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## Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Japanese GAAP)

October 10, 2025

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

Security Code: 6264

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

Representative: Toshikazu Maeda, President and Representative Director

Contact: Takeshi Shimomai, General Manager of the Administration Department  
Email: [inquiry\\_en@marumae.com](mailto:inquiry_en@marumae.com)

Scheduled date of General Meeting of Shareholders: November 27, 2025

Scheduled start date of dividends payments: November 28, 2025

Scheduled date for submission of the securities report: November 25, 2025

Preparation of supplementary materials for the financial results: Yes

Earnings release conference: Yes (for institutional investors)

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

### 1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (September 1, 2024, to August 31, 2025)

#### (1) Consolidated Operating Results

Note: Percentages indicate changes from the previous fiscal year.

	Fiscal year ended			
	August 31, 2024		August 31, 2025	
		%		%
Net sales (millions of yen)	-	-	11,403	-
Operating profit (millions of yen)	-	-	2,103	-
Ordinary profit (millions of yen)	-	-	1,936	-
Profit attributable to owners of parent (millions of yen)	-	-	1,355	-
Earnings per share of common stock (yen)				
Basic	-		107.11	
Diluted	-		-	
Return on equity (%)	-		17.8	
Ordinary profit to total assets (%)	-		7.8	
Operating profit to net sales (%)	-		18.4	

Comprehensive income: Fiscal year ended August 31, 2025: 1,410 million yen [ - %]

Fiscal year ended August 31, 2024: - million yen [ - %]

Profit (loss) on equity method: Fiscal year ended August 31, 2025: - million yen

Fiscal year ended August 31, 2024: - million yen

Note: Since the Group has started preparing consolidated financial statements from the fiscal year ended August 2025, figures and year-on-year change rates for the fiscal year ended August 2024 are not stated. Furthermore, the return on equity and return on assets for the fiscal year ended August 2025 are calculated based on year-end equity and year-end total assets, respectively, as this is the first year of consolidation.

## (2) Consolidated Financial Position

	As of	
	August 31, 2024	August 31, 2025
Total assets (millions of yen)	-	25,423
Net assets (millions of yen)	-	8,151
Equity ratio (%)	-	32.1
Net assets per share (yen)	-	643.76

Equity: 8,151 million yen (as of August 31, 2025)

- million yen (as of August 31, 2024)

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

## (3) Consolidated Cash Flows

	Fiscal year ended	
	August 31, 2024	August 31, 2025
Cash flows from operating activities (millions of yen)	-	3,058
Cash flows from investing activities (millions of yen)	-	(9,708)
Cash flows from financing activities (millions of yen)	-	7,875
Cash and cash equivalents at end of period (millions of yen)	-	4,252

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

## 2. Dividends

	Fiscal year ended		Fiscal year ending
	August 31, 2024	August 31, 2025	August 31, 2026 (forecast)
1Q-end dividends per share (yen)	-	-	-
2Q-end dividends per share (yen)	10.00	15.00	28.00
3Q-end dividends per share (yen)	-	-	-
Year-end dividends per share (yen)	20.00	25.00	28.00
Annual dividends per share (yen)	30.00	40.00	56.00
Total dividends (millions of yen)	379	506	
Payout ratio (%)	-	37.3	41.7
Dividend on equity (%)	-	6.6	

Note: Since the Group has started preparing consolidated financial statements from the fiscal year ended August 2025, the consolidated dividend payout ratio and consolidated dividend on equity for the fiscal year ended August 2024 are not disclosed. Furthermore, the consolidated dividend on equity for the fiscal year ended August 2025 is calculated based on the net assets at the end of the period.

## 3. Consolidated Financial Forecasts for the Fiscal Year Ending August 31, 2026 (September 1, 2025, to August 31, 2026)

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

	Six months ending February 28, 2026		Fiscal year ending	
	(cumulative)		August 31, 2026	
				%
Net sales (millions of yen)	8,100	-	17,200	50.8
Operating profit (millions of yen)	1,200	-	2,800	33.1
Ordinary profit (millions of yen)	1,100	-	2,600	34.3
Profit attributable to owners of parent (millions of yen)	700	-	1,700	25.4
Earnings per share (yen)	55.28		134.26	

Note: Since the Group has started preparing consolidated financial statements from the fiscal year ended August 2025, year-on-year percentage changes for net sales, operating profit, ordinary profit, and profit attributable to owners of parent for the second quarter (cumulative) are not disclosed.

