



INTEGRATED REPORT 2024

MARUYAMA MFG. CO., INC. Integrated Report 2024 For the Fiscal Year Ended September 2024



Creating the next 100 years -All for the Future-

MARUYAMA MFG. CO., INC. was established in 1895.
We developed pumps using fire extinguisher technology and entered the agricultural and forestry fields.

While further developing pump technology, we have grown to develop engines on our own. One of our strengths is our integrated production and marketing, which encompasses all processes from development and production to sales, making proposals, and follow-up. In 2025, we will celebrate the 130th anniversary of our foundation.

Guided by our corporate motto, “Serve people and affairs with sincerity,” we will continue to contribute to a more affluent society and aim for further sustainable growth through our business.

Company motto
Serve people and affairs with sincerity

Management philosophy
Maruyama Again!

- We will uphold the spirit of compliance and act with fairness and modesty.
- We will continue to be a company that is needed by society.
- We will establish the MARUYAMA brand that is always chosen by our customers by delivering trust, confidence, and security.
- We will pursue ideals and continue to provide new value to customers.
- We will stick to aiming for number one.



Editorial Policy

Since 2023, MARUYAMA MFG. CO., INC. (the “Company”) has published the Integrated Report, a comprehensive compilation of financial and non-financial information, in order to provide stakeholders with a better understanding of the value creation efforts of the MARUYAMA Group (the “Group”).

The Integrated Report 2024 is composed of management and financial strategies, business strengths, reports on financial results, and ESG information on the environment, society, and corporate governance.

Period Covered
In principle, this report covers the fiscal year ended September 2024 (from October 2023 to September 2024), but activities before or after this period are also included in the report.

Scope of Activities Covered
In principle, MARUYAMA MFG. CO., INC. and its consolidated subsidiaries

Time of Issuance
December 2024

Reference Guidelines
International Integrated Reporting Framework, IFRS Foundation
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, Ministry of Economy, Trade and Industry

Forward-Looking Statements and Other Notes
The future of the Company described in this report is based on currently available information.
It should be noted that the Company’s financial results may differ from those described in this document due to various external factors that affect them, including the global economy, foreign exchange rate fluctuations, industry market conditions, and trends in capital investments.
The purpose of this report is to provide information to investors and other stakeholders, and it is not a solicitation or recommendation to buy or sell shares or other securities of the Company.

*This integrated report has been translated into English from the Japanese original one, which was released in December 24, 2024.

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History of MARUYAMA

In 2025, the Company will celebrate the 130th anniversary of its foundation. During this period, in order to meet the expectations of its stakeholders, the Company has firmly grasped the trends of the times and has taken appropriate and early actions to meet the needs of the times.

While responding to changes in the times, we will continue to contribute to the realization of sustainability by solving global social issues in the fields of food, water, and the environment through our core businesses of pumps and engines, as well as further expanding our existing businesses based on the core businesses with a view to achieving our Long-Term Management Vision 2030 and the 8th Medium-Term Management Plan.

1895

Started the production and sales of fire extinguishers.

MARUYAMA Shokai, the predecessor of the Company, was founded in Takada, Niigata Prefecture. It started the manufacturing and selling of fire extinguishers, which were not yet common in Japan.



1918

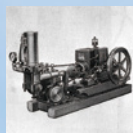
Started manufacturing and selling manual sprayers.

1890

1935

Started manufacturing and selling power sprayers.

The Company's first power sprayer was invented. This developed into many products to support agricultural operations.



1937

MARUYAMA Manufacturing established.

MARUYAMA Shokai was reorganized to establish MARUYAMA MFG. CO., INC.

1952

Inage Plant was designated as a JIS authorized factory.

1954

Maruyama Netsu Nogu (currently NIPPON KREIS) established.

1956

Maruyama Shoji (currently MARUYAMA EXCELL) established.

1950

1958

MARUYAMA developed the world's lightest forced valve, high-speed power sprayer, "Hope."

The weight of the power sprayer was reduced to 20-30 kg. The then world's lightest high-speed rotary power sprayer was created.



1961

MARUYAMA was listed in the 2nd Section of the Tokyo Stock Exchange. MARUYAMA developed the world's first backpack power sprayer, "Cherry."

1962

MARUYAMA independently developed a carpet sprayer, stereo sprayer, boom sprayer, brushcutter. MARUYAMA independently developed a transfer machine.

1967

MARUYAMA developed an industrial pump.



1977

MARUYAMA was listed in the 1st Section of the Tokyo Stock Exchange.

1960

1986

MARUYAMA U.S., INC. established. SEIBU MARUYAMA established.

1987

MARUYAMA developed the industry's first, riding management machine, high-clearance boom sprayer, BSA-250.

1989

Tohoku MARUYAMA (currently MARUYAMA LOGISTICS) established.

1990

MARUYAMA independently developed an original 2-cycle engine.

In response to growing demand for low-cost, lightweight, and compact machines, the Company developed its own high-quality, low-cost engines that had global currency.



1994

The Inage Plant acquired ISO 9001 certification for its sprayers and industrial pumps.

1990

1995

Centennial of MARUYAMA'S founding.

1996

The Togane Plant acquired ISO 9001 certification for its self-propelled orchard sprayers and field sprayers.

1997

The functions of the Inage Plant were transferred and integrated into the Togane Plant, which was renamed the Chiba Plant.



2000

MARUYAMA developed a new environmentally friendly 2-cycle engine that passed the state of California's emissions control standards.

2001

The Chiba Plant acquired ISO 14001 certification.

At the Chiba Plant, as part of its activity policy, the Company is working to reduce the impact on the global environment. The validity of such efforts was examined by the Japan Quality Assurance Organization (JQA) for registration, and the Company acquired certification based on the ISO 14001 international standards.



2000

2003

MARUYAMA established the industry's first Customer Support Center.

2004

MARUYAMA launched an environmentally friendly fire extinguisher.

The Company developed an eco-fire extinguisher that contained 40% or more recycled agents to reduce environmental impacts. The Company established an integrated system that covered all processes from in-house production to recycling.



2008

MARUYAMA MFG (THAILAND) established. MARUYAMA (SHANGHAI) TRADING established.

2010

MARUYAMA independently developed chainsaw. A fire extinguisher using a recycled material, winning the "Eco-Mark Award 2010."



2012

MARUYAMA developed the industry's first high-clearance boom sprayer with an enclosed operator compartment.



2013

MARUYAMA launched its solar power business.



2010

2015

120th anniversary of MARUYAMA'S foundation. ASIAN MARUYAMA (Thailand) established.

2016

Development of multirotors (drones).



2017

Development of high-clearance boom sprayer 3,000 L type.

2019

MUFB product development Launched the 7th Medium-Term Management Plan (from the fiscal year ended September 2020 to the fiscal year ended September 2022).

2020

Formulated our brand statement.

Creating the next 100 years -All for the Future-

In order to expand services and enhance functions for customers, the Company relocated the following sales offices:

Kumamoto Sales Office: Ohzumi, Kikuchi-gun



Hokkaido Sales Office: Ebetsu City



2020

2021

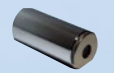
Yamanashi Sales Office: Fuefuki City



Started selling MUFB Ultra Pump.

2022

Sales of MUFB Ultra Tap UT-080.



Sales of MUFB Shower Head "habiller".



2022

Selected the Standard Market in the wake of the reorganization of the TSE, and shifted there.

Established MARUYAMA VIETNAM CO., LTD.



The formulation of Long-Term Management Vision 2030, and the start of the 8th Medium-Term Management Plan (from the fiscal year ended September 2023 to the fiscal year ending September 2027).

2023

Established MARUYAMA MFG INDIA PTE. LTD.



Developed MUFB Coolant Solution Longer Life Devices.

2024

Established M-Innovations CO.,LTD.

2025

The 130th anniversary



MARUYAMA'S strengths (products)

The Company's products have a high market share in various fields.

High-ranking share in Japan

Agricultural pest control machinery



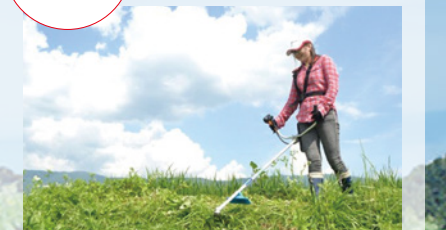
No. 1 in North America

Carwash pump



No. 1 in Japan

Engine brush cutters (through home center distribution)



Value Creation Process of MARUYAMA



INPUT

BUSINESS OPERATIONS

Financial capital

Equity ratio: 50.8%

Manufacturing capital

Production sites: 4 in Japan, 1 in Thailand, and 1 in India
Capital investments: 1,565 million yen

Human capital

Number of employees: 1,006

Intellectual capital

Number of industrial property right applications filed in the 89th fiscal year: 5 patents, 0 utility models, 10 designs, and 7 trademarks in Japan; 7 patent applications and 3 designs abroad

Number of industrial property right holdings as of September 30, 2024: 234 patents, 0 utility models, 133 designs, and 124 trademarks in Japan; 176 applications filed abroad (73 patents and designs, and 103 trademarks)

Social and related capital

25 sales offices in Japan and others in North America, China, Thailand, India, and Vietnam

Natural capital

Water, Iron, etc.

Company motto "Serve people and affairs with sincerity"
Management philosophy "Maruyama Again!"
Action guidelines "The heart of MARUYAMA"



Materiality

Solving social issues in the fields of food, water, and the environment

Sustainability through our business

Sustainability as the foundation of our business

Ideal harmony between people and the environment
E Environment

Co-prosperity with society and employees
S Social

Strengthening governance
G Governance

The Group contributes to society through machinery needed in the agricultural, forestry, and industrial fields by developing products that will make customers say, "Maruyama Again!" as set forth in its management philosophy, and chose us again. By continuing to contribute to realizing a sustainable society through the manufacture of these products, the Group will work with customers to increase its value.

OUTPUT

OUTCOME

Cutting-edge machinery that protects nature and supports harvesting

Machinery for agriculture and forestry

- Power sprayers
- Engine sprayers
- Large scale sprayers
- Brush cutters
- Chainsaws
- Other



Pump technology products innovating in future industries

Industrial machinery

- Industrial high-pressure pumps
- Pressure washers
- Ultra fine bubble products



Reliable disaster risk reduction and hygiene products that protect safety and the environment

Other machines

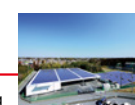
- Fire extinguishers
- Equipment related to disaster risk reduction
- Environmental hygiene equipment
- Other



Effective use of land and buildings and creation of sustainable energy

Real estate leasing, etc.

- Real estate leasing
- Electric power sales business



World MARUYAMA aims for

- Creating a world in harmony with nature where people and the earth are full of smiles



Long-Term Management Vision 2030

- Strengthening ESG management to help achieve SDGs
- Advancing into growth markets as a socially contributing company



Creating value for society

- Delivering safe and secure food to the world
- Contributing to the conservation of limited water resources
- Protecting the environment and life, and realizing a carbon-neutral society



Ahead of the 130th anniversary of our foundation in 2025, we aim to accelerate our business and achieve the goals of our 8th Medium-Term Management Plan.



Representative Director and President

Takaharu Uchiyama

What are the consolidated financial results for the fiscal year ended September 2024 (current fiscal year) and the outlook for the fiscal year ending September 2025?

The results for the fiscal year under review were disappointing, as they did not reach the figures we had projected at the beginning of the fiscal year. At the beginning of the fiscal year, there was no bad news expected in terms of annual trends, but in the industrial machinery business, despite strong sales of pumps for shale oil extraction in North America, the discovery of distribution stock of pumps for washers and the fact that sales for the domestic market did not grow as expected had significant impacts on business performance.

In agricultural and forestry machinery, while sales of self-propelled sprayers for orchards increased in Japan due to stable production and supply, and sales of brush cutters distributed at home centers remained strong, sales of some agricultural machinery did not grow as expected mainly due to the impact of price revisions. Regarding overseas, we aimed to expand sales of large scale pest control machines, but because of factors such as the easing of stay-at-home demand due to the COVID-19 pandemic and the adjustment of marketable inventories, net sales decreased 3.4% year on year to 40,006 million yen.

In terms of manufacturing costs, the Company was affected by high energy and material prices due to soaring raw material prices and the sharp depreciation of the yen. Despite the revision of product prices, there was an increase in selling, general, and administrative expenses due to the lifting of restrictions on activities during the COVID-19 pandemic, and as a result, operating income decreased 32.6% year on year to 1,168 million yen.

The 8th Medium-Term Management Plan (hereinafter referred to as the "Medium-Term Plan") launched in the fiscal year ended September 2023 is progressing slightly more slowly than expected. Accordingly, we are taking measures to recover from this delay. Based on these measures, we forecast consolidated net sales for the fiscal year ending September 2025 of 41,000 million yen (up 2.5% from the current fiscal year), and operating income for the same period of 1,200 million yen (up 2.7% from the current fiscal year).

Please describe the Company's efforts to achieve the targets of the Medium-Term Plan.

The fiscal year ended September 2023 was the first fiscal year of the Medium-Term Plan, and the fiscal year ending September 2027 is the final fiscal year. We aim to speed up progress and achieve our targets. As we have been affected by rising costs, we set up a specialized buyer team consisting of about 10 members during the current fiscal year in a way that suited the characteristics of our large and small products. We are working to reduce purchasing costs and expect to see positive results in the fiscal year ending September 2025.

Currently, we are working on five strategies to achieve the targets of the Medium-Term Plan. In terms of Improvement of profit margins, we are allocating resources primarily to capital investments and sales personnel related to industrial equipment with high profit margins. In the area of establishment of new businesses, we are entering the BtoC market with MARUYAMA ultra fine bubble (MUFB) products. In particular, we are working to raise the recognition level of the MARUYAMA Group and expand

sales by launching water spraying nozzles, hot-water washers, and other products that utilize MUFB technology. In terms of growth of overseas business, significant progress has been made in transferring the production of agricultural and forestry machinery from Japan to Thailand, and in addition, in India, preparations have been made to produce high-clearance boom sprayers for the Indian market, and discussions are ongoing with sales partners.

In the area of further growth of existing businesses, the Company is promoting the adoption of electronically controlled fuel injection (EFI) systems to improve the fuel efficiency of its two-stroke cycle gasoline engines, a specialty of MARUYAMA, and is also developing a four-stroke cycle gasoline engine, which will be launched in new markets in addition to the agricultural machinery market. Furthermore, the aging of the agricultural workforce in Japan is making labor-saving work an issue to be addressed, and we are promoting the smart use of pest control machine, which is MARUYAMA'S main product of smart agriculture. We are working to reduce the amount of agricultural chemicals used through the proper spraying of agricultural chemicals and to reduce the work load by making sprayers rideable. The pest control machine, Shuttle Sprayer is also being planned to market overseas, and it is being developed for the Netherlands, where greenhouse farming is prosperous. We also aim to become a comprehensive manufacturer of pest control machines mainly by specializing in the use of drones for pest control and strengthening the aftermarket to respond to the prolonged use of aircraft. In particular, the timing of pest control is fixed, and maintenance before breakdown is being strengthened under the concept of "Before Maintenance" so that agricultural machines can function optimally in a timely manner. As the number of corporate farmers has increased, covering about 30% of the area planted in Japan, we will strive to provide easy-to-use agricultural machinery.

