

# YAMAZEN CORPORATION

## Financial Results for FY3/23



May 23, 2023

Koji Kishida  
President and CEO

Stock Code: 8051

## **AGENDA**

**I. Outline and Our Business Models**

**II. Medium-Term Management Plan “CROSSING YAMAZEN 2024”**

**III. FY3/23 Financial Highlights**

**IV. Earnings Forecast for FY3/24**

**V. Shareholder Returns and Capital Policies**

**Appendix**

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### Appendix



**Representative Director  
and President  
Koji Kishida**  
[Born on Sep. 2, 1960]

<b>Apr. 1983</b>	<b>Joined the Company, In charge of marketing for the Domestic Machine Tools Division H.Q.</b>
<b>Apr. 2012</b>	<b>President of USA Branch of International Business Division H.Q.; President (COO) of YAMAZEN INC.; and President of PLUSTECH INC.</b>
<b>Apr. 2016</b>	<b>Corporate Officer; Vice President of Machine Tools Division H.Q. (in charge of overseas business), General Manager of International Department and President of YAMAZEN (KOREA) LTD.</b>
<b>Apr. 2018</b>	<b>Executive Officer; President of Production Equipment Business H.Q.</b>
<b>Jun. 2018</b>	<b>Director and Executive Officer</b>
<b>Apr. 2020</b>	<b>Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business) and General Manager of the International Department, Machine Tools Division H.Q.</b>
<b>Apr. 2022</b>	<b>Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business)</b>
<b>Apr. 2023</b>	<b>Representative Director, President &amp; CEO (to present)</b>

# Management of Fostering Personnel

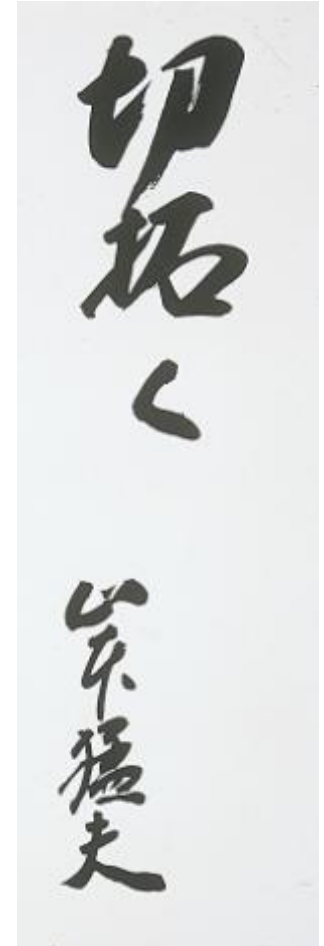
To make active use of personnel, and to foster independent  
and virtuous employees

# Management of Breaking Through

To challenge, innovate and create

# Management of Trust

To respond to the needs and expectations of society and  
contribute to them



Suppliers



**YAMAZEN**

Clients

Users

Production equipment  
(domestic and overseas)

Consumer goods (domestic)

Building materials

Home products

About **3,000**  
companies



Makers of factory  
equipment,  
devices, tools, etc.

**Machine Tools Division  
H.Q.** (Machine tools, etc.)

**Industrial Tools &  
Equipment Division\***  
(Peripheral equipment for  
production lines, etc.)

About **5,000**  
companies



Machine Tools  
Sellers, Cutting Tool  
Trading Companies,  
etc. around Japan



Export

16 overseas  
subsidiaries and  
65 overseas  
offices



**Manufacturers  
in Japan**

**Engineering and  
maintenance services**



**Overseas  
manufacturers**

About **900**  
companies



Makers of kitchen, air-  
conditioning equipment,  
and other housing  
equipment

**Building Materials  
Division H.Q.**  
(Building materials and  
equipment)

About **2,900**  
companies



Small and large-sized  
house-builders,  
renovation  
contractors, etc.  
around Japan



**House-  
builders**

About **600**  
companies

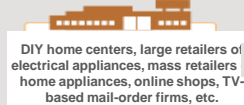


Makers of furniture,  
Electrical  
appliances, etc.

**Home Products Division  
H.Q.**

(Electrical appliances, interior,  
exterior and leisure products, etc.)  
\*Our private brand (PB) products  
account for about 60% of sales.

About **400**  
companies

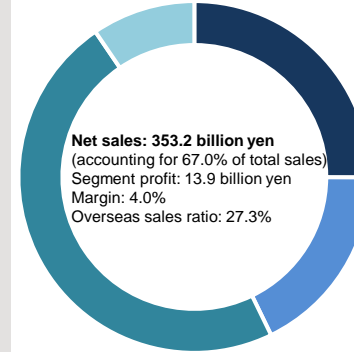


DIY home centers, large retailers of  
electrical appliances, mass retailers  
home appliances, online shops, TV-  
based mail-order firms, etc.

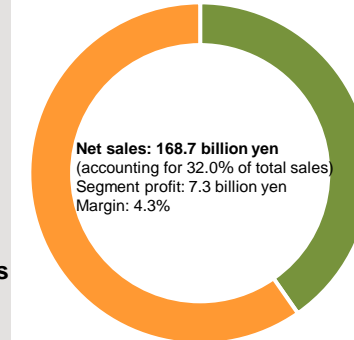


**General  
customers**

**YAMAZEN**  
E-commerce/B2C  
eコマース/B to C



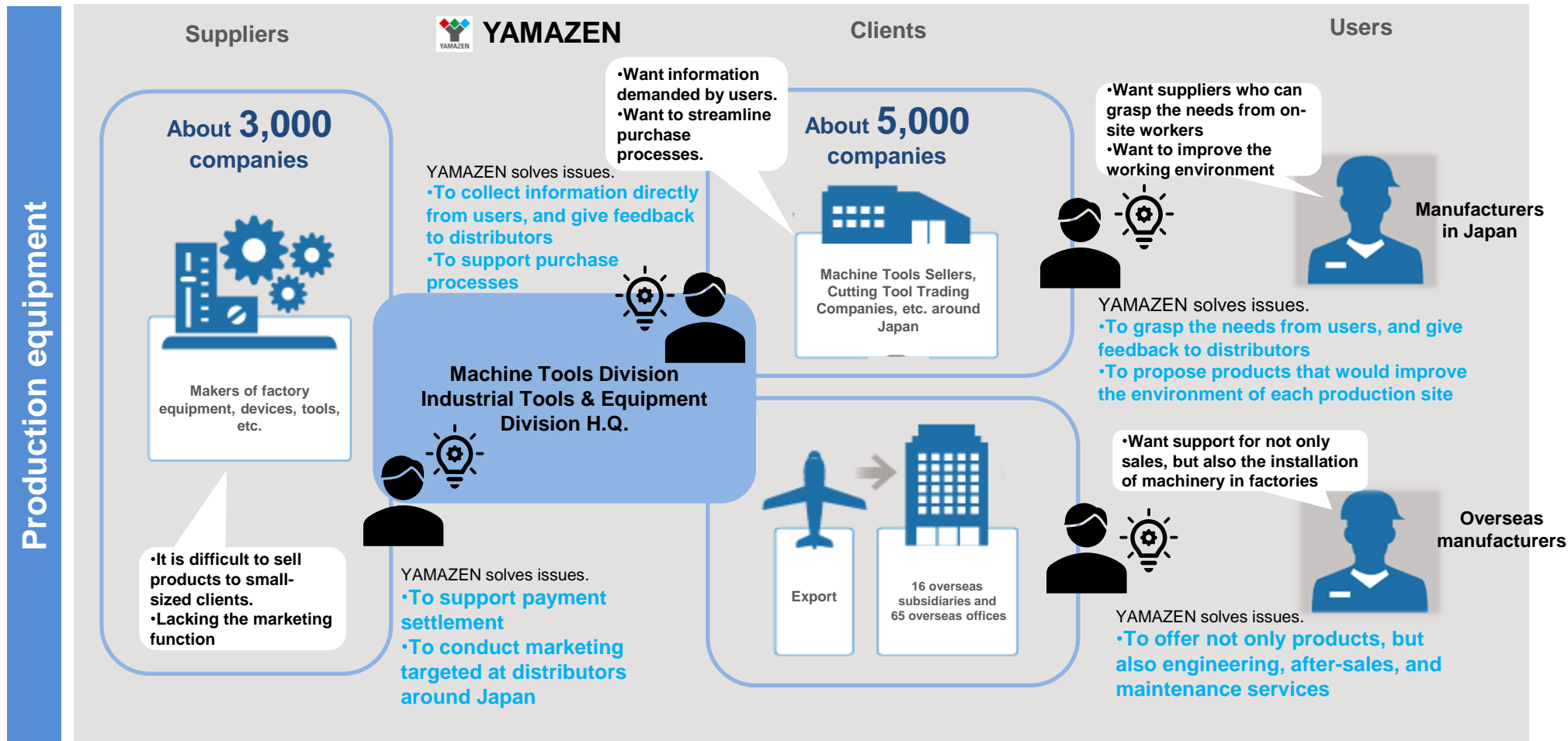
FY3/23	
Machine Tools (Domestic)	88.4 billion yen
Machine Tools (Overseas)	62.7 billion yen
Industrial Tools & Equipment (Domestic)	168.3 billion yen
Industrial Tools & Equipment (Overseas)	33.6 billion yen



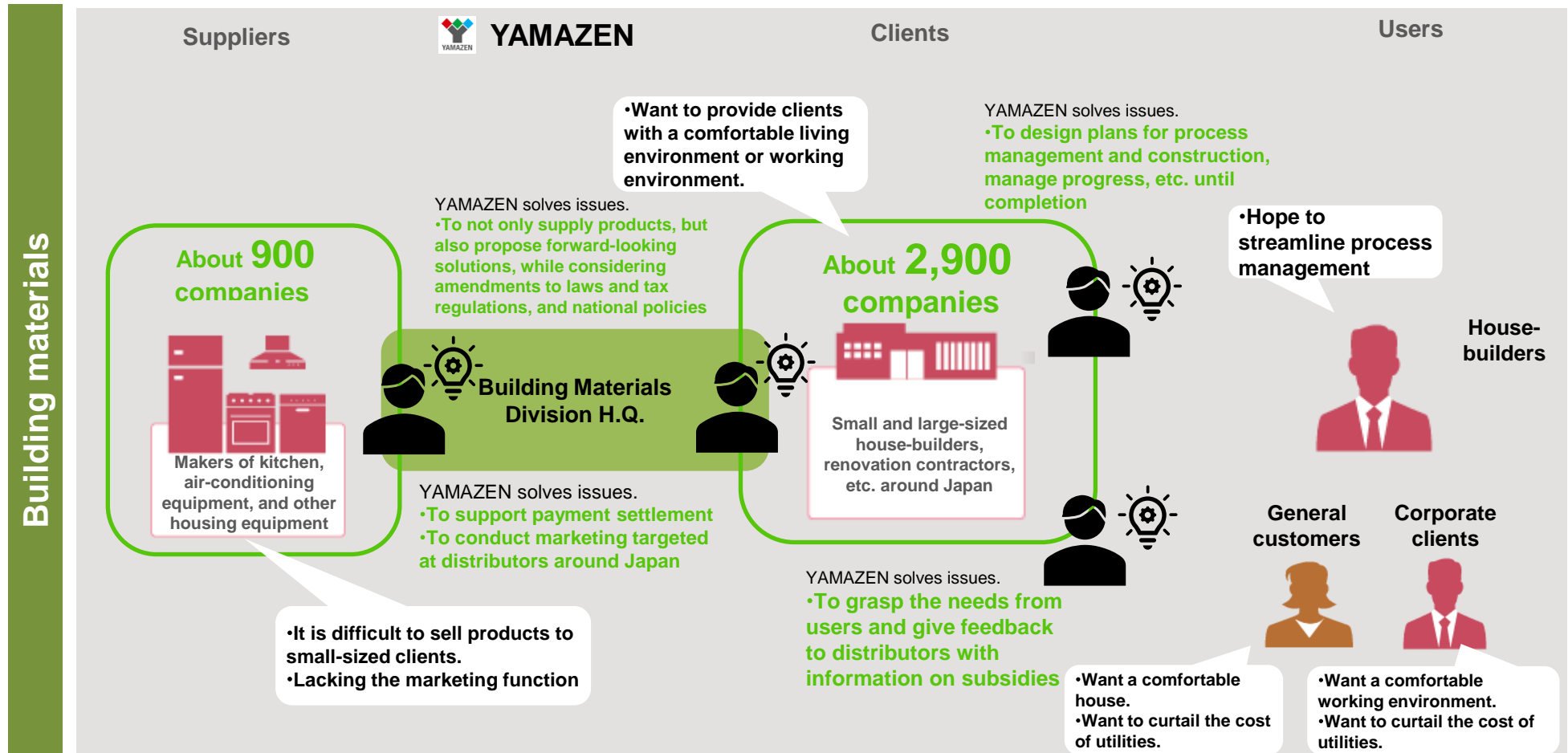
FY3/23	
Building Materials	68 billion yen
Home Products	100.7 billion yen

To support the sustainable development of the supply chain and the growth of each client's business

Marketing staff of YAMAZEN (human capital) solve issues with clients by utilizing information and ideas (intellectual capital), networks, and engineering capability (manufacturing capital), to maintain or expand social capital and earn revenues for YAMAZEN.

