

## Translation

# MARUBUN CORPORATION

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



October 29, 2021

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 <under Japanese GAAP>

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 1, 2021 - September 30, 2021)

#### (1) Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the Six Months ended								
September 30, 2021	80,574	-	2,575	-	2,104	-	1,256	-
September 30, 2020	137,268	(1.0)	(579)	-	18	(94.3)	(64)	-

Note : Comprehensive income Six Months ended September 30, 2021 1,817 Millions of Yen [-%]  
Six Months ended September 30, 2020 (407) Millions of Yen [-%]

	Earnings per Share -Basic-		Earnings Per Share -Diluted-	
	Yen		Yen	
For the Six Months ended				
September 30, 2021	48.06		-	
September 30, 2020	(2.48)		-	

(Note)

MARUBUN Corporation (the Company) has been applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the current fiscal year and the figures for the first quarter of the fiscal year ending March 31, 2022 are after the application of the said accounting standard, etc., the percentage change from the same quarter of the previous fiscal year is not stated.

#### (2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of September 30, 2021	141,275	46,696	29.5
As of March 31, 2021	127,006	45,040	31.5

(Note)

As the Company have been applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the first quarter of the current fiscal year, and the figures for the first quarter of the fiscal year ending March 31, 2022 are after the application of these standards.

### 2. Dividends

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	-	8.00	-	8.00	16.00
Year ending March 31, 2022	-	10.00			
Year ending March 31, 2022 (Forecast)			-	20.00	30.00

## Translation

### 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ending March 31, 2022	163,000	-	5,000	-	4,500	-	2,900	-

  

	Earnings per Share -Basic-
	Yen
Year ending March 31, 2022	110.96

(Note)

As the Company apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ending March 31, 2022, the consolidated financial forecast above is the amount after applying the said accounting standard, and the percentage change from the previous year and the same quarter of the previous year is not stated.

## **1. Summary of operating results for the fiscal year under review**

During the first half of the consolidated fiscal year under review (April 1 to September 30, 2021), the Japanese economy showed signs of a recovery in capital investment and corporate earnings against the backdrop of the improvement of foreign economies, although the situation surrounding the economy continued to be difficult following the redeclaration of a state of emergency due to the spread of a COVID-19 variant.

In the electronics industry, in which the Marubun Group (the “Group”) operates its business, demand generated by people staying home and demand for 5G communications and data centers continued to be strong, although the shortage of semiconductors affected the production of automobiles and PCs. Demand for semiconductor manufacturing equipment also increased significantly, supported by the robust demand for semiconductors.

In this situation, responding to the recovery in corporate capital investment and production activities, the consolidated net sales of the Group during the first half of the fiscal year under review reached 80,574 million yen. Meanwhile, operating income was 2,575 million yen, with ordinary income of 2,104 million yen and profit attributable to owners of parent of 1,256 million yen, reflecting strong sales of products with relatively high profit margins, and decreased selling, general and administrative expenses.

The Group has applied Accounting Standards for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29 issued on March 31, 2020) since the beginning of the first quarter of the consolidated fiscal year under review and net sales of the first half of the consolidated fiscal year under review decreased by 66,781 million yen compared to net sales calculated by the conventional method. For the details, please see "4. Notes on quarterly consolidated financial statements."

Operating results by business segment are as follows:

(Electronic Devices business)

In the Electronics Devices business, sales of semiconductors and electronic components for communication equipment and industrial equipment increased due to the expansion of commercial rights of existing suppliers and the growth of products from new suppliers. Sales of software products were also steady. As a result of increased demand for semiconductors for PC peripheral equipment, net sales amounted to 57,900 million yen. Segment profit was 1,561 million yen due to an improved gross profit ratio and decreased selling, general and administrative expenses.

(Electronic Systems business)

In the Electronic Systems business, sales of electronic device assembly and inspection machines were strong in line with the recovery in capital investment, and demand for diode lasers and board computers to be incorporated into industrial equipment also increased. As for medical equipment, demand for diagnostic imaging systems and coronavirus-related products increased. Consequently, net sales amounted to 22,674 million yen with segment profit of 1,015 million yen.

