

Supplementary Financial Information for the fiscal year ended 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	FY2017	Increase /Decrease
Net Sales	270,698	347,508	76,810
Electronic Devices	220,184	296,524	76,340
Electronic Systems	50,513	50,983	470
Cost of Sales	250,085	326,346	76,261
Gross Profit	20,612	21,161	549
Electronic Devices	12,741	13,534	793
Electronic Systems	7,871	7,627	(244)
Selling, general and administrative expenses	17,729	17,390	(339)
Personal expenses	10,909	10,490	(419)
Other	6,819	6,899	80
Operating income	2,883	3,771	888
Electronic Devices	448	1,240	792
Electronic Systems	2,445	2,542	97
Non-operating income	705	1,773	1,068
Foreign exchange gains	-	1,156	1,156
Equity in earnings of affiliates	455	397	(58)
Non-operating expenses	937	1,327	390
Foreign exchange losses	429	-	(429)
Ordinary income	2,651	4,218	1,567
Extraordinary income	1	6	5
Extraordinary loss	65	311	246
Income before income taxes and minority interests	2,587	3,912	1,325
Income taxes	535	1,373	838
Profit attributable to non-controlling interests	402	461	59
Profit attributable to owners of parent	1,650	2,077	427
Number of Employees	1,397	1,381	(16)
Gross Profit Margin	7.6%	6.1%	-
Electronic Devices	5.8%	4.6%	-
Electronic Systems	15.6%	15.0%	-
Operating Profit Margin	1.1%	1.1%	-
Electronic Devices	0.2%	0.4%	-
Electronic Systems	4.8%	5.0%	-
Ordinary Profit Margin	1.0%	1.2%	-
Net Profit Margin	0.6%	0.6%	-

Consolidated Sales by Segment

(Millions of Yen)	FY2016	FY2017	Increase /Decrease
Total Electronic Devices	220,184	296,524	76,340
Semiconductors	204,418	279,472	75,055
Analog IC	51,060	62,728	11,668
Standard Logic IC	4,093	3,273	(820)
Memory IC	22,229	19,914	(2,314)
Micro-Processor	21,123	14,142	(6,981)
Special-Use IC	94,386	167,998	73,612
Custom IC	11,040	10,943	(96)
Other	487	473	(14)
Electronic Components	15,768	17,053	1,285
Total Electronic Systems	50,513	50,983	470
Space & Defense Electronics	5,000	5,409	409
Measurement & Inspection Equipment	19,849	18,648	(1,201)
Scientific Equipment	804	1,112	308
Laser Equipment	5,453	6,699	1,246
Medical Equipment	19,407	19,116	(291)
Total Net Sales	270,698	347,508	76,810

Consolidated Balance Sheets

(Millions of Yen)	FY2016	FY2017	Increase /Decrease
Current assets	113,711	123,322	9,611
Cash and deposits	12,584	13,989	1,405
Notes and accounts receivable-trade	65,443	60,820	(4,623)
Merchandise and finished goods	29,385	44,987	15,602
Work in process	291	126	(165)
Deferred tax assets	1,149	1,024	(125)
Other	4,947	2,386	(2,561)
Allowance for doubtful accounts	(90)	(13)	77
Noncurrent assets	12,273	12,474	201
Property, plant and equipment	3,549	3,529	(20)
Intangible assets	1,148	1,601	453
Investments and other assets	7,575	7,342	(233)
Total assets	125,984	135,796	9,812
Current liabilities	67,272	75,765	8,493
Notes and accounts payable-trade	37,987	37,247	(740)
Short-term loans payable	25,077	34,687	9,610
Current portion of long-term loans payable	112	112	0
Provision for bonuses	1,034	1,044	10
Other	3,060	2,672	(388)
Noncurrent liabilities	11,161	10,854	(307)
Long-term loans payable	8,988	8,875	(113)
Net defined benefit liability	1,586	1,388	(198)
Provision for directors' retirement benefits	96	108	12
Other	490	481	(9)
Total liabilities	78,434	86,619	8,185
Shareholders' equity	40,143	41,596	1,453
Accumulated other comprehensive income	1,563	1,439	(124)
Non-controlling interests	5,843	6,140	297
Total net assets	47,550	49,177	1,627
Total liabilities and net assets	125,984	135,796	9,812

