

Tokyo Stock Exchange (TSE): 6264

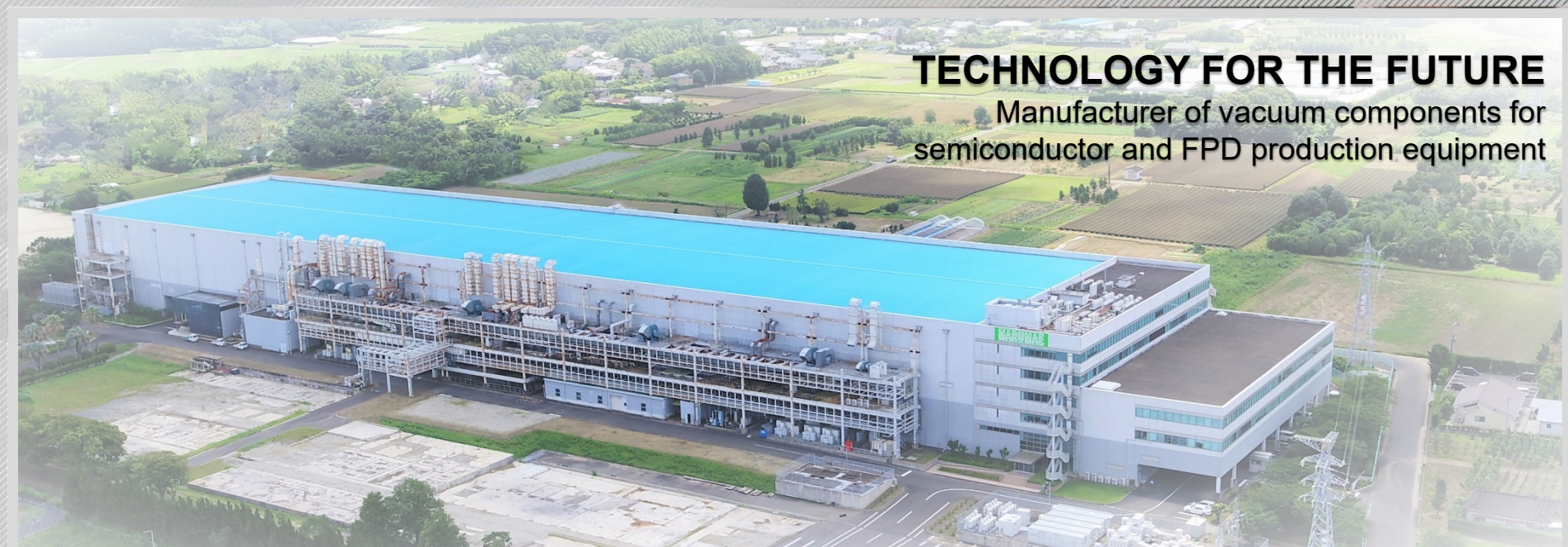
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MARUMAE CO., LTD. Q1 FY2022 Financial Results Summary

December 28, 2021

TECHNOLOGY FOR THE FUTURE

Manufacturer of vacuum components for
semiconductor and FPD production equipment



1. Overview of Financial Results

P/L Analysis

P/L	First Quarter of the Fiscal Year Ended August 31, 2021		First Quarter of the Fiscal Year Ending August 31, 2022		
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	YoY change ratio (%)
Orders received*	1,110	—	2,496	—	124.8
Balance of the orders received*	826	—	2,411	—	191.8
Net sales*	1,100	100.0	1,938	100.0	76.1
Cost of sales*	767	69.7	1,150	59.3	49.9
Gross profit	333	30.3	788	40.7	136.3
Selling and administrative expenses	133	12.1	193	10.0	44.9
Operating profit	200	18.2	595	30.7	197.0
Ordinary profit	200	18.2	592	30.6	196.0
Extraordinary loss (income)	0	0.0	0	0.0	(100.0)
Profit	137	12.5	422	21.8	206.5
EPS (yen)	10.76	—	32.98	—	206.5

Point

1. Status of orders received*

- Semiconductor sector: 1,873 million yen (107.4% YoY increase)
- FPD sector: 619 million yen (300.6% YoY increase)
- Other sectors: 3 million yen (93.0% YoY decrease)

