



**UNISOL**

**FY2023**  
**Earnings Presentation**

**F e b r u a r y 2 0 2 4**

**MARUKA FURUSATO Corporation**

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**We would like to express our deepest condolences to the victims of the Noto Peninsula Earthquake of 2024.**

**We also extend our sympathies to all those who have been affected, and sincerely hope for a quick recovery.**



# 01

## Consolidated Financial Results



# FY2023 Consolidated Financial Results Summary

## Net sales

**172,980** million yen

Year on year : 6.5% increase

## Operating profit

**5,705** million yen

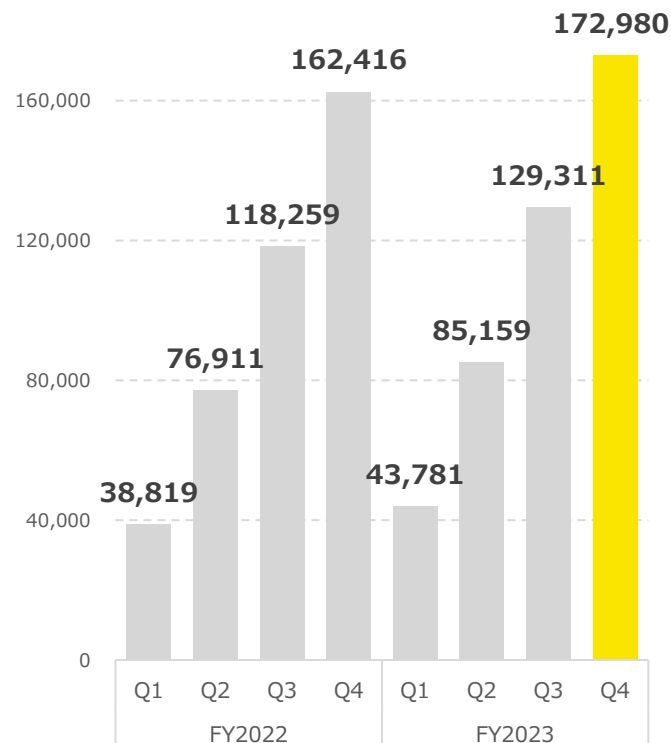
Year on year : 3.2% decrease

## Profit attributable to owners of parent

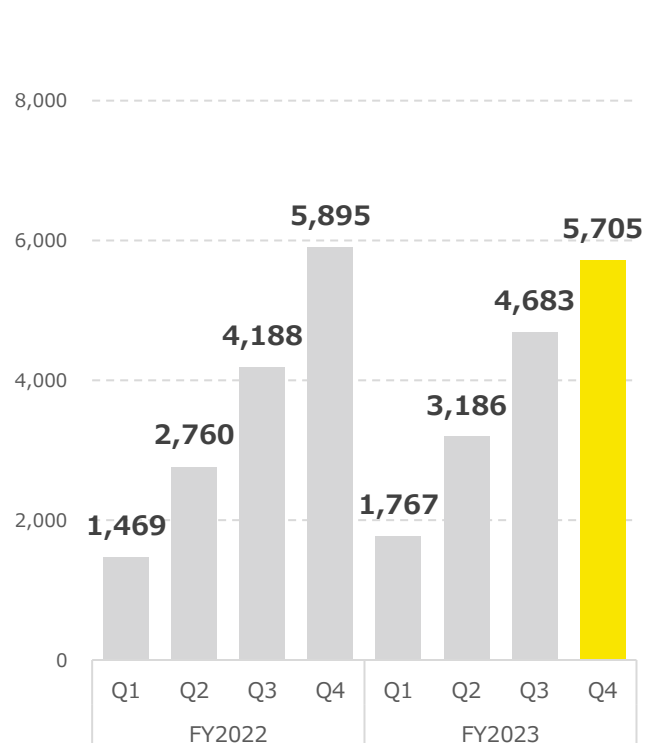
**4,698** million yen

Year on year : 3.7% increase

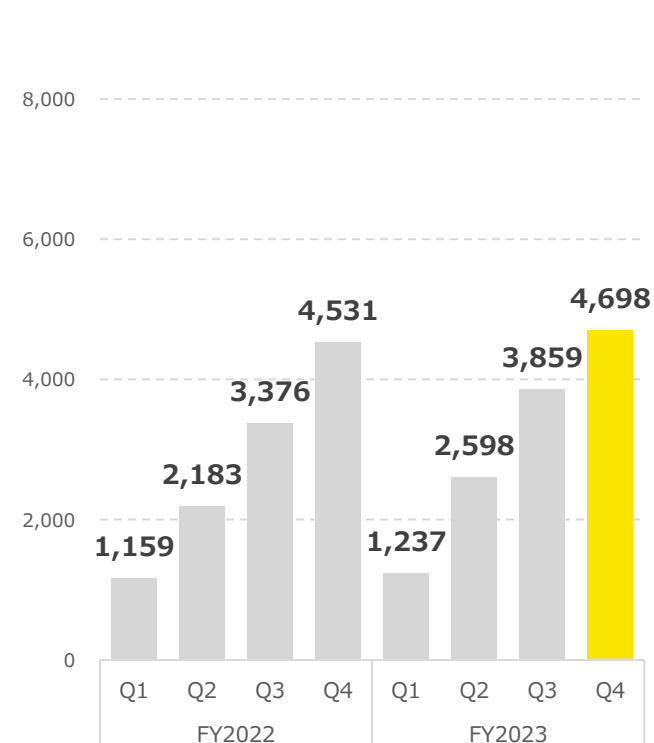
(JPY million)



(JPY million)



(JPY million)



