

Financial Results for Fiscal Year Ended March 31, 2020

May 2020

MARUBUN CORPORATION

1. FY3/20 Summary of Consolidated Financial Results

2. Return to Shareholders

**3. Medium-Term Vision
Business Strategies and Key Initiatives**

4. FY3/21 Summary of Consolidated Financial Forecasts

5. About Marubun

FY3/20 Summary of Consolidated Financial Results

FY3/20 Summary of Financial Results

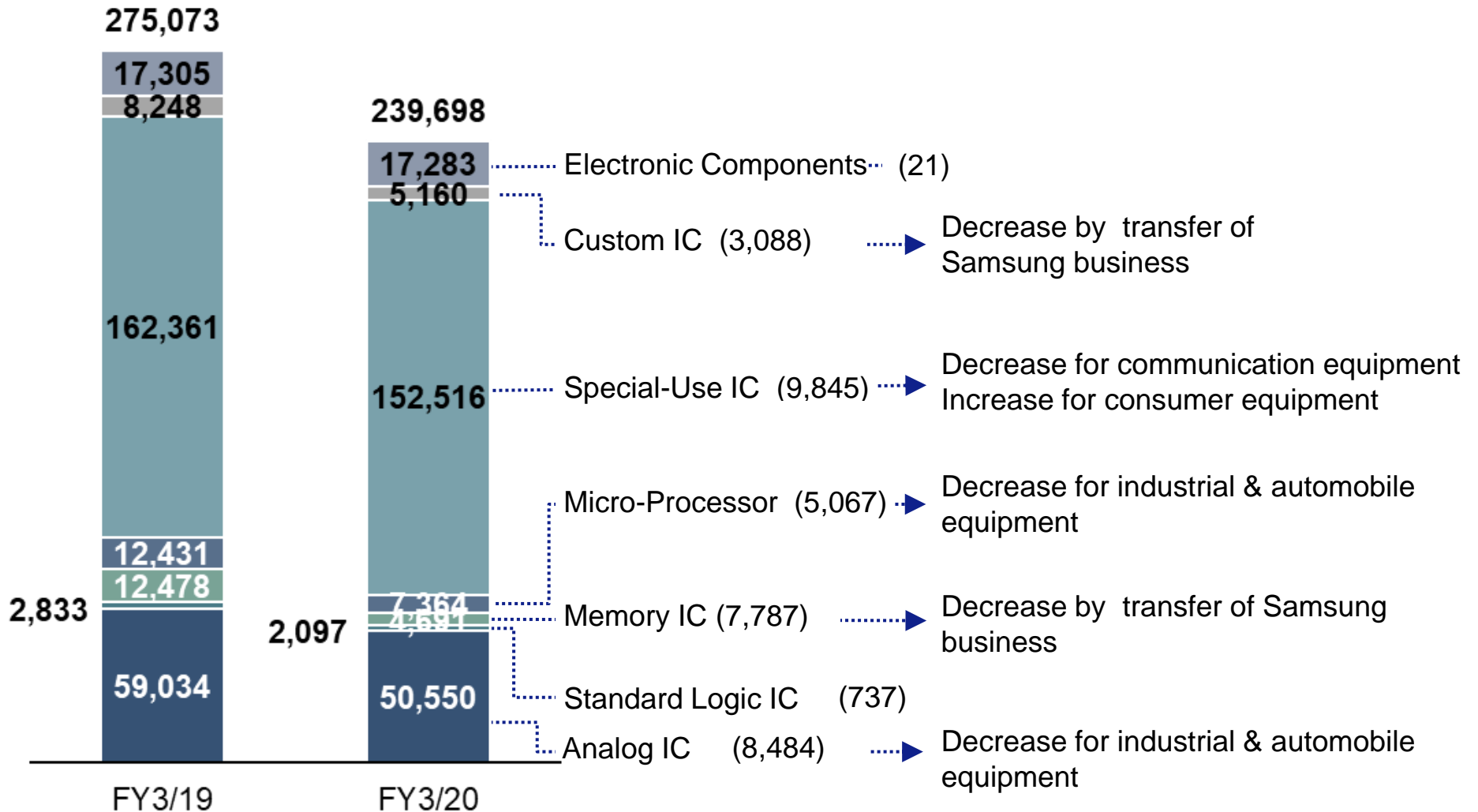
(Millions of Yen)	FY3/19		FY3/20		YoY Changes	
	Actual	Composition Ratio	Actual	Composition Ratio	Amount	%
Net sales	326,694	100.0%	287,550	100.0%	(39,144)	-12.0%
Electronic Devices	275,073	84.2%	239,698	83.4%	(35,375)	-12.9%
Electronic Systems	51,621	15.8%	47,852	16.6%	(3,769)	-7.3%
Gross profit	22,767	7.0%	18,577	6.5%	(4,190)	-18.4%
SG&A expenses	17,719	5.4%	16,207	5.6%	(1,512)	-8.5%
Operating income	5,048	1.5%	2,369	0.8%	(2,679)	-53.1%
Non-operating income	568	0.2%	958	0.3%	390	68.7%
Non-operating expenses	2,596	0.8%	1,322	0.5%	(1,274)	-49.1%
Ordinary income	3,020	0.9%	2,006	0.7%	(1,014)	-33.6%
Extraordinary income	38	0.0%	11	0.0%	(27)	-71.1%
Extraordinary loss	76	0.0%	1,231	0.4%	1,155	1519.7%
Profit attributable to owners of parent	1,636	0.5%	(75)	0.0%	(1,711)	-104.6%

Point

Net sales	Decrease for communication equipment. Decreased by transfer of Samsung business.
Gross profit	Decrease in sales and yen-based gross profit due to higher yen in the first half of the year
Operating income	Decrease in gross profit was more than offset by lower SG&A expenses.
Ordinary income	0.7 billion yen of foreign exchange gains due to settlement of foreign currency-denominated debt and market valuation, but decreased.
Net income	Loss on valuation of investment securities of 978 million yen was recorded as an extraordinary loss.

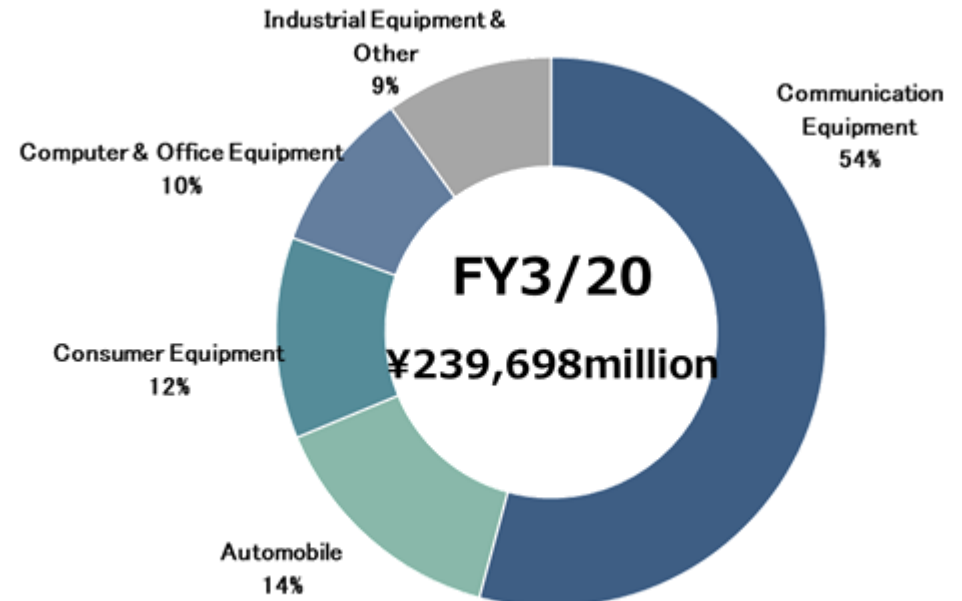
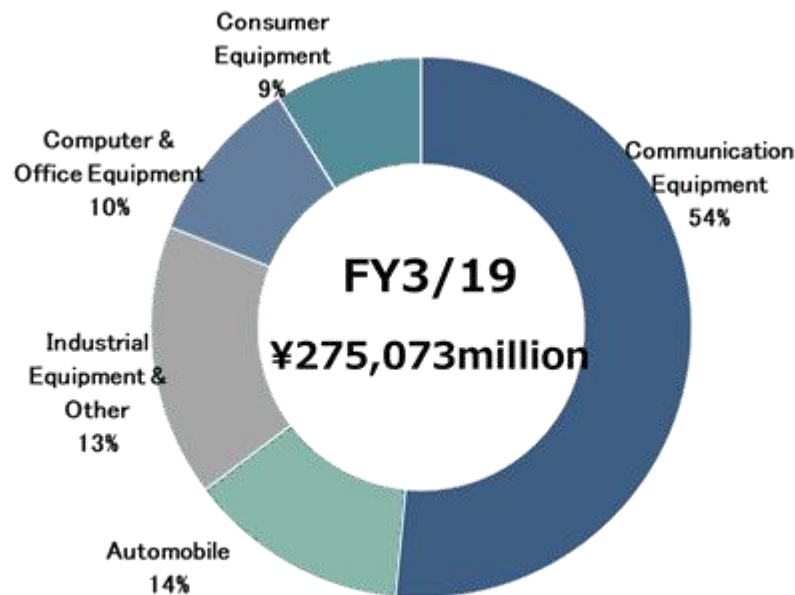
FY3/20 Electronic Devices Business Net Sales Breakdown by Product

