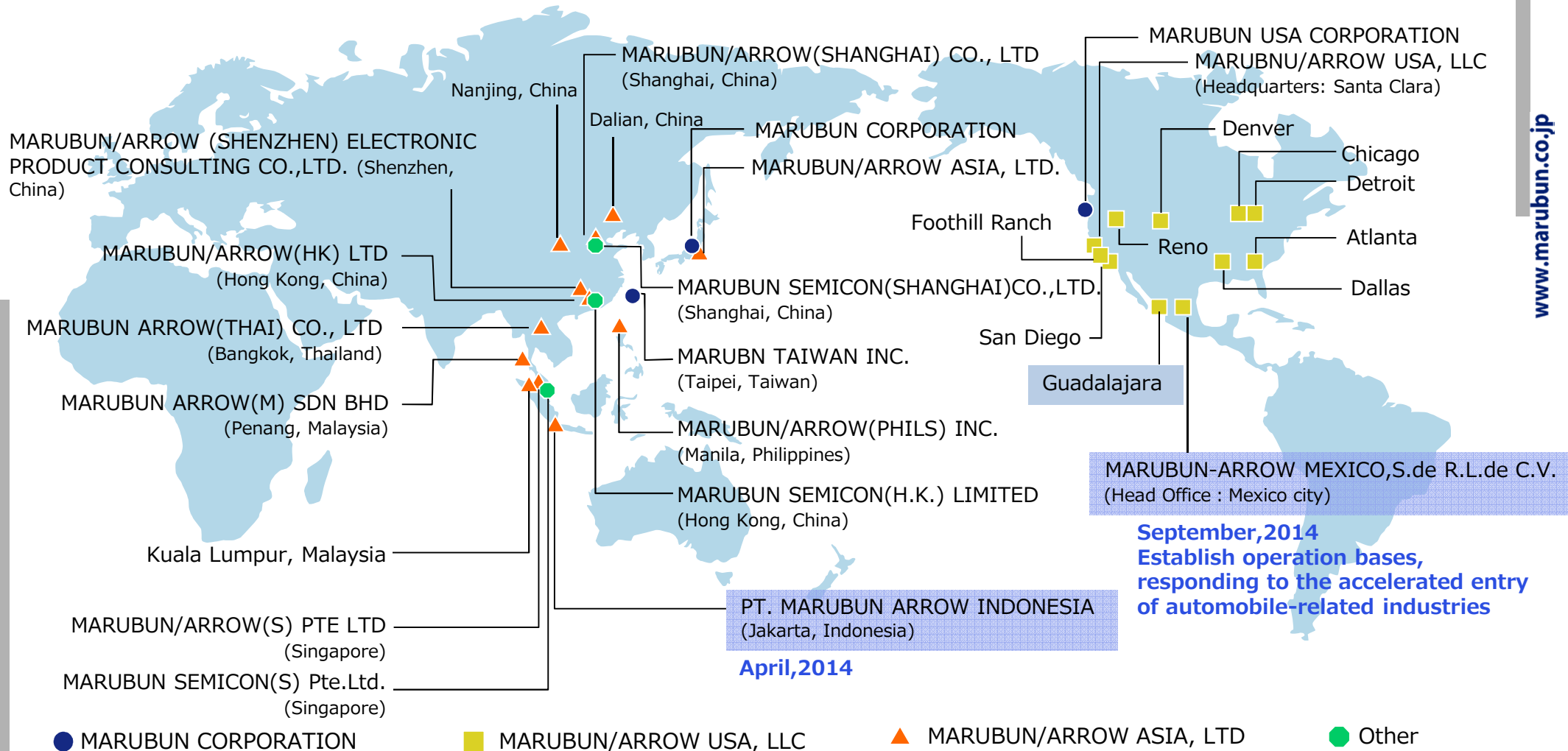
Solar Einou

Electric Devices Business: Four T & A (4) Enhance global operations

Further build up overseas support capabilities through the use of Arrow's wide-ranging products, bases, and distribution data infrastructure

Marubun/Arrow 9 countries, 23 bases

Arrow Electronics 56 countries, 460 bases



Electric Systems Business: Three T & A

Customer-In concept

Move ahead with differentiation by offering services and solutions that answer the varying needs of each individual customer

(1) Enhance engineering services

(2) Strengthen system integration capabilities

(3) Enrich product line-up

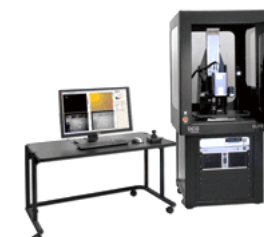


Electric Systems Business: Efforts in different product categories

<p>Laser Equipment</p>	<ul style="list-style-type: none"> - Boost sales of embedded semiconductor lasers for industrial equipment - Win more orders for original fine laser processing systems - Work to increase the number of cases in which the network monitoring systems, time authentication systems, and other systems
<p>Industrial Equipment</p>	<ul style="list-style-type: none"> - Boost sales of failure analysis systems and high reliability inspection systems - Step up promotional efforts for generic drug analyzers
<p>Space and Defense Electronics</p>	<ul style="list-style-type: none"> - Boost sales of high value-added products for satellite and defense applications - Expand electronic power measuring instruments business for overseas power plants
<p>Medical Equipment</p>	<ul style="list-style-type: none"> - Boost sales of MRI systems and CT scanners - Set ourselves apart by providing advanced technical support



Embedded semiconductor laser



Infrared analysis system for thermal emissions



Electric discharge measuring system



Diagnostic imaging unit

FY3/16

Summary of Consolidated Financial Forecasts

FY3/16 Summary of Financial Forecasts

Net sales expected ¥270 billion (-3.7% YoY)

- **Electronic Devices Business** Increase in ICs for automobile , industrial equipment and telecommunications infrastructure , decrease in ICs for communication modules and PC
- **Electronic Systems Business** Increase in medical equipment , inclusion a consolidated subsidiary

Operating income expected ¥4.5billion (-2.9% YoY)

- **Improvement of gross profit margin ratio** Improvement by a shift to a high-profit business
- **SG&A expenses** Increase in personnel expenses and inclusion a consolidated subsidiary

Ordinary income expected ¥4.5 billion (+10.7% YoY)

- **Foreign exchange losses** Decrease of foreign exchange losses of 900million yen in FY3/15

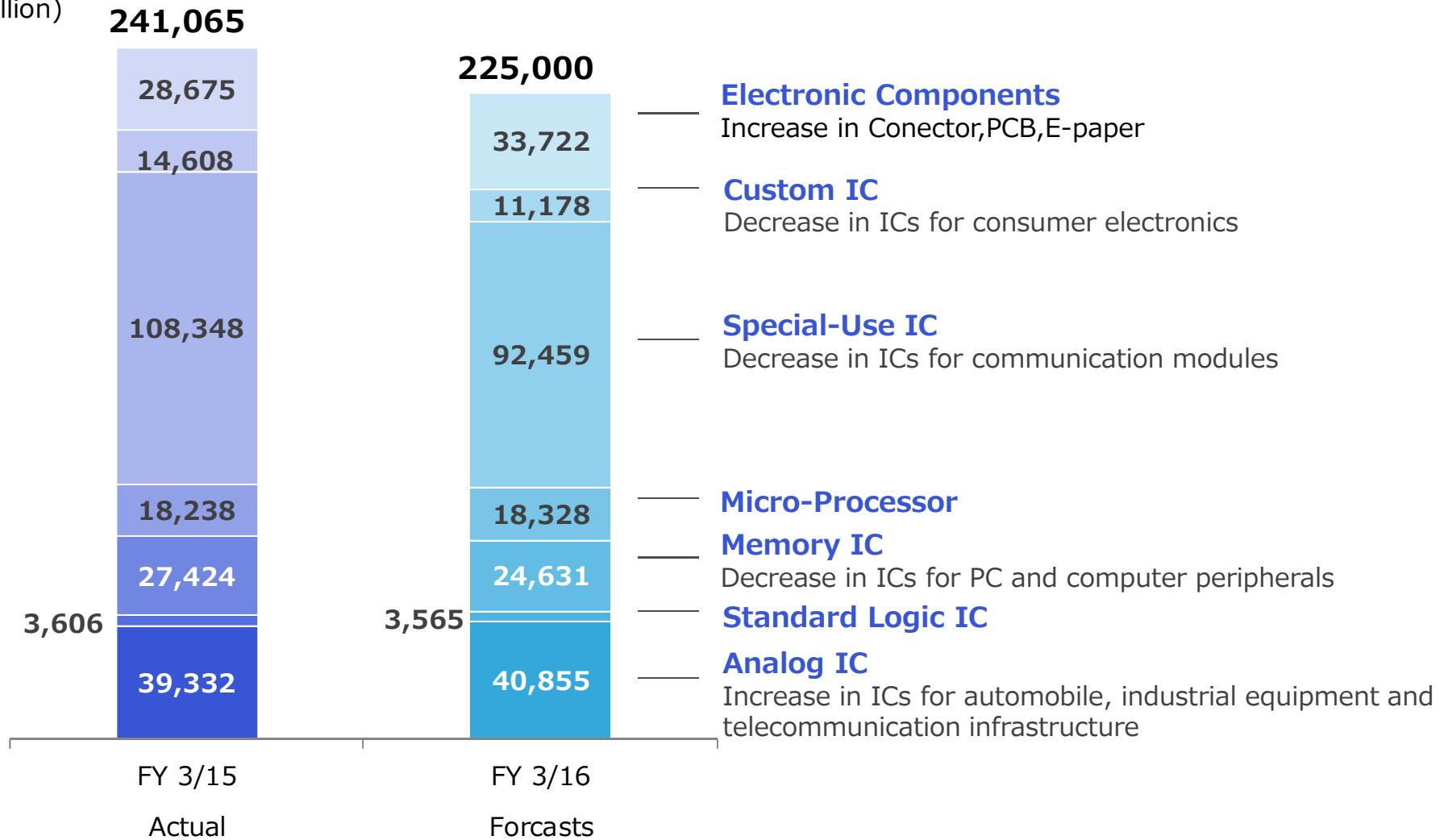
Net income expected ¥2.5 billion (+23.1% YoY)

