



Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2023

November 2022



1. 2Q FY3/23 Summary of Consolidated Financial Results

2. FY2022-2024 Medium-term Business Plan Initiatives

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5. About Marubun

1. 2Q FY3/23 Summary of Consolidated Financial Results

2Q FY3/23 Summary of Consolidated Financial Results (Year-on-Year)

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- ▶ Demand for semiconductors for consumer equipment and industrial equipment, as well as that for medical equipment
- ▶ Operating income increased 104%, reflecting increased sales and a boost in yen-based gross profit in the Electronic Devices Business against the backdrop of the yen's weakness

(Millions of Yen)	2Q FY3/22		Previous Forecast (May 13)	2Q FY3/23		Forecast Contrast
	Actual	Composition Ratio		Actual	Composition Ratio	
Net Sales	80,574	—	91,000	101,022	—	+10,022 (11.0%)
Gross profit	9,417	11.7%	9,200	12,708	12.6%	+3,508 (38.1%)
SG&A expenses	6,841	8.5%	7,600	7,440	7.4%	△160 (△2.1%)
Operating income	2,575	3.2%	1,600	5,267	5.2%	+3,667 (229.2%)
Ordinary income	2,104	2.6%	1,300	1,135	1.1%	△165 (△12.7%)
Profit attributable to owners of parent	1,256	1.6%	750	469	0.5%	△281 (△37.5%)

2Q FY3/23 Performance Summary by Business

※ Figures for the fiscal year ended March 31, 2022 have been revised the reorganization of the three business segments.

Electronic Devices Business

Semiconductors and electronic components for consumer equipment and industrial equipment grew

(Millions of Yen)	2Q FY3 /22	2Q FY3 /23	YoY Changes
Net Sales	57,849	76,320	+18,471 (+31.9%)

Electronic Systems Business

Increased demand for medical equipment and laser equipment field

(Millions of Yen)	2Q FY3 /22	2Q FY3 /23	YoY Changes
Net Sales	21,983	23,902	+1,919 (+8.7%)

Electronic Solutions Business

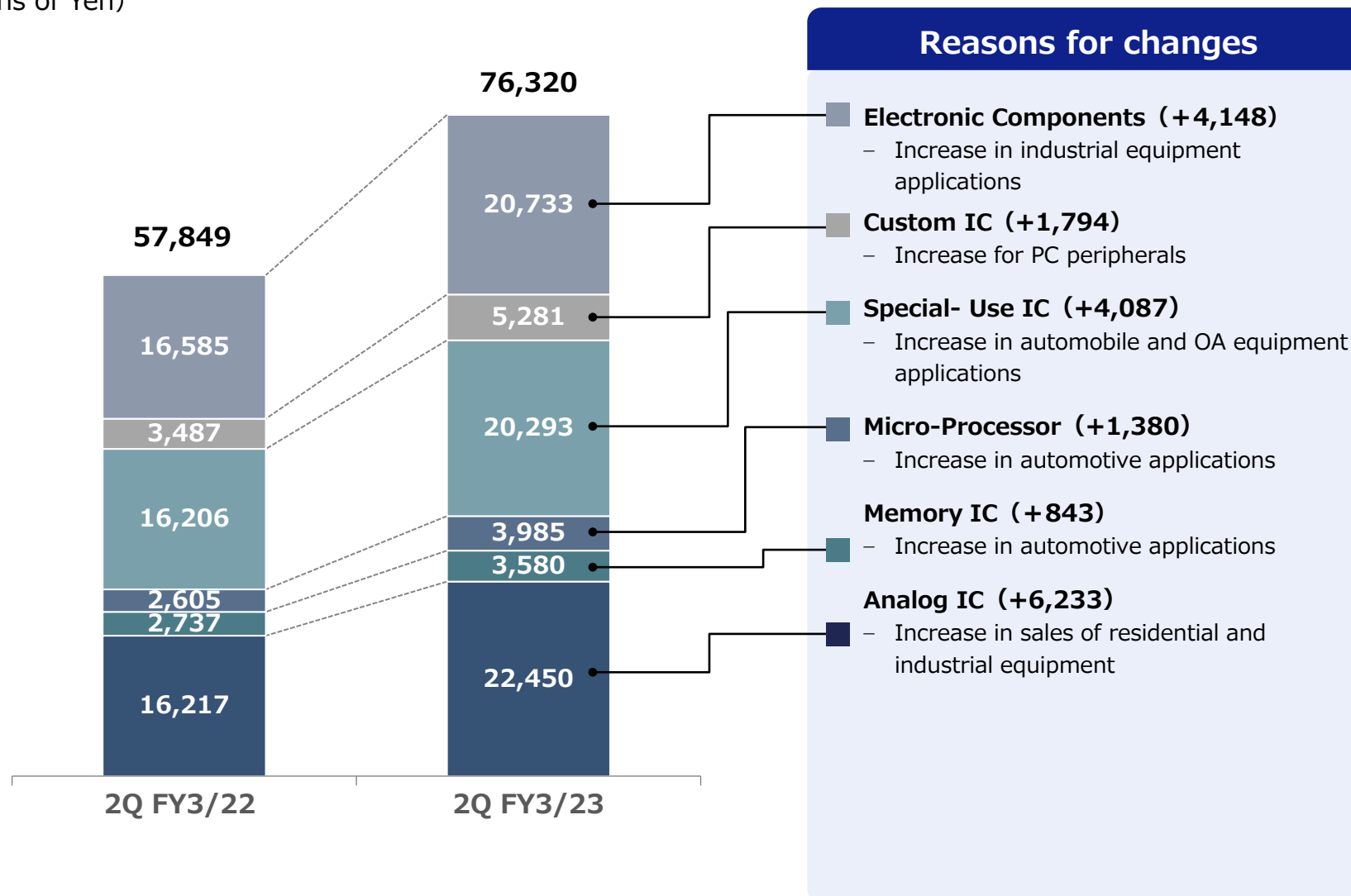
Attributable to growth of optical transmission components in communications infrastructure

(Millions of Yen)	2Q FY3 /22	2Q FY3 /23	YoY Changes
Net Sales	741	799	+58 (+7.8%)

2Q FY3/23 Electronic Devices Business Net Sales Breakdown by Product Category

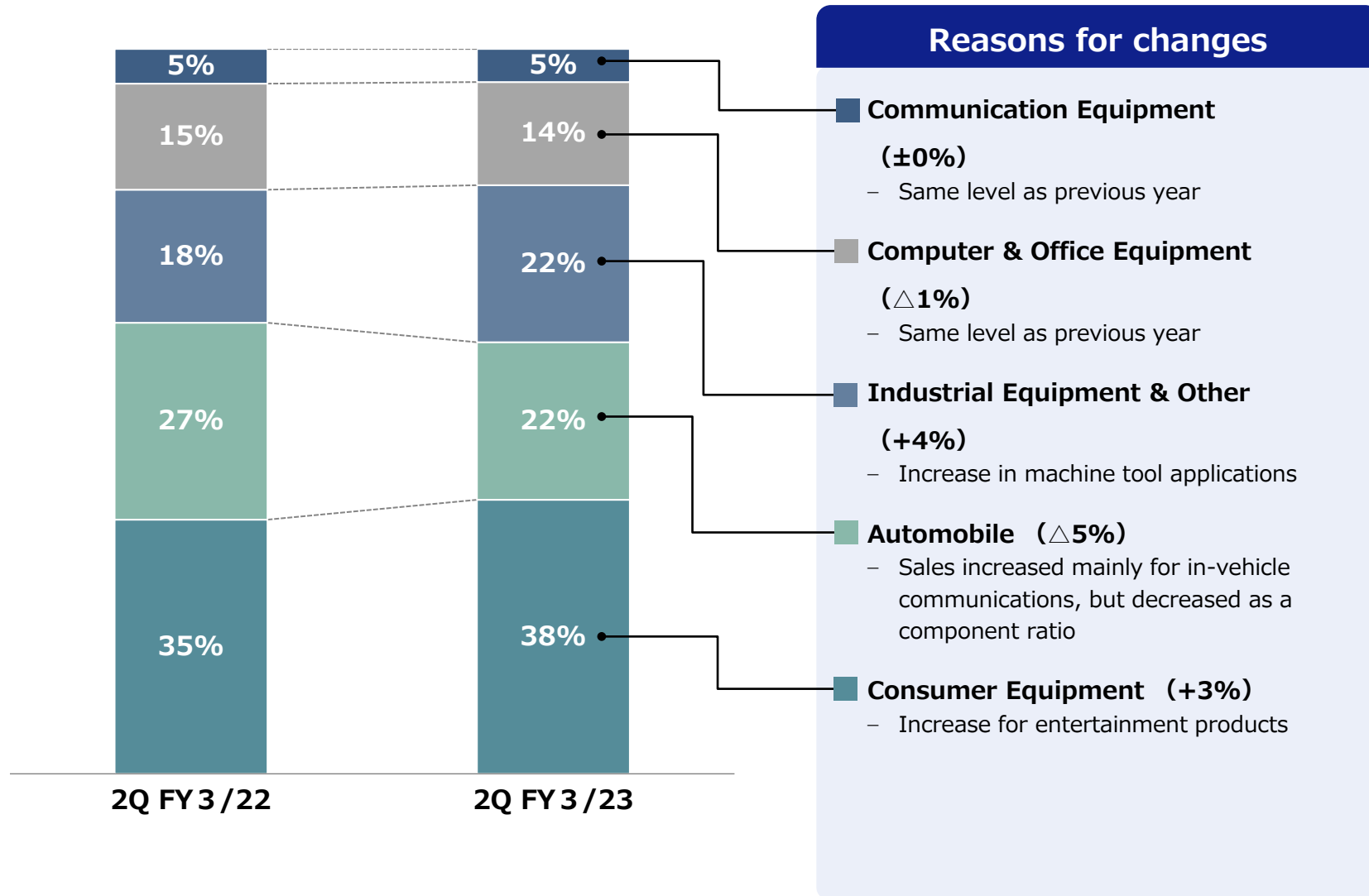
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(Millions of Yen)