## FY2023 Consolidated net sales

Net sales

**172,980** million yen

Year on year

**6.5%** increase

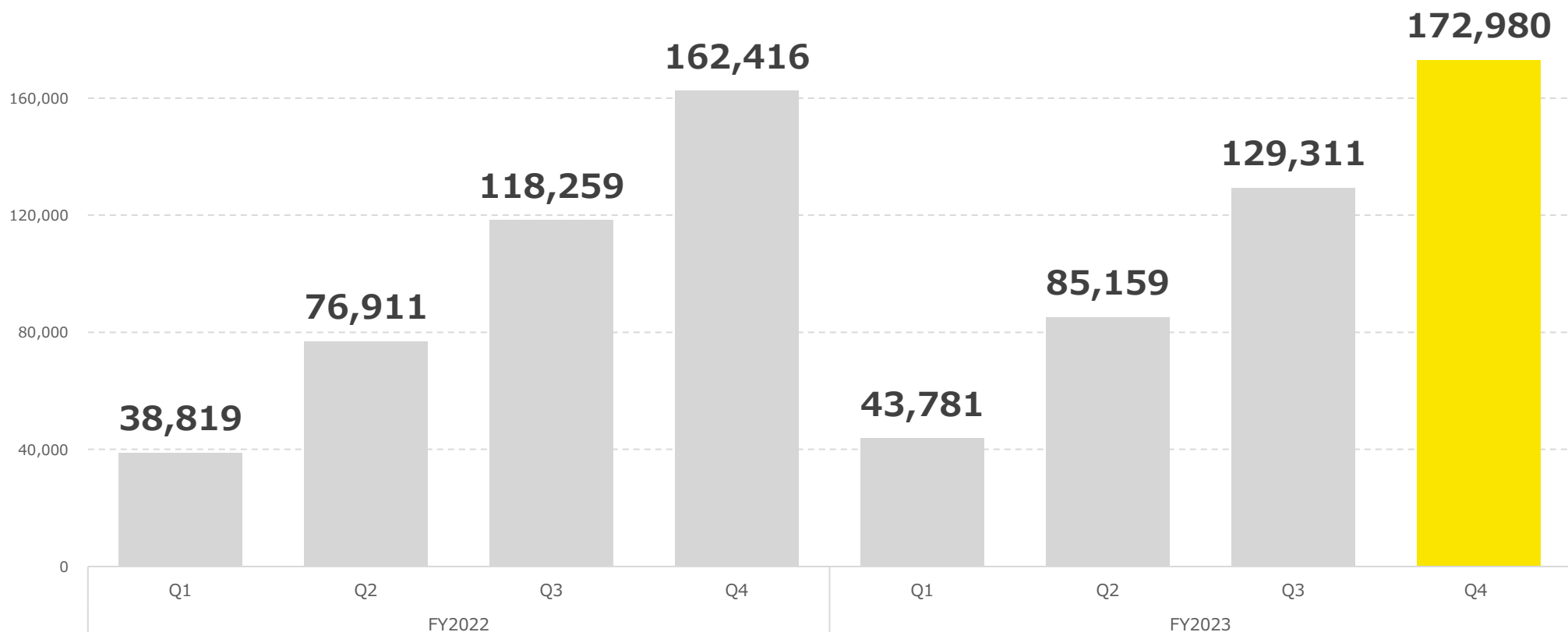
10,563 million yen increase

Achievement

**101.2%**

Forecasts : 171,000 million yen

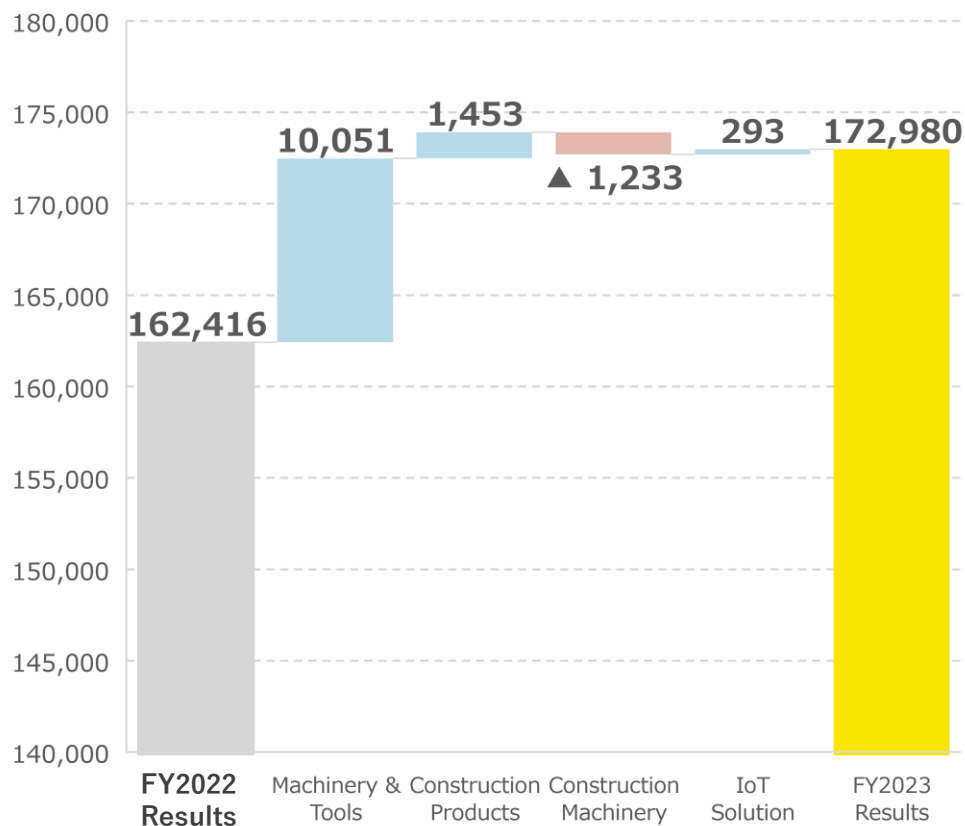
(JPY million)



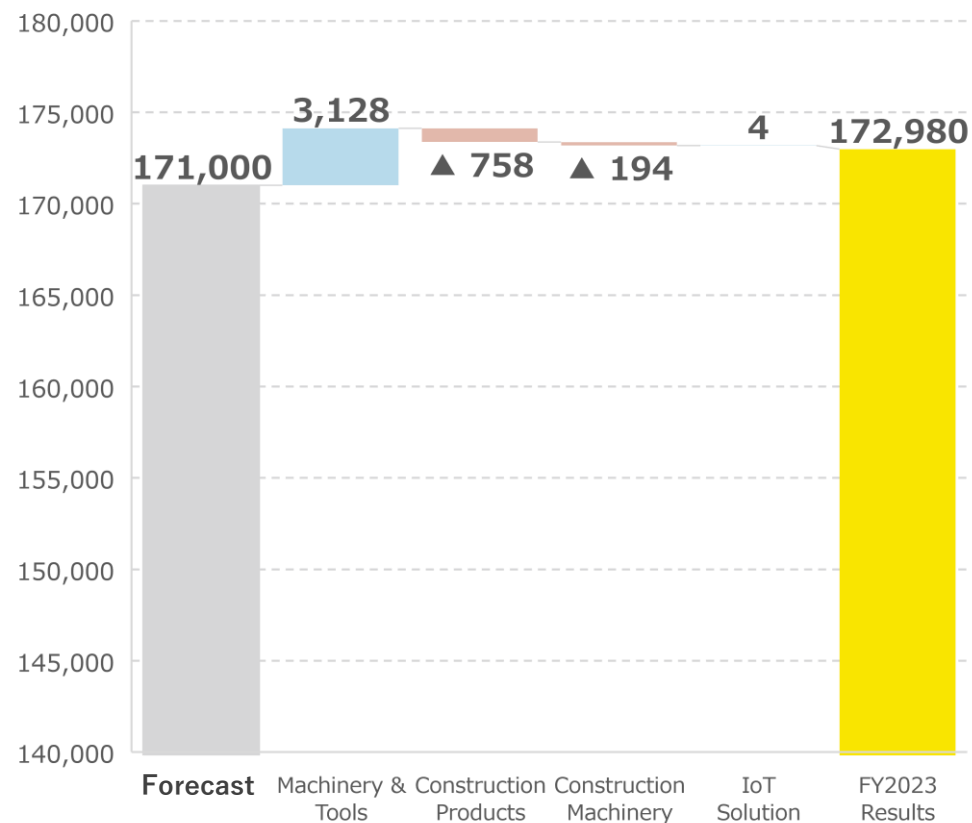
# Factors Affecting Segment Net Sales (Market Conditions)

- Internal demand for machine tools: (19.8)% January to June, (22.1)% July to December.  
External demand for machine tools: (13.4)% January to June, (11.8)% July to December.
- The industrial production index: (0.2)% January to June, (2.0)% July to December.
- Floor area of new construction starts: (7.2)% January to June, (6.6)% July to December.  
New housing starts: (2.2)% January to June, (7.0)% July to December.

( JPY million )



( JPY million )