FY3/16 Financial Forecasts

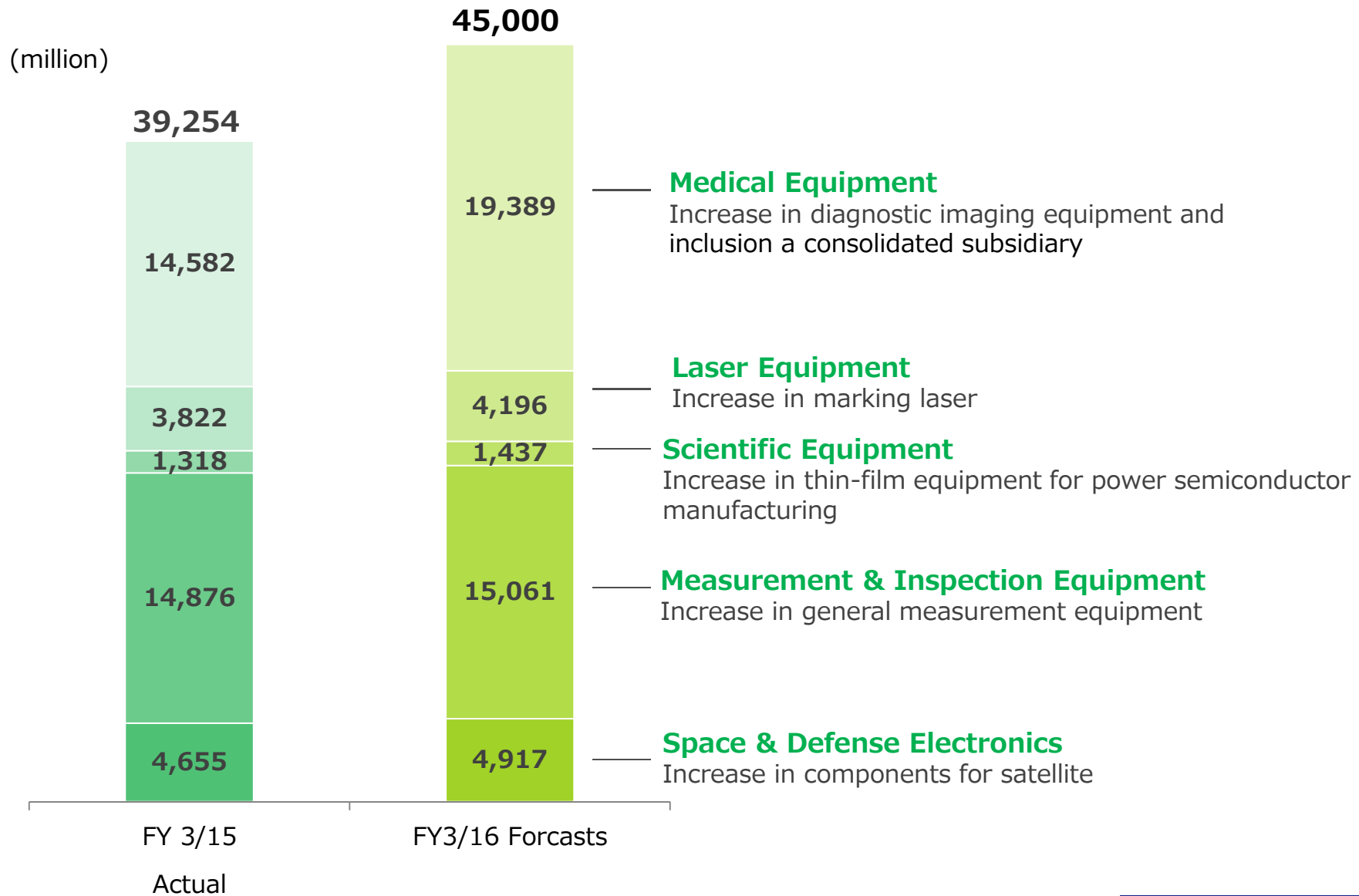
(¥ million)	FY3/15		FY3/16		YoY Changes	
	Actual	Composition Ratio	Forecast	Composition Ratio	Amount	%
Net sales	280,320	100.0%	270,000	100.0%	(10,320)	-3.7%
Electronic Devices	241,065	86.0%	225,000	83.3%	(16,065)	-6.7%
Electronic Systems	39,254	14.0%	45,000	16.7%	5,746	14.6%
Gross profit	19,560	7.0%	20,000	7.4%	440	2.2%
SG&A expenses	14,871	5.3%	15,450	5.7%	579	3.9%
Operating income	4,688	1.7%	4,550	1.7%	(138)	-2.9%
Non-operating income	795	0.3%	550	0.2%	(245)	-30.8%
Non-operating expenses	1,417	0.5%	600	0.2%	(817)	-57.7%
Ordinary income	4,066	1.5%	4,500	1.7%	434	10.7%
Extraordinary income	7	0.0%	0	0.0%	(7)	-
Extraordinary loss	110	0.0%	0	0.0%	(110)	-100.0%
Net income	2,071	0.7%	2,550	0.9%	479	23.1%

FY3/16 Electronic Devices Business Net Sales Forecasts by Product

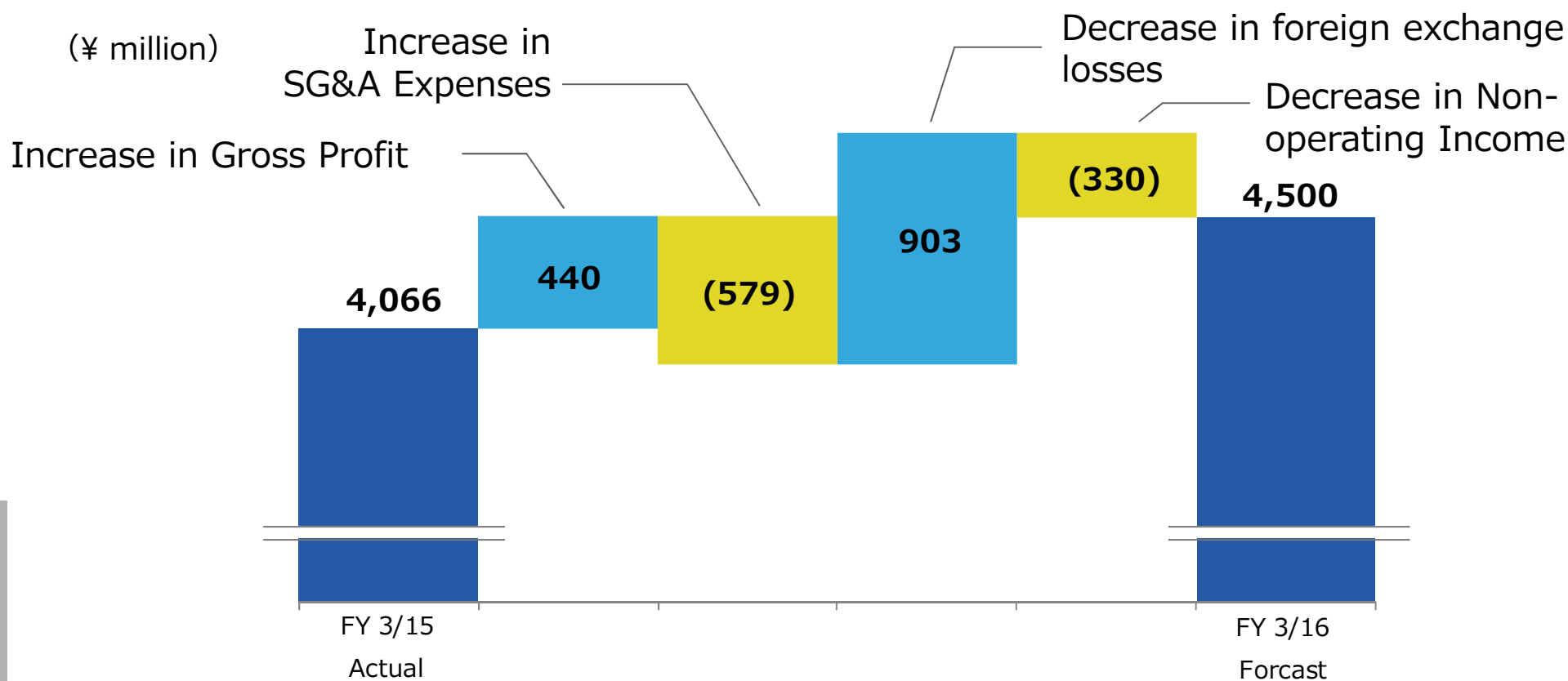
(million)



