



May 14, 2020

To Whom It May Concern

Company MARUBUN CORPORATION
 Representative Toru Iino
 CEO and Representative Director
 (Securities Code:7537 TSE, 1st section)
 Contact Toshihiro Shibuya
 Manager, Corporate Planning Dept.
 (Tel: +81-3-3639-3010)

Notice Concerning Posting of Extraordinary Loss (Loss on valuation of investment securities) and Revision to Earnings Forecast

Marubun Corporation(the “Company”) hereby announces that it will recognize an extraordinary loss (loss on valuation of investment securities) for the fourth quarter of the fiscal year ended March 31, 2020.

The Marubun Group also announces that it has revised its consolidated earnings forecast for the fiscal year ending March 31, 2020, which was originally announced on October 31, 2019. Details are as follows.

- (1) Posting of extraordinary loss (Loss on valuation of investment securities) for the fourth quarter of the fiscal year ended March 31, 2020

With respect to part of the investment securities held by the Company, there is a substantial disparity between the figures in the business plan at the time of investment and the actual valuation, causing delays in the business plan. Upon review of the recoverability of the investments, the Company decided to recognize an impairment on valuation of investment securities of 978 million yen as an extraordinary loss.

- (2) Consolidated financial results forecast revision for the year ending March 31, 2020 (April 1, 2019-March 31, 2020)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income Per Share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previous Financial Forecast (A)	285,000	2,900	2,800	1,350	51.65
Revised Forecast (B)	287,500	2,300	2,000	(75)	(2.89)
Amount of Change (B-A)	2,500	(600)	(800)	(1,425)	—
Change (%)	0.9	(20.7)	(28.6)	—	—
Results for the year ended March 31, 2019	326,694	5,048	3,020	1,636	62.61

Reasons for difference

Net sales are expected to exceed the previously announced forecast, attributable to rising demand for semiconductors for use in communication equipment. On the profit front, both operating income and ordinary income are projected to be lower than the levels in the previously announced forecasts due to stagnant sales of semiconductors for industrial equipment and laser equipment whose profit ratio are comparatively high. Profit attributable to owners of parent is also revised downward as described above, due to the planned posting of a loss on valuation of investment securities as an extraordinary loss.

Note: The above earnings forecasts are based on information available as of the time of the

announcement. The actual results may differ due to a variety of factors in the future.

(3) The Company's response to COVID-19

Amidst the spread of COVID-19, the Company prioritizes the safety of its customers and employees and strives to maintain the stable provision of products and services to its business partners, while taking measures to prevent the spread of the infection, such as teleworking, staggered commuting, teleconferences, web meetings and requirements for employees to receive temperature checks and wear masks.