

## Accounting period

From January 1 to December 31

## Record date for year-end dividends

December 31

## Record date for interim dividends

June 30

## Annual meeting of shareholders

March each year

## Holder of list of shareholders and managing agency for designated accounts

Mitsubishi UFJ Trust and Banking Corporation

## Contact

Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation

1-1 Nikko-cho, Fuchu-shi, Tokyo 183-0044

Tel: 0120-232-711 (toll free)

## Listed stock exchange

JASDAQ Stock Exchange, Tokyo Securities Exchange

## Public notice method

On-line public notice.

Publication at URL <https://www.convum.co.jp>

(Public notices shall be published in the Nihon Keizai Shimbun newspaper when accidents and other causes prevent on-line public notice.)

## Notes

1. With the computerization of stock trading, in principle, account managing agencies (securities companies and other parties) where shareholders maintain accounts perform various procedures, including procedures for changing shareholder addresses and requesting share purchases. Please ask the securities company where you maintain an account about these procedures. Please note that the holder of the list of shareholders (Mitsubishi UFJ Trust and Banking Corporation) does not offer any of these services.
2. Mitsubishi UFJ Trust and Banking Corporation has been appointed as the account managing agency for the procedures associated with shares recorded in special accounts. Please ask the account managing agency for special accounts stated above (Mitsubishi UFJ Trust and Banking Corporation) about such procedures. Mitsubishi UFJ Trust and Banking Corporation branches across Japan serve as intermediaries for these procedures.
3. The main and branch offices of Mitsubishi UFJ Trust and Banking Corporation pay dividends receivable.

## Our Website



We frequently update our investor relations and other corporate information on this site, and invite you to check back regularly.

# 70th Term Business Report

January 1, 2020 - December 31, 2020



Caring about people and make great efforts to weave together our creative ideas with the requirements of our customers while we contribute greater value to society.

Myotoku Group



Corporate Mission

- Caring about our customers.
- Offering each of our employees optimum working conditions and working environment.
- Carrying out development by integration of individual ideas and customers requirements.
- Promoting alliances with other companies, and sharing the benefits obtained from it.
- Transparency of management.
- Giving importance to internal communication such as reporting, informing and consulting.
- Promoting a professional relationship in which each and everyone can trust and rely on each other.

We are pleased to present our results for the 70th term from January 1, 2020 to December 31, 2020. We also take this opportunity to express our sincere appreciation to our shareholders for their support.



As a pioneering manufacturer of vacuum absorption equipment, we will aim to be a company that is trusted by society, and strive for continuous corporate growth, through manufacturing attractive products.

Koji Ise, President and Representative Director *Koji Ise*

**Q1** Please describe the business results of the 70th term.

The Group's consolidated net sales for the 70th term amounted to 2,183 million yen, a decrease of 4.8% year on year. In the Japanese market, capital investment decreased, due to concerns over the future outlook as a result of the COVID-19 pandemic. In such an environment, we have expanded sales activities centering on increasing sales of products related to Robot Hand and on capturing demand from semiconductors and the electric component industry in line with the increase in demand for computers, on the back of labor reduction in manufacturing processes and demand for automation equipment. Furthermore, we added environmentally-friendly electric driven products to our lineup. As a result, the Company's net sales amounted to 1,585 million yen, a decrease of 1.5% year on year.

Overseas, in the South Korean market, we expanded our second brand products by local production

targeting general industrial automation equipment, and responded to user needs amidst the price competition. Although we launched our original products aimed at manufacturers of semiconductor production equipment and liquid crystal-related equipment, as well as OEM products aimed at local manufacturers, we were impacted by a reduction in the capital investment of major corporations due to the global COVID-19 pandemic. As a result, sales in the South Korean market decreased 17.6% year on year to 334 million yen. In the Chinese market, economic activities were on a recovery track due to policies to combat the COVID-19 pandemic, and demand for semiconductor-related devices and robot-related products were on a recovery trend. However, due to concerns over the U.S.-China conflict, some uncertainty still remains over the future economic outlook. As a result, sales in the Chinese market increased 4.4% year on year to 143 million yen. In other areas, our Thai subsidiary conducted sales-expansion activities for automation equipment and robot-related equipment. In neighboring countries, while promoting sales-

expansion activities for semiconductor production equipment, we also launched products for the liquid crystal-related equipment industry. In Thailand, we actively launched products for the food industry and automobile-related equipment. In addition, as the COVID-19 pandemic became increasingly severe, our U.S. subsidiary engaged in sales-expansion activities

**Q2** Please describe your performance forecasts and major initiatives for the fiscal year ending December 31, 2021.

For the fiscal year ending December 31, 2021, we expect to record consolidated net sales of 2,200 million yen, consolidated ordinary income of 288 million yen and profit attributable to owners of parent of 189 million yen. To achieve these targets, we will execute the following initiatives.