# FY2023 Consolidated operating profit

Operating profit

**5,705** million yen

Year on year

**3.2%** decrease

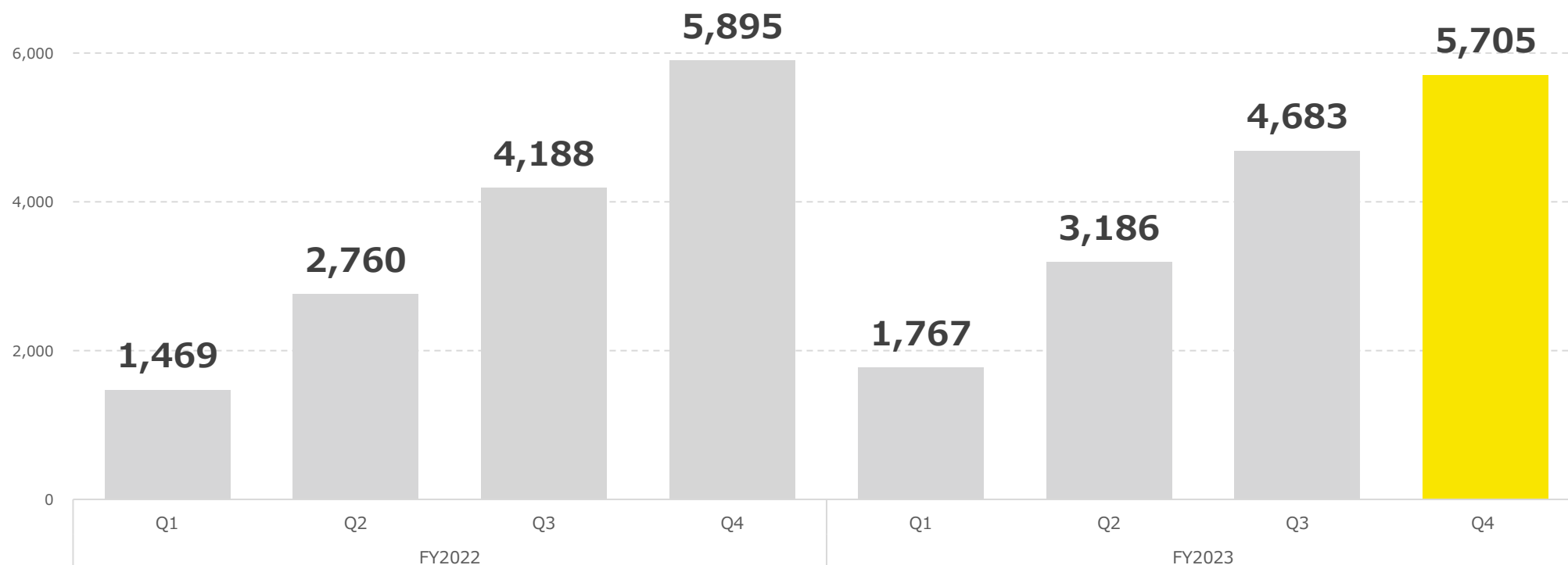
190 million yen decrease

Achievement

**95.1%**

Forecasts : 6,000 million yen

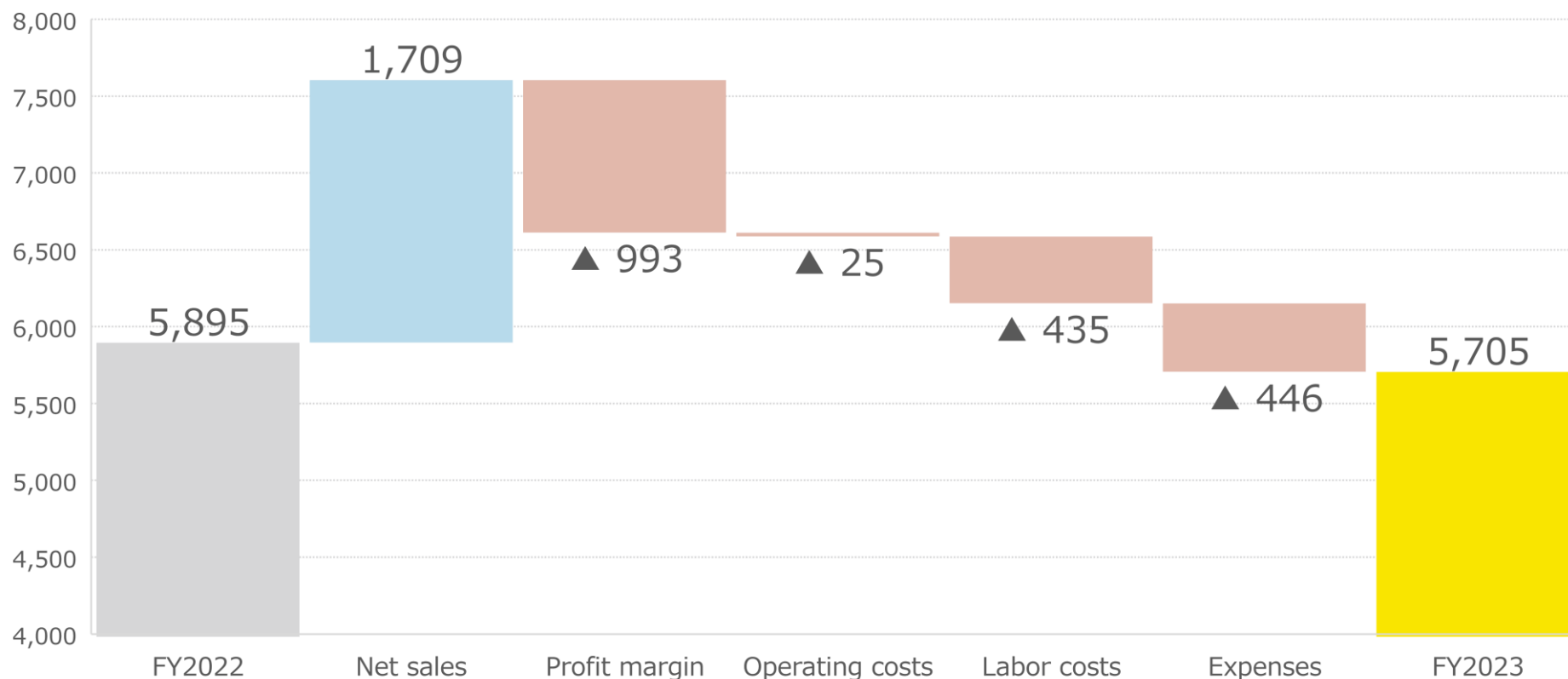
(JPY million)



# Factors Affecting Operating Profit (Year on year)

- **Net sales:** Machinery & Tools sales increased, Construction Products sales increased slightly, and Construction Machinery sales decreased.
- **Profit margin:** Profit margin decreased due to rising costs from soaring materials and energy costs, as well as due to intensifying competition.
- **Labor costs:** Effect of increases in overseas wages and bonuses, increase in the number of personnel, and improvement in treatment.
- **Expenses:** Travel and transportation expenses and logistics expenses increased due to the easing of behavior restrictions.

(JPY million)





# FY2023 Consolidated profit attributable to owners of parent

Profit attributable to  
owners of parent

**4,698**million yen

Year on year

**3.7%**increase

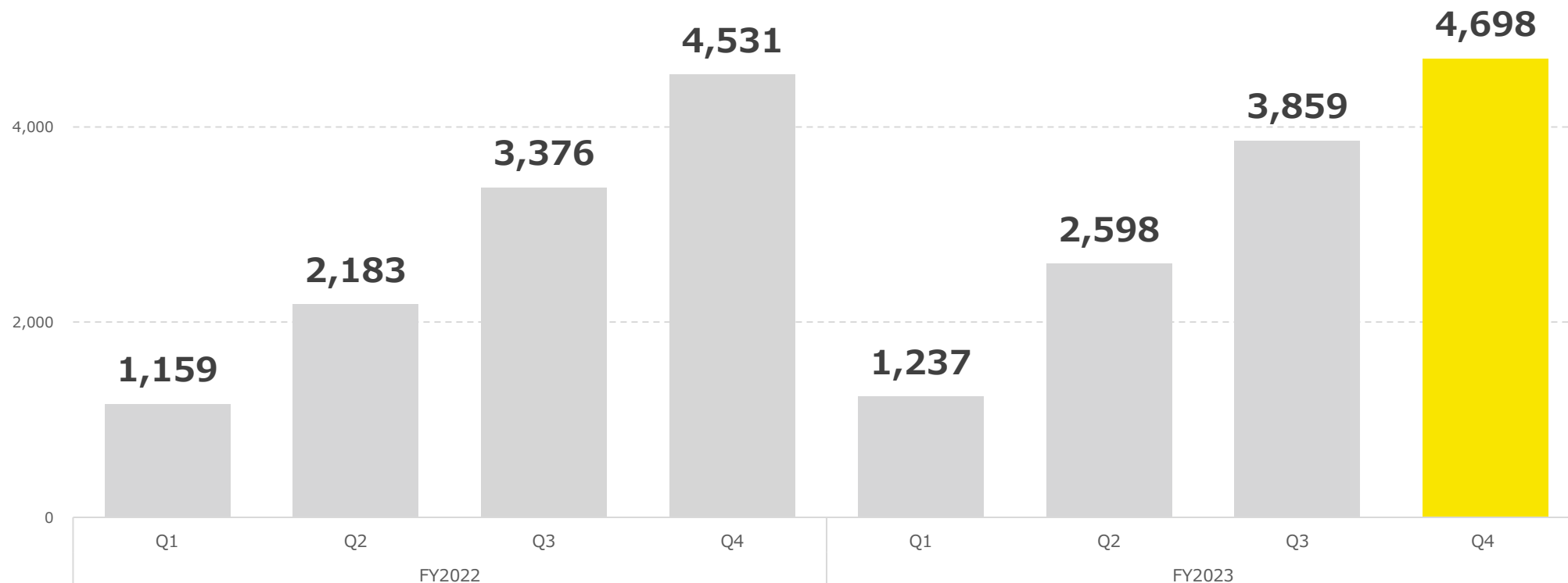
166 million yen increase

Achievement

**100.0%**

Forecast : 4,700 million yen

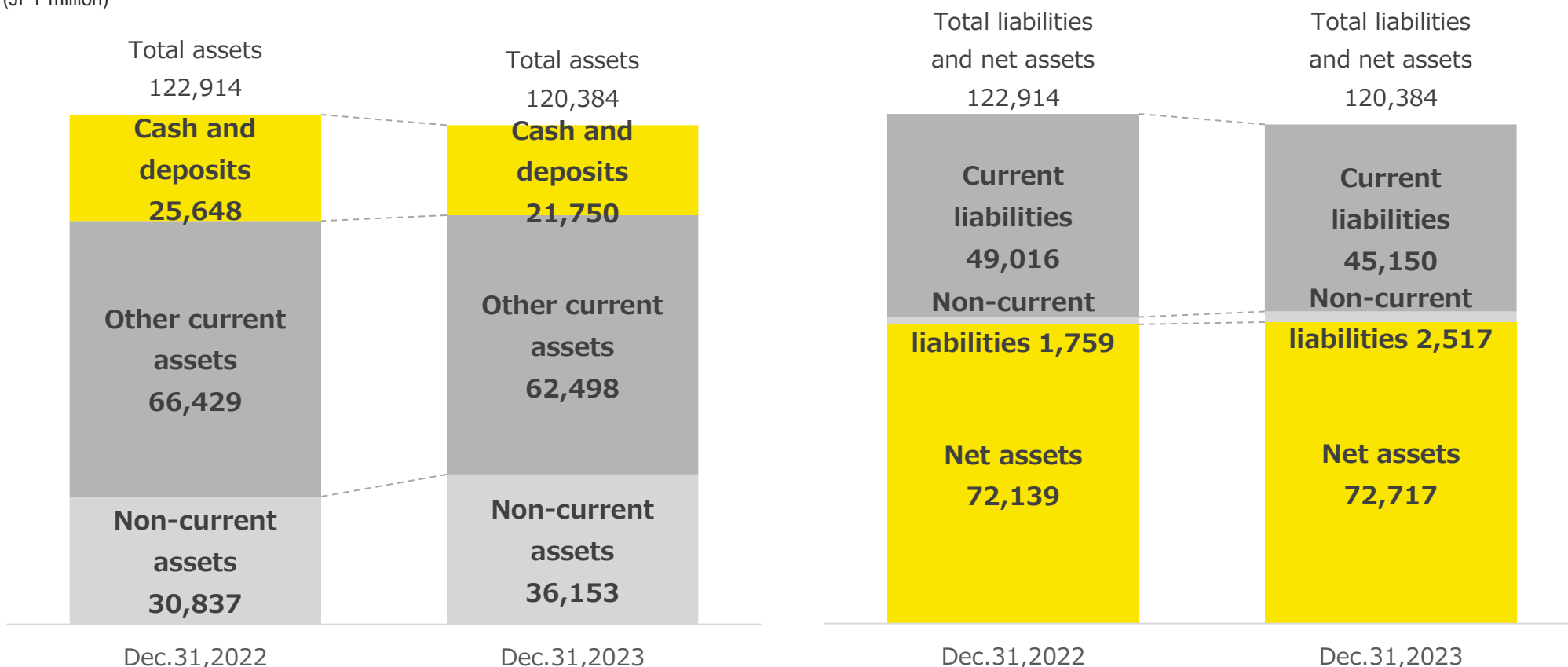
(JPY million)



