

# YAMAZEN CORPORATION

**FY3/23  
(Q3)**

**Supplementary  
Materials for  
Financial Results**



## **AGENDA**

**I. FY3/23 (Q3) Financial Highlights**

**II. FY3/23 (Full-year) Business Forecasts and  
Medium-Term Management Plan**

**III. Shareholder Returns**

# AGENDA

## **I. FY3/23 (Q3) Financial Highlights**

## II. FY3/23 (Full-year) Business Forecasts and Medium-Term Management Plan

## III. Shareholder Returns

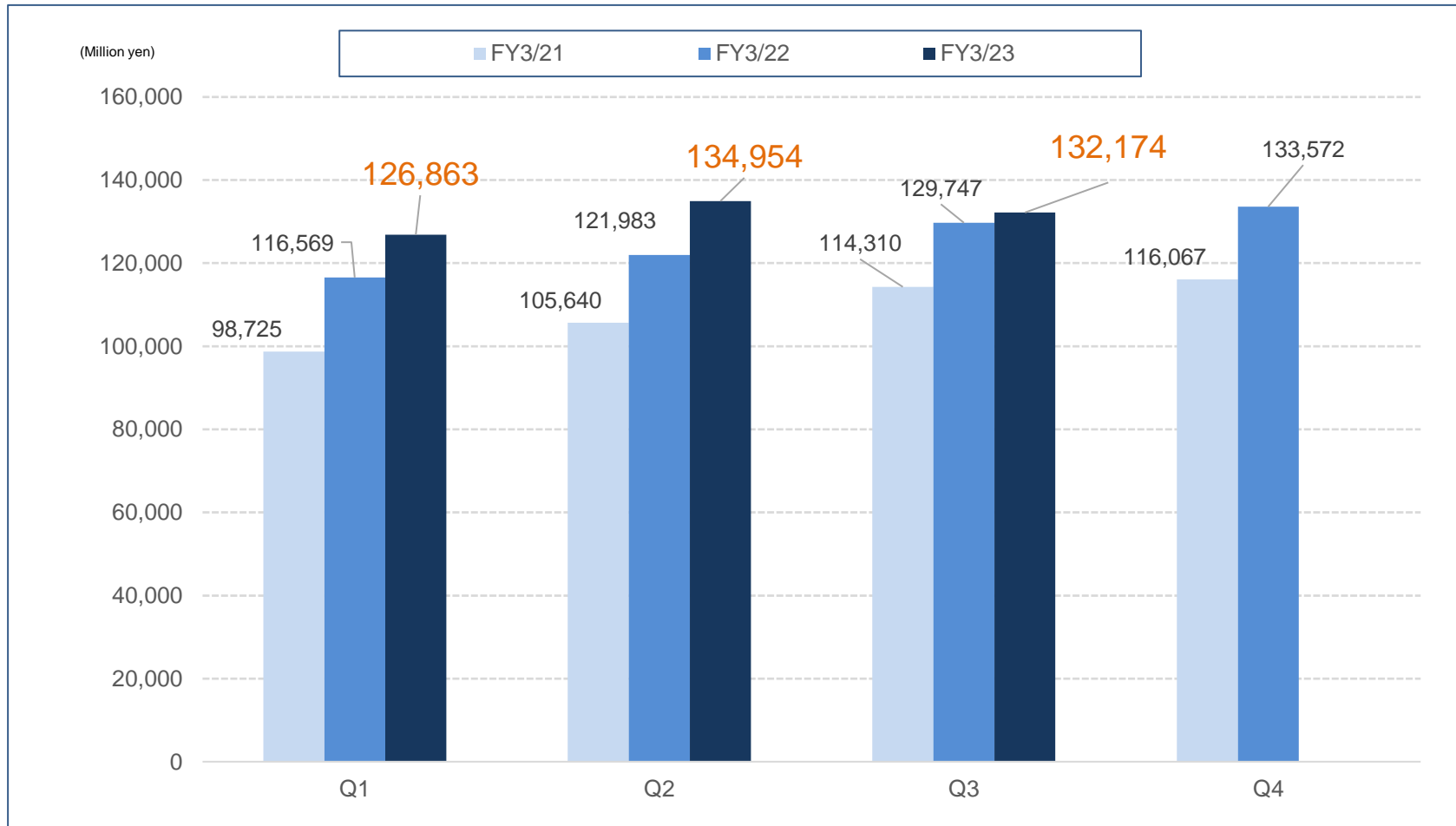
## ■ Consolidated Profit and Loss Statement

