

Supplementary Financial Information for the first half 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 (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 15/4-9 Results	FY2016 16/4-9 Results	Increase /Decrease
Net Sales	147,803	127,741	(20,062)
Electronic Devices	129,599	105,536	(24,063)
Electronic Systems	18,203	22,205	4,002
Cost of Sales	138,854	119,408	(19,446)
Gross Profit	8,948	8,333	(615)
Electronic Devices	6,286	5,188	(1,098)
Electronic Systems	2,662	3,145	483
Selling, general and administrative expenses	7,533	8,768	1,235
Personal expenses	4,615	5,464	849
Other	2,917	3,304	387
Operating income	1,415	(435)	(1,850)
Electronic Devices	1,086	(983)	(2,069)
Electronic Systems	334	553	219
Non-operating income	374	462	88
Equity in earnings of affiliates	191	212	21
Non-operating expenses	297	221	(76)
Foreign exchange losses	50	-	-
Ordinary income	1,492	(194)	(1,686)
Extraordinary income	693	0	(693)
Extraordinary loss	755	17	(738)
Income before income taxes and minority interests	1,431	(212)	(1,643)
Income taxes	477	(1)	(478)
Profit attributable to non-controlling interests	126	168	42
Profit attributable to owners of parent	827	(379)	(1,206)
Number of Employees	1,282	1,438	156
Gross Profit Margin	6.1%	6.5%	-
Electronic Devices	4.9%	4.9%	-
Electronic Systems	14.6%	14.2%	-
Operating Profit Margin	1.0%	-	-
Electronic Devices	0.8%	-	-
Electronic Systems	1.8%	2.5%	-
Ordinary Profit Margin	1.0%	-	-
Net Profit Margin	0.6%	-	-

Consolidated Sales by Segment

(Millions of Yen)	FY2015 15/4-9 Results	FY2016 16/4-9 Results	Increase /Decrease
Total Electronic Devices	129,599	105,536	(24,063)
Semiconductors	113,501	98,724	(14,777)
Analog IC	19,587	24,587	4,999
Standard Logic IC	1,557	2,188	631
Memory IC	11,148	11,801	653
Micro-Processor	8,691	10,737	2,046
Special-Use IC	66,501	43,999	(22,503)
Custom IC	5,687	5,196	(491)
Other	330	218	(112)
Electronic Components	16,098	6,812	(9,286)
Total Electronic Systems	18,203	22,205	4,002
Space & Defense Electronics	1,773	1,769	(5)
Measurement & Inspection Equipment	6,626	10,253	3,627
Scientific Equipment	393	159	(234)
Laser Equipment	1,961	2,233	272
Medical Equipment	7,450	7,791	341
Total Net Sales	147,803	127,741	(20,062)

Consolidated Balance Sheets

(Millions of Yen)	FY2015 16/3 Results	FY2016 16/9 Results	Increase /Decrease
Current assets	96,211	98,418	2,207
Cash and deposits	14,096	10,966	(3,130)
Notes and accounts receivable-trade	53,539	60,710	7,171
Merchandise and finished goods	24,765	23,594	(1,171)
Work in process	150	193	43
Deferred tax assets	857	812	(45)
Other	2,819	2,218	(601)
Allowance for doubtful accounts	(17)	(77)	(60)
Noncurrent assets	10,302	10,966	664
Property, plant and equipment	3,079	3,177	98
Intangible assets	342	897	555
Investments and other assets	6,880	6,891	11
Total assets	106,513	109,385	2,872
Current liabilities	49,481	54,453	4,972
Notes and accounts payable-trade	35,921	29,401	(6,520)
Short-term loans payable	9,732	20,868	11,136
Current portion of long-term loans payable	2	113	111
Provision for bonuses	860	970	110
Other	2,964	3,099	135
Noncurrent liabilities	10,693	11,335	642
Long-term loans payable	8,500	9,045	545
Net defined benefit liability	1,718	1,773	55
Provision for directors' retirement benefits	147	88	(59)
Other	327	427	100
Total liabilities	60,175	65,788	5,613
Shareholders' equity	39,225	38,375	(850)
Accumulated other comprehensive income	1,135	(0)	(1,135)
Non-controlling interests	5,977	5,220	(757)
Total net assets	46,338	43,596	(2,742)
Total liabilities and net assets	106,513	109,385	2,872

