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## Summary of Financial Results for the Fiscal Year Ended August 31, 2022 (Japanese GAAP) (Non-consolidated)

October 7, 2022

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 25, 2022

Scheduled start date of dividends payments: November 28, 2022

Scheduled date for submission of the securities report: November 28, 2022

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, 2022 (September 1, 2021, to August 31, 2022)

#### (1) Operating Results

Note: Percentages indicate changes from the previous fiscal year.

	Fiscal year ended			
	August 31, 2021		August 31, 2022	
		%		%
Net sales (millions of yen)	5,369	22.4	8,585	59.9
Operating profit (millions of yen)	1,207	34.7	2,361	95.6
Ordinary profit (millions of yen)	1,200	43.9	2,366	97.2
Profit (millions of yen)	902	30.7	1,817	101.3
Earnings per share of common stock (yen)				
Basic	70.51		142.58	
Diluted	-		-	
Return on equity (%)	15.0		26.7	
Ordinary profit to total assets (%)	12.9		21.2	
Operating profit to net sales (%)	22.5		27.5	

Reference: Share of profit (loss) of entities accounted for using the equity method: -million yen (for the fiscal year ended August 31, 2022)

-million yen (for the fiscal year ended August 31, 2021)

Note: From the beginning of the fiscal year ended August 31, 2022, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. Figures for the fiscal year ended August 31, 2022, include the effects of the new standards. However, the changes in percent from the same period of the previous fiscal year are calculated based on the financial results for the same period of the previous fiscal year prior to the application of the standards, as their impact is immaterial.

## (2) Financial Position

	As of	
	August 31, 2021	August 31, 2022
Total assets (millions of yen)	9,742	12,552
Net assets (millions of yen)	6,327	7,299
Equity ratio (%)	64.9	58.1
Net assets per share (yen)	494.20	578.06
Reference:	Equity: 7,299 million yen (as of August 31, 2022)	
	6,327 million yen (as of August 31, 2021)	

Note: From the beginning of the fiscal year ended August 31, 2022, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. Figures for the fiscal year ended August 31, 2022, include the effects of the new standards.

## (3) Cash Flows

	Fiscal year ended	
	August 31, 2021	August 31, 2022
Cash flows from operating activities (millions of yen)	1,062	2,227
Cash flows from investing activities (millions of yen)	(809)	(1,744)
Cash flows from financing activities (millions of yen)	(291)	8
Cash and cash equivalents at end of period (millions of yen)	2,505	3,011

**2. Dividends**

	Fiscal year ended		Fiscal year ending
	August 31, 2021	August 31, 2022	August 31, 2023 (forecast)
1Q-end dividends per share (yen)	-	-	-
2Q-end dividends per share (yen)	10.00	22.00	18.00
3Q-end dividends per share (yen)	-	-	-
Year-end dividends per share (yen)	14.00	26.00	18.00
Annual dividends per share (yen)	24.00	48.00	36.00
Total dividends (millions of yen)	307	610	
Payout ratio (%)	34.0	33.7	37.9
Dividend on equity (%)	5.1	9.0	

**3. Financial Forecasts for the Fiscal Year Ending August 31, 2023 (September 1, 2022, to August 31, 2023)**

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

	Six months ending February 28, 2023		Fiscal year ending	
	(cumulative)		August 31, 2023	
		%		%
Net sales (millions of yen)	4,180	5.5	8,700	1.3
Operating profit (millions of yen)	780	(33.6)	1,680	(28.9)
Ordinary profit (millions of yen)	770	(34.3)	1,660	(29.9)
Profit (millions of yen)	556	(33.5)	1,200	(33.9)
Earnings per share (yen)	44.03		95.03	

## Notes

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

1. Changes in accounting policies along with changes in accounting standards: Yes
2. Changes in accounting policies other than those included in 1 above: None
3. Changes 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, 2022:	13,053,000 shares
As of August 31, 2021:	13,053,000 shares

## 2. Number of treasury shares

As of August 31, 2022:	426,051 shares
As of August 31, 2021:	250,196 shares

## 3. Average number of shares outstanding

Fiscal year ended August 31, 2022:	12,743,645 shares
Fiscal year ended August 31, 2021:	12,802,804 shares

## \*Status of implementation of audit procedures

This Summary of Financial Results is exempt from 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 of Operating Results and Financial Position, (1) Analysis of Operating Results" on page 2 for the assumptions used for financial forecasts and other notes on their use.