With regard to strengthening of financial structure, human resource development, and risk management, we

Priority issues in the 8th Medium-Term Management Plan (creation of growth businesses)

1. Improvement of profit margins
2. Establishment of new businesses
3. Growth of overseas business
4. Further growth of existing businesses
5. Strengthening of financial structure, human resource development, and risk management

will step up our efforts to reduce inventories, establish a sustainability policy, select materiality (priority issues), and set up KPIs to contribute to society. We will also step up our efforts for health and wellness management and hope that our employees will play an active role in business operations.

Strengthening the management foundation is important for achieving the goals of the Medium-Term Plan. How is the Company working to strengthen corporate governance in particular?

In December 2015, we shifted to a company with an audit and supervisory committee, and as of the end of September 2024, we have three outside directors. We plan to have

We will contribute to solving social issues by advancing the 8th Medium-Term Management Plan, which is a set of concrete measures to realize the Long-Term Management Vision 2030.

one female outside director appointed in December 2024. As for corporate governance, as shown in the structure diagram on page 34 of this report, we have set up various committees and the Management Meeting to establish a governance system comparable to that of companies listed on the Prime Market.

The Company is in the process of strengthening its governance from both an offensive and defensive perspective. In terms of aggressive governance, we provide organizational support to achieve the goals of the Medium-Term Plan, and in terms of defensive governance, we are promoting the globalization of internal controls in line with business development and holding in-depth discussions at the Board of Directors about the sophistication and risks of BCM.

In order to evaluate the effectiveness of the Board of Directors, we conduct a questionnaire survey of each Director. The issues identified include the gender composition of the Board of Directors, responses to the globalization of business, and the fostering of successors, and we are working on each of these issues. In addition, issues requiring immediate improvement are presented. One example is that materials for the Board of Directors are often distributed just before the meeting, pressing Directors to examine complicated problems in a short period of time. We are also strengthening the functions of the Board of Directors by transferring authority to the Executive Officers Committee and the Management Meeting.

Moreover, we are promoting efforts to foster successors by, for instance, providing executive candidates with hands-on management experience at affiliated companies.

During the fiscal year ended September 2024, as mentioned at the beginning of this report, the pace of progress in the Medium-Term Plan was lagging, and therefore, in the fiscal year ending September 2025, we intend to make up for the lag by proceeding with

appropriate measures through repeated discussions to achieve the targets.

How does the Company plan to work on action to implement management that is conscious of cost of capital and stock price?

At present, PBR is around 0.5 times, and we are working to achieve 1 time or more. PBR is expressed as the product of ROE and PER. In order to improve ROE, we consider it important to switch to high-margin industrial machinery, strengthen growth businesses such as MUFB technology, and bolster overseas businesses, particularly in North America and Asia. With respect to PER, we will further step up IR activities, increase the frequency of communicating non-financial information in addition to financial information, and hold more active dialogues with investors to deepen capital markets' understanding of us. We will also step up information disclosure in English and promote dialogues with overseas institutional investors. We have been purchasing our own shares since 2021. As of November 8, 2024, we had acquired 600,000 shares in an effort to reduce our net assets.

The basic policy for dividends is to ensure profit distribution through continued, stable dividend payment taking into account various indicators such as the dividend on equity (DOE) ratio while using a dividend payout ratio of 25-30% as a guideline. As a result of our efforts to return profits to shareholders during the current fiscal year in line with this policy, we paid an annual dividend of 75 yen per share, the same as in the previous fiscal year. Based on the amount of dividend paid, the dividend payout ratio

is 53.0%, but this is the result of taking into consideration the consolidated financial results for the fiscal year under review, and there

is no change to the basic policy on profit distribution.

In order to continuously make MARUYAMA deeply understood, we will further step up dialogues with shareholders and investors and disclose information at financial results briefings and other events in a timely manner, while making all-out efforts for information disclosure in English to overseas institutional investors to increase the percentage of shares held by them.

Please describe the Company's efforts to achieve the targets of the Medium-Term Plan and realize the Long-Term Management Vision 2030.

Under the Long-Term Management Vision, in order to solve social issues in the areas of food, water, and the environment through our core business, we are working to improve agricultural productivity, conserve water resources using MUFB technology, and protect the environment by reducing CO₂ emissions. Reducing CO₂ emissions, in particular, has major impacts on climate change. In Scope 2, the Company aims to reduce CO₂ emissions by 50% compared with those in the fiscal year ended September 2020. We support the TCFD declaration and will contribute to this goal by expanding sales of our battery products. In addition, we are actively creating opportunities for women to play an active role and aim to have seven female managers.

As mentioned earlier, the pace of progress toward the achievement of the Medium-Term Plan is currently

somewhat slow, and we are taking measures to speed up the pace in the future.

In April 2024, amid the rapid spread of IT, we established M-Innovations CO.,LTD. specializing in the IT field, in recognition of the need to accelerate business and technological innovation faster than ever before. Aiming to serve as a model of IT promotion for SMEs and enterprises of middle standing in Japan, we aim to further contribute to society.

What is your message to shareholders, investors, and other stakeholders?

In 2020, the Company established its brand statement, "Creating the next 100 Years - All for the Future," and in order to continue to be a company that looks hard at what things will be like 100 years later, all its officers and employees are working together to put into practice the code of conduct "The heart of MARUYAMA" and take on the challenge of securing a better future. The Medium-Term Plan clarifies the path to realize the statement, and we will push forward to achieve the goal.

I aim to have our customers, shareholders, investors, and other stakeholders who surround us feel that the MARUYAMA Group is a corporate group that is indispensable to and needed by society.

Guided by the Company's motto, "Serve people and affairs with sincerity," we are determined to steadily grow step by step. Your continued support and guidance in the Company's activities would be appreciated.

November 24, 2024

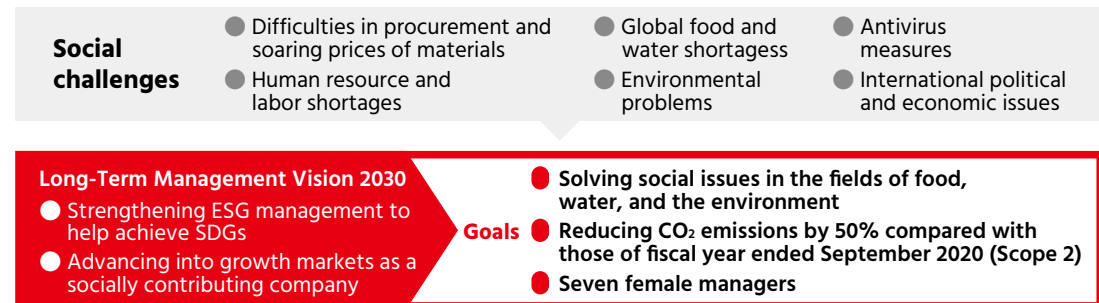
Representative Director and President Takaharu Uchiyama



Progress of the Long-Term Management Vision 2030 and the 8th Medium-Term Management Plan

Aim of the Long-Term Management Vision 2030

Since its establishment, the Company has contributed to customers by manufacturing machinery for agriculture, forestry, and industry. However, social issues such as labor shortages and environmental changes as represented by climate change are required to be resolved as the Company advances its business. In October 2022, the Company established its long-term management vision for 2030 and set three goals to contribute to solving the social issues. As a concrete measure to achieve the three goals, we formulated the 8th Medium-Term Management Plan in the fiscal year ended September 2023.



Progress of the 8th Medium-Term Management Plan

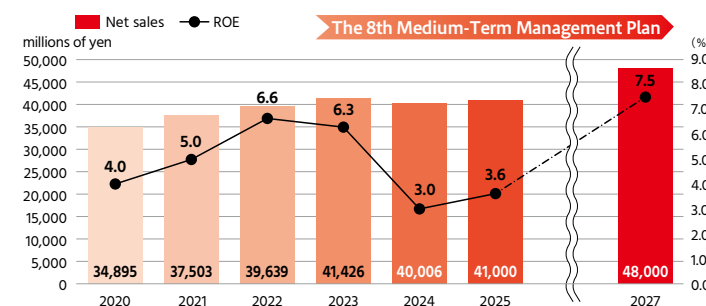
In October 2022, the Company launched its 8th Medium-Term Management Plan, which ends in the fiscal year ending September 2027. Aiming to achieve the plan's concept of "creating growth businesses," we have implemented a variety of initiatives with the goals of net sales of 48,000 million yen, operating income of 2,800 million yen, and ROE of 7.5% in the final fiscal year.

In the fiscal year ended September 2024, two years after the start of the plan, net sales were 40,006 million yen (down 3.4% year on year), operating income was 1,168 million yen (down 32.6% year on year), and ROE was 3.0% (down 3.6 percentage points year on year). Overseas sales accounted for 25.1% of total net sales, up from 25.6% in the same period of the previous fiscal year.

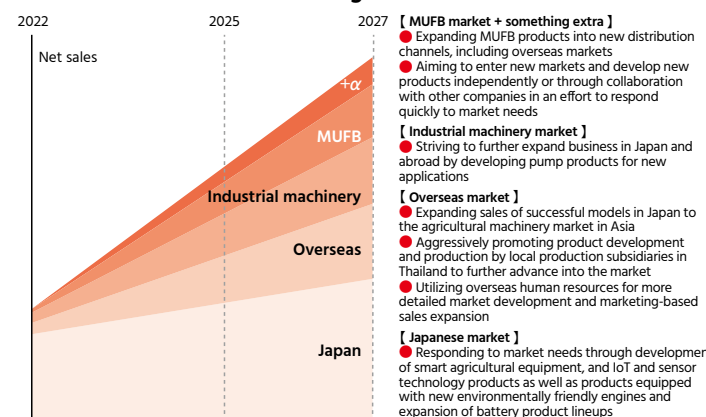
With the aim of realizing "Creating the next 100 years - All for the Future," the brand statement we formulated in 2020, we are developing businesses in the food, water, and environmental markets based on the technological capabilities we have accumulated since our foundation. In the future, we will expand into Asian markets where population growth and economic development are expected and where we can draw on our experience, and by the final fiscal year of the plan, we aim to increase our overseas sales ratio to 35%.

Goals of the 8th Medium-Term Management Plan

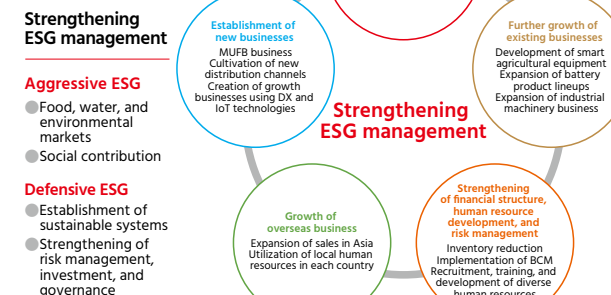
Unit: millions of yen	Results for the fiscal year ended September 2024	Targets for the fiscal year ending September 2025	Targets for the fiscal year ending September 2027
Net sales	40,006	41,000	48,000
Operating income	1,168	1,200	2,800
ROE	3.0%	3.6%	7.5%



Conceptual diagram of business growth in the 8th Medium-Term Management Plan



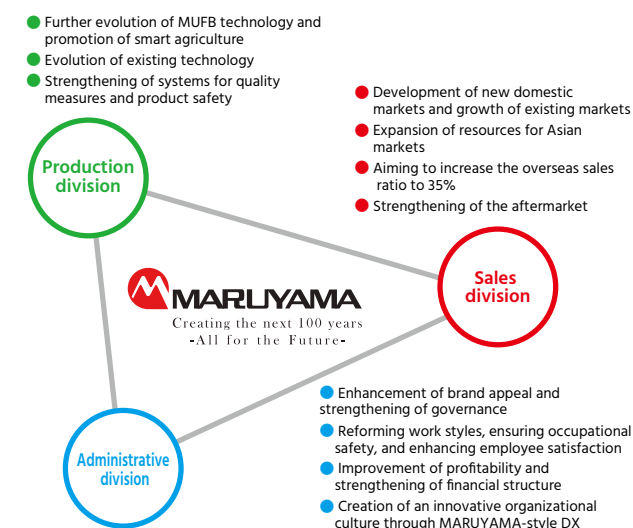
Concept of the 8th Medium-Term Management Plan: Creating growth businesses



Based on the concept of the plan "Creating growth businesses," while strengthening our ESG management, we are striving to (1) improve profit margins, (2) establish new businesses, (3) pursue overseas business growth, (4) work on further growth of existing businesses, and (5) strengthen the financial structure, human resource development, and risk management.

By promoting this plan, we are envisioning business growth in 2027. As a foundation for growth, we will introduce smart agricultural equipment and products that utilize IoT and sensor technology to solve issues in the Japanese market. We will also sell agricultural equipment that will contribute to solving local market issues, particularly in Asia. In addition, we will expand our business in Japan and abroad by developing pump products for new applications in the industrial machinery market. Furthermore, we will advance the development of products that utilize MUFB technology by ourselves and in collaboration with other companies and swiftly introduce them into the market.

Each division's initiatives in the 8th Medium-Term Management Plan (from fiscal year ended September 2023 to the fiscal year ending September 2027)



Strategy of the 8th Medium-Term Management Plan

① Improvement of profit margins
Specifically, in addition to efforts to develop high-value-added products such as MUFB products, we are focusing our resources on the high-margin industrial machinery field, thus reorganizing our business portfolio, and we aim for an operating income margin of 5.8% in the final fiscal year, up from 3.8% in the fiscal year ended September 2022.

② Establishment of new businesses

We will add MUFB products such as showerheads to our product lineups, which were mainly targeted at corporate clients, and work to develop new sales channels for non-business consumers and create new growth businesses utilizing DX and IoT technologies.

③ Growth of overseas business

In the Asian agricultural machinery market that has become active in recent years, we are striving to expand sales of models that have been successful in Japan. At the same time, we are actively developing and manufacturing new products by making the most of the capabilities of our local production subsidiary in Thailand. We are working to expand sales by utilizing local human resources in each country and conducting more detailed market development and marketing.

④ Further growth of existing businesses

In the agricultural machinery field, which accounted for approximately 75% of net sales in the fiscal year ended September 2022, we are striving to develop smart agricultural equipment, products that apply IoT and sensor technologies, and products equipped with new environmentally friendly engines and expand our battery product lineup. In the field of industrial machinery, we will work to further expand our business in Japan and abroad by developing pump products for new applications.

⑤ Strengthening of financial structure, human resource development, and risk management

We are strengthening our financial structure by drastically reviewing the management methods for inventories of both products and parts and working to reduce such inventories. We are also upgrading and implementing business continuity management (BCM) to avoid various risks. We will strive to recruit, train, and develop a wide variety of human resources to expand our business operations in the future.



By adding new businesses to its portfolio focused on pumps, engines, and disaster risk reduction products, MARUYAMA aims to attain the targets set in the 8th Medium-Term Management Plan and achieve growth in the next 100 years.

Takahiro Ishimura

Senior Managing Director, Director of Sales Division, and General Manager of Domestic Sales Department

We are striving for creation of growth businesses, a key challenge in the 8th Medium-Term Management Plan (hereinafter referred to as the “Medium-Term Plan”), which was launched in the fiscal year ended September 2023. I will explain the progress in each of the five priority issues as the Sales Division works to achieve its targets.

Improvement of profit margins

We are currently reforming our business portfolio to improve the profit margins of our existing businesses. Due to its high reputation for quality, durability, and service and maintenance, the Company holds a high share of the North American car wash pump market, at 80%.

