



UNISOL

**First Quarter of FY2023
Earnings Presentation**

M a y 2023

MARUKA FURUSATO Corporation

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01

Consolidated Financial Results



First Quarter of FY2023 Consolidated Financial Results Summary

Net sales

43,781 million yen
Year on year : 112.8%

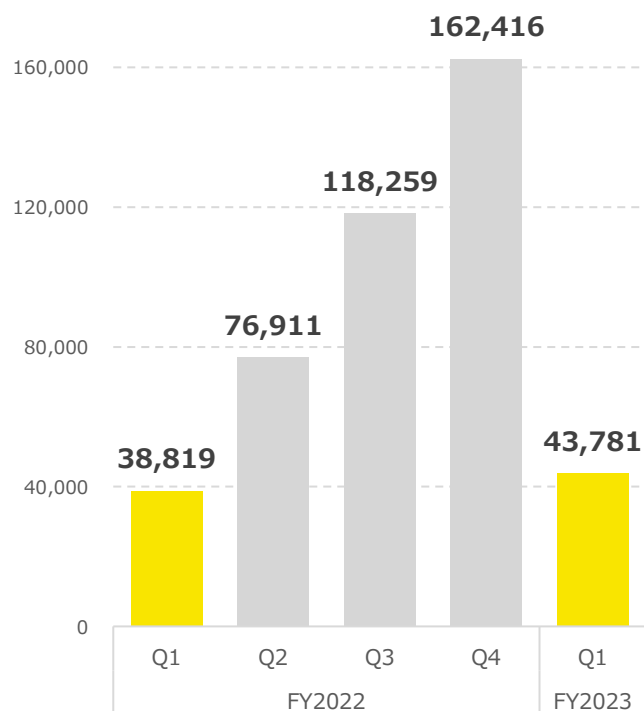
Operating profit

1,767 million yen
Year on year : 120.3%

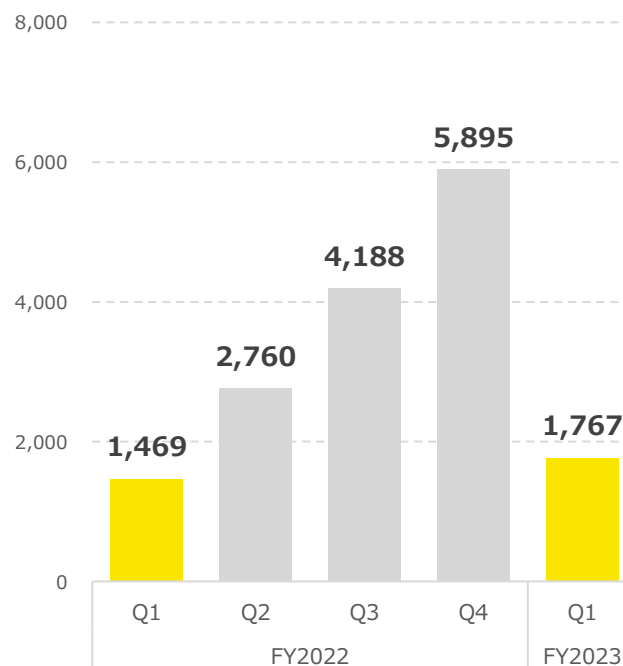
Profit attributable to owners of parent

1,237 million yen
Year on year : 106.7%

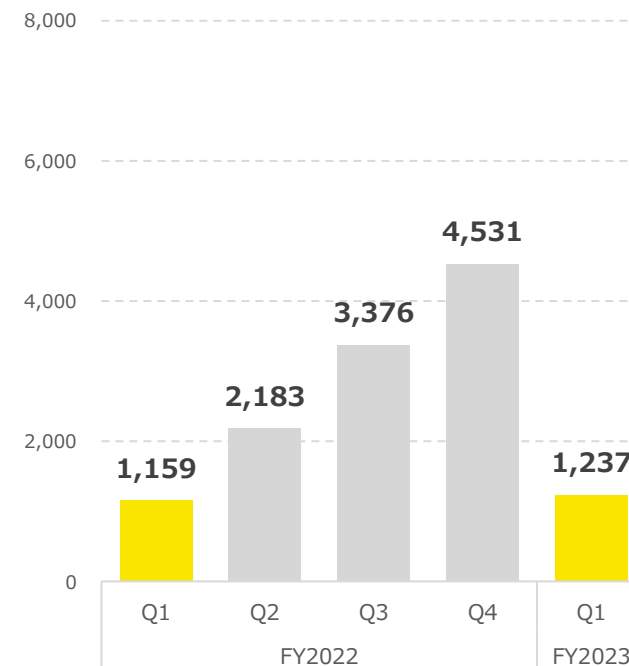
(JPY million)



(JPY million)

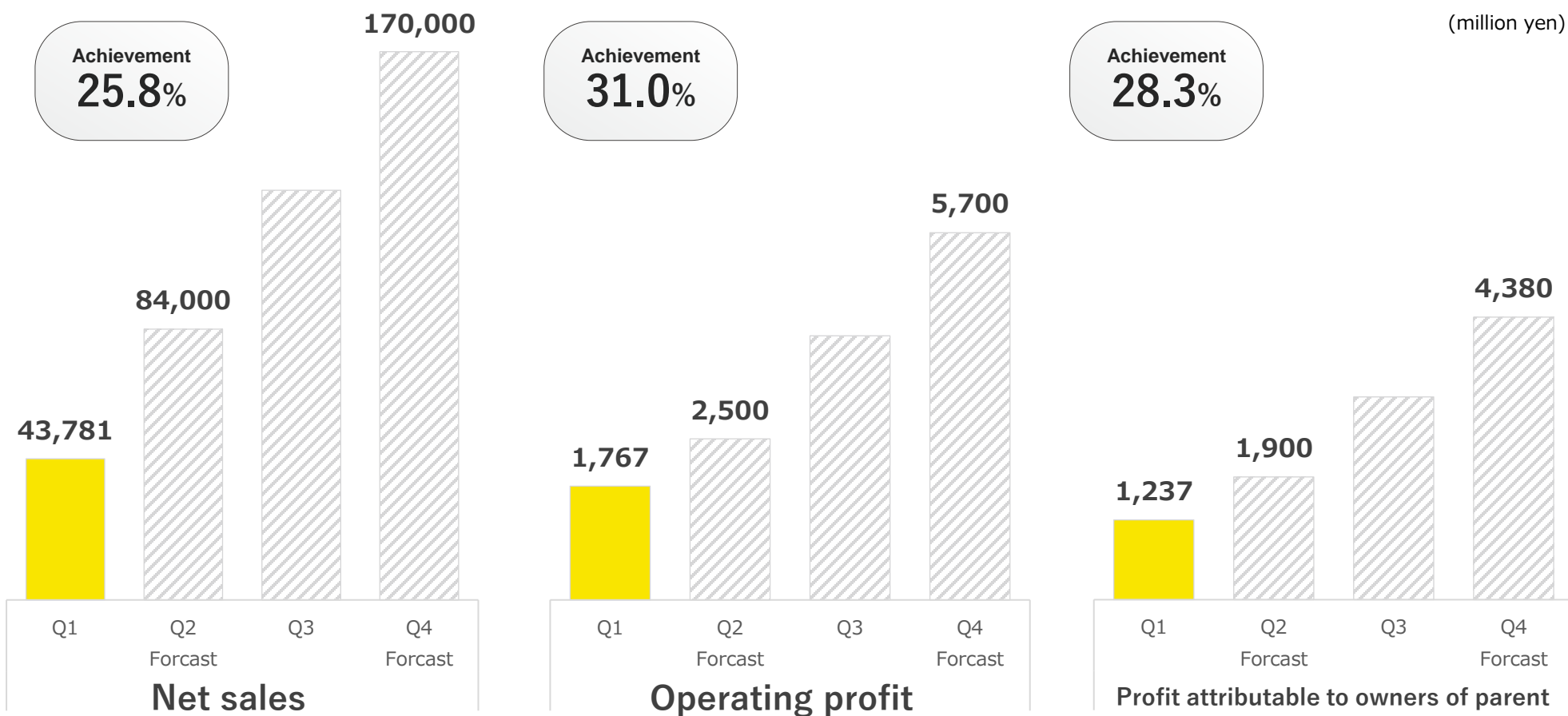


(JPY million)



