

# Supplementary Financial Information for the fiscal year ended 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	FY2016	Increase /Decrease
<b>Net Sales</b>	<b>279,571</b>	<b>270,698</b>	<b>(8,873)</b>
Electronic Devices	234,001	220,184	(13,817)
Electronic Systems	45,570	50,513	4,943
Cost of Sales	261,252	250,085	(11,167)
<b>Gross Profit</b>	<b>18,319</b>	<b>20,612</b>	<b>2,293</b>
Electronic Devices	11,391	12,741	1,350
Electronic Systems	6,928	7,871	943
Selling, general and administrative expenses	15,106	17,729	2,623
Personal expenses	9,264	10,909	1,645
Other	5,842	6,819	977
<b>Operating income</b>	<b>3,212</b>	<b>2,883</b>	<b>(329)</b>
Electronic Devices	1,171	448	(723)
Electronic Systems	2,051	2,445	394
Non-operating income	734	705	(29)
Equity in earnings of affiliates	431	455	24
Non-operating expenses	624	937	313
Foreign exchange losses	146	429	283
<b>Ordinary income</b>	<b>3,321</b>	<b>2,651</b>	<b>(670)</b>
Extraordinary income	870	1	(869)
Extraordinary loss	893	65	(828)
<b>Income before income taxes and minority interests</b>	<b>3,299</b>	<b>2,587</b>	<b>(712)</b>
Income taxes	1,137	535	(602)
Profit attributable to non-controlling interests	351	402	51
<b>Profit attributable to owners of parent</b>	<b>1,810</b>	<b>1,650</b>	<b>(160)</b>
Number of Employees	1,266	1,397	131
Gross Profit Margin	6.6%	7.6%	-
Electronic Devices	4.9%	5.8%	-
Electronic Systems	15.2%	15.6%	-
Operating Profit Margin	1.1%	1.1%	-
Electronic Devices	0.5%	0.2%	-
Electronic Systems	4.5%	4.8%	-
Ordinary Profit Margin	1.2%	1.0%	-
Net Profit Margin	0.6%	0.6%	-

## Consolidated Sales by Segment

(Millions of Yen)	FY2015	FY2016	Increase /Decrease
<b>Total Electronic Devices</b>	<b>234,001</b>	<b>220,184</b>	<b>(13,817)</b>
<b>Semiconductors</b>	<b>207,877</b>	<b>204,418</b>	<b>(3,460)</b>
Analog IC	38,687	51,060	12,373
Standard Logic IC	3,008	4,093	1,085
Memory IC	21,956	22,229	272
Micro-Processor	19,363	21,123	1,760
Special-Use IC	114,256	94,386	(19,870)
Custom IC	10,346	11,040	694
Other	262	487	225
<b>Electronic Components</b>	<b>26,125</b>	<b>15,768</b>	<b>(10,357)</b>
<b>Total Electronic Systems</b>	<b>45,570</b>	<b>50,513</b>	<b>4,943</b>
Space & Defense Electronics	5,552	5,000	(552)
Measurement & Inspection Equipment	15,318	19,849	4,531
Scientific Equipment	772	804	31
Decrease (increase) in notes and accounts receivable-trade	5,141	5,453	312
Medical Equipment	18,788	19,407	620
<b>Increase (decrease) in notes and accounts payable-trade</b>	<b>279,571</b>	<b>270,698</b>	<b>(8,873)</b>

## Consolidated Balance Sheets

(Millions of Yen)	FY2015	FY2016	Increase /Decrease
<b>Current assets</b>	<b>96,211</b>	<b>113,711</b>	<b>17,500</b>
Cash and deposits	14,096	12,584	(1,512)
Notes and accounts receivable-trade	53,539	65,443	11,904
Merchandise and finished goods	24,765	29,385	4,620
Work in process	150	291	141
Deferred tax assets	857	1,149	292
Other	2,819	4,947	2,128
Allowance for doubtful accounts	(17)	(90)	(73)
<b>Noncurrent assets</b>	<b>10,302</b>	<b>12,273</b>	<b>1,971</b>
<b>Property, plant and equipment</b>	<b>3,079</b>	<b>3,549</b>	<b>470</b>
<b>Intangible assets</b>	<b>342</b>	<b>1,148</b>	<b>806</b>
<b>Investments and other assets</b>	<b>6,880</b>	<b>7,575</b>	<b>695</b>
<b>Total assets</b>	<b>106,513</b>	<b>125,984</b>	<b>19,471</b>
<b>Current liabilities</b>	<b>49,481</b>	<b>67,272</b>	<b>17,791</b>
Notes and accounts payable-trade	35,921	37,987	2,066
Short-term loans payable	9,732	25,077	15,345
Current portion of long-term loans payable	2	112	110
Provision for bonuses	860	1,034	174
Other	2,964	3,060	96
<b>Noncurrent liabilities</b>	<b>10,693</b>	<b>11,161</b>	<b>468</b>
Long-term loans payable	8,500	8,988	488
Net defined benefit liability	1,718	1,586	(132)
Provision for directors' retirement benefits	147	96	(51)
Other	327	490	163
<b>Total liabilities</b>	<b>60,175</b>	<b>78,434</b>	<b>18,259</b>
Shareholders' equity	39,225	40,143	918
Accumulated other comprehensive income	1,135	1,563	428
Non-controlling interests	5,977	5,843	(134)
<b>Total net assets</b>	<b>46,338</b>	<b>47,550</b>	<b>1,212</b>
<b>Total liabilities and net assets</b>	<b>106,513</b>	<b>125,984</b>	<b>19,471</b>

