

Translation

MARUBUN CORPORATION

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Securities Code : 7537 TSE, 1st section URL <https://www.marubun.co.jp>

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Preparation of supplementary material : Yes

Holding of investor meeting : No



February 12, 2021

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 <under Japanese GAAP>

1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 1, 2020 - December 31, 2020)

(1) Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
For the Nine months ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
December 31, 2020	216,312	2.3	(537)	-	304	35.4	(2,046)	-
December 31, 2019	211,434	(18.0)	457	(88.2)	224	(89.4)	(187)	-

	Earnings per Share -Basic-	Earnings Per Share -Diluted-
For the Nine months ended	Yen	Yen
December 31, 2020	(78.30)	-
December 31, 2019	(7.19)	-

(2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2020	124,336	44,626	31.8
As of March 31, 2020	131,451	48,204	32.2

2. Dividends

	Dividend Per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	-	10.00	-	20.00	30.00
Year ending March 31, 2021	-	8.00	-		
Year ending March 31, 2021 (Forecast)				8.00	16.00

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021

	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, 2021	279,000	(3.0)	300	(87.3)	900	(55.1)	(1,700)	-

	Earnings per Share -Basic-
	Yen
Year ending March 31, 2021	(65.05)

(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.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	20,790	27,733
Notes and accounts receivable - trade	50,062	47,270
Electronically recorded monetary claims - operating	5,314	5,033
Merchandise and finished goods	40,678	30,430
Work in process	54	67
Other	1,732	2,148
Allowance for doubtful accounts	(14)	(15)
Total current assets	118,617	112,668
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,734	3,703
Accumulated depreciation	(2,381)	(2,423)
Buildings and structures, net	1,353	1,279
Machinery, equipment and vehicles	10	10
Accumulated depreciation	(10)	(10)
Machinery, equipment and vehicles, net	0	0
Tools, furniture and fixtures	2,510	2,633
Accumulated depreciation	(1,600)	(1,729)
Tools, furniture and fixtures, net	910	904
Land	1,596	1,596
Leased assets	105	101
Accumulated depreciation	(78)	(81)
Leased assets, net	26	20
Right of use assets	183	158
Accumulated depreciation	(60)	(85)
Right of use assets, net	123	72
Construction in progress	85	125
Total property, plant and equipment	4,094	3,998
Intangible assets	1,146	1,003
Investments and other assets		
Investment securities	3,102	2,297
Deferred tax assets	858	979
Other	4,071	3,876
Allowance for doubtful accounts	(440)	(457)
Total investments and other assets	7,592	6,695
Total non-current assets	12,833	11,698
Total assets	131,451	124,366

(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,410	28,289
Short-term borrowings	47,344	40,035
Current portion of long-term borrowings	1,050	1,050
Lease obligations	93	72
Provision for bonuses	703	373
Asset retirement obligations	—	4
Other	1,937	3,443
Total current liabilities	76,537	73,268
Non-current liabilities		
Long-term borrowings	5,125	5,087
Lease obligations	79	93
Retirement benefit liability	1,089	919
Provision for retirement benefits for directors (and other officers)	98	93
Asset retirement obligations	182	181
Other	134	95
Total non-current liabilities	6,708	6,470
Total liabilities	83,246	79,739
Net assets		
Shareholders' equity		
Share capital	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	30,656	27,941
Treasury shares	(1,631)	(1,631)
Total shareholders' equity	41,593	38,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	339	696
Deferred gains or losses on hedges	(2)	(11)
Foreign currency translation adjustment	465	(46)
Remeasurements of defined benefit plans	(109)	(27)
Total accumulated other comprehensive income	692	611
Non-controlling interests	5,918	5,136
Total net assets	48,204	44,626
Total liabilities and net assets	131,451	124,366

