Marubun Since 1844

MARUBUN REPORT 2026

MARUBUN CORPORATION Integrated Report 2026

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."

Purpose represents significance of corporate existence.

PURPOSE

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.

Vision represents target state of the Marubun Group.

VISION

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.

Mission represents daily efforts of the Marubun Group.

MISSION

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

Values represent principle and philosophy of the Marubun Group values.

VALUES

Management with integrity and accountability / Fair business activities / Contribution to sustainable society / Contribution to environmental conservation / Enhancement of customer satisfaction / Effective enterprise risk management / Respect for human rights / Development of an employee-oriented work environment

For more information about 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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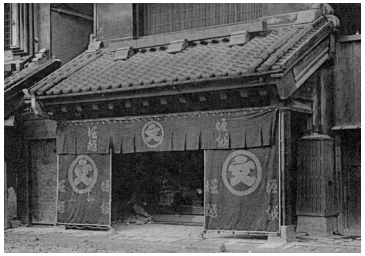

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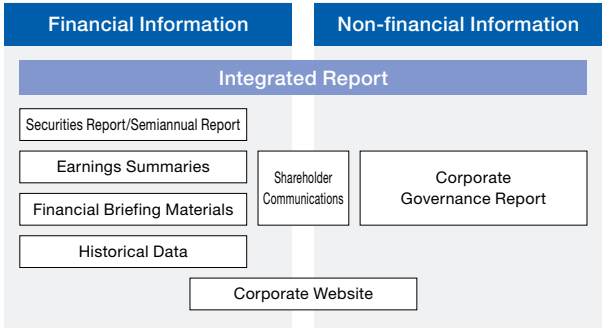


Editorial Policy

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 FY2025 (April 2025 to March 2026) 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.

Marubun's History and Future

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.

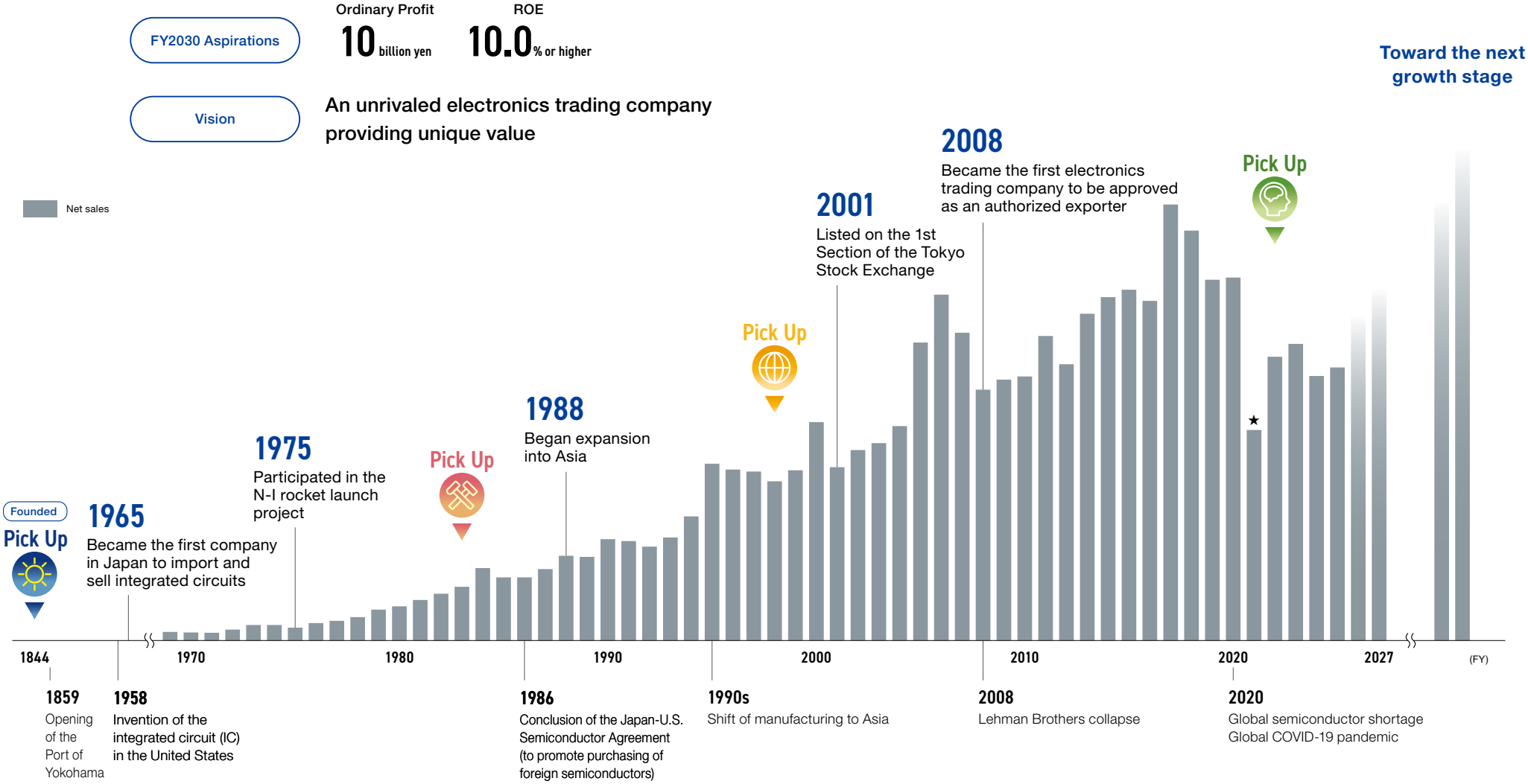
FY2030 Aspirations

Ordinary Profit: **10** billion yen

ROE: **10.0**% or higher

Vision

An unrivaled electronics trading company providing unique value



★ Applied Accounting Standard for Revenue Recognition P63

Our Story of "Looking Forward and Staying Ahead" and "Customer First"

The headwinds brought by turbulent times have always provided opportunities to make Marubun stronger. With a spirit of "looking forward" and "staying ahead," Marubun discerns what is truly valuable for the next generation, and with the integrity of "Customer First," stays close to challenges in the field.
Here we explore the source of the strength that has let us continually redefine our reason for being while overcoming numerous difficulties.

1844-1960

Turning Headwinds into Strength. The DNA of "Looking Forward" Cultivated over 180 Years.

"Trading with foreign countries is unacceptable." Kakujiro Horikoshi, the founder and first-generation head, persuaded the shishi, the anti-foreign exclusionists of the late Edo period, saying, "From now on, we will compete with the world through business, not military force," and opened a branch in Yokohama, steering the Company toward becoming a trading company.
That pioneering spirit was reignited after the war through the transformation of the business from kimono fabrics to electronics. Determined to close the technology gap between Japan and the United States, Marubun tenaciously secured a contract with Rocke International, Inc. and, in 1965, recognized the potential of integrated circuits (ICs), which were still unknown in Japan during the transistor era, deciding to become the first domestic importer and distributor. Without fearing headwinds, we discern the true value that lies far ahead of the times. That very stance, cultivated over 180 years, is the unwavering strength of Marubun passed down to the present.

Founder and First-Generation Head Kakujiro Horikoshi

Photo courtesy of Fukuzawa Memorial Center

1961-1997

"Integrity and Diligence." A Customer-First Principle Refined in the Field.

"For our customers, we will even change the shape of our organization."
In 1961, the Company bet its survival on the establishment of Marubun Kanazawa Co., Ltd. (now MARUBUN TSUSYO CORPORATION) as an independent company engaged in business with deep roots in the Hokuriku region. The new company earned trust by having sales and engineering teams work together to dive deep into customers' issues under the motto of "Integrity and Diligence."
The DNA of that endeavor has been carried down to FORESIGHT TECHNO CO., LTD., founded in 1999 to respond to customers' growing cost awareness. By specializing in technical services, the company established a one-stop service that handles everything from installation to maintenance. In 2005, MARUBUN WEST CORPORATION was launched. The company evolved from sales relying on the strength of individuals to an organizational strategy of employees leveraging each other's strengths. These actions are testimony to Marubun's customer-first commitment that has stayed close to customers in every era.

Marubun Kanazawa Co., Ltd.
(now MARUBUN TSUSYO CORPORATION)

1998-2021

Partnerships with Global Leaders. Establishment of a Borderless Supply Network.

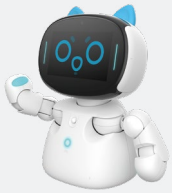
"Overseas, too, the same quality and speed as in Japan."
In the late 1980s, as customers' production bases moved overseas one after another, ensuring a stable local supply became an urgent challenge. Marubun also expanded into Asia early, but it was a decision in 1998 that determined its true globalization.
Marubun established the joint venture Marubun/Arrow Asia, Ltd. with Arrow Electronics, Inc., one of the world's largest distributors. Through this powerful partnership, global sales and procurement networks and logistics infrastructure were rapidly linked together.
Delivering what is needed, when it is needed, anywhere in the world. Marubun's rock-solid just-in-time delivery was established through this historic alliance.

Establishment of Marubun/Arrow Asia, Ltd.

2022-2026

Beyond the Headwind: "Focus Solely on Logistics." The Challenge of Redefining Our Own Value.

"No need to sell; focus on logistics."
This is an era in which suppliers' web strategies matured and the raison d'être of semiconductor trading companies is called into question. Simply delivering goods is no longer enough to become a true partner.
As the limitations of its business model came into question, Marubun once again demonstrated its ability to look ahead. In 2022, the establishment of the Entrepreneur Business (formerly the Electronic Solutions Business) spearheaded a challenge to capture next-generation technologies such as AI and robotics with the discerning eye passed down through generations, and to solve customer issues through solutions.
Through synergy that crosses the Group's expertise in the Electronic Devices Business, Electronic Systems Business, and Entrepreneur Business, we will accelerate social contribution in new areas such as healthcare. The means may change, but the spirit remains unchanged. Marubun will continue to redefine its own value and take on the challenges of the future.



AI communication robot Kebbi

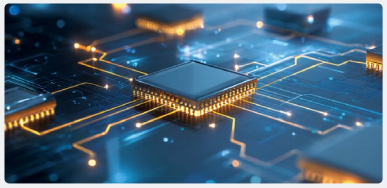
Overview of Marubun

Business Overview

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

Electronic Devices Business

▶P30



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 our strengths, we meet diverse needs.

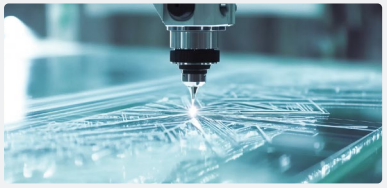
Products Handled	Semiconductors, electronic components (crystal oscillators, connectors, passive components, etc.)
Main Sales Partners	Consumer equipment-, industrial equipment-, communication equipment-, and automotive-related manufacturers

Consolidated Subsidiaries

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

Electronic Systems Business

▶P32



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

Entrepreneur Business

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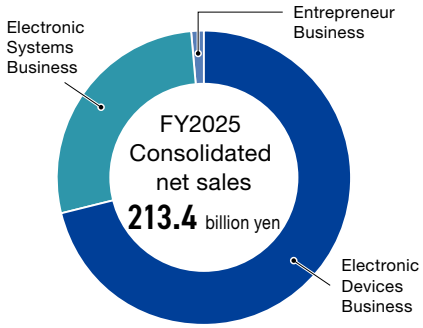
We develop and sell advanced solutions centered on communications, AI, and robotics, and provide maintenance services. We are creating new services aimed at solving social issues by integrating our extensive product offerings with DX, IoT, and network technologies.

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.

▶Sales Composition Ratio by Business



Electronic Devices Business	152.2 billion yen	71.3%
Electronic Systems Business	58.6 billion yen	27.5%
Entrepreneur Business	2.5 billion yen	1.2%

▶Sales Composition Ratio by Region*

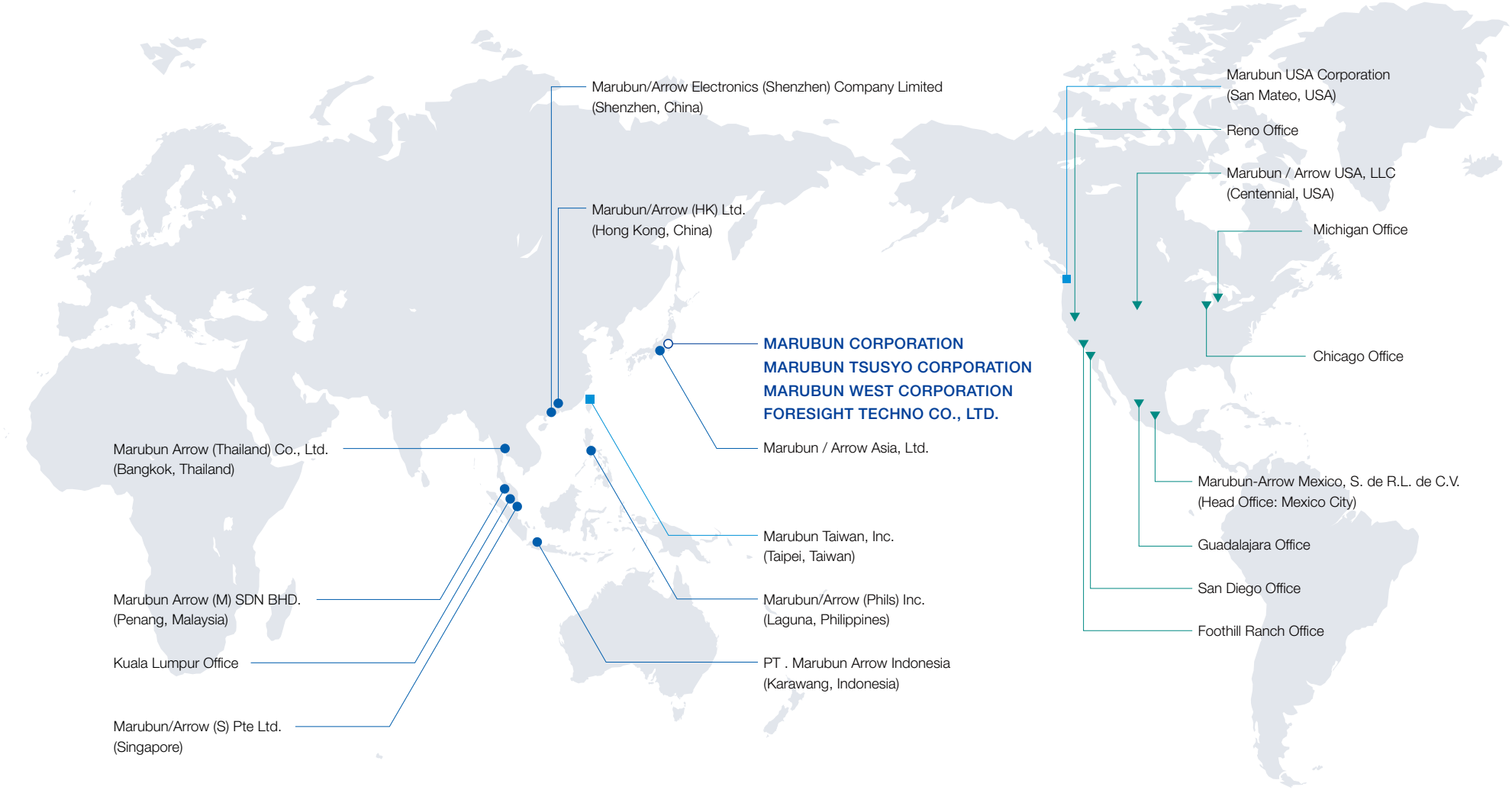
Japan	65.3%
Asia	27.0%
North America	7.7%

* Sales composition ratio by region is calculated by adding total net sales of equity method affiliates to consolidated net sales.

Global Network

Bringing the World's Cutting-Edge Technologies Quickly to Our Customers

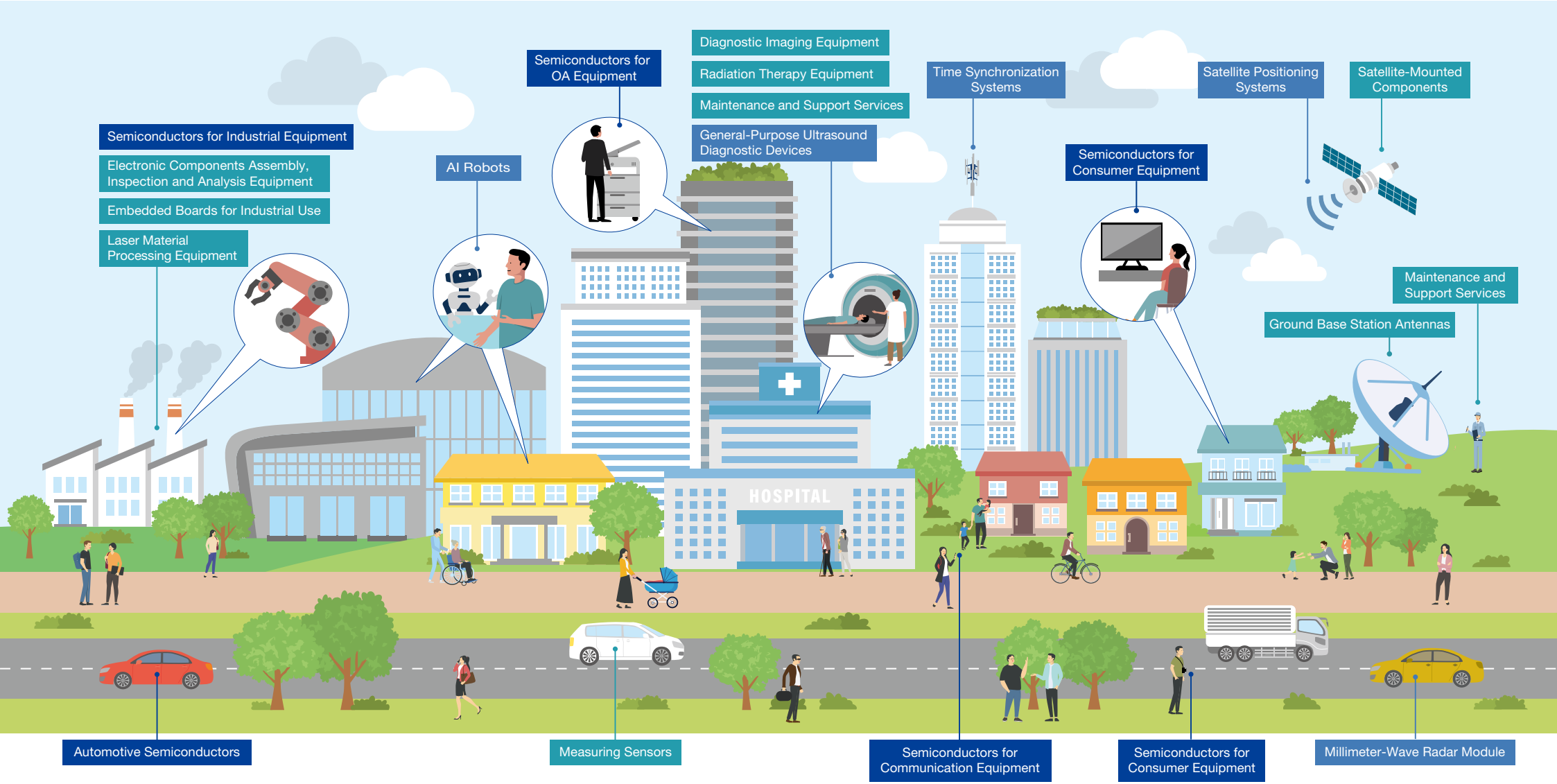
Through overseas bases mainly in Asia and North America, we realize quick procurement of materials and support for overseas transfers.
We connect cutting-edge technologies and customers worldwide.



Technologies Delivered by Marubun

From your home, to offices and commercial facilities, manufacturing sites such as factories, hospitals and nursing homes, even to mobility and space.
The technologies Marubun delivers are helping in every aspect of society.
To ensure that excellent technologies from around the world are reliably connected to the places where they are needed. That is our role as an electronics trading company.

Electronic Devices Business | Electronic Systems Business | Entrepreneur Business



The Story of Value Creation

CEO Message

We will carry our DNA of "looking forward" and "staying ahead" into the future, continue to provide unique value, and contribute to a brighter future.

Hiroshi Horikoshi
President and Representative Director,
Chief Executive Officer (CEO)

CEO Message

Taking a New Step Toward Transformation

A little over a year has passed since I assumed my role as President and Representative Director. The environment surrounding the electronics sector is changing rapidly and has become more complex than ever before. In these turbulent times, I feel every day the heavy responsibility of steering the Marubun Group and carrying forward a management legacy spanning more than 180 years since its founding.

As key issues for transforming the Marubun Group, I have identified four priorities: establishing core competencies, stabilizing commercial rights, promoting human capital management, and building an ecosystem. With the entire company working as one, we have taken a new step forward. Over the past year, we have implemented a wide range of initiatives.

Turning Changes in the Business Environment into Opportunities

To begin with, I will discuss the changes in the business environment in which we operate from three perspectives. First, geopolitical tensions are rising, and concerns such as lower demand and higher costs are becoming apparent. However, I see these not simply as threats, but as new opportunities arising from growing customer needs for more diversified and resilient supply chains. In the Electronic Devices Business, local procurement needs are rising in India and elsewhere, and the global procurement network that we have developed at approximately 50 locations worldwide, as well as our BCP response capabilities, are becoming a competitive advantage and are leading to business opportunities.

Second is the transformation of the industry structure. As semiconductor manufacturers increasingly sell directly and distributor reorganizations accelerate, it is essential to provide high added value that goes beyond simply selling products. The robust engineering functions across our Group, including maintenance and technical support, are a clear differentiator that other companies do not have and will be a powerful driver of future growth.

Third is the shift in technology trends. While there is a risk of profit decline due to the commoditization of legacy semiconductors, next-generation growth fields such as AI, data centers, EVs, and power semiconductors are clearly emerging. Leveraging our strength in technical proposals that engage from the design stage, we will ensure profit growth in these growth fields by laterally expanding across multiple products.

Honing Unwavering Competitiveness by Instilling Our Corporate Philosophy

In an era of rapid environmental change, the philosophy that serves as the axis of the organization becomes extremely important. One of the key issues I have set forth, "establishing core competencies," means thoroughly instilling our Purpose (our reason for existence) and our Vision (the company we aspire to be) throughout the organization. Over the past year, I have spoken directly with employees on every possible occasion. Unless we all deeply understand why we exist and where we are heading, we cannot board the same ship and aim for the same destination. I am convinced that minimizing organizational drift by using the corporate philosophy as an axis creates true corporate competitiveness that is not swayed by changes in the environment.

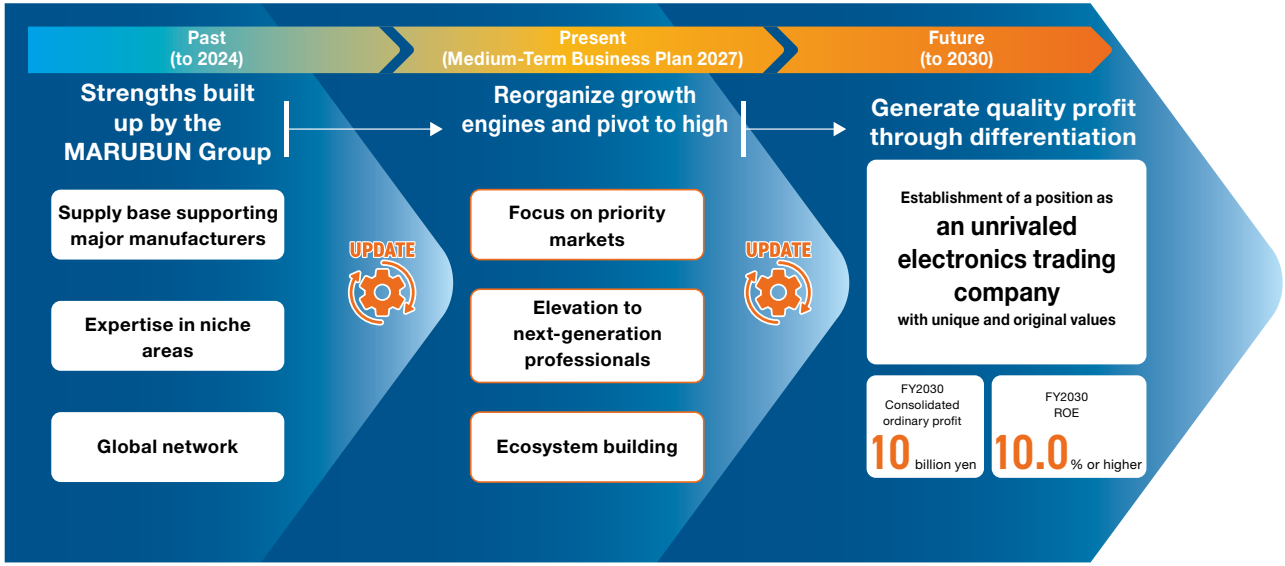
In FY2025 in particular, I emphasized to employees the Company's stance of being both a sustainability-driven company and an innovation-driven company. This idea is embodied by the slogan "Innovating Together" of our in-progress Marubun Nextage 2027 Medium-Term Business Plan (hereinafter "the Plan"). With the passion and human qualities of each employee as the source of value, we will work relentlessly to instill our corporate philosophy so that when customers face challenges, they will turn to us first.

