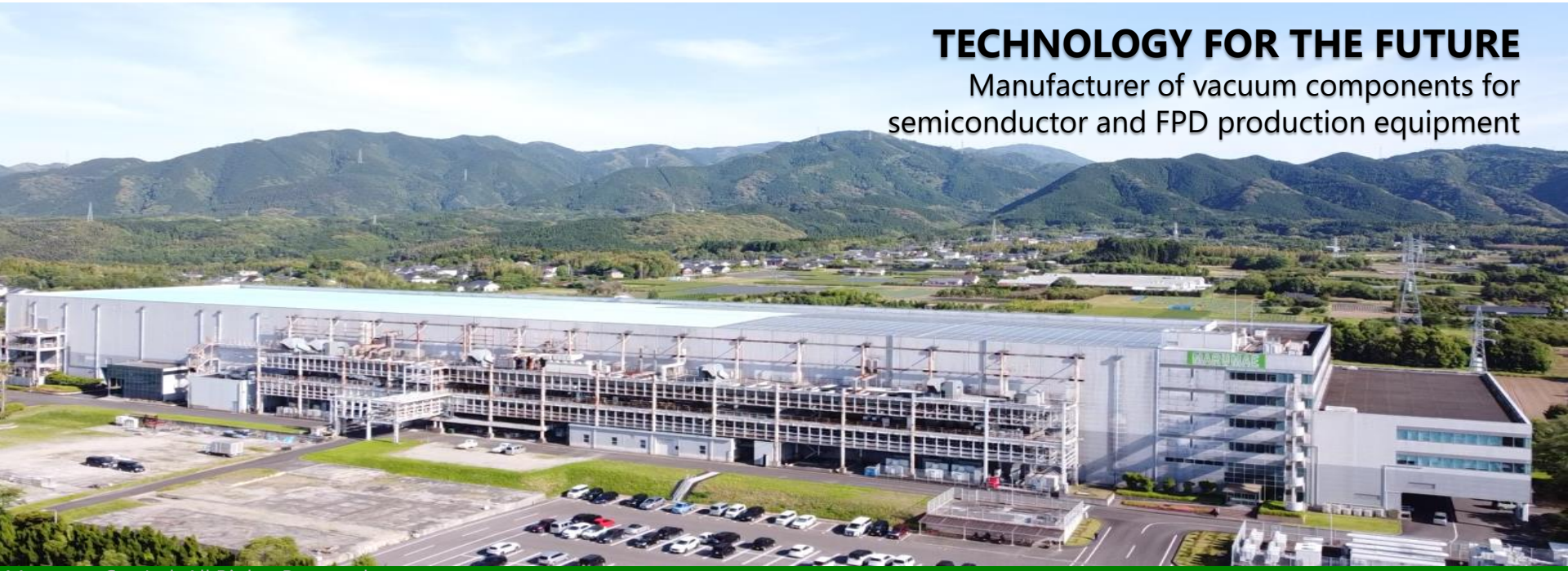
Tokyo Stock Exchange (TSE): 6264

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

MARUMAE CO., LTD.
FY2024 Financial Results Summary and Revised Medium-term Business Plan

October 11, 2024



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1. Overview of Financial Results

P/L Analysis

P/L	FY2023		FY2024		
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	YoY change ratio (%)
Orders received	5,167	—	5,197	—	0.6
Order backlogs	1,101	—	1,688	—	53.4
Net sales	6,868	100.0	4,749	100.0	(30.9)
Cost of sales	5,284	76.9	3,916	82.5	(25.9)
Gross profit	1,583	23.1	832	17.5	(47.4)
Selling and administrative expenses	723	10.5	675	14.2	(6.7)
Operating profit	859	12.5	156	3.3	(81.8)
Ordinary profit	789	11.5	42	0.9	(94.6)
Extraordinary loss (income)	208	3.0	0	0.0	0.0
Profit	706	10.3	19	0.4	(97.2)
EPS (yen)	55.92	—	1.55	—	(97.2)

Point

1. Status of orders received

- Semiconductor sector: 3,794 million yen (13.4% YoY increase)
- FPD sector: 1,314 million yen (72.6% YoY increase)
- Other sectors: 88 million yen (91.7% YoY decrease)

2. Net sales

- 30.9% YoY decrease

(The details for each sector are listed on the next page.)

3. Cost of sales

- Material costs: 788 million yen (30.9% YoY decrease)
- Outsourcing expenses: 509 million yen (40.4% YoY decrease)
- Labor costs: 1,297 million yen (12.1% YoY decrease)