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## 1. Analysis of Operating Results and Financial Position

### (1) Analysis of Operating Results

#### Operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy has been picking up moderately, supported by the effects of the policies toward the novel coronavirus (COVID-19). However, the outlook remains uncertain due to the prolonged international unrest over Russia's invasion of Ukraine, the rapid depreciation of the yen, and others.

In the semiconductor sector, which is our main sales sector, the market environment remained favorable for both logic\* and memory\*\* devices.

Regarding the flat panel display (FPD) sector, although investment in Generation 10.5 LCD panels and Generation 6 organic light-emitting diodes (OLEDs) continued, investment for LCD panels began to show signs of stagnation toward the end of the period.

Under these economic circumstances, in the semiconductor sector, mass production for new customers as well as orders from existing customers remained strong.

In the FPD sector, orders for LCDs remained stagnant while those for OLEDs showed strong performance.

Other sectors grew significantly due to orders for solar cell production equipment parts.

On the cost front, due to the increase in production capacity, there were increases in depreciation and labor costs.

As a result, the financial results for the fiscal year under review were net sales of 8,585 million yen (year-on-year growth of 59.9%), operating profit of 2,361 million yen (year-on-year growth of 95.6%), ordinary profit of 2,366 million yen (year-on-year growth of 97.2%), and profit of 1,817 million yen (year-on-year growth of 101.3%).

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

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

\*\* Memory refers to semiconductor devices that store memory.

#### Forecast for the next fiscal year

In the semiconductor sector, which is our main sales sector, there has been an overall slowdown in the equipment market due to sluggish final demand for smartphones, PCs, and other products. At present, the Company expects the market to remain strong until the first quarter of the fiscal year ending August 31, 2023, but then stagnate through the second and third quarters of the fiscal year. However, due to the prospects of a certain level of demand for consumables and new orders from new customers, the Company expects no major declines in its business for the fiscal year ending August 31, 2023.

Regarding the FPD sector, it is expected that although G10.5 LCD panels will stagnate until the second half of next year, G6 and G8 OLEDs will remain firm, and the Company will expand its market share by acquiring orders for new types of products.

In other sectors, the equipment market for solar cells is expected to grow. The Company will strive to receive orders by taking advantage of the extra capacity that resulted from the stagnation of the FPD sector.

Capital expenditures are expected to be slightly less than 1.8 billion yen, mainly for equipment that has already been ordered. As for expenses, depreciation and labor costs are expected to rise in line with the increase in production capacity.

Based on these circumstances, for the next fiscal year, the Company forecasts net sales of 8,700 million yen, operating profit of 1,680 million yen, ordinary profit of 1,660 million yen, and profit of 1,200 million yen.

## **(2) Analysis of Financial Position**

### **1. Assets, Liabilities, and Net Assets**

#### **Assets**

Total assets at the end of the fiscal year under review increased by 2,810 million yen compared to the end of the previous fiscal year to 12,552 million yen.

Current assets increased by 1,778 million yen compared to the end of the previous fiscal year to 6,591 million yen. This was mainly due to increases in accounts receivable – trade (up 554 million yen from the previous fiscal year), which were in turn due to higher net sales, inventories (up 464 million yen), and electronically recorded monetary claims – operating (up 260 million yen).

Non-current assets increased by 1,031 million yen compared to the end of the previous fiscal year to 5,961 million yen. This was mainly due to increases in the acquisition of machinery and equipment (up 697 million yen), buildings (up 159 million yen), and construction in progress (up 111 million yen).

#### **Liabilities**

Total liabilities at the end of the fiscal year under review increased by 1,838 million yen compared to the end of the previous fiscal year to 5,253 million yen.

