Presentation Materials of Financial Results Q1 FY2024 (July 1, 2024-September 30, 2024)

MAEDAKOSEN CO., LTD.

Prime Market, Tokyo Stock Exchange

Stock code: 7821

MAEDAKOSEN

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1 Financial Summary of the First Quarter of the Fiscal Year Ending June 30, 2025

(millions of yen)

Financial Highlights for the First Quarter

Net Sales

15,659

Progress rate
26.1%

Gross profit

6,154

Year on year changes
20.2%

Operating profit

3,632

Progress rate
32.4%

EBITDA

4,444

Progress rate
30.7%

Ordinary profit

3,347

Progress rate
29.9%

Profit attributable to owners of parent

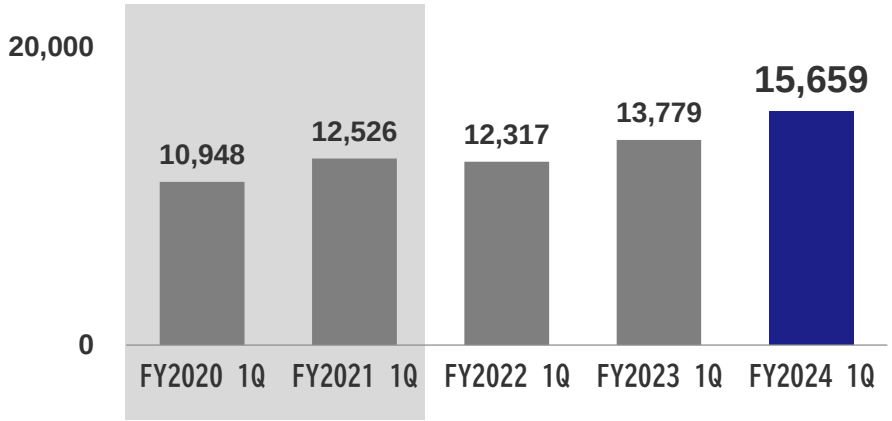
2,294

Progress rate
29.8%

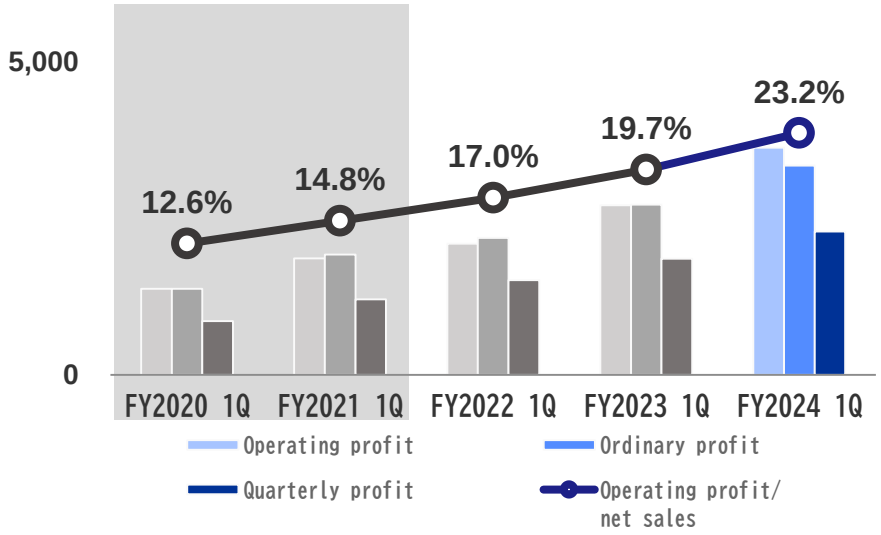
Consolidated Summary

(millions of yen)

Net Sales



Profit

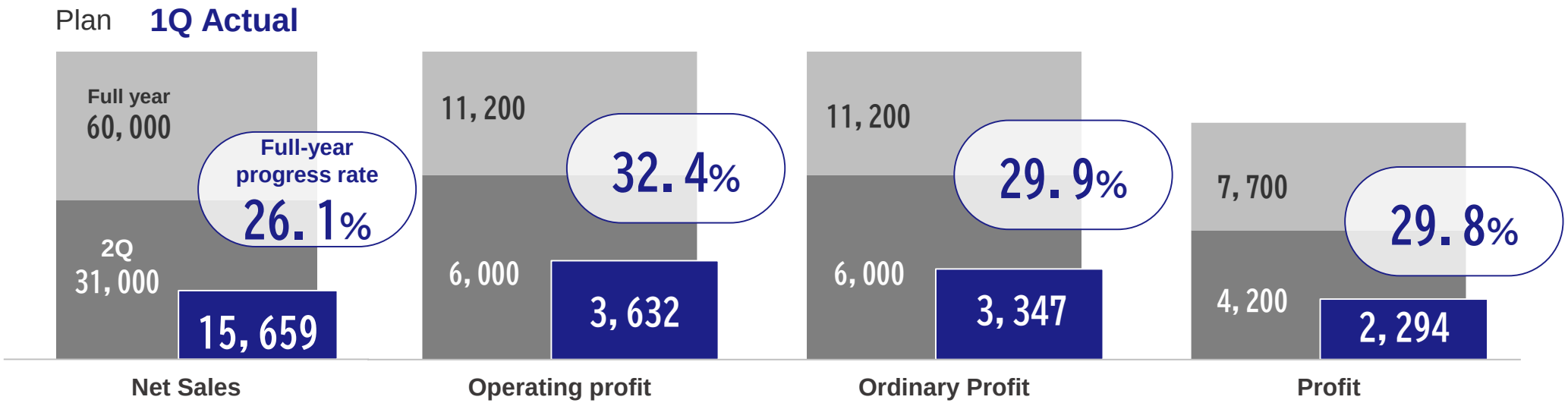


	FY2023 1Q		FY2024 1Q		
	Actual	Sales ratio	Actual	Sales ratio	Year on year changes
Net Sales	13,779	–	**15,659**	–	**13.6 %**
Operating profit	2,712	19.7 %	**3,632**	**23.2 %**	**33.9 %**
EBITDA	3,477	25.2 %	**4,444**	**28.4 %**	**27.8 %**
Depreciation	764	5.5 %	**812**	**5.2 %**	**6.3 %**
Ordinary profit	2,724	19.8 %	**3,347**	**21.4 %**	**22.9 %**
Profit attributable to owners of parent	1,860	13.5 %	**2,294**	**14.7 %**	**23.4 %**

Note: Since it was a transitional period for the change in the accounting period, the period of first quarter results for FY2020-FY2021 is September 21 to December 20.

(millions of yen)

