COMPANY RESEARCH AND ANALYSIS REPORT

MARUKA FURUSATO Corporation

7128

Tokyo Stock Exchange Prime Market

24-Oct.-2025

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Contents

Summary

FY12/25 results forecasts revised downward but recovery expected in FY12/26

MARUKA FURUSATO Corporation <7128> (hereafter, also "the Company") is a holding company established through the management integration of Furusato Industries, Ltd. and Maruka Corporation in October 2021. It aims to evolve beyond being a technology trading company primarily focused on Machinery & Tools and Construction Products to become a unique solutions company. On January 1, 2026 (planned date), it will change its name to UNISOL Holdings Corporation.

1. Overview of 1H FY12/25 results

In the consolidated results for 1H FY12/25, net sales increased 1.2% year on year (YoY) to ¥79,779mn, operating profit decreased 11.7% to ¥1,507mn, ordinary profit declined 14.1% to ¥1,856mn, and profit attributable to owners of parent decreased 65.2% to ¥996mn. While sales decreased for Construction Products, they remained firm for Machinery & Tools, and the good performance of Construction Machinery also contributed, leading to a slight increase in net sales. In terms of profit, the gross margin rose due to factors such as an improved product mix, but both operating and ordinary profit decreased due to a temporary increase in labor costs (impact of revising bonus reserve period and introducing new HR program). Profit attributable to owners of parent was also impacted by the elimination of gain on sale of investment securities recorded under extraordinary income in the equivalent period of the previous fiscal year.

2. FY12/25 forecasts

After downwardly revising its FY12/25 consolidated results forecast on August 8, 2025, the Company is forecasting that net sales will increase 0.2% YoY to ¥162,000mn, operating profit will decrease 9.3% to ¥3,500mn, ordinary profit will drop 12.0% to ¥4,100mn, and profit attributable to owners of parent will fall 45.8% to ¥2,500mn. Given that the business environment surrounding the Machinery & Tools and Construction Products segments has grown worse since the initial forecasts, the 2H forecasts were revised downward. Even though the Machinery & Tools, Construction Machinery, and IoT Solution segments will perform well YoY, with increased sales and profits, an overall decrease in profit is forecast due to poor performance in the Construction Products segment. However, orders are recovering in Machinery & Tools, and while this will not lead to sales during FY12/25 due to the impact of the lead time from order to delivery, sales are expected to recover starting in 1H FY12/26. In addition, due to synergies from management integration ramping up, we at FISCO believe a recovery in results can be expected in FY12/26.

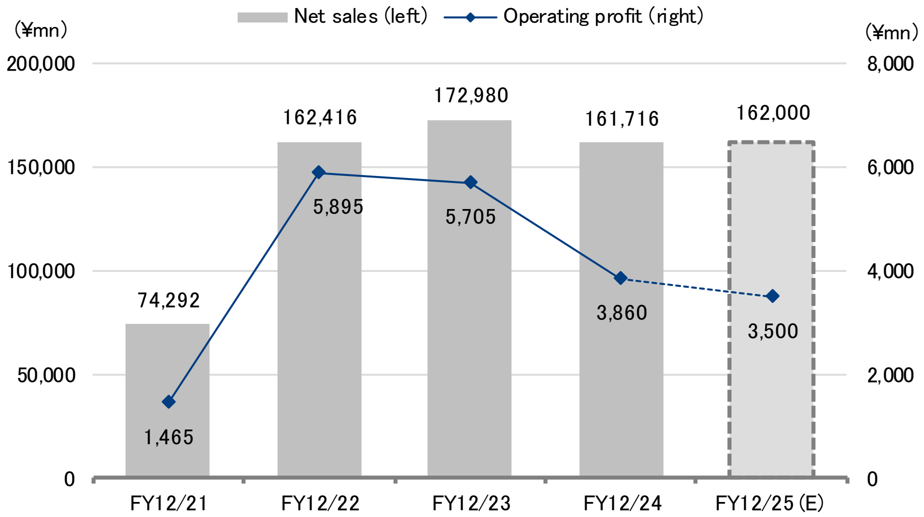
3. Medium- to long-term growth strategy

The Company is framing how it aspires to be in 10 years' time as "UNIQUE SOLUTIONS," in which it aims to be the "Solution Partner" whom customers choose first, by solving various challenges faced in manufacturing sites with unique ideas. Furthermore, to accelerate management integration synergies, it will carry out organizational restructuring within the Group (the Company will change its name to UNISOL HOLDINGS Corporation, Maruka and G-NET will be merged to form UNISOL Corporation, and Maruka's Construction Machinery Business will be spun out to form a new company) in January 2026 (planned date). This restructuring will eliminate inconsistency between businesses and accelerate the creation of synergies by clarifying business responsibility and facilitating self-direction by segment core companies. The basic policy for shareholder return is to continuously increase dividends with a medium- to long-term shareholder return target for ordinary dividends of a dividend on equity ratio (DOE) of at least 3.5%. It is expected to achieve this target ahead of schedule in FY12/25.

Key Points

- Profit decreased in 1H FY12/25 due to the impact of temporary labor cost increases
- While the full-year FY12/25 forecasts were revised downward, orders are recovering
- Plans to carry out organizational restructuring within the Group in January 2026, accelerating the creation of synergies
- Expecting to achieve target of DOE of at least 3.5% in FY12/25

Results trends



Source: Prepared by FISCO from the Company's financial results

Company profile

Scheduled to change name to UNISOL Holdings Corporation on January 1, 2026

1. Company profile

The Company is a holding company established in October 2021 through a joint stock transfer by Furusato Industries and Maruka. As Group principles, the slogan (declaration to society) is, "'Why didn't we think of this?' one after another;" the mission (duties that should be fulfilled) is, "Open up now with impressive proposals;" the vision (the future that should be achieved) is, "Society filled with the idea of 'I want to make it happen;'" and the three values put forth are "co-creative spirit," "growth motivation," and "thinking of issues as our own matters." To realize these, the Company aims to go beyond its position as a technology trading company primarily focused on Machinery & Tools and Construction Products, to raise Group synergies and be a unique solutions company that generates unique solutions found nowhere else. On January 1, 2026 (planned date), it will change its name to UNISOL Holdings Corporation.