In addition, in order to enhance our reputation in the North American market, we transferred the industrial machinery business of our subsidiary MARUYAMA EXCELL CO.,LTD. to the Company in 2019, when the previous Medium-Term Management Plan was launched. In North America, Cat Pumps, an American company, has been in charge of selling pumps made by MARUYAMA since 1968.

In the fiscal year ending September 2025, we will launch new pumps for car washes to the market to further strengthen the industrial machinery business.

In order to market in Japan pumps that are highly regarded in North America as described above, we have assigned a specialist in the industrial machinery field to each

branch office. Also, we plan to launch new products in the fiscal year ending September 2025, thus achieving further growth in the industrial machinery business. We have 25 sales offices nationwide and utilize a meticulous follow-up system to ensure that customers can choose MARUYAMA with confidence.

The Company is working to expand sales of products using MARUYAMA ultra fine bubble (MUFB) technology in both the industrial and agricultural fields. MUFB is a fine foam of less than one micrometer in size, but it is characterized by its excellent cleaning and sterilization capabilities and low environmental impact. In 2022, we began developing MUFB-spec showerheads to enter the BtoC market, which is different from the traditional agricultural sector. These showerheads are used in luxury hotels in Japan because of their high performance. In addition, we sell agricultural machines that utilize MUFB, and therefore, we first sell showerheads to farmers, and



U.S. car washer using MARUYAMA'S pump

after they experience the benefits of MUFB, we expand sales of agricultural machinery. One example is the adoption of MUFB products by tomato farmers in Hokkaido through word-of-mouth communication. In this way, we will work to further expand MUFB sales by consolidating multifaceted data on MUFB.

Establishment of new businesses

Since the founding, we have been involved in the development and sales of agricultural and forestry machinery, and industrial machinery through the development of pumps and engines. In order to achieve growth in the next 100 years, we have set the establishment of new businesses as one of the priority issues in the Medium-Term Plan.

We have been developing business mainly in the BtoB market, but we intend to enter the BtoC market in the years to come. Through EC, we are already selling showerheads and battery-powered equipment using MUFB technology as well as parts for agricultural and forestry machinery with the aim of building new sales channels. In connection with this effort, we are concentrating management resources at Fine Bubble Tech Corporation, our unconsolidated subsidiary, for purposes such as developing MUFB products and researching the scope of application for MUFB technology.

Furthermore, the COVID-19 pandemic has changed the way we conducted sales from visiting customers to focusing on online sales, and it has become especially important to interact with customers remotely. For this reason, we are developing a background system that will enable us to implement online the carefully thought-out sales style that MARUYAMA has built up to now. For agricultural machinery customers in particular, remote seminars are held online, and the frequency of meetings is higher than in the past when in-person seminars took place.



Raising seedlings using MUFB

Growth of overseas business

Food production in Asian markets is expected to increase as the population increases in the future. After entering the market in Thailand in 2008, MARUYAMA advanced into India, the world's most populous country, in 2023 and has established a production and sales system for agricultural machinery there.

By dispatching sales and design personnel to India from Japan, we worked to build sales and production systems, and December 2024 saw the establishment of a mass production system. In terms of sales operations, in addition to participating in exhibitions tailored to local business practices, we are building a service network focused on certain regions by partnering with local companies through utilization of social media.

In Thailand, we are advancing the production of agricultural and forestry machinery, and the Company's technological capabilities are improving enough to produce key parts for the Company's products other than pumps. Our Thai subsidiary, which manufactures and sells agricultural machinery in the country, has grown into a leading presence in Asia and is striving to work with MARUYAMA'S subsidiary in India.

In the field of industrial machinery, we are working with Cat Pumps to develop production capacity and new products in order to further upgrade our strong track record of car wash pumps in North America. In Europe, we are further opening up new markets by introducing our battery-powered mowers and other products, as mowers used for parks and other public facilities are changing from engine-powered ones to electric-powered ones in France and Germany.

In the Medium-Term Plan, we aim to increase the ratio of overseas sales to 35% or more in the fiscal year ending September 2027 and are conducting market research in Asian countries other than Thailand and India.



Exhibition in India



After-sales service

Further growth of existing businesses

In our existing businesses, agricultural and forestry machinery accounts for 70% or more of net sales. In Japan, however, the aging of agricultural and forestry workers is a major issue to be addressed. In order to meet these needs, we are actively promoting the smart use of machines and saving labor.

We are also promoting automation and radio control to reduce the burden of farm work. Tests are being conducted on vast farms so that large agricultural machines can be operated from a distance without having to ride on them.

As for agricultural chemical spraying from drones, we have developed small pumps for drones using our pump technology and are selling specialized pumps to drone

developers and manufacturers.

Moreover, since 2016, we have stepped up our aftermarket operations and achieved significant results. If the customers' mainstay agricultural and forestry machinery breaks down and becomes unusable, it will have a major impact on their earnings. Therefore, we monitor the frequency of use of each machine purchased and its changes over time, and plan and implement maintenance before it breaks down to prevent any disruption to farming operations. In terms of industrial machinery, we divide the aftermarket operations into those involving systems in which MARUYAMA'S products are incorporated and those involving general-purpose products such as washers and work to ensure that maintenance is carried out before failures occur.

Strengthening of financial structure, human resource development, and risk management

We have the functions of both manufacturing and sales. We grasp the usage status of customers' machines and secure inventories for the sale of new machines. However, by anticipating potential sales volumes and promoting production, we are striving to reduce inventories and maintain appropriate levels of inventories.

The performance of employees is an important factor for the growth of the Group, and we are promoting multifaceted initiatives to enhance our human capital. In particular, in order to enhance our human resources, we are hiring more experienced people in addition to new hires. We annually invest 991 million yen in training employees by job type to help them to demonstrate their abilities.



We aim to achieve the goals of the Medium-Term Plan by constantly focusing our attention on new information, strategically narrowing down our target, and further strengthening manufacturing operations.

Kosuke Ohira

Managing Director, Director of Production Division, and General Manager of Chiba Plant

The production division is strategically implementing the initiatives specified below in order to achieve the priority issues set forth in the 8th Medium-Term Management Plan for the creation of growth businesses.

Improvement of profit margins

In the production division, we are making efforts to enter the domestic market for pumps in the industrial machinery department in an effort to improve profit margins. The Company has an 80% share of the car wash market in North America through joint efforts with Cat Pumps and is developing for domestic use systems that include not only a pump but also other devices. Our pumps have excellent pressure resistance and durability, and we are developing new hot water washers. SEIBU MARUYAMA CO.,INC. a group company, plays a central role in the industrial machinery department, and in the fiscal year ending September 2025, we will add washers and hot water washers to our lineup.

Along with product development, total cost reduction is also an important factor in improving profit margins. As material costs continue to rise sharply in recent years, in addition to shifting production overseas, we are making all-out efforts for numerical control to improve productivity at our plants, and at the Chiba Plant, our main plant, we have achieved a penetration rate of almost 100%.

On October 1, 2024, we announced the Declaration of Partnership Building as promoted by Nippon Keizai Dantai Rengokai, Keidanren (Japan Business Federation),

the Japan Chamber of Commerce and Industry, and the Japan Association of Corporate Executives, and we will strive to create further value added in the entire supply chain by discussing with some 400 business partners periodically.

Establishment of new businesses

MARUYAMA aims to establish new businesses by introducing DX and IoT technologies into the agricultural machinery department. As the aging of the agricultural workforce continues, we are targeting automation and labor-saving in particular for the fiscal year ending September 2025. We are conducting field research on automatic spraying of our mainstay product, the Shuttle Sprayer. We are also developing products to solve our customers' labor-saving concerns such as automation in greenhouses where GPS signals do not reach and signs that are hidden by the growth of plants. For this reason, we



Demonstration of a smart shuttle



Machining center at the Thai Plant

are hiring engineers with sensor technology and electrical equipment technology.

Failure of agricultural machinery can cause serious damage to growing plants. In order to prevent this from happening, we are promoting maintenance of machines before they break down under the concept of “Before Maintenance.” In particular, since the high-clearance boom sprayer tends to have a low maintenance rate, we have set up a system to monitor the operating status of machines by installing an IoT sensor to receive data on operating hours and perform maintenance before failures occur.

As a new business within the Company, we are working on projects such as improving productivity at production sites by using cameras for checking and automatic measurement, and managing data in the processing department in an integrated manner.



Thai Plant

Growth of overseas business

In addition to promoting the overseas marketing of industrial machinery, MARUYAMA is expanding its lineup of agricultural and forestry machinery, mainly in Asian countries.

In Thailand, we began to produce small mowers in 2008, and as the transfer of production progressed, our Thai business has grown into a company with a capacity of producing over 30,000 units a month, mainly two-cycle engines and brush cutters. We will continue to focus on improving productivity and pay particular attention to automation and labor-saving.

We consider India as an important base where we expect the most growth and aim to start mass production there in December 2024.

Agricultural machinery is greatly affected by the local environment and requires the development of machines that suit the needs of agricultural land. In Thailand and India, we have put in place systems to meet these needs.

The R&D Center in Vietnam, which was established in 2022, is engaged in product design and is developing a two-cycle engine for the Asian market with a target fiscal year set at fiscal year ending September 2025.

Further growth of existing businesses

Agriculture and forestry machinery, which accounts for 70% of the Company’s net sales, is greatly affected by the aging of the agricultural and forestry workforce. Developing smart agricultural equipment based on the concept of automation and labor-saving is an urgent issue to be addressed. Our pumps are playing an active role in agricultural chemical spraying using drones, and the Company sells pumps to manufacturers of agricultural equipment.

Because the conditions are different in each cultivated field, the automation of agricultural machinery



Drone for spraying agricultural chemicals

cannot be solved simply by attaching a GPS or camera to the machine. We are working on the development of machines that integrate with the field.

For industrial machinery, we are moving ahead with plans to introduce in Japan pumps for car washes, which boast a market share of over 80% in the United States, and commercializing them for the disaster risk reduction market in which MARUYAMA excels by combining pumps with reverse osmosis (RO) membranes.

Although the Company’s original hydrogen engine, which utilizes two-cycle engine technology, is technically complete, we are working to solve problems for mass production.

Strengthening of financial structure, human resource development, and risk management

The Production Division is engaged in human resource development and has so far accepted 10 technical interns from Vietnam and two from Thailand. As we continue to expand our Asian market, we look forward to seeing their success in the country in the future.

In terms of diversity, we are particularly promoting the acceptance of people with disabilities, and currently have four employees with disabilities working at the Chiba Plant.

Because human resource development is essential for the Company’s growth, we have hired specialist consultants from outside for training in the 5S (seiri [organization], seiton [tidiness], seiso [cleaning], seiketsu [cleanliness], and shitsuke [discipline]) so that these practices become an integral part of daily operations. Strengthening employee education also helps prevent work-related accidents.



Working scene of a technical intern trainee

Intellectual capital

In ongoing research and development projects, we consider it as necessary to secure intellectual property early. It may be too late to file an application after the technology has been proven, but there is a risk that we cannot revise the application if it is filed too early. Basically, we believe that intellectual capital is tied to products, and we look at the appropriate timing for application.

Capital investments

The Chiba Plant, the Company’s key plant, is focusing on automation and labor-saving to improve productivity, and the Company invested 1,225 million yen in the fiscal year ended September 2024. The breakdown is as follows. As capital investment for in-house production, 739 million yen was invested to increase the production capacity of pumps and 440 million yen for painting machines. In addition, we are in the process of restructuring to improve the production capacity in the Chiba area. As a first step, we are planning to construct a technology building as an R&D center.





We aim to create an organization in which members will not be satisfied with the current status, actively take on new challenges, and communicate their opinions.

Makoto Takatori
Managing Director
and Director of Administration Division

I will explain our financial and personnel initiatives to achieve the 8th Medium-Term Management Plan (hereinafter referred to as the “Medium-Term Plan”).

Financial issues and measures

In 2025, the Company will celebrate the 130th anniversary of its foundation. On the financial front, the equity ratio has been stable, at 50% or more. This is due to the fact that we have earned the trust of our customers over the years, and we will continue to do so as a major strength. Because our products are used by customers for a long period of time, we have another strength in our business foundation that enables us to realize non-financial creating shared value (CSV) as a social contribution company that can combine social value with economic value.



Pressure washer to commemorate the 130th anniversary
Limited to 1,300 units

On the other hand, there are management issues related to profitability and capital efficiency. In terms of profitability, in addition to the low level of profit margins and the associated need to improve capital efficiency, the challenge is a deterioration in cash flows that results from the rationalization of inventories and the review of the terms of payment

to partner companies. As we are still seeing a slight impact of inventories held due to the disruption caused by the COVID-19 pandemic, we will strive to improve cash flows by reducing inventories and converting them into cash, thereby increasing free cash flows.

In terms of improving profit margins, we were unable to flexibly optimize selling prices amid the rapid changes in the procurement of materials and other aspects of the business environment, and this is a point to be improved. Moreover, there are issues to be addressed in the operation and productivity of the production division, and we are proceeding with structural reforms such as optimizing personnel and improving the equipment operating rate by reinforcing the production capacity. This requires a system for grasping costs in real time, and we are working with the Chiba Plant staff to address this issue.

Reforming our business portfolio to improve profitability

In our business portfolio, the agricultural and forestry machinery segment has a large market share and is the cornerstone of our business foundation. However, the industrial machinery segment has an overwhelmingly high profit margin, and we need to improve the profitability of



Ultra fine bubble shower head

agricultural and forestry machinery and increase the volume of industrial machinery at the same time.

For agricultural and forestry machinery, we are working to reduce production costs, enhance high-value-added products such as smart agriculture, and strengthen the aftermarket. In the field of industrial machinery, we are expanding new businesses such as MUFB and reverse osmosis (RO) membranes and are stepping up efforts to develop new distribution channels, while strengthening our BtoC business by upgrading MUFB showerheads and other products.

In addition, overseas markets are expected to grow in the future. Our overseas sales accounted for about 25.1% of total net sales in the fiscal year ended September 2024, but we aim to increase this to 35% in the final fiscal year of the Medium-Term Plan.

Capital policy

So far, we have selected the Standard Market, but we aim to build a financial structure that is comparable to that of companies listed on the Prime Market. By the standards of the Prime Market, the PBR of 1 time is a high hurdle to overcome. As of the end of November 2024, the Company's PBR was just over 0.4 times.

By steadily implementing the business growth strategy as set forth in the Medium-Term Plan, we will first establish a structure to generate an ordinary income of 2 billion yen or more in a stable manner, thus paving the way for earning an operating income of 2.8 billion yen in the final fiscal year of the Medium-Term Plan.

In addition, we acquired treasury stock twice in order to improve capital efficiency and further enhance shareholder returns. A total of 130,000 shares were repurchased as of May 22, 2024, and 40,200 shares were repurchased as of September 30, 2024, bringing the total number of treasury shares to 809,817 as of September 30, 2024. In this way, we will present our current initiatives to achieve the targets of the Medium-Term Plan to the capital market and promote the optimization of stock prices with the understanding of institutional and individual investors.

Investment plans

As an area that supports the Company's growth, we are

advancing the development of smart machinery. At the same time, we plan to further strengthen research and development to increase the production capacity of the Chiba Plant and construct a technology building within the plant to develop original products. In order to step up our efforts to develop overseas markets, we are investing in Thailand and India to improve production capacity. For this purpose, we are also considering M&A and gathering information on overseas markets.

M-Innovations CO.,LTD. which was established in April 2024, has begun studying the construction of the next mission-critical system and will enhance the coordination of the current three key systems of sales, production, and accounting to improve productivity at work sites.

