



UNISOL

Second Quarter of FY2024 Earnings Presentation

August 2024

MARUKA FURUSATO Corporation

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01

Consolidated Financial Results

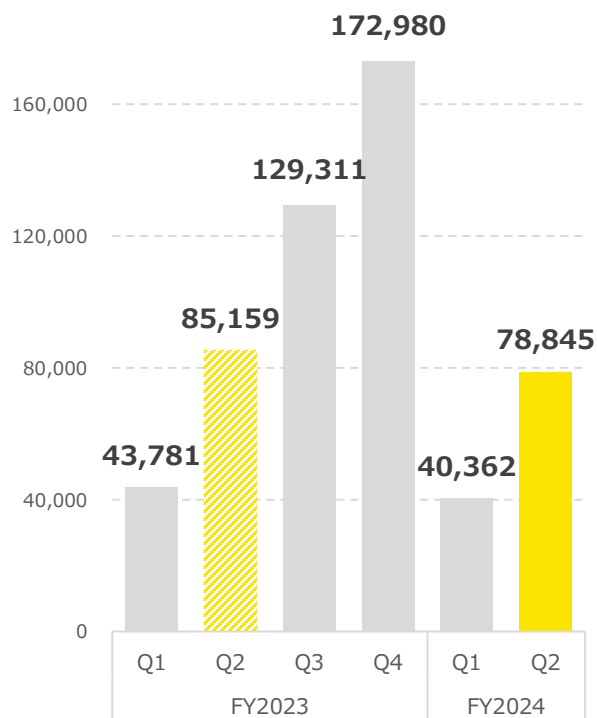


Second Quarter of FY2024 Consolidated Financial Results Summary

Net sales

78,845 million yen
Year on year : 92.6%

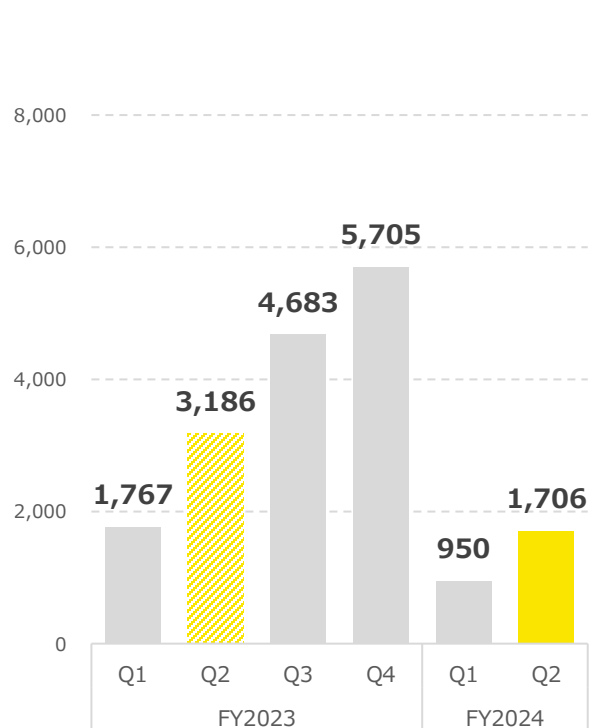
(JPY million)



Operating profit

1,706 million yen
Year on year : 53.6%

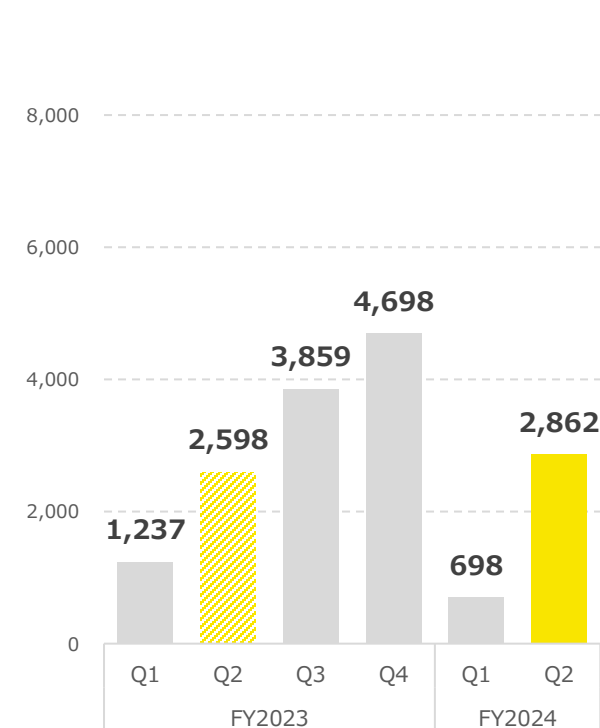
(JPY million)



Profit attributable to owners of parent

2,862 million yen
Year on year : 110.2%

(JPY million)



Revised Earnings Forecast Announced on July 26 (in contrast with initial forecast)

- Revised earnings forecast announced on July 26.

→ **Net sales:** Full-year forecast revised from 174,000 million yen as a result of Machinery & Tools having underperformed target.

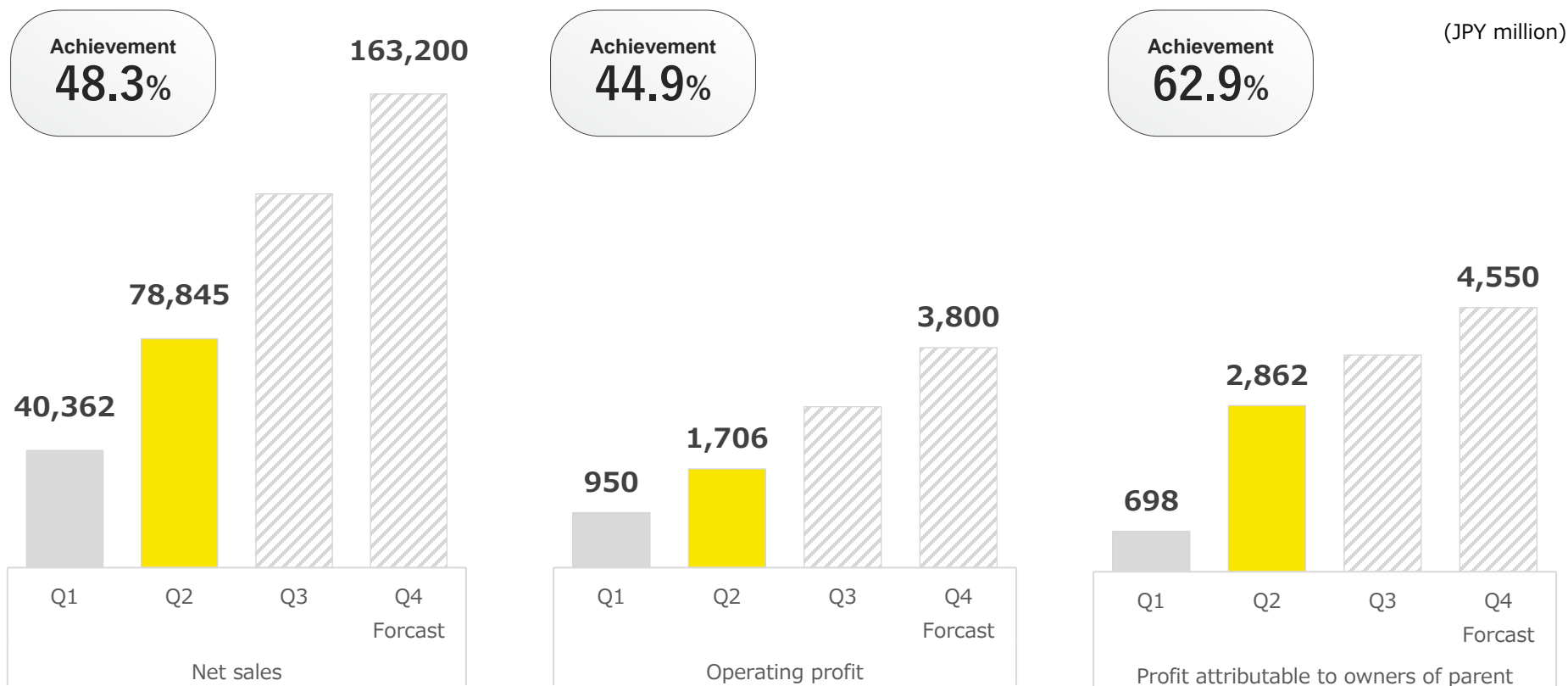
→ **Operating profit:** Gross profit margin within expectations, but full-year forecast revised from 5,500 million yen due to lower sales.