Current liabilities increased by 1,052 million yen compared to the end of the previous fiscal year to 2,504 million yen.

This was mainly due to increases in income taxes payable (up 307 million yen), advances received (up 279 million yen), the current portion of long-term borrowings (up 132 million yen) due to new borrowings, and other current liabilities (up 109 million yen).

Non-current liabilities increased by 786 million yen compared to the end of the previous fiscal year to 2,749 million yen. This was mainly due to increases in long-term borrowings (up 740 million yen) and provisions for retirement benefits (up 22 million yen).

#### **Net assets**

Total net assets at the end of the fiscal year under review increased by 971 million yen compared to the end of the previous fiscal year to 7,299 million yen.

This was mainly due to an increase in retained earnings from the recording of profit. As a result, the equity ratio decreased to 58.1%.

### **2. Cash Flows**

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review increased by 506 million yen compared to the end of the previous fiscal year to 3,011 million yen.

The major factors were cash flows of 2,227 million yen provided by operating activities, cash flows of 1,744 million yen used in investing activities such as the purchase of property, plant and equipment, and cash flows of 8 million yen acquired in financing activities such as proceeds from 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 2,227 million yen (compared to 1,062 million yen provided in the previous fiscal year). The major factors were the recording of profit before income taxes of 2,432 million yen, depreciation of 823 million yen, a decrease in cash due to an increase in trade receivables of 812 million yen, a decrease in cash due to a rise in inventories of 464 million yen, other current liabilities of 404 million yen, income taxes paid of 369 million yen, and an increase in accrued consumption tax of 111 million yen.

#### **Cash flows from investing activities**

Net cash used in investing activities was 1,744 million yen (compared to 809 million yen used in the previous fiscal year). This was mainly

due to purchases of property, plant and equipment of 1,735 million yen.

#### Cash flows from financing activities

Net cash acquired in financing activities was 8 million yen (compared to 291 million yen used in the previous fiscal year). This was mainly due to proceeds from long-term borrowings of 1,400 million yen, repayments of long-term borrowings of 527 million yen, dividends paid of 462 million yen, and purchases of treasury shares of 400 million yen.

(Reference) Changes in cash flow-related indicators

	FY2018	FY2019	FY2020	FY2021	FY2022
Equity ratio (%)	63.5	63.7	64.2	64.9	58.1
Equity ratio based on market value (%)	187.8	138.1	127.4	263.3	209.2
Interest-bearing debt to cash flow ratio (years)	2.8	2.5	2.0	2.2	1.5
Interest coverage ratio (multiples)	50.7	56.1	66.3	65.2	108.8

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 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 35% or higher during the current medium-term business plan (from the fiscal year ending August 31, 2023, to the fiscal year ending August 31, 2025). In addition, it is also our policy to pay a stable dividend of at least 20 yen (at least a dividend of 10 yen for the first half and 10 yen for the second half) 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, 2021	As of August 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	2,505,018	3,011,795
Notes receivable – trade	15,807	8,001
Accounts receivable – trade	729,829	1,284,632
Electronically recorded monetary claims – operating	940,160	1,200,815
Finished goods	15,410	16,152
Work in process	570,241	1,027,314
Raw materials and supplies	12,226	19,256
Prepaid expenses	24,025	17,074
Other	4,342	12,102
Allowance for doubtful accounts	(3,537)	(5,241)
<b>Total current assets</b>	<b>4,813,526</b>	<b>6,591,903</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings	2,150,367	2,417,374
Accumulated depreciation	(558,679)	(666,652)
Buildings, net	1,591,688	1,750,722
Structures	147,582	163,992
Accumulated depreciation	(69,430)	(78,082)
Structures, net	78,152	85,910
Machinery and equipment	5,629,322	6,986,945
Accumulated depreciation	(3,355,730)	(4,015,360)
Machinery and equipment, net	2,273,591	2,971,585
Vehicles	104,453	108,606
Accumulated depreciation	(88,536)	(97,597)
Vehicles, net	15,916	11,008
Tools, furniture and fixtures	56,974	66,177
Accumulated depreciation	(44,199)	(47,184)
Tools, furniture and fixtures, net	12,775	18,993
Land	766,549	766,549

