

**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**

Standard Market, Tokyo Securities Exchange

**Public notice method**

On-line public notice.

Publication at URL <https://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.

# 73rd Term Business Report

January 1, 2023 ▶ December 31, 2023



**PALLETCHER**

- Hand unit for palletizing with robots, etc.
- Variations for cardboard boxes and bags

PALLETCHER SGP-H2 series for bags

**CONVUM Ltd.**

TSE: 6265



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.

We are pleased to present our results for the 73rd term from January 1, 2023 to December 31, 2023.

We also take this opportunity to express our sincere appreciation to our shareholders for their support.

March 2024

President and Representative Director

### Looking to the Next Generation

In the transition period from living with COVID-19 to the post-COVID-19 era, the environment surrounding us has transformed dramatically. Not only the market, but also manufacturing technology, sales techniques and product marketing methods are undergoing significant change. Our 74th term has begun. We are facing the challenges of the next 10 or 20 years with new ideas and strategies at hand to increase CONVUM's brand value and expand our market. With all of our employees constantly working together in solidarity around the meaning of "greater value" as expressed in our management philosophy, we are committed to working with our customers and shareholders to build the next generation of CONVUM. We look forward to your continued patronage in the years to come.

### Top Interview

**Q1** — Please describe the business results of the 73rd term.

The Group's consolidated net sales for the 73rd term amounted to 1,924 million yen, a decrease of 19.2% year on year. In the Japanese market, after a favorable performance in the previous year, there was a marked decline in demand for semiconductor production equipment and maintenance, and orders received for vacuum equipment and vacuum pads declined. Demand for products related to the Robot Hand was brisk amid the trends toward labor reduction and automation in production facilities, and we expanded sales activities centering on capturing new customers. The Company's net sales amounted to 1,566 million yen, a decrease of 15.1% year on year.

Overseas, in the South Korean market, the special demand in the semiconductor sector that had continued until the first half of last year settled down, so we expanded sales activities centering on products related to solar panels, camera lenses, and secondary batteries, and expanded second-brand products through local production, responding to user needs amid price competition. With this, sales in the South Korean market decreased 15.0% year on year to 369 million yen. In the Chinese market, after the lifting of the zero-COVID policy, an internal demand-led recovery of the economy did not eventuate, and with recovery of production kept low by the tightening of semiconductor export restrictions by the U.S., sales in the Chinese market decreased 23.5% year on year to 88 million yen. In Thailand, we continued to promote sales expansion activities for automation equipment, including in neighboring countries, and actively launched products for automobile-related

#### Management Philosophy

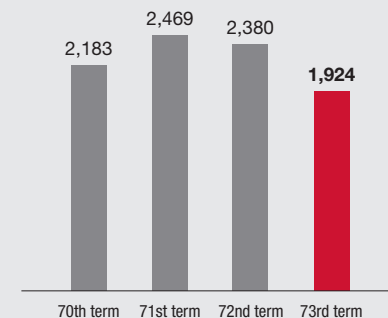
Caring about people and making great efforts to weave together our creative ideas with the requirements of our customers, while contributing greater value to society.

#### Corporate Mission

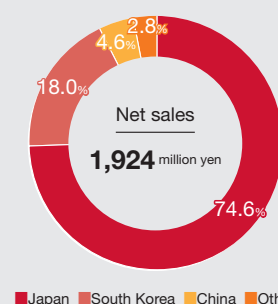
- Caring about our customers.
- Offering each of our employees optimum working conditions and working environment.
- Carrying out development by the integration of individual ideas and customers requirements.
- Promoting alliances with other companies, and sharing the benefits obtained from it.
- Transparency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

### Consolidated Financial Highlights

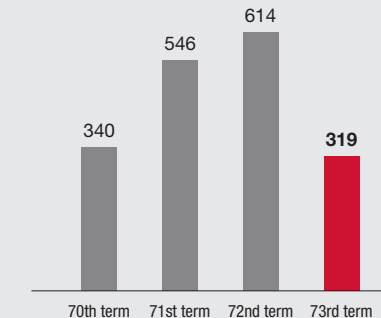
#### Net sales (million yen)



