



UNISOL

MARUKA FURUSATO Corporation

INTEGRATED REPORT 2024

January 1, 2024 to December 31, 2024



Brand and philosophy

SLOGAN

Our motto and promise to society

Unlocking “Aha!” moments, one after another.

VISION

The future we hope to build

**Towards a world overflowing with
“I want to make this happen!”**

MISSION

Our daily mission

**Pioneering the present with inspiring solutions,
and partnering for your journey beyond.**

VALUES

Three values we possess

**Co-creative spirit, growth motivation,
and thinking of issues as our own matters**

OUR STANDARDS

Seven standards when we think and act as group members

1. We comply with all relevant laws and societal rules, and maintain a high sense of ethics.
2. We respect human rights, protect the dignity of the individual, and recognize and accept diversity.
3. We recognize the importance of environmental and social action to achieve sustainability, and actively engage in such activity.
4. We value honesty and always try to be fair and equitable.
5. We always consider the option of seizing a challenging opportunity, even if this involves taking a risk.
6. We strive for sincerity in all things in order to build on and secure trust in both our public and private lives.
7. We understand the significance of our work and other activities and see these as opportunities for self-fulfillment in service of continued growth.



Our brand



UNISOL

UNIQUE + SOLUTIONS

Our branding encapsulates our approach of giving our customers and stakeholders that “Aha!” moment by offering them just what they need.

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Editorial policy

We publish this report to inform our stakeholders—including shareholders and investors—about the origins of the UNISOL Group's value creation in pursuit of its core philosophy, as well as our strategies and underlying foundations. It is intended to serve as a platform for constructive engagement. The editorial process was informed by both the IFRS Foundation's International Integrated Reporting Framework and the Japanese Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation.

Coverage Period: Fiscal year 2024 (January 1 to December 31, 2024)

* Some content is from outside of the coverage period.

Reporting Scope: Maruka Furusato Corporation and its consolidated subsidiaries (as of December 31, 2024)

* Matters for which the scope of reporting differs, such as non-financial information, are specified as such.

Disclaimer This report includes future forecasts based on plans, forecasts, management plans, and policies as of the time of publication. Future forecasts are based on information available as of the time of writing and the results and outcomes of future business activities may differ from those forecasts due to changes in circumstances.

1

Source of value creation

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Our history



Kasuke Tanaka,
founder of Maruka Co., Ltd.

Post-war Osaka:
our ambitious founders begin business

Ryoichi Furusato

Established a business under the name of Furusato Iron Works Co., Ltd. and began production of turnbuckles for use in earthquake-resistant braces

Kasuke Tanaka

Founded Maruka Co., Ltd. to pursue domestic sales of paper, woolen textiles, bicycles, bearings, tools, and other goods, as well as the import and export of a wide variety of merchandise. Exported Japanese products to the rest of the world

1946 was the year in which both
launched their businesses



Ryoichi Furusato, founder of
Furusato Iron Works Co., Ltd.

The era of humanity's first trip to space:
worldwide progress in technological innovation

Furusato Iron Works Co., Ltd.

Establishes its position as a specialized trading company handling not only turnbuckles but also components for steel-frame construction

Maruka Machinery Co., Ltd.

Moves fully into sales of industrial and construction machinery. Establishes its identity as a trading company specializing in machinery

Through continued business efforts and
by taking advantage of market growth,
both firms achieved greater success



Furusato
Iron Works
Co., Ltd.
Head Office
during this
period



Stock price board showing Furusato
Industries' initial share price at listing



Maruka Machinery Co.,
Ltd. Head Office
during this
period



Maruka Machinery is listed
on the Second Section of
the Osaka Stock Exchange

Entering an era in which the
importance of computers is underlined
by Y2K

Furusato Industries

Acquires G-net as a subsidiary, anticipating fall in demand for steel. Expands business domains to include Machinery & Tools Business

Maruka Machinery

Builds a network of manufacturers with proprietary technologies in various specialist fields and launches the Maruka-Manufacturer Group

Proactively took on the challenge of
developing new business and
capabilities while maintaining
existing business

1990s to
2000s

1946

1960s to
1970s

As a manufacturer and as a trading company

Both the Furusato Group and the Maruka Group have responded to a wide range of societal issues and customer needs to support both domestic and overseas manufacturing. Remaining essential in a society that has continued to change on a daily basis has been the source of our lasting business.

Sales trends in both groups

■ Furusato Group ■ Maruka Group

(year) 1940 1980 1990 2000 2010 2020

1986

Furusato
Industries was
listed on the stock
exchange

1998

Maruka was listed
on the stock
exchange

2010s to
2020s

The COVID-19 pandemic
and full-blown digitalization

Furusato Industries

Acquired Security Design Inc. as a subsidiary, in the aim of creating new value in addition to its existing sales of video surveillance cameras and other security equipment via its Machinery & Tools Business

Maruka Corporation

Acquired several industrial companies as subsidiaries, strengthening its existing business and allowing it to expand into new domains

Sought to accelerate growth
through efficient use of capital
and Group management

Creation of Maruka Furusato Corporation

2021

Furusato Industries and Maruka have been headquartered in Chuo-ku, Osaka since 2003 and 2017, respectively, separated by only around 300 meters. The similarities between the two companies in terms of business scale and areas of operation, our shared approach to valuing customers, and close proximity to each other have facilitated close communication between our management teams.

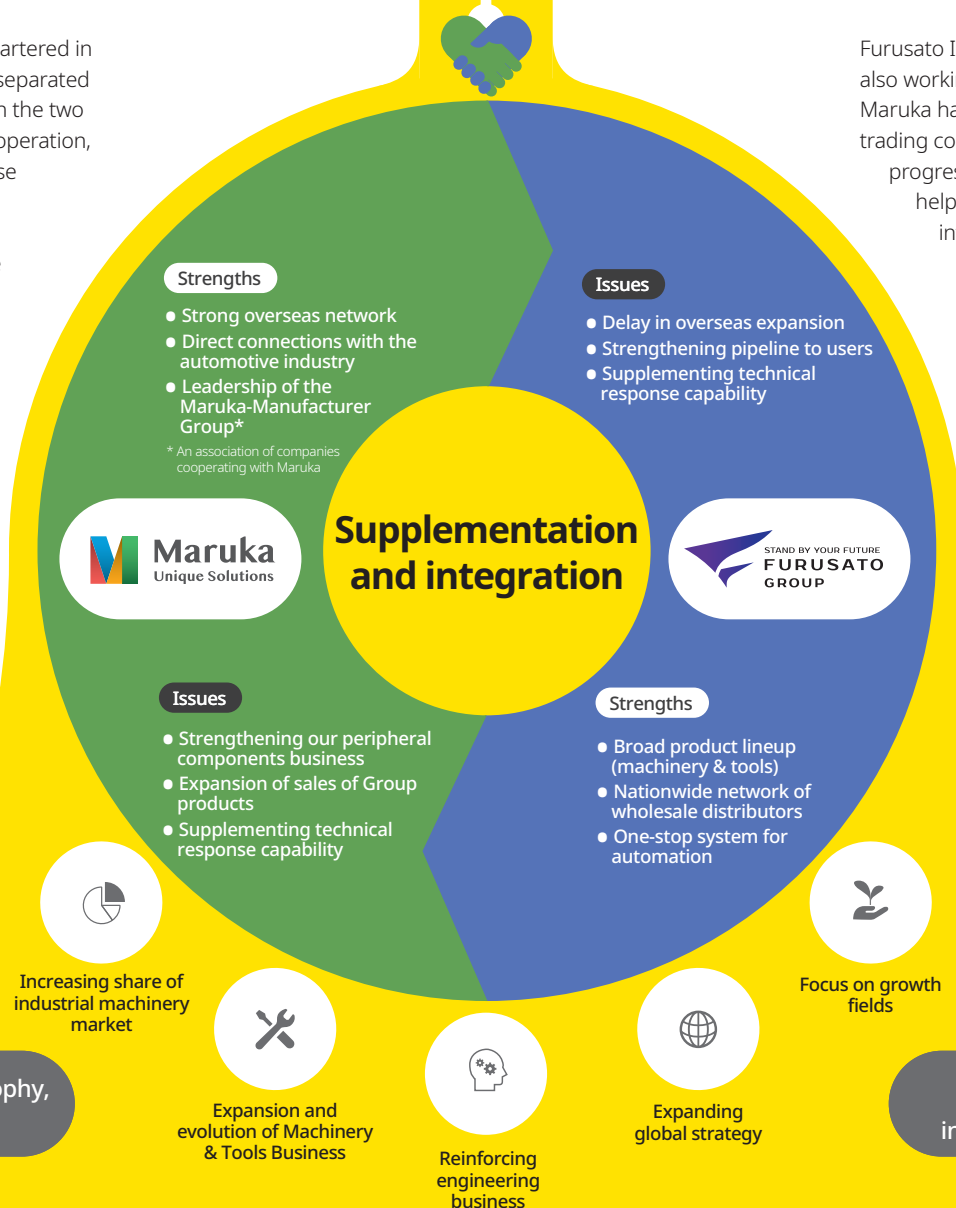
While we initially began discussions around the possibility of a collaboration in the machinery sector, discovering that each of our company's challenges and strengths complemented the other's prompted us to opt for creating a corporate group together instead. Following the creation of our corporate group in October 2021, the formulation of our Group philosophy, Medium-Term Management Plan, and other measures has continued to progress smoothly.

A highly specialized group of technology trading companies

Furusato Industries is centered around manufacturing, while also working in various other fields such as trading and IoT. Maruka had established a global network as a machinery trading company. The two companies had been making steady progress separately, but chose to form a corporate group to help achieve sustainable growth. The decision to integrate our businesses was not only a "defensive" one aimed at responding to changes in the business environment and social issues, but also an "aggressive" move to provide more valuable solutions. Our strengths are complementary, so integrating offers mutual benefits and will allow us to successfully pursue a growth scenario that is unique to the Maruka Furusato Group, also known as the UNISOL Group.



A new start as Maruka Furusato Corporation (listing on the stock exchange on October 1, 2021)



Emergence of our new philosophy and brand

The UNISOL Group took the opportunity offered by its formation as a corporate group in 2021 to set out a new philosophy and brand. We strive constantly in our business activities to achieve our vision—to realize the future we hope to build: “Towards a world overflowing with ‘I want to make this happen!’” Building a sustainable society is essential to achieving this vision. We have therefore set out, within our Group philosophy, a Basic Policy on Sustainability, which aims to balance economic value with social and environmental value.

SLOGAN Our motto and promise to society

Unlocking “Aha!” moments, one after another.

We look forward to our customers’ “Aha!” moments as we propose unexpected and unique solutions, creating moments of surprise and inspiration in rapid succession. This is our watchword.

VISION The future we hope to build

Towards a world overflowing with “I want to make this happen!”

A better future can be realized through change. A world filled with “I want to make this happen!” is envisioned through the desire for a better future. We aim to realize such a world through our unique solutions.

MISSION Our daily mission

Pioneering the present with inspiring solutions, and partnering for your journey beyond.

We provide our customers and other stakeholders with breakthrough moments through our unique solutions, giving them just what they need, and then after solving their problems we continue to work closely with them as a team as they continue their journey, to help them meet future challenges.

Brand name



UNISOL

UNIQUE + SOLUTIONS

Our brand name encapsulates our approach of giving our customers and stakeholders that “Aha!” moment by offering them just what they need.

Our logo takes a “U” for “unique” as backdrop for an exclamation mark (“!”), symbol of wonder and admiration.

The “SOL” of “UNISOL” is the Latin for “sun.” Yellow, the brightest color, with its sense of luminosity, is the hue that represents our hopes for the future.

VALUES Three values we possess

“Co-creative spirit”

We recognize people and their ideas that are different from our own and exchange our opinions.

“Growth motivation”

We are always seeking challenges to grow.

“Thinking of issues as our own matters”

We face any issues with sincerity and take action on our own initiatives.

OUR STANDARDS Seven standards when we think and act as group members

1. We comply with all relevant laws and societal rules, and maintain a high sense of ethics.
2. We respect human rights, protect the dignity of the individual, and recognize and accept diversity.
3. We recognize the importance of environmental and social action to achieve sustainability, and actively engage in such activity.
4. We value honesty and always try to be fair and equitable.
5. We always consider the option of seizing a challenging opportunity, even if this involves taking a risk.
6. We strive for sincerity in all things in order to build on and secure trust in both our public and private lives.
7. We understand the significance of our work and other activities and see these as opportunities for self-fulfillment in service of continued growth.

Basic Policy on Sustainability

1. Achieve harmony and coexistence with the environment
2. Support sustainability in the manufacturing industry
3. Realize a secure, safe, and comfortable society
4. Increase work motivation, and promote growth and social contribution
5. Promote fair and honest corporate activities

Creating value through our unique business infrastructure and strategies

INPUT

Financial capital	Manufacturing capital	Intellectual capital	Human capital	Social and relationship capital
Total shareholders' equity ¥ 69,937 million	Production locations 16 locations Distribution locations 5 locations Sales locations 124 locations in Japan 28 locations overseas	Manufacturing capabilities Engineering capabilities IT, IoT, DX capabilities	Employees 2,010 Breakdown In Japan 1,709 Overseas 301	Customers Approx. 16,000 companies Suppliers Approx. 4,500 companies

BUSINESS MODEL

Enhance capacity to respond to our customers' needs

by building up any underperforming aspects (capabilities, services) in each of our business domains

Sustainability

➡ p. 23

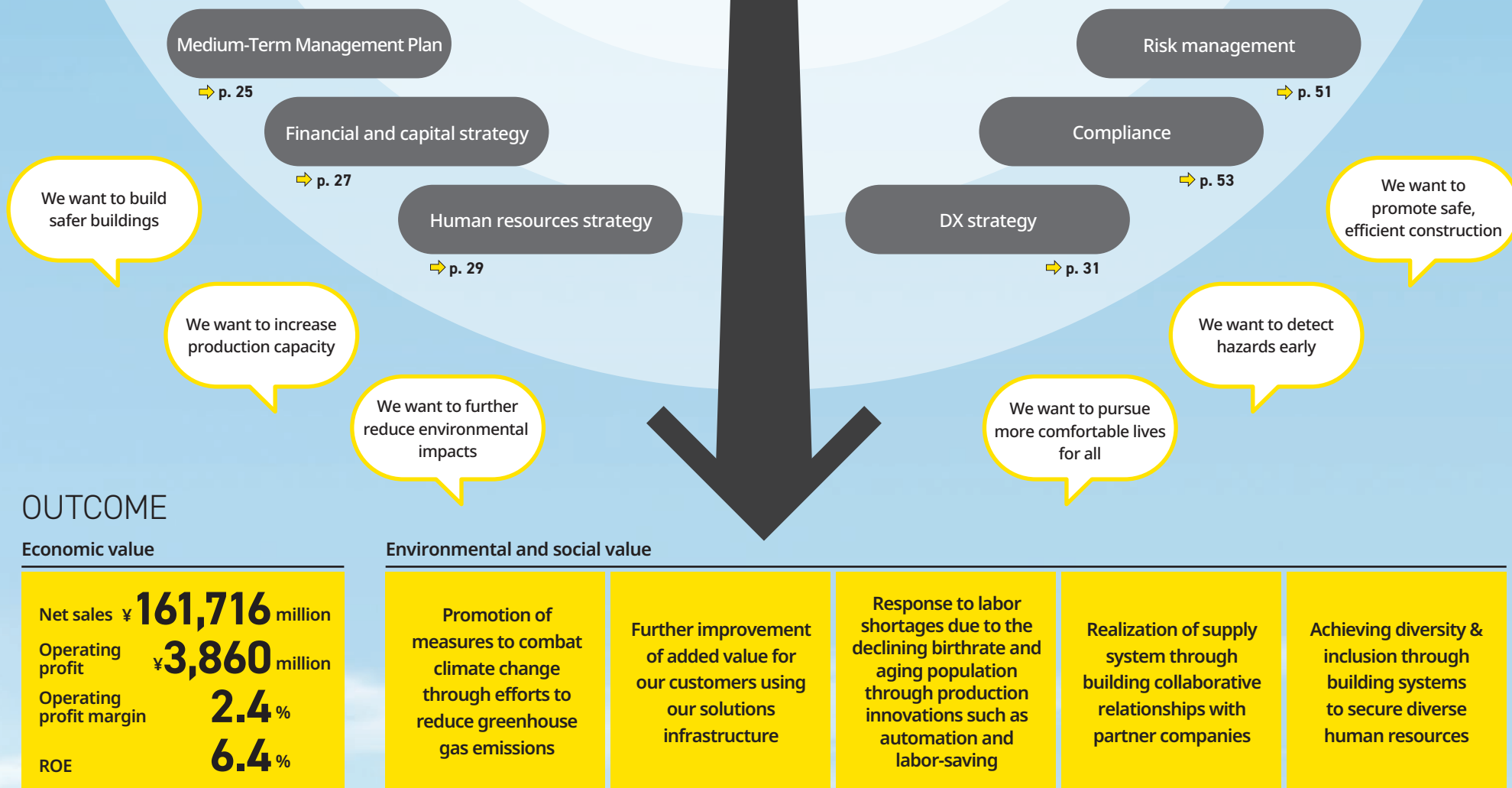


Enhance comprehensive solution capabilities

by building flexible cooperative frameworks (capital and business alliances, etc.) with various other businesses

Corporate governance

➡ p. 45



The future we hope to build

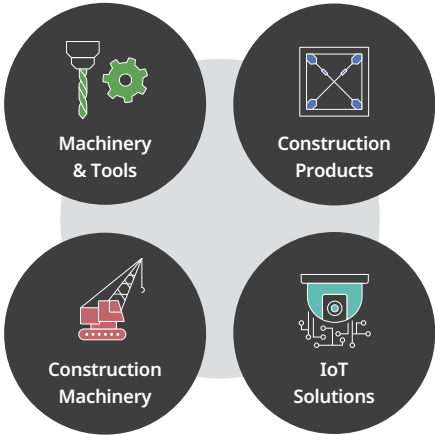
Towards a world overflowing with “I want to make this happen!”

Overall picture of our business areas

We are a group of technology trading companies with manufacturing capabilities

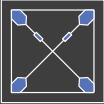
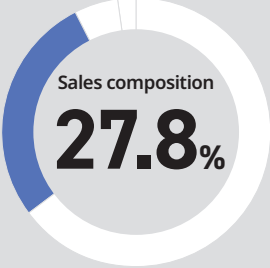






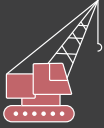
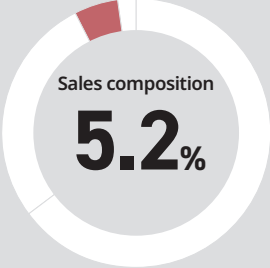




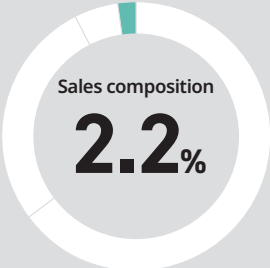




We operate multiple business segments—with different business models and which are impacted by the overall economy to differing degrees—to spread risk and allow us to make management of our portfolio for stable growth the cornerstone of the UNISOL Group. In addition, we allocate management resources to domains with higher growth potential and aim to maximize our corporate value through quick decision-making.

The four business domains of Machinery & Tools, Construction Products, Construction Machinery, and IoT Solutions currently form the mainstays of our business.



*As of December 31, 2024

Segment	Sales composition, net sales, segment profit, segment profit margin	Segment classification	Business fields	Main products and merchandise handled	Relevant consolidated subsidiaries*
 Machinery & Tools	 Sales composition 64.8% Industrial machinery, engineering 37.3% Machinery & tools 27.5%	Industrial machinery	 Automobiles  Machinery  Electronic equipment  Other manufacturing	<div>Merchandise</div> Machine tools <div>Merchandise</div> Injection molding machines <div>Merchandise</div> Forging machinery <div>Merchandise</div> Industrial robots <div>Merchandise</div> Distribution machinery <div>Merchandise</div> Measuring instruments <div>Merchandise</div> Environmental equipment	Maruka G-net Gifu Shoji Co., Ltd. Sonoruka Engineering Kan Manufactory Kitakyu Machines and Tools ArPlus Corporation
		Engineering	 Automobiles  Machinery  Food	<div>Products</div> Shear lines <div>Products</div> Food machines <div>Products</div> Cleaning machines <div>Products</div> Special purpose machinery <div>Products</div> Constant velocity joint processing machines <div>Products</div> Forming machines	TS Precision Maruka USA Industrial Tool Inc. Maruka Mexico Maruka Shanghai Maruka Guangzhou Maruka Thailand Maruka Indonesia
		Machinery & tools	 Automobiles  Semiconductors  Railways  Other manufacturing	<div>Merchandise</div> Cutting tools <div>Merchandise</div> Material handling equipment <div>Merchandise</div> Compressors <div>Merchandise</div> Pumps <div>Merchandise</div> Hydraulic and pneumatic equipment <div>Merchandise</div> Bearings	PT. Unique Solutions Indonesia Maruka Malaysia Maruka Vietnam
					Maruka G-net Gifu Shoji Co., Ltd. Sonoruka Engineering Kan Manufactory Kitakyu Machines and Tools ArPlus Corporation TS Precision Maruka USA Industrial Tool Inc. Maruka Mexico Maruka Shanghai Maruka Guangzhou Maruka Thailand Maruka Indonesia PT. Unique Solutions Indonesia Maruka Malaysia Maruka Vietnam

 <p>Construction Products</p>	 <p>Sales composition 27.8%</p> <p>Net sales (million yen) 44,947</p> <p>Segment profit (million yen) 1,576</p> <p>Segment profit margin 3.5%</p>	<p>Steel frame building materials and piping materials</p> 	  <p>Construction Steel</p>	<p>Products Full-Brace</p> <p>Merchandise High-tension bolts</p> <p>Merchandise Nuts and bolts</p> <p>Merchandise Steel frame-related goods</p> <p>Merchandise Painting supplies</p> <p>Merchandise Welding supplies</p> <p>Merchandise Plumbing materials</p>	<p>Furusato Industries</p>
		<p>Housing equipment</p> 	  <p>Construction Architecture</p>	<p>Merchandise Kitchen equipment</p> <p>Merchandise Bathroom equipment</p> <p>Merchandise Washroom equipment</p> <p>Merchandise Gas equipment</p> <p>Merchandise Sanitary equipment</p> <p>Merchandise Exterior materials</p>	<p>G-net</p>
 <p>Construction Machinery</p>	 <p>Sales composition 5.2%</p> <p>Net sales (million yen) 8,413</p> <p>Segment profit (million yen) 200</p> <p>Segment profit margin 2.3%</p>	<p>Construction machinery</p> 	  <p>Construction Services</p>	<p>Merchandise Cranes</p> <p>Merchandise Foundation machinery</p> <p>Merchandise Excavators</p> <p>Merchandise Vehicles for high lift work</p> <p>Merchandise Goods for charter/rental</p> <p>Merchandise Used machinery sales</p> <p>Merchandise Insurance</p>	<p>Maruka Japan Rental</p>
 <p>IoT Solutions</p>	 <p>Sales composition 2.2%</p> <p>Net sales (million yen) 3,588</p> <p>Segment profit (million yen) 188</p> <p>Segment profit margin 5.2%</p>	<p>Camera solutions Monitoring and sensing</p> 	  <p>Factories, logistics warehouses Communication</p>  <p>Services</p>	<p>Merchandise Surveillance cameras</p> <p>Merchandise Security cameras</p> <p>Merchandise Smart cameras</p> <p>Merchandise Physical security</p> <p>Merchandise Security systems</p> <p>Merchandise Shoplifting prevention systems</p> <p>Merchandise AGV/AMR</p> <p>Merchandise Smart Factory</p> <p>Merchandise Smart Farm</p>	<p>Security Design</p>

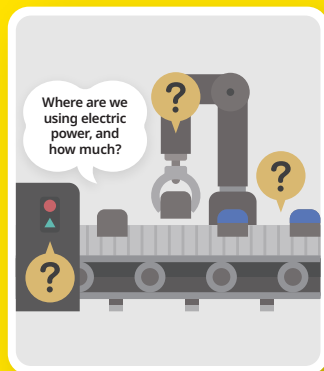
Feature: Working to put our philosophy into practice

UNIQUE SOLUTIONS

Towards a world overflowing with “I want to make this happen!”

Here, we introduce some of UNISOL's unique solutions, developed in response to what customers want to achieve and the problems they need to solve.

Aiming for carbon neutrality



Challenge

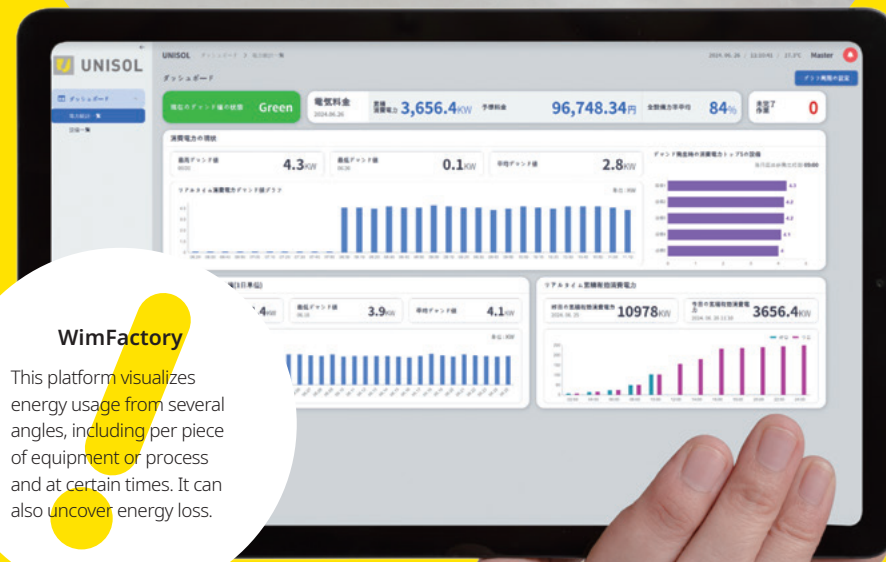
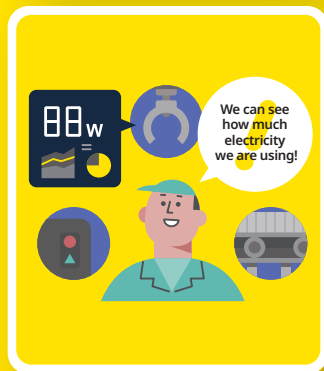
Difficulty implementing efficient energy-saving measures

For power-hungry factories, measures to reduce CO₂ emissions in the aim of achieving carbon neutrality are becoming a critical challenge. However, unless a company can get a clear picture of actual energy use factory-wide—which equipment is using how much electricity, and when—they will be unable to implement efficient energy-saving measures.

Solution

Visualization of actual usage using energy monitoring sensors

WimFactory is a platform that uses sensors installed on each item of machinery within a factory to measure and collect real-time energy usage data for those individual pieces of equipment and visualize energy data for the whole factory. Once a company understands its factory's energy usage trends, they can prioritize energy-saving measures for energy-inefficient machinery, facilitating efficient investment.



WimFactory

This platform visualizes energy usage from several angles, including per piece of equipment or process and at certain times. It can also uncover energy loss.



