

Tokyo Stock Exchange (TSE): 6264

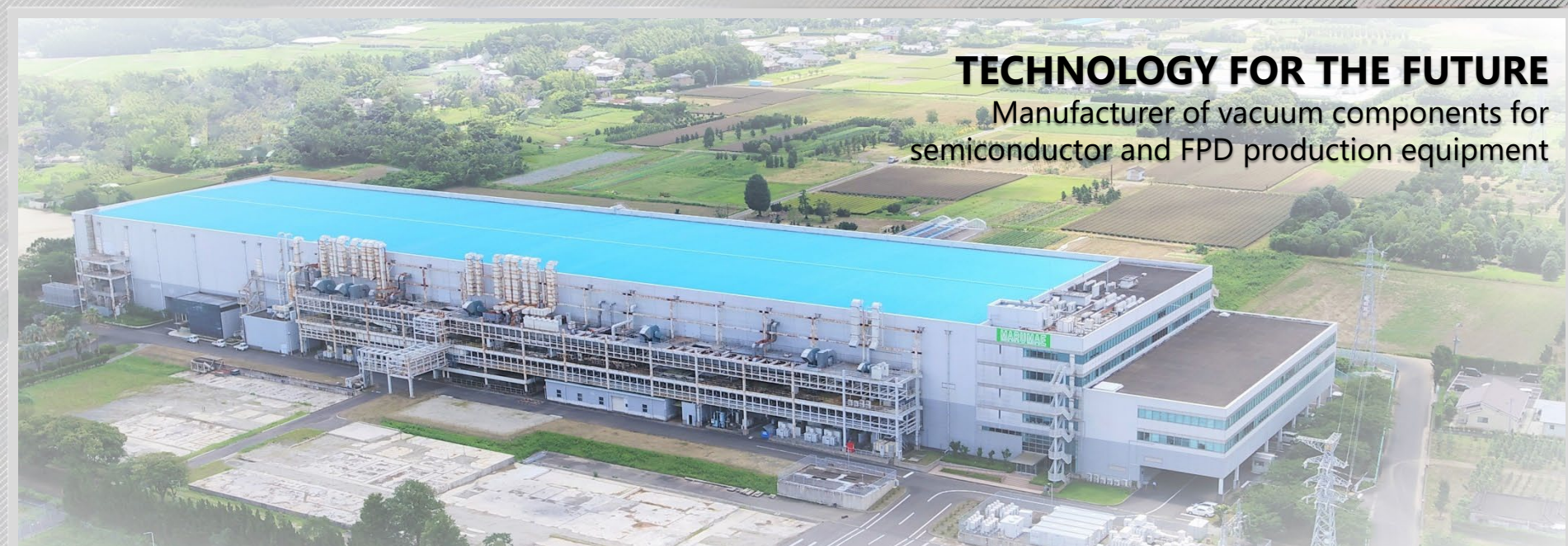
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# MARUMAE CO., LTD.

## Summary of Q2 FY2024 Financial Results

March 28, 2024

**TECHNOLOGY FOR THE FUTURE**  
Manufacturer of vacuum components for  
semiconductor and FPD production equipment



# 1. Revision of the Financial Forecast

## Revision of Sales and Profit/loss for the First Half (2Q) and Full Year

	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)
Initial 1H forecast	2,400	(82)	(160)	(113)
1H results	2,040	(78)	(134)	(101)
Initial full-year forecast	7,000	680	562	400
Full-year forecast	4,680	77	(39)	(34)

### [Reason for sales revision]

The Company is in the process of adjusting the production and shipment of solar cell production equipment parts for China in the other sectors, which it had planned to sell for approximately 2 billion yen, after the coming 4th quarter. However, since the possibility of acceptance inspection during the current fiscal year is unclear because the order has not yet been received after a significant deviation from the original plan, the Company has decided to exclude a large portion of the order from the sales forecast. In the semiconductor sector, while orders from new customers are progressing steadily, the outlook has been revised in the conservative direction due to prolonged 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.

### [Reason for profit/loss adjustment]

In the first half of the year, despite the decline in net sales, operating profit and loss came in at the expected level due to an improvement in the variable cost ratio and control of SG&A expenses. On the other hand, due diligence costs of 13 million yen were incurred in the second quarter in connection with M&A projects that were not originally anticipated. The M&A project did not materialize as the conditions were not met.