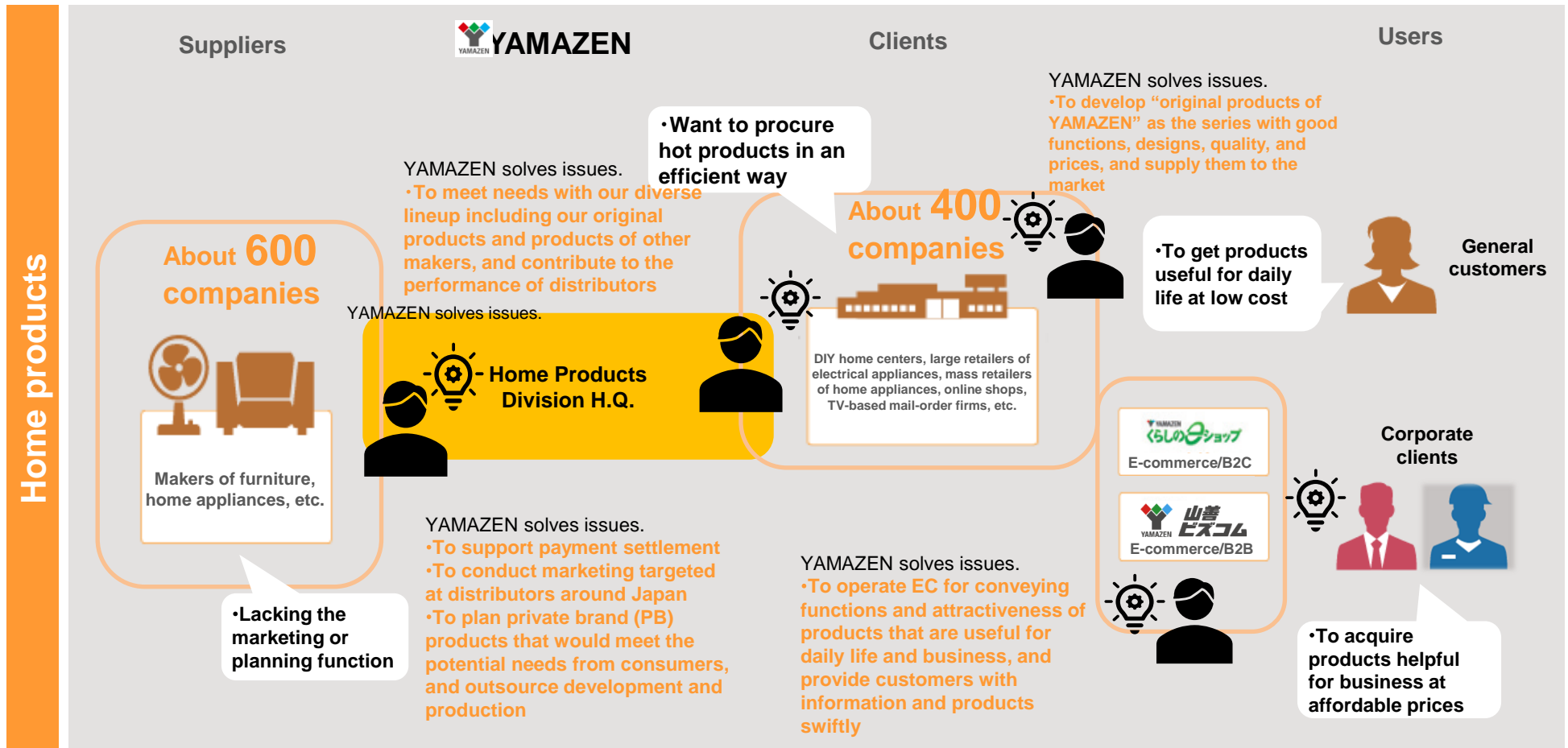


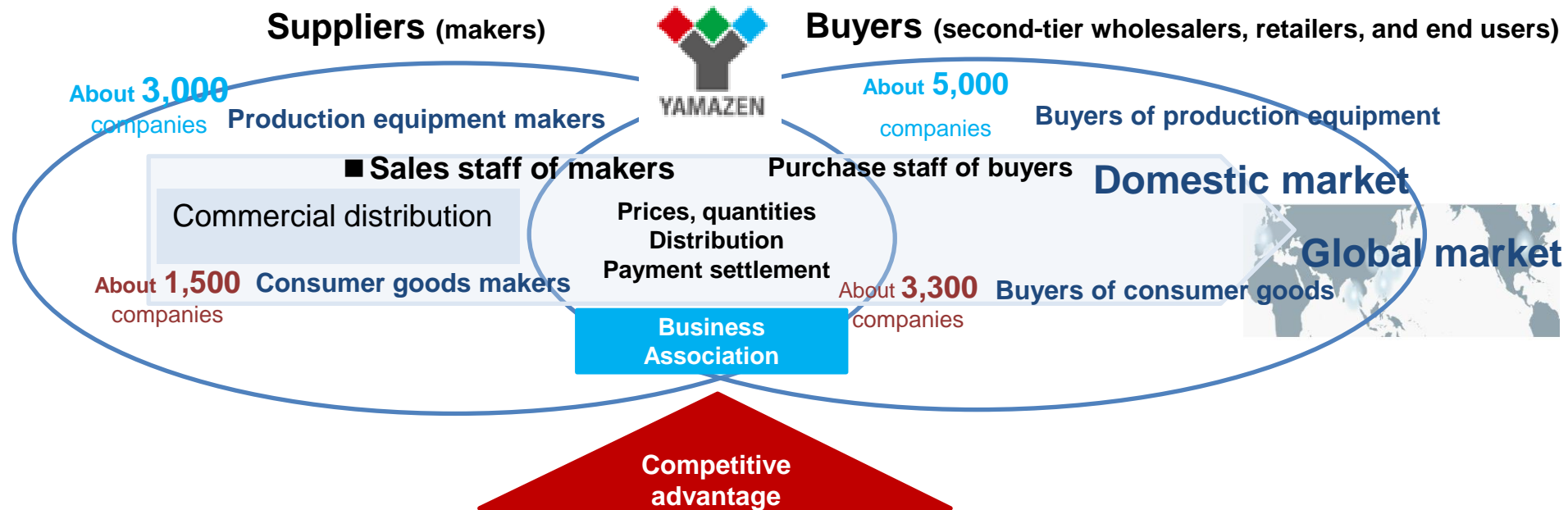
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To support the sustainable development of the supply chain and the growth of each client's business  
Marketing staff of YAMAZEN (human capital) solve issues with clients by utilizing information and ideas (intellectual capital), networks, and engineering capability (manufacturing capital), to maintain or expand social capital and earn revenues for YAMAZEN.





## Solid relationships with business partners and significant presence we fostered as a wholesaler in our long history in this industry

- ✓ Strong relationships with suppliers and clients we have nurtured for over 70 years (The organization of suppliers: Sodality Association, the organization of buyers: Ace Association)
- ✓ Global network (16 local companies and 65 business locations outside Japan)

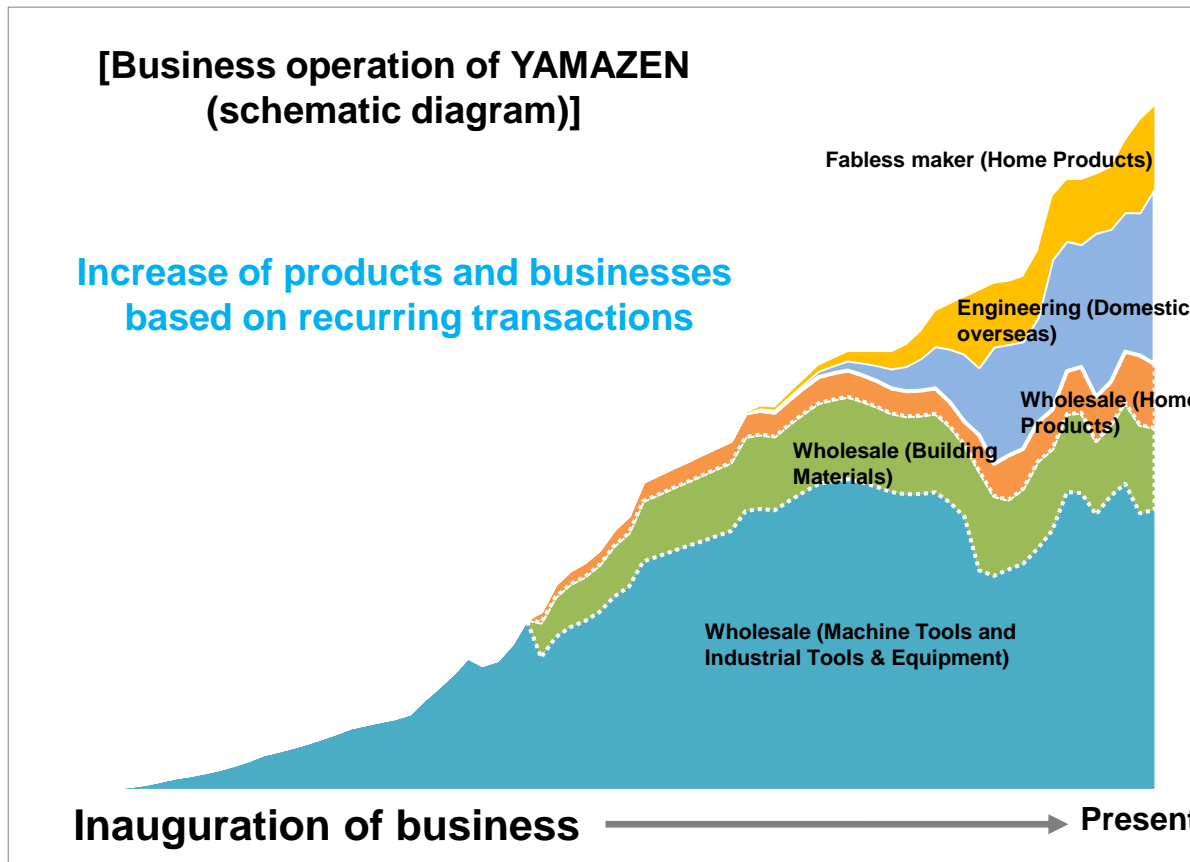
## Flexible business operation with low risks

- ✓ With minimum invested capital, it is possible to change or increase business partners flexibly and approach various markets.
- ✓ To stick to the “procurement process while expecting order receipt”

## Human resources for attaining our Management Philosophy

- ✓ Marketing staff’s capabilities of gathering information, proposing plans, and negotiating tenaciously, which follow the ambition of the founder

We started business with wholesale of production equipment, **developed a revenue base with recurring transactions with many clients, added some spot transactions**, transformed them into recurring ones, and expanded our business domain and scale.



## Current business model of YAMAZEN

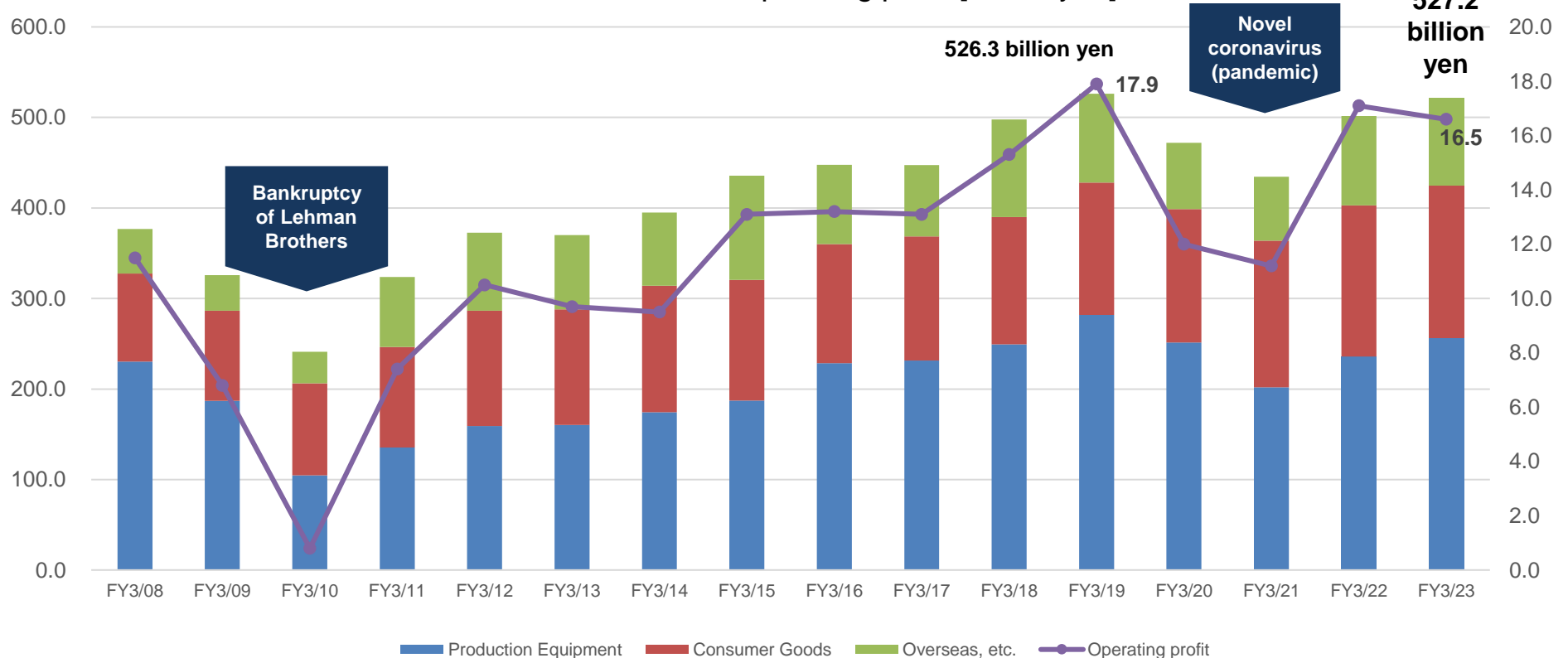
- Wholesale (Machine Tools and Industrial Tools & Equipment)
- Wholesale (Building Materials)
- Wholesale (Home Products)
- Engineering (Domestic and overseas)
- Fabless maker (Home Products)



= Trading company specializing in production equipment (inside and outside Japan) × consumer goods

**Net sales and operating profit remained healthy thanks to robust business despite the changes in the external environment.**

Variations in net sales and operating profit [Billion yen]



## ■ Production Equipment Business

### Business outline

### Major items handled

### Business model and strengths

#### Machine Tools

domestic and overseas

•In collaboration with top makers inside and outside Japan, we **offer production and processing systems (cutting-edge hardware and software)** with machine tools for on-site operation, to support "manufacturing" inside and outside Japan.

•Outside Japan, we have community-based **sales systems and an advanced engineering function** in major industrial cities, and **comprehensively support** the design of production lines, the installation of machine tools, and maintenance.

Machine tools (machining centers, CNC lathes, CNC grinding machines, CNC milling machines, electric discharge machines, conventional machine tools, 3D printers, etc.), metal forming machines, plate processing machines, injection molding machines, die-casting CAD/CAM, etc.

Wholesale

•**Commercial distribution with significant cash flows although there is no stock** and profit margin is low

Engineering (inside and outside Japan)

•We directly sell products to factories while adding engineering functions, achieving **a high profit margin**.

#### Industrial Tools & Equipment

domestic and overseas

•We meet a **variety of needs (supplies, ancillary facilities, etc.)** at production sites, and provide an **integrated system** for improving production efficiency through automation and labor-saving, and the environment of each production site, and adopting cutting-edge technologies.

•The on-site engineering section automates production lines and selects machines and blades that constitute the production lines. **After the delivery of equipment, we support the procurement of supplies and maintenance consistently.**

Material handling (devices for distribution), mechatronics (mechatronic devices, robots, and labor-saving equipment), aids for environmental improvement, cutting tools, accessory tools, hand tools, electric tools, Measuring equipment, fluid machinery, etc.

Wholesale

•**To grasp latent needs from users and propose solutions**  
•**Inventory control** for swift delivery

## ■ Consumer Goods Business

#### Building Materials

domestic

•To comprehensively propose new products and systems aimed at realizing society and living space that are friendly to people and the earth, including environment-conscious, decarbonized, healthy, and barrier-free ones. In detail, we procure and stably supply processed wooden products and primarily and secondarily processed industrial products, propose and sell building materials, equipment, devices, etc., and also concentrate on renovation business.

Kitchens, cooking appliances, kitchen-related appliances, bathroom appliances, washbasin appliances, Water boiling equipment, Sanitary appliances, air-conditioning/ventilation equipment, solar power generation, storage batteries, floor heating, solar thermal water heating equipment, stored-heat heating systems, plumbing equipment & materials, interior architectural materials, electrical equipment & materials, etc.

Wholesale

•With the model of wholesale of building materials and equipment to builders, etc., we deliver products swiftly from delivery bases around Japan. **In this model, we have little inventory, and a high cash flow.**

#### Home Products

domestic

•We deal in familiar and useful products that are used in daily life, such as home appliances, interior, exterior, leisure, and anti-disaster goods, and possess functions as a trading company in the field of distribution and logistics and as a maker that plans and develops original products.

Planning, development, and sale of home appliances (electric fans, heating equipment, cooking equipment, audiovisual equipment, lighting equipment), furniture, products for outdoor and leisure activities, kitchen utensils, daily goods, exteriors, gardening products, agriculture products, Healthcare goods, sanitary goods, industrial tools, goods for automobiles and motorcycles, anti-disaster goods, etc.

