



UNISOL

**Third Quarter of FY2023
Earnings Presentation**

November 2023

MARUKA FURUSATO Corporation

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01

Consolidated Financial Results



Third Quarter of FY2023 Consolidated Financial Results Summary

Net sales

129,311 million yen

Year on year : 9.3% increase

Operating profit

4,683 million yen

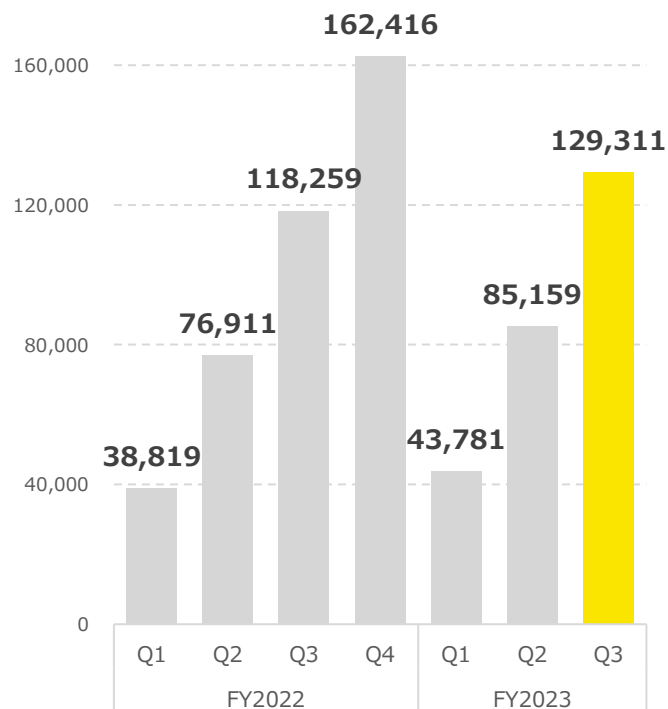
Year on year : 11.8% increase

Profit attributable to owners of parent

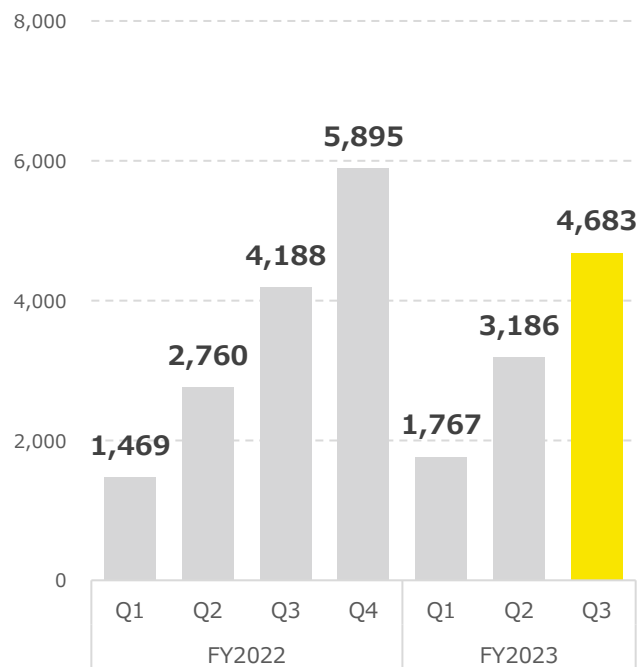
3,859 million yen

Year on year : 14.3% increase

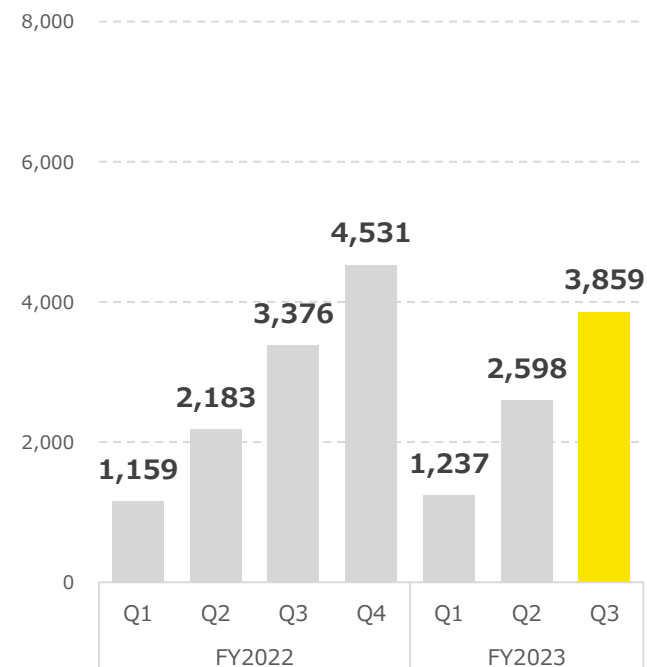
(JPY million)



(JPY million)



(JPY million)



