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Summary of Financial Results for the Fiscal Year Ended August 31, 2021 (Japanese GAAP) (Non-consolidated)

October 8, 2021

Name of Listed Company: Marumae Co., Ltd. Stock Exchange Listing: Tokyo
 Security Code: 6264
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Scheduled date of General Meeting of Shareholders: November 26, 2021

Scheduled start date of dividends payment: November 29, 2021

Scheduled date for submission of the securities report: November 29, 2021

Preparation of supplementary materials for the financial results: Yes

Earnings release conference: Yes (for institutional investors)

Note: Amounts are rounded down to the nearest million yen.

1. Financial Results for the Fiscal Year Ended August 31, 2021 (September 1, 2020 to August 31, 2021)

(1) Operating Results

Note: Percentages indicate changes from the previous fiscal year.

	Fiscal year ended			
	August 31, 2020		August 31, 2021	
		%		%
Net sales (Millions of yen)	4,388	9.2	5,369	22.4
Operating profit (Millions of yen)	896	80.8	1,207	34.7
Ordinary profit (Millions of yen)	834	74.8	1,200	43.9
Profit (Millions of yen)	690	58.2	902	30.7
Earnings per share of common stock (Yen)				
Basic	53.34		70.51	
Diluted	-		-	
Return on equity (%)	12.5		15.0	
Ordinary profit to total assets (%)	9.7		12.9	
Operating profit to net sales (%)	20.4		22.5	

Reference: Share of profit (loss) of entities accounted for using equity method: - million yen (for the fiscal year ended August 31, 2021)

- million yen (for the fiscal year ended August 31, 2020)

(2) Financial Position

	As of	
	August 31, 2020	August 31, 2021
Total assets (Millions of yen)	8,894	9,742
Net assets (Millions of yen)	5,706	6,327
Equity ratio (%)	64.2	64.9
Net assets per share (Yen)	445.69	494.20
Reference:	Equity: 6,327 million yen (as of August 31, 2021)	
	5,706 million yen (as of August 31, 2020)	

(3) Cash Flows

	Fiscal year ended	
	August 31, 2020	August 31, 2021
Cash flows from operating activities (Millions of yen)	1,190	1,062
Cash flows from investing activities (Millions of yen)	(337)	(809)
Cash flows from financing activities (Millions of yen)	(575)	(291)
Cash and cash equivalents at end of period (Millions of yen)	2,540	2,505

2. Dividends

	Fiscal year ended		Fiscal year ending
	August 31, 2020	August 31, 2021	August 31, 2022 (Forecast)
1Q-end dividends per share (Yen)	-	-	-
2Q-end dividends per share (Yen)	5.00	10.00	18.00
3Q-end dividends per share (Yen)	-	-	-
Year-end dividends per share (Yen)	12.00	14.00	18.00
Annual dividends per share (Yen)	17.00	24.00	36.00
Total dividends (Millions of yen)	218	307	
Payout ratio (%)	31.9	34.0	37.0
Dividend on equity (%)	4.0	5.1	

3. Financial Forecasts for the Fiscal Year Ending August 31, 2022 (September 1, 2021 to August 31, 2022)

Note: Percentages indicate changes from the corresponding period of the previous fiscal year.

	Six months ending February 28, 2022		Fiscal year ending	
	(Cumulative)		August 31, 2022	
		%		%
Net sales (Millions of yen)	3,540	-	7,200	-
Operating profit (Millions of yen)	900	-	1,800	-
Ordinary profit (Millions of yen)	890	-	1,780	-
Profit (Millions of yen)	623	-	1,245	-
Earnings per share (Yen)	48.68		97.30	

Note: From the beginning of the fiscal year ending August 31, 2022, the Company applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. The financial forecasts presented above include the effects of the new standards. Accordingly, the percentages of changes from the corresponding period of the previous fiscal year are not presented.

Notes

(1) Changes in accounting policies, changes in accounting estimates and restatements

1. Changes in accounting policies along with changes in accounting standards: None
2. Changes in accounting policies, other than those included in 1. above: None
3. Change in accounting estimates: None
4. Restatements: None

(2) Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury shares)

As of August 31, 2021:	13,053,000 shares
As of August 31, 2020:	13,053,000 shares

2. Number of shares of treasury shares

As of August 31, 2021:	250,196 shares
As of August 31, 2020:	250,196 shares

3. Average number of shares outstanding

Fiscal year ended August 31, 2021:	12,802,804 shares
Fiscal year ended August 31, 2020:	12,945,749 shares

* Status of implementation of audit procedures

This Summary of Financial Results is exempt from the audit procedures by certified public accountants or audit firms.

