



**UNISOL**

**First Quarter of FY2024  
Earnings Presentation**

May 2024

**MARUKA FURUSATO Corporation**

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# 01

## Consolidated Financial Results



# First Quarter of FY2024 Consolidated Financial Results Summary

## Net sales

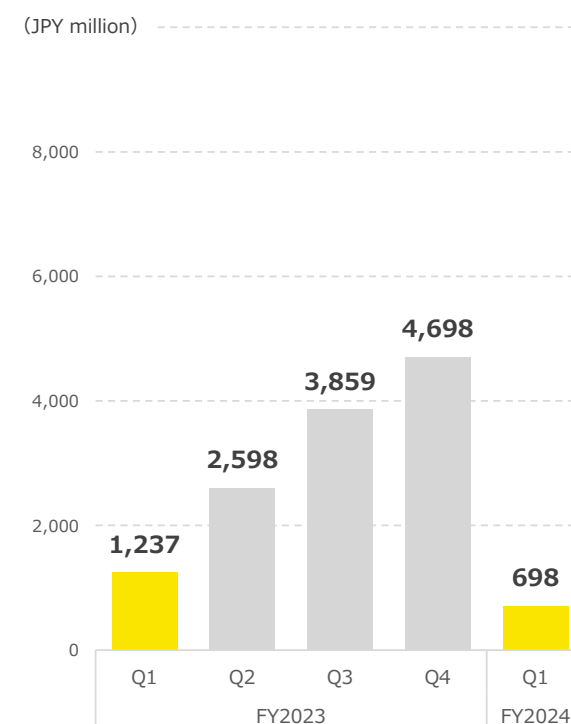
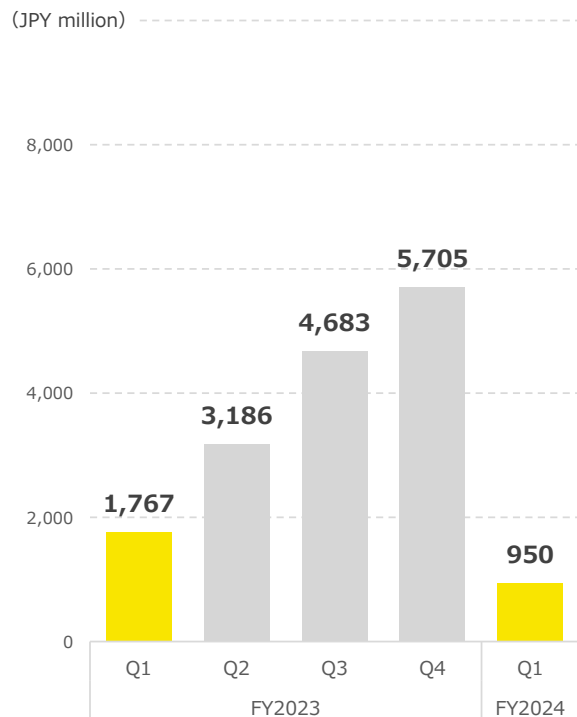
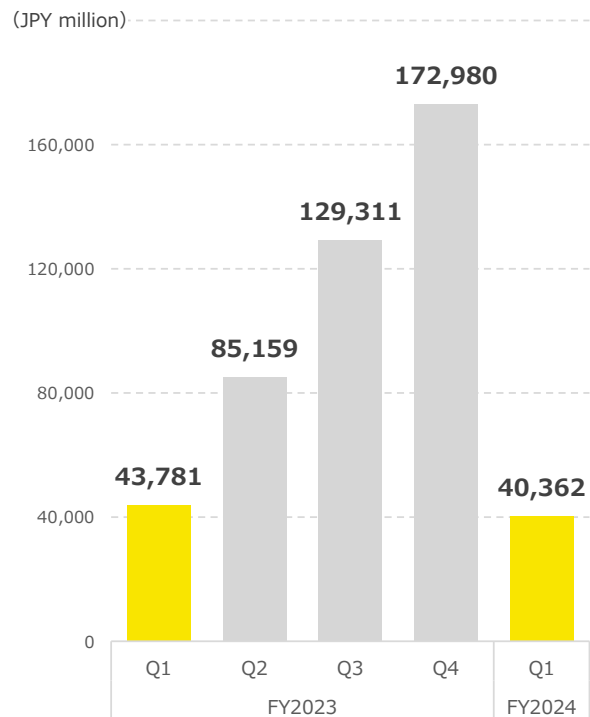
**40,362** million yen  
Year on year : 92.2%

## Operating profit

**950** million yen  
Year on year : 53.8%

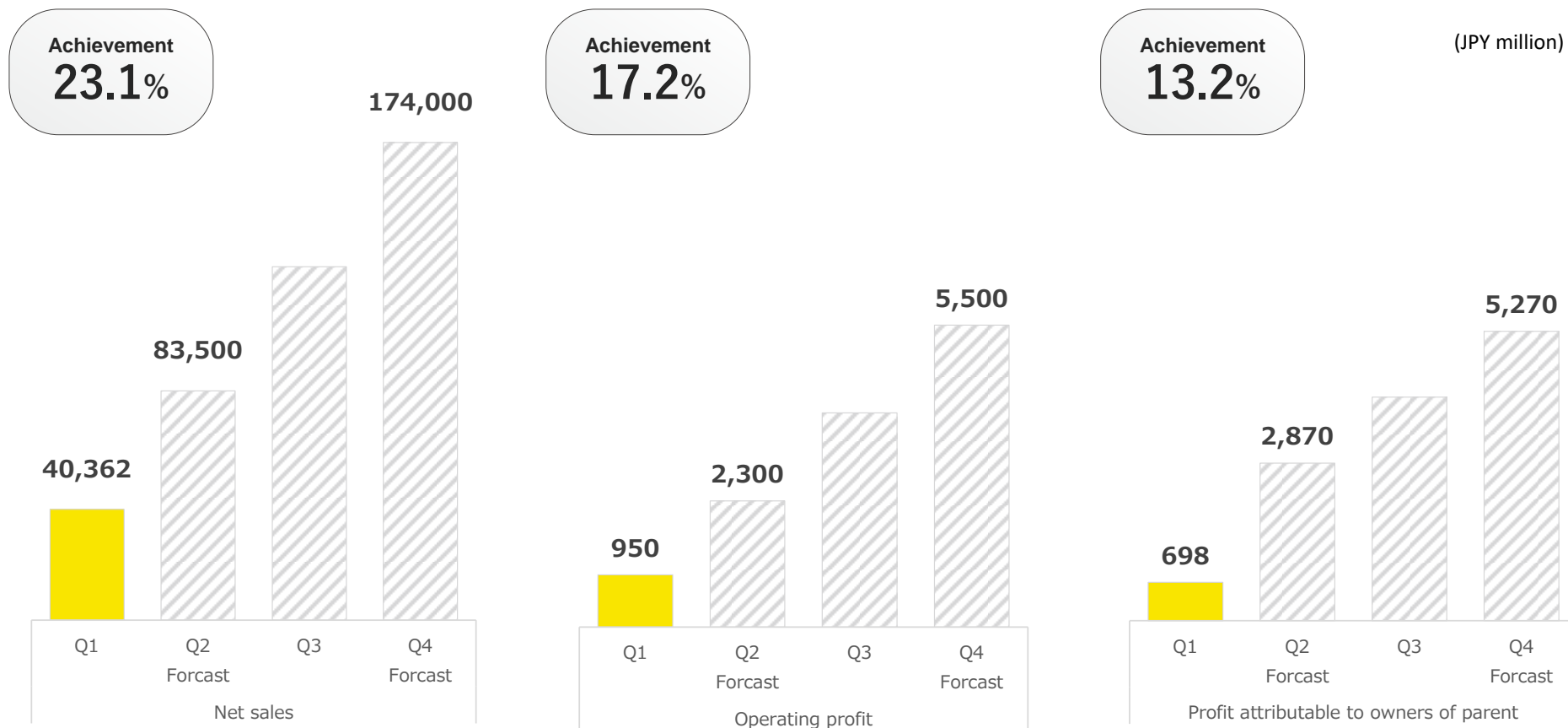
## Profit attributable to owners of parent

