

Supplementary Financial Information for the first half of fiscal year ending March 2016

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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.

Previously, revenue and expense accounts of consolidated foreign subsidiaries and affiliated companies were translated into Japanese yen at the spot rate prevailing as of the reporting date. From the first quarter of FY2015, the Company has changed to a translation method using the average exchange rate. The Company changed its method of translation to more accurately reflect the performances of foreign subsidiaries and affiliated companies in the consolidated financial statements by eliminating the effects of temporary fluctuations in exchange rates. The prior year financial statements for the second quarter and full year have been adjusted retrospectively to apply the change in accounting policy.

Consolidated Statement of Income

(Yen in Million)	FY2014 14/4-9 Results	FY2015 15/4-9 Results	Increase /Decrease
Net Sales	123,240	147,803	24,563
Electronic Devices	107,538	129,599	22,061
Electronic Systems	15,701	18,203	2,502
Cost of Sales	115,073	138,854	23,781
Gross Profit	8,166	8,948	782
Electronic Devices	5,775	6,286	511
Electronic Systems	2,391	2,662	271
Selling, general and administrative expenses	7,242	7,533	291
Personal expenses	4,485	4,615	130
Other	2,757	2,917	160
Operating income	923	1,415	492
Electronic Devices	756	1,086	330
Electronic Systems	171	334	163
Non-operating income	346	374	28
Equity in earnings of affiliates	122	191	69
Non-operating expenses	701	297	(404)
Foreign exchange losses	453	50	(403)
Ordinary income	568	1,492	924
Extraordinary income	-	693	693
Extraordinary loss	4	755	751
Income before income taxes and minority interests	564	1,431	867
Income taxes	222	477	255
Profit attributable to non-controlling interests	71	126	55
Profit attributable to owners of parent	269	827	558
Number of Employees	1,260	1,282	22
Gross Profit Margin	6.6%	6.1%	-
Electronic Devices	5.4%	4.9%	-
Electronic Systems	15.2%	14.6%	-
Operating Profit Margin	0.7%	1.0%	-
Electronic Devices	0.7%	0.8%	-
Electronic Systems	1.1%	1.8%	-
Ordinary Profit Margin	0.5%	1.0%	-
Net Profit Margin	0.2%	0.6%	-

Consolidated Sales by Segment

(Yen in Million)	FY2014 14/4-9 Results	FY2015 15/4-9 Results	Increase /Decrease
Total Electronic Devices	107,538	129,599	22,061
Semiconductors	94,040	113,501	19,461
Analog IC	16,372	19,587	3,216
Standard Logic IC	1,746	1,557	(189)
Memory IC	12,026	11,148	(878)
Micro-Processor	7,032	8,691	1,659
Special-Use IC	47,361	66,501	19,141
Custom IC	9,181	5,687	(3,495)
Other	323	330	7
Electronic Components	13,498	16,098	2,600
Total Electronic Systems	15,701	18,203	2,502
Space & Defense Electronics	1,540	1,773	233
Measurement & Inspection Equipment	6,804	6,626	(178)
Scientific Equipment	500	393	(107)
Laser Equipment	1,478	1,961	484
Medical Equipment	5,379	7,450	2,071
Total Net Sales	123,240	147,803	24,563

Consolidated Balance Sheets

(Yen in Million)	FY2014 15/3 Results	FY2015 15/9 Results	Increase /Decrease
Current assets	117,084	113,483	(3,601)
Cash and deposits	21,725	14,459	(7,266)
Notes and accounts receivable-trade	63,393	63,900	507
Merchandise and finished goods	28,818	31,266	2,448
Work in process	169	471	302
Deferred tax assets	1,060	1,087	27
Other	1,937	2,321	384
Allowance for doubtful accounts	(19)	(22)	(3)
Noncurrent assets	11,228	10,080	(1,148)
Property, plant and equipment	4,232	3,313	(919)
Buildings and structures	1,288	992	(296)
Land	2,517	1,922	(595)
other	426	398	(28)
Intangible assets	448	395	(53)
Investments and other assets	6,548	6,371	(177)
Investment securities	2,783	2,998	215
Real estate for investment	873	158	(715)
Deferred tax assets	240	319	79
Other	2,650	2,895	245
Total assets	128,313	123,564	(4,749)
Current liabilities	72,594	67,779	(4,815)
Notes and accounts payable-trade	52,978	53,368	390
Short-term loans payable	15,300	9,605	(5,695)
Current portion of long-term loans payable	1,006	1,008	2
Provision for bonuses	818	874	56
Other	2,490	2,922	432
Noncurrent liabilities	9,416	9,175	(241)
Long-term loans payable	7,507	7,500	(7)
Net defined benefit liability	1,194	1,184	(10)
Provision for directors' retirement benefits	260	151	(109)
Other	454	338	(116)
Total liabilities	82,010	76,955	(5,055)
Total net assets	46,302	46,608	306
Total liabilities and net assets	128,313	123,564	(4,749)