# Consolidated Balance Sheet

- **Current assets:** Cash and deposits decreased due to acquisition of treasury shares, construction of new distribution centers, and M&A.
- **Non-current assets:** Increase due to acquisition of shares of TS Precision Co., Ltd., relocation of the headquarters of a US subsidiary, and construction of a new distribution center.
- **Current liabilities:** Trade payables 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



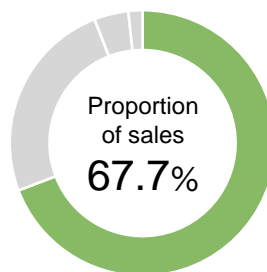
Machine tools



Injection molding machines



Pneumatic devices



Market	Share
Big	Low

## 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



Braces



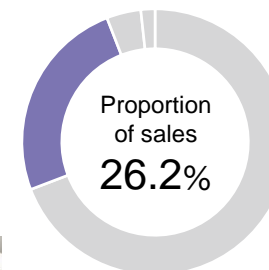
High tension bolts



Joints



Housing equipment devices



Market	Share
Small -Mid	High

## 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



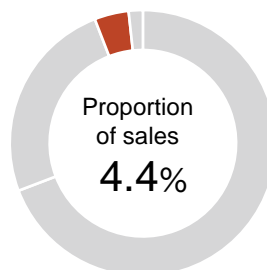
Crawler cranes



Hydraulic shovels



Large diameter full-perimeter rotary drills



Market	Share
Mid	Low

## IoT Solution

Provision of total solutions tailored to needs related to offices, factories, warehouses, etc., and realization of controlling, preventing and mitigating various risks



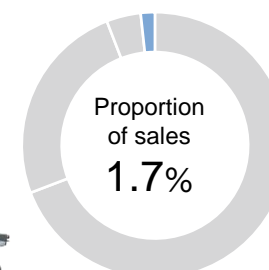
Security cameras



Face recognition readers with thermometers



Automatic Transportation robots



Market	Share
Mid	Low

# 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 <sub>2</sub> 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						
		Housing equipment system	Building products Piping products Construction product rental						
Construction Machinery Segment					Japan Rental				
				Construction Machinery	Construction machinery rental Construction product rental				
IoT Solution Segment (Former Security Segment)		Security Design							
		General security Factory management							

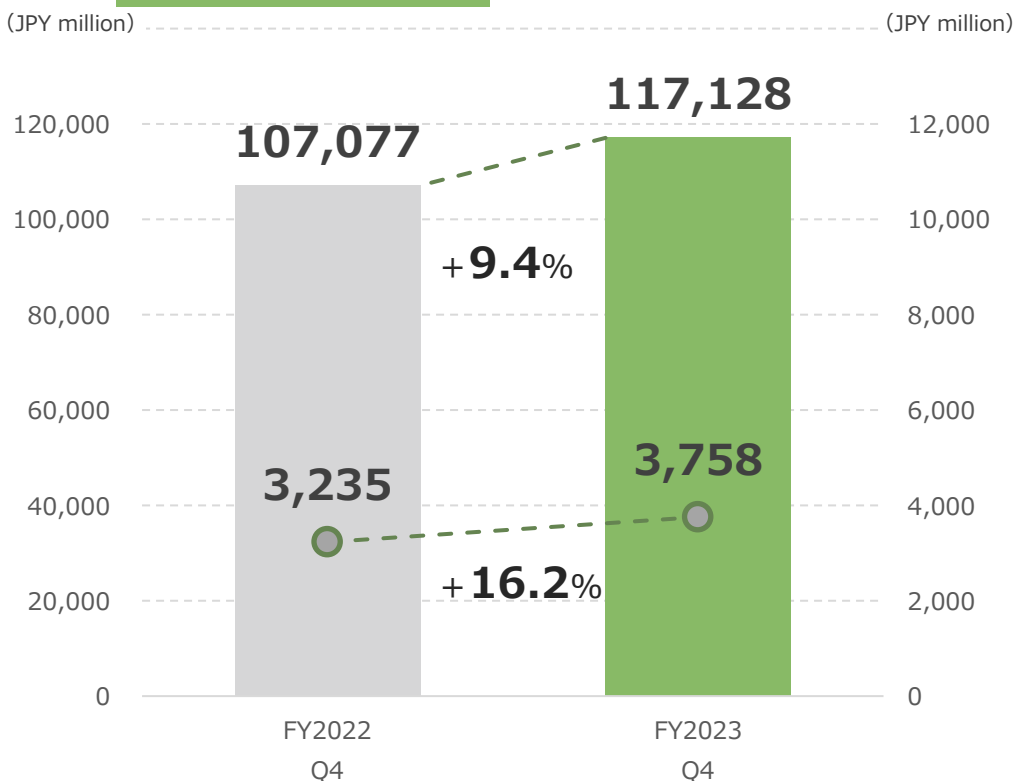
- Inter-group and inter-segment synergy effects
- Management with a view to business reorganization

# Machinery & Tools Segment

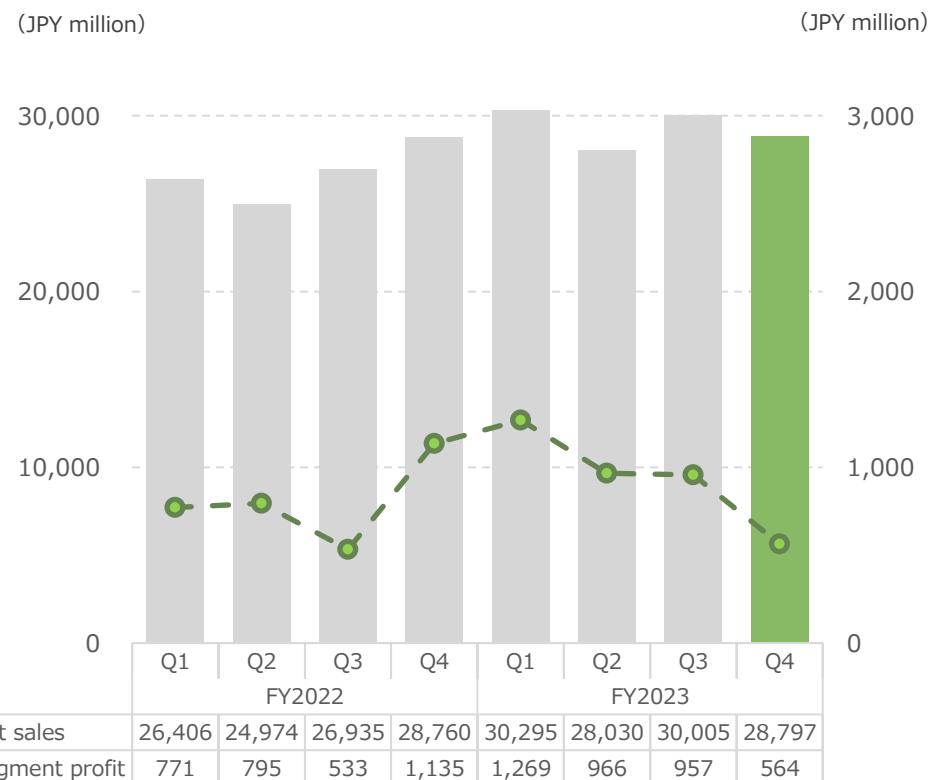
- **Japan (Machinery) :** Production in the automotive industry progressed according to plans as parts shortages eased. Capital investment was mainly related to EVs, and small- and medium- sized companies were taking a cautious stance due to future uncertainties.
- **Japan (Tools) :** The automotive industry was steady. Despite the slight decrease in the semiconductor industry, increased production is expected in Q2 and thereafter.

