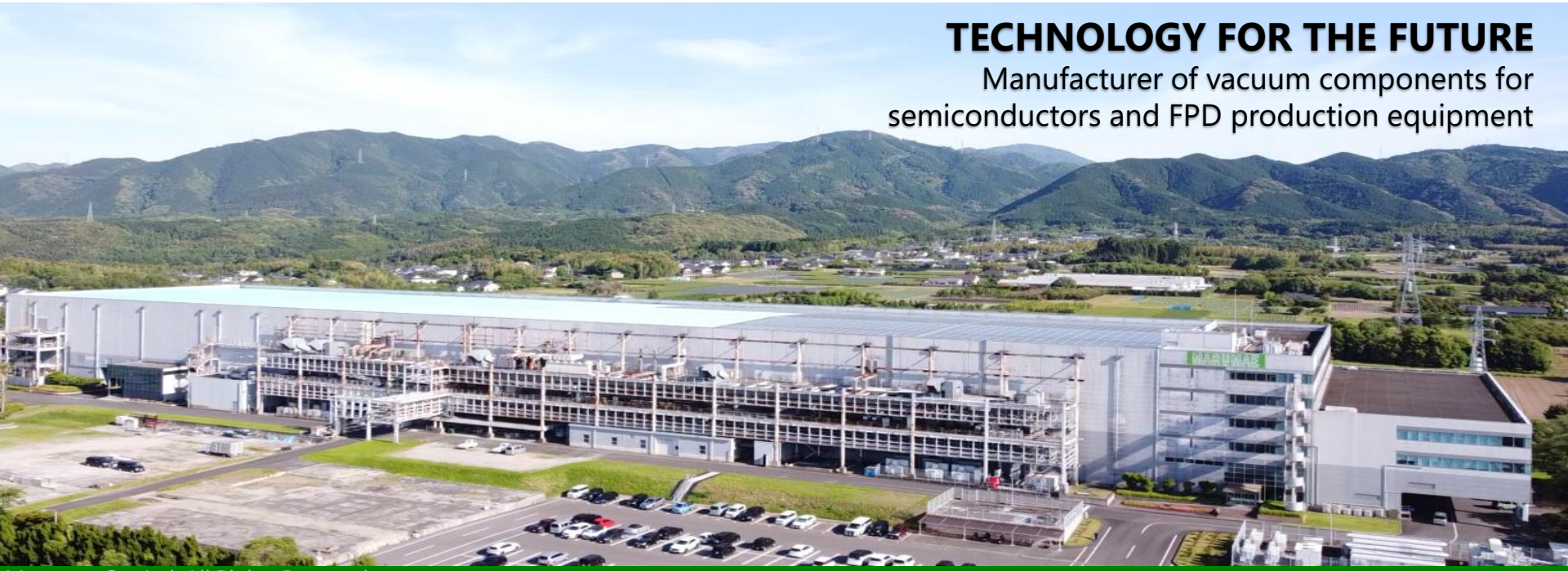
Tokyo Stock Exchange (TSE): 6264

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.
Q2 FY2025 Interim Financial Results Summary

April 4, 2025



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1. Overview of Financial Results

Notice

Revision of Disclosure Items

From the second quarter of the fiscal year ending August 2025, the Company will discontinue the disclosure of its quarterly order intake and backlog.

Reasons for the Change

Because short-term factors easily affect the quantity of orders received and the order backlog, the Company has concluded that these disclosure items do not align with medium- to long-term business value.

From now on, the Company will only make qualitative comments on the status of orders received, etc., and will strengthen information disclosure from a longer-term perspective. Your understanding is greatly appreciated.

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1. Overview of Financial Results

P/L Analysis

P/L

	Second Quarter of the Fiscal Year Ended August 31, 2024		Second Quarter of the Fiscal Year Ending August 31, 2025		
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	YoY change ratio (%)
Net sales	2,040	100.0	3,911	100.0	91.7
Cost of sales	1,793	87.9	2,564	65.6	43.0
Gross profit	246	12.1	1,346	34.4	445.8
Selling and administrative expenses	325	16.0	393	10.1	20.9
Operating profit	(78)	(3.9)	952	24.4	—
Ordinary profit	(134)	(6.6)	944	24.1	—
Extraordinary loss (income)	0	0.0	—	—	—
Profit	(101)	(5.0)	664	17.0	—
EPS (yen)	(8.06)	—	52.48	—	—

Point

1. Net sales

- 91.7% YoY increase

(Details by sector on the next page)

2. Cost of sales

- Material cost: 680 million yen (134.5% YoY increase)
- Outsourcing expenses: 506 million yen (139.8% YoY increase)
- Labor costs: 807 million yen (30.9% YoY increase)
- Depreciation: 407 million yen (2.3% YoY increase)

