

Tokyo Stock Exchange (TSE): 6264

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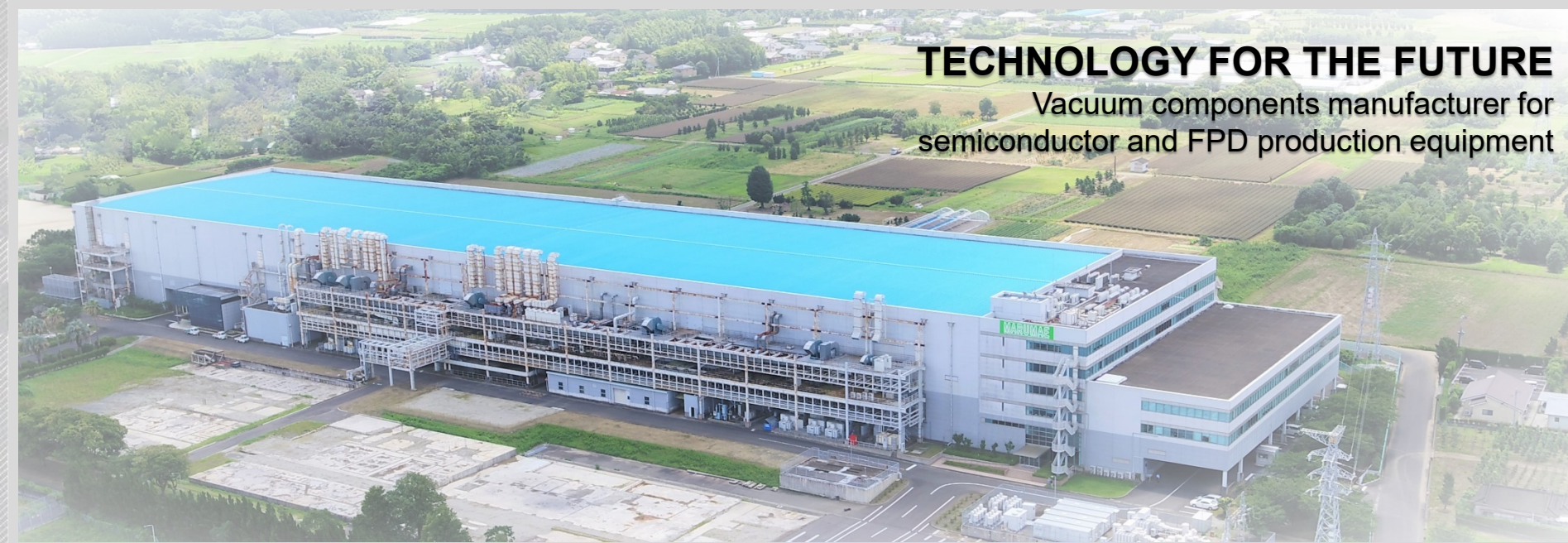
# MARUMAE CO., LTD.

## Q3 FY2021 Financial Results Summary

June 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 Nine-month period		Fiscal Year Ending Aug 2021 Nine-month period		
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	YoY change ratio (%)
Orders received	3,272	—	4,273	—	30.6
Balance of the orders received	903	—	1,538	—	70.3
Net sales	3,182	100.0	3,615	100.0	13.6
Cost of sales	2,191	68.9	2,406	66.5	9.8
Gross profit	990	31.1	1,209	33.5	22.1
Selling and administrative expenses	361	11.4	433	12.0	19.8
Operating profit	629	19.8	776	21.5	23.4
Ordinary profit	600	18.9	772	21.4	28.7
Extraordinary loss (income)	109	3.4	18	0.5	(82.8)
Profit	493	15.5	556	15.4	12.7
EPS (yen)	37.97	—	43.43	—	14.4

### Point

#### 1. Status of orders received

- Semiconductor sector: 3,321 million yen (32.1% YoY increase)
- FPD sector: 777 million yen (4.7% YoY increase)
- Other sectors: 174 million yen (972.4% YoY increase)