* Explanation regarding the appropriate use of financial forecasts and other notes

The financial forecasts and other forward-looking statements presented in this Summary of Financial Results are based on information available to the Company at the time of the issuance of this report, and certain assumptions judged to be reasonable by the Company. Actual financial results may differ significantly due to various factors. Please refer to "1. Analysis on Operating Results and Financial Position, (1) Analysis on Operating Results" on page 2 for the assumptions used for financial forecasts and other notes on their use.

Contents

1. Analysis on Operating Results and Financial Position	2
(1) Analysis on Operating Results	2
(2) Analysis on Financial Position	3
(3) The Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years	4
2. Status of the Corporate Group	4
3. Basic Approach to the Selection of Accounting Standards	4
4. Financial Statements and Primary Notes	5
(1) Balance Sheet	5
(2) Statement of Income	9
(3) Statement of Changes in Equity	12
(4) Statement of Cash Flows	14
(5) Notes to the Financial Statements	16
5. Others	19
(1) Board Member Changes	19
(2) Status of Production, Orders, and Sales	19

1. Analysis on Operating Results and Financial Position

(1) Analysis on Operating Results

Operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy remained in a severe situation due to the impact of the novel coronavirus (COVID-19), and consumer spending was also sluggish. However, in the semiconductor sector, which is our main sales sector, demand for logic devices*1 expanded rapidly amid growing demand for memory*2, with business activity reaching a record high. Regarding the flat panel display (FPD) sector, investment in Generation 6 organic light-emitting diodes (OLEDs) for the Chinese market recovered rapidly. In addition, investment in Generation 10.5 LCD panels also showed signs of recovery.

Under these economic circumstances, in the semiconductor sector, mass production for new customers started, and orders for new product types from existing customers increased. In the FPD sector, an expansion of orders using large-scale electron beam welding (EBW)*3 contributed to a generally strong performance.

Regarding expenses, while the ratio of labor costs and depreciation was reduced compared to initial expectations, it rose from the latest forecast due to a rapid expansion of production capacity toward the end of the fiscal year. In addition, there was an increase in outsourcing costs due to orders continuing to exceed production capacity, as well as an increase in provision for loss on order received related to some unprofitable products, as a result of a longer production lead time. Research and development expenses also rose due to an unexpectedly rapid increase in testing, in response to requests from new customers.

As a result, the financial results for the fiscal year under review were net sales of 5,369 million yen (year-on-year growth of 22.4%), operating profit of 1,207 million yen (year-on-year growth of 34.7%), ordinary profit of 1,200 million yen (year-on-year growth of 43.9%), and profit of 902 million yen (year-on-year growth of 30.7%).

Since the Company has only one segment, the precision parts business, a description by segment is omitted.

*1 Logic devices are semiconductor devices that perform logical arithmetic and processing.

*2 Memories are semiconductor devices that store memory.

*3 Electron beam welding is the process of welding in a vacuum using a high-output electron beam, as programmed.

Forecast for the next fiscal year

In the semiconductor sector, which is our main sales sector, the Company expects the market environment to remain at a high level for a while, especially for logic devices, and anticipates a strong outlook for the fiscal year ending August 31, 2022, due to full-fledged orders from new customers.

The current recovery trend in FPD investment is also expected to continue for some time, and the Company plans to take orders utilizing large-scale EBW.

In other sectors, the Company will continue to seek orders, taking advantage of its versatile production capacity.

The Company plans to make a capital investment of over 1.4 billion yen. Labor costs and depreciation are expected to increase, as the Company continues to expand production capacity for the next fiscal year onward, in addition to achieving the current fiscal year forecast of net sales of 7.2 billion yen.

Based on these circumstances, for the next fiscal year, the Company forecasts net sales of 7,200 million yen, operating profit of 1,800 million yen, ordinary profit of 1,780 million yen, and profit of 1,245 million yen.

(2) Analysis on Financial Position

1. Assets, Liabilities and Net Assets

Assets

Total assets at the end of the fiscal year under review increased by 848 million yen compared to the end of the previous fiscal year, to 9,742 million yen.