## Cumulative quarterly results year on year

■ Net sales    ● Segment profit

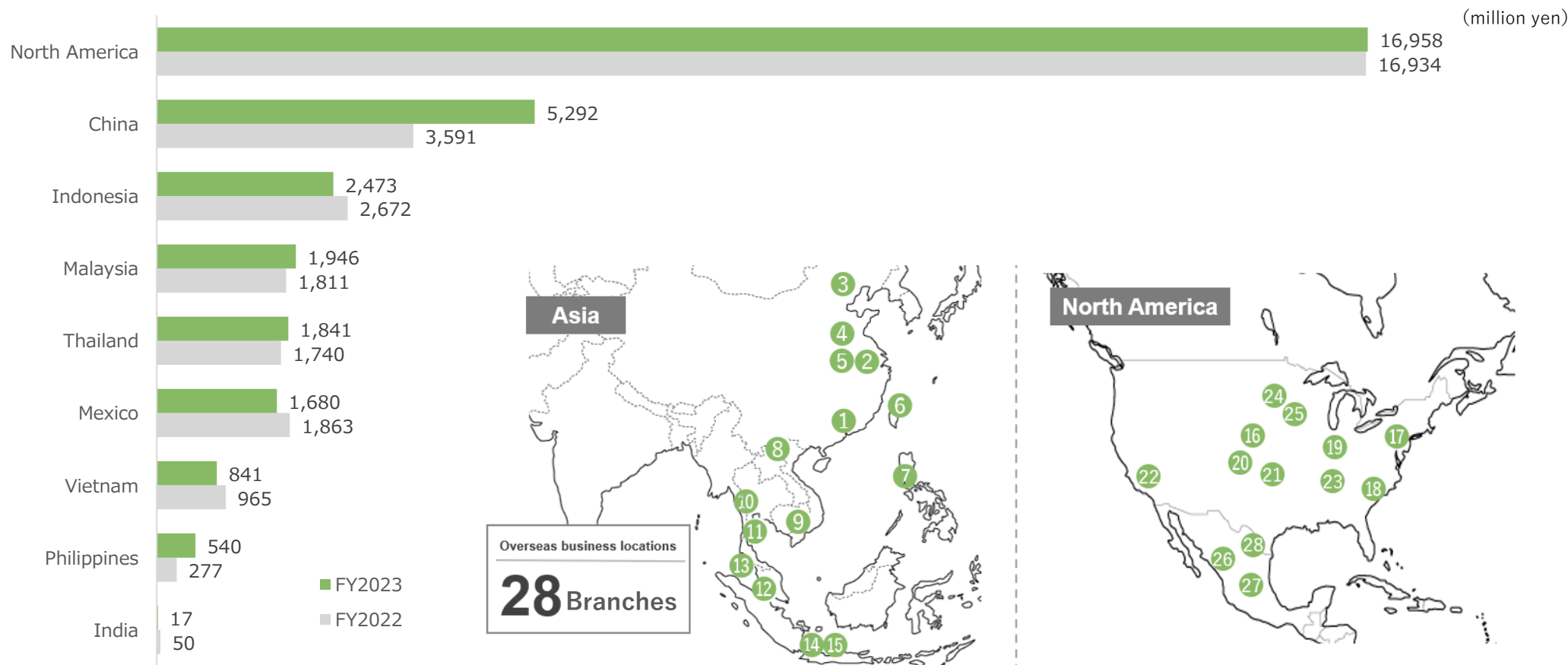


## Quarterly transition



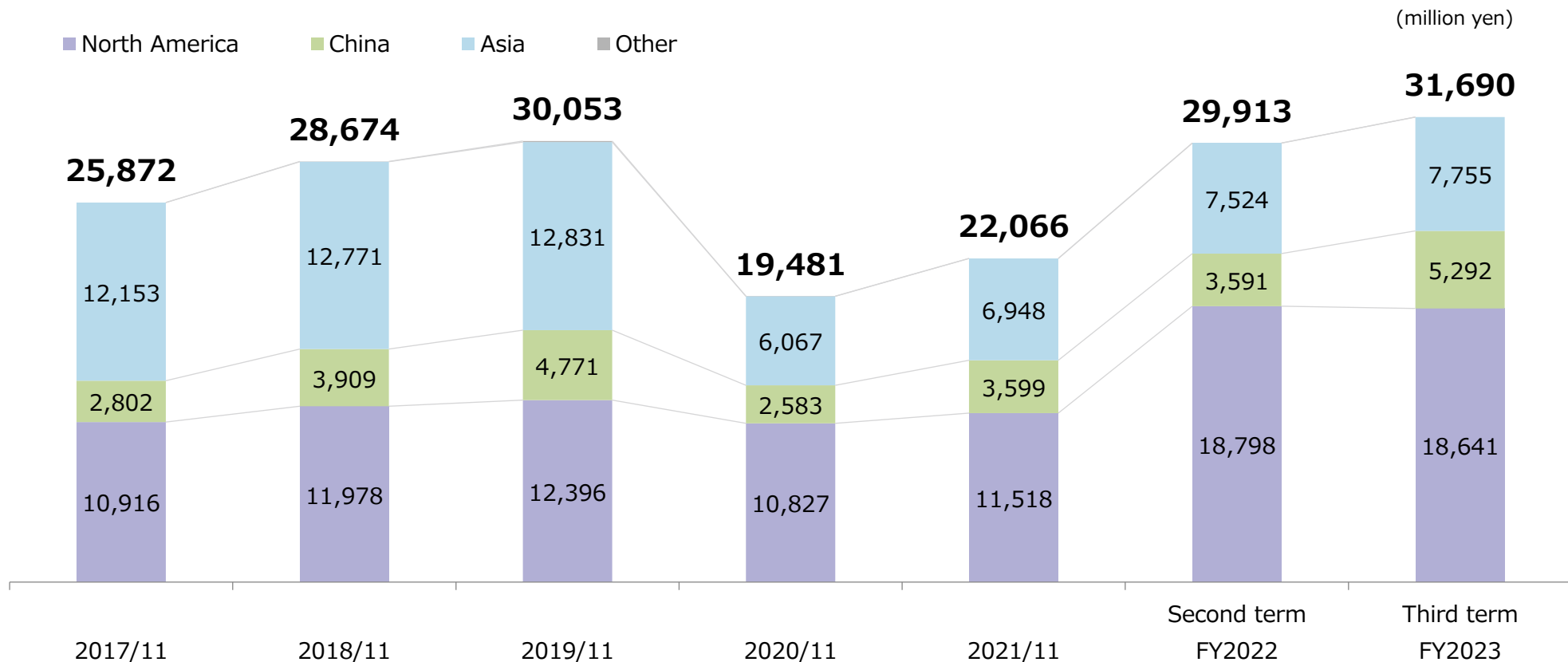
# Machinery & Tools Segment Consolidated Overseas Net Sales

- Overseas net sales: 31,690 million yen  
(Year on year: Increased by 1,781 million yen (6.0% increase))
  - Proportion of overseas net sales: 18.3% (18.4% in the last year)
  - In North America, while the sales volume for injection molding machines decreased significantly, orders for machine tools increased.
- In China, sales increased as the continued economic slowdown was covered by large projects.



## Trends in Consolidated Overseas Net Sales

- There is a recovery trend in overseas net sales as the COVID-19 pandemic has subsided.
- The decrease in sales in Asia due to withdrawal from the export business was covered by an increase in North America.



\* Overseas net sales include domestic sales and overseas shipments.

\* FY2020/11: Withdrew from the automotive parts export business in Thailand (FY2019/11 net sales: 5.3 billion yen)

