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## Summary of Financial Results for the Fiscal Year Ended August 31, 2023 (Japanese GAAP) (Non-consolidated)

October 6, 2023

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 22, 2023

Scheduled start date of dividends payments: November 24, 2023

Scheduled date for submission of the securities report: November 24, 2023

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, 2023 (September 1, 2022, to August 31, 2023)

#### (1) Operating Results

Note: Percentages indicate changes from the previous fiscal year.

	Fiscal year ended			
	August 31, 2022		August 31, 2023	
		%		%
Net sales (millions of yen)	8,585	59.9	6,868	(20.0)
Operating profit (millions of yen)	2,361	95.6	859	(63.6)
Ordinary profit (millions of yen)	2,366	97.2	789	(66.7)
Profit (millions of yen)	1,817	101.3	706	(61.1)
Earnings per share of common stock (yen)				
Basic	142.58		55.92	
Diluted	-		-	
Return on equity (%)	26.7		9.6	
Ordinary profit to total assets (%)	21.2		6.5	
Operating profit to net sales (%)	27.5		12.5	

Reference: Share of profit (loss) of entities accounted for using the equity method: -million yen (for the fiscal year ended August 31, 2023)

-million yen (for the fiscal year ended August 31, 2022)

**(2) Financial Position**

	As of	
	August 31, 2022	August 31, 2023
Total assets (millions of yen)	12,552	11,612
Net assets (millions of yen)	7,299	7,473
Equity ratio (%)	58.1	64.4
Net assets per share (yen)	578.06	591.25
Reference:	Equity: 7,473 million yen (as of August 31, 2023)	
	7,299 million yen (as of August 31, 2022)	

**(3) Cash Flows**

	Fiscal year ended	
	August 31, 2022	August 31, 2023
Cash flows from operating activities (millions of yen)	2,227	2,252
Cash flows from investing activities (millions of yen)	(1,744)	(1,489)
Cash flows from financing activities (millions of yen)	8	(286)
Cash and cash equivalents at end of period (millions of yen)	3,011	3,496

**2. Dividends**

	Fiscal year ended		Fiscal year ending
	August 31, 2022	August 31, 2023	August 31, 2024 (forecast)
1Q-end dividends per share (yen)	-	-	-
2Q-end dividends per share (yen)	22.00	18.00	10.00
3Q-end dividends per share (yen)	-	-	-
Year-end dividends per share (yen)	26.00	18.00	20.00
Annual dividends per share (yen)	48.00	36.00	30.00
Total dividends (millions of yen)	610	455	
Payout ratio (%)	33.7	64.4	94.8
Dividend on equity (%)	9.0	6.2	

**3. Financial Forecasts for the Fiscal Year Ending August 31, 2024 (September 1, 2023, to August 31, 2024)**

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

	Six months ending February 29, 2024		Fiscal year ending	
	(cumulative)		August 31, 2024	
		%		%
Net sales (millions of yen)	2,400	(43.4)	7,000	1.9
Operating profit (millions of yen)	(82)	-	680	(20.9)
Ordinary profit (millions of yen)	(160)	-	562	(28.8)
Profit (millions of yen)	(113)	-	400	(43.4)
Earnings per share (yen)	(8.94)		31.64	

## 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. 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, 2023:	13,053,000 shares
As of August 31, 2022:	13,053,000 shares

## 2. Number of treasury shares

As of August 31, 2023:	412,494 shares
As of August 31, 2022:	426,051 shares

## 3. Average number of shares outstanding

Fiscal year ended August 31, 2023:	12,635,790 shares
Fiscal year ended August 31, 2022:	12,743,645 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 showed a gradual recovery due to the shift of the status of COVID-19 to category 5 under the Infectious Disease Control Law. However, the outlook remains uncertain due to the ongoing depreciation of the yen and soaring raw material and energy prices against the backdrop of the protracted situation in Ukraine.

In the semiconductor sector, which is our main sales sector, there was a marked decline in demand, due to stagnant server capital investment and a reaction to pandemic-induced special demand for PCs and other products.