FY3/16 Electronic Systems Business Net Sales Forecasts by Product



FY3/16 Factors Affecting Ordinary Income (Forecasts)



Gross Profit

Improvement of gross profit margin ratio

FY3/15 : 7.0% ⇒ FY3/16 : 7.4%

SG&A Expenses

Increase by inclusion a consolidated subsidiary

FY3/15 : ¥14.8billion ⇒ FY3/16 : ¥15.4billion

Non-operating Income/Loss

Decrease in foreign exchange losses

FY3/15 : ¥903million ⇒ FY3/16 : Not Expect

Return to Shareholders

- **Change in a dividend policy**

Dividend
Payout Ratio

The greater, 25% or more(consolidated)
or 30% or more(non-consolidated)



30% or more(consolidated)

- **Dividends Forecast**

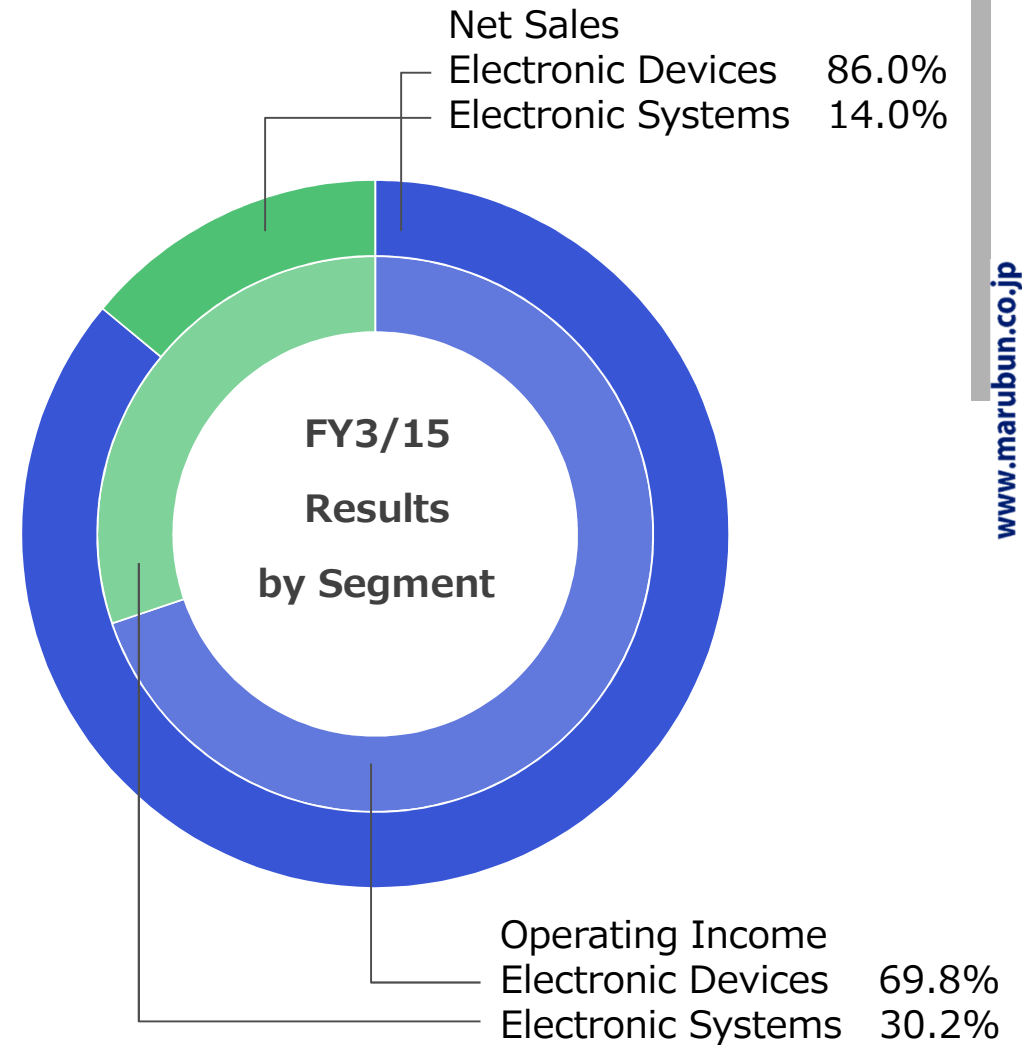
(¥)	FY 3/15	FY 3/16 (Forecasts)
Annual Dividend per Share	20.00	30.00
Interim Dividend	7.00	12.00
Year-End Dividend	13.00	18.00



Appendix

Corporate Outline

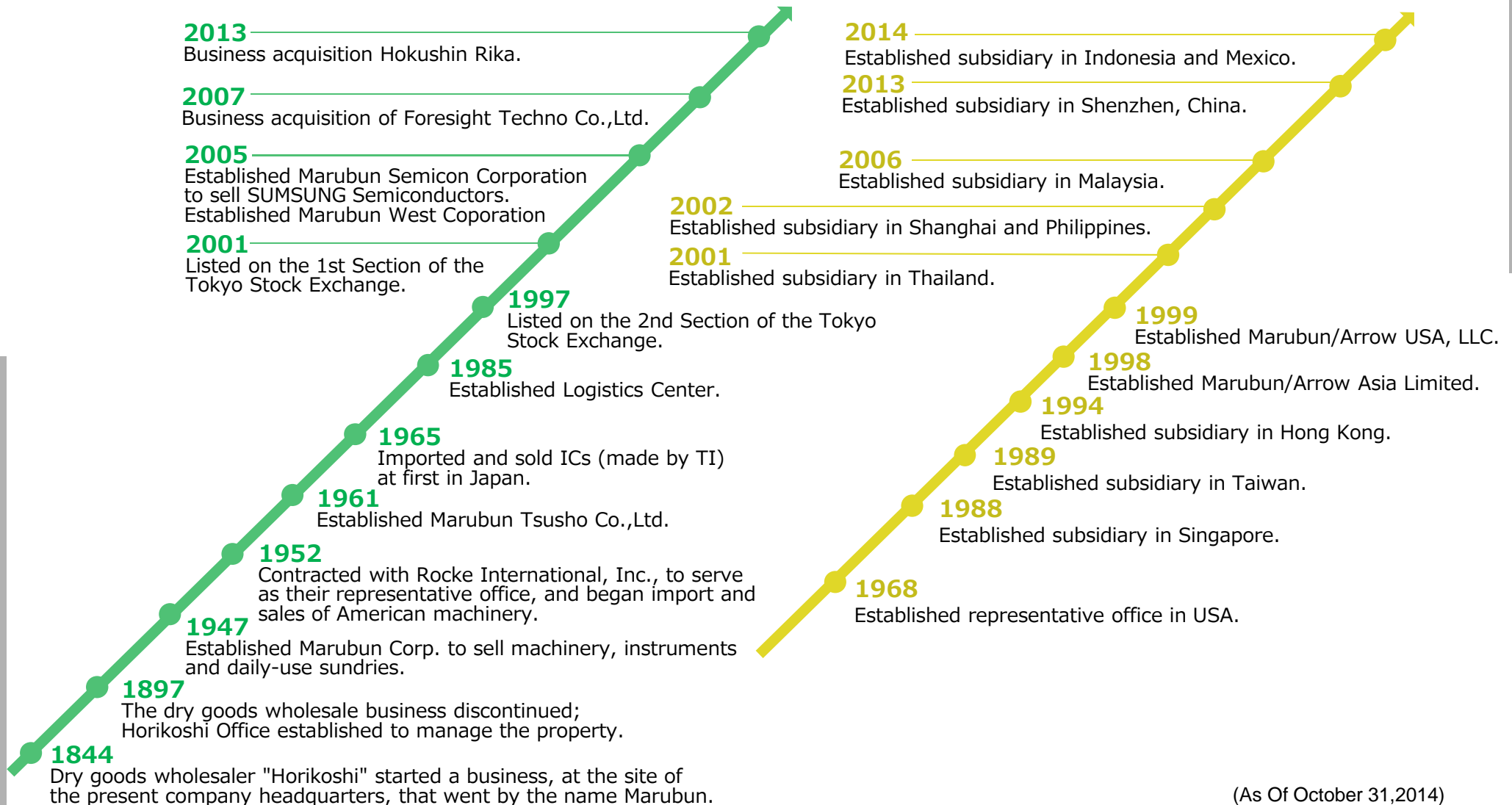
- Establishment July 1947
- Capital ¥6,214 million
- Activities Distribution of Cutting-edge Electronics Products
- Headquarters Chuo-ku, Tokyo
- Consolidated Net Sales 280,320 million yen(FY3/15)
- Numbers of Employees 1,236(As of March 31,2015)