Comparison between Plan and Results

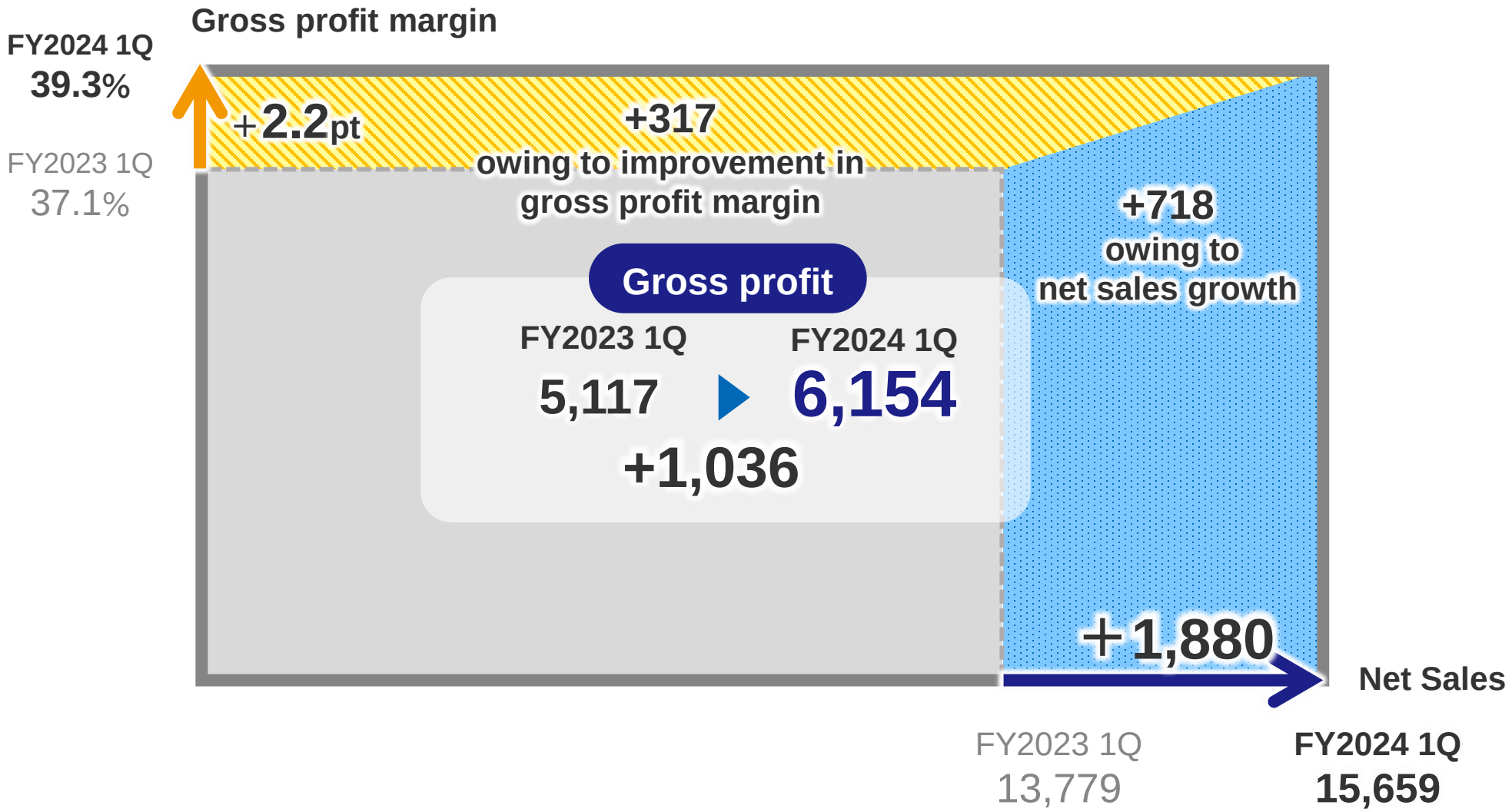


FY2024	1Q Actual	2Q(Planned)		Full year(Planned)	
		Amount	Progress rate	Amount	Progress rate
Net Sales	15,659	31,000	50.5 %	60,000	26.1 %
Operating profit	3,632	6,000	60.5 %	11,200	32.4 %
EBITDA	4,444	7,600	58.5 %	14,500	30.7 %
Ordinary profit	3,347	6,000	55.8 %	11,200	29.9 %
Profit attributable to owners of parent	2,294	4,200	54.6 %	7,700	29.8 %

Note: EBITDA=Operating profit + Depreciation + Amortization of goodwill

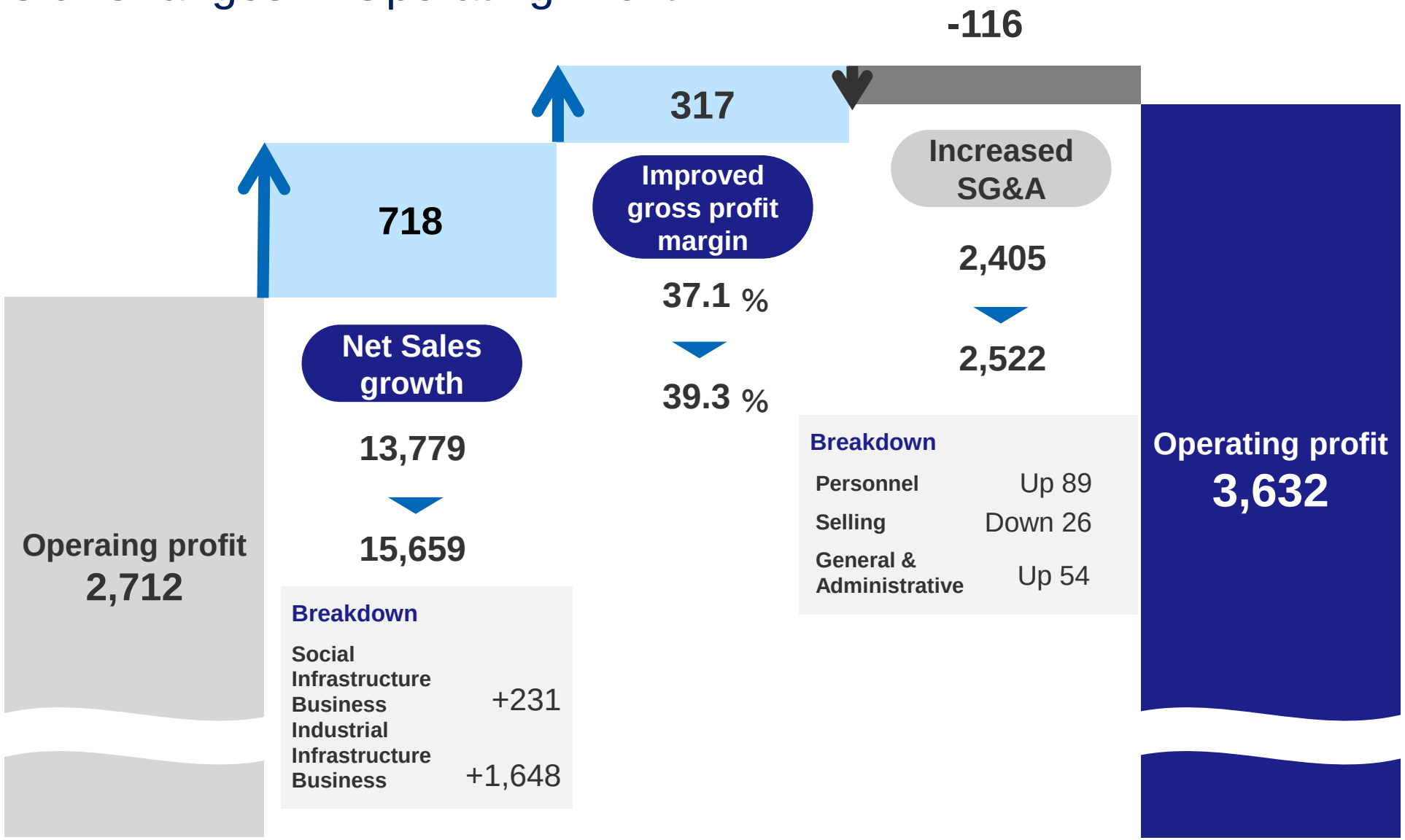
Analysis of Changes in Gross Profit

(millions of yen)



(millions of yen)