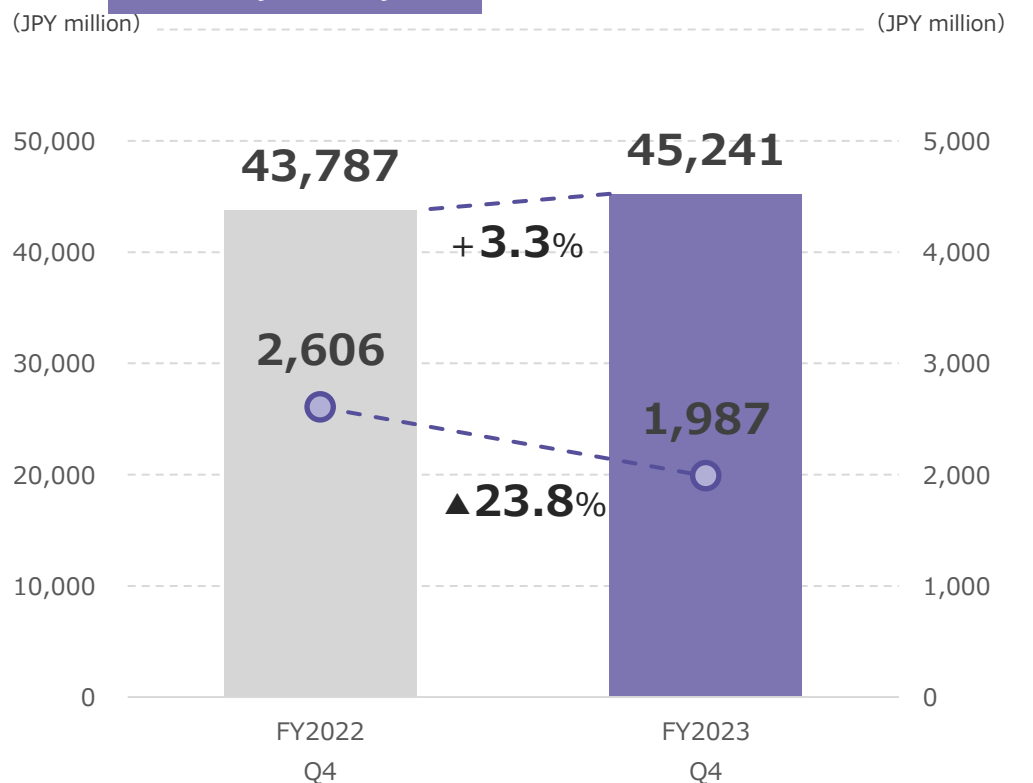
After integration



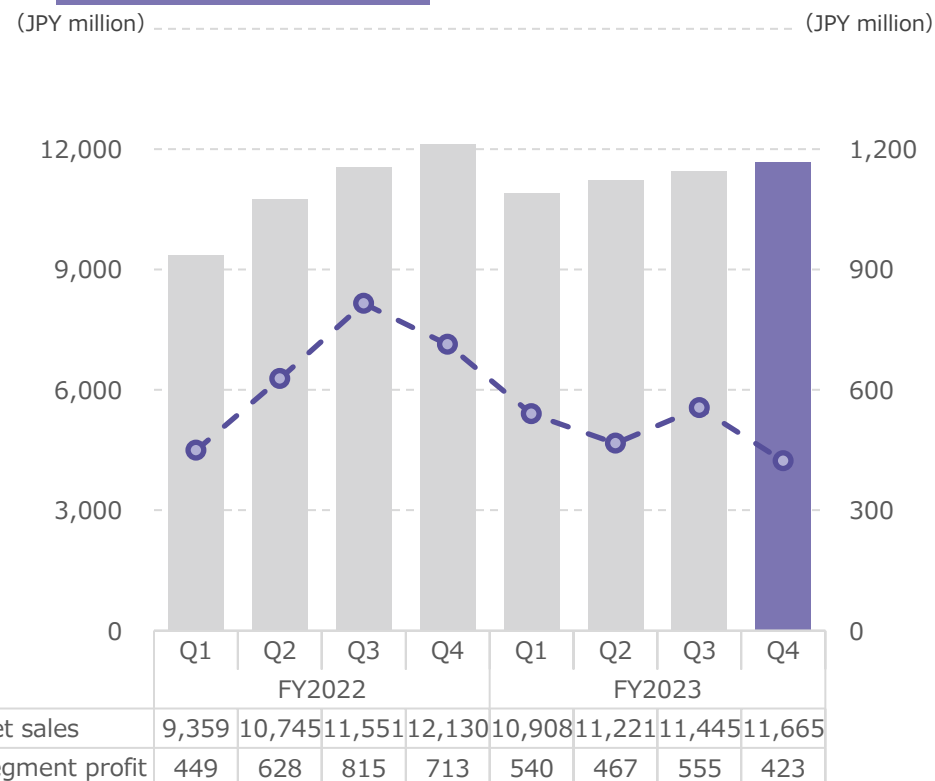
# Construction Products Segment

- Urban redevelopment, manufacturing plants, logistics warehouses, etc. remain steady.
- The number of projects decreased for small- and medium-scale properties due to rising construction prices.
- Revisions to plans and construction periods were seen even for some large-scale properties, and the profit margin decreased due to intensifying competition.

## Cumulative quarterly results year on year



## Quarterly transition



# Construction Machinery Segment

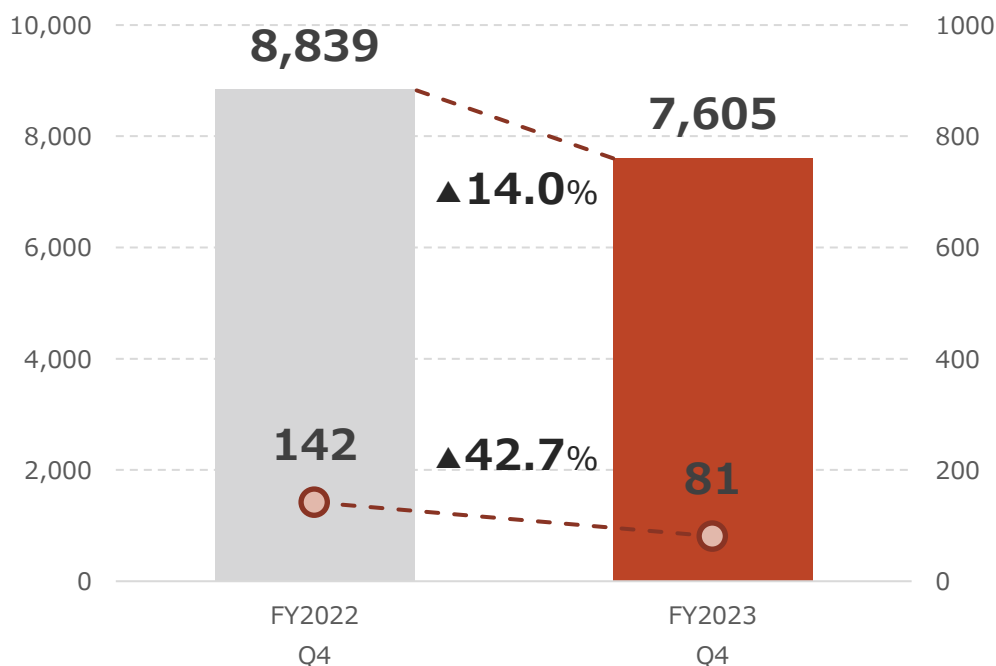
- In domestic construction investment, public investment increased and private investment was level year on year.
- Sales of the Company's mainstay products decreased sharply, reflecting a halt in orders due to the Hino engine problem.
- Cautious stance on construction machinery investment in the immediate future due to price increase of such machinery and concerns over rise in labor costs due to the "2024 problem."

## Cumulative quarterly results year on year

■ Net sales    -○- Segment profit

(JPY million)

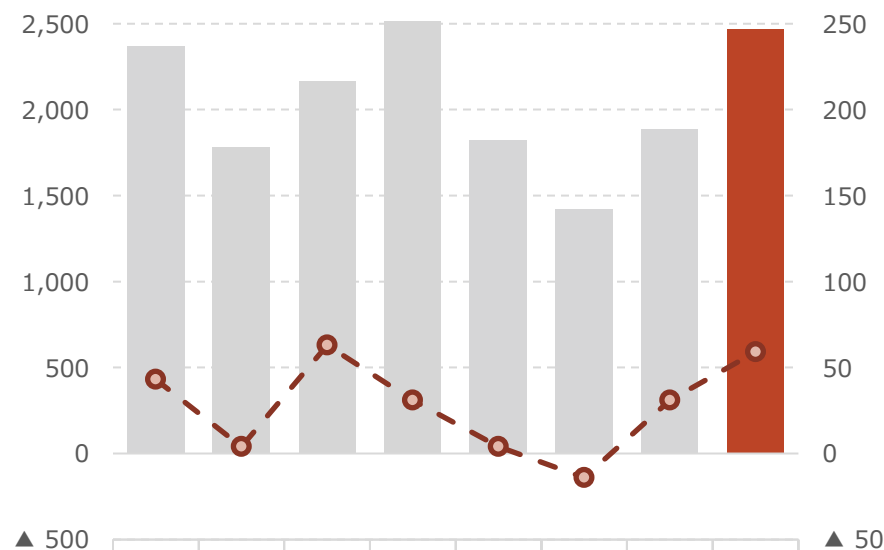
(JPY million)



## Quarterly transition

(JPY million)

(JPY million)

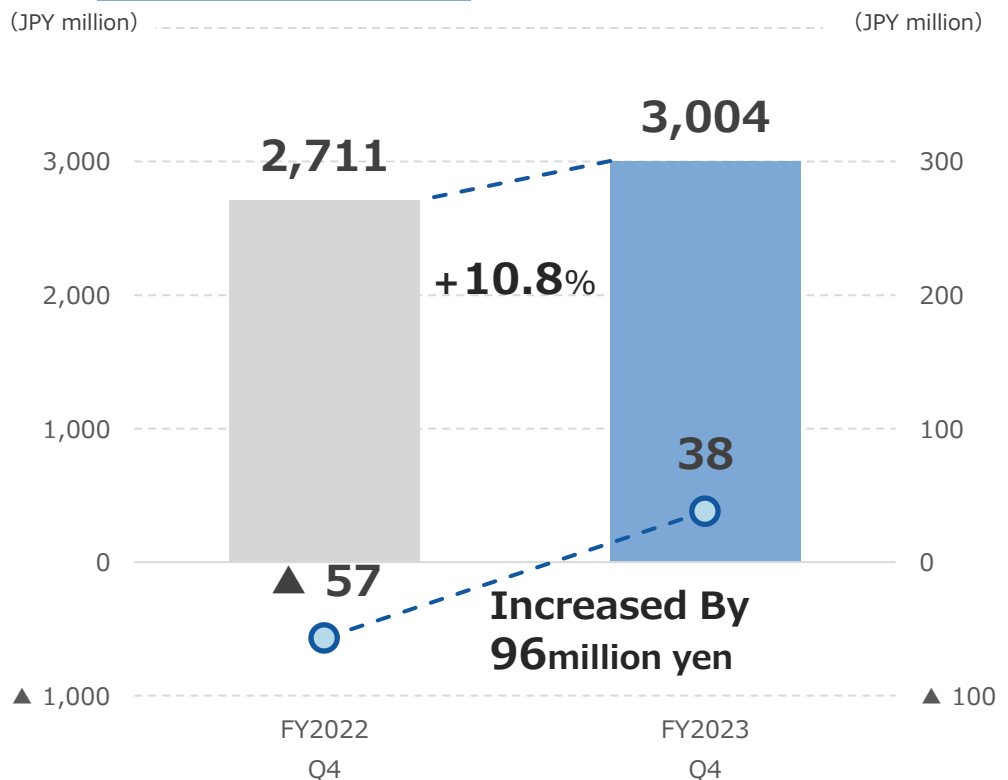


	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	FY2022				FY2023			
Net sales	2,373	1,785	2,164	2,515	1,825	1,423	1,885	2,470
Segment profit	43	4	63	31	4	▲ 14	31	59

