

# Supplementary Financial Information for the first quarter of fiscal year ending March 2017

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## **MARUBUN CORPORATION**

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

[http://www.marubun.co.jp/en/ir\\_e/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

(Millions of Yen)	FY2015 15/4-6 Results	FY2016 16/4-6 Results	Increase /Decrease
<b>Net Sales</b>	<b>69,169</b>	<b>56,755</b>	<b>(12,414)</b>
Electronic Devices	61,133	47,991	(13,142)
Electronic Systems	8,035	8,764	729
Cost of Sales	64,880	53,366	(11,514)
<b>Gross Profit</b>	<b>4,288</b>	<b>3,389</b>	<b>(899)</b>
Electronic Devices	3,164	2,131	(1,033)
Electronic Systems	1,123	1,257	134
Selling, general and administrative expenses	3,786	4,440	654
Personal expenses	2,322	2,739	417
Other	1,463	1,700	237
<b>Operating income</b>	<b>501</b>	<b>(1,050)</b>	<b>(1,551)</b>
Electronic Devices	552	(993)	(1,545)
Electronic Systems	(48)	(54)	(6)
Non-operating income	178	360	182
Foreign exchange gains	-	173	173
Equity in earnings of affiliates	80	120	40
Non-operating expenses	227	105	(122)
Foreign exchange losses	104	-	(104)
<b>Ordinary income</b>	<b>452</b>	<b>(796)</b>	<b>(1,248)</b>
Extraordinary income	27	-	(27)
Extraordinary loss	302	4	(298)
<b>Income before income taxes and minority interests</b>	<b>176</b>	<b>(800)</b>	<b>(976)</b>
Income taxes	56	(203)	(259)
Profit attributable to non-controlling interests	45	66	21
<b>Profit attributable to owners of parent</b>	<b>74</b>	<b>(664)</b>	<b>(738)</b>
Number of Employees	1,279	1,454	175
Gross Profit Margin	6.2%	6.0%	-
Electronic Devices	5.2%	4.4%	-
Electronic Systems	14.0%	14.3%	-
Operating Profit Margin	0.7%	-	-
Electronic Devices	0.9%	-	-
Electronic Systems	-	-	-
Ordinary Profit Margin	0.7%	-	-
Net Profit Margin	0.1%	-	-

## Consolidated Sales by Segment

(Millions of Yen)	FY2015 15/4-6 Results	FY2016 16/4-6 Results	Increase /Decrease
<b>Total Electronic Devices</b>	<b>61,133</b>	<b>47,991</b>	<b>(13,142)</b>
<b>Semiconductors</b>	<b>52,995</b>	<b>44,601</b>	<b>(8,395)</b>
Analog IC	9,555	12,083	2,528
Standard Logic IC	789	1,044	254
Memory IC	6,070	5,473	(596)
Micro-Processor	3,935	5,534	1,599
Special-Use IC	29,790	17,570	(12,221)
Custom IC	2,724	2,723	(1)
Other	132	175	43
<b>Electronic Components</b>	<b>8,138</b>	<b>3,391</b>	<b>(4,747)</b>
<b>Total Electronic Systems</b>	<b>8,035</b>	<b>8,764</b>	<b>729</b>
Space & Defense Electronics	544	800	257
Measurement & Inspection Equipment	2,569	4,282	1,714
Scientific Equipment	72	79	7
Laser Equipment	1,053	1,022	(31)
Medical Equipment	3,799	2,580	(1,218)
<b>Total Net Sales</b>	<b>69,169</b>	<b>56,755</b>	<b>(12,414)</b>

