

Marumae Co., Ltd.

FY2025 (Fiscal Year Ending August 2025)

Supplementary Materials:

3rd Quarter Financial Results & Medium-term Business Plan

July 11, 2025

Master the Way, Shape the Future.

marumae

Technology for the Future

Manufacturer of vacuum components for
semiconductors and FPD production equipment



1. Overview of Financial Results

P/L Analysis

PL

	FY2024 Q3 YTD (Non-consolidated)		FY2025 Q3 YTD (Consolidated)		
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	YoY change (%)
Net sales	3,344	100.0	7,269	100.0	117.3
Cost of sales	2,820	84.3	4,917	67.7	74.4
Gross profit	524	15.7	2,351	32.3	348.3
SG&A Expenses	500	15.0	901	12.4	80.1
Operating profit	24	0.7	1,450	19.9	—
Ordinary profit	(58)	(1.7)	1,338	18.4	—
Extraordinary loss (income)	0	0.0	0	0.0	0.0
Profit attributable to owners of the parent ^{*1}	(51)	(1.5)	939	12.9	—
EPS (yen)	(4.05)	—	74.25	—	—

*1: For FY2024, this item is "Net Profit" (non-consolidated).

*The year-on-year change rate is presented as a reference value, calculated based on the non-consolidated results for FY2024.

Key points

Net sales

● **7,269** million yen

(Details by segment are provided from P5)

Cost of sales

- Material costs: **1,494** million yen
- Outsourcing costs: **833** million yen
- Labor costs: **1,430** million yen
- Depreciation: **673** million yen

SG&A Expenses

- Personnel expenses: **431** million yen
 - Amortization of goodwill: **51** million yen
 - Commission expenses : **117** million yen
- *Including 83 million yen in share acquisition costs

Non-operating expenses

- Interest expense: **46** million yen
 - Commission expenses : **60** million yen
- *Mainly expenses related to M&A

1. Overview of Financial Results

B/S Analysis

B/S

(Unit: million yen)

	FY2024 Year-End (Non-consolidated)	FY2025 Q3 End (Consolidated)
Current assets	5,572	10,577
Cash and deposits	3,028	4,100
Trade receivables (Notes receivable - trade, accounts receivable - trade, and electronically recorded monetary claims - operating)	1,591	3,670
Non-current assets	5,891	14,456
Land, buildings, and structures, net	2,556	4,586
Machinery, equipment, and vehicles, net	2,646	3,983
Goodwill	—	4,242
Current liabilities	1,348	4,753
Interest-bearing liabilities (short-term)*	596	1,559
Non-current liabilities	2,952	13,092
Long-term borrowings	2,863	12,512
Total liabilities	4,300	17,846
Total net assets	7,163	7,187
Total assets	11,464	25,034

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

Key points

Assets

25,034 million yen

- Property, plant and equipment: 9,535 million yen
- Goodwill: 4,242 million yen
- Cash and deposits : 4,100 million yen

Liabilities

17,846 million yen

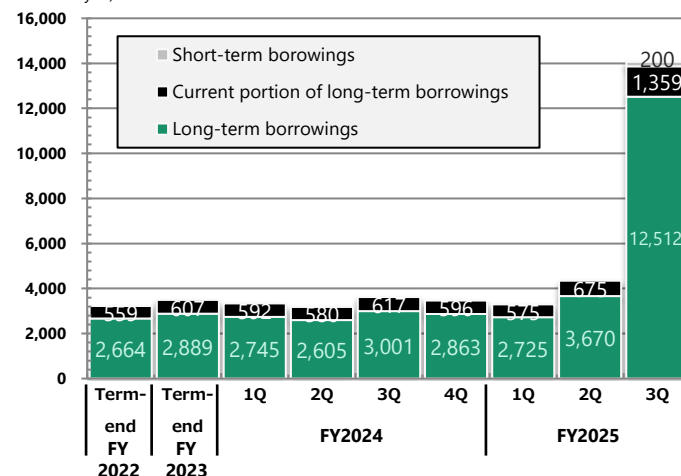
- Long-term borrowings: 12,512 million yen
- Accounts payable – trade: 1,447 million yen

Net assets

7,187 million yen

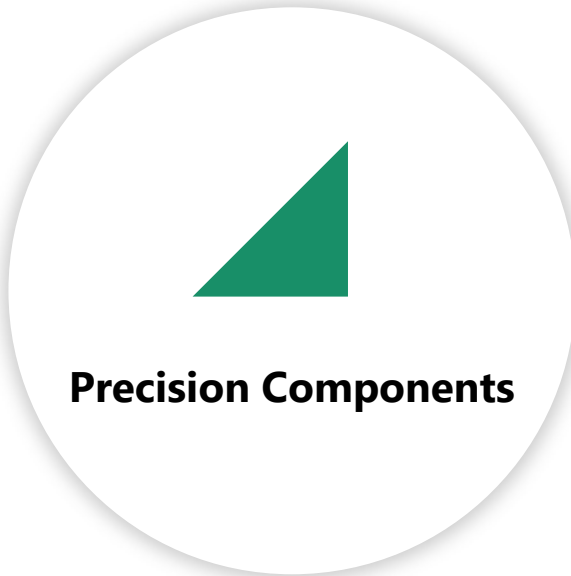
- Retained earnings: 4,449 million yen
- Equity ratio
62.5% (non-consolidated)
→ 28.7% (consolidated)

(Unit: million yen)



