

Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2021

November 2020

MARUBUN CORPORATION

Agenda

1. 1H FY3/21 Summary of Consolidated Financial Results
2. Medium-Term Vision Business Strategies and Key Initiatives
3. FY3/21 Summary of Consolidated Financial Forecasts
4. Return to Shareholders
5. About Marubun

1H FY3/21 Summary of Consolidated Financial Results

1H FY3/21 Summary of Financial Results

(Millions of Yen)	1H FY3/20		1H FY3/21			YoY Changes		Initial Forecasts vs Actual
	Actual	Composition Ratio	Initial Forecasts	Actual	Composition Ratio	Amount	%	
Net sales	138,703	100.0%	136,500	137,268	100.0%	(1,435)	-1.0%	768
Electronic Devices	117,020	84.4%	117,500	118,982	86.7%	1,962	1.7%	1,482
Electronic Systems	21,682	15.6%	19,000	18,285	13.3%	(3,397)	-15.7%	(715)
Gross profit	7,985	5.8%	7,625	6,905	5.0%	(1,080)	-13.5%	(720)
SG&A expenses	8,057	5.8%	7,555	7,484	5.5%	(573)	-7.1%	(71)
Operating income	(71)	-	70	(579)	-	(508)	-	(649)
Non-operating income	1,146	0.8%	455	993	0.7%	(153)	-13.4%	538
Non-operating expenses	751	0.5%	410	395	0.3%	(356)	-47.4%	(15)
Ordinary income	323	0.2%	115	18	0.0%	(305)	-94.4%	(97)
Extraordinary income	4	0.0%	-	0	0.0%	(4)	-	-
Extraordinary loss	237	0.2%	115	116	0.1%	(121)	-51.1%	1
Profit attributable to owners of parent	(110)	-	35	(64)	-	46	-	(99)

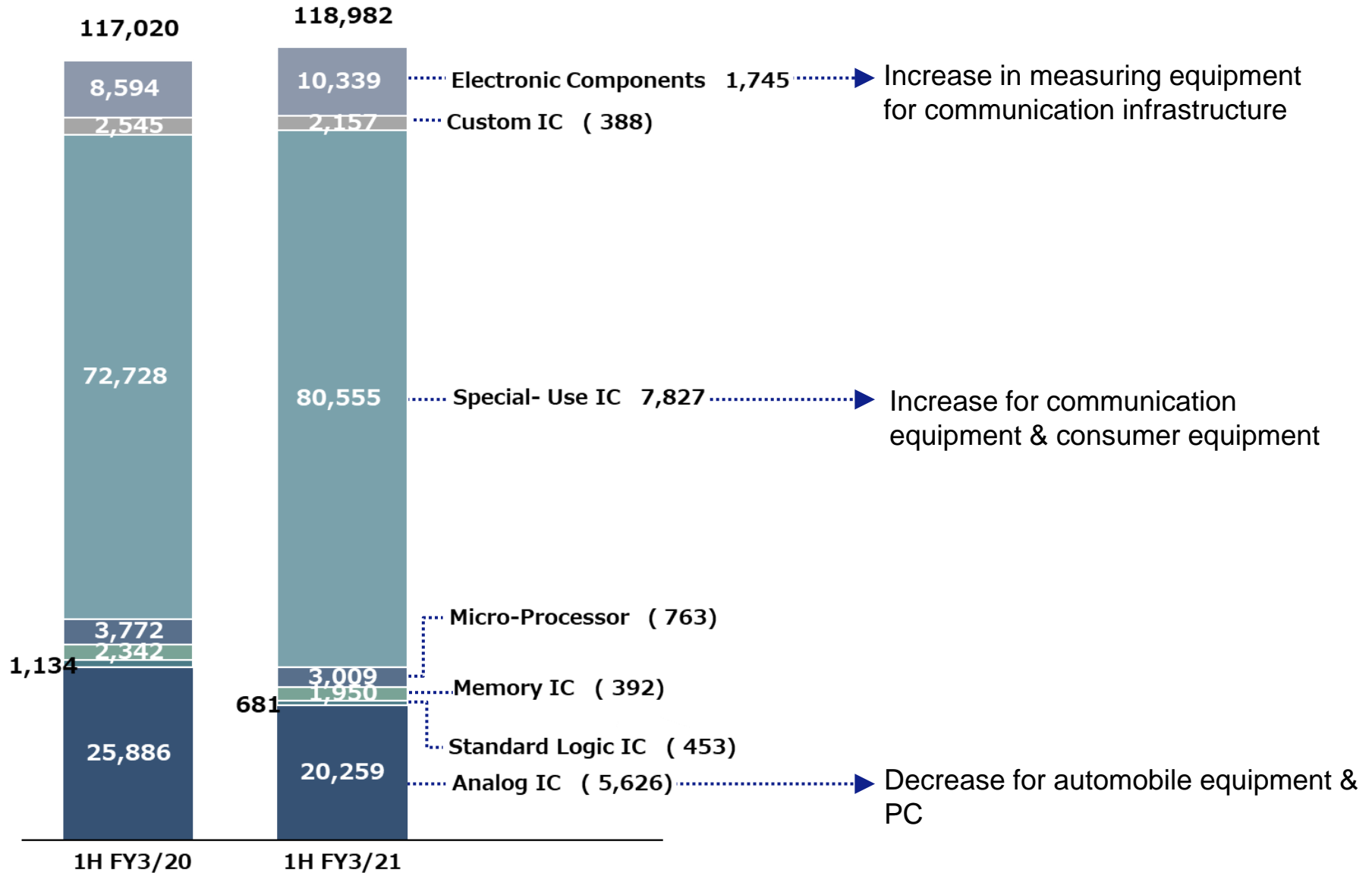
Point

Net sales	Increase in ICs for communication equipment and consumer equipment
Gross profit	Decrease due to lower profit margins
Operating income	Decrease in gross profit was more than offset by lower SG&A expenses
Ordinary income	Foreign exchange gain of 800 million yen was recorded due to a settlement gain on foreign currency-denominated debt, but profits declined

1H FY3/21 Electronic Devices Business Net Sales Breakdown by Product






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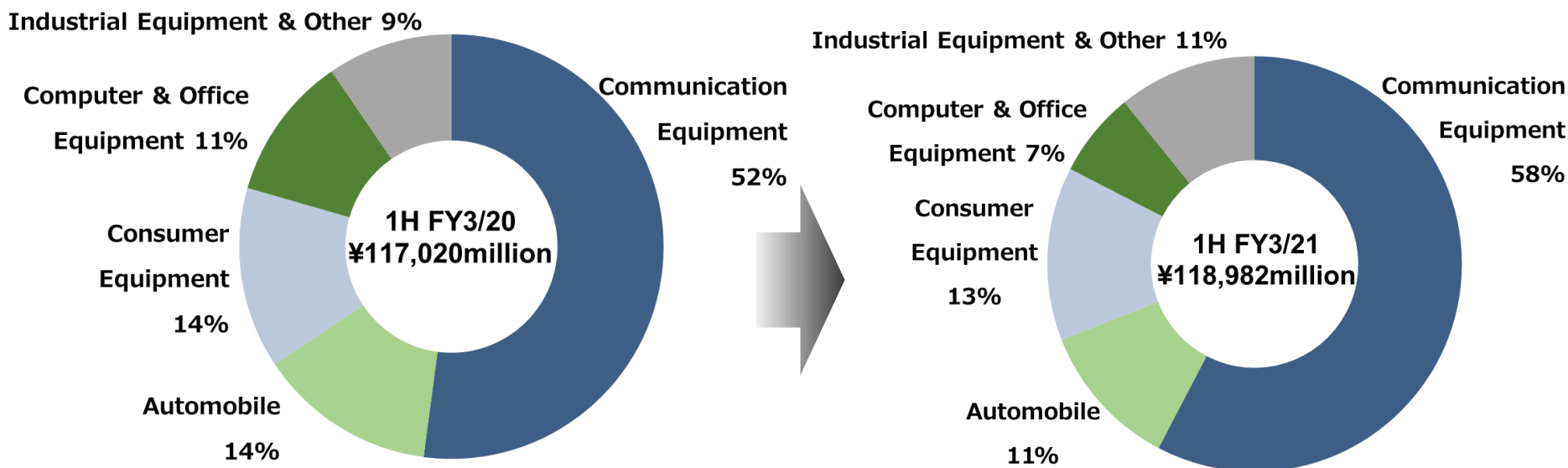
(Millions of Yen)