2. Net sales*

- 76.1% YoY increase

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

3. Cost of sales*

- Material cost*: 185 million yen increase (122.6% YoY increase)
- Outsourcing expenses: 192 million yen increase (145.7% YoY increase)
- Labor costs: 99 million yen increase (40.3% YoY increase)
- Depreciation: 11 million yen increase (8.1% YoY increase)

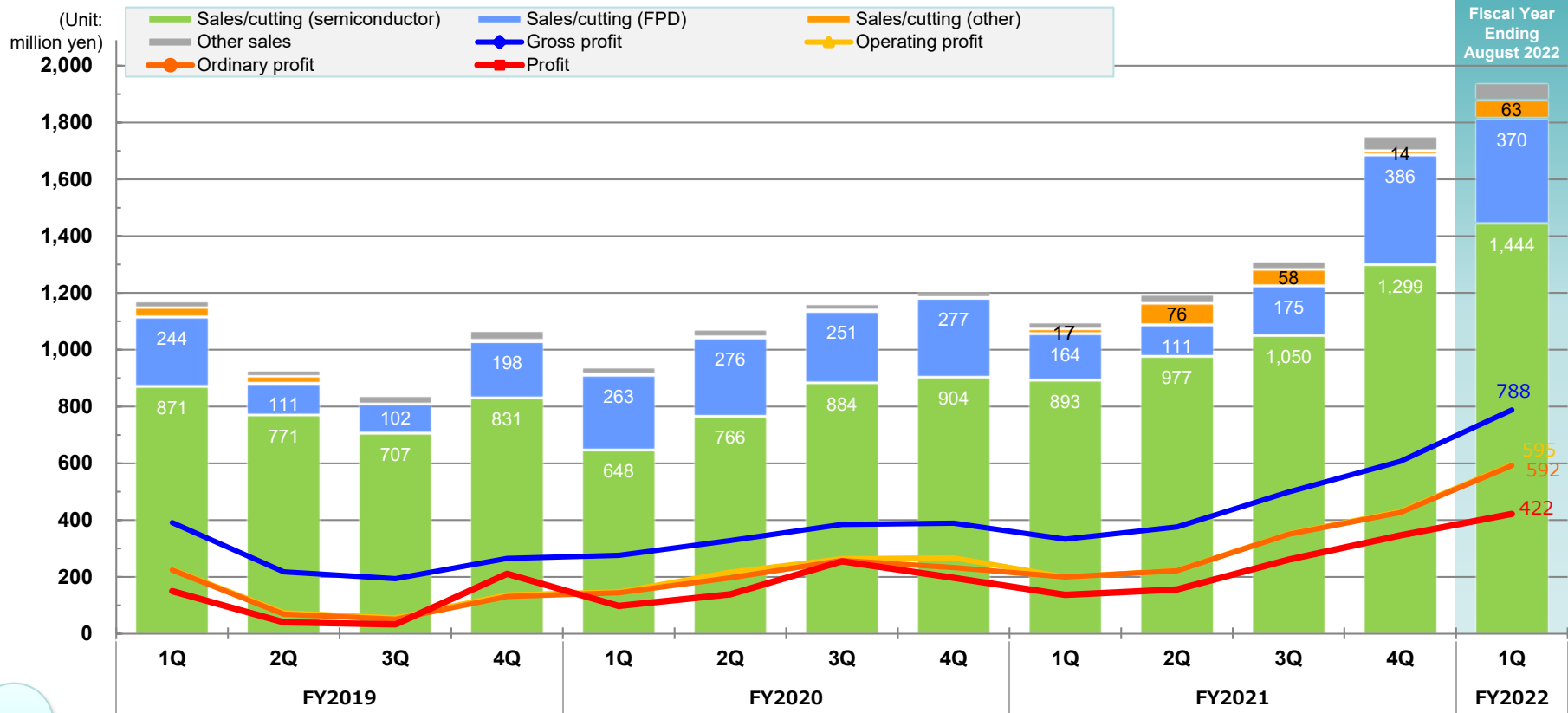
4. Selling and administrative expenses

- Personnel expenses: 16 million yen increase
- Research and development expenses: 21 million yen increase

*Orders received and orders backlogged for the first quarter of the fiscal year ending August 31, 2022, include materials supplied at cost. The percentage change from the same period of the previous fiscal year in net sales, cost of sales, and material costs for the said first 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," which are calculated in the same manner on the following pages.

