Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 8, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: MARUKA FURUSATO Corporation
Listing: Tokyo Stock Exchange
Securities code: 7128
URL: https://www.unisol-gr.com/en
Representative: Ryohei Furusato, President and Representative Director
Inquiries: Taketsugu Fujii, Executive Officer, Head of Corporate Administration Unit
Telephone: +81-6-6946-1600
Scheduled date to file semi-annual securities report: August 8, 2025
Scheduled date to commence dividend payments: September 1, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	79,779	1.2	1,507	(11.7)	1,856	(14.1)	996	(65.2)
June 30, 2024	78,845	(7.4)	1,706	(46.4)	2,160	(40.5)	2,862	10.2

Note: Comprehensive income For the six months ended June 30, 2025: ¥1,389 million [(31.3)%]
For the six months ended June 30, 2024: ¥2,024 million [(28.1)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	41.44	–
June 30, 2024	117.71	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	118,354	72,881	60.6	2,984.80
December 31, 2024	120,821	73,373	59.9	3,008.84

Reference: Equity
As of June 30, 2025: ¥71,774 million
As of December 31, 2024: ¥72,339 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	–	30.00	–	77.00	107.00
Fiscal year ending December 31, 2025	–	30.00			
Fiscal year ending December 31, 2025 (Forecast)			–	71.00	101.00

Notes: 1. Revisions to the forecast of cash dividends most recently announced: None

2. Breakdown of year-end dividends for the fiscal year ended December 31, 2024
Ordinary dividend: 45.00 yen, Special dividend: 32.00 yen

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	162,000	0.2	3,500	(9.3)	4,100	(12.0)	2,500	(45.8)	103.98

Note: Revisions to the earnings forecasts most recently announced: Yes

Please refer to “1. Qualitative information on semi-annual financial results for the period under review, (3) Explanation on consolidated earnings forecasts and other forward-looking statements” on pages 4 to 5 of the attached materials for details.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	25,143,642 shares
As of December 31, 2024	25,143,642 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	1,097,047 shares
As of December 31, 2024	1,101,368 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2025	24,043,890 shares
Six months ended June 30, 2024	24,320,501 shares

Note: The number of treasury shares at the end of the period includes the number of the Company's shares owned by trust accounts of the "director stock ownership plan" and the "stock-granting ESOP trust" (252,704 shares as of June 30, 2025; 259,801 shares as of December 31, 2024). In addition, the number of the Company's shares owned by trust accounts of the "director stock ownership plan," the "employee stock ownership plan" and the "stock-granting ESOP trust" are included in the number of treasury shares, which are deducted in calculating the average number of shares outstanding during the period.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements and others

・ Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the earnings forecasts due to various factors.

Means of access to supplementary material on financial results

The supplementary material on financial results will be disclosed on TDnet on the same day and will also be available on the Company's website.

Attached Material

Index

1. Qualitative information on semi-annual financial results for the period under review 2
(1) Overview of consolidated financial results for the period under review 2
(2) Overview of consolidated financial position for the period under review 4
(3) Explanation on consolidated earnings forecasts and other forward-looking statements 4
2. Semi-annual consolidated financial statements and significant notes thereto 6
(1) Semi-annual consolidated balance sheet 6
(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income 8
Semi-annual consolidated statement of income 8
Semi-annual consolidated statement of comprehensive income 9
(3) Notes to semi-annual consolidated financial statements 10
Notes on changes in accounting policies 10
Notes on segment information, etc. 10
Notes when there are significant changes in amounts of equity 12
Notes on premise of going concern 12

1. Qualitative information on semi-annual financial results for the period under review

(1) Overview of consolidated financial results for the period under review

During the first six months ended June 30, 2025, the Japanese economy continued on a gradual recovery trend, although there was an overall sense of uncertainty. Signs of recovery are continuously apparent in capital investment, which is expected to increase in the manufacturing industry's capital investment plans for FY2025, according to the Bank of Japan's Tankan survey. In the manufacturing industry, orders have increased for the eighth consecutive month year-on-year, according to the "Machinery Orders" report, a leading indicator for equipment and machinery. Corporate production had been on a year-on-year growth trend since January this year according to the "Indices of Industrial Production." Although it turned negative in May, it returned to growth in June. According to "Building Starts" statistics, the number of new housing starts in the construction sector saw a significant year-on-year decline starting in April due to the reactionary decline from the rush of applications prior to the reduction of the Article 4 special provision in March, and the total floor area of building starts also began to decline year-on-year from April onwards.

