

# Supplementary Financial Information for the third 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 (Nine months)

(Millions of Yen)	FY2015 15/4-12 Results	FY2016 16/4-12 Results	Increase /Decrease
<b>Net Sales</b>	<b>219,117</b>	<b>194,353</b>	<b>(24,764)</b>
Electronic Devices	190,279	161,764	(28,515)
Electronic Systems	28,838	32,589	3,751
Cost of Sales	205,711	180,367	(25,344)
<b>Gross Profit</b>	<b>13,406</b>	<b>13,986</b>	<b>580</b>
Electronic Devices	9,128	9,094	(34)
Electronic Systems	4,277	4,892	615
Selling, general and administrative expenses	11,237	13,188	1,951
Personal expenses	6,905	8,200	1,295
Other	4,331	4,987	656
<b>Operating income</b>	<b>2,168</b>	<b>797</b>	<b>(1,371)</b>
Electronic Devices	1,436	(111)	(1,547)
Electronic Systems	739	917	178
Non-operating income	545	502	(43)
Equity in earnings of affiliates	291	331	40
Non-operating expenses	432	1,195	763
Foreign exchange losses	60	842	782
<b>Ordinary income</b>	<b>2,282</b>	<b>105</b>	<b>(2,177)</b>
Extraordinary income	868	2	(866)
Extraordinary loss	803	46	(757)
<b>Income before income taxes and minority interests</b>	<b>2,346</b>	<b>61</b>	<b>(2,285)</b>
Income taxes	789	44	(745)
Profit attributable to non-controlling interests	206	231	25
<b>Profit attributable to owners of parent</b>	<b>1,350</b>	<b>(214)</b>	<b>(1,564)</b>
Number of Employees	1,280	1,434	154
Gross Profit Margin	6.1%	7.2%	-
Electronic Devices	4.8%	5.6%	-
Electronic Systems	14.8%	15.0%	-
Operating Profit Margin	1.0%	0.4%	-
Electronic Devices	0.8%	-	-
Electronic Systems	2.6%	2.8%	-
Ordinary Profit Margin	1.0%	0.1%	-
Net Profit Margin	0.6%	-	-

## Consolidated Sales by Segment (Nine months)

(Millions of Yen)	FY2015 15/4-12 Results	FY2016 16/4-12 Results	Increase /Decrease
<b>Total Electronic Devices</b>	<b>190,279</b>	<b>161,764</b>	<b>(28,515)</b>
<b>Semiconductors</b>	<b>168,060</b>	<b>150,315</b>	<b>(17,745)</b>
Analog IC	29,889	36,462	6,573
Standard Logic IC	2,279	3,285	1,005
Memory IC	16,461	16,894	433
Micro-Processor	14,043	15,379	1,336
Special-Use IC	97,041	69,430	(27,611)
Custom IC	7,942	8,165	223
Other	405	700	295
<b>Electronic Components</b>	<b>22,219</b>	<b>11,449</b>	<b>(10,770)</b>
<b>Total Electronic Systems</b>	<b>28,838</b>	<b>32,589</b>	<b>3,751</b>
Space & Defense Electronics	3,611	3,270	(342)
Measurement & Inspection Equipment	9,904	14,162	4,259
Scientific Equipment	665	554	(112)
Laser Equipment	3,139	3,558	419
Medical Equipment	11,518	11,044	(473)
<b>Total Net Sales</b>	<b>219,117</b>	<b>194,353</b>	<b>(24,764)</b>

## Consolidated Statement of Income(Three months)

(Millions of Yen)	FY2015 15/10-12 Results	FY2016 16/10-12 Results	Increase /Decrease
<b>Net Sales</b>	<b>71,314</b>	<b>66,612</b>	<b>(4,702)</b>
Electronic Devices	60,680	56,228	(4,452)
Electronic Systems	10,634	10,384	(250)
Cost of Sales	66,857	60,959	(5,898)
<b>Gross Profit</b>	<b>4,457</b>	<b>5,653</b>	<b>1,196</b>
Electronic Devices	2,842	3,906	1,064
Electronic Systems	1,614	1,747	133
Selling, general and administrative expenses	3,704	4,419	715
Personal expenses	2,290	2,736	446
Other	1,414	1,683	269
<b>Operating income</b>	<b>753</b>	<b>1,233</b>	<b>480</b>
Electronic Devices	350	872	522
Electronic Systems	405	363	(42)
Non-operating income	170	39	(131)
Equity in earnings of affiliates	100	118	18
Non-operating expenses	134	973	839
Foreign exchange losses	9	842	833
<b>Ordinary income</b>	<b>789</b>	<b>299</b>	<b>(490)</b>
Extraordinary income	174	2	(172)
Extraordinary loss	48	29	(19)
<b>Income before income taxes and minority interests</b>	<b>915</b>	<b>273</b>	<b>(642)</b>
Income taxes	312	45	(267)
Profit attributable to non-controlling interests	80	63	(17)
<b>Profit attributable to owners of parent</b>	<b>523</b>	<b>164</b>	<b>(359)</b>
Gross Profit Margin	6.2%	8.5%	-
Electronic Devices	4.7%	6.9%	-
Electronic Systems	15.2%	16.8%	-
Operating Profit Margin	1.1%	1.9%	-
Electronic Devices	0.6%	1.6%	-
Electronic Systems	3.8%	3.5%	-
Ordinary Profit Margin	1.1%	0.4%	-
Net Profit Margin	0.7%	0.2%	-