#### 2. Net sales

- 13.6% YoY increase

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

#### 3. Cost of sales and gross profit

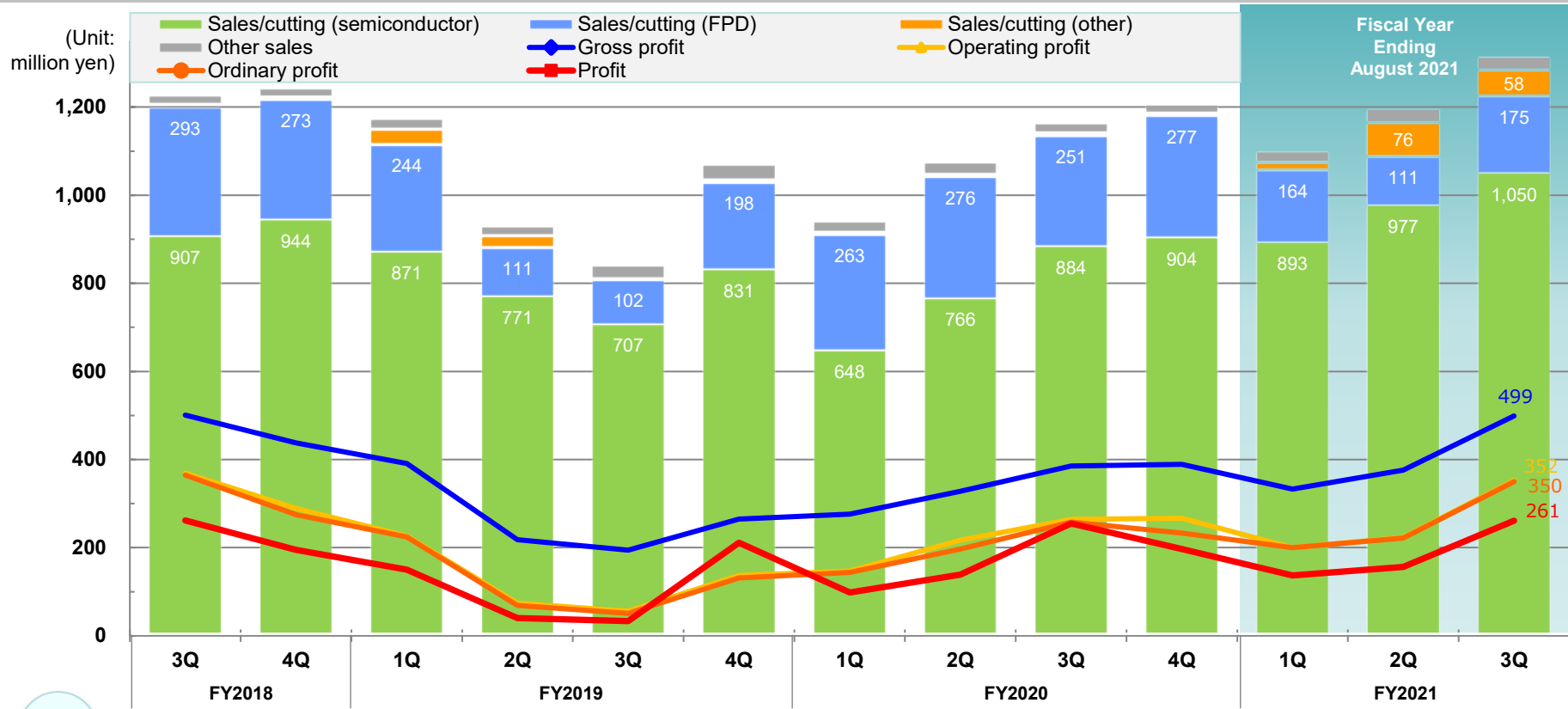
- Material cost: 17 million yen increase (3.3% YoY increase)
- Outsourcing expenses: 84 million yen increase (22.9% YoY increase)
- Labor costs: 107 million yen increase (15.9% YoY increase)
- Depreciation: 59 million yen increase (16.4% YoY increase)

#### 4. Operating profit and selling and administrative expenses

- Personnel expenses: 44 million yen increase
- Fee expenses: 20 million yen increase (unplanned)

# 1. Overview of Financial Results

## Trend of Quarterly Business Results



### Point

#### 1. Record sales for semiconductor, and sales recovery in FPD

- Semiconductor sector: 2,921 million yen (27.1% YoY increase)
  - Favorable semiconductor market environment and a new record high in this quarter
- FPD sector: 451 million yen (42.9% YoY decrease)
  - Sales recovery due to improved market and EBW\*-related sales

■ Other sectors: 153 million yen (800.1% YoY increase)

- Sales for photovoltaic cell production equipment contributing to an increase in sales continuing from 2Q

#### 2. Improved profits due to an increase in orders with low material and outsourcing costs

- Net income: 556 million yen (12.7% YoY increase)

