

Tokyo Stock Exchange (TSE): 6264

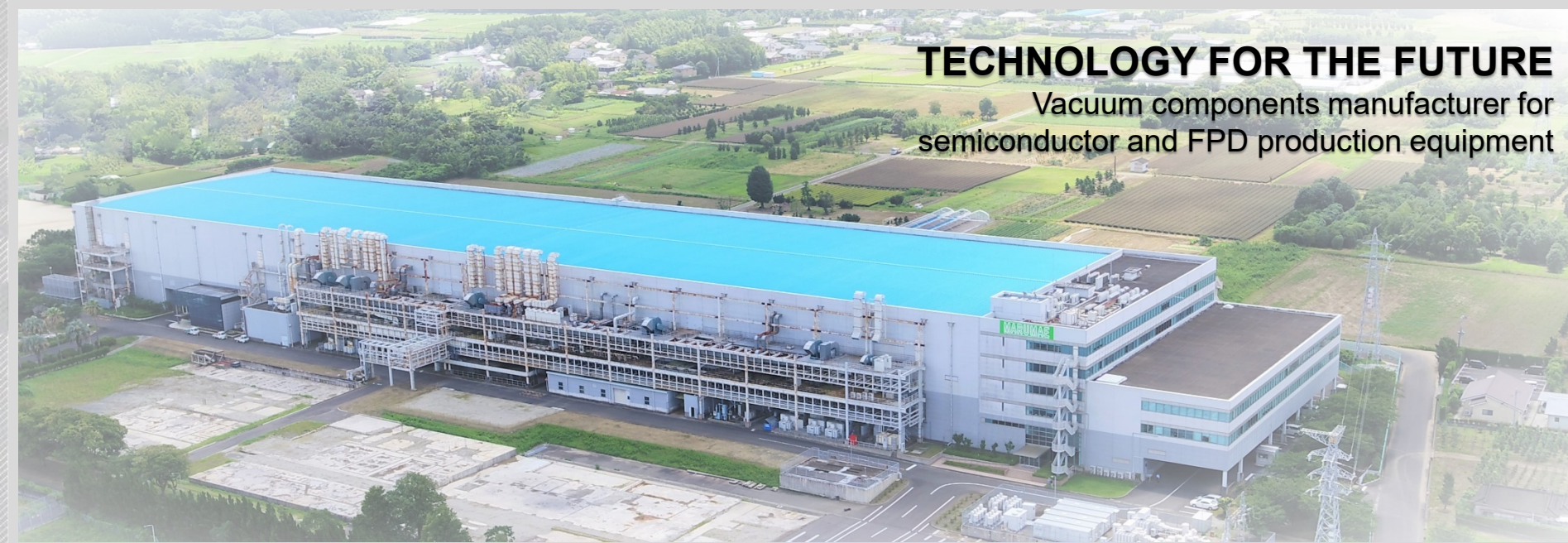
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MARUMAE CO., LTD. Q2 FY2021 Financial Results Summary

March 30, 2021

TECHNOLOGY FOR THE FUTURE

Vacuum components manufacturer for
semiconductor and FPD production equipment



1. Overview of Financial Results

P/L Analysis

P/L	Fiscal Year Ended Aug 2020 Six-month period		Fiscal Year Ending Aug 2021 Six-month period		
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	YoY change ratio (%)
Orders received	2,032	—	2,526	—	24.3
Balance of the orders received	803	—	1,077	—	34.0
Net sales	2,018	100.0	2,299	100.0	13.9
Cost of sales	1,412	70.0	1,588	69.1	12.4
Gross profit	605	30.0	710	30.9	17.3
Selling and administrative expenses	240	11.9	286	12.5	19.1
Operating profit	364	18.1	424	18.4	16.2
Ordinary profit	341	16.9	422	18.4	23.7
Extraordinary loss (income)	—	—	0	0.0	—
Net profit	237	11.8	294	12.8	23.9
EPS (yen)	18.22	—	23.01	—	26.3

Point

1. Status of orders received

- Semiconductor sector: 1,988 million yen (29.6% YoY increase)
- FPD sector: 394 million yen (18.3% YoY decrease)
- Other sectors: 143 million yen (891.1% YoY increase)