Nijo Castle's
Honmaru-goten Palace

Maintaining and conserving World Heritage sites

Challenge

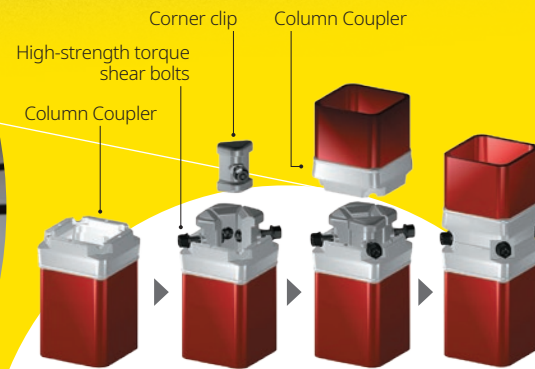
Difficulty retrofitting buildings for earthquake resistance

As part of work to conserve and repair historic structures, they must be fitted with steel frames to reinforce their columns and thereby increase earthquake resistance. However, the sparks released in the course of the welding process present a fire risk and cases when this has resulted in worker injuries or damage to the building are not uncommon. Companies need a construction method that guarantees worker safety and protects the building's historic value.

Solution

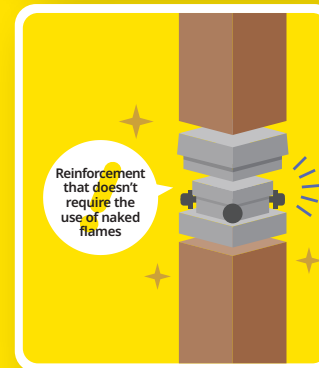
No-weld seismic retrofitting

Companies can carry out seismic retrofitting with Column Couplers, which can be safely fitted as they do not require on-site welding. These fittings were even used in the seismic retrofitting of Nijo Castle's Honmaru-goten Palace in Kyoto, one of Japan's Important Cultural Properties. The fact that the required steel frames could be assembled purely by hand meant that these conservation and repair works could be completed safely in a place where flammable materials are strictly prohibited and where materials cannot be brought in by trucks.



Column Couplers

Column Couplers are components used to connect the members of a steel frame, placed at the ends of two columns and simply fixed in place with bolts, fitting the two together with a high degree of precision and providing reinforcement. They require neither on-site welding nor a high degree of technical skill to install. This means that they offer consistently high construction quality independent of workers' skill levels, and also reduce construction time.



Global

Overseas consolidated subsidiaries

10 companies

Overseas production locations

2 locations

Overseas sales locations

28 locations



Asia

North
America



United States

16 Maruka U.S.A. Inc.

Sales of industrial machinery

17 New Jersey Office

18 Charlotte Office

19 Chicago Office

20 Kansas Office

21 Oklahoma Office

22 Los Angeles Office

23 Kentucky Office

24 Minnesota Office

25 Industrial Tool, Inc.

General engineering, including the automation of machinery and equipment

Mexico

26 Maruka Mexico S.A. de C.V.

Sales of industrial machinery

27 Querétaro Office

28 Monterrey Office

China

1 Maruka Trading Shanghai Co., Ltd.

Sales of industrial machinery

2 Tianjin Branch

3 Wuxi Branch

4 Maruka Trading Guangzhou Co., Ltd.

Sales of industrial machinery

5 Maruka Corporation Suzhou Office

Taiwan

6 Maruka Corporation Taipei Branch

Thailand

7 Maruka Machinery (Thailand) Co., Ltd.

Sales of industrial machinery

8 Pinthong Branch

Indonesia

9 Pt. Maruka Indonesia

Sales of industrial machinery

10 Pt. Unique Solutions Indonesia

General engineering, including the automation of machinery and equipment

Malaysia

11 Maruka (M) Sdn. Bhd.

Sales of industrial machinery

12 Penang Office

Philippines

13 Maruka Enterprises, Inc.

Sales of industrial machinery

Vietnam

14 Maruka Vietnam Co., Ltd.

Sales of industrial machinery

15 Ho Chi Minh Office



Notes:

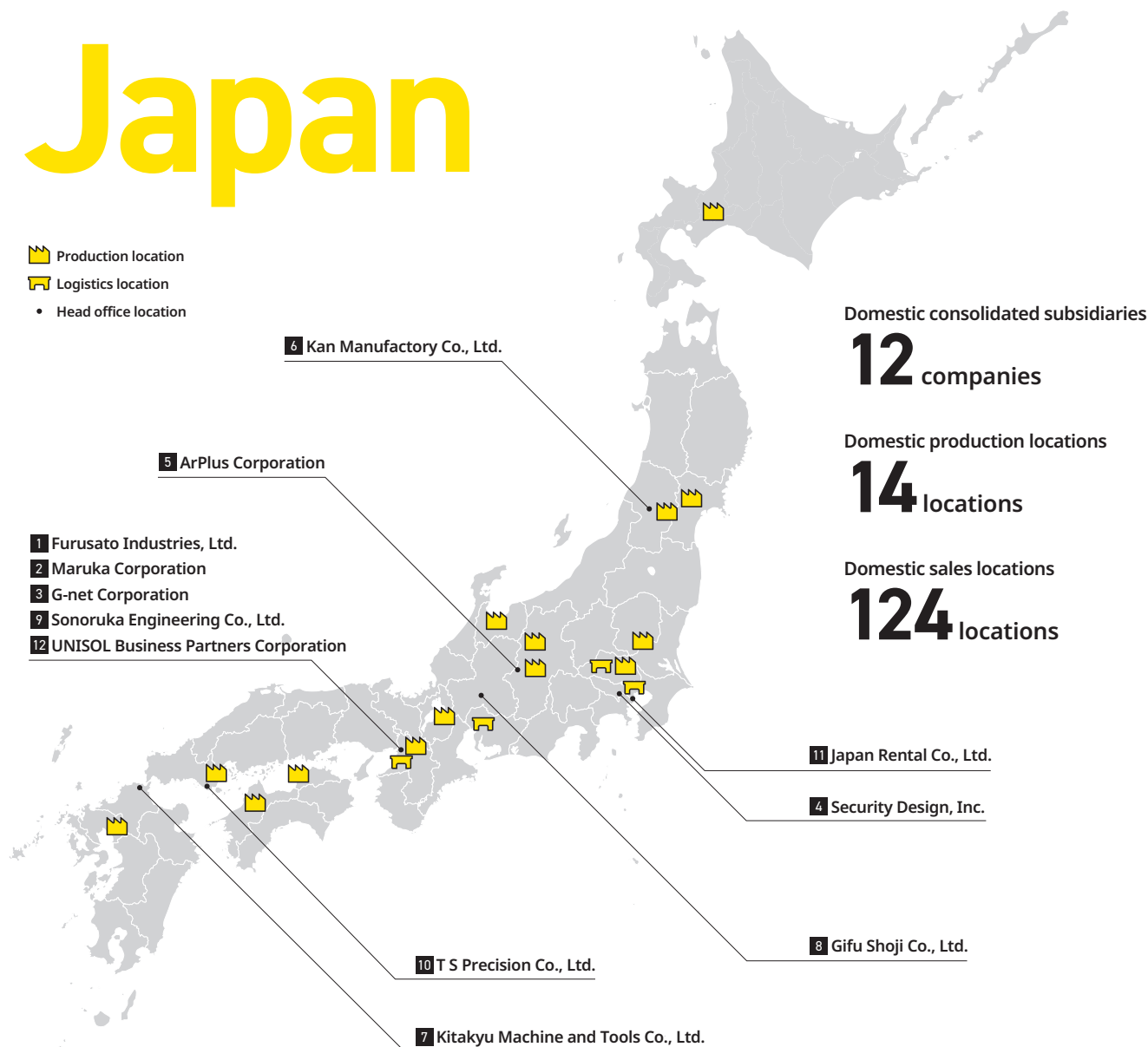
1. As of March 31, 2025. If multiple subsidiary locations exist at the same address, each is counted as a separate location.

2. Maruka Enterprises, Inc. is a non-consolidated subsidiary.

Network (Japan)

Japan


-  Production location
-  Logistics location
- Head office location



Japan

1 Furusato Industries, Ltd.

Manufacture and sales of products for steel frame buildings, sales of products for plant piping

 Production locations: Chitose, Sendaikita, Utsunomiya, Saitama, Matsumoto, Toyama, Shiga, Kagawa, and Kurume

 Distribution locations: Saitama and Osaka

2 Maruka Corporation

Manufacture and sales of products for steel frame buildings, sales of products for plant piping

3 G-net Corporation

Domestic sales, and import and export of machine tools, equipment & tools, facility equipment, environmental equipment, etc.

 Distribution locations: Tokyo, Aichi, and Osaka

4 Security Design, Inc.

Sales and installation of security surveillance equipment/systems and IoT solutions


5 ArPlus Corporation

Manufacture of highly customizable and custom-made food processing machinery

 Production location: Nagano

6 Kan Manufactory Co., Ltd.

Design, manufacture and sales of CNC high-pressure cleaners, specified cooling machinery, specified machine tools, assembly machinery, and jigs and tools

 Production location: Yamagata

7 Kitakyu Machine and Tools Co., Ltd.

Sale of industrial machine tools, work tools, electric tools, conduction equipment, etc.

8 Gifu Shoji Co., Ltd.

Sales of cutting tools and machine tools mainly for automotive industry

9 Sonoruka Engineering Co., Ltd.

Manufacture of coil line systems, shearing lines, peripheral automation equipment for press, and cooling water circulation devices

 Production location: Osaka

10 T S Precision Co., Ltd.

Manufacture and sale of machining equipment, constant velocity joint processing machines, etc.

 Production locations: Yamaguchi and Matsuyama

11 Japan Rental Co., Ltd.

Rental business primarily focused on mobile elevating work platforms and crane trucks

12 UNISOL Business Partners Corporation

Undertake the supportive tasks for the common businesses among UNISOL Group companies such as, but not limited to, Accounting, Finance, Credit Administration, HR, General Affairs

Note: As of March 31, 2025. If multiple subsidiary locations exist at the same address, each is counted as a separate location.

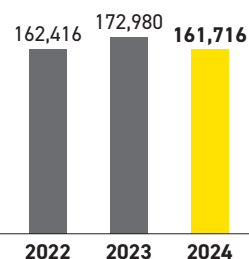
Financial and non-financial highlights

Financial highlights

Net sales

(Millions of yen)

¥ **161,716** million

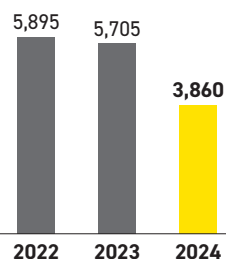


In the fiscal year ended December 31, 2024, sales were down 6.5% year on year due to a decrease in capital investment focusing on automobiles and semiconductors, with the market environment being particularly sluggish in the Machinery & Tools Business.

Operating profit

(Millions of yen)

¥ **3,860** million

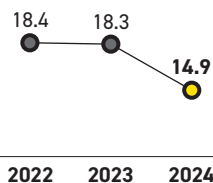


In addition to a decline in sales, the fiscal year ended December 31, 2024, saw a 32.2% year-on-year decline in operating profit due to rising personnel expenses associated with revisions to personnel systems and increased depreciation and amortization associated with the establishment of a new distribution center.

Overseas net sales ratio

(%)

14.9 %

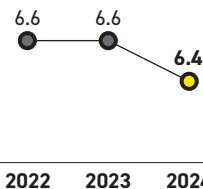


The worsening market environment in China and North America, the company's primary overseas markets for our machinery and tools business, resulted in a 14.9% drop in our overseas net sales ratio for the fiscal year ended December 2024, a 3.4% decrease year-on-year.

ROE

(%)

6.4 %



As result of extraordinary income booked due to the sale of cross-shareholdings that were carried out to increase capital efficiency, ROE and profit attributable to owners of parent were both down year-on-year.

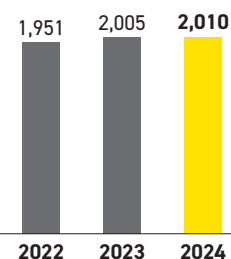
Non-Financial highlights

*1 The ratio of female managers is calculated based on data from the Company and some of our subsidiaries (Furusato Industries, Maruka Corporation, and G-net Corporation)

*2 The Certification Test for Environmental Specialists (Eco Test) is a registered trademark of the Tokyo Chamber of Commerce and Industry

Consolidated number of employees

2,010

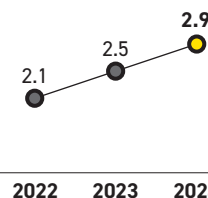


The Group comprises more than 20 companies worldwide, employing over 2,000 employees with a diverse range of backgrounds.

Ratio of female managers*1

(%)

2.9 %

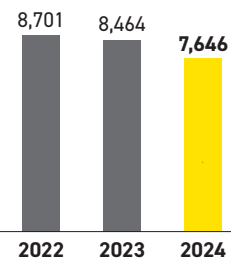


We have set "promotion of diversity and inclusion" as a materiality and are working with increasing the ratio of women in management as one of our goals.

Greenhouse gas (Scope 1+2) emission volume

(t-CO₂e)

7,646 t-CO₂e



We have set, "reducing the environmental impact in our business" as a materiality and are working to reduce greenhouse gases. We have achieved approximately 60% of our goal for 2026.

Number of examinees who passed the Eco Test*2

269



We encourage each of our employees to take the Eco Test in order to systematically acquire a grasp of environmental issues, which are becoming more diverse and complex.

2

Value creation strategy

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Ryohei Furusato

President and
Representative Director

Kunihiko Iida

Chairperson and
Representative Director

Maximizing synergies from management integration through change and co-creation, and aiming to be a solution partner that is customers' first choice

Maximizing

Synergies

Business environment and performance in the fiscal year ended December 31, 2024

Ryohei Furusato ● In the fiscal year ended December 31, 2024, the UNISOL Group saw a fall in both sales and profits, posting net sales of ¥161,716 million (down 6.5% year-on-year), operating profit of ¥3,860 million (down 32.3%), and profit attributable to owners of the parent of ¥4,613 million (down 1.8%). This was mainly attributable to a deterioration in the business environment, including reduced demand for machinery & tools in the Japanese market, and a contraction in demand in construction-related sectors. The Machinery & Tools segment, which accounts for around 60% of UNISOL's total sales, was especially heavily affected by a slump in the manufacturing sector, particularly in the automotive industry. In overseas markets, there was no sign of an uptick in orders in the North America and China markets. Although the second half of 2024 did see some indications of an upward trend in capital investment in the automotive sector, the overall sense of uncertainty remained unchanged.

In the Construction Products segment, there was a fall in demand for steel frame building work due to rising materials prices and the introduction of stricter regulations on overtime work, but demand for housing equipment was strong. We saw an increase in both sales and profits in the Construction Machinery and IoT Solutions segments, thanks to strengthened revenue bases.

In the Machinery & Tools segment, our main business area, lead times tend to be between six months and one year, so orders received in the fiscal year ended December 31, 2024 will not be reflected in sales performance until the fiscal year ending December 31, 2025. Although realizing a substantial improvement will be challenging, we still expect to be able to achieve an increase in both sales and profits in this fiscal year. Taking into account developments in the external business environment, we have revised downwards the Medium-Term Management Plan targets originally set for the fiscal year ending December 31, 2026, but our overall strategy remains unchanged. We will continue with measures, such as organizational restructuring, that are aimed at realizing further growth, and we will be aiming to maximize the synergies from management integration.

The UNISOL Medium-Term Management Plan — realizing the benefits from previous efforts, and sowing the seeds of further growth

Kunihiko Iida ● When we merged in 2021 and formulated our UNISOL Medium-Term Management Plan, we set our vision for what we aspired to be in 10 years as aiming to be a “Solution Partner” whom customers choose first. The first

“Taking on the challenge of developing new business areas, and strengthening collaboration with partner companies to accelerate our growth”

————— Kunihiko Iida

stage of implementation of the Medium-Term Management Plan, from the fiscal year ended December 31, 2022 to the fiscal year ended December 31, 2023, was a period in which we strengthened our foundations in order to realize our aspiration. To get two business groups with different corporate cultures moving forward together in the same direction, we emphasized the themes of collaboration and integration, leveraging our respective strengths and complementing one another in business areas where we had been lacking. In the second stage of implementation, which continues until the fiscal year ending December 31, 2026, we are focusing on the themes of change and co-creation, taking on the challenge of developing new business areas, and strengthening collaboration with partner companies to accelerate our growth. We will be striving to create value for the UNISOL Group in line with our Materiality, which is closely linked to our Group Philosophy and our Basic Policy on Sustainability.

Ryohei Furusato ● The new business areas that we particularly want to develop include new solutions that make effective use of IoT and AI, and “smart factory” technology. In the first stage of the Medium-Term Management Plan, we clarified the positioning of our IoT Solutions segment, by implementing an organizational restructuring. In this segment, we had already been providing security machinery and systems for many years. Now, this segment will play a leading role in the UNISOL Group’s development of new business areas; for example, we are researching, developing and marketing systems that enable factory machinery to be managed effectively in the cloud. As the IoT Solutions segment’s business areas are highly compatible with our Machinery & Tools segment, these two segments are working together to advance R&D and sales promotion efforts. In the “smart factory” business area, we anticipate an increase in demand for monitoring of the operating status of equipment, and for remote maintenance. By developing this as a recurring-revenue business, we aim to diversify our revenue model.

Kunihiko Iida ● What is special about the UNISOL Group is that, besides being a trading company, we also have our own manufacturing capability and our own IT and engineering teams. Given that we are able to provide an integrated service that covers everything from design through to programming, installation, remote monitoring and maintenance, it is only natural for us to grow our recurring-revenue model businesses.

Ryohei Furusato ● We are also actively proceeding with M&A activity that can sow the seeds for future growth, so that the UNISOL Group can build the business portfolio that will enable us to accomplish what we want to do. In December 2024, we invested in Eureka Robotics Pte. Ltd., a Singaporean start-up, which has developed technology that includes an AI-enabled controller which is able to recognize objects’ shapes without requiring teaching, and which has been attracting a great deal of interest at trade shows, etc.

Kunihiko Iida ● Realizing growth in global markets has been a goal for us ever since the management integration in 2021, when it was an important strategic consideration. Our Group has been providing an integrated service, covering the sale and repair of Japanese-made machinery and equipment, in

overseas markets, and has achieved an impressive track record of performance, especially in the automotive sector. Going forward, we will be looking to expand this success into a diverse range of industries. One example is the promotion of food production machinery sales in Southeast Asia, where we are focusing particularly on Thailand and aiming to grow our market share. Another example is in the U.S., where we are providing automation solutions, with one of the Group’s engineering companies playing a central role.

By combining these integrated services with consumables products such as machine tools, we are aiming to provide a one-stop service covering the provision of machinery, equipment and consumables, as well as repair and maintenance services.

Synergy monitoring, and an organizational restructuring to realize further growth

Ryohei Furusato ● We have calculated the synergy generated since the management integration in 2021 for approximately 40 individual items. Viewed in terms of operating profit, each year has seen steady growth, rising from ¥197 million in the fiscal year ended December 31, 2022 to ¥440 million in the fiscal year ended December 31, 2023, and to ¥558 million in the fiscal year ended December 31, 2024. This is attributable partly to cross-selling of industrial machinery, and to effective intra-group collaboration on automation and labor-saving projects, as well as to the cost reductions achieved by merging business locations.

Kunihiko Iida ● Synergy makes it possible to provide inspiring solutions that surpass customers’ expectations, and enables us to strengthen our competitiveness. One concrete example of this is the product proposals that we are offering to manufacturers of specialist vehicles. The Group companies in our Machinery & Tools segment have been working closely together, and have received orders for an integrated solution that combines the sale of press machinery with the design,

manufacturing, repair and analysis of dies. This is a good example of how the wide range of suppliers within the UNISOL Group have been able to come together to generate inspiring solutions. Similarly, for manufacturers of agricultural machinery, our Machinery & Tools segment, which excels at marketing equipment and machinery, and our IoT solutions segment, with its software expertise, have collaborated across segment boundaries on the development of software for use in the inspection of completed vehicles, leading to the adoption of a system that meets needs for paperless inspection.

Ryohei Furusato ● Regarding the maximization of synergy, which is one of the key measures in the Medium-Term Management Plan, in terms of meeting our targets for the second stage of plan implementation, progress has not been sufficiently rapid. To realize further expansion into global

By consolidating the core operating companies within each business segment, we will enhance our ability to drive growth

Ryohei Furusato

markets, we have taken on the challenge of securing more customers among non-Japanese companies in the China market, but we are currently having to readjust our strategy in this regard. And in our engineering business, we have not fully completed the establishment of the necessary systems.

In light of these circumstances, we are proceeding with business restructuring aimed at realizing renewed growth. Ever since the UNISOL Group came into being, Maruka Corporation and G-net Corporation, which are our core operating companies in the Machinery & Tools segment, have been working to steadily generate synergies through customer referrals, cross-selling, and measures to reduce fixed costs. However, having two separate decision-making chains within the same segment can lead to unnecessary complexity for the business. We decided that, in order to achieve steady progress in global

expansion and in engineering-related strategic initiatives, this was the right time to take things a step further. Starting from January 2026, a new company, UNISOL Corporation, will be playing a leading role in the Machinery & Tools segment. Coordinated with this management integration, we will also be spinning off some businesses as separate companies and transferring others. This will include the establishment of a unified core operating company for our Construction Products and Construction Machinery segments. By clarifying which are the core operating companies within each business segment, we aim to enhance our ability to drive growth.

Kunihiko Iida ● To generate synergies on the administrative side as well, in January 2025, we established UNISOL Business Partners Corporation. By combining the administrative functions of the major Group companies, we will improve operational efficiency, and the knowledge and experience gained through this process will also help to enhance the specialist expertise of our human talent. Looking ahead, there is the potential to expand this type of integration to include other functions, such as logistics..

Making UNISOL a sustainable business group

Kunihiko Iida ● The UNISOL Group's corporate vision of "Towards a world overflowing with 'I want to make this happen!'" embodies our commitment to responding to people's hopes for change that can lead to a better world in the future by delivering inspiring solutions, which can in turn inspire people to "make this happen." In line with our determination to help realize this kind of society, the UNISOL Group has used management integration to enhance our ability to provide unique solutions that other companies cannot offer. I believe that being able to utilize this capability effectively to help solve the problems affecting manufacturing facilities is UNISOL's biggest strength, and that it embodies the value we provide for society.

Ryohei Furusato ● A key prerequisite for realizing our vision is for both our company

and society as a whole to continue moving forward steadily with an eye on the future. With this in mind, we have formulated our Basic Policy on Sustainability, which aims to balance the generation of economic value and environmental and social value, from a perspective that considers the sustainability of both UNISOL and society, and we have also identified our materiality in relation to this policy. Our materiality comprises important management issues; we will be aiming to link this materiality with various strategies and measures. The areas that we are focusing on in our Medium-Term Management Plan include the need to reduce the burden on the environment and address problems affecting the manufacturing sector such as labor shortages. These are connected to the sustainability of both the UNISOL Group and society as a whole, and also form part of the narrative of realizing our corporate vision. Specific initiatives include the holding of regular study sessions on environmental and energy-saving issues that bring together people from across different businesses, and provision of support for sales activities. In addition, in the IoT Solutions segment, we have been proceeding with the development and rollout of the WimFactory solution for visualizing electric power usage.

Kunihiko Iida ● With regard to governance, in March 2025, Maruka Furusato Corporation transitioned from being a company with an audit & supervisory board to become a company with an audit and supervisory committee, thereby strengthening the supervisory function of the Board of Directors. Through the adoption of a system whereby Audit and Supervisory Committee Members with voting rights are able to scrutinize the legality and appropriateness of how business is conducted, we are aiming to further enhance the transparency and credibility of management. In addition, the

“Being able to contribute toward solving the problems affecting manufacturing facilities is our biggest strength, and embodies that value that we provide for society”

Kunihiko Iida

Board of Directors is able to delegate responsibility for making operational decisions to individual Directors, thereby realizing speedy decision-making and flexible operational execution. By placing an even greater focus on the Board's supervisory role, we are aiming to realize sustainable growth and to enhance corporate value over the medium to long term.

With regard to risk management, a Risk Control Committee has been set up, which is directly supervised by the President, and we aim to strengthen risk management by using a "three lines of defense" model in which individual factories and business units act as the "first line of defense," with corporate departments as the "second line," and the internal auditing units as the "third line." With the thorough implementation of a framework whereby all of the individual sites and units in the first line are aware of their responsibilities





“ People are our biggest assets. Our corporate value is enhanced by employees’ personal growth and organizational integration ”

——— Ryohei Furusato

as “risk owners,” while the second line provides control and support for the second line, and the third line evaluates how well the first and second lines have been fulfilling their roles, we recognize the importance of mitigating risks that could emerge on the business frontline.

Our Outside Directors have a diverse range of backgrounds, and we are seeing a steady improvement in the results obtained from assessment of the effectiveness of the Board. Going forward, we will be working to realize a further strengthening of governance.

Ryohei Furusato ● The UNISOL Group emphasizes the strengthening of human capital above all. People are our biggest assets, and our corporate value is enhanced by employees’ personal growth and organizational integration. This is why, after extensive discussion, we have been proceeding with the integration of the personnel systems of our main subsidiaries and with the design of a new education and training system.

In our overhauled education and training system, besides strengthening awareness of the roles that employees at different grades are expected to play, we are also encouraging employees to acquire the skills needed to fulfill these roles properly. We anticipate that having a unified human resources system and a unified education and training system will help to promote internal exchange and communication within the Group, enhance the overall quality of our human capital by expanding the range of career opportunities open to employees, and contribute toward the maximizing of synergies.

With the aim of further strengthening our human capital, we implemented an employee engagement survey in the fiscal year ended December 31, 2024. By analyzing the results and identifying issues at the level of individual companies, and devising appropriate strategies in response, we can enhance motivation and engagement, thereby contributing toward employees’ personal growth and, ultimately, to enhancing our corporate value.

A message to our stakeholders

Ryohei Furusato ● Currently, our performance has been affected by the deterioration in the wider business environment. However, in line with “Regarding Measures for Realizing Cost-of-Capital- and Share Price-Conscious Management” that was announced in March 2024, after carefully scrutinizing our cash allocation, we decided that we would adopt a dividend policy based on a baseline dividend on equity (DOE) ratio of 3.5% ahead of schedule, in the fiscal year ending December 31, 2025. Besides working to grow sales and profits, we are also aiming to realize a price-to-book ratio (PBR) of at least 1.0 and improve our return on equity (ROE) through management that pays greater attention to cost of capital.

In addition, we have overhauled our website, with the aim of spreading awareness of the UNISOL Group’s activities in accordance with our corporate philosophy. By enhancing the quality of the activities that we implement and engaging in more extensive dialog, we will raise our corporate value and live up to the expectations that our stakeholders have of us.

Kunihiko Iida ● In January 2026, Maruka Furusato Corporation will change its name to UNISOL Holdings Corporation, in line with the Group’s adoption of the shared brand “UNISOL.” Through this change, we are aiming to cultivate a greater sense of cohesion and enhance name recognition. The name “UNISOL” has been coined by combining the words “UNIQUE” and “SOLutions.” It embodies our uniqueness, and our commitment to providing optimal solutions for various issues. We will be working to build trust, so that our customers believe that “there is no problem that UNISOL cannot solve,” and to realize our Group vision of “Towards a world overflowing with ‘I want to make this happen!’”

