



# MARUBUN REPORT 2024

Proven Sustainability

180<sup>th</sup>

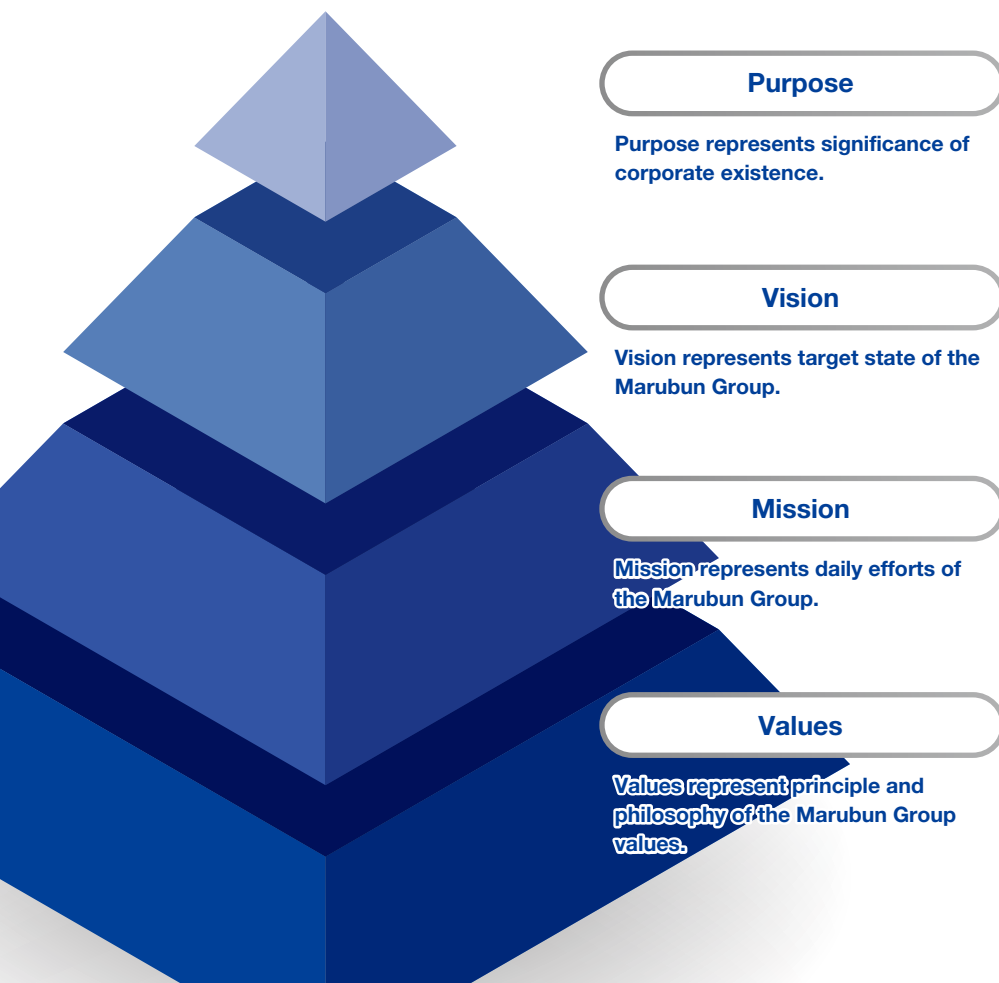
MARUBUN CORPORATION  
Integrated Report 2024

 Marubun Since 1844



## Corporate Philosophy

**The Marubun Group aims to become the unrivaled and most trusted electronics trading company that offers unique value, based on the pursuit of “Contribute to a brighter future through technologies.”**



### Contribute to a brighter future through technologies

We image “a brighter future” as one that is both materially and spiritually rich and full of hope, where people can live in a healthier, safer, more secure, more comfortable and more convenient way, and enjoy their lives.

### Be the unrivaled and most trusted electronics trading company with unique and original values

For us, being the “most trusted” means being a business partner indeed that customers in need would give first calls for consultation.

### Looking forward and staying ahead, address societal themes and solve customers’ issues by leveraging the Group’s human capital, technological strength and service qualities

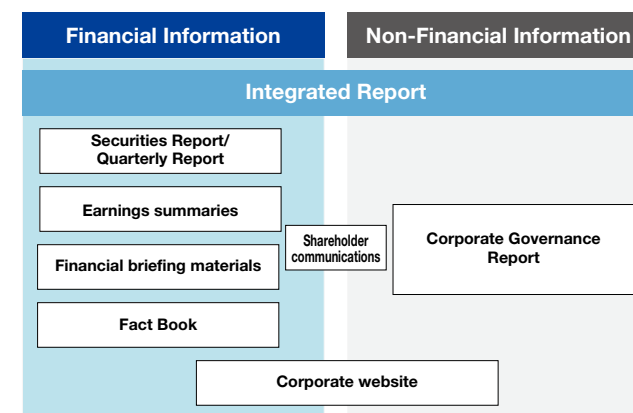
For more information about our Values, see [“Charter of Corporate Conduct”](#).

Based on our “Charter of Corporate Conduct”, our Group has also established [“Action Principles”](#) as standards of conduct for our officers and employees.

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## Information Disclosure Structure



### Editorial Policy

This report is published in the form of an Integrated Report covering the business, performance, and sustainability initiatives of the Marubun Group to convey to shareholders, investors, and other stakeholders our reason for being: "Contribute to a brighter future through technologies." Detailed information concerning finances and sustainability not covered by this report is available on our website.

### Period Covered by this Report

This report covers the period of FY2023 (April 2023 to March 2024) and other periods as specified in the text.

### Cautionary Statement

Statements concerning performance forecasts, etc. in this report are based on information currently available to the Company and on certain premises deemed reasonable. Actual performance, etc. may vary, depending on key factors.

## History

### The History of the Marubun Group

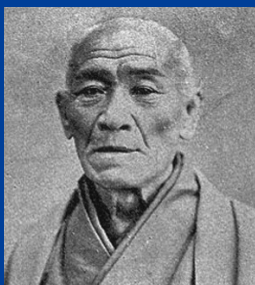
The history of the Marubun Group dates back to 1844.

We have continued to change and grow ever since, adapting our product offerings and business model in line with the times while always embracing new elements.

## 1844 Founded

Our founder, Kakujiro Horikoshi, established the kimono textile wholesaler “Horikoshi” under the shop name “Marubun” at the site of our current company headquarters.

For information about our 180-year history since our founding, see  P. 20.



Kakujiro Horikoshi, founder  
Photo courtesy of  
Fukuzawa Memorial Center



Kimono textile wholesaler  
“Horikoshi” at the time of  
its founding

## 1940 –

First steps as an electronics trading company

**1947** Established MARUBUN CORPORATION



**1949** Established Marusen Corporation as a 50-50 joint venture with Tokyo Tsushin Kogyo Corporation (currently Sony Corporation) and began selling the first Japan-made tape recorder



**1952** Concluded a general agent agreement with Rocke International, Inc. and began the import and sales of U.S.-made equipment in Japan.

**1957** Began handling measuring equipment, followed by import and sales of foreign-made equipment including space and defence equipment, optical equipment, and analytical equipment.

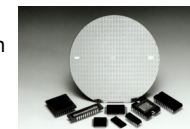
**1958** Began technical service work for imported equipment

## 1960 –

Contribution to the advancement of science and technology in Japan

**1961** Established Marubun Kanazawa Co., Ltd. (currently MARUBUN TSUSHO CO., LTD.)

**1965** Became the first company in Japan to import and sell integrated circuits



**1968** Established a representative office in the U.S.

**1970** Held the Marubun Electronics Show to commemorate the 125th anniversary of the Company's founding



**1975** Became the only trading company to participate in the launch project of the N-I Rocket Project of the National Space Development Agency of Japan (currently JAXA)



©JAXA



## 1980 – Global expansion

- 1983** Established Marubun USA Corporation
- 1985** Established the original logistics center to strengthen logistics functions
- 1988** Established Marubun Electronics (S) Pte. Ltd. in Singapore and began expansion into Asia
- 1989** Established Marubun Taiwan, Inc.
- 1997** Listed on the 2nd Section of the Tokyo Stock Exchange
- 1998** Established Marubun/Arrow Asia, Ltd. as a 50-50 joint venture with U.S.-based Arrow Electronics, Inc.
 
- 1999** Established Marubun/Arrow USA, LLC. as a joint venture with Arrow Electronics, Inc.  
Established FORESIGHT TECHNO CO., LTD. as a joint venture with Mitsuiwa Shoji Co. (currently Mitsuiwa Corporation)

## 2000 – Toward further growth

- 2001** Listed on the 1st Section of the Tokyo Stock Exchange
  - 2005** Established MARUBUN WEST CORPORATION
  - 2008** Acquired AEO (Authorized Economic Operator) exporter status, a first for an electronics trading company
 
  - 2022** Transitioned from the 1st Section of the Tokyo Stock Exchange to the Prime Market
 
- Started operating under a three-business segment structure (Electronic Devices Business, Electronic Systems Business, Electronic Solutions Business)

**2024**  
**180th year since founding**

Proven Sustainability

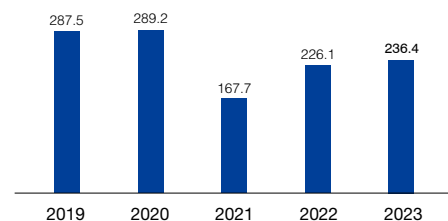
**180<sup>th</sup>**

**As a one-of-a-kind electronics trading company,  
we will continue our journey to  
discover new products and technologies  
and to develop new services**

## Financial Highlights

### Net sales

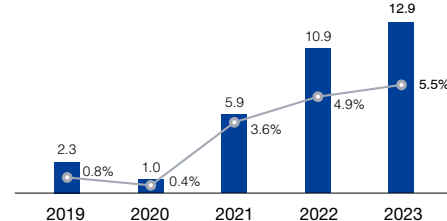
(billion yen)



■ Net sales\*

### Operating income / Operating income ratio

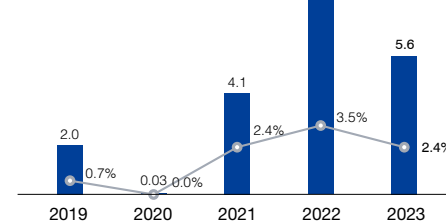
(billion yen)



■ Operating income ○ Operating income ratio\*

### Ordinary income / Ordinary income ratio

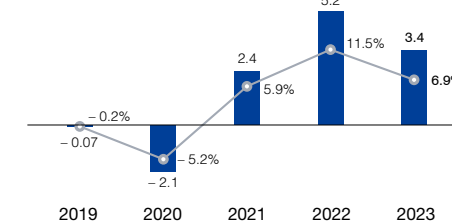
(billion yen)



■ Ordinary income ○ Ordinary income ratio\*

### Profit attributable to owners of parent / ROE

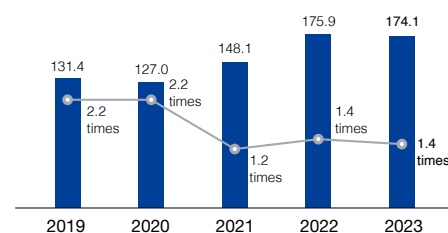
(billion yen)



■ Profit attributable to owners of parent ○ ROE

### Total assets / Total asset turnover ratio

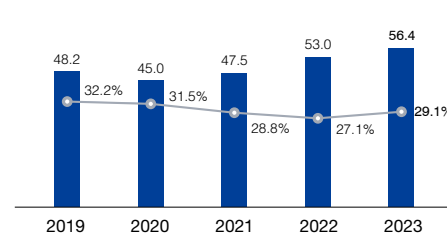
(billion yen)



■ Total assets ○ Total asset turnover ratio\*

### Total net assets / Equity ratio

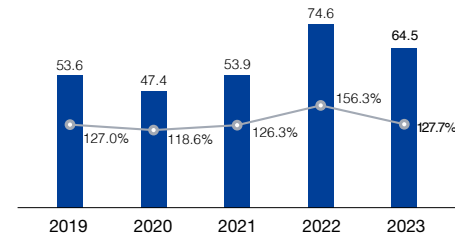
(billion yen)



■ Total net assets ○ Equity ratio

### Interest-bearing debt / D/E ratio

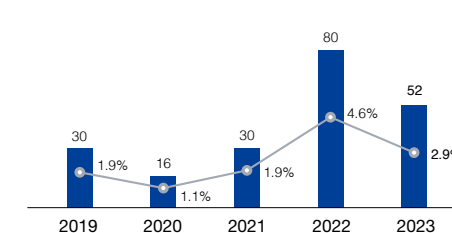
(billion yen)



■ Interest-bearing debt ○ D/E ratio

### Dividend per share / DOE (dividend on equity ratio)

(yen)



■ Dividend per share ○ DOE (dividend on equity ratio)

\* "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of FY2021. Figures for FY2021 and later are figures after application of this accounting standard and other items.



## Non-Financial Highlights



### Business

<b>Number of employees</b>  <b>1,167</b> (consolidated)	<b>Number of customers</b>  Over <b>3,000</b>	<b>Number of suppliers</b>  Over <b>800</b>	<b>Number of items handled</b>  Over <b>200,000</b> items
<b>Number of affiliates</b>  <b>15</b>	<b>Number of countries of business</b>  <b>10</b>	<b>Number of sites</b>  <b>56</b>	<b>Number of website accesses</b>  Over <b>600,000</b> (product sites/year)



### Social

<b>Ratio of women in managerial positions</b>  <b>7.9 %</b>	<b>Ratio of mid-career recruits in managerial positions</b>  <b>17.8 %</b>
<b>Average years of work</b>  <b>16.5 years</b>	<b>Paid leave acquisition rate</b>  <b>73.6 %</b>

Note: Figures for the Social area are for the non-consolidated Company.



### Environment

<b>CO<sub>2</sub> emissions Scope 1</b>  <b>884</b> t-CO <sub>2</sub> (0.7% reduction from the previous fiscal year)	<b>CO<sub>2</sub> emissions Scope 2</b> Market-based <b>893</b> t-CO <sub>2</sub> (6.1% reduction from the previous fiscal year)	<b>CO<sub>2</sub> emissions Scope 3</b>  <b>1,543,110</b> t-CO <sub>2</sub>
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### Governance

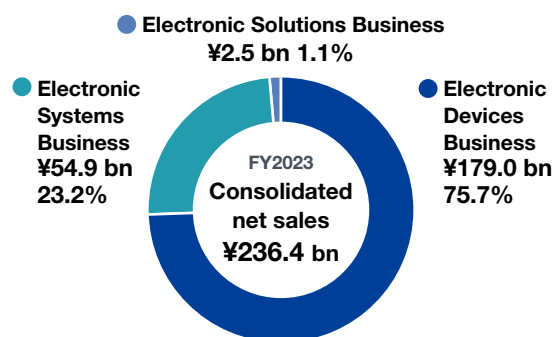
<b>Ratio of outside directors</b>  <b>44.4 %</b> (4 out of 9)	<b>Ratio of female directors</b>  <b>11.1 %</b> (1 out of 9)	<b>Board of Directors Effectiveness Evaluation Score</b>  <b>4.6</b> points (Out of 5 points / Number of questions: 29)
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# The Marubun Group's Business Model

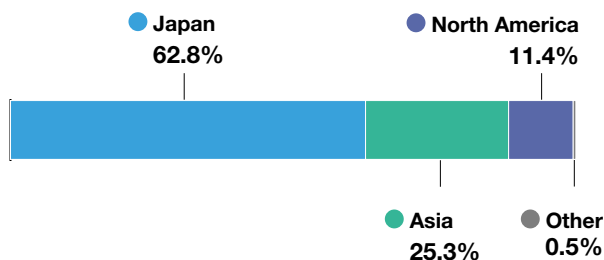
## Business overview

Marubun is an electronics trading company dealing in state-of-the-art semiconductors, electronic components, and electronic equipment. We operate at approximately 50 locations around the world, providing products and services from over 800 suppliers to over 3,000 customers.

## Sales composition ratio by business



## Sales composition ratio by region



\* Sales composition ratio by regions is calculated by adding all of the net sales of equity method affiliates to consolidated net sales

### Electronic Devices Business

 P. 25

We sell components and materials purchased from leading Japanese and overseas semiconductor and electronic component manufacturers to customers, primarily major electric equipment manufacturers. With a wide-ranging product lineup, technical support, and global sales network as strengths, we meet diverse needs.

**Products handled:** Semiconductors, electronic components (crystal oscillators, connectors, passive components, etc.)

**Main sales partners:** Consumer equipment, industrial equipment, communication equipment, and automotive-related manufacturers

#### Consolidated subsidiaries

- Marubun USA Corporation
- Marubun Taiwan, Inc.
- Marubun/Arrow Asia, Ltd.

### Electronic Systems Business

 P. 27

We engage in sales and maintenance services for cutting-edge electronic equipment, systems, and components. We support customers' manufacturing through high-level expertise built up over many years and through end-to-end engineering support that spans equipment introduction to maintenance.

**Products handled:** Space and defence equipment, manufacturing and inspection equipment, laser equipment, medical equipment

**Main sales partners:** Industrial equipment, automotive, and aerospace-related manufacturers; medical facilities

#### Consolidated subsidiaries

- MARUBUN TSUSHO CO., LTD.
- MARUBUN WEST CORPORATION
- FORESIGHT TECHNO CO., LTD.

### Electronic Solutions Business

 P. 29

We develop and sell advanced solutions centered on communications, AI, and robotics, and provide maintenance services. We are creating new services aimed at solving social issues by integrating our extensive product offerings with DX, IoT, and network technologies.

**Products handled:** ICT solutions, AI robots, millimeter wave radar modules

**Main sales partners:** Communication equipment and industrial equipment manufacturers; medical and nursing care facilities

#### Consolidated subsidiaries

- FORESIGHT TECHNO CO., LTD.