Profitability is expected to deteriorate for the full year, mainly due to a significant shortfall in sales forecast in the other sectors. On the other hand, changes in sales content have improved gross profit margins, and an improved utilization ratio has created an environment in which provision for loss on orders received and loss on valuation of inventories was expected to improve more than anticipated.

For these reasons, the Company has revised its profit/loss forecast.

# 2. Overview of Financial Results

## P/L Analysis

P/L	Second Quarter of the Fiscal Year Ended August 31, 2023		Second Quarter of the Fiscal Year Ending August 31, 2024		
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	YoY change ratio (%)
Orders received*	2,865	—	1,993	—	(30.4)
Order backlogs*	1,311	—	1,092	—	(16.7)
Net sales	4,240	100.0	2,040	100.0	(51.9)
Cost of sales	2,917	68.8	1,793	87.9	(38.5)
Gross profit	1,322	31.2	246	12.1	(81.3)
Selling and administrative expenses	395	9.3	325	16.0	(17.7)
Operating profit	927	21.9	(78)	(3.9)	—
Ordinary profit	913	21.5	(134)	(6.6)	—
Extraordinary loss (income)	(2)	0.1	0	0.0	—
Profit	644	15.2	(101)	(5.0)	—
EPS (yen)	51.00	—	(8.06)	—	—

### Point

#### 1. Status of orders received\*

- Semiconductor sector: 1,488 million yen (31.4% YoY decrease)
- FPD sector: 470 million yen (82.9% YoY increase)
- Other sectors: 34 million yen (92.1% YoY decrease)

#### 2. Net sales

- 51.9% YoY decrease  
(Details by sector on the next page)

#### 3. Cost of sales

- Outsourcing expenses: 379-million-yen decrease (64.2% YoY decrease)
- Material cost: 374-million-yen decrease (56.3% YoY decrease)
- Labor costs: 190-million-yen decrease (23.6% YoY decrease)

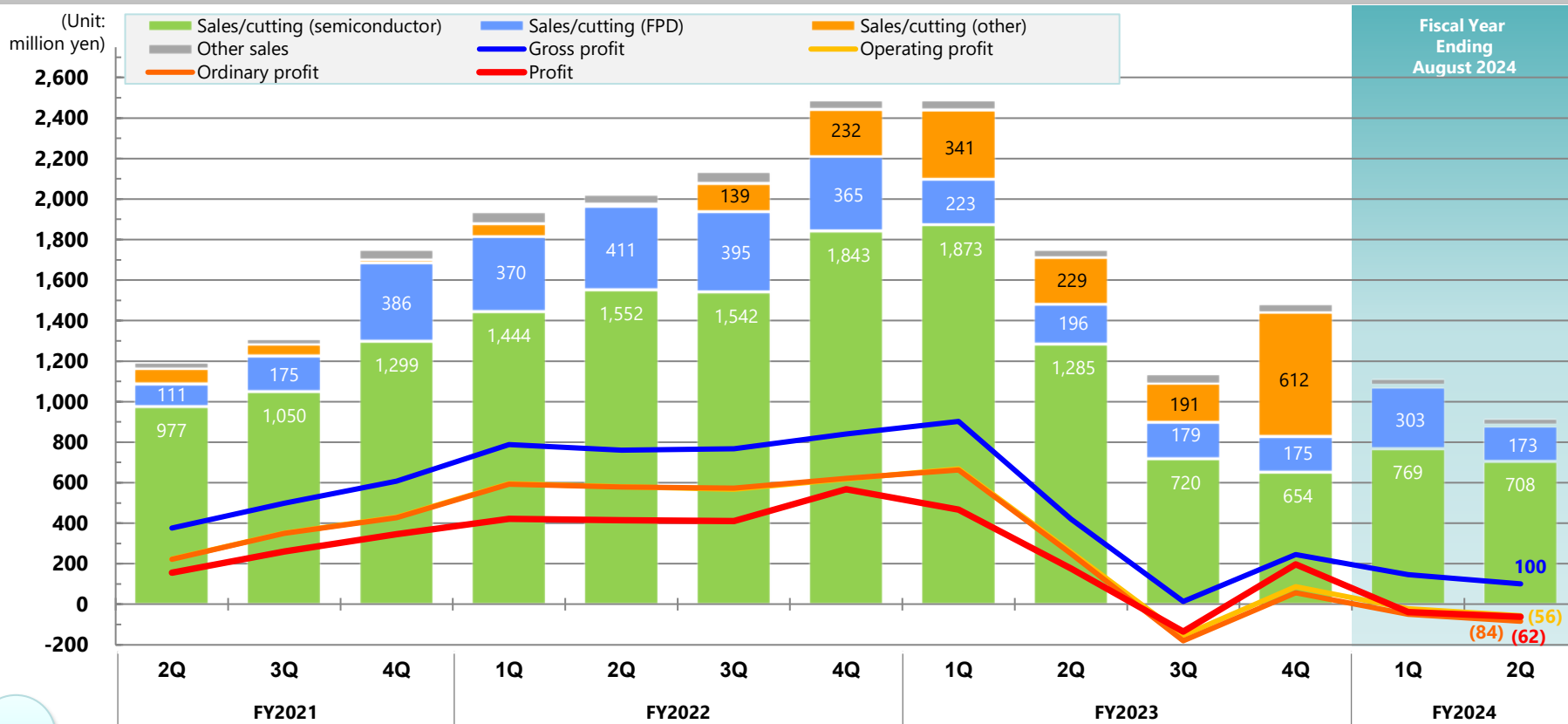
#### 4. Selling and administrative expenses