2Q FY3/23 Electronic Devices Business Market Trend by Application

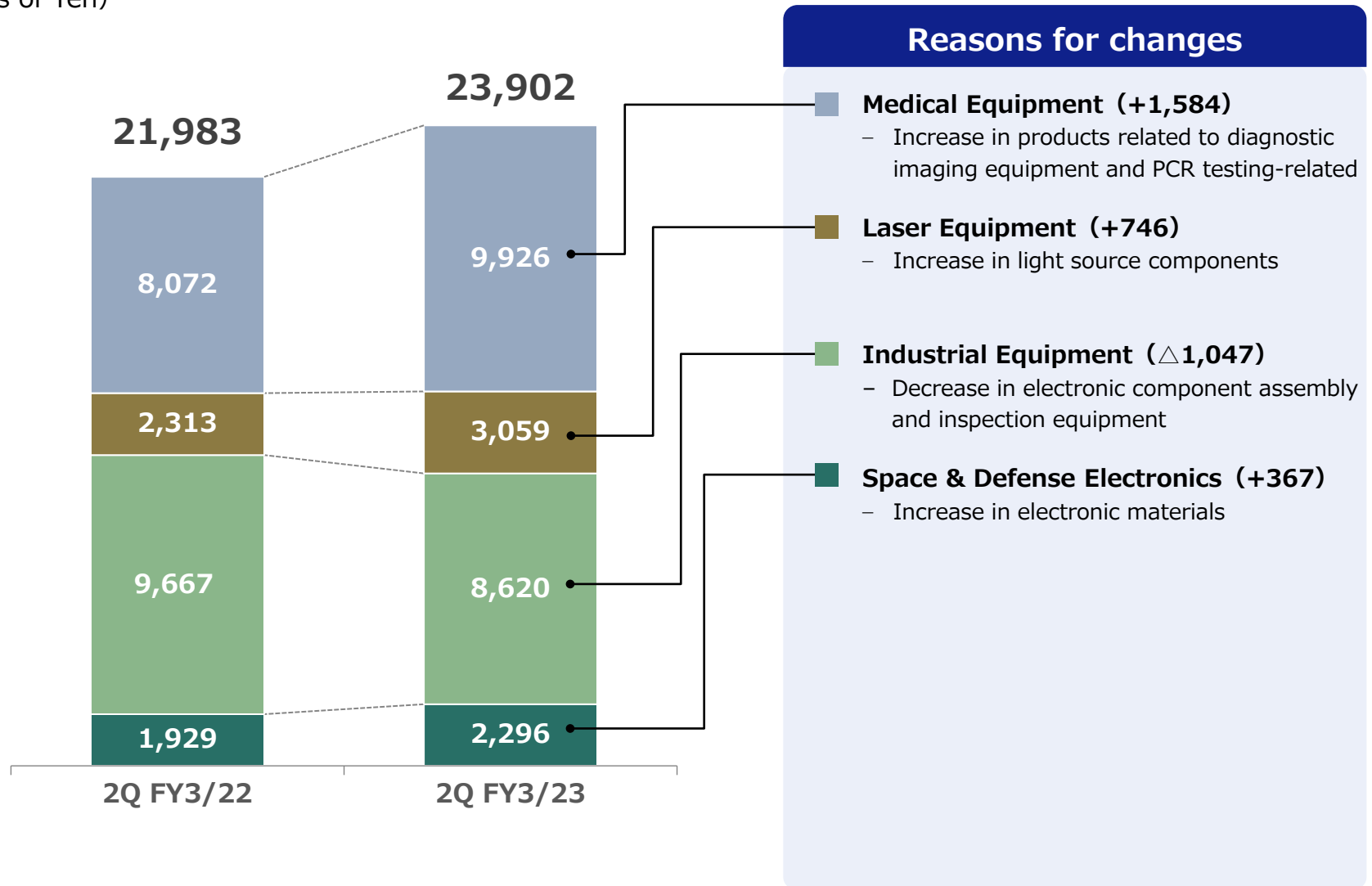
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2Q FY3/23 Electronic Systems Business Net Sales Breakdown by Product

Confidential

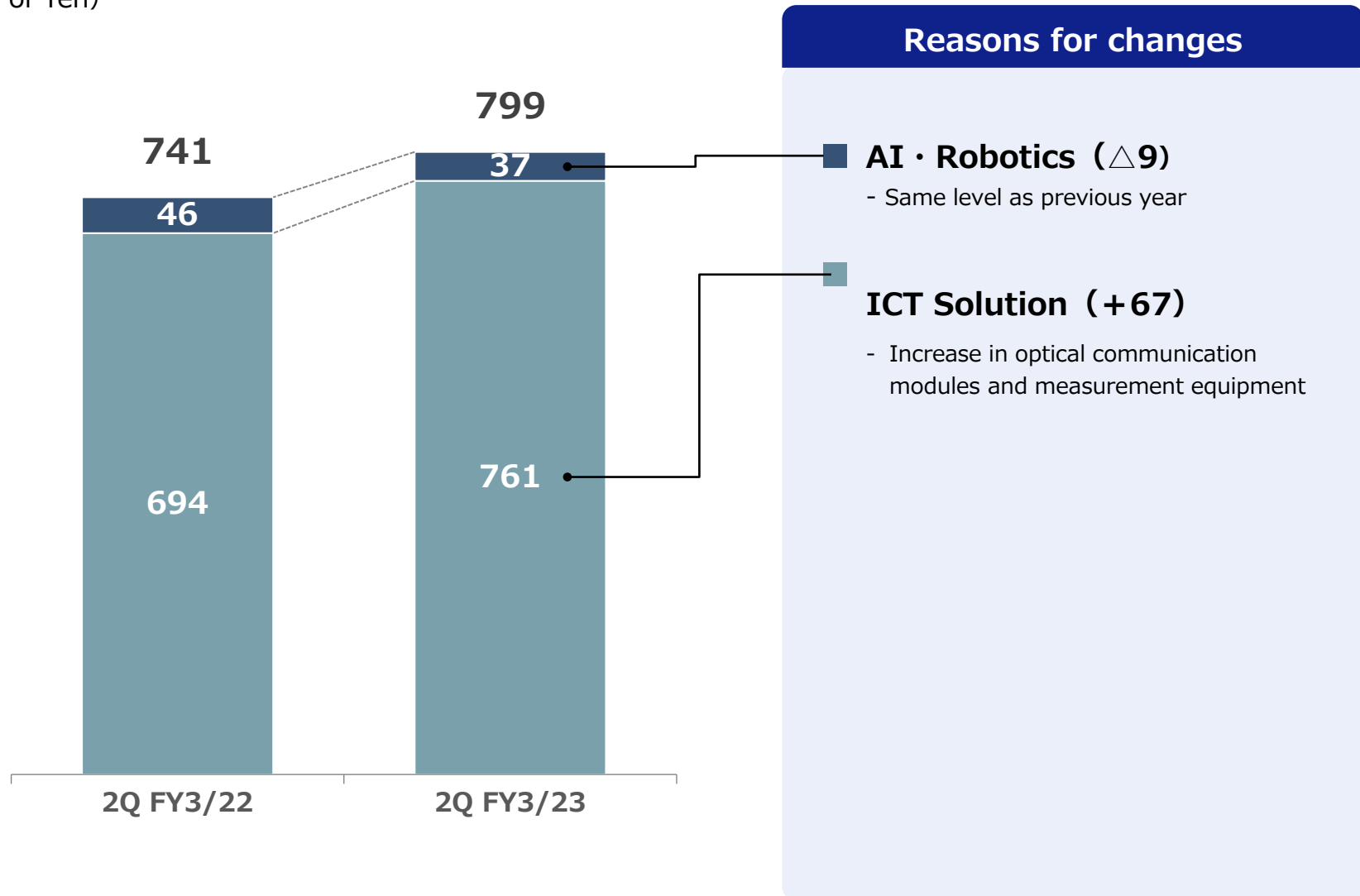
(Millions of Yen)



2Q FY3/23 Electronic Solutions Business Net Sales Breakdown by Product

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(Millions of Yen)



2Q FY3/23 Summary of Balance Sheets

- ▶ Total assets increased by 14,429 millions of yen from the end of the previous consolidated fiscal year, mainly attributable to increases in merchandise and finished goods
- ▶ Liabilities increased by 12,221 millions of yen from the end of the previous fiscal year due to an increase in short-term borrowings

(Millions of Yen)

	FY3/22	2Q FY3/23	Changes Amount
Total assets	148,179	162,608	+14,429
Current assets	137,604	151,893	+14,289
Cash and deposits	25,245	19,645	△5,600
Notes and accounts receivable - trade	44,215	52,106	+7,891
Merchandise and finished goods	30,313	44,036	+13,723
Accounts receivable - other	35,087	32,598	△2,489
Noncurrent assets	10,575	10,714	+139
Total liabilities	100,604	112,825	+12,221
Current liabilities	94,746	107,014	+12,268
Notes and accounts payable - trade	21,121	23,718	+2,597
Short-term borrowings	48,672	65,544	+16,872
Accounts payable - other	21,855	14,264	△7,591
Non-current liabilities	5,858	5,810	△48
Total net assets	47,574	49,782	+2,208

2. FY2022-2024 Medium-term Business Plan Initiatives

Outline of the Medium-Term Business Plan “Marubun Nextage 2024”

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Corporate Slogan

『Link with the Future,
Connect with Technologies』

FY2024 Financial Targets

**Achieve a consolidated
ordinary income of 6.0 billion yen and 8% in ROE**

Basic Policy of “Marubun Nextage 2024”

- | | |
|--|---|
| ■ Promotion of sustainability management | The Group will promote ESG/SDGs (Sustainable Development Goals) initiatives toward the realization of sustainable growth and will pursue social values through the enhancement of cooperation with stakeholders and the conduct of mission-oriented business. |
| ■ Foray into new business fields and creation of platform for growth | The Group will continuously pursue new opportunities for business growth by boldly taking on challenges in new markets and fields. |
| ■ Promotion of selection and concentration in existing business and enhancement of solution development | The Group will accelerate solution development from customer’s perspectives and work to enhance competitive strength through a process of selection and concentration in existing business. |
| ■ Enhancement of Group management | The Group will create added values through cooperation among segments (Electronic Devices, Electronic Systems and Electronic Solutions businesses) and global synergy through cooperation among group companies in Japan and overseas and will return the benefits of its efforts to customers. |
| ■ Improvement of business operation base and internal processes | The Group will improve productivity and efficiency through the enhancement of infrastructure for business operations, the improvement of operational processes, human resources development and the reform of working practices. |

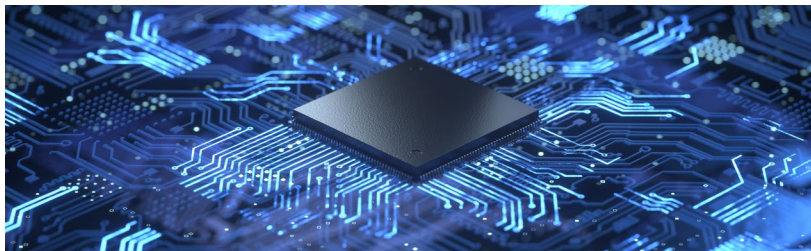
Initiatives of Electronic Devices Business

Business Strategies

- Development of new commercial products and new commercial rights
- Maintenance and improvement of profitability of existing business

■ Efforts to develop new commercial products and secure commercial rights

- ▶ Signed a distributorship agreement with Analog Devices, Inc.
- ▶ Adds various hardware, software, and system solutions, including high-performance analog ICs, to its product lineup



■ Efforts to improve operational efficiency

- ▶ Developing and providing optimal solutions for customers by combining an extensive line card of approximately 240 suppliers
- ▶ Promote efficiency through active use of RPA



Initiatives of Electronic Systems Business

Business Strategies

- Expansion of business scale and earnings base in new business domains
- Enhancement of competitive advantage in existing domains
- Strengthening Group collaboration

Initiatives by Sector

Space & Defense Electronics



- ▶ Promotion in the New Space field
- ▶ Promote system proposals for communication antennas

Laser Equipment



- ▶ Laser oscillators and optical devices Strengthen base business
- ▶ Developing applications for ultrashort pulsed lasers and opening up new markets