→ **Profit:** Gain on sale of investment securities exceeded expectations, but full-year forecast revised from 5,270 million yen.

Account items	Initial forecast			Revised forecast			Full-year change (JPY million)	Achievement (%)
	1H Forecast	2H Forecast	Full-year Forecast	1H Results	2H Forecast	Full-year Forecast		
Net sales	83,500	90,500	174,000	78,845	84,354	163,200	▲ 10,800	▲ 6.2
Machinery & Tools	55,200	61,100	116,300	51,226	54,753	105,980	▲ 10,320	▲ 8.9
Construction Products	22,700	23,400	46,100	21,780	23,759	45,540	▲ 560	▲ 1.2
Construction Machinery	4,000	4,300	8,300	4,036	4,023	8,060	▲ 240	▲ 2.9
IoT Solution	1,600	1,700	3,300	1,802	1,817	3,620	320	9.7
Operating profit	2,300	3,200	5,500	1,706	2,093	3,800	▲ 1,700	▲ 30.9
Machinery & Tools	1,190	1,980	3,170	843	966	1,810	▲ 1,360	▲ 42.9
Construction Products	1,000	1,100	2,100	745	974	1,720	▲ 380	▲ 18.1
Construction Machinery	60	70	130	77	52	130	0	0.0
IoT Solution	50	50	100	124	15	140	40	40.0
Adjustment	0	0	0	▲ 83	83	0	0	-
Ordinary profit	2,700	3,600	6,300	2,160	2,439	4,600	▲ 1,700	▲ 27.0
Profit attributable to owners of parent	2,870	2,400	5,270	2,862	1,687	4,550	▲ 720	▲ 13.7

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

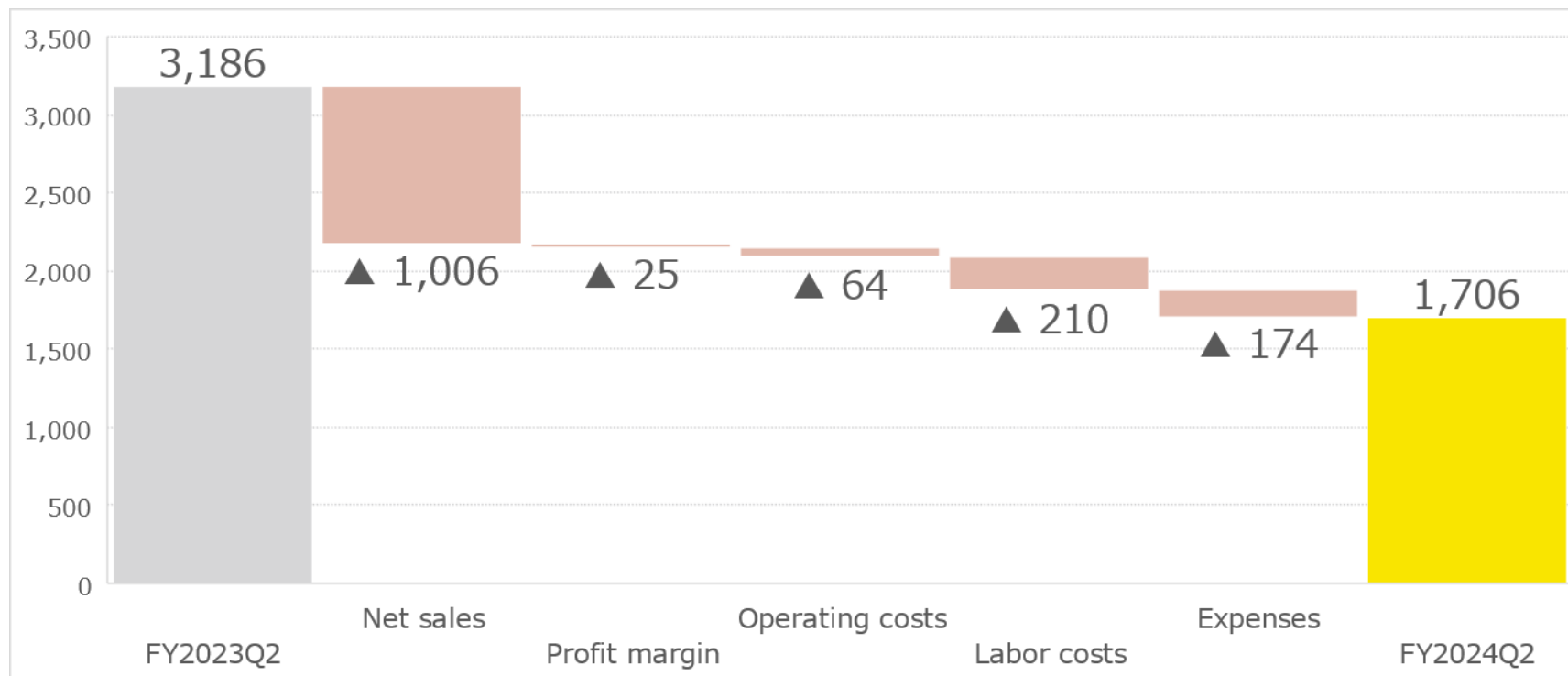
- Net sales: Revised earnings forecast on July 26. Expecting increased demand in 2H.
- Operating profit: Revised earnings forecast on July 26. Expecting increased demand in 2H.
- Profit: Gain on sales of investment securities recorded in 2Q.



Factors Affecting Operating Profit (Year on year)