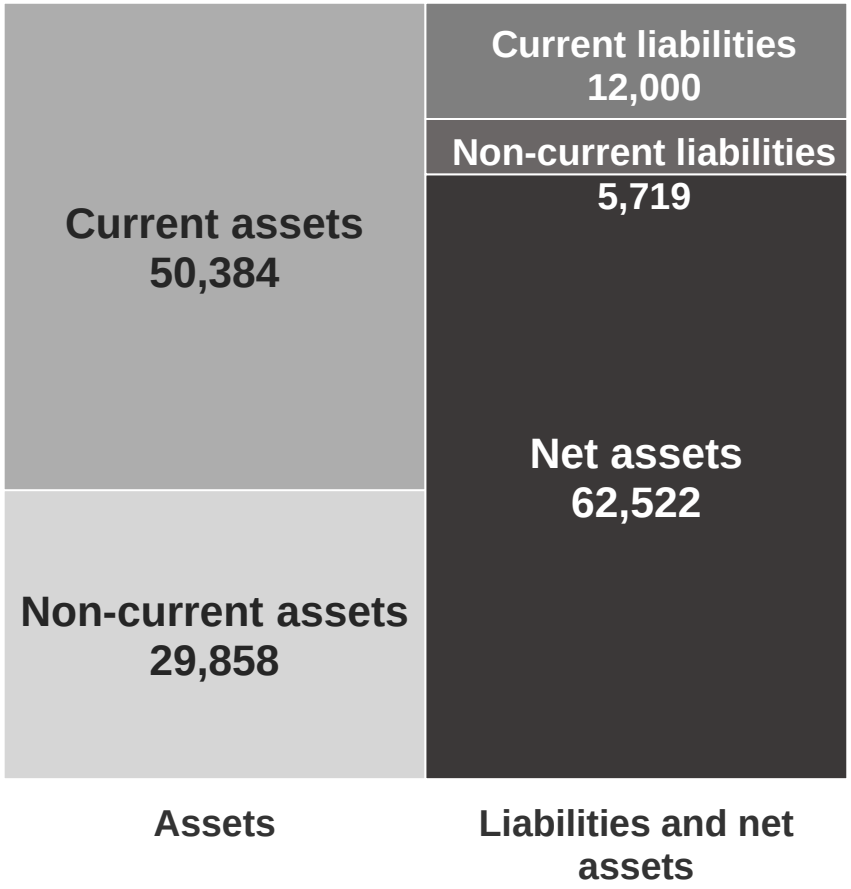
Analysis of Changes in Operating Profit



（millions of yen）

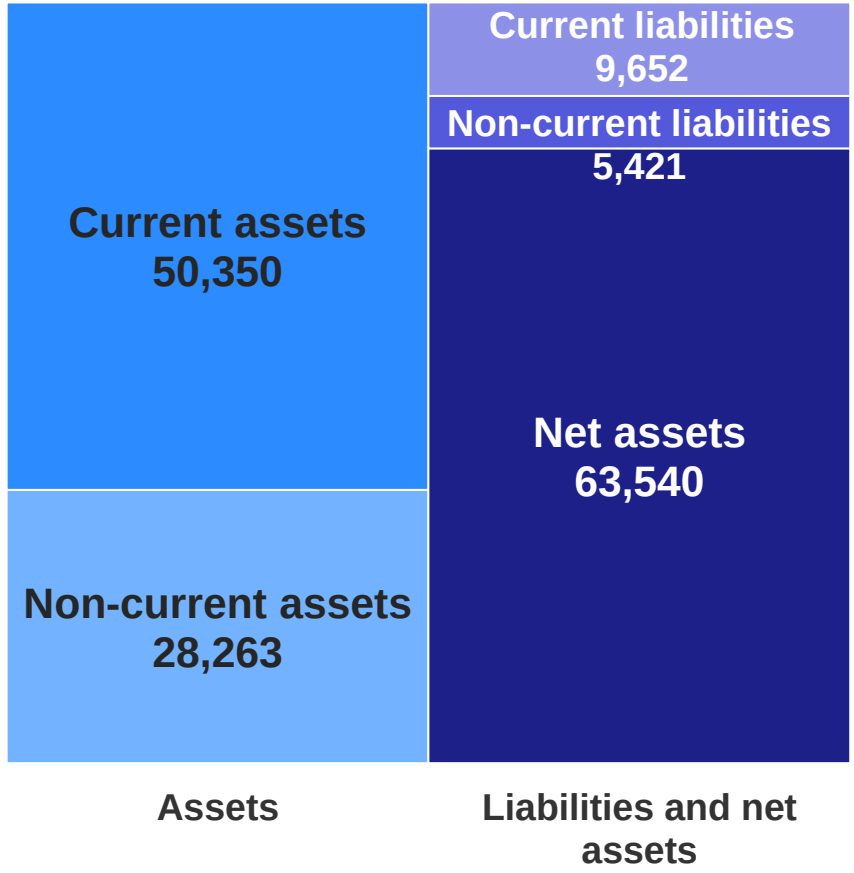
Financial Position

Total assets 80,243



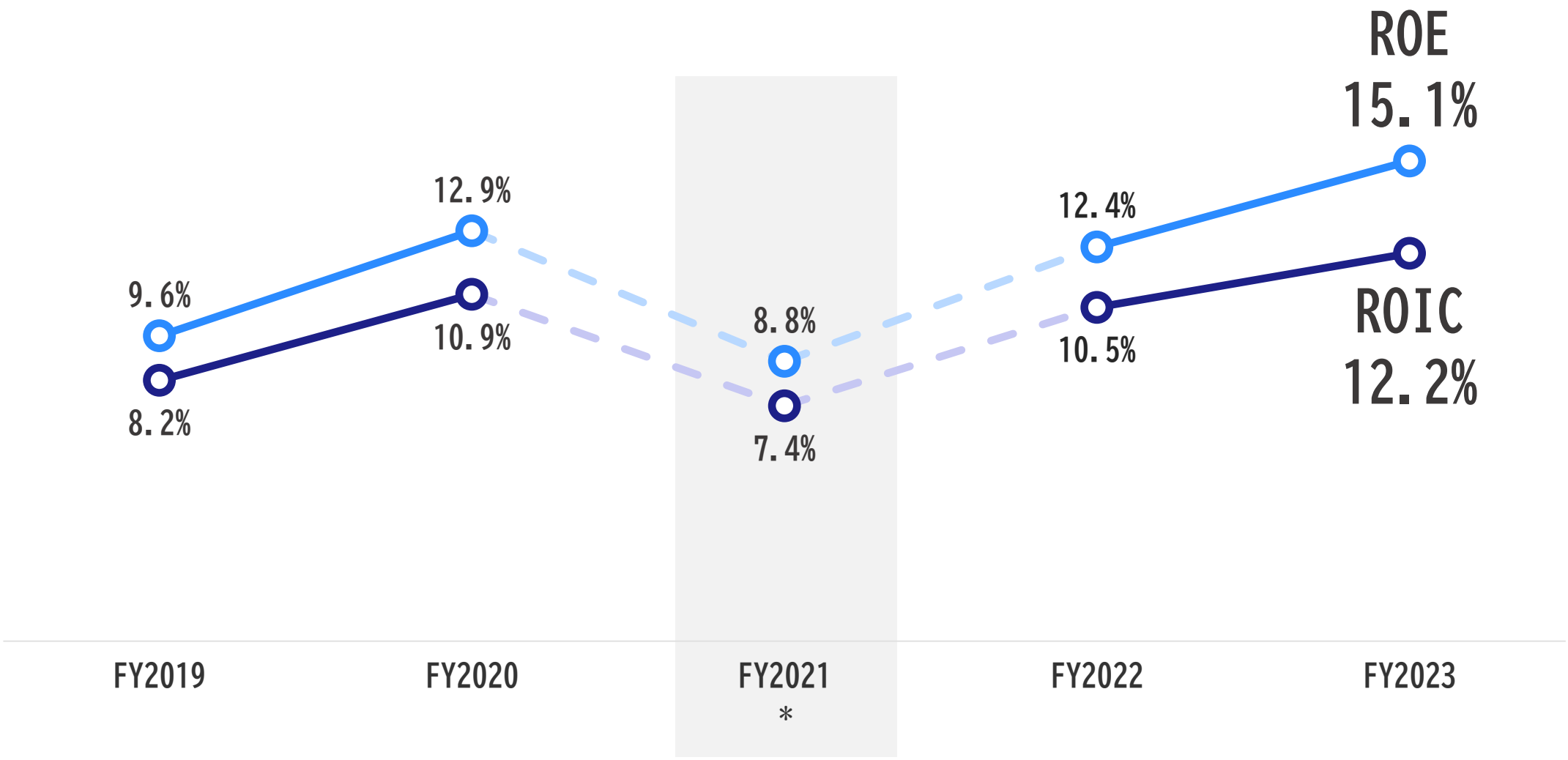
FY2023 End of year

Total assets 78,614



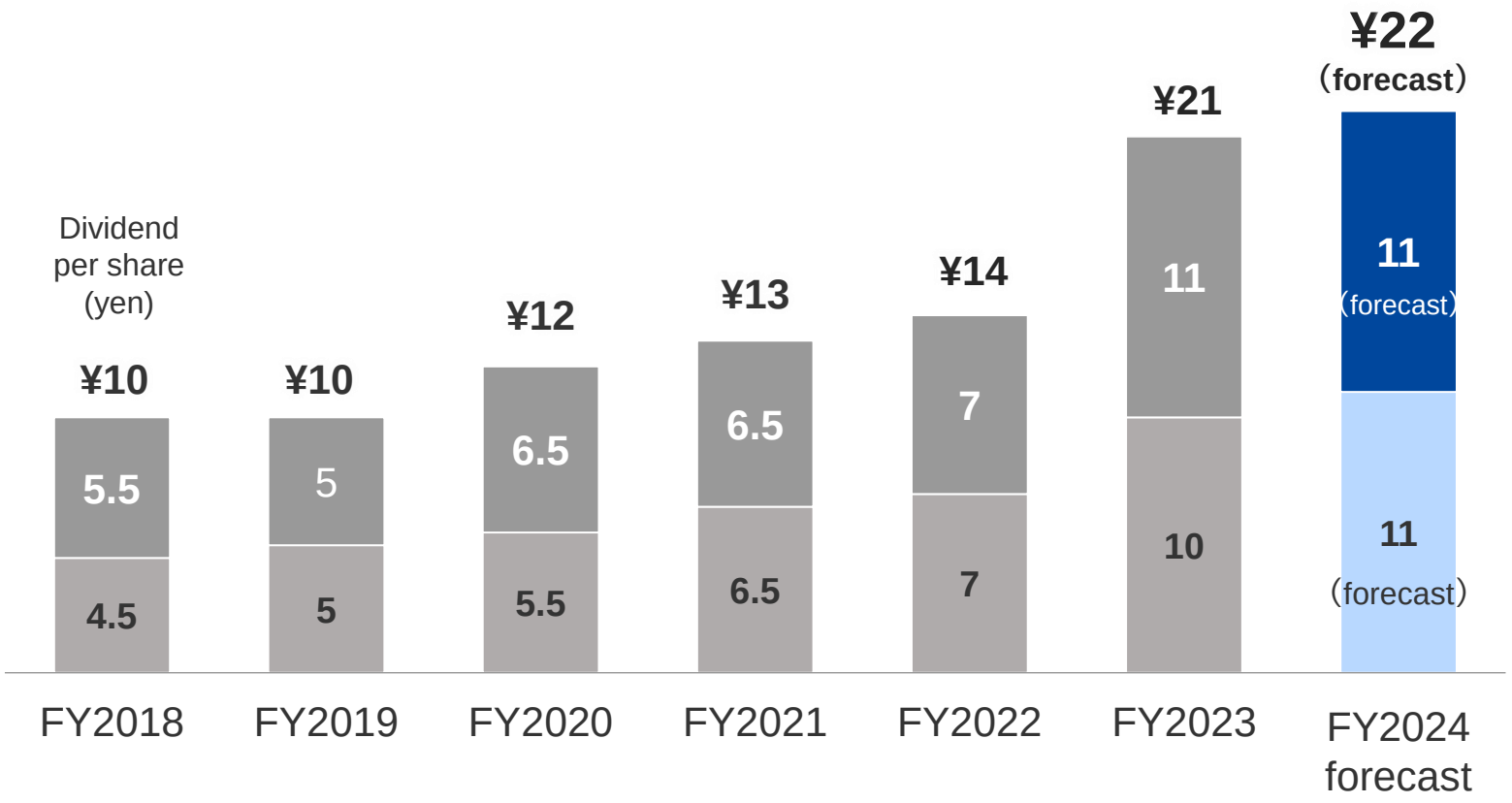
FY2024 1Q

Key Indicators – ROE and ROIC



Note: Since it was a transitional period for the change in the accounting period, the fiscal year ended June 2022 was 9 months and 10 days, from September 21, 2021 to June 30, 2022.

Shareholder Return Policy



FY2024

Interim dividend (forecast)	¥11 (Up ¥1 YoY)
Year-end dividend (forecast)	¥11 (Up ¥0 YoY)
Full year dividend (forecast)	**¥22** (Up ¥1 YoY)

Note: The Company conducted a 2-for-1 stock split on July 1, 2024, and the dividend amount is recorded taking this split into account.

TOPICS – Credit rating A-

❑ Assumptions for credit ratings

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness)

Rating Agency	Rating Type	Rating	Date rating assigned
Rating and Investment Information, Inc. (R&I)	Issuer Rating	BBB+ → A- (One rank up)	November 6, 2024

❑ Reason for the rating (Extract from R&I)

Expanding the Social Infrastructure Business, focused on civil engineering and environmental materials, and the Industry Infrastructure Business, with the strong high price range BBS brand light alloy forged wheels as a pillar.