Steady Progress Toward Achieving the Medium-Term Business Plan

FY2025, the first year of the Plan, presented a challenging environment due to sluggish demand for industrial equipment, but with growth in aerospace-related business in the Electronic Systems Business and other factors, net sales exceeded the initial forecast. Operating profit, which indicates the earn-

Medium-Term Business Plan Slogan: "Innovating Together"

CEO Message



Growth Roadmap Toward 2030

ing power of our core business, also exceeded the initial plan, a result I view as strong evidence of the resilience of our businesses.

For FY2026, the second year of the Plan, we expect ordinary profit of 6.0 billion yen, given that unrealized gains on inventories from the previous fiscal year are expected to be realized in stages. Toward the target of 8.0 billion yen in ordinary profit for FY2027, the final year of the Plan, we currently do not anticipate any major negative factors, and we will rapidly transform the profit structure of each business to achieve the targets.

The Electronic Devices Business, which underpins our sales base, is transforming into an ideal portfolio with effective risk diversification by limiting dependence on any particular supplier to around 10–15% at most and having multiple suppliers each account for a certain level of sales. Regarding stabilizing commercial rights, one of the key issues I set forth, we viewed changes in some commercial rights in the previous fiscal year as a good opportunity for portfolio reform and undertook a strategic shift to reduce dependence on specific suppliers. At the same time, by promoting sales expansion of high-margin products, we are making progress toward a lean profit structure, aiming to raise the gross profit margin to around 10%.

The Electronic Systems Business is pursuing a high-profit model that adds advanced technical services to product sales. The aerospace and defence fields are growing on the tailwind of space development investment and expanding defence budgets, and I believe there is ample room for market expansion in the medical/healthcare field by leveraging the Group's robust support network.

For the Entrepreneur Business, achieving profitability at an early stage is an urgent task. Although it took time to develop new customer segments for AI robots and general-purpose ultrasound diagnostic imaging systems, our collaboration with MARUBUN TSUSYO CORPORATION to deploy its long-held medical device sales expertise into this business is beginning to pay off, helping to resolve delays. Going forward, we will leverage this expertise to vigorously develop customers in other fields.

Strengthening the Management Foundation and Maximizing Group Synergy

As the foundation supporting sustainable growth, the key issue I am most focused on is the promotion of human capital management. People are the greatest source of value creation for a trading company. To increase each employee's sense of ownership and mutual trust within the organization, we have been fundamentally reforming our HR systems. The results of these initiatives are clearly visible in our eNPS (Employee Net Promoter Score) indicator of organizational energy, which improved by approximately 5 points year on year. We will continue to carefully promote workplace improvements and job satisfaction reform.

On the other hand, initiatives to build the ecosystem, another key issue I set forth, are still only halfway there. As a specific action, we hold the Marubun Group Collaboration Forum every month, aimed at generating synergy across the entire

CEO Message

Group. This initiative has produced tangible results. As seen in the aforementioned collaboration with MARUBUN TSUSYO CORPORATION in the Entrepreneur Business, synergies are steadily materializing, mainly in the medical and robotics fields.

With regard to realizing large-scale M&A and business alliances, we will move forward in this area with speed and a proactive stance as our next priority theme.

We have fully launched a new core IT system as operational infrastructure to support strategy execution, marking a major step toward digital management. What is important is improving IT literacy and strengthening capabilities on the ground. Through sharing knowledge using generative AI and expanding the in-house multiple jobs program, we will focus on developing next-generation human resources who can coexist with AI.

Transforming Returns to Shareholders and Investors

For the Company to continue improving its corporate value sustainably, it is essential to promote management that emphasizes capital efficiency and to unite with shareholders. However, recognizing that our shareholder returns had lagged a step behind those of our peers, we made a major shift in our returns to shareholders and investors.

From FY2026, we will raise the baseline for our dividend policy, revising the consolidated dividend payout ratio to 50% and DOE (dividend on equity ratio) to 3.5%, and will adopt whichever is higher. Strengthening returns by raising the floor is nothing less than a declaration of strong commitment by management. In addition, we introduced a Shareholder Benefit Plan to form a stable shareholder base over the medium to long term and enhance our attractiveness as an investment target. We will continue to improve capital efficiency through better business performance and agile capital allocation, striving to improve ROE and maximize corporate value.

Passing On Marubun's DNA to the Future

The most important management resource for the Marubun Group in creating value sustainably is its people. I tell all employees that I want them to contribute to the creation of high-quality profits through their respective roles. Such company-wide efforts will lead to sustainable profits. Rather than chasing short-term figures, we will steadily build trust as a long-term partner for customers, displaying integrity from an ESG perspective as well. My mission is to develop professional human resources who can make correct decisions and execute them in line with our corporate philosophy, and to continuously implement transparent human capital management.

Among the things I must accomplish are the entrenchment of our corporate philosophy and the establishment of a resilient organizational culture through human capital management. Another is the reliable execution of our commitment to returns and growth for shareholders and investors. We will work with strong determination to achieve our FY2030 aspirations of 10.0 billion yen in ordinary profit and ROE of 10.0% or higher.

I am determined to solidly pass on to the next generation the

DNA of "looking forward" and "staying ahead," inherited since our founding, together with the trust of all our stakeholders, and to strongly lead the Marubun Group toward its 190th and 200th anniversaries. Guided by our Purpose of "Contribute to a brighter future through technologies," we will move forward as one company. I sincerely ask all of our stakeholders for their continued support, guidance, and encouragement.

Hiroshi Horikoshi

President and Representative Director,
Chief Executive Officer (CEO)
MARUBUN CORPORATION
September 2026

Value Creation Model

PURPOSE

Contribute to a brighter future through technologies

Marubun's resources and foundation

MISSION

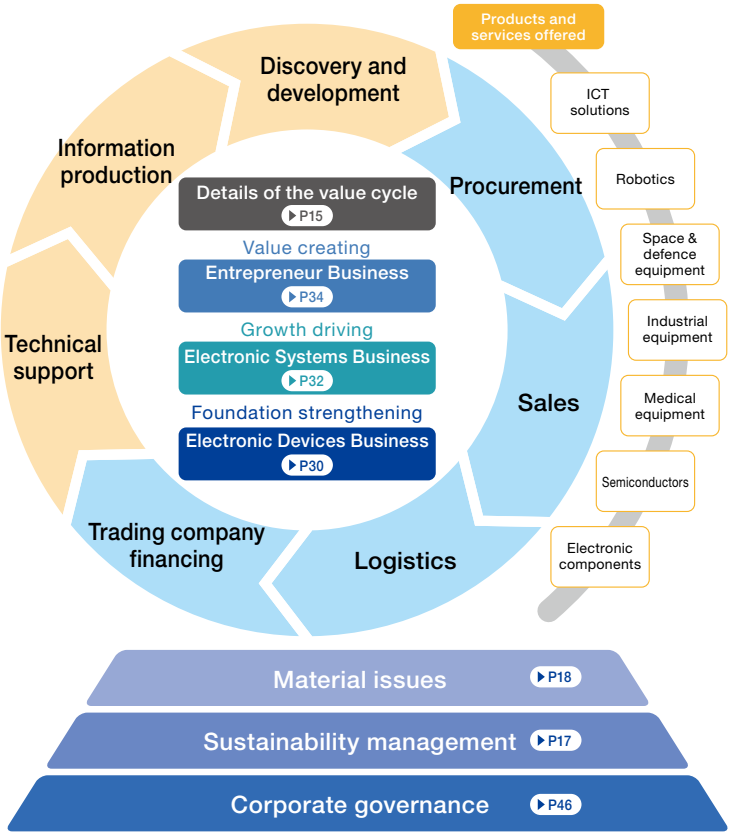
Looking forward and staying ahead, address societal themes and solve customers' issues by leveraging the Group's human capital, technological strengths and service qualities

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 processes	● 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 infra-structure	● 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 2027" ▶ P21

Innovating Together



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

Creation of a virtuous cycle of value creation

Marubun's Management Resources and Foundation

Throughout its more than 180-year history, the Marubun Group has built up management resources and foundations that drive today's competitiveness, such as highly specialized personnel, abundant technologies and products, an extensive customer and supplier network, and a global business platform. By organically linking these assets, we contribute to solving environmental and social issues and enhancing economic well-being through our business activities, thereby realizing sustainable value creation.

Finance

For sustainable growth, we will establish a robust financial foundation while promoting stable growth in existing businesses and aggressive growth in new businesses. In addition to maintaining the Marubun Group's financial soundness, we will accelerate the creation of outcomes from our business strategies through effective allocation of capital resources and utilization of retained earnings. We will also thoroughly enforce financial planning and operations under listing discipline, aiming to enhance corporate value.

Ordinary profit

4,218 million yen

ROE

5.9 %

(FY2025)

Customers and society

Our company has a solid customer base and extensive supplier network cultivated over more than 180 years, offering high-quality proposals and services leveraging an abundance of products and technology. Moreover, through support for young researchers in electronics by the Marubun Research Promotion Foundation, we contribute to advancing technological capabilities in Japan. The Marubun Group pursues unwavering relationships with all stakeholders.

Number of customer companies

Over **3,000** companies

Number of supplier companies

Over **800** companies

Internal processes

The Marubun Group utilizes its expertise in cutting-edge technology and strength in solution development, along with its domestic and global network and a solid global supply chain, to provide robust support for our customers' production and procurement activities. Furthermore, we enhance the accuracy of business operations and production efficiency to achieve highly reliable operations. Through meticulous integrated risk management, we ensure steady execution of global initiatives.

Number of group companies

15 companies

Number of countries of business

10 countries **50** locations or more

(As of April 1, 2026)

Human resources and infrastructure

Our company aims to be a highly specialized professional group and seeks to enhance employee autonomy and human capital value through strategic recruitment, development, and optimal staffing. We foster a corporate culture of "innovation and challenge without fear of failure," promoting innovation and communication. Furthermore, by leveraging highly reliable management information and an ICT infrastructure that supports business continuity and growth, we will establish a solid business foundation and achieve sustainable growth.

Number of non-consolidated employees

644 people

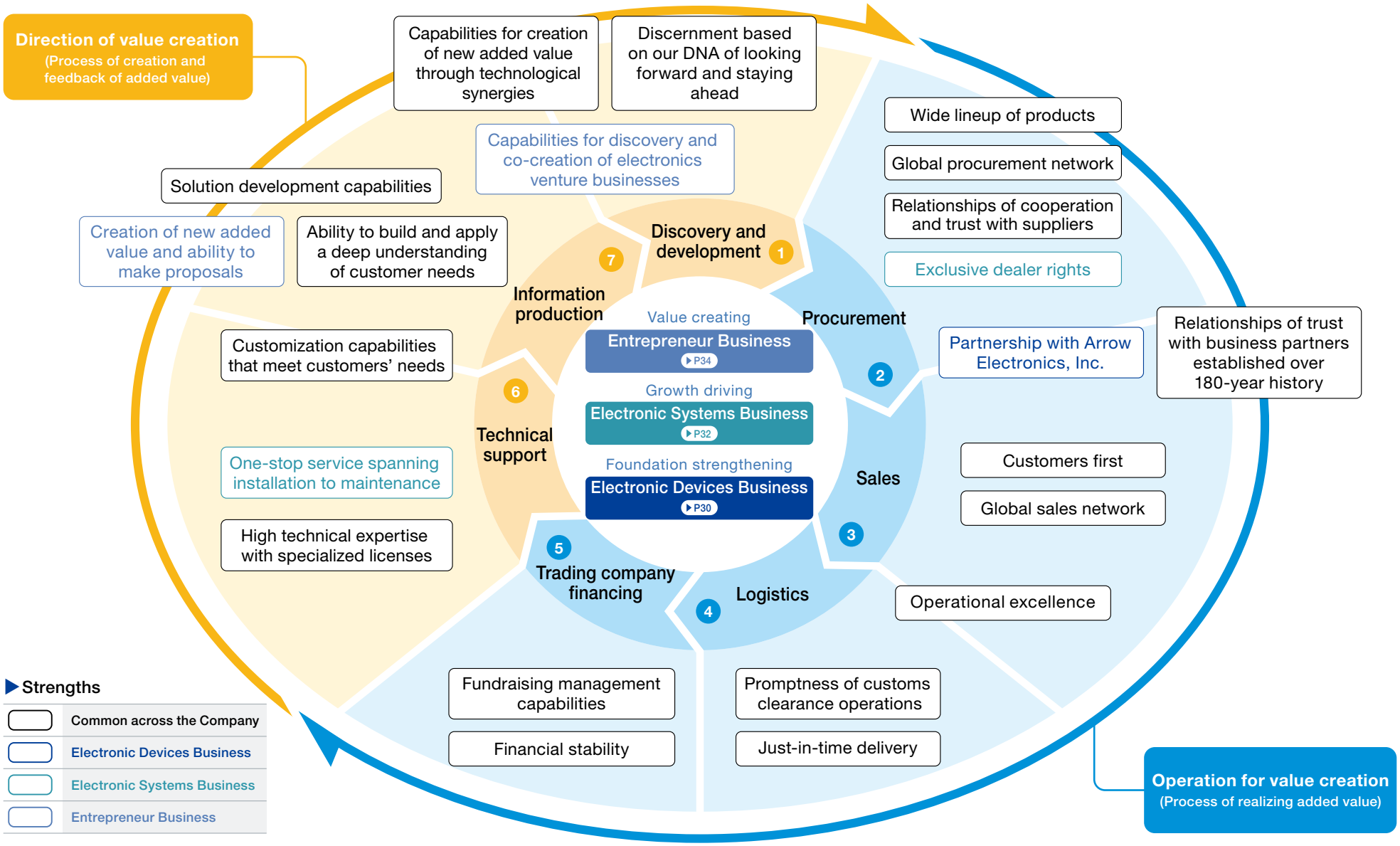
Number of consolidated employees

1,193 people

(As of March 31, 2026)

Value Cycle and Marubun's Strengths

Operation that realizes added value, and direction that creates new value. Through processes that link these two in a cycle, we demonstrate Marubun's diverse strengths and continue to provide unique value.



Seven Functions and Initiatives of the Value Cycle

We consider our value cycle as embracing seven functions, and categorize our initiatives for each.

Operation for value creation (Process of realizing added value)

1 Discovery and development

With discernment based on our DNA of "looking forward" and "staying ahead" that has been inherited since our founding, we discover outstanding, cutting-edge products, technologies, and services and quickly provide them to customers. To further develop our business, we also make business investments that include mergers and acquisitions and venture capital.

- Demand creation
- Collaboration with partners
- Promotion of innovation

2 Procurement

Handling products and services from over 800 suppliers under strategic partnerships, we procure the products our customers require, promptly and globally. We are working to expand and diversify procurement sources in order to meet an ever-changing variety of needs.

- Further expansion of procurement sources
- Maintenance and strengthening of strategic partnerships

3 Sales

With a customer-first mindset, we provide high value-added products and services tailored to our customers. Through a global sales network shared with partners the United States, we provide on-site procurement of components and support for production transfer.

- Global supply chain support
- Promotion of cross-selling among businesses
- Account management

4 Logistics

Our advanced logistics management system ensures an efficient and accurate delivery system. By ensuring appropriate management of chemical substances in products, we secure product safety and, as a certified authorized exporter, achieve rapid import/export operations and just-in-time delivery.

- Optimal inventory management / stable supply
- Thorough inventory quality management

5 Trading company financing

Using the trust and fundraising capabilities we have cultivated as our strengths, we conduct transactions based on inter-company credit, acting as an intermediary between suppliers and customers. We reduce financial risks through meticulous management of funds and credit, and ensure business continuity by maintaining an appropriate level of equity.

- Financial support
- Financial risk management
- Maintenance of foreign currency liquidity

6 Technical support

With a specialized technical service division and engineering service company, we provide one-stop services covering everything from equipment introduction to installation and maintenance. We address customers' needs by proposing optimal systems that combine multiple pieces of equipment, parts, and software.

- Technical support through accumulation of advanced knowledge
- AI/digital technology utilization
- Development of manufacturer-certified engineers

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.

- Understanding and analysis of market trends
- Feedback of information leading to strengthened capability to make proposals
- Strengthening of solutions through customer feedback

Direction of value creation (Process of creation and feedback of added value)

Initiatives for Each Function

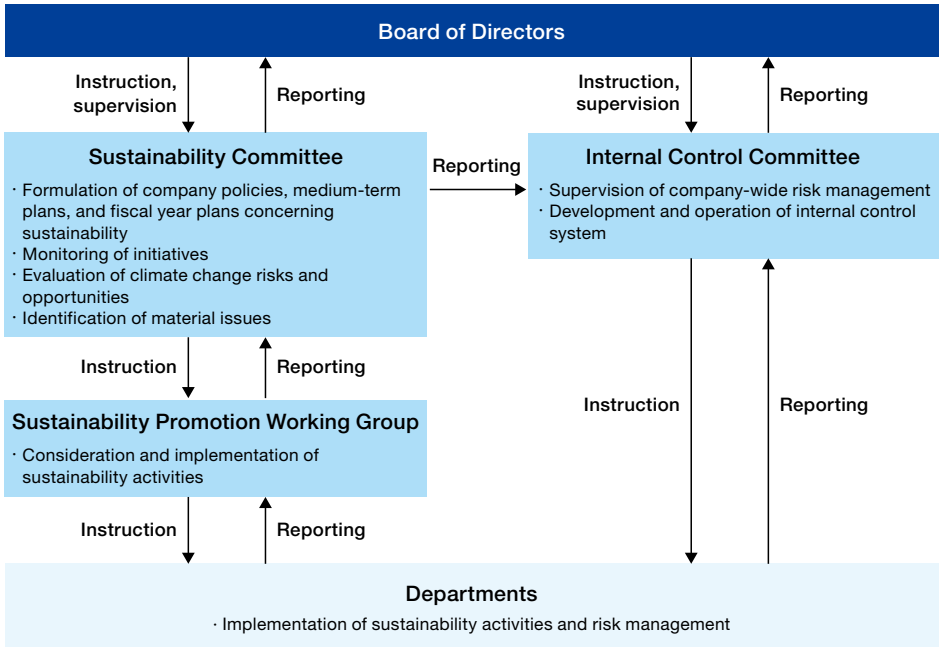
Sustainability

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 enhanced customer satisfaction and a better society. In addition, through dialogue with a diverse range of stakeholders, including shareholders and investors, customers, suppliers, employees, and local communities, we will accurately reflect society's demands and expectations in our business strategies, thereby contributing to the development of a sustainable society and achieving medium- to long-term improvements in corporate value.

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.

Sustainability Promotion Structure



Promotion of Sustainability Management

In the basic policies of the Marubun Nextage 2027 Medium-Term Business Plan, the Company has set forth "Pursue responsible business" as a goal and is promoting the simultaneous creation of economic and social value through the circulation of its unique business model and value cycle. We have identified five material issues essential to our sustainable growth, have set key themes and KGIs (long-term state goals) for each, and are advancing initiatives to realize a brighter future.

In FY2025, we focused on strengthening human capital management, which is essential for improving corporate value over the medium to long term, by promoting the in-house multiple jobs program to support employees' autonomous career development and by improving employee engagement (i.e., improving eNPS).

For the material issues listed on the following pages (P18-19), we have established new KPIs (quantitative targets for FY2030) to measure progress and further improve the effectiveness of initiatives aimed at achieving the KGIs. Under the supervision of the Board of Directors, we will continue to deepen sustainability management that is organically linked with business strategy.

Sustainability Initiatives and Results

FY2025 (Results)	● eNPS* improved by 17.3 points compared with FY2022, showing steady improvement ● Introduced the Employee Shareholding Association Restricted Stock Incentive Plan
FY2024	● Identified material issues ● Established the Human Capital Committee and began setting long-term strategies and targets ● Introduced a talent management system and strengthened systematic human resource development ● Introduced the in-house multiple jobs program to support employees' autonomous career development ● Promoted social contribution activities, including support for the Japan Philharmonic Orchestra and partnership sponsorship of Paralym Art®
FY2023	● Raised the target for the ratio of women in managerial positions to 10.0% (FY2027) ● Set a long-term GHG target (50% reduction by FY2030 compared with FY2019 levels) ● Strengthened climate change-related disclosure and calculated Scope 3 emissions for the first time

* eNPS stands for "Employee Net Promoter Score," which quantifies the degree to which employees would recommend their workplace.

Sustainability

The Marubun Group's Material Issues

For the five material issues essential to the Group's sustainable growth, this section summarizes the KGIs that indicate our desired long-term state and the KPIs that are quantitative indicators targeted for FY2030.

Our KPIs clearly demonstrate the Company's commitment to sustainability and serve as an important compass for objectively evaluating the degree of achievement. We will translate the established indicators into concrete action plans for each division and promote measures to achieve the targets. We will also ensure the PDCA cycle is implemented, review strategies as necessary, and regularly monitor progress through the Board of Directors to enhance the effectiveness of these initiatives.

Efforts to achieve the KPIs will serve as the driving force that organically powers the Company's value cycle. Through these efforts, we will curb the cost of capital by strengthening our non-financial foundation and reducing risks, while expanding new business opportunities in growth markets such as clean technology and the medical/healthcare field. By addressing these material issues, the Company will pursue "Responsible Business" (a management approach that aims for sustainable business growth while considering impacts on society and the environment and the interests of a wide range of stakeholders), thereby contributing to solving environmental and social issues and achieving sustainable improvement in corporate value over the medium to long term.

Material Issues and Targets

Material issues	Key themes	KGIs (Long-term target states)	KPIs (Quantitative targets for FY2030)
Contribution to restoration and conservation of the global environment and to its sustainability	Promote initiatives for a recirculating society	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.	• Reduce domestic Group greenhouse gas emissions (total of Scope 1 and Scope 2) by 50% by FY2030 compared with FY2019 levels.
		Ensure all the industrial waste generated in our business activities is properly monitored and managed until it is completely recycled or disposed of.	• Percentage of cases handled by certified industrial waste disposal contractors: in principle 100%
		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.	• Promote resource recycling initiatives through businesses and investments by participating in organizations that contribute to the development of a circular economy.
	Identify and introduce new clean technologies	Further expand ecologically sound product lines across consolidated business operations.	• Sales of ecologically sound products: 150% or more compared with FY2024 results.
Realization of a safe, prosperous and sustainable society	Expand activities to contribute to society and local communities	Promote and maintain support for developing the public good and contributing to organizations.	• Donation support amount: 125% or more compared with FY2024 results.
		Continually encourage employees to participate in social action programs and contribution activities.	• Days of volunteer leave taken: 100 days or more per year across the Company.
	Offer reliable products, services, and stable supply chain infrastructure	All requests from customers regarding the quality and safety of our products and services are properly addressed.	• Response rate for chemical substance surveys and conflict minerals surveys: 100%
		Fully obtain our suppliers' understanding of and cooperation with our Supply Chain Sustainable Procurement Guidelines.	• Rate of distribution of Supply Chain Sustainable Procurement Guidelines to suppliers: 100%
		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).	• Number of service nonconformities attributable to the Company: zero

Note 1: "Ecologically sound products" refers to products and solutions that have been certified under the Company's own criteria as contributing to improved energy efficiency, reduced environmental impact, and the realization of a decarbonized society.
Note 2: "Supply Chain Sustainable Procurement Guidelines" refers to the guidelines established by the Company to gain the understanding and compliance of suppliers positioned upstream in the supply chain with regard to the Group's policies on human rights, the environment, compliance, and other matters.

