

Translation

MARUBUN CORPORATION

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Preparation of supplementary material : Yes
 Holding of investor meeting : No

January 30, 2015

**Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014
 <under Japanese GAAP>**

1. Consolidated Financial Results for the Nine Months Ended December 31, 2014 (April 1, 2014 - December 31, 2014)

(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 Nine months ended								
December 31, 2014	198,702	6.0	2,452	13.6	1,685	(16.8)	881	(16.2)
December 31, 2013	187,447	18.7	2,158	117.3	2,024	156.0	1,051	-

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
For the Nine months ended		
December 31, 2014	33.71	-
December 31, 2013	40.23	-

(2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2014	121,084	43,593	31.7
As of March 31, 2014	110,635	42,469	34.0

2. Dividends

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2014	-	6.00	-	13.00	19.00
Fiscal Year ending March 31, 2015	-	7.00	-		
Fiscal Year ending March 31, 2015 (Forecast)				13.00	20.00

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2015

	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, 2015	263,000	1.0	4,100	4.8	4,000	1.4	2,100	4.5

	Net Income Per Share
	Yen
For the Fiscal Year ending March 31, 2015	80.35

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 first three quarters of the consolidated fiscal year under review (from April 1, 2014 to December 31, 2014), the Japanese economy continued to show signs of a moderate recovery, driven by increased capital spending and the improved employment situation. However, uncertainty remained, mainly due to a delayed recovery in consumer spending associated with the effect of the consumption tax hike, and the increased cost of raw materials, reflecting the weakened yen.

In the electronics industry, where the Marubun Group is positioned, demand for smartphones continued to expand. Sales of products for automobiles, industrial equipment, and game consoles also rose, although demand for digital cameras continued to record negative growth. In the semiconductor market, shipments of DRAM and analog IC remained high. Demand for semiconductor manufacturing equipment also picked up, as large semiconductor makers began investing in manufacturing equipment once again.

In this environment, the net sales of the Group during the first three quarters of the consolidated fiscal year under review rose 6.0% year on year, to 198,702 million yen. Consolidated operating income increased 13.6% year on year, to 2,452 million yen, thanks to an improvement in gross profit, reflecting the impact of the depreciation of the yen, as well as increased sales. Meanwhile, consolidated ordinary income declined 16.8% year on year, to 1,685 million yen, due to foreign exchange losses of 924 million yen that were recognized as non-operating expenses amid volatile foreign exchange rates. As a result, consolidated net income declined 16.2% year on year, to 881 million yen.

Operating results by business segment are as follows.

(Electronic Devices business)

In the Electronic Devices business, sales of semiconductors for communication modules, office automation equipment, industrial equipment, and game consoles increased, while sales of semiconductors and electronic components for PCs and digital cameras declined. As a result, net sales rose 5.8% year on year, to 173,439 million yen, and segment income increased 0.3% year on year, to 1,907 million yen.

(Electronic Systems business)

In the Electronic Systems business, demand for measurement and inspection equipment picked up due to a recovery in capital spending, and sales of thin-film manufacturing equipment in scientific equipment increased. However, sales of medical equipment and laser equipment declined. As a result, net sales climbed 7.7% year on year, to 25,263 million yen, and segment income increased 106.9% year on year, to 551 million yen.

2. Qualitative information relating to the consolidated financial position

Current assets at the end of the first three quarters of the consolidated fiscal year under review were 109,460 million yen, up 9,950 million yen from the end of the previous fiscal year. This was mainly attributable to increases in merchandise and finished goods of 6,199 million yen, and cash and deposits of 3,085 million yen. Noncurrent assets were 11,624 million yen, an increase of 499 million yen from the end of the previous fiscal year. This primarily reflected an increase in investment securities of 570 million yen.

As a result, total assets stood at 121,084 million yen, or up 10,449 million yen from the end of the previous fiscal year.

Current liabilities at the end of the first three quarters of the consolidated fiscal year under review were 74,382 million yen, an increase of 9,267 million yen from the end of the previous fiscal year. This figure chiefly reflects a decrease in the current portion of long-term loans payable of 5,027 million yen, offset by increases in notes and accounts payable-trade of 11,747 million yen, and short-term loans payable of 2,739 million yen. Noncurrent liabilities were 3,109 million yen, an increase of 58 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 56 million yen in the net defined benefit liability.

