



Acquired exclusive domestic distribution rights for the subscriber version of *ARUMCODE* -

One of few among broadly defined comps whose stock price fell since the beginning of the year

Summary

◆ **Earnings summary:** In 1Q FY12/23, net sales rose 12.8%, and operating profit increased 20.3%; thus, MARUKA FURUSATO made good progress toward achieving 1H forecasts of 9.2% increase in net sales and 9.4% decline in operating profit. As a large percentage of the company's earnings comes from business orders, short-term earnings are unlikely to change much. It appears, however, that the company is making greater than initially expected progress in reducing its order backlog as supply constraints, such as shortage of semiconductors, are eliminated. There was also strong growth in North America. Although it is important to keep in mind that foreign exchange rates had a positive impact in 1Q, North American sales grew to ¥4,170 mn from ¥2,510 mn year on year, a dramatic increase.

◆ **Update on Med-term Plan measures :** The major topic of the past three months has been the March 22 announcement of a business alliance agreement with ARUM Inc. The company had previously held exclusive domestic sales rights to the on-premise version of *ARUMCODE*, which fully automates the programming process. Now the company has obtained the same rights to the newly launched cloud-based subscription service, *ARUM Factory365*. We will closely monitor future trends from the perspective of differentiation and securing a stable revenue source in the smart factory field.

◆ **External environment:** Throughout the industry, the order backlog for machinery is being eliminated. According to data from the Japan Machine Tool Builders' Association (JMTBA), progress was made in normalizing the order backlog, which was reduced to six months during the 2H FY12/22 after growing to eight-nine months' worth of sales. Even though orders continue to trend downward, net sales are still growing as supply constraints are worked out. Because the normal order backlog is about four-five months of sales, there still remains a large order backlog, and the short-term PL outlook is for orders to stop falling and start to grow in the near future. There is some volatility depending on the month, but the quarter-on-quarter decline in orders has begun to shrink. As for overseas demand, there is the upside risk of a full recovery in China's manufacturing industry, but it is necessary to keep in mind the downside risk of a deterioration in business conditions in the US.

FY	Net sales (¥mn)	YoY (%)	OP (¥mn)	YoY (%)	NP (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
FY2019	175,395	-	6,892	-	5,620	-	-	-
FY2020	145,028	-17.3	4,539	-34.1	2,996	-	-	-
FY2021	143,180	-1.3	3,178	-30.0	3,065	-	-	-
2022/12	162,416	13.4	5,895	85.5	4,531	47.8	178.9	113.0
2023/12 CE	170,000	4.7	5,700	-3.3	4,380	-3.3	172.9	61.0
2022/12 1Q	38,819	-	1,469	-	1,159	-	45.8	-
2023/12 1Q	43,781	12.8	1,767	20.3	1,237	6.7	48.9	-

Source: SIR from the company materials

Note: Before FY2021, The adjusted amount of the two groups' revenues for the period.
The DPS for FY22/12 includes a commemorative dividend of ¥50.

1Q Follow-up



Focus Points:

Launched through the management integration of two machine and tool trading companies. Focus is on progress in implementing technology trading measures that allow it to leverage its diverse functions to make in-depth proposals including areas in engineering, manufacturing, and factory management. Synergy generation is also a key focus.

Key Indicators

Share price (23/5/22)	2,712
YH (23/1/4)	3,335
YL (23/4/26)	2,522
10YH (22/5/23)	4,165
10YL (21/10/14)	1,906
Shrs out. (mn shrs)	25.564
Mkt cap (¥ bn)	69.3
EV (¥ bn)	45.0
Shr equity ratio (3/31)	58.0%
23.12 P/E (CE)	15.68x
22.12 EV/EBITDA (act)	0.96x
23.12 DY (CE)	2.25%

Stock Price and Volume since Listing



Source: SPEEDA data

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FY2023/12 1Q results

◆ **Valuation:** While broadly defined comparable companies, machinery and tool trading companies and machine tool manufacturers, have general seen their share price rise since the beginning of 2023, MARUKA FURUSATO has underperformed as its share price has fallen about 20%. One reason for this is probably the relatively highly valuation level, such as P/E and PBR. Considering the strength of MARUKA FURUSATO's 1Q earnings compared to guidance, however, it would not be surprising if its valuation rises after 2Q earnings are released. It is probably important to ascertain what would drive a revaluation, such as monthly statistics.

20% increase in operating profit, favorable progress against 1H plan

On May 9, the company announced its results for 1Q, FY2023/12. Net sales rose 12.8%, to ¥43.78 bn on a 20.3% rise in operating profit, to ¥1.77 bn. This compares to the company's 1H forecast of a 9.2% increase in sales and a 9.4% decline in operating profit. Performance was driven primarily by a ¥3.89 bn increase in sales 1.3ppt improvement in the profit margin of the Machinery & Tool segment. Growth in high value-added services such as engineering also contributed.