(Million yen)	FY3/22 (Q3)	FY3/23 (Q3)	YoY Change (%)	Full-year plan	Progress rate
Net sales	<b>368,300</b>	<b>393,991</b>	7.0%	530,000	74.3%
Gross profit	53,893	58,201	8.0%	-	-
(Gross profit margin)	(14.6%)	(14.8%)	(0.1)	-	-
SG&A expenses	41,596	46,063	10.7%	-	-
Operating profit	<b>12,297</b>	<b>12,138</b>	-1.3%	16,000	75.9%
(Operating profit margin)	(3.3%)	(3.1%)	(-0.3)	(3.0%)	(+0.1)
Non-operating profit/loss	-12	719	-	-	-
Ordinary profit	<b>12,284</b>	<b>12,857</b>	4.7%	16,000	80.4%
Extraordinary gain/loss	753	45	-94.0%	-	-
Net income attributable to owners of parent	<b>8,846</b>	<b>8,641</b>	-2.3%	11,000	78.6%

**Gross profit increased by 8.0% YoY due to growth in net sales and improved gross profit margins.**

**On the other hand, operating profit decreased by 1.3% 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 (Q3)	FY3/23 (Q3)	YoY Change (%)
Machine Tools Division	99,443	107,405	8.0%
Industrial Tools & Equipment Division	136,766	151,537	10.8%
(Total for Production Equipment Business)	236,209	258,943	9.6%
Building Materials Division	45,457	50,612	11.3%
Home Products Division	83,755	80,363	-4.0%
(Total for Consumer Goods Business)	129,212	130,976	1.4%
Other Business	2,877	4,071	41.5%
<b>Total</b>	<b>368,300</b>	<b>393,991</b>	<b>7.0%</b>

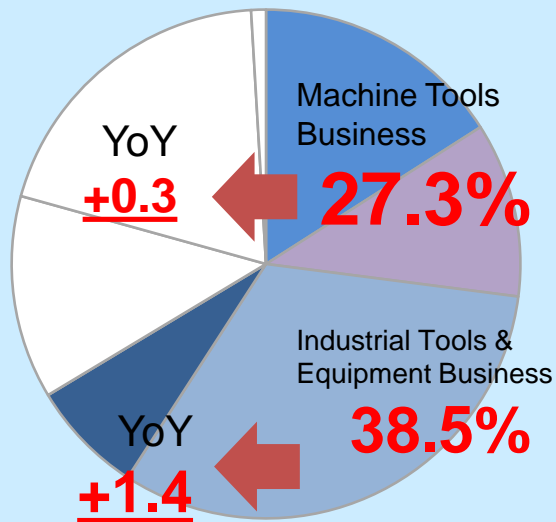
\* Ogaki Kiko Co., Ltd., which had been classified as "Others" in the past due to the revision of the performance management segment of our group, has been included in "Production Equipment Business" from the 1Q of FY3/23. Results by business for the previous consolidated cumulative Q3 are based on the revised reportable segment classification.

- **Domestic Machine Tools Business:** Although capital investment in machine tools for semiconductor manufacturing equipment slowed, capital investment for decarbonization and other purposes remained firm in the automotive industry with wider range of supporting industries.
- **Domestic Industrial Tools & Equipment Business:** Sales of measuring equipment and auxiliary tools, cutting tools were firm, and sales of facility air conditioning equipment and material handling tools from manufacturing and logistics sites were also strong. We held business meetings on the theme of decarbonisation in various locations.
- **Overseas Production Equipment Business:** In the North America Branch, demand from capital expenditures for medical, aerospace, and EV were strong, and cutting and auxiliary tools were also firm.  
In the China Branch, sales of machine tools for EV, semiconductors, medical, etc. were firm. In the ASEAN Branch, sales in the automotive, aerospace, and air-conditioning facilities fields were strong. In the Taiwan Branch, sales to companies providing electronics manufacturing services (EMS) decreased.