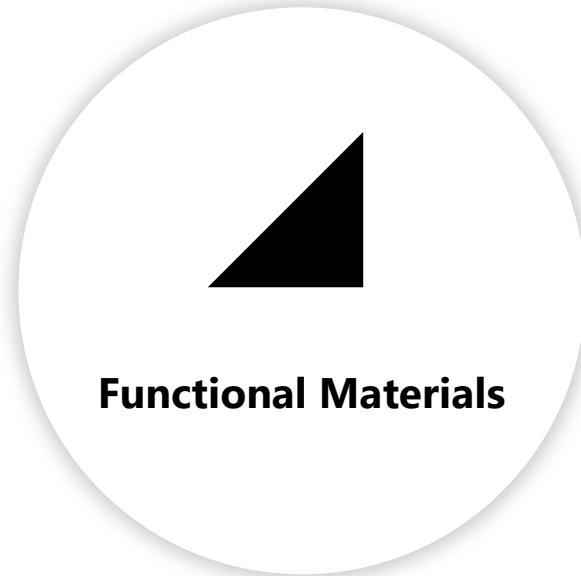
2. Segment Information

Segment Classification



Precision Components

- Marumae Business
- Semiconductors/FPD/Others

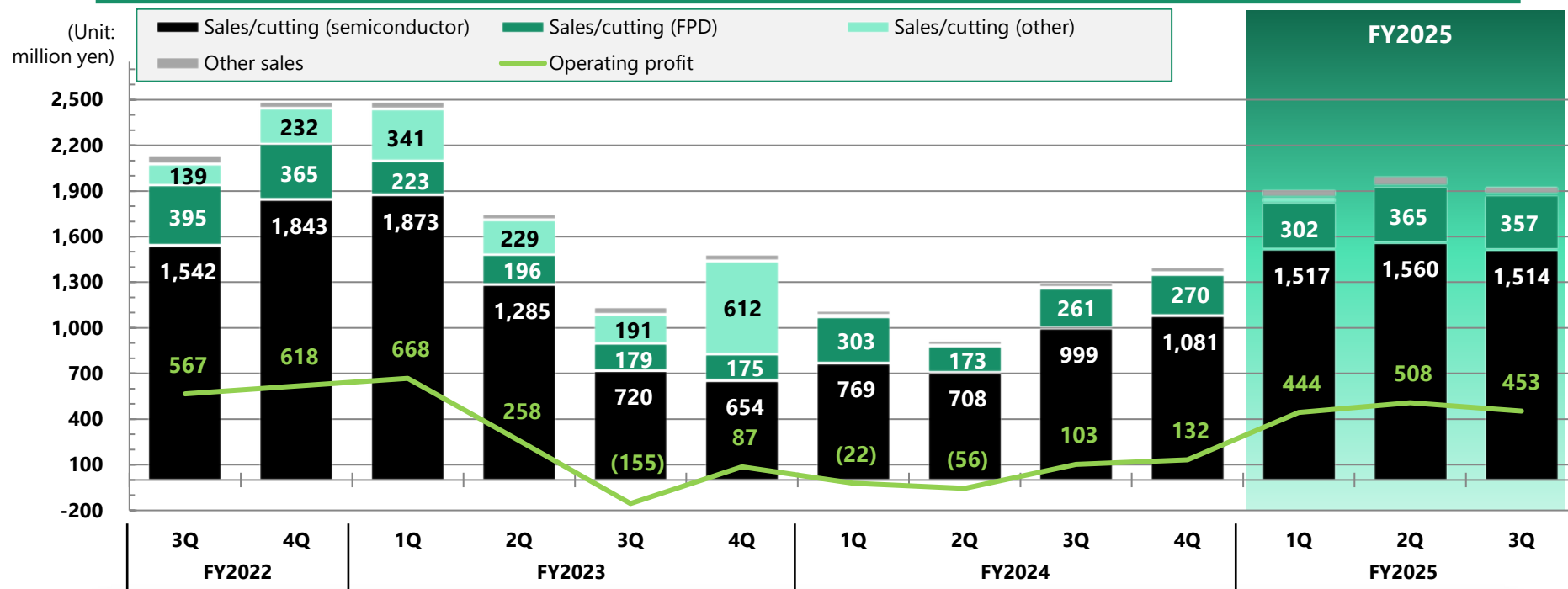


Functional Materials

- KMAC (KM Aluminium) Business
- IT equipment/Semiconductor equipment components and materials/Base materials

3. Segment Overview

Quarterly Performance Trends (Precision Components Business)



Key points

Semiconductor sector

4,591 million yen (+85.3% YoY)

- Production of some products has stagnated from April to August due to quality issues (30 million yen/month).

Other sectors

58 million yen (+103.1% YoY)

- No new developments, due to full utilization of production capacity.

FPD sector

1,026 million yen (+39.1% YoY)

- OLED sales are strong, but investment plans are being pushed back slightly.

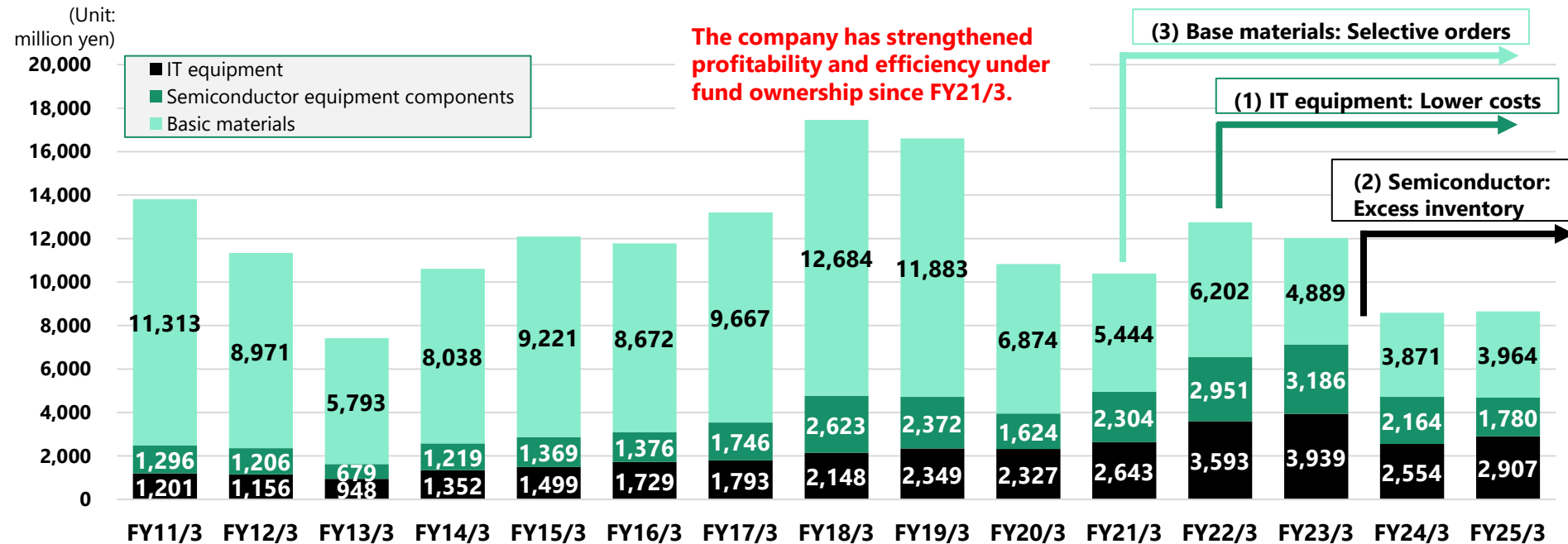
(1) Net sales in the semiconductor sector remained flat.