As of the end of 1H FY12/25, the Company had total assets of ¥118,354mn, net assets of ¥72,881mn, capital of ¥69,053mn, an equity ratio of 60.6%, and 25,143,642 shares outstanding (including 1,097,047 treasury shares). The main consolidated subsidiaries, other than Furusato Industries, Maruka, and G-NET, are Gifu Shoji Co., Ltd., Security Design Inc., Sonoruka Engineering Co., Ltd, KAN MANUFACTORY CO., LTD., Kitakyu Machine and Tools Co., Ltd., ArPlus Corporation, and TS Precision Co., Ltd. Overseas, the Company has 28 sites in North America, China, and Southeast Asia primarily.

At the Board of Directors meeting held on August 8, 2025, the Company decided to establish a share supply and demand buffer trust (hereafter, "the Trust"), and on August 13, 2025, it acquired 727,000 shares of the Company through an off-floor closing price transaction (ToSTNeT-2) on the Tokyo Stock Exchange (hereafter, "TSE"). The purpose of this was to improve the market liquidity of the Company's shares. When it asked multiple business corporations that are major shareholders in the Company to sell shares held as cross-shareholdings, it obtained consent from some, but considering the current market liquidity of its shares, it deemed that utilizing the Trust would serve the interests of stakeholders by minimizing the impact of selling on market supply and demand. The term of the Trust is intended to be from August 8, 2025, to May 31, 2026. During this period, the acquired shares of the Company will be sold through on-floor trading and the sales proceeds will be allotted to the Company. Since the Trust is a self-benefit trust with the Company as the beneficiary, acquired shares of the Company will be handled as treasury shares in accounting processes.

2. History

In October 2021, Furusato Industries and Maruka established the holding company MARUKA FURUSATO Corporation through a joint stock transfer and listed the shares on the First Section of the Tokyo Stock Exchange (TSE). Thereafter, it was transferred to the Prime Market when the TSE restructured its markets in April 2022.

History

<Reference> History of Furusato Industries, Ltd.

Date	Major Event
May 1959	Established Furusato Tekkosho Ltd. in Fukushima-ku, Osaka
February 1973	Changed name to Furusato Industries, Ltd.
October 1986	Listed on the Second Section of the Osaka Securities Exchange (OSE)
August 2000	Made G-NET CORPORATION a subsidiary
November 2004	Listed on the Second Section of the Tokyo Stock Exchange (TSE)
March 2006	Listed on First Sections of the TSE and OSE
October 2007	Made Gifu Shoji Co., Ltd. a subsidiary
October 2016	Made Security Design Inc. a subsidiary
May 2021	Agreed to management integration of Furusato Industries, Ltd. and Maruka Corporation
September 2021	Delisted shares

<Reference> History of Maruka Corporation

Date	Major Event
December 1946	Established Maruka Co., Ltd. in Higashi-ku, Osaka
February 1970	Changed name to Maruka Machinery Co., Ltd.
February 1974	Established Sonoruka Engineering Co., Ltd.
September 1998	Listed on the Second Section of the OSE
October 2005	Listed on the Second Section of the TSE
November 2006	Designated for the First Section of the TSE
April 2016	Made KAN MANUFACTORY CO., LTD. a subsidiary
December 2017	Made Kitakyu Machine and Tools Co., Ltd. a subsidiary
April 2019	Changed name to Maruka Corporation
July 2019	Made Miyazawa Co., Ltd. (name changed to ArPlus Corporation in April 2023) a subsidiary
May 2021	Agreed to management integration of Furusato Industries, Ltd. and Maruka Corporation
September 2021	Delisted shares

History of MARUKA FURUSATO Corporation

Date	Major Event
October 2021	Established the holding company MARUKA FURUSATO Corporation through a joint stock transfer by Furusato Industries, Ltd. and Maruka Corporation Listed MARUKA FURUSATO Corporation newly on the First Section of the TSE
April 2022	Transferred to the TSE Prime Market following the TSE market reorganization
April 2023	Established a joint venture Mtass Ref Corporation (non-consolidated subsidiary) between Maruka Corporation and Matsuhashi Reinetsu Co.,LTD
August 2023	Maruka Corporation makes TS Precision Co., Ltd. a subsidiary
May 2024	G-NET CORPORATION invested in ARUM Inc.
December 2024	Maruka Corporation invested in EUREKA ROBOTICS PTE. LTD. in Singapore
January 2025	Established UNISOL BUSINESS PARTNERS Corporation to take over the corporate administrative operations of Furusato Industries, Ltd., G-NET Corporation and Maruka Corporation

Source: Prepared by FISCO from the Company's materials

Business overview

Machinery & Tools and Construction Products the mainstays; solutions capability in manufacturing market is characteristic and strength

1. Segments, features, and strengths

The Company has four segments: Machinery & Tools, Construction Products, Construction Machinery, and IoT Solution. It aims to be a unique solutions company that generates solutions found nowhere else. Its overall brand for its products is UNISOL, a word combining “unique” and “solutions.” On a Company-wide basis, it has built up a business base of 4,500 suppliers and 16,000 customers.

The Company is pursuing organizational restructuring within the Group aimed at maximizing synergies from management integration. In January 2025, it established UNISOL BUSINESS PARTNERS Corporation to take over the corporate administrative operations of Furusato Industries, G-NET, and Maruka. In July 2025, G-NET’s Housing Equipment System Business was transferred to Furusato Industries. In the future, the Company will change its name to UNISOL Holdings Corporation in January 2026 (planned date), and Maruka and G-NET will be merged to form UNISOL CORPORATION. Furthermore, it plans to spin out Maruka’s Construction Machinery Business to form a new company.