Sustainability

Material Issues and Targets

Material issues	Key themes	KGIs (Long-term target states)	KPIs (Quantitative targets for FY2030)
Enhancement of human capital strategies aligned with our Purpose	Strengthen programs for talent acquisition and development to constitute a highly professional group of employees	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.	• Percentage of employees who have a solid understanding of the Group's philosophy framework and financial targets: 100%
		Support programs for autonomous career development and the cultivation of human resources are effectively designed, established and functioning.	• Annual training hours per employee: 120% or more compared with FY2024 results.
	Consistently improve employee engagement	Continually enhance employee engagement through various human capital strategies and HR measures.	• Employee engagement survey score: 3.75 or higher (on a 5-point scale) • Three-year effective retention rate for new employees: 100%
		Our Employee Net Promoter Score is always greater than the average for the wholesale industry category that we operate within.	• eNPS score exceeds the wholesale/retail industry average and is in the -40 range or higher
	Encourage the empowerment and promotion of employees that are women	Ensure employees that are women are 15% or more of our management-level employees.	• Ratio of women in managerial positions exceeds the peer company average and is 15% or higher.
Establishment and administration of a solidified group governance framework	Continuously improve stakeholder engagement	Engagement opportunities for our shareholders and investors are sufficiently offered.	• Number of visits to the shareholder and investor information website: 115% or more compared with FY2024 results.
		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.	• Receipt of award in IR website rankings by evaluation organizations.
	Reinforce the compliance of all Group companies	Throughout our consolidated Group businesses, all legal and policy compliance is thoroughly ensured. (We have absolutely zero recognized compliance violation incidents outstanding).	• Participation rate in compliance training for the domestic Group: 100% • Number of "major compliance violations": zero
	Continuously enhance strategy management and risk management frameworks	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.	• Achievement of the Group's Medium-Term Business Plan and its ordinary profit targets.
		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.	
		Integrated risk management is functioning at a high level for the early detection and correction of any specific risk elements or incidents.	• Number of "major risk events": zero
		IT systems infrastructure, which is the foundation for managing information, is maintained stably and operated effectively.	• Number of "major IT incidents": zero
Addressing social issues through the development of cutting-edge technologies and solutions	Staying ahead of the change in the demand generated by society, introduce products and services with new added value	Continue to cultivate, identify and deliver products and services with new added value, by way of exploring new potential value for society.	• Sales in the medical/healthcare field: 150% or more compared with FY2024 results.
	Solve customers' issues by offering solutions as an electronics trading company	By effectively capturing customers' concerns and needs, continue to offer measures to respond to customer's by leveraging solution development and technological capabilities.	• Frequency of customer contact through Company-designated media: 120% or more compared with FY2024 results.
	Initiate innovation through strategic partnerships and collaborations	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.	• Increase in the number of products handled and profit growth in new business areas created through business alliances and collaboration.

Note 1: "Peer companies" refers to other domestic listed companies that engage in businesses similar to the Group's, as defined by the Company for comparison.
Note 2: "Major" indicates the degree of impact that could seriously harm business continuity or corporate value through business activities, such as violations of domestic or overseas laws and regulations or Company rules.

The Path to Value Creation

Medium-Term Business Plan

Building on the Achievements of the Previous Medium-Term Business Plan, Reaching New Heights in Profitability With "Innovating Together" as Our Banner, and Breaking Through the Next Milestone

Building on the achievement of the financial targets in the previous Medium-Term Business Plan, we are now operating under the Marubun Nextage 2027 Medium-Term Business Plan, an intermediate milestone toward achieving our FY2030 aspirations. We will further deepen commercial rights expansion and profitability enhancement in the electronics market. Under the current Medium-Term Business Plan slogan "Innovating Together," we will strive to become an unrivaled most trusted electronics trading company that offers unique value, and forge a strong path toward an ideal future.

2018-2021
Medium-Term Business Plan 2021
Transformation of Business Structure

2022-2024
Nextage 2024
Business Portfolio Evolution and Profitability Improvement

Achieved

Consolidated Financial Results

Ordinary Profit	ROE
6.5 billion yen	8.4%

Consolidated Financial Targets

6.0 billion yen or higher 8.0% or higher

2025-2027
Nextage 2027
Expansion of Commercial Rights and Further Strengthening of Profitability

Marubun Nextage 2027 Slogan

Innovating Together

Consolidated Financial Targets

Ordinary Profit	ROE
8.0 billion yen or higher	9.0% or higher

Our Aspirations Vision

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

FY2030

Aspirations

Ordinary Profit	ROE
10.0 billion yen	10.0% or higher

* From FY2025, we have made changes to our accounting policies. Figures for FY2024 have been retroactively adjusted.

Medium-Term Business Plan

Basic Policy

To achieve our FY2030 aspirations, the Group has formulated basic policies consisting of three perspectives: "Responsible Business," "Business Strategy," and "Foundation Strategy." By deepening each strategy, we will achieve both sustainable improvement in corporate value and solutions to social issues.

Perspective	Basic Policy	Details
Responsible Business Perspective	● Pursue responsible business	▶ p. 17
Business Strategy Perspective	● Achieve profitability in new businesses ● Expand the foundations in existing businesses ● Reinforce group synergy	▶ p. 23 ▶ p. 30
Foundation Strategy Perspective	● Enhance strategic management to promote the value creation model ● Develop human capital strategy	▶ p. 13 ▶ p. 37

Consolidated Financial Targets and Progress

In the Marubun Nextage 2027 Medium-Term Business Plan, we have set consolidated financial targets for FY2027, the final year, of 240.0 billion yen in net sales, 8.0 billion yen or more in ordinary profit, and ROE of 9.0% or more. In FY2025, the first year, net sales increased 1.2% year on year to 213.4 billion yen, driven by growth in aerospace equipment in the Electronic Systems Business and other factors. Ordinary profit, on the other hand, was 4.2 billion yen, down 35.5% year on year, due to the recording of foreign exchange losses as the yen weakened during the period and the impact of changes in product mix.

Based on these results, in FY2026 we will accelerate initiatives to further strengthen profitability. In the Electronic Devices Business, we will transform to a lean profit structure by expanding sales of high-profit products such as passive components. In the Electronic Systems Business, we will reliably capture demand in aerospace and medical equipment to achieve further growth, while in the Entrepreneur Business we will work to return to profitability by focusing on products such as AI and robotics.

By accelerating the execution of these priority strategies, we expect a recovery track in FY2026 with higher net sales and profits: 225.0 billion yen in net sales and 6.0 billion yen in ordinary profit. Using this steady accumulation of profits as a foothold, we will work together as one company to maximize business value and achieve the targets of the Medium-Term Business Plan in its final year of FY2027. At the same time, we will thoroughly implement management that is conscious of the cost of capital and achieve improved capital efficiency aimed at ROE of 9.0% or higher and stable, continuous shareholder returns. Through these initiatives, we will realize sustainable growth and improve our corporate value over the medium to long term.

▶ Financial Indicators

Consolidated

	FY2025 Results		FY2027 Targets
Net Sales	213.4 billion yen	Net Sales	240.0 billion yen
Ordinary Profit	4.2 billion yen	Ordinary Profit	8.0 billion yen or higher
Ordinary Profit Ratio	2.0 %	Ordinary Profit Ratio	3.3 % or higher
ROE	5.9 %	ROE	9.0 % or higher

By Business

		FY2025 Results	FY2027 Targets
Electronic Devices Business	Net Sales	152.2 billion yen	167.0 billion yen
	Ordinary Profit	0.5 billion yen	3.0 billion yen or higher
Electronic Systems Business	Net Sales	58.6 billion yen	67.0 billion yen
	Ordinary Profit	3.6 billion yen	4.0 billion yen or higher
Entrepreneur Business	Net Sales	2.5 billion yen	6.0 billion yen
	Ordinary Profit	-0.01 billion yen	1.0 billion yen or higher

* Only net sales represent planned values.

Toward Group Synergy

Group Synergy

The Marubun Group Collaboration Forum (hereinafter "GCoF") was launched as a forum for leaders of each business to discuss and aim to maximize the overall strengths of the Marubun Group and create synergies.
On the first anniversary of the forum's launch, four members gathered to discuss the concrete results achieved so far and the real challenges in further expanding collaboration.

GCoF's First-Year Progress and the Walls That Have Emerged

Sakai GCoF was launched with the aim of creating synergy among Group companies. To begin, please share your honest impressions looking back on this first year.

Higuchi Until now, collaboration had been limited to partial optimization at the level of individual products, but I feel that having a clear foundation in place with the Company-wide commitment to "work together as one across the Group" is a major step forward.

Tsuchitani From the standpoint of a subsidiary, this has been an extremely valuable opportunity to deepen our understanding of the business trends and products of the parent company and other Group companies, which had previously been difficult to grasp. A major benefit was that the psychological distance between us narrowed with each session.

Yasuda I believe we achieved a certain level of results in the first phase of building relationships. However, to be frank, I feel that the discussions often ended up focused on specific topics such as cross-selling of products. We need to elevate this into a forum for discussing more ambitious concepts for group-wide collaboration.

Toward Group Synergy

Sakai That is an operational issue for us in the Corporate Planning Division, which serves as the secretariat. We must make it a more meaningful forum.

Yasuda If you can clearly define the goal that this forum should aim for and lead the process by working backward from that goal, it will be easier to produce concrete outputs.

Chotaro Yasuda

Executive Director
Head of Systems Sales & Marketing Business Unit

Tatsuaki Tsuchitani

MARUBUN TSUSYO CORPORATION
President and Representative Director

Tsuchitani Precisely because relationships have deepened over the past year of operation, in the second year we need to move into a phase of focusing on several themes and concretely putting companies into action.

Frontline Engagement and Changes in our Business Mindset

Sakai While the awareness of participating members has changed, what about changes at the level of on-site sales management and practical operations?

Tsuchitani At our company, we have shared the purpose of GCoF at every meeting. Personnel exchanges related to sales are also progressing, and people on the front lines have voiced that it has become easier to make inquiries and exchange information than before. I regard the creation of an environment that enables smooth mutual communication as a solid achievement of the first year.

Higuchi On the other hand, generating results that directly contribute to business performance is a future challenge. I believe the key going forward is to break down the overall policies discussed at this forum into on-site measures, taking into account differences in performance evaluation and product characteristics at each company.

A Deep Dive into Synergies and a Roadmap to the Next Medium-Term Business Plan

Sakai We are beginning to see successful experiences of inter-business synergy in the medical/healthcare field. As the next focus, what are your thoughts on developing areas where collaboration and resource integration have not yet progressed?

Yasuda I would like to discuss flexible organizational and resource reallocation to establish positions where the Group can demonstrate its strengths. For example, we should discuss medium- to long-term issues freely and openly, such as how to strengthen technical services across the Marubun Group.

Higuchi Leveraging the strengths of each company, I would like the Group to create dynamic divisions of labor and horizontal and vertical collaboration—for example, Marubun taking charge of discovering overseas products in the medical/healthcare field, while MARUBUN TSUSYO CORPORATION, with its customer base, takes charge of supply chain expansion.

Tsuchitani It is important for everyone to deepen discussions on domestic needs in the medical/healthcare field and discover products that can leverage the Group's customer base and technical capabilities. Let us also work together to create mechanisms for the nationwide expansion of sales and services, and strengthen group synergy.

Yasuda By FY2027, the final year of the current Medium-Term Business Plan, I want GCoF to present a concrete roadmap that depicts the Group winning as one and that serves as a solid guideline for the next Medium-Term Business Plan.

Takashi Sakai

Business Administration Gr.
General Manager of Corporate Planning Division

Tomoaki Higuchi

DIONE Company President, Entrepreneur Business Unit

Sakai Thank you very much. The first year was a first step in deepening mutual collaboration. In the second year, the Corporate Planning Division will also work to manage the forum by digging deeper into specific priority areas and sharpening its focus.

Marubun Advisory Forum

Focus

Accelerating Growth Scenarios Through Co-Creation with External Experts. Establishment of the Marubun Advisory Forum.

Background to the Establishment of the Marubun Advisory Forum

To achieve the financial targets of the Marubun Nextage 2027 Medium-Term Business Plan and the FY2030 aspirations, the Company has established the Marubun Advisory Forum as a body for comprehensive deliberation on sales strategy themes.

The forum is positioned as a platform that invites outside experts active at the forefront of their industries as advisors, leverages their advanced external knowledge and networks in our business development, and accelerates our human capital strategy to help develop next-generation management talent. Starting with the first meeting in March 2026, the forum is held regularly on a quarterly basis to refine our strategies.

The first forum meeting focused mainly on sharing backgrounds and explaining businesses. Although there was initially an air of reserve, as discussions deepened, proposals from outside perspectives began to emerge. Participants voiced positive feedback, saying that their horizons were greatly broadened by encountering perspectives and ways of looking at the market that they did not have. We will turn the insights gained from these dialogues into concrete signs of growth and carry them forward to the next session.

Expertise Portfolio

Professionals Who Support the Strategic Scenario

Satoru Oyama
Advisor

C.E.O.,
Grossberg LLC

Satoru Kurosu
Advisor

CEO, Cross Space & Sustainability, LLC

Reiji Ramoto
Advisor

Advisor, Japan Robot System Integrator Association
Senior Advisor, Enterprise COO Office Enterprise Business Unit, SoftBank Corp.

Wataru Izumiya
Observer

Executive Chairman, Sangyo Times, Inc.

CFO Message

While balancing economic and social value, we will make steady progress toward improving our corporate value.

Yuzo Nakada
Executive Managing Director
Chief Financial Officer (CFO) and
Chief Strategy Officer (CSO)

Performance Evaluation for the Fiscal Year Ended March 2026

FY2025, the first year of the Marubun Nextage 2027 Medium-Term Business Plan (hereinafter "the Plan"), was a year of extremely high uncertainty in the external environment, including the emergence of geopolitical risks, the impact of U.S. reciprocal tariffs, and fluctuations in interest rates and foreign exchange markets. Under these circumstances, FY2025 results were net sales of 213.4 billion yen, operating profit of 7.7 billion yen, ordinary profit of 4.2 billion yen, and net income of 3.3 billion yen. In addition to achieving higher sales year on year, results exceeded the upwardly revised full-year forecasts announced in November 2025 at all profit levels except ordinary profit. On the other hand, ordinary profit came in at 4.2 billion yen, below the revised forecast of 5.0 billion yen, mainly due to the recording of 1.8 billion yen in exchange valuation losses resulting from the rapid weakening of the yen at the end of the fiscal year. This was a technical factor arising from the yen-based valuation at the fiscal year-end under Japanese GAAP. Economically, it is reasonable to view the unrecognized yen-based profit contained in U.S. dollar-denominated inventories at the end of the fiscal year as being shifted to the next fiscal year and beyond. Although ordinary profit was temporarily pushed down by this accounting factor, we assess that our underlying earning power remained solid and that we achieved strong full-year results.

Managing Exchange Rate Fluctuation Risk and Enhancing Financial Strategy

In the Electronic Devices Business, which handles particularly large amounts of foreign currency-denominated transactions, a high proportion of transactions from purchasing to sales are denominated in U.S. dollars. The basic principle of our foreign exchange risk management[*1] is natural hedging, by which sales and purchases, as well as assets and liabilities, are in principle denominated in the same foreign currency. The 1.8 billion yen in foreign exchange losses recorded as non-operating expenses under the weakening yen in FY2025 was an accounting mismatch (recognition of valuation losses) that occurred because, under Japanese GAAP, inventories are in principle maintained at cost based on the exchange rate at the time of acquisition, while the corresponding foreign currency-denominated liabilities are marked to market at the fiscal year-end rate. On the other hand, there are unrealized gains on inventory of 2.1 billion yen that should offset the aforementioned foreign exchange losses. Our foreign exchange risk management, which maintains the foreign exchange matching hedge ratio (the ratio of

CFO Message

dollar-denominated assets to dollar-denominated liabilities) at around 100%, is functioning appropriately and soundly. Going forward, in order to minimize volatility in foreign exchange gains/losses, we will also shorten the dollar-denominated cash conversion cycle (CCC) from supplier payments to sales collection as much as possible.

With the renewal of our core IT system in August 2025 aimed at enhancing managerial accounting, we changed the inventory valuation method from the moving average method to the first-in, first-out (FIFO) method. As a result, actual operations and accounting valuations are aligned, and ending inventory in financial accounting reflects the most recent purchase prices and exchange rates. In managerial accounting, it has become possible to more precisely understand profitability by product, the appropriateness of set prices, and inventory stagnation. This also leads to more prompt decisions on sales policies, inventory reductions, enhanced inventory risk management, and the formulation of highly effective measures to reduce required working capital. As a result of the retroactive adjustment associated with this change, opening consolidated retained earnings increased by 0.2 billion yen.

*1 For information on the mechanisms behind foreign exchange gains/losses at our Company, please visit our website.

The Path to Achieving the Marubun Nextage 2027 Medium-Term Business Plan

The financial targets set for FY2027, the final year of the Plan, are at a level that is fully achievable. Given that we achieved ordinary profit of more than 6.5 billion yen in the final year of the previous Medium-Term Business Plan, a path can be drawn by assuming an average annual nominal growth rate of 8% or more. Toward the pursuit of growth above the market average, or "alpha," we will expand organic business growth by strengthening existing businesses and collaborating with U.S.-based Arrow Electronics, Inc., while also focusing on capturing inorganic growth opportunities in parallel.

As an investment envelope for seeking non-linear growth opportunities, particularly M&A opportunities, during the Medium-Term Business Plan period (a three-year cycle), we are considering a scale of approximately 6.0 billion yen, equivalent to about 10% of total net assets. We continuously maintain our internal "M&A Playbook" and standardize processes from initial screening to the evaluation of business value, due diligence, and post-merger integration (PMI). For investments in venture businesses, we have established a structure under the Investment and Loan Subcommittee, which operates under the Management Committee, to analyze and monitor the creation of financial returns and sales synergies in a timely manner. For both business acquisitions and investments in venture businesses, we will improve our readiness to make investment decisions flexibly and take on excellent investment opportunities more proactively than ever before.

Financial Targets for FY2027

Net Sales (Plan Figures)	Ordinary Profit (Target)	Ordinary Profit Ratio (Plan Figures)	ROE (Target)
240 billion yen	8 billion yen or higher	3.3% or higher	9.0% or higher

Optimization of the Group-Wide Earnings Portfolio

For sustainable growth, we need to advance financial and strategic approaches tailored to the business models of each of our three business segments and optimize the Group-wide earnings portfolio.

First, in the Electronic Devices Business, important themes include margin optimization through strict profitability management that takes into account interest rates and foreign exchange impacts, as well as improving the efficiency of working capital to enhance profitability. At the same time, we will promote a down-market strategy to expand our customer base from conventional large customers to the middle market, thereby improving the overall gross margin. Along with this, we will maintain operating expense efficiency while further refining dynamic monitoring of credit risk management.

Next, due to the nature of its business, the Electronic Systems Business has a relatively long period from order receipt to revenue recognition and also has seasonality with sales skewed to the fourth quarter. Acquiring new business flows that help smooth this seasonality is an ongoing challenge. We will further strengthen collaboration with the Group's engineering service functions for inspection, maintenance and distribution of consumable parts, so that we can go beyond the sale and installation of equipment. By reliably capturing peripheral transactions, we will increase the proportion of recurring business (recurring revenue), expand revenue opportunities, and diversify revenue sources.

Finally, the Entrepreneur Business is responsible for cultivating asset-light new businesses and exploring new growth opportunities through collaboration with advanced

CFO Message

ventures. We will leverage our strengths in technology and market discernment to take strategic risks and achieve segment profitability at an early stage. We will then put subscription-based robot-related businesses and other initiatives on track and grow them into a "third pillar" that drives profitability across the Group.

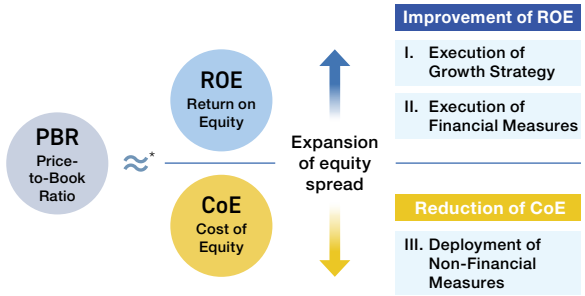
Improving Capital Efficiency

We are keenly aware that our price-to-book ratio (PBR) remains below 1.0. To improve PBR, we are focusing on both improving ROE and reducing shareholders' expected return (cost of equity). To improve ROE, rather than shrinking total net assets to achieve balance, we will prioritize allocating retained earnings and operating cash flow to future growth investments, thereby increasing consolidated business profit through a growth strategy. At the same time, from the perspective of capital efficiency, our policy[*2] is to appropriately sell or replace strategic stock holdings whose rationale for being held is not recognized.

Taking into consideration the balance among maintaining solid financial soundness, investing in future growth, and returning profits to shareholders, we have significantly expanded our shareholder return policy. Specifically, we raised the dividend payout ratio guideline from 40% to 50%, and at the same time raised the DOE (dividend on equity ratio) benchmark from 2.5% to 3.5%. By applying the higher of these two indicators, we will implement stable and continuous dividends that are not affected by fluctuations in business performance. In addition, we have established a new Shareholder Benefit Plan and are working to expand opportunities for returns to shareholders. We also introduced the Employee Shareholding Association Restricted Stock Incentive Plan as an incentive for employees. By giving each employee the opportunity to share interests with shareholders and proactively think about how their own role can contribute to improving corporate value, we will foster a corporate culture in which the entire company works as one to enhance corporate value.

*2 For information on our policy for the reduction of strategic stock holdings, please visit our website.

▶ Management Conscious of Cost of Capital and Share Price



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

Achieving Both Economic and Social Value

To achieve the challenging targets set as our long-term aspirations, a major leap forward in both financial and strategic terms is essential. Here, I would like to talk about my two roles, CFO and CSO. The CFO's mission is to build a solid "defence" foundation by maintaining strict financial discipline, improving capital efficiency, and enhancing risk management. On the other hand, the CSO's mission is to draw a medium- to long-term growth story and support bold initiatives with an "offense" mindset toward non-linear growth opportunities such as M&A and new businesses. Financial "discipline" (the brake) and strategic "drive" (the accelerator) may appear to conflict, but by having one person oversee both in close collaboration with the CEO, it becomes possible to take rational, speedy strategic risks without falling into excessive risk aversion.

At the same time, we have positioned "Pursue responsible business" as the first theme of the Plan and are promoting initiatives to address our five material issues. My belief is that a company's value is only recognized when it solves social issues. Initiatives in non-financial areas, including sustainability, do not conflict with financial results; rather, they are the very source for earning long-term trust and creating sustainable corporate value.

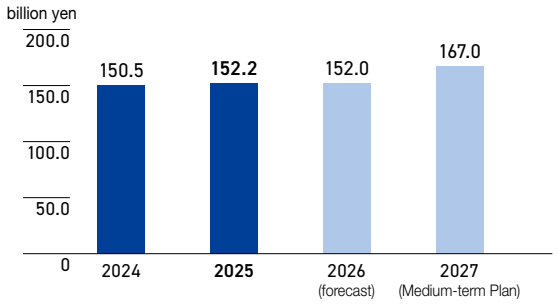
I ask our shareholders, investors, business partners, employees and their families, and local communities to continue to extend their support to us and to watch over the Marubun Group with both warm and discerning eyes as we make steady progress while balancing economic and social value.