1. Overview of Financial Results

Trends in Quarterly Business Results



Point

1. Record sales for semiconductors, and favorable sales for FPD

- Semiconductor sector: 1,444 million yen (61.6% YoY increase)
 - Favorable semiconductor market environment and a new record high in this quarter
- FPD sector: 370 million yen (125.2% YoY increase)
 - Sales recovery due to improved market and share expansion

■ Other sectors: 63 million yen (257.2% YoY increase)

- Started sales of solar cell production equipment components

2. Improved profits in line with increased sales

- Decrease in provision for loss on orders received and inventory write-down
- Profit: 422 million yen (206.5% YoY increase)

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

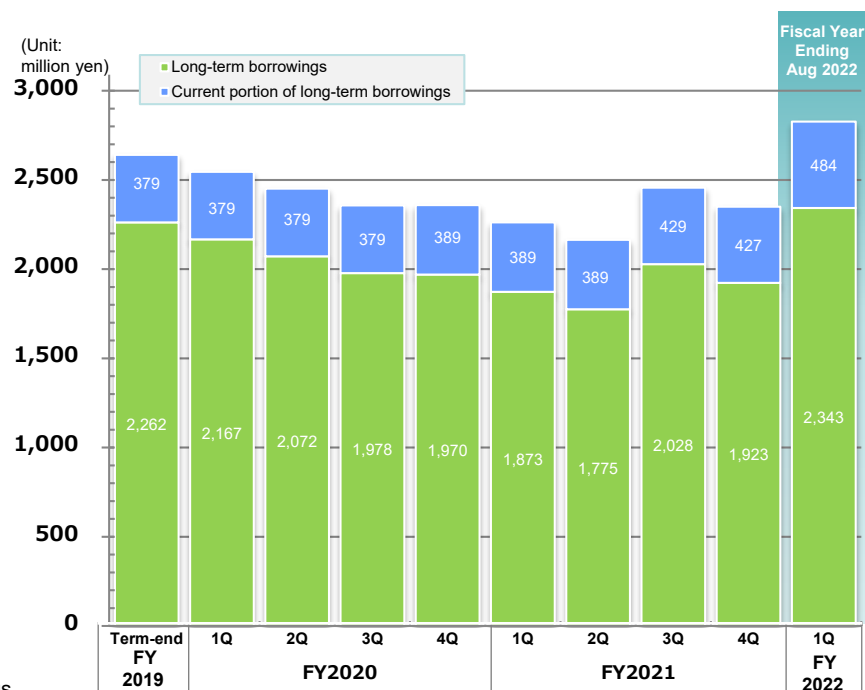
1. Overview of Financial Results

B/S Analysis

B/S (Unit: million yen)	Fiscal year ended Aug 2021 End of Fiscal Year	Fiscal year ending Aug 2022 End of Q1
	Current assets	4,813
Cash & deposits	2,505	2,628
Trade receivables (Notes receivable - trade, accounts receivable - trade, and electronically recorded monetary claims - operating)	1,685	2,126
Inventories	597	752
Non-current assets	4,929	5,251
Buildings & land	2,358	2,356
Machinery & equipment	2,273	2,538
Current liabilities	1,452	1,839
Interest-bearing liabilities (short-term)*	427	484
Non-current liabilities	1,963	2,384
Long-term borrowings	1,923	2,343
Total liabilities	3,415	4,224
Total net assets	6,327	6,570
Total assets	9,742	10,794

