

Financial Results for Fiscal Year Ending March 31, 2021

May 2021

MARUBUN CORPORATION

Agenda

1. FY3/21 Summary of Consolidated Financial Results

2. FY3/22 Summary of Consolidated Financial Forecasts

3. Return to Shareholders

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

5. About Marubun

FY3/21 Summary of Consolidated Financial Results

FY3/21 Summary of Consolidated Financial Results

(Millions of Yen)	FY3/20		FY3/21		YoY Changes	
	Actual	Composition Ratio	Actual	Composition Ratio	Amount	%
Net sales	287,550	100.0%	289,283	100.0%	1,733	0.6%
Electronic Devices	239,698	83.4%	242,050	83.7%	2,352	1.0%
Electronic Systems	47,852	16.6%	47,233	16.3%	(619)	-1.3%
Gross profit	18,577	6.5%	16,217	5.6%	(2,360)	-12.7%
SG&A expenses	16,207	5.6%	15,193	5.3%	(1,014)	-6.3%
Operating income	2,369	0.8%	1,023	0.4%	(1,346)	-56.8%
Non-operating income	958	0.3%	160	0.1%	(798)	-83.3%
Non-operating expenses	1,322	0.5%	1,149	0.4%	(173)	-13.1%
Ordinary income	2,006	0.7%	33	0.0%	(1,973)	-98.4%
Extraordinary income	11	0.0%	31	0.0%	20	181.8%
Extraordinary loss	1,231	0.4%	2,603	0.9%	1,372	111.5%
Profit attributable to owners of parent	(75)	0.0%	(2,133)	-0.7%	(2,058)	-

Highlight / Lowlight

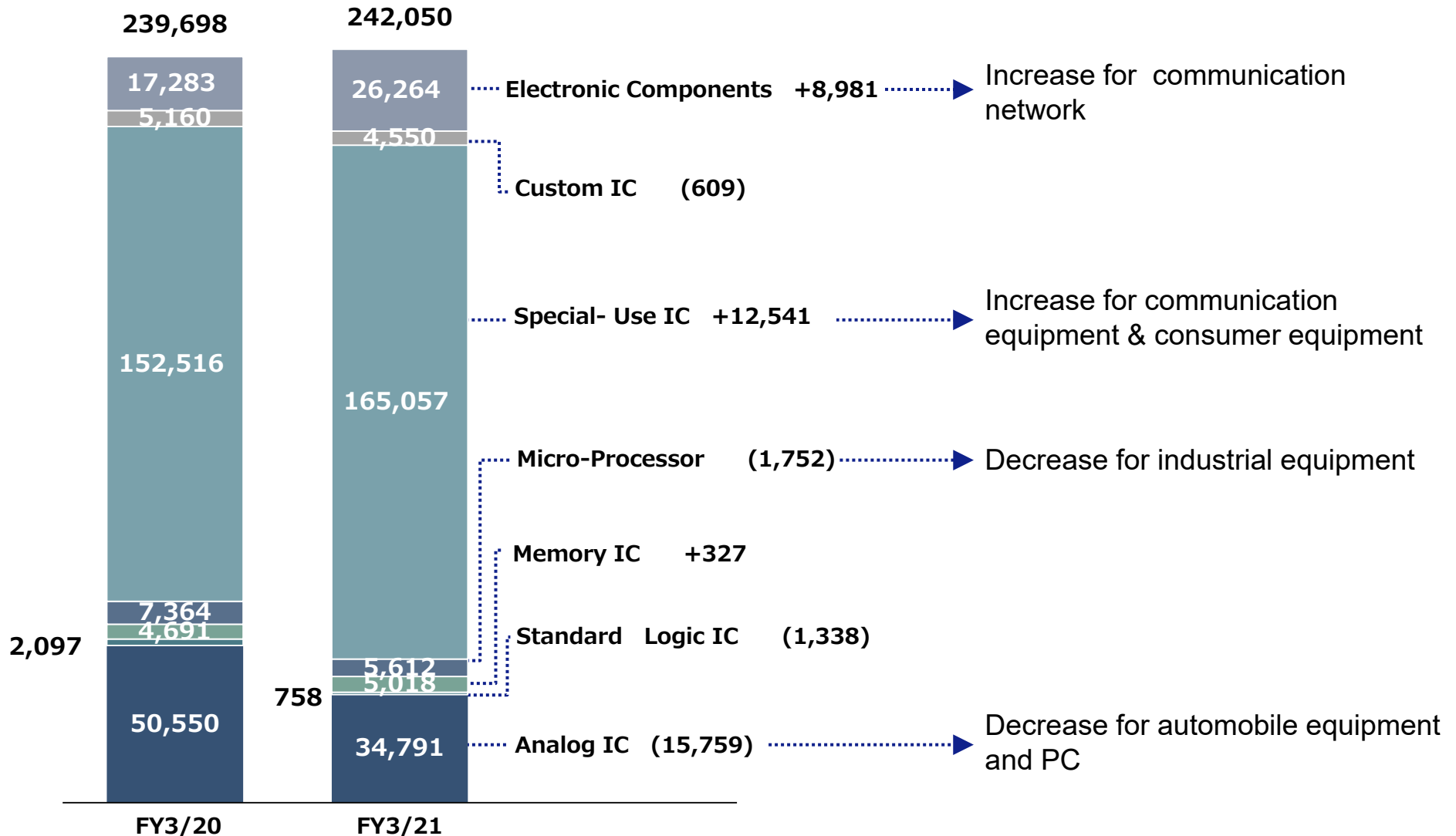
Net sales	Increase in ICs for communication equipment and consumer equipment
Gross profit	Decrease due to lower profit margins
Operating income	Decreased due to lower gross profit, despite efforts to reduce operating expenses and lower personnel expenses
Ordinary income	Posted foreign exchange gain of 716 million yen in the previous term and foreign exchange loss of 333 million in this term
Net income	Loss on valuation of investment securities of 1,350 million yen and Extra retirement payments of 1,229 million yen were recorded as extraordinary losses

FY3/21 Electronic Devices Business Net Sales Breakdown by Product

Confidential

■ Growth due to demand for stay-at-home and acquisition of new business opportunities

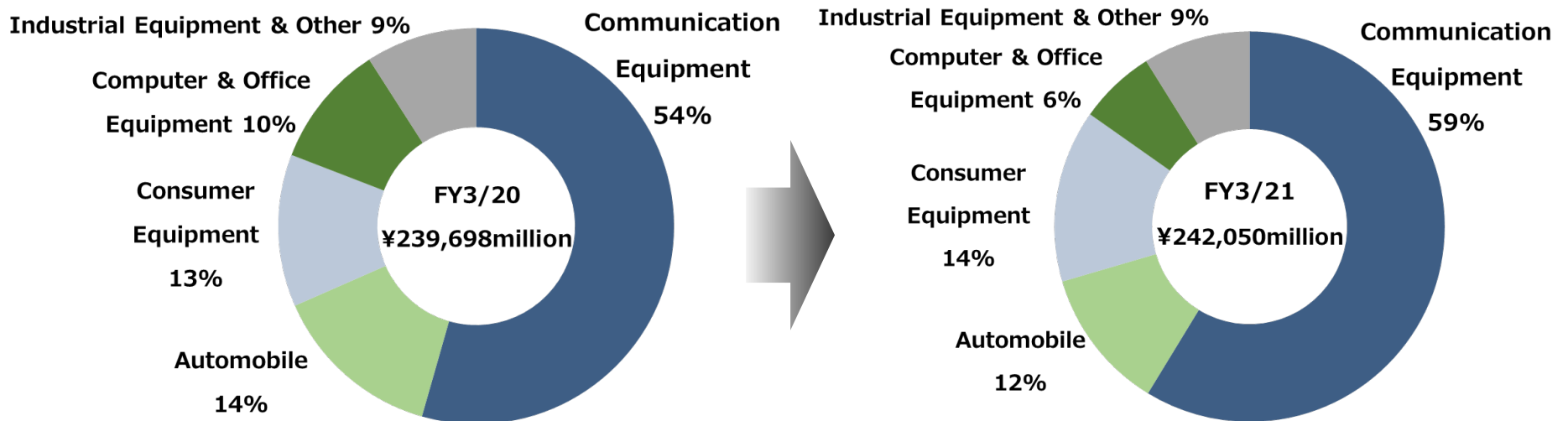
(Millions of Yen)