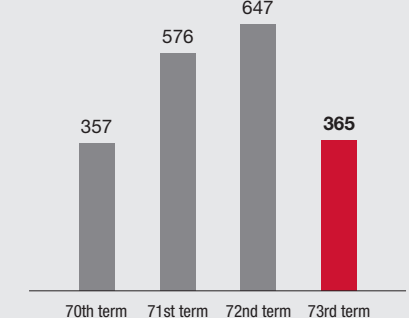
#### Sales distribution by region



#### Operating income (million yen)



#### Ordinary income (million yen)



Top Interview

and food-related equipment. Sales in these other markets decreased by 33.6% year on year to 45 million yen.

In terms of profitability, although we pursued the reform of overall expenses through efforts to reduce manufacturing costs and optimize inventory levels, consolidated operating income fell 47.9% year on year to 319 million yen, and consolidated ordinary income fell 43.6% to 365 million yen, while profit attributable to owners of parent decreased 48.2% year on year to 237 million yen.

CONVUM USA, INC., which had been a consolidated subsidiary of the Company, declined in importance with the progress in winding-up procedures, and MYOTOKU CONVUM CHINA CO., LTD. was sold. As a result, these two companies were removed from the scope of consolidation from the fiscal year under review.

**Q 2 — Please describe your performance forecasts and major initiatives for the fiscal year ending December 31, 2024.**

For the 74th term, we expect to record consolidated net sales of 1,814 million yen, consolidated ordinary income of 305 million yen, and profit attributable to owners of parent of 220 million yen. To achieve these targets, we will execute the following initiatives.

We will forge ahead with fundamental research and new product development specifically focusing on our unique vacuum absorption equipment. Demand is forecast to continue to rise for vacuum pads, our main product. Therefore, with respect to these vacuum pads and against the backdrop of demand for automation in all types of production facilities, we will promote the automation of

production processes, improve production efficiencies, and work to ensure stable quality and reduced costs.

Furthermore, in response to the growing demand for robots in recent years, we will continue working on initiatives aimed at the future, such as the development of the Robot Hand, which utilizes the Company's vacuum absorption technology, the development of environmentally friendly electric products, and the development of products for the food sector.