**(Reference) Summary of Non-Consolidated Financial Results****Non-Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (September 1, 2024, to August 31, 2025)****(1) Non-Consolidated Operating Results**

Note: Percentages indicate changes from the previous fiscal year.

	Fiscal year ended			
	August 31, 2024		August 31, 2025	
		%		%
Net sales (millions of yen)	4,749	(30.9)	7,709	62.3
Operating profit (millions of yen)	156	(81.8)	1,823	-
Ordinary profit (millions of yen)	42	(94.6)	1,795	-
Profit (millions of yen)	19	(97.2)	1,350	-
Earnings per share of common stock (yen)				
Basic	1.55		106.72	
Diluted	-		-	

**(2) Non-Consolidated Financial Position**

	As of	
	August 31, 2024	August 31, 2025
Total assets (millions of yen)	11,464	13,433
Net assets (millions of yen)	7,163	8,083
Equity ratio (%)	62.5	60.2
Net assets per share (yen)	566.10	638.37

Equity: 8,083 million yen (as of August 31, 2025)

7,163 million yen (as of August 31, 2024)

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

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

Note: For details, please refer to page 14 of the attached materials: "4. Consolidated Financial Statements and Primary Notes (5) Notes to the Consolidated Financial Statements (Additional Information) (Business combinations, etc.)."

**(2) 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

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

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

As of August 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 August 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

Fiscal year ended August 31, 2025:	12,659,260 shares
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Fiscal year ended August 31, 2024:	12,649,248 shares
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\* Status of implementation of audit procedures

This Summary of Financial Results is exempt from audit procedures by certified public accountants or audit firms.

\* 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. Overview of Operating Results and Other Information, (4) Future Outlook" on page 4 for the assumptions underlying the financial forecasts and other notes on their use.

## Contents

<b>1. Overview of Operating Results and Other Information .....</b>	<b>2</b>
(1) Overview of Operating Results during the Fiscal Year Ended August 31, 2025 .....	2
(2) Overview of Financial Position during the Fiscal Year Ended August 31, 2025.....	3
(3) Overview of Cash Flows for the Fiscal Year Ended August 31, 2025 .....	3
(4) Future Outlook.....	4
(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years .....	4
<b>2. Status of the Corporate Group .....</b>	<b>5</b>
<b>3. Basic Approach to the Selection of Accounting Standards .....</b>	<b>5</b>
<b>4. Consolidated Financial Statements and Primary Notes.....</b>	<b>6</b>
(1) Consolidated Balance Sheet .....	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	9
(3) Consolidated Statement of Changes in Equity .....	11
(4) Consolidated Statement of Cash Flows.....	12
(5) Notes to the Consolidated Financial Statements .....	14
<b>5. Others.....</b>	<b>21</b>
(1) Board Member Changes .....	21
(2) Status of Production, Orders, and Sales .....	21

# 1. Overview of Operating Results and Other Information

## (1) Overview of Operating Results during the Fiscal Year Ended August 31, 2025

*Note: As the Marumae group has prepared consolidated financial statements for the first time from the fiscal year ended August 31, 2025, comparative analysis with the previous fiscal year has not been performed.*

### Operating results for the fiscal year under review

During the current consolidated fiscal year, Japan's economy showed a moderate recovery, although some impacts from U.S. trade policies were observed.

In the semiconductor sector, the Group's primary sales field, capital investment for logic foundries and advanced DRAM remained active, driven by expanding demand for AI applications. Conversely, capital investment for NAND and MPUs stagnated. Furthermore, capital investment in China showed signs of slowing. Meanwhile, the semiconductor manufacturing equipment market began to exhibit evidence of improvement, and inventory levels for components also displayed a marked improvement. In the FPD sector, investment in G8 OLED for IT devices, which had been strong, began to present signs of stagnation.

Amid these market conditions, consolidated results for the fiscal year ended August 31, 2025 were as follows: net sales of 11,403 million yen, operating profit of 2,103 million yen, ordinary profit of 1,936 million yen, and profit attributable to owners of the parent of 1,355 million yen.

As this fiscal year was the first year of preparing a consolidated financial statement, no comparative analysis with the previous fiscal year is provided.

The overview by business segment is as follows.