- Personnel expenses: 44-million-yen decrease (21.9% YoY decrease)
- R&D expenses: 16-million-yen decrease (33.1% YoY decrease)

\*Orders received and order backlogs include materials supplied for a fee.

# 2. Overview of Financial Results

## Trends in Quarterly Business Results



**Point**

**1. Sales decreased due to unfulfilled orders for solar cell production equipment parts**

- Semiconductor sector: 1,478 million yen (53.2% YoY decrease)
  - Although stagnation continued, there are signs of bottoming out and a trend of improvement during the period.
- FPD sector: 476 million yen (13.5% YoY increase)
  - Sales recovery for G6 and G8 OLEDs.

- Other sectors: 19 million yen (96.5% YoY decrease)
  - Decrease due to delayed orders for solar cell production equipment parts.

**2. Profit declined due to lower sales and a lower utilization ratio, etc.**

- Decrease of 66 million yen in provision for loss on orders received, etc. from the end of the previous fiscal year (improvement).
- Net loss for the period: 101 million yen.

\*This graph shows quarterly figures, but the numbers in the comments for each point are those for the fiscal year under review.

# 2. Overview of Financial Results

## B/S Analysis

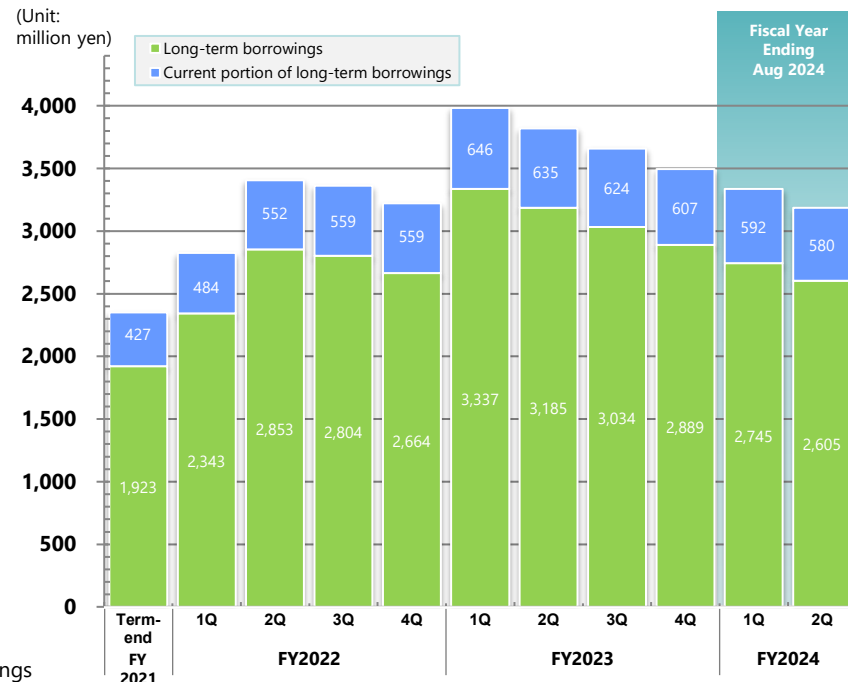
<b>B/S</b>	Fiscal year ended Aug 2023 End of Fiscal Year	Fiscal year ending Aug 2024 End of Q2
	(Unit: million yen)	
Current assets	5,448	4,904
Cash & deposits	3,496	3,061
Trade receivables (Notes receivable - trade, accounts receivable - trade, and electronically recorded monetary claims - operating)	982	1,048
Inventories	813	754
Non-current assets	6,163	6,059
Buildings and land	2,537	2,485
Machinery and equipment	3,271	2,889
Current liabilities	1,165	1,104
Interest-bearing liabilities (short-term)*	607	580
Non-current liabilities	2,973	2,692
Long-term borrowings	2,889	2,605
Total liabilities	4,138	3,796
Total net assets	7,473	7,168
Total assets	11,612	10,964