Summary by Business

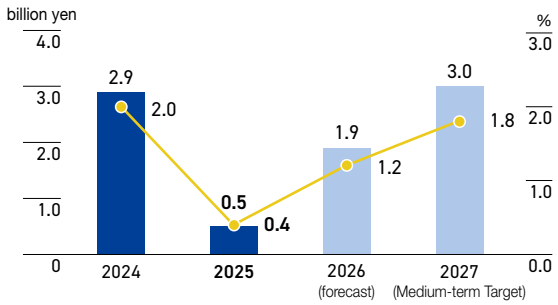
Electronic Devices Business

- Foundation-strengthening businesses
- Distribution business for semiconductors and electronic components

▶Net Sales



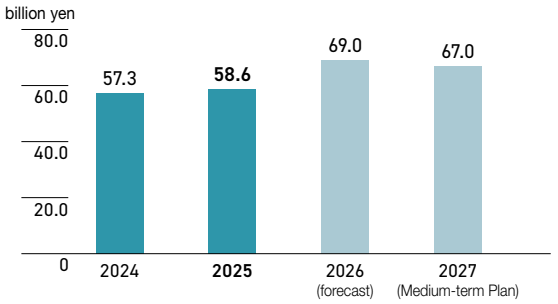
▶Ordinary Profit / Ordinary Profit Ratio*



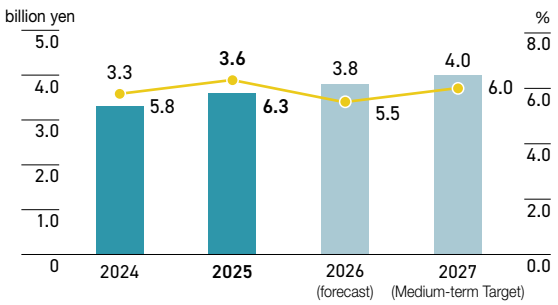
Electronic Systems Business

- Growth-driving businesses
- Sales and maintenance services for electronic equipment and systems

▶Net Sales



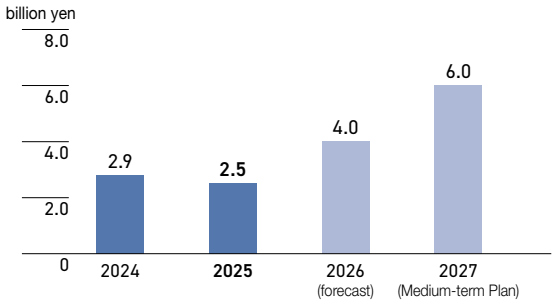
▶Ordinary Profit / Ordinary Profit Ratio*



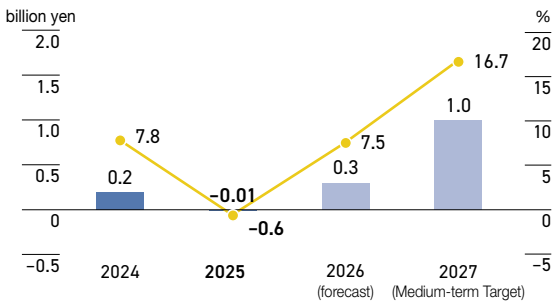
Entrepreneur Business

- Value-creating businesses
- Development, sales, and maintenance services for cutting-edge solutions

▶Net Sales



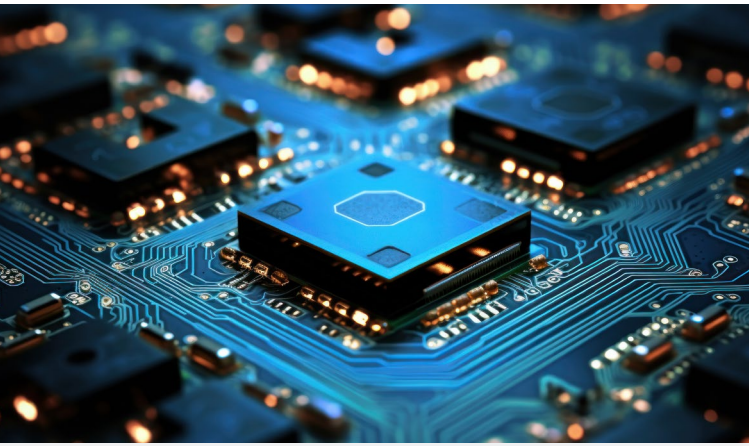
▶Ordinary Profit / Ordinary Profit Ratio*



* From FY2025, we have made changes to our accounting policies. Figures for FY2024 have been retroactively adjusted.

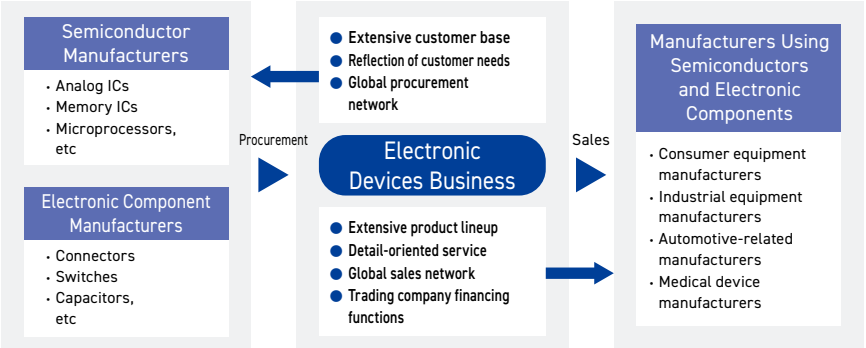
Electronic Devices Business

Distribution business for semiconductors and electronic components



Business Model and Features

- Procure semiconductors and electronic components from leading overseas suppliers and supply them to major domestic manufacturers
- Leverage an extensive product lineup and a solid global procurement network to make optimal product proposals



Strengths

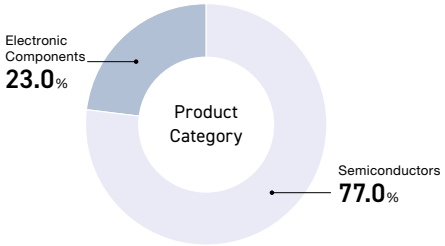
- Partnership with Arrow Electronics, Inc.
- Global sales network

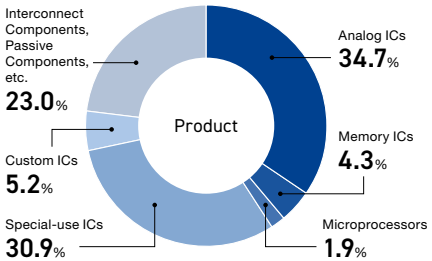
Opportunities and Risks

Opportunities
- Further increase in semiconductor demand
- Expansion of Industrial Equipment (robotics, infrastructure), mobility (automotive), and medical/healthcare businesses
- Increase in global support requests from customers

Risks
- Semiconductor shortages
- Further fluidity of commercial rights and other changes in the sales strategies of semiconductor manufacturers
- Geopolitical risks including U.S.-China trade friction (export restrictions, tariffs, etc.)
- Event risks including market conditions, finance, and natural disasters

Sales Composition Ratio and Overview by Product Category





Product Category	Product	Overview	Main Applications / Product Examples
Semiconductors	Analog ICs	Integrated circuits for processing and controlling continuous quantities (analog signals) including audio, video, electrical power, and temperature.	Power circuits, audio amplifiers, sensors, wireless communications
	Memory ICs	Integrated circuits specialized for memory and storage of digital information. Examples include DRAM for temporary data storage and flash memory for long-term storage.	PCs, smartphones, SSDs, USB memory
	Microprocessors	The core component that acts as the "brain" of computers and electronic devices, responsible for data computation and overall system control. Includes MPUs and MCUs.	PCs, servers, smartphones, electronic control units (ECU) for vehicles, industrial robots
	Special-use ICs	Integrated circuits designed to achieve general-purpose functions for specific applications (markets). ASSPs fall under this category.	Image processing for smartphones, sensors for in-vehicle cameras, audio processing for audio equipment
	Custom ICs	Integrated circuits specifically designed and manufactured to optimize functions for specific products of specific customers. ASICs and FPGAs fall under this category.	Dedicated customer equipment, cutting-edge communication devices, data centers, etc.
Electronic Components	Interconnect Components, Passive Components, etc.	Components and materials that make up electrical and electronic products. Connectors, resistors, capacitors, printed circuit boards, inductors, transformers, liquid crystal displays, etc.	Electrical and electronic products and their constituent components

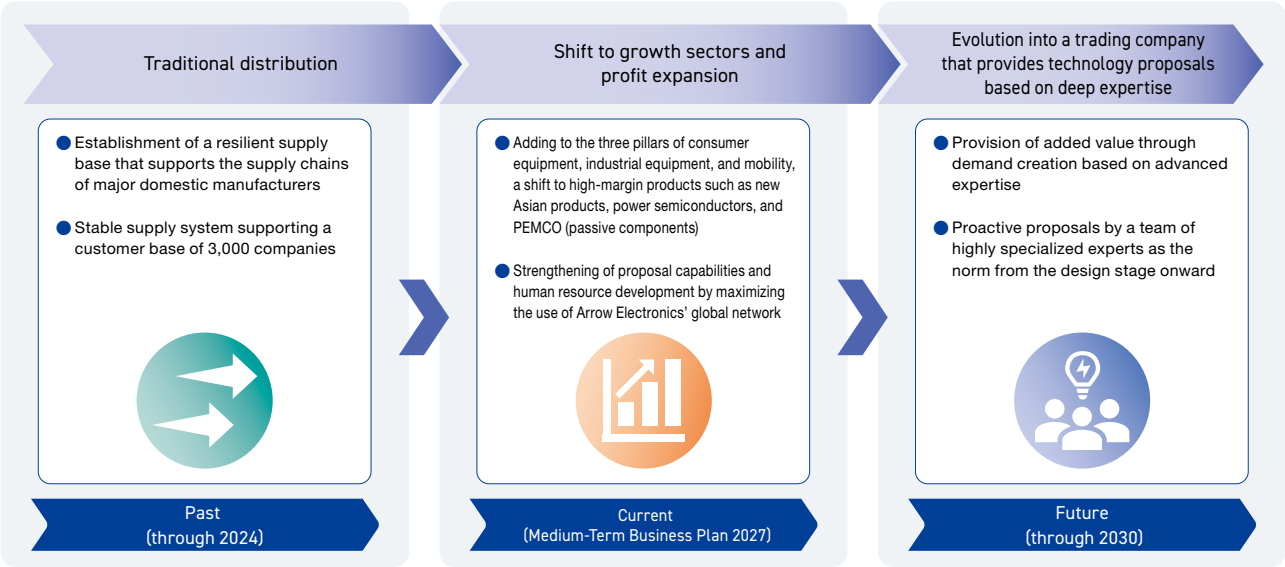
Electronic Devices Business

Takehiko Akiyama
Executive Director
In charge of the Electronic Devices Business

Responding quickly to a changing environment and reaffirming a solid business foundation

In FY2025, although demand for industrial equipment remained subdued, demand for mobility and consumer equipment was firm. As a result, net sales increased 1.1% year on year to 152.2 billion yen. Meanwhile, ordinary profit declined 81.0% year on year to 0.5 billion yen, a disappointing result, due to a decline in proxy transactions, a lower gross profit margin caused by changes in product mix, and the recording of foreign exchange losses resulting from the weaker yen. Although the business environment was challenging in terms of profitability, the impact of foreign exchange is temporary, and the direction we should pursue remains unchanged.

The Electronic Devices Business serves as the core of the trading company functions that the Marubun Group has cultivated over many years, and plays a role as a solid business foundation that supports the stable management of the entire Group. We have continued to refine, as sources of sustainable competitive advantage, the strong network with leading suppliers in Japan and overseas that we have built as an independent trading company, as well as support systems and services that remain stable under any market conditions. Precisely now, as we face changes in the external environment such as declining Japanese buying power and increasing geopolitical risks, we are confident that our unchanging distribution foundation, which continues to maintain the level of service we provide, will serve as a source of trust for our customers.



Portfolio Optimization and the Challenge of Becoming the "First Call"

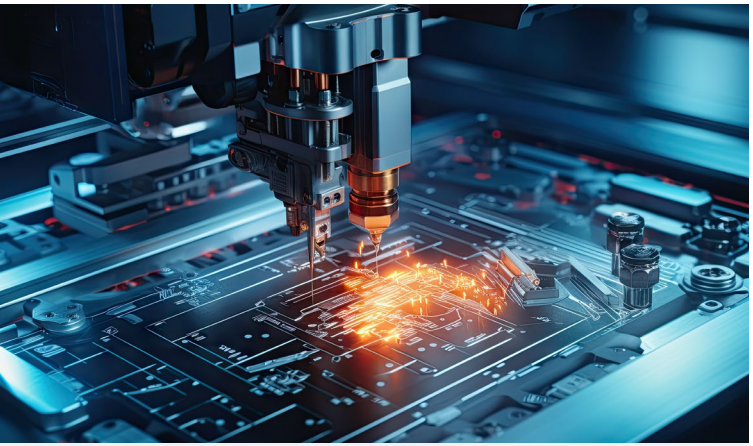
While maintaining this solid foundation, we are now focusing on optimizing our portfolio to respond quickly to market trends. Keeping the established stable markets of industrial equipment, consumer equipment, and mobility as our core, we continue to allocate resources to specific fields where solid domestic demand is expected, such as aerospace and defence and medical/healthcare. To minimize the risk of supply chain disruptions, we are working to maintain and optimize our supply structure from a global perspective. Heading toward 2030, we will further deepen our fundamental function of product supply and expand the scope of installation and implementation support that physically resolves challenges at customer sites. Precisely because we live in an era of rapid technological evolution, we find value in the sincere involvement of a trading company in complementing on-site work and processes where human involvement is essential. In fact, we have received many inquiries from customers regarding these matters, and are working steadily to shape them into new services.

Whatever the era, in order to continue to be the "first call" business partner that customers consult before anyone else, we will continue to serve as the cornerstone of the Marubun Group's stable growth, drawing on unwavering trust.

The role we must fulfill extends beyond delivering value to customers. We will further strengthen the ties with leading suppliers in Japan and overseas that have been built over many years, and thoroughly pursue collaboration to share cutting-edge technology information and latent market needs. By enhancing the stability and added value of the entire supply chain, we will continue to grow together with our partner companies.

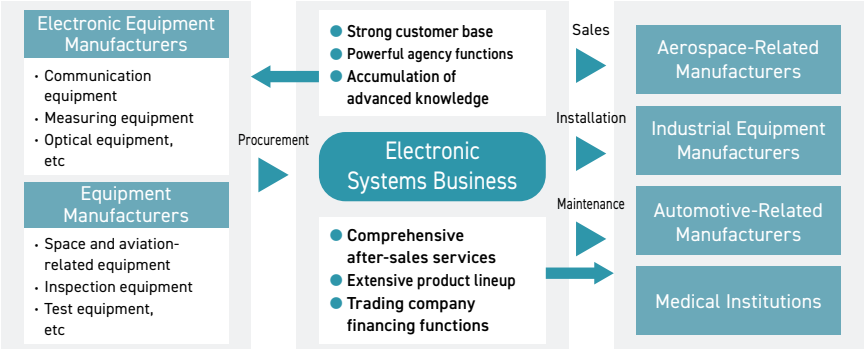
Electronic Systems Business

Sales and maintenance services for electronic equipment and systems



Business Model and Features

- Procure electronic and facility equipment from Japan and overseas for provision to major domestic manufacturers and other customers
- Provide consistent support beyond equipment sales, from on-site installation to long-term maintenance



Strengths

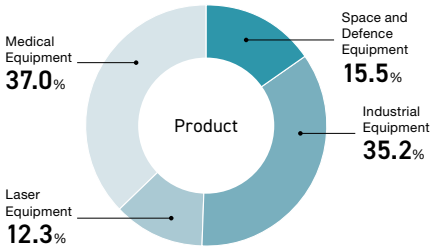
- Exclusive dealer rights
- One-stop service spanning installation to maintenance

Opportunities and Risks

Opportunities
- Increasing opportunities in government-led projects
- Growth in space development activity
- Increase in global support requests from customers

Risks
- Decline in domestic demand due to population decrease
- Large-scale reorganization of small and medium-sized manufacturers
- Geopolitical risks including U.S.-China trade friction (export restrictions, tariffs, etc.)
- Event risks including market conditions, finance, and natural disasters

Sales Composition Ratio and Overview by Product Category

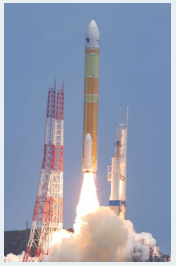


Product	Overview	Main Applications / Product Examples
Space and Defence Equipment	Devices, components, and systems used specifically for aircraft and space development.	Aviation-related equipment, space-related equipment, high-frequency electronic equipment, measuring equipment, sensors
Industrial Equipment	Equipment and devices used in industrial fields, including factory automation (FA) and manufacturing processes.	Inspection equipment, manufacturing equipment, assembly equipment, embedded solutions
Laser Equipment	General-purpose components and standard laser equipment for use in wide-ranging fields, including laser light sources and optical modules.	Laser oscillators, laser processing equipment, light sources and optical components, optical modules
Medical Equipment	Equipment and components specifically designed for diagnosis and treatment in hospitals and clinics.	Imaging diagnostic equipment, radiation therapy equipment, clinical testing equipment

Close Up Aerospace and Defence Business: 70-Year History and Future Outlook

Founded in 1844, Marubun launched its aerospace and defence business in 1952 with the handling of related products. Over a history of over 70 years, we have built strong relationships of trust with our customers. Through support for the procurement of high-reliability components in projects ranging from N-I to H3 rockets, we have contributed to the development of Japan's space program and national security.

In recent years, with the national budget for space and defence on an upward trend, we have been deploying a wide range of solutions, from rocket and satellite components to communications infrastructure. Drawing on the trust built over many years, we will reliably respond to growing demand and continue to strive for business expansion and social contribution through the provision of cutting-edge technologies.



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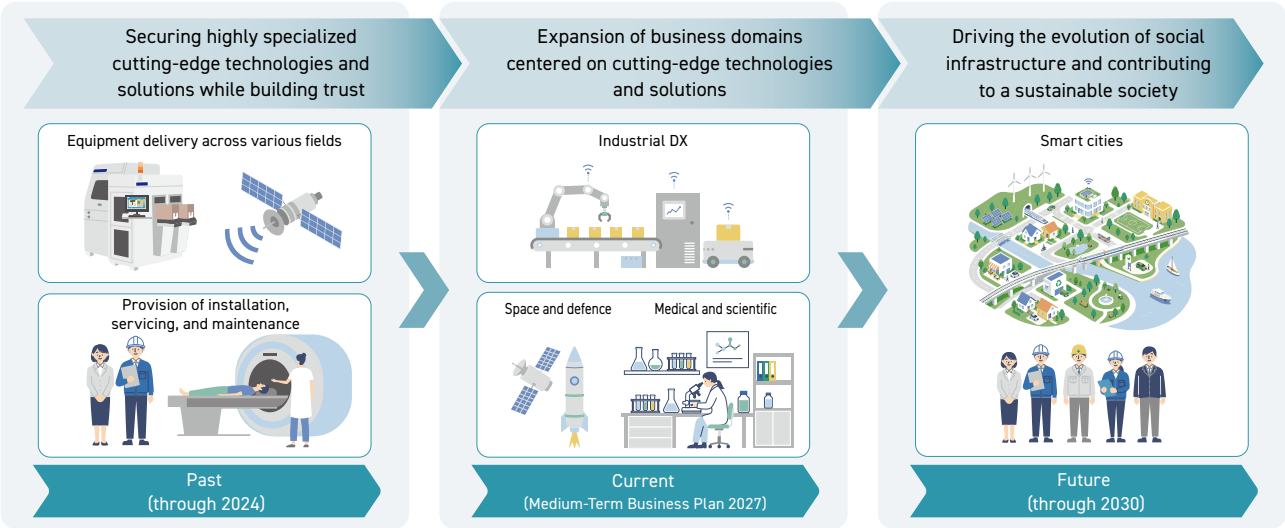
Electronic Systems Business

Chotaro Yasuda
Executive Director
In charge of the Electronic Systems Business

Rapid Advancement as a Growth-Driving Business and Strengths as a Trading Company

In FY2025, the Electronic Systems Business saw significant growth in aerospace equipment such as high-reliability components for satellites, driven by the expansion of the aerospace and defence-related market. As a result, net sales increased 2.2% year on year to 58.6 billion yen, and ordinary profit increased 9.8% year on year to 3.6 billion yen, a very solid result, due to the revenue increase and an improvement in the gross profit margin as the composition ratio of high-margin aerospace-related products increased. In the Marubun Nextage 2027 Medium-Term Business Plan, this business is positioned as a growth-driving business. We view this strong performance as a foothold for solidly fulfilling that role.

The essence of the Electronic Systems Business lies in our function as a specialized import trading company that quickly brings the world's most advanced technologies to customers in Japan. As sources of sustainable competitive advantage, since our founding we have built an ability to discern advanced overseas technologies, rooted in the spirit of "looking forward" and "staying ahead," high-level maintenance and services that continue to deliver these technologies with reliability on par with domestic products, and deep technical insights gained through trial and error in the field. This strong foundation of technology and trust is our very identity.



Expanding Functions for Higher Added Value and Developing One-Stop Services

Building on this solid foundation, we are expanding our functions to achieve even higher added value. Going beyond the mere provision of products, we are strengthening our ability to integrate suppliers' technology roadmaps with customers' next-generation product roadmaps and propose optimal solutions by participating from the early stages of the development process. As priority markets, we are targeting fields where demand is expected to expand in both the public and private sectors, such as aerospace, defence, and medical/scientific instruments, as well as basic research fields that will shape the future.

What we aim for by 2030 is the further expansion of our service functions. While we have provided services such as installation, maintenance, and upkeep, in light of the recent emergence of labor shortages at customers and the limits of in-house operations, we aim to develop a one-stop service that covers every area of the value chain, not only equipment sales but also assembly, inspection, installation work, and even outsourced operation and personnel dispatch. We believe that expanding these service functions will enable us to reliably capture the diversifying needs of customers' sites and make our foundation of trust even stronger. By providing comprehensive support from equipment installation to subsequent operation, we will create an environment where customers can focus on their core operations and will support their business growth from the ground up.

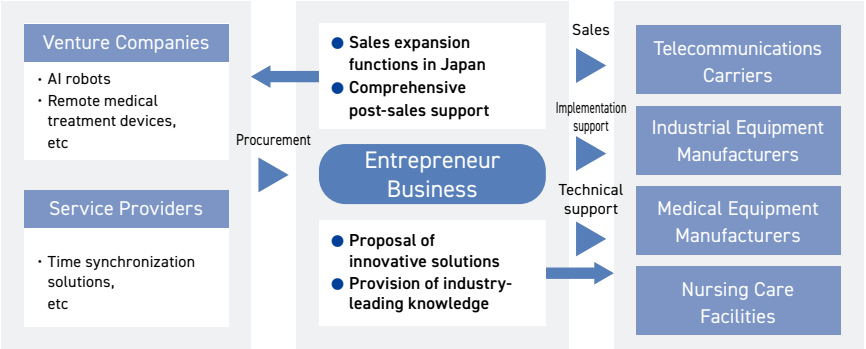
We will also build a solid brand around "Come to Marubun for cutting-edge technologies and services" and will powerfully drive the sustainable growth of the entire Group as a "first call" business partner that customers consult before anyone else.

Entrepreneur Business

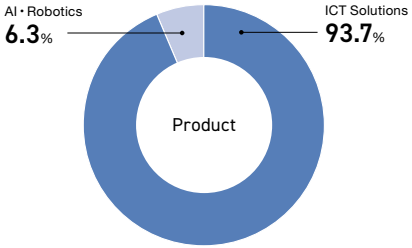
Development, sales, and maintenance services for cutting-edge solutions

Business Model and Features

- Promote new asset-light businesses derived from existing operations
- Discover products from innovative venture companies and flexibly provide support that spans implementation to technical assistance



Sales Composition Ratio and Overview by Product Category



Product	Overview	Main Applications / Product Examples
ICT Solutions	Wide-ranging solutions that utilize information and communication technology (ICT) to help companies solve problems and improve efficiency.	● Achievement of highly precise time synchronization in financial transactions and communication systems, etc. ● Streamlining of remote monitoring and data collection for factories and social infrastructure ● Building of robust security to protect information assets from cyberattacks
AI・Robotics	A range of products and services that combine AI technology and robotics to address specific social challenges and customer needs.	● Automated solutions (AI robots) to compensate for labor shortages ● Digital healthcare products to support advanced medical care

Strengths

- Capabilities for discovery and co-creation of electronics venture businesses
- Creation of new added value and ability to make proposals

Opportunities and Risks

Opportunities
- Rising demand for medical infrastructure development due to aging population and shortage of doctors
- Increasing demand for next-generation solutions due to labor shortages
- Growth potential through early participation

Risks
- Changes in economic conditions and technology trends
- Uncertainty and longer lead time to profitability

Close Up — Time Synchronization Solutions that Support Social Infrastructure

Time synchronization solutions, a core product offering of the Entrepreneur Business, are foundational technologies that precisely synchronize time across different systems on a network.

