Presentation Materials of Financial Results Q2 FY2024 (July 1, 2024-December 31, 2024)

MAEDAKOSEN CO., LTD.

Prime Market, Tokyo Stock Exchange

Stock code: 7821

MAEDAKOSEN

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

（millions of yen）

Financial Highlights for the Second Quarter

Net Sales

32,530

Progress rate(Revised)
52.5%

Gross profit

12,534

Year on year changes
19.8 %

Operating profit

7,152

Progress rate(Revised)
59.6%

EBITDA

8,800

Progress rate(Revised)
57.5%

Ordinary profit

7,224

Progress rate(Revised)
60.2%

Profit attributable to owners of parent

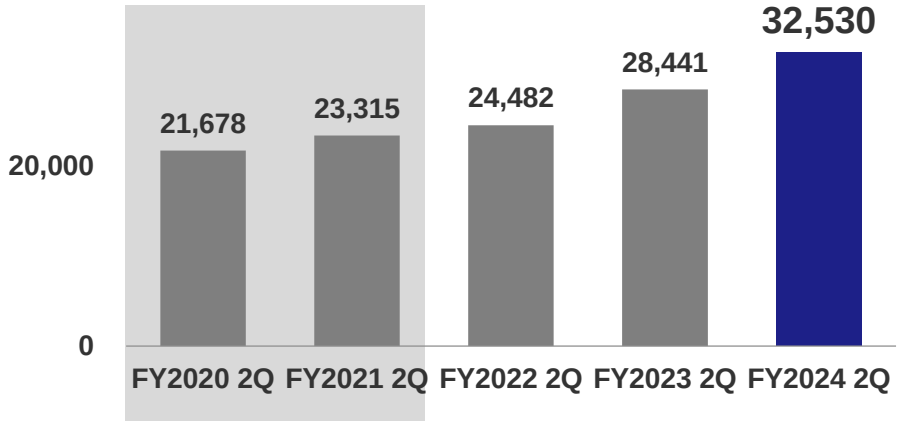
4,939

Progress rate(Revised)
58.8%

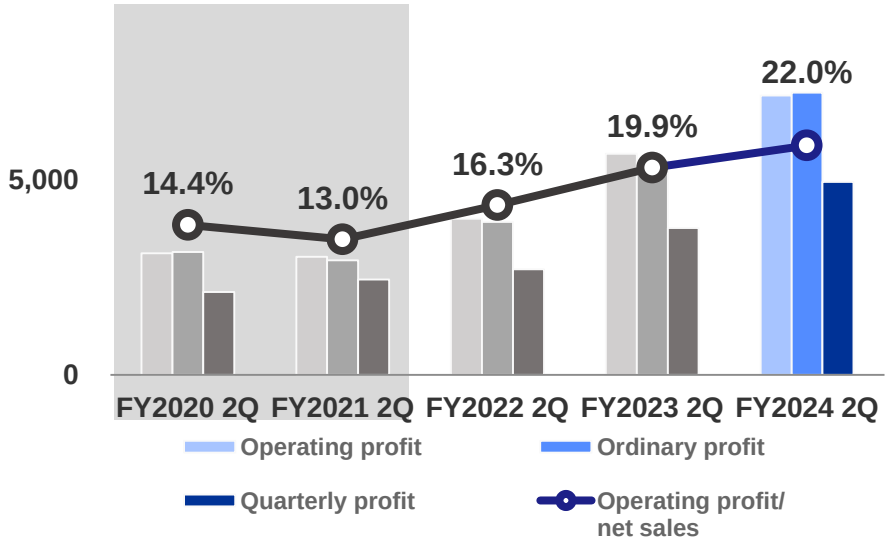
Consolidated Summary

(millions of yen)

Net Sales



Profit

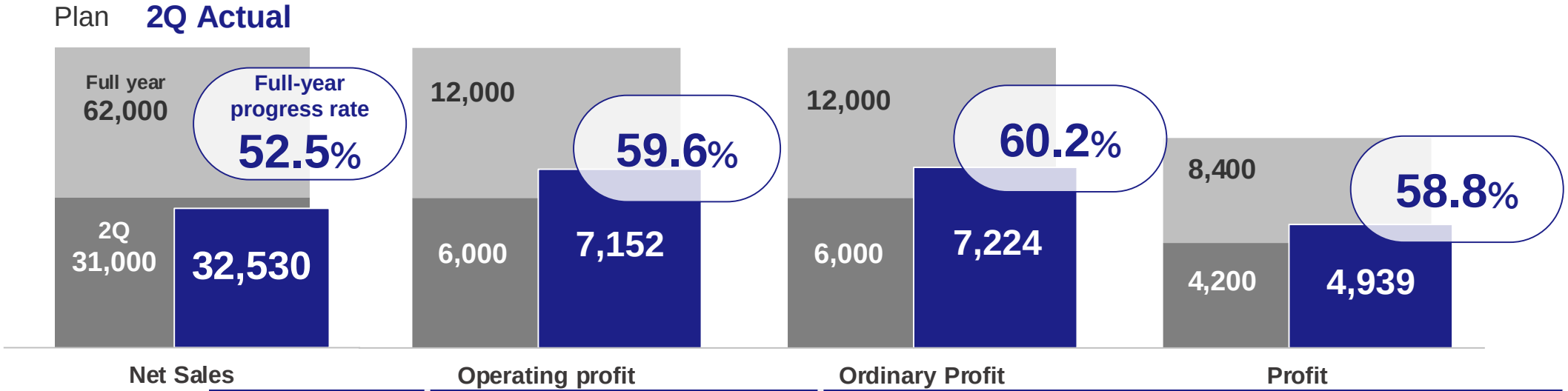


	FY2023 2Q		FY2024 2Q		
	Actual	Sales ratio	Actual	Sales ratio	Year on year changes
Net Sales	28,441	–	**32,530**	—	**14.4** %
Operating profit	5,661	19.9 %	**7,152**	**22.0** %	**26.3** %
EBITDA	7,234	25.4 %	**8,800**	**27.1** %	**21.7** %
Depreciation	1,572	5.5 %	**1,648**	**5.1** %	**4.8** %
Ordinary profit	5,473	19.2 %	**7,224**	**22.2** %	**32.0** %
Profit attributable to owners of parent	3,760	13.2 %	**4,939**	**15.2** %	**31.3** %

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

(millions of yen)

Comparison between Plan and Results

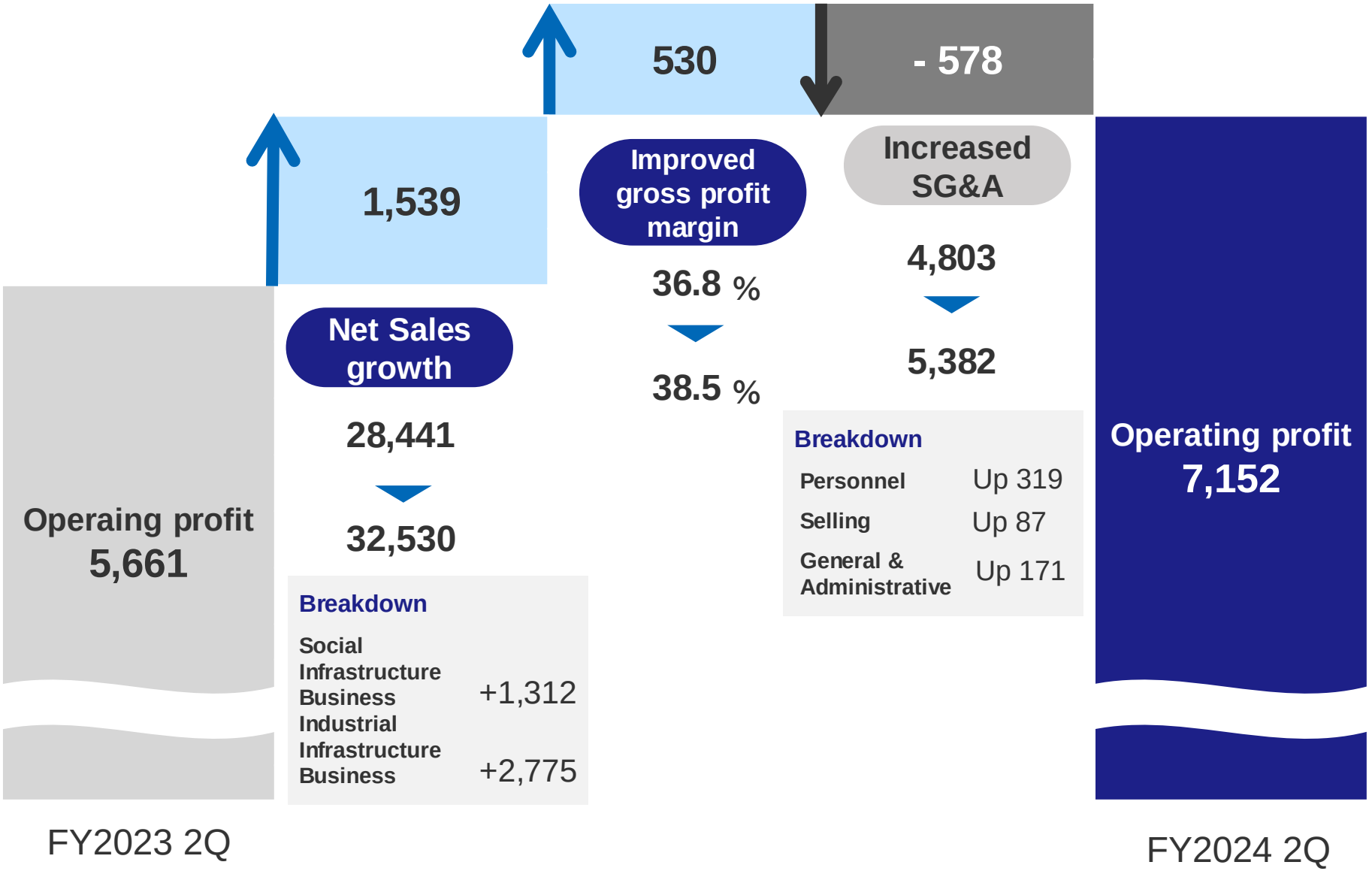


FY2024	2Q Actual	2Q(Planned)		Full year(Planned) *2			
		Amount	Achievement rate	Amount (Prior to revision)	Progress rate (Prior to revision)	Amount (Revised)	Progress rate (Revised)
Net Sales	32,530	31,000	104.9 %	60,000	54.2 %	62,000	52.5 %
Operating profit	7,152	6,000	119.2 %	11,200	63.9 %	12,000	59.6 %
EBITDA *1	8,800	7,600	115.8 %	14,500	60.7 %	15,300	57.5 %
Ordinary profit	7,224	6,000	120.4 %	11,200	64.5 %	12,000	60.2 %
Profit attributable to owners of parent	4,939	4,200	117.6 %	7,700	64.2 %	8,400	58.8 %