Revenue growth has continued as a result of multiple M&A (mergers and acquisitions) and capital investment in BBS, so the issuer rating has been changed from BBB+ to A-.

TOPICS – Launch of new product

Reservoir Safety Net “Reservoir Lifesaving Net”



Constructed on the slope of a reservoir to assist in crawling up in the event of a fall

- **Using polyester Raschel net that is strong and very durable**
- **Can be deployed and easy to fix during construction**

In case of an emergency

“Floats” against the incline
→ Easy to grasp with the fingers and climb



Easy to grasp with the fingers and it floats so easy to climb

Contributing to the mitigation of accidents caused by falling from reservoirs

TOPICS – Launch of new product

Plastic lath mesh “Plastic lath Net”

Constructed on slope, base netting to prevent mortar from peeling off

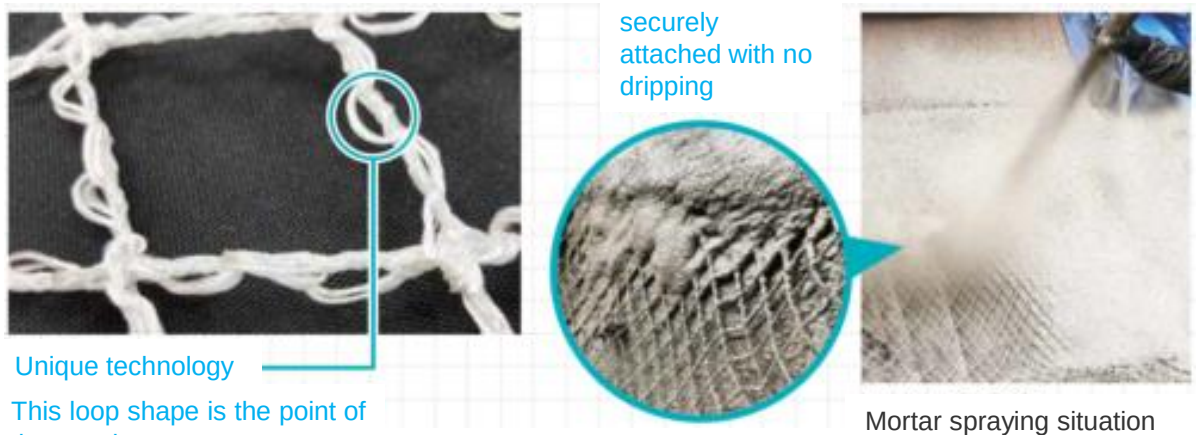


NETIS registered products

(Ministry of Land, Infrastructure, Transport and Tourism：New Technology Information System）

Textile netting that is lightweight with excellent adhesiveness with our proprietary technology

- One-fifth the weight of conventional products
- Highly chemical resistant chemical fiber that prevents rust
- Using an adhesive net material for the spraying material



2 Financial Summary by Segment

Summary of Financial Results by Segment

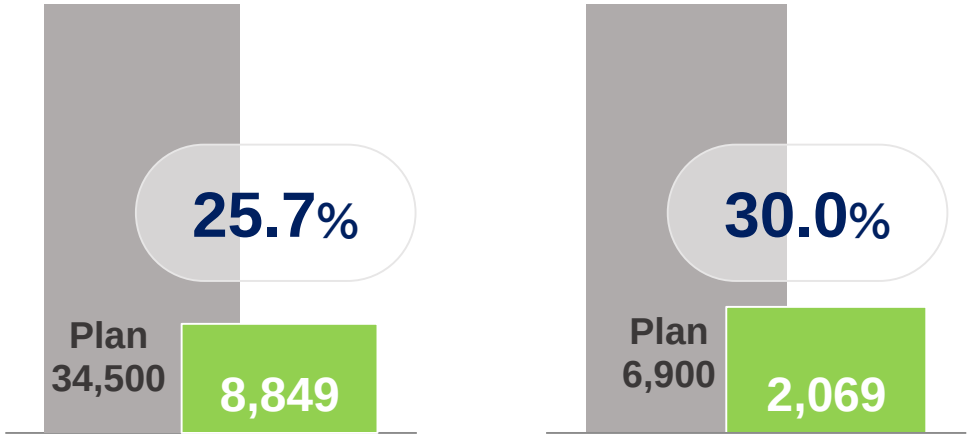
(millions of yen)