Regarding the outlook, an uncertain situation for US trade policy is expected to continue, and we will closely monitor future developments, including the impact on global supply chains.

Also, in overseas economies, although the U.S. is seeing a gradual economic expansion, capital investment and production have remained flat due to the rebound from the rush demand triggered by tariff hikes. However, it is essential to remain vigilant regarding the ongoing impact of trade policies.

In China, although the effects of various policies are emerging, the economy has come to a standstill, while in Southeast Asia, the economy remains strong, mainly driven by domestic demand. However, the outlook for external demand is expected to weaken due to trade issues with the U.S.

Under these circumstances, the MARUKA FURUSATO Group has set forth the VISION of the future we aim to realize: "Towards a world overflowing with 'I want to make this happen!'" As we strive to realize management that is conscious of capital costs and stock prices, we are promoting measures aimed at enhancing economic value as well as social and environmental value. With regard to these initiatives for increasing corporate value over the medium to long term, we aim to achieve our goals in the final year of the Medium-Term Management Plan "UNISOL" (fiscal year ending December 31, 2026).

As a result of the above, in the first six months ended June 30, 2025, net sales were ¥79,779 million, increasing by 1.2% year on year. Operating profit was ¥1,507 million, decreasing by 11.7% year on year, due to a 4.8% year-on-year increase in selling, general and administrative expenses. Ordinary profit was ¥1,856 million, decreasing by 14.1% year on year. Profit attributable to owners of parent was ¥996 million, decreasing by 65.2% year on year, due to recording of removal expenses of non-current assets of ¥95 million in extraordinary losses.

The operating results by segment are as follows:

(Millions of yen)

Segments	Net sales			Segment profit		
	Amount	Year-on-year change (amount)	Year-on-year change (%)	Amount	Year-on-year change (amount)	Year-on-year change (%)
Machinery & Tools	51,963	736	1.4	972	129	15.4
Construction Products	20,730	(1,049)	(4.8)	282	(463)	(62.1)
Construction Machinery	4,859	822	20.4	140	63	81.7
IoT Solutions	2,226	423	23.5	186	61	49.9
Subtotal	79,779	933	1.2	1,582	(208)	(11.6)
Adjustment	–	–	–	(75)	8	–
Total	79,779	933	1.2	1,507	(199)	(11.7)

Machinery & Tools Segment

In the machinery sector, orders for machine tools, a key indicator, exhibited a 2.3% year-on-year growth in domestic demand in January-March, marking the second consecutive quarter of growth, followed by a 4.2% decrease in the most recent April-June. External demand has shown continuous year-on-year growth since April-June of the prior year and increased by 6.6% in the most recent April-June.

In this environment, the machinery sector in this segment faced harsh conditions in the direct-sale business in the domestic market, with disparities among automakers, and as capital investment in construction machinery peaked out, net sales increased slightly year-on-year due to large-scale orders from certain machinery tool manufacturers, while orders received increased by double digits. In wholesale business in domestic market, net sales experienced a double-digit decrease year on year due to capital investment by medium-sized companies and SMEs, the main end users, being affected by the outcome of subsidy approvals. However, orders turned positive in the latter half of the period.