**698** million yen  
Year on year : 56.4%



# Consolidated Profit and Loss (in contrast with the full-year forecast)

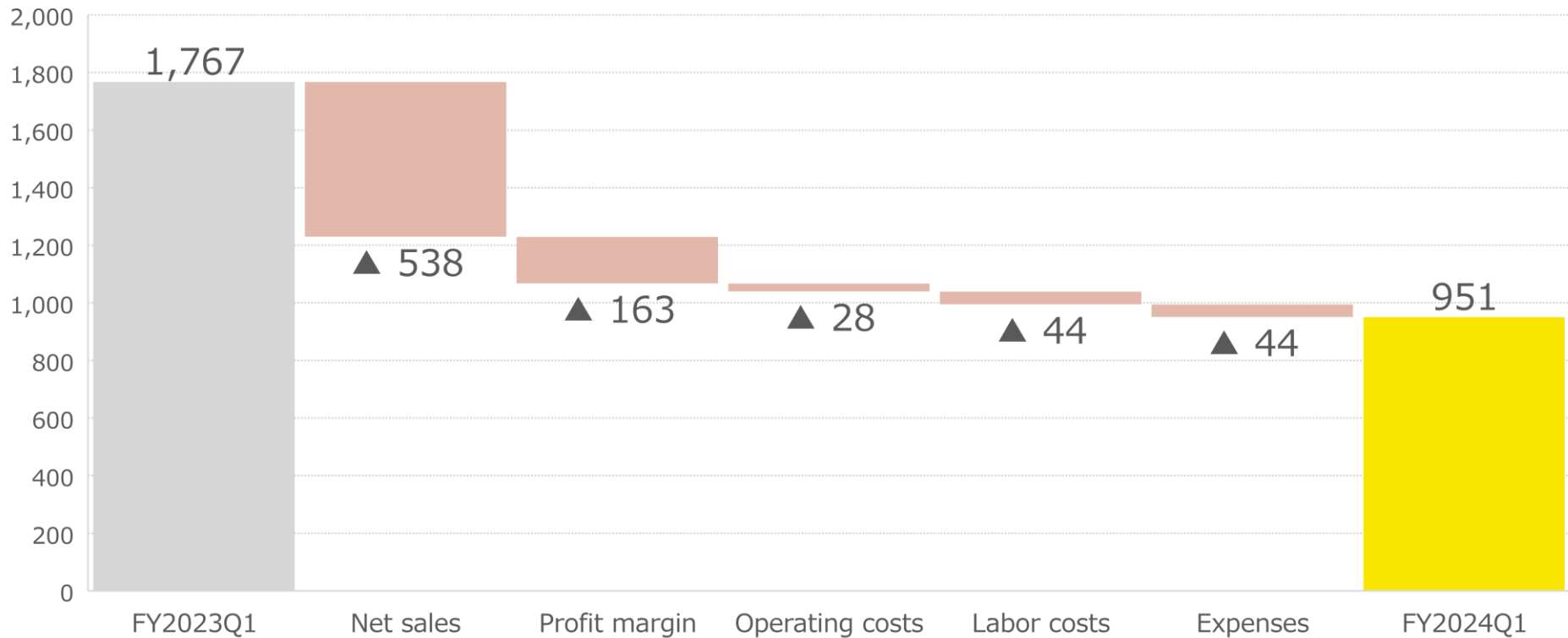
- **Net sales:** Sales of Machinery & Tools and Construction Products fell below expectations due to negative results from the previous year.
- **Operating profit:** Low progress rate due to lower net sales and lower profit margin.
- **Profit:** Progress rate further declined due to the incorporation of extraordinary income in Q2 forecast.



# Factors Affecting Operating Profit (Year on year)

- **Net sales:** Decreased by 12.1% in Machinery & Tools, and 5.6% in Construction Products.
- **Profit margin:** Construction Products declined due to factors such as a decline in plant operating rates.
- **SG&A expenses:** Increased by 6.8% in operating expenses, 1.4% in labor costs, and 3.0% in expenses.

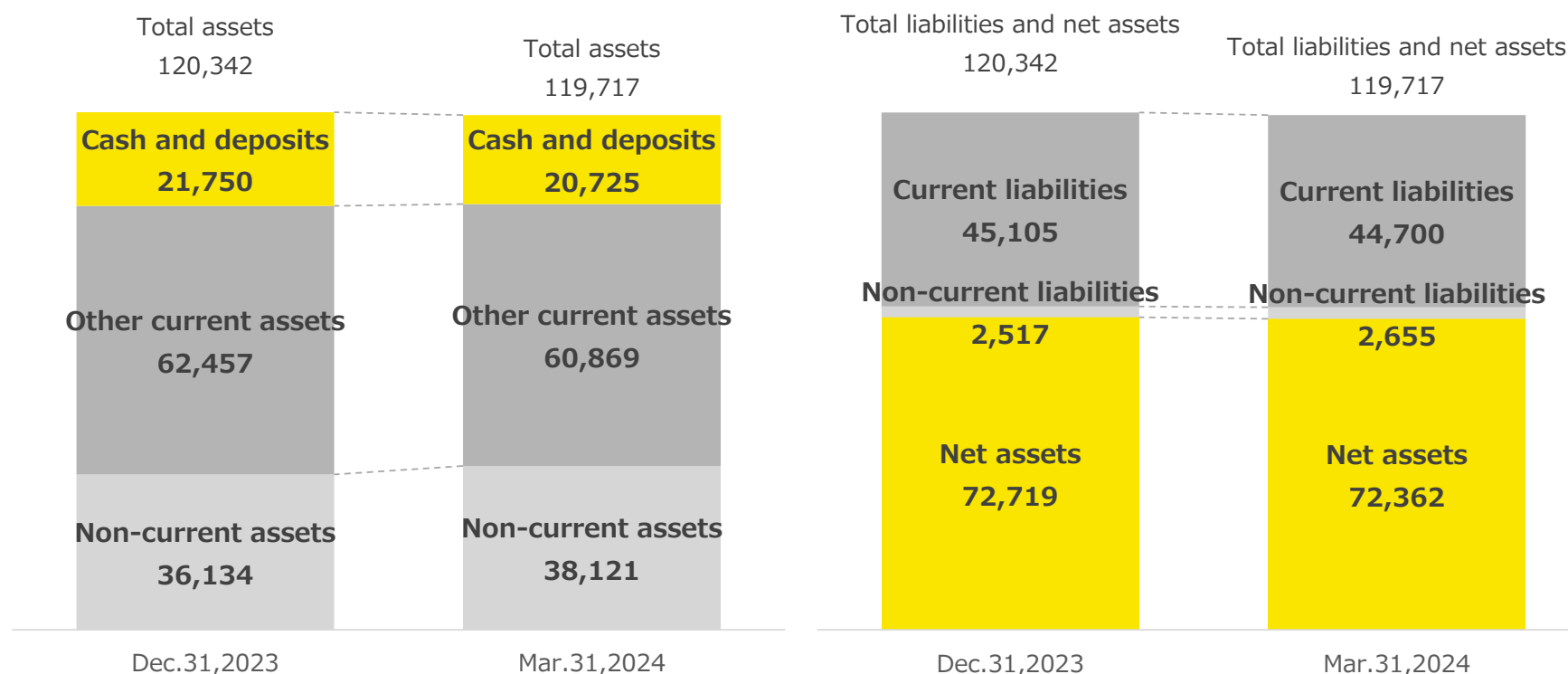
(JPY million)



