

September 17, 2024

FOR IMMEDIATE RELEASE

Company Name: MARUKA FURUSATO Corporation
Representative: Ryohei Furusato
President and Representative Director
(Securities Code: 7128; TSE Prime Market)
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Notice Regarding Establishment of Subsidiary by Joint Incorporation-Type Company Split (Simplified Company Split) by the Company and its Consolidated Subsidiaries

MARUKA FURUSATO Corporation (the “Company”) hereby announces that at the Board of Directors meeting held on September 17, 2024, it has resolved to establish a new company on January 6, 2025 by conducting a joint incorporation-type company split (hereinafter the “Company Split”) of the Company and its consolidated subsidiaries Furusato Industries, Ltd. (hereinafter “Furusato Industries”), G-NET CORPORATION (hereinafter “G-NET”), Maruka Corporation (hereinafter “Maruka”), and the businesses related to the administrative divisions of the four companies to the new company will be succeeded to the new company.

As the Company Split is a simplified company split carried out jointly between the Company and its consolidated subsidiaries, a portion of the matters to be disclosed and details are omitted.

1. Purpose of the Company Split

The purpose of the Company Split is to establish a place to further raise the level of skills possessed by the corporate administrative staff and foster core personnel for the management of the future by enhancing specialization through streamlining business processes and improving product quality, while expanding the breadth of job competencies through active job rotation.

2. Outline of the Company Split

(1) Schedule of the Company Split

| | |
|--|---------------------------|
| The Board of Directors meeting to approve the plan for the joint incorporation-type company split (Furusato Industries, G-NET, and Maruka) | September 9, 2024 |
| The Board of Directors meeting to approve the plan for the joint incorporation-type company split (the Company) | September 17, 2024 |
| Effective date of the incorporation-type company split | January 6, 2025 (planned) |

Note: The Company Split is planned to be carried out without obtaining approval from a general meeting of shareholders, in accordance with the provisions of Article 805 of the Companies Act.

The organizational approval dates for the joint incorporation-type company split for each of Furusato Industries, G-NET, and Maruka are all deemed to be September 17, 2024.

(2) Method of the Company Split

The Company Split is a joint incorporation-type company split with the Company, Furusato Industries, G-NET, and Maruka as the splitting companies and UNISOL BUSINESS PARTNERS Corporation (hereinafter “UBP”), jointly established by each of the splitting companies, as the successor company.

(3) Details of allocation of the Company Split

UBP shall issue 5,000 common shares in the Company Split, and deliver the 5,000 shares by allocation as company split consideration to the Company. (Furusato Industries, G-NET, and Maruka do not receive any of the allocation.) As a result, UBP shall become a wholly owned subsidiary of the Company.

- (4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Company Split
Not applicable.
- (5) Increase or decrease in share capital due to the Company Split
There will be no change in the share capital of the Company, Furusato Industries, G-NET, or Maruka due to the Company Split.
- (6) Rights and obligations succeeded by the company to be newly established
The assets, liabilities, contracts and other rights and obligations related to the businesses subject to the Company Split of the Company, Furusato Industries, G-NET, and Maruka, the splitting companies, will be succeeded by UBP, the company to be newly established on the effective date.
- (7) Prospects of fulfilling financial obligations
The Company deems that UBP, the Company, Furusato Industries, G-NET and Maruka will have no issue with the prospects for performance of the obligations they will assume due to the Company Split.

3. Outline of companies involved in the Company Split

| | Splitting company (as of December 31, 2023) | Splitting company (as of December 31, 2023) | Company to be newly established (planned to be established on January 6, 2025) |
|---|--|--|---|
| (1) Name | MARUKA FURUSATO Corporation | Furusato Industries, Ltd. | UNISOL BUSINESS PARTNERS Corporation |
| (2) Location | 1-2-10, Minamishinmachi, Chuo-ku, Osaka City, Osaka | 1-2-10, Minamishinmachi, Chuo-ku, Osaka City, Osaka | 1-2-10, Minamishinmachi, Chuo-ku, Osaka City, Osaka |
| (3) Name and title of representative | Ryohei Furusato President and Representative Director | Ryohei Furusato President and Representative Director | Ryohei Furusato President and Representative Director |
| (4) Details of business | Formulation and promotion of Group management strategies, business management of Group companies, and related operations | Manufacturing and sale of materials for steel-framed buildings, and sale of materials for plant piping | Provision of BPO (business process outsourcing) services for bookkeeping and finance, human resources and administrative tasks of general affairs, etc. |
| (5) Share capital | 5,000 million yen | 400 million yen | 5 million yen (planned) |
| (6) Date of establishment | October 1, 2021 | May 19, 1959 | January 6, 2025 (planned) |
| (7) Number of shares issued | 25,174,214 shares | 14,518,412 shares | 5,000 shares |
| (8) Fiscal year-end | December 31 | December 31 | December 31 |
| (9) Major shareholder and holding ratio | FRT, LTD. 11.21%, THE SFP VALUE REALIZATION MASTER FUND LTD. 10.21%, The Master Trust Bank of Japan, Ltd. 8.15%, THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL OMNIBUS SECS LENDING ACCOUNT 3.47%, KOBELCO CONSTRUCTION MACHINERY CO., LTD. 3.12%, NACHI-FUJIKOSHI CORP. 3.02% | MARUKA FURUSATO Corporation 100% | MARUKA FURUSATO Corporation 100% |

