

YAMAZEN CORPORATION

FY3/25

Q2

**(Semi-annual
Period)**



Financial Results Briefing

November 29, 2024

Koji KISHIDA
President and CEO

AGENDA

- I . Outline and Our Business Models**
- II . FY3/25 Q2 (Semi-annual Period) Financial Highlights**
- III . Earnings Forecast for FY3/25**
- IV . Initiatives by Business**
- V . Medium-Term Management Plan “CROSSING YAMAZEN 2024”**
- VI . Shareholder Returns and Capital Policy**
- Appendix**

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Appendix

Suppliers



Distributors

Users

Production equipment (domestic and overseas)

About 3,000 companies



Machine Tools Business (Domestic)
(Machine tools, etc.)

Industrial Solution Business (Domestic)
(Equipment related to production facilities, etc.)

Tools & Engineering Business (Domestic)
(Industrial tools, consumables, etc.)

About 5,000 companies



Manufacturer customers in Japan



Export

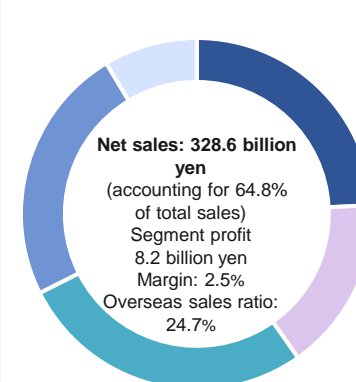


16 overseas subsidiaries and 68 business locations*

Engineering and maintenance services



Manufacturer customers overseas



FY3/24

| | |
|------------------------------------|------------------|
| Domestic Machine Tools | 79.5 billion yen |
| Overseas Machine Tools | 52.7 billion yen |
| Domestic Industrial Solution | 89.8 billion yen |
| Domestic T&E | 78.2 billion yen |
| Overseas Industrial Solution + T&E | 28.3 billion yen |

Consumer goods (domestic)

Building materials

Home products

About 900 companies



Building Materials Business
(Building materials and equipment)

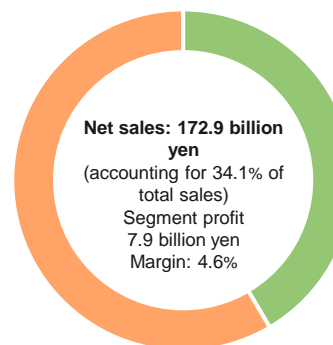
About 2,900 companies



House-builders



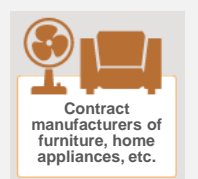
General customers



FY3/24

| | |
|--------------------|-------------------|
| Building materials | 71.8 billion yen |
| Home products | 101.1 billion yen |

About 600 companies



Home Products Business
(Home appliances, interior, exterior and leisure products, etc.)

*Our private brand (PB) products account for about 60% of sales.

About 400 companies





Founder Takeo Yamamoto

Founded Yamazen Tool Manufacturing & Sales Co., Ltd. in May 1947. Expanded the company's business domain from machinery tools to machine tools, housing equipment, and home products. The company's rapid growth through unique management attracted attention and became the model for the novel Doterai Yatsu. He died in 1991 (aged 70).

Management of Fostering Personnel

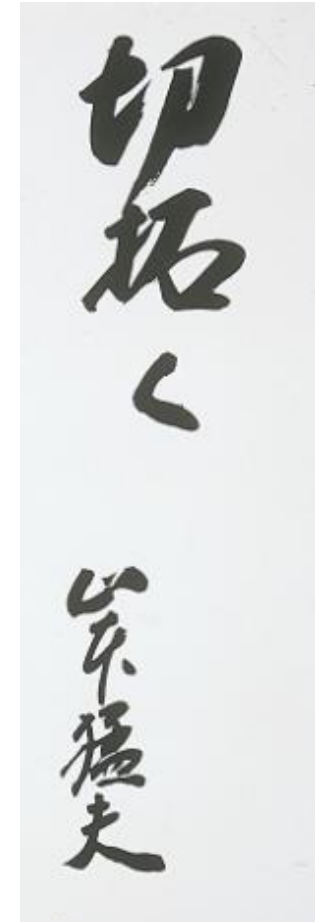
To make active use of personnel, and to foster independent and virtuous employees

Management of Breaking Through

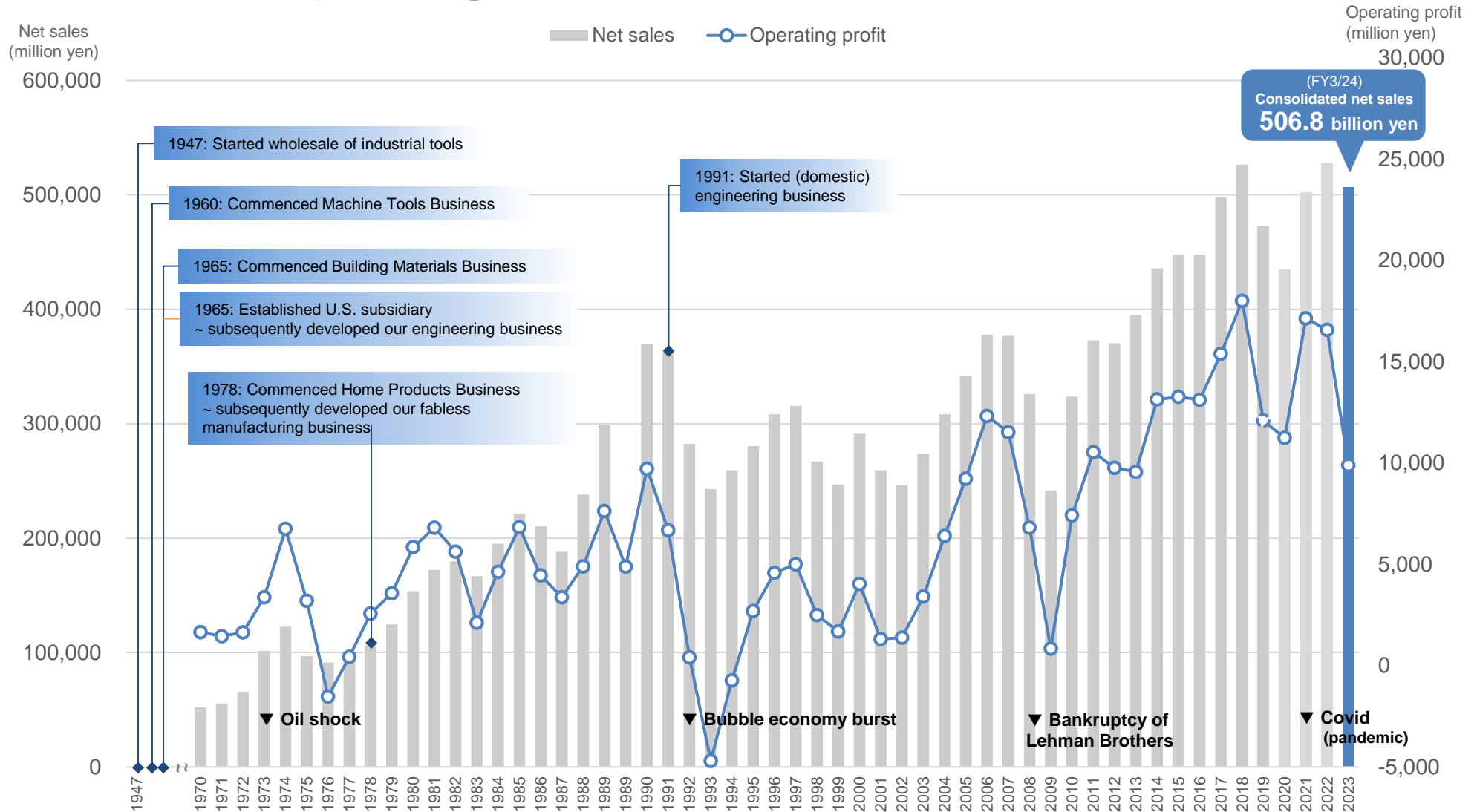
To challenge, innovate and create

Management of Trust

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

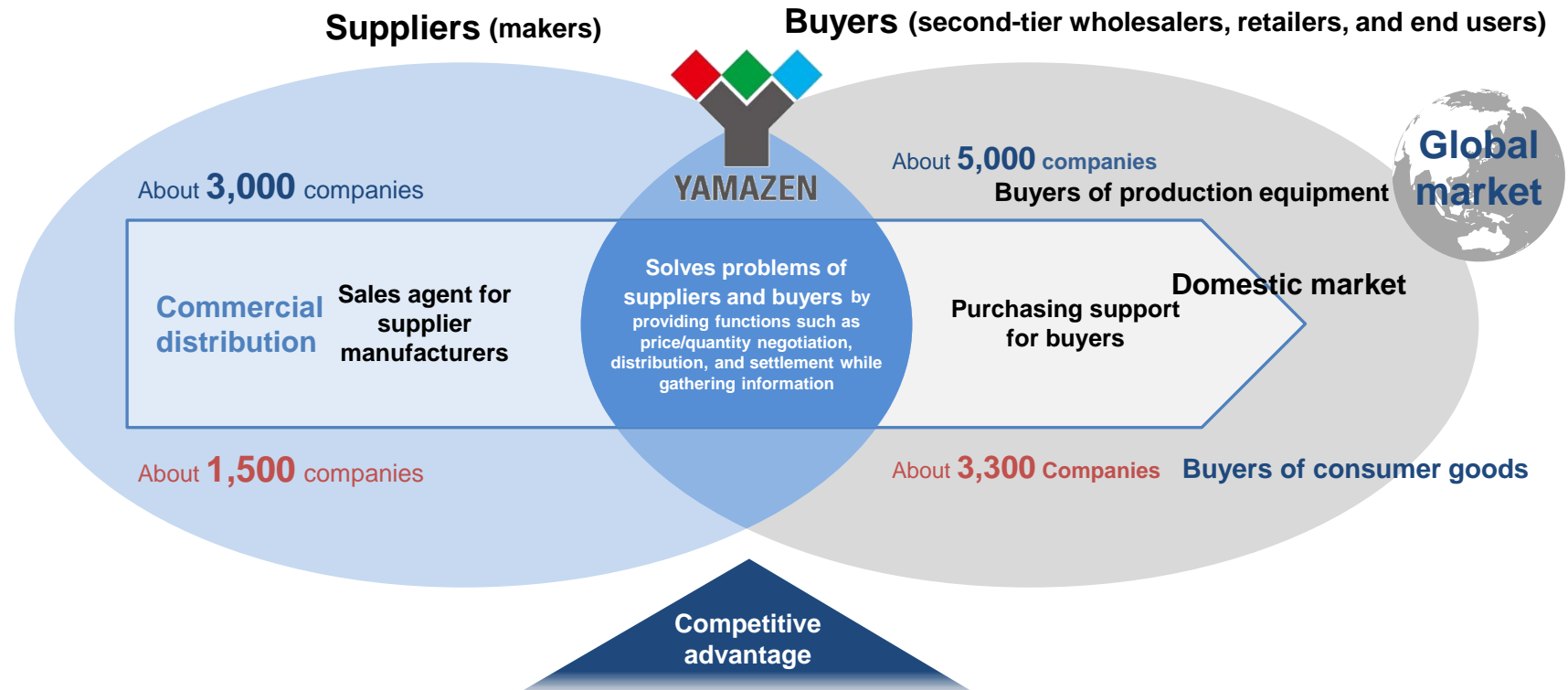


Expanding our business to meet customer needs



*Consolidation of financial statements has been applied since FY1978.

*There were two sets of financial results for FY1989 because the end date of the fiscal year was changed from September 20 to March 31.



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

- Strong relationships with many continuous suppliers and buyers cultivated over 70 years
- Worldwide network (16 local subsidiaries and 69 offices in 14 countries/regions*)

Flexible business operation with low risks

- With minimum invested capital, we can change or increase product categories flexibly and approach various markets
- To stick to the “procurement process while expecting order receipt”

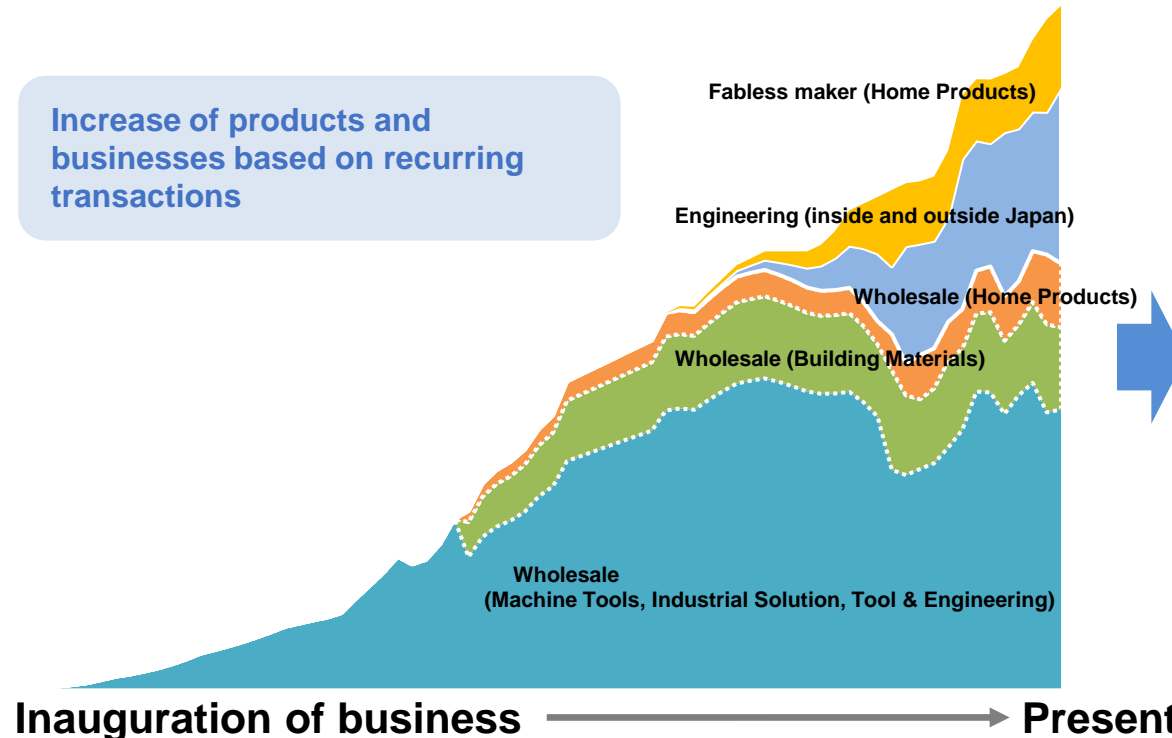
Human resources for attaining our Management Philosophy

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

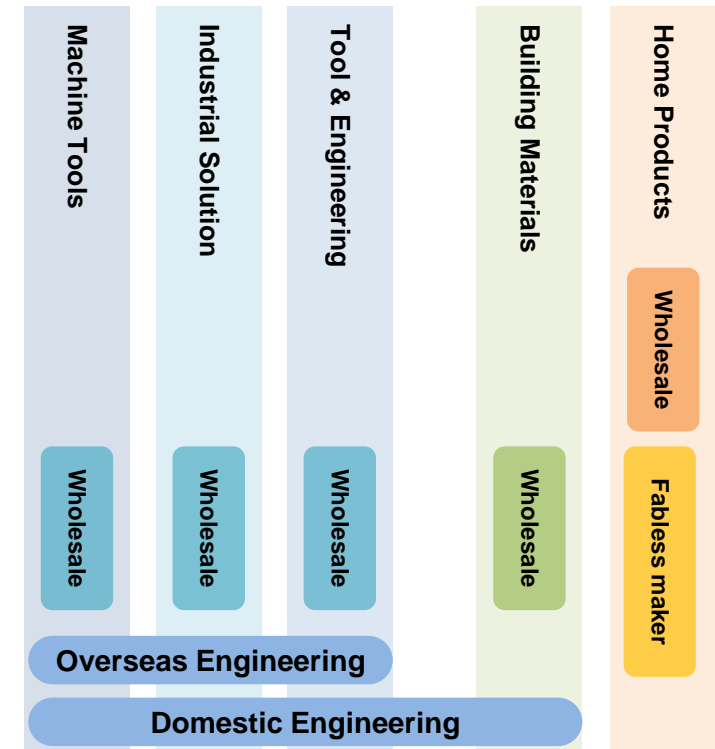
We started business with wholesale of production equipment, developed a revenue base with recurring transactions with many clients, added some spot transactions, transformed them into recurring ones, and expanded our business domain and scale

Business operation of YAMAZEN (schematic diagram)

Increase of products and businesses based on recurring transactions



Business and Organizational Relationships



■ Production Equipment Business

Business outline

Major items handled

Machine Tools Domestic/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 machines, CAD/CAM, etc.

Industrial Solution Domestic/Overseas

We **meet a variety of needs (consumables, 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.

Material handling (devices for distribution), mechatronics (mechatronic devices, robots, labor-saving equipment), aids for environmental improvement, etc.

Tool & Engineering Domestic/Overseas

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.**

Cutting tools, auxiliary tools, hand tools, electric tools, measuring equipment, fluid machinery, etc.

Business model and strengths

Wholesale (Japan)

Machine Tools:

Profit margin is low but there is no stock and extremely high return on capital

Industrial Solution/T&E:

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

Engineering (inside and outside Japan)

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

■ 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

A wholesale model for building materials and equipment to house builders, etc., with an immediate delivery system through distribution bases nationwide, **with extremely high return on capital through a model that holds almost no stock**

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, lifestyle appliances), 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

Stable cashflow generation through a wide assortment of national brand and private brand products

Fabless maker

High profit margin through the sale of private brand products that meet consumer needs

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FY3/25 Q2 (Semi-annual Period) Consolidated Profit and Loss Results

| (Million yen) | FY3/24 Q2 (Semi-annual period) | FY3/25 Q2 (Semi-annual period) | Percentage change YoY |
|---|-----------------------------------|-----------------------------------|--------------------------|
| Net sales | 248,680 | 248,924 | +0.1% |
| Gross profit | 36,793 | 37,347 | +1.5% |
| (Gross profit margin) | 14.8% | 15.0% | +0.2ppt |
| SG&A expenses | 31,923 | 33,905 | +6.2% |
| Operating profit | 4,869 | 3,442 | -29.3% |
| (Operating profit margin) | 2.0% | 1.4% | -0.6ppt |
| Non-operating profit/loss | 431 | 52 | -87.7% |
| Ordinary profit | 5,301 | 3,494 | -34.1% |
| Extraordinary gain/loss | -2 | 640 | - |
| Profit attributable to owners of parent | 3,274 | 2,567 | -21.6% |

Net sales increased 0.1% YoY due to steady performance in the Overseas Production Equipment Business and Building Materials Business, which offset the negative results in the Domestic Production Equipment Business and Home Products Business. Gross profit increased by 1.5%, mainly due to an increase in gross profit margin. Operating profit decreased 29.3% YoY due to the system-related expenses associated with the introduction of SAP ERP as a growth investment, and the increase in personnel expenses, logistics expenses, etc.