Wholesale

•**Commercial distribution with significant cash flows although there is no stock** and profit margin is low

Fabless maker

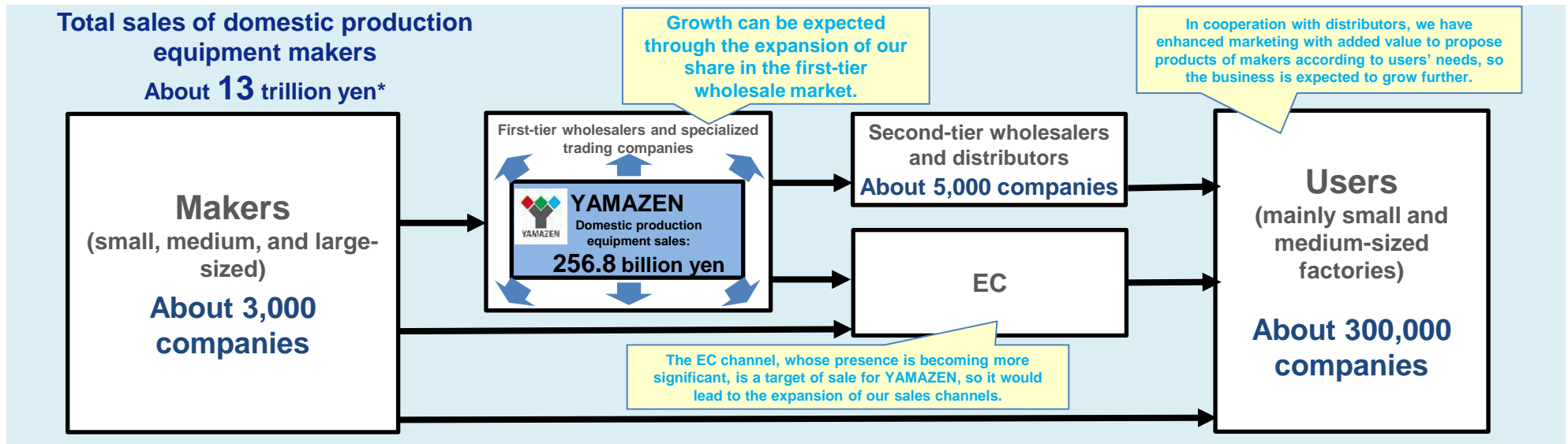
•**Profit margin is high**, thanks to the sale of PB products that meet consumer needs.



## ■ Domestic Production Equipment Business:

The domestic Production Equipment Business, which is the mainstay of YAMAZEN, has established a top-level presence in this industry. The total sales of domestic production equipment makers is estimated to be about 13 trillion yen\*, and the sales channels are being diversified.

- ✓ In the market of production equipment makers, there are promising domains for our company, such as the domain of semiconductors.
- ✓ Our company is expected to grow by adapting to diversified sales channels based on our unique marketing with expertise and added value.



## ■ Building Materials Division:

- ✓ This business is expected to grow, through the expansion of our shares in the promising markets of solar power generation, V2H, and non-residential business.

## ■ Home Products Division:

- ✓ Our company already handles top-class products in this category (such as electric fans and electrical blankets) and is expected to grow by expanding sales channels and increasing products to be sold.

## ■ Overseas Production Equipment Business:

We sell the products of Japanese-affiliated and local makers directly to users while offering engineering support services in a seamless manner, boasting top-class performance in the world.

Further growth can be expected, through **enhancement of the following activities** in addition to the already established presence outside Japan.

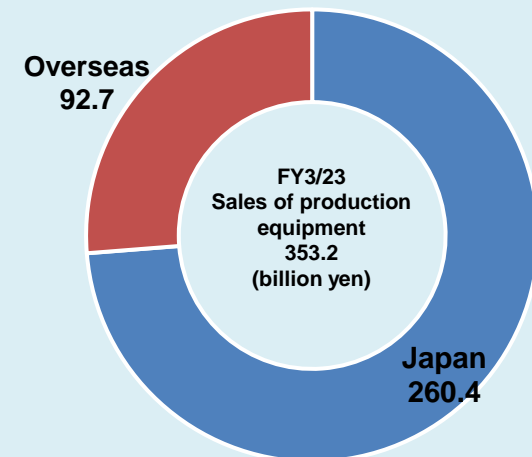
- ✓ **Geographical expansion and reform** of the target market (improvement of our presence in the European and Indian markets, and so on)
- ✓ **Promotion of cross-border marketing strategies** (support for investment in each country, etc.)
- ✓ **Enhancement of initiatives in growing industrial fields** (EVs, semiconductors, electronics, telecommunication, medical, etc.)



## Yamazen Group's global network



We have 65 offices in major industrial cities of 15 overseas countries/regions, and about 40% of employees of our corporate group engage in overseas business. We offer services based on community-based sales structures and an advanced engineering function.



Ratio of overseas sales in Production Equipment Business: 27.3% (up 1.0 pt from the previous term)



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## PURPOSE

Pioneering a new future, with you all

## VISION

Leading worldwide manufacturing and enriched lives

## Vision for 2030:

Leading worldwide manufacturing and enriched lives

## Vision for 2030

2025-2027

FY3/25  
Net sales: 600 billion yen  
Operating profit: 21 billion yen  
(margin: 3.5%)

2022-2024



-To establish the company-wide base  
for improving profitability

FY3/22  
Net sales: 501.8 billion yen  
Operating profit: 17.1 billion yen  
(margin: 3.4%)



PURPOSE

Pioneering a new future, with you all

VISION

Leading worldwide manufacturing  
and enriched lives

STRATEGY

Strategies for realizing our corporate vision

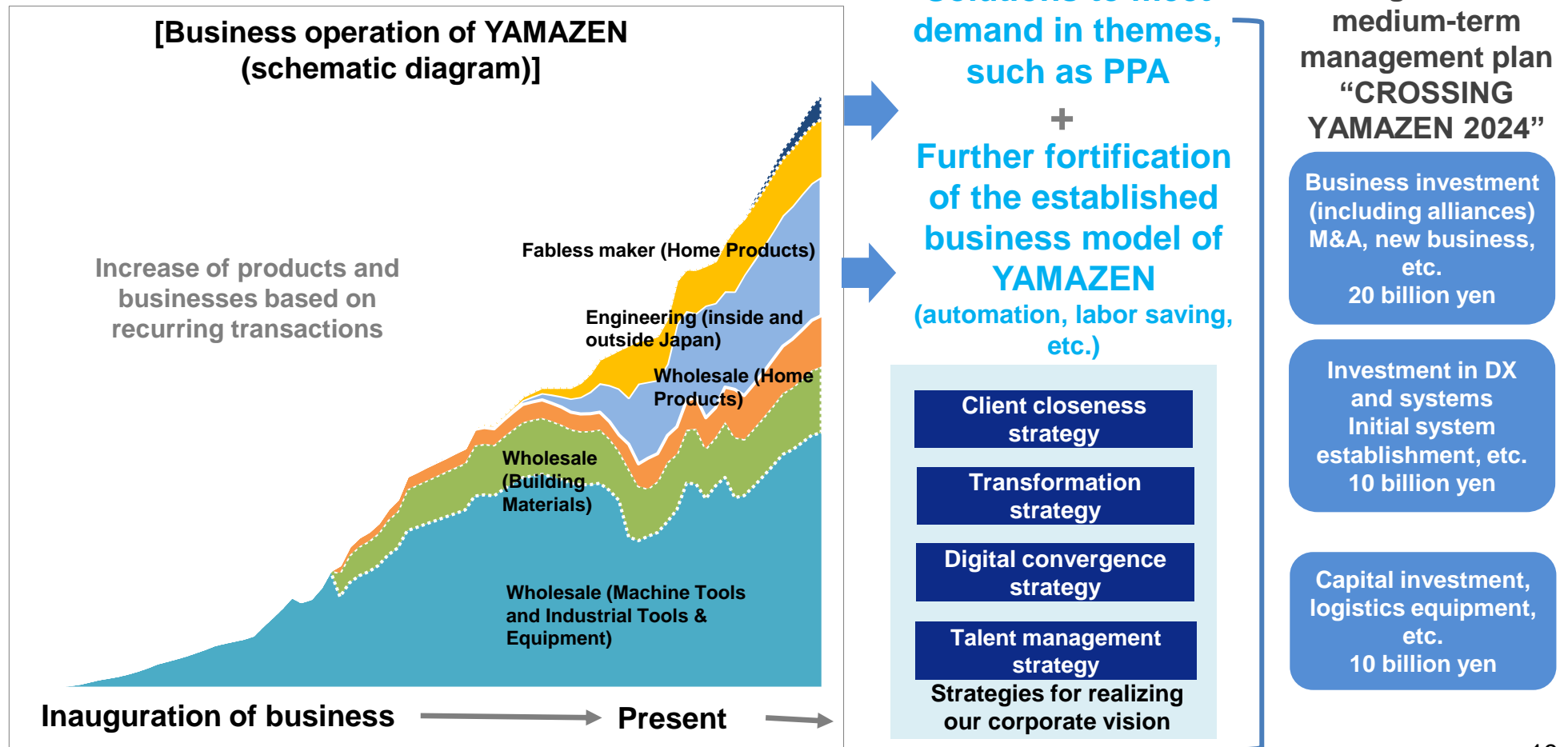
Client closeness  
strategy

Transformation strategy

Digital convergence  
strategy

Talent management strategy

We will create stable cash flows by **fortifying the “recurring revenue base,”** which is our forte, **conducting investment for maintaining competitive advantages,** and **adding sales from solutions to meet demand in each theme.**

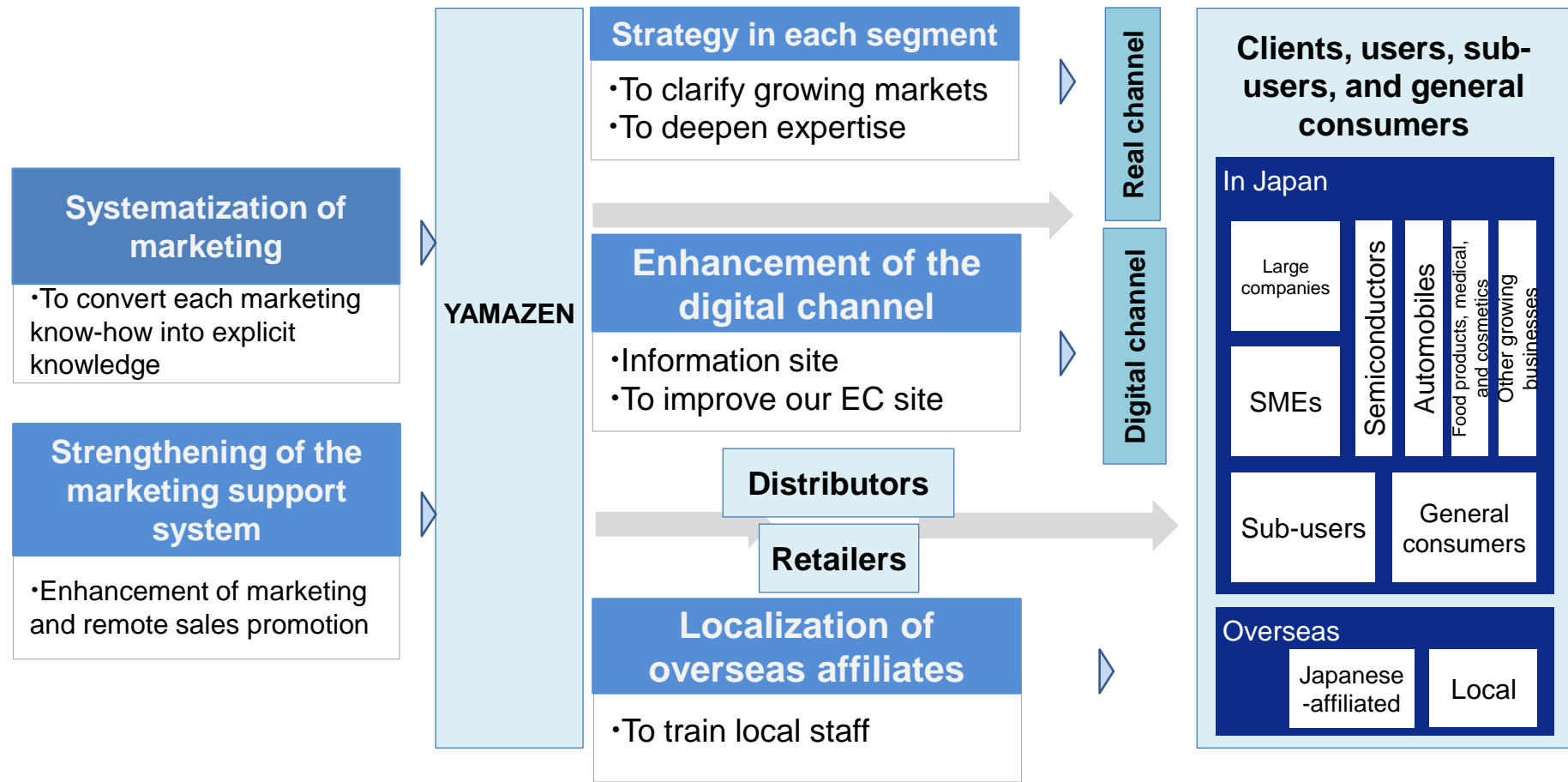




- Our company-wide client closeness strategy is to improve direct contact points with clients, deepen expertise, pursue needs from clients, and expand sales.

## Client closeness strategy

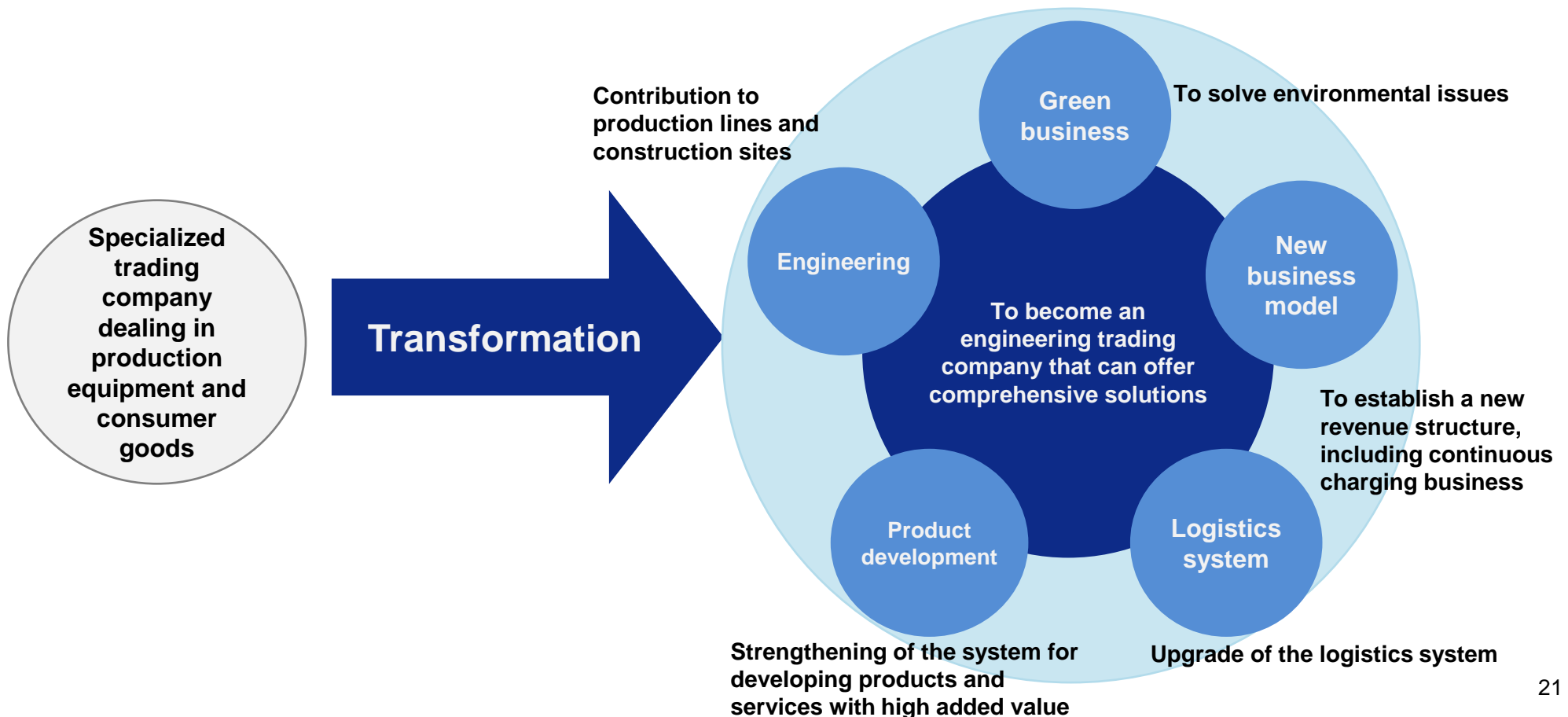
To foster win-win relationships, by grasping the issues faced by clients around the world from their viewpoints and proposing solutions



- We aim to expand profit based on a new revenue base, by transforming the conventional business structure significantly.