	As of August 31, 2021	As of August 31, 2022
Leased assets	4,075	30,006
Accumulated depreciation	(1,018)	(3,496)
Leased assets, net	3,056	26,510
Construction in progress	14,922	126,137
Total property, plant and equipment	4,756,653	5,757,418
Intangible assets		
Software	51,776	38,814
Other	26	7
Total intangible assets	51,803	38,822
Investments and other assets		
Investment securities	7,000	7,000
Investments in capital	111	111
Long-term prepaid expenses	2,309	1,155
Deferred tax assets	110,535	155,845
Other	690	690
Total investments and other assets	120,646	164,801
Total non-current assets	4,929,102	5,961,042
<b>Total assets</b>	<b>9,742,628</b>	<b>12,552,945</b>

(Thousands of yen)

	As of August 31, 2021	As of August 31, 2022
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable – trade	249,270	331,972
Current portion of long-term borrowings	427,012	559,512
Lease obligations	679	4,276
Accounts payable – other	278,632	353,964
Accrued expenses	164,489	226,957
Income taxes payable	219,853	527,417
Advances received	48,067	328,035
Deposits received	8,462	10,954
Unearned revenue	143	245
Provision for loss on orders received	36,046	32,200
Provision for share-based payments	16,000	16,000
Other	3,715	113,161
Total current liabilities	1,452,372	2,504,697
<b>Non-current liabilities</b>		
Long-term borrowings	1,923,694	2,664,182
Long-term lease obligations	2,377	22,342
Provision for retirement benefits	25,251	48,179
Asset retirement obligations	1,069	1,069
Guarantee deposits received	2,700	2,700
Other	8,029	10,685
Total non-current liabilities	1,963,121	2,749,158
<b>Total liabilities</b>	<b>3,415,494</b>	<b>5,253,856</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Share capital	1,241,157	1,241,157
Capital surplus		
Legal capital surplus	1,125,157	1,125,157
Other capital surplus		
Gain from disposal of treasury shares	813,184	825,530
Total capital surplus	1,938,342	1,950,687

	As of August 31, 2021	As of August 31, 2022
Retained earnings		
Legal retained earnings	14,112	14,112
Other retained earnings		
Reserve for tax purpose reduction entry	11,885	7,923
Retained earnings brought forward	3,283,609	4,643,567
Total retained earnings	3,309,607	4,665,603
Treasury shares	(161,971)	(558,359)
Total shareholders' equity	6,327,134	7,299,089
<b>Total net assets</b>	<b>6,327,134</b>	<b>7,299,089</b>
Total liabilities and net assets	9,742,628	12,552,945

## (2) Statement of Income

(Thousands of yen)

	Fiscal year ended August 31, 2021	Fiscal year ended August 31, 2022
Net sales	5,369,639	8,585,027
Cost of sales		
Beginning finished goods inventory	6,402	15,410
Cost of products manufactured	3,562,461	5,445,023
Total	3,568,864	5,460,433
Transfer to other account	23,895	37,363
Cost of lease revenue	22,721	19,954
Ending finished goods inventory	15,410	16,152
Cost of sales	3,552,280	5,426,871
Gross profit	1,817,358	3,158,156
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	98,785	116,340
Salaries and allowances	167,057	200,470
Retirement benefit expenses	1,704	5,865
Share-based payment expenses	16,000	15,991
Depreciation	28,610	25,346
Taxes and dues	29,599	56,888
Provision of allowance for doubtful accounts	649	1,704
Research and development expenses	62,238	137,156
Other	205,368	236,785
Total selling, general and administrative expenses	610,012	796,548
Operating profit	1,207,345	2,361,607
Non-operating income		
Interest income	32	49
Dividend income	2	1
Foreign exchange gains	3,746	22,090
Outsourcing service income	-	4,151
Other	7,081	6,961
Total non-operating income	10,862	33,252
Non-operating expenses		
Interest expenses	16,232	19,755
Compensation expenses	1,825	4,394
Other	1	3,941
Total non-operating expenses	18,058	28,091