\*Interest-bearing liabilities (short-term): Short-term borrowings + current portion of long-term borrowings

### Point

- Assets: 10,964 million yen (647-million-yen decrease from the end of the previous fiscal year)**
  - Cash & deposits: 435-million-yen decrease
  - Property, plant and equipment: 132-million-yen decrease
- Liabilities: 3,796 million yen (341-million-yen decrease from the end of the previous fiscal year)**
  - Long-term borrowings: 283-million-yen decrease
  - Current portion of long-term borrowings: 26-million-yen decrease
- Net assets: 7,168 million yen (305-million-yen decrease from the end of the previous fiscal year)**
  - Dividends paid: 227 million yen
  - Net loss for the quarter: 101 million yen
  - Equity ratio: 64.4% → 65.4%

(Unit:  
million yen)



# 3. Business Environment

## Future Environment and Policies by Sales Sector

### Semiconductor

- ◆ Market environment in the second half of the year: investment plans begin to emerge for both logic and memory.
- ◆ Mass production has started for new customers. Orders from existing customers are also recovering.
- ◆ Prepare for growth by expanding personnel and other measures to reinforce production capacity.

### FPD

- ◆ The trend is for investment plans for OLEDs to increase after this fiscal year.
- ◆ There will be a slight delay in some OLED G8 investments, but they are expected to continue in the next fiscal year and beyond.
- ◆ Continue the strategy of expanding market share by leveraging EBW.

### Others

- ◆ Chinese market stagnant; PV\* orders expected from 2Q not received.
- ◆ Received an order for a prototype of new solar cell production equipment.
- ◆ Chinese PV-related business is under discussion for shipment 4Q or later, but the timing is unclear.

\* PV is the abbreviation for photovoltaic. It refers to photovoltaic power generation.