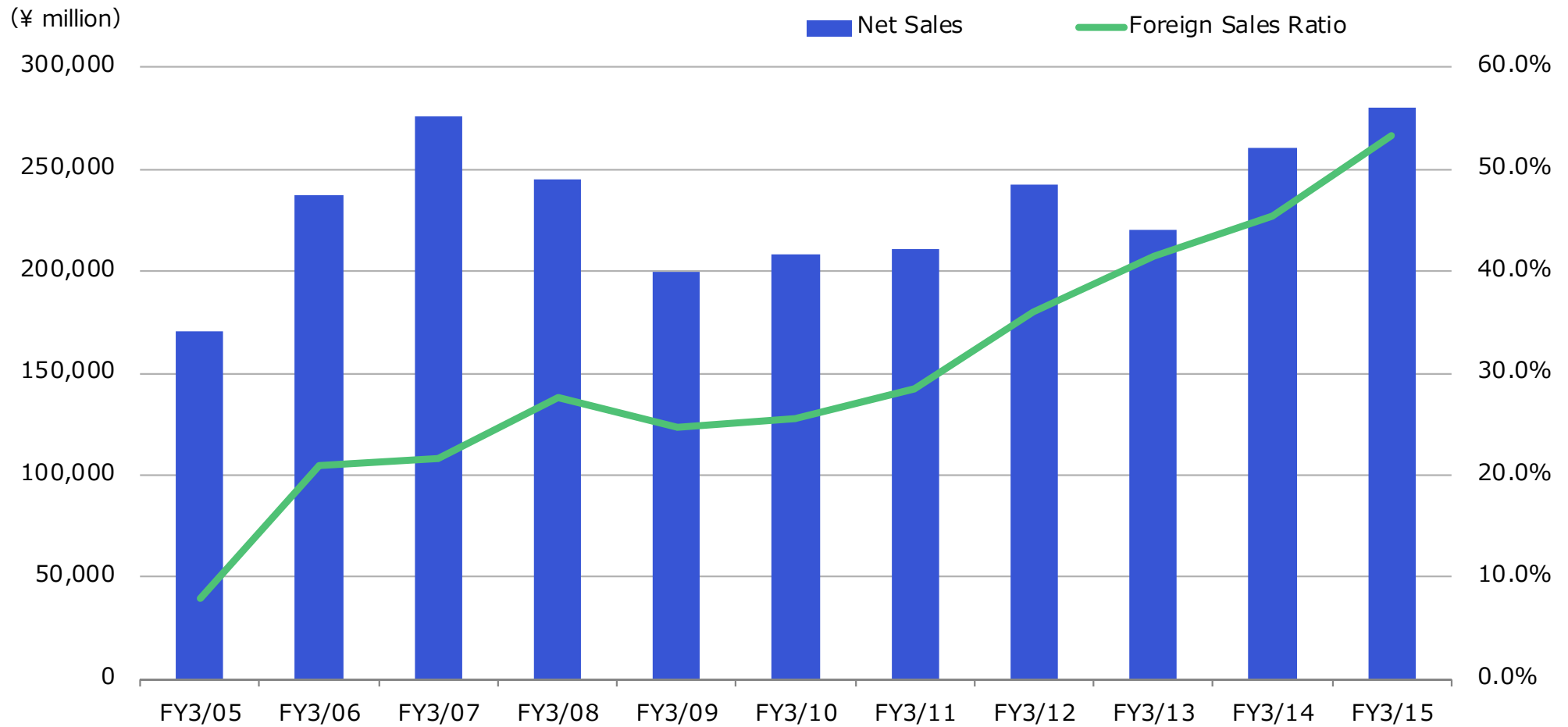
History of Company Operations

Japan

Over Seas

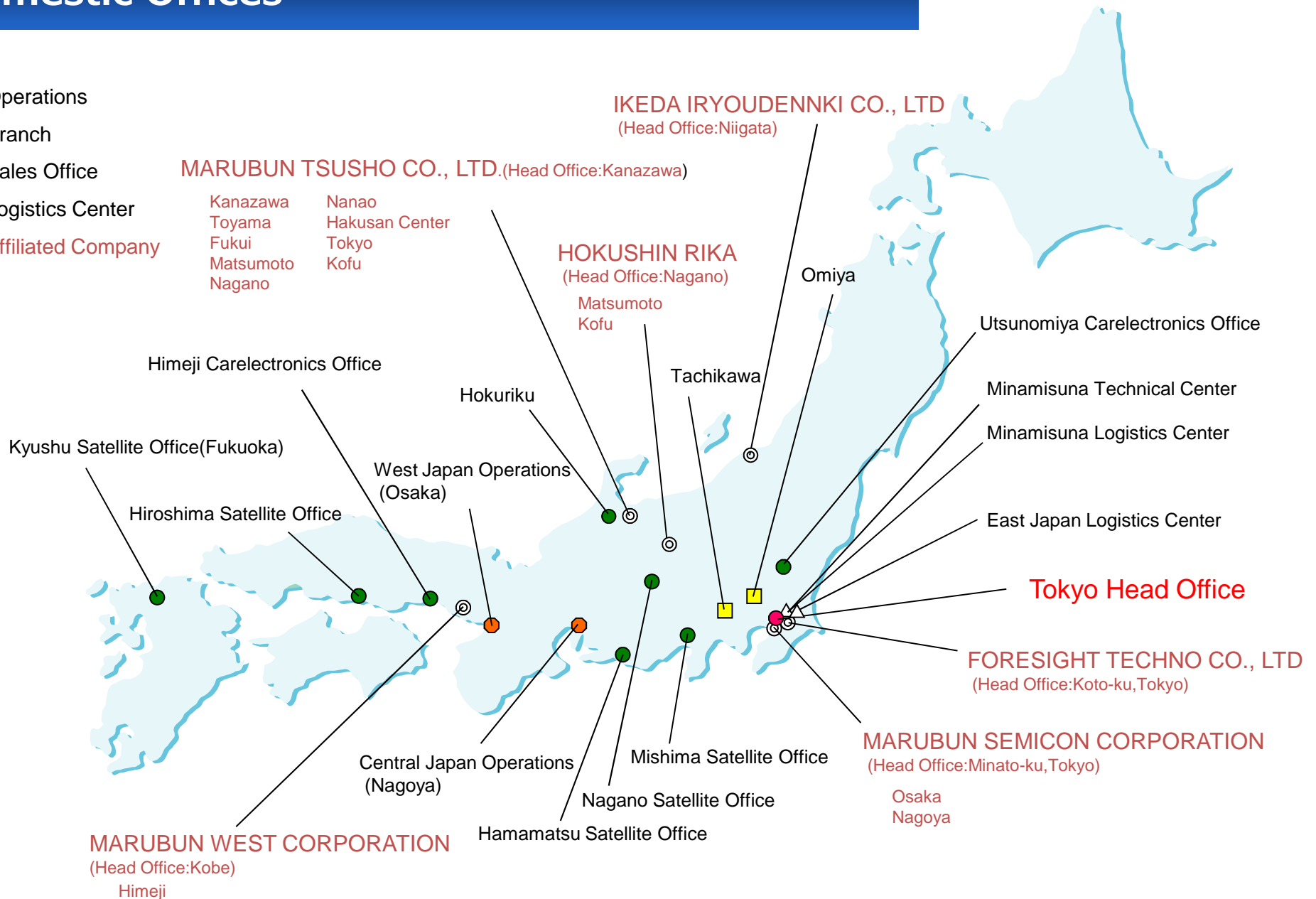


Trend of 10 years



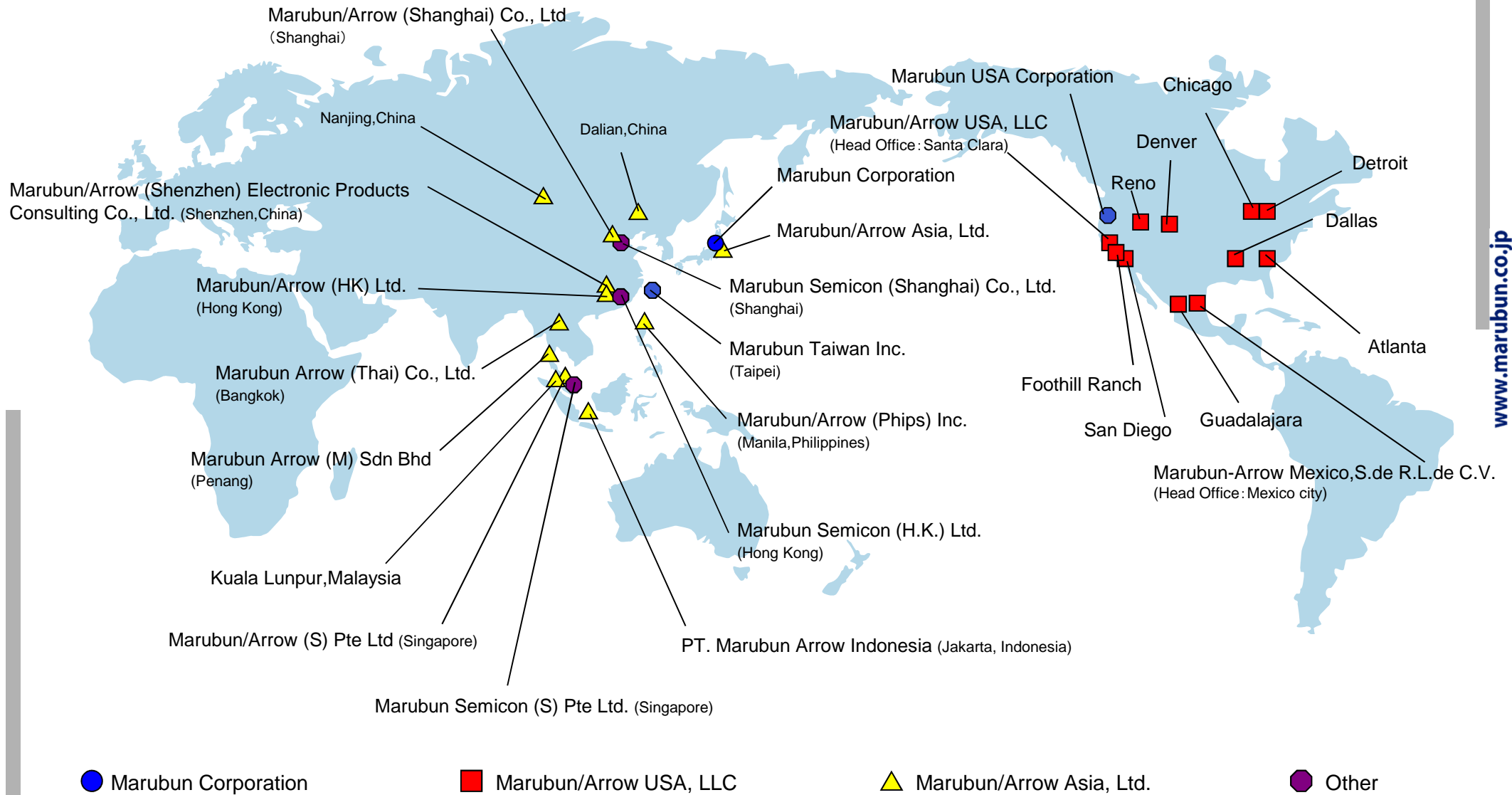
Domestic Offices

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



(As Of April 1, 2015)

World-wide Sales Network



www.marubun.co.jp

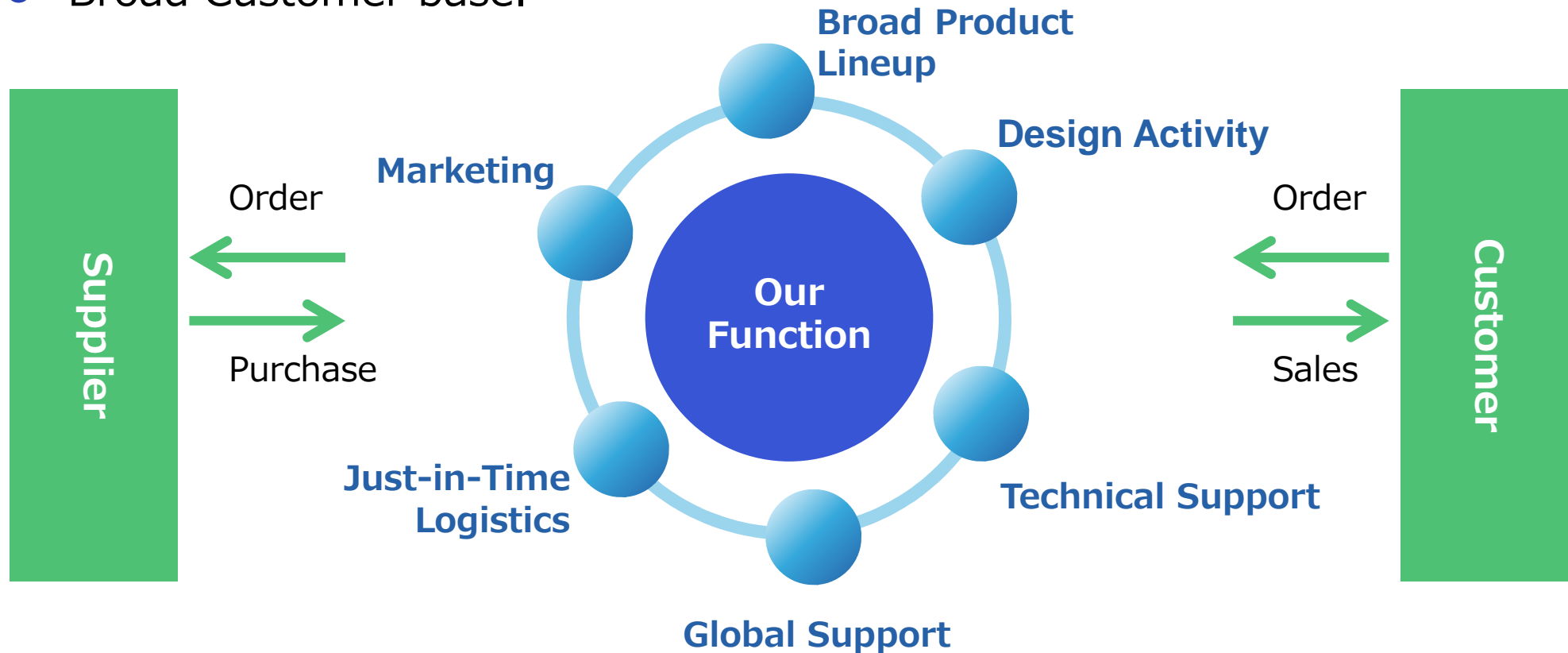
(As Of April 1, 2015)

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.



www.marubun.co.jp

