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Consolidated Financial Results for the Nine Months Ended May 31, 2025 (Japanese GAAP)

July 11, 2025

Name of Listed Company: Marumae Co., Ltd. Stock Exchange Listing: Tokyo

Security Code: 6264

URL: <https://www.marumae.com/en/>

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Scheduled start date of dividend payment: –

Supplementary materials for financial results prepared: Yes

Earnings release conference: Yes (for institutional investors)

Note: Amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Nine Months Ended May 31, 2025 (September 1, 2024 to May 31, 2025)

(1) Consolidated Operating Results (Cumulative)

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Nine months ended			
	May 31, 2024		May 31, 2025	
		%		%
Net sales (millions of yen)	-	-	7,269	-
Operating profit (millions of yen)	-	-	1,450	-
Ordinary profit (millions of yen)	-	-	1,338	-
Profit attributable to owners of parent (millions of yen)	-	-	939	-
Earnings per share of common stock (yen)				
Basic	-		74.25	
Diluted	-		-	

Note: Comprehensive income For the nine months ended May 31, 2025: 975 million yen [- %]

For the nine months ended May 31, 2024: - million yen [- %]

Note: Since the Group has started preparing quarterly consolidated financial statements from the third quarter of the fiscal year ending August 2025, figures for the third quarter of the fiscal year ended August 2024 and year-on-year changes are not stated.

(2) Consolidated Financial Position

	As of	
	August 31, 2024	May 31, 2025
Total assets (millions of yen)	-	25,034
Net assets (millions of yen)	-	7,187
Equity ratio (%)	-	28.7

Reference: Equity: 7,187 million yen (as of May 31, 2025)
- million yen (as of August 31, 2024)

Note: Since the Group has started preparing quarterly consolidated financial statements from the third quarter of the fiscal year ending August 2025, figures for the third quarter of the fiscal year ended August 2024 are not stated.

2. Dividends

	Fiscal year ended	Fiscal year ending
	August 31, 2024	August 31, 2025
1Q-end dividends per share (yen)	-	-
2Q-end dividends per share (yen)	10.00	15.00
3Q-end dividends per share (yen)	-	-
Year-end dividends per share (yen)	20.00	25.00 (Forecast)
Annual dividends per share (yen)	30.00	40.00 (Forecast)

Note: Revision to the most recently announced dividends forecast: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending August 31, 2025 (September 1, 2024 to August 31, 2025)

Note: Percentages indicate changes from the corresponding period of the previous fiscal year.

	Fiscal year ending	
	August 31, 2025	
		%
Net sales (millions of yen)	11,254	-
Operating profit (millions of yen)	1,900	-
Ordinary profit (millions of yen)	1,714	-
Profit attributable to owners of parent (millions of yen)	1,265	-
Earnings per share (yen)	99.93	

Note:1. Revision to the most recently announced financial forecasts: None

2. Since the Group has started preparing quarterly consolidated financial statements from the third quarter of the fiscal year ending August 2025, year-on-year changes are not stated.

Notes:

(1) Significant changes in the scope of consolidation during the period:

Newly included: Two companies (Company name: KMX Co., Ltd., KM Aluminium Co., Ltd.) Excluded: - companies (Company name: -)

Note: For details, please refer to page 11 of the attached materials: "2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes on Quarterly Consolidated Financial Statements (Additional Information) (Significant matters underlying the preparation of quarterly consolidated financial statements)."

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

1. Changes in accounting policies along with changes in accounting standards: None

2. Changes in accounting policies other than those included in 1 above: None

3. Changes in accounting estimates: None

4. Restatements: None

(4) Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury shares)

As of May 31, 2025:	13,053,000 shares
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As of August 31, 2024:	13,053,000 shares
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2. Number of treasury shares

As of May 31, 2025:	390,706 shares
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As of August 31, 2024:	399,162 shares
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3. Average number of shares outstanding (cumulative quarterly period)

For the nine months ended May 31, 2025:	12,658,237 shares
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For the nine months ended May 31, 2024:	12,647,707 shares
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* Status of external auditor's review of the attached quarterly consolidated financial statements: None

* Explanation regarding the appropriate use of financial forecasts and other notes

The financial forecasts and other forward-looking statements presented in this Summary of Financial Results are based on information available to the Group at the time of the issuance of this report and certain assumptions that the Group judges to be reasonable. Actual financial results may differ significantly due to various factors. Please refer to "1. Qualitative Information on Quarterly Financial Results (Consolidated), (3) Explanation of Forward-looking Information such as Consolidated Earnings Forecasts" on page 4 for the assumptions underlying the financial forecasts and other notes on their use.

