



# 美喆國際(股)公司

M.J. International Co., Ltd.

2023.12.19



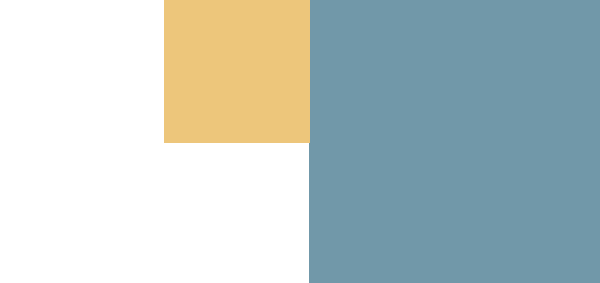
# Safe Harbor Notice

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



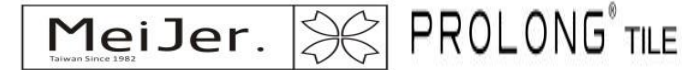
Capital  
660,590,000



Major Product  
PVC Flooring(LVT)



Own Brand



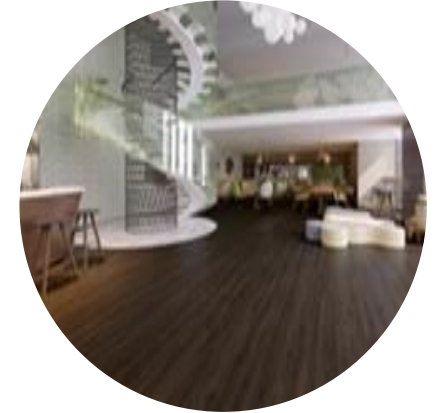
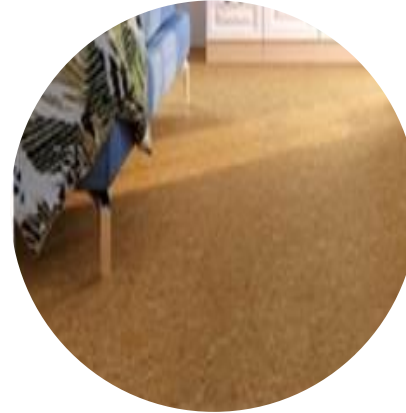
Plants	Dongguan Prolong	Dongguan MeiJer	Tainan MeiJer
Production Lines	Hot-Press machine: 32 sets	Hot-Press machine: 24 sets Auto-Lamination: 3 lines	Extrusion machine: 9 lines

# 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 % (2023Q1~Q3)	71.15%	28.85%	Ready for mass production

# 1 Major Products-PVC Flooring



M.J. International Co., Ltd.

## ➤ PVC

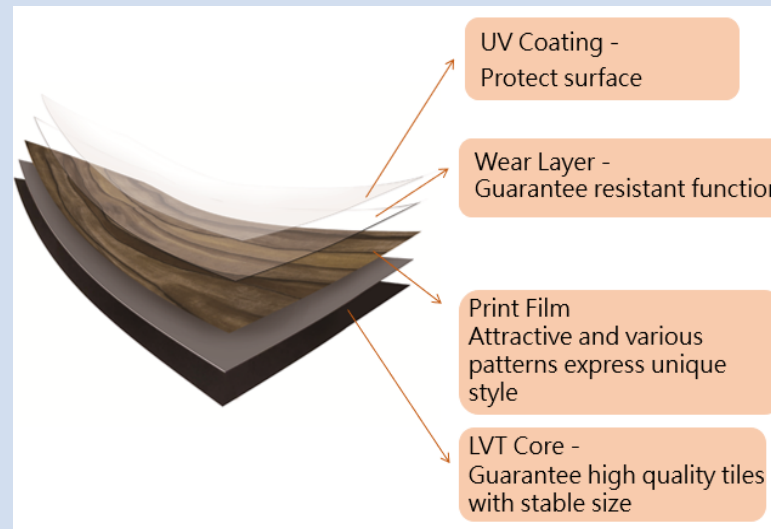
Luxury Vinyl Tile, the main raw materials are PVC, calcium carbonate (stone powder), stabilizers, and other processing aids.