(2) Profitability has continued to improve due to better operating rates, etc.

- Provision for loss on orders received decreased by 40 million yen (improvement) compared to the end of the previous fiscal year.
- Increased profits through capital investment and recruitment.

3. Segment Overview

Performance Trends (Functional Materials Business)



Key points

IT equipment

Strengthening competitiveness through enhanced in-house refining

- Consumables mainly for target materials.
- Higher profit margins through cost reduction activities since FY22/3.

High profit

Semiconductor equipment components

Linked to the WFE market

- Mainly vacuum chambers for semiconductor etching equipment.
- The impact of customers' excess inventories has persisted since FY24/3.

High profit

Basic materials

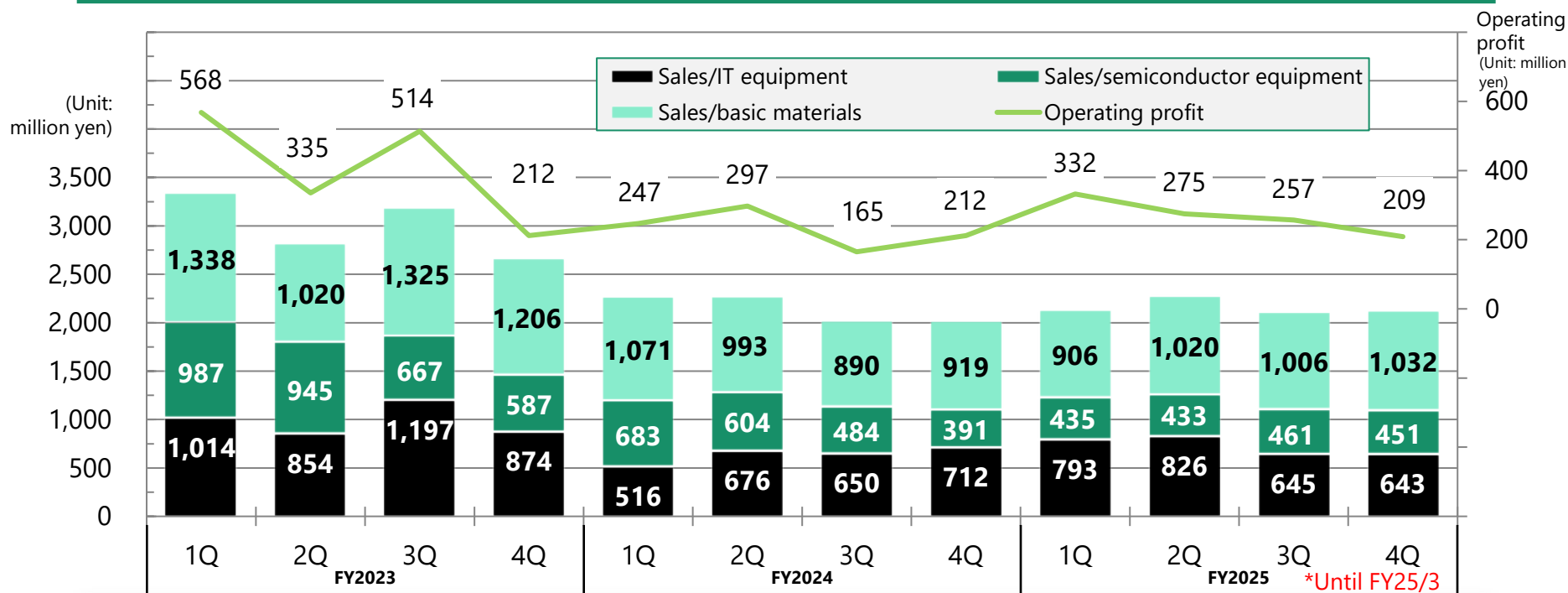
Strategically reduce low value-added orders

- Mainly high-purity aluminum for electrolytic capacitors and hard disk drives; also small-lot sales of aluminum slabs.
- Began full-scale selective order acceptance from 2021 onward, during the market slump.
- Marginal profit margin remains at around 35%, but improves significantly compared to before FY21/3.

Foundation

3. Segment Overview

Quarterly Performance Trends (Functional Materials Business)



Key points

IT equipment

512 million yen

- While consumables sales remain solid, stagnant IDM investment in North America is a burden.

Semiconductor equipment components

284 million yen

- Waiting for inventory clearance of chambers for etchers

Basic materials

628 million yen

- Stable demand for electrolytic capacitors; strong demand for HDDs

- (1) Sales reflect stagnation in semiconductor capital investment.
- (2) Profitability has shown clear improvement due to an increase in high value-added orders.

- Operating profit improved to around 200 million yen in April and May.
- Significant impact from high-margin IT equipment and semiconductor equipment components.

4. Financial Forecast for FY2025

Forecast for the Current Period

(Profit/Loss, Capital Investment, and Fixed Cost)

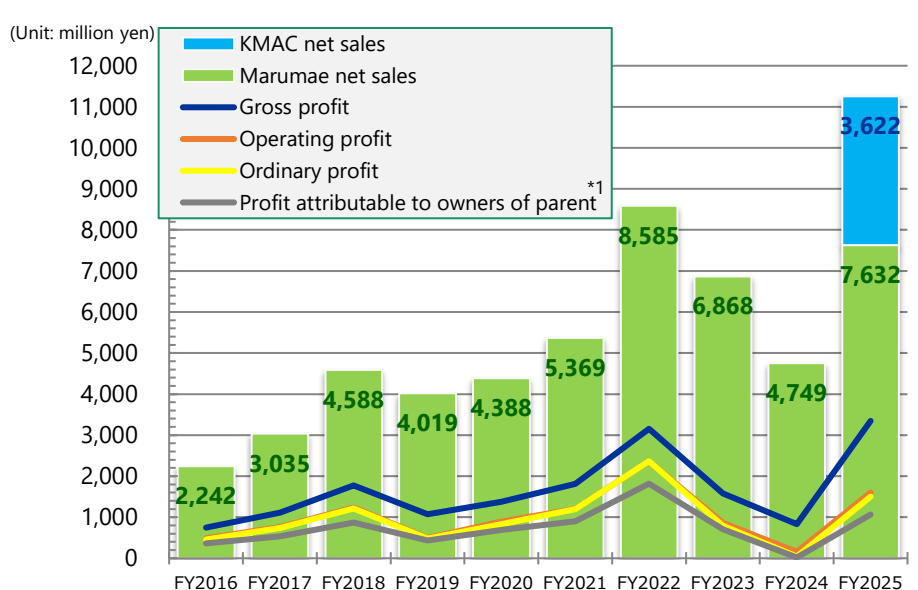
Earnings forecast

FY2025 Consolidated Forecast	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit attributable to owners of parent (million yen)	Earnings per share (yen)
Full year	11,254	1,900	1,714	1,265	99.93

This period reflects five months of KMAC's results, as consolidation began in Q3.