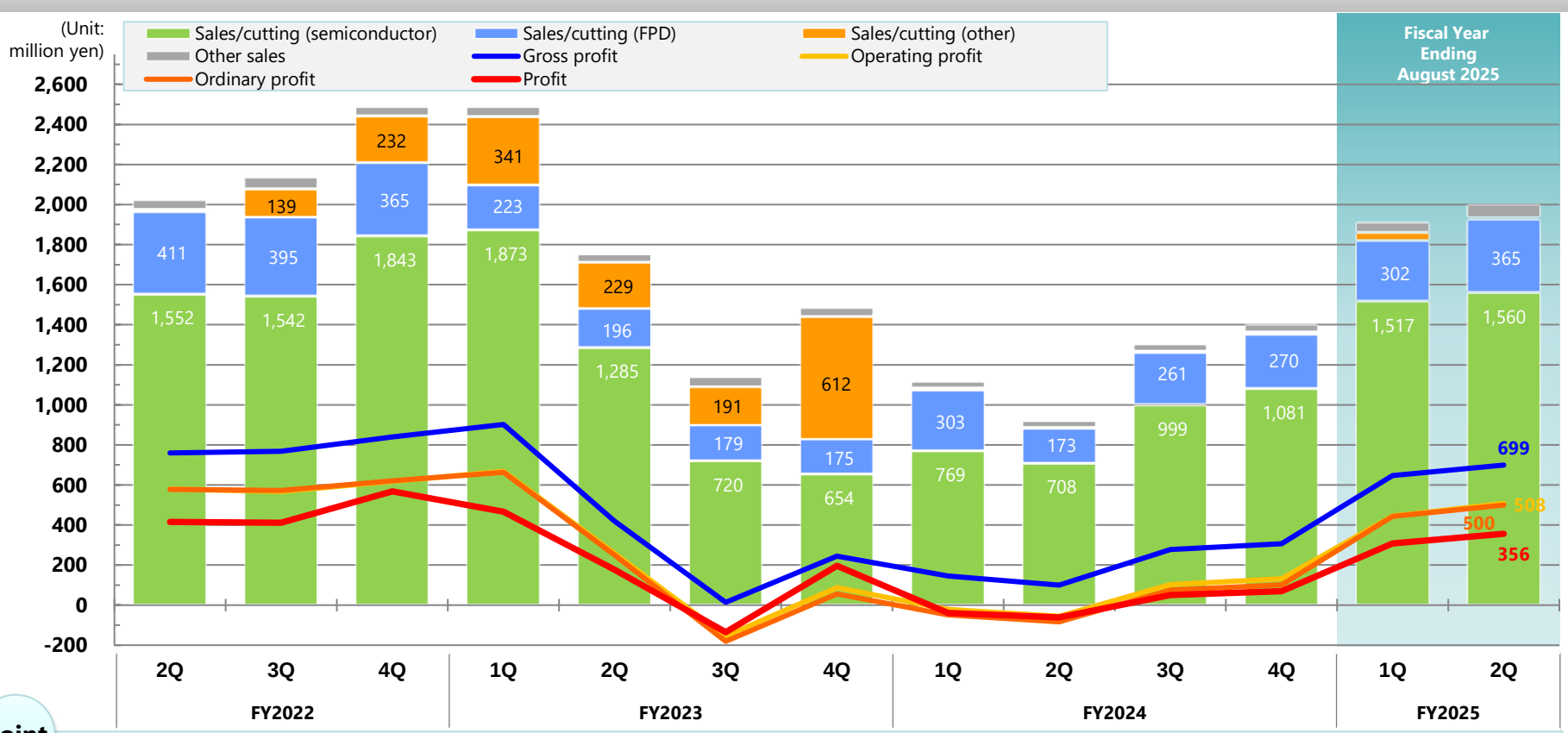
3. Selling and administrative expenses

- Personnel expenses: 225 million yen (42.3% YoY increase)
- Taxes and dues: 26 million yen (137.4% YoY increase)

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1. Overview of Financial Results

Trends in Quarterly Business Results



Point

1. Sales continue to expand in the semiconductor sector

■ Semiconductor sector: 3,077 million yen (108.2% YoY increase)

- Continuing to expand orders for consumables, new orders are also going well.

■ FPD sector: 668 million yen (40.3% YoY increase)

- Sales are strong due to the favorable performance of OLEDs.

■ Other sectors: 48 million yen (141.7% YoY increase)

- No new developments due to lack of production capacity.

2. Profitability has improved significantly due to a recovery in sales and an improvement in the utilization rate, etc.

- Decrease of 50 million yen in provision for loss on orders received, etc. from the end of the previous fiscal year (improvement).
- Grew profits while managing capital investment and hiring.

*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 2024 End of Fiscal Year	Fiscal year ending Aug 2025 End of Q2
Current assets	5,572	7,202
Cash & deposits	3,028	3,713
Trade receivables (Notes receivable - trade, accounts receivable - trade, and electronically recorded monetary claims - operating)	1,591	2,364
Inventories	826	1,089
Non-current assets	5,891	5,939
Buildings and land	2,453	2,407
Machinery and equipment	2,638	2,652
Current liabilities	1,348	1,793
Interest-bearing liabilities (short-term)*	596	675
Non-current liabilities	2,952	3,761
Long-term borrowings	2,863	3,670
Total liabilities	4,300	5,554
Total net assets	7,163	7,586
Total assets	11,464	13,141