With regard to sales and development activities, as a manufacturer of vacuum equipment, we will forge ahead with fundamental research and new product development specifically focusing on vacuum absorption equipment. Due to the trend of promoting automation in consideration of production efficiency, demand for robots for various types of factory automation is expected to increase. Accordingly, we shall continue working on initiatives aimed at the future,

**Q3** Finally, please provide your message to shareholders.

To fulfill the expectations of our shareholders and other stakeholders, the Group will continue to seek sustainable growth and enhance its corporate value. To achieve this, we will actively promote new product development and market introduction, which is the basis for manufacturers. Regarding the distribution of profits to shareholders, we make it a basic policy to ensure returns to shareholders according to business results, with a target payout ratio of 25% on a consolidated basis.

at existing stores, amid the impact of self-restraint on operating activities. As a result, sales decreased 15.2% year on year to 120 million yen.

In terms of profitability, consolidated ordinary income rose 55.8% year on year to 357 million yen and profit attributable to owners of parent increased 65.7% year on year to 244 million yen.

through the development of the Robot Hand that utilizes the Company's vacuum absorption technology and the development of environmentally-friendly electrification products. As global development utilizing overseas subsidiaries is necessary for expanding sales, we will promote and implement initiatives aimed at expanding sales in each overseas region, with an overseas sales ratio of 50% as our target.

On the manufacturing side, we will make capital investments actively, in order to increase the efficiency of manufacturing and to achieve labor reduction. In this fiscal year, we will construct a new factory building for the manufacturing and product center of vacuum pads at the Iwate Office, raise the efficiency of manufacturing and shipment operations, and introduce automation equipment in the manufacturing process. In addition, we will replace our in-house core system, in order to further improve the efficiency of manufacturing.

In line with this policy, for the 70th term, we would like to propose an annual dividend of 40.00 yen, consisting of an interim dividend of 20.00 yen per share and a year-end dividend of 20.00 yen per share.

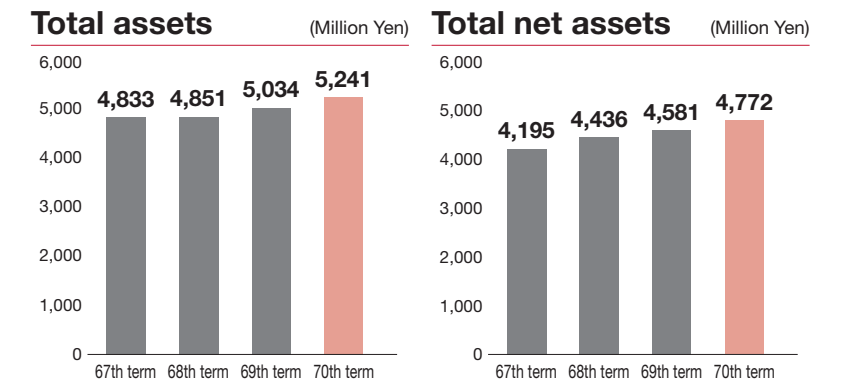
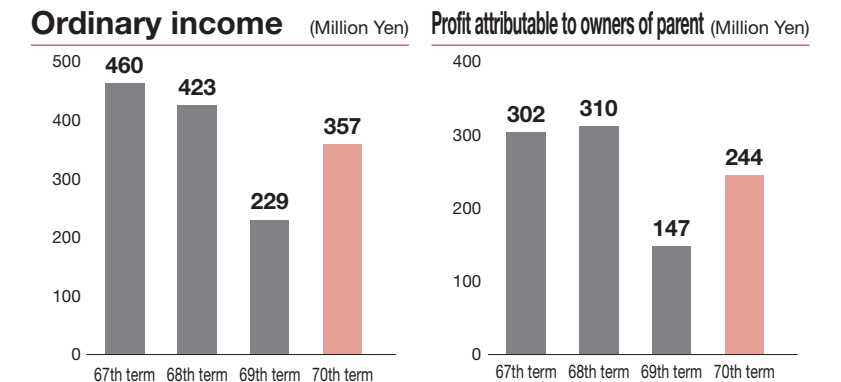
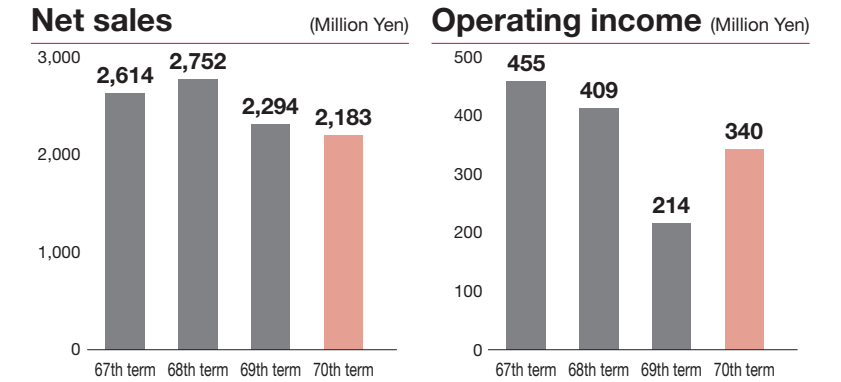
On January 1, 2022, we will change our trade name to Convum Ltd., and make further progress in our efforts to establish our company as a global brand. We will devote our full energies to achieving management objectives to meet the expectations of all of our shareholders, and therefore sincerely ask for the continued and unwavering support and cooperation of our shareholders.