1H FY3/21 Electronic Devices Business Market Trend by Application

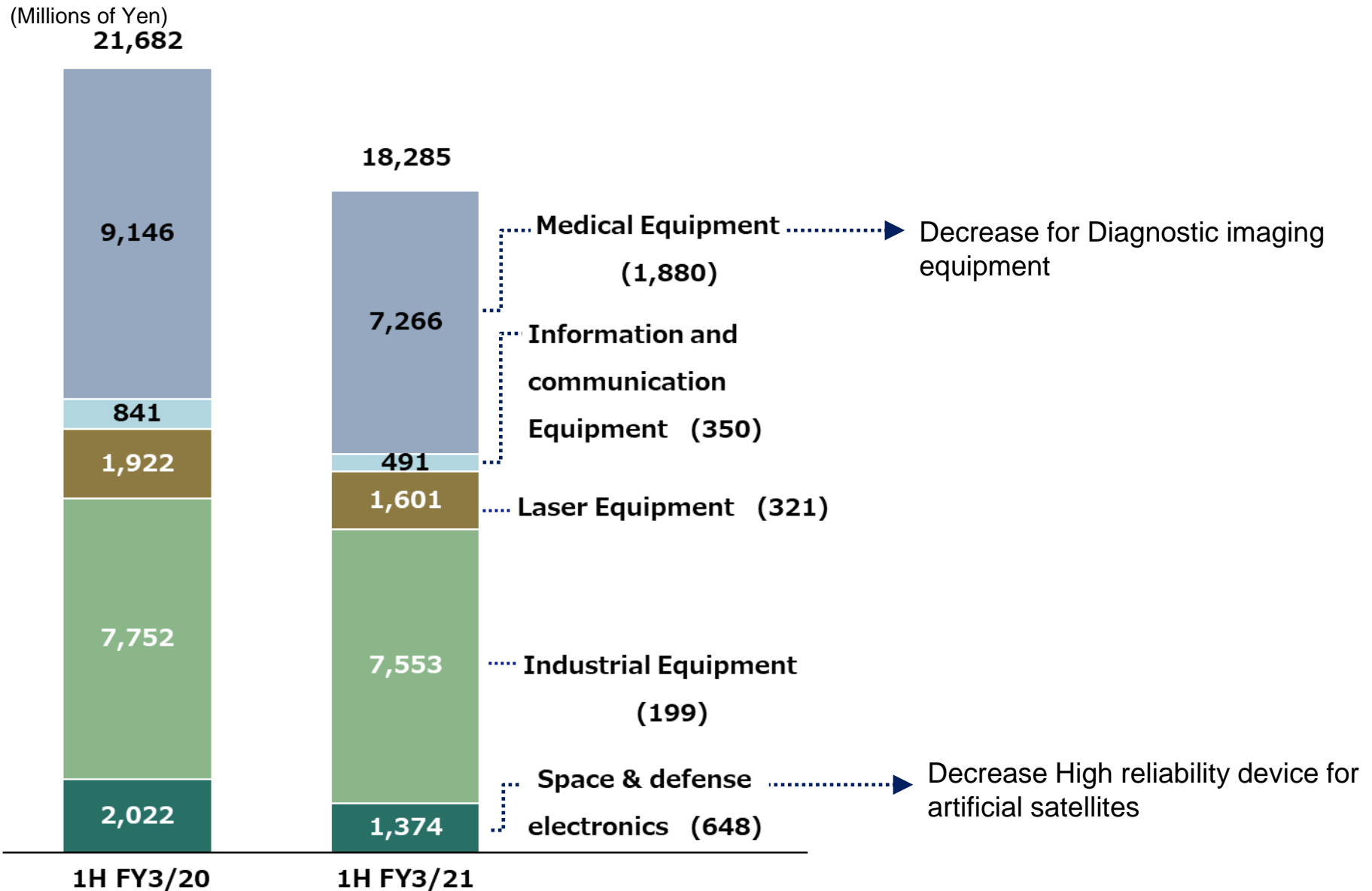
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	Market Trend	
Communication Equipment		Increase for communication equipment
Automobile		Decrease for infotainment
Consumer Equipment		the same level as last year
Computer & Office Equipment		Decrease for PC and projector
Industrial Equipment & Other		the same level as last year



1H FY3/21 Electronic Systems Business Net Sales Breakdown by Product

Confidential



1H FY3/21 Summary of Balance Sheets

(Millions of Yen)	FY3/20 Actual	1H FY3/21 Actual	Changes Amount	Reason for change
Total assets	131,451	126,175	(5,276)	
Current assets	118,617	113,350	(5,267)	Cash and deposits 3,833 Notes and accounts receivable-trade (4,729) Merchandise and finished goods (5,228)
Noncurrent assets	12,833	12,824	(9)	
Total liabilities	83,246	79,307	(3,939)	
Current liabilities	76,537	72,773	(3,764)	Short-term loans payable (3,336)
Noncurrent liabilities	6,708	6,534	(174)	
Total net assets	48,204	46,860	(1,344)	

Medium-Term Vision Business Strategies and Key Initiatives

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

- **Promoting the acquisition of new commercial rights**
 - ➔ Expanding the range of products handled by existing suppliers
 - ➔ Develop new products and new sales destinations to promote new business
- **Enhancing of organization for solution proposal**

Business expansion in growth markets

- **Starting a licensing business**
 - ➔ Started to long range wireless power delivered Technology
- **Expanding new business in healthcare, nursing care, IoT and other area.**
 - ➔ Sales promoting AI Robots for the nursing care market
 - ➔ Actively promoting the software business



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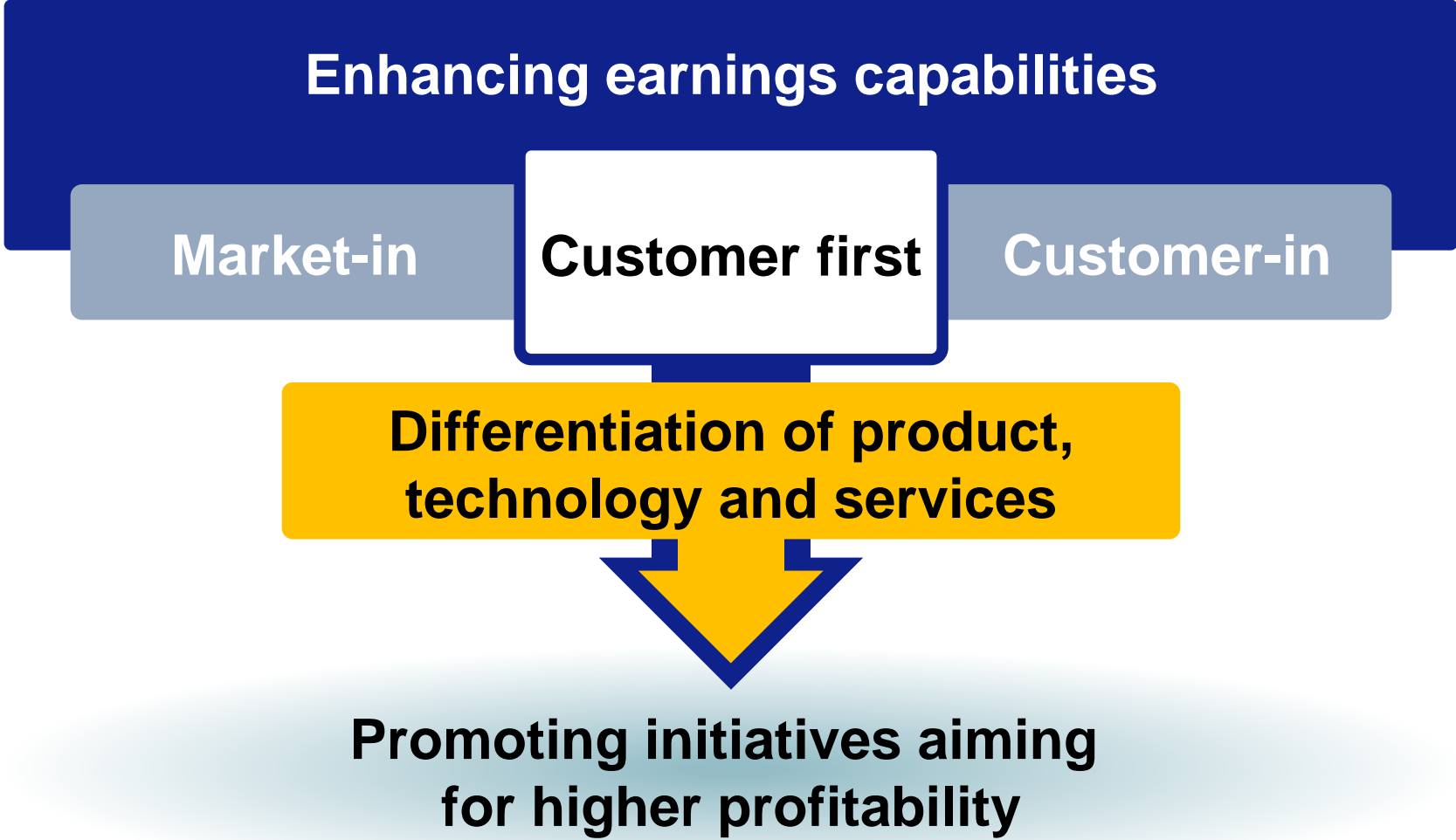


