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Summary of Financial Results for the Three Months Ended November 30, 2024 (Japanese GAAP) (Non-consolidated)

December 27, 2024

Name of Listed Company:	Marumae Co., Ltd.	Stock Exchange Listing: Tokyo
Security Code:	6264	
URL:	https://www.marumae.com/en/	
Representative:	Toshikazu Maeda, President and Representative Director	
Contact:	Takeshi Shimomai, General Manager of the Administration Department Email: inquiry_en@marumae.com	

Scheduled start date of dividend payment: –

Supplementary materials for financial results prepared: Yes

Earnings release conference: None

Note: Amounts are rounded down to the nearest million yen.

1. Financial Results for the Three Months Ended November 30, 2024 (September 1, 2024 to November 30, 2024)

(1) Operating Results (Cumulative)

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

	Three months ended			
	November 30, 2023		November 30, 2024	
		%		%
Net sales (millions of yen)	1,117	(55.1)	1,911	71.1
Operating profit (millions of yen)	(22)	-	444	-
Ordinary profit (millions of yen)	(49)	-	443	-
Profit (millions of yen)	(39)	-	308	-
Earnings per share of common stock (yen)				
Basic	(3.10)		24.35	
Diluted	-		-	

(2) Financial Position

	As of	
	August 31, 2024	November 30, 2024
Total assets (millions of yen)	11,464	11,615
Net assets (millions of yen)	7,163	7,218
Equity ratio (%)	62.5	62.1

Reference: Equity: 7,218 million yen (as of November 30, 2024)
7,163 million yen (as of August 31, 2024)

2. Dividends

	Fiscal year ended	Fiscal year ending
	August 31, 2024	August 31, 2025
1Q-end dividend per share (yen)	-	-
2Q-end dividend per share (yen)	10.00	15.00 (forecast)
3Q-end dividend per share (yen)	-	- (forecast)
Year-end dividend per share (yen)	20.00	15.00 (forecast)
Annual dividend per share (yen)	30.00	30.00 (forecast)

Note: Revision to the most recently announced dividend forecast: None

3. Financial Forecasts for the Fiscal Year Ending August 31, 2025 (September 1, 2024 to August 31, 2025)

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

	Six months ending February 28, 2025 (cumulative)		Fiscal year ending August 31, 2025	
		%		%
Net sales (millions of yen)	3,650	78.9	7,600	60.0
Operating profit (millions of yen)	700	-	1,600	922.2
Ordinary profit (millions of yen)	650	-	1,500	-
Profit (millions of yen)	462	-	1,065	-
Earnings per share (yen)	36.51		84.16	

Note: Revision to the most recently announced financial forecast: None

Notes

(1) Adoption of special accounting methods for preparation of quarterly financial statements: None

(2) 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. Change in accounting estimates: None
4. Restatements: None

(3) Number of shares issued and outstanding (ordinary stock)

1. Number of shares issued and outstanding (including treasury shares)

As of November 30, 2024:	13,053,000 shares
As of August 31, 2024:	13,053,000 shares

2. Number of treasury shares

As of November 30, 2024:	399,162 shares
As of August 31, 2024:	399,162 shares

3. Average number of shares outstanding (cumulative quarterly period)

Three months ended November 30, 2024:	12,653,838 shares
Three months ended November 30, 2023:	12,640,506 shares

* Review of the attached quarterly financial statements by certified public accountants or audit firms: None

* 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. Qualitative Information on Quarterly Financial Results, (1) Description of Operating Results” on page 2 for the assumptions used for financial forecasts and other notes on their use.

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1. Qualitative Information on Quarterly Financial Results

(1) Description of Operating Results

During the three months ended November 30, 2024, the Japanese economy showed signs of a gradual recovery due to improvements in the employment situation and income environment, as well as the effects of various policies. However, the future remains uncertain against the background of rising prices, future policy trends in the United States, and unstable international conditions.

