

Tokyo Stock Exchange (TSE): 6264

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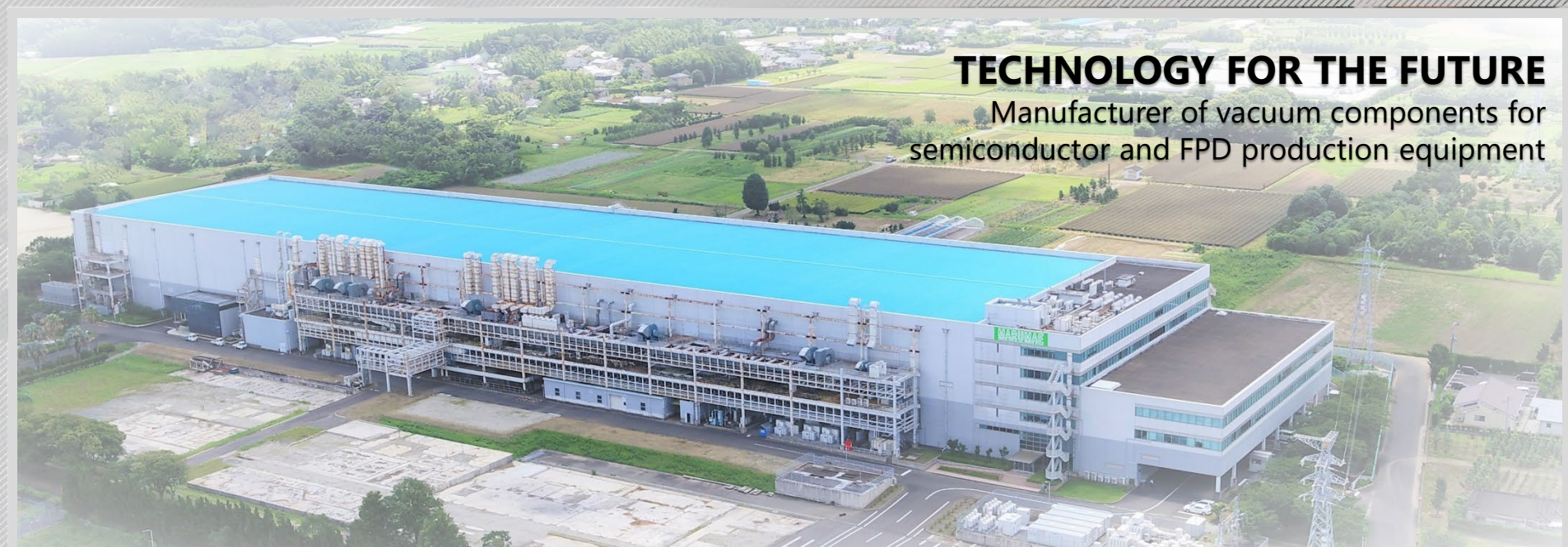
# MARUMAE CO., LTD.

## Summary of Q3 FY2022 Financial Results

June 30, 2022

### TECHNOLOGY FOR THE FUTURE

Manufacturer of vacuum components for  
semiconductor and FPD production equipment



# 1. Overview of Financial Results

## P/L Analysis

P/L	Third Quarter of the Fiscal Year Ended August 31, 2021		Third Quarter of the Fiscal Year Ending August 31, 2022		
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	YoY change ratio (%)
Orders received*	4,273	—	7,218	—	68.9
Balance of orders received*	1,538	—	3,054	—	98.6
Net sales*	3,615	100.0	6,097	100.0	68.6
Cost of sales*	2,406	66.5	3,780	62.0	57.1
Gross profit	1,209	33.5	2,317	38.0	91.6
Selling and administrative expenses	433	12.0	574	9.4	32.7
Operating profit	776	21.5	1,742	28.6	124.4
Ordinary profit	772	21.4	1,744	28.6	125.8
Extraordinary loss (income)	18	0.5	2	0.0	(87.5)
Profit	556	15.4	1,248	20.6	124.5
EPS (yen)	43.43	—	97.67	—	

### Point

#### 1. Status of orders received\*

- Semiconductor sector: 5,288 million yen (59.2% YoY increase)
- FPD sector: 1,275 million yen (64.0% YoY increase)
- Other sectors: 654 million yen (275.3% YoY increase)

