



November 15, 2004

To Whom It May Concern:

## **MARUBUN CORPORATION**

Name and Title of Representative: Takashi Sato, CEO and Representative Director  
(Code No. 7537; Tokyo Stock Exchange, First Section)

Contact: Yoshikazu Kurokawa, Executive Vice President and Director of Business Administration Division

### Marubun to Separate its Kobe Branch to Establish a New Company

Marubun Corporation resolved at a Board of Directors meeting on November 15, 2004 to spin-off and transfer the operation of the Kobe Branch's sales unit to the newly established subsidiary, Marubun West Co., Ltd. on April 1, 2005.

#### 1. Purpose of the spin-off

As a specialized electronics trading firm, and based on the management policy of "providing top-class products to top-class customers," Marubun has always worked to quickly respond to customer needs.

The Kobe Branch spin-off is intended to accelerate decision-making, and to further promote product lineup and service provision responsive to regional and customer characteristics.

Marubun will provide management support to the new company, and as a group strive to improve comprehensive capabilities.

#### 2. Overview of the spin-off

##### (1) Schedule of the spin-off

Board of Directors meeting to approve the plan:	November 15, 2004
Date of spin-off:	April 1, 2005 (planned)
Registration of spin-off:	April 1, 2005 (planned)

##### (2) Method of the spin-off

###### 1. Method

As a spin-off from the Company, establishment of the new Marubun West Co., Ltd. will be accomplished by the simple spin-off method.

###### 2. Reason for adopting this method

This method was chosen because it is more agile means compared to the business transfer and other methods.

##### (3) Allocation of shares

All 600 shares of common stock of the new company will be allocated to Marubun Corporation.

##### (4) Amount of money delivered due to the spin-off

There will be no delivery of money due to the spin-off.

##### (5) Rights and obligations to be taken over by the new company

The new company will take over all assets, liabilities and related rights and obligations as adjudged necessary, as related to the businesses subject to this spin-off. However, it will not take over accounts receivable and accounts payable obligations.

##### (6) Prospects of paying debt obligations

Marubun believes that Marubun and the new company can pay the debt obligations that will come due after the spin-off.

##### (7) Newly appointed directors of the new company

The newly appointed directors and corporate auditors of the company established by the spin-off are as follows.

Directors:	Kiichi Horikoshi	(current Chairman, Representative Director of Marubun Corporation)
	Tatsumi Soda	(current Vice President and Assistant General Manager of Business Administration Division of Marubun Corporation)
	Marekazu Murakami	(current Adviser of Marubun Corporation)
Auditors:	Masao Iwatani	(current Accounting Manager of Business Administration Division of Marubun Corporation)

### 3. Summary of parties

(1) Trade Names	Marubun Corporation (spin-off company)	Marubun West Co., Ltd. (new company)
(2) Field of business	Purchasing and selling of semiconductors, electronic components and electronic-application equipment	Purchasing and selling of electronic-application equipment and components
(3) Date of establishment	July 1, 1947	April 1, 2005
(4) Location of head office	8-1, Nihonbashi Odenmachi, Chuo-ku, Tokyo	2-2-3, Kaigandori 2-chome, Chuo-ku, Kobe City, Hyogo
(5) Representative	Takashi Sato, Chief Executive Officer, Representative Director	Marekazu Murakami, Chief Executive Officer, Representative Director
(6) Capital	6,214 million yen	30 million yen
(7) Total number of shares issued and outstanding	28,051,200 shares	600 shares
(8) Shareholders' equity	26,699 million yen	100 million yen (expected)
(9) Total assets	85,092 million yen	100 million yen (expected)
(10) Fiscal year end	March	March
(11) Number of employees	754	11 (expected)
(12) Major customers	Mitsubishi Electric Corporation, NEC Corporation, Sharp Corporation, and others	Mitsubishi Electric Corporation, Kobe Steel Ltd., Kawasaki Heavy Industries Ltd., and others
(13) Major shareholders and the percentages of shares	Yoshio Horikoshi (12.91%) Arrow Electronics, Inc. (8.38%) Marubun Research Promotion Foundation (8.21%) Chiba Public Golf Course, Ltd. (5.80%) The Master Trust Bank of Japan, Ltd. Trust Account (5.25%)	Marubun Corporation (100%)
(14) Main banks	The Bank of Tokyo-Mitsubishi, and others	The Bank of Tokyo-Mitsubishi
(15) Relation to the Company	Capital	The Company will hold 100% of the stock of the new company.
	Personnel	The Company will dispatch three directors and one auditor to the new company. New company employees will be dispatched or transferred from Marubun.
	Business relation	The new company will stock in products from the Company and sell them.

Note: The summary of Marubun Corporation figures is as of September 30, 2004, while the summary of Marubun West Co., Ltd. is forecast to be the case as of April 1, 2005.

### (16) Business results for the most recent three years

Fiscal year ended on	March 31, 2002	March 31, 2003	March 31, 2004
Net sales	119,741 million yen	133,322 million yen	138,520 million yen
Operating income	1,239 million yen	1,190 million yen	1,258 million yen
Ordinary income	792 million yen	879 million yen	1,318 million yen
Net Income (loss)	(1,211) million yen	414 million yen	716 million yen
Net Income (loss) per share	(43.45) yen	14.60 yen	25.57 yen
Dividends per share	14.00 yen	16.00 yen	16.00 yen
Shareholder's Equity per Share	950.37 yen	943.38 yen	974.00 yen

4. Description of the business to be spin-off

(1) Business of the Kobe branch

Marketing of electronic equipment and components to customers in the region around Hyogo Prefecture

(2) Sales of the Kobe branch in the September 2004 interim term

	Kobe branch (a)	Marubun (b)	Proportion (a/b)
Sales	800 million yen	75,105 million yen	1.1%

(3) Kobe branch assets and liabilities (as of September 30, 2004)

Assets were 718 million yen, and liabilities were 618 million yen.

5. Circumstances of Marubun Corporation after the spin-off

(1) Trade name, field of business, location of head office, representative, capital, date of settlement

This spin-off will not have any effect on the above factors.

(2) Effect on business results

(a) Fiscal Year 2004

The spin-off is scheduled for April 1, 2005, so there will be no effect on the consolidated and non-consolidated operating results.

(b) Fiscal Year 2005

The new company will be a wholly owned subsidiary, so there will be no effect on consolidated operating results. The effect on non-consolidated results is expected to be minimal.