### Transformation strategy

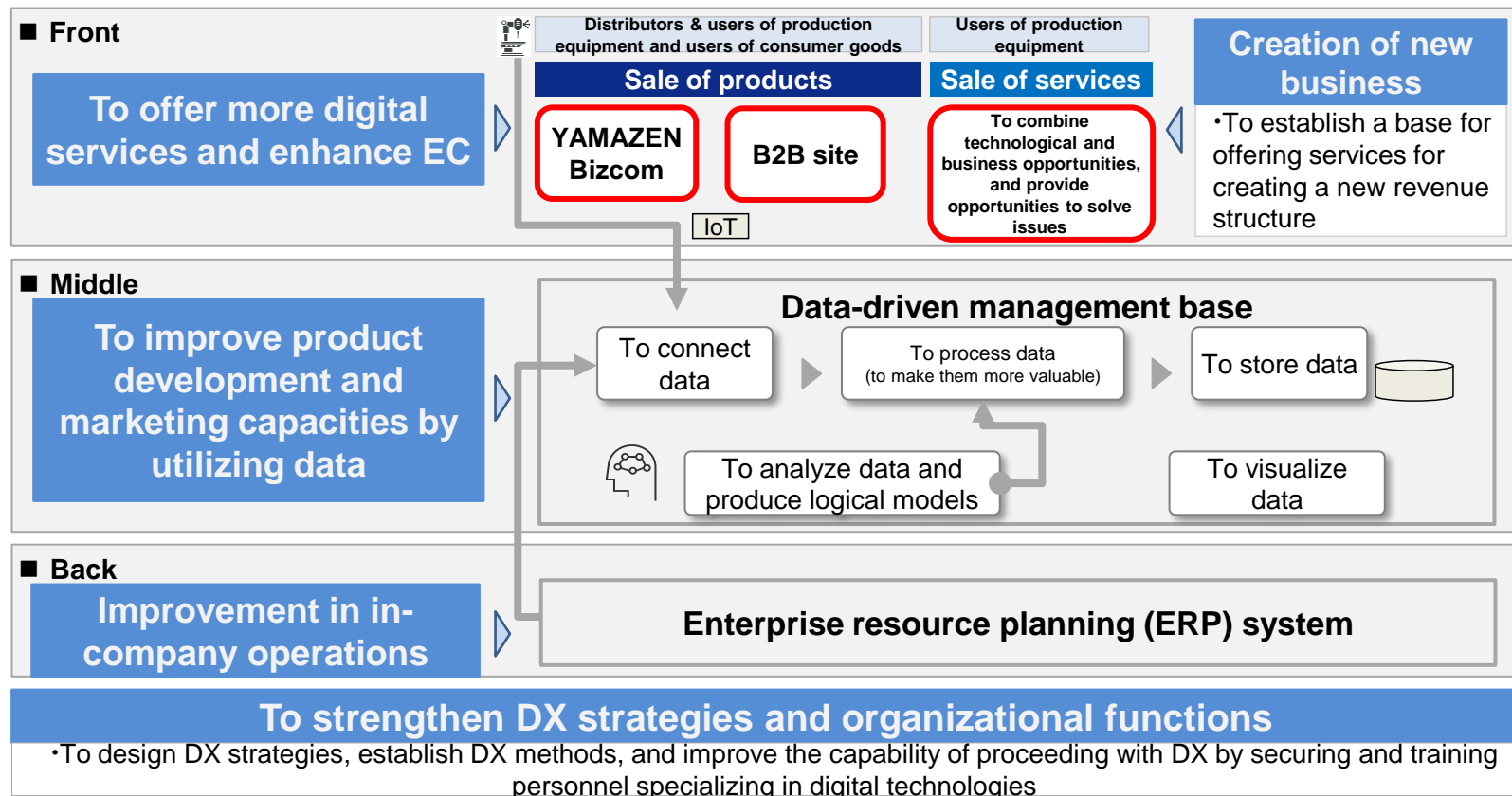
To offer comprehensive solutions, including product manufacturing, engineering, and green business, in addition to the sale of products.



- We aim to create new business opportunities, by increasing contact points with customers based on the strengths of real human resources and digital resources and providing new solutions.

## Digital convergence strategy

To strengthen contact points with customers by utilizing digital technologies, offer new solutions, connect the “knowledge” obtained through them with real human resources, and then create new added value



- To design and implement HR management strategies for satisfying the requirements for actualizing management and business strategies and achieving sustainable corporate growth (corporate value improvement), and strengthen human capital

## Talent management strategy

Under the HR principle “to develop personnel who can take on challenges, ponder, and take action” and the HR management policy to “promote endeavors, thinking, and actions,” we will accelerate the shift to “HR management” for enhancing the development of a company that can grow sustainably and promote it further.

### Talent management based on management and business strategies

- To summarize the requirements for diverse human resources who actualize management and business strategies
- To secure and pool required human resources

### Education, training, skill development, and lectures

To develop bases for educating personnel and developing their skills and promote them for acquiring human resources

## Strengthening of human capital

## Improvement in corporate value

### Evolution of the base for developing self-motivated employees

To diffuse and evolve new personnel systems for acquiring, developing, and treating required human resources

### Well-Being of YAMAZEN

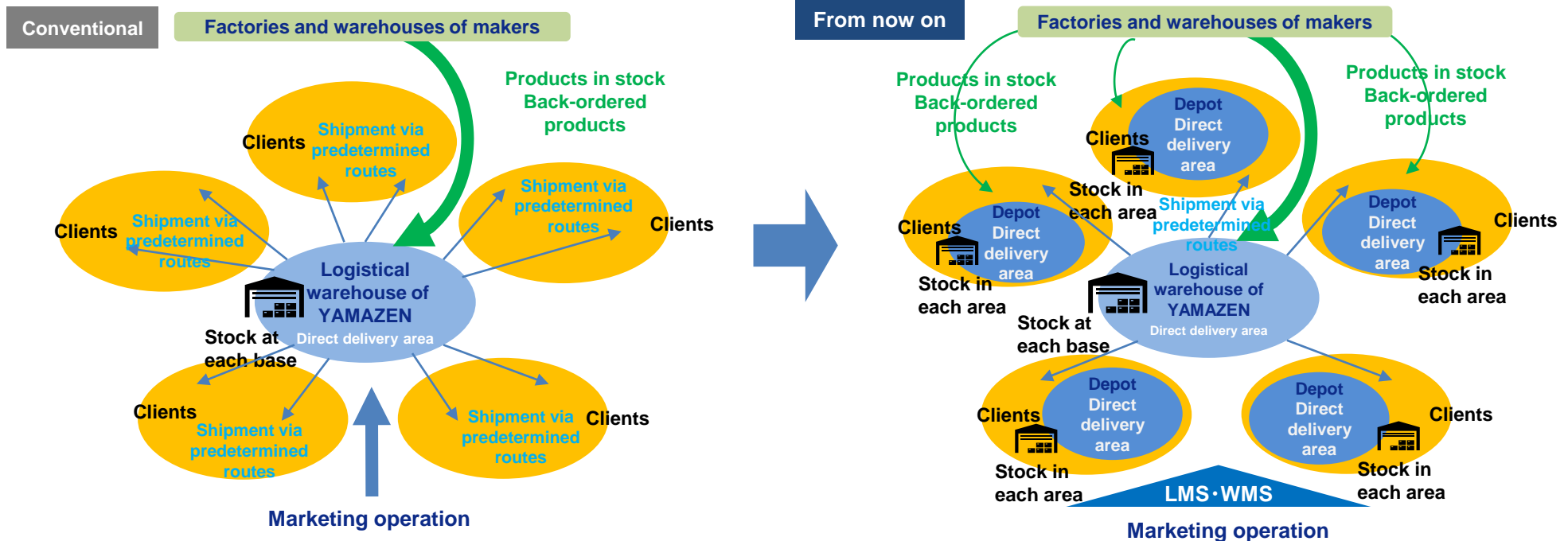
- To establish an environment in which employees can take on challenges, think, and take actions
- To improve employees’ engagement and motivation by promoting management oriented for mental and physical health

### Diversity & Inclusion Independent career

To establish an environment in which employees can create value by polishing and exerting their abilities based on diversity, co-creation, thinking, and actions.

- We aim to improve the productivity of the logistics function, to strengthen the wholesale business, which is a revenue base.

By expanding the target area for delivering products with our own system without relying on predetermined delivery routes, **we will cope with the problems in 2024, curtail costs for transportation and delivery, expand the target area for delivering products on the day of order placement or the following day, and optimize dispersed inventory according to the demand in each area, to improve services.**



## Measures implemented in Jan. 2023

Full-scale operation of “Logistics Center Shin-Tokyo” equipped with LMS and WMS

Start of dual-distribution system (operation of “Okayama Depot”)

Optimization of group-wide logistics functions

## Future measures

Establishment of a “New Logistics Center in Osaka”

- Strategic base of the Industrial Solution Division and Tools & Engineering Division in western Japan
- To enrich items in stock, and actualize optimal delivery
- We aim to start full-scale operation in Jan. 2025.



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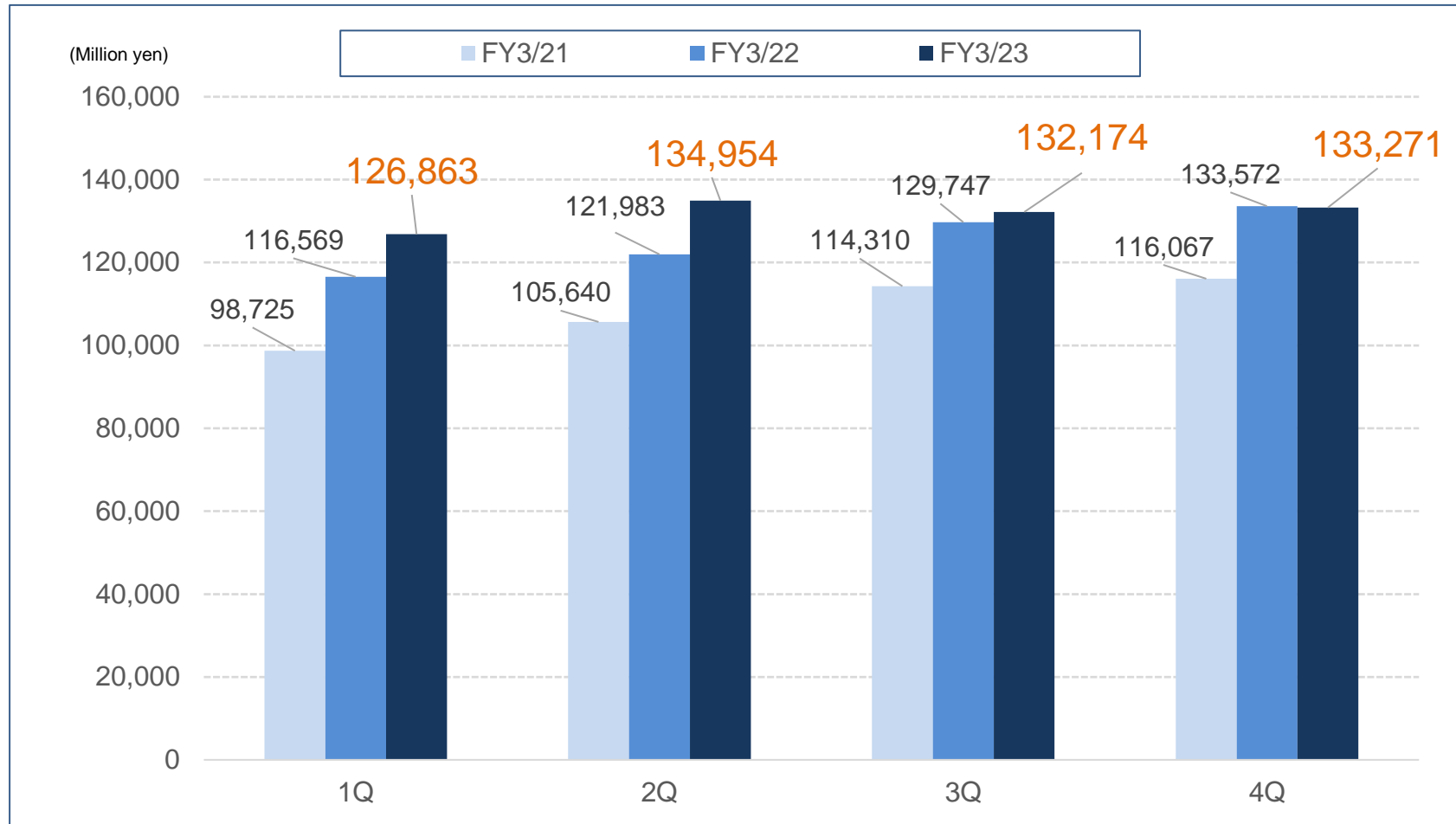
## Consolidated Profit and Loss Statement

(Million yen)	FY3/22 (76 <sup>th</sup> term)	FY3/23 (77 <sup>th</sup> term)	YoY change	Announced forecast	Difference from the forecast
Net sales	501,872	<b>527,263</b>	5.1%	530,000	-0.5%
Gross profit	72,738	78,279	7.6%	-	-
(Gross profit margin)	14.5%	14.9%	0.4ppt	-	-
SG&A expenses	55,604	61,716	11.0%	-	-
Operating profit	17,133	<b>16,563</b>	-3.3%	16,000	3.5%
(Operating profit margin)	3.4%	3.1%	-0.3ppt	3.0%	
Non-operating profit/loss	-39	717	-	-	-
Ordinary profit	17,093	<b>17,280</b>	1.1%	16,000	8.0%
Extraordinary gain/loss	754	53	-	-	-
Net income attributable to owners of parent	12,023	<b>12,527</b>	4.2%	11,000	13.9%

**Gross profit increased by 7.6% YoY due to growth in net sales and improved gross profit margins.**

**On the other hand, operating profit decreased by 3.3% YoY due to an increase in depreciation and amortization and other expenses associated with the introduction of SAP ERP system as a growth investment, which is set forth in the medium-term management plan, and an increase in personnel expenses as an investment in human capital.**

## Net sales: Quarterly trends (last 3 years)



## Net sales by business

(Million yen)	FY3/22 (76 <sup>th</sup> term)	FY3/23 (77 <sup>th</sup> term)	YoY change
Machine Tools Division	143,157	151,214	5.6%
Industrial Tools & Equipment Division	187,785	201,989	7.6%
(Total for Production Equipment Business)	330,942	353,203	6.7%
Building Materials Division	62,169	68,031	9.4%
Home Products Division	104,866	100,711	-4.0%
(Total for Consumer Goods Business)	167,036	168,742	1.0%
Other Business	3,893	5,317	36.6%
Total	501,872	527,263	5.1%

\*Ogaki Kiko Co., Ltd., which had been classified as "Other Business," has been included in "Production Equipment Business" since the 1Q of FY3/23 due to the revision of the performance management segment of our group. Results by business for the previous fiscal year are based on the revised reportable segment classification.

\*In April 2023, Industrial Tools & Equipment Division was divided into Industrial Solution Division and Tools & Engineering Division. For details, see Slide 39.

# Overview by Business (Production Equipment) (1)

- Domestic Machine Tools Business:** We received orders for semiconductor manufacturing equipment and machine tools for processing components of construction machinery in the previous term, and sales were healthy in this term.
- Domestic Industrial Tools & Equipment Business:** Measurement equipment, material handling equipment, mechatronic devices, etc. sold well. Annual performance of cutting tools, auxiliary tools, etc. improved from the previous fiscal year, despite the decrease in factory utilization rate in the automobile industry in the second half of the term.
- Overseas Production Equipment Business:** In North America Branch, capital investment for healthcare, aircraft, EVs, etc. progressed healthily, and the sales of cutting and auxiliary tools were healthy. China Branch sold machine tools for EVs, semiconductors, etc. healthily, and ASEAN Branch sold products healthily in the fields of automobiles, aircraft, and air-conditioning equipment. In Taiwan Branch, the sale to EMS enterprises declined.