Consolidated Statements of Cash Flows

(Yen in Million)	FY2014 14/4-9 Results	FY2015 15/4-9 Results
Net cash provided by (used in) operating activities	8,123	(1,332)
Income before income taxes and minority interests	564	1,431
Depreciation and amortization	175	171
Foreign exchange losses (gains)	(116)	231
Equity in (earnings) losses of affiliates	(122)	(191)
Decrease (increase) in notes and accounts receivable-trade	4,078	493
Decrease (increase) in inventories	(6,135)	(2,691)
Increase (decrease) in notes and accounts payable-trade	11,132	(542)
Other, net	(748)	159
Subtotal	8,827	(938)
Interest and dividends income received	26	86
Interest expenses paid	(116)	(95)
Income taxes paid	(616)	(390)
Income taxes refund	2	5
Net cash provided by (used in) investing activities	(52)	560
Net cash provided by (used in) financing activities	(3,082)	(6,744)
Effect of exchange rate change on cash and cash equivalents	541	78
Net increase(decrease) in cash and cash equivalents	5,529	(7,438)
Cash and cash equivalents at beginning of period	18,976	21,512
Cash and cash equivalents at end of period	24,505	14,074

Consolidated Statement of Income (Forecast)

(Yen in Million)	FY2014 Results			FY2015 Forecast			Increase/Decrease		
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year
Net Sales	123,240	150,443	273,683	147,803	136,197	284,000	24,563	(14,246)	10,317
Electronic Devices	107,538	126,890	234,428	129,599	107,401	237,000	22,061	(19,489)	2,572
Electronic Systems	15,701	23,553	39,254	18,203	28,797	47,000	2,502	5,244	7,746
Cost of Sales	115,073	139,464	254,537	138,854	125,146	264,000	23,781	(14,318)	9,463
Gross Profit	8,166	10,980	19,146	8,948	11,052	20,000	782	72	854
Electronic Devices	5,775	7,387	13,162	6,286	6,714	13,000	511	(673)	(162)
Electronic Systems	2,391	3,592	5,983	2,662	4,338	7,000	271	746	1,017
Selling, general and administrative expenses	7,242	7,351	14,593	7,533	7,917	15,450	291	566	857
Operating income	923	3,629	4,552	1,415	3,135	4,550	492	(494)	(2)
Non-operating income	346	405	751	374	226	600	28	(179)	(151)
Non-operating expenses	701	717	1,418	297	353	650	(404)	(364)	(768)
Ordinary income	568	3,318	3,886	1,492	3,008	4,500	924	(310)	614
Extraordinary income	-	7	7	693	7	700	693	0	693
Extraordinary loss	4	106	110	755	(5)	750	751	(111)	640
Income before income taxes and minority interests	564	3,219	3,783	1,431	3,019	4,450	867	(200)	667
Income taxes	222	1,164	1,386	477	973	1,450	255	(191)	64
Minority interests in income	71	334	405	126	324	450	55	(10)	45
Profit attributable to owners of parent	269	1,721	1,990	827	1,723	2,550	558	2	560
Gross Profit Margin	6.6%	7.3%	7.0%	6.1%	8.1%	7.0%	-	-	-
Electronic Devices	5.4%	5.8%	5.6%	4.9%	6.3%	5.5%	-	-	-
Electronic Systems	15.2%	15.3%	15.2%	14.6%	15.1%	14.9%	-	-	-
Operating Profit Margin	0.7%	2.4%	1.7%	1.0%	2.3%	1.6%	-	-	-
Ordinary Profit Margin	0.5%	2.2%	1.4%	1.0%	2.2%	1.6%	-	-	-
Net Profit Margin	0.2%	1.1%	0.7%	0.6%	1.3%	0.9%	-	-	-

Consolidated Sales by Segment (Forecast)