#### (Precision Components Business)

In the semiconductor sector, orders remained strong even after the surge in demand for China-bound products seen in the first half subsided, though there was a temporary adjustment in orders toward the end of the period.

In the FPD sector as well, a sense of pause emerged in G8 OLED investments for China, and orders stagnated toward the end of the period. No significant movements occurred in the other sectors.

Regarding expenses, variable costs such as material expenses and outsourced processing fees increased due to higher-than-expected order growth. Furthermore, fixed costs rose as a result of proactive investments in human resources, including securing personnel for increased production and implementing base salary increases to improve compensation for existing employees.

The cost ratio improved due to higher equipment utilization rates, and profit margins increased as inventory rose and the provision for loss on orders received and the loss on valuation of inventories decreased by 19 million yen.

As a result, net sales reached 7,709 million yen, and segment profit was 1,823 million yen.

#### (Functional Materials Business)

In the IT equipment segment, which is the sales field of the Functional Materials Business, demand for target materials and other consumables for semiconductor equipment remained robust, resulting in net sales exceeding initial projections. The Company's aluminum target materials for semiconductors are used in legacy logic semiconductors and advanced memory such as HBM and DRAM, where demand is expanding.

Next, in the semiconductor equipment components and materials segment, the Company primarily manufactures vacuum chambers for

semiconductor etching equipment. Shipments of this product are being restrained relative to actual market demand as customers work to reduce excess inventory. Against this backdrop, the Company maintained net sales at the initially projected level despite a sense of stagnation in the semiconductor equipment market. However, inventory levels remain elevated due to market stagnation, and customers may prioritize further inventory reduction going forward.

In the basic materials segment, the Company handles materials for electrolytic capacitors, materials for hard disk drives (HDDs), and small-lot material sales. Demand in this segment stagnated alongside the market slowdown, and sales trended lower than initially projected.

While the high-margin IT equipment segment grew and expanded net sales, on the cost side, variable costs remained within projected ranges due to improvements in the sales mix. However, temporary expenses totaling 70 million yen occurred at the end of the period, including write-downs on certain materials and accruals for retirement benefits.

As a result, net sales for the five-month period from April to August, when consolidation began, amounted to 3,694 million yen. Segment profit, after deducting goodwill amortization of 125 million yen, was 385 million yen.

Note that the reporting segment classifications have been changed starting from this consolidated fiscal year. The figures for the previous year's segment have been restated to correspond to the new segment classifications.

## **(2) Overview of Financial Position during the Fiscal Year Ended August 31, 2025**

### **Status of Assets, Liabilities, and Net Assets**

#### **Assets**

Total assets at the end of the current consolidated fiscal year amounted to 25,423 million yen.

Current assets totaled 10,477 million yen. The main components were cash and deposits of 4,252 million yen, accounts receivable – trade of 2,360 million yen, work in process of 1,826 million yen, etc.

Non-current assets totaled 14,945 million yen. Major components include buildings and structures of 2,183 million yen, machinery, equipment and vehicles of 4,387 million yen, land of 2,503 million yen, and goodwill of 4,696 million yen.

#### **Liabilities**

Total liabilities at the end of the current consolidated fiscal year amounted to 17,271 million yen.

Current liabilities totaled 4,623 million yen. Major components include accounts payable – trade of 1,384 million yen, current portion of long-term borrowings of 1,356 million yen, income taxes payable of 646 million, and other current liabilities of 821 million yen.

Non-current liabilities totaled 12,648 million yen. The main component is long-term borrowings of 12,000 million yen.

#### **Net Assets**

Total net assets at the end of the current consolidated fiscal year amounted to 8,151 million yen. The main components include share capital of 1,241 million yen, capital surplus of 1,964 million yen, and retained earnings of 5,394 million yen. The equity ratio stood at 32.1%.

## **(3) Overview of Cash Flows for the Fiscal Year Ended August 31, 2025**

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the current consolidated fiscal year amounted to 4,252 million yen.

The status of each cash flow category during the current consolidated fiscal year is as follows.

### **Cash Flows from Operating Activities**

Cash provided by operating activities amounted to 3,058 million yen. This was primarily due to the recording of 1,935 million yen in profit before income taxes and 1,053 million yen in depreciation, offset by a decrease of 288 million yen from an increase in trade receivables, a



decrease of 431 million yen from an increase in inventories, an increase of 334 million yen in trade payables, an increase in other current liabilities of 233 million yen, and income tax paid of 255 million yen.