FY3/21 Electronic Devices Business Market Trend by Application

Confidential

	Market Trend
Communication Equipment	↑ Increase for communication equipment
Automobile	↓ Decrease for automotive infotainment
Consumer Equipment	↑ Increase for entertainment equipment
Computer & Office Equipment	↓ Decrease for projector and office automation equipment
Industrial Equipment & Other	→ the same level as last year

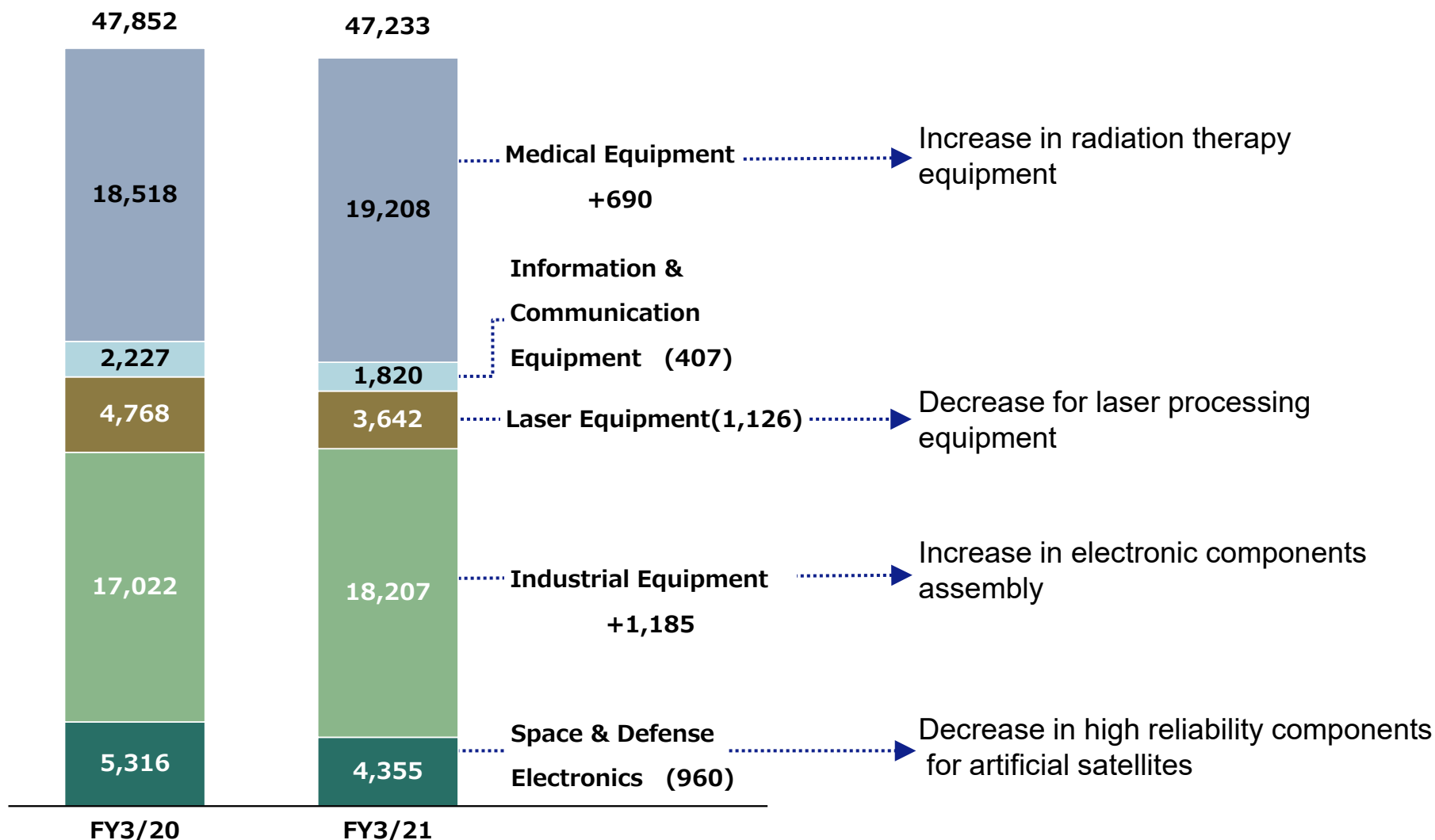


FY3/21 Electronic Systems Business Net Sales Breakdown by Product

Confidential

■ The COVID19 has caused a slowdown in equipment investment and delays in the planning of some projects.

(Millions of Yen)



FY3/21 Summary of Balance Sheets

(Millions of Yen)	FY3/20 Actual	FY3/21 Actual	Changes Amount	Reason for change	
Total assets	131,451	127,006	(4,445)		
Current assets	118,617	114,804	(3,813)	Cash and deposits	+ 6,084
				Notes and accounts receivable-trade	(4,319)
				Merchandise and finished goods	(6,504)
Noncurrent assets	12,833	12,202	(631)	Investments and other assets	(537)
Total liabilities	83,246	81,966	(1,280)		
Current liabilities	76,537	76,165	(372)	Notes and accounts payable-trade	+ 4,888
				Short-term borrowings	(5,150)
Noncurrent liabilities	6,708	5,801	(907)	Retirement benefit liability	(828)
Total net assets	48,204	45,040	(3,164)	Retained earnings	(2,802)

FY3/22 Summary of Consolidated Financial Forecasts

FY3/22 Financial Forecasts

(Millions of Yen)	FY3/21		FY3/22 (Revenue recognition accounting standards)		FY3/22 (Previous method)	
	Actual	Composition Ratio	Forecasts	Composition Ratio	Forecasts	Composition Ratio
Net sales	289,283	100.0%	153,000	100.0%	238,000	100.0%
Electronic Devices	242,050	83.7%	103,500	67.6%	188,000	79.0%
Electronic Systems	47,233	16.3%	49,500	32.4%	50,000	21.0%
Gross profit	16,217	5.6%	17,000	11.1%		
SG&A expenses	15,193	5.3%	13,800	9.0%		
Operating income	1,023	0.4%	3,200	2.1%		
Non-operating income	160	0.1%	350	0.2%		
Non-operating expenses	1,149	0.4%	550	0.4%		
Ordinary income	33	0.0%	3,000	2.0%		
Extraordinary income	31	0.0%	-	-		
Extraordinary loss	2,603	0.9%	-	-		
Profit attributable to owners of parent	(2,133)	-0.7%	1,900	1.2%		

Highlight / Lowlight

Net sales	Expect decrease in semiconductors for communication equipment and consumer equipment, and increase in electronic component assembly and inspection equipment and high reliability components
Gross profit	Expect to increase due to sales growth and handling of high value-added product
Operating income	Expect to increase due to decrease in SG&A expenses, mainly personnel expenses

FY3/22 Electronic Devices Business Financial Forecasts

Confidential

(Millions of Yen)	FY3/21 Actual	FY3/22 (Previous method)	Changes Amount	Reason for change	FY3/22 (Revenue recognition accounting standards)
Analog IC	34,791	36,372	+1,582	Increase for industrial equipment and automotive	36,372
Standard Logic IC	758	74	(684)		74
Memory IC	5,018	5,623	+605		5,623
Micro-Processor	5,612	7,719	+2,107	Increase for industrial equipment and automotive	7,719
Special- Use IC	165,057	106,894	(58,163)	Decrease for communication equipment and consumer	26,887
Custom IC	4,550	1,155	(3,395)	Decrease for PC-related equipment	1,155
Electronic Components	26,264	30,162	+3,898	Increase for communication equipment and software products	25,668
TOTAL	242,050	188,000	(54,050)		103,500

FY3/22 Electronic Systems Business Financial Forecasts

Confidential

(Millions of Yen)	FY3/21 Actual	FY3/22 (Previous method)	Changes Amount	Reason for change	FY3/22 (Revenue recognition accounting standards)
Space & Defense Electronics	4,355	4,732	+377	Increase in high-reliability components for satellites	4,694
Industrial Equipment	18,207	19,118	+911	Increase in industrial embedded computers	18,639
Laser Equipment	3,641	4,172	+531	Increase in semiconductor lasers for industrial applications	4,189
Information & Communication Equipment	1,820	1,978	+157		1,978
Medical Equipment	19,208	20,000	+792	Increase in diagnostic imaging equipment	20,000
TOTAL	47,233	50,000	+2,768		49,500

Return to Shareholders

Return to Shareholders

Dividend Policy

Dividend Payout Ratio 30% or more (consolidated)

Dividends Forecast

(Yen)	FY 21/3	FY 22/3 (Forecast)
Annual Dividend Per Share	16.00	30.00
Interim Dividend	8.00	10.00
Year-End Dividend	8.00	20.00
Payout Ratio(%)	—	41.3%

Medium-Term Vision Business Strategies and Key Initiatives

Business Environment Surrounding Marubun

Business Environment in FY2020

Spread of infectious diseases changes due to

- Constraints of face-to-face activities
- Stimulating new demand for Telework, etc.