As a result, total liabilities stood at 77,491 million yen, a rise of 9,325 million yen from the end of the previous fiscal year.

Total net assets at the end of the first three quarters of the consolidated fiscal year under review were 43,593 million yen, a rise of 1,124 million yen from the end of the previous fiscal year. The increase was primarily attributable to increases of 356 million yen in the valuation difference on available-for-sale securities, 312 million yen in retained earnings, 290 million yen in minority interests, and 286 million yen in foreign currency translation adjustment.

As a result, the equity ratio came to 31.7% (compared to 34.0% 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 2015 remain unchanged from the financial results forecast announced on May 7, 2014.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	19,151	22,236
Notes and accounts receivable - trade	60,944	61,209
Merchandise and finished goods	16,860	23,059
Work in process	70	195
Deferred tax assets	1,070	1,040
Other	1,430	1,736
Allowance for doubtful accounts	(17)	(16)
Total current assets	99,510	109,460
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,125	4,149
Accumulated depreciation	(2,782)	(2,847)
Buildings and structures, net	1,343	1,301
Machinery, equipment and vehicles	26	26
Accumulated depreciation	(18)	(20)
Machinery, equipment and vehicles, net	8	6
Tools, furniture and fixtures	2,053	2,050
Accumulated depreciation	(1,705)	(1,726)
Tools, furniture and fixtures, net	348	323
Land	2,510	2,517
Leased assets	79	118
Accumulated depreciation	(24)	(40)
Leased assets, net	54	77
Construction in progress	12	1
Total property, plant and equipment	4,277	4,227
Intangible assets		
Goodwill	2	0
Other	399	462
Total intangible assets	402	463
Investments and other assets		
Investment securities	2,171	2,742
Long-term loans receivable	3	2
Deferred tax assets	990	750
Real estate for investment	3,019	2,974
Accumulated depreciation	(2,068)	(2,079)
Real estate for investment, net	950	894
Net defined benefit asset	48	41
Other	2,281	2,501
Total investments and other assets	6,445	6,933
Total non-current assets	11,124	11,624
Total assets	110,635	121,084

(Millions of Yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,910	51,657
Short-term loans payable	7,100	9,839
Current portion of long-term loans payable	15,043	10,015
Income taxes payable	504	-
Provision for bonuses	789	438
Asset retirement obligations	5	-
Other	1,762	2,430
Total current liabilities	65,114	74,382
Non-current liabilities		
Long-term loans payable	1,013	1,008
Net defined benefit liability	1,330	1,387
Provision for directors' retirement benefits	225	260
Asset retirement obligations	114	132
Other	366	320
Total non-current liabilities	3,050	3,109
Total liabilities	68,165	77,491
Net assets		
Shareholders' equity		
Capital stock	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	25,713	26,026
Treasury shares	(1,630)	(1,630)
Total shareholders' equity	36,652	36,964
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	490	847
Deferred gains or losses on hedges	13	44
Foreign currency translation adjustment	246	532
Remeasurements of defined benefit plans	204	51
Total accumulated other comprehensive income	955	1,476
Minority interests	4,862	5,153
Total net assets	42,469	43,593
Total liabilities and net assets	110,635	121,084

(2) Consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	187,447	198,702
Cost of sales	174,364	185,348
Gross profit	13,083	13,354
Selling, general and administrative expenses	10,925	10,902
Operating income	2,158	2,452
Non-operating income		
Interest income	9	6
Dividend income	29	38
Share of profit of entities accounted for using equity	178	212
Rent of real estate for investment	117	91
Miscellaneous income	188	187
Total non-operating income	523	535
Non-operating expenses		
Interest expenses	211	168
Sales discounts	89	104
Foreign exchange losses	245	924
Rent expenses on real estate for investment	70	74
Miscellaneous loss	40	31
Total non-operating expenses	657	1,303
Ordinary income	2,024	1,685
Extraordinary income		
Gain on sales of non-current assets	0	-
Gain on sales of real estate for investment	10	5
Gain on bargain purchase	1	-
Total extraordinary income	11	5
Extraordinary losses		
Loss on sales and retirement of non-current assets	20	5
Loss on valuation of investment securities	29	-
Loss on step acquisitions	17	-
Other	0	-
Total extraordinary losses	67	5
Income before income taxes and minority interests	1,969	1,685
Income taxes	667	585
Income before minority interests	1,301	1,100
Minority interests in income	249	219
Net income	1,051	881