Consolidated Statements of Cash Flows

(Millions of Yen)	FY2015 15/4-9 Results	FY2016 16/4-9 Results
Net cash provided by (used in) operating activities	(1,332)	(6,505)
Income before income taxes and minority interests	1,431	(212)
Depreciation and amortization	171	188
Foreign exchange losses (gains)	231	(863)
Equity in (earnings) losses of affiliates	(191)	(212)
Decrease (increase) in notes and accounts receivable-trade	493	(3,385)
Decrease (increase) in inventories	(2,691)	3,510
Increase (decrease) in notes and accounts payable-trade	(542)	(6,398)
Other, net	159	1,370
Subtotal	(938)	(6,004)
Interest and dividends income received	86	181
Interest expenses paid	(95)	(128)
Income taxes paid	(390)	(557)
Income taxes refund	5	4
Net cash provided by (used in) investing activities	560	(607)
Net cash provided by (used in) financing activities	(6,744)	5,143
Effect of exchange rate change on cash and cash equivalents	78	(1,103)
Net increase(decrease) in cash and cash equivalents	(7,438)	(3,072)
Cash and cash equivalents at beginning of period	21,512	13,702
Cash and cash equivalents at end of period	14,074	10,629

Consolidated Statement of Income (Forecast)

(Millions of Yen)	FY2015 Results			FY2016 Forecast			Increase/Decrease		
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year
Net Sales	147,803	131,768	279,571	127,741	142,259	270,000	(20,062)	10,491	(9,571)
Electronic Devices	129,599	104,402	234,001	105,536	113,464	219,000	(24,063)	9,062	(15,001)
Electronic Systems	18,203	27,366	45,570	22,205	28,795	51,000	4,002	1,429	5,430
Cost of Sales	138,854	122,398	261,252	119,408	130,592	250,000	(19,446)	8,194	(11,252)
Gross Profit	8,948	9,370	18,319	8,333	11,667	20,000	(615)	2,297	1,681
Electronic Devices	6,286	5,104	11,391	5,188	7,062	12,250	(1,098)	1,958	859
Electronic Systems	2,662	4,265	6,928	3,145	4,605	7,750	483	340	822
Selling, general and administrative expenses	7,533	7,573	15,106	8,768	9,332	18,100	1,235	1,759	2,994
Operating income	1,415	1,796	3,212	(435)	2,335	1,900	(1,850)	539	(1,312)
Non-operating income	374	359	734	462	388	850	88	29	116
Non-operating expenses	297	327	624	221	529	750	(76)	202	126
Ordinary income	1,492	1,829	3,321	(194)	2,194	2,000	(1,686)	365	(1,321)
Extraordinary income	693	176	870	0	10	10	(693)	(166)	(860)
Extraordinary loss	755	137	893	17	43	60	(738)	(94)	(833)
Income before income taxes and minority interests	1,431	1,867	3,299	(212)	2,162	1,950	(1,643)	295	(1,349)
Income taxes	477	659	1,137	(1)	701	700	(478)	42	(437)
Minority interests in income	126	225	351	168	182	350	42	(43)	(1)
Profit attributable to owners of parent	827	982	1,810	(379)	1,279	900	(1,206)	297	(910)
Gross Profit Margin	6.1%	7.1%	6.6%	6.5%	8.2%	7.4%	-	-	-
Electronic Devices	4.9%	4.9%	4.9%	4.9%	6.2%	5.6%	-	-	-
Electronic Systems	14.6%	15.6%	15.2%	14.2%	16.0%	15.2%	-	-	-
Operating Profit Margin	1.0%	1.4%	1.1%	-	1.6%	0.7%	-	-	-
Ordinary Profit Margin	1.0%	1.4%	1.2%	-	1.5%	0.7%	-	-	-
Net Profit Margin	0.6%	0.7%	0.6%	-	0.9%	0.3%	-	-	-

Consolidated Sales by Segment (Forecast)