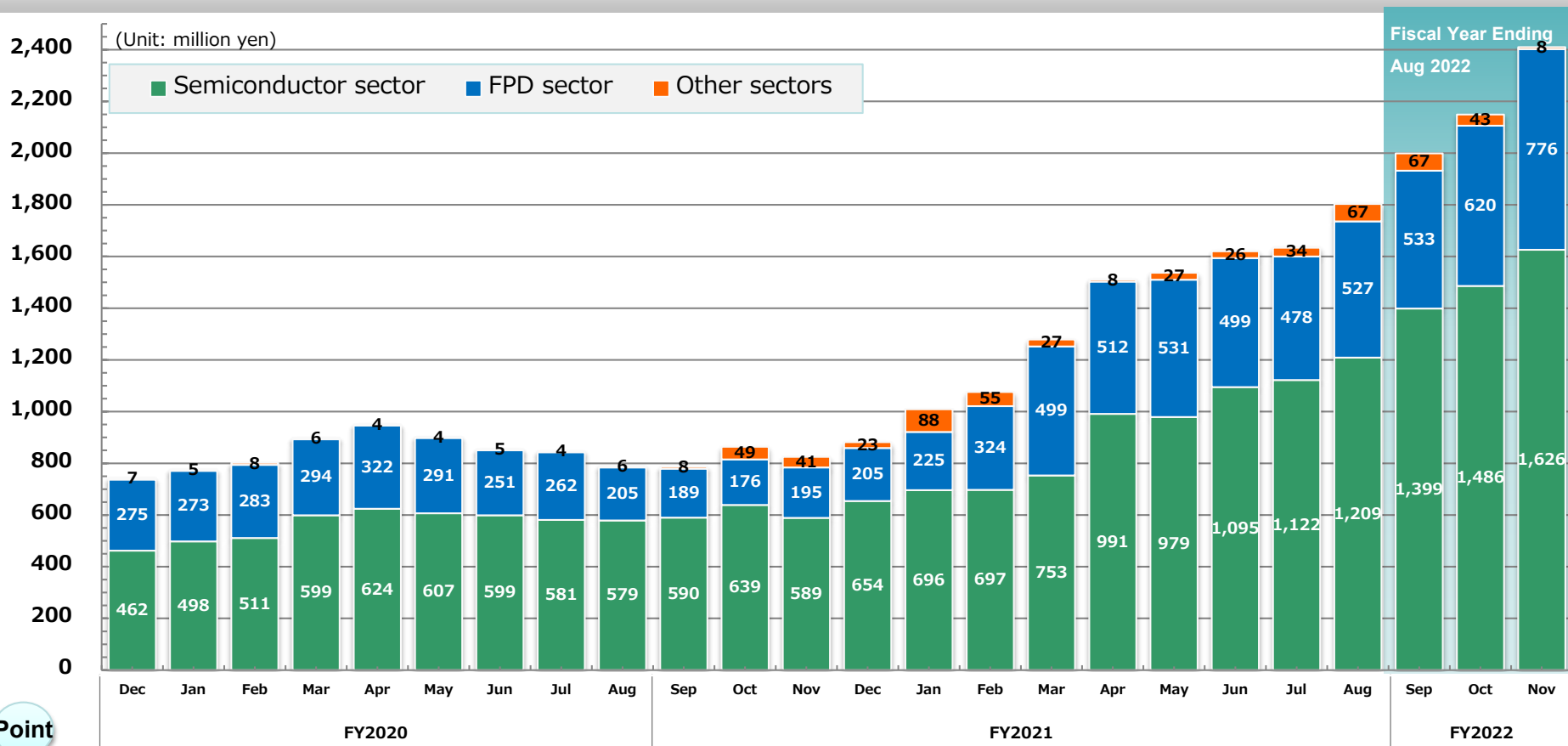
*Interest-bearing liabilities (short-term): Short-term borrowings + current portion of long-term borrowings

- Point**
- Assets: 10,794 million yen (1,051 million yen increase from the end of the previous fiscal year)**
 - Trade receivables: 440 million yen increase
 - Machinery and equipment: 265 million yen increase
 - Liabilities: 4,224 million yen (808 million yen increase from the end of the previous fiscal year)**
 - Long-term borrowings: 420 million yen increase
 - Advances received: 105 million yen increase
 - Net assets: 6,570 million yen (242 million yen increase from the end of the previous fiscal year)**
 - Dividends paid: 179 million yen
 - Retained earnings: 243 million yen increase
 - Equity ratio: 64.9% → 60.9%



2. Business Environment

Trends in the Monthly Balance of Orders Received



- Semiconductor sector: Due to favorable market conditions, increased orders from new and existing customers, resulting in continuous excess production capacity. Some orders placed ahead of schedule.
- FPD sector: Strong orders for G6 OLED (Organic LEDs), limited time recovery for G10.5 LCDs, share expansion contributing to orders.
- Other sectors: Restart of orders for 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, and the reverse is true when there are many orders with a short lead time.