Aeolus Robotics社

Enhancement of overseas networks

- **Promoting initiatives in Asia, North America and Europe**

Initiatives for Electronic Systems



Initiatives for Electronic Systems

Space and defense electronics

- Expanding sales of highly reliable components and new products
- Sales promotion of automobile-related equipment

Industrial equipment

- Proactively promote the discovery of new suppliers and commercial products
- Expansion of products for the Smart Factory and Smart Logistics

Laser equipment

- Seeking to maintain and expand business for industrial and medical devices
- Strengthening sales promotion of deep UV and UV LEDs

Information and communication equipment

- Expansion of 5G products and solutions
- Selling network equipment for remote operation and auto testing

Medical equipment

- Expanded products such as PCR test kits and space sterilization and deodorization equipment

FY3/21 Summary of Consolidated Financial Forecasts

FY3/21 Financial Forecasts

(Millions of Yen)	FY3/20		FY3/21			YoY Changes		Initial Forecasts vs Revised Forecasts
	Actual	Composition Ratio	Initial Forecasts	Revised Forecasts	Composition Ratio	Amount	%	
Net sales	287,550	100.0%	260,000	270,000	100.0%	(17,550)	-6.1%	10,000
Electronic Devices	239,698	83.4%	208,000	221,000	81.9%	(18,698)	-7.8%	13,000
Electronic Systems	47,852	16.6%	52,000	49,000	18.1%	1,148	2.4%	(3,000)
Gross profit	18,577	6.5%	17,600	16,500	6.1%	(2,077)	-11.2%	(1,100)
SG&A expenses	16,207	5.6%	15,300	15,250	5.6%	(957)	-5.9%	(50)
Operating income	2,369	0.8%	2,300	1,250	0.5%	(1,119)	-47.2%	(1,050)
Non-operating income	958	0.3%	550	1,100	0.4%	142	14.8%	550
Non-operating expenses	1,322	0.5%	850	800	0.3%	(522)	-39.5%	(50)
Ordinary income	2,006	0.7%	2,000	1,550	0.6%	(456)	-22.7%	(450)
Extraordinary income	11	0.0%	-	0	-	(11)	-	-
Extraordinary loss	1,231	0.4%	115	100	0.0%	(1,131)	-91.9%	(15)
Profit attributable to owners of parent	(75)	0.0%	1,235	900	0.3%	975	-	(335)

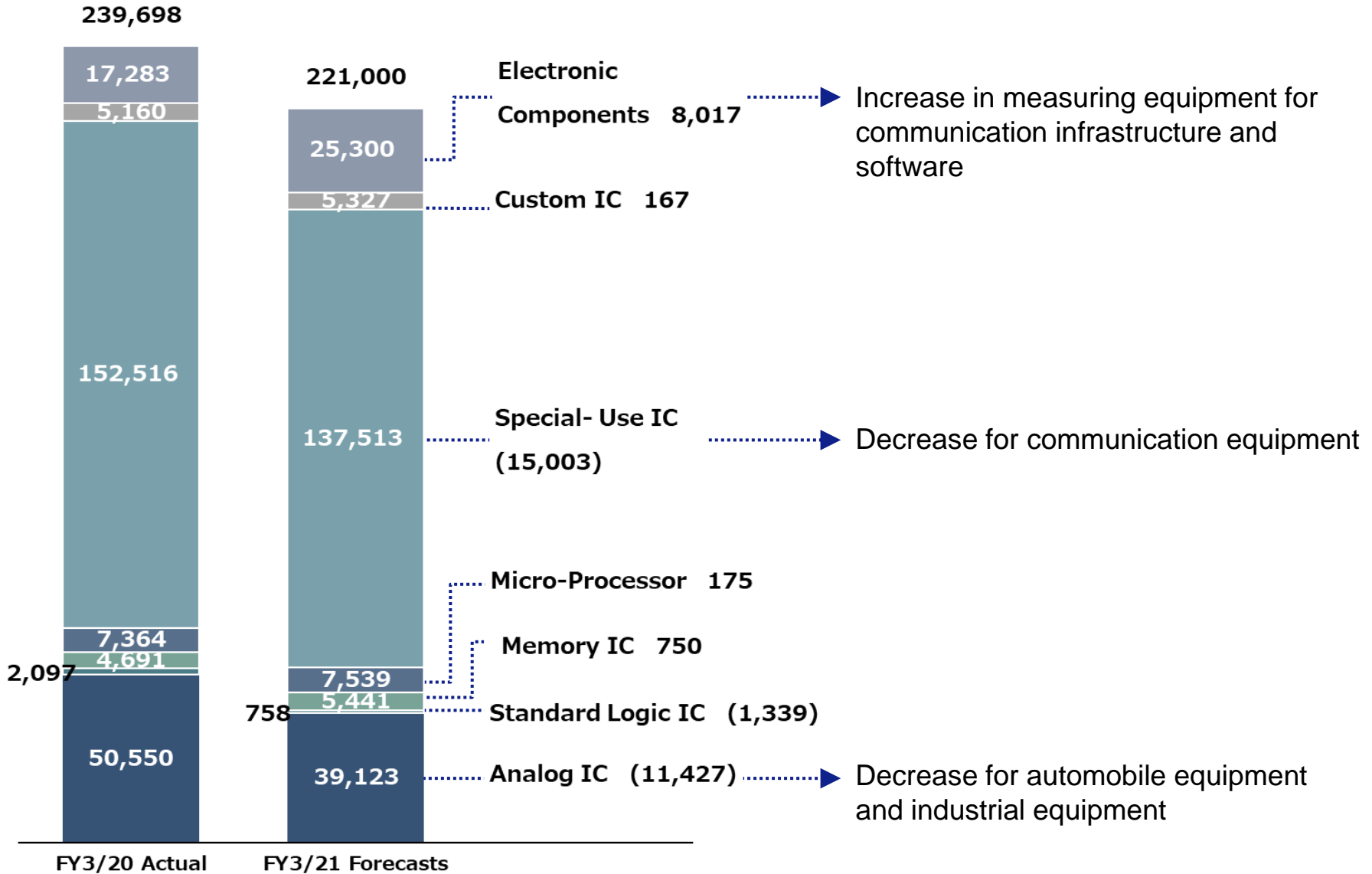
Point

Net sales	(compared to previous period) Sales of semiconductors for industrial equipment and automobiles declined. (Compared to initial forecast) Sales of semiconductors for telecommunications equipment increased.
Gross profit	Decrease due to sluggish sales of products with relatively high profit margins
Operating income	Expecting a decrease in SG&A expenses, but decrease in gross profit
Ordinary income	Decrease in profit despite recording foreign exchange gains in the first half of the year

FY3/21 Electronic Devices Business Net Sales Forecasts by Product

Confidential

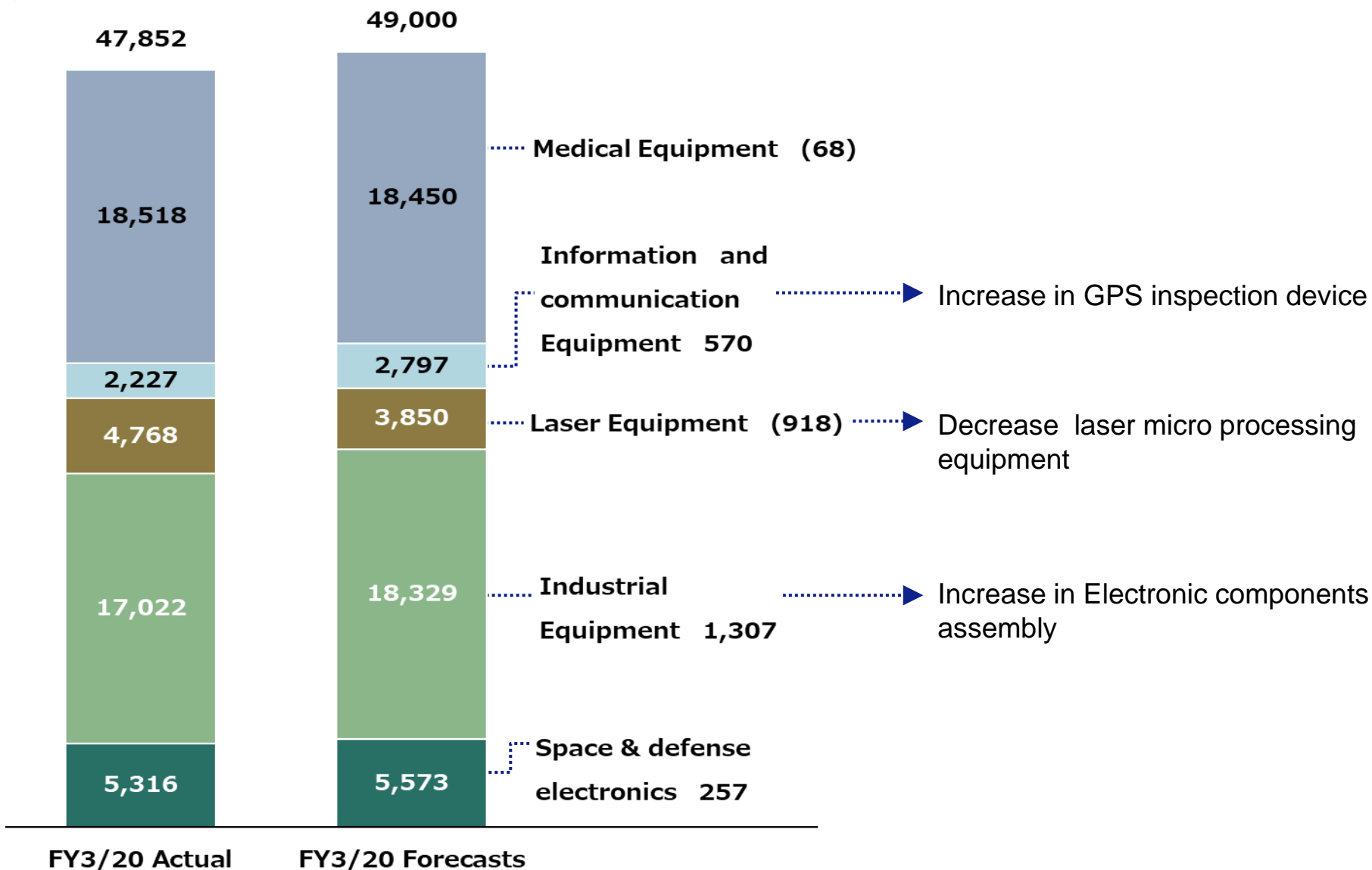
(Millions of Yen)



