



UNISOL

Third Quarter of FY2024 Earnings Presentation

November 2024

MARUKA FURUSATO Corporation

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01

Consolidated Financial Results



Third Quarter of FY2024 Consolidated Financial Results Summary

Net Sales

119,968 million yen

Year on year : 92.8%

Operating Profit

2,718 million yen

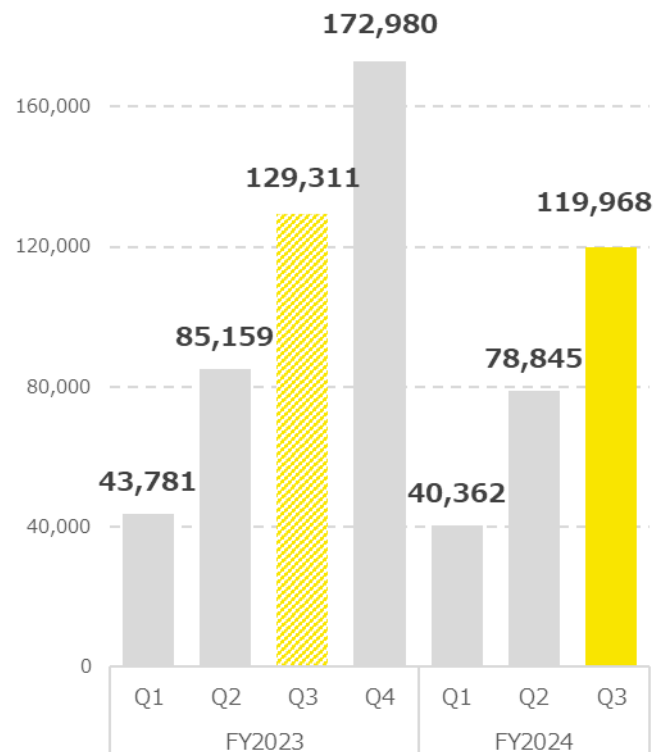
Year on year : 58.0%

Profit attributable to owners of parent

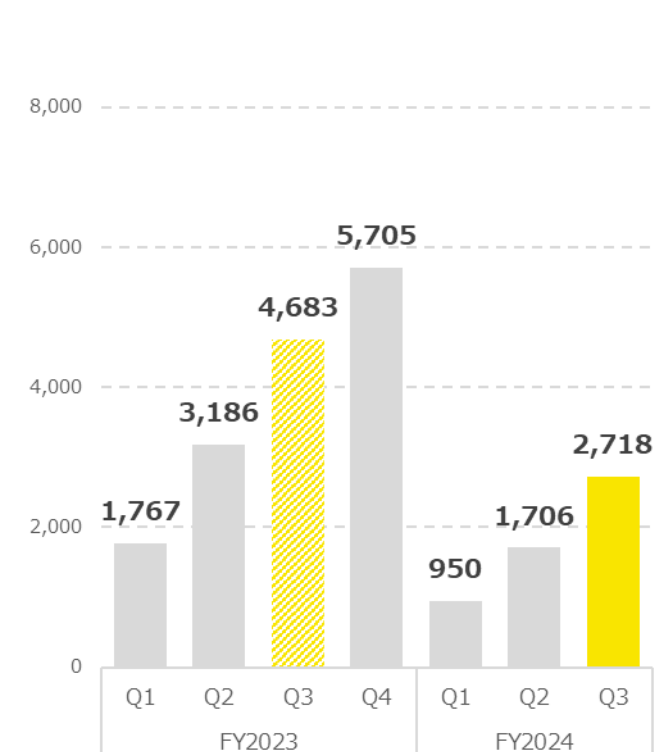
3,948 million yen

Year on year : 102.3%

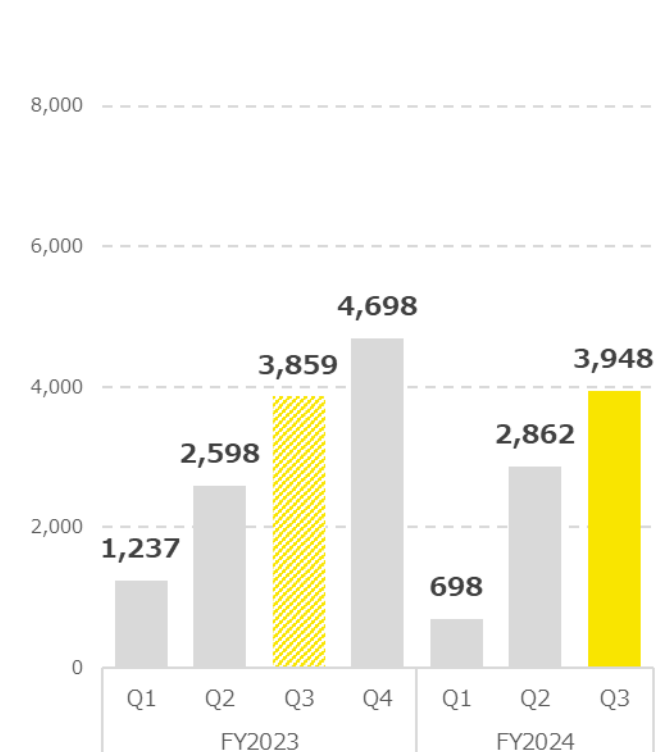
(JPY million)



(JPY million)