# The Marubun Group's Value Creation Model

## Purpose

Contribute to a brighter future through technologies

### Marubun's resources and foundation

#### Mission

Looking forward and staying ahead, address societal themes and solve customers' issues by leveraging the Group's human capital, technological strength, and service qualities

#### Finance

- Effective allocation of capital resources and utilization of internal reserves
- Financial planning and management under listed company regulations

#### Customers and society

- Capabilities for offering proposals to over 3,000 customers
- Partnerships with over 800 suppliers
- Capabilities to promote the "Marubun Brand" in the B-to-B area
- Support for technological advancement through the Marubun Research Promotion Foundation

#### Internal process

- Network of Japanese and overseas sites of Marubun Group companies
- Robust global supply chain management
- Knowledge of advanced technologies, and solutions development capabilities
- Highly reliable operations management
- Meticulous integrated risk management

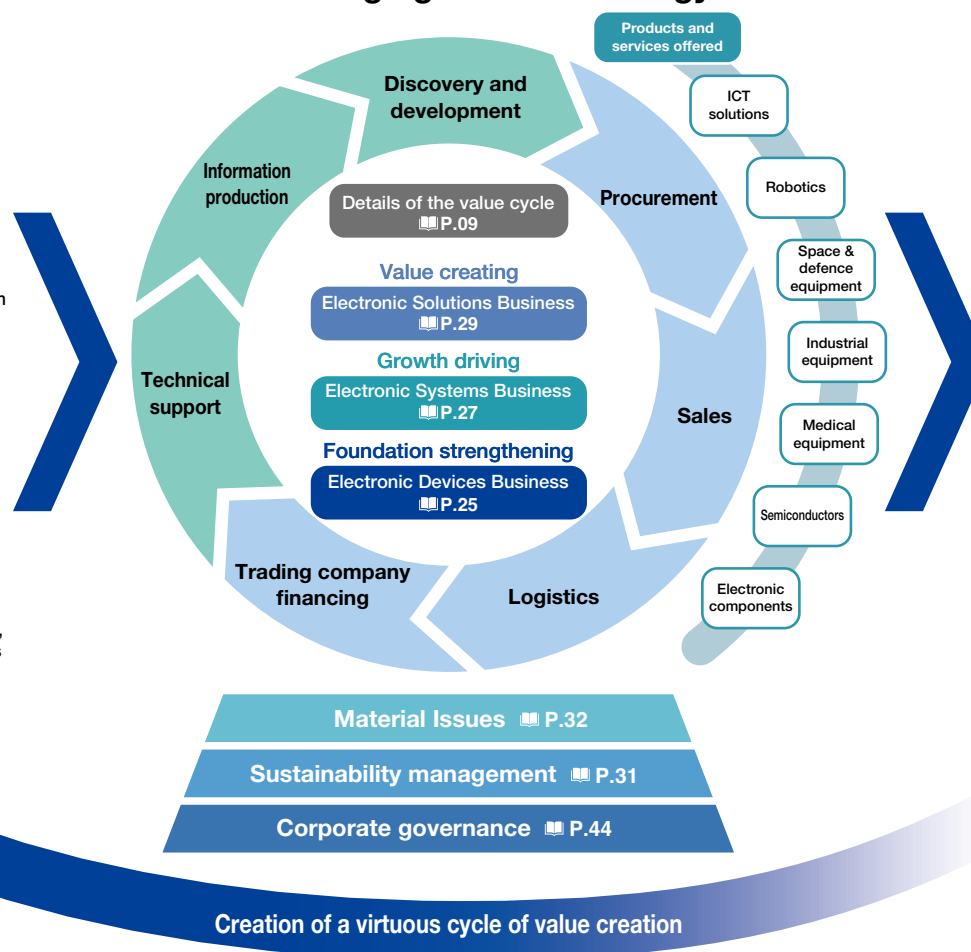
#### Human resources and infrastructure

- Professional "human capital" group with high expertise
- Strategic recruitment, capacity development, and assignment of suitable human resources
- Corporate culture of "innovation and endeavor without fear of failure"
- Highly reliable management information
- ICT infrastructure that supports business continuity and growth

### Marubun's business model and value cycle

#### Medium-Term Business Plan "Marubun Nextage 2024" P.22

## Connecting the Future, Bridging with Technology



### The value Marubun creates

#### Vision

Be the unrivaled and most trusted electronics trading company with unique and original values

Solutions to environmental and social issues  
Contribution to the expansion of economic welfare

Industrial development through the growth of customer companies

Construction of sustainable social infrastructure

Realization of a safe and prosperous society

Further accumulation of management resources  
Further enhancement of management foundation

Accumulation of new technologies and knowledge

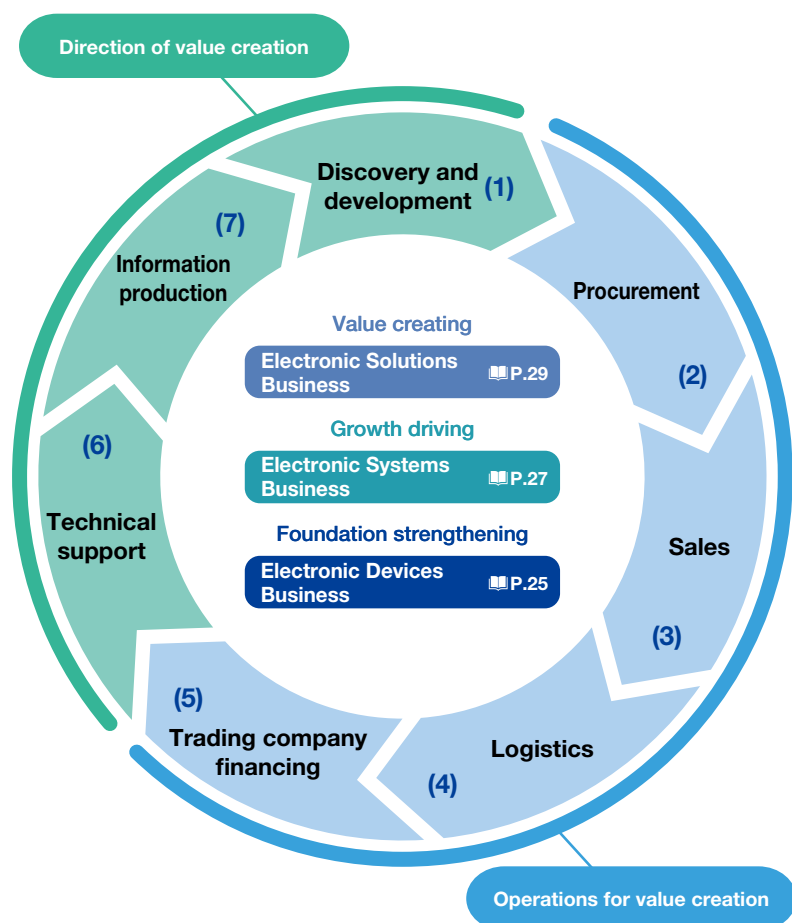
Growth of officers and employees, and engagement enhancement

Further expansion of commercial rights foundation

Realization of consolidated financial targets

## Value cycle

The Marubun Group creates original value by demonstrating strengths in each of following value cycle functions, putting into practice our Purpose of “Contribute to a brighter future through technologies.”



### (1) Discovery and development

With discernment grounded in the spirit of looking forward and staying ahead that has been passed down in our DNA since the founding of the Company, we discover products, technologies, and services on the cutting edge and quickly make them available to customers. We also engage in business acquisitions, venture investments, and other business investments that connect to the further advance of our business.

### (2) Procurement

Handling products and services from over 800 suppliers and working under strategic partnerships, we perform timely procurement of the products that our customers seek from around the world. We are working to expand and enhance our sources of procurement to meet ever-changing diverse needs.

### (3) Sales

We sell high-value-added products and services, always staying close to our customers in the spirit of “Customers First.” We provide on-site support for component procurement and production migration through a global sales network with our partner in the U.S.

### (4) Logistics

Through an advanced logistics management system, we have established an efficient, accurate delivery structure. We ensure product safety through proper management of contained chemical substances, and achieve rapid import/export operations and just-in-time delivery as a certified “specified exporter.”

### (5) Trading company financing

Through the trust and the fundraising capabilities we have built up, we engage in transactions based on inter-company credit, acting at the intersection of suppliers and customers. We reduce financial risks through meticulous management of funding and credit, and ensure business continuity by maintaining an appropriate level of equity capital.

### (6) Technical support

With a specialized technical service department and engineering service company, we offer one-stop services that cover introduction, installation, and maintenance of equipment. We propose equipment, parts, and software combined in optimal systems that meet customers' needs.

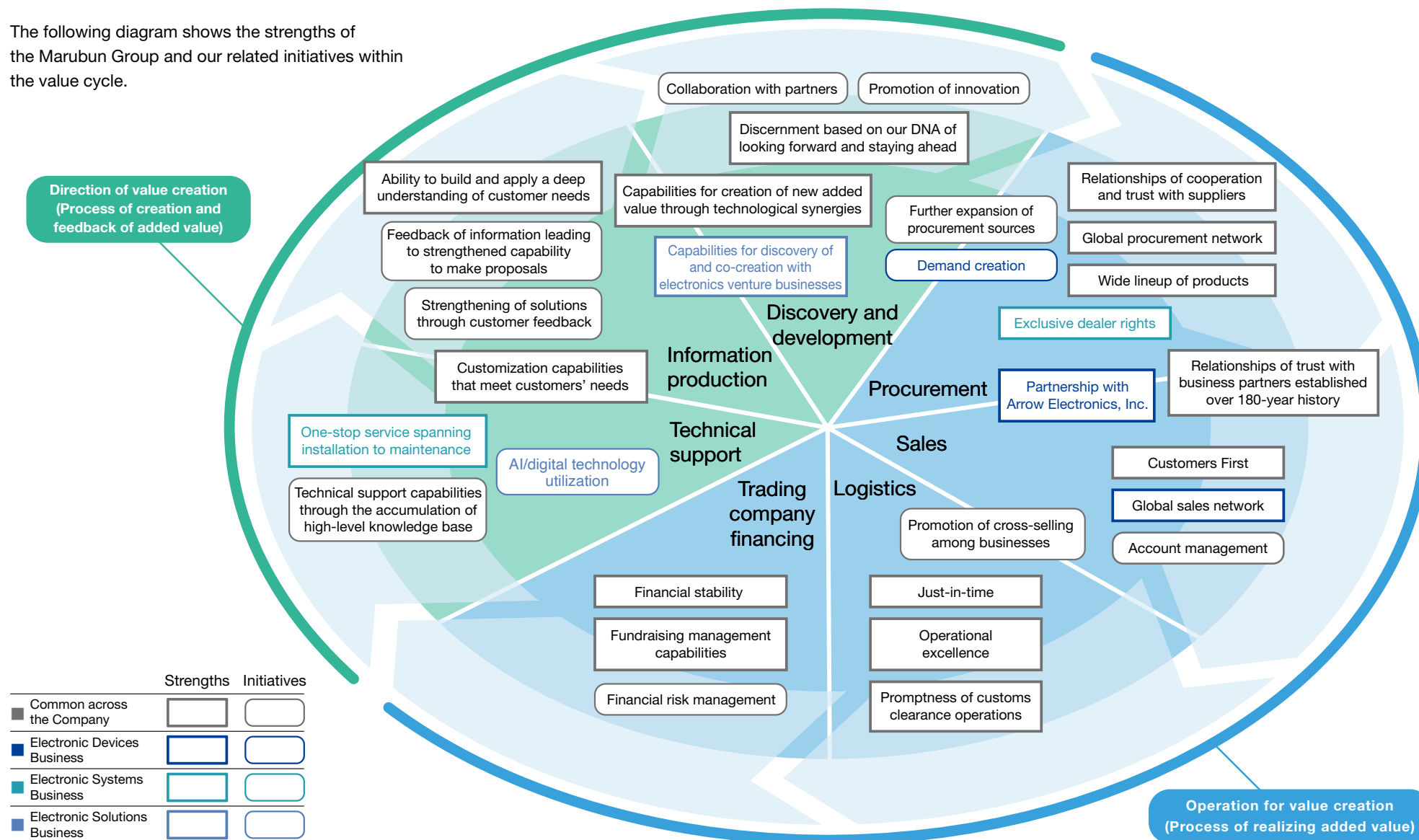
### (7) Information production

While providing customers with up-to-date technical information, we draw on information obtained through our sales activities and engineering services to analyze and assess the challenges and the foreseeable needs of society and customers, and connect this to the creation of new solutions and business models.



## The Marubun Group's strengths and initiatives in the value cycle

The following diagram shows the strengths of the Marubun Group and our related initiatives within the value cycle.



## Message from the CEO



**Toru Iino**

Chief Executive Officer (CEO)  
and Representative Director

## Connecting the Future, Bridging with Technology

The corporate spirit deeply etched into Marubun's DNA will be passed down through the ages.

### A spirit of looking forward and staying ahead that has woven a 180-year history

Looking forward and staying ahead – that spirit is undeniably what has woven the 180-year history of Marubun. Our history began in 1844 at our current location in Nihonbashi Odenma-cho, where the kimono wholesaler Horikoshi began operating under the shop name Marubun. Founder Kakujiro Horikoshi, reading the trends of the time, saw the opening of the port of Yokohama by U.S. Commander Perry as a business opportunity, and became an early exporter of raw silk. He also imported woolen fabrics that could not be produced using Japanese technology at the time, and greatly expanded his business. Horikoshi can truly be considered a pioneer among import trading companies.

After 50 years, the kimono textile business finally came to a close. Amid the wave of modernization, our fourth-generation head, also named Kakujiro Horikoshi, anticipated the growth of Tokyo's population and changed the course of the business toward real estate. The fifth-generation leader, Yoshio Horikoshi, saw Japan's aim to become an industrial nation as a part of recovery from World War II, and decided to withdraw from the real estate business. He established MARUBUN CORPORATION in 1947 with the mission of supporting manufacturing in Japan.

In this way, under the spirit of looking forward and staying ahead, over its long history the Company has undertaken major changes in its business to meet the demands of the times. This stance has been passed down as Marubun's vital DNA.



## **Aiming to be a one-of-a-kind electronics trading company that provides unique and original values**

Since our establishment, we have supported customers' creation of goods and services by consistently discovering and providing outstanding technologies, products, and services in Japan and abroad. Using our power to discern cutting-edge technologies and products and our marketing capabilities to support the introduction of these into Japan's markets, we have built strong partnerships with suppliers while also building relationships

of trust with customers over time, hewing to a "Customers First" philosophy. Since joining the company, I have visited customers countless times as a sales representative in the Electronic Systems Business and have worked to strengthen relationships in discussions. Our relationships of trust with customers are a great strength and asset of our Company. They are the foundation for building relationships with new customers and for earning further trust from overseas suppliers. I believe that these relationships of trust have enabled us to establish our current position as an electronics trading company in Japan and overseas.

I became the Company's CEO and

representative director in 2020, taking up the torch handed down over the generations. At the time I took office, the Company was in a second consecutive year of losses (FY2019 and FY2020), mainly due to the cancellation of special agent agreements with major semiconductor manufacturers. The situation required that we undertake structural reforms involving great pain. The Sales Division, fighting on the front lines, and the back-office departments supporting it, no longer had room to move, and employees seemed to be losing confidence and pride with each passing day. The sailing was truly difficult. However, I was committed to ending this path at any cost and to tackling the next stage together with employees. Ever since our founding, our Company has read the winds of the times and has ably pulled through. We have also built strong relationships of trust with our customers. Our achievements over our long history are the true source of our value. I wanted to restore employees' confidence and pride by instilling this mindset anew.

Since becoming CEO, I had wanted to set "a one-of-a-kind electronics trading company that provides unique and original values" as the course we would follow as an autonomous, independent trading company. When I looked back at what it is that we work for, what our reasons for being are, and what we have valued and protected, I felt that staying ahead of changes in the needs of society, markets, and customers, and solving the issues of society and customers through our people, technologies, and services, are our unique reasons for being. It is vital that we once again ask ourselves what we have inherited from our predecessors and accumulated, and what our reasons for being are. Accordingly, on the 75th anniversary of the establishment of MARUBUN CORPORATION in 2022, we drew on these questions to define our Purpose, Vision, and Mission (■ p. 01) from a long-term perspective. Sharing our Purpose, Vision, and Mission across the Marubun Group as an axis of our management, with each of us solidly understanding and endorsing them, I believe that we can push ahead in everyday work with confidence and pride.



## Promoting the “Marubun Nextage 2024” Medium-Term Business Plan

Our “Marubun Nextage 2024” Medium-Term Business Plan, formulated in 2022 and the first such plan released to external stakeholders by our Company, takes “Connecting the Future, Bridging with Technology” as its slogan aligned with our Purpose. This slogan expresses our desire to fully use the goods, technologies, and services we handle and our knowledge and know-how as an electronics trading company to seamlessly connect the supply chain overall, create innovation, and realize a prosperous future. We have further set forth five policies: (1) Intends to focus on sustainability management, (2) Push forward with a foray into new business fields and the creation of a platform for growth, (3) Refining its focus in existing business and developing solutions, (4) Enhancement of Group management, and (5) Improvement of business operation base and internal processes. We further operate under the policies of practicing the sustainability management that was taken up as an issue in our previous Medium-Term Business Plan; entering into new business fields and establish a platform for growth; and promoting selection and concentration in existing businesses and development of solutions through collaboration within the Group and among segments.

In FY2022, the first year of the new Medium-Term Business Plan, we recorded the highest operating income, ordinary income, and profit attributable to owners of parent since our listing on the stock market. These were all at levels that achieved the financial targets for the plan’s final fiscal year, marking a truly smooth start. The background to this start lay in our efforts to recover the commercial rights we had lost, resulting in the signing of new agent agreements with over 20 suppliers and the generation of profit in excess of that from the lost commercial rights. The driving forces behind this high performance have been our high presence in the market built upon our track record, our relationships of trust with customers, and, above all, the focused efforts of each of our employees.

In FY2023, however, we were hit by powerful changes in the external environment,

including the depreciation of the yen and rising U.S. dollar-based interest rates. As a result, while net sales continued to grow and operating income reached a new high, ordinary income and profit attributable to owners of parent decreased. Even in the midst of such significant external changes, however, we took every action possible, including reduction of inventory and persistent negotiations with both suppliers and customers. Doing so, we were able to achieve all of the target values we had planned at the beginning of the fiscal year.

An inventory adjustment phase has continued in the electronics industry since the previous fiscal year, and recovery of demand is expected to take some time. In addition, the increase in interest paid associated with higher U.S. dollar-based interest rates has been significant, and we expect ordinary income in FY2024 to fall short of the financial target set out in the Medium-Term Business Plan. At the same time, the electronics industry market is expected to continue expanding in the medium to long term amid stable growth in AI-related technologies and semiconductors, as well as the digitalization and greening of the industrial and infrastructure sectors overall. We will capture market growth by steadily deploying growth strategy-based measures, including efforts in the aerospace and defense markets in which Japan has doubled its national budget, and solutions proposals for electric vehicle (EV) production in ASEAN, where the trend to shift away from China has had an impact.



## Issues and initiatives in adapting to changes in the environment

We are now in the midst of a fourth industrial revolution driven by digital technology transformation, a time when the changes to come in the next five years are predicted to equal those of the past 50 years. With population on the decline in Japan, the issue of labor shortages is becoming more serious. There is a need to incorporate digital technologies into all industries and into community living to achieve automation and efficiency. A massive wave of change has arrived, impressing on me that in this era we cannot do battle using ideas and business models that are mere extensions of the past. I believe that we are in a phase in which how we steer our strategies—whether we see major changes in the business environment as great business opportunities or merely as changes in the environment—will significantly change the Company's future.

To adapt to changes in this business environment, I see three issues that we need to address. The first of these is transformation of our business model. With our traditional business model losing validity, it is vital that we review our products, technologies, services, and sales methods without being constrained by our past business domains of the Electronic Devices Business and the Electronic Systems Business. With that purpose, in 2022 we created the Electronic Solutions Business. This business combines our extensive product offerings with AI/IoT and network technologies to offer new added value to customers. In every business, it will be vital that we further stay ahead of advanced technologies. With this in mind, in our current growth areas of focus, we need to further strengthen our consulting capabilities, solution proposal capabilities, and engineer support capabilities, and must highlight these to customers to earn recognition by markets.

The second issue is examination of our forms of organization and enhancement of their agility. When business models change, organizations must also change to optimize the models. If changes occur in customers' businesses, too, our organizations will change

in response. Given the importance of accurately capturing changes in the internal and external environment and creating an environment in which employees can advance their work as one, we are also working to build a system that enables sharing of individual employees' information and skills, along with objective analyses of our strengths and weaknesses, among all employees.

The third issue is the cultivation of organizational capabilities that evoke rapport. Within the organization, I would like to foster diverse ways of thinking, capabilities for accepting diversity in others, capabilities for cooperation, and capabilities for mutually delighting in and admiring each other's passion for challenges and growth.

## Making our human resources strategy the centerpiece of our management strategy

Human resources hold the key to growth opportunities for our Company. As has long been said, the most important management resource for a trading company is none other than its human resources. I believe that our human resources strategy should be the centerpiece of our management strategy, alongside our sales strategy and our financial strategy. I also believe that a company and its employees should have an equal relationship. If we can build true relationships of trust by undertaking personnel measures aimed at strengthening employee engagement as a key issue and maximizing the power of individuals, we are sure to create a virtuous cycle in which the company and its employees become one and grow together. For that reason, we will continue to offer employees opportunities to build their careers and improve their abilities.

