



November 14, 2025

To whom it may concern

Company	MARUBUN CORPORATION
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**About the Action to Implement Management that is Conscious of
Cost of Capital and Stock Price (Updated)**

Marubun Corporation, on November 7th 2023, announced "Roadmap toward the Sustainable Growth of Marubun Corporate Value", where we initially analyzed and evaluated the status of "About the Action to Implement Management that is Conscious of Cost of Capital and Stock Price."

We have thereafter provided an update of the document annually, and just issued the attached material for the 2025 update. Please refer to the attached document.

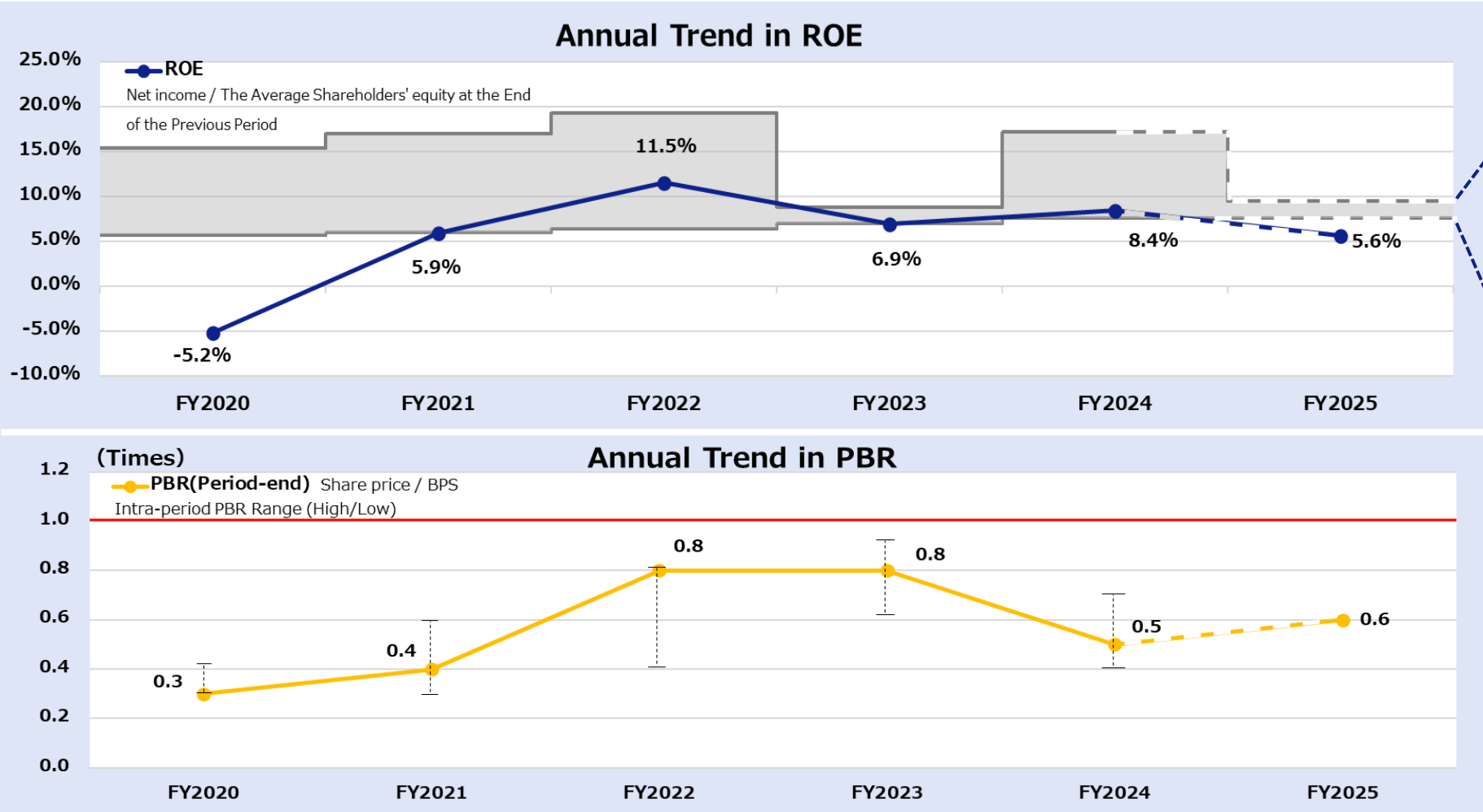
Roadmap toward the Sustainable Growth of Marubun Corporate Value (Updated for FY2025)

November 2025



Current Status and Management Goals / Areas to Address

- ▶ ROE (Return on Equity) improved to 8.4% due to an increase in income for the fiscal year ended March 2025. The assumed ROE, which reflects the latest earnings forecast for the fiscal year ending March 2026, is expected to fall below our assumed range of cost of equity. Assuming that stock prices remain at current levels*, PBR is estimated to remain around 0.6x. This continues to imply a gap between market expectations and profitability, and we will strive to implement measures to achieve these “Management Goals/ Areas to Address.”



*1,226 yen – Closing price on September 30, 2025

CoE (reference value) based on market valuation (stock price) (market-implied cost of capital)**

Approx. 8.6% – 19.2%

**calculated as ROE/PBR, where PBR = “two-point average stock price between fiscal year beginning and end” / “fiscal-year end net assets per share” (Note that the dotted line in the diagram on the left represents the calculated forecast values, which are based on reasonable forecast values for each indicator)

Our estimated range of cost of shareholders' equity (CoE)

CoE based on CAPM***
Approx. 5.7% – 6.9%

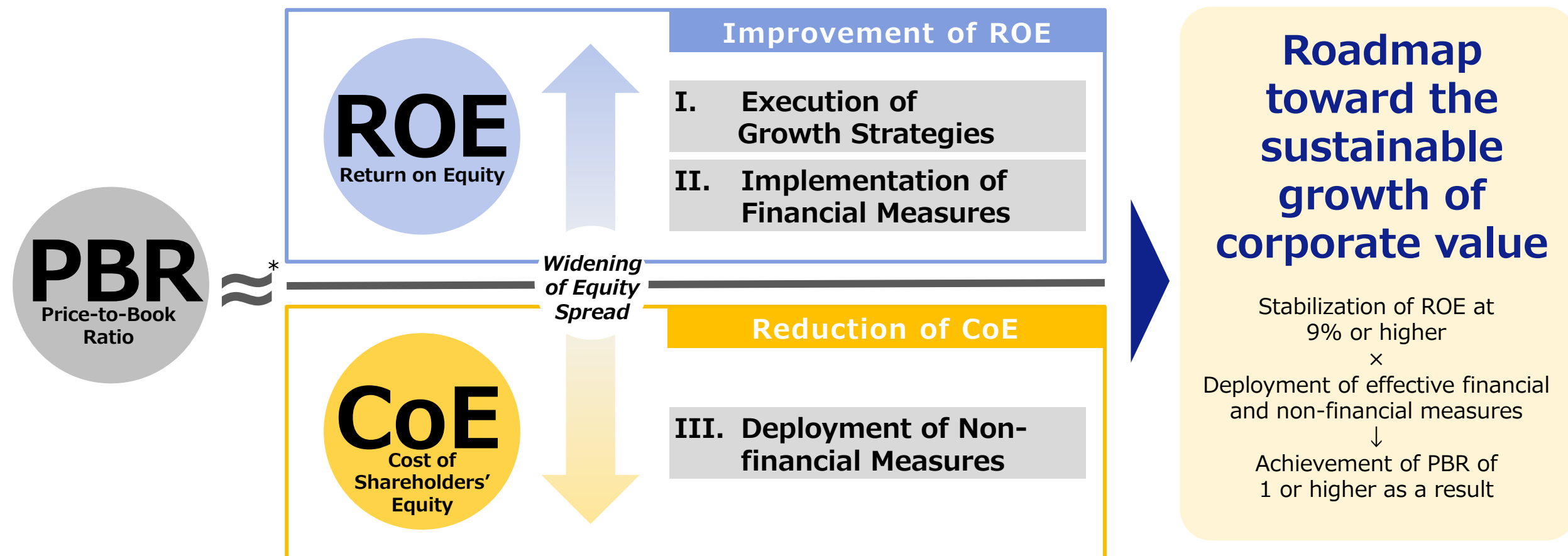
***Calculated based on our criteria and standards, referring to our historical beta calculated on data over last 5 years.