Affiliations -Electronic Devices-



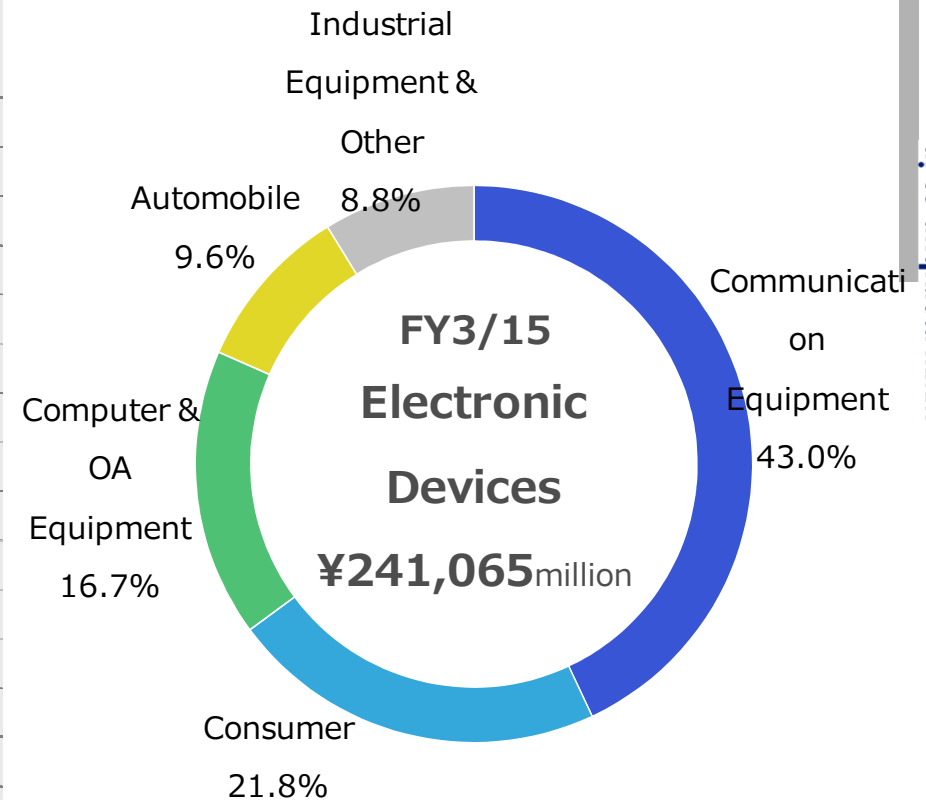
Company	Headquarters	Establishment	Shares	Principal Business
Marubun Semicon Corporation	Minato-ku, Tokyo	Mar. 2005	100.0%	Devices Business
Marubun Semicon (Shanghai) Co., Ltd.	Shanghai, China	Mar. 2005	100.0%	
Marubun Semicon (H.K.) Ltd.	Hong Kong, China	Jan. 2010	100.0%	
Marubun Semicon (S) Pte. Ltd.	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. *	Shinagawa-ku, Tokyo	Nov. 2006	29.3%	Devices Business