**Net sales**  
**2,183 million yen** ↘  
(a year-on-year down 4.8%)

**Operating income**  
**340 million yen** ↗  
(a year-on-year increase 58.8%)

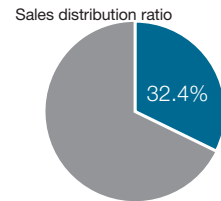
**Ordinary income**  
**357 million yen** ↗  
(a year-on-year increase 55.8%)

**Profit attributable to owners of parent**  
**244 million yen** ↗  
(a year-on-year increase 65.7%)



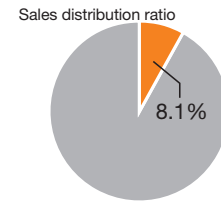
(Note) We have applied Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. (ASBJ Statement No. 28, Accounting Standards Board of Japan, Feb. 16, 2018) from the beginning of the 69th term, and have applied them retroactively to the figures for the 68th term.

## CONVUM ejectors Net sales: 707 million yen



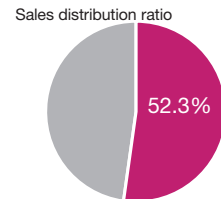
Consolidated net sales of this product segment for the year under review amounted to 707 million yen due to a decrease in new demand for various types of automation equipment, including semiconductor production equipment, and a reduction in maintenance demand due to a decrease in production, stemming from a global decrease in capital investment demand. The sales distribution ratio of this product segment was 32.4% of overall product sales, down 0.1 percentage points year on year.

## Pressure sensors Net sales: 176 million yen



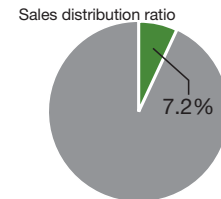
Although demand for semiconductor production equipment had decreased, there were signs of gradual recovery. As a result, consolidated net sales of this product segment for the year under review amounted to 176 million yen. The sales distribution ratio was 8.1% of overall product sales, up 0.4 percentage points year on year.

## Vacuum pads Net sales: 1,142 million yen



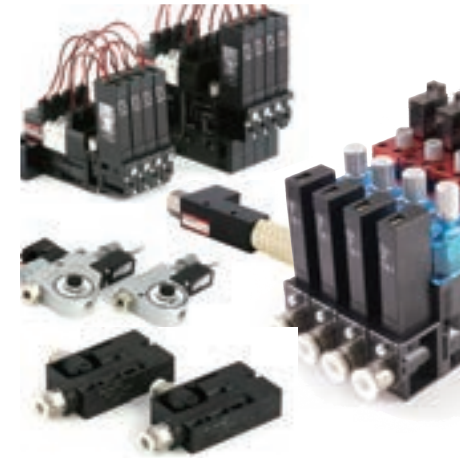
Due to the effects of decreased demand for capital investment and worsening equipment utilization rates, maintenance demand slumped. Although we expanded the number of new product launch in robot-related industries, consolidated net sales for the year under review amounted to 1,142 million yen. The sales distribution ratio of this product segment was 52.3% of overall product sales, up 2.3 percentage points year on year.

## FA equipment and others Net sales: 157 million yen



For general equipment, such as vacuum-related equipment and vacuum pumps, net sales were down year on year, due to decreased demand for new equipment and a decline in the utilization rate of various automation equipment. As a result, consolidated net sales of this product segment for the year under review amounted to 157 million yen. The sales distribution ratio of this product segment was 7.2% of overall product sales, down 2.6 percentage points year on year.