\*EBW: Electron beam welding

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

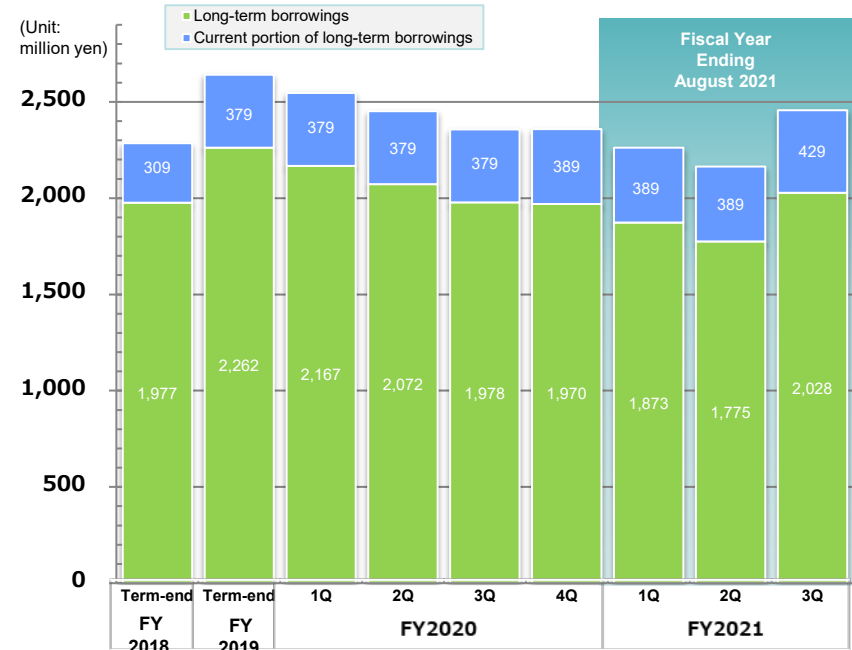
# 1. Overview of Financial Results

## B/S Analysis

B/S (Unit: million yen)	Fiscal Year Ended Aug 2020 End of fiscal year	Fiscal Year Ending Aug 2021 End of Q3
Current assets	4,369	4,572
Cash & deposits	2,540	2,587
Trade receivables (Notes receivable - trade, accounts receivable - trade, and electronically recorded monetary claims - operating)	1,376	1,362
Inventories	438	591
Non-current assets	4,524	4,542
Buildings & land	2,359	2,308
Machinery & equipment	1,775	1,749
Current liabilities	1,183	1,068
Interest-bearing liabilities (short-term)*	389	429
Non-current liabilities	2,004	2,066
Long-term borrowings	1,970	2,028
Total liabilities	3,188	3,135
Total net assets	5,706	5,980
Total assets	8,894	9,115

### Point

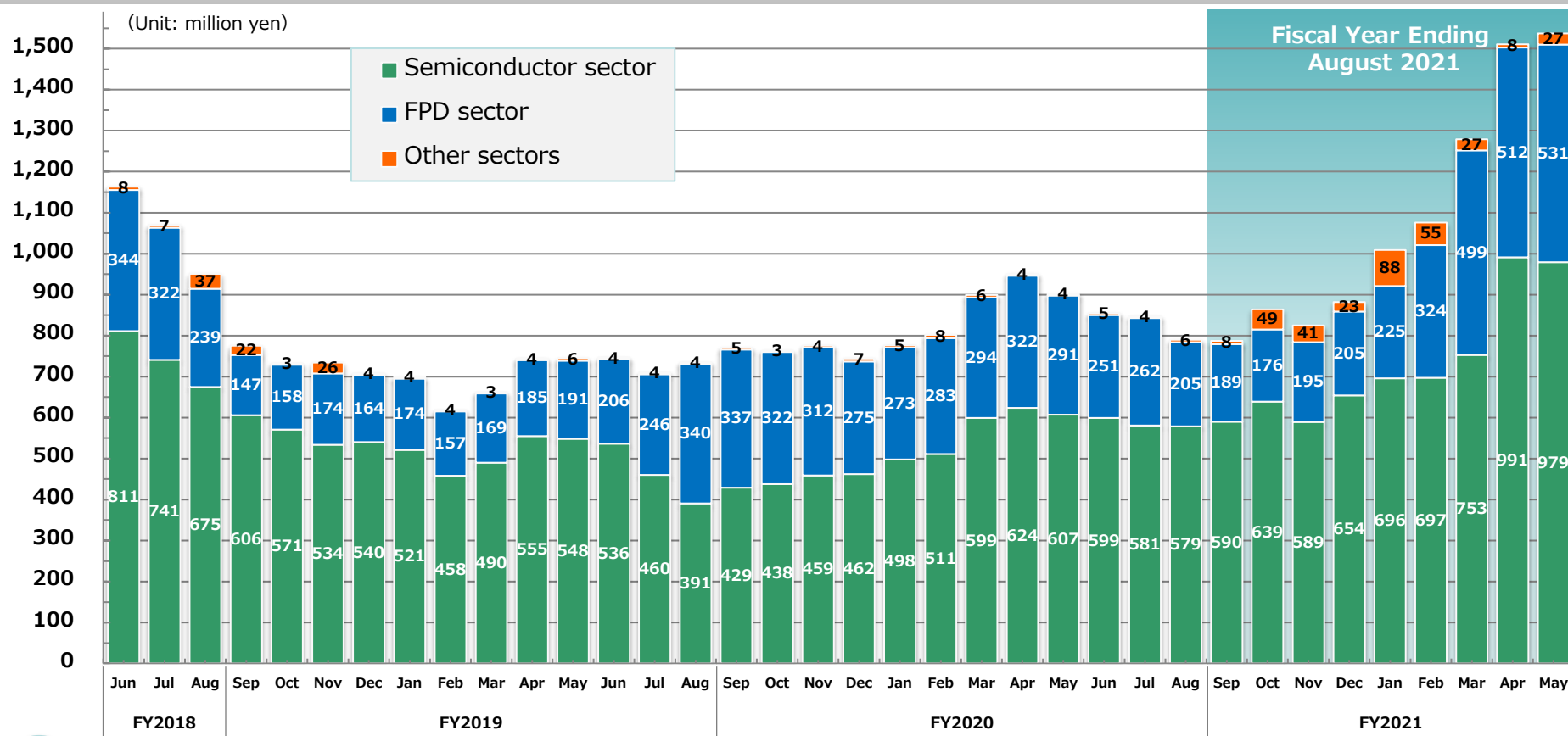
- Assets: 9,115 million yen (increased by 221 million yen from the end of the previous fiscal year)**
  - Inventories: 152 million yen increase
  - Construction in progress: 122 million yen increase
- Liabilities: 3,135 million yen (decreased by 53 million yen from the end of the previous fiscal year)**
  - Long-term borrowings: 57 million yen increase
  - Income taxes payable: 144 million yen decrease
- Net assets: 5,980 million yen (increased by 274 million yen from the end of the previous fiscal year)**
  - Dividends paid: 281 million yen
  - Booking of profit: 556 million yen
  - Equity ratio: 64.2%→65.6%