#### Cash Flows from Investing Activities

Cash used in investing activities amounted to 9,708 million yen. This was primarily due to expenditures of 1,499 million yen to purchase property, plant, and equipment, and expenditures of 8,187 million yen to purchase shares of subsidiaries resulting in change in scope of consolidation.

#### Cash Flows from Financing Activities

Net cash provided by financing activities amounted to 7,875 million yen. This was primarily due to proceeds from long-term borrowings of 10,840 million yen, repayments of long-term borrowings of 2,664 million yen and dividends paid of 443 million yen.

**(Reference) Trends in cash flow-related indicators are as follows.**

	FY2025
Equity ratio (%)	32.1
Equity ratio based on market value (%)	80.7
Interest-bearing debt to cash flow ratio (years)	4.4
Interest coverage ratio (multiples)	28.9

Equity ratio: Shareholders' equity / total assets

Equity ratio based on market value: Total market capitalization / total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debts / cash flows

Interest coverage ratio: Cash flows / interest payment

(Notes) 1. Total market capitalization was calculated based on the total number of shares issued excluding treasury shares.

2. The cash flows shown above were based on cash flows from operating activities.

3. Interest-bearing debt includes all debts that yielded interest on the balance sheet.

#### (4) Future Outlook

Regarding the outlook, while continued capital investment in advanced memory such as logic foundries and HBM DRAM is expected in the semiconductor and semiconductor manufacturing equipment markets, which significantly impact the Group's business, investment by MPU manufacturers and for NAND-type memory is likely to remain stagnant for some time. Investment for NAND memory is projected to increase starting in 2026. Furthermore, demand for semiconductor manufacturing consumables is expected to remain at a high level overall.

In this environment, the current consolidated performance forecast for the next fiscal year (ending August 2026) is as follows: net sales of 17,200 million yen, operating profit of 2,800 million yen, ordinary profit of 2,600 million yen, and profit attributable to owners of the parent of 1,700 million yen.

Furthermore, the above performance forecast is based on information available as of the date of this document's release. Actual results may differ from the forecast figures due to various factors in the future.

#### (5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The return of profits to shareholders is one of the Group's most important management policies.

Regarding future profit distribution, the Group aims to distribute profit based on profitability and calculates dividends by incorporating the

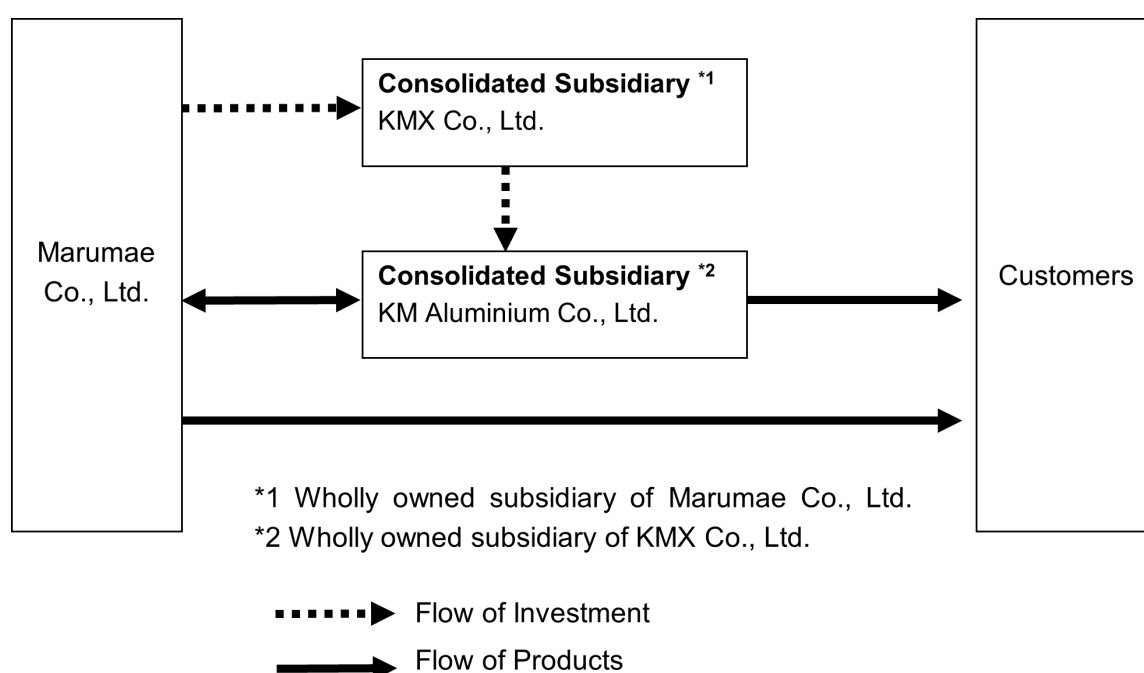
concept of a dividend payout ratio, while taking into consideration its operating results and financial conditions along with the implementation of investments based on a long-term perspective. As a medium-term target for the dividend payout ratio, the Group aims for a ratio of 35% or higher for the current fiscal year and the period covered by the new Medium-Term Business Plan (August 2026 to August 2028). Furthermore, unless a net loss is recorded, the Group plans to maintain a stable dividend of at least 30 yen per share (minimum interim dividend of 15 yen and minimum year-end dividend of 15 yen) during the new Medium-Term Business Plan period.

