



October 31, 2024

To whom it may concern

Company	MARUBUN CORPORATION
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Notice of Posting of Non-operating Income (Foreign Exchange Gains)

Marubun Corporation (the “Company”) hereby announces that it has posted non-operating profit (foreign exchange gains) in the second quarter of the consolidated fiscal year ending March 31, 2025 (from July 1, 2024 to September 30, 2024).

1. Posting of non-operating income (foreign exchange gains)

The Company posted foreign exchange gains of 1,737 million yen for the second quarter of the consolidated fiscal year ending March 31, 2025 (from July 1, 2024 to September 30, 2024). The foreign exchange gains were due to the fact that settlement gains were generated in the repayment of foreign currency-denominated borrowings corresponding to natural hedge in the second quarter due to the appreciation of the yen during the first six months of the consolidated fiscal year, and the fact that valuation gains were generated due to the valuation of foreign currency-denominated borrowings at the end of the second quarter. Regarding foreign exchange gains/losses for the first six months of the consolidated fiscal year (April 1, 2024 to September 30, 2024), 661 million yen of foreign exchange gains were posted.

The above amount is the foreign exchange gains/losses based on the exchange rate as of the end of the second quarter of the fiscal year ending March 2025, and this amount is subject to change depending on the situation of the exchange rate in the future.

(Note)

Most of the commodity trading of the Company is conducted based on the same currency for purchases and sales, and the Company employs foreign exchange netting. For purchases and sales in different currencies, the Company uses forward exchange contracts to respond to yen-based exchange rate fluctuation risks. In foreign exchange netting, payment for purchases and the collection of sales proceeds are made in the same currency, and differences occur in due dates between payment and collection in most cases. These differences in due dates are handled by procuring working capital in the said currency for the period until sales proceeds are collected. In this manner, a series of relevant transactions, including payment for purchases and collection of sales proceeds and borrowing and repayment, are completed in the said currency, without converting it into yen. Under the accounting standards, on the other hand, all foreign currency-denominated transactions, including those that require no conversion into yen, need to be evaluated and recorded in yen in individual phases of transactions by applying exchange rates at the time when a transaction is concluded or when accounts are settled. Accordingly, in foreign exchange netting, when there is misalignment in due dates for purchases and sales, gross operating profit may be negatively affected by an appreciating yen (decrease in the yen value of foreign currency denominated gross profit at the time of sales), while exchange gains in non-operating income (decrease in the yen value of liabilities) may be generated. On the other hand, gross operating profit may be positively affected by a weakening yen (increase in the yen value of foreign currency denominated gross profit at the time of sales), while exchange losses in non-operating expenses (increase

in the yen value of liabilities) may be generated. In transactions straddling two accounting periods when the yen is appreciating, foreign-currency denominated liabilities are marked to market and recognized as non-operating income (foreign exchange gains) in the current fiscal year, and a negative impact from gross profit may become evident with the completion of the transaction in the next quarter or thereafter (by way of recording of sales and cost of inventories sold).

2. Impact on business results

The posting of the above-mentioned non-operating profit (foreign exchange gains) has been reflected in the Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (under Japanese GAAP) announced today.

As noted in the above note, the Company generally uses natural hedge or forward exchange contract hedging to manage foreign exchange fluctuation risk on a yen basis. For information on the Company's consolidated business results for the fiscal year ending March 2025, please refer to the Notice of Differences between Forecast and Actual Results for the First Half of the Fiscal Year Ending March 2025 and Revision of Full-Year Financial Results Forecast released today.