



美喆國際(股)公司

M.J. International Co., Ltd.

2024.05.31



Safe Harbor Notice

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of M.J. International CO., Ltd. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management' s current expectations, assumptions, involve known, unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.



CONTENTS

- 1 Company Profile
- 2 Competitive Advantage
- 3 Operating Overview
- 4 Development Plan
- 5 Future Prospects



1 Company Profile



M.J. International Co., Ltd.



Chairman:
B.Y. Chen



Established: May 1982
Listed: Nov. 2016



Employee
830



Capital
660,590,000



Major Product
PVC Flooring(LVT)



Own Brand



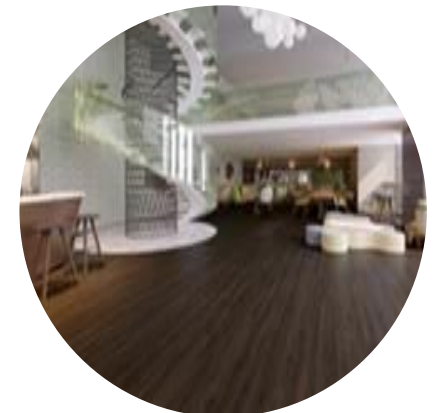
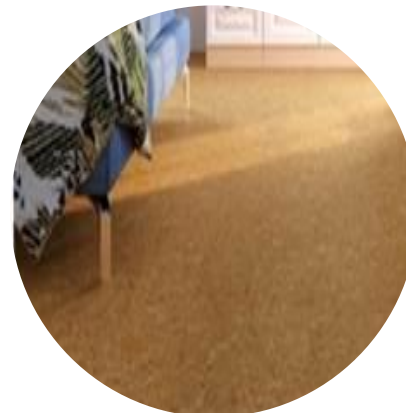
Plants	Dongguan Prolong	Dongguan MeiJer	Tainan MeiJer
Production Lines	Hot-Press machine: 32 sets	Hot-Press machine: 24 sets Auto-Lamination: 3 lines	Extrusion machine: 9 lines

1 Major Products



M.J. International Co., Ltd.

The Key opportunity of MeiJER's standing firm in the commercial market and entering the residential market is the multi-products R&D capability of multi-printing method & unique 3D-registered embossing technology 、 advantage of mass production and high production yield up to nearly 100%.



Unit : %

Product	PVC Flooring (LVT)	SPC Flooring(rigid core)	PP Flooring
Feature	High market share and penetration rate, various specifications & installation options, registered embossing, can be restore after slight deformation and impact.	No plasticizer formula, more environmentally friendly; With the new process, the dimension are more stable; easy to install with the locking system	Healthy and environmentally friendly material
Revenue % (2024 Q1)	61%	39%	Ready for mass production

1 Major Products-PVC Flooring



M.J. International Co., Ltd.

➤ PVC

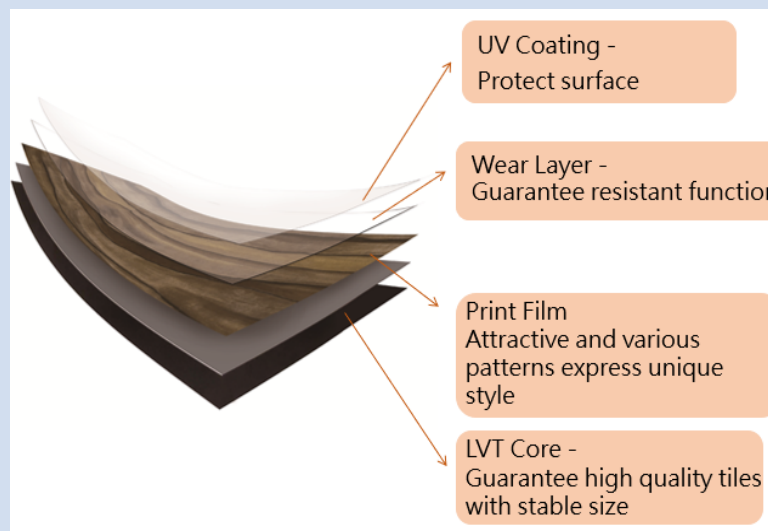
Luxury Vinyl Tile, the main raw materials are PVC, calcium carbonate (stone powder), stabilizers, and other processing aids.