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

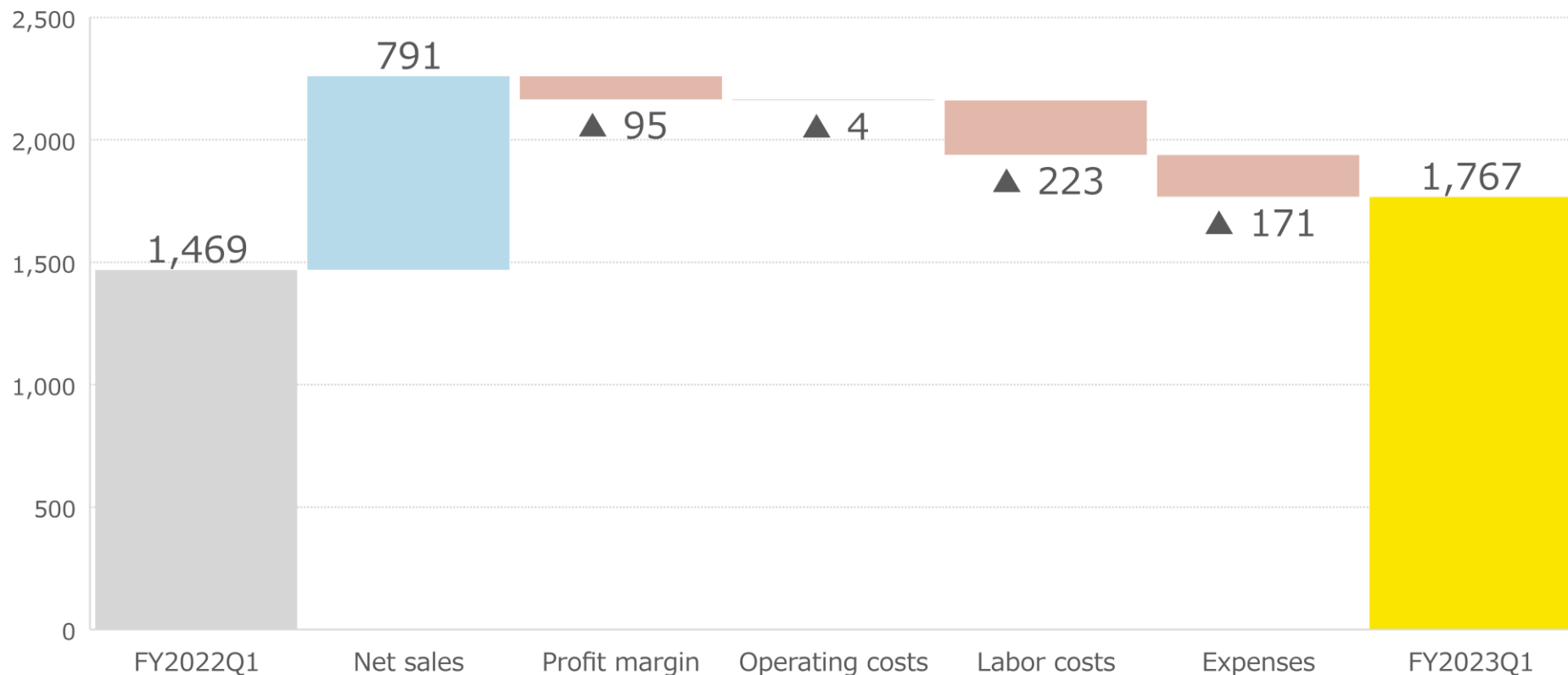
- Net sales: Exceeded the forecast in the Machinery & Tools and Construction Products segments.
- Operating profit: Exceeded the forecast due to the effect of increased income.
IoT Solution segment (former Security segment) maintained profit.



Factors Affecting Operating Profit (Year on year)

- Net sales: The effect of increased income exceeded the expectation in the results forecast.
- Labor costs: Effect of increases in overseas wages, salaries and bonuses.
- Expenses: Increased due to the normalization of sales activities because of the easing of behavior restrictions.

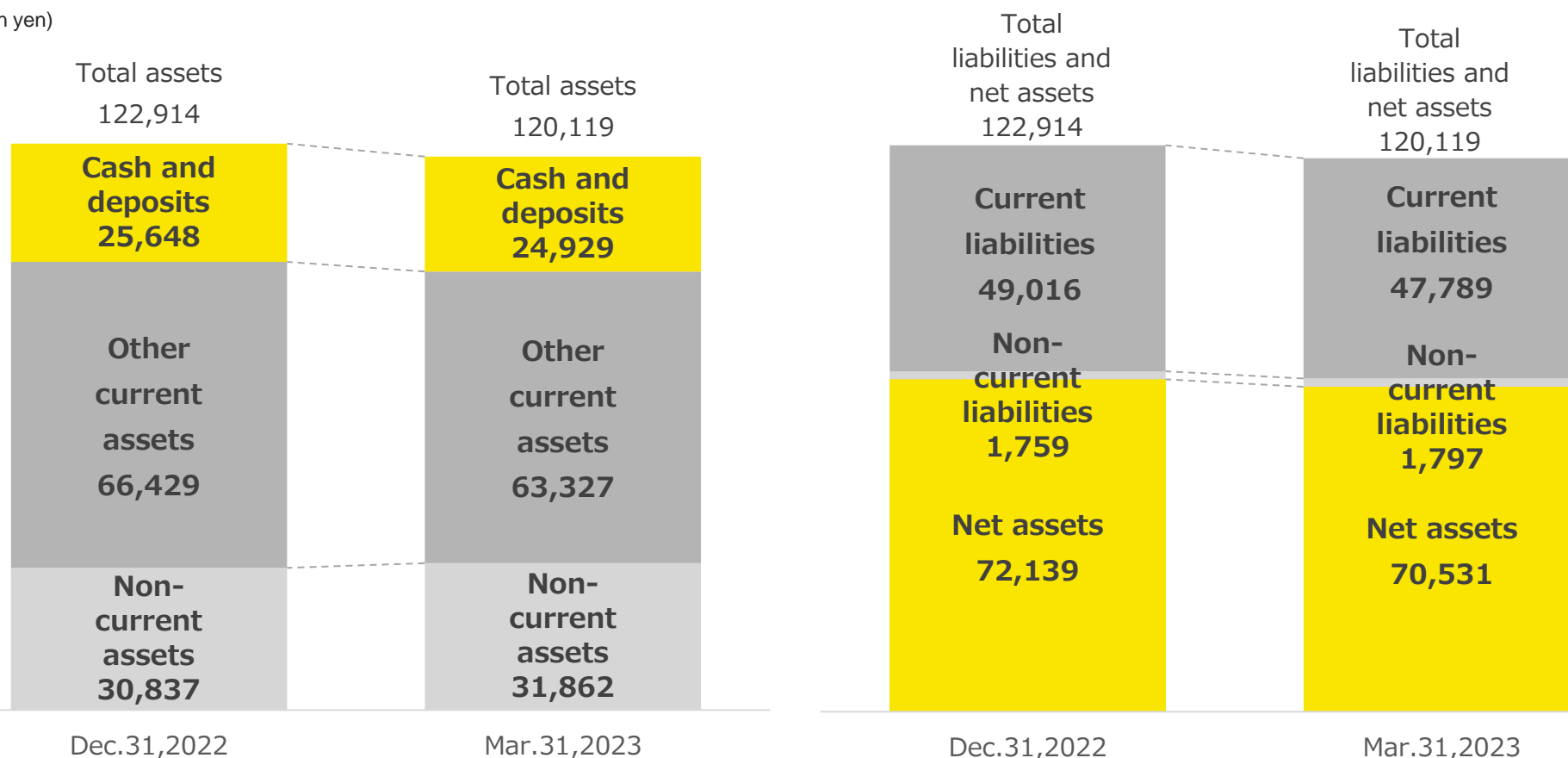
(million yen)



Consolidated Balance Sheet

- **Current assets:** Cash and deposits decreased due to payment of dividends, etc.
 - **Current liabilities:** Contract liabilities decreased due to the decrease in backlog.
 - **Total net assets:** Retained earnings decreased due to payment of dividends.
- The equity-to-asset ratio is 58.0%.