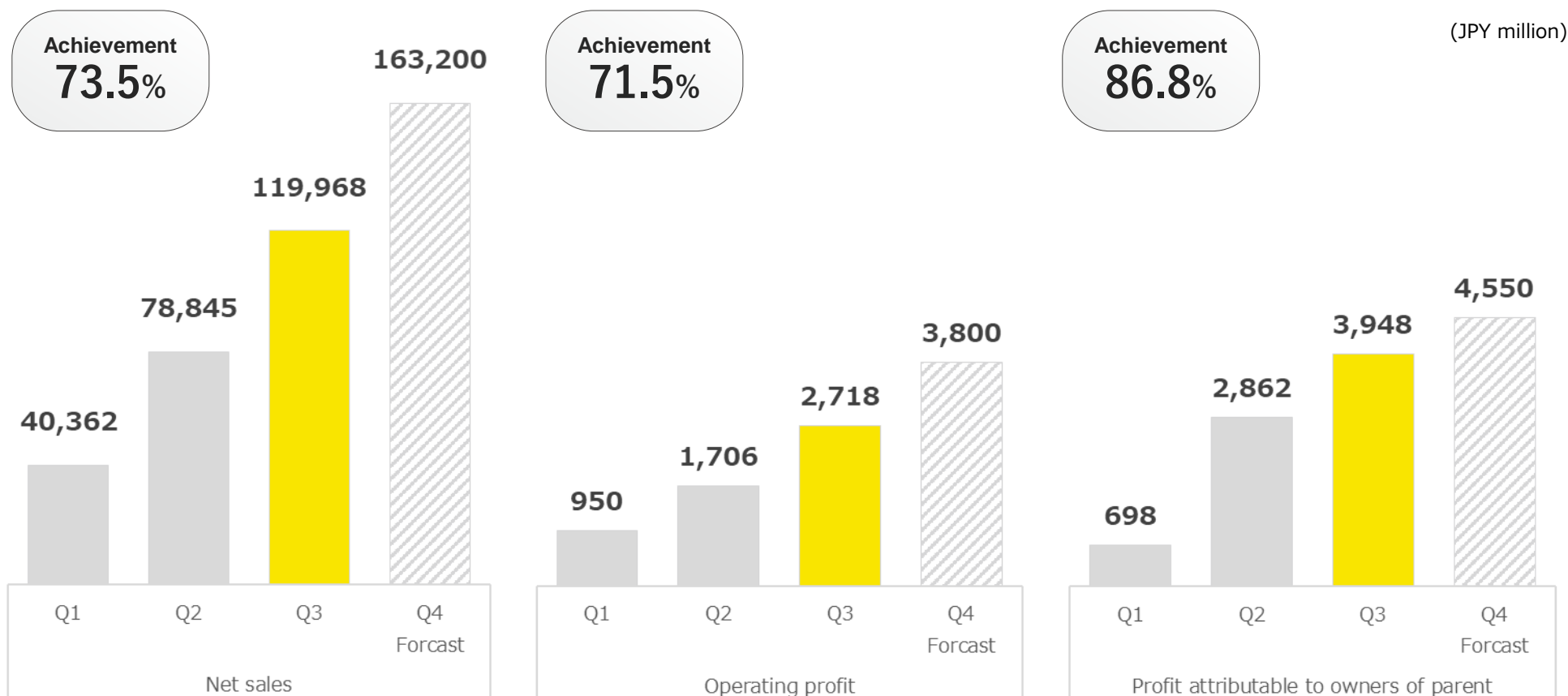


(JPY million)



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

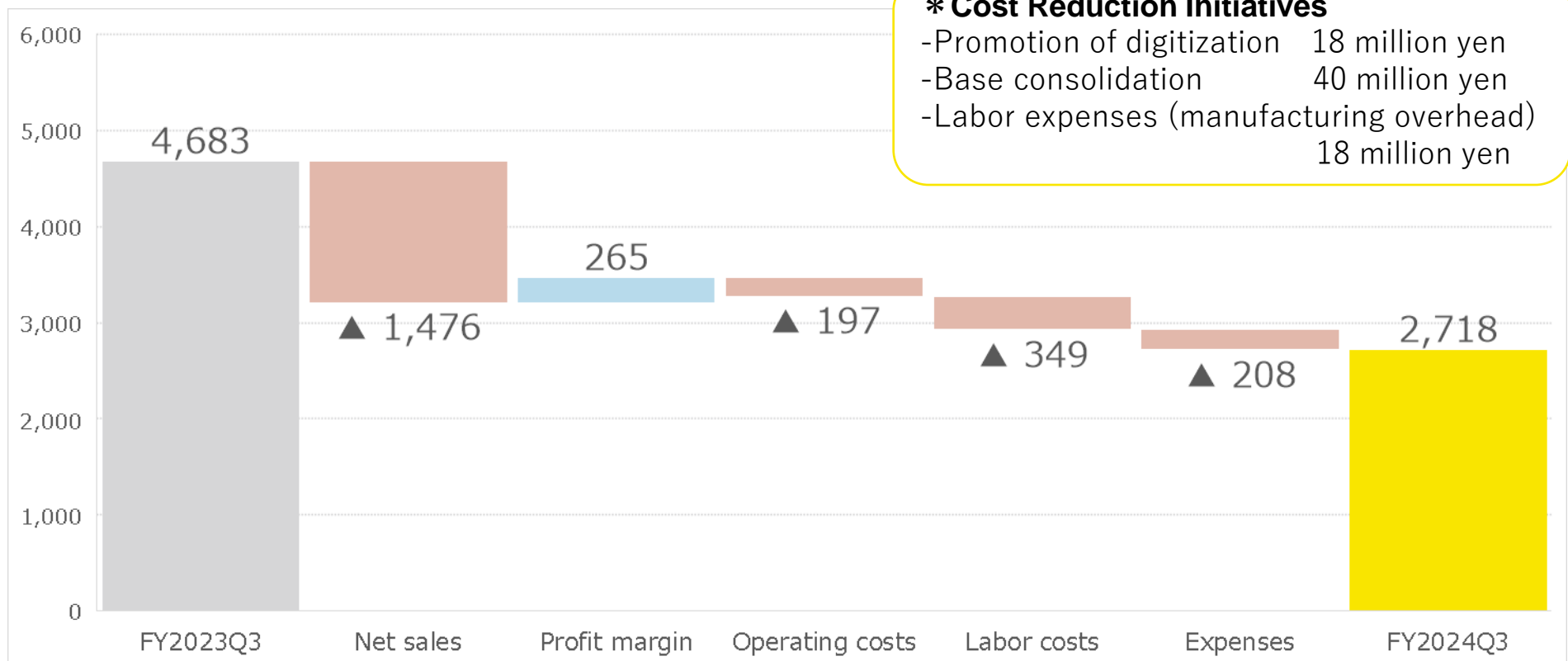
- Net sales and operating profit: Beginning to capture the increased demand expected for the second half of this fiscal year.
- Profit: Recorded an extraordinary income upon sale of investment securities in the second quarter



Factors Affecting Operating Profit (Year on year)

- Net sales: Decreased by 11.2% year on year in Machinery & Tools Segment and 1.3% year on year in Construction Products Segment.
- SG&A expenses: Increased by 14.9% year on year in operating expenses such as freight charges, 3.5% year on year in personnel expenses as a result of personnel system reform, and 4.6% year on year in expenses due to depreciation of the new logistics center and the others.