## CONVUM®



CONVUM® is a vacuum generator that uses compressed air to generate suction (negative pressure). Compressed air is released (ejected) from the nozzle, therefore earning the name “ejector” or “ejector pump.”

### About CONVUM®

CONVUM is a coined word, created by using the imagery of generating **vacuum** using compressed air from a **com**pressor as well as of a device that can control vacuum.

CONVUM® is a registered trademark of the Company.

## SENSOR



Pressure Sensor measures a pressure displacement with internal pressure-sensitive element, then converts and outputs electrical signal. Our company's pressure sensors, which focus on air pressure, are used for a variety of applications including suction confirmation, seating confirmation, and source pressure management.

## PAD

The pad is a product that utilizes the suction (negative pressure) obtained from a vacuum generator, such as CONVUM®, to adsorb and lift workpieces (adsorbate). Other than the “pad,” it is also called “vacuum pad,” “suction pad,” “suction cup,” or “cup.” The pad acts as that of a human “hand” or “finger.”



## Robot-hand



Robot Hand can be fitted to various types of robots. Customers can use Robot Hand right away without any special designs, as we have prepared a wide range of flanges to fit many types of robots made by various robot manufacturers.

As factory automation equipment, our products are incorporated into various manufacturing processes and equipment for various industries.



Mounting/Pressing



Adsorption conveyance of foods



The Myotoku Group's products and technologies are deployed in an extensive range of industrial applications on production sites, contributing to the automation of production processes and enhancing the quality of products.

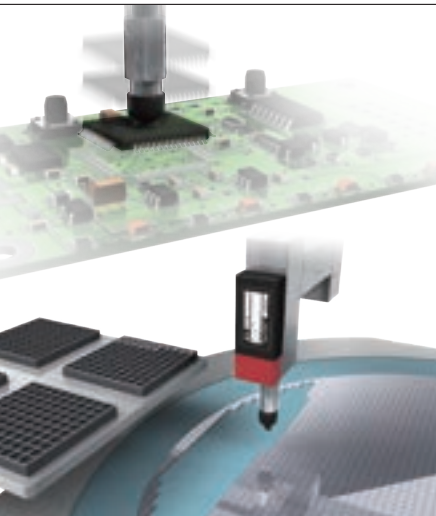
Non-contact conveyance



Making boxes out of packaging materials



Adsorption conveyance of IC chips



## Topics From Myotoku Ltd. to Convum Ltd.

On January 1, 2022, the Company will change its trade name from "Myotoku Ltd." to "Convum Ltd."

Since its release, our mainstay product, the "ejector-type vacuum generator," has gained favor with customers over the years under the name "CONVUM." As we mark the 70th anniversary of the Company, we aim to establish our corporate brand, and become a company that is widely recognized even beyond the borders of the industry, by changing our trade name to one that is recognized in the industry.



\*Lineup of "CONVUM" at the time of its initial release



\*Robot Hand with mini pump installed, that is environmentally-friendly



\*An exhibition in the 1970s  
Initial release of vacuum generator "CONVUM" and vacuum pads  
Promoting the automation of manufacturing



\*A recent exhibition  
From general automation equipment to the era of robots

## Topics Constructing a new factory building at the Iwate Office

The Company will construct a new factory building for the manufacturing factory and product center of vacuum pads, a mainstay product, with December 2021 as the scheduled completion date. By newly constructing an additional factory next to the main factory and implementing improvement construction of production lines from the molding stage of vacuum pad rubber to its shipment, we can enhance our production efficiency and reinforce our production capabilities. At the new factory, an automated line for the manufacturing process of vacuum pad rubber, which used to be a manual process, will be installed, and various types of automation equipment will be introduced, including a new hydraulic press machine for molding vacuum pad rubber, a molding machine for injection molding, and a robot that retrieves the product after pressing and molding.

In addition, we will conduct the relocation of the product center line (shipment process), so as to improve and raise the efficiency of the process from manufacturing to shipment.