#### 2. Net sales\*

- 68.6% YoY increase

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

#### 3. Cost of sales\*

- Material costs\*: 487 million yen increase (89.0% YoY increase)
- Outsourcing expenses: 489 million yen increase (108.4% YoY increase)
- Labor costs: 348 million yen increase (44.6% YoY increase)
- Depreciation: 87 million yen increase (20.7% YoY increase)

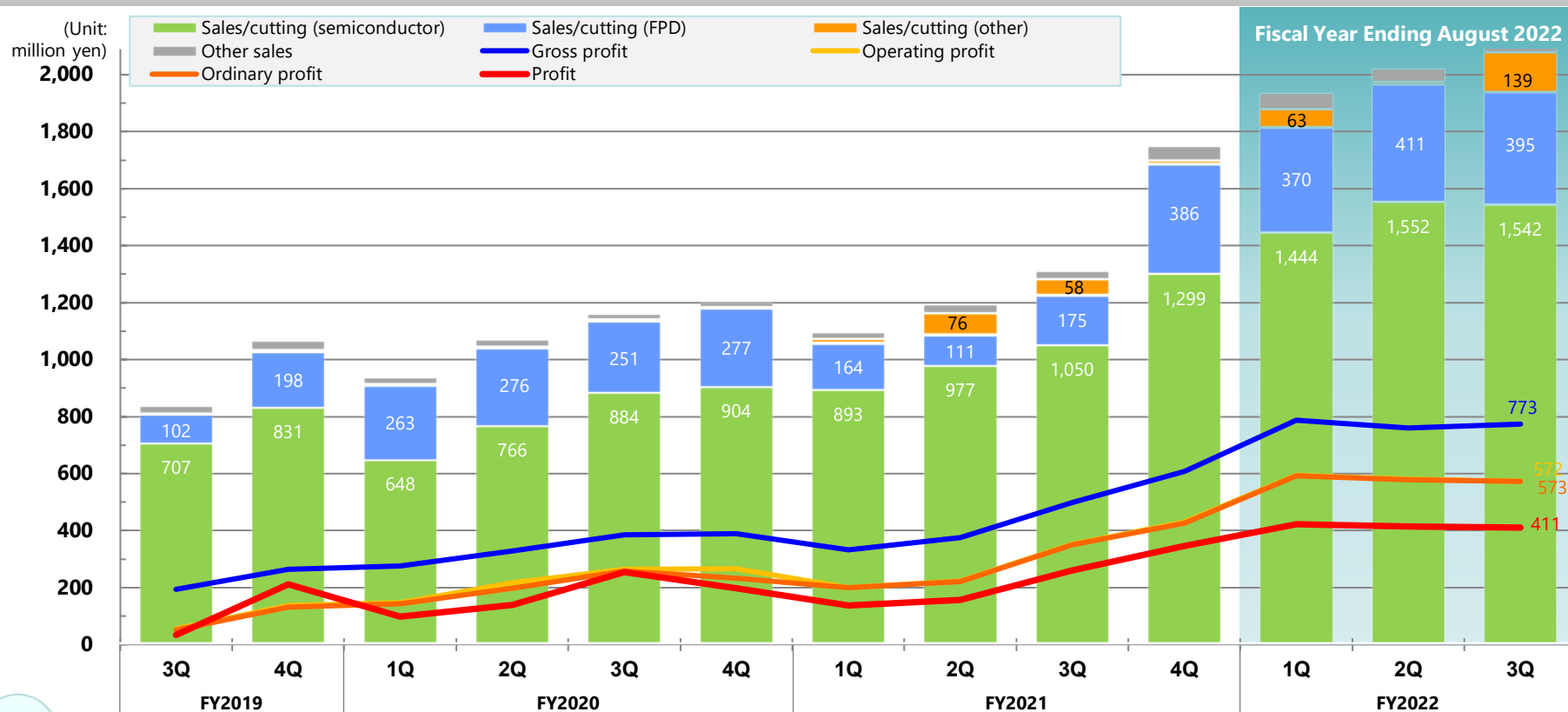
#### 4. Selling and administrative expenses

- Research and development expenses: 71 million yen increase
- Personnel expenses: 28 million yen increase

\*Orders received and balance of orders received for the third quarter of the fiscal year ending August 31, 2022, include materials supplied at cost. The changes in percent from the same period of the previous fiscal year in net sales, cost of sales, and material costs for the said third quarter are calculated based on the actual results for the same quarter of the previous fiscal year before the application of the "Accounting Standard for Revenue Recognition." The same manner of calculation is used on the following pages.