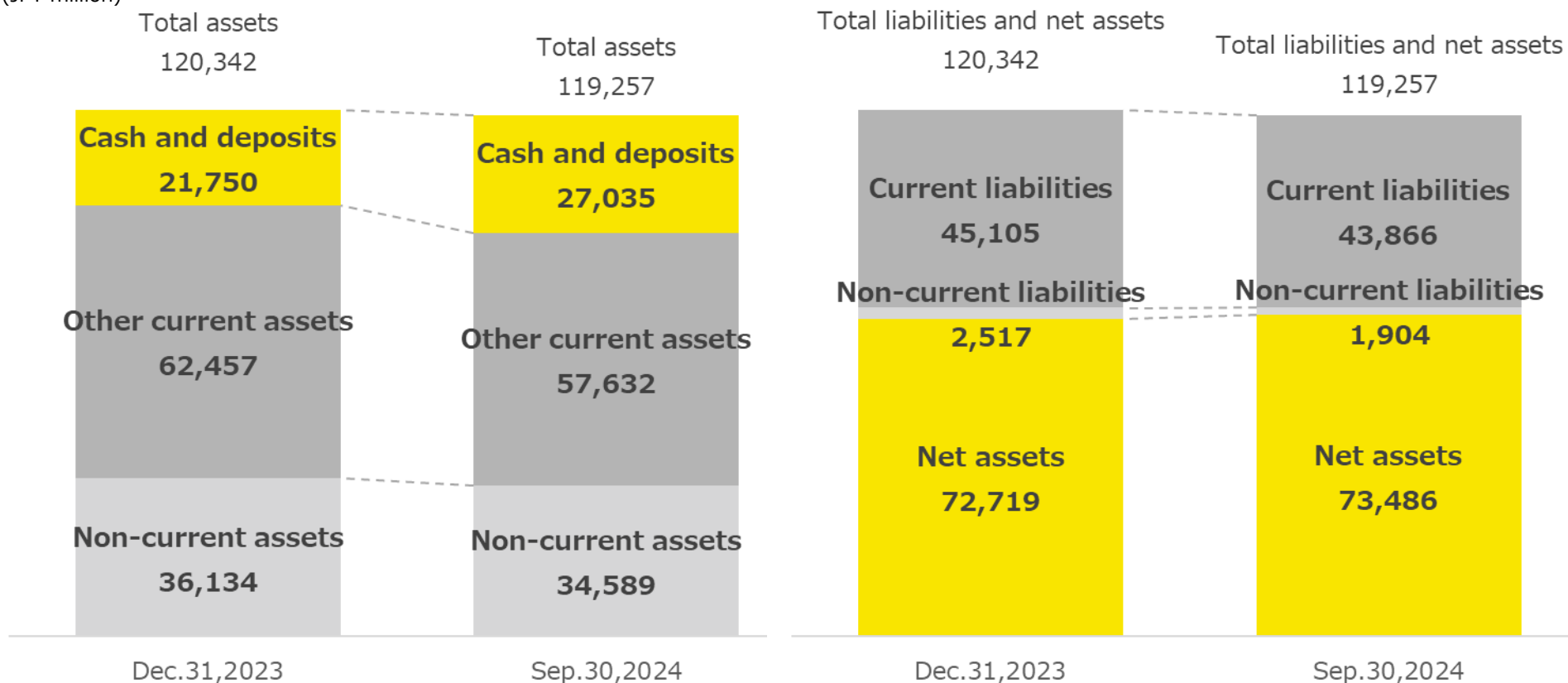
(JPY million)



Consolidated Balance Sheet

- **Current assets: Notes and accounts receivable - trade 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 with 60.8% of equity-to-asset ratio.**

(JPY million)





02

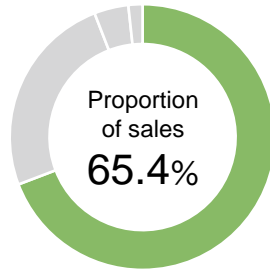
Segments



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



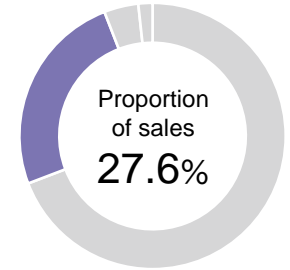
Injection molding machines



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



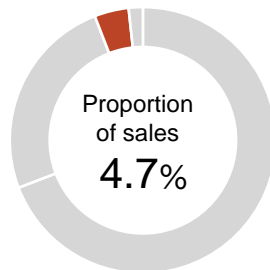
Joints



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



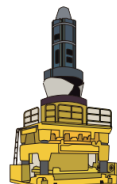
| Market | Share |
|--------|-------|
| Mid | Low |



Crawler cranes



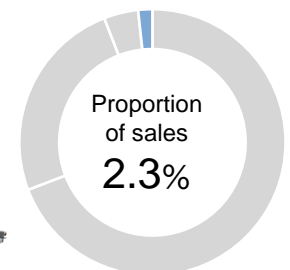
Hydraulic shovels



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 : 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 | | | | | | |
| | Construction Products Segment | 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 | | | | | | | |
| | IoT Solution Segment (Former Security Segment) | General security Factory management | | | | | | | |

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



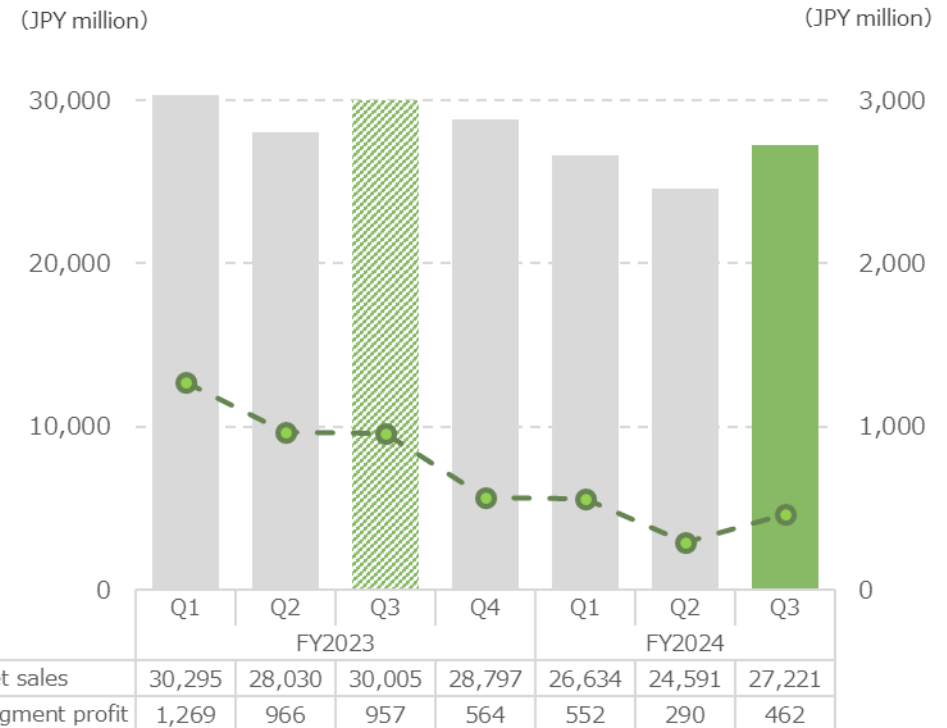
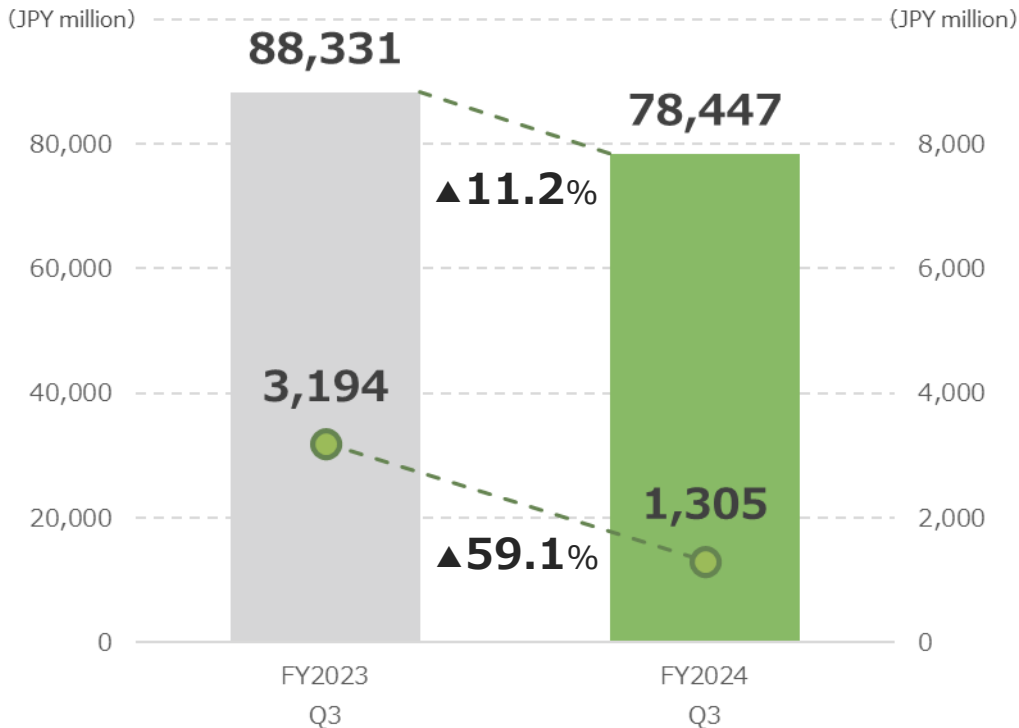
Machinery & Tools Segment