Industrial Equipment



- ▶ Focusing on sales of inspection and analysis equipment for cutting-edge device development
- ▶ Expansion of technologies and commercial products to support smart factory

Medical Equipment



- ▶ Strong sales of PCR testing related products
- ▶ Strengthen relationships with local medical institutions, identify new needs and expand market share

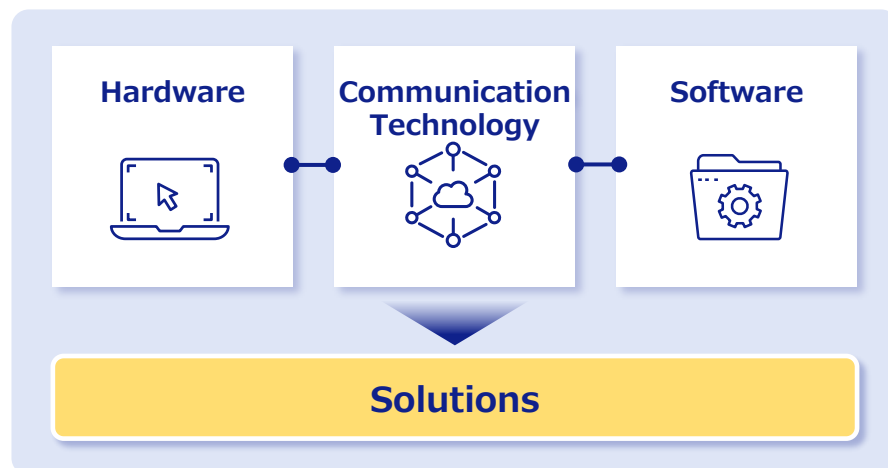
Initiatives of Electronic Solutions business

Business Strategies

- Development and promotion of high added values business
- Creation and expansion of new business models
- Improvement of solution development capabilities and creation of group synergy

ICT Solution Initiatives

- ▶ Promoted proposal activities for data centers and won a large-scale project
- ▶ Collaborate with third parties to develop new markets, such as for smart factories



AI and IoT Solution Initiatives

- ▶ Began deployment of AI robots in office buildings, working with sales partners to expand nationwide sales
- ▶ Jointly developed Wireless IoT Sensor in the field of wireless power supply technology. We are working to develop the support system necessary for the practical and commercial application of wireless power transfer.



Aeolus Company
AI Humanoid Robot



Ossia Corporation
Wireless Power Transfer
Technology Cota

Sustainability Initiatives

- Established the Sustainability Committee, chaired by CEO, to promote sustainability management

■ Establishment of Sustainability Committee

- ▶ Established a new Sustainability Committee in December 2021 and established a basic sustainability policy
- ▶ Identified our challenges in creating a sustainable society and disclosed information based on TCFD recommendations

■ Future Initiatives

- ▶ Expansion of sustainability information on a consolidated basis
- ▶ Consider setting greenhouse gas emission reduction targets



SUSTAINABLE DEVELOPMENT GOALS



3. FY3/23 Summary of Consolidated Financial Forecasts

FY3/23 Summary of Consolidated Financial Forecasts

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- ▶ Net sales of semiconductors for consumer equipment and industrial equipment expected to rise, as well as laser equipment expected to grow
- ▶ Due to the increase in net sales and the effect of the weaker yen on gross profit, operating income is expected to increase significantly, and ordinary income and Profit attributable to owners of parent are also expected to increase

(Millions of Yen)	FY2022		FY2023			YoY Changes	Forecast Contrast
	results	Composition Ratio	Previous Forecast (May 13)	Forecast this time (October 13)	Composition Ratio		
Net Sales	167,794	—	195,000	220,000	—	+ 52,206 (31.1%)	+ 25,000 (12.8%)
Gross profit	20,251	12.1%	20,500	26,000	11.8%	+ 5,749 (28.4%)	+ 5,500 (26.8%)
SG&A expenses	14,257	8.5%	15,400	15,500	7.0%	+ 1,243 (8.7%)	+ 100 (0.6%)
Operating income	5,994	3.6%	5,100	10,500	4.8%	+ 4,506 (75.2%)	+ 5,400 (105.9%)
Ordinary income	4,106	2.4%	4,500	5,000	2.3%	+ 894 (21.8%)	+ 500 (11.1%)
Profit attributable to owners of parent	2,437	1.5%	2,900	2,950	1.3%	+ 513 (21.1%)	+ 50 (1.7%)

FY3/23 Summary of Business Forecast by Business Segment

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※ Figures for the fiscal year ended March 31, 2022 have been revised the reorganization of the three business segments.

Electronic Devices Business

Continuing from the first half, increase is expected in semiconductors for consumer and industrial equipment

(Millions of Yen)	FY3/22 Actual	FY3/23 Forecast	YoY Changes
Segment net sales	117,442	160,500	+43,058(+36.7%)

Electronic Systems Business

Based on high level of order backlog, increase is expected in all items

(Millions of Yen)	FY3/22 Actual	FY3/23 Forecast	YoY Changes
Segment net sales	48,230	57,050	+8,820(+18.3%)

Electronic Solutions business

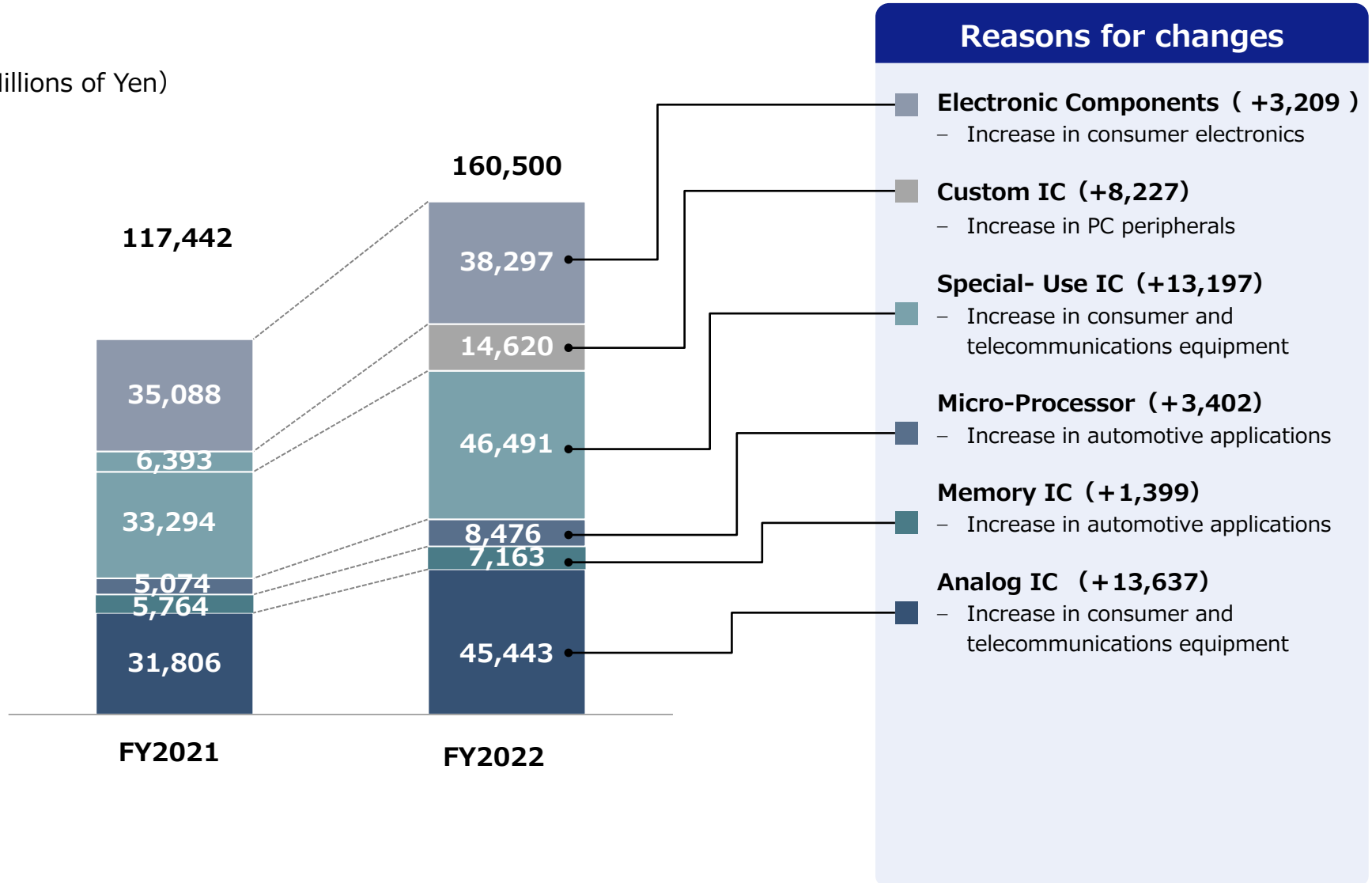
Local 5G-related commercial products and telecom inspection equipment for automobiles are expected to increase

(Millions of Yen)	FY3/22 Actual	FY3/23 Forecast	YoY Changes
Segment net sales	2,121	2,450	+329 (+15.5%)

FY3/23 Electronic Devices Business Net Sales Forecast Breakdown by Product Category

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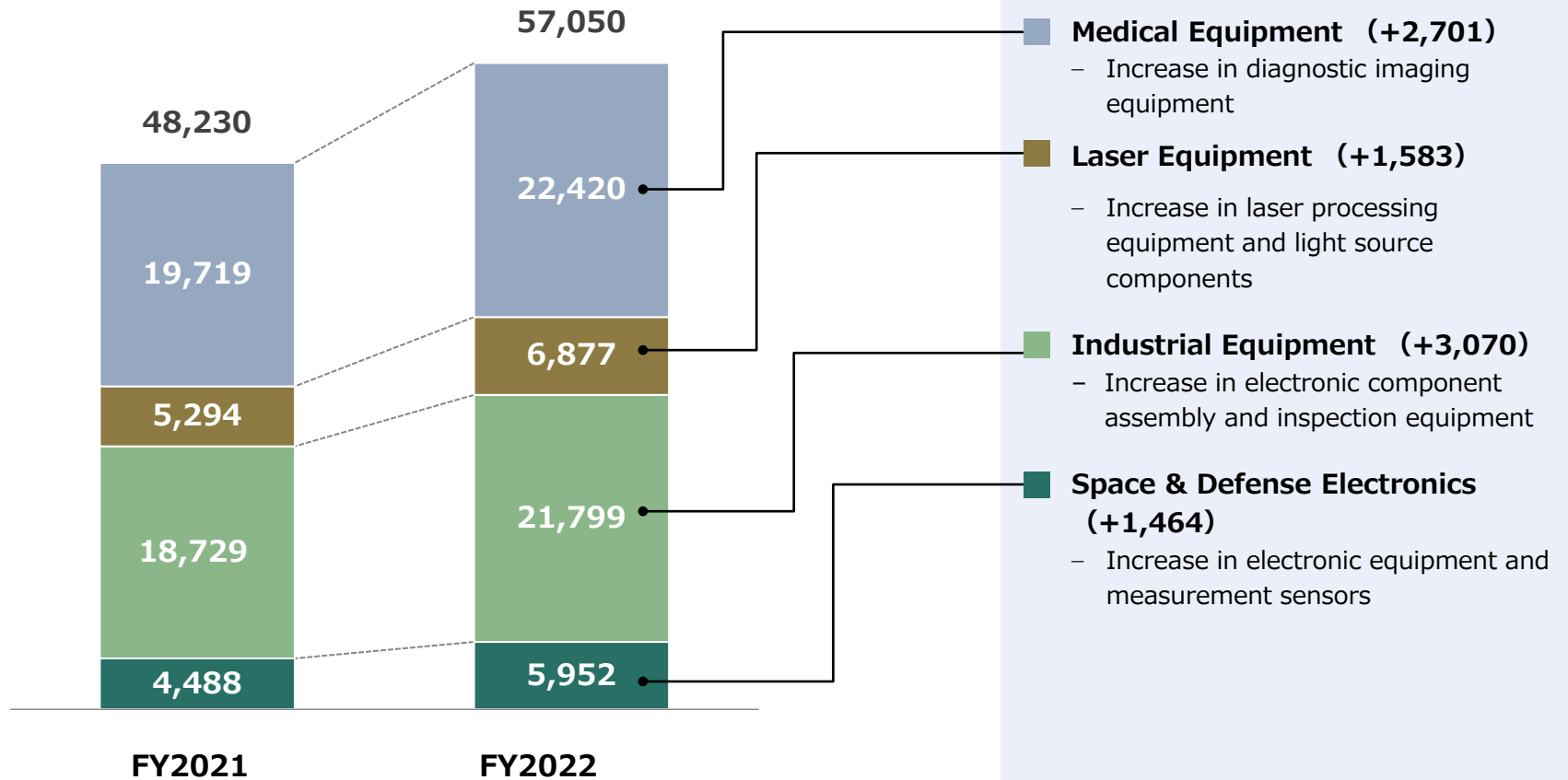
(Millions of Yen)