## Consolidated Statements of Cash Flows

(Millions of Yen)	FY2015	FY2016
<b>Net cash provided by (used in) operating activities</b>	<b>(1,204)</b>	<b>(5,894)</b>
Income before income taxes and minority interests	3,299	2,587
Depreciation and amortization	343	394
Foreign exchange losses (gains)	171	911
Equity in (earnings) losses of affiliates	(431)	(455)
Decrease (increase) in notes and accounts receivable-trade	10,647	(6,972)
Decrease (increase) in inventories	4,067	(1,925)
Increase (decrease) in notes and accounts payable-trade	(17,811)	1,450
Other, net	(696)	(867)
Subtotal	(411)	(4,876)
Interest and dividends income received	114	253
Decrease (increase) in notes and accounts receivable-trade	(186)	(320)
Income taxes paid	(727)	(956)
Increase (decrease) in notes and accounts payable-trade	5	4
<b>Net cash provided by (used in) investing activities</b>	<b>493</b>	<b>(1,862)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(6,724)</b>	<b>6,282</b>
Effect of exchange rate change on cash and cash equivalents	(374)	(10)
Net increase(decrease) in cash and cash equivalents	(7,810)	(1,485)
Cash and cash equivalents at beginning of period	21,512	13,702
<b>Cash and cash equivalents at end of period</b>	<b>13,702</b>	<b>12,216</b>

## Consolidated Statement of Income (Forecast)

(Millions of Yen)	FY2016 Results	FY2017 Forecast	Increase /Decrease
<b>Net Sales</b>	<b>270,698</b>	<b>260,000</b>	<b>(10,698)</b>
Electronic Devices	220,184	210,000	(10,184)
Electronic Systems	50,513	50,000	(513)
Cost of Sales	250,085	239,000	(11,085)
<b>Gross Profit</b>	<b>20,612</b>	<b>21,000</b>	<b>388</b>
Electronic Devices	12,741	12,800	59
Electronic Systems	7,871	8,200	329
Selling, general and administrative expenses	17,729	17,500	(229)
<b>Operating income</b>	<b>2,883</b>	<b>3,500</b>	<b>617</b>
Non-operating income	705	450	(255)
Non-operating expenses	937	650	(287)
<b>Ordinary income</b>	<b>2,651</b>	<b>3,300</b>	<b>649</b>
Extraordinary income	1	0	(1)
Extraordinary loss	65	50	(15)
<b>Income before income taxes and minority interests</b>	<b>2,587</b>	<b>3,250</b>	<b>663</b>
Income taxes	535	1,050	515
Profit attributable to non-controlling interests	402	350	(52)
<b>Profit attributable to owners of parent</b>	<b>1,650</b>	<b>1,850</b>	<b>200</b>
Gross Profit Margin	7.6%	8.1%	-
Electronic Devices	5.8%	6.1%	-
Electronic Systems	15.6%	16.4%	-
Operating Profit Margin	1.1%	1.3%	-
Ordinary Profit Margin	1.0%	1.3%	-
Net Profit Margin	0.6%	0.7%	-