FY3/25 Q2 (Semi-annual Period) Net Sales by Business Segment

| (Million yen) | FY3/24 Q2 (Semi-annual period) | FY3/25 Q2 (Semi-annual period) | Percentage change YoY |
|---|-----------------------------------|-----------------------------------|--------------------------|
| Machine Tools Division | 63,468 | 58,919 | -7.2% |
| Industrial Solution Division | 45,366 | 49,150 | +8.3% |
| Tool & Engineering Division | 51,288 | 51,572 | +0.6% |
| (Total for Production Equipment Business) | 160,123 | 159,642 | -0.3% |
| Building Materials Division | 35,240 | 37,874 | +7.5% |
| Home Products Division | 50,805 | 49,553 | -2.5% |
| (Total for Consumer Goods Business) | 86,046 | 87,427 | +1.6% |
| Other | 2,510 | 1,854 | -26.1% |
| Total | 248,680 | 248,924 | +0.1% |

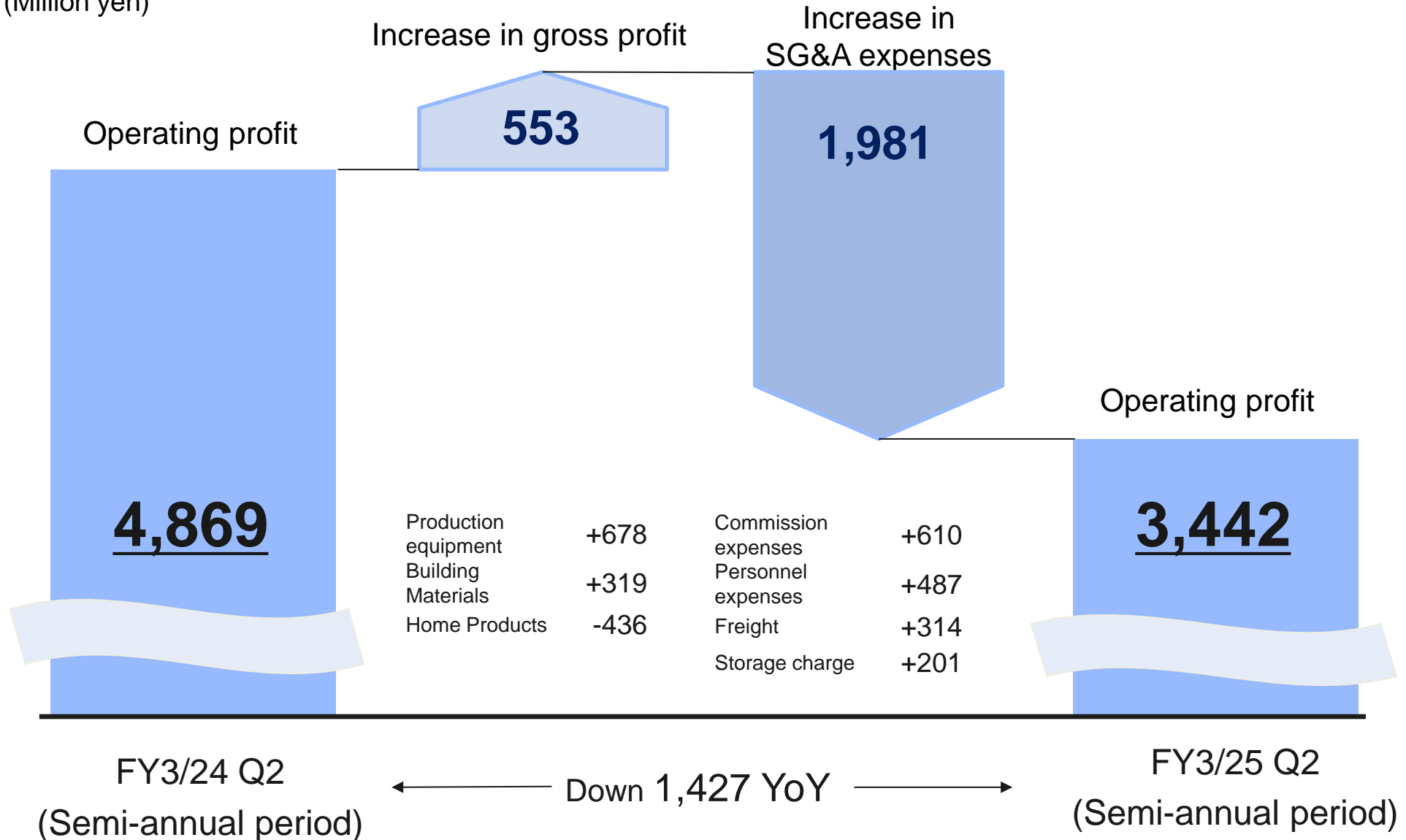
- Domestic Production Equipment Business:** In the automobile and semiconductor industries, there was no active movement toward new investments, and the performance of consumables such as machine tools and cutting tools was below the same period of the previous year. On the other hand, the need for automation and labor saving in various industrial sectors increased, and sales of related products such as work supplies and material handling tools, which contribute to reducing the labor burden at production sites, exceeded the same period of the previous year, and in the steel processing industry, where demand for public infrastructure renewal is strong, infrastructure-related equipment such as fully automatic machines performed well. In addition, aids for environmental improvement to meet energy-saving needs also showed solid results.
- Overseas Production Equipment Business:** Although the North America Regional Headquarters was affected by the sluggish appetite for capital investment, sales of high-value-added equipment for the medical and aviation industries were strong. The Taiwan Regional Headquarters saw demand in its main industries, such as electronics and semiconductors, on a recovery trend, exceeding the same period of the previous year. The China Regional Headquarters continued to see sluggish sales to export-oriented industries, and there was also an effect from production adjustments in renewable energy-related industries, such as solar power generation and wind power generation, falling below the same period of the previous year. The ASEAN Regional Headquarters captured new equipment demand by responding to production transfers and relocations from other regions, and investments in stagnant industries such as semiconductors also began to move, exceeding the same period of the previous year.

| Net sales (Millions of yen) | | | FY3/24 Q2 (Semi-annual period) | FY3/25 Q2 (Semi-annual period) | Percentage change YoY |
|-----------------------------|----------|--|-----------------------------------|-----------------------------------|--------------------------|
| Production equipment | Domestic | Machine Tools | 37,471 | 32,094 | -14.4% |
| | | Industrial Solution | 43,536 | 47,322 | +8.7% |
| | | Tool & Engineering Business | 39,492 | 39,389 | -0.3% |
| | | Total | 120,500 | 118,806 | -1.4% |
| | Overseas | Machine Tools | 25,996 | 26,825 | +3.2% |
| | | Industrial Solution + T&E Businesses Total | 13,625 | 14,010 | +2.8% |
| | | Total | 39,622 | 40,836 | +3.1% |
| | Total | Net sales | 160,123 | 159,642 | -0.3% |
| | | Segment profit | 3,434 | 3,084 | -10.2% |
| | | Segment profit margin | 2.1% | 1.9% | -0.2ppt |

- Building Materials Business:** Sales of air conditioning equipment were strong due to energy-saving renovation demand and the effects of extreme heat, and as a result of focusing on proposing high-value-added products that respond to consumers' desire to save money due to soaring utility costs, sales of solar power generation and storage batteries were also strong. The company is also actively developing the non-residential sector and proposals for facility renovations that combine environmental products and installation were successful in helping SMEs respond to carbon neutrality, exceeding the same period of the previous year.
- Home Products Business:** For private brand products, the company has been working on speedy planning and development that captures consumer needs and strengthening its lineup, and as a result of disseminating information using various media to promote the YAMAZEN brand, sales of cooking equipment, home appliances and AV appliances, etc., have been strong. Net sales and membership also grew steadily at YAMAZEN Bizcom, the company's e-commerce site for corporate and sole proprietor customers. However, the company was unable to compensate for the decline in consumer purchasing appetite due to rising prices of goods and services due to soaring prices of raw materials, electricity and gas, and the continued weak yen, resulting in lower results than the same period of the previous year.

| (Million yen) | | | FY3/24 Q2 (Semi-annual period) | FY3/25 Q2 (Semi-annual period) | Percentage change YoY |
|----------------|-----------------------------|-----------------------|-----------------------------------|-----------------------------------|--------------------------|
| Consumer goods | Building Materials Division | Net sales | 35,240 | 37,874 | +7.5% |
| | | Segment profit | 1,207 | 1,421 | +17.7% |
| | | Segment profit margin | 3.4% | 3.8% | +0.3ppt |
| | Home Products Division | Net sales | 50,805 | 49,553 | -2.5% |
| | | Segment profit | 3,085 | 2,144 | -30.5% |
| | | Segment profit margin | 6.1% | 4.3% | -1.7ppt |
| | Total | Net sales | 86,046 | 87,427 | +1.6% |
| | | Segment profit | 4,293 | 3,566 | -16.9% |
| | | Segment profit margin | 5.0% | 4.1% | -0.9ppt |

(Million yen)



| Assets | | Liabilities and Total Assets | |
|--------------------|---|------------------------------|--------------------|
| (End of Mar. 2024) | (End of Sep. 2024) | (End of Sep. 2024) | (End of Mar. 2024) |
| 241.4 | -20.7 → Current assets 220.6 | Current liabilities 135.5 | 140.1 |
| 53.5 | +8.3 → Noncurrent assets and deferred tax assets 61.9 | Long-term liabilities: 21.3 | 22.2 |
| | | Net assets 125.5 | 132.6 |
| | | Total assets: 282.5 | 294.9 |

| End of Mar. 2024 | Item | End of Sep. 2024 |
|-------------------|----------------------------|-------------------|
| 5.1% | ROE | 2.0% |
| 44.6% | Shareholders' equity ratio | 44.0% |
| 1,480.16 yen | Net assets per share | 1,455.74 yen |
| 119.5 billion yen | Market cap | 116.1 billion yen |
| 10.6 billion yen | Basic operating cash flow | 2.4 billion yen |

(Unit: Billion 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 (excluding 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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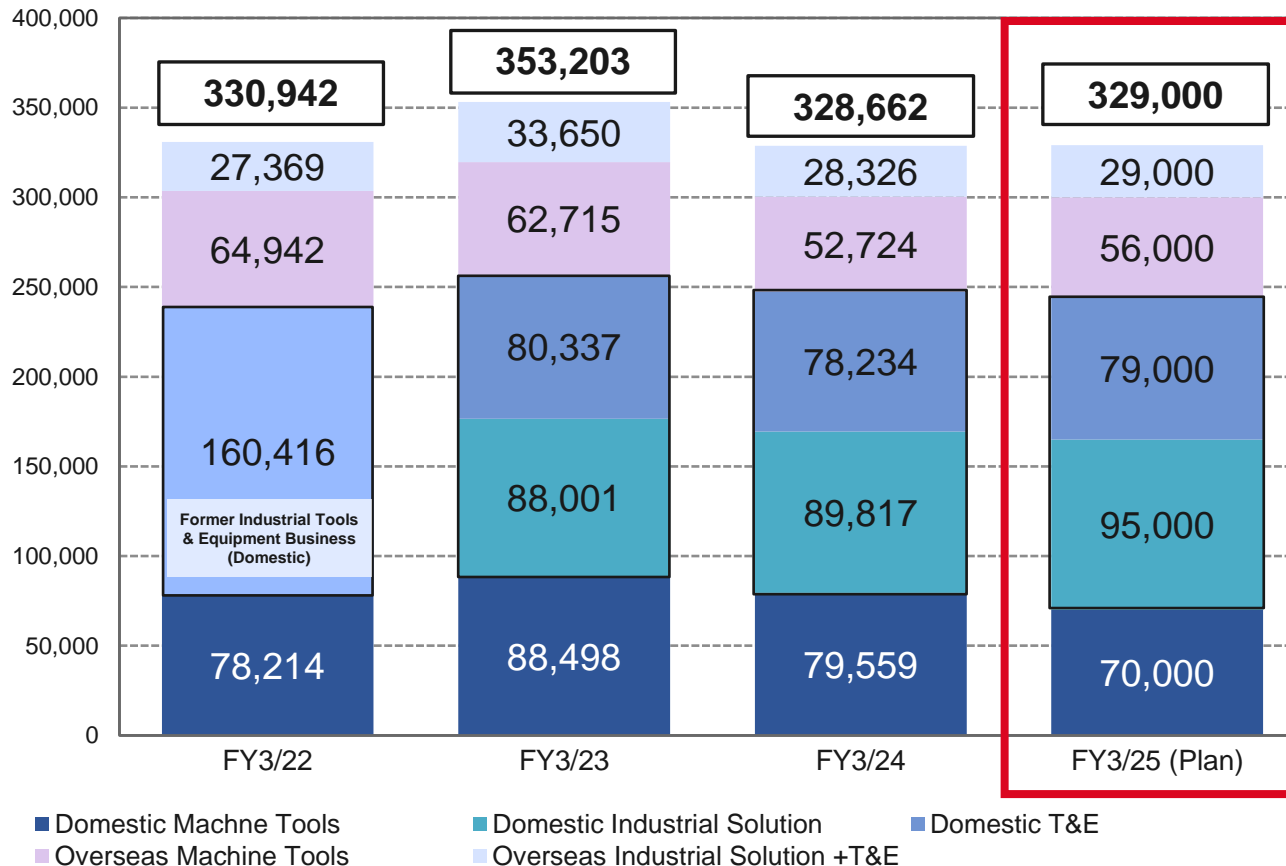
| (Million yen) | FY3/24 Results | FY3/25 Plan (Announced on May 14, 2024) | FY3/25 Revised Plan (Announced on Nov. 14, 2024) | Percentage change YoY | Change from previous plan |
|--|-------------------|---|---|-----------------------------|------------------------------|
| Net sales | 506,866 | 530,000 | 510,000 | +0.6% | -20,000 |
| Operating profit | 9,887 | 12,000 | 10,000 | +1.1% | -2,000 |
| Operating profit margin | 2.0% | 2.3% | 2.0% | +0.0ppt | -0.3ppt |
| Ordinary profit | 10,435 | 12,000 | 10,000 | -4.2% | -2,000 |
| Profit attributable to owners of parent | 6,488 | 7,600 | 7,600 | +17.1% | ± 0 |

- ✓ Currently, although there are signs of recovery in domestic capital investment in the automobile, semiconductor, and other industries, we do not expect a rapid recovery, and capital investment demand is expected to remain uncertain due to factors such as the economic policies of the United States and China, foreign exchange risks, and geopolitical risks. Therefore, we have revised our net sales, operating profit and ordinary profit as shown above.
- ✓ Profit attributable to owners of parent is unchanged from the previous forecast, reflecting gains on the sale of policy shareholdings and other factors.

| (Million yen) | | Net sales plan | Percentage change YoY | Segment profit plan | Percentage change YoY | Segment profit margin |
|-------------------------------------|-----------|----------------|-----------------------|---------------------|-----------------------|-----------------------|
| Production Equipment Business Total | Full-year | 329,000 | +0.1% | 8,400 | +2.2% | 2.6% |

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

(Million yen)

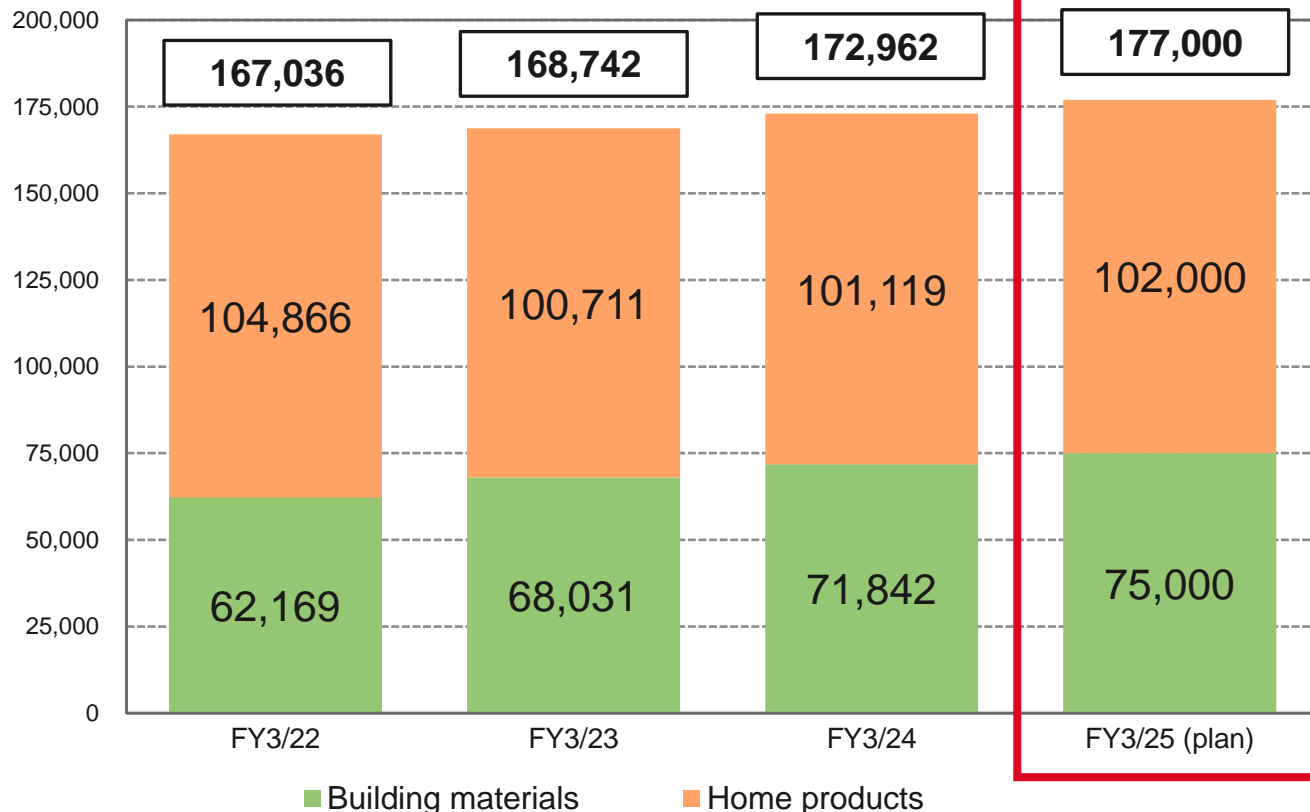


- ✓ Each division will **brush up expertise**, and **provide solutions** to meet the needs in production sites, such as “**automation and labor saving**” and “**decarbonization**” at an accelerated pace.
- ✓ Approach to new domains of **semiconductors, logistics, 3 major product industries (food, medical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

| (Million yen) | | Net sales plan | Percentage change YoY | Segment profit plan | Percentage change YoY | Segment profit margin |
|-----------------------------|-----------|----------------|-----------------------|---------------------|-----------------------|-----------------------|
| Building Materials Division | Full-year | 75,000 | +4.4% | 2,700 | +1.8% | 3.6% |
| Home Products Division | Full-year | 102,000 | +0.9% | 5,300 | +0.5% | 5.2% |

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

(Million yen)



■ 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
- ✓ Expansion of Yamazen Bizcom, our own e-commerce site aimed at corporations and sole proprietors, etc.

FY3/25 Q2 (Semi-annual Period) YoY Comparison / Achievement Rate Against Plan

(Million yen)

| Segment | Business | | FY3/24 Q2 (Semi-annual period) Results | FY3/25 Q2 (Semi-annual period) Results | Percentage change YoY | FY3/25 Full Year Plan (Revised in Nov. 2024) | Achievement Rate Against Full Year Plan |
|----------------------|-------------------------------------|-------------------------|--|--|--------------------------|--|--|
| Production equipment | Domestic Machine Tools | Net sales | 37,471 | 32,094 | -14.4% | 70,000 | 45.8% |
| | Domestic Industrial Solutions | Net sales | 43,536 | 47,322 | +8.7% | 95,000 | 49.8% |
| | Domestic T&E | Net sales | 39,492 | 39,389 | -0.3% | 79,000 | 49.9% |
| | Domestic production equipment total | Net sales | 120,500 | 118,806 | -1.4% | 244,000 | 48.7% |
| | Overseas Machine Tools | Net sales | 25,996 | 26,825 | +3.2% | 56,000 | 47.9% |
| | Overseas Industrial Solutions + T&E | Net sales | 13,625 | 14,010 | +2.8% | 29,000 | 48.3% |
| | Overseas production equipment total | Net sales | 39,622 | 40,836 | +3.1% | 85,000 | 48.0% |
| | Production equipment total | Net sales | 160,123 | 159,642 | -0.3% | 329,000 | 48.5% |
| | | Segment profit | 3,434 | 3,084 | -10.2% | 8,400 | 36.7% |
| | | Segment profit margin | 2.1% | 1.9% | -0.2ppt | 2.6% | - |
| Consumer goods | Building materials | Net sales | 35,240 | 37,874 | +7.5% | 75,000 | 50.5% |
| | | Segment profit | 1,207 | 1,421 | +17.7% | 2,700 | 52.6% |
| | | Segment profit margin | 3.4% | 3.8% | +0.3ppt | 3.6% | - |
| | Home products | Net sales | 50,805 | 49,553 | -2.5% | 102,000 | 48.6% |
| | | Segment profit | 3,085 | 2,144 | -30.5% | 5,300 | 40.5% |
| | | Segment profit margin | 6.1% | 4.3% | -1.7ppt | 5.2% | - |
| | Consumer goods total | Net sales | 86,046 | 87,427 | +1.6% | 177,000 | 49.4% |
| | | Segment profit | 4,293 | 3,566 | -16.9% | 8,000 | 44.6% |
| | | Segment profit margin | 5.0% | 4.1% | -0.9ppt | 4.5% | - |
| Other | | Net sales | 2,510 | 1,854 | -26.1% | 4,000 | 46.4% |
| | | Segment profit | -2,858 | -3,208 | - | -6,400 | - |
| | | Segment profit margin | - | - | - | - | - |
| Consolidated | | Net sales | 248,680 | 248,924 | +0.1% | 510,000 | 48.8% |
| | | Operating profit | 4,869 | 3,442 | -29.3% | 10,000 | 34.4% |
| | | Operating profit margin | 2.0% | 1.4% | -0.6ppt | 2.0% | - |