Management Goals / Areas to Address

- (1) Stabilize ROE at 9% or higher
- (2) Lower expected CoE
- (3) Consequently achieve PBR x 1.0 or higher

Initiatives for Sustainable Enhancement of Corporate Value

- ▶ Effectively circulate Marubun Group's Value Creation Model and the Value Cycle at its core (see pages 16–18)
- ▶ Promote the three strategic measures (I, II, and III) and aim to stably secure an ROE of 9% or higher and achieve a PBR of 1.0 or higher (see pages 3–13)
- ▶ Having achieved the targets of the previous Medium-Term Business Plan, we have formulated and will implement our new Medium-Term Business Plan (Marubun Nextage 2027) for further growth.



* Approximate formula based on the conservative assumptions that future profit growth (g) is zero and our immediate ROE target is to maintain a certain fixed level.

I-(1) 1. Growth Strategies Business Growth Policies in “Marubun Nextage 2027”

- ▶ Promote the initiatives related to our three business growth policies, which are among the basic policies specified in the Medium-Term Business Plan “Marubun Nextage 2027”



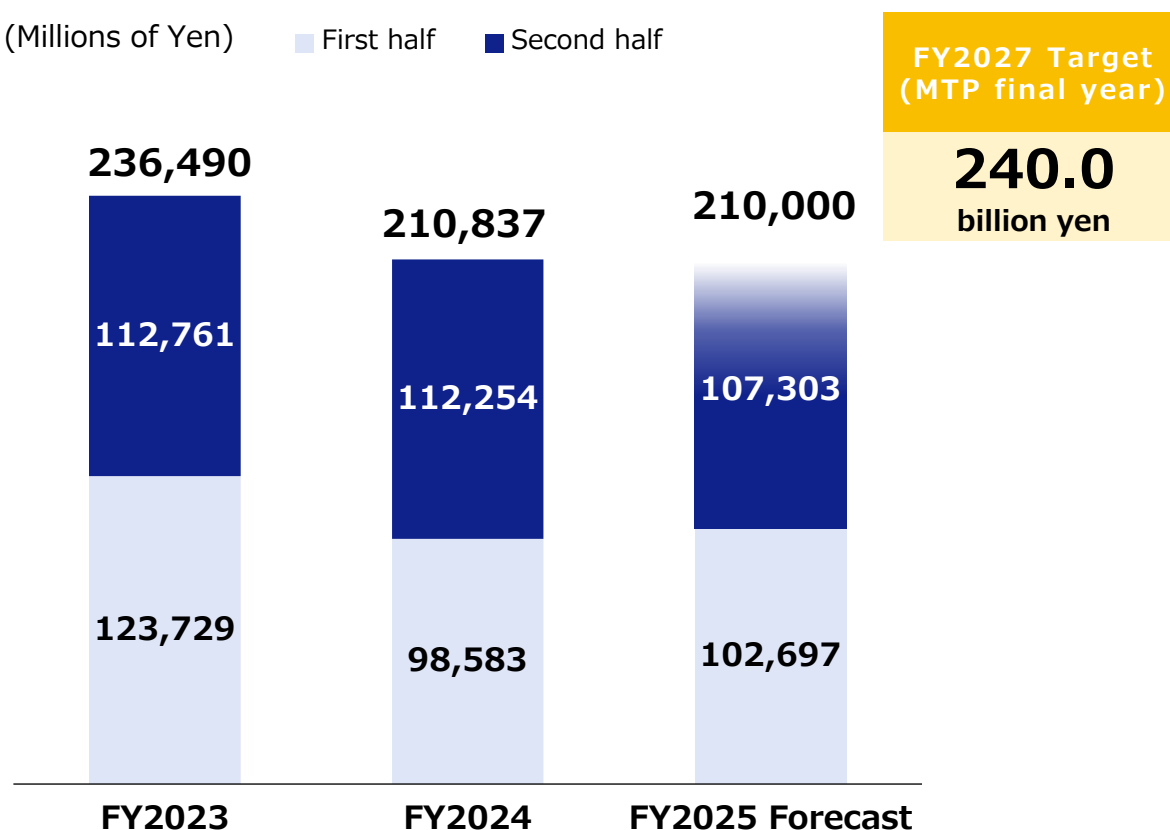
Electronic Devices Business		
- Expanding channels / Assisting restructuring - New technologies / Expanding passive components - Expanding mass-market channels etc	FY2027 Target	
	Net Sales	167.0 billion yen
	Ordinary Profit	3.0 billion yen or higher
Electronic System Business		
- New business & product development - Expanding existing businesses - Capturing business from state initiatives - Establishing overseas operations	FY2027 Target	
	Net Sales	67.0 billion yen
	Ordinary Profit	4.0 billion yen or higher
Entrepreneur Business		
- Developing new businesses - Demonstrating unique value - Expanding AI-related products - Pursuing strategic collaborations	FY2027 Target	
	Net Sales	6.0 billion yen
	Ordinary Profit	1.0 billion yen or higher

I-(1) 2. Growth Strategies Progress and Outlook for FY2025

- ▶ The earnings forecasts for FY2025, the first year of the current Medium-Term Business Plan, have been upwardly revised after reviewing the initial forecasts announced in May 2025, with net sales revised from 206.0 billion yen to 210.0 billion yen and ordinary income from 4.3 billion yen to 5.0 billion yen.
- ▶ We will steadily promote the “three strategies and initiatives” toward achieving the targets of the final year (FY2027) of the current Medium-Term Business Plan.