To continue and advance our business in the electronics industry as it weathers major changes, we must sustainably provide highly competitive products and services while always earning high profit and market share. We must also increase our flexibility through means such as optimizing our business and organizations in line with changes. In doing so, the systematic recruitment, development, and promotion of the human resources who



will undertake these tasks will grow in importance. Under that thinking, in April of this year we established the Human Capital Committee.

This committee engages in discussions of topics from reviewing our systems to recruitment, training, evaluation, compensation, and infrastructure development, all aimed at building a human capital strategy linked to our Purpose and to our management strategy. The committee will also examine concrete transformation initiatives for fostering organizational capabilities that evoke the rapport that I mentioned.

## **Ramping up sustainability management, creating a virtuous cycle, and achieving sustainable enhancement of corporate value**

As I noted earlier, under our Medium-Term Business Plan we have set a focus on sustainability management as a policy under which we are ramping up initiatives. The business environment is undergoing rapid change worldwide, and increases in geopolitical risks, changes in economic security, soaring costs of resources and materials due to climate change, and other risks are materializing. In order for companies to survive and to continue fulfilling their respective missions under such conditions, I recognize the importance of enhancing resilience and agility to enable response to changes, and of showing those efforts both within and outside the companies.

To strengthen our corporate governance, in FY2023 we appointed our first female outside director and adopted a restricted stock compensation plan. Based on evaluations of the effectiveness of our Board of Directors, we worked to further energize discussions at board meetings, including follow-up on our Medium-Term Business Plan. We are working to promote opportunities for discussions with institutional investors to enhance stakeholder engagement. The publication of Integrated Report 2024 forms another component of this as we continue active dialogues with capital markets. With regard to the environment, we disclose information in line with TCFD recommendations and have expressed our long-term goal of achieving carbon neutrality by 2050. In initiatives related to human capital management, we will work to strengthen our human resources by speedily promoting relevant measures based on discussions within the Human Capital Committee.

In May 2024, our Company announced the material issues of the Marubun Group. We identified five material issues and 13 key themes. In identifying these, we set up a project team, gathered opinions from internal and outside directors, corporate officers, and the



presidents of Group companies, and conducted a comprehensive evaluation of the importance of items, after which the Board of Directors rendered decisions. By promoting initiatives tied to our material issues and by making our KPIs more concrete in accordance with stated goals for our long-term targets, we will continue to further strengthen our sustainability management. In particular, we consider “Enhancement of human capital strategies in alignment with our Purpose” and “Addressing social issues through the development of cutting-edge technologies and solutions” as material issues that we will give priority and focus.

In terms of social contribution, our Company has supported the activities of the Marubun Research Promotion Foundation (migrated in 2010 from the former Marubun Research Exchange Foundation) since its establishment. The Foundation was established in 1997 to contribute to the strengthening of industrial and technological infrastructure in Japan and overseas and to contribute to the sound advancement of Japan’s economy and society in harmony with the international community. Through support for the Foundation, which supports young researchers in advanced fields in Japan and overseas through research exchange grants and commendations for associated research achievements, we will continue contributing to the advancement of next-generation industrial technology.

While sustainability initiatives have a limited impact on short-term performance, they can be considered initiatives for maintaining and burnishing Marubun’s brand value and reputation and for strengthening our organizational capabilities and capturing growth opportunities. We believe that continuously engaging in these will attract outstanding human resources, lead to business advancement and stakeholder satisfaction, and contribute to the stable improvement of our corporate value through the realization of sustainable earnings growth.

## Enhancing our corporate value as we head toward the 200-year mark

As I said at the outset, Marubun is a “super sustainable company” that is celebrating its 180th anniversary. Reaching the 200-year mark has also come into view. Looking back, our road was by no means smooth, and good fortune was no doubt a part of our coming this far. Yet I also believe that our longevity was absolutely inevitable.

The spirit of “looking forward” and “staying ahead” that has been handed down since our founding, along with a spirit of curiosity and endeavor, an unrelenting commitment to cutting-edge electronics, and our customer-first principle of doing everything for the customer. These spirits have been carried forward by successive generations of Marubun employees and remain etched in the hearts of every officer and employee as our reason for being. As we hand down this reason for being into the future, without interruption, I am convinced that achieving the status of a 200-year-old company lies ahead for us. From here on out, we at Marubun will aim to be a one-of-a-kind electronics trading company that is a uniquely trusted, indispensable presence in the electronics industry, and will make further efforts to enhance our corporate value. I hope for the continued support and the high expectations of our shareholders, investors, and other stakeholders.



Toru Iino  
October 2024  
Chief Executive Officer (CEO)  
and Representative Director

## Message from the CFO



**Yuzo Nakada**  
Vice President and Chief  
Financial Officer (CFO)  
Chief Strategy Officer (CSO)

### FY2023 earnings results and next fiscal year earnings forecast

In FY2023, the second year of our “Marubun Nextage 2024” Medium-Term Business Plan, net sales increased by 10.3 billion yen from the previous fiscal year to 236.4 billion yen due to factors including growth in semiconductors for consumer equipment and automobiles. Operating income increased by 1.9 billion yen to 12.9 billion yen, boosted by a yen-denominated gain on sales associated with depreciation of the yen. Both net sales and operating income achieved new highs since our application of the Accounting Standards for Revenue Recognition (as earlier issued by the Accounting Standards Board of Japan) for FY2021 and onward.

However, most of our transactions, from recording of purchases to sales collection, are denominated end-to-end in foreign currencies, and our operating financing also consists largely of US dollar-denominated impact loans. This financing method is intended to implement a natural hedge effect with respect to exchange rate fluctuation risks. However, significant depreciation of the yen resulted in the recording of 3.4 billion yen in foreign exchange valuation loss on foreign currency-denominated liabilities, while foreign currency-denominated interest expenses increased by 1.8 billion yen from the previous fiscal year due to rising US dollar interest rates. The result was a decline of 2.2 billion yen in ordinary income to 5.6 billion yen. Profit attributable to owners of parent declined by 1.8 billion yen to 3.4 billion yen. ROE declined by 4.6 points to 6.9%.

The earnings forecast for FY2024, the last fiscal year of the Medium-Term Business Plan, unfortunately foresaw further declines in the Company’s forecast revenue and

We seek to be a company that continues to grow and to innovate through the creation of unique value as a specialized trading company.

income from FY2023, based on the financial market environment and the forecast for supply and demand trends as at the start of the fiscal year. Considering that the business environment outlook for the electronics sector as a whole remained highly uncertain and that the high US dollar interest rate would likely continue longer than initially expected, our initial forecast for the current fiscal year called for 212 billion yen in net sales, 5 billion yen in ordinary income, and 3 billion yen in net income.

By contrast, we had set 6 billion yen in ordinary income and ROE of 8% as financial goal targets for the final fiscal year of the Medium-Term Business Plan. As of the beginning of FY2024, we would fall 1 billion yen short of the Medium-Term Business Plan’s ordinary income target. To counter the impact of the high US dollar interest rate, the main reason for the expected decline in ordinary income, to even a small degree, we will steadily execute the business strategies set out in the Medium-Term Business Plan. In the area of finances, we will also work to reduce our interest-bearing debt and shorten our turnover period of working assets. The consolidated Group will endeavor with all its might to achieve the financial targets of the Medium-Term Business Plan.

### Enhancing our resilience to changes in the external environment

To address the declining predictability of the electronics sector caused by changes in domestic and overseas environments, it is vital that we boost our profit resilience in the medium and long term by demonstrating synergies among our business segments while diversifying our business portfolio on a consolidated basis. Toward that end, we

must constantly evolve and advance in the areas of the products and services we handle while enforcing our principle of placing the customer first. To do so, we established a new Electronic Solutions Business at the start of the Medium-Term Business Plan.

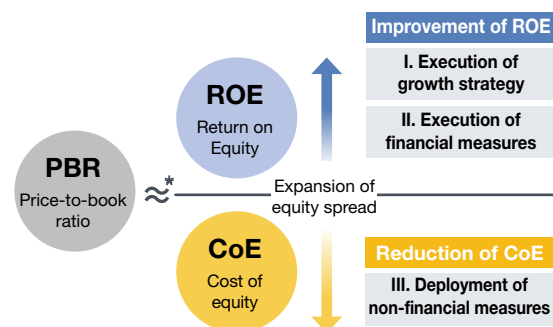
Under our new consolidated three-business segment structure, we clarified the strategic missions of our three businesses: “foundation strengthening business” in the Electronic Devices Business, “growth driving business” in the Electronic Systems Business, and “value creating business” in the Electronic Solutions Business. Through each of these businesses aiming for sustainable growth on the basis of its strategic theme, we believe that we can strengthen the profitability of the consolidated Marubun Group and enhance our resilience with respect to uncertainty.

We are also looking at inorganic growth strategies as paths for sustainable growth. As an example, as we actively explore non-linear growth opportunities regardless of size, in the Electronic Solutions Business we made the decision to invest in Taiwan-based NUWA Robotics Corp. in 2024 and began selling communication AI robots as a distributor in Japan.

## Toward sustainable enhancement of our corporate value

Our Company places importance on ROE aimed at sustainable enhancement of our corporate value. Under current conditions of slightly higher financial leverage after conversion to yen due to yen depreciation, the keys to improving ROE will be the enhancement of profitability as an unending effort in business and high turnover of total assets, particularly inventory and other working assets – that is, the shortening of our cash conversion cycle (CCC). Particularly under high US dollar interest rates, we must boost the efficiency of our consolidated balance sheet, taking into account the profitability of transactions.

It is also important that, as a result of these actions, we improve PBR.



\* An approximate formula when conservatively assuming a future profit growth rate (g) of zero and a given short-term target ROE

Our Company divides our path toward PBR improvement into the two elements of increasing ROE (%) and reducing the cost of equity (%). Our aim is to grow the difference between the two, or the equity spread. Our emphasis on ROE is as mentioned above. However, while the reduction of financial leverage is also a goal, we will not neglect the consideration of allocation of capital toward opportunities for growth investments. Accordingly, while making a stable dividend policy a prerequisite, we recognize that reducing the denominator (equity) and working toward ROE enhancement through its balanced contraction are only secondary issues.

Rather, it is B-to-B business that is the mainstay of our Group. And, as such, we must consider efforts to expand our shareholder base and reduce the cost of equity, by way of earning new recognition and evaluation from a wider range of investors. We will also undertake non-financial measures that include promotion of our IR initiatives. Specifically, we will set promotion of sustainability management, strengthening corporate governance, and improving stakeholder engagement as three themes for reducing the cost of capital, and will promote non-financial measures including the strengthening of IR activities<sup>\*1</sup>.

<sup>\*1</sup> [See our website \(link\)](#) for information on our efforts for sustainable enhancement of our corporate value. The disclosed content is a compilation of our Company's measures in accordance with the Tokyo Stock Exchange's "Request Concerning Action, etc. to Implement Management that is Conscious of Cost of Capital and Stock Price", and is listed as one of 29 examples selected by the Tokyo Stock Exchange for use as reference.  
<https://www.jpx.co.jp/english/equities/follow-up/uorri50000004sse-att/240201en2.pdf>

## Policy concerning capital allocation

The return of profit to shareholders is a key issue in our Company's management. As an addition to our existing dividend payout ratio guidelines, in October 2023 we introduced DOE (dividend on equity ratio) as a new indicator, aiming for the effect of setting a floor limit for dividend amount. Specifically, we will strive to pay continuous and stable dividends with the higher of a dividend payout ratio of 40% or a DOE of 2.5% as a guideline.

With respect to additional capital retained internally as profit surplus, etc. after payment of dividends, our policy is to allocate such retained earnings efficiently and effectively mainly among four priority areas, based on circumstances at the time and with the aim of sustainable growth. Through this, we seek to achieve a virtuous cycle in which we realize sustainable growth through the effective use of internal reserves.

The first priority area is the pursuit of growth investment opportunities. Under themes including digitalization, smartification, IoT, AI, robotics, next-generation communications, and medical care, we will expand our markets in existing domains, enhance our commercial rights, demonstrate synergies in neighboring domains, and enter new promising markets. With regard to business acquisitions and venture investments, while recruiting candidate projects from multiple sources, we have built a structure enabling prompt decisions based on our internally stipulated investment criteria.

The second priority area is investments in work infrastructure. To precisely and agilely respond to the demands of our suppliers and customers and to continuously strengthen our value chain functions, we must flexibly and rapidly review our IT systems. We will also raise the level of our information system, including sales management and managerial accounting, and will connect this to improved profitability and financial feasibility.

The third priority area is investment in human capital (human resources). We will expand our investments in human capital to develop trading company professionals and will also undertake investments in human resources infrastructure and in human resources management system advancements that will lead to strengthening of our competitiveness from a medium- and longer-term standpoint. Our Company established a new Human Capital Committee in the current fiscal year and is actively drafting measures related to human capital strategy.

The final priority area is balance sheet compression. By maintaining an appropriate level of tangible net worth, we will enhance risk tolerance on our business administration and management. Our basic policy is to keep our equity ratio within a range of about 20% to 40% on a yen conversion basis, even under depreciation of the yen.

## To our stakeholders

I built a career of nearly 30 years at a major financial institution. I was stationed in New York and Bangkok for many years and gained experience in investment management and business management for leading local financial institutions. My background was mainly in international business and corporate planning fields. In the latter half of my career, I also served as the Vice President of the Japanese Chamber of Commerce and Industry

abroad and was involved in a number of policy initiatives. I was the General Manager of the Business Administration Division of MARUBUN CORPORATION in 2020, and was assigned to the role of CFO this year.

While the mission of the CFO is wide-ranging, it is my creed that the role calls for a display of self-discipline beyond the standards demanded of listed companies. Public companies, as listed companies are typically termed in English, are public instruments of society and face demands for a high level of transparency and accountability. A prerequisite for this is demonstrating self-discipline beyond the level expected of listed companies. Appropriateness of financial accounting and enforcement of compliance with legal affairs, taxes, and so on are of course requirements, as are the sustainability-related initiatives undertaken from the perspectives of the environment, society, and governance demanded of “responsible business management.” I intend to continue working hard on a foundation of self-discipline and to steadily advance toward the target states that the Company should aim for.

I find our stakeholders reflected in the Company's financial statements. We repay customers through sales, and suppliers through the cost of net sales. In selling, general and administrative expenses, we repay employees and their families through salaries. For financial institutions and other creditors, we pay interests as non-operating expenses. We also repay society through the payment of taxes, and shareholders through dividend payments and enhancement of net assets. I believe that managing a listed company is a matter of earning the trust and appreciation of all these stakeholders while achieving sustainable growth as a public company through the planning and execution of effective and impactful business strategies, financial measures, and non-financial measures. As an outcome of doing so, we will strive to ensure that opportunities to invest in our shares are positively received and to ensure that we consequently achieve and stably maintain a PBR of 1.0 time or higher at an early stage. I cordially ask for your continued support of our business.



## Special Feature: Marubun's 180th Anniversary

**A heritage of looking forward  
that has woven our history.  
The ambition for staying ahead.**



**In 2024, we celebrated the Company's 180th anniversary.**

**As an independent electronics trading company,**

**Marubun does not limit itself to products in specific fields.**

**Rather, we handle a variety of products matched to market**

**needs and to environmental and social changes,**

**working to solve the issues faced by customers and society.**

**Our spirit of looking forward and staying ahead,**

**always fixing our sights on the direction of the times**

**and adapting to coming needs, has been handed down**

**since our founding to create new value today.**

### Our first-generation founder Kakujiro, who anticipated the trends of the times

The history of Marubun began with the founding of a kimono textile wholesaler in 1844.

In 1859, 15 years after our founding, the Edo Shogunate abandoned its long policy of national isolation and opened Yokohama to foreign trade. Squarely addressing this historic event, our founder Kakujiro Horikoshi acted quickly to open a branch in Yokohama. At that time, Japan was then in the midst of the turbulence and exclusionism of the Shogunate's last days and the Meiji Restoration. Kakujiro read the times and took the lead in handling imported textiles.

Kakujiro demonstrated a solid talent as a trader and expanded his business, exporting raw silk while importing muslin fabric. Through his deep friendship with Yukichi Fukuzawa, he contributed to numerous social projects that included cooperation in the establishment of Keio University. Kakujiro was also deeply involved in the establishment of Japan's first foreign exchange bank, Yokohama Specie Bank (later Bank of Tokyo and currently MUFG Bank).

Riding the wave of Japan's opening to the world, Kakujiro grew his business as a pioneering import trading company and contributed to social projects. His foresight and approach to sustainability form the cornerstone of today's Marubun.

### The birth of the electronics trading company Marubun

After our Company transitioned from the kimono textile wholesaling to the real estate business, our fifth-generation leader, Yoshio Horikoshi, established MARUBUN CORPORATION in 1947 amid the turmoil of the post-World War II period.

Under a conviction that working toward industrial prosperity was the only way to rebuild Japan from its ruin, he began importing goods from the industrially advanced U.S. In 1952, we entered into an agreement as the general agent in Japan of U.S.-based Rocke International, Inc., a company with many cutting-edge electronic equipment manufacturers under its umbrella.

From this start, we began handling measuring equipment, space and defence equipment, laser equipment, and other products that are the mainstay of our current Electronic Systems Business. In 1958, we expanded our services by establishing a technology division, a rarity for an import trading company at the time, and built up a track record as an electronics trading company.

## Contributing to technological innovation in Japan

Our spirit of looking forward and staying ahead is also closely linked to Japan's technological innovation.

In 1965, we began the first import and sales of integrated circuits in Japan. In 1975, we became the first trading company to participate in and support the N-I Rocket launch project of the National Space Development Agency of Japan (currently JAXA). Through such actions, we laid the foundation of Japan's electronics industry and contributed to the advancement of science and technology.

Since the late 1980s when Japanese electronics manufacturers began to actively expand overseas, we have established subsidiaries in Asian countries. In 1998, we launched a joint venture with U.S.-based Arrow Electronics, Inc., the world's largest semiconductor distributor, and established a structure by which we could provide the same quality of services overseas as in Japan. This structure continues today, allowing us to achieve prompt procurement of components and materials worldwide together with off-shoring support.

## Now, 180 years after our founding

Adding to the Electronic Devices Business and Electronic Systems Business that are pillars of our business, we established the Electronic Solutions Business in FY2022. We are promoting the discovery of innovative products and technologies and the development of new services, and are addressing social issues including the aging of society, labor shortages, and the shift to greening. We are also promoting the development of new solutions that combine our extensive product offerings with the technologies and know-how we have built up.

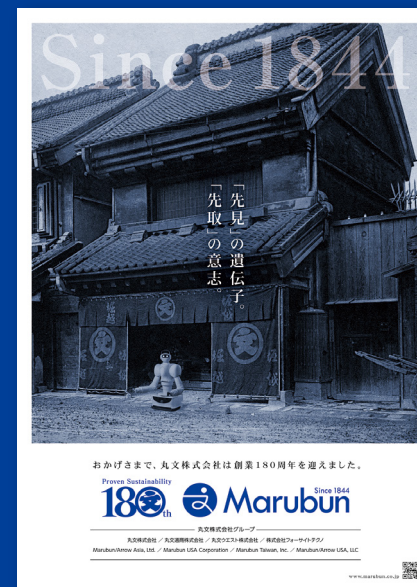
Continually pursuing the needs of the times, we will promote further transformation and evolution and will continue our endeavors aimed at achieving a prosperous future.