## ➤ 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.

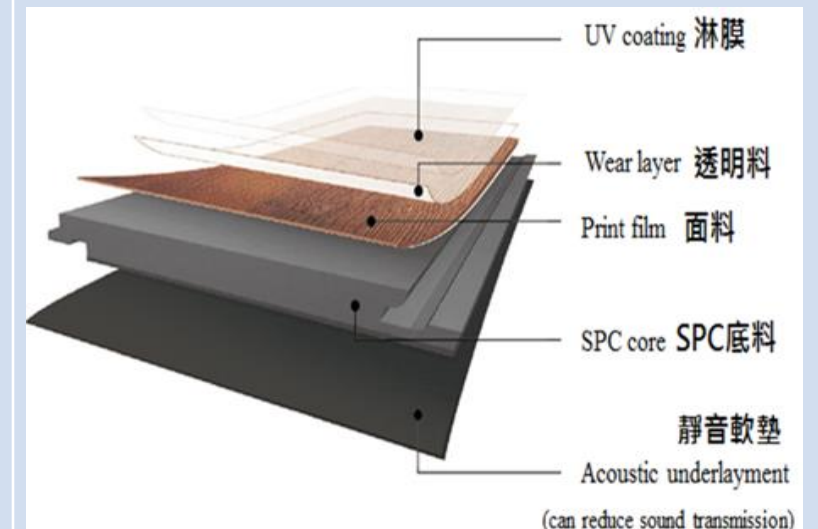
## LVT

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								



# The 2023 Q1~Q3 P&L



M.J. International Co., Ltd.

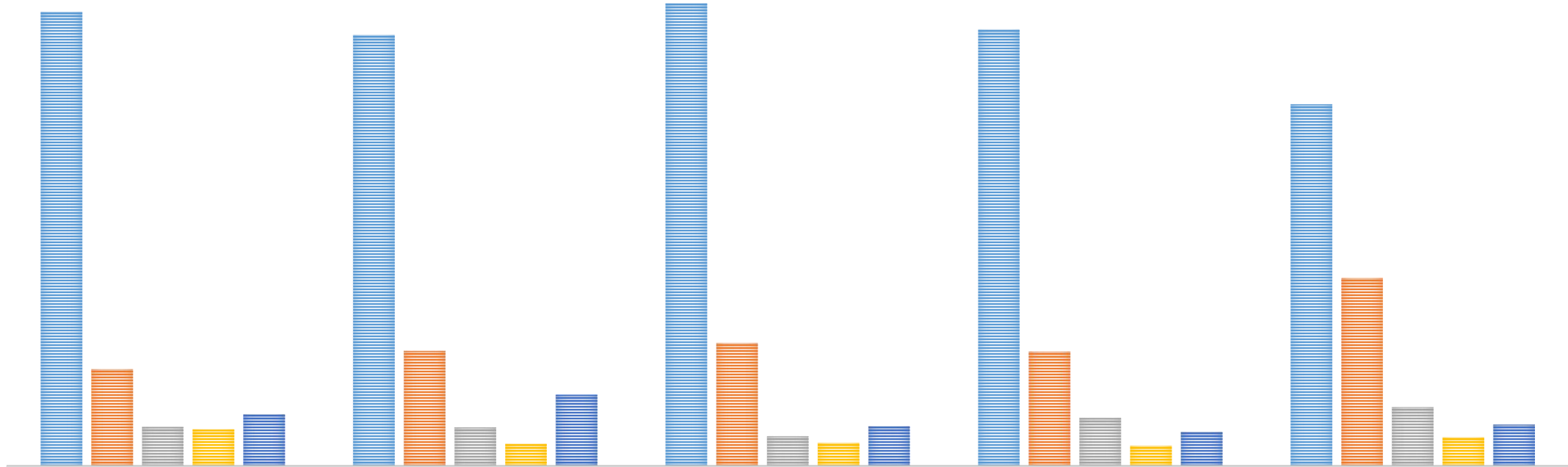
Unit : NT thousands dollars;%

ITEM	2023 3Q	2023 2Q	2023 1Q
Revenue	678,979	826,357	533,405
Gross Margin	133,719	125,113	56,242
Gross Margin %	19.7%	15.1%	10.5%
Operation Expense	93,067	142,781	92,554
Operation profit	40,652	(17,668)	(36,312)
Operation Profit %	6.0%	-2.1%	-6.8%
Non-operation Items	3,299	56,720	(11,224)
Income Tax	52,328	26,525	8,925
Net Income	(8,377)	12,527	(56,461)
Net Income %	(1.2%)	1.5%	-10.6%
EPS(NTD)	(0.05)	0.33	-0.67