In all cases, we will focus on visualizing return on investment (ROI) and developing investment strategies that prioritize and allocate resources.

Revitalization of human capital

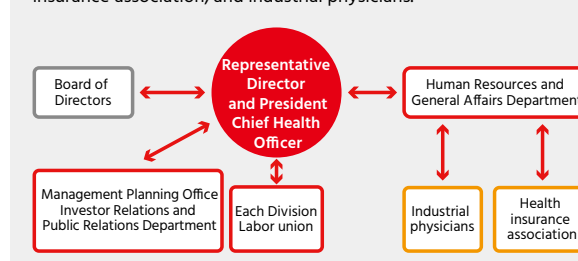
For many years, we have been working with a small number of highly qualified employees, but in order to reduce the risk of work becoming personal, we have assigned core human resources from each department across all departments to develop well-balanced human resources. Our middle-class personnel are trained so that they grow into those with a spirit of challenge. MARUYAMA'S products are often used by women, and therefore, in order to secure the perspective of product users, we are building a system that enables women to work actively in a stable manner.

Employees are the source of the Group's growth, and we have clearly established a cooperative relationship with them by setting evaluation systems and targets for each employee so that they can work with high motivation. At the same time, it is important to strengthen performance evaluators who evaluate employees.





In addition, as we recognize that it is important for employees to be able to work healthily, we have stepped up our efforts for health management ahead of other companies since 2021, and we are working on this throughout the entire Group.

Promotion system

With the Representative Director and President appointed as the Chief Health Officer (CHO), the Company will work on health management in cooperation with related departments, the health insurance association, and industrial physicians.



Status by Segment

	Share of net sales	Trends in net sales and operating income	Products handled	Initiatives to create growth businesses												
Machinery for agriculture and forestry	<div><div></div><div>Machinery for agriculture and forestry</div><div>75.1%</div><div>Net sales 30,238 million yen (2024/9)</div></div>	<div><div>Net sales (millions of yen)</div><div>Operating income (millions of yen)</div><table><tr><th></th><th>2022/9</th><th>2023/9</th><th>2024/9</th></tr><tr><td>Net sales</td><td>29,838</td><td>30,054</td><td>30,238</td></tr><tr><td>Operating income</td><td>1,227</td><td>1,100</td><td>1,126</td></tr></table></div>		2022/9	2023/9	2024/9	Net sales	29,838	30,054	30,238	Operating income	1,227	1,100	1,126	<div><div>●Power sprayers</div><div>●Engine sprinklers</div><div>●Large scale sprayers</div><div>●Brush cutters</div><div>●Chainsaws</div><div>●Other</div><div></div></div>	<p>In response to the aging of farmers, we are promoting automation of machines and the use of radio control devices to reduce the burden of farm work. We are conducting tests on actual farms to make it possible to operate large agricultural machines without riding on them, and are aiming to commercialize them.</p> <p>We monitor the frequency of use and changes over time of each machine in order to maintain the machine before it breaks down so that it can function properly in a timely manner.</p> <p>Utilizing MARUYAMA'S pump technology, we have developed a liquid-spraying multi-rotor equipped with a pump mounted on a drone. Together with conventional pest control equipment, we are developing equipment aimed at becoming a comprehensive pest control manufacturer.</p> <p>•R&D-related expenses: 986 million yen (fiscal year ended September 2024)</p>
	2022/9	2023/9	2024/9													
Net sales	29,838	30,054	30,238													
Operating income	1,227	1,100	1,126													
Industrial machinery	<div><div></div><div>Industrial machinery</div><div>16.9%</div><div>Net sales 6,817 million yen (2024/9)</div></div>	<div><div>Net sales (millions of yen)</div><div>Operating income (millions of yen)</div><table><tr><th></th><th>2022/9</th><th>2023/9</th><th>2024/9</th></tr><tr><td>Net sales</td><td>7,313</td><td>8,604</td><td>6,817</td></tr><tr><td>Operating income</td><td>1,820</td><td>2,000</td><td>1,439</td></tr></table></div>		2022/9	2023/9	2024/9	Net sales	7,313	8,604	6,817	Operating income	1,820	2,000	1,439	<div><div>●Industrial high-pressure pumps</div><div>●Pressure washers</div><div>●Ultra fine bubble products</div><div></div></div>	<p>MARUYAMA'S pumps are highly regarded for their high quality and durability, as witnessed by the fact that they have an approximately 80% share of the car wash market in the United States. In order to promote such highly trusted pumps in the Japanese market, we aim to develop and sell pumps as equipment, not as a single pump.</p> <p>In addition to developing washers that utilize MUFB technology, we are developing new markets by introducing the MUFB-generated "habiller" showerhead into the BtoC market. In response to the increasing severity of natural disasters, we are developing equipment that utilizes reverse osmosis (RO) membranes to secure domestic water during disasters.</p> <p>•R&D-related expenses: 140 million yen (fiscal year ended September 2024)</p>
	2022/9	2023/9	2024/9													
Net sales	7,313	8,604	6,817													
Operating income	1,820	2,000	1,439													
Other machines	<div><div></div><div>Other machines</div><div>6.9%</div><div>Net sales 2,759 million yen (2024/9)</div></div>	<div><div>Net sales (millions of yen)</div><div>Operating income (millions of yen)</div><table><tr><th></th><th>2022/9</th><th>2023/9</th><th>2024/9</th></tr><tr><td>Net sales</td><td>2,293</td><td>2,574</td><td>2,759</td></tr><tr><td>Operating income</td><td>76</td><td>98</td><td>100</td></tr></table></div>		2022/9	2023/9	2024/9	Net sales	2,293	2,574	2,759	Operating income	76	98	100	<div><div>●Fire extinguishers</div><div>●Equipment related to disaster risk reduction</div><div>●Environmental hygiene equipment</div><div>●Other</div><div></div></div>	<p>Based on our philosophy of "contributing to society with a safer fire extinguisher for the environment," we developed a fire extinguisher using a forged aluminum valve body with improved airtightness, corrosion resistance, and strength.</p> <p>The Company's gas-liquid mixing sprayer utilizes its proprietary ULV spray nozzle technology to produce and spray finer particle size mist through gas-liquid mixing. Because of its battery power feature, users can work both indoors and outdoors while carrying the sprayer on their back. In addition to direct spraying, it can also spray chemicals into space with fine mist.</p> <p>•R&D-related expenses: 20 million yen (fiscal year ended September 2024)</p>
	2022/9	2023/9	2024/9													
Net sales	2,293	2,574	2,759													
Operating income	76	98	100													
Real estate leasing, etc.	<div><div></div><div>Real estate leasing, etc.</div><div>1.1%</div><div>Net sales 423 million yen (2024/9)</div></div>	<div><div>Net sales (millions of yen)</div><div>Operating income (millions of yen)</div><table><tr><th></th><th>2022/9</th><th>2023/9</th><th>2024/9</th></tr><tr><td>Net sales</td><td>479</td><td>475</td><td>423</td></tr><tr><td>Operating income</td><td>276</td><td>287</td><td>235</td></tr></table></div>		2022/9	2023/9	2024/9	Net sales	479	475	423	Operating income	276	287	235	<div><div>●Real estate leasing</div><div>●Electric power sales business</div><div></div></div>	<p>Real estate leasing: We lease our land to retail business operators and secure stable earnings.</p> <p>Electric power sales business: Solar power is generated on the Company-owned land, producing 489.9 thousand kWh per year (fiscal year ended September 2024).</p>
	2022/9	2023/9	2024/9													
Net sales	479	475	423													
Operating income	276	287	235													

*Net sales by segment include intersegment transactions, and operating income is the amount before adjusting company-wide expenses, etc.

Status of Overseas Business

Initiatives to expand overseas business

In the 8th Medium-Term Management Plan, we have set our target overseas net sales ratio at 35%, working to expand our resources in the Asian market, such as the establishment of new bases in India and Vietnam.

In the U.S. market, we are making aggressive capital investments, with expectation of increasing demand for industrial pumps.

Overseas net sales

(millions of yen)

	2022/9	2023/9	2024/9
Overseas net sales	10,771	11,063	10,044

Net sales ratio

Operating income ratio*

Japan 75%

Overseas 25%

Overseas agricultural and forestry machinery 13%

Overseas industrial machinery 12%

Japan 59%

Overseas 42%

Overseas agricultural and forestry machinery 7%


Overseas industrial machinery 35%

*Operating income is the amount before adjusting company-wide expenses, etc.

Starting mass production of agricultural machinery in India

MARUYAMA MFG INDIA PTE. LTD. a consolidated subsidiary in India, was established in June 2023 and began operations in September 2023. In December 2024, a system was established to mass-produce agricultural machinery. India has the world's largest population of 1,450.93 million (IMF, 2024), and its agricultural land area is about 40 times that of Japan, accounting for about half of the country's total land area.

However, since most of the farmers are small-scale farmers, there is a need to improve productivity by mechanizing, saving labor, and increasing efficiency in agriculture to meet rapidly increasing food demand, and we aim to expand the market for MARUYAMA'S large-scale sprayers.



MARUYAMA Group’s Sustainability (ESG Management)

The Group established its Sustainability Policy in September 2024, declaring that we will work to build a sustainable society by solving social issues related to food, water, and the environment through the Group’s business.

Sustainability Policy

MARUYAMA Group will keep contributing to the creation of a secure society by providing hardware and software related to food, water, and the environment with the aim of creating a world where people and the earth are full of smiles.
We will put into practice our company motto of “Serve people and affairs with sincerity” and actively work toward the realization of a sustainable society in the following business fields.

- Contributing to delivering safe and secure food to the world
- Contributing to the conservation of limited water resources
- Protecting the environment and life and contributing to the realization of a carbon-neutral society

Two types of sustainability

In order to solve global issues such as food, water, global warming, viruses, and the environment, MARUYAMA will further evolve its core technologies for pumps and engines, and will continue to expand our business domains in line with the SDGs into the future.



Through the practice of ESG management, we as an enterprise will build a solid business foundation and support the sustainable growth and development of our business.

Sustainability through our business > P.26

Food	Water	Environment
Contributing to delivering safe and secure food to the world	Contributing to the conservation of limited water resources	Protecting the environment and life and contributing to the realization of a carbon-neutral society
		
We will contribute to the stable production of food and the improvement of agricultural safety, and will develop products for the future of agriculture and forestry.	We will contribute to reducing environmental loads through effective use of water resources and technology to change water.	We will contribute to the creation of a safe and comfortable living environment.
Automation and safety of products	Development of products that change water	Development of environmental hygiene products
Further expansion into global markets	Development of water resource reuse products	Product recycling

Sustainability as the foundation of our business

Ideal harmony between people and the environment

Global environmental problems such as global warming, resource depletion, and environmental pollution are still serious social problems. The Group is actively engaged in global environmental conservation activities under the company motto of “Serve people and affairs with sincerity” and the theme of “ideal harmony between people and the environment.”

E

Themes of initiatives

- Realizing a carbon-neutral society
- Initiative for resource conservation and resource recycling
- Initiative for sustainable procurement activities and green procurement

> P.28

Co-prosperity with society and employees

In addition to working to create a sustainable society in which people and the environment are in ideal harmony, we will promote corporate management in which employees and their families are healthy and feel job satisfaction in order to create a better society.

S

Themes of initiatives

- Realizing the ability development and job satisfaction of diverse human resources
- Improving product quality and safety
- Strengthening supply chain management

> P.32

Strengthening governance

The Group believes that it is important to serve its stakeholders, including customers, shareholders, employees, business partners, and local communities, with sincerity, as stated in its company motto of “Serve people and affairs with sincerity.” In addition, we believe that the implementation of this policy will enrich corporate governance and will realize a company with high integrity and transparency.

G

Themes of initiatives

- Strengthening corporate governance
- Strengthening risk management

> P.34

Materiality

MARUYAMA contributes to global sustainability through its business activities.

We have been making efforts to solve global issues through our engagement mainly in the manufacturing and sales of agricultural and forestry machinery, industrial machinery, and disaster risk reduction equipment. Moreover, we have formulated materiality toward the continuous enhancement of our corporate value. Based on our ESG initiatives, we aim for further growth by clarifying important issues (materiality) at the interface between society and business in order to promote sustainability through our business, and by working together with stakeholders in a united manner.

Identified materiality

Sustainability through our business

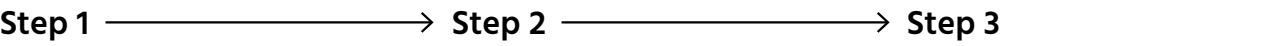
Category	Materiality	Important themes for activities
Business	Solving social issues in the fields of food, water, and the environment	Contributing to delivering safe and secure food to the world
		Contributing to the conservation of limited water resources
		Protecting the environment and life and contributing to the realization of a carbon-neutral society

Sustainability as the foundation of our business

Category	Materiality	Important themes for activities
E (Environment)	Ideal harmony between people and the environment	Realizing a carbon-neutral society
		Initiative for resource conservation and resource recycling
		Initiative for sustainable procurement activities and green procurement
S (Social)	Co-prosperity with society and employees	Realizing the ability development and job satisfaction of diverse human resources
		Improving product quality and safety
		Strengthening supply chain management
G (Governance)	Strengthening governance	Strengthening corporate governance
		Strengthening risk management

Process for identifying materiality

We determine materiality by taking steps in reference to international guidelines.



Extracting materiality candidates	Prioritization	Decision
MARUYAMA’S materiality candidates are extracted in reference to ISO 26000, GRI, and other international guidelines as well as the SDGs, and then issues to be coped with are summarized into 32 items in accordance with the following three aspects: 1. degree of importance for MARUYAMA, 2. degree of importance for stakeholders, and 3. degree of importance in light of industry characteristics.	The extracted materiality candidates are mapped (materiality map) on the two evaluation axes of size of business impact (industry characteristics/importance in the Company) and size of expectations/needs from society and stakeholders, priority is given, and issues of high importance are extracted as materiality.	After tentatively deciding on six items as provisional materiality, and following third-party evaluation, four materiality items have been formulated based on the Management Philosophy, the Basic Action Policy, and the Medium- to Long-Term Basic Policy.