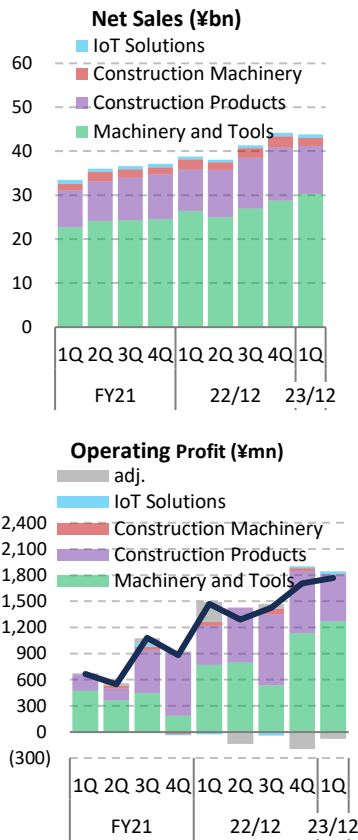
In 2022, while machine orders were favorable, sales could not keep pace with orders due to semiconductor parts shortages and other factors, and order backlogs had been building up, but these are gradually being resolved and deliveries are exceeding initial plans. According to macroeconomic statistics disclosed by the Japan Machine Tool Builders' Association (JMTBA), in the 2H of FY22/12, orders had accumulated to the equivalent of 8-9 months of monthly sales, but as of March 2023, the backlog of unfilled orders had fallen to 6 months. Although no quantitative disclosure is available, the situation appears to be generally the same for the company.

Quarterly Financial Results

Maruka Furusato Corporation	unit	FY21 1Q	2Q	3Q	4Q	22/12 1Q	2Q	3Q	4Q	23/12 1Q	22/12 Full Year	23/12 CE Full Year
Net sales	¥mn	33,452	36,014	36,631	37,081	38,819	38,092	41,347	44,157	43,781	162,416	170,000
YoY	%	(18.9)	8.8	3.3	5.3	16.0	5.8	12.9	19.1	12.8	-	4.7
Machinery and Tools	¥mn	22,662	24,113	24,277	24,522	26,406	24,974	26,935	28,760	30,295	107,077	113,900
YoY	%	(21.4)	13.3	3.7	9.6	16.5	3.6	10.9	17.3	14.7	-	6.4
Building Products	¥mn	8,403	8,977	9,724	10,178	9,359	10,745	11,551	12,131	10,908	43,787	44,700
YoY	%	(6.7)	4.5	11.6	9.1	11.4	19.7	18.8	19.2	16.6	-	2.1
Construction Machinery	¥mn	1,441	2,221	1,845	1,578	2,373	1,785	2,164	2,516	1,825	8,839	8,500
YoY	%	(40.2)	11.7	(13.5)	(29.4)	64.7	(19.6)	17.3	59.4	(23.1)	-	(3.8)
Security	¥mn	945	701	784	801	679	586	695	750	751	2,711	2,900
YoY	%	19.0	(40.6)	(28.7)	(34.2)	(28.1)	(16.4)	(11.4)	(6.4)	10.6	-	7.0
Cost of Sales	¥mn	-	-	-	-	32,629	31,876	34,814	36,818	36,896	136,137	-
sales ratio	%	-	-	-	-	84.1	83.7	84.2	83.4	84.3	83.8	-
Gross Profit	¥mn	-	-	-	-	6,189	6,216	6,534	7,339	6,885	26,278	-
sales ratio	%	-	-	-	-	15.9	16.3	15.8	16.6	15.7	16.2	-
SG&A	¥mn	-	-	-	-	4,720	4,924	5,107	5,632	5,118	20,383	-
sales ratio	%	-	-	-	-	12.2	12.9	12.4	12.8	11.7	12.5	-
Operating Profit	¥mn	666	549	1,080	883	1,469	1,291	1,428	1,707	1,767	5,895	5,700
sales ratio	%	2.0	1.5	2.9	2.4	3.8	3.4	3.5	3.9	4.0	3.6	3.4
Machinery and Tools	¥mn	471	364	445	188	771	795	533	1,135	1,269	3,235	2,770
Segment sales ratio	%	2.1	1.5	1.8	0.8	2.9	3.2	2.0	3.9	4.2	3.0	2.4
Building Products	¥mn	190	134	499	726	449	628	815	713	540	2,606	2,800
Segment sales ratio	%	2.3	1.5	5.1	7.1	4.8	5.8	7.1	5.9	5.0	6.0	6.3
Construction Machinery	¥mn	-2	29	32	-22	43	4	63	31	4	142	100
Segment sales ratio	%	(0.1)	1.3	1.7	(1.4)	1.8	0.2	2.9	1.2	0.2	1.6	1.2
Security	¥mn	-8	-13	44	-17	-26	-13	-41	24	29	-57	30
Segment sales ratio	%	(0.8)	(1.9)	5.6	(2.1)	(3.8)	(2.2)	(5.9)	3.2	3.9	(2.1)	1.0
Adjustments	¥mn	15	34	57	9	231	(123)	56	(196)	(77)	(32)	0

Source: SIR from the company materials

Note: Before FY2021, The adjusted amount of the two groups' revenues for the period