(million yen)





02

Segments







Segments by Business Company

MARUKA FURUSATO Corporation Segments		Furusato Group		Maruka Group			
		G-NET	Gifu Shoji	Maruka Corp.	KAN MANUFACTORY	Miyazawa	
Machinery & Tools Segment	Machinery	Machine tools, FA devices Industrial machinery, etc.	FA devices	Machine tools Industrial machinery, etc.	Washers	Food machinery Security, etc.	Kitakyu Machine and Tools
	Tools	Machinery & tools Pneumatic devices, etc.	Automotive tools	Machinery & tools	Sonoruka		Machinery & tools
	Engineering	Engineering ES business		Engineering ES business	Engineering		
Construction Products Segment		Housing equipment system	Furusato Industries Building products Piping products Construction product rental				Japan Rental
Construction Machinery Segment				Construction Machinery	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

Characteristics of Segments

	Market	Share	Industry Characteristics, etc.
 Machinery and Tools Segment	Big	Low	Area with demands for transformations such as new mobility and automation Fiercely competitive, and affected by economic changes
 Construction Products Segment	Small ~Mid	High	Stable share despite a niche market Manufacturing factories nationwide
 Construction Machinery Segment	Mid	Low	A relatively mature industry Affected by domestic public works and construction investment
 IoT Solution Segment	Big	Low	Production automation, smart factory, etc. High synergy with other segments

Machinery & Tools Segment

- Japan: Investing more in EV in the automotive industry
- Overseas: Automotive industry is in good shape in North America and China



Machine tools



Injection molding machines

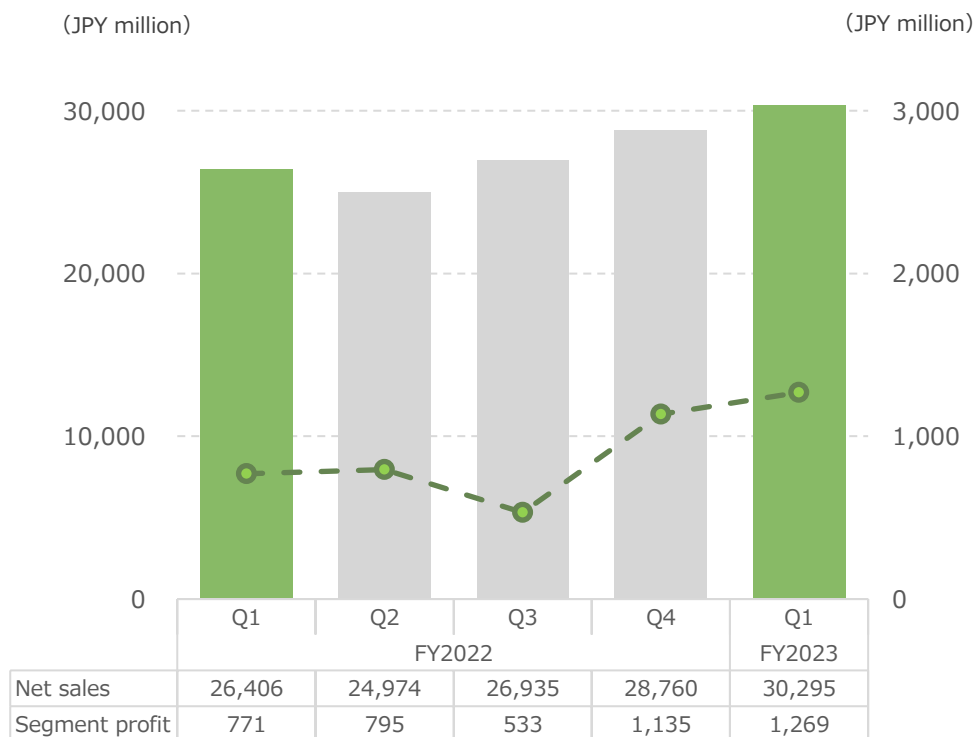
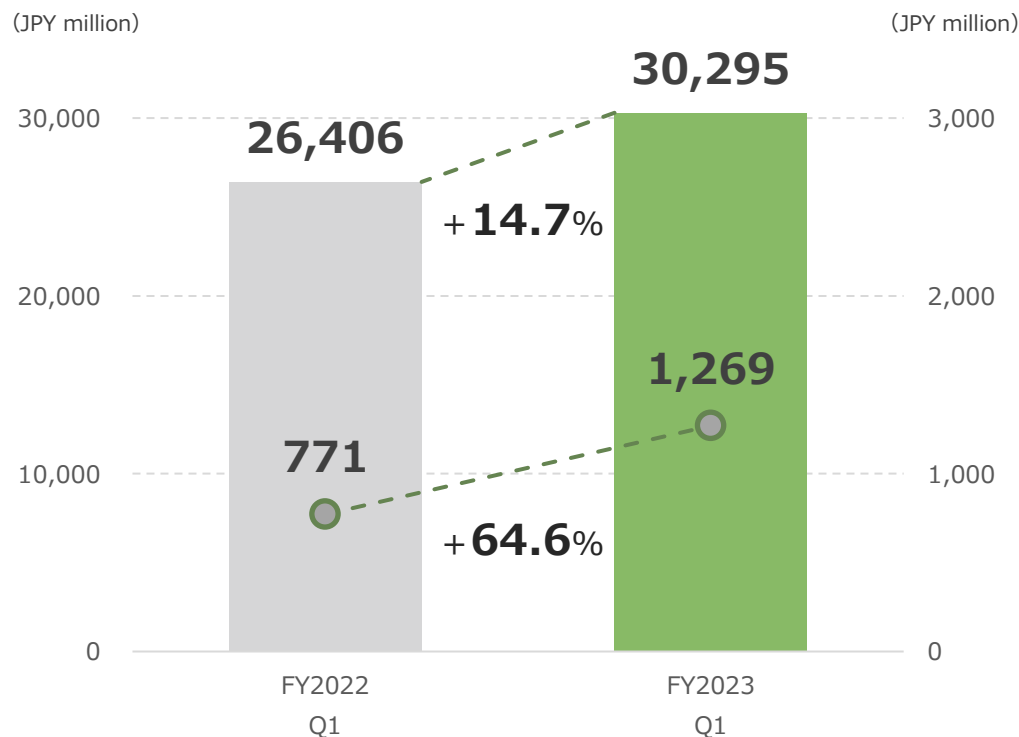