Regarding the flat panel display (FPD) sector, demand for both LCD panels and organic light-emitting diodes (OLEDs) stagnated due to a drop in demand in all areas of TVs, PCs, and smartphones.

Under these economic circumstances, the semiconductor sector performed well until the middle of the second quarter with an abundant backlog of orders, but from the third quarter onward, orders and sales declined sharply as customers adjusted parts inventories that had built up.

In the FPD sector, despite the stagnant market, the Company utilized electron beam welding (EBW) machines to receive orders and produce products for OLEDs, albeit at a sluggish pace.

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

On the cost front, depreciation expenses increased due to the increase in production capacity. In addition, a loss on valuation of inventories of 140 million yen rose due to a decline in the utilization ratio. Furthermore, a depreciation of 70 million yen was incurred as non-operating expenses due to idle facilities in the new facilities acquired during the period.

In addition, the provision of a total of 211 million yen in subsidies from Kagoshima Prefecture and Izumi City related to capital investment and recruitment has been decided, which was then recorded as extraordinary income.

As a result, the financial results for the fiscal year under review were net sales of 6,868 million yen (year-on-year decline of 20.0%), operating profit of 859 million yen (year-on-year decline of 63.6%), ordinary profit of 789 million yen (year-on-year decline of 66.7%), and profit of 706 million yen (year-on-year decline of 61.1%).

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

#### Forecast for the next fiscal year

In the semiconductor sector, which is our main sales sector, end-user demand for smartphones, PCs, and other products remains sluggish. In the case of production equipment as well, demand for equipment is expected to remain stagnant for a prolonged period of time despite progress in inventory adjustments of components. At present, the Company expects stagnation to continue until the second quarter of the fiscal year ending August 31, 2024, and in the first quarter in particular, it anticipates a difficult business environment in which the impact of parts inventory adjustments will remain. Thereafter, from the third quarter of fiscal 2024 onward, the Company expects an improvement in the market environment with plans to resume investment in DRAM and full-fledged orders from new customers, although equipment deliveries are postponed in some plans for logic products. Moreover, despite the stagnant market environment, the Company has received a very large number of orders for prototype production from new and existing customers, and it is making progress in its efforts to increase orders for mass production in the market recovery period.

In the FPD sector, there are signs of recovery in demand for LCD panels for TVs in some regions, but there are no prospects for a recovery

in new capital investment. In the OLED market, capital investment in Generation 6 and 8 size panels is underway and is expected to continue to improve compared to the previous fiscal year.

In the other sectors, although the equipment market for solar cells is expected to remain strong, orders are unstable and difficult to budget, because they are for China. Currently, the Company is receiving strong inquiries from customers, but only some of them have been included in the budget.

Capital expenditures are limited to approximately 1 billion yen due to the stagnant utilization rate of facilities in which investments were made up to the previous fiscal year. Capital expenditures for the current period include investments to improve employee satisfaction, such as in the company cafeteria and investments in solar panels for in-house consumption, as well as some future-oriented development investments. As for expenses, depreciation for manufacturing is expected to be 897 million yen, a slight decrease from the previous period due to the progress of depreciation. Labor costs are also expected to decrease to 1.48 billion yen due to a decrease in temporary labor costs and curbs on performance-linked bonuses. Selling, general and administrative (SG&A) expenses are expected to be 740 million yen, almost unchanged from the previous year. In addition, the depreciation of idle facilities is expected to amount to approximately 62 million yen in non-operating expenses, continuing from the previous period.

Based on these circumstances, for the next fiscal year, the Company forecasts net sales of 7,000 million yen, operating profit of 680 million yen, ordinary profit of 562 million yen, and profit of 400 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 decreased by 940 million yen compared to the end of the previous fiscal year to 11,612 million yen.

Current assets decreased by 1,143 million yen compared to the end of the previous fiscal year to 5,448 million yen. This was mainly due to decreases in accounts receivable – trade (down 817 million yen from the previous fiscal year), electronically recorded monetary claims – operating (down 685 million yen), and inventories (down 249 million yen) in line with lower sales.