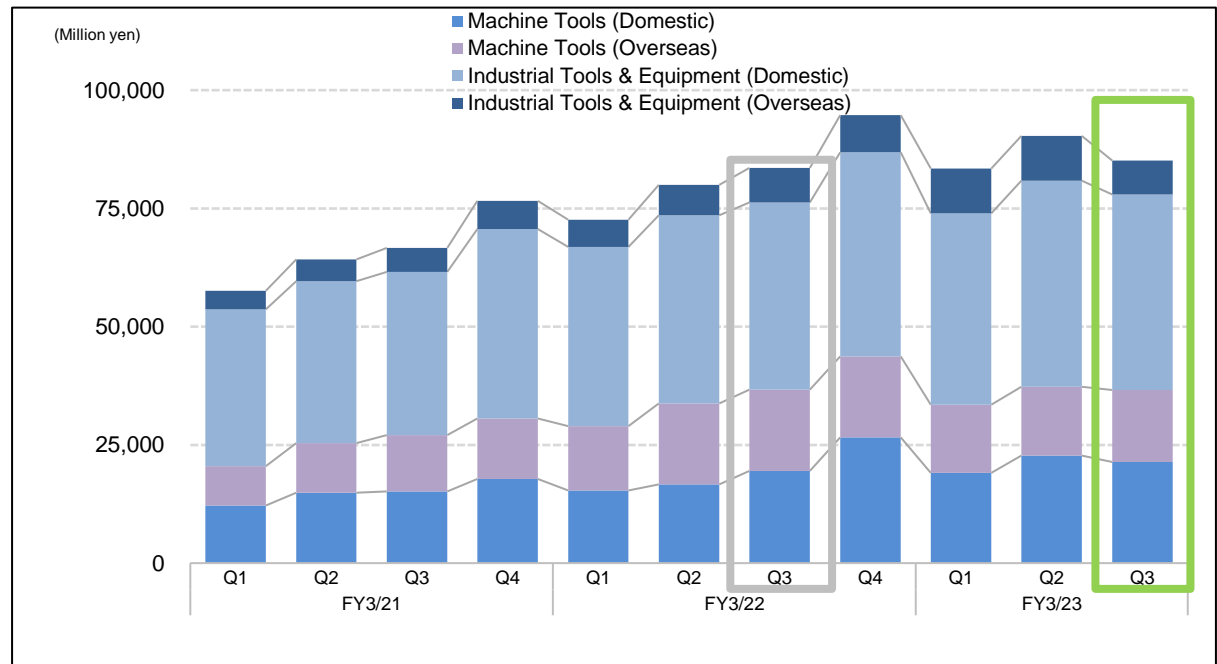
(Million yen)		FY3/22 (Q3)	FY3/23 (Q3)	YoY Change (%)	
Production Equipment	Machine Tools Division	Domestic sales	51,599	63,205	22.5%
		Overseas sales	47,843	44,200	-7.6%
		Total	99,443	107,405	8.0%
	Industrial Tools & Equipment Division	Domestic sales	117,206	125,424	7.0%
		Overseas sales	19,559	26,113	33.5%
		Total	136,766	151,537	10.8%
	Total for Production Equipment Business	Net sales	236,209	258,943	9.6%
		Operating profit	9,075	9,657	6.4%
		Operating profit margin	3.8%	3.7%	(-0.1)

(Million yen)			FY3/22 (Q3)	FY3/23 (Q3)		
Production Equipment	Total for Production Equipment Business	Net sales	236,209	<b>258,943</b>	YoY Change (%)	<b>9.6%</b>
		Operating profit	9,075	9,657	Operating profit margin	3.7%

### Sales composition



### Quarterly net sales (last 3 years)



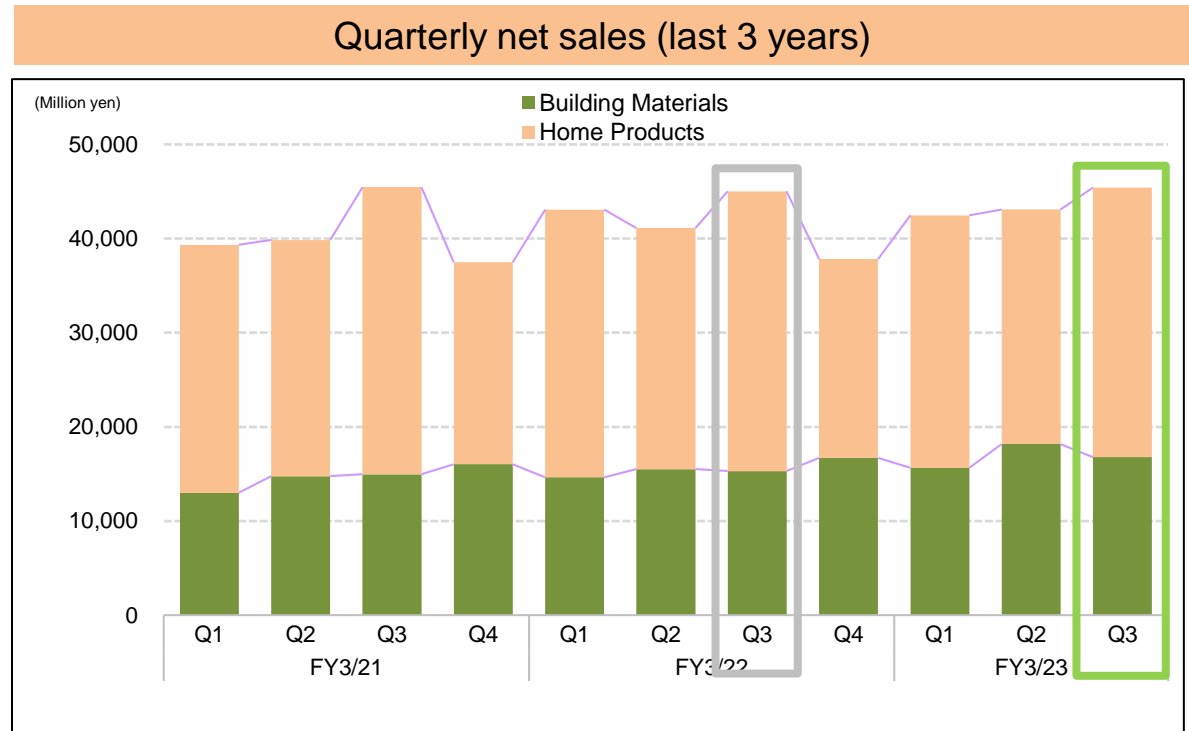
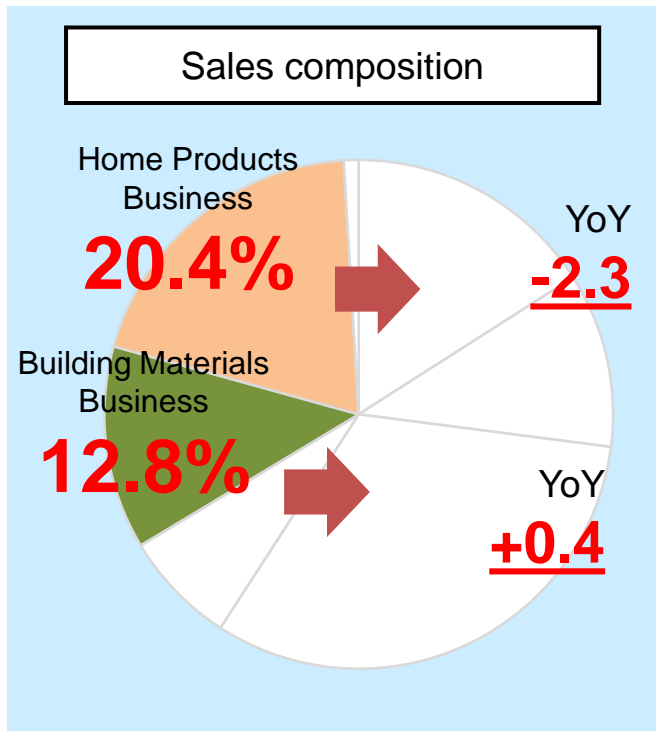
\* Ogaki Kiko Co., Ltd., which had been classified as "Others" in the past due to the revision of the performance management segment of our group, has been included in "Production Equipment Business" from the 1Q of FY3/23. Results by business for the previous consolidated cumulative Q3 are based on the revised reportable segment classification.