*Effective from the fiscal year ending August 31, 2022, the Company has applied the "Accounting Standard for Revenue Recognition," and the order backlog as of the end of the current month includes 8 million yen of materials supplied at cost.

2. Business Environment

Future Environment and Policies by Sales Sector

Semiconductor

- ◆ Continuing surge in orders especially for logic devices amid overall favorable conditions
- ◆ Increase in orders for etch and CVD processes along with expanded logic investment
- ◆ Responding to an expanding market with aggressive capital investment and recruiting

FPD

- ◆ Market environment is recovering, and G6 OLED market continues to grow
- ◆ Partial investment continues in G10.5 LCD, and G8 and G5 are trending
- ◆ Current production capacity is tight due to market recovery, so additional capital investment is under consideration

Others

- ◆ Increasing orders for solar cell production equipment components
- ◆ Multiple orders expected, but with no production capacity, capital investment is under consideration

3. Financial Results Forecast for FY2022

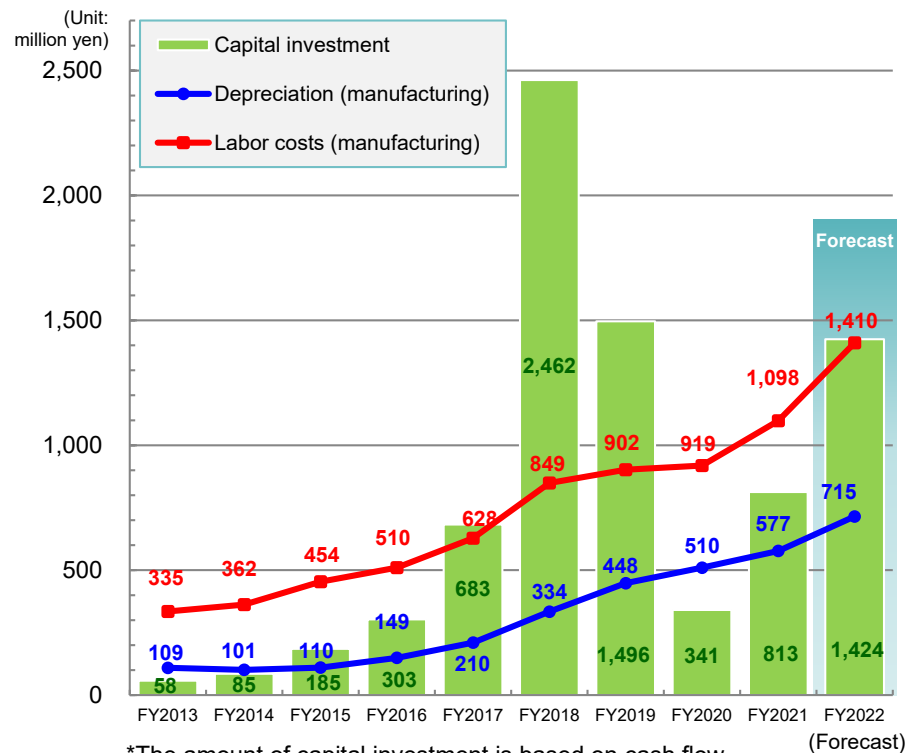
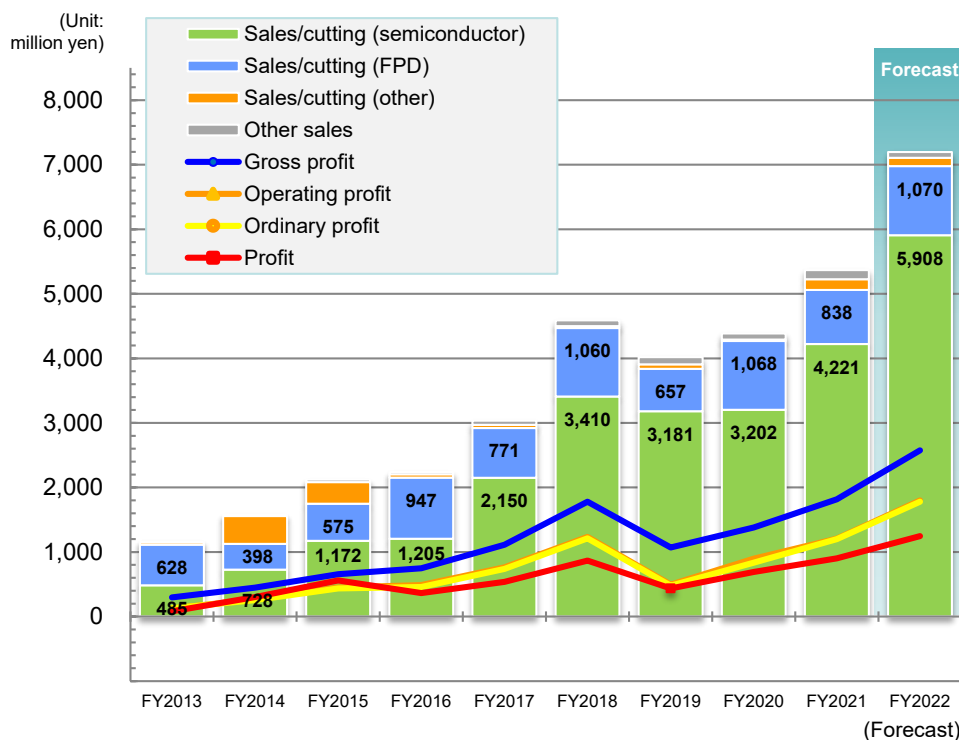
Forecast for the Next Period (Profit/Loss, Capital Investment, and Fixed Cost)