Non-current assets increased by 202 million yen compared to the end of the previous fiscal year to 6,163 million yen. This was mainly due to increases in the acquisition of machinery and equipment (up 299 million yen), buildings (up 5 million yen), and a decrease in construction in progress (down 119 million yen).

#### **Liabilities**

Total liabilities at the end of the fiscal year under review decreased by 1,115 million yen compared to the end of the previous fiscal year to 4,138 million yen.

Current liabilities decreased by 1,339 million yen compared to the end of the previous fiscal year to 1,165 million yen. This was mainly due to decreases in income taxes payable (down 527 million yen), accounts payable – other (down 302 million yen), advances received (down 245 million yen), and an increase in the current portion of long-term borrowings (up 47 million yen) due to new borrowings.

Non-current liabilities increased by 223 million yen compared to the end of the previous fiscal year to 2,973 million yen. This was mainly due to increases in long-term borrowings (up 225 million yen) and provisions for retirement benefits (up 11 million yen).

#### **Net assets**

Total net assets at the end of the fiscal year under review increased by 174 million yen compared to the end of the previous fiscal year to 7,473 million yen.

This was mainly due to increases in retained earnings of 150 million yen from the recording of profit of 706 million yen, and the disposal of treasury shares of 23 million yen, against the dividend payment of 555 million yen. As a result, the equity ratio increased to 64.4% from 58.1% of the previous fiscal year.

## 2. Cash Flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review increased by 484 million yen compared to the end of the previous fiscal year to 3,496 million yen.

The major factors were cash flows of 2,252 million yen provided by operating activities, cash flows of 1,489 million yen used in investing activities such as the purchase of property, plant and equipment, and cash flows of 286 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 2,252 million yen (compared to 2,227 million yen provided in the previous fiscal year). The major factors were the recording of profit before income taxes of 997 million yen, depreciation of 1,040 million yen, increase in cash of 1,506 million yen due to a decrease in trade receivables, increase in cash of 249 million yen due to a decrease in inventories, a decrease in other current liabilities of 410 million yen, income taxes paid of 817 million yen, and a decrease in trade payable of 143 million yen.

### Cash flows from investing activities

Net cash used in investing activities was 1,489 million yen (compared to 1,744 million yen used in the previous fiscal year). This was mainly due to purchases of property, plant and equipment of 1,484 million yen.

### Cash flows from financing activities

Net cash used in financing activities was 286 million yen (compared to 8 million yen acquired in the previous fiscal year). This was mainly due to proceeds from long-term borrowings of 900 million yen, repayments of long-term borrowings of 627 million yen, and dividends paid of 555 million yen.

(Reference) Changes in cash flow-related indicators

	FY2019	FY2020	FY2021	FY2022	FY2023
Equity ratio (%)	63.7	64.2	64.9	58.1	64.4
Equity ratio based on market value (%)	138.1	127.4	263.3	209.2	196.7
Interest-bearing debt to cash flow ratio (years)	2.5	2.0	2.2	1.5	1.6
Interest coverage ratio (multiples)	56.1	66.3	65.2	108.8	95.6

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) 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 ended August 31, 2023, to the fiscal year ending August 31, 2026). In addition, it is also our policy to pay a stable dividend of at least 20 yen per share for the full year (at least a dividend of 10 yen for the first half and 10 yen for the second half), 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 10 yen and a year-end dividend of 20 yen, for a total of 30 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, 2022	As of August 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	3,011,795	3,496,246
Notes receivable – trade	8,001	-
Accounts receivable – trade	1,284,632	467,109
Electronically recorded monetary claims – operating	1,200,815	515,384
Finished goods	16,152	15,583
Work in process	1,027,314	769,950
Raw materials and supplies	19,256	27,502
Prepaid expenses	17,074	23,779
Other	12,102	134,920
Allowance for doubtful accounts	(5,241)	(2,085)
Total current assets	6,591,903	5,448,393
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings	2,417,374	2,546,328
Accumulated depreciation	(666,652)	(790,423)
Buildings, net	1,750,722	1,755,905
Structures	163,992	188,604
Accumulated depreciation	(78,082)	(88,532)
Structures, net	85,910	100,071
Machinery and equipment	6,986,945	8,151,832
Accumulated depreciation	(4,015,360)	(4,880,536)
Machinery and equipment, net	2,971,585	3,271,296
Vehicles	108,606	108,606
Accumulated depreciation	(97,597)	(103,357)
Vehicles, net	11,008	5,248
Tools, furniture and fixtures	66,177	72,213
Accumulated depreciation	(47,184)	(57,184)
Tools, furniture and fixtures, net	18,993	15,028
Land	766,549	782,004