The ability to watch television without any discrepancy between picture and sound or to make calls on mobile phones is made possible by the rigorous synchronization of all equipment within broadcasting stations using this technology. Time synchronization plays an indispensable role in the stable operation of critical infrastructure that forms the foundation of society, including broadcasting, mobile communications, financial transactions, factory production management, and electric power.

Although the timing of demand was shifted for some projects in FY2025, market needs remain solid, and a level of demand is expected to continue. We contribute to the development of a digital society and a sustainable future through the provision of cutting-edge technologies.

Cesium Frequency Standard Atomic Clock

Entrepreneur Business

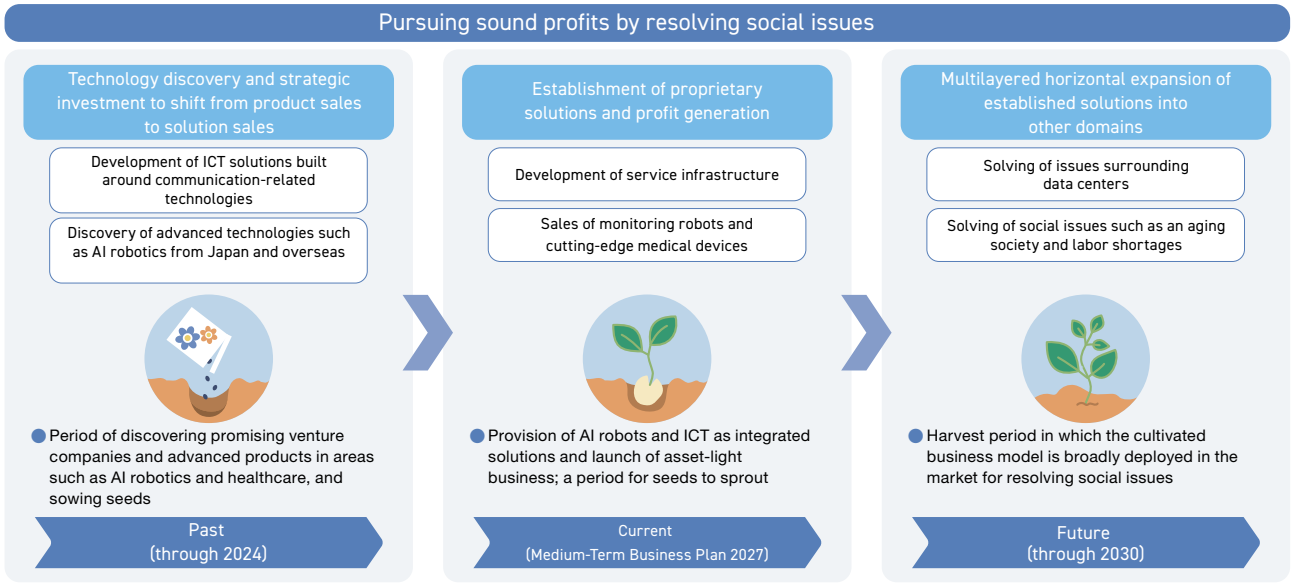
Satoshi Fujino

Executive Managing Director and Chief Innovation Officer (CINO)
In charge of the Entrepreneur Business

Reviewing the Present for Future Leaps and Our Mission of "Value Creation"

In FY2025, net sales declined 14.1% year on year to 2.5 billion yen due to reduced demand for time synchronization systems for communications infrastructure and software products. Looking at ordinary profit, we recorded an ordinary loss of 0.01 billion yen due to factors including a decline in sales of relatively high-margin software products. Although the results were challenging in numerical terms, for this business that we position as a "value-creating business" in the Medium-Term Business Plan, the present represents a process of sowing seeds for the future and steadily nurturing them in order to create a third pillar driving sustainable growth.

Armed with a network of venture companies built through past investments and the ability to identify promising technologies cultivated by personally attending cutting-edge international conferences and engaging in professional dialogue, we have continued to take on vast markets including ICT infrastructure, healthcare and nursing care, and next-generation energy. All of these efforts share the theme of solving social issues, and are the very embodiment of our corporate purpose.



Unique Solutions That Stay Close to the Needs of the Field and the Challenge of Systematization

We are tackling the resolution of challenges faced by society and customers through two companies operating as twin pillars: IRIS Company, centered on communications-related technologies, and DIONE Company, which discovers advanced overseas technologies such as AI and robotics. To ensure that the seeds we have sown will sprout, staying close to the needs of the field is essential.

Rather than bringing cutting-edge technologies from overseas ventures to market as they are, we provide a marketing function that improves software based on field feedback and elevates it into unique solutions. For example, with the communication robots introduced at nursing care facilities, we resolved issues by incorporating user feedback requesting the ability to move on to the next topic even when AI is speaking, and collaborated with the manufacturer to embed software technology that allows changing the topic instantly. By staying close to the real voices of customers and repeatedly making improvements tailored to the field, we are developing a unique "solution selling" business that goes beyond simply providing products, differentiating ourselves from competitors.

Toward achieving positive ordinary profit in FY2027 and further growth in 2030, we are working urgently to systematize and improve the efficiency of our sales network. Specifically, we are promoting sales partnerships in six blocks nationwide, the full-scale deployment of digital marketing, and the introduction of AI sales assistants. We will also keep strategic alliances and M&A in view, and as a group of professionals capable of providing cutting-edge technologies in every field, will pioneer future possibilities envisioned by Marubun. We will exercise our entrepreneurial spirit, link the resolution of social issues to the pursuit of high-quality profits, and fulfill our mission as a value creation business.

The Frontline of Value Creation as Seen from Each Business

Marubun's strength lies in the "frontline," where we are always closest to our customers. Leveraging a customer base of 3,000 companies and a global procurement network, we work every day to pursue added value and deliver solutions that exceed expectations.

Electronic Devices Business

With trusted distribution at our core, staying alongside customers into the future through proactive proposals

As the person responsible for customers in the consumer and industrial equipment sectors, I support the stable supply of products and make proactive technical proposals in anticipation of next-generation products.

When risks of delays in product supply to customers arose, I faced difficult situations with a commitment to securing a reliable supply network and minimizing the impact. When shipments from suppliers were uncertain, I personally arranged negotiations involving suppliers, our management, and customers, and persistently coordinated until I succeeded in securing a top-priority supply allocation. This support generated even greater trust, led to new business expansion, and has resulted in customers consulting us from the concept stage of next-generation products.

Currently, in response to issues such as customers' lack of design resources, I am promoting proposals for embedded boards. Because it also improves our own profits, I am working to spread these proposals throughout the company so other departments can also make them. I continue to take on challenges every day with the goal of creating new value.

Sales

Susumu Takenaka

Electronic Devices Business
Account Sales Operation Gr.
Sales Div. 1 Dept. 1

Electronic Systems Business

Driven by a mission to support national defence, pursuing one-of-a-kind proposals with an eye to the future of operations

Since joining the company, I have consistently been in charge of defence-related system sales. Given differences in culture and business customs between overseas manufacturers and customers in Japan, communicating closely between both sides is necessary for smooth transactions. By going out into the field and honing practical language skills and coordination abilities, I have found the optimal point of compromise for both sides and have advanced projects.

The defence business is a long-cycle field in which projects may take five to ten years to come to fruition. In this context, focusing on niche areas requiring unique expertise, conducting multiple demonstrations inviting many stakeholders, and continuing to prove effectiveness led to the adoption of a system that contributes to enhancing defence capabilities. This leads to a business that supports customers over the long term through maintenance and other services for 10 to 20 years after introduction. The conviction that my own proposals contribute, even indirectly, to national security is the driving force behind my many years of activity.

I face up to customers day by day to serve as a one-and-only presence that goes beyond selling systems to make proposals that extend to the operational benefits they can deliver.

Sales

Shun Amano

Electronic Systems Business
Sales & Marketing Gr. 1
Sales Div. 1 Defence Solution Dept.

Entrepreneur Business

Connecting trust in the field to the future through our unique "value selling" and challenges in new domains

Throughout my career at Marubun, I have consistently been conscious of "value selling"—not simply selling products but providing added value to customers. When involved in wireless power supply operations, I honed my expertise by acquiring a radio engineer license with an eye to the future. In addition, upon recognizing that the high-cost implementation of technology licenses was a barrier for customers, I collaborated with supervisors, colleagues and other departments to launch a business for the sale and loan of low-cost prototype units, creating an environment that facilitated customers' consideration of adoption. Later, even when there were no products to propose, I maintained sincere responses, and as a result, the trust-based relationship with the customer bore fruit, leading to a new request to create another evaluation board.

From April this year, I have been assigned to a department handling robots, an area of focus in the Entrepreneur Business, and have taken a new step forward. Though still learning, I am working every day toward the goal of leveraging my experience to eventually provide packaged solutions that include on-site network infrastructure setup and unified management software, supporting customers in resolving their challenges.

Marketing Promotion

Kaede Kudo

Entrepreneur Business
DIONE Company
Innovation Technology Dept.

Human Capital Strategy

Human Capital Strategy

Message

From "Work Style Reform" to "Job Satisfaction Reform": Promoting a Culture Unafraid of Failure and Systems That Reward Taking On Challenges

Koji Nishiwaki
Executive Officer
General Manager of General Affairs Division

Guided by our Purpose, "Contribute to a brighter future through technologies" and our spirit of "looking forward" and "staying ahead," we aim to create unique value as an unrivaled electronics trading company. The source of this value creation is each of our employees, who continue to take on challenges and grow. As work styles and values diversify and competition for talent intensifies further, we began our reforms by listening carefully to what our employees had to say. As befits a company listed on the Prime Market, we have set a human resources vision for 2030 of becoming a "company of choice" for both employees and the market, placing human capital at the core of our management strategy.

To realize this vision, we first fostered "psychological safety" as our foundation—a culture in which people can speak candidly without fear of failure—and rolled out skills training for all employees. In this way, we are moving from "work style reform," which changes how people work, to "job satisfaction reform," which makes work itself rewarding. Under this "job satisfaction reform," we have introduced, step by step, an in-house multiple jobs program that lets employees broaden their careers by working in another department while keeping their current role, hot-desking to encourage dialogue, and the Welfare Promotion Office to support employees' health and well-be-ing. To create an environment where everyone can make full use of their abilities, we have also expanded training that builds career ownership and workshops that support women's career ad-vancement, with a strategic overhaul of our HR system, including unification under the "Compre-hensive Employee" category from FY2025, these efforts aim to steadily raise the ratio of women in management.

As a result of these wide-ranging initiatives, our eNPS, which measures employees' willingness to recommend Marubun as a workplace, has improved for three consecutive years. We will further encourage a "career ownership mindset," in which every employee takes charge of their own careers, and aim for a state in which every employee embodies our Purpose in their daily work. Through investment in human capital, we will achieve both employee growth and higher corporate value and make steady progress toward becoming the "company of choice" we envision for 2030.

Initiatives to Enhance Engagement

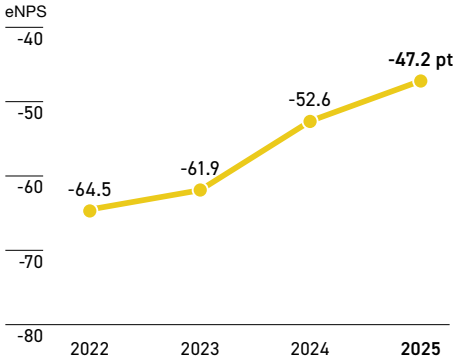
Drawing out the full potential of our employees requires not only systems and development opportunities that support those who take on challenges but also genuine passion for the work itself—in other words, engagement. We regard engagement as "job satisfaction," and treat raising it as a key management priority.

Since FY2022, we have conducted an engagement survey every year to track employee sentiment and eNPS over time. In FY2025, eNPS improved for the third consecutive year to -47.2 points, up 17.3 points from FY2022, the first year of the survey, and up 5.4 points year on year. This is higher than both the average for Japanese companies (-61.1 points) and the average for the wholesale and retail industry (-53.5 points).

The survey showed marked improvement in items such as "making use of abilities and individuality" and "diversity of perspectives." We see this as a sign that measures such as our HR system reform, which abolished the "General Employee" category and unified it under the "Comprehensive Employee" category, and Psychological Safety Skill Training are gradually but steadily taking hold. In addition, annual town hall meetings, where senior management explains company policy directly to employees, we have reaffirmed our sense of unity as Marubun, contributing to an improved score for "shared vision and goals."

While overall scores are trending upward, the "growth and career opportunities" item remains relatively low. Embedding our measures in daily practice, nurturing the right culture, and building new frameworks are therefore key challenges ahead. In response, we will expand support that enables employees to build their careers on their own initiative, and drive a company-wide effort to create medium- to long-term growth opportunities.

eNPS Score Trend



FY2025 Initiatives

- DE&I promotion and unification into "Comprehensive Employee" positions
- Psychological Safety Skill Training
- Expansion of the in-house multiple jobs program
- Establishment of the Welfare Promotion Office
- Promotion of hot-desking

Human Capital Strategy

Development of Professional Talent

The Marubun Group believes that investment in human capital leads to sustainable enhancement of corporate value. To empower employees to achieve autonomous growth and take true ownership of their careers, we are expanding our training programs by level and department, alongside self-directed learning opportunities. Our focus is on enhancing practical expertise and cultivating a culture of continuous learning.

Specifically, we support employee growth with a diverse educational lineup ranging from training that gradually enhances on-the-ground capabilities according to grades and positions, to accounting, languages, mental health care, and life planning. In addition to self-development opportunities such as e-learning, we have introduced the in-house multiple jobs program as a framework that allows employees to experience work in other departments. By combining these diverse learning opportunities with practical on-the-job training (OJT), we are creating an environment in which all employees can proactively broaden their horizons and continue to grow.

We will further evolve our development programs to maximize individual potential and build a "group of unrivaled professionals" that continues to provide unique value by anticipating market changes.

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.**

▶ Human Resource Development System of the Company (non-consolidated)

	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 language skills	Provision of opportunities for voluntary skill improvement and learning
Format	Group training, online training, individual interviews	Group training, online training	Online training, correspondence education, payment of incentives and allowances

To put the concept of career ownership into practice, we systematically link the following programs and systems to support employees' autonomous growth from multiple perspectives.

Practical training at the workplace (OJT)

We focus on practical experience at the workplace to develop the skills required at each level.

Systematic training (Off-JT)

We provide training opportunities to acquire systematic knowledge and business skills.

Self-directed learning (e-learning, etc.)

We support employees in proactively learning and improving their skills regardless of time or location.

Support for obtaining qualifications

We have established recognition and incentive programs, such as awards for qualification acquisition and allowances for qualification contributions, to promote self-improvement and contributions to the company.

Close Up: Results Showcase

Gaining Product Knowledge in the Electronic Devices Business

The Electronic Devices Business is promoting practical development programs to enable early-career employees to become effective contributors at an early stage. Going beyond classroom learning on product knowledge, we conduct disassembly exercises to learn internal structures by dismantling actual equipment and engage in role-playing using customer visit guides, honing the knowledge of employees until they can articulate in their own words not only product specifications but also the value they can provide to customers.

Human Capital Strategy

Activities of the Human Capital Committee

Based on the recognition that people are the greatest source of value creation for a trading company, we established the Human Capital Committee in FY2024 to further strengthen human capital as the core of our management strategy. This Committee defines the company's desired future as "a group of professionals with the highest level of expertise (skills, experience, and innovativeness) recognized by ourselves and others," making this the guiding principle for all human capital initiatives. In FY2025, discussions have centered on the themes below with the aim of achieving a state in which all employees can embody our Purpose in their own work. We will balance employee growth with the enhancement of corporate value through investment in human capital, and will work to elevate our strategies and measures to create opportunities for employees to fully demonstrate their abilities.

Key Discussion Items	● Revision of the Executive Officer evaluation system ● Introduction of alumni and referral recruitment programs ● Analysis of engagement survey results and discussion of measures ● Establishment of the Marubun Advisory Forum ● Consideration of expanded employee benefits plans

Message

Toward Fostering a Healthy Corporate Culture Where Employees Can Take on Challenges with Confidence

To achieve sustainable corporate growth in an era of increasing uncertainty, each employee is now required to think and act proactively more than ever before. Against this backdrop, the HR division has been diligently undertaking the development of measures and frameworks, centered on fostering psychological safety and improving engagement. The results are reflected in improvements in recent engagement surveys and eNPS scores, and we feel a tangible response in our daily interactions with employees.

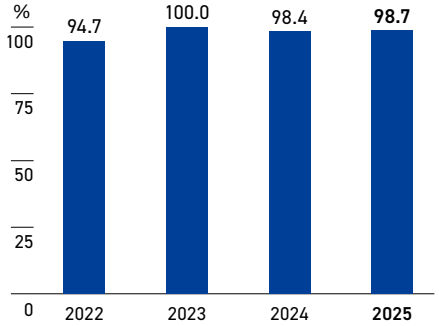
Moving forward, in addition to psychological safety, we will focus on improving the career ownership mindset. We believe that when employees proactively think about their own careers and strive for growth, this leads to organizational results and becomes a driving force behind company performance. Toward that end, we intend to focus even more on human resource development aimed at empowering each employee to realize their full potential. The Human Resources Division will continue to partner with employees on their growth journeys. By collaborating closely with management, we will contribute to building a company where people truly want to work—cultivating a corporate culture where every individual maintains confidence and pride, and feels secure taking on new challenges at Marubun.

Kazuaki Shimokobe
General Manager of Human Resources Division

Recruitment

Based on a shared identification with our Purpose to 'Contribute to a brighter future through technologies,' our recruitment activities emphasize two-way dialogue with candidates. We actively recruit individuals who resonate with the spirit of 'looking forward' and 'staying ahead' cultivated over 180 years since our founding, fostering mutual understanding throughout the hiring process. Post-hire, we support their growth through comprehensive training and a mentor system, achieving a high retention rate. In recent years, we have also focused on alumni recruitment, bringing in talent who are thoroughly familiar with our corporate culture and industry to make immediate contributions.

Retention Rate of New Graduate Employees within Three Years of Joining



Evaluation and Compensation Systems That Lead to Further Growth

We value not only the results but also the specific behaviors that lead to them. Our evaluation system consists of two axes: a management by objectives (MBO) system that evaluates short-term performance, and a competency evaluation system that assesses medium- to long-term growth behaviors. By combining individual assessments against specific criteria with relative comparisons within the same grade, we enhance the fairness and acceptability of our evaluations. Furthermore, continuous feedback through dialogue with supervisors promotes self-awareness and growth in each employee, encouraging them to take on their next challenges.

To create an environment where proactive endeavors are rewarded, we also revised our certification incentive program. In addition to reviewing the incentive amounts, we introduced a mechanism to evaluate the business contribution of each certification and reflect it in compensation. Moreover, within the in-house multiple jobs program—which fosters career autonomy—we evaluate the outcomes of these initiatives, further supporting employees in their ambitious pursuits.

Evaluation Frameworks That Support Employees' Efforts and Growth

Dual-Axis Evaluation

- Drive both short-term performance and medium- to long-term growth by leveraging MBO and competency evaluations.

Continuous Dialogue with Supervisors

- Foster employee growth through frequent one-on-one dialogues at key stages, including goal setting, progress tracking, and performance feedback.

The Foundation for Sustainable Growth

Directors and Executive Officers (as of June 30, 2026)

President and Representative Director, Chief Executive Officer (CEO)

Hiroshi Horikoshi

Years of service: 6
Attendance at Board of Directors meetings: 13/13
Number of shares of the Company held: 379,768

Executive Managing Director, Chief Financial Officer (CFO), Chief Strategy Officer (CSO)

Yuzo Nakada

Years of service: 4
Attendance at Board of Directors meetings: 13/13
Number of shares of the Company held: 14,833
Significant concurrent positions
- Director, MARUBUN TSUSYO CORPORATION

Executive Managing Director, Chief Innovation Officer (CINO)

Satoshi Fujino

Years of service: 19
Attendance at Board of Directors meetings: 13/13
Number of shares of the Company held: 15,257
Significant concurrent positions
- Global CEO, Marubun/Arrow
- President, Marubun USA Corporation
- Chairman, Marubun Taiwan, Inc.

Executive Director

Takehiko Akiyama

Years of service: 1
Attendance at Board of Directors meetings: 10/10
Number of shares of the Company held: 8,176

Executive Director

Chotaro Yasuda

Years of service: —
Attendance at Board of Directors meetings: —
Number of shares of the Company held: 1,741
Significant concurrent positions
- Director, MARUBUN TSUSYO CORPORATION

Independent Director and Audit and Supervisory Committee Member

Koji Kakinuma

Years of service: 7
Attendance at Board of Directors meetings: 13/13
Number of shares of the Company held: 0
Significant concurrent positions
- Representative, Koji Kakinuma CPA Office
- Member, Registration Screening Committee, The Japanese Institute of Certified Public Accountants
- Chair, Management Supervision Committee, National Research and Development Agency Japan Atomic Energy Agency
- Auditor, Japan Kogei Association

Independent Director and Audit and Supervisory Committee Member

Eiko Kisogawa

Years of service: 3
Attendance at Board of Directors meetings: 13/13
Number of shares of the Company held: 0
Significant concurrent positions
- Outside Director, ISEKI & CO., LTD.
- Director, Gold Ribbon Network

Independent Director and Audit and Supervisory Committee Member

Yoshisaburo Mogi

Years of service: 11
Attendance at Board of Directors meetings: 13/13
Number of shares of the Company held: 10,000

Independent Director and Audit and Supervisory Committee Member

Katsuma Yagi

Years of service: 1
Attendance at Board of Directors meetings: 10/10
Number of shares of the Company held: 0

Executive Officers

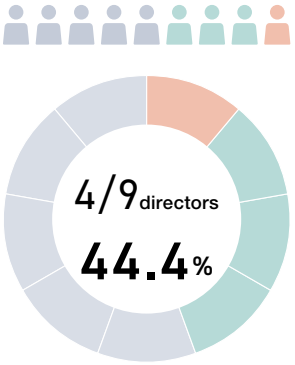
Yosuke Ohsawa

Shinichiro Kizaki

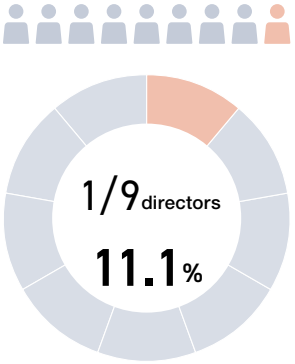
Toshihiro Shibuya

Koji Nishiwaki

▶Ratio of Independent Directors



▶Ratio of Female Directors



Independent Directors' Round Table

Corporate **Governance**

With the goal of a company that creates unique added value and continues to grow, four Independent Directors candidly discussed Marubun's proactive governance, human capital, and future prospects from an objective perspective.

Yoshisaburo Mogi (left)
Independent Director and Audit and Supervisory Committee Member

Koji Kakinuma (right)
Independent Director and Audit and Supervisory Committee Member

Eiko Kisogawa (center left)
Independent Director and Audit and Supervisory Committee Member

Katsuma Yagi (center right)
Independent Director and Audit and Supervisory Committee Member

It has been one year since President Horikoshi assumed office. How do you evaluate the initiatives undertaken over the past year?

Mogi President Horikoshi is willing to listen even to uncomfortable information. In addition, the Nomination and Compensation Committee has been strengthened and a sense of direction for future executive personnel has emerged, which is also an improvement. Regarding the implementation of the first Medium-Term Business Plan since President Horikoshi's appointment, first-year performance appears somewhat lagging due to the external environment, but I am not greatly concerned.

Kakinuma In a time when society as a whole is undergoing transformation, I feel that President Horikoshi, who is young and outward-looking, has a strong ability to grasp changes in society. On the other hand, because Marubun's human resources are finite, narrowing down what to focus on going forward is also a challenge.

Yagi It is also my first year in office, and I have been very impressed by how President Horikoshi makes swift management decisions from a logical and rational perspective, unbound by past customs or preconceptions, while sincerely listening to a wide range of opinions. I believe this attitude facilitates smooth communication between management and employees, leading to the creation of an organization with open communication. I hope he will pursue challenges that stay ahead of the

Independent Directors' Round Table

times, keeping the next Medium-Term Business Plan in sight by backcasting from the Company's desired state for 2030.

Kisogawa I agree. What particularly surprised me was the speed with which he advanced the revision of the personnel system, which had remained untouched for many years. In addition, the transparency of the decision-making process has improved dramatically. Previously, much information could only be obtained by asking questions ourselves, but now the status of discussions at the Management Committee is shared with us in advance without omission for every matter.