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1. Qualitative Information on Quarterly Financial Results (Consolidated)

Note: As the Marumae group has prepared consolidated financial statements for the first time from the nine-month period ended May 31, 2025, no year-on-year or prior-fiscal-year-end comparison is presented.

(1) Description of Operating Results

During the nine months ended May 31, 2025, the Japanese economy experienced a moderate recovery, supported by improvements in the employment and income environment. However, the outlook remains uncertain due to rising prices, potential policy changes in the United States, and heightened geopolitical risks.

In the semiconductor production equipment market and the semiconductor market, which are strongly related to the Group's business, investment in advanced logic foundries and DRAM continues, and investment in NAND has also begun. In addition, the Chinese market continues to see brisk capital investment. On the other hand, capital investment by some MPU manufacturers remains sluggish, and investment in semiconductors not related to the Chinese market or AI demand, while showing some signs of improvement, has only been growing moderately.

In the FPD sector, capital investment for G8 OLEDs is expected to continue for some time.

In addition, during the third quarter of the fiscal year ending August 31, 2025, the Company acquired shares of KM Aluminium Co., Ltd. and made it a consolidated subsidiary. As a result, the Group recorded 51 million yen in amortization of goodwill and related expenses, and 28 million yen in interest expenses associated with the acquisition. Furthermore, one-time acquisition costs of 83 million yen were incurred within operations and 60 million yen were incurred outside of operations.

Under these circumstances, the Group reported net sales of 7,269 million yen, operating profit of 1,450 million yen, ordinary profit of 1,338 million yen, and profit attributable to owners of parent of 939 million yen as at the end of the third quarter of the current consolidated cumulative period.

The status of each business segment is as follows:

In the third quarter of the current fiscal year, the Group acquired KM Aluminium Co., Ltd., which was subsequently made a consolidated subsidiary. Accordingly, the Group added the "Functional Materials Business" as a new reportable segment.

(Precision Components Business)

In the precision components business, demand for consumables required for the operation of semiconductor plants was strong in the semiconductor sector. However, new orders for components used in semiconductor production equipment have not benefited from the brisk demand in China and have continued to stagnate. In the FPD sector, production remained strong due to capital investment for G8 OLED, but there were signs of some capital investment being postponed. There were no major developments in the other sectors.

In terms of expenses, variable costs such as material costs and subcontracted processing costs increased due to a boost in orders received that exceeded initial forecasts. In addition, fixed costs rose due to aggressive investment in human resources, including base salary increases to secure human resources for higher production and to improve compensation for existing employees. On the other hand, the profit margin improved as a result of increased inventory levels, an improved cost of sales ratio due to higher facility utilization rates, and a reduction of 40 million yen in provisions for loss on orders received and loss on valuation of inventories.

As a result, net sales totaled 5,842 million yen and segment income was 1,406 million yen.

(Functional Materials Business)

In the IT equipment segment, which is a sales segment of the functional materials business, demand for semiconductor targets was stronger than initially expected. The background to this is that the semiconductor and FPD production target materials produced in this business are structured in such a way that demand expands when the operating rates of device manufacturers improve, even without new capital investment. The Group believes that this may have been attributable either to relatively strong production at those manufacturers or to inventory reductions followed by restocking. Among these, aluminum target materials for semiconductors are used relatively often in legacy semiconductors. Trial materials have also been supplied to several target manufacturers, and testing is ongoing, with favorable results. In the same IT equipment segment, demand for anodizing, which mainly consists of orders from North American logic manufacturers, remained sluggish.

Next, the semiconductor equipment components and materials segment primarily manufactures vacuum chambers for semiconductor etching equipment. Orders for these products were received over an extended period during the period of high demand in 2022, and subsequent deliveries resulted in excess inventory, which is currently affecting sales. At present, shipped product is meeting about half of the actual demand, while the remaining half is being adjusted through the drawdown of customers' inventories. Inventory adjustments are expected to continue for the next six to eight months, during which sales are expected to remain at the current level. Thereafter, sales are expected to recover to a level that aligns with demand. In this same segment, equipment components and materials for coater/developer systems are also produced, and these products have continued to receive steady orders and sales.

Furthermore, the base materials segment provides materials for electrolytic capacitors and hard disk drives (HDDs), as well as small-lot material sales.