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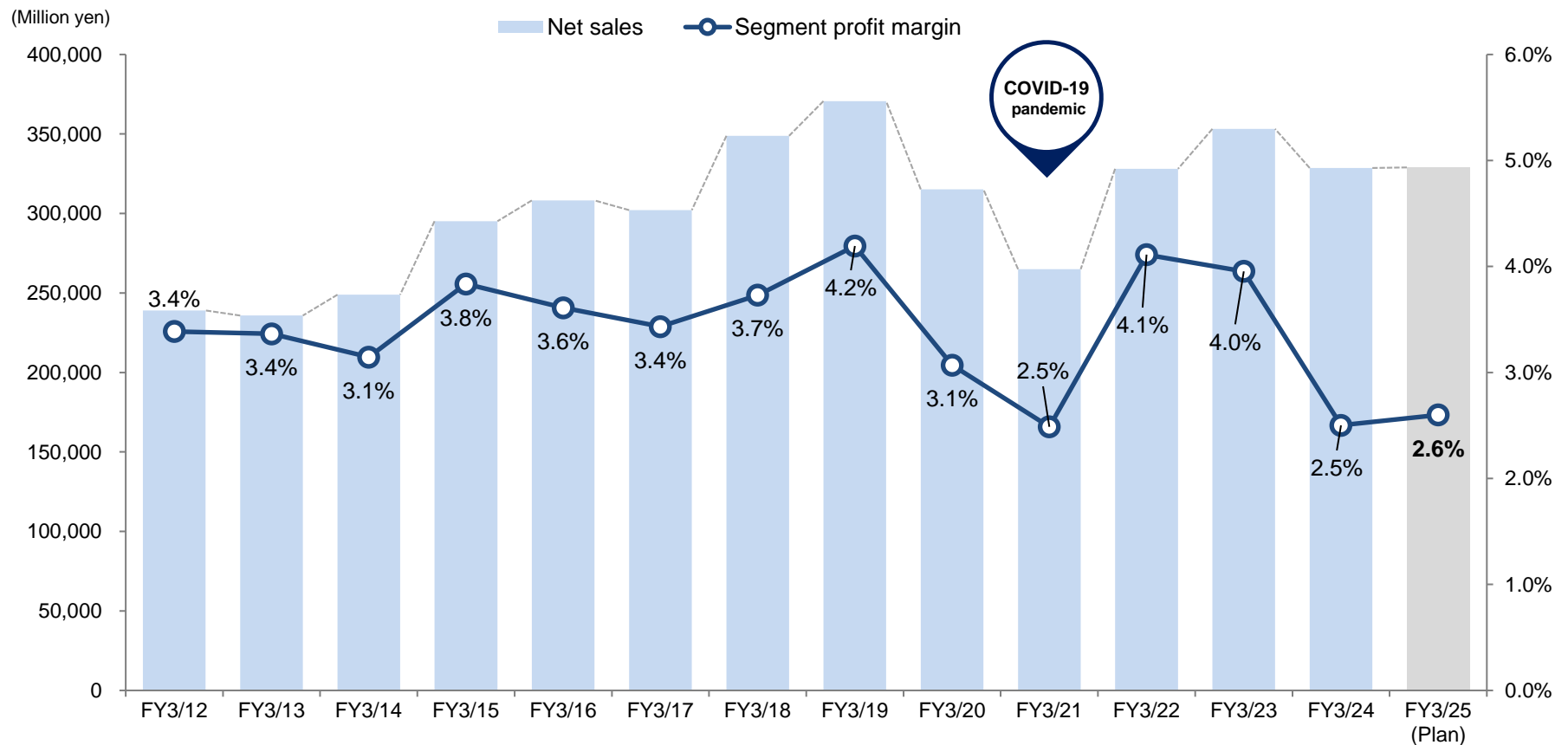
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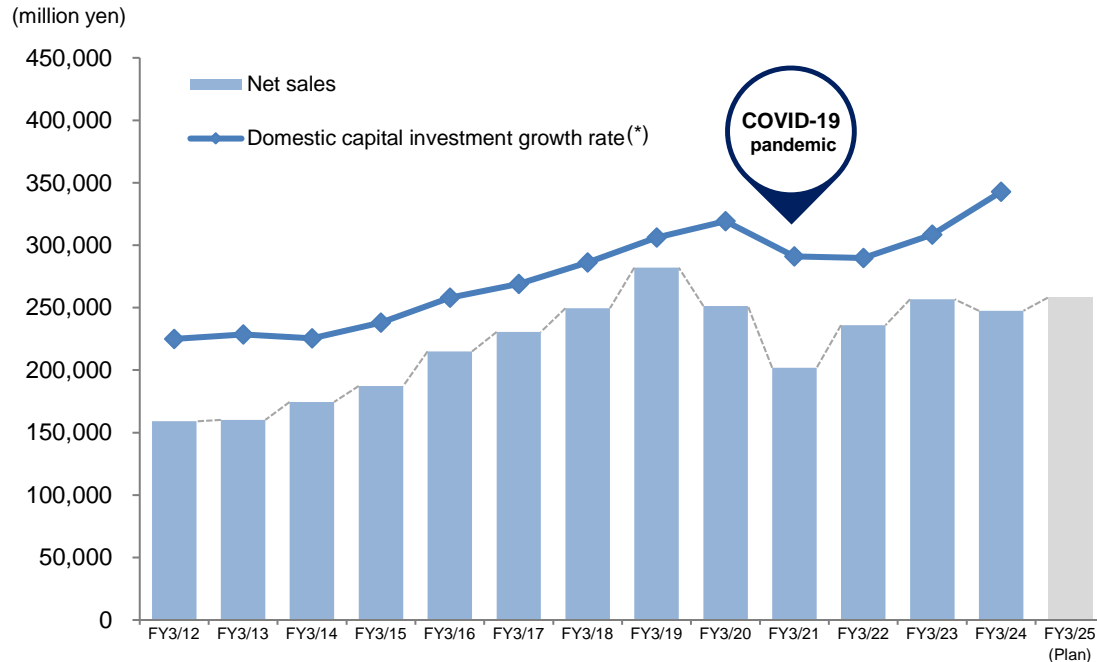
Although the trends are different for domestic and overseas in the Production Equipment Business, overall it is showing growth that is linked to the trend in capital investment

(The domestic and overseas situations are explained on the following pages)

Production Equipment Business (Domestic + Overseas) Net Sales and Segment Profit Margin Trends



Net Sales Trend in the Domestic Production Equipment Business



Domestic capital investment trends are affecting performance

✓ Current Situation

Strength

- The Domestic Production Equipment Business has established a top-class presence in the industry and has roles in identifying and providing information on numerous manufacturers' products and services and a market-in role of capturing user needs through a large number of stores.

Opportunity

- There is a growing need for solutions to social issues, including automation, labor saving, and decarbonization

Opportunity

- The market for production equipment manufacturers is an area with room for expansion, such as semiconductors, distribution, and the three product industries (food, medicine, and cosmetics)

We plan to improve profit margins by enhancing expertise in the wholesale business and expanding the engineering business, while also strengthening our development of new business areas, thereby mitigating the negative impact of capital investment trends and achieving sustainable growth

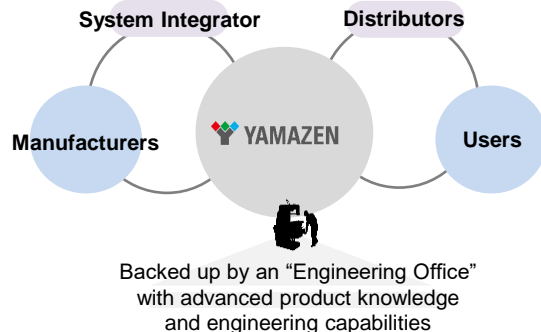
Strengthening wholesale business expertise

By strengthening the expertise of each division that makes up the Production Equipment Business and **expanding solution proposals to meet the needs of production sites**, including “automation and labor saving” and “**decarbonization**,” we will further increase our presence in established markets and work to maintain and continue the wholesale business, which is our revenue base

Machine Tools Business

Establish a specialist engineering team to develop a system to respond to issues faced by each player

In Machine Tools Business, we will work on fostering engineering capabilities in order to provide more benefits to each player and to solidify YAMAZEN's value of existence. As a part of this, an “Engineering Office” will be established to provide engineering expertise and establish a function of connecting all players, including manufacturers, stores, and users, in collaboration with system integrators.



Industrial Solution Business

Strengthen “solution proposals for social issues” such as decarbonization, automation, labor saving

In order to solve the issues commonly faced by various users, such as labor shortages and decarbonization, the Industrial Solution Business is proactively participating throughout Japan in exhibitions and events centered on automation and labor saving solutions, as well as sales meetings on the topic of decarbonization in order to secure orders for aids for environmental improvement. Work on establishing and expanding communication channels with users, and develop a system capable of offering high value-added proposals that meet users' individual needs.



Business meetings on the theme of “decarbonization” were held in various locations to acquire orders for aids for environmental improvement

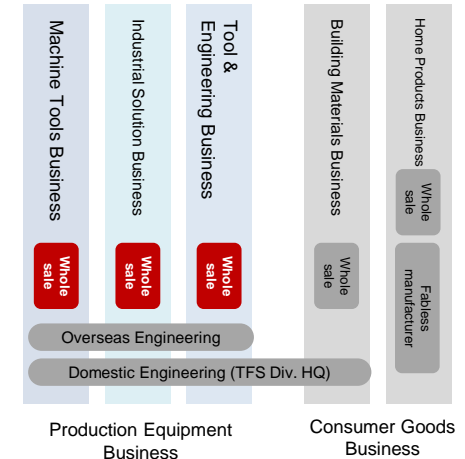
Tool & Engineering Business

Contribute to users' productivity improvement by strengthening proposals for process improvement, jigs, etc. by “technical sales representatives”

We are strengthening our services to customers, such as process improvement and product proposals, by assigning “technical sales representatives” with technical expertise throughout Japan and collaborating with stores and manufacturers as partners. We are also participating in product development of peripheral equipment for machine tools, planning original products from the user's point of view and contributing to productivity improvement and cost reduction.



Six technical sales representatives are assigned to Osaka, Nagoya, Tokyo, North Kanto, and Kyushu to handle projects nationwide.



New initiatives to improve profitability in the wholesale business

By expanding initiatives to realize the **further improvement of profitability of the wholesale business** in each division that makes up the Production Equipment Business, such as “**expansion of target markets**”, “**expansion of private brand products**” and “**development of sales tools**”, we will further increase our presence in established markets and work to maintain and continue the **wholesale business**, which is our revenue base

Machine Tools Business

Aim to further stabilize the revenue base by establishing a specialized organization for industrial machinery proposals

Industrial Machinery Department was established within the Machine Tools Business in October 2024 for the purpose of expanding sales of plate processing and metal forming machines centered on value-added proposals such as automation and labor saving, to the forging and metal forming industry, which is facing serious labor shortages. We aim to mitigate the impact of capital investment trends on sales and further stabilize the earnings base by increasing sales of products other than machine tools.



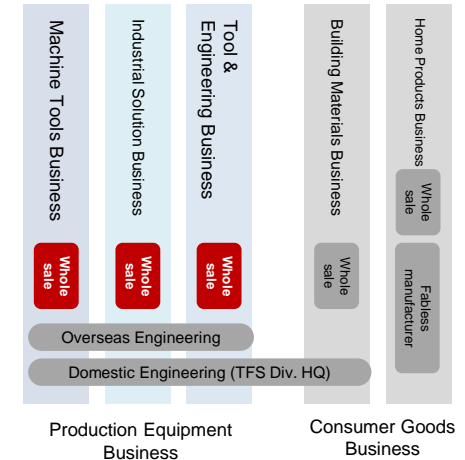
Industrial Solution Business

Realize improved profitability through expansion of original products and strengthened proposals

The Industrial Solution Business aims to realize orders for high value-added equipment and become a profit engine by working on the development of original products that match user needs for a good balance between product value and cost, and having our sales and technical support staff located nationwide use these products as a hook to propose improvements to peripheral equipment and overall facilities.



Pre-release of our original AMR at the “Logis-Tech Tokyo 2024” exhibition in September 2024. We will enhance technical support to focus specifically on automation system proposals.



Tool & Engineering Business

Launched the comprehensive manufacturing platform site “teraido”

We launched our own e-commerce site “teraido” in October 2024. The site features approximately 2.5 million products of all kinds that support manufacturing. It also contains information such as new product information, examples of usage, hot-selling products and industry information. It also helps distributors improve their operational efficiency by facilitating operations such as placing orders, requesting quotations, and accepting returns. We aim to build stronger relationships of trust by working closely with distributors and helping them through in-person sales activities and utilization of the internet.

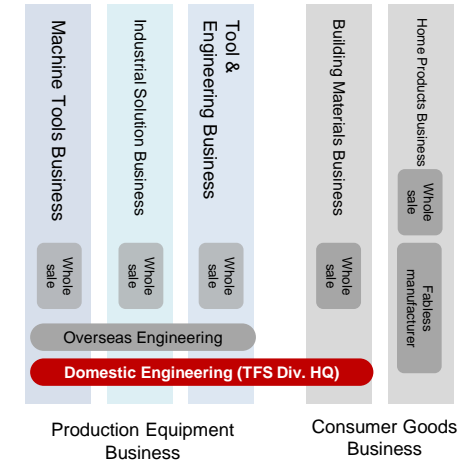


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<https://www.teraido.jp/>

Expansion of domestic engineering business

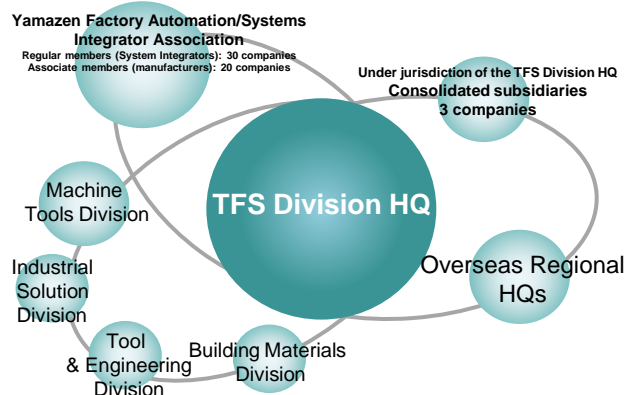
The TFS (Total Factory Solutions) Division Headquarters, which promotes the domestic engineering business, **directly proposes total solutions for production sites, including automation, to users.** In addition to the engineering business based on the domestic **production equipment wholesale business**, we have positioned the **semiconductor industry, the three product industry (food, medicine, and cosmetics), the logistics industry, and the construction machinery industry as new focus fields**, and have **organized dedicated teams** to rapidly develop new customers



Propose total solutions for production sites

Engineering capabilities through internal and external networks

We play a central role in the "Yamazén Factory Automation/Systems Integrator Association" that promotes collaboration among the various business divisions, domestic group companies, overseas regional headquarters, and external networks, and directly proposing solutions to users



Strengthen development of new fields

Strengthen "development of new fields" such as the three product categories, distribution and semiconductors.

We are focusing on proposing automated lines, etc. that utilize cooperative robots to users not only in the machinery and metal-related manufacturing industries, but also the **three product category (food, medicine, and cosmetics) industries, distribution, warehousing, etc.**



We proposed "automation and labor saving in the post-filling and individual packaging process which realizes saved space" at FOOMA JAPAN, a large-scale food manufacturing exhibition in June 2024



We opened the collaborative robot testing facility "Collaborative Robot Test Lab" in August 2024

<https://tfs.yamazén.co.jp/testlabo/index.html>

In addition, a **"Research & Development Dept."** was newly established to strengthen sales development to **semiconductor manufacturers and semiconductor material manufacturers. We will propose "equipment" and "materials" that meet both domestic and overseas demand** in the semiconductor market, which will continue to expand due to strong demand for generative AI, DX, Evs, autonomous driving, etc. In May, we exhibited at Southeast Asia's largest semiconductor exhibition, held in Malaysia, proposing Japanese-made equipment and materials.

May 2024
Exhibit at SEMICON SOUTHEAST ASIA 2024, Southeast Asia's largest semiconductor exhibition



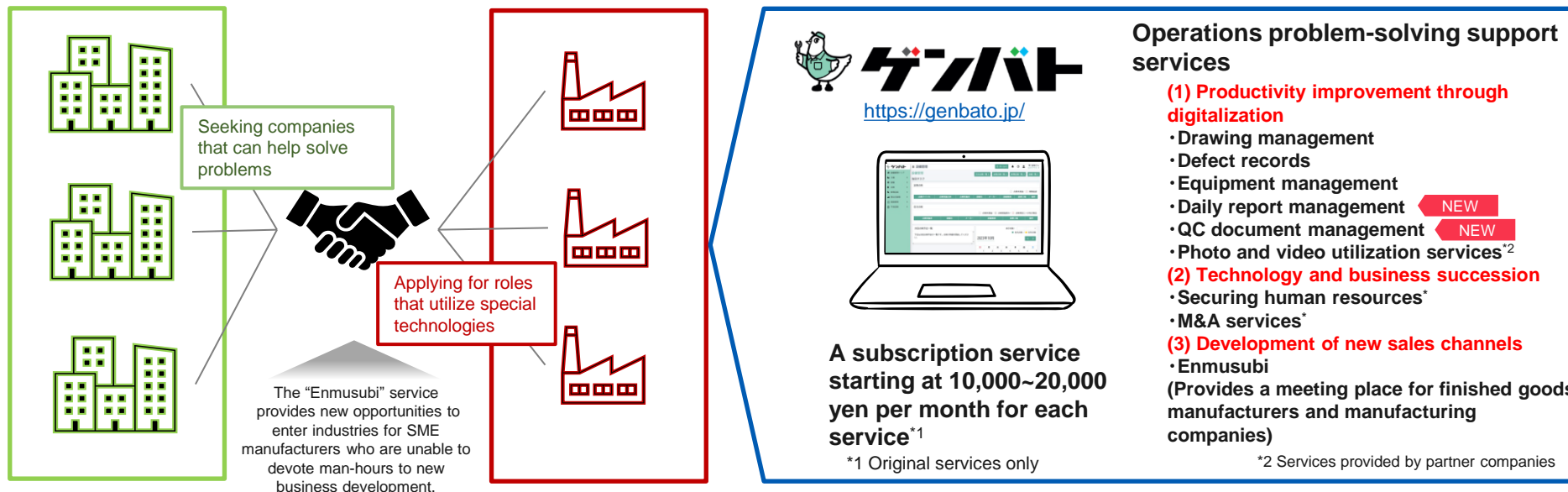
New Business

Started a new business to support manufacturing companies with (1) productivity improvement through digitalization, (2) technology and business succession, and (3) development of new sales channels.

Finished goods manufacturers

Manufacturing companies

“Genbato”, a composite SaaS platform for manufacturing companies



Benefits for manufacturing companies

By utilizing digital services that are easy to adopt, operational issues can be solved, productivity can be increased, new customer contacts can be made, and new sales channels can be developed.

Benefits to the Company

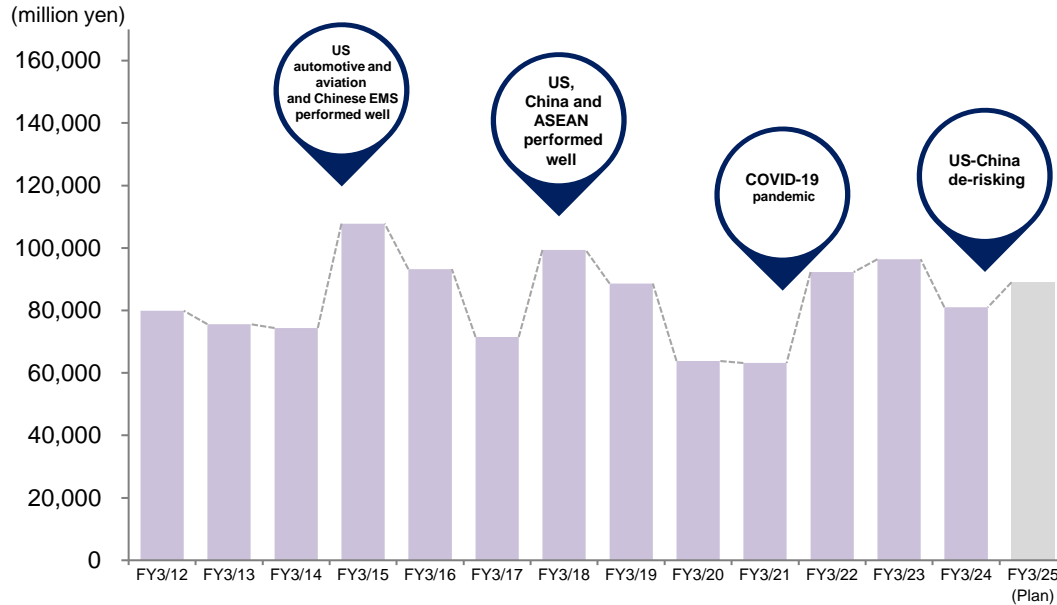
Realize monetization as a new business and establish an “eco-cycle” starting from Genbato.

Eco-cycle: A cycle that starts with Genbato and leads to productivity improvement at manufacturing companies → more profit-earning opportunities → increased willingness to invest → delivery of necessary products to worksites → further revitalization of manufacturing companies and growth of the industry as a whole.

The service was launched on February 21, 2024, and awareness will be increased through exhibitions and sales activities. New original services (daily report management, QC document management) will be released, and partner services will be added from time to time.