What do you think is necessary to enhance the effectiveness of "Group synergy," a key theme of the Medium-Term Business Plan?

Kisogawa Marubun is not merely a trading company; enhancing the added value that accompanies products is important, and collaboration with subsidiaries that possess solid technical capabilities has great significance in this regard. The quickest and most effective measure for generating Group synergy is personnel exchange between Group companies, which should also lead to the cultivation of corporate culture at the companies.

Kakinuma In pursuing synergy, Marubun must proceed in a way that respects the independence of companies while ensuring that Marubun's intentions are reflected. The strengthening of Group governance is progressing through the appointment of personnel to key positions at companies, but Marubun needs to continue working as a company to advance to the next stage of fostering a sense of unity across the Group.

Yagi It is important that Marubun links its sales functions with the engineering and maintenance functions of Group companies. Changes in customer issues and market needs are first perceived and gathered in the field, so this information and these functions must be organically linked. By reflecting this in management strategy, competitiveness and uniqueness will surely increase.

Mogi Thanks to the establishment of the Marubun Group Collaboration Forum, a venue has been created for sales managers across the Group to gather once a month. However, the Company needs to go one step further and create opportunities for exchange at the younger employee level. If a venue is created for younger employees to gather under themes such as the creation of new businesses, I believe that barriers between business divisions will break down and synergy will become a matter of concrete action rather than a mere slogan.

Human capital management, including personnel system reforms, is moving forward. How do you view the current situation and future challenges?

Kisogawa As I mentioned earlier, since President Horikoshi assumed office, various reforms have been set in motion. For example, the unification of the general and core position categories under the "Comprehensive Employee" category is expected to help remove constraints on the promotion of women's empowerment. However, the current situation is that the ratio of female managers has not risen as desired. The shortage of promotable talent is due to insufficient development in the past. I believe the Company should accelerate development by assigning work equally regardless of gender from the time employees join, and actively entrusting employees with leadership roles in important projects.

Kakinuma I feel that President Horikoshi is a president who directly confronts issues related to human capital. However, to respond to the changing times, personnel measures that entail some degree of side effects will also be necessary in areas where progress has been delayed. I hope human capital management will be promoted in a balanced manner, with consideration of impacts on existing employees.

Yagi Whether every employee truly feels growth opportunities and fulfillment is vital. Only when systems take root in the field and lead to changes in behavior and organizational culture can they lead to the enhancement of corporate value. I hope the Company can quickly move to that phase.

Independent Directors' Round Table

Mogi I hope the Human Capital Committee will be developed into a venue for discussions from even broader perspectives. What kind of talent will be needed at Marubun in the future, and how will the Company develop management talent, specialized talent, and global talent? While advancing such essential discussions, I believe the Company should also consider securing financial resources for implementation.

Please share a message with stakeholders on progress in strengthening governance and on the future of the Marubun Group.

Kakinuma On the topic of governance, the Company is sincere and does not hide things, so the flow of information is very good. However, there is an issue in whether the Company has sufficiently prepared risk response measures for when negative information becomes public. It is necessary to establish a proactive crisis management system that makes unambiguous judgments and takes swift and strict action based on the facts when an incident occurs. In addition, there is a need to discuss changes to the role of internal audit functions to go beyond J-SOX compliance and better prepare for fraud.

Kisogawa It is important to shift from defensive governance to proactive governance. Going forward, Independent Directors will also actively participate in strategies such as business portfolio management and M&A, engaging in decision-making that enhances corporate value while taking risks. We will also continue to closely monitor the cultivation of compliance awareness across the entire Group.

Mogi I also recognize that giving concrete form to proactive governance is a challenge. The president himself has recognized and begun acting on the importance of his own succession plan and the development of next-generation management talent, which we had raised as issues, and I expect further progress.

Yagi Governance that encompasses the entire Group requires effective risk management with an understanding of the nature of a wide variety of businesses. I look forward to the creation of new businesses in growth areas such as aerospace, defence, and medical, through strategic and aggressive resource allocation that leverages the Company's strengths in technology, maintenance, and engineering.

Kisogawa For the dramatic growth of new businesses, enhanced information-gathering capabilities and decisive resource allocation are essential. At the same time, through measures such as a restricted stock incentive program for employees, I hope the Company can foster a company-wide awareness of the need to enhance market value and a sense of fulfillment among employees.

Kakinuma Even if the Company tries to expand existing businesses to increase profits, it will eventually hit limits and will have to supplement actions with external management resources through M&A and alliances. However, unless the Company itself changes, it will not be able to leverage the resources as its own strengths. It's most important that the Company continually transforms itself in response to changes in the environment and continues to grow.

Mogi I want the Company to continue as a sustainable company, one that society chooses and where employees feel a sense of fulfillment. I believe it has the ability to organically connect information, technology, and services to create new businesses. The key to doing so lies in the exchange and challenges of the younger generation who will carry the future with their flexible thinking. Beyond the accumulation of such daily efforts lies the realization of the vision of the Marubun Group. To support that, I would like to continue actively making recommendations as an independent director.

Message

Toward Further Growth Through Proactive Governance

I would like to express my sincere gratitude for the many candid and insightful opinions shared during this roundtable discussion. The opinions shared today overlap with issues that I myself recognize as challenges. We will seriously address the development of concrete succession plans and the launch of new businesses as important management issues, and will take the lead in promoting the practice of proactive governance. Our human capital management is also entering a stage of further progress.

Together with the independent directors, we will jointly assess the risks associated with the above challenges. We will invite them to rigorously question us as necessary, will more closely share the content of discussions by the Management Committee, and will continue to value our relationship centered on candid dialogue. We will engage in repeated discussions involving high-level decisions such as strengthening Group governance and optimizing the business portfolio, and will together create the next phase of growth for the Marubun Group.

Hiroshi Horikoshi
President and Representative Director, Chief Executive Officer (CEO)

Corporate Governance

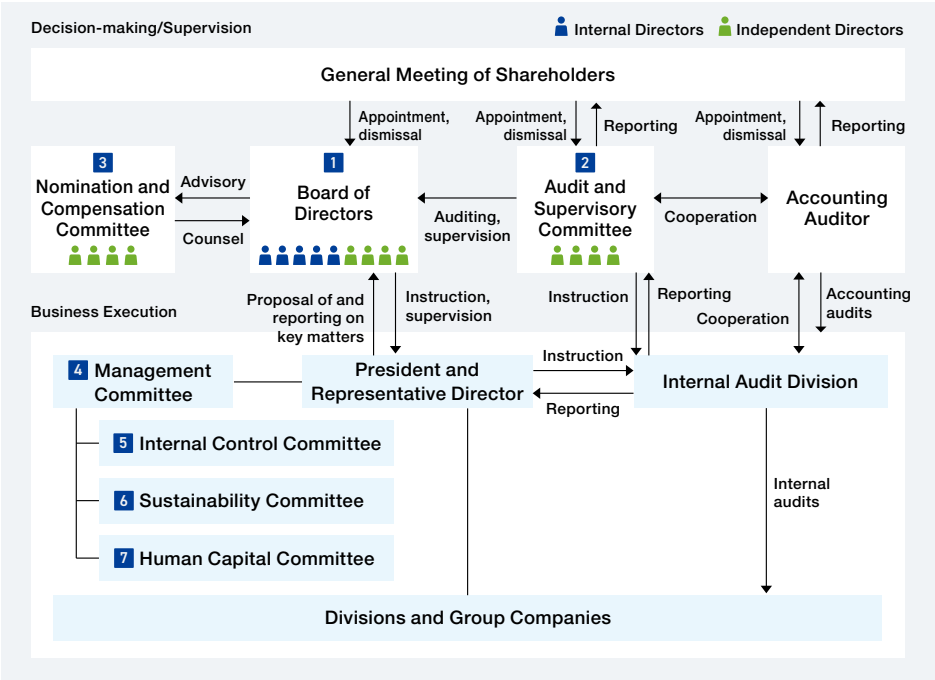
Basic Approach

We recognize the enhancement of our corporate governance structure as one of our key management issues in order to meet the expectations of all stakeholders—such as shareholders, business partners, and employees—and to enhance corporate value, and we are committed to practicing transparent, fair, and highly efficient management. Based on this policy, we have established our basic framework and policy for corporate governance. Through the implementation of these, we aim to achieve sustainable growth and enhance our corporate value, as set out in the Corporate Governance Guidelines, that we have adopted and put into practice.

Corporate Governance Structure

In order to continuously increase the effectiveness of governance, we clearly define the roles and responsibilities of each body. Under appropriate supervision by the Board of Directors, committees and meeting bodies are organically linked to pursue the soundness and efficiency of management. The main bodies of our company and their roles are as follows.

Corporate Governance Structure Diagram



Overview of Key Bodies

Organization name	Overview	Composition	Number of Meetings Held in FY2025
1 Board of Directors	The Board deliberates on important management matters stipulated by laws and the Articles of Incorporation or the Board of Directors Regulations, and engages in decision-making and supervision regarding business execution.	Nine directors (of which four are Audit and Supervisory Committee members who are independent directors)	13
2 Audit and Supervisory Committee	In addition to auditing the execution of duties by directors, the committee handles the audit of financial documents, preparation of audit reports, etc. In accordance with the audit policies and plans determined by the Audit and Supervisory Committee, audits are conducted in cooperation with the internal audit department and accounting auditors.	Four Audit and Supervisory Committee members who are independent directors	6
3 Nomination and Compensation Committee	To ensure transparency and fairness in the personnel and compensation of directors, the committee deliberates and provides advice on the selection and dismissal of directors, succession planning, the total amount of directors' compensation, the compensation system, and the framework for calculation methods, from perspectives that include diversity and skills.	Four Audit and Supervisory Committee members who are independent directors	5
4 Management Committee	The committee considers the company's basic management policies, management plans, and other important management matters, and conducts prior deliberation on matters to be resolved by the Board of Directors.	President and Representative Director, and executive directors (total of five members)	19
5 Internal Control Committee	The committee monitors the development and operational status of the internal control system. The Audit and Supervisory Committee receives regularly 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.	Five executive directors and five heads of relevant divisions	6
6 Sustainability Committee	The committee sets policies and targets for sustainability activities and monitors their operation.	Five executive directors and five heads of relevant divisions	3
7 Human Capital Committee	The committee discusses, supervises, and monitors matters related to human capital management and supports the promotion of related measures.	Five executive directors and three heads of relevant divisions	6

Corporate Governance

Skill Matrix of Directors

Our basic policy is to ensure that the Board of Directors is composed of diverse members possessing the skills (knowledge, experience, and abilities) essential for executing management strategy, in order to realize sustainable growth and medium- to long-term enhancement of our corporate value. Specifically, while ensuring diversity including gender and international perspectives, the company appoints independent directors with extensive management experience outside the company to incorporate multifaceted viewpoints.

Name	Job Title	Skill Matrix						
		Corporate Management	Sales and Marketing	Industry, Technology, and Product Knowledge	Global Experience	Finance	IT and Operations	Internal Control
Hiroshi Horikoshi	President and Representative Director and CEO	●	●		●	●	●	
Yuzo Nakada	Executive Managing Director and CFO/CSO	●	●		●	●		●
Satoshi Fujino	Executive Managing Director and CINO	●	●	●	●			●
Takehiko Akiyama	Executive Director		●	●				
Chotaro Yasuda	Executive Director		●	●				
Koji Kakinuma Outside Independent	Director (Audit and Supervisory Committee member)	●				●		●
Eiko Kisogawa Outside Independent	Director (Audit and Supervisory Committee member)	●					●	●
Yoshisaburo Mogi Outside Independent	Director (Audit and Supervisory Committee member)	●	●		●	●		●
Katsuma Yagi Outside Independent	Director (Audit and Supervisory Committee member)		●	●			●	

Note: This shows the primary items among the knowledge, experience, and abilities of each Director, and is not intended to be exhaustive.
The knowledge, experience, and abilities that the Board of Directors should possess will be reviewed in accordance with changes in the business environment and characteristics.

Key Skills and Expected Roles

Skill/ Experience Items	Definition/Purpose
Corporate Management	This refers to experience in overall corporate management as an executive, director, or member of management meetings, either at our Company or at other companies. We place importance on broad knowledge and decision-making, supervision, and execution capabilities that contribute to enhancing corporate value, including perspectives on human capital management and ESG/CSR.
Sales and Marketing	This refers to experience leading business growth and market development as a person responsible for sales and marketing. We place importance on the ability to accurately identify customer needs and market trends and to reflect them in business strategy.
Industry, Technology, and Product Knowledge	This refers to deep knowledge in the electronics sector and extensive knowledge and experience related to our business, technology, and products. We place importance on expertise to appropriately conduct business in an environment of rapid technological innovation.
Global Experience	This refers to extensive knowledge of global business operations, such as overseas work experience or experience in company management. We place importance on the ability to understand diverse cultures and business environments, and to promote and manage our company's global expansion.
Finance	This refers to advanced professional knowledge and practical experience in finance, accounting, taxation, and business investment. This includes qualifications such as Certified Public Accountant or experience as a finance/accounting officer at a company. We place importance on expertise and management ability with an awareness of ensuring corporate financial soundness and capital efficiency.
IT and Operations	This refers to broad knowledge and experience in promoting DX (digital transformation) and in the planning and execution of IT strategies. We place importance on the ability to advance supply chain optimization, management foundation reinforcement, and the transformation of business and business processes through digital technologies.
Internal Control	This refers to advanced professional knowledge and practical experience related to internal control systems such as legal, compliance, risk management, and internal audit. This includes holding a qualification such as attorney, or experience in auditing firms or in a company's audit and internal control departments. We place importance on the ability to build and maintain a sound and highly transparent management structure.

Corporate Governance

Activities of the Board of Directors

In FY2025, the Board of Directors met 13 times, with all Directors maintaining a 100% attendance rate. All members, including independent directors, engaged in active and in-depth discussions on key agenda items from multifaceted perspectives.

The Board receives periodic reports from committees and oversees responses to climate change risks and the status of risk management system development. Independent directors in particular provide objective comments and constructive opinions that connect to strategic decision-making aimed at sustainable enhancement of our corporate value.

Key Agenda Items

- Matters concerning basic management policies
- Matters concerning the Medium-Term Business Plan and budgets
- Matters concerning financial results
- Matters concerning important organizational and personnel matters

Activities of the Audit and Supervisory Committee

The Audit and Supervisory Committee is composed solely of four independent directors, ensuring a high degree of independence and objectivity. In FY2025, the committee met 6 times, with all members attending every meeting. Members with diverse backgrounds, including finance and accounting experts and experienced corporate managers, demonstrated their respective expertise and engaged in multifaceted discussions.

To achieve highly effective audits, the committee holds regular meetings with the Internal Audit Division and the Accounting Auditor to share information and exchange opinions, and works to enhance the audit environment with support from the Audit and Supervisory Committee Secretariat.

Key Discussion Items

- Preparation of Audit and Supervisory Committee audit reports
- Formulation of Audit and Supervisory Committee audit plans
- Confirmation of accounting audit plans
- Confirmation of quarterly reviews and the Accounting Auditor's audit reports

Effectiveness Evaluation for 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 FY2025 was as follows.

Evaluation items and processes

Our effectiveness evaluation is conducted through the following process.

Evaluation results and future issues

As a result of the FY2025 Board of Directors effectiveness evaluation, it was confirmed that the Board of Directors is functioning effectively as a whole. Main items receiving high evaluation and recognized future issues are as follows.

Main Items Receiving High Evaluation	Main Future Issues
● Size and composition of the Board of Directors and meeting frequency ● Opportunities for information exchange and alignment of understanding with independent directors ● Ensuring opportunities to obtain advice from external experts ● Implementation of periodic reports on sustainability, compliance, risk management, and other matters	● Deepening of discussions on nomination, compensation, and Board composition ● Improvement of deliberation processes and materials, and expansion of discussions from a medium- to long-term perspective ● Enhancement of development opportunities for directors

Corporate Governance

Director Nomination Process

In selecting director candidates, the Nomination and Compensation Committee, in which independent directors hold a majority and serve as chair, plays an important role in ensuring transparency and fairness.

In the nomination process, the skills (knowledge, experience, and abilities) that the Board of Directors as a whole should possess are first defined on the basis of the Company's management strategy. Candidates' character, insight, abilities, achievements, and other factors are comprehensively considered to evaluate whether they will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. The Nomination and Compensation Committee deliberates and provides advice on candidate proposals based on these criteria; after obtaining its consent, the Board of Directors determines the final candidates and proposes them to the General Meeting of Shareholders.

The Committee also discusses the required qualities and talent development status related to succession plans for the president and directors, establishing a framework for planned and objective selection and dismissal.

Message

Message from the Chairperson of the Nomination and Compensation Committee

The Nomination and Compensation Committee is composed of four independent directors, ensuring transparency and objectivity in the personnel and compensation processes for directors. In FY2025, the committee met five times and deepened discussions on development plans for next-generation management talent who will drive sustainable growth. Regarding compensation, members with diverse expertise deliberated from multifaceted perspectives on compensation design, including revisions to the restricted stock compensation plan, aiming for further value sharing with shareholders.

Yoshisaburo Mogi
Chairperson, Nomination and Compensation Committee

Support System for Independent Directors

To empower independent directors to fully exercise their supervisory functions, we have established a Board of Directors' Secretariat and distribute materials well in advance of meetings to ensure sufficient review time. For important matters, a Board of Directors Liaison Meeting is held to provide advance explanations, enhancing the quality of deliberations.

Independent directors also meet regularly to share information and exchange opinions from an independent standpoint. Opinions obtained at these meetings are fed back to management and are used to invigorate discussions at Board meetings.

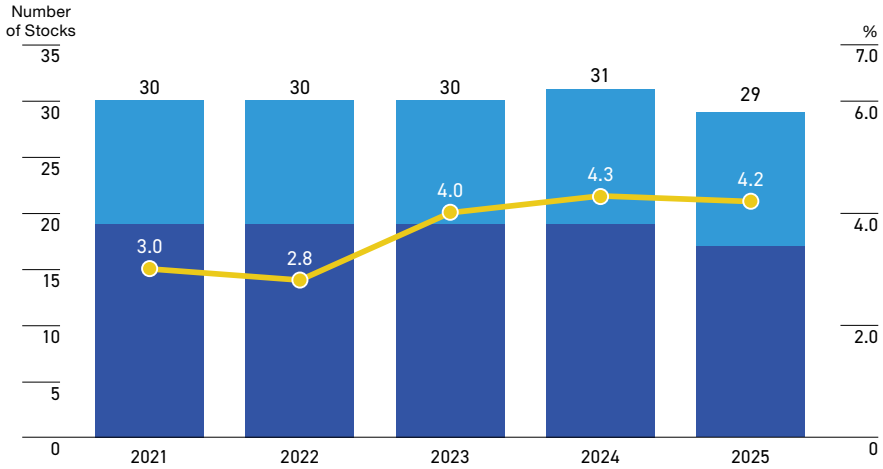
Strategic Stock Holdings

Our basic policy is to hold shares only when we have determined that maintaining stable relationships with business partners will contribute to medium- to long-term enhancement of our corporate value. Each year, the Board of Directors verifies the rationale for holding individual stocks, including whether the benefits and risks of holding it are commensurate with the cost of capital, and sells holdings for which sufficient rationale cannot be confirmed. In exercising voting rights, decisions are made by comprehensively considering factors such as concerns about impairment of shareholder value, while respecting the issuing companies' management policies.

Number of Stocks and Balance Sheet Carrying Amount (as of the end of March 2026)

	Number of Stocks	Total Balance Sheet Carrying Amount (millions of yen)
Unlisted shares	12	93
Shares other than unlisted shares	17	2,520

Number of Stocks and Percentage of Consolidated Net Assets



	2021	2022	2023	2024	2025
Unlisted stocks (number of issues)	11	11	11	12	12
Stocks other than unlisted stocks (number of issues)	19	19	19	19	17
Percentage of consolidated total net assets (%)	3.0	2.8	4.0	4.3	4.2

Corporate Governance

Basic Policy for Director 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 content and a level that contribute 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 is determined by the Board of Directors after obtaining advice and consent from the Nomination and Compensation Committee, which is composed of independent directors.

Compensation Structure

Compensation for directors (excluding Audit and Supervisory Committee members) consists of fixed compensation and performance-linked compensation based on roles, authority, and responsibilities. Directors who are Audit and Supervisory Committee members receive only base salary (fixed compensation) due to the independent nature of their duties. Performance-linked compensation consists of performance-based pay based on single-year performance and restricted stock compensation aimed at medium- to long-term enhancement of corporate value. Through the introduction of a stock compensation system, we seek to promote the sharing of interests with shareholders.

Reflecting the high proportion of foreign currency-denominated transactions in our business, as a calculation indicator for performance-linked compensation we use consolidated ordinary profit, which incorporates foreign exchange gains/losses. The proportion of performance-linked compensation in total compensation varies with performance, enhancing its effectiveness as an incentive.

Fixed Compensation		Performance-Linked Compensation	Stock Compensation
Base Salary	Role-Based Allowance	Performance-Based Pay	Restricted Stock Compensation
The basic compensation set according to rank, with the same amount for identical ranks	Individually determined according to the duties assigned to each executive	Compensation determined in accordance with company performance for the previous fiscal year, calculated using a coefficient specified by executive type	A fixed percentage of the performance-based pay is awarded as stock-based compensation

Note Expansion of Stock Compensation Eligibility to Directors of Group Companies

To implement stock price-conscious management across the Group, we have expanded the scope of the restricted stock compensation plan to include some directors of Group companies from FY2026. By having Group company directors share the same perspective as shareholders, we will promote management that leads to medium- to long-term enhancement of corporate value.

Process for Determining Director Compensation

Compensation for individual directors (excluding directors who are Audit and Supervisory Committee members) is determined by the President and Representative Director, who is delegated this authority by resolution of the Board of Directors and with the advice and consent of the Nomination and Compensation Committee. The reason for this delegation of authority is the determination that the President and Representative Director is the most suitable person to determine compensation amounts by evaluating individual directors' responsibilities while considering the performance of the entire Group. The number of restricted shares to be allocated to each individual as compensation is determined by resolution of the Board of Directors.

The compensation of directors who are Audit and Supervisory Committee members is determined after discussions by the Audit and Supervisory Committee, considering the nature of the directors' duties from the perspective of ensuring independence and neutrality, and within the compensation framework resolved at the General Meeting of Shareholders.

Director Compensation in FY2025

Director compensation in FY2025, determined based on the policy and process for director compensation, is as follows.

Officer Category	Total Amount of Compensation, etc. (million yen)	Total Amount by Type of Compensation, etc. (million yen)				Number of Eligible Officers (persons)
		Fixed Compensation	Performance-Linked Compensation	Retirement Benefits	Of Item at Left, Non-Monetary Compensation	
Directors (excluding Audit and Supervisory Committee members) (excluding independent directors)	185	121	64	—	15	6
Directors (Audit and Supervisory Committee members) (excluding independent directors)	—	—	—	—	—	—
Independent Directors	36	36	—	—	—	5

Note 1: Total amount of compensation, etc. for directors does not include the salaries of employees who concurrently serve as directors.

Corporate Governance Report

For details on our Corporate Governance Report, please see our website.

Risk Management

Basic Approach

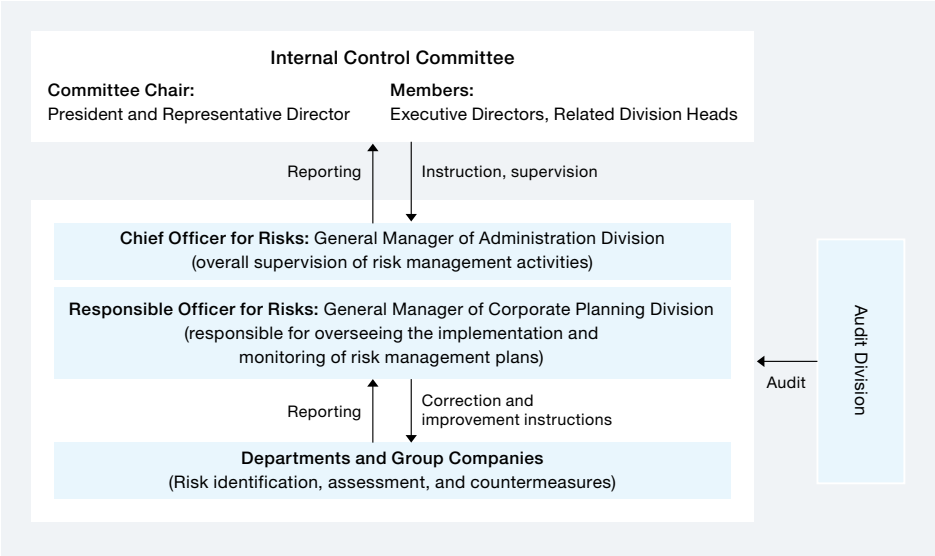
Our company is building a comprehensive and cross-functional risk control system for the entire Group, centered on the Internal Control Committee, which is chaired by the President and Representative Director and comprises five executive directors and five relevant division heads.