2. Net sales

- 13.9% YoY increase

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

3. Cost of sales and gross profit

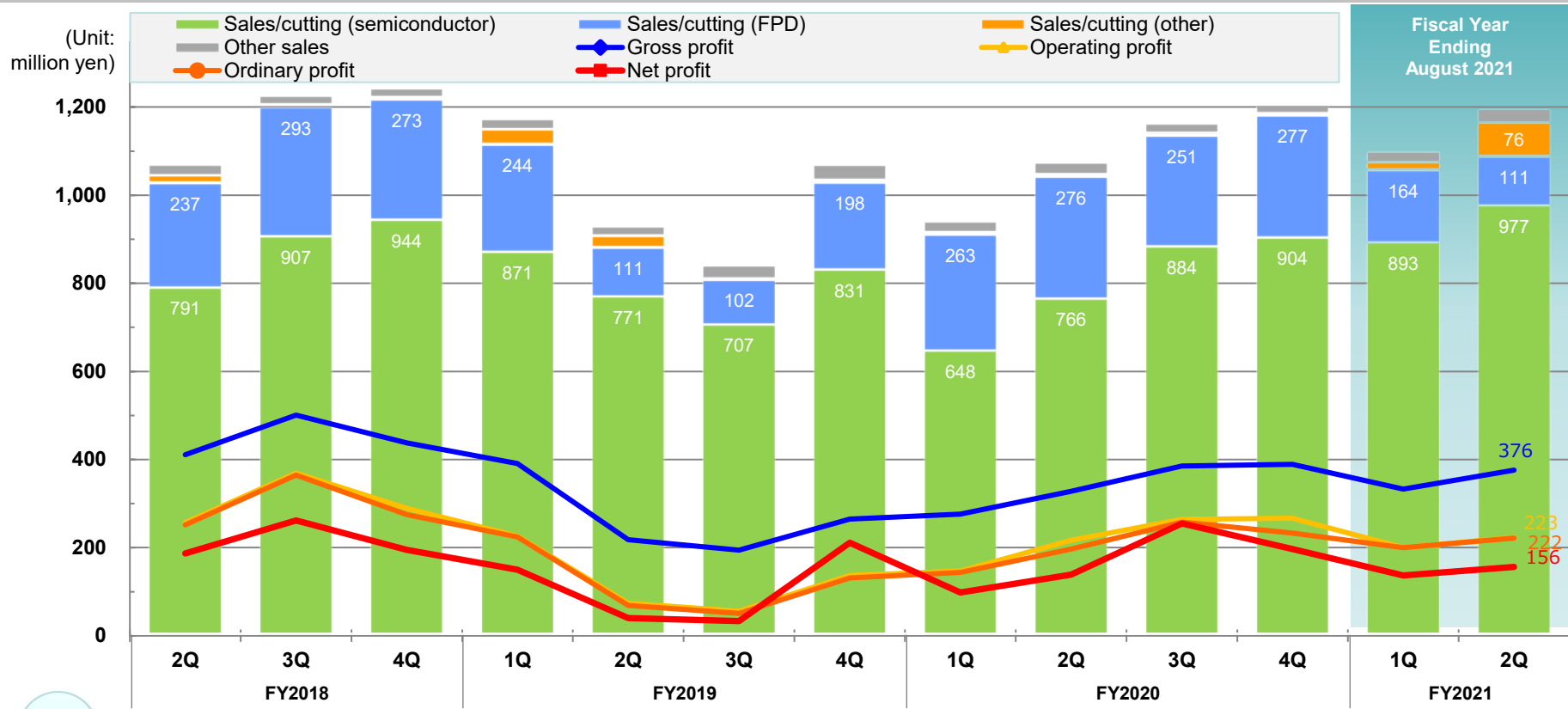
- Material cost: 37 million yen decrease (10.8% YoY decrease)
- Outsourcing expenses: 45 million yen increase (19.9% YoY increase)
- Labor costs: 63 million yen increase (14.7% YoY increase)
- Depreciation: 41 million yen increase (17.6% YoY increase)

4. Operating profit and selling and administrative expenses

- Personnel expenses: 27 million yen increase
- Fee expenses: 21 million yen increase (unplanned)

1. Overview of Financial Results

Trend of Quarterly Business Results



Point

1. Record sales for semiconductor, but stagnant FPD

- Semiconductor sector: 1,870 million yen (32.2% YoY increase)
 - Accelerated recovery in the semiconductor from the second half of Q1, leading to record-high sales
- FPD sector: 275 million yen (48.9% YoY decrease)
 - Sales drop due to market stagnation

■ Other sectors: 94 million yen (759.6% YoY increase)

- Substantial increase in orders related to smartphone cases and solar cell production equipment

2. Higher profit & loss due to an increase in orders with low material and outsourcing costs

- Net income: 294 million yen (23.9% YoY increase)

*The graph shows quarterly figures, but the numbers in the comments for each point are those for the six months under review.

1. Overview of Financial Results

B/S Analysis

B/S	(Unit: million yen)	Fiscal Year Ended Aug 2020 End of fiscal year	Fiscal Year Ending Aug 2021 End of Q2
Current assets		4,369	4,088
Cash & deposits		2,540	2,161
Trade receivables (Notes receivable - trade, accounts receivable - trade, and electronically recorded monetary claims - operating)		1,376	1,469
Inventories		438	430
Non-current assets		4,524	4,600
Buildings & land		2,359	2,331
Machinery & equipment		1,775	1,866
Current liabilities		1,183	1,031
Interest-bearing liabilities (short-term)*		389	389
Non-current liabilities		2,004	1,811
Long-term borrowings		1,970	1,775
Total liabilities		3,188	2,842
Total net assets		5,706	5,847
Total assets		8,894	8,689

*Interest-bearing liabilities: Short-term borrowings + Current portion of long-term borrowings