For the current fiscal year, the Group plans to set the year-end dividend at 25 yen. Combined with the interim dividend of 15 yen, the annual dividend will be 40 yen.

For the next fiscal year, it plans to pay an interim dividend of 28 yen and a year-end dividend of 28 yen, totaling 56 yen.

## 2. Status of the Corporate Group

The Group consists of the Company and two subsidiaries. The business structure is as follows.



## 3. Basic Approach to the Selection of Accounting Standards

The Group prepares consolidated financial statements based on Japanese GAAP, taking into consideration the burden of establishing a system for preparing financial statements based on International Financial Reporting Standards.

## 4. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheet

(Thousands of yen)

As of August 31, 2025

#### ASSETS

##### Current assets

Cash and deposits	4,252,863
Notes receivable – trade	26,626
Accounts receivable – trade	2,360,581
Electronically recorded monetary claims – operating	1,019,866
Allowance for doubtful accounts	(3,608)
Merchandise and finished goods	164,123
Raw materials and supplies	767,290
Work in process	1,826,337
Other	63,527
Total current assets	10,477,608

##### Non-current assets

Property, plant and equipment	
Buildings and structures	4,507,946
Accumulated depreciation	(2,324,442)
Buildings and structures, net	2,183,504
Machinery, equipment and vehicles	16,833,888
Accumulated depreciation	(12,446,432)
Machinery, equipment and vehicles, net	4,387,456
Land	2,503,767
Leased assets	59,016
Accumulated depreciation	(35,383)
Leased assets, net	23,633
Construction in progress	392,941
Other	224,355
Accumulated depreciation	(177,657)
Other, net	46,698
Total property, plant and equipment	9,538,001
Intangible assets	
Goodwill	4,696,943
Other	41,959
Total intangible assets	4,738,902

As of August 31, 2025	
Investments and other assets	
Deferred tax assets	549,088
Other	119,845
Total investments and other assets	668,933
Total non-current assets	14,945,837
<b>Total assets</b>	<b>25,423,446</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable – trade	1,384,130
Short-term borrowings	150,000
Current portion of long-term borrowings	1,356,519
Lease liabilities	9,440
Income taxes payable	646,364
Provision for bonuses	211,562
Provision for product warranties	7,025
Provision for loss on orders received	12,200
Provision for share-based payments	24,000
Other	821,967
Total current liabilities	4,623,210
<b>Non-current liabilities</b>	
Long-term borrowings	12,000,500
Long-term lease liabilities	14,627
Retirement benefit liability	494,271
Provision for retirement benefits for directors (and other officers)	42,596
Asset retirement obligations	66,369
Other	30,352
Total non-current liabilities	12,648,716
<b>Total liabilities</b>	<b>17,271,927</b>

As of August 31, 2025

**NET ASSETS****Shareholders' equity**

Share capital	1,241,157
Capital surplus	1,964,301
Retained earnings	5,394,856
Treasury shares	(512,052)
Total shareholders' equity	8,088,263

**Accumulated other comprehensive income**

Deferred gains or losses on hedges	57,566
Remeasurements of defined benefit plans	5,689
Total accumulated other comprehensive income	63,255

**Total net assets**

8,151,519

**Total liabilities and net assets**

25,423,446

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)