Current assets increased by 443 million yen compared to the end of the previous fiscal year, to 4,813 million yen. This was mainly due to increases in electronically recorded monetary claims – operating and inventories of 283 million yen and 159 million yen, respectively.

Non-current assets increased by 404 million yen compared to the end of the previous fiscal year, to 4,929 million yen. This was mainly due to an increase in acquisition of machinery and equipment of 498 million yen, offsetting a decrease in construction in progress of 94 million yen.

Liabilities

Total liabilities at the end of the fiscal year under review increased by 227 million yen compared to the end of the previous fiscal year, to 3,415 million yen.

Current liabilities increased by 268 million yen compared to the end of the previous fiscal year, to 1,452 million yen. This was mainly due to increases in accounts payable – other and accounts payable – trade of 185 million yen and 133 million yen, respectively, offsetting a decrease in other current liabilities of 182 million yen.

Non-current liabilities decreased by 41 million yen compared to the end of the previous fiscal year, to 1,963 million yen. This was mainly due to a decrease in repayments of long-term borrowings of 47 million yen, offsetting an increase in provision for retirement benefits of 6 million yen.

Net assets

Total net assets at the end of the fiscal year under review increased by 621 million yen compared to the end of the previous fiscal year, to 6,327 million yen.

This was mainly due to an increase in retained earnings from the recording of profit. As a result, the equity ratio increased to 64.9%.

2. Cash Flows

Cash and cash equivalents (hereinafter, refer to as “cash”) at the end of the fiscal year under review decreased by 35 million yen compared to the end of the previous fiscal year, to 2,505 million yen.

The major factors were cash flows of 1,062 million yen provided by operating activities, cash flows of 809 million yen used in investing activities such as the purchase of property, plant and equipment, and cash flows of 291 million yen used in financing activities such as repayments of long-term borrowings.

The status regarding cash flows for the fiscal year under review is described below.

Cash flows from operating activities

Net cash provided by operating activities was 1,062 million yen (compared to 1,190 million yen provided in the previous fiscal year). The major increasing factors were profit before income taxes of 1,222 million yen and depreciation of 640 million yen, while the major decreasing factors were an increase in trade receivables of 309 million yen, income taxes paid of 364 million yen, and a decrease in accrued consumption taxes of 183 million yen.

Cash flows from investing activities

Net cash used in investing activities was 809 million yen (compared to 337 million yen used in the previous fiscal year). This was mainly due to the purchase of property, plant and equipment of 805 million yen.

Cash flows from financing activities

Net cash used in financing activities was 291 million yen (compared to 575 million yen used in the previous fiscal year). This was mainly due to proceeds from long-term borrowings of 400 million yen, repayments of long-term borrowings of 409 million yen, and dividends paid of 281 million yen.

(Reference) Changes in cash flow-related indicators

	FY08/17	FY08/18	FY08/19	FY08/20	FY08/21
Equity ratio (%)	57.9	63.5	63.7	64.2	64.9
Equity ratio based on market value (%)	278.1	187.8	138.1	127.4	263.3
Interest-bearing debt to cash flow ratio (Years)	2.5	2.8	2.5	2.0	2.2
Interest coverage ratio (Times)	29.2	50.7	56.1	66.3	65.2

Equity ratio: Shareholders' equity / total assets

Equity ratio based on market value: Total market capitalization / total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debts / cash flows

Interest coverage ratio: Cash flows / interest payment

(Notes) 1. Total market capitalization was calculated based on the total number of shares issued, excluding treasury shares.

2. The cash flows shown above were based on cash flows from operating activities.

3. Interest-bearing debt includes all debts that yielded interest on the balance sheet.

(3) The Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The return of profits to shareholders is one of the most important management policies of the Company.

Regarding the future profit distribution, the Company aims to distribute profit based on profitability, and calculates dividends by incorporating the concept of a dividend payout ratio, while taking into consideration its operating results and financial conditions, along with the implementation of investments based on a long-term perspective. As for the medium-term target for the dividend payout ratio, the Company aims to achieve a dividend payout ratio of 30% or higher during the current medium-term business plan (from the fiscal year ended August 31, 2019 to the fiscal year ending August 31, 2022). In addition, it is also our policy to pay a stable dividend of at least 10 yen per share for the full year, unless the Company records a loss in its final profit and loss.

For the next fiscal year, the Company plans to pay an interim dividend of 18 yen and a year-end dividend of 18 yen, for a total of 36 yen.