## **2. Summary of consolidated financial conditions for the fiscal year under review**

(Assets)

Current assets at the end of the first half of the consolidated fiscal year under review stood at 129,706 million yen, an increase of 14,902 million yen from the end of the previous consolidated fiscal year. This result was mainly attributable to a decrease in notes and accounts receivable - trade of 10,080 million yen, a decrease in merchandise and finished goods of 7,837 million yen, and an increase in accounts receivable of 34,368 million yen. Non-current assets amounted to 11,569 million yen, decreasing 633 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 293 million yen in tools, furniture and fixtures, and 117 million yen in buildings and structures.

As a result, total assets increased by 14,269 million yen from the end of the previous fiscal year to 141,275 million yen.

(Liabilities)

Current liabilities at the end of the first half of the consolidated fiscal year under review came to 88,758 million yen, an increase of 12,593 million yen from the end of the previous fiscal year. This was attributable largely to a decrease of 10,775 million yen in notes and accounts payable - trade, and increases of 14,392 million yen in accounts payable and 8,251 million yen in short-term borrowings. Non-current liabilities amounted to 5,820 million yen, an increase of 19 million yen from the end of the previous fiscal year. This was primarily due to an increase of 41 million yen in retirement benefit liability, despite a decrease of 25 million yen in long-term borrowings.

As a result, total liabilities increased by 12,612 million yen from the end of the previous fiscal year, to 94,579 million yen.

(Net assets)

Net assets totaled 46,696 million yen at the end of the first half of the consolidated fiscal year under review, an increase of 1,656 million yen from the end of the previous consolidated fiscal year. In large part, this was the result of increases of 1,457 million yen in retained earnings and 403 million yen in foreign currency translation adjustment, despite a decrease of 192 million yen in remeasurements of defined benefit plans.

As a result, the equity ratio stood at 29.5% (compared to 31.5% at the end of the previous fiscal year).

### **3. Future outlook**

The Company has revised its consolidated financial forecasts for the fiscal year ending March 31, 2022, which were announced on May 14, 2021. It is expected that demand for semiconductor and electronic components, including industrial equipment and PC peripheral equipment will increase in the Electronic Devices business while sales of electronic device assembly and inspection machines will increase in the Electronic Systems business. Therefore, the Company forecasts that its net sales for the fiscal year ending March 31, 2022 will be 163,000 million yen. In terms of profit, the Company expects to achieve operating income of 5,000 million yen, ordinary income of 4,500 million yen, and net profit attributable to owners of parent of 2,900 million yen for the current fiscal year.

For details, see Notice of Differences Between Forecast and Actual Results for the First Half of the Fiscal Year Ending March 2022 and Revision of Full Year Financial Results Forecast released separately today.

The Group has applied Accounting Standards for Revenue Recognition (ASBJ Statement No. 29 issued on March 31, 2020) since the beginning of the first quarter of the consolidated fiscal year under review, and the projected net sales for the fiscal year ending March 31, 2022 decreased by 111,000 million yen compared to net sales calculated by the conventional method.