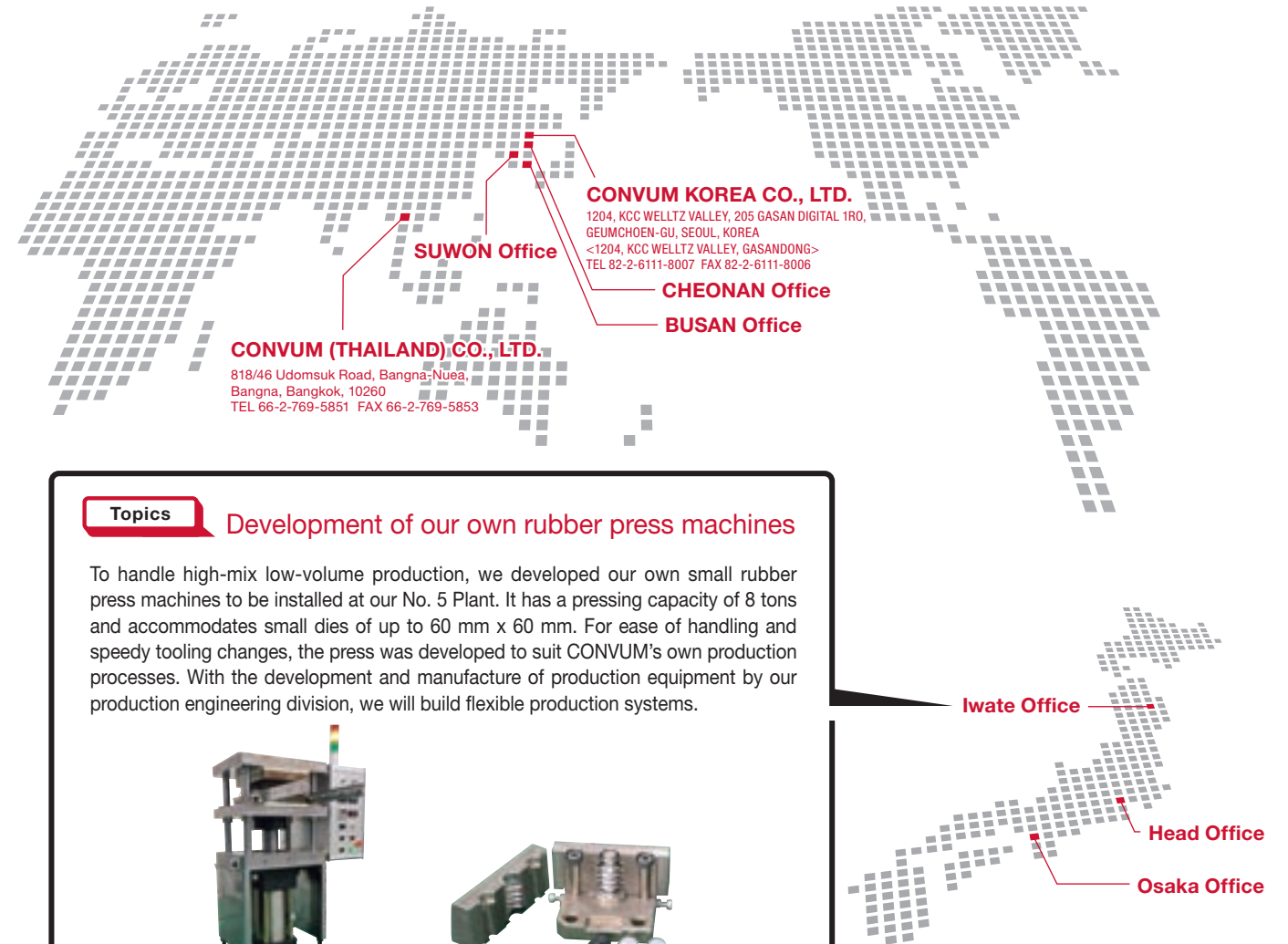
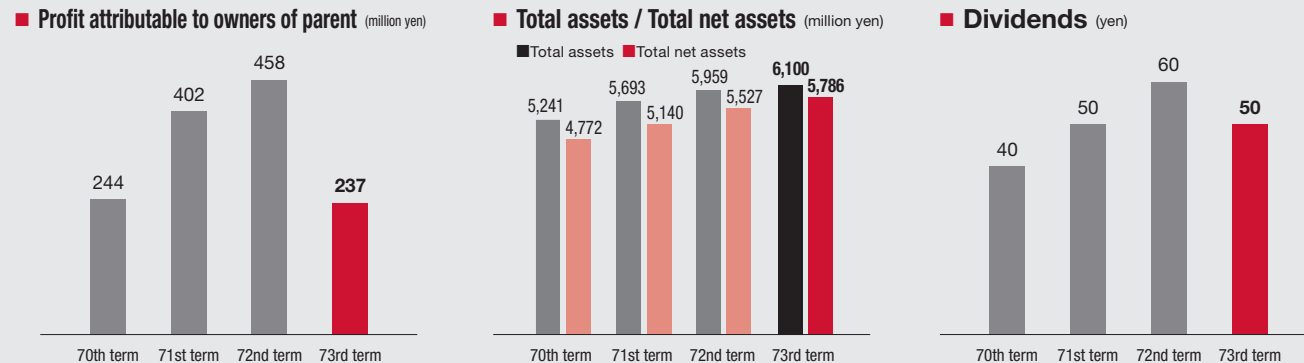
**Q 3 — Finally, please provide your message to shareholders.**

To fulfill the expectations of our shareholders and other stakeholders, the Group will continue to seek sustainable growth and enhance its corporate value. As a development-oriented company, we will actively promote the development and commercial launch of attractive new products and contribute as a company that is trusted by local communities through manufacturing.