2. Status of the Corporate Group

Since the Company has no subsidiaries or affiliates, there is no applicable information.

3. Basic Approach to the Selection of Accounting Standards

Since the Company does not prepare consolidated financial statements, it has prepared financial statements under Japanese GAAP, in consideration of the burden of establishing a system to prepare financial statements based on International Financial Reporting Standards.

4. Financial Statements and Primary Notes

(1) Balance Sheet

(Thousands of yen)

	As of August 31, 2020	As of August 31, 2021
ASSETS		
Current assets		
Cash and deposits	2,540,381	2,505,018
Notes receivable – trade	18,229	15,807
Accounts receivable – trade	701,275	729,829
Electronically recorded monetary claims – operating	656,828	940,160
Finished goods	6,402	15,410
Work in process	426,814	570,241
Raw materials and supplies	5,256	12,226
Prepaid expenses	13,750	24,025
Other	3,619	4,342
Allowance for doubtful accounts	(2,888)	(3,537)
Total current assets	4,369,671	4,813,526
Non-current assets		
Property, plant and equipment		
Buildings	2,051,891	2,150,367
Accumulated depreciation	(458,588)	(558,679)
Buildings, net	1,593,303	1,591,688
Structures	131,626	147,582
Accumulated depreciation	(61,748)	(69,430)
Structures, net	69,877	78,152
Machinery and equipment	4,659,742	5,629,322
Accumulated depreciation	(2,884,457)	(3,355,730)
Machinery and equipment, net	1,775,284	2,273,591
Vehicles	101,001	104,453
Accumulated depreciation	(75,932)	(88,536)
Vehicles, net	25,068	15,916
Tools, furniture and fixtures	54,557	56,974
Accumulated depreciation	(39,683)	(44,199)
Tools, furniture and fixtures, net	14,874	12,775
Land	766,549	766,549
Leased assets	4,075	4,075
Accumulated depreciation	(339)	(1,018)
Leased assets, net	3,735	3,056

	As of August 31, 2020	As of August 31, 2021
Construction in progress	109,163	14,922
Total property, plant and equipment	4,357,856	4,756,653
Intangible assets		
Software	65,198	51,776
Other	45	26
Total intangible assets	65,244	51,803
Investments and other assets		
Investment securities	7,000	7,000
Investments in capital	111	111
Long-term prepaid expenses	3,464	2,309
Deferred tax assets	90,428	110,535
Other	690	690
Total investments and other assets	101,694	120,646
Total non-current assets	4,524,795	4,929,102
Total assets	8,894,466	9,742,628

(Thousands of yen)

	As of August 31, 2020	As of August 31, 2021
LIABILITIES		
Current liabilities		
Accounts payable – trade	115,698	249,270
Current portion of long-term borrowings	389,512	427,012
Lease obligations	679	679
Accounts payable – other	93,343	278,632
Accrued expenses	123,315	164,489
Income taxes payable	244,704	219,853
Advances received	3,356	48,067
Deposits received	7,060	8,462
Unearned revenue	245	143
Provision for loss on order received	19,500	36,046
Provision for share-based payment	-	16,000
Other	186,298	3,715
Total current liabilities	1,183,714	1,452,372
Non-current liabilities		
Long-term borrowings	1,970,706	1,923,694
Long-term lease obligations	3,056	2,377
Provision for retirement benefits	18,953	25,251
Asset retirement obligations	1,069	1,069
Guarantee deposits received	2,700	2,700
Other	8,172	8,029
Total non-current liabilities	2,004,658	1,963,121
Total liabilities	3,188,372	3,415,494
NET ASSETS		
Shareholders' equity		
Share capital	1,241,157	1,241,157
Capital surplus		
Legal capital surplus	1,125,157	1,125,157
Other capital surplus		
Gain on disposal of treasury shares	813,184	813,184
Total capital surplus	1,938,342	1,938,342
Retained earnings		
Legal retained earnings	14,112	14,112
Other retained earnings		
Reserve for tax purpose reduction entry	15,847	11,885

	As of August 31, 2020	As of August 31, 2021
Retained earnings brought forward	2,658,606	3,283,609
Total retained earnings	2,688,566	3,309,607
Treasury shares	(161,971)	(161,971)
Total shareholders' equity	5,706,094	6,327,134
Total net assets	5,706,094	6,327,134
Total liabilities and net assets	8,894,466	9,742,628