- Machinery (Japan): Decreased by 9.8% year on year. Despite number of projects for labor-saving related and other investment increased, overall performance was sluggish.
- Machinery (Overseas): Decreased by 29.1% year on year. (detail information on the following page)
- Tools (Japan): Increased by 1.1% year on year. Compressors, dust collectors, and other environmental products performed well.

Cumulative quarterly results YoY

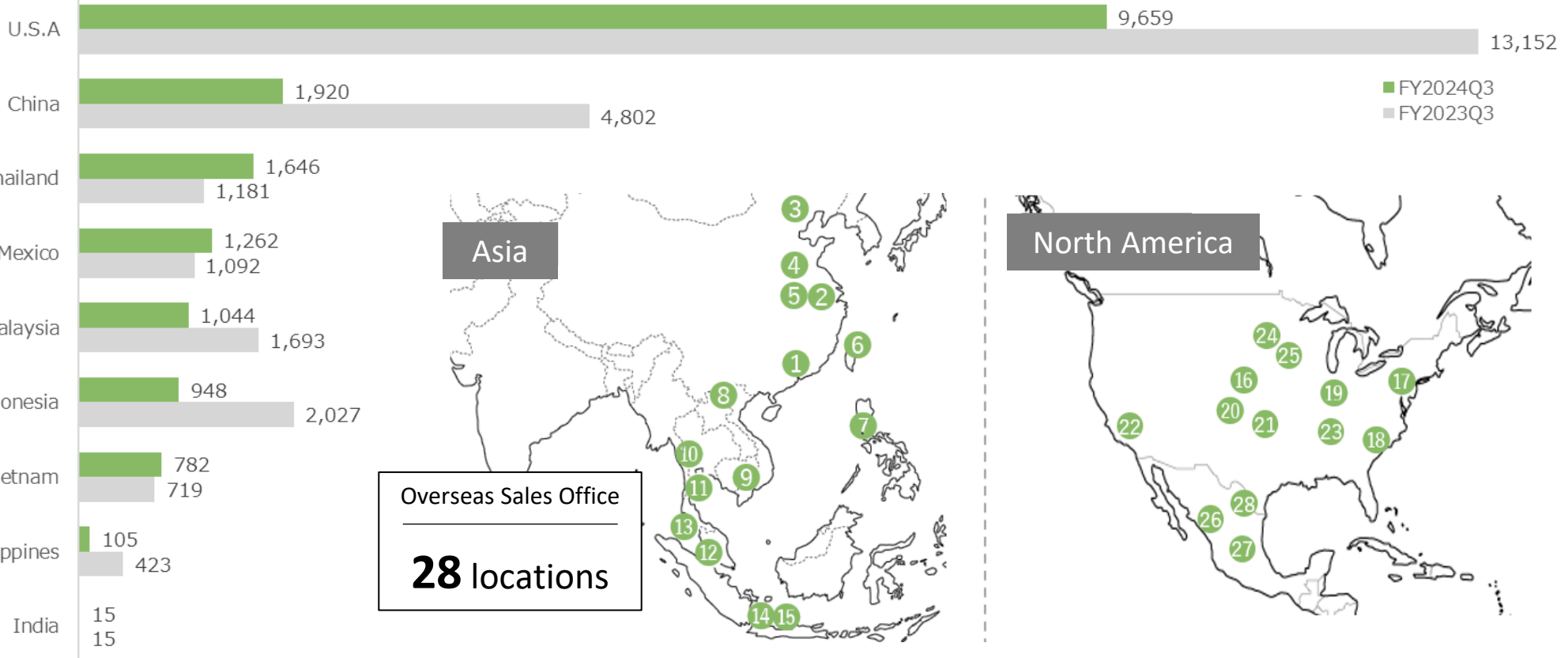
Net sales Segment profit

Quarterly transition



Machinery & Tools Segment – Overseas

- Overseas net sales: 17,814 million yen, decreased by 7,298 million yen year on year (▲29.1%).
 - ✓ North America: Decreased by 23.3% year on year. Despite Japanese-affiliated equipment projects increase, overall, the market remains wait-and-see ahead of the presidential election.
 - ✓ China: Decreased by 60.0% year on year. The economy is slowing down, with both domestic and external demand being weak.
- Proportion of overseas net sales: 14.8% (19.4% in 3Q last year, ▲4.6pt).