(Million yen)			FY 3/2022	FY 3/2023	YoY change
Production equipment	Machine Tools Division	Domestic sales	78,214	88,498	13.1%
		Overseas sales	64,942	62,715	-3.4%
		Total	143,157	151,214	5.6%
	Industrial Tools & Equipment Division	Domestic sales	160,416	168,338	4.9%
		Overseas sales	27,369	33,650	22.9%
		Total	187,785	201,989	7.6%
	Total for Production Equipment Business	Net sales	330,942	353,203	6.7%
		Operating profit	13,566	13,965	2.9%
		Operating profit margin	4.1%	4.0%	-0.2ppt

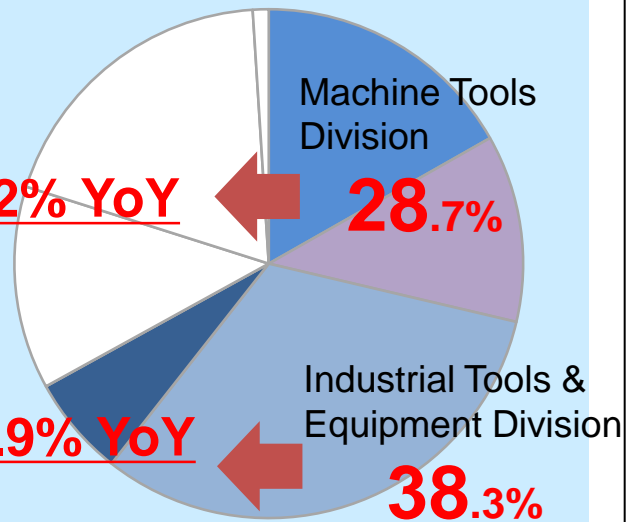
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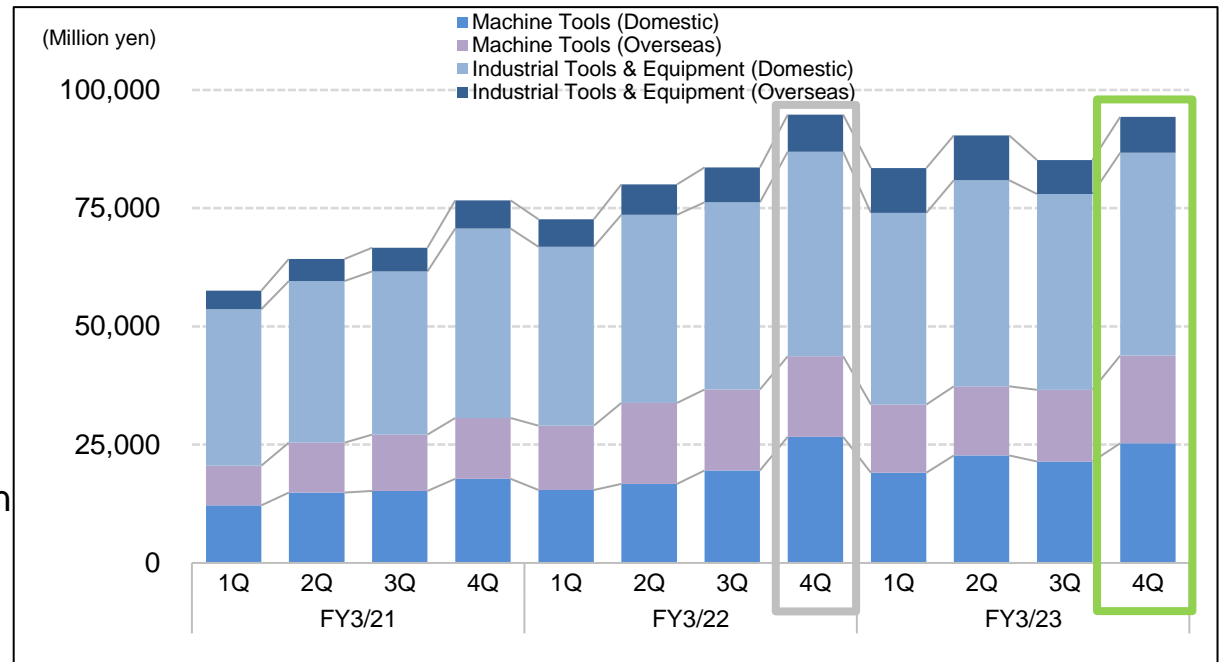
# Overview by Business (Production Equipment) (2)

(Million yen)			FY3/22	FY3/23		
Production equipment	Total for Production Equipment Business	Net sales	330,942	<b>353,203</b>	YoY change	<b>6.7%</b>
		Operating profit	13,566	13,965	Operating profit margin	4.0%

## Sales composition



## Quarterly net sales (last 3 years)



\*Ogaki Kiko Co., Ltd., which had been classified as "Other Business," has been included in "Production Equipment Business" since the 1Q of FY3/23 due to the revision of the performance management segment of our group. Results by business for the previous fiscal year are based on the revised reportable segment classification.

\*In April 2023, Industrial Tools & Equipment Division was divided into Industrial Solution Division and Tools & Engineering Division. For details, see Slide 39.

•**Building Materials Division:** Against the backdrop of renovation demand, we focused on proposing high-value-added products, and sales of water boiling equipment and water-related equipment remained firm. In the non-residential sector, in response to corporate demand for cost-cutting measures in the face of rising utility costs, we strengthened proposals for facility renovations that combine our products and construction, and sales of new energy equipment, etc. were strong.

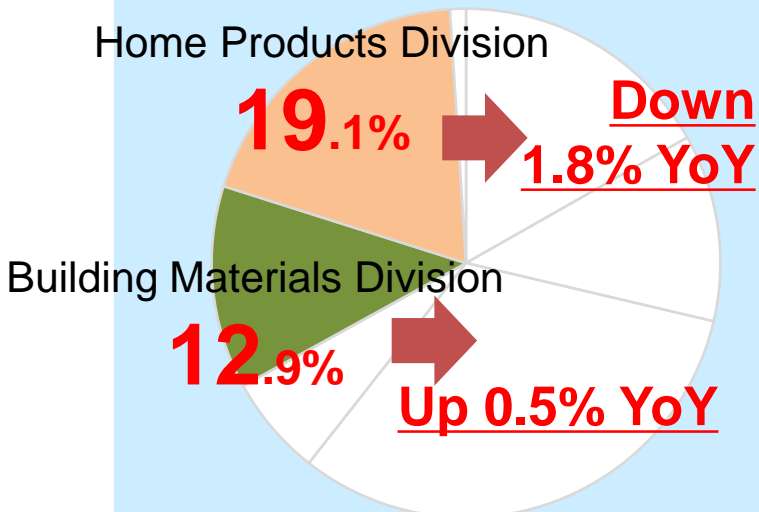
•**Home Products Division:** Sales and profits declined since the “stay-at-home” demand by COVID-19 has settled down and consumers’ willingness to buy has declined due to soaring raw material, electricity and gas prices and price hikes caused by the sharp depreciation of the yen. On the other hand, sales of private-brand products that meet consumer needs were strong. In particular, the performance of unique home appliances with added value, such as electric fans, circulators, and cooking machines, improved from the previous term.

(Million yen)			FY3/22	FY3/23	YoY change
Consumer goods	Building Materials Division	Net sales	62,169	68,031	9.4%
		Operating profit	2,250	2,341	4.0%
		Operating profit margin	3.6%	3.4%	-0.2ppt
	Home Products Division	Net sales	104,866	100,711	-4.0%
		Operating profit	5,801	4,960	-14.5%
		Operating profit margin	5.5%	4.9%	-0.6ppt
	Total for Consumer Goods Business	Net sales	167,036	168,742	1.0%
		Operating profit	8,051	7,301	-9.3%
		Operating profit margin	4.8%	4.3%	-0.5ppt

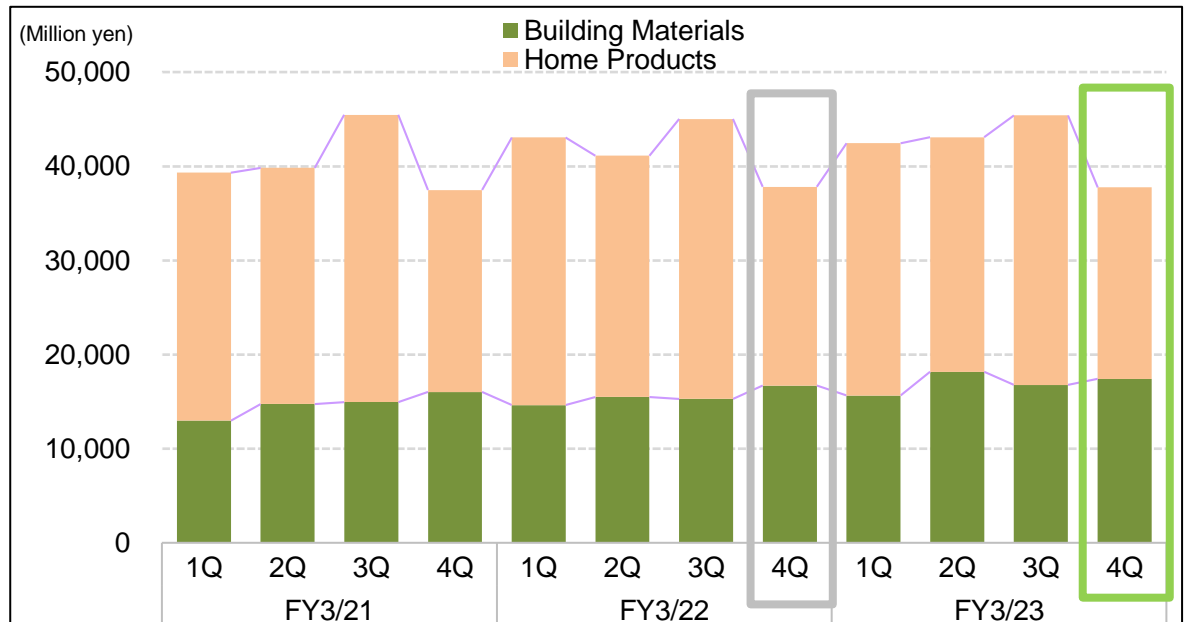
# Overview by Business (Consumer Goods) (2)

(Million yen)			FY3/22	FY3/23		
Consumer goods	Building Materials Division	Net sales	62,169	<b>68,031</b>	YoY change	9.4%
		Operating profit	2,250	<b>2,341</b>	Operating profit margin	3.4%
	Home Products Division	Net sales	104,866	<b>100,711</b>	YoY change	-4.0%
		Operating profit	5,801	<b>4,960</b>	Operating profit margin	4.9%

## Sales composition

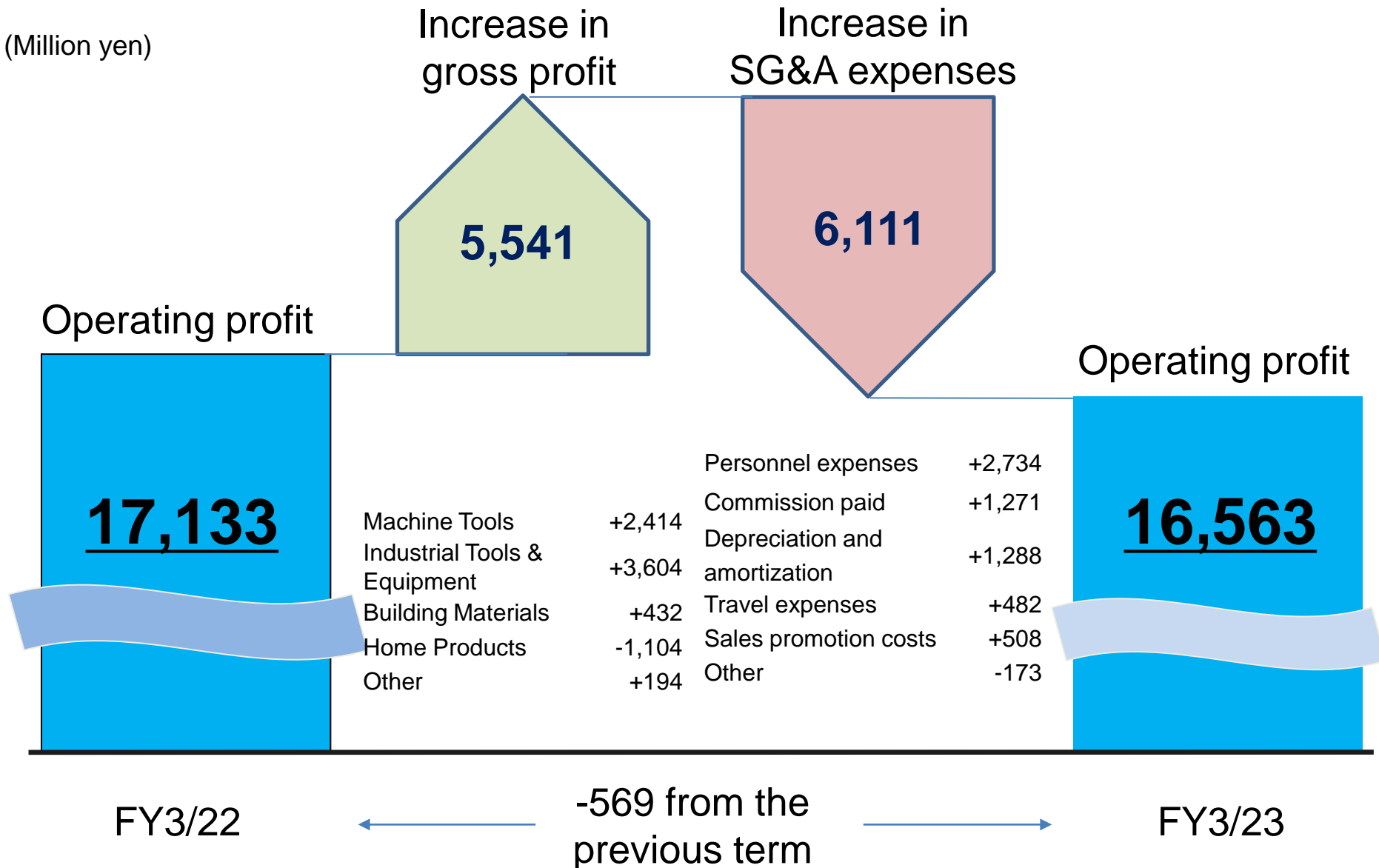


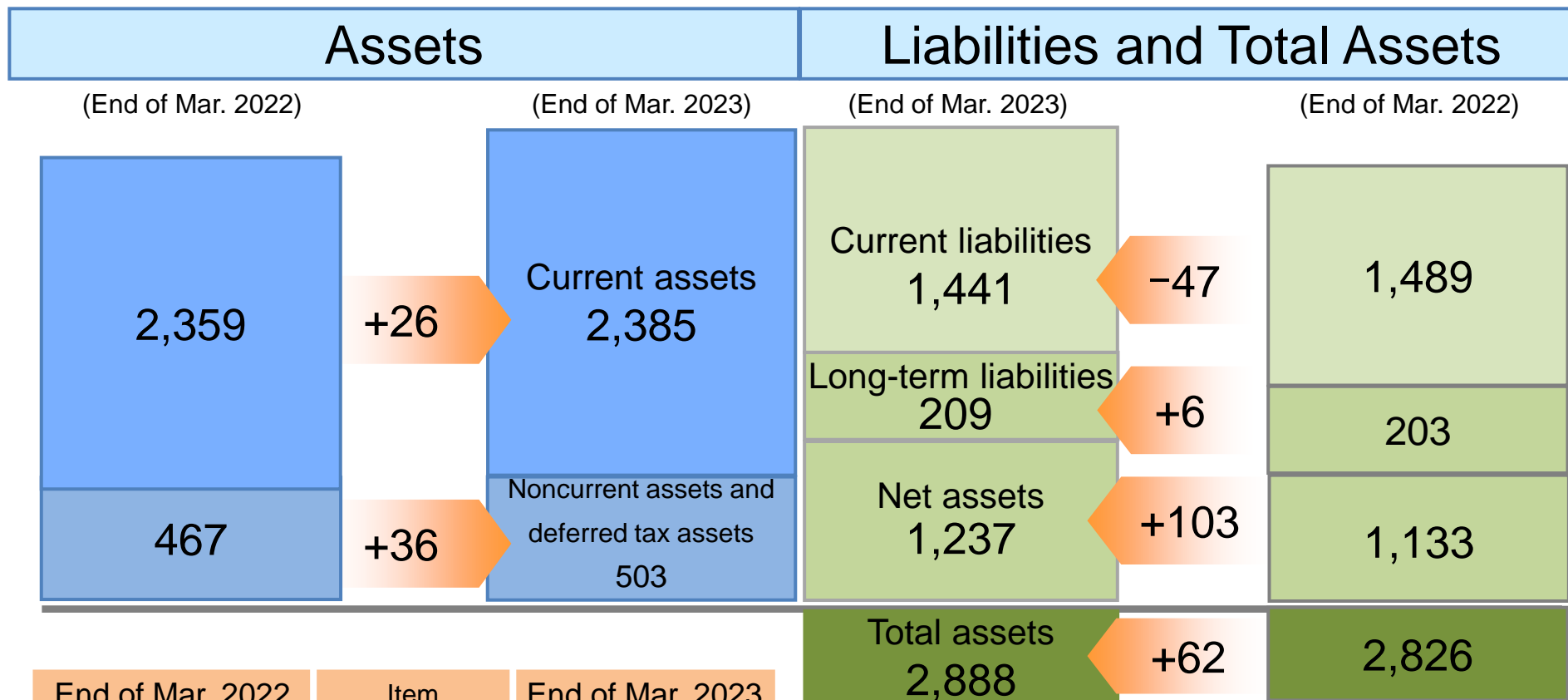
## Quarterly net sales (last 3 years)