FY3/23 Electronic Systems Business Net Sales Forecast Breakdown by Product Category

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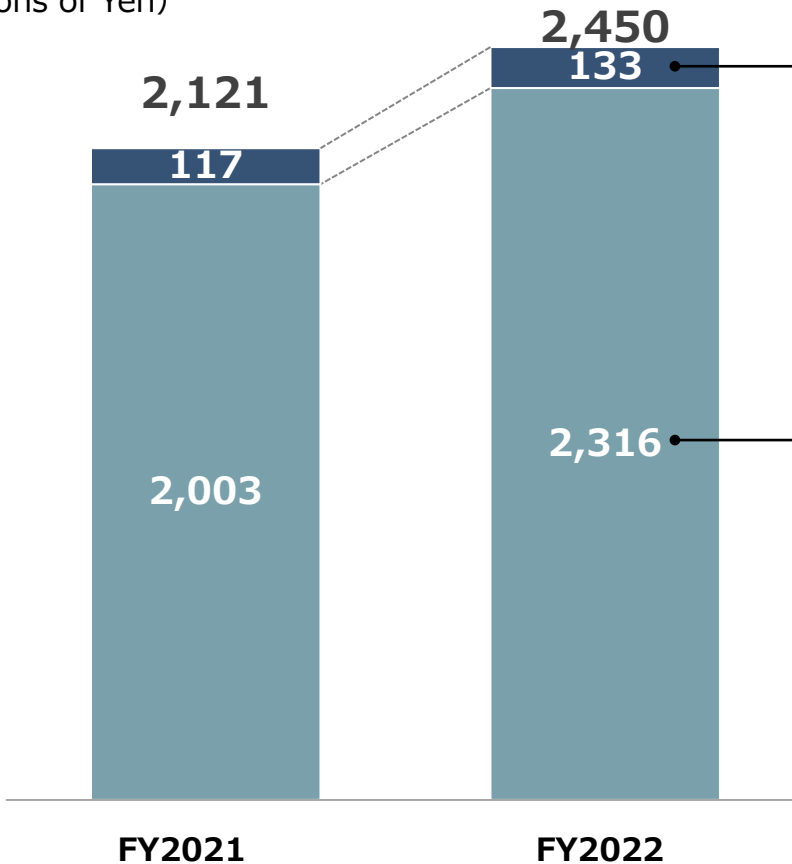
(Millions of Yen)



FY3/23 Electronic Splutions Business Net Sales Forecast Breakdown by Product Category

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(Millions of Yen)



Reasons for changes

AI · Robotics (+16)

- Same as previous year

ICT Solution (+131)

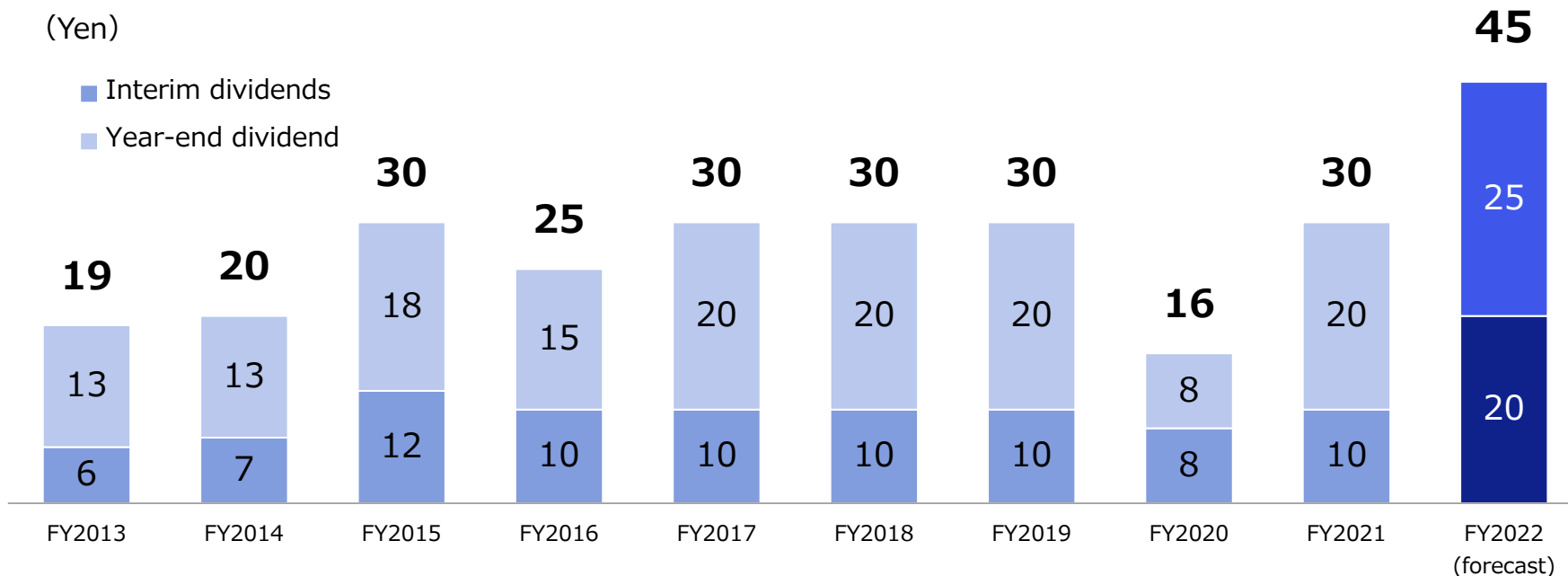
- Increase in test equipment for local 5G and telecom testing equipment for automobiles

4. Shareholder Returns

Dividend Policy

- ▶ Dividend policy: Maintain continuous shareholder return commensurate with operating results, targeting a payout ratio of no less than 40% on a consolidated basis

Annual dividend: 45 yen
 (Expected to increase by 15 yen from the previous year)



Thanks to your support,
we are celebrating our 75th anniversary





Marubun

Since 1844

5. About Marubun

Company Profile

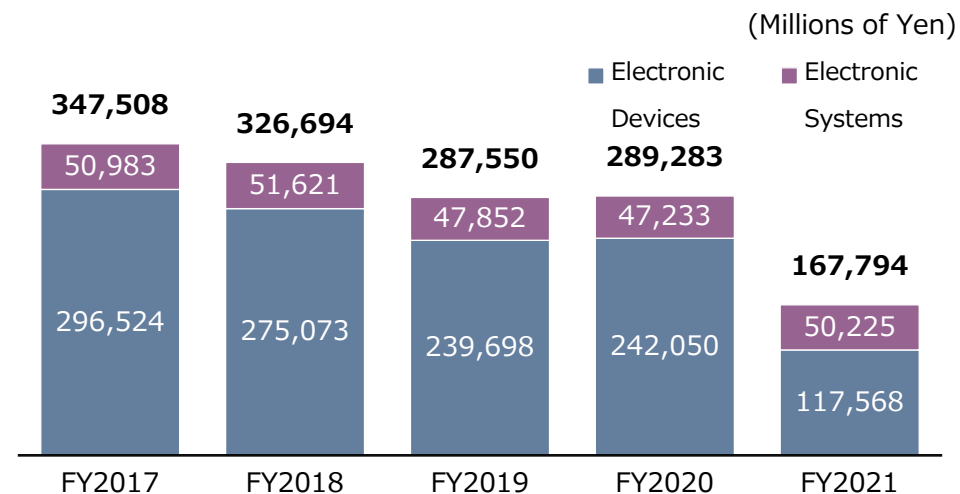
Profile

Founded	1844
Incorporated	July 1947
Head Office	8-1, Niihonbashi Odenmachi, Chuo-ku, Tokyo
Capital	6,214 million yen
Fiscal Year	Apr.1-Mar.31
CEO	Toru Iino
Revenue	Consolidated: 167,794 million yen (FY21) Non-consolidated: 120,062 million yen (FY21)
Employees	Consolidated: 1,119 (end of Mar.2022) Non-consolidated: 577 (end of Mar.2022)
Listed	Tokyo Stock Exchange Prime Market (Code: 7537)