## 180th anniversary logo and commemorative posters

We incorporated the store emblem at the time of our founding into the design of our 180th anniversary logo. The words "Proven Sustainability" express our presence as a company that has adapted to the changes of the times to achieve sustainable growth.

Proven Sustainability

180<sup>th</sup>



By pairing the company office building used at the time of Marubun's founding with Aeolus Robot, we express our history from our founding to the present and our spirit of looking forward and staying ahead.

The design incorporates a kimono as a nod to Marubun's kimono textile wholesaler origin. The robot arm emerging from the sleeve expresses our Electronic Solutions Business. The semiconductor, a device which we began to import and sell ahead of competitors, expresses our Electronic Devices Business. The laser light behind the chip expresses our Electronic Systems Business.



# The “Marubun Nextage 2024” Medium-Term Business Plan

Under our “Marubun Nextage 2024” Medium-Term Business Plan formulated in FY2022, we name “Connecting the Future, Bridging with Technology” as the slogan corresponding to our Purpose under which we engage in business.

To be an electronics trading company capable of contributing to the “Next Age” of technological innovation in the “Next Stage,” we are advancing the evolution of our business portfolio and improvement of profitability on a consolidated basis through the drafting and operation of effective strategic measures.

## Corporate Slogan

## Connecting the Future, Bridging with Technology

## Financial objectives

In FY2024, the last year of our Medium-Term Business Plan, we are working to enhance profitability and shareholder capital efficiency under targets of consolidated ordinary income of 6 billion yen and ROE of 8.0% or higher.

	Financial targets for FY2024
Net Sales	<b>210 billion yen</b>
Ordinary Income	<b>6 billion yen or higher</b>
Ordinary Income Ratio	<b>2.9%</b>
ROE	<b>8.0% or higher</b>

## Basic policy

Acting under three growth strategies and two basic strategies, through “Marubun Nextage 2024” we are pursuing opportunities for business development and expansion in electronics-related areas including digitalization, sustainability, next-generation communications, the IoT, AI, robotics, next-generation mobility, and medical and nursing care, while also considering non-organic growth opportunities.

### Growth strategies

<b>Push forward with a foray into new business fields and the creation of a platform for growth</b>	The Group will continuously pursue new opportunities for business growth by boldly taking on challenges in new markets and fields.
<b>Refining its focus in existing business and developing solutions</b>	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.
<b>Enhancement of Group management</b>	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.

### Basic strategies

<b>Intends to focus on sustainability management</b>	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.
<b>Improvement of business operation base and internal processes</b>	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.

## Growth strategies

In addition to undertaking initiatives in our business segments, we are pursuing synergies among these segments.

### Electronic Devices Business P. 25

- ▶ Position as “**foundation strengthening business**,” and seek to maintain and expand global business operations through the development of high-value-added products and the conversion of the product mix
- ▶ Strive for continuous improvement in productivity and efficiency and pursue low-cost operations

FY2024 net sales target

**143 billion yen**

### Electronic Systems Business P. 27

- ▶ Position as “**growth driving business**,” and seek to expand revenue base in new business domains and new markets in addition to sustainable growth in existing businesses
- ▶ Demonstrate group synergy through stronger collaboration among consolidated companies and seek sustainable improvements in customer service quality level

FY2024 net sales target

**63 billion yen**

### Electronic Solutions Business P. 29

- ▶ Position as “**value creating business**” and accelerate development and creation of innovative products, technologies and services in growing markets
- ▶ Contribute to inorganic growth through strategic business acquisitions, investment in promising business ventures and collaboration with external partners

FY2024 net sales target

**4 billion yen**

## Basic strategies

As a Company-wide initiative to strengthen our management foundation, we are advancing the following five measures.

▶ **Strengthen sustainability initiatives and work to enhance information disclosure**

▶ **Develop a foundation for strengthening digital marketing and customer relations**

▶ **Promote the development of an integrated risk management framework and the operational strengthening of risk monitoring**

▶ **Further enhance our corporate governance structure as a company listed on the Prime Market**

▶ **Continuously undertake investment in human resources, development of a comfortable working environment, and development of IT infrastructure**

## Shareholder returns

From FY2022, we have raised our target consolidated dividend payout ratio from 30% to 40% or higher and have paid dividends in line with our business performance. In November 2023, however, we revised our dividend policy to pay more substantial, stable dividends to shareholders.

We now pay shareholder returns under a basic policy of continuous and stable dividends, using the higher of a consolidated dividend payout ratio of 40% or a dividend on equity ratio (DOE) of 2.5% as a guideline.



## FY2023 earnings results and FY2024 forecast

Net sales in FY2023 increased 4.6% year-on-year due to growth in the Electronic Devices Business and the Electronic Systems Business. Operating income increased 18.1% year-on-year due to increased net sales as well as an increase in yen-denominated gross profit under depreciation of the yen. At the same time, as the yen underwent depreciation throughout the period, we recorded a foreign exchange loss of 3,438 million yen. In addition, as interest expenses increased under higher U.S. dollar-denominated interest rates, ordinary income decreased by 28.8% year-on-year and profit attributable to owners of parent decreased by 34.6% year-on-year.

Looking at FY2024, while we expect growth in the Electronic Systems Business and Electronic Solutions Business, we also expect both net sales and profit to decline in the Electronic Devices Business due to inventory adjustments and increased competition across the market.

(million yen)

	FY2022	FY2023	FY2024 (forecast)
<b>Net Sales</b>	226,171	236,490	212,000
<b>Gross Profit</b>	27,264	29,607	25,600
<b>Operating Income</b>	10,997	12,984	8,600
<b>Ordinary Income</b>	7,909	5,627	5,000
<b>Profit Attributable to Owners of Parent</b>	5,201	3,401	3,000

## Overview of business segments

### Electronic Devices Business

In FY2023, demand for semiconductors for consumer equipment grew significantly. Demand for semiconductors for automobiles grew as well. In FY2024, gradual recovery is expected from the second half of the year. Because the inventory adjustment phase is continuing, however, decreases are expected in products for consumer equipment, PC and computer peripheral, and automotive applications.

### Electronic Systems Business

The industrial equipment field was sluggish in FY2023, but sales of diagnostic imaging equipment, etc. grew in the medical equipment field. In FY2024, we expect increases in the space and defence equipment field amid a robust market environment, and expect growth in laser diodes and other products in the laser equipment field.

### Electronic Solutions Business

In FY2023, demand for ICT-related time synchronization systems remained strong, but sales of optical communication products for communication infrastructure decreased. In FY2024, we expect growth in ICT solutions as well as increased sales of AI-equipped communication robots in the field of AI and robotics.

(million yen)

	FY2022	FY2023	FY2024 (forecast)
<b>Net Sales</b>			
Electronic Devices Business	168,872	179,011	150,700
Electronic Systems Business	54,494	54,941	58,000
Electronic Solutions Business	2,805	2,536	3,300
<b>Operating Income</b>			
Electronic Devices Business	8,521	10,510	5,550
Electronic Systems Business	2,438	2,507	2,900
Electronic Solutions Business	42	(28)	150

## Business Strategy

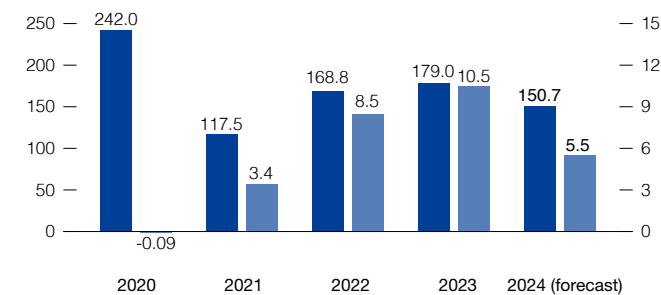
# Electronic Devices Business

### Electronic Devices Business



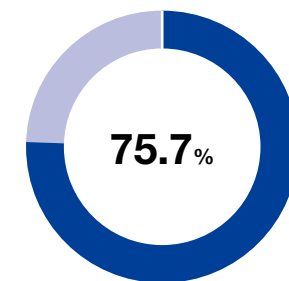
#### Net sales/Operating income

(billion yen)



■ Net sales (left scale) ■ Operating income (right scale)

#### Net sales composition ratio



#### Business strategy

We position the Electronic Devices Business as a “Foundation Strengthening Business” in the “Marubun Nextage 2024” Medium-Term Business Plan, and are tackling the development of new products and new commercial rights along with the maintenance and enhancement of profitability in existing businesses.

While continuing the development of new products and of new sales partners with high added value, we will utilize RPA and other tools to achieve low-cost operations and to improve business productivity and efficiency.

#### Development of new products and new commercial rights

- Focus on the development of new sales partners and of new products with high added value, and work to strengthen our business foundation

#### Maintenance and enhancement of the profitability of existing businesses

- Enforcement of low-cost operations to improve business productivity and efficiency

## ■ A look back at FY2023 and the outlook for FY2024

Net sales in FY2023 increased year-on-year due to factors including growth in semiconductors for consumer equipment. Operating income also increased significantly.

The second half of the fiscal year saw the appearance of an inventory adjustment phase. However, due to our development of over 20 suppliers in the past three years, along with a higher composition ratio of high-value-added products, we achieved a second consecutive year of record-high fiscal year net sales on the basis of transaction volume before application of the Accounting Standard for Revenue Recognition. We also developed emerging markets related to EV and greening through active marketing, and promoted sales expansion to a wider range of customers through collaboration with sales partners. We further expanded sales of electronic components including connectors and field programmable gate array (FPGA) reprogrammable ICs, which are high-value-added products. From here on out, we will focus on inventory optimization for markets in the adjustment phase, work to improve our cash position, and pursue low-cost operations to further enhance our efficiency and productivity.

While our outlook calls for a year-on-year decrease in FY2024 net sales, we expect net sales to significantly exceed the 143 billion yen target set out in the Medium-Term Business Plan, with operating income of 5.5 billion yen.

## ■ Toward sustainable value creation

FY2023 was a symbolic year that could be called the dawn of AI. The semiconductor market is expected to grow to the trillion-dollar scale by 2030, led by automation, mobility, DX, GX, the IoT, and, above all, AI. In the Electronic Devices Business, we plan to further promote the expansion of new customers by developing high-growth product offerings, including power semiconductors featuring high efficiency and high durability. In addition to products for consumer equipment, an area in which we hold strengths, we will focus on customer acquisition in growth areas including industrial equipment and automotive. In the space and defence and medical care areas in which we have built up knowledge over the years, we will work to achieve higher profit while advancing the creation of synergies in collaboration with the Electronic Systems Business and the Electronic Solutions Business. To achieve risk diversification, we will work on developing commercial offerings not only for Europe and the Americas but also for Asia. As the Electronic Devices Business is particularly susceptible to exchange rate fluctuations and U.S. dollar-denominated interest rates, we will undertake initiatives to enhance our resilience toward financial market fluctuations, including reduction of inventory levels and promotion of early recovery of account receivables and reduction of working capital.

In 2024, the sales division, which had been divided into three units, was integrated into one unit to speed up decision-making. By flattening the organization overall and delegating authority to strengthen individual employees, we seek to make this an organization that can turn out numerous young people able to think and make judgments on their own. We are also actively tackling human resources development to develop global human resources and strengthen our capabilities for making proposals. We will further work to raise the level of our solutions marketing, led by the Digital Marketing Promotion Office established in FY2022.

Marubun's Electronic Devices Business has strengths in the solid trust of a customer base of over 3,000 companies, a wide range of suppliers and product offerings, and a global network centered on a joint venture with leading global semiconductor trading company Arrow Electronics, Inc. Building on this management foundation, we will propose technologies and products in AI and other new fields and will contribute to solving the issues of customers and enhancing market competitiveness.

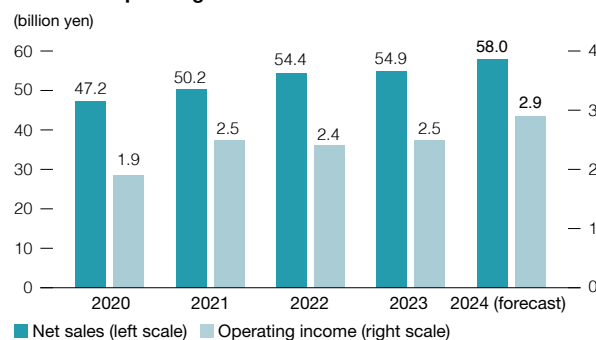
# Electronic Systems Business

## Electronic Systems Business

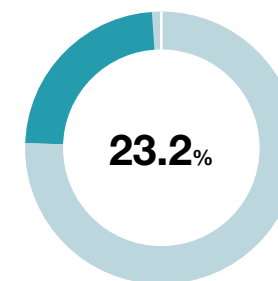


**Hiroshi Imamura**  
Vice President in charge of  
the Electronic Systems  
Business

### Net sales/Operating income



### Net sales composition ratio



### Business strategy

In the “Marubun Nextage 2024” Medium-Term Business Plan, the Electronic Systems Business is positioned as a “Growth Driving Business.” We are tackling three goals in this business: expansion of business scale and earnings bases in new areas, strengthening of competitive advantages in existing areas, and strengthening of collaboration with the Group. Through these initiatives, we will expand the business’s target market and customer base, further hone the high expertise that is our strength, and work to expand services that leverage the Group’s comprehensive strengths. By doing so, we will solidify our position in the market.

#### Expansion of business scale and earnings base in new areas

- Promote the development of new markets and new products

#### Strengthening of competitive advantages in existing areas

- Hone expertise in areas currently handled and solidify position in the market
- Promote horizontal deployment and vertical deepening of the customer base to expand it in Japan and overseas

#### Strengthening of collaboration with the Group

- Further strengthen collaboration with Group companies in Japan and overseas, and globally provide services that leverage our comprehensive strengths



## ■ A look back at FY2023 and the outlook for FY2024

Net sales and operating income in FY2023 remained at the levels of the previous year. This is because while performance remains strong in medical equipment, demand has weakened in laser equipment and industrial equipment due to market inventory adjustments and capital investment reductions.

However, our growth initiatives are progressing steadily. We have promoted our handling of products with cutting-edge technologies in the measurement field and have promoted DX proposals and demonstration testing aimed at semiconductor and electronic component manufacturers and the logistics market. We have also built an industrial equipment sales network for Japanese manufacturers entering Southeast Asia and have strengthened our proposals for laser bonding and processing technologies, including processing of composites and three-dimensional shaping. Looking ahead, we intend to expand our handling of high-end products and promote the development of industrial DX solutions.

In our outlook for FY2024, we expect to capture demand in space and defence equipment and laser equipment and to increase both net sales and operating income. As in FY2023, however, we expect sluggish demand in the industrial equipment market, with net sales falling short of the 63 billion yen sales target set in the Medium-Term Business Plan and operating income remaining at 2.9 billion yen.

## ■ Toward sustainable value creation

In the Electronic Systems Business, we have taken

advantage of our high expertise and knowledge accumulated over many years in the four categories of space and defence, industrial, laser/optical, and medical, always developing new product offerings and providing new services by staying ahead of changes in customer needs and the evolution of goods. The spirit of looking forward and staying ahead has supported the growth of the Electronic Systems Business.

I recognize that I have been assigned a key role in working toward sustainable growth in existing areas based on the noted four categories, while also expanding our earnings base through the development of new product offerings and new areas. As a component of this, we are working to reform employees' mindsets in the Electronic Systems Business under the concept of a shift from selling things to selling services. To optimize sales activities, in April 2024 we reorganized the sales division under a two-department structure, with one department focused on selling products and the other on selling solutions.

The latter department will be at the center of opening up new areas, tackling business expansion under approaches different from those of the past, for example by supplying products that combine multiple modules. We further want to develop a uniquely "Marubun" approach to solutions sales, such as joint sales of equipment and systems developed by customers. In the department focused on selling products, too, it will no longer be possible to survive through sales of commercial offerings only. We need to take a step forward and shift to product sales that solve the diverse issues faced by customers. In FY2023, Group company Marubun Tsusyo delivered strong performance. One factor behind this is the company's proposal

and provision of optimal usage environments for customers, ranging from the planning of equipment deployment to after-sales care following operation, prompt response to troubles, and application of IT to work. As this example shows, it is important that we let customers feel extra value through our provision of timely information and professional engineering support that address their needs.

In each of the noted four categories, we are working to visualize our portfolio divided into four quadrants based on existing products, new products, existing customers, and new customers. We will connect this to the expansion of opportunities for proposals that include the provision of services. In the long term, we intend to form a working group to examine the development of new areas of focus not bound by our existing four categories.

To accelerate these efforts, strengthening collaboration with the Group will also be essential. In addition to the business division within Marubun itself, the Electronic Systems Business has formed a group consisting of the three companies Marubun Tsusyo, Marubun West, and Foresight Techno. As each of these differs in its area of specialization and the region that forms its base, we believe that demonstrating synergies within this group will allow us to deliver better products and services to more customers.

In the Electronic Systems Business, we will continue striving to provide uniquely "Marubun" products and services that contribute to customers' advancement, in order to realize the Company's vision of being the unrivaled and most trusted electronics trading company with unique and original values.

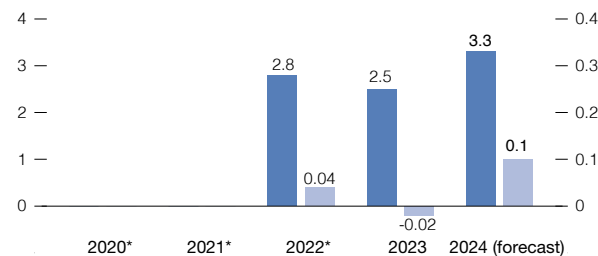
# Electronic Solutions Business

## Electronic Solutions Business



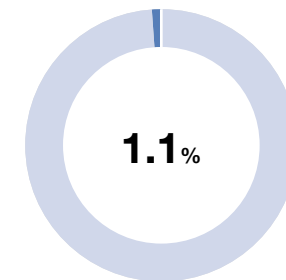
### Net sales/Operating income

(billion yen)



■ Net sales (left scale) ■ Operating income (right scale) \*As the business was established in 2022, data is recorded for FY2023 onward.

### Net sales composition ratio



### Business strategy

The Electronic Solutions Business was established as a “Value Creating Business” in the “Marubun Nextage 2024” Medium-Term Business Plan. We develop, sell, and provide maintenance services for advanced solutions while undertaking the development of high-value-added business, the construction and expansion of new business models, and the enhancement of solutions development capabilities and the creation of group synergies.

Through these initiatives, we continue to discover innovative products and technologies aimed at communication, medical care, nursing care, and other growth markets, as well as to promote their commercialization. Doing so, we aim to establish new business models, including subscription contracts and licensing.

#### Development of high-value-added businesses

- Continuously discover and commercialize innovative products and technologies aimed at growth markets; seek opportunities for investments in promising venture companies and for tie-ups with external partners

#### Construction and expansion of new business models

- Establish new business models such as subscription and licensing

#### Enhancement of solutions development capabilities and creation of group synergies

- Lead collaboration with the Electronic Devices Business and the Electronic Systems Business, and combine products, technologies, and services based on network and IoT technologies to develop solutions unique to the Marubun Group and provide new added value to customers

## ■ A look back at FY2023 and the outlook for FY2024

In FY2023, delays in the launches of several new projects resulted in a year-on-year decline in net sales and the recording of an operating loss.

While monetization as a third pillar of the Group is taking time, we have launched cloud services proprietary to the Company, including Net Predy, a network monitoring service, and Iris Customer Portal, which enables online maintenance. Under a capital alliance with Taiwan-based NUWA Robotics Corp., we have begun sales of AI communication robots for the nursing care and medical markets. We also advanced new measures and strategies for the establishment of a business foundation, including the enhancement of our product offerings in the digital healthcare field.