No.	KPI	Targets for the fiscal year 2030
1	Developing and producing smart agricultural products that will contribute to increasing global food production	Expanding smart agricultural product models to be introduced into the market
2	Contributing to mechanization of overseas agricultural markets, and expanding sales channels	Overseas net sales ratio of 40%
3	Developing and selling MUFB technology that maximizes the power of water	Expanding the ratio of MUFB sales to total sales
4	Launching high-pressure pumps expected to conserve water into the market	Releasing ultra-high pressure-type products
5	Selling RO equipment to generate domestic water during disasters	Introducing our products to local governments and facilities for disaster-vulnerable people
6	Launching environmental hygiene equipment (cleaning, sterilization, deodorization) utilizing core technologies into the market	Increasing the number of models to be introduced in the disaster risk reduction-related and environmental hygiene-related markets
7	Developing internal combustion engines with maximum reduction of greenhouse gas emissions	Commercializing products with new engines
8	Developing and producing battery-powered products	Expanding battery product models to be introduced into the market

No.	KPI	Targets for the fiscal year 2030
9	Converting in-house electricity to renewable energy	90% of total power consumption
10	Reducing CO ₂ emissions from the Company	Reducing CO ₂ emissions by 40% (Scope 1) and 50% (Scope 2)
11	Reducing waste generated from production activities	Reducing waste per unit of production by 20%
12	Collecting waste fire extinguishers and continuing the fire-extinguishing agent recycling	Continuing the use of recycled fire-extinguishing agents for our fire extinguishers for sale
13	Strengthening management of hazardous chemical substances in products	Obtaining a declaration document from suppliers for the management of hazardous chemical substances and establishing an in-house management system
14	Creating growth opportunities and developing human resources	Expanding succession plans for senior management of group companies, including overseas ones
15	Promoting DE&I to foster human resources with diverse ideas and values (1) Enhancement and improvement of the personnel system (2) Higher ratio of female recruits (3) Larger number of women in managerial positions (4) Increase in career recruitment (5) Securing of global human resources	(1) Establishment of a system that enables flexible working styles (2) 30% or more (FY 2027) (3) 7 or more persons (4) 30 persons (5) 30 persons
16	Promoting a healthy work environment for all employees (1) Promotion of health management (2) White 500 Certification (3) Improvement of the percentage of paid holidays taken (4) Improvement of the percentage of male employees taking childcare leave	(1) Continuation of educational activities through the health management project (2) Acquisition of White 500 Certification (3) 90% (FY 2027) (4) 50% (FY 2027)
17	Developing DX and AI personnel capable of responding to the increasingly sophisticated digital age	Expanding human resources with digital and AI skills (15% of all employees)
18	Enhancing product safety initiatives Safe and reliable product development and production	Reducing the number of serious accidents and recalls
19	Promoting CSR procurement	Conducting CSR questionnaires for business partners and thorough follow-ups
20	Globally promoting legal compliance and governance	Strengthening the confirmation and control function related to laws and regulations, and continuing zero serious legal violations within the Group, including overseas group companies
21	Strengthening disaster response capabilities	Continuing the implementation of BCP training in each division
22	Strengthening information security, and properly managing personal information	Continuing zero incidents of personal information leakage

Solving Social Issues in the Fields of Food, Water, and the Environment

When identifying materiality, we consider initiatives to resolve social issues as important issues, in addition to the ESG aspect. Based on the recognition that our products can contribute significantly to solving social issues in the areas of food, water, and the environment, we will continue our activities to gain recognition in the global market as a company that contributes to society.

Social issues

- Difficulties in procurement and soaring prices of materials
- Global food and water shortages
- Antivirus measures
- Human resource and labor shortages
- Environmental problems
- International political and economic issues

Solving issues



Food



Water



Environment

Creating value for society

- Contributing to increasing food production, securing stable yields, and securing safe and secure food
- Contributing to labor saving, efficiency, and environmental load reduction in agriculture
- Pursuing the potential of water resources and contributing to effective utilization
- Contributing to a safe and comfortable life



Food

Contributing to delivering safe and secure food to the world

Contributing to increasing food productivity in response to global population growth with our time-honored agricultural machinery and new technologies



Water

Contributing to the conservation of limited water resources

Contributing to the conservation of water resources through product development that will maximize the power of water by utilizing ultra fine bubbles and reverse osmosis (RO) membranes, etc.



Environment

Protecting the environment and life and contributing to the realization of a carbon-neutral society

Contributing to environmental conservation through the development of engines and other equipment to reduce chemical fertilizers used in agriculture and carbon dioxide emissions

Developing and producing smart agricultural products that will contribute to increasing global food production



Contributing to the realization of smart agriculture by developing products that reduce the burden of agricultural work and achieve a comfortable work environment and higher efficiency

Contributing to mechanization of overseas agricultural markets, and expanding sales channels



Contributing to the mechanization of pest control operations for rice, wheat, soybeans, and vegetables to improve agricultural productivity in response to population growth in Asia

Developing and selling MUFB technology that maximizes the power of water



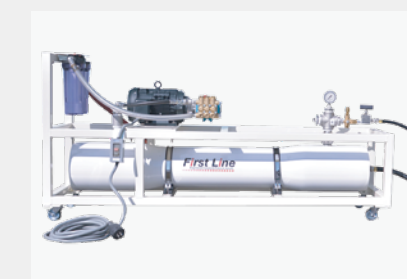
Developing products that instantly generate highly concentrated ultra fine bubbles, and exploiting new sales channels

Launching high-pressure pumps expected to conserve water into the market



Using accumulated pump technology to improve cleaning power by increasing water pressure

Developing RO equipment to generate domestic water during disasters



Utilizing reverse osmosis (RO) membrane equipment to provide domestic water during natural disasters, and thereby contributing to the strengthening of disaster resilience

Launching environmental hygiene equipment (cleaning, sterilization, deodorization) utilizing core technologies into the market



Removing urinary calculi that adhere to the toilet by using the ultra-fine bubbles' penetration and crushing effects; also controlling odor

Developing internal combustion engines with maximum reduction of greenhouse gas emissions



Developing internal combustion engines that will comply with regulations of each country

Developing and producing battery-powered products



Contributing to environmental improvement such as forests and roadside trees through the development and production of battery-powered devices with excellent operability

Initiatives to Protect the Environment

Ideal Harmony between People and the Environment

The Group has contributed to society through the development and manufacturing of machinery for agriculture and forestry. We recognize that the conservation of global environments such as climate change has a substantial impact on agriculture and forestry and that this is an important management issue, on which we are actively working.

Initiatives to reduce CO₂ emissions by 50%

We have set a 50% reduction in CO₂ emissions (compared to fiscal year ended September 2020, Scope 2) as one of the targets in the Long-Term Management Vision 2030. In fiscal year ended September 2022, the Chiba Plant (Togane City), MARUYAMA'S main plant, and NIPPON KREIS CO.,LTD. (Togane City), the second-largest group company in terms of production, switched to electricity derived from renewable energy.

As a result, we were able to reduce CO₂ emissions from our own production activities by 40% (approximately 2,300 t-CO₂). Going forward, we will install solar power generation facilities at SEIBU MARUYAMA CO.,INC. We will continue to promote initiatives to reduce CO₂ emissions at all sites.



Compliance with engine exhaust emission regulations

Engine exhaust emission regulations began in the 1970s, triggered by the automobile pollution problem. As automobile regulations were tightened, the contribution rate of non-automobile engines (non-road engines) to exhaust emissions relatively increased. Starting with regulations in California, the U.S., in the 1990s, exhaust emission regulations for non-road engines have started in many countries around the world.

The Company's two-cycle and non-two-cycle engines comply with the regulations of each country.

Moreover, in pursuit of cleaner engines, we have begun commercializing four-cycle engines.

Method for regulating exhaust gas of two-cycle engines

In Japan, it is an industry self-regulation set by Japan Land Engine Manufacturers Association (LEMA). In the U.S., it is regulated by the U.S. Environmental Protection Agency (EPA), and in Europe, it is regulated by EC directives* in the member countries of the European Union (EU).

The two-cycle engines used in MARUYAMA'S brush cutters and other products belong to the portable category. They are divided into three classes according to engine displacement and are regulated by HC + NOx and CO emissions, achieving exhaust gas levels consistent with voluntary industry regulations.

HC + NOx: Total emissions of hydrocarbons and nitrogen compounds
CO: Carbon monoxide
Emissions g/kWh: The emissions of the substance in grams per kilowatt hour of engine operation

*Directives requiring each member country to adapt its national laws to fit the directives

Succeeded in the stable operation of two-stroke hydrogen engine, which realized the reduction in size and weight, for the first time in the world

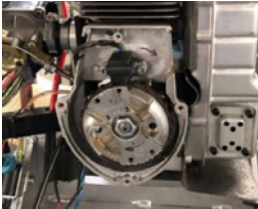
In order to realize a carbon-neutral society, small outdoor working machines are being electrified. However, it is said that it is difficult to replace all of the machines with electric ones because of the harsh operating conditions required by the machines for professionals, which require high loads and long hours of work.

The compact two-stroke hydrogen engine, the stable operation of which we have succeeded in ensuring, meets the needs of professionals by providing workability without problems even when the engine is turned sideways or upside down, and by using hydrogen as fuel, which makes the gas emitted almost water, making the work machine cleaner.

In the fiscal year ended September 2024, we completed a prototype that can be used for outdoor work. In the future, we plan to verify the reliability and durability of the hydrogen engine in actual work. In addition, we will continue to study and research hydrogen filling methods that are operable, and will explore sales possibilities.



Blower prototype using hydrogen engine



Two-stroke hydrogen engine

Collection and recycling of waste fire extinguishers

The Group has 22 designated collection sites and three disposal facilities nationwide, and collects and disposes of waste fire extinguishers in accordance with the collection and disposal methods of Japan Fire Extinguisher Manufacturers Association. The Group has achieved a collection rate of over 90% for waste fire extinguishers and has maintained a fire-extinguishing agent recycling rate of over 95% for use as raw materials for new fire extinguishers.

A new plant for the collection and manufacturing of fire-extinguishing agents has been constructed within our premises, and preparations are underway for the operation. The new plant has higher ceilings than conventional plants so as to improve the working environment and workability.



New fire-extinguishing agent recycling plant



TCFD declaration

TCFD initiative policy

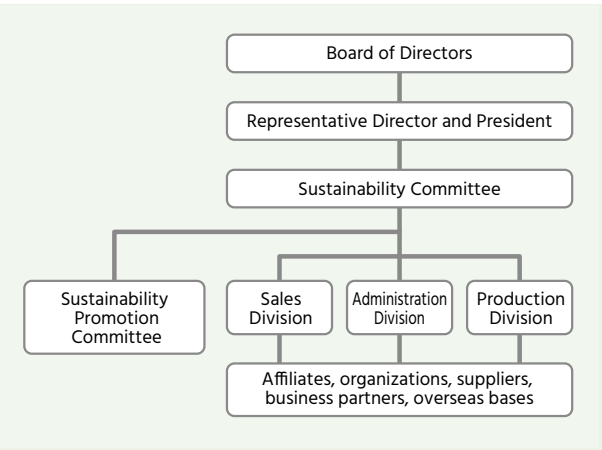
The Group regards solving social issues in the areas of food, water, and the environment as one of its materiality, and considers coping with climate change, which has a major impact on a global scale, to be an important management issue and a major social responsibility.

Under the company motto of "Serve people and affairs with sincerity," we are pursuing an ideal harmony between people and the environment in a united manner as the Group.

Governance

Regarding initiatives to achieve a decarbonized society through business activities, the Sustainability Committee, which is composed of executives, as well as the Sustainability Promotion Committee, which is composed of middle management members who will lead the next generation, discusses and promotes such activities, while the Board of Directors serves as the highest decision-making body.

We will accurately grasp the actual status of the Company's GHG emissions and will work in good faith to address various issues related to climate change through mutual cooperation among our sales, production, and administrative divisions. We will expand this circle to include all our business partners and other stakeholders.



Strategy

The various phenomena brought about by climate change will become more visible year by year as short- to medium-term and long-term risks.

The Group regards solving social issues in the areas of food, water, and the environment as materiality. Through the manufacturing and sales of agricultural, industrial, and disaster risk reduction products, which constitute our businesses, we are taking on bold action and challenges for climate change, a social problem on a global scale.

To address climate change, we selected two external scenarios: the 1.5°C/2°C scenario and the 4°C scenario, and analyzed the impact on our businesses toward 2050, i.e. the target year to achieve carbon neutrality.

Classification	Referenced external scenario	Scenario description	Scenario analysis overview		
			Social situation	Natural environment	Market trend
1.5°C/2°C scenario	IPCC AR6 SSP1 — 1.9	Global warming will be curbed by 2°C or less, according to the will of society and citizens.	<ul style="list-style-type: none">Shareholders and customer will raise their environmental awareness.Government will tighten climate-related laws and regulations.Laws and regulations will increase the burden on companies and individuals.Companies that cannot comply with laws and regulations will be eliminated.	<ul style="list-style-type: none">Rising temperatures will cause more natural disasters.The variety and breed of crops will be changing.Global warming will shift farmland.	<ul style="list-style-type: none">Demand for decarbonized (or low carbon) products will increase.Capital spending for decarbonization (or low carbonization) will increase.Demand for disaster risk reduction products will increase as awareness of disaster prevention rises.Raw material and energy costs will increase.
	IPCC AR6 SSP1 — 2.6				
4°C scenario	IPCC AR6 SSP5 — 8.5	Economic growth will take priority, and global warming will exceed 4°C.	<ul style="list-style-type: none">Rapid economic growth in each country and company will further widen the gap between the rich and the poor.Energy resources will run out.	<ul style="list-style-type: none">The world will experience dramatic increase in natural disasters and sharp decrease in agricultural workers and farmland.Crop yields will substantially decrease.Ecosystem will collapse, and living organisms and nature will decrease.The world will run into food shortages.	<ul style="list-style-type: none">Demand for disaster risk reduction products will increase.Demand for productivity-enhancing products will increase to compensate for reduced crop yields.Raw material and energy costs will increase.

Risks and opportunity creation

We analyzed the impact on businesses as of 2050, i.e. the target year set by the Japanese government to achieve carbon neutrality.

Climate-related risks: Risk for companies moving toward a low-carbon economy

	Large classification	Small classification	Indicator	Scenarios and risks	Required responses and tends	2°C impact	4°C impact
Transition risk	Policy/ regulation	(1) Introduction and increase of carbon tax	Cost	Costs will increase due to wide-range impact of direct materials, production, and transportation.	Methods not to emit CO ₂ , and initiatives to reduce emissions	Large	Large
		(2) Laws and regulations to reduce CO ₂ emissions	Capital investment	Capital investment will increase due to CO ₂ emission regulations and energy conservation initiatives.	Higher productivity by updating facilities and optimizing processes	Small	Large
	Technology	(3) Compliance with exhaust emission regulations	Cost	Costs related to product development and components will increase due to tighter regulations.	Introduction and development of new technologies, and collaboration with other companies	Small	Large
		(4) Switching to low-carbon technologies	Capital investment	Costs will increase due to the change to environmentally friendly materials.	Higher productivity by updating facilities and optimizing processes	Small	Large
	Market	(5) Soaring prices of raw materials	Cost	Costs will increase, and procurement will become difficult.	Promotion of common parts and in-house production	Moderate	Large
		(6) Change in consumer behavior	Revenue	Rising prices of products that take into account the environmental loads of climate change will cause lower demand.	Larger share of environmentally friendly products	Large	Large
		(7) Decline in the domestic labor force	Revenue	The number of farmers will decrease.	Increase in demand for larger and/or automated machines due to the scale aggregation and corporatization of agriculture	Large	Large
	Reputation	(8) Changes in stakeholder reputation	Capital	Lack of action on climate change will damage investor reputation, making it difficult to raise funds.	Publication and maintenance of ESG reports	Moderate	Large
	Physical risk	(9) Decrease in production due to water stress	Cost	Water shortages will make it difficult to secure water, causing prices to soar.	Further increase in added value of pump technology	Large	Large
		(10) Intensification of extreme weather	Revenue	Frequent occurrence of extreme weather events such as storms will cause damage in many production areas.	Development of disaster risk reduction products in the agricultural sector	Large	Large
	Chronic (long-term)	(11) Increase in average temperature	Revenue	Crop quality will deteriorate with lower yields	Proposal to improve quality and yields by using machines	Large	Large
		(12) Decline in farmer productivity	Cost	Labor productivity will decline due to rising temperatures, and prices will soar due to rising costs.	Proposal for machine automation and productivity improvement	Large	Large

Climate-related opportunities: Opportunities for management reforms related to climate change

Large classification	Small classification	Indicator	Potential opportunity	1.5°C/2°C impact
Product	Upgrading to products that take into account the environmental loads of climate change	Revenue	Larger market share due to increasing demand for environmentally friendly products	Large
	Increase in demand for labor-saving and high-efficiency products due to declining agricultural population	Revenue	Expanding sales due to increasing demand for high-efficiency large-scale and/or IoT products	Large
Market	Larger demand for low-carbon products	Revenue	Increasing revenue due to larger demand for low-carbon products	Large
		Revenue	Commercialization and prevalence of next-generation engines	Large
Evaluation	Climate change countermeasures will become a required item in the stock market.	Capital	Companies that address climate change through their businesses will be recognized.	Large
Resources	Recycling and utilization of water resources	Revenue	Prevalence and promotion of MUFB and RO products	Large



Indicators and targets

To achieve carbon neutrality by 2050, the Group will work together to reduce GHG emissions from business activities in a unified manner as the MARUYAMA Group.