Business Domains

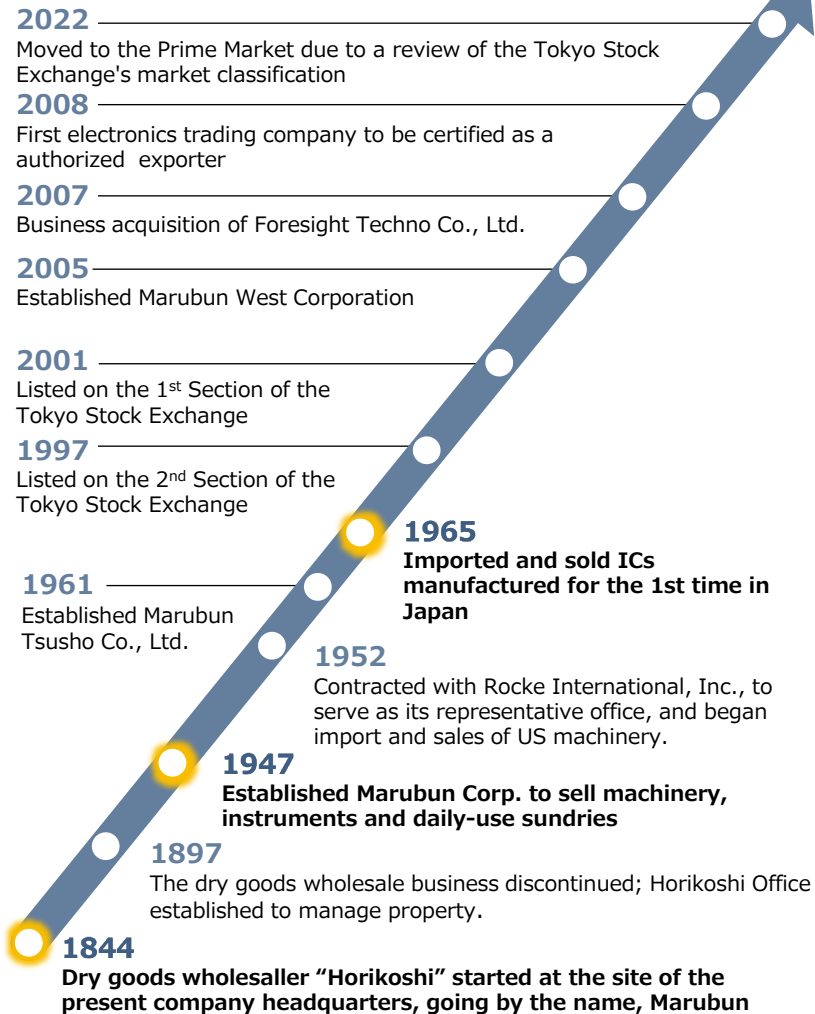
Electronic Devices Business	Electronic Systems Business	Electronic Solutions Business
<ul style="list-style-type: none"> Semiconductors Electronic Components 	<ul style="list-style-type: none"> Space & Defense Electronics Industrial Equipment Laser Equipment Medical Equipment 	<ul style="list-style-type: none"> ICT Solution AI & Robotics

Revenue Trend (Consolidated)