While net sales will grow year-on-year in FY2024, due to the postponement of new business plans we expect net sales of 3.3 billion yen, lower than our target of 4 billion yen in the Medium-Term Business Plan, along with operating income of 150 million yen.

## ■ Toward sustainable value creation

Our Electronic Solutions Business consists of IRIS Company, which seeks to solve social issues through ICT solutions centered on communications-related technologies, and DIONE Company, which aims to uncover

advanced AI, robotics, and other advanced technologies overseas to solve social issues.

The basic policies of IRIS Company are the acquisition of new product offerings through conventional business models (import and sales of ICT-related products) and the acceleration of initiatives aimed at new missions (service provision-oriented business models). We are transferring income from conventional business models to investment in new missions, and have launched the two cloud services noted earlier as first steps in the construction of a service infrastructure. As challenges remain in monetization, however, we are advancing the construction of a structure for efficiently winning orders by means such as the active use of business process outsourcing (BPO) in sales and marketing related to new missions.

Conversely, the basic policies of DIONE Company are maximization of returns through asset-light businesses such as leasing and recurring transactions, realization of diverse revenue models including subscription and licensing businesses, and the securing of competitive advantages by building win-win relationships with customers and partners. DIONE is active in areas targeting business fields with a high degree of social contribution. These include the fields of medical care, nursing care, and security that face labor shortages due to Japan's low birthrate and aging, and environmental fields such as resource conservation. Specifically, through partnerships

with start-up companies holding unique technologies, we are promoting the adoption of wholly new advanced technologies such as AI-equipped robots and wireless power supply technologies in Japan. We are drawing on our knowledge and know-how to advance initiatives for their rapid and easy adoption, including taking on the in-house development of technologies incidental to the products of supplier companies.

DIONE Company is also building a sales network platform, dividing Japan into six regions and developing sales partners in each. We believe that accumulating know-how aimed at scaling up the business will enable early launches using the sales network platform, even as the product offerings handled and target areas increase. We further provide support for management issues faced by partners that are startup companies, and cooperate in the selection of in-country production plants as well as in the determination of specifications for product development. We hope to develop a scheme for growing together through high-level collaboration that goes beyond capital alliances alone.

In the Electronic Solutions Business, we will continue to aim for monetization as a third business pillar of the Group by solving social and customer issues through initiatives by IRIS and DIODE.

## Sustainability

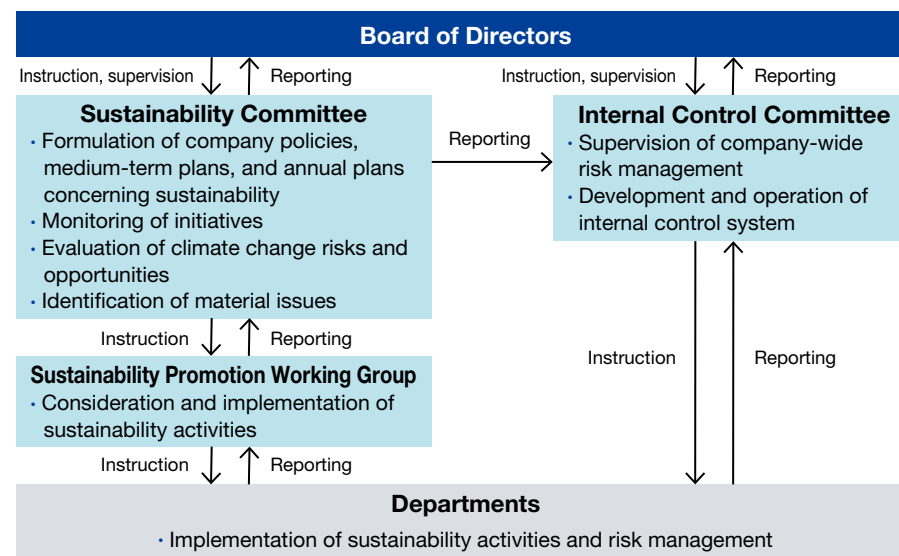
### Basic approach

With “Contribute to a brighter future through technologies” as our Purpose, Marubun is tackling solutions to social issues through the field of electronics. By uncovering the latest products and technologies from around the world and adding our own services and solutions to these, we aim to achieve the enhancement of customer satisfaction and a better society.

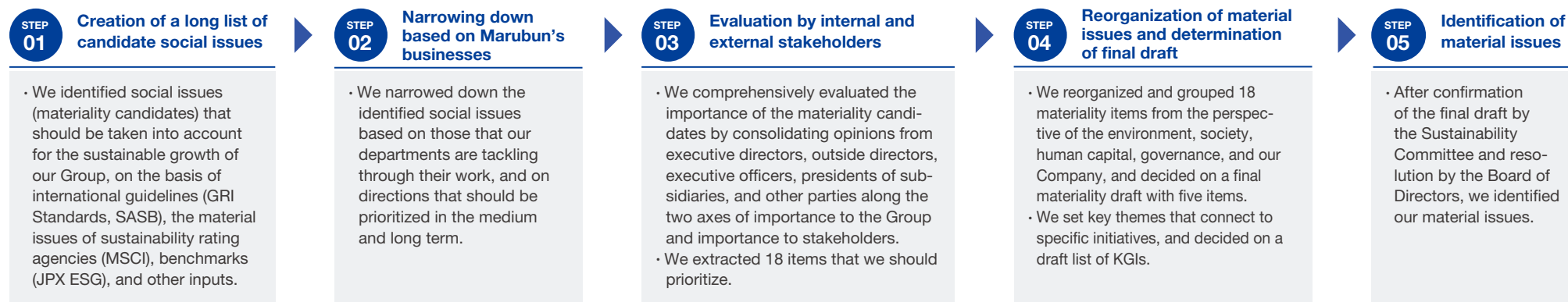
Our Company has established a Sustainability Committee as a structure for discussion and deliberation on the monitoring of initiatives and the formulation of sustainability-related policies and plans under the supervision of the Board of Directors. The Sustainability Committee is chaired by the Representative Director and CEO and has executive directors and the heads of relevant departments as members.

In 2024, we identified our material issues through the process outlined below, with the Sustainability Committee confirming the final draft and the Board of Directors rendering a resolution.

### Sustainability promotion structure



### The materiality identification process





## The Marubun Group's material issues

Material Issues	Key themes	Key goal indicator (KGI for target states)
<b>Contribution to restoration and conservation of the global environment and to its sustainability</b>	Promote initiatives for a recirculating society	<ul style="list-style-type: none"> <li>As a milestone toward achieving carbon neutrality in or before 2050, reduce our in-house GHG emissions (Scopes 1 and 2) to less than 50% of the 2019 level by 2030.</li> <li>Ensure all the industrial waste generated in our business activities is properly monitored and managed until it is completely recycled or disposed of.</li> <li>Continue to be involved in and contribute to the promotion of resource recycling systems that are needed by society through our business operations and investments.</li> </ul>
	Identify and introduce new clean technologies	<ul style="list-style-type: none"> <li>Further expand ecologically sound product lines across consolidated business operations.</li> </ul>
<b>Realization of a safe, prosperous and sustainable society</b>	Expand activities to contribute to society and local communities	<ul style="list-style-type: none"> <li>Promote and maintain support for developing the public good and contributing to organizations.</li> <li>Continually encourage employees to participate in social action programs and contribution activities.</li> </ul>
	Offer reliable products, services and stable supply chain infrastructure	<ul style="list-style-type: none"> <li>All requests from customers regarding the quality and safety of our products and services are properly addressed.</li> <li>Fully obtain our suppliers' understanding and cooperation with our Sustainable Procurement Guidelines.</li> <li>The enhancement of our operational infrastructure and the reliability of our client service operations is realized and maintained at high levels (i.e., our "operational excellence" is effectively achieved and sustained).</li> </ul>
<b>Enhancement of human capital strategies alignment with our Purpose</b>	Strengthen programs for talent acquisition and development to constitute a highly professional group of employees	<ul style="list-style-type: none"> <li>Human capital strategies consistent with our Purpose and our business strategies are properly defined for their implementation, and all relevant human capital management measures are effectively implemented.</li> <li>Support programs for autonomous career development and the cultivation of human resources are effectively designed, established and functioning.</li> </ul>
	Consistently improve employee engagement	<ul style="list-style-type: none"> <li>Continuously enhance employee engagement through various human capital strategies and HR measures.</li> <li>Our Employee Net Promoter Score is always greater than the average for the wholesale industry category that we operate within.</li> </ul>
	Encourage the empowerment and promotion of employees that are women	<ul style="list-style-type: none"> <li>Ensure employees that are women are 15% or more of our management-level employees.</li> </ul>
<b>Establishment and administration of a solidified group governance framework</b>	Continuously improve stakeholder engagement	<ul style="list-style-type: none"> <li>Engagement opportunities for our shareholders and investors are sufficiently offered.</li> <li>Through the improvement of IR events and tools, the quality and quantity of the information we disclose is continuously reviewed, and a high reputation is objectively and comparatively established among our stakeholders.</li> </ul>
	Reinforce the compliance of all Group companies	<ul style="list-style-type: none"> <li>Throughout our consolidated Group businesses, all legal and policy compliance is thoroughly ensured. (We have absolutely zero recognized compliance violation incidents outstanding).</li> </ul>
	Continuously enhance strategy management and risk management frameworks	<ul style="list-style-type: none"> <li>Business plans at the Group level are institutionally decided and reviewed in timely manner in light of macroeconomic trends, and the Group's strategic directions are articulately communicated both internally and externally.</li> <li>The Group's strategic directions and measures are compatible with the management plans of each business unit as well as with each individual employee's goal setting (via Management by Objectives), and the PDCA cycle is organically and consistently functioning at all levels.</li> <li>Integrated risk management is functioning at a high level for the early detection and correction of any specific risk elements or incidents.</li> <li>IT systems infrastructure, which is the foundation for managing information, is maintained stably and operated effectively.</li> </ul>
<b>Addressing social issues through the development of cutting-edge technologies and solutions</b>	Staying ahead of the change in the demand generated by society, introduce products and services with new added value	<ul style="list-style-type: none"> <li>Continue to cultivate, identify and deliver products and services with new added value, by way of exploring new potential value for society.</li> </ul>
	Solve customers' issues by offering solutions as an electronics trading company	<ul style="list-style-type: none"> <li>By effectively capturing customers' concerns and needs, continue to offer measures to respond to customer's by leveraging solution development and technological capabilities.</li> </ul>
	Initiate innovation through strategic partnerships and collaborations	<ul style="list-style-type: none"> <li>Products and services in a new scope of business and new business domains created through strategic partnerships and collaborations are contributing to the expansion of business and the growth of the revenue of the Group.</li> </ul>

# Human Capital

## Basic approach

Since our founding, we have remained a step ahead of the times and have played a pioneering role in achieving a better future. Our human resources have been the driving force supporting our growth throughout this. Viewing these human resources as assets that create value for the Company, we are working to enhance employee satisfaction and happiness in working for the Company and to improve and strengthen the environment so that all employees can maximize their capabilities and work effectively.

## Establishment of the Human Capital Committee

We established the Human Capital Committee in FY2024 to construct and promote a human capital strategy linked to our Purpose and management strategy.

This committee discusses initiatives concerning human capital management, such as the setting of a clear image of the human resources required for achieving our medium- and long-term strategies; construction of a human resources portfolio; recruitment, development, and allocation of human resources; and diversity, equity, and inclusion. By promoting related measures with a sense of speed, the committee advances further strengthening of our human resources.

## Recruitment and development of diverse human resources

Respecting diversity, character, and individuality, our Company stipulates the prohibition of all discrimination within our Charter of Corporate Conduct and works to ensure and enhance psychological safety. We strive to create an environment in which all employees can work with joy, pride, and energy. Making teamwork our foundation, we continue to deploy diverse human resources acquired through routes including new graduate recruitment, second-round new graduate recruitment, and mid-career recruitment, regardless of gender or nationality. Doing so, we hope that employees will motivate each other, grow together, and become strengths of the Company.

Our human resources development aims to cultivate employees' capabilities for executing the job responsibilities necessary for achieving management goals, and emphasizes

on-site practical education based on field-driven human resources development. We combine this practical education with Human Resources Department-led training for the acquisition of knowledge, skills, and a business mindset in accordance with the positions, capabilities, and aptitudes of employees. We support the enhancement of individuals' capabilities by systematically promoting this training with individuals, their superiors, and the Company acting as one.

In training led by the Human Resources Department, we strive to prepare and enrich a variety of curricula for the acquisition of skills required to execute work duties and responsibilities, such as assessing issues in growth and creating motivation for career formation. To foster a career ownership mindset, we offer a wide variety of online training content and correspondence education courses that let employees freely select desired topics for learning, at any place and any time.

For those employees who continue to tackle career autonomy and independence, under our incentive system for acquisition of qualifications we pay incentives matched to the difficulty of the qualifications and pay monthly allowances according to degree of the contribution to work. We continue to support employees' further endeavors while commending individuals' efforts and attitudes toward voluntary learning.

### Educational policy

1. We will strengthen and promote connections between training programs and job responsibility standards set according to employees' positions.
2. In position-specific training, we will promote cultivation and revitalization of the organizational climate through training curricula that incorporate the knowledge, skills, and business mindset required to meet job responsibility standards for specific positions.
3. With the objective of leveraging the effects of training in on-site practical work, we will strive to deeply instill the knowledge, skills, and business mindset learned in training by putting these into practice in work.
4. We will support career autonomy and independence through proactive learning grounded in a career ownership mindset.
5. To enhance the Group's consolidated management structure, we will support skill development for the employees of Group companies.

■ The (non-consolidated) Company's human resources development structure

	Position-specific training	Purpose-specific training	Self-development
Objective	Acquisition of the capabilities, knowledge, skills, and business mindset required for specific positions	Acquisition of knowledge and skills required for the execution of practical work, such as strengthening of language skills	Provision of opportunities for voluntary skill improvement and learning
Form	Group training, online training, individual interviews	Group training, online training	Online training, correspondence education, payment of incentives and allowances

■ Status of participation in the (non-consolidated) Company's education and training

	FY2021	FY2022	FY2023
Rate of participation in training	24.1%	35.1%	47.4%
Total training expenses	10.4 million yen	16.1 million yen	20.1 million yen
Hours of participation per person	17.5 hours	24.0 hours	24.5 hours

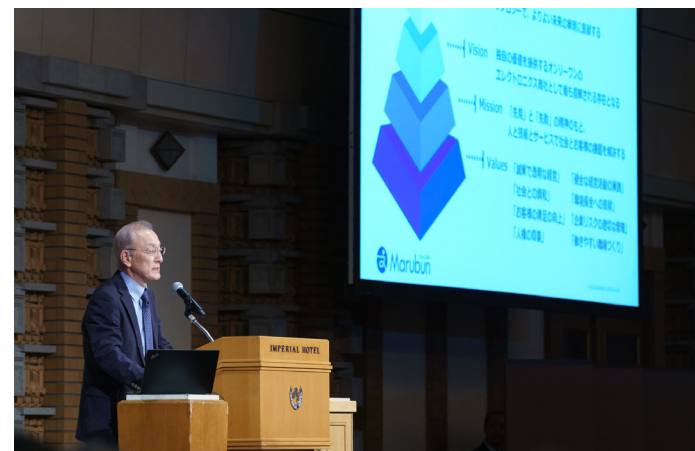
## Working environment in which employees can play active roles

### ● Enhancement of employee engagement

Once a year, our Company conducts an engagement survey for all employees. (eNPS\* improved by 2.8 points from the previous fiscal year in FY2023.) The survey measures employees' awareness of the future potential and degree of social contribution of their business, job satisfaction, degree of satisfaction with evaluations, the securing of growth and career opportunities, and more. We also conduct regular stress check-ups and psychological safety questionnaires to check employees' physical and mental health.

We work to enhance personnel measures based on the survey findings. Through the implementation of town hall meetings (policy briefings) that bring officers and employees together and CEO's luncheon meetings at which the CEO and employees engage in direct dialogue, we are striving to instill our Purpose and our management policies while fostering a sense of unity as a company.

\* Employee Net Promoter Score: An indicator that shows employees' attachment to and degree of trust in the workplace and company



CEO Toru Iino explains our corporate philosophy to all employees



FY2024 Marubun Town Hall Meeting

## ● From work style reform to job satisfaction reform

Since FY2018, our Company has undertaken development of the working environment and the design of a structure that realize diverse ways of working and enhance the ease of work. Specifically, in addition to the implement of remote working and staggered-hours commuting, we have promoted the development of a comfortable working environment through means such as the implement of a hot-desking system system and the designation of multi-purpose floors as places for employees to meet, communicate, and refresh themselves. In the area of child-rearing support, we are working to enhance measures to support child-rearing employees. These include five-day paid leave and other childcare leaves, and extension of the applicable period for work while performing childcare (shortened working hours).

Since FY2022, we have also deepened our efforts toward job satisfaction reform to enhance employees' motivation and engagement. We are introducing a new extension to retirement age, an in-house multiple job program\*, and an optional three-days-off work-week program. In this way, we are undertaking the creation of an environment in which employees will want to continue working at the Company, achieve their own desires and manner of everyday work with a sense of happiness shared with their families, and feel satisfaction in work while demonstrating individuality.

\* A system that promotes autonomous career building and growth through applicants engaging in work in multiple departments in the Company

## ■ Main measures for work style and job satisfaction reform

		Work style reform	Job satisfaction reform
<b>Enhancement of motivation through the creation of a workplace environment conducive to work</b>	Remote working program	○	
	Staggered-hours work program	○	
	In-house multiple job program		○
	Extension of retirement age to 65		○
	Hot-desking system	○	
	Designation of multi-purpose floors	○	
	No-necktie, business-casual dress code year-round	○	
<b>Childcare and nursing care support</b>	Granting of five days of paid leave within childcare leave	○	
	Eligibility for work while performing childcare until the child enters junior high school	○	
	Eligibility for childcare leave until the end of the fiscal year before the child becomes age 2	○	
	Granting of nursing care leave for 365 calendar days from the start of leave	○	
	Eligibility for work while performing nursing care until up to three calendar years from the start of use, without limit on number of times	○	
<b>Enhancement of work-life balance</b>	Implement of hourly leave	○	
	Implement of optional three-days-off workweek program		○
	System for area-limited work at desired work location	○	
	Special transfer measures taking into account circumstances for area-limited workers and their families	○	
	Work-life support allowance for development of remote working environment and self-improvement		○

## ■ Work style- and job satisfaction-related indicators for the (non-consolidated) Company

	FY2021	FY2022	FY2023
<b>Average years of work</b>	16.2 years	16.6 years	16.5 years
<b>Paid leave acquisition rate</b>	63.3%	67.9%	73.6%
<b>Average monthly overtime hours</b>	21.1 hours	19.6 hours	16.5 hours
<b>Rate of undergoing stress check-ups</b>	95.1%	96.7%	97.1%
<b>Rate of undergoing health check-ups</b>	97.2%	98.4%	99.3%



## Diversity

Our Company undertakes varied initiatives based on the following diversity policy.

### Diversity Policy

We respect human rights, character, and diversity, and engage in no discrimination.

- We will not discriminate in employment and will strive for equality in opportunities.
- We will respect the diversity, character, and individuality of employees, and will eliminate discrimination and harassment.
- We will construct a personnel treatment structure that lets diverse human resources fully demonstrate their individual capabilities.