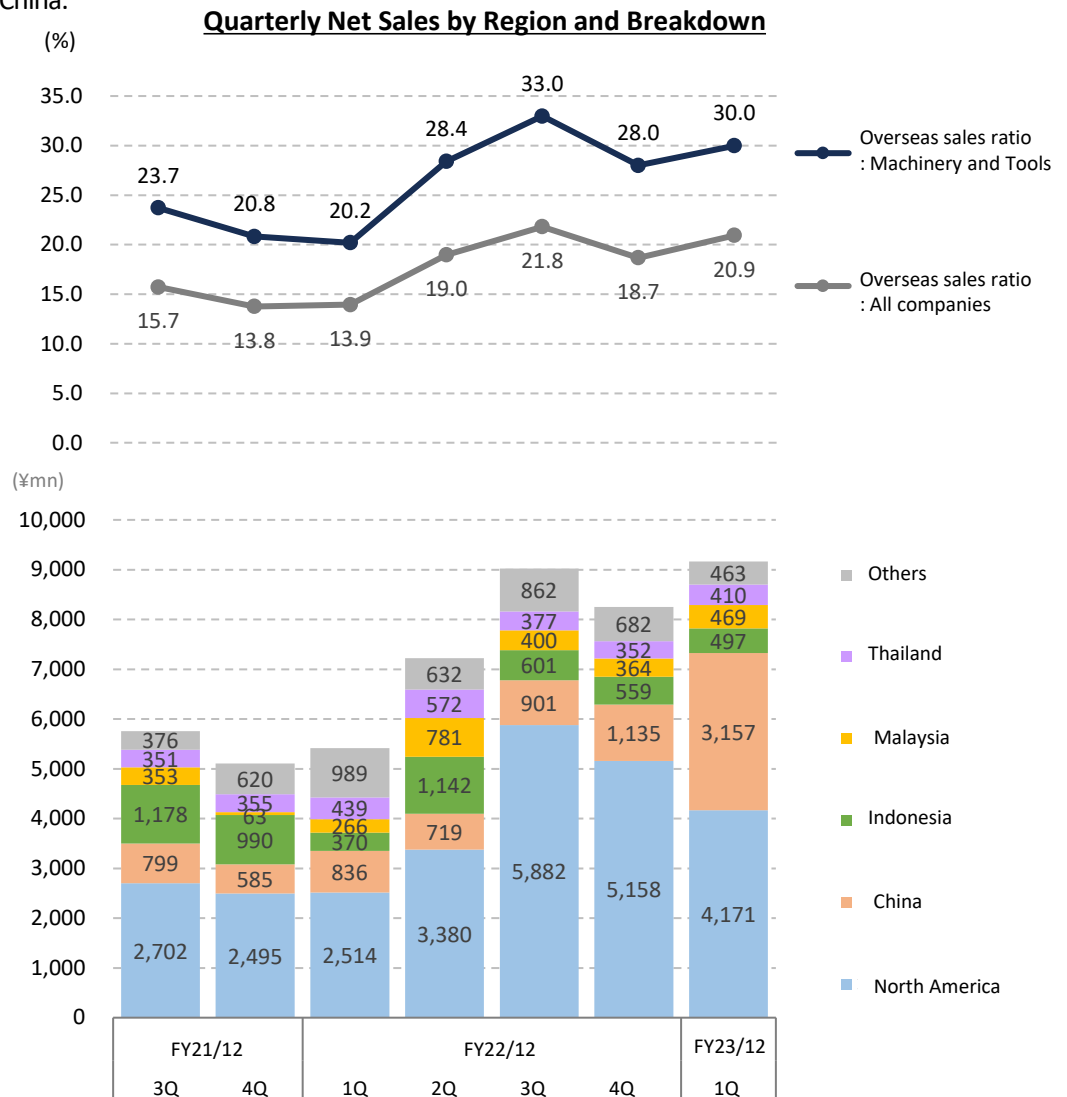
Source: Compiled by SIR from the company IR material.
 Note: Before FY2021, The adjusted amount of the two groups' revenues for the period.

By industry, automotive sales, especially EV-related applications, and by region, North American applications drove revenue growth. It should be noted that in 1Q, the yen value of overseas revenue, which is recognized three months later than domestic revenue, appears to have been boosted by the positive impact of foreign exchange rates. However, sales in the North America region expanded significantly from ¥2.51 bn in 1Q FY22/12 to ¥4.17 bn in 1Q FY23/12. In addition to sales of injection molding machinery and machine tools, the engineering subsidiary Industrial Tool also improved its sales mix with the acquisition of new projects, which contributed to the increase in profit margin.

On the other hand, attention should be paid to current orders. In North America, investment has been postponed due to high inflation and financial instability, and demand for Injection molding machinery for the pharmaceutical industry is beginning to run its course. In China, the recovery in demand following the repeal of the zero-corona policy has yet to really take hold in the manufacturing sector. Although the domestic market is relatively firm, we see the global order trend continuing to bottom out.

Overseas: Important to ascertain upside and downside risks in the US and China

A large percentage of MARUKA FURUSATO’s net sales come from within Japan. While including the impact of foreign exchange rates, overseas sales account for slightly more than 20% of total net sales and 30% of machinery and tool sales, and changes in overseas earning have a relatively major impact on the whole company. It is particularly important to keep an eye on the two main regions that account for a large percentage of overseas sales, North America and China.