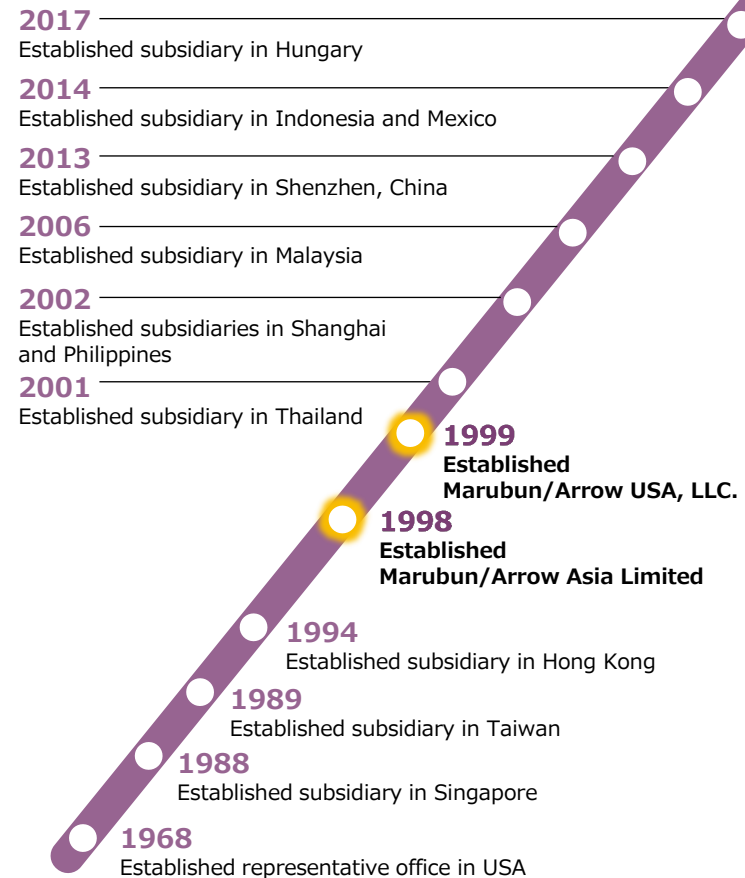


Corporate History

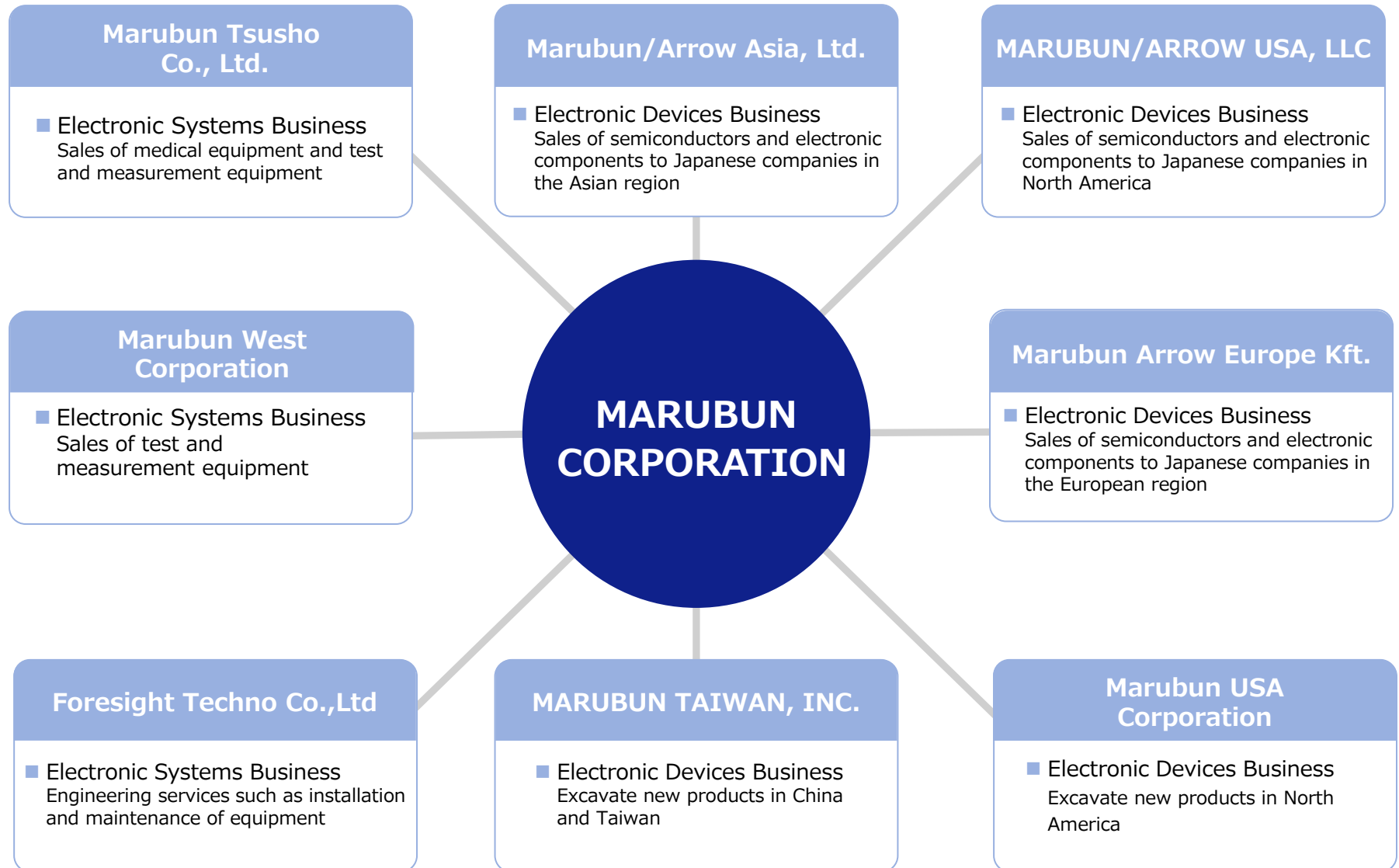
Japan



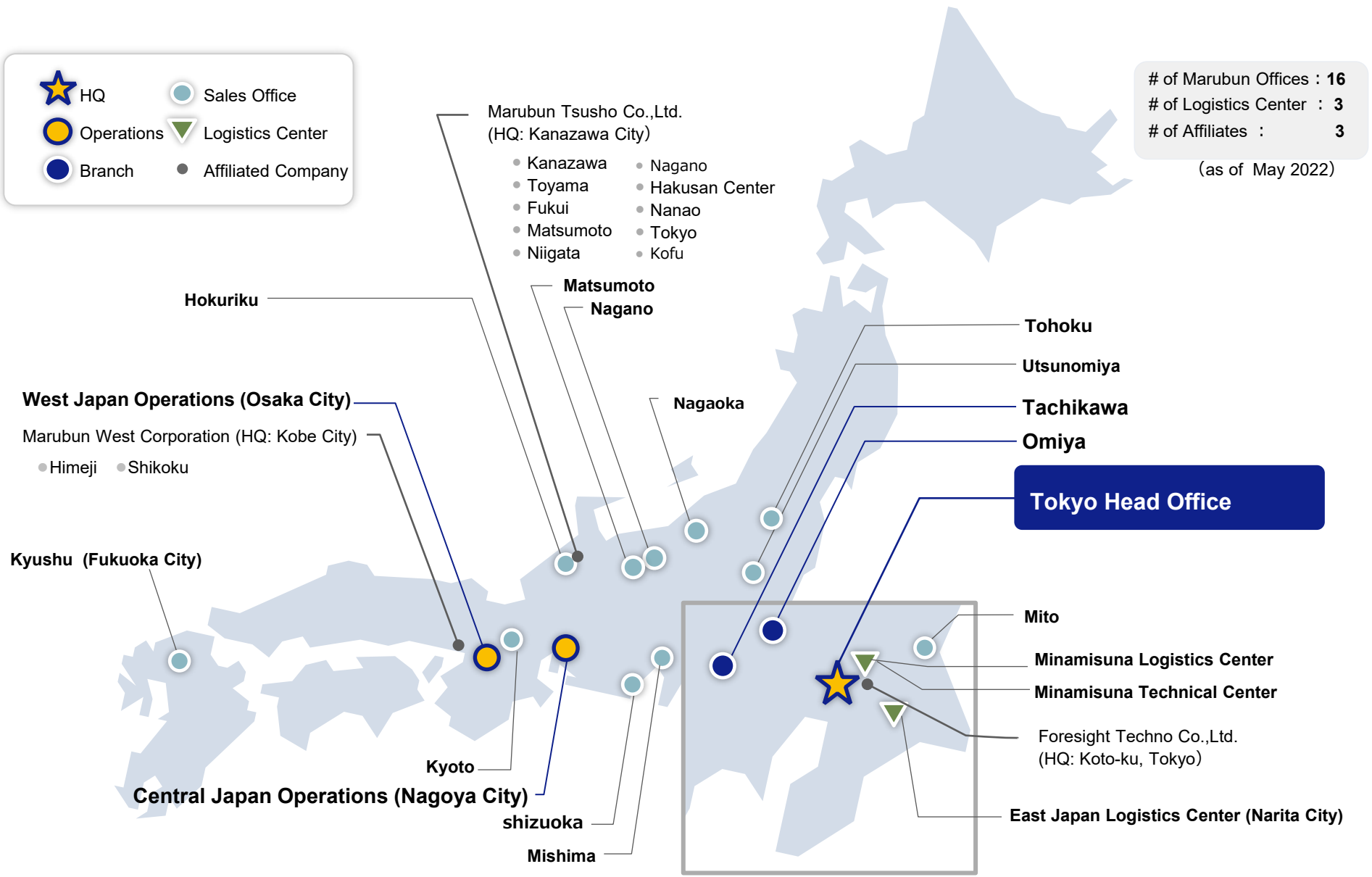
Overseas



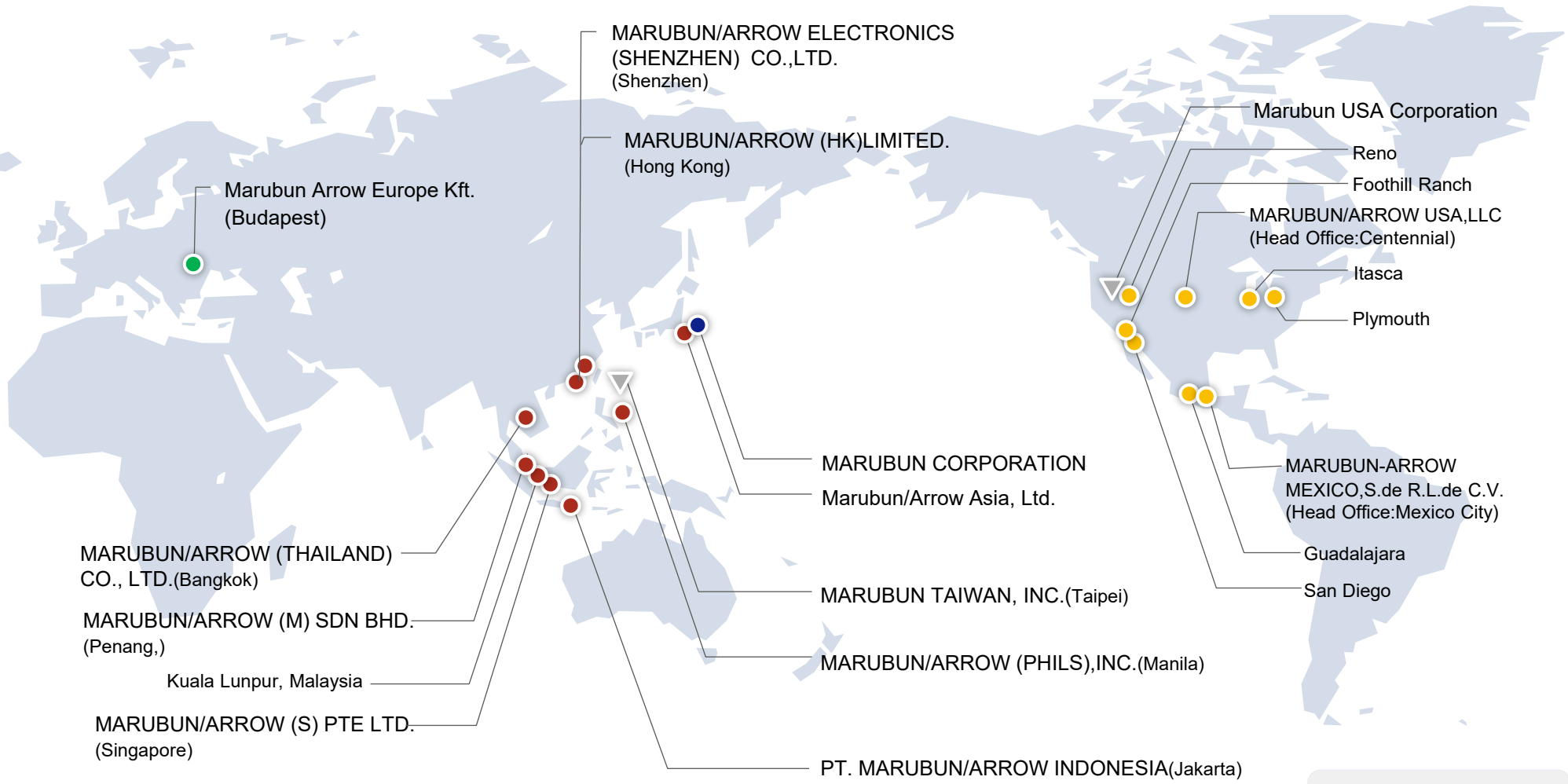
Group Company



Japan Officers & Affiliates



Global Network

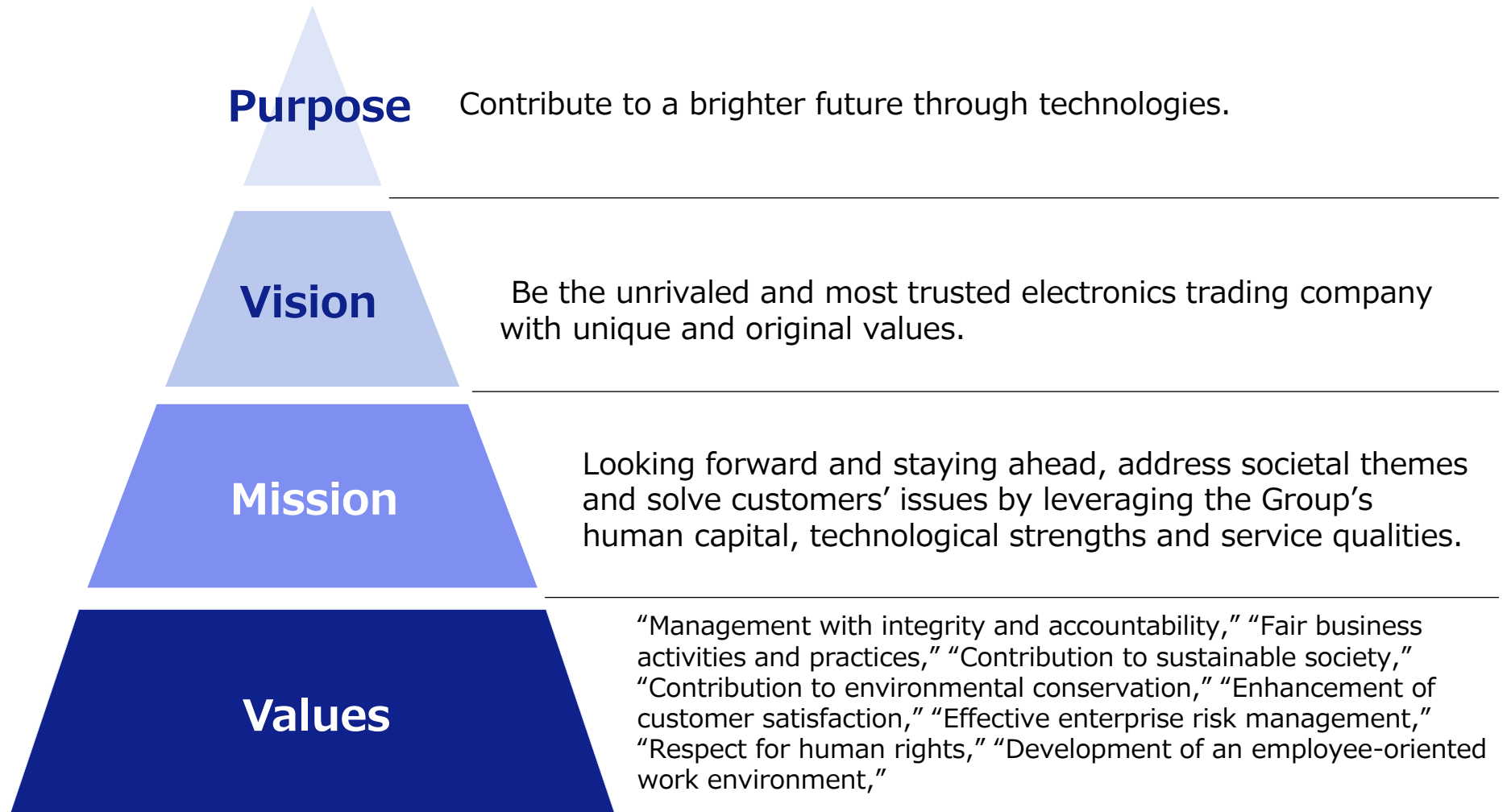


- Marubun Corporation
- Marubun/Arrow Asia, Ltd.
- Marubun/Arrow USA, LLC.
- Marubun Arrow Europe Kft.
- ▽ Other

of Asian Offices : 10
 # of North America Office : 9
 # of Europe Office : 1

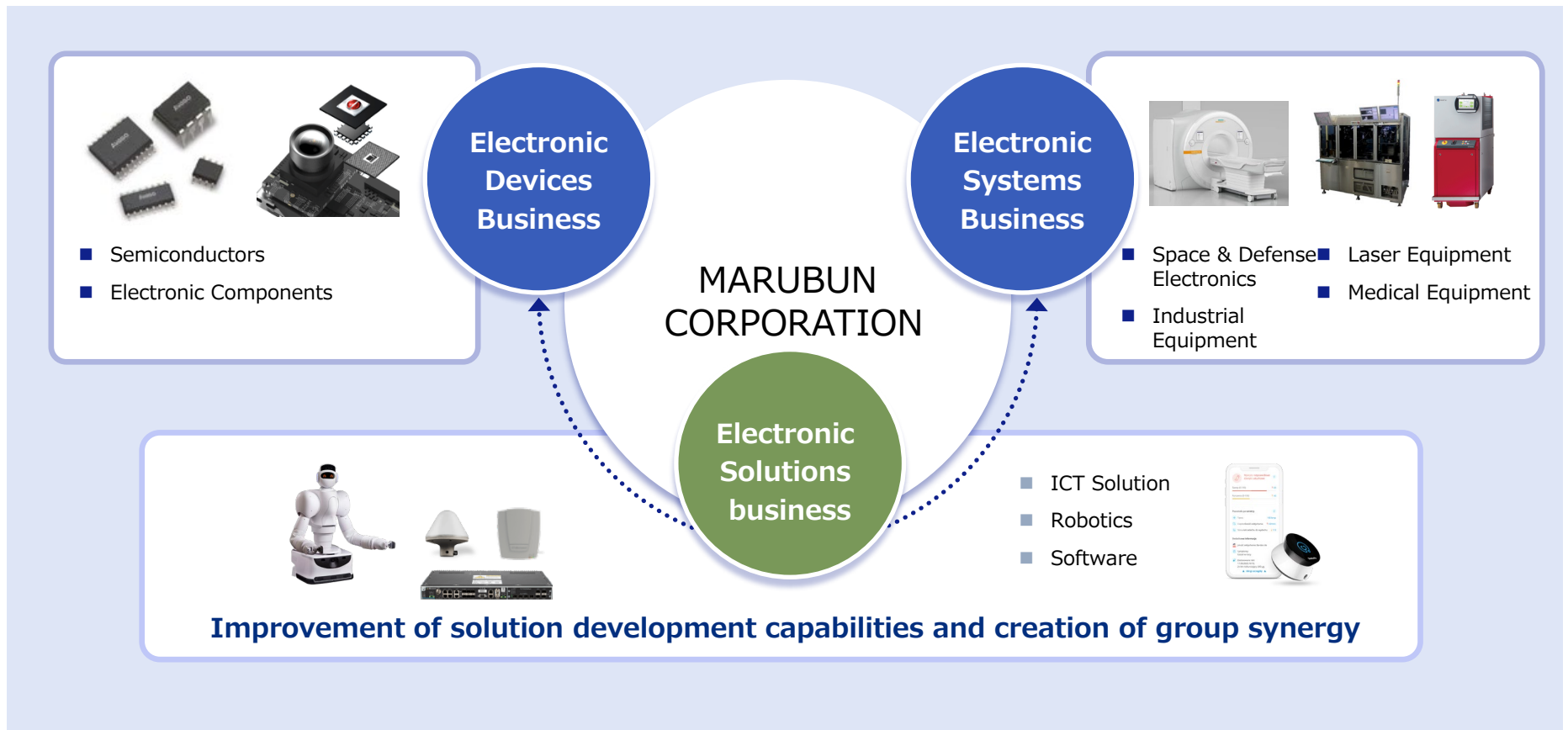
(as of May. 2022)

Philosophy & Principles



Business segments

- ▶ The Marubun Group will advance its business by establishing the third business segment of the Solutions Business in FY2022, in addition to the existing two core business segments of the Electronic Devices Business and Electronic Systems Business.
- ▶ The Marubun Group plans to combine its wealth of commercial products with AI/IoT and network technologies and provide new added value as its unique solutions to customers.