	Fiscal year ended August 31, 2021	Fiscal year ended August 31, 2022
Ordinary profit	1,200,149	2,366,768
Extraordinary income		
Gain on sale of non-current assets	3,635	-
Subsidy income	18,814	66,546
Total extraordinary income	22,449	66,546
Extraordinary losses		
Loss on retirement of non-current assets	158	418
Total extraordinary losses	158	418
Profit before income taxes	1,222,441	2,432,896
Income taxes – current	339,845	661,186
Income taxes – deferred	(20,106)	(45,309)
Total income taxes	319,738	615,876
Profit	902,702	1,817,019

## Statement of Cost of Products Manufactured

	Note	Fiscal year ended August 31, 2021		Fiscal year ended August 31, 2022	
		Amount (thousands of yen)	Ratio (%)	Amount (thousands of yen)	Ratio (%)
I. Cost of materials		844,629	22.8	1,570,722	26.6
II. Labor costs		1,098,188	29.6	1,571,216	26.6
III. Expenses		1,763,071	47.6	2,760,157	46.8
Gross manufacturing cost	*	3,705,888	100.0	5,902,096	100.0
Beginning inventories of work in process		426,814		570,241	
Total		4,132,703		6,472,337	
Ending inventories of work in process		570,241		1,027,314	
Cost of products manufactured		3,562,461		5,445,023	

## 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, 2021	Fiscal year ended August 31, 2022
Outsourcing processing cost (thousands of yen)	665,994	1,305,702
Depreciation (thousands of yen)	577,946	710,621
Provision for loss on orders received (thousands of yen)	16,546	(3,846)

**(3) Statement of Changes in Equity**

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



Fiscal year ended August 31, 2022

(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	11,885	3,283,609	3,309,607	(161,971)	6,327,134	6,327,134
Changes during period											
Dividends of surplus							(461,023)	(461,023)		(461,023)	(461,023)
Reversal of reserve for tax purpose reduction entry						(3,961)	3,961	-		-	-
Profit							1,817,019	1,817,019		1,817,019	1,817,019
Purchase of treasury shares								-	(400,033)	(400,033)	(400,033)
Disposal of treasury shares			12,345	12,345				-	3,646	15,991	15,991
Total changes during period	-	-	12,345	12,345	-	(3,961)	1,359,958	1,355,996	(396,387)	971,954	971,954
Balance at end of period	1,241,157	1,125,157	825,530	1,950,687	14,112	7,923	4,643,567	4,665,603	(558,359)	7,299,089	7,299,089

**(4) Statement of Cash Flows**

(Thousands of yen)

	Fiscal year ended August 31, 2021	Fiscal year ended August 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,222,441	2,432,896
Depreciation	640,248	823,698
Increase (decrease) in allowance for doubtful accounts	649	1,704
Increase (decrease) in provision for loss on orders received	16,546	(3,846)
Increase (decrease) in provision for share-based payments	16,000	15,991
Increase (decrease) in provision for retirement benefits	6,298	22,927
Interest and dividend income	(34)	(50)
Insurance claim income	(4,392)	(1,969)
Interest expenses	16,232	19,755
Foreign exchange losses (gains)	(3,746)	(15,400)
Gain on sales of non-current assets	(3,635)	-
Loss on retirement of non-current assets	158	418
Decrease (increase) in trade receivables	(309,464)	(812,218)
Decrease (increase) in inventories	(159,404)	(464,845)
Increase (decrease) in trade payables	133,572	82,701
Decrease (increase) in consumption taxes refund receivable	(253)	253
Increase (decrease) in accrued consumption taxes	(183,303)	111,814
Decrease (increase) in other current assets	(10,677)	4,290
Increase (decrease) in other current liabilities	51,914	404,445
Other, net	9,578	(6,235)
Subtotal	1,438,728	2,616,332
Interest and dividends received	34	50
Interest paid	(16,291)	(20,471)
Proceeds from insurance income	4,392	1,969
Income taxes paid	(364,685)	(369,914)
Net cash provided by operating activities	1,062,178	2,227,966
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(805,878)	(1,735,722)
Proceeds from sale of property, plant and equipment	3,635	-
Purchase of intangible assets	(7,644)	(8,942)
Net cash used in investing activities	(809,886)	(1,744,664)