	(Thousands of yen)
	Fiscal year ended
	August 31, 2025
Net sales	11,403,403
Cost of sales	7,855,220
Gross profit	3,548,182
Selling, general and administrative expenses	
Remuneration for directors (and other officers)	164,046
Salaries and allowances	378,264
Retirement benefit expenses	35,966
Amortization of goodwill	125,586
Commission expenses	170,049
Provision of allowance for doubtful accounts	265
Other	570,101
Total selling, general and administrative expenses	1,444,280
Operating profit	2,103,901
Non-operating income	
Interest income	4,786
Dividend income	1
Commission income	2,862
Insurance claim income	2,145
Foreign exchange gains	813
Other	5,356
Total non-operating income	15,966
Non-operating expenses	
Interest expenses	105,752
Commission expenses	60,416
Other	17,434
Total non-operating expenses	183,603
Ordinary profit	1,936,263
Extraordinary income	
Gain on sale of non-current assets	90
Total extraordinary income	90
Extraordinary losses	
Impairment losses	700
Loss on retirement of non-current assets	0

	Fiscal year ended
	August 31, 2025
Total extraordinary losses	700
Profit before income taxes	1,935,654
Income taxes – current	622,597
Income taxes – deferred	(42,929)
Total income taxes	579,667
Profit	1,355,987
Profit attributable to owners of parent	1,355,987

**(Consolidated Statement of Comprehensive Income)**

	(Thousands of yen)
	Fiscal year ended
	August 31, 2025
<b>Profit</b>	1,355,987
<b>Other Comprehensive income</b>	
Deferred gains or losses on hedges	57,566
Remeasurements of defined benefit plans	(2,830)
Total other comprehensive income	54,736
<b>Comprehensive income</b>	1,410,723
<b>(Breakdown)</b>	
Comprehensive income attributable to owners of parent	1,410,723

### (3) Consolidated Statement of Changes in Equity

Fiscal year ended August 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at beginning of period	1,241,157	1,963,384	4,481,880	(523,134)	7,163,287
Changes during period					
Dividends of surplus			(443,011)		(443,011)
Profit attributable to owners of parent			1,355,987		1,355,987
Disposal of treasury share		917		11,082	12,000
Net changes in items other than shareholders' equity					-
Total changes during period	-	917	912,976	11,082	924,976
Balance at end of period	1,241,157	1,964,301	5,394,856	(512,052)	8,088,263

	Accumulated other comprehensive income			Total net assets
	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	-	8,519	8,519	7,171,806
Changes during period				
Dividends of surplus				(443,011)
Profit attributable to owners of parent				1,355,987
Disposal of treasury share				12,000
Net changes in items other than shareholders' equity	57,566	(2,830)	54,736	54,736
Total changes during period	57,566	(2,830)	54,736	979,712
Balance at end of period	57,566	5,689	63,255	8,151,519



## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

Fiscal year ended

August 31, 2025

**Cash flows from operating activities**

Profit before income taxes	1,935,654
Depreciation	1,053,652
Impairment losses	700
Amortization of goodwill	125,586
Increase (decrease) in allowance for doubtful accounts	265
Increase (decrease) in provision for bonuses	4,625
Increase (decrease) in provision for loss on orders received	(16,500)
Increase (decrease) in provision for share-based payments	24,000
Increase (decrease) in retirement benefit liability	38,765
Increase (decrease) in provision for retirement benefits for directors (and other officers)	12,258
Increase (decrease) in provision for product warranties	1,224
Interest and dividend income	(4,787)
Interest expenses	105,752
Insurance claim income	(2,145)
Arrangement fees	60,000
Foreign exchange losses (gains)	1,383
Loss (gain) on sale of non-current assets	(90)
Loss on retirement of non-current assets	0
Decrease (increase) in trade receivables	(288,489)
Decrease (increase) in inventories	(431,028)
Increase (decrease) in trade payables	334,804
Increase (decrease) in accrued consumption taxes	93,282
Decrease (increase) in other current assets	20,579
Decrease (increase) in other non-current assets	(3,127)
Increase (decrease) in other current liabilities	233,818
Increase (decrease) in other non-current liabilities	(52)
Subtotal	3,300,132
Interest and dividends received	4,787
Interest paid	(92,369)
Proceeds from insurance income	2,145
Income taxes refund	99,446
Income taxes paid	(255,153)