## Consolidated Balance Sheets

(Millions of Yen)	FY2015 16/3 Results	FY2016 16/6 Results	Increase /Decrease
<b>Current assets</b>	<b>96,211</b>	<b>95,941</b>	<b>(270)</b>
Cash and deposits	14,096	11,998	(2,098)
Notes and accounts receivable-trade	53,539	49,995	(3,544)
Merchandise and finished goods	24,765	30,160	5,395
Work in process	150	192	42
Deferred tax assets	857	828	(29)
Other	2,819	2,858	39
Allowance for doubtful accounts	(17)	(92)	(75)
<b>Noncurrent assets</b>	<b>10,302</b>	<b>10,985</b>	<b>683</b>
<b>Property, plant and equipment</b>	<b>3,079</b>	<b>3,139</b>	<b>60</b>
<b>Intangible assets</b>	<b>342</b>	<b>931</b>	<b>589</b>
<b>Investments and other assets</b>	<b>6,880</b>	<b>6,915</b>	<b>35</b>
<b>Total assets</b>	<b>106,513</b>	<b>106,927</b>	<b>414</b>
<b>Current liabilities</b>	<b>49,481</b>	<b>51,347</b>	<b>1,866</b>
Notes and accounts payable-trade	35,921	24,704	(11,217)
Short-term loans payable	9,732	21,733	12,001
Current portion of long-term loans payable	2	114	112
Provision for bonuses	860	662	(198)
Other	2,964	4,132	1,168
<b>Noncurrent liabilities</b>	<b>10,693</b>	<b>11,412</b>	<b>719</b>
Long-term loans payable	8,500	9,073	573
Net defined benefit liability	1,718	1,818	100
Provision for directors' retirement benefits	147	84	(63)
Other	327	435	108
<b>Total liabilities</b>	<b>60,175</b>	<b>62,760</b>	<b>2,585</b>
Shareholders' equity	39,225	38,090	(1,135)
Accumulated other comprehensive income	1,135	466	(669)
Non-controlling interests	5,977	5,610	(367)
<b>Total net assets</b>	<b>46,338</b>	<b>44,167</b>	<b>(2,171)</b>
<b>Total liabilities and net assets</b>	<b>106,513</b>	<b>106,927</b>	<b>414</b>

## Consolidated Statements of Cash Flows

(Millions of Yen)	FY2015 15/4-6 Results	FY2016 16/4-6 Results
<b>Net cash provided by (used in) operating activities</b>	<b>2,616</b>	<b>(6,494)</b>
Income before income taxes and minority interests	176	(800)
Depreciation and amortization	85	93
Foreign exchange losses (gains)	185	(596)
Equity in (earnings) losses of affiliates	(80)	(120)
Decrease (increase) in notes and accounts receivable-trade	6,510	8,043
Decrease (increase) in inventories	(5,810)	(2,844)
Increase (decrease) in notes and accounts payable-trade	1,483	(11,449)
Other, net	333	1,497
Subtotal	2,884	(6,175)
Interest and dividends income received	25	175
Interest expenses paid	(48)	(58)
Income taxes paid	(245)	(437)
Income taxes refund	0	1
<b>Net cash provided by (used in) investing activities</b>	<b>(517)</b>	<b>(734)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(2,968)</b>	<b>5,714</b>
Effect of exchange rate change on cash and cash equivalents	200	(580)
Net increase(decrease) in cash and cash equivalents	(668)	(2,094)
Cash and cash equivalents at beginning of period	21,512	13,702
<b>Cash and cash equivalents at end of period</b>	<b>20,843</b>	<b>11,607</b>

## Consolidated Statement of Income (1st Half)

(Millions of Yen)	FY2015 1st Half Results	FY2016 1st Half Forecast	Increase /Decrease
<b>Net Sales</b>	<b>147,803</b>	<b>125,000</b>	<b>(22,803)</b>
Electronic Devices	129,599	104,000	(25,599)
Electronic Systems	18,203	21,000	2,797
Cost of Sales	138,854	115,800	(23,054)
<b>Gross Profit</b>	<b>8,948</b>	<b>9,200</b>	<b>252</b>
Electronic Devices	6,286	6,200	(86)
Electronic Systems	2,662	3,000	338
Selling, general and administrative expenses	7,533	9,150	1,617
<b>Operating income</b>	<b>1,415</b>	<b>50</b>	<b>(1,365)</b>
<b>Ordinary income</b>	<b>1,492</b>	<b>50</b>	<b>(1,442)</b>
<b>Income before income taxes and minority interest</b>	<b>1,431</b>	<b>150</b>	<b>(1,281)</b>
<b>Profit attributable to owners of parent</b>	<b>827</b>	<b>(150)</b>	<b>(977)</b>
Gross Profit Margin	6.1%	7.4%	-
Electronic Devices	4.9%	6.0%	-
Electronic Systems	14.6%	14.3%	-
Operating Profit Margin	1.0%	0.0%	-
Ordinary Profit Margin	1.0%	0.0%	-
Net Profit Margin	0.6%	-	-