	Fiscal year ended August 31, 2021	Fiscal year ended August 31, 2022
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	100,000	-
Repayments of short-term borrowings	(100,000)	-
Proceeds from long-term borrowings	400,000	1,400,000
Repayments of long-term borrowings	(409,512)	(527,012)
Purchase of treasury shares	-	(400,033)
Dividends paid	(281,209)	(462,510)
Repayments of finance lease obligations	(679)	(2,369)
Net cash used in financing activities	(291,400)	8,074
<b>Effect of exchange rate change on cash and cash equivalents</b>	3,746	15,400
<b>Net increase (decrease) in cash and cash equivalents</b>	(35,363)	506,776
<b>Cash and cash equivalents at beginning of period</b>	2,540,381	2,505,018
<b>Cash and cash equivalents at end of period</b>	2,505,018	3,011,795

**(5) Notes to the Financial Statements****Going concern assumptions: None****Changes in accounting policies****Application of the Accounting Standard for Revenue Recognition, etc.**

Since the beginning of the fiscal year under review, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. and recognizes revenue in the amounts expected to be received in exchange for promised goods or services at the point at which the control of such goods or services is transferred to the customer.

The primary changes due to the application of the accounting standard, etc. are as follows:

The Company engages in buy-sell transactions in which it purchases materials from customers, processes said materials, and sells the resulting products to the said customers at a price that includes the purchase price and added processing costs. In cases where a customer that supplies the materials for a fee is substantially obligated to repurchase the goods supplied for a fee, the Company has previously presented net sales and cost of sales on a gross basis at the time of the resale to the customer. However, due to the application of the accounting standard, etc., the Company has adopted the method of presenting only the amount equivalent to the processing fee as revenue on a net basis, which excludes the purchase price of goods supplied for a fee from net sales.

The Company has applied the new accounting policy from the beginning balance of the period under review in accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. However, based on the method prescribed in Paragraph 86 of the Accounting Standard for Revenue Recognition, the Company has not retroactively applied the new accounting policy to contracts for which nearly all revenue amounts were recognized in accordance with the previous treatment prior to the fiscal year under review. That is, there would be no cumulative effect on retained earnings at the beginning of the period if the new accounting policy were to be applied retroactively to the periods prior to the beginning of the fiscal year under review.

As a result, both net sales and cost of sales for the fiscal year ended August 31, 2022, decreased by 54,199 thousand yen.

In addition, due to the application of the accounting standard, etc., inventories of goods supplied for a fee and goods supplied for a fee included in work in process are no longer presented as "raw materials and supplies," "merchandise and finished goods," or "work in process," but are instead presented as "other" under current assets. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been reclassified using the new presentation method. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, the Company has not presented the "Revenue Recognition-Related" notes for the previous fiscal year.

**Application of the Accounting Standard for Fair Value Measurement, etc.**

From the beginning of the fiscal year under review, the Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc. In accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policies prescribed by the Accounting Standard for Fair Value Measurement, etc. will be applied prospectively.

The new standards will have no effect on the financial statement.

**Changes in the presentation method****Statement of income**

The accounting category, "commission expenses" of "selling, general and administrative expenses," which was posted separately in the previous fiscal year, is included in "other" from the fiscal year under review. The reason for this is that the total amount of this item accounts for less than 10/100 of the total selling, general and administrative expenses. In order to reflect this presentation method, the Company has reclassified the financial statements of the previous fiscal year.

As a result, the Company has reclassified the "commission expenses" of 84,373 thousand yen that were under "selling, general and administrative expenses," as "other" in the statement of income for the previous fiscal year.