Point

1. Assets: 8,689 million yen (decreased by 204 million yen from the end of the previous fiscal year)

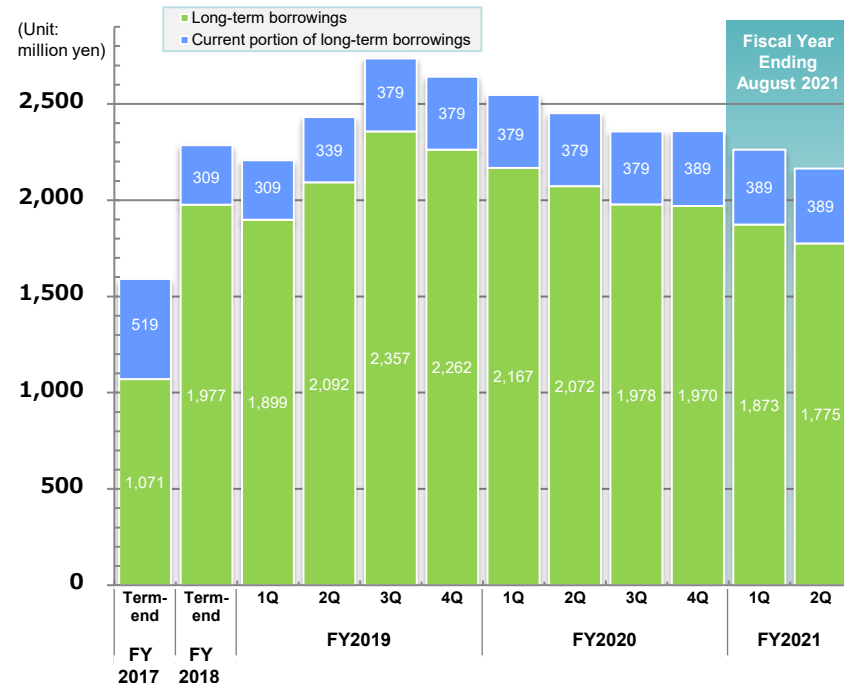
- Property, plant and equipment: 89 million yen increase
- Trade receivables: 93 million yen increase
- Cash and deposits: 378 million yen decrease

2. Liabilities: 2,842 million yen (decreased by 345 million yen from the end of the previous fiscal year)

- Long-term borrowings: 194 million yen decrease
- Income taxes payable: 104 million yen decrease

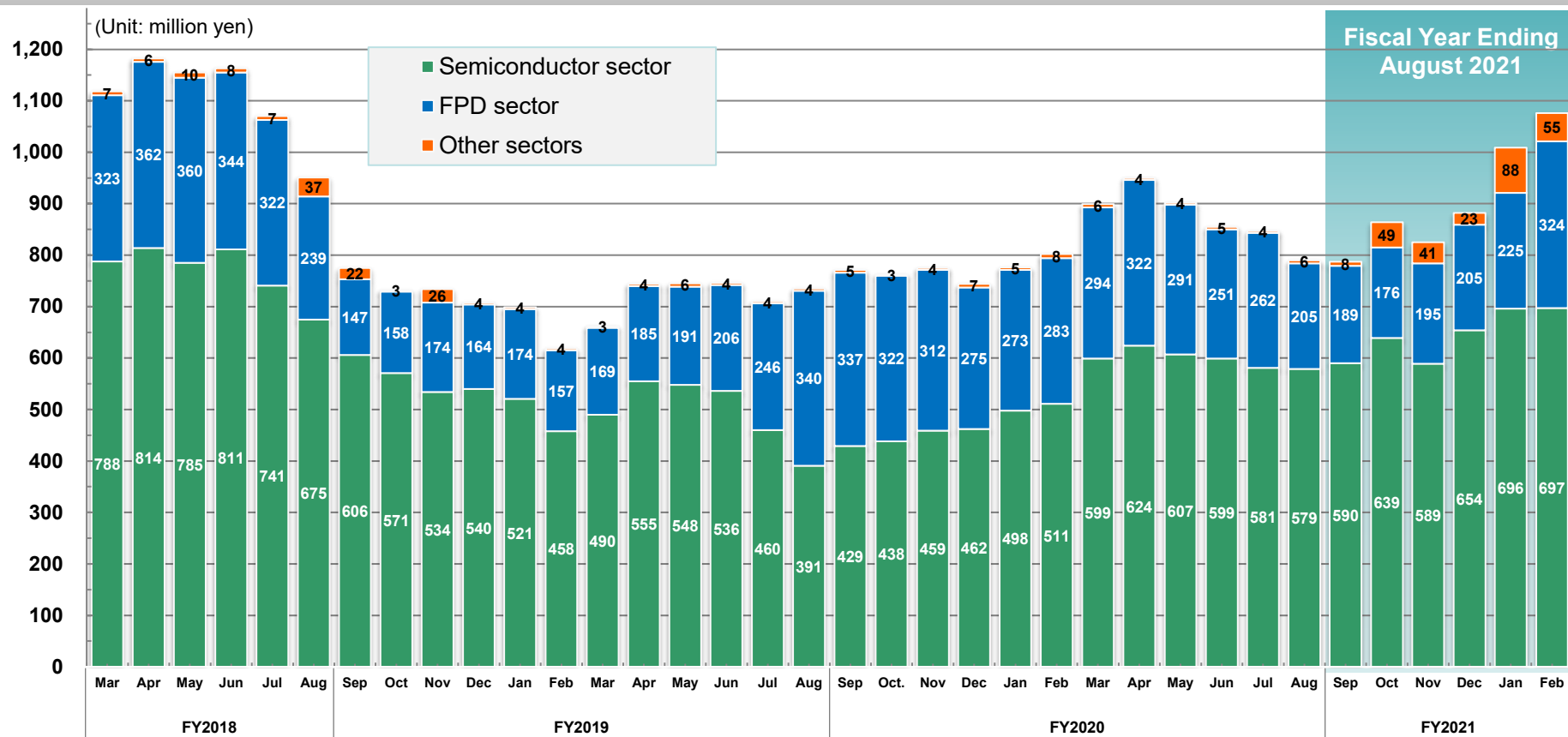
3. Net assets: 5,847 million yen (increased by 140 million yen from the end of the previous fiscal year)