Financial forecast for FY2022	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)	Earnings per share (yen)
Q2 (Cumulative)	3,540	900	890	623	48.68
Full year	7,200	1,800	1,780	1,245	97.30

Point

- ✓ Both sales and profits expected to reach record highs
- ✓ Aggressive investment and hiring to expand market share (policy to increase hiring and raise labor share)
- ✓ Continuing to invest in equipment to expand production capacity to a monthly output exceeding 700 million yen (550 million yen for semiconductor sector and 150 million yen for FPD sector)

Good progress toward profit forecast. Planning additional capital investment.



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

Our goal as a company is for our technology to contribute to society through sustainable management.

Notes

Information that refers to future events, including information listed in this material and content that has been orally explained, are outlooks based on certain assumptions, which include variable elements such as evaluations by the Marumae management.

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

Although the Company took 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:

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E-mail: inquiry_en@marumae.com

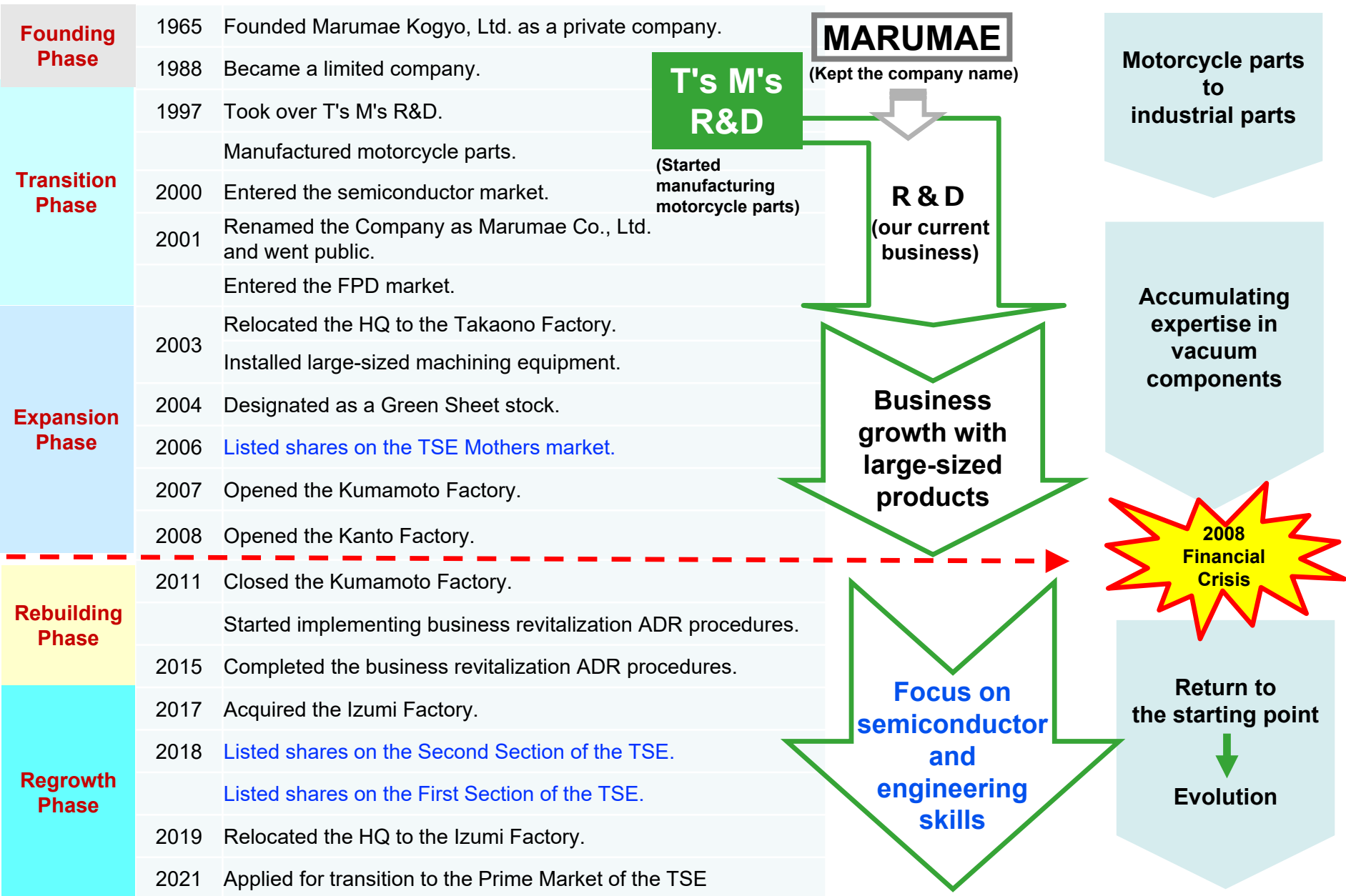
Company Profile

Reference (Our History)

We got our start in motorcycle racing.