(2) Consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	211,434	216,312
Cost of sales	198,587	205,526
Gross profit	12,847	10,785
Selling, general and administrative expenses	12,390	11,323
Operating profit (loss)	457	(537)
Non-operating income		
Interest income	23	11
Dividend income	49	45
Share of profit of entities accounted for using equity	67	—
Foreign exchange gains	564	1,316
Miscellaneous income	84	77
Total non-operating income	789	1,450
Non-operating expenses		
Interest expenses	757	309
Sales discounts	113	100
Loss on sales of trade receivables	127	42
Share of loss of entities accounted for using equity method	—	16
Miscellaneous loss	23	139
Total non-operating expenses	1,021	608
Ordinary profit	224	304
Extraordinary income		
Gain on sales of non-current assets	3	—
Gain on sales of real estate for investment	—	31
Other	0	—
Total extraordinary income	4	31
Extraordinary losses		
Loss on sales and retirement of non-current assets	10	6
Impairment loss	215	5
Loss on valuation of investment securities	—	1,350
Extra retirement payments	7	1,236
Other	0	2
Total extraordinary losses	233	2,600
Loss before income taxes	(4)	(2,264)
Income taxes	58	(168)
Loss	(63)	(2,096)
Profit (loss) attributable to non-controlling interests	124	(49)
Loss attributable to owners of parent	(187)	(2,046)

Consolidated statements of comprehensive income

(Millions of Yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Loss	(63)	(2,096)
Other comprehensive income		
Valuation difference on available-for-sale securities	95	356
Deferred gains or losses on hedges	1	(8)
Foreign currency translation adjustment	(342)	(672)
Remeasurements of defined benefit plans, net of tax	8	82
Share of other comprehensive income of entities accounted for using equity method	(40)	(103)
Total other comprehensive income	(277)	(344)
Comprehensive income	(340)	(2,441)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(341)	(2,127)
Comprehensive income attributable to non-controlling	0	(313)

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from operating activities		
Loss before income taxes	(4)	(2,264)
Depreciation	508	566
Impairment loss	215	5
Amortization of goodwill	28	—
Increase (decrease) in allowance for doubtful accounts	0	15
Increase (decrease) in provision for bonuses	(494)	(328)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	(4)
Increase (decrease) in retirement benefit liability	(191)	(46)
Interest and dividend income	(72)	(57)
Interest expenses	757	309
Foreign exchange losses (gains)	(531)	(1,535)
Share of loss (profit) of entities accounted for using equity method	(67)	16
Loss (gain) on sales and retirement of non-current assets	6	6
Loss (gain) on valuation of investment securities	—	1,350
Loss (gain) on sales of real estate for investment	—	(31)
Extra retirement payments	7	1,236
Decrease (increase) in trade receivables	3,057	2,804
Decrease (increase) in inventories	938	10,169
Increase (decrease) in trade payables	25,667	3,003
Other, net	(811)	31
Subtotal	29,015	15,247
Interest and dividends received	97	57
Interest paid	(764)	(310)
Income taxes paid	(715)	(296)
Income taxes refund	43	191
Extra retirement payments	(19)	(110)
Net cash provided by (used in) operating activities	27,657	14,778
Cash flows from investing activities		
Payments into time deposits	(470)	(214)
Proceeds from withdrawal of time deposits	358	338
Purchase of property, plant and equipment	(374)	(364)
Purchase of intangible assets	(131)	(118)
Purchase of investment securities	(21)	(19)
Payments for asset retirement obligations	(12)	—
Other, net	101	73
Net cash provided by (used in) investing activities	(550)	(304)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(21,990)	(5,407)
Repayments of long-term borrowings	(37)	(37)
Dividends paid	(783)	(730)
Dividends paid to non-controlling interests	(93)	(469)
Other, net	(69)	(75)
Net cash provided by (used in) financing activities	(22,974)	(6,720)
Effect of exchange rate change on cash and cash equivalents	(53)	(690)
Net increase (decrease) in cash and cash equivalents	4,078	7,063
Cash and cash equivalents at beginning of period	16,044	20,473
Cash and cash equivalents at end of period	20,123	27,537

Consolidated Segment Information

Business Segments

Nine Months Ended December 31, 2019

(Millions of Yen)

	Business segments reported			Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total		
Net Sales					
(1) Outside Customers	179,832	31,601	211,434	—	211,434
(2) Inter-segment	0	222	223	(223)	—
Total Sales	179,833	31,824	211,658	(223)	211,434
Segment Income(loss)	(102)	565	463	(6)	457

Nine Months Ended December 31, 2020

(Millions of Yen)

	Business segments reported			Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total		
Net Sales					
(1) Outside Customers	187,628	28,683	216,312	—	216,312
(2) Inter-segment	1	460	462	(462)	—
Total Sales	187,629	29,144	216,774	(462)	216,312
Segment Income(loss)	(1,067)	535	(532)	(5)	(537)