

To shareholders

Securities code: 6316

November 30, 2023

4-15 Uchikanda 3-chome, Chiyoda-ku, Tokyo

Maruyama Mfg. Co., Inc.

Representative Director
and President

Takaharu Uchiyama

Notice of the 88th Annual General Meeting of Shareholders

We would like to express our heartfelt thanks to you for your exceptional support.

The 88th annual general meeting of shareholders of our company is scheduled to be held as described below.

In convening this general meeting of shareholders, we have taken measures for electronic provision with respect to the information contained in the reference material for the general meeting of shareholders (matters provided in electronic format) and have posted such information on the following websites on the Internet. Please check the information by accessing any of the websites.

[Company website]

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



(Please access the above website and select "Shareholders and Stock Information" and "General Meeting of Shareholders" from the menu.)

[Website posting materials for the general meeting of shareholders]

<https://d.sokai.jp/6316/teiji/>



[Tokyo Stock Exchange website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



(Please access the TSE website above, enter "Maruyama Mfg." in the "Issue name (company name)" field or our securities code "6316" in the "Code" field and search. Select "Basic information" then "Documents for public inspection/PR information." Click "Notice of General Shareholders Meeting/Information Materials for a General Shareholders Meeting" for information available.)

Instead of attending the meeting, you can exercise your voting rights in writing (send by post) or via the Internet. We are sorry for bothering you, but please read the reference material for the general meeting of shareholders, and exercise your voting rights by 5:40 pm on Wednesday, December 20, 2023 (Japan time).

Sincerely

① Date and time	Thursday, December 21, 2023, 10:00 am (Japan time) Reception will start at 9:00 a.m. (Japan time)				
② Place	7 Kandamitoshiro-cho, Chiyoda-ku, Tokyo Bellesalle Kanda on the 2nd floor of Sumitomo Fudosan Kanda Bldg. (Please see “Map of the venue of the general meeting of shareholders” on the back cover.)				
③ Items to be discussed	<table> <tr> <td>Items to be reported</td><td>Business report, consolidated financial statements, non-consolidated financial statements and results of audit of consolidated financial statements by accounting auditor and the audit and supervisory committee for the 88th term (Oct. 1, 2022 to Sep. 30, 2023)</td></tr> <tr> <td>Items to be resolved</td><td> Proposal 1: Appointment of five (5) directors, excluding directors who are audit and supervisory committee members Proposal 2: Appointment of three (3) directors who are audit and supervisory committee members Proposal 3: Appointment of one (1) substitute director who is an audit and supervisory committee member </td></tr> </table>	Items to be reported	Business report, consolidated financial statements, non-consolidated financial statements and results of audit of consolidated financial statements by accounting auditor and the audit and supervisory committee for the 88th term (Oct. 1, 2022 to Sep. 30, 2023)	Items to be resolved	Proposal 1: Appointment of five (5) directors, excluding directors who are audit and supervisory committee members Proposal 2: Appointment of three (3) directors who are audit and supervisory committee members Proposal 3: Appointment of one (1) substitute director who is an audit and supervisory committee member
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- When attending the meeting on that day, please submit your voting form to the reception staff.
- In accordance with the revision to the Companies Act, in principle, you are requested to check the information regarding the measures for electronic provision by accessing the websites provided in the previous page, and the company will deliver paper-based documents only to shareholders who request the delivery of paper-based documents by the record date. However, for this general meeting of shareholders, we will deliver paper-based documents that contain matters provided in electronic format to all shareholders, regardless of whether the request for paper-based documents has been made.
Among the matters provided in electronic format, the following items are not included in the paper-based documents to be delivered in accordance with laws and regulations and Article 15 of the Articles of Incorporation of our company.
 - (1) “Consolidated statements of changes in net assets” and “Notes to consolidated financial statements”
 - (2) “Non-consolidated statements of changes in net assets” and “Notes to non-consolidated financial statements”
 Therefore, the consolidated financial statements and non-consolidated financial statements contained in the documents are part of the documents audited by the accounting auditor and the audit and supervisory committee for producing audit reports.
- If there is any revision to the matters provided in electronic format, we will post the revision, including the matters before and after the revision, on each of the websites for which we have taken measures for electronic provision as indicated on the previous page.

Proposal 1:

Appointment of five (5) directors, excluding directors who are audit and supervisory committee members

At the end of this general meeting, the terms of all of five (5) directors, excluding directors who are audit and supervisory committee members, will expire and they will retire. Accordingly, we would like you to appoint five (5) directors, excluding directors who are audit and supervisory committee members.

Regarding this proposal, the audit and supervisory committee of our company has judged that all candidates are eligible.

The candidates for directors, excluding directors who are audit and supervisory committee members, are as follows.

Candidate No.	Name	Current post and section in our company	
1	Masanobu Ogashira	Representative Director and Chairman	Reappointment
2	Takaharu Uchiyama	Representative Director and President	Reappointment
3	Takahiro Ishimura	Managing Director Head of Marketing Dept. and Head of Domestic Marketing Dept.	Reappointment
4	Kosuke Ohira	Managing Director General Manager of Production Division and Manager of Chiba Factory	Reappointment
5	Makoto Takatori	Director General Manager of Administration Division	Reappointment



Reappointment

- Biography: His posts and sections in our company

April 1976: Joined our company
 December 1997: Director and President of Maruyama U.S., Inc.
 October 2001: Assistant to the President and Chief of Group Management Division of our company
 December 2001: Director of our company
 July 2002: General Manager of Management Planning Department of our company
 December 2003: Managing Director of our company
 October 2004: General Manager of Administration Division of our company
 April 2007: General Manager of Manufacturing Dept. and Manager of Chiba Factory of our company
 October 2008: Senior Managing Director and General Manager of Administration Division of our company
 October 2009: General Manager of Domestic Sales Division and General Manager of Overseas Business Division of our company
 October 2010: Representative Director and President of our company
 October 2020: Representative Director and Chairman of our company (to the present)

- Important concurrent posts

There are no important concurrent posts.

- Reason for choosing him as a candidate for a director

Mr. Masanobu Ogashira had played a role for improving our corporate value in a sustainable manner by leading the management of our corporate group and supervising the decision making for and execution of important management items as Representative Director and President since October 2010. At present, he serves as Representative Director and Chairman, overseeing our business administration, and is expected to further contribute to our business. Therefore, we have chosen him as a candidate for a director of our company.

- Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Masanobu Ogashira is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2023, including his equity in the executive share ownership plan.



Reappointment

- Biography: His posts and sections in our company

April 1996: Joined our company
 February 2006: Director and Vice-president of Maruyama U.S., Inc.
 October 2006: Director and President of Maruyama U.S., Inc.
 July 2011: General Manager of Management Planning Department of our company
 December 2011: Director of our company
 October 2018: General Manager of Administration Division of our company
 December 2018: Managing Director of our company
 October 2020: Representative Director and President of our company (to the present)

- Important concurrent posts

Representative Director and Chairman of Maruyama Excell Co., Ltd.

- Reason for choosing him as a candidate for a director

Mr. Takaharu Uchiyama possesses the experience of managing overseas subsidiaries of our company and working for the management planning department, and has led the management section for the entire corporate group, while exerting his leadership in strengthening corporate group management and global business management of our corporate group. At present, he oversees business administration, proceeds with business operation, and leads our corporate group as Representative Director and President. Since he is expected to contribute to our business further, we have chosen him as a candidate for a director of our company.

- Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Takaharu Uchiyama is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2023, including his equity in the executive share ownership plan.



Reappointment

- Biography: His posts and sections in our company

- April 1985: Joined our company
- October 2005: General Manager of Mass Retailer-targeted Sales Division of our company
- October 2007: Manager of Kanto-Koshinetsu Branch of our company
- April 2011: General Manager of Sales Promotion Department of our company
- December 2011: Director of our company
- October 2012: General Manager of Marketing and Sales Support Department, Sales Division of our company
- October 2013: General Manager of Marketing and Sales Support Department and General Manager of Sales Administration Division, Sales Division of our company
- April 2014: General Manager of Marketing and Sales Support Department, Sales Division of our company
- January 2017: General Manager of Overseas Sales Division and General Manager of Marketing and Sales Support Department, Sales Division of our company
- April 2017: General Manager of Overseas Sales Division, Sales Division of our company
- October 2020: Managing Director, General Manager of Sales Division and General Manager of Domestic Sales Division of our company (to the present)

- Important concurrent posts

Representative Director and President of Maruyama Logistics Co., Inc.
 Director and Chairman of Maruyama U.S., Inc.
 Director and Chairman of Asian Maruyama (Thailand) Co., Ltd.

- Reason for choosing him as a candidate for a director

Mr. Takahiro Ishimura possesses the experience of the sales of agricultural machinery and mass retailer-targeted sales of our company, and exerted his leadership in marketing and sales support inside and outside Japan. At present, he manages sales inside and outside Japan as General Manager of Sales Division and General Manager of Domestic Sales Division. Since he is expected to contribute to our business further, we have chosen him as a candidate for a director of our company.

- Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Takahiro Ishimura is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2023, including his equity in the executive share ownership plan.



Reappointment

- Biography: His posts and sections in our company

April 1989: Joined our company
 October 2010: Director and Factory Manager of Maruyama MFG (Thailand) Co., Ltd.
 October 2013: Director and Factory Manager of Nippon Kreis Co., Ltd.
 October 2018: Executive Officer and General Manager of Procurement Dept. of our company
 October 2019: General Manager of Production Division and Manager of Chiba Factory of our company (to the present)
 December 2019: Director of our company
 October 2020: Managing Director of our company (to the present)

- Important concurrent posts

Representative Director and Chairman of Nippon Kreis Co., Ltd.
 Representative Director and Chairman of Seibu Maruyama Co., Ltd.

- Reason for choosing him as a candidate for a director

Mr. Kosuke Ohira possesses the experience of working for production section of our company and serving as Director of a related production subsidiary, and has exerted his leadership in production sections inside and outside Japan. At present, he manages production sections as General Manager of Production Division, Manager of Chiba Factory, and Representative Director of a related production subsidiary. Since he is expected to contribute to our business further, we have chosen him as a candidate for a director of our company.

- Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Kosuke Ohira is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2023, including his equity in the executive share ownership plan.



Reappointment

- Biography: His posts and sections in our company

April 1989: Joined The Fuji Bank, Limited
 February 2009: Assistant Manager of IT/System Planning Division of Mizuho Financial Group, Inc.
 April 2013: Manager of Shinjuku-shintoshin Branch of Mizuho Bank, Ltd.
 April 2016: Manager of Kitakyushu Branch of Mizuho Bank, Ltd.
 June 2019: General Manager of Accounting Department of our company
 April 2020: Executive Officer of our company
 October 2020: General Manager of Administration Division of our company (to the present)
 December 2020: Director of our company (to the present)

- Important concurrent posts

There are no important concurrent posts.

- Reason for choosing him as a candidate for a director

Mr. Makoto Takatori possesses plenty of experience and broad knowledge regarding financial institutions, and has exerted his leadership in the accounting section of our company by utilizing his experience and knowledge. At present, he engages in the management and operation of the entire corporate group as General Manager of Administration Division. Since he is expected to contribute to our business further, we have chosen him as a candidate for a director of our company.

- Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Makoto Takatori is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
3. The number of shares of our company the candidate holds is the actual number of shares held as of September 30, 2023, including his equity in the executive share ownership plan.