Regarding the distribution of profits to shareholders, we make it a basic policy to ensure returns to shareholders based on business results and consideration of the need to secure resources to fund investment for the future.

Pursuant to this policy, regarding dividends for the 73rd term, we propose an annual dividend of 50.00 yen per share, consisting of an interim dividend of 25.00 yen per share and a year-end dividend of 25.00 yen per share.

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.



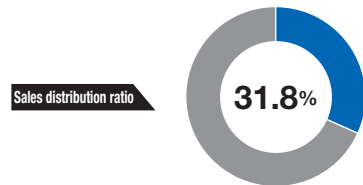
**Topics Development of our own rubber press machines**

To handle high-mix low-volume production, we developed our own small rubber press machines to be installed at our No. 5 Plant. It has a pressing capacity of 8 tons and accommodates small dies of up to 60 mm x 60 mm. For ease of handling and speedy tooling changes, the press was developed to suit CONVUM's own production processes. With the development and manufacture of production equipment by our production engineering division, we will build flexible production systems.



CONVUM ejectors

Net sales **611 million yen**



Consolidated net sales of this product segment for the year under review were 611 million yen due to a reduction in new equipment stemming from the global shortage of semiconductors and electrical components, as well as the weakened demand for maintenance resulting from production adjustments for semiconductor production equipment and various types of automation machinery. The sales distribution ratio of this product segment was 31.8% of overall product sales, down 17 percentage points year on year.

# EJECTOR (CONVUM)

Ejectors are vacuum generators that use compressed air to generate suction. They are so named because compressed air is released (ejected) from the nozzle.

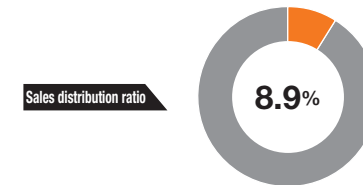


## About CONVUM

CONVUM is a coined word, created by using the imagery of generating vacuum using compressed air from a compressor as well as of a device that can control vacuum. CONVUM is a registered trademark of the Company.

Pressure sensors

Net sales **170 million yen**



Demand weakened due to the reduction in demand for semiconductor production equipment. As a result, consolidated net sales for the year under review amounted to 170 million yen. The sales distribution ratio of this product segment was 8.9% of overall product sales, down 23.4 percentage points year on year.

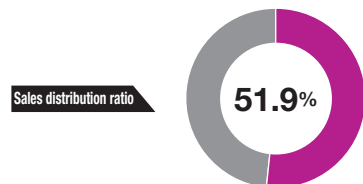
# SENSOR

Pressure sensors measure the pressure displacement with an internal pressure-sensitive element, then convert and output an 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.



Vacuum pads

Net sales **998 million yen**



Although demand for capital investment has decreased, there has been large-scale demand especially for semiconductor production equipment, as production activity at existing installations increased. Consolidated net sales for the year under review were 998 million yen, partly due to growth in demand for new products targeting robot-related industries. The sales distribution ratio of this product segment was 51.9% of overall product sales, down 19.8 percentage points year on year.

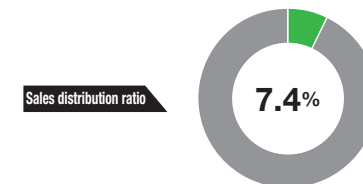
# PAD

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



FA equipment and others

Net sales **142 million yen**



Demand weakened due to a decrease in demand for new equipment in various automation equipment. As a result, consolidated net sales for the year under review amounted to 142 million yen. The sales distribution ratio of this product segment was 7.4% of overall product sales, down 18.3 percentage points year on year.

