

MARUBUN CORPORATION

Head Office : 8-1 Nihonbashi Odenmachi, Chuo-ku, Tokyo, Japan
 Securities Code : 7537 TSE, 1st section URL <http://www.marubun.co.jp>
 Representative : Akihiko Inamura, CEO and Representative Director
 Contact : Teruhiko Kanisawa, Manager, Corporate Planning Dept. TEL : +81-3-3639-3010



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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2011

1. Consolidated Financial Results for the Six Months Ended September 30, 2011 (April 1, 2011 - September 30, 2011)

(1) Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the Six months ended September 30, 2011	103,703	(5.5)	593	(39.1)	347	(34.4)	131	168.8
September 30, 2010	109,792	9.3	974	152.8	530	-	49	-

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Six months ended September 30, 2011	5.05	-
September 30, 2010	1.88	-

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of September 30, 2011	119,652	35,726	27.4
As of March 31, 2011	106,554	35,613	30.7

2. Dividends

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2011	-	5.00	-	6.00	11.00
Fiscal Year ending March 31, 2012	-	5.00			
Fiscal Year ending March 31, 2012 (Forecast)			-	7.00	12.00

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2012

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the Fiscal Year ending March 31, 2012	243,500	15.7	3,250	18.0	2,800	26.3	1,200	107.8

	Net Income Per Share
	Yen
For the Fiscal Year ending March 31, 2012	45.91

Note: These Financial Forecasts are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. Marubun Corporation cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

1. Qualitative information relating to consolidated operating results

During the consolidated first half under review (from April 1, 2011 to September 30, 2011), the Japanese economy continued to face uncertain prospects, amid fears of a global slowdown fanned by Europe's financial crisis and the rapid appreciation of the yen, which overshadowed signs of steady recovery from the effects of failures in the supply chain and the nuclear disaster caused by the Great East Japan Earthquake.

In the electronics industry, where the Marubun Group is positioned, demand for smartphones and tablet PCs grew on a global scale, and the output of automobiles, digital cameras and office automation equipment, which was affected by shortages of components in the aftermath of the earthquake, also began to pick up. On the other hand, demand for TV sets weakened and orders for semiconductor manufacturing equipment also began to slow as manufacturers scaled back their equipment spending. In the semiconductor and electronic components markets, downward movements in prices of DRAM and LCD panels also accelerated.

In this environment, net sales of the Group during the consolidated first half under review fell 5.5% from the same period of the previous year, to 103,703 million yen. Consolidated operating income dropped 39.1% year on year, to 593 million yen, while consolidated ordinary income declined 34.4% year on year, to 347 million yen. Consolidated net income rose 168.8% from the same period of the previous year, to 131 million yen as a result of posting a gain on sales of investment securities as an extraordinary income.

Operating results by business segment are as follows.

(Electronic Devices business)

In the Electronic Devices business, sales of semiconductors designed for PCs and telecommunications infrastructure increased, offset by declines in sales of LCD panels for TV sets and semiconductors for cellular phone modules. Demand for semiconductors for automobiles also decreased, reflecting the impact of the disaster. As a result, net sales in this segment fell 5.4% year on year, to 91,161 million yen, while segment income slipped 44.7% year on year, to 510 million yen.

(Electronic Systems business)

In the Electronic Systems Business, sales of measurement and inspection equipment were unchanged year on year, but sales of artificial satellite components in space and defense electronics decreased, while the sales performance of scientific equipment, laser equipment and medical equipment was also poor. As a result, net sales of this segment decreased 6.9% year on year, to 12,541 million yen, and segment income dipped 0.3% to 88 million yen.

2. Qualitative information relating to the consolidated financial position

Current assets at the end of the first half of the fiscal year under review stood at 108,510 million yen, climbing 13,229 million yen from the end of the previous fiscal year. This is mainly attributable to a decrease of 6,386 million yen in cash and deposits, offset by increases in notes and accounts receivable-trade of 10,953 million yen and merchandise and finished goods of 7,701 million yen, respectively. Noncurrent assets were 11,142 million yen, a decrease of 132 million yen from the end of the previous fiscal year. This primarily reflects a decrease in investment securities of 264 million yen.

As a result, total assets came to 119,652 million yen, an increase of 13,097 million yen from the end of the previous fiscal year.