Meanwhile, the North America business overseas saw double-digit sales growth and increased orders due to rush demand triggered by tariff hikes for injection molding machines, equipment investments by some Japanese automotive parts manufacturers, and continued strong orders in engineering. The China business continued to face a challenging environment due to the impact of the real estate slump and US tariffs, despite policy measures to support the economy. Although there were sales of parts to Japanese customers such as machinery manufacturers and orders for individual projects, the overall automotive industry remained weak, and the poor performance of Japanese automotive manufacturers had an impact, resulting in a decrease of just over 30% in sales. In the Southeast Asia business, despite sluggish capital investment by Japanese automotive manufacturers in various countries, sales increased by double digits year on year due to orders for the renewal of existing equipment in Thailand and large-scale orders for the food industry in Indonesia.

The automotive industry component of the Indices of Industrial Production, a key indicator in the tools sector, increased by 11.0% year on year in January-March quarter and by 1.2% year on year in April-June. In the production machinery industry, it decreased by 0.1% year on year in the January-March and by 0.3% year on year in the April-June.

In this environment, sales in the direct-sale business of the tools sector of this segment experienced a slight decline due to a challenging environment for new capital investment, despite production at major automakers progressing steadily toward clearing backorders. In wholesale, despite sluggish demand for consumable tools and equipment related to machining, particularly in eastern Japan due to weakness in the automotive and semiconductor industries, nets sales increased slightly thanks to increased sales of seasonal products (heat countermeasures) and proposals that addressed customer needs at solution-focused exhibitions.

Construction Products Segment

In the building products sector, the total floor area of building starts for steel frame structures (S + SRC), a key indicator, exhibited a 9.0% year-on-year decrease in January-March, followed by a 5.9% year-on-year decrease in April-June. This marks the 11th consecutive quarter of year-on-year decrease since October-December 2022.

In this environment, the building products sector within the segment experienced sluggish demand for materials due to continued impacts including the soaring costs of raw materials, labor shortages, and work styles at construction sites (eight days off every four weeks). Despite focusing on the sales of large equipment machinery and dealing with new products, net sales recorded a double-digit decline year on year.

In the piping products sector, factors including steady albeit modest sales to the semiconductor and electronic component industries and a focus on sales of large industrial machinery drove single-digit growth in net sales year on year.

In the housing products sector, although housing starts declined again due to a reactionary decline from rush applications, and renovation demand remained sluggish, sales increased by double digits due to

the sale of high value-added products from major manufacturers and the focus on projects that included installation work.

Construction Machinery Segment

Although shipments of crawler cranes remained flat according to the "Statistics of domestic shipments of construction machinery," results in this segment, net sales increased 20.4% year on year due to strong sales mainly of crawler cranes and increased rental demand from basic contractors.

IoT Solutions Segment

Amid continued strong security demand for data centers and distribution centers, the systems integration business recorded several large-scale projects in first-half sales. Meanwhile, in the equipment sales segment through major security companies, demand for surveillance cameras, both for households and commercial uses, remained strong, resulting in a 23.5% year-on-year increase in net sales.

(2) Overview of consolidated financial position for the period under review

Assets

Current assets and non-current assets as of June 30, 2025 were ¥84,053 million and ¥34,300 million, respectively, resulting in total assets of ¥118,354 million, a decrease of ¥2,467 million from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits of ¥3,144 million, and decreases in notes and accounts receivable - trade of ¥4,588 million and electronically recorded monetary claims - operating of ¥1,465 million.

Liabilities

Current liabilities as of June 30, 2025 were ¥43,323 million, and non-current liabilities were ¥2,149 million, resulting in total liabilities of ¥45,472 million, a decrease of ¥1,975 million from the end of the previous fiscal year. This was mainly due to increases in contract liabilities of ¥1,057 million and provision for bonuses of ¥324 million, and decreases in notes and accounts payable - trade of ¥2,425 million and income taxes payable of ¥771 million.