- Dividends paid: 153 million yen
- Booking of net profit: 294 million yen
- Equity ratio: 64.2%→67.3%



2. Business Environment

Trend of the Monthly Balance of Orders Received



Point

- Semiconductor sector: The rapid recovery for memory pushed up orders, but the increase in backlog was lower than the previous peak due to improved production capacity.
- FPD sector: Strong orders for G6 organic EL (OLED); emerging effects of market share gains such as increased orders from new customers
- Other sectors: Expanding order backlog for smartphone cases and solar cell production equipment

*The company's orders have varying lead times. When there are many orders with a long lead time, the order backlog tends to be high compared to sales, and the reverse is true when there are many orders with a short lead time.

2. Business Environment

Future Environment and Policies by Sales Sector

Semiconductor

- ◆ Increased investment by memory companies and logic foundries*
- ◆ Strongest market outlook for 2021 due to the expansion of logic investment
- ◆ Expanding market share gains by strengthening prototype and active capital investment

FPD

- ◆ Growing market environment for smartphone OLED
- ◆ Rapid market recovery and increase in market share (acquisition of new process + withdrawal from other companies in the same industry)
- ◆ Strengthening one-stop orders of pre- and post-processes by utilizing EBW and our internal transportation system

Others

- ◆ Continuing to receive inquiries for new energy business such as solar cells
- ◆ Aiming to receive orders to fill the surplus production capacity in the FPD and semiconductor fields

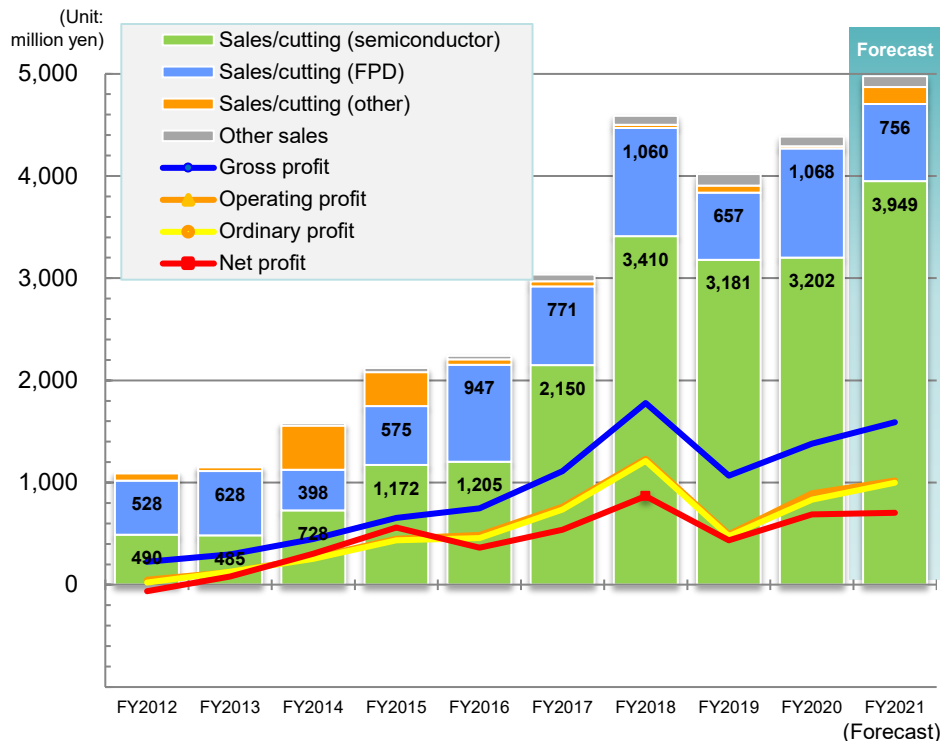
*Foundry: A contracted manufacturer that produces semiconductor based on the design data from its customers.