### ■ Diversity-related indicators for the (non-consolidated) Company

	FY2021	FY2022	FY2023
Ratio of women in managerial positions	6.3%	8.0%	7.9%
Ratio of mid-career recruits in managerial positions	17.7%	20.0%	17.8%
Ratio of foreigners in managerial positions	1.0%	2.0%	2.0%

### ● Childcare and nursing care support

To harmonize employees' personal and professional lives, our Company has established programs for childcare leave, work while performing childcare, nursing care leave, and work while performing nursing care.

### ■ Indicators related to childcare leave for the (non-consolidated) Company

	FY2021	FY2022	FY2023
Number of employees using childcare leave	27	23	23
Rate of return from childcare leave	90.0%	100.0%	100.0%

### ● Women's Empowerment

Our Company supports employees' wishes for diverse ways of working, through means including limits on location of work assignments, career transitions, childcare support, and maintaining the use of maiden names. We are striving to improve the environment and programs to help women develop their careers and play active roles through all life-stage events.

For employees who are candidates for managerial positions, we conduct training for them to learn basic knowledge necessary for the management of organizational operations. As a component of ideal work styles, we respect the wishes of every employee and are working to create more a fulfilling work-life balance and offer wide-ranging support for career formation.

As the ratio of women in managerial positions, we have set a target of 10% by the fiscal year ending March 2028 and 15% in the long term.

### Initiatives by Marubun Tsusyo

### The health of employees and Women's Empowerment

MARUBUN TSUSYO CO., LTD., which focuses on the purchase and sale of medical equipment, supports the health of employees by achieving a 100% rate of employee health check-ups and through initiatives including health training camps aimed at the enhancement of health literacy. In recognition of these activities, the company was certified as a corporation that practices excellent health management under the Health and Productivity Management Organization Recognition Program (Large Enterprise Category) of the Ministry of Economy, Trade and Industry and Nihon Kenko Kaigi. The company also actively engages in childcare support measures and the promotion of women to managerial positions, for which it has earned Eruboshi and Platinum Kurumin certifications from the Ministry of Health, Labour and Welfare.



# Environment and Society

## Information disclosure based on TCFD recommendations

### ● Governance

Our Company has established a Sustainability Committee to formulate policies and plans concerning climate change action and other sustainability issues and to monitor related initiatives. (Our sustainability promotion structure is described in “Sustainability (p. 31).” )

### ● Issues and strategies

Our Company is pursuing opportunities for business development and business expansion, based on the following business strategies while considering response to climate change.

<b>Electronic Devices Business</b>	Development of new products and new commercial rights
	Maintenance and enhancement of the profitability of existing businesses
<b>Electronic Systems Business</b>	Expansion of business scale and earnings base in new areas
	Strengthening of competitive advantages in existing areas
	Strengthening of collaboration with the Group
<b>Electronic Solutions Business</b>	Development of high-value-added businesses
	Construction and expansion of new business models
	Enhancement of solutions development capabilities and creation of group synergies

### ・ 1.5°C scenario

Changes in energy policies and the introduction of carbon taxes are expected to increase costs (expenses and purchasing costs). Conversely, while many low-carbon technologies are being put into practical use in the markets we target, the adoption of electronic devices, semiconductors, and electronic components in EVs, industrial equipment, and communication equipment is increasing, and demand is expected to grow. If expected cost increases can be passed on and recovered, we can expect an increase in profit in line with market growth.

### ・ 4°C scenario

This scenario expects that increases in costs (expenses and purchasing costs) will not be as large as under the 1.5°C scenario, but the frequency and intensity of natural disasters will

increase. On the other hand, while markets are not expected to grow significantly, a certain degree of continued growth is expected. Earnings cannot be expected to grow as much as under the 1.5°C scenario, but if expected cost increases can be passed on and recovered, a certain degree of earnings growth matched to market growth can be expected.

### ● Risk management

The Sustainability Committee comprehensively evaluates risks and opportunities related to climate change. In our priority ranking of climate-related risks, we set importance on the basis of factors including the degree of impact of risks and opportunities under multiple scenarios and the content and the magnitude of the impacts on our financial situation. We incorporate the outcomes into our Company-wide risk management plan, which is submitted to the Internal Control Committee chaired by the Representative Director and CEO for approval and is then reported to the Board of Directors.

### ● Indicators and targets

In evaluating our climate change initiatives, we use Scope 1 to 3 greenhouse gas emissions volumes as indicators.

	FY2023 (results)	FY2030 (target)	FY2050 (target)
<b>Scope 1</b>	884 t-CO <sub>2</sub> (non-consolidated Company: 91 t-CO <sub>2</sub> )		
<b>Scope 2</b>	Market-based: 893 t-CO <sub>2</sub> (non-consolidated Company: 542 t-CO <sub>2</sub> )	50% reduction (compared with FY2019)	Carbon neutrality
	Location-based: 930 t-CO <sub>2</sub> (non-consolidated Company: 607 t-CO <sub>2</sub> )		
<b>Scope 3</b>	1,543,110 t-CO <sub>2</sub> (non-consolidated Company: 1,463,041 t-CO <sub>2</sub> )		—

Note 1: Group results are the total figure for the non-consolidated Company and three domestic consolidated subsidiaries.

Note 2: The figure for Scope 3 is the total for categories 1 to 7.

We also consider initiatives in the supply chain to be important to our business. Once a year, we check major suppliers' efforts to reduce greenhouse gas emissions. We also deliver our thoughts and initiatives regarding CSR procurement, including greenhouse gas emission reduction, to other top suppliers on an annual basis as an effort to gain their understanding.

## Strategies impact analysis for 1.5°C and 4°C scenarios

Risk Item	Risk Type	Impact	Risk Details	Opportunity Details	Influence Degree (1.5°C, 4°C)
Changes in energy policy and introduction of carbon tax	Transition risk	Increased expenses, higher purchase prices	Energy costs such as electricity and gas increase. A carbon tax was introduced, increasing the tax burden based on CO <sub>2</sub> emissions. Increased costs associated with energy and carbon emissions, resulting in higher purchase prices of goods and transportation costs.		1.5°C > 4°C
Market changes (automotive)	Transition risk	Sales Increase/Decrease	Opportunity loss and sales decline if commercial products that contribute to EVs and improved environmental and safety performance cannot be expanded.	Sales increase due to the growing use of electronics in automobiles as EVs become more popular and environmental and safety performance becomes more advanced, and demand for semiconductors and manufacturing equipment increases.	1.5°C > 4°C
Market changes (robot/factory automation)	Transition risk	Sales Increase/Decrease	Opportunity loss and sales decline if commercial products that contribute to DX and environmental responsiveness cannot be expanded.	Increased sales due to increased demand for DX and environmentally friendly capital investment.	1.5°C > 4°C
Market changes (telecommunications infrastructure)	Transition risk	Sales Increase/Decrease	Opportunity loss and sales decline if commercial products cannot be expanded to respond to the rapid expansion of ICT/DX and new technologies.	Acceleration of ICT/DX shift to telecom infrastructure, terminals, etc., increases demand and boosts sales.	1.5°C > 4°C
Market changes (next generation technology)"	Transition risk	Sales Increase/Decrease	Opportunity loss and sales decrease if we cannot expand/supply commercial products that meet market demands, such as AI/robotics, remote medical care, renewable energy, etc.	Demand for electronics will increase due to advances in renewable energy and energy storage technologies, and expansion of next-generation technologies such as AI/robotics and remote medical care.	1.5°C > 4°C
Change in stakeholder behavior (investors)	Transition risk	Stock prices	Expansion of sustainability investment will result in companies that are reluctant to address social issues such as climate change and the SDGs being excluded from investment, resulting in a decline in corporate value.		1.5°C > 4°C
Intensification of natural disasters (in-house and supply chain)	Physical risk	Loss, decrease in sales, increase in expenses	Increased natural disasters (e.g., torrential rains/floods) resulting in damage to company facilities and increased relocation requirements. Decreased sales, damage claims, and insurance costs if supply chain is affected.		1.5°C < 4°C

## Initiatives aimed at the global environment

### ● Basic approach

Our Company views environmental issues as a key issue within our corporate activities. Based on our Environmental and Quality Policy, we engage in multi-faceted environmental activities including resource conservation, energy saving, and waste reduction as environmental conservation initiatives.

### ● Examples of initiatives

#### • Switch to LED office lighting

We use low-energy-consumption LED lighting in the head office.

#### • Adoption of eco-cars for company vehicles

We are promoting a switch to eco-cars as lease periods expire.

#### ■ Number of company vehicles and ratio of eco-cars

	FY2019	FY2020	FY2021	FY2022	FY2023
Company-owned vehicles	41	36	27	23	22
Of the above, eco-cars	28	27	20	16	16
Ratio	68.3%	75.0%	74.0%	69.6%	72.7%

#### • Use of green electric power

We use green electric power for a portion of the electric power consumed in our head office building (results in FY2023: 50,000 kWh)



#### • Green Fund administered by the National Land Afforestation Promotion Organization

Our Company supports a variety of initiatives, including forest development and human resource development at home and overseas through forest volunteers and NPOs. We also donate to the Green Fund of the National Land Afforestation Promotion Organization. Donations are used in projects that span the greening of nearby environments to forest maintenance, projects to raise awareness of greenery proliferation, and forest environment education, as well as the invigoration of forest development and human resource development activities.

#### • Use of Rainforest Alliance Certified products

Our Company has introduced vending machines offering Rainforest Alliance Certified\* products.

The tea and coffee that we serve to guests at the Marubun head office are also Rainforest Alliance Certified.

\* A comprehensive certification system aimed at promoting more sustainable agriculture, incorporating protection of forests, respect for workers' human rights, improvement of workers' living conditions, and mitigation of and adaptation to the climate crisis.



## Relations with society

### ● Basic approach

Our Charter of Corporate Conduct sets out that “we will contribute to a sustainable society as a good corporate citizen.” We engage in a number of social contribution activities including support for future researchers, donations to organizations tackling social issues, and interaction with our local communities.

### ● Academic support through the Marubun Research Promotion Foundation

The Marubun Research Promotion Foundation was established in 1997 to contribute to the strengthening of industrial and technological infrastructure in Japan and overseas and to contribute to the sound advancement of Japan’s economy and society in harmony with the international community.

The foundation commends outstanding research achievements of young researchers at universities and at national and public research institutions, and offers research exchange grants. These include grants subsidizing joint research expenses for Japanese researchers at overseas universities and research institutes, as well as research expenses for foreign researchers engaged in research activities at Japanese universities\*.

Endorsing the Marubun Research Promotion Foundation’s initiatives for the continuation of activities aimed at the advancement of next-generation creative industrial technologies, we provide support for researchers through donations to the foundation.

\* The Marubun Research Promotion Foundation has provided over 1,500 commendations and research exchange grants to date. The foundation has supported many researchers whose achievements have subsequently won acclaim. Examples include current Nagoya University professor Hiroshi Amano, who was commended by the foundation in FY2000 for his outstanding achievements as a young researcher at the time, and the late Isamu Akasaki, who had recommended Mr. Amano. The two were among the recipients of the Nobel Prize in Physics in 2014.



### ● Donation to the TABLE FOR TWO International specified non-profit organization

We donate to TABLE FOR TWO International, an organization that provides support for school lunches and for enhanced agricultural productivity in East Africa and Southeast Asia. The organization does so under a mission of eliminating the food imbalances occurring on a global scale and improving the health of people in both developing and developed countries.

### ● Sponsorship of Paralym Art

We are an official partner of the Paralym Art program operated by Shougaisha Jiritsu Suishin Kikou Association, which supports economic independence and social participation for people with disabilities.

### ● Donation of disaster supplies

We donate disaster supplies to General Incorporated Association National Food Bank All Japan.

#### Initiatives by Marubun Tsusyo

##### M Farm

Marubun Tsusyo engages in initiatives with employees, their families, and local residents aimed at food education and raising awareness of food loss through hands-on agricultural experiences. In 2022, the company leased greenhouses under the name M Farm and launched an agriculture project to grow fruits and vegetables. The company conducts activities including harvest festivals for employees and their families and regular donations of harvested produce to children’s cafeterias.



M Farm greenhouse

Donation to the children’s cafeteria

Employees’ families at harvest festival

## Supply Chains

### Basic approach

In expanding our business globally, our Group acts with respect for human rights, complies with laws and social norms in Japan and overseas, practices sound management, and engages in initiatives aimed at sustainable supply chains.

#### ● Sustainable Procurement Guidelines

Our Company has set forth Supply Chain Sustainable Procurement Guidelines aimed at the construction of a management system for achieving sustainable supply chains, with laws and regulations, human rights, the environment, quality, occupational safety, information security, and other factors taken into account. We communicate this to business partners and request their cooperation in ensuring that our initiatives are carried out by our suppliers and even further upstream in supply chains.

#### ● Respect for human rights

With the recognition that respect for human rights is a vital social responsibility of companies and a cornerstone of sustainability management, we are advancing human rights initiatives.

Our Supply Chain Sustainable Procurement Guidelines stipulate compliance with relevant laws and regulations and, with reference to international labour standards as human rights including the Core Labour Standards of the ILO, stipulate respect for the human rights of workers, particularly (1) prohibition of forced labor, (2) prohibition of child labor and consideration for young workers, (3) consideration for working hours, (4) appropriate wages and allowances, (5) prohibition of inhumane treatment, (6) prohibition of discrimination, and (7) respect for freedom of association and the right to collective bargaining. We also conduct education on human rights every year for all executives and employees.

#### ● Initiatives for responsible action on conflict minerals

In accordance with OECD guidelines and US laws and regulations concerning conflict minerals, we are required to disclose information on the use of conflict minerals from conflict zones and high-risk areas, and to engage in responsible minerals procurement. As sustainable procurement initiatives, we work with all parties involved in our supply chains to avoid the use of conflict minerals, and cooperate with surveys by our customers.

#### ● Management of chemical substances in products

With initiatives for the management of chemical substances spreading worldwide, addressing countries' chemical substance management regulations has become a key issue for companies. We respond to diverse demands including chemSHERPA, JAMA sheets, ICP data, and non-use certificates, and make efforts toward the proper management of information on chemical substances contained in products and the seamless communication of information to customers.

#### ● Security export control

We recognize security export control as an item of the highest importance in risk management, and strive to comply with foreign exchange laws, national laws and regulations, and international treaties.

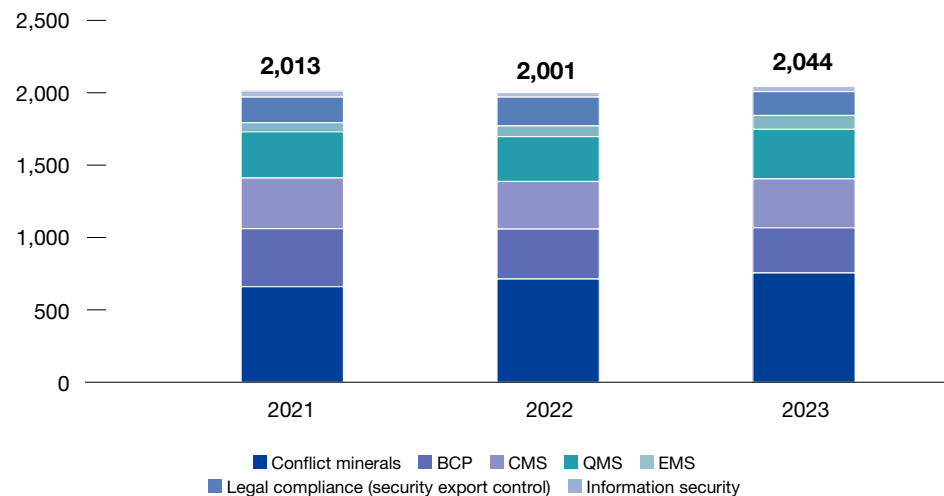
We have established Security Export Control Regulations under which we carry out management of all products based on parameter determination and on review of export-related transactions. In transactions intended for export, we properly notify customers of the results of parameter determination.

## ● Response to supply chain surveys by business partners

Recently, requests from business partners concerning surveys of human rights, environmental consideration, chemical substances contained in products, security export controls, and other supply chain issues have increased as business partners step up their sustainable procurement initiatives. As a responsible company supporting the supply chain, we respond with sincerity to these surveys.

### Content and number of sustainable procurement surveys from business partners

(requests)



## ● Stable supply to business partners

Based on our accumulated know-how as an electronics trading company, we are working toward the stable supply of products by adjusting forecast data from customers and suppliers' production plans, and by maintaining and managing appropriate inventory.

Our Logistics Center develops high-quality logistics services such as efficient picking using a barcode system and complete traceability from arrival to shipment. We achieve fast and fluid export operations, earning certification as an "Authorized Exporter" from Tokyo Customs.

In overseas, we have established a global logistics network in partnership with US-based Arrow Electronics, Inc., and provide powerful support for customers' local procurement of components and materials.

## ● Other initiatives

We actively undertake initiatives for the maintenance of sustainable supply chains, including Tcertification and our Quality and Environment Management System.

 See detailed information [on our website \(link\)](#).



To view our Tcertification Due Diligence report, please visit <https://tpms.ethixbase360.com/IntermediaryDirectory> and search for the company name "Marubun Corporation".

## List of Officers



### Directors

**Toru Iino** (born March 7, 1959)

Front row, center

Chief Executive Officer (CEO) and Representative Director

Number of shares of the Company held: 11,234

**Satoshi Fujino** (born January 22, 1964)

Front row, left

Chief Innovation Officer (CINO) and Senior Vice President

Number of shares of the Company held: 11,128

**Hiroshi Horikoshi** (born May 30, 1979)

Front row, right

Chief Operating Officer (COO) and Senior Vice President

Number of shares of the Company held: 771,019

**Hiroshi Imamura** (born April 17, 1965)

Back row, first from left

Vice President

Number of shares of the Company held: 8,417

**Yuzo Nakada** (born October 17, 1968)

Back row, first from right

Chief Financial Officer (CFO)/Chief Strategy Officer (CSO) and Vice President

Number of shares of the Company held: 9,217

### Outside Directors

**Koji Kakinuma** (born March 3, 1957)

Back row, second from left

Outside Director, Member of the Audit and Supervisory Committee

Concurrent position

Representative, Koji Kakinuma CPA Office  
Member, Registration Screening Committee, The Japanese Institute of Certified Public Accountants  
Chair, Management Supervision Committee, Japan Atomic Energy Agency

**Eiko Kisogawa** (born March 21, 1962)

Back row, third from right

Outside Director, Member of the Audit and Supervisory Committee

Concurrent position

Outside Director, ISEKI & CO., LTD.

**Yoshisaburo Mogi** (born September 26, 1950)

Back row, second from right

Outside Director, Member of the Audit and Supervisory Committee

**Yasuhiko Watanabe** (born January 25, 1942)

Back row, third from left

Outside Director, Member of the Audit and Supervisory Committee



## Corporate Governance

### Basic approach

To meet the expectations of shareholders, business partners, employees, and other stakeholders and to enhance our corporate value, we recognize enhancement of our corporate governance structure as a vital issue in management and strive to practice transparent, fair, and efficient management.

Under this policy, we have established a basic framework and policy for corporate governance and, to achieve sustainable growth and enhance corporate value through the practice of governance, have established and operate our [Corporate Governance Guidelines](#).

### Steps for the strengthening of governance

To enhance our corporate governance structure, we have undertaken the following initiatives.