# 4. Financial Forecast for FY2024

## Forecast for the Current Period (Profit/Loss, Capital Investment, and Fixed Cost)

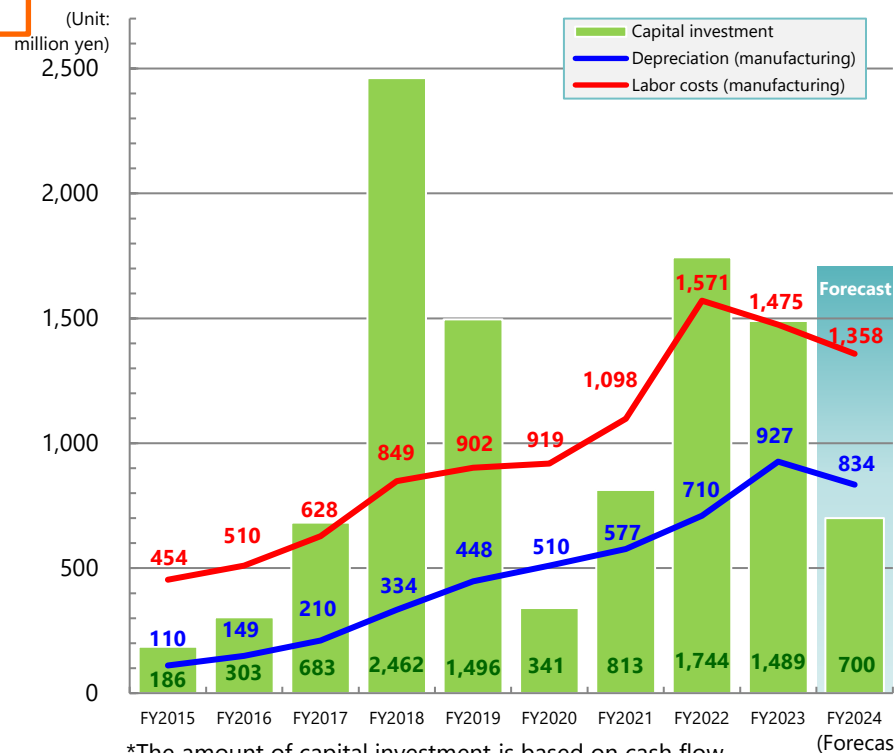
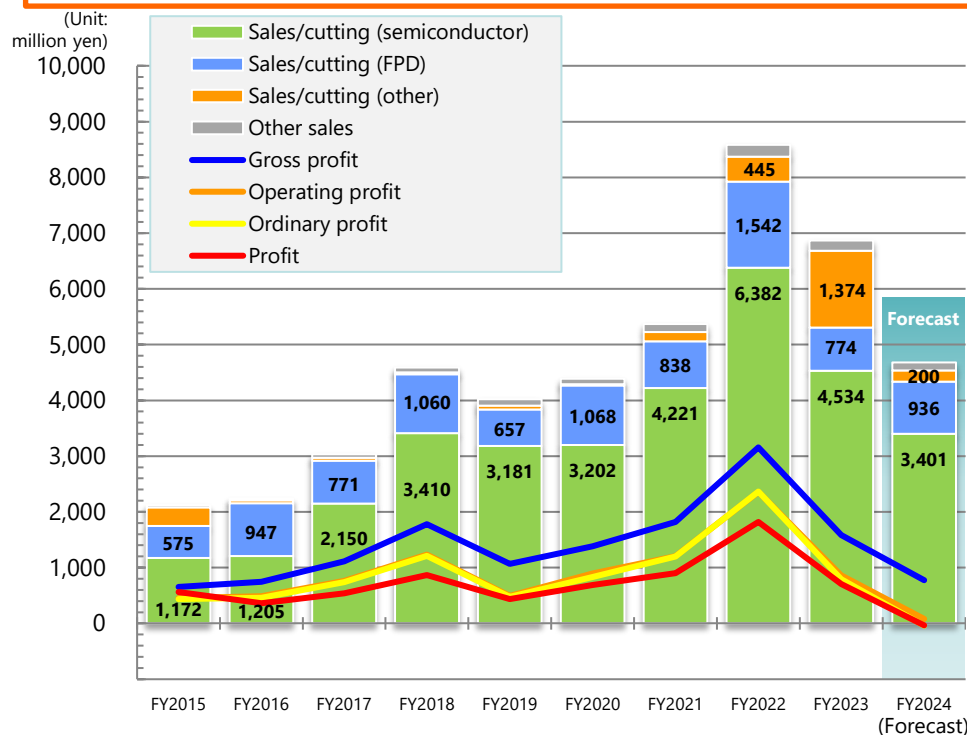
Financial forecast for FY2024	Net sales (millions of yen)	Operating profit (millions of yen)	Ordinary profit (millions of yen)	Profit (millions of yen)	Earnings per share (yen)
Full year	4,680	77	(39)	(34)	(2.69)

Orders for PV in the other sectors may contribute from 4Q, but as orders have not yet been received and are still uncertain, sales and profit/loss forecasts have been revised downward, with some of them excluded altogether from the sales forecast.

\* There are no changes to the dividend forecast at this time.

### Point

- ✓ In semiconductors, there is an improvement trend in markets outside of China.
- ✓ Mass production orders and shipments have started for new semiconductor-related customers.
- ✓ Investment for this fiscal year is restrained, but an investment for increasing production in the next fiscal year is being prepared.
- ✓ PV sales have been delayed and the timing is unclear.