# 1. Overview of Financial Results

## Trends in Quarterly Business Results



### Point

#### 1. Record sales due to sales for solar cell production equipment

- Semiconductor sector: 4,538 million yen (55.4% YoY increase)
  - Record highs continue due to a favorable semiconductor market environment.
- FPD sector: 1,177 million yen (160.8% YoY increase)
  - Maintaining high levels due to improved market and higher market share.

■ Other sectors: 212 million yen (38.5% YoY increase)

- Increase in orders received for solar cell production equipment components.

#### 2. Profits declined slightly due to a marginal rise in SG&A expenses.

- Profit decreased slightly in 3Q due to increases in commission and advertising expenses.
- Profit: 1,248 million yen (124.5% YoY increase)

\*This graph shows quarterly figures, but the numbers in the comments for each point are those for the fiscal year under review.

# 1. Overview of Financial Results

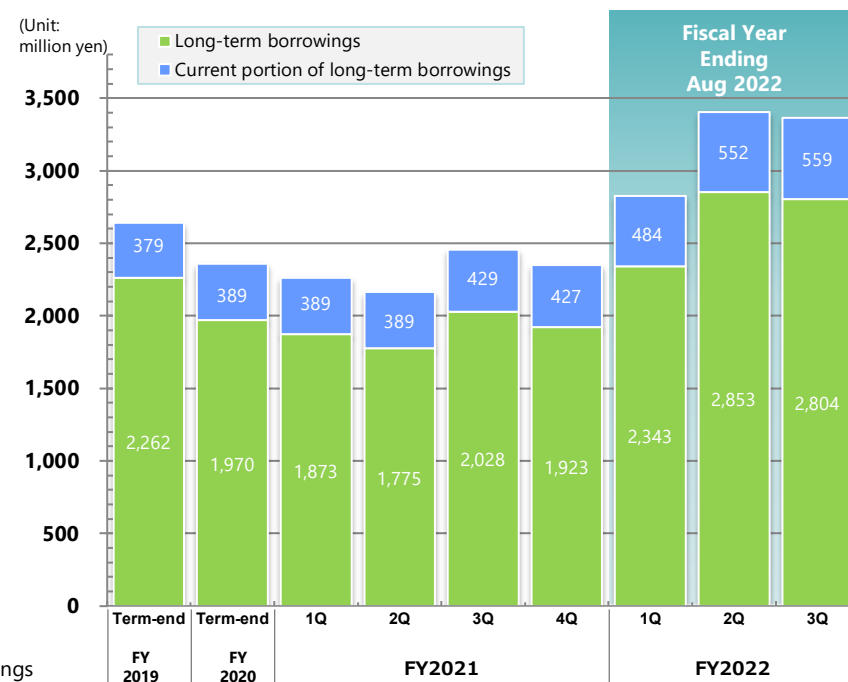
## B/S Analysis

<b>B/S</b>	Fiscal year ended Aug 2021 End of Fiscal Year	Fiscal year ending Aug 2022 End of Q3
(Unit: million yen)		
Current assets	4,813	6,337
Cash & deposits	2,505	3,037
Trade receivables (Notes receivable - trade, accounts receivable - trade, and electronically recorded monetary claims - operating)	1,685	2,305
Inventories	597	965
Non-current assets	4,929	5,581
Buildings & land	2,358	2,389
Machinery & equipment	2,273	2,708
Current liabilities	1,452	2,323
Interest-bearing liabilities (short-term)*	427	559
Non-current liabilities	1,963	2,864
Long-term borrowings	1,923	2,804
Total liabilities	3,415	5,188
Total net assets	6,327	6,730
Total assets	9,742	11,918

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

### Point

- Assets: 11,918 million yen (2,176 million yen increase from the end of the previous fiscal year)**
  - Property, plant and equipment: 635 million yen increase
  - Trade receivables: 619 million yen increase
- Liabilities: 5,188 million yen (1,772 million yen increase from the end of the previous fiscal year)**
  - Long-term borrowings: 880 million yen increase
  - Advances received: 524 million yen increase
- Net assets: 6,730 million yen (403 million yen increase from the end of the previous fiscal year)**
  - Retained earnings: 787 million yen increase
  - Decrease of 396 million yen due to purchases of treasury shares, etc.
  - Equity ratio: 64.9% → 56.5%



## 2. Business Environment

### Future Environment and Policies by Sales Sector

#### Semiconductor

- ◆ Demand for equipment remains high, but parts shortages at customer-manufacturers continue.
- ◆ Growing demand for memory, but production expansion is unable to keep pace, and production is expected to be tight.
- ◆ Continue capital investment and recruiting to resolve capacity shortage.