# 3 Major Sales Areas

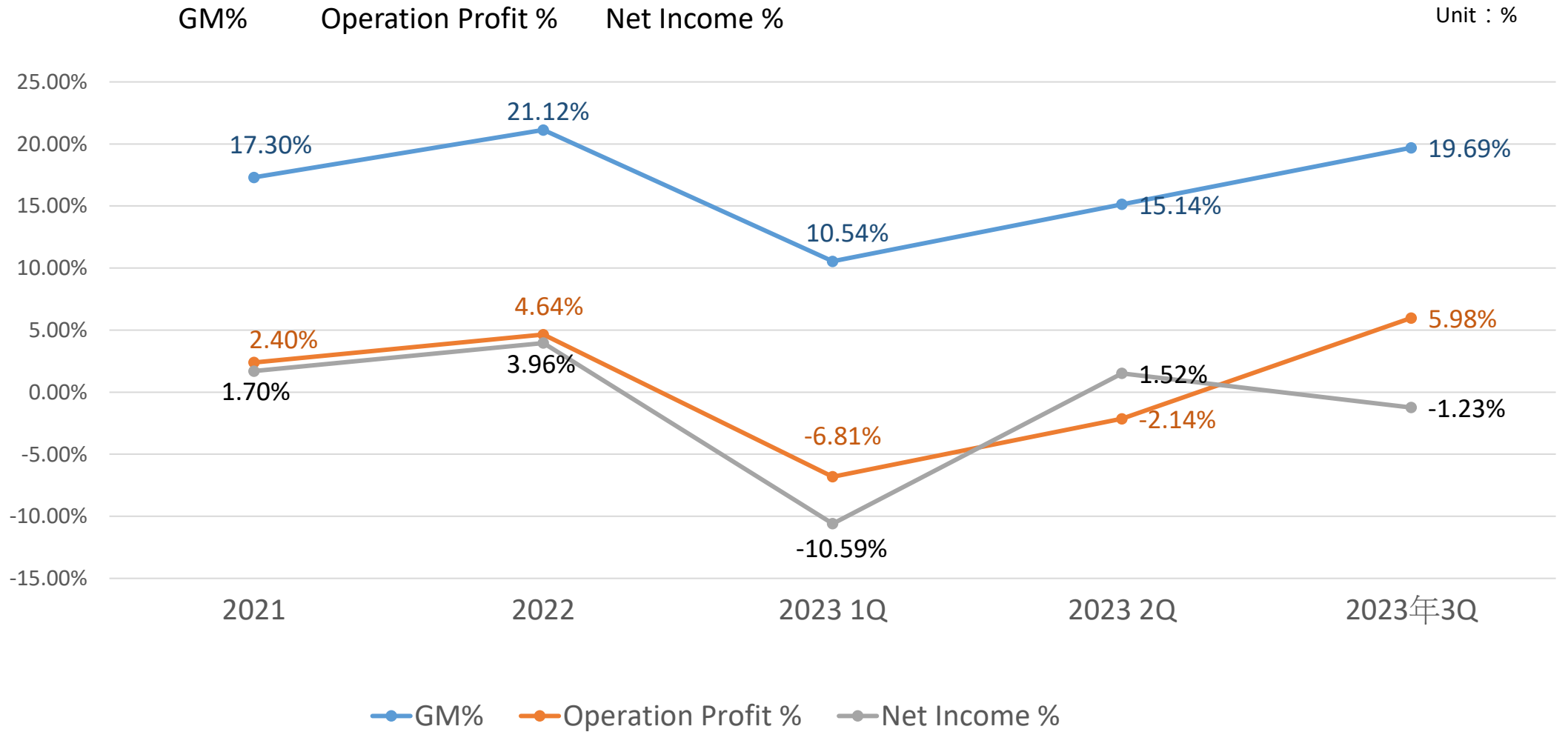


M.J. International Co., Ltd.