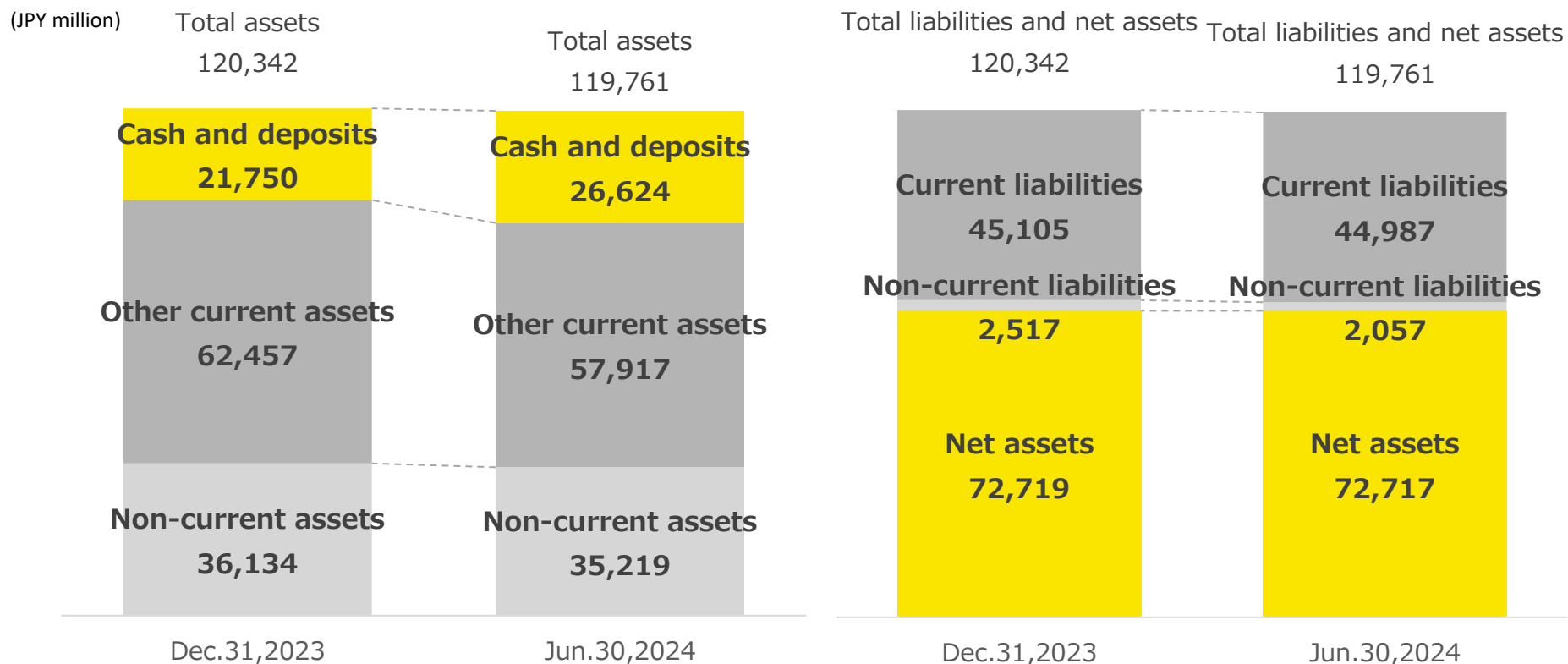
- **Net sales:** Decreased by 12.2% YoY in Machinery & Tools. Overseas net sales significantly declined by more than 30%.
- **Profit margin:** Unchanged due to price revisions aligned with changes in purchase costs.
- **SG&A expenses:** Increased by 6.7% in operating expenses, 3.1% in labor costs, and 5.4% in expenses.

(JPY million)



Consolidated Balance Sheet

- **Current assets:** Accounts receivable - trade and notes receivable decreased due to decline in net sales. Cash and deposits increased.
- **Non-current assets:** Decreased due to sale of investment securities.
- **Total net assets:** Retained earnings increased even after payment of dividends. Equity-to-asset ratio: 59.9%.





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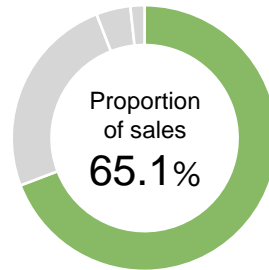
Segments



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



Market	Share
Big	Low



Machine tools



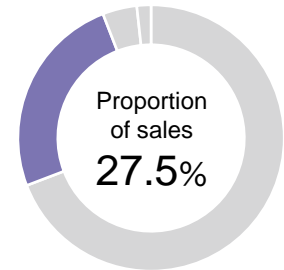
Injection molding machines



Pneumatic devices

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



Market	Share
Small -Mid	High



Braces



High tension bolts



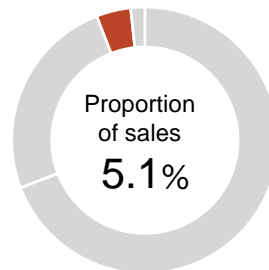
Joints



Housing equipment devices

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



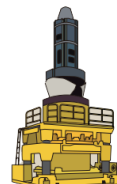
Market	Share
Mid	Low



Crawler cranes



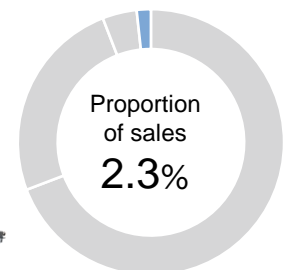
Hydraulic shovels



Large diameter full-perimeter rotary drills

IoT Solution

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



Market	Share
Mid	Low



Security cameras



Face recognition readers with thermometers



Automatic Transportation robots



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 ₂ 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				Construction Machinery	Japan Rental				
					Construction machinery rental Construction product rental				
IoT Solution Segment (Former Security Segment)									
			Security Design						
		General security Factory management							

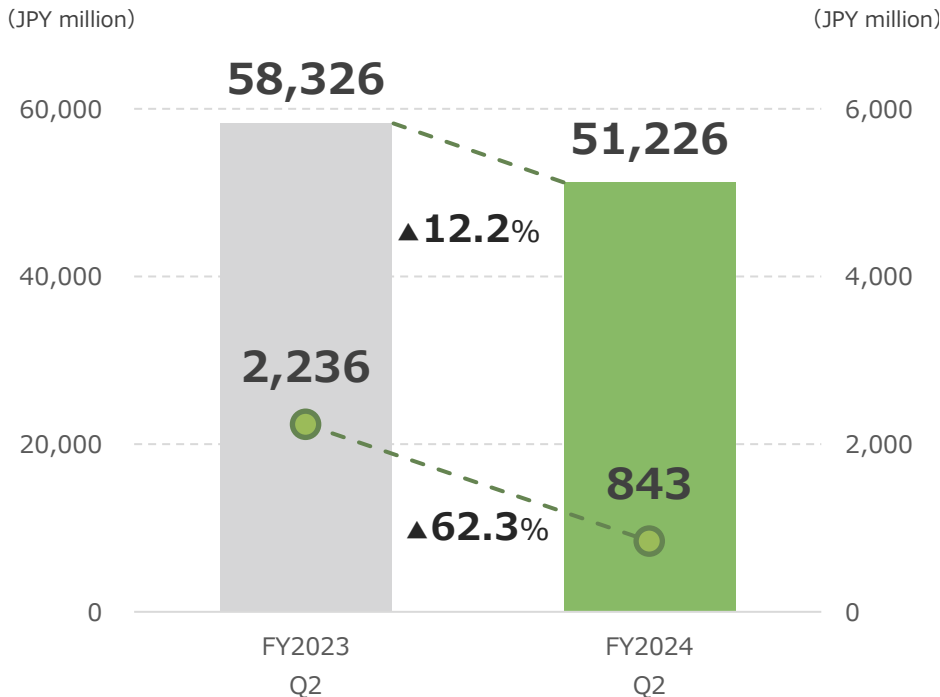
- Inter-group and inter-segment synergy effects
- Management with a view to business reorganization

Machinery & Tools Segment

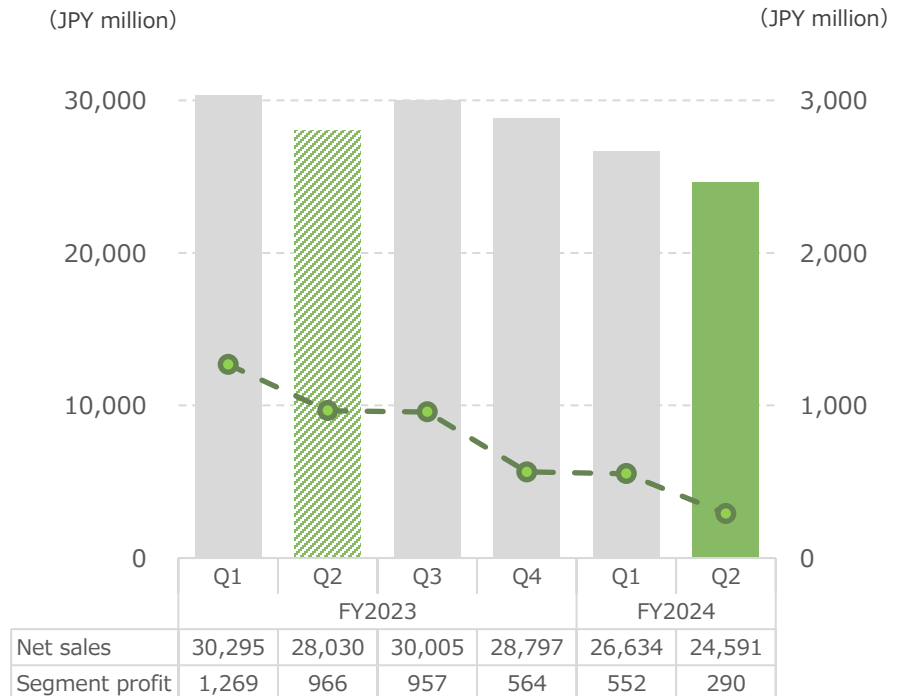
- Machinery (Japan): Decreased by 18.9% year on year. New investment uncertain with respect to large enterprises and SMEs alike.
- Machinery (Overseas): Decreased by 35.4% year on year (detailed breakdown by country and region on the following page).
- Tools (Japan): Decreased by 1.5% year on year. Persisting impact of automobile certification irregularity issue combined with weak semiconductor-related demand.