(Yen in Million)	FY2014	FY2015	Increase
	Results	Forecast	/Decrease
Total Electronic Devices	234,428	237,000	2,571
Semiconductors	206,415	205,861	(554)
Analog IC	36,612	39,728	3,116
Standard Logic IC	3,486	3,105	(381)
Memory IC	26,496	26,948	452
Micro-Processor	17,291	19,334	2,043
Special-Use IC	107,105	105,658	(1,447)
Custom IC	14,587	10,905	(3,682)
Other	837	182	(655)
Electronic Components	28,014	31,139	3,125
Total Electronic Systems	39,254	47,000	7,746
Space & Defense Electronics	4,655	5,531	876
Measurement & Inspection Equipment	14,876	15,611	734
Scientific Equipment	1,318	797	(522)
Laser Equipment	3,822	4,982	1,160
Medical Equipment	14,582	20,080	5,498
Total Net Sales	273,683	284,000	10,317

Consolidated Statements of Income (Quarterly)

(Yen in Million)	FY2014					FY2015	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Net Sales	54,283	68,956	72,935	77,508	273,683	69,169	78,633
Electronic Devices	47,643	59,895	63,373	63,516	234,428	61,133	68,465
Electronic Systems	6,640	9,061	9,561	13,991	39,254	8,035	10,168
Cost of Sales	50,519	64,554	67,884	71,579	254,537	64,880	73,973
Gross Profit	3,764	4,402	5,050	5,929	19,146	4,288	4,660
Electronic Devices	2,808	2,967	3,535	3,851	13,162	3,164	3,121
Electronic Systems	956	1,434	1,514	2,077	5,983	1,123	1,539
Selling, general and administrative expenses	3,601	3,641	3,553	3,797	14,593	3,786	3,746
Operating income	163	760	1,497	2,131	4,552	501	913
Electronic Devices	341	415	1,119	1,266	3,142	552	533
Electronic Systems	(175)	347	380	867	1,419	(48)	382
Non-operating income	253	92	175	229	751	178	196
Non-operating expenses	124	577	601	115	1,418	227	69
Ordinary income	293	275	1,071	2,245	3,886	452	1,040
Extraordinary income	-	-	5	2	7	27	666
Extraordinary loss	3	1	0	105	110	302	452
Income before income taxes and minority interests	289	274	1,077	2,142	3,783	176	1,254
Income taxes	94	128	348	815	1,386	56	421
Profit attributable to non-controlling interests	68	3	133	200	405	45	80
Profit attributable to owners of parent	127	142	594	1,126	1,990	74	752
Gross Profit Margin	6.9%	6.4%	6.9%	7.6%	7.0%	6.2%	5.9%
Electronic Devices	5.9%	5.0%	5.6%	6.1%	5.6%	5.2%	4.6%
Electronic Systems	14.4%	15.8%	15.8%	14.8%	15.2%	14.0%	15.1%
Operating Profit Margin	0.3%	1.1%	2.1%	2.7%	1.7%	0.7%	1.2%
Ordinary Profit Margin	0.5%	0.4%	1.5%	2.9%	1.4%	0.7%	1.3%
Net Profit Margin	0.2%	0.2%	0.8%	1.5%	0.7%	0.1%	1.0%

Consolidated Sales by Segment (Quarterly)

(Yen in Million)	FY2014					FY2015	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Total Electronic Devices	47,643	59,895	63,373	63,516	234,428	61,133	68,465
Semiconductors	42,106	51,934	55,632	56,742	206,415	52,995	60,506
Analog IC	7,993	8,379	9,787	10,453	36,612	9,555	10,033
Standard Logic IC	944	802	862	878	3,486	789	768
Memory IC	6,363	5,663	5,770	8,700	26,496	6,070	5,078
Micro-Processor	3,246	3,787	5,065	5,194	17,291	3,935	4,756
Special-Use IC	18,723	28,638	31,329	28,415	107,105	29,790	36,711
Custom IC	4,794	4,387	2,677	2,730	14,587	2,724	2,962
Other	43	280	142	373	837	132	198
Electronic Components	5,537	7,962	7,740	6,775	28,014	8,138	7,960
Total Electronic Systems	6,640	9,061	9,561	13,991	39,254	8,035	10,168
Space & Defense Electronics	501	1,039	1,276	1,839	4,655	544	1,230
Measurement & Inspection Equipment	2,935	3,869	3,289	4,784	14,876	2,569	4,057
Scientific Equipment	402	98	324	494	1,318	72	321
Laser Equipment	584	893	762	1,583	3,822	1,053	909
Medical Equipment	2,218	3,161	3,912	5,291	14,582	3,799	3,651
Total Net Sales	54,283	68,956	72,935	77,508	273,683	69,169	78,633

Consolidated Balance Sheets (Quarterly)