Key points

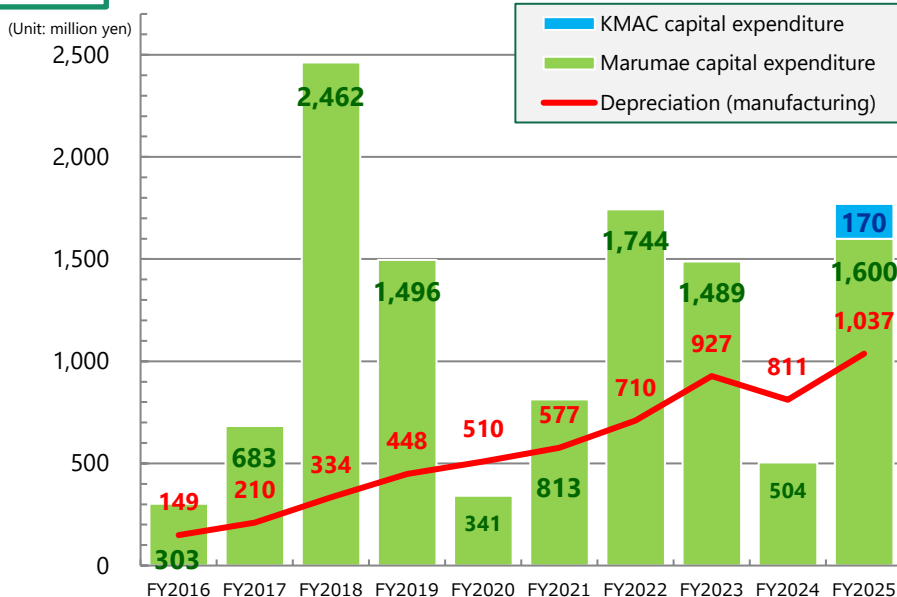
- ✓KMAC consolidation: 5 months
- ✓One-time costs: operating 110 million yen; non-operating 60 million yen
- ✓Amortization of goodwill, etc. for this period: 120 million yen; Interest 80 million yen



*1: FY2024 and earlier: Net income (not attributable to owners of the parent).

* FY2024 and earlier: Non-consolidated.

* KMAC: April–August 2025 only.



* Capital expenditures are based on cash flow.

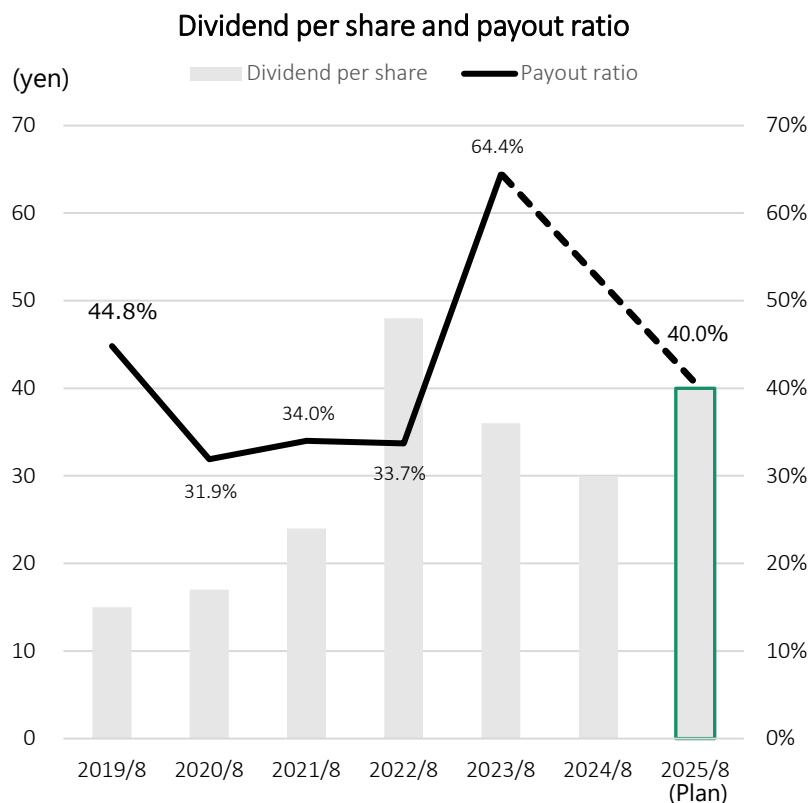
* FY2024 and earlier: Non-consolidated.

* KMAC: April–August 2025 only.

4. Financial Forecast for FY2025

Shareholder Returns

Dividend Results and Forecasts



Dividend Policy

- Targeting a dividend payout ratio of at least 35% under the medium-term business plan.
- Committed to a stable minimum annual dividend of 20 yen (10 yen per half-year).

Shareholder Benefits

- QUO gift card with a value equivalent to 1,000 yen for shareholders who hold at least one share unit of the Gropu continuously for at least six months.

Current Dividends

- FY2025:
 - Interim dividend of 15 yen per share already paid
 - Year-end dividend forecast revised to 25 yen per share
 - Total annual dividend forecast: 40 yen per share
- Dividend increase reflects strong consumables orders and enhanced profitability from the consolidation of KMAC.
- Our dividend policy aims to strike a balance between investments for corporate growth and maintaining appropriate capital efficiency.

5. Medium-term Business Plan

New Medium-term Business Plan Reflecting KMAC Consolidation

5. Medium-term Business Plan

Current Numerical Plan

Medium-term Business Plan Innovation 2026

Numerical Targets ▲

Net sales **12.0B** yen

Operating
profit **3.6B** yen

ROIC ▲

Asset-based
ROIC **20%**

Liability-based
ROIC **18%**

Payout Ratio ▲

Payout ratio **35%**
or more

Minimum
dividend **Annual
20 yen***

* Minimum of 10 yen per half year. Also, subject to review if final profit or loss for the full year is in the red.

5. Medium-term Business Plan

Progress Against Previous Plan (Non-Consolidated)

- As of the third quarter of FY2025, the market environment has been worse than expected, and progress toward our FY2026 targets is behind schedule.