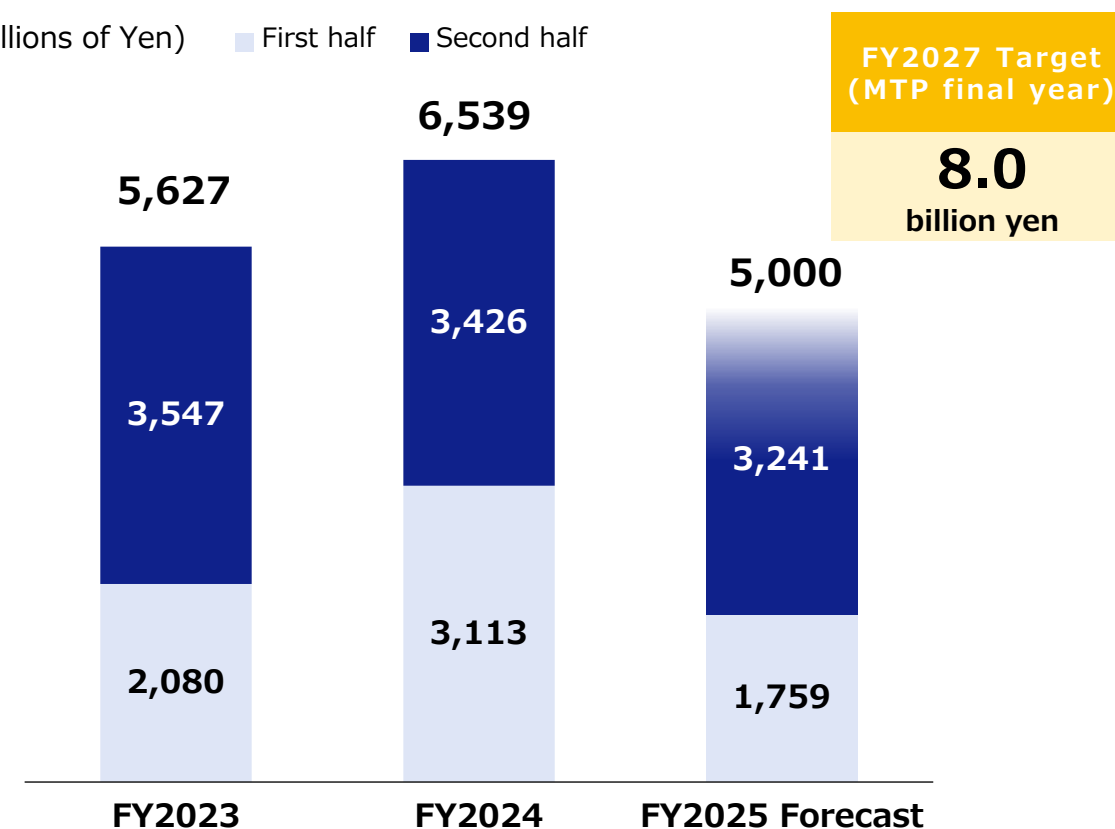
Achievement in net sales

(Millions of Yen) ■ First half ■ Second half



Achievement in ordinary profit

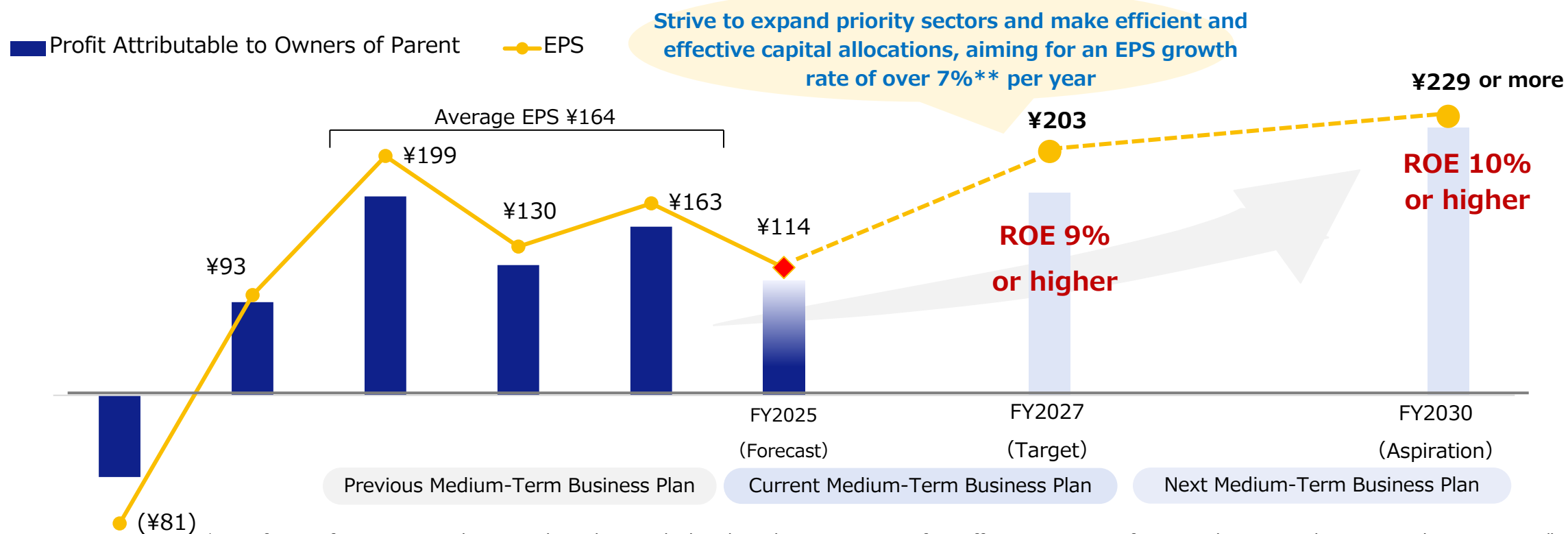
(Millions of Yen) ■ First half ■ Second half



*We have made changes to the evaluation method of inventories from the beginning of FY2025.
Figures for FY2024 have been retroactively adjusted.

I-(1) 3. Conceptual Diagram of EPS Growth to Achieve the Target ROE

- ▶ In FY2025, EPS growth is expected to be impacted by the market environment and temporarily plateau before returning to a sustained growth trajectory in FY2026 and beyond.
- ▶ We will reinforce initiatives in priority sectors (aerospace & defense and medical/healthcare) to position these sectors as driving forces for EPS growth.
- ▶ We will strive to make efficient and effective capital allocations for EPS growth and sustainable growth, with the aim of achieving an ROE of over 9% (Medium-Term Business Plan target) and over 10% (aspiration) in the future.



* EPS figures for FY2027 and FY2030 have been calculated on the assumption of an effective tax rate of 30% without recording extraordinary income/losses.

** CAGR (compound annual growth rate) from the average EPS for the latest three years up to FY2025 (¥164) to the target EPS for FY2027 (¥203)

I-(2) “Electronic Devices Business” Growth Strategies

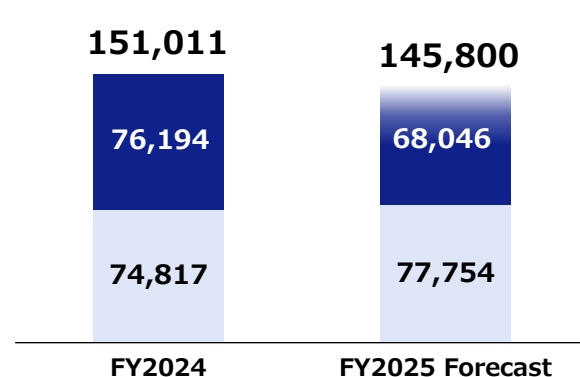
- ▶ Net sales increased mainly due to the strong performance of consumer equipment. Income decreased due to the impact of reduced proxy transactions (based on the accounting standard for revenue recognition). Our focus is on expanding our share in the consumer equipment market with the expectation that the current business situation will continue for the full fiscal year.

Review of first half of FY2025 and full-year forecast

- ▶ For the first-half period, net sales increased year-on-year due to solid demand for mobility in addition to favorable performance in consumer equipment.
- ▶ On the other hand, income declined due to the impact of reduced proxy transactions in the previous fiscal year.
- ▶ This trend of polarization is expected to continue for the full fiscal year. Our focus is on expanding our share in our strong sectors, including consumer equipment and AI/data center-related equipment.