FY3/21 Electronic Systems Business Net Sales Forecasts by Product

Confidential

(Millions of Yen)



Return to Shareholders

Return to Shareholders

Dividend Policy

Dividend Payout Ratio 30% or more (consolidated)

Dividends Forecast

(Yen)	FY3/20	FY3/21 (Forecast)
Annual Dividend Per Share	30.00	16.00
Interim Dividend	10.00	8.00
Year-End Dividend	20.00	8.00
Payout Ratio(%)	-	46.5

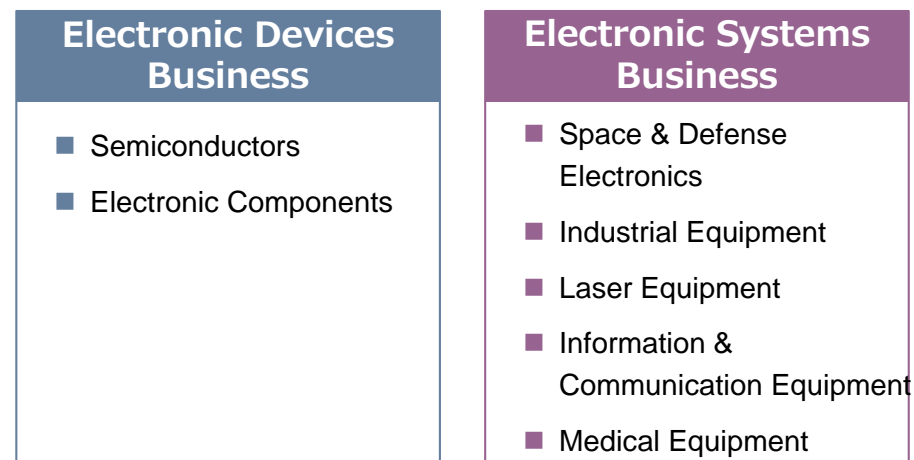
About Marubun

Company Profile

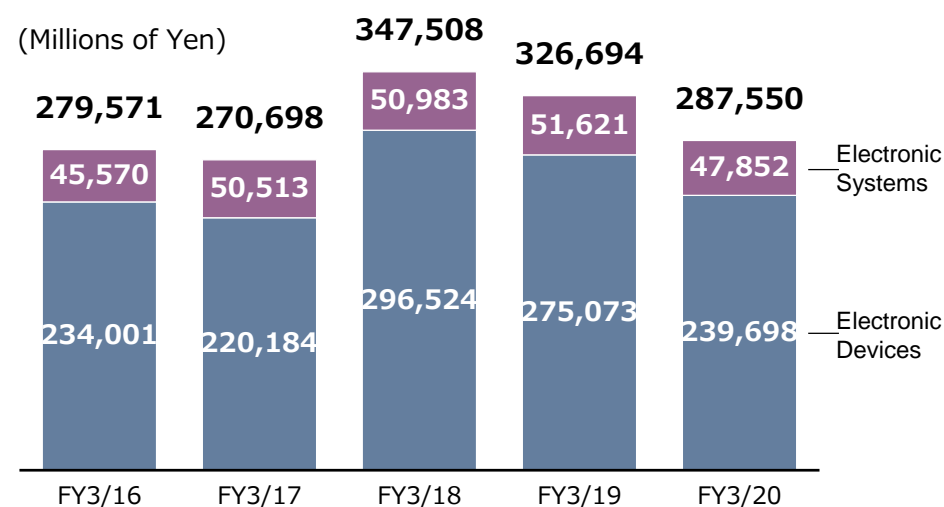
Profile

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

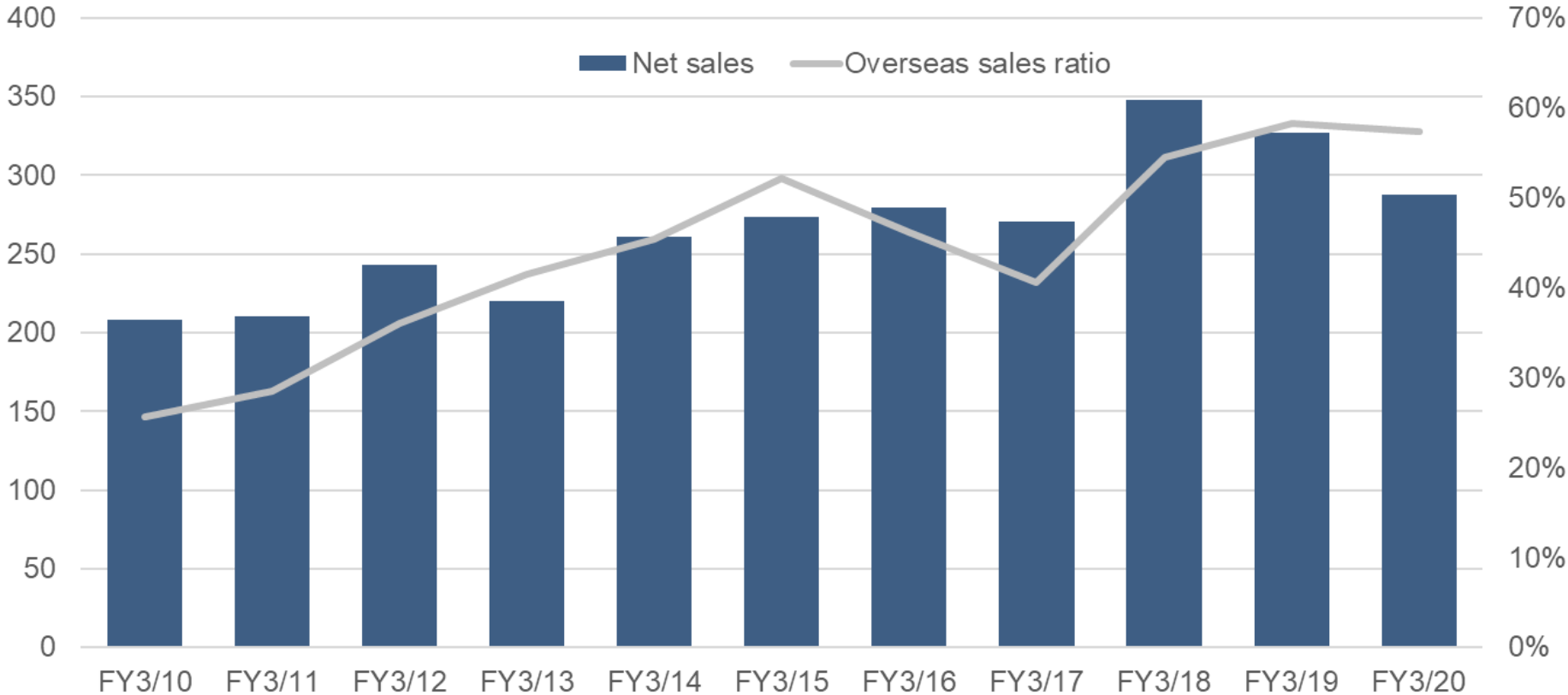
- 2019 Hokushinrika merged with Marubun Tsusho
- 2018 KTL Corporatioa merged with Marubun
- 2016 Business acquisition of KTL Corporation
- 2015 Business acquisition of Ikeda Iryou Denki
- 2013 Business acquisition of Hokushinrika
- 2007 Business acquisition of Foresight Techno Co., Ltd.
- 2005 Established Marubun West Corporation
- 2001 Listed on the 1st Section of the Tokyo Stock Exchange
- 1997 Listed on the 2nd Section of the Tokyo Stock Exchange
- 1985 Established Logistics Center
- 1965 Imported and sold ICs manufactured by Texas Instruments for the 1st time in Japan
- 1961 Established Marubun Tsusho Co., Ltd.
- 1952 Contracted with Rocke International, Inc., to serve as its representative office, and began import and sales of US machinery.
- 1947 Established Marubun Corp. to sell machinery, instruments and daily-use sundries
- 1897 The dry goods wholesale business discontinued; Horikoshi Office established to manage property.
- 1844 Dry goods wholesaler "Horikoshi" started at the site of the present company headquarters, going by the name, Marubun