Proposal 2:

Appointment of three (3) directors who are audit and supervisory committee members

At the end of this general meeting, the terms of three (3) directors who are audit and supervisory committee members, Hiroyuki Hatano, Atsushi Toki, and Takashi Sekigawa will expire and they will retire. Accordingly, we would like you to appoint three (3) directors who are audit and supervisory committee members.

Regarding this proposal, the audit and supervisory committee of our company has given its consent.

The candidates for directors who are audit and supervisory committee members are as follows.

Candidate No.	Name	Current post and section in our company	
1	Hiroyuki Hatano	Outside Director Full-time audit and supervisory committee member	Reappointment
			Candidate for an outside director
			Independent officer
2	Atsushi Toki	Outside Director Audit and supervisory committee member	Reappointment
			Candidate for an outside director
			Independent officer
3	Koichi Fukuchi	-	New appointment
			Candidate for an outside director
			Independent officer



Reappointment

Candidate for an
outside director

Independent officer

- Biography: His posts and sections in our company

April 1984: Joined The Fuji Bank, Limited
 January 2000: Manager of Corporate Planning Department of Fuji Investment Management Co., Ltd.
 January 2005: Assistant Manager of Sales Department No. 8 of Mizuho Corporate Bank, Ltd.
 May 2007: Manager of Fukuyama Branch of Mizuho Bank, Ltd.
 April 2009: Manager of General Planning Department of Trust & Custody Services Bank, Ltd.
 October 2011: Manager of Kyoto Branch of Mizuho Trust & Banking Co., Ltd.
 April 2014: Full-time Audit and Supervisory Board Member of Mizuho Trust & Banking Co., Ltd.
 June 2017: Member of the Board of Directors (Audit & Supervisory Committee Member) of Mizuho Trust & Banking Co., Ltd.
 June 2019: Advisor of Mizuho Trust & Banking Co., Ltd.
 December 2019: Outside Director who is an audit and supervisory committee member of our company (to the present)

- Important concurrent posts

There are no important concurrent posts.

- Reason for choosing him as a candidate for an outside director and roles expected

As an outside director and full-time audit and supervisory committee member of our company, Mr. Hiroyuki Hatano attended Board of Directors meetings and management meetings and contributed to securing the soundness and appropriateness of and increasing the transparency of management decision-making of our company based on his abundant experience at financial institutions and broad knowledge. Since he is expected to contribute to our business further, we have chosen him as a candidate for an outside director of our company.

- Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Mr. Hiroyuki Hatano is a candidate for an outside director. Our company has designated him as an independent officer according to the provisions of the Tokyo Stock Exchange and registered him with the exchange.
3. Our company and Mr. Hiroyuki Hatano have entered into an agreement to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability based on this agreement is the minimum liability amount stipulated in laws and regulations. If his reappointment is approved at this annual general meeting of shareholders, our company will continue this agreement with him.
4. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Hiroyuki Hatano is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
5. The term of office of Mr. Hiroyuki Hatano as an outside director who is an audit and supervisory committee member is four (4) years as of the conclusion of this general meeting of shareholders.



Reappointment

Candidate for an
outside director

Independent officer

- Biography: His posts and sections in our company

April 1983: Lawyer (to the present)
 December 2001: Outside auditor of our company
 May 2003: Outside Director of PARCO CO., LTD.
 June 2003: Outside Audit & Supervisory Board Member of Credit Saison Co., Ltd.
 May 2008: Administrator for TOSCO Co., Ltd. in rehabilitation
 December 2015: Outside Director who is an audit and supervisory committee member of our company (to the present)

- Important concurrent posts

Outside auditor of Midori Anzen Co., Ltd.
 Outside auditor of Nippon Steel Texeng Co., Ltd.
 Outside Director of Ajinomoto Co., Inc.
 Outside Director of GEOSTR Corporation
 Outside Auditor of Midori Anzen Holding Co., Ltd.

- Reason for choosing him as a candidate for an outside director and roles expected

Mr. Atsushi Toki has made a significant contribution to the governance structure of our company based on his professional knowledge, extensive experience, and broad insight developed as a lawyer. Since he is expected to further contribute to our governance structure, we have chosen him as a candidate for an outside director of our company.

Although he has no experience of being involved in the management of a company in any way other than as an outside officer, our company has judged that he is able to perform his duties appropriately as an outside director for the reasons stated above.

- Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Mr. Atsushi Toki is a candidate for an outside director. Our company has designated him as an independent officer according to the provisions of the Tokyo Stock Exchange and registered him with the exchange.
3. Our company and Mr. Atsushi Toki have entered into an agreement to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability based on this agreement is the minimum liability amount stipulated in laws and regulations. If his reappointment is approved at this annual general meeting of shareholders, our company will continue this agreement with him.
4. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Atsushi Toki is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.
5. The term of office of Mr. Atsushi Toki as an outside director who is an audit and supervisory committee member is eight (8) years as of the conclusion of this general meeting of shareholders.



New appointment

Candidate for an
outside director

Independent officer

- Biography: His posts and sections in our company

April 1987: Joined Norinchukin Bank
 July 2007: Senior Auditor of Internal Audit Division of Norinchukin Bank
 July 2014: Manager of IT & Systems Planning Division of Norinchukin Bank
 June 2016: Senior Director of Nochu Information System Co., Ltd.
 April 2020: Senior Director of The Norinchukin Trust & Banking Co., Ltd.
 June 2023: Full-time Audit & Supervisory Board Member of Nochu Information System Co., Ltd. (to the present)

- Important concurrent posts

Full-time Audit & Supervisory Board Member of Nochu Information System Co., Ltd.

- Reason for choosing him as a candidate for an outside director and roles expected

Mr. Koichi Fukuchi possesses plenty of experience in and broad knowledge of financial institutions and the IT field, and also has experience in corporate management at other companies. Through participating in our business management as an outside director who is an audit and supervisory committee member going forward, he is expected to contribute to increasing the soundness and transparency of management and to IT control and IT governance of our company. Therefore, we have chosen him as a candidate for an outside director who is an audit and supervisory committee member of our company.

- Notes on the candidate for a director

1. There are no special interests between the candidate and our company.
2. Mr. Koichi Fukuchi is a candidate for an outside director. Our company plans to designate him as an independent officer according to the provisions of the Tokyo Stock Exchange and register him with the exchange.
3. If the appointment of Mr. Koichi Fukuchi is approved, our company will enter into an agreement to limit liability for damages as stipulated in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability of directors based on this agreement is the minimum liability amount stipulated in laws and regulations.
4. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Koichi Fukuchi is elected, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.

Proposal 3:

Appointment of one (1) substitute director who is an audit and supervisory committee member

To prepare for a contingency in which the number of directors who are audit and supervisory committee members falls short of the number specified by laws and regulations, we request the appointment of one substitute director who is an audit and supervisory committee member in advance.

The appointment shall be effective only prior to the assumption of office and may be rescinded by resolution of the Board of Directors with the consent of the audit and supervisory committee.

Regarding this proposal, the audit and supervisory committee of our company has given its consent.

The candidate for a substitute outside director who is an audit and supervisory committee member is as follows.



- Biography: His posts and sections in our company

November 1976: Joined Showa Audit Corporation

January 1980: Joined Ootemon Certified Public Accountants Joint Office

July 1980: Registered as Certified Public Accountant (Registered as tax accountant)

July 2017: Established UEKI Nobushige Tax Office (to the present)

- Important concurrent posts

There are no important concurrent posts.

Candidate for an
outside director

Independent officer

- Reason for choosing him as a candidate for a substitute outside director and roles expected

Mr. Nobushige Ueki was in charge of auditing operations as an accounting auditor for our company from the fiscal year ended September 30, 1980 to the fiscal year ended September 30, 2016, and has specialized knowledge and extensive experience as a CPA and tax accountant. In case the number of directors who are audit and supervisory committee members falls short of the number specified by laws and regulations, he is judged to be a person who is capable of promptly and appropriately performing the duties as a director who is an audit and supervisory committee member and is expected to utilize his specialized knowledge and extensive experience in supervising and auditing the business execution of our company. Therefore, we request his reappointment as a substitute outside director who is an audit and supervisory committee member.

Although he has no experience of being involved in the management of a company in any way other than as an outside officer, our company has judged that he is able to perform his duties appropriately as an outside director for the reasons stated above.

- Notes on the candidate for a substitute director

1. There are no special interests between the candidate and our company.
2. Mr. Nobushige Ueki is a candidate for a substitute outside director. If he assumes the position of director who is an audit and supervisory committee member, our company plans to designate him as an independent officer according to the provisions of the Tokyo Stock Exchange and register him with the exchange.
3. If the appointment of Mr. Nobushige Ueki is approved and if he assumes the position of director who is an audit and supervisory committee member, our company will enter into an agreement to limit liability for damages as stipulated in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability of directors based on this agreement is the minimum liability amount stipulated in laws and regulations.
4. Our company has entered into a directors and officers liability insurance contract to cover damages to be incurred by the insured as a result of liability that would arise due to execution of duties or pursuit of such liability. If Mr. Nobushige Ueki assumes the position of director who is an audit and supervisory committee member, he will become one of the insured in said insurance contract. This contract will be renewed with the same conditions, when the period of insurance expires.

For reference

If Proposals 1, 2 and 3 are approved, the directors and their expected expertise will become as follows.
Not all of their knowledge is tabulated below.

	General business administration	International experience	Marketing	Technology/ production	Personnel/ legal affairs	Finance/ accounting	Digital technology/ IT	Audit
Masanobu Ogashira Representative Director and Chairman	•	•	•	•		•		
Takaharu Uchiyama Representative Director and President	•	•	•	•		•		
Takahiro Ishimura Managing Director/General Manager of Sales Division		•	•					
Kosuke Ohira Managing Director/General Manager of Production Division		•		•				
Makoto Takatori Director/General Manager 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	•					•	•	•
Nobushige Ueki Substitute Outside Director/ Audit and supervisory committee member						•		•

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Matters relating to the current status of our corporate group

1. Progress and results of our business

During the consolidated fiscal year under review, the Japanese economy showed signs of a gradual recovery in consumer spending and capital investments as economic activities continued to normalize following the lifting of restrictions on activities against COVID-19. However, the outlook remains uncertain due to the prolongation of heightened geopolitical tensions causing hikes in resource and energy prices and the sharp currency fluctuations due to monetary tightening in various countries in response to inflation warnings, among other factors.

In the agriculture and forestry machinery industry, the mainstay of our corporate group, shipments and production expanded in Japan, partly due to the normalization of economic activities. Meanwhile, outside Japan, shipments and production decreased due to a slowdown in the global economy, including monetary tightening in various countries and the failure of some financial institutions in Europe and the U.S.

Under these circumstances, our group has made efforts to normalize its sales activities in Japan, including the resumption of large-scale exhibitions. In addition, we strengthened area management, expanded products utilizing our strengths in pump technology, engine technology, and ultra-fine bubble technology, and accelerated the speed of expansion of sales channels with the aim of opening new markets. In addition, with the aim of improving customer satisfaction, we strengthened our efforts in the aftermarket business throughout the group by training staff in charge of aftermarket services and improving the environment at each business site and sales office. In overseas markets, we resumed sales activities by visiting local sites, had sales agents come to Japan to conduct business negotiations, and took other steps to normalize sales activities through mutual onsite visits. In addition, we actively took initiatives to expand sales of agricultural and forestry machinery, ultrafine bubble products and others that reflect our strengths.