Note 1: EBITDA=Operating profit + Depreciation + Amortization of goodwill Note 2: The full-year plan has been revised as of February 14, 2025.

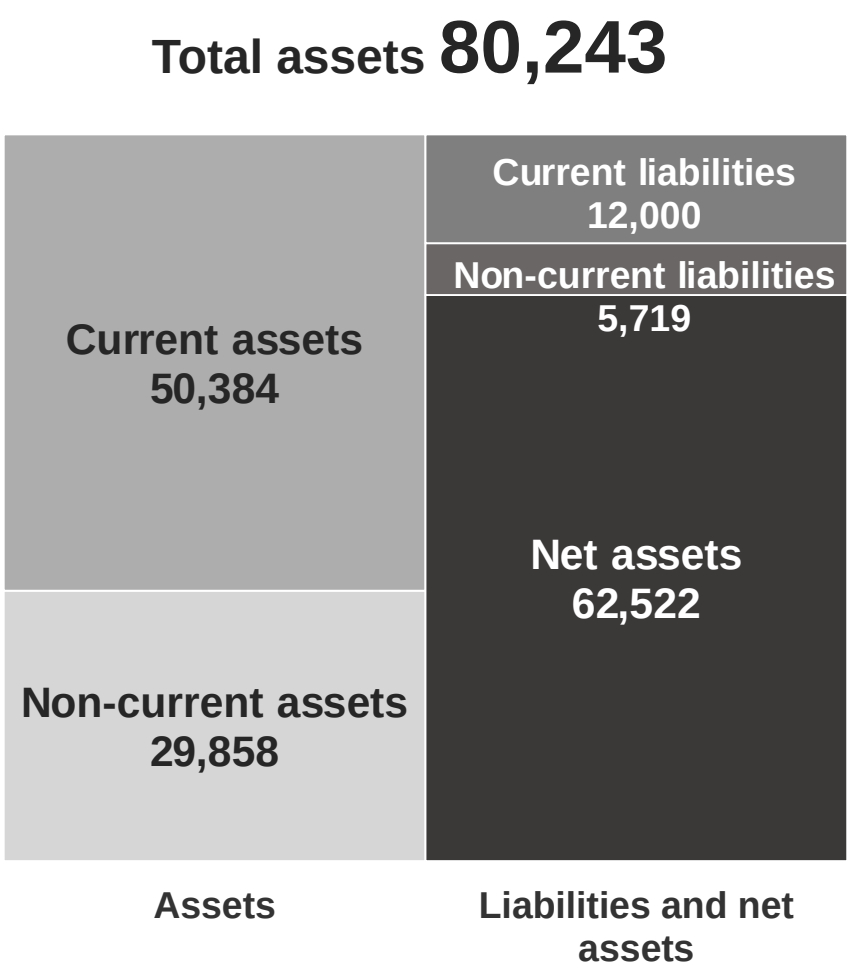
(millions of yen)

Analysis of Changes in Operating Profit

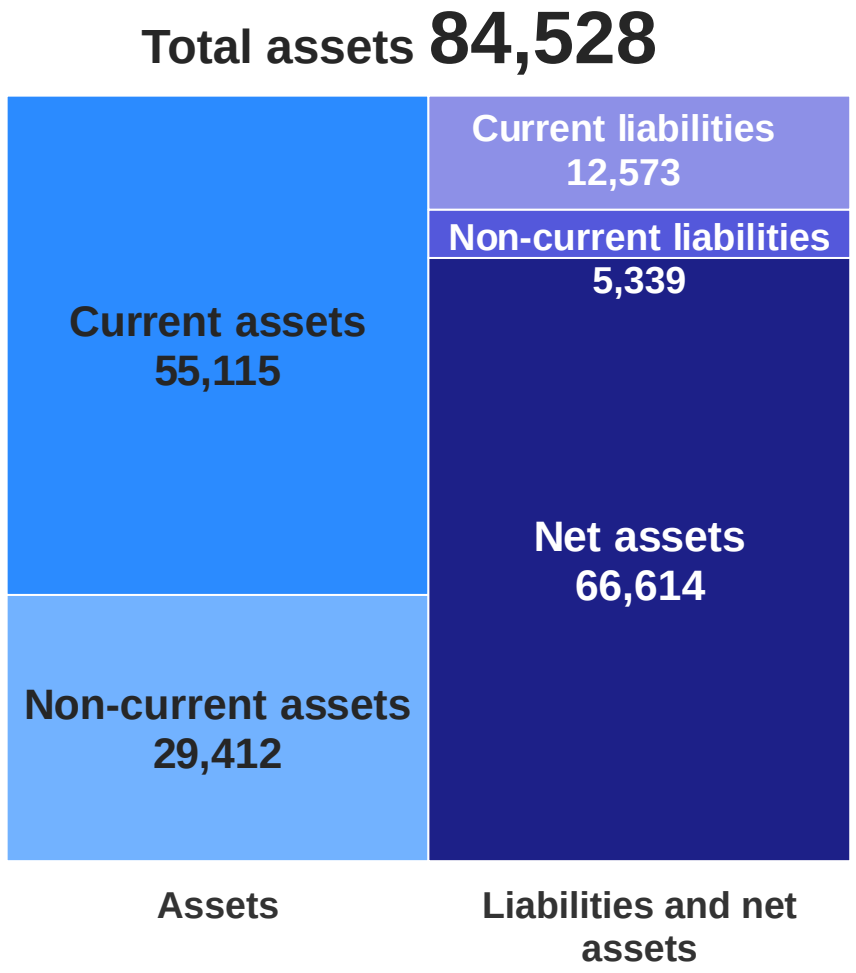


（millions of yen）

Financial Position

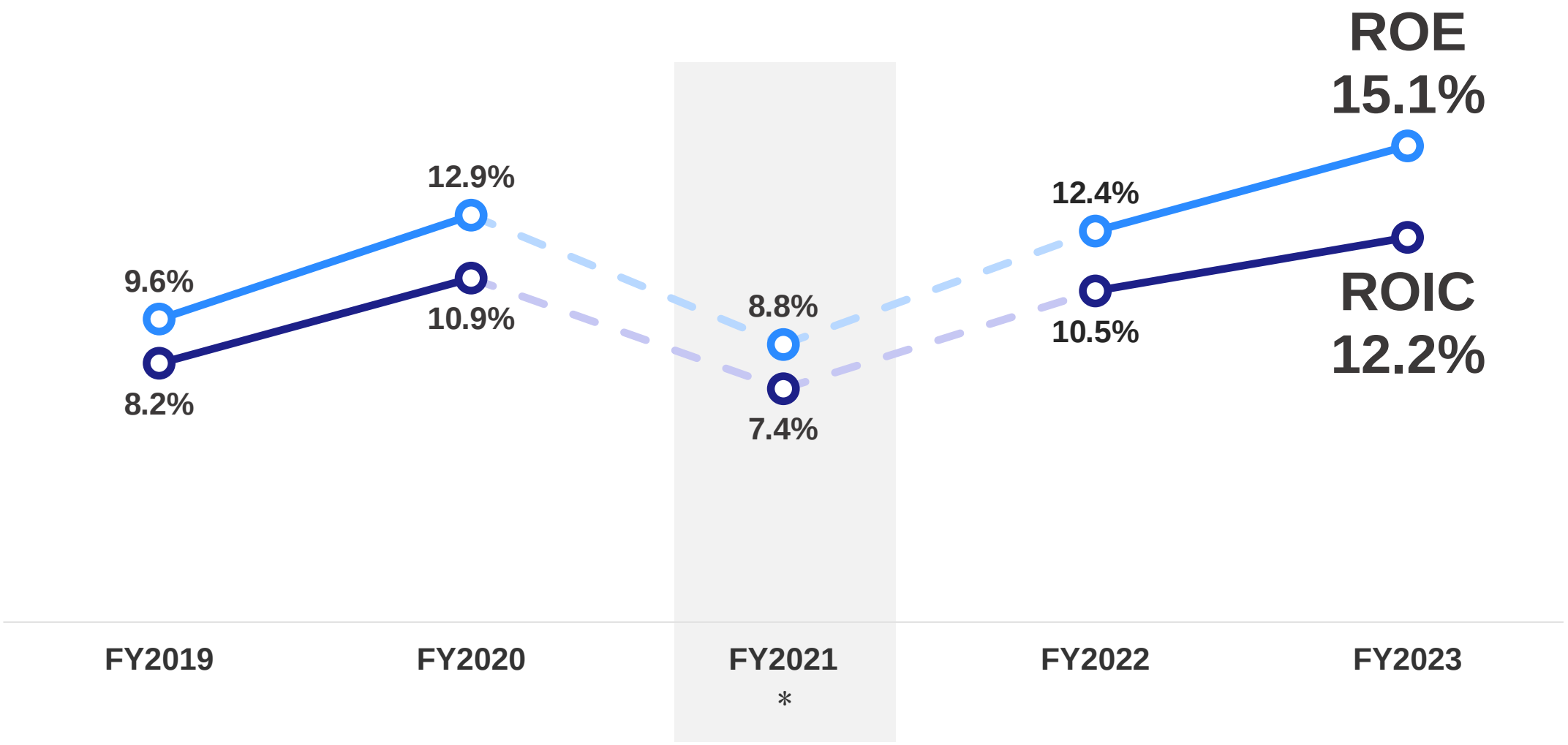


FY2023 End of year



FY2024 2Q

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.