Third Quarter of FY2023 Consolidated net sales

Net sales

129,311 million yen

Year on year

9.3% increase

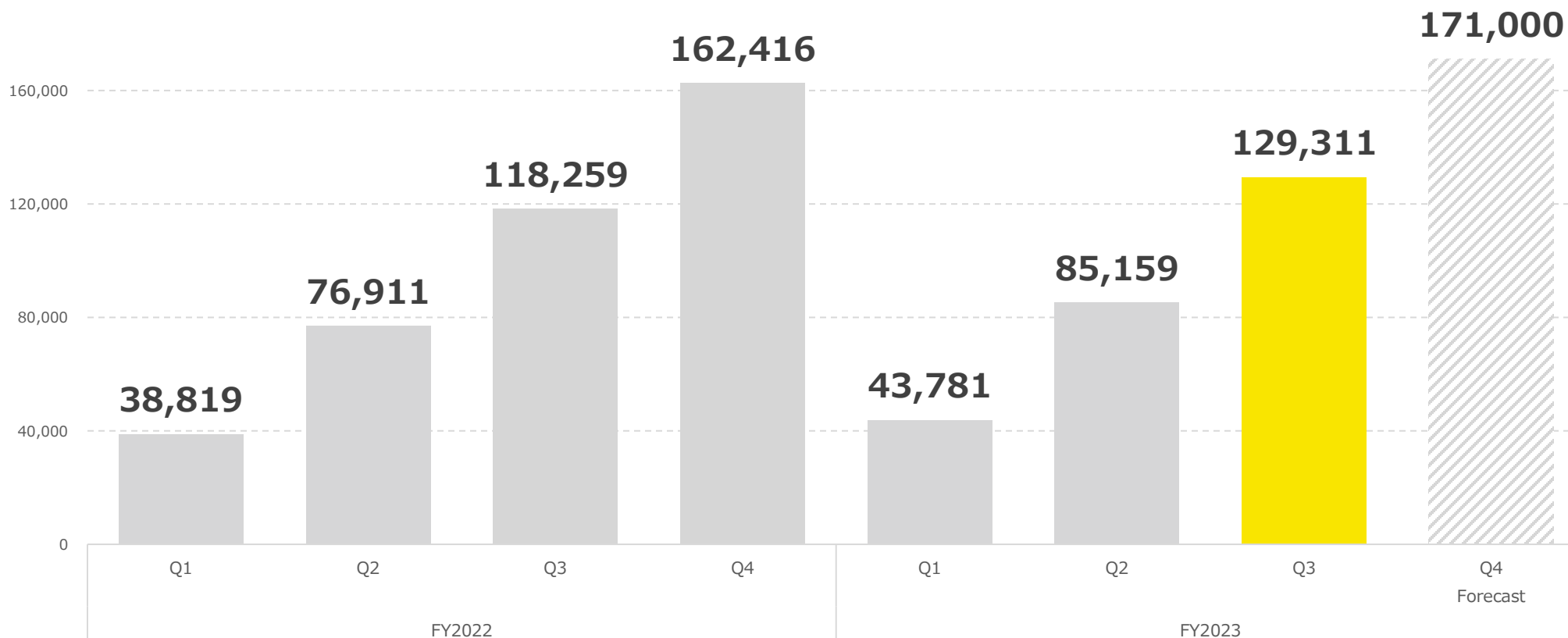
11,052 million yen increase

Achievement

75.6%

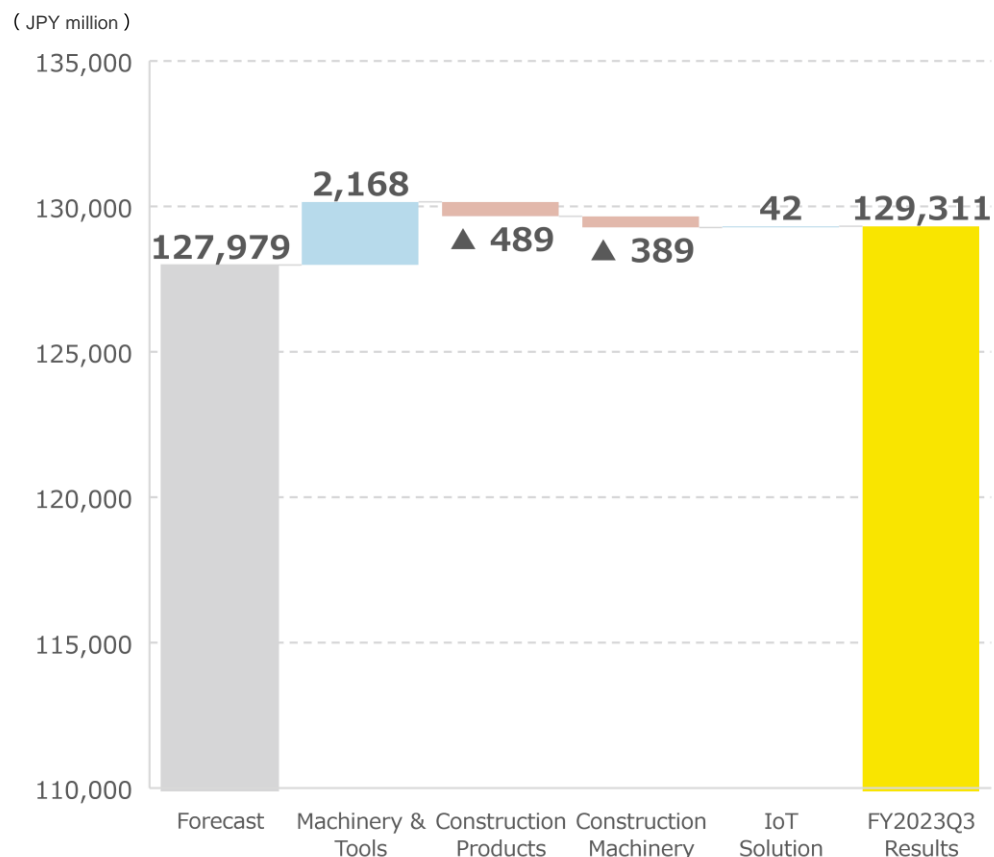
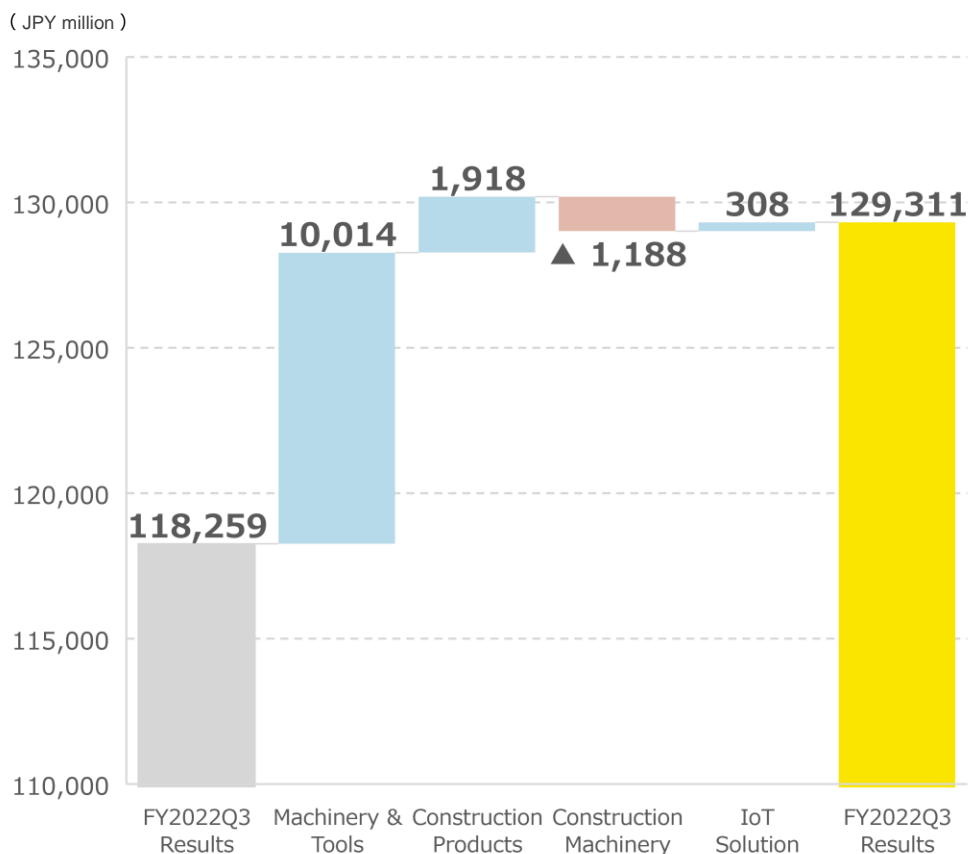
Q3 Forecasts : 127,979 million yen

(JPY million)



Factors Affecting Segment Net Sales (Market Conditions)

- Internal demand of the Machine Tool Builders' Association decreased 23.1% year on year and external demand decreased 12.1% year on year. (July to September)
- The industrial production index decreased slightly, down 3.7% year on year. (July to September)
- The number of new construction starts decreased 11.5% year on year based on floor area and decreased 7.7% based on the number of new housing starts. (July to September)