As a result, in Japan, sales increased for large machines in the agri-distribution business, brush cutters in home improvement distribution, cleaners in industrial machinery, and fire extinguishers in other machinery. Consequently, domestic net sales came to 30,363 million yen (up 5.2% year on year). Overseas, sales of industrial pumps for North America and Europe increased despite the lower sales of brush cutters for Europe and Central and South Americas, resulting in overseas net sales of 11,063 million yen (up 2.7% year on year) and total net sales of 41,426 million yen (up 4.5% year on year).

In terms of profit, operating income increased 13.9% year on year to 1,732 million yen, ordinary income increased 5.6% year on year to 1,726 million yen, and net income attributable to owners of parent increased 5.2% year on year to 1,218 million yen, mainly due to higher sales prices of some products and greater sales of large equipment, despite increases in manufacturing costs, selling expenses and fixed costs.

2. Status of capital investment, etc.

Total capital investment in the fiscal year under review amounted to 1,826 million yen. The main items were acquisition of production equipment for increasing production at our Chiba Factory and manufacturing subsidiaries and acquisition of building and land related to the transfer of head office of an overseas subsidiary.

3. Status of fundraising

The funds required for the fiscal year under review were financed by cash on hand and borrowings.

4. Status of significant corporate restructuring, etc.

No significant corporate restructuring, etc., occurred in the current fiscal year.

5. Issues to be addressed

The next fiscal year is the second year of the 8th Medium-Term Management Plan (October 2022 to September 2027), and in order to follow the basic policy of this Medium-Term Management Plan, “Creation of Growth Businesses,” all employees will work together to achieve the single-year plan and Medium-Term Management Plan by focusing on the following items.

As a company that contributes to society through business in the areas of food, water, and the environment, our corporate group has continued to supply products. We will further strengthen ESG management and continue to provide products that contribute to society over the long term.

(1) Improvement of profit margin

We will actively work to cut down the total cost in the production division while striving to improve profit margin by developing high-value-added products like ultrafine bubble products. We will also change our business portfolio by focusing resources on the industrial machinery field, where the profit margin has been high. We will continue to stabilize our supply chain and raise product prices in a timely and appropriate manner in order to address rising prices and delays in delivery of parts and materials.

(2) Establishing new businesses

By expanding the distribution of ultrafine bubble products to new markets, including overseas markets, we have been able to add distribution to the general consumer market from the one that had been mainly to corporate customers. As for the showerhead that was launched the year before last, we will further expand advertising through TV commercials and social networking sites, and expand our activities to raise awareness about the product. In addition, we will take on the challenge of creating new growth businesses by utilizing DX and IoT technologies. At the same time, we will actively develop and sell products that contribute to solving social issues, such as reverse osmosis (RO) equipment that generates water for domestic use in times of disaster.

(3) Growth of overseas business

While expanding sales of models that have been successful in Japan in recent years, we will make maximum use of the capabilities of our local production subsidiaries in Thailand to aggressively develop and produce products and make further inroads into the Asian agricultural machinery market, which has become more active in recent years. In sales, we will strive to expand sales through more detailed market development and marketing by utilizing local human resources in each of the major countries with which we do business. In addition, we will speed up the business development of the local subsidiary in India established this year and put the local manufacturing and sales of large pest control equipment on track. In production, we will enhance our production facilities to meet the growing demand for industrial high-pressure pumps in North America.

(4) Further growth of existing businesses

In the agricultural machinery field, on top of pursuing the development of agricultural drones and of large products that can be applied in smart agriculture, we will develop products that apply IoT and sensor technologies, develop products with new environmentally friendly engines, expand our battery product lineup, and promote the development of 4-cycle engine products. In the industrial machinery field, we will develop pump products for new applications and strive to further expand our business both in Japan and overseas. In addition, we will further expand the aftermarket, which we have focused on in recent years, and provide after-sales maintenance services from a user perspective.

(5) Strengthening financial position, risk management, and human resource development

We will strengthen our financial position by drastically revising our management methods for both product and parts inventories and by working to reduce inventories with the aim of improving our cash flows. We will also strengthen our systems for BCM, BCP, product safety, internal control, and compliance, and enhance education for all employees. Furthermore, we will strive to hire, train, and develop a wide variety of human resources for the future expansion of our business activities as well as deploy initiatives on health and productivity management internally and externally. In addition, we will work to improve employee satisfaction through various measures, such as promoting activities throughout the company to establish a culture of praise within the company and revitalizing the organization.

Social issues

- Procurement difficulties and material price hikes
- Global food and water shortages
- Countermeasures against viruses
- Shortage of human and labor resources
- Environmental issues
- International political and economic issues

2030 long-term management vision

- To strengthen ESG management for SDGs
- To enter growing markets as a social contribution enterprise

Targets

- To solve social issues in the areas of food, water, and the environment
- To reduce CO₂ emissions by 50%
- To hire 7 female managers

8th Medium-Term Management Plan (FY 9/2023 – FY 9/2027)

◆ Medium-term Management Plan Concept: “Creation of Growth Businesses”

Strengthen ESG management

Aggressive ESG

Food, water and environmental markets
Social contribution

Defensive ESG

To create a sustainable structure
To strengthen risk management, investment, and governance



- ◆ To further evolve MUFB technology and promote smart agriculture
- ◆ To improve existing technologies
- ◆ To strengthen quality measures and product safety systems



- ◆ To develop new markets and grow existing markets in Japan
- ◆ To expand resources to Asian markets
- ◆ To achieve an overseas sales ratio of 35%
- ◆ To strengthen the after-sales market

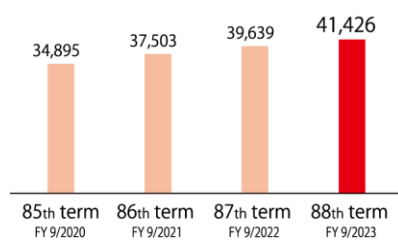
- ◆ To bolster brand strength and governance
- ◆ To reform workstyles, ensure occupational safety, and improve employee satisfaction
- ◆ To increase profitability and strengthen financial position
- ◆ To create an innovative organizational culture through Maruyama-style DX

Numerical management targets (for FY 9/2027)

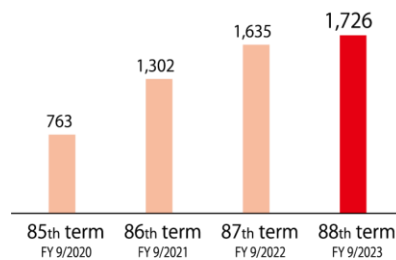
Net sales	48,000 million yen	Operating income	2,800 million yen	ROE	7.5%
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6. Changes in assets and profit/loss (consolidated)

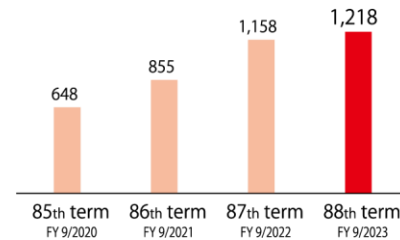
Net sales (Unit: million yen)



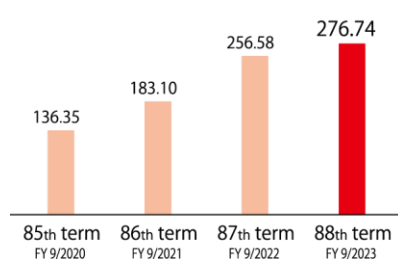
Ordinary income (Unit: million yen)



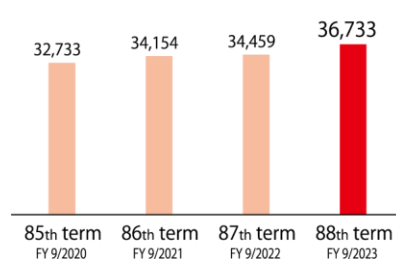
Net income attributable to owners of parent (Unit: million yen)



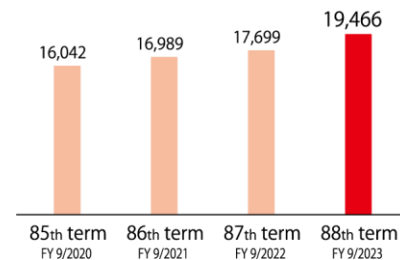
Net income per share (Unit: million yen)



Total assets (Unit: million yen)



Net assets (Unit: million yen)



Classification	By term	85th term FY 9/2020	86th term FY 9/2021	87th term FY 9/2022	88th term FY 9/2023
Net sales	(Million yen)	34,895	37,503	39,639	41,426
Ordinary income	(Million yen)	763	1,302	1,635	1,726
Net income attributable to owners of parent	(Million yen)	648	855	1,158	1,218
Net income per share		136.35 yen	183.10 yen	256.58 yen	276.74 yen
Total assets	(Million yen)	32,733	34,154	34,459	36,733
Net assets	(Million yen)	16,042	16,989	17,699	19,466

- (Note) 1. Net income per share is calculated based on the average number of shares outstanding during the term. The average number of shares outstanding during the term is calculated excluding treasury shares. For the number of treasury shares, please refer to the notes under "II Matters concerning the company's stock" below.
2. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied since the beginning of the 87th term, and the figures for the 87th term and thereafter are those after the application of such accounting standards.

7. Status of important subsidiaries

Corporate name	Capital	Our company's shareholding ratio	Description of primary business
Nippon Kreis Co., Ltd.	95 million yen	100%	Manufacturing and sale of agricultural and forestry machinery

(Note) There are 9 consolidated subsidiaries including the above important subsidiary.

8. Description of primary business

Division	Product line-up
Agriculture and forestry machinery	Pest control equipment
	Power sprayers, power dispersers and large pest control equipment
	Forestry machinery
	Bush cutters, chain saws and hedge trimmers
	Parts
	Attachments and accessory parts
	Other
	Paddy ditch cutters, blowers, irrigation pumps, etc.
Industrial machinery	High-pressure pumps for industrial use, high-pressure cleaners, ultrafine bubble products and accessory parts
Other machinery	Fire extinguishers, disaster prevention-related equipment and accessory parts, machinery for environmental sanitation, and others
Real estate leasing, etc.	Real estate leasing and electricity sales

9. Main sales offices and factories

(1) Our company

Name	Location	Name	Location	Name	Location
Head Office	Chiyoda-ku, Tokyo	Yamanashi Sales Office	Yamanashi-shi, Yamanashi	Shikoku Sales Office	Kanonji-shi, Kagawa
Hokkaido Sales Office	Ebetsu-shi, Hokkaido	Ibaraki Sales Office	Tsuchiura-shi, Ibaraki	Fukuoka Sales Office	Kurume-shi, Fukuoka
Aomori Sales Office	Towada-shi, Aomori	Kita-Kanto Sales Office	Kanuma-shi, Tochigi	Kumamoto Sales Office	Ozu-cho, Kikuchi-gun, Kumamoto
Akita Sales Office	Akita-shi, Akita	Chiba Sales Office	Togane-shi, Chiba	Minami-Kyushu Sales Office	Kagoshima-shi, Kagoshima
Iwate Sales Office	Yahaba-cho, Shiwa-gun, Iwate	Shizuoka Sales Office	Fujieda-shi, Shizuoka	Chiba Factory	Togane-shi, Chiba
South Tohoku Sales Office	Tendo-shi, Yamagata	Nagoya Sales Office	Toyota-shi, Aichi	Togane No. 2 Factory	Togane-shi, Chiba
Miyagi Sales Office	Sendai-shi, Miyagi	Hokuriku Sales Office	Kanazawa-shi, Ishikawa	Nagano Factory	Suzaka-shi, Nagano
Fukushima Sales Office	Ten-ei-mura, Iwase-gun, Fukushima	Osaka Sales Office	Ibaraki-shi, Osaka	Kagamino Office	Kagamino-cho, Tomata-gun, Okayama
Niigata Sales Office	Nagaoka-shi, Niigata	Okayama Sales Office	Kagamino-cho, Tomata-gun, Okayama	Fukushima Office	Ten-ei-mura, Iwase-gun, Fukushima
Nagano Sales Office	Shiojiri-shi, Nagano	Hiroshima Sales Office	Hiroshima-shi, Hiroshima		