Overseas

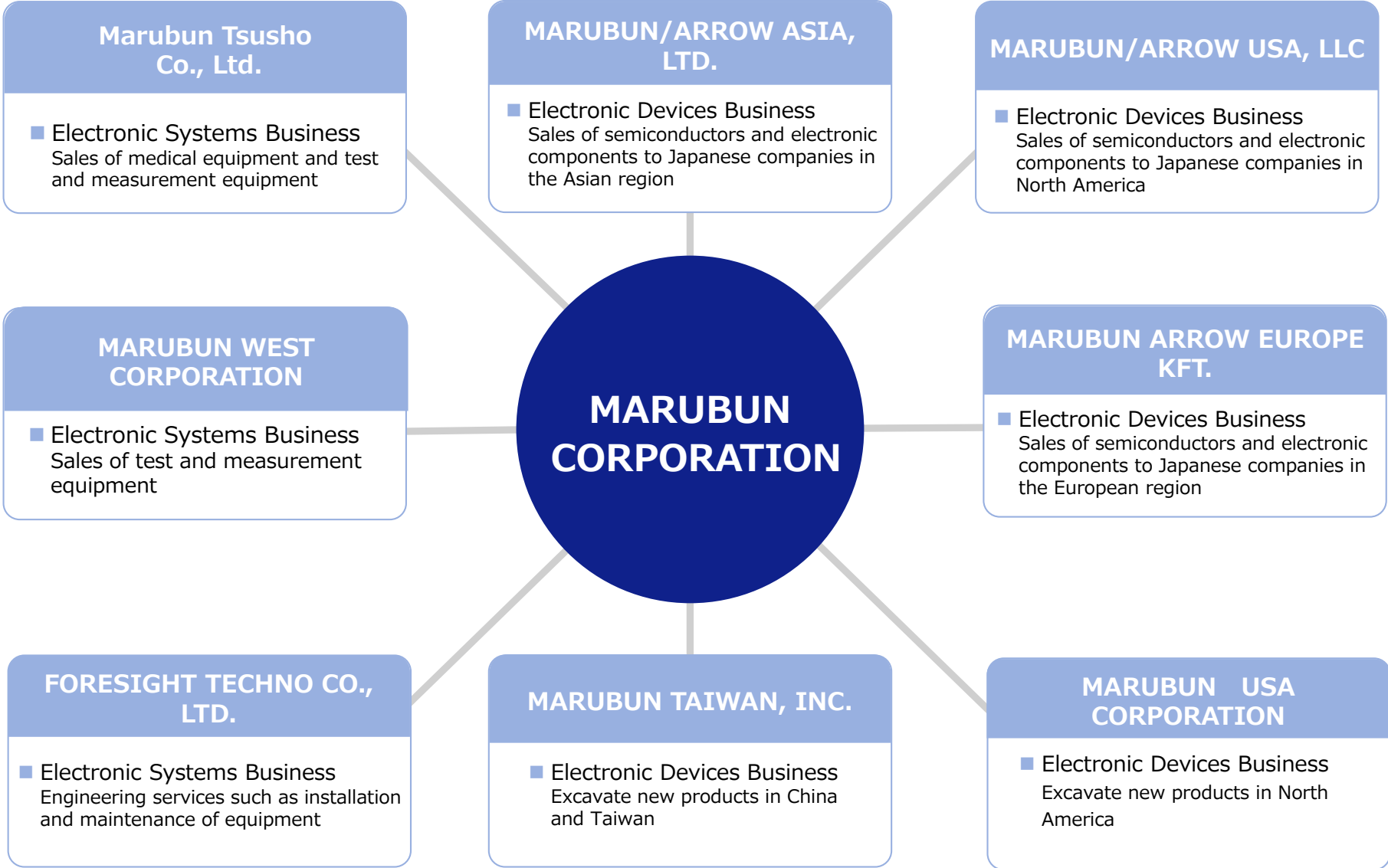
- 2017 Established subsidiary in Hungary
- 2014 Established subsidiary in Indonesia and Mexico
- 2013 Established subsidiary in Shenzhen, China
- 2006 Established subsidiary in Malaysia
- 2002 Established subsidiaries in Shanghai and Phillipines
- 2001 Established subsidiary in Thailand
- 1999 Established Marubun/Arrow USA, LLC.
- 1998 Established Marubun/Arrow Asia Limited
- 1994 Established subsidiary in Hong Kong
- 1989 Established subsidiary in Taiwan
- 1988 Established subsidiary in Singapore
- 1968 Established representative office in USA

Sales Trend for the Past 10 Years







(Billions of Yen)



Group Company



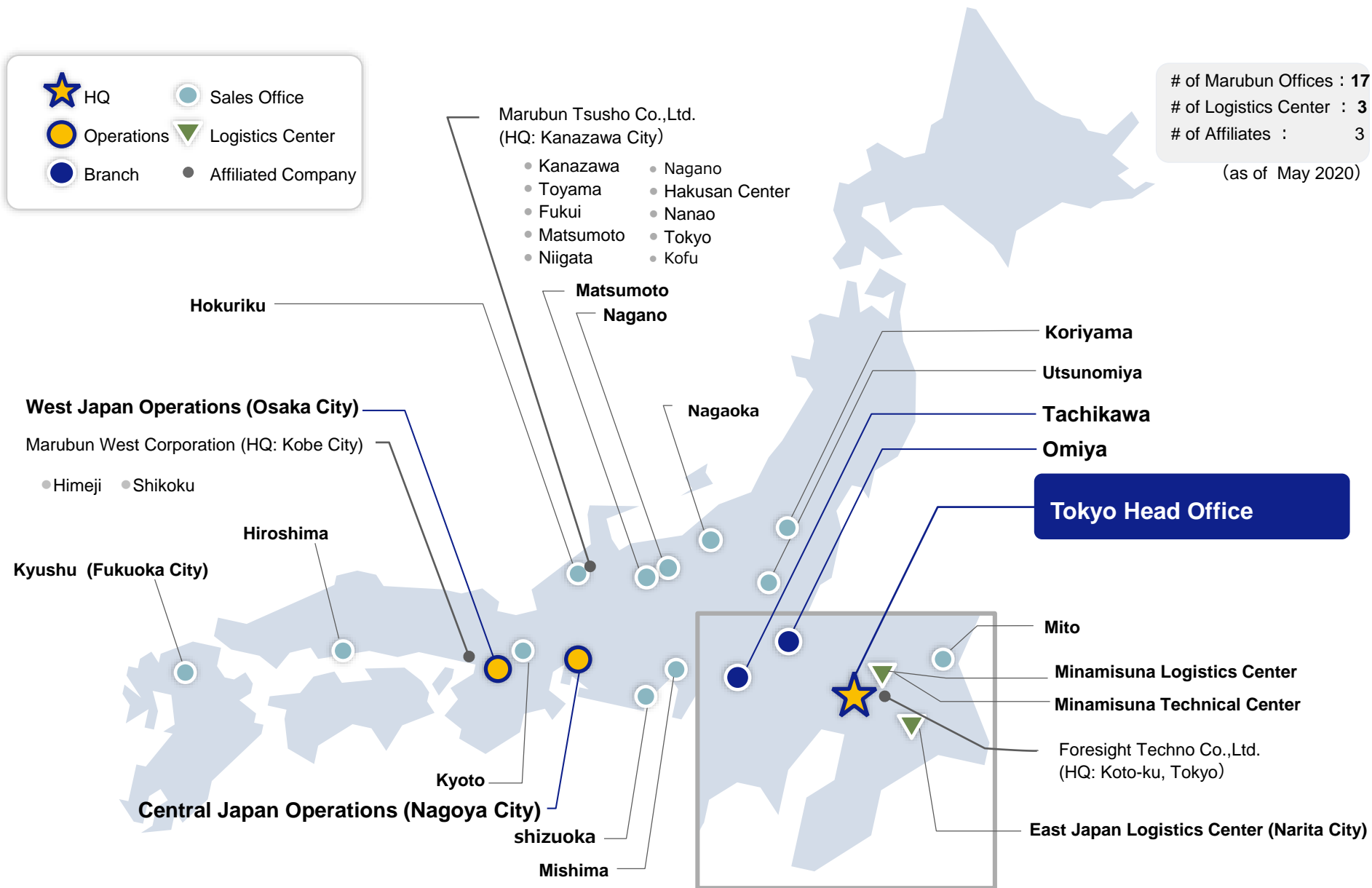
Domestic Offices

-  HQ
-  Sales Office
-  Operations
-  Logistics Center
-  Branch
-  Affiliated Company