Cumulative quarterly results year on year

■ Net sales ● Segment profit

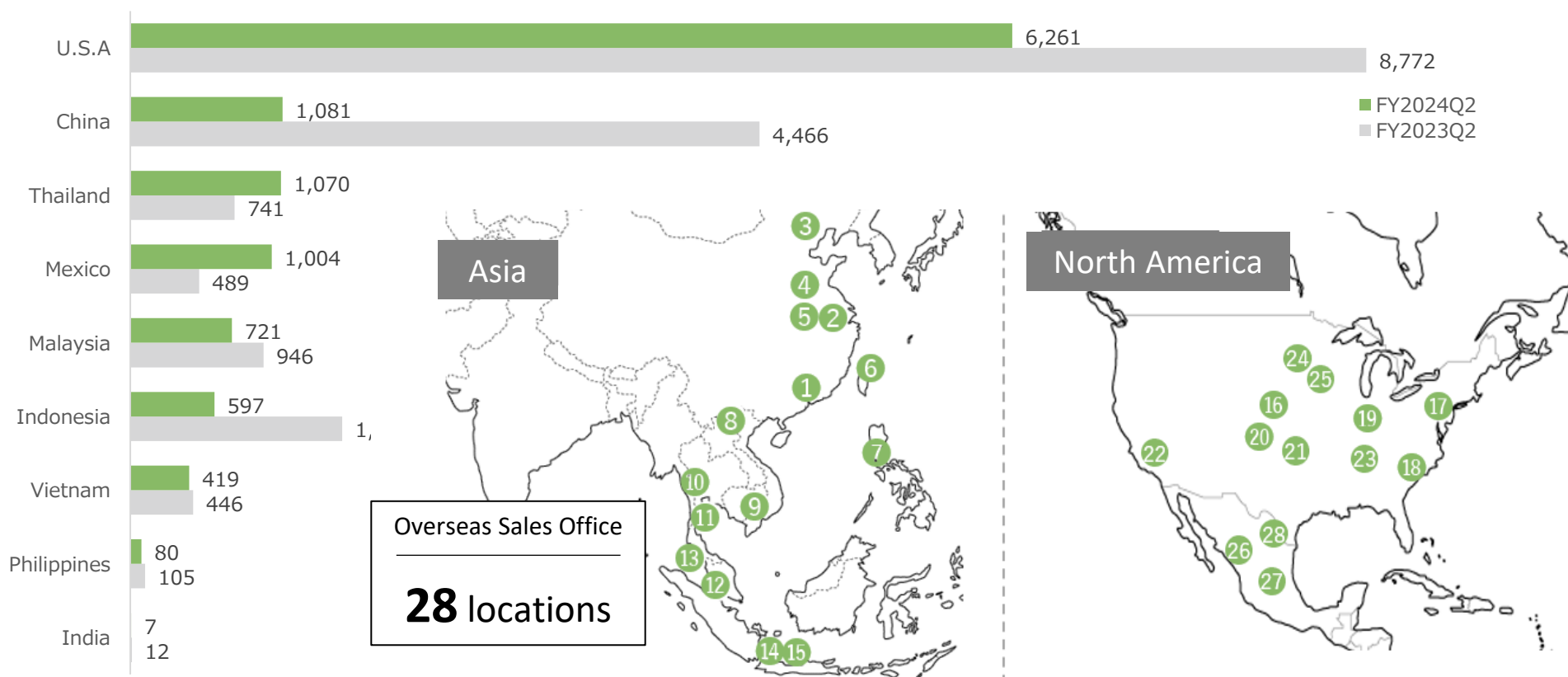


Quarterly transition



Machinery & Tools Segment Consolidated Overseas Net Sales

- Overseas net sales: 11,291 million yen (Year on year: decreased by 6,195 million yen (35.4% decrease))
 - North America: Decreased by 28.6% year on year. Despite economic uncertainty in North America, orders currently on path of recovery.
 - China: Decreased by 75.8% year on year. Significant decrease reflecting impact of a large-scale project in 2Q last year. Also subject to effects of Japanese enterprises.
- Proportion of overseas net sales: 14.3% (20.5% in 2Q last year, down 6.2pt).