➤ 產品特色

1. Waterproof, moisture-resistant, and insect-resistant.
2. Simple daily cleaning and maintenance.
3. Zero formaldehyde, environmentally friendly, and recyclable.
4. High fire resistance: Effectively flame-retardant, achieving Grade B1 fire resistance, self-extinguishing in case of fire without generating any toxic gases.
5. Convenient installation and can be used in conjunction with MJ-KY' s patented locking system.

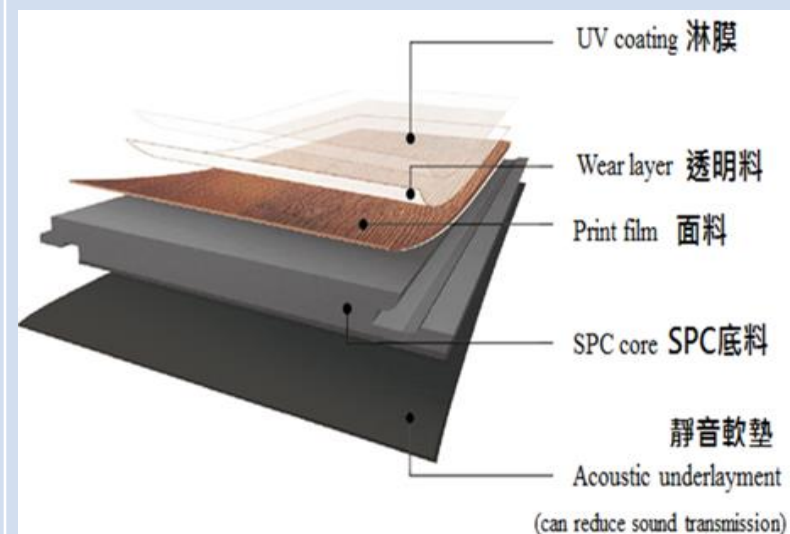
LVT

Produced using a heat-press bonding method, it can be installed using adhesive or through a locking system. The design is versatile with clear textures, offering rich aesthetics. It enables swift installation and is suitable for the market demands of commercial spaces and office Buildings.



SPC (rigid core)

Produced through extrusion molding, it typically includes a noise-reducing underlayment at the bottom and is installed using a patented locking system. SPC products can meet the household market demands worldwide, offering promising market opportunities in the future.



2 Advantages of PVC Flooring



M.J. International Co., Ltd.



防水



抗凹陷



顏色持久



寵物/小孩友善



壓紋/對花



抗菌



易保養



國際驗證



經濟合理



耐刮



易安裝



耐磨

2 Global Certification



M.J. International Co., Ltd.

SYSTEM

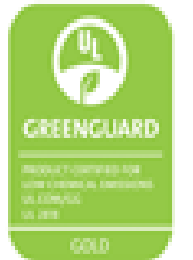


Certification authority



內政部防焰性能
認証合格證書

Product



International standard



3 The P&L



M.J. International Co., Ltd.