# 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.

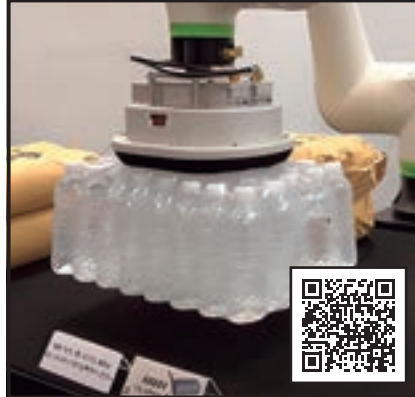
Conveyance of food with COP (Bernoulli Type End-Effector)



Adsorption of aluminum with PK2 high-durability pad



Conveyance of shrink-wrapping with SGP-H2



Adsorption of food (naked products) with vacuum pad designed to accommodate Food Sanitation Act (FSA)



The CONVUM 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.

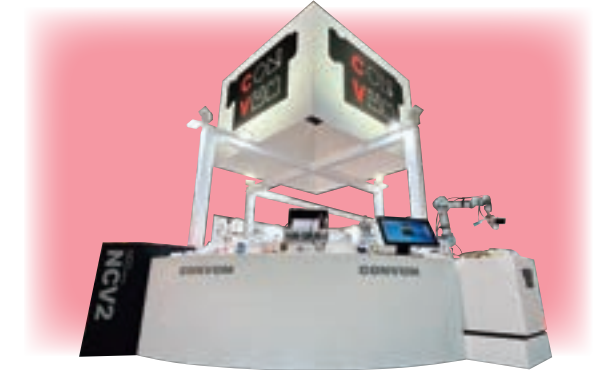
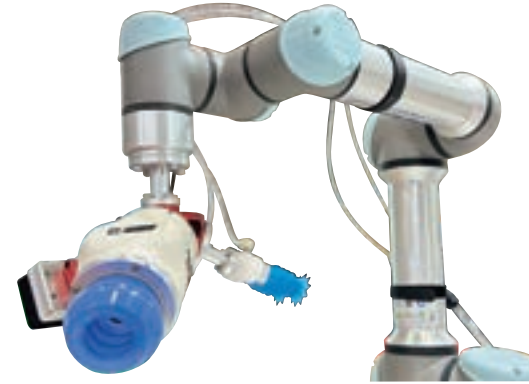


Key Point!

We have expanded our product range beyond the semiconductor and automotive component sector to cater to the automation of food processing plants. These efforts began with the adoption of hygienic materials (FSA-compliant, antimicrobial materials) for our vacuum pads, and we now have an expanded line-up of products for different industries. This includes the MVE series of vacuum devices, the main body of which is made entirely of SUS304, and which can be completely disassembled for washing.

Topic 1

Participation in the INTERNATIONAL ROBOT EXHIBITION 2023



We participated in the INTERNATIONAL ROBOT EXHIBITION at the end of November 2023. As a specialist manufacturer of hands (parts that grip objects) for robot manufacturers in Japan and overseas, in addition to our vacuum generator ejectors and vacuum pads, we exhibited connectors for attaching them to robots, and received recognition as the manufacturer of Robot Hand.

Topic 2

April 2023 – Participation in the Niconico Chokaigi



We participated in Niconico Chokaigi, hosted by DWANGO Co. Ltd. using it as an opportunity to raise our corporate profile, including IR, among young people and to give the general public the chance to see robots with their own eyes. We also intend to participate in April 2024.