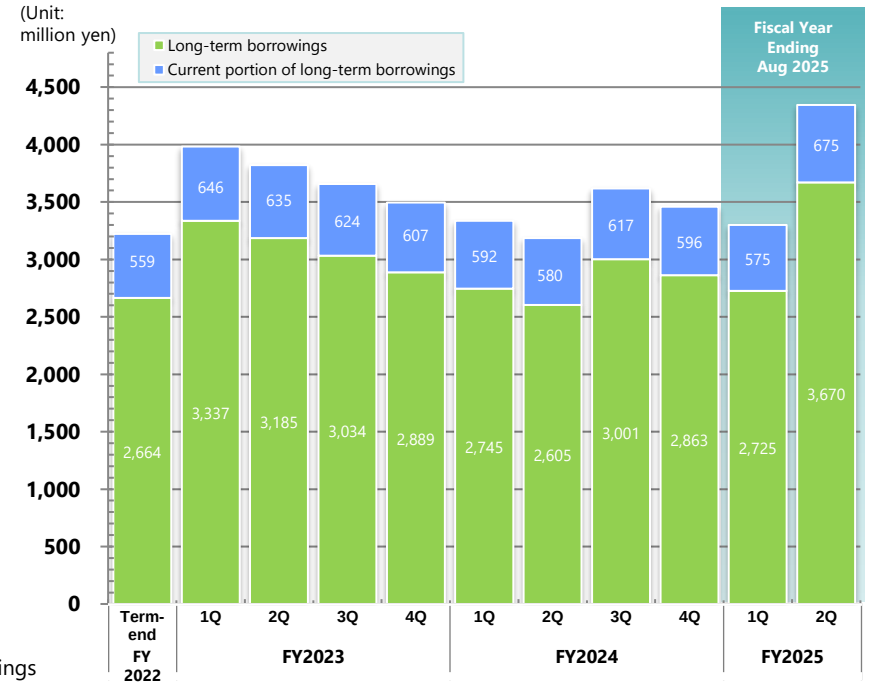
*Interest-bearing liabilities (short-term): Short-term borrowings + current portion of long-term borrowings

Point

1. Assets: 13,141 million yen (1,677-million-yen increase from the end of the previous fiscal year)
- Trade receivables: 772-million-yen increase
- Cash and deposits: 685-million-yen increase

2. Liabilities: 5,554 million yen (1,254-million-yen increase from the end of the previous fiscal year)
- Long-term borrowings: 806-million-yen increase
- Income taxes payable: 330-million-yen increase

3. Net assets: 7,586 million yen (423-million-yen increase from the end of the previous fiscal year)
- Dividends paid: 253 million yen
- Interim net profit recorded: 664 million yen
- Equity ratio: 62.5% → 57.7%



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2. Business Environment

Future Environment and Policies by Sales Sector

Semiconductor

- Excessive inventory of consumables has been eliminated and orders continue to recover.
- Semiconductor equipment shows slight stagnation but the Company continues to perform well, driven by new product categories and consumables.
- The Company is currently evaluating the impact of U.S. aluminum tariffs, but expects any impact to be limited.

FPD

- Investment in G8 OLED equipment for IT devices remains strong; the G10 investment plan has resumed.
- Production is continuing by bringing forward the schedule to even out production.
- The Company intends to continue implementing a strategy to expand market share by leveraging EBW.

Others

- Inquiries continue for the China PV* market, but the outlook remains uncertain.
- Despite current capacity constraints, the Company is continuing to explore business opportunities in new fields.

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

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3. Financial Forecast for FY2025

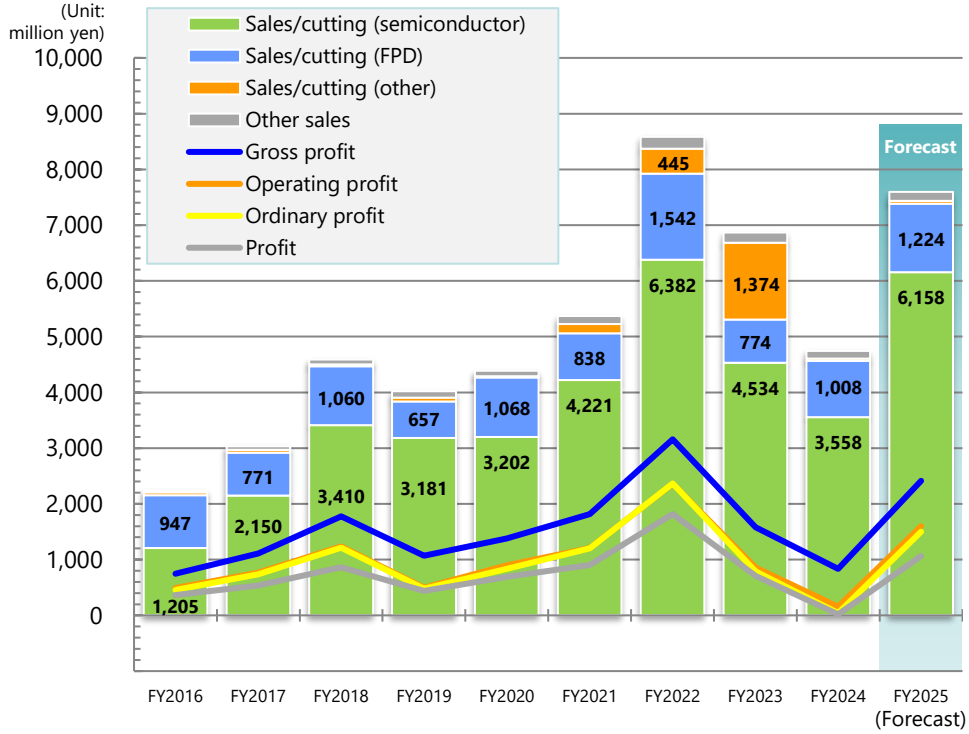
Forecast for the Current Period (Profit/Loss, Capital Investment, and Fixed Cost)