Business segments

UNISOL Holdings — Corporate name change scheduled for January 1, 2026

UNISOL BUSINESS PARTNERS Corporation

Segment	Machinery & Tools			Construction Products	Construction Machinery	IoT Solution
Responsible Companies	UNISOL			Furusato Industries	(New Company)	Security Design
Business classification	Machinery	Tools	Engineering	Building products Piping products Housing products	Construction Machinery Insurance	Physical Security Factory Automation
Japan	• Kan Manufactory • ArPlus • TS Precision	• Kitakyu Machine and Tools • Gifu Shoji	• Sonoruka Engineering		• Japan Rental	
Overseas	• Subsidiaries in North America, China and South Asia		• Industrial Tool, Inc (U.S.) • Unique Solutions Indonesia (Indonesia)			
Remarks	UNISOL will be established in Jan 2026 through the business integration of Maruka and G-net.			Transfer housing products div. from G-net. (Jul 2025)	Spin out from Maruka (expected in January 2026)	

Source: The Company’s results briefing materials

(1) Machinery & Tools

In Machinery & Tools, G-NET, Gifu Shoji, Maruka, KAN MANUFACTORY, ArPlus, TS Precision, Mtass Ref Corporation (nonconsolidated subsidiary), Sonoruka Engineering, Kitakyu Machine and Tools, and overseas subsidiaries (in North America, China, and Southeast Asia) sell (some products and parts are manufactured in-house) and engineer machine tools, FA devices, industrial machinery, injection molding machines, robots, washers, food machinery, logistics machines, forming machines, CO_2 refrigeration systems, machinery tools, pneumatic devices, cutting tools, and others. Around 20% of the Company’s sales are overseas.

The Company does not simply buy and wholesale machinery and tools; rather, it provides a wide range of industrial machinery and tools in manufacturing markets in Japan and overseas, including major automakers and automotive parts manufacturers, and has the solution capabilities to achieve labor savings, energy savings, and higher efficiency for customer production lines. It can also accommodate smart factories that use cutting-edge technologies like AI, sensing, and clouds to provide broad support for manufacturing sites.

Moreover, as part of its growth strategy, the Company is actively pursuing M&A deals and business partnerships. In March 2023, to strengthen the smart factory field, G-NET signed a business partnership agreement with ARUM Inc. It includes exclusive distribution rights in Japan for a cloud-based subscription service that makes possible the use of the ARUMCODE series and other ARUM products, and G-NET invested in ARUM in May 2024.

In December 2024, Maruka invested in EUREKA ROBOTICS PTE. LTD. in Singapore. EUREKA is a startup company that develops and sells AI-based next-generation robotics control technologies (cutting-edge robot controllers and specialized 3D cameras). The Company will use EUREKA's technology to drive technological innovation in the manufacturing and logistics industries and it aims to build a robust sales cooperation framework for global markets, especially Japan and the US In May 2025, it also signed a distributorship agreement for EUREKA ROBOTICS products with EUREKA ROBOTICS' US subsidiary, which covers the North America region.

Moreover, in November 2025, Maruka and one of its subsidiaries plan to acquire 52% of the shares of Thailand's MT Food Systems Co., LTD., making it part of the Group. MT Food Systems, which imports food machinery and develops automated solutions, has established a strong trading relationship with local processed food manufacturers over the years. Along with MT Food Systems, the Company will enhance business development in Southeast Asia, where the processed food market is growing.

(2) Construction Products

Construction Products, which centers on Furusato Industries and G-NET, handles the manufacture and sale of steel frame construction materials, piping equipment, construction products, and housing equipment and machinery, etc. for the domestic steel frame construction and factory piping markets. In particular, the Company's full braces, etc., made in-house, represent a high share of the market. The full brace is used in the framework of steel frame construction like warehouses and factories. Around 90% of sales is non-housing related and around 10% is related to housing.

(3) Construction Machinery

In Construction Machinery, Maruka and Japan Rental Co., Ltd. sell and rent construction machinery like crawler cranes, foundation construction machinery, and elevating work vehicles. Beyond just the machines themselves, it provides total support that includes insurance and after-services and also rents elevating work vehicles with an operator.

(4) IoT Solution

IoT Solution, which centers on Security Design, operates businesses such as selling security and surveillance cameras, access control, and biometric authentication to meet the needs of offices, factories, warehouses, etc. Previously, device sales were central, but the Company is now promoting total solutions and expanding into the IoT field with monitoring, sensing, etc. Based on this, it plays an important role in the smart factory business, which is a focus of the Group. In addition, in September 2023, Security Design began sales of UNI-MOW, a system that detects signs of birth labor in cows using AI analysis. This was developed via joint research with Kyoto University's Graduate School of Agriculture and with the assistance of Farmers Support Corporation.

2. Results by business segment

In regard to results by business segment, looking at the breakdown of net sales, and Machinery & Tools accounted for 60–70% and Construction Products for nearly 30%. Looking at the breakdown of operating profit, Machinery & Tools accounted for around 50% and Construction Products for about 40%, making them the Company's mainstays. Operating profit margin declined in FY12/24 for Machinery & Tools due to the impact of lower sales and for Construction Products due to the impact of competition. On the other hand, operating profit margin for Construction Machinery rose due to contributions from factors such as an increase in sales of second-hand vehicles. IoT Solution recorded an operating loss in FY12/22, owing to the drop-off of extraordinary demand for thermal cameras related to the COVID-19 pandemic. However, it returned to operating profit in FY12/23 as the impact from that demand drop-off ran its course and cost management was bolstered, and in FY12/24, the operating profit margin rose a notch, buoyed by contributions from large-scale projects.

Results by business segment

(¥mn)

	FY12/22	FY12/23	FY12/24
Net sales (sales to external customers)			
Machinery & Tools	107,077	117,128	104,767
Construction Products	43,787	45,241	44,947
Construction Machinery	8,839	7,605	8,413
IoT Solution	2,711	3,004	3,588
Total	162,416	172,980	161,716
Net sales composition			
Machinery & Tools	65.9%	67.7%	64.8%
Construction Products	27.0%	26.2%	27.8%
Construction Machinery	5.4%	4.4%	5.2%
IoT Solution	1.7%	1.7%	2.2%
Operating profit			
Machinery & Tools	3,235	3,758	2,019
Construction Products	2,606	1,987	1,576
Construction Machinery	142	81	200
IoT Solution	-57	38	188
Adjustment	-32	-160	-124
Total	5,895	5,705	3,860
Composition of operating profit before adjustments			
Machinery & Tools	54.6%	64.1%	50.7%
Construction Products	44.0%	33.9%	39.5%
Construction Machinery	2.4%	1.4%	5.0%
IoT Solution	-1.0%	0.6%	4.7%
Operating profit margin			
Machinery & Tools	3.0%	3.2%	1.9%
Construction Products	6.0%	4.4%	3.5%
Construction Machinery	1.6%	1.1%	2.4%
IoT Solution	-2.1%	1.3%	5.2%
Company-wide	3.6%	3.3%	2.4%