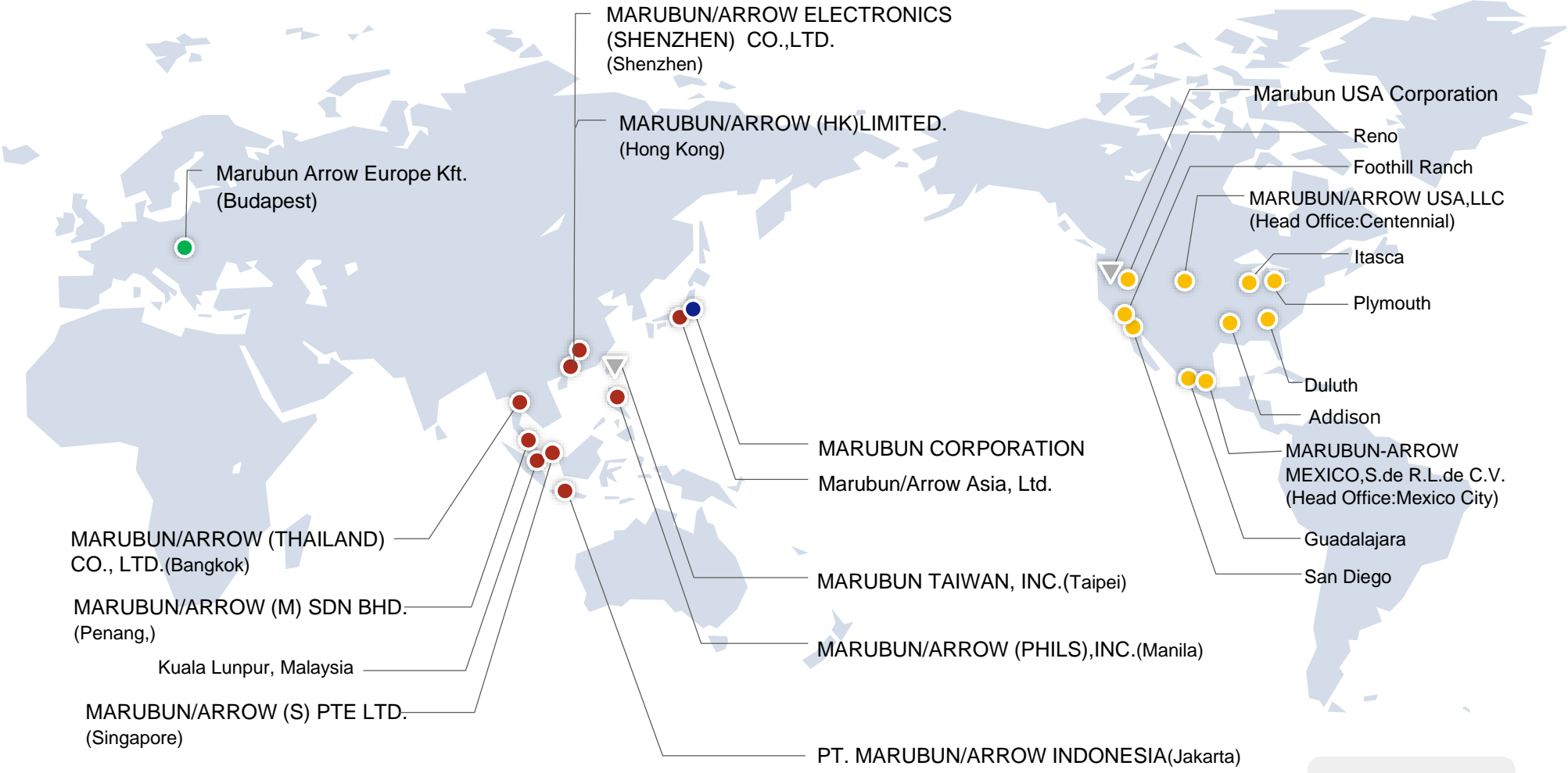
of Marubun Offices : 17
 # of Logistics Center : 3
 # of Affiliates : 3
 (as of May 2020)

Marubun Tsusho Co.,Ltd.
 (HQ: Kanazawa City)

- Kanazawa
- Toyama
- Fukui
- Matsumoto
- Niigata
- Nagano
- Hakusan Center
- Nanao
- Tokyo
- Kofu



Worldwide Sales Network



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

of Asian Offices : 10
 # of NA Office : 11
 # of Europe Office : 1
 (as of May. 2020)

value provided

Global Support

- Collaboration with Arrow Electronics (336 locations)
- 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

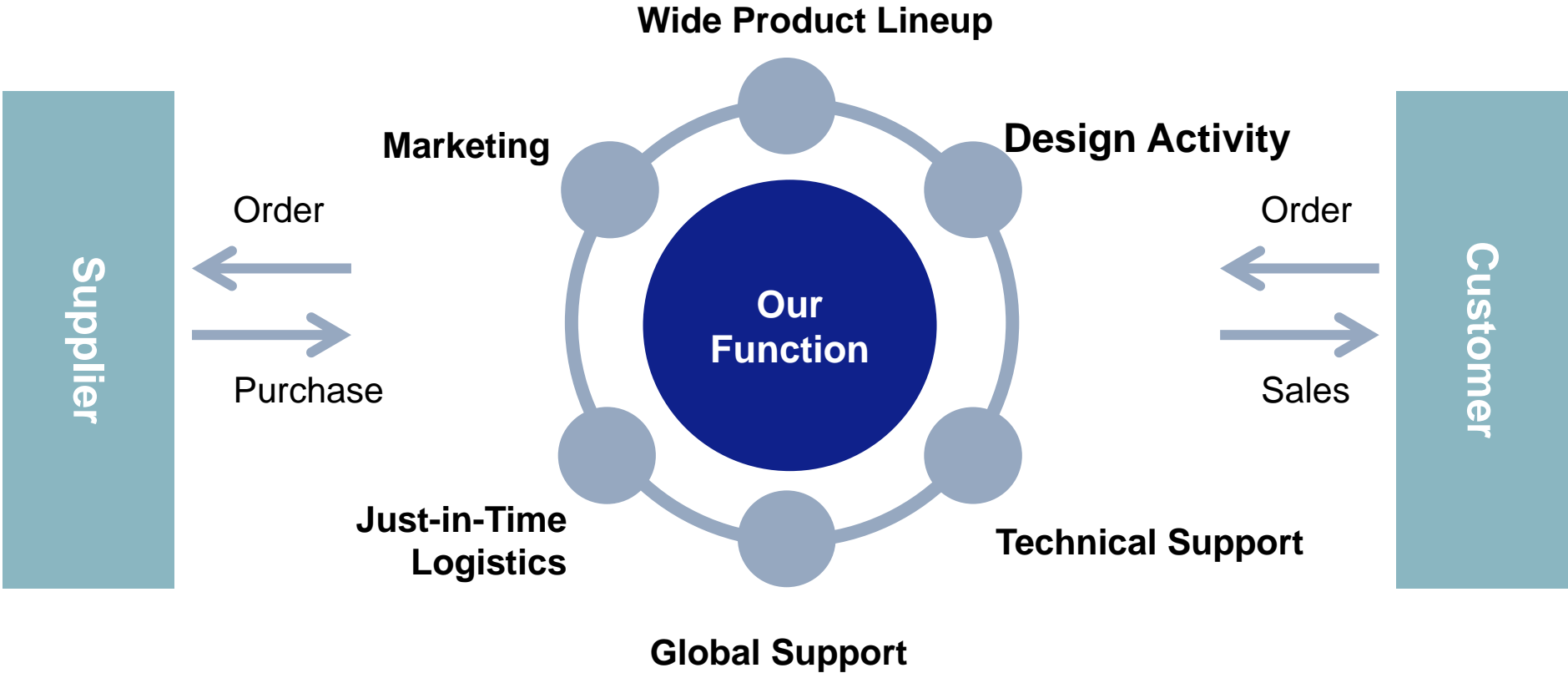
- A strong technical support system with a high level of expertise
- Cooperative relationships with third parties, module manufacturers, EMS/ODM, etc.