TOPICS－Making SAIKOBO CO., LTD. a subsidiary

Dec. 2024 **100% share acquisition**

株式会社 犀工房

Business description

Planning, design, manufacture and sale of supplies for kindergartens and nursery schools and playground equipment.

Key points about making SAIKOBO CO., LTD. a subsidiary

- **Expansion in the kindergarten and nursery school playground equipment industry through the planning, design and manufacture of playground equipment that combines design expertise and safety performance**
- **Strong relationships with publishers of children's picture books**

→ **Acquiring new products and sales channels in the landscape materials sector**

Entering the park sector and creating a new market

Location	Otsu City, Shiga Prefecture
Established	April 12, 1991
Capital	¥20 million
Employees	27



Multipurpose playground equipment



Headquarters building



Factory interior

TOPICS－Publication of Integrated Report 2024



The fourth publication of an integrated report for the Group (gradual enhancement of the content)

Point

【Strengthening the core of our value creation story】

Enhancing the clarity around the sources of value creation for MAEDAKOSEN, which can achieve conglomerate premium results as the business diversifies.

Find the Integrated Report on the investor information page
https://www.maedakosen.jp/ir/irlib/report/

*Japanese only

2 Financial Summary by Segment

Summary of Financial Results by Segment

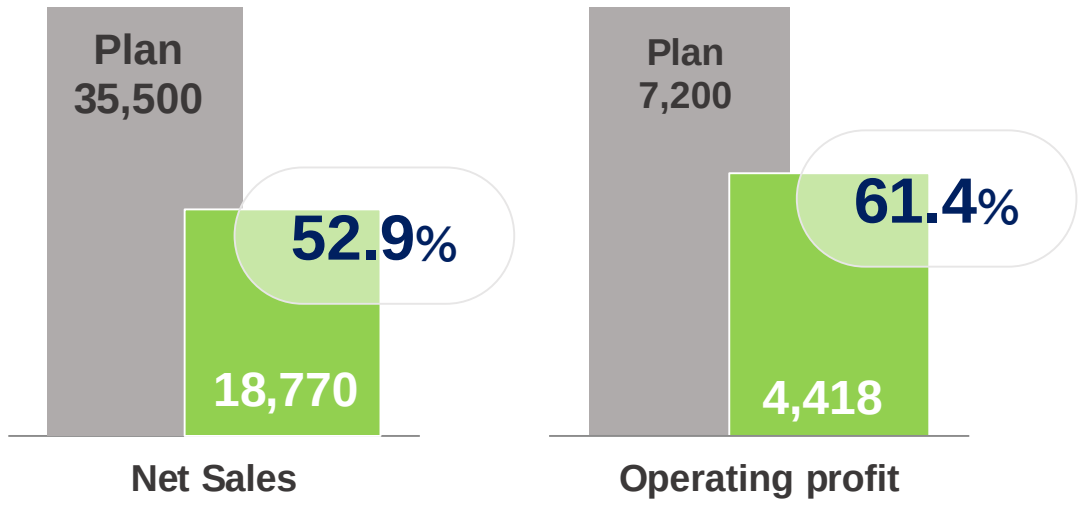
(millions of yen)

	FY2023 2Q Actual			FY2024 2Q Actual			
	Amount	Operating profit margin	weight	Amount	Operating profit margin	weight	Year on year changes
Net Sales							
Social Infrastructure Business	17,458		61.4 %	**18,770**		**57.7 %**	**7.5 %**
Industrial Infrastructure Business	10,983		38.6 %	**13,759**		**42.3 %**	**25.3 %**
Total	28,441		100.0 %	**32,530**		**100.0 %**	**14.4 %**
Operating profits							
Social Infrastructure Business	4,059	23.3 %	65.8 %	**4,418**	**23.5 %**	**56.5 %**	**8.8 %**
Industrial Infrastructure Business	2,106	19.2 %	34.2 %	**3,399**	**24.7 %**	**43.5 %**	**61.3 %**
Subtotal	6,166	–	100.0 %	**7,818**	–	**100.0 %**	**26.8 %**
Common	- 505	–	–	**- 665**	–	–	–
Total	5,661	19.9 %	–	**7,152**	**22.0 %**	–	**26.3 %**

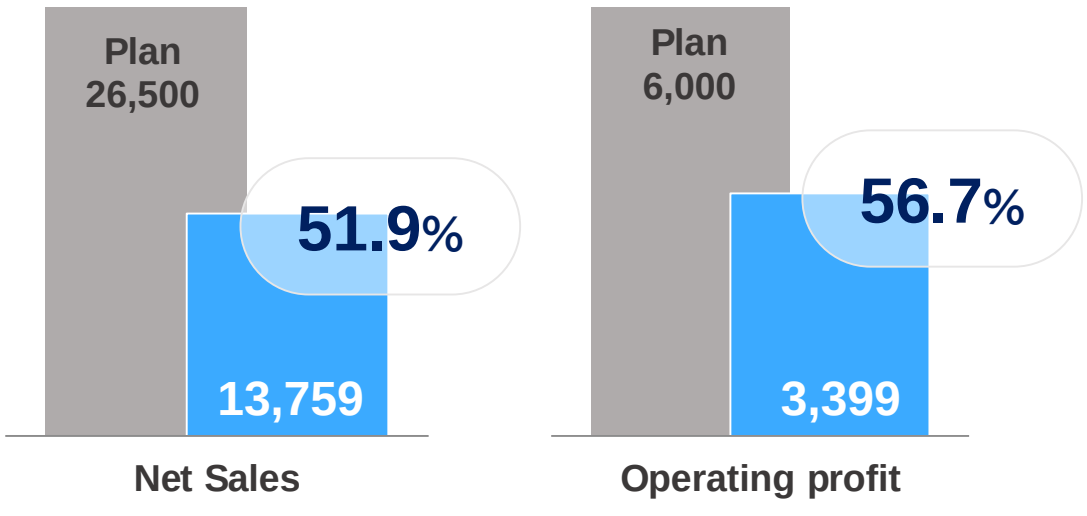
Progress Rate against Plan by Segment

(millions of yen)