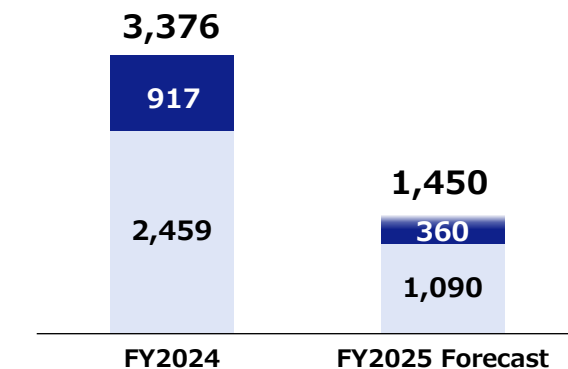
Trend in net sales

(Millions of Yen) ■ First half ■ Second half



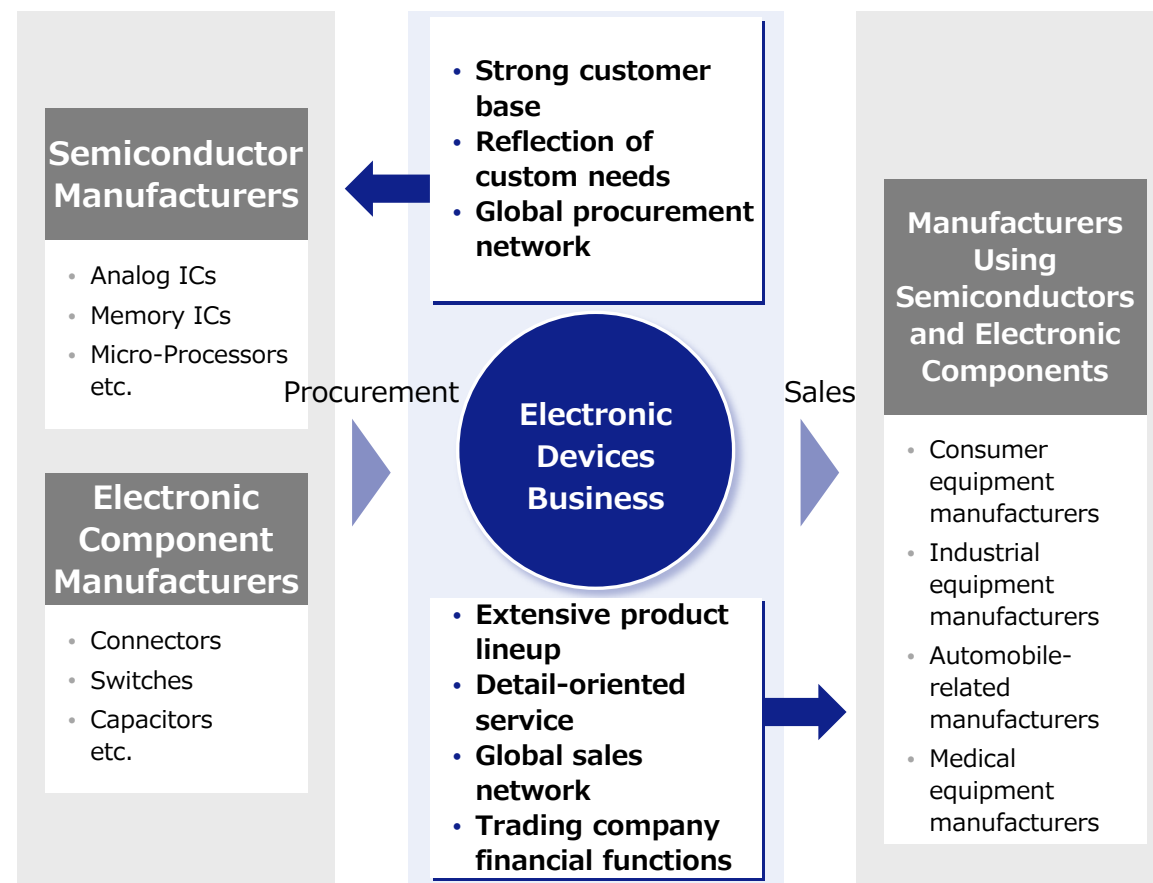
Trend in ordinary profit

(Millions of Yen) ■ First half ■ Second half



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Business Model



I-(3) “Electronic Systems Business” Growth Strategies

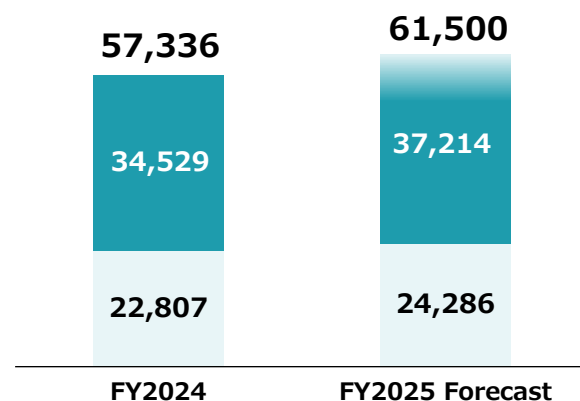
- ▶ We aim to steadily seize business opportunities in the aerospace & defense market, which is one of our areas of strength and is currently enjoying a favorable business environment, while also strengthening our high value-added businesses to create a virtuous cycle of sustainable growth.

Review of first half of FY2025 and full-year forecast

- ▶ For the first-half period, both net sales and income increased year-on-year due to growth in space & defense equipment, supported by aerospace and defense market expansion.
- ▶ For the full fiscal year, net sales are expected to exceed the level of the previous year by firmly capturing recovery movement in capital investment in the industrial equipment market.
- ▶ Income is expected to increase by focusing on high value-added businesses in addition to expanding the domain and scale of existing businesses.

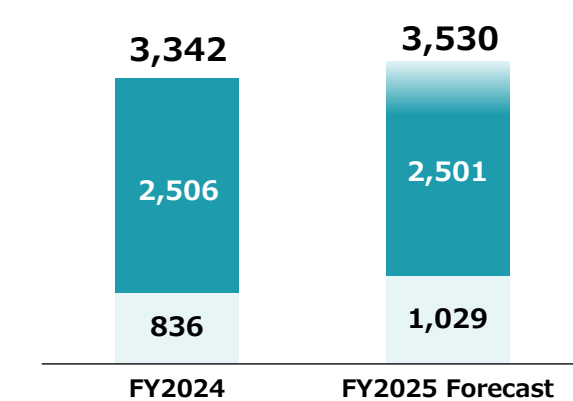
Trend in net sales

(Millions of Yen) First half Second half

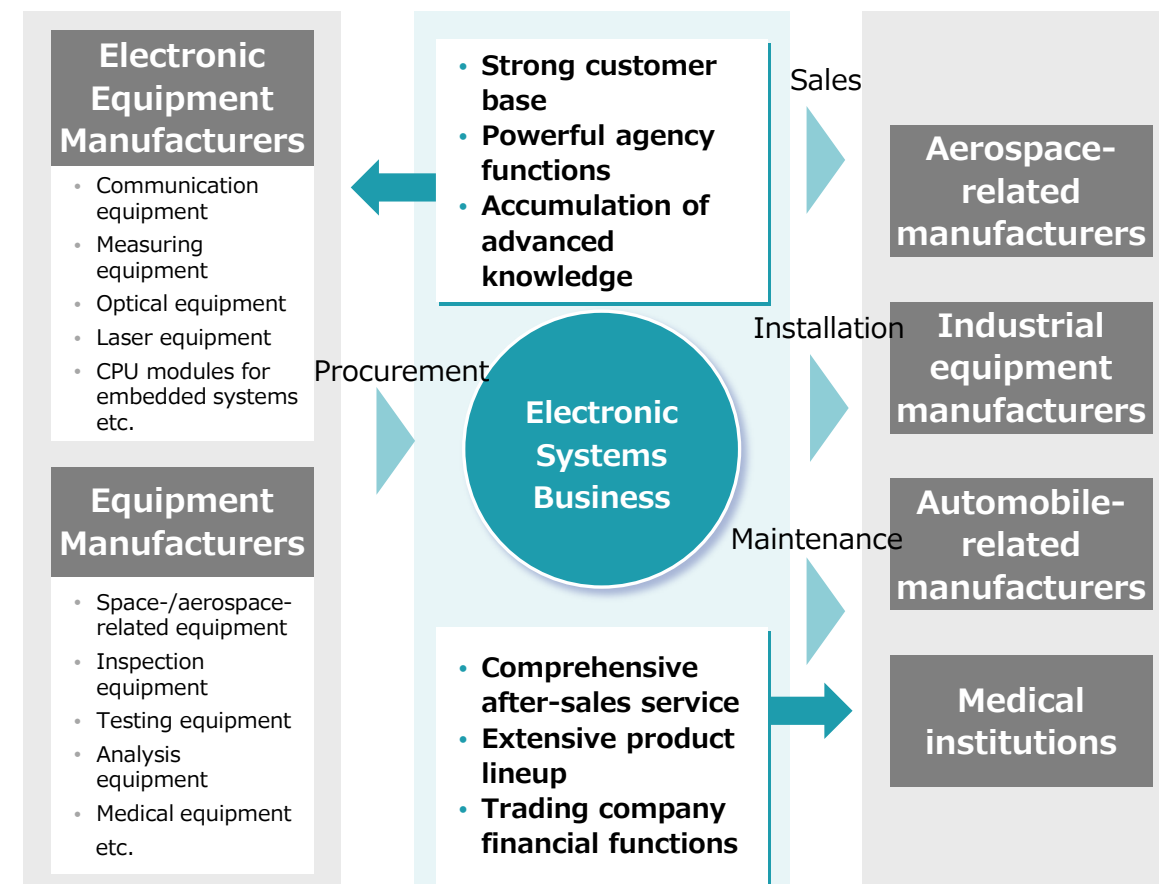


Trend in ordinary profit

(Millions of Yen) First half Second half



Business Model



* We have made changes to the evaluation method of inventories from the beginning of FY2025. Figures for FY2024 have been retroactively adjusted.

