



May 10, 2024

To whom it may concern

Company	MARUBUN CORPORATION
Representative	Toru Iino CEO and Representative Director (Securities Code:7537 Prime Market)
Contact	Toshihiro Shibuya Officer, Director, Corporate Planning Dept. (Tel: +81-3-3639-3010)

Notice Regarding Determination of Material Issues

Marubun Corporation hereby announces that it has determined material issues that it should prioritize in its efforts to realize a sustainable society and increase its corporate value. Details are as follows:

1. Marubun Group's material issues

The Marubun Group (the “Group”) seeks to achieve its Vision, “Be the unrivaled and most trusted electronics trading company with unique and original values,” to fulfill its Purpose, “Contributing to a brighter future through technologies,” based on the Group’s separately stipulated Basic Sustainability Policy.

As shown in the appendix, the Group determined the material issues that it should prioritize through its business activities in pursuit of the Vision and sustainable growth along with society.

Hereafter, we will proceed with discussions of efforts to address the material issues and the relevant Key Performance Indicators (KPIs) based on the proposed Key Goal Indicators (KGIs) defined from a longer-term perspective, and will also promote sustainability management compatible with our business strategies.

2. Process for determining material issues

(1) Making a long list of candidate items of social themes/issues

The social themes/issues that should be taken into consideration for the Group’s sustainable growth (candidate material issues) were initially identified from, for example, international guidelines and sustainability evaluation institutions' material issues and benchmarks.

(2) Screening the issue items in consideration of our businesses characteristics

The social themes/issues were screened into those that our business units were already working on through their operations as well as those that were identified based on the strategic directions that we should prioritize on a medium- to long-term basis.

(3) Evaluation by internal and external stakeholders

Subsequently 18 priority themes/issues were identified after we comprehensively evaluated the candidate material issues in terms of importance, followed by the summarizing processes based on the perspectives of executive directors, independent directors, corporate officers, presidents of subsidiaries and other perspectives as well based on two criteria, importance for the Group and importance for stakeholders.

(4) Reorganizing candidates and deciding on the final material issues for the Group

The 18 material issues were then reorganized and grouped from environmental, social, human capital,

governance and the Group's business perspectives to determine five material issues for the Group. Based on such finalized material issues, relevant key themes with respect to specific efforts were identified and proposed KGI's were also determined.

(5) Specification of material issues

Following the Sustainability Committee's review of final candidate items, material issues were institutionally determined through a resolution of the Board of Directors.

Marubun Group Material Issues (1/2)

Material Issue	Key theme	Key goal indicator (KGI for target states)
Contribution to restoration and conservation of the global environment and to its sustainability	Promote initiatives for a recirculating society	As a milestone toward achieving carbon neutrality in or before 2050, reduce our in-house GHG emissions (Scopes 1 and 2) to less than 50% of the 2019 level by 2030.
		Ensure all the industrial waste generated in our business activities is properly monitored and managed until it is completely recycled or disposed of.
	Identify and introduce new clean technologies	Continue to be involved in and contribute to the promotion of the resource recycling systems that are needed by society through our business operations and investments.
Realization of a safe, prosperous and sustainable society	Expand activities to contribute to society and local communities	Further expand ecologically sound product lines across consolidated business operations.
		Promote and maintain support for developing the public good and contributing to organizations.
	Offer reliable products, services and stable supply chain infrastructure	Continually encourage employees to participate in social action programs and contribution activities.
		All requests from customers regarding the quality and safety of our products and services are properly addressed.
	Fully obtain our suppliers' understanding and cooperation with our Sustainable Procurement Guidelines.	
	The enhancement of our operational infrastructure and the reliability of our client service operations is realized and maintained at high levels (i.e., our "operational excellence" is effectively achieved and sustained).	
Enhancement of human capital strategies in alignment with our Purpose	Strengthen programs for talent acquisition and development to constitute a highly professional group of employees	Human capital strategies consistent with our Purpose and our business strategies are properly defined for their implementation, and all relevant human capital management measures are effectively implemented.
		Support programs for autonomous career development and the cultivation of human resources are effectively designed, established and functioning.
	Consistently improve employee engagement	Continuously enhance employee engagement through various human capital strategies and HR measures.
		Our Employee Net Promoter Score is always greater than the average for the wholesale industry category that we operate within.
Encourage the empowerment and promotion of employees that are women	Ensure employees that are women are 15% or more of our management-level employees.	

Marubun Group Material Issues (2/2)

Material Issue	Key theme	Key goal indicator (KGI for target states)
Establishment and administration of a solidified group governance framework	Continuously improve stakeholder engagement	Engagement opportunities for our shareholders and investors are sufficiently offered. Through the improvement of IR events and tools, the quality and quantity of the information we disclose is continuously reviewed, and a high reputation is objectively and comparatively established among our stakeholders.
	Reinforce the compliance of all Group companies	Throughout our consolidated Group businesses, all legal and policy compliance is thoroughly ensured. (We have absolutely zero recognized compliance violation incidents outstanding).
	Continuously enhance strategy management and risk management frameworks	Business plans at the Group level are institutionally decided and reviewed in timely manner in light of macroeconomic trends, and the Group's strategic directions are articulately communicated both internally and externally.
		The Group's strategic directions and measures are compatible with the management plans of each business unit as well as with each individual employee's goal setting (via Management by Objectives), and the PDCA cycle is organically and consistently functioning at all levels.
		Integrated risk management is functioning at a high level for the early detection and correction of any specific risk elements or incidents.
		IT systems infrastructure, which is the foundation for managing information, is maintained stably and operated effectively.
Addressing social issues through the development of cutting-edge technologies and solutions	Staying ahead of the change in the demand generated by society, introduce products and services with new added value	Continue to cultivate, identify and deliver products and services with new added value, by way of exploring new potential value for society.
	Solve customers' issues by offering solutions as an electronics trading company	By effectively capturing customers' concerns and needs, continue to offer measures to respond to customer's by leveraging solution development and technological capabilities.
	Initiate innovation through strategic partnerships and collaborations	Products and services in a new scope of business and new business domains created through strategic partnerships and collaborations are contributing to the expansion of business and the growth of the revenue of the Group.