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. (336 bases)
- Effective Solution Suggestion through High Technological Skill
- Strong Customer Base



Affiliations -Electronic Devices-

Company	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 Electronics (Shenzhen) 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-

Item Suppliers	Semiconductor					Electronic Components		
	Analog IC	Memory IC	Microprocessor	Special-use IC	Custom IC	Electronic Components	Electrical Equipment	Other
	Analog, Sensor, Discrete	DRAM, Flash Memory	MPU, MCU, DSP	ASSP,LED	Custom,ASIC,FP GA	Display, Crystal Device, Connector, Switch, PCB	Robot, IoT Device&Solution, Medical Equipment	Power supply, Software, IP licensing, Modules
ABLIC	●	●						
Aeolus							●	
Afero				●			●	●
Asahi Kasei Microdevices	●		●	●	●			
Broadcom	●			●	●	●		●
Cree	●							
Cypress*		●	●	●				
Eink						●		
InvenSense	●							
FINSIX								●
GOWIN					●			
Littelfuse	●					●		
Maxim	●			●		●		
Microchip	●	●	●	●	●	●		
Molex						●		
Monolithic Power Systems	●							
OSSIA								●
Qorvo	●			●	●			
Seiko Epson			●	●	●	●	●	
SEMTECH	●			●				
VANTIQ								●
Western Digital		●						

*Cypress Semiconductor, An Infineon Technologies Company

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)

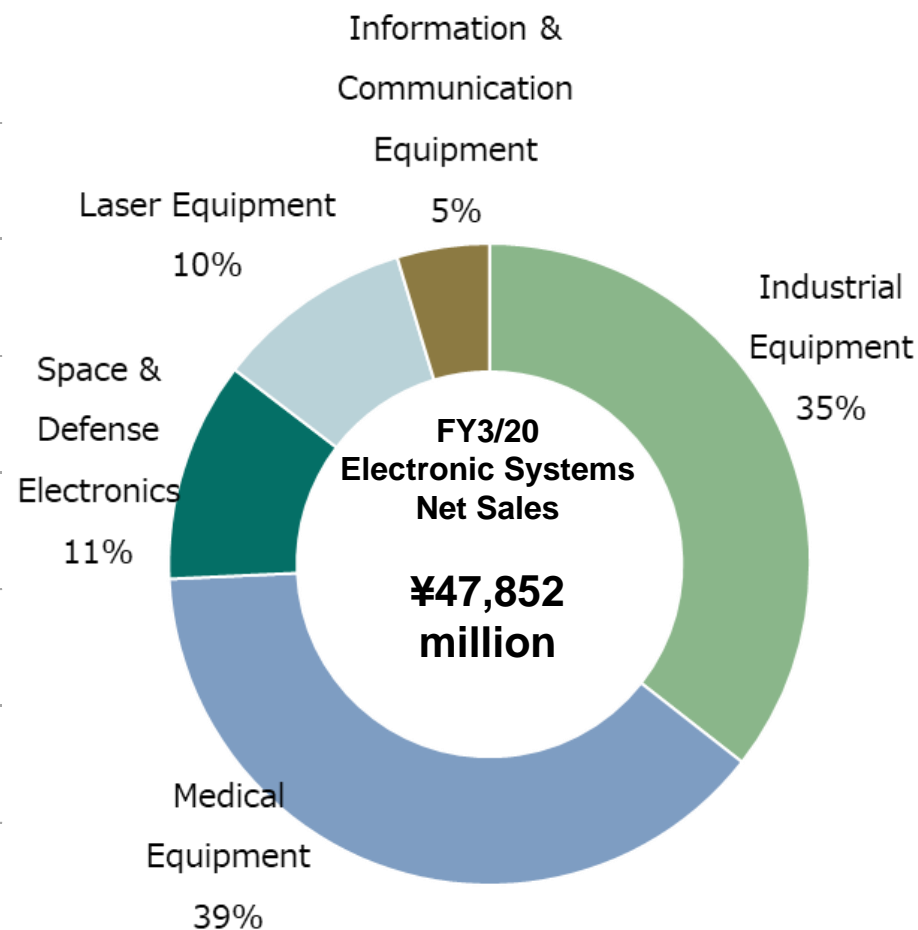


Affiliations -Electronic Systems-

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 Drives, 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 Equipment	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

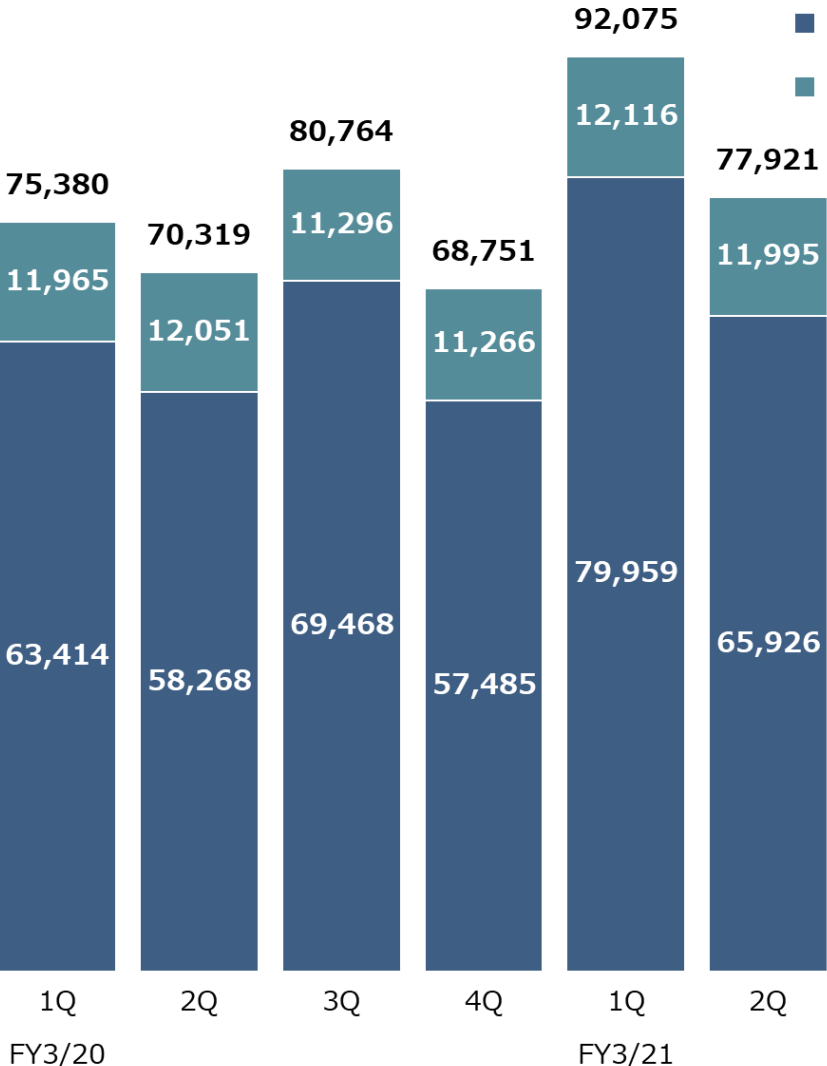


Siemens Japan
Diagnostic Imaging
Equipment

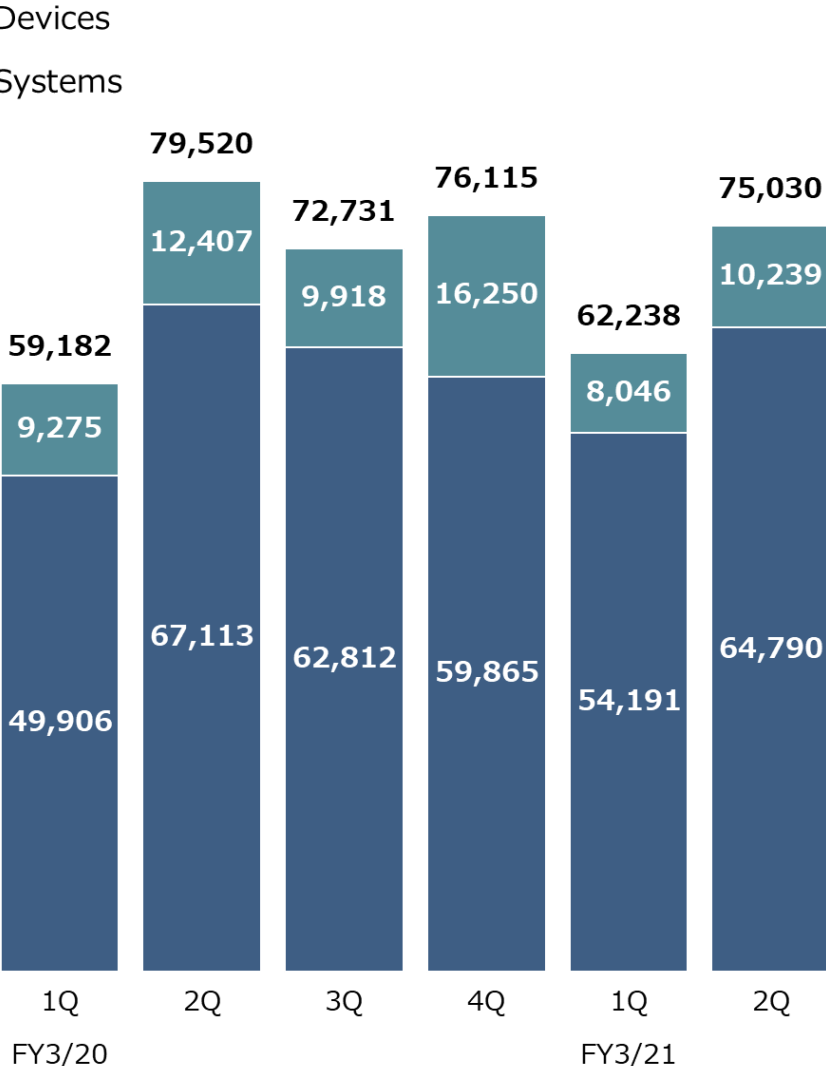
Quarterly Trend in Orders/Sales by Business