Social Infrastructure Business



Industrial Infrastructure Business

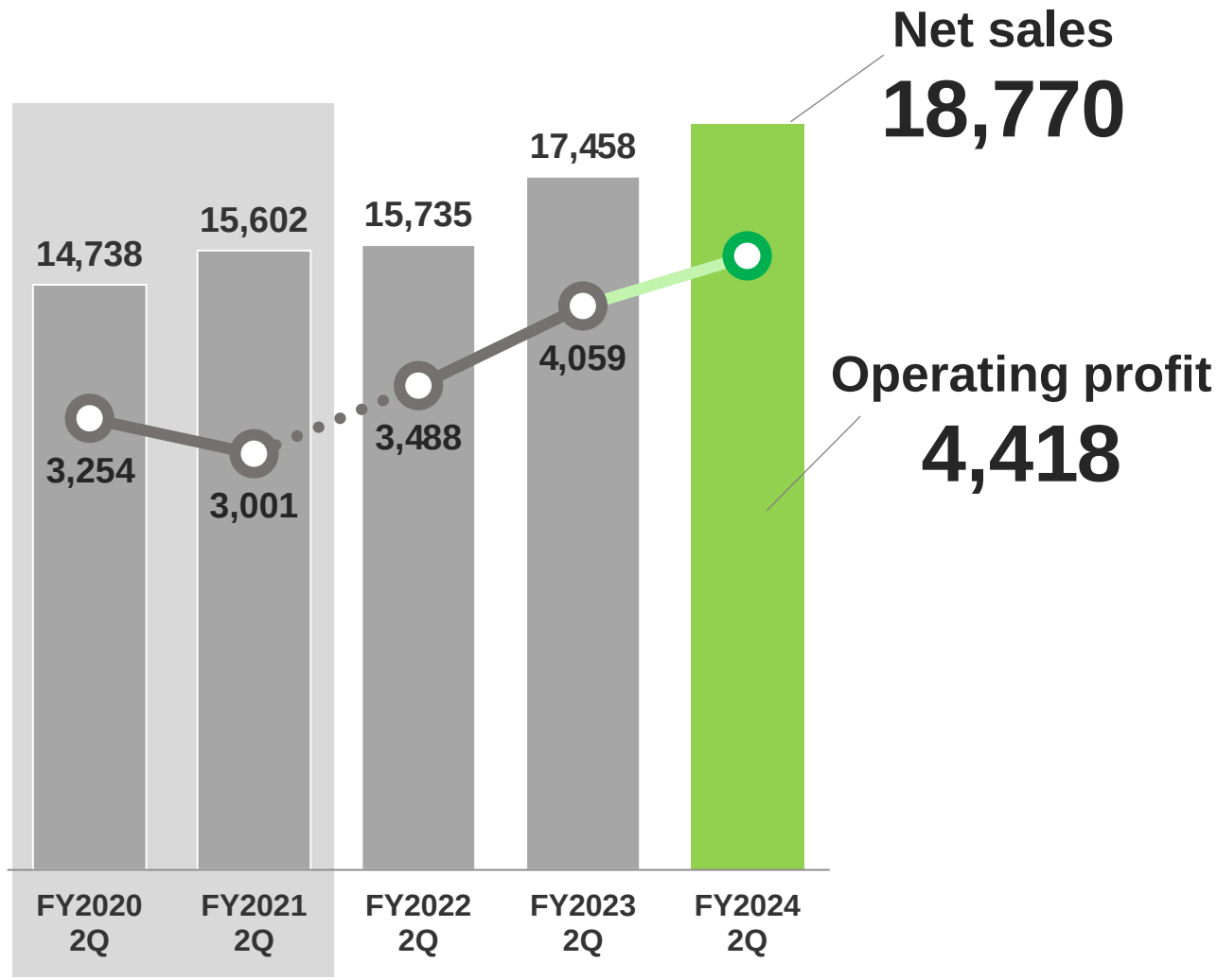


FY2024

	Net sales			Operating profit		
	2Q Actual	Full year Plan(Revised)		2Q Actual	Full year Plan(Revised)	
		Amount	Progress rate		Amount	Progress rate
Social Infrastructure Business	18,770	35,500	52.9 %	4,418	7,200	61.4 %
Industrial Infrastructure Business	13,759	26,500	51.9 %	3,399	6,000	56.7 %
Common				- 665	- 1,200	–
Total	32,530	62,000	52.5 %	7,152	12,000	59.6 %

(millions of yen)

Segment Performance - Social Infrastructure Business



Positive Factors

- **Continuing on from the first quarter, in our mainstay public works business, embankment reinforcement materials and riverbank protection materials performed well.**
- **Strong profits due to reducing manufacturing costs, passing on higher raw material prices to selling prices in response to increased raw material prices.**
- **Among the subsidiaries' businesses, harmful animal control and defense-related products performed strongly, and we secured stable orders for overseas subsidiaries.**

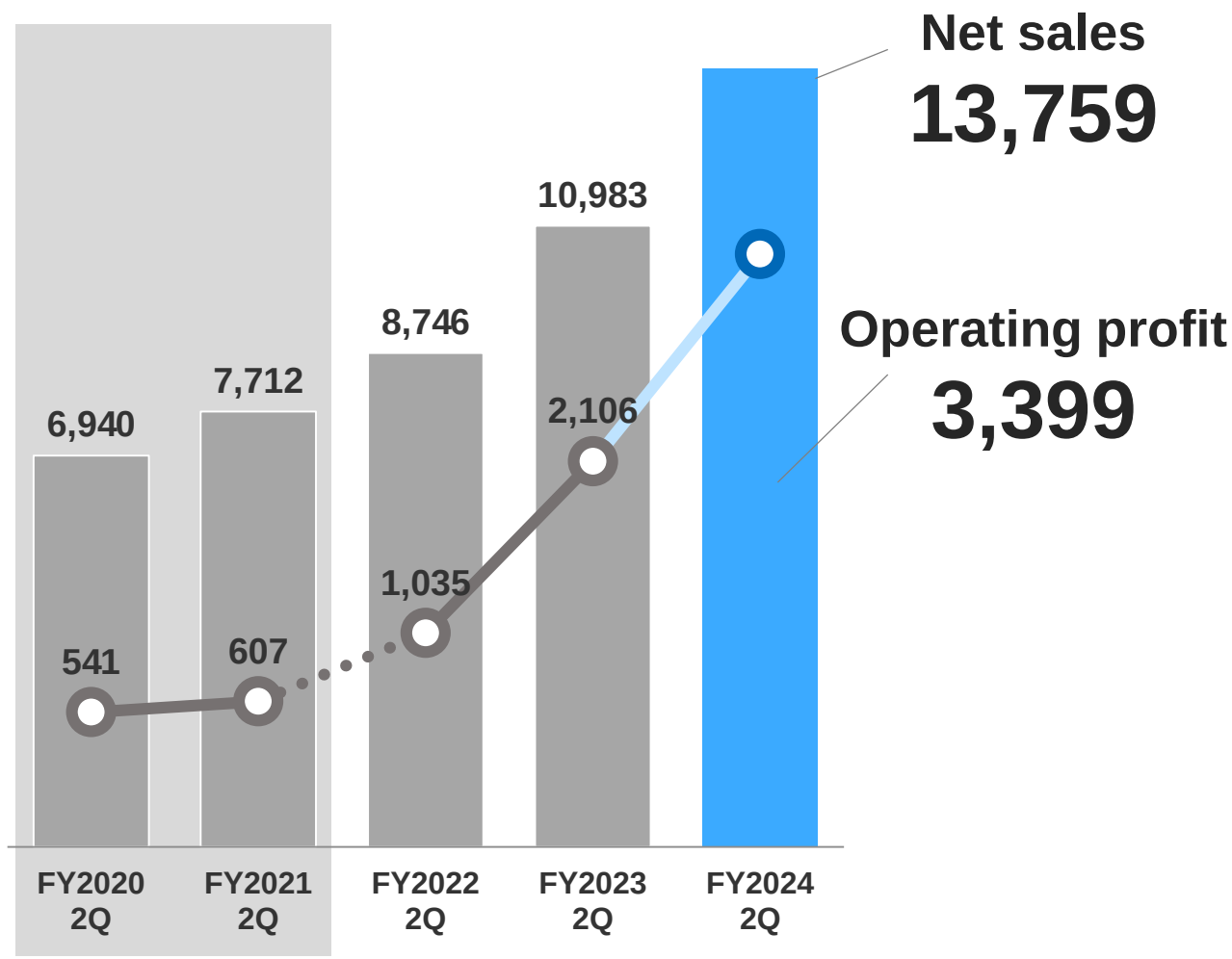
Negative Factors

- **In our subsidiary MIRAI no Agri CO., LTD., orders for agricultural supplies such as horticultural greenhouses and dairy farming products were stagnant, resulting in plan not being achieved.**

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

(millions of yen)

Segment Performance - Industrial Infrastructure Business



Positive Factors

- Continuing on from the first quarter, the business performance of BBS Japan Co., Ltd. remained strong.
- BBS' manufacturing 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.) resulting in plan being achieved.

Negative Factors

- Effect of increases in costs related to higher electricity rates and raw materials costs (business performance recovering due to strong sales).

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

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

TOPICS - Revision of Earnings Forecast

We have revised our consolidated financial forecast for the fiscal year ending June 2025, which was announced on August 9, 2024.

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings Per share
Previous forecast(A)	Millions of yen 60,000	Millions of yen 11,200	Millions of yen 11,200	Millions of yen 7,700	Yen 113.24
Revised forecast(B)	**62,000**	**12,000**	**12,000**	**8,400**	**123.45**
Change(B－A)	**2,000**	**800**	**800**	**700**	**－**
Change(%)	**3.3**	**7.1**	**7.1**	**9.1**	**－**
(Reference) Results for fiscal year ended June, 2024	55,833	10,736	11,236	7,979	127.29

Reasons for these revisions

- Public works business remains strong and is exceeding plan
- Sales of industrial materials including the automobile wheel business continue to perform well

Forecast of FY2024（Consolidated Financial Plan）

（millions of yen）

	FY2023		FY2024			
			2Q(Actual)		Full year Plan (Revised)	
	2Q	Full year	Amount	Change	Amount	Change
Net sales	28,441	55,833	**32,530**	14.4 %	**62,000**	11.0 %
Operating profit	5,661	10,736	**7,152**	26.3 %	**12,000**	11.8 %
EBITDA	7,234	14,106	**8,800**	21.7 %	**15,300**	8.5 %
Ordinary profit	5,473	11,236	**7,224**	32.0 %	**12,000**	6.8 %
Profit attributable to owners of parent	3,760	7,979	**4,939**	31.3 %	**8,400**	5.3 %