(2) Subsidiaries

Corporate name	Head office location	Base location
Nippon Kreis Co., Ltd.	Togane-shi, Chiba	
Maruyama Excell Co., Ltd.	Chiyoda-ku, Tokyo	East Japan Sales Office (Chiba), West Japan Sales Office (Osaka) and Chiba Factory (Chiba)
MARUYAMA U.S.,INC.	Texas, U.S.A.	
Seibu Maruyama Co., Ltd.	Kagamino-cho, Tomata-gun, Okayama	
Maruyama Logistics Co., Inc.	Ten-ei-mura, Iwase-gun, Fukushima	Chiba Center (Chiba Prefecture)
Futaba Shoji Co., Ltd.	Yamanashi-shi, Yamanashi	
MARUYAMA MFG (THAILAND) CO.,LTD.	Chonburi, Thailand	
Maruyama (Shanghai) Trading Co., Inc.	Shanghai, China	
ASIAN MARUYAMA (THAILAND) CO.,LTD.	Chonburi, Thailand	

10. Status of employees

(1) Consolidated

Segment name	Number of employees	Changes from the end of the previous term
Agriculture and forestry machinery	686	-
Industrial machinery	163	Up 6 employees
Other machinery	72	Up 7 employees
Company-wide (common)	47	Up 3 employees
Total	968	Up 16 employees

(2) Non-consolidated

Segment name	Number of employees	Changes from the end of the previous term
Agriculture and forestry machinery	411	Up 4 employees
Industrial machinery	135	Up 4 employees
Other machinery	18	Up 7 employees
Company-wide (common)	47	Up 3 employees
Total	611	Up 18 employees

11. Major lenders

Lenders	Amount of loan (million yen)
Mizuho Bank, Ltd.	1,363
Norinchukin Bank	1,255
Chiba Kogyo Bank, Ltd.	715
Sumitomo Mitsui Trust Bank, Limited	579
Mizuho Trust & Banking Co., Ltd.	485

II Matters concerning the company's stock

1. Total number of authorized shares 13,906,100
2. Total number of outstanding shares 5,029,332 (including 719,911 treasury shares)
3. Number of shares per trading lot 100
4. Number of shareholders 6,433
5. Major shareholders (top 10)

Name of shareholder	Number of shares held (thousand)	Shareholding ratio (%)
Maruyama Mfg. Partners Shareholding Association	269	6.25
The Master Trust Bank of Japan, Ltd. (trust account)	238	5.52
Mizuho Bank, Ltd.	210	4.87
Norinchukin Bank	205	4.76
Maruyama Mfg. Employees Shareholding Association	167	3.89
Chiba Kogyo Bank, Ltd.	162	3.77
KUBOTA Corporation	95	2.21
Mizuho Trust & Banking Co., Ltd.	90	2.09
Sumitomo Mitsui Trust Bank, Limited	73	1.70
TAKUMA CO., LTD.	72	1.67

- (Note)
1. Our company holds treasury shares (627,211 shares), which are not included in the above table. Also, our company has introduced an employee stock ownership plan (J-ESOP), and 92,700 shares of our company's stock held by Custody Bank of Japan, Ltd. (trust E account) are included in the number of treasury shares as trust assets related to this plan, and are therefore not included in the table above.
 2. The shareholding ratio is calculated excluding treasury shares (719,911 shares).

6. Shares issued to corporate officers as remuneration for the execution of their duties during the fiscal year under review

	Number of shares	Number of persons to whom shares were delivered
Director (excluding audit and supervisory committee members)	14,800	5
Executive officers	9,000	6

- (Note) As of February 15, 2023, our company allotted 23,800 shares of common stock to five (5) directors (excluding directors who are audit and supervisory committee members) and six (6) executive officers as transfer-restricted stock remuneration. This transfer-restricted stock may not be transferred, secured or otherwise disposed of until February 13, 2026.

7. Other important matters concerning shares

None.

III Matters concerning share acquisition rights of our company

None.

IV

Items regarding executives

1. Directors' names, etc.

Name	Post	Responsibility and important concurrent post
Masanobu Ogashira	Representative Director and Chairman	
Takaharu Uchiyama	Representative Director and President	Representative Director and Chairman of Maruyama Excell Co., Ltd.
Takahiro Ishimura	Managing Director	Head of Marketing Dept. and Head of Domestic Marketing Dept. Representative Director and President of Maruyama Logistics Co., Inc. Director and Chairman of Maruyama U.S., Inc. Director and Chairman of Asian Maruyama (Thailand) Co., Ltd.
Kosuke Ohira	Managing Director	General Manager of Production Division and Manager of Chiba Factory Representative Director and Chairman of Nippon Kreis Co., Ltd. Representative Director and Chairman of Seibu Maruyama Co., Ltd.
Makoto Takatori	Director	General Manager of Administration Division
Hiroyuki Hatano	Outside Director Full-time audit and supervisory committee member	
Atsushi Toki	Outside Director Audit and supervisory committee member	Lawyer Outside auditor of Midori Anzen Co., Ltd. Outside auditor of Nippon Steel Texeng Co., Ltd. Outside Director of Ajinomoto Co., Inc. Outside Director of GEOSTR Corporation Outside Auditor of Midori Anzen Holding Co., Ltd.
Takashi Sekigawa	Outside Director Audit and supervisory committee member	

- (Note)
1. Representative Director and President Takaharu Uchiyama retired as Representative Director and President and assumed the position of Representative Director and Chairman of Maruyama Excell Co., Ltd. on December 22, 2022.
 2. Managing Director Takahiro Ishimura retired as Director and President and assumed the position of Director and Chairman of Asian Maruyama (Thailand) Co., Ltd. on July 18, 2023.
 3. Managing Director Kosuke Ohira retired as Representative Director and President and assumed the position of Representative Director and Chairman of Nippon Kreis Co., Ltd., and retired as Representative Director and President and assumed the position of Representative Director and Chairman of Seibu Maruyama Co., Ltd., respectively, on December 22, 2022.
 4. Three outside directors, Hiroyuki Hatano, Atsushi Toki, and Takashi Sekigawa, have been registered in the Tokyo Stock Exchange as independent officers.
 5. Three outside directors, Hiroyuki Hatano, Atsushi Toki, and Takashi Sekigawa, have considerable knowledge of finance and accounting as follows.
 - Outside directors, Hiroyuki Hatano and Takashi Sekigawa, have many years of experience working at financial institutions and have considerable knowledge of finance and accounting.
 - Outside director Atsushi Toki has long experience as a corporate auditor, etc., at other companies and as an administrator of a company in rehabilitation, and has considerable knowledge of finance and accounting.
 6. Midori Anzen Holding Co., Ltd., of which Outside Director Atsushi Toki is an outside auditor, changed its trade name from SECROTEC Co., Ltd., effective March 22, 2023.
 7. Outside Director Takashi Sekigawa retired from the position of outside auditor of Kyodo Milk Industry Co., Ltd. in June 2023.
 8. In order to strengthen the audit and supervisory function of the audit and supervisory committee, our company has appointed Mr. Hiroyuki Hatano as a full-time audit and supervisory committee member to collect information from directors (excluding audit and supervisory committee members), share information at important internal meetings, and enable sufficient cooperation between the Internal Audit Department and the audit and supervisory committee.

2. Matters concerning remuneration for directors

(1) Total amount of directors' remuneration, etc.

Classification	Total amount of remuneration, etc. (million yen)	Total amount of remuneration by type (million yen)			Number of eligible directors and auditors (persons)
		Basic remuneration	Performance-linked remuneration	Transfer-restricted stock remuneration	
Director (excluding audit and supervisory committee members)	162	154	-	7	5
Director (audit and supervisory committee members) (Outside Director)	33 (33)	33 (33)	- (-)	- (-)	3 (3)
Total	196	188	-	7	8

(Note) Details of transfer-restricted stock remuneration are as described in “(3) Transfer-restricted stock remuneration” on page 30. Transfer-restricted stock remuneration represents the amount recorded as expenses in the fiscal year under review.

(2) Policy for determining directors' remuneration, etc.

1. Basic policy

We shall position the remuneration system for directors as a mechanism to realize continuous enhancement of our group's corporate value and sustainable growth over the medium to long term, based on our basic philosophy of corporate governance, and shall establish and operate the system in accordance with the following points:

- The remuneration system shall promote the improvement of short-term and medium/long-term business performance and corporate value.
- The type and level of remuneration shall be commensurate with the responsibilities, performance and results of each director within the range determined at a general meeting of shareholders.
- The Executive Remuneration Advisory Committee, the majority of which are composed of outside directors, shall ensure objectivity and transparency through deliberations.

The Board of Directors has confirmed that the method of determining the details of remuneration, etc., for each individual director for the current fiscal year and the details of remuneration, etc., determined are consistent with such policy, and that the report from the Executive Remuneration Advisory Committee is duly taken into consideration, and we have concluded that the remuneration is in line with such determination policy.

2. Policy on remuneration standards

(1) Executive directors (excluding those who are members of the audit and supervisory committee)

The remuneration for executive directors consists of three types of remuneration: basic remuneration as monetary compensation; performance-linked remuneration linked to the performance of the company, divisions, and individuals; and transfer-restricted stock remuneration. As the total amount of remuneration for executive directors, the amount of monetary remuneration is set at no more than 300 million yen per year by a resolution of the 82nd Ordinary General Meeting of Shareholders held on December 19, 2017. As of the end of said general meeting of shareholders, the number of eligible directors is 7. In addition, the amount of remuneration under the transfer-restricted stock remuneration, which is separate from monetary remuneration, is set at no more than 30 million yen per year by a resolution of the 84th Ordinary General Meeting of Shareholders held on December 19, 2019. The number of eligible directors as of the end of said general meeting of shareholders is 6.

(1) Basic remuneration

The level of remuneration is fixed on a monthly basis and is determined according to the director's position in the company's remuneration regulations. The level of remuneration will not fluctuate in the short term, but may be reviewed in the event of changes in the company's performance. In addition, in order to clarify management responsibility, the amount of remuneration will be reduced in the event of a significant decline in performance or in the event of misconduct.

(2) Performance-linked remuneration

Performance-linked remuneration consists of two components: performance and results-linked remuneration and single-year performance-linked remuneration.

a. Performance and results-linked remuneration

This is a monthly remuneration that fluctuates annually based on the company's performance in the previous fiscal year, the performance of the division in charge, and individual results. The amount of individual remuneration for directors is determined by Representative Director and President after deliberation by the Executive Remuneration Advisory Committee based on the evaluation conducted by Representative Director and President using the director performance evaluation chart specified in the regulations and other materials. In accordance with the resolution of the Board of Directors, the Executive Remuneration Advisory Committee shall deliberate on the amount of individual remuneration and delegate the authority to decide the remuneration to Takaharu Uchiyama, Representative Director and President. The reason for this delegation is that the company believes that the Representative Director is best suited to evaluate the divisions for which each Director is responsible while taking into consideration the company's overall business performance.

b. Single-year performance-linked remuneration

The monetary remuneration will reflect the Key Performance Indicators (KPI) determined to raise awareness of the need to improve performance for each fiscal year, and will be paid as a bonus at a certain time each year according to the degree of achievement of the target figures for each fiscal year. Specific performance indicators and the amount to be paid will be determined by the Board of Directors after deliberation by the Executive Remuneration Advisory Committee.