(Millions of Yen)



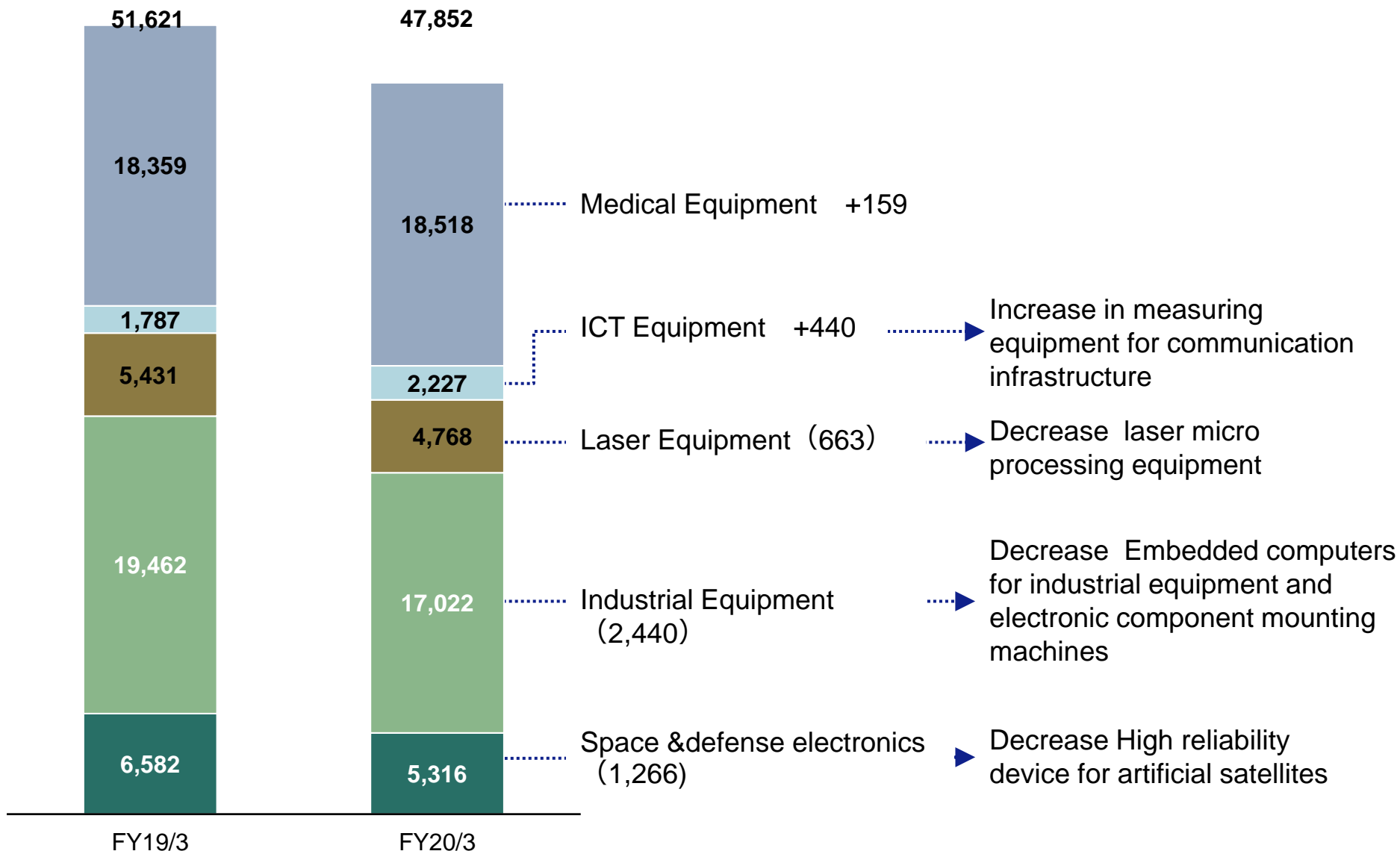
FY3/20 Electronic Devices Business Market Trend by Application

Application	Market Trend
Communication Equipment	Decrease for communication equipment
Automobile	Decrease for factory automation
Industrial Equipment & Other	Decrease for factory automation
Computer & Office Equipment	Decrease for Office Equipment
Consumer Equipment	Increase for game consoles



FY3/20 Electronic Systems Business Net Sales Breakdown by Product

(Millions of Yen)



FY3/20 Summary of Balance Sheets

(Millions of Yen)	FY3/19 Actual	FY3/20 Actual	Changes Amount	Main Reason for Change
Total assets	128,163	131,451	3,288	
Current assets	113,985	118,617	4,632	Cash and deposits 4,442
				Notes and accounts receivable-trade 2,511
				Merchandise and finished goods (2,342)
Noncurrent assets	14,177	12,833	(1,344)	investments and other assets (1,417)
Total liabilities	78,436	83,246	4,810	
Current liabilities	75,623	76,537	914	Short-term borrowings 8,410
				Current portion of long-term borrowings (6,500)
Noncurrent liabilities	2,813	6,708	3,895	Long-term borrowings 3,950
Total net assets	49,726	48,204	(1,522)	

Return to Shareholders

Return to Shareholders

Dividend Policy

Dividend Payout Ratio	30% or more (consolidated)
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Dividends Forecast

(Yen)	FY3/20
Annual Dividend Per Share	30.00
Interim Dividend	10.00
Year-End Dividend	20.00
Payout Ratio	-

Medium-Term Vision Business Strategies and Key Initiatives

Medium-Term Management Plan

Medium-Term Management Plan Policy

- ① Development of business models to create new value
- ② Promotion of business development for growth markets
- ③ Stronger initiatives to contribute to a sustainable society

Change in market

Economic slowdown
with trade friction
as the background

Impact of COVID-19

Change in conditions surrounding the

Weak demand for
industrial equipment

Terminating distributorship
agreement with TI

Business objectives

Target ROE redefined at 5.0% or higher

Initiatives for Electronic Devices

Initiatives to address

Business portfolio enhancement

Productivity enhancement

**Promote initiatives to
maximize business profit**

Initiatives for Electronic Devices

Deepening of existing line cards

Launching business with new customers

Enhancing solution proposal capabilities

Increasing usage of LINE card

Enhancing services

Business expansion in growth markets

- Investment in healthcare & nursing care services and IoT opportunities

Robotics



Aeolus Robotics

Automobile



Silicon Mobility

Software



VANTIQ

Enhancement of overseas networks

- Maintain and expand growth in the North American market
- Business expansion in Europe

Enhancing earnings capabilities

Market-in

Customer first

Customer-in

**Differentiation of product,
technology and services**

**Promoting initiatives aiming
for higher profitability**

システム事業の分野別の取り組み

Space and defense electronics

- Enhancing sales of high reliability devices for artificial satellites and rocket modules
- Expanding new product lineups for aerospace and automobiles

Information and communication equipment

- Enhancing lineups of hardware and software products for 5G
- Business expansion with consulting and other specialized professional capabilities

Laser equipment

- Seeking to maintain and expand business for industrial devices and medical equipment
- Enhancing product lineups and sales promotion activities

Industrial equipment

- Stay focused on seeking growth in assembly, testing and analytics systems for industrial devices and automobiles
- Enhancing capabilities to propose solutions and develop cutting-edge products

Medical equipment

- Market share expansion with enhanced engineering capabilities for products supplied
- Expansion of new product lineups and sales areas

FY3/21 Summary of Consolidated Financial Forecasts

FY3/21 Summary of Consolidated Financial Forecasts

FY3/21 Summary of Consolidated Financial Forecasts

- With regard to consolidated earnings forecasts for the fiscal year ending March 31, 2021, the Marubun Group is withholding its forecasts, in view of the current difficulty of rationally estimating impacts of the spread of the novel coronavirus on its operating performance.
- The Marubun Group will disclose its earnings forecasts when disclosure thereof can be made.