Aiming for 7,000 contracts and 1 billion yen in service usage value in FY3/28

Net Sales Trend in the Overseas Production Equipment Business



Capital investment trends in each country largely affects performance

✓ Current Situation

Strength

- **68 offices in 14 overseas countries and regions, covering a wide range of regions** (about 300 engineers out of about 1,270 overseas personnel)^{*1}

Strength

- The scale of our global network, built up over our long history since 1963, is **one of the largest among trading companies specializing in production equipment**, and the **barrier to entry is high**

Strength

- **Our localized sales structures and advanced engineering function^{*2}** allows us to **sell directly** to Japanese-affiliated and local users, which achieves **strong relationships of trust and high gross profit margins**

Opportunity

- Changes in the structure of global trade are **driving users to relocate their production bases**

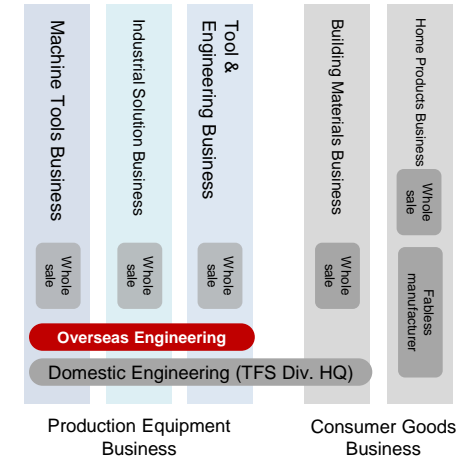
Because capital investment trends vary by country, which can lead to volatility in performance, we are strengthening our initiatives for borderless sales activities and geographic expansion

^{*1} As of September 30, 2024: Figures for the Production Equipment Business only

^{*2} Advanced engineering function: YAMAZEN's engineers provide total support for manufacturing by offering a one-stop service that includes design, sales, installation, testing, operation, after-sales service, and maintenance in response to user needs

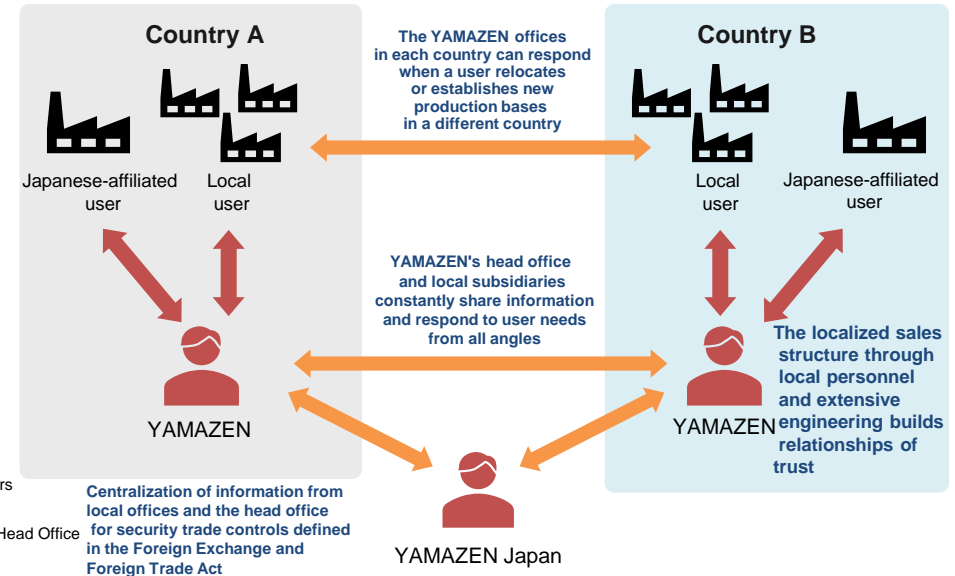
Strengthening borderless sales activities

Due to changes in the global manufacturing supply chain, the **trend of companies worldwide relocating their production bases** is accelerating. Utilizing **our wide network** and **multinational human resources**, we have named our cross-border sales activities, technical support, and equipment installation support as **our “cross-border marketing strategies”** and are strengthening our efforts by closely coordinating information between each base and our head office



Strengthening the “Cross-border marketing strategies”

Response to users' global investment strategies by leveraging our bases which cover a wide range of regions around the world and locally-based engineering capabilities



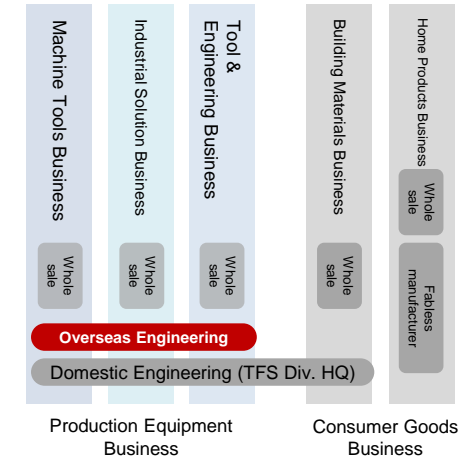
Examples of cross-border projects

- * US aircraft parts manufacturer's investment in vietnam
- * German industrial optical product manufacturing company's investment in Taiwan
- * Taiwanese semiconductor manufacturing company's investment in Japan

- * Chinese auto parts manufacturer's investment in Mexico
- * Singaporean electronic parts processing company's investment in China, etc.

Geographic expansion initiatives

Aiming for further growth in the Overseas Production Equipment Business, we will strengthen our geographical expansion initiatives **by improving our market coverage rate through the cost-effective expansion of bases and actively entering regions where competitors have not yet entered**, in order to further expand our already strong, wide-ranging network



Promote a new model of base development in North America

Reduce investment costs and efficiently improve market coverage

We aim to **efficiently improve market coverage** by streamlining and expanding the scale and roles of our bases, **complementing each other's functions while keeping investment costs down** according to the target market

Image of base development (current)

Comprised of only large-scale locations, high costs and low market coverage





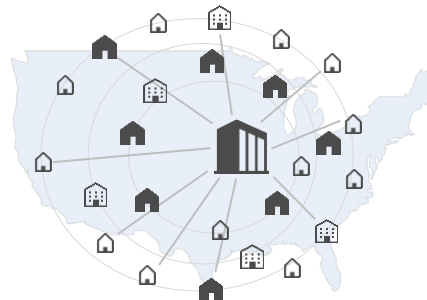


 **Headquarters building**
 **Support & Technical Centers**

Image of base development (future)

Effectively combine large, medium and small scale bases to cost-effectively increase market coverage



 **Micro Centers (medium cost)**
 Small showroom and simple demonstrations of actual equipment
 Live demonstrations can also be viewed from the Headquarters building

 **Satellite Offices (low cost)**
 Live demonstrations can be viewed from the Headquarters building

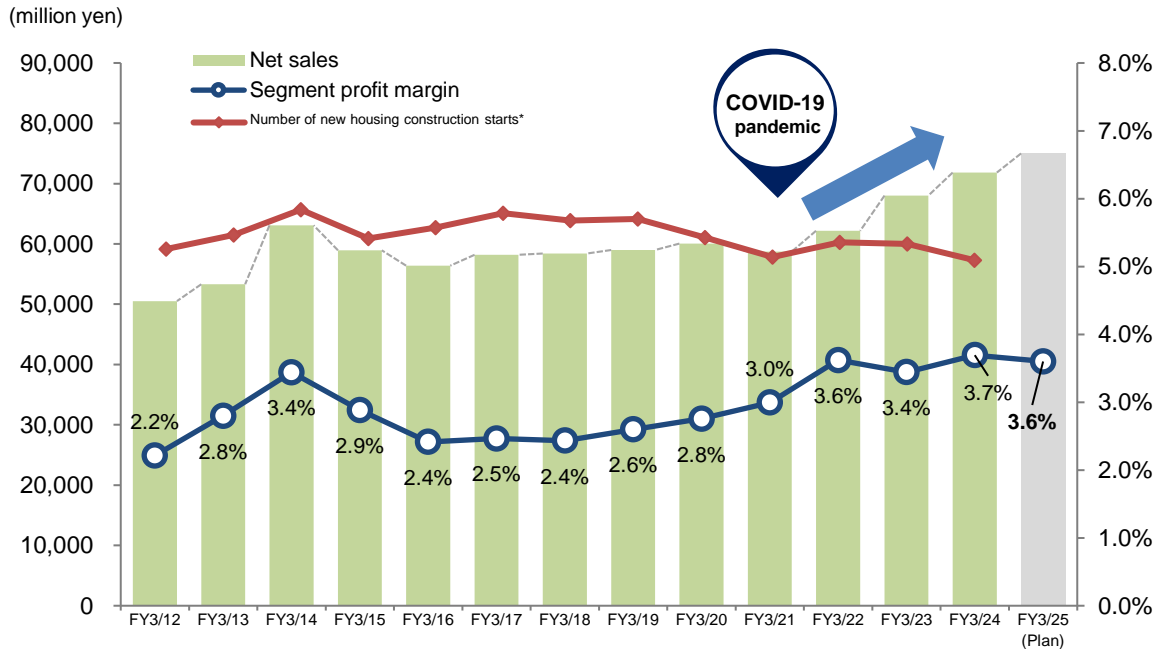
Promotion of the "Remote Island Project" in Indonesia

Entering new regions that competitors have not entered and gaining first-mover advantage

In **Indonesia**, where we have already established a local subsidiary, we plan to open new bases in addition to our existing bases in Jakarta and Cikarang under our **"Remote Island Project"**. We will also progress our **further globalization** worldwide, **expand our bases in India**, and **invest resources with a focus on EMEA (Europe, the Middle East and Africa)**.



Building Materials Business Net Sales and Segment Profit Margin Trends



Previously trended in line with new housing starts, but now on a different curve

✓ Current Situation

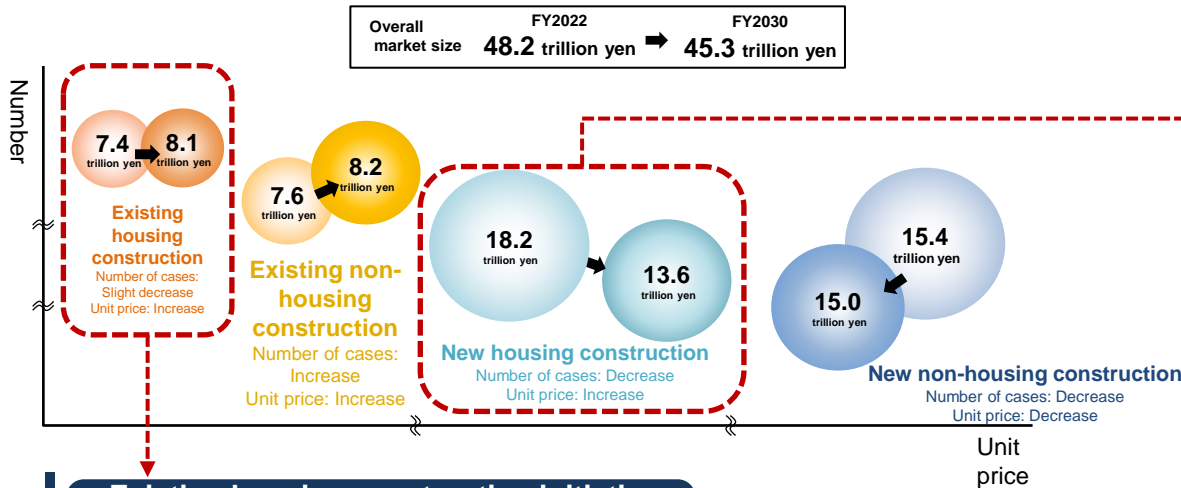
- Strength**
 - Top-class distribution volume in Japan for housing equipment, air conditioning equipment, and smart energy equipment
- Strength**
 - Nationwide-level proposal sales system and construction network through the assignment of engineers to sales offices in accordance with the Construction Business Act
- Strength**
 - Organizational sales capabilities through business promotion teams with specialized knowledge in each field and line sales
- Opportunity**
 - Revision of home building characteristics is accelerating due to mandatory energy-saving standards for new homes
- Opportunity**
 - Demand for renewal of energy-saving equipment is increasing due to corporate carbon-neutral initiatives and rising electricity prices

In order to grow business performance without being affected by the trend in the number of new housing starts, we will expand our competitive strategy in the new housing construction field and strengthen our efforts in the existing housing construction and existing non-housing construction fields as key areas

Initiatives aimed at new and existing housing construction

Regarding new housing construction, we will strengthen our sales proposals to wide-area builders and ZEH proposals, and for existing housing construction, we will establish a specialized business promotion team for the mass retailer renovation business, and promote sales through organizational sales capabilities in cooperation with line sales, so we can steadily expand our share in the industry even in the midst of a decline in the number of housing starts

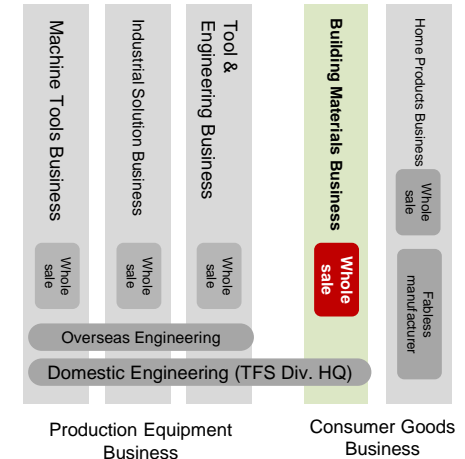
Domestic construction market size forecast*



Existing housing construction initiatives

Established a specialized business promotion team for the mass retailer renovation business

In response to the recent growing demand for renovations, we are focusing on expanding sales in the residential and existing building construction fields, by establishing the Retail Works Office and Mass Retailer Customer Service Center and equipping them with sales know-how for the planning of packaged renovations for home improvement stores and home appliance mass retailers, from construction basics to closing



New housing construction initiatives

Strengthening proposal sales to wide-area builders and strengthening proposals of “ZePlus”, our original ZEH*

As the new housing construction sector is expected to shrink, we will focus on efficiency and strengthen our sales proposals to wide-area builders through specialized organizations to mitigate the impact of the decline in new housing starts, and also aim to expand our market share through initiatives such as expanding sales of our original ZEH series “ZePlus” that captures social needs and supporting local builders to introduce ZEH

*ZEH

(net Zero Energy House)

Housing that achieves an annual primary energy consumption balance of plus-minus “zero” by improving the insulation and energy-saving performance of the house and generating energy through solar power generation, etc.

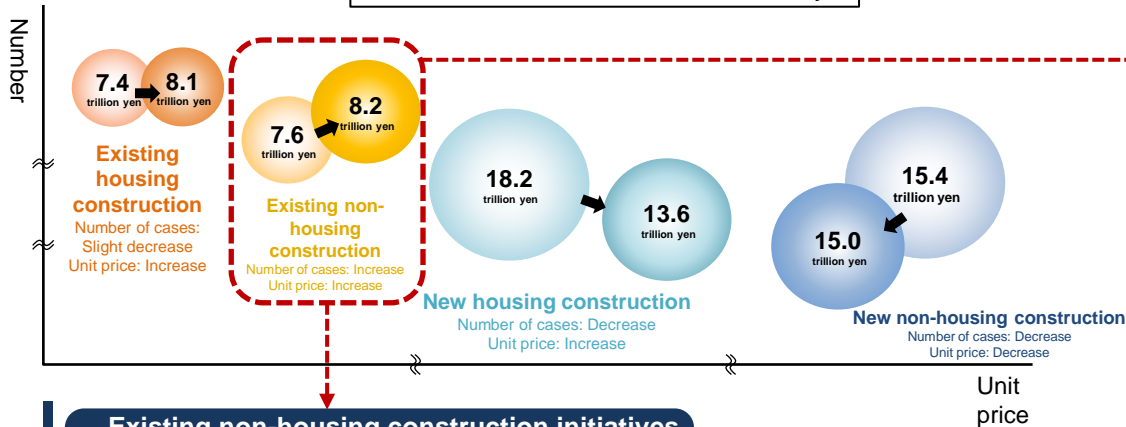


Initiatives aimed at existing non-housing construction

In the existing non-housing construction field, we will establish a specialized team to propose equipment upgrades that combine environmental products and construction in response to companies' initiatives towards carbon neutrality and the demand for energy-saving equipment upgrades due to soaring electricity costs

Domestic construction market size forecast*

Overall market size FY2022 48.2 trillion yen → FY2030 45.3 trillion yen



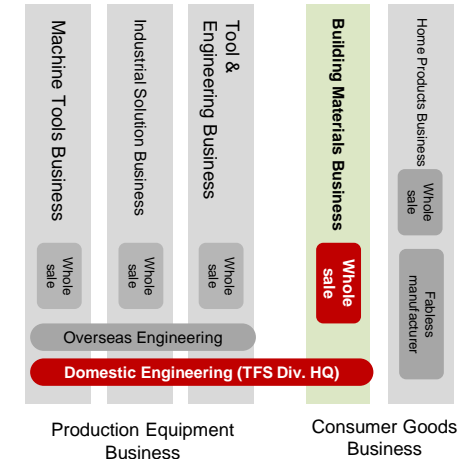
Existing non-housing construction initiatives

Strengthening proposals to companies through specialist organizations

Strengthen proposals for facility renovations that combine environmental products and installation to help companies respond to carbon neutrality and rising utility costs

Expand tie-up companies through new initiatives such as collaboration with financial institutions and proposals for sets with industrial storage batteries centered on reused batteries

さらに、2024年10月に補助金サポートのプロフェッショナル人材で組成された「ビジネスサポート室」を創設し、受注拡大と新たな収益モデル構築に取り組む



Construction organization to support Building Materials Business

Strengthening our construction network through nationwide expansion of "Yamazen Health and Safety Council"

With the aim of improving on-site safety and construction quality, we have organized the "Yamazen Health and Safety Council" construction network to further strengthen our competitive advantage as a "trading company with nationwide construction capabilities".

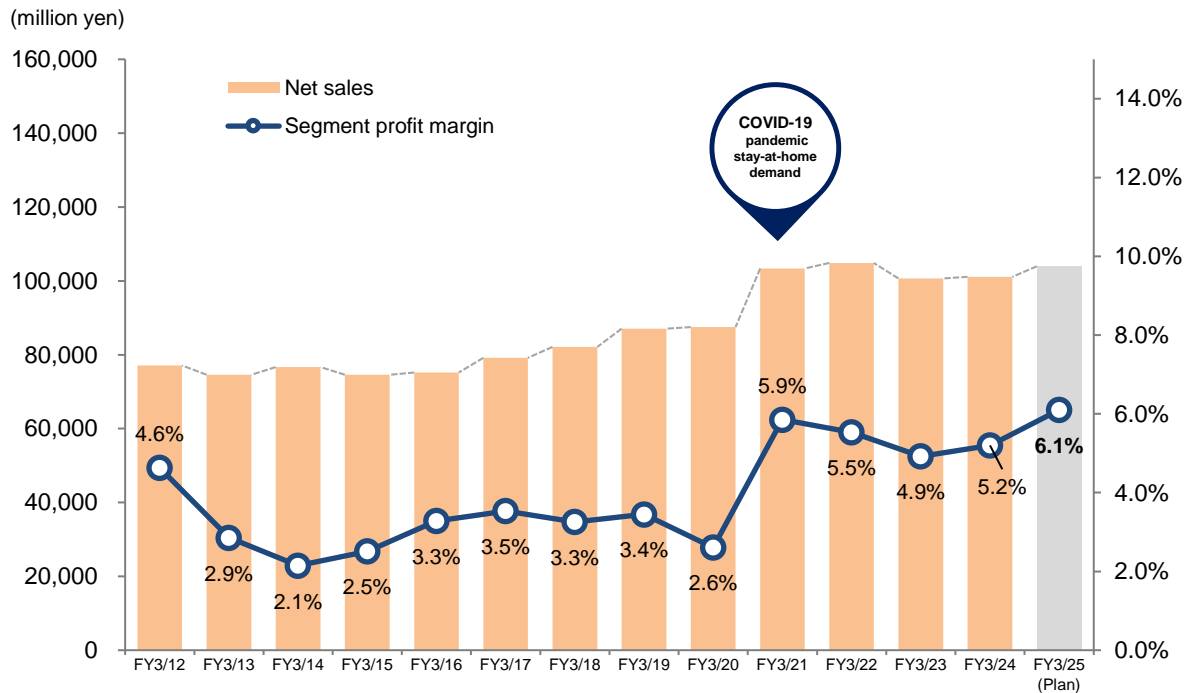
Furthermore, the launch of the search site "Aneikai.com" will enable members to search for the details of construction performed by members and the areas they cover, which will increase opportunities for members to come into contact with each other and lead to the creation of new business opportunities and the strengthening of our construction network.

Construction company cooperative organization "Yamazen Health and Safety Council"

Number of registered companies: 211
*As of April 1, 2024



Home Products Business Net Sales and Segment Profit Margin Trends



The fabless manufacturer business accounts for 60% of the business, with relatively high profit margins

✓ Current Situation

Strength

- Has a product line (electric fans, electric blankets, etc.) that is top-class in its category

Strength

- Has the ability to offer a variety of sales floor proposals by handling both private brand and national brand products

Strength

- Has a variety of sales channels including home appliance retailers, GMS, discount stores, home centers, mail-order companies, and e-commerce companies (both YAMAZEN's site and platform sellers)

Strength

- The speed of market launch and the number of products available are high thanks to the discerning and agile product development system of the MD, who has experience in sales and understands the needs of buyers and consumers.

Strength

- Fabless structure enables the growth of sales and profit while minimizing investment risk

Opportunity

- There are sales channels and markets that the Company can enter, such as B-to-B and local governments.

To further grow the fabless manufacturer business, we will strengthen our private brand product planning and design functions, promote initiatives such as localizing inspection functions and expand new sales channels (B-to-B)

Initiatives to strengthen development of private brand products

In order to further strengthen our current **strength of fast market launch** and a **large number of products**, thanks to **an agile product development system** and the **discerning eye of MDs** with sales experience and an understanding of the needs of buyers and consumers, **we will improve the development system** and strengthen **branding** by utilizing media, social media, etc.