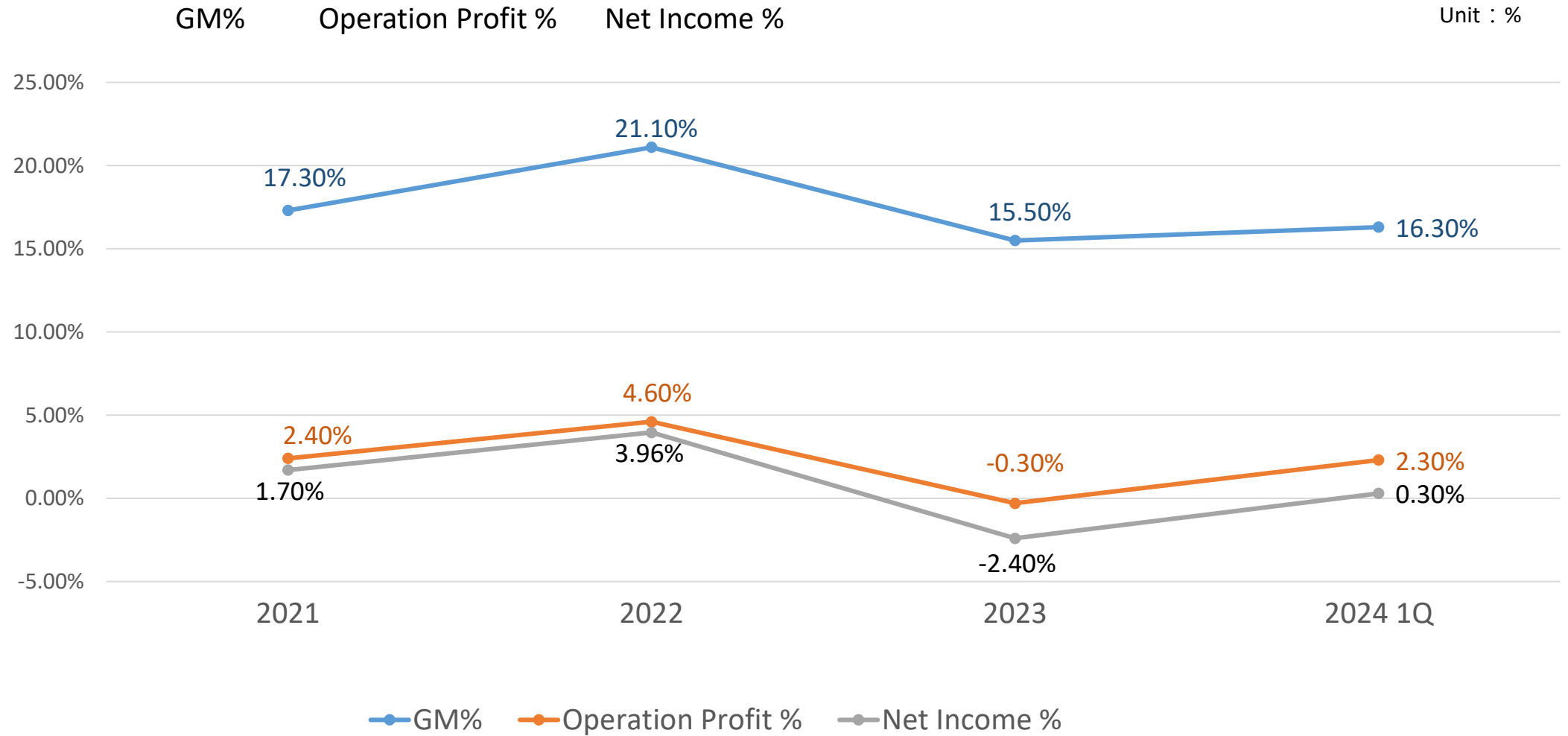
Unit : NT thousands dollars;%

ITEM	2024 1Q	2023	2022
Revenue	713,735	2,702,434	3,262,778
Gross Margin	116,143	418,076	688,967
Gross Margin %	16.3%	15.5%	21.1%
Operation Expense	99,996	427,369	537,631
Operation profit	16,147	(9,293)	151,336
Operation Profit %	2.3%	-0.3%	4.6%
Non-operation Items	6,696	15,587	29,200
Income Tax	16,054	101,917	51,328
Net Income	2,267	(64,313)	143,494
Net Income %	0.3%	-2.4%	4.4%
EPS(NTD)	0.03	-0.98	2.18

