

Supplementary Financial Information for the first quarter of fiscal year ending March 2018

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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)	FY2016 16/4-6 Results	FY2017 17/4-6 Results	Increase /Decrease
Net Sales	56,755	70,464	13,709
Electronic Devices	47,991	62,118	14,127
Electronic Systems	8,764	8,345	(419)
Cost of Sales	53,366	65,594	12,228
Gross Profit	3,389	4,869	1,480
Electronic Devices	2,131	3,528	1,397
Electronic Systems	1,257	1,340	83
Selling, general and administrative expenses	4,440	4,218	(222)
Personal expenses	2,739	2,578	(161)
Other	1,700	1,639	(61)
Operating income	(1,050)	651	1,701
Electronic Devices	(993)	541	1,534
Electronic Systems	(54)	112	166
Non-operating income	360	167	(193)
Foreign exchange gains	173	9	(164)
Equity in earnings of affiliates	120	89	(31)
Non-operating expenses	105	166	61
Foreign exchange losses	-	-	-
Ordinary income	(796)	652	1,448
Extraordinary income	-	0	0
Extraordinary loss	4	17	13
Income before income taxes and minority interests	(800)	635	1,435
Income taxes	(203)	204	407
Profit attributable to non-controlling interests	66	128	62
Profit attributable to owners of parent	(664)	302	966
Number of Employees	1,454	1,411	(43)
Gross Profit Margin	6.0%	6.9%	-
Electronic Devices	4.4%	5.7%	-
Electronic Systems	14.3%	16.1%	-
Operating Profit Margin	-	0.9%	-
Electronic Devices	-	0.9%	-
Electronic Systems	-	1.3%	-
Ordinary Profit Margin	-	0.9%	-
Net Profit Margin	-	0.4%	-

Consolidated Sales by Segment

(Millions of Yen)	FY2016 16/4-6 Results	FY2017 17/4-6 Results	Increase /Decrease
Total Electronic Devices	47,991	62,118	14,127
Semiconductors	44,601	58,222	13,622
Analog IC	12,083	15,449	3,366
Standard Logic IC	1,044	859	(185)
Memory IC	5,473	5,437	(36)
Micro-Processor	5,534	3,436	(2,098)
Special-Use IC	17,570	30,076	12,507
Custom IC	2,723	2,843	120
Other	175	122	(53)
Electronic Components	3,391	3,896	506
Total Electronic Systems	8,764	8,345	(419)
Space & Defense Electronics	800	897	97
Measurement & Inspection Equipment	4,282	3,613	(670)
Scientific Equipment	79	47	(32)
Laser Equipment	1,022	1,158	136
Medical Equipment	2,580	2,631	51
Total Net Sales	56,755	70,464	13,709

Consolidated Balance Sheets

(Millions of Yen)	FY2016 17/3 Results	FY2017 17/6 Results	Increase /Decrease
Current assets	113,711	112,428	(1,283)
Cash and deposits	12,584	13,482	898
Notes and accounts receivable-trade	65,443	63,827	(1,616)
Merchandise and finished goods	29,385	30,172	787
Work in process	291	427	136
Deferred tax assets	1,149	1,040	(109)
Other	4,947	3,565	(1,382)
Allowance for doubtful accounts	(90)	(87)	3
Noncurrent assets	12,273	12,341	68
Property, plant and equipment	3,549	3,511	(38)
Intangible assets	1,148	1,253	105
Investments and other assets	7,575	7,577	2
Total assets	125,984	124,770	(1,214)
Current liabilities	67,272	66,542	(730)
Notes and accounts payable-trade	37,987	34,829	(3,158)
Short-term loans payable	25,077	27,636	2,559
Current portion of long-term loans payable	112	112	0
Provision for bonuses	1,034	705	(329)
Other	3,060	3,258	198
Noncurrent liabilities	11,161	11,093	(68)
Long-term loans payable	8,988	8,960	(28)
Net defined benefit liability	1,586	1,555	(31)
Provision for directors' retirement benefits	96	100	4
Other	490	477	(13)
Total liabilities	78,434	77,636	(798)
Shareholders' equity	40,143	40,083	(60)
Accumulated other comprehensive income	1,563	1,376	(187)
Non-controlling interests	5,843	5,673	(170)
Total net assets	47,550	47,134	(416)
Total liabilities and net assets	125,984	124,770	(1,214)

Consolidated Statements of Cash Flows

(Millions of Yen)	FY2016 16/4-6 Results	FY2017 17/4-6 Results
Net cash provided by (used in) operating activities	(6,494)	(728)
Income before income taxes and minority interests	(800)	635
Depreciation and amortization	93	99
Foreign exchange losses (gains)	(596)	(7)
Equity in (earnings) losses of affiliates	(120)	(89)
Decrease (increase) in notes and accounts receivable-trade	8,043	1,315
Decrease (increase) in inventories	(2,844)	(1,077)
Increase (decrease) in notes and accounts payable-trade	(11,449)	(3,016)
Other, net	1,497	1,643
Subtotal	(6,175)	(497)
Interest and dividends income received	175	204
Interest expenses paid	(58)	(119)
Income taxes paid	(437)	(317)
Income taxes refund	1	2
Net cash provided by (used in) investing activities	(734)	(359)
Net cash provided by (used in) financing activities	5,714	2,074
Effect of exchange rate change on cash and cash equivalents	(580)	(75)
Net increase(decrease) in cash and cash equivalents	(2,094)	910
Cash and cash equivalents at beginning of period	13,702	12,216
Cash and cash equivalents at end of period	11,607	13,084