- Prerequisites for Achieving the Previous Medium-term Plan:
 - (1) Market conditions at the 2022 level (excluding sales to China)
 - (2) Acquisition of 20 PORs from new customers (target of 15 PORs by end of FY2025)
 - (3) Expansion of Marumae's production capacity (including workforce)

- Progress Against Prerequisites:
 - (1)→Excluding China, progress is stagnant due to sluggish IDM capital investments and the impact of US-China decoupling.
 - (2)→As of the end of May 2025, 13 PORs have been acquired. Mass-production orders have started for 9 of them (generally progressing smoothly).
 - (3)→Expansion of production capacity in line with demand has not been fully achieved (some equipment installation and personnel hiring are still in progress).

5. Medium-term Business Plan

New Numerical Plan (Consolidated)

*Approved by the Board of Directors on July 11, 2025

Medium-term Business Plan Fusion 2028

Numerical
Targets
(consolidated)



Net sales **25.0B** yen

Operating
profit **5.6B** yen

Operating profit
(by segment)



Precision
components
business **30%**

Functional
materials
business **18%**

ROIC



Consolidated
ROIC target **15%**

Payout Ratio



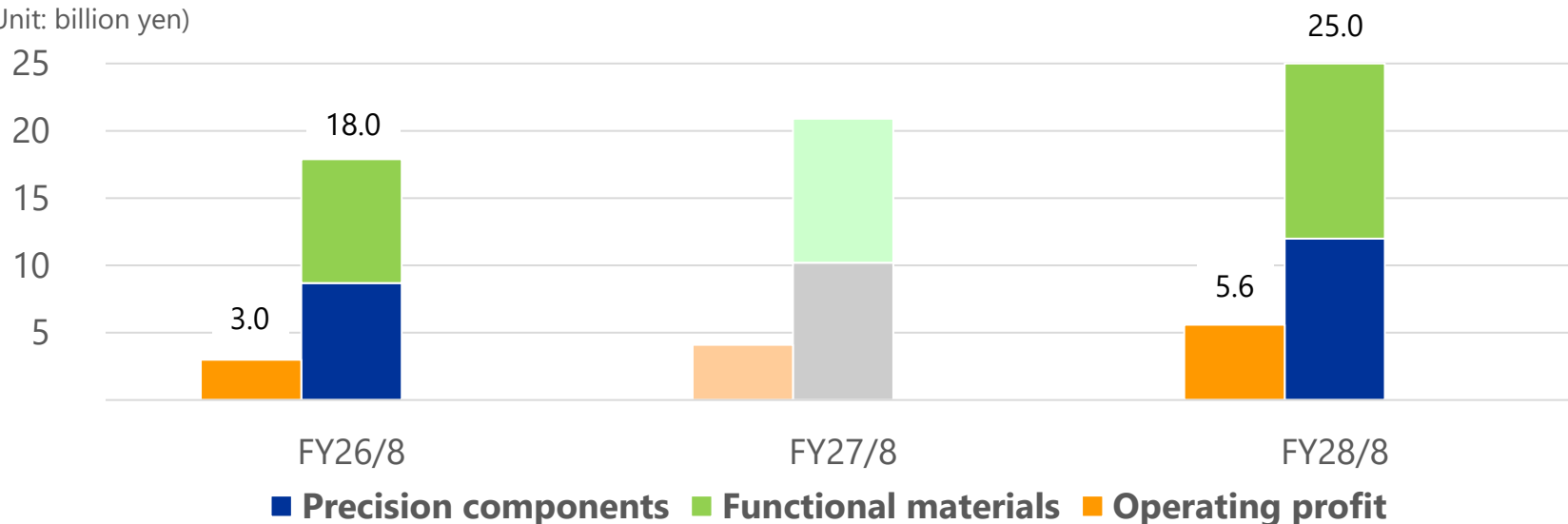
Payout
ratio **35%**
or more

Minimum
dividend **Annual
30** yen*

5. Medium-term Business Plan

Segment Targets

(Unit: billion yen)



Fiscal year-end	FY26/8	FY28/8
Net Sales (Precision Components)	8.70	12.00
Operating Profit (Precision Components)	2.15	3.60
Net Sales (Functional Materials)	9.30	13.00
Operating Profit (Functional Materials)	1.15	2.30
Shared Operating Expenses	0.30	0.30

5. Medium-term Business Plan

Strategy for Achieving Targets (Precision Components Segment)

■ Market Environment Assumptions

Assumes that 2022 levels will be achieved in markets other than China, but does not assume a recovery in North American IDM. Assumes a recovery in capital investment by memory manufacturers, including NAND.

Assumption: WFE growth rate 2025 + 0%* 2026 + 15% 2027 + 6% 2028 + 13%

WFE growth rate outside China 2025 + 8% 2026 + 26% 2027 + 11% 2028 + 14%

■ Current Environment, etc.

- (1) WFE appears to have recovered to an extent, but most of the increase is for legacy nodes in China.
- (2) As Marumae has been involved in the semiconductor field for about 13 years, it benefits less from the legacy market.
- (3) Consumables: Broad orders across advanced and legacy nodes, logic, and memory.