3 Business & Profit Analysis



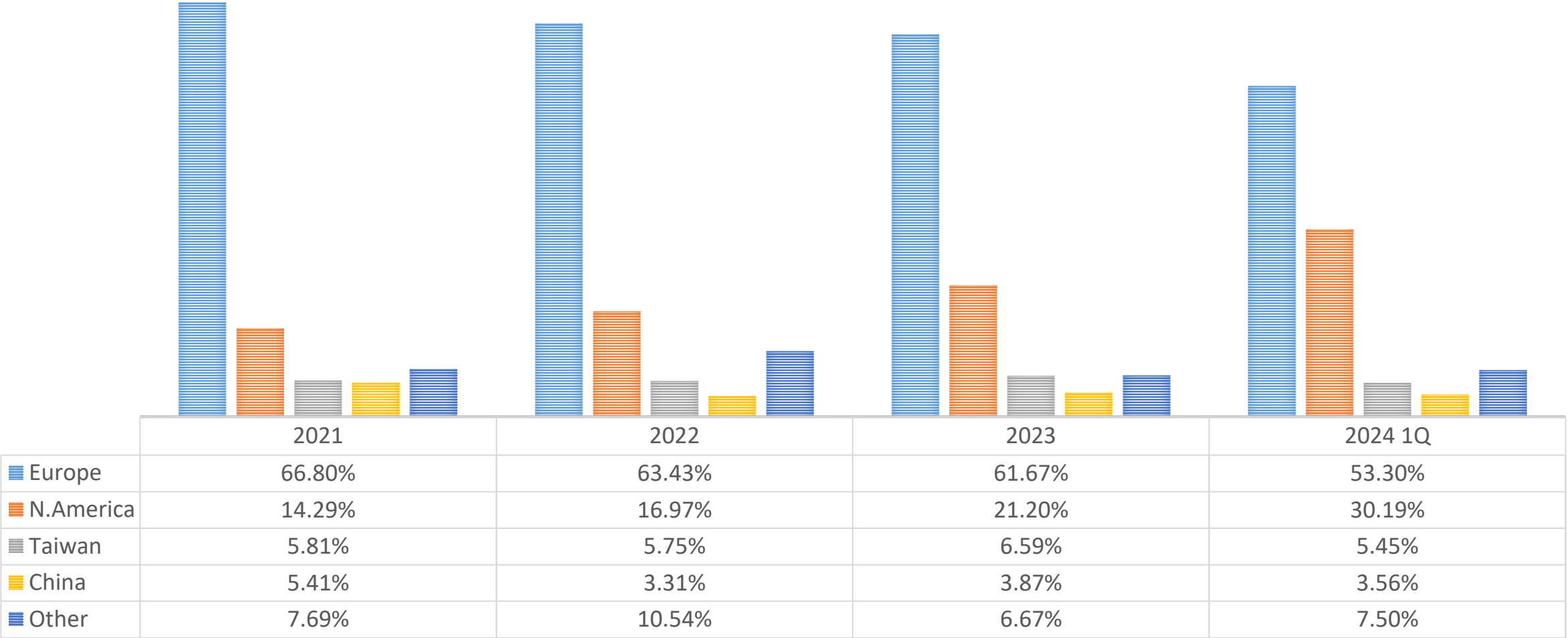
M.J. International Co., Ltd.



3 Major Sales Areas



M.J. International Co., Ltd.



The balance sheet



M.J. International Co., Ltd.

Unit : NT thousands dollars;%

ITEM	2024 1Q	2023	2022
Cash and cash equivalents	989,855	999,313	1,089,427
Trade receivables	765,272	627,564	570,511
Inventories	471,049	430,438	461,097
Total current assets	2,811,081	2,501,263	2,563,095
Property, plant and equipment	3,218,511	3,246,611	3,594,021
Total non- current assets	3,706,301	3,761,794	3,846,594
Total assets	6,930,204	6,263,057	6,409,689
Total current liabilities	1,240,311	1,072,366	1,621,188
Total liabilities	3,869,986	3,815,551	3,783,479
Total equity	2,520,218	2,447,506	2,626,210



Future Operational Development Plan of M.J

美喆 Tainan Plant

The world's most advanced manufacturing base
with the largest SPC capacity

Full capacity to support
US market demand

New Taipei city

Tucheng Dist.,
New Taipei City
MJ Headquarter &
R&D Center



Tainan city

Annan Dist., Tainan City
SPC Factory

900

CTN/Mon

Taiwan plant

9-line SPC Fully Automated
System



The trend of de-Chinification - Opportunity for the Tainan Factory.

《Uyghur Forced Labor Prevention Act》 Creating new niche market for M.J.

✓ With the implementation of the UFLPA in the United States, major American retailers, distributors, and other businesses rigorously scrutinize whether their suppliers' raw materials originate from Xinjiang, China (traceability), and the trend towards deglobalized production. This contributes to further establishing a competitive niche for M.J.-KY Tainan Factory in the market.