## Consolidated Statement of Income (Full Year)

(Millions of Yen)	FY2015 Results	FY2016 Forecast	Increase /Decrease
<b>Net Sales</b>	<b>279,571</b>	<b>290,000</b>	<b>10,429</b>
Electronic Devices	234,001	240,000	5,999
Electronic Systems	45,570	50,000	4,430
Cost of Sales	261,252	268,200	6,948
<b>Gross Profit</b>	<b>18,319</b>	<b>21,800</b>	<b>3,481</b>
Electronic Devices	11,391	14,400	3,009
Electronic Systems	6,928	7,400	472
Selling, general and administrative expenses	15,106	18,550	3,444
<b>Operating income</b>	<b>3,212</b>	<b>3,250</b>	<b>38</b>
<b>Ordinary income</b>	<b>3,321</b>	<b>3,250</b>	<b>(71)</b>
<b>Income before income taxes and minority interest</b>	<b>3,299</b>	<b>3,250</b>	<b>(49)</b>
<b>Profit attributable to owners of parent</b>	<b>1,810</b>	<b>1,750</b>	<b>(60)</b>
Gross Profit Margin	6.6%	7.5%	-
Electronic Devices	4.9%	6.0%	-
Electronic Systems	15.2%	14.8%	-
Operating Profit Margin	1.1%	1.1%	-
Ordinary Profit Margin	1.2%	1.1%	-
Net Profit Margin	0.6%	0.6%	-

## Consolidated Sales by Segment (Full Year)

(Millions of Yen)	FY2015 Results	FY2016 Forecast	Increase /Decrease
<b>Total Electronic Devices</b>	<b>234,001</b>	<b>240,000</b>	<b>5,999</b>
<b>Semiconductors</b>	<b>207,877</b>	<b>209,088</b>	<b>1,210</b>
Analog IC	38,687	46,651	7,964
Standard Logic IC	3,008	5,799	2,791
Memory IC	21,956	21,574	(382)
Micro-Processor	19,363	28,674	9,312
Special-Use IC	114,256	93,868	(20,388)
Custom IC	10,346	11,874	1,528
Other	262	647	386
<b>Electronic Components</b>	<b>26,125</b>	<b>30,912</b>	<b>4,788</b>
<b>Total Electronic Systems</b>	<b>45,570</b>	<b>50,000</b>	<b>4,430</b>
Space & Defense Electronics	5,552	5,493	(59)
Measurement & Inspection Equipment	15,318	18,845	3,527
Scientific Equipment	772	1,319	546
Laser Equipment	5,141	5,744	603
Medical Equipment	18,788	18,600	(188)
<b>Total Net Sales</b>	<b>279,571</b>	<b>290,000</b>	<b>10,429</b>

## Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2015					FY2016
	1Q	2Q	3Q	4Q	Full Year	1Q
<b>Net Sales</b>	<b>69,169</b>	<b>78,633</b>	<b>71,314</b>	<b>60,453</b>	<b>279,571</b>	<b>56,755</b>
Electronic Devices	61,133	68,465	60,680	43,722	234,001	47,991
Electronic Systems	8,035	10,168	10,634	16,731	45,570	8,764
Cost of Sales	64,880	73,973	66,857	55,540	261,252	53,366
<b>Gross Profit</b>	<b>4,288</b>	<b>4,660</b>	<b>4,457</b>	<b>4,913</b>	<b>18,319</b>	<b>3,389</b>
Electronic Devices	3,164	3,121	2,842	2,262	11,391	2,131
Electronic Systems	1,123	1,539	1,614	2,650	6,928	1,257
Selling, general and administrative expenses	3,786	3,746	3,704	3,869	15,106	4,440
<b>Operating income</b>	<b>501</b>	<b>913</b>	<b>753</b>	<b>1,043</b>	<b>3,212</b>	<b>(1,050)</b>
Electronic Devices	552	533	350	(264)	1,171	(993)
Electronic Systems	(48)	382	405	1,311	2,051	(54)
Non-operating income	178	196	170	188	734	360
Non-operating expenses	227	69	134	192	624	105
<b>Ordinary income</b>	<b>452</b>	<b>1,040</b>	<b>789</b>	<b>1,039</b>	<b>3,321</b>	<b>(796)</b>
Extraordinary income	27	666	174	2	870	-
Extraordinary loss	302	452	48	89	893	4
<b>Income before income taxes and minority interests</b>	<b>176</b>	<b>1,254</b>	<b>915</b>	<b>952</b>	<b>3,299</b>	<b>(800)</b>
Income taxes	56	421	312	347	1,137	(203)
Profit attributable to non-controlling interests	45	80	80	145	351	66
<b>Profit attributable to owners of parent</b>	<b>74</b>	<b>752</b>	<b>523</b>	<b>459</b>	<b>1,810</b>	<b>(664)</b>
Gross Profit Margin	6.2%	5.9%	6.2%	8.1%	6.6%	6.0%
Electronic Devices	5.2%	4.6%	4.7%	5.2%	4.9%	4.4%
Electronic Systems	14.0%	15.1%	15.2%	15.8%	15.2%	14.3%
Operating Profit Margin	0.7%	1.2%	1.1%	1.7%	1.1%	-1.9%
Ordinary Profit Margin	0.7%	1.3%	1.1%	1.7%	1.2%	-
Net Profit Margin	0.1%	1.0%	0.7%	0.8%	0.6%	-

## Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2015					FY2016
	1Q	2Q	3Q	4Q	Full Year	1Q
<b>Total Electronic Devices</b>	<b>61,133</b>	<b>68,465</b>	<b>60,680</b>	<b>43,722</b>	<b>234,001</b>	<b>47,991</b>
<b>Semiconductors</b>	<b>52,995</b>	<b>60,506</b>	<b>54,279</b>	<b>40,097</b>	<b>207,877</b>	<b>44,601</b>
Analog IC	9,555	10,033	10,301	8,798	38,687	12,083
Standard Logic IC	789	768	722	729	3,008	1,044
Memory IC	6,070	5,078	5,033	5,775	21,956	5,473
Micro-Processor	3,935	4,756	5,352	5,320	19,363	5,534
Special-Use IC	29,790	36,711	30,539	17,215	114,256	17,570
Custom IC	2,724	2,962	2,255	2,404	10,346	2,723
Other	132	198	75	(144)	262	175
<b>Electronic Components</b>	<b>8,138</b>	<b>7,960</b>	<b>6,401</b>	<b>3,625</b>	<b>26,125</b>	<b>3,391</b>
<b>Total Electronic Systems</b>	<b>8,035</b>	<b>10,168</b>	<b>10,634</b>	<b>16,731</b>	<b>45,570</b>	<b>8,764</b>
Space & Defense Electronics	544	1,230	1,838	1,941	5,552	800
Measurement & Inspection Equipment	2,569	4,057	3,278	5,414	15,318	4,282
Scientific Equipment	72	321	272	107	772	79
Laser Equipment	1,053	909	1,178	2,002	5,141	1,022
Medical Equipment	3,799	3,651	4,068	7,270	18,788	2,580
<b>Total Net Sales</b>	<b>69,169</b>	<b>78,633</b>	<b>71,314</b>	<b>60,453</b>	<b>279,571</b>	<b>56,755</b>