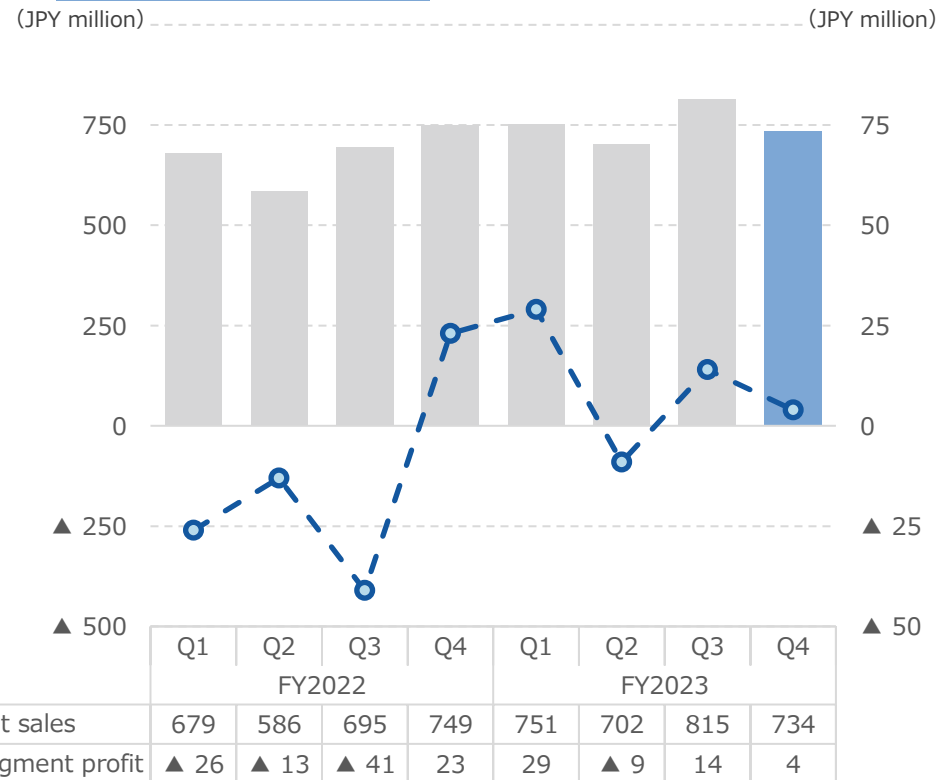
# IoT Solution Segment (Former Security Segment)

- Increased sales due to increase in projects.
- Focused on the high-value-added solutions business through collaboration with Group companies.
- Moved to profitability by strengthening cost controls.

Cumulative quarterly results year on year



Quarterly transition





# 03

## Medium-Term Management Plan



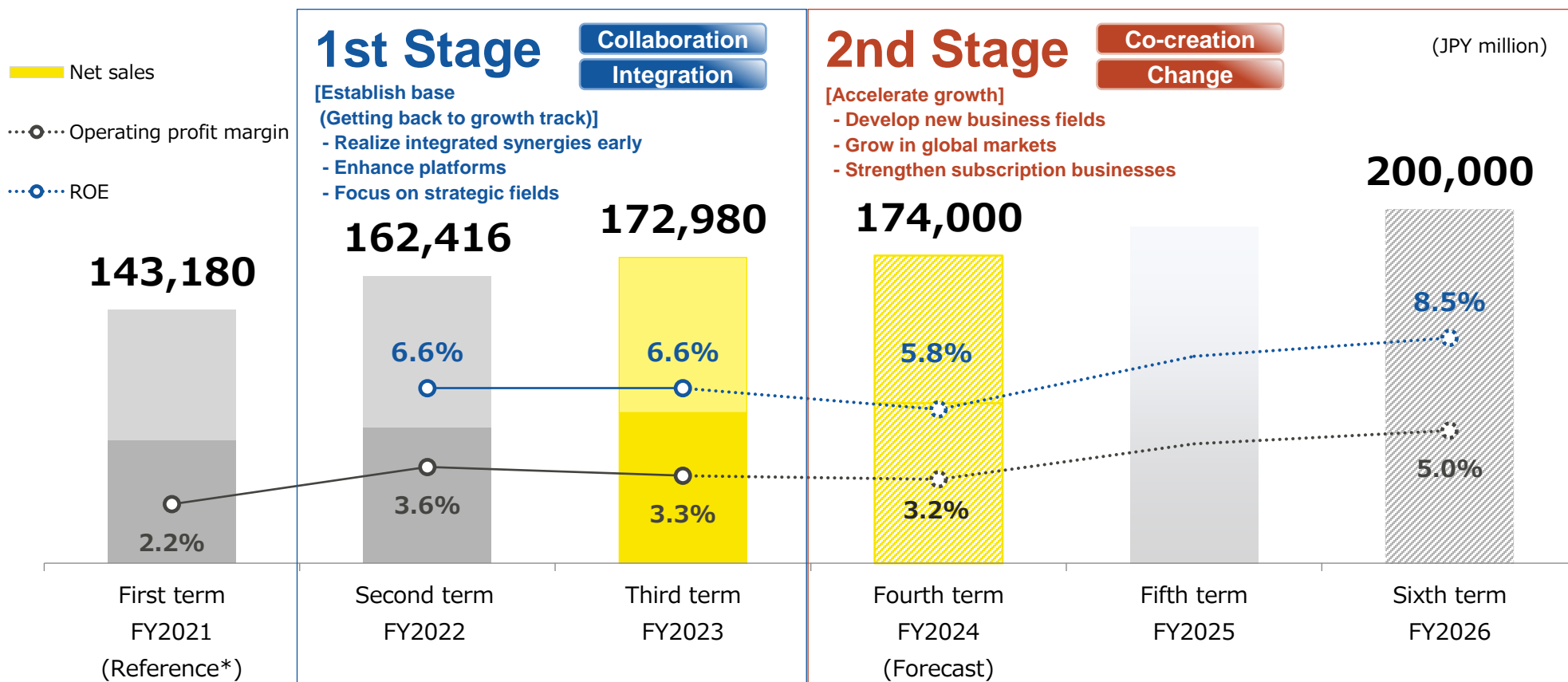
# Medium-term Management Plan “UNISOL”

- 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”

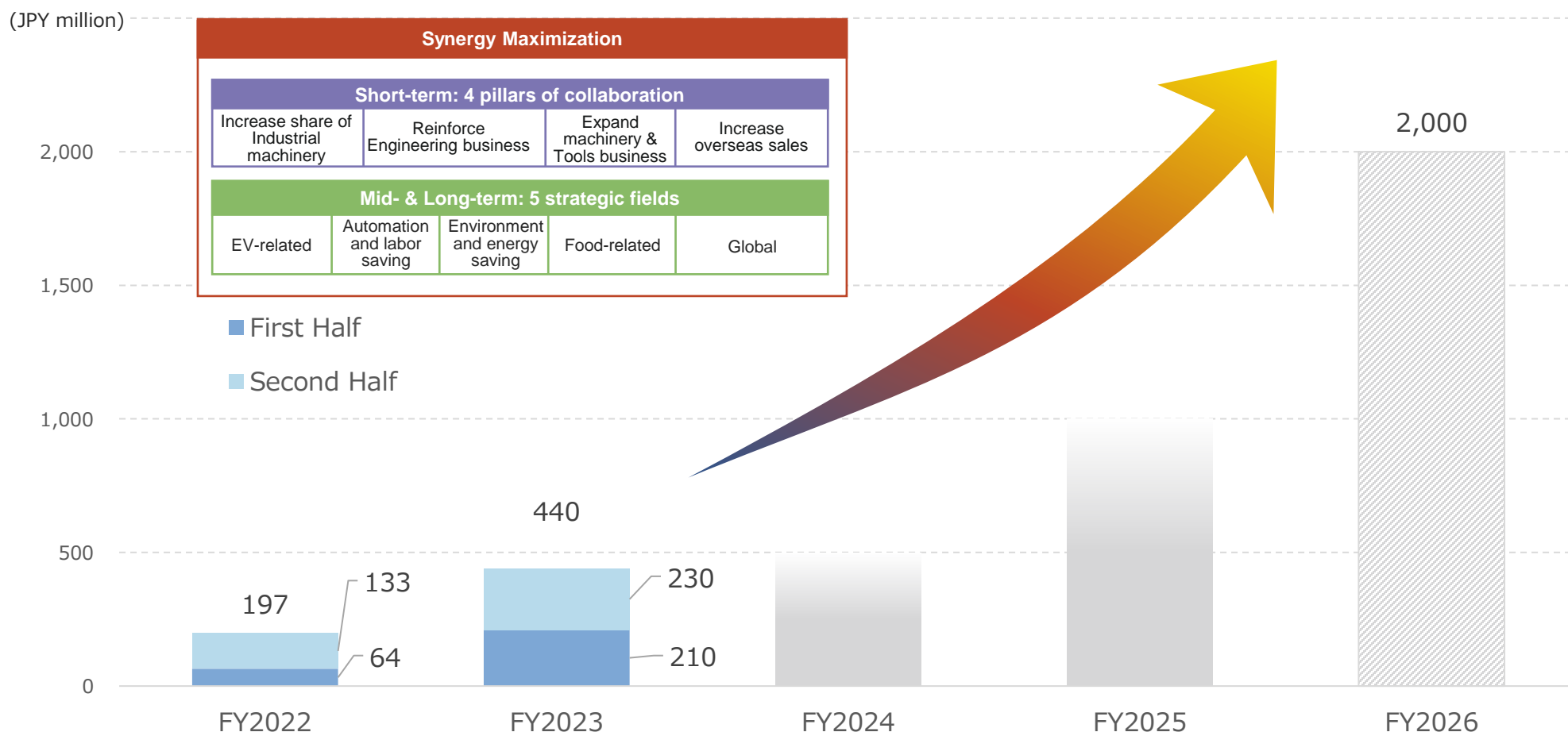
~ Change and Challenge toward the Next Stage ~



\* 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

- The synergy effects of reinforcing the Engineering business have started to appear from this term.
- There is steady progress in achieving the effects of EV-related, automation and labor saving.
- Effects of cost reductions through office consolidation and other measures continue to be seen.