UFLPA creates challenges



The resilient category, while the largest and fastest growing segment in the industry, is not immune to its fair share of challenges. The most impactful—and certainly most talked about—is the one emanating from the **Uyghur Forced Labor Protection Act (UFLPA)**, which was passed into law by the U.S. government in **2022**. UFLPA prohibits the importation of all goods that are produced in or contain any content from the Uyghur region in China—an area believed to house forced labor operations and is a major supplier of PVC and raw materials to China and the greater Asian region.

To enforce UFLPA, U.S. Customs and Border Patrol (CBP) detained—and continues to withhold—all imported LVT that could potentially contain materials subject to UFLPA restrictions, and is only releasing held shipments after clear and convincing evidence has been produced and confirmed that there is no violation of UFLPA.

The impact of the U.S. Customs' traceability of raw materials on the supply chain :

Manufacturers of flooring from China and Vietnam face several challenges:

1. Exporting from China to the United States incurs an additional 25% anti-dumping tariff for importers.
2. Crucial PVC raw materials are predominantly sourced from China, raising concerns related to the UFLPA and Xinjiang PVC issues.
3. Manufacturers facing scrutiny from customs risk being added to a customs blacklist.
4. Imbalances in supply and demand within the local U.S. market create risks for large-scale A-level clients who seek to diversify their sourcing regions to mitigate supply risks.

The UFLPA has brought opportunities for M.J. :

Manufacturing in Taiwan :

Shipments from Taiwan do not incur an additional **25%** anti-dumping tariff.

Manufacturing at M.J. :

M.J.'s raw material sourcing does not involve risks associated with the UFLPA issue.

The preparatory work for a comprehensive raw material traceability system is already in place.

Relevant audit procedures and verification for M.J.'s A-level customers in the United States have been successfully completed.

Tainan factory key position

Three Key Production Models for the Future

① Factory Decentralization

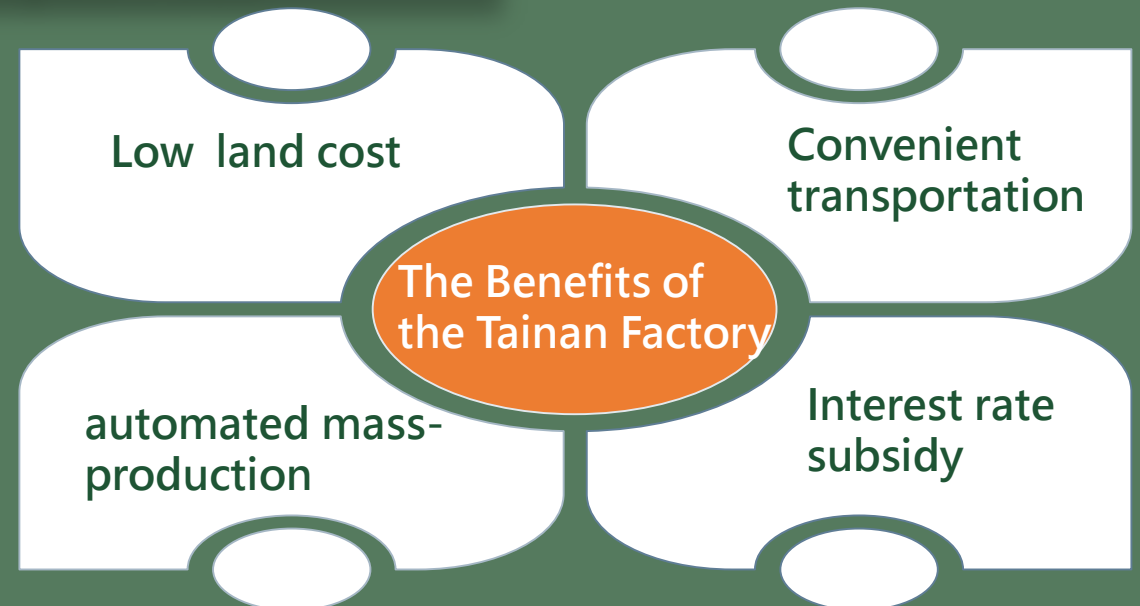
② Centralized Procurement

③ Diverse Orders

Suppliers Needing Rapid Responsiveness and Flexible Delivery Capabilities

M.J.-KY's Production Area Diversification Plan :

- ① The Tainan factory aims to consolidate orders for production specifically in the competitive conditions of the market. This strategy is aimed at reducing potential operational disruptions for key U.S. clients due to political risks.
- ② Leveraging Taiwan's comprehensive advantages in the resilient plastic tile industry chain, including robust advantages in raw material supply, technical support, transportation logistics, and procurement flexibility, the goal is to achieve customer expectations in terms of quality, service, and delivery timelines.