	2021	2022	2023 1Q	2023 2Q	2023 3Q
Europe	66.80%	63.43%	68.07%	64.22%	53.23%
N.America	14.29%	16.97%	18.11%	16.89%	27.65%
Taiwan	5.81%	5.75%	4.43%	7.15%	8.73%
China	5.41%	3.31%	3.45%	3.04%	4.23%
Other	7.69%	10.54%	5.94%	5.10%	6.16%

# Business & Profit Analysis



# 2023 1Q~3Q balance sheet



M.J. International Co., Ltd.

Unit : NT thousands dollars;%

ITEM	2023 3Q	2023 2Q	2023 1Q
Cash and cash equivalents	1,135,743	1,103,075	918,765
Trade receivables	734,655	746,733	561,254
Inventories	370,392	355,538	476,430
<b>Total current assets</b>	<b>2,811,081</b>	<b>2,656,887</b>	<b>2,487,412</b>
Property, plant and equipment	3,479,518	3,478,223	3,567,254
<b>Total non- current assets</b>	<b>3,825,023</b>	<b>3,776,029</b>	<b>3,905,677</b>
<b>Total assets</b>	<b>6,636,104</b>	<b>6,432,916</b>	<b>6,393,089</b>
<b>Total current liabilities</b>	<b>1,298,924</b>	<b>1,713,009</b>	<b>1,715,184</b>
<b>Total liabilities</b>	<b>4,060,403</b>	<b>3,981,544</b>	<b>3,912,473</b>
<b>Total equity</b>	<b>2,575,701</b>	<b>2,451,372</b>	<b>2,480,616</b>