Pneumatic devices

Cumulative quarterly results year on year

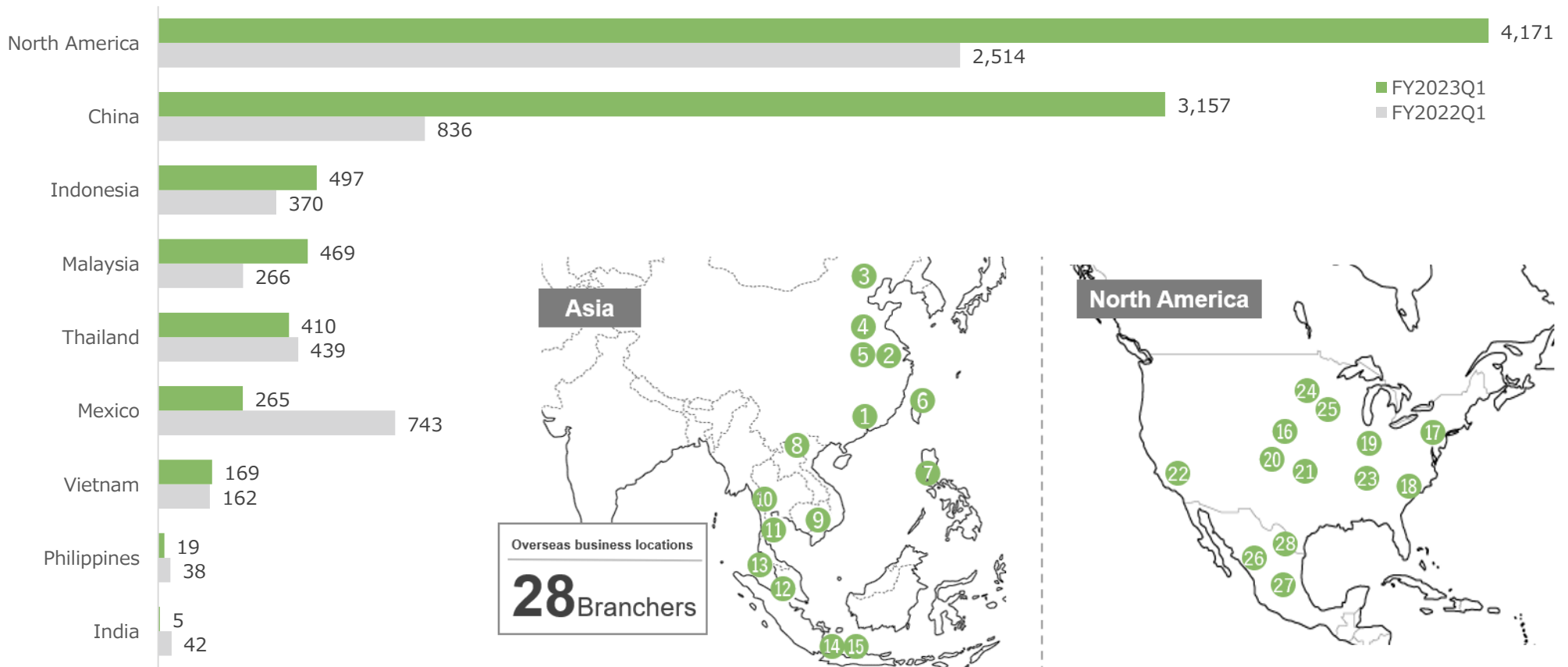
Net sales Segment profit

Quarterly transition



Machinery & Tools Segment Consolidated Overseas Net Sales

- Overseas net sales: 9,167 million yen
(Year on year: Increased by 3,753 million yen (69.3% increase))
- Proportion of overseas net sales: 20.9%
- North America: Increased 65.9% year on year; China: Increased 277.4% year on year



Construction Products Segment

- Holding steady due to projects of large factories, logistics facilities and redevelopment
- Medium to small projects were on the decrease
- Housing equipment was holding steady partly due to remodeling demand



Braces



High tension bolts



Joints

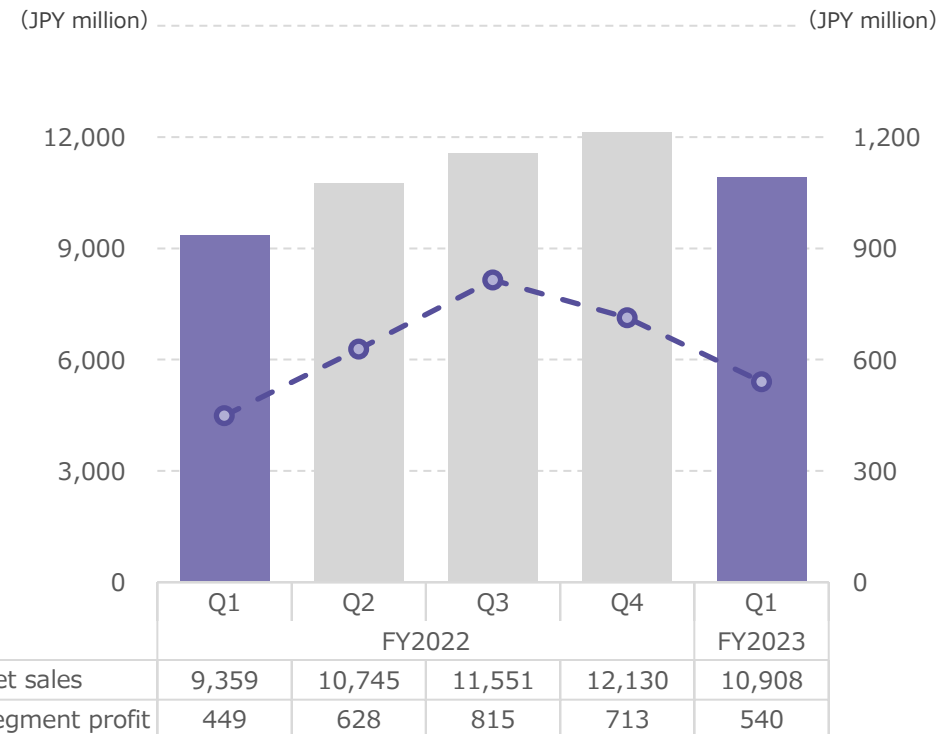
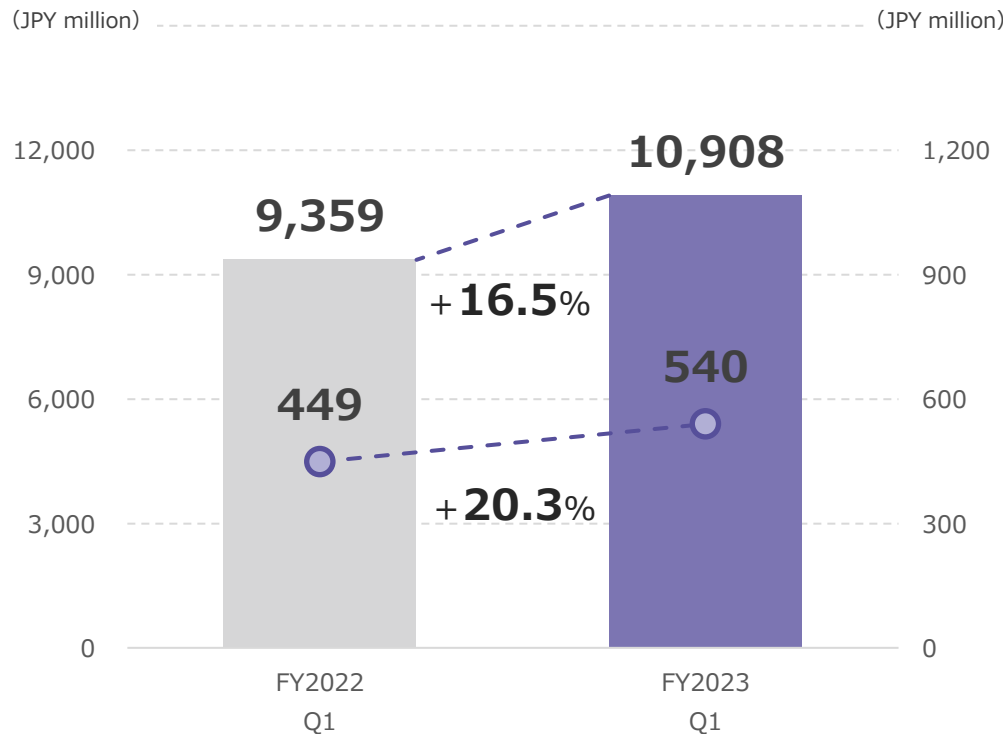