	As of August 31, 2022	As of August 31, 2023
Leased assets	30,006	30,006
Accumulated depreciation	(3,496)	(7,958)
Leased assets, net	26,510	22,048
Construction in progress	126,137	6,190
Total property, plant and equipment	5,757,418	5,957,794
Intangible assets		
Software	38,814	23,238
Patent right	-	3,047
Other	7	-
Total intangible assets	38,822	26,285
Investments and other assets		
Investment securities	7,000	7,000
Investments in capital	111	101
Long-term prepaid expenses	1,155	-
Deferred tax assets	155,845	171,760
Other	690	690
Total investments and other assets	164,801	179,551
Total non-current assets	5,961,042	6,163,631
<b>Total assets</b>	<b>12,552,945</b>	<b>11,612,024</b>

(Thousands of yen)

	As of August 31, 2022	As of August 31, 2023
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable – trade	331,972	188,585
Current portion of long-term borrowings	559,512	607,132
Lease liabilities	4,276	4,352
Accounts payable – other	353,964	51,941
Accrued expenses	226,957	141,966
Income taxes payable	527,417	-
Advances received	328,035	82,966
Deposits received	10,954	14,206
Unearned revenue	245	245
Provision for loss on orders received	32,200	29,500
Provision for share-based payments	16,000	24,000
Other	113,161	20,249
Total current liabilities	2,504,697	1,165,146
<b>Non-current liabilities</b>		
Long-term borrowings	2,664,182	2,889,550
Long-term lease liabilities	22,342	17,990
Provision for retirement benefits	48,179	59,871
Asset retirement obligations	1,069	1,069
Guarantee deposits received	2,700	2,700
Other	10,685	1,934
Total non-current liabilities	2,749,158	2,973,116
<b>Total liabilities</b>	<b>5,253,856</b>	<b>4,138,263</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	825,530	831,699
Total capital surplus	1,950,687	1,956,856

	As of August 31, 2022	As of August 31, 2023
Retained earnings		
Legal retained earnings	14,112	14,112
Other retained earnings		
Reserve for tax purpose reduction entry	7,923	3,961
Retained earnings brought forward	4,643,567	4,798,280
Total retained earnings	4,665,603	4,816,354
Treasury shares	(558,359)	(540,607)
Total shareholders' equity	7,299,089	7,473,761
<b>Total net assets</b>	<b>7,299,089</b>	<b>7,473,761</b>
Total liabilities and net assets	12,552,945	11,612,024

## (2) Statement of Income

(Thousands of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Net sales	8,585,027	6,868,463
Cost of sales		
Beginning finished goods inventory	15,410	16,152
Cost of products manufactured	5,445,023	5,342,315
Total	5,460,433	5,358,468
Transfer to other account	37,363	75,843
Cost of lease revenue	19,954	17,949
Ending finished goods inventory	16,152	15,583
Cost of sales	5,426,871	5,284,990
Gross profit	3,158,156	1,583,472
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	116,340	114,445
Salaries and allowances	200,470	184,106
Retirement benefit expenses	5,865	2,185
Share-based payment expenses	15,991	31,997
Depreciation	25,346	23,825
Commission expenses	74,915	84,446
Taxes and dues	56,888	41,940
Provision of allowance for doubtful accounts	1,704	(3,156)
Research and development expenses	137,156	84,498
Other	161,869	159,696
Total selling, general and administrative expenses	796,548	723,986
Operating profit	2,361,607	859,486
Non-operating income		
Interest income	49	125
Dividend income	1	1
Foreign exchange gains	22,090	5,250
Insurance claim income	1,969	6,747
Outsourcing service income	4,151	14,283
Gain on sale of scraps	629	4,695
Other	4,363	3,636
Total non-operating income	33,252	34,740