I-(4) “Entrepreneur Business” Growth Strategies

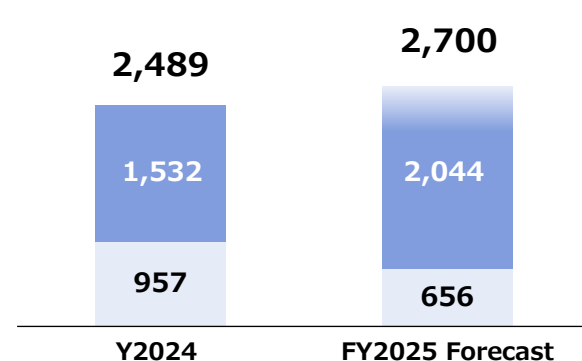
- ▶ Both net sales and income declined due to fewer projects related to time synchronization systems for communication infrastructure. For the full fiscal year, both net sales and income in the AI・Robotics sector are expected to increase. Our focus is on securing a revenue stream and establishing profitability by reinforcing new market development business activities mainly in the medical and communication-related sectors.

Review of first half of FY2025 and full-year forecast

- ▶ For the first half period, net sales declined due to lower demand for time synchronization systems for communication infrastructure. An ordinary loss was recorded as the number of projects acquired in the AI・Robotics market fell below the plan’s targets.
- ▶ For the full fiscal year, with a focus on acquiring projects in the AI・Robotics market, net sales and income are expected to increase.
- ▶ We aim to establish a medium- to long-term revenue base by reinforcing business activities in the communication infrastructure sector within the ICT solutions segment as well as in the nursing care and medical sector within the AI・Robotics segment.

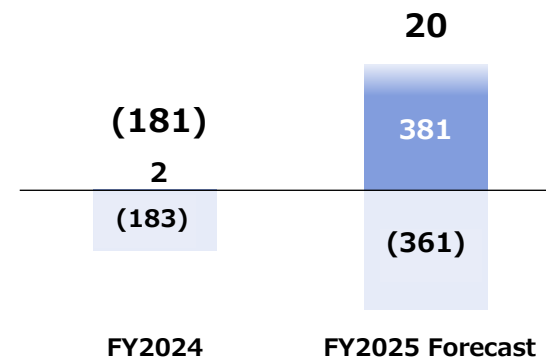
Trend in net sales

(Millions of Yen) ■ First half ■ Second half



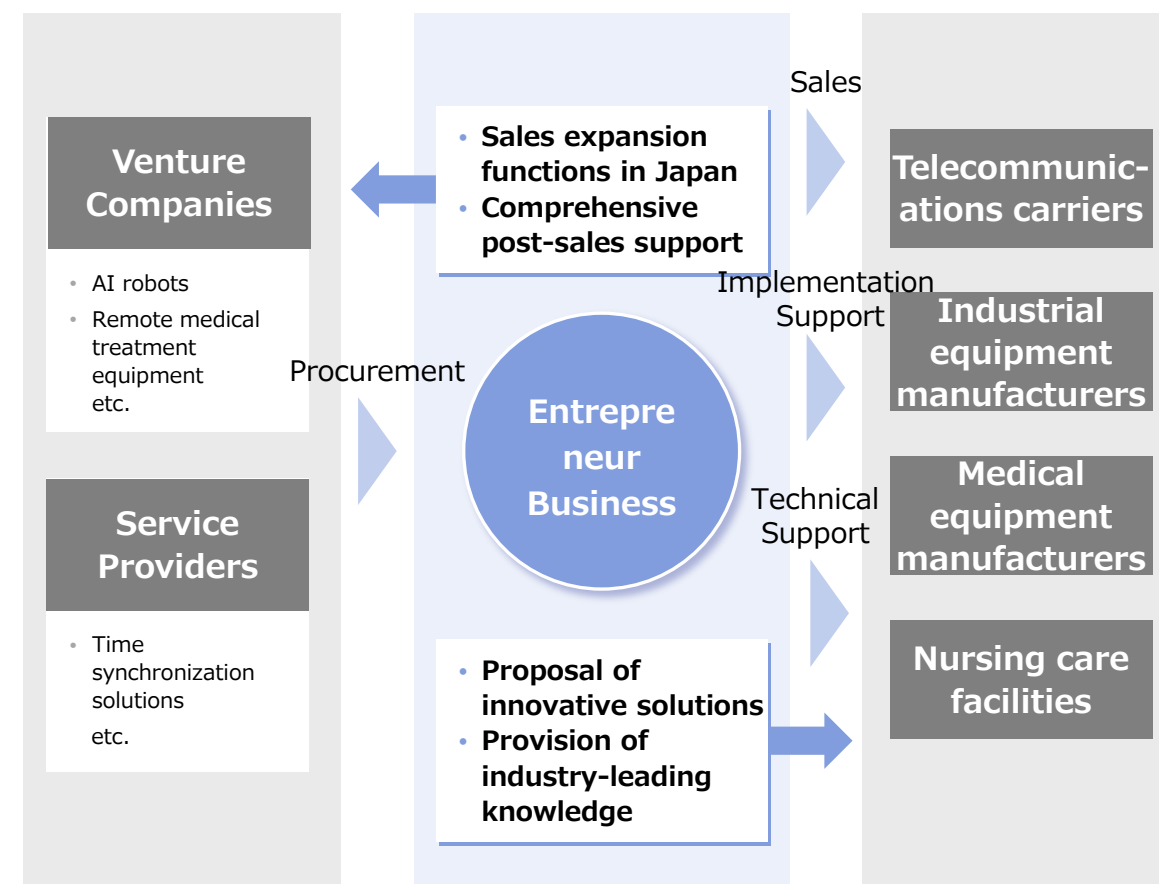
Trend in ordinary profit

(Millions of Yen) ■ First half ■ Second half



* We have made changes to the evaluation method of inventories from the beginning of FY2025. Figures for FY2024 have been retroactively adjusted.

Business Model



II-(1) Financial Measures: “Basic Policies”

- ▶ The basic policy shall be to balance ROE improvement with sustainable shareholder returns while exercising financial discipline.
- ▶ We will strive to improve shareholder value through stable dividend distribution by introducing DOE as well as distributing dividends based on business performance.