Second Quarter of FY2023 Consolidated operating profit

Operating profit

4,683 million yen

Year on year

11.8% increase

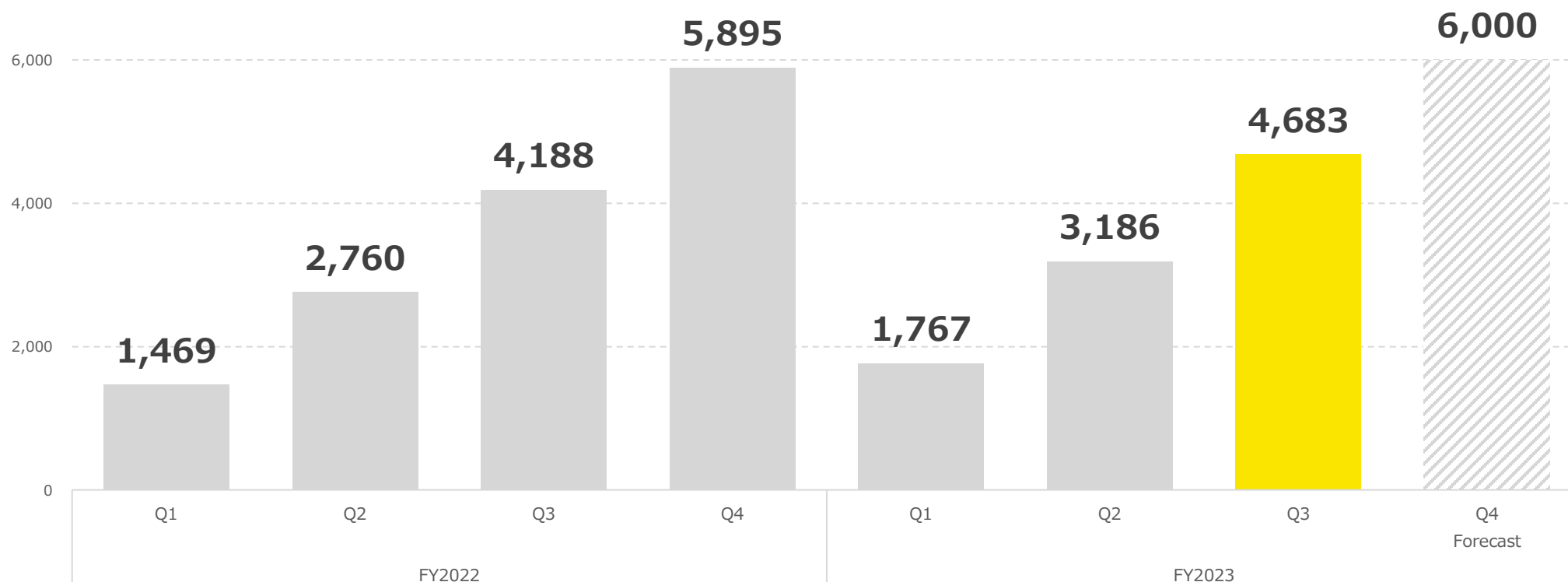
495 million yen increase

Achievement

78.1%

Q3 Forecasts : 4,626 million yen

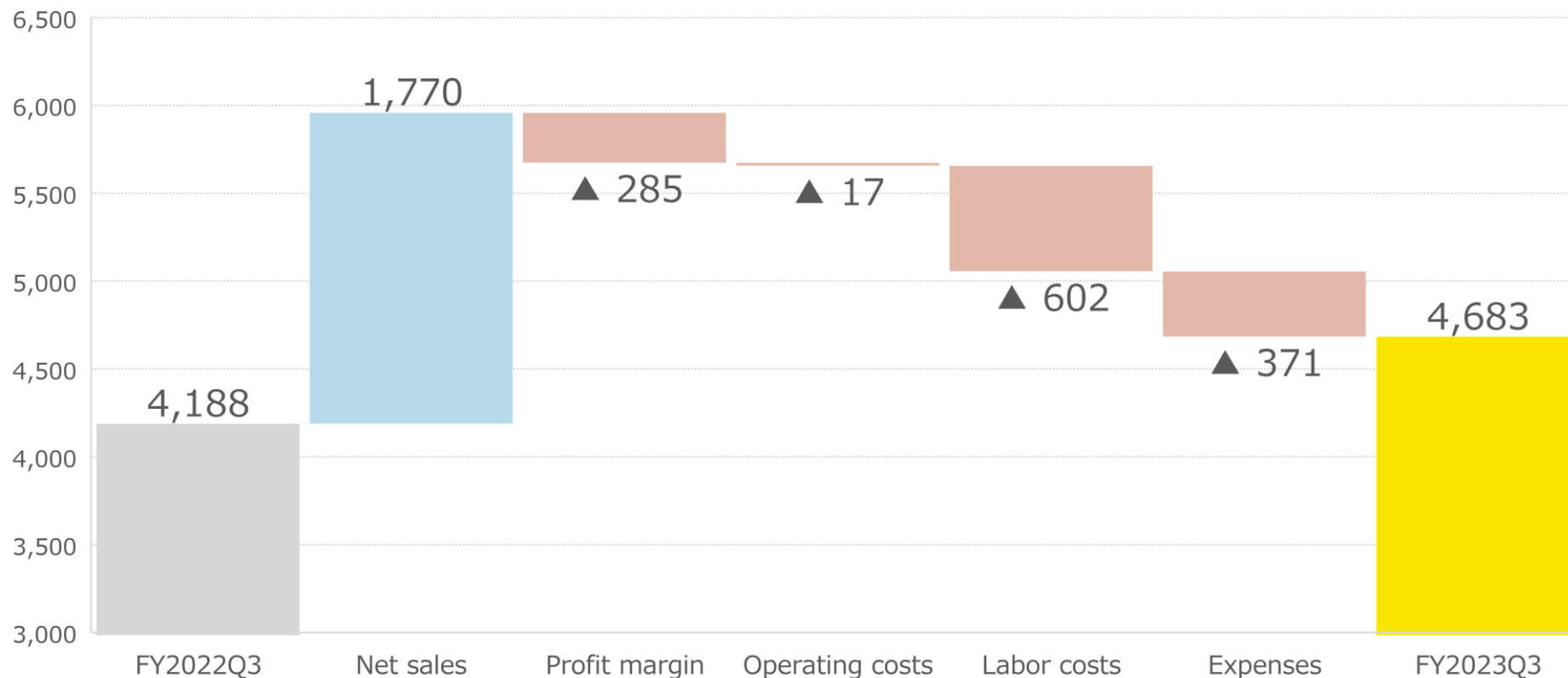
(JPY million)



Factors Affecting Operating Profit (Year on year)

- **Net sales:** Construction Machinery sales were lower than the previous year, but sales of Machinery & Tools and Construction Products increased year on year.
- **Profit margin:** Profit decreased due to rising costs such as materials and energy costs.
- **Labor costs:** Effect of increases in overseas wages and bonuses, and in the number of personnel in Japan.
- **Expenses:** Increased due to the normalization of sales activities because of the easing of behavior restrictions.

(JPY million)



Third Quarter of FY2023 Consolidated profit attributable to owners of parent

Profit attributable to owners of parent

3,859 million yen

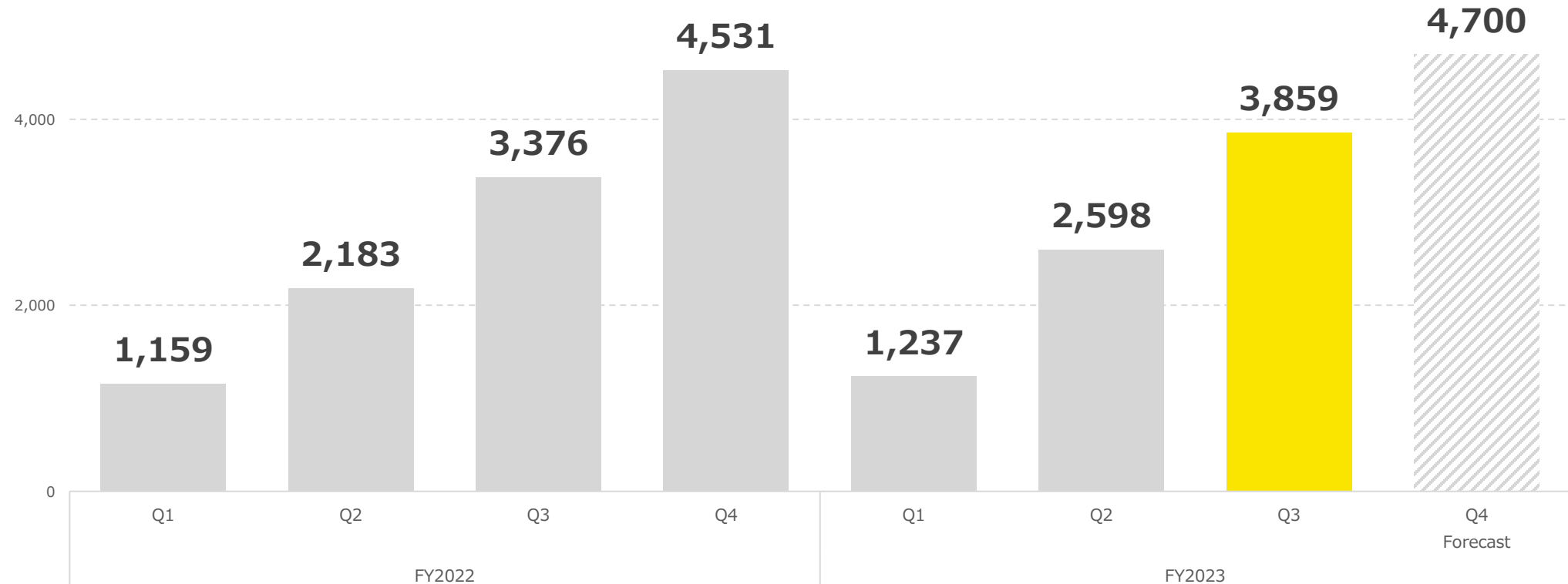
Year on year

14.3% increase
482 million yen increase

Achievement

82.1%
Q3 Forecast : 3,649 million yen

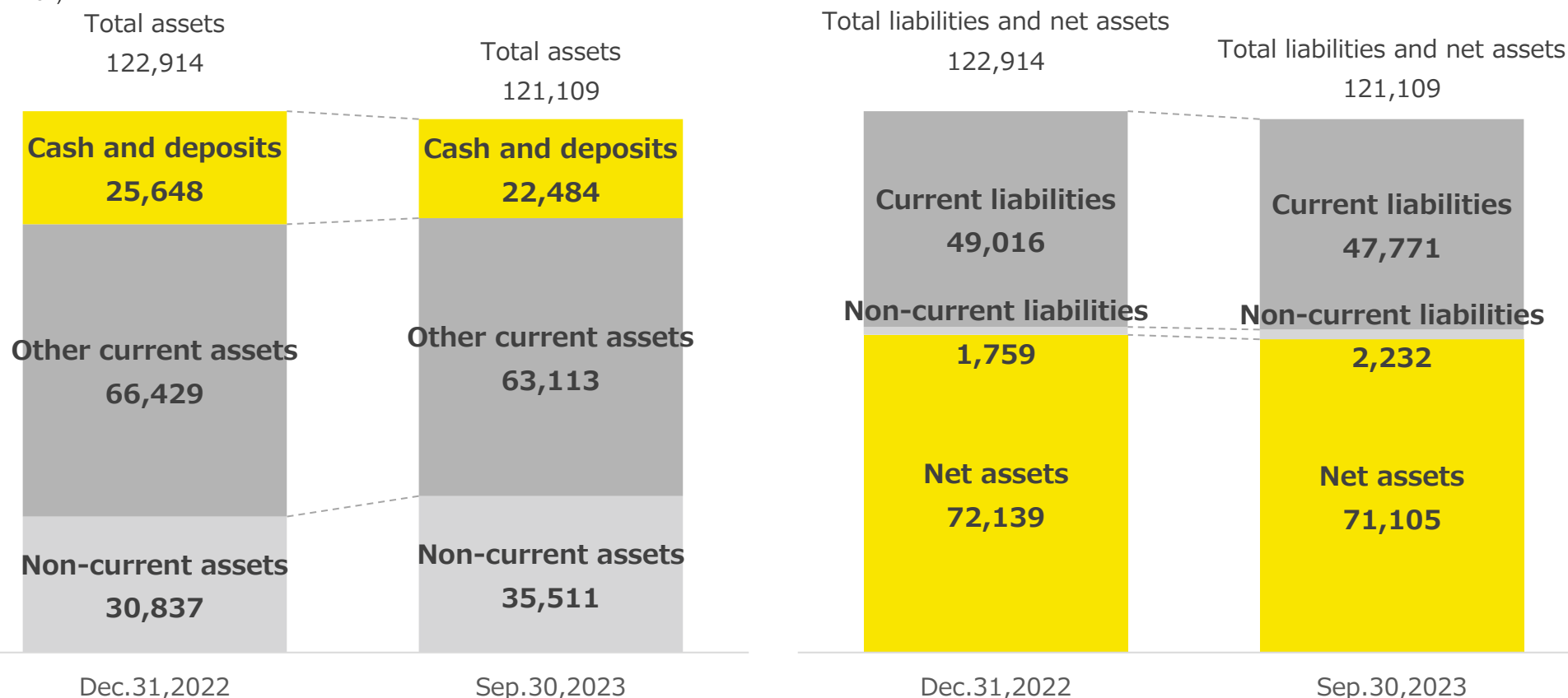
(JPY million)



Consolidated Balance Sheet

- **Current assets:** Cash and deposits decreased due to acquisition of treasury shares.
- **Non-current assets:** Increase due to acquisition of shares of TS Precision Co., Ltd.
Construction in progress increased due to relocation of group company building and construction of a logistics warehouse.
- **Current liabilities:** Contract liabilities decreased due to the decrease in backlog.