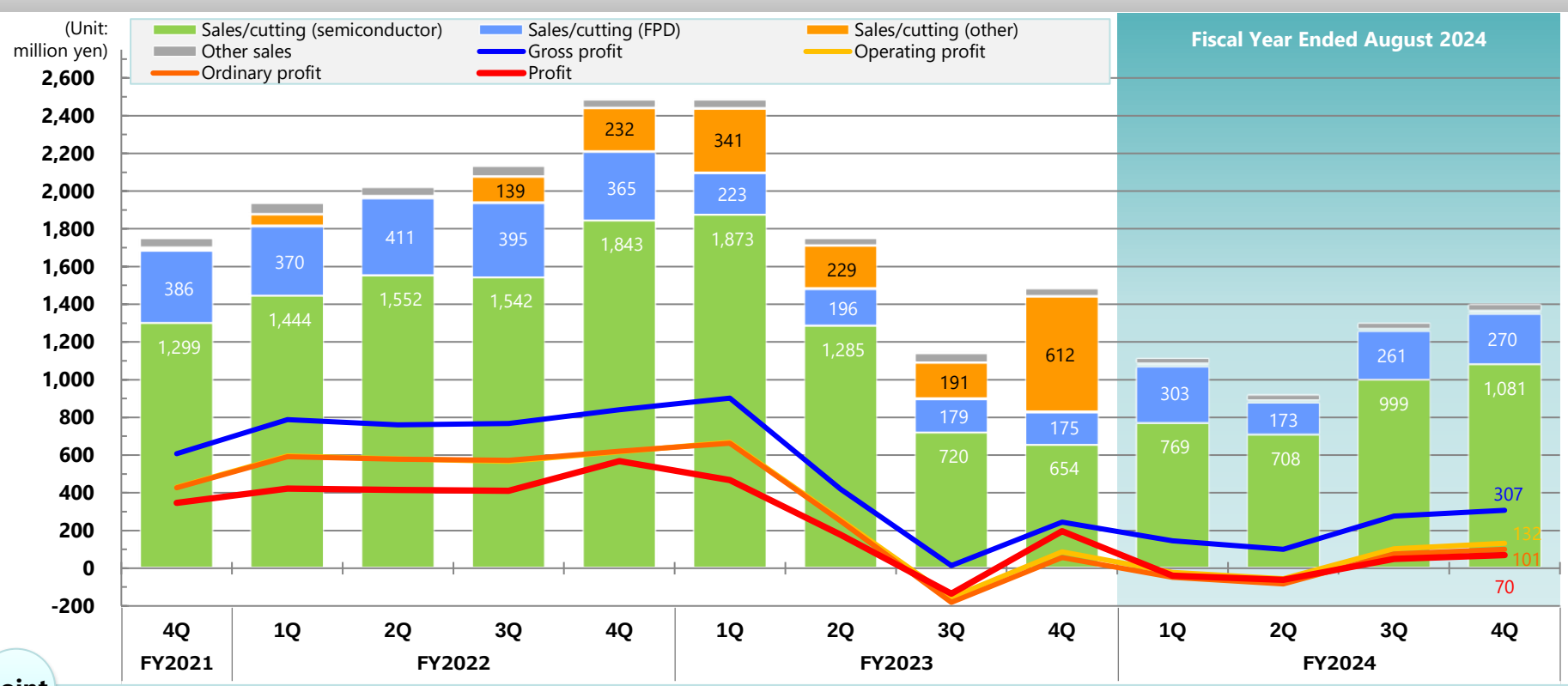
4. Selling and administrative expenses

- R&D expenses: 55 million yen (34.8% YoY decrease)
- Personnel expenses: 360 million yen (4.6% YoY decrease)

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1. Overview of Financial Results

Trends in Quarterly Business Results



Point

1. Sales are on the rise due to a recovery in the semiconductor sector.

■ Semiconductor sector: 3,558 million yen (21.5% YoY decrease)

- Increase in consumables orders due to progress in inventory adjustment. New customer orders are also increasing.

■ FPD sector: 1,008 million yen (30.2% YoY increase)

- Solid orders due to strong OLED sales.

■ Other sectors: 41 million yen (97.0% YoY decrease)

- Continued inquiries for solar cell production equipment parts, but no orders have been received.

2. Profitability is improving due to sales recovery, improved utilization ratio, etc.

- Provision for loss on orders received, etc., decreased by 46 million yen from the end of the previous period (improved).
- Reduce manufacturing costs by curbing capital investment and personnel recruitment.

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

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1. Overview of Financial Results

B/S Analysis

B/S (Unit: million yen)	Fiscal year ended Aug 2023 End of Fiscal Year	Fiscal year ended Aug 2024 End of Fiscal Year
Current assets	5,448	5,572
Cash and deposits	3,496	3,028
Trade receivables (Notes receivable - trade, accounts receivable - trade, and electronically recorded monetary claims - operating)	982	1,591
Inventories	813	826
Non-current assets	6,163	5,891
Buildings and land	2,537	2,453
Machinery and equipment	3,271	2,638
Current liabilities	1,165	1,348
Interest-bearing liabilities (short-term)*	607	596
Non-current liabilities	2,973	2,952
Long-term borrowings	2,889	2,863
Total liabilities	4,138	4,300
Total net assets	7,473	7,163
Total assets	11,612	11,464

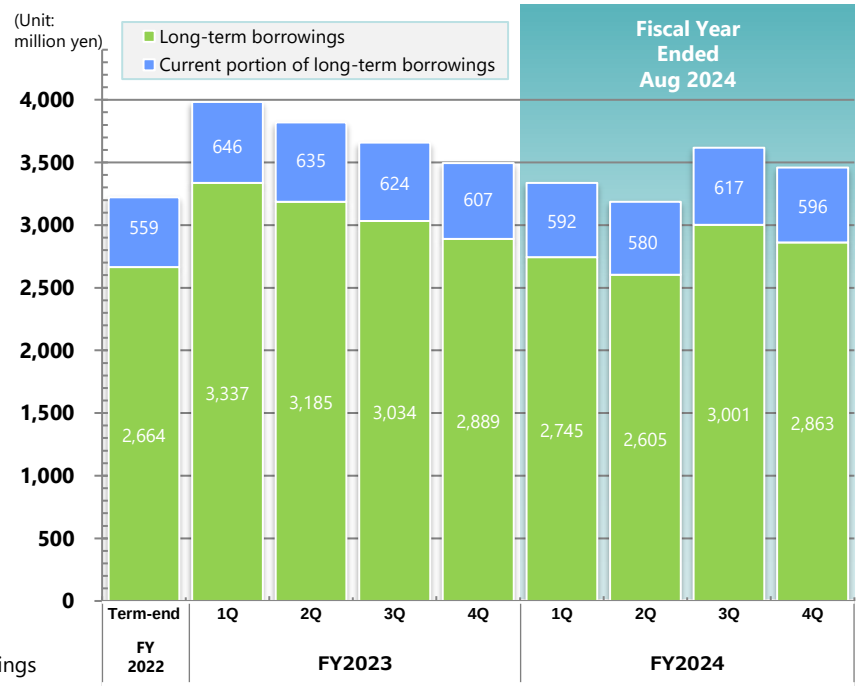
* Interest-bearing liabilities (short-term): Short-term borrowings + current portion of long-term borrowings

Point

1. Assets: 11,464 million yen (147-million-yen decrease from the end of the previous fiscal year)
- Cash and deposits: 468-million-yen decrease
- Property, plant and equipment: 287-million-yen decrease

2. Liabilities: 4,300 million yen (162-million-yen increase from the end of the previous fiscal year)
- Accounts payable - other: 136-million-yen increase
- Accounts payable - trade: 86-million-yen increase

3. Net assets: 7,163 million yen (310-million-yen decrease from the end of the previous fiscal year)
- Retained earnings: 334-million-yen decrease
- Increase of 24 million yen due to disposal of treasury shares.
- Equity ratio: 64.4% → 62.5%



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2. Business Environment

Future Environment and Policies by Sales Sector

Semiconductor

- DRAM is strong. NAND has restarted. MPU logic has been postponed.
- Inventory clearance is progressing, and consumables are selling well. New customers are also expanding the range of products they order.
- Urgently expanding insufficient facilities and hiring staff.