■ Strategy for Achieving Medium-term Targets

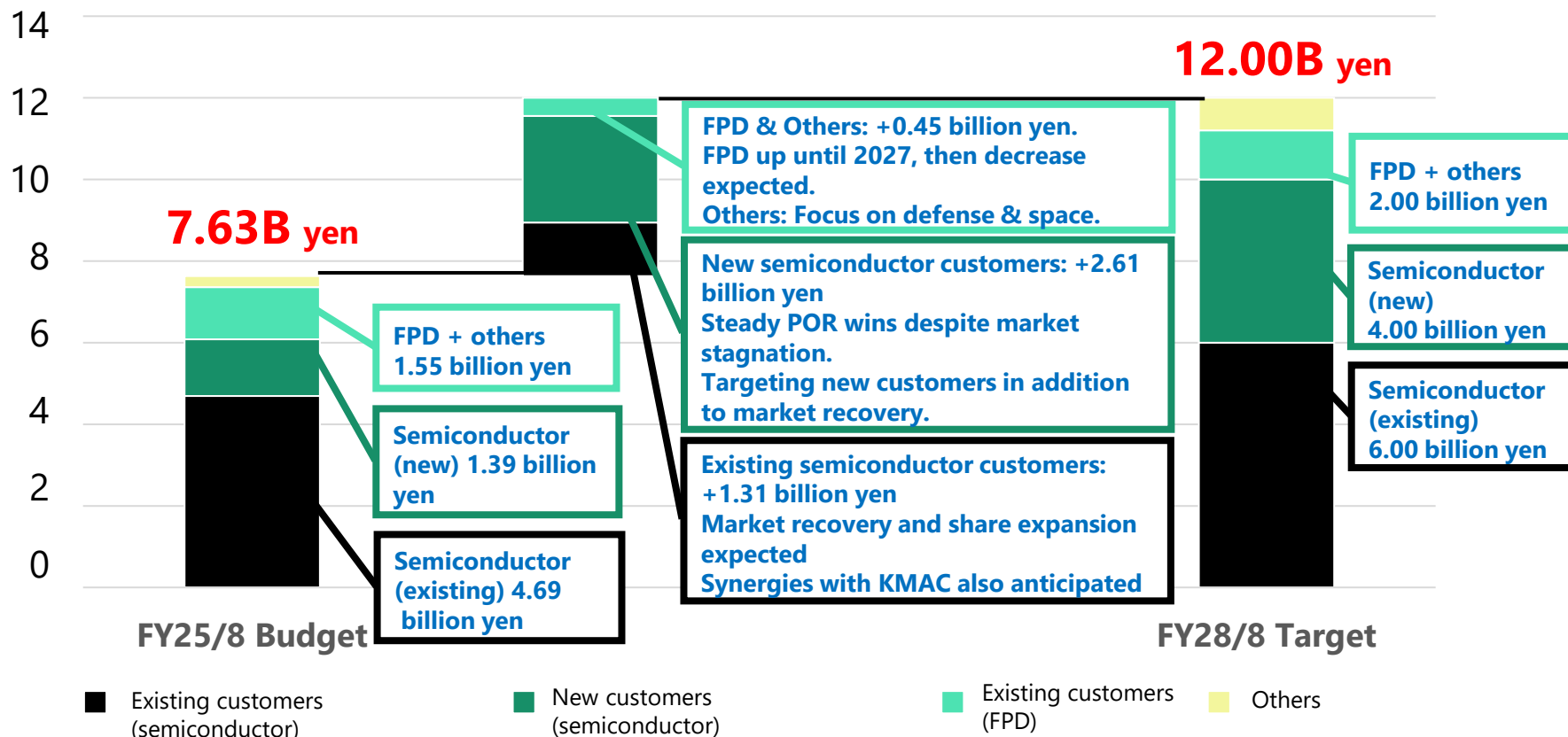
- (1) Enhance prototyping capabilities to increase share in the semiconductor sector, with a target of acquiring 30 new customer PORs.
- (2) Mass-production of new materials (other than aluminum) in the semiconductor sector (already achieved some results at the prototyping and customer evaluation stages).
- (3) In the other sectors, monetize orders related to the Ministry of Defense and pursue collaborations with existing partner companies.
- (4) Utilize vacant space at the Izumi factory to avoid new plant construction, and concentrate capital investment on machinery and equipment.

* Based on CY2025 WFE assumption of US\$102 billion for new equipment only

5. Medium-term Business Plan

Precision Components Business (Marumae)

(Unit: billion yen)



Non-consolidated target postponed due to semiconductor market stagnation, despite new customer growth. Coordinate with partners in the other sectors to secure orders for components related to the Ministry of Defense.

5. Medium-term Business Plan

Strategy for Achieving Targets (Functional Materials Segment)

■ Market Environment Assumptions

Market environment and WFE assumptions are the same as for precision components.

■ Current Environment, etc.

- (1) Orders from target IT equipment customers are volatile; end-user investment in anodized products is sluggish.
- (2) Semiconductor equipment component sales are still impacted by customer inventory since 2023, but new customer acquisition is underway.
- (3) Base materials are mostly used in electrolytic capacitors and HDDs, and are affected by the automotive and server industries. Sales of small-lot materials are stagnating due to sluggish investment in LCD equipment.

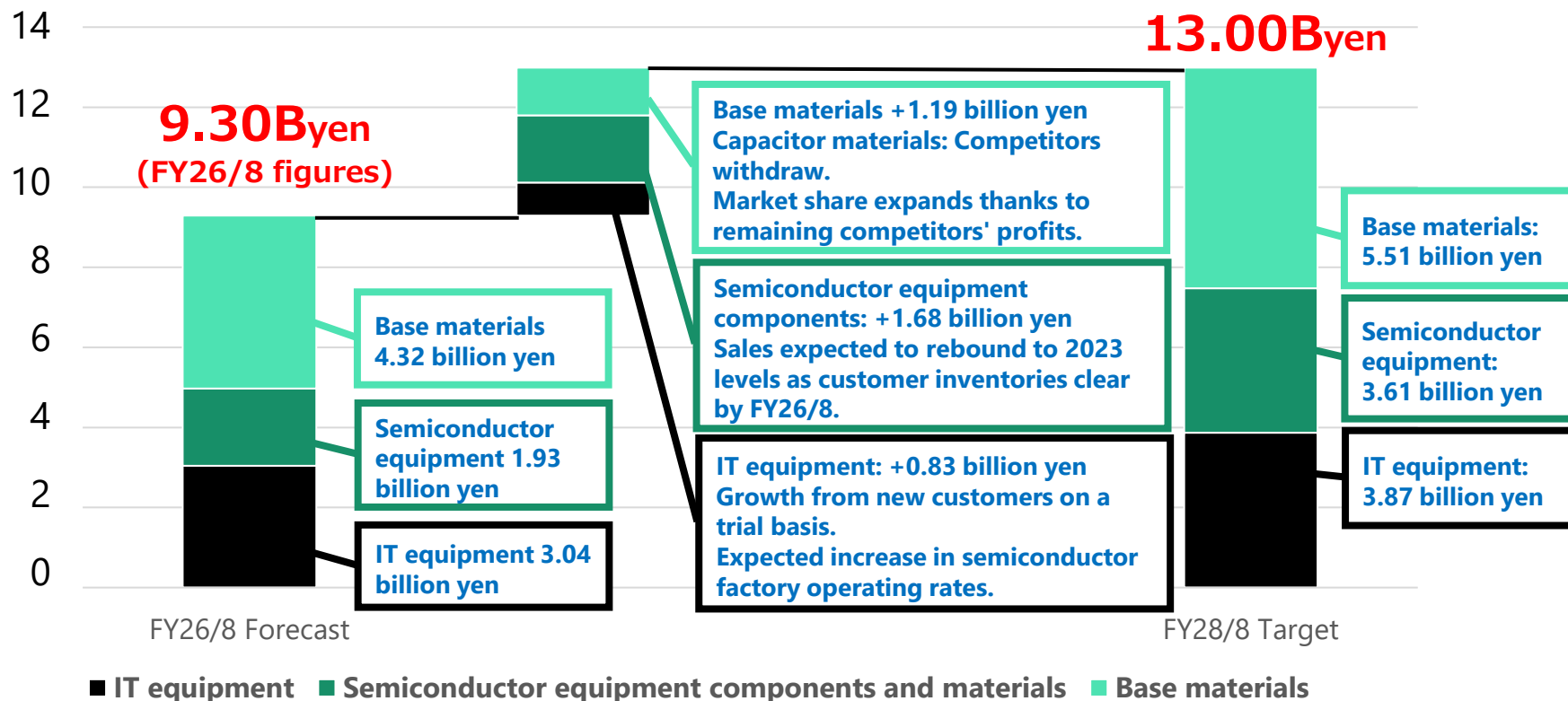
■ Strategy for Achieving Medium-term Targets