Financial Measures	
FY2025 (current)	- In celebration of our 180th anniversary and the achievement of the financial targets set in the previous Medium-Term Business Plan, we have resolved to implement a “special shareholder benefit program.” - We have made continued efforts to optimize the scale of the balance sheet, which has contributed to a significant improvement in the equity ratio. (After the fiscal year ended March 2023: 27.1% → 29.1% → 37.7%) - We will continue to promote initiatives based on our “Basic financial policy” while maintaining appropriate financial leverage.  ▲ QUO card for the special shareholder benefit program
FY2024	Implemented stable shareholder returns by maintaining the new dividend policy with DOE as a lower limit. Result: Dividend of 66 yen per share (adopting a dividend payout ratio of 40.4%, DOE of 3.5%)
FY2023	Introduced “DOE of 2.5%” as the new dividend indicator for stable shareholder returns. A new policy that adopted a consolidated dividend payout ratio of 40% or DOE of 2.5%, whichever is higher, was established. Result: Dividend of 52 yen per share (adopting dividend payout ratio of 40.0%, DOE of 2.9%)

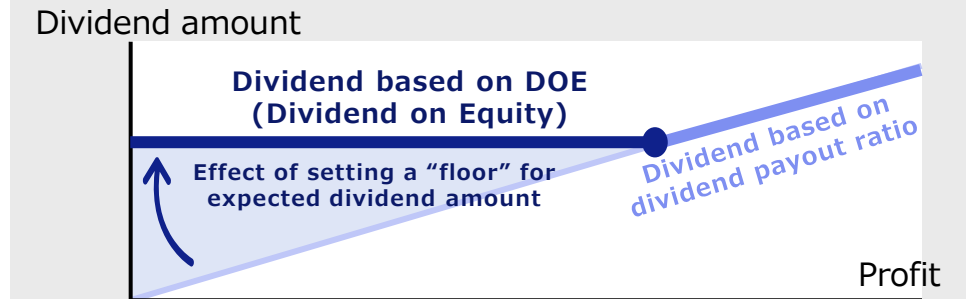
Basic Financial Policy

- Make strategic investments in growth areas and provide consistent & stable shareholder returns, aiming for sustainable growth of corporate value.
- Improve capital efficiency (achieve ROE target & stabilization) and strike a balance between efforts to improve ROE and maintenance of financial stability.

Dividend Policy

- The higher of a consolidated payout ratio of 40% or a DOE of 2.5%

【DOE-based vs. Payout Ratio-based Dividend (Conceptual Image)】



II-(2) Financial Measures: Utilization of Retained Earnings

- ▶ We strive for the efficient and effective allocation of capital resources for sustainable growth in the following four domains, taking into consideration management priorities depending on the situation and we will create a positive cycle of "utilization of retained earnings" and "realization of sustainable growth"

Pursuit of growth investment opportunities

Pursue inorganic/non-linear growth opportunities and become actively involved in expeditious investment projects

- Pursue inorganic growth opportunities and strategic risk-taking opportunities on themes such as digitization, smartification, IoT, AI, robotics, next-generation communications, medicine and healthcare, and seek market expansion and enhancement of commercial rights in existing domains, demonstration of synergies in adjacent business domains, and creation of new promising markets
- Aim to allocate around 5-10% of the net capital to business acquisitions and startup investments over the period of the Medium-Term Business Plan (for 3 years)
- Aim to realize revenue and return through partnerships and collaborations that help create "win-win" business value both for us and investees

Investment in operational infrastructure

Pursue improvement in operational efficiency and enhancement of management information through investment in IT systems

- Complete the renewal of the enterprise resource planning system within FY2025
- Meet supplier and customer requirements meticulously and flexibly and continuously strengthen value chain capabilities
- Enhance quality level of management information in areas such as sales management and management accounting to help improve earning potential and profitability

Investment in human capital

Strengthen competitiveness by expanding human capital investment for human capital development

- Enhance management of human resources and seek to hire, develop and retain specialist professionals
- Transform the organizational culture through the deployment of diversity, work style and wellbeing measures

Balance sheet management

Improve management risk tolerance by managing the balance sheet and maintaining an appropriate level of tangible net worth

- Mitigate financial risks by balancing investment in the above three measures and maintaining financial discipline
- Ensure BCP responsiveness and business continuity in various risk scenarios including a large-scale disaster through adequacy of equity capital (by ensuring spare funding capacity)
- Aim to maintain equity ratio at a certain level (ex. 30-40%)

III. Non-financial Measures “Three Thematic Domains”

- ▶ We are to implement initiatives in the "three thematic domains for non-financial measures" and translate these into "reduction in expected cost of shareholders' equity"
- ▶ We are to enhance the trustworthiness and appealing values of the Marubun brand, while ensuring management transparency through efforts to further enhance information disclosures to public domain
- ▶ At the same time, we contribute to the "creation of social values" and strive to enhance the understanding of our business among stakeholders in various fields



"Three thematic domains" for reduction of expected CoE

III-(1) Non-Financial Measures “Sustainability and Engagement”

- ▶ Steadily implement specific non-financial measure initiatives (sustainability promotion and engagement improvement)
- ▶ Strengthen a platform for sustainable growth through activities evolving year-by-year to improve our corporate value (economic value and social value)

	Promotion of sustainability management	Improving stakeholder engagement
FY2025 (current)	■ <u>Steady improvement in eNPS*: 12.1 points compared to FY2022</u> ■ Introduced an employee shareholding association restricted stock (RS) incentive plan ■ Introduced an in-house multiple jobs program to support each employee's self-driven (autonomous) carrier development ■ Promotion of social contribution activities, including supporting the activities of the Japan Philharmonic Orchestra and supporting “Paralym Art®” as an official partner	■ <u>Published the integrated report “MARUBUN REPORT 2025” to deepen dialogue with stakeholders</u> ■ <u>Enhancement of the distribution of information via business media as part of IR activity reinforcement.</u> ■ Proactive expansion of promotion activities (advertisements at Meiji Jingu stadium and in Tokyo Metro stations, etc.)
FY2024	■ Identified material issues ■ Established the “Human Capital Committee” and began developing long-term strategies and targets ■ Intensified measures to meet the TCFD target and calculated Scope 3 greenhouse gas emission volumes for the first time	■ Published the Group's first integrated report “MARUBUN REPORT 2024” in Japanese and English ■ Enhanced information disclosure by issuing, for the first time, an analyst report (in Japanese and English) prepared by a third-party institution ■ Began holding “town-hall meetings” for all employees to improve employee engagement
FY2023	■ Strengthened systematic human resource development by introducing a talent management system ■ Raised the target of a female manager ratio to 10.0% (for FY2027) ■ Set the long-term target for GHG emissions (50% reduction in FY2030 compared to FY2022) while approving TCFD recommendations	■ Began enhancing information disclosure, including by expanding content on the IR site and issuing disclosures in English ■ Continued to hold proactive dialogue with institutional investors ■ Reinforced the distribution of information via press releases, etc. to raise “Marubun brand” recognition

* Employee Net Promotor Score

III-(2) Non-Financial Measures “Corporate Governance”

- ▶ Stably administer the foundation of the governance system by ensuring diversification and reviewing the compensation system for the Board of Directors
- ▶ Aim to improve corporate value by deepening management consciousness of capital cost under the new management structure

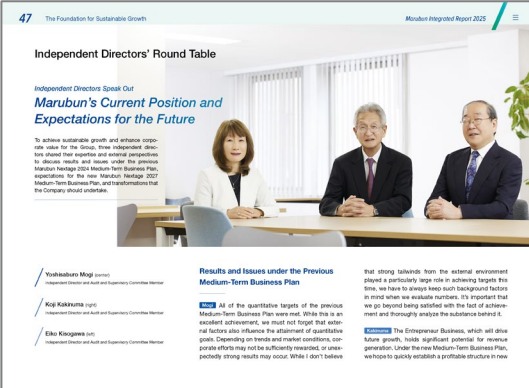
	Strengthening corporate governance
FY2025 (current)	■ Implemented a new management structure with the new Representative Director and President taking office ■ Formulated the new Medium-Term Business Plan “Marubun Nextage 2027” ■ Further promotion of business management that is conscious of capital cost and stock prices
FY2024	■ Continued to implement various measures to strengthen the governance structure, efforts which began in FY2023 ■ Made progress in deepening and energizing discussions as a result of evaluations of the effectiveness of Board of Directors
FY2023	■ Ensured diversification of the Board of Directors (appointment of female independent directors) ■ Introduced a restricted stock compensation (RS) plan for Executive Directors ■ Initiated more in-depth discussions on the Medium-Term Business Plan based on the evaluations of the effectiveness of Board of Directors

Publication of MARUBUN REPORT 2025

- MARUBUN REPORT is published for the purpose of conveying to all stakeholders our reason for being and our corporate value.
- Specific reports regarding activities related to transparency and business management effectiveness
- This report is intended to create an opportunity to have “constructive dialogues” with stakeholders.