(JPY million)





02

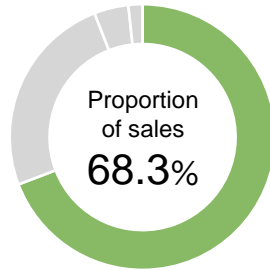
Segments



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



Market	Share
Big	Low



Machine tools



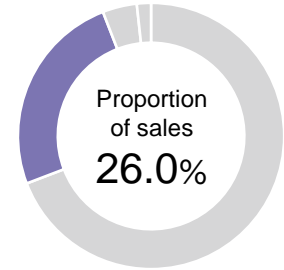
Injection molding machines



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



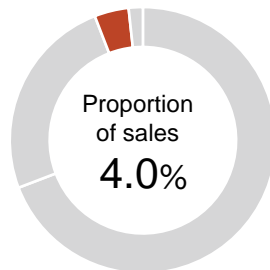
Joints



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



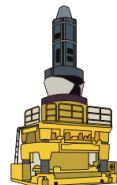
Market	Share
Mid	Low



Crawler cranes



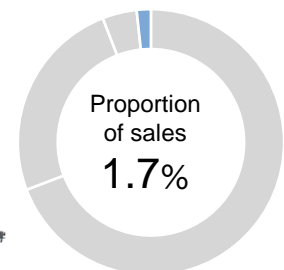
Hydraulic shovels



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

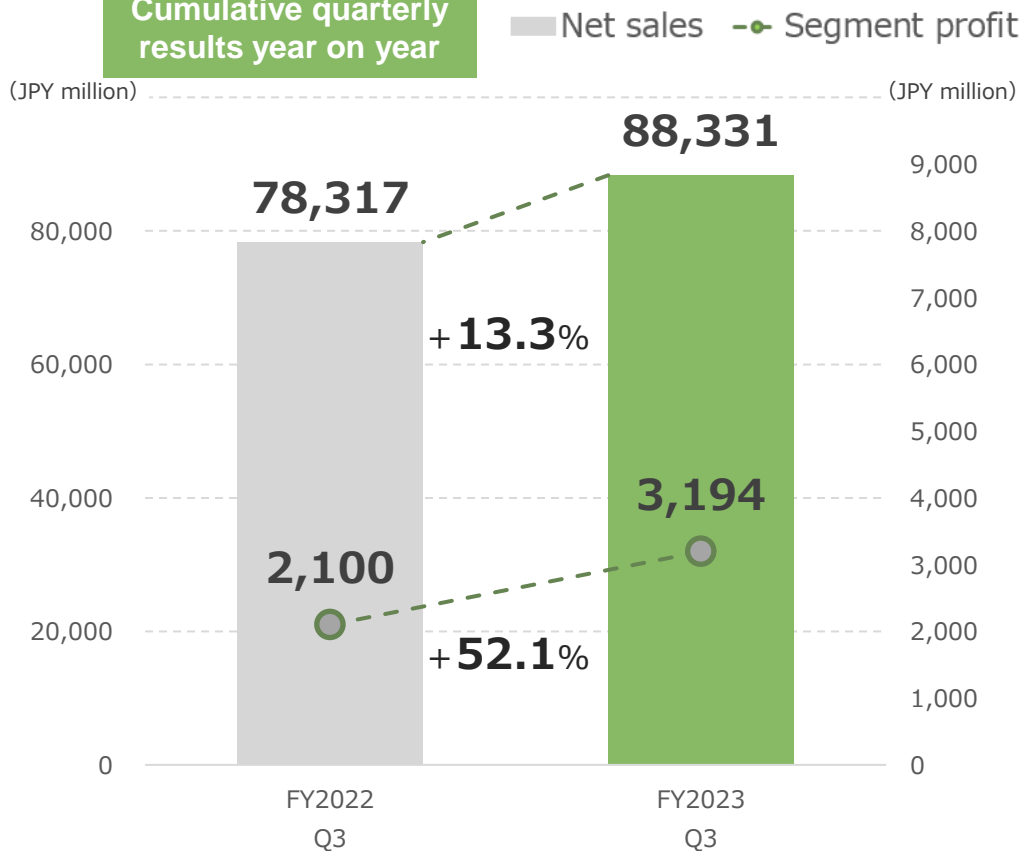
		G-NET	Gifu Shoji	Maruka Corp.	Over seas : 7 Company	KAN MANUFACTORY	ArPlus	Mtass Ref	TS Precision
Machinery & Tools Segment	Machinery	Machine tools, FA devices Industrial machinery, etc.	FA devices	Machine tools Industrial machinery, etc.	Machine tools Industrial machinery, etc.	Washers	Food machinery	CO ₂ refrigeration systems	Forming machine, CVJ, etc.
	Engineering	Engineering ES business			Sonoruka : Japan ITI : America USI : Indonesia				
	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

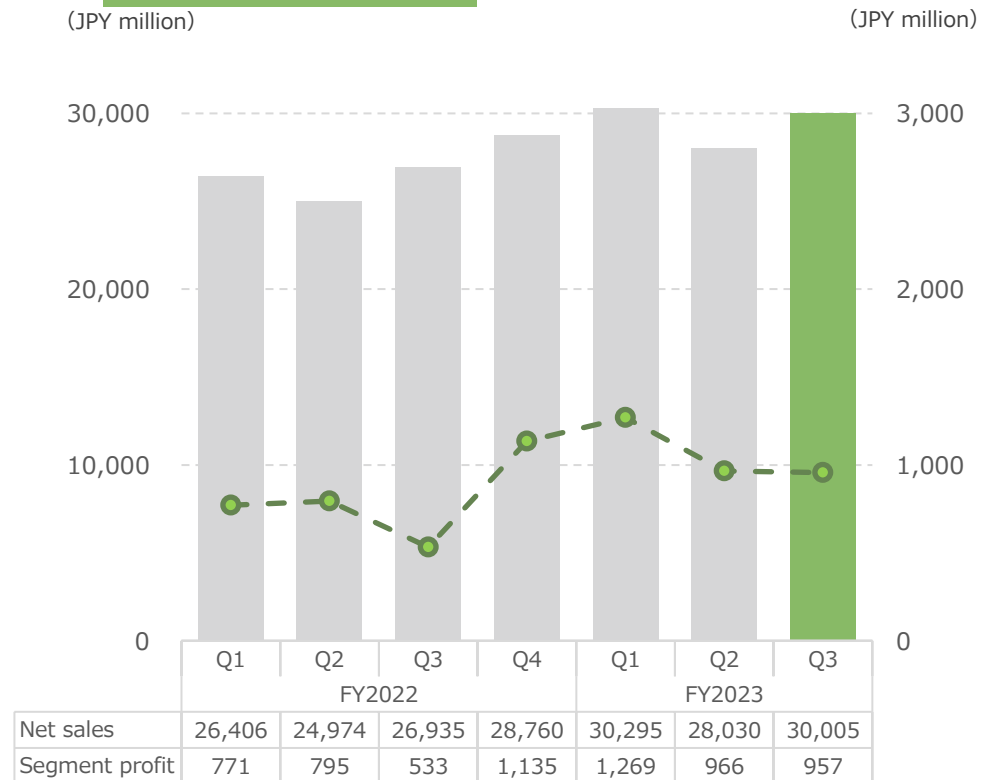
Machinery & Tools Segment

- Japan (Machinery) : Machine tool orders for both major enterprises and micro-, small- and medium-sized enterprises are in a wait-and-see stance
Investments related to EVs and decarbonization systems are expected to increase
- Japan (Tools) : Business confidence in the semiconductor and automotive industries is poor, but capital investment from the middle of next fiscal year can be expected