Changes in social life

- Use of AI and robots
- Progress in automation and electrification of automobiles

Semiconductor supply and demand change

- Concerns about semiconductor shortage, but demand is strong

Turn change into opportunity

Challenging New Business Fields

Medium-Term Vision

In the spirit of **Foresight** and **Preemption**
since our founding

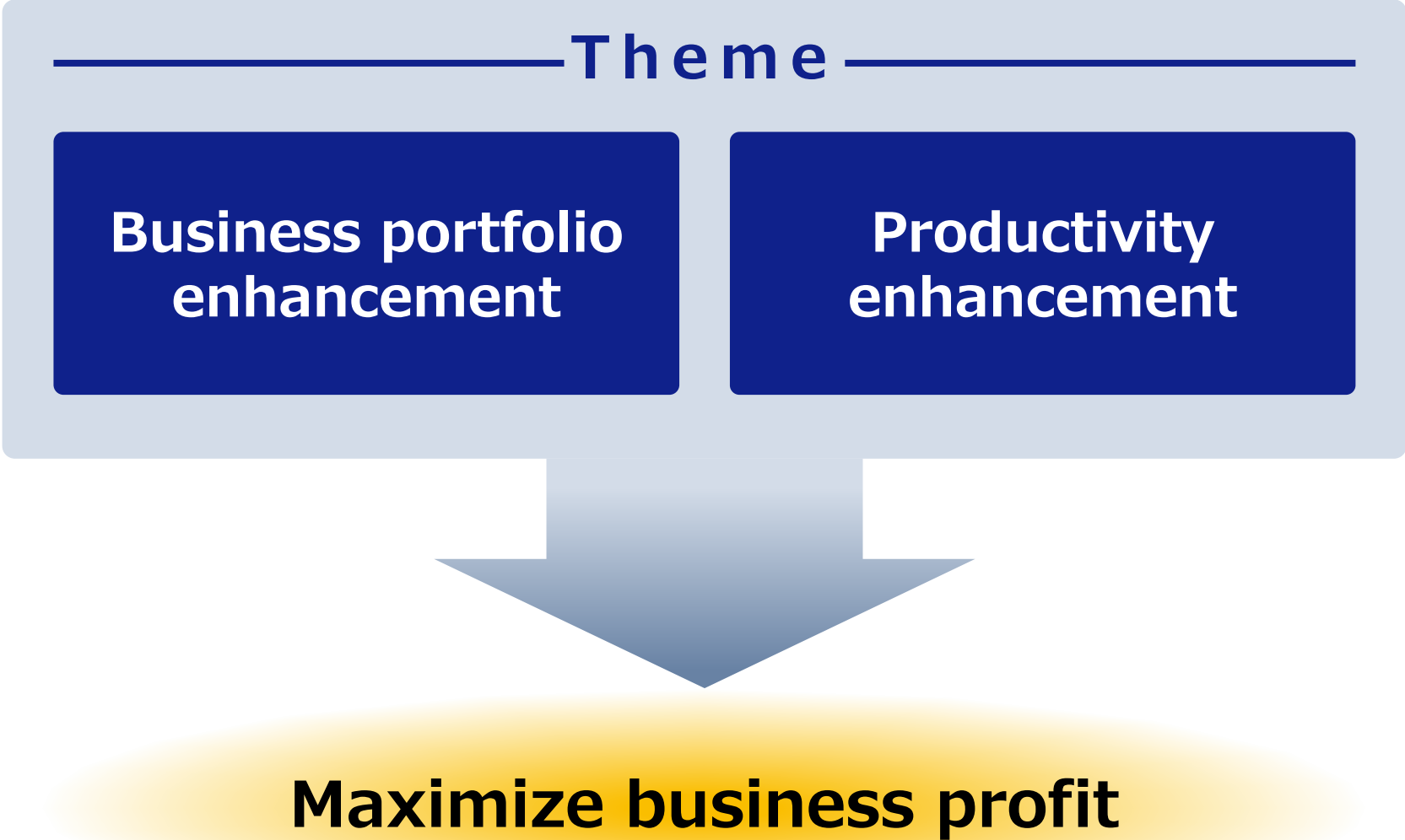
Medium-Term Management Plan Initiative (FY2019 ~ FY2021)

Building a business model that creates new value

Promote business development for growth markets

Strengthen efforts to contribute to a sustainable society

Initiatives for Electronic Devices



Initiatives for Electronic Devices

1 Promote high value-added businesses

- Transform business portfolio by expanding high value-added products and services
- Enhancing of organization for solution proposal

Non-contact monitoring sensor



2 Business expansion in growth markets

- Focus on growth fields such as nursing care, medical care, AI, and robotics

AI robot with sterilization function (Aeolus Robotics)



Electronic stethoscope (StethoMe)