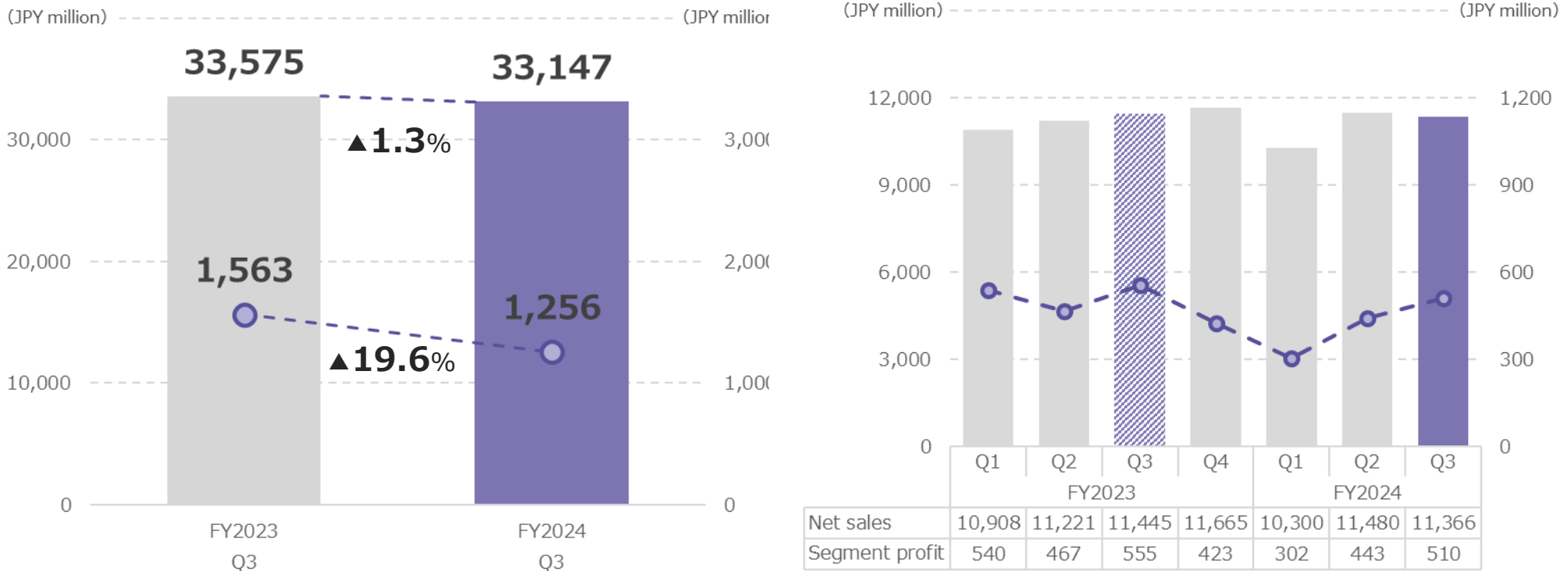
Construction Products Segment

- **Building products (net sales):** Decreased by 0.7% year on year. Small and medium-scale projects were sluggish, while competitors focused on large-scale projects.
- **Piping products (net sales):** Decreased by 7.3% year on year. Thanks to the recovery in the plant-related business, the decline from the second quarter was reduced.
- **Housing equipment (net sales):** Increased by 5.8% year on year. Number of new construction starts declined, while the renovation market is on an upward trend.

Cumulative quarterly results YoY

■ Net sales -○- Segment profit

Quarterly transition



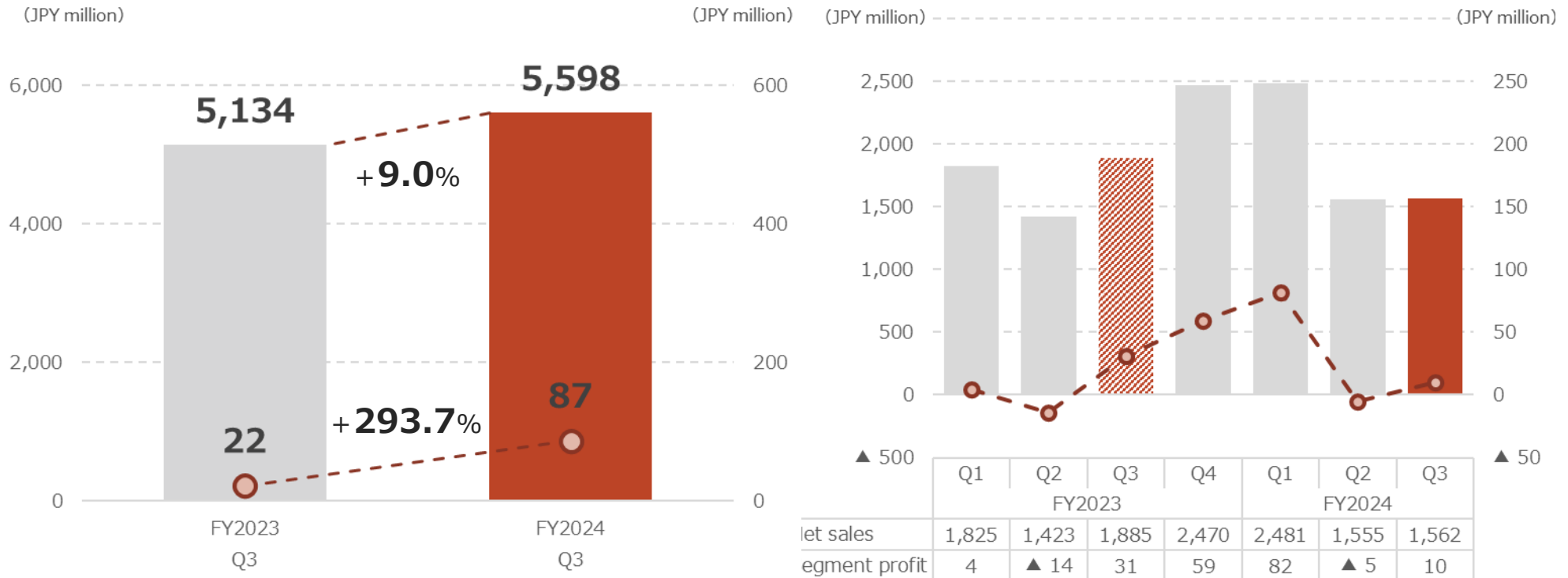
Construction Machinery Segment

- Active investment is being held back due to labor shortages and price increase
- New construction machinery business was primarily driven by replacement demand, while used market business was facing increasing competition in a limited market.