(3) Transfer-restricted stock remuneration

After setting a transfer restriction period in conjunction with the Medium-term Management Plan, common shares of the company ("the shares") will be issued with the aim of providing incentives to continuously improve the company's corporate value and to further improve value sharing with shareholders. Specific performance indicators and the number of shares to be delivered will be determined by the Board of Directors after deliberation by the Executive Remuneration Advisory Committee.

a. Transfer restriction period

The subject directors shall not transfer, create a security interest in, or dispose of the shares (the "transfer restriction") for a period of time specified by the company's Board of Directors between one year and three years (the "transfer restriction period").

b. Treatment upon retirement

If a subject director retires from the position predetermined by the company's Board of Directors during the period up to the time when whether or not the subject director has achieved the ordinary income and other performance targets predetermined by the company's Board of Directors (the "performance targets"), we shall naturally acquire the shares without compensation.

c. Cancellation of transfer restriction

On the condition that the subject director continuously holds the position predetermined by the Board of Directors of the company during the period up to the time when the company determines whether or not the performance targets have been achieved, and provided that the performance targets have been achieved, it shall cancel the transfer restriction with respect to all of the shares at the time when the transfer restriction period expires. In addition, our company will naturally acquire without any compensation the shares for which the transfer restriction has not yet been lifted as of the time immediately following said lifting of the restriction.

d. Treatment in the event of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement under which the company shall become a defunct company, a share exchange agreement under which the company shall become a wholly owned subsidiary, a share transfer plan, or any other matters relating to organizational restructuring, etc., are approved at a general meeting of shareholders of the company (however, if such organizational restructuring, etc., does not require approval at a general meeting of shareholders, then the Board of Directors of the company shall approve such matters), the company will acquire the shares without compensation.

e. Other matters

Other matters shall be determined by the Board of Directors of the company.

(2) Directors who are members of the audit and supervisory committee

In consideration of their roles, the remuneration of directors who are members of the audit and supervisory committee shall consist solely of a monthly fixed remuneration, which shall be determined through discussions by the audit and supervisory committee, taking into consideration the distribution of duties, within the limit of the total amount of remuneration resolved at the general meeting of shareholders. The total amount of such remuneration is set at no more than 84 million yen per year by resolution of the 82nd Ordinary General Meeting of Shareholders held on December 19, 2017. The number of eligible directors as of the end of said general meeting of shareholders is 3.

3. Policy on determination of the ratio of remuneration for each individual director

The Executive Remuneration Advisory Committee will consider the ratio of remuneration for each type of executive director based on benchmark remuneration levels set by companies of similar business size and in related industries and business categories. The Board of Directors will respect the report of the Executive Remuneration Advisory Committee and determine the details of remuneration, etc., for each individual director within the range of the ratio of remuneration, etc., by type as indicated in the said report. The standard ratio for each type of remuneration, etc., is as follows: basic remuneration: performance-linked remuneration: transfer-restricted stock remuneration = 5:4:1 (in the case of achievement of performance indicators).

3. Matters concerning outside directors and outside audit and supervisory committee members

(1) Significant concurrent positions and relationships with the company

- 1) Atsushi Toki, Director, concurrently serves as outside auditor of Midori Anzen Co., Ltd., outside auditor of Nippon Steel Texeng Co., Ltd., Outside Director of Ajinomoto Co., Inc., Outside Director of GEOSTR Corporation, and outside auditor of Midori Anzen Holding Co., Ltd. There is no special relationship between the company and Midori Anzen, Nippon Steel Texeng, Ajinomoto, GEOSTR, and Midori Anzen Holding Co., Ltd.

- 2) Takashi Sekigawa, Director, concurrently served as outside auditor of Kyodo Milk Industry Co., Ltd., but there is no special relationship between our company and Kyodo Milk Industry.

(2) Major activities during the current fiscal year

	Attendance at Board of Directors meetings and audit and supervisory committee meetings	Statements made at Board of Directors meetings and audit and supervisory committee meetings Summary of duties performed in relation to roles expected of outside directors
Director Hiroyuki Hatano	Board of Directors: 14/14 (100%) Audit and supervisory committee: 13/13 (100%) Executive Selection Advisory Committee: 2/2 (100%) Executive Remuneration Advisory Committee: 2/2 (100%)	As a full-time audit and supervisory committee member, he plays a proper role for ensuring the reasonableness and appropriateness of decision making by asking questions and expressing his opinions on proposals, deliberations, etc., as appropriate, based on his many years of experience in financial institutions and from his professional perspective on finance and accounting.
Director Atsushi Toki	Board of Directors: 14/14 (100%) Audit and supervisory committee: 13/13 (100%) Executive Selection Advisory Committee: 2/2 (100%) Executive Remuneration Advisory Committee: 2/2 (100%)	He plays a proper role for ensuring the reasonableness and appropriateness of decision making by asking questions and expressing his opinions on proposals, deliberations, etc., as appropriate, based on his extensive experience and from his professional perspective as a lawyer.
Director Takashi Sekigawa	Board of Directors: 14/14 (100%) Audit and supervisory committee: 13/13 (100%) Executive Selection Advisory Committee: 2/2 (100%) Executive Remuneration Advisory Committee: 2/2 (100%)	He plays a proper role for ensuring the reasonableness and appropriateness of decision making by asking questions and expressing his opinions on proposals, deliberations, etc., as appropriate, based on his extensive experience in the field of internal control at financial institutions and his broad knowledge.

4. Matters concerning liability limitation agreement

An agreement between our company and each director (excluding executive directors) limits the liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability based on the contract is the minimum liability limit stipulated by laws and regulations.

5. Matters concerning directors and officers liability insurance contract

Our company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which covers damages that may arise from an insured person being held liable for the performance of his/her duties or being subject to claims related to the pursuit of such liability. However, there are certain exclusions of liability, such as not covering damages caused by acts committed with the knowledge that such acts are in violation of laws and regulations.

The insured under such insurance contract are the company's directors (including directors who are members of the audit and supervisory committee), directors and audit and supervisory committee members of its subsidiaries. The premiums for all those insured are fully borne by our company.

V

Matters concerning an accounting auditor

1. Name Fujimi Audit Corporation

(Note) Seinan Audit Corporation, formerly the accounting auditor of our company, merged with Sohken Nichiei Audit Corporation and Nagoya Audit Corporation on October 2, 2023, and changed its name to Fujimi Audit Corporation on the same date.

2. Amount of remuneration, etc.

(1)	Amount of remuneration to the accounting auditor for the current fiscal year	27 million yen
(2)	Total amount of cash and other financial benefits payable by the company and its subsidiaries	27 million yen

(Note) 1. The audit contract between our company and the accounting auditor does not distinguish between remuneration, etc., for audits based on the Companies Act and remuneration, etc., for audits based on the Financial Instruments and Exchange Act, and since it is practically impossible to distinguish between the two, the amount of remuneration, etc., in 1) is stated as the sum of these amounts.
 2. The audit and supervisory committee decided to consent to the amount of remuneration, etc., of the accounting auditor as stipulated in Article 399, Paragraph 1 of the Companies Act after reviewing the details of the audit, the performance of duties, and the estimated amount of remuneration of the accounting auditor.

3. Non-audit services

There are no applicable matters.

4. Policy on dismissal or non-reappointment of an accounting auditor

The audit and supervisory committee shall dismiss the accounting auditor with the unanimous consent of all audit and supervisory committee members if the accounting auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and dismissal is deemed appropriate.

In addition, the audit and supervisory committee shall decide the content of the proposal for dismissal or non-reappointment of the accounting auditor to be submitted to the general meeting of shareholders when it is deemed that any event has occurred that would impede the accounting auditor from conducting proper audits, etc.

5. Matters concerning liability limitation agreement

Our company and the accounting auditor have entered into an agreement to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability based on this agreement is the minimum liability amount stipulated in laws and regulations.

1. System to ensure the appropriateness of business operations

The Board of Directors of our company has established and put into practice the following ten items as a system to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and systems to ensure the appropriateness of business operations of our company and its subsidiaries.

- (1) System to ensure that the execution of duties by directors and employees of the corporate group consisting of our company and its subsidiaries (“our corporate group”) complies with laws and regulations and the Articles of Incorporation
 - 1) Our company regards compliance as one of the most important management issues and distributes the “Maruyama Group Compliance Manual,” which was formulated by the CSR Committee and established by the Board of Directors, to all executives and employees of our corporate group, and periodically conducts awareness-raising and training programs to instill a compliance mindset.
 - 2) In preparation for the occurrence of compliance problems, we shall establish a reporting and consultation hotline to receive whistleblower reports from within and outside our corporate group and maintain a whistleblower system that provides checks, prevents problems and responds promptly. We will also ensure the protection of whistleblowers in accordance with the “Whistleblower Protection Regulations.”
 - 3) We shall not have any relationship, including business transactions, with antisocial forces or groups that threaten the order and safety of civil society. We will also take a resolute stance against unjustified demands. To this end, we will establish necessary systems, including a department in charge and a method of response.
- (2) System for the storage and management of information related to the execution of duties by the company’s directors
 - 1) In accordance with the Articles of Incorporation and the Rules of the Board of Directors, minutes of the general meeting of shareholders and the Board of Directors meetings shall be prepared, stored and managed appropriately. In the same manner, the company shall properly store and manage related reference materials.
 - 2) Minutes and reference materials of important internal meetings such as business execution meetings, management meetings, joint management meetings, and various committees shall be prepared, stored, and managed appropriately in accordance with the Document Management Regulations.
 - 3) Approval documents for directors shall be properly stored and managed in accordance with the provisions of the Approval Document Regulations.
- (3) Regulations and other systems for managing the risk of loss for our corporate group
 - 1) In preparation for the occurrence of serious risks to corporate management (large-scale accidents, disasters, scandals, disputes, etc.), the director in charge of crisis management shall periodically review and enhance the “Crisis Management Response Manual” and take measures to prevent the occurrence of such problems. In addition, we will operate Business Continuity Management (BCM) to ensure business continuity, and review the Business Continuity Plan (BCP) and related manuals in a timely manner.
 - 2) In the event of a significant problem involving our corporate group, the director in charge of crisis management shall promptly convene a meeting of the CSR Committee to discuss countermeasures, and the designated director in charge shall implement the countermeasures appropriately.
- (4) System to ensure the efficient execution of duties by directors of our corporate group
 - 1) Our company will maintain an internal system that enables prompt and rational decision-making through the appropriate use of such meeting bodies as the business execution meetings, management meetings, joint management meetings, and the CSR Committee.
 - 2) We will enhance the internal system that enables the efficient execution of duties by reviewing and improving internal regulations such as the distribution of duties among directors, segregation of duties among divisions, and authority of duties.
 - 3) The Internal Audit Office, which reports directly to the President, will audit the business operations of the entire company, including group companies, in accordance with internal audit standards.
- (5) System to ensure the appropriateness of business operations in our corporate group
 - 1) Our company shall establish a system to ensure the appropriateness of the group’s business

operations by holding business execution meetings and management meetings consisting of the principal executives (including a full-time audit and supervisory committee member) of our corporate group and joint management meetings consisting of all executives of our corporate group, based on an annual plan, to communicate and exchange information through regular reports on the financial status and other important information of the group companies.