(Million yen)





End of Mar. 2022	Item	End of Mar. 2023
10.9%	ROE	10.6%
39.9%	Shareholders' equity ratio	42.6%
1,268.98 yen	Net assets per share	1,383.65 yen
83.8 billion yen	Market cap	90.3 billion yen
12 billion yen	Basic operating cash flow	14.4 billion yen

(Unit: 100 million yen)

\*ROE, shareholders' equity ratio and net assets per share are taken from the financial results summary.

\*Market capitalization is calculated by multiplying the closing price at the end of the fiscal year by the number of shares outstanding (including treasury shares) on the same date.

\*Basic operating cash flow is calculated by deducting the increase/decrease in working capital from operating cash flow.

\*Amounts less than 100 million yen have been rounded.

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(Million yen)	FY3/23 77 <sup>th</sup> term result	FY3/24 78 <sup>th</sup> term plan	YoY change
Net sales	527,263	<b>550,000</b>	4.3%
Operating profit	16,563	<b>15,000</b>	-9.4%
Operating profit margin	3.1%	<b>2.7%</b>	-0.4ppt
Ordinary profit	17,280	<b>15,000</b>	-13.2%
Profit attributable to owners of parent	12,527	<b>10,000</b>	-20.2%

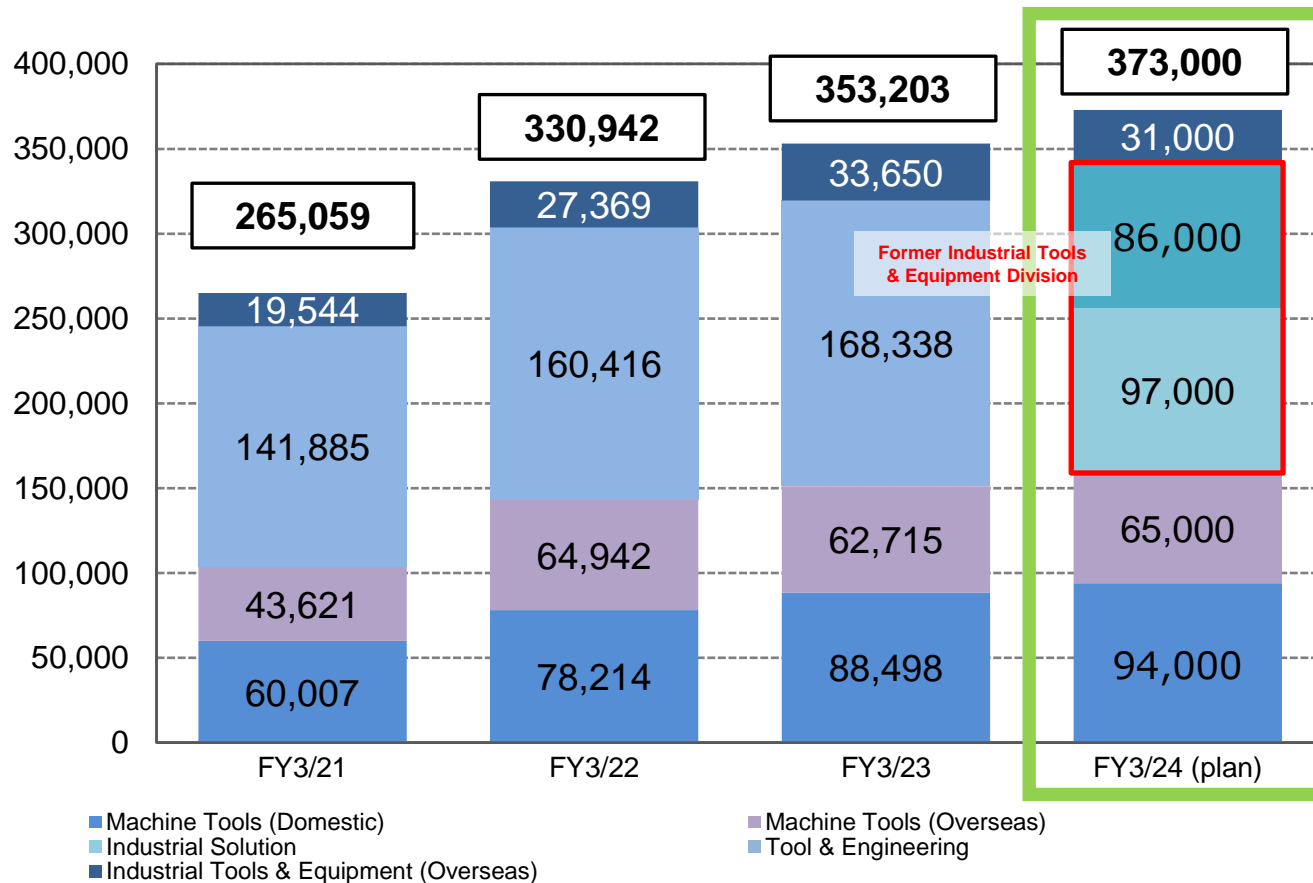
**Sales are expected to hit a record high.**

**Profit is projected to decline, because depreciation and amortization, etc. will be posted due to the acceleration of investment for growth.**

# FY3/24 Forecasts for the Production Equipment Business

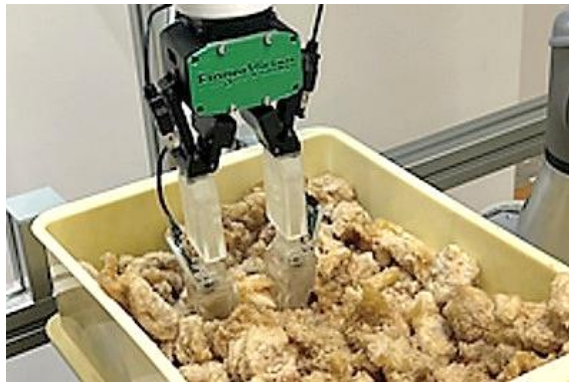
(Million yen)		Net sales plan	YoY change	Operating profit plan	YoY change	Operating profit margin
Production Equipment Business	Full year	373,000	5.6%	14,500	3.8%	3.9%

Production Equipment Business: 3-year sales trends and full-year forecasts

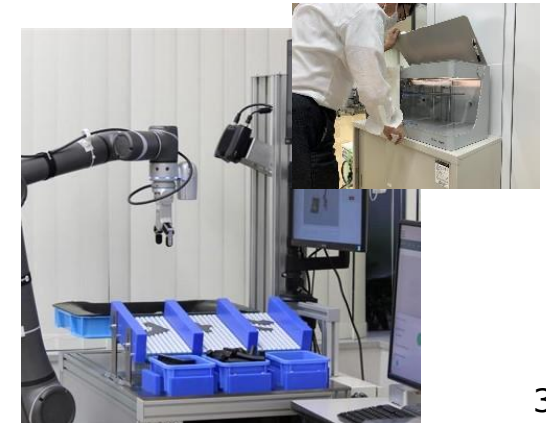


- ✓ Each division will brush up expertise, and provide solutions to meet the needs in production sites, such as “automation and labor saving” and “decarbonization” at an accelerated pace.
- ✓ Approach to new domains of semiconductors, logistics, 3 major product industries (food, medical and cosmetics), etc.
- ✓ Outside Japan, we will geographically expand and restructure target markets, and enhance borderless marketing and initiatives in growing industries.

- To cultivate growing markets of semiconductors, logistics, 3 major product industries (food, medical and cosmetics), etc.
- To propose highly technical automation and labor-saving systems from the viewpoint of each client
- To enhance the engineering and network functions inside and outside the company



 COMlogiq

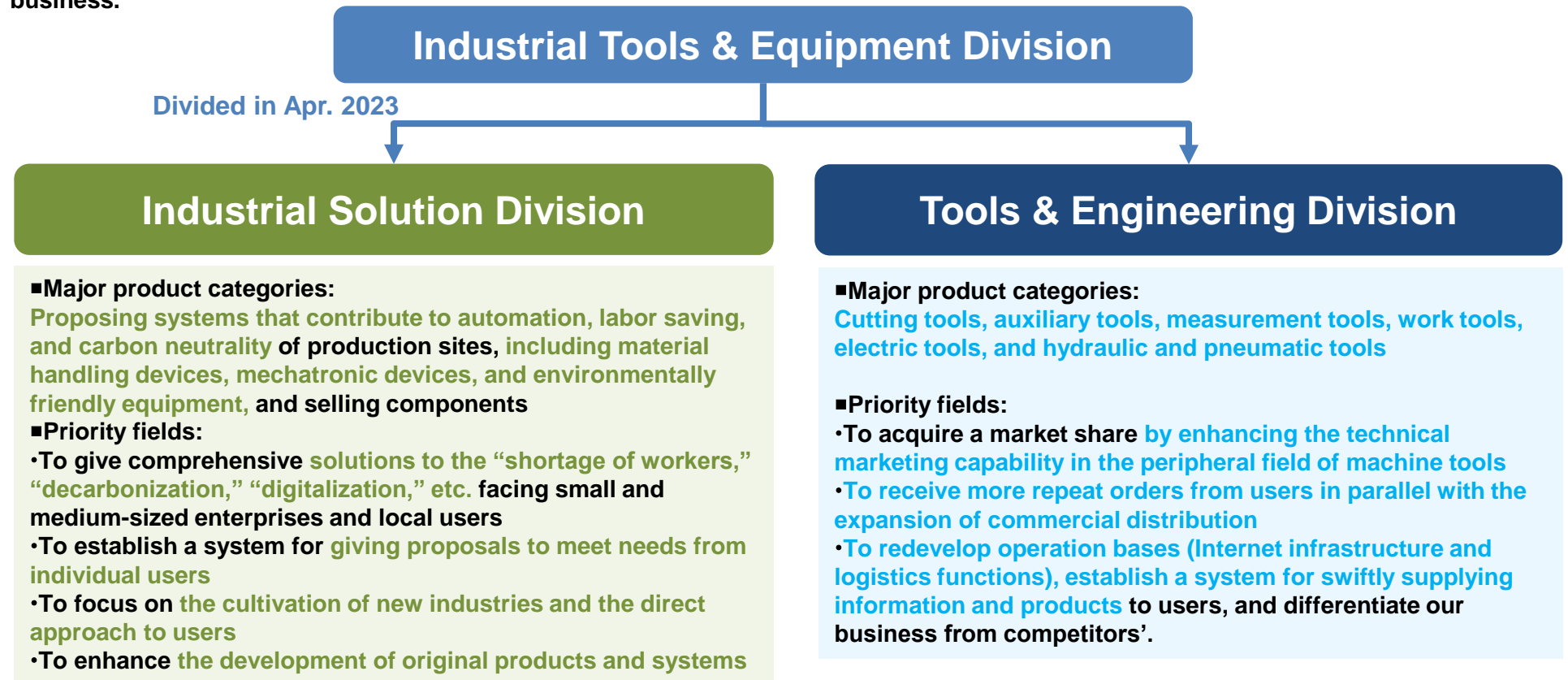


In addition to the trends of development of EVs in the automobile field and automation and labor saving to cope with the decrease of the workforce, the initiatives for carbon neutrality and digitalization of business changed the flow of information. In particular, commerce sites and logistics systems evolved remarkably.



In order to actualize the corporate vision for 2030, YAMAZEN will maximize “expertise,” which is demanded and recognized in the market, and differentiate our products from competitors’. To do so, we divided Industrial Tools & Equipment Division into “Industrial Solution Division” and “Tools & Engineering Division” in April 2023.

We will extract and summarize the characteristics of each product category and issues with them, conduct investment based on growth strategies for each category, and swiftly implement business strategies while expecting profitability and potential as specialized business.