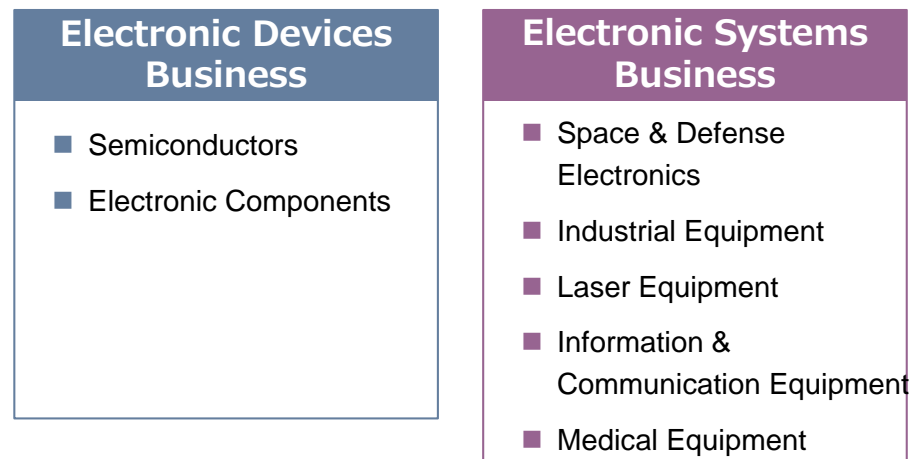
About Marubun

Company Profile

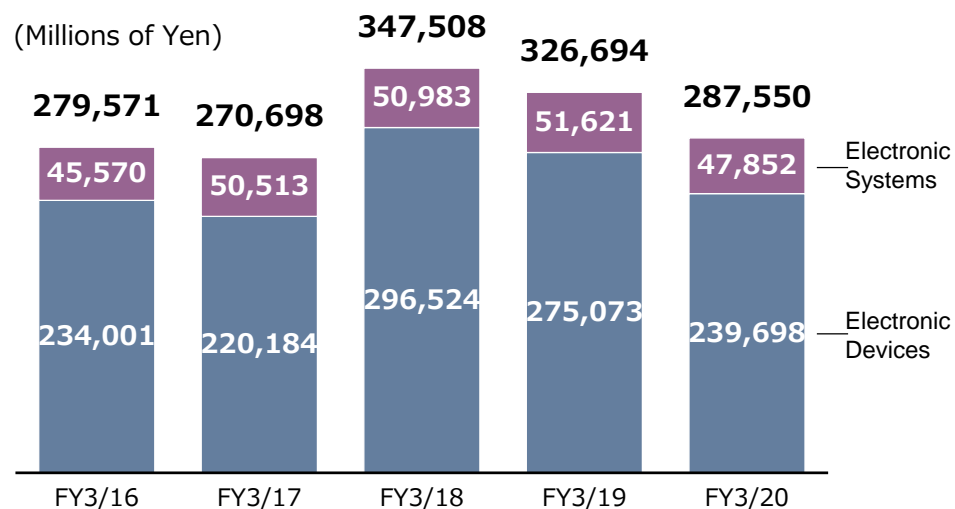
Profile

Founded	1844
Incorporated	July 1947
Head Office	8-1, Niihonbashi Odenmachi, Chuo-ku, Tokyo
Capital	¥6,214M
Fiscal Year	Apr.1-Mar.31
CEO	Toru Iino
Revenue	Consolidated: ¥ 2,875M (FY3/20) Non-consolidated: ¥ 2,318M (FY3/20)
Employees	Consolidated: 1,324(end of Mar.2020) Non-consolidated: 750(end of Mar.2020)
Listed	The 1 st Section of the Tokyo Stock Exchange (7537)

Business Domains

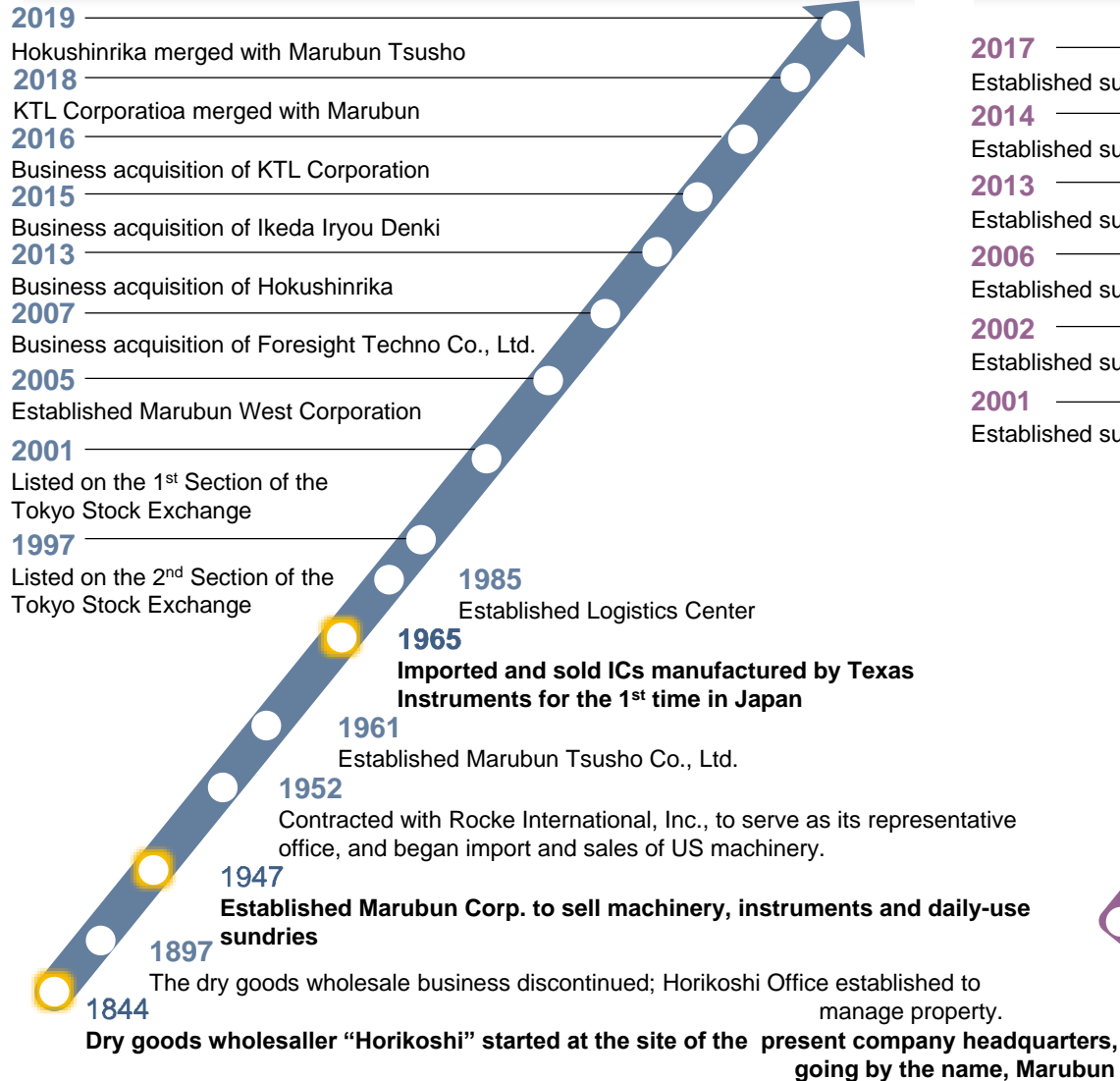


Revenue Trend (Consolidated)