## Consolidated Sales by Segment (Forecast)

(Millions of Yen)	FY2016 Results	FY2017 Forecast	Increase /Decrease
<b>Total Electronic Devices</b>	<b>220,184</b>	<b>210,000</b>	<b>(10,184)</b>
<b>Semiconductors</b>	<b>204,418</b>	<b>192,798</b>	<b>(11,620)</b>
Analog IC	51,060	49,053	(2,007)
Standard Logic IC	4,093	4,354	260
Memory IC	22,229	24,527	2,299
Micro-Processor	21,123	15,469	(5,655)
Special-Use IC	94,386	88,655	(5,731)
Custom IC	11,040	10,398	(642)
Other	487	341	(145)
<b>Electronic Components</b>	<b>15,768</b>	<b>17,202</b>	<b>1,434</b>
<b>Total Electronic Systems</b>	<b>50,513</b>	<b>50,000</b>	<b>(513)</b>
Space & Defense Electronics	5,000	5,694	694
Measurement & Inspection Equipment	19,849	18,281	(1,567)
Scientific Equipment	804	1,465	661
Laser Equipment	5,453	6,560	1,106
Medical Equipment	19,407	18,000	(1,407)
<b>Total Net Sales</b>	<b>270,698</b>	<b>260,000</b>	<b>(10,698)</b>

## Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2015					FY2016				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
<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>	<b>76,344</b>	<b>270,698</b>
Electronic Devices	61,133	68,465	60,680	43,722	234,001	47,991	57,544	56,228	58,420	220,184
Electronic Systems	8,035	10,168	10,634	16,731	45,570	8,764	13,441	10,384	17,924	50,513
Cost of Sales	64,880	73,973	66,857	55,540	261,252	53,366	66,041	60,959	69,718	250,085
<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>	<b>6,625</b>	<b>20,612</b>
Electronic Devices	3,164	3,121	2,842	2,262	11,391	2,131	3,056	3,906	3,647	12,741
Electronic Systems	1,123	1,539	1,614	2,650	6,928	1,257	1,887	1,747	2,978	7,871
Selling, general and administrative expenses	3,786	3,746	3,704	3,869	15,106	4,440	4,328	4,419	4,540	17,729
<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>	<b>2,085</b>	<b>2,883</b>
Electronic Devices	552	533	350	(264)	1,171	(993)	9	872	559	448
Electronic Systems	(48)	382	405	1,311	2,051	(54)	608	363	1,528	2,445
Non-operating income	178	196	170	188	734	360	102	39	202	705
Non-operating expenses	227	69	134	192	624	105	116	973	(257)	937
<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>	<b>2,545</b>	<b>2,651</b>
Extraordinary income	27	666	174	2	870	-	0	2	(1)	1
Extraordinary loss	302	452	48	89	893	4	13	29	18	65
<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>	<b>2,526</b>	<b>2,587</b>
Income taxes	56	421	312	347	1,137	(203)	201	45	490	535
Profit attributable to non-controlling interests	45	80	80	145	351	66	101	63	170	402
<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>	<b>1,865</b>	<b>1,650</b>
Gross Profit Margin	6.2%	5.9%	6.2%	8.1%	6.6%	6.0%	7.0%	8.5%	8.7%	7.6%
Electronic Devices	5.2%	4.6%	4.7%	5.2%	4.9%	4.4%	5.3%	6.9%	6.2%	5.8%
Electronic Systems	14.0%	15.1%	15.2%	15.8%	15.2%	14.3%	14.0%	16.8%	16.6%	15.6%
Operating Profit Margin	0.7%	1.2%	1.1%	1.7%	1.1%	-	0.9%	1.9%	2.7%	1.1%
Ordinary Profit Margin	0.7%	1.3%	1.1%	1.7%	1.2%	-	0.8%	0.4%	3.3%	1.0%
Net Profit Margin	0.1%	1.0%	0.7%	0.8%	0.6%	-	0.4%	0.2%	2.4%	0.6%

## Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2015					FY2016				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
<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>58,420</b>	<b>220,184</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>	<b>54,103</b>	<b>204,418</b>
Analog IC	9,555	10,033	10,301	8,798	38,687	12,083	12,504	11,875	14,598	51,060
Standard Logic IC	789	768	722	729	3,008	1,044	1,144	1,097	808	4,093
Memory IC	6,070	5,078	5,313	5,775	21,956	5,473	6,327	5,093	5,335	22,229
Micro-Processor	3,935	4,756	5,352	5,320	19,363	5,534	5,203	4,642	5,744	21,123
Special-Use IC	29,790	36,711	30,539	17,215	114,256	17,570	26,429	25,431	24,956	94,386
Custom IC	2,724	2,962	2,255	2,404	10,346	2,723	2,473	2,969	2,875	11,040
Other	132	198	75	(144)	262	175	43	482	(214)	487
<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>4,318</b>	<b>15,768</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>	<b>17,924</b>	<b>50,513</b>
Space & Defense Electronics	544	1,230	1,838	1,941	5,552	800	968	1,501	1,730	5,000
Measurement & Inspection Equipment	2,569	4,057	3,278	5,414	15,318	4,282	5,971	3,909	5,686	19,849
Decrease (increase) in notes and accounts receivable-trade	72	321	272	107	772	79	80	394	250	804
Laser Equipment	1,053	909	1,178	2,002	5,141	1,022	1,211	1,325	1,895	5,453
Increase (decrease) in notes and accounts payable-trade	3,799	3,651	4,068	7,270	18,788	2,580	5,211	3,254	8,363	19,407
<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>	<b>76,344</b>	<b>270,698</b>