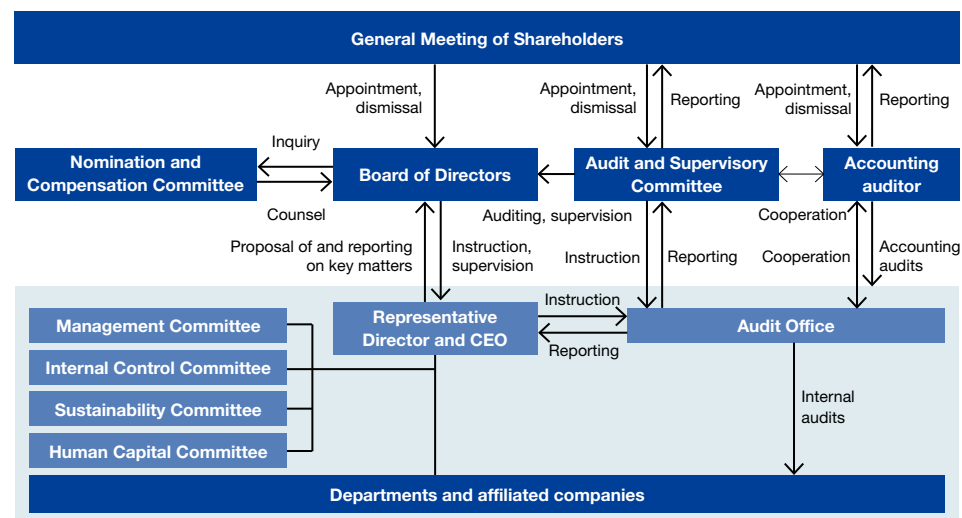
<b>FY2012</b>	Introduction of an corporate officer system
<b>FY2013</b>	Migration to the structure of a company with an audit and supervisory committee
<b>FY2014</b>	Establishment of the Corporate Governance Guidelines
<b>FY2015</b>	Establishment of criteria for determination of the independence of outside directors
	Establishment of a personnel advisory council (currently the Nomination and Compensation Committee)
<b>FY2016</b>	Start of effectiveness evaluations of the Board of Directors
<b>FY2021</b>	Establishment of the Sustainability Committee
<b>FY2022</b>	Disclosure of Skill Matrix for directors
<b>FY2023</b>	Increase in number of outside directors (from 3 to 4)
	First appointment of a female outside director
	Introduction of a restricted stock compensation plan
<b>FY2024</b>	Establishment of the Human Capital Committee

### Overview of our corporate governance structure

By selecting the form of a company with an audit and supervisory committee and establishing an Audit and Supervisory Committee composed of a majority of outside directors, we are working to strengthen our management supervisory functions and to enhance efficiency and mobility by delegating a considerable part of authority over business execution to directors.

Organizational form	Company with an audit and supervisory committee
Number of directors (of which, number of outside directors)	9 (4)
Term of office of directors (excluding directors who are Audit and Supervisory Committee members)	1 year
Term of office of directors who are Audit and Supervisory Committee members	2 years
Adoption of executive officer system	yes
Voluntary committees	Nomination and Compensation Committee, Management Committee, Internal Control Committee, Sustainability Committee, Human Capital Committee
Accounting auditor	Ernst & Young ShinNihon LLC

### Corporate governance structure diagram



## Composition, purposes, and roles of committees and conference bodies

### ● Board of Directors

Marubun's Board of Directors consists of nine directors, including four Audit and Supervisory Committee members who are outside directors.

The Board convenes once a month in principle and whenever necessary to engage in supervision of business execution and in deliberation and decision-making on matters stipulated in laws, regulations, and our Articles of Incorporation, as well as key matters concerning management stipulated in the Board of Directors Regulations.

### ● Audit and Supervisory Committee

The Audit and Supervisory Committee consists of four Audit and Supervisory Committee members who are outside directors.

In principle, the committee convenes at least once every three months and whenever necessary. In addition to auditing the status of the execution of directors' duties, it is responsible for the work of auditing financial and other documents and preparing audit reports. In line with auditing policies and plans determined by the Audit and Supervisory Committee, the committee conducts audits in cooperation with the Internal Audit Division and the accounting auditor.

### ● Nomination and Compensation Committee

The Nomination and Compensation Committee consists of four Audit and Supervisory Committee members who are outside directors.

In principle, the committee meets once a year and whenever necessary. To ensure transparency and fairness in personnel and compensation matters concerning directors, it deliberates and provides counsel on succession planning, the framework for the total of directors' compensation, the structure and method of calculation of directors' compensation, and the appointment and dismissal of directors with diversity and skills taken into account.

### ● Management Committee

The Management Committee consists of five executive directors, including the CEO.

It meets once a month in principle and whenever necessary to consider basic management policies, management plans, and other important management matters, and to deliberate in advance on matters to be resolved by the Board of Directors.

### ● Internal Control Committee

The Internal Control Committee consists of five executive directors and five heads of divisions involved in internal control.

The committee meets once every two months in principle and whenever necessary to monitor the development and operation of the internal control system. The Audit and Supervisory Committee receives regular reporting on the status of the internal control system from the General Manager of the Audit Office (a constituent member) via the Director of the Audit and Supervisory Committee Secretariat.

### ● Sustainability Committee

The Sustainability Committee consists of five executive directors and four heads of divisions involved in sustainability activities.

The committee meets once every six months in principle and whenever necessary to set policies and targets for sustainability activities and to monitor their operation.

### ● Human Capital Committee

The Human Capital Committee consists of five executive directors and three heads of divisions.

It meets once every two months in principle and whenever necessary to discuss, supervise, and monitor matters related to human capital management and to support the promotion of related measures.

## Status of attendance at Board of Directors, Audit and Supervisory Committee, and Nomination and Compensation Committee meetings (as of June 30, 2024)

The status of directors' attendance at Board of Directors, Audit and Supervisory Committee, and Nomination and Compensation Committee meetings in FY2023, as well as the composition of the Board of Directors and the areas of expertise and experience of individual directors, are as follows.

Job title	Name	Attendance status			Skill Matrix						
		Board of Directors	Audit and Supervisory Committee	Nomination and Compensation Committee	Corporate management	Sales and marketing	Industry knowledge, technology and product knowledge	International experience	Finance and accounting	IT and digital	Internal control
Representative Director Chief Executive Officer	Toru Iino	100% (12/12)			●	●	●				●
Senior Vice Presidents	Satoshi Fujino	100% (12/12)			●	●	●	●			●
	Hiroshi Horikoshi	100% (12/12)			●	●	●	●		●	
Vice Presidents	Hiroshi Imamura	100% (12/12)				●	●				
	Yuzo Nakada	100% (12/12)				●		●	●		
Outside Directors (Audit and Supervisory Committee members)	Koji Kakinuma (Independent)	100% (12/12)	100% (6/6)	100% (3/3)					●		●
	Eiko Kisogawa (Independent)	100% (9/9)	100% (4/4)	—	●					●	●
	Yoshisaburo Mogi (Independent)	100% (12/12)	100% (6/6)	100% (3/3)	●	●		●	●		●
	Yasuhiko Watanabe (Independent)	100% (12/12)	100% (6/6)	100% (3/3)	●	●		●	●		●

Note 1: The Board of Directors has met nine times since Eiko Kisogawa was appointed a director on July 28, 2023.

Note 2: The Audit and Supervisory Committee has met four times since Director and Audit and Supervisory Committee member Eiko Kisogawa was appointed an Audit and Supervisory Committee member on July 28, 2023.

Note 3: The Nomination and Compensation Committee has not met since Eiko Kisogawa was appointed a director.

## Evaluation of the effectiveness of the Board of Directors

To ensure that the Board of Directors properly carries out its roles and responsibilities, every year we conduct an effectiveness evaluation aimed at identifying issues and areas for improvement of the Board of Directors and at enhancing its effectiveness.

Our evaluation of the effectiveness of the Board of Directors in FY2023 was as follows.

### ● Evaluation items and processes

Concerning our evaluation of the effectiveness of Board of Directors overall, we requested responses in writing by all directors to questions concerning (1) the size and composition of the Board of Directors, (2) the operational status of the Board of Directors, (3) the support structure for the Board of Directors, (4) the roles and responsibilities of directors, and (5) the operation of the Nomination and Compensation Committee. To enable quantitative and qualitative evaluation, we conducted self-evaluations combining a five-point-scale questionnaire format and free entry fields, and held discussions with the Board of Directors based on the tabulation and analysis results.

### ● Evaluation results

Ratings of the effectiveness of the Board of Directors in the questionnaire were generally high, and we confirmed that our Board of Directors functions properly overall and that its effectiveness is ensured. In particular, exchanges of information among outside directors, the size and composition of the Board of Directors, the frequency of meetings, prior notification of the annual schedule and agenda items, and regular reporting on sustainability and risk management were positively rated as appropriate.

We will continue working to further energize and enrich discussions at the Board of Directors.

## Directors' compensation

Compensation, etc. for directors (excluding directors who are Audit and Supervisory Committee members) is set appropriately for the responsibilities and roles of directors engaged in the execution of business, and is of a content and a level that contributes to the enhancement of corporate value and performance not only in the short term but also in the medium and long term. Compensation amounts are determined within the scope

of compensation resolved at General Meetings of Shareholders, taking into account position and content of work, expected degree of contribution during the target period, consolidated performance, and other factors. The framework for the total amount of compensation, compensation structure, and calculation method are determined by the Board of Directors after obtaining advice and consent from the Nomination and Compensation Committee, which is composed of outside directors.

Compensation for individual directors (excluding directors who are Audit and Supervisory Committee members) is determined by the Representative Director and CEO, appointed to do so by resolution of the Board of Directors, after obtaining advice and consent from the Nomination and Compensation Committee. Determination of the number of restricted shares allotted as compensation to individuals will be determined by resolution of the Board of Directors.

Compensation for directors who are Audit and Supervisory Committee members will be decided through deliberation with said committee, taking into account the content of the directors' duties and other factors from a perspective of ensuring independence and neutrality and within the compensation framework resolved at General Meetings of Shareholders. The total amount of compensation, etc., the total amount by type of compensation, etc., and the number of eligible officers for each category of officer in FY2023 are as follows.

Officer category	Total amount of compensation, etc. (million yen)	Total amount by type of compensation, etc. (million yen)				Number of eligible officers
		Fixed compensation	Performance-linked compensation	Retirement benefits	Of item at left, non-monetary compensation	
Directors (excluding Audit and Supervisory Committee members) (excluding outside directors)	242	129	97	15	29	6
Directors (Audit and Supervisory Committee members) (excluding outside directors)						
Outside directors	34	34				4

Note: Total amount of compensation, etc. for directors does not include the salaries of employees who concurrently serve as directors.

## Messages from Outside Directors

**We conducted an interview with Yoshisaburo Mogi, outside director and Chair of the Audit and Supervisory Committee, about his evaluation of the Company's governance and the role to be played as an outside director. Other messages from three outside directors and Audit & Supervisory Committee members are also included.**



**Yoshisaburo Mogi**

Outside Director  
Chair of the Audit and  
Supervisory Committee

### **Q. How do you view your role as an outside director?**

As an outside director of Marubun Corporation, I always try to keep in mind that I should maintain an “outside” viewpoint while respecting the sense of values cultivated through Marubun’s corporate culture, and toss stones into discussions by the Board of Directors from a perspective different from that within the Company. The four outside directors, myself included, have different work experiences, areas of expertise, and senses of values. I believe that expressing diverse opinions and recommendations based on our individual experiences and knowledge to provide new insights to internal directors and executives is a key role of outside directors.

The topics that companies need to address are wide-ranging, and include those that attract considerable attention from time to time. In recent years, I think these include topics of PBR improvement, climate change, and women’s empowerment. I understand the executive side’s desire to address numerical goals as quickly as possible, but it is vital to understand the essence of problems and to respond appropriately in light of the Company’s true situation. In the Board of Directors, I try to question significance and effectiveness from such a perspective, grounded in fundamental theory.

### **Q. Please tell us how you evaluate the effectiveness of Marubun’s Board of Directors.**

We conduct an evaluation of the effectiveness of the Board of Directors every year. We set questions covering 29 items, based on which each director conducts a self-evaluation addressing both quantitative and qualitative aspects. The Board of Directors then holds discussions based on tabulation and analysis of the responses. As far as can be seen from the results, I believe that our Board of Directors functions properly as a whole and that its effectiveness is ensured. All four outside directors, myself included, frankly express a variety of opinions and recommendations within an atmosphere very conducive to discussion. My sense is that we achieve active discussion. In terms of management, particularly with respect to key agenda items such as investment-related projects, we receive explanations in advance based on detailed materials and are able to devote sufficient time for discussions at Board of Directors meetings.

I appreciate that the Nomination and Compensation Committee has been established to allow transparent discussions in the processes of appointment of directors, decisions on the compensation system, and the selection of new director candidates.



**Q. The “Marubun Nextage 2024” Medium-Term Business Plan is now in its final year. What challenges do you think lie ahead in formulating the next Medium-Term Business Plan?**

“Marubun Nextage 2024” Medium-Term Business Plan is the first medium-term management plan to be externally released by our Company. Until now, such plans have been limited to internal planning purposes, so I see this as a major step forward.

Semiconductors, the main product that we handle, are highly susceptible to market conditions, as expressed in the term “silicon cycle.” I can imagine that setting financial targets in the Medium-Term Business Plan for public release was extremely difficult. While we exceeded those financial targets in the first year, changes in the external environment made conditions difficult in the second year. Based on these points, I think the future challenge lies in what sort of financial goals should be set in the next Medium-Term Business Plan and how we should introduce indicators for non-financial aspects.

I also believe that the Medium-Term Business Plan is an effective way for the Company to share future targets with employees. By clearly defining the Company’s long-term vision and what we should focus on to achieve it in the Medium-Term Business Plan, we can enhance our unifying force. I would also like the Company to draw up its Medium-Term Business Plans with the involvement of employees.

**Q. What do you see as important for Marubun in achieving sustainable growth?**

Without question, the spirit of looking forward and staying ahead that has been passed down since the Company’s founding has been a force shaping its 180-year history. As an example, while semiconductors are a product used in a wide range of industries, not everyone was able to see ahead toward that future at the time the Company began handling semiconductors. One could say that the Company was able to establish its position as an electronics trading company by being able to quickly focus its attention on semiconductors through that spirit of looking forward and staying ahead, and by being able to uncover suppliers and connect them with buyers. I think that passing this spirit on to the future is critical in achieving sustainable growth.



As noted in the expression “a company is its people,” the most important asset for a trading company is human resources. Marubun names “Enhancement of human capital strategies in alignment with our Purpose” as one of its material issues. To achieve sustainable growth, continuous investment in human resources is essential. I hope that the Company will continue to secure some level of funds for human resource development regardless of fluctuations in its business performance.

It is also important that, among countless other companies, Marubun is recognized as “a company chosen by society.” As stated in “Addressing social issues through the development of cutting-edge technologies and solutions,” one of Marubun’s five identified material issues, the Company handles a wide range of products needed by society, including semiconductors and medical products. In order for the Company to be recognized as “a company chosen by society,” I hope that it will contribute to solving social issues through business activities grounded in these material issues. The Company also engages in support for engineering researchers through the Marubun Research Promotion Foundation, a general incorporated foundation established in 1997. As such initiatives will lead to recognition as “a company chosen by society”, I hope the Company will continue them.

In closing, let me say that I intend to continue putting forth frank opinions and recommendations from an “outside” perspective to help realize sustainable growth for the Company.

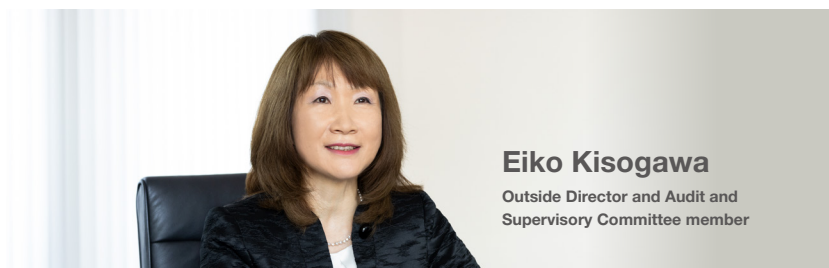


I think the most important point in playing a role as an outside director is to always take part in Board of Directors meetings and to take action from the perspective of wide-ranging outside expertise. To do so, I intend to make use of my varied practical experiences (auditing, consulting, financial and real estate work, etc.) centered on work as a certified public accountant, and will actively contribute to strengthening corporate governance with a focus on proper internal control and financial reporting not only for Marubun Corporation but for Group companies overall.

In achieving those objectives, measures to enhance the effectiveness of the Board of Directors are essential. I recognize that exchanges of opinions have taken place in a free atmosphere within Board of Directors meetings. In FY2023, a female outside director was added as a component of diversity promotion, an improvement enabling broader and more in-depth discussions.

Looking ahead, the Company should go beyond simply promoting diversity of its organizations to also streamline the organization overall, and should strengthen a structure that ensures even more openness to facilitate information gathering by all employees. This action will further enhance the accuracy of information coming up to the Board of Directors and will allow spending more time on substantive discussions.

I believe that this would reinforce the foundation for discussions on Group-wide issues and improvement measures, and so look forward to seeing the executive side take more specific action than before.



I became an outside director of the Company in June 2023. In the Company, now in its 180th year since its founding, a corporate philosophy and culture long valued by management and employees have firmly taken root. As an outside director, I strongly hope to help solidly connect the accumulated corporate value of this venerable company to the next generation, and even more, to put in motion a cycle of value creation.

I previously worked in life insurance, a completely different industry. However, the fundamentals of business are immutable in all industries. I view these fundamentals as how to capture customers' demands or potential needs, how to create products or services from those, and how to communicate new proposals that go beyond customers' imaginations. I have built up my own experience through involvement in work reform based on customers' comments, project management, process construction involving risk management, and corporate management in general. Leveraging this experience and information to the fullest, I intend to offer appropriate advice enabling Marubun to enhance its existential value as a company that solves social issues within Japan's economy.

I also believe that it is important to ensure transparency and rationality in the management decision process by holding multi-faceted discussions from an independent and objective standpoint as an outside director. It is also important to confirm major directions for business strategies aimed at enhancing corporate value, and to monitor the status of the execution of work. From that viewpoint, I will work to enhance the effectiveness of the Board of Directors and to strengthen its management stance.



I hope to be of help to the Company's further advancement, drawing on my experiences in financial institution and real estate development company representative director positions, outside independent officer positions in multiple companies, and overseas posts. Particularly valuable experiences in my career have included coping with the collapse of the real estate bubble in the early 1990s, the sharp contraction of international liquidity due to the Asian currency crisis that began in 1997, the bursting of the IT bubble, and the economic crisis that followed the collapse of Lehman Brothers.

Marubun has now reached its 180th anniversary. Within that long history, the Company has demonstrated strong resilience, overcoming crises and environmental changes including the collapse of Japan's former political system, major earthquakes, and defeat in war. I believe that this has been made possible by the Company always discovering and tackling new challenges, achieving results under outstanding leadership. It is also the result of steadily building relationships of trust with buyers, suppliers, financial institutions, shareholders, and other parties. This has all been made possible by the high capabilities and talents of the Company's employees, who shoulder those tasks.

In that sense, the foundation that will support the future of the Company will surely be securing and developing human resources. In addition to Marubun's existing Electronic Devices Business and Electronic Systems Business as an electronics trading company, the Company has added an Electronic Solutions Business that will tackle the creation of new added value. This is why it is desirable that the Company further develop human resources who can work across domestic and international borders.

Taking that viewpoint, I intend to fulfill my duties as an independent outside director so that the Company can continue to achieve sound growth as a high-quality organization, grow its corporate value, and continue contributing to the creation of a better society in the future.