# Future Operational Development Plan of M.J

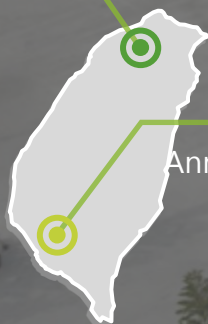
# 美喆 Tainan Plant

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

M.J.美喆

# 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.

# 4 Tainan factory key position

## Three Key Production Models for the Future

① Factory Decentralization

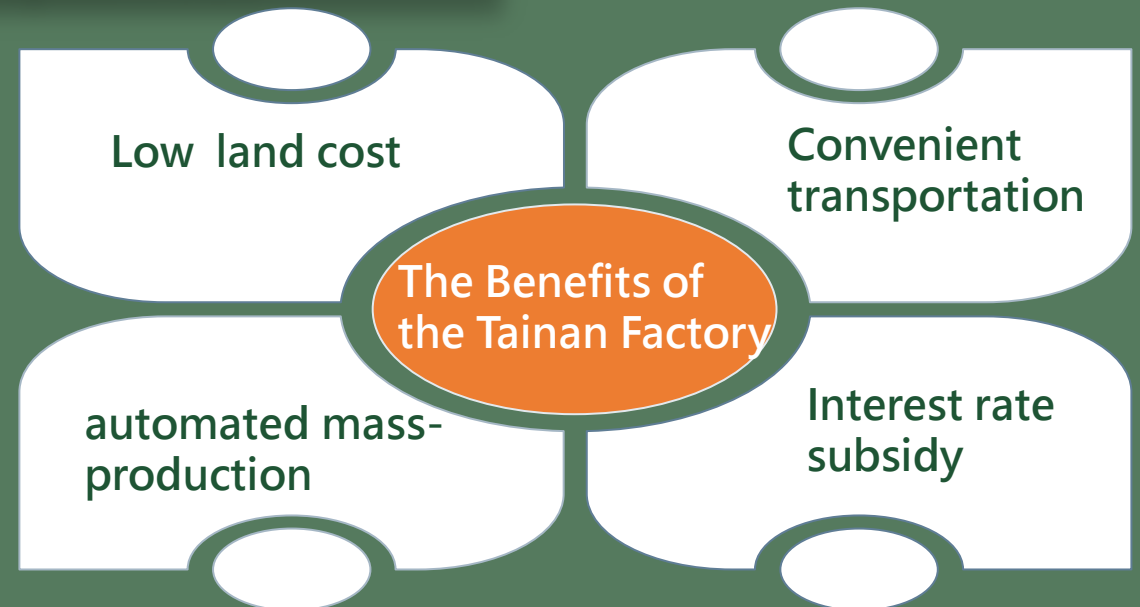
② Centralized Procurement

③ Diverse Orders

Suppliers Needing Rapid Responsiveness and Flexible Delivery Capabilities

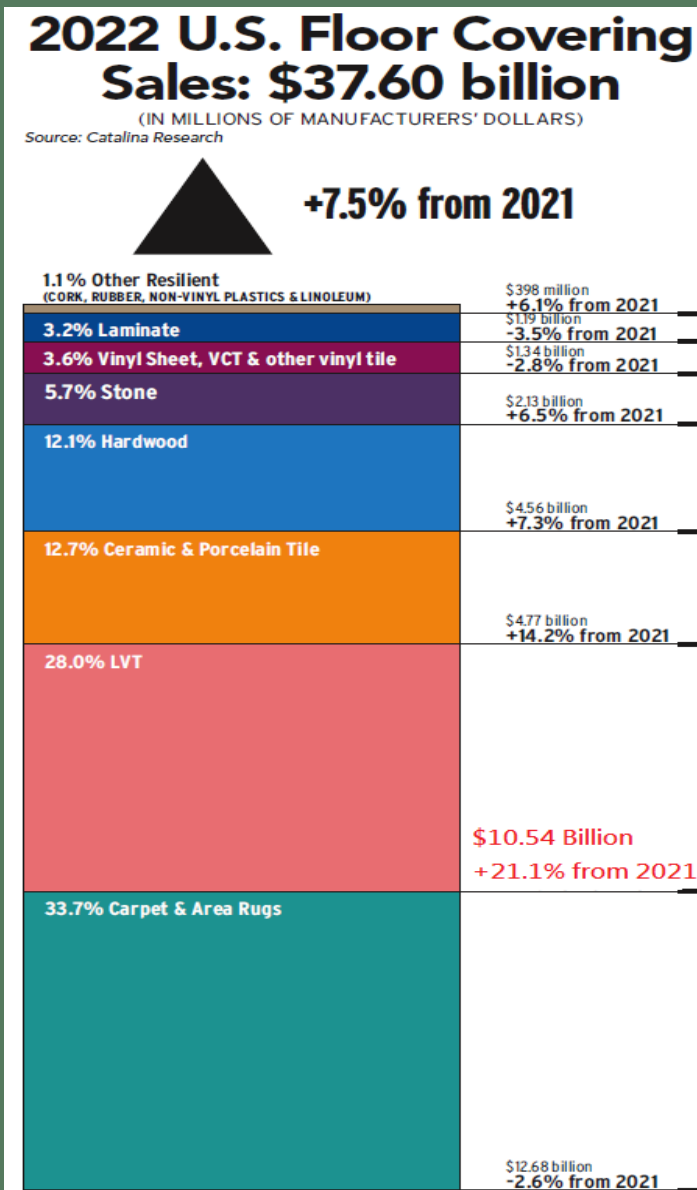
## M.J.-KY's Production Area Diversification Plan :

- 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



- 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 <sup>R</sup>	2019 <sup>R</sup>	2020 <sup>R</sup>	2021 <sup>R</sup>	2022 <sup>P</sup>	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) <sup>1</sup>	4,041	4,316	6,187	8,701	10,540	21.1
Vinyl sheet & other vinyl floor tile <sup>2</sup>	1,795	1,506	1,351	1,375	1,336	-2.8
Other resilient flooring <sup>3</sup>	344	320	285	375	398	6.1
Stone flooring <sup>4</sup>	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