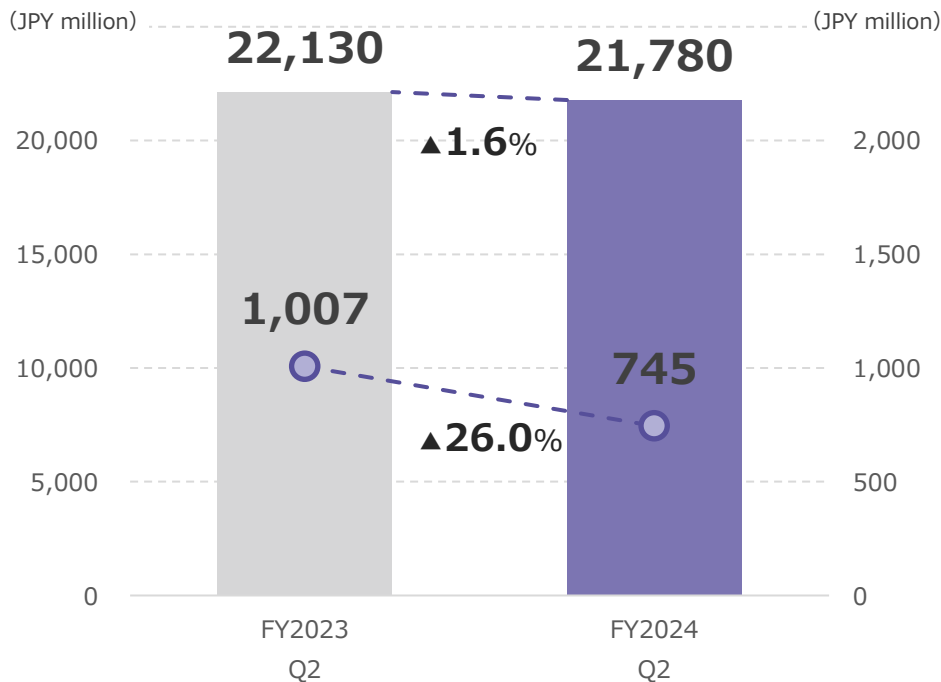


Construction Products Segment

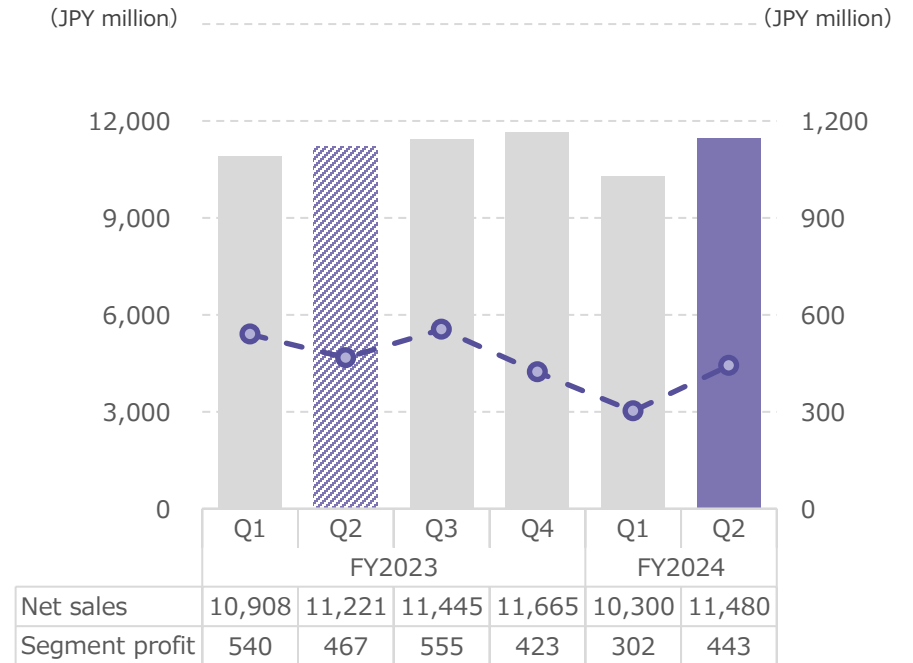
- Building products (net sales): Increased by 0.5% year on year. Steel framing demand lower than forecast, but generated temporary demand and implemented price adjustments.
- Building products (operating profit): Competition has increased in materials for large properties, and gross profit margin has decreased.
- Piping products (net sales): Decreased by 11.4% year on year. Sales to plants, etc., lackluster. Also affected by price reductions in stainless steel-related products.
- Housing equipment (net sales): Increased by 3.6% year on year. Shortage of water heaters alleviated. Upward trend in the number of properties requiring installation work.

Cumulative quarterly results year on year

■ Net sales -○- Segment profit



Quarterly transition



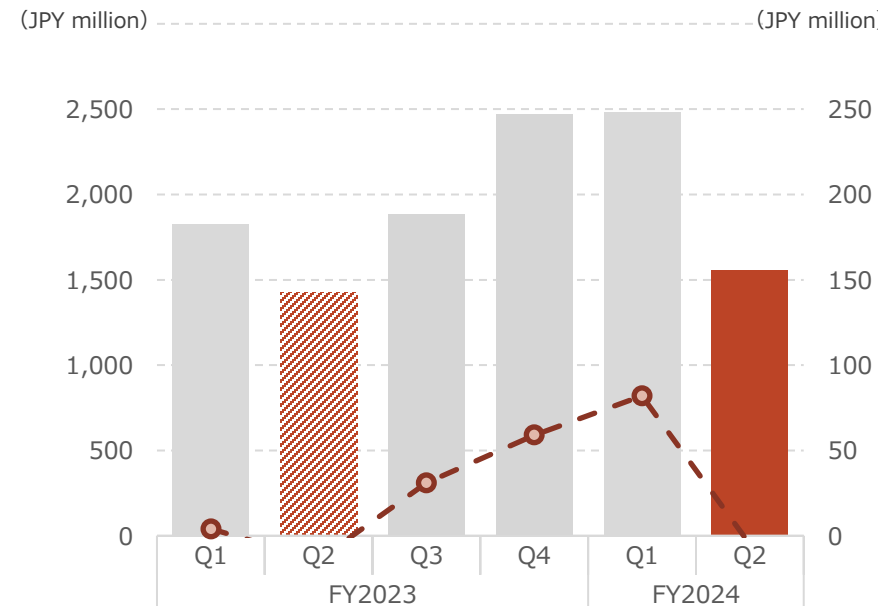
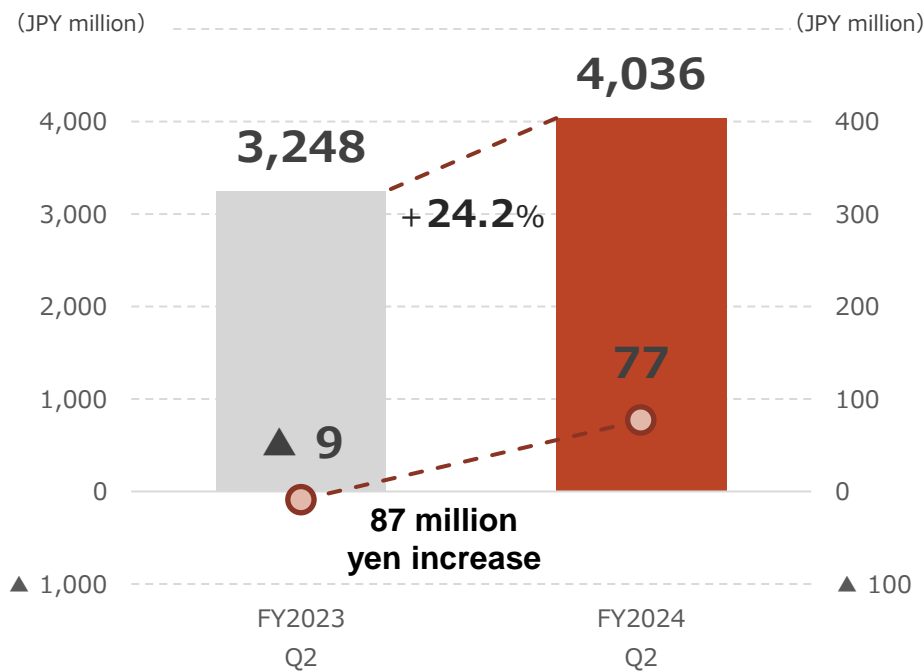
Construction Machinery Segment

- Diminished customer willingness to purchase new construction machinery upon having upwardly revised prices to reflect increases in raw material prices.
- Maintained earnings results by focusing on sales of used equipment amid robust machinery demand due to intensifying labor shortages at construction sites.