Consolidated Statements of Cash Flows

(Millions of Yen)	FY2016	FY2017
Net cash provided by (used in) operating activities	(5,894)	(7,619)
Income before income taxes and minority interests	2,587	3,912
Depreciation and amortization	394	406
Foreign exchange losses (gains)	911	(1,283)
Equity in (earnings) losses of affiliates	(455)	(397)
Decrease (increase) in notes and accounts receivable-trade	(6,972)	4,326
Decrease (increase) in inventories	(1,925)	(15,582)
Increase (decrease) in notes and accounts payable-trade	1,450	(492)
Other, net	(867)	2,659
Subtotal	(4,876)	(6,450)
Interest and dividends income received	253	314
Interest expenses paid	(320)	(653)
Income taxes paid	(956)	(841)
Income taxes refund	4	11
Net cash provided by (used in) investing activities	(1,862)	(964)
Net cash provided by (used in) financing activities	6,282	10,374
Effect of exchange rate change on cash and cash equivalents	(10)	(248)
Net increase(decrease) in cash and cash equivalents	(1,485)	1,542
Cash and cash equivalents at beginning of period	13,702	12,216
Cash and cash equivalents at end of period	12,216	13,715

Consolidated Statement of Income (Forecast)

(Millions of Yen)	FY2017 Results	FY2018 Forecast	Increase /Decrease
Net Sales	347,508	315,000	(32,508)
Electronic Devices	296,524	262,500	(34,024)
Electronic Systems	50,983	52,500	1,517
Cost of Sales	326,346	292,500	(33,846)
Gross Profit	21,161	22,500	1,339
Electronic Devices	13,534	14,000	466
Electronic Systems	7,627	8,500	873
Selling, general and administrative expenses	17,390	17,800	410
Operating income	3,771	4,700	929
Non-operating income	1,773	550	(1,223)
Non-operating expenses	1,327	950	(377)
Ordinary income	4,218	4,300	82
Extraordinary income	6	-	(6)
Extraordinary loss	311	-	(311)
Income before income taxes and minority interests	3,912	4,300	388
Income taxes	1,373	1,300	(73)
Profit attributable to non-controlling interests	461	500	39
Profit attributable to owners of parent	2,077	2,500	423
Gross Profit Margin	6.1%	7.1%	-
Electronic Devices	4.6%	5.3%	-
Electronic Systems	15.0%	16.2%	-
Operating Profit Margin	1.1%	1.5%	-
Ordinary Profit Margin	1.2%	1.4%	-
Net Profit Margin	0.6%	0.8%	-

Consolidated Sales by Segment (Forecast)

(Millions of Yen)	FY2017 Results	FY2018 Forecast	Increase /Decrease
Total Electronic Devices	296,524	262,500	(34,024)
Semiconductors	279,472	242,513	(36,960)
Analog IC	62,728	60,608	(2,119)
Standard Logic IC	3,273	1,709	(1,564)
Memory IC	19,914	9,638	(10,276)
Micro-Processor	14,142	14,404	262
Special-Use IC	167,998	146,660	(21,338)
Custom IC	10,943	9,026	(1,917)
Other	473	466	(7)
Electronic Components	17,053	19,987	2,935
Total Electronic Systems	50,983	52,500	1,517
Space & Defense Electronics	5,409	6,003	594
Industrial Equipment	19,763	18,583	(1,180)
Laser Equipment	5,186	7,038	1,853
Information and communication Equipment	1,514	1,735	222
Medical Equipment	19,116	19,140	24
Total Net Sales	347,508	315,000	(32,508)

※ The item classification of the system business has been changed.

Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2016					FY2017				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Net Sales	56,755	70,985	66,612	76,344	270,698	70,464	99,410	99,847	77,785	347,508
Electronic Devices	47,991	57,544	56,228	58,420	220,184	62,118	88,243	88,225	57,937	296,524
Electronic Systems	8,764	13,441	10,384	17,924	50,513	8,345	11,167	11,622	19,848	50,983
Cost of Sales	53,366	66,041	60,959	69,718	250,085	65,594	94,008	94,003	72,740	326,346
Gross Profit	3,389	4,944	5,653	6,625	20,612	4,869	5,402	5,844	5,045	21,161
Electronic Devices	2,131	3,056	3,906	3,647	12,741	3,528	3,529	4,120	2,356	13,534
Electronic Systems	1,257	1,887	1,747	2,978	7,871	1,340	1,872	1,723	2,689	7,627
Selling, general and administrative expenses	4,440	4,328	4,419	4,540	17,729	4,218	4,300	4,384	4,487	17,390
Operating income	(1,050)	615	1,233	2,085	2,883	651	1,102	1,459	558	3,771
Electronic Devices	(993)	9	872	559	448	541	426	1,036	(764)	1,240
Electronic Systems	(54)	608	363	1,528	2,445	112	678	426	1,325	2,542
Non-operating income	360	102	39	202	705	167	151	153	1,301	1,773
Non-operating expenses	105	116	973	(257)	937	166	591	311	258	1,327
Ordinary income	(796)	601	299	2,545	2,651	652	662	1,301	1,601	4,218
Extraordinary income	-	0	2	(1)	1	0	(0)	5	0	6
Extraordinary loss	4	13	29	18	65	17	193	14	86	311
Income before income taxes and minority interests	(800)	588	273	2,526	2,587	635	468	1,292	1,515	3,912
Income taxes	(203)	201	45	490	535	204	263	367	537	1,373
Profit attributable to non-controlling interests	66	101	63	170	402	128	117	121	94	461
Profit attributable to owners of parent	(664)	284	164	1,865	1,650	302	87	803	883	2,077
Gross Profit Margin	6.0%	7.0%	8.5%	8.7%	7.6%	6.9%	5.4%	5.9%	6.5%	6.1%
Electronic Devices	4.4%	5.3%	6.9%	6.2%	5.8%	5.7%	4.0%	4.7%	4.1%	4.6%
Electronic Systems	14.3%	14.0%	16.8%	16.6%	15.6%	16.1%	16.8%	14.8%	13.5%	15.0%
Operating Profit Margin	-	0.9%	1.9%	2.7%	1.1%	0.9%	1.1%	1.5%	0.7%	1.1%
Ordinary Profit Margin	-	0.8%	0.4%	3.3%	1.0%	0.9%	0.7%	1.3%	2.1%	1.2%
Net Profit Margin	-	0.4%	0.2%	2.4%	0.6%	0.4%	0.1%	0.8%	1.1%	0.6%

Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2016					FY2017				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Total Electronic Devices	47,991	57,544	56,228	58,420	220,184	62,118	88,243	88,225	57,937	296,524
Semiconductors	44,601	54,124	51,590	54,103	204,418	58,222	84,528	83,272	53,450	279,472
Analog IC	12,083	12,504	11,875	14,598	51,060	15,449	15,599	16,227	15,453	62,728
Standard Logic IC	1,044	1,144	1,097	808	4,093	859	808	805	801	3,273
Memory IC	5,473	6,327	5,093	5,335	22,229	5,437	6,494	4,193	3,790	19,914
Micro-Processor	5,534	5,203	4,642	5,744	21,123	3,436	3,250	4,149	3,307	14,142
Special-Use IC	17,570	26,429	25,431	24,956	94,386	30,076	55,097	54,816	28,009	167,999
Custom IC	2,723	2,473	2,969	2,875	11,040	2,843	2,965	2,911	2,224	10,943
Other	175	43	482	(214)	487	122	314	171	(134)	473
Electronic Components	3,391	3,421	4,637	4,318	15,768	3,896	3,715	4,954	4,488	17,053
Total Electronic Systems	8,764	13,441	10,384	17,924	50,513	8,345	11,167	11,622	19,848	50,983
Space & Defense Electronics	800	968	1,501	1,730	5,000	897	1,068	1,200	2,244	5,409
Measurement & Inspection Equipment	4,282	5,971	3,909	5,686	19,849	3,613	4,257	4,191	6,591	18,651
Scientific Equipment	79	80	394	250	804	47	366	201	498	1,112
Laser Equipment	1,022	1,211	1,325	1,895	5,453	1,158	1,762	1,696	2,083	6,699
Medical Equipment	2,580	5,211	3,254	8,363	19,407	2,631	3,715	4,333	8,437	19,116
Total Net Sales	56,755	70,985	66,612	76,344	270,698	70,464	99,410	99,847	77,785	347,508

Consolidated Balance Sheets (Quarterly)