Cumulative quarterly results year on year

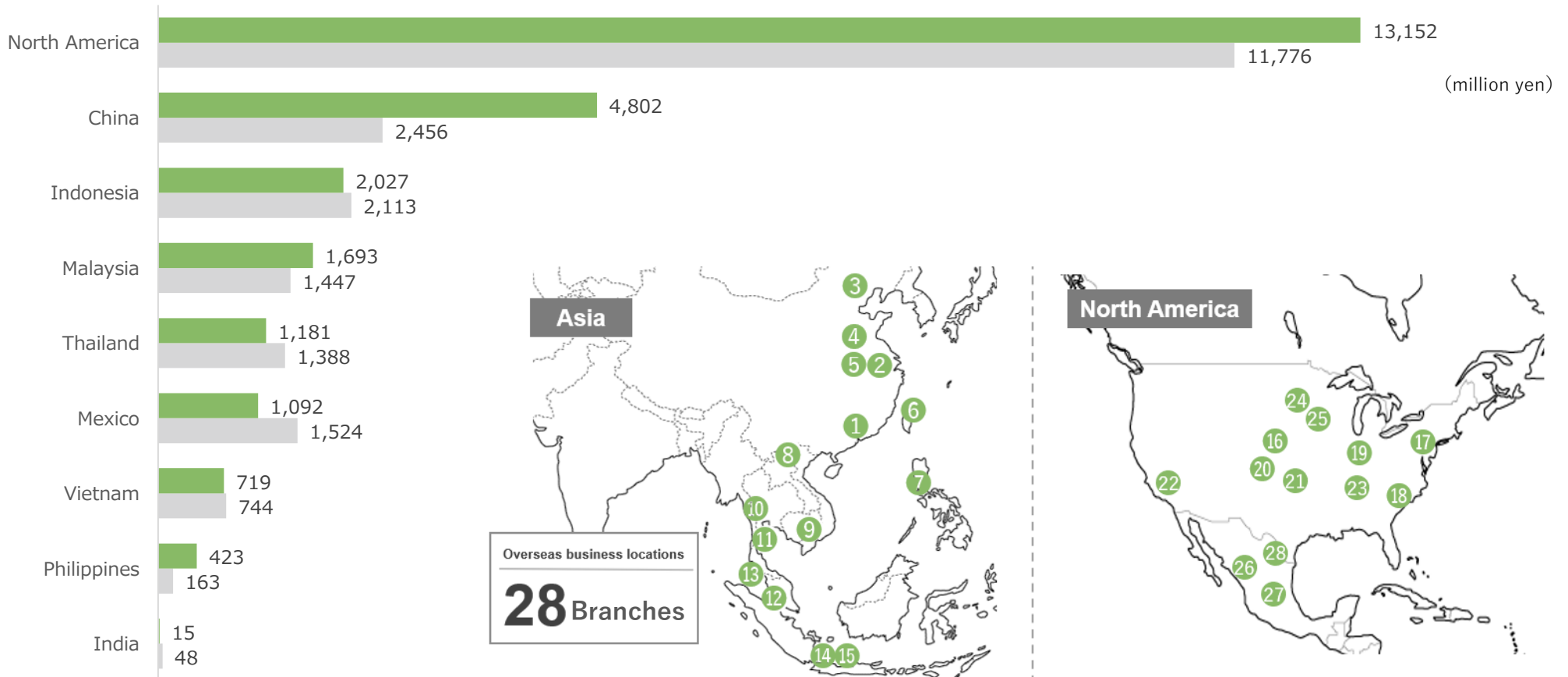


Quarterly transition



Machinery & Tools Segment Consolidated Overseas Net Sales

- Overseas net sales: 26,531 million yen
(Year on year: Increased by 4,867 million yen (22.5% increase))
- Proportion of overseas net sales: 20.5% (18.3% in the last year)
- In North America, orders for both injection molding machines and machine tools slowed
- In China, there was a sense of orders slowing recently due to the real estate slump and sluggish exports

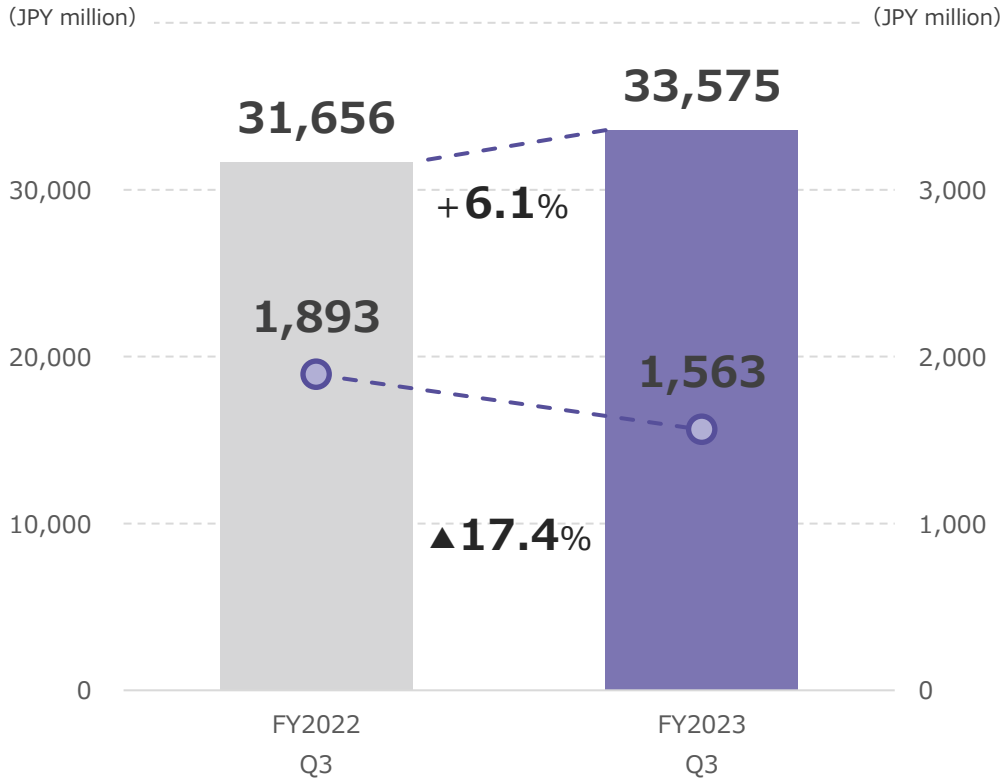


Construction Products Segment

- Urban redevelopment, manufacturing plants, logistics warehouses, etc. remain steady
- The number of projects decreased for small- and medium-scale properties and housing, and margins narrowed due to sales competition for large-scale properties
- For housing equipment, inquiries were on a downward trend due to the fallback following the COVID-19 pandemic

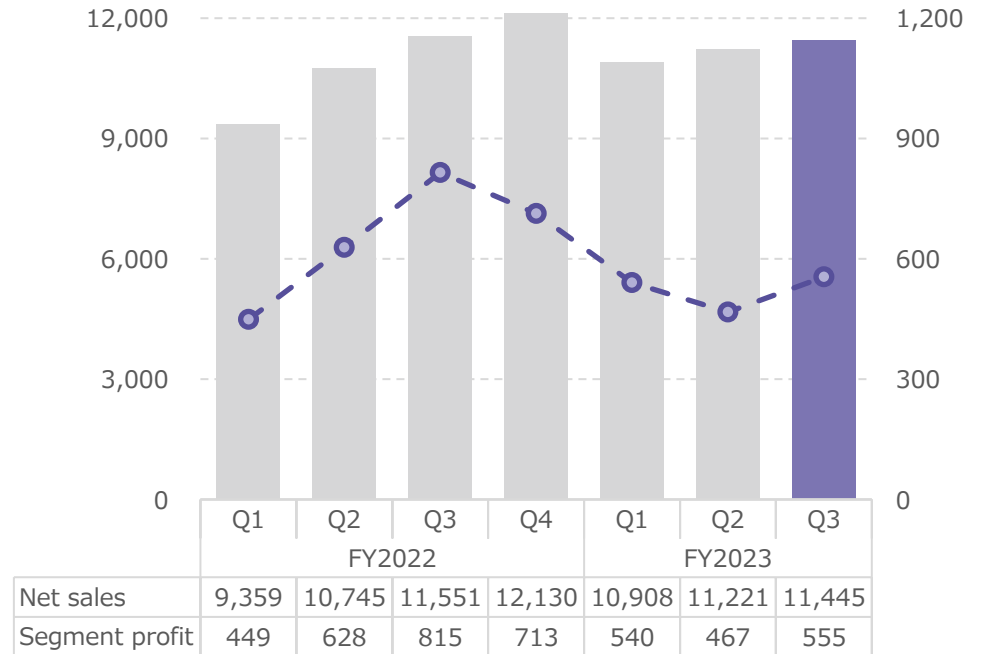
Cumulative quarterly results year on year

■ Net sales -o- Segment profit



Quarterly transition

(JPY million)