# 4

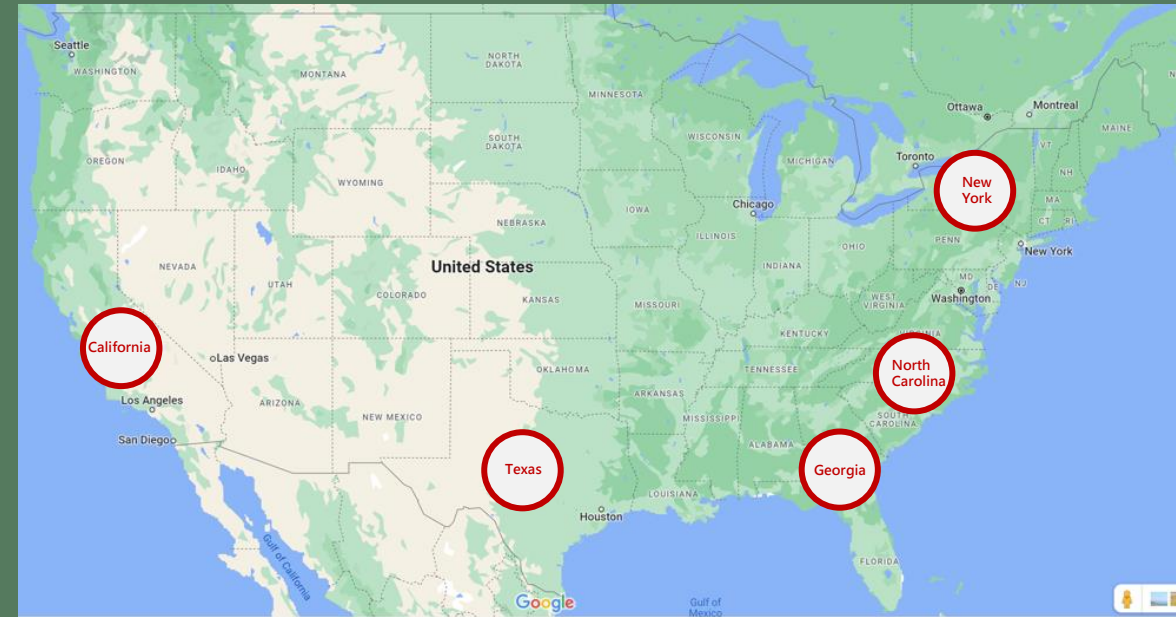
# North American Market Business Strategy - B-Level Customers