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Non-operating expenses		
Interest expenses	19,755	23,570
Depreciation	-	70,932
Other	8,335	10,611
Total non-operating expenses	28,091	105,114
Ordinary profit	2,366,768	789,112
Extraordinary income		
Subsidy income	66,546	211,037
Total extraordinary income	66,546	211,037
Extraordinary losses		
Impairment losses	-	2,280
Loss on retirement of non-current assets	418	211
Total extraordinary losses	418	2,491
Profit before income taxes	2,432,896	997,658
Income taxes – current	661,186	306,992
Income taxes – deferred	(45,309)	(15,914)
Total income taxes	615,876	291,077
Profit	1,817,019	706,580

## Statement of Cost of Products Manufactured

	Note	Fiscal year ended August 31, 2022		Fiscal year ended August 31, 2023	
		Amount (thousands of yen)	Ratio (%)	Amount (thousands of yen)	Ratio (%)
I. Cost of materials		1,570,722	26.6	1,140,943	22.4
II. Labor costs		1,571,216	26.6	1,475,987	29.0
III. Expenses		2,760,157	46.8	2,468,020	48.5
Gross manufacturing cost	*	5,902,096	100.0	5,084,951	100.0
Beginning inventories of work in process		570,241		1,027,314	
Total		6,472,337		6,112,266	
Ending inventories of work in process		1,027,314		769,950	
Cost of products manufactured		5,445,023		5,342,315	

## Cost accounting method

The cost accounting method is based on individual cost accounting.

(Note)\* The main breakdown is as follows:

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Outsourcing processing cost (thousands of yen)	1,305,702	853,736
Depreciation (thousands of yen)	710,621	927,838
Provision for loss on orders received (thousands of yen)	(3,846)	(2,700)



## (3) Statement of Changes in Equity

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

Fiscal year ended August 31, 2023

(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	825,530	1,950,687	14,112	7,923	4,643,567	4,665,603	(558,359)	7,299,089	7,299,089
Changes during period											
Dividends of surplus							(555,829)	(555,829)		(555,829)	(555,829)
Reversal of reserve for tax purpose reduction entry						(3,961)	3,961	-		-	-
Profit							706,580	706,580		706,580	706,580
Purchase of treasury shares								-	(76)	(76)	(76)
Disposal of treasury shares			6,168	6,168				-	17,828	23,997	23,997
Total changes during period	-	-	6,168	6,168	-	(3,961)	154,712	150,750	17,752	174,671	174,671
Balance at end of period	1,241,157	1,125,157	831,699	1,956,856	14,112	3,961	4,798,280	4,816,354	(540,607)	7,473,761	7,473,761