In the field of materials for electrolytic capacitors and HDDs, domestic competitors have exited the market, resulting in a short-term rise in market share for this segment; however, competition with overseas manufacturers is intensifying. At present, the segment is passing higher production costs, such as labor expenses, on to selling prices and has implemented price increases. Going forward, the segment plans to pursue a pricing strategy that balances profitability and sales volume, while carefully monitoring the competitive environment with foreign manufacturers. Within the base materials business, small-lot sales mainly involve slab materials, where competition is limited. However, due to declining demand for LCD production equipment, this segment is experiencing sluggish performance. The segment aims to improve sales through strengthened collaboration with Marumae.

As a result, net sales were 1,427 million yen, and segment income was 149 million yen after deducting goodwill amortization of 51 million yen.

(2) Description of Financial Position**Assets**

Total assets amounted to 25,034 million yen at the end of the third quarter of the current fiscal year. Major items included cash and deposits of 4,100 million yen, notes and accounts receivable - trade of 2,278 million yen, electronically recorded monetary claims - operating of 1,391 million yen, work in process of 1,748 million yen, property, plant and equipment of 9,535 million yen, and goodwill of 4,242 million yen.

Liabilities

Total liabilities amounted to 17,846 million yen at the end of the third quarter of the current fiscal year. Major items included accounts payable - trade of 1,447 million yen, current portion of long-term borrowings of 1,359 million yen, and long-term borrowings of 12,512 million yen.

Net assets

Total net assets amounted to 7,187 million yen at the end of the third quarter of the current fiscal year. Major items included share capital of 1,241 million yen, capital surplus of 1,964 million yen, treasury shares of (512) million yen, and retained earnings of 4,449 million yen.

(3) Explanation of Forward-looking Information such as Consolidated Earnings Forecasts

From the third quarter of the current fiscal year, the Group has adopted consolidated accounting.

For the earnings forecast for the fiscal year ending August 2025, please refer to the "Notice of Revision to Non-consolidated Earnings Forecasts, Disclosure of Consolidated Earnings Forecasts upon Transition to Consolidated Financial Statements, and Revision of Dividend Forecasts (Dividend Increase)" released on June 20, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

As of May 31, 2025

ASSETS

Current assets

Cash and deposits	4,100,389
Notes and accounts receivable - trade	2,278,421
Electronically recorded monetary claims - operating	1,391,949
Merchandise and finished goods	240,123
Work in process	1,748,895
Raw materials and supplies	707,698
Other	114,847
Allowance for doubtful accounts	(4,645)
Total current assets	10,577,680

Non-current assets

Property, plant and equipment	
Buildings and structures, net	2,082,959
Machinery, equipment and vehicles, net	3,983,726
Land	2,503,767
Construction in progress	889,686
Other, net	75,447
Total property, plant and equipment	9,535,586

Intangible assets

Goodwill	4,242,635
Other	36,604
Total intangible assets	4,279,240

Investments and other assets

Deferred tax assets	550,356
Other	91,710
Total investments and other assets	642,067

Total non-current assets

14,456,894

Total assets

25,034,575

(Thousands of yen)

As of May 31, 2025

LIABILITIES**Current liabilities**

Accounts payable - trade	1,447,798
Short-term borrowings	200,000
Current portion of long-term borrowings	1,359,880
Income taxes payable	448,374
Provision for bonuses	291,413
Provision for product warranties	5,801
Provision for loss on orders received	15,900
Provision for share-based payments	18,000
Other	966,771
Total current liabilities	4,753,938

Non-current liabilities

Long-term borrowings	12,512,000
Retirement benefit liability	452,998
Provision for retirement benefits for directors (and other officers)	23,897
Other	104,072
Total non-current liabilities	13,092,968

Total liabilities

17,846,907

NET ASSETS**Shareholders' equity**

Share capital	1,241,157
Capital surplus	1,964,301
Retained earnings	4,449,991
Treasury shares	(512,052)
Total shareholders' equity	7,143,398

Accumulated other comprehensive income

Deferred gains or losses on hedges	36,408
Remeasurements of defined benefit plans	7,860
Total accumulated other comprehensive income	44,269

Total net assets

7,187,667

Total liabilities and net assets

25,034,575

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

(Quarterly Consolidated Statement of Income)

(Nine-month period)

(Thousands of yen)

	Nine months ended
	May 31, 2025
Net sales	7,269,308
Cost of sales	4,917,883
Gross profit	2,351,425
Selling, general and administrative expenses	901,236
Operating profit	1,450,189
Non-operating income	
Interest income	1,175
Insurance claim income	2,145
Commission income	2,131
Other	3,537
Total non-operating income	8,990
Non-operating expenses	
Interest expenses	46,519
Commission expenses	60,166
Other	13,714
Total non-operating expenses	120,400
Ordinary profit	1,338,778
Extraordinary losses	
Loss on retirement of non-current assets	0
Total extraordinary losses	0
Profit before income taxes	1,338,778
Income taxes - current	444,109
Income taxes - deferred	(45,231)
Total income taxes	398,877
Profit	939,900
Profit attributable to owners of parent	939,900