	FY2023 1Q Actual			FY2024 1Q Actual			
	Amount	Operating profit margin	weight	Amount	Operating profit margin	weight	Year on year changes
Net Sales							
Social Infrastructure Business	8,618		62.5 %	**8,849**		56.5 %	**2.7 %**
Industrial Infrastructure Business	5,161		37.5 %	**6,810**		43.5 %	**31.9 %**
Total	13,779		100.0 %	**15,659**		100.0 %	**13.6 %**
Operating profits							
Social Infrastructure Business	2,031	23.6 %	68.4 %	**2,069**	23.4 %	52.6 %	**1.9 %**
Industrial Infrastructure Business	938	18.2 %	31.6 %	**1,863**	27.4 %	47.4 %	**98.5 %**
Subtotal	2,970	–	100.0 %	**3,933**	–	100.0 %	**32.4 %**
Common	- 258	–	–	**- 301**	–	–	**–**
Total	2,712	19.7 %	–	**3,632**	23.2 %	–	**33.9 %**

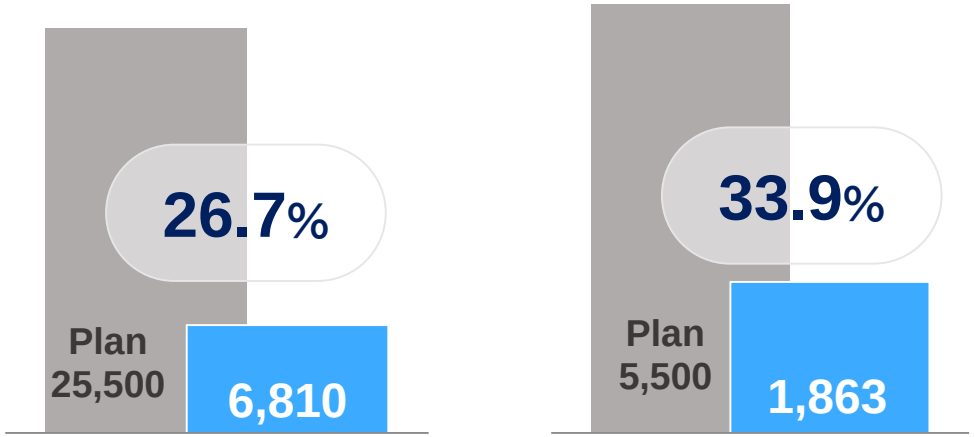
Progress Rate against Plan by Segment

(millions of yen)

Social Infrastructure Business



Industrial Infrastructure Business

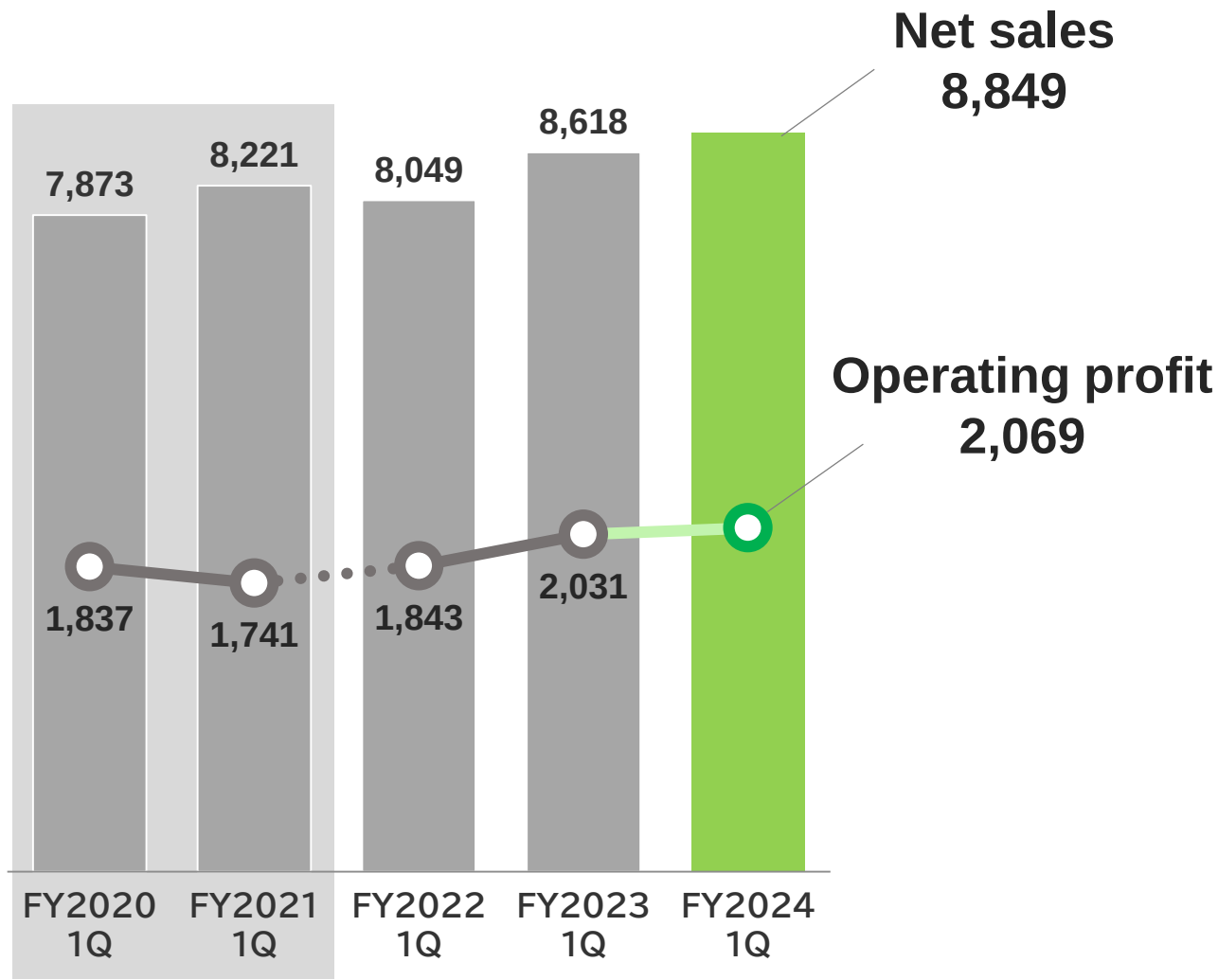


FY2024

	Net sales			Operating profit		
	1Q Actual	Plan(Full year)		1Q Actual	Plan(Full year)	
		Amount	Progress rate		Amount	Progress rate
Social Infrastructure Business	8,849	34,500	25.7 %	2,069	6,900	30.0 %
Industrial Infrastructure Business	6,810	25,500	26.7 %	1,863	5,500	33.9 %
Common				- 301	- 12	–
Total	15,659	60,000	26.1 %	3,632	112	32.4 %

(millions of yen)

Segment Performance - Social Infrastructure Business



Positive Factors

- Of the mainstay civil engineering materials, embankment reinforcement materials and river and marine materials in particular were strong
  (Noto Peninsula disaster restoration, defense, etc.)
  In addition, maintenance and repairs of concrete structures also remained strong.
- Performance was also steady at other subsidiaries.