# Consolidated Balance Sheet

- **Current assets:** Cash and deposits, notes receivable, and electronically recorded monetary claims decreased due to decrease in sales, etc.
- **Non-current assets:** Construction in progress increased due to ULCO, etc., and the fair value of available-for-sale securities increased.
- **Total net assets:** Retained earnings decreased due to dividends of retained earnings.  
Equity-to-asset ratio: 59.7%

(JPY million)





# 02

## Segments



# Characteristics of Segments

## Machinery and Tools

A machinery technology trading company with the technical skills and proposal capabilities for providing, as well as designing, the optimum machinery and tools for the manufacturing industry in Japan and overseas



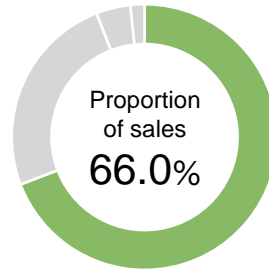
Machine tools



Injection molding machines



Pneumatic devices



Market	Share
Big	Low

## Construction Products

A construction products trading company with manufacturing functions that provides building products, piping products and housing equipment devices just in time to the construction industry in Japan



Braces



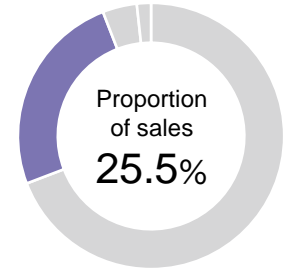
High tension bolts



Joints



Housing equipment devices



Market	Share
Small -Mid	High

## Construction Machinery

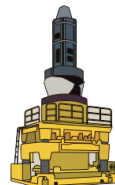
Sales of cargo handling machinery, construction machinery, etc., sales of insurance, and rental of elevating work vehicles, including operators, to public works contractors, etc. in Japan



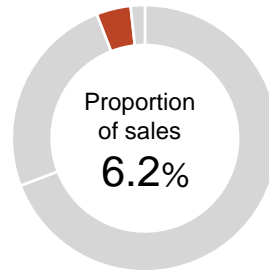
Crawler cranes



Hydraulic shovels



Large diameter full-perimeter rotary drills



Market	Share
Mid	Low

## IoT Solution

Provision of total solutions tailored to needs related to offices, factories, warehouses, etc., and realization of controlling, preventing and mitigating various risks



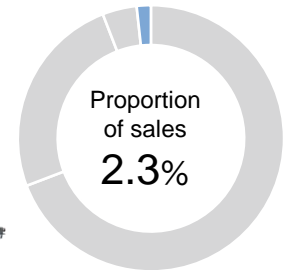
Security cameras



Face recognition readers with thermometers



Automatic Transportation robots



Market	Share
Mid	Low



# Segments by Business Company

## MARUKA FURUSATO Corporation

		G-NET	Gifu Shoji	Maruka Corp.	Over seas : 8 Company	KAN MANUFACTORY	ArPlus	TS Precision	Mtass Ref
Machinery & Tools Segment	Machinery	Machine tools, FA devices Industrial machinery, etc.	FA devices	Machine tools Industrial machinery, etc.	Machine tools Industrial machinery, etc.	Washers	Food machinery	Forming machine, CVJ, etc.	CO <sub>2</sub> refrigeration systems
	Engineering	Engineering ES business			Sonoruka : Japan ITI : America USI : Indonesia				*unconsolidated
	Tools	Machinery & tools Pneumatic devices, etc.	Automotive tools	Machinery & tools		Kitakyu Machine and Tools Machinery & tools			
Construction Products Segment									
			Furusato Industries						
		Housing equipment system	Building products Piping products Construction product rental						
Construction Machinery Segment						Japan Rental			
				Construction Machinery	Construction machinery rental Construction product rental				
IoT Solution Segment (Former Security Segment)									
			Security Design						
		General security Factory management							

- Inter-group and inter-segment synergy effects
- Management with a view to business reorganization