Current liabilities at the end of the first half of the fiscal year review were 78,771 million yen, a rise of 13,111 million yen from the end of the previous fiscal year. This figure chiefly reflects increases in notes and accounts payable of 9,888 million yen and short-term loans payable of 2,956 million yen, respectively. Noncurrent liabilities were 5,154 million yen, a drop of 125 million yen from the end of the previous fiscal year. This is mainly attributable to declines in bonds payable of 24 million yen and the provision for directors' retirement benefits of 86 million yen, respectively.

As a result, total liabilities stood at 83,925 million yen, a rise of 12,985 million yen from the end of the previous fiscal year.

Total net assets at the end of the first half of the fiscal year under review were 35,726 million yen, an increase of 112 million yen from the end of the previous fiscal year. A decrease in valuation difference on available-for-sale securities of 188 million yen was more than offset by an increase in deferred gains on hedges of 325 million yen.

As a result, the equity ratio stood at 27.4% (compared to 30.7% at the end of the previous fiscal year).

3. Qualitative information relating to consolidated financial forecasts

Our full-year consolidated financial results forecast for the fiscal year ending March 2012 remain unchanged from the financial results forecast announced on May 9, 2011.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2011	As of September 30, 2011
Assets		
Current assets		
Cash and deposits	16,330	9,943
Notes and accounts receivable-trade	46,599	57,553
Merchandise and finished goods	29,024	36,726
Work in process	9	23
Deferred tax assets	1,228	1,119
Other	2,116	3,183
Allowance for doubtful accounts	(29)	(39)
Total current assets	95,280	108,510
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,288	4,170
Accumulated depreciation	(2,690)	(2,656)
Buildings and structures, net	1,598	1,514
Machinery, equipment and vehicles	26	26
Accumulated depreciation	(21)	(20)
Machinery, equipment and vehicles, net	5	5
Tools, furniture and fixtures	2,317	2,235
Accumulated depreciation	(1,851)	(1,808)
Tools, furniture and fixtures, net	466	426
Land	2,520	2,516
Lease assets	18	26
Accumulated depreciation	(5)	(7)
Lease assets, net	12	19
Construction in progress	6	20
Total property, plant and equipment	4,609	4,502
Intangible assets		
Goodwill	10	9
Other	395	315
Total intangible assets	405	324
Investments and other assets		
Investment securities	1,550	1,286
Long-term loans receivable	6	6
Deferred tax assets	1,997	2,247
Real estate for investment	3,083	3,083
Accumulated depreciation	(1,966)	(1,992)
Real estate for investment, net	1,116	1,090
Other	1,587	1,684
Total investments and other assets	6,259	6,314
Total noncurrent assets	11,274	11,142
Total assets	106,554	119,652

(Millions of Yen)

	As of March 31, 2011	As of September 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	32,478	42,366
Short-term loans payable	10,660	13,617
Current portion of long-term loans payable	20,034	20,034
Current portion of bonds	48	48
Income taxes payable	210	193
Provision for bonuses	744	774
Asset retirement obligations	39	-
Other	1,443	1,735
Total current liabilities	65,660	78,771
Noncurrent liabilities		
Bonds payable	70	46
Long-term loans payable	2,606	2,589
Provision for retirement benefits	1,659	1,653
Provision for directors' retirement benefits	564	477
Asset retirement obligations	121	123
Other	257	264
Total noncurrent liabilities	5,280	5,154
Total liabilities	70,940	83,925
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	22,849	22,824
Treasury stock	(1,630)	(1,630)
Total shareholders' equity	33,787	33,762
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	216	27
Deferred gains or losses on hedges	(129)	195
Foreign currency translation adjustment	(1,196)	(1,214)
Total accumulated other comprehensive income	(1,109)	(991)
Minority interests	2,936	2,954
Total net assets	35,613	35,726
Total liabilities and net assets	106,554	119,652

(2) Consolidated Statements of Income

(Millions of Yen)