FPD

- Investment in G8 OLED equipment for IT devices is increasing. Investment in LCDs is also planned for 2026.
- Production started earlier to even out production. Outlook has remained strong for over a year.
- Continue the strategy of expanding market share by leveraging EBW.

Others

- We receive numerous inquiries for Chinese PVs*, but it is difficult to factor them into our budget.
- Received an order for a prototype component for a new type of solar cell equipment.
- Expand sales activities into various fields to utilize surplus capacity.

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

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3. Financial Results Forecast for FY2025

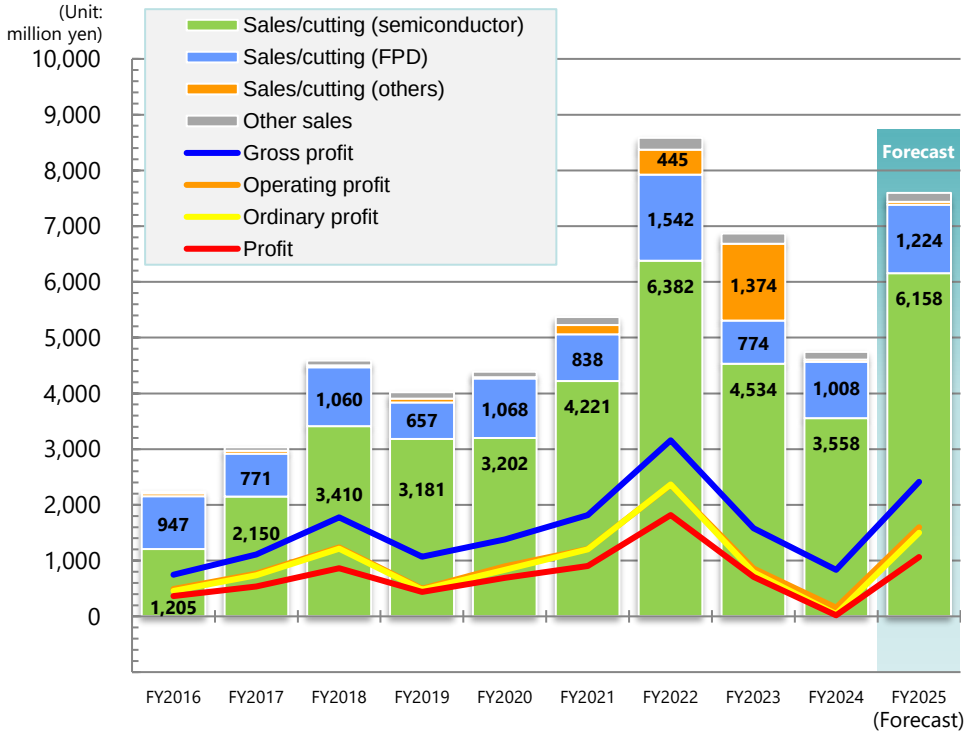
Forecast for FY2025 (Profit/Loss, Capital Investment, and Fixed Cost)

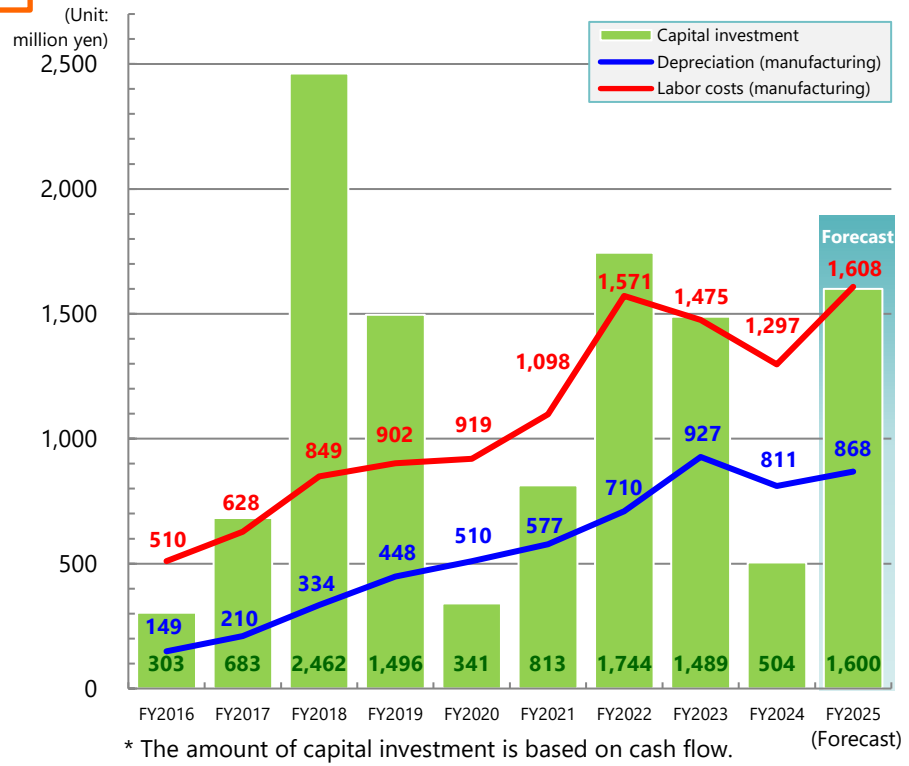
Financial forecast for FY2025	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)	Earnings per share (yen)
Q2 (Cumulative)	3,650	700	650	462	36.51
Full year	7,600	1,600	1,500	1,065	84.16

Forecast of rapid recovery in business performance centered on the semiconductor sector.