\*The amount of capital investment is based on cash flow.

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Our goal as a company is for our technology to make a social contribution through sustainable management.



# Notes

Information that refers to future events, including the information listed in this material and content that has been orally explained, is an outlook based on certain assumptions, which include variable elements such as evaluations by Marumae's management.

This material has been prepared for shareholders and investors for them to grasp the current status and management policies of Marumae and does not provide readers with a basis for making any investment decision such as the purchase or sale of Company shares. The Company bears no responsibility for any investment decision.

Although the Company has taken care in preparing the listed information, including the numerical figures, this material contains many numerical figures that have not been audited. Therefore, the Company does not assure their accuracy. Moreover, the Company does not bear any responsibility for the information listed nor for any errors contained herein for any reason.

For inquiries regarding this material, please contact the following:

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E-mail: [inquiry\\_en@marumae.com](mailto:inquiry_en@marumae.com)

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# Company Profile

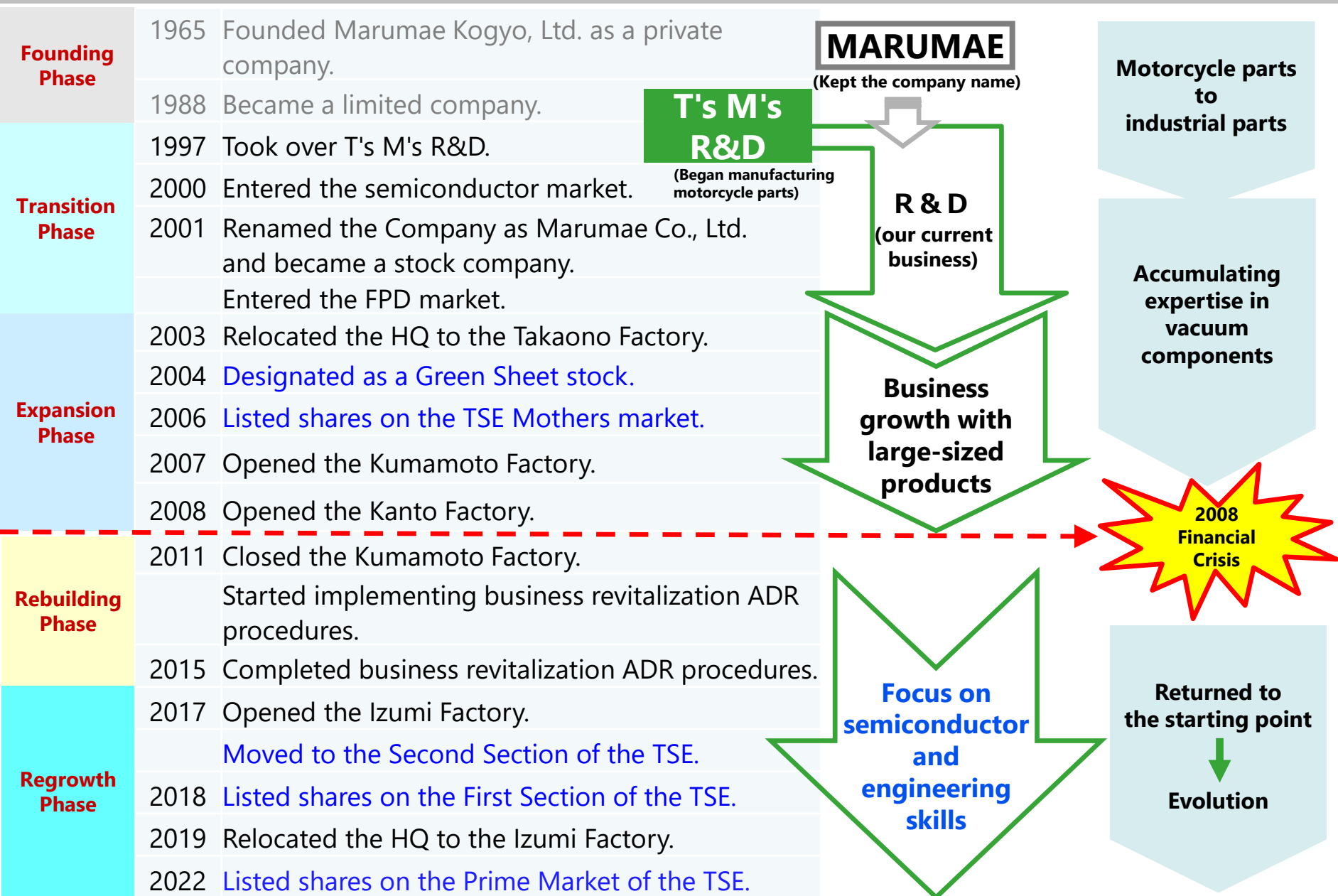
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# Reference (Our History)