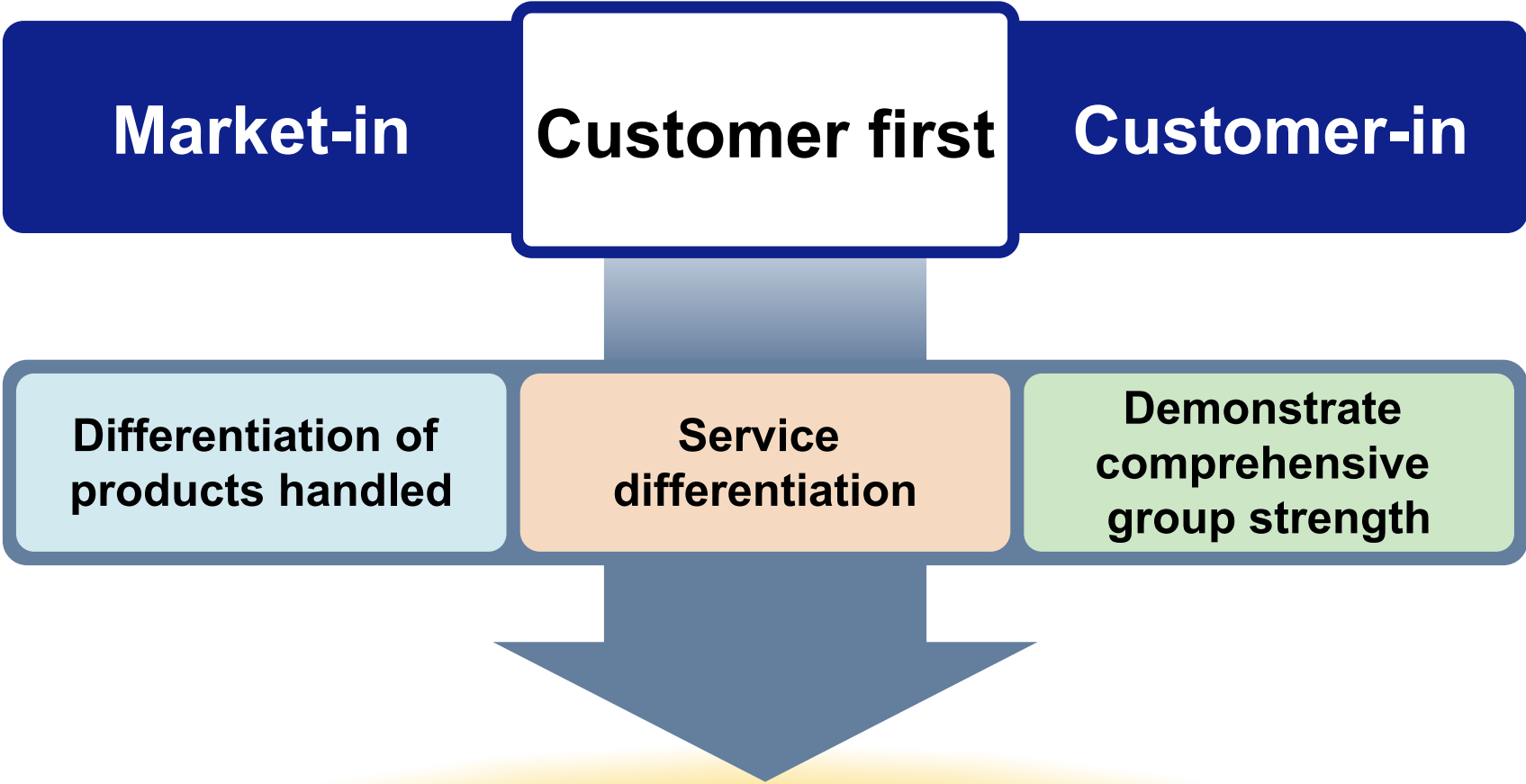
3 Building a new business model

- Start a subscription business
- Promotion of software license sales



Wireless Power Transfer (Ossia) Cota

Initiatives for Electronic Systems



Promoting initiatives aiming for higher profitability

Initiatives for Electronic Systems

1 Space & Defense Electronics

- Provide products and engineering services that meet customer needs
- Sales promotion of automobile-related equipment



2 Industrial Equipment

- Development of commercial products using cutting-edge technology
- Strengthen peripheral technologies and product lineups that add value to existing products



3 Laser Equipment

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



Initiatives for Electronic Systems

4 Information & Communication Equipment

- Provide solutions for building 5G and local 5G
- Selling network equipment for remote operation and auto testing



5 Medical Equipment

- Expand market share by strengthening engineering capabilities of products handled
- Further expansion of new products and sales areas



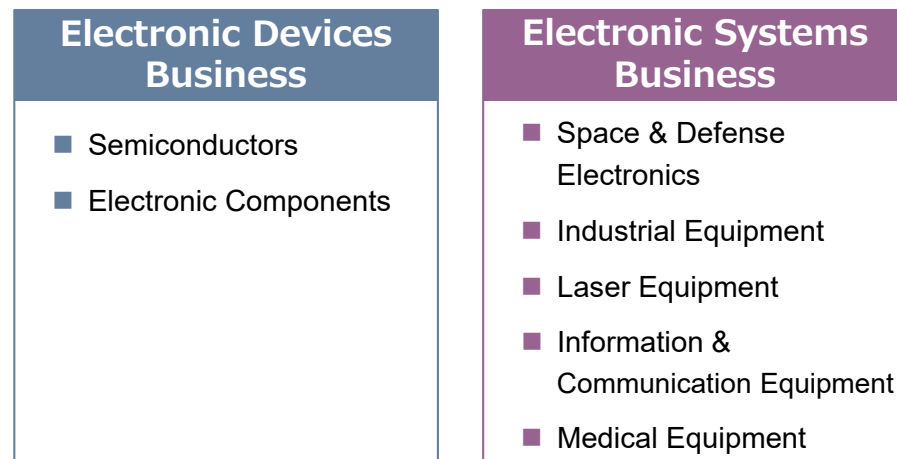
About Marubun

Company Profile

Profile

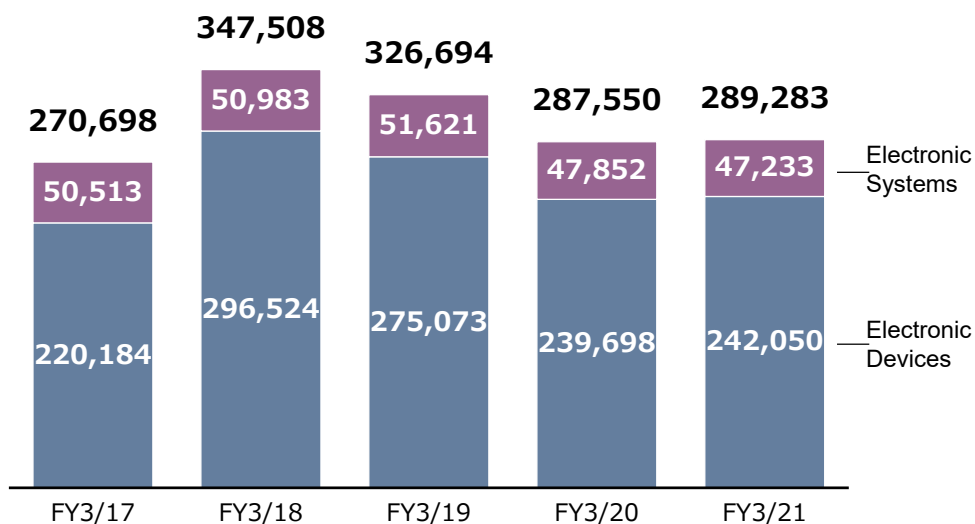
Founded	1844
Incorporated	July 1947
Head Office	8-1, Niihonbashi Odenmachi, Chuo-ku, Tokyo
Capital	6,214 million yen
Fiscal Year	Apr.1-Mar.31
CEO	Toru Iino
Revenue	Consolidated: 2,892 million yen (FY3/21) Non-consolidated: 2,374 million yen (FY3/21)
Employees	Consolidated: 1,145(end of Mar.2021) Non-consolidated: 613(end of Mar.2021)
Listed	The 1 st Section of the Tokyo Stock Exchange (7537)

Business Domains



Revenue Trend (Consolidated)

(Millions of Yen)



History of Company Operations

Japan

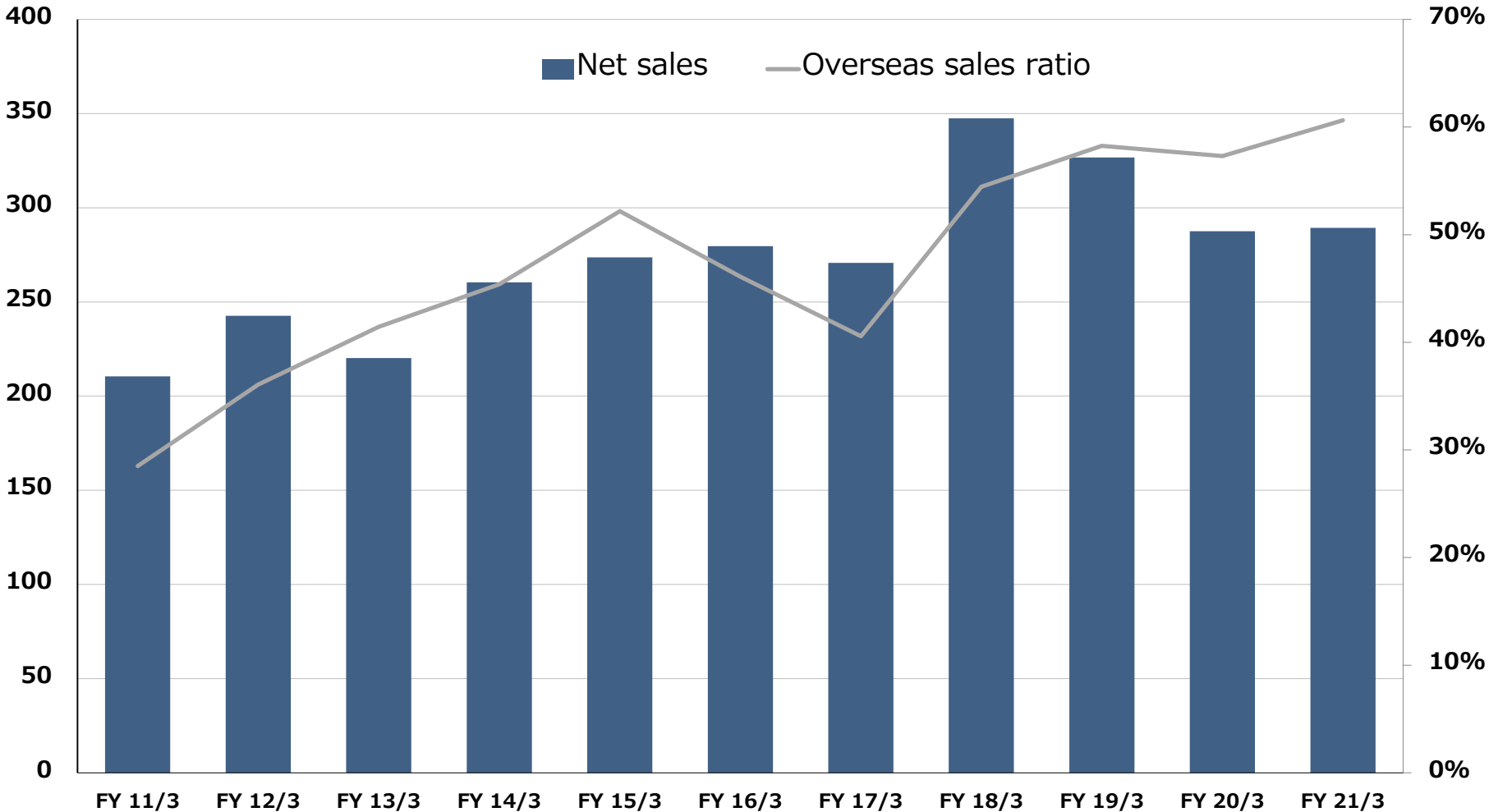
- 2019 Hokushinrika merged with Marubun Tsusho
- 2018 KTL Corporatioa merged with Marubun
- 2016 Business acquisition of KTL Corporation
- 2015 Business acquisition of Ikeda Iryou Denki
- 2013 Business acquisition of Hokushinrika
- 2007 Business acquisition of Foresight Techno Co., Ltd.
- 2005 Established 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