(Quarterly Consolidated Statement of Comprehensive Income)

(Nine-month period)

(Thousands of yen)

	Nine months ended
	May 31, 2025
Profit	939,900
Other Comprehensive income	
Deferred gains or losses on hedges	36,408
Remeasurements of defined benefit plans	(658)
Total other comprehensive income	35,749
Comprehensive income	975,650
(Breakdown)	
Comprehensive income attributable to owners of parent	975,650

(3) Notes on the Quarterly Consolidated Financial Statements**Going-concern assumptions: None****Significant changes in shareholders' equity: None****Quarterly consolidated statements of cash flows**

Quarterly consolidated statements of cash flows have not been prepared for the nine months ended May 31, 2024 and 2025. "Depreciation and amortization" (including amortization of intangible fixed assets) and "Amortization of goodwill" for the nine months ended May 31, 2025 are as follows:

	(Thousands of yen)
	Nine months ended May 31, 2025
Depreciation and amortization	715,314
Amortization of goodwill	51,116

Segment Information

Nine months ended May 31, 2025 (September 1, 2024 to May 31, 2025)

1. Information on net sales and income or loss by reportable segment

(Thousands of yen)

	Reportable segment		Total	Adjustment	Quarterly consolidated statement of income
	Precision Parts Business	Functional Materials Business			
Net sales					
Semiconductor Production Equipment	4,591,312	—	4,591,312	—	4,591,312
FPD Production Equipment	1,026,307	—	1,026,307	—	1,026,307
IT Equipment	—	512,147	512,147	—	512,147
Semiconductor Equipment Components	—	284,863	284,863	—	284,863
Base Materials	—	627,936	627,936	—	627,936
Others	217,143	1,497	218,641	—	218,641
Revenue arising from contracts with customers	5,834,763	1,426,445	7,261,208	—	7,261,208
Other profit	8,100	—	8,100	—	8,100
Net sales to external customers	5,842,863	1,426,445	7,269,308	—	7,269,308
Inter-segment net sales or transfers	—	948	948	(948)	—
Total	5,842,863	1,427,393	7,270,257	(948)	7,269,308
Segment profit	1,406,938	149,213	1,556,152	(105,963)	1,450,189

(Note) 1. Adjustments to segment income totaling (105,963) thousand yen consist of the elimination of inter-segment transactions of (167) thousand yen and corporate expenses not allocated to any reportable segment of (105,796) thousand yen.

2. Segment income is adjusted with operating profit in the consolidated statements of income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant changes in the amount of goodwill)

On April 8, 2025, goodwill increased by 4,242,635 thousand yen in the third quarter of the current fiscal year as a result of the acquisition of shares of KM Aluminium Co., Ltd. and inclusion in the scope of consolidation. The amount of goodwill is the amount calculated based on the provisional accounting treatment; this is because allocation of the acquisition cost has not been completed as of the end of the third quarter of the current consolidated accounting period.

3. Changes in reportable segments

In the third quarter of the current consolidated fiscal year, the Group added "Functional Materials Business" to its reportable segments due to the acquisition of shares of KM Aluminium Co. Ltd.

Additional information

(Significant matters underlying the preparation of quarterly consolidated financial statements)

The Group has prepared quarterly consolidated financial statements for the third quarter of the current fiscal year. The significant matters underlying the preparation of quarterly consolidated financial statements are as follows.

1. Scope of consolidation

Number of consolidated subsidiaries: Two companies

Names of consolidated subsidiaries: KMX Co., Ltd. and KM Aluminium Co. Ltd. (an indirect subsidiary of the Company)

2. Application of the equity method

Not applicable

3. Matters related to fiscal year of consolidated subsidiaries

From the third quarter of the current fiscal year, KMX Co., Ltd., which was established as a wholly owned subsidiary of the Company (on March 18, 2025), acquired all shares of KM Aluminium Co., Ltd. (on April 8, 2025). As a result, KMX Co., Ltd. and KM Aluminium Co., Ltd. (an indirect subsidiary of the Company) are included in the scope of consolidation.

The fiscal year-end of KMX Co., Ltd. is the end of February.

KM Aluminium Co., Ltd. changed its fiscal year end from March 31 to August 31. Due to this change in the fiscal year end, the results of KM Aluminium Co., Ltd. for the third quarter of the current consolidated fiscal year, which is an irregular period, are consolidated for the two-month period from April 1, 2025, which is deemed to be the date of acquisition, to May 31, 2025.