We got our start in motorcycle racing.

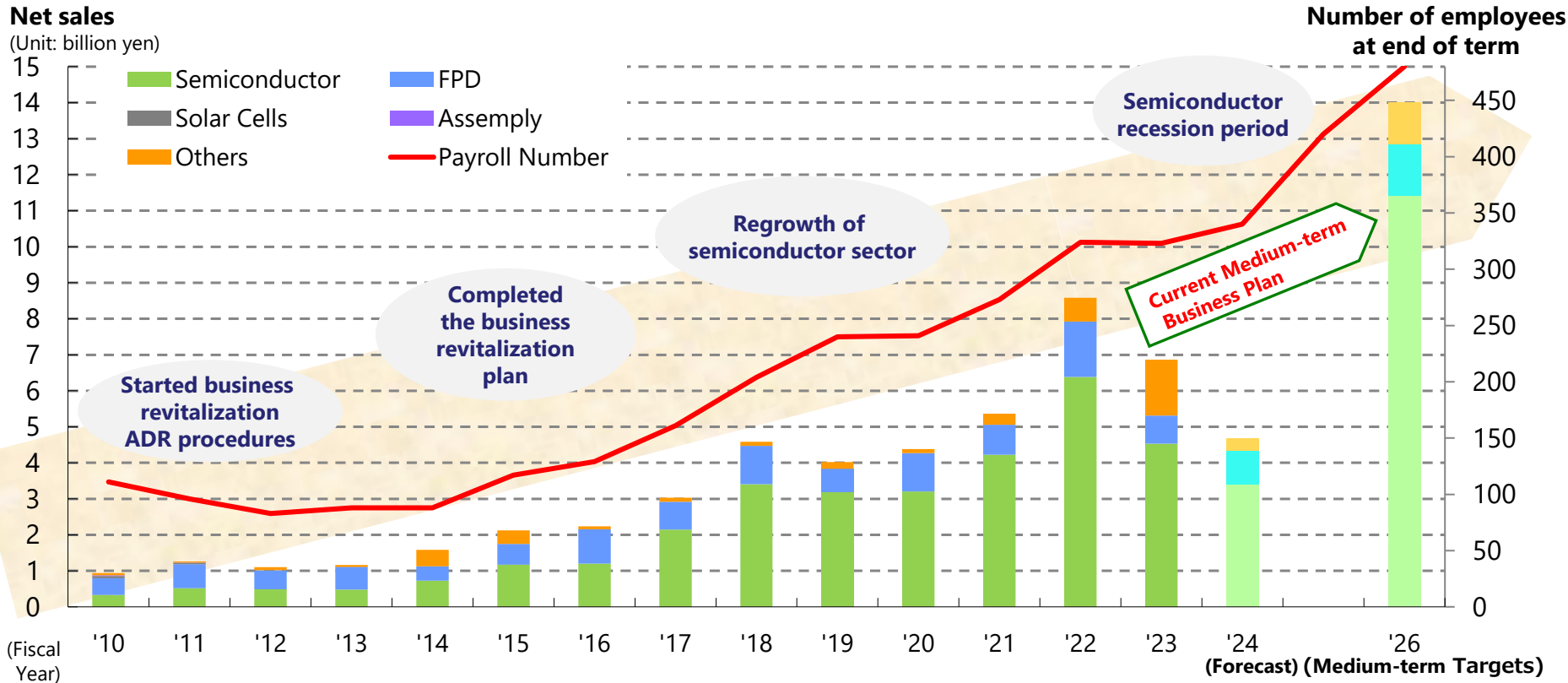


# Reference (Our History & Business Transition)



# Reference (Our History & Business Transition)

## Business Growth & Growth Drivers



# Reference (Business Overview)

## Major Processes and Products

**Our products provide core support for semiconductor and FPD production equipment.**

### Main processes of customers who use our products:

(Semiconductors)