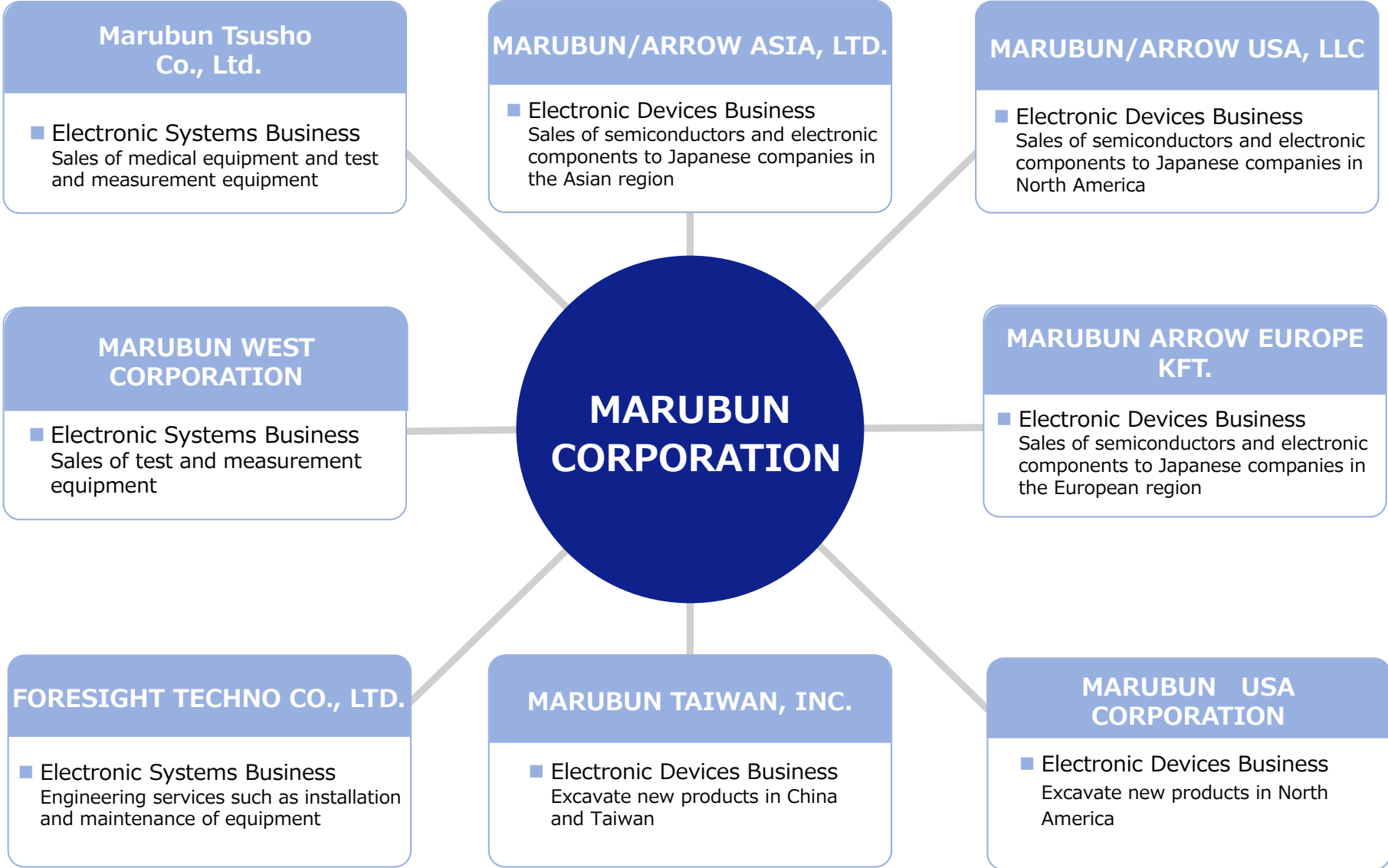
- 2017 Established subsidiary in Hungary
- 2014 Established subsidiary in Indonesia and Mexico
- 2013 Established subsidiary in Shenzhen, China
- 2006 Established subsidiary in Malaysia
- 2002 Established subsidiaries in Shanghai and Phillipines
- 2001 Established subsidiary in Thailand
- 1999 Established 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

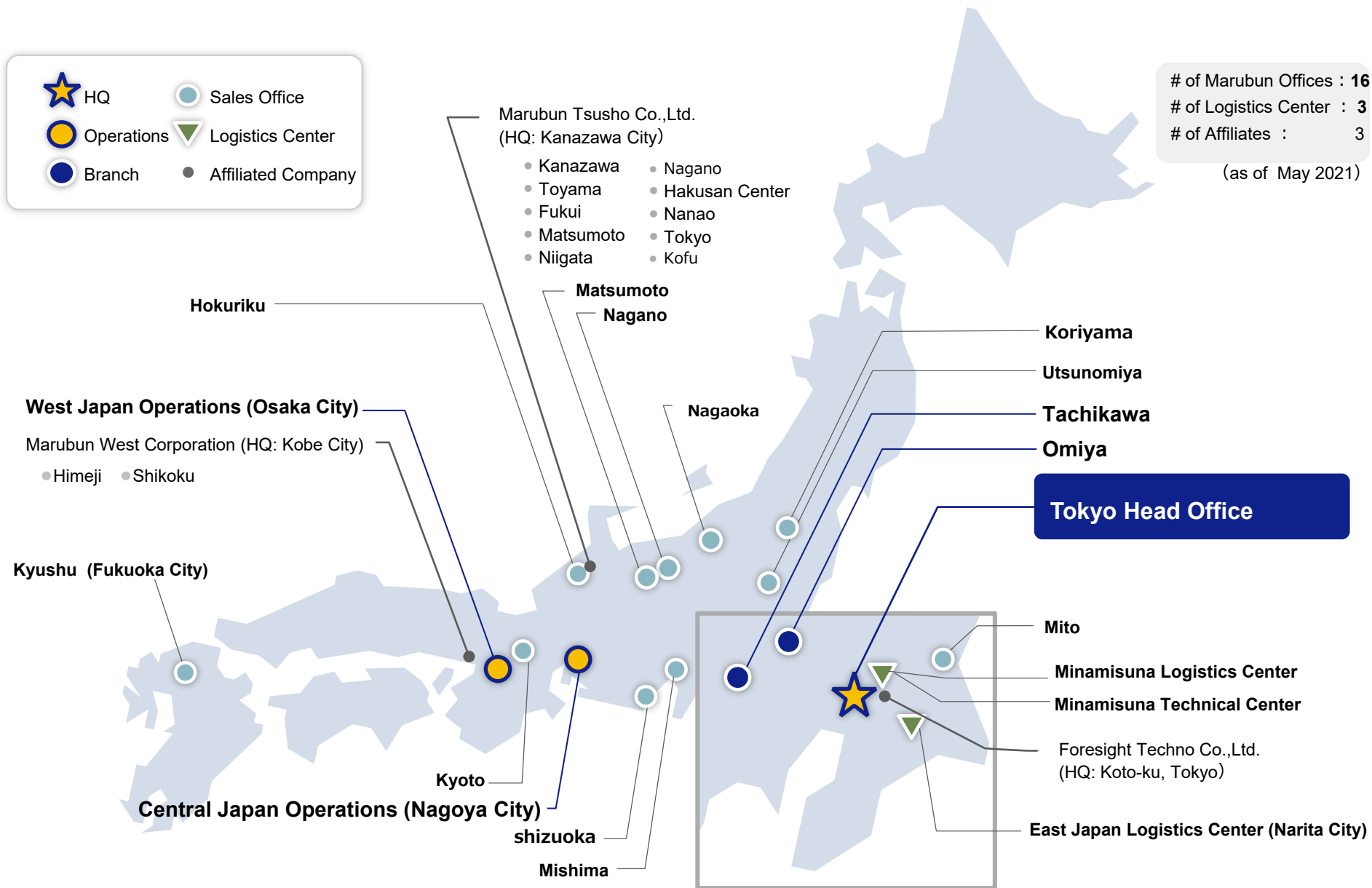
(Billions of Yen)