Cumulative quarterly results year on year

Net sales Segment profit

Quarterly transition



Net sales	1,825	1,423	1,885	2,470	2,481	1,555
Segment profit	4	▲ 14	31	59	82	▲ 5

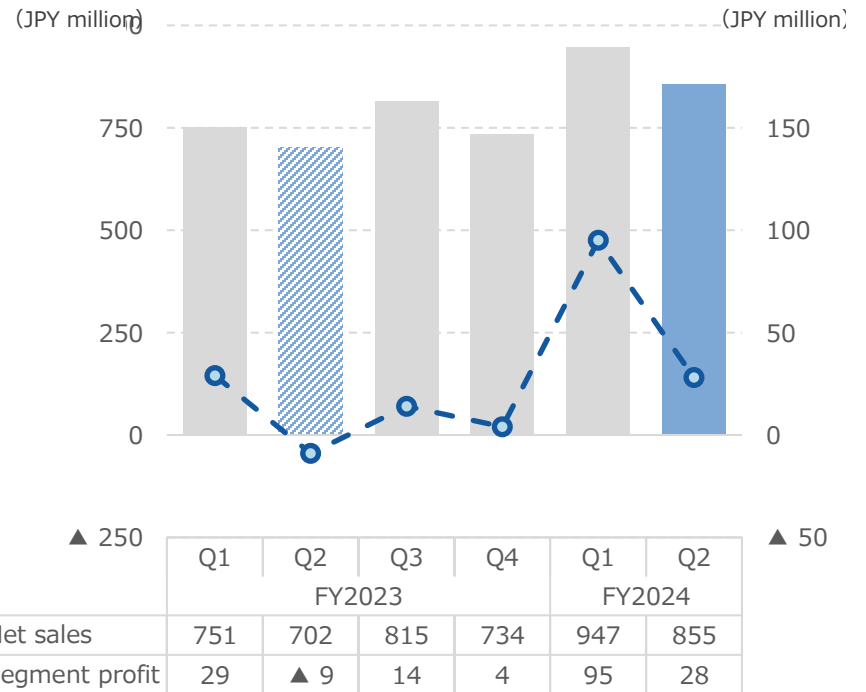
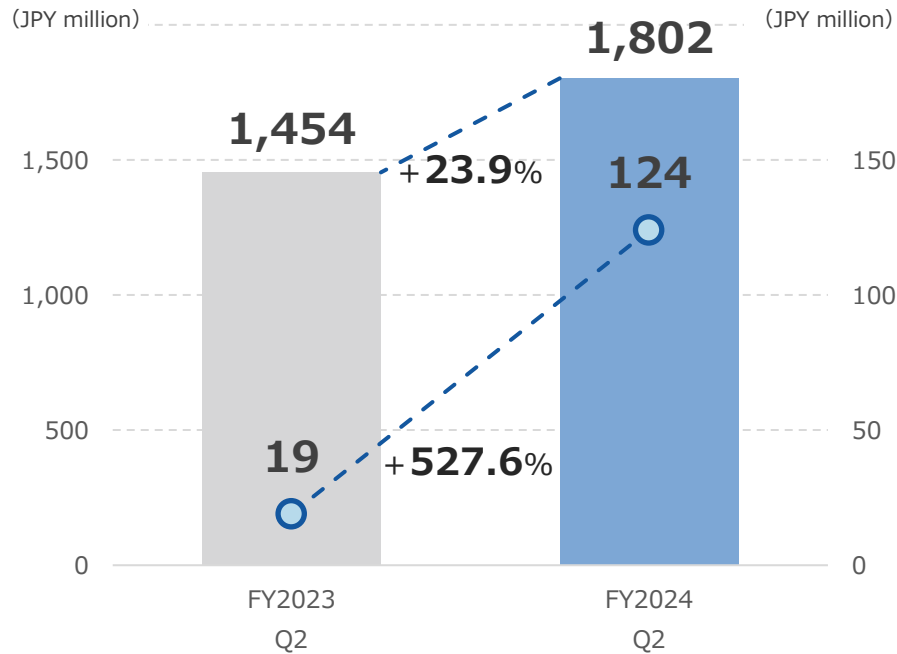
IoT Solution Segment

- Demand for security equipment robust and increasing due to orders for large-scale projects.
- Inquiries regarding automated delivery robots have also been trending higher.

Cumulative quarterly results year on year

Net sales Segment profit

Quarterly transition





03

Medium-Term Management Plan



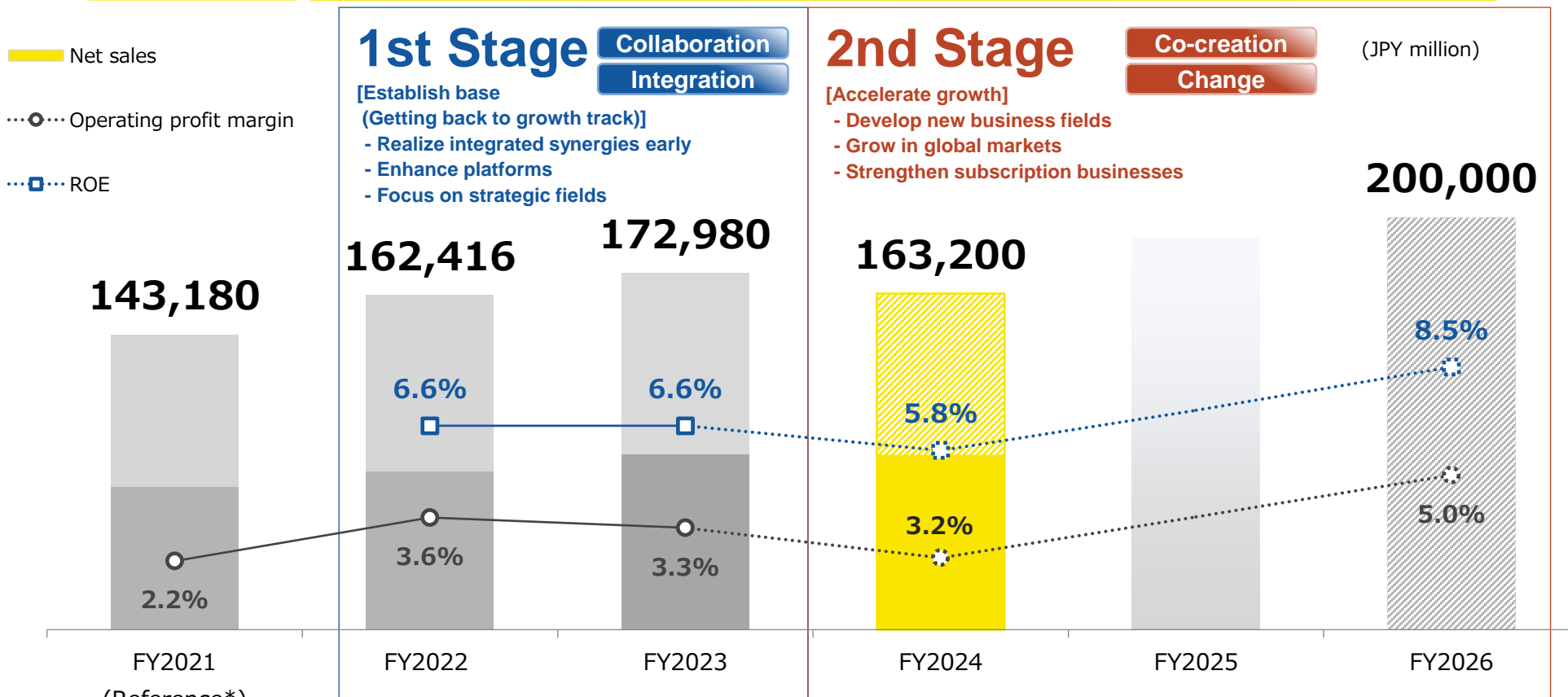
Medium-term Management Plan “UNISOL”