Note: The operating profit margin for each segment is calculated by dividing the operating profit margin before adjustments by net sales to external customers
Source: Prepared by FISCO from the Company's financial results

Promotes business portfolio management aimed at dispersing results fluctuation risk

3. Risk factors, feature of earnings, issues and countermeasures

As for general risk factors, they include demand fluctuations caused by the business climate, lower sales and worse profitability caused by intensified competition, currency fluctuations, being slow to adjust prices in light of higher raw material costs, and being slow to accommodate product development and technological innovations. Mainstay Machinery & Tools is impacted by capital investment, primarily by manufacturers, and Construction Products is impacted by construction investment, so it is possible that demand will fluctuate due to the business climate. For this reason, to analyze results fluctuation risk, the Company is promoting business portfolio management that analyzes multiple businesses with differing business models and sensitivity to the business climate. Regarding competition, there are many similar companies, but the Company is working to differentiate itself through its strength in making unique proposals and providing solutions.

Results trends

Profit decreased in 1H FY12/25 due to the impact of temporary labor cost increases

1. Overview of 1H FY12/25 results

In the consolidated results for 1H FY12/25, net sales increased 1.2% YoY to ¥79,779mn, operating profit decreased 11.7% to ¥1,507mn, ordinary profit declined 14.1% to ¥1,856mn, and profit attributable to owners of parent decreased 65.2% to ¥996mn. While sales decreased for Construction Products, they remained firm for Machinery & Tools, and the good performance of Construction Machinery also contributed, leading to a slight increase in net sales. In terms of profit, the gross margin rose due to factors such as an improved product mix, but both operating and ordinary profit decreased due to a temporary increase in labor costs (impact of revising bonus reserve period and introducing new HR program). Profit attributable to owners of parent was also impacted by the elimination of ¥2,267mn gain on sale of investment securities recorded under extraordinary income in the equivalent period of the previous fiscal year, as well as recording ¥95mn of non-current asset removal costs under extraordinary losses.

Gross profit increased 2.5% but the gross margin rose 0.2 percentage points (pp) to 16.1%. The improved product mix in Machinery & Tools and effect of higher sales in Construction Machinery contributed to this. SG&A expenses increased 4.8% and the SG&A expense ratio rose 0.5pp to 14.2%. As a result, the operating profit margin decreased 0.3pp to 1.9%.

Analyzing the factors behind the ¥199mn YoY decrease in operating profit, there was a ¥151mn increase in gross profit associated with higher sales and a ¥167mn increase due to the improved gross margin, but there was a ¥11mn decrease due to increased operating expenses (¥22mn increase due to decreased freight and packing costs, ¥32mn decrease due to higher advertising expenses), ¥465mn decrease due to increased labor costs (¥300mn decrease due to impact of revising bonus reserve period, ¥156mn decrease due to impact of introducing new HR program), and ¥42mn decrease due to increased SG&A expenses (¥21mn decrease due to incurring IT expenses associated with organizational restructuring, ¥21mn decrease due to increased consulting expenses). However, the impact of revising bonus reserve period and introducing new HR program are temporary factors, and in the results excluding their impact, operating profit would increase. For non-operating income, there was a ¥39mn decrease in dividends received and ¥62mn decline in exchange gain/loss (recording of ¥32mn exchange loss versus ¥29mn exchange gain in the equivalent period of the previous fiscal period).

Net sales were more or less at the projected level relative to the initial forecast, while gross profit slightly exceeded the forecast. However, due to SG&A expenses exceeding the forecast, operating profit, ordinary profit, and profit attributable to owners of parent all fell short of the forecasts.

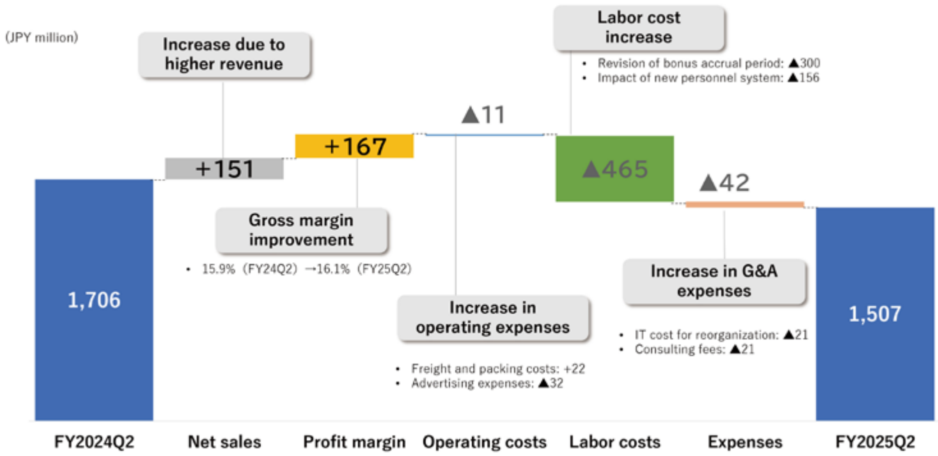
Overview of 1H FY12/25 consolidated results

(¥mn)

	1H FY12/24		1H FY12/25			YoY		vs. initial forecast	
	Results	vs net sales	Initial forecast	Results	vs net sales	Change	% Change	Change	% Change
Net sales	78,845	100.0%	80,000	79,779	100.0%	933	1.2%	-221	-0.3%
Gross profit	12,539	15.9%	12,800	12,858	16.1%	319	2.5%	58	0.5%
SG&A expenses	10,832	13.7%	11,000	11,351	14.2%	518	4.8%	351	3.2%
Operating profit	1,706	2.2%	1,800	1,507	1.9%	-199	-11.7%	-293	-16.3%
Ordinary profit	2,160	2.7%	2,100	1,856	2.3%	-303	-14.1%	-244	-11.6%
Profit attributable to owners of parent	2,862	3.6%	1,420	996	1.2%	-1,866	-65.2%	-424	-29.9%