Kunihiko Iida

Chairperson and Representative Director

Ryohei Furusato

President and Representative Director

Vision and strategy

We aim to be the number one solution partner for our customers

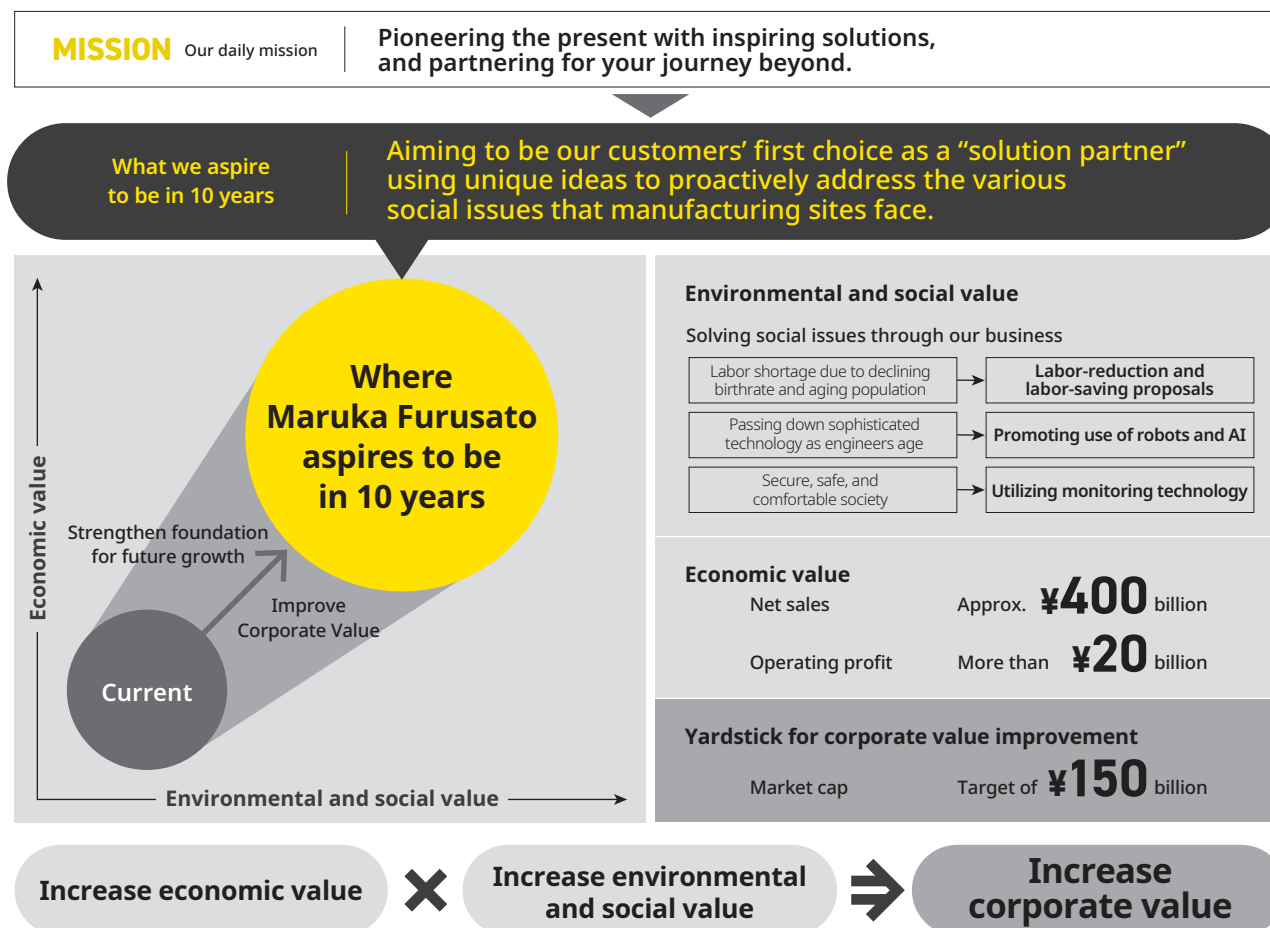
The UNISOL Group consistently strives to reinforce the foundations for growth needed to address societal and customer challenges. We are committed to maximizing corporate value through a focus on economic, environmental, and social value.

Enhancing corporate value from economic, environmental, and social perspectives

Based on the mission set out in our Group Philosophy—“Pioneering the present with inspiring solutions, and partnering for your journey beyond.”—the UNISOL Group has defined its desired vision in 10 years (from 2022) as follows, and is driving its business activities to achieve it.

Driven by growing environmental and social concerns, as well as technological advancements, challenges in manufacturing are becoming increasingly diverse and sophisticated. Even in this evolving landscape, to remain the number one solution partner, we are proactively taking on the challenges faced by society and our customers, and continuously seeking out the ideas and approaches needed for effective problem-solving.

We will continue to execute our Medium-Term Management Plan with diligence, focusing on maximizing corporate value by delivering both financial returns through profit targets and creating positive social and environmental impact by addressing key societal challenges. This approach is fundamental to achieving sustainable growth.



Sustainability

We are committed to increasing corporate value and building a sustainable future for our company and society

Based on our Group Philosophy, the UNISOL Group has established a Basic Policy on Sustainability that aims to balance economic value with environmental and social value.

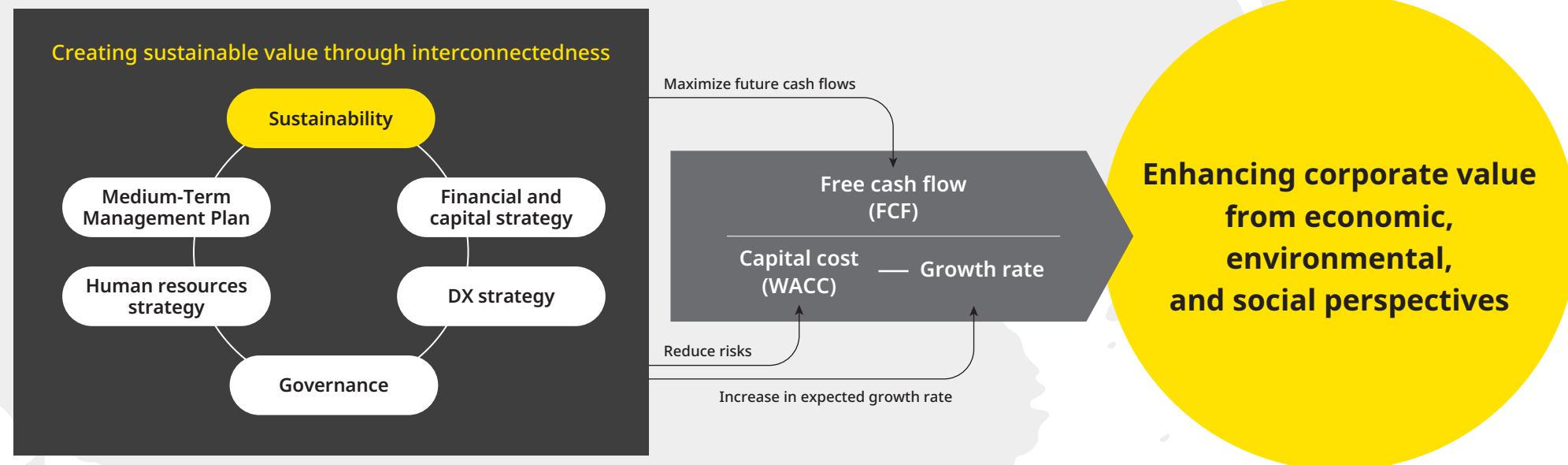
Under this policy, we interlink sustainability with our Medium-Term Management Plan, financial capital strategy, human resources strategy, DX strategy, and governance—all key elements of our overall management strategy—to create sustainable value.

Specifically, we identify priority issues (materialities) linked to the five themes outlined in our Basic Policy as our social responsibilities. We then integrate these into the strategies and initiatives of each operating company and department, driving progress accordingly.

By promoting these interconnected strategies, including sustainability, we aim not only to maximize cash flow but also reduce business risks and strengthen our foundations for

sustained growth. We will simultaneously pursue economic, environmental, and social value, ultimately enhancing our corporate value.

Process to improve corporate value



Sustainability promotion system

The UNISOL Group has established a Sustainability Committee, which debates and decides upon action on sustainability-related issues. This Committee is chaired by our President and Representative Director and its membership comprises Directors, Executive Officers, and Directors of our operating companies, judged suitable for membership and nominated to the position of member by the chairperson.

In addition, a Sustainability Committee Secretariat has been established under the Committee for the purpose of assisting the operation of the Committee. The secretariat formulates policies and measures related to sustainability, deliberates and examines their consistency with the strategies of each operating company, each department, etc., and submits proposals to the Committee.

Sustainability Committee: Organizational chart



Materialities and goals*1

Basic Policy on Sustainability	1	2	3	4	5
	Achieve harmony and coexistence with the environment	Support sustainability in the manufacturing industry	Realize a secure, safe, and comfortable society	Increase work motivation, and promote growth and social contribution	Promote fair and honest corporate activities
Materiality	Reducing environmental impacts in our business activities	Improving productivity through proposals for automation and labor-saving for production equipment and construction sites	A secure, safe, and stable supply system for products and merchandise	Promotion of diversity & inclusion	Strengthening our risk management and crisis management systems
Approach to Materiality	We have begun to reduce Scope 1 and 2 emissions and are committed to reducing the environmental impact of the Group. We will continue to monitor Scope 3 emissions as well.	We will work to solve social issues through our core business by promoting the strategic items set forth in our Medium-Term Management Plan (in the categories of "environment and energy saving," "EV-related," and "automation and labor-saving"), as well as other business strategies.	We will develop and maintain a system that enables us to continue to respond to the society's needs, and appropriately disclose information in our role as a trusted partner.	Through the creation of an environment in which human resources with various skills and backgrounds can play an active role, we aim to become an innovative organization that generates inspiring solutions.	We will establish and enhance a Group risk management system and ensure compliance to build an invaluable foundation for sustainable corporate growth.
FY2026 Numerical Goals/Activity Policies	Scope 1 and 2 emissions 6,856 t-CO ₂ e -21.2 % compared to 2022	Sustainability-contributing sales ratio*2 9.5 %	Organize and strengthen internal policies and Guidelines related to CSR Information disclosure to stakeholders	Ratio of female managers 3.0 % Number of non-Japanese employees 30 Ratio of human resources hired from the scientific field 9.0 %	Compliance training participation rate 100 % Developing and strengthening risk management systems led by the Risk Control Committee
FY2024 Results	Scope 1 and 2 emissions 7,646 t-CO ₂ e -12.1 % compared to 2022	Sustainability-contributing sales ratio 7.4 %	Formulation of Human Rights Policy	Ratio of female managers 2.9 % Number of employees with foreign nationality 18 Ratio of human resources hired from the scientific field 6.6 %	Compliance training participation rate 100 % Strengthen the risk management system based on the three lines of defense model
	⇒ p. 54		⇒ p. 58	⇒ p. 59	⇒ pp. 51 and 53

*1 The target indicator of Materiality 1 is "Scope 1 and 2 emissions" and "sustainability-contributing sales ratio," while for Materiality 2, it is "sustainability-contributing sales ratio" (the sustainability-contributing sales ratio target is set as the sum of Materialities 1 and 2).

*2 We define "sustainability-contributing sales" as revenue from products and services related to environmental initiatives, automation, and labor-saving technologies, and the "sustainability-contributing sales ratio" as the percentage of total company sales accounted for by sustainability-contributing sales.

Following revisions to the final year numerical targets in our UNISOL Medium-Term Management Plan, disclosed on February 14, 2025, we have also revised our sustainability-contributing sales and sustainability-contributing sales ratio targets for FY2026 (originally targeted at 10.0%).

*3 Regarding the indicators for Materiality 4, the data is aggregated for Maruka Furusato Corporation, Furusato Industries, Ltd., Maruka Corporation, and G-net Corporation.

Medium-Term Management Plan

Accelerating strategy implementation and further strengthening collaboration across businesses

Formulating a growth-oriented roadmap, and proceeding with step-by-step measures to implement it

To realize our vision of “What we aspire to be in 10 years,” which was formulated in accordance with the Group philosophy, we are implementing a Medium-Term Management Plan that comprises three steps.

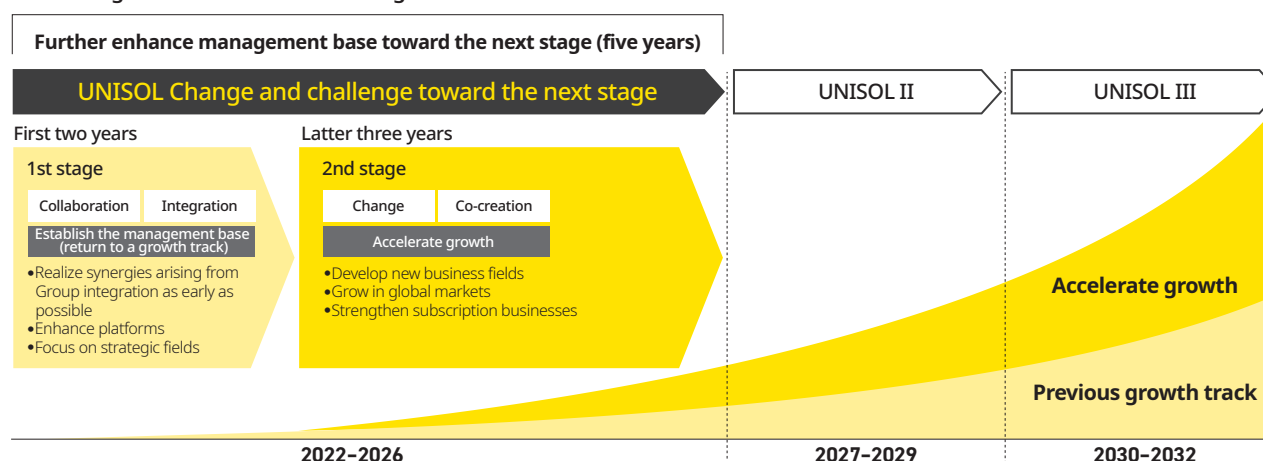
For the current Medium-Term Management Plan “UNISOL” (2022–2026), under the theme of further expansion of the management base, the first two years are the first stage to establish the base (return to a growth track), and the latter three years are the second stage to accelerate growth.

Focusing on generating integration synergies in FY2024 to achieve further growth

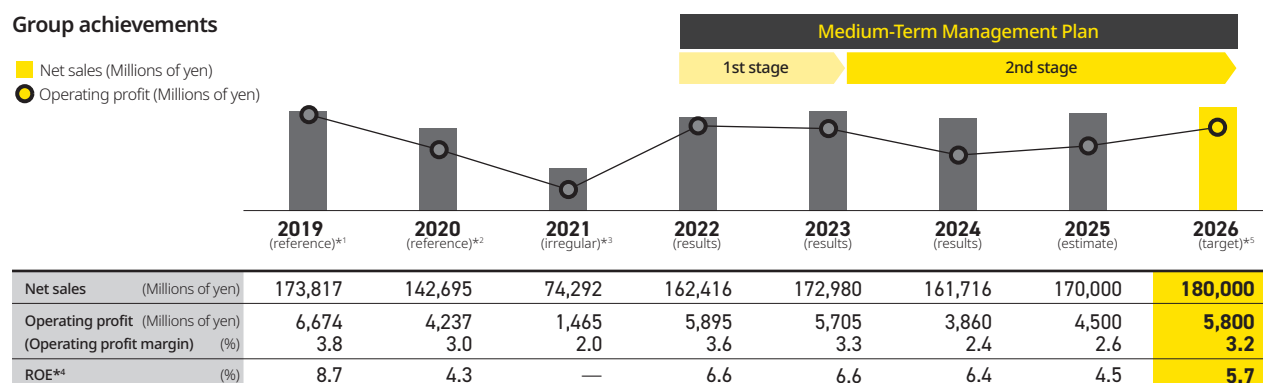
Net sales in the year ended December 31, 2024 were lower than in the previous year, having been impacted by certification issues affecting companies in the automotive sector and construction machinery sector, which are our main markets. At the same time, however, we were working to maximize the synergy from integration (following the merger), which we were proceeding with in order to realize our revenue targets, and we began to see a steady accumulation of results in terms of EV-related business, automation and labor-saving.

Looking ahead, we will be proceeding with preparations for reorganization, with a particular focus on the Machinery & Tools segment, and will be striving to achieve further progress in terms of management rationalization and efficiency enhancement aimed at achieving our goals for the final fiscal year of the Medium-Term Management Plan.

Positioning of the Medium-Term Management Plan



Group achievements



*1 Since the year 2019 was before the merger, these values are for reference only, calculated as a simple sum of various financial data for Furusato Industries' fiscal year ended March 31, 2020 and Maruka's fiscal year ended November 30, 2019.

*2 Since 2020 was before the merger, these values are for reference only, calculated as a simple sum of various financial data for Furusato Industries' fiscal year ended March 31, 2021 and Maruka's fiscal year ended November 30, 2020.

*3 As the merger was implemented in October 2021, results for fiscal year ended December 31, 2021 are the consolidated business results of Furusato Industries for April to December 2021 (9 months) and Maruka's consolidated business results for December 2021 (1 month).

*4 ROE for the fiscal year ended December 31, 2021 is not shown because the calculation results deviate from the actual results due to the reasons noted in *3.

*5 The target value for the fiscal year ending December 31, 2026 has been revised from the target which was originally disclosed. Please see the Notice of Revisions to Numerical Targets for the Final Fiscal Year of the Medium-Term Management Plan, which was issued on February 14, 2025.

Building up revenue by maximizing synergies from integration

One of the basic strategies for expanding our business base outlined in the Medium-Term Management Plan is to “Differentiate us from others in existing businesses.” As a key measure to realize this goal, we are aiming to maximize the synergies generated by integration following the merger through which Maruka Furusato Corporation was formed. To this end, we have formulated individual measures in line with our “4 pillars of collaboration,” which constitute near-term strategies, and our “5 strategic fields,” which are medium- to long-term strategies; we will be striving to generate meaningful synergies through effective progress management.

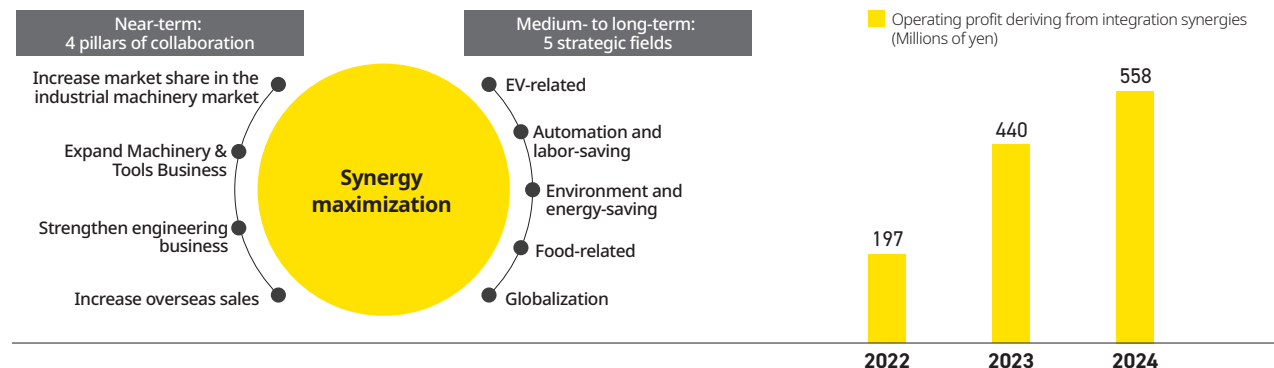
Implementing business reorganization to accelerate value creation

Besides working to maximize integration synergies, we are also aiming to generate new solutions through the integration of Group functions. In line with this strategy, in order to achieve further growth, during the first stage of implementation of our Medium-Term Management Plan, we have made the core operating companies in each segment into subsidiaries that are directly controlled by the Group’s holding company.

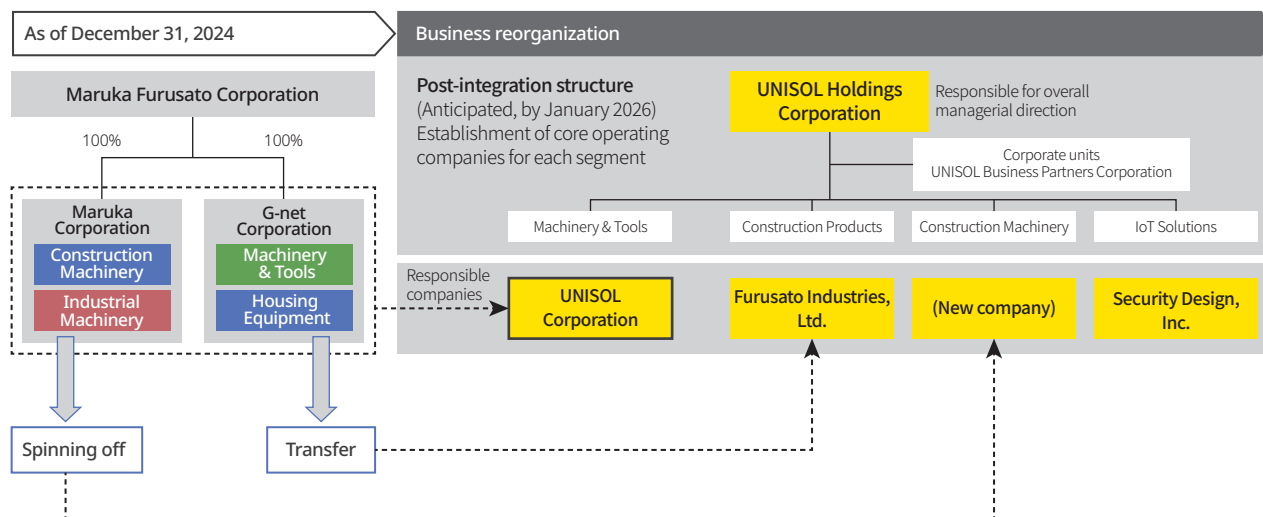
With regard to corporate functions, in January 2025, we established UNISOL Business Partners Corporation through the joint spinning off of units by Maruka Furusato Corporation, Maruka Corporation, Furusato Industries, Ltd. and G-net Corporation, with the aims of enhancing specialist capabilities by making operations more efficient and by achieving quality enhancements, and of cultivating the core human talent who will be involved in running the UNISOL Group in the future. We are also spinning off businesses as separate companies and transferring them to other companies as appropriate; it is anticipated that the management of Maruka Corporation and G-Net Corporation, which are the core companies in the Group’s Machinery & Tools Business, will be integrated in January 2026.

Through this series of business reorganizations, besides generating synergies within each segment, we are also aiming to achieve a further acceleration of value creation for the UNISOL Group as a whole.

Strengthening profitability through the maximization of integration synergies



Business reorganization—Conceptual image



In focus

Investing in Eureka Robotics, which possesses next-generation robot control technology

In the Machinery & Tools segment, we have invested in Eureka Robotics PTE. Ltd. Eureka Robotics is engaged in the development and sale of next-generation robot control technology that makes effective use of artificial intelligence (AI). Through our partnership with Eureka Robotics, we will be providing customers with unique, innovative automation solutions that unlock “Aha!” moments, one after another. Going forward, we will continue to aim at growing and developing our Group’s businesses.

Financial and capital strategy

Aiming to enhance corporate value through effective capital cost management

Basic policy on financial and capital strategies

The UNISOL Group has adopted the principles of capital cost management to maximize corporate value by enhancing capital efficiency alongside growth in net sales and profit. To that end, we are introducing ROIC as one of our KPIs with the aim of strengthening balance sheet management to achieve an optimal capital structure, and of continuously generating returns in excess of capital costs.

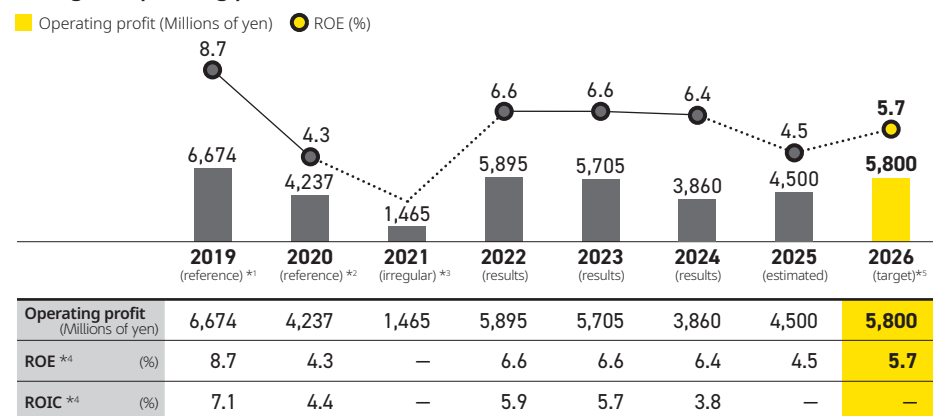
Cash allocation

Besides the effective utilization of cash generated from individual businesses' cash flow and from effective balance sheet management (i.e., cash generated from business activities) for business investment, capital investment, investment in IT and in digital transformation (DX), investment in human capital and investment directed toward making a positive contribution to society, the UNISOL Group's cash allocation policy also incorporates the flexible, proactive returning of profit to shareholders, in the form of dividends or share buybacks, etc. It was originally estimated that the cash inflow from business activities during the five-year

implementation period of the Medium-Term Management Plan would be approximately 22 billion yen; in fact, there has been a cash inflow of around 20 billion yen just during the three years from 2022 to 2024. We are using this cash inflow to proactively allocate cash to capital investment, growth-oriented investment, and returning profit to shareholders.

With regard to strategic cash allocation aimed at growth-oriented investment, we are exploring and scrutinizing potential areas for investment, and we will be allocating funds generated from optimization of our capital structure and from strategic fund procurement to this.

Change in operating profit, ROE and ROIC



*1 Since the year 2019 was before the merger, these values are for reference only, calculated as a simple sum of various financial data for Furusato Industries' fiscal year ended March 31, 2020 and Maruka's fiscal year ended November 30, 2019.

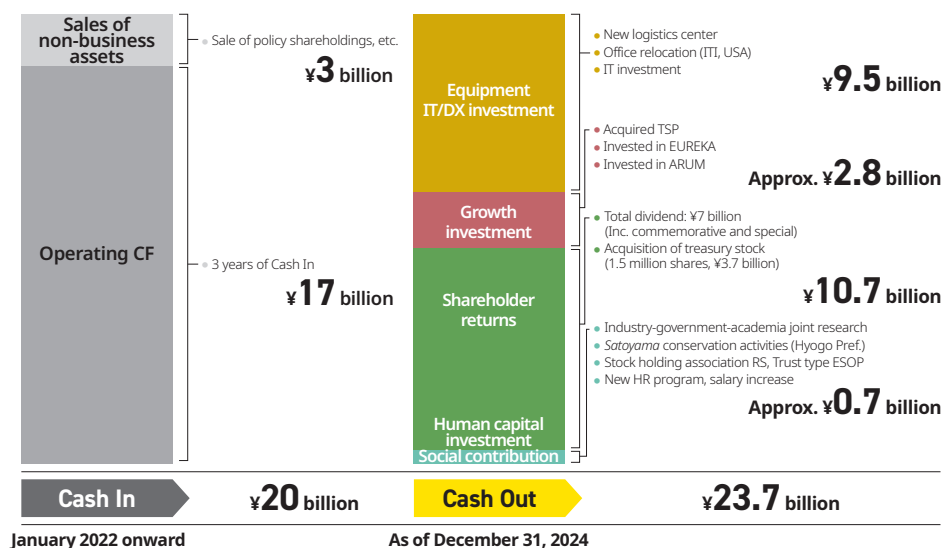
*2 Since 2020 was before the merger, these values are for reference only, calculated as a simple sum of various financial data for Furusato Industries' fiscal year ended March 31, 2021 and Maruka's fiscal year ended November 30, 2020.

*3 As the merger was implemented in October 2021, results for fiscal year ended December 31, 2021 are the consolidated business results of Furusato Industries for April to December 2021 (9 months) and Maruka's consolidated business results for December 2021 (1 month).

*4 ROE and ROIC for the fiscal year ended December 31, 2021 are not shown because the calculation results deviate from the actual results due to the reasons noted in *3. The ROIC target value is also not shown, because this is not disclosed.

*5 The target value for the fiscal year ending December 31, 2026 has been revised from the target which was originally disclosed. Please see the Notice of Revisions to Numerical Targets for the Final Fiscal Year of the Medium-Term Management Plan, which was issued on February 14, 2025.