(Business combination, etc.)

(Business combination through acquisition of shares)

At a meeting of its Board of Directors held on March 4, 2025, the Company resolved to enter into a share transfer agreement with Japan Industrial Partners, Inc. for the acquisition of 100% of the shares of KM Aluminium Co., Ltd. through a special-purpose company (SPC) established by the Company with 100% investment. Based on this resolution, KMX Co., Ltd. acquired all shares of KM Aluminium Co., Ltd. (hereinafter referred to as "KMAC") on April 8, 2025.

1. Outline of the Business Combination

(1) Name and business of the acquired company

Name of acquired company	KM Aluminium Co., Ltd.
Description of business	Manufacture and sale of aluminum ingots, billets, slabs, and alloys Manufacture and sale of high-purity aluminum ingots

(2) Main reason for business combination

The Company's business fields include the semiconductor sector, the FPD sector, and other sectors, and it is currently aiming for growth in the semiconductor sector in particular. In its current medium-term business plan, the Company has a strategy to expand sales of consumables for semiconductor production equipment. While it has achieved some success in winning orders for parts for leading-edge equipment, to date it has been unable to disrupt the market share of the pioneering companies in the field of legacy semiconductor production equipment parts due to industry rules such as Change Control (CC) and Copy Exactly (CE!).

KMAC, headquartered in Omuta City, Fukuoka Prefecture, originated from Kyushu Mitsui Aluminium Co., Ltd. It is currently mainly engaged in the manufacture and sale of ultra-high-purity aluminum products for semiconductor sputtering targets, high-purity aluminum products for aluminum electrolytic capacitors, low-pressure casting products, anodized aluminum products, and forged materials. For ultra-high-purity aluminum products, KMAC melts down ingots and scrap with a purity of 99.99% or more in-house, refines them to the purity required by the customer (99.999% or more), and then casts and sells them. Refining aluminum requires advanced technology, and KMAC possesses advanced refining technology that has led to a high global market share. In addition, since aluminum sputtering targets for semiconductors are also used in the manufacture of legacy semiconductors, this acquisition will enable the Company to achieve both its strategy in the semiconductor sector of expanding consumables and supplementing the legacy field. Furthermore, KMAC's low-pressure casting products are used in the transport systems and process chambers of semiconductor production etching equipment, and KMAC holds a high market share in this area.

KMAC's anodized products also feature a type of surface treatment (special hard anodizing) that is mainly used for parts of semiconductor production etching equipment. KMAC's special hard anodizing is applied to many consumable parts of etching equipment and earns high praise from customers. Therefore, increasing KMAC's production capacity is expected to generate strong growth.

Forgings are mainly used as the base materials for the above-mentioned anodized products (materials before product processing and anodizing), and they provide long service life. In addition, KMAC helps to reduce customers' costs because its forgings exhibit high corrosion resistance even without surface treatment in the semiconductor CVD process.

In recent years, KMAC has been reviewing its business, and has been reducing orders for its materials business (such as production of aluminum alloy billets and slabs by consignment)—a business that has produced high sales but low added value. As a result, KMAC's business is highly compatible with the Company's semiconductor business, so the Company decided to acquire KMAC's shares in the belief that it could build a relationship of mutual growth.

(3) Date of business combination

April 8, 2025 (deemed acquisition date: April 1, 2025)

(4) Legal form of business combination

Acquisition of shares for cash consideration

(5) Name of company after combination

No change

(6) Percentage of voting rights acquired

100.0%

(7) Rationale for determining the acquiring company

The Company acquired 100% of the voting rights through the acquisition of shares for cash through a special-purpose company (SPC) established by the Company.

2. Period of the acquired company's financial results included in the quarterly consolidated statements of income

From April 1, 2025 to May 31, 2025

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	9,000,000 thousand yen
Cash and deposits	
Acquisition cost	9,000,000 thousand yen

4. Details and amounts of major acquisition-related expenses

Advisory fees, etc.: 83,506 thousand yen

5. Amount of goodwill incurred, reason for incurrence, amortization method and amortization period

(1) Amount of goodwill incurred

4,293,752 thousand yen

(2) Reason for incurring goodwill

Goodwill was generated from the excess earning power expected from future business development.

(3) Amortization method and period

Equal amortization over 14 years

(4) Allocation of acquisition cost

Since the identification of identifiable assets and liabilities and the calculation of fair value as of the date of the business combination had not been completed as of the end of the third quarter of the current fiscal year, and the allocation of acquisition costs had not been completed, provisional accounting treatment was applied based on reasonable information available at that time.