Point

- ✓ **Investment restart in line with improved semiconductor market conditions.**
- ✓ **There is some spare capacity in the overall utilization rate, but some equipment capacity is tight.**
- ✓ **Investment in increased production and recruitment at a rapid pace.**





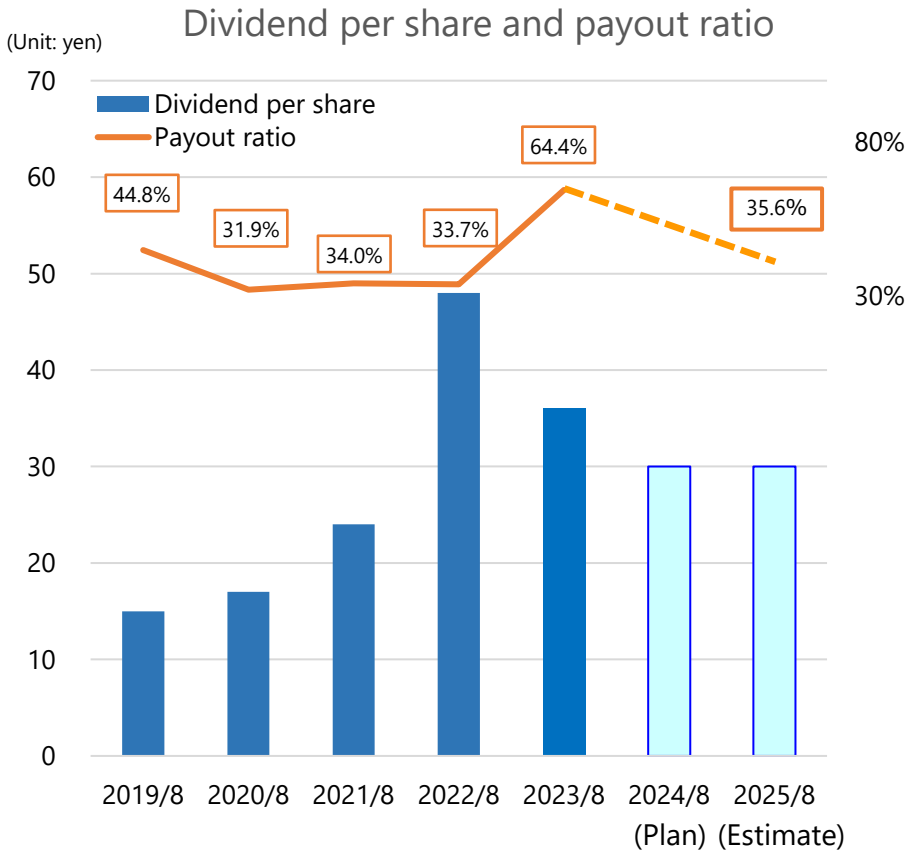
* The amount of capital investment is based on cash flow.

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3. Financial Results Forecast for FY2025

Shareholder Returns

Dividend Results and Forecasts



Dividend Policy

- ✓ Dividend payout ratio of 35% or above as planned in the medium-term business plan.
- ✓ Stabilizing with a minimum annual dividend per share of 20 yen (10 yen per half year).

Shareholder Benefits

- ✓ QUO gift card with a value equivalent to 1,000 yen for shareholders who hold at least one share unit of the Company continuously for at least six months.

Current Dividends

- ✓ 10 yen per share for the first half of FY2024 (dividend paid) and 20 yen per share for the end term, for a total of 30 yen per share (plan).
- ✓ 15 yen per share for the first half of FY2025 and 15 yen per share for the end term, for a total of 30 yen per share (estimate).
- ✓ With the business environment improving, the dividend amount was decided with consideration given to improving capital efficiency and stable dividends.

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4. Medium-term Business Plan

Revision of Numerical Targets in the Medium-term Business Plan

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4. Medium-term Business Plan

New Numerical Plan

The final year is FY2026, and there are no changes.

Medium-term Business Plan

Innovation 2026

Numerical Targets	Net sales of 12B yen Operating profit of 3.6B yen
ROIC	Asset-based ROIC of 20% Liability-based ROIC of 18%
Payout Ratio	Dividend payout ratio of 35% or more Minimum annual dividend of 20.0 yen per share

* These figures are the target values in the medium-term business plan, and are not official forecast figures for the period ending August 2026.

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4. Medium-term Business Plan