## Consolidated Sales by Segment(Three months)

(Millions of Yen)	FY2015 15/10-12 Results	FY2016 16/10-12 Results	Increase /Decrease
<b>Total Electronic Devices</b>	<b>60,680</b>	<b>56,228</b>	<b>(4,452)</b>
<b>Semiconductors</b>	<b>54,559</b>	<b>51,590</b>	<b>(2,968)</b>
Analog IC	10,301	11,875	1,574
Standard Logic IC	722	1,097	375
Memory IC	5,313	5,093	(220)
Micro-Processor	5,352	4,642	(710)
Special-Use IC	30,539	25,431	(5,108)
Custom IC	2,255	2,969	714
Other	75	482	407
<b>Electronic Components</b>	<b>6,121</b>	<b>4,637</b>	<b>(1,484)</b>
<b>Total Electronic Systems</b>	<b>10,634</b>	<b>10,384</b>	<b>(250)</b>
Space & Defense Electronics	1,838	1,501	(337)
Measurement & Inspection Equipment	3,278	3,909	631
Scientific Equipment	272	394	122
Laser Equipment	1,178	1,325	147
Medical Equipment	4,068	3,254	(814)
<b>Total Net Sales</b>	<b>71,314</b>	<b>66,612</b>	<b>(4,702)</b>

## Consolidated Statement of Income (Forecast)

(Millions of Yen)	FY2015 Results	FY2016 Forecast	Increase /Decrease
<b>Net Sales</b>	<b>279,571</b>	<b>270,000</b>	<b>(9,571)</b>
Electronic Devices	234,001	219,000	(15,001)
Electronic Systems	45,570	51,000	5,430
Cost of Sales	261,252	250,000	(11,252)
<b>Gross Profit</b>	<b>18,319</b>	<b>20,000</b>	<b>1,681</b>
Electronic Devices	11,391	12,250	859
Electronic Systems	6,928	7,750	822
Selling, general and administrative expenses	15,106	18,100	2,994
<b>Operating income</b>	<b>3,212</b>	<b>1,900</b>	<b>(1,312)</b>
Non-operating income	734	850	116
Non-operating expenses	624	750	126
<b>Ordinary income</b>	<b>3,321</b>	<b>2,000</b>	<b>(1,321)</b>
Extraordinary income	870	10	(860)
Extraordinary loss	893	60	(833)
<b>Income before income taxes and minority interests</b>	<b>3,299</b>	<b>1,950</b>	<b>(1,349)</b>
Income taxes	1,137	700	(437)
Profit attributable to non-controlling interests	351	350	(1)
<b>Profit attributable to owners of parent</b>	<b>1,810</b>	<b>900</b>	<b>(910)</b>
Gross Profit Margin	6.6%	7.4%	-
Electronic Devices	4.9%	5.6%	-
Electronic Systems	15.2%	15.2%	-
Operating Profit Margin	1.1%	0.7%	-
Ordinary Profit Margin	1.2%	0.7%	-
Net Profit Margin	0.6%	0.3%	-

## Consolidated Sales by Segment (Forecast)

(Millions of Yen)	FY2015 Results	FY2016 Forecast	Increase /Decrease
<b>Total Electronic Devices</b>	<b>234,001</b>	<b>219,000</b>	<b>(15,001)</b>
<b>Semiconductors</b>	<b>207,877</b>	<b>201,293</b>	<b>(6,585)</b>
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)
<b>Electronic Components</b>	<b>26,125</b>	<b>17,707</b>	<b>(8,417)</b>
<b>Total Electronic Systems</b>	<b>45,570</b>	<b>51,000</b>	<b>5,430</b>
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
<b>Total Net Sales</b>	<b>279,571</b>	<b>270,000</b>	<b>(9,571)</b>

## Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2015					FY2016		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
<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>	<b>70,985</b>	<b>66,612</b>
Electronic Devices	61,133	68,465	60,680	43,722	234,001	47,991	57,544	56,228
Electronic Systems	8,035	10,168	10,634	16,731	45,570	8,764	13,441	10,384
Cost of Sales	64,880	73,973	66,857	55,540	261,252	53,366	66,041	60,959
<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>	<b>4,944</b>	<b>5,653</b>
Electronic Devices	3,164	3,121	2,842	2,262	11,391	2,131	3,056	3,906
Electronic Systems	1,123	1,539	1,614	2,650	6,928	1,257	1,887	1,747
Selling, general and administrative expenses	3,786	3,746	3,704	3,869	15,106	4,440	4,328	4,419
<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>	<b>615</b>	<b>1,233</b>
Electronic Devices	552	533	350	(264)	1,171	(993)	9	872
Electronic Systems	(48)	382	405	1,311	2,051	(54)	608	363
Non-operating income	178	196	170	188	734	360	102	39
Non-operating expenses	227	69	134	192	624	105	116	973
<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>	<b>601</b>	<b>299</b>
Extraordinary income	27	666	174	2	870	-	0	2
Extraordinary loss	302	452	48	89	893	4	13	29
<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>	<b>588</b>	<b>273</b>
Income taxes	56	421	312	347	1,137	(203)	201	45
Profit attributable to non-controlling interests	45	80	80	145	351	66	101	63
<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>	<b>284</b>	<b>164</b>
Gross Profit Margin	6.2%	5.9%	6.2%	8.1%	6.6%	6.0%	7.0%	8.5%
Electronic Devices	5.2%	4.6%	4.7%	5.2%	4.9%	4.4%	5.3%	6.9%
Electronic Systems	14.0%	15.1%	15.2%	15.8%	15.2%	14.3%	14.0%	16.8%
Operating Profit Margin	0.7%	1.2%	1.1%	1.7%	1.1%	-	0.9%	1.9%
Ordinary Profit Margin	0.7%	1.3%	1.1%	1.7%	1.2%	-	0.8%	0.4%
Net Profit Margin	0.1%	1.0%	0.7%	0.8%	0.6%	-	0.4%	0.2%

## Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2015					FY2016		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
<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>57,544</b>	<b>56,228</b>
<b>Semiconductors</b>	<b>52,995</b>	<b>60,506</b>	<b>54,559</b>	<b>40,097</b>	<b>207,877</b>	<b>44,601</b>	<b>54,124</b>	<b>51,590</b>
Analog IC	9,555	10,033	10,301	8,798	38,687	12,083	12,504	11,875
Standard Logic IC	789	768	722	729	3,008	1,044	1,144	1,097
Memory IC	6,070	5,078	5,313	5,775	21,956	5,473	6,327	5,093
Micro-Processor	3,935	4,756	5,352	5,320	19,363	5,534	5,203	4,642
Special-Use IC	29,790	36,711	30,539	17,215	114,256	17,570	26,429	25,431
Custom IC	2,724	2,962	2,255	2,404	10,346	2,723	2,473	2,969
Other	132	198	75	(144)	262	175	43	482
<b>Electronic Components</b>	<b>8,138</b>	<b>7,960</b>	<b>6,121</b>	<b>3,625</b>	<b>26,125</b>	<b>3,391</b>	<b>3,421</b>	<b>4,637</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>	<b>13,441</b>	<b>10,384</b>
Space & Defense Electronics	544	1,230	1,838	1,941	5,552	800	968	1,501
Measurement & Inspection Equipment	2,569	4,057	3,278	5,414	15,318	4,282	5,971	3,909
Scientific Equipment	72	321	272	107	772	79	80	394
Laser Equipment	1,053	909	1,178	2,002	5,141	1,022	1,211	1,325
Medical Equipment	3,799	3,651	4,068	7,270	18,788	2,580	5,211	3,254
<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>	<b>70,985</b>	<b>66,612</b>