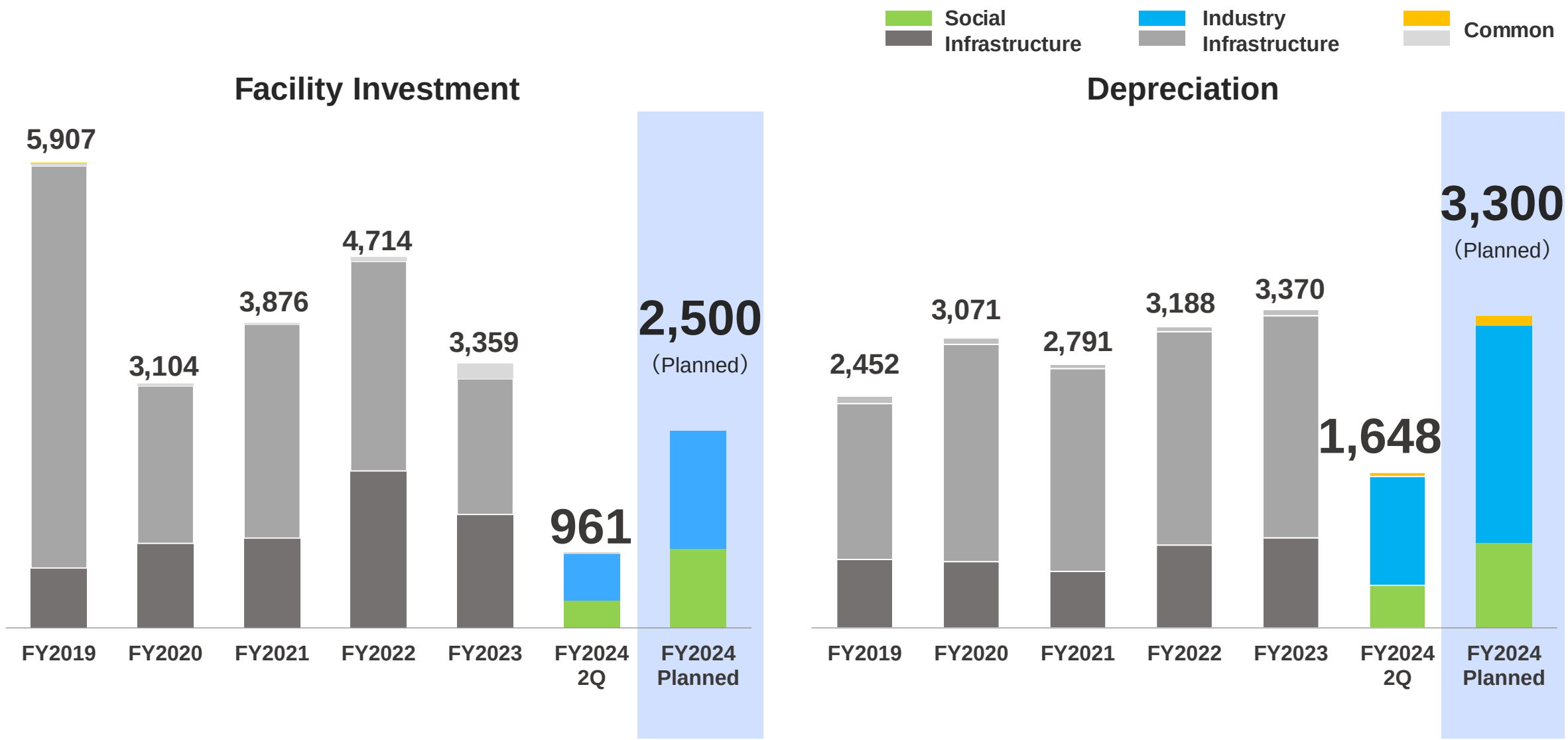
Forecast of FY2024 by Segment

(millions of yen)

		FY2023 Actual	FY2024 Full year Plan (Revised)	FY2024 Year on year change
Social Infrastructure Business	Net sales	31,687	35,500	12.0 %
	Operating profit	6,755	7,200	6.6 %
Industrial Infrastructure Business	Net sales	24,145	26,500	9.8 %
	Operating profit	5,101	6,000	17.6 %
Common	Operating profit	- 1,120	- 1,200	—
Total	Net sales	55,833	62,000	11.0 %
	Operating profit	10,736	12,000	11.8 %

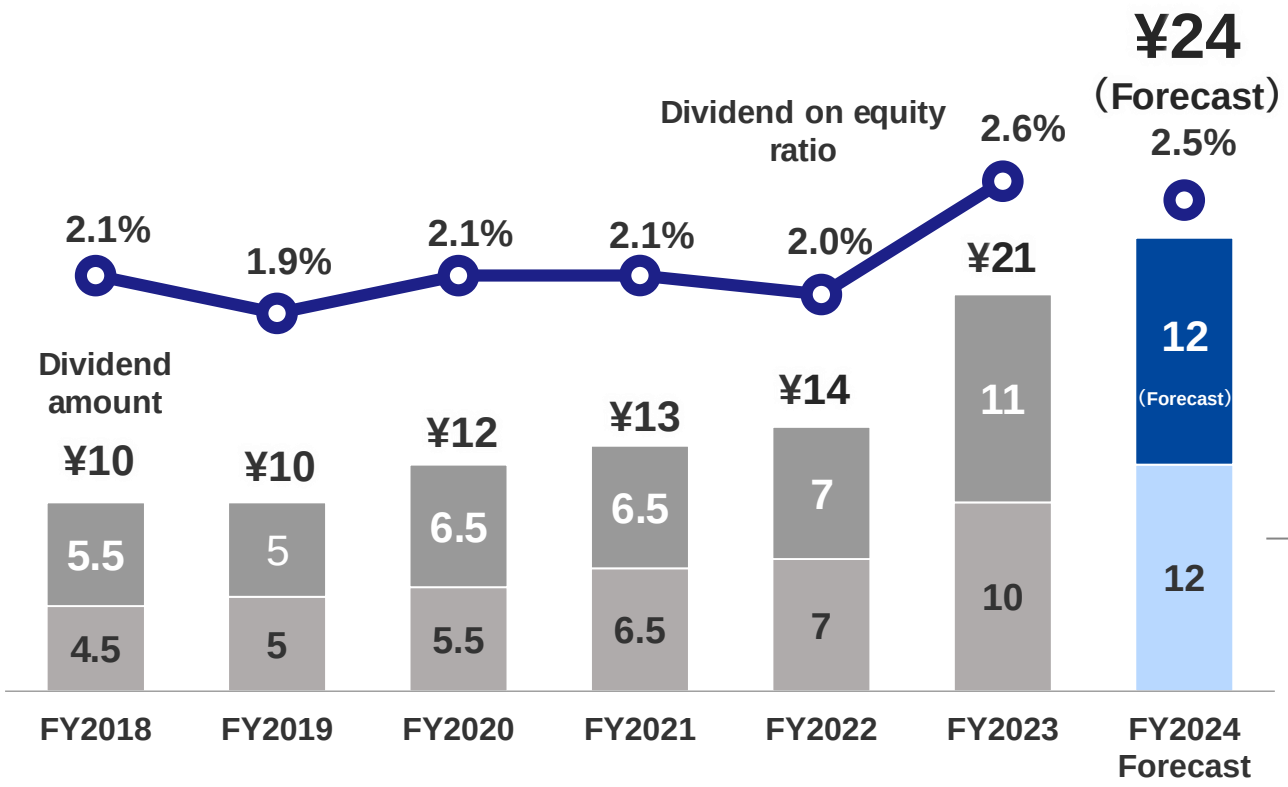
Forecast of Facility Investment and Depreciation

（millions of yen）



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

TOPICS－Revisions to the dividend forecast



FY2024

Interim dividend	¥12 (Up ¥2 YoY) (Up ¥1 on prior forecast)
Year-end dividend (forecast)	¥12 (Up ¥1 YoY) (Up ¥1 on prior forecast)
Full-year dividend (forecast)	¥24 (Up ¥3 YoY) (Up ¥2 on prior forecast)

Note 1: The fiscal year ended June 2022 is the 9 months and 10 days from September 21, 2021 to June 30, 2022.
Note 2: The dividend forecast was revised on February 14, 2025.

Approach to dividends

- Continuation of progressive dividends: stable progressive dividends have been paid since listed.
- Surplus dividend rate (setting long-term stable targets in addition to dividend payout ratio): utilization of the **dividend on equity ratio (DOE)** as an indicator.

TOPICS－Stock Repurchases

Reasons for Stock Repurchases

To improve capital efficiency and enhance shareholder returns.

Details of Repurchases

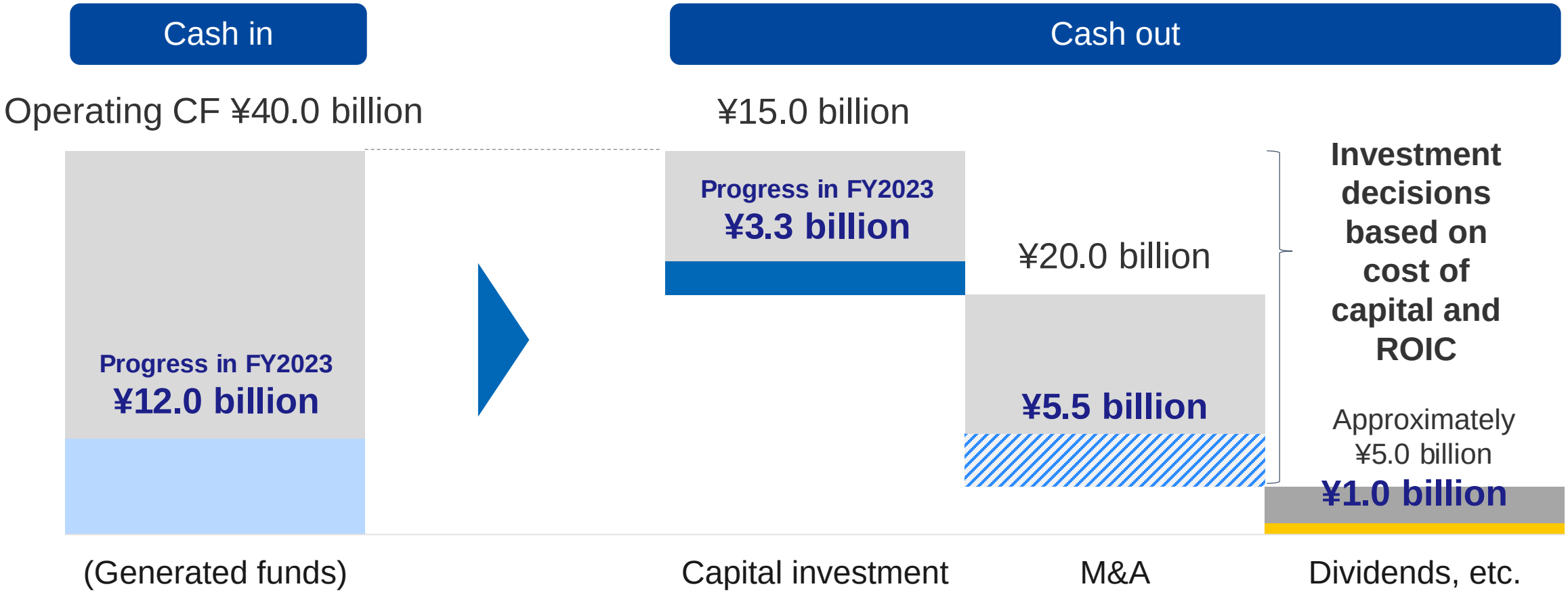
(1) Class of shares to be repurchased:	Common stock
(2) Total number of shares to be repurchased:	Up to 1 million shares (Ratio to the number of issued shares*: 1.47%)
(3) Aggregate repurchase amount:	Up to 2 billion yen
(4) Period of repurchases:	from February 17, 2025 to June 30, 2025
(5) Method of repurchases:	Market purchases on the Tokyo Stock Exchange