- (1) In IT equipment, expand sales—including pricing strategies for customers currently under evaluation—and move to mass production to reduce dependency on individual customers. Also, expand sales by improving processing capabilities in collaboration with Marumae.
- (2) For semiconductor equipment parts, client inventory overhang is expected to be resolved by February 2026, after which demand will align with market trends. Value will be increased through enhanced processing in collaboration with Marumae.
- (3) Market share for base materials is increasing as competitors withdraw from the market. To remain competitive internationally, pricing strategies will be adopted that support the maintenance of production volumes. For small-lot materials, expand sales partnerships.

5. Medium-term Business Plan

Functional Materials Business (KMAC)

(Unit: billion yen)



Customer inventories for semiconductor equipment components are expected to clear around February 2026, after which current demand could add about 300 million yen per quarter. We aim to surpass the FY23/3 peak (approx. 3.20 billion yen) by FY28/8, including contributions from new customers.

IT equipment remains price competitive, with gradual expansion expected among several new customers already testing our products.

Base materials are expected to benefit from competitors exiting the market.

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

Company Profile

History

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KMAC

- 1988** Oct. Established Marumae Kogyo, Ltd.
 - 1992** Founded T's M's R&D Began manufacturing motorcycle parts (now Marumae's current business).
- 1997** Oct. Integrated R&D division into Marumae.
- 2001** Apr. Changed company name to Marumae Co., Ltd.
- 2004** Nov. Designated as a Green Sheet stock.
- 2006** Dec. Listed shares on the TSE Mothers market.
- 2018** Dec. Listed shares on the First Section of the TSE.
- 2022** Dec. Transitioned to the Prime Market of the TSE.

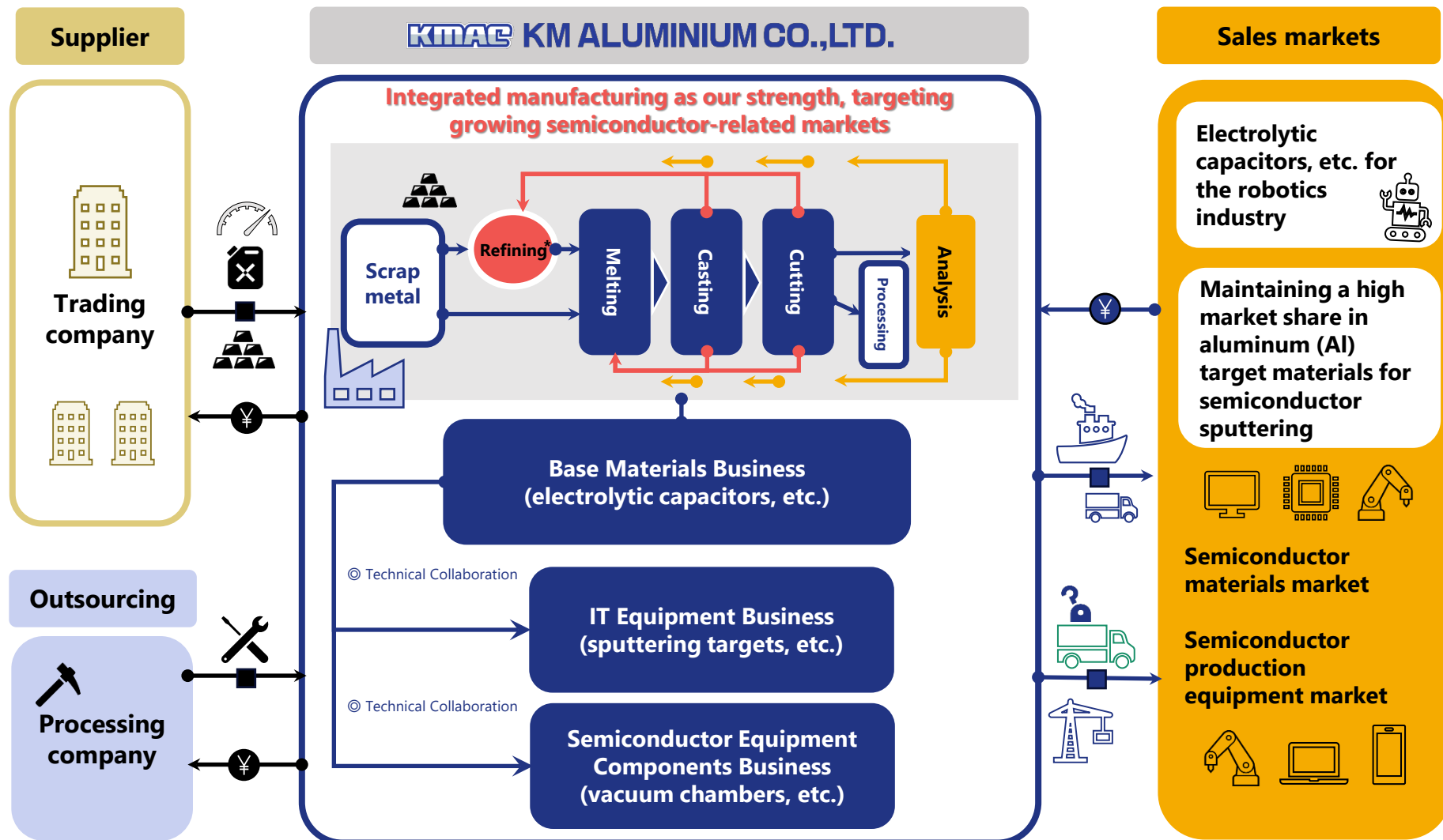
- 1989** Feb. Based on the Casting Division of Mitsui Aluminium Co., Ltd., Kyushu Mitsui Aluminium Co., Ltd. was established with investment from Mitsui Group companies.
- 1997** Sep. Completed anodizing cleanroom.
- 2006** Dec. Completed high-purity aluminum (5N) plant.
- 2007** Jun. Completed No. 3 Casting Plant for casting chambers.
- 2015** Shares were transferred from the Mitsui Group to KMJ Holdings 2 Co., Ltd. The company name was changed to KM Aluminium Co., Ltd.