Cash allocation progress

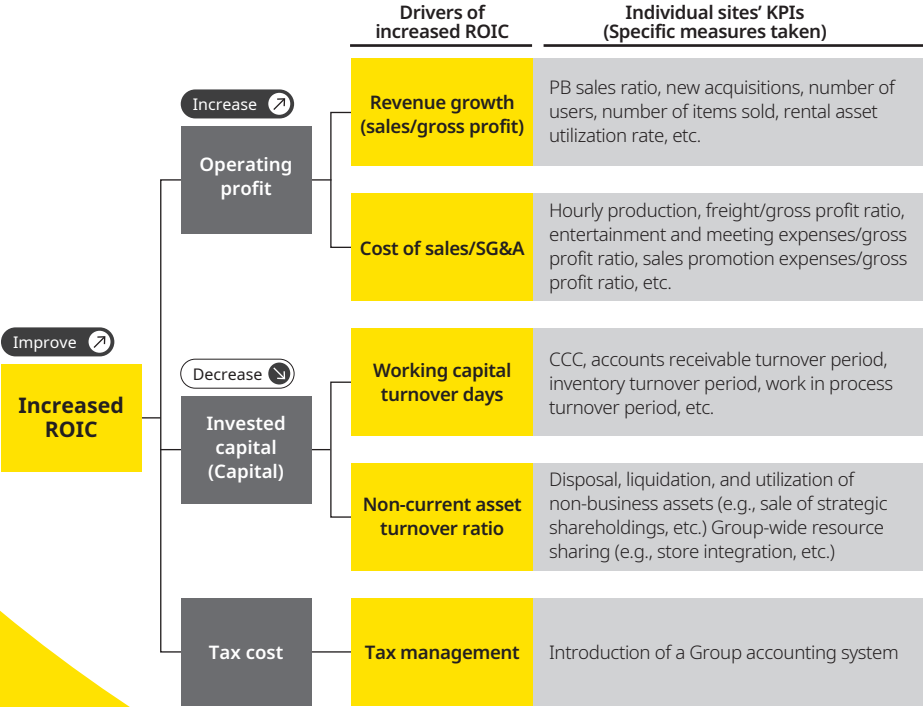


Efforts to improve ROIC

The UNISOL Group sees the enhancement of return on invested capital (ROIC) as an issue that senior management and frontline staff need to work together to address. By setting detailed KPIs in line with the special characteristics of each business location, we are striving to strengthen employees' awareness and help them to recognize that raising ROIC is an issue of direct relevance to them personally.

In the fiscal year ended December 31, 2024, we focused in particular on the selling off of strategic shareholdings with the aim of enhancing the return on fixed assets, and on improving the cash conversion cycle (CCC).

Linking ROIC with individual business locations' KPIs



Policy regarding returning benefit to shareholders

The UNISOL Group is striving to increase dividends through medium- to long-term profit growth, while placing emphasis on providing stable dividends to shareholders over the long term.

In the fiscal year ended December 31, 2024, we changed our dividend policy, and set targets for the dividend on equity (DOE) ratio (the ratio of the dividend amount to shareholders' equity), and for realizing a steady increase in dividends. We have also adopted a flexible approach toward returning profit to shareholders, for example by issuing special dividends funded from the gain on sale from the selling off of strategic shareholdings, and by share buybacks. In addition, we have

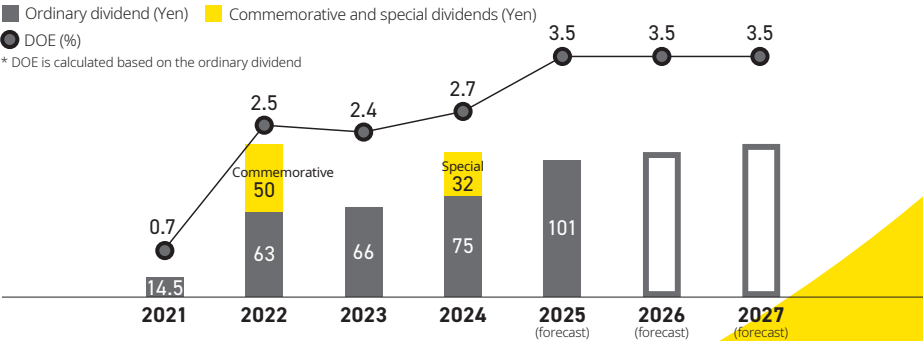
made changes to our shareholder benefits system, with the aim of securing the support of as many shareholders as possible over a longer period.

We originally set a target of realizing a DOE ratio of at least 3.5% with respect to returning profit to shareholders through ordinary dividends over the period of implementation of the next Medium-Term Management Plan (fiscal year ending December 31, 2027 to fiscal year ending December 31, 2029). However, after considering our cash allocation situation, we decided to bring forward the adoption of this target, so that it will apply from the ordinary dividend issued in the fiscal year ending December 31, 2025.

Policy regarding returning benefit to shareholders



Change in dividends



Human resources strategy

Cultivating unique human talent, with the aim of realizing sustainable growth for the UNISOL Group as a whole

Basic policy on human resources strategy

The UNISOL Group recognizes that the synergy created through the personal growth of individual employees and the integration of the different companies within the Group will facilitate the achievement of growth for the enterprise as a whole. To this end, we have formulated a human resources strategy that embodies where we aspire to be in the future.

To put the human resources strategy into effect, we have also formulated a Human Resource Development Policy and a Human Resource Active Participation Promotion Policy. The Human Resource Development Policy sets the goal of

“Developing unique human resources with an ownership mindset,” and we are examining ways to recruit, retain and cultivate human talent and utilize it effectively, and proceeding with strategic implementation. Under the Human Resource Active Participation Promotion Policy, we are implementing activities aimed at building the infrastructure that will enable every employee to fulfill their potential and play an active role in the enterprise.

We are also continuing to build an environment that allows employees to work with a high level of motivation, which is the foundation for both personal growth and group integration.

The three pillars of human resources development

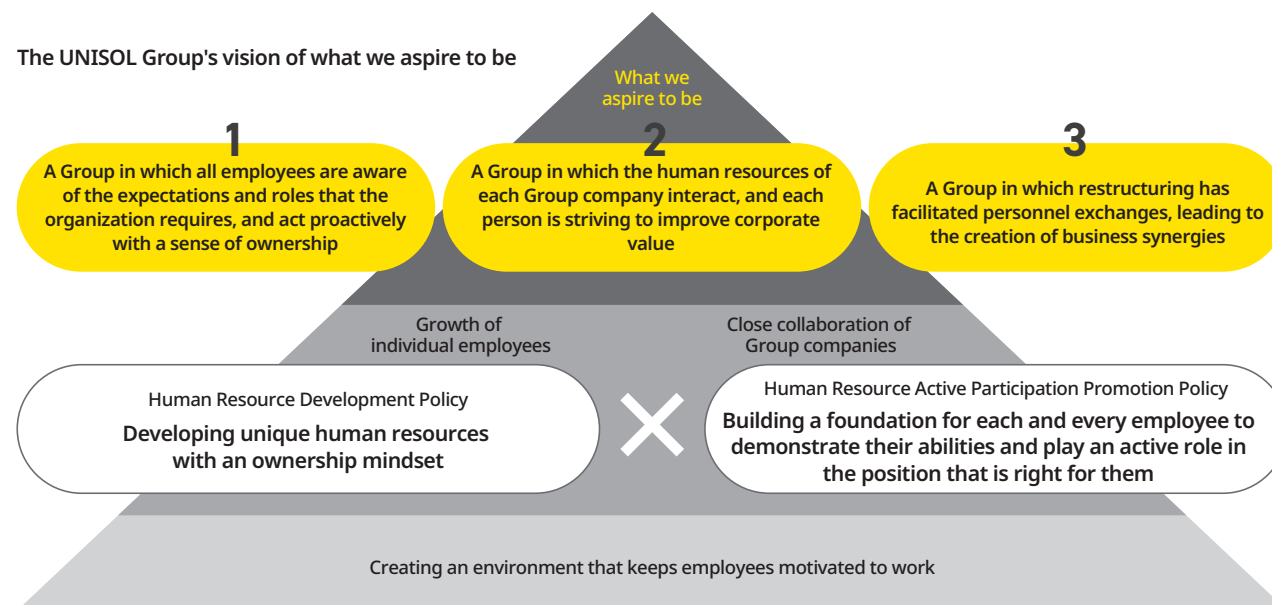
Based on the “3 Values” espoused in our Group philosophy, the Human Resource Development Policy defines three pillars of human resources development: creating an organization that utilizes diversity, fostering an approach that encourages taking on new challenges, and human resource development that nurtures autonomy.

As examples of how these are put into practice, besides providing career development training for employees based on their age, and career development training for female employees, the UNISOL Group has also put in place a system for employees to discuss their career development with senior managers, an in-house job posting system, and a “free agent” system to facilitate employee transfers between units. Besides encouraging employees to think about their own career-development in a self-directed manner, we are also proceeding with the putting in place of the environment and frameworks that will help employees to take on new challenges.

UNISOL’s “Values” and the areas that we are focusing on in human resources development

VALUES	Three Pillars
Co-creative spirit We recognize people and their ideas that are different from our own and exchange our opinions.	Creating an organization that “utilizes diversity”
Growth motivation We are always seeking challenges to grow.	Cultivating awareness that “encourages people to challenge themselves”
Thinking of issues as our own matters We face any issues with sincerity and take action on our own initiatives.	Undertaking human resources development that “fosters autonomy”

The UNISOL Group's vision of what we aspire to be



Integrating our human resources systems and overhauling the training system

In July 2024, we integrated the human resources systems of Maruka Furusato Corporation and our main Group companies: Furusato Industries, Ltd., Maruka Corporation, and G-Net Corporation. Through this integration, besides being able to undertake human resources cultivation in a coordinated manner in line with UNISOL's Human Resources Strategy, we have also been proceeding smoothly with business reorganization and aiming to generate synergy from integration at an early stage.

In January 2025, we began implementing a new employee education and training system tailored to our new human

resources system. Through this system, we are taking flexible human resources exchange among companies within the Group to a new level, and proceeding with the implementation of human resources allocation that assigns the right people to the right positions.

Our training system is structured in two stages: Role Familiarization Training, and Skills Training. In Role Familiarization Training, employees learn about the capabilities that their role requires, and their awareness of the need for proactive efforts to learn skills is strengthened. Having already completed this training ensures that, when employees go on to receive Skills Training, they are better able to acquire the skills that they actually need.

Strengthening measures to instill the Group philosophy

The Group philosophy is the foundation of the UNISOL Group's management strategy and business activities. We implement activities to disseminate and instill this philosophy on an ongoing basis, so that it can serve as a basis for decision-making in relation to various different matters for all employees, including company officers.

We hold regular workshops and grade-specific training activities to strengthen understanding of the Group philosophy. By getting every UNISOL employee to think in concrete terms about the significance of the role that the UNISOL Group plays in society, and about what kind of values are important, we aim to enhance employee motivation and cultivate employees' ability to operate autonomously.



Workshop in progress

Implementation of an engagement survey

With the aim of enhancing employee motivation and improving human resources measures, in the fiscal year ended December 31, 2024, the UNISOL Group implemented an employee engagement survey (covering Maruka Furusato Corporation and four of its chief subsidiaries), and we are now proceeding with the identification of issues affecting the organization, the identification of the major causes of these issues, and the formulation of strategies to address the issues.

The survey results are being analyzed at the level of each individual company, and special characteristics and issues are being identified. Going forward, we will be implementing measures formulated on the basis of the survey results in a manner that is coordinated with our human resources system and training system, thereby enhancing employee engagement.

The basic concepts behind the new human resources system



The human resources system that we are aiming to create				
Grade-specific role familiarization training		Grade-specific skills for dealing with people and issues		
Grade	Familiarizing oneself with the required mindset and the nature of the role		Dealing with issues Conceptual skills	Dealing with people Human skills
M2 and higher	Role Familiarization Training	360-degree survey	Strategy formulation	
M1	Role Familiarization Training		Accounting and finance	Coaching
E	Role Familiarization Training		Strengthening ability to address issues	Strengthening ability to deal with people
S2	Role Familiarization Training		Strengthening problem-solving skills	
S1	Role Familiarization Training		Logical thinking	
New employee	New Employee Follow-up Training			
	New Employee Induction Training			

DX strategy

Realizing DX in four key areas to generate new value

Basic policy of DX strategy

In accordance with our Group philosophy, the UNISOL Group is making effective use of the synergies from integration to strengthen existing businesses and generate new businesses.

We have positioned digital transformation (DX) as an important element in our Medium-Term Management Plan, and we have formulated a DX strategy in line with our Group philosophy and quantitative goals; we are working to take the utilization of digital technology to an even higher level.

Under our DX strategy, we are rolling out measures in relation to four key areas: streamlining and labor-saving; human resource development; utilizing DX to strengthen existing businesses and develop new businesses; and collaboration with stakeholders. We have classified our concrete DX measures into six categories, and by implementing these various initiatives we will be accelerating the promotion of DX within the UNISOL Group.

Going forward, all our businesses and all our employees will be working together as one to provide new value for our customers and for society as a whole.

DX strategy and measures

Medium-Term Management Plan	Our vision, Group philosophy, and quantitative targets		
Medium-Term Management Plan Basic Strategy	Differentiate us from others in existing businesses	Develop new business fields	Strengthen our SDGs initiatives
DX strategy	Streamlining and labor-saving	Human resource development	
	Utilizing DX to strengthen existing businesses and develop new businesses	Collaboration with stakeholders	
DX measures	AI utilization	Smart factories	
	Applications	Data analysis	
	Human resource training	Developing infrastructure and digitalization	

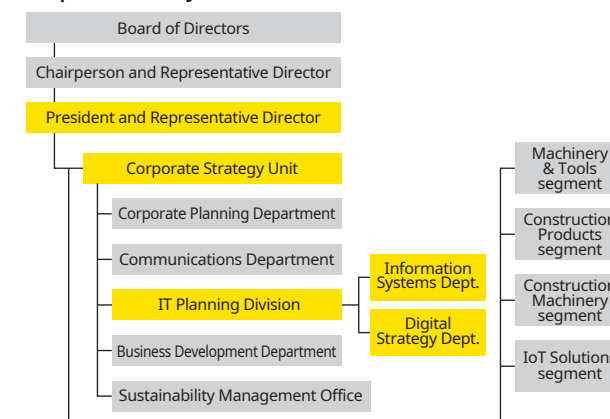
DX promotion system

The Digital Strategy Section was established within the IT Planning Div. of the Corporate Strategy Unit to promote the use of digital technology throughout the company, with the President and Representative Director as the Chief Operating Officer.

We are proactively adopting advanced digital technology and implementing DX measures in a more in-depth manner, for example by making business processes more efficient and enhancing service quality through the effective utilization of generative AI, and by strengthening the internal application development environment at our business locations through the use of no-code development tools.

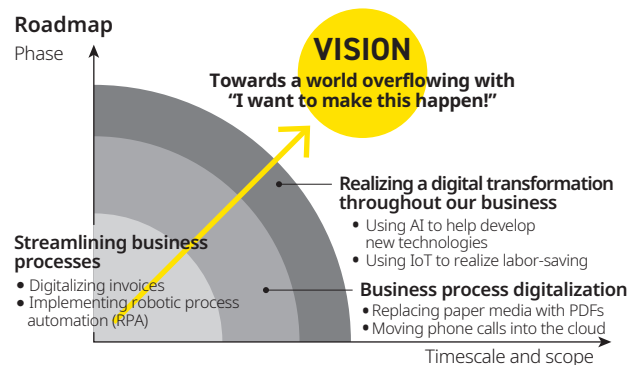
At all of our business locations, we are refusing to let ourselves be constrained by conventional wisdom, and we are working to enhance the value that we provide to customers through the provision of new services that make effective use of digital technology.

DX promotion system



DX strategy roadmap

The UNISOL Group is proactively promoting a business model transformation that makes effective use of digital technology, with the aim of using DX to enhance corporate value. In order to be able to continue responding to the increasingly complex market environment and continue meeting customers' increasingly diverse needs, we will be proceeding with the implementation of DX measures not only within the Group, but also externally.



DX strategy and measures, and implementation status

DX measures	DX strategy	Details	Implementation status
AI utilization	Streamlining and labor-saving	<ul style="list-style-type: none"> • Optimization based on various demand forecasts • Creation of an environment where AI assistants are present for all employees 	<ul style="list-style-type: none"> • Inventory demand forecasting • Adoption of generative AI
Smart factories	Utilizing DX to strengthen existing businesses and develop new businesses Collaboration with stakeholders	<ul style="list-style-type: none"> • Development of monitoring solutions using IoT know-how • Collaboration with vendors to automate and reduce labor 	<ul style="list-style-type: none"> • Development of a solution business that makes effective use of AI and the IoT
Applications	Streamlining and labor-saving	<ul style="list-style-type: none"> • Increased speed of problem-solving by deploying no-code development tools in the field • Streamlining of operations and development by introducing an ERP package 	<ul style="list-style-type: none"> • Rolling out of no-code development • ERP adoption
Data analysis	Streamlining and labor-saving Utilize DX to strengthen existing businesses and develop new businesses	<ul style="list-style-type: none"> • Utilization of a data integration platform that transcends the boundaries of the Group • Support for decision-making using BI tools • Support for new business development by utilizing our user database 	<ul style="list-style-type: none"> • Customer analysis utilizing the user database
Human resource training	Human resource development	<ul style="list-style-type: none"> • Knowledge and technology acquisition support for on-site personnel • Implementation of DX literacy education for all employees in addition to existing IT literacy education 	<ul style="list-style-type: none"> • DX training • Systematic promotion of DX talent cultivation
Developing infrastructure and digitalization	Streamlining and labor-saving	<ul style="list-style-type: none"> • Development of infrastructure across the group • Ongoing digitalization of operations and optimization of processes, and realization of diverse work styles through the use of digital technology 	<ul style="list-style-type: none"> • Promoting foundation development

Realizing the generation of better results at individual business locations through the cultivation of DX talent

The UNISOL Group is focusing on the cultivation of DX talent among all employees.

In the fiscal year ended December 31, 2023, we held four training programs for AppSheet, a no-code development tool provided by Google. Following this training, employees were able to develop their own applications, which has contributed toward enhancing operational efficiency and productivity.

In December 2024, a presentation session, organized by UNISOL, was held at Google's Japan head office to

demonstrate the results achieved by using AppSheet to undertake application development. Ten UNISOL employees gave presentations on the functions of the applications that they had developed, and on the results achieved after these applications were adopted.

We have also begun making effective use of Google's Gemini generative AI system, which is now being utilized in business processes across a wide range of fields.

Looking ahead, we will continue to promote the cultivation of human talent that can lead UNISOL's digital transformation, as we aim to enhance our corporate value.

DX at work: insights from our team

Taking the hassle out of e-mail communication by using generative AI

P.D.
(an employee working in sales)



Having been with the company for around a year, I have begun to use generative AI for communicating with overseas customers. By providing the generative AI system with prompts that incorporate the nuances of what I want to get across (based on the specific circumstances of my communication with that particular customer), I can get the system to suggest appropriate expressions, which has significantly reduced the amount of time I need to spend pondering what the best phrasing is when I am writing e-mails. Using generative AI as an "advisor" that can teach me knowledge which I need for my work is also helping me to achieve personal growth.

DX at work: insights from our team

Using AppSheet to eliminate unnecessary work

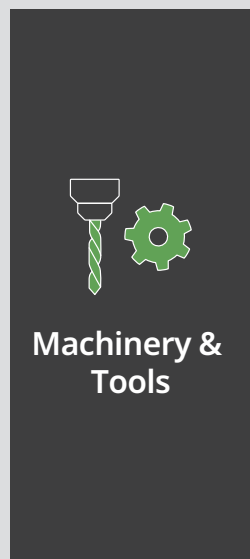
R.O.
(an employee working in a corporate department)



As a result of having received AppSheet training, I was able to develop and use five new applications, for the management of affixing official seals to documents, inventory slip management, etc. By moving tasks that used to involve writing by hand on paper to AppSheet apps, I have been able to realize a substantial improvement in working efficiency.

We also hold a monthly AppSheet study session within our department. Every participating team member has developed at least one application themselves; in this way, the use of AppSheet is spreading smoothly throughout the company.

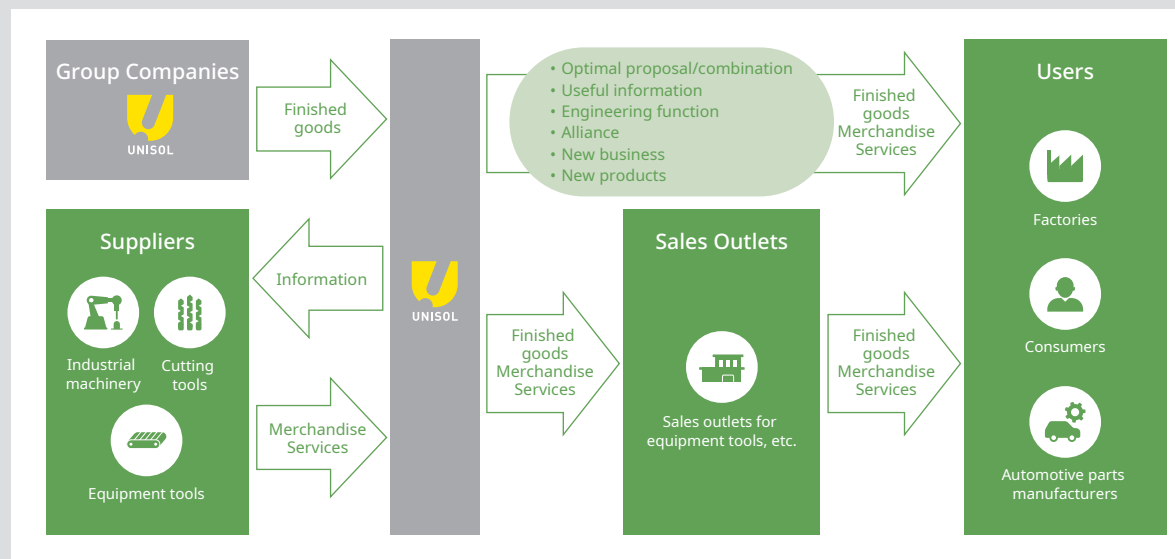
Segment status



Contributing toward manufacturing sector automation and labor-saving as a technology trading company

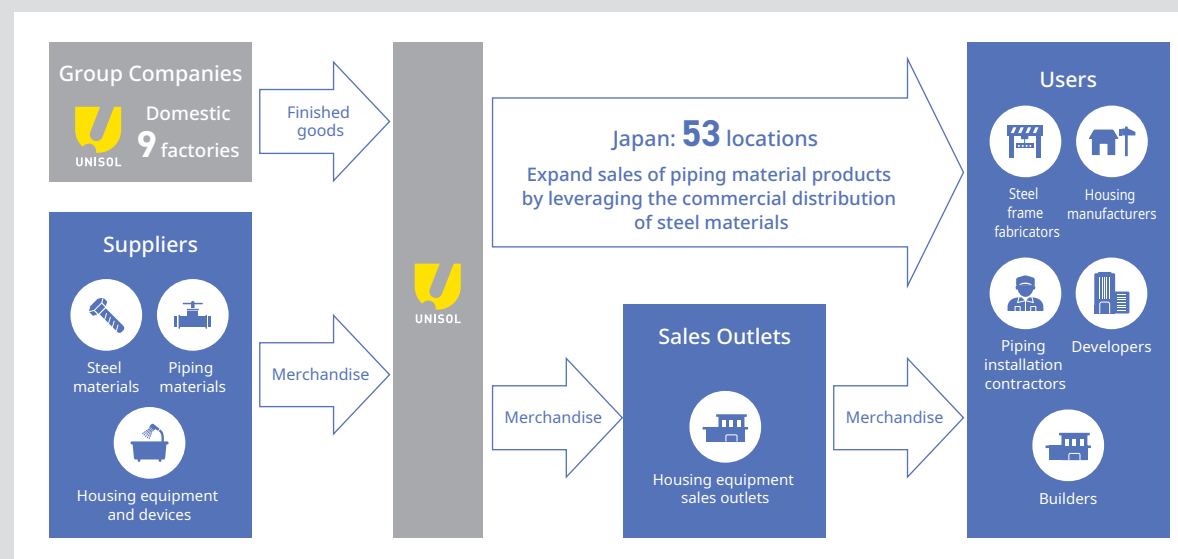
We have integrated the operations of our Group companies in three areas—Industrial Machinery, Engineering, and Equipment & Tools—to provide a wide range of solutions for automotive component manufacturers and other factories, both within and outside Japan, as a technology-oriented trading enterprise that also has its own manufacturing capability. By liaising closely with retailers and suppliers, we contribute toward solving the issues faced by the manufacturing sector (including the need to adopt new technology, and to realize automation and labor-saving) through our comprehensive range of products and our strong technology capabilities.

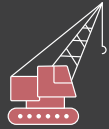
Business flow



With a network of sales outlets covering all of Japan, we provide just-in-time delivery of piping materials

We manufacture, source, and import steel frame building materials, piping materials, and housing equipment and machinery, providing just-in-time delivery for end-users that include major house-building companies, plant piping installation contractors, and other construction industry and manufacturing sector firms, with a particular focus on steel frame fabricators. We provide the best possible support for customers by maintaining appropriate inventory levels and providing speedy delivery with our network of 53 business locations throughout Japan.

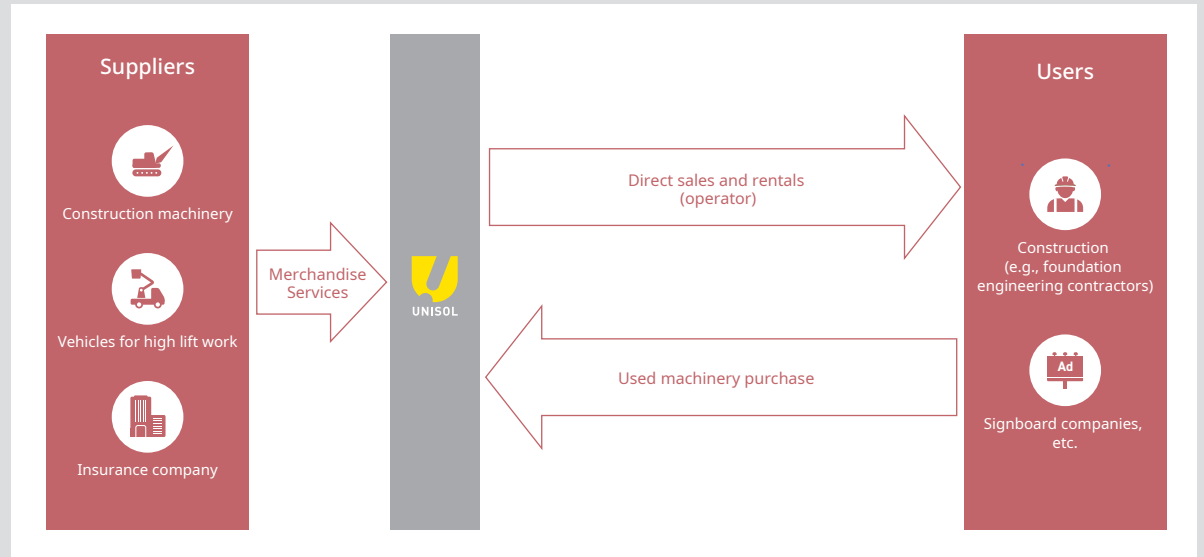




Construction Machinery

Meeting the needs of the construction and logistics sectors with a direct sales system for construction machinery sale and rental

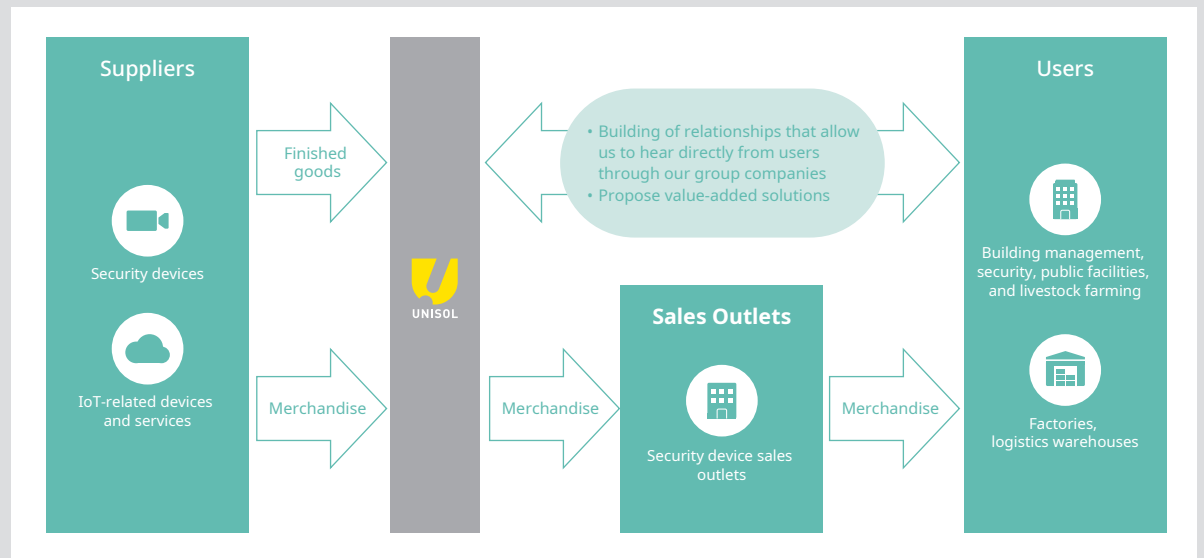
Through the sale and rental of construction machinery, equipment, and devices from various manufacturers, we are meeting requirements for enhanced operational efficiency, labor-saving and productivity enhancement to support companies in the construction sector, such as foundation engineering contractors, and companies in the logistics sector, including transport service providers and port cargo handling firms. By using a direct sales system that makes it easy for us to monitor market conditions and customer trends, we are able to provide smooth, rapid second-hand construction equipment transactions. We also design and offer insurance provision, thereby helping to reduce risk, which is an inherent problem in this field.