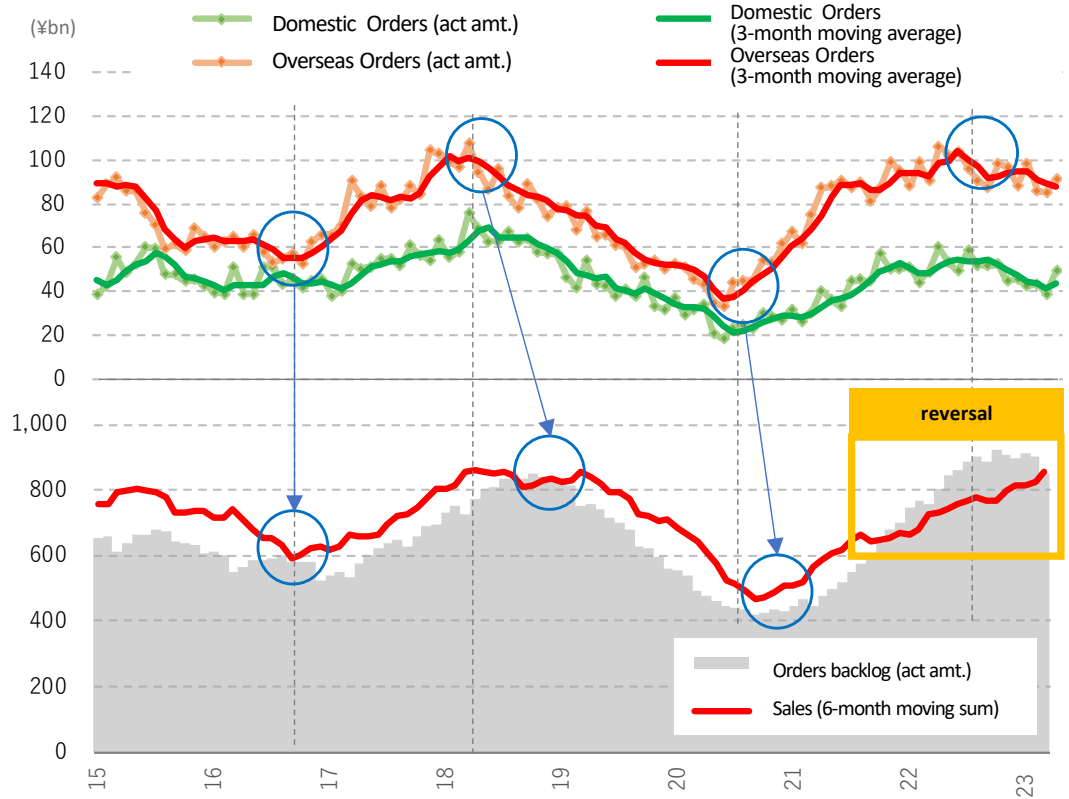


Source: SIR from the company materials

According to JMTBA statistics, orders from the US have fallen since the Oct.-Dec. quarter of 2022, and those from China, from the Jan.-Mar. quarter of 2023. Recent earnings have been firm because there is a technical lag as MARUKA FURUSATO works to reduce its order backlog and capture profits, but if the downward trend in orders continues, there is the risk of a short-term weakening of earnings, which should be kept in mind.

The US poses the downside risk of a deterioration in market conditions due to high inflation and financial instability, but in China, there is the upside risk of a full recovery in demand as its “Zero Covid” measures are ended. As for the latter, it has been impossible to confirm a recovery in the manufacturing industry comparable to that in the services industry, but China’s economy is entering another period of growth. Focus should be on to what extent the various monthly statistics show that a recovery is underway.

Machine Tool Japan and Overseas Orders and Sales and Orders Backlog



Source: compiled by SIR from Japan Machine Tool Builders' Association's Machine Tool Main Statistics

Machine Tool Order Statistic Sheet

Year	Month	Total orders								Sales amount		Order backlog			
		(¥mn)	YoY, %	Domestic (¥mn)	YoY, %	Overseas (¥mn)	YoY, %	Of which, U.S. (¥mn)	YoY, %	Of which, China (¥mn)	YoY, %	(¥mn)	YoY, %		
2018	1-12	1,815,771	110.3	750,343	119.2	1,065,428	104.8	287,140	121.9	285,044	82.1	1,684,768	114.8	826,197	119.0
2019	1-12	1,229,900	67.7	493,188	65.7	736,712	69.1	215,819	75.2	163,418	57.3	1,501,633	89.1	561,265	67.9
2020	1-12	901,835	73.3	324,455	65.8	577,380	78.4	156,381	72.5	201,877	123.5	1,033,616	68.8	430,794	76.8
2021	1-12	1,541,419	170.9	510,324	157.3	1,031,095	178.6	252,263	161.3	358,041	177.4	1,283,499	124.2	701,005	162.7
2022	1-12	1,759,601	114.2	603,231	118.2	1,156,370	112.1	311,904	123.6	376,996	105.3	1,568,350	122.2	896,813	127.9
2022	1-3	448,179	139.1	153,267	157.4	294,912	131.2	79,922	174.9	95,910	102.8	391,490	127.9	757,694	169.7
	4-6	463,043	121.9	161,313	141.6	301,730	113.4	82,450	141.2	100,196	95.8	362,729	117.4	858,008	165.7
	7-9	432,587	106.7	156,164	105.9	276,423	107.2	73,149	106.6	90,576	113.0	402,230	121.2	888,365	150.2
	10-12	415,792	95.8	132,487	87.5	283,305	100.3	76,383	96.0	90,314	112.9	411,901	122.3	896,813	127.9
2023	1-3	394,201	88.0	131,703	85.9	262,498	89.0	69,575	87.1	83,513	87.1	441,920	112.9	849,094	112.1
2022	10	141,062	94.5	44,560	88.6	96,502	97.5	27,401	97.7	31,114	128.8	109,338	106.3	920,089	144.3
	11	134,186	92.3	45,665	91.3	88,521	92.8	22,418	84.8	29,495	111.3	148,545	141.4	905,730	133.6
	12	140,544	100.9	42,262	82.6	98,282	111.6	26,564	106.0	29,705	101.3	154,018	119.5	896,813	127.9
2023	1	129,087	90.3	43,402	98.3	85,685	86.8	22,733	84.6	24,012	73.7	112,262	112.9	913,638	122.7
	2	124,095	89.3	38,932	79.7	85,163	94.5	21,312	92.8	29,417	98.2	136,450	117.4	901,283	117.5
	3	141,019	84.8	49,369	82.0	91,650	86.4	25,530	84.9	30,084	90.2	193,208	109.9	849,094	112.1