Source: Prepared by FISCO from the Company's financial results and results briefing materials

Operating profit analysis (by factor)



Source: The Company's results briefing materials

2. Trends by business segment

In Machinery & Tools, net sales (sales to external customers) increased 1.4% YoY to ¥51,963mn and operating profit (before adjustments for corporate expenses, etc.) increased 15.4% to ¥972mn. While net sales increased slightly, there was double-digit growth in operating profit due to the improved product mix (e.g., decrease in wholesaling of low-profit machinery), which offset the increase in SG&A expenses. Overall, net sales and operating profit were also both more or less at the projected level. Domestic machinery sales decreased 5.3%. Direct sales grew slightly due to factors such as some large orders for machinery tool manufacturers, but wholesaling was impacted by mid-range companies and SMEs limiting new capital investment in light of the uncertain future outlook. Domestic tool sales rose 0.8%. Direct sales declined slightly due to the impact of companies limiting new capital investment, while wholesale sales increased slightly due to factors such as the effect of seasonal product sales growth. Overseas net sales were up 13.1% to ¥12,774mn, with the overseas sales ratio rising 1.7pp to 16.0%. Sales decreased in China (down 34.4% to ¥709mn) due to the impact of a downturn for Japanese automakers, but sales in the US grew significantly (up 18.7% to ¥8,627mn) due to factors such as rush demand before tariffs on injection molding equipment, etc. were raised. In addition, an existing equipment upgrading project in Thailand and large order for the food industry in Indonesia contributed to sales in Southeast Asia (up 17.0% to ¥3,436mn).

In Construction Products, sales and profit both decreased, with net sales declining 4.8% YoY to ¥20,730mn and operating profit decreasing 62.1% to ¥282mn. Both sales and profits fell short of the forecasts. Along with a decline in gross profit due to lower sales of mainstay building products, rising SG&A expenses also had an impact. Sales of building products were down 10.5%. Demand for steel-framed buildings was weak due to the impact of a slowdown in construction investment caused by rising materials prices, labor shortages, and the requirement to close sites for eight days every four weeks. Sales of piping products increased 4.5%. Semiconductor- and electronic component-related sales remained firm. Housing equipment sales rose 13.0%. Even though the number of new housing starts decreased, sales increased due to focusing efforts on sales of high-added-value products and projects including construction.

In Construction Machinery, net sales increased 20.4% YoY to ¥4,859mn and operating profit was up 81.7% to ¥140mn. This represents considerable increases in both sales and profit, surpassing the forecasts. In addition to an increase due to demand in reaction to a key supplier ending its suspension of crawler crane shipments, the effect of product price revisions and increased rental demand for pile drivers from foundation contractors also made a contribution.

In IoT Solution, net sales rose 23.5% YoY to ¥2,226mn and operating profit increased 49.9% to ¥186mn. Both grew considerably, surpassing the forecasts. Factors contributing to this included firm demand for data centers and distribution centers in the physical security field, along with firm demand for security cameras, including for private homes, via major private security companies in the machinery sales field and multiple large projects scheduled for 2H, including some for data centers, starting earlier than planned in the system construction field.

Overview of 1H FY12/25 by segment

(¥mn)

Net sales	1H FY12/24		1H FY12/25			YoY		vs. initial forecast	
	Results	vs net sales	Initial forecast	Results	vs net sales	Change	% change	Change	% change
Machinery & Tools	51,226	65.0%	52,500	51,963	65.1%	736	1.4%	-537	-1.0%
Construction Products	21,780	27.6%	22,000	20,730	26.0%	-1,049	-4.8%	-1,270	-5.8%
Construction Machinery	4,036	5.1%	3,650	4,859	6.1%	822	20.4%	1,209	33.1%
IoT Solution	1,802	2.3%	1,850	2,226	2.8%	423	23.5%	376	20.3%
Total	78,845	100.0%	80,000	79,779	100.0%	933	1.2%	-221	-0.3%

Operating profit	1H FY12/24		1H FY12/25			YoY		vs. initial forecast	
	Results	Profit margin	Initial forecast	Results	Profit margin	Change	% change	Change	% change
Machinery & Tools	843	1.6%	990	972	1.9%	129	15.4%	-18	-1.8%
Construction Products	745	3.4%	700	282	1.4%	-463	-62.1%	-418	-59.7%
Construction Machinery	77	1.9%	60	140	2.9%	63	81.7%	80	133.3%
IoT Solution	124	6.9%	100	186	8.4%	61	49.9%	86	86.0%
Adjustment	-83	-	-50	-75	-	8	-	-25	-
Total	1,706	2.2%	1,800	1,507	1.9%	-199	-11.7%	-293	-16.3%

Note: Net sales indicate net sales to external customers
Source: Prepared by FISCO from the Company's financial results and results briefing materials

Equity ratio of 60.6% and strong financial health

3. Financial position

In terms of finances, total assets were ¥118,354mn at the end of 1H FY12/25, down ¥2,467mn from the end of the previous fiscal year. This is mainly because cash and deposits increased ¥3,144mn, whereas notes and receivables – trade decreased ¥4,588mn and electronically recorded monetary claims decreased ¥1,465mn. Total liabilities decreased ¥1,975mn to ¥45,472mn. This is mainly because contract liabilities increased ¥1,057mn and bonus reserve increased ¥324mn, whereas notes and accounts payable – trade decreased ¥2,425mn and income tax payable decreased ¥771mn. The total of long-term and short-term borrowings increased ¥32mn to ¥949mn. Total net assets was down ¥491mn to ¥72,881mn. Foreign currency translation adjustment increased ¥218mn, whereas retained earnings decreased ¥897mn (increase of ¥996mn due to recording profit attributable to owners of parent, decrease of ¥1,871mn due to dividend of surplus). As a result, the equity ratio rose 0.7pp to 60.6%. Overall, including the status of cash flows, there are no particular reasons for concern, and we at FISCO believe the Company is in strong financial health.