Housing equipment devices

Cumulative quarterly results year on year

■ Net sales -○- Segment profit

Quarterly transition



Construction Machinery Segment

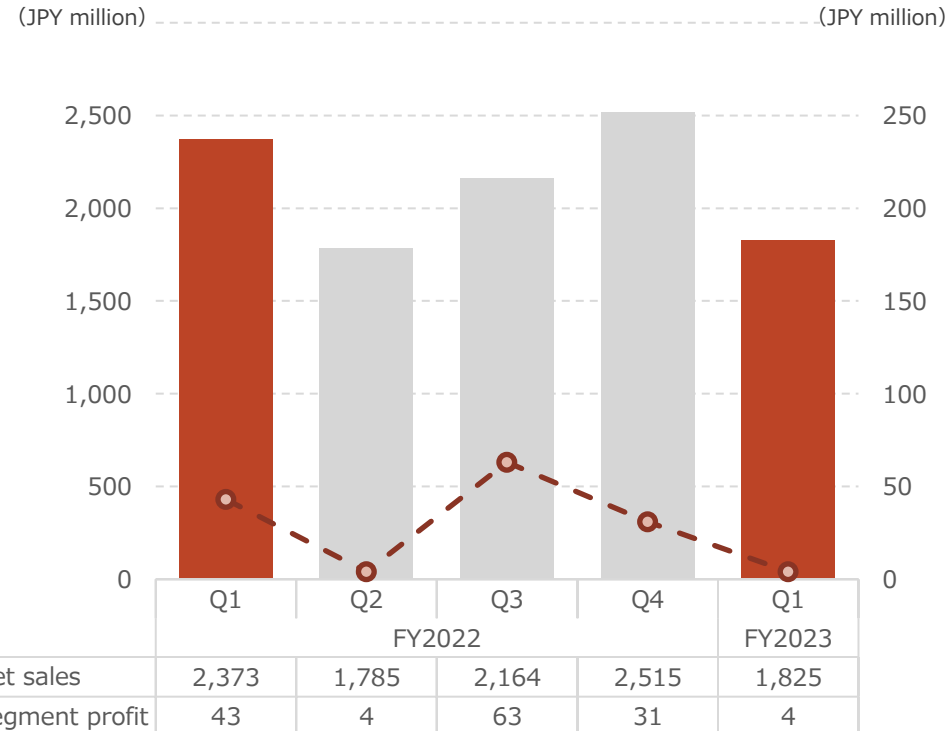
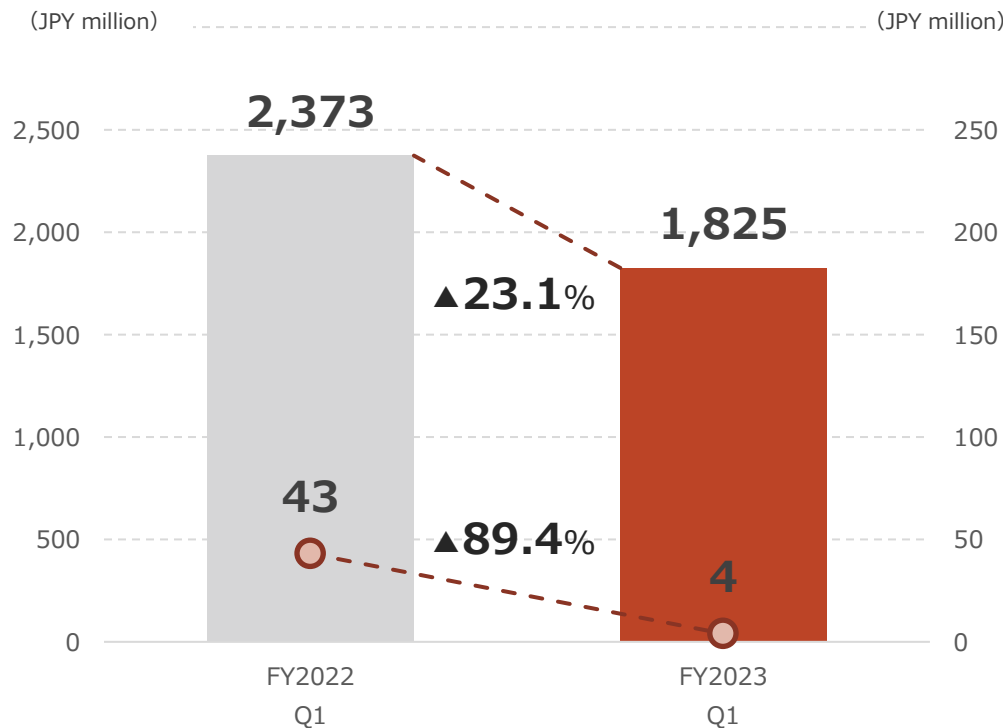
- New inquiries decreased due to price rises in construction machinery
- Demand for used machinery was holding steady but there was a lack of inventory in the market



Cumulative quarterly results year on year

Net sales Segment profit

Quarterly transition



IoT Solution Segment (Former Security Segment)

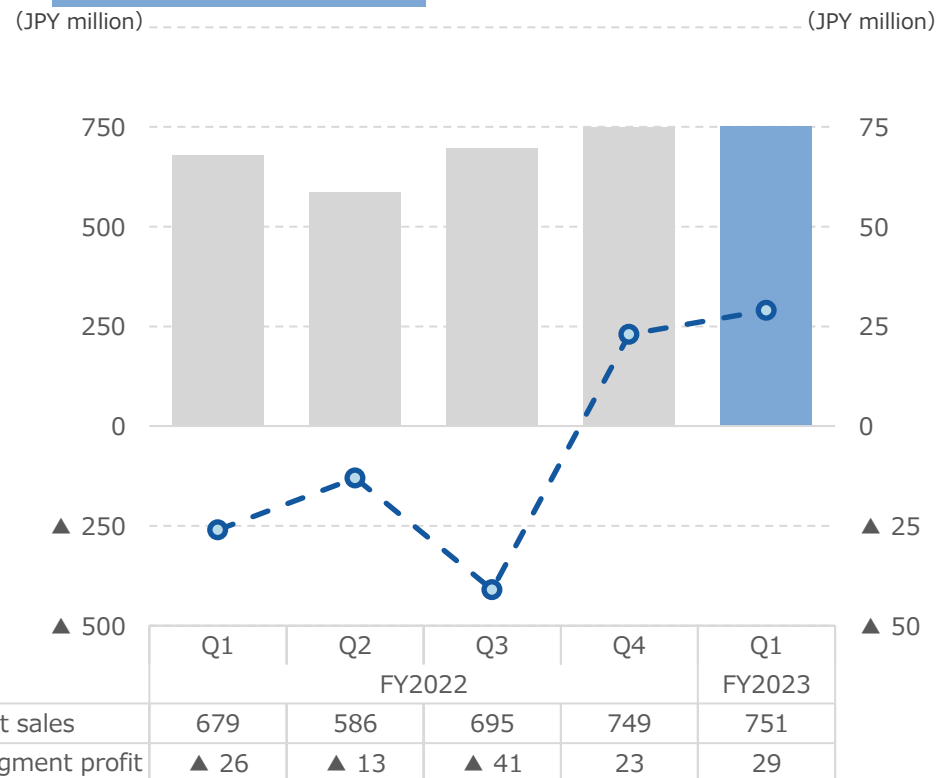
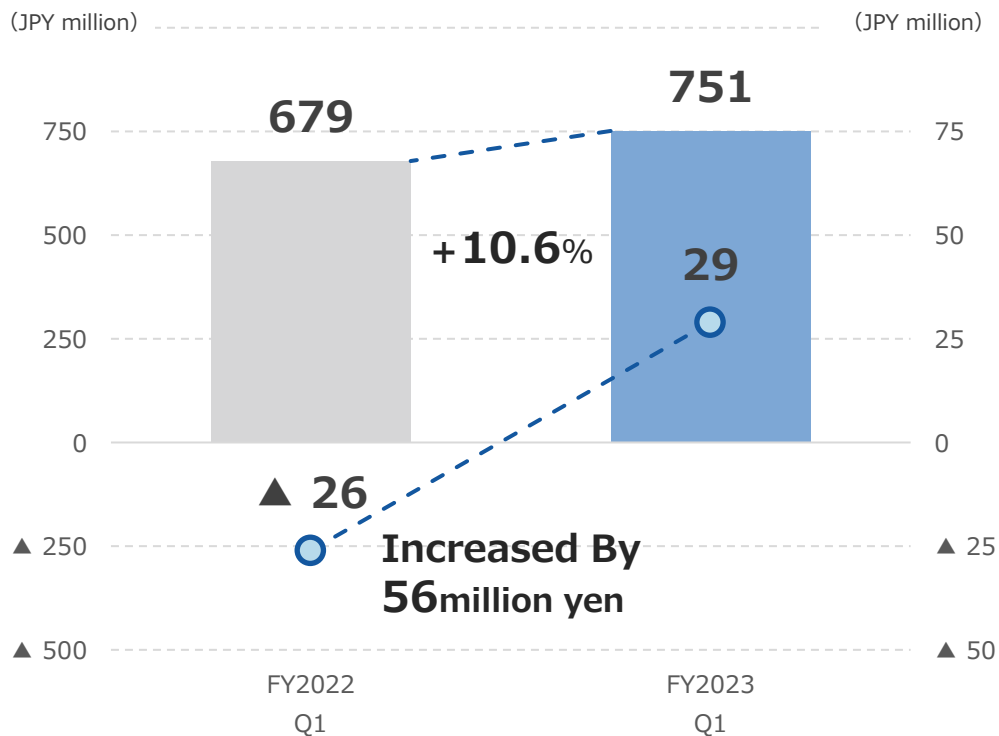
- Sales of surveillance cameras for logistics facilities and mass retailers were going strong
- Profit margin has turned around due to the effect of cost reductions