Consolidated Balance Sheet (Unit: Thousand yen)		
Accounts	72nd term As of December 31, 2022	73rd term As of December 31, 2023
<b>Assets</b>		
Current assets	3,367,611	3,452,678
Fixed assets	2,592,235	2,647,696
Total assets	5,959,846	6,100,375
<b>Liabilities</b>		
Current liabilities	304,500	159,649
Long-term liabilities	128,247	153,815
Total liabilities	432,748	313,464
<b>Net Assets</b>		
Shareholders' equity	5,327,722	5,471,811
Accumulated other comprehensive income	159,306	269,350
Non-controlling interests	40,069	45,749
Total net assets	5,527,097	5,786,911
Total liabilities and net assets	5,959,846	6,100,375

Consolidated Statement of Cash Flows (Unit: Thousand yen)		
Accounts	72nd term January 1, 2022 to December 31, 2022	73rd term January 1, 2023 to December 31, 2023
Cash flows from operating activities	676,894	460,566
Cash flows from investing activities	(224,229)	(185,614)
Cash flows from financing activities	(77,594)	(92,763)
Effects of exchange rate changes on cash and cash equivalents	16,417	18,285
Increase (decrease) in cash and cash equivalents	391,487	200,474
Cash and cash equivalents at beginning of fiscal year	1,841,278	2,232,765
Cash and cash equivalents at end of fiscal year	2,232,765	2,433,239

Consolidated Statement of Income (Unit: Thousand yen)		
Accounts	72nd term January 1, 2022 to December 31, 2022	73rd term January 1, 2023 to December 31, 2023
Net sales	2,380,655	1,924,052
Gross profit	1,325,685	983,637
Selling, general and administrative expenses	711,553	663,807
Operating income	614,132	319,829
Ordinary income	647,888	365,489
Income before income taxes and minority interests	651,931	349,544
Profit	462,816	236,824
Profit attributable to non-controlling interests	4,024	(657)
Profit attributable to owners of parent	458,791	237,481

### Highlights of the results for the 73rd term

- ✔ Consolidated net sales decreased by 19.2% year on year to 1,924 million yen while consolidated ordinary income decreased by 43.6% to 365 million yen as a result of focusing on sales of products for semiconductor-related equipment and robot-related products for the logistics and food industries
- ✔ Fixed assets increased by 55 million yen from the end of the previous consolidated fiscal year to 2,647 million yen, mainly due to an increase of 163 million yen in investments and other assets, despite decreases of 82 million yen in property, plant and equipment and 25 million yen in intangible assets
- ✔ Total net assets amounted to 5,786 million yen, mainly due to a 144 million yen increase in retained earnings, and the shareholders' equity ratio was 94.1%

Corporate Information	
Company name	CONVUM Ltd.
Establishment	April 16, 1951
Capital stock	¥748,125,000
Address of head office	2-6-18 Shimomaruko, Ota-ku, Tokyo
Domestic offices	Iwate, Tokyo, Osaka
Consolidated subsidiaries	CONVUM KOREA CO., LTD. CONVUM (THAILAND) CO., LTD.
Number of employees	86 (Consolidated number of employees)

Officers (As of March 22, 2024)	
President and Representative Director	Koji Ise
Director	Yutaka Sato
Director	Takayuki Kunimatsu
Director	Tatsuo Sugiyama *
Full-Time Corporate Auditor	Shinichi Sato
Corporate Auditor	Tsutomu Tomoda *
Corporate Auditor	Hirokazu Makimura *

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

Status of Shares		
Number of authorized shares	Number of issued shares	Number of shareholders
6,600,000	1,657,000 (Of which treasury stock: 100,448 shares)	1,033 (A decrease of 17 from the previous term-end)

Major Shareholders		
Shareholder	Number of shares held	Ratio of shareholding
Ise Kosan Co., Ltd.	282,760	18.18
Sugako Ise	126,020	8.10
Koji Ise	82,410	5.29
Izumo Sangyou Corporation	53,300	3.42
HIKARI TSUSHIN, INC.	45,100	2.90
MTAsia Corporation	36,000	2.31
Shinichi Kamiya	35,100	2.25
NICHIDEN Corporation	28,000	1.80
Atsushi Ogawa	26,700	1.71
Saburo Ise	25,325	1.62

(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.

Our  
website



We update our investor relations and other corporate information on the website as needed, and invite you to check back regularly.

<https://convum.co.jp>