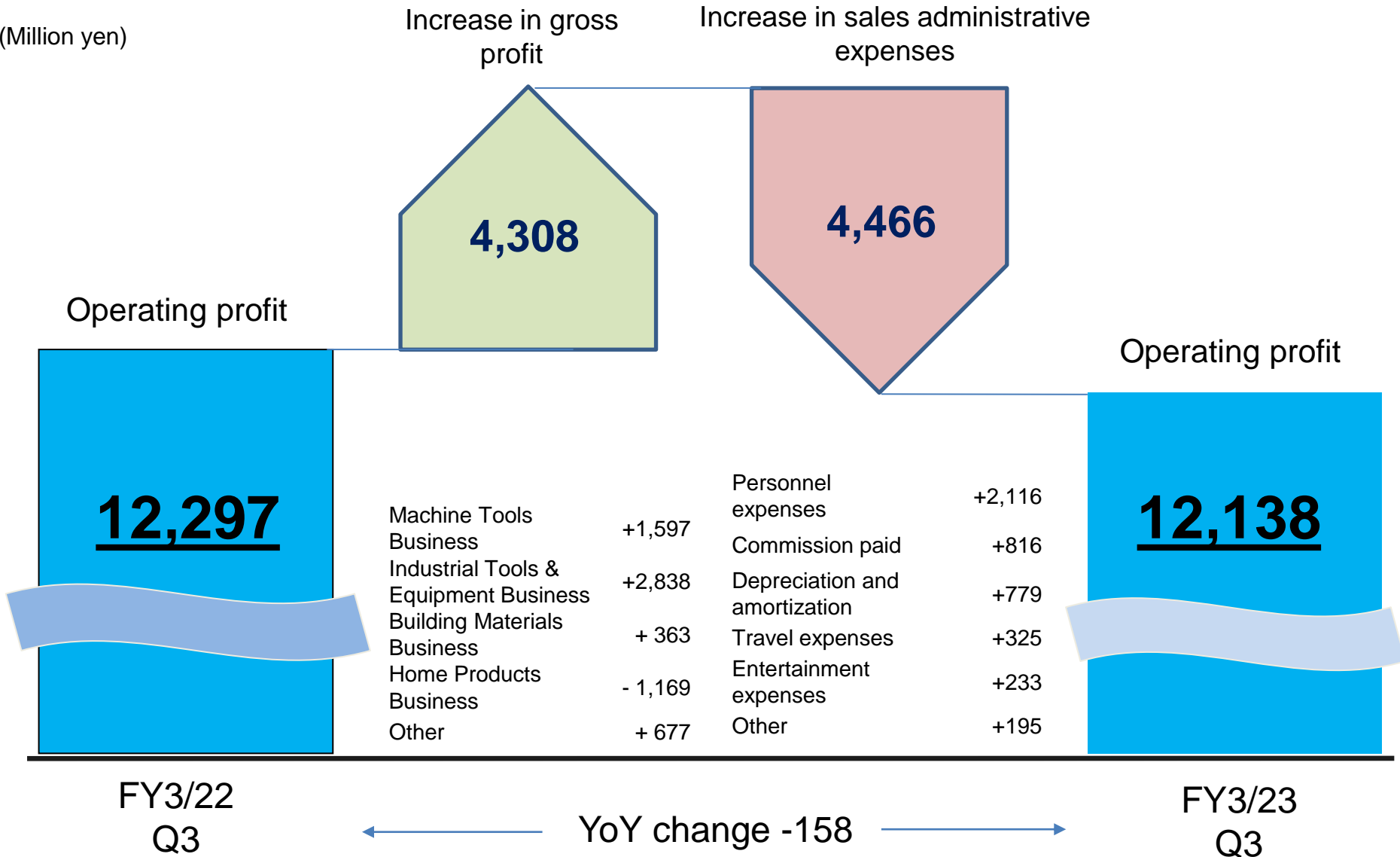
- Building Materials Business:** Against the backdrop of robust renovation demand, we focused on proposing high-value-added products, and sales of water boiling equipment and water-related equipment remained firm. In the non-residential sector, in response to corporate demand for cost-cutting measures 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 and high-efficiency air-conditioning equipment were strong.
- Home Products Business:** Sales of cooking appliances and heating appliances with relatively low power consumption, such as Kotatsu (Japanese heated table) and electric blankets, etc., were strong, as we strengthened sales of private-brand products that meet consumer needs. However, sales and profits declined YoY 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.