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

## 2. Business Environment

### Trend of the Monthly Balance of Orders Received



#### Point

- Semiconductor sector: In addition to a market that was strong overall, there were increased orders from a new customer.
- FPD sector: There was a recovery trend in orders for G10.5 LCDs as well as for G6 OLED (organic EL). Market share gains also contributed to the recovery.
- Other sectors: There were orders related to our automated 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

- ◆ Solid investment in foundries\* and memory, and increased logic investment
- ◆ Beginning to accept orders for bulk production from a new customer related to expanded logic investment
- ◆ Responding to expanding market and bigger market share with active capital investment

#### FPD

- ◆ A partial restart of G10.5 LCD investment and an expansion of G6 OLEDs in the market
- ◆ In addition to the market recovery, advancing market share growth
- ◆ Decided on a modest investment for enhancement of production to prepare for increased orders

#### Others

- ◆ Continuing to receive inquiries for solar cells, but the situation is fluid
- ◆ Aiming to receive orders that can utilize surplus production capacity

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



# 3. Forecast of the Financial Results for FY2021

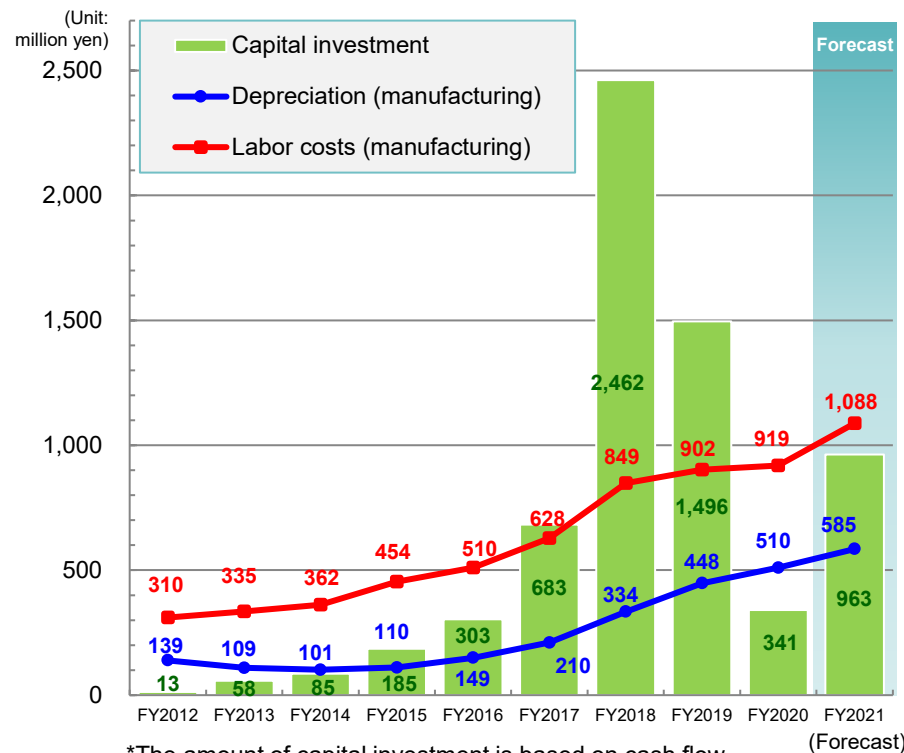
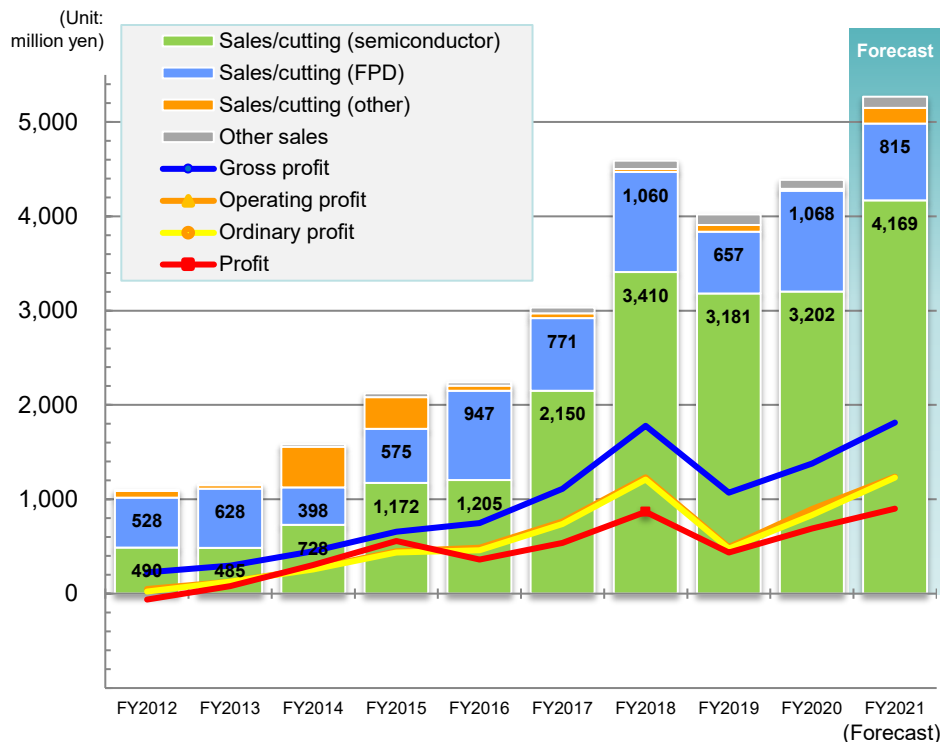
## Forecast for This Period (Profit/Loss, Capital Investment, and Fixed Cost)