#### FPD

- ◆ G6 OLED is doing well while LCD stagnates. G8 OLED mass production planned for the next fiscal year.
- ◆ G10.5 LCD expected to stagnate until next year.
- ◆ Tight production capacity continues due to market share expansion, so we are rushing to make capital investment.

#### Others

- ◆ Expanding trend for solar cell production equipment and strong outlook for next fiscal year.
- ◆ Multiple orders expected, but production capacity is tight.
- ◆ Partial outsourcing and additional capital investment to handle orders.

# 3. Financial Results Forecast for FY2022

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

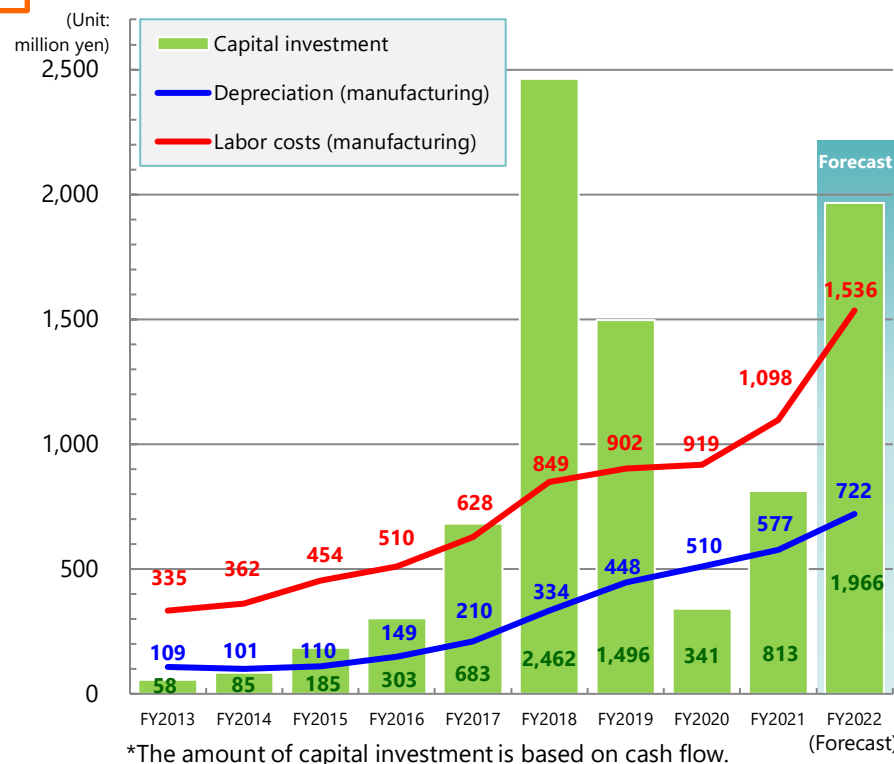
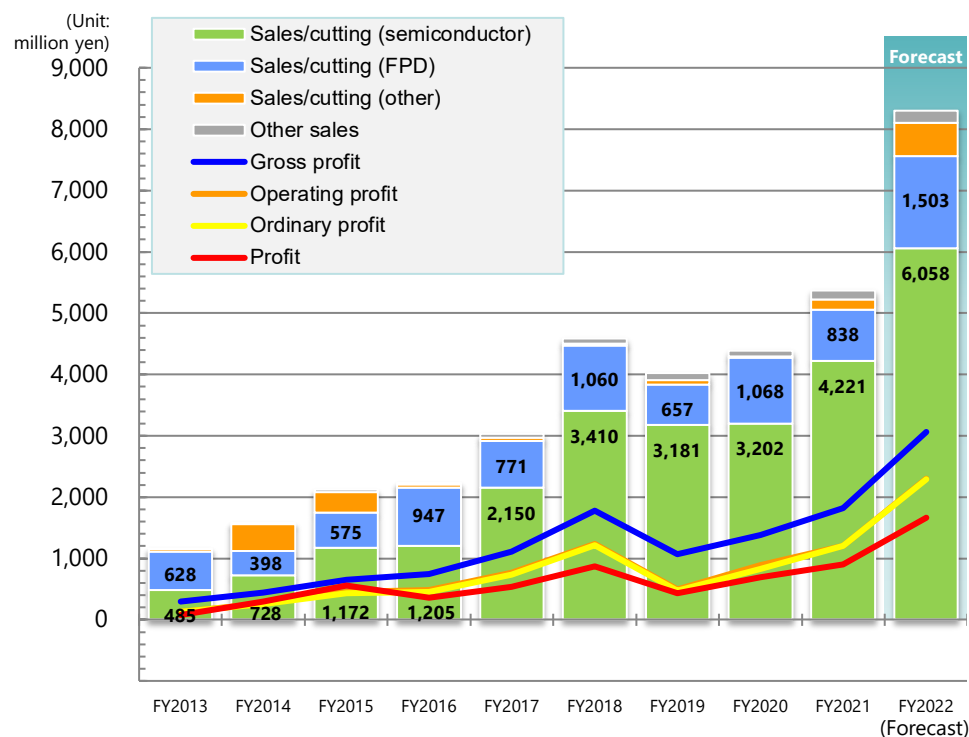
Financial forecast for FY2022	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)	Earnings per share (yen)
Full year	8,300	2,300	2,286	1,667	130.17