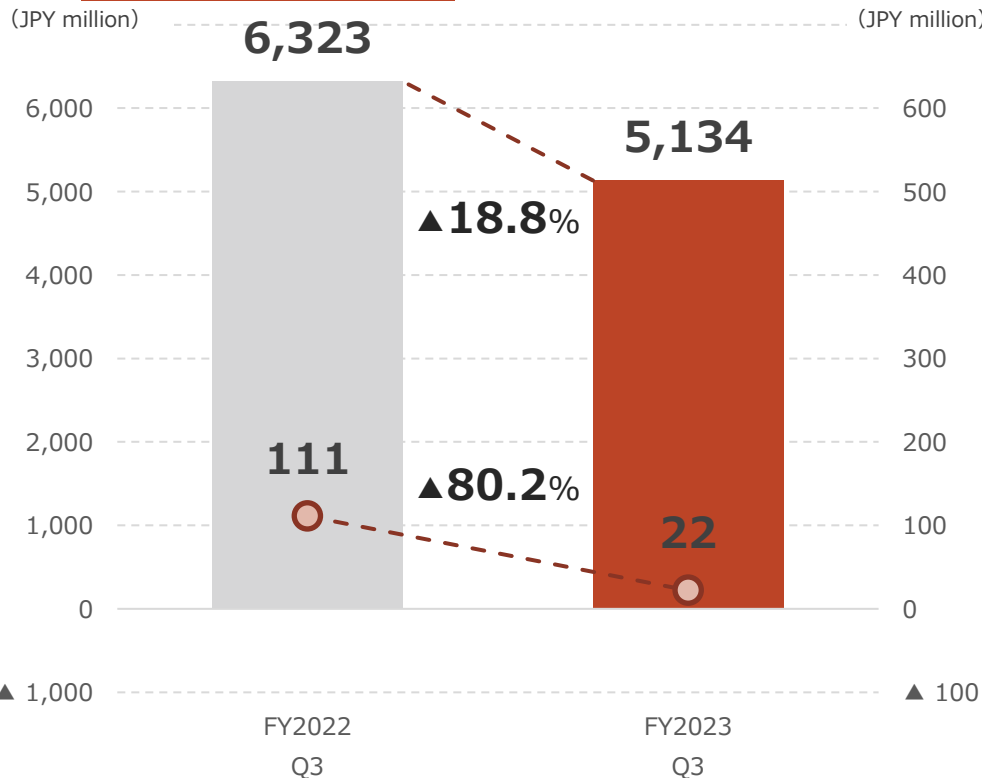


Construction Machinery Segment

- Customer purchasing appetite has declined due to price hikes in steel materials, various equipment, logistics costs, etc.
- Delivery schedule problems continued due to engine and steel material issues, machinery problems, etc.
- Outsourcing costs and repair costs increased for the rental business

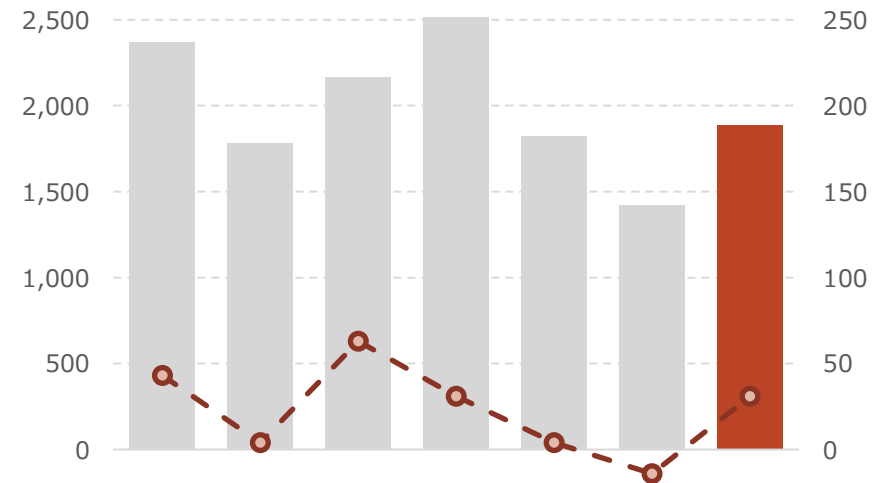
Cumulative quarterly results year on year

■ Net sales -o- Segment profit



Quarterly transition

(JPY million)



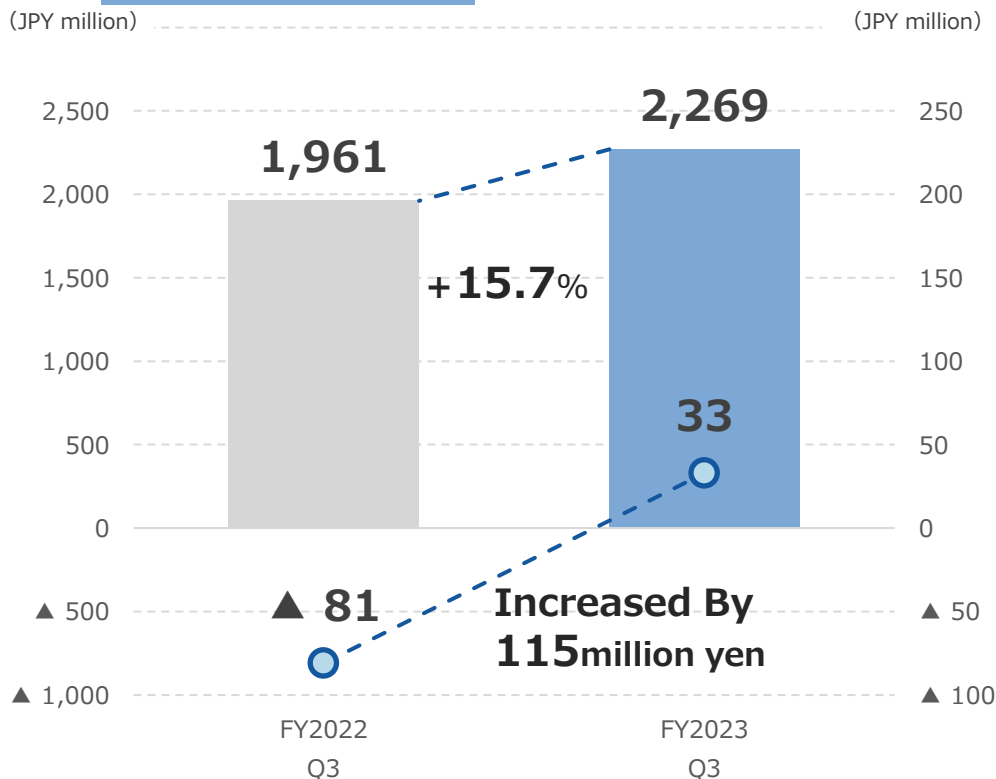
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	FY2022				FY2023		
Net sales	2,373	1,785	2,164	2,515	1,825	1,423	1,885
Segment profit	43	4	63	31	4	▲14	31

IoT Solution Segment (Former Security Segment)

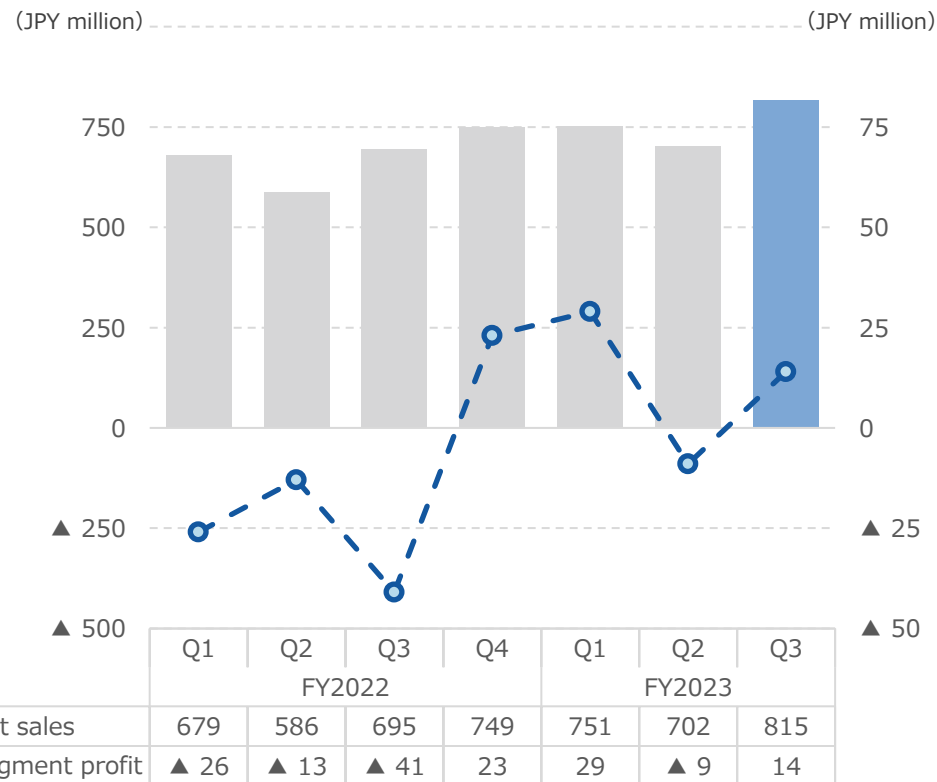
- The number of large-scale projects such as logistics facilities incorporating IP cameras is increasing
- Integration synergies and collaboration projects with Group companies are on the rise
- Margins are shrinking due to intensifying competition, but profits are increasing due to cost reductions