Business Opportunities in the North American LVT/SPC Market

2022 U.S. Floor Covering Sales: \$37.60 billion

(IN MILLIONS OF MANUFACTURERS' DOLLARS)

Source: Catalina Research



+7.5% from 2021

1.1% Other Resilient (CORK, RUBBER, NON-VINYL PLASTICS & LINOLEUM)	\$398 million +6.1% from 2021
3.2% Laminate	\$1.19 billion -3.5% from 2021
3.6% Vinyl Sheet, VCT & other vinyl tile	\$1.34 billion -2.8% from 2021
5.7% Stone	\$2.13 billion +6.5% from 2021
12.1% Hardwood	\$4.56 billion +7.3% from 2021
12.7% Ceramic & Porcelain Tile	\$4.77 billion +14.2% from 2021
28.0% LVT	\$10.54 Billion +21.1% from 2021
33.7% Carpet & Area Rugs	\$12.68 billion -2.6% from 2021

- In 2022, the U.S. flooring market reached \$37.6 billion in sales, with LVT flooring emerging as the second-largest mainstream product, accounting for **28%** of the flooring market.
- As the penetration rate of SPC flooring increases, the sales volume of the SPC market surged to **\$8.5 billion** in 2022, a growth of 30% compared to \$6.5 billion in 2021."

U.S. floor covering market sales value

(IN MILLIONS OF MANUFACTURERS' DOLLARS)

Product Sector	2018 ^R	2019 ^R	2020 ^R	2021 ^R	2022 ^P	Percent Change
Carpet & area rugs	\$12,380	\$11,312	\$10,991	\$13,012	\$12,680	-2.6%
Hardwood flooring	3,780	3,576	3,448	4,247	4,555	7.3
Ceramic floor & wall tile	3,623	3,632	3,503	4,173	4,767	14.2
Laminate flooring	941	905	947	1,088	1,193	-3.5
Luxury vinyl tile (LVT) ¹	4,041	4,316	6,187	8,701	10,540	21.1
Vinyl sheet & other vinyl floor tile ²	1,795	1,506	1,351	1,375	1,336	-2.8
Other resilient flooring ³	344	320	285	375	398	6.1
Stone flooring ⁴	1,799	1,878	1,769	1,999	2,128	6.5
Total Sales	\$28,703	\$27,445	\$28,481	\$34,970	\$37,597	7.5%

《Top 10 Retailers in North America》

TOP 10 DISTRIBUTORS			(Sales in millions)
	Company Name	2022 Sales	2021 Sales
1	M S International, Inc.1 Orange, CA	\$ 3.0B	\$2.4B
2	Belknap-Haines2 Mansfield, MA	\$600.00	\$580.00
3	Tri-West Ltd. Santa Fe Springs, CA	\$400.00	\$336.00
4	Galleher Santa Fe Springs, CA	\$330.00	\$320.00
5	BPI Memphis, TN	\$285.00	\$270.00
6	All Tile / Carpet Cushions & Supplies Wood Dale, IL	\$255.00	\$225.00
7	Tom Duffy Co. (formally B.R. Funsten)3 Manteca, CA	\$231.90	\$194.90
8	E.J. Welch CompanyA Earth City, MO	\$230.00	\$234.00
9	Apollo Distributing Co. Fairfield, NJ	\$219.80	\$205.00
10	NRF Distributors, Inc. Augusta, ME	\$200.00	\$200.00

Source: FCW

Demands from the Top 10 Retailers in North America

- ✓ **SPC flooring specifications:**
Compliant with three mainstream locking mechanisms and back-scraping technology
- ✓ **Product Market Price Range :**
\$441 to \$537 per square meter
- ✓ **Order Delivery Timeframe**