Specifically, as part of our initiatives to reduce GHG emissions, we will formulate an implementation flow for CO₂ reduction under Scope 3 and share it with our business partners. We will also reduce GHG emissions from existing engines by implementing environmentally friendly engines currently under in-house development in our products.

Item	Content	Criteria	Goals
			2030
GHG emissions (total)	Scope1	2020	40% reduction
	Scope2	2020	50% reduction

Survey on Scopes 1, 2, and 3

Category	Content	Views and concept of the decarbonization WG	Emissions in FY 2024 (10,000 t-CO ₂)
Scope1	Consumption of fossil fuels	CO ₂ emissions from the use of fossil fuels, etc. purchased during the period (in-house)	0.22
Scope 2	Use of purchased electricity and heat	CO ₂ emissions from the use of electricity, etc. purchased during the period (in-house)	0.31
Scope 3	(1) Purchased products and services	CO ₂ emissions from the processing, etc. of products purchased during the period	12.48
	(2) Capital goods purchased	CO ₂ emissions from the construction, manufacturing, and transportation of fixed assets purchased during the period	0.80
	(3) Fuel- and energy-related activities	CO ₂ emissions from generation and transportation of parts used in Scopes 1 and 2	0.10
	(4) Transport and delivery (upstream)	Procurement logistics: transportation from suppliers to the Company	0.21
	(5) Waste generated from business	Grasp waste by type of waste, and calculate by multiplying the amount of waste by the coefficient	0.01
	(6) Employee travel	Divide travel expenses by means, and multiply by the coefficient	0.09
	(7) Employee commuting	Divide commuting expenses by means, and multiply by the coefficient	0.01
	(8) Leased assets (upstream)	To be excluded because electricity in warehouses is to be allocated in Scopes 1 and 2	Excluded
	(9) Transport and delivery (downstream)	The calculation shall not be made because the CO ₂ is emitted from deliveries by shippers on behalf of others, instead of their own.	Uncalculated
	(10) Processing of sold products	To be excluded because it covers parts, materials, and the like	Excluded
	(11) Use of sold products	Direct CO ₂ emissions from products sold during the period before they are disposed of	18.72
	(12) Disposal of sold products	CO ₂ emissions from products sold during the period when they are disposed of	0.08
	(13) Leased assets (downstream)	Company-owned vehicles and business machines are to be excluded because they are already allocated in Scopes 1 and 2.	Excluded
	(14) Franchise	To be excluded as not applicable	Excluded
	(15) Investment	To be excluded because of no investment in fossil fuels	Excluded

Initiatives toward Society

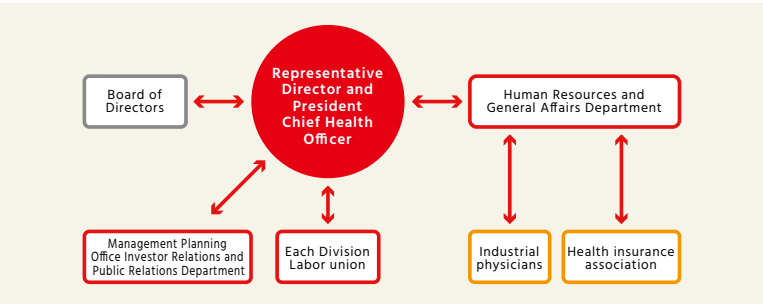
Co-prosperity with society and employees

As a member of society, the Group recognizes that dialogue with all stakeholders is necessary for sustainable growth. In particular, the power of our employees, who are the drivers of growth, is essential. For this reason, the Group is striving to establish a working environment in which diverse human resources can continue to play an active role over a long period of time, and a corporate culture that maximizes the creativity and teamwork of each individual.

Declaration of health management

Aiming to be an indispensable enterprise for society, the Group has worked with all employees since its foundation to resolve issues in the fields of food, water, and the environment.

In order to create a better society by implementing our brand statement, “Creating the next 100 Years - All for the Future,” the Group believes that it is essential for employees and their families to be healthy and to feel job satisfaction.



2024 健康経営優良法人
Health and productivity

Aiming to be an enterprise where employees can continue to work energetically and with peace of mind through health management, the Group promotes the health of its employees. Under the Certified Health & Productivity Management Outstanding Organizations Recognition Program jointly selected by Ministry of Economy, Trade and Industry, and the Nippon Kenko Kaigi, the Group has been recognized as a Health & Productivity Management Outstanding Organization 2024 under the large enterprise category for three consecutive years since 2021.

Promoting human capital management

In addition to health management, the Group has established a training system for all employees, including new employees, so that they can demonstrate their abilities.

The Group established the Human Resources Development Committee in October 2017 for the purpose of human resource development and education. The committee meets once every one or two months to promote systematic employee development. In particular, we are progressively working on the establishment of a career development system for each division and the materialization of initiatives to develop core human resources in line with career plans.

Furthermore, in order to address such issues as work-style reform, equal pay for equal work, and childcare and nursing care leaves, we began reforming our personnel system in October 2020. Based on the results of employee satisfaction surveys, we are reviewing regulations and discussing various issues related to collective labor agreements as appropriate. Specifically, we aim to achieve sustainable growth by introducing a system that eliminates the personal element that determines wages based on ability and contribution to the company, and by introducing a retirement age of 65.



New employee training at the Chiba Plant

Declaration of Building Partnerships

We announced the Declaration of Building Partnerships, as we concur with the purport of Council for the Promotion of Building Partnerships for the Future, which is promoted by the Cabinet Office and the Small and Medium Enterprise Agency, etc.

We declare that we will focus on the following items in order to build new partnerships by promoting cooperation, coexistence, and co-prosperity with business partners in the supply chain as well as with business operators that aim to create value. Based on this declaration, we will work on the procurement and sustainable development of products with lower environmental loads as well as initiatives that lead to new manufacturing possibilities in cooperation with our business partners, and thereby will promote the creation of further added value.

1. Coexistence and co-prosperity of the entire supply chain, and new cooperation that will transcend scale and affiliation, etc.
2. Compliance with the Promotion Standards

Click here for the entire text of Declaration of Building Partnerships of MARUYAMA MFG. CO., INC.
<https://www.biz-partnership.jp/declaration/72983-05-18-tokyo.pdf>

What is the Declaration of Building Partnerships?

It is promoted by the Council for the Promotion of Building Partnerships for the Future, which consists of the chairman of Nippon Keizai Dantai Rengokai, Keidanren (Japan Business Federation), the president of the Japan Chamber of Commerce and Industry, the president of the Japan Trade Union Confederation, and relevant ministers (Cabinet Office, the Ministry of Economy, Trade and Industry, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Land, Infrastructure, Transport and Tourism).

It is declared by enterprises with the aim of building new partnerships by promoting cooperation, coexistence, and co-prosperity with business partners in their supply chains as well as with business operators that aim to create value.

Declaration of Building Partnerships portal site
<https://www.biz-partnership.jp/>

パートナーシップ構築宣言

Initiatives for quality

The Group's Quality Policy states, “We will be a company about which customers say ‘Maruyama Again!’ and they will do business with the Group next time, too. To this end, we will provide our customers with high-quality products and services by improving quality, eliminating waste, and speeding up.” Under this policy, all employees work together to design, develop, manufacture, and provide products that satisfy customer needs and expectations. We also collect information on the ever-changing needs and expectations of our customers, continuously provide products that meet these changes, and contribute to society through such products provided. With this eternal goal in mind, we are continuing improvement activities.

Initiatives for product safety and safe work

As part of initiatives to promote smart agriculture, we are focusing our efforts to enhance our pesticide spray drone service.

The Company has drone training facilities at 14 locations throughout Japan. At these facilities, our employees provide training on drones, teach pest control know-how, and maintain customers’ airframes.

Currently, most drones operate autonomously, and we are conducting a campaign in which people can experience autonomous navigation at our training facilities.

Going forward, with the aim of further expanding our drone business, we are working company-wide to enable our sales staff across the country to obtain drone operator certification.

We have also established the Basic Policy on Product Safety, and put in place the Voluntary Action Plan for Product Safety.

The production division has revised the user manual to make it easier for customers to understand. For large machines, QR codes from the user manuals are affixed to the machines, while the sales division hold in-house product safety briefings and seminars. For managers, seminars are also held by outside instructors.



Initiatives for value creation and sustainable growth through DX promotion

Through digital transformation (DX), we are deepening our understanding of customer needs, and redefining true value capitalizing on our strengths. Through this initiative, we are working to build a new business model with the aim of improving customer experience and increasing profitability.

Specifically, in addition to updating products and services and optimizing pricing strategies, we are rebuilding touch points with customers or building new ones, and thereby achieving consistent value delivery. We use digital tools to continuously measure KPIs, and incorporate customer feedback, aiming for constant improvement. In particular, we aim to improve customer satisfaction and loyalty by actively utilizing digital platforms such as applications, e-commerce, and social media.

On October 1, 2024, the Company was certified as a DX Certified Operator by the Ministry of Economy, Trade and Industry. This system is an accreditation system based on the

DX認定

Act on Facilitation of Information Processing. The national government certifies companies as being prepared to promote DX in response to the basic requirements of the Digital Governance Code, such as the formulation and publication of a management vision based on social transformation using digital technology.

Through these initiatives, the Company will go beyond simply providing products, and will continue to evolve into a company that creates value which exceeds customer expectations, while simultaneously achieving sustainable growth and contributing to society.

Contribution activities for local communities

We would like to express our heartfelt sympathy to the people affected by the 2024 Noto Peninsula Earthquake and pray for the earliest possible recovery of the affected areas.

The Company donated 60 fire extinguishers to the Wajima Monzen Sports Park and 40 to the Anamizu-cho Sumiyoshi Community Center to support those affected by the earthquake. Based on our corporate motto of “Serve people and affairs with sincerity,” we respond with sincerity to all stakeholders, including customers, shareholders, and business partners.

We will continue our contribution activities for local communities.



Fire extinguishers donated to Wajima City

Strengthening IR activities

Since the financial results for the second quarter of the fiscal year ended September 2023, we have been providing information to individual investors by posting videos explaining our financial results on the MINKUBU website in order to deepen shareholders’ and investors’ understanding of our business activities.

In addition, since September 2024, we started posting a video of company briefings for individual investors. President Uchiyama explains our major products and strategies for approximately 35 minutes in an effort to enhance IR activities.



Company briefings for individual investors of MARUYAMA
<https://www.rakuten-sec.co.jp/web/special/maruyama/>

Corporate Governance

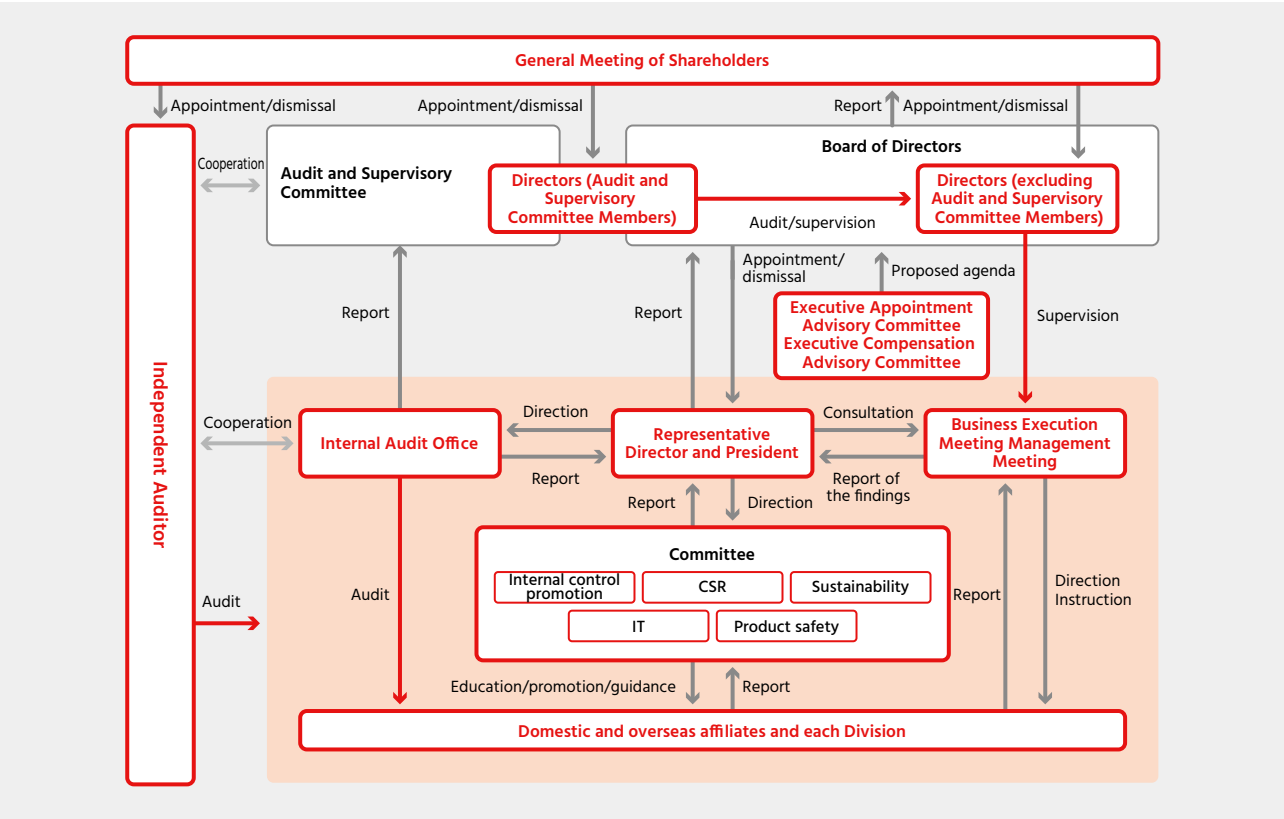
Strengthening governance

(Basic concept)
As stated in the company motto, “Serve people and affairs with sincerity,” we are committed to earning trust broadly from society by faithfully fulfilling our social responsibilities, as the most important management issue. We are actively promoting sustainable growth and medium- to long-term enhancement of corporate value by enhancing the effectiveness of corporate governance in order to make transparent, fair, and decisive decisions based on the perspectives of our shareholders, customers, business partners, local communities, employees, etc.

Strengthening corporate governance

Corporate governance structure

We have adopted a company with an audit and supervisory committee, for the purposes of further strengthening the supervisory function of the Board of Directors, as well as separating supervision from business execution for swift decision-making.