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

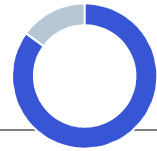
Main Products (by Application) -Electronic Devices-



		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	●	●		●	●
Special-Use IC	ASSP	●	●		●	
	Display Driver	●	●	●	●	
	DMD		●	●		●
	LED		●			
Custom IC		●	●	●	●	
Electronic Components						
LCD Panel		●	●	●	●	●
OELD		●	●			
Crystal Device		●	●		●	●
Connector,Swich,PCB		●	●			



Main Products(by Supplier) -Electronic Devices-

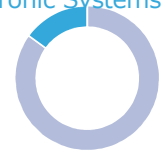


Electronic Devices

		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	●					●	●			
ASSP		●				●	●	●	●	●	
Special-Use IC	Display Driver				●	●	●				
	DMD						●				
	LED				●						
Custom IC		●			●	●	●				
Electronic Components											
LCD Panel					●						
OELD					●						
Crystal Device						●					
Connector,Swich,PCB											●

www.marubun.co.jp

Characteristic and Strength -Electronic Systems-

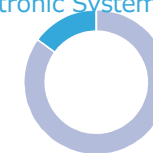


- Providing Unrivaled Products in High-end Markets
- Value-added Technical Support
(System Integration, Installation and Maintenance Services)



Affiliations -Electronic Systems-

Electronic Systems



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
Foresight Techno Co.,Ltd.	Koto-ku, Tokyo	Mar. 1999	51.0%	Systems Business

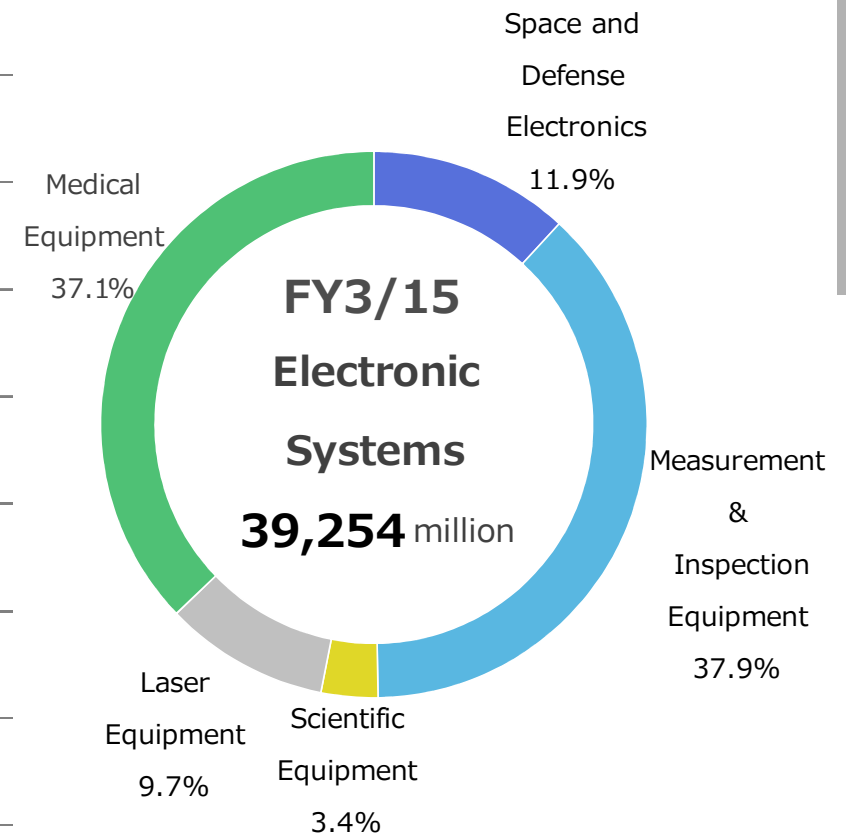
www.marubun.co.jp

Main Products -Electronic Systems-

Electronic Systems

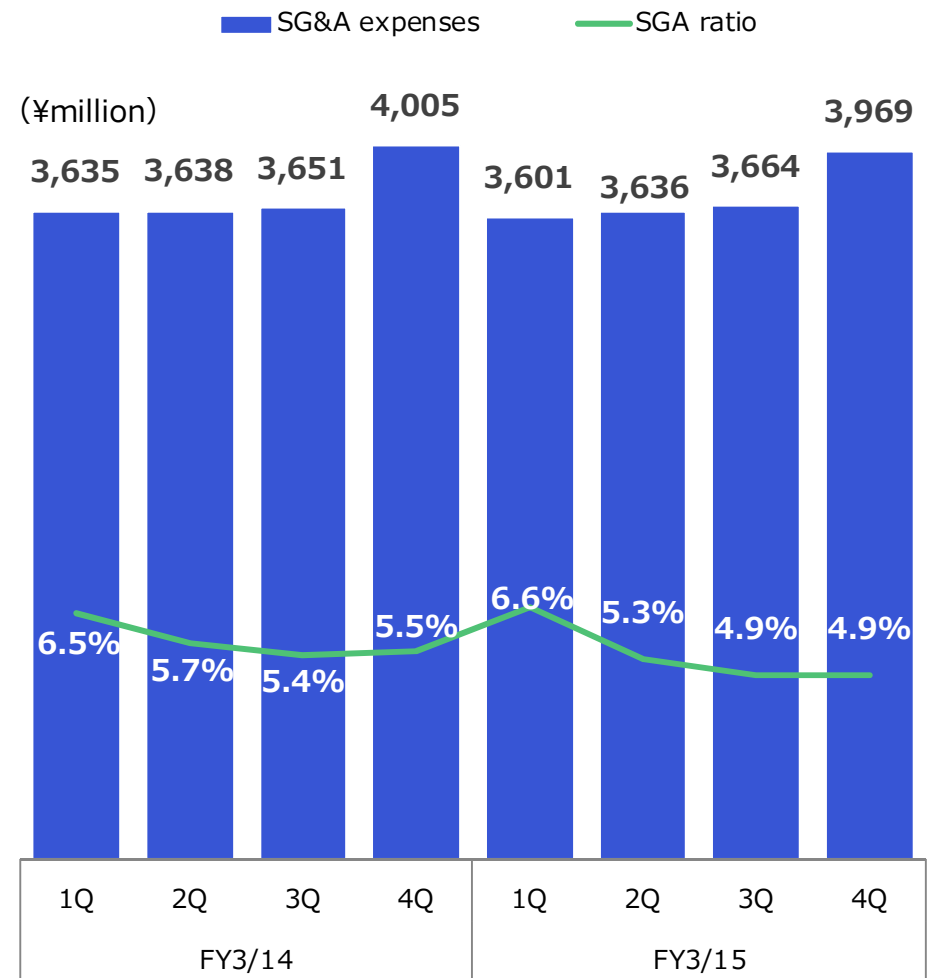
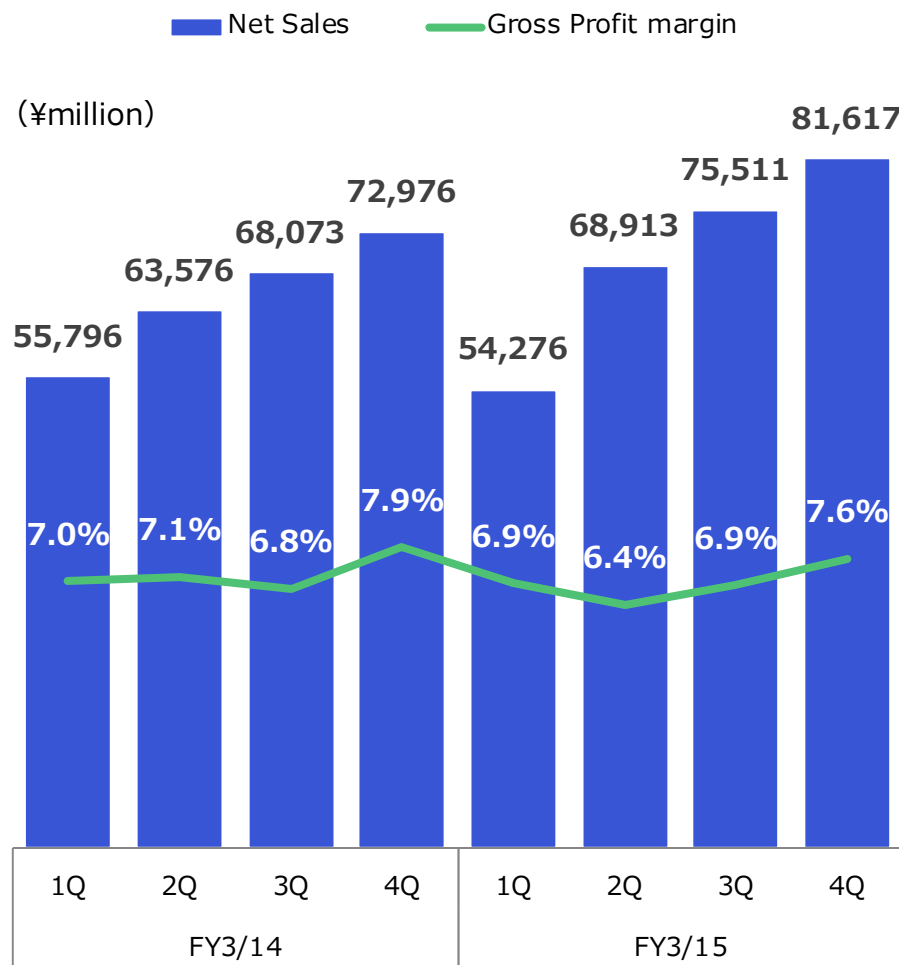