| (10) Financial position and operating results for the most recent fiscal year | | |
|---|--|--|
| Company name | MARUKA FURUSATO Corporation (Non-consolidated) | Furusato Industries, Ltd. |
| Fiscal year-end | Fiscal year ended December 31, 2023 (Non-consolidated, Japanese GAAP) | Fiscal year ended December 31, 2023 (Non-consolidated, Japanese GAAP) |
| Net assets | 52,758 million yen | 26,568 million yen |
| Total assets | 55,945 million yen | 36,400 million yen |
| Net assets per share | 2,157.22 yen | 1,829.97 yen |
| Revenue | 6,085 million yen | 39,989 million yen |
| Operating profit | 5,129 million yen | 2,085 million yen |
| Ordinary profit | 5,118 million yen | 3,834 million yen |
| Profit | 5,098 million yen | 3,069 million yen |
| Basic earnings per share | 203.54 yen | 211.41 yen |

| | Splitting company (as of December 31, 2023) | Splitting company (as of December 31, 2023) |
|--|--|---|
| (1) Name | G-NET CORPORATION | Maruka Corporation |
| (2) Location | 1-2-10, Minamishinmachi, Chuo-ku, Osaka City, Osaka | 2-2-5, Minamishinmachi, Chuo-ku, Osaka City, Osaka |
| (3) Name and title of representative | Ryohei Furusato President and Representative Director | Kunihiko Iida President |
| (4) Details of business | Wholesale of machine tools, sale of housing construction equipment, and sale of intruder protection and surveillance equipment | Domestic and overseas sale of manufacturing machinery, domestic sale and rental, and export of construction machinery |
| (5) Share capital | 420 million yen | 400 million yen |
| (6) Date of establishment | September 4, 1947 | December 16, 1946 |
| (7) Number of shares issued | 16,327,000 shares | 8,580,312 shares |
| (8) Fiscal year-end | December 31 | December 31 |
| (9) Major shareholder and holding ratio | MARUKA FURUSATO Corporation 100% | MARUKA FURUSATO Corporation 100% |

| (10) Financial position and operating results for the most recent fiscal year | | |
|---|--|--|
| Company name | G-NET CORPORATION | Maruka Corporation |
| Fiscal year-end | Fiscal year ended December 31, 2023 (Non-consolidated, Japanese GAAP) | Fiscal year ended December 31, 2023 (Non-consolidated, Japanese GAAP) |
| Net assets | 14,647 million yen | 18,001 million yen |
| Total assets | 29,371 million yen | 31,662 million yen |
| Net assets per share | 897.14 yen | 2,098.03 yen |
| Revenue | 64,424 million yen | 34,055 million yen |
| Operating profit | 1,151 million yen | 928 million yen |
| Ordinary profit | 1,603 million yen | 1,226 million yen |
| Profit | 1,056 million yen | 869 million yen |
| Basic earnings per share | 64.73 yen | 101.37 yen |

4. Outline of business divisions to be split

(1) Description of business of divisions to be split

Business related to the administration divisions of the Company, Furusato Industries, G-NET, and Maruka.

(2) Operating results of divisions to be split

(i) MARUKA FURUSATO Corporation (fiscal year ended December 31, 2023)

(ii) Furusato Industries, Ltd. (fiscal year ended December 31, 2023)

(iii) G-NET CORPORATION (fiscal year ended December 31, 2023)

(iv) Maruka Corporation (fiscal year ended December 31, 2023)

(i) to (iv): Not applicable because the businesses to be split off for (i) to (iv) are the administration divisions.

(3) Assets and liabilities to be split off and their respective carrying amounts

(i) MARUKA FURUSATO Corporation (Splitting company)

| Assets | | Liabilities | |
|--------------------|----------------|-------------------------|---------------|
| Account | Amount | Account | Amount |
| Current assets | 10 million yen | Current liabilities | – million yen |
| Non-current assets | – million yen | Non-current liabilities | – million yen |
| Total | 10 million yen | Total | – million yen |

5. Status after the Company Split

There will be no change in the name, location, name and title of representative, details of business, share capital, and fiscal year-end of the Company, Furusato Industries, G-NET, or Maruka due to the Company Split. Please see “3. Outline of companies involved in the Company Split” for the name, location, name and title of representative, details of business, share capital, and fiscal year-end for the company to be newly established.

6. Future outlook

Although the impact of the Company Split on the Company’s consolidated financial results will be immaterial, the Company considers this will contribute to enhancing corporate value for the Company in the future.