**Consolidated Financial Statements**  
**(1) Consolidated Balance Sheet**

(Millions of Yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	26,874	23,714
Notes and accounts receivable - trade	46,723	36,643
Electronically recorded monetary claims - operating	4,334	5,950
Merchandise and finished goods	34,174	26,336
Work in process	34	71
Accounts receivable - other	596	34,964
Other	2,077	2,035
Allowance for doubtful accounts	(11)	(9)
<b>Total current assets</b>	<b>114,804</b>	<b>129,706</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,095	4,014
Accumulated depreciation	(2,433)	(2,469)
Buildings and structures, net	1,662	1,545
Machinery, equipment and vehicles	10	10
Accumulated depreciation	(10)	(10)
Machinery, equipment and vehicles, net	0	0
Tools, furniture and fixtures	2,595	2,242
Accumulated depreciation	(1,719)	(1,659)
Tools, furniture and fixtures, net	876	583
Land	1,596	1,596
Leased assets	83	40
Accumulated depreciation	(65)	(28)
Leased assets, net	17	11
Right of use assets	154	163
Accumulated depreciation	(85)	(98)
Right of use assets, net	69	65
Construction in progress	—	3
<b>Total property, plant and equipment</b>	<b>4,221</b>	<b>3,805</b>
Intangible assets	925	880
Investments and other assets		
Investment securities	2,518	2,629
Deferred tax assets	1,136	1,197
Other	3,857	3,135
Allowance for doubtful accounts	(457)	(79)
<b>Total investments and other assets</b>	<b>7,055</b>	<b>6,882</b>
<b>Total non-current assets</b>	<b>12,202</b>	<b>11,569</b>
<b>Total assets</b>	<b>127,006</b>	<b>141,275</b>

**(1) Consolidated Balance Sheet**

(Millions of Yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	30,298	19,522
Short-term borrowings	42,194	50,446
Current portion of long-term borrowings	50	50
Lease obligations	67	74
Accounts payable - other	1,349	15,741
Income taxes payable	61	719
Provision for bonuses	631	928
Other	1,512	1,275
<b>Total current liabilities</b>	<b>76,165</b>	<b>88,758</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,075	5,050
Lease obligations	87	95
Retirement benefit liability	261	302
Provision for retirement benefits for directors (and other officers)	95	101
Asset retirement obligations	180	166
Other	101	104
<b>Total non-current liabilities</b>	<b>5,801</b>	<b>5,820</b>
<b>Total liabilities</b>	<b>81,966</b>	<b>94,579</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	27,854	29,311
Treasury shares	(1,631)	(1,631)
<b>Total shareholders' equity</b>	<b>38,791</b>	<b>40,248</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	831	898
Deferred gains or losses on hedges	36	21
Foreign currency translation adjustment	(29)	374
Remeasurements of defined benefit plans	385	192
<b>Total accumulated other comprehensive income</b>	<b>1,224</b>	<b>1,487</b>
<b>Non-controlling interests</b>	<b>5,024</b>	<b>4,959</b>
<b>Total net assets</b>	<b>45,040</b>	<b>46,696</b>
<b>Total liabilities and net assets</b>	<b>127,006</b>	<b>141,275</b>

**(2) Consolidated Statements of Income**

(Millions of Yen)

	Six Months ended September 30, 2020	Six Months ended September 30, 2021
Net sales	137,268	80,574
Cost of sales	130,362	71,157
Gross profit	6,905	9,417
Selling, general and administrative expenses	7,484	6,841
Operating profit (loss)	(579)	2,575
Non-operating income		
Interest income	10	2
Dividend income	26	33
Share of profit of entities accounted for using equity method	37	—
Miscellaneous income	51	44
Total non-operating income	993	80
Non-operating expenses		
Interest expenses	223	163
Sales discounts	69	7
Foreign exchange losses	—	279
Loss on sale of trade receivables	29	13
Share of loss of entities accounted for using equity method	—	8
Miscellaneous losses	72	78
Total non-operating expenses	395	551
Ordinary profit	18	2,104
Extraordinary income		
Gain on sale of non-current assets	—	21
Total extraordinary income	—	21
Extraordinary losses		
Loss on sale and retirement of non-current assets	6	4
Impairment losses	5	—
Extra retirement payments	102	—
Other	2	—
Total extraordinary losses	116	4
Profit (loss) before income taxes	(98)	2,121
Income taxes	39	791
Profit (loss)	(137)	1,330
Profit (loss) attributable to non-controlling interests	(72)	74
Profit (loss) attributable to owners of parent	(64)	1,256

**Consolidated statements of comprehensive income**

(Millions of Yen)