Board of Directors

The Board of Directors, as the highest management body, makes decisions on matters stipulated by laws, regulations, and the Rules of the Board of Directors, as well as other important matters, and supervises the business execution of each group company.
Our Board of Directors consists of five Directors (excluding Directors who are Audit and Supervisory Committee Members), and four Directors who are Audit and Supervisory Committee Members (all of whom are Outside Directors). The Board of Directors meets once a month. In addition, they meet on an extraordinary basis as needed both in order to strengthen the supervision and oversight of the business execution by Directors, and in order to provide recommendations and advice as needed. This structure ensures transparency and flexibility.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of four Directors (all of whom are Outside Directors), and audits the execution of Directors’ duties from an independent standpoint. In order to understand the important decision-making process and the status of business execution, members of the Audit and Supervisory Committee attend meetings of the Board of Directors, the Business Execution Meeting, the Management Meeting, and other important meetings in accordance with the audit plan determined by the Audit and Supervisory Committee as well as the division of their duties, listen to the status of business execution from Directors, etc., inspect related materials, and conduct audits.

Structure for reporting to the Audit and Supervisory Committee, etc.

The Group’s Directors and employees shall immediately report to the Director in charge of crisis management if any misconduct, or material facts in violation of laws and regulations, the Articles of Incorporation or internal regulations, or other facts of concern with regard to risk management are discovered. The Director in charge of crisis management shall report the matter in question to the Audit and Supervisory Committee without delay if it corresponds to any of the following matters:
a. Matters that may cause substantial damage to the company
b. Important matters related to internal audits and risk management

c. Significant compliance violations, including reporting by whistleblowing
d. Other important corporate management matters
If an assistant employee of the Audit and Supervisory Committee discovers a material fact in relation to the preceding paragraph, the employee shall report directly to the Audit and Supervisory Committee without delay.
We ensure that the reporter is protected so that he/she will not receive any disadvantageous treatment for reporting.

Evaluation of the effectiveness of the Board of Directors

The Company evaluated the Board of Directors and concluded that decisions about basic management policies and other important matters were appropriately made based on constructive discussions and exchanges of opinion among all Directors under appropriate proceedings, and that the effectiveness of the Board of Directors was basically ensured.
On the other hand, in order to further improve the effectiveness of the Board of Directors, the succession plan for the Representative Director should be actively discussed at the Board of Directors, and it should be discussed by the Executive Appointment Advisory Committee prior to discussion at the Board of Directors. In response to the opinion that the progress of the Medium-Term Management Plan should be further verified, the progress of the Medium-Term Management Plan shall be checked every six months.
Based on the results of the evaluation and analysis, we will continue to make efforts to improve the effectiveness.

Policies such as nomination of Directors

When appointing or dismissing candidates for Director, we judge them comprehensively from the viewpoints of whether they have character, insight, and knowledge and experience in their specialized fields, as well as whether they can make accurate and prompt decisions. In addition, when appointing or dismissing candidates for Outside Director, we judge them from a comprehensive perspective of whether they can utilize their abundant experience and broad insight in their respective fields to strengthen the auditing and supervisory functions of the Company’s overall management.
Based on the above policy, the Executive Appointment Advisory Committee, which is a five-person voluntary organization composed of Representative Director and Chairman, Representative Director and President, and three Outside Directors, proposes the results of its discussions to the Board of Directors for the resolution.
In the unlikely event that a senior management member has violated laws, regulations, or the Articles of Incorporation, etc., and significantly damaged the corporate value of the Company, and dismissal is therefore appropriate, the Board of Directors will deliberate and pass a resolution in a timely manner.

Policy on Directors’ compensation

Basic policy

We define the compensation system for Directors as a mechanism for the continuous improvement of the Group’s corporate value and the realization of sustainable growth over the medium to long term, based on our basic philosophy on corporate governance, and establish and operate the system based on the following points:
•The compensation system shall promote the improvement of short- and medium- to long-term performance as well as corporate value.
•The type and level of compensation shall be in accordance with the responsibilities, performance, and achievements of the respective Directors within the scope determined at the General Meeting of Shareholders.

•The objectivity and transparency shall be ensured by going through deliberations by the Executive Compensation Advisory Committee, of which a majority is composed of Outside Directors.
For reference, the Board of Directors has confirmed that both the method of determining the content of compensation, etc. and the content of compensation, etc. determined for individual Directors for the current fiscal year are consistent with the policy, and that the reporting from the Executive Compensation Advisory Committee is respected. Therefore, the Board of Directors has determined that the compensation, etc. is in accordance with the policy.

Category	Total amount of compensation, etc. (millions of yen)	Total amount of compensation, etc. by type (millions of yen)			Number of eligible officers (persons)
		Basic compensation	Performance-linked compensation	Restricted share compensation	
Directors (excluding Audit and Supervisory Committee Members)	155	147	—	7	5
Directors (Audit and Supervisory Committee Members) (including Outside Directors)	34 (34)	34 (34)	— (—)	— (—)	4 (4)
Total	189	182	—	7	9

(Note) The above includes one Director (Audit and Supervisory Committee Member) who retired during the fiscal year under review.

Compensation level policy

Compensation for Executive Director consists of the following three types: basic compensation as monetary compensation; performance-linked compensation paid in conjunction with the performance of the company, the division and the individual; and restricted share compensation. For reference, the total amount of monetary compensation for Executive Director has been set at 300 million yen or less per year in accordance with the resolution of the 82th Annual General Meeting of Shareholders held on December 19, 2017.

Performance-linked compensation

Performance-linked compensation consists of performance/achievement-linked compensation, and single-year performance-linked compensation.

a. Performance/achievement-linked compensation
This compensation is monthly compensation that varies each year, depending on the company's performance, performance of the division in charge, and individual achievement in the previous fiscal year. Based on the evaluation conducted by the Representative Director and President using the Director Performance Evaluation Table prescribed in the regulations, as well as other materials, the Representative Director

Restricted share compensation

For the purposes of providing an incentive to continuously enhance the Company's corporate value, and further sharing such value with its shareholders, the Company has set a transfer-restriction period linked to the Medium-Term Management Plan, under which it grants the Company's common shares (referred to as the "Shares"). Specific performance indicators and the number of shares to be granted are determined by the Board of Directors after deliberation by the Executive Compensation Advisory Committee.

Basic compensation

Under the Director Compensation Regulations, basic compensation is fixed monthly compensation, the level of which is determined according to the position of the Director. Although there are no short-term changes in the level, if there is a change in the level of the company's performance, we will review the level, and in the event of a significant decline in performance or a misconduct, we will reduce the level in order to clarify management responsibility.

and President determines the amount of individual compensation for each Director after deliberation by the Executive Compensation Advisory Committee.
b. Single-year performance-linked compensation
This compensation is monetary compensation that reflects the performance indicators (KPI) established to raise awareness for business performance improvement each fiscal year. When the target value for each fiscal year is achieved, this compensation is paid annually as a bonus at a certain time according to the degree of achievement.

Directors serving as Audit and Supervisory Committee Members

Compensation for Directors serving as Audit and Supervisory Committee Members consists only of a fixed monthly basic compensation in consideration of their roles, and is determined in accordance with consultation at the Audit and Supervisory Committee, taking into account the division of their duties, within the limit of the total amount of compensation resolved at the General Meeting of Shareholders. The amount of this compensation has been set at 84 million yen or less per year, in accordance with the resolution of the 82th Annual General Meeting of Shareholders held on December 19, 2017.

Message from Outside Director



Atsushi Toki
Outside Director
(Audit and Supervisory Committee Member)

For improving the effectiveness of the Board of Directors

The Board of Directors evaluates and supervises the business execution by the management team. It also has the function of making specific decisions on the execution of individual business operations (business decisions), and makes decisions on management strategies and management plans. These are the standards and guidelines for the supervision and business decisions of the Board of Directors.
However, in the current situation of the board of directors of many companies, we have to say that the focus is on individual business decisions and that discussions on management strategies, etc., are insufficient.
In the past, we at the Company did not make a clear distinction between discussions at meetings of the Board of Directors and those at meetings of executive departments, and time tended to be spent discussing the details of individual operations. However, since we changed to a company with an audit and supervisory committee, the Board of Directors has narrowed down proposals to a certain extent to enhance deliberations, and voluntary committees, including Outside Directors, have been involved in the selection of President, planning for the development of successors, the selection of Directors/Executive Officers, and the determination of compensation to enhance objectivity.
In addition, since the matters to be resolved by the Board of Directors have become limited to some extent, the Board of Directors should support appropriate risk-taking by the management team, and its core supervisory functions should be to judge the appropriateness of management through the decisions of nomination and compensation, as well as to evaluate performance, in light of basic management policies and strategies formulated by the management team and decided by the Board of Directors.

Compliance and risk management

Internal control system, and risk management structure and Initiatives

We consider compliance to be one of the most important management issues, and have distributed the MARUYAMA Group Compliance Manual, which was formulated by the CSR Committee and established by the Board of Directors, to all officers and employees of the Group. We also conduct enlightenment and training sessions regularly to instill a compliance mindset.
In preparation for the occurrence of compliance problems, we have set up internal and external reporting and consultation desks (hotlines) to receive whistleblowing from the Group's insiders. In such a way, we have put in place a whistleblowing structure that enables checks and a prompt response to prevent such problems from occurring, and thereby ensure thorough protection of whistleblowers under the Whistleblower Protection Regulations.
We have severed our all relations including transactions with antisocial forces and organizations that threaten the order and safety of civil society, and shall respond to undue claims in a resolute attitude. To this end, we have put in place the necessary structures, including the division in charge, as well as response measures.

Structure concerning execution of Directors' duties

In accordance with the Articles of Incorporation, and the Rules of the Board of Directors, minutes of the General Meeting of Shareholders and minutes of the Board of Directors are prepared, and properly stored and managed. The relevant materials are also properly stored and managed.
The minutes and materials of important internal meetings, such as the Business Execution Meeting, the Management Meeting, the Joint Management Meeting, and various committees, are properly prepared, stored, and managed in accordance with the Document Management Regulations.
Requests for management decisions approved by the Board of Directors are properly stored and managed in accordance with the Regulations for Requests for Management Decisions.

Crisis management structure

The Director in charge of crisis management periodically reviews and enhances the Crisis Management Manual to prepare for the occurrence of serious risks to corporate management (large-scale accidents, disasters, scandals, troubles, etc.), and takes measures to prevent the occurrence of such problems. In addition, business continuity management (BCM) is implemented to ensure business continuity, and the Business Continuity Plan (BCP) and related manuals are reviewed in a timely manner.
In the event of a serious problem involving the Group, the Director in charge of crisis management promptly convenes a meeting of the CSR Committee to consider countermeasures, and the designated Director properly implements countermeasures.

We conduct training for all employees annually to review the MARUYAMA Group Compliance Manual, aiming to strengthen compliance. We conducted participation-style compliance training by outside instructors for all employees in April and May 2023, and discussion-style compliance training for managers in August and September, 2023.
With regard to risk management, we conducted business continuity management (BCM) training for managers in the form of lectures by outside instructors in October 2023.
Furthermore, we held a private information protection training for managers in the form of lectures by outside instructors in October 2023, aiming to strengthen information security.

Structure to ensure execution of Directors' duties

We maintain an internal structure that enables swift and rational decision-making by making appropriate use of the Board of Directors, the Business Execution Meeting, the Management Meeting, the Joint Management Meeting, the CSR Committee, and other meeting groups.
Our internal structure has been enhanced for efficient execution of duties, as our internal regulations, including the division of duties among Directors, the division of duties among departments, and the authority of duties, have been put in place and have been reviewed.
The Internal Audit Office, which reports directly to President, shall audit the company-wide business operations, including group companies, in accordance with the Internal Audit Standards.

Structure to ensure the appropriateness of business operations

We hold the Business Execution Meeting and the Management Meeting, which consist of key officers (including full-time Audit and Supervisory Committee Members), as well as the Joint Management Meeting, which consists of all the Group's officers, based on an annual plan. By regularly reporting on the financial status and other important information of the group companies, we promote communication and exchange of information, and have established a structure to ensure the appropriateness of business operations within the corporate group.
The Group's Directors shall report to the Director in charge of crisis management if any misconduct, or material facts in violation of laws and regulations, the Articles of Incorporation or internal regulations, or other facts of concern with regard to risk management are discovered. In the wake of the report, the Director in charge of crisis management promptly convenes the CSR Committee. After the factual investigation, the Group takes countermeasures to avoid or reduce risks as well as other necessary measures.
The Group complies with all applicable laws and regulations, including the Code of Conduct contained in the MARUYAMA Group Compliance Manual.

Profile of Directors



Masanobu Ogashira

Representative Director and Chairman

April 1976: Joined the Company
December 1997: Director and President, MARUYAMA U.S., INC.
October 2001: Assistant to President and Head of Group Overall Management Office of the Company
December 2001: Director of the Company
July 2002: Head of Corporate Planning Office of the Company
December 2003: Managing Director of the Company
October 2004: Director of Administration Division of the Company
April 2007: Director of Manufacturing Division, and General Manager of Chiba Plant of the Company
October 2008: Senior Managing Director, and Director of Administration Division of the Company
October 2009: General Manager of Domestic Sales Department, and Manager of Overseas Business Department of the Company
October 2010: Representative Director and President of the Company
October 2020: Representative Director and Chairman of the Company (present)
● Significant concurrent positions
There are no important concurrent positions.
● Number of the Company's shares held: 23,771 shares
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 13 out of 13 (100%)



Takaharu Uchiyama

Representative Director and President

April 1996: Joined the Company
February 2006: Director and Vice President, MARUYAMA U.S., INC.
October 2006: Director and President, MARUYAMA U.S., INC.
July 2011: Head of Corporate Planning Office of the Company
December 2011: Director of the Company
October 2018: Director of Administration Division of the Company
December 2018: Managing Director of the Company
October 2020: Representative Director and President of the Company (present)
● Significant concurrent positions
Representative Director and Chairman, MARUYAMA EXCELL CO.,LTD.
● Number of the Company's shares held: 11,650 shares
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 13 out of 13 (100%)



Takahiro Ishimura

Senior Managing Director
Director of Sales Division, and General Manager of Domestic Sales Department

April 1985: Joined the Company
October 2005: Manager of Volume Retailer Sales Department of the Company
October 2007: General Manager of Kanto and Koshinetsu Branch of the Company
April 2011: Manager of Sales Promotion Department of the Company
December 2011: Director of the Company
October 2012: Manager of Sales Promotion Overall Management Department, Sales Division of the Company
October 2013: Manager of Sales Promotion Overall Management Department, Sales Division, and Manager of Sales Administration Department of the Company
April 2014: Manager of Sales Promotion Overall Management Department, Sales Division of the Company
January 2017: General Manager of Overseas Sales Department, and Manager, Sales Promotion Overall Management Department, Sales Division of the Company
April 2017: General Manager of Overseas Sales Department, Sales Division of the Company
October 2020: Managing Director, Director of Sales Division, and General Manager of Domestic Sales Department of the Company
October 2024: Senior Managing Director, Director of Sales Division, and General Manager of Domestic Sales Department of the Company (present)
● Significant concurrent positions
Representative Director and President, MARUYAMA LOGISTICS CO.,INC.
Director and Chairman, MARUYAMA U.S., INC.
Director and Chairman, ASIAN MARUYAMA (THAILAND) CO., LTD.
Representative Director and Chairperson, MARUYAMA MFG INDIA PTE. LTD.
● Number of the Company's shares held: 7,779 shares
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 13 out of 13 (100%)