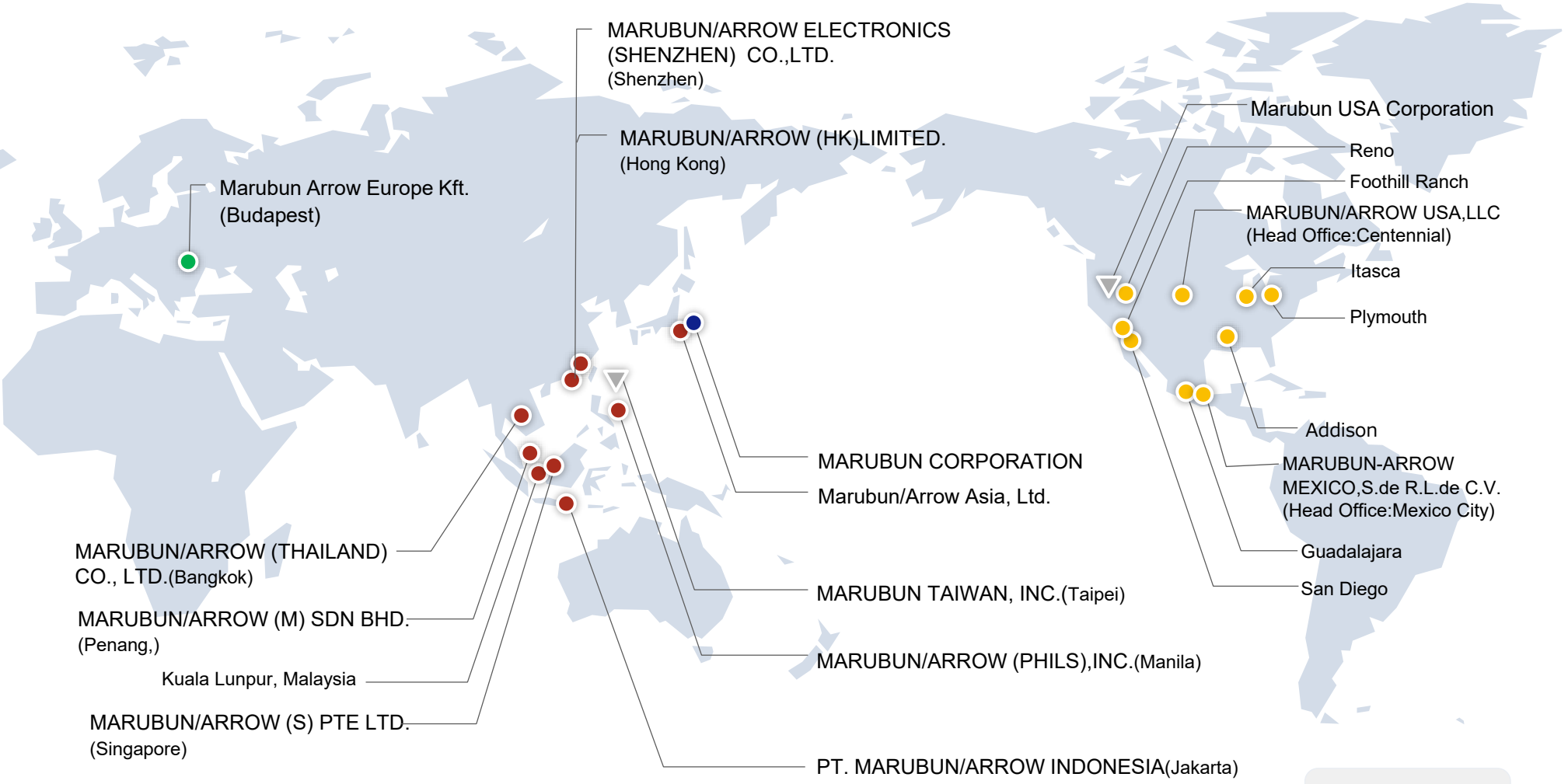
Group Company



Domestic Offices



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 : 10
 # of Europe Office : 1
 (as of May. 2021)

value provided

Global Support

- Collaboration with Arrow Electronics
- 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

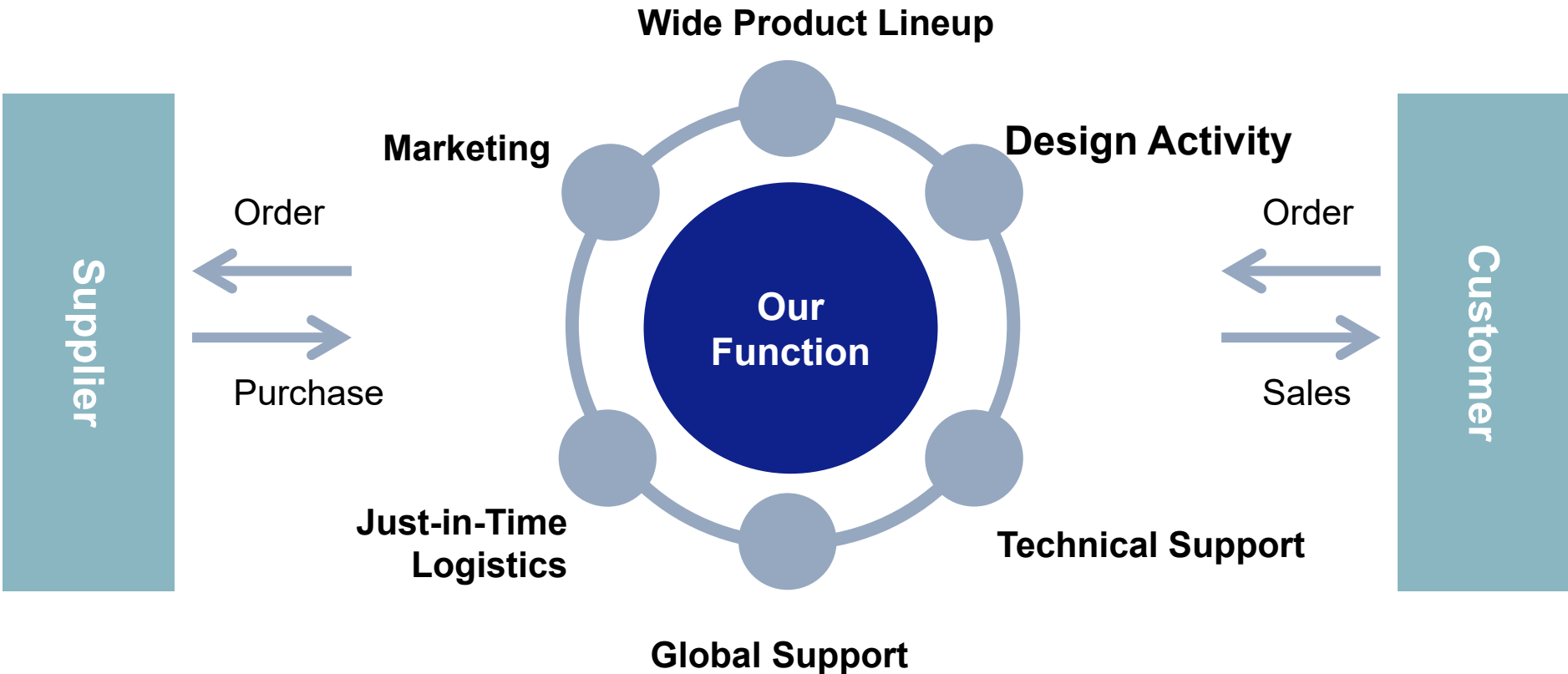
- A strong technical support system with a high level of expertise
- Cooperative relationships with third parties, module manufacturers, EMS/ODM, etc.

