

Supplementary Financial Information for the fiscal year ended March 2019

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MARUBUN CORPORATION

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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)	FY2017	FY2018	Increase /Decrease
Net Sales	347,508	326,694	(20,814)
Electronic Devices	296,524	275,073	(21,451)
Electronic Systems	50,983	51,621	638
Cost of Sales	326,346	303,927	(22,419)
Gross Profit	21,161	22,767	1,606
Electronic Devices	12,989	14,380	1,391
Electronic Systems	8,173	8,386	213
Selling, general and administrative expenses	17,390	17,719	329
Personal expenses	10,490	10,551	61
Other	6,899	7,168	269
Operating income	3,771	5,048	1,277
Electronic Devices	1,240	2,590	1,350
Electronic Systems	2,542	2,467	(75)
Non-operating income	1,773	568	(1,205)
Foreign exchange gains	1,156	-	(1,156)
Equity in earnings of affiliates	397	258	(139)
Non-operating expenses	1,327	2,596	1,269
Foreign exchange losses	-	1,196	1,196
Ordinary income	4,218	3,020	(1,198)
Extraordinary income	6	38	32
Extraordinary loss	311	76	(235)
Income before income taxes and minority interests	3,912	2,981	(931)
Income taxes	1,373	952	(421)
Profit attributable to non-controlling interests	461	392	(69)
Profit attributable to owners of parent	2,077	1,636	(441)
Number of Employees	1,381	1,336	(45)
Gross Profit Margin	6.1%	7.0%	
Electronic Devices	4.4%	5.2%	
Electronic Systems	16.0%	16.2%	
Operating Profit Margin	1.1%	1.5%	
Electronic Devices	0.4%	0.9%	
Electronic Systems	5.0%	4.8%	
Ordinary Profit Margin	1.2%	0.9%	
Net Profit Margin	0.6%	0.5%	

Consolidated Sales by Segment

(Millions of Yen)	FY2017	FY2018	Increase /Decrease
Total Electronic Devices	296,524	275,073	(21,451)
Semiconductors	279,472	257,769	(21,703)
Analog IC	62,728	59,034	(3,694)
Standard Logic IC	3,273	2,833	(440)
Memory IC	19,914	12,478	(7,436)
Micro-Processor	14,142	12,431	(1,711)
Special-Use IC	167,998	162,361	(5,637)
Custom IC	10,943	8,248	(2,695)
Other	473	384	(89)
Electronic Components	17,053	17,305	252
Total Electronic Systems	50,983	51,621	638
Space & Defense Electronics	5,409	6,582	1,173
Industrial Equipment	19,763	19,462	(300)
Laser Equipment	5,186	5,431	245
Information and communication Equipment	1,514	1,787	273
Medical Equipment	19,116	18,359	(757)
Total Net Sales	347,508	326,694	(20,814)

Consolidated Balance Sheets

(Millions of Yen)	FY2017	FY2018	Increase /Decrease
Current assets	123,322	113,985	(9,337)
Cash and deposits	13,989	16,348	2,359
Notes and accounts receivable-trade	60,820	52,866	(7,954)
Merchandise and finished goods	44,987	43,020	(1,967)
Work in process	126	199	73
Deferred tax assets	1,024	-	(1,024)
Other	2,386	1,567	(819)
Allowance for doubtful accounts	(13)	(16)	(3)
Noncurrent assets	12,474	14,177	1,703
Property, plant and equipment	3,529	3,634	105
Intangible assets	1,601	1,533	(68)
Investments and other assets	7,342	9,009	1,667
Total assets	135,796	128,163	(7,633)
Current liabilities	75,765	75,623	(142)
Notes and accounts payable-trade	37,247	25,443	(11,804)
Short-term loans payable	34,687	38,934	4,247
Current portion of long-term loans payable	112	7,550	7,438
Provision for bonuses	1,044	1,038	(6)
Other	2,672	2,657	(15)
Noncurrent liabilities	10,854	2,813	(8,041)
Long-term loans payable	8,875	1,175	(7,700)
Net defined benefit liability	1,388	1,201	(187)
Provision for directors' retirement benefits	108	97	(11)
Other	481	339	(142)
Total liabilities	86,619	78,436	(8,183)
Shareholders' equity	41,596	42,453	857
Accumulated other comprehensive income	1,439	1,056	(383)
Non-controlling interests	6,140	6,216	76
Total net assets	49,177	49,726	549
Total liabilities and net assets	135,796	128,163	(7,633)