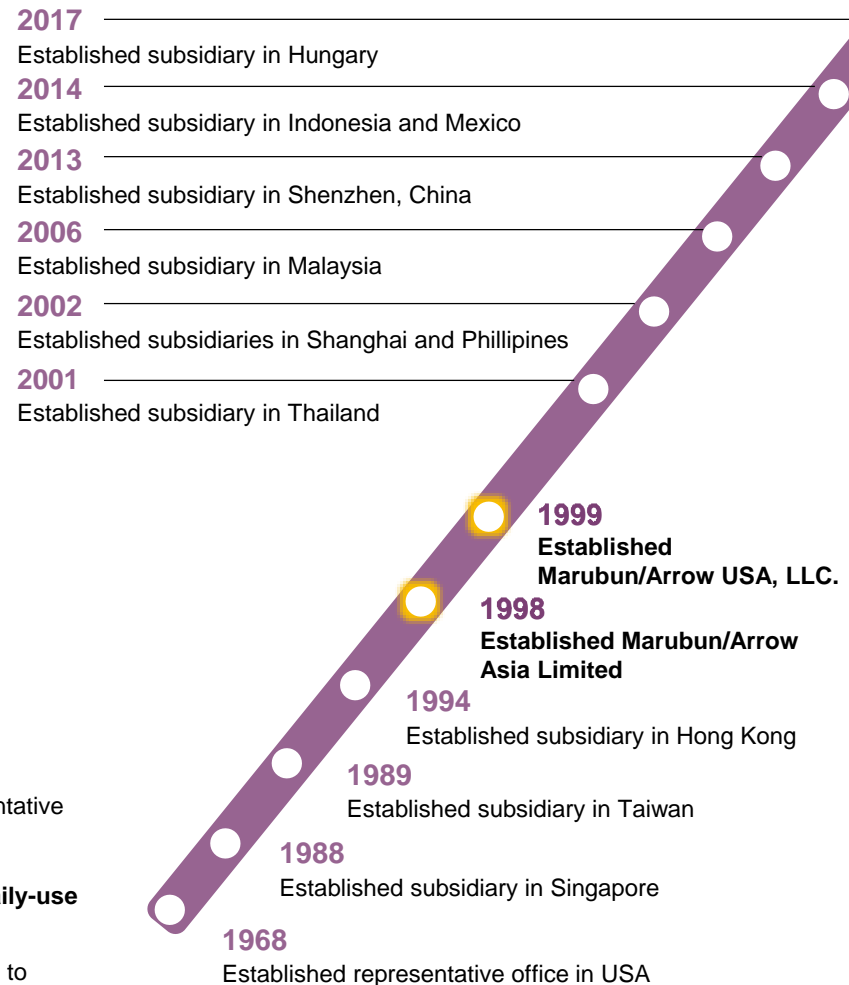


History of Company Operations

Japan

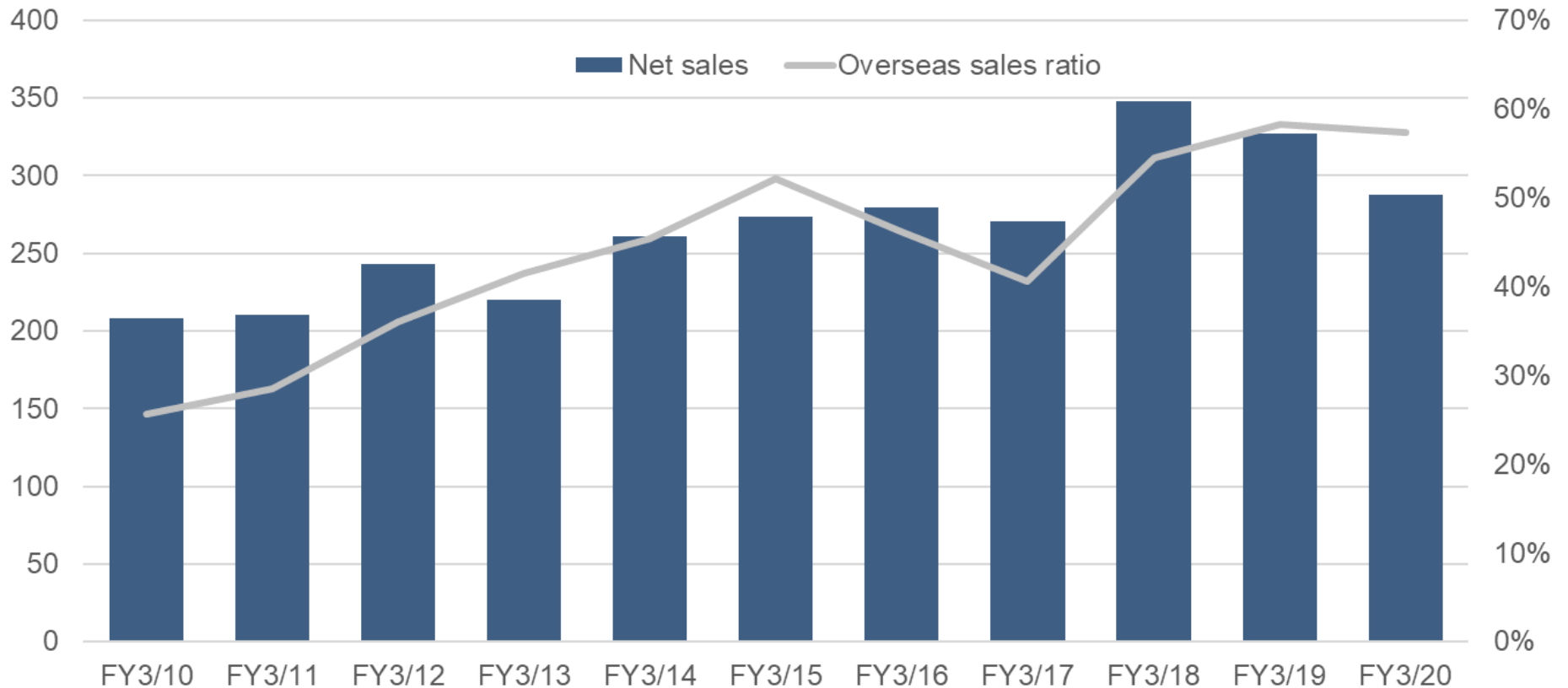


Overseas

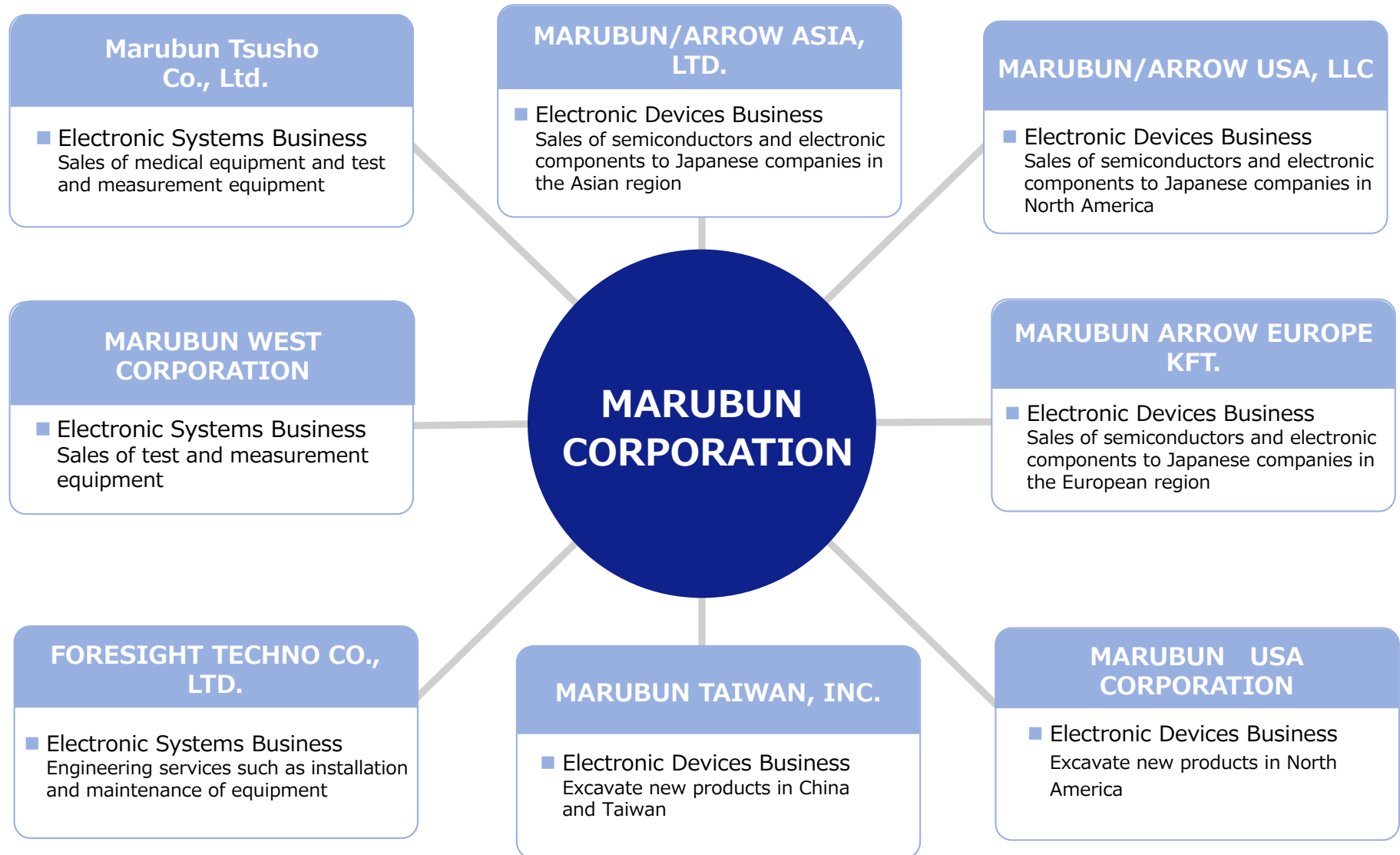


Sales Trend for the Past 10 Years

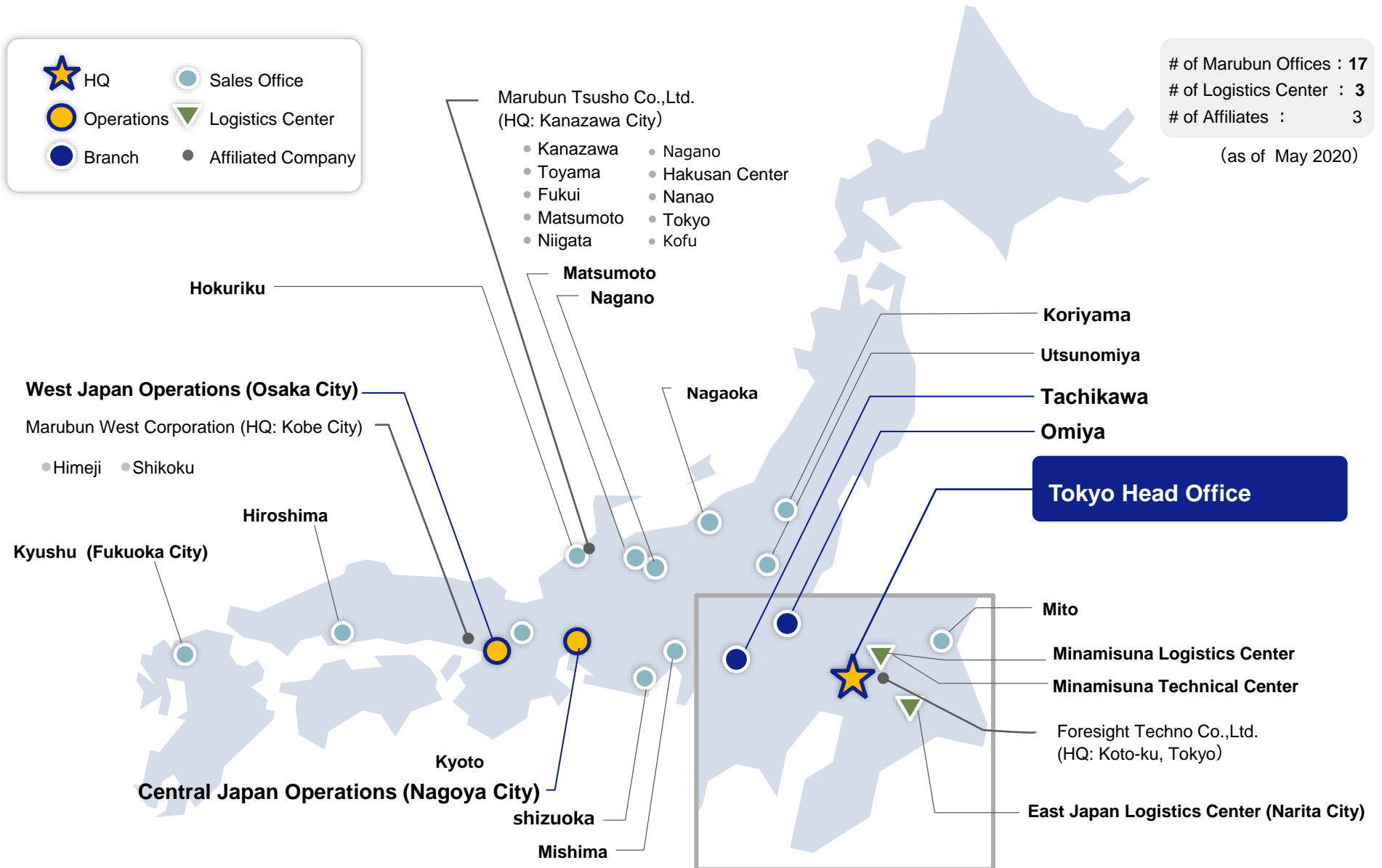
(Billions of Yen)



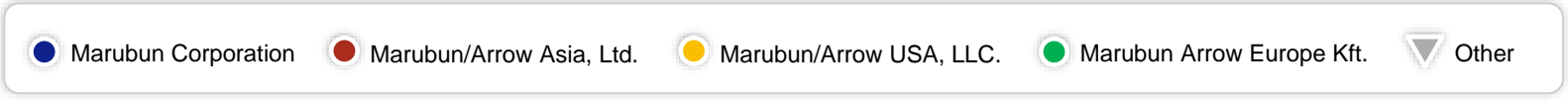