Net assets

Shareholders' equity and accumulated other comprehensive income as of June 30, 2025 were ¥69,053 million and ¥2,720 million, respectively, resulting in total net assets of ¥72,881 million, a decrease of ¥491 million from the end of the previous fiscal year. This was mainly attributable to an increase in foreign currency translation adjustment of ¥218 million and a decrease in retained earnings of ¥897 million due to the recording of profit attributable to owners of parent and dividends of surplus.

(3) Explanation on consolidated earnings forecasts and other forward-looking statements

With respect to the earnings forecast for the fiscal year ending December 31, 2025, in the Machinery & Tools Segment, capital investment remains on hold due to the impact of the US tariffs. In the Construction Products Segment, due to factors such as domestic demand for steel frames falling below expectations and intensifying price competition, the consolidated earnings forecast that was announced on February 14, 2025 has been revised as follows.

Consolidated earnings forecasts for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	170,000	4,500	5,100	3,300	136.46
Revised forecasts (B)	162,000	3,500	4,100	2,500	103.98
Amount of change (B-A)	(8,000)	(1,000)	(1,000)	(800)	–
Change (%)	(4.7)	(22.2)	(19.6)	(24.2)	–
(Reference) Results for the previous fiscal year ended December 31, 2024	161,716	3,860	4,659	4,613	190.77

The above earnings forecasts are based on information currently available to the Company and actual results may differ from the forecasts due to a variety of factors. Should any changes occur in the future, the relevant information will be duly disclosed.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	27,533	30,677
Notes and accounts receivable - trade	28,608	24,019
Electronically recorded monetary claims - operating	11,736	10,271
Investments in leases	5	–
Merchandise and finished goods	10,832	10,389
Work in process	2,783	3,050
Raw materials and supplies	420	399
Other	4,703	5,265
Allowance for doubtful accounts	(24)	(19)
Total current assets	86,599	84,053
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,680	11,474
Machinery, equipment and vehicles, net	1,097	1,069
Tools, furniture and fixtures, net	694	648
Assets for rent, net	1,056	1,095
Leased assets, net	109	95
Right-of-use assets, net	681	677
Land	10,033	10,035
Construction in progress	21	85
Total property, plant and equipment	25,375	25,180
Intangible assets		
Goodwill	715	674
Trade right	800	720
Other	882	914
Total intangible assets	2,397	2,308
Investments and other assets		
Investment securities	3,116	3,182
Retirement benefit asset	1,138	1,296
Deferred tax assets	339	457
Other	1,972	1,994
Allowance for doubtful accounts	(119)	(119)
Total investments and other assets	6,448	6,810
Total non-current assets	34,221	34,300
Total assets	120,821	118,354

Note: All figures are rounded down to the nearest million yen.

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,669	15,244
Electronically recorded obligations - operating	17,122	16,823
Short-term borrowings	466	522
Current portion of long-term borrowings	47	47
Lease liabilities	96	94
Income taxes payable	1,519	748
Contract liabilities	5,084	6,142
Provision for bonuses	770	1,095
Provision for bonuses for directors (and other officers)	41	29
Provision for share awards for employees	18	–
Provision for product warranties	57	64
Other	2,455	2,511
Total current liabilities	45,350	43,323
Non-current liabilities		
Long-term borrowings	404	380
Lease liabilities	715	697
Deferred tax liabilities	178	252
Provision for retirement benefits for directors (and other officers)	62	68
Provision for share awards for directors (and other officers)	51	47
Retirement benefit liability	183	200
Other	501	502
Total non-current liabilities	2,097	2,149
Total liabilities	47,448	45,472
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	27,261	27,263
Retained earnings	40,052	39,155
Treasury shares	(2,377)	(2,365)
Total shareholders' equity	69,937	69,053
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,007	987
Deferred gains or losses on hedges	(33)	(1)
Foreign currency translation adjustment	1,334	1,552
Remeasurements of defined benefit plans	93	182
Total accumulated other comprehensive income	2,401	2,720
Non-controlling interests	1,034	1,107
Total net assets	73,373	72,881
Total liabilities and net assets	120,821	118,354

Note: All figures are rounded down to the nearest million yen.