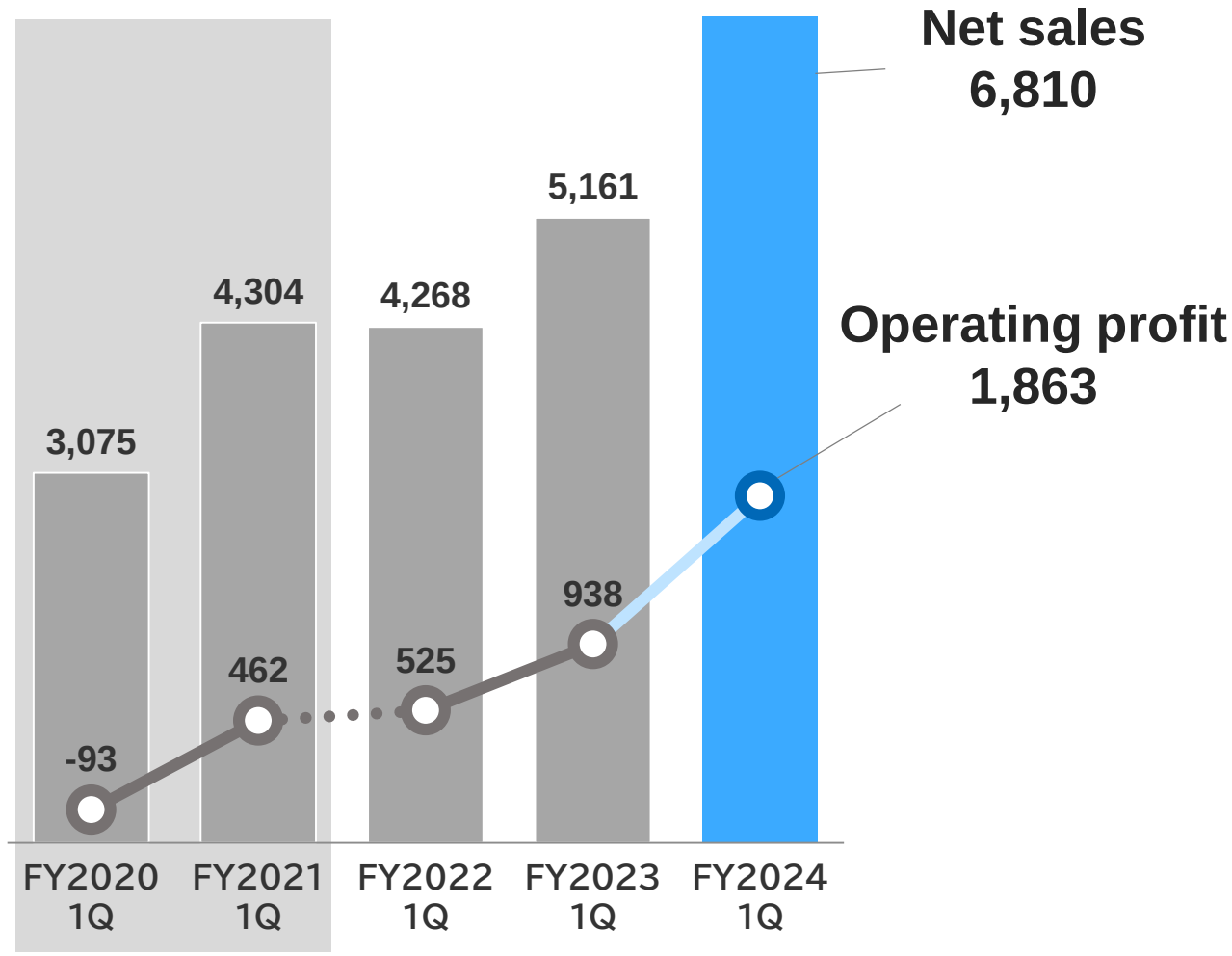
Negative Factors

- Among the agriculture-related businesses, the greenhouse business remained sluggish.
- The non-woven fabric business was also slightly below the plans, but finally entered a recovery trend.

Note: The period of first quarter results for FY2020-FY2021 is September 21 to December 20.

(millions of yen)

Segment Performance - Industrial Infrastructure Business



Positive Factors

- For BBS Japan Co., Ltd., demand from OEM manufacturers in Japan and overseas was robust, so aftermarket sales in Japan are also steady.
- Business performance at BBS's German subsidiary is very strong.
- Profit margins increased due to improvements in production efficiency (increase in ratio of good products and factory utilization ratio).
- At the Fukui factory of MIRAI KOSEN CO., LTD., both in-house and customer orders were steady (wiping cloth, etc.) and achieved the plan.

Negative Factors

- At the Kanazawa factory of MIRAI KOSEN CO., LTD., there was a recovery trend in sales of processed yarns, but some machines had low utilization.

Note: The period of first quarter results for FY2020-FY2021 is September 21 to December 20.

3 Forecast of Consolidated Financial Results for the Fiscal Year Ending June 30, 2025

Forecast of FY2024（Consolidated Financial Plan）

（millions of yen）

	FY2023		FY2024			
			2Q(Planned)		Full year(Planned)	
	2Q	Full year	Amount	Change	Amount	Change
Net sales	28,441	55,833	**31,000**	9.0 %	**60,000**	7.5 %
Operating profit	5,661	10,736	**6,000**	6.0 %	**11,200**	4.3 %
EBITDA	7,234	14,106	**7,600**	5.1 %	**14,500**	2.8 %
Ordinary profit	5,473	11,236	**6,000**	9.6 %	**11,200**	- 0.3 %
Profit attributable to owners of parent	3,760	7,979	**4,200**	11.7 %	**7,700**	- 3.5 %

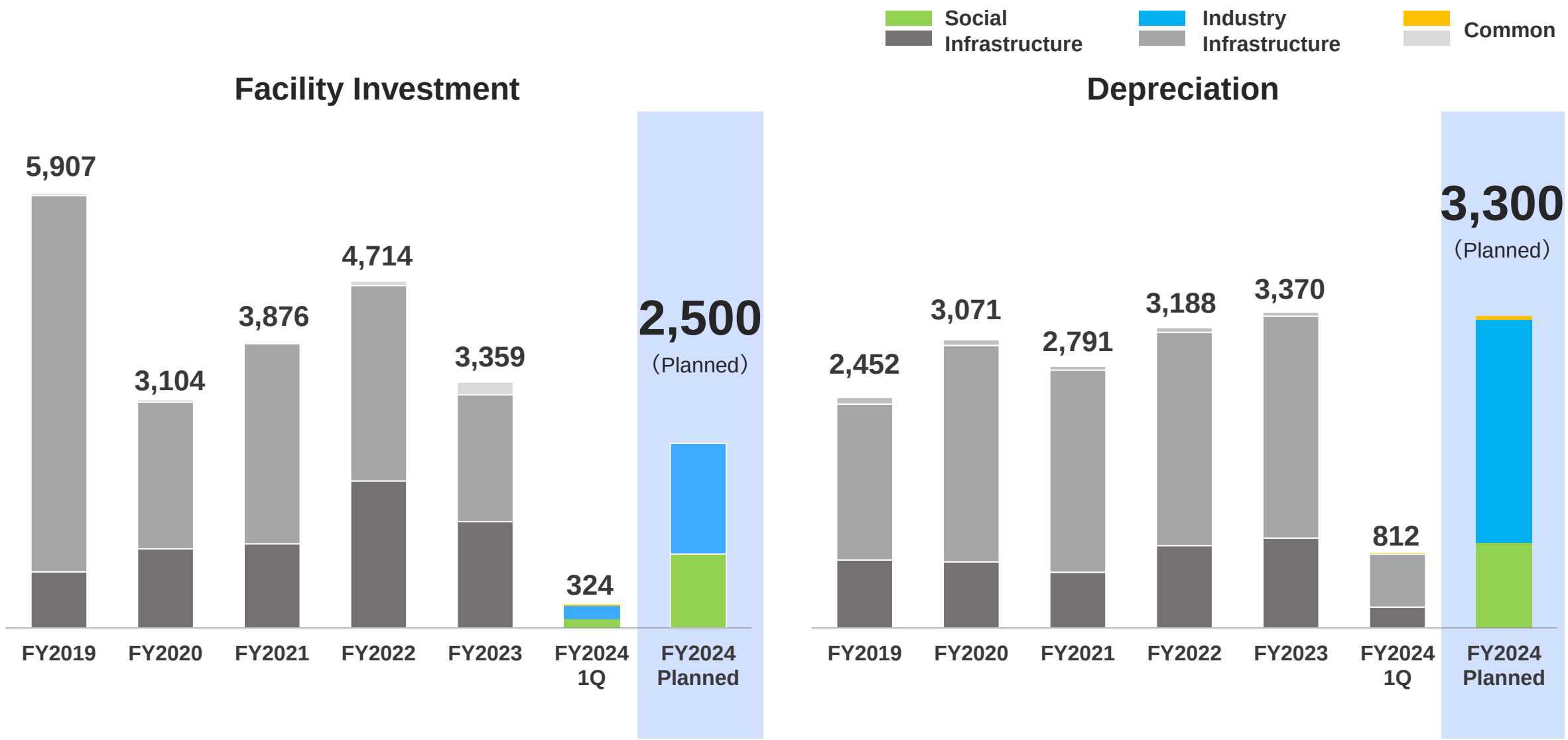
Forecast of FY2024 by Segment

（millions of yen）

		FY2023 Actual	FY2024 Plan	FY2024 Year on year change
Social Infrastructure Business	Net sales	31,687	34,500	8.9%
	Operating profit	6,755	6,900	2.1%
Industrial Infrastructure Business	Net sales	24,145	25,500	5.6%
	Operating profit	5,101	5,500	7.8%
Common	Operating profit	- 1,120	- 1,200	—
Total	Net sales	55,833	60,000	7.5%
	Operating profit	10,736	11,200	4.3%