Note: Depending on market trends, some or all of the acquisitions may not be carried out.

4 Specific Measures and KPIs

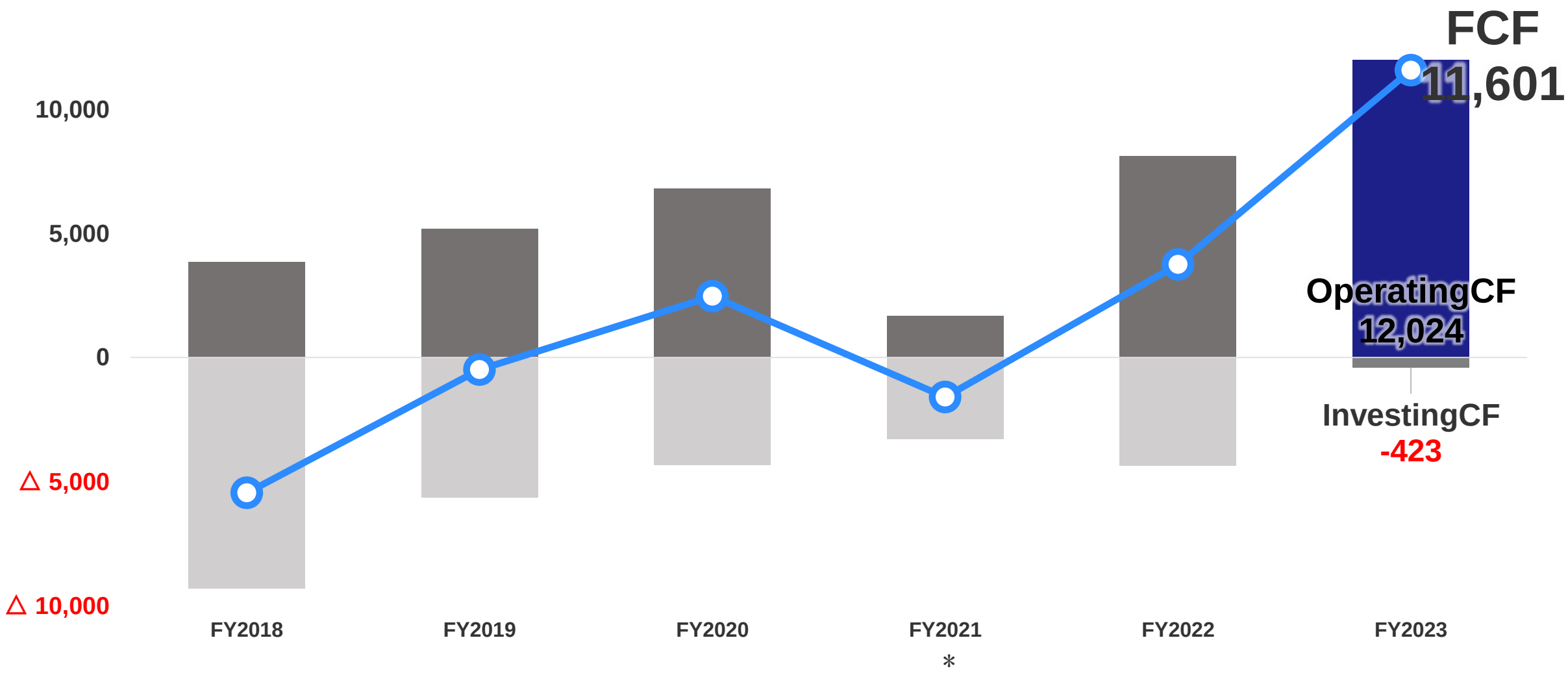
Cash allocation

Progress toward the Medium-Term Management Plan PART-II-Period
(FY2023 - FY2026) total (estimate)



Key Indicators – Free cash flow trends

（millions of yen）

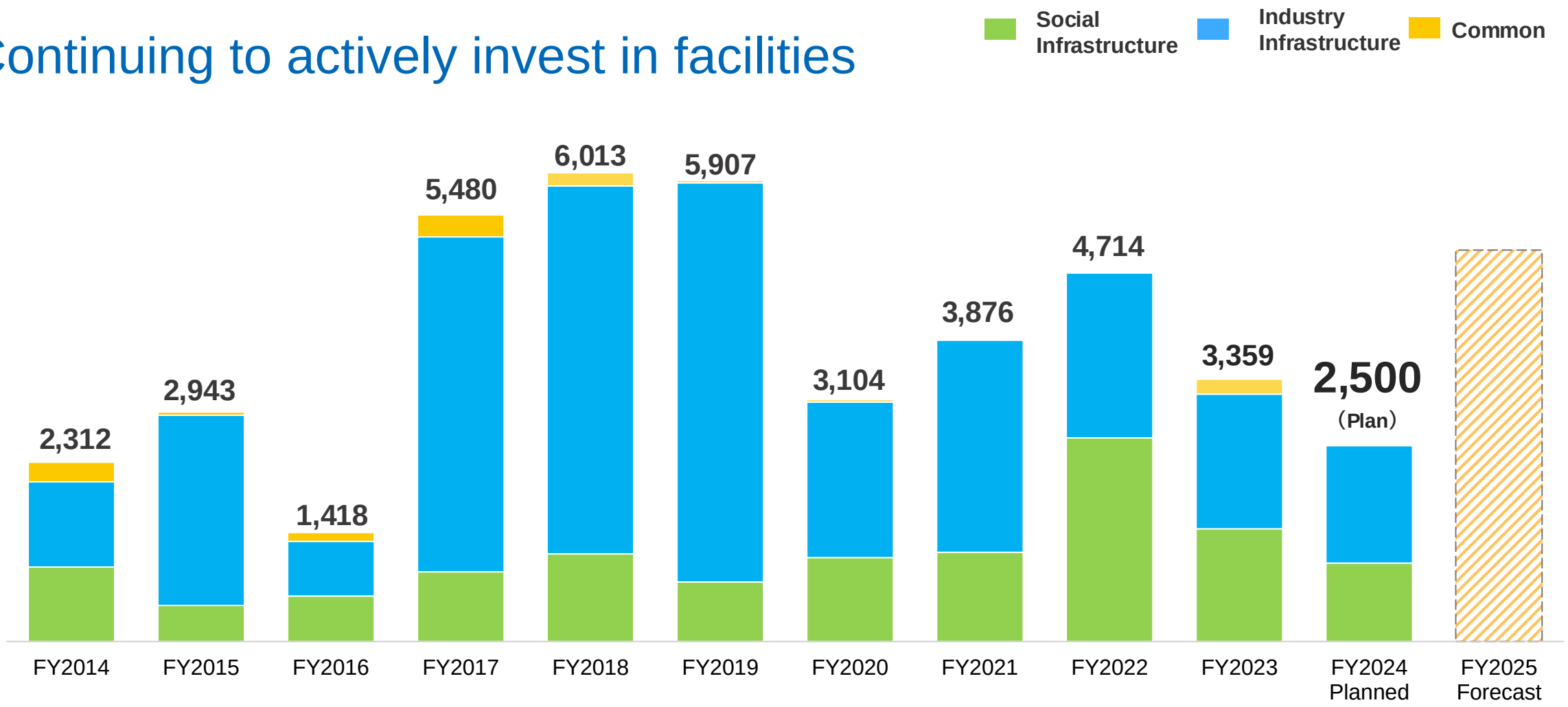


Note: Free cash flow = Cash flows from operating activities - Cash flows from investing activities
Note: Since it was a transitional period for the change in the accounting period, the fiscal year ended June 2022 was 9 months and 10 days, from September 21, 2021 to June 30, 2022.