- 2) In the event that our corporate group is found to have committed an improper act or a serious violation of laws/regulations, the Articles of Incorporation, or internal regulations, or any other act that may be a concern from a risk management perspective, the directors of our corporate group shall report such act to the director in charge of crisis management. Upon receipt of the report, the director in charge of crisis management shall promptly convene a meeting of the CSR Committee, investigate the facts, and take necessary measures to avoid or mitigate the risk.
 - 3) Our corporate group shall comply with all laws and regulations, including the Code of Conduct, as described in the “Maruyama Group Compliance Manual.”
- (6) Matters concerning the employees to assist the audit and supervisory committee in the event that the audit and supervisory committee requests the appointment of such employees (assistant employees)
- Our company will assign one or more dedicated employees with extensive experience in the company’s business to assist the audit and supervisory committee in its duties.
- (7) Matters concerning the independence of employees assisting the audit and supervisory committee from directors
- 1) Employees assigned to assist the audit and supervisory committee shall not be subject to the direction and orders of directors other than members of the audit and supervisory committee.
 - 2) When transferring, assigning, disciplining, or otherwise changing the employees assigned to the audit and supervisory committee, prior approval shall be obtained in coordination with the audit and supervisory committee.

- (8) System for reporting to the audit and supervisory committee by directors and employees of our corporate group as well as other systems related to reporting to the audit and supervisory committee
- 1) In the event that a director or employee of our corporate group discovers any improper act or a serious violation of laws/regulations, the Articles of Incorporation, or internal regulations, or any other act that may be a concern from a risk management perspective, he/she shall immediately report such matter to the director in charge of crisis management, who shall report the matter to the audit and supervisory committee without delay if such matter falls under the following items:
 - a. Matters that may cause significant damage to the company
 - b. Important matters related internal audit status and risk management
 - c. Material non-compliance, including reports through whistleblowing
 - d. Other important matters concerning the management of the company
 - 2) If an employee assigned to the audit and supervisory committee discovers a material fact regarding the preceding paragraph, he/she shall report it directly to the audit and supervisory committee without delay.
 - 3) We ensure that the reporter is protected so that he/she will not be treated disadvantageously for making such a report.
- (9) Other systems to ensure that audits by the audit and supervisory committee are conducted effectively
- 1) The departments of our corporate group shall promptly respond to and cooperate with investigations and information gathering by employees assigned to the audit and supervisory committee based on the instructions of the audit and supervisory committee.
 - 2) When requested by the audit and supervisory committee to report on the execution of operations, the director or employee in charge will promptly make a report.
 - 3) Audit and supervisory committee members may attend all important internal meetings and various committees, including the business execution meetings, management meetings, and joint management meetings without any conditions.
 - 4) The Representative Directors, etc., and audit and supervisory committee members shall have opportunities to exchange information on a regular basis.
 - 5) Audit and supervisory committee members shall be able to receive advance payment and reimbursement of expenses necessary for the performance of their duties so as not to restrain their audit duties.
- (10) Establishment of a system to ensure the appropriateness of financial reporting
- 1) The Internal Audit Office shall appropriately evaluate the status of development and operation of the internal control system to ensure the appropriateness of financial reporting.
 - 2) In order to make the internal control system more effective in ensuring the appropriateness of financial reporting, the Internal Control Promotion Committee shall play a central role in the development and appropriate operation of the system.

2. Overview of the operation of the system to ensure the appropriateness of business operations

(1) Execution of duties by directors

We have established the Rules of the Board of Directors and internal regulations to ensure that directors act in accordance with laws, regulations, and the Articles of Incorporation. In the fiscal year under review, the Board of Directors met 14 times, the business execution meetings met 12 times, the management meetings met 7 times, the joint management meetings met twice, and the extraordinary management meetings met twice.

(2) Execution of duties by the audit and supervisory committee

Audit and supervisory committee members conduct audits in accordance with the audit plan determined by the audit and supervisory committee, attend meetings of the Board of Directors, business execution meetings, management meetings, and joint management meetings, and regularly exchange information with Representative Directors, an accounting auditor, and the Internal Audit Office to audit the execution of duties by directors and confirm the status of the development and operation of internal controls.

(3) Internal audits

We conduct internal audits of our company and its group companies in accordance with the internal audit plan.

(4) Internal control over financial reporting

We evaluate internal control based on the basic policy for internal control over financial reporting.

VII

Policy on determination of dividends from surplus, etc.

In recognition that return of profits to shareholders is an important management issue, our company adopts the basic policy to maintain stable dividends with a dividend payout ratio in the range between 25% and 30%, while taking into consideration internal reserves and various investments necessary for future business development and projected business performance. We also believe that it is important to further enhance shareholder returns while maintaining sound management and responding to the future business environment. Going forward, we will work to improve the dividend payout ratio, acquire treasury shares, and enhance shareholder benefits, and actively strive to heighten the dividend level stably on a long term.

Based on this basic policy, our Board of Directors decided on November 14, 2023 to pay a year-end dividend of 75 yen per share, with a payment date of December 22, 2023.

	Amount determined	Results in the previous year (FY 9/2022)
Dividend per share	75 yen	55 yen
Total dividends	330 million yen	248 million yen
Payment start date	Friday, December 22, 2023	Friday, December 23, 2022
Dividend source	Retained earnings	Retained earnings

	Dividend payout ratio
Dividends only	27.1%
Dividend payout ratio including shareholder benefits	28.4%

	Total return ratio
Dividends	330 million yen
Total shareholder benefits	15 million yen
Total number of shares repurchased	263 million
Total	609 million yen
Total return ratio	50.0%

(Note) Amounts shown in this business report are rounded down to the indicated unit.

Consolidated balance sheet (as of September 30, 2023)

(Unit: million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	22,515	Current liabilities	15,001
Cash and deposits	4,322	Notes and accounts payable-trade	1,919
Notes receivable	88	Electronically recorded obligations	6,041
Accounts receivable-trade	5,467	Short-term borrowings	4,323
Electronically recorded monetary claims	2,257	Corporate bonds redeemable within one year	10
Securities	51	Current portion of long-term borrowings	13
Merchandise and finished products	5,969	Accounts payable-other	1,259
Work in process	329	Income taxes payable	139
Raw materials and supplies	2,590	Contract liabilities	42
Other	1,443	Reserve for bonuses	618
Allowance for doubtful accounts	-5	Reserve for product warranties	91
Fixed assets	14,218	Reserve for shareholder benefits	15
Property, plant, and equipment	9,236	Other	526
Buildings and structures	3,780	Fixed liabilities	2,265
Machinery, equipment and vehicles	1,081	Corporate bonds	30
Land	2,745	Long-term borrowings	609
Construction in progress	1,099	Liabilities for retirement benefits	7
Other	529	Deferred tax liabilities	366
Intangible assets	83	Asset retirement obligation	179
Other	83	Long-term accounts payable-other	865
Investments and other assets	4,897	Other	207
Investment securities	3,744	Total liabilities	17,267
Assets for retirement benefits	667	(Net assets)	
Deferred tax assets	294	Shareholders' equity	16,911
Other	203	Capital	4,651
Allowance for doubtful accounts	-13	Capital surplus	4,489
		Retained earnings	8,960
		Treasury shares	-1,190
		Accumulated other comprehensive income	2,451
		Valuation difference on available-for-sale securities	1,494
		Foreign currency translation adjustment	321
		Cumulative adjustment related to retirement benefits	636
		Non-controlling interest	102
		Total net assets	19,466
Total assets	36,733	Total liabilities and net assets	36,733

(Note) The figures have been rounded off to the nearest million yen.

Consolidated profit-and-loss statement (from October 1, 2022 to September 30, 2023)

(Unit: million yen)

Item	Amount	
Net sales		41,426
Cost of sales		30,853
Gross profit		10,573
Selling and general administrative expenses		8,840
Operating income		1,732
Non-operating income		
Interest received	1	
Dividends received	87	
Other	51	140
Non-operating expenses		
Interest paid	29	
Loss on sale of receivables	19	
Financial related commission	41	
Other	56	146
Ordinary income		1,726
Extraordinary income		
Gain from sale of fixed assets	6	
Gain on revision of retirement benefit plan	36	
Other	0	42
Extraordinary loss		
Loss on disposal of fixed assets	5	5
Net income before taxes and other adjustments		1,764
Income taxes-current	259	
Income taxes in previous fiscal years	-26	
Deferred income taxes	279	512
Net income		1,251
Net income attributable to non-controlling interest		32
Net income attributable to owners of parent		1,218

(Note) The figures have been rounded off to the nearest million yen.

Balance sheet (as of September 30, 2023)

(Unit: million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	19,508	Current liabilities	15,401
Cash and deposits	2,447	Notes payable	0
Notes receivable	14	Electronically recorded obligations	4,233
Accounts receivable-trade	4,864	Accounts payable-trade	3,691
Electronically recorded monetary claims	2,222	Short-term borrowings	4,100
Securities	51	Short-term borrowings from subsidiaries and associates	450
Merchandise and finished products	4,091	Accounts payable-other	1,977
Work in process	292	Income taxes payable	49
Raw materials and supplies	1,416	Contract liabilities	41
Accounts receivable-other	2,932	Reserve for bonuses	469
Other	1,175	Reserve for product warranties	68
Fixed assets	13,099	Reserve for shareholder benefits	15
Property, plant, and equipment	7,515	Other	305
Buildings	2,807	Fixed liabilities	1,797
Structures	117	Long-term borrowings	570
Machinery and equipment	794	Liabilities for retirement benefits	140
Vehicles	1	Long-term deposits payable	116
Tools, furniture and fixtures	325	Asset retirement obligation	179
Land	2,547	Long-term accounts payable-other	729
Lease assets	15	Other	61
Construction in progress	906	Total liabilities	17,199
Intangible assets	83		
Other	83	(Net Assets)	
Investments and other assets	5,500	Shareholders' equity	13,916
Investment securities	3,536	Capital	4,651
Shares of affiliates	1,448	Capital surplus	4,489
Investment in capital	2	Capital reserve	1,225
Investment in affiliates	126	Other capital surplus	3,264
Long-term loans to affiliates	232	Retained earnings	5,965
Deferred tax assets	74	Other retained earnings	5,965
Other	93	Reserve for reduction entry	5
Allowance for doubtful accounts	-13	General reserve	1,100
		Retained earnings carried forward	4,859
		Treasury shares	-1,190
		Valuation and translation adjustments	1,491
		Valuation difference on available-for-sale securities	1,491
Total assets	32,607	Total net assets	15,407
		Total liabilities and net assets	32,607

(Note) The figures have been rounded off to the nearest million yen.

Profit-and-loss statement (from October 1, 2022 to September 30, 2023)

(Unit: million yen)

Item	Amount	
Net sales		37,505
Cost of sales		29,053
Gross profit		8,451
Selling and general administrative expenses		7,753
Operating income		697
Non-operating income		
Interest received	14	
Dividends received	171	
Reversal of allowance for doubtful accounts	143	
Other	107	436
Non-operating expenses		
Interest paid	24	
Loss on sale of receivables	19	
Financial related commission	41	
Exchange loss	31	
Other	12	129
Ordinary income		1,005
Extraordinary income		
Gain from sale of fixed assets	1	
Gain on revision of retirement benefit plan	26	
Other	0	28
Extraordinary loss		
Loss on disposal of fixed assets	4	4
Net income before taxes		1,029
Income taxes-current	102	
Income taxes in previous fiscal years	-21	
Deferred income taxes	234	316
Net income		713

(Note) The figures have been rounded off to the nearest million yen.