Full-year net sales and profit were revised upward (disclosed on April 15, 2022).

Most of the order backlogs for solar cell production equipment will be inspected in the fourth quarter.

### Point

- ✓ Both sales and profits are expected to reach record highs.
- ✓ Aggressive investment and increased hiring to expand market share (policies for employees also expanded).
- ✓ Increasing capital investment to reach production capacity at a monthly output of 900 million yen (720 million yen for the semiconductor sector and 180 million yen for the FPD sector). (The target period is the end of December 2022.)





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Our goal as a company is for our technology to make a social contribution through sustainable management.

# 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.

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# Company Profile

# Reference (Our History)

**We got our start in motorcycle racing.**



# Reference (Our History & Business Transition)

## Founding Phase

1965 Founded Marumae Kogyo, Ltd. as a private company.

1988 Became a limited company.

1997 Took over T's M's R&D.

## Transition Phase

Manufactured motorcycle parts.

2000 Entered the semiconductor market.

2001 Renamed the Company as Marumae Co., Ltd. and became a stock company. Entered the FPD market.

2003 Relocated the HQ to the Takaono Factory.

Installed large-sized machining equipment.

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.

## Expansion Phase

2011 Closed the Kumamoto Factory.

Started implementing business revitalization ADR procedures.

2015 Completed the business revitalization ADR procedures.

2018 Opened the Izumi Factory.

Listed shares on the Second Section of the TSE.

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.

## Rebuilding Phase

## Regrowth Phase

**T's M's  
R&D**

(Began  
manufacturing  
motorcycle parts)

**MARUMAE**

(Kept the company name)

**R & D**

(our current  
business)