(millions of yen)

Facility Investment

Continuing to actively invest in facilities



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

(1) Establishment of New Sales Management Structure

MAEDAKOSEN Group's new sales management structure (Sales lead management)

- Sales lead management… "Visualization" of future projects
  Change from historical to forecast basis
- All sales lead are open within the company

Build sales lead that can achieve 5% or more growth per year

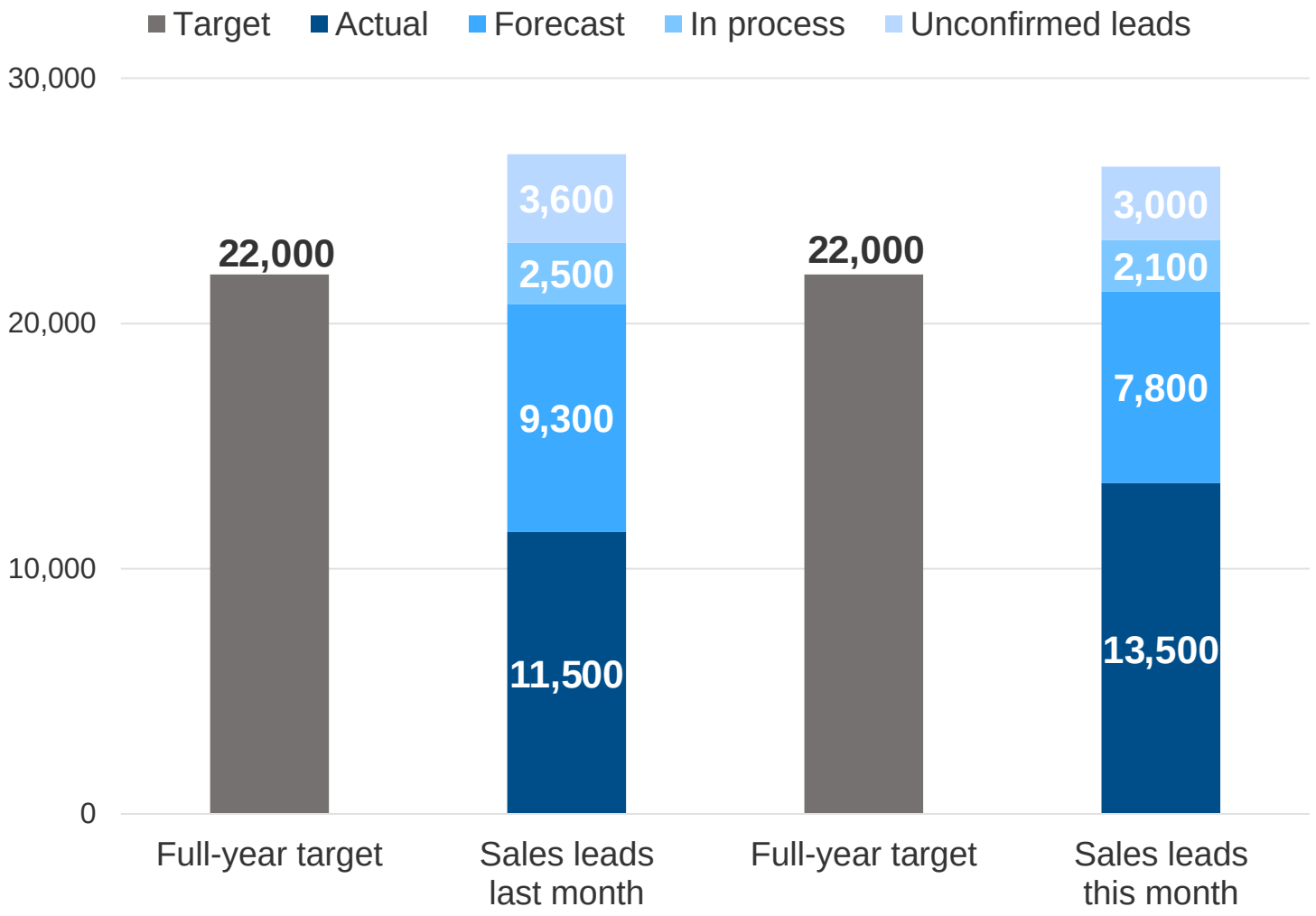
- **Correctly capitalizing on** sales leads → **composure, confidence and ability to track future performance in sales person**
  → act with even greater ambition (creating **a virtuous cycle**)
- The more sales leads accumulated, the **more steadily sales targets can be achieved**

∴ Checking monthly progress and sales lead status,
forecasts for the current and next period, taking measures
➡ **Changes also to the content of sales meetings (quantitative discussion)**

Specifically

（millions of yen）

○○Period ◇Month status



○○Period ◇ Month status

Remaining to the Target ¥8,500
Forecast ¥7,800
Achievement rate **91.7%**

Actual＋Forecast
96.8%（Last month94.5%)
Actual＋Forecast＋In process
106.4%（Last month106.0%)

(2) Use of M&A

MAEDAKOSEN's M&A

Targets

- Companies engaged in **manufacturing** products purchased by end users
- Companies that can enable re-invigorated growth through inclusion in the MAEDAKOSEN Group **sales, development, and manufacturing network**
- Companies that have long contributed to local economies in **the regions**

MAEDAKOSEN's M&A

Considered	300 per year
To IM	120 per year
To interview, DD	10 per year

Sourcing from financial institutions and M&A boutiques

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Bottom-up sourcing

Sales and development teams create a list of potential targets

The president makes a visit

Acquisition

Due Diligence (DD) → **PMI**

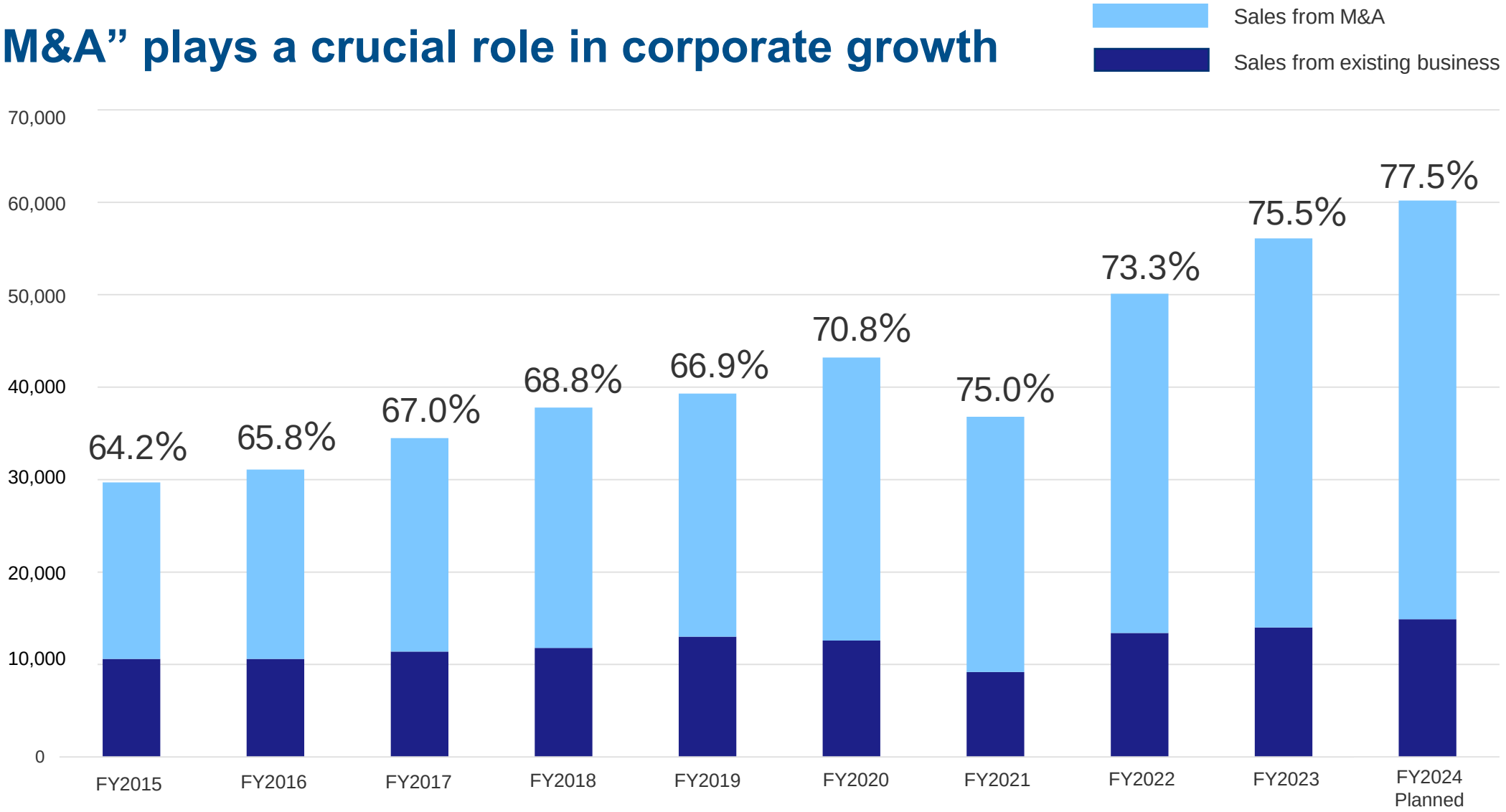
Implemented by the COO and managers of sales, development, manufacturing, and finance

Group Business Planning Office (reporting directly to the President) will carry out this responsibility

M&A Share of Consolidated Net Sales

(millions of yen)

“M&A” plays a crucial role in corporate growth



※ The fiscal year ended June 2022 is the 9 months and 10 days from September 21, 2021 to June 30, 2022.

