



May 8, 2018

To whom it may concern

Company	MARUBUN CORPORATION
Representative	Shoji Mizuno CEO and Representative Director (Securities Code: 7537 TSE, 1st Section)
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Notice Regarding Absorption-Type Merger (Simplified/Short-Form Merger) with Consolidated Subsidiary

Marubun Corporation (hereinafter “the Company”) announces that at a meeting of the Board of Directors held on May 8, 2018, it resolved to implement an absorption-type merger with KTL Corporation, a wholly-owned subsidiary of the Company (hereinafter “KTL”). Details are as follows.

Since the merger is an absorption-type merger with a wholly owned subsidiary of the Company, some disclosure items and information are omitted in the announcement.

1. Purpose of the merger

The Company made KTL its subsidiary by acquiring all shares of the company in 2016, and has since engaged in the sale of semiconductors mainly in the industrial equipment and automobile markets. The purpose of this absorption-type merger is to establish a more efficient management system through the reorganization of group companies, while at the same time strengthening its sales structure by allocating resources primarily for activities in these markets on which the Company has been focusing its efforts.

2. Overview of the merger

(1) Schedule of the merger

Meeting of the Board of Directors: May 8, 2018
Conclusion of the merger agreement: May 8, 2018
Date of the merger (effective date): October 1, 2018 (plan)

*The merger is a simplified merger as prescribed in paragraph 2 of Article 796 of the Companies Act for the Company and a short-form merger as prescribed in paragraph 1 of Article 784 of the Companies Act. Accordingly, neither of the two companies will hold a general meeting of shareholders for the approval of the merger agreement.

(2) Merger method

The merger is an absorption-type merger in which the Company survives and KTL is dissolved.

(3) Allocation associated with the merger

The Company holds all the shares issued by KTL, and there will therefore be no allocation of shares or other monetary consideration in conjunction with the merger.

- (4) Handling of the stock acquisition rights and bonds with stock acquisition rights of the company to be absorbed.
Not applicable.

3. Outline of the company after the merger

	Surviving company	Absorbed company
(1) Name	Marubun Corporation	KTL Corporation
(2) Location	8-1 Nihonbashi Odenmachi, Chuo-ku, Tokyo	1-2-21, Ecchujima, Koto-ku, Tokyo
(3) Name and title of representative	Shoji Mizuno, CEO and Representative Director	Yasuo Komatsu, President and Representative Director
(4) Description of business	Sale of semiconductors, electronic components and electronics-based devices	Sale of semiconductor devices, electronic components and materials
(5) Capital	6,214 million yen	450 million yen
(6) Date of foundation	July 1, 1945	November 1, 1966
(7) Number of shares issued	28,051,200 shares	66,000 shares
(8) End of fiscal year	March 31	March 31
(9) Major shareholders and their shareholdings (as of March 31, 2018)	Arrow Electronics, INC. 590000 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) 8.37% Marubun Research Promotion Foundation 8.21% Kiichi Horikoshi 7.34%	Marubun Corporation: 100.0%
(10) Financial conditions and operating results in the immediately preceding fiscal year		
End of fiscal year	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2018)
Net assets	28,947 million yen	965 million yen
Total assets	83,514 million yen	11,897 million yen
Total assets per share	3,195 yen	180,257 yen
Net sales	227,892 million yen	30,250 million yen
Operating income	1,065 million yen	484 million yen
Ordinary income	1,496 million yen	474 million yen
Profit attributable to owners of parent	824 million yen	330 million yen
Earnings per share	31.56 yen	5,000.51 yen

4. Status of the Company after the merger

The trade name, location, name/title of the representative, line of business, capital and end of the fiscal year of the Company will remain unchanged after the merger.

5. Future outlook

The merger, which is an absorption-type merger with a wholly owned subsidiary of the Company, will not have a significant impact on the Company's consolidated financial results.