	Fiscal year ended August 31, 2025
Net cash provided by operating activities	3,058,988
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment	(1,499,089)
Proceeds from sale of property, plant and equipment	90
Purchase of intangible assets	(21,783)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,187,758)
Net cash used in investing activities	(9,708,539)
<b>Cash flows from financing activities</b>	
Proceeds from short-term borrowings	200,000
Repayments of short-term borrowings	(50,000)
Proceeds from long-term borrowings	10,840,000
Repayments of long-term borrowings	(2,664,759)
Dividends paid	(443,011)
Repayments of finance lease liabilities	(6,626)
Net cash provided by financing activities	7,875,602
<b>Effect of exchange rate change on cash and cash equivalents</b>	(1,383)
<b>Net increase (decrease) in cash and cash equivalents</b>	1,224,667
<b>Cash and cash equivalents at beginning of period</b>	3,028,196
<b>Cash and cash equivalents at end of period</b>	4,252,863

**(5) Notes to the Consolidated Financial Statements**

(Going-concern assumptions)

None

(Additional Information)

(Significant matters underlying the preparation of consolidated financial statements)

The Group has prepared consolidated financial statements for the current consolidated fiscal year. The significant matters underlying the preparation of the 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 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. In preparing the consolidated financial statements, the Group used financial statements based on provisional accounts as of the consolidated fiscal year-end.

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 current consolidated fiscal year, which is an irregular accounting period, are consolidated for the five-month period from April 1, 2025, which is deemed to be the date of acquisition, to August 31, 2025.

(Business combination, etc.)

(Business combination through acquisition of shares)

At a meeting of the Board of Directors held on March 4, 2025, the Company resolved to enter into a share transfer agreement with funds managed, operated, or otherwise affiliated 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 its 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, traces its origins to 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 cast vacuum chambers for semiconductor manufacturing equipment, 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 consolidated statements of income for the current consolidated fiscal year

From April 1, 2025, to August 31, 2025

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

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

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 recognized reasons for recognition, amortization method and amortization period

During the current consolidated fiscal year, provisional accounting treatment was applied to the identification and fair value measurement of the identifiable assets and liabilities of the acquired company. However, based on reasonably available information as of the end of the current consolidated fiscal year, the Group reviewed the identifiable assets and liabilities of the acquired company as well as the amortization period of goodwill.

(1) Amount of goodwill recognized

Goodwill: 4,822,530 thousand yen

(2) Reason for goodwill recognition

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

(3) Amortization method and period

Equal amortization over 16 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 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.

6. Estimated amount and calculation method of the impact on the consolidated statement of income for the current consolidated fiscal year, assuming the business combination was completed on the beginning date of the consolidated fiscal year

The estimated amount for the current consolidated fiscal year is not disclosed because it is difficult to calculate.

(Segment information, etc.)

**Segment information**

1. Overview of Reportable Segments

The Group's reportable segments are components within the Group for which separate financial information is available and which

are regularly reviewed by the Board of Directors to determine the allocation of management resources and evaluate performance. The Group is structured by product segment, with the "Precision Components Business" and the "Functional Materials Business" as its reportable segments.

The "Precision Components Business" manufactures and sells components for semiconductor manufacturing equipment, FPD manufacturing equipment, and other products. The "Functional Materials Business" manufactures and sells products such as IT equipment, semiconductor equipment components, and basic materials.

2. Method of calculating amounts for sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting treatment for the reported business segments is generally consistent with the description in "Significant Matters Forming the Basis for the Preparation of Consolidated Financial Statements."

Segment profit is based on operating profit figures. Inter-segment revenues and transfers are based on market prices.

## 3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended August 31, 2025 (September 1, 2024, to August 31, 2025)

(Thousands of yen)

	Reportable segment		Total	Adjustment	Amounts reported in consolidated financial statements
	Precision Parts Business	Functional Materials Business			
Net sales					
Semiconductor	6,136,758	-	6,136,758	-	6,136,758
FPD	1,286,502	-	1,286,502	-	1,286,502
IT Equipment	-	1,352,738	1,352,738	-	1,352,738
Semiconductor Equipment Components	-	712,869	712,869	-	712,869
Base Materials	-	1,624,223	1,624,223	-	1,624,223
Others	272,003	3,907	275,911	-	275,911
Revenue arising from contracts with customers	7,695,264	3,693,738	11,389,003	-	11,389,003
Other profit	14,400	-	14,400	-	14,400
Net sales to external customers	7,709,664	3,693,738	11,403,403	-	11,403,403
Inter-segment net sales or transfers	-	1,207	1,207	(1,207)	-
Total	7,709,664	3,694,946	11,404,610	(1,207)	11,403,403
Segment profit	1,823,719	385,888	2,209,608	(105,706)	2,103,901
Segment assets	12,080,230	13,244,172	25,324,402	99,043	25,423,446
Other items					
Depreciation	919,831	133,587	1,053,419	-	1,053,419
Amortization of goodwill	-	125,586	125,586	-	125,586
Impairment loss	700	-	700	-	700
Increase in property, plant and equipment and intangible non-current assets	1,713,585	167,427	1,881,013	-	1,881,013