In the semiconductor sector, which is our main sales sector, orders have been expanding rapidly since September as customers' inventory adjustments progress, while investments in logic foundries and DRAM continue. Additionally, orders from new customers are also increasing.

In the flat panel display (FPD) sector, capital investment in Generation 8 organic light-emitting diodes (OLEDs) continues and is expected to do so for the time being. In the other sectors, although there are continuing inquiries for solar cell production equipment, the Company has not factored this into its budget due to China's uncertain market environment.

In terms of expenses, variable costs such as material costs and outsourcing costs increased due to higher-than-expected order growth. Furthermore, the Company actively invested in human resources by implementing base salary increases to secure personnel for increased production and improve compensation for existing employees. In addition to the increase in inventory amounts, the operating rate of equipment improved, resulting in better cost ratios, and with a 66 million yen decrease in provision for loss on orders received and loss on valuation of inventories, profit margins improved significantly. Going forward, although the Company plans to make additional equipment investments and expand personnel, it expects profit margins to remain steady.

Consequently, the operating results for the three months ended November 30, 2024 were net sales of 1,911 million yen (year-on-year increase of 71.1%), an operating profit of 444 million yen (operating loss of 22 million yen in the same period of the previous fiscal year), an ordinary profit of 443 million yen (ordinary loss of 49 million yen), and a net profit of 308 million yen (net loss of 39 million yen).

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

The operating results for the precision parts business by sales sector are described below.

Semiconductor Sector

In the semiconductor sector, orders received increased by 194.6% year-on-year to 1,825 million yen, and net sales rose by 97.2% year-on-year to 1,517 million yen. From the current cumulative quarter, the Company has excluded the portion of materials supplied for a fee included in orders received. Accordingly, orders received for the previous cumulative quarter have been reclassified to reflect this change.

FPD Sector

In the FPD sector, orders received increased by 4.2% year-on-year to 289 million yen, and net sales decreased by 0.2% year-on-year to 302 million yen.

Other Sectors

In the other sectors, orders received declined by 64.0% year-on-year to 10 million yen, and net sales increased by 230.8% year-on-year to 40 million yen.

(2) Description of Financial Position

Assets

Compared to the end of the previous fiscal year, assets increased by 151 million yen to 11,615 million yen. This mainly arose from increases

in notes and accounts receivable - trade (up 278 million yen), electronically recorded monetary claims – operating (up 233 million yen), work in process (up 128 million yen), and other current assets (up 33 million yen), and falls in cash and deposits (down 498 million yen) and property, plant and equipment (down 27 million yen).

Liabilities

Compared to the end of the previous fiscal year, liabilities increased by 96 million yen to 4,397 million yen. This was mainly due to increases in income taxes payable (up 144 million yen), other current liabilities (up 90 million yen), and accounts payable – trade (up 34 million yen), and declines in long-term borrowings (down 138 million yen), current portion of long-term borrowings (down 20 million yen), and provision for loss on orders received (down 20 million yen).

Net Assets

Compared to the end of the previous fiscal year, net assets increased by 55 million yen to 7,218 million yen. This was mainly due to a rise of 55 million yen in retained earnings from recording 308 million yen in net income against the dividend payment of 253 million yen.
As a result, the equity ratio was 62.1% (62.5% at the end of the previous fiscal year).

(3) Description of Financial Estimate Information such as Financial Forecasts

Business results for the first quarter of the current fiscal year are progressing steadily compared to initial forecasts. Looking ahead, while a temporary market slowdown is expected in the semiconductor sector, the Company expects demand to remain strong for consumables, for which excess inventory has been eliminated, and new product types. In the FPD sector, business is also progressing favorably compared to initial plans. Given these circumstances, there are no changes to the current second-quarter cumulative period and full-year business forecasts.