Main Products -Electronic Devices-

Item Suppliers	Semiconductors					Electronic components		
	Analog IC	Memory IC	Microprocessor	Special-use IC	Custom IC	Electronic Components	Electrical Equipment	Other
	Analog, Sensor, Discrete	Flash Memory, DRAM	MPU, MCU, DSP	ASSP, LED	Custom, ASIC, FPGA	Display, Crystal Device, Connector, Switch, PCB	IoT, Device&Solution, Medical Equipment	Power supply, Software, IP licensing, Modules
ABLIC	●	●						
Analog Devices	●		●	●		●		
Asahi Kasei Microdevices	●		●	●	●			
Broadcom	●			●	●	●	●	●
eYs3D				●			●	
GOWIN					●			
Infineon Technologies		●	●	●				
ISSI	●	●		●				
Microchip	●	●	●	●	●	●		
Molex						●		
MPS※	●							
Nuvoton	●		●	●	●			
Qorvo	●			●				
Seiko Epson			●	●	●	●	●	
SEMTECH	●			●				
Synaptics			●	●				
TE Connectivity	●					●		
VISHAY	●			●				●
Western Digital		●						

* Marubun/Arrow USA , Marubun-Arrow Mexico and Marubun Arrow EUROPE KFT are equity method affiliates.

※ : Monolithic Power Systems.Inc,

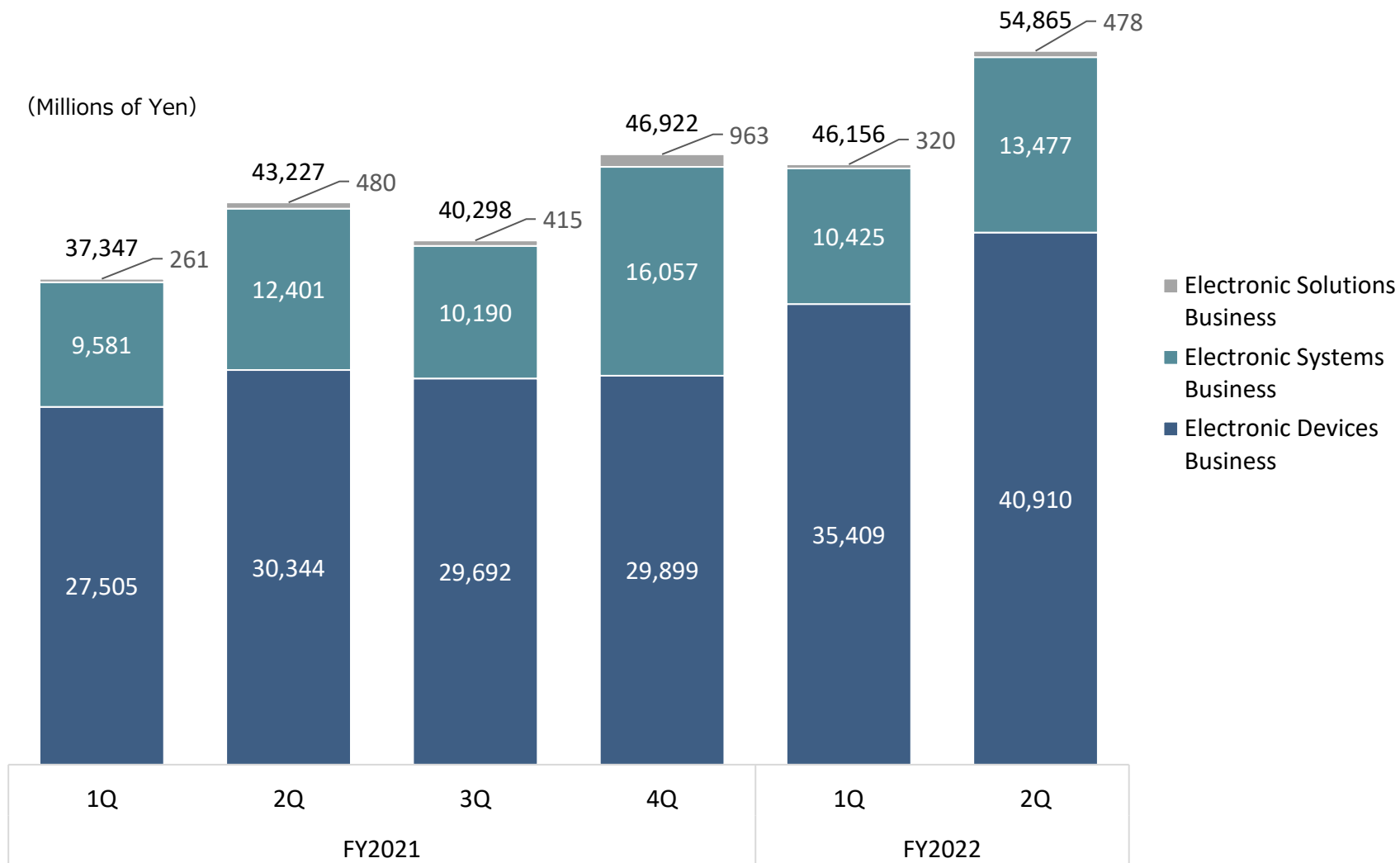
Main Products -Electronic Systems-

Segment	Major products	Major supplier
Space and Defense Electronics		
Avionics equipment	Naval ESM System, Boresight calibration system, Telemetry processing/acquisition system, Tracking antenna, High definition display, Flight/Driving simulator, Tethered Aerostars	SAAB AB, Textron Systems, L3Harris Technologies Telemetry & RF Products, Communication & Power Industries, ScioTeq bvba, TREALITY SVS Belgium BV, Ansible Motion, Raven Aerostar
Space equipment	High-reliability components, Optical encoder, Embedded Computer and PCI board	Comtech Space Components and Antennas, Sensitron Semiconductor, BEI Precision Systems & Space, Aitech Defense Systems, STMicroelectronics
Microwave equipment	Klystron, TWT, Amplifier, Earth Station Antenna, Wattmeter	Communication & Power Industries, Bird Electronic
Measurement System & Sensor	Sensor (Accelerometer, Pressure, Load cell, Microphone, Angular rate, Inclinometer) , Proximity Switch, Honeycomb Barrier, Data Acquisition and Analysis System, Partial Discharge Monitoring System	PCB Piezotronics, Baker Hughes, Honeywell Japan, DTS, G.R.A.S. Sound & Vibration A/S, mg-sensor, Applied Electronics, PLASCORE, IRIS Power
Industrial & Inspection		
Inspection System	High resolution 3D X-ray CT system, Enhanced lock-in thermal emission, Temperature feature Testing equipment, Wafer defect inspector, Automated test system	U.H.SYSTEM, FEI Company Japan, HIMEC
Manufacturing & Assembling equipment	Electric components assembling & transfer system, IC Test Handler, Surface reforming machine by atmospheric pressure plasma	Akim, NS Technologes, YAMAOKA SEISAKUSHO, Nippon Avionics, FUJI
Embedded Solutions	BUS CPU board, PC board, AI Solutions	SMART Embedded Computing, Aitech Systems, ADLINK TECHNOLOGY, Gorilla Technology
Laser beam measurement equipment	Optical spark plug sensor (ICOS), Highest-resolution spectrometer, DLS/SLS light scattering measurement system	LaVision, LTB Lasertechnik Berlin, ALV
Laser equipment		
Laser diode & Laser processing systems	High efficiency LD system, Industrial Fiber Laser, Industrial Femto second laser, Laser material processing system	nLIGHT, Laserline, Amplitude, NUTECH
Optical components	LED , Laser Diode , Flashlamps, Xenon lamps, Sensor device, Optical module, Lighting Systems	Excelitas Technologies, Luminus, First Sensor AG, Young Optics, ViALUX, United Power Research Technology
Medical equipment		
Diagnostic imaging equipment	Magnetic resonance imaging, Computed tomography, Digital radiography/X-ray, Ultra sound systems	Shimadzu, Siemens Healthcare, Konica Minolta Japan, FUJIFILM Healthcare
Hemo dialysis equipment	Hemo dialysis machine, Hollow fiber dialyzer, Plasmapheresis & Hemo filtration machine	Nikkiso, Asahi Kasei Medical, Kaneka Medix
Clinical laboratory equipment	Clinical laboratory machine	Siemens Healthcare Diagnostics, Beckmancouiter