Financial Forecast for FY2021	Net Sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)	Profit per share (yen)
Full year	5,270	1,240	1,231	900	70.30

Full-year sales and profit revised upwards  
(disclosed on June 30, 2021)

Point

- ✓ Both sales and profits expected to reach record highs
- ✓ Increased capital expenditure in this quarter in line with the rise in orders
- ✓ Focusing on enhancing production capacity to achieve the monthly numerical production target in our medium-term business plan of 700 million yen (550 million yen for semiconductor and 150 million yen for FPD)



\*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 <b>Innovation 2022</b>	
Numerical Targets	Total Sales <b>7.0B</b> yen
	Operating Profit <b>2.0B</b> yen
ROIC*	Asset-based ROIC <b>18%</b>
	Liability-based ROIC <b>14%</b>
Payout Ratio	Payout ratio target <b>30%</b> or above
	Minimum annual dividend per share <b>10</b> yen
ESG	The promotion of <b>Sustainable Management</b> Medium-to-long term efforts regarding key issues

\*These figures are the target values in our medium-term business plan. Financial forecasts for the next fiscal year, which will be disclosed in this coming October, have not been decided yet.



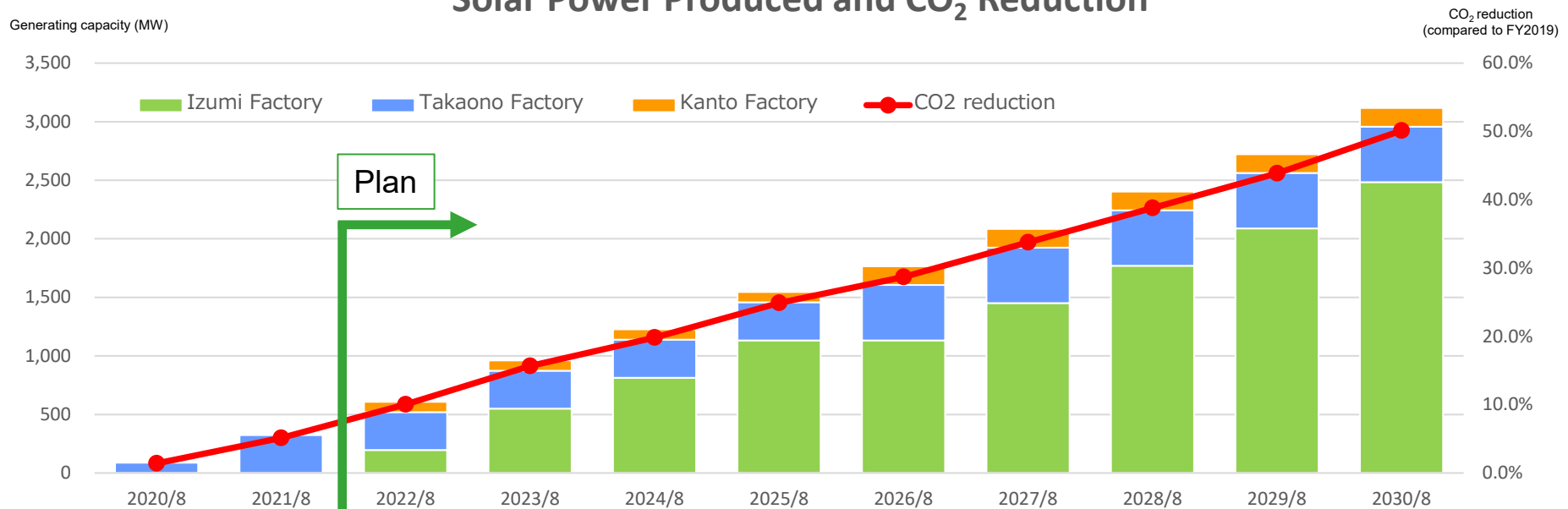
# 5. ESG Management

## ESG Management Initiatives: Consideration for the Global Environment

ESG