(3) Human Capital Management

Ideal state (strategy)

【Objective】
View human resources as capital and aim to enhance corporate value

【Background】
All employees are valuable assets and demonstrate their capabilities
⇒hence creation of a workplace in which people can grow is essential

【Human resource development policy】
Provision of educational opportunities to all individuals in the Group
(implementation of training by level, department, and theme)
⇒Creation of a framework that can be expected to deliver continuous growth

【Workplace development policy】
Strengthening of harassment prevention measures
Training related to women's health issues ⇒ cultivation of a corporate culture that respects the individuality of its diverse workforce

【Evaluation】
Establish KPIs, and quantitatively evaluate ⇒ remuneration reflecting evaluation

Setting indicators and KPIs

(1) Improving work engagement (from an engagement survey of all employees)

Indicator	FY2026 target (Non-consolidate)	FY2023 actual (Non-consolidate)
Overall satisfaction	70.0 or above	65.4
Evaluation・Treatment	60.0 or above	51.2
Capability development	65.0 or above	59.7

(2) Training and education

Indicator	FY2024 target	FY2023 actual
Annual average training hours	7.6 hrs per person	2.7 hrs per person
Annual average training cost	¥42,000 per person	¥18,000 per person

(3) Health management (from a questionnaire survey to all employees)

Indicator	FY2026 target (Non-consolidate)	FY2023 actual (Non-consolidate)
Absenteeism	3.0 days or below	3.2 days
Presenteeism	15% or below	20%

⟹ Average number of days off due to ill health

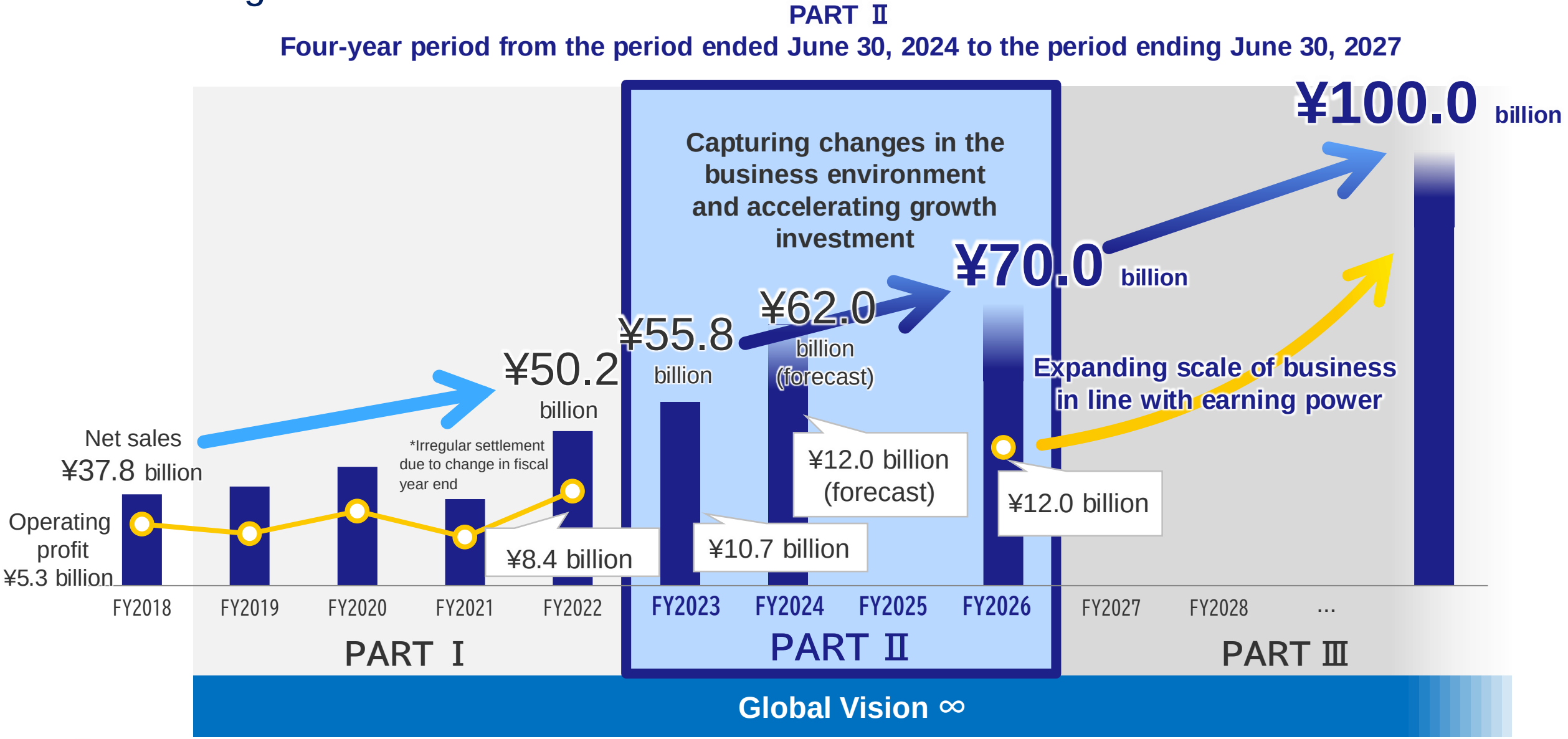
⟹ Percentage of employees at work unable to demonstrate their abilities due to ill health, etc.

(4) Job Trial, Job Challenge System

Work experience in different departments (2 days)・employment (1 year or more)
Target： **used by 10 or more people per year**

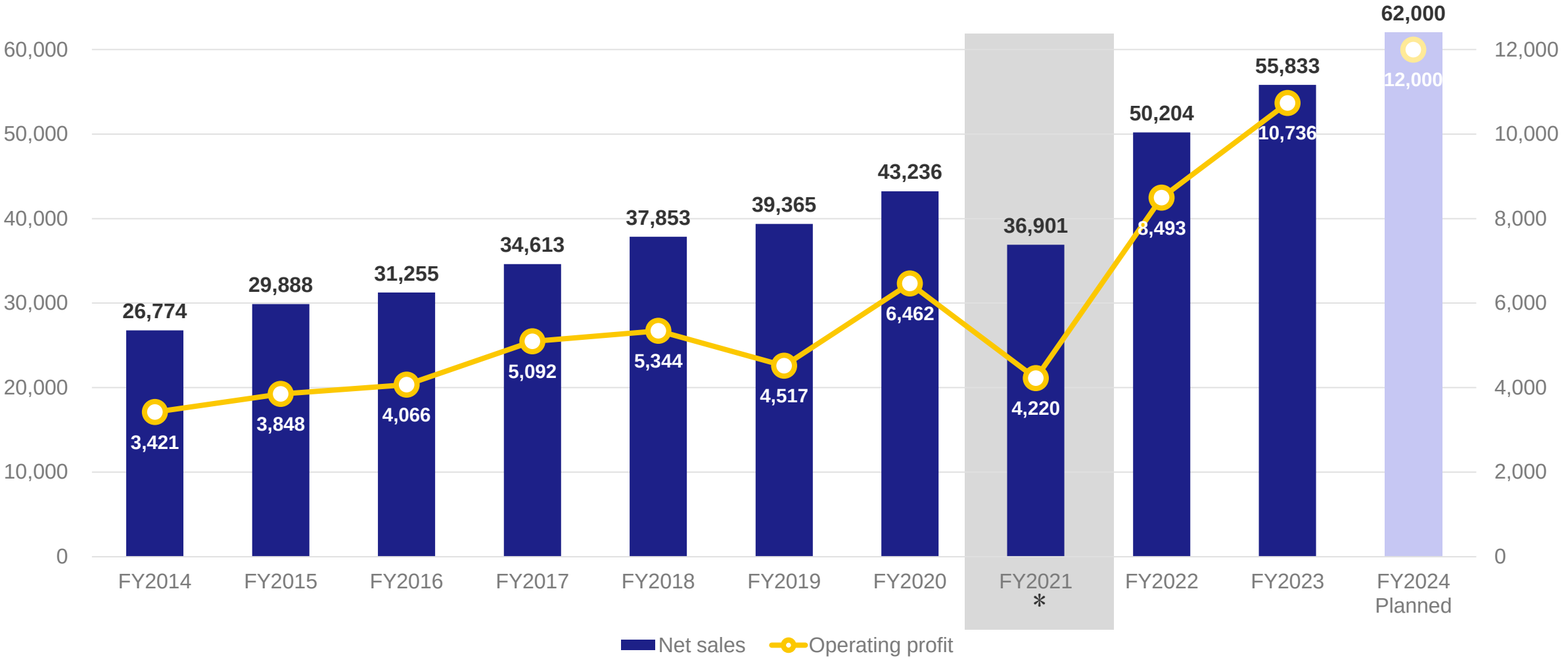
5 Medium-Term Business Plan “GLOBAL VISION ∞ -PART Ⅱ-”

Growth Targets



Consolidated performance trends – Net sales and Operating profit

（millions of yen）



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 work engagement**

Performance Targets（from FY2023 to FY2026）

（millions of yen）

	FY2022 Actual	FY2023 Actual	FY2024 (Planned)	FY2026 (Planned)
Net sales	50,204	**55,833**	**62,000**	**70,000**
Operating profit	8,493	**10,736**	**12,000**	**12,000**
EBITDA	11,682	**14,106**	**15,300**	**15,000**
Profit attributable to owners of parent	5,258	**7,979**	**8,400**	**8,000**
ROE	12.4 %	**15.1** %	**13.0** %	**12** % or more

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- 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.

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MAEDAKOSEN CO., LTD. Business Administration Division

EMAIL: keieikanri@mdk.co.jp ／ URL：https://www.maedakosen.jp