(Yen in Million)	FY2014				FY2015	
	Jun.30,2014	Sep.30,2014	Dec.31,2014	Mar.31,2015	Jun.30,2015	Sep.30,2015
Current assets	95,619	107,359	109,460	117,084	117,170	113,483
Cash and deposits	23,897	23,652	22,236	21,725	21,179	14,459
Notes and accounts receivable-trade	48,497	56,574	61,209	63,393	57,705	63,900
Merchandise and finished goods	19,576	22,863	23,059	28,818	34,532	31,266
Work in process	155	80	195	169	266	471
Deferred tax assets	1,024	1,106	1,040	1,060	1,038	1,087
Other	2,483	3,128	1,736	1,937	2,461	2,321
Allowance for doubtful accounts	(15)	(47)	(16)	(19)	(14)	(22)
Noncurrent assets	11,428	11,402	11,624	11,228	12,036	10,080
Property, plant and equipment	4,254	4,240	4,227	4,232	4,002	3,313
Buildings and structures	1,321	1,312	1,301	1,288	1,210	992
Land	2,510	2,517	2,517	2,517	2,395	1,922
other	422	410	408	426	397	398
Intangible assets	375	368	463	448	420	395
Investments and other assets	6,798	6,793	6,933	6,548	7,613	6,371
Investment securities	2,450	2,604	2,742	2,783	3,625	2,998
Real estate for investment	939	922	894	873	866	158
Deferred tax assets	1,046	855	750	240	373	319
Other	2,361	2,410	2,545	2,650	2,748	2,895
Total assets	107,048	118,761	121,084	128,313	129,207	123,564
Current liabilities	61,948	73,568	74,382	72,594	73,936	67,779
Notes and accounts payable-trade	36,141	50,929	51,657	52,978	55,332	53,368
Short-term loans payable	7,723	10,030	9,839	15,300	13,401	9,605
Current portion of long-term loans payable	15,028	10,024	10,015	1,006	1,010	1,008
Provision for bonuses	570	795	438	818	614	874
Other	2,483	1,788	2,430	2,490	3,579	2,922
Noncurrent liabilities	3,111	3,107	3,109	9,416	9,338	9,175
Long-term loans payable	1,014	1,009	1,008	7,507	7,529	7,500
Net defined benefit liability	1,392	1,379	1,387	1,194	1,197	1,184
Provision for directors' retirement benefits	230	253	260	260	158	151
Other	474	465	452	454	453	338
Total liabilities	65,059	76,676	77,491	82,010	83,274	76,955
Total net assets	41,988	42,085	43,593	46,302	45,932	46,608
Total liabilities and net assets	107,048	118,761	121,084	128,313	129,207	123,564

Consolidated Statements of Cash Flows (Quarterly)

(Yen in Million)	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
Net cash provided by (used in) operating activities	5,294	8,123	5,844	2,202	2,616	(1,332)
Income before income taxes and minority interests	289	564	1,641	3,783	176	1,431
Depreciation and amortization	89	175	264	374	85	171
Foreign exchange losses (gains)	56	(116)	(184)	(102)	185	231
Equity in (earnings) losses of affiliates	(51)	(122)	(199)	(299)	(80)	(191)
Decrease (increase) in notes and accounts receivable-trade	12,224	4,078	311	(1,168)	6,510	493
Decrease (increase) in inventories	(2,872)	(6,135)	(6,117)	(11,639)	(5,810)	(2,691)
Increase (decrease) in notes and accounts payable-trade	(3,639)	11,132	11,333	12,418	1,483	(542)
Other, net	(280)	(748)	(203)	(18)	333	159
Subtotal	5,816	8,827	6,846	3,346	2,884	(938)
Interest and dividends income received	19	26	86	195	25	86
Interest expenses paid	(58)	(116)	(167)	(220)	(48)	(95)
Income taxes paid	(483)	(616)	(923)	(1,022)	(245)	(390)
Income taxes refund	-	2	2	2	0	5
Other	-	-	-	(99)	-	-
Net cash provided by (used in) investing activities	(66)	(52)	(66)	(235)	(517)	560
Net cash provided by (used in) financing activities	231	(3,082)	(4,495)	(1,485)	(2,968)	(6,744)
Effect of exchange rate change on cash and cash equivalents	(198)	541	1,828	2,084	200	78
Net increase(decrease) in cash and cash equivalents	5,260	5,529	3,111	2,536	(668)	(7,438)
Cash and cash equivalents at beginning of period	18,976	18,976	18,976	18,976	21,512	21,512
Cash and cash equivalents at end of period	24,236	24,505	22,087	21,512	20,843	14,074