



Feb 12, 2021

To Whom It May Concern

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| Company | MARUBUN CORPORATION |
| Representative | Toru Iino CEO and Representative Director (Securities Code:7537 TSE, 1st section) |
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Notice of the Results of the Solicitation for Voluntary Retirement, the Posting of Loss on Valuation of Investment Securities, and Revision of Full-Year Financial Results Forecast

Marubun Corporation (the “Company”) announces the following results of its solicitation for voluntary retirement announced in the Notice of Solicitation for Voluntary Retirement on November 11, 2020.

In addition, the Company plans to post a loss on valuation of investment securities for the third quarter of the consolidated fiscal year ending March 31, 2021.

The Marubun Group has revised its full-year consolidated financial forecasts for the fiscal year ending March 31, 2021 as follows. The previous forecast was announced on October 30, 2020.

(1) Results of solicitation for voluntary retirement

1. Outline of the solicitation for voluntary retirement

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|------------------------------------|--|
| i. Eligible persons | : Employees of the Company |
| ii. Number of applicants solicited | : Approximately 100 |
| iii. Application period | : December 23, 2020 - January 29, 2021 (plan) |
| iv. Date of retirement | : February 28, 2021 (plan) |
| v. Early retirement benefit | : A special allowance will be paid in addition to an involuntary retirement allowance. The Company will assist interested applicants in finding new jobs. |

2. Results of the solicitation for voluntary retirement

Number of applicants : 115

3. Financial impact

Expenses including extra retirement payments of 1,121 million yen incurred for the solicitation for voluntary retirement were posted as an extraordinary loss for the third quarter of the consolidated fiscal year ending March 31, 2021.

(2) Posting of loss on valuation of investment securities

As a result of careful examination of the recoverability of a part of its investment securities, the Company decided to post a loss on valuation of investment securities of 1,350 million yen through impairment for the third quarter of the consolidated fiscal year ending March 31, 2021, taking into account the discrepancy between its business plan and results caused by the delay of mass production start.

(3) Consolidated financial results forecast revision for the year ending March 31, 2021
(April 1, 2020- March 31, 2021)

| | Net Sales | Operating Income | Ordinary Income | Profit attributable to owners of parent | Net Income Per Share |
|---|-----------------|------------------|-----------------|---|----------------------|
| | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen | Yen |
| Previous Financial Forecast (A) | 270,000 | 1,250 | 1,550 | 900 | 34.44 |
| Revised Forecast (B) | 279,000 | 300 | 900 | (1,700) | (65.05) |
| Amount of Change (B-A) | 9,000 | (950) | (650) | (2,600) | |
| Change (%) | 3.3 | (76.0) | (41.9) | — | |
| Results for the year ended March 31, 2020 | 287,550 | 2,369 | 2,006 | (75) | (2.89) |

Reasons for revision of financial forecast

Despite the observation of signs of a recovery of economic activity, which had slowed due to the COVID-19, thanks in part to the government's stimulus measures, the future outlook is increasingly uncertain, owing particularly to a recent resurgence in COVID-19 cases.

Against this background, net sales in the Company's consolidated results for the fiscal year ending March 31, 2021, are expected to surpass the previous forecast thanks to a prospective increase in semiconductors for communication equipment and consumer equipment in the Electronic Devices segment despite a projected decrease in the Electronic Systems segment caused by a fall in demand for space and defense electronics, laser equipment, and information and communication equipment.

Meanwhile, the forecast for profit will be revised as described above due to an expected decrease in sales from the previous forecast in the Electronic Systems segment, the anticipated impact of recent exchange fluctuations resulting in the appreciation of the yen, expenses for the extra retirement payments associated with the solicitation for voluntary retirement, and the posting of a loss on valuation of securities as an extraordinary loss.

Note:

The above financial forecasts have been prepared based on the information available to the Company as of the date of the announcement. Actual results may vary from the forecasts due to various factors arising in the future.