Risk Management Process

Our risk management process is based on annual risk management plans, with each division monitoring risks quarterly in accordance with plans. Results of monitoring are reviewed by the Internal Control Committee, which verifies the validity of risk assessments and gives necessary corrective or improvement instructions. The effectiveness of this process is objectively evaluated by the Internal Audit Division through internal audits.

If it is determined that a significant loss has occurred or is likely to occur in our business activities, or if there is a significant potential impact on stakeholders, the President will immediately establish an Emergency Response Headquarters in accordance with the Crisis Management Regulations, and the appointed head of the headquarters will quickly initiate response measures to minimize damage to corporate value.

▶ Risk Management System



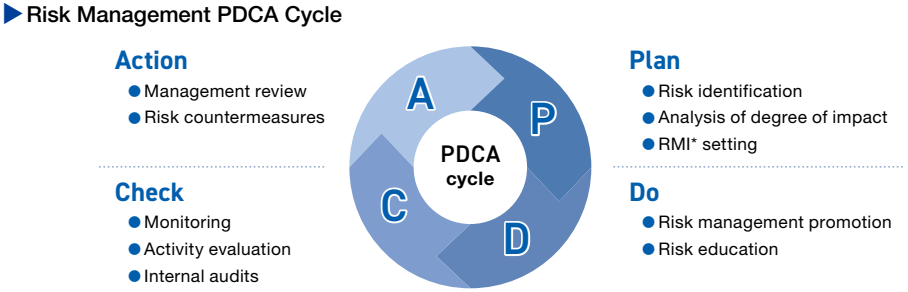
Risk Categories and Priority Risks Addressed

We define risks as "uncertain events that impede the achievement of management objectives." After classifying them into the nine categories shown below, we evaluate and assess approximately 100 detailed risk management items using a frequency-impact matrix. We monitor and assess these risks according to the risk management plan and strive for early detection and correction to minimize any losses.

In FY2025, an increasingly uncertain environment persisted amid financial market volatility that included sharp exchange rate fluctuations and rising interest rates, as well as tariff issues and concerns over supply chain fragmentation against a backdrop of geopolitical risks. The Group regarded these as important issues related to market risks and business risks, and promoted stabilization of its financial foundation, optimization of inventory, and securing of alternative procurement routes, implementing agile measures.

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

▶ Risk Management PDCA Cycle



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

Compliance

Basic Approach

In our Charter of Corporate Conduct, which presents the basic approach of the Marubun Group to its corporate activities, and in the Action Principles, which set out standards of behavior for officers and employees of the Marubun Group, we declare our commitment to complying with domestic and international laws and regulations and international rules, promoting sound business activities based on fair and free competition, respecting the intellectual property of others, and refraining from any form of bribery or corruption.

To put this into practice, we provide annual CSR training in accordance with the Marubun Group Compliance Policy to ensure thorough compliance, and have established consultation and reporting hotlines inside and outside the company in order to prevent and correct compliance violations and improve the workplace environment.

See the Charter of Corporate Conduct and Action Principles on our website.

Items Stipulated in the Charter of Corporate Conduct and Action Principles

1. Management with integrity and accountability
2. Fair business activities
3. Contribution to sustainable society
4. Contribution to environmental conservation
5. Enhancement of customer satisfaction
6. Effective enterprise risk management
7. Respect for human rights
8. Development of an employee-oriented work environment

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.

Compliance Structure

We have appointed the President and Representative Director as the Compliance Oversight Officer for the entire Group, and the General Manager of the Legal Division as the Compliance Officer responsible for specific measures.

The Compliance Officer regularly reports the compliance status and activities of the entire Group to the Board of Directors. The Board of Directors evaluates and supervises the effectiveness of the framework based on these reports, ensuring an effective governance structure.

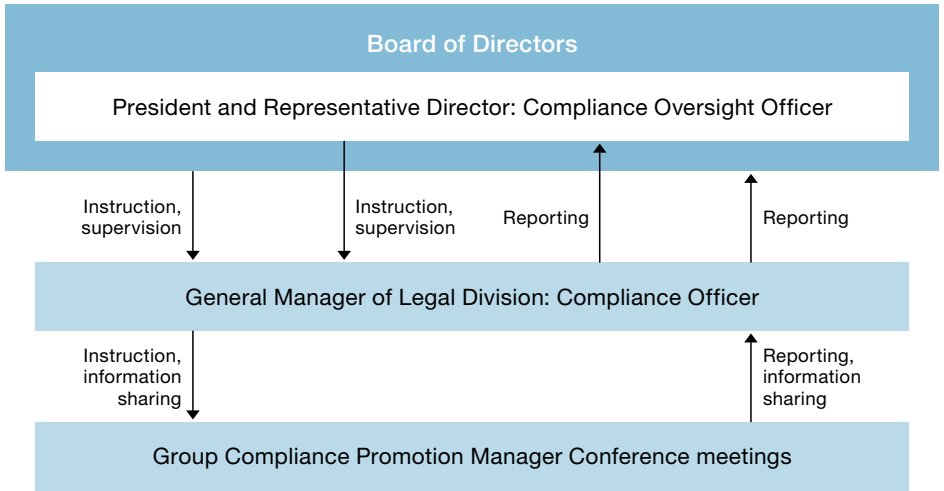
Promotion of Group Compliance

Our group strives for all officers and employees to comply with laws, social norms, the Charter of Corporate Conduct, Action Principles, and internal rules, aiming to foster a high-ethics corporate culture.

To achieve this, we gather the compliance officers of each Group company at an annual Group Compliance Promotion Manager Conference meetings. This conference is an important opportunity for each company to report on its activity status and issues, and to share information across the Group through exchange of opinions.

In FY2025, we focused on confirming the status of compliance with business-related laws and regulations (including the SME Transactions Act and the Road Traffic Act) and the operational framework of the internal whistleblowing system. Through exchange of opinions, we are working to make further improvements and strengthen the compliance framework of the entire Group.

▶ Compliance Structure Diagram



Compliance

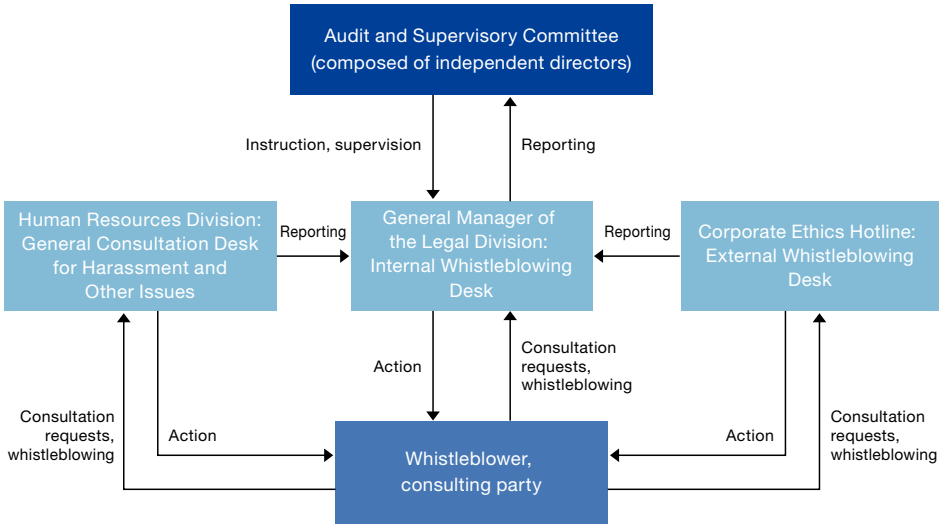
Development of a Whistleblowing System

To detect and correct misconduct at an early stage, our Group has set up desks inside and outside the Company to handle consultation requests 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 that ensures psychological safety.

Whistleblower reports and consultation requests received at the internal and external desks are reported to the Audit and Supervisory Committee (composed of outside directors) via the General Manager of the Legal Division, and investigations are conducted under its direction. The results of investigations are collected by the General Manager of the Legal Division, are reported to the Audit and Supervisory Committee, and are placed on record. We have established Internal Whistleblowing Regulations strictly stipulating that officers and employees engaging in whistleblowing and consultation requests must not be treated disadvantageously and that their personal information must be protected.

Information regarding the consultation and reporting system and hotlines is repeatedly communicated to all Group officers and employees each year through CSR training, new employee orientation, and internal manuals, and information received through consultation and reports is handled individually as well as analyzed to improve the workplace environment and internal systems and implement necessary internal training, and thereby enhance the compliance framework.

▶ Overview of the Whistleblowing System



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 employees of the Marubun Group. Through these educational efforts, we strive to foster and raise awareness of compliance among all employees.

Message

Toward Fostering a Sound Corporate Culture Where Employees Can Take on Challenges with Peace of Mind

For diverse workforce to fully demonstrate their individual abilities, a workplace environment characterized by mutual respect and high psychological safety is essential. As part of building this foundation, in FY2025 we conducted harassment prevention training by lawyers for Group officers and managers. Based on recent case studies, we held active exchanges of opinions on communication between generations and genders, and deeply reaffirmed the importance and difficulty of preventive measures.

Going forward, we will thoroughly prevent misconduct by expanding the range of participants, strengthening the functions of consultation desks that make it easy for everyone to speak up, and conducting regular awareness-raising activities. We will build a sound organizational culture in which compliance is not merely a matter of following rules and in which everyone can continue to take on challenges with peace of mind. We are convinced that ensuring such psychological safety and fostering an autonomous culture serve as a source of innovation and directly bring about sustainable enhancement of corporate value.

Yasuhito Kita
General Manager of Legal Division

▶ Number of Participants in CSR Education (Consolidated)

	FY2023	FY2024	FY2025
Employees	1,037	1,069	1,079
Partner companies' employees*	149	151	137
Total	1,186	1,220	1,216

* "Partner companies' employees" refers to employees of contractors engaged in work at our business sites.

Environmental Initiatives

Risks and Opportunities Arising from Climate Change

Governance and Risk Management

Under the supervision of the Board of Directors, the Sustainability Committee (Chair: President and Representative Director) discusses and deliberates on sustainability-related policy formulation and activity monitoring, including climate change response.

The Committee conducts a comprehensive evaluation of climate-related risks based on their impact on our financial position and the magnitude of their impact under multiple scenarios, and determines their materiality. The results of the assessment of identified risks are incorporated into the company-wide risk management plan, and are reported periodically to the Board of Directors after approval by the Internal Control Committee.

As a result, we properly identify climate-related risks not as standalone environmental issues but as company-wide significant risks, and have built a governance structure under which the Board of Directors effectively supervises their integration into business strategy.

Issues and Strategies

In the electronics sector in which the Group operates, green-transition (decarbonization) initiatives are accelerating in markets including automobile, industrial, and infrastructure sectors, and new demand growth is expected. In the Medium-Term Business Plan "Marubun Nextage 2027," the Company has set "Pursue responsible business" as a basic policy and views addressing climate change as an important business opportunity.

Based on the strategies of the following three businesses, we will strengthen the provision of products and solutions that contribute to reducing environmental impact and we will proactively pursue opportunities to solve social issues and expand our business.

Electronic Devices Business	• Select and concentrate on growth areas • Develop new technologies and products / expand passive component sales • Expand sales channels in the mass market	• Provide support to expand, maintain, and restructure sales channels • Achieve group synergy
Electronic Systems Business	• Develop new businesses / develop new products • Incorporate businesses related to measures promoted by the national government • Establish overseas operations	• Expand existing business domains / scale • Strengthen group management / expand business foundations
Entrepreneur Business	• Develop new businesses • Develop and expand AI-related products	• Demonstrate the uniqueness in value provided • Pursue strategic collaboration opportunities

Scenario Analysis

To assess the impact of climate change on its business, the Company conducts analyses based on two scenarios. (Please refer to the next page for specific risks and opportunities and their impact.)

- 1.5°C Scenario (Increase in Transition Risks and Opportunities)
  While cost increases due to carbon taxes and other levies are anticipated, we expect a commensurate increase in earnings if demand expands for low-carbon technologies for EVs, industrial equipment, and communications equipment and if costs are appropriately passed on.
- 4°C Scenario (Materialization of Physical Risks)
  Although natural disasters are expected to be more frequent and severe than in the 1.5°C scenario, if appropriate disaster prevention and mitigation measures are taken, we expect a certain increase in profits in line with the expansion of the economy.

Indicators and Targets

Using greenhouse gas emissions as an indicator, we are targeting carbon neutrality by FY2050 for Scope 1 and 2 emissions.

As Scope 3 emissions account for more than 99% of the total, and as engagement with the supply chain is important for reducing these, we are promoting collaboration with suppliers.

- Main suppliers: Annually confirm the status of reduction initiatives
- Other top suppliers: Present "Supply Chain Sustainable Procurement Guidelines" and promote understanding

	FY2025 (Results)				FY2030 (Target)
	Consolidated	Composition ratio	Non-consolidated	Composition ratio	
Scope1	974t-CO_2	0.16%	95t-CO_2	0.02%	50% reduction (compared to FY2019)
Scope2	880t-CO_2	0.15%	534t-CO_2	0.10%	
Scope3	600,333t-CO_2	99.69%	520,844t-CO_2	99.88%	—
Total	602,187t-CO_2	100.00%	521,473t-CO_2	100.00%	—

Note 1: Group results are the total figure for the non-consolidated Company and three domestic consolidated subsidiaries.
Note 2: Scope 2 is calculated using the market-based method.
Note 3: Scope 3 is the total figure for Categories 1 to 7.

Environmental Initiatives

Analysis of Impacts under 1.5°C and 4°C Scenarios

Category	Item	Risk Type	Details of Impacts	Risks	Opportunities	Degree of Impact	Countermeasures
Changes in Society as a Whole	Changes in energy policy and introduction of carbon taxes	Transition risks and opportunities	Increase/decrease in costs and purchase prices	Carbon taxes are introduced, increasing the tax burden based on CO_2 emissions. An increase in the cost of carbon emissions results in higher purchase prices and transportation costs of goods.	Lowering the burden of carbon taxes through reductions in CO_2 emissions across our Company and the supply chain reduces costs. Handling products with price competitiveness increases sales.	1.5°C > 4°C	• Reduction of GHG emissions by our company • Reduction of GHG emissions in the supply chain
	Advances in electronics	Transition opportunities	Sales increase	—	With advances in electronics, demand for electronic products with high efficiency, low power consumption, and excellent heat management increases, leading to increased sales.	1.5°C > 4°C	• Proper market monitoring • Alignment of market trends with our company strategy • Quick catch-up with new markets
	Changes in stakeholder behavior (investors)	Transition risks and opportunities	Stock price	Passivity in initiatives toward climate change action, the SDGs, and other resolution of social issues results in exclusion from expanding sustainability investment and a decrease in corporate value.	Expansion of sustainability investment improves investor evaluation through decarbonization, CO_2 emissions reduction, and enhanced disclosure of non-financial information, leading to reduced financing costs.	1.5°C > 4°C	• Proper understanding of society's sustainability requirements • Proper and continuous disclosure of non-financial information
	Changes in stakeholder behavior (customers)	Transition risks and opportunities	Sales increase/decrease	If efforts to address climate change are not sufficient, customers seeking sustainability management may avoid us, leading to decreased sales.	With a stronger focus on sustainability management, decarbonization throughout the value chain, and CO_2 emissions reduction, these initiatives enhance evaluation, leading to increased sales.	1.5°C > 4°C	• Proper understanding of society's sustainability requirements • Proper and continuous disclosure of non-financial information
	Intensification of natural disasters (in-house/supply chain)	Physical risks and opportunities	Losses, decreased sales, increased costs	Increases in natural disasters (torrential rains, flooding, etc.) result in damage to our facilities and increasing demands for relocation. Supply chains are affected, resulting in decreased sales, claims for damages, and increased insurance costs.	Sales increase through the provision of appropriate products and services for disaster prevention and mitigation against increasing natural disasters.	1.5°C < 4°C	• Consideration of increased disasters in BCP • Proper market monitoring (trends in disaster response) • Quick catch-up with the disaster prevention and mitigation market • Alignment of market trends with our company strategy
Changes in Individual Markets	Changes in markets (automotive-related)	Transition risks and opportunities	Sales increase/decrease	If product offerings that contribute to EVs and improved environmental performance cannot be expanded, opportunity losses and decreased sales will result.	With the proliferation of EVs and the advancement of environmental performance, digitalization of automobiles expands and demand for semiconductors and vehicle equipment increases, leading to increased sales.	1.5°C > 4°C	• Proper monitoring of EV adoption status • Alignment of market trends (including EV adoption) with our company strategy
	Changes in markets (FA-related)	Transition risks and opportunities	Sales increase/decrease	The inability to expand product offerings that contribute to GX and environmental action results in opportunity losses and decreased sales.	Demand for capital investment for GX and environmental action increases, leading to increased sales.	1.5°C > 4°C	• Proper market monitoring • Alignment of market trends with our company strategy
	Changes in markets (communication infrastructure-related)	Transition risks and opportunities	Sales increase/decrease	If product offerings adapted to ICT for decarbonization/DX and new technologies cannot be expanded, opportunity losses and decreased sales will result.	Demand for communication infrastructure/devices increases due to accelerated ICT for decarbonization/DX, leading to increased sales.	1.5°C > 4°C	• Proper market monitoring • Alignment of market trends with our company strategy
	Changes in markets (next-generation technologies)	Transition risks and opportunities	Sales increase/decrease	Inability to expand and supply products that respond to market demands—such as telemedicine, renewable energy and power storage technologies essential for decarbonization, next-generation technologies (including AI and robotics) utilized in decarbonization initiatives, and other related solutions—may result in lost opportunities and decreased sales.	Demand for electronics increases due to the advance of renewable energy and power storage technologies and the expansion of next-generation technologies (AI/robots, etc.) used in telemedicine and decarbonization.	1.5°C > 4°C (Telemedicine: 1.5°C < 4°C)	• Monitoring of new markets and next-generation technologies • Alignment of market trends with our company strategy (including preparation of products using new technologies) • Timely response without missing opportunities

Environmental Initiatives

Initiatives to Reduce Environmental Impact

Basic Approach

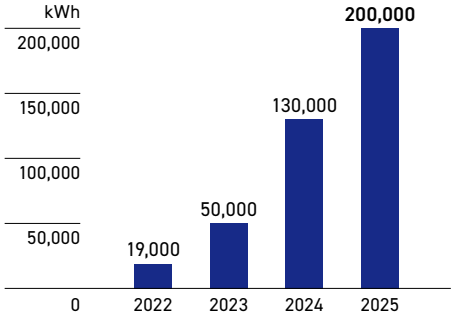
The Company recognizes "conservation of the global environment" as an important issue in its corporate activities and promotes initiatives to reduce environmental impact. In addition to energy conservation and utilization of renewable energy aimed at the realization of a decarbonized society, we seek to contribute to a sustainable society and cultivate corporate culture through everyday eco-actions open to all employees, including effective resource utilization and conservation of natural capital.

Contribution to a Decarbonized Society

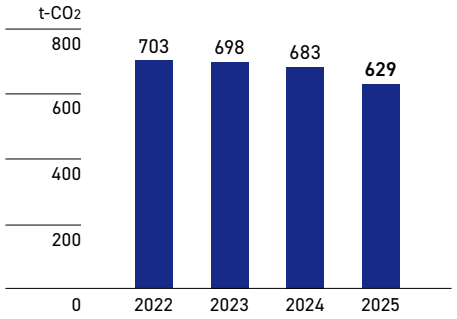
Office Initiatives

At the head office, we are working to reduce CO_2 emissions by introducing LED lighting to curb power consumption and by using biomass-derived green electricity.

▶ Green Power Usage



▶ CO_2 Emissions: Scope 1 + Scope 2 (Non-consolidated)



Promotion of Eco-Car Adoption for Company Vehicles at the Head Office

We are systematically promoting a switch to eco-cars as lease periods expire, thereby reducing the environmental burden of business activities.

▶ Number of Company Vehicles and Ratio of Eco-cars

	FY2021	FY2022	FY2023	FY2024	FY2025
Company-Owned Vehicles	27	23	22	21	19
Of the Above, Eco-cars	20	16	16	18	17
Ratio	74.0%	69.6%	72.7%	85.7%	89.5%

Contribution to a Circular Society

Resource Circulation in Collaboration with Partner Companies

We have introduced a system to collect used plastic document folders and paper cartons generated in the office and recycle them into stationery and toilet paper. By reusing recycled products internally, we are building an employee-participation-oriented resource circulation loop.

In FY2025, collection results were 19 kg of paper cartons and other items, and 5 kg of plastic document folders. We will continue to promote separate collection through ongoing internal awareness-raising, and will work to expand collection volumes and make effective use of resources as everyday eco-actions, thereby raising employees' environmental awareness.

Resource-Circulation Loop

Contribution to a Society in Harmony with Nature

Donation to the Green Fund

We continually donate a portion of sales from vending machines installed in the company to the Green Fund. Through this, we support domestic and overseas forest conservation and greening activities, thereby contributing to climate change mitigation and the maintenance of a rich natural environment.

緑の募金

Use of Rainforest Alliance Certified* Products

In everyday procurement, we are promoting sustainable choices that take biodiversity and human rights into consideration, such as using Rainforest Alliance Certified tea leaves for tea served to visitors. Through the accumulation of such everyday consumption behavior, we contribute to supporting sustainable agriculture and environmental conservation.

* 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

Stakeholder Engagement

To embody the purpose of "Contribute to a brighter future through technologies" and achieve sustainable growth, strong relationships of trust with all stakeholders—customers and suppliers, shareholders and investors, employees, and local communities—are essential. Based on our Charter of Corporate Conduct, we practice highly transparent information disclosure and constructive dialogue (engagement), and feed back the diverse expectations and requests obtained through these into our management strategy. While taking on the challenge of solving social issues, we respect the diversity and human rights of employees and strive to achieve medium- to long-term enhancement of corporate value through collaboration with stakeholders.

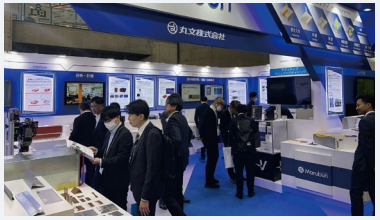
	Customers and Suppliers	Shareholders and Investors	Employees	Local Communities
Key Dialogue Opportunities and Methods	● Everyday sales activities ● Sustainable procurement activities ● Exhibitions and technical seminars	● General Meeting of Shareholders ● Financial results briefings ● IR meetings	● Personnel evaluations and interviews ● Town hall meetings ● Engagement surveys ● In-house networking events	● Recruitment activities ● Academic support through the Marubun Research Promotion Foundation ● Social contribution activities
Expectations Obtained from Dialogue	● Maintenance of stable procurement and supply ● Strengthening of responsiveness to needs and proposals	● Achievement of financial targets ● Improvement of capital efficiency and stock price	● Development of a more comfortable working environment ● Support for career development	● Enrichment of information for students and job seekers ● Ongoing social contribution activities
Reflection in Value Creation and Key Initiatives	● Optimization of inventory ● Promotion of sustainable procurement ● Periodic review and revision of BCP	● Implementation of the Medium-Term Business Plan ● Strengthening of PR activities ● Publication of the Integrated Report	For details of initiatives, see "Human Capital Strategy" beginning on ▶p. 37.	● Enrichment of recruitment information For details of social contribution activities, see ▶p. 60.

Close Up Results Showcase

| Customers and Suppliers |

Dialogue at Exhibitions Connecting Cutting-Edge Technology with Needs

We actively exhibit at trade shows as important venues for dialogue with customers and suppliers.
In addition to introducing the latest electronics technologies and unique solutions, through direct dialogue at the site, we perceive customers' potential issues and market needs, connecting them to further value creation and optimal proposals.



| Local Communities |

Opening Up Children's Futures Through Advanced Technology

As part of our contribution to local communities and the development of the next generation, we hold programming experience workshops using the AI robot "Kebbi" in collaboration with local classrooms.
By providing practical learning opportunities where children can directly experience advanced technology and think for themselves about solving social issues, we build relationships of trust with the community while supporting its future growth.