Cumulative quarterly results year on year

■ Net sales -o- Segment profit

Quarterly transition





03

Medium-Term Management Plan



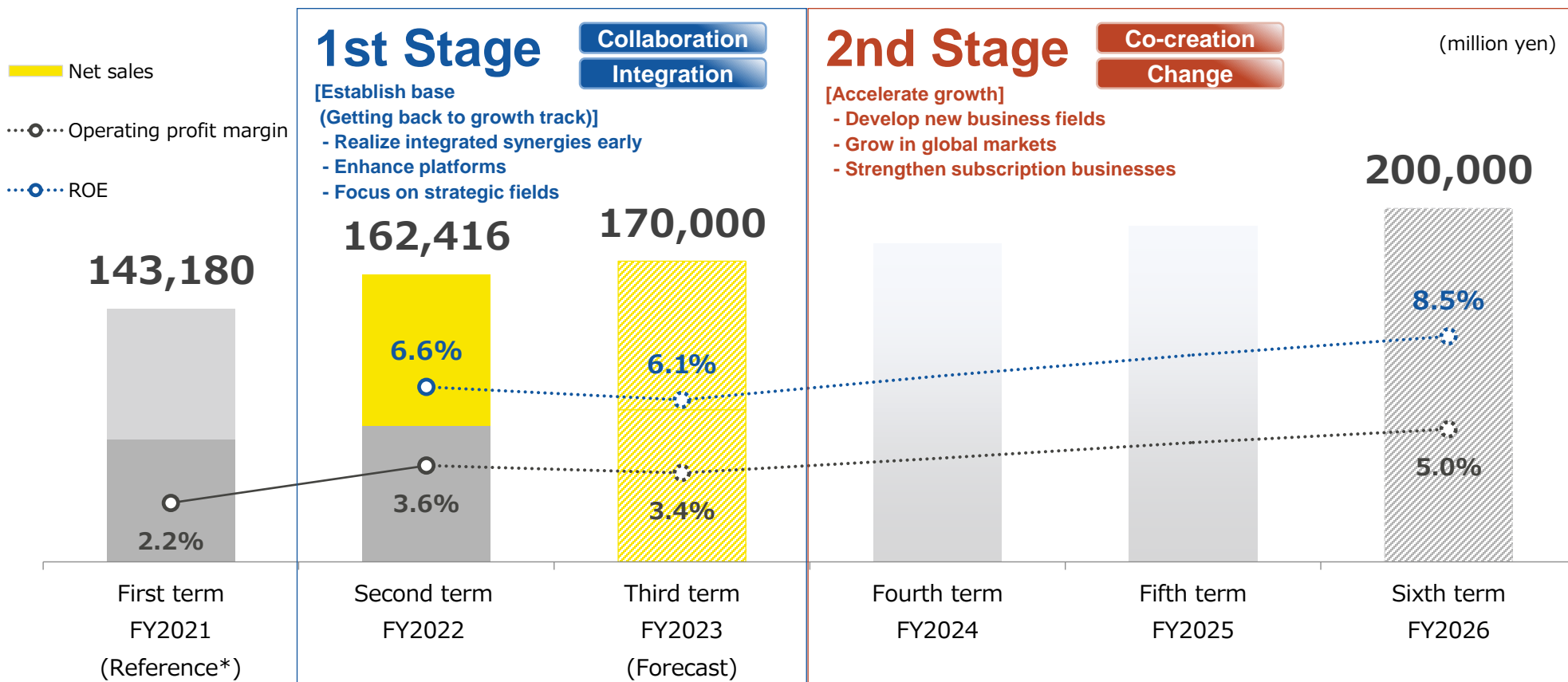
Medium-term Management Plan “UNISOL”

- 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.

Medium-term Management Plan “UNISOL”

Examples of Initiatives in This Term

- Concluded a business alliance agreement with ARUM Inc. on March 17, 2023
- Acquired the exclusive distribution right in Japan for “ARUM Factory365,” a new cloud-based subscription business that allows use of ARUMCODE series software and other applications
- Medium-term Management Plan’s Priority Measure - “smart factory business”

- Cloud service which allows unlimited use of all automatic NC programming apps in ARUMCODE series for a fixed monthly fee

What is ARUMCODE1?

- The world’s first AI software that achieves full automation of the processing programming for the metal and resin processing industries where high-mix low-volume manufacturing is standard
- Contributes to resolving labor shortages and **improving productivity** by reducing manufacturing costs and improving the operating rate of processing machinery

ARUM Factory365

Appealing Functions



Library Function

Your proprietary processing know-how can be easily digitized to use the in-house skills and know-how as active assets.



Post-processor Creating Function

Makes the post-processing easier. Guidance enables easy post-processing.



NCP Archive Function

Archives the past analytical results. You can download the actual NCP results at any time.



Actual Screen of ARUM Factory365

The screen design may change when the service commences.

FUNCTIONS



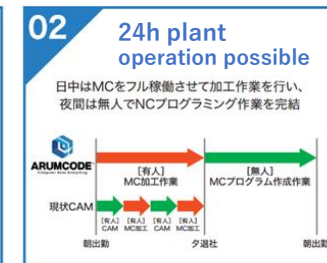
Data Usage Checking Function

Allows checking data use and fees at any time. Do analyses worry-free!



Automated Payment and Settlement Function

Simple accounting with credit card payments and automatic withdrawals.