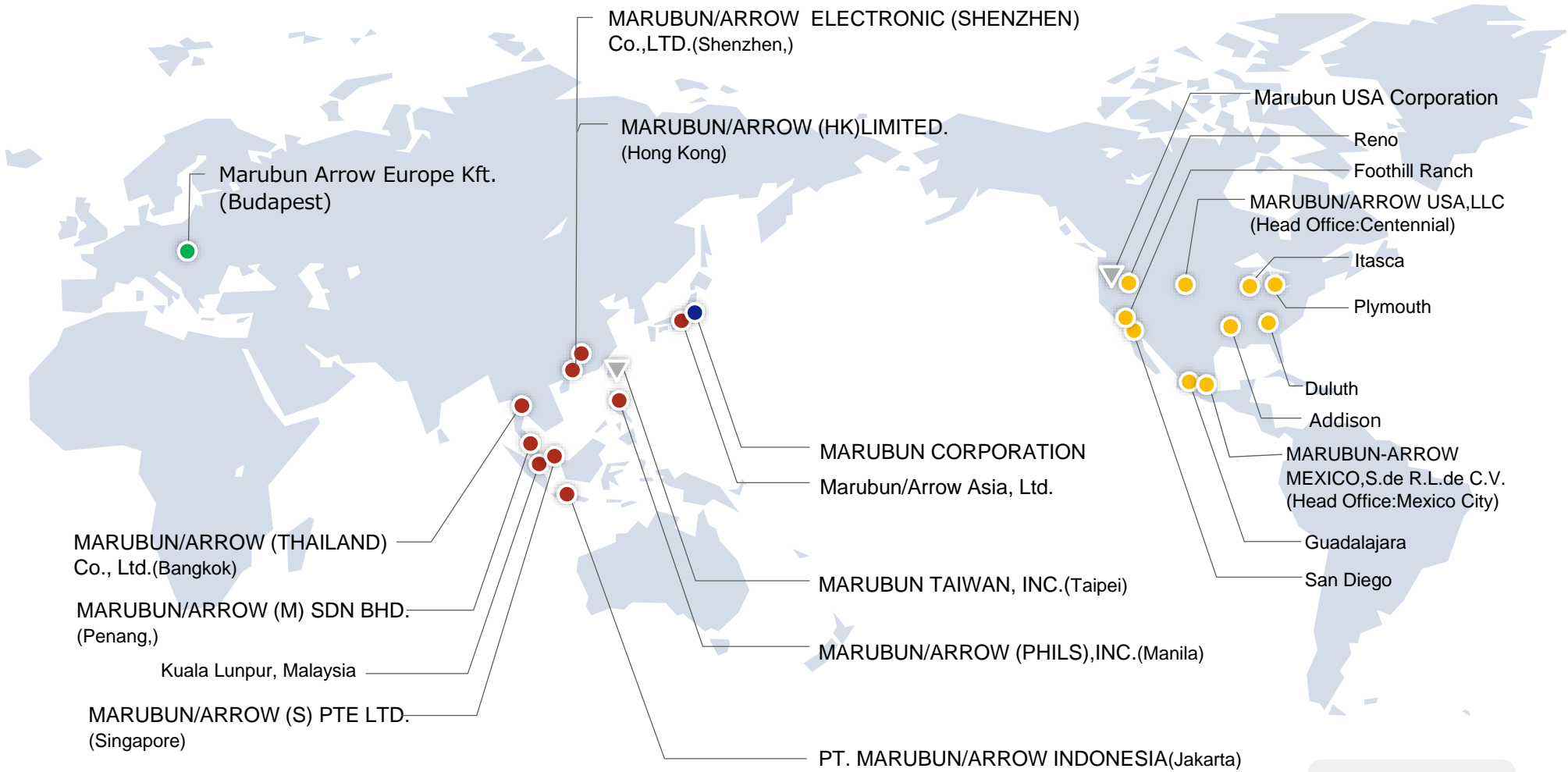
Group Company



Domestic Offices



Worldwide Sales Network



of Asian Offices : 11
 # of NA Office : 11
 # of Europe Office : 1
 (as of May. 2020)

value provided

Global Support

- Collaboration with Arrow Electronics (349 locations in 80 countries)
- Worldwide Japanese quality support by Marubun Arrow