(millions of yen)

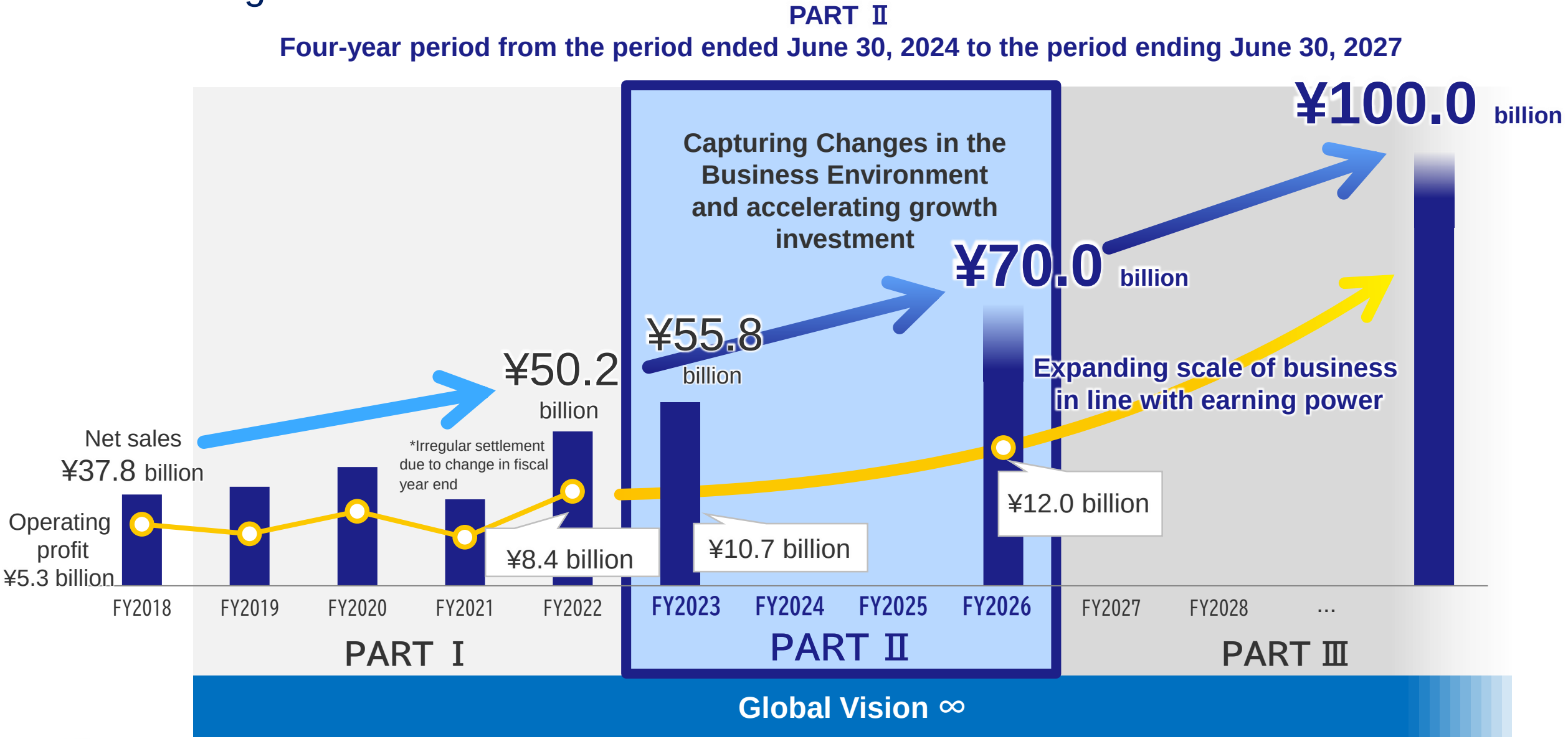
Forecast of Facility Investment and Depreciation



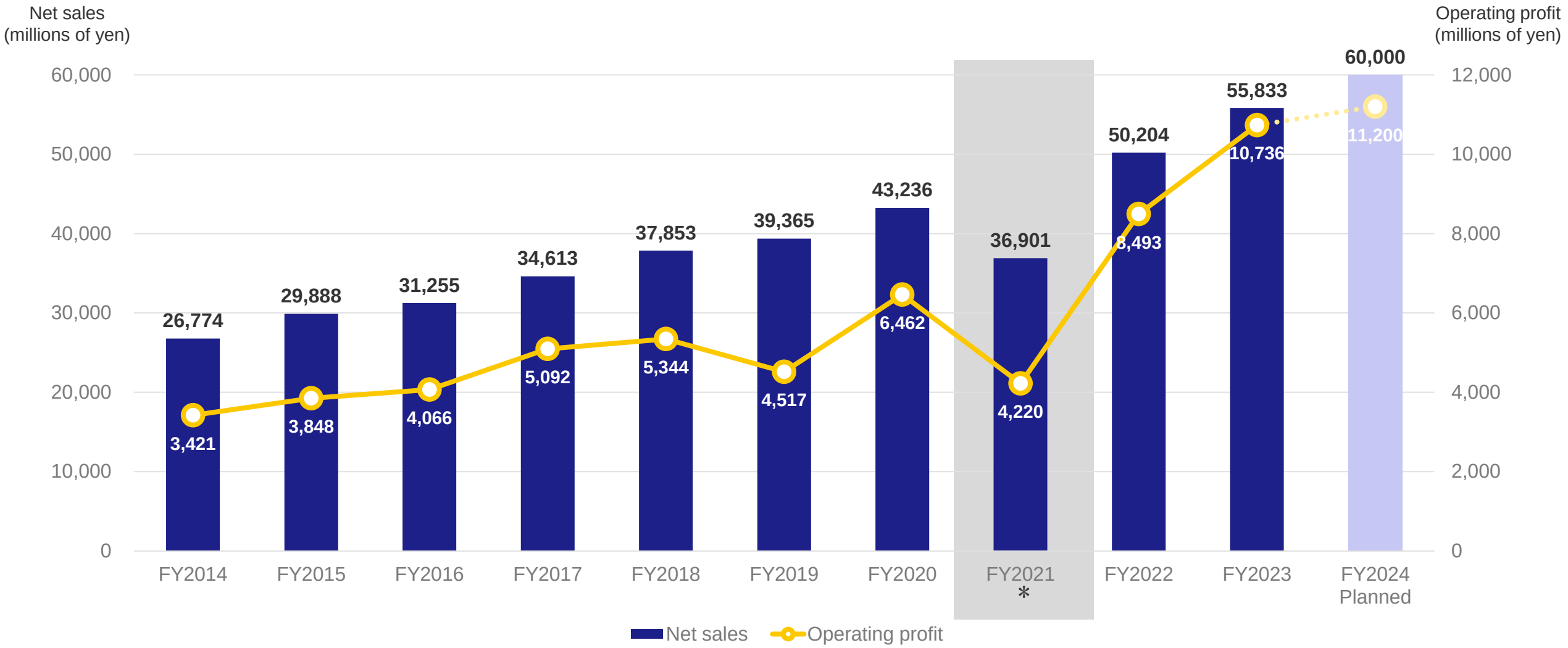
Note: The fiscal year ended June 2022 was 9 months and 10 days, from September 21, 2021 to June 30, 2022.

4 Medium-Term Business Plan “GLOBAL VISION ∞ -PART Ⅱ-”

Growth Targets



Consolidated performance trends – Net sales and Operating profit



Note: Since it was a transitional period for the change in the accounting period, the fiscal year ended June 2022 was 9 months and 10 days, from September 21, 2021 to June 30, 2022.