**(4) Statement of Cash Flows**

(Thousands of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,432,896	997,658
Depreciation	823,698	1,040,546
Impairment losses	-	2,280
Increase (decrease) in allowance for doubtful accounts	1,704	(3,156)
Increase (decrease) in provision for loss on orders received	(3,846)	(2,700)
Increase (decrease) in provision for share-based payments	15,991	31,997
Increase (decrease) in provision for retirement benefits	22,927	11,692
Interest and dividend income	(50)	(126)
Insurance claim income	(1,969)	(6,747)
Interest expenses	19,755	23,570
Foreign exchange losses (gains)	(15,400)	(8,407)
Loss on retirement of non-current assets	418	211
Decrease (increase) in trade receivables	(812,218)	1,506,458
Decrease (increase) in inventories	(464,845)	249,686
Increase (decrease) in trade payables	82,701	(143,386)
Decrease (increase) in consumption taxes refund receivable	253	-
Increase (decrease) in accrued consumption taxes	111,814	(93,286)
Decrease (increase) in other current assets	4,290	(112,218)
Increase (decrease) in other current liabilities	404,445	(410,483)
Other, net	(6,235)	3,350
Subtotal	2,616,332	3,086,938
Interest and dividends received	50	126
Interest paid	(20,471)	(23,931)
Proceeds from insurance income	1,969	6,747
Income taxes paid	(369,914)	(817,635)
Net cash provided by operating activities	2,227,966	2,252,246
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,735,722)	(1,484,537)
Purchase of intangible assets	(8,942)	(4,974)
Proceeds from divestments	-	10
Net cash used in investing activities	(1,744,664)	(1,489,501)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	1,400,000	900,000
Repayments of long-term borrowings	(527,012)	(627,012)
Purchase of treasury shares	(400,033)	(76)
Dividends paid	(462,510)	(555,336)
Repayments of finance lease obligations	(2,369)	(4,276)
Net cash provided by (used in) financing activities	8,074	(286,701)
<b>Effect of exchange rate change on cash and cash equivalents</b>	15,400	8,407
<b>Net increase (decrease) in cash and cash equivalents</b>	506,776	484,451
<b>Cash and cash equivalents at beginning of period</b>	2,505,018	3,011,795
<b>Cash and cash equivalents at end of period</b>	3,011,795	3,496,246

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

The accounting category of "commission expenses," which was presented in "other" under "selling, general and administrative expenses" in the previous fiscal year, is presented separately in the fiscal year under review. The reason for this is that the total amount of this item accounts for more 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 "other" of 236,785 thousand yen that was under "selling, general and administrative expenses," as "commission expenses" of 74,915 thousand yen and "other" of 161,869 thousand yen in the statement of income for the previous fiscal year.

The accounting categories of "insurance claim income" and "gain on sale of scraps," which were posted in "other" under "non-operating income" in the previous fiscal year, are presented separately in the fiscal year under review. The reason for this is that the total amount for these items accounts for more 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 "other" of 6,961 thousand yen that was under "non-operating income," as "insurance claim income" of 1,969 thousand yen, "gain on sale of scraps" of 629 thousand yen, and "other" of 4,363 thousand yen in the statement of income for the previous fiscal year.

**Profit or loss accounted for using the equity method**

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

Fiscal year ended August 31, 2023 (from September 1, 2022 to August 31, 2023): None

**Segment information, etc.**

Segment information

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.

Fiscal year ended August 31, 2023 (from September 1, 2022, to August 31, 2023)

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, 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

Fiscal year ended August 31, 2023 (from September 1, 2022, to August 31, 2023)

## 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.	2,104,807	Precision parts business
Core Technology, Inc.	1,335,126	Precision parts business
Tokyo Electron Miyagi Ltd.	1,202,309	Precision parts business

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

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

Fiscal year ended August 31, 2023 (from September 1, 2022, to August 31, 2023):

Since the Company operates in a single segment, information on impairment losses on non-current assets by reportable segment is omitted.

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

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

Fiscal year ended August 31, 2023 (from September 1, 2022, to August 31, 2023): None

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

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

Fiscal year ended August 31, 2023 (from September 1, 2022, to August 31, 2023): None

**Per share information**

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Net assets per share (yen)	578.06	591.25
Earnings per share (yen)	142.58	55.92

(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, 2022	Fiscal year ended August 31, 2023
Profit (thousands of yen)	1,817,019	706,580
Amount not attributable to common shareholders (thousands of yen)	-	-
Profit attributable to common stock (thousands of yen)	1,817,019	706,580
Average number of shares outstanding (shares)	12,743,645	12,635,790

**Significant subsequent event: None****Omission of disclosure**

Notes regarding the following items have been omitted because 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	4,598,100	71.4
FPD production equipment components	774,910	50.4
Others	1,374,366	308.7
Total	6,747,376	80.1

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

#### 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	3,346,621	47.6	659,381	35.7
FPD production equipment components	761,553	52.1	433,537	97.0
Others	1,059,571	151.3	8,139	2.5
Total	5,167,747	56.2	1,101,059	42.1

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

#### 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	4,534,063	71.0
FPD production equipment components	774,910	50.2
Others	1,559,489	236.3
Total	6,868,463	80.0