Strengthening development of private brand products

Improve development speed and accuracy

by establishing a marketing system, strengthening the planning and design functions, and localizing the inspection function

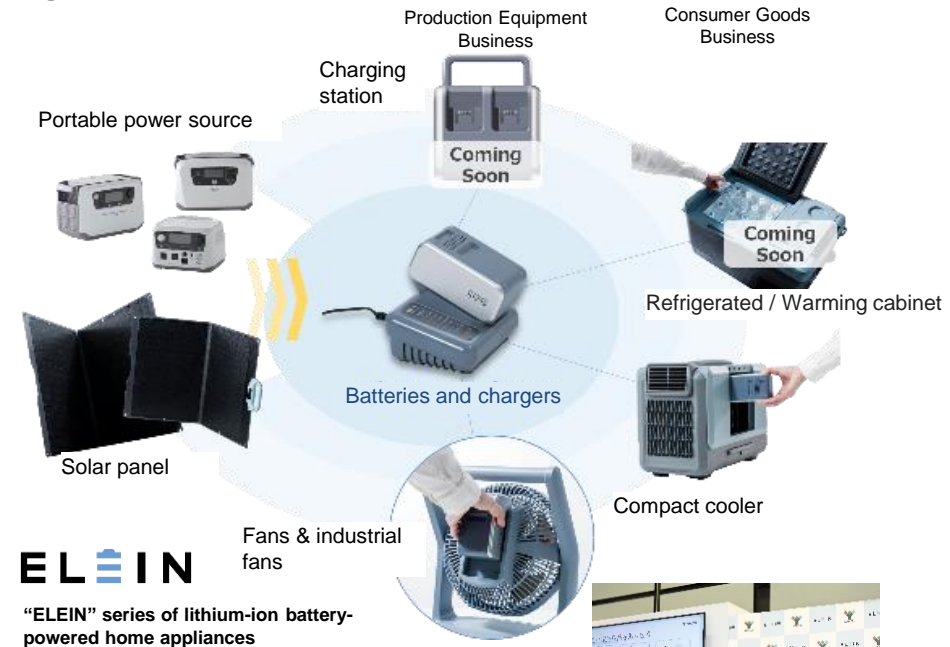
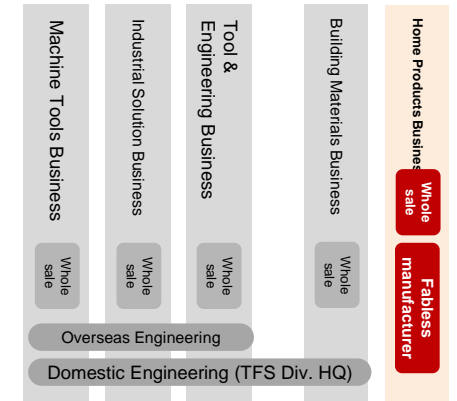
- To achieve further growth of private brands, we will establish a marketing system to accurately grasp the needs of buyers and consumers, **develop and deploy YAMAZEN's original private-brand products**, and offer an extensive lineup of products.
- We will aim to increase product turnover by **improving development speed** and **small-lot production** to constantly reap returns, and promote initiatives such as **strengthening planning and design functions** and **localization of inspection functions**.



As seen on TV! An electric blanket you can wear while moving
“Kurumi-ket Over”



“High-End Model” electric-powered adjustable desk, which is the top item in the series and has a range of 57-117cm!



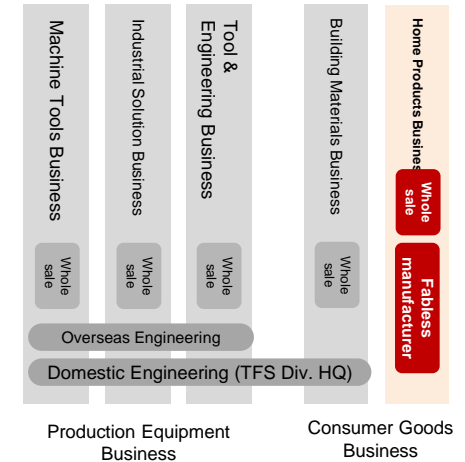
Effectively utilizes solar energy when combined with solar panels. It has been introduced on television, in newspapers, magazines, and on the web as a product that meets the needs of consumers in the midst of rising electricity prices and increasing natural disasters such as earthquakes



A new product launch event for the media was held

Initiatives aimed at new sales channels (B-to-B)

For general consumers, products are delivered through various sales channels such as home appliance retailers, GMS, discount stores, home centers, mail-order companies, and e-commerce companies (both YAMAZEN's site and platform sellers), with sales representatives conducting negotiations and proposals with discretion that suits the needs of each channel, but we are working to develop B-to-B routes in order to capture even more new markets



Initiatives aimed at new sales channels

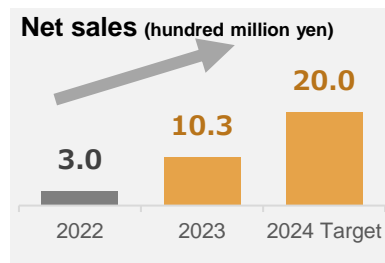
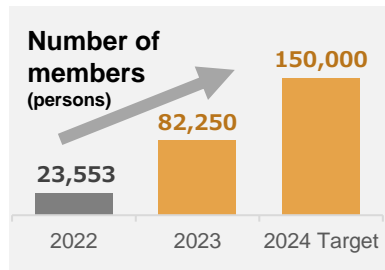
Focus on developing new markets such as B-to-B and local governments

- In response to diversifying consumer needs and an increasingly competitive environment, we will **expand “YAMAZEN Bizcom”, YAMAZEN's own e-commerce site**, to cultivate new corporate customers, and **strengthen corporate sales to local governments and other entities**, with a focus on making it one of the pillars of the business.

- In addition to expanding sales of consumer products to corporate channels, strengthen product development for B-to-B, aiming to secure sales and profits that will add on to existing sales.



YAMAZEN's own e-commerce site, “YAMAZEN Bizcom”



We exhibited our “Direct cool series of water-cooled clothing” that prevents heatstroke at various exhibitions, such as hot weather countermeasure exhibitions and environmental exhibitions. The heat countermeasure protection products attracted a large crowd, indicating the high level of interest in these products.

Disaster Preparedness Bag Meets demand for office stockpiles



AGENDA

- I . Outline and Our Business Models
- II . FY3/25 Q2 (Semi-annual Period) Financial Highlights
- III . Earnings Forecast for FY3/25
- IV . Initiatives by Business
- V . Medium-Term Management Plan “CROSSING YAMAZEN 2024”**
- VI . Shareholder Returns and Capital Policy
- Appendix

PURPOSE

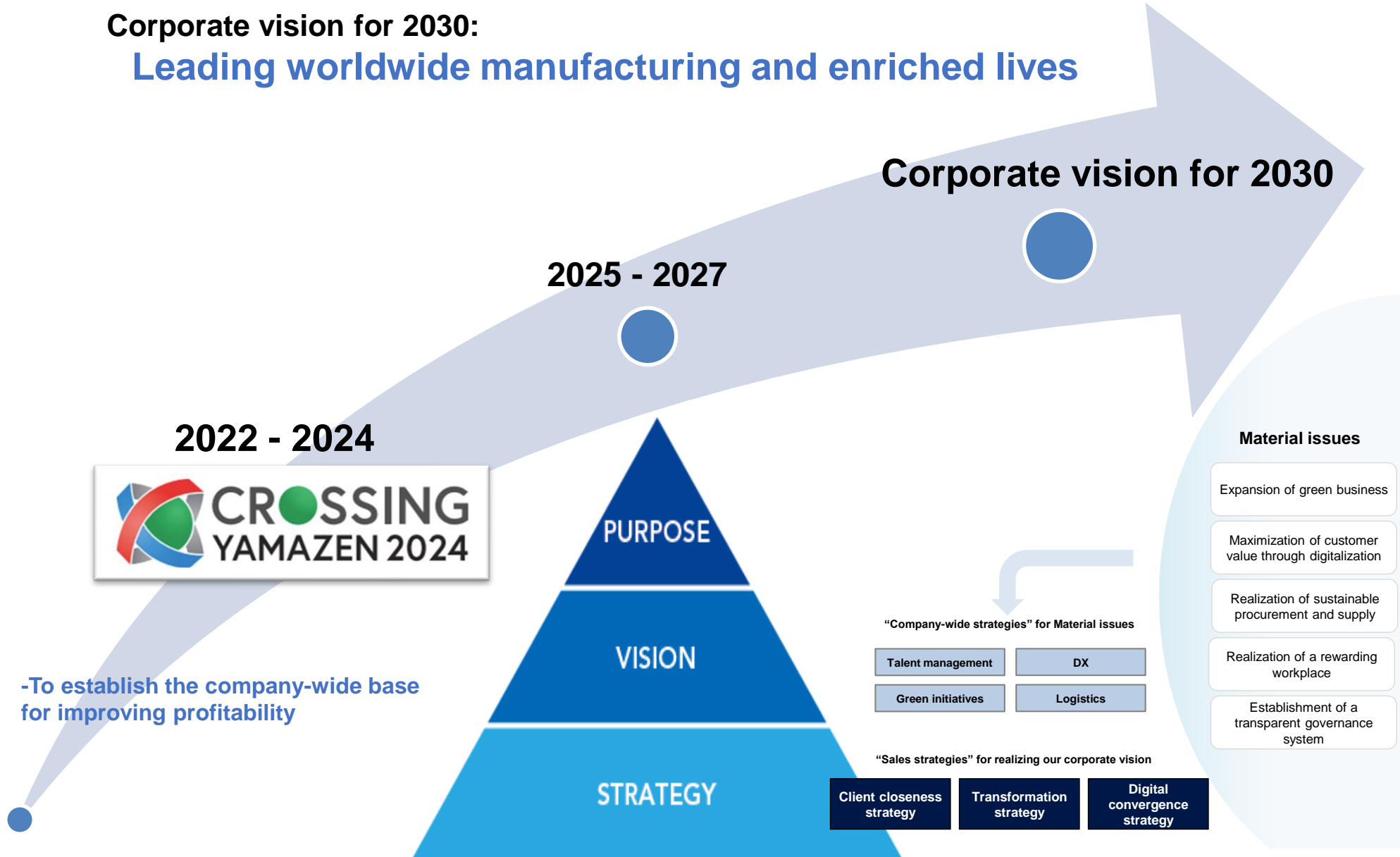
Pioneering a new future, with you all

VISION

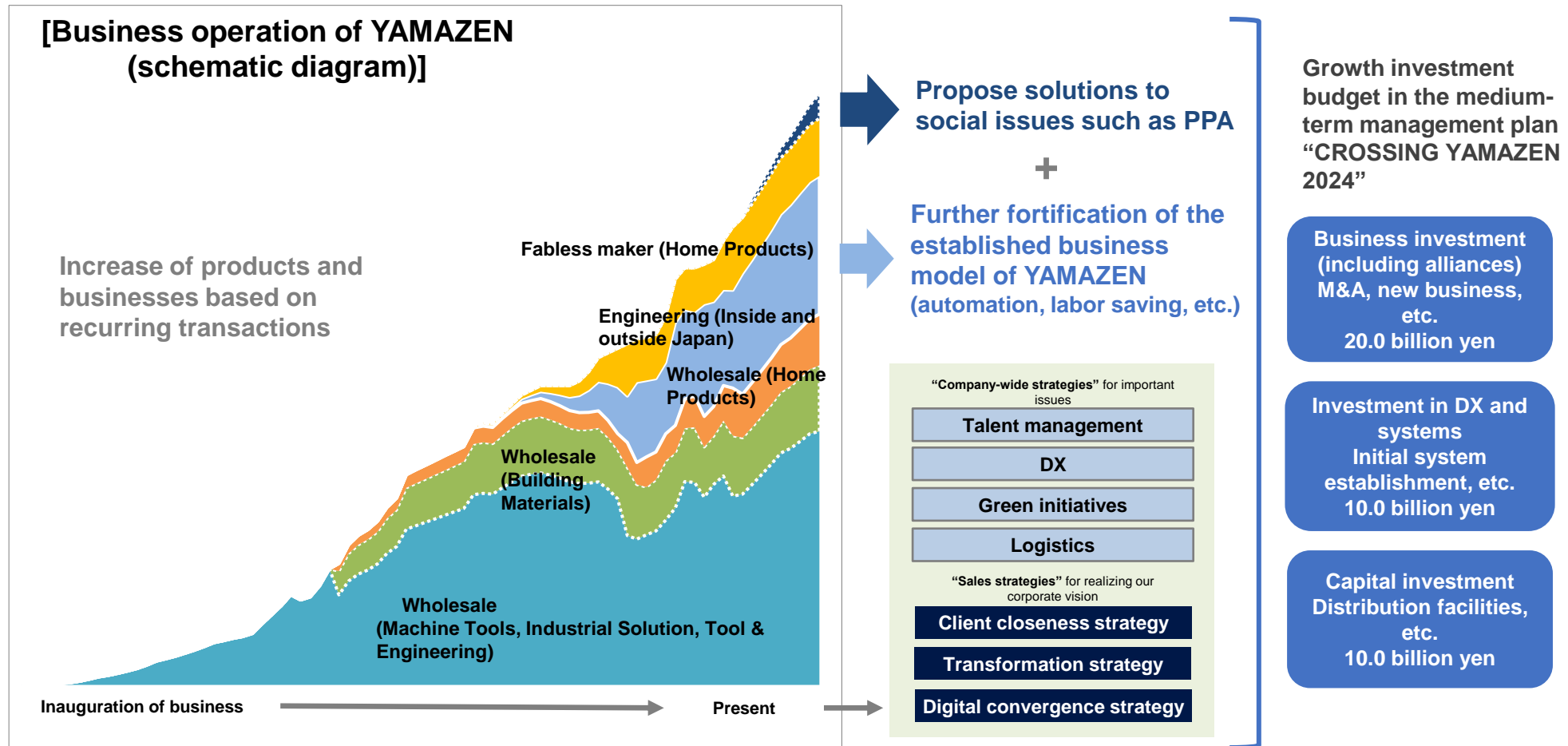
Leading worldwide manufacturing and enriched lives

Corporate vision for 2030:

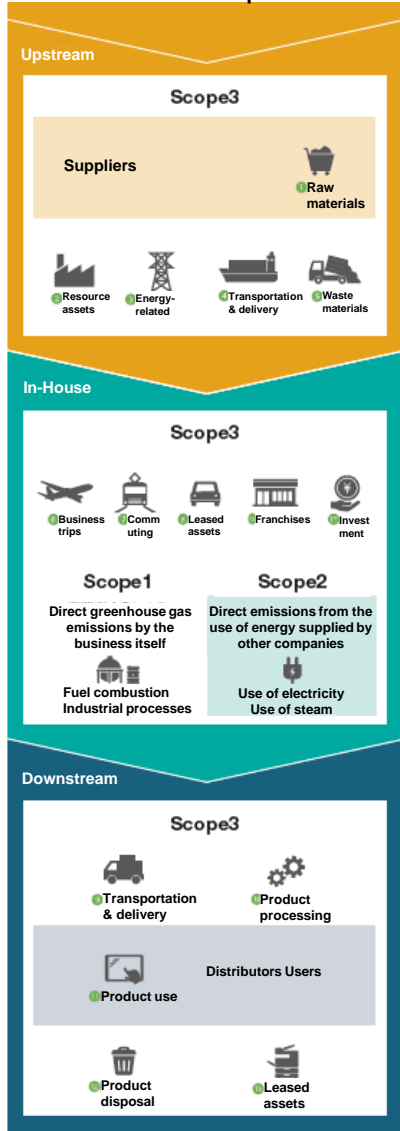
Leading worldwide manufacturing and enriched lives



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



Environmental business engagement with the supply chain based on GHG protocols



Upstream

Promote Corporate PPA business

As a joint (engagement) reduction project throughout the supply chain, in October 2022 we launched a joint brand “DayZpower” with Daigas Energy Co., Ltd., a member of the Osaka Gas group, and are deploying the Corporate PPA business to supply electricity from renewable energy, mainly to our suppliers. We are helping our suppliers reduce their emissions at the manufacturing stage, while at the same time reducing our Category 1 emissions from purchased goods and services.

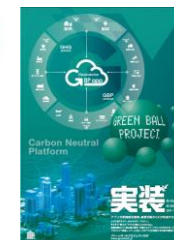


| Plant name | Site name | Annual electricity sales | Operation commenced (planned) |
|--------------------------------|-----------------------|--------------------------|-------------------------------|
| DayZ-1 | Crecia, Kaisei | 500,000 kWh | Commenced March 2023 |
| DayZ-2 | Okudaya, Sakai | 110,000 kWh | Commenced June 2023 |
| DayZ-3 | Toyo Koken, Yamanashi | 130,000 kWh | Commenced April 2024 |
| DayZ-4 | Crecia, Tokyo | 370,000 kWh | Commenced September 2024 |
| DayZ-5 | Crecia, Koyo | 380,000 kWh | Commenced October 2024 |
| DayZ-6 | Crecia, Kyoto | 4,230,000 kWh | Planned for Jan. 2025 |
| Total annual electricity sales | | 5,700,000 kWh | |

Downstream

Promotion of environmentally superior products

We will quantify the small reduction effects of energy-saving devices in small, single products that are difficult to quantify, and promote them as environmentally superior products in an effort to reduce our Category 11 emissions from the use of sold products. In FY2023, 639 participating companies and 54 supporting manufacturers worked together to achieve an annual reduction of 37,709 t-CO₂, and the cumulative reduction effect since the start of the project in 2008 has reached 570,867 t-CO₂.



Upstream

In-House

Downstream

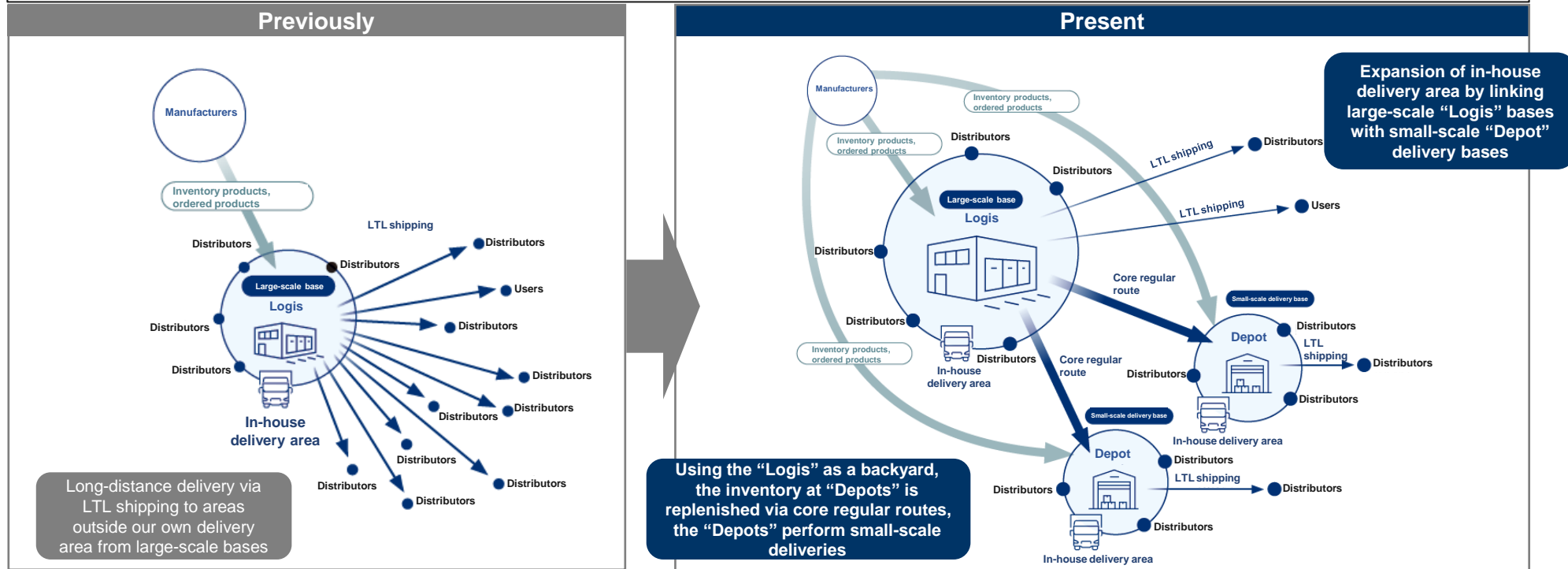
Reducing the supply chain's overall CO₂ emissions via an emissions calculation app

In order to ascertain accurate numerical values of emissions for each category of the GHG Protocol globally and to manage the progress of reductions, we have introduced the use of the Green Ball Project App (GBP App), a partially customized version of the CO₂ emissions calculation app “zeroboard” provided as an SaaS by Zeroboard Inc., at our domestic and overseas locations with a total of 110 accounts, and we are tracking the numerical values. Also, in order to reduce CO₂ emissions throughout the supply chain, a custom version of the app is being provided free of charge to 278 of the companies participating in the Green Ball Project, enabling them to visualize both the total emissions and the reduction effect based on the GBP Protocol.



Share distribution assets across business units by implementing LMS/WMS, increase efficiency through distribution DX, and achieve the following:

1. Response to the “2024 problem”
2. Control of “transportation and delivery costs”
3. Service improvement through “expansion of same-day/next-day delivery areas” and “optimization of dispersed inventory according to area demand”



Introduce LMS/WMS

The company has been promoting the use of LMS (integrated logistics management system) and WMS (warehouse management system), and the introduction of these systems had been completed at seven locations as of March 2024. Compared to before the relocation, picking productivity at Logis Tokyo (Kitamoto City) has increased by approximately 2.3x, and erroneous shipments have decreased by approximately two thirds. Combined with the effect of introducing material handling systems, the number of personnel in the warehouse has been reduced by approximately 25%.