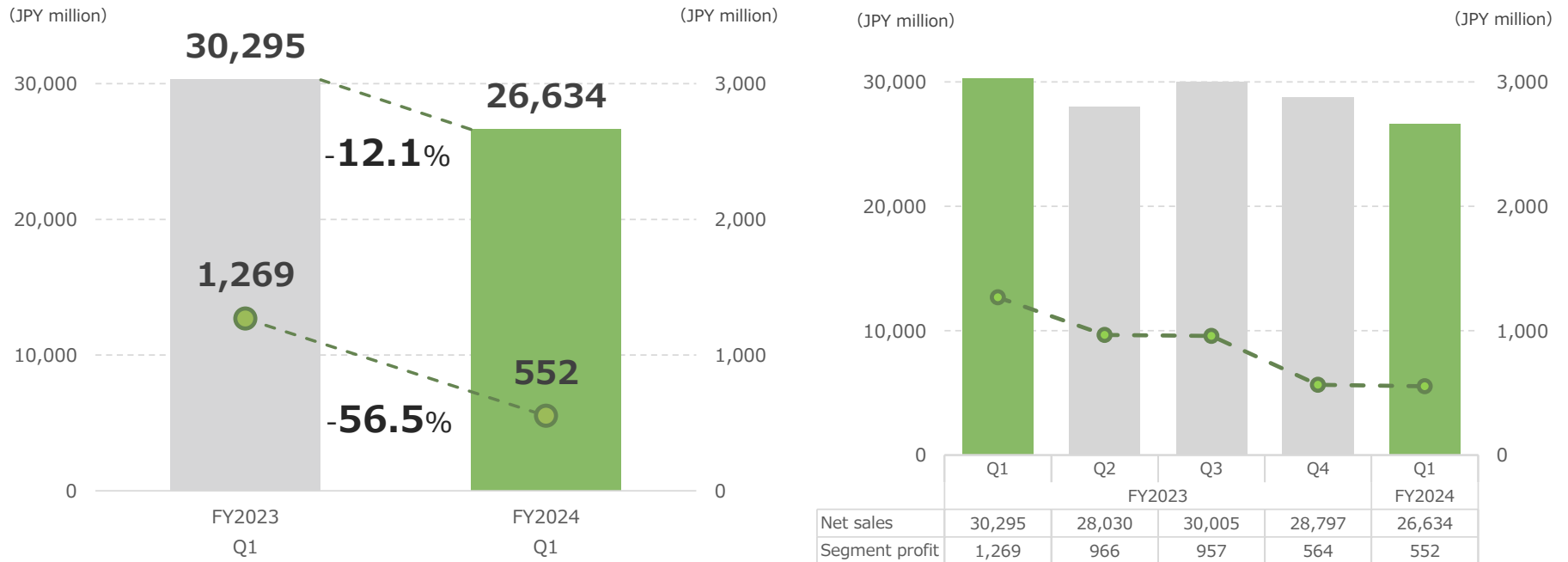
# Machinery & Tools Segment

- Machinery (Japan): Decreased by 9.7% year on year. Deteriorated due to automobile certification irregularity issue. Recovery in HV investment is expected.
- Machinery (Overseas): Decreased by 33.9% year on year (detailed breakdown by country and region on the following page).
- Tools (Mainly in Japan): Increased by 1.4% year on year. Growth slowed due to widening impact of decreased semiconductor-related demand and impact of automobile certification irregularity issue.

Cumulative quarterly results year on year

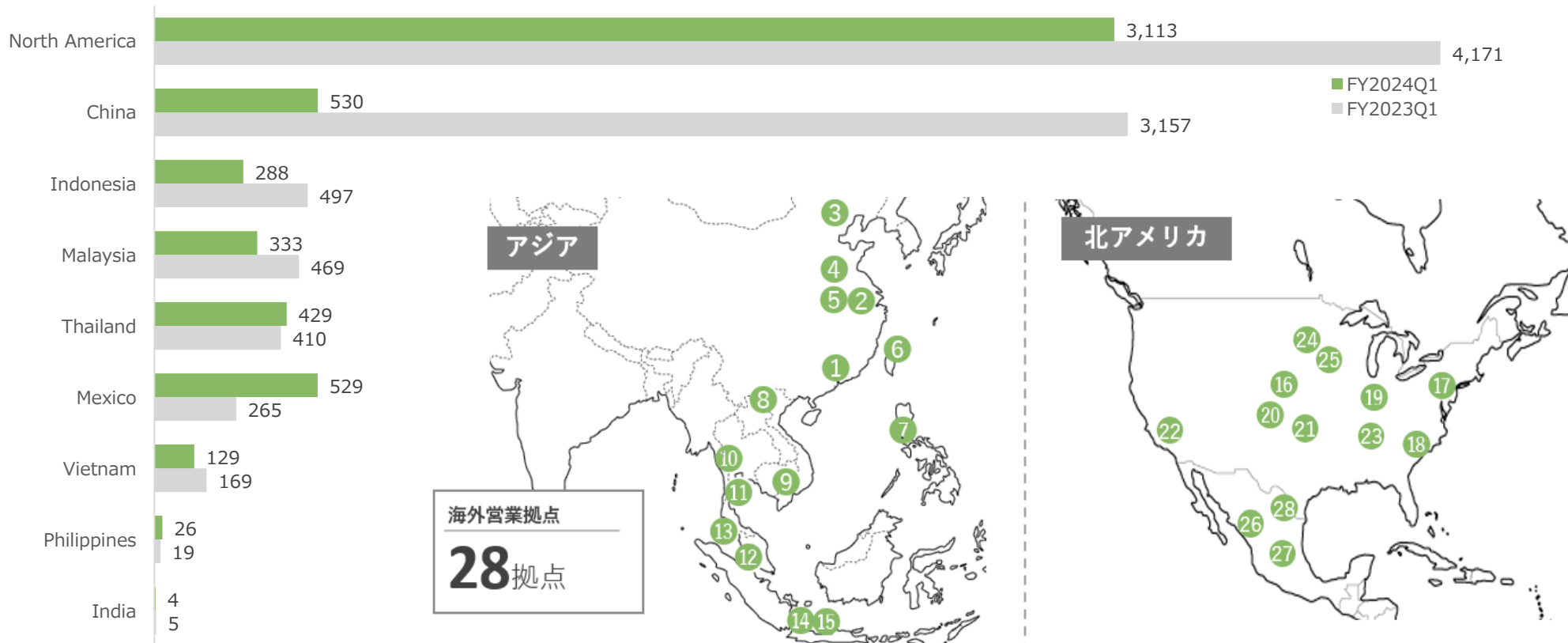
Net sales Segment profit

Quarterly transition



# Machinery & Tools Segment Consolidated Overseas Net Sales

- Overseas net sales: 5,395 million yen (Year on year: Decreased by 3,772 million yen (41.1% decrease))
  - North America: Decreased by 17.9% year on year. Harsh conditions for machine tools and injection molding machines in the US; increased investment amount in Mexico.
  - China: Decreased by 83.2% year on year. Significant decrease reflecting impact of a large-scale project in 1Q last year. Recovery in HV is expected.
- Proportion of overseas net sales: 13.3% (20.9% in 1Q last year, down 7.6 ppt.)



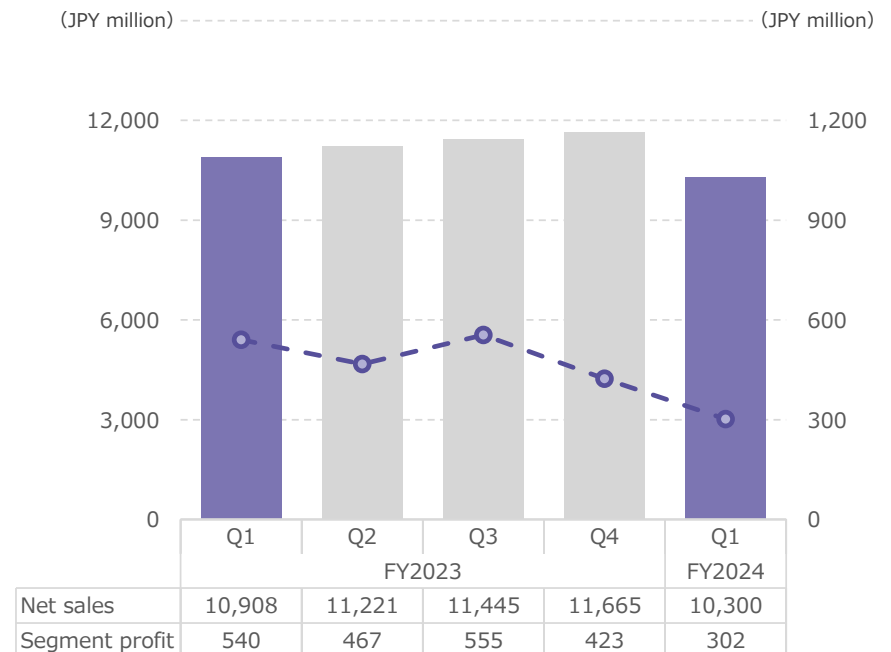
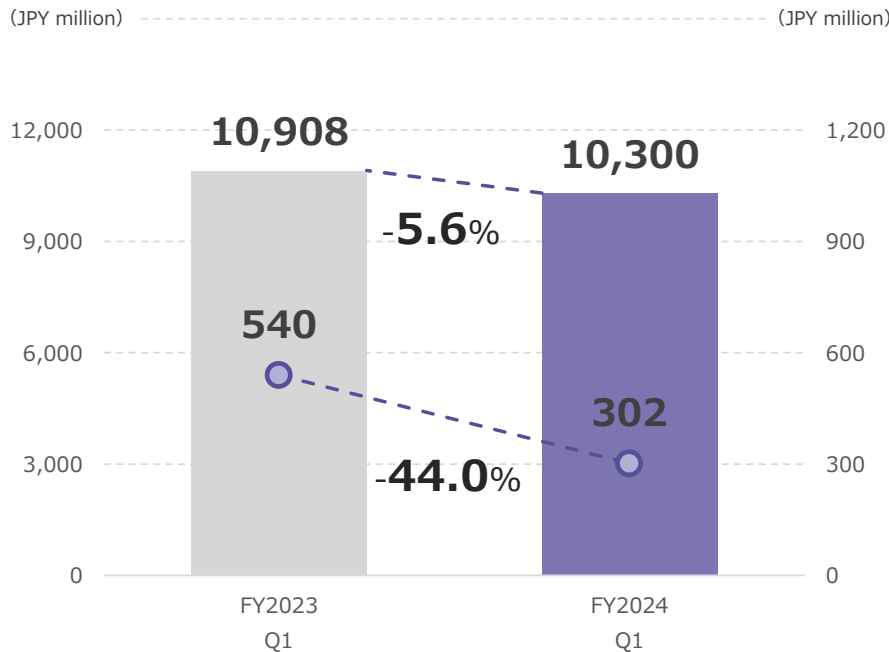
# Construction Products Segment