IoT Solutions

Providing a wide range of solutions, from the sale of security equipment through to smart factory implementation

We offer a one-stop solution for building management and security firms, factories, and logistics warehouses, covering everything from the sale of surveillance cameras, automated guided vehicles (AGVs), autonomous mobile robots (AMRs) and Internet of Things (IoT) equipment through to the design, installation and maintenance of security systems. We are also expanding our business in the IoT sector, including monitoring and sensing, and we offer total solutions for reducing the burden on production sites and making their operations more efficient, including conversion to smart factory operation with automated production lines.

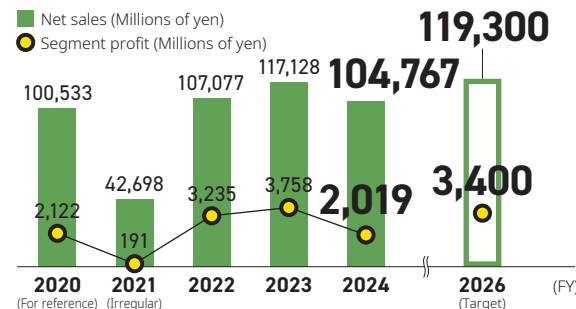


Segment status



Sharing materials and knowhow within the Group to offer product proposals that boost added value for factories through labor-saving and automation.

Net sales and segment profit



* The results for 2020 are calculated as a simple sum of results in each operating segment before the integration.
* Compound annual growth rate (CAGR) = (Target value/Initial value) $^{1/\text{No. of years} - 1}$ (This applies to the six-year period from FY2020 to FY2026).

Net sales
CAGR

2.9%

Segment profit
CAGR

8.2%

Takahisa Watanabe

Executive Officer
General Manager of Machinery &
Tools Business Headquarters



Overview of performance in FY2024

Responding to a challenging business environment by maximizing synergies from business integration

In the fiscal year ended December 31, 2024, the machinery business saw a two-digit fall in net sales year-on-year, caused by a decline in capital investment in many industries (particularly the automotive sector) both in Japan and overseas. Despite the challenging business environment, we succeeded in strengthening synergies from business integration, for example by providing Group companies' customers with product proposals for labor-saving equipment, and by boosting sales through the assignment

of employees who are familiar with machine tool products to work at other Group companies. By raising the share of total sales held by machine tool products, we will give the business a higher level of stability. In addition, to further enhance the level of value-added provided, we are focusing heavily on proposing solutions for automation and for digital transformation (DX).

Net sales in the tool business fell slightly year-on-year because of reduced demand in the machining and

machine-embedded products segment. However, sales in the equipment tools segment picked up, thanks to growing demand for energy-saving, labor-saving solutions; net sales in this segment were up by 22% compared to the previous peak in FY2018. Going forward, we will be aiming for further improvement in profit margins.

Business strategy and outlook for the future

Strengthening engineering capabilities to improve productivity in factories

Business strategy under the Medium-Term Management Plan

- Achieving early actualization and maximization of integration synergies
- Enhancing responsiveness to automation and labor-saving needs
- Strengthening “smart factory” initiatives
- Undertaking market development in growth areas
- Accelerating global expansion

With labor shortages in Japan becoming increasingly severe because of the shrinking population, there is demand for greater production efficiency in factories. In our machinery business, we are focusing on providing solutions that enable the realization of “smart factories,” by promoting automation and labor-saving using collaborative robots (co-bots), AI-enabled inspection equipment, and automated guided vehicles (AGVs), etc.

Implementing automation and labor-saving measures incurs significant costs, so we anticipate that there will be a growing bifurcation between firms that can afford the necessary capital expenditure and those that cannot. A further point is that those manufacturers which have their own equipment building capability will probably be able to produce special-purpose machinery in-house. We therefore assume that our potential customers will mainly be large and medium-sized firms with particularly challenging needs. To meet the sophisticated demands of these companies, we will strengthen our ability to offer comprehensive solutions that incorporate industrial machinery, peripherals, and robots, and we will be further enhancing our technology capabilities.

In terms of our customer portfolio, we are working to adjust our sales structure, which is currently concentrated in the automotive-related industry, by developing new markets, including construction machinery, agricultural machinery, and housing-related equipment. In addition, we are

strengthening the competitiveness of our product line by forging tie-ups with overseas manufacturers, obtaining exclusive distribution rights for foreign products in Japan, and negotiating agency contracts with multiple companies.

In overseas markets, our customers have mainly been Japanese-invested firms in transportation equipment related businesses. The growing popularity of Chinese electric vehicles (EVs) in Southeast Asian countries has depressed sales of Japanese vehicles in these markets, and capital investment has been lackluster. By contrast, local firms in the Chinese and Taiwanese markets are continuing to undertake extensive capital investment, so we aim to strengthen our provision of product proposals to non-Japanese companies and expand business transactions in this market segment.

In the tool business, in addition to boosting top-line growth (revenue growth) by increasing sales of products from new suppliers, we will raise our profit margins by increasing private-brand products' share of total sales to at least 4%. Key strategies aimed at boosting sales include the holding of Machining System Exhibitions and Unique Solution Fairs throughout Japan, and we are also striving to develop latent demand and spread awareness of our products and services.

In January 2026, we will integrate our core operating companies, Maruka Corporation and G-net Corporation. We believe that, by combining these two companies' strengths, we can further enhance our competitiveness in the Machinery & Tools Business.

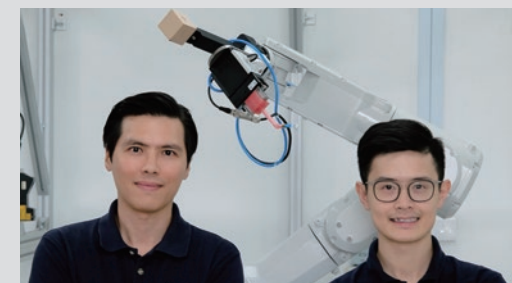
As the business environment becomes increasingly challenging due to intensifying global competition and the accelerating pace of technology innovation, we will continue our efforts to accurately identify customers' increasingly sophisticated and diverse needs and making an even bigger effort to provide them with optimal value.

In focus



Becoming the Japan agent for a manufacturer of ultra-large-sized AGVs

We have signed an agreement with Hunan CIZON Robotics Co., Ltd., a Chinese manufacturer of automated guided vehicles (AGVs) that specializes in producing large-sized AGVs capable of carrying very heavy loads of over 1 ton, to become their general agent in Japan. The first order for the company's products in Japan was secured in late 2024. With the aim of developing the Southeast Asian market, we have also secured the right to be Hunan CIZON Robotics' general agent in Thailand and their agent in Indonesia. By enhancing our competitiveness in this way, we will work to expand sales, particularly in Japan and Southeast Asia.



Investing in a Singaporean AI startup

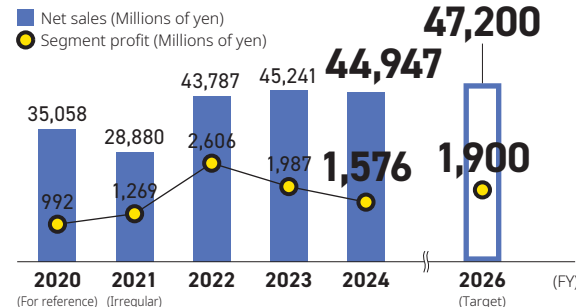
In line with our growth strategy, in late 2024, we invested in Eureka Robotics Pte. Ltd., a Singaporean company engaged in the development and sale of AI-enabled robot controllers and specialist 3D cameras. By making effective use of Eureka Robotics' AI technology, we will be providing revolutionary automation solutions to customers in the manufacturing and logistics sectors, both in Japan and in global markets (with a particular focus on the U.S.).

Segment status



Construction Products

Net sales and segment profit



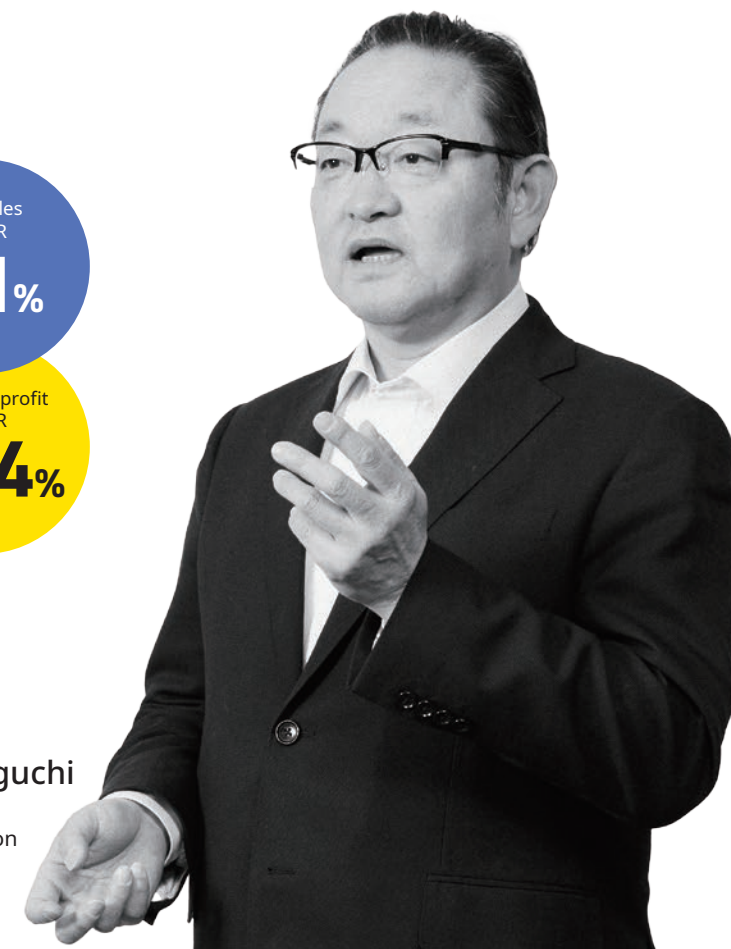
* The results for 2020 are calculated as a simple sum of results in each operating segment before the integration.
* Compound annual growth rate (CAGR) = (Target value/Initial value)^{1/No. of years - 1} (This applies to the six-year period from FY2020 to FY2026).

Net sales CAGR

5.1%

Segment profit CAGR

11.4%



Hideyasu Taniguchi

Executive Officer
Director of Construction Products Business

Although demand in the Japanese construction market has been falling, we are aiming to develop new markets for labor-saving materials.

Overview of performance in FY2024

Strengthening purchasing capabilities and making progress with customer referrals on a Group-wide basis

Domestic market demand in the fiscal year ended December 31, 2024 was depressed, with construction starts (in terms of floor area) down by 7.6% year-on-year, and new housing starts (the number of housing units) down by 3.4%; both steel frame building materials and piping materials saw a decrease in both sales and profits. However, net sales of housing equipment did increase in FY2024, as a result of an increase in orders for home renovation work that involves construction work secured

through strengthened sales efforts targeting larger customers and condominium management companies, and also as a result of price adjustments.

Despite the overall downward trend in demand in the construction market, there has been an increase in demand for environmentally friendly building materials and for labor-saving solutions, and so we have been working to develop related products and boost sales of these products. Through the merger, Maruka Furusato Corporation has

strengthened its procurement capabilities, leading to growth in sales of industrial machinery such as welding robots and laser-equipped machine tools. We have also realized an increase in intra-group cross-selling. We have found a way forward for providing steel frame fabricators with labor-saving products, and we believe that we have successfully developed a new market in this area.

Business strategy and outlook for the future

Solving issues for customers and society to achieve sustainable business growth

Business strategy under the Medium-Term Management Plan

- **Developing products and services that meet labor saving and labor reduction needs**
- **Strengthening of features (product lineup) to enable growth and increase market share within the industry**
- **Improving profitability by strengthening construction capabilities**
- **Striving to ensure that production activities help to safeguard the global environment**

Steel frame building materials account for around 70% of total sales in the Construction Products segment. Estimated domestic steel frame demand* in 2024 was low, at 3.75 million tons, due to the impact of rising materials prices and changes in working practices. However, we expect a turnaround after 2026 due to full-scale implementation of major redevelopment projects, such as government-promoted integrated resort (IR) development.

The construction sector is being affected by steadily worsening labor shortages, with a growing need to both enhance production efficiency and become more environmentally friendly, and so we are focusing on developing new markets by providing solutions that address customers' issues and which also help to solve society's problems. Through collaboration with the Machinery & Tools segment, we are further strengthening sales of welding robots and laser-equipped machine tools, and we are making significant forward progress in offering steel frame fabricators (which constitute important customers for us) solutions that will enable them to realize labor-saving and to automate their operations. As one example of this, we are continuing to promote sales of the Highskip construction method, which contributes toward labor-saving and CO₂ emissions reduction by reducing the amount of welding that needs to be performed.

In our existing markets, there has been an increase in orders for work using the exposed column base construction method, particularly the Free Base method that we developed in-house. These methods save labor on construction sites while also making buildings safer. There is also growing momentum toward promoting the utilization of wooden construction materials to help realize a decarbonized society, particularly among Japan's large general contractors, and so we have been developing and marketing the Wood Brace wall bracing product, which provides high strength for wooden building construction without blocking light and ventilation. In the wooden building market, as with other building types, we are striving to provide user-friendly products that offer safety and peace of mind.

Piping materials constitutes a growth area within the Construction Products segment. In this area, we aim to achieve further business growth by enhancing our professional expertise through greater organizational cohesion and strengthening of our purchasing capabilities and delivery system.

In Japan's housing market, there is a continuing downward trend in new housing starts, with a shift in the main focus of demand toward renovation of existing homes. In our housing equipment business, we are making effective use of our particular strength as a tier-one trading company that also has its own in-house construction capability, thereby improving our profitability by securing orders directly from end-users while also working to expand our network of sales outlets.

As outlined above, we are focusing on initiatives that make maximum use of our Group's strong product line, technology capabilities and sales network, working to grow our business over the long term by helping to solve not only our customers' problems but also those of society as a whole.

* Estimation performed using Building Starts statistics compiled by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

In focus



Reducing CO₂ emissions with our Wood Brace wall bracing

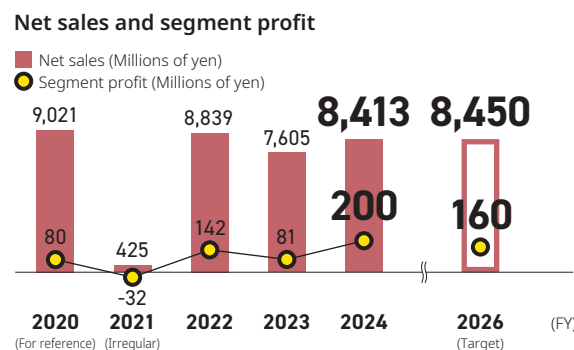
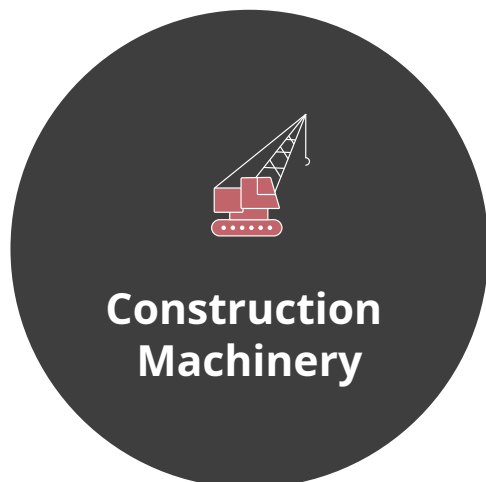
There is growing customer demand for wooden buildings driven by the need to realize a decarbonized society. To enter this market, we have developed the Wood Brace high-strength wall bracing product for wooden building construction (certified by the MLIT), which was launched in July 2024. Wood Brace is outstanding in terms of strength, toughness and ease of installation, and has been selected for use in pavilion construction for Expo 2025 Osaka, Kansai, Japan. We also aim to have this product used for the construction of detached homes, and we are promoting product proposals toward this goal.



Our new logistics center, featuring the latest equipment and new capabilities, begins operation

UNISOL Logistics Center Osaka, a logistics facility established for the Construction Products segment and the Machinery & Tools segment, began operation in May 2024. The new facility has solar panels for electricity generation installed on the roof, and has been awarded Net Zero Energy Building (ZEB) certification. By providing ample space for loading and for delivery vehicles to wait on standby, the facility realizes improved cargo handling efficiency and reduced waiting times, thereby helping to address the problems resulting from the introduction of tighter restrictions on delivery drivers' working hours.

Segment status



* The results for the fiscal year ended December 31, 2020, are calculated as a simple sum of results in each operating segment before the integration.

* Compound annual growth rate (CAGR) = (Target value/Initial value) $1/\text{No. of years} - 1$ (This applies to the six-year period from FY2020 to FY2026). Please note that the net sales CAGR is omitted as the initial value already exceeds the target value.

Net sales
CAGR

—%

Segment profit
CAGR

12.2%

We aim to further accelerate our business growth by adding overseas machinery to our three core pillars of cranes, foundation machinery, and used equipment.

Keita Okamura
Executive Officer
Director of Construction
Machinery Business



Overview of performance in FY2024

Successfully leveraging construction industry changes to highlight our trading expertise

In 2024, domestic construction machinery shipments totaled 1,090.8 billion yen, a decrease of 3.4% year-on-year, marking the first decline in three years. Looking at demand by machinery type, cranes and foundation machinery (including pile drivers) saw increased demand, while hydraulic excavators and similar equipment experienced a decrease. Amidst these market conditions, in addition to our long-standing focus on cranes and foundation machinery, we also worked to expand sales of used equipment as a

third pillar of our business, resulting in increased revenue and profits.

Customer awareness is steadily growing, driven by factors such as addressing labor shortages due to the declining working-age population and increasing interest in high-performance, environmentally friendly models against the backdrop of climate change concerns. While we anticipate potential impacts on capital investment plans due to rising construction costs and other factors, we recognize

the need to stimulate demand through high-value proposals such as offering the latest fuel-efficient models with low environmental impact, electric machines, and DX-compatible equipment.

Business strategy and outlook for the future

Leveraging product cycles to promote customer business expansion and utilizing overseas products

Business strategies under the Medium-Term Management Plan

- Establishing core products following cranes
- Strengthening comprehensive service capabilities by expanding our product lineup
- Reinforcing maintenance and servicing functions

According to predictions by the Research Institute of Construction and Economy, domestic construction investment for FY2025 is expected to increase by 1.3% compared to the previous fiscal year. For FY2024, we positioned cranes, foundation machinery, and used equipment as our three core pillars and focused our efforts on them. In our proposal activities, we are leveraging our strengths in expertise in foundation civil engineering and handling a wide variety of construction machinery. Specifically, we contribute to expanding our customers' business scope by proposing machinery capable of supporting operations in other project phases—including leveraging available subsidies—to clients who previously only undertook specific types of construction. This also leads to acquiring new market share. Furthermore, as our relationships with customers become stronger, we are seeing increased opportunities to buy back and resell used equipment associated with machinery replacements. We are able to offer optimal proposals tailored to our customers' budgets and needs, choosing from new, used, and rental equipment.

Looking at market trends, while large-scale projects in sectors such as semiconductors continue to hold promise, public works projects are trending downward. In addition, private sector projects are experiencing delays—including those related to redevelopment projects—and some plans are being revised.

We recognize that new challenges are essential to continue business growth under these circumstances. We will continue to provide high-value proposals that address industry trends such as reducing environmental impact, automation and labor savings, and electrification—while also strengthening our proposal activities towards large charter companies, which we have not previously approached.

We are also focusing on expanding our portfolio with a broader range of large-scale overseas products to differentiate from our Japanese products. Previously, sales struggled due to concerns regarding after-sales service for overseas products. Therefore, we partnered with a repair company and began offering total support including insurance and after-sales service, rather than just the machines themselves. Specifically, for port operations where there is high demand for efficiency improvements, we are partnering with Kalmar Corporation, headquartered in Finland, to sell cargo handling equipment for stevedoring and logistics operators, with the goal of increasing sales volume.

In addition, we aim for further revenue contribution from our rental business. Our rental offerings include crane and foundation machinery rentals, as well as aerial work platform rentals with operators. To effectively respond to demand driven by rising new equipment prices, we will improve profitability through measures such as reviewing our lineup with a focus on high-utilization, high-margin products, and offering bundled sales with insurance products.

As part of a company-wide business restructuring, we plan to spin off the Construction Machinery segment in the future. We will clarify our mission and strive for significant growth in the market.

In focus



Strong partnership with Kalmar Corporation

Kalmar Corporation, headquartered in Finland, is a manufacturer of cargo handling equipment used in ports and other facilities, operating in 120 countries worldwide. We are one of only two Japanese distributors for Kalmar Corporation, and we have strong connections. We will accelerate this partnership through tie-up with a repair company.



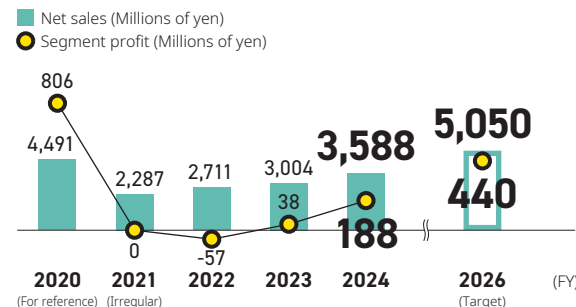
Launch of an unmanned rental car system service

Beginning in April 2025, we launched our unmanned rental car system "Port System" for construction machinery, aiming to improve equipment utilization rates, address driver shortages, and implement labor-saving measures. With prior registration, users can rent equipment 24 hours a day, 365 days a year. We plan to expand the service area based on customer needs in the future.

Segment status



Net sales and segment profit



* The results for the fiscal year ended December 31, 2020, are calculated as a simple sum of results in each operating segment before the integration.

* Compound annual growth rate (CAGR) = (Target value/Initial value) $^{1/\text{No. of years} - 1}$ (This applies to the six-year period from FY2020 to FY2026). Please note that the segment profit CAGR is omitted as the initial value already exceeds the target value.

Net sales
CAGR

2.0%

Segment profit
CAGR

—%

We are building an expanded sales infrastructure to meet increasing demand and proactively pursuing new solution proposals through group collaboration.

Ryohei Furusato

President and Representative Director
Director of IoT Solution Business



Overview of performance in FY2024

Achieving increased sales and profits with a stabilized revenue structure driven by expanded project orders

Our revenue structure stabilized and we achieved increased sales and profits, boosted by growing demand for access control systems accompanying new construction of data centers and logistics facilities, as well as growth in the security camera market and an increase in the number of units our customers are using. In particular, our revenue expansion was contributed to by a Japan-wide rollout of security cameras through a collaboration with major security

companies, winning large-scale projects from foreign-owned enterprises, and securing orders for labor-saving solutions.

Expanding and stabilizing our business in the future will require increasing both sales and technical personnel. Furthermore, we need to review construction safety standards, strengthen environmental considerations and legal compliance, and proactively pass on cost increases to maintain gross profit margins. Moreover, we will strengthen

our sales infrastructure and promote the use of cameras not only for security purposes but also as tools to enhance safety and peace of mind. We aim to propose solutions leveraging IoT technology—such as visualization and labor-saving initiatives like automated transport—to customers of our Group companies.

Business strategy and outlook for the future

Shifting our business from “things” to “services,” aiming to become a growth engine for the Group

Business strategies under the Medium-Term Management Plan

- **Creating new business areas for security cameras**
- **Expanding our business from “things” to “services”**
- **Expanding into the smart factory sector (remote monitoring and anomaly detection)**
- **Providing added value to products of our Group companies**

We anticipate that the market will continue to perform well, as advancements in AI enable sophisticated analysis such as facial recognition and behavior analysis with security cameras, leading to improved monitoring efficiency and reduced false alarms. To capitalize on this opportunity and expand sales, we must focus on technological innovation and adapting to evolving consumer needs. We will further strengthen our collaboration with security companies, real estate firms specializing in office buildings and condominiums, and equipment-related partners.

We are beginning to see results, such as the adoption of our OEM security cameras as certified products by major security companies, and are expanding our product lineup and working to broaden sales nationwide. Demand for access control systems is increasing in data centers and logistics facilities. Leveraging our strength in operating overseas systems, we are focusing on proposals to foreign-owned enterprises. Furthermore, to expand into the smart factory sector, we are currently verifying a power visualization solution at a manufacturing location within the construction material segment, and also promoting the development of solutions that visualize temperature changes and machine tools operation status.

At the same time, we are working to stabilize our core existing business by investing in and exploring new markets with our Group companies. We are also reviewing our

customer coverage and building a stronger support system and more efficient sales structure, focusing on key accounts. In January 2025, we established a Design Center within the sales department. To prepare for further expansion of orders for our successful security projects in FY2024, we will support the sales and technical departments from the perspective of preventing construction accidents and ensuring safety. To strengthen the development and proposal of IoT solutions, we have established an IoT Solutions Headquarters. We aim to expand group collaborative businesses and explore new markets by overseeing IoT solutions—which will serve as a new growth engine for the Group—and fostering collaboration with other segments. Regarding strengthening our support system, we aim to enhance the capacity to handle large projects in our technical department and to improve service quality centered around our help desk.

Under this robust sales infrastructure, we will expand our business from selling “things” to selling “services” by offering solutions that leverage the Group’s technological strengths, providing high added value.