Share distribution assets between businesses

Building Materials Business distribution bases (“Depots”) are also being used as small distribution bases for production equipment. After starting in Okayama, the system has been expanded to Kanazawa, Sendai, and Sapporo. Realizes reduced delivery distances and improved service levels.

Expand and reorganize distribution bases

Logis Osaka (Higashiosaka City), the western Japan logistics base for the Tool & Engineering Division Headquarters and Industrial Solution Division Headquarters, began partial operation in November 2024 in preparation for full operation in January 2025. Realizes shorter delivery distances to customers and a more flexible transportation system.

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

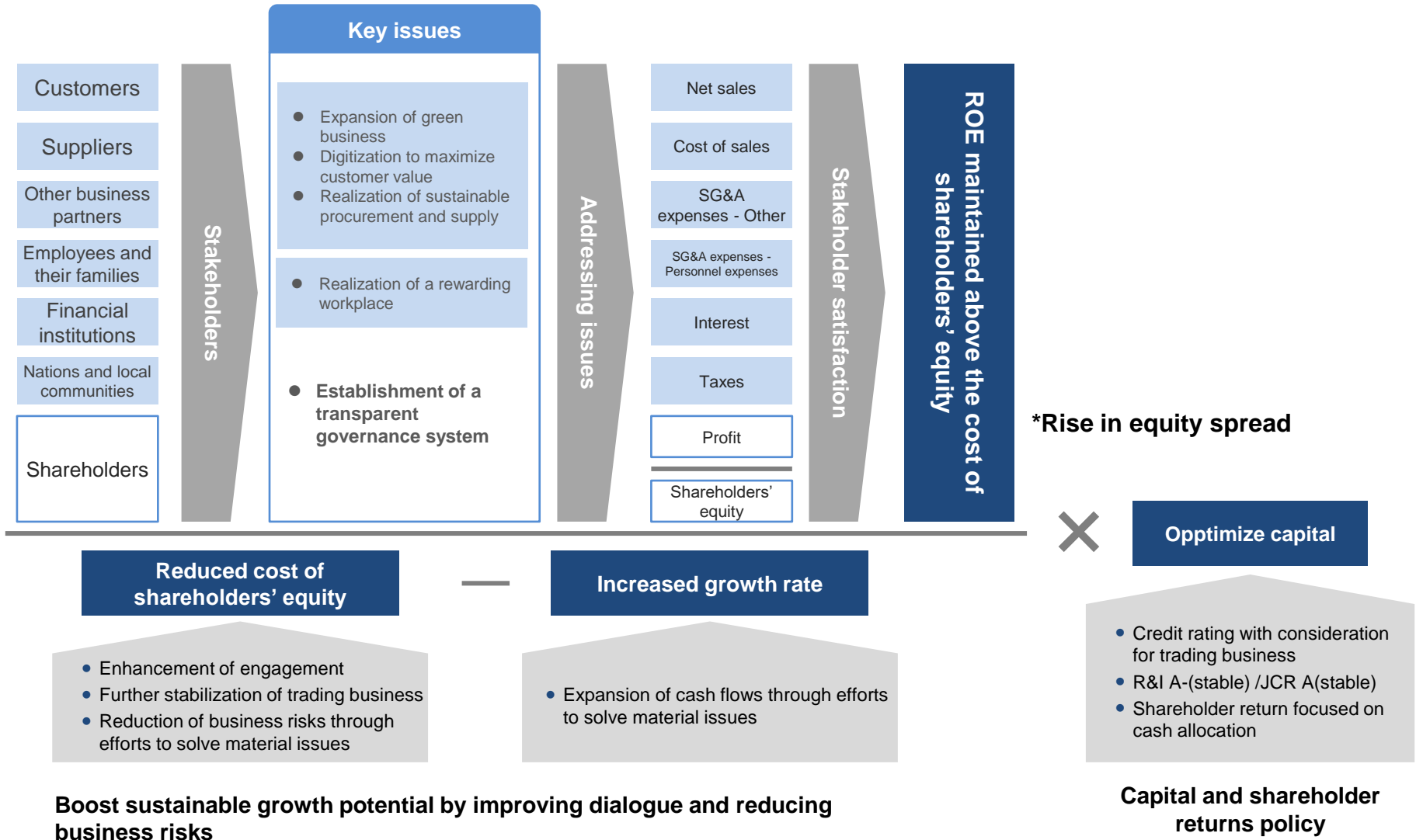
| (Million yen) | FY3/22 results | FY3/23 results (First year of Medium-Term Management Plan) | FY3/24 results | FY3/25 plan (Revised on Nov. 14, 2024) |
|-------------------------|----------------|--|----------------|---|
| Net sales | 501,872 | 527,263 | 506,866 | 510,000 |
| Operating profit | 17,133 | 16,563 | 9,887 | 10,000 |
| Operating profit margin | 3.4% | 3.1% | 2.0% | 2.0% |
| Ordinary profit | 17,093 | 17,280 | 10,435 | 10,000 |
| Profit | 12,023 | 12,527 | 6,488 | 7,600 |

| Indicators (Million yen) | FY3/22 results | FY3/23 results (First year of Medium-Term Management Plan) | FY3/24 results | FY3/25 plan (Revised on Nov. 14, 2024) |
|-------------------------------|----------------|--|----------------|---|
| Return on equity (ROE) | 10.9% | 10.6% | 5.1% | 5.8% |
| Basic operating cash flow | 12,052 | 14,427 | 10,626 | 11,000 |
| Shareholders' equity ratio | 39.9% | 42.6% | 44.6% | 40-45% |

AGENDA

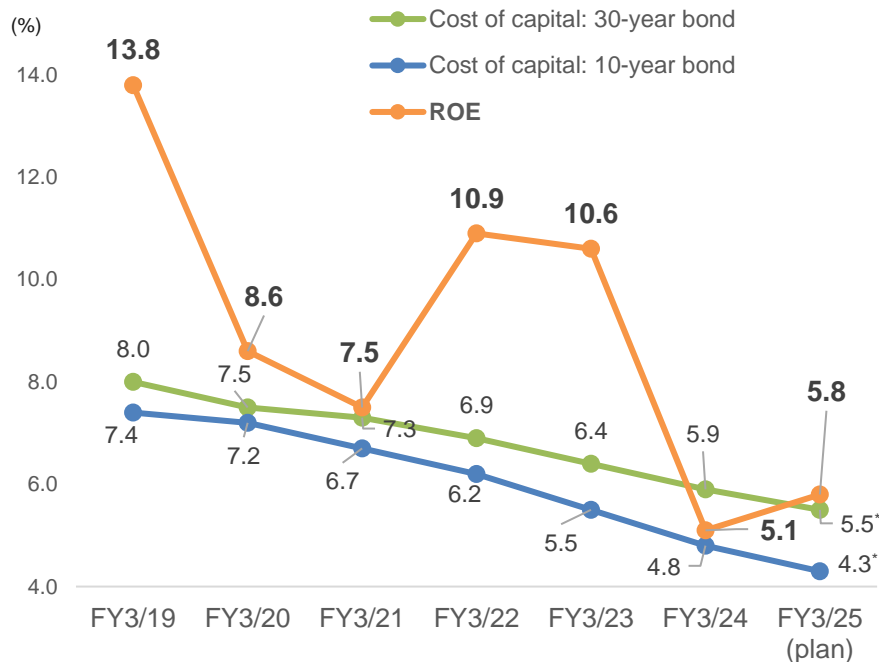
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- VI . Shareholder Returns and Capital Policy**
- Appendix

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

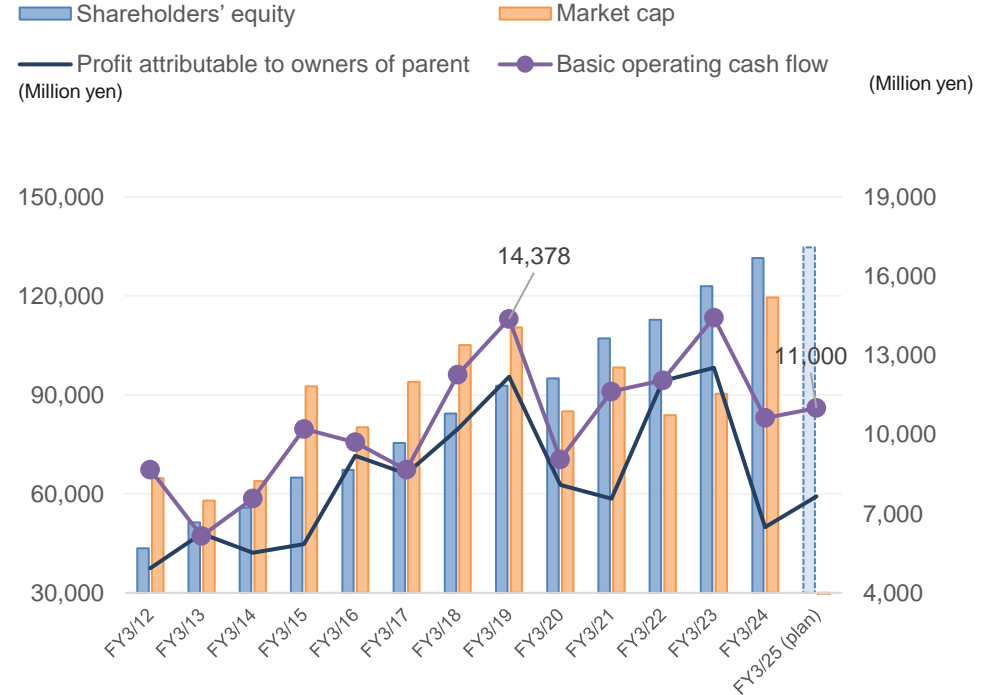


- Cost of shareholders' equity assumed to be around 7% (range of 3.39%-8.78% estimated via CAPM as of March 31, 2024)
- We will strive to reduce the cost of shareholders' equity by continuously enhancing dialogue with the market, and promote investment in business fields with excellent capital efficiency and synergy effects with our existing distribution business to realize sustainable improvement in profitability and growth and increase corporate value over the medium to long term.

ROE/cost of shareholders' equity



Market cap/basic operating cash flow



※Estimated value as of the end of September 2024

✓ A new growth investment phase after the capital enhancement phase

Basic operating cash flow revised to 36.0 billion yen in the revised Medium-Term Management Plan

| Medium-Term Management Plan | | | | FY3/23 Full-year Result | FY3/24 Full-year Result | FY3/25 Q2 (Semi-annual period) | Total |
|---|---------------------|---|------------------------|----------------------------|---|--------------------------------------|-------|
| <div>Basic operating cash flow</div> <div>3-year Total Approx. 36.0</div> | Growth investment | Business investment 20.0 | 0.79 | 1.02 | *Cash flow results from Apr. to Sep. | 2.71 | |
| | | DX/Systems Investment 10.0 | 3.13 | 2.05 | 3.34 | 8.52 | |
| | | Logistics and other investments 10.0 | 1.87 | 1.62 | 1.24 | 4.72 | |
| | Shareholder Returns | Dividend 13.5 | 3.56 | 4.45 | *Includes 5 billion yen for the acquisition of treasury stock, year-end dividends, and estimated cash flow. | 17.36 | |
| | | Optimum capital | Retained earnings - | - | - | - | - |
| Cash on hand and borrowings 17.5 | | | | | | | |

| Timing | Corporate Action | Number of shares held | Destination | Objective | | | | |
|-------------------|--|-----------------------|--------------------------------|------------------------------------|------------------|--------------------------|-----|-----|
| | | | | Reduction of policy stockhold ings | Market liquidity | Ratio of floating shares | EPS | ROE |
| April 2021 | Acquisition of Euro-yen CBs* & treasury shares | 3,870,900 | Treasury shares | ○ | — | — | ○ | ○ |
| September 2021 | Acquisition of treasury shares | 1,652,900 | Treasury shares | ○ | — | — | ○ | ○ |
| December 2023 | Secondary sale of shares held by financial institutions* | 6,711,100 | Mainly individual shareholders | ○ | ○ | ○ | — | — |
| May - August 2024 | Acquisition of treasury shares* | 3,374,800 | Treasury shares | ○ | — | — | ○ | ○ |
| Total: 15,609,700 | | | | | | | | |

Change in Shareholder Returns Policy

(Disclosed on August 10, 2023)

The current Medium-Term Management Plan incorporates an increase in depreciation and amortization due to business investments and capital expenditures, and **there is a possibility that shareholder returns will be at an inadequate level based on the progress of the investment plan and a short-term downturn in earnings**, we have therefore revised our shareholder return policy to ensure stable and continuous shareholder returns.

Before change

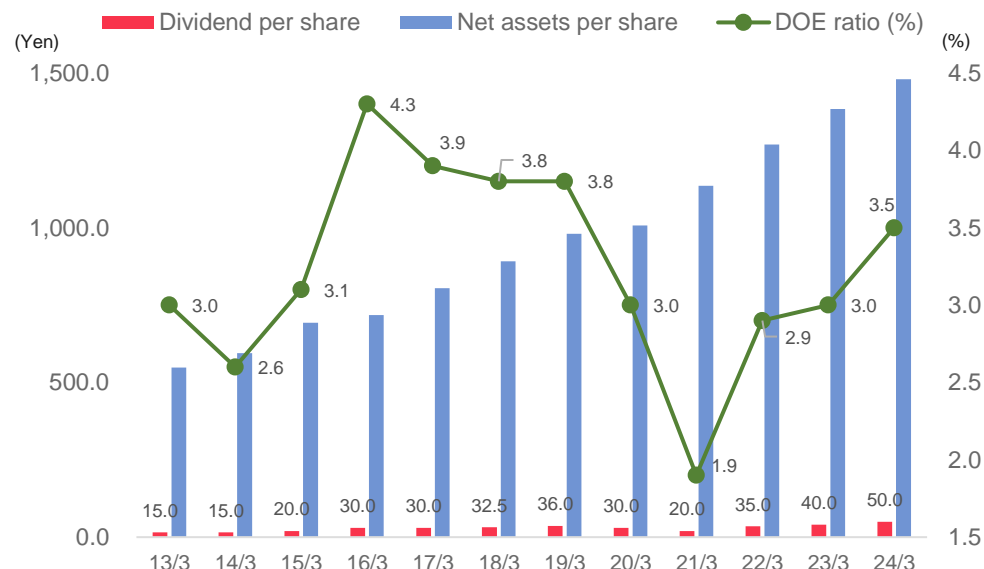
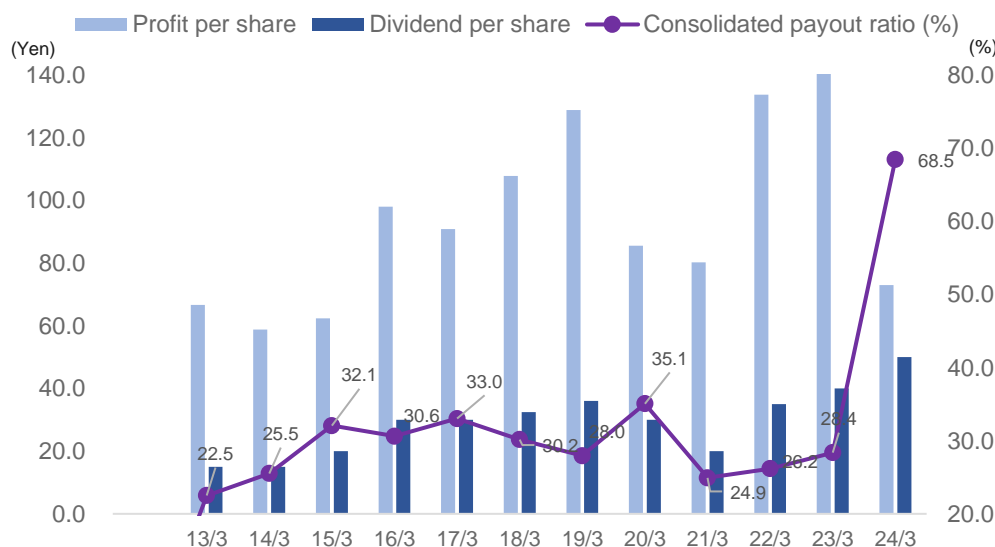
Target payout ratio of 30%

After change

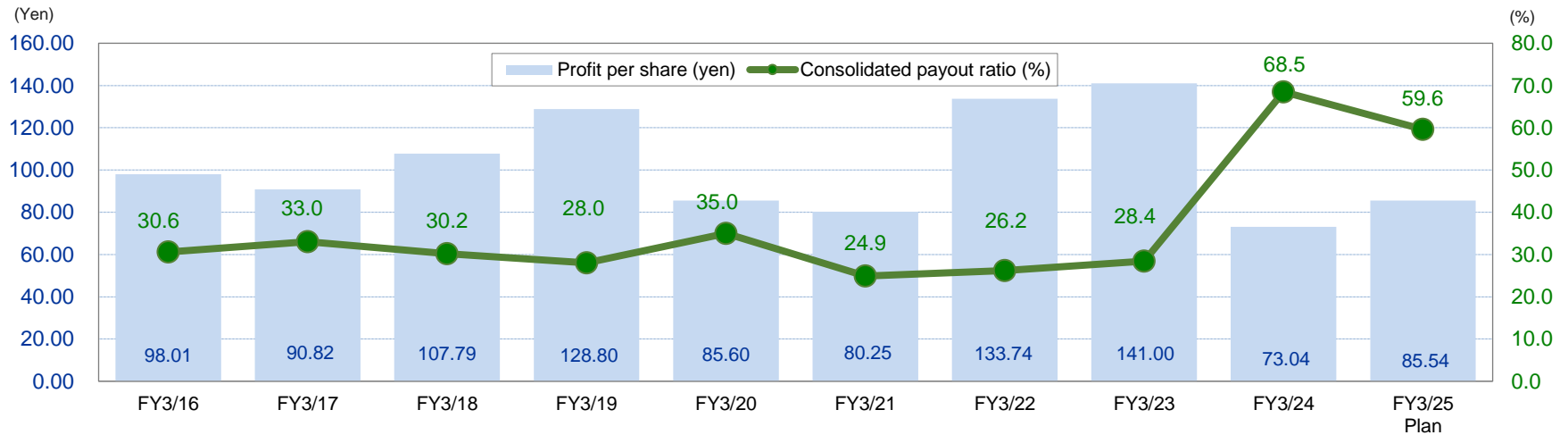
Consolidated payout ratio of 40%
or dividend on equity (DOE) ratio
of 3.5%, whichever is higher

Applicable period: FY3/24 and FY3/25

(During the period of the Medium-Term Management Plan "CROSSING YAMAZEN 2024")



- FY3/24: Paid an interim dividend of 20 yen per share and a year-end dividend of 30 yen per share, for an annual dividend of 50 yen per share.
- FY3/25: Plan to pay an interim dividend of 20 yen per share and a year-end dividend of 31 yen per share, for an annual dividend of 51 yen per share.



| | | FY3/18 | FY3/19 | FY3/20 | FY3/21 | FY3/22 | FY3/23 | FY3/24 | FY3/25 plan |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|-------------|
| Dividend per share (yen) | Mid-year | 13.0 | 15.0 | 16.0 | 10.0 | 10.0 | 20.0 | 20.0 | 20.0 |
| | End of year | *19.5 | *21.0 | 14.0 | 10.0 | *25.0 | 20.0 | 30.0 | 31.0 |
| | Annual | *32.5 | *36.0 | 30.0 | 20.0 | 35.0 | 40.0 | 50.0 | 51.0 |
| Payout ratio (%) | | 30.2 | 28.0 | 35.0 | 24.9 | 26.2 | 28.4 | 68.5 | 59.6 |
| Dividend on equity ratio (DOE) (%) | | 3.8 | 3.8 | 3.0 | 1.9 | 2.9 | 3.0 | 3.5 | 3.5 |
| Dividend paid (Million yen) | | 3,074 | 3,405 | 2,837 | 1,891 | 3,115 | 3,560 | 4,451 | 4,540 |
| Amount of treasury stock acquired (Million yen) | | 733 | - | - | - | 5,999 | - | - | 5,000 |
| Total return ratio (%) | | 37.3 | 28.0 | 35.0 | 24.9 | 75.8 | 28.4 | 68.5 | 125.5 |