## Compliance

### Basic approach

In our Charter of Corporate Conduct that presents the basic approach of the Marubun Group to its corporate activities, and in our Action Principles that stipulates judgment criteria for officers and employees of the Marubun Group, we declare our intent to engage in business activities in compliance with domestic and international laws, regulations, and corporate ethics.

We conduct CSR education every year in accordance with our Marubun Group Compliance Policy and work to enforce compliance. We have also established consultation and whistleblowing desks for executives and employees as we work toward the prevention and correction of compliance violations and the improvement of our working environment.

\* [See our website \(link\)](#) for the full texts of the Charter of Corporate Conduct and the Action Principles.

#### Marubun Group Compliance Policy

- (1) As a corporate group, we will develop and continuously improve the compliance management system that forms the basis for our CSR management.
- (2) We will comply with laws and regulations and will engage in corporate activities in accordance with our Charter of Corporate Conduct and our Action Principles.
- (3) Through systematic education and training programs, we will strive to nurture and instill a compliance mindset.

### ● Respect for human rights

Our Action Principles stipulates that we will work toward equality in opportunities without discrimination in employment, will respect the diversity, character, and individuality of employees, will eliminate discrimination and harassment, and will build personnel treatment systems allowing diverse human resources to fully demonstrate their individual capabilities. Through this, we are striving to improve our working environment. To raise awareness and instill widespread understanding of respect for human rights, we conduct human rights-related education every year as a component of our CSR education.

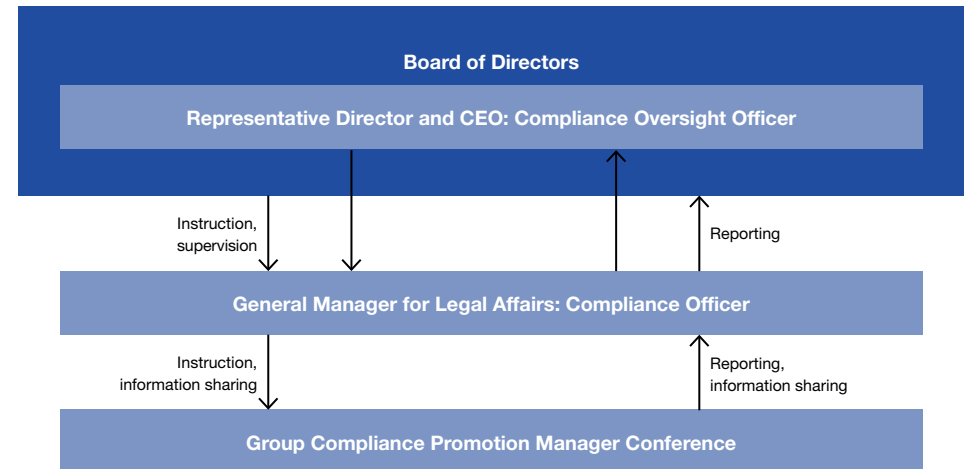
We have also established and communicate guidelines for the prevention of harassment, and have set up a consultation desk dedicated to harassment issues.

### Compliance structure

The Representative Director and CEO serves as the Compliance Oversight Officer, while the General Manager for Legal Affairs oversees the promotion of compliance and the addressing of related problems as the Compliance Officer. We hold Group Compliance Promotion Manager Conference meetings once a year to assess the compliance status of all Marubun Group companies and to share information.

Once a year, the Compliance Officer reports to the Board of Directors on the status of compliance within the Marubun Group.

#### Compliance structure diagram



## ● Implementation of CSR education

Every year, we conduct CSR education on antitrust law, security exports, human rights, diversity, harassment, intellectual property rights, information security, and other topics for all officers and employees of the Marubun Group. To further instill compliance awareness, we aim for a 100% rate of participation in the education.

### CSR education topics

<ul style="list-style-type: none"> <li>Corporate philosophy</li> <li>Sustainability, the SDGs</li> <li>The environment, quality, conflict minerals</li> <li>Security exports and specified exports</li> <li>Antimonopoly Act</li> <li>Subcontract Act</li> </ul>	<ul style="list-style-type: none"> <li>Human rights, diversity, LGBTQ issues</li> <li>Harassment</li> <li>Occupational safety and health</li> <li>Information security</li> <li>Protection of personal information</li> </ul>	<ul style="list-style-type: none"> <li>Prevention of bribery</li> <li>Intellectual property rights</li> <li>Insider trading</li> <li>B-to-C transaction laws and regulations</li> </ul>
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### Number of participants in CSR education (consolidated)

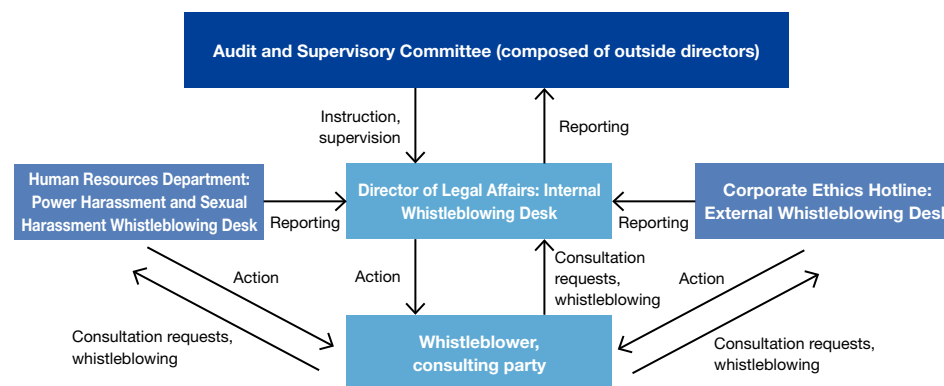
	FY2021	FY2022	FY2023
<b>Directors</b>	19	17	16
<b>Employees</b>	994	997	1,037
<b>Partner companies' employees</b>	132	134	149
<b>Total</b>	1,145	1,148	1,202

## ● Development of a whistleblowing system

To detect and correct misconduct at an early stage, our Group has set up desks inside and outside the Company to handle requests for consultation and whistleblowing from officers and employees concerning organizational or personal violations of conduct, laws, or ethics. Our Corporate Ethics Hotline desk outside the Company accepts contact 24 hours a day via the web, creating an environment conducive to anonymous whistleblowing and consultation requests.

Whistleblower reports and consultation requests received at the internal and external desks are delivered by the General Manager of Legal Affairs to the Audit and Supervisory Committee (composed of outside directors), after which necessary action is taken. We have established Internal Whistleblowing Regulations stipulating that officers and employees engaging in whistleblowing and consultation requests must not be treated disadvantageously and that their personal information must be protected.

### Overview of the whistleblowing system





# Risk Management

## Initiatives for integrated risk management

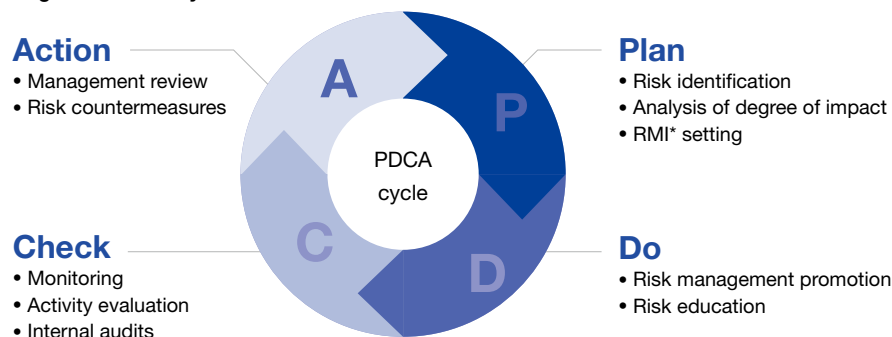
After identifying Group-wide risks in a cross-functional and comprehensive manner, we engage in a variety of initiatives aimed at identifying critical risks and controlling risks.

In the Company's risk management, the Internal Control Committee sets risk management policies and plans, and the General Manager of the Business Administration Division oversees the work of risk management. The Director of Corporate Planning, who serves as the Risk Management Officer, oversees the development of the Company-wide risk management structure and the implementation of risk management plans. The heads of relevant head office departments and the presidents of relevant companies promote risk management activities in their areas of responsibility as a component of the execution of their duties.

### Management and promotion structure

<b>Internal Control Committee</b>	Committee Chair CEO	<ul style="list-style-type: none"> <li>Determine the Group's risk management policies and plans</li> <li>Implement management reviews and direct necessary corrections and improvements</li> </ul>
<b>Risk Oversight Officer</b>	General Manager of the Business Administration Division	<ul style="list-style-type: none"> <li>Oversee all activities and management related to risk management</li> <li>Evaluate risk management activities and direct necessary corrections and improvements</li> </ul>
<b>Risk Management Officer</b>	Director of Corporate Planning Department	<ul style="list-style-type: none"> <li>Oversee the implementation of risk management plans, identify critical risks, and carry out monitoring</li> </ul>
<b>Risk Manager</b>	Heads of relevant departments in the Company Presidents of affiliate companies	<ul style="list-style-type: none"> <li>Identify risks as the responsible managers of departments/companies</li> <li>Formulate and implement risk management plans</li> </ul>
<b>Risk Management Secretariat</b>	Corporate Planning Department	<ul style="list-style-type: none"> <li>Promote PDCA in risk management activities</li> </ul>

### Risk management PDCA cycle



\* RMI: An abbreviation for Risk Monitoring Indicator. It is set as a quantitative evaluation indicator used in evaluation.

## Critical risks

After classifying risks into the nine categories below, we set up and manage about 100 detailed risk management items. We monitor and evaluate these risks under a quarterly management cycle to assess early signs of the emergence of risks and to minimize losses when risks do emerge.

<b>Strategic risks</b>	Risks related to strategy, governance, policy management, business investments, etc.
<b>Business risks</b>	Risks related to products, services, inventories, business partner credit, contracts, marketing, technologies, etc.
<b>Financial risks</b>	Risks related to finance, accounting, taxation, asset procurement and management, etc.
<b>Market risks</b>	Risks related to exchange rates, interest rates, stock prices, etc.
<b>Legal and compliance risks</b>	Risks related to response to laws and regulations, compliance, ethics, etc.
<b>Organizational and personnel risks</b>	Risks related to organizational structure, authority and command, labor and personnel management, etc.
<b>Information risks</b>	Risks related to information systems, information security, etc.
<b>Asset maintenance risks</b>	Risks related to natural disasters, infectious diseases, accidents and malfunctions, etc.
<b>Other risks</b>	Significant risks and foreseen risks other than the above

## Crisis management

When the Company has identified a crisis or the risk thereof, the Director establishes an emergency task force to enact countermeasures. The task force's members are the heads of related head office departments, acting under a task force leader appointed by the Director. These matters are stipulated in our Crisis Management Regulations, which are operative at all times.

In the event of a serious crisis, we establish a structure for prompt initial response, share information with the Management Committee and the Boards of Directors, and take action.

## Financial Summary

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
(million yen)											
<b>Management results:</b>											
Net Sales	260,424	273,683	279,571	270,698	347,508	326,694	287,550	289,283	167,794	226,171	236,490
Gross Profit	18,842	19,146	18,319	20,612	21,161	22,767	18,577	16,217	20,251	27,264	29,607
Operating Income	3,912	4,552	3,212	2,883	3,771	5,048	2,369	1,023	5,994	10,997	12,984
Ordinary Income	3,944	3,886	3,321	2,651	4,218	3,020	2,006	33	4,106	7,909	5627
Profit attributable to owners of parent	2,008	1,990	1,810	1,650	2,077	1,636	(75)	(2,133)	2,437	5,201	3,401
<b>Financial Position:</b>											
Total Assets	110,635	128,313	106,513	125,984	135,796	128,163	131,451	127,006	148,179	175,998	174,120
Interest-Bearing Debt	23,324	23,980	18,366	34,291	43,773	47,726	53,692	47,474	53,927	74,643	64,716
Total Net Assets	42,469	46,302	46,338	47,550	49,177	49,726	48,204	45,040	47,574	53,084	56,433
<b>Cash Flows:</b>											
Net Cash flow from Operating Activities	5,999	2,202	(1,204)	(5,894)	(7,619)	1,992	(309)	15,205	(2,948)	(18,981)	22,694
Net Cash flow from Investing Activities	(162)	(235)	493	(1,862)	(964)	(495)	(582)	(790)	145	(326)	(1,424)
Net Cash flow from Financing Activities	(5,382)	(1,515)	(6,724)	6,282	10,374	1,243	5,188	(8,188)	391	14,071	(20,050)
Free Cash Flows	5,837	1,967	(711)	(7,756)	(8,583)	1,497	(891)	14,415	(2,803)	(19,307)	21,270
<b>Key Indicators:</b>											
Return on Equity (ROE) (%)	5.6	5.1	4.5	4.0	4.9	3.8	(0.2)	(5.2)	5.9	11.5	6.9
Return on Total Assets (ROA) (%)	1.9	1.7	1.5	1.4	1.6	1.2	(0.1)	(1.7)	1.8	3.2	1.9
Total Asset Turnover Ratio	2.4	2.2	2.3	2.4	2.3	2.7	2.5	2.2	1.2	1.4	1.3
Equity Ratio (%)	34.0	31.5	37.9	33.1	31.7	33.9	32.2	31.5	28.8	27.1	29.1
Dividend Payout Ratio (%)	24.7	26.3	43.3	39.6	37.7	47.9	—	—	32.2	40.2	40.0
Dividend on Equity Ratio (DOE) (%)	1.4	1.3	1.9	1.6	1.8	1.8	—	—	1.9	4.6	2.9
<b>Per-share Information:</b>											
Earnings per Share (EPS) (yen)	76.85	76.18	69.26	63.14	79.49	62.61	(2.89)	(81.64)	93.26	199.04	130.07
Net Assets per Share (BPS) (yen)	1,438.90	1,547.74	1,544.30	1,595.81	1,646.67	1,664.82	1,617.98	1,531.10	1,634.26	1,826.99	1,938.07
Annual Dividend per Share (yen)	19.00	20.00	30.00	25.00	30.00	30.00	30.00	16.00	30.00	80.00	52.00

Note: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of FY2021. Key management indicators, etc. for FY2021 and later are values after application of this accounting standard and other items.

## Non-Financial Summary

### Environmental data (total for the Company on a non-consolidated basis and three consolidated subsidiaries in Japan)

	Unit	FY2021	FY2022	FY2023
CO <sub>2</sub> emissions Scope 1	t-CO <sub>2</sub>	933	890	<b>884</b>
CO <sub>2</sub> emissions Scope 2				
Market-based	t-CO <sub>2</sub>	985	951	<b>893</b>
Location-based	t-CO <sub>2</sub>	—	—	<b>930</b>
CO <sub>2</sub> emissions Scope 3	t-CO <sub>2</sub>	—	—	<b>1,543,110</b>
Electricity usage (non-consolidated)	KWh	1,506,000	1,372,000	<b>1,414,000</b>
Renewable energy usage	KWh	19,000	19,000	<b>50,000</b>

Note: The figure for Scope 3 is the total for categories 1 to 7.

### Governance-related data

	Unit	FY2021	FY2022	FY2023
Number of directors	people	8	9	<b>9</b>
Internal directors	people	5	6	<b>5</b>
Outside directors	people	3	3	<b>4</b>
Ratio of female directors	%	0.0	0.0	<b>11.1</b>
Number of Board of Directors meetings	times held	13	13	<b>12</b>
Attendance rate at Board of Directors meetings	%	99.0	98.2	<b>100.0</b>
Number of Audit and Supervisory Committee meetings	times held	6	6	<b>6</b>
Attendance rate at Audit and Supervisory Committee meetings	%	100.0	100.0	<b>100.0</b>
Number of Nomination and Compensation Committee meetings	times held	2	5	<b>3</b>
Attendance rate at Nomination and Compensation Committee meetings	%	100.0	100.0	<b>100.0</b>

### Social-related data (non-consolidated)

	Unit	FY2021	FY2022	FY2023
Number of employees (parentheses indicate consolidated figures)	people	577 (1,119)	588 (1,117)	<b>615 (1,167)</b>
Number of male employees	people	396	406	<b>418</b>
Number of female employees	people	181	186	<b>197</b>
Ratio of women in managerial positions	%	6.3	8.0	<b>7.9</b>
Number of new graduate recruits	people	1	14	<b>20</b>
Ratio of mid-career recruits in managerial positions	%	17.7	20.0	<b>17.8</b>
Average years of work	years	16.2	16.6	<b>16.5</b>
Rate of return from childcare leave	%	90.0	100.0	<b>100.0</b>
Number of employees using childcare leave	no.	27	23	<b>23</b>
Paid leave acquisition rate	%	63.3	67.9	<b>73.6</b>
Average monthly overtime hours	hours/month	21.1	19.6	<b>16.5</b>
Rate of undergoing health check-ups	%	97.2	98.4	<b>99.3</b>
Rate of undergoing stress check-ups	%	95.1	96.7	<b>97.1</b>

## Company Information/Stock Information

### Company Profile (as of March 31, 2024)

<b>Company name</b>	MARUBUN CORPORATION
<b>Address</b>	8-1, Nihonbashi Odenmacho, Chuo-ku, Tokyo 103-8577 JAPAN
<b>Foundation</b>	1844
<b>Establishment</b>	July 1947
<b>Representative</b>	Toru Iino, Chief Executive Officer (CEO) and Representative Director
<b>Capital</b>	6,214,500,000 yen
<b>Number of shares outstanding</b>	28,051,200
<b>Stock Market</b>	Tokyo Stock Exchange Prime Market (Code: 7537)
<b>Fiscal year</b>	April-March
<b>Business description</b>	An electronics trading company selling cutting-edge semiconductors, electronic components, and electronic equipment
<b>Number of employees</b>	1,167 (consolidated) 615 (non-consolidated)

### Affiliates

#### Japan

- MARUBUN TSUSYO CO., LTD.
- MARUBUN WEST CORPORATION
- FORESIGHT TECHNO CO., LTD.

#### International

- Marubun Taiwan, Inc.
- Marubun USA Corporation
- Marubun/Arrow Asia, Ltd.
- Marubun/Arrow USA, LLC.
- Marubun/Arrow (S) Pte Ltd.
- Marubun/Arrow (HK) Ltd.
- Marubun/Arrow (Thailand) Co Ltd.
- Marubun/Arrow (Phils) Inc.
- Marubun/Arrow (M) Sdn Bhd.
- Marubun/Arrow Electronics (Shenzhen) Company Limited
- PT Marubun Arrow Indonesia
- Marubun-Arrow Mexico, S. de R.L. de C.V.

### Shareholder composition (as of March 31, 2024)

#### Shareholding ratio by owner



\* "Individuals and others" includes 1,893,000 shares of treasury stock.

#### Major shareholders

Shareholder	Shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	2,494	8.89
Arrow Electronics, Inc.	2,350	8.38
Marubun Research Promotion Foundation	2,304	8.21
MARUBUN CORPORATION (treasury stock)	1,893	6.75
K.K. Chiba Public Golf Course	1,399	4.99
Kiichi Horikoshi	1,132	4.04
HORIKOSHI LLC.	800	2.85
Hiroshi Horikoshi	771	2.75
Custody Bank of Japan, Ltd.	625	2.23
Momoko Horikoshi	602	2.15

Note 1: Number of shares held is rounded down to the nearest thousand.

Note 2: Shareholding ratio is rounded down to two decimal places.



**MARUBUN CORPORATION**

8-1, Nihonbashi Odenmacho, Chuo-ku, Tokyo 103-8577 JAPAN  
[www.marubun.co.jp/en/](http://www.marubun.co.jp/en/)