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.
- 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%	Holding company of Marubun/Arrow USA,LLC
Marubun Taiwan, Inc.	Taipei, Taiwan	November 1989	100%	Supply of semiconductors and electronic components made in Taiwan
Marubun/Arrow Asia, Ltd.	British Virgin Islands	October 1998	50%	Holding Company of Marubun/Arrow(S) Pte Ltd. And Marubun/Arrow(HK) Ltd.
Marubun/Arrow (S) Pte Ltd.	Pereira Road, Singapore	March 1988	50%	
Marubun/Arrow (HK) Ltd.	Hong Kong, China	August 1994	50%	
Marubun Arrow (Thailand) Co., Ltd.	Bangkok, Thailand	October 2000	50%	
Marubun/Arrow (Phils), Inc.	Laguna, Philippines	October 2001	50%	
Marubun Arrow (M) SDN BHD	Penang, Malaysia	June 2006	50%	Sales of semiconductors and electronic components to Japanese companies in overseas
Marubun/Arrow Electronics (Shenzhen) Co., Ltd.	Shenzhen, China	June 2013	50%	
PT. Marubun Arrow Indonesia	Jakarta, Indonesia	April 2014	50%	
Marubun/Arrow USA, LLC*	Delaware, U.S.A.	November 1998	50%	
Marubun-Arrow Mexico, S. de R.L. de C.V.*	MexicoCity, MEXICO	September 2014	50%	
Marubun Arrow Europe Kft.*	Budapest, Hungary	November 2017	50%	

* 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, FPGA	Display, Crystal Device, Connector, Switch, PCB	Robot, IoT Device&Solution, Medical Equipment	Power supply, Software, IP licensing, Modules
ABLIC	●	●						
Afero				●			●	●
Asahi Kasei Microdevices	●		●	●	●			
ATP		●						
Afero				●				
Broadcom	●			●	●	●	●	●
Cree	●							
Cypress※		●	●	●				
Eink						●		
InvenSense	●							
ISSI	●	●		●				
GOWIN					●			
Littelfuse	●					●		
Maxim	●		●	●		●		
Microchip	●	●	●	●	●	●		
Molex						●		
Monolithic Power Systems	●							
Nuvoton	●		●	●	●			
Qorvo	●			●				
Seiko Epson			●	●	●	●	●	
SEMTECH	●			●				
TE Connectivity	●					●		
VANTIQ								●
VICOR								●
VISHAY	●			●				●
Western Digital		●						

*Cypress Semiconductor, An Infineon Technologies Company

Aeolus	Intelligence AI Robot	Acconeer	Millimeter Wave Radar Module	FINSix	Ultra-small power module
Nanoramic	Carbon nanotube	OSSIA	Wireless Power Supply License	StethoMe	Electronic stethoscope

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%	Sales of medical equipment and measurement & inspection equipment
Marubun West Corporation	Kobe City	May 2005	100%	Sales of measurement & inspection equipment
Foresight Techino Co.,Ltd	Koto-ku Tokyo	March 1999	51.0%	High-Level Technical Support (system integration, installation to maintenance services)

Main Products -Electronic Systems- 1

Segment	Main Products	Main Suppliers
Space& Defense Electronics	High-reliability Components, Measurement and Sensor Equipment	Baker Hughes Company, PCB Piezotronics, Inc, Comtech Telecommunications Corp.
	Avionics Test System& Simulator Equipment, Microwave Equipment	Bird Technologies, CPI Inc., Textron Systems Corporation
Industrial Equipment	Electronic Components Inspection Equipment	Akim Corporation, Ansible Motion Limited, FUJI Corporation, Seiko Epson Corporation, U.H. System Corporation
	Embedded computer system	ADLINK Technology Inc., Aitech Defense Systems, Inc., Artesyn Embedded Technologies Inc., DFI, Gorilla Technology Inc.
Industrial Equipment	Laser Diode, Laser Processor	Amplitude, Laserline GmbH., nLIGHT, Inc., NUTECH GmbH
	Optical Components	Excelitas Technologies Corp., First Sensor AG, Luminus, Inc, United Power Research Technology Corp., ViALUX GmbH, Young Optics Inc.
Information& Communication Equipment	RF, Optical communication Equipment, GNSS& Timing Solutions	Athonet S.R.L, Calnex Solutions Ltd., EXFO Inc., Microchip Technology Inc., PCTEL, Inc, Septentrio N.V., Spirent Communications
Medical Equipment	Diagnostic Imaging Equipment	FUJIFILM Healthcare Corporation, Konica Minolta Japan., Shimadzu Corporation., Siemens Healthcare K.K.
	Hemo Dialysis Equipment	Asahi Kasei Medical Co., Ltd., Kaneka Medix Corporation, NIKKISO Co., Ltd
	Clinical laboratory equipment	Beckman Coulter, Siemens Healthcare Diagnostics KK