Profile of Outside Directors



Hiroyuki Hatano

Outside Director (Full-Time Audit and Supervisory Committee Member)

April 1984: Joined The Fuji Bank, Limited
January 2000: Manager, Management Planning Department, Fuji Investment Management Co., Ltd.
January 2005: Deputy Manager, Business Division No. 8, Mizuho Corporate Bank, Ltd.
May 2007: General Manager of Fukuyama Branch, Mizuho Bank, Ltd.
April 2009: Manager of General Planning Department, Trust & Custody Services Bank, Ltd.
October 2011: General Manager of Kyoto Branch, Mizuho Trust & Banking Co., Ltd.
April 2014: Full-Time Statutory Auditor, Mizuho Trust & Banking Co., Ltd.
June 2017: Director serving as Audit and Supervisory Committee Member, Mizuho Trust & Banking Co., Ltd.
June 2019: Member of the Board of Directors, Mizuho Trust & Banking Co., Ltd.
December 2019: Outside Director serving as Audit and Supervisory Committee Member of the Company (present)
● Significant concurrent positions
There are no important concurrent positions.
● Number of the Company's shares held: Nil
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 13 out of 13 (100%)
Audit and Supervisory Committee meetings: 13 out of 13 (100%)

Profile of Outside Directors



Atsushi Toki

Outside Director (Audit and Supervisory Committee Member)

April 1983: Attorney (present)
December 2001: Outside Auditor of the Company
May 2003: Outside Director, PARCO CO., LTD.
June 2003: Outside Auditor, Credit Saison Co., Ltd.
May 2008: Trustee, TOSCO Co., Ltd., under rehabilitation
December 2015: Outside Director serving as Audit and Supervisory Committee Member of the Company (present)
● Significant concurrent positions
Outside Auditor, MIDORI ANZEN CO., LTD.
Outside Auditor, NIPPON STEEL TEXENG CO., LTD
Outside Director, GEOSTR Corporation
Outside Auditor, MIDORI ANZEN HOLDING CO., LTD.
● Number of the Company's shares held: Nil
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 12 out of 13 (92%)
Audit and Supervisory Committee meetings: 13 out of 13 (100%)



Koichi Fukuchi

Outside Director (Audit and Supervisory Committee Member)

April 1987: Joined The Norinchukin Bank
July 2007: Chief Auditor, Internal Audit Div., The Norinchukin Bank
July 2014: Manager, IT & Systems Planning Div., The Norinchukin Bank
June 2016: Executive Director, Nochu Information System Co., Ltd.
April 2020: Executive Director, The Norinchukin Trust & Banking Co., Ltd.
June 2023: Full-Time Statutory Auditor, Nochu Information System Co., Ltd. (present)
December 2023: Outside Director serving as Audit and Supervisory Committee Member of the Company (present)
● Significant concurrent positions
Full-Time Statutory Auditor, Nochu Information System Co., Ltd.
● Number of the Company's shares held: Nil
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 10 out of 10 (100%)
Audit and Supervisory Committee meetings: 10 out of 10 (100%)
*Koichi Fukuchi was elected at the 88th Annual General Meeting of Shareholders held on December 21, 2023, so his attendance frequency has been lower.



Harumi Ohya

Outside Director (Audit and Supervisory Committee Member)

October 1986: Joined audit firm Asahi Shinwa & Co. (currently KPMG AZSA LLC)
March 1990: Registered as a certified public accountant
May 2007: Joined audit firm Asahi Co. (currently KPMG AZSA LLC)
July 2023: President, Ohya Certified Public Accountant Office (present)
● Significant concurrent positions
There are no important concurrent positions.
● Number of the Company's shares held: Nil
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 0 out of 0 (0%)
Audit and Supervisory Committee meetings: 0 out of 0 (0%)
*Harumi Ohya was elected at the 89th Annual General Meeting of Shareholders held on December 19, 2024, so she has no attendance record.



Kosuke Ohira

Managing Director
Director of Production Division, and General Manager of Chiba Plant

April 1989: Joined the Company
October 2010: Director and Plant Superintendent, MARUYAMA MFG (THAILAND) CO., LTD.
October 2013: Director and Factory Superintendent, NIPPON KREIS CO.,LTD.
October 2018: Executive Officer, General Manager of Procurement Department of the Company
October 2019: Director of Production Division, and General Manager of Chiba Plant of the Company (present)
December 2019: Director of the Company
October 2020: Managing Director of the Company (present)
● Significant concurrent positions
Representative Director and Chairman, NIPPON KREIS CO.,LTD.
Representative Director and Chairman, and President, SEIBU MARUYAMA CO.,INC.
● Number of the Company's shares held: 6,342 shares
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 13 out of 13 (100%)



Makoto Takatori

Managing Director
Director of Administration Division

April 1989: Joined The Fuji Bank, Limited
April 2013: General Manager of Shinjuku-Shintoshin Branch, Mizuho Bank, Ltd.
April 2016: Branch Manager of Kitakyushu Branch, Mizuho Bank, Ltd.
June 2019: Manager of Accounting Department of the Company
April 2020: Executive Officer of the Company
October 2020: Director, Administration Division of the Company (present)
December 2020: Director of the Company
October 2024: Managing Director of the Company (present)
● Significant concurrent positions
There are no important concurrent positions.
● Number of the Company's shares held: 3,615 shares
● Attendance status of the Director during the fiscal year under review
Board of Directors meetings: 13 out of 13 (100%)

Skills Matrix

	Overall management	International experience	Sales marketing	Technology and production	Personnel and legal affairs	Finance and accounting	Digital technology and IT	Audit
Masanobu Ogashira Representative Director and Chairman	●	●	●	●		●		
Takaharu Uchiyama Representative Director and President	●	●	●	●		●		
Takahiro Ishimura Senior Managing Director Director of Sales Division, and General Manager of Domestic Sales Department		●	●					
Kosuke Ohira Managing Director Director of Production Division, and General Manager of Chiba Plant		●		●				
Makoto Takatori Managing Director Director of Administration Division			●		●	●	●	
Hiroyuki Hatano Outside Director (Full-Time Audit and Supervisory Committee Member)	●				●	●		●
Atsushi Toki Outside Director (Audit and Supervisory Committee Member)	●				●	●		●
Koichi Fukuchi Outside Director (Audit and Supervisory Committee Member)	●					●	●	●
Harumi Ohya Outside Director (Audit and Supervisory Committee Member)						●		●

Consolidated Financial Summary (6 Years)

	Fiscal year ended September 2019	Fiscal year ended September 2020	Fiscal year ended September 2021	Fiscal year ended September 2022	Fiscal year ended September 2023	Fiscal year ended September 2024
Fiscal year						
Net sales (millions of yen)	36,177	34,895	37,503	39,639	41,426	40,006
Operating income (millions of yen)	434	852	1,387	1,521	1,732	1,168
Ordinary income (millions of yen)	399	763	1,302	1,635	1,726	1,109
Profit attributable to owners of parent (millions of yen)	301	648	855	1,158	1,218	597
Net cash provided by (used in) operating activities (millions of yen)	321	4,602	1,927	2,418	△284	214
Net cash provided by (used in) investing activities (millions of yen)	△719	△829	△1,061	△786	△2,018	△1,454
Free cash flow (millions of yen)	△398	3,773	866	1,632	△2,302	△1,240
Net cash provided by (used in) financing activities (millions of yen)	215	△1,786	△998	△1,114	1,619	1,504
Cash and cash equivalents at the end of the fiscal year (millions of yen)	2,107	4,124	4,012	4,658	4,003	4,431
Capital investments (millions of yen)	865	947	1,042	875	1,826	1,565
Depreciation (millions of yen)	1,238	1,107	1,025	1,045	1,031	1,109
Research and development expenses (millions of yen)	1,148	251	246	330	479	497
Fiscal year-end						
Net assets (millions of yen)	15,495	16,042	16,989	17,699	19,466	19,830
Total assets (millions of yen)	32,894	32,733	34,154	34,459	36,733	38,706
Interest-bearing debts (millions of yen)	5,410	3,873	3,383	2,825	4,985	7,263
Per share information						
Net assets per share (yen)	3,260.51	3,389.78	3,732.74	3,977.04	4,493.29	4,764.79
Net income per share (yen)	62.42	136.35	183.10	256.58	276.74	141.36
Diluted net income per share (yen)	—	—	—	—	—	—
Key indicators						
Equity ratio (%)	47.1	49.0	49.7	51.1	52.7	50.8
Return on equity (%)	1.9	4.0	5.0	6.6	6.3	3.0
Price earnings ratio (times)	19.3	10.3	8.7	5.7	8.2	17.0
Dividend payout ratio (%)	56.1	25.7	23.5	21.4	27.1	53.0
Total shareholder return (%)	53.8	119.2	138.9	131.8	205.0	231.9

Non-Financial Summary (5 Years)

		Fiscal year ended September 2020	Fiscal year ended September 2021	Fiscal year ended September 2022	Fiscal year ended September 2023	Fiscal year ended September 2024
Electricity consumption	kWh	—	7,205,157	7,724,123	7,173,548	7,040,385
Number of employees (MARUYAMA Manufacturing Group in Japan and overseas)	Total/persons	928	917	952	968	1,006
Number of employees (including domestic group companies)	Total/persons	844	835	839	851	893
	Male/persons	658	645	652	659	697
	Female/persons	186	190	187	192	196
Number of overseas employees	Persons	84	82	113	117	113
Ratio of overseas employees	%	9.1	8.9	11.9	12.1	12.7
Number of female managers (MARUYAMA Manufacturing Group in Japan and overseas)	Persons	5	5	5	5	7
Training expenses (education expenses)	(10,000 yen)	5,641	4,241	4,557	7,084	8,813

Investor Relations Information (as of September 30, 2024)

Stock information

Total number of authorized shares	13,906,100 shares
Total number of issued shares	5,029,332 shares (including 900,717 treasury shares)
Number of shares per unit	100 shares
Number of shareholders	7,924 persons

Major shareholders (top 11)

Name of shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
MARUYAMA MFG. Suppliers Shareholding Association	274	6.65
Mizuho Bank, Ltd.	210	5.08
The Norinchukin Bank	205	4.97
MARUYAMA MFG. Employees Shareholding Association	165	4.01
The Chiba Kogyo Bank, Ltd.	162	3.93
The Master Trust Bank of Japan, Ltd. (trust account)	111	2.70
Kubota Corporation	95	2.31
Mizuho Trust & Banking Co., Ltd.	90	2.17
Sumitomo Mitsui Trust Bank, Limited	73	1.77
Makita Corporation	70	1.69
Meiji Yasuda Life Insurance Company	70	1.69

(Notes) 1. The Company holds treasury shares (809,817 shares), which are not included in the above table. In addition, an employee stock ownership plan (J-ESOP) has been introduced, and the Company's 90,900 shares held by Custody Bank of Japan, Ltd. (number of trust accounts) as the trust property pertaining to the plan have been included in our treasury shares and thereby is not included in the above table.
2. The shareholding ratio is calculated by deducting treasury shares (900,717 shares).

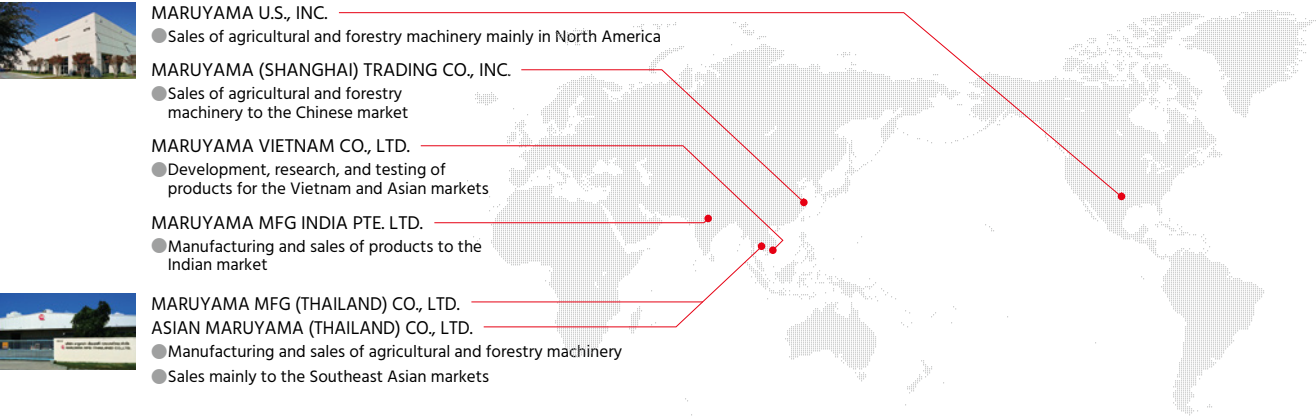
Determination date of shareholders receiving dividends: September 30

Record date: September 30

Annual General Meeting of Shareholders: December

Shareholder registry administrator
Special account management institution
Mizuho Trust & Banking Co., Ltd.

Overseas Bases



Corporate Profile (as of September 30, 2024)

Company name	MARUYAMA MFG. CO., INC.
Head Office location	3-4-15 Uchikanda Chiyoda-ku, Tokyo 101-0047, Japan
Founding	1895: MARUYAMA Shokai was founded.
Establishment	1937: MARUYAMA Shokai was reorganized and renamed to MARUYAMA MFG. CO., INC.
Capital	4,651 million yen
Market	Tokyo Stock Exchange Standard Market (Securities Code: 6316)
Fiscal year	From October 1 to September 30 of the following year
Business description	Manufacturing and sales of agricultural machinery (pest control machinery, forestry machinery, etc.), Environmental hygiene equipment, fire fighting machinery, industrial machinery, cleaning machinery, construction machinery, motors, automobiles, and other agricultural vehicles Contract for design and construction of pipes and fire-fighting facilities Real estate leasing
Production sites	4 locations Togane City, Chiba Prefecture (2 locations), Suzaka City, Nagano Prefecture, Tomata-gun, Okayama Prefecture
Sales sites	25 locations nationwide Hokkaido (Ebetsu, and Obihiro), Aomori, Iwate, Akita, Yamagata, Miyagi, Fukushima, Ibaraki, Tochigi, Chiba, Niigata, Nagano, Yamanashi, Ishikawa, Aichi, Shizuoka, Osaka, Hiroshima, Okayama, Kagawa, Fukuoka, Kumamoto, Kagoshima, and Miyazaki
Distribution bases	3 locations Fukushima, Chiba, and Okayama Prefectures
Consolidated subsidiaries	NIPPON KREIS CO.,LTD. MARUYAMA EXCELL CO.,LTD. MARUYAMA U.S., INC. SEIBU MARUYAMA CO.,INC. MARUYAMA LOGISTICS CO.,INC. M-Innovations CO.,LTD. Futaba Shoji Co., Ltd. MARUYAMA MFG (THAILAND) CO., LTD. MARUYAMA (SHANGHAI) TRADING CO., INC. ASIAN MARUYAMA (THAILAND) CO., LTD. MARUYAMA MFG INDIA PTE. LTD. (Note) M-Innovations CO.,LTD. is included in the scope of consolidation from the fiscal year under review due to its new establishment; MARUYAMA MFG INDIA PTE. LTD. is also included due to its increased importance.



<https://www.maruyama.co.jp/english/>



MARUYAMA MFG. CO., INC.

3-4-15 Uchikanda Chiyoda-ku, Tokyo 101-0047, Japan