Extensive line cards and product synergy

- Lineup of competitive suppliers at home and abroad
- A wide range of products, from standard products to custom products.

value provided

System solution

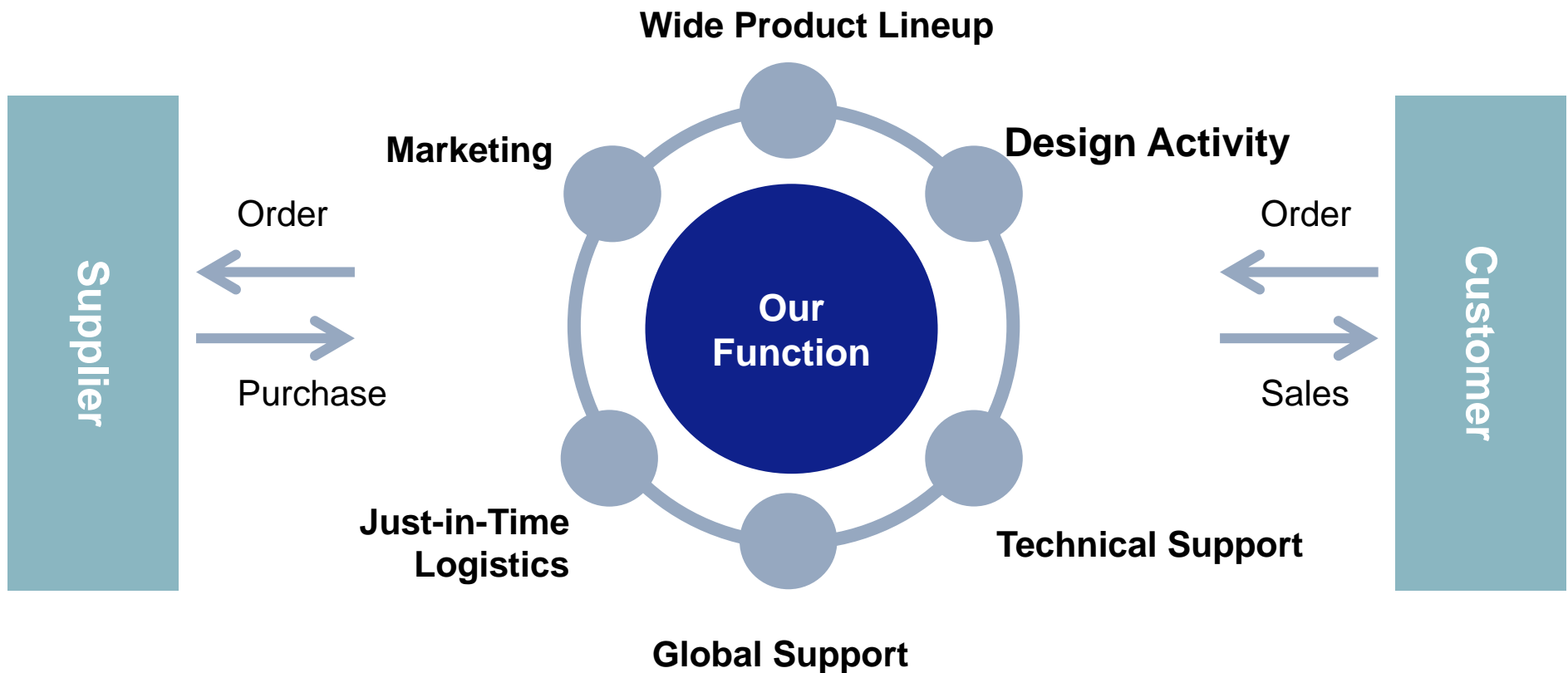
- A strong technical support system with a high level of expertise
- Cooperative relationships with third parties, module manufacturers, EMS/ODM, etc.

A strong customer base built up over many years of business

- A strong customer base centered on domestic electronic device manufacturers

Characteristics and Strengths -Electronic Devices-

- Wide Product Lineup through Overseas Suppliers
- Global Sales Network in Alliance with Arrow Electronics, Inc. (80 countries, 349 bases)
- Effective Solution Suggestion through High Technological Skill
- Strong Customer Base



Affiliations -Electronic Devices-

Comnany	Head Quarter	Establish	Share	Business
Marubun USA Corporation	California, U.S.A.	October 1983	100.0%	Holding company of Marubun/Arrow USA,LLC
Marubun Taiwan, Inc.	Taipei, Taiwan	November 1989	100.0%	Supply of semiconductors and electronic components made in Taiwan
Marubun/Arrow Asia, Ltd.	British Virgin Islands	October 1998	50.0%	Holding company of Marubun/Arrow (S) Pte Ltd. and Marubun/Arrow (HK) Ltd.
Marubun/Arrow (S) Pte Ltd.	Anson Road, Singapore	March 1988	50.0%	
Marubun/Arrow (HK) Ltd.	Hong Kong, China	August 1994	50.0%	
Marubun Arrow (Thailand) Co., Ltd.	Bangkok, Thailand	October 2000	50.0%	
Marubun/Arrow (Phils), Inc.	Laguna, Philippines	October 2001	50.0%	
Marubun Arrow (M) SDN BHD	Penang, Malaysia	June 2006	50.0%	Sales of semiconductors and electronic components to Japanese companies in overseas
Marubun/Arrow (Shenzhen) Electronic Product Consulting Co.,Ltd.	Shenzhen, China	June 2013	50.0%	
PT. Marubun Arrow Indonesia	Jakarta, Indonesia	April 2014	50.0%	
Marubun/Arrow USA, LLC*	Delaware, U.S.A.	November 1998	50.0%	
Marubun-Arrow Mexico, S. de R.L. de C.V.*	MexicoCity, MEXICO	September 2014	50.0%	
Marubun Arrow EUROPE KFT.*	Budapest,Hungary	November 2017	50.0%	

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

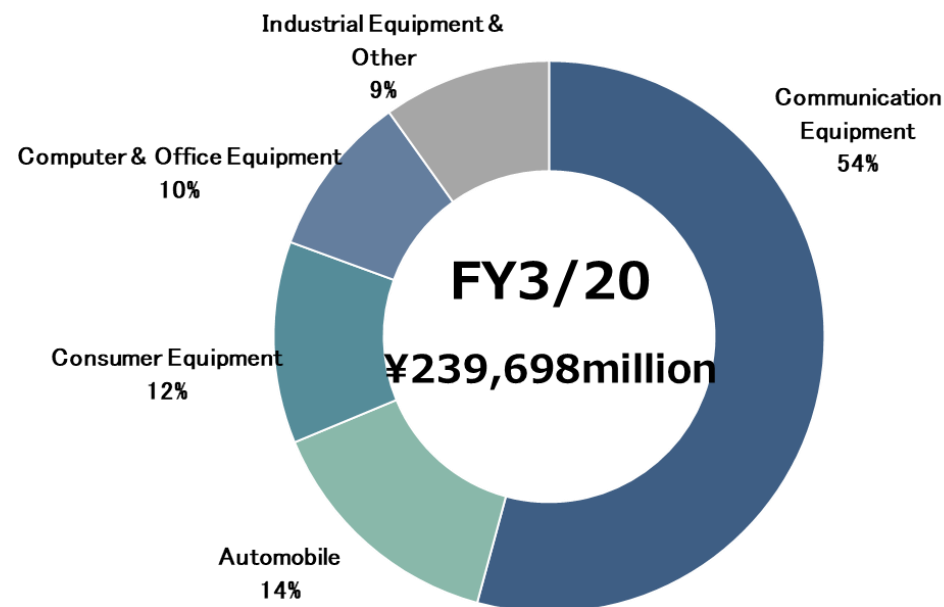
Main Products(by Supplier) -Electronic Devices-

		Supplier													
		Asahikasei Electronics	Ablic	Broadcom	Cypress	Eink	FINsix	Littlefuse	Maxim	Molex	Qurio	Sandisk	Seiko Epson	Texas Instruments	Other
Semiconductors	Analog IC	●	●	●			●	●		●			●	●	
	Standard Logic IC												●		
	Memory IC	DRAM													●
		Flash Memory										●			●
		Other Memory		●								●			
	Micro-processor	MPU, MCU											●	●	●
		DSP	●											●	●
	Special-Use IC	ASSP	●		●	●			●		●		●	●	●
		Display Driver											●	●	
		DMD												●	
LED														●	
Custom IC	●										●		●		
Electronic Components	Display Devices					●								●	
	Crystal Devices		●									●			
	Connector,Switch,PCB								●					●	
	Module						●							●	

* Cypress became a group company of Infineon Technologies on April 16.