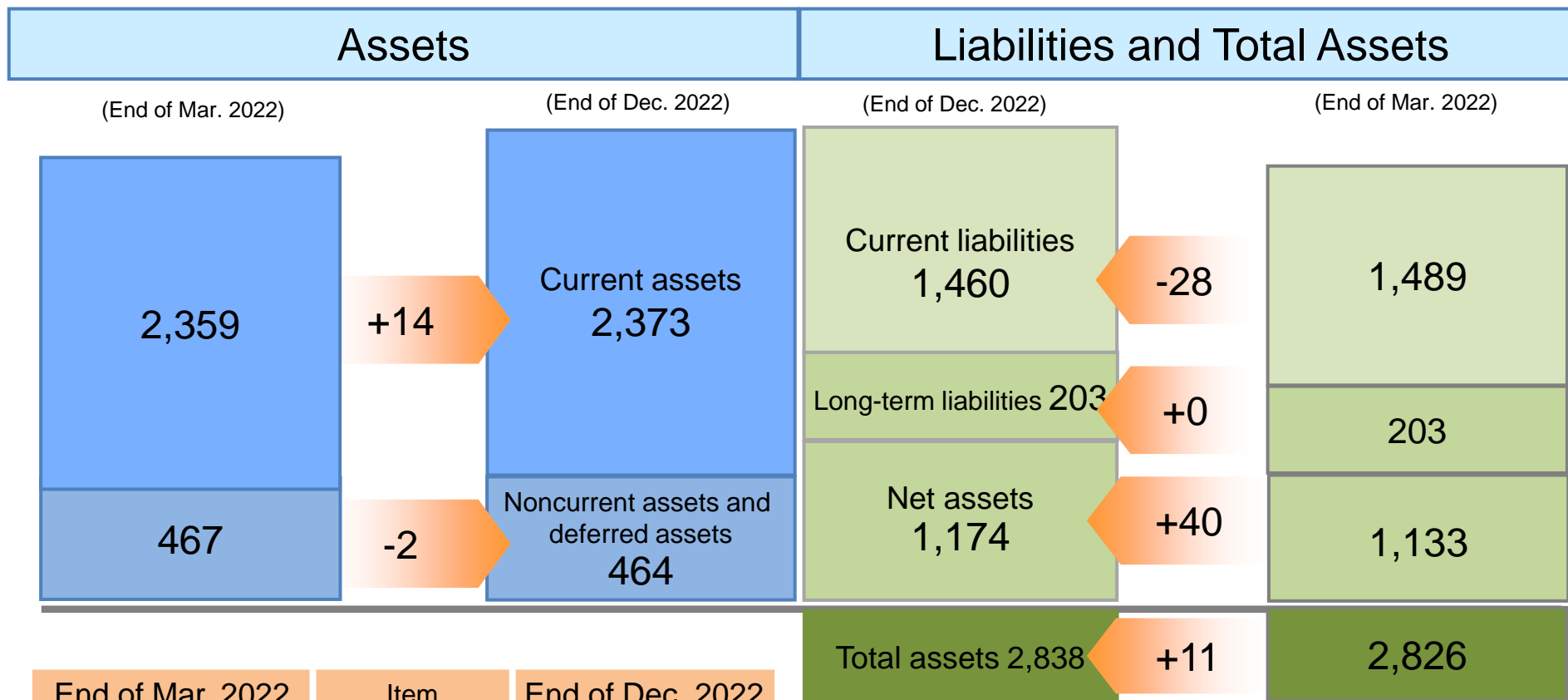
(Million yen)		FY3/22 (Q3)	FY3/23 (Q3)	YoY Change (%)	
Consumer Goods	DivisionBuilding Materials Division	Net sales	45,457	50,612	11.3%
		Operating profit	1,386	1,518	9.5%
		Operating profit margin	3.1%	3.0%	(-0.1)
	Home Products Division	Net sales	83,755	80,363	-4.0%
		Operating profit	5,110	4,140	-19.0%
		Operating profit margin	6.1%	5.2%	(-0.9)
	Total for Consumer Goods Business	Net sales	129,212	130,976	1.4%
		Operating profit	6,497	5,659	-12.9%
		Operating profit margin	5.0%	4.3%	(-0.7)