*Includes special dividends and commemorative dividends

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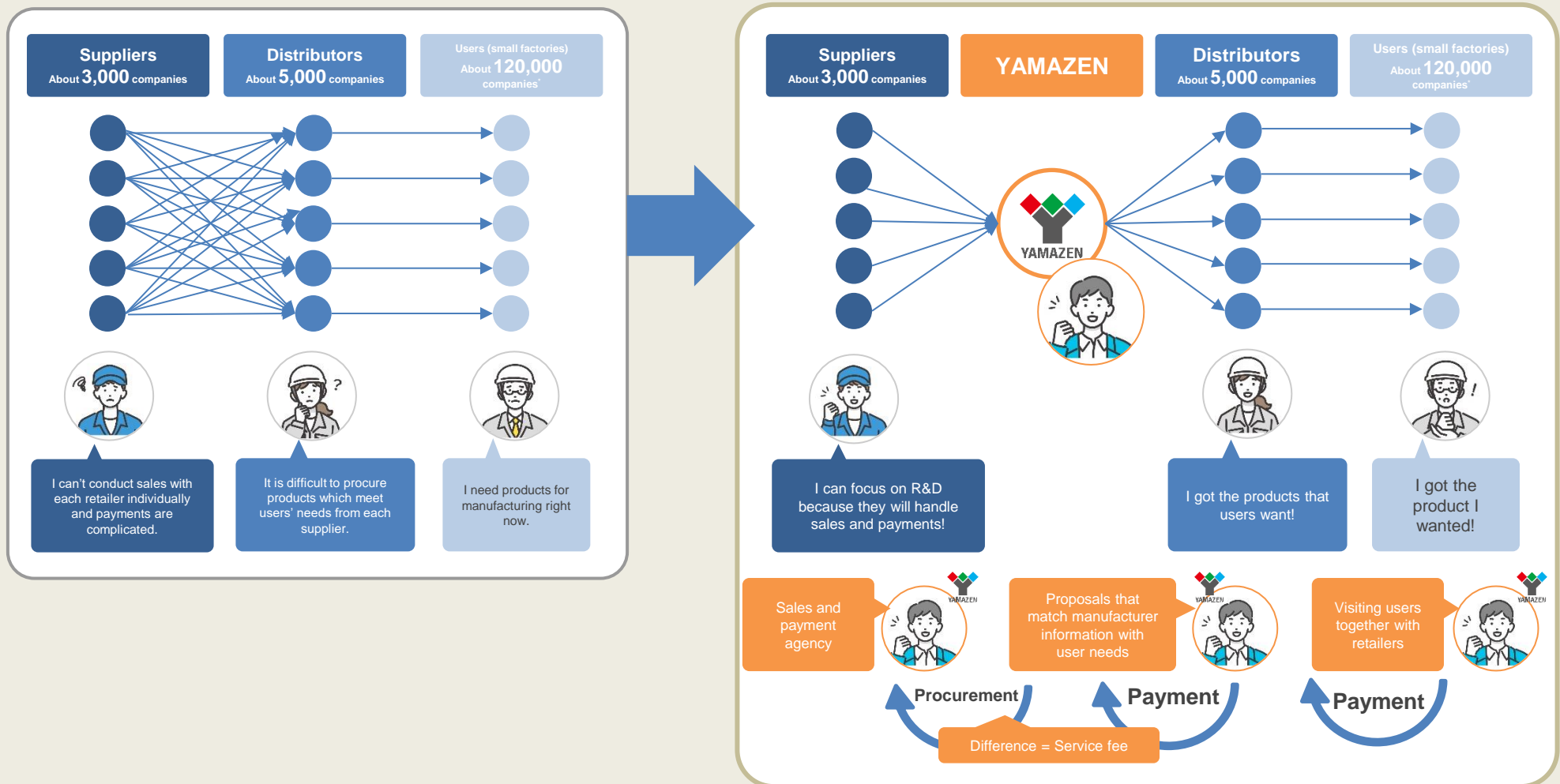
[Note on forward-looking information]

“The forward-looking statements in this document, including the Medium-Term Management Plan and forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. Factors that may affect future forecasts include the economic environment in which the Company operates, competitive pressures, relevant laws and regulations, changes in product development status, and exchange rate fluctuations. However, factors that may affect the future forecasts are not limited to these.”

Appendix

Supplementary Materials for Our Business Models

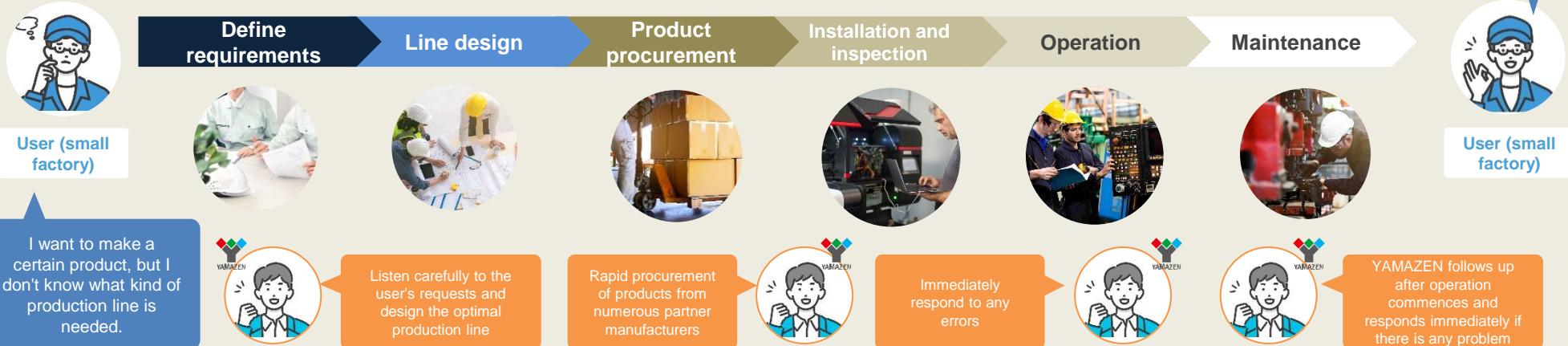
A core business that generates stable cash flows. With our long history, strong client relationships, and thorough knowledge of the industry, we **have a leading share of the domestic production equipment market**



We are one of the few companies that provides an advanced engineering structure worldwide through our own overseas staff. Currently, the TFS Division HQ is promoting this initiative across business divisions within Japan as well.

Flow of Engineering (example from the US)

Our optimal production line is complete!



Overseas
14 countries
and regions

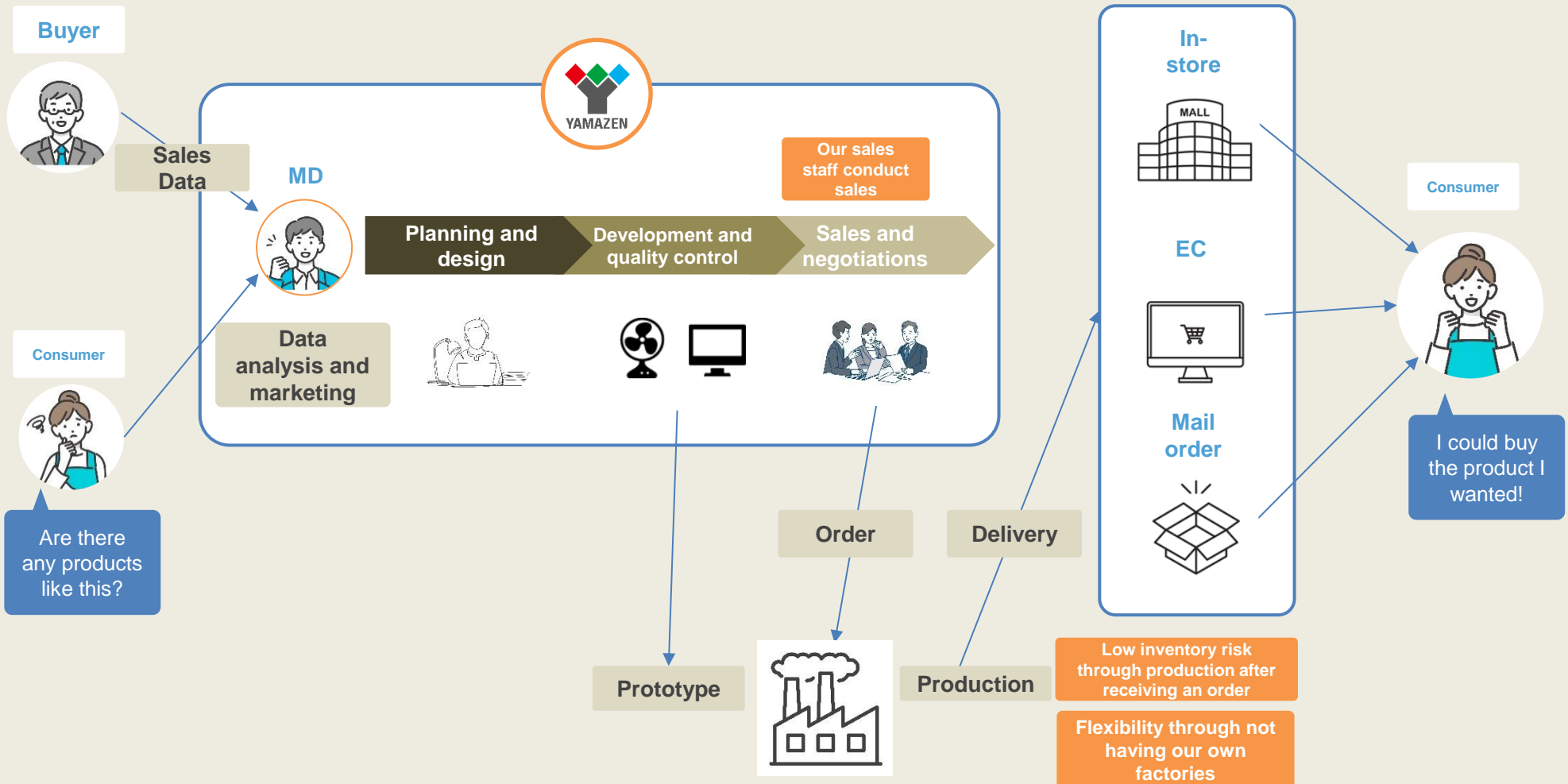
68 branches



Overseas staff
About **1,270**
people

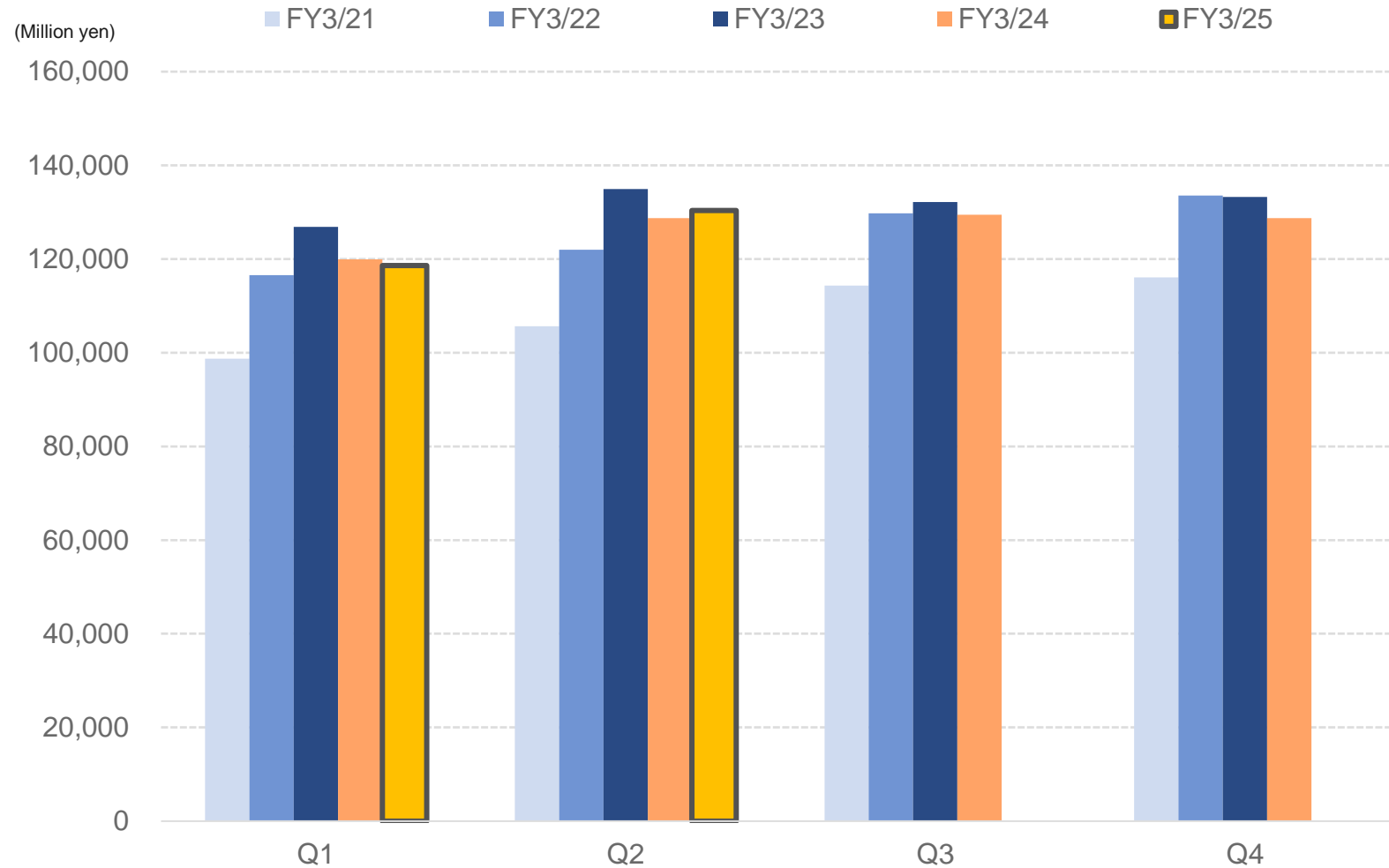
About
300
engineers

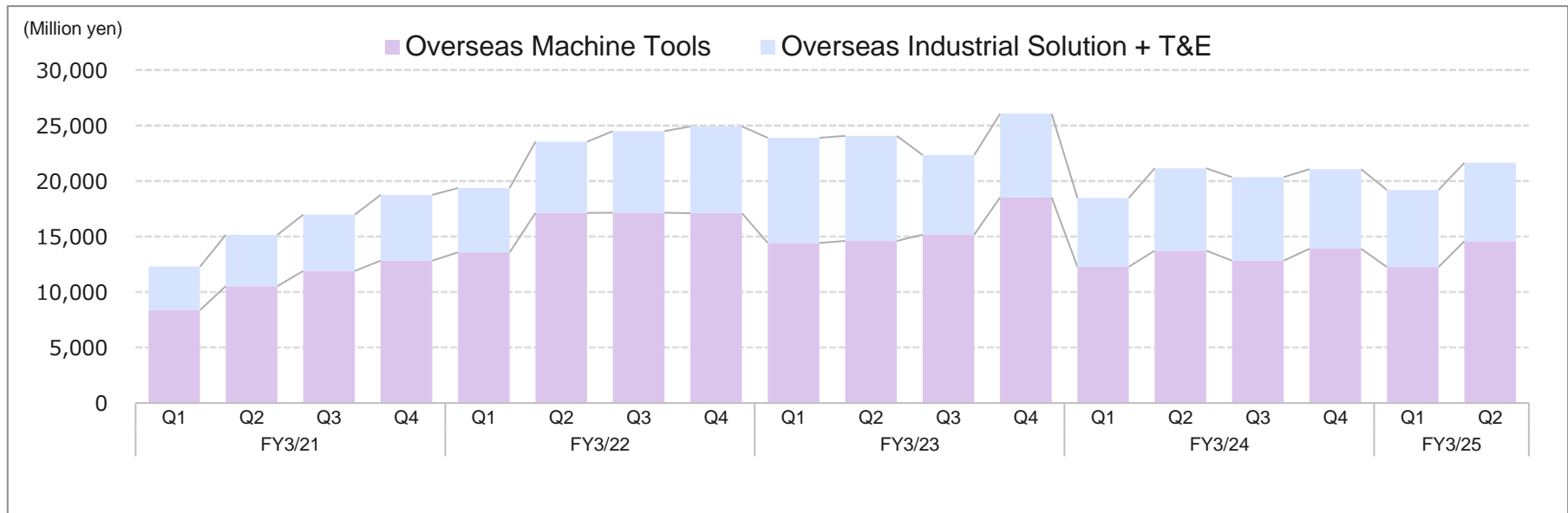
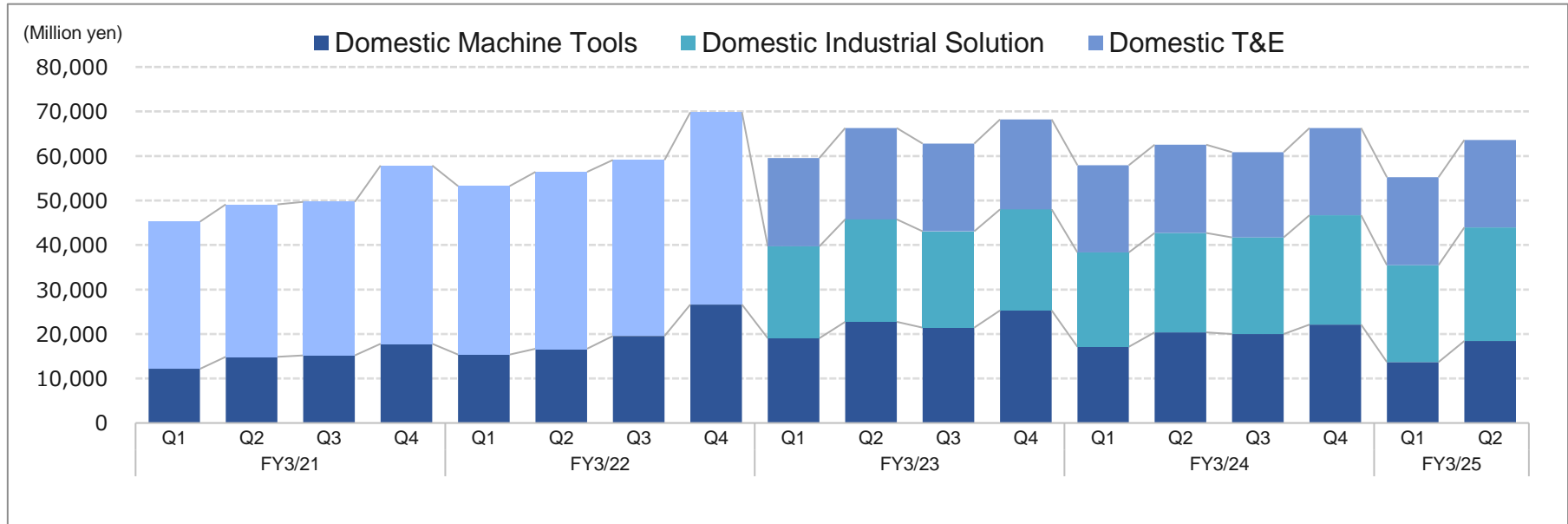
About 60% of net sales in the Home Products Business is from private brand products. We can commercialize these private brand products quickly because our merchandisers (MDs), who are familiar with customer needs and have sales experience, can plan and develop them quickly and with discretion. We do not have our own production facilities, so the risk is low.