	Six Months ended September 30, 2010	Six Months ended September 30, 2011
Net sales	109,792	103,703
Cost of sales	101,722	95,620
Gross profit	8,070	8,082
Selling, general and administrative expenses	7,095	7,488
Operating income	974	593
Non-operating income		
Interest income	9	4
Dividends income	12	15
Equity in earnings of affiliates	50	31
Rent of real estate for investment	84	102
Miscellaneous income	127	91
Total non-operating income	284	245
Non-operating expenses		
Interest expenses	276	261
Foreign exchange losses	293	67
Miscellaneous loss	158	162
Total non-operating expenses	729	491
Ordinary income	530	347
Extraordinary income		
Gain on sales of noncurrent assets	-	1
Gain on sales of investment securities	-	78
Total extraordinary income	-	79
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	13	34
Loss on valuation of investment securities	161	1
Loss on adjustment for changes of accounting standard for asset retirement obligations	3	-
Other	-	0
Total extraordinary losses	179	36
Income before income taxes and minority interests	351	390
Income taxes	129	128
Income before minority interests	221	262
Minority interests in income	172	130
Net income	49	131

(Consolidated quarterly statements of comprehensive income)

Income before minority interests	221	262
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(164)
Deferred gains or losses on hedges	(198)	325
Foreign currency translation adjustment	(326)	(47)
Share of other comprehensive income of associates accounted for using equity method	5	(23)
Total other comprehensive income	(521)	89
Comprehensive income	(299)	351
Comprehensive income attributable to		
Comprehensive income attributable to owners of the	(361)	250
Comprehensive income attributable to minority interests	61	100

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Six Months ended September 30, 2010	Six Months ended September 30, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	351	390
Depreciation and amortization	310	252
Increase (decrease) in allowance for doubtful accounts	2	10
Increase (decrease) in provision for bonuses	169	29
Increase (decrease) in provision for directors' retirement	13	(86)
Increase (decrease) in provision for retirement benefits	(101)	(6)
Interest and dividends income	(22)	(19)
Interest expenses	276	261
Foreign exchange losses (gains)	422	161
Equity in (earnings) losses of affiliates	(50)	(31)
Rent of real estate for investment	(84)	(102)
Loss (gain) on sales of investment securities	-	(78)
Loss (gain) on valuation of investment securities	161	1
Loss (gain) on sales and retirement of noncurrent assets	13	33
Loss on adjustment for changes of accounting standard for asset retirement obligations	3	-
Decrease (increase) in notes and accounts receivable-trade	(5,636)	(11,070)
Decrease (increase) in inventories	(1,746)	(1,856)
Increase (decrease) in notes and accounts payable-trade	(103)	10,024
Other, net	933	(549)
Subtotal	(5,084)	(2,635)
Interest and dividends income received	39	32
Interest expenses paid	(284)	(263)
Income taxes paid	(276)	(279)
Income taxes refund	103	42
Net cash provided by (used in) operating activities	(5,503)	(3,103)
Net cash provided by (used in) investing activities		
Payments into time deposits	(530)	(340)
Proceeds from withdrawal of time deposits	629	94
Purchase of property, plant and equipment	(59)	(77)
Proceeds from sales of property, plant and equipment	1	6
Purchase of intangible assets	(30)	(30)
Purchase of investment securities	(57)	(23)
Proceeds from sales of investment securities	-	88
Proceeds from rental of real estate for investment	85	89
Payments for transfer of business	-	(5,777)
Other, net	(67)	(113)
Net cash provided by (used in) investing activities	(27)	(6,084)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	8,105	3,345
Decrease in short-term loans payable	(11,272)	(339)
Proceeds from long-term loans payable	123	-
Redemption of bonds	(24)	(24)
Cash dividends paid	(130)	(156)
Cash dividends paid to minority shareholders	(69)	(82)
Other, net	△0	(2)
Net cash provided by (used in) financing activities	(3,268)	2,739
Effect of exchange rate change on cash and cash equivalents	(504)	(186)
Net increase (decrease) in cash and cash equivalents	(9,304)	(6,634)
Cash and cash equivalents at beginning of period	24,607	16,078
Cash and cash equivalents at end of period	15,303	9,443

Consolidated Segment Information

(Business Segments)

Six Months ended September 30, 2010

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	96,316	13,476	109,792	109,792	-	109,792
(2) Inter-segment	6	64	70	70	(70)	-
Total Sales	96,322	13,541	109,863	109,863	(70)	109,792
Segment Income	923	88	1,012	1,012	(37)	974

Six Months ended September 30, 2011

(Millions of Yen)

	Business segments reported			Total	Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total			
Net Sales						
(1) Outside Customers	91,161	12,541	103,703	103,703	-	103,703
(2) Inter-segment	0	38	39	39	(39)	-
Total Sales	91,162	12,580	103,742	103,742	(39)	103,703
Segment Income(loss)	510	88	598	598	(4)	593