Segment	Main Products	Major Supplier
Space and Defense Electronics	High-reliability Components, Sensors	Tele Communication Systems, Plascore, Lavision
	Avionics Test System, Microwave Equipment	CPI, L3 Communications
Measurement & Inspection Equipment	Measurement & Inspection Equipment, Boad Computer	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



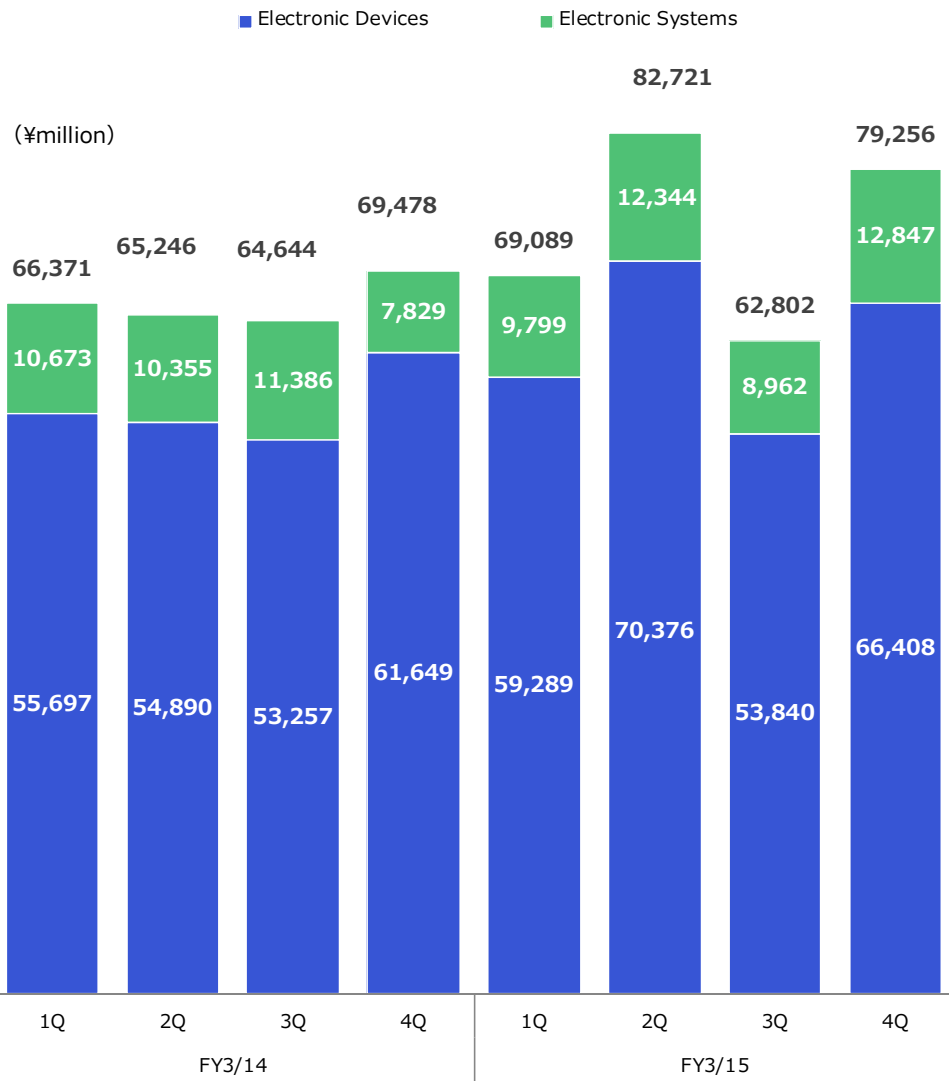
www.marubun.co.jp