(Million yen)			FY3/22 (Q3)	FY3/23 (Q3)		
Consumer Goods	Building Materials Division	Net sales	45,457	<b>50,612</b>	YoY Change (%)	11.3%
		Operating profit	1,386	<b>1,518</b>	Operating profit margin	3.0%
	Home Products Division	Net sales	83,755	<b>80,363</b>	YoY Change (%)	-4.0%
		Operating profit	5,110	<b>4,140</b>	Operating profit margin	5.2%



(Million yen)





End of Mar. 2022	Item	End of Dec. 2022
10.9%	ROE	7.5%
39.9%	Shareholders' equity ratio	41.1%
1,268.98 yen	Net assets per share	1,312.81 yen
83.8 billion yen	Market cap	89.1 billion yen
12 billion yen	Basic operating cash flow	9.8 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.

# AGENDA

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**II. FY3/23 (Full-year) Business Forecasts and  
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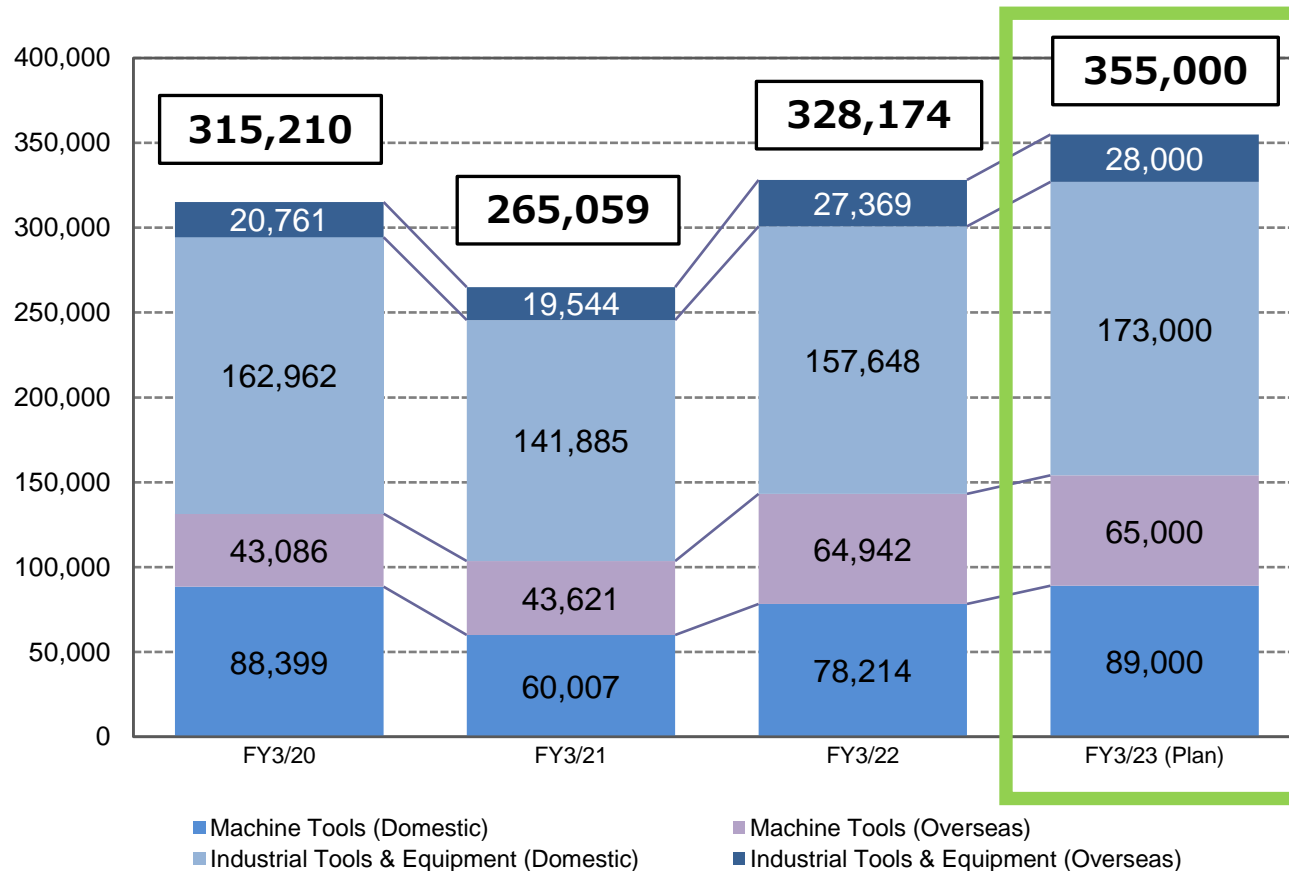
III. Shareholder Returns