- **Building products (net sales):** Decreased by 4.4% year on year. Steel framing demand decreased year on year, and decrease in small- to medium-sized properties impacted product demand.
- **Piping products (net sales):** Decreased by 14.2% year on year. Impact from decrease in major projects and price decrease of stainless steel products, etc.
- **Housing equipment (net sales):** Increased by 2.4% year on year. New housing starts performed poorly due to decrease in construction starts. Reform projects performed strongly, supported by subsidies.

Cumulative quarterly results year on year

■ Net sales    -○- Segment profit

Quarterly transition



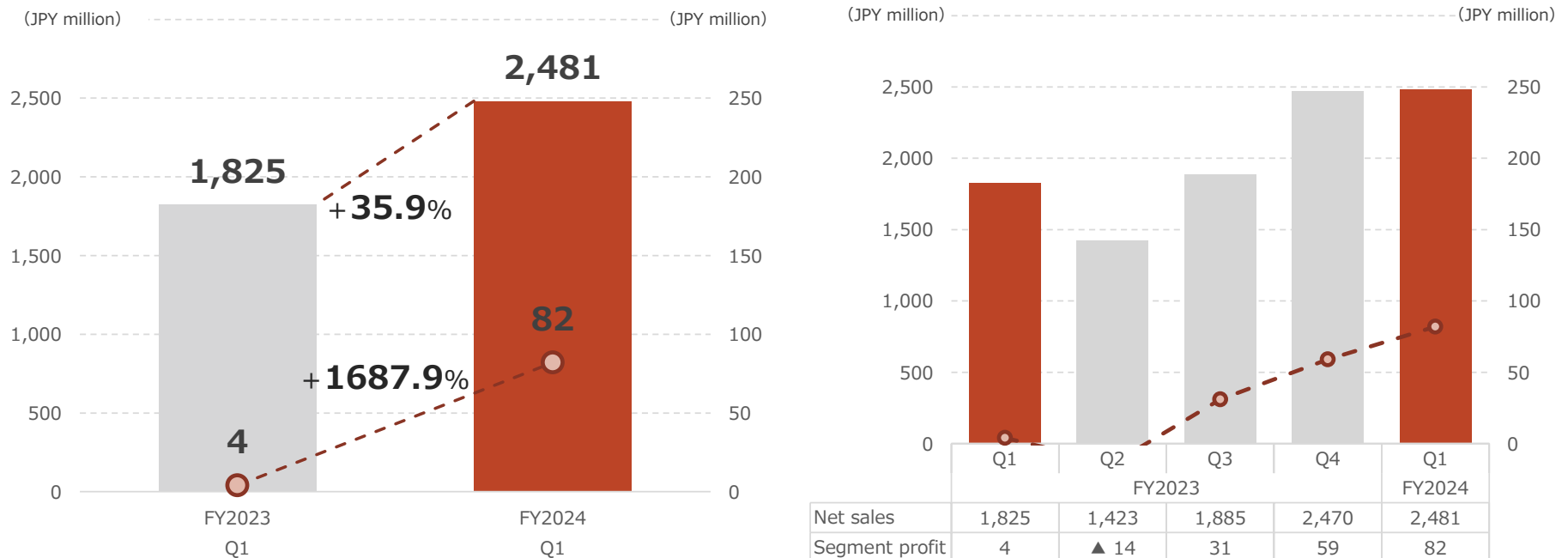
# Construction Machinery Segment

- Significant year-on-year increase due to increased demand and recovery in product shipments at the end of the fiscal year.
- Sales increased mainly for basic machinery, crawler cranes and large machinery.
- Maintained high operation of main crawler cranes due to year-end demand for rental.

Cumulative quarterly results year on year

Net sales   Segment profit

Quarterly transition



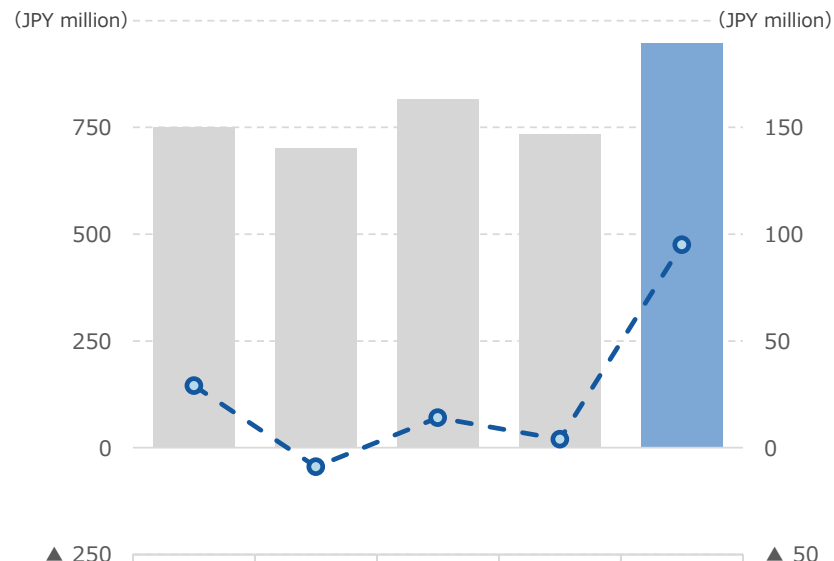
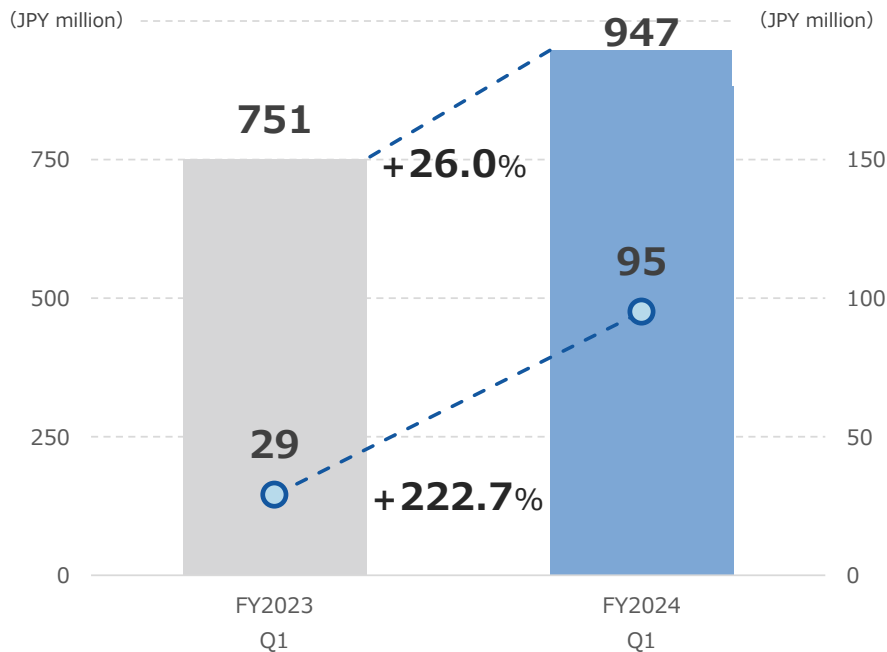
# IoT Solution Segment (Former Security Segment)