▲ See our [website](#).



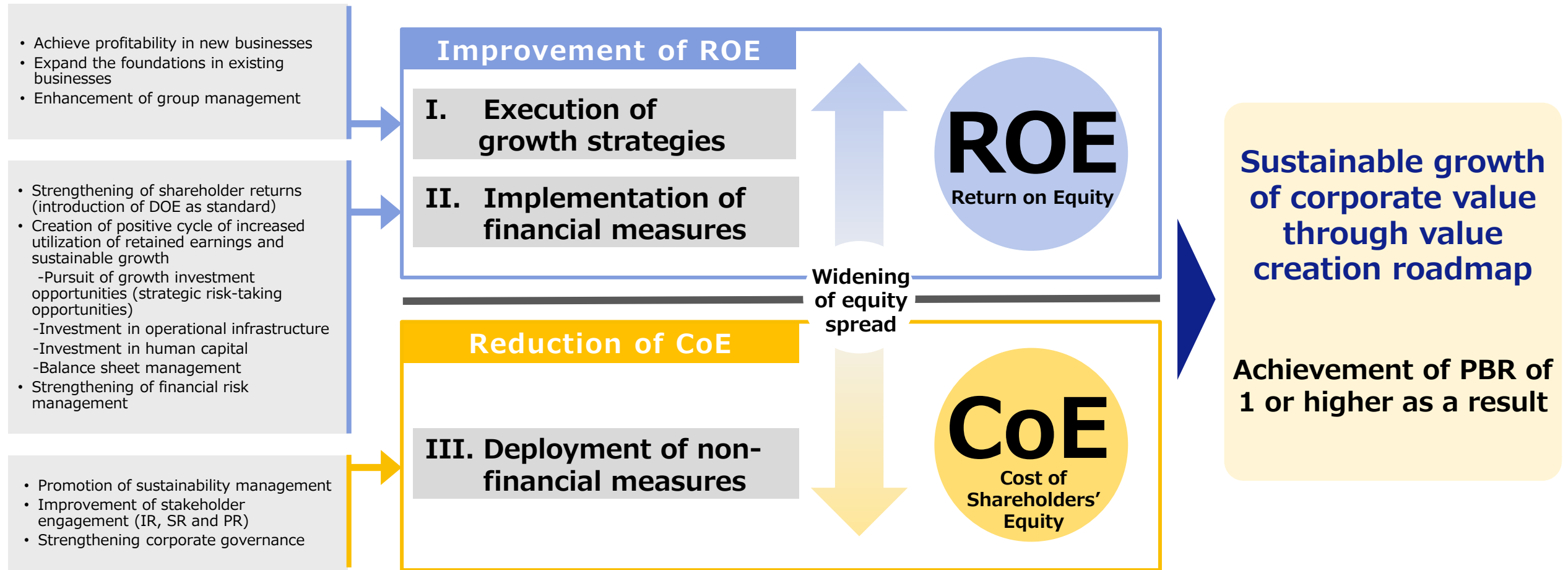
(Image to the right)

A roundtable discussion with our three Independent Directors sharing their independent viewpoints on our current status, issues with the new Medium-Term Business Plan, and future expectations.

Conclusion Summary:

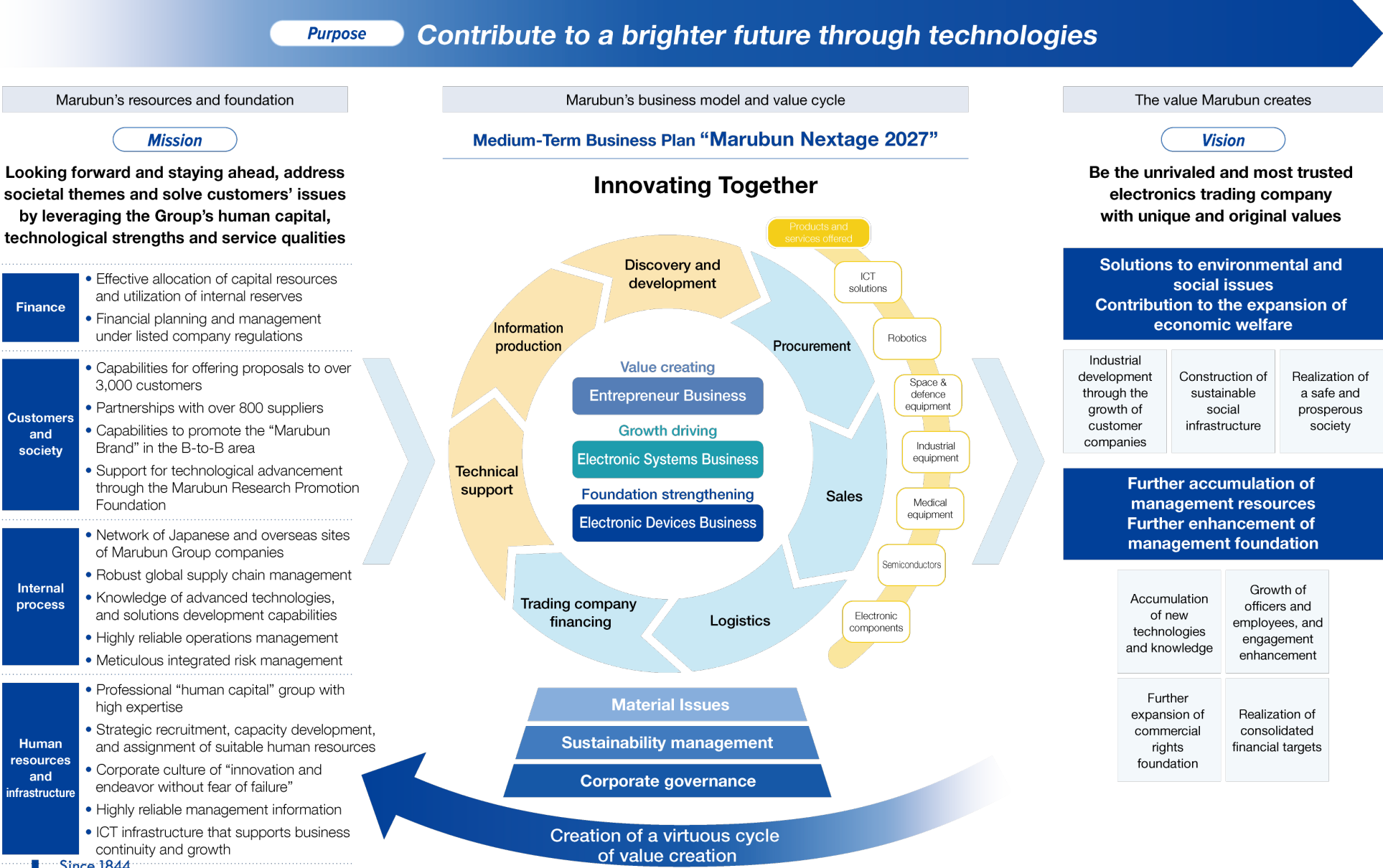
Overview of Initiatives for Sustainable Growth of Marubun Corporate Value

- ▶ By promoting initiatives with "execution of growth strategies," "implementation of financial strategies" and "deployment of non-financial measures" as the value creation process, we seek "stabilization of ROE at 9% or higher" and "widening of the equity spread" and aim to realize sustainable improvement in corporate value and to achieve PBR of 1 or higher as a result.