(2) Statement of Income

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Net sales	4,388,522	5,369,639
Cost of sales		
Beginning finished goods inventory	12,186	6,402
Cost of products manufactured	2,990,118	3,566,754
Total	3,002,305	3,573,157
Transfer to other account	13,666	23,895
Cost of lease revenue	26,083	22,721
Ending finished goods inventory	6,402	19,703
Cost of sales	3,008,319	3,552,280
Gross profit	1,380,203	1,817,358
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	94,115	98,785
Salaries and allowances	130,375	167,057
Retirement benefit expenses	614	1,704
Share-based payment expenses	-	16,000
Depreciation	31,777	28,610
Taxes and dues	36,796	29,599
Commission expenses	62,622	84,373
Provision of allowance for doubtful accounts	1,137	649
Research and development expenses	28,259	62,238
Other	98,268	120,995
Total selling, general and administrative expenses	483,966	610,012
Operating profit	896,236	1,207,345
Non-operating income		
Interest income	472	32
Dividend income	2	2
Foreign exchange gains	-	3,746
Insurance claim income	-	4,392
Other	1,575	2,689
Total non-operating income	2,050	10,862
Non-operating expenses		
Interest expenses	17,961	16,232
Foreign exchange losses	770	-

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Compensation expenses	44,461	1,825
Other	1,008	1
Total non-operating expenses	64,201	18,058
Ordinary profit	834,086	1,200,149
Extraordinary income		
Gain on sales of non-current assets	4,272	3,635
Subsidy income	138,499	18,814
Total extraordinary income	142,771	22,449
Extraordinary losses		
Loss on retirement of non-current assets	22	158
Total extraordinary losses	22	158
Profit before income taxes	976,835	1,222,441
Income taxes – current	307,073	339,845
Income taxes – deferred	(20,799)	(20,106)
Total income taxes	286,273	319,738
Profit	690,561	902,702

Statement of Cost of Products Manufactured

	Note	Fiscal year ended August 31, 2020		Fiscal year ended August 31, 2021	
		Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)	Ratio (%)
I. Cost of materials		652,541	21.8	844,629	22.6
II. Labor costs		919,799	30.7	1,098,188	29.4
III. Expenses		1,424,852	47.5	1,787,224	47.9
Gross manufacturing cost	*	2,997,193	100.0	3,730,042	100.0
Beginning inventories of work in process		419,739		426,814	
Total		3,416,933		4,156,857	
Ending inventories of work in process		426,814		590,102	
Cost of products manufactured		2,990,118		3,566,754	

Cost accounting methods

The cost accounting method is based on individual cost accounting.

(Note) * The main breakdown is as follows.

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Outsourcing processing cost (Thousands of yen)	512,515	665,994
Depreciation (Thousands of yen)	510,532	577,946
Provision for loss on order received (Thousands of yen)	6,200	40,700

(3) Statement of Changes in Equity

Fiscal year ended August 31, 2020

(Thousands of yen)

	Shareholders' equity										Total net assets
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings			
						Reserve for tax purpose reduction entry	Retained earnings brought forward				
Balance at beginning of period	1,241,157	1,125,157	813,184	1,938,342	14,112	20,369	2,094,051	2,128,533	(106)	5,307,926	5,307,926
Changes during period											
Dividends of surplus							(130,528)	(130,528)		(130,528)	(130,528)
Reversal of reserve for tax purpose reduction entry						(4,521)	4,521	-		-	-
Profit							690,561	690,561		690,561	690,561
Purchase of treasury shares								-	(161,865)	(161,865)	(161,865)
Total changes during period	-	-	-	-	-	(4,521)	564,555	560,033	(161,865)	398,168	398,168
Balance at end of period	1,241,157	1,125,157	813,184	1,938,342	14,112	15,847	2,658,606	2,688,566	(161,971)	5,706,094	5,706,094

Fiscal year ended August 31, 2021

(Thousands of yen)

	Shareholders' equity										Total net assets
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings			
						Reserve for tax purpose reduction entry	Retained earnings brought forward				
Balance at beginning of period	1,241,157	1,125,157	813,184	1,938,342	14,112	15,847	2,658,606	2,688,566	(161,971)	5,706,094	5,706,094
Changes during period											
Dividends of surplus							(281,661)	(281,661)		(281,661)	(281,661)
Reversal of reserve for tax purpose reduction entry						(3,961)	3,961	-		-	-
Profit							902,702	902,702		902,702	902,702
Total changes during period	-	-	-	-	-	(3,961)	625,002	621,040	-	621,040	621,040
Balance at end of period	1,241,157	1,125,157	813,184	1,938,342	14,112	11,885	3,283,609	3,309,607	(161,971)	6,327,134	6,327,134