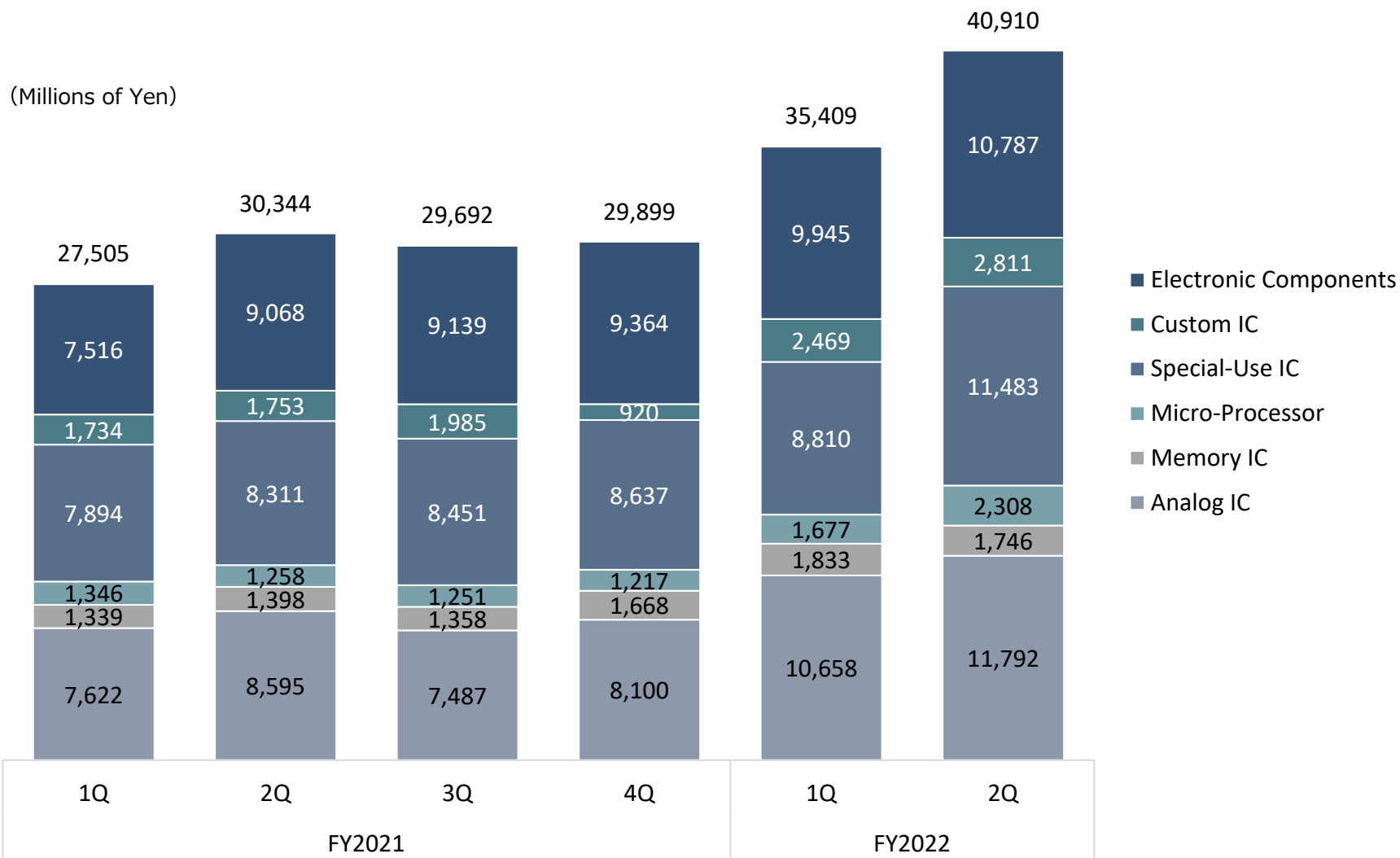
Main Products -Electronic Solutions-

Segment	Major products	Major supplier
ICT Solutions	RF · IP communication ,GNSS Positioning, Network Synchronization, Security, IoT	Athonet S.R.L., Calnex Solutions, EXFO, Microchip Technology, PCTEL, Septentrio N.V., Spirent Communications, Afero, VANTIQ
AI·Robotics	Humanoid AI Robot, Millimeter Wave Radar Module, Ultra-small power module, Carbon nanotube, Wireless Power Supply License, Electronic stethoscope, Flexible PCB	Aeolus, Acconeer, FINsix, Nanoramic, OSSIA, StethoMe, Elephantech

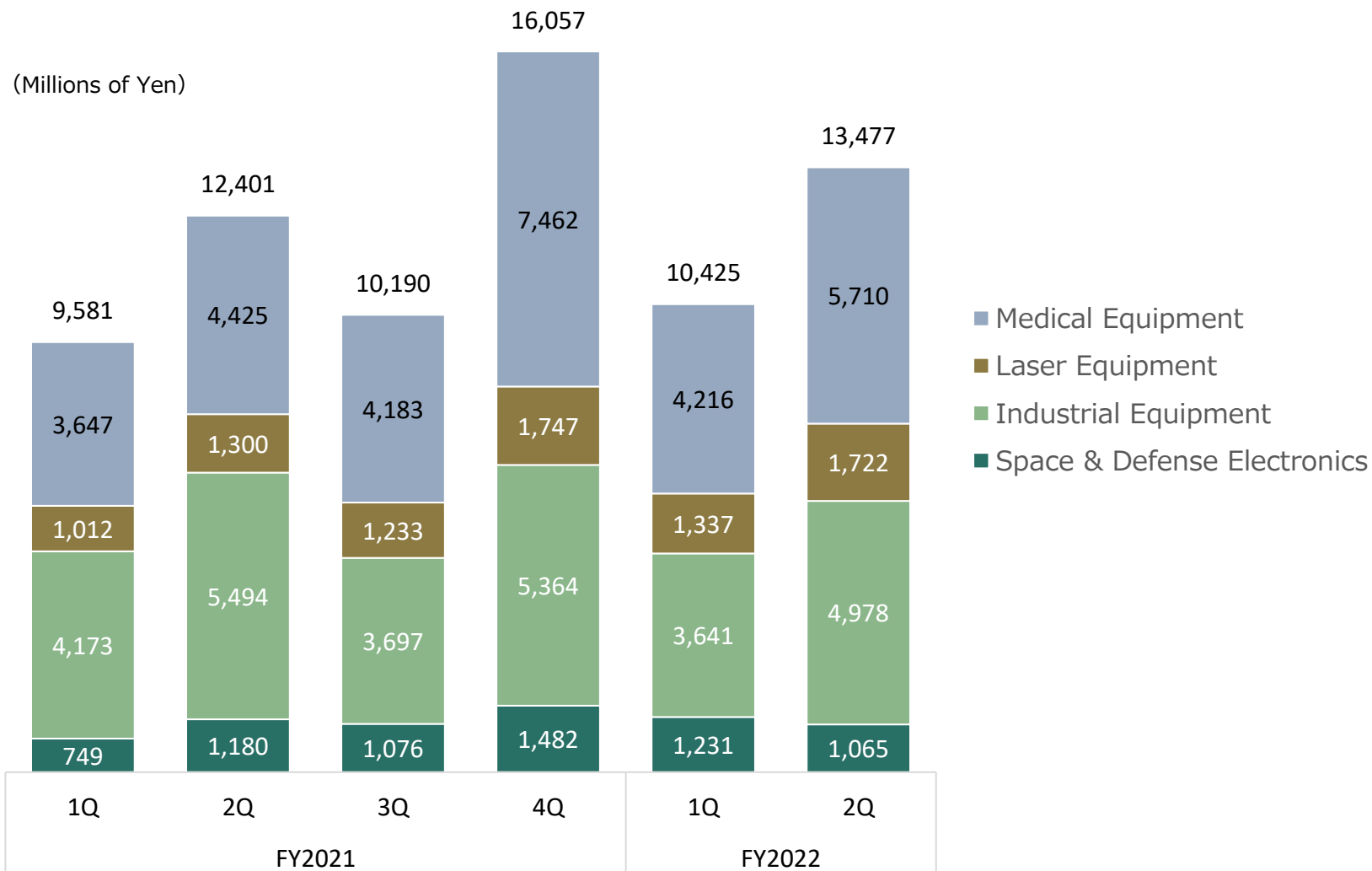
Quarterly Trend in Sales by Business



Quarterly Trend in Sales of Electronic Devices

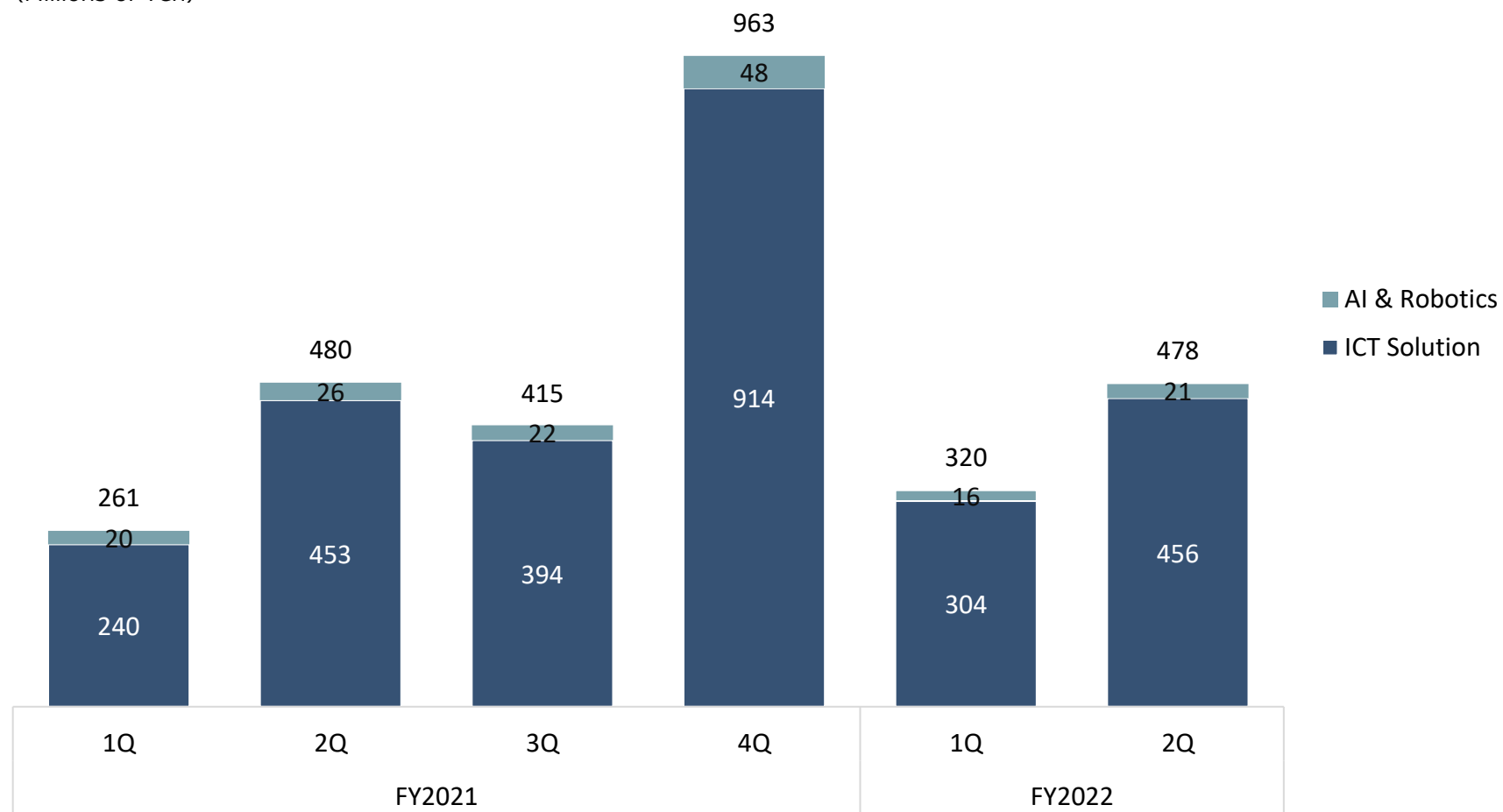


Quarterly Trend in Sales of Electronic Systems



Quarterly Trend in Sales of Electronic Solutions

(Millions of Yen)



Cautionary Statement

Information on future performance contained within this presentation material, such as the results forecasts, is based on the data available and assumptions judged to be reasonable as of when the Company prepared this presentation material.

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