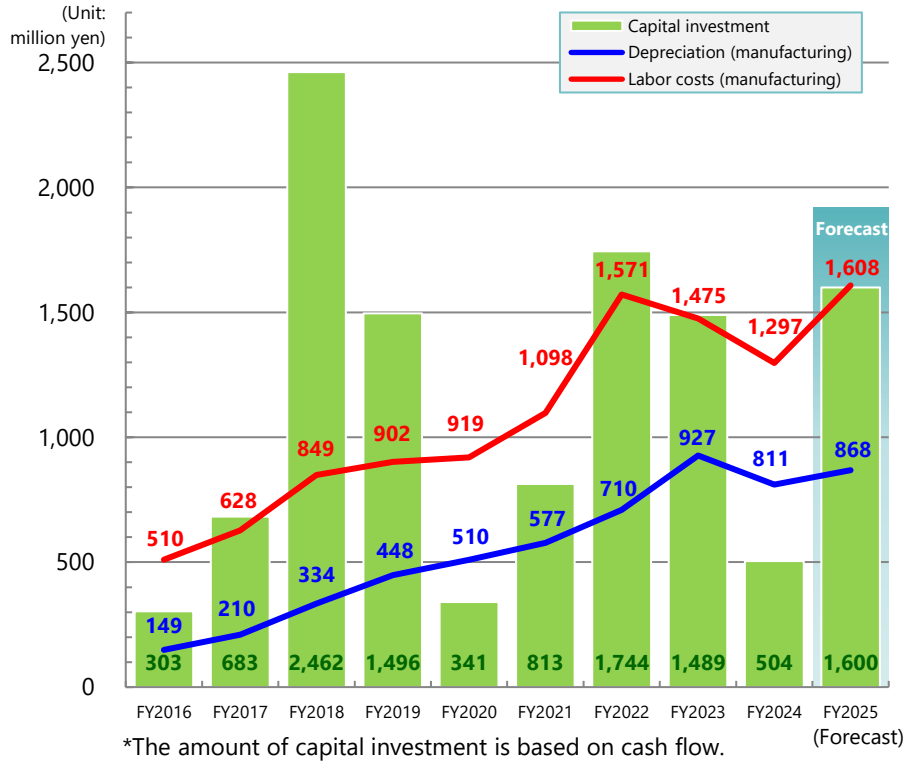
Financial forecast for FY2025	Net sales (millions of yen)	Operating profit (millions of yen)	Ordinary profit (millions of yen)	Profit (millions of yen)	Earnings per share (yen)
Full year	7,600	1,600	1,500	1,065	84.16

Performance is expected to rapidly recover, centered on semiconductors.
Transition to consolidated financial reporting from the third quarter.

Point

- ✓ **Outlook for continued strong sales due to the elimination of excess inventory.**
- ✓ **Overall utilization rate is improving. However, some equipment remains under strain.**
- ✓ **Accelerating investments to increase production and advancing hiring ahead of the original plan.**





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

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4. M&A

Reporting on M&A Transaction

Announcement of the acquisition of shares in KM Aluminium Co., Ltd.
on March 4, 2025

✓ Introduction to KM Aluminium Co., Ltd. (from p. 9)

[Business Overview]

An aluminum materials manufacturer that specializes in aluminum sputtering target materials for semiconductors and vacuum chamber materials

✓ Future Outlook and Synergies (p. 14)

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Company Profile

Corporate Philosophy

We contribute to society by transforming aluminum, one of Earth's precious resources, into more useful forms through improving our technology and skills.

Company name	KM Aluminium Co., Ltd.
Location	〒836-0067 80 Yotsuyama-machi, Omuta, Fukuoka, Japan ■ Head Office & Plant TEL: +81-944-53-3590 (Main) FAX: +81-944-51-7939 ■ Sales Department TEL: +81-944-54-3781 FAX: +81-944-54-3782
Capital	1,364 million yen
Business Overview	Sales: 8.588 billion yen (fiscal year ended March 2024)
Site area	122,830 m^2
Number of employees	248 (as of July 1, 2024)

Business Details	■ Aluminum Alloy Billets and Slabs ■ High-Purity Aluminum ■ Aluminum Casting Alloys ■ Aluminum Forging Materials ■ Aluminum Castings ■ Manufacturing and Sales of Components for Semiconductor Production Equipment
Production Capacity	■ Billets and Slabs: 35,000 t/year ■ High-purity Aluminum: 16,000 t/year ■ Casting Alloys: 18,000 t/year ■ Aluminum Castings: 2,100 t/year
Main Facilities	■ Billet and Slab Manufacturing Equipment (Complete set) ■ High-purity Aluminum Production Equipment (Complete set) ■ Casting Alloy Production Equipment (Complete set) ■ Casting Equipment (Complete set) ■ Anodizing Equipment (Complete set) ■ Machining Equipment (Complete set) ■ Analytical Instruments (Complete set)

KM ALUMINIUM CO.,LTD.