## 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	Dec.31,2016	Mar.31,2017
<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>	<b>113,711</b>
Cash and deposits	21,179	14,459	21,668	14,096	11,998	10,966	12,559	12,584
Notes and accounts receivable-trade	57,705	63,900	52,863	53,539	49,995	60,710	65,313	65,443
Merchandise and finished goods	34,532	31,266	27,892	24,765	30,160	23,594	27,317	29,385
Work in process	266	471	352	150	192	193	316	291
Deferred tax assets	1,038	1,087	1,008	857	828	812	662	1,149
Other	2,461	2,321	2,381	2,819	2,858	2,218	3,811	4,947
Allowance for doubtful accounts	(14)	(22)	(21)	(17)	(92)	(77)	(70)	(90)
<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>	<b>12,273</b>
Property, plant and equipment	4,002	3,313	3,281	3,079	3,139	3,177	3,484	3,549
Intangible assets	420	395	367	342	931	897	937	1,148
Investments and other assets	7,613	6,371	6,232	6,880	6,915	6,891	7,605	7,575
<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>125,984</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>	<b>67,272</b>
Notes and accounts payable-trade	55,332	53,368	45,922	35,921	24,704	29,401	33,186	37,987
Short-term loans payable	13,401	9,605	9,931	9,732	21,733	20,868	29,390	25,077
Current portion of long-term loans payable	1,010	1,008	1,003	2	114	113	112	112
Provision for bonuses	614	874	479	860	662	970	539	1,034
Other	3,579	2,922	3,112	2,964	4,132	3,099	3,564	3,060
<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>	<b>11,161</b>
Long-term loans payable	7,529	7,500	7,500	8,500	9,073	9,045	9,017	8,988
Net defined benefit liability	1,197	1,184	1,177	1,718	1,818	1,773	1,748	1,586
Provision for directors' retirement benefits	158	151	156	147	84	88	92	96
Other	453	338	376	327	435	427	455	490
<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>	<b>78,434</b>
Shareholders' equity	37,803	38,556	38,765	39,225	38,090	38,375	38,278	40,143
Accumulated other comprehensive income	2,355	2,122	1,785	1,135	466	(0)	546	1,563
Non-controlling interests	5,773	5,930	5,814	5,977	5,610	5,220	5,005	5,843
<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>47,550</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>	<b>125,984</b>

## Consolidated Statements of Cash Flows (Quarterly)

(Millions of Yen)	FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<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>	<b>(5,894)</b>
Income before income taxes and minority interests	176	1,431	2,346	3,299	(800)	(212)	61	2,587
Depreciation and amortization	85	171	255	343	93	188	285	394
Foreign exchange losses (gains)	185	231	310	171	(596)	(863)	1,680	911
Equity in (earnings) losses of affiliates	(80)	(191)	(291)	(431)	(120)	(212)	(331)	(455)
Decrease (increase) in notes and accounts receivable-trade	6,510	493	11,312	10,647	8,043	(3,385)	(7,932)	(6,972)
Decrease (increase) in inventories	(5,810)	(2,691)	732	4,067	(2,844)	3,510	(464)	(1,925)
Increase (decrease) in notes and accounts payable-trade	1,483	(542)	(7,870)	(17,811)	(11,449)	(6,398)	(2,737)	1,450
Other, net	333	159	(313)	(696)	1,497	1,370	429	(867)
Subtotal	2,884	(938)	6,482	(411)	(6,175)	(6,004)	(9,008)	(4,876)
Interest and dividends income received	25	86	107	114	175	181	241	253
Interest expenses paid	(48)	(95)	(140)	(186)	(58)	(128)	(211)	(320)
Income taxes paid	(245)	(390)	(648)	(727)	(437)	(557)	(888)	(956)
Income taxes refund	0	5	5	5	1	4	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>(1,862)</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>	<b>6,282</b>
Effect of exchange rate change on cash and cash equivalents	200	78	(113)	(374)	(580)	(1,103)	(210)	(10)
Net increase(decrease) in cash and cash equivalents	(668)	(7,438)	(255)	(7,810)	(2,094)	(3,072)	(1,475)	(1,485)
Cash and cash equivalents at beginning of period	21,512	21,512	21,512	21,512	13,702	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>	<b>12,216</b>