M.J.'s Product Competitive Advantages

Light Weight Tech



-20% Weight

Locking System



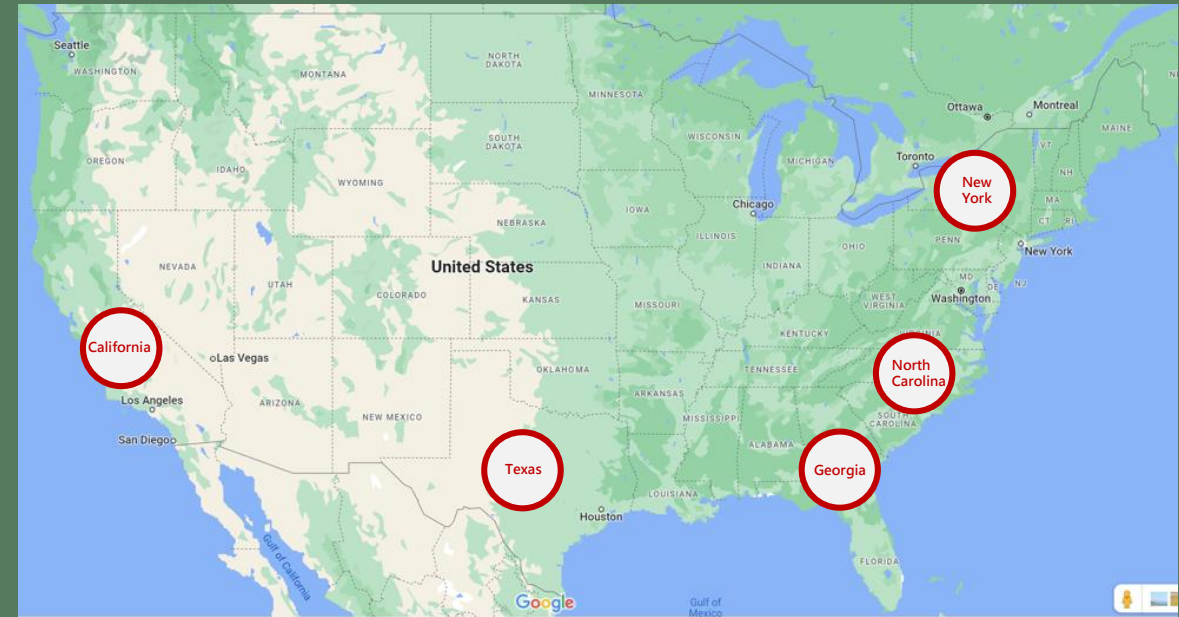
North American Market Business Strategy - B-Level Customers

- To meet the diverse requirements of the top 10 retailers in North America and regional distributors, M.J.-KY is expediting the Tainan factory's capacity to scale up production. For regional customers, M.J.-KY offers an all-in-one service encompassing product development to the design of marketing tools. This comprehensive approach aims to enhance customer retention while optimizing order structures.

Regional Distributor Requirements

- ✓ **High Demand for Customized Color Designs with Distinctive Features**
- ✓ **Marketing Tool Support Services :**
Display Boards, Sample Cards, etc.
- ✓ **Product Market Price Range :**
\$534 to \$801 per square meter

Map of Regional Distributor



SPC & LVT product development:
Embossed surface, simulation design and small samples