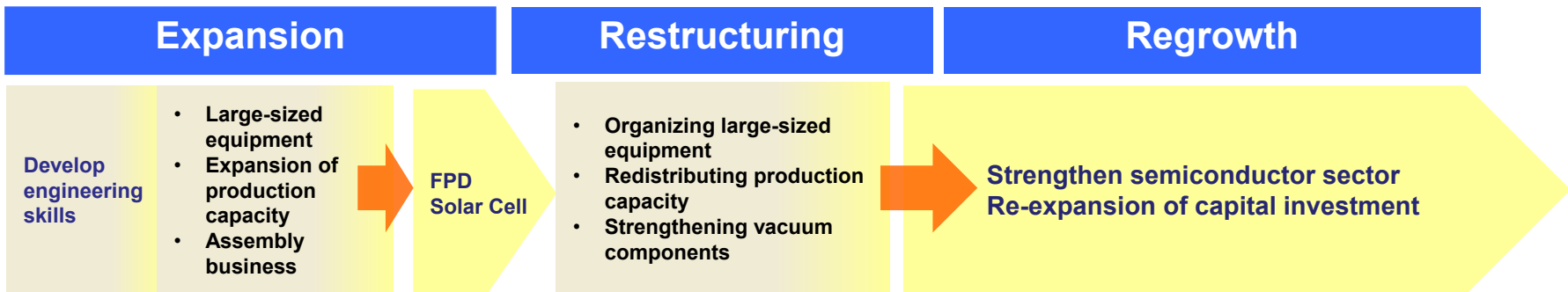
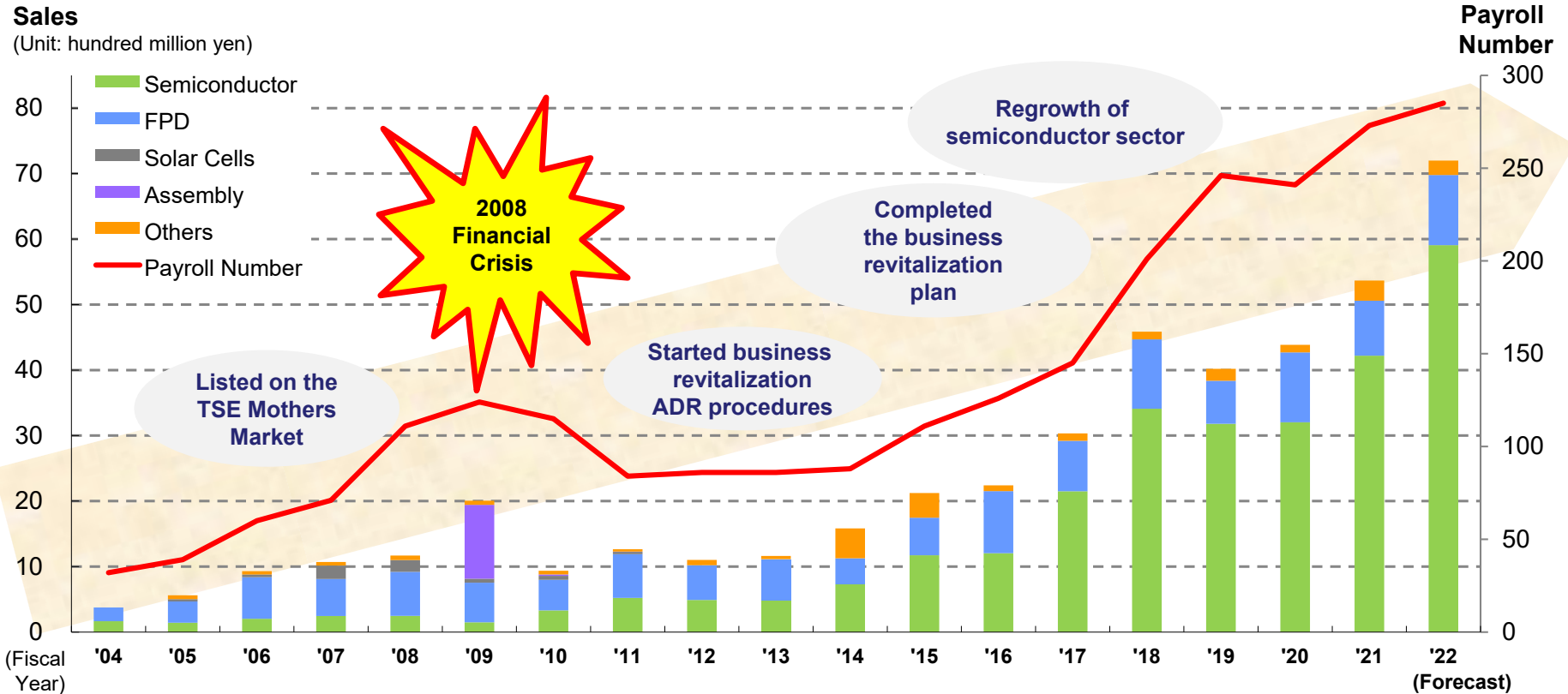


Reference (Our History & Business Transition)



Reference (Our History & Business Transition)

Business Growth & Growth Drivers



Reference (Business Overview)

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

Main purposes our customers use our products for:

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

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)

Company name	Marumae Co., Ltd.	Total number of issued shares	13,053,000 shares
Established	October 1988	Share unit number	100 shares
Capital	1,241,150,000 yen (as of November 30, 2021)	Total number of shareholders	9,684
Executives	<ul style="list-style-type: none"> Toshikazu Maeda, President and Representative Director Kota Kaizaki, Director Hiroto Ando, Director Akiko Kadota, 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) 	Major shareholders (Common shares)	<ul style="list-style-type: none"> Toshikazu Maeda 4,819,000 shares Misako Maeda 504,000 shares The Master Trust Bank of Japan, Ltd. (trust account) 417,700 shares Tadao Kawamoto 219,500 shares STATE STREET BANK AND TRUST COMPANY 505019 209,400 shares SMBC Nikko Securities Inc. 185,100 shares Yoshiko Maeda 180,000 shares Custody Bank of Japan, Ltd. (trust account) 172,300 shares Koei Igarashi 168,000 shares Marumae Kyoekai 136,400 shares
			(Note) There are 250,196 treasury shares (as of August 31, 2021).
Number of employees	277 (including 120 temporary workers) and 44 dispatched workers (as of November 30, 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 		
Business description	<ul style="list-style-type: none"> 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 Development and sale 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 capabilities.</p>