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

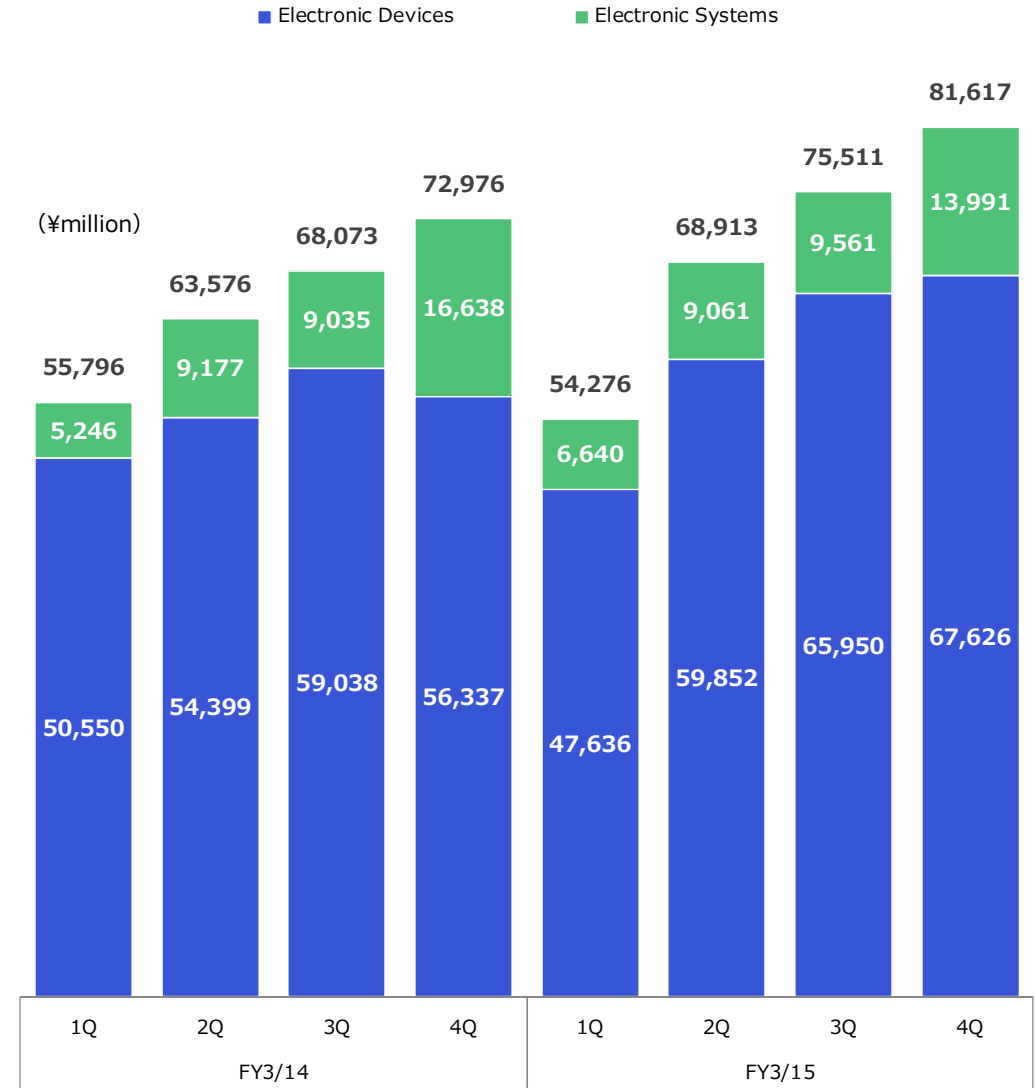


Trend in Orders/Sales

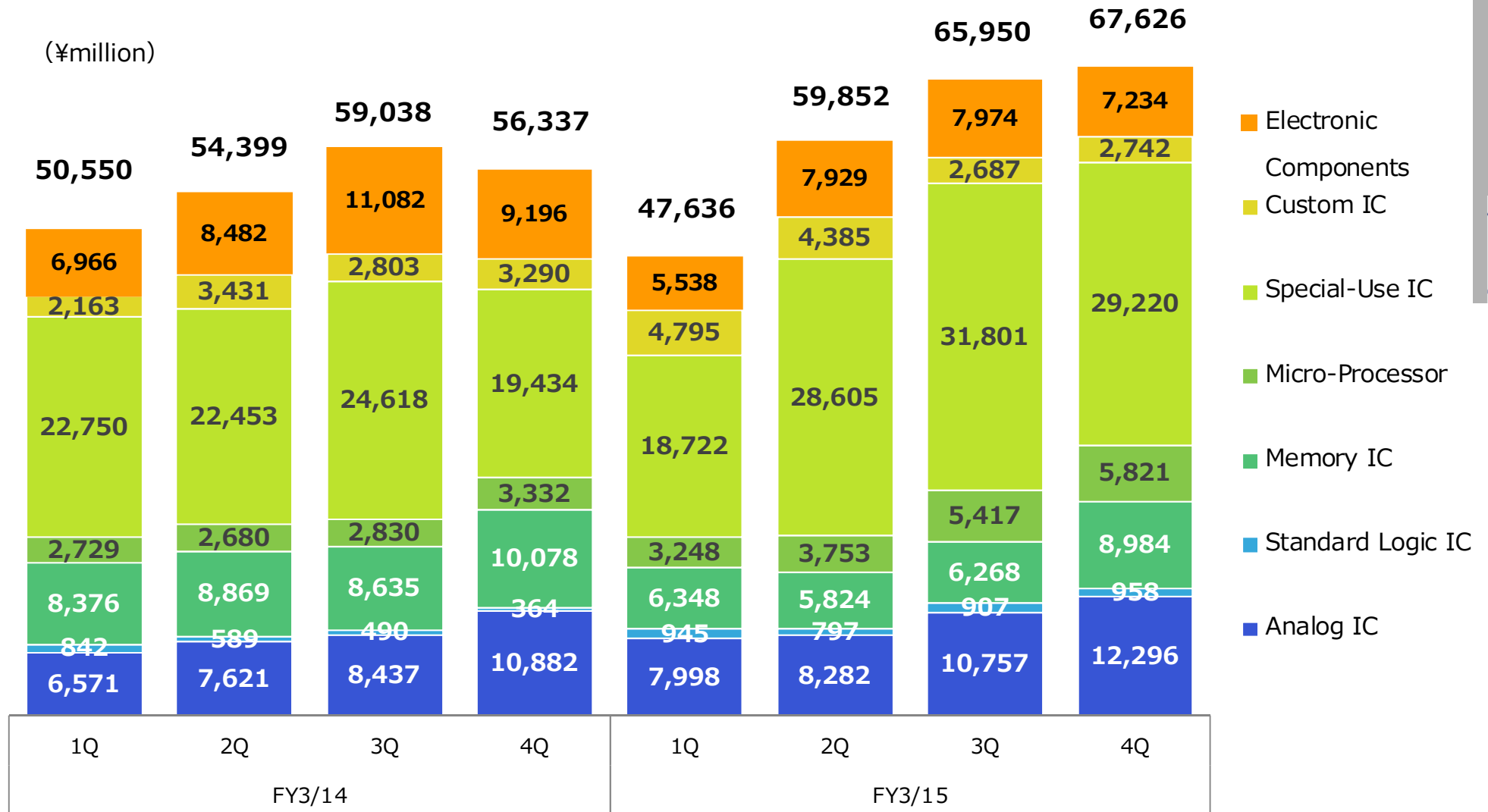
Orders



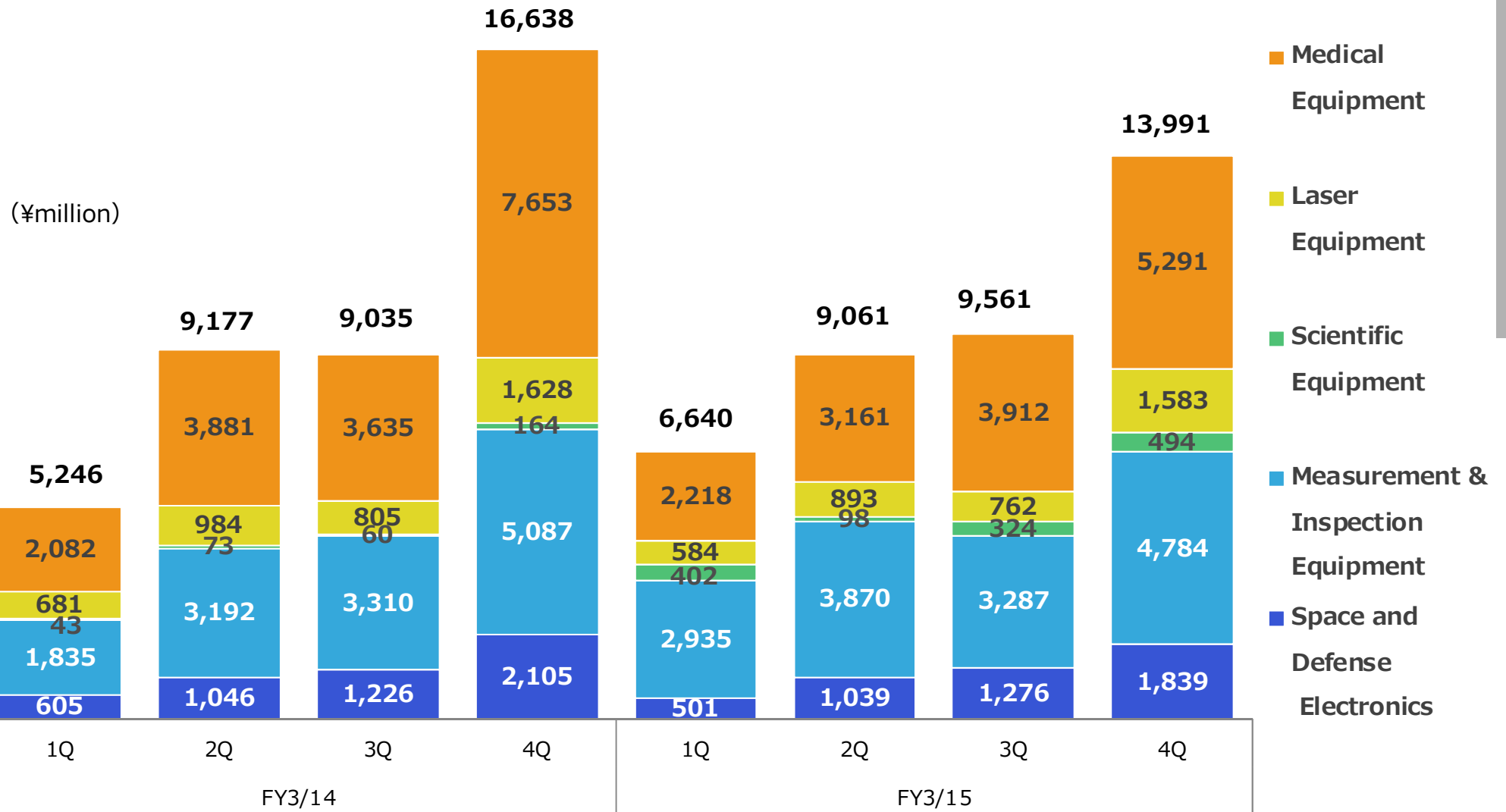
Sales



Trend in Sales of Electronic Devices by Products



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.

Contact

MARUBUN CORPORATION
CORPORATE PLANNING Dept.
PHONE +81-3-3639-3010
E-mail ir@marubun.co.jp