## Consolidated Balance Sheets (Quarterly)

(Yen in Million)	FY2015				FY2016		
	Jun.30,2015	Sep.30,2015	Dec.31,2015	Mar.31,2015	Jun.30,2016	Sep.30,2016	Dec.31,2016
<b>Current assets</b>	<b>117,170</b>	<b>113,483</b>	<b>106,145</b>	<b>96,211</b>	<b>95,941</b>	<b>98,418</b>	<b>109,910</b>
Cash and deposits	21,179	14,459	21,668	14,096	11,998	10,966	12,559
Notes and accounts receivable-trade	57,705	63,900	52,863	53,539	49,995	60,710	65,313
Merchandise and finished goods	34,532	31,266	27,892	24,765	30,160	23,594	27,317
Work in process	266	471	352	150	192	193	316
Deferred tax assets	1,038	1,087	1,008	857	828	812	662
Other	2,461	2,321	2,381	2,819	2,858	2,218	3,811
Allowance for doubtful accounts	(14)	(22)	(21)	(17)	(92)	(77)	(70)
<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>10,966</b>	<b>12,027</b>
Property, plant and equipment	4,002	3,313	3,281	3,079	3,139	3,177	3,484
Intangible assets	420	395	367	342	931	897	937
Investments and other assets	7,613	6,371	6,232	6,880	6,915	6,891	7,605
<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>109,385</b>	<b>121,938</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>	<b>54,453</b>	<b>66,793</b>
Notes and accounts payable-trade	55,332	53,368	45,922	35,921	24,704	29,401	33,186
Short-term loans payable	13,401	9,605	9,931	9,732	21,733	20,868	29,390
Current portion of long-term loans payable	1,010	1,008	1,003	2	114	113	112
Provision for bonuses	614	874	479	860	662	970	539
Other	3,579	2,922	3,112	2,964	4,132	3,099	3,564
<b>Noncurrent liabilities</b>	<b>9,338</b>	<b>9,175</b>	<b>9,211</b>	<b>10,693</b>	<b>11,412</b>	<b>11,335</b>	<b>11,313</b>
Long-term loans payable	7,529	7,500	7,500	8,500	9,073	9,045	9,017
Net defined benefit liability	1,197	1,184	1,177	1,718	1,818	1,773	1,748
Provision for directors' retirement benefits	158	151	156	147	84	88	92
Other	453	338	376	327	435	427	455
<b>Total liabilities</b>	<b>83,274</b>	<b>76,955</b>	<b>69,660</b>	<b>60,175</b>	<b>62,760</b>	<b>65,788</b>	<b>78,107</b>
Shareholders' equity	37,803	38,556	38,765	39,225	38,090	38,375	38,278
Accumulated other comprehensive income	2,355	2,122	1,785	1,135	466	(0)	546
Non-controlling interests	5,773	5,930	5,814	5,977	5,610	5,220	5,005
<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>43,596</b>	<b>43,831</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>	<b>109,385</b>	<b>121,938</b>

## Consolidated Statements of Cash Flows (Quarterly)

(Yen in Million)	FY2015				FY2016		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<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>	<b>(6,505)</b>	<b>(9,863)</b>
Income before income taxes and minority interests	176	1,431	2,346	3,299	(800)	(212)	61
Depreciation and amortization	85	171	255	343	93	188	285
Foreign exchange losses (gains)	185	231	310	171	(596)	(863)	1,680
Equity in (earnings) losses of affiliates	(80)	(191)	(291)	(431)	(120)	(212)	(331)
Decrease (increase) in notes and accounts receivable-trade	6,510	493	11,312	10,647	8,043	(3,385)	(7,932)
Decrease (increase) in inventories	(5,810)	(2,691)	732	4,067	(2,844)	3,510	(464)
Increase (decrease) in notes and accounts payable-trade	1,483	(542)	(7,870)	(17,811)	(11,449)	(6,398)	(2,737)
Other, net	333	159	(313)	(696)	1,497	1,370	429
Subtotal	2,884	(938)	6,482	(411)	(6,175)	(6,004)	(9,008)
Interest and dividends income received	25	86	107	114	175	181	241
Interest expenses paid	(48)	(95)	(140)	(186)	(58)	(128)	(211)
Income taxes paid	(245)	(390)	(648)	(727)	(437)	(557)	(888)
Income taxes refund	0	5	5	5	1	4	4
<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>(607)</b>	<b>(1,155)</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>	<b>5,143</b>	<b>9,754</b>
Effect of exchange rate change on cash and cash equivalents	200	78	(113)	(374)	(580)	(1,103)	(210)
Net increase(decrease) in cash and cash equivalents	(668)	(7,438)	(255)	(7,810)	(2,094)	(3,072)	(1,475)
Cash and cash equivalents at beginning of period	21,512	21,512	21,512	21,512	13,702	13,702	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>	<b>10,629</b>	<b>12,226</b>