Cumulative quarterly results YoY

Net sales Segment profit

Quarterly transition



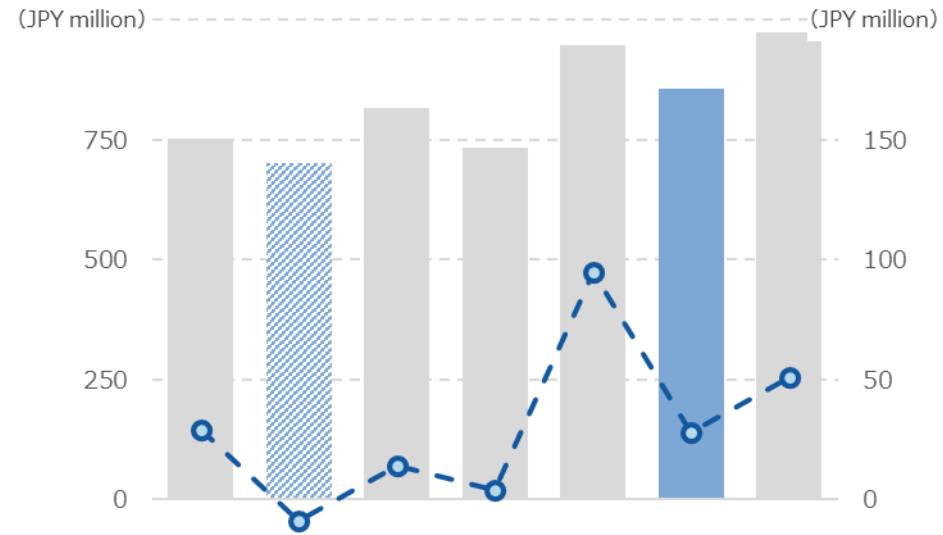
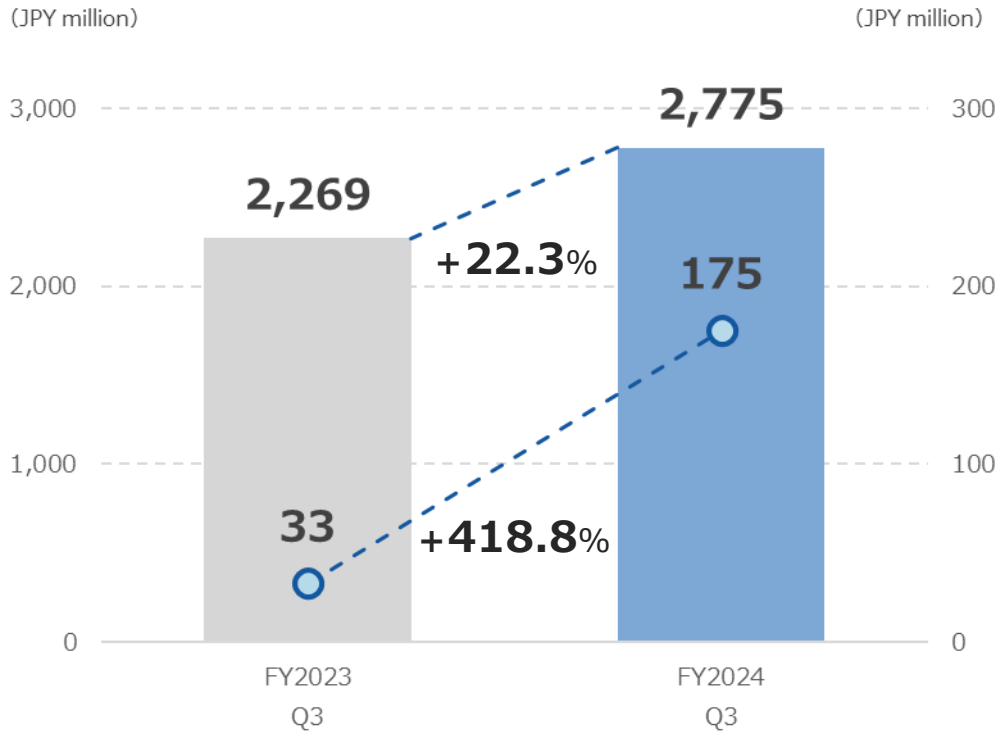
IoT Solution Segment

- Demand for security equipment remains steady.
- Sales and profits are both strong thanks to additional orders for large-scale projects.

Cumulative quarterly results YoY

■ Net sales -○- Segment profit

Quarterly transition



| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
|----------------|--------|-----|-----|-----|--------|-----|-----|
| | FY2023 | | | | FY2024 | | |
| Net sales | 751 | 702 | 815 | 734 | 947 | 855 | 973 |
| Segment profit | 29 | ▲ 9 | 14 | 4 | 95 | 28 | 51 |



03

Medium-Term Management Plan



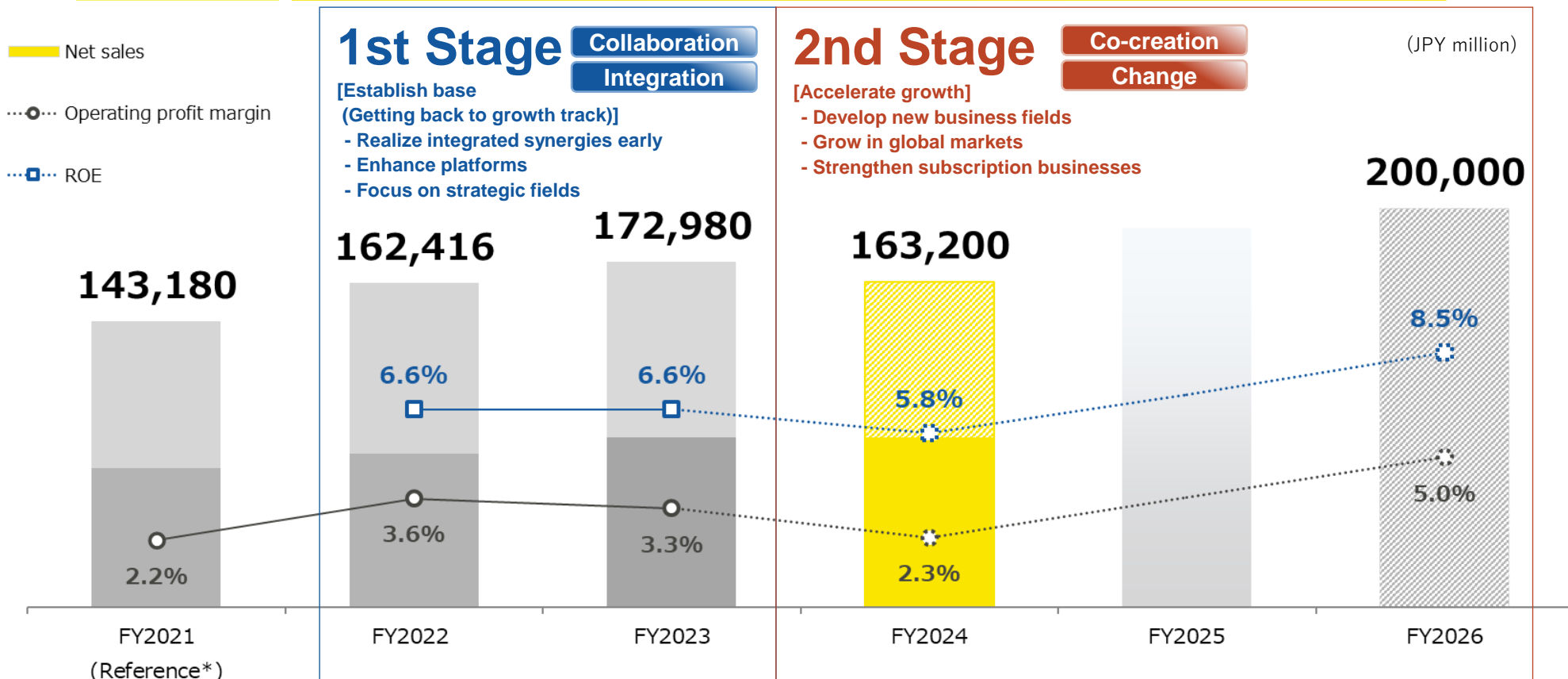
Medium-term Management Plan “UNISOL”

