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Notice Concerning the Difference between the Financial Forecast and Actual Results for the Second Quarter and the Revision of the Full-Year Financial Forecast

Regarding the difference between the financial forecast for the first half of the fiscal year ending August 31, 2024, announced on October 6, 2023, and the actual results announced today, Marumae Co., Ltd. (the “Company”) gives notice as follows.

In addition, based on recent business performance trends and other factors, the Company has decided to revise its financial forecast for the fiscal year ending August 31, 2024, which was also announced on October 6, 2023, as described below.

1. Difference between the financial forecast and actual results for the first half of the fiscal year ending August 31, 2024 (September 1, 2023 through February 29, 2024)

	Net sales (millions of yen)	Operating profit (millions of yen)	Ordinary profit (millions of yen)	Profit (millions of yen)	Earnings per share (yen)
Previously announced forecasts (A)	2,400	(82)	(160)	(113)	(8.94)
Actual results (B)	2,040	(78)	(134)	(101)	(8.06)
Change (B-A)	(360)	4	26	12	
Change (%)	(15.0)	-	-	-	
(Reference) Actual results for the previous fiscal year (First half of the fiscal year ended August 31, 2023)	4,240	927	913	644	51.00

2. Revisions to financial forecasts for the current fiscal year (September 1, 2023 through August 31, 2024)

	Net sales (millions of yen)	Operating profit (millions of yen)	Ordinary profit (millions of yen)	Profit (millions of yen)	Earnings per share (yen)
Previously announced forecasts (A)	7,000	680	562	400	31.64
Revised forecasts (B)	4,680	77	(39)	(34)	(2.69)
Change (B-A)	(2,320)	(603)	(601)	(434)	
Change (%)	(33.1)	(88.7)	-	-	
(Reference) Actual results for the previous fiscal year (Fiscal year ended August 31, 2023)	6,868	859	789	706	55.92

3. Reason for revision

Regarding net sales, the Company has decided to exclude most of the sales forecast for solar cell production equipment parts for China, for which it had planned sales of approximately 2 billion yen in the other sectors, because the order has not yet been received, differing greatly from the original plan, and it is unclear whether the order will be accepted during the current fiscal year. In addition, despite steady progress in orders from new customers in the semiconductor sector, the outlook has been revised conservatively because of protracted inventory adjustments at existing customers and the difficulty of forecasting orders for consumables, which account for a large portion of sales. In the FPD sector, sales are almost in line with initial expectations.

Despite the decrease in net sales, operating profit and loss for the first half of the fiscal year were at the expected level due to an improvement in the variable cost ratio and control of selling, general and administrative (SG&A) expenses.

Profitability is expected to deteriorate on an annual basis, mainly due to the significant shortfall in the sales forecast for the other sectors. On the other hand, changes in the sales content have improved the gross profit margin and an improved utilization ratio has led to an expected improvement in provision for loss on orders received and loss on valuation of inventories.

Note: The Company's full-year forecasts in this document are based on judgments and assumptions made in light of information available as of the date of this document, and actual results may differ from these forecasts due to various factors.