(Million yen)	FY3/22 76th Term Result	FY3/23 77th Term Plan	YoY Change (%)
Net sales	501,872	<b>530,000</b>	5.6%
Operating profit	17,133	<b>16,000</b>	-6.6%
Operating profit margin	3.4%	<b>3.0%</b>	(-0.4)
Ordinary profit	17,094	<b>16,000</b>	-6.4%
Profit attributable to owners of parent	12,024	<b>11,000</b>	-8.5%

**Sales are expected to grow, while profits are expected to decline due to the expected depreciation resulting from accelerated investments in growth.**

(Million yen)		Net sales Plan	YoY Change (%)	Operating profit Plan	YoY Change (%)	Operating profit margin
Production Equipment Business	Full year	355,000	8.2%	14,000	3.7%	3.9%

## Production Equipment Segment: 3-year sales trends and full-year forecasts

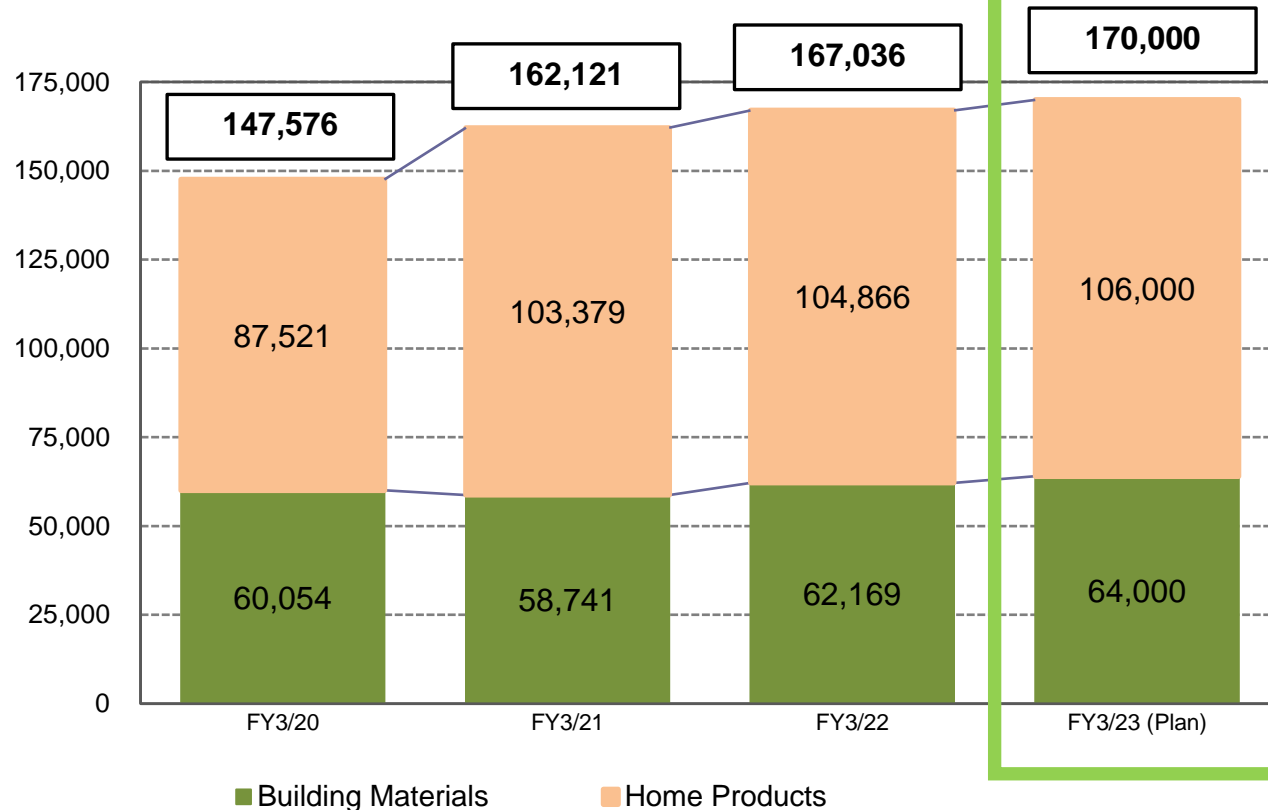


- ✓ Strengthen approaches to 3 major product industries (food, medical and cosmetics), as well as semiconductor and logistics industries, etc., and improve internal and external engineering networks. Accelerate proposals with highly specialized expertise from a customer perspective.
- ✓ Incorporate new technologies and services toward decarbonization in the automotive industry, etc.
- ✓ Strengthen proposal of solutions based on various government support measures for SMEs, which are the core user base.