- 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 ~

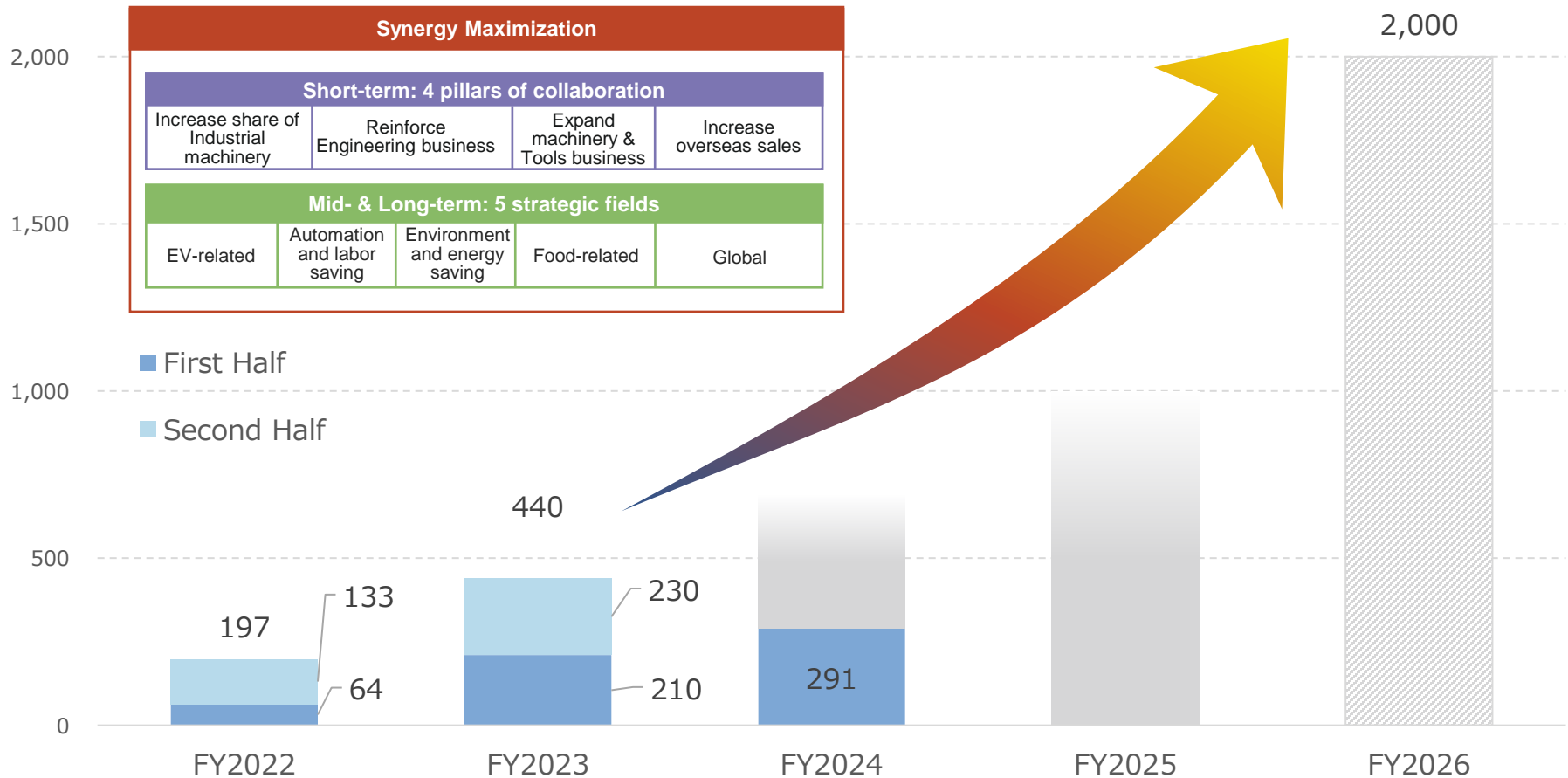


* Results of FY2021 are reference values by summing financial results of the Furusato Group from January to December 2021 and the Maruka Group from December 2020 to November 2021.

Progress of Synergy on Roadmap to Achieving Earnings Targets

- Increased share of the industrial machinery market has spurred progress in expanding sales of products among Group companies.
- There is steady progress in achieving the effects of EV-related, automation and labor saving.
- Continuing to achieve greater cost reductions due to effects of Tokyo office consolidation.

(JPY million)



Financial and Capital Strategy

- Launch measures regarding shareholder returns “one after another”
- Carry out flexible shareholder returns according to profit levels and financial conditions (special dividends and purchase of treasury shares)

April 15 Change in return policy

- Strive to increase dividends through medium- to long-term profit growth
- **DOE: Target of 3.5%**
(Aiming to achieve in FY2027–FY2029)
- Basic policy of progressive dividends
Ordinary dividends: 60.5 yen → 75.0 yen

May 13 Revision of shareholder benefits program

- Added a category based on number of shares held
- Changed contents of benefits (QUO card)
- Introduced a long-term shareholding system
(Image of benefit item)



July 26 Increase in special dividend

- Continued to reduce cross-shareholdings
- **Gain on sale of investment securities: 1,540 million yen → 2,265 million yen**
- **Special dividend: 22.0 yen → 32.0 yen**

April 23 Special dividend

- Reduced cross-shareholdings
- Recorded extraordinary income
- **Paid a special dividend of 22.0 yen**

May 27 Purchase of treasury shares

- **Common shares: 378,700 shares**
(Total for the period: 1,512,200 shares)
- **Acquisition price: 810 million yen**
(Total for the period: 3,615 million yen)

Topics

Decarbonization EKIDEN 365 Project



The Company participates in the Decarbonization EKIDEN 365 Project as one of its initiatives of seeking to “achieve harmony and coexistence with the global environment” under its Basic Policy on Sustainability.

Project overview

- The project is aimed to achieve a decarbonized society in rallying forces of employees and citizens to pass the baton to future generations.
- The project involves participation of 100 or more companies in partnership with the World Expo in Osaka, Kansai. (As of June 2024)

Activities

- Visibly render decarbonization actions undertaken on a daily basis using an app.
Ex.) Use of personal reusable bottles, walking and cycling
- Points are accumulated according to actions made and can be exchanged for luxurious awards.

(Initiatives of the Decarbonization EKIDEN 365 Project)

(Large signage at JR Osaka Station)



Monitor user's carbon footprint reduction, etc.



Exchangeable for rewards based on specific criteria



Revision of shareholder benefits program



The Company has revised its shareholder benefits program in seeking to gain prolonged support from more stakeholders. (Released on May 13, 2024)

Changes

- Complimentary gift has been changed from an item selected from a catalog previously to practical and highly versatile QUO Cards.
- Special perks for shareholders who have held their shares for three years or more.

(Eligibility criteria)

Number of shares held	Complimentary gift	
	Less than 3 years continuous ownership	3 or more years continuous ownership
100–199 shares	500 yen QUO Card	1,000 yen QUO Card
200–499 shares	1,000 yen QUO Card	3,000 yen QUO Card
500 or more shares	5,000 yen QUO Card	10,000 yen QUO Card



Integrated Report 2023



The Company has released its Integrated Report containing financial and non-financial information of the Group. Please access the report via the QR code provided below.

(QR)

Improvements relative to previous edition

In seeking to instill greater understanding of the Company, the Integrated Report features layout and design that reflect the narrative and overall perspective of the corporate strategy, and furthermore provides more detailed information on risk management and other new topics.





04

Result Forecasts and Dividend Policy



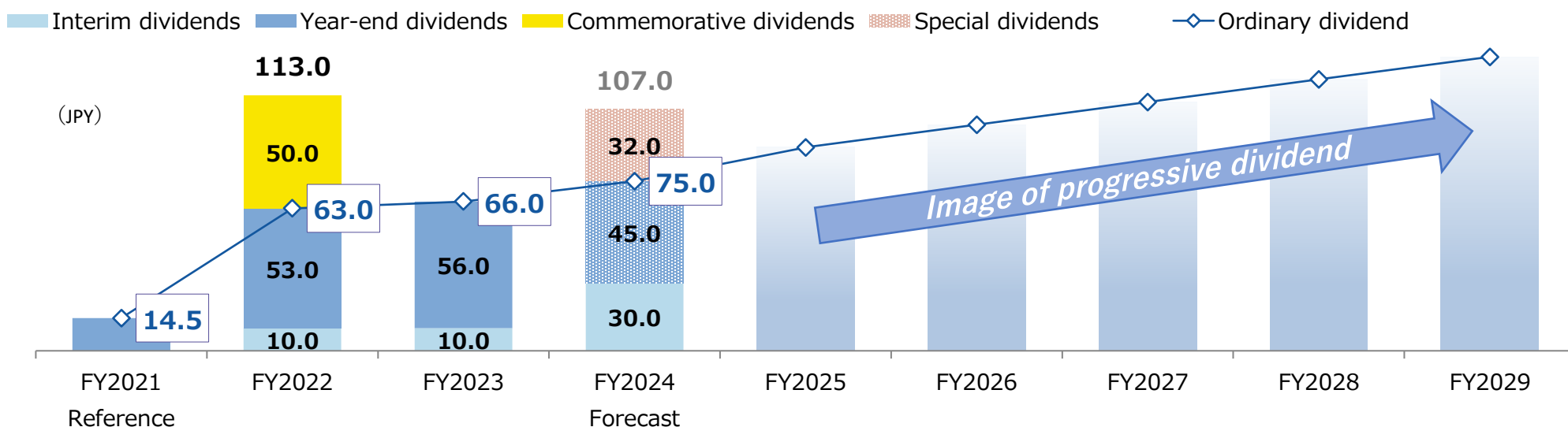
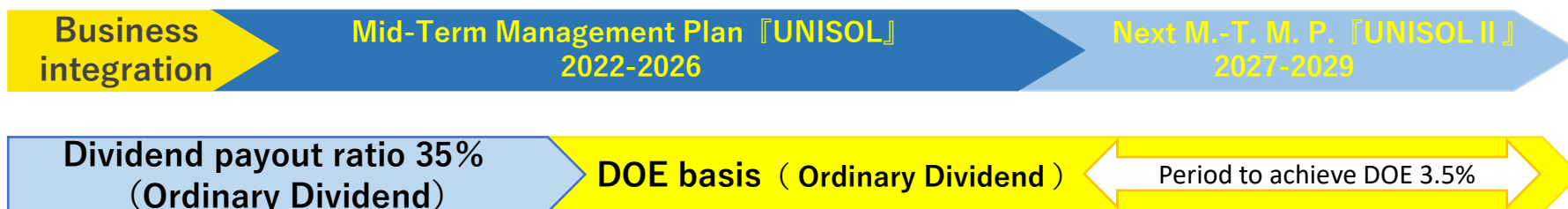
Earnings forecast