- 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

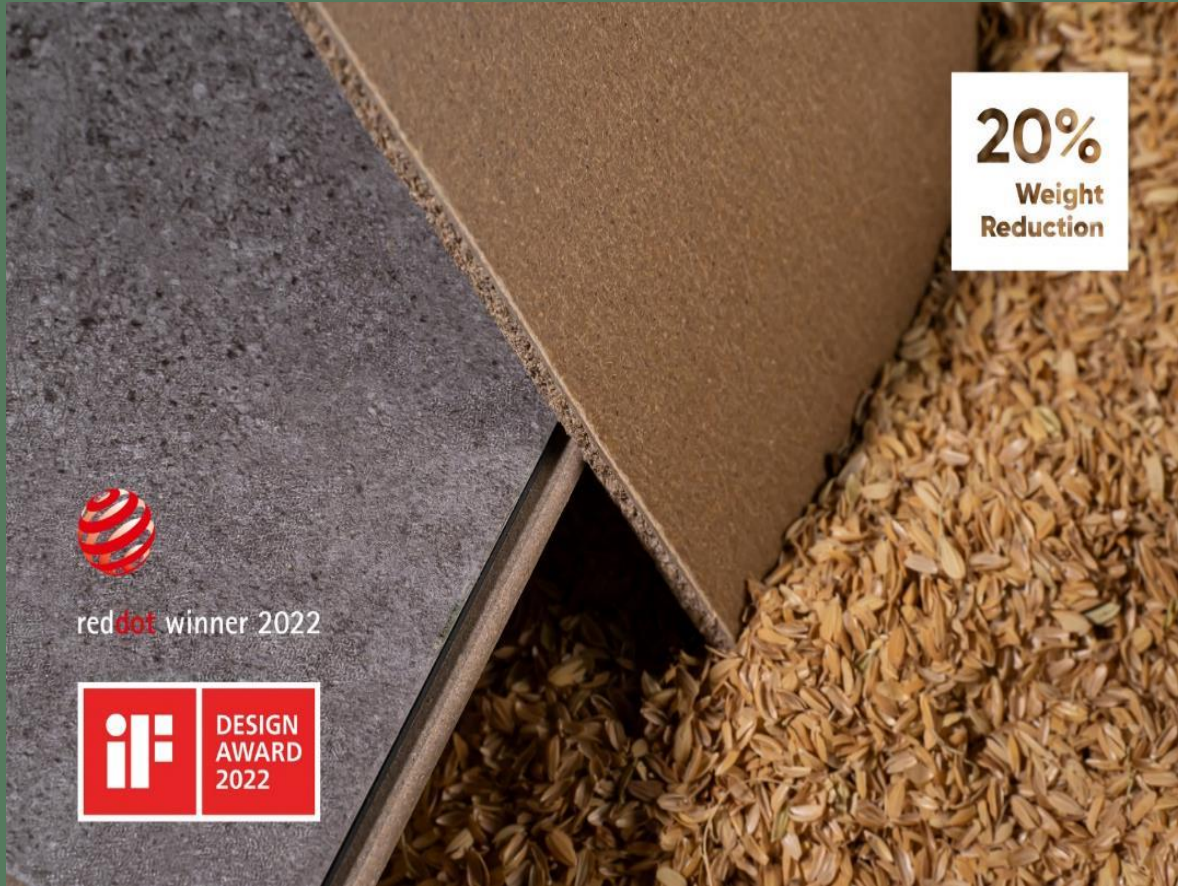
## Map of Regional Distributor



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

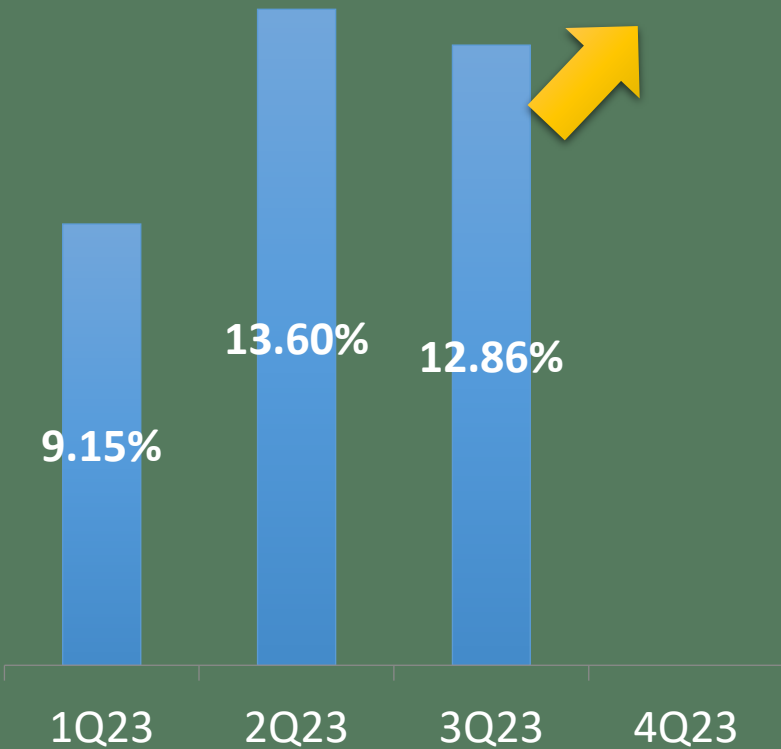
## Circular Economy – Reuse of Agricultural Waste



## PP Flooring

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

Quarterly Shipment Percentage of the Tainan Factory



## 2022-2023

- 1. Capture Market Share Quickly/Fill Production Capacity.
- 2. Prioritize Mass Products/Shift Toward ODM Transformation.

## 2023-2024

- 1. Launching New Products (Eco-friendly Products/Differentiated Products)
- 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



MJU

THANK YOU !