Promoting CO<sub>2</sub> reduction by utilizing renewable energy  
Covering half of our annual energy consumption by FY08/30 with self-generated photovoltaic power

### Solar Power Produced and CO<sub>2</sub> Reduction



Initial Plan: A total investment of JPY424 million in photovoltaic panels through FY08/30  
(50% or more reduction in CO<sub>2</sub> emissions)

Photovoltaic capacity: 1.87 MW

Storage battery capacity: 0.60 MW

Annual solar power output: 2,640 MW/h

Progress: A total investment of JPY40 million until FY08/21 (5.1% reduction in CO<sub>2</sub> emissions)

\* FY08/30 CO<sub>2</sub> reduction goal: 1,085 tons or more

\* FY08/19 power usage: 5,124 MW/h (equivalent to 2,169 tons of CO<sub>2</sub>)

## 5. ESG Management

### ESG Management Initiatives: Consideration for the Global Environment



Installed solar panels on the roof of the 2<sup>nd</sup> factory at Takaono in June 2020



Installed solar panels on the roofs of the 4<sup>th</sup> & 8<sup>th</sup> factories at Takaono in June 2021

**More panels to be installed at the Izumi & Kanto Factories in FY08/22.**

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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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E-mail: [inquiry\\_en@marumae.com](mailto:inquiry_en@marumae.com)

# Company Profile



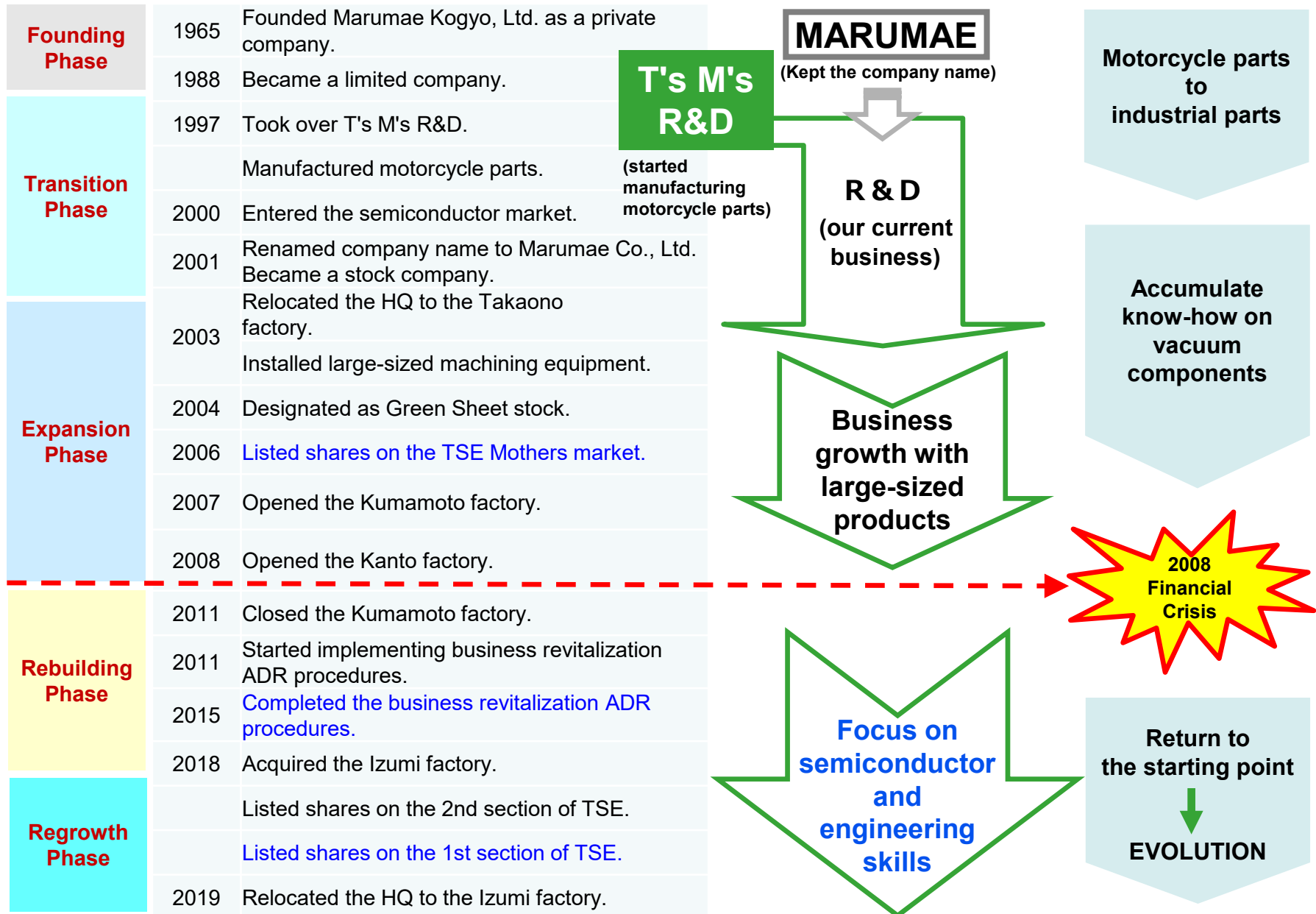
# Reference (Our History)