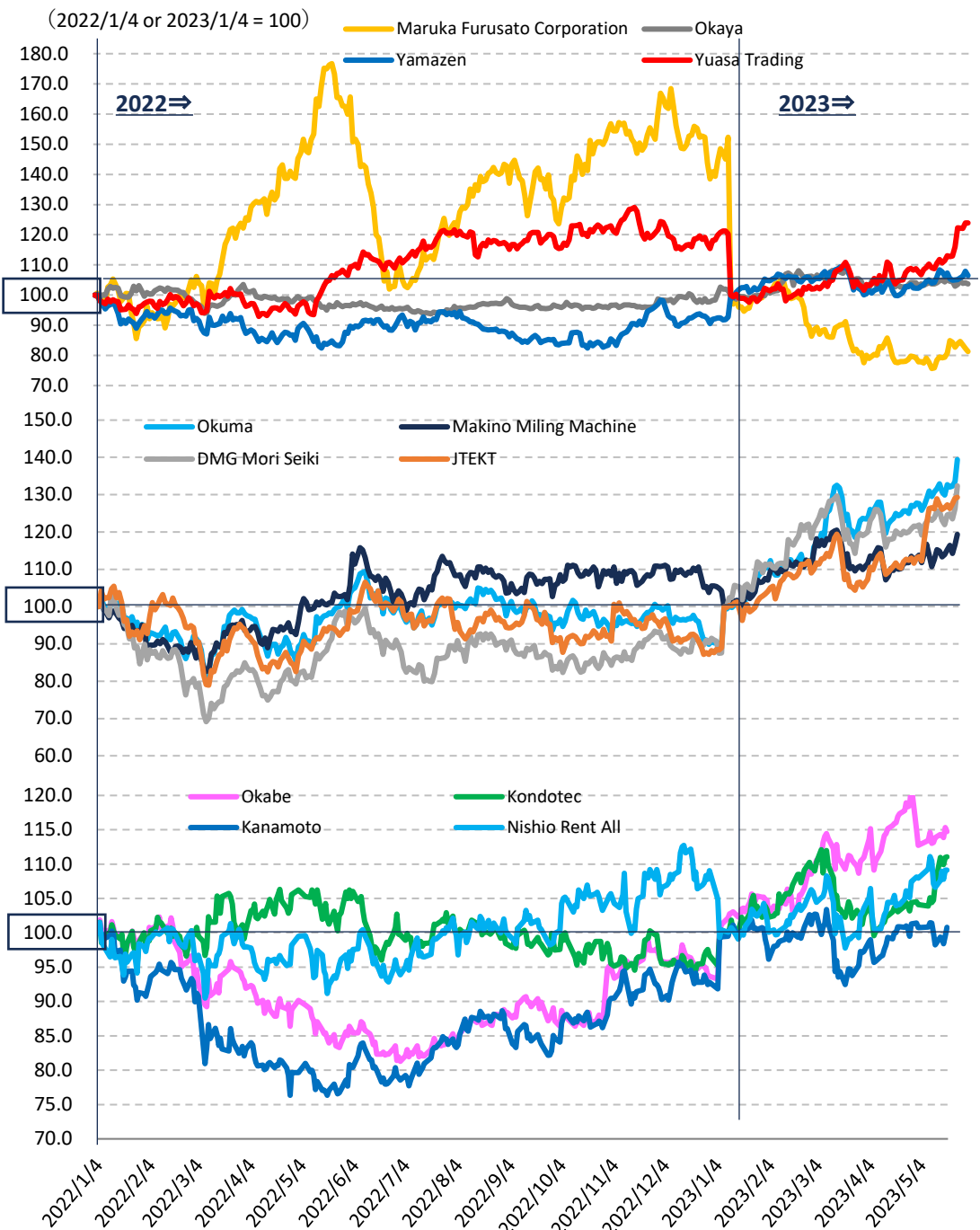
Source: compiled by SIR from Japan Machine Tool Builders' Association's Machine Tool Main Statistics

Share price Valuation

One of few among broadly defined comps whose stock price fell since the beginning of the year

The share price for machinery and tool trading companies and other broadly defined comparable companies have generally risen since the beginning of 2023, with that of machine tool manufacturers rising 20%–40%, but MARUKA FURUSATO’s share price has underperformed as it has fallen about 20%. It can be argued that this is due to the relatively high valuation level, but considering the company’s strong 1Q earnings compared to guidance, it would not be surprising to see a recovery in its valuation in 2Q or after depending on earnings.