(Millions of Yen)	FY2015	FY2016	Increase
	Results	Forecast	/Decrease
Total Electronic Devices	234,001	219,000	(15,001)
Semiconductors	207,877	201,293	(6,585)
Analog IC	38,687	47,343	8,656
Standard Logic IC	3,008	4,641	1,633
Memory IC	21,956	21,668	(288)
Micro-Processor	19,363	23,644	4,281
Special-Use IC	114,256	93,680	(20,576)
Custom IC	10,346	10,199	(147)
Other	262	119	(143)
Electronic Components	26,125	17,707	(8,417)
Total Electronic Systems	45,570	51,000	5,430
Space & Defense Electronics	5,552	5,419	(133)
Measurement & Inspection Equipment	15,318	19,783	4,465
Scientific Equipment	772	1,007	234
Laser Equipment	5,141	5,991	850
Medical Equipment	18,788	18,800	12
Total Net Sales	279,571	270,000	(9,571)

Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2015					FY2016	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Net Sales	69,169	78,633	71,314	60,453	279,571	56,755	70,985
Electronic Devices	61,133	68,465	60,680	43,722	234,001	47,991	57,544
Electronic Systems	8,035	10,168	10,634	16,731	45,570	8,764	13,441
Cost of Sales	64,880	73,973	66,857	55,540	261,252	53,366	66,041
Gross Profit	4,288	4,660	4,457	4,913	18,319	3,389	4,944
Electronic Devices	3,164	3,121	2,842	2,262	11,391	2,131	3,056
Electronic Systems	1,123	1,539	1,614	2,650	6,928	1,257	1,887
Selling, general and administrative expenses	3,786	3,746	3,704	3,869	15,106	4,440	4,328
Operating income	501	913	753	1,043	3,212	(1,050)	615
Electronic Devices	552	533	350	(264)	1,171	(993)	9
Electronic Systems	(48)	382	405	1,311	2,051	(54)	608
Non-operating income	178	196	170	188	734	360	102
Non-operating expenses	227	69	134	192	624	105	116
Ordinary income	452	1,040	789	1,039	3,321	(796)	601
Extraordinary income	27	666	174	2	870	-	0
Extraordinary loss	302	452	48	89	893	4	13
Income before income taxes and minority interests	176	1,254	915	952	3,299	(800)	588
Income taxes	56	421	312	347	1,137	(203)	201
Profit attributable to non-controlling interests	45	80	80	145	351	66	101
Profit attributable to owners of parent	74	752	523	459	1,810	(664)	284
Gross Profit Margin	6.2%	5.9%	6.2%	8.1%	6.6%	6.0%	7.0%
Electronic Devices	5.2%	4.6%	4.7%	5.2%	4.9%	4.4%	5.3%
Electronic Systems	14.0%	15.1%	15.2%	15.8%	15.2%	14.3%	14.0%
Operating Profit Margin	0.7%	1.2%	1.1%	1.7%	1.1%	-	0.9%
Ordinary Profit Margin	0.7%	1.3%	1.1%	1.7%	1.2%	-	0.8%
Net Profit Margin	0.1%	1.0%	0.7%	0.8%	0.6%	-	0.4%

Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2015					FY2016	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Total Electronic Devices	61,133	68,465	60,680	43,722	234,001	47,991	57,544
Semiconductors	52,995	60,506	54,279	40,097	207,877	44,601	54,124
Analog IC	9,555	10,033	10,301	8,798	38,687	12,083	12,504
Standard Logic IC	789	768	722	729	3,008	1,044	1,144
Memory IC	6,070	5,078	5,033	5,775	21,956	5,473	6,327
Micro-Processor	3,935	4,756	5,352	5,320	19,363	5,534	5,203
Special-Use IC	29,790	36,711	30,539	17,215	114,256	17,570	26,429
Custom IC	2,724	2,962	2,255	2,404	10,346	2,723	2,473
Other	132	198	75	(144)	262	175	43
Electronic Components	8,138	7,960	6,401	3,625	26,125	3,391	3,421
Total Electronic Systems	8,035	10,168	10,634	16,731	45,570	8,764	13,441
Space & Defense Electronics	544	1,230	1,838	1,941	5,552	800	968
Measurement & Inspection Equipment	2,569	4,057	3,278	5,414	15,318	4,282	5,971
Scientific Equipment	72	321	272	107	772	79	80
Laser Equipment	1,053	909	1,178	2,002	5,141	1,022	1,211
Medical Equipment	3,799	3,651	4,068	7,270	18,788	2,580	5,211
Total Net Sales	69,169	78,633	71,314	60,453	279,571	56,755	70,985

Consolidated Balance Sheets (Quarterly)