Main Products (by Application) -Electronic Devices-

		Applications				
		Communication Equipment	Computer OA	Industry Equipment	Automobile	Consumer Equipment
Semiconductor						
Analog IC		●	●	●	●	●
Standard Logic IC		●	●	●	●	●
Memory IC	DRAM	●	●		●	●
	Flash Memory	●	●			●
Micro-processor	MPU, MCU	●	●	●	●	●
	DSP	●		●	●	●
Special-Use IC	ASSP	●			●	●
	Display Driver	●	●		●	●
	DMD	●	●	●	●	●
	LED	●	●			●
Custom IC		●	●		●	●
Electronic Components						
Display Devices		●	●	●	●	●
Crystal Devices		●		●	●	●
Connector,Switch,PCB		●				●
Module			●		●	●



Characteristics and Strengths -Electronic Systems-

- Providing Technologically Competitive Products in High-End Markets
- Consistent, High-Level Technical Support
(from system integration, installation to maintenance services)

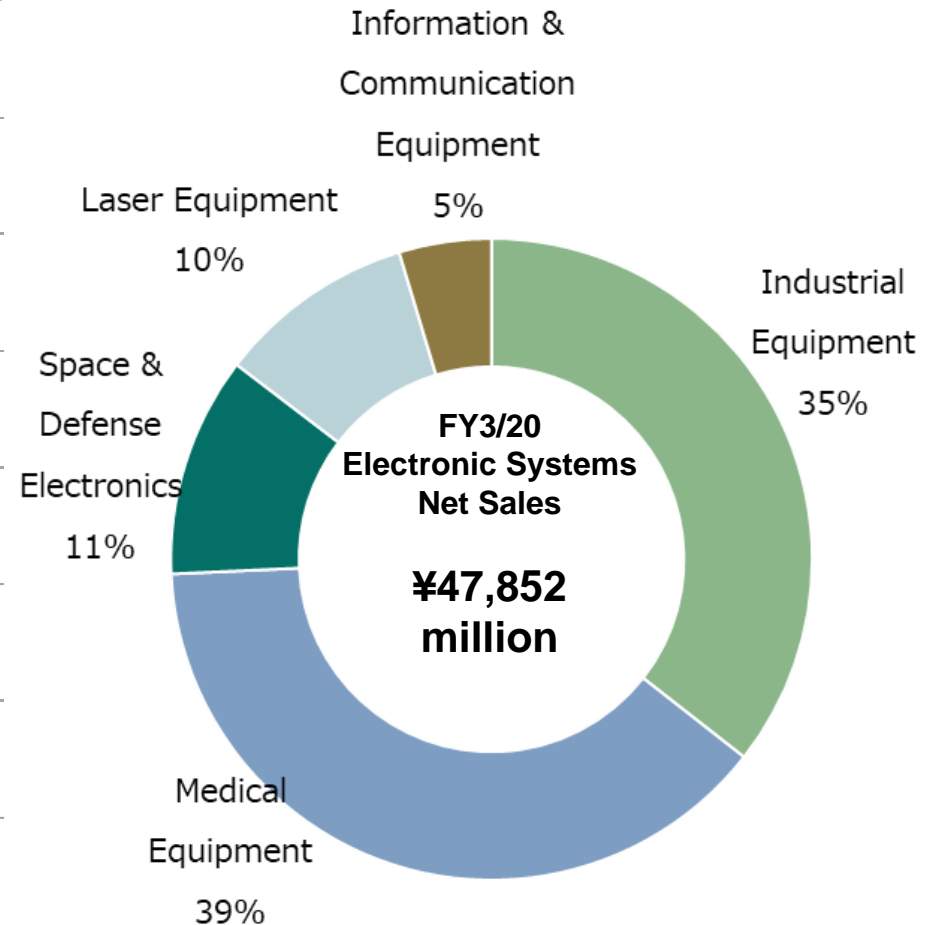


Affiliations -Electronic Systems-

Company	Head Quarter	Establish	Share	Business
Marubun Tsusho Co.,Ltd.	Kanazawa City	March 1961	100.0%	Sales of medical equipment and measurement & inspection equipment
Marubun West Corporation	Kobe City	May 2005	100.0%	Sales of measurement & inspection equipment
Foresight Techno Co.,Ltd.	Koto-ku Tokyo	March 1999	51.0%	High-Level Technical Support (system integration, installation to maintenance services)

Main Products -Electronic Systems- 1

	Products	Supplier
Industrial Equipment	Electronic Components Inspection Equipment	Unihite System, FEI, Shimadzu, Akim, Seiko Epson
	Embedded computer system	ARTESYN, Aitech, ADLINK, LayTec, Riber
Medical Equipment	Diagnostic Imaging Equipment	Siemens, Shimadzu, Konica Minolta
	Hemo Dialysis Equipment	NIKKISO, Asahi Kasei Medical, Kaneka Medix
Laser Equipment	Laser Diode, Laser Processor	nLight, Laserline
	Network Solutions, Optical Components	Excelitas Technologies, Luminus Drvices, First Sensor
Space & Defense Electronics	High-reliability Components, Measurement and Sensor Equipment	Tele Communication Systems, GE Sensing, Meggit, Plascore
	Avionics Test System & Simulator Equipment, Microwave Equipment	TEXTRON, L3 Technologies, CPI, Bird
Information & Communication Equipment	RF・Optical communication	PCTEL, Finisar, EXFO, Microsemi, Calnex, Spirent



Main Products -Electronic Systems- 2

Space & Defense Electronics



BEI Sensors
High-reliability
Components



CPI
Microwave
Equipment

Measurement & Inspection Equipment



Shimadzu
Gas Chromatography



Akim
Electronic Components
Inspection Equipment



FEI
Infrared Inspection
Equipment



FUJI CORPORATION
Ultra High Density Atmospheric
Pressure Plasma Device

Main Products -Electronic Systems- 3

Laser Equipment



nLIGHT
Laser Diode



Laserline
Laser Processor

Informaiton & Communication



Microchip
Network Timeserver



Spirent
GNSS Simulator

Medical Equipment



Siemens Japan
Diagnostic Imaging
Equipment

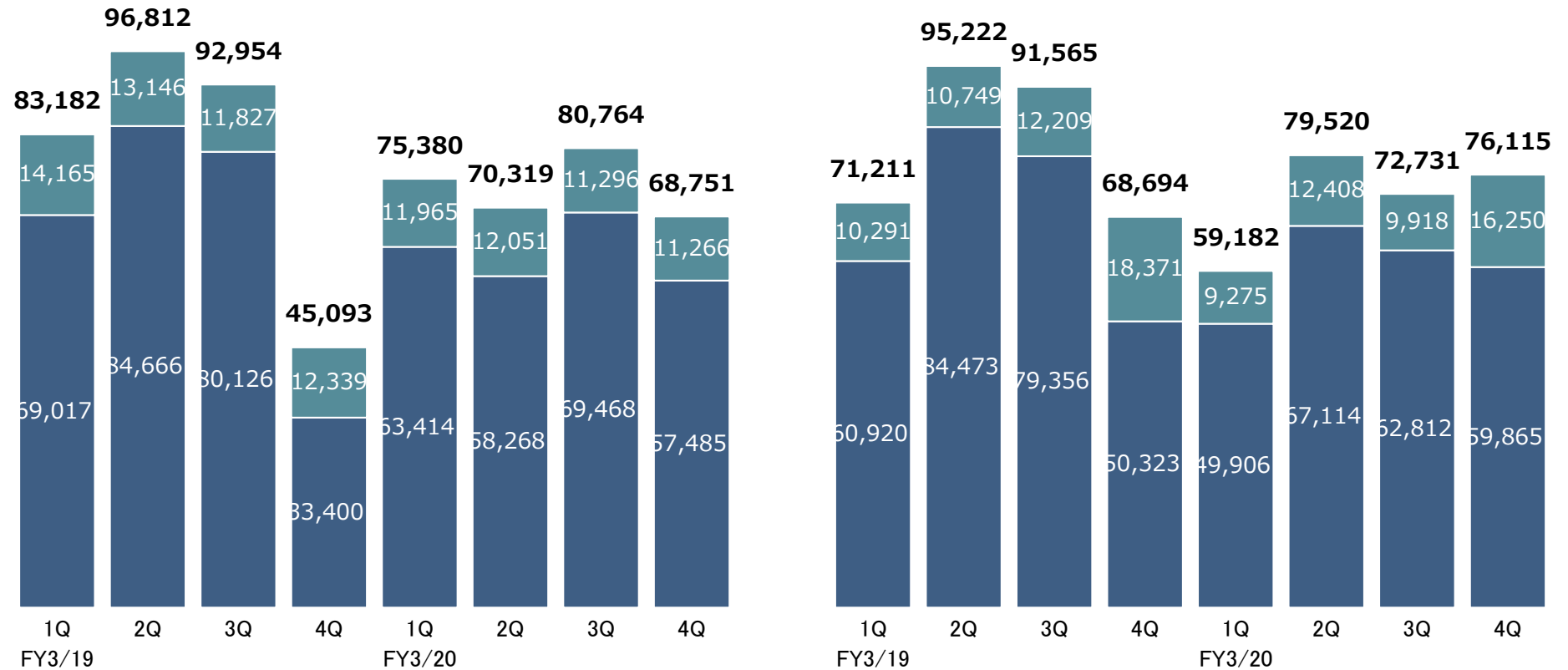
Quarterly Trend in Orders/Sales by Business