2. Quarterly Financial Statements and Primary Notes

(1) Quarterly Balance Sheet

(thousands of yen)

	As of August 31, 2024	As of November 30, 2024
ASSETS		
Current assets		
Cash and deposits	3,028,196	2,529,865
Notes and accounts receivable - trade	918,641	1,196,655
Electronically recorded monetary claims – operating	673,175	906,727
Finished goods	21,767	38,732
Work in process	771,309	899,394
Raw materials and supplies	33,635	27,531
Other	128,943	162,235
Allowance for doubtful accounts	(3,343)	(4,468)
Total current assets	5,572,325	5,756,673
Non-current assets		
Property, plant and equipment		
Buildings, net	1,665,664	1,651,701
Structures, net	102,689	100,338
Machinery and equipment, net	2,638,932	2,674,465
Vehicles, net	7,753	6,764
Tools, furniture and fixtures, net	15,445	19,444
Land	788,067	788,067
Leased assets, net	17,586	16,471
Construction in progress	434,081	385,354
Total property, plant and equipment	5,670,220	5,642,609
Intangible assets	16,489	14,732
Investments and other assets	205,180	201,936
Total non-current assets	5,891,889	5,859,278
Total assets	11,464,215	11,615,952

(thousands of yen)

	As of August 31, 2024	As of November 30, 2024
LIABILITIES		
Current liabilities		
Accounts payable – trade	274,997	309,425
Current portion of long-term borrowings	596,030	575,052
Income taxes payable	-	144,503
Provision for loss on orders received	28,700	8,100
Provision for share-based payments	12,000	18,000
Other	436,344	527,211
Total current liabilities	1,348,071	1,582,293
Non-current liabilities		
Long-term borrowings	2,863,520	2,725,000
Provision for retirement benefits	70,691	72,875
Asset retirement obligations	1,069	1,069
Other	17,575	16,336
Total non-current liabilities	2,952,856	2,815,282
Total liabilities	4,300,928	4,397,575
NET ASSETS		
Shareholders' equity		
Share capital	1,241,157	1,241,157
Capital surplus	1,963,384	1,963,384
Retained earnings	4,481,880	4,536,969
Treasury shares	(523,134)	(523,134)
Total shareholders' equity	7,163,287	7,218,376
Total net assets	7,163,287	7,218,376
Total liabilities and net assets	11,464,215	11,615,952

(2) Quarterly Statement of Income

(Three-month period)

(thousands of yen)

	Three months ended November 30, 2023	Three months ended November 30, 2024
Net sales	1,117,429	1,911,986
Cost of sales	971,090	1,264,581
Gross profit	146,338	647,405
Selling, general and administrative expenses	169,100	202,562
Operating profit (loss)	(22,762)	444,842
Non-operating profit		
Foreign exchange gains	446	6,861
Insurance claim income	3,329	2,045
Other	1,537	1,244
Total non-operating profit	5,313	10,150
Non-operating expenses		
Interest expenses	5,585	5,870
Depreciation	26,620	4,528
Other	0	741
Total non-operating expenses	32,205	11,141
Ordinary profit (loss)	(49,653)	443,852
Extraordinary income		
Gain on sale of non-current assets	66	-
Total extraordinary income	66	-
Extraordinary losses		
Loss on retirement of non-current assets	0	-
Total extraordinary losses	0	-
Profit (loss) before income taxes	(49,587)	443,852
Income taxes – current	816	132,513
Income taxes – deferred	(11,255)	3,173
Total income taxes	(10,438)	135,686
Profit (loss)	(39,148)	308,165

(3) Notes on Quarterly Financial Statements

Going-concern assumptions: None

Significant changes in shareholders' equity: None

Notes to quarterly statements of cash flow

The Company has not prepared a quarterly cash flow statement for the first quarter of the current fiscal year, not had it done so for the first quarter of the previous fiscal year. Depreciation (including amortization of intangible assets) for the first quarter of the current fiscal year is as follows.

(thousands of yen)

	Three months ended November 30, 2023	Three months ended November 30, 2024
Depreciation	234,913	210,836

Segment information, etc.

Segment information:

Three months ended November 30, 2023 (from September 1, 2023 to November 30, 2023) and three months ended November 30, 2024 (from September 1, 2024 to November 30, 2024)

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