2025 Apr.

Group integration

Functional Materials (KMAC) Business Model

Targeting growth in semiconductor-related markets based on comprehensive capabilities and synergies cultivated through years of integrated manufacturing.



***Refining (purification) technology:** A world-class technology for producing high-purity aluminum using the Pechiney process, a type of segregation method.

Functional Materials (KMAC) Business Model

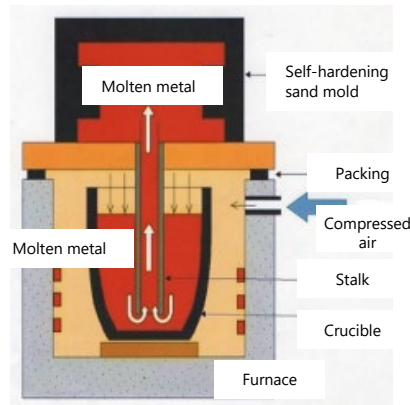
Targeting growth in semiconductor-related markets based on comprehensive capabilities and synergies cultivated through years of integrated manufacturing.

Our Competitive Edge in Semiconductor Vacuum Chambers

Background

- Increase in device size and number of chambers.
- Generally, cutting chambers have low yield and high costs.

Supplying low-cost, high-quality cast products using low-pressure casting technology



How low-pressure casting works

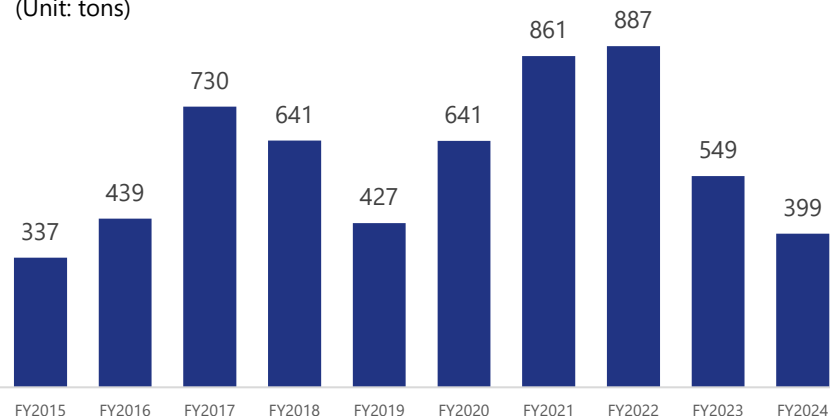
- 1) Large melting and casting furnaces, equipment, and infrastructure enabled by integrated production from raw materials.
- 2) Developing casting alloys using expertise in chemical analysis.
- 3) Molten metal management technology cultivated through material manufacturing.

Technology

- KMAC can provide low-pressure castings weighing 400 kg or more!

KMAC Vacuum Chamber Sales Volume Trends

(Unit: tons)



In recent years, sales have temporarily declined due to inventory adjustments. Going forward, in addition to increased demand for semiconductor equipment, we are expanding sales to new customers by leveraging our strengths in low cost and high quality.

Precision Parts (Marumae) Business Model

Major Processes and Products

Our products provide core support for semiconductor and FPD production equipment.

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)

Company name	Marumae Co., Ltd.		Total number of shares issued		13,053,000 shares
Established	October 1988		Share unit number		100 shares
Capital	1,241,150,000 yen (as of May 31, 2025)		Total number of shareholders		10,564
Representative	Toshikazu Maeda, President and Representative Director		Major shareholders (common stock)	Toshikazu Maeda	4,840,311 shares
Consolidated subsidiary	KMX Co., Ltd., KM Aluminium Co., Ltd.			The Master Trust Bank of Japan, Ltd. (trust account)	999,200 shares
Number of employees (consolidated)	596 employees, including 156 temporary employees (as of May 31, 2025) Other: 62 dispatched workers			Misako Maeda	504,000 shares
Group location	Izumi Factory (Headquarters)	2141 Onohara, Izumi, Kagoshima 899-0216, Japan		Nomura PB Nominees Ltd. Omnibus-Magin (CASHPB) (Standing proxy)	279,000 shares
	Takaono Factory	3816-41 Okubo, Takaono, Izumi, Kagoshima 899-0401, Japan		Yoshiko Maeda	180,000 shares
	Kanto Factory	2-17-15 Hizaori, Asaka, Saitama 351-0014, Japan		Koei Igarashi	169,000 shares
	KM Aluminium Co., Ltd. (Head Office and Factory)	80 Yotsuyama-machi, Omuta City, Fukuoka, 836-0067, Japan		The Nomura Trust and Banking Co., Ltd.. as the Trustee of the Repurchase Agreement Mother Fund (Standing proxy)	167,000 shares
Group Business	<div>Marumae Co., Ltd.</div> <div><div>• Design, manufacture, machining, and assembly of precision machinery and equipment</div><div>• Design and manufacture of precision machine components</div><div>• Design, manufacture, and sale of industrial and medical equipment</div><div>• Inspection and repair of precision machine parts, machinery, and equipment</div><div>• Development and sale of software</div><div>• Plate working • Plumbing • Transportation • Real estate leasing</div></div> <div>KM Aluminium Co., Ltd.</div> <div><div>• Manufacture and sale of aluminum ingots, billets, slabs, and alloys</div><div>• Manufacture and sale of high-purity aluminum ingots</div><div>• Fittings and sheet metal work</div><div>• All businesses incidental to the above</div></div>			BNP Paribas Luxembourg/2S/JASDEC Securities/UCITS Assets (Standing proxy)	146,027 shares
				Marumae Kyoeikai	108,000 shares
				Nomura PB Nominees Ltd. Theoria Multi-strategy Master Fund (Standing proxy)	104,800 shares
				(Note) There are 390,706 treasury shares (as of February 28, 2025).	

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.

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Please contact us here

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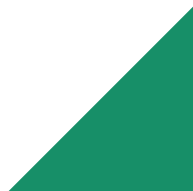
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