- **Net sales:** Machinery & Tools and Construction Products likely to encounter greater demand in 2H.
- **Operating profit:** Seeking to improve profit margin by achieving increase in sales that exceeds increase in expenses.
- **Profit:** Anticipated sale of investment securities largely completed in 1H.

Account items	FY2023 Results (JPY million)			FY2024 Forecasts (JPY million)			Full-year change (JPY million)	Achievement (%)
	1H Results	2H Results	Full-year Results	1H Results	2H Forecast	Full-year Forecast		
Net sales	85,159	87,820	172,980	78,845	84,354	163,200	▲ 9,780	▲ 5.7
Machinery & Tools	58,326	58,802	117,128	51,226	54,753	105,980	▲ 11,148	▲ 9.5
Construction Products	22,130	23,111	45,241	21,780	23,759	45,540	298	0.7
Construction Machinery	3,248	4,356	7,605	4,036	4,023	8,060	454	6.0
IoT Solution	1,454	1,550	3,004	1,802	1,817	3,620	615	20.5
Operating profit	3,186	2,519	5,705	1,706	2,093	3,800	▲ 1,905	▲ 33.4
Machinery & Tools	2,236	1,522	3,758	843	966	1,810	▲ 1,948	▲ 51.8
Construction Products	1,007	979	1,987	745	974	1,720	▲ 267	▲ 13.4
Construction Machinery	▲ 9	91	81	77	52	130	48	58.8
IoT Solution	19	18	38	124	15	140	101	266.6
Adjustment	▲ 68	▲ 92	▲ 160	▲ 83	83	0	160	-
Ordinary profit	3,631	3,021	6,652	2,160	2,439	4,600	▲ 2,052	▲ 30.9
Profit attributable to owners of parent	2,598	2,100	4,698	2,862	1,687	4,550	▲ 148	▲ 3.2

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).
- Special dividends increased to 32 yen from 22 yen as a result of extraordinary income from sale of cross-shareholdings having exceeded expectations.





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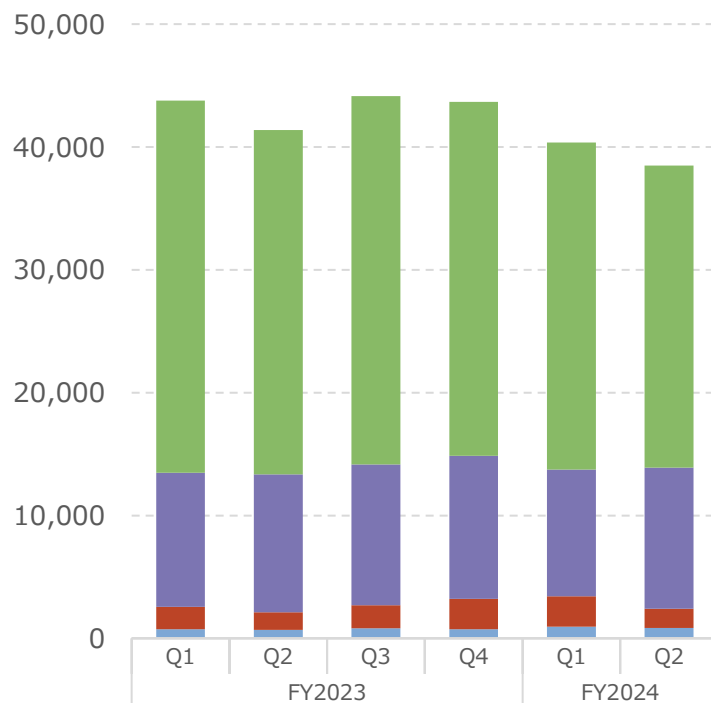
Appendix



Consolidated Segment Quarterly Data

Net sales

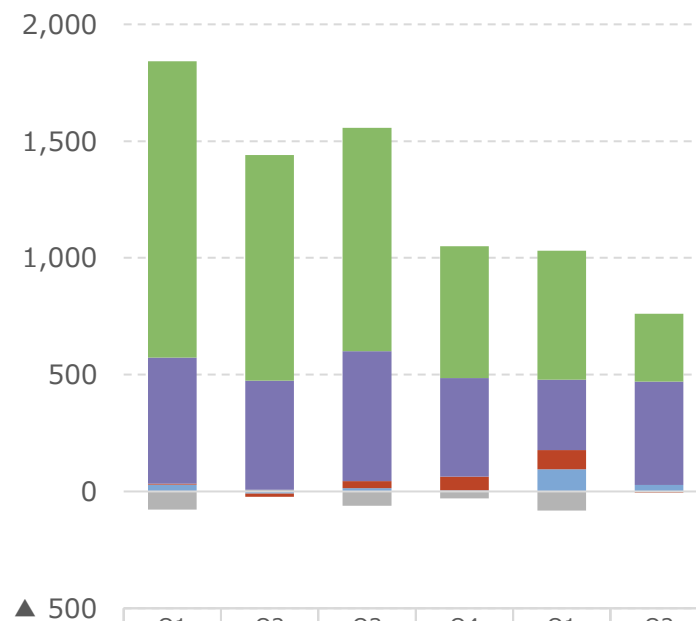
(million yen)



	Q1	Q2	Q3	Q4	Q1	Q2
	FY2023				FY2024	
TOTAL	43,781	41,378	44,152	43,668	40,362	38,482
Machinery & Tools	30,295	28,030	30,005	28,797	26,634	24,591
Construction Products	10,908	11,221	11,445	11,665	10,300	11,480
Construction Machinery	1,825	1,423	1,885	2,470	2,481	1,555
IoT Solution	751	702	815	734	947	855

Segment profits

(million yen)



	Q1	Q2	Q3	Q4	Q1	Q2
	FY2023				FY2024	
TOTAL	1,767	1,418	1,497	1,021	950	756
Machinery & Tools	1,269	966	957	564	552	290
Construction Products	540	467	555	423	302	443
Construction Machinery	4	▲ 14	31	59	82	▲ 5
IoT Solution	29	▲ 9	14	4	95	28
Adjustment Amount	▲ 77	8	▲ 61	▲ 30	▲ 82	0

- **Notes on this material**

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PR Div.**



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