(4) Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Cash flows from operating activities		
Profit before income taxes	976,835	1,222,441
Depreciation	568,393	640,248
Increase (decrease) in allowance for doubtful accounts	1,137	649
Increase (decrease) in provision for loss on order received	6,200	16,546
Increase (decrease) in provision for share-based payment	-	16,000
Increase (decrease) in provision for retirement benefits	4,499	6,298
Interest and dividend income	(474)	(34)
Insurance claim income	-	(4,392)
Interest expenses	17,961	16,232
Foreign exchange losses (gains)	770	(3,746)
Gain on sales of non-current assets	(4,272)	(3,635)
Loss on retirement of non-current assets	22	158
Decrease (increase) in trade receivables	(541,808)	(309,464)
Decrease (increase) in inventories	(2,625)	(159,404)
Increase (decrease) in trade payables	(7,441)	133,572
Decrease (increase) in consumption taxes refund receivable	-	(253)
Increase (decrease) in accrued consumption taxes	167,182	(183,303)
Decrease (increase) in other current assets	15,080	(10,677)
Increase (decrease) in other current liabilities	58,681	51,914
Other, net	(12,246)	9,578
Subtotal	1,247,893	1,438,728
Interest and dividends received	474	34
Interest paid	(17,767)	(16,291)
Proceeds from insurance income	-	4,392
Income taxes refund	42,155	-
Income taxes paid	(82,236)	(364,685)
Net cash provided by operating activities	1,190,519	1,062,178
Cash flows from investing activities		
Purchase of property, plant and equipment	(331,571)	(805,878)
Proceeds from sale of property, plant and equipment	4,272	3,635
Purchase of intangible assets	(10,061)	(7,644)
Net cash used in investing activities	(337,360)	(809,886)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	-	100,000
Repayments of short-term borrowings	-	(100,000)
Proceeds from long-term borrowings	100,000	400,000
Repayments of long-term borrowings	(382,012)	(409,512)
Purchase of treasury shares	(161,865)	-
Dividends paid	(131,734)	(281,209)
Repayments of finance lease obligations	(339)	(679)
Net cash used in financing activities	(575,951)	(291,400)
Effect of exchange rate change on cash and cash equivalents	(770)	3,746
Net increase (decrease) in cash and cash equivalents	276,437	(35,363)
Cash and cash equivalents at beginning of period	2,263,944	2,540,381
Cash and cash equivalents at end of period	2,540,381	2,505,018

(5) Notes to the Financial Statements**Going concern assumptions: None****Changes in the presentation method****Statement of income**

The accounting categories, "rental income from land and buildings," "rental income from buildings," and "commission income" of "non-operating income," which were posted separately in the previous fiscal year, are included in "other" from the fiscal year under review. The reason for this is that the total amount of these items accounts for less than 10/100 of the total non-operating profit.

As a result, the Company has reclassified "rental income from land and buildings" of 293 thousand yen, "rental income from buildings" of 580 thousand yen, and "commission income" of 546 thousand yen under "non-operating profit," as "other" in the statement of income for the previous fiscal year.

Profit or loss accounted for using equity method

Fiscal year ended August 31, 2020 (from September 1, 2019 to August 31, 2020): None

Fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021): None

Additional information

Accounting estimates associated with the COVID-19 pandemic

The worldwide spread of COVID-19 has had a widespread impact on the economy and business activities. The Company forecasts that the outlook for the domestic economy remains uncertain.

In light of the external information available as of the end of the fiscal year ended August 31, 2021, the Company makes accounting estimates based on the assumption that the effect on the Company's financial results will be negligible.

However, if the infection status of COVID-19 is prolonged, or if its effect on the economic environment changes, it is possible that it could impact the Company's financial position and operating results for the next fiscal year.

Segment information, etc.

Segment information

Fiscal year ended August 31, 2020 (from September 1, 2019 to August 31, 2020)

Since the Company has only one segment, the precision parts business, a description of segment information is omitted.

Fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021)

Since the Company has only one segment, the precision parts business, a description of segment information is omitted.