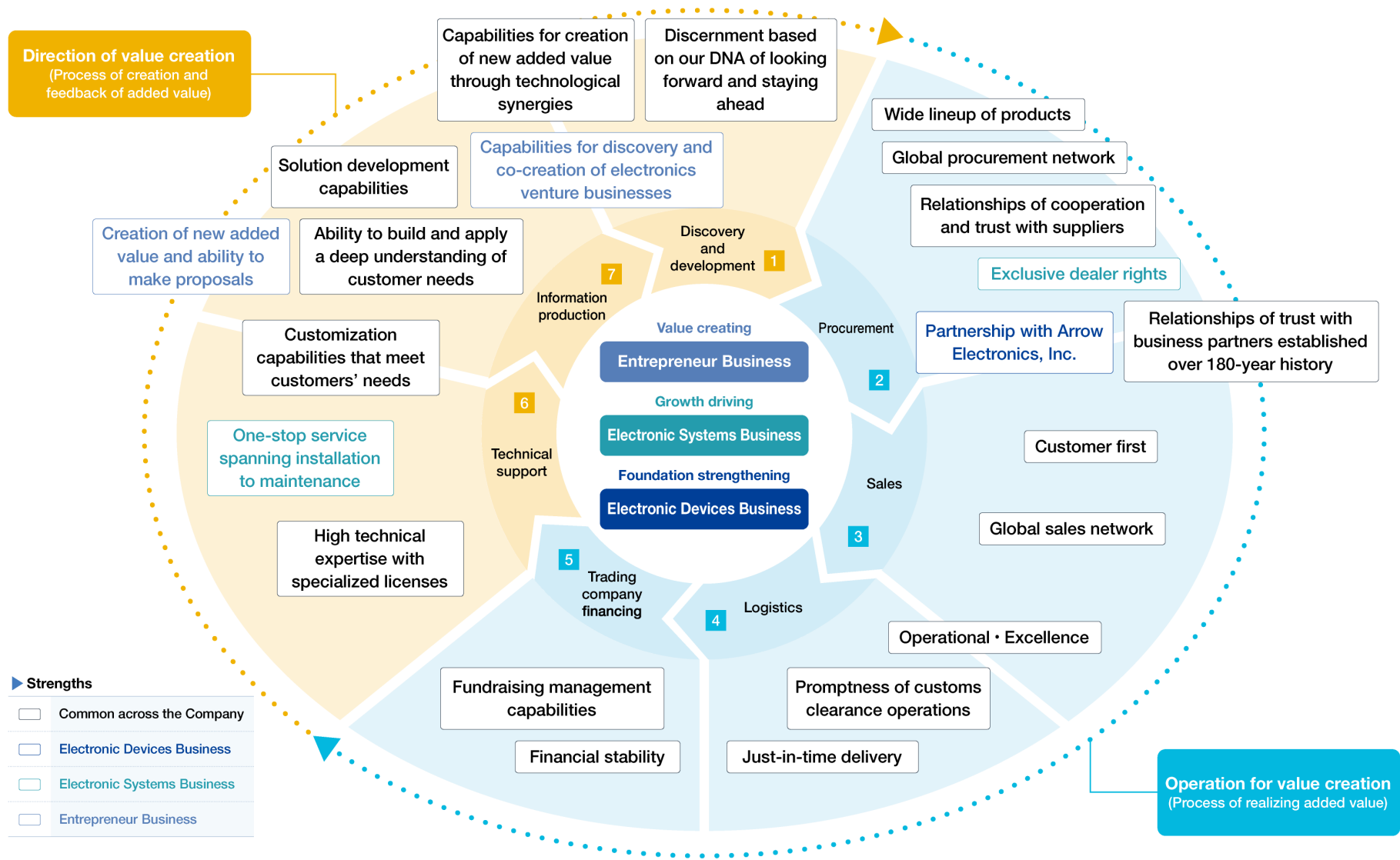


Appendix

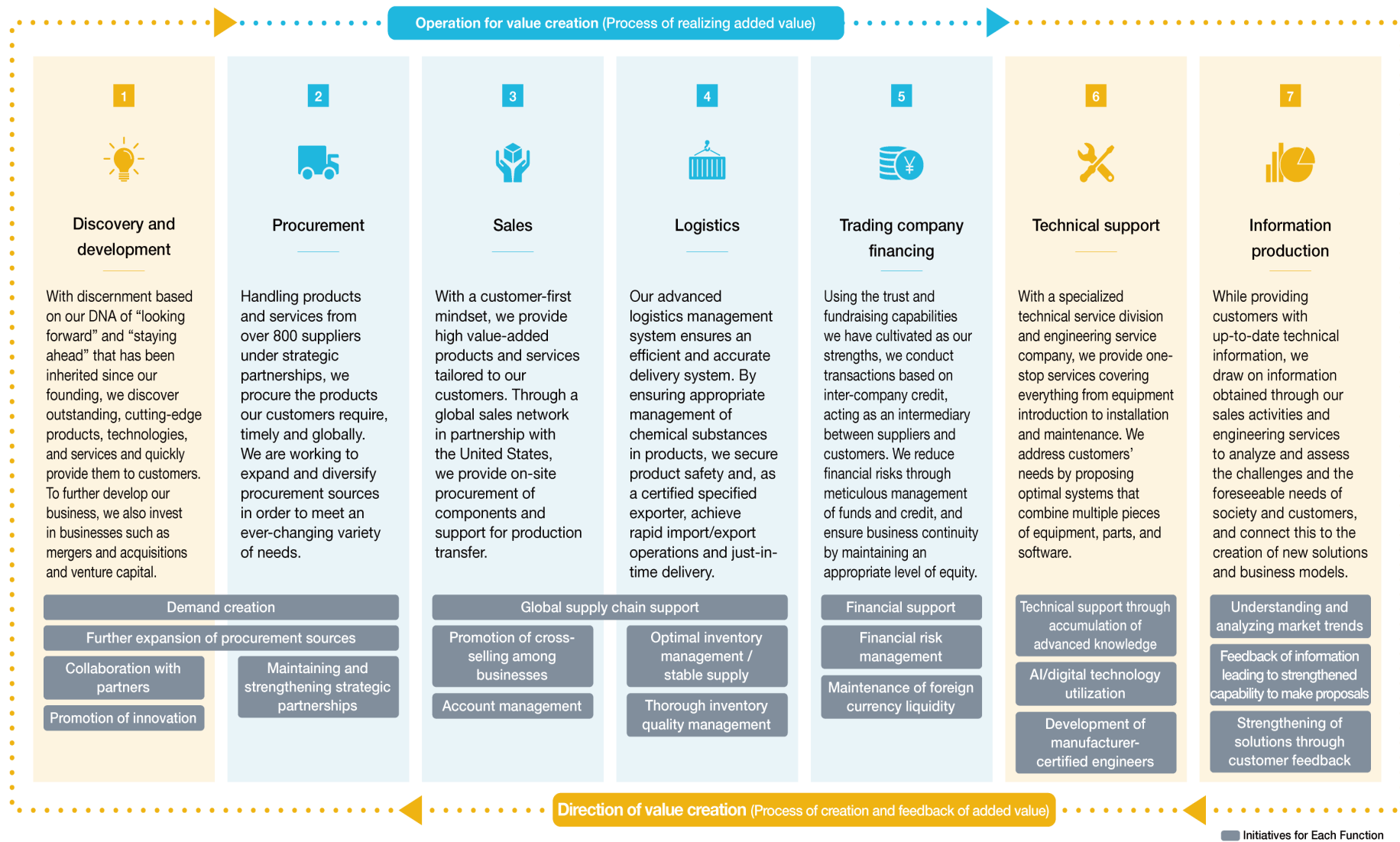
The Marubun Group's Value Creation Model



Value Cycle and Marubun's Strengths



Seven Functions and Initiatives of the Value Cycle





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.