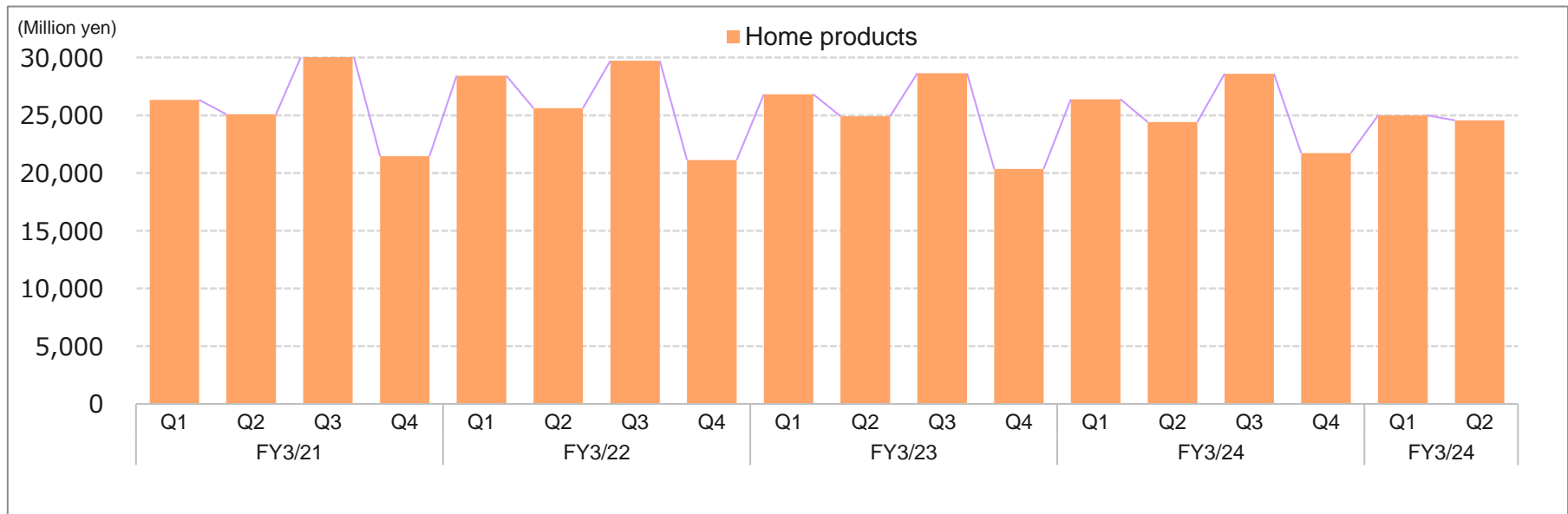
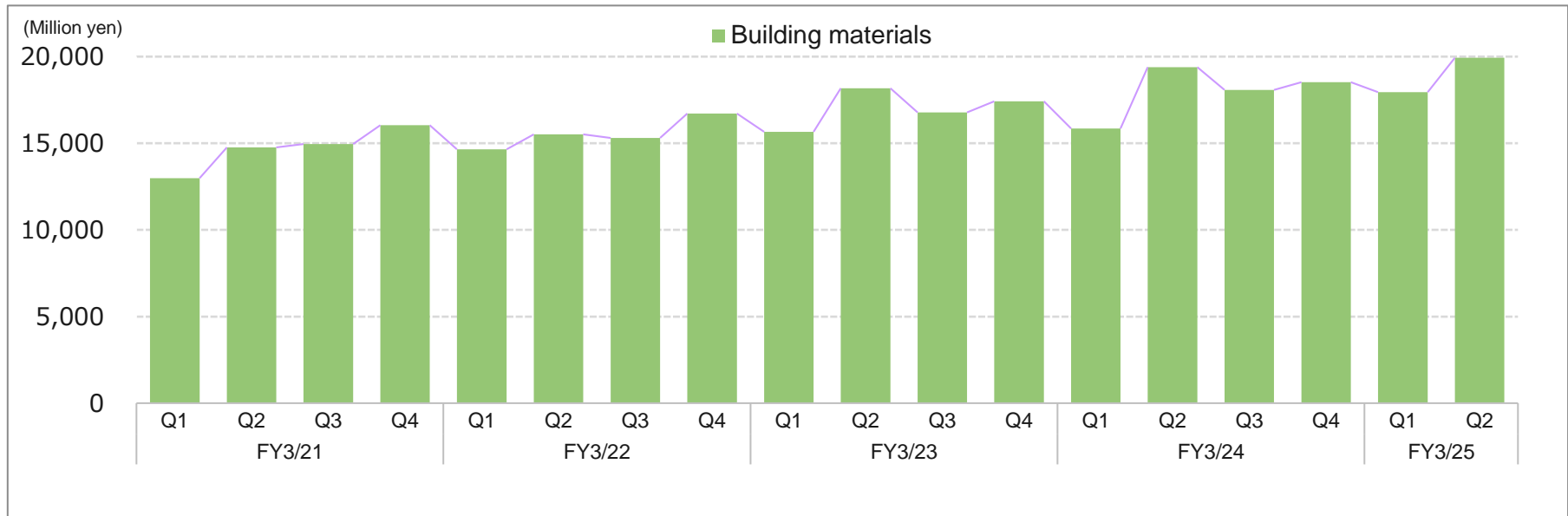
Supplementary Materials for FY3/25 Q2 (Semi-annual Period) Financial Highlights

Quarterly Trend in Consolidated Net Sales





Consumer Goods Segment Quarterly Sales Trend (Building Materials/Home Products)



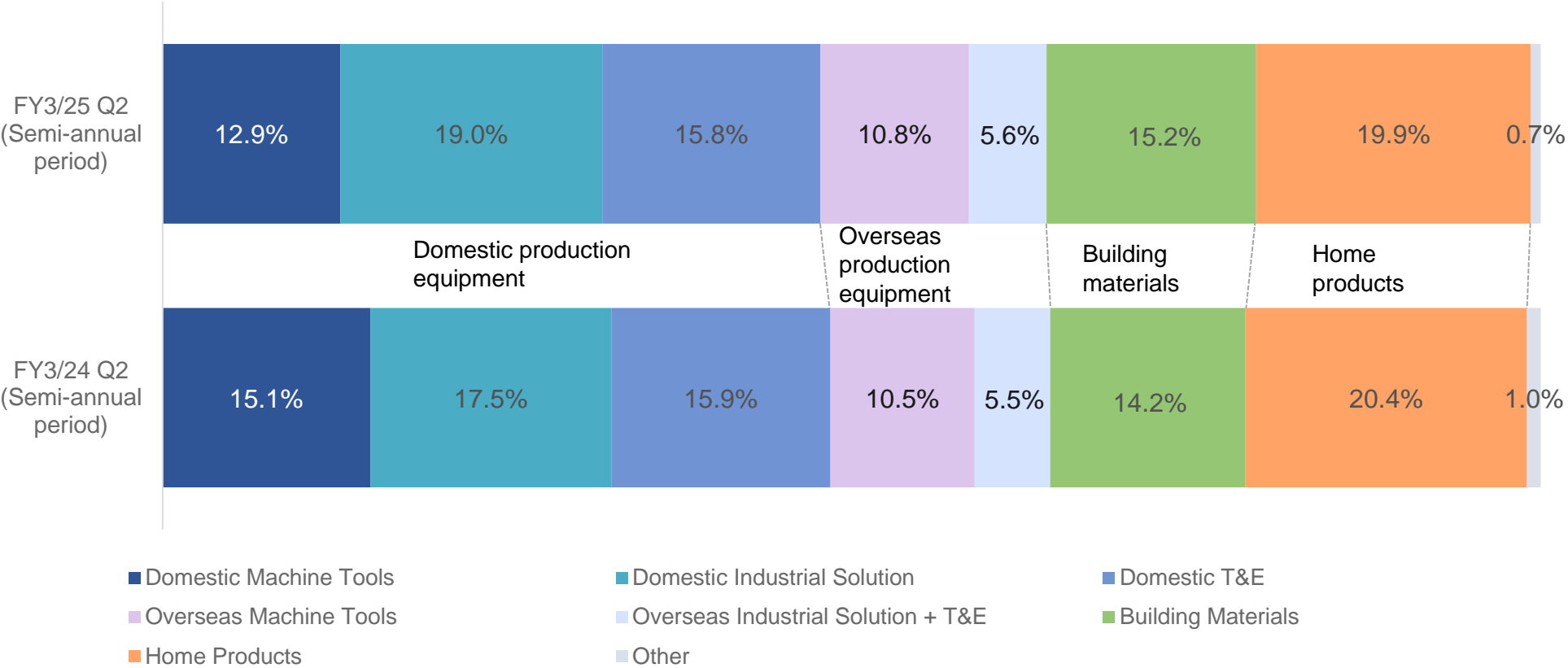
Net Sales Composition by Business (YoY Comparison)

Domestic production equipment: 48.5% → 47.7% (-0.7ppt)
 Overseas production equipment: 15.9% → 16.4% (+0.5ppt)

Building Materials Business: 14.2% → 15.2% (+1.0ppt)
 Home Products Business: 20.4% → 19.9% (-0.5ppt)

Production equipment total: 64.4% → 64.1% (-0.3ppt)

Consumer goods total: 34.6% → 35.1% (+0.5ppt)



Supplementary Materials for FY3/25 Full-year Business Plan

| (Million yen) | FY3/24 Results | FY3/25 Plan (Announced in May 2024) | FY3/25 Revised Plan (Announced in Nov. 2024) | Percentage change YoY | Change from previous plan |
|--|-------------------|--|---|-----------------------------|------------------------------|
| Machine Tools Division | 132,284 | 138,000 | 126,000 | -4.8% | -12,000 |
| Industrial Solution Division | 93,189 | 98,600 | 98,500 | +5.7% | -100 |
| Tool & Engineering Division | 103,188 | 110,400 | 104,500 | +1.3% | -5,900 |
| (Total for Production Equipment Business) | 328,662 | 347,000 | 329,000 | +0.1% | -18,000 |
| Building Materials Division | 71,842 | 75,000 | 75,000 | +4.4% | ±0 |
| Home Products Division | 101,119 | 104,000 | 102,000 | +0.9% | -2,000 |
| (Total for Consumer Goods Business) | 172,962 | 179,000 | 177,000 | +2.3% | -2,000 |
| Other | 5,241 | 4,000 | 4,000 | -23.7% | ±0 |
| Total | 506,866 | 530,000 | 510,000 | +0.6% | -20,000 |

(Million yen)

| Segment | Business | | FY3/24 Results | FY3/25 Plan (Announced in May 2024) | FY3/25 Revised Plan (Announced in Nov. 2024) | Percentage change YoY | Change from previous plan |
|----------------------|-------------------------------------|-------------------------|----------------|--|---|-----------------------|---------------------------|
| Production equipment | Domestic Machine Tools | Net sales | 79,559 | 79,000 | 70,000 | -12.0% | -9,000 |
| | Domestic Industrial Solutions | Net sales | 89,817 | 95,000 | 95,000 | +5.8% | ±0 |
| | Domestic T&E | Net sales | 78,234 | 84,000 | 79,000 | +1.0% | -5,000 |
| | Domestic production equipment total | Net sales | 247,611 | 258,000 | 244,000 | -1.5% | -14,000 |
| | Overseas Machine Tools | Net sales | 52,724 | 59,000 | 56,000 | +6.2% | -3,000 |
| | Overseas Industrial Solutions + T&E | Net sales | 28,326 | 30,000 | 29,000 | +2.4% | -1,000 |
| | Overseas production equipment total | Net sales | 81,051 | 89,000 | 85,000 | +4.9% | -4,000 |
| | Production equipment total | Net sales | 328,662 | 347,000 | 329,000 | +0.1% | -18,000 |
| | | Segment profit | 8,219 | 9,200 | 8,400 | +2.2% | -800 |
| | | Segment profit margin | 2.5% | 2.7% | 2.6% | +0.1ppt | -0.1ppt |
| Consumer goods | Building materials | Net sales | 71,842 | 75,000 | 75,000 | +4.4% | ±0 |
| | | Segment profit | 2,653 | 2,700 | 2,700 | +1.8% | ±0 |
| | | Segment profit margin | 3.7% | 3.6% | 3.6% | -0.1ppt | +0.0ppt |
| | Home products | Net sales | 101,119 | 104,000 | 102,000 | +0.9% | -2,000 |
| | | Segment profit | 5,274 | 6,300 | 5,300 | +0.5% | -1,000 |
| | | Segment profit margin | 5.2% | 6.1% | 5.2% | -0.0ppt | -0.9ppt |
| | Consumer goods total | Net sales | 172,962 | 179,000 | 177,000 | +2.3% | -2,000 |
| | | Segment profit | 7,927 | 9,000 | 8,000 | +0.9% | -1,000 |
| | | Segment profit margin | 4.6% | 5.0% | 4.5% | -0.1ppt | -0.5ppt |
| Other | | Net sales | 5,241 | 4,000 | 4,000 | -23.7% | ±0 |
| | | Segment profit | -6,259 | -6,200 | -6,400 | - | -200 |
| | | Segment profit margin | - | - | - | - | - |
| Consolidated | | Net sales | 506,866 | 530,000 | 510,000 | +0.6% | -20,000 |
| | | Operating profit | 9,887 | 12,000 | 10,000 | +1.1% | -2,000 |
| | | Operating profit margin | 2.0% | 2.3% | 2.0% | -0.0ppt | -0.3ppt |

Supplementary materials for the Medium-Term Management Plan “CROSSING YAMAZEN 2024”

Important issues

Company-wide strategies

Overview

Key Measures

Expansion of green business

Talent management

Strengthen human capital by focusing on **developing human resources**, which are our **core competence**, **promoting diversity and inclusion**, and **conducting management that fosters personnel**

■ Diversity & Inclusion

- Abolition of seniority system
- Active participation of women
- Training of professional human capital

■ Fostering personnel

- Introduction of YAMAZEN-style target management system



Maximization of customer value through digitalization

DX

Enhance the intellectual capital of the organization by **formalizing the individual sales and product development know-how** that are our **strengths**, leading to **improved productivity** and the creation of new added value

■ Strengthen DX strategy promotion system

- Establish a DX Strategy Department and DX strategy methodology
- Secure and develop digital human capital

■ Improve productivity of existing business processes

- Integrate core business system (SAP ERP) implementation

■ Realization of productivity improvement measures to cope with increased workload

- Company-wide BPR promotion (AI/RPA/EDI, etc.)



Realization of sustainable procurement and supply

Green initiatives

Contribute to the decarbonization of the entire value chain through the **introduction and deployment of energy-saving equipment and renewable energies** that we propose, and through **services such as the visualization of CO₂ emissions**

■ Strengthen green strategy promotion system

- Establish a governance structure to promote efforts to address issues such as climate change

■ Promote green business

- Cooperate with suppliers and clients to develop decarbonization activities as a business in the three fields of “development business,” “sales promotion planning,” and “branding”

Example: Development business “Corporate PPA business” and sales promotion planning “Green Ball Project”



Realization of a rewarding workplace

Logistics

Reorganize domestic and overseas business bases and strengthen relationships with business partners, including **local suppliers**, to ensure **sustainable procurement and supply lines**

■ Contribute to the efficiency and sustainability of distribution operations

- Formulated a three-term, nine-year distribution strategy with the aim to become a transportation and delivery platformer for specific industries by 2030

■ Initiatives for Term 1 (2022 - 2024)

- Developed and introduced LMS/WMS* to realize cross-divisional distribution operations
- Opened Logis New Tokyo (Kitamoto City) in January 2023 as a comprehensive distribution base, and also developed and linked small warehouses with area delivery functions in parallel

| Sales Strategies | Overview | Key Measures |
|--------------------------------------|--|---|
| Close customer relationship strategy | We will work to understand the issues faced by customers worldwide from their perspective, and implement measures to resolve these issues and realize a win-win relationship. | <ul style="list-style-type: none"> ■ Segment-specific strategies: Clarify targets, strengthen expertise, and implement proposal activities strategically ■ Organization of sales: Formalize the strong sales know-how of individuals and build a sales structure that is also strong as an organization ■ Strengthen sales support system: Strengthen marketing, remote sales, and other systems ■ Strengthen digital channels: Strengthen information provision sites, e-commerce sites, etc. that serve as points of contact with customers ■ Promote localization of overseas subsidiaries (glocal): Strengthen local structure through development of local staff, etc. |
| Transformation strategy | In addition to selling products, we will also provide total solutions for issues related to product manufacturing, engineering and green businesses. | <ul style="list-style-type: none"> ■ Acquisition of engineering capabilities: Acquisition of engineering and construction capabilities that contribute to the production line and construction sites as a whole ■ Focus on green business: Expand green business that will solve social issues while also leading to increased corporate value ■ Establish new business models: Establish new revenue structures such as recurring billing businesses ■ Strengthen product development: Strengthen the system for developing new products and services that provide high added value ■ Strengthen distribution system: Strengthen the distribution system so it can withstand significant future growth |
| Digital integration strategy | We will strengthen customer contact points utilizing digital technology, provide new solutions, connect the knowledge obtained to human resources, and create new added value. | <ul style="list-style-type: none"> ■ Fusion of real and online through a production equipment online platform: Build a next-generation B-to-B website, etc. ■ Develop in-house commerce through home products website: Gradual expansion of Yamazen Bizcom ■ Strengthen data-driven product development and sales force: Build a data-driven management infrastructure |

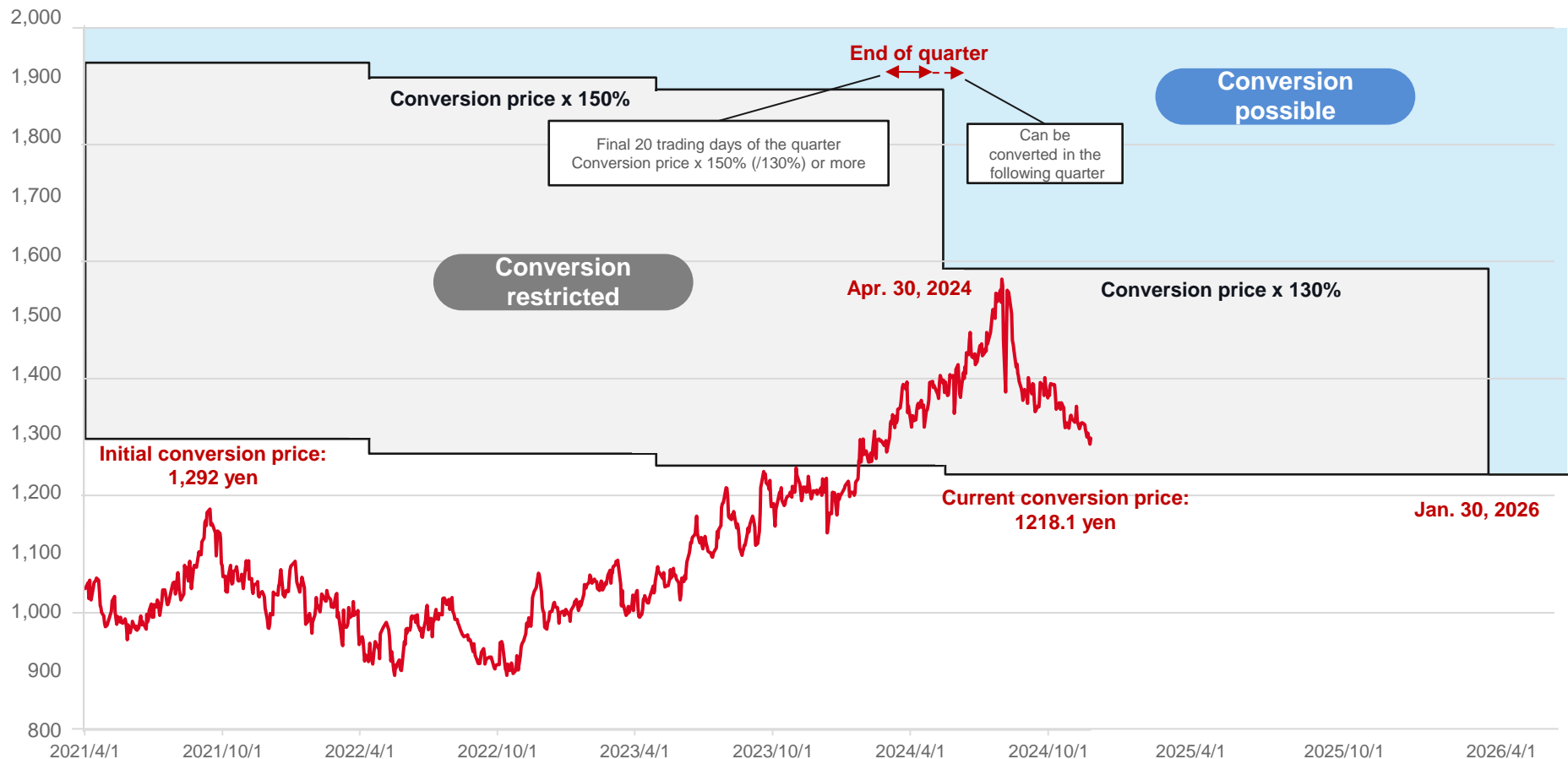
Supplementary Materials for Shareholder Returns and Capital Policy

Euro-yen Convertible Bonds Expiring in 2026

| | |
|--------------------|---------------------|
| Issue price | 10.0 billion yen |
| Terms-setting date | April 14, 2021 |
| Redemption date | April 30, 2026 |
| Interest rate | 0.00% (zero coupon) |

| | |
|----------------------------------|--|
| Closing price on resolution date | 1,050 yen |
| Conversion price | Initial: 1,292 yen / Current: 1,218.1 yen |
| Conversion restriction clauses | (i) Until April 30, 2024: Conversion price x 150 (ii) May 1, 2024 to January 30, 2026: Conversion price x 130 |

Conversion restriction clauses adopted in order to limit dilution



Objective

- **Provide to financial institutions, who hold a high percentage of the Company's shares** among our trading partner shareholders, **a fair opportunity to sell and to mitigate the impact on the market price**
- Realize **diversification of shareholder base through fluidization of closely-held shares**
- Plan to **increase the TOPIX inclusion ratio** through increasing the ratio of floating shares

issuing company

YAMAZEN CORPORATION

Offering structure

| | |
|--|-----------|
| Secondary sale by way of purchase and underwriting | 5,835,800 |
| Secondary sale by way of over-allotment | 875,300 |
| Total | 6,711,100 |

Amount sold

Approx. 8 billion yen

Seller and number of shares sold

| | |
|--|-----------|
| Mizuho Bank | 1,890,600 |
| Resona Bank | 1,866,900 |
| Mizuho Trust & Banking | 774,900 |
| MUFG Bank | 694,700 |
| Sumitomo Mitsui Banking Corporation | 608,700 |

Main schedule

| | |
|----------------------------|---|
| Date of resolution to sell | Monday, December 11, 2023 |
| Book building period | Friday, December 15, 2023 - Terms-setting date |
| Terms-setting period | Monday, December 18 - Thursday, December 21, 2023 |
| Delivery date | 5 business days after the terms-setting date |

Establishment of Treasury Share Acquisition Limit

(Announced on May 14, 2024)

Objective

- Improve capital efficiency by implementing a flexible capital policy that is responsive to changes in the business environment
- Promote the reduction of policy shareholdings
- Realize shareholder returns

Type of Shares to be Acquired:

Common shares

Total Number of Shares that may be Acquired:

6,000,000 shares (upper limit)
(Percentage of issued shares (excluding treasury shares) 6.74%)

Total Amount of Acquisition of Shares:

JPY 5.0 billion (upper limit)

Period of Acquisition:

May 14, 2024 - March 31, 2025

Method of Acquisition:

Purchase on the Tokyo Stock Exchange

Cumulative total of treasury shares acquired (completed on August 15, 2024)

Total number of shares acquired: 3,374,800 shares

Total amount of shares acquired: 4,999,889,995 yen