Audit Report by Independent Auditor

November 14, 2023

To the Board of Directors of Maruyama Mfg. Co., Inc.

Fujimi Audit Corporation
Tokyo Office

Representative Partner, Executive Member	Certified Public Accountant	Takeshi Onogi
Executive Member	Certified Public Accountant	Miho Toriumi

Audit opinions

Our audit corporation audited the consolidated financial statements (consolidated balance sheet, consolidated profit-and-loss statement, consolidated statements of changes in net assets, and notes to them) of Maruyama Mfg. Co., Inc. for the consolidated fiscal year from October 1, 2022 to September 30, 2023, in accordance with Article 444, Paragraph 4 of the Companies Act.

Our audit corporation confirmed that the above consolidated financial statements comply with the corporate accounting standards that are generally considered as fair and appropriate in Japan and appropriately indicate the statuses of assets, profit, and loss of the corporate group composed of Maruyama Mfg. Co., Inc. and its consolidated subsidiaries in the period covered by said consolidated financial statements in all important aspects.

Grounds for the audit opinions

Our audit corporation conducted this audit, in accordance with the audit standards that are generally considered as fair and appropriate in Japan. The responsibilities of our audit corporation in the audit standards are described in the section titled “Responsibilities of auditors in the audit of consolidated financial statements.” Our audit corporation is independent of your company and consolidated subsidiaries in accordance with the Japanese regulations regarding professional ethics, and fulfills our ethical responsibilities as an auditor. Our audit corporation believes that we have obtained a sufficient amount of appropriate auditing evidence for expressing opinions.

Other items

Other items are the business report and attached statements. Employers are responsible for producing and disclosing them. The audit and supervisory committee is responsible for overseeing the execution of duties of directors in determining and operating the process of reporting the other items.

Our audit corporation’s opinions about the consolidated financial statements do not cover the other items. Our audit corporation does not express opinions about them.

When auditing the consolidated financial statements, our audit corporation is responsible for reading through the other items, checking whether there is any serious discrepancy between the contents of the other items and the consolidated financial statements or our knowledge obtained through the audit, and also checking whether there is any sign of significant errors in the other items other than serious discrepancies.

If our audit corporation finds any significant error in the other items during our audit, we are required to report this fact.

There are no other items to be reported by our audit corporation regarding the other items.

Responsibilities of employers and the audit and supervisory committee with respect to the consolidated financial statements

Employers are responsible for producing and appropriately indicating the consolidated financial statements in accordance with the corporate accounting standards that are generally considered as fair and appropriate in Japan. Their responsibilities include the establishment and operation of an internal control system that is considered necessary by them for producing and appropriately indicating the consolidated financial statements that do not include serious false contents due to misconduct or error.

At the time of production of the consolidated financial statements, employers are responsible for judging whether or not it is appropriate to produce the consolidated financial statements under the going concern assumption, and disclosing the going concern items, if it is necessary to do so in accordance with the corporate accounting standards that are generally considered as fair and appropriate in Japan.

The audit and supervisory committee is responsible for overseeing the execution of duties of directors in determining and operating a financial reporting process.

Responsibilities of auditors when auditing the consolidated financial statements

Auditors are responsible for obtaining a reasonable guarantee about whether the consolidated financial statements have no serious false contents due to misconduct or error through their audits, and expressing their opinions about the consolidated financial statements from an independent viewpoint in their audit reports. False contents may be produced through misconduct or error. If such false contents are likely to individually or collectively affect the decision making of those who have read the consolidated financial statements, they are considered as material.

Auditors are supposed to make professional judgments and conduct the following while maintaining professional skepticism in the auditing process, in accordance with the auditing standards that are generally considered as fair and appropriate in Japan.

- To identify and evaluate material false indication risks due to misconduct or error, and then design and implement auditing procedures to cope with the material false indication risks. The selection and application of auditing procedures depend on the judgments of auditors. Furthermore, auditors obtain a sufficient volume of appropriate auditing evidence for expressing their opinions.
- The objective in auditing the consolidated financial statements is not to express opinions about the effectiveness of internal control, but auditors discuss the internal control related to audits, in order to design appropriate auditing procedures according to situations when evaluating risks.
- To evaluate the appropriateness of the accounting policy and its application method adopted by employers, the rationality of estimation in accounting carried out by employers, and the validity of related notes.
- To determine whether or not it is appropriate for employers to produce the consolidated financial statements under the going concern assumption and whether or not there are material uncertainties over the events or situations that would cause serious doubts about the going concern assumption, based on the obtained auditing evidence. If there is any material uncertainty over the going concern assumption, auditors need to give instructions about the notes of the consolidated financial statements, and if the notes of the consolidated financial statements regarding material uncertainties are not appropriate, auditors need to express their modified opinions of the consolidated financial statements in their audit reports. The conclusion of auditors is based on the auditing evidence they have obtained before the date of submitting their audit report, but there is a possibility that an enterprise will become unable to keep existing as a going business, according to future events or situations.

- To check whether or not the indication and notes of the consolidated financial statements comply with the corporate accounting standards that are generally considered as fair and appropriate in Japan and whether or not the indication, structure, and contents of the consolidated financial statements, including related notes, and transactions and accounting events based on the consolidated financial statements are indicated appropriately.
- To obtain a sufficient volume of appropriate auditing evidence regarding the financial information of your company and consolidated subsidiaries, in order to express opinions about the consolidated financial statements. Auditors are responsible for giving instructions on, supervising, and implementing the audit of consolidated financial statements. Auditors are responsible for their respective audit opinions.

Auditors report to the audit and supervisory committee the ranges of audits they planned, their dates, material findings in audits, such as serious defects in internal control founded during audits, and other items demanded by the auditing standards.

Auditors report to the audit and supervisory committee the observance of the Japanese regulations on professional ethics regarding independence, items that are reasonably considered to affect the independence of auditors, and the details of safeguard measures for removing or alleviating constraints if any.

Interests

Between your company or consolidated subsidiaries and our audit corporation or executive members, there are no interests that should be described in accordance with the Certified Public Accountants Act.

Audit Report by Independent Auditor

November 14, 2023

Maruyama Mfg. Co., Inc.

To the Board of Directors of Maruyama Mfg. Co., Inc.

Fujimi Audit Corporation
Tokyo Office

Representative Partner, Executive Member	Certified Public Accountant	Takeshi Onogi
Executive Member	Certified Public Accountant	Miho Toriumi

Audit opinions

Our audit corporation audited the financial statements (non-consolidated balance sheet, non-consolidated profit-and-loss statement, non-consolidated statements of changes in net assets, and notes to them) and attached statements (“the non-consolidated financial statements”) of Maruyama Mfg. Co., Inc. for the 88th fiscal year from October 1, 2022 to September 30, 2023, in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

Our audit corporation confirmed that the above non-consolidated financial statements comply with the corporate accounting standards that are generally considered as fair and appropriate in Japan and appropriately indicate the statuses of assets, profit, and loss in the period covered by said non-consolidated financial statements in all important aspects

Grounds for the audit opinions

Our audit corporation conducted this audit, in accordance with the audit standards that are generally considered as fair and appropriate in Japan. The responsibilities of our audit corporation in the audit standards are described in the section titled “Responsibilities of auditors in the audit of non-consolidated financial statements.” Our audit corporation is independent of your company in accordance with the Japanese regulations regarding professional ethics, and fulfills our ethical responsibilities as an auditor. Our audit corporation believes that we have obtained a sufficient amount of appropriate auditing evidence for expressing opinions.

Other items

Other items are the business report and attached statements. Employers are responsible for producing and disclosing them. The audit and supervisory committee is responsible for overseeing the execution of duties of directors in determining and operating the process of reporting the other items.

Our audit corporation’s opinions about the non-consolidated financial statements do not cover the other items. Our audit corporation does not express opinions about them.

When auditing the non-consolidated financial statements, our audit corporation is responsible for reading through the other items, checking whether there is any serious discrepancy between the contents of the other items and the non-consolidated financial statements or our knowledge obtained through the audit, and also checking whether there is any sign of significant errors in the other items other than serious discrepancies.

If our audit corporation finds any significant error in the other items during our audit, we are required to report this fact.

There are no other items to be reported by our audit corporation regarding the other items.

Responsibilities of employers and the audit and supervisory committee with respect to the non-consolidated financial statements

Employers are responsible for producing and appropriately indicating the non-consolidated financial statements in accordance with the corporate accounting standards that are generally considered as fair and appropriate in Japan. Their responsibilities include the establishment and operation of an internal control system that is considered necessary by them for producing and appropriately indicating the non-consolidated financial statements that do not include serious false contents due to misconduct or error.

At the time of production of the non-consolidated financial statements, employers are responsible for judging whether or not it is appropriate to produce the non-consolidated financial statements under the going concern assumption, and disclosing the going concern items, if it is necessary to do so in accordance with the corporate accounting standards that are generally considered as fair and appropriate in Japan.

The audit and supervisory committee is responsible for overseeing the execution of duties of directors in determining and operating a financial reporting process.

Responsibilities of auditors when auditing the non-consolidated financial statements

Auditors are responsible for obtaining a reasonable guarantee about whether the non-consolidated financial statements have no serious false contents due to misconduct or error through their audits, and expressing their opinions about the non-consolidated financial statements from an independent viewpoint in their audit reports. False contents may be produced through misconduct or error. If such false contents are likely to individually or collectively affect the decision making of those who have read the non-consolidated financial statements, they are considered as material.

Auditors are supposed to make professional judgments and conduct the following while maintaining professional skepticism in the auditing process, in accordance with the auditing standards that are generally considered as fair and appropriate in Japan.

- To identify and evaluate material false indication risks due to misconduct or error, and then design and implement auditing procedures to cope with the material false indication risks. The selection and application of auditing procedures depend on the judgments of auditors. Furthermore, auditors obtain a sufficient volume of appropriate auditing evidence for expressing their opinions.
- The objective in auditing the non-consolidated financial statements is not to express opinions about the effectiveness of internal control, but auditors discuss the internal control related to audits, in order to design appropriate auditing procedures according to situations when evaluating risks.
- To evaluate the appropriateness of the accounting policy and its application method adopted by employers, the rationality of estimation in accounting carried out by employers, and the validity of related notes.
- To determine whether or not it is appropriate for employers to produce the non-consolidated financial statements under the going concern assumption and whether or not there are material uncertainties over the events or situations that would cause serious doubts about the going concern assumption, based on the obtained auditing evidence. If there is any material uncertainty over the going concern assumption, auditors need to give instructions about the notes of the non-consolidated financial statements, and if the notes of the non-consolidated financial statements regarding material uncertainties are not appropriate, auditors need to express their modified opinions of the non-consolidated financial statements in their audit reports. The conclusion of auditors is based on the auditing evidence they have obtained before the date of submitting their audit report, but there is a possibility that an enterprise will become unable to keep existing as a going business, according to future events or situations.
- To check whether or not the indication and notes of the non-consolidated financial statements comply with the corporate accounting standards that are generally considered as fair and appropriate in Japan and whether or not the indication, structure, and contents of the non-consolidated financial statements, including related notes, and transactions and accounting events based on the non-consolidated financial statements are indicated appropriately.