# Topics

## Encouraging employees to take Certification Test for Environmental Specialists [ Eco Test ]®



Increasing employee understanding of environmental issues to realize solutions to social issues through business operations

### Certification Test for Environmental Specialists [ Eco Test ]®

➤ A test on the environment held by the Tokyo Chamber of Commerce and Industry

Number of certified employees in

FY2023 **240**



Target: **1,000** certified employees

## University's Urban Innovation Kobe



Tackling societal issues through industry-government-academia collaboration by contributing grants for research to develop automation and labor saving

Corporate version of hometown tax system (Donation)

**Kobe City**

Grants and researcher support

Provision of knowledge and equipment, etc.

University researchers



## UNISOL L.C.OSAKA



Rebuilding of Osaka Distribution Center of Furusato Industries and Osaka Logistics Center of G-NET to resolve issues of health and safety and lack of space due to aging



### ➤ Effect of investment

#### Expanded floor area

- Enhanced logistics function due to introduction of new inventory categories, etc.
- Increased operation efficiency due to space expansion

#### Improved transport access

- Increased efficiency in collection, receiving, shipping, and delivery

#### Introduction of latest technologies

- Enhanced inventory measures with introduction of new logistics management system
- Improved service to customers through operational quality improvement

#### Avoided risks due to aging

- Earthquake standard compliant buildings
- Work environment ensuring health and safety management
- Provided vehicle parking space for standby vehicles, etc.



# 04

## Result Forecasts and Dividend Policy





# Result Forecasts

- 1H: The order backlog at the start of the year decreased year on year (Japan, U.S., China).
  - 2H: Capital investment in the automotive industry expected to recover. In the U.S., demand for capital investment expected to recover from the second half of the year.
- Labor costs to increase, with SG&A expenses increasing, mainly due to operation of new logistics centers and system investments.
- Profits expected to be lower year on year.

Account items	FY2023 Results (JPY million)			FY2024 Forecasts (JPY million)			Change (JPY million)	Change (%)
	1H Results	2H Results	Full-year Results	1H Forecast	2H Forecast	Full-year Forecast		
<b>Net sales</b>	85,159	87,820	<b>172,980</b>	83,500	90,500	<b>174,000</b>	1,020	0.6
Machinery & Tools	58,326	58,802	<b>117,128</b>	55,200	61,100	<b>116,300</b>	▲ 828	▲ 0.7
Construction Products	22,130	23,111	<b>45,241</b>	22,700	23,400	<b>46,100</b>	859	1.9
Construction Machinery	3,248	4,356	<b>7,605</b>	4,000	4,300	<b>8,300</b>	695	9.1
IoT Solution	1,454	1,550	<b>3,004</b>	1,600	1,700	<b>3,300</b>	296	9.8
<b>Operating profit</b>	3,186	2,519	<b>5,705</b>	2,300	3,200	<b>5,500</b>	▲ 205	▲ 3.6
Machinery & Tools	2,236	1,522	<b>3,758</b>	1,190	1,980	<b>3,170</b>	▲ 588	▲ 15.7
Construction Products	1,007	979	<b>1,987</b>	1,000	1,100	<b>2,100</b>	113	5.7
Construction Machinery	▲ 9	91	<b>81</b>	60	70	<b>130</b>	49	58.8
IoT Solution	19	18	<b>38</b>	50	50	<b>100</b>	62	161.9
Adjustment	▲ 68	▲ 92	<b>▲ 160</b>	0	0	<b>0</b>	160	▲ 100.0
<b>Ordinary profit</b>	3,631	3,021	<b>6,652</b>	2,700	3,600	<b>6,300</b>	▲ 352	▲ 5.3
<b>Profit attributable to owners of parent</b>	2,598	2,100	<b>4,698</b>	1,800	2,400	<b>4,200</b>	▲ 498	▲ 10.6



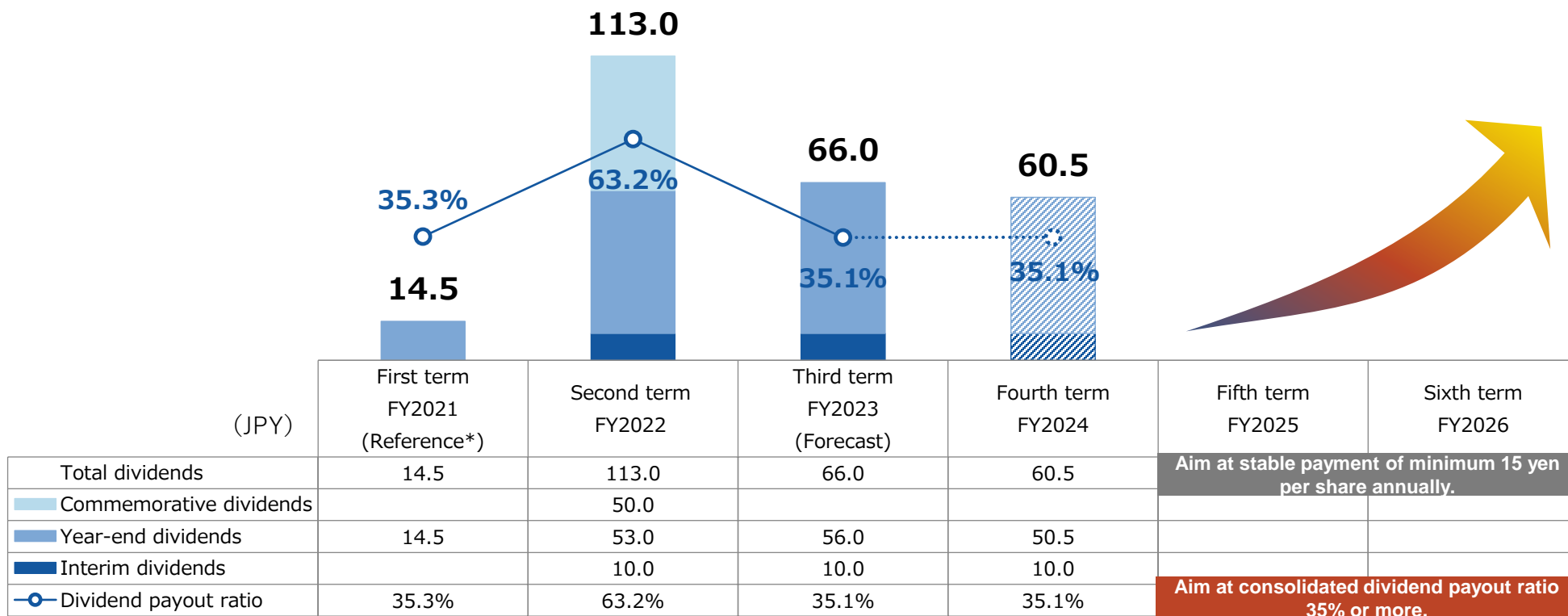
# Dividend Policy

- In FY2024, based on our shareholders return policy, we forecast dividends of 60.50 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

(JPY million)

50,000

40,000

30,000

20,000

10,000

0

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4  
FY2022 FY2023

TOTAL	38,819	38,092	41,347	44,157	43,781	41,378	44,152	43,668
Machinery & Tools	26,406	24,974	26,935	28,760	30,295	28,030	30,005	28,797
Construction Products	9,359	10,745	11,551	12,130	10,908	11,221	11,445	11,665
Construction Machinery	2,373	1,785	2,164	2,515	1,825	1,423	1,885	2,470
IoT Solution	679	586	695	749	751	702	815	734

## Segment profits

(JPY million)

2,000

1,500

1,000

500

0

▲ 500

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4  
FY2022 FY2023

TOTAL	1,469	1,291	1,427	1,707	1,767	1,418	1,497	1,021
Machinery & Tools	771	795	533	1,135	1,269	966	957	564
Construction Products	449	628	815	713	540	467	555	423
Construction Machinery	43	4	63	31	4	▲ 14	31	59
IoT Solution	▲ 26	▲ 13	▲ 41	23	29	▲ 9	14	4
Adjustment Amount	231	▲ 123	56	▲ 197	▲ 77	8	▲ 61	▲ 30

- **Notes on this material**

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**MARUKA FURUSATO CORPORATION  
PR Div.**



**UNISOL**