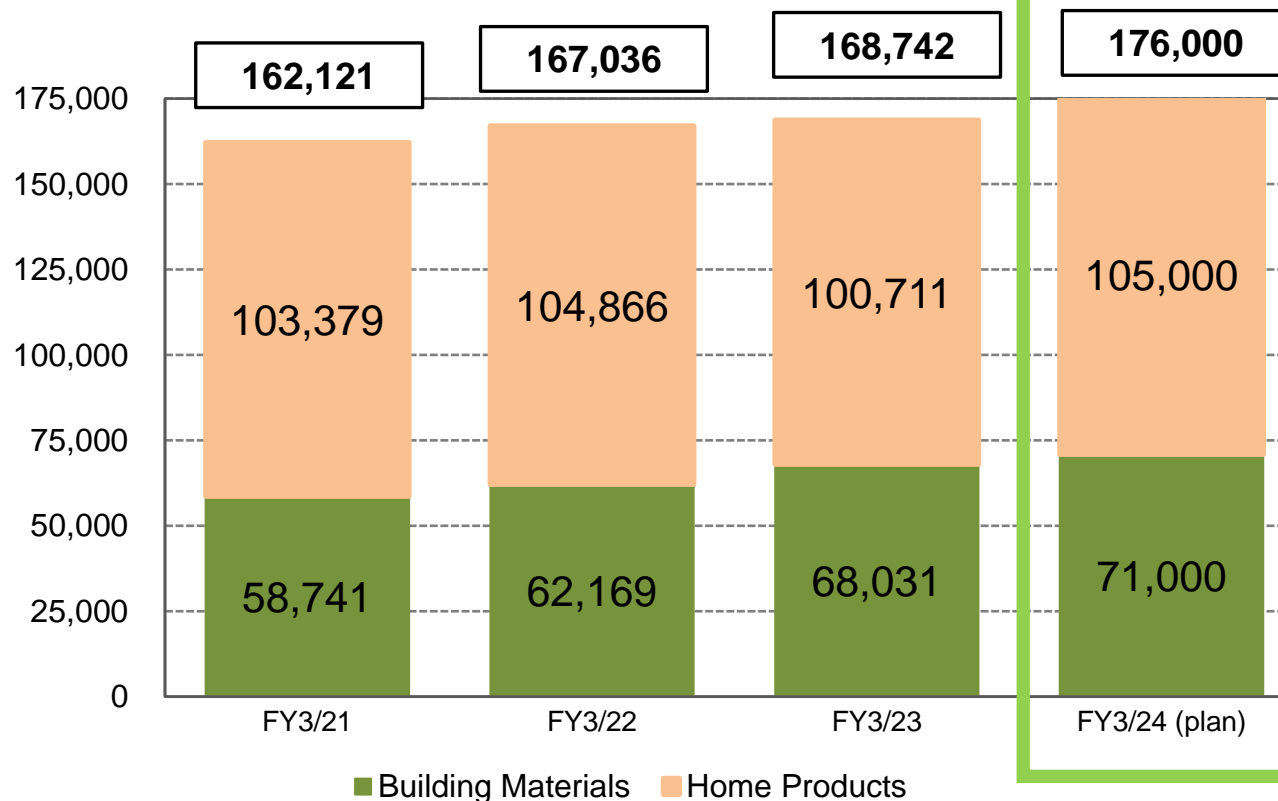




# FY3/24 Forecasts for the Consumer Goods Business

(Million yen)		Net sales plan	YoY change	Operating profit plan	YoY change	Operating profit margin
Building Materials Division	Full-year	71,000	4.4%	2,400	2.5%	3.4%
Home Products Division	Full-year	105,000	4.3%	5,800	16.9%	5.5%

## Consumer Goods Business: 3-year sales trends and full-year forecasts



- Building Materials Division
  - ✓ Continue proposal-based sales of high-value-added products
  - ✓ Expand sales of new energy equipment for decarbonization (solar power generation, storage batteries, etc.)
  - ✓ Strengthen the system for managing orders and construction for facility renovation projects in non-residential sector.
- Home Products Division
  - ✓ Develop new products that meet consumer needs and popularize own brands
  - ✓ Expand the online shop (YAMAZEN Bizcom)



## Building materials

Enhancement of activities for proposing solar power generation for private consumption



Original ZEH “ZePlus”



## Home products

B2B EC site “YAMAZEN Bizcom”



Enhancement of our marketing capability and acceleration of development of PB products



# Medium-Term Management Plan: Disclosed Plan for Sales/Profit/Management Indicators

(Million yen)	FY3/22 (76 <sup>th</sup> term results)	FY3/23 (77 <sup>th</sup> term results)	FY3/24 (78 <sup>th</sup> term plan)	FY3/25 (Final-year plan)
Net sales	501,872	527,263	550,000	<b>600,000</b>
Operating profit	17,133	16,563	15,000	<b>21,000</b>
Operating profit margin	3.4%	3.1%	2.7%	<b>3.5%</b>
Ordinary profit	17,093	17,280	15,000	<b>21,000</b>
profit	12,023	12,527	10,000	<b>14,000</b>

Indicators (Million yen)	FY3/22 (76 <sup>th</sup> term results)	FY3/23 (77 <sup>th</sup> term results)	FY3/24 (78 <sup>th</sup> term plan)	FY3/25 (Final-year plan)
Return on equity (ROE)	10.9%	10.6%	7.9%	<b>10.0%</b>
Basic operating cash flow	12,052	14,427	14,500	<b>18,000</b>
Shareholders' equity ratio	39.9%	42.6%	40-45%	40-45%

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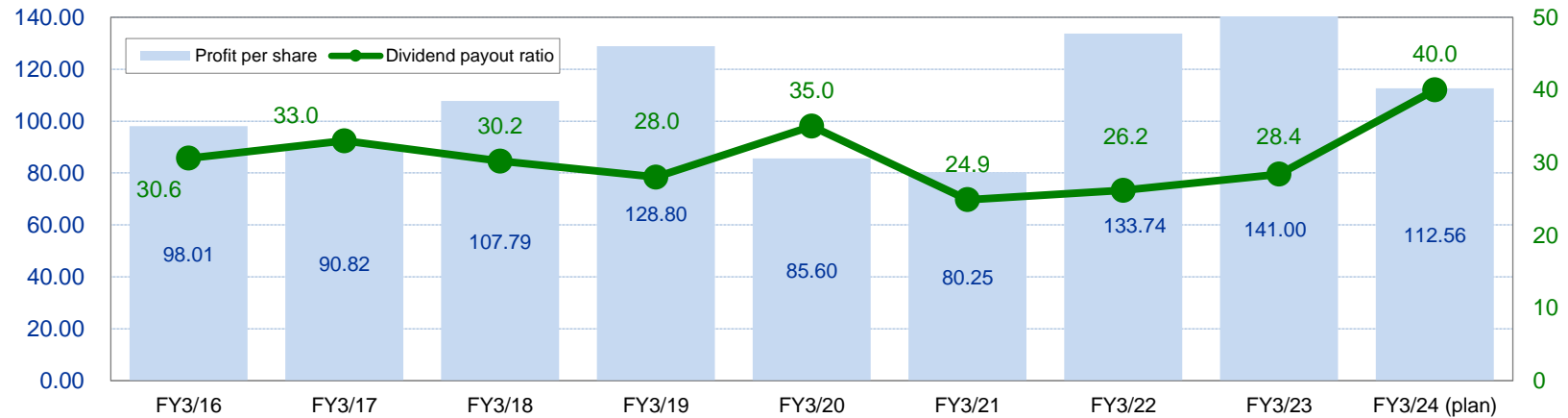
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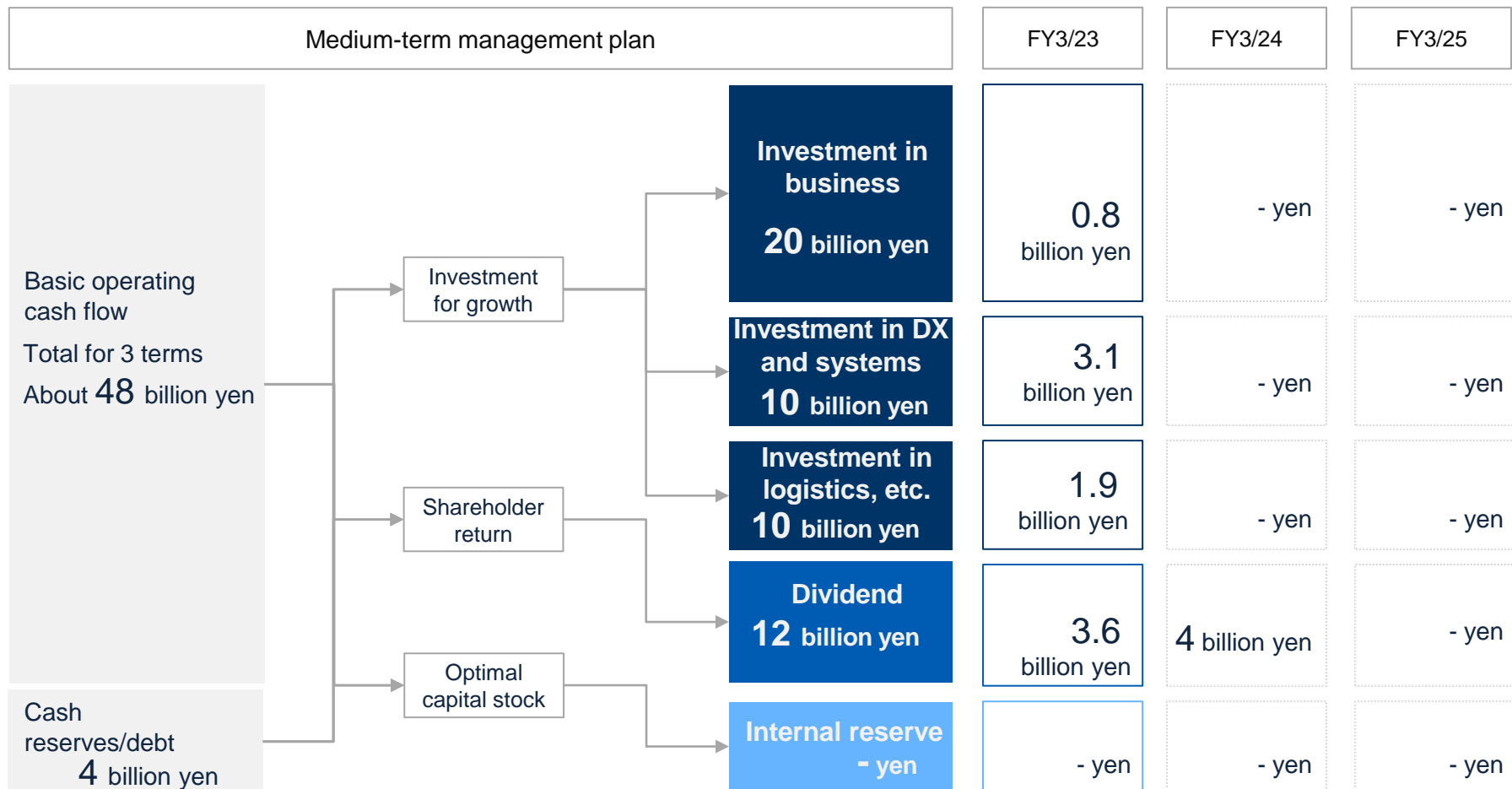
- FY3/23: Paid an interim and year-end dividend of 20 yen per share each, for an annual dividend of 40 yen per share.
- FY3/24: Plan to pay an interim dividend of 20 yen per share and a year-end dividend of 25 yen per share, for an annual dividend of 45 yen per share.



		FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24 (plan)	Total for the last 3 years FY3/22-FY3/24 plan
Dividend per share (yen)	Interim	13.0	15.0	16.0	10.0	10.0	20.0	20.0	50.0
	Year-end	*19.5	*21.0	14.0	10.0	*25.0	20.0	25.0	70.0
	Annual	*32.5	*36.0	30.0	20.0	35.0	40.0	45.0	120.0
Payout ratio (%)		30.2	28.0	35.0	24.9	26.2	28.4	40.0	31.0
Dividend paid (million yen)		3,074	3,405	2,837	1,891	3,115	3,560	4,006	10,681
Amount of treasury stock acquired (million yen)	-	733	-	-	-	5,999	-	-	5,999

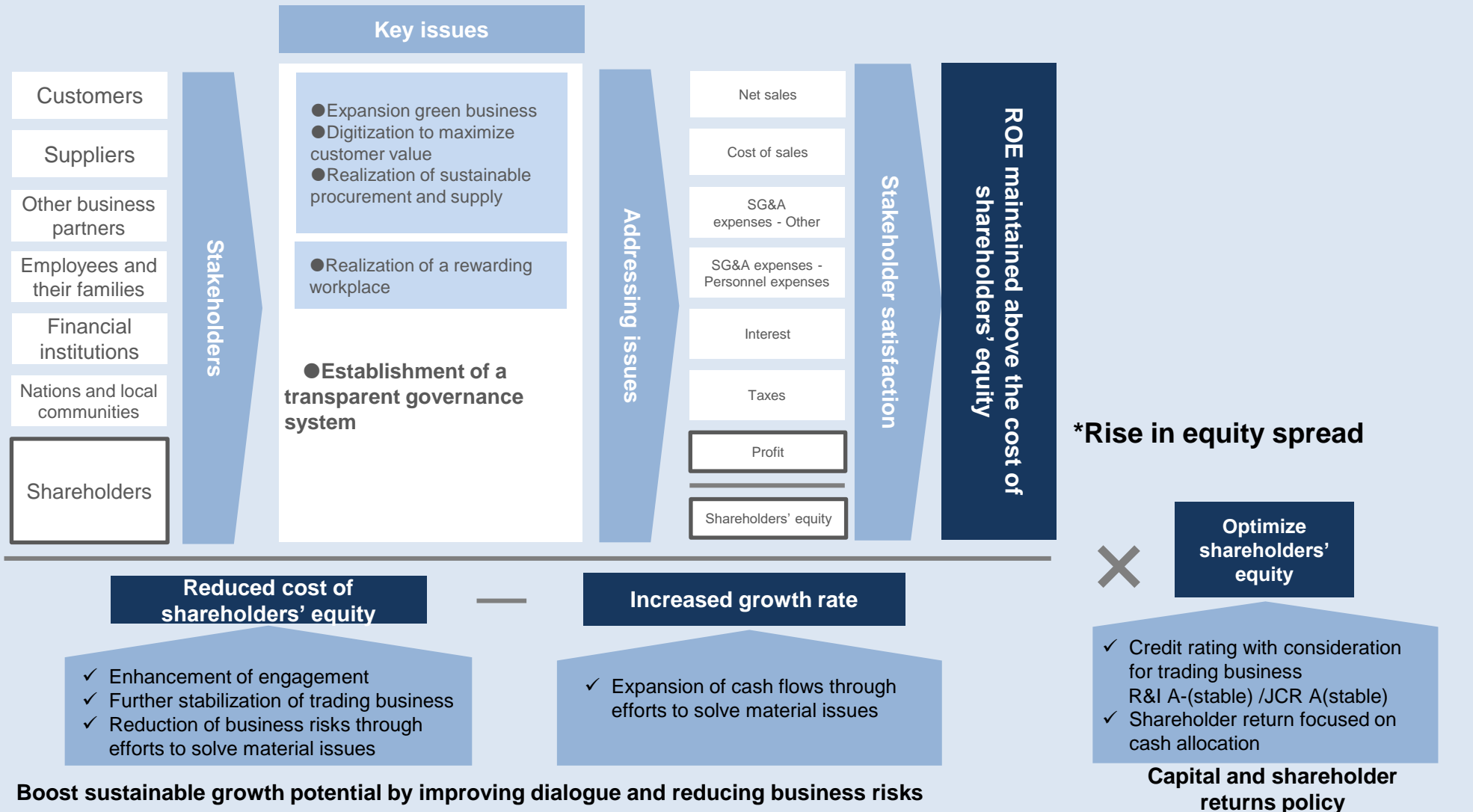
\*Includes special dividends and commemorative dividends

✓ A new stage of investment for growth after the stage of enriching capital



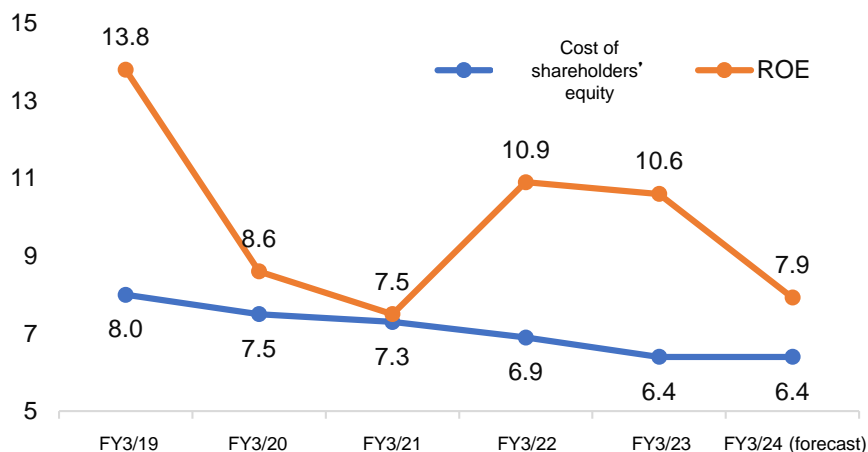
# Policy for Improving Corporate Value in the Medium/Long Term (1)

We aim to **improve our corporate value** by pursuing all of “**earning capacity**,” “**yield of capital**,” and “**financial soundness**.”

