

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



May 14, 2021

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 <under Japanese GAAP>

1. Consolidated Financial Results for Fiscal Year Ended March 31, 2021 (April 1, 2020 - March 31, 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	%
Year ended March 31, 2021	289,283	0.6	1,023	(56.8)	33	(98.3)	(2,133)	-
Year ended March 31, 2020	287,550	(12.0)	2,369	(53.1)	2,006	(33.6)	(75)	-

	Earnings per Share -Basic-	Earnings Per Share -Diluted-	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	(81.64)	-	(5.2)	0.0	0.4
Year ended March 31, 2020	(2.89)	-	(0.2)	1.5	0.8

(2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
Year ended March 31, 2021	127,006	45,040	31.5	1,531.10
Year ended March 31, 2020	131,451	48,204	32.2	1,617.98

(3) Cash Flows

	Net Cash flow from Operating Activities	Net Cash flow from Investing Activities	Net Cash flow from Financing Activities	Cash and Cash Equivalents at End of Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ended March 31, 2021	15,205	(790)	(8,188)	26,274
Year ended March 31, 2020	(309)	(582)	5,188	20,473

2. Dividends

	Dividend Per Share					Dividends in Total (Fiscal Year)	Dividends Payout ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Year ended March 31, 2020	-	10.00	-	20.00	30.00	784	-	1.8
Year ending March 31, 2021	-	8.00	-	8.00	16.00	418	-	1.0
Year ending March 31, 2022 (Forecast)	-	10.00	-	20.00	30.00		41.3	

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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	%
Six months ending September 30, 2021	70,000	-	600	-	460	-	230	-
Year ending March 31, 2022	153,000	-	3,200	-	3,000	-	1,900	-

	Earnings per Share -Basic-
	Yen
Six months ending September 30, 2021	8.80
Year ending March 31, 2022	72.70

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 March 31, 2021
Assets		
Current assets		
Cash and deposits	20,790	26,874
Notes and accounts receivable - trade	50,062	46,723
Electronically recorded monetary claims - operating	5,314	4,334
Merchandise and finished goods	40,678	34,174
Work in process	54	34
Other	1,732	2,673
Allowance for doubtful accounts	(14)	(11)
Total current assets	118,617	114,804
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,734	4,095
Accumulated depreciation	(2,381)	(2,433)
Buildings and structures, net	1,353	1,662
Machinery, equipment and vehicles	10	10
Accumulated depreciation	(10)	(10)
Machinery, equipment and vehicles, net	0	0
Tools, furniture and fixtures	2,510	2,595
Accumulated depreciation	(1,600)	(1,719)
Tools, furniture and fixtures, net	910	876
Land	1,596	1,596
Leased assets	105	83
Accumulated depreciation	(78)	(65)
Leased assets, net	26	17
Right of use assets	183	154
Accumulated depreciation	(60)	(85)
Right of use assets, net	123	69
Construction in progress	85	—
Total property, plant and equipment	4,094	4,221
Intangible assets	1,146	925
Investments and other assets		
Investment securities	3,102	2,518
Deferred tax assets	858	1,136
Other	4,071	3,857
Allowance for doubtful accounts	(440)	(457)
Total investments and other assets	7,592	7,055
Total non-current assets	12,833	12,202
Total assets	131,451	127,006

(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,410	30,298
Short-term borrowings	47,344	42,194
Current portion of long-term borrowings	1,050	50
Lease obligations	93	67
Income taxes payable	—	61
Provision for bonuses	703	631
Other	1,937	2,861
Total current liabilities	76,537	76,165
Non-current liabilities		
Long-term borrowings	5,125	5,075
Lease obligations	79	87
Retirement benefit liability	1,089	261
Provision for retirement benefits for directors (and other officers)	98	96
Asset retirement obligations	182	180
Other	134	101
Total non-current liabilities	6,708	5,801
Total liabilities	83,246	81,966
Net assets		
Shareholders' equity		
Share capital	6,214	6,214
Capital surplus	6,353	6,353
Retained earnings	30,656	27,854
Treasury shares	(1,631)	(1,631)
Total shareholders' equity	41,593	38,791
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	339	831
Deferred gains or losses on hedges	(2)	36
Foreign currency translation adjustment	465	(29)
Remeasurements of defined benefit plans	(109)	385
Total accumulated other comprehensive income	692	1,224
Non-controlling interests	5,918	5,024
Total net assets	48,204	45,040
Total liabilities and net assets	131,451	127,006