Review of the Plan

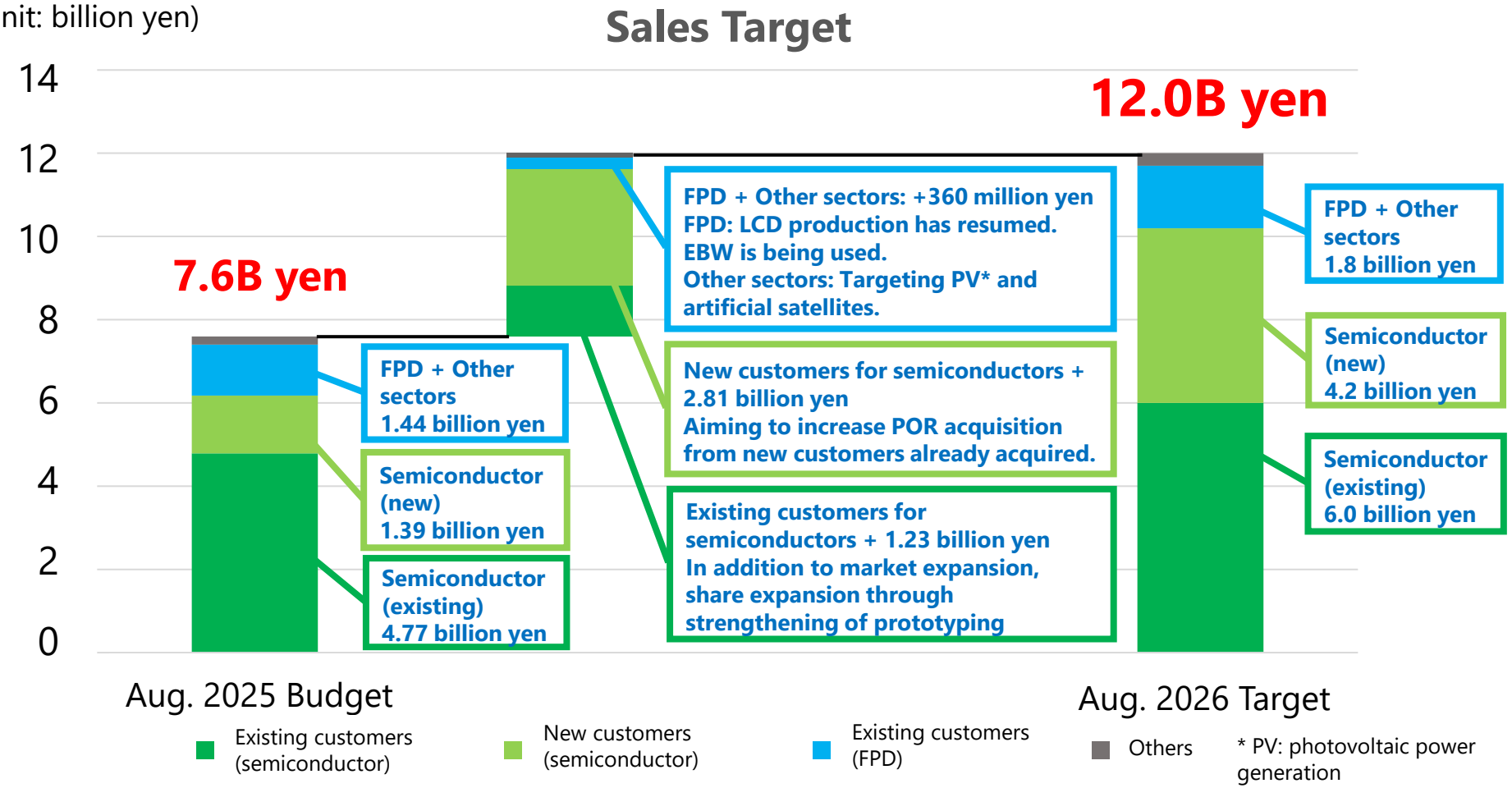
- ✓ Due to unexpected inventory adjustments, the slowdown in orders has lasted longer than initially predicted.
- ✓ Due to the stagnation, we also postponed our capital investment plans and cut back on hiring.
- ✓ Unable to capture the booming legacy demand for China due to the majority of orders being for cutting-edge products (In addition, orders for semiconductor memory products destined for China are increasing).
- ✓ The market is recovering, inventory adjustments are progressing, and orders are growing again. However, it is expected that the necessary capital investment and recruitment and training of personnel to support sales of 14 billion yen for fiscal 2026 will not be completed in time.
- ✓ The target values were reviewed and a revised, realistic plan was formulated. The plan was approved by the Board of Directors on October 11, 2024.

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4. Medium-term Business Plan

Numerical Targets: from the 2025 Budget to the 2026 Target

(Unit: billion yen)



In addition to the growth in the semiconductor market, share gains with existing customers, and POR expansion with new customers are expected.

The figures for the period ending August 2026 are the target values in the medium-term plan, and are not official forecast figures.

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4. Medium-term Business Plan

Izumi Factory (Headquarters) Capital Investment

New factory plans postponed due to medium-term plan review
Postponed to after August 2026



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4. Medium-term Business Plan

Strategies to Achieve Goals

Production Capacity | **Capacity Planning**

Fiscal Year	FY2024	FY2025	FY2026
Capital Expenditure (Forecast) CF basis	500M yen	1.60B yen	1.80B yen
Depreciation (Current forecast) (Cost of products manufactured)	810M yen	Approx. 870M yen	Approx. 1.12B yen
Manufacturing Capacity (Monthly production) Forecast as of the end of the fiscal year	Semiconductor 800M yen FPD, etc. 300M yen	Semiconductor 950M yen FPD, etc. 300M yen	Semiconductor 1.10B yen FPD, etc. 300M yen

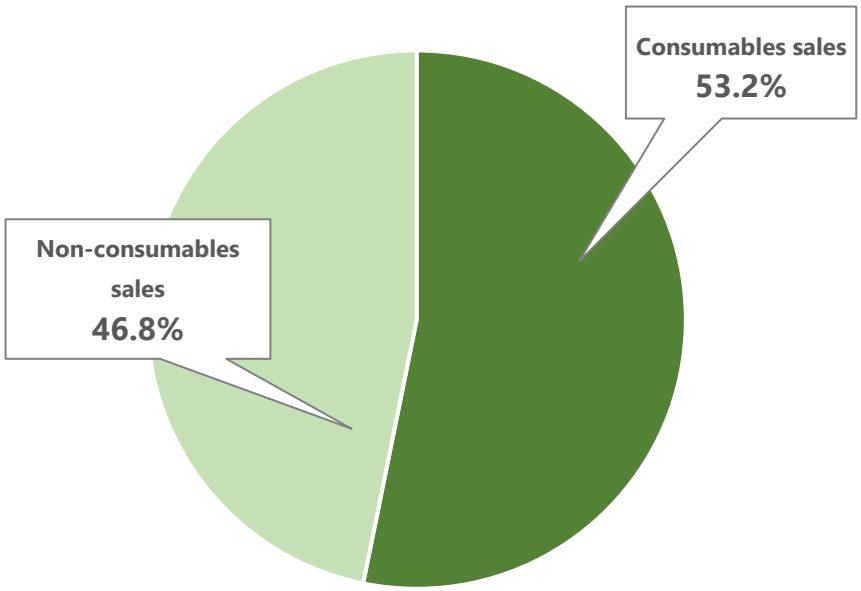
- The production capacity is a simple sum of individual machine capacities. It is necessary to secure and train human resources in order to achieve production.
- Figures for FY2025 include investment in the company cafeteria to improve employee satisfaction, etc.
- This investment amount includes investments in solar panels and storage batteries for achieving carbon neutrality.