Etching  
CVD  
Coating/developing  
Cleaning

(FPD)

Etching  
CVD  
Coating/developing  
Sputtering  
Cleaning  
Ion implantation

### Our main products:

Vacuum chambers  
Shower heads  
Exhaust plates  
Electrostatic chucks  
Heaters  
Upper electrodes  
Targets  
Parts for transfer systems  
Various vacuum components

\* This photo is a sample image

# Reference (Company Overview)

<b>Company name</b>	Marumae Co., Ltd.	<b>Total number of issued shares</b>	13,053,000 shares
<b>Established</b>	October 1988	<b>Share unit number</b>	100 shares
<b>Capital</b>	1,241,150,000 yen (as of February 29, 2024)	<b>Total number of shareholders</b>	10,744
<b>Executives</b>	<ul style="list-style-type: none"> <li>Toshikazu Maeda, President and Representative Director</li> <li>Kota Kaizaki, Director</li> <li>Hiroto Ando, Director</li> <li>Akiko Kadota, Outside Director</li> <li>Kumiko Seko, Outside Director</li> <li>Keiji Hokanishi, Director (Audit and Supervisory Committee Member)</li> <li>Satoshi Momokino, Outside Director (Audit and Supervisory Committee Member)</li> <li>Takaaki Yamamoto, Outside Director (Audit and Supervisory Committee Member)</li> <li>Hirotsugu Miyakawa, Outside Director (Audit and Supervisory Committee Member)</li> </ul>	<b>Major shareholders (Common shares)</b>	<ul style="list-style-type: none"> <li>Toshikazu Maeda 4,835,783 shares</li> <li>The Master Trust Bank of Japan, Ltd. (trust account) 1,046,400 shares</li> <li>Misako Maeda 504,000 shares</li> <li>Nomura Securities Co., Ltd. 275,438 shares</li> <li>STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25 187,886 shares</li> <li>Yoshiko Maeda 180,000 shares</li> <li>Koei Igarashi 169,000 shares</li> <li>Custody Bank of Japan, Ltd. (trust account) 149,700 shares</li> <li>BNYMSANV RE GCLB RE JP RD LMGC 135,746 shares</li> <li>Marumae Kyoaikai 130,000 shares</li> </ul>
<b>Number of employees</b>	320 (including 137 temporary workers) as of February 29, 2024, and approx. 26 dispatched workers		(Note) There are 399,162 treasury shares (as of February 29, 2024).
<b>Locations</b>	<ul style="list-style-type: none"> <li>Izumi Factory (Headquarters): 2141 Onohara, Izumi, Kagoshima 899-0216, Japan</li> <li>Takaono Factory: 3816-41 Okubo, Takaono, Izumi, Kagoshima 899-0401, Japan</li> <li>Kanto Factory: 2-17-15 Hizaori, Asaka, Saitama 351-0014, Japan</li> </ul>		<b>Management philosophy</b>
<b>Business description</b>	<ul style="list-style-type: none"> <li>Design, manufacture, processing, and assembly of precision machinery and precision equipment</li> <li>Design and manufacture of precision machine components</li> <li>Design, manufacture, and sale of industrial and medical equipment</li> <li>Inspection and repair of precision machine parts, machinery, and equipment</li> <li>Development and sale of software</li> <li>Plate working</li> <li>Plumbing</li> <li>Transportation</li> <li>Real estate leasing</li> </ul>		<ul style="list-style-type: none"> <li>Seek technological perfection</li> <li>Respect competition and cooperation</li> <li>Contribute to society as a company that focuses on technology</li> </ul> <p>We focus on parts machining, which is the foundation of the <i>monozukuri</i> (manufacturing) that supports our economy. To become a company that can support comprehensive manufacturers in various areas, we aim to be a leading parts machining company with advanced technology and supply capabilities.</p>