Consolidated balance sheet and statement of cash flows (summarized version)

(¥mn)

	End-FY12/22	End-FY12/23	End-FY12/24	End-1H FY12/25	Change
Total assets	122,914	120,342	120,821	118,354	-2,467
Current assets	92,077	84,207	86,599	84,053	-2,545
Non-current assets	30,837	36,134	34,221	34,300	78
Total liabilities	50,775	47,623	47,448	45,472	-1,975
Current liabilities	49,016	45,105	45,350	43,323	-2,027
Non-current liabilities	1,759	2,517	2,097	2,149	52
Net assets	72,139	72,719	73,373	72,881	-491
Shareholder's equity	68,712	68,132	69,937	69,053	-884
Equity ratio	58.0%	59.7%	59.9%	60.6%	0.7pp

	FY12/22	FY12/23	FY12/24	1H FY12/25
Cash flows from operating activities	3,795	6,031	7,863	5,563
Cash flows from financing activities	-2,286	-4,670	1,433	-712
Cash flows from investing activities	-495	-5,370	-3,368	-1,839
Cash and cash equivalents at end of period	24,132	20,174	26,129	29,140

Source: Prepared by FISCO from the Company's financial results and semi-annual report

Outlook

While the full-year FY12/25 forecasts were revised downward, orders are recovering

1. FY12/25 forecasts

The Company downwardly revised its full-year consolidated results forecasts for FY12/25 on August 8, 2025. The Company is forecasting that net sales will increase 0.2% YoY to ¥162,000mn, operating profit will decrease 9.3% to ¥3,500mn, ordinary profit will drop 12.0% to ¥4,100mn, and profit attributable to owners of parent will fall 45.8% to ¥2,500mn. Net sales was revised downward by ¥8,000mn, operating profit by ¥1,000mn, ordinary profit by ¥1,000mn, and profit attributable to owners of parent by ¥800mn relative to the initial forecast. Given that the business environment surrounding the Machinery & Tools and Construction Products segments has grown worse since the initial forecasts, the 2H forecasts were revised downward (net sales by ¥7,779mn and operating profit by ¥707mn relative to the initial forecast). Even though the Machinery & Tools, Construction Machinery, and IoT Solution segments will perform well YoY, with increased sales and profits, an overall decrease in profit is forecast due to poor performance in the Construction Products segment. Profit attributable to owners of parent will also be impacted by the elimination of gain on sale of investment securities recorded in the previous fiscal period.

The value of the Company's exports from Japan to the US (the majority of which is inventory goods for US subsidiaries) averaged around ¥4.0bn over the past three years, while net sales of North American subsidiaries averaged around ¥16.4bn over the past three years, so the direct impact of US tariff measures on the Company may be considered relatively small for the time being. Furthermore, orders for Machinery & Tools are recovering, with outstanding orders at the end of 1H up YoY. While this will not lead to sales during FY12/25 due to the impact of the lead time from order to delivery, sales are expected to recover starting in 1H FY12/26. In addition, due to synergies from management integration ramping up, we at FISCO believe a recovery in results can be expected in FY12/26.

Overview of FY12/25 consolidated forecast (revised)

(¥mn)

	FY12/24		FY12/25			YoY		vs. initial forecast	2H forecast		
	Results	vs net sales	Initial forecast	Revised forecast	vs net sales	Change	% Change	Change	Initial	Revised	Change
Net sales	161,716	100.0%	170,000	162,000	100.0%	283	0.2%	-8,000	90,000	82,220	-7,779
Gross profit	25,666	15.9%	27,000	25,850	16.0%	183	0.7%	-1,150	14,200	12,911	-1,208
SG&A expenses	21,806	13.5%	22,500	22,350	13.8%	543	2.5%	-150	11,500	10,998	-501
Operating profit	3,860	2.4%	4,500	3,500	2.2%	-360	-9.3%	-1,000	2,700	1,992	-707
Ordinary profit	4,659	2.9%	5,100	4,100	2.5%	-559	-12.0%	-1,000	3,000	2,243	-756
Profit attributable to owners of parent	4,613	2.9%	3,300	2,500	1.5%	-2,113	-45.8%	-800	1,880	1,503	-376

Note: Revised on August 8, 2025; initial forecasts are values announced on February 14, 2025
Source: Prepared by FISCO from the Company's financial results and results briefing materials

2. Forecasts by segment

In terms of the revised forecasts by segment, for Machinery & Tools, the Company is forecasting net sales to increase 1.3% to ¥106,150mn and operating profit to rise 9.0% to ¥2,180mn. For Construction Products, it is forecasting net sales to decrease 4.0% to ¥43,140mn and operating profit to drop 37.8% to ¥980mn. For Construction Machinery, it is forecasting net sales to go up 5.8% to ¥8,900mn and operating profit to increase 20.0% to ¥240mn. For IoT Solution, it is forecasting net sales to grow 6.2% to ¥3,810mn and operating profit to increase 6.4% to ¥200mn.

For Machinery & Tools, customers are adopting a wait-and-see approach to capital investment projects due to the impact of US tariffs. Therefore, net sales and operating profit were both revised downward, by ¥5,700mn and ¥370mn respectively, from the initial forecasts. However, the segment has achieved higher sales YoY, albeit only slightly, and the improved profit margin, mainly due to an improved product mix, will also contribute. The Company therefore forecasts increased operating profit. Furthermore, orders have been recovering recently, and a recovery in sales is expected starting from 1H FY12/26.

For Construction Products, net sales and operating profit were both revised downward, by ¥2,620mn and ¥740mn respectively, from the initial forecasts. This is due to a slowdown in domestic construction investment and demand for steel-framed buildings, as well as intensifying price competition. Both sales and profit are forecast to decrease YoY.

For Construction Machinery, net sales and operating profit were both revised upward from the initial forecasts, by ¥500mn and ¥60mn respectively, due to good performance in 1H being expected to continue. Both sales and profit are forecast to increase YoY.

For IoT Solution, net sales were revised downward by ¥180mn from the initial forecast, but operating profit was revised upward by ¥50mn. With good performance in 1H expected to continue, both sales and profit are forecast to increase YoY.