04

Result Forecasts and Dividend Policy



Result Forecasts

- Sales in Q1 grew steadily against the 1H forecast
- No change to the forecast at the beginning of the term despite uncertainty in the global economy, including wars and financial instability

Account items	FY2022 Results (JPY million)			FY2023 Forecasts (JPY million)			FY2023Q1 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	84,000	86,000	170,000	43,781	25.8
Machinery & Tools	51,381	55,696	107,077	57,400	56,500	113,900	30,295	26.6
Construction Products	20,105	23,682	43,787	21,000	23,700	44,700	10,908	24.4
Construction Machinery	4,158	4,680	8,839	4,200	4,300	8,500	1,825	21.5
IoT Solution	1,265	1,445	2,711	1,400	1,500	2,900	751	25.9
Operating profit	2,760	3,134	5,895	2,500	3,200	5,700	1,767	31.0
Machinery & Tools	1,566	1,669	3,235	1,300	1,470	2,770	1,269	45.8
Construction Products	1,077	1,529	2,606	1,150	1,650	2,800	540	19.3
Construction Machinery	47	95	142	40	60	100	4	4.6
IoT Solution	▲ 39	▲ 17	▲ 57	10	20	30	29	99.1
Adjustment	108	▲ 141	▲ 32	0	0	0	▲ 77	-
Ordinary profit	3,311	3,743	7,055	2,880	3,590	6,470	1,863	28.8
Profit attributable to owners of parent	2,183	2,348	4,531	1,900	2,480	4,380	1,237	28.3

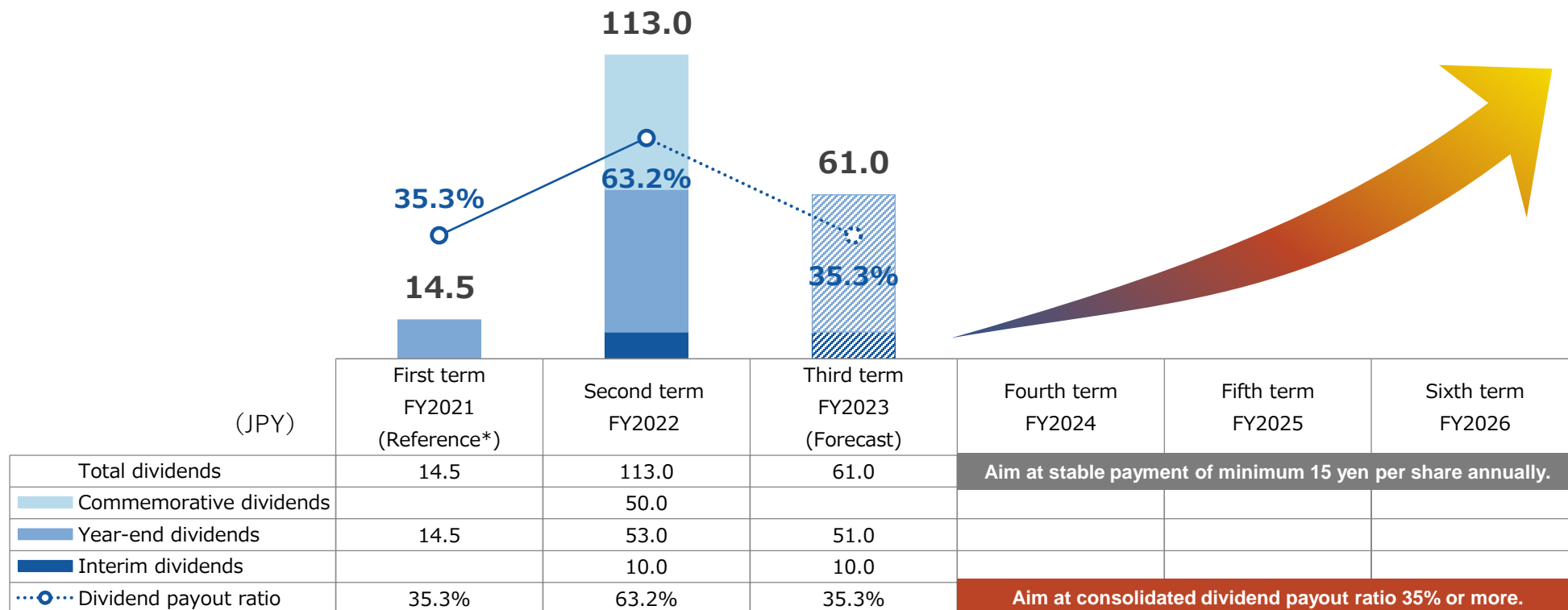
Dividend Policy

- In FY2023, based on our shareholders return policy, we forecast dividends of 61 yen per share
- 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

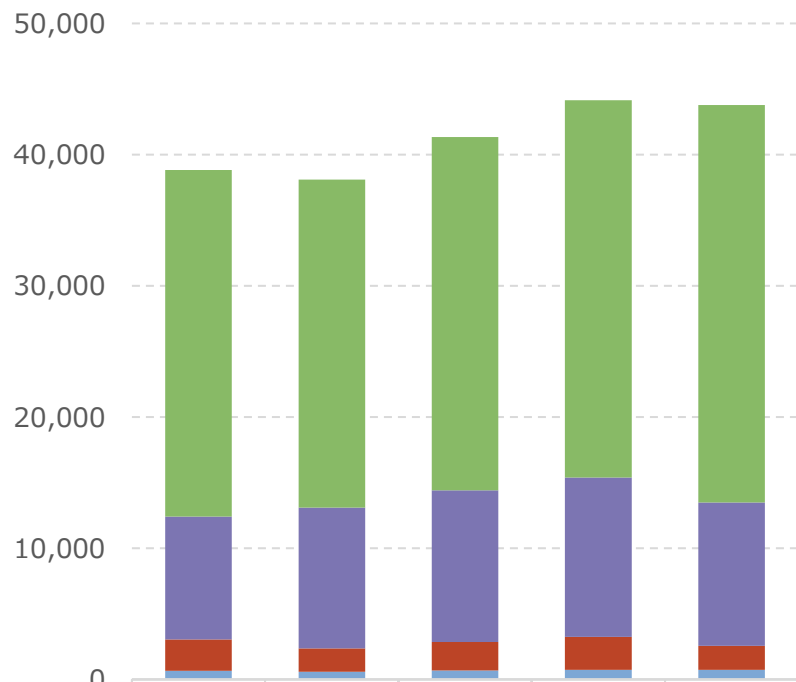
Appendix



Consolidated Segment Quarterly Data

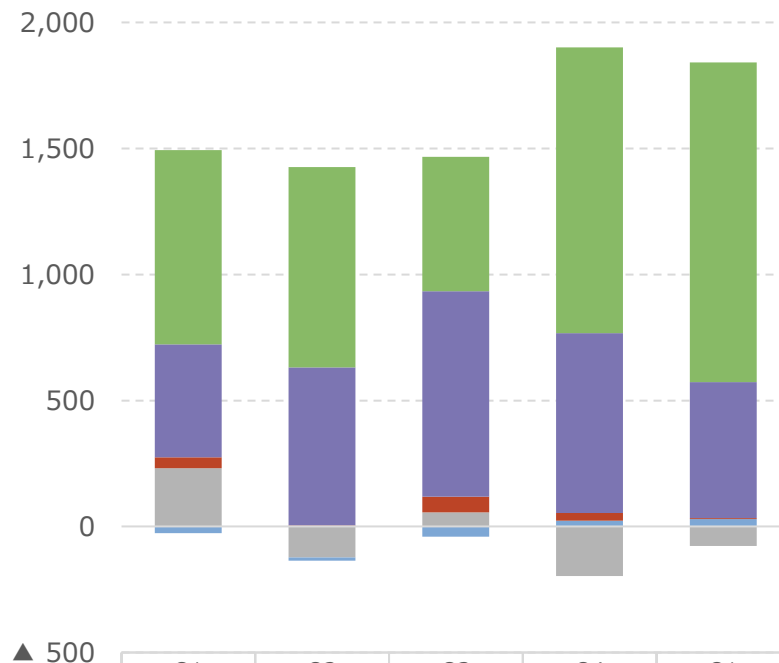
Net sales

(million yen)



Segment profits

(million yen)

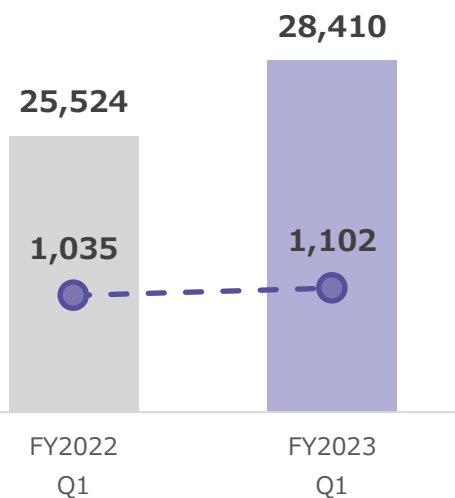


	Q1	Q2	Q3	Q4	Q1
	FY2022				FY2023
TOTAL	38,819	38,092	41,347	44,157	43,781
Machinery & Tools	26,406	24,974	26,935	28,760	30,295
Construction Products	9,359	10,745	11,551	12,130	10,908
Construction Machinery	2,373	1,785	2,164	2,515	1,825
IoT Solution	679	586	695	749	751