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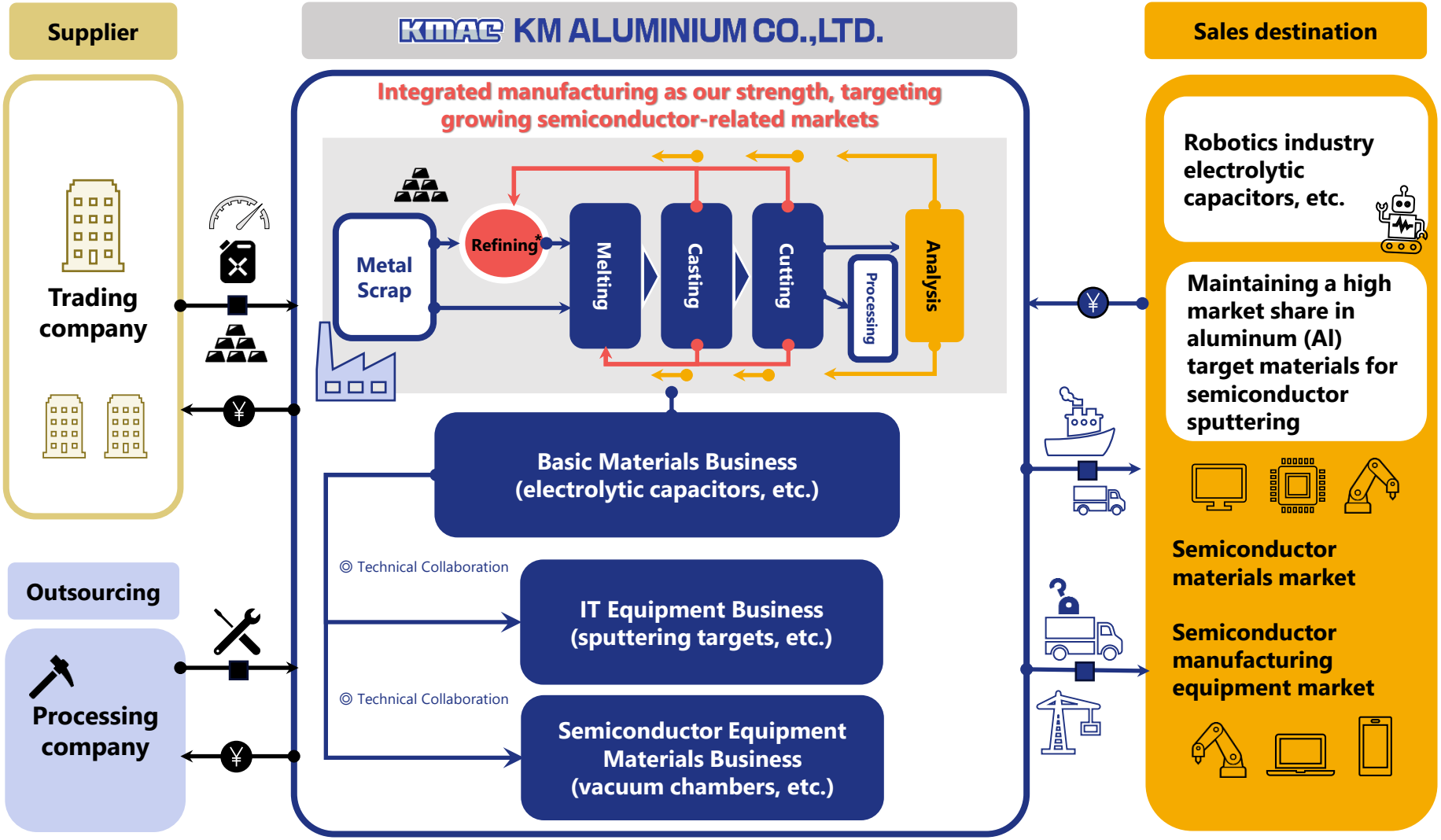
History