In focus



Delivered state-of-the-art system for large-scale project

We proposed and were selected to provide an access control system for a large-scale project at the data center and logistics facilities of a global enterprise. We will streamline monitoring operations with a unified platform integrating multiple functions, especially leveraging our company’s strength in high-security facial recognition readers and access control systems.



Air Washer Camera

This camera, installed inside machine tools, enables situation monitoring and operation management to help improve production activities. It uses air to blow away liquid droplets, such as coolant, ensuring a consistently clear image. Its magnetic design allows for easy installation. We began sales in March 2025, after completing demonstration tests within our Group and at a machine tool manufacturer.

3

Basis of value creation

44 Corporate governance

Our current situation, as outlined by two of our Outside Directors
Overall picture of corporate governance
Leadership
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Risk management and information security
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Human rights, occupational safety and health
Diversity & inclusion, rewarding work, and community engagement



Corporate governance

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value creation2
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strategy3
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value creation4
Corporate data

—— Our current situation, as outlined by two of our Outside Directors ——

“ Providing support for bold decision-making aimed at realizing a corporate transformation ”

In the fiscal year ended December 31, 2024, the company failed to meet its revenue target and was forced to make a downward revision of its Medium-Term Management Plan targets, mainly due to external factors. Given these circumstances, the proactive approach that the company has displayed to returning profit to shareholders can be seen to reflect the management team's resolute commitment to enhancing corporate value. Looking ahead, I believe that we need to rapidly implement additional measures to improve profitability in the future. These include adjusting operational processes from the ground up, reducing fixed costs, and making sure to reap the benefits of the measures that have been implemented already.

The UNISOL Group aims to be an enterprise which society feels it can rely on. With this in mind, when facing the various difficulties that present themselves, it is important for every individual employee to boldly take on new challenges, and to build up experience of success to the greatest extent possible; I believe that this will help us to take on new challenges and realize further growth for the company.

Since taking up the position of Outside Director one year ago, besides attending meetings of the Board of Directors, I have also been visiting individual operating companies and attending trade shows where UNISOL has been exhibiting. This has helped me to experience for myself how operations are conducted on the corporate frontline, and to develop a more in-depth understanding. By combining this knowledge with the experience that I have accumulated over many years working in the automotive manufacturing sector, I will continue to support the company's management from the perspective of an Outside Director.

Hisao Takahashi

Outside Director

Mr. Takahashi has been involved in various new product development projects at Honda R&D Co., Ltd. and Honda Motor Co., Ltd. He took up the position of Outside Director at Maruka Furusato Corporation in 2024.

“ By making full use of integration synergies, UNISOL can expect to rise to even greater heights ”

The UNISOL Group is constantly working to strengthen its governance, so as to enhance the transparency and efficiency of management. Following thorough, in-depth discussions, the decision was made to become a company with an audit and supervisory committee. This change constitutes one part of UNISOL's efforts to strengthen governance. Today, with the transition to the new structure having been completed, I am more than ever convinced of the importance of building a framework for effective auditing. Given the central importance of ensuring access to reliable information, and of realizing auditing that makes effective use of the internal controls system, I feel that there is a definite need to further strengthen coordination with the Internal Audit Office.

On the operational side, the generation of further synergies is a key issue. With the rapid changes taking place in the business environment, it is important to identify new opportunities for growth that effectively utilize the strengths deriving from integration. I believe that, by optimizing our business portfolio, and by focusing management resources, including human talent, on areas with significant growth potential, we can enhance our competitiveness and realize sustainable development.

I am firmly convinced that cultivating a corporate culture that emphasizes the need to keep challenging oneself, and proceeding with transformations aimed at achieving a better future, will lead to outstanding performance for the UNISOL Group.

Kyoko Hikita

Outside Director (Audit and Supervisory Committee Member)

Ms. Hikita has many years of experience as a Certified Public Accountant (CPA), and possesses a wealth of specialist expertise. She took up the position of Outside Audit & Supervisory Board Member in 2021, and in 2025 she was appointed to be an Outside Director and Audit and Supervisory Committee Member.



Overall picture of corporate governance

Core concept

Maruka Furusato Corporation views corporate governance as fundamentally about fulfilling our responsibilities to all stakeholders and future society. To that end, we aim for cohesive Group management through agile and efficient decision-making under a fair and transparent management system, ultimately striving for sustainable growth and enhanced medium- to long-term corporate value.

Our Board of Directors is responsible for charting the strategic direction of the Group, efficiently securing and appropriately allocating Group management resources, formulating and executing capital policies, and overseeing the construction and operation of internal control systems throughout the entire Group. This allows us to accurately identify business risks within the Group and thoroughly manage overall profit and risk—contributing to the establishment of a robust Group management system.

Furthermore, we have established the Group Philosophy (our slogan, vision, mission, three values, and seven standards) as the fundamental management principles shared by all employees of the Group. We will continuously work to strengthen corporate governance through the practical application of these principles.

Corporate governance structure

Maruka Furusato Corporation transitioned to a company with an Audit and Supervisory Committee on March 28, 2025. By having the Audit and Supervisory Committee audit the legality and appropriateness of the execution of duties by the directors, we aim to further strengthen the supervisory function of the Board of Directors.

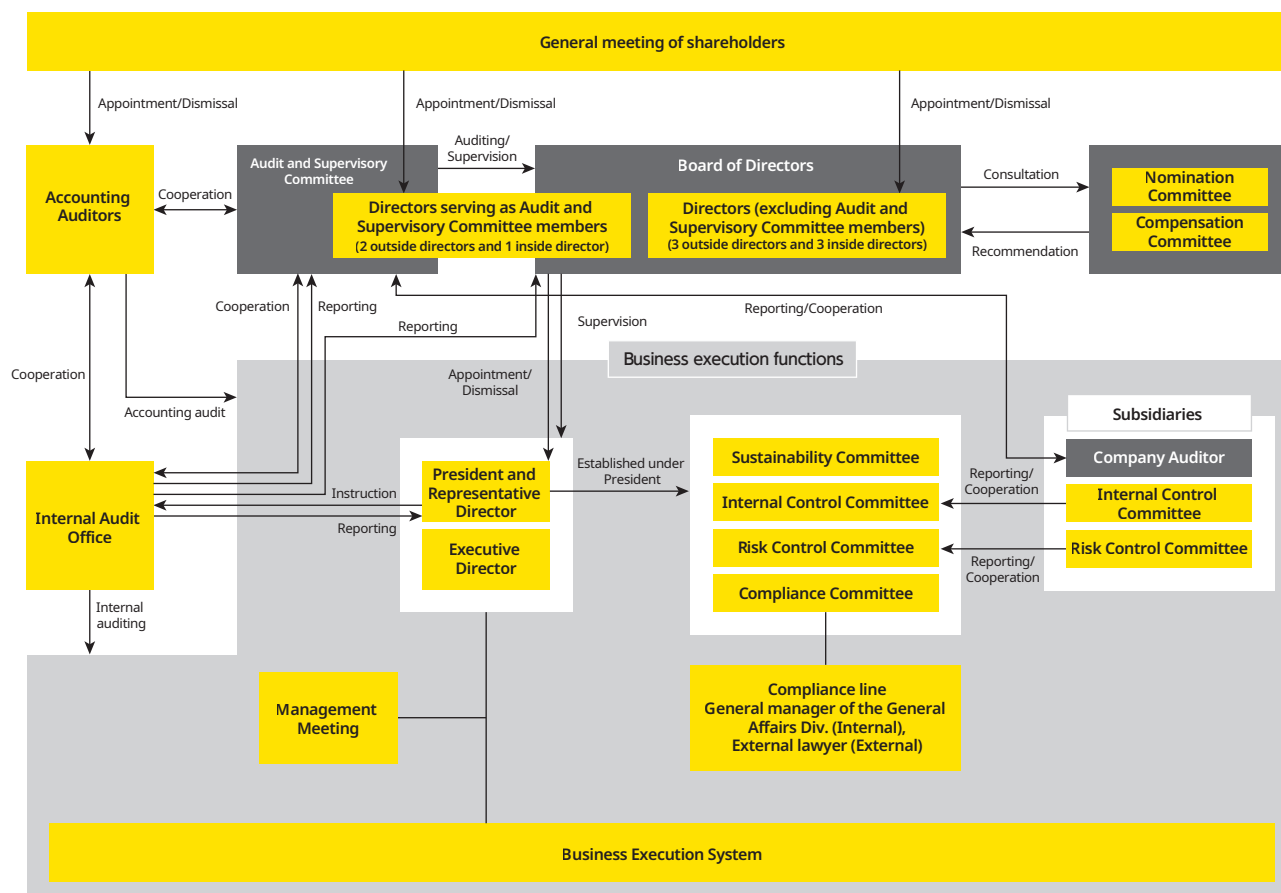
Furthermore, by delegating decision-making authority for the execution of business operations to the directors, we are enabling faster decision-making and business

execution under the appropriate supervision of the Board of Directors.

Currently, we have five outside directors (including two who also serve as Audit and Supervisory Committee members).

Because we have a governance system in place that allows these independent and impartial directors to monitor the performance of duties by each director, we are maintaining the current structure.

Corporate governance structure (As of March 28, 2025)



Board of Directors

The Company's Board of Directors consists of nine members: six Directors (excluding those also serving as Audit and Supervisory Committee members, and including three Outside Directors), and three Directors also serving as Audit and Supervisory Committee members (including two Outside Directors). In addition to regular monthly meetings of the Board of Directors, extraordinary meetings are held flexibly as necessary to ensure accurate and prompt decision-making based on sufficient discussion. In addition, the Board of Directors decides matters stipulated by laws and regulations and important matters related to management, and also discusses the progress of business performance and considers countermeasures.

Nomination Committee and Compensation Committee

In the aim of strengthening the impartiality, objectivity, and accountability of the Board of Directors regarding Director nomination, remuneration, and related issues, we have established a Nomination Committee and a Compensation Committee, both under the purview of the Board of Directors and comprising a majority of Outside Directors (excluding those also serving as Audit and Supervisory Committee members). Both function as advisory committees and are chaired by an Outside Director.

The Nomination Committee discusses, at the request of the Board of Directors, proposals for the General Meeting of Shareholders regarding the appointment and dismissal of Directors, while the Compensation Committee discusses matters concerning remuneration of individual directors, and reports on the details of these discussions to the Board of Directors.

Audit and Supervisory Committee

The Audit and Supervisory Committee is comprised of three Directors also serving as Audit and Supervisory Committee members (including two Outside Directors). The activities of the Audit and Supervisory Committee are to attend regular and extraordinary meetings of the Board of Directors and conduct audits of the Directors' performance of their duties and the Company's business and financial conditions. Further, they participate in opinion exchange meetings with the Representative Directors, and conduct the inspection and monitoring of important documents such as resolution documents.

Internal Audit Office

The Company has established an Internal Audit Office under the President and Representative Director for the purpose of verifying and evaluating the appropriateness and effectiveness of measures such as thoroughly implementing internal control, optimizing business processes, complying with laws and regulations, and ensuring due execution of procedures, and conducts on-site audits on an ongoing basis.

Accounting Auditors

The Company has concluded a contract with Deloitte Touche Tohmatsu LLC as its Accounting Auditors, and is subject to accounting audits from the position of independent professionals. Further, the Company has been subject to continuous audits by the executive members of this audit firm for a period of 23 years.

The Company is a holding company that was established in October 2021 through a joint share transfer by Furusato Industries, Ltd. and Maruka Corporation, and this continuous audit period includes the continuous auditing of Furusato Industries, Ltd.

Mutual cooperation between internal audit, audit by Audit and Supervisory Committee Members, and accounting audits

Audit and Supervisory Committee Members receive the policies, implementation plans, and results reports for internal audits from the Internal Audit Office, and mutually exchange opinions as needed when formulating plans at the beginning of the fiscal year and when inspecting the periodic internal audit reports and follow-up audit reports, in order to ensure the effectiveness of audits and improve their efficiency.

Further, the Audit and Supervisory Committee is working to ensure the effectiveness of audits by conducting hearings on the Accounting Auditors' audit plans, quarterly review reports and audit reports, and attending inventory audits conducted by the Accounting Auditors, etc., and periodically exchanging information when they visit for an audit.

In addition to witnessing inventory audits conducted by the Accounting Auditors, the Internal Audit Office mutually cooperates with the Accounting Auditors by sharing the audit results and other information through timely and appropriate exchanges of opinions and meetings.

Sustainability Committee

The Company established the Sustainability Committee in February 2022 to discuss and make decisions regarding response to issues related to sustainability. The Sustainability Committee is chaired by the President and Representative Director, and its members include Directors, Executive Officers, and Directors of each operating company that are designated by the chairperson, and important proposals are reported to the Board of Directors and subject to supervision.

Internal Control Committee

The Company has established an Internal Control Committee, whose purpose is to develop an internal control system for the entire Group, and the appropriateness of the financial reporting and effectiveness of internal control audits are being confirmed based on the Financial Instruments and Exchange Act.

Risk Control Committee

The Company has established a Risk Control Committee, under the President and Representative Director, in accordance with internal regulations. The Committee oversees all risk management activities of the Group, including the collection of risk information, risk control, policies for addressing company-wide material risks during the fiscal year and measures to reduce risks, and necessary instructions and support to the business units of subsidiaries.

Compliance Committee

The Company has established a Compliance Committee to examine and formulate basic policies and measures to ensure thorough compliance, and continuously conducts education on compliance to employees through in-house training and meetings. In addition, in order to prevent and correct illegal acts, and acts that violate social norms or corporate ethics, a "compliance line" has been established with the general manager of the General Affairs Div. as the internal point of contact and a law firm as the external point of contact, and we have specified in the Whistleblowing Regulations that employees will not be treated unfavorably for the reason of reporting to or consulting with these points of contact. There were four cases of whistleblowing during the fiscal year ended December 31, 2024, but no serious incidents.

Leadership (As of March 31, 2025)

Directors

(Excluding Directors who also serve as Audit and Supervisory Committee members)




Name	Kunihiko Iida	Ryohei Furusato	Katsuhiro Yamashita	Hiroyuki Nakatsukasa	Junko Takechi	Hisao Takahashi
Position	Chairperson and Representative Director	President and Representative Director	Director and Senior Managing Executive Officer	Outside Director Independent	Outside Director Independent	Outside Director Independent
Key career history	<p>Apr. 1980 Joined Maruka Machinery Co., Ltd. (currently Maruka Corporation)</p> <p>Dec. 2008 Commissioner of Maruka Machinery Co., Ltd.</p> <p>Dec. 2009 Deputy Chief of Administrative Headquarters of Maruka Machinery Co., Ltd.</p> <p>Dec. 2012 Executive Officer of Maruka Machinery Co., Ltd.</p> <p>Feb. 2013 Director, Executive Officer, and Chief of Administrative Headquarters of Maruka Machinery Co., Ltd.</p> <p>Apr. 2018 Chief Financial Officer of Maruka Machinery Co., Ltd.</p> <p>Feb. 2019 Director and Managing Executive Officer of Maruka Machinery Co., Ltd.</p> <p>Mar. 2020 President and Executive Officer of Maruka Corporation</p> <p>Feb. 2021 President of Maruka Corporation (to present)</p> <p>Oct. 2021 Chief Executive Officer of Maruka Corporation (to present)</p> <p>Chairperson and Representative Director of the Company (to present)</p> <p>Mar. 2024 Director of G-net Corporation (to present)</p> <p>Jan. 2025 Chairperson and Representative Director of UNISOL Business Partners Corporation (to present)</p>	<p>Sept. 1985 Joined Furusato Industries, Ltd.</p> <p>June 1995 Director and General Manager of Purchasing & Marketing Department of Furusato Industries, Ltd.</p> <p>Apr. 1997 Managing Director, Chief of Purchasing & Marketing Headquarters, and General Manager of Purchasing & Marketing Department of Furusato Industries, Ltd.</p> <p>Apr. 2000 Representative Director and Senior Managing Director of Furusato Industries, Ltd.</p> <p>June 2004 President and Representative Director of Furusato Industries, Ltd. (to present)</p> <p>President of G-net Corporation (to present)</p> <p>Nov. 2016 Director & Chairperson of Security Design Inc.</p> <p>June 2021 President & Representative Director of Security Design Inc. (to present)</p> <p>Oct. 2021 President and Representative Director of the Company (to present)</p> <p>Mar. 2022 Director of Maruka Corporation (to present)</p> <p>Jan. 2025 President and Representative Director of UNISOL Business Partners Corporation (to present)</p>	<p>Apr. 1991 Joined the Sanwa Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>Mar. 1999 Deputy General Manager of Kyoto Corporate Business Department 1 of Global Large Enterprise Line of the Sanwa Bank, Limited</p> <p>June 2004 Assistant General Manager of Hong Kong Kowloon Branch of the Sanwa Bank, Limited</p> <p>Aug. 2006 Joined Merrill Lynch & Co. Japan, Inc. (currently BofA Securities Japan Co., Ltd.)</p> <p>Global Markets Division Vice President</p> <p>Jan. 2008 Business Corporation Origination Department of Investment Banking Unit of Merrill Lynch & Co. Japan, Inc. Director</p> <p>Sept. 2015 Advisor to Furusato Industries, Ltd.</p> <p>June 2016 Senior Managing Director of Furusato Industries, Ltd. (to present)</p> <p>Director of G-net Corporation (to present)</p> <p>Oct. 2021 Director and Senior Managing Executive Officer of the Company (to present)</p>	<p>Oct. 1981 Joined Deloitte Haskins and Sells LLC (currently Deloitte Touche Tohmatsu LLC)</p> <p>Sept. 1984 Registered as a Certified Public Accountant</p> <p>Oct. 1988 Registered as a tax accountant</p> <p>Nov. 1989 Established Nakatsukasa Certified Public Accountant and Tax Accountant Office, Representative of the same Office (to present)</p> <p>June 2007 Chairman and President of The Japanese Institute of Certified Public Accountant Kinki Chapter</p> <p>July 2007 Deputy President of The Japanese Institute of Certified Public Accountant Outside Audit and Supervisory Board Member of Osaka Stock Exchange Inc.</p> <p>Feb. 2012 Outside Audit & Supervisory Board Member of Furusato Industries, Ltd.</p> <p>Jan. 2013 Outside Director of Japan Exchange Group, Inc.</p> <p>June 2015 Outside Audit and Supervisory Board Member of The Nippon Synthetic Chemical Industry Co., Ltd. (currently Mitsubishi Chemical Corporation)</p> <p>Outside Director of Furusato Industries, Ltd.</p> <p>June 2021 Outside Audit & Supervisory Board Member of The Bank of Kyoto, Ltd.</p> <p>Oct. 2021 Outside Director of the Company (to present)</p> <p>Oct. 2023 Outside Director (Audit & Supervisory Board Member) of Kyoto Financial Group, Inc. (to present)</p>	<p>Apr. 1999 Completed legal training</p> <p>Registered with the Osaka Bar Association</p> <p>Joined Midosuji Legal Profession Corporation</p> <p>Jan. 2003 Associated with Midosuji Legal Profession Corporation</p> <p>Jan. 2006 Partner of Midosuji Legal Profession Corporation (to present)</p> <p>Apr. 2012 Councilor of Assumption Academy</p> <p>June 2014 Outside Director of Furusato Industries, Ltd.</p> <p>Oct. 2021 Outside Director of the Company (to present)</p> <p>June 2023 Independent Outside Director of IwaiCosmo Holdings, Inc. (to present)</p>	<p>Apr. 1983 joined Toyo Kogyo Co., Ltd. (currently Mazda Motor Corporation)</p> <p>Jan. 1989 joined Honda R&D Co., Ltd.</p> <p>Apr. 2010 President of Honda R&D Asia Pacific Co., Ltd.</p> <p>Apr. 2014 Managing Officer of Honda R&D Co., Ltd.</p> <p>Apr. 2015 Representative of Production of Regional Operation (China) of Honda Motor Co., Ltd., Executive Vice President of Honda Motor (China) Investment Co., Ltd., and Executive Vice President of Honda Motor (China) Technology Co., Ltd.</p> <p>Apr. 2018 Director and Managing Officer of Honda R&D Co., Ltd.</p> <p>Apr. 2019 Director and Senior Managing Officer of Honda R&D Co., Ltd.</p> <p>Apr. 2020 Director of Honda R&D Co., Ltd. and Managing Officer of Honda Motor Co., Ltd.</p> <p>Apr. 2022 Director of Honda R&D Co., Ltd. and Senior Managing Officer of Honda Motor Co., Ltd.</p> <p>Apr. 2023 Senior Partner of CO-SAKU GK (to present)</p> <p>Aug. 2023 Specially Appointed Professor at Nagaoka University of Technology (to present)</p> <p>Mar. 2024 Outside Director of the Company (to present)</p> <p>June 2024 Outside Director of Nitta Gelatin Inc. (to present)</p>
Number of Board of Directors meetings attended ^{*1}	13/13	13/13	13/13	13/13	13/13	10/10 ^{*3}
Number of Audit & Supervisory Board meetings attended ^{*1}	—	—	—	—	—	—
Years in office ^{*2}	3.5	3.5	3.5	3.5	3.5	1
Number of shares held	10,659	401,500	3,500	—	—	—
Possessed skills						
Management and business strategy	✓	✓	✓	✓		✓
Solution development (technology)		✓				✓
Global experience	✓	✓	✓	✓		✓
Sustainability and SDGs	✓	✓	✓		✓	
Legal & governance	✓	✓		✓	✓	
Finance & accounting	✓		✓	✓		
Human resources & organization	✓	✓	✓	✓		✓

^{*1} Attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings shows results in FY2024. ^{*2} The years in office are as of March 31, 2025.

^{*3} Hisao Takahashi assumed office on March 28, 2024, at the Third Annual General Meeting of Shareholders. Therefore, only Board of Directors meetings held after his appointment are included.

Directors

(Audit and Supervisory Committee Member)

			
Name	Satoshi Onishi	Kyoko Hikita	Yasuo Sasaki
Position	Director (Standing Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member) Independent	Outside Director (Audit and Supervisory Committee Member) Independent
Key career history	<p>Apr. 1979 Joined the Sanwa Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>May 2008 Joined Furusato Industries, Ltd., served as General Manager of the Administration Department</p> <p>June 2008 Director and General Manager of Administrative Headquarters of Furusato Industries, Ltd.</p> <p>June 2010 Managing Director, General Manager of Administrative Headquarters and General Manager of General Affairs Department of Furusato Industries, Ltd.</p> <p>June 2011 Director and General Manager of Administrative Headquarters, G-net Corporation</p> <p>June 2013 Managing Director and General Manager of Administrative Headquarters of G-net Corporation</p> <p>Nov. 2016 Audit & Supervisory Board Member of Security Design Inc.</p> <p>June 2017 Standing Audit & Supervisory Board Member of Furusato Industries, Ltd.</p> <p>Oct. 2021 Standing Audit & Supervisory Board Member of the Company (to present)</p> <p>Mar. 2025 Director and Standing Audit and Supervisory Committee Member of the Company (to present)</p>	<p>Oct. 1991 Joined Ota Showa Audit Corporation (currently EY Ernst & Young ShinNihon LLC)</p> <p>Aug. 1995 Registered as a Certified Public Accountant</p> <p>July 2019 General Manager of Hikita Certified Public Accountant Office (to present)</p> <p>Feb. 2021 Audit & Supervisory Board Member of Maruka</p> <p>Apr. 2021 Professor at the Institute of Business and Accounting, Professional Graduate School, Kwansei Gakuin University (to present)</p> <p>Oct. 2021 Audit & Supervisory Board Member of the Company (to present)</p> <p>July 2022 Council Member of The Japanese Institute of Certified Public Accountant (to present)</p> <p>June 2023 Outside Audit & Supervisory Board Member of PALTAC CORPORATION (to present)</p> <p>June 2024 Outside Corporate Auditor of Aoyama Trading Co., Ltd. (to present)</p> <p>Mar. 2025 Outside Director and Audit and Supervisory Committee Member of the Company (to present)</p>	<p>Apr. 1979 Joined Toyota Motor Corporation</p> <p>Jan. 2003 General Manager of the Planning Office, Accounting Department of Toyota Motor Corporation</p> <p>July 2004 Senior Vice President of Toyota Motor Corporation of Thailand</p> <p>Jan. 2008 General Manager of the Global Audit Office of Toyota Motor Corporation</p> <p>Jan. 2009 Executive Officer of Futaba Industrial Co., Ltd.</p> <p>June 2009 Managing Director of Futaba Industrial Co., Ltd.</p> <p>June 2012 Senior Managing Director of Futaba Industrial Co., Ltd.</p> <p>June 2014 Representative Director and Senior Managing Executive Officer of Futaba Industrial Co., Ltd.</p> <p>June 2015 Vice President of Primearth EV Energy Co., Ltd.</p> <p>Oct. 2021 Audit & Supervisory Board Member of the Company (to present)</p> <p>Mar. 2025 Outside Director and Audit and Supervisory Committee Member of the Company (to present)</p>
Number of Board of Directors meetings attended ^{*1}	13/13	13/13	13/13
Number of Audit & Supervisory Board meetings attended ^{*1}	13/13	13/13	13/13
Years in office ^{*2}	3.5	3.5	3.5
Number of shares held	4,400	—	3,999
Possessed skills			
Management and business strategy			✓
Solution development (technology)			
Global experience			
Sustainability and SDGs		✓	
Legal & governance			
Finance & accounting	✓	✓	✓
Human resources & organization	✓		✓

^{*1} Attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings shows results in FY2024.

^{*2} The years in office are as of March 31, 2025. This also includes years served as an Audit & Supervisory Board.

Executive Officer

Senior Managing Executive Officer	General Manager of Corporate Strategy Unit	Katsuhiko Yamashita
Executive Officer	General Manager of Machinery & Tools Business Headquarters	Takahisa Watanabe
	Deputy Chief of Machinery & Tools Business Headquarters	Hidegori Otani
	Director of Overseas Business, Machinery & Tools Business Headquarters	Koichiro Ikari
	Director of Food Machinery Business	Yasuhiro Fujimoto
	Director of Construction Products Business	Hideyasu Taniguchi
	Director of Construction Machinery Business	Keita Okamura
	General Manager of Administrative Headquarters	Taketsugu Fujii
	General Manager of Group Governance Unit and General Manager of Risk Control Division	Naoto Shimabayashi
	General Manager of Corporate Planning Department and Business Development Department, Corporate Strategy Unit	Seiichi Masui

Remuneration of officers

Core concept

To ensure transparency and objectivity, the remuneration of officers is deliberated by the Compensation Committee, a majority of which comprises Outside Directors. If opinions or feedback are presented from the Audit and Supervisory Committee, these are taken into consideration when the Board of Directors determines the amount of remuneration.

Basic Policy for Officer Remuneration

1. Remuneration is appropriate to the scope of the role and responsibilities of each position
2. Remuneration is linked to company performance
3. Remuneration directs focus toward contributing to medium- to long-term corporate value
4. Remuneration focuses on sharing profit awareness with shareholders
5. The process of determining remuneration ensures transparency and objectivity
6. Remuneration is at a level that can secure excellent management personnel

Performance-linked stock compensation system

We have adopted a trust-based stock compensation system for eligible Directors and Executive Officers of the UNISOL Group. In accordance with the stock grant provisions established for each company, this is a performance-linked stock remuneration system that provides our Company's shares and cash equivalent to the current market value of those shares.

We adopted this highly performance-linked, transparent, and objective system with the aim of aligning interests with shareholders regarding fluctuations in stock price and fostering a greater sense of contribution towards the medium-to long-term improvement of our Group's performance and corporate value.