\*Image of new factory building

## Consolidated Balance Sheet

(Unit: Thousand yen)

Accounts	69th term As of December 31, 2019	70th term As of December 31, 2020
<b>Assets</b>		
Current assets	2,743,094	3,002,856
Fixed assets	2,290,943	2,238,550
Total assets	5,034,038	5,241,407
<b>Liabilities</b>		
Current liabilities	300,585	310,216
Long-term liabilities	151,955	158,349
Total liabilities	452,541	468,565
<b>Net Assets</b>		
Shareholders' equity	4,404,217	4,614,073
Accumulated other comprehensive income	147,091	131,202
Share subscription rights	1,810	—
Non-controlling interests	28,377	27,564
Total net assets	4,581,497	4,772,841
Total liabilities and net assets	5,034,038	5,241,407

## Consolidated Statement of Cash Flows

(Unit: Thousand yen)

Accounts	69th term January 1, 2019 to December 31, 2019	70th term January 1, 2020 to December 31, 2020
Cash flows from operating activities	626,820	508,705
Cash flows from investing activities	(153,866)	(210,374)
Cash flows from financing activities	(52,172)	(35,053)
Effects of exchange rate changes on cash and cash equivalents	(4,058)	(2,651)
Increase (decrease) in cash and cash equivalents	416,722	260,625
Cash and cash equivalents at beginning of fiscal year	1,212,207	1,628,930
Cash and cash equivalents at end of fiscal year	1,628,930	1,889,555

## Consolidated Statement of Income

(Unit: Thousand yen)

Accounts	69th term January 1, 2019 to December 31, 2019	70th term January 1, 2020 to December 31, 2020
Net sales	2,294,628	2,183,479
Gross profit	1,234,553	1,227,739
Selling, general and administrative expenses	1,020,367	887,512
Operating income	214,186	340,226
Ordinary income	229,606	357,728
Income before income taxes and minority interests	222,970	356,396
Profit	151,542	245,596
Profit attributable to non-controlling interests	3,692	665
Profit attributable to owners of parent	147,849	244,931

## Consolidated Statement of Comprehensive Income

(Unit: Thousand yen)

Accounts	69th term January 1, 2019 to December 31, 2019	70th term January 1, 2020 to December 31, 2020
Profit	151,542	245,596
Other comprehensive income:		
Valuation difference on available-for-sale securities	65,024	(15,959)
Foreign currency translation adjustments	(19,718)	(1,406)
Total other comprehensive income	45,305	(17,366)
Total comprehensive income for the year	196,848	228,230
Total other comprehensive income attributable to:		
Owners of the parent company	191,551	229,042
Comprehensive income attributable to non-controlling interests	5,297	(812)

## Corporate Information

Company name	Myotoku Ltd.
Establishment	April 16, 1951
Capital stock	¥748,125,000
Address of head office	2-6-18 Shimomaruko, Ota-ku, Tokyo 146-0092 Tel: +81-3-3759-1491
Domestic offices	Iwate, Tokyo, Osaka, Nagoya, Fukuoka
Consolidated subsidiaries	MYOTOKU CONVUM CHINA Co., Ltd. CONVUM KOREA Co., Ltd. CONVUM (THAILAND) Co., Ltd. CONVUM USA, INC.
Number of employees	122 (Consolidated number of employees)
Stock exchange	JASDAQ Stock Exchange, Tokyo Securities Exchange
Accounting auditor	Crowe Toyo & Co.

## Officers (As of March 24, 2021)

President and Representative Director	Koji Ise
Director	Yutaka Sato
Director	Yoichi Izumi
Director	Takashi Ouchi *
Director	Tatsuo Sugiyama *
Full-Time Corporate Auditor	Yasuhiro Tomita
Corporate Auditor	Tsutomu Tomoda *
Corporate Auditor	Hirokazu Makimura *

Note: The persons with asterisks are outside directors or outside corporate auditors.

## Stock Information

Number of authorized shares	Number of issued shares	Number of shareholders
6,600,000	1,657,000 (Of which treasury stock: 100,416 shares)	1,000 (An increase of 117 from the previous term-end)

## Major Shareholders

Shareholder	Number of shares held	Ratio of shareholding
Ise Kosan Co., Ltd.	282,760	18.17
Sugako Ise	126,020	8.10
Koji Ise	82,410	5.29
Izumo Sangyou Corporation	52,000	3.34
HIKARI TSUSHIN, INC.	45,100	2.90
Myotoku Employees' Stock Association	41,750	2.68
Yuki Okabe	37,700	2.42
MTAsia Corporation	36,000	2.31
Shinichi Kamiya	30,700	1.97
NICHIDEN Corporation	28,000	1.80

(Notes) 1. Although the Company holds treasury stock, it is excluded from the list of "Major Shareholders" above.  
2. The number of treasury stock is deducted from the number of issued shares in calculating the ratio of shareholding.

## Share Price

Share Price (Yen) Trading Volume (thousand shares)