Share price relative to that of broad-defined comparable companies (indexed at the start of each year)



Source: compiled by SIR from SPEEDA

Valuation Sheet for Broadly-defined Comparable Companies

Code	Company	EOFY	Stock price	Market value	P/E			PBR	Net Cash	Operating profit	Operating profit margin		
			(5/19)	(5/19)	FY21	FY22E	FY23E	Most recent FY	Most recent FY	FY22E	FY21	FY22	FY23E
-	-	-	yen	¥mn	X			X	¥mn		%		
7128	MARUKA FURUSATO Corporation	Dec.	2,712	69,329	22.4	15.2	15.7	0.96	24,325	5,895	(30.0)	85.5	(3.3)
-	Machinery and tool trading company	-	-	-	8.4	7.0	7.4	0.72	-	-	50.7	16.4	(3.0)
7485	Okaya & Co., Ltd.	Feb.	10,200	99,144	5.1	4.2	4.9	0.34	(146,405)	29,448	67.2	29.6	(4.9)
8051	Yamazen	Mar.	1,056	100,643	7.9	7.5	9.4	0.83	56,181	16,563	52.5	(3.3)	(9.4)
8074	Yuasa Trading	Mar.	4,410	102,117	12.1	9.5	7.9	0.98	48,530	14,599	32.2	22.9	5.5
-	Machine tool manufacturers	-	-	-	18.2	10.6	10.9	0.85	-	-	160.8	63.2	2.7
6103	Okuma Corporation	Mar.	6,500	219,408	17.7	10.6	10.3	0.99	64,703	24,804	200.0	71.5	2.8
6135	Makino Milling Machine Co., Ltd.	Mar.	5,060	125,963	10.1	7.5	12.0	0.61	(7,784)	17,492	turned profitable	54.8	(33.1)
6141	DMG Mori Seiki Co.	Dec.	2,340	294,731	25.5	12.4	9.7	1.19	(54,101)	41,213	116.1	78.7	21.3
6473	JTEKT Corporation	Mar.	1,180	405,078	19.6	11.8	11.6	0.61	(131,319)	62,658	166.1	48.0	19.7
-	Construction product manufacturers	-	-	-	13.6	10.6	9.5	0.72	-	-	1.8	21.4	5.7
5959	Okabe Co. Ltd.	Dec.	794	39,137	14.7	9.8	9.6	0.55	5,936	5,271	(3.6)	21.6	8.1
7438	Kondotec Inc.	Mar.	1,085	28,584	12.4	11.5	9.5	0.88	6,387	4,355	7.2	21.2	3.3
-	Construction machinery rental company	-	-	-	9.7	9.7	9.6	0.69	-	-	11.6	(0.5)	4.2
9678	Kanamoto Co. Ltd.	Oct.	2,258	87,480	9.6	10.1	9.7	0.63	(6,610)	13,229	2.6	(9.5)	5.8
9699	Nishio Rent All Co., Ltd.	Sep.	3,115	88,439	9.8	9.4	9.4	0.75	(46,022)	14,884	20.6	8.5	2.6

Code	Company	EOFY	ROE		Operating profit margin		Asset turnover		Equity ratio		Payout ratio		Dividend return
			FY21	FY22E	FY21	FY22E	FY21	FY22E	FY21	FY22E	FY21	FY22E	current period
-	-	-	%		%		times		%		%		%
7128	MARUKA FURUSATO Corporation	Dec.	4.6	6.6	2.2	3.6	1.32	1.40	61.4	58.0	-	63.2*	2.25
-	Machinery and tool trading company	-	9.2	10.0	2.8	3.0	1.84	1.74	39.9	39.2	23.9	22.8	3.54
7485	Okaya & Co., Ltd.	Feb.	7.7	8.5	2.4	3.1	1.75	1.46	44.5	40.2	11.7	10.0	2.45
8051	Yamazen	Mar.	10.9	10.6	3.4	3.1	1.90	1.85	39.9	42.6	26.2	28.4	4.26
8074	Yuasa Trading	Mar.	8.9	10.8	2.6	2.9	1.86	1.90	35.5	34.9	33.7	30.0	3.90
-	Machine tool manufacturers	-	6.0	8.7	5.8	7.7	0.78	0.86	51.7	52.5	27.5	29.7	3.04
6103	Okuma Corporation	Mar.	6.5	9.9	8.4	10.9	0.72	0.83	71.5	70.8	24.5	29.2	3.08
6135	Makino Milling Machine Co., Ltd.	Mar.	7.1	8.6	6.1	7.7	0.62	0.68	54.6	56.6	12.0	22.3	2.96
6141	DMG Mori Seiki Co.	Dec.	6.8	11.1	5.8	8.7	0.70	0.74	35.7	36.1	43.6	37.1	3.42
6473	JTEKT Corporation	Mar.	3.5	5.3	3.0	3.7	1.07	1.19	45.0	46.3	29.8	30.0	2.71
-	Construction product manufacturers	-	6.1	7.0	6.1	6.3	0.98	1.05	59.7	59.2	36.8	32.7	3.42
5959	Okabe Co. Ltd.	Dec.	4.4	6.0	6.7	6.9	0.71	0.78	65.6	64.6	36.9	29.5	3.15
7438	Kondotec Inc.	Mar.	7.7	7.9	5.4	5.8	1.25	1.32	53.7	53.8	36.7	35.9	3.69
-	Construction machinery rental company	-	7.9	7.4	8.1	7.9	0.65	0.64	42.4	43.5	28.2	31.8	3.27
9678	Kanamoto Co. Ltd.	Oct.	7.2	6.4	7.7	7.0	0.63	0.62	41.8	43.2	29.7	33.4	3.32
9699	Nishio Rent All Co., Ltd.	Sept.	8.5	8.3	8.5	8.7	0.68	0.67	43.1	43.8	26.7	30.3	3.21

Source: compiled by SIR from the company's IR material

Note: The value for MARUKA FURUSATO Corporation is the simple sum for the two groups before the integration, adjusted for the fiscal year. It is provided as reference. Furthermore, keep in the mind that the annual dividend per share for fiscal 2022 is ¥107 yen, of which ¥50 is a commemorative dividend. In place of the various IFRS operating profit-related figures for JTEKT Corporation, business profit is used.