1989	Feb.	Based on the Casting Division of Mitsui Aluminium Co., Ltd., Kyushu Mitsui Aluminium Co., Ltd. was established with investment from Mitsui Group companies (Shareholders: Mitsui Mining Co., Ltd., Mitsui Mining & Smelting Co., Ltd., Mitsui & Co., Ltd., Mitsui Toatsu Chemicals, Inc., and Mitsui Bank, Ltd.).
	Apr.	Commenced business operations.
	Jul.	Casting Group separated from Materials Division as an independent Casting Division.
	Aug.	Commenced production and sales of secondary alloys.
1997	Sep.	Completed anodizing cleanroom.
2006	Dec.	Completed high-purity aluminum (5N) plant.
2007	Jun.	Completed No.3 Casting Plant for casting chambers.
2008	Mar.	Completed No.2 Refining Plant.
2015	Oct.	Mitsui Group (Mitsui Mining & Smelting Co., Ltd., Nippon Coke & Engineering Co., Ltd., Mitsui Chemicals, Inc., and Sumitomo Mitsui Banking Corporation) transferred all their shares to KMJ Holdings 2 Co., Ltd., a wholly-owned subsidiary of KMJ Holdings Co., Ltd.
	Oct.	Changed company name from Kyushu Mitsui Aluminium Co., Ltd. to KM Aluminium Co., Ltd.
	Dec.	KM Aluminium Co., Ltd. absorbed KMJ Holdings 2 Co., Ltd.
2020	Dec.	Completed No.4 Casting Plant for casting chambers.
	Oct.	Introduced a specialized melting furnace for ultra-high-purity aluminum.
2023	Jan.	KM Aluminium Co., Ltd. merged with KMJ Holdings Co., Ltd., with KM Aluminium Co., Ltd. as the surviving company

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Company Business Model

Targeting growth in semiconductor-related markets based on comprehensive capabilities and synergies cultivated through years of integrated manufacturing.



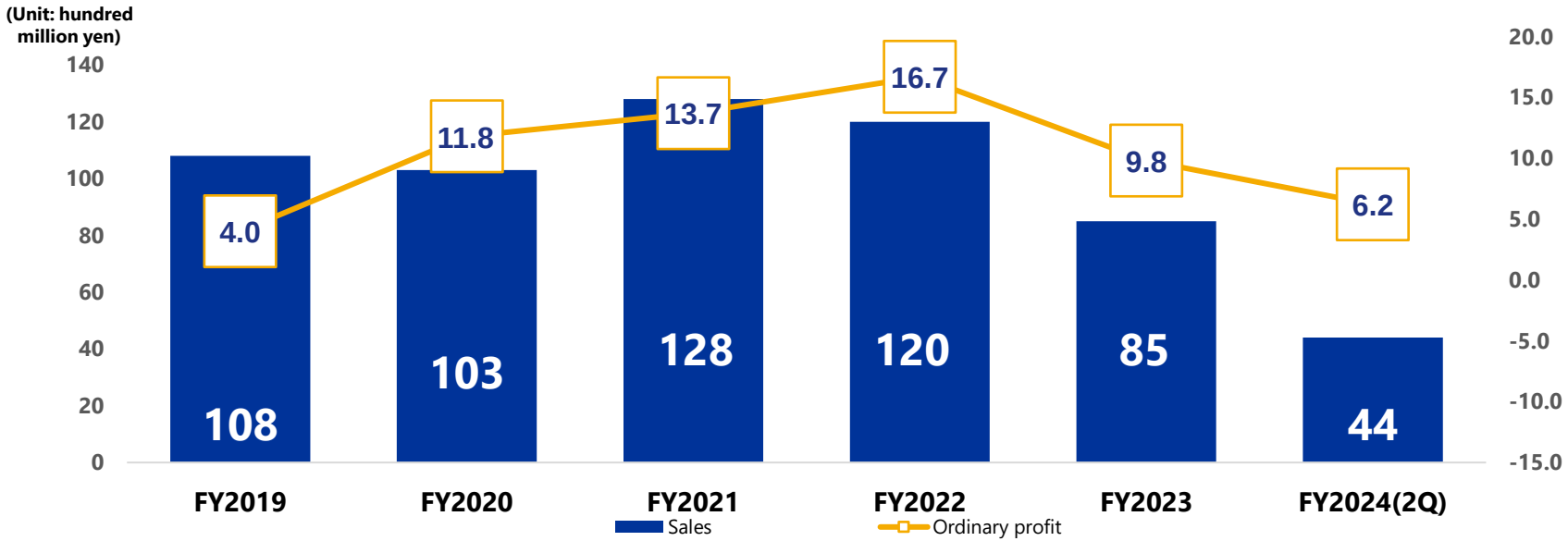
*Refining (purification) technology: One of the world's leading technologies for improving the purity of aluminum using the Pechiney process, a type of segregation method.

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Business Performance Trends

Utilizing our strengths in refining (purification) and low-pressure casting technologies, we are shifting toward highly profitable fields such as "IT equipment materials" and "semiconductor equipment components.

Business Performance Trends



Initiatives up to FY2022 (1)

- By capturing demand from the semiconductor equipment sector, the share of our IT materials business (primarily AI target materials) and semiconductor equipment materials business (primarily vacuum chamber materials) has increased.
- Reduced sales of billets and slabs, which are low-margin commodity products, leading to a lower share of low-value-added base materials business.

From FY2023 onwards

- Initiatives aimed at increasing profitability have started to yield some results; however, performance in FY2023 has stagnated due to semiconductor market downturn and excess semiconductor equipment component inventory.
- Despite lingering impacts of inventory adjustments in FY2024, profitability is expected to improve due to recovery in aluminum targets for consumables.