Cumulative quarterly results year on year

■ Net sales -○- Segment profit



Quarterly transition





03

Medium-Term Management Plan



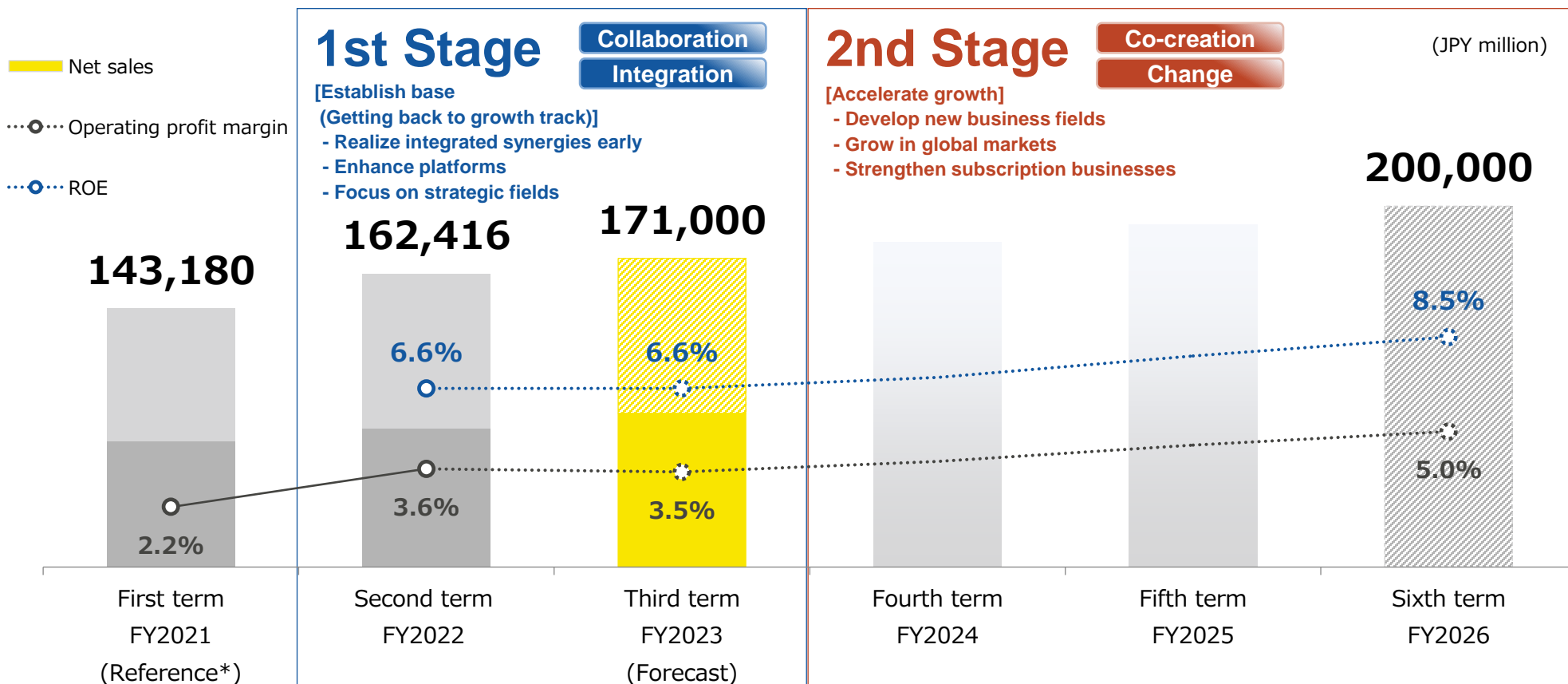
Medium-term Management Plan “UNISOL”

- FY2022 results exceeded the forecast at the time of formulation (157,000 million yen net sales, 4,100 million yen operating profit, and 4.3% ROE).
- In the second year of the 1st Stage, we will establish a base (getting back to growth track) and lead into the 2nd Stage.

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.

Acquisition of Own Shares

- **Total number of shares to be acquired: 1,600,000 shares (maximum)**
(6.3% of total number of issued shares (excluding treasury shares))
- **Total amount of shares to be acquired: 4,000,000,000 yen (maximum)**
- **Acquisition period: From August 22, 2023 to August 21, 2024**
- **Total number of shares acquired: 1,133,500 shares (as of November 6, 2023)**

Usage areas
and objectives

Human capital
investment

Shareholder returns

Strategic growth
investments

Incentives with Transfer Restrictions for Employees Stock Ownership Association

- No. of shares to be disposed: 185,000 shares
- Disposal value: 2,451 yen per share
- Total disposal value (planned): 453,435,000 yen
- Date of disposal: December 27, 2023

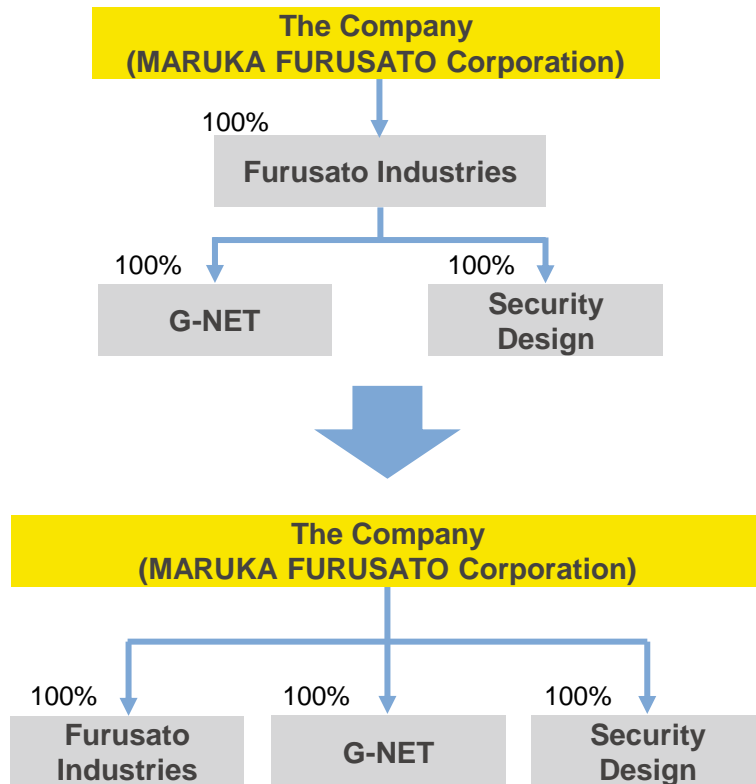
Cancellation of treasury shares

- Total no. of shares cancelled: 389,600 shares
(1.52% of the total no. of issued shares before
cancellation)
- Date of cancellation: September 29, 2023

Topics

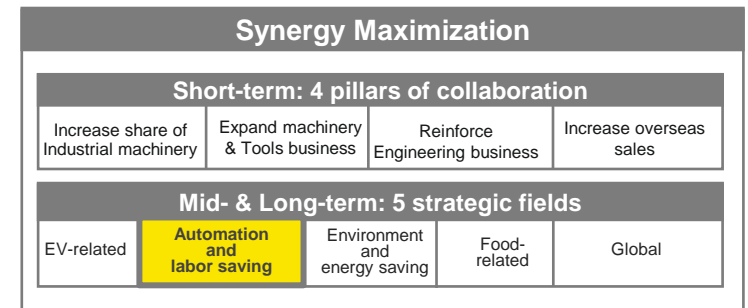
Reorganization

- Create new synergies through collaboration among Group companies
- Accelerate growth by further speeding up implementation of policy measures and further strengthening cooperation among businesses

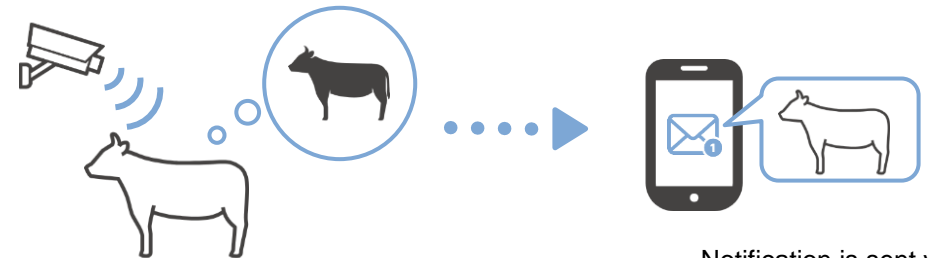


“UNI-MOW” Cow Calving Prediction System

- Through the adoption of IT, transform the livestock industry into a sustainable form
- Realize integration synergies



Expansion into the smart farm business



AI analysis is performed based on image data from cameras installed in the calving pen to detect signs of calving

Notification is sent via a dedicated app (with images at the time of detection)



Realization of safe calving



04

Result Forecasts and Dividend Policy



Result Forecasts

- In light of the recent trend in financial results, we adjusted the full-year result forecast on August 8, 2023
- Ordinary profit in 1H results includes a gain on sale of non-current assets following the relocation of group company building