(Million of Yen)

Orders

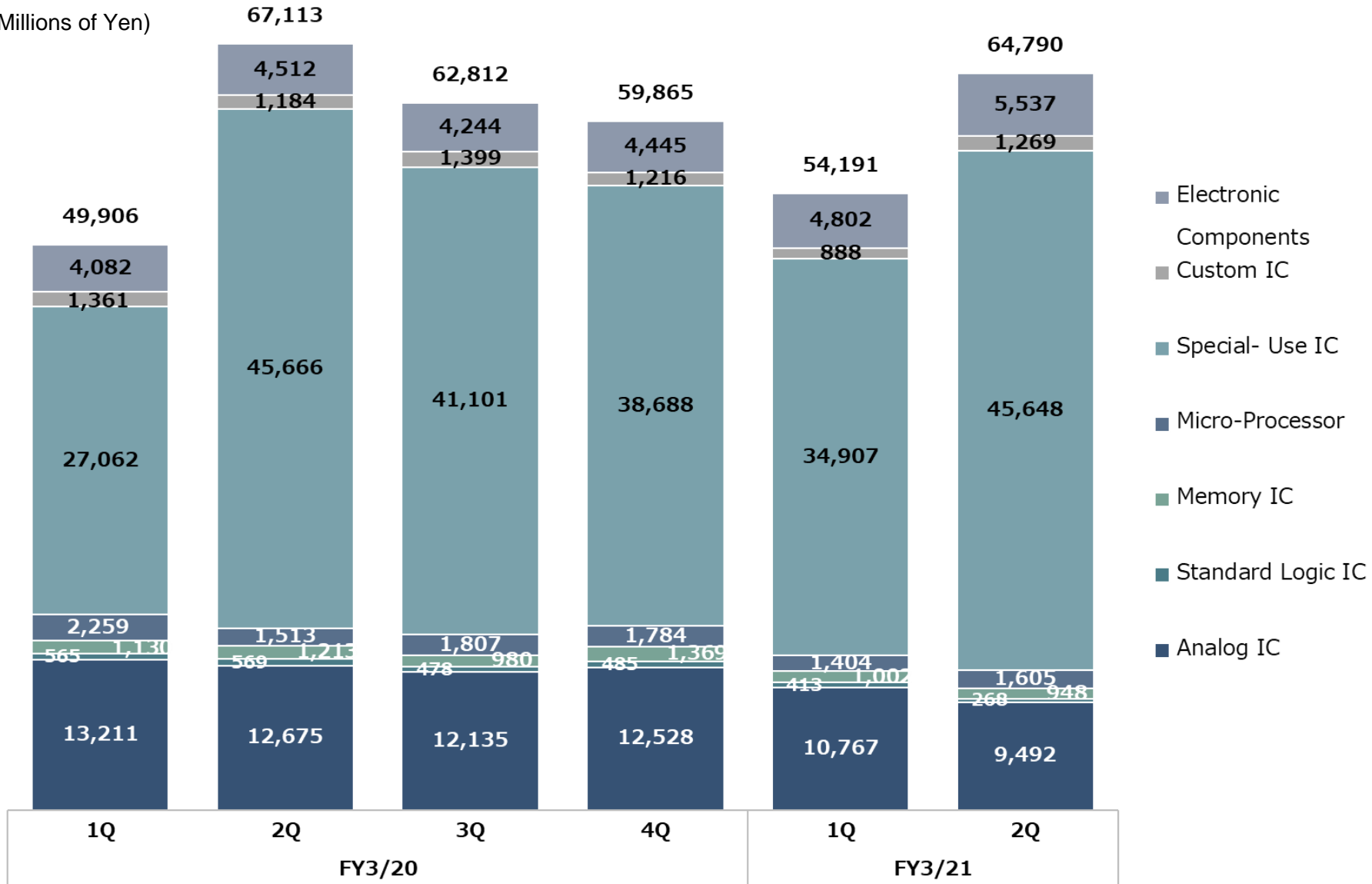


Sales



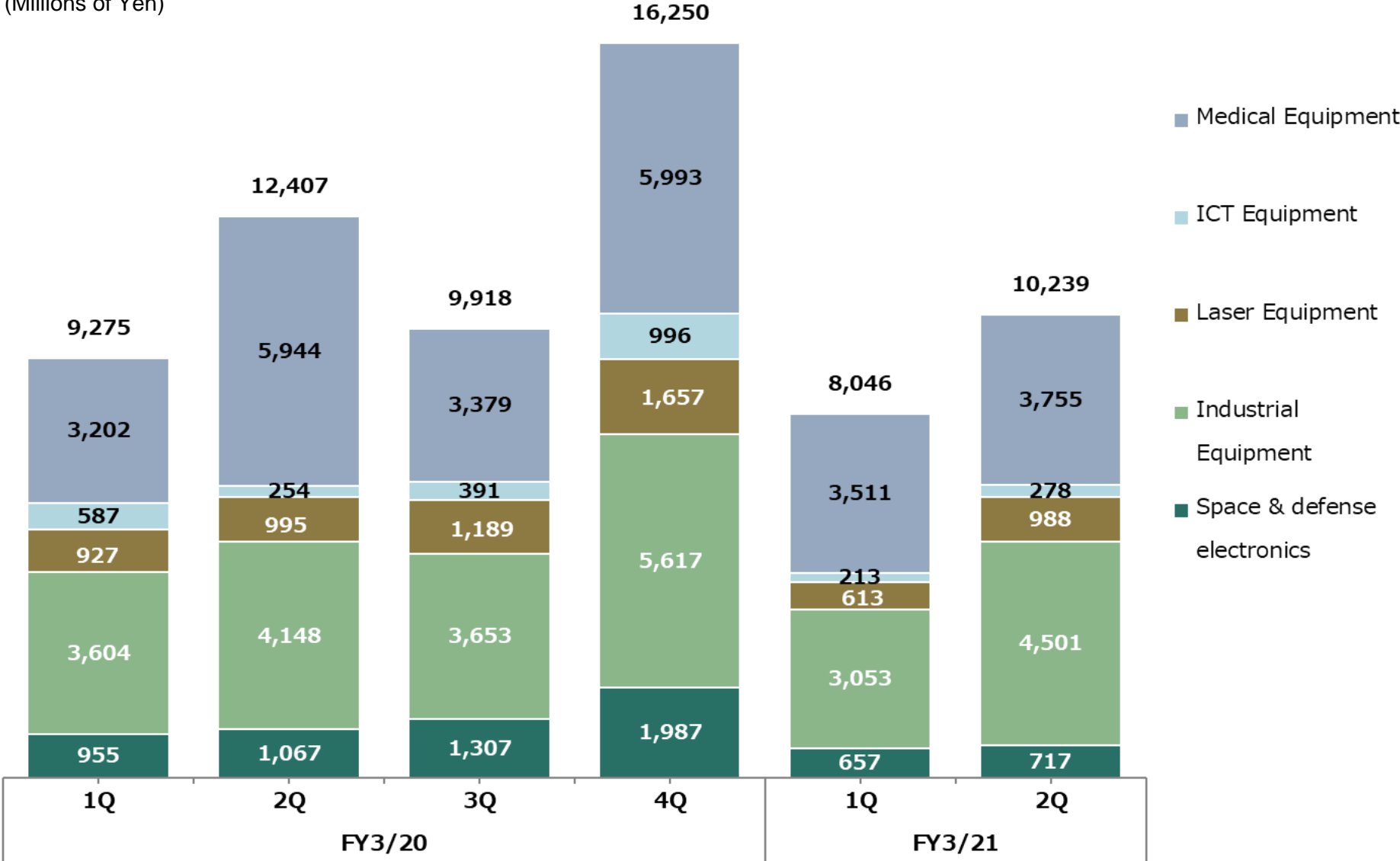
Quarterly Trend in Sales of Electronic Devices by Product

(Millions of Yen)



Trend in Sales of Electronic Systems

(Millions of Yen)



Cautionary Statement

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

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