- 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”

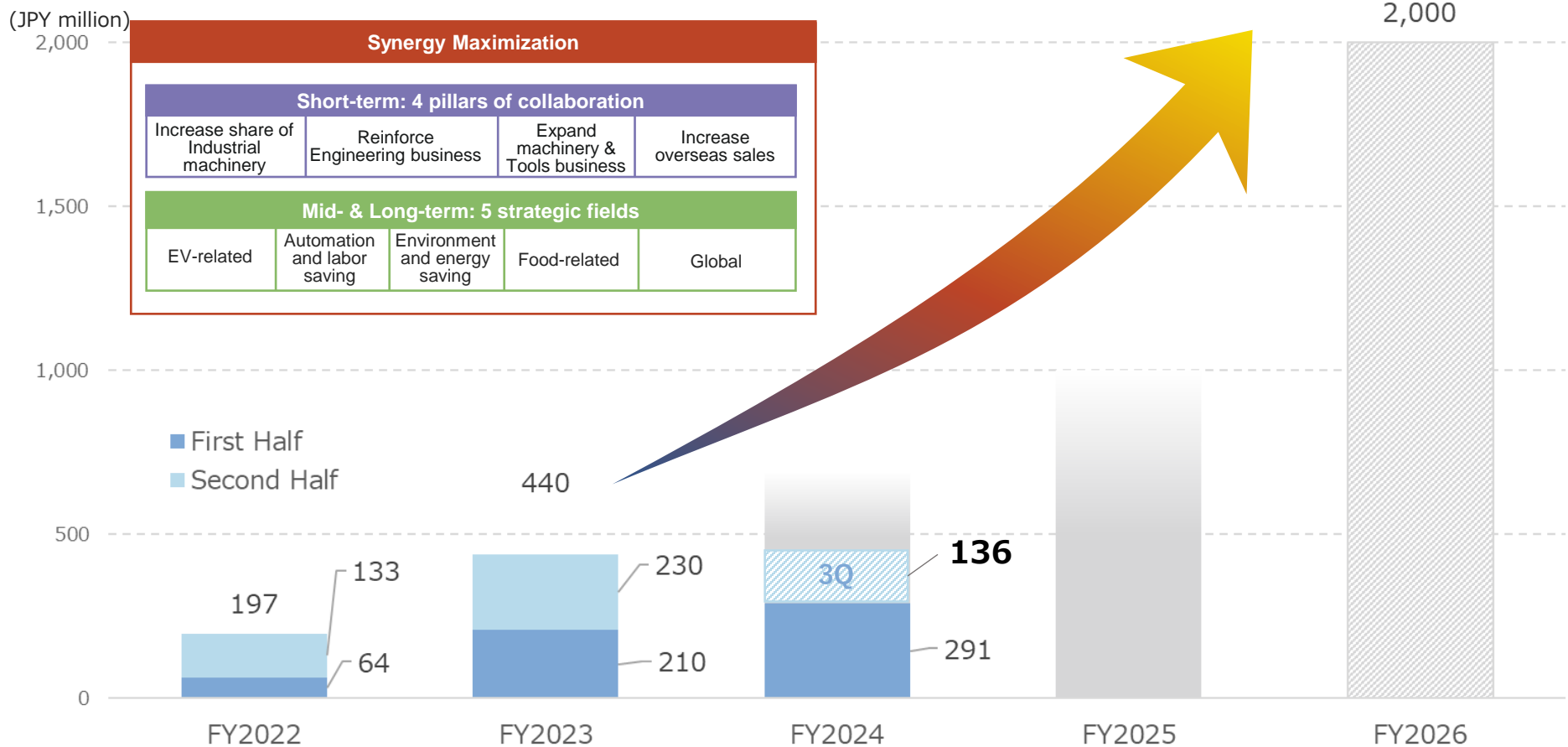
~ Change and Challenge toward the Next Stage ~



* 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

- By 136 million yen increase in the third quarter, the profit has become 427 million yen in total.
- Regarding the initiative for the increase in market share for industrial machinery, cross-selling of each company's products is progressing within the group.
- Due to the consolidation effects of the Tokyo and other offices, the ongoing cost reduction benefits are increasing.



Topics

01. Conducted a tour of the new logistics center “ULCO” for industry newspapers

- New logistics center “UNISOL Logistics Center OSAKA”
- Labor-saving by using AGV system, etc.
- Designed with disaster, environmental issues, and the “2024 problem” in mind



Observing an AGV
(Automated Guided Vehicle)

Appearance of “ULCO”

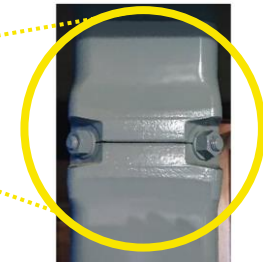


02. “Column Coupler” has been selected for the “Nijo-jo” castle restoration project.

- Repair projects of important cultural properties in Japan
- Product for pillar joints that do not require welding and can be assembled by hand
- Solution for issues at construction sites in fire prohibited areas and in confined work areas



⇒ Enlargement of joint part



03. Established “UNISOL Business Partners, Inc.”

- Increased expertise through operational efficiency and quality improvement
- Skill development through proactive and strategic reassignment
- Developing core talents for future management

Purposes



04

Earnings Forecasts and Dividend Policy



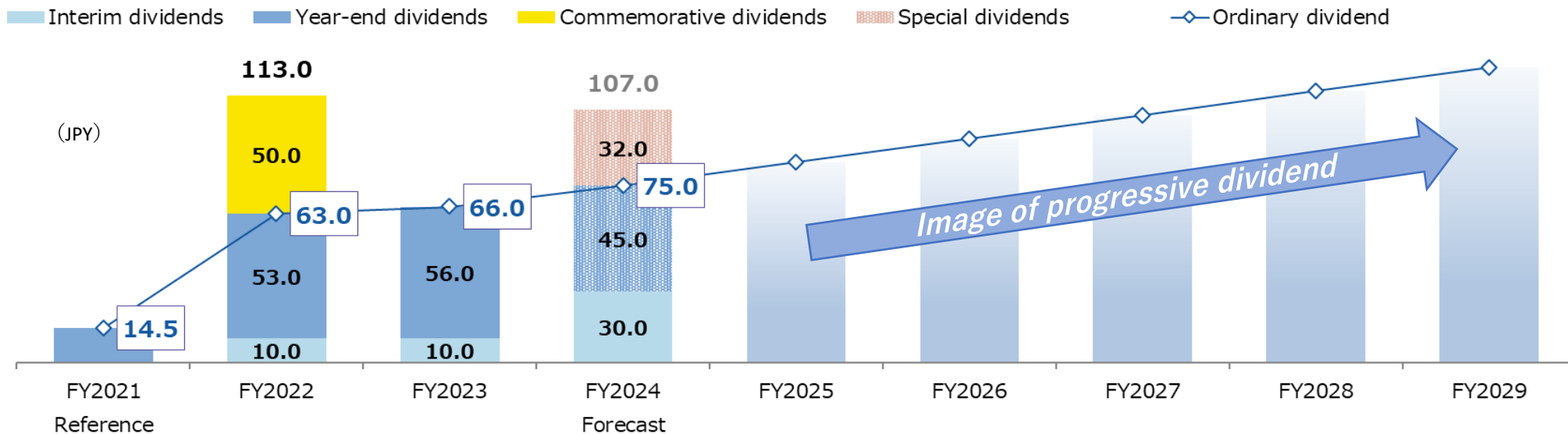
Earnings Forecast

- **Net sales:** Machinery & Tools segment expects recovery in the 4Q, especially in overseas machinery.
- **Operating profit:** IoT segment swings upward due to large-scale projects, SG&A in line with expectations.
- **Profit:** Steady growth due to income from sale of policy shareholdings (2,265 million yen)