**Business  
growth with  
large-sized  
products**

**Focus on  
semiconductor  
and  
engineering  
skills**

**Motorcycle parts  
to  
industrial parts**

**Accumulating  
expertise in  
vacuum  
components**

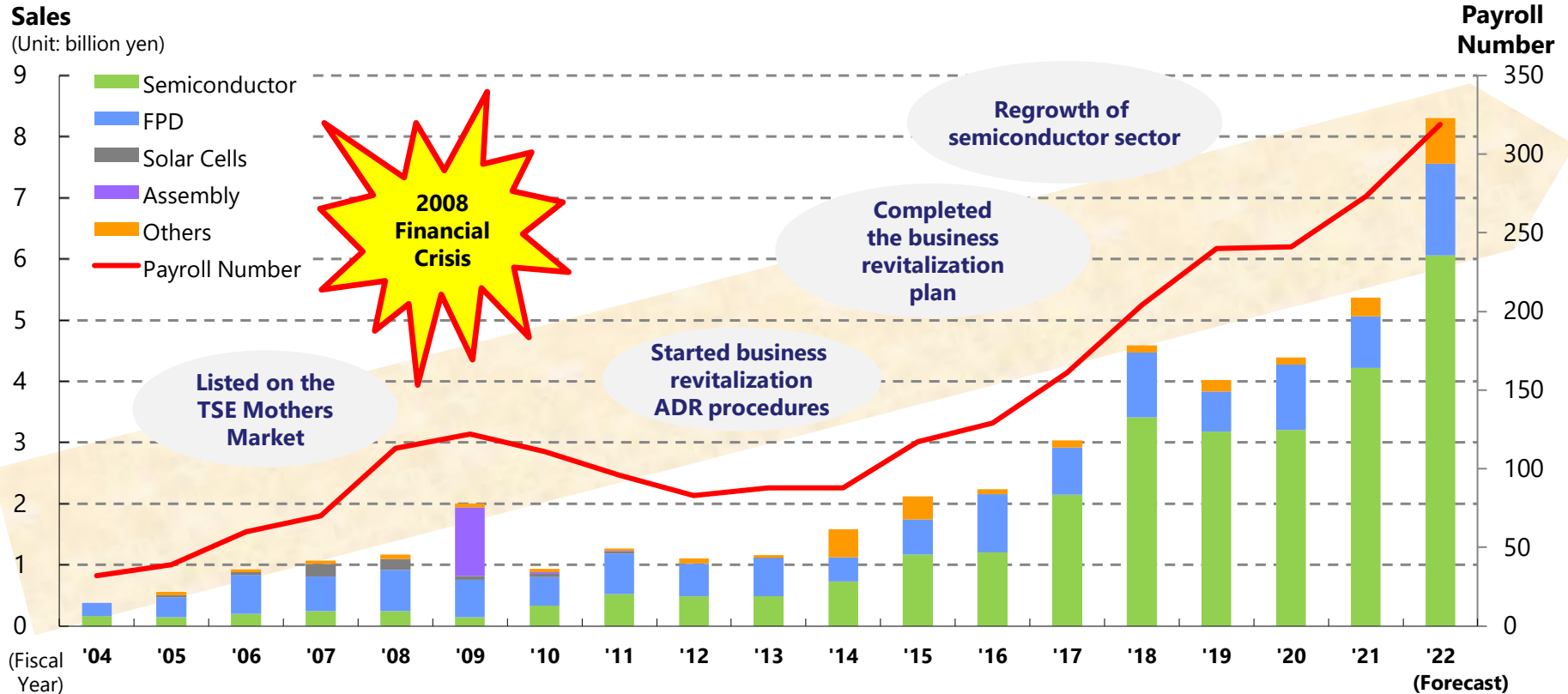
**2008  
Financial  
Crisis**

**Return to  
the starting point**

**Evolution**

# Reference (Our History & Business Transition)

## Business Growth & Growth Drivers



### Expansion

Develop engineering skills

- Large-sized equipment
- Expanding production capacity
- Assembly business

FPD  
Solar Cell

### Restructuring

- Organizing large-sized equipment
- Redistributing production capacity
- Strengthening vacuum components

### Regrowth

Strengthening the semiconductor sector  
Expanding capital investment once more



# 1. Business Overview

**Our products provide core support for semiconductor and LCD production equipment worldwide.**

**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**

# Reference (Company Overview)

<b>Company name</b>	Marumae Co., Ltd.	<b>Total number of issued shares</b>	13,053,000 shares
<b>Established</b>	October 1988	<b>Share unit number</b>	100 shares
<b>Capital</b>	1,241,150,000 yen (as of May 31, 2022)	<b>Total number of shareholders</b>	9,873
<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>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 4,821,815 shares</li> <li>The Master Trust Bank of Japan, Ltd. (trust account) 992,300 shares</li> <li>Misako Maeda 504,000 shares</li> <li>MSCO CUSTOMER SECURITIES 415,059 shares</li> <li>Tadao Kawamoto 193,400 shares</li> <li>Yoshiko Maeda 180,000 shares</li> <li>STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25 176,025 shares</li> <li>Koei Igarashi 168,000 shares</li> <li>STATE STREET BANK AND TRUST COMPANY 505019 160,700 shares</li> <li>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. 130,500 shares</li> </ul>
<b>Number of employees</b>	319 (including 140 temporary workers) and 65 dispatched workers (as of May 31, 2022)		
<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>		
<b>Business description</b>	<ul style="list-style-type: none"> <li>Design, manufacture, and machining of precision machinery and equipment</li> <li>Design and manufacture of precision machine components</li> <li>Design, manufacture, and sale of industrial and medical equipment</li> <li>Development and sale 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. 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.</p>