Consolidated Statements of Cash Flows

(Millions of Yen)	FY2017	FY2018
Net cash provided by (used in) operating activities	(7,619)	1,992
Income before income taxes and minority interests	3,912	2,981
Depreciation and amortization	406	547
Foreign exchange losses (gains)	(1,283)	1,656
Equity in (earnings) losses of affiliates	(397)	(258)
Decrease (increase) in notes and accounts receivable-trade	4,326	8,177
Decrease (increase) in inventories	(15,582)	986
Increase (decrease) in notes and accounts payable-trade	(492)	(11,795)
Other, net	2,659	1,524
Subtotal	(6,450)	3,820
Interest and dividends income received	314	185
Interest expenses paid	(653)	(992)
Income taxes paid	(841)	(990)
Income taxes refund	11	2
Extra retirement payments	-	(33)
Net cash provided by (used in) investing activities	(964)	(495)
Net cash provided by (used in) financing activities	10,374	1,243
Effect of exchange rate change on cash and cash equivalents	(248)	(25)
Net increase(decrease) in cash and cash equivalents	1,542	2,714
Cash and cash equivalents at beginning of period	12,216	13,715
Cash and cash equivalents at end of period	13,715	16,044

Consolidated Statement of Income (Forecast)

(Millions of Yen)	FY2018 Results	FY2019 Forecast	Increase /Decrease
Net Sales	326,694	291,500	(35,194)
Electronic Devices	275,073	236,000	(39,073)
Electronic Systems	51,621	55,500	3,879
Cost of Sales	303,927	270,000	(33,927)
Gross Profit	22,767	21,500	(1,267)
Electronic Devices	14,380	12,400	(1,980)
Electronic Systems	8,386	9,100	714
Selling, general and administrative expenses	17,719	17,500	(219)
Operating income	5,048	4,000	(1,048)
Non-operating income	568	600	32
Non-operating expenses	2,596	1,450	(1,146)
Ordinary income	3,020	3,150	130
Extraordinary income	38	-	(39)
Extraordinary loss	76	-	(76)
Income before income taxes and minority interests	2,981	3,150	169
Income taxes	952	950	(2)
Profit attributable to non-controlling interests	392	450	58
Profit attributable to owners of parent	1,636	1,750	114
Gross Profit Margin	7.0%	7.4%	
Electronic Devices	5.2%	5.3%	
Electronic Systems	16.2%	16.4%	
Operating Profit Margin	1.5%	1.4%	
Ordinary Profit Margin	0.9%	1.1%	
Net Profit Margin	0.5%	0.6%	

Consolidated Sales by Segment (Forecast)

(Millions of Yen)	FY2018 Results	FY2019 Forecast	Increase /Decrease
Total Electronic Devices	275,073	236,000	(39,073)
Semiconductors	257,769	213,191	(44,577)
Analog IC	59,034	59,187	153
Standard Logic IC	2,833	2,393	(441)
Memory IC	12,478	5,385	(7,093)
Micro-Processor	12,431	9,281	(3,150)
Special-Use IC	162,361	129,997	(32,364)
Custom IC	8,248	6,949	(1,299)
Other	384	-	(384)
Electronic Components	17,305	22,809	5,504
Total Electronic Systems	51,621	55,500	3,879
Space & Defense Electronics	6,582	6,043	(539)
Industrial Equipment	19,462	21,234	1,772
Laser Equipment	5,431	6,968	1,537
Information and communication Equipment	1,787	2,456	669
Medical Equipment	18,359	18,800	441
Total Net Sales	326,694	291,500	(35,194)

Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2017					FY2018				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Net Sales	70,464	99,410	99,847	77,785	347,508	71,211	95,222	91,565	68,694	326,694
Electronic Devices	62,118	88,243	88,225	57,937	296,524	60,920	84,473	79,356	50,323	275,073
Electronic Systems	8,345	11,167	11,622	19,848	50,983	10,291	10,749	12,209	18,371	51,621
Cost of Sales	65,594	94,008	94,003	72,740	326,346	65,682	89,369	85,881	62,993	303,927
Gross Profit	4,869	5,402	5,844	5,045	21,161	5,529	5,853	5,683	5,700	22,767
Electronic Devices	3,384	3,360	4,006	2,236	12,989	3,966	4,126	3,669	2,618	14,380
Electronic Systems	1,485	2,041	1,837	2,809	8,173	1,562	1,726	2,014	3,082	8,386
Selling, general and administrative expenses	4,218	4,300	4,384	4,487	17,390	4,314	4,492	4,395	4,515	17,719
Operating income	651	1,102	1,459	558	3,771	1,214	1,360	1,287	1,185	5,048
Electronic Devices	541	426	1,036	(764)	1,240	1,128	1,059	739	(337)	2,590
Electronic Systems	112	678	426	1,325	2,542	88	303	550	1,524	2,467
Non-operating income	167	151	153	1,301	1,773	152	144	161	109	568
Non-operating expenses	166	591	311	258	1,327	1,440	813	(49)	391	2,596
Ordinary income	652	662	1,301	1,601	4,218	(73)	691	1,499	903	3,020
Extraordinary income	0	(0)	5	0	6	3	19	17	(2)	38
Extraordinary loss	17	193	14	86	311	0	16	28	30	76
Income before income taxes and minority interests	635	468	1,292	1,515	3,912	(70)	694	1,488	870	2,981
Income taxes	204	263	367	537	1,373	(44)	388	349	258	952
Profit attributable to non-controlling interests	128	117	121	94	461	44	100	117	129	392
Profit attributable to owners of parent	302	87	803	883	2,077	(70)	204	1,020	481	1,636
Gross Profit Margin	6.9%	5.4%	5.9%	6.5%	6.1%	7.8%	6.1%	6.2%	8.3%	7.0%
Electronic Devices	5.4%	3.8%	4.5%	3.9%	4.4%	6.5%	4.9%	4.6%	5.2%	5.2%
Electronic Systems	17.8%	18.3%	15.8%	14.2%	16.0%	15.2%	16.1%	16.5%	16.8%	16.2%
Operating Profit Margin	0.9%	1.1%	1.5%	0.7%	1.1%	1.7%	1.4%	1.4%	1.7%	1.5%
Ordinary Profit Margin	0.9%	0.7%	1.3%	2.1%	1.2%	-	0.7%	1.6%	1.3%	0.9%
Net Profit Margin	0.4%	0.1%	0.8%	1.1%	0.6%	-	0.2%	1.1%	0.7%	0.5%

Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2017					FY2018				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Total Electronic Devices	62,118	88,243	88,225	57,937	296,524	60,920	84,473	79,356	50,323	275,073
Semiconductors	58,222	84,528	83,272	53,450	279,472	57,167	80,225	74,608	45,768	257,769
Analog IC	15,449	15,599	16,227	15,453	62,728	15,093	16,373	14,772	12,795	59,034
Standard Logic IC	859	808	805	801	3,273	764	833	661	575	2,833
Memory IC	5,437	6,494	4,193	3,790	19,914	4,834	3,793	2,431	1,419	12,478
Micro-Processor	3,436	3,250	4,149	3,307	14,142	3,956	3,717	2,330	2,428	12,431
Special-Use IC	30,076	55,097	54,816	28,009	167,998	29,618	52,737	52,524	27,482	162,361
Custom IC	2,843	2,965	2,911	2,224	10,943	2,541	2,430	2,092	1,185	8,248
Other	122	314	171	(134)	473	362	341	(202)	(117)	384
Electronic Components	3,896	3,715	4,954	4,488	17,053	3,753	4,248	4,747	4,556	17,305
Total Electronic Systems	8,345	11,167	11,622	19,848	50,983	10,291	10,749	12,209	18,371	51,621
Space & Defense Electronics	897	1,068	1,200	2,244	5,409	997	1,425	1,867	2,293	6,582
Industrial Equipment	3,659	4,623	4,392	7,089	19,763	4,348	4,328	4,204	6,582	19,462
Laser Equipment	865	1,468	1,374	1,479	5,186	1,015	1,228	1,288	1,900	5,431
Information and communication Equipment	293	294	322	604	1,514	375	183	631	598	1,787
Medical Equipment	2,631	3,715	4,333	8,437	19,116	3,557	3,586	4,219	6,997	18,359
Total Net Sales	70,464	99,410	99,847	77,785	347,508	71,211	95,222	91,565	68,694	326,694

Consolidated Balance Sheets (Quarterly)