- Demand was steady, and the domestic surveillance camera market recovered to a size equivalent to 2019.
- AI image analysis is expected to expand the market due to the trend toward DX and labor saving.
- Orders for large-scale data centers and other projects were steady.

Cumulative quarterly results year on year

■ Net sales    -○- Segment profit

Quarterly transition



	Q1	Q2	Q3	Q4	Q1
	FY2023				FY2024
Net sales	751	702	815	734	947
Segment profit	29	▲ 9	14	4	95



**03**

# Medium-Term Management Plan

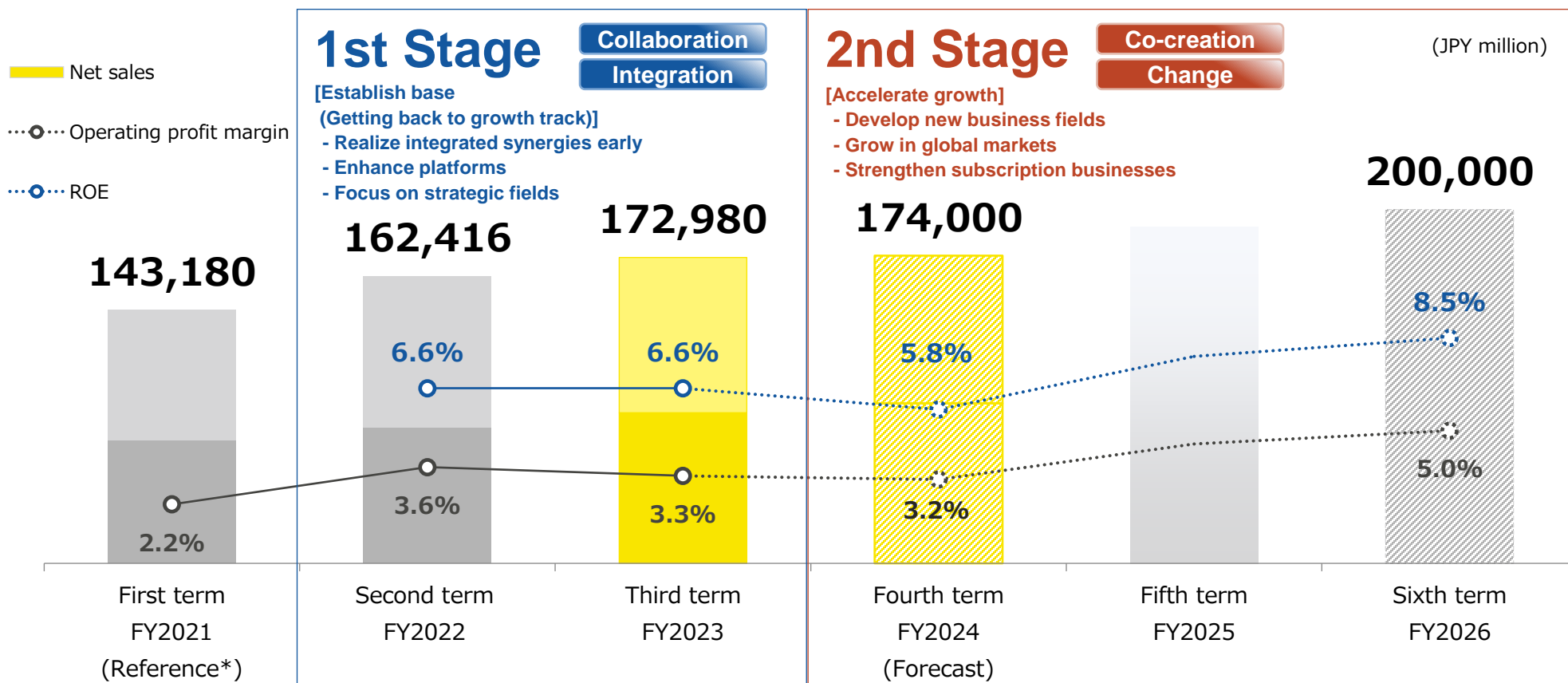


# Medium-term Management Plan “UNISOL”

- The 1st Stage (first 2 years of the plan) proceeded steadily overall.
- The 2nd Stage starts from FY2024. We will accelerate the pace of growth to achieve the targets for the final fiscal year.