Account items	FY2022 Results (JPY million)			FY2023 Forecasts (JPY million)			FY2023Q3 Results (JPY million)	Achievement (%)
	1H Results	2H Results	Full-year Results	1H Results	2H Forecast	Full-year Results		
Net sales	76,911	85,505	162,416	85,159	85,840	171,000	129,311	75.6
Machinery & Tools	51,381	55,696	107,077	58,326	55,673	114,000	88,331	77.5
Construction Products	20,105	23,682	43,787	22,130	23,869	46,000	33,575	73.0
Construction Machinery	4,158	4,680	8,839	3,248	4,551	7,800	5,134	65.8
IoT Solution	1,265	1,445	2,711	1,454	1,545	3,000	2,269	75.7
Operating profit	2,760	3,134	5,895	3,186	2,813	6,000	4,683	78.1
Machinery & Tools	1,566	1,669	3,235	2,236	1,323	3,560	3,194	89.7
Construction Products	1,077	1,529	2,606	1,007	1,362	2,370	1,563	66.0
Construction Machinery	47	95	142	▲ 9	59	50	22	44.5
IoT Solution	▲ 39	▲ 17	▲ 57	19	0	20	33	169.4
Adjustment	108	▲ 141	▲ 32	▲ 68	68	0	▲ 129	-
Ordinary profit	3,311	3,743	7,055	3,631	3,198	6,830	5,391	78.9
Profit attributable to owners of parent	2,183	2,348	4,531	2,598	2,101	4,700	3,859	82.1

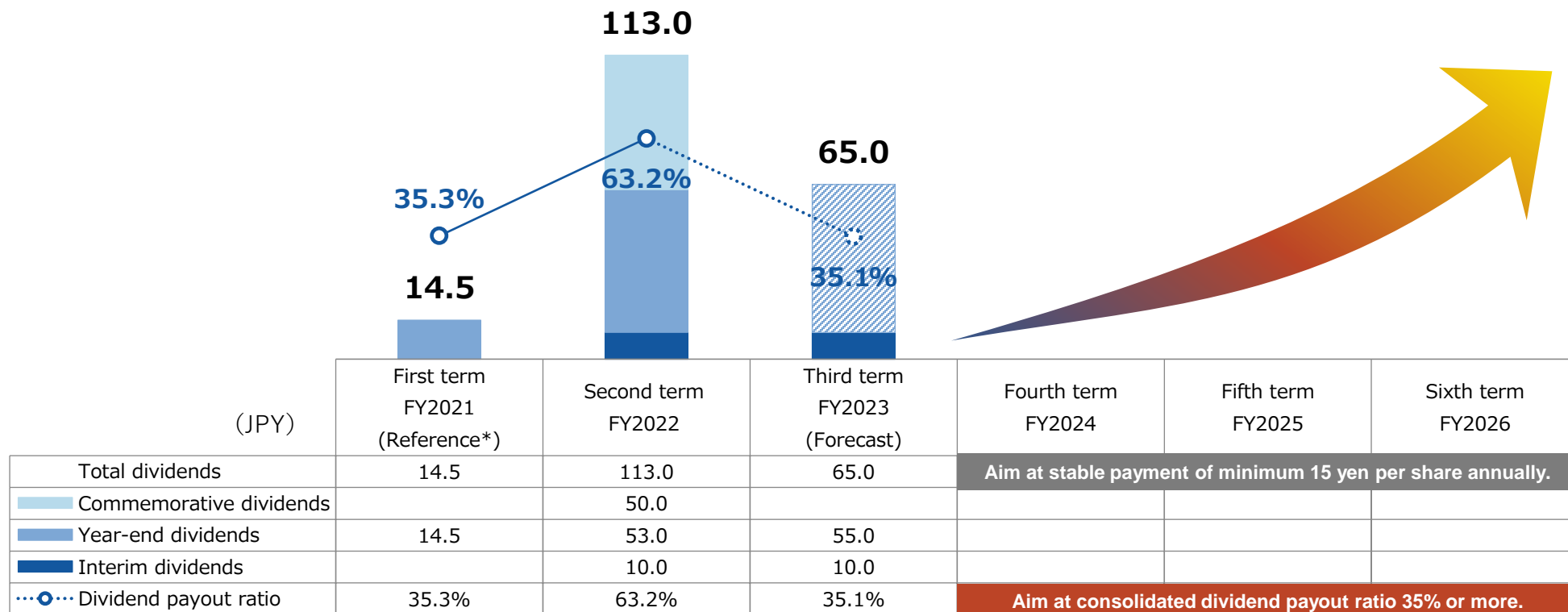
Dividend Policy

- Disclosure took place on August 8, 2023 to update the year-end dividend forecast from 51 yen to 55 yen
- Shareholders return policy during the medium-term management plan:
Profit distribution is based on the consolidated results. The consolidated dividend payout ratio is approximately 35% of the profit attributable to owners of parent, and we aim for stable annual payment of minimum 15 yen per share.

Management
integration

“UNISOL”

— Change and Challenge toward the Next Stage —





05

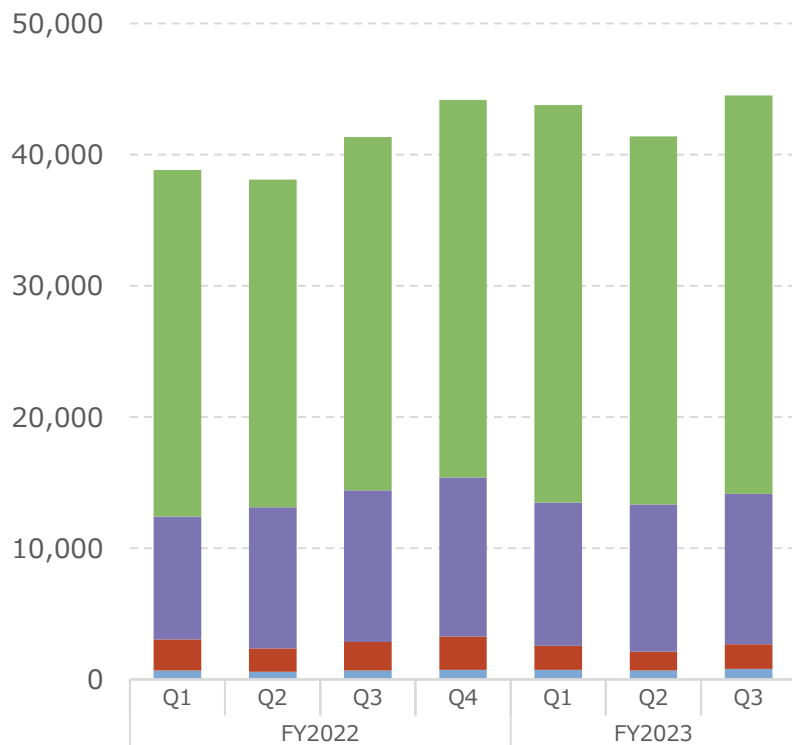
Appendix



Consolidated Segment Quarterly Data

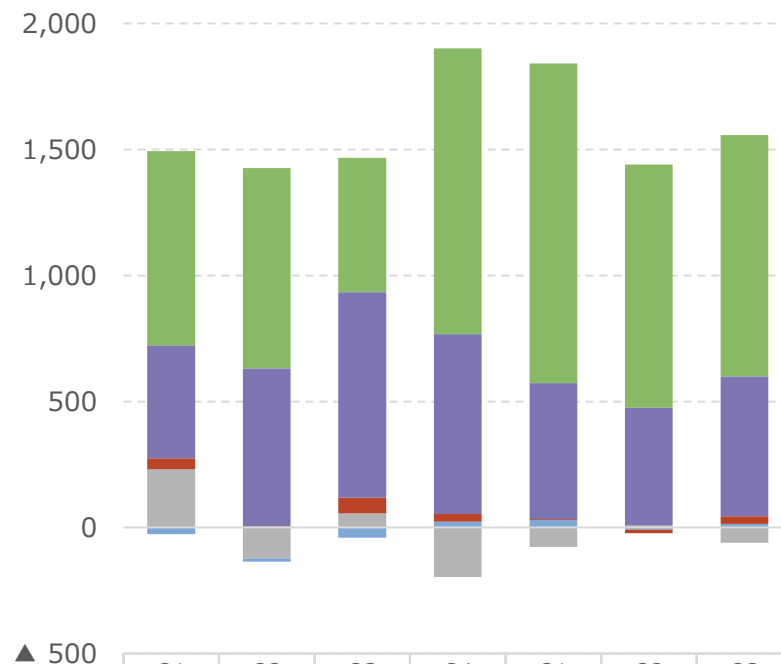
Net sales

(JPY million)



Segment profits

(JPY million)



	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	FY2022				FY2023		
TOTAL	1,469	1,291	1,427	1,707	1,767	1,418	1,497
Machinery & Tools	771	795	533	1,135	1,269	966	957
Construction Products	449	628	815	713	540	467	555
Construction Machinery	43	4	63	31	4	▲ 14	31
IoT Solution	▲ 26	▲ 13	▲ 41	23	29	▲ 9	14
Adjustment Amount	231	▲ 123	56	▲ 197	▲ 77	8	▲ 61

- **Notes on this material**

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UNISOL