(2) Consolidated Statements of Income

(Millions of Yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	287,550	289,283
Cost of sales	268,972	273,066
Gross profit	18,577	16,217
Selling, general and administrative expenses	16,207	15,193
Operating profit	2,369	1,023
Non-operating income		
Interest income	35	13
Dividend income	53	49
Share of profit of entities accounted for using equity method	44	—
Foreign exchange gains	716	—
Rental income from non-current assets	23	19
Rental income from investment property	31	24
Miscellaneous income	54	52
Total non-operating income	958	160
Non-operating expenses		
Interest expenses	972	386
Sales discounts	147	131
Foreign exchange losses	—	333
Loss on sale of trade receivables	159	50
Share of loss of entities accounted for using equity method	—	68
Miscellaneous losses	43	179
Total non-operating expenses	1,322	1,149
Ordinary profit	2,006	33
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	7	—
Gain on sales of real estate for investment	—	31
Other	0	—
Total extraordinary income	11	31
Extraordinary losses		
Loss on sale and retirement of non-current assets	11	15
Impairment losses	231	5
Loss on valuation of investment securities	978	1,350
Extra retirement payments	7	1,229
Other	2	2
Total extraordinary losses	1,231	2,603
Profit (loss) before income taxes	786	(2,537)
Income taxes - current	398	355
Income taxes - deferred	186	(741)
Total income taxes	585	(386)
Profit (loss)	200	(2,151)
Profit (loss) attributable to non-controlling interests	276	(17)
Loss attributable to owners of parent	(75)	(2,133)

Consolidated statements of comprehensive income

	(Millions of Yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	200	(2,151)
Other comprehensive income		
Valuation difference on available-for-sale securities	(237)	491
Deferred gains or losses on hedges	(7)	39
Foreign currency translation adjustment	(10)	(795)
Remeasurements of defined benefit plans, net of tax	(97)	495
Share of other comprehensive income of entities accounted for using equity method	(3)	(1)
Total other comprehensive income	(356)	229
Comprehensive income	(155)	(1,922)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(440)	(1,602)
Comprehensive income attributable to non-controlling interests	284	(320)

(3) Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	786	(2,537)
Depreciation	689	762
Impairment losses	231	5
Amortization of goodwill	28	—
Increase (decrease) in allowance for doubtful accounts	0	14
Increase (decrease) in provision for bonuses	(334)	(69)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	(2)
Increase (decrease) in retirement benefit liability	(239)	(114)
Interest and dividend income	(89)	(62)
Interest expenses	972	386
Foreign exchange losses (gains)	(782)	661
Share of loss (profit) of entities accounted for using equity method	(44)	68
Loss (gain) on sale and retirement of non-current assets	7	15
Loss (gain) on valuation of investment securities	978	1,350
Extra retirement payments	7	1,229
Decrease (increase) in trade receivables	(2,615)	3,969
Decrease (increase) in inventories	2,428	6,399
Increase (decrease) in trade payables	21	5,093
Other, net	(772)	(293)
Subtotal	1,273	16,877
Interest and dividends received	113	63
Interest paid	(984)	(390)
Income taxes paid	(736)	(321)
Income taxes refund	43	191
Extra retirement payments	(19)	(1,214)
Net cash provided by (used in) operating activities	(309)	15,205
Cash flows from investing activities		
Payments into time deposits	(508)	(660)
Proceeds from withdrawal of time deposits	494	376
Purchase of property, plant and equipment	(517)	(427)
Purchase of intangible assets	(150)	(120)
Purchase of investment securities	(26)	(44)
Proceeds from redemption of investment securities	2	—
Payments for asset retirement obligations	(12)	(5)
Other, net	136	92
Net cash provided by (used in) investing activities	(582)	(790)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,197	(5,739)
Proceeds from long-term borrowings	5,000	—
Repayments of long-term borrowings	(7,550)	(1,050)
Dividends paid	(784)	(731)
Dividends paid to non-controlling interests	(582)	(573)
Other, net	(92)	(93)
Net cash provided by (used in) financing activities	5,188	(8,188)
Effect of exchange rate change on cash and cash equivalents	132	(426)
Net increase (decrease) in cash and cash equivalents	4,428	5,800
Cash and cash equivalents at beginning of period	16,044	20,473
Cash and cash equivalents at end of period	20,473	26,274

Consolidated Segment Information

Business Segments

Year ended March 31, 2020

(Millions of Yen)

	Business segments reported			Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total		
Net Sales					
(1) Outside Customers	239,698	47,852	287,550	—	287,550
(2) Inter-segment	4	319	323	(323)	—
Total Sales	239,702	48,171	287,874	(323)	287,550
Segment Income(loss)	591	1,786	2,377	(8)	2,369

Year ended March 31, 2021

(Millions of Yen)

	Business segments reported			Adjustment	Consolidated Statements of Income
	Electronic Devices	Electronic Systems	Total		
Net Sales					
(1) Outside Customers	242,050	47,233	289,283	—	289,283
(2) Inter-segment	1	629	631	(631)	—
Total Sales	242,052	47,862	289,915	(631)	289,283
Segment Income(loss)	(951)	1,983	1,031	(7)	1,023