(Note)

- (1) The adjustment of (105,706) thousand yen to segment profit consists of inter-segment transactions of 127 thousand yen and unallocated corporate expenses of (105,834) thousand yen.
- (2) Segment profit has been adjusted with operating profit in the consolidated financial statements.
- (3) The adjustment of 99,043 thousand yen to segment assets consists of the elimination of intersegment transactions of (10,617,675) thousand yen and unallocated corporate assets of 10,716,719 thousand yen.

4. Information on impairment losses on fixed assets or goodwill, etc., by reportable segment

On April 8, 2025, the Company acquired shares of KM Aluminium Co., Ltd. and included them within the scope of consolidation. Consequently, goodwill increased by 4,696,943 thousand yen during the current consolidated fiscal year. The amount of goodwill has been determined on a provisional basis, as the allocation of the acquisition cost had not been completed as of the end of the current consolidated fiscal year.

5. Changes in reportable segments

In 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.

**Related information**

Fiscal year ended August 31, 2025 (from September 1, 2024, to August 31, 2025)

1. Information by product and service

This information is omitted because similar details are disclosed in the segment information.

2. Information by region

(1) Net sales

This information has been omitted because sales to external customers in Japan account for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

This information is not applicable because the Company has no property, plant and equipment located outside of Japan.



### 3. Information by major customer

Name of customer	Net sales (thousands of yen)	Name of related segment
NHK Spring Co., Ltd.	2,894,196	Precision Parts Business, Functional Materials Business
Tokyo Electron Miyagi Ltd.	1,683,067	Precision Parts Business, Functional Materials Business

### Information on impairment loss on non-current assets by reportable segment

Fiscal year ended August 31, 2025 (from September 1, 2024, to August 31, 2025)

(Thousands of yen)

	Reportable segment			Eliminations and corporate	Total
	Precision Parts Business	Functional Materials Business	Total		
Impairment loss	700	-	700	-	700

### Information on amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended August 31, 2025 (from September 1, 2024, to August 31, 2025)

(Thousands of yen)

	Reportable segment			Eliminations and corporate	Total
	Precision Parts Business	Functional Materials Business	Total		
Depreciation Expense	-	125,586	125,586	-	125,586
Ending Balance	-	4,696,943	4,696,943	-	4,696,943

### Information on gain on negative goodwill by reportable segment

Fiscal year ended August 31, 2025 (from September 1, 2024, to August 31, 2025): None

### Per share information

	Fiscal year ended August 31, 2025
Net assets per share (yen)	603.76
Earnings per share (yen)	107.11

(Notes) 1. Diluted earnings per share is not shown because there are no residual shares.

2. The basis for calculating earnings per share is as follows:

	Fiscal year ended August 31, 2025
Total net assets (thousand yen)	8,151,519
Net assets at end of period attributable to common shares (thousand yen)	8,151,519
Number of common shares at end of period used in calculation of net assets per share (shares)	12,662,294

3. The basis for calculating earnings per share is as follows:

	Fiscal year ended August 31, 2025
Earnings per share	
Profit attributable to owners of parent (thousand yen)	1,355,987
Amount not attributable to common shareholders (thousand yen)	-
Profit attributable to owners of parent for common shares (thousand yen)	1,355,987
Average number of shares outstanding during the period (shares)	12,659,260

**Significant subsequent events: None**

## 5. Others

(1) Board Member Changes: None

(2) Status of Production, Orders, and Sales

The Group has concluded that order amounts and order backlogs are susceptible to short-term fluctuations and therefore do not align with medium- to long-term business value. Going forward, the Group intends to limit disclosures regarding order status to qualitative comments and strengthen information disclosure from a longer-term perspective.