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	78,845	79,779
Cost of sales	66,306	66,920
Gross profit	12,539	12,858
Selling, general and administrative expenses	10,832	11,351
Operating profit	1,706	1,507
Non-operating income		
Interest income	49	60
Dividend income	93	53
Purchase discounts	211	189
Rental income	40	50
Foreign exchange gains	29	–
Other	124	80
Total non-operating income	549	435
Non-operating expenses		
Interest expenses	13	3
Rental costs	24	28
Foreign exchange losses	–	32
Other	57	20
Total non-operating expenses	96	85
Ordinary profit	2,160	1,856
Extraordinary income		
Gain on sale of non-current assets	1	7
Gain on sale of investment securities	2,265	–
Total extraordinary income	2,267	7
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	0	0
Removal expenses of non-current assets	–	95
Total extraordinary losses	0	96
Profit before income taxes	4,426	1,767
Income taxes - current	1,549	793
Income taxes - deferred	(40)	(96)
Total income taxes	1,509	696
Profit	2,917	1,071
Profit attributable to non-controlling interests	54	74
Profit attributable to owners of parent	2,862	996

Note: All figures are rounded down to the nearest million yen.

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	2,917	1,071
Other comprehensive income		
Valuation difference on available-for-sale securities	(853)	(20)
Deferred gains or losses on hedges	(32)	32
Foreign currency translation adjustment	0	218
Remeasurements of defined benefit plans, net of tax	(7)	89
Total other comprehensive income	(893)	318
Comprehensive income	2,024	1,389
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,955	1,315
Comprehensive income attributable to non-controlling interests	68	74

Note: All figures are rounded down to the nearest million yen.

(3) Notes to semi-annual consolidated financial statements

Notes on changes in accounting policies

Application of the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules," Etc.

The Company has applied the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (Practical Solution No. 46, March 22, 2024; hereinafter referred to as "this Practical Solution"), etc. from the beginning of the six months ended June 30, 2025.

As the Company has applied the treatment in paragraph 7 of this Practical Solution, the Company does not record current taxes related to the global minimum tax rules in the semi-annual consolidated financial statements for the period under review.

Notes on segment information, etc.

[Segment information]

I Six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

1. Information of sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amounts recorded in the semi-annual consolidated statement of income (Note 2)
	Machinery & Tools	Construction Products	Construction Machinery	IoT Solutions	Total		
Net sales							
Sales to external customers	51,226	21,780	4,036	1,802	78,845	–	78,845
Intersegment revenue or transfers	484	25	–	28	538	(538)	–
Total	51,710	21,805	4,036	1,830	79,383	(538)	78,845
Segment profit	843	745	77	124	1,790	(83)	1,706

Notes: 1. Adjustment of segment profit, amounting to ¥(83) million, includes ¥(82) million from elimination of intersegment transactions and HD management cost not allocated to each business segment reported, ¥(2) million from reconciliation of inventories, and ¥1 million from reconciliation of non-current assets.

2. Segment profit is adjusted to operating profit on the semi-annual consolidated statement of income.

II Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

1. Information of sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amounts recorded in the semi-annual consolidated statement of income (Note 2)
	Machinery & Tools	Construction Products	Construction Machinery	IoT Solutions	Total		
Net sales							
Sales to external customers	51,963	20,730	4,859	2,226	79,779	–	79,779
Intersegment revenue or transfers	605	39	–	36	681	(681)	–
Total	52,568	20,770	4,859	2,262	80,460	(681)	79,779
Segment profit	972	282	140	186	1,582	(75)	1,507

Notes: 1. Adjustment of segment profit, amounting to ¥(75) million, includes ¥(75) million from elimination of intersegment transactions and HD management cost not allocated to each business segment reported.

2. Segment profit is adjusted to operating profit on the semi-annual consolidated statement of income.

Notes when there are significant changes in amounts of equity

Not applicable.

Notes on premise of going concern

Not applicable.