Auditors report to the audit and supervisory committee the ranges of audits they planned, their dates, material findings in audits, such as serious defects in internal control founded during audits, and other items demanded by the auditing standards.

Auditors report to the audit and supervisory committee the observance of the Japanese regulations on professional ethics regarding independence, items that are reasonably considered to affect the independence of auditors, and the details of safeguard measures for removing or alleviating constraints if any.

Interests

Between your company and our audit corporation or executive members, there are no interests that should be described in accordance with the Certified Public Accountants Act.

Certified copy of the audit report by the audit and supervisory committee

Audit Report

The audit and supervisory committee audited the execution of duties by directors in the 88th fiscal year from October 1, 2022 to September 30, 2023. The method and results thereof are as follows.

1. Method and details of the audit

The audit and supervisory committee regularly received reports about the details of the resolutions of the Board of Directors regarding (b) and (c) of Article 399-13, Paragraph 1, Item 1 of the Companies Act and the statuses of establishment and operation of a system developed based on said resolutions (the internal control system) from directors, employees, and others; demanded explanations when necessary, expressed our opinions, and conducted an audit with the following method.

- (1) In accordance with the auditing policy, the allocation of duties, etc., specified by the audit and supervisory committee, we attended important meetings, received reports about the execution of duties of directors, employees, and others from them, demanded explanations when necessary, browsed documents on important decisions, etc., and investigated the situations of business operations and assets at the headquarters and major offices, in cooperation with the Internal Audit Department and other departments in charge of internal control, while utilizing telephone lines, the Internet, etc. For subsidiaries, we communicated and exchanged information with the directors, audit and supervisory committee members, and others of subsidiaries, and received business reports from subsidiaries when necessary.
- (2) We oversaw and checked whether the accounting auditor maintains its independent position and conducts appropriate audits, received reports on the status of execution of duties of the accounting auditor from them, and demanded explanations when necessary. In addition, the accounting auditor informed us that a “system for ensuring appropriate execution of duties (items mentioned in Article 131 of the Regulation on Corporate Accounting)” has been established in accordance with “the Quality Control Standards for Audit (Business Accounting Council)” and so on, and we demanded explanations when necessary.

Based on the above methods, we examined the business report and attached statements, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated profit-and-loss statement, non-consolidated statements of changes in net assets, and notes to the non-consolidated financial statements), attached statements, and consolidated financial statements (consolidated balance sheet, consolidated profit-and-loss statement, consolidated statements of changes in net assets, and notes to consolidated financial statements) for the relevant fiscal year.

2. Results of the audit

- (1) Results of the audit of the business report, etc.
 - (1) We confirmed that the business report and attached statements comply with laws, regulations, and the Articles of Incorporation and accurately describe the situation of the company.
 - (2) There is no misconduct related to the execution of duties by directors or serious violation of laws, regulations, or the Articles of Incorporation.
 - (3) We confirmed that the resolution of the Board of Directors regarding the internal control system is appropriate. In addition, there are no items to be pointed out in the business report regarding said internal control system or execution of duties by directors.
- (2) Results of the audit of the non-consolidated financial statements and attached statements
We confirmed that the method and results of the audit conducted by Fujimi Audit Corporation are appropriate.
- (3) Results of the audit of the consolidated financial statements
We confirmed that the method and results of the audit conducted by Fujimi Audit Corporation are appropriate.

November 14, 2023

Audit and supervisory committee of Maruyama Mfg. Co., Inc.

Full-time audit and supervisory committee member (Outside Director)	Hiroyuki Hatano	(Seal)
Audit and supervisory committee member (Outside Director)	Atsushi Toki	(Seal)
Audit and supervisory committee member (Outside Director)	Takashi Sekigawa	(Seal)

Topics

World's First Two-Stroke Hydrogen Engine for Small Work Equipment Successfully Operated Safely

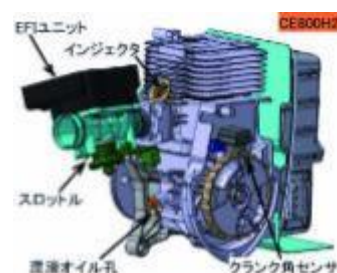
We are the first company in the world to succeed in stable operation with 100% hydrogen fuel in a compact two-stroke engine that can be installed on OPE* products such as mowers. With this accomplishment, we will realize cleaner exhaust gas and will work on hydrogen utilization research toward achieving carbon neutrality while balancing further environmental conservation and professional-use workability.

* OPE: Small outdoor work equipment used for horticulture, agriculture, forestry, etc. Abbreviation for Outdoor Power Equipment.

Compared to four-stroke engines, two-stroke engines have a simpler structure, allowing them to be smaller and lighter for people to hold or carry on their backs. They also have excellent maintainability because they do not have a valve system such as an exhaust valve or an intake valve.

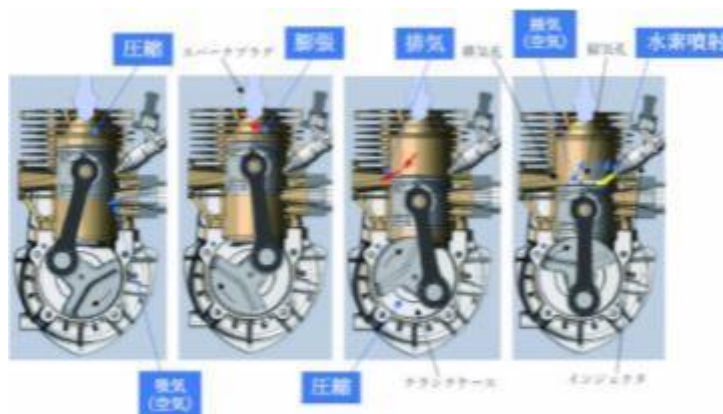


Two-stroke hydrogen engine



Engine structure diagram

In testing, we built a prototype based on a mass-produced type, single-cylinder two-stroke gasoline engine with a displacement of 80 cm³, and achieved stable operation using hydrogen fuel. Currently, the engine is operated on a test bench and hydrogen is supplied from an external supply facility. In the future, we plan to use a cassette cylinder system and downsize parts to create a prototype machine capable of performing work outside.



Mechanism of two-stroke hydrogen engine combustion

As demonstrated through our recent development of two-stroke hydrogen engine, we will continue to develop technologies and provide products and services that contribute to realizing a sustainable society.

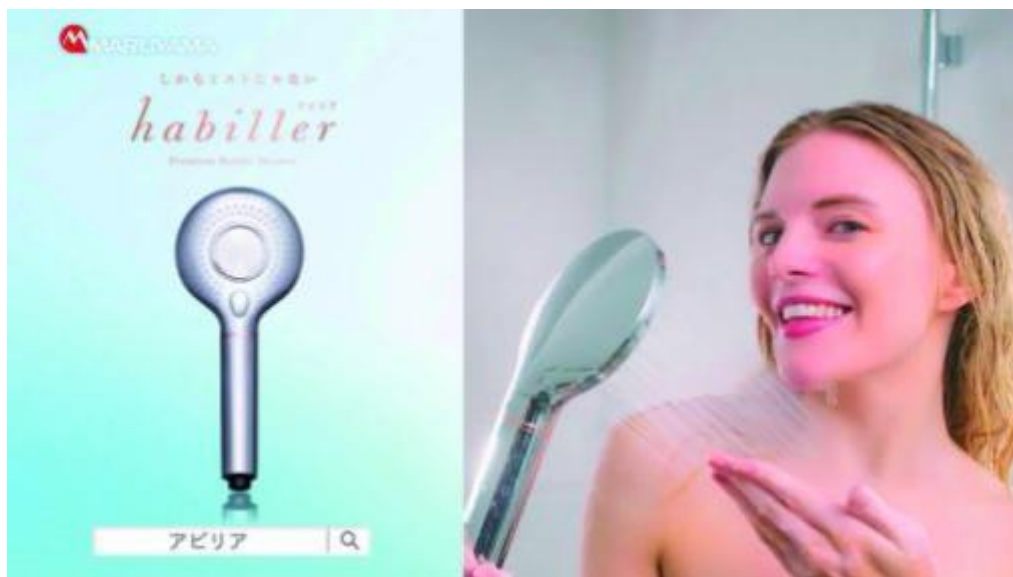
Aired "habiller" TV Commercial

We aired a TV commercial for “habiller,” an ultra-fine bubble shower head designed for comfort in taking a shower, in Fukuoka Prefecture from October 1 to 31, 2023.

With a history of continuing to research water flow for over 125 years since the company’s foundation, our company developed this showerhead “habiller” by infusing our proprietary ultra-fine bubble technology, which is also used in agricultural and industrial applications.

Under the theme of “habiller for your showering pleasure,” we created three commercial patterns that introduce the comfort of showering with a generous amount of water, which is not a mist, plus ultra-fine bubbles to offer three focused effects: staying moisturized, washing power, and retaining warmth. The commercial is also available on the web.

We will distribute “habiller” discount coupons that can be used on our Rakuten EC site as this year’s shareholder benefit. Please see page 60 for details.



habiller for your
showering pleasure
Singing version



habiller for your
showering pleasure
Sweaty child version



habiller for your
showering pleasure
Nice & warm version



habiller
Website



habiller
Rakuten EC site

Established Indian Local Subsidiary, MARUYAMA MFG INDIA PRIVATE LIMITED

Our company has established a local subsidiary, MARUYAMA MFG INDIA PRIVATE LIMITED, with the aim of establishing a system for the manufacture, sale and servicing of pest control machines optimized for the Indian market, and commenced operations on September 1, 2023.

We have been working with Indian companies to develop our high clearance boom series, which has proven successful in Japan, tailored to the Indian market and export them. Since the operating environment and field conditions in India are different from those in Japan, we were responding to problems encountered in the field by providing feedback to the design department in Japan every time.

With the recent establishment of a local subsidiary, we will be able to develop our products quickly by directly reflecting local information and customer feedback on the environment where the machine is used, national traits of users, and user-friendly machines appropriate for the crops grown, among others. In addition, by outsourcing production to local factories and performing processes from parts procurement to production in India, we will be able to provide products that meet local costs. We will carry out design, development, and durability tests locally, and strive to provide after-sales service plans based on work conditions. Through deploying locally rooted products and services, we will aim to contribute to further developing Indian agriculture.

Company name:	MARUYAMA MFG INDIA PRIVATE LIMITED
Location:	4th Floor, JMD Regent Arcade, DLF Phase 1, Sector-28, MG Road, DLF QE Dlf Qe Gurgaon HR 122002 IN
Capital:	90 million rupees
Date of establishment:	June 26, 2023
Start of operations:	September 1, 2023
Business description:	Manufacturing and sale of agricultural and forestry machinery in India



■ Began Distributing the Podcast “Akarui Agriculture RADIO MARUYAMA” and “note” Streaming ■

As part of our public relations activities, our company began distributing the podcast “Akarui Agriculture RADIO MARUYAMA” and “note” streaming.

Podcast is a service that distributes audio data over the Internet, and “Akarui Agriculture RADIO MARUYAMA” is distributed once a week as a place to share the joy of agriculture and our company's initiatives.

“note” is a service that allows you to send and share article content, mainly texts, and includes transcribed articles of “Akarui Agriculture RADIO MARUYAMA” and others.

Both services are available for use free of charge. We hope you will enjoy watching them.



Podcast “Akarui Agriculture RADIO MARUYAMA”



note (MARUYAMA Official)