Orders

Sales

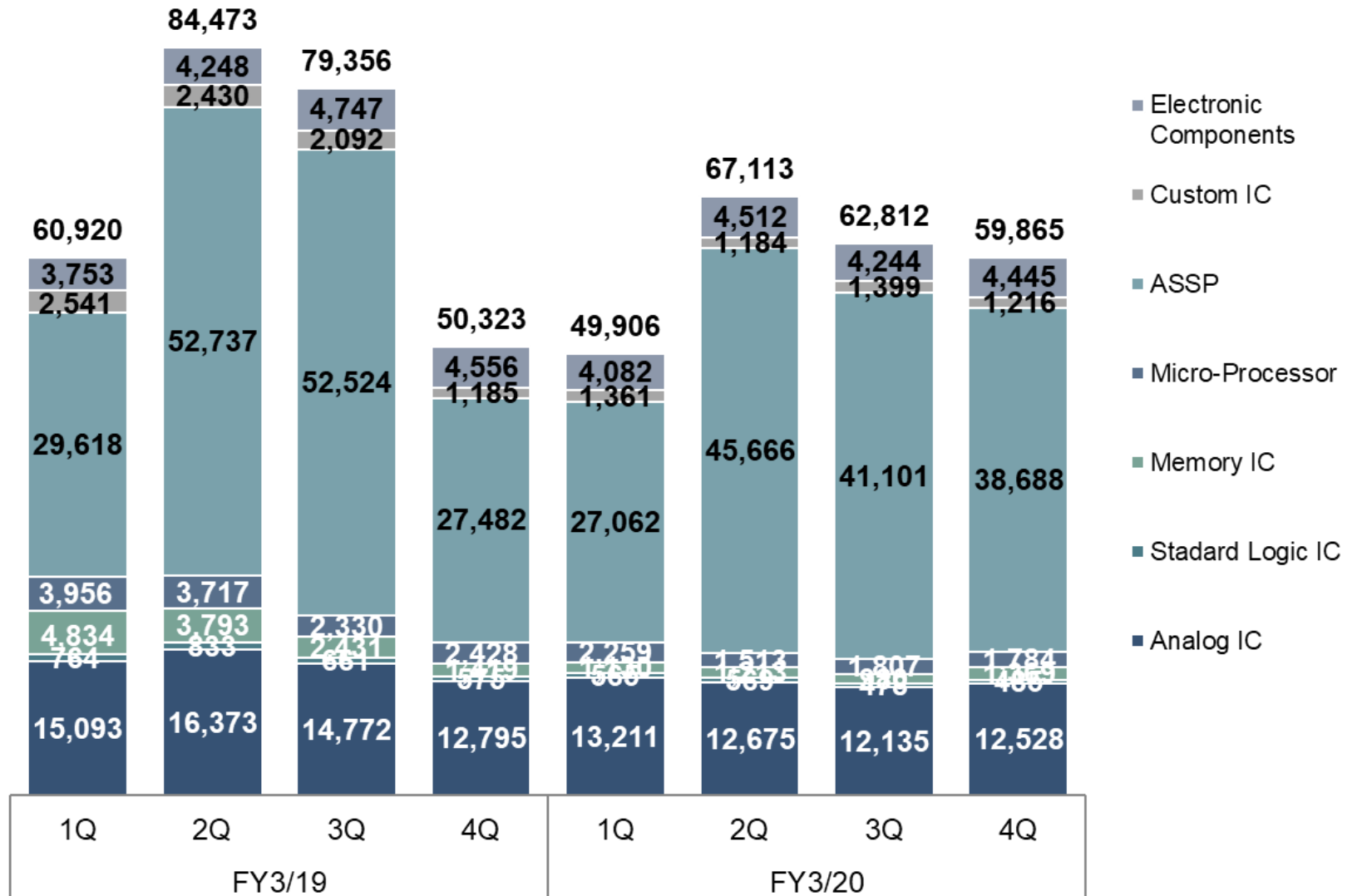
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■ Electronic Devices ■ Electronic Systems

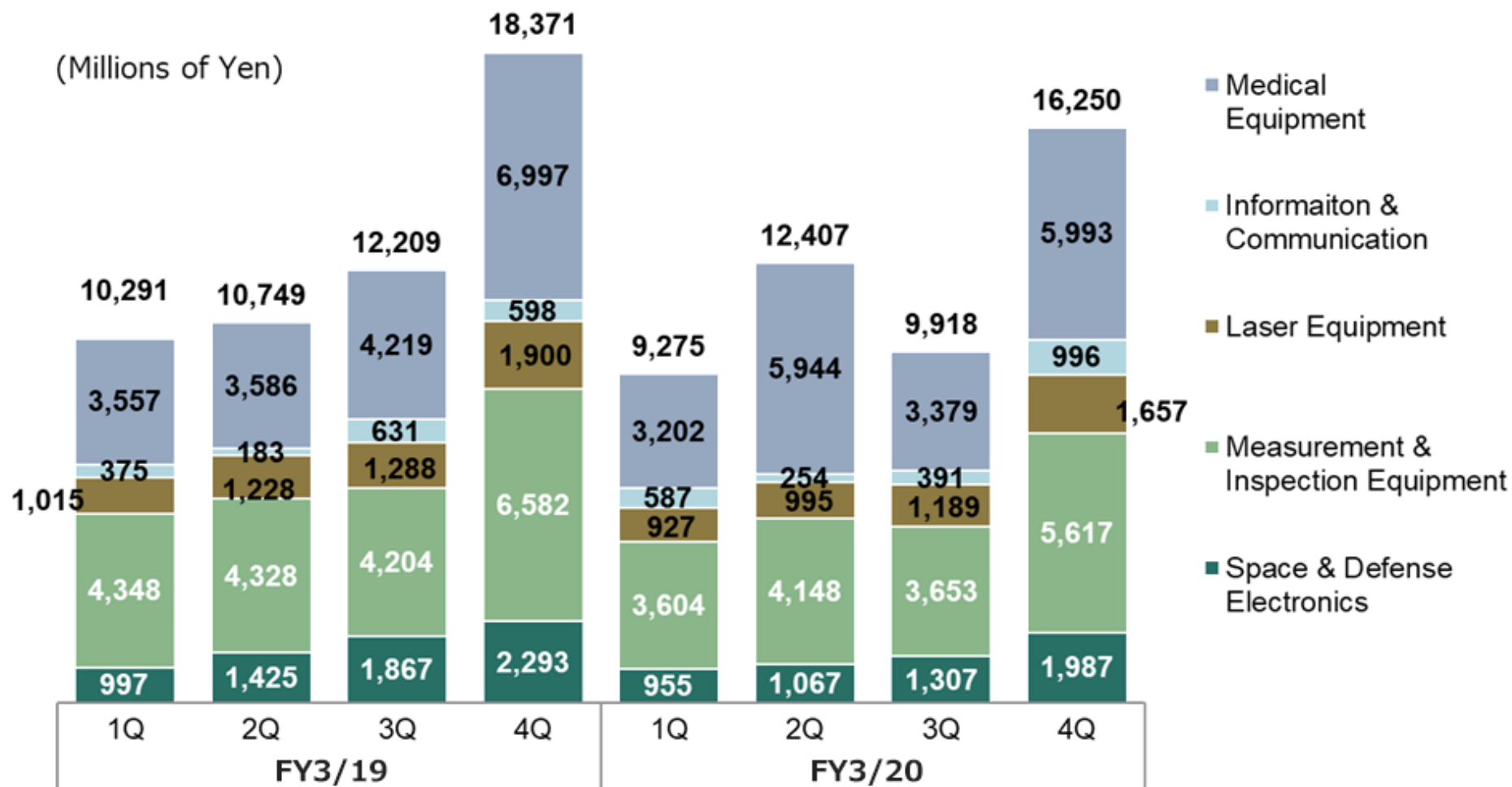


Quarterly Trend in Sales of Electronic Devices by Product

(Millions of Yen)



Trend in Sales of Electronic Systems



Cautionary Statement

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

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