Main Strategies

GLOBAL VISION ∞: Main Strategies (Overview)

Strengthening existing businesses and launching new businesses

Planned capital investment: ¥15,000 million
(Four-year total)

Utilizing M&A as growth strategy

M&A investment budget: ¥20,000 million
(Four-year total)

Expansion of global network

Overseas sales ratio: 30%
(FY2026 target)

+

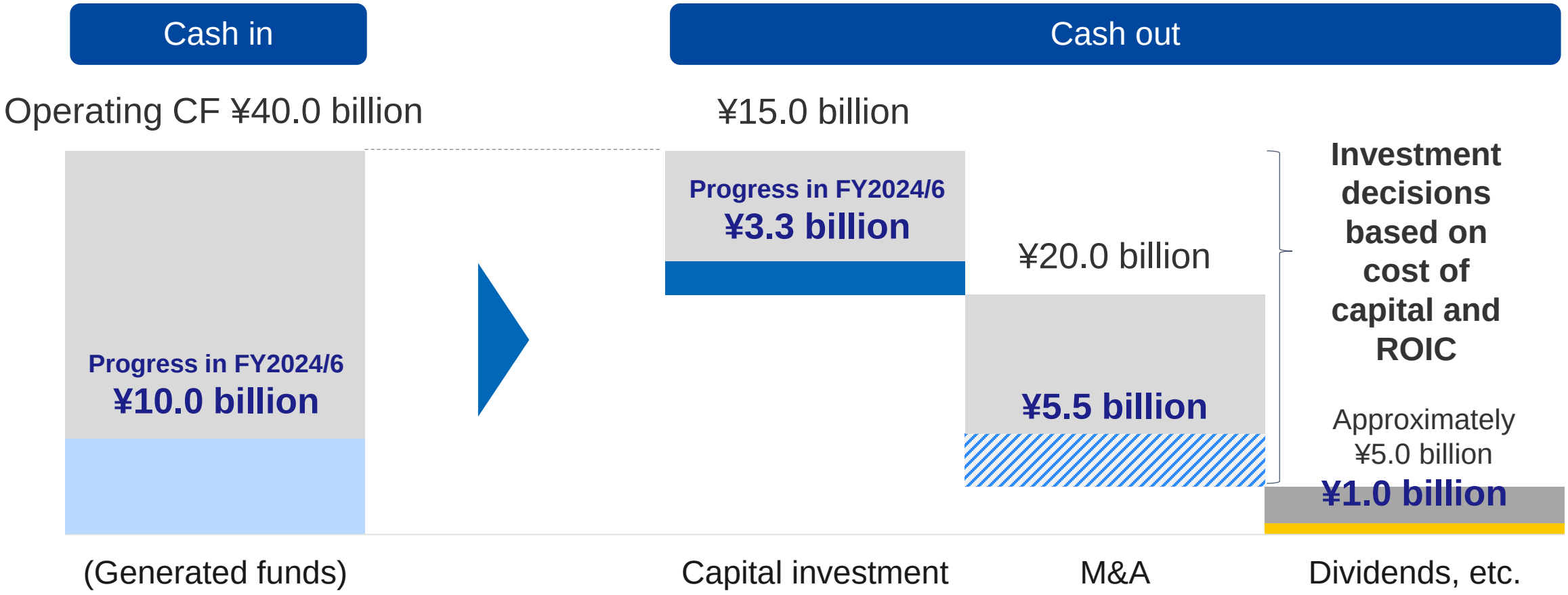
ESG + H

- **Expand use of solar power generation**
- **Strengthen engagement**

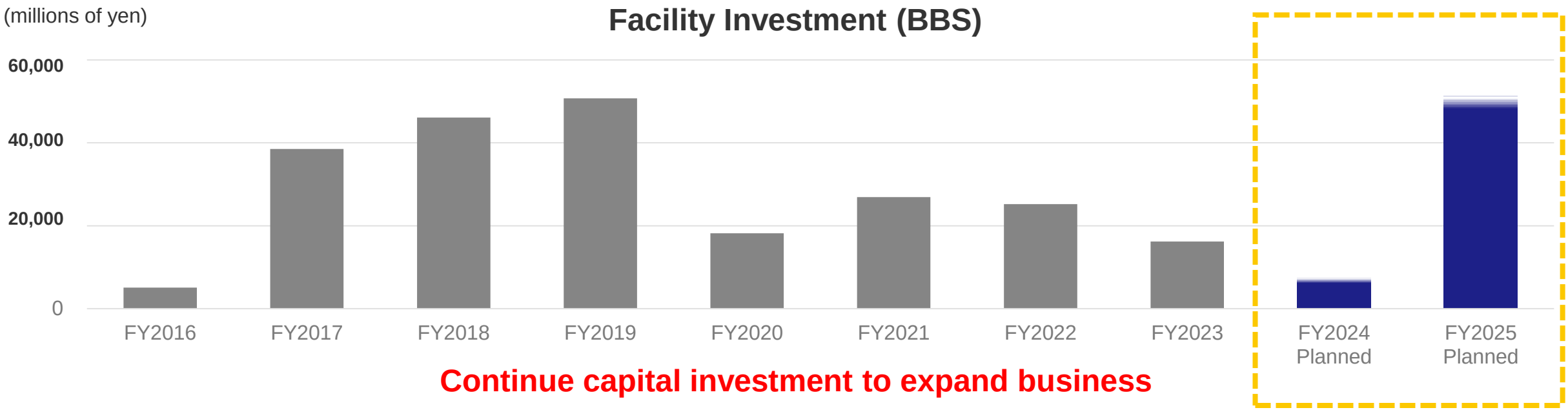
Note: For details, please refer to the "Announcement concerning the development of the medium term business plan" released on August 10, 2023.

Cash allocation

Progress toward the Medium-Term Management Plan PART-II-Period
(FY2024/6 - FY2027/6) total (estimate)



Wheel business Capital expenditures



Continue capital investment to expand business

TOPICS

Projects selected for the Small and Medium Enterprise Growth Investment Subsidy administered by the Ministry of Economy, Trade and Industry

Business Theme : Production capacity expansion plan for global expansion of premium wheels

Evaluation from the perspectives of "management capability," "advancement and growth potential," "ripple effect on the region," etc.

Use of M&A

Establish a 4-year M&A investment quota of **20 billion yen** to accelerate growth through M&A

M&A Policy

Target

In principle, "Manufacturing " companies, companies with special technologies and products

Focus areas

Strengthen existing businesses		Creation of new businesses
Same industry as existing businesses Civil engineering and construction materials, bird and animal control, horticultural greenhouses, and reputable-brand auto components	**Existing business periphery** Civil engineering works (slope and bridge maintenance), civil engineering-related and agriculture-related materials, textile-related products	**New business** Top niche company, projects for government agencies, healthcare, sports, pet supplies

Overseas
Civil engineering and construction materials, ASEAN

PMI

doing common things well x “Mixing”

- Organizational and safety measures at production sites
- Appropriate capital investment
- Continuous improvement activities in production
- Visualization of figures and results
- Establishment of monthly meeting structure
- Providing management personnel

Building cooperative relationships as equal partners rather than hierarchies

Mixing together the Group’s people, manufacturing, skills, and networks

Performance Targets（from FY2023 to FY2026）

（millions of yen）

	FY2022 Actual	FY2023 Actual	FY2024 (Planned)	FY2026 (Planned)
Net sales	50,204	**55,833**	**60,000**	**70,000**
Operating profit	8,493	**10,736**	**11,200**	**12,000**
EBITDA	11,682	**14,106**	**14,500**	**15,000**
Profit attributable to owners of parent	5,258	**7,979**	**7,700**	**8,000**
ROE	12.4 %	**15.1** %	**12.3** %	**12** % or more

Disclaimer

- This material has been prepared for your understanding of our company and is not intended to solicit investment in our company.
- We have taken great care in the preparation of this document to ensure its accuracy, but we do not guarantee its completeness. We are not responsible for any damages or injuries caused by the information in this document.
- Forecasts of Earnings and future in this material are based on the information available at the time this material was prepared, and include potential risks and uncertainties. Therefore , please understand that actual results may differ significantly from the forward-looking statements mentioned or described due to various factors such as changes in the business environment.

Inquiries regarding this document and IR of the Company

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