3. Forecast of the Financial Results for FY2021

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

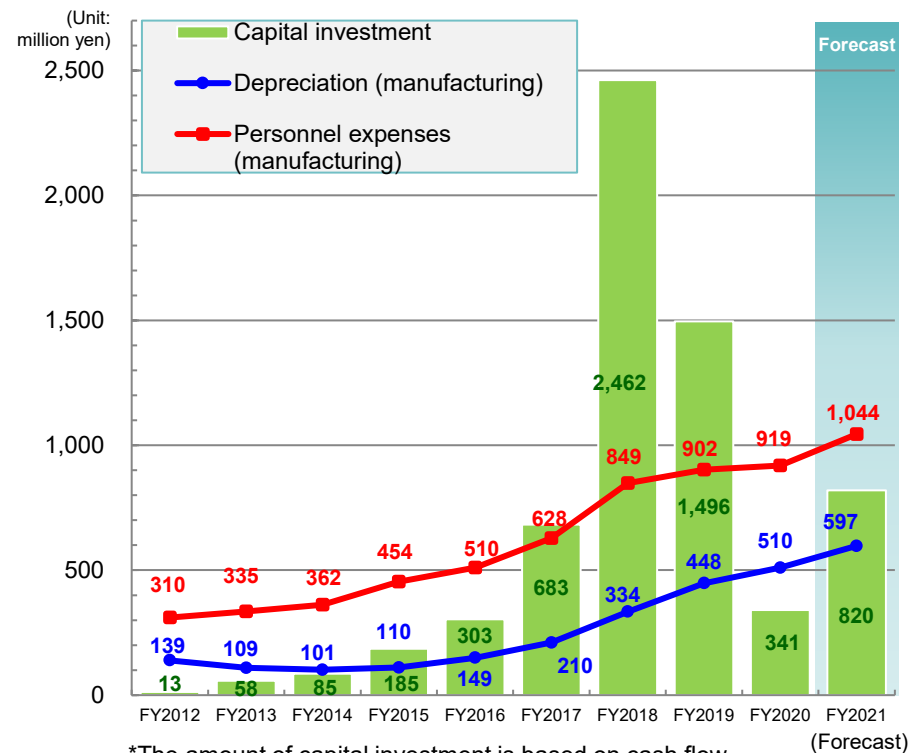
Financial Forecast for FY2021	Net Sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net profit (million yen)	Net profit per share (yen)
Full year	4,980	1,020	1,000	705	55.07

Full-year sales and profit revised upwards, following the first half (disclosed on Mar. 30, 2021)
Further improvements of the market environment



Point

- ✓ Upward revision of full-year earnings forecast due to favorable market environments
- ✓ Active capital investment for the next fiscal year
- ✓ Corporate research expenses related to M&A incurred ahead of schedule (because it was unfulfilled); slightly lower P/L in the first half than the forecast
- ✓ Dividend forecast revised to 12 yen at the end of the term and 22 yen for the full year



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

4. Medium-term Business Plan “Innovation 2022”

Status of the Numerical Targets Planning Period until the End of Aug 2022

Medium-term Business Plan

Innovation 2022

Numerical Targets

Total Sales **7.0B** yen

Operating Profit **2.0B** yen

Semiconductor Sector

Sales **5.2B** yen

- Two of new customers: Expanding and progressing acquisition of certification
- Existing customers: Expanding the share by focusing on consumable products