We originally started from motorcycle racing.



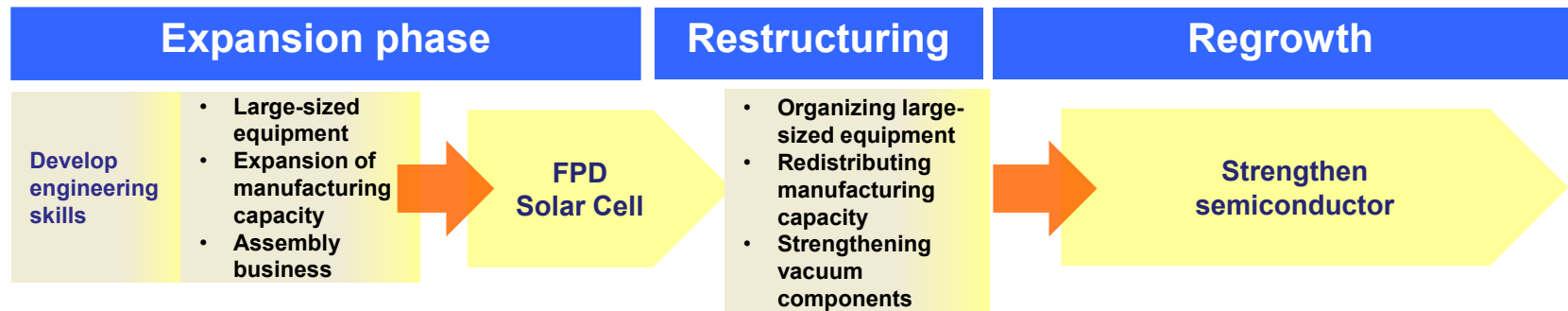
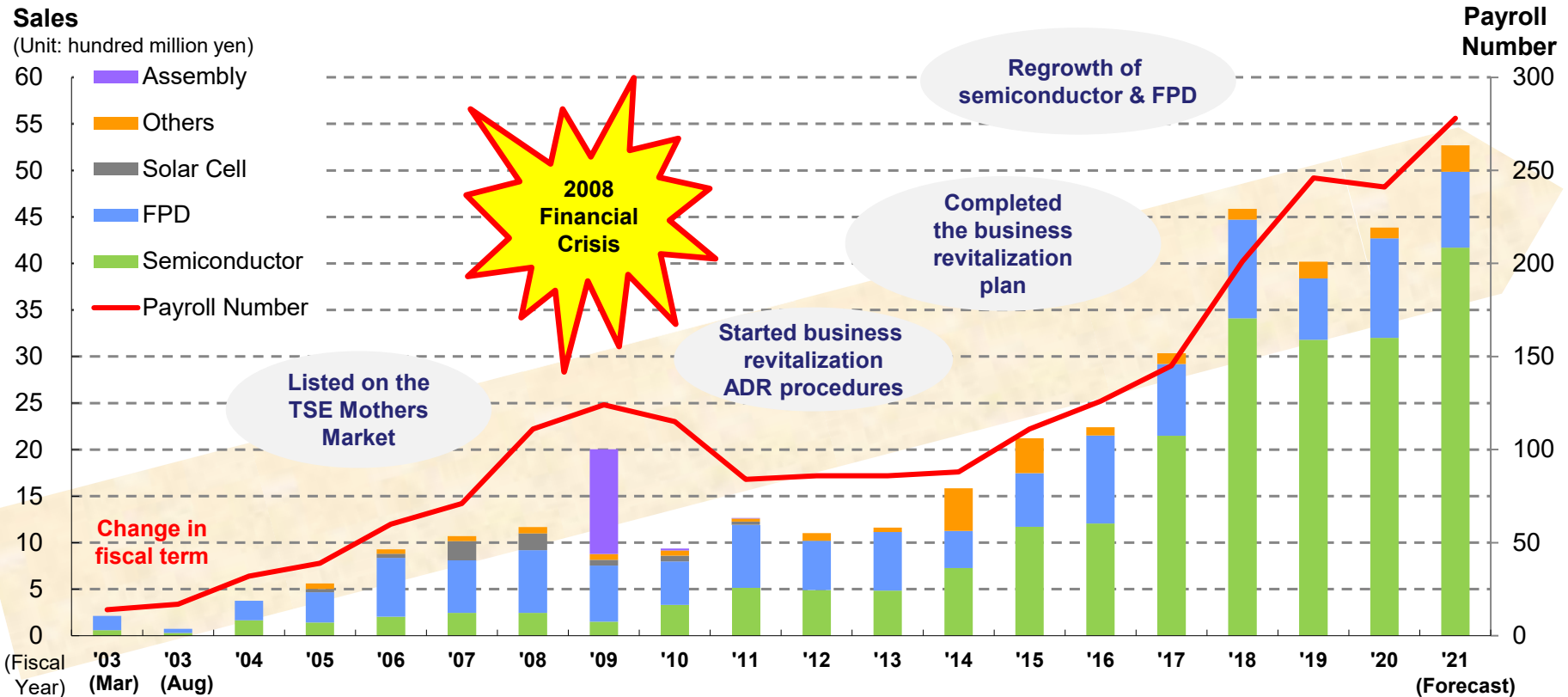