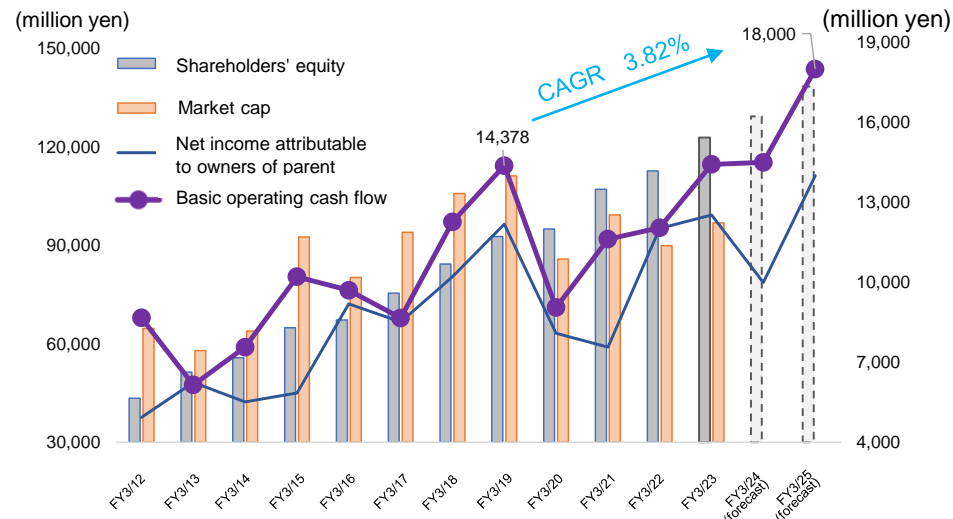


It is assumed that the ratio of cost of shareholders' equity will be around 7% and the average growth rate of basic operating cash flow until the final fiscal year of the medium-term management plan will be 3.82%. If ROE reaches 10% in FY3/25, business value will improve.

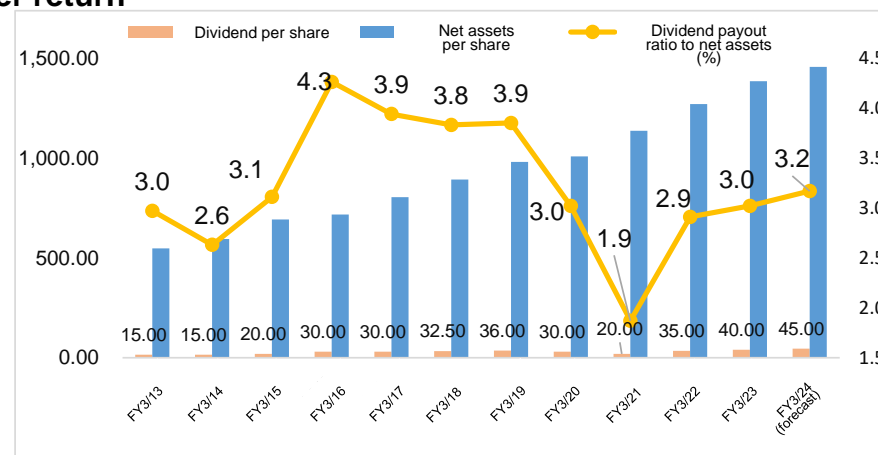
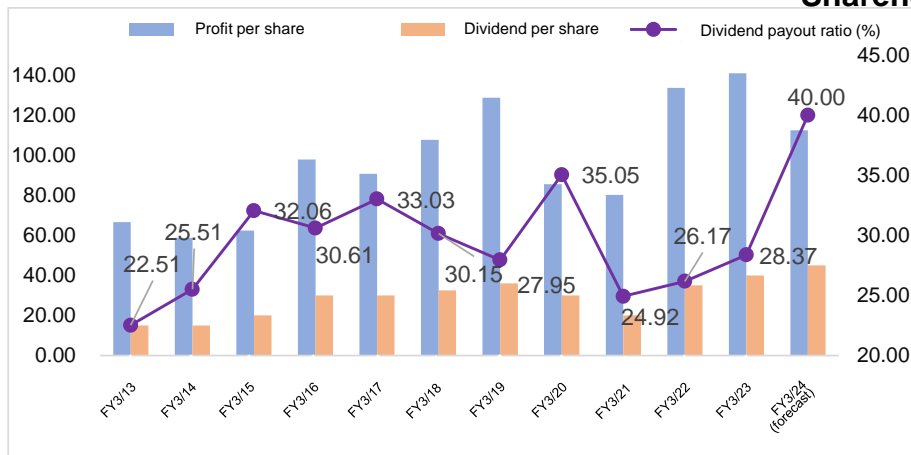
## ROE/cost of shareholders' equity



## Market cap/basic operating cash flow



## Shareholder return



\*Starting from FY3/19, which saw the best performance before the outbreak of COVID-19.

ともに、未来を切拓く



[Note on forward-looking information]

This document contains plans and forecasts of the Company. Future plans, forecasts and other forward-looking statements are based on plans and forecasts based on currently available information. Actual results may differ from these plans and forecasts due to various conditions and factors in the future,

This document is not a commitment or guarantee of their realization. All amounts are rounded down to the nearest million yen unless otherwise stated.



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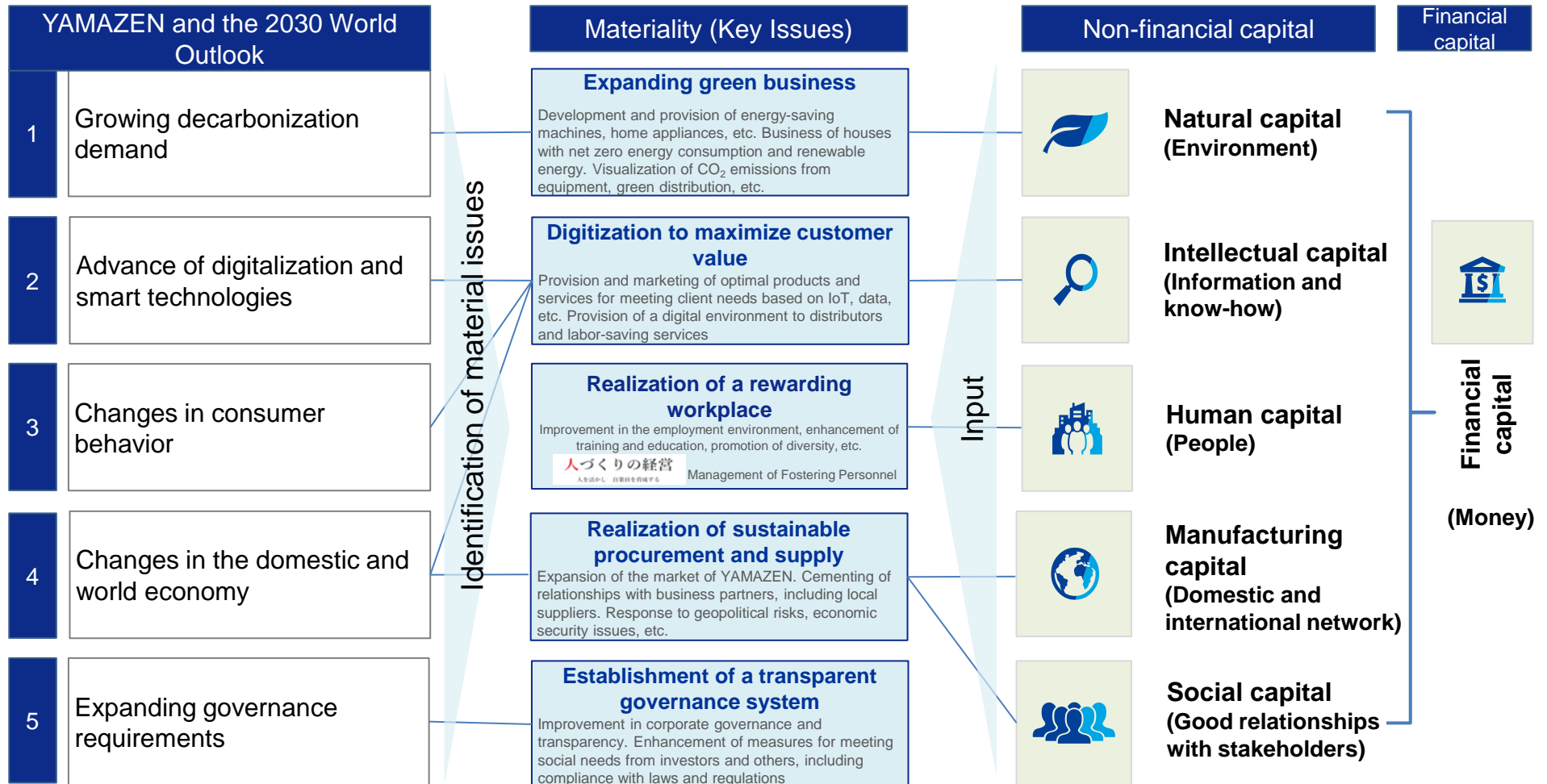
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**Appendix**

To imagine future world views surrounding clients, and identify “**issues to work on**”










To consider that working on such issues means **offering value to clients**, which is a material issue for our company

**In order to invest financial and non-financial capital and then improve corporate value**, we established “Sustainability Management Meeting,” which is a group-wide commission, on April 1, 2023.



**We will contribute to the continuous improvement in social value as well as corporate value.**

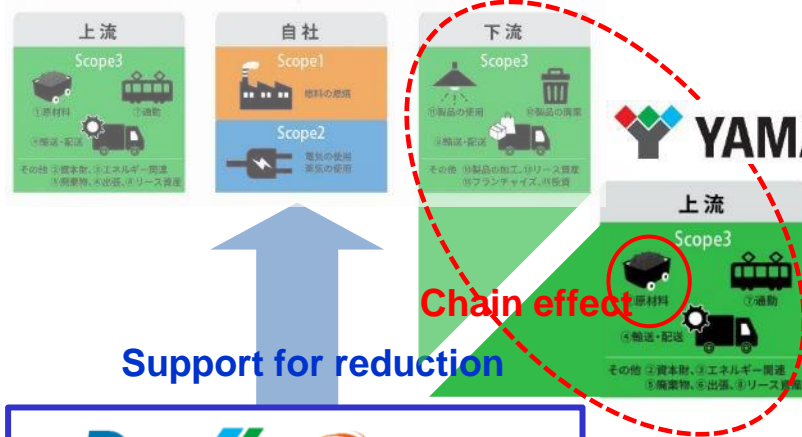


ESG	Theme	Measures	Related SDGs
E	Declaration of reducing emissions to zero by 2050	Stepwise energy saving at global bases, etc.	  
	GREEN RECOVERY BUSINESS	Power plant for generating power for our business: "To create environmental value by ourselves!"	
	Cooperation with the supply chain in Scope-3	Campaign for selling environmentally-friendly equipment To support the reduction of GHG emissions in the entire supply chain	 
S	Setting of a new HR principle "to develop personnel who can take on challenges, ponder, and take action"	Evolution from "the emphasis on roles and outcomes" to "the emphasis on endeavors, thinking, and actions"	  
	Support for local communities, sports promotion, and healthcare	Takeo Yamamoto Commemorative Scholarship Fund Sponsoring Skill Olympic and Abilympics Donation to and support for healthcare and recuperation centers	
G	Establishment of a transparent governance structure	Disclosure of more financial and non-financial information, and enhancement of dialogue with the market Strengthening of the corporate governance structure	

## [Material issue: Expansion of green business]

- ✓ We worked on the support for reduction of GHG emissions in the entire supply chain in Scope 3.

### Upstream Scope 3 (makers supplying products)



Solar power generation service for private consumption



To provide enterprises participating in GBP with a CO<sub>2</sub> emission calculation app free of charge

Visualization of emissions and reduction amounts



Total emissions  
\*Sum of Scopes 1, 2, and 3 emissions



Reduction effect  
\*Reduction effect of energy-saving equipment

Promotion of distribution of energy-saving devices and environmentally-friendly products



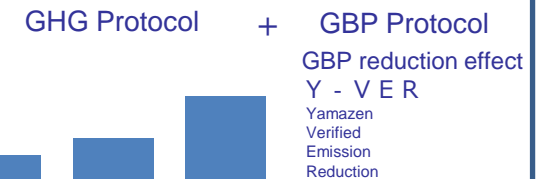
Support for reduction

Chain effect

### Downstream Scope 3 (distributors and users)



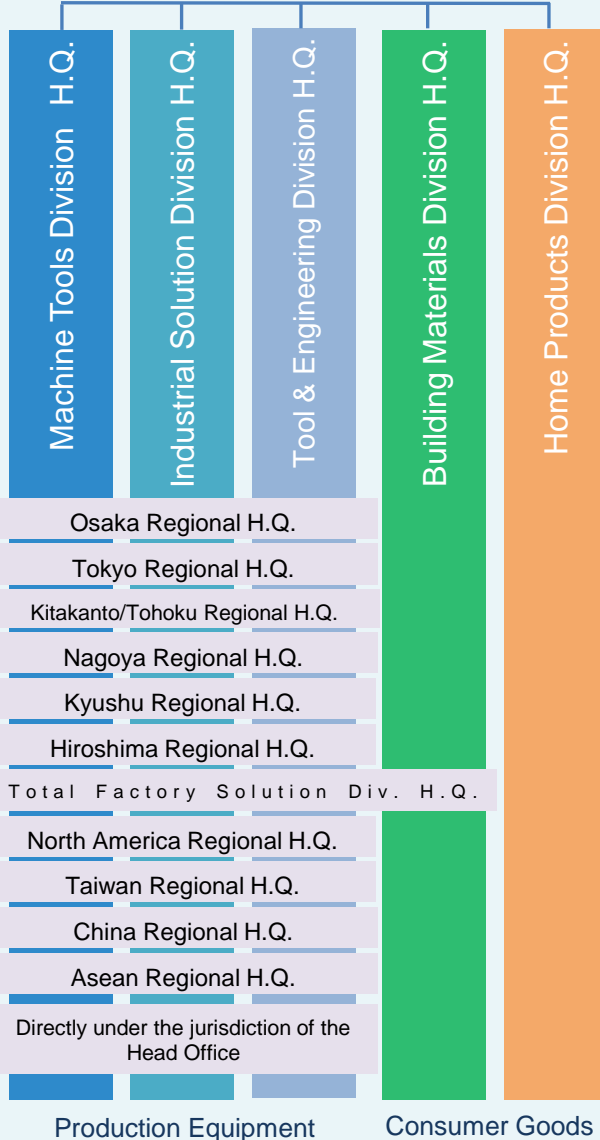
Schematic diagram of "visualization" with the GBP App



Reduction effect, too, was calculated to curtail "C:11 use."

# Overview of the YAMAZEN Group

## General Sales H.Q.



## Domestic and international networks



**CROSSING  
YAMAZEN 2024**

Improvement in group-wide profitability

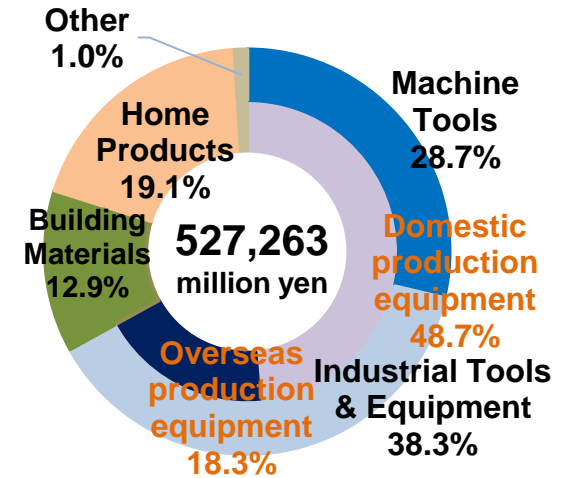
7 Regional H.Q. in Japan  
53 Business locations  
8 Domestic subsidiaries

4 Regional H.Q. overseas  
16 Overseas subsidiaries  
and 65 Business locations in 15 countries/regions

\*As of the end of March 2023

## Sales composition

\*FY23



## Personnel composition

\*As of the end of March 2023  
Including employees of non-consolidated affiliates