Overview of FY12/25 by segment (revised)

(¥mn)

Net sales	FY12/24		FY12/25			YoY		vs. initial forecast	2H forecast		
	Results	vs net sales	Initial forecast	Revised forecast	vs net sales	Change	% change	Change	Initial	Revised	Change
Machinery & Tools	104,767	64.8%	111,850	106,150	65.5%	1,382	1.3%	-5,700	59,350	54,186	-5,163
Construction Products	44,947	27.8%	45,760	43,140	26.6%	-1,807	-4.0%	-2,620	23,760	22,409	-1,350
Construction Machinery	8,413	5.2%	8,400	8,900	5.5%	486	5.8%	500	4,750	4,040	-709
IoT Solution	3,588	2.2%	3,990	3,810	2.4%	221	6.2%	-180	2,140	1,583	-556
Total	161,716	100.0%	170,000	162,000	100.0%	283	0.2%	-8,000	90,000	82,220	-7,779

Operating profit	FY12/24		FY12/25			YoY		vs. initial forecast	2H forecast		
	Results	Profit margin	Initial forecast	Revised forecast	Profit margin	Change	% change	Change	Initial	Revised	Change
Machinery & Tools	1,999	1.9%	2,550	2,180	2.1%	180	9.0%	-370	1,560	1,207	-352
Construction Products	1,576	3.5%	1,720	980	2.3%	-596	-37.8%	-740	1,020	697	-322
Construction Machinery	200	2.4%	180	240	2.7%	39	20.0%	60	120	99	-20
IoT Solution	188	5.2%	150	200	5.2%	11	6.4%	50	50	13	-36
Adjustment	-104	-	-100	-100	-	4	-	0	-50	-24	25
Total	3,860	2.4%	4,500	3,500	2.2%	-360	-9.3%	-1,000	2,700	1,992	-707

Note: Revised on August 8, 2025; initial forecasts are values announced on February 14, 2025
Source: Prepared by FISCO from the Company's financial results and results briefing materials

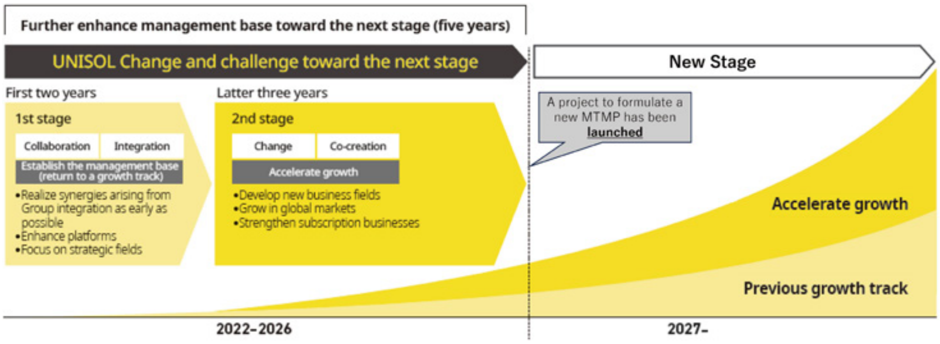
Growth strategy

Plans to carry out organizational restructuring within the Group in January 2026, accelerating the creation of synergies

● Medium-Term Management Plan "UNISOL"

The Company is framing how it aspires to be in 10 years' time as "UNIQUE SOLUTIONS," in which it aims to be the "Solution Partner" whom customers choose first, by solving various challenges faced in manufacturing sites with unique ideas. With "further enhancing the management base" as its theme, the Medium-Term Management Plan "UNISOL" (FY12/22–FY12/26) positions establishing the management base (return to a growth track) in the first two fiscal periods (FY12/22–FY12/23) as the first stage and the last three years (FY12/24–FY12/26) as the second stage for accelerating growth. Furthermore, the Company has launched a project to formulate a new Medium-Term Management Plan aimed at beginning a new growth stage in FY12/27, for which preparations are under way.

Roadmap for growth



Source: The Company's results briefing materials

With regard to quantitative targets, FY12/24 results fell short of the plan's targets due to a downturn in the market environment, including a decline in demand for capital investment, especially in the auto industry, in the Machinery & Tools sector, and rising materials prices and the prolonging of construction periods due to construction industry workstyle reforms in the Construction Products sector. Therefore, on February 14, 2025, the Company revised the quantitative targets for FY12/26, the final year of the plan, downward to net sales of ¥180.0bn, operating profit of ¥5.8bn (¥4.4bn from existing businesses and ¥1.4bn from developing synergies and strategy), an operating profit margin of 3.2%, adjusted EBITDA (= operating profit + depreciation + goodwill amortization + other temporary revenue and expenses) of ¥7.8bn, and ROE of 5.7%. As of 1H FY12/25, synergies represented a total of ¥335mn (¥84mn due to increased share of industrial machinery, ¥79mn due to promoting automation and labor-saving for direct sales, and ¥31mn due to decreased ongoing expenses). From a corporate governance perspective, the Company transitioned to a Company with Audit and Supervisory Committee in March 2025.

Medium-Term Management Plan "UNISOL"

(¥mn)

	First stage		Second stage		
	FY12/22	FY12/23	FY12/24	FY12/25 (E)	FY12/26 (forecast)
Net sales	162,416	172,980	161,716	162,000	180,000
Operating profit	5,895	5,705	3,860	3,500	5,800
Operating profit margin	3.6%	3.3%	2.4%	2.2%	3.2%
ROE	6.6%	6.6%	6.4%	3.5%	5.7%

Source: Prepared by FISCO from the Company's financial results and results briefing materials

The plan's basic strategies are "cultivation," to differentiate the Company from others in existing businesses, "challenge," to develop new business fields, and "sustainability," to strengthen SDGs initiatives. Under the "cultivation" strategy, initiatives will include reinforcing supply, technology, and service functions to respond to diversified needs of customers, raising the Company's ability to provide comprehensive solutions by forming alliances, and strengthening engagement in strategic fields by integrating knowledge. Under the "challenge" strategy, initiatives will include creating new added value by combining the Group's functions, knowledge, and advantages, strengthening smart factory business, and shifting from supply-oriented business models to solution-oriented models. Under the "sustainability" strategy, initiatives will include contributing to solutions for social issues through the Company's businesses, reducing CO_2 emissions, and establishing working environments that provide job satisfaction.

Furthermore, to accelerate management integration synergies, the Company plans to carry out organizational restructuring within the Group in January 2026. It will change its name to UNISOL HOLDINGS Corporation, Maruka and G-NET will be merged to form UNISOL Corporation, and Maruka's Construction Machinery Business will be spun out to form a new company. This restructuring aims to eliminate inconsistency between businesses and accelerate the creation of synergies by clarifying business responsibility and facilitating self-direction by segment core companies.