Full year results table(1)

MARUKA FURUSATO Corporation		Actual											Co's	
	unit	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	2021/12*	2022/12	2023/12 CE	2026/12 CE
Net Sales	¥mn	117,053	127,760	134,942	146,451	141,818	151,246	172,385	173,818	142,696	74,292	162,416	170,000	200,000
YoY	%	10.4	9.1	5.6	8.5	(3.2)	6.6	14.0	0.8	(17.9)	-	-	4.7	-
Machinery and Tools	¥mn	83,677	88,582	92,927	102,875	98,685	106,273	124,359	121,033	94,381	43,635	109,059	-	147,000
		83,677	88,582	92,927	102,875	98,685	106,273	124,359	121,033	94,381	42,698	107,077	113,900	-
YoY	%	11.6	5.9	4.9	10.7	(4.1)	7.7	17.0	(2.7)	(22.0)	-	-	6.4	-
Construction Products	¥mn	27,247	31,972	33,599	34,464	34,619	35,833	39,129	39,879	35,038	28,893	43,847	-	47,000
		27,247	31,972	33,599	34,464	34,619	35,833	39,129	39,879	35,038	28,880	43,787	44,700	-
YoY	%	8.6	17.3	5.1	2.6	0.4	3.5	9.2	1.9	(12.1)	-	-	2.1	-
Construction Machinery	¥mn	6,126	7,201	8,412	9,109	8,505	9,133	8,894	10,121	8,830	425	8,839	-	10,000
		6,126	7,201	8,412	9,109	8,505	9,133	8,894	10,121	8,830	425	8,839	8,500	-
YoY	%	1.7	17.5	16.8	8.3	(6.6)	7.4	(2.6)	13.8	(12.8)	-	-	(3.8)	-
Security	¥mn	0	0	0	0	0	0	0	2,779	4,442	2,300	2,738	-	6,000
		0	0	0	0	0	0	0	2,779	4,442	2,287	2,711	2,900	-
YoY	%	-	-	-	-	-	-	-	-	59.8	-	-	7	-
Adjustments	¥mn	0	0	0	0	0	0	0	0	0	-963	-2,068	-	-10,000
Cost of Sales	¥mn	100,089	108,990	115,147	125,554	121,800	130,046	148,429	148,861	120,400	62,551	136,137	-	-
Gross Profit	¥mn	16,981	18,769	19,795	20,876	20,027	21,196	23,923	24,888	22,251	11,741	26,278	-	-
sales ratio	%	14.5	14.7	14.7	14.3	14.1	14.0	13.9	14.3	15.6	15.8	16.2	-	-
SGA	¥mn	12,456	13,468	14,232	14,985	15,206	16,176	17,272	18,214	18,013	10,275	20,383	-	-
Operating Profit	¥mn	4,525	5,301	5,563	5,891	4,821	5,020	6,652	6,674	4,237	1,465	5,895	5,700	10,000
sales ratio	%	3.9	4.1	4.1	4.0	3.4	3.3	3.9	3.8	3.0	2.0	3.6	3.4	5.0
Machinery and Tools	¥mn	-	-	-	-	-	-	-	-	-	191	3,235	2,770	6,680
Segment sales ratio	%	-	-	-	-	-	-	-	-	-	0.4	3.0	2.4	4.5
Construction Products	¥mn	-	-	-	-	-	-	-	-	-	1,269	2,606	2,800	2,470
Segment sales ratio	%	-	-	-	-	-	-	-	-	-	4.4	6.0	6.3	5.3
Construction Machinery	¥mn	-	-	-	-	-	-	-	-	-	-32	142	100	200
Segment sales ratio	%	-	-	-	-	-	-	-	-	-	(7.5)	1.6	1.2	2.0
Security	¥mn	-	-	-	-	-	-	-	-	-	0	-57	30	700
Segment sales ratio	%	-	-	-	-	-	-	-	-	-	0.0	(2.1)	1.0	11.7
Adjustments	¥mn	-	-	-	-	-	-	-	-	-	36	-32	0	-50
Non-Operating Income	¥mn	775	970	988	984	878	941	1,056	970	877	627	1,268	-	-
Non-Operating Expenses	¥mn	317	336	348	377	543	401	441	568	407	59	107	-	-
Ordinary Profit	¥mn	4,983	5,935	6,203	6,498	5,155	5,560	7,267	7,076	4,708	2,033	7,055	6,470	-
Extraordinary Gain	¥mn	17	51	92	4	40	81	47	1,269	43	92	42	-	-
Extraordinary Loss	¥mn	187	573	31	115	264	192	102	27	23	72	17	-	-
Pretax Profit	¥mn	4,920	5,100	5,286	5,290	2,904	4,040	5,711	8,018	3,161	2,053	7,080	-	-
Income Taxes	¥mn	2,074	2,464	2,380	2,215	1,715	1,891	2,373	2,775	1,784	999	2,490	-	-
Tax rate	%	42	48	45	42	59	47	42	35	56	49	35	-	-
Net Profit	¥mn	2,740	2,948	3,884	4,172	3,217	3,559	4,838	5,543	2,943	1,054	4,590	-	-
Net Profit Attribute to non-controlling shareholders	¥mn	85	73	40	26	-48	12	23	40	116	16	59	-	-
Net Profit Attribute to parent company shareholders	¥mn	2,655	2,875	3,844	4,147	3,265	3,547	4,816	5,503	2,827	1,038	4,531	4,380	-

Note: Sales by segment in past years were prepared by adding up sub-segment sales disclosed by rounding down to the nearest million yen, and the fractional amount is inconsistent with the company-wide sales.