FPD Sector

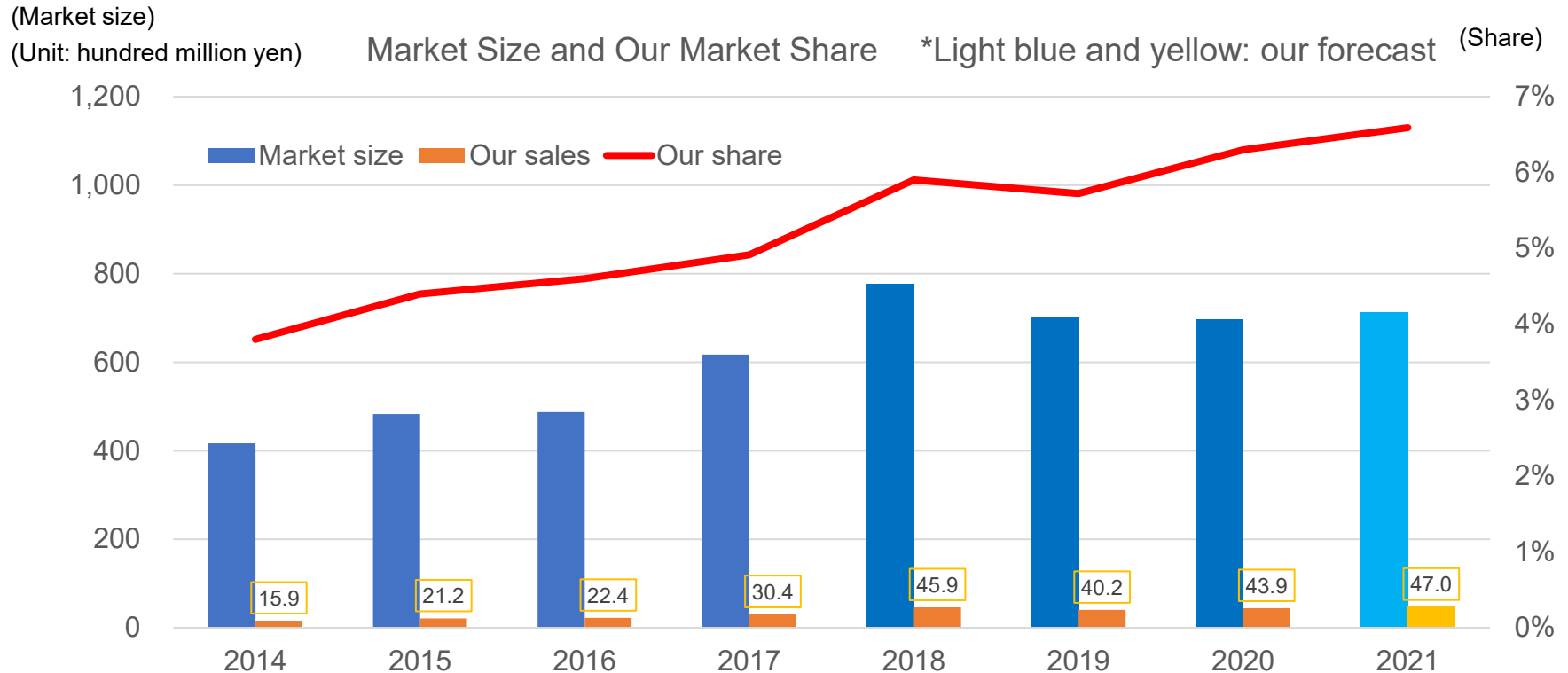
Sales **1.6B** yen

- Increasing in orders related to electron beam welding
- Expanding the share due to competitors' withdrawal

*Sales for other sectors are expected to be 200 million yen.

4. Medium-term Business Plan “Innovation 2022”

Target Market and Share Trends



GROWTH POTENTIAL

- ✓ The semiconductor and FPD sectors reached their peak in 2018. Thereafter, the semiconductor sector fell slightly but is now on the recovery, while the FPD market remains sluggish due to a large decline in that field.
- ✓ We continue to expand our market share despite the stagnation experienced by other companies in the industry by acquiring new customers and increasing prototype orders for mass production.

- The market size data above reflects the sales data that we have compiled for a reference group of 30 companies (including us) that we have identified that make vacuum components similar to those that we supply. The sales data for each calendar year is based on the end of the fiscal year from each company.
- Some of the numbers in the 2021 data include figures that we predicted from the closing month and order details of each company.

We are promoting sustainable management to
contribute to society with our technology.

Notes

The information listed in this material and the contents that have been orally explained and have not been realized yet are outlooks based on certain assumptions, and they include uncertain elements such as evaluation by the Marumae management.

This material was prepared for shareholders and investors to understand the current status and management policy of Marumae, and does not provide readers with the basis to make any investment decision, such as the purchase and sales of the shares of the Company. The Company bears no responsibility for any investment decision.

Although the Company took care in preparing the listed information including 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 and any errors contained for any reason.

For inquiries regarding this material, please contact the following:

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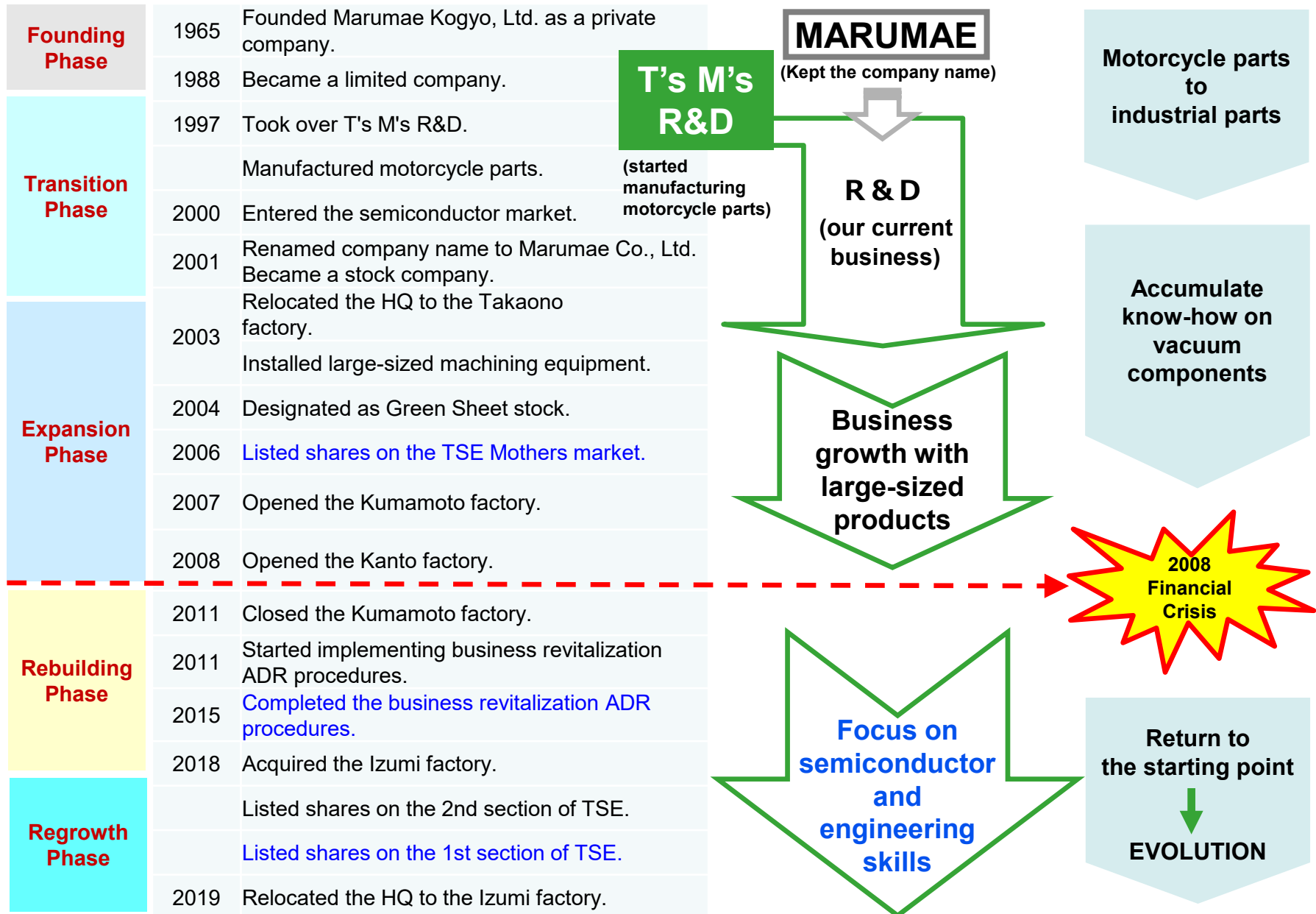
Company Profile

Reference (Our History)

We originally started from motorcycle racing.

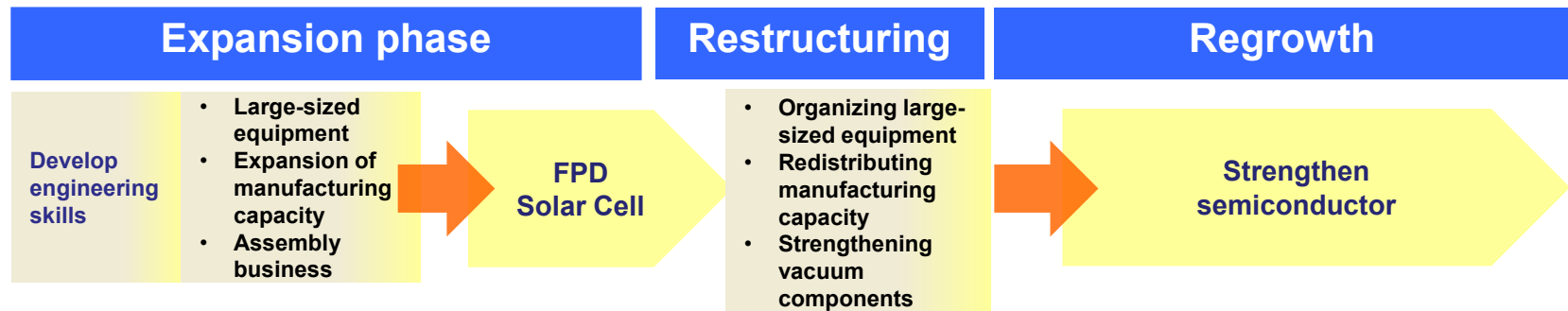
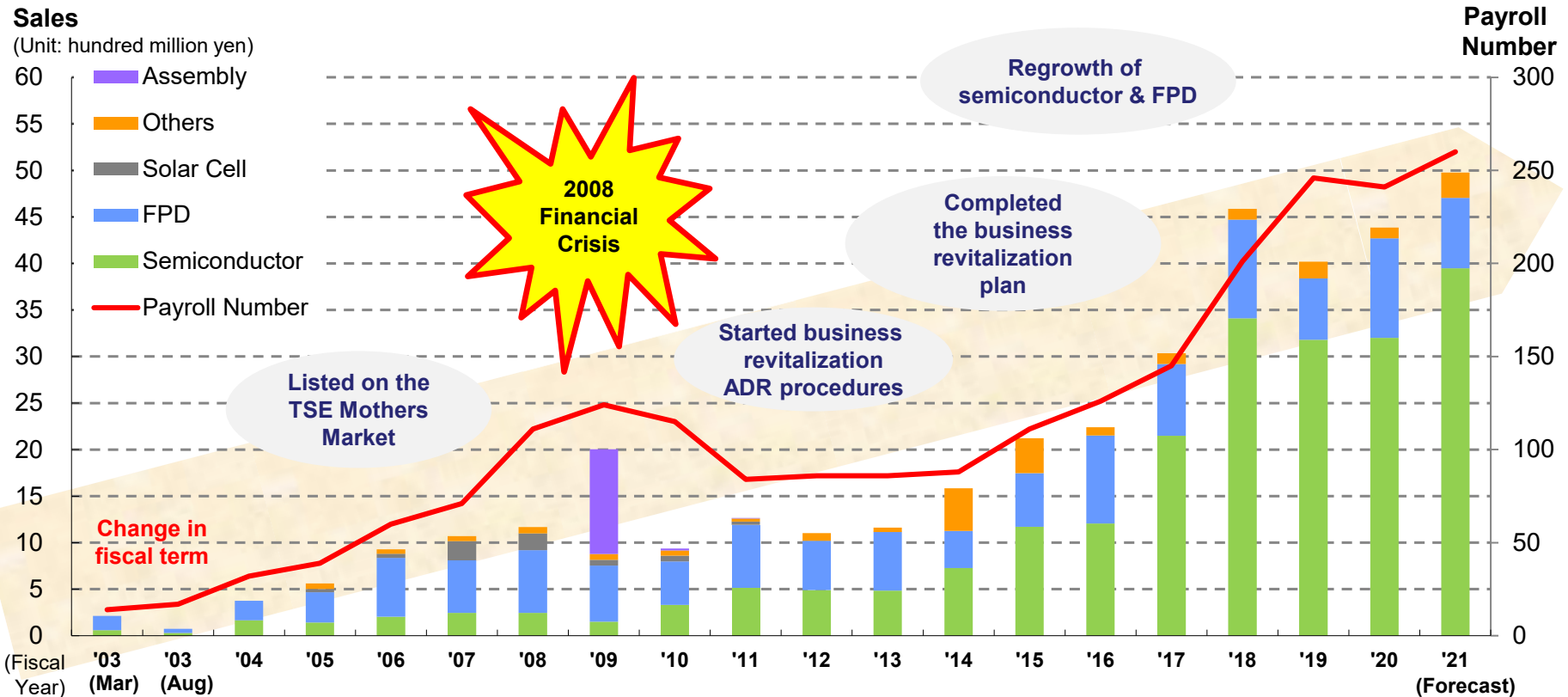