Management integration

“UNISOL”  
~ Change and Challenge toward the Next Stage ~



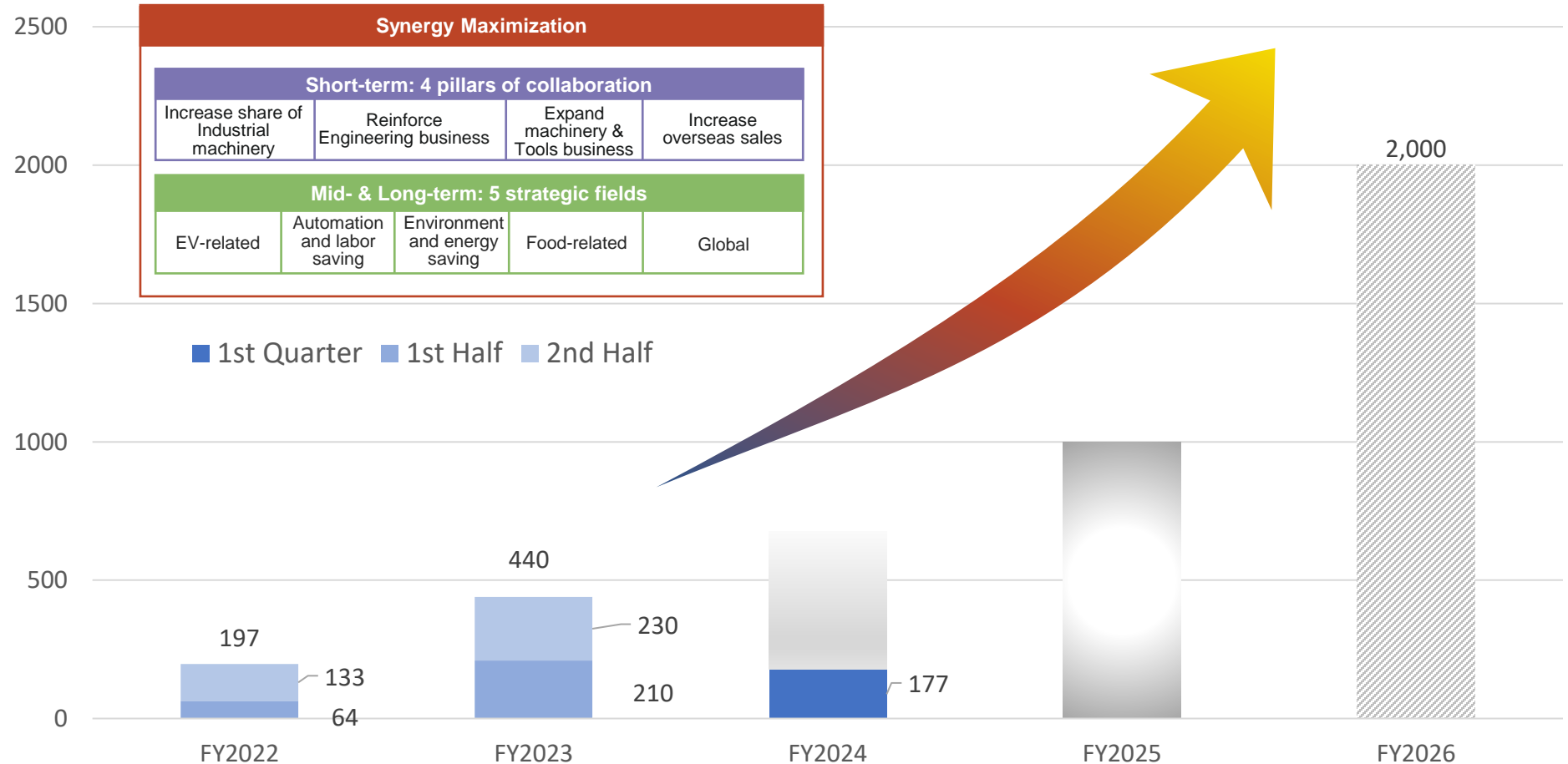
\* Results of FY2021 are reference values by summing financial results of the Furusato Group from January to December 2021 and the Maruka Group from December 2020 to November 2021.



# Progress of Synergy on Roadmap to Achieving Earnings Targets

- The synergy effects of reinforcing the Engineering business have started to appear from previous term.
- There is steady progress in achieving the effects of EV-related, automation and labor saving.
- Effects of cost reductions through office consolidation and other measures continue to be seen.

(JPY million)



# Topics

## Social Contribution Activities UNISOL no Sato Project



Concluded agreements on corporate forestation activities as an initiative to protect the environment and contribute to local communities based on the Basic Sustainability Policy.

**Four-party agreement**  
Signed on March 1

### "Agreement on Efforts to Promote Corporate Forestation Activities"

- MARUKA FURUSATO CORPORATION
- Hyogo Prefecture, Takarazuka City and Hyogo Prefecture Greenery Promotion Association

**Place of activities**

### Hyogo Prefectural Takarazuka Nishitaninomori Park

Unisol Forest (1.6 ha)

**Activities**

Once a month, employees participate in activities to create a cheerful and healthy forest under the guidance of the NPO Tree Environment Network Association.



Signboard unveiling ceremony (April 9)

## Industry-Academia Collaboration Initiatives



Concluded a joint research agreement with the Faculty of Biology-oriented Science and Technology, Kindai University, which conducts research on environmental measures, measures to prevent global warming, and the realization of a sustainable livestock industry.

**Purpose of the joint research**

- Reduction of greenhouse gas emissions by solving waste treatment problems by livestock farming and solution of environmental problems in the surrounding area by ammonia odor.

**Overview of the joint research**

- As a solution to the problem of offensive odors in piggeries, the presence of microorganisms that directly decompose substances that cause environmental burden is identified.
- Recycling of by-products generated when microorganisms decompose environmentally hazardous substances into energy.



Pig house (image)



**04**

# **Result Forecasts and Dividend Policy**



## Revised earnings forecast announced on April 23

- Earnings forecast was revised as extraordinary income is expected to be posted in 2Q due to gains on sales of securities.

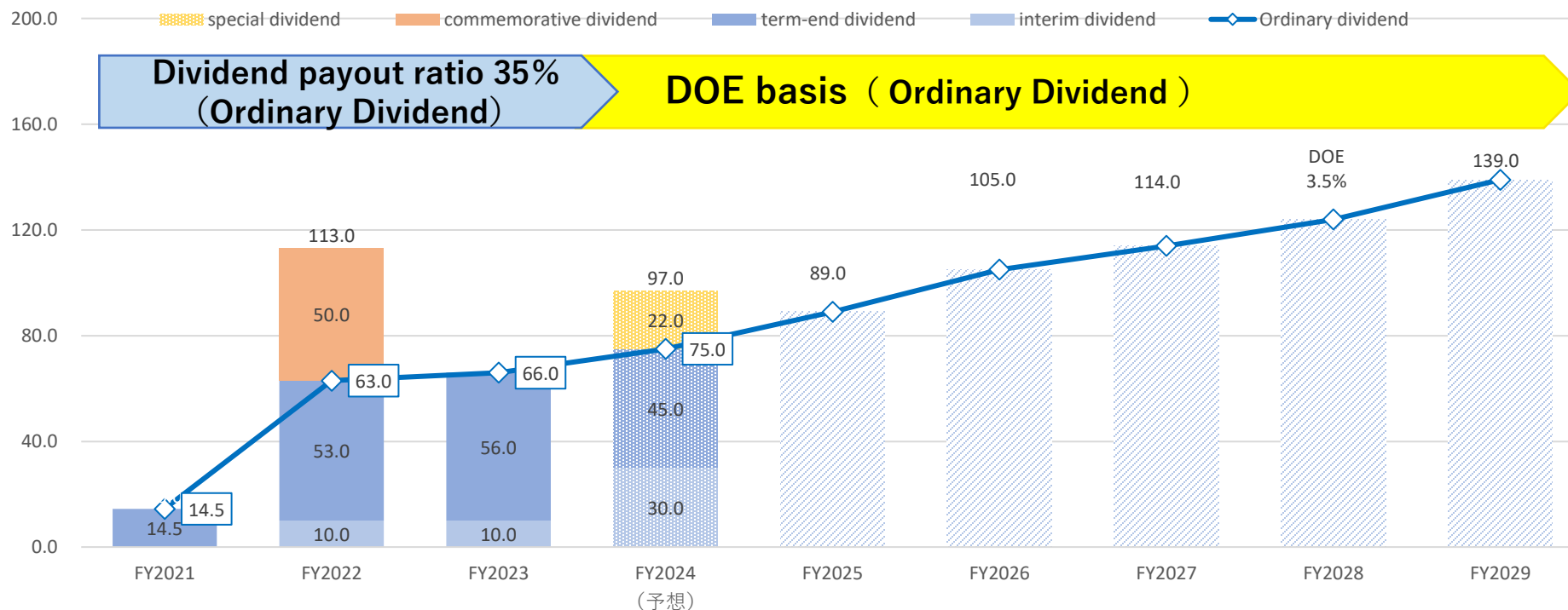
→ 1H: Profit attributable to owners of parent ¥1.8 billion → ¥2.87 billion

