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March 21, 2025

Company name: Marumae Co., Ltd.
Name of representative: Toshikazu Maeda, President
and Representative Director
(Securities code: 6264; TSE
Prime Market)
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Notice Concerning Borrowing of Funds

Marumae Co., Ltd. (the “Company”) hereby announces that, at the meeting of its Board of Directors held on March 21, 2025, it resolved that its subsidiary shall borrow funds for the following purpose, and that the Company shall guarantee the obligations arising from such borrowing, as detailed below.

1. Purpose of the Borrowing

The borrowing will be taken out by KMX Co., Ltd., a newly established special purpose company (SPC) wholly owned by the Company, in order to acquire the shares as described in the “Notice Concerning Acquisition of Shares of KM Aluminium Co., Ltd. (Making it a Subsidiary),” which was announced on March 4, 2025.

2. Overview of Borrowing

	Term Loan A	Term Loan B	Credit facility
Borrower	KMX Co., Ltd.: SPC wholly funded by the Company		
Lender	THE KAGOSHIMA BANK, LTD.		
Contract date	March 21, 2025		
Borrowing date	April 8, 2025 (scheduled)		
Amount borrowed	4,850,000,000 yen	4,850,000,000 yen	Maximum amount: 600,000,000 yen
Use of funds	Funds for purchasing shares in KM Aluminium Co., Ltd. and related funds		Operating capital for KM Aluminium Co., Ltd.
Interest rate	Base interest rate + spread*		
Final repayment date	End of January 2032		
Repayment method	In equal installments	Due in full	Repay at any time
Collateral	Real estate (land and buildings) owned by KM Aluminium Co., Ltd. (planned after the acquisition of shares)		
Guarantee	Joint guarantee by the Company and KM Aluminium Co., Ltd. (planned after the acquisition of shares)		

* The Company plans to set up an interest rate swap for part of its borrowings, which will effectively fix the interest rate on that portion.

3. Outlook

The share acquisition for this project will be carried out in line with the Company's long-term vision of "leading innovation with cutting-edge technology" and with the aim of achieving its 2030 numerical targets of 30 billion yen in sales and 9 billion yen in operating profit. The borrowing will be carried out to procure the necessary funds for the acquisition of the subsidiary's shares and working capital after the acquisition. As the current share price is low, the Company has decided to procure the necessary funds by borrowing from financial institutions rather than by issuing new shares or other similar methods. In borrowing, the Company will postpone the repayment of part of the funds for seven years in order to reduce the annual repayments and stabilize its cash flow.

Furthermore, the entire amount will be underwritten by THE KAGOSHIMA BANK, LTD., and then participating financial institutions will be invited to form a syndicate.