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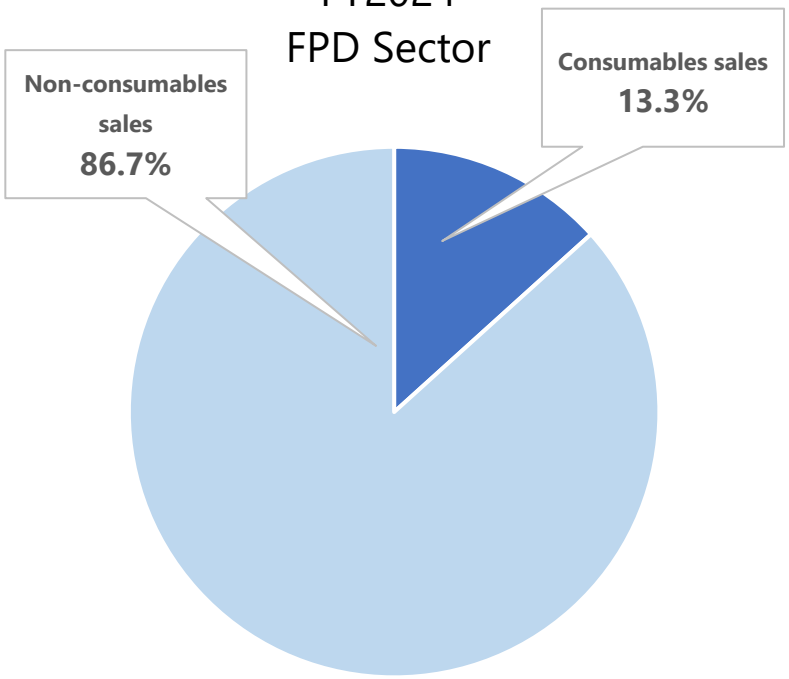
4. Medium-term Business Plan

Strategies - Expansion of Consumables -

FY2024
Semiconductor Sector



FY2024
FPD Sector



Stabilization Strategy

Aiming to stabilize orders by strengthening consumables

*** In the period under review, the ratio of semiconductor consumables declined due to inventory backlogs of consumables.**

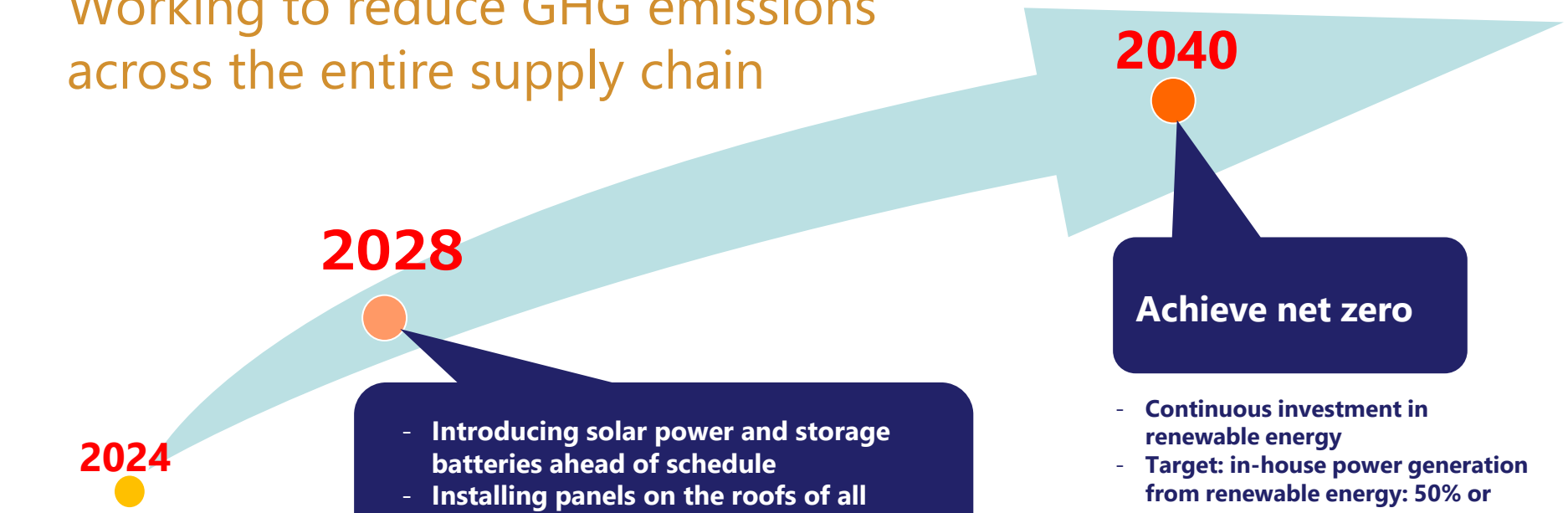
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5. Sustainable Management

New Target: Achieve Net Zero by 2040

ESG **Roadmap to Net Zero**

Working to reduce GHG emissions across the entire supply chain



- Continuous investment in renewable energy
- Target: in-house power generation from renewable energy: 50% or more

- Introducing solar power and storage batteries ahead of schedule
- Installing panels on the roofs of all factories

- Deliberations at Board of Directors meetings
- Review of GHG reduction plans

- Total investment: 640 million yen
- Target ratio of in-house renewable energy generation: 27% or more
- Solar panels: 3,400 kW or more
- Storage batteries: approx. 2,500 kWh

Our policy is to generate our own power using renewable energy and consume it ourselves.

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5. Sustainable Management

Human Resources Strategy and Others

ESG **Human Resources Strategy, Health and Safety, Contribution to the Community**

Results

Human resource development and diversity

- Continuing systematic education for the development of programmers
- Improving female leadership (ratio of female managers: 11.8% → 15.0%*)

*The calculation method for managerial positions has been revised as per the Women's Advancement Act, effective this period. Previous period figures have been adjusted accordingly.