(Consolidated statements of comprehensive income)

Income before minority interests	1,301	1,100
Other comprehensive income		
Valuation difference on available-for-sale securities	329	357
Deferred gains or losses on hedges	39	32
Foreign currency translation adjustment	1,144	459
Remeasurements of defined benefit plans, net of tax	-	(153)
Share of other comprehensive income of entities accounted for using equity method	5	(0)
Total other comprehensive income	1,518	694
Comprehensive income	2,820	1,795
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,103	1,402
Comprehensive income attributable to minority interests	716	392

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	1,969	1,685
Depreciation	299	266
Increase (decrease) in allowance for doubtful accounts	(22)	(0)
Increase (decrease) in provision for bonuses	(393)	(351)
Increase (decrease) in provision for directors' retirement benefits	(26)	35
Increase (decrease) in provision for retirement benefits	87	-
Increase (decrease) in net defined benefit liability	-	(200)
Decrease (increase) in net defined benefit asset	-	(56)
Interest and dividend income	(38)	(44)
Interest expenses	211	168
Foreign exchange losses (gains)	(737)	(184)
Share of (profit) loss of entities accounted for using equity method	(178)	(212)
Rent of real estate for investment	(117)	(91)
Rent expenses on real estate for investment	70	74
Loss (gain) on sales of real estate investment	(10)	(5)
Loss (gain) on valuation of investment securities	29	-
Loss (gain) on sales and retirement of non-current assets	20	5
Gain on bargain purchase	(1)	-
Loss (gain) on step acquisitions	17	-
Decrease (increase) in notes and accounts receivable - trade	(8,693)	114
Decrease (increase) in inventories	4,977	(6,203)
Increase (decrease) in notes and accounts payable - trade	8,030	11,457
Other, net	(383)	267
Subtotal	5,108	6,722
Interest and dividend income received	63	89
Interest expenses paid	(217)	(167)
Income taxes paid	(575)	(935)
Income taxes refund	174	3
Net cash provided by (used in) operating activities	4,553	5,711
Cash flows from investing activities		
Payments into time deposits	(168)	(150)
Proceeds from withdrawal of time deposits	239	178
Purchase of property, plant and equipment	(124)	(93)
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	(118)	(34)
Purchase of investment securities	(17)	(18)
Proceeds from sales of investments in real estates	33	23
Proceeds from rental of real estate for investment	115	90
Payments for rent expenses on real estate for investment	(47)	(47)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	46	-
Other, net	(37)	(17)
Net cash provided by (used in) investing activities	(77)	(68)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(78)	1,254
Repayments of long-term loans payable	(87)	(5,033)
Redemption of bonds	(21)	-
Cash dividends paid	(389)	(512)
Cash dividends paid to minority shareholders	(129)	(102)
Other, net	(10)	(16)
Net cash provided by (used in) financing activities	(717)	(4,411)
Effect of exchange rate change on cash and cash equivalents	1,133	1,879
Net increase (decrease) in cash and cash equivalents	4,892	3,111
Cash and cash equivalents at beginning of period	17,410	18,976
Cash and cash equivalents at end of period	22,303	22,087

Consolidated Segment Information

Business Segments

Nine months ended December 31, 2013

(Millions of Yen)

	Business segments reported			Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total		
Net Sales					
(1) Outside Customers	163,988	23,459	187,447	-	187,447
(2) Inter-segment	0	11	11	(11)	-
Total Sales	163,988	23,470	187,459	(11)	187,447
Segment Income(loss)	1,901	266	2,168	(9)	2,158

Nine months ended December 31, 2014

(Millions of Yen)

	Business segments reported			Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total		
Net Sales					
(1) Outside Customers	173,439	25,263	198,702	-	198,702
(2) Inter-segment	0	101	101	(101)	-
Total Sales	173,439	25,364	198,804	(101)	198,702
Segment Income(loss)	1,907	551	2,459	(7)	2,452