Rapid 3D embossed
surface design



Print Film & Embossed
surface simulation design



Embossed small
sample mock-ups



Builder board



Strap set



Product key
visual design



Product video
design and production



Embossing
surface database



Embossing cylinder /
board development



Embossed v.s. print film
design & mock-up



Product series
logo design



Product display &
flooring layout design



e-Catalog
design



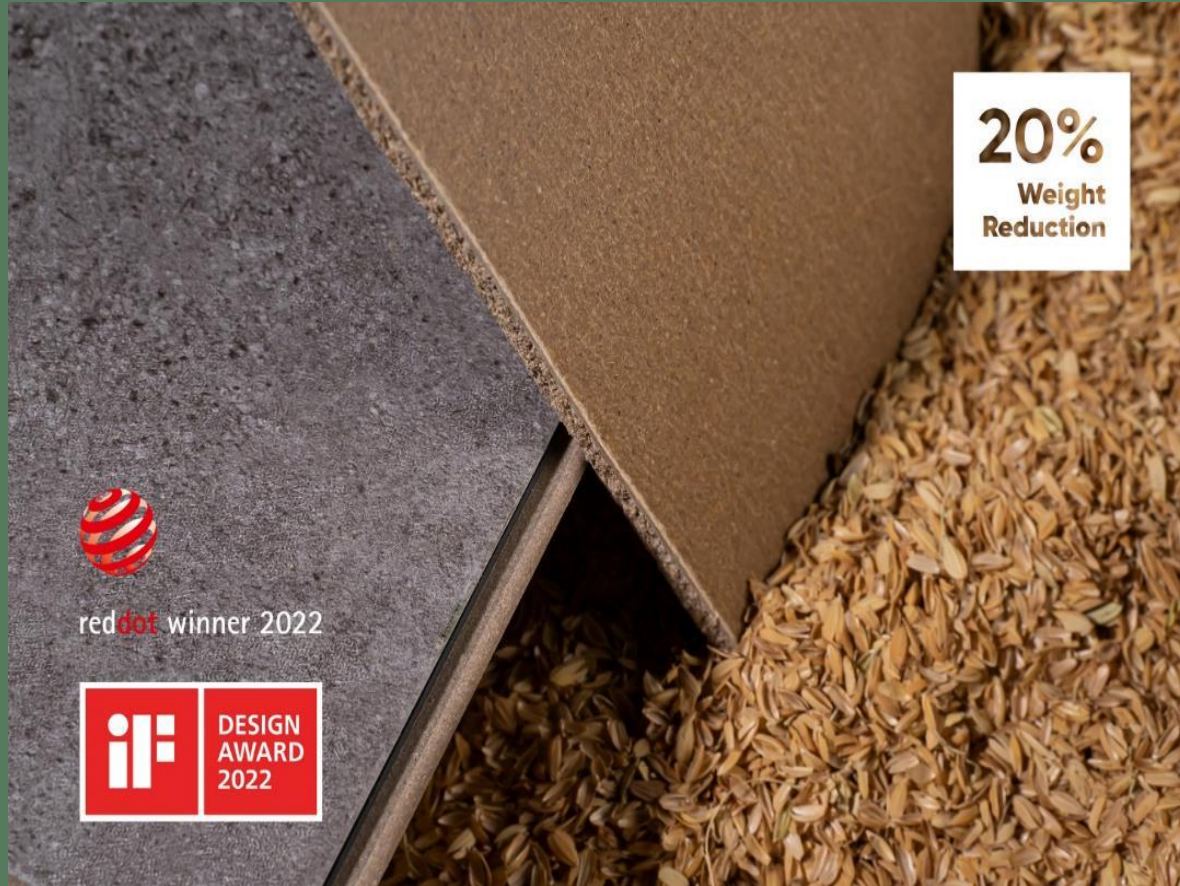
Sample box design
& production



Sample book design
& production

5 Innovative differentiated products

Circular Economy – Reuse of Agricultural Waste



PP Flooring

5 M.J.'s Future Operational Strategies and Outlook

Quarterly Shipment Percentage of the Tainan Factory



2023-2024

1. Quickly capture market share/fill the capacity of the Tainan plant.
2. Launch new products (environmentally friendly products/differentiated products).

2024-2025

1. Stabilize orders for the Tainan plant.
2. Optimizing Product Portfolio to Create Profitable Opportunities.

5 Summary

Market Positioning

- Market Overview in Europe
- North American Market
- Expand into Japanese/Southeast Asian/Central and South American Markets

Enhancing Operational Efficiency

- Raw Material Management
- New Product Development

Technology, Sustainability, Reuse
are the core values of
MJ International Group
from technical research
to corporate management

INVENT GREEN IDEAS!

**CHOOSE
THE BEST FOR
BUSINESS**

Taiwan Professional
SPC Manufacturer

The letters 'MJ' are formed by a pile of light brown wood shavings or sawdust, resting on a dark grey, textured floor. The shavings are piled up to create the shape of the letters, with some shavings spilling out around the base.

THANK YOU !