Relations with Society

Dialogue with the Equity Capital Market

We view dialogue with shareholders and investors as an important process in receiving fair market evaluation. Through continuous appropriate information disclosure and sincere communication, we strive to ensure accurate understanding of our business activities and growth potential. We take to heart the perspectives shared by shareholders and investors, and connect them to steady enhancement of our corporate value.

Dialogue with Investors and Shareholders in FY2025

In FY2025, a total of 23 IR meetings were held with institutional investors and analysts. The valuable opinions and suggestions received through dialogue are reported to the Board of Directors and are also fed back directly to the president and management as needed, serving as important input for management decisions.

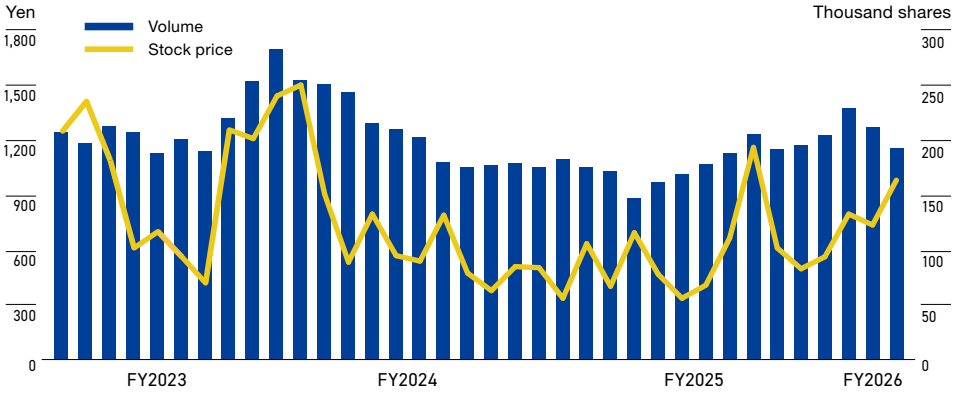
Key Themes and Matters of Interest to Investors and Shareholders

- Latest trends in the semiconductor market, including sales trends in priority products and changes in memory supply and demand
- Impacts and mechanisms of exchange rate fluctuations on performance (see our website for details)
- Timing of recovery in the industrial equipment market, and growth scenarios for the aerospace and defence sectors

Stock Price and Trading Volume

We view our stock price as an objective market evaluation and, through appropriate information disclosure and return measures, strive to improve liquidity and achieve appropriate value assessment.

Stock Price and Trading Volume



Shareholder Returns

We position shareholder returns as an important management issue. With our PBR remaining below 1.0, we recognize the urgent need to meet market expectations, establish proper market evaluation, and optimize capital efficiency.

Under this policy, we revised the shareholder returns policy to achieve a PBR above 1.0 at an early stage. Previously, dividend guidance was based on the higher of a consolidated dividend payout ratio of 40% and dividend on equity (DOE) of 2.5%. We have now raised these benchmarks to 50% and 3.5%, respectively, and will continue to pursue stable and proactive shareholder returns.

To improve attractiveness as an investment and build a medium- to long-term shareholder base, we have also newly introduced a Shareholder Benefit Plan for shareholders who hold shares continuously for one year or longer. We will further solidify our relationships of trust with those who support our growth over the long term.

Message

Enhancing Dialogue with Shareholders and Investors through IR Activities

We will expand opportunities for dialogue with shareholders and investors, deepen their understanding of our management strategy and strengths through financial results briefings and individual meetings, and reflect the feedback we receive into management decisions. By building relationships that make stakeholders look forward to further dialogue, we will enhance the quality and quantity of dialogue to eliminate information asymmetry, and on the business front, will aim to achieve the Medium-Term Business Plan targets of ordinary profit of 8.0 billion yen or more and ROE of 9% or more, thereby achieving sustainable enhancement of corporate value.

Takashi Sakai
Business Administration Gr.
General Manager of
Corporate Planning Division

Relations with Society

Supply Chains

Basic Approach

As an electronics trading company, ensuring the transparency and resilience of our global supply chain is our lifeline for business continuity and medium- to long-term enhancement of corporate value. Based on our Supply Chain Sustainable Procurement Guidelines, we promote procurement that respects human rights and the environment. We will build a stable supply system that leverages our unique global network as we contribute to the sustainable development of customers and society.

For details on our Supply Chain Sustainable Procurement Guidelines, please see our website.

Promotion of Respect for Human Rights and Sustainable Procurement

The Marubun Group positions the risk of human rights violations throughout the supply chain as an important management issue. To make this stance even clearer, we established the Marubun Group Human Rights Policy, which supports international standards such as the United Nations Guiding Principles on Business and Human Rights.

Under this policy, we also require business partners such as suppliers to comply with the Supply Chain Sustainable Procurement Guidelines, aiming to achieve respect for human rights throughout the entire supply chain, including the elimination of forced labor and child labor and the promotion of responsible mineral procurement.

We will work to build a human rights due diligence framework to identify, prevent, and mitigate negative human rights impacts while continuing to operate an anonymous reporting hotline and provide human rights education to all employees to foster awareness.

For details on the Marubun Group Human Rights Policy, please see our website.

Items Set Forth in the Marubun Group Human Rights Policy

1. Basic approach to respect for human rights
2. Respect for human rights
3. Compliance with and support for international standards, laws, and regulations
4. Scope of application
5. Key human rights issues
6. Governance framework for human rights
7. Implementation of human rights due diligence
8. Correction and remedy
9. Dialogue and consultation with stakeholders
10. Information disclosure
11. Dissemination, awareness, and education on our human rights policy

A Stable Supply System That Keeps Customers' Businesses Going

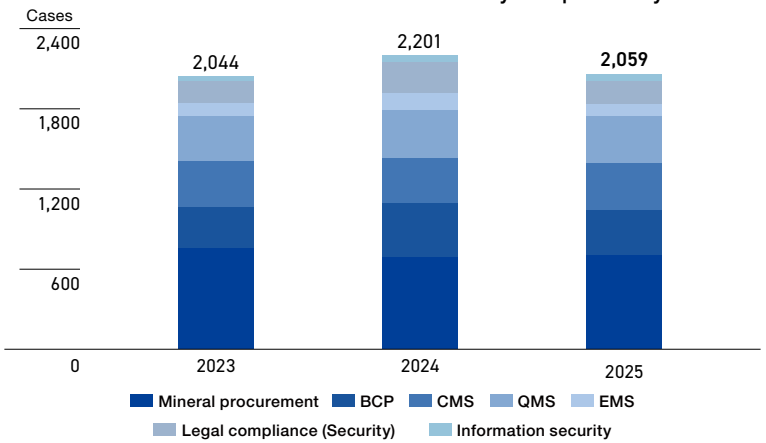
Building a supply chain that is resilient to geopolitical risks and supply-demand fluctuations is our most important mission in supporting customers' businesses. Through a strategic alliance, we utilize the worldwide inventory information and network of United States-based Arrow Electronics, Inc. to support customers' global production activities with a high level of service. Through complete traceability at our domestic logistics center and Authorized Exporter certification, we also support safe and smooth overseas expansion.

By combining the demand forecasting know-how we have cultivated over many years with inventory optimization through an advanced logistics management system, we respond flexibly to market changes. Through this, we contribute to customers' business continuity and further enhance our competitive advantage.

Engagement through Enhanced Transparency

We view customers' growing awareness of sustainable procurement as an important opportunity to enhance the reliability of our supply chain. We sincerely respond to a wide range of survey requests (more than 2,000 per year) covering human rights, the environment, chemical substances in products (using chemSHERPA and other tools), responsible mineral procurement, and security export controls as a component of the corporate social responsibility we bear as a company involved in the supply chain. By engaging in dialogue with customers through these activities, we are building stronger relationships of trust.

Content and Number of Sustainable Procurement Surveys Requested by Business Partners



Relations with Society

Social Contribution Activities Based on Our Purpose

Basic Approach

Under our purpose of "Contribute to a brighter future through technologies," we go beyond providing value through our business to support the resolution of social issues and the development of culture and academia. We position these activities as "important investments that deepen trust-based relationships with society" and are working on developing the next generation, respecting diversity, and developing local communities.

Support for Researchers Building the Social Infrastructure of the Future (Marubun Research Promotion Foundation)

As an electronics trading company, underpinning the development of science and technology is our most important social mission. Through the Marubun Research Promotion Foundation, a general incorporated foundation established in 1997, we support young researchers engaged in research in fields related to electronics.

The greatest feature of the Foundation is its foresight in discerning researchers' potential. Professor Hiroshi Amano of Nagoya University, who received the Nobel Prize in Physics in 2014, received an award from the Foundation as a young researcher in 2000. As Chairperson of the Selection Committee, he now devotes himself to fostering the next generation. Hiroyuki Sakaki, Chairperson of the Nara National Institute of Higher Education and Research and current chairman of the Foundation, is a leading researcher in semiconductor quantum-effect device research and was awarded the Order of Culture in 2022.

The cumulative number of researchers supported to date has exceeded 1,500, many of whom are active on the front lines of science and technology today.

Leveraging the insights built up as an electronics trading company, we will continue to support the passion of young researchers, thereby contributing to innovations that build the foundations of a prosperous future society.

Award Ceremony Scene

Support for Diversity and Culture

—— Toward a Society Where Everyone Can Thrive as Themselves

As an official partner of "Paralym Art®," we support the independence and social participation of artists with disabilities. Through initiatives such as featuring artwork on the cover of shareholder newsletters, we contribute to realizing an inclusive society where diverse individuals can demonstrate their abilities, and foster an environment that deepens employees' understanding of diversity.

"Technology is love" by Momotaro

—— Nurturing the Next Generation and Supporting the Local Community through Music

We support the activities of the Japan Philharmonic Orchestra as a corporate member. This support contributes to realizing a rich society fostered by culture and the arts, through nurturing young artists who will lead the next generation, as well as holding reconstruction support concerts in disaster-affected areas. By providing opportunities for employees and their families to experience high-quality art, this also helps enhance employee engagement.

© Atsushi Yamaguchi

Employee Participation Actions

—— Coexistence with Local Communities

Sustainable coexistence with the local communities that form the foundation of our business is indispensable to our corporate activities. Beginning with our sponsorship of the Tsutaju Nihonbashi Project, which showcases the history and culture of Nihonbashi Odenmacho, where our head office is located, employees actively take part in local traditional events and local cleanup activities as members of the community, building strong trust-based relationships.

The revitalization of diverse communication inside and outside the company through such activities improves organizational openness and also contributes to further raising each employee's awareness of social issues.

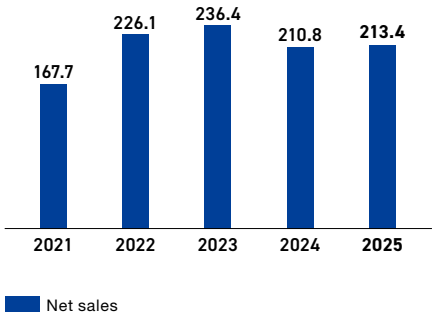
Ukiyo-e film displayed at the entrance to the head office

Scene from the neighborhood association summer festival

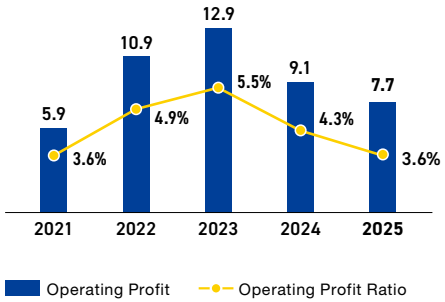
Data

Financial Highlights

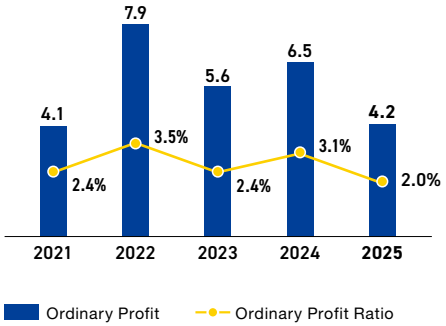
Net sales
(billion yen)



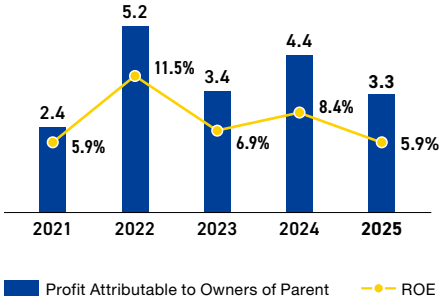
Operating Profit / Operating Profit Ratio
(billion yen)



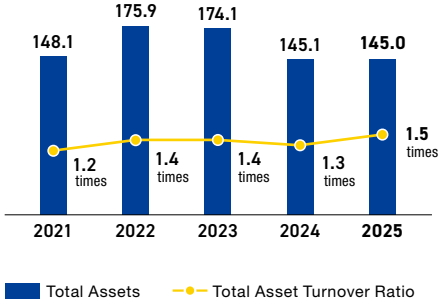
Ordinary Profit / Ordinary Profit Ratio
(billion yen)



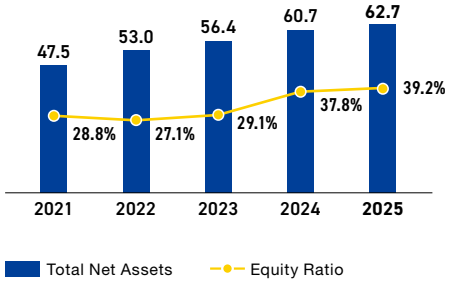
Profit Attributable to Owners of Parent / ROE
(billion yen)



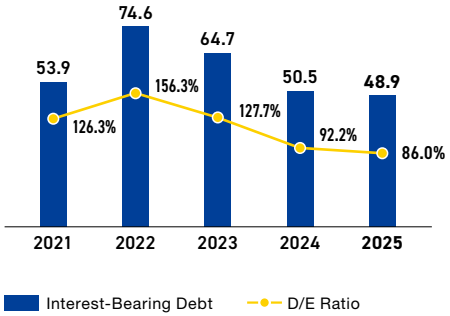
Total Assets / Total Asset Turnover Ratio
(billion yen)



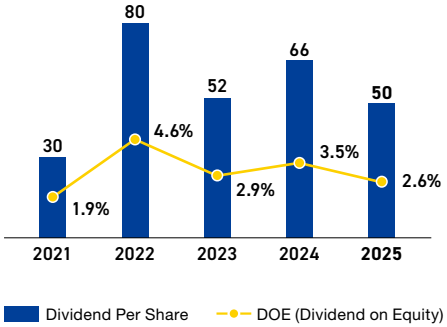
Total Net Assets / Equity Ratio
(billion yen)



Interest-Bearing Debt / D/E Ratio
(billion yen)



Dividend Per Share / DOE (Dividend on Equity)
(yen)



Note 1: From FY2025, we have made changes to our accounting policies. Figures for FY2024 have been retroactively adjusted.

Financial Summary

(million yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Management Results:											
Net sales	279,571	270,698	347,508	326,694	287,550	289,283	167,794	226,171	236,490	210,837	213,425
Gross Profit	18,319	20,612	21,161	22,767	18,577	16,217	20,251	27,264	29,607	26,223	24,701
Operating Profit	3,212	2,883	3,771	5,048	2,369	1,023	5,994	10,997	12,984	9,155	7,763
Ordinary Profit	3,321	2,651	4,218	3,020	2,006	33	4,106	7,909	5,627	6,541	4,218
Profit Attributable to Owners of Parent	1,810	1,650	2,077	1,636	(75)	(2,133)	2,437	5,201	3,401	4,409	3,303
Financial Position:											
Total Assets	106,513	125,984	135,796	128,163	131,451	127,006	148,179	175,998	174,120	145,173	145,001
Interest-Bearing Debt	18,366	34,291	43,773	47,726	53,692	47,474	53,927	74,643	64,716	50,534	48,943
Total Net Assets	46,338	47,550	49,177	49,726	48,204	45,040	47,574	53,084	56,433	60,782	62,790
Cash Flows:											
Net Cash Flow from Operating Activities	(1,204)	(5,894)	(7,619)	1,992	(309)	15,205	(2,948)	(18,981)	22,694	18,617	6,383
Net Cash Flow from Investing Activities	493	(1,862)	(964)	(495)	(582)	(790)	145	(326)	(1,424)	(2,146)	730
Net Cash Flow from Financing Activities	(6,724)	6,282	10,374	1,243	5,188	(8,188)	391	14,071	(20,050)	(16,405)	(6,649)
Free Cash Flows	(711)	(7,756)	(8,583)	1,497	(891)	14,415	(2,803)	(19,307)	21,270	16,471	7,113
Key Indicators:											
Return on Equity (ROE) (%)	4.5	4.0	4.9	3.8	(0.2)	(5.2)	5.9	11.5	6.9	8.4	5.9
Return on Total Assets (ROA) (%)	1.5	1.4	1.6	1.2	(0.1)	(1.7)	1.8	3.2	1.9	2.8	2.3
Total Asset Turnover Ratio	2.4	2.3	2.7	2.5	2.2	2.2	1.2	1.4	1.4	1.3	1.5
Equity Ratio (%)	37.9	33.1	31.7	33.9	32.2	31.5	28.8	27.1	29.1	37.8	39.2
Dividend Payout Ratio (%)	43.3	39.6	37.7	47.9	—	—	32.2	40.2	40.0	39.2	39.6
Dividend on Equity Ratio (DOE) (%)	2.0	1.6	1.9	1.9	1.9	1.1	1.9	4.6	2.9	3.5	2.6
Per-Share Information:											
Earnings per Share (EPS) (yen)	69.26	63.14	79.49	62.61	(2.89)	(81.64)	93.26	199.04	130.07	168.52	126.11
Net Assets per Share (BPS) (yen)	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	2,094.34	2,167.68
Dividend per Share (yen)	30.00	25.00	30.00	30.00	30.00	16.00	30.00	80.00	52.00	66.00	50.00

Note 1: The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of FY2021. Key management indicators and other figures for FY2021 onward are those after application of these accounting standards.

Note 2: From FY2025, we have made changes to our accounting policies. Figures for FY2024 have been retroactively adjusted.

Non-Financial Summary

Environmental Data (Total for the Company and Three Domestic Consolidated Subsidiaries)

	Unit	FY2023	FY2024	FY2025
CO_2 Emissions Scope 1	t-CO_2	884	910	974
CO_2 Emissions Scope 2				
Market-Based	t-CO_2	893	941	880
Location-Based	t-CO_2	930	899	929
CO_2 Emissions Scope 3	t-CO_2	1,543,110	1,398,009	600,333
Electricity Usage (Non-consolidated)	KWh	1,414,000	1,374,000	1,238,000
Green Power Usage	KWh	50,000	130,000	200,000

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

Governance-related Data

	Unit	FY2023	FY2024	FY2025
Number of Directors	people	9	9	9
Internal Directors	people	5	5	5
Independent Directors	people	4	4	4
Ratio of Independent Directors	%	44.4	44.4	44.4
Ratio of Female Directors	%	11.1	11.1	11.1
Number of Board of Directors Meetings	times held	12	14	13
Attendance Rate at Board of Directors Meetings	%	100.0	100.0	100.0
Number of Audit and Supervisory Committee Meetings	times held	6	7	6
Attendance Rate at Audit and Supervisory Committee Meetings	%	100.0	100.0	100.0
Number of Nomination and Compensation Committee Meetings	times held	3	3	5
Attendance Rate at Nomination and Compensation Committee Meetings	%	100.0	100.0	100.0

Social-related Data (Non-consolidated)

	Unit	FY2023	FY2024	FY2025
Number of Employees (Parentheses Indicate Consolidated Figures)	people	615 (1,167)	633 (1,179)	644 (1,193)
Number of Male Employees	people	418	432	440
Number of Female Employees	people	197	201	204
Ratio of Women in Managerial Positions	%	7.9	7.7	10.3
Gender Pay Gap among Employees (All Employees)	%	63.4	65.5	71.9
Number of New Graduate Recruits	people	20	27	29
Retention Rate of New Graduates within 3 years	%	100.0	98.4	98.7
Ratio of Mid-career Recruits in Managerial Positions	%	17.8	18.3	21.6
Average Years of Work	years	16.5	16.4	16.5
Rate of Return from Childcare Leave	%	100.0	100.0	100.0
Number of Employees Using Childcare Leave	people	23	28	21
Childcare Leave Acquisition Rate for Male Employees	%	42.9	47.1	44.4
Paid Leave Acquisition Rate	%	73.6	71.3	74.4
Average Monthly Overtime Hours	hours/ month	16.5	16.4	18.1
Rate of Undergoing Health Check-ups	%	99.3	98.7	100.0
Rate of Undergoing Stress Check-ups	%	97.1	99.2	99.5

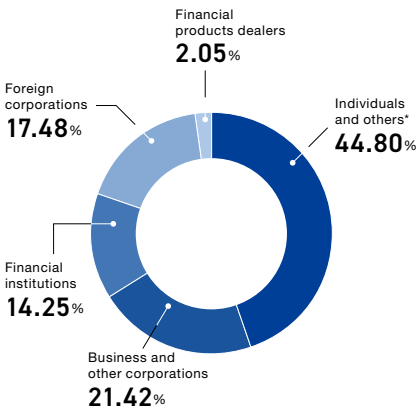
Company Information/Stock Information (as of March 31, 2026)

Company Profile

Company name	MARUBUN CORPORATION
Address	8-1, Nihonbashi Odenmacho, Chuo-ku, Tokyo 103-8577 JAPAN
Founded	1844
Established	July 1947
Representative	Hiroshi Horikoshi, President and Representative Director, Chief Executive Officer (CEO)
Capital	6,214,500,000 yen
Number of shares outstanding	28,051,200
Stock listing	Tokyo Stock Exchange Prime Market (Code: 7537)
Fiscal year	April-March
Business	An electronics trading company selling cutting-edge semiconductors, electronic components, and electronic equipment
Number of employees	1,193 (consolidated) 644 (non-consolidated)

Shareholder Composition

▶ Shareholding Ratio by Owner



* "Individuals and others" includes 1,808,000 shares of treasury stock.

▶ Major Shareholders

Shareholder	Shares held (1,000 shares)	Shareholding ratio (%)
Arrow Electronics, Inc.	2,350	8.38
Marubun Research Promotion Foundation	2,304	8.21
The Master Trust Bank of Japan, Ltd. (Trust account)	1,998	7.12
MARUBUN CORPORATION (treasury stock)	1,808	6.45
K.K. Chiba Public Golf Course	1,399	4.99
HORIKOSHI LLC.	1,200	4.28
Kiichi Horikoshi	1,007	3.59
INTERACTIVE BROKERS LLC	635	2.26
Momoko Horikoshi	602	2.15
Mitsubishi UFJ Bank, Ltd.	479	1.71

Note 1: Number of shares held is rounded down to the nearest thousand.
Note 2: Shareholding ratio is rounded down to two decimal places.

About the cover

A Solid Trajectory Connecting the World and Leading the Next Era

Through a refined, minimal design, the cover expresses the unshakeable history of over 180 years cultivated by the Company, and its mission as an electronics trading company that delivers the world's cutting edge to Japan and takes on global challenges together with customers. The deep black background symbolizes our tradition, the floating globe represents our global business expansion, and the single trajectory extending from it symbolizes our will for ceaseless innovation toward the future. Featuring a universal composition intentionally stripped of ornamentation, the design embodies our resolve to lead the society of the next generation. It also subtly incorporates our brand identity: the Company's logo comes into view when the design is observed in its entirety.

Editorial Note

Continuing Dialogue for Sustainable Enhancement of Corporate Value

In this third report, we focused on the people who support corporate growth, striving to depict the Company's business activities and vision for the future in a more vivid and dynamic way. We hope the report lets readers more clearly experience the unique culture and vitality of Marubun as a company. Through proactive information-sharing initiatives including this report, we will foster ongoing constructive dialogue with our stakeholders and strive for sustainable enhancement of corporate value, aiming to remain an indispensable presence in society.

Integrated Report Production Team

MARUBUN CORPORATION
8-1, Nihonbashi Odenmacho, Chuo-ku, Tokyo 103-8577 JAPAN
www.marubun.co.jp/en/

202610R1