Strengthening the effectiveness of health and safety

- Award: Kagoshima Prefecture Labor Bureau Director's Award (Takaono Factory)
- Reason for award: Fewer occupational accidents and high standards of health and safety

Coexistence with the local community

- 4 naming rights (public facilities in Izumi City)
- Supporting local youth soccer tournaments: Rooted in the community through helping to develop the next generation

Future

Evolution of the human resource strategy

- Acceleration of company-wide education through establish a human resources section
- Public relations activities aimed at securing strategic human resources

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5. Sustainable Management

Governance

ESG **Strengthening Governance and Improving Risk Resilience**

Results

ISO 27001 Information Security Management System certified

- Active involvement of the Board of Directors to ensure effectiveness
- Access control system installed throughout the Izumi Factory

Maintain diversity on the Board of Directors

- Maintaining a female ratio of 22.2%
- Strengthening the supervisory function of the Board of Directors by maintaining a diverse composition of the Board of Directors

Future

Develop the next generation of management executives

- Discussion to begin at the Advisory Committee from the fiscal 2024

Promotion of Enterprise Risk Management (ERM)

- Enterprise-wide risk analysis in progress
- Aiming to enhance financial impact measurement and disclosure

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

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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:
Person in charge of IR, HR & Planning Section, Administration Department,
Marumae Co., Ltd.

E-mail: inquiry_en@marumae.com

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Company Profile

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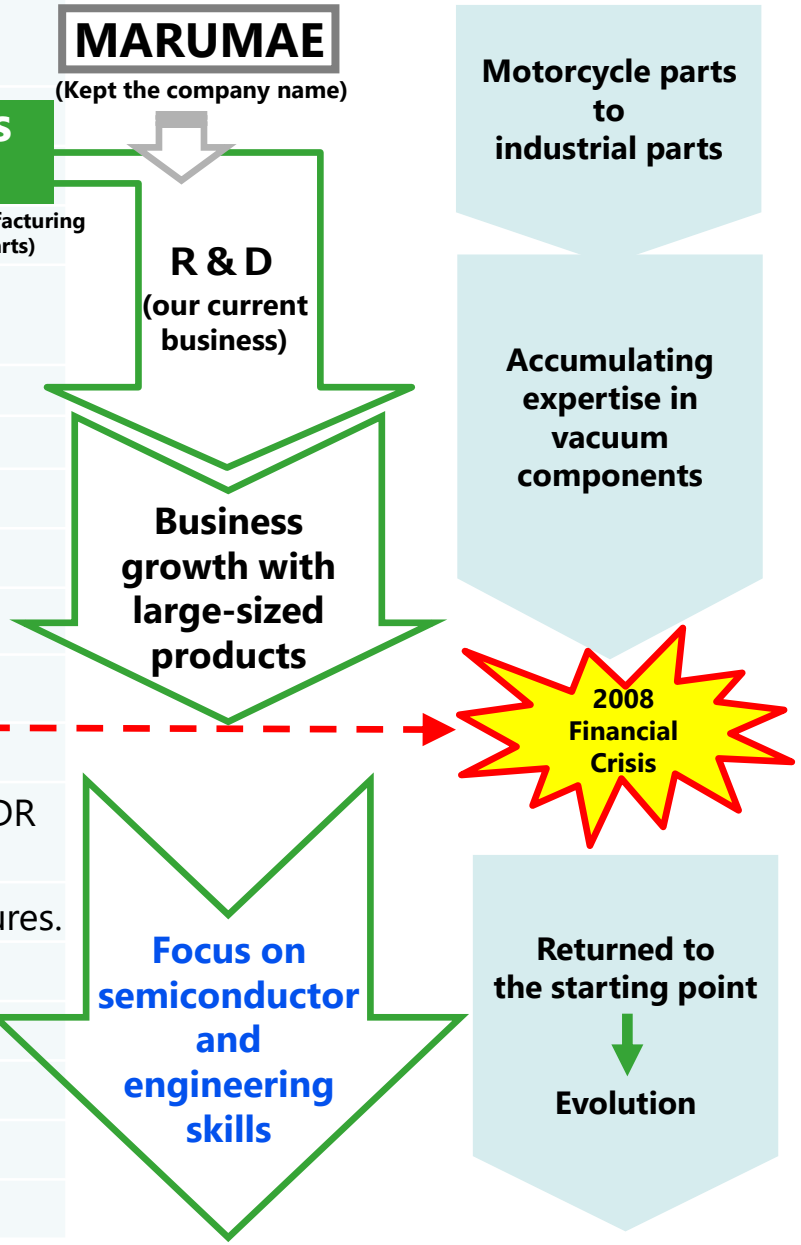
Reference (Our History)



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Reference (Our History & Business Transition)