→ Full year: Profit attributable to owners of parent ¥4.2 billion → ¥5.27 billion

Account items	FY2022 Results (JPY million)			FY2023 Forecasts (JPY million)			FY2024Q1 Results (JPY million)	Achievement (%)
	1H Results	2H Results	Full-year Results	1H Forecast	2H Forecast	Full-year Forecast		
<b>Net sales</b>	85,159	87,820	<b>172,980</b>	83,500	90,500	<b>174,000</b>	40,362	23.2
Machinery & Tools	58,326	58,802	<b>117,128</b>	55,200	61,100	<b>116,300</b>	26,634	22.9
Construction Products	22,130	23,111	<b>45,241</b>	22,700	23,400	<b>46,100</b>	10,300	22.3
Construction Machinery	3,248	4,356	<b>7,605</b>	4,000	4,300	<b>8,300</b>	2,481	29.9
IoT Solution	1,454	1,550	<b>3,004</b>	1,600	1,700	<b>3,300</b>	947	28.7
<b>Operating profit</b>	3,186	2,519	<b>5,705</b>	2,300	3,200	<b>5,500</b>	950	17.3
Machinery & Tools	2,236	1,522	<b>3,758</b>	1,190	1,980	<b>3,170</b>	552	17.4
Construction Products	1,007	979	<b>1,987</b>	1,000	1,100	<b>2,100</b>	302	14.4
Construction Machinery	▲ 9	91	<b>81</b>	60	70	<b>130</b>	82	63.6
IoT Solution	19	18	<b>38</b>	50	50	<b>100</b>	95	95.9
Adjustment	▲ 68	▲ 92	<b>▲ 160</b>	0	0	<b>0</b>	▲ 82	-
<b>Ordinary profit</b>	3,631	3,021	<b>6,652</b>	2,700	3,600	<b>6,300</b>	1,135	18.0
<b>Profit attributable to owners of parent</b>	2,598	2,100	<b>4,698</b>	2,870	2,400	<b>5,270</b>	697	13.2

# Dividend Policy

- On April 15, 2024, announced a change in shareholder return policy and revised dividend forecast.
- The basic policy is to continuously increase dividends based on DOE while emphasizing stable dividends over the long term.
- Raise DOE in stages and aim to achieve DOE of 3.5% within the next medium-term plan (FY2027-2029).
- Announced the implementation of a special dividend based on extraordinary income from the sale of cross-shareholdings (April 23).





# 05

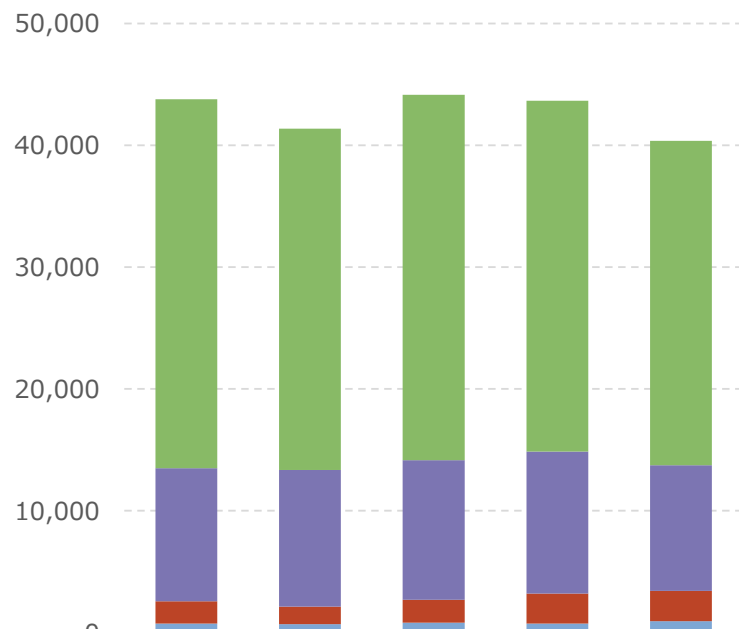
## Appendix



# Consolidated Segment Quarterly Data

## Net sales

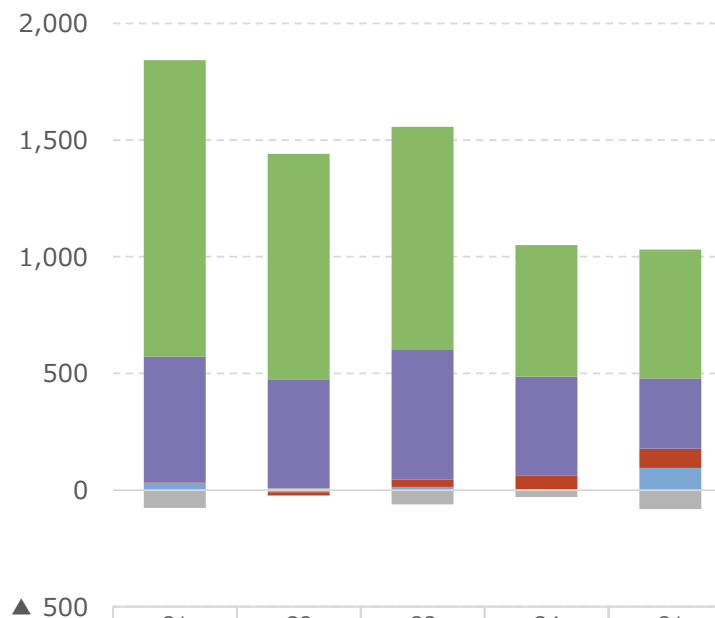
(million yen)



	Q1	Q2	Q3	Q4	Q1
	FY2023				FY2024
TOTAL	43,781	41,378	44,152	43,668	40,362
Machinery & Tools	30,295	28,030	30,005	28,797	26,634
Construction Products	10,908	11,221	11,445	11,665	10,300
Construction Machinery	1,825	1,423	1,885	2,470	2,481
IoT Solution	751	702	815	734	947

## Segment profits

(million yen)



	Q1	Q2	Q3	Q4	Q1
	FY2023				FY2024
TOTAL	1,767	1,418	1,497	1,021	950
Machinery & Tools	1,269	966	957	564	552
Construction Products	540	467	555	423	302
Construction Machinery	4	▲ 14	31	59	82
IoT Solution	29	▲ 9	14	4	95
Adjustment Amount	▲ 77	8	▲ 61	▲ 30	▲ 82

- **Notes on this material**

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