Remuneration system framework (excluding Directors who also serve as Audit and Supervisory Committee members)

Fixed remuneration (basic remuneration and responsibility allowance)	Compensation for Directors comprises position-based base salaries and a responsibility allowance payable to Directors with representative rights, disbursed monthly in cash.
Performance-linked stock compensation	Eligible Directors are awarded points on the basis of the degree to which operating profit and ROE (both consolidated) have met forecasts made at the beginning of each fiscal year. When a Director retires, he or she is issued with Company stock and other benefits corresponding to their points.
Performance-linked monetary remuneration (Director bonuses)	The standard amount is 20% of the basic remuneration for each position (25% for the President and Representative Director), and the amount obtained by multiplying basic remuneration by 0% to 30% depending on the performance results in the fiscal year will be paid, in principle, on the first business day of April in the following fiscal year. The degree of achievement of the consolidated operating profit plan is adopted as the performance coefficient.

Total amount of Director remuneration in FY2024

Category	Total remuneration, etc. (Millions of yen)	Total remuneration, etc. by type (Millions of yen)			Number of eligible officers (officers)
		Fixed remuneration (basic remuneration and responsibility allowance)	Performance-linked monetary remuneration (Director bonuses)	Performance-linked stock compensation	
Directors	175	146	25	3	8
(of these, Outside Directors)	(18)	(18)	(—)	(—)	(4)
Audit & Supervisory Board Members	24	24	—	—	3
(of these, Outside Audit & Supervisory Board Members)	(10)	(10)	(—)	(—)	(2)
Total	200	171	25	3	11
(of these, outside officers)	(28)	(28)	(—)	(—)	(6)

Notes:

1. This includes two Directors (including one Outside Director) who retired at the close of our third annual general meeting of shareholders, held March 28, 2024.
2. Totals for Director remuneration and other benefits do not include remuneration for duties performed in the capacity of employee in the case of individuals serving as both Director and employee.
3. Figures for performance-linked stock compensation include funds set aside for officer stock benefits in the fiscal year for which remuneration is being calculated.

Performance-linked stock compensation system

Overview	Those eligible to participate in the system are awarded points on the basis of the degree to which operating profit and ROE (both consolidated) have met forecasts made at the beginning of each fiscal year. As a general rule, stocks are awarded to those eligible upon their retirement. When a Director meets the conditions to be a beneficiary, he or she can carry out the prescribed procedures that will designate him or her as the beneficiary and thereby receive Company stock and other benefits corresponding to the total points accrued at the time of their retirement. In order to grant these benefits to our Directors and other officers as set out by this system, we contribute funds, treated as remuneration for our Directors and other officers, for the advance acquisition (by a predetermined period) of the requisite number of Company shares, predicted to the best of our ability. The trust uses these funds to acquire Company stock.
Stock compensation system eligibility	Maruka Furusato Corporation Directors (excluding Outside Directors and Directors who also serve as Audit and Supervisory Committee members) and Executive Officers; Furusato Industries, Ltd. Directors; Maruka Corporation Directors and Executive Officers; G-net Corporation Directors; Security Design Inc. Directors.
System operation period	From FY2022 to FY2026 (we have made provisions to allow the system to continue through renewal for a further period when this initial period of operation concludes).

Assessment of the effectiveness of the Board of Directors

Overview of analysis and evaluation of the effectiveness of the entire Board of Directors

In order to verify whether the Board of Directors is functioning by fulfilling its role and responsibilities, and in the aim of improving that functioning, the Company conducts an assessment of the effectiveness of the Board of Directors as a whole each business year.

Assessment method for FY2024

In December 2024, we gave questionnaires to and conducted individual interviews with all members of our Board of Directors and Audit & Supervisory Board. Members use a five-point scale to evaluate each questionnaire question and add their own comments. Based on the information gathered, the Board of Directors analyzes and evaluates its effectiveness.

Future initiatives

Based on the assessment results, we confirmed that the effectiveness of the Company's Board of Directors is generally ensured.

Meanwhile, from the viewpoint of “further improvement of effectiveness,” valuable opinions and suggestions have also been presented. Based on these findings, the Board of Directors will continue to focus on these three items as priority themes and will continue to discuss and address them in conjunction with medium- to long-term strategies and organizational strengthening.

FY2024 evaluation items

Evaluation items	<ul style="list-style-type: none">• The nature and composition of the Board of Directors• Operation of the Board of Directors• Deliberations of the Board of Directors• Monitoring functions carried out by the Board of Directors• Dialogue with shareholders and investors• Responsibilities of and support system for Directors and Audit & Supervisory Board Members• Operation of the Nomination Committee and Compensation Committee
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Summary of FY2024 evaluation results

Evaluation results	<ul style="list-style-type: none">• The assessment that the Board of Directors is comprised of diverse members remains consistent, and an environment conducive to free and open discussion has been maintained. Significant improvements were recognized in both the quality and quantity of materials provided for discussions at Board of Directors meetings.• Regarding the points identified as priority themes following the results of the previous effectiveness assessment, progress and achievements have been made as follows:<ul style="list-style-type: none">Strengthening monitoring functions Through increased information provision and deepened discussion, monitoring of management is functioning effectively. The company decided and implemented a change to its organizational structure—transitioning from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee—in order to further enhance these functions.Further revitalization of the Nomination Committee Progress in discussions regarding director candidate selection policies, and concrete discussion of succession planning for Board of Directors members.Enrichment of discussions to enhance corporate value Increased and progressed discussions on business portfolios and sustainability.• However, it was indicated that further discussion is needed on themes such as business strategy and capital strategy. Strengthening post-implementation follow-up on matters discussed (and decided) by the Board of Directors remains an ongoing challenge. Strengthening the structure as a company with an Audit and Supervisory Committee, monitoring Group-wide business restructuring, and addressing new challenges are also essential.
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Future initiatives

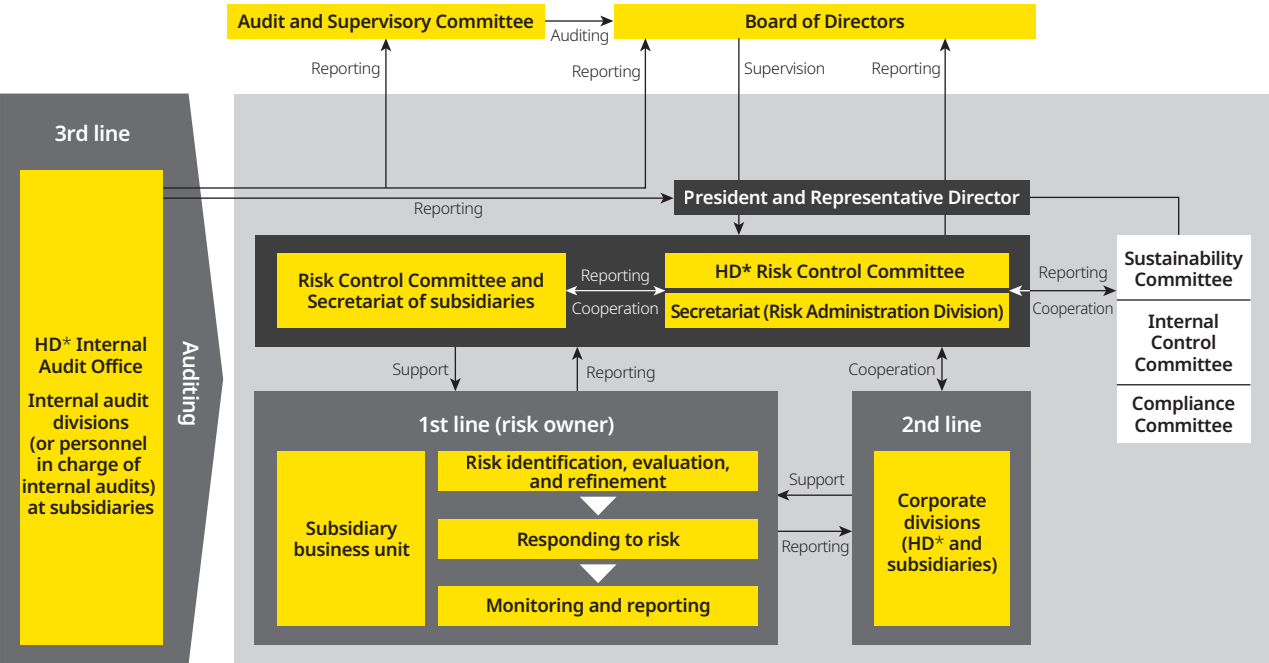
Enhancement of monitoring functions	<ul style="list-style-type: none">• Clarification and strengthening of the supervisory functions to be fulfilled by the Board of Directors as a company with an Audit and Supervisory Committee• Continued enhancement of supervisory functions regarding business portfolio, sustainability initiatives, and risk management
Further invigoration of the Nomination Committee	<ul style="list-style-type: none">• Intensification of succession planning for Board of Directors members, including the CEO• Promotion of the development of selection policies, criteria, and procedures for director candidates under the new organizational structure
Enhancement of discussions on improving corporate value	<ul style="list-style-type: none">• Review of agenda setting criteria and, based on that review, improved discussion efficiency and accelerated decision-making• Provision of time for discussing “strategic themes” not included in the agenda setting criteria

Risk management system

Maruka Furusato Corporation has established a Risk Control Committee, chaired by the President and Representative Director, in accordance with internal regulations. The Committee oversees all risk management-related activities, including the collection of risk-related information, risk control, policies for addressing Group-wide material risks during the fiscal year, measures to reduce risks, and necessary instructions to and support of our business units. The Board of Directors also receives reports on Group-wide material risks from each of the relevant Committees, enabling it to oversee the effectiveness of our risk management.

Key features of Maruka Furusato Corporation's risk management system include our Group-wide risk management, led principally by our Risk Control Committee, and continual improvements to the effectiveness of these efforts. To achieve these functions, we have clearly set out the role that each element of our organization will play within the system and applied the Three Lines of Defense model. We are enhancing operation of our risk management process to allow these functions to align appropriately with the monitoring provided by the Board of Directors.

Company-wide risk management system chart (As of the end of March 2025)



* HD refers to Maruka Furusato Corporation, which serves as the Group's holding company.

Role of each organization

Institution/Division	Role Details
Board of Directors	Based on risks submitted by the HD Risk Control Committee, the Board assesses priorities from an executive perspective and designates high-priority items as company-wide material risks. It then directs the implementation of appropriate control activities.
HD Risk Control Committee	This Committee comprehensively assesses business-specific company-wide material risks aggregated by the secretariat, focusing on those with the greatest potential impact to the Group from a holistic management perspective. It then deliberates these high-priority risks considering their likelihood of occurrence.
HD Risk Control Committee Secretariat (Risk Administration Division)	This Secretariat brings together risk-related information within the purviews of our first and second lines of defense and clarifies the departments with primary responsibility for each risk. It then facilitates discussions to strengthen risk control measures.
Risk Control Committee and Secretariat of the subsidiaries	This Committee and its Secretariat meet to receive reports on the status of responses to risks specific to each company and to share information on material risks for the Group as a whole.

Institution/Division	Role Details
1st line: Business units of subsidiaries (Risk owners)	We assess strategic, operational, and crisis risks within our subsidiary business units, prioritizing them using potential impact and likelihood of occurrence as indicators, and then implement control activities.
2nd line: Corporate divisions of HD and subsidiaries	The 2nd line monitors 1st line risk management, aggregates risk-related information falling under the purviews of both the 1st and 2nd lines, reports to and consults with the HD Risk Control Committee Secretariat, and more. Through this mutual collaboration with the 1st line, it promotes and strengthens Company-wide risk management.
3rd line: HD Internal Audit Office, internal audit divisions and personnel in charge of internal audits at subsidiaries	These divisions and personnel review the progress of our Company-wide risk management, including the status of risk control carried out by our 1st line and whether the 2nd line is functioning effectively in its support role. It reports to our President, Board of Directors, and the Audit and Supervisory Committee.

Major risks associated with business activities (Company-wide material risks)

The primary risks concerning the company's business environment, accounting conditions, and other related factors that management believes may have a material impact on its performance are outlined on the right.

Please note that various other risks exist, and the risks listed here do not represent all of the risks facing the UNISOL Group. For more information, please see sections on business and other risks in our annual securities reports.

Business and other risks

Risk event	Degree of influence	Likelihood of occurrence
1 Market trends	Large	High
2 Sustainability	Large	High
3 Legal regulations, etc.	Large	High
4 Securing human resources	Large	High
5 Information security	Large	High
6 Disasters	Large	High
7 Management of subsidiaries and associates	Large	High
8 Strategic investment	Large	High
9 Business strategy management plan	Large	High
10 Data breaches	Large	High
11 Industrial accidents and serious traffic accidents	Large	High

Information security initiatives

The UNISOL Group has developed an Information Security Policy, which serves as the Group's basic policy in this area, as well as a range of related regulations. This allows us to prescribe a code of conduct in relation to Group companies' information assets and work to guarantee information security. In addition, we are strengthening our system for internal and external access control, creating back-up systems and shifting to high-performance devices, as well as striving to enhance our information security in response to diversification of the environments in which our information systems are used.

Specifically, our Corporate Strategy Unit's IT Planning Division, with support from other departments, carries out centralized management of networks, IT assets, and user identities, and aims to build security infrastructure able to adapt to changes to our business or organization. In addition, we plan to increase our investment in security to allow prompt detection and resolution of any security incidents.

Major initiatives

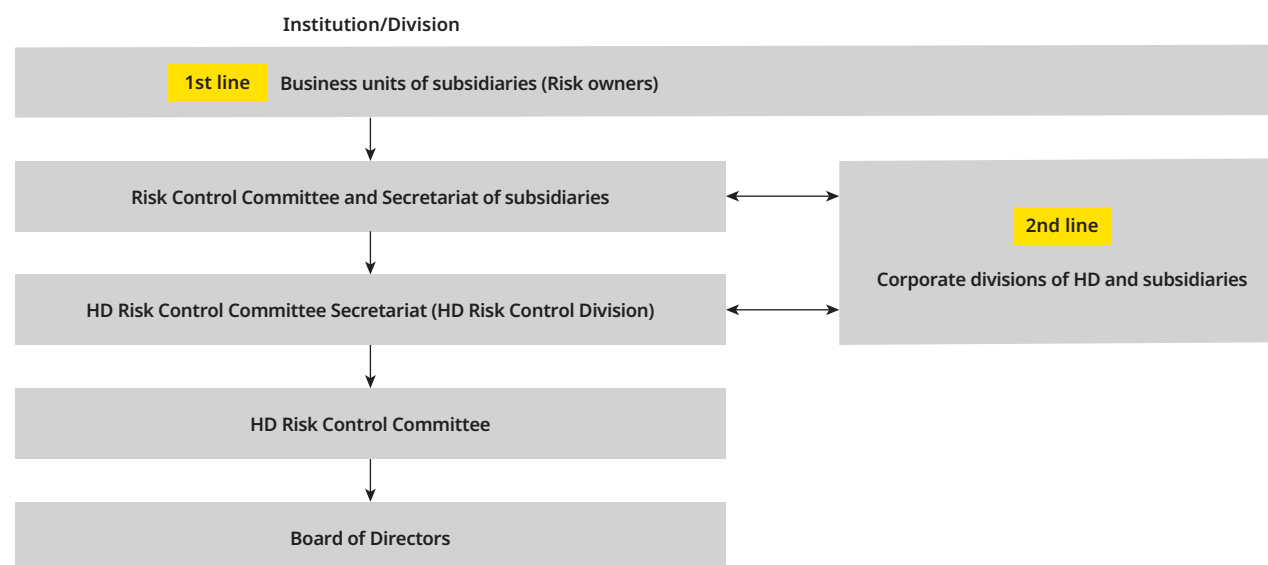
- Introduce NGAV (next-generation anti-virus software) and EDR (endpoint detection and response)
- Replace existing protection with NGFW (next-generation firewall)
- Conduct training on targeted e-mail attacks for domestic consolidated subsidiaries
- Implement security e-learning* (FY2024 participation rate: 100%)

* For employees of domestic consolidated subsidiaries who use computers for work. A general awareness notice was issued to all other employees by their managers.

Initiatives within our IoT Solution Business

Our IoT Solution Business (Security Design Inc.) has created an information security management system (ISMS) compliant with ISO/IEC 27001:2022 (national variant: JIS Q27001:2023). Using this system, we work to protect both our customers' and our own information assets, prevent security incidents, and continually improve our information security.

Process for determining company-wide material risks



Basic concept and structure

The UNISOL Group has established a Compliance Manual as a set of basic principles that all officers and employees must follow without exception. This Compliance Manual summarizes matters that require attention with regard to issues of particular importance in the conduct of the Company's business, and takes the Group's philosophy as its fundamental principle, under which the following conditions (code of conduct) are stipulated.

Compliance system

For the purpose of establishing, fostering, and consolidating a compliance system for the entire Group, and thereby to effectively and efficiently promote compliance, we have set up a Compliance Committee. This Committee is chaired by our President, or an officer appointed to the role by the President, and its membership consists of officers and employees designated by the President. The President convenes the Committee as and when required.

Anti-corruption

To prevent corruption and anti-competitive conduct, the UNISOL Group has set out Compliance Rules for Business Partnerships as part of our Compliance Manual.

Compliance Rules for Business Partnerships

- 1. Confidentiality
- 2. Good faith
- 3. Elimination of acts of collusion with business partners
- 4. Non-preferential selection of business partners
- 5. Prohibition against requests for kickbacks
- 6. Prohibition of excessive business entertainment, gift-giving, and similar behaviors

Compliance items (code of conduct)

1. Respect for human rights	We respect the fundamental human rights of all people, including our business partners, officers, and employees.
2. Legal compliance	Based on our pride and awareness as members of Maruka Furusato Corporation, we will act sensibly and in compliance with laws, regulations and internal rules, and strive to make our company one that is trusted by society.
3. Promotion of communication	We will thoroughly implement the mantra of “Ho-Ren-So” (Report-Inform-Consult) so that information, whether good or bad and obtained from inside or outside the Company, will be promptly disseminated and shared throughout the Company.
4. Participation in local community activities	As members of the community, we will actively participate in local activities and contribute to the creation of a comfortable and prosperous community.
5. Consideration of the environment	In our daily operations, each of us strives to eliminate “muri, mura, and muda” (unreasonableness, inconsistency, and inefficiency), and we aim to provide environmentally friendly products by maximally conserving resources and energy.
6. Winning the trust of business partners	We will always listen to the needs of our business partners, respond with sincerity, incorporate their requests, and strive to put our business partners first.
7. Establishing relationships of trust with business partners	We will respect and fulfill our contractual obligations to our business partners and strive to build and maintain a relationship of mutual trust through the requisite communication.
8. Workplace environment	We will provide a safe and comfortable work environment so that all workers can work with peace of mind and perform their duties efficiently.
9. Sound relationships with business partners	We will provide mid-year gifts, year-end gifts, congratulations, condolences, parting gifts, etc. to our business partners within the scope of socially accepted norms, and will prohibit entertainment and gifts to public officials, whether business or personal.
10. Dealing with anti-social forces	We shall have no relationship with anti-social forces that threaten social order and safety, and shall take a resolute stance against any unreasonable demands without compromise.

Specific initiatives

Whistleblowing System	In accordance with the Whistleblower Protection Act, the UNISOL Group has established a “Compliance Line” to handle anonymous reporting. Our Whistleblowing Regulations forbid dismissal or any other detrimental treatment of a whistleblower in response to the fact that they consulted or reported information to this service.
Harassment prevention	The UNISOL Group has established Internal Rules for the Prevention of Harassment and is working to prevent harassment. We conduct annual harassment training for all employees. To further enhance harassment prevention awareness, we hosted an online seminar led by external counsel in FY2024, with 100% employee participation and a follow-up video resource.

Environmental

Disclosure based on TCFD recommendations

At the UNISOL Group, we believe that tackling environmental challenges, starting with climate change, is a critical factor in ensuring the sustainability and future growth of our company. For this reason, we expressed our support for the TCFD* recommendations in November 2022 and have since been enhancing our information disclosure based on these guidelines. We are also working to expand the scope of disclosure by increasing the range of Group companies covered, adding processes for identifying key risks and opportunities, and including reduction targets, among other improvements.



* The Task Force on Climate-related Financial Disclosures (TCFD) was dissolved in October 2023, with the International Financial Reporting Standards (IFRS) assuming its role from 2024.

Governance

Led by our President and Representative Director, the Sustainability Committee (→p. 24) is responsible for proactively addressing sustainability challenges through discussions and decision-making that usually occur at least twice a year. Key agenda items are presented to the Board of Directors for review and supervision on an annual basis or more frequently as needed.

In addition, the Sustainability Committee Secretariat, which assists the operation of the Committee, discusses and examines the formulation of guidelines, measures, and other policy, as well as strategic alignment across all of our operating companies and departments, presenting its conclusions on these matters to the Committee.

Record of Sustainability Committee meetings discussing climate change (FY2024)

Month held	Agenda
January	<ul style="list-style-type: none">• Updates to information disclosures based on TCFD recommendations• Setting of greenhouse gas emissions reduction targets
August	<ul style="list-style-type: none">• Workshop for Committee members (on trends around information disclosure relating to climate change)• Check-in on H1 activities
November	<ul style="list-style-type: none">• Updates to information disclosures based on TCFD recommendations

Strategy

Scenario analysis

We performed a scenario analysis to assess how climate change may impact our operations—both in terms of risks and opportunities—and to determine the resulting financial impact. We use operating profit as our key metric for assessing financial impact, evaluating the magnitude of these impacts on a three-tiered scale. The results of the scenario analysis are presented on the following page.

Scenarios and scope of analysis

Scenarios used	Scenarios for transition risk <ul style="list-style-type: none">• The NZE Scenario, APS, and STEPS, taken from the IEA's World Energy Outlook 2023
	Scenarios for physical risk <ul style="list-style-type: none">• The SSP1-1.9 (1.5°C warming scenario), SSP1-2.6 (2°C warming scenario), and SSP5-8.5 (4°C warming scenario), taken from the IPCC's Sixth Assessment Report <p><small>* We also use reports and other materials published by various Japanese ministries and agencies</small></p>
Scope of analysis	Maruka Furusato Corporation and its consolidated subsidiaries in Japan

Process for identifying material risks and opportunities, and examining and implementing countermeasures



Risks and opportunities identified through scenario analysis

*1 Short-term: 1 year based on the fiscal reporting period; Medium-term: 2-5 years based on the Medium-Term Management Plan; Long-term: 6-10 years based on the 10-year vision for the Company that is the aim of our Medium-Term Management Plan.

*2 Financial impact is measured using operating profit, with the magnitude of impact assessed on three levels: major (5+%), medium (1-4.9%), and minor (0-0.9%).

Risks and opportunities	Scenario	Type	Cause	Potential situation	Time frame (term)* ¹	Financial impacts in 2030* ²
Transition risks	1.5°C/2°C	Policy and regulatory	Progression of greenhouse gas emissions pricing systems	Carbon taxes and other greenhouse gas emissions pricing schemes advance, causing increases to purchasing costs and the costs of electricity and other energies	Medium to long	Major
			Expansion of information disclosure obligations	Expansion of the scope of information that must be disclosed entails creation of internal management structures and development of data infrastructure, thereby increasing costs	Short to medium	Minor
		Technology	Replacement of existing products and services with low-carbon options	We are outstripped by other companies in terms of the environmental performance of our products and our proprietary technologies related to this field, causing us to be less competitive and sales to decrease	Medium to long	Minor
				Decrease in sales of products and services that lag in terms of environmental performance	Medium to long	Major
		Market	Changes in consumer behavior	The ongoing switch to EVs results in reduced demand for mechanical components for internal combustion engines and thereby reduced sales of machine tools for their production	Medium to long	Minor
				Our corporate response on environmental issues is judged inadequate and we are screened on this basis by potential customers, leading sales to decrease across the business	Medium to long	Major
		Reputational	Criticism of the sector and increased stakeholder concerns	Delays in taking action on climate change and information asymmetry between us and our investors on environmental action result in a decrease in corporate value	Medium to long	Major
Physical risks	4°C	Acute	Increase in severity and frequency of abnormal weather events such as typhoons and floods	Typhoons, floods, and other events cause increased damage to the Company and its suppliers, resulting in increased recovery costs and decreased sales due to lost opportunities	Short to long	Medium
		Chronic	Increase in average temperatures	Electricity usage for air conditioning increases, leading to rising energy costs	Short to long	Minor
				Employees, particularly those engaged in manufacturing in the summer, are at higher risk of heatstroke and other health risks, increasing capital expenditure to counteract these risks and reducing productivity	Short to long	Minor
Opportunities	1.5°C/2°C	Product and service	Stronger demand for low-carbon products and services and changes in consumer preferences	The move toward low-carbon or carbon-free alternatives and a growing demand for low-cost options at the point of energy use mean an increase in demand for environmentally friendly products and services and an increase in sales	Short to long	Medium
				The ongoing switch to EVs prompts growth in related markets and increased sales	Short to long	Minor
	4°C	Product and service	Response and countermeasures for changing rainfall patterns, extreme fluctuations in weather patterns, and increasing severity and frequency of abnormal weather events	Increased sales of products related to disaster prevention, mitigation, recovery, and reconstruction, which contribute to improved resilience against the increase and intensification of natural disasters	Short to long	Medium
				Increased sales of labor-saving products that contribute to stable operations under severe conditions such as rising average temperatures	Short to long	Medium

Measures for maintaining and increasing climate resilience

Resilience maintained and increased	Category	Measures	Specifics
Resilience in the transition (strengthening of regulations, shift in stakeholder attitudes, etc.) to a low-carbon economy	Maximizing opportunities	Decarbonize our products and packaging materials through collaboration across the supply chain	<ul style="list-style-type: none"> Develop, explore, and provide products and services with outstanding environmental performance that meet customer demand for energy conservation, etc. Develop, explore, and provide products that support the popularization of EVs
	Minimizing risk	Advance decarbonization of our business activities	<ul style="list-style-type: none"> Reduce energy consumption at our major offices and factories (introduction of energy-saving equipment, paperless offices, switching to green vehicles for company cars, etc.) Promote the use of renewable energy
		Strengthen appropriate information disclosure and communication with stakeholders	<ul style="list-style-type: none"> Make appropriate TCFD disclosures and disclosures of annual environmental data and the implementation status of the above measures, etc.
Resilience to physical weather events (heavy rain, increasing temperatures, etc.)	Maximizing opportunities	Provide automation and labor-saving options, allowing our customers to increase their capacity to deal with physical risks	<ul style="list-style-type: none"> Strengthen our product offering in the automation and labor-saving fields Explore possible disaster prevention and mitigation products Develop systems to swiftly provide disaster recovery and reconstruction products
	Minimizing risk	Address physical risks to our business activities	<ul style="list-style-type: none"> Reduce physical and employee health risks tied to climate change by strengthening our business continuity plans (BCP)

Risk management

The Sustainability Committee is responsible for identifying and assessing sustainability-related risks, including those stemming from climate change. From a risk management perspective, the committee deliberates on policies and countermeasures related to risk avoidance, mitigation, control, and early engagement with opportunities, reporting to the Board of Directors as appropriate. It also monitors the implementation of these countermeasures and their effectiveness.

All other Group-wide risks are identified and assessed by the Risk Control Committee, considering their impact on business finances. This committee conducts regular reviews to identify and reassess critical risks (meeting usually twice per year). Sustainability risks are also reported to the Risk Control Committee at least annually, enabling us to manage overall company risk in an integrated manner.