| Account items | FY2022 Results (JPY million) | | | FY2023 Forecasts (JPY million) | | | FY2024Q3 Results (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 | 119,968 | 73.5 |
| Machinery & Tools | 58,326 | 58,802 | 117,128 | 51,226 | 54,753 | 105,980 | 78,447 | 74.0 |
| Construction Products | 22,130 | 23,111 | 45,241 | 21,780 | 23,759 | 45,540 | 33,147 | 72.8 |
| Construction Machinery | 3,248 | 4,356 | 7,605 | 4,036 | 4,023 | 8,060 | 5,598 | 69.5 |
| IoT Solution | 1,454 | 1,550 | 3,004 | 1,802 | 1,817 | 3,620 | 2,775 | 76.7 |
| Operating profit | 3,186 | 2,519 | 5,705 | 1,706 | 2,093 | 3,800 | 2,718 | 71.5 |
| Machinery & Tools | 2,236 | 1,522 | 3,758 | 843 | 966 | 1,810 | 1,305 | 72.1 |
| Construction Products | 1,007 | 979 | 1,987 | 745 | 974 | 1,720 | 1,256 | 73.0 |
| Construction Machinery | ▲ 9 | 91 | 81 | 77 | 52 | 130 | 87 | 67.4 |
| IoT Solution | 19 | 18 | 38 | 124 | 15 | 140 | 175 | 125.5 |
| Adjustment | ▲ 68 | ▲ 92 | ▲ 160 | ▲ 83 | 83 | 0 | ▲ 106 | - |
| Ordinary profit | 3,631 | 3,021 | 6,652 | 2,160 | 2,439 | 4,600 | 3,404 | 74.0 |
| Profit attributable to owners of parent | 2,598 | 2,100 | 4,698 | 2,862 | 1,687 | 4,550 | 3,948 | 86.8 |

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 policy shareholdings having exceeded expectations.





05

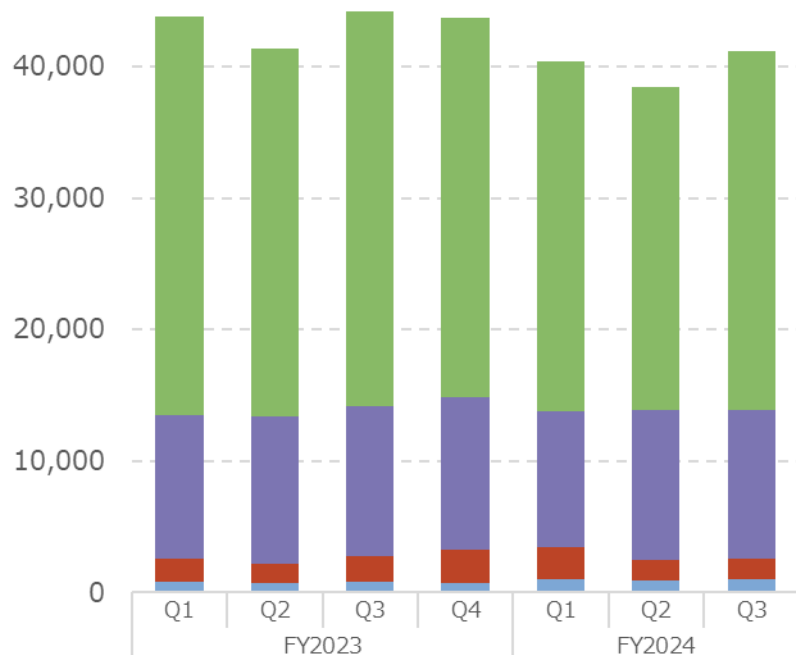
Appendix



Consolidated Segment Quarterly Data

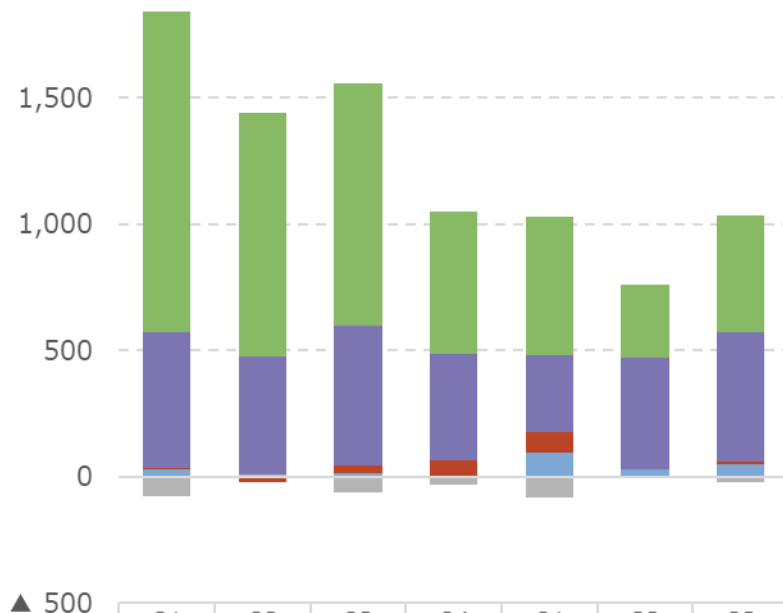
Net sales

(JPY million)



Segment profits

(JPY million)



| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
|------------------------|--------|-------|-------|-------|--------|-----|-------|
| | FY2023 | | | | FY2024 | | |
| TOTAL | 1,767 | 1,418 | 1,497 | 1,021 | 950 | 756 | 1,011 |
| Machinery & Tools | 1,269 | 966 | 957 | 564 | 552 | 290 | 462 |
| Construction Products | 540 | 467 | 555 | 423 | 302 | 443 | 510 |
| Construction Machinery | 4 | ▲ 14 | 31 | 59 | 82 | ▲ 5 | 10 |
| IoT Solution | 29 | ▲ 9 | 14 | 4 | 95 | 28 | 51 |
| Adjustment Amount | ▲ 77 | 8 | ▲ 61 | ▲ 30 | ▲ 82 | 0 | ▲ 22 |

- **Notes on this material**

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