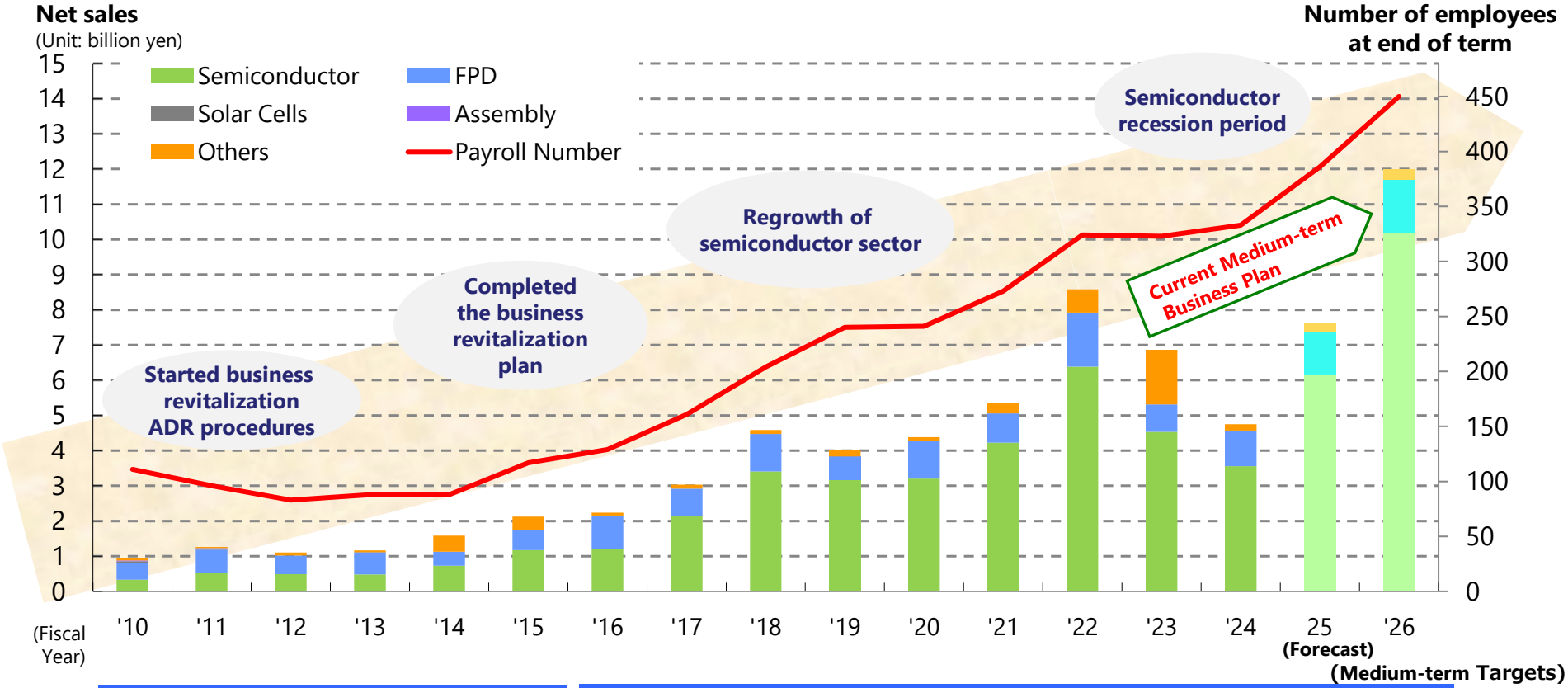
Founding Phase	1965	Founded Marumae Kogyo, Ltd. as a private company.
	1988	Became a limited company.
Transition Phase	1997	Took over T's M's R&D.
	2000	Entered the semiconductor market.
	2001	Renamed the Company as Marumae Co., Ltd. and became a stock company.
		Entered the FPD market.
Expansion Phase	2003	Relocated the HQ to the Takaono Factory.
	2004	Designated as a Green Sheet stock.
	2006	Listed shares on the TSE Mothers market.
	2007	Opened the Kumamoto Factory.
	2008	Opened the Kanto Factory.
Rebuilding Phase	2011	Closed the Kumamoto Factory.
		Started implementing business revitalization ADR procedures.
	2015	Completed business revitalization ADR procedures.
Regrowth Phase	2017	Opened the Izumi Factory.
		Moved to the Second Section of the TSE.
	2018	Listed shares on the First Section of the TSE.
	2019	Relocated the HQ to the Izumi Factory.
	2022	Listed shares on the Prime Market of the TSE.



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Reference (Our History & Business Transition)

Business Growth & Growth Drivers



Restructuring

FPD
Solar Cell

- **Organizing large-sized equipment**
- **Redistributing production capacity**
- **Strengthening vacuum components**

Regrowth

Strengthening the semiconductor sector
Expanding capital investment once more

Focus on semiconductor
HR enhancement
New technology acquisition

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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

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Reference (Company Overview)

Company name	Marumae Co., Ltd.
Established	October 1988
Capital	1,241,150,000 yen (as of August 31, 2024)
Executives	• Toshikazu Maeda, President and Representative Director • Kota Kaizaki, Director • Hiroto Ando, Director • Akiko Kadota, Outside Director • Kumiko Seko, Outside Director • Keiji Hokanishi, Director (Audit and Supervisory Committee Member) • Satoshi Momokino, Outside Director (Audit and Supervisory Committee Member) • Takaaki Yamamoto, Outside Director (Audit and Supervisory Committee Member) • Hirotsugu Miyakawa, Outside Director (Audit and Supervisory Committee Member)
Number of employees	333 (including 135 temporary workers) and 26 dispatched workers (as of August 31, 2024)
Locations	• Izumi Factory (Headquarters): 2141 Onohara, Izumi, Kagoshima 899-0216, Japan • Takaono Factory: 3816-41 Okubo, Takaono, Izumi, Kagoshima 899-0401, Japan • Kanto Factory: 2-17-15 Hizaori, Asaka, Saitama 351-0014, Japan
Business description	• Design, manufacture, and machining of precision machinery and equipment • Design and manufacture of precision machine components • Design, manufacture, and sale of industrial and medical equipment • Development and sale of software • Plate working • Plumbing • Transportation • Real estate leasing

Total number of issued shares		13,053,000 shares
Share unit number		100 shares
Total number of shareholders		10,387
Major shareholders (Common shares)	• Toshikazu Maeda	4,836,083 shares
	• The Master Trust Bank of Japan, Ltd. (trust account)	1,030,600 shares
	• Misako Maeda	504,000 shares
	• Nomura Securities Co., Ltd.	430,100 shares
	• BNP PARIBAS LUXEMBOURG/2S/JASDEC SECURITIES/UCITS ASSETS (Standing proxy)	191,202 shares
	• Yoshiko Maeda	180,000 shares
	• Koei Igarashi	169,000 shares
	• Custody Bank of Japan, Ltd. (trust account)	141,200 shares
	• Marumae Kyoeikai	131,000 shares
	• Nomura Securities Co., Ltd. (Standing proxy)	87,476 shares
	(Note) There are 399,162 treasury shares (as of August 31, 2024).	
Management philosophy	• Seek technological perfection • Respect competition and cooperation • Contribute to society as a company that focuses on technology We focus on parts machining, which is the foundation of the *monozukuri* (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.	

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