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



DCG
Systems
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 Equipment



Microchip
Network Timeserver



Spirent
GNSS Simulator

Medical Equipment

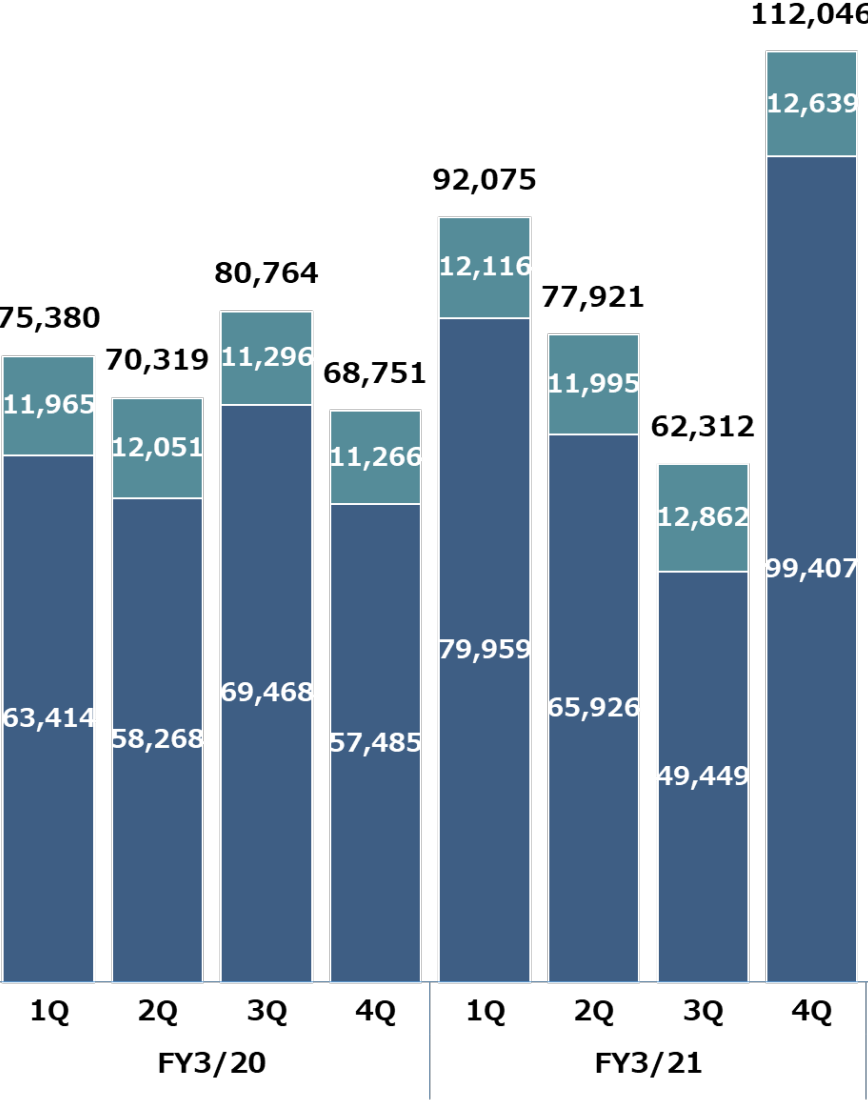


Siemens Healthcare K.K.
Diagnostic Imaging Equipment

Quarterly Trend in Orders/Sales by Business

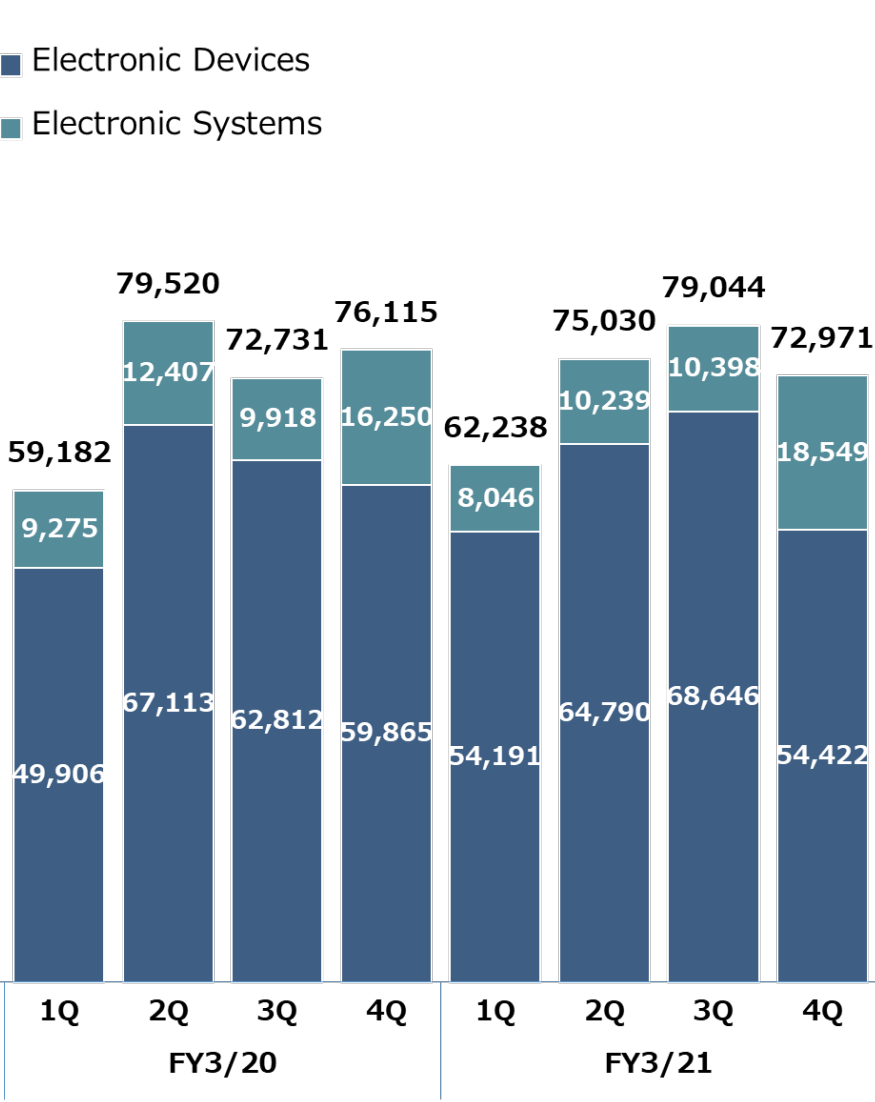
(Millions of Yen)

Orders



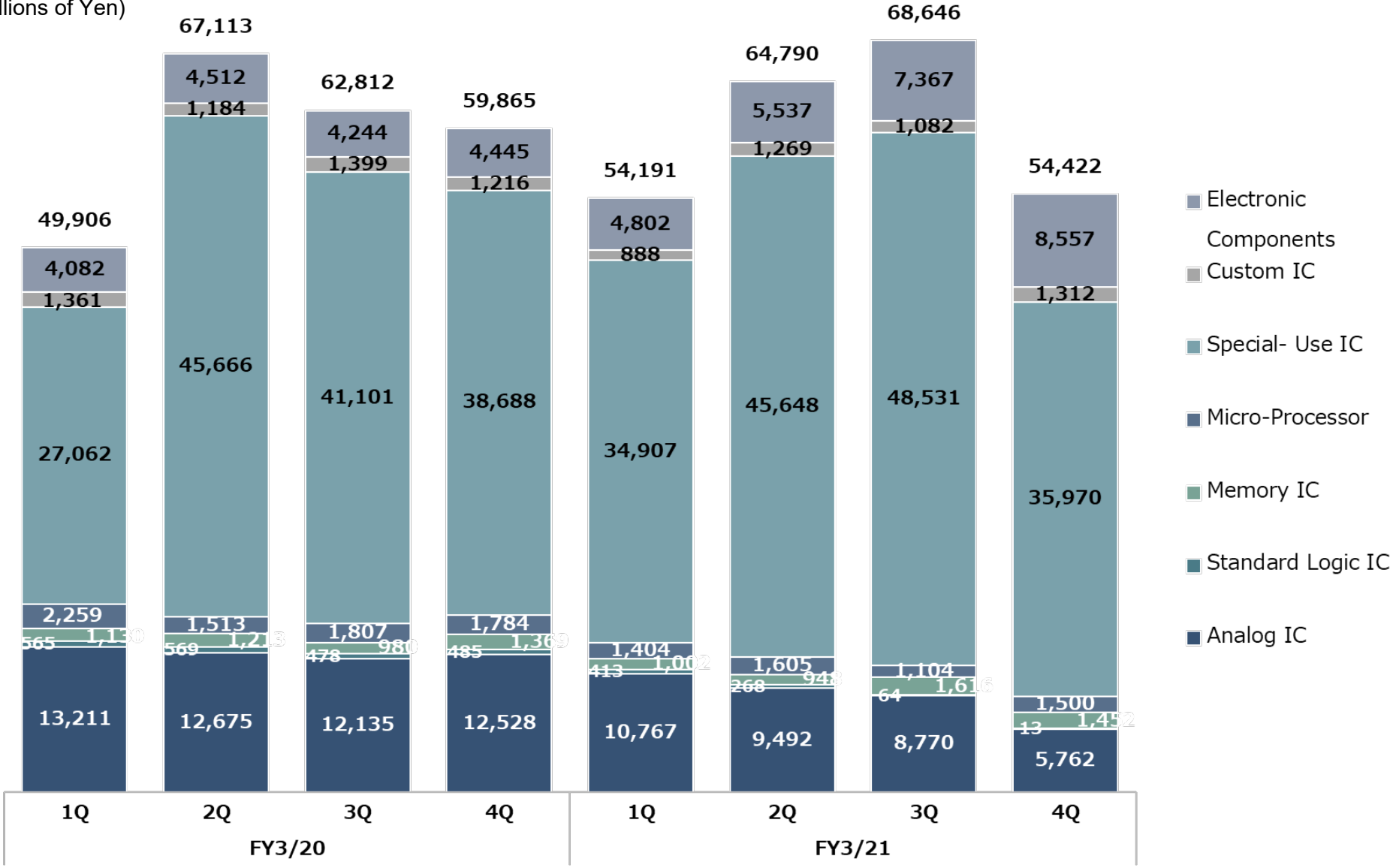
Sales

- Electronic Devices
- Electronic Systems



Quarterly Trend in Sales of Electronic Devices by Product

(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.

Contact

MARUBUN CORPORATION
CORPORATE PLANNING Dept.
PHONE +81-3-3639-3010
E-mail ir@marubun.co.jp