The accounting category, "insurance claim income" in "non-operating income," which was posted separately in the previous fiscal year, is included in "other" from the fiscal year under review. The reason for this is that the total amount of this item accounts for less than 10/100 of the total non-operating income. In order to reflect this presentation method, the Company has reclassified the financial statements of the previous fiscal year.

As a result, the Company has reclassified the "insurance claim income" of 4,392 thousand yen that was under "non-operating income," 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, 2021 (from September 1, 2020, to August 31, 2021): None

Fiscal year ended August 31, 2022 (from September 1, 2021, to August 31, 2022): None

**Additional information**

Accounting estimates associated with the COVID-19 pandemic

The global 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, 2022, the Company has made 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 and beyond.

**Segment information, etc.**

Segment information

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, the description of segment information has been omitted.

Fiscal year ended August 31, 2022 (from September 1, 2021, to August 31, 2022)

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

**Related information**

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 has been omitted.

## 2. Information by region

## (1) Net sales

This information has been 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.	2,024,934	Precision parts business
Tokyo Electron Miyagi Ltd.	1,394,737	Precision parts business

Fiscal year ended August 31, 2022 (from September 1, 2021, to August 31, 2022)

## 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 has been omitted.

## 2. Information by region

## (1) Net sales

This information has been 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.	2,868,350	Precision parts business
Tokyo Electron Miyagi Ltd.	1,913,608	Precision parts business
Tokyo Electron Technology Solutions Ltd.	924,785	Precision parts business

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

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

Fiscal year ended August 31, 2022 (from September 1, 2021, to August 31, 2022): None

**Information on amortization and unamortized balance of goodwill by reportable segment**

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

Fiscal year ended August 31, 2022 (from September 1, 2021, to August 31, 2022): None

**Information on gain on bargain purchase by reportable segment**

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

Fiscal year ended August 31, 2022 (from September 1, 2021, to August 31, 2022): None

**Per share information**

	Fiscal year ended August 31, 2021	Fiscal year ended August 31, 2022
Net assets per share (yen)	494.20	578.06
Earnings per share (yen)	70.51	142.58

(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, 2021	Fiscal year ended August 31, 2022
Profit (thousands of yen)	902,702	1,817,019
Amount not attributable to common shareholders (thousands of yen)	-	-
Profit attributable to common stock (thousands of yen)	902,702	1,817,019
Average number of shares outstanding (shares)	12,802,804	12,743,645

**Significant subsequent event: None**

**Omission of disclosure**

Notes regarding the following items have been 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:

Name by product category	Output (thousands of yen)	Year-on-year change (%)
Semiconductor production equipment components	6,443,086	152.2
FPD production equipment components	1,539,015	182.8
Others	445,174	264.7
Total	8,427,276	160.8

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

2. The above amounts do not include consumption tax.

#### 2. Status of orders received

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

Name by product category	Amounts of orders received (thousands of yen)	Year-on-year change (%)	Order backlog (thousands of yen)	Year-on-year change (%)
Semiconductor production equipment components	7,027,828	144.9	1,846,823	152.7
FPD production equipment components	1,461,897	125.9	446,894	84.7
Others	700,380	304.9	322,934	476.8
Total	9,190,107	147.2	2,616,653	145.0

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

2. The above amounts do not include consumption tax.

3. From the beginning of the fiscal year ended August 31, 2022, the Company has applied the "Accounting Standard for Revenue Recognition," etc. Figures for the fiscal year under review are after the application of the said accounting standards, etc.



## 3. Sales results

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

Name by product category	Sales (thousands of yen)	Year-on-year change (%)
Semiconductor production equipment components	6,382,368	151.2
FPD production equipment components	1,542,575	184.0
Others	660,083	212.9
Total	8,585,027	159.9

(Notes) 1. The above amounts do not include consumption taxes.

2. From the beginning of the fiscal year ended August 31, 2022, the Company has applied the "Accounting Standard for Revenue Recognition," etc. Figures for the fiscal year under review are after the application of the said accounting standards, etc.