*** KM Aluminium's fiscal year ends in March. FY24 refers to the fiscal year ended March 2025. The company plans to switch to an August fiscal year-end as soon as possible after April.**

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4. M&A

Synergy

1. Expected Synergy

1) Aim to increase marginal profitability and profits by enhanced machining capabilities and processing efficiency at KMAC.

- Strengthen capabilities in aluminum target materials and anodizing for IT equipment materials, aiming for an operating profit margin of 30% or more.
- Increase added value by integrating Marumae's machining capabilities into semiconductor equipment materials, where KMAC excels in materials.

2) Propose finished products utilizing KMAC's materials and Marumae's machining capabilities to semiconductor equipment manufacturers.

3) Expand sales through cross-selling, by leveraging both companies' technological expertise and sales channels.

2. Outlook

1) April 8, 2025: Transfer of shares.

2) April 2025: Establishment of a project team covering Sales, Technology, Manufacturing, and Administration as part of PMI (Post-Merger Integration).
(*To maintain existing customer relationships, sales information and technological expertise will be mutually protected.)

3) 3Q of 2025: Consolidation of KMAC's financial results into Marumae's PL statements starting from April 2025.
(*Initially, financial results will reflect five months.)
Note: KMAC plans to change its fiscal year-end to August.

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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, General Affairs Section, Administration Department, Marumae Co., Ltd.

E-mail: inquiry_en@marumae.com

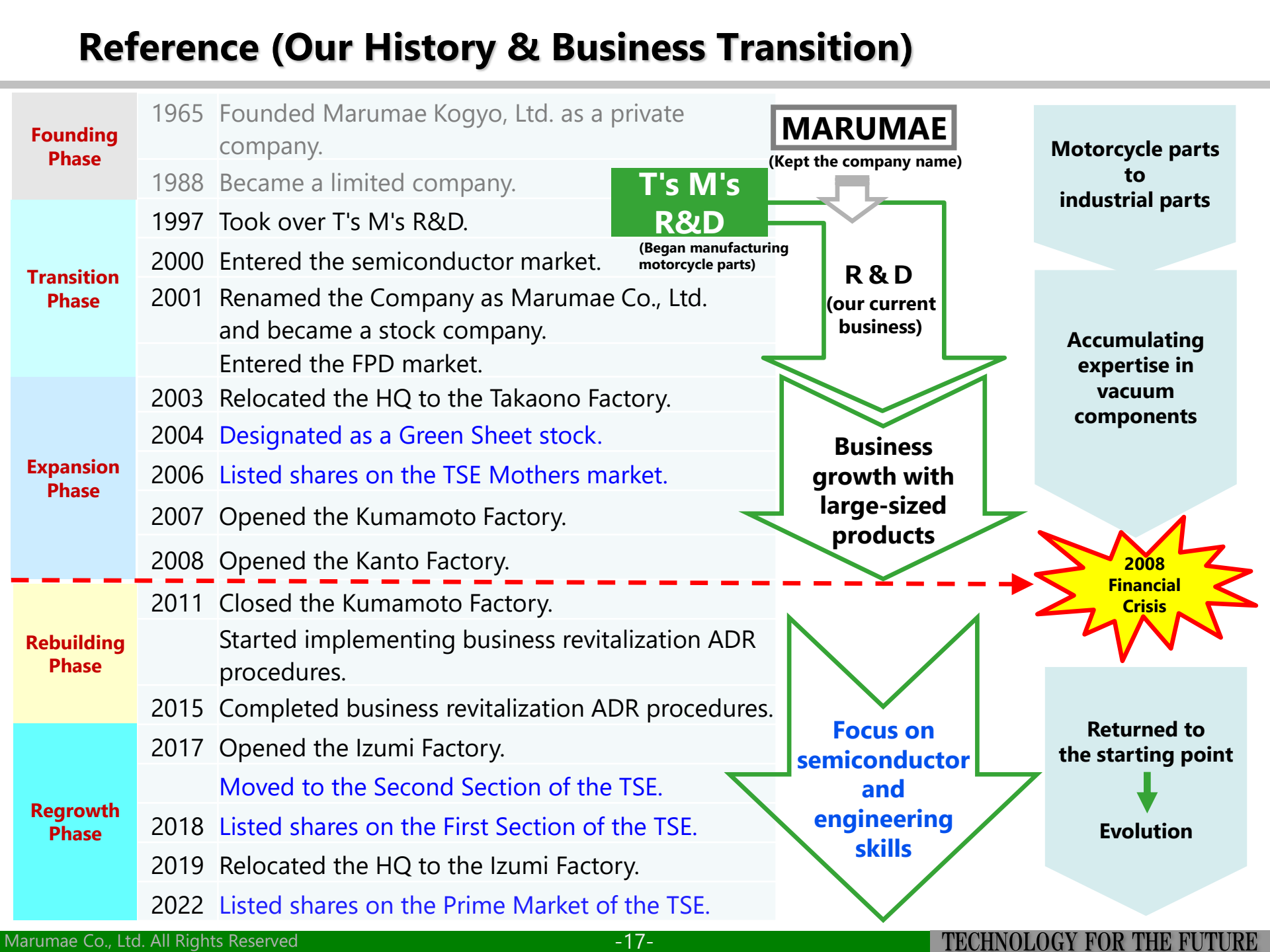
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Company Profile