Related information

Fiscal year ended August 31, 2020 (from September 1, 2019 to August 31, 2020)

1. Information by product and service

Since the Company has a single segment, and there are no product and service categories to be classified, this information is omitted.

2. Information by region

(1) Net sales

This information is omitted, because sales to external customers in Japan account for more than 90% of net sales in the statement of income.

(2) Property, plant and equipment

This information is not applicable, because the Company has no property, plant and equipment located outside of Japan.

3. Information by major customer

Name of customer	Net sales (Thousands of yen)	Name of related segment
NHK SPRING CO., LTD.	1,347,614	Precision parts business
Tokyo Electron Miyagi Ltd.	1,260,932	Precision parts business
Tokyo Electron Technology Solutions Ltd.	636,481	Precision parts business
Tokyo Electron Kyushu Ltd.	475,091	Precision parts business

Fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021)

1. Information by product and service

Since the Company has a single segment, and there are no product and service categories to be classified, this information is omitted.

2. Information by region

(1) Net sales

This information is omitted, because sales to external customers in Japan account for more than 90% of net sales in the statement of income.

(2) Property, plant and equipment

This information is not applicable, because the Company has no property, plant and equipment located outside of Japan.

3. Information by major customers

Name of customer	Net sales (Thousands of yen)	Name of related segment
NHK SPRING CO., LTD.	2,024,934	Precision parts business
Tokyo Electron Miyagi Ltd.	1,394,737	Precision parts business

Information on impairment loss on non-current assets by reportable segment

Fiscal year ended August 31, 2020 (from September 1, 2019 to August 31, 2020): None

Fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021): None

Information on amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended August 31, 2020 (from September 1, 2019 to August 31, 2020): None

Fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021): None

Information on gain on bargain purchase by reportable segment

Fiscal year ended August 31, 2020 (from September 1, 2019 to August 31, 2020): None

Fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021): None

Per share information

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Net assets per share (Yen)	445.69	494.20
Earnings per share (Yen)	53.34	70.51

(Notes) 1. Diluted earnings per share is not shown because there are no residual shares.

2. The basis for calculating earnings per share is as follows.

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Profit (Thousands of yen)	690,561	902,702
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to common stock (Thousands of yen)	690,561	902,702
Average number of shares outstanding (Shares)	12,945,749	12,802,804

Significant subsequent event: None

Omission of disclosure

Notes regarding the items below are omitted, since disclosure regarding these items is not considered to be necessary in the summary of financial results.

Significant accounting policies, balance sheet, statement of income, statement of changes in equity, statement of cash flows, financial instruments, securities, retirement benefits, tax effect accounting, asset retirement obligations, and related party information.

5. Others

(1) Board Member Changes: None

(2) Status of Production, Orders, and Sales

1. Production results

Production results by product category for the fiscal year under review are as follows.

	Fiscal year ended August 31, 2021	Percentage change from the previous fiscal year (%)
Semiconductor production equipment components (Thousands of yen)	4,232,048	32.4
FPD production equipment components (Thousands of yen)	841,777	(20.2)
Others (Thousands of yen)	168,168	697.6
Total (Thousands of yen)	5,241,993	22.3

(Notes) 1. Amounts are based on sales prices.

2. The above amounts do not include consumption taxes.

2. Status of orders received

Orders received by product category for the fiscal year under review are as follows.

	Fiscal year ended August 31, 2021			
	Amounts of orders received	Percentage change from the previous fiscal year (%)	Order backlog	Percentage change from the previous fiscal year (%)
Semiconductor production equipment components (Thousands of yen)	4,850,980	43.1	1,209,518	108.6
FPD production equipment components (Thousands of yen)	1,160,752	24.3	527,572	157.1
Others (Thousands of yen)	229,729	923.4	67,728	998.3
Total (Thousands of yen)	6,241,463	43.6	1,804,819	128.1

(Notes) 1. Amounts are based on sales prices.

2. The above amounts do not include consumption taxes.

3. Sales results

Sales results by product category for the fiscal year under review are as follows.

	Fiscal year ended August 31, 2021	Percentage change from the previous fiscal year (%)
Semiconductor production equipment components (Thousands of yen)	4,221,291	31.8
FPD production equipment components (Thousands of yen)	838,357	(21.5)
Others (Thousands of yen)	309,990	165.1
Total (Thousands of yen)	5,369,639	22.4

(Note) The above amounts do not include consumption taxes.