(Millions of Yen)	FY2017				FY2018			
	Jun.30.2017	Sep.30.2017	Dec.31.2017	Mar.31.2018	Jun.30.2018	Sep.30.2018	Dec.31.2018	Mar.31.2019
Current assets	112,428	132,509	122,835	123,322	123,333	123,569	111,876	113,985
Cash and deposits	13,482	15,840	11,813	13,989	16,813	14,196	14,178	16,348
Notes and accounts receivable-trade	63,827	78,373	72,641	60,820	60,738	66,174	56,838	52,866
Merchandise and finished goods	30,172	33,094	34,251	44,987	43,523	38,044	35,217	43,020
Work in process	427	408	286	126	186	310	546	199
Deferred tax assets	1,040	1,156	1,016	1,024	-	-	-	-
Other	3,565	3,652	2,838	2,386	2,086	4,860	5,112	1,567
Allowance for doubtful accounts	(87)	(17)	(12)	(13)	(14)	(17)	(16)	(16)
Noncurrent assets	12,341	12,263	12,590	12,474	13,436	13,746	13,785	14,177
Property, plant and equipment	3,511	3,523	3,521	3,529	3,485	3,549	3,634	3,634
Intangible assets	1,253	1,407	1,512	1,601	1,682	1,696	1,619	1,533
Investments and other assets	7,577	7,332	7,557	7,342	8,268	8,499	8,530	9,009
Total assets	124,770	144,773	135,426	135,796	136,770	137,315	125,661	128,163
Current liabilities	66,542	86,334	76,109	75,765	78,185	78,220	65,977	75,623
Notes and accounts payable-trade	34,829	40,171	40,498	37,247	34,122	39,133	29,651	25,443
Short-term loans payable	27,636	42,572	32,491	34,687	40,272	35,498	33,196	38,934
Current portion of long-term loans payable	112	112	112	112	112	50	50	7,550
Provision for bonuses	705	1,027	564	1,044	539	1,040	578	1,038
Other	3,258	2,450	2,442	2,672	3,138	2,498	2,501	2,657
Noncurrent liabilities	11,093	11,032	11,005	10,854	10,695	10,448	10,394	2,813
Long-term loans payable	8,960	8,932	8,904	8,875	8,847	8,700	8,687	1,175
Net defined benefit liability	1,555	1,510	1,477	1,388	1,353	1,274	1,225	1,201
Provision for directors' retirement benefits	100	101	104	108	111	115	118	97
Other	477	489	518	481	382	358	362	339
Total liabilities	77,636	97,367	87,114	86,619	88,881	88,669	76,372	78,436
Shareholders' equity	40,083	40,171	40,713	41,596	41,007	41,212	41,971	42,453
Accumulated other comprehensive income	1,376	1,427	1,603	1,439	1,015	1,337	1,087	1,056
Non-controlling interests	5,673	5,807	5,995	6,140	5,866	6,096	6,229	6,216
Total net assets	47,134	47,406	48,311	49,177	47,889	48,646	49,289	49,726
Total liabilities and net assets	124,770	144,773	135,426	135,796	136,770	137,315	125,661	128,163

Consolidated Statements of Cash Flows (Quarterly)

(Millions of Yen)	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net cash provided by (used in) operating activities	(728)	(12,672)	(6,060)	(7,619)	(189)	5,765	8,181	1,992
Income before income taxes and minority interests	635	1,104	2,396	3,912	(70)	623	2,111	2,981
Depreciation and amortization	99	199	301	406	99	228	374	547
Foreign exchange losses (gains)	(7)	356	425	(1,283)	1,262	1,976	1,458	1,656
Equity in (earnings) losses of affiliates	(89)	(193)	(296)	(397)	(88)	(169)	(249)	(258)
Decrease (increase) in notes and accounts receivable-trade	1,315	(13,240)	(7,454)	4,326	(2)	(5,135)	4,426	8,177
Decrease (increase) in inventories	(1,077)	(4,000)	(5,008)	(15,582)	1,175	6,695	8,523	986
Increase (decrease) in notes and accounts payable-trade	(3,016)	2,340	2,652	(492)	(2,969)	1,882	(7,666)	(11,795)
Other, net	1,643	1,258	1,883	2,659	912	508	628	1,524
Subtotal	(497)	(12,174)	(5,100)	(6,450)	319	6,609	9,607	3,820
Interest and dividends income received	204	215	296	314	96	109	160	185
Interest expenses paid	(119)	(280)	(468)	(653)	(226)	(456)	(707)	(992)
Income taxes paid	(317)	(441)	(799)	(841)	(379)	(499)	(849)	(990)
Income taxes refund	2	9	11	11	1	2	2	2
Extra retirement payments	-	-	-	-	-	-	(33)	(33)
Net cash provided by (used in) investing activities	(359)	(557)	(749)	(964)	(262)	(2,950)	(3,393)	(495)
Net cash provided by (used in) financing activities	2,074	16,564	6,199	10,374	3,699	(2,225)	(4,274)	1,243
Effect of exchange rate change on cash and cash equivalents	(75)	(19)	(20)	(248)	(3)	17	69	(25)
Net increase(decrease) in cash and cash equivalents	910	3,316	(631)	1,542	3,243	607	583	2,714
Cash and cash equivalents at beginning of period	12,216	12,216	12,216	12,216	13,715	13,715	13,715	13,715
Cash and cash equivalents at end of period	13,084	15,489	11,541	13,715	16,574	13,937	13,913	16,044