	Six Months ended September 30, 2020	Six Months ended September 30, 2021
Profit (loss)	(137)	1,330
Other comprehensive income		
Valuation difference on available-for-sale securities	112	67
Deferred gains or losses on hedges	(3)	(15)
Foreign currency translation adjustment	(410)	651
Remeasurements of defined benefit plans, net of tax	54	(192)
Share of other comprehensive income of entities accounted for using equity method	(23)	(24)
Total other comprehensive income	(270)	486
Comprehensive income	(407)	1,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(182)	1,520
Comprehensive income attributable to non-controlling interests	(225)	297



**(3) Consolidated Statements of Cash Flows**

(Millions of Yen)

	Six Months ended September 30, 2020	Six Months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(98)	2,121
Depreciation	375	363
Impairment losses	5	—
Increase (decrease) in allowance for doubtful accounts	9	(380)
Increase (decrease) in provision for bonuses	27	295
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(7)	5
Increase (decrease) in retirement benefit liability	(46)	(237)
Decrease (increase) in retirement benefit asset	—	(83)
Interest and dividend income	(36)	(35)
Interest expenses	223	163
Foreign exchange losses (gains)	(836)	516
Share of loss (profit) of entities accounted for using equity method	(37)	8
Loss (gain) on sale and retirement of non-current assets	6	(17)
Extra retirement payments	102	—
Decrease (increase) in trade receivables	4,615	8,870
Decrease (increase) in inventories	5,185	(647)
Increase (decrease) in trade payables	(438)	(11,127)
Decrease (increase) in accounts receivable - other	(1,182)	(25,384)
Increase (decrease) in accounts payable - other	(97)	14,606
Other, net	459	252
Subtotal	8,228	(10,709)
Interest and dividends received	37	574
Interest paid	(226)	(164)
Income taxes paid	(140)	(307)
Income taxes refund	191	104
Extra retirement payments	(102)	(8)
Net cash provided by (used in) operating activities	7,987	(10,510)
Cash flows from investing activities		
Payments into time deposits	(189)	(751)
Proceeds from withdrawal of time deposits	302	810
Purchase of property, plant and equipment	(274)	(279)
Proceeds from sale of property, plant and equipment	—	295
Purchase of intangible assets	(100)	(101)
Purchase of investment securities	(12)	(12)
Other, net	12	17
Net cash provided by (used in) investing activities	(261)	(22)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,268)	7,708
Repayments of long-term borrowings	(25)	(25)
Dividends paid	(521)	(208)
Dividends paid to non-controlling interests	(469)	(362)
Other, net	(56)	(39)
Net cash provided by (used in) financing activities	(3,342)	7,073
Effect of exchange rate change on cash and cash equivalents	(440)	299
Net increase (decrease) in cash and cash equivalents	3,942	(3,160)
Cash and cash equivalents at beginning of period	20,473	26,274
Cash and cash equivalents at end of period	24,416	23,114

## Consolidated Segment Information

### Business Segments

Six Months Ended September 30, 2020

(Millions of Yen)

	Reportable segments			Reconciling items	Per quarterly consolidated
	Electronic Devices business	Electronic Systems business	Reportable segments		
Sales					
Revenues from external customers	118,982	18,285	137,268	—	137,268
Transactions with other segments	1	339	340	△340	—
Net sales	118,983	18,625	137,608	△340	137,268
Operating profit (loss)	△715	139	△575	△3	△579

Six Months Ended September 30, 2021

(Millions of Yen)

	Reportable segments			Reconciling items	Per quarterly consolidated
	Electronic Devices business	Electronic Systems business	Reportable segments		
Sales					
Revenues from external customers	57,900	22,674	80,574	—	80,574
Transactions with other segments	12	515	528	△528	—
Net sales	57,913	23,190	81,103	△528	80,574
Operating profit (loss)	1,561	1,015	2,577	△1	2,575

(Note) Matters related to changes in reportable segments, etc.

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the current fiscal year and changed the accounting method for revenue recognition, so the measurement method for profit or loss in the business segment has been changed as well.

As a result of this change, compared with the previous method, net sales and segment income in the Electronic Devices business for the second quarter of the current fiscal year decreased by 66,196 million yen and 110 million yen, respectively, and net sales in the Electronic Systems business decreased by 584 million yen.