Greenhouse gas emissions (Scope 1, 2, and 3)—results and targets

	2022 (Results)	2023 (Results)	2024 (Results)	2026 (Target)	2030 (Target)	2050 (Target)
Total Scope 1 & 2	8,701	8,464	7,646	6,856	5,012	Net zero
Scope 1	5,241	5,169	4,996	—	—	—
Scope 2	3,460	3,295	2,650	—	—	—
Scope 3 Category 1	—	590,227	558,504	—	—	—

Notes:

- Figures for Scope 1 and 2 cover Maruka Furusato Corporation and its consolidated subsidiaries in Japan and overseas (as of December 2024).
- We have revised Scope 1 and 2 figures for our past emissions and targets from the perspective of connectivity with our financial reporting (e.g., aligning our fiscal reporting period and the period over which GHG emissions are calculated). This means that figures for emissions (CO₂e) in 2022 and 2023 have gone down by 47 tons and 90 tons, respectively, from figures for our past emissions listed in previous disclosures. In conjunction with this, we have also reduced our targets. We may make further adjustments to these figures as appropriate, in line with future refinements to our calculation methods, changes to the scope of consolidation, or other factors.
- For Scope 3 Category 1, the data covers Maruka Furusato Corporation and its four direct subsidiaries: Furusato Industries, Ltd., Maruka Corporation, G-net Corporation, and Security Design Inc. Emissions are calculated by multiplying the amount (excluding tax) spent on purchased products and services by the emission factor based on the industry input-output table ("GLIO: 2005 Table") published in the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain ver 3.4," and then adding 5% consumption tax from 2005. Future changes to references and calculation methodologies due to revised laws and regulations may affect our reported greenhouse gas emissions.

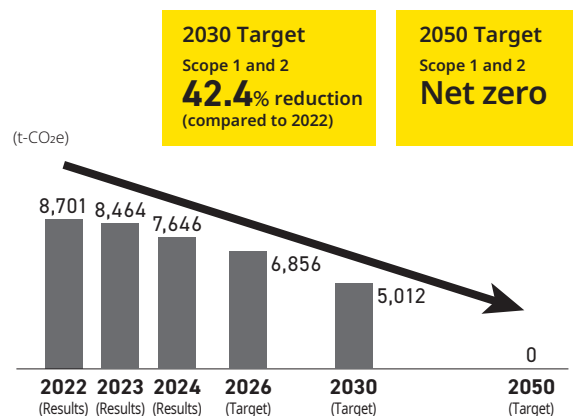
Metrics and targets

From 2022, the UNISOL Group has been working to ascertain the greenhouse gas emissions in our business activities (Scope 1 and 2) and the greenhouse gas emissions that are in our supply chain, including the procurement of raw materials and the use of products which are sold (Scope 3).

The following table shows our actual results and target values for Scope 1 and 2 emissions. Our targets, based on 2022 as the base year and 2030 as the target year, align with the reduction levels recommended by the SBTi* (aiming for a 42.4% reduction from 2022 levels by 2030).

We will be phasing in the disclosure of our Scope 3 emission results. In parallel with disclosure efforts, we are committed to reducing emissions by developing, identifying, and offering high-performance, eco-friendly products and services.

* Science Based Targets initiative: An international initiative that certifies corporate greenhouse gas reduction targets based on scientific evidence.



In focus

The Certification Test for Environmental Specialists (Eco Test)

To enhance employee understanding of environmental issues, we encourage participation in the Certification Test for Environmental Specialists (Eco Test) hosted by the Tokyo Chamber of Commerce and Industry.

In FY2024, 269 employees passed the exam. This achievement earned us 5th place in the category for companies with 300 or more employees of the "2024 ranking of the number of successful examinees of the Eco Test" published by the Tokyo Chamber of Commerce and Industry.

Based on our conviction that broad-based, systematic knowledge is essential for raising awareness of environmental concerns and fostering proactive involvement in environmental sustainability efforts, we will continue to invest in employee environmental education.

* The Certification Test for Environmental Specialists (Eco Test) is a registered trademark of the Tokyo Chamber of Commerce and Industry

In focus

Satoyama conservation work

Once a month, UNISOL Group employees take part in conservation work in *satoyama* areas (seminal zones encompassing a variety of land uses).

An approximately 1.6 hectares corner of the Hyogo Prefectural Takarazuka Nishitaninomori Park has been designated as Unisol Forest. There, our volunteers clear broad-leaved evergreens, set up "bug hotels" that will provide habitats for insects, build paths for pleasant strolls through the forest, and more. Through these activities, we not only contribute to maintaining the balance of the region's ecosystems, but also aim to raise our employees' environmental awareness.



Core concept

The UNISOL Group has established a Sustainable Procurement Policy and is committed to sustainable sourcing. Furthermore, by proactively engaging in dialog with companies throughout our supply chain, we aim to maintain and improve a system that allows us to consistently meet societal expectations across the entire supply chain.

As part of these efforts, during the fiscal year ended December 31, 2023, we conducted a self-assessment questionnaire based on our Sustainable Procurement Policy with our key suppliers.

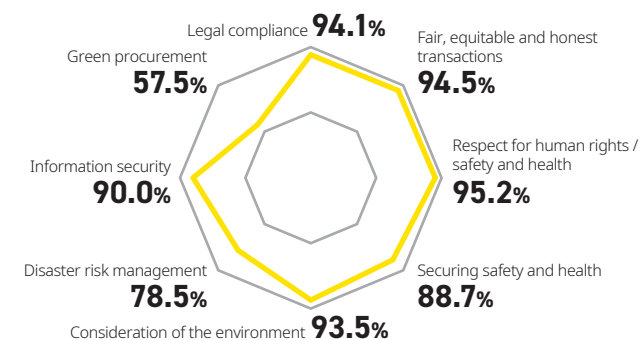
Furthermore, we have newly established a Human Rights Policy for the Group in FY2024. We will continue to fulfill our social responsibility through dialog and collaboration with our partner companies, integrating these efforts with initiatives based on our Human Rights Policy, such as human rights due diligence.

Sustainable Procurement Policy

Legal compliance	We comply with the laws and social norms that apply in the countries and regions where our business activities are conducted.
Fair, equitable and honest transactions	When conducting transactions, we seek suppliers from around the world and provide fair and equitable trading opportunities based on transactions through free competition.
Respect for human rights	Based on a spirit of respect for human rights, we will eliminate forced labor, child labor, harassment, and all forms of discrimination from the entire supply chain.
Securing safety and health	We strive to improve the working environment and maintain and improve safety and health in the countries and regions where we operate.
Consideration of the environment	In the promotion of our business activities, we will work to reduce our environmental impact, use resources efficiently, and prevent pollution.
Securing quality	We will provide products and services on an ongoing basis, ensuring and striving to further improve upon the safety and quality that is required of them.
Building a disaster risk management system	We will strive to develop a risk management system in preparation for emergencies such as large-scale disasters, allowing us to continue our business activities in such an event.
Securing information security	We will thoroughly manage and protect personal information, confidential information, customer information, etc., and prevent unauthorized or improper use, disclosure, and breaches.
Promotion of green procurement	We will strive to procure goods and services that have a low environmental impact and take into consideration the various environmental impacts in the life cycle of products and services.

Key supplier questionnaire results (implemented in FY2023)

Suppliers	159 companies
Number of responders	93 companies
Response rate	58.5%
Questionnaire content	Confirmation of whether responsible departments and implementation plans are in place for each item within our procurement policy



Note: Percentage of respondents who indicated the existence of responsible departments or policies for each item

Our philosophy and system for promoting human rights

The UNISOL Group conducts its business activities in a spirit of respect for all human rights, including those of our business partners, officers, and employees.

Recently, to further clarify our commitment to respecting human rights and advance related initiatives, we established a Human Rights Policy in November 2024. This policy applies to all officers and employees of the UNISOL Group.

Based on this policy, we are promoting initiatives to respect human rights through collaboration between the Compliance Committee and other related Committees and departments, all within the framework of our sustainability promotion system centered around the Sustainability Committee.

In addition to complying with the laws and regulations applicable in each country and region where we conduct business, we support and respect international norms regarding human rights. Furthermore, should conflicts arise between internationally recognized human rights and the laws or regulations of individual countries or regions, we will seek ways to uphold international norms regarding human rights to the greatest extent possible.

We also expect companies in our supply chain and other business partners to understand and support this policy regarding the UNISOL Group's commitment to respecting human rights, and we will continue to engage in dialog and collaborate with them.

Key human rights issues

Prohibition of forced or child labor	We forbid forced labor and child labor—which includes human trafficking—and child labor within the UNISOL Group and throughout our supply chains.
Elimination of discrimination and harassment	We do not engage in unfair or discriminatory treatment or harassment on the basis of a person's sex, race, nationality, religion, ideology, physical disability, or any other personal characteristic.
Occupational safety and health	We provide safe and comfortable work environments allowing our employees to work with peace of mind and perform their duties efficiently.
Freedom of association and the right to collective bargaining	We respect workers' rights to freedom of association and collective bargaining as permitted by the laws and regulations of the countries and regions in which we operate.
Working hours and wages	We abide by the laws and regulations relating to working hours and wages applicable in the countries and regions in which we operate.
The right to privacy	We respect the individual's right to protect their privacy. We ensure rigorous management and protection of personal, confidential, customer, and other categories of information, and prevent any unauthorized or improper use, disclosure, or breach of such information.

Occupational safety and health

In order to create comfortable workplace environments, the UNISOL Group is working to enhance its health and safety-related activities, prevent the occurrence of occupational accidents, and maintain and improve employee health and safety. Specifically, we strive to prevent occupational accidents and promote employee health through activities such as holding monthly Health and Safety Committee meetings and conducting safety patrols of our manufacturing sites.

Risk assessments

In our manufacturing operations, we have identified as risks the potential dangers and hazards that could arise in the workplace, such as the possibility of being caught in or between pieces of major equipment and are implementing appropriate measures to address them.

In our sales operations, meanwhile, we consider major traffic accidents to be a risk. We maintain our equipment and systems, analyze the details of past traffic accidents, ensure provision of safe driving courses and personal guidance, promote awareness of traffic safety, and more, always maintaining respect for human life as the top priority in our efforts.

Employee training

The UNISOL Group holds a driving safety course annually, aiming to raise our drivers' awareness of safe driving. Our FY2024 course was attended by 130 employees (100% of those eligible).

In addition, we held a self-directed training workshop on equipment maintenance for the 11 equipment maintenance personnel from all nine of our plants that belong to the Construction Products Business. We also conducted monthly meetings aimed at raising safety awareness for our factory managers and safety promotion officers, totaling 15 participants.

Diversity & inclusion, rewarding work, and community engagement

Diversity & inclusion (D&I)

The UNISOL Group identifies the promotion of diversity & inclusion (D&I) as one of its priority issues (materialities) for sustainability. We strive to create an environment where diverse talent with a wide range of skills and backgrounds can thrive, ultimately aiming to become an innovation organization that delivers inspiring solutions.

We are progressing with initiatives aligned with our materiality goals, in conjunction with building an organization that leverages diversity—a key principle of our Human Resource Development Policy.

D&I promotion goals and results

* Scope of aggregation: Furusato Maruka Holdings Co., Ltd., Furusato Industries Ltd., Maruka Corporation, and G-net Corporation

	2022 (results)	2023 (results)	2024 (results)	2026 (goals)
Ratio of female managers	2.1%	2.5%	2.9%	3.0%
Number of non-Japanese employees	15	14	18	30
Ratio of human resources hired from the scientific field	7.2%	7.6%	6.6%	9.0%

Unconscious bias training

As a new initiative in FY2024, we conducted video-based training on unconscious bias. This training was offered to all employees of Furusato Industries, Ltd., Maruka Corporation, G-net Corporation, Security Design Inc., and Gifu Shoji Co., Ltd., with over 90% participation.

We will continue to work on this, helping each individual recognize their biases and encouraging behavioral changes.

Promotion of women's empowerment

We hold career training for our female career-track employees, aimed at giving them a clear picture of how they can consider their future plans and shape their career over the long term, as well as helping them to build stronger peer-to-peer connections with other female employees.

In FY2024, this training was attended by 25 employees from Furusato Industries, Ltd., Maruka Corporation, G-net Corporation, Security Design Inc., and Gifu Shoji Co., Ltd. The participants were either in their third to sixth year with us after joining us as new graduates or had been hired mid-career. Based on the thoughts the participants shared in the discussion during the training, we decided to introduce a scheme to provide female-specific cancer screening support from April 2025.

Employee stock incentive program

As part of our human capital investment efforts to enhance the long-term corporate value of the UNISOL Group, we have introduced a stock incentive program. This provides employees with incentives to improve corporate value and fosters a sense of ownership in management.

This program utilizes a mechanism known as an employee stock ownership plan (ESOP) trust.* The ESOP trust acquires shares of our company and distributes them to employees who meet certain requirements, as outlined in our predetermined stock granting regulations. As our company fully funds the acquisition of our shares by the Trust, there is no financial burden on employees.

* An ESOP trust is an employee incentive plan modeled after the ESOP system in the United States.

Community engagement

Sponsorship

The UNISOL Group is committed to sponsorships as part of its social contribution activities based on its desire to “contribute to society through sports.”

Since October 2022, we have been an official top sponsor of Astemo Rivale Ibaraki, a team in DAIDO LIFE SV.League WOMEN. Also, since December of the same year, we have been an official partner of the Kobelco Kobe Steelers, a team in Japan Rugby League One.

Our Group will work together with supporters and the local community to boost both teams and support all those involved in sports.



©Astemo Rivale Ibaraki



©KOBELCO STEEL, LTD.

Financial statements

Key financial and non-financial data

Key financial and non-financial data		(Reference) 2020*1	Fiscal year ended December 31, 2021*2	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Business performance						
Net sales	Millions of yen	142,695	74,292	162,416	172,980	161,716
Operating profit	Millions of yen	4,237	1,465	5,895	5,705	3,860
Operating profit margin	%	3.0	2.0	3.6	3.3	2.4
Profit attributable to owners of parent	Millions of yen	2,827	1,037	4,531	4,698	4,613
Financial status						
Total assets	Millions of yen	109,143	108,594	122,914	120,342	120,821
Equity*3	Millions of yen	66,463	66,680	71,328	71,838	72,339
Equity-to-asset ratio	%	60.9	61.4	58.0	59.7	59.9
Cash flow						
Cash flows from operating activities	Millions of yen	6,030	(853)	3,795	6,031	7,863
Cash flows from investing activities	Millions of yen	(3,756)	(112)	(2,286)	(4,670)	1,433
Free cash flow*4	Millions of yen	2,273	(966)	1,509	1,360	9,296
Per share information						
Basic earnings per share	yen	123.75	67.11	178.91	188.26	190.77
Net assets per share	yen	2,910.88	2,632.94	2,816.21	2,945.65	3,008.84
Management indicators						
Return on equity (ROE)*5	%	4.3	—	6.6	6.6	6.4
Return on invested capital (ROIC)*5	%	4.4	—	5.9	5.7	3.8
Dividend payout ratio	%	34.0	21.6	63.2	35.1	56.1
Non-financial data						
Number of consolidated subsidiaries	Companies	20	20	20	21	21
Number of employees at end of year	Employees	—	1,972	1,951	2,005	2,010
CO ₂ emissions (Scope 1)*6	t-CO ₂ e	—	—	5,241	5,169	4,996
CO ₂ emissions (Scope 2)*6	t-CO ₂ e	—	—	3,460	3,295	2,650

*1 Since 2020 was before the integration, these values are for reference only, calculated as a simple sum of various financial data for Furusato Industries, Ltd.'s fiscal year ended March 31, 2021 and Maruka Corporation's fiscal year ended November 30, 2020.

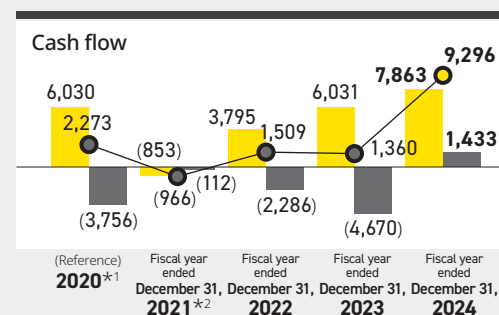
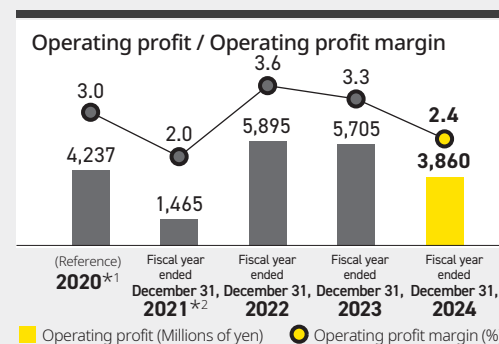
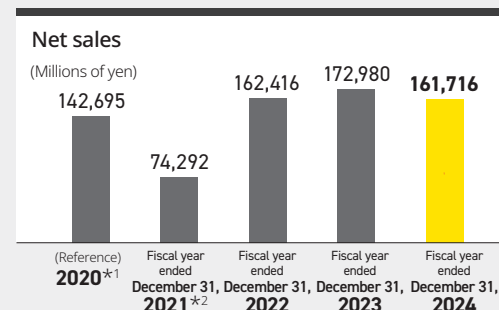
*2 Due to our business integration in October 2021, results for fiscal year ended December 31, 2021 are the consolidated business results of Furusato Industries, Ltd. for April to December 2021 (nine months) and Maruka Corporation's consolidated business results for December 2021 (one month).

*3 Calculated by deducting "stock acquisition rights" and "minority interests" from the total "net assets" in the balance sheet.

*4 Calculated by combining "cash flows from operating activities" and "cash flows from investing activities" in the Statement of Cash Flows.

*5 ROE and ROIC for the fiscal year ended December 31, 2021 are not shown because the calculation results deviate from the actual results due to the reasons in *2.

*6 Calculated based on the scope of consolidation as of December 31, 2024, and the emissions of TS Precision Co., Ltd., which newly became a Group company in FY2023, are retroactively calculated to January 2022.



■ Cash flows from operating activities (Millions of yen)
■ Cash flows from investing activities (Millions of yen)
● Free cash flow (Millions of yen)

Consolidated balance sheet

Millions of yen	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	21,750	27,533
Notes and accounts receivable - trade	31,365	28,608
Electronically recorded monetary claims - operating	11,743	11,736
Investments in leases	23	5
Merchandise and finished goods	11,535	10,832
Work in process	2,884	2,783
Raw materials and supplies	442	420
Other	4,487	4,703
Allowance for doubtful accounts	(24)	(24)
Total current assets	84,207	86,599
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,494	19,678
Accumulated depreciation	(7,948)	(7,998)
Buildings and structures, net	8,546	11,680
Machinery, equipment and vehicles	4,670	4,950
Accumulated depreciation	(3,747)	(3,852)
Machinery, equipment and vehicles, net	922	1,097
Tools, furniture and fixtures	1,940	2,094
Accumulated depreciation	(1,372)	(1,400)
Tools, furniture and fixtures, net	567	694
Assets for rent	2,667	2,708
Accumulated depreciation	(1,617)	(1,652)
Assets for rent, net	1,049	1,056
Leased assets	511	269
Accumulated depreciation	(272)	(160)
Leased assets, net	239	109
Right-of-use assets	—	727
Accumulated depreciation	—	(45)
Right-of-use assets, net	—	681
Land	10,416	10,033
Construction in progress	2,887	21
Total property, plant and equipment	24,628	25,375
Intangible assets		
Goodwill	992	715
Trade right	960	800
Other	884	882
Total intangible assets	2,837	2,397
Investments and other assets		
Investment securities	5,145	3,116
Retirement benefit asset	1,082	1,138
Deferred tax assets	415	339
Other	2,112	1,972
Allowance for doubtful accounts	(87)	(119)
Total investments and other assets	8,669	6,448
Total non-current assets	36,134	34,221
Total assets	120,342	120,821

Millions of yen	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	17,777	17,669
Electronically recorded obligations – operating	16,706	17,122
Short-term borrowings	896	466
Current portion of long-term borrowings	47	47
Lease liabilities	90	96
Income taxes payable	1,152	1,519
Contract liabilities	4,631	5,084
Provision for bonuses	703	770
Provision for bonuses for directors (and other officers)	57	41
Provision for share awards for employees	111	18
Provision for product warranties	68	57
Other	2,862	2,455
Total current liabilities	45,105	45,350
Non-current liabilities		
Long-term borrowings	451	404
Lease liabilities	189	715
Deferred tax liabilities	1,070	178
Provision for retirement benefits for directors (and other officers)	52	62
Provision for share awards for directors (and other officers)	49	51
Retirement benefit liability	158	183
Other	546	501
Total non-current liabilities	2,517	2,097
Total liabilities	47,623	47,448
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	27,334	27,261
Retained earnings	37,544	40,052
Treasury shares	(1,746)	(2,377)
Total shareholders' equity	68,132	69,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,161	1,007
Deferred gains or losses on hedges	(1)	(33)
Foreign currency translation adjustment	1,462	1,334
Remeasurements of defined benefit plans	83	93
Total accumulated other comprehensive income	3,705	2,401
Non-controlling interests	881	1,034
Total net assets	72,719	73,373
Total liabilities and net assets	120,342	120,821

Consolidated statement of income (summary)

	Fiscal year ended December 31, 2023 (From January 1, 2023) (to December 31, 2023)	Fiscal year ended December 31, 2024 (From January 1, 2024) (to December 31, 2024)
Millions of yen		
Net sales	172,980	161,716
Cost of sales	145,985	136,050
Gross profit	26,994	25,666
Selling, general and administrative expenses	21,289	21,806
Operating profit	5,705	3,860
Non-operating income		
Interest and dividend income	252	267
Purchase discounts	454	422
Foreign exchange gains	108	—
Other	281	291
Total non-operating income	1,097	981
Non-operating expenses		
Interest expenses	29	16
Foreign exchange losses	—	10
Other	120	154
Total non-operating expenses	150	181
Ordinary profit	6,652	4,659
Extraordinary income		
Gain on sale of investment securities	0	2,378
Gain on sale of non-current assets	272	304
Total extraordinary income	272	2,683
Extraordinary losses		
Impairment losses	—	419
Other	31	10
Total extraordinary losses	31	429
Profit before income taxes	6,894	6,914
Total income taxes	2,161	2,208
Profit	4,733	4,705
Profit attributable to non-controlling interests	34	92
Profit attributable to owners of parent	4,698	4,613

Consolidated statement of cash flows (summary)

	Fiscal year ended December 31, 2023 (From January 1, 2023) (to December 31, 2023)	Fiscal year ended December 31, 2024 (From January 1, 2024) (to December 31, 2024)
Millions of yen		
Cash flows from operating activities		
Profit before income taxes	6,894	6,914
Depreciation	1,626	1,707
Decrease (increase) in trade receivables	(1,428)	3,209
Decrease (increase) in inventories	1,476	654
Increase (decrease) in trade payables	316	178
Other, net	(2,853)	(4,800)
Cash flows from operating activities	6,031	7,863
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,346)	(2,053)
Proceeds from sale of investment securities	—	3,058
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,461)	—
Other, net	137	428
Cash flows from investing activities	(4,670)	1,433
Cash flows from financing activities		
Purchase of treasury shares	(2,807)	(811)
Dividends paid	(2,880)	(2,101)
Other, net	316	(455)
Cash flows from financing activities	(5,370)	(3,368)
Effect of exchange rate changes on cash and cash equivalents	51	25
Net increase (decrease) in cash and cash equivalents	(3,957)	5,954
Cash and cash equivalents at beginning of period	24,132	20,174
Cash and cash equivalents at end of period	20,174	26,129

Company information

Corporate profile

Company name	Maruka Furusato Corporation
Chairperson and Representative Director	Kunihiko Iida
President and Representative Director	Ryohei Furusato
Established	October 1, 2021
Businesses	Formulation and implementation of Group management strategies, management of Group companies, and related operations
Number of employees	Non-consolidated: 108 (as of December 31, 2024) Group total: 2,010 (as of December 31, 2024)
Paid-in capital	¥5 billion
Fiscal year	January 1 to December 31

External evaluations

CDP Change Report 2024	Acquired a B score* in the CDP Change Report 2024 (March 2025) * CDP scores are evaluated in eight levels (A, A-, B, B-, C, C-, D, D-)	
KENKO Investment for Health 2025	Certified as an Outstanding Organization of 2025 KENKO Investment for Health Program (Large Enterprise Category) by the Ministry of Economy, Trade and Industry (March 2025)	
Sansan Innovation Award 2025	Received the “Bill One Innovator” from Sasan, Inc., in the Sansan Innovation Award 2025 awards (March 2025)	

Consolidated subsidiaries by business segment (as of December 31, 2024)

Machinery & Tools Business	Maruka Corporation G-net Corporation ArPlus Corporation Kan Manufactory Co., Ltd. Kitakyu Machine and Tools Co., Ltd. Gifu Shoji Co., Ltd. Sonoruka Engineering Co., Ltd. T S Precision Co., Ltd. Maruka Trading Shanghai Co., Ltd. Maruka Trading Guangzhou Co., Ltd. Maruka Machinery (Thailand) Co., Ltd. Pt. Maruka Indonesia PT. Unique Solutions Indonesia Maruka (M) Sdn. Bhd. Maruka Vietnam Co., Ltd. Maruka U.S.A. Inc. Industrial Tool Inc. Maruka Mexico S.A. de C.V.
Construction Products Business	Furusato Industries, Ltd. G-net Corporation
Construction Machinery Business	Maruka Corporation Japan Rental Co., Ltd.
IoT Solutions Business	Security Design, Inc.

Stock information

Stock status (as of December 31, 2024)

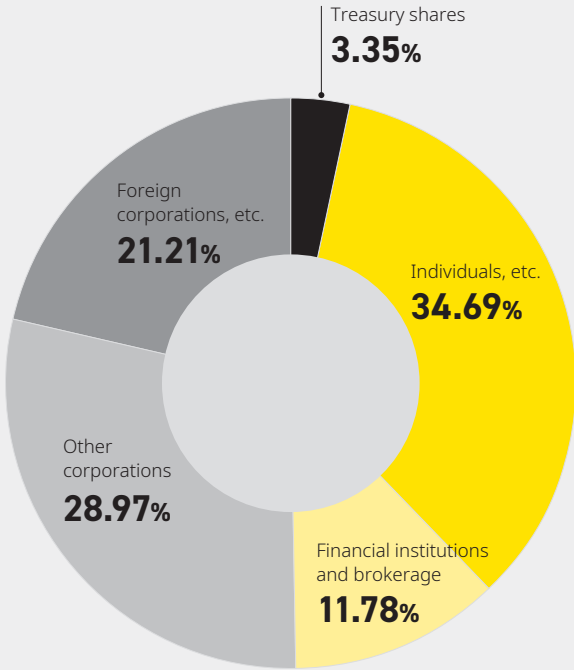
Number of shares authorized	100,000,000 shares
Number of shares issued	25,143,642 shares
Number of shareholders	14,886

Major Shareholders (Top 10) (as of December 31, 2024)

Name of shareholder	Shares held	Shareholding ratio (%)
FRT, Ltd.	2,753,861	11.33
THE SFP VALUE REALIZATION MASTER FUND LTD.	2,603,200	10.71
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,681,900	6.92
THE CHASE MANHATTAN BANK, N. A. LONDON SPECIAL OMNIBUS SECS LENDING ACCOUNT	872,393	3.59
Kobelco Construction Machinery Co., Ltd.	766,260	3.15
MARUKA FURUSATO Group Employee Stock ownership plan	636,638	2.62
NACHI-FUJIKOSHI CORP.	561,040	2.31
Nippon Life Insurance Company	496,640	2.04
Ryohei Furusato	401,500	1.65
Shinsho Corporation	386,800	1.59

(Note) The shareholding ratio is calculated after the deduction of treasury shares (841,567).




Share distribution by shareholder (as of December 31, 2024)



Share price



Disclosure system

Financial information	Non-financial information
<div><div>Integrated report</div><div>https://www.unisol-gr.com/en/ir/library/integrated-report/</div><div></div></div>	
<div>Earnings presentation</div>	<div>Corporate Governance Report</div>
<div>Financial results</div>	
<div>Annual securities report</div>	
<div>Third-party report</div>	
<div><div>IR</div><div>https://www.unisol-gr.com/en/ir/</div><div></div></div>	<div><div>Sustainability</div><div>https://www.unisol-gr.com/en/sustainability/</div><div></div></div>



UNISOL

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