(Millions of Yen)	FY2015				FY2016	
	Jun.30,2015	Sep.30,2015	Dec.31,2015	Mar.31,2016	Jun.30,2016	Sep.30,2016
Current assets	117,170	113,483	106,145	96,211	95,941	98,418
Cash and deposits	21,179	14,459	21,668	14,096	11,998	10,966
Notes and accounts receivable-trade	57,705	63,900	52,863	53,539	49,995	60,710
Merchandise and finished goods	34,532	31,266	27,892	24,765	30,160	23,594
Work in process	266	471	352	150	192	193
Deferred tax assets	1,038	1,087	1,008	857	828	812
Other	2,461	2,321	2,381	2,819	2,858	2,218
Allowance for doubtful accounts	(14)	(22)	(21)	(17)	(92)	(77)
Noncurrent assets	12,036	10,080	9,880	10,302	10,985	10,966
Property, plant and equipment	4,002	3,313	3,281	3,079	3,139	3,177
Intangible assets	420	395	367	342	931	897
Investments and other assets	7,613	6,371	6,232	6,880	6,915	6,891
Total assets	129,207	123,564	116,025	106,513	106,927	109,385
Current liabilities	73,936	67,779	60,449	49,481	51,347	54,453
Notes and accounts payable-trade	55,332	53,368	45,922	35,921	24,704	29,401
Short-term loans payable	13,401	9,605	9,931	9,732	21,733	20,868
Current portion of long-term loans payable	1,010	1,008	1,003	2	114	113
Provision for bonuses	614	874	479	860	662	970
Other	3,579	2,922	3,112	2,964	4,132	3,099
Noncurrent liabilities	9,338	9,175	9,211	10,693	11,412	11,335
Long-term loans payable	7,529	7,500	7,500	8,500	9,073	9,045
Net defined benefit liability	1,197	1,184	1,177	1,718	1,818	1,773
Provision for directors' retirement benefits	158	151	156	147	84	88
Other	453	338	376	327	435	427
Total liabilities	83,274	76,955	69,660	60,175	62,760	65,788
Shareholders' equity	37,803	38,556	38,765	39,225	38,090	38,375
Accumulated other comprehensive income	2,355	2,122	1,785	1,135	466	(0)
Non-controlling interests	5,773	5,930	5,814	5,977	5,610	5,220
Total net assets	45,932	46,608	46,365	46,338	44,167	43,596
Total liabilities and net assets	129,207	123,564	116,025	106,513	106,927	109,385

Consolidated Statements of Cash Flows (Quarterly)

(Millions of Yen)	FY2015				FY2016	
	1Q	2Q	3Q	4Q	1Q	2Q
Net cash provided by (used in) operating activities	2,616	(1,332)	5,806	(1,204)	(6,494)	(6,505)
Income before income taxes and minority interests	176	1,431	2,346	3,299	(800)	(212)
Depreciation and amortization	85	171	255	343	93	188
Foreign exchange losses (gains)	185	231	310	171	(596)	(863)
Equity in (earnings) losses of affiliates	(80)	(191)	(291)	(431)	(120)	(212)
Decrease (increase) in notes and accounts receivable-trade	6,510	493	11,312	10,647	8,043	(3,385)
Decrease (increase) in inventories	(5,810)	(2,691)	732	4,067	(2,844)	3,510
Increase (decrease) in notes and accounts payable-trade	1,483	(542)	(7,870)	(17,811)	(11,449)	(6,398)
Other, net	333	159	(313)	(696)	1,497	1,370
Subtotal	2,884	(938)	6,482	(411)	(6,175)	(6,004)
Interest and dividends income received	25	86	107	114	175	181
Interest expenses paid	(48)	(95)	(140)	(186)	(58)	(128)
Income taxes paid	(245)	(390)	(648)	(727)	(437)	(557)
Income taxes refund	0	5	5	5	1	4
Net cash provided by (used in) investing activities	(517)	560	923	493	(734)	(607)
Net cash provided by (used in) financing activities	(2,968)	(6,744)	(6,872)	(6,724)	5,714	5,143
Effect of exchange rate change on cash and cash equivalents	200	78	(113)	(374)	(580)	(1,103)
Net increase(decrease) in cash and cash equivalents	(668)	(7,438)	(255)	(7,810)	(2,094)	(3,072)
Cash and cash equivalents at beginning of period	21,512	21,512	21,512	21,512	13,702	13,702
Cash and cash equivalents at end of period	20,843	14,074	21,257	13,702	11,607	10,629