(Millions of Yen)	FY2016				FY2017			
	Jun.30,2016	Sep.30,2016	Dec.31,2016	Mar.31,2017	Jun.30,2017	Sep.30,2017	Dec.31,2017	Mar.31,2018
Current assets	95,941	98,418	109,910	113,711	112,428	132,509	122,835	123,322
Cash and deposits	11,998	10,966	12,559	12,584	13,482	15,840	11,813	13,989
Notes and accounts receivable-trade	49,995	60,710	65,313	65,443	63,827	78,373	72,641	60,820
Merchandise and finished goods	30,160	23,594	27,317	29,385	30,172	33,094	34,251	44,987
Work in process	192	193	316	291	427	408	286	126
Deferred tax assets	828	812	662	1,149	1,040	1,156	1,016	1,024
Other	2,858	2,218	3,811	4,947	3,565	3,652	2,838	2,386
Allowance for doubtful accounts	(92)	(77)	(70)	(90)	(87)	(17)	(12)	(13)
Noncurrent assets	10,985	10,966	12,027	12,273	12,341	12,263	12,590	12,474
Property, plant and equipment	3,139	3,177	3,484	3,549	3,511	3,523	3,521	3,529
Intangible assets	931	897	937	1,148	1,253	1,407	1,512	1,601
Investments and other assets	6,915	6,891	7,605	7,575	7,577	7,332	7,557	7,342
Total assets	106,927	109,385	121,938	125,984	124,770	144,773	135,426	135,796
Current liabilities	51,347	54,453	66,793	67,272	66,542	86,334	76,109	75,765
Notes and accounts payable-trade	24,704	29,401	33,186	37,987	34,829	40,171	40,498	37,247
Short-term loans payable	21,733	20,868	29,390	25,077	27,636	42,572	32,491	34,687
Current portion of long-term loans payable	114	113	112	112	112	112	112	112
Provision for bonuses	662	970	539	1,034	705	1,027	564	1,044
Other	4,132	3,099	3,564	3,060	3,258	2,450	2,442	2,672
Noncurrent liabilities	11,412	11,335	11,313	11,161	11,093	11,032	11,005	10,854
Long-term loans payable	9,073	9,045	9,017	8,988	8,960	8,932	8,904	8,875
Net defined benefit liability	1,818	1,773	1,748	1,586	1,555	1,510	1,477	1,388
Provision for directors' retirement benefits	84	88	92	96	100	101	104	108
Other	435	427	455	490	477	489	518	481
Total liabilities	62,760	65,788	78,107	78,434	77,636	97,367	87,114	86,619
Shareholders' equity	38,090	38,375	38,278	40,143	40,083	40,171	40,713	41,596
Accumulated other comprehensive income	466	(0)	546	1,563	1,376	1,427	1,603	1,439
Non-controlling interests	5,610	5,220	5,005	5,843	5,673	5,807	5,995	6,140
Total net assets	44,167	43,596	43,831	47,550	47,134	47,406	48,311	49,177
Total liabilities and net assets	106,927	109,385	121,938	125,984	124,770	144,773	135,426	135,796

Consolidated Statements of Cash Flows (Quarterly)

(Millions of Yen)	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net cash provided by (used in) operating activities	(6,494)	(6,505)	(9,863)	(5,894)	(728)	(12,672)	(6,060)	(7,619)
Income before income taxes and minority interests	(800)	(212)	61	2,587	635	1,104	2,396	3,912
Depreciation and amortization	93	188	285	394	99	199	301	406
Foreign exchange losses (gains)	(596)	(863)	1,680	911	(7)	356	425	(1,283)
Equity in (earnings) losses of affiliates	(120)	(212)	(331)	(455)	(89)	(193)	(296)	(397)
Decrease (increase) in notes and accounts receivable-trade	8,043	(3,385)	(7,932)	(6,972)	1,315	(13,240)	(7,454)	4,326
Decrease (increase) in inventories	(2,844)	3,510	(464)	(1,925)	(1,077)	(4,000)	(5,008)	(15,582)
Increase (decrease) in notes and accounts payable-trade	(11,449)	(6,398)	(2,737)	1,450	(3,016)	2,340	2,652	(492)
Other, net	1,497	1,370	429	(867)	1,643	1,258	1,883	2,659
Subtotal	(6,175)	(6,004)	(9,008)	(4,876)	(497)	(12,174)	(5,100)	(6,450)
Interest and dividends income received	175	181	241	253	204	215	296	314
Interest expenses paid	(58)	(128)	(211)	(320)	(119)	(280)	(468)	(653)
Income taxes paid	(437)	(557)	(888)	(956)	(317)	(441)	(799)	(841)
Income taxes refund	1	4	4	4	2	9	11	11
Net cash provided by (used in) investing activities	(734)	(607)	(1,155)	(1,862)	(359)	(557)	(749)	(964)
Net cash provided by (used in) financing activities	5,714	5,143	9,754	6,282	2,074	16,564	6,199	10,374
Effect of exchange rate change on cash and cash equivalents	(580)	(1,103)	(210)	(10)	(75)	(19)	(20)	(248)
Net increase(decrease) in cash and cash equivalents	(2,094)	(3,072)	(1,475)	(1,485)	910	3,316	(631)	1,542
Cash and cash equivalents at beginning of period	13,702	13,702	13,702	13,702	12,216	12,216	12,216	12,216
Cash and cash equivalents at end of period	11,607	10,629	12,226	12,216	13,084	15,489	11,541	13,715