# Reference (Our History & Business Transition)



# 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)

<b>Company name</b>	Marumae Co., Ltd.	<b>Total number of issued shares</b>	13,053,000 shares
<b>Establishment</b>	October 1988	<b>Share unit number</b>	100 shares
<b>Capital</b>	1,241,150,000 yen (as of May 31, 2021)	<b>Total number of shareholders</b>	8,419
<b>Executives</b>	<ul style="list-style-type: none"> <li>Toshikazu Maeda, President and Representative Director</li> <li>Kota Kaizaki, Director</li> <li>Hiroto Ando, Director</li> <li>Akiko Kadota, Outside Director</li> <li>Yoshitsugu Kojima, Director (Audit and Supervisory Committee Member)</li> <li>Keiji Hokanishi, Director (Audit and Supervisory Committee Member)</li> <li>Satoshi Momokino, Outside Director (Audit and Supervisory Committee Member)</li> <li>Takaaki Yamamoto, Outside Director (Audit and Supervisory Committee Member)</li> <li>Hirotsugu Miyakawa, Outside Director (Audit and Supervisory Committee Member)</li> </ul>	<b>Major shareholders (Common shares)</b>	<ul style="list-style-type: none"> <li>Toshikazu Maeda 4,818,700 shares</li> <li>The Master Trust Bank of Japan, Ltd. (trust account) 558,900 shares</li> <li>Misako Maeda 504,000 shares</li> <li>Custody Bank of Japan, Ltd. (trust account) 181,600 shares</li> <li>Yoshiko Maeda 180,000 shares</li> <li>Tadao Kawamoto 175,800 shares</li> <li>Koei Igarashi 168,000 shares</li> <li>SMBC Nikko Securities Inc. 140,800 shares</li> <li>Marumae Kyoeikai 135,200 shares</li> <li>Custody Bank of Japan, Ltd. (trust account 5) 128,400 shares</li> </ul>
<b>Number of employees</b>	267 (including 106 temporary workers) and 28 dispatched workers (as of May 31, 2021)		
<b>Locations</b>	<ul style="list-style-type: none"> <li>Izumi Factory (Headquarters): 2141 Onohara, Izumi, Kagoshima 899-0216, Japan</li> <li>Takaono Factory: 3816-41 Okubo, Takaono, Izumi, Kagoshima 899-0401, Japan</li> <li>Kanto Factory: 2-17-15 Hizaori, Asaka, Saitama 351-0014, Japan</li> </ul>		(Note) There are 250,196 treasury shares. (as of February 28, 2021)
<b>Business description</b>	<ul style="list-style-type: none"> <li>Design, manufacturing and machining of precision machineries and equipment</li> <li>Design and manufacturing of precision machine components</li> <li>Design, manufacturing and sales of industrial and medical equipment</li> <li>Development and sales of software</li> <li>Plate working</li> <li>Plumbing</li> <li>Transportation</li> <li>Real estate leasing</li> </ul>	<b>Management philosophy</b>	<ul style="list-style-type: none"> <li>Seek technological perfection</li> <li>Respect competition and cooperation</li> <li>Contribute to society as a company that focuses on technology</li> </ul> <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>