Reference (Our History & Business Transition)



Reference (Our History & Business Transition)

Business Growth & Growth Driver



Reference (Business Overview)

Our products support the core of semiconductor and LCD production equipment worldwide

Main processes of our customers that use our products

- Etching
- CVD
- Coater/developer
- Sputtering
- Single wafer cleaning
- Ashing
- Wafer bonding
- Ion implantation
- Annealing

Our main products

- Vacuum chamber
- Shower head
- Exhaust plate
- Electrostatic chuck
- Heater
- Upper electrode
- Target
- Parts for transfer system
- Various vacuum components

* This photo is a sample image

Reference (Company Overview)

Company name	Marumae Co., Ltd.	Total number of issued shares	13,053,000 shares
Establishment	October 1988	Share unit number	100 shares
Capital	1,241,150,000 yen (as of February 28, 2021)	Total number of shareholders	8,419
Executives	<ul style="list-style-type: none"> Toshikazu Maeda, President and Representative Director Kota Kaizaki, Director Hiroto Ando, Director Akiko Kadota, Outside Director Yoshitsugu Kojima, Director (Audit and Supervisory Committee Member) 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) 	Major shareholder (Common shares)	<ul style="list-style-type: none"> Toshikazu Maeda 4,818,700 shares The Master Trust Bank of Japan, Ltd. (Trust account) 558,900 shares Misako Maeda 504,000 shares Custody Bank of Japan, Ltd. (trust account) 181,600 shares Yoshiko Maeda 180,000 shares Tadao Kawamoto 175,800 shares Koei Igarashi 168,000 shares SMBC Nikko Securities Inc. 140,800 shares Marumae Kyoeikai 135,200 shares Custody Bank of Japan, Ltd. (trust account 5) 128,400 shares
Number of employees	252 (including 110 temporary workers) and 26 dispatched workers (as of February 28, 2021)		
Locations	<ul style="list-style-type: none"> 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 		(Note) There are 250,196 treasury shares. (as of February 28, 2021)
Business description	<ul style="list-style-type: none"> Design, manufacturing and machining of precision machineries and equipment Design and manufacturing of precision machine components Design, manufacturing and sales of industrial and medical equipment Development and sales of software Plate working Plumbing Transportation Real estate leasing 	Management philosophy	<ul style="list-style-type: none"> Seek technological perfection Respect competition and cooperation Contribute to society as a company that focuses on technology <p>We focus on parts machining, which is the foundation of the <i>monozukuri</i> (manufacturing) that supports our economy.</p> <p>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 capability.</p>