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Reference (Our History & Business Transition)

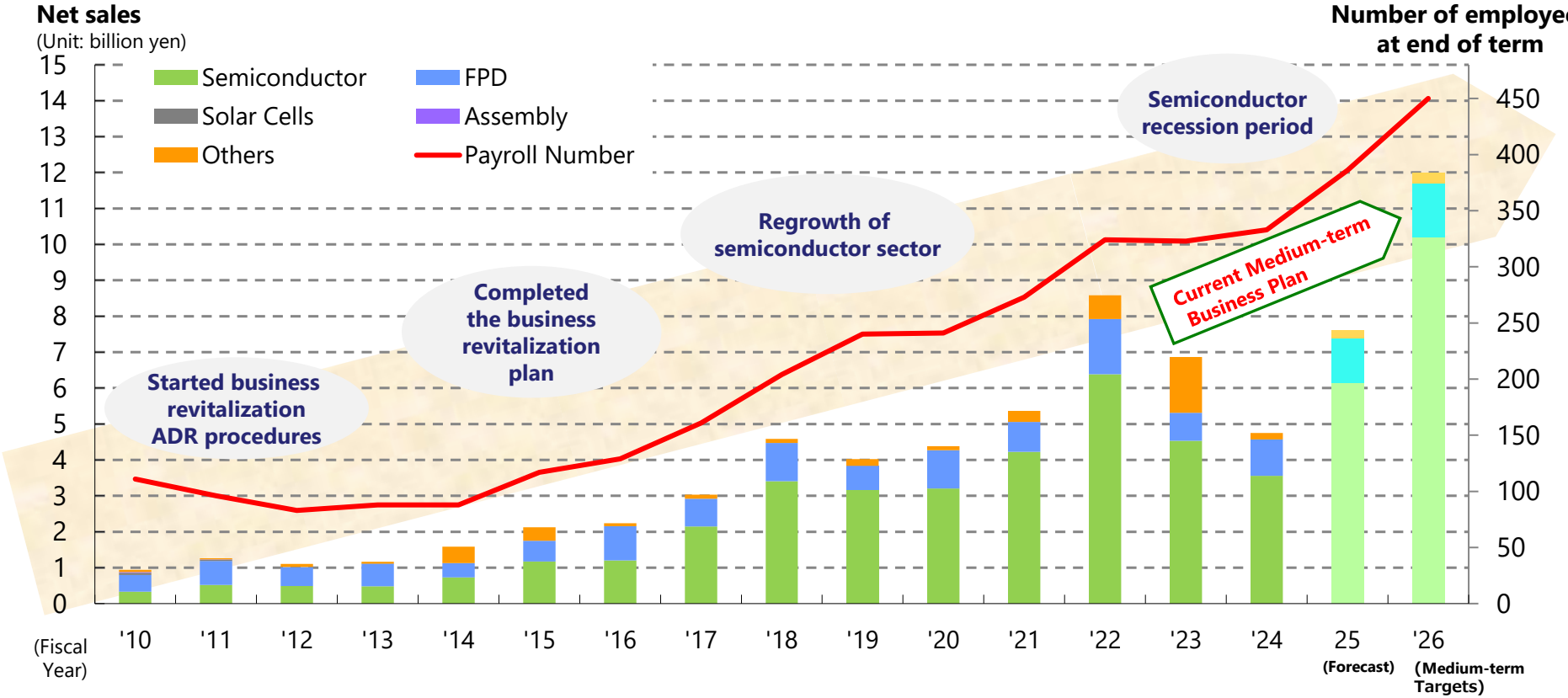
Founding Phase	1965	Founded Marumae Kogyo, Ltd. as a private company.
	1988	Became a limited company.
Transition Phase	1997	Took over T's M's R&D.
	2000	Entered the semiconductor market.
	2001	Renamed the Company as Marumae Co., Ltd. and became a stock company.
		Entered the FPD market.
Expansion Phase	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 February 28, 2025)
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	347 (including 150 temporary workers) and 52 dispatched workers (as of February 28, 2025)
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 • Inspection and repair of precision machine components and mechanical 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		10,564
Major shareholders (Common shares)	• Toshikazu Maeda	4,840,311 shares
	• The Master Trust Bank of Japan, Ltd. (trust account)	999,200 shares
	• Misako Maeda	504,000 shares
	• Nomura PB Nominees Ltd. Omnibus-Margin (CASHPB) (Standing proxy)	279,000 shares
	• Yoshiko Maeda	180,000 shares
	• Koei Igarashi	169,000 shares
	• The Nomura Trust and Banking Co., Ltd. As the Trustee of Repurchase Agreement Mother Fund (Standing proxy)	167,000 shares
	• BNP Paribas Luxembourg/2S/JASDEC Securities /UCITS Assets (Standing proxy)	146,027 shares
	• Marumae Kyoeikai	108,000 shares
	• Nomura PB Nominees Ltd Theoria Multi-strategy Master Fund (Standing proxy)	104,800 shares
	(Note) There are 390,706 treasury shares (as of February 28, 2025).	
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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