21/12 is discontinuous due to an irregular accounting period that includes April-December (9 months) for the Furusato Group and December (1 month) for the Maruka Group.

See the Initiation Report for a detailed breakdown of prior year results prior to the merger.

Full year results table(2)

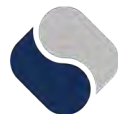
MARUKA FURUSATO Corporation	unit	Actual										Co's		
		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	2021/12*	2022/12	23/12CE	26/12 CE
EPS	yen	-	-	-	-	-	-	-	-	-	67.1	178.9	172.9	-
BPS	yen	-	-	-	-	-	-	-	-	-	2,632.9	2,816.2	-	-
DPS	yen	-	-	-	-	-	-	-	-	-	14.5	113.0	61.0	-
Payout ratio	%	-	-	-	-	-	-	-	-	-	21.6	63.2	35.3	About 35%
ROE	%	6.3	6.4	7.9	8.0	6.0	6.2	8.1	8.7	4.3	-	6.6	6.1	8.5
ROA (Operating Profit)	%	6.1	6.7	6.4	6.3	5.0	5.0	6.0	5.7	3.7	-	5.1	-	-
Equity ratio	%	57.5	56.6	55.4	55.3	56.7	55.7	52.6	54.5	60.9	61.4	58.0	-	-
EBITDA	¥mn	4,525	5,301	5,563	5,891	4,821	5,020	6,652	6,674	4,237	2,254	7,458	-	11,500
sales ratio	%	3.9	4.1	4.1	4.0	3.4	3.3	3.9	3.8	3.0	3.0	4.6	-	5.8
Capital expenditures	¥mn	1,175	1,619	1,033	2,234	2,551	3,419	1,896	5,419	2,063	566	2,777	-	-
Net Cash	¥mn	15,686	16,420	19,376	20,272	19,879	18,053	22,404	19,902	21,445	22,951	24,325	-	-
Total Assets	¥mn	75,707	82,879	91,252	96,395	97,368	104,815	116,163	118,612	109,143	108,594	122,914	-	-
Cash & Cash Equivalents	¥mn	15,985	16,864	20,051	20,902	20,724	19,281	23,262	22,071	23,944	24,172	25,648	-	-
Accounts Receivables	¥mn	32,416	36,640	39,792	42,923	41,222	46,232	52,707	51,454	39,150	38,554	43,609	-	-
Inventories	¥mn	5,222	6,080	7,081	6,821	6,735	7,228	7,981	9,896	9,123	10,211	15,293	-	-
Other Current Assets	¥mn	2,603	2,279	2,589	3,137	3,505	4,360	4,695	3,730	4,675	5,441	7,527	-	-
Property, Plant & Equipment	¥mn	13,359	13,980	14,197	15,865	17,479	19,135	19,597	21,083	21,826	20,484	22,036	-	-
Intangible Assets	¥mn	479	496	487	499	629	640	544	3,618	3,334	2,541	2,260	-	-
Investments and Other Assets	¥mn	5,643	6,540	7,055	6,248	7,074	7,940	7,376	6,760	7,091	7,189	6,540	-	-
Total Liabilities	¥mn	31,801	35,436	40,101	42,424	41,656	45,868	54,398	53,061	41,721	41,233	50,775	-	-
Trade Payables	¥mn	25,230	28,629	33,021	35,800	34,586	36,970	44,913	41,335	32,157	31,818	35,758	-	-
Interest-bearing Debt	¥mn	299	445	675	630	845	1,227	859	2,168	2,499	1,221	1,323	-	-
Other Liabilities	¥mn	6,272	6,363	6,404	5,994	6,226	7,670	8,626	9,558	7,066	8,194	13,694	-	-
Total Net Assets	¥mn	43,907	47,443	51,152	53,971	55,712	58,948	61,765	65,551	67,422	67,361	72,139	-	-
Capital Stock	¥mn	43,515	46,905	50,547	53,320	55,173	58,342	61,127	64,695	66,464	66,679	71,327	-	-
Other Net Assets	¥mn	392	538	605	651	539	606	637	856	958	682	812	-	-
Cash Flows from Operating Activities	¥mn	-	-	-	-	-	-	-	-	-	(853)	3,795	-	-
Cash Flows from Investing Activities	¥mn	-	-	-	-	-	-	-	-	-	(112)	(2,286)	-	-
Free Cash Flow (FCF)	¥mn	-	-	-	-	-	-	-	-	-	(965)	1,509	-	-
Cash Flows from Financial Activities	¥mn	-	-	-	-	-	-	-	-	-	(541)	(495)	-	-
Changes in Cash Flow	¥mn	-	-	-	-	-	-	-	-	-	16	246	-	-
Increase in Cash Equivalents	¥mn	-	-	-	-	-	-	-	-	-	(1,491)	1,260	-	-
Cash Equivalent - Beginning	¥mn	-	-	-	-	-	-	-	-	-	14,093	22,872	-	-
Increase from newly consolidated subsidiary	¥mn	-	-	-	-	-	-	-	-	-	10,270	-	-	-
Cash Equivalent - Ending	¥mn	-	-	-	-	-	-	-	-	-	22,872	24,132	-	-

Source: compiled by SIR from the Company's IR material

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