Consolidated Statement of Income (1st Half)

	FY2016 1st Half Results	FY2017 1st Half Forecast	Increase /Decrease
Net Sales	127,741	125,000	(2,741)
Electronic Devices	105,536	104,500	(1,036)
Electronic Systems	22,205	20,500	(1,705)
Cost of Sales	119,408	115,500	(3,908)
Gross Profit	8,333	9,500	1,167
Electronic Devices	5,188	6,050	862
Electronic Systems	3,145	3,450	305
Selling, general and administrative expenses	8,768	8,700	(68)
Operating income	(435)	800	1,235
Ordinary income	(194)	800	994
Income before income taxes and minority interests	(212)	750	962
Profit attributable to owners of parent	(379)	400	779
Gross Profit Margin	6.5%	7.6%	-
Electronic Devices	4.9%	5.8%	-
Electronic Systems	14.2%	16.8%	-
Operating Profit Margin	-	0.6%	-
Ordinary Profit Margin	-	0.6%	-
Net Profit Margin	-	0.3%	-

Consolidated Statement of Income (Full Year)

	FY2016 Results	FY2017 Forecast	Increase /Decrease
Net Sales	270,698	260,000	(10,698)
Electronic Devices	220,184	210,000	(10,184)
Electronic Systems	50,513	50,000	(513)
Cost of Sales	250,085	239,000	(11,085)
Gross Profit	20,612	21,000	388
Electronic Devices	12,741	12,800	59
Electronic Systems	7,871	8,200	329
Selling, general and administrative expenses	17,729	17,500	(229)
Operating income	2,883	3,500	617
Ordinary income	2,651	3,300	649
Income before income taxes and minority interests	2,587	3,250	663
Profit attributable to owners of parent	1,650	1,850	200
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 (Full Year)

	FY2016 Results	FY2017 Forecast	Increase /Decrease
Total Electronic Devices	220,184	210,000	(10,184)
Semiconductors	204,418	192,798	(11,620)
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)
Electronic Components	15,768	17,202	1,434
Total Electronic Systems	50,513	50,000	(513)
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)
Total Net Sales	270,698	260,000	(10,698)

Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2016					FY2017
	1Q	2Q	3Q	4Q	Full Year	1Q
Net Sales	56,755	70,985	66,612	76,344	270,698	70,464
Electronic Devices	47,991	57,544	56,228	58,420	220,184	62,118
Electronic Systems	8,764	13,441	10,384	17,924	50,513	8,345
Cost of Sales	53,366	66,041	60,959	69,718	250,085	65,594
Gross Profit	3,389	4,944	5,653	6,625	20,612	4,869
Electronic Devices	2,131	3,056	3,906	3,647	12,741	3,528
Electronic Systems	1,257	1,887	1,747	2,978	7,871	1,340
Selling, general and administrative expenses	4,440	4,328	4,419	4,540	17,729	4,218
Operating income	(1,050)	615	1,233	2,085	2,883	651
Electronic Devices	(993)	9	872	559	448	541
Electronic Systems	(54)	608	363	1,528	2,445	112
Non-operating income	360	102	39	202	705	167
Non-operating expenses	105	116	973	(257)	937	166
Ordinary income	(796)	601	299	2,545	2,651	652
Extraordinary income	-	0	2	(1)	1	0
Extraordinary loss	4	13	29	18	65	17
Income before income taxes and minority interests	(800)	588	273	2,526	2,587	635
Income taxes	(203)	201	45	490	535	204
Profit attributable to non-controlling interests	66	101	63	170	402	128
Profit attributable to owners of parent	(664)	284	164	1,865	1,650	302
Gross Profit Margin	6.0%	7.0%	8.5%	8.7%	7.6%	6.9%
Electronic Devices	4.4%	5.3%	6.9%	6.2%	5.8%	5.7%
Electronic Systems	14.3%	14.0%	16.8%	16.6%	15.6%	16.1%
Operating Profit Margin	-	0.9%	1.9%	2.7%	1.1%	0.9%
Ordinary Profit Margin	-	0.8%	0.4%	3.3%	1.0%	0.9%
Net Profit Margin	-	0.4%	0.2%	2.4%	0.6%	0.4%

Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2016					FY2017
	1Q	2Q	3Q	4Q	Full Year	1Q
Total Electronic Devices	47,991	57,544	56,228	58,420	220,184	62,118
Semiconductors	44,601	54,124	51,590	54,103	204,418	58,222
Analog IC	12,083	12,504	11,875	14,598	51,060	15,449
Standard Logic IC	1,044	1,144	1,097	808	4,093	859
Memory IC	5,473	6,327	5,093	5,335	22,229	5,437
Micro-Processor	5,534	5,203	4,642	5,744	21,123	3,436
Special-Use IC	17,570	26,429	25,431	24,956	94,386	30,076
Custom IC	2,723	2,473	2,969	2,875	11,040	2,843
Other	175	43	482	(214)	487	122
Electronic Components	3,391	3,421	4,637	4,318	15,768	3,896
Total Electronic Systems	8,764	13,441	10,384	17,924	50,513	8,345
Space & Defense Electronics	800	968	1,501	1,730	5,000	897
Measurement & Inspection Equipment	4,282	5,971	3,909	5,686	19,849	3,613
Scientific Equipment	79	80	394	250	804	47
Laser Equipment	1,022	1,211	1,325	1,895	5,453	1,158
Medical Equipment	2,580	5,211	3,254	8,363	19,407	2,631
Total Net Sales	56,755	70,985	66,612	76,344	270,698	70,464

Consolidated Balance Sheets (Quarterly)

(Millions of Yen)	FY2016				FY2017
	Jun.30,2016	Sep.30,2016	Dec.31,2016	Mar.31,2017	Jun.30,2017
Current assets	95,941	98,418	109,910	113,711	112,428
Cash and deposits	11,998	10,966	12,559	12,584	13,482
Notes and accounts receivable-trade	49,995	60,710	65,313	65,443	63,827
Merchandise and finished goods	30,160	23,594	27,317	29,385	30,172
Work in process	192	193	316	291	427
Deferred tax assets	828	812	662	1,149	1,040
Other	2,858	2,218	3,811	4,947	3,565
Allowance for doubtful accounts	(92)	(77)	(70)	(90)	(87)
Noncurrent assets	10,985	10,966	12,027	12,273	12,341
Property, plant and equipment	3,139	3,177	3,484	3,549	3,511
Intangible assets	931	897	937	1,148	1,253
Investments and other assets	6,915	6,891	7,605	7,575	7,577
Total assets	106,927	109,385	121,938	125,984	124,770
Current liabilities	51,347	54,453	66,793	67,272	66,542
Notes and accounts payable-trade	24,704	29,401	33,186	37,987	34,829
Short-term loans payable	21,733	20,868	29,390	25,077	27,636
Current portion of long-term loans payable	114	113	112	112	112
Provision for bonuses	662	970	539	1,034	705
Other	4,132	3,099	3,564	3,060	3,258
Noncurrent liabilities	11,412	11,335	11,313	11,161	11,093
Long-term loans payable	9,073	9,045	9,017	8,988	8,960
Net defined benefit liability	1,818	1,773	1,748	1,586	1,555
Provision for directors' retirement benefits	84	88	92	96	100
Other	435	427	455	490	477
Total liabilities	62,760	65,788	78,107	78,434	77,636
Shareholders' equity	38,090	38,375	38,278	40,143	40,083
Accumulated other comprehensive income	466	(0)	546	1,563	1,376
Non-controlling interests	5,610	5,220	5,005	5,843	5,673
Total net assets	44,167	43,596	43,831	47,550	47,134
Total liabilities and net assets	106,927	109,385	121,938	125,984	124,770

Consolidated Statements of Cash Flows (Quarterly)

(Millions of Yen)	FY2016				FY2017
	1Q	2Q	3Q	4Q	1Q
Net cash provided by (used in) operating activities	(6,494)	(6,505)	(9,863)	(5,894)	(728)
Income before income taxes and minority interests	(800)	(212)	61	2,587	635
Depreciation and amortization	93	188	285	394	99
Foreign exchange losses (gains)	(596)	(863)	1,680	911	(7)
Equity in (earnings) losses of affiliates	(120)	(212)	(331)	(455)	(89)
Decrease (increase) in notes and accounts receivable-trade	8,043	(3,385)	(7,932)	(6,972)	1,315
Decrease (increase) in inventories	(2,844)	3,510	(464)	(1,925)	(1,077)
Increase (decrease) in notes and accounts payable-trade	(11,449)	(6,398)	(2,737)	1,450	(3,016)
Other, net	1,497	1,370	429	(867)	1,643
Subtotal	(6,175)	(6,004)	(9,008)	(4,876)	(497)
Interest and dividends income received	175	181	241	253	204
Interest expenses paid	(58)	(128)	(211)	(320)	(119)
Income taxes paid	(437)	(557)	(888)	(956)	(317)
Income taxes refund	1	4	4	4	2
Net cash provided by (used in) investing activities	(734)	(607)	(1,155)	(1,862)	(359)
Net cash provided by (used in) financing activities	5,714	5,143	9,754	6,282	2,074
Effect of exchange rate change on cash and cash equivalents	(580)	(1,103)	(210)	(10)	(75)
Net increase(decrease) in cash and cash equivalents	(2,094)	(3,072)	(1,475)	(1,485)	910
Cash and cash equivalents at beginning of period	13,702	13,702	13,702	13,702	12,216
Cash and cash equivalents at end of period	11,607	10,629	12,226	12,216	13,084