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

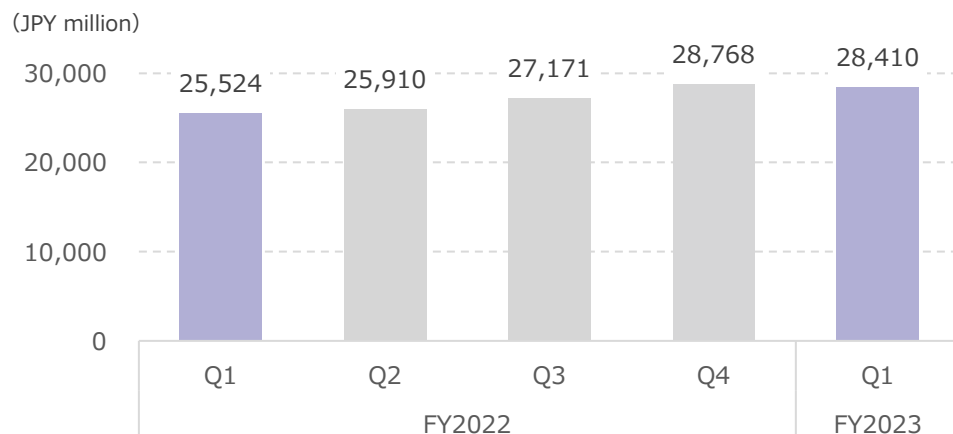
Furusato Group Profit and Loss

Cumulative quarterly results year on year

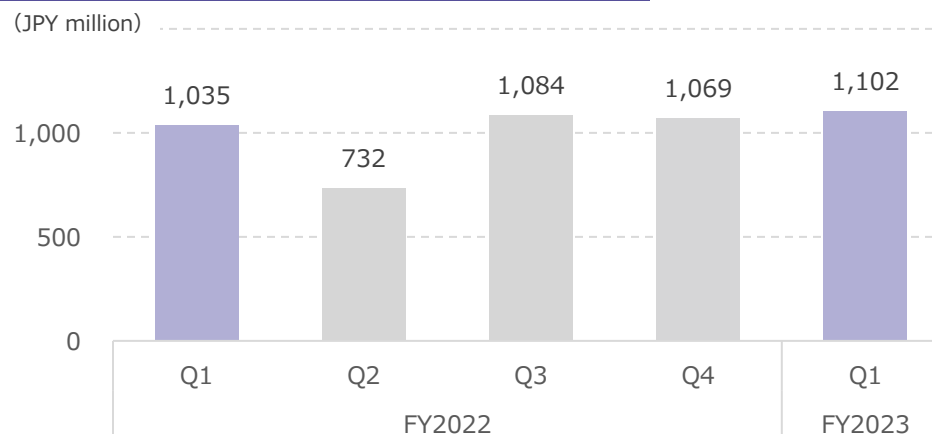


	FY2022Q1 22/1-22/3 (JPY million)	Proportion	FY2023Q1 23/1-23/3 (JPY million)	Proportion	Change (JPY million)	Change (%)
Furusato Group						
Net sales	25,524	100%	28,410	100%	2,886	11.3
Cost of sales	21,472	84.1%	24,101	84.8%	2,629	12.2
Gross profit	4,052	15.9%	4,309	15.2%	257	6.3
SG & A expense	3,016	11.8%	3,207	11.3%	190	6.3
Operating profit	1,035	4.1%	1,102	3.9%	66	6.4

Quarterly net sales transition

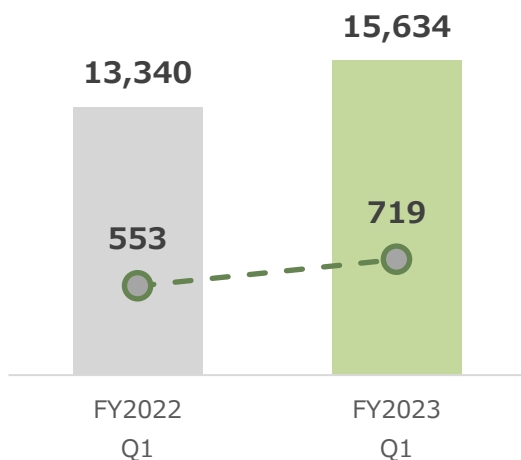


Quarterly operating profit transition



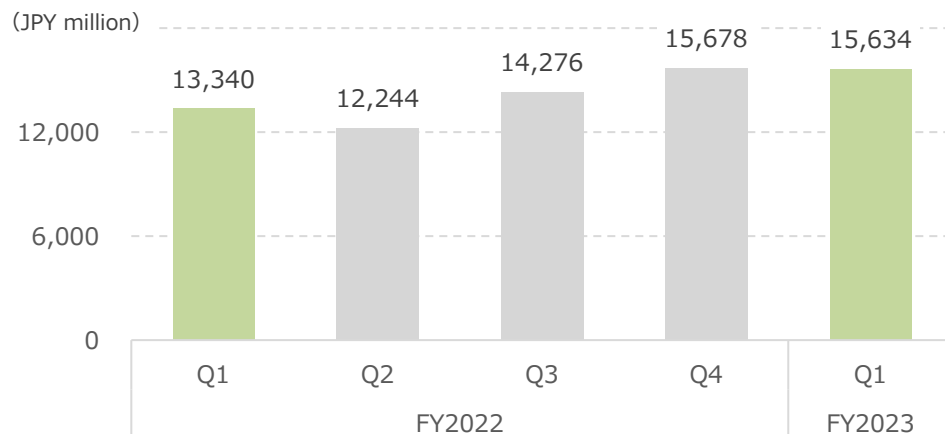
Maruka Group Profit and Loss

Cumulative quarterly results year on year

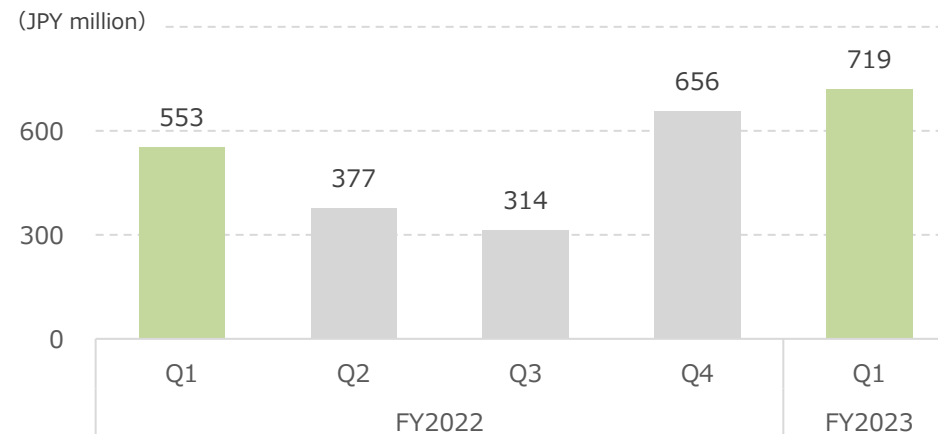


	FY2022Q3	Proportion	FY2023Q3	Proportion	Change	Change
Maruka Group	22/1-22/3		23/1-23/3		(JPY million)	(%)
	(JPY million)		(JPY million)			
Net sales	13,340	100%	15,634	100%	2,294	17.2
Cost of sales	11,200	84.0%	13,056	83.5%	1,856	16.6
Gross profit	2,140	16.0%	2,578	16.5%	438	20.5
SG & A expense	1,586	11.9%	1,858	11.9%	272	17.2
Operating profit	553	4.2%	719	4.6%	166	30.0

Quarterly net sales transition



Quarterly operating profit transition



- **Notes on this material**

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