## Consolidated Balance Sheets (Quarterly)

(Millions of Yen)	FY2015				FY2016
	Jun.30,2015	Sep.30,2015	Dec.31,2015	Mar.31,2015	Jun.30,2016
<b>Current assets</b>	<b>117,170</b>	<b>113,483</b>	<b>106,145</b>	<b>96,211</b>	<b>95,941</b>
Cash and deposits	21,179	14,459	21,668	14,096	11,998
Notes and accounts receivable-trade	57,705	63,900	52,863	53,539	49,995
Merchandise and finished goods	34,532	31,266	27,892	24,765	30,160
Work in process	266	471	352	150	192
Deferred tax assets	1,038	1,087	1,008	857	828
Other	2,461	2,321	2,381	2,819	2,858
Allowance for doubtful accounts	(14)	(22)	(21)	(17)	(92)
<b>Noncurrent assets</b>	<b>12,036</b>	<b>10,080</b>	<b>9,880</b>	<b>10,302</b>	<b>10,985</b>
<b>Property, plant and equipment</b>	<b>4,002</b>	<b>3,313</b>	<b>3,281</b>	<b>3,079</b>	<b>3,139</b>
<b>Intangible assets</b>	<b>420</b>	<b>395</b>	<b>367</b>	<b>342</b>	<b>931</b>
<b>Investments and other assets</b>	<b>7,613</b>	<b>6,371</b>	<b>6,232</b>	<b>6,880</b>	<b>6,915</b>
<b>Total assets</b>	<b>129,207</b>	<b>123,564</b>	<b>116,025</b>	<b>106,513</b>	<b>106,927</b>
<b>Current liabilities</b>	<b>73,936</b>	<b>67,779</b>	<b>60,449</b>	<b>49,481</b>	<b>51,347</b>
Notes and accounts payable-trade	55,332	53,368	45,922	35,921	24,704
Short-term loans payable	13,401	9,605	9,931	9,732	21,733
Current portion of long-term loans payable	1,010	1,008	1,003	2	114
Provision for bonuses	614	874	479	860	662
Other	3,579	2,922	3,112	2,964	4,132
<b>Noncurrent liabilities</b>	<b>9,338</b>	<b>9,175</b>	<b>9,211</b>	<b>10,693</b>	<b>11,412</b>
Long-term loans payable	7,529	7,500	7,500	8,500	9,073
Net defined benefit liability	1,197	1,184	1,177	1,718	1,818
Provision for directors' retirement benefits	158	151	156	147	84
Other	453	338	376	327	435
<b>Total liabilities</b>	<b>83,274</b>	<b>76,955</b>	<b>69,660</b>	<b>60,175</b>	<b>62,760</b>
Shareholders' equity	37,803	38,556	38,765	39,225	38,090
Accumulated other comprehensive income	2,355	2,122	1,785	1,135	466
Non-controlling interests	5,773	5,930	5,814	5,977	5,610
<b>Total net assets</b>	<b>45,932</b>	<b>46,608</b>	<b>46,365</b>	<b>46,338</b>	<b>44,167</b>
<b>Total liabilities and net assets</b>	<b>129,207</b>	<b>123,564</b>	<b>116,025</b>	<b>106,513</b>	<b>106,927</b>

## Consolidated Statements of Cash Flows (Quarterly)

(Millions of Yen)	FY2015				FY2016
	1Q	2Q	3Q	4Q	1Q
<b>Net cash provided by (used in) operating activities</b>	<b>2,616</b>	<b>(1,332)</b>	<b>5,806</b>	<b>(1,204)</b>	<b>(6,494)</b>
Income before income taxes and minority interests	176	1,431	2,346	3,299	(800)
Depreciation and amortization	85	171	255	343	93
Foreign exchange losses (gains)	185	231	310	171	(596)
Equity in (earnings) losses of affiliates	(80)	(191)	(291)	(431)	(120)
Decrease (increase) in notes and accounts receivable-trade	6,510	493	11,312	10,647	8,043
Decrease (increase) in inventories	(5,810)	(2,691)	732	4,067	(2,844)
Increase (decrease) in notes and accounts payable-trade	1,483	(542)	(7,870)	(17,811)	(11,449)
Other, net	333	159	(313)	(696)	1,497
Subtotal	2,884	(938)	6,482	(411)	(6,175)
Interest and dividends income received	25	86	107	114	175
Interest expenses paid	(48)	(95)	(140)	(186)	(58)
Income taxes paid	(245)	(390)	(648)	(727)	(437)
Income taxes refund	0	5	5	5	1
<b>Net cash provided by (used in) investing activities</b>	<b>(517)</b>	<b>560</b>	<b>923</b>	<b>493</b>	<b>(734)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(2,968)</b>	<b>(6,744)</b>	<b>(6,872)</b>	<b>(6,724)</b>	<b>5,714</b>
Effect of exchange rate change on cash and cash equivalents	200	78	(113)	(374)	(580)
Net increase(decrease) in cash and cash equivalents	(668)	(7,438)	(255)	(7,810)	(2,094)
Cash and cash equivalents at beginning of period	21,512	21,512	21,512	21,512	13,702
<b>Cash and cash equivalents at end of period</b>	<b>20,843</b>	<b>14,074</b>	<b>21,257</b>	<b>13,702</b>	<b>11,607</b>