In the Machinery & Tools segment in particular, the launch of the new company, UNISOL Corporation, will promote reinforcement of command and control (streamlining the chain of command, speeding up cross-departmental collaboration and partnership, unifying plans and targets), sales capabilities (effective use of end user information, strengthening collaboration between direct sales and wholesale systems, improving share by expanding range of sales items), and purchasing capabilities (no need for internal sales, integration of agency rights, effective use of economies of scale).

Furthermore, the Company will strengthen its engineering business and food business as new growth areas. In the engineering business, it will strengthen its system and provide high-quality engineering services integrated with the Group's broad network. In the food business, it will strengthen business development in the Southeast Asia market through measures such as establishing a new Food Business Division and making MT Food Systems part of the Group (scheduled for November 2025).

In addition, as a measure to develop new business areas, the Company has signed a sole agency agreement for Japan with China's Human CIZON Robotics Co., Ltd., which specializes in ultra-large automatic guided vehicles (AGVs), in the Machinery & Tools business. In Construction Products, it is developing MEDA wood braces, an earthquake-resistant structural part for wooden buildings, which are intended to help promote the use of wooden construction for medium- and large-scale buildings. In IoT Solution, it has jointly developed an air washer camera with Tokai Rika Co., Ltd. (6995) to promote the digital transformation of visualization at manufacturing sites. Sales began in March 2025.

Through promoting its M&A strategy and developing new businesses, the Company is seeing some results in terms of both expanding sales and improving profit. Going forward, along with strengthening of existing businesses, it is possible that strategic investment and optimization of the business portfolio aligned with market trends will contribute to growth. However, it will be necessary to pay close attention since external factors such as fluctuating raw material prices, foreign exchange risk, and changes in the competitive environment will also impact results.

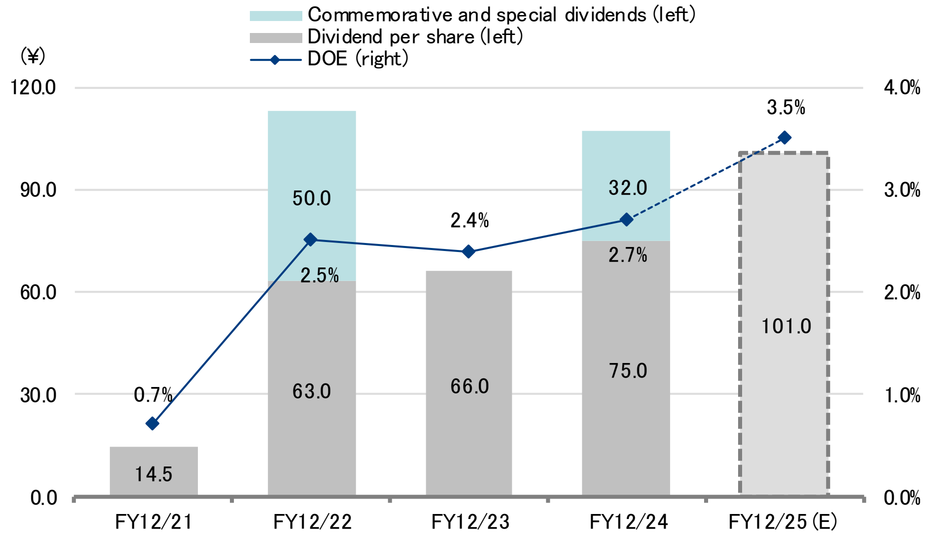
Shareholder return policy

Expecting to achieve target of DOE of at least 3.5% in FY12/25

With regard to shareholder returns, the Company's basic policy for the medium- to long-term shareholder return target is a dividend on equity ratio (DOE) of at least 3.5%. In addition to ordinary dividends, it will utilize special dividends and treasury share repurchases to flexibly provide additional returns to shareholders according to profit levels and financial conditions.

Under this basic policy, in FY12/25, it is forecasting an annual dividend of ¥101.0 (¥30.0 at the end of 1H, ¥71.0 at year-end). While there was a ¥6.0 YoY decrease in the dividend, this is because the annual dividend of ¥107.0 in the previous fiscal period included a ¥32.0 special dividend. Based on the ordinary dividend, the forecast amount is an increase of ¥26.0 (annual dividend of ¥75.0 in FY12/24 and ¥101.0 in FY12/25). Since the forecast DOE for FY12/25 is 3.5%, the Company is expected to achieve the shareholder return target DOE of at least 3.5% in the next Medium-Term Management Plan (FY12/27–FY12/29) ahead of schedule.

Changes in dividend per share and DOE



Source: Prepared by FISCO from the Company's financial results and results briefing materials

Furthermore, the Company's shareholder benefits program sets three categories based on the number of shares held and provides QUO cards of different values according to the period of continuous shareholding. The program has been implemented since December 31, 2024, for shareholders who own at least one unit of shares as of the record date of December 31 each year.

Shareholder benefit (QUO card)

Number of shares required for allocation	Ownership period	
	Less than three years	Continuously owned for three years or more
100 shares or more	¥500	¥1,000
200 shares or more	¥1,000	¥3,000
500 shares or more	¥5,000	¥10,000

Source: Prepared by FISCO from the Company's results briefing materials

Sustainability management

Promotes sustainability, which is divided into five themes. Strengthens support for student sports

The Company is also strengthening initiatives for sustainability management. In February 2022, it established the Sustainability Committee and put forth five basic themes: 1) Achieve harmony and coexistence with the global environment (reducing the environmental impact in our business activities), 2) Support sustainability in the manufacturing industry (improving productivity through proposals for automation and saving labor of production equipment and construction sites), 3) Realize a secure, safe and comfortable society (a safe, secure and stable supply system for products and merchandise), 4) Increase job motivation, and promote growth and social contribution (promotion of diversity), and 5) Promote fair and honest corporate activities (strengthen the risk management and crisis management systems). The Company's latest corporate social responsibility activities include strengthening support for student sports, and in May 2025, it signed a sponsorship agreement with the Kindai University Athletic Association Basketball Club.

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