\* Ogaki Kiko Co., Ltd., which had been classified as "Others" in the past due to the revision of the performance management segment of our group, has been included in "Production Equipment Business" from the 1Q of FY3/23. The above results for the period prior to FY3/22 are based on the reporting segment categories prior to the change.

(Million yen)		Net sales Plan	YoY Change (%)	Operating profit Plan	YoY Change (%)	Operating profit margin
Building Materials Business	Full year	64,000	2.9%	2,300	2.2%	3.6%
Home Products Business	Full year	106,000	1.1%	5,800	0.0%	5.5%

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



- Building Materials Business
  - ✓ Continue proposal-based sales of high-value-added products such as air-conditioning and water-related equipment.
  - ✓ 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 Business
  - ✓ Develop new products that meet consumer needs and strengthen penetration of own brands
  - ✓ Expand the online shop (YAMAZEN Bizcom)



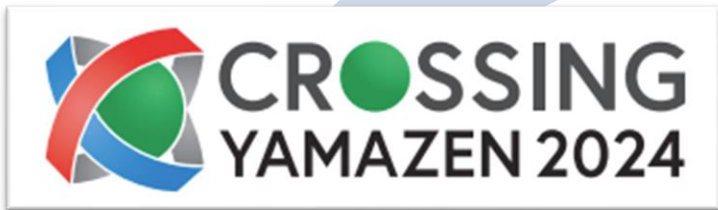
## Vision 2030:

Leading worldwide manufacturing and enriched lives

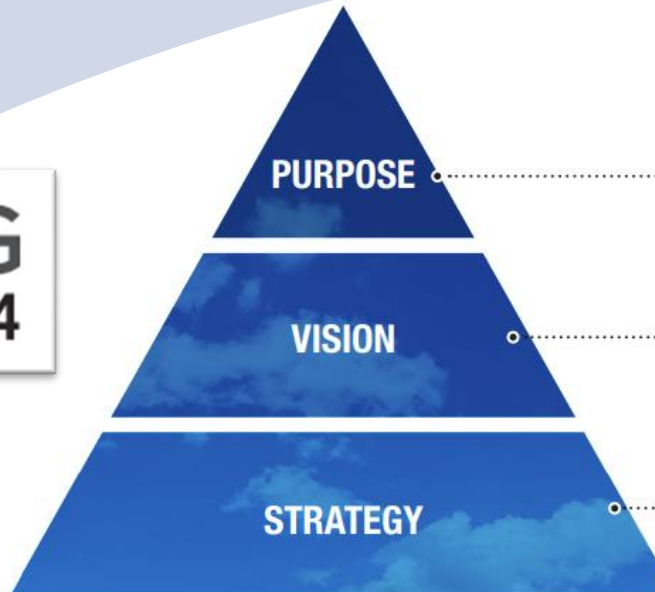
## Vision 2030

**2022-2024**  
 FY3/25  
 Net sales: 600 billion yen  
 Operating profit: 21 billion yen  
 (Margin 3.5%)

**2025-2027**



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



**PURPOSE**

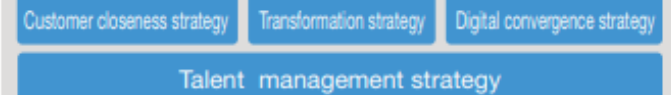
Pioneering a new future, with you all

**VISION**

Leading worldwide manufacturing and enriched lives

**STRATEGY**

### Strategies for realizing our corporate vision





- Building a foundation for improved profitability  
at company-wide level

**Seeking new value created by  
CROSSING values.**

(Million yen)	FY3/22 (76th Term Results)	FY3/23 (First-year plan)	FY3/25 (Final-year Plan)
Net sales	501,872	530,000	600,000
Operating profit	17,133	16,000	21,000
Operating profit margin	3.4%	3.0%	3.5%
Ordinary profit	17,093	16,000	21,000
Profit	12,023	11,000	14,000

Indicators (Million yen)	FY3/22 (76th Term Results)	FY3/23 (First-year plan)	FY3/25 (Final-year Plan)
Return on Equity (ROE)	10.9%	9.0%	10.0%
Basic operating cash flow	12,052 <sup>*</sup>	14,000	18,000
Shareholders' equity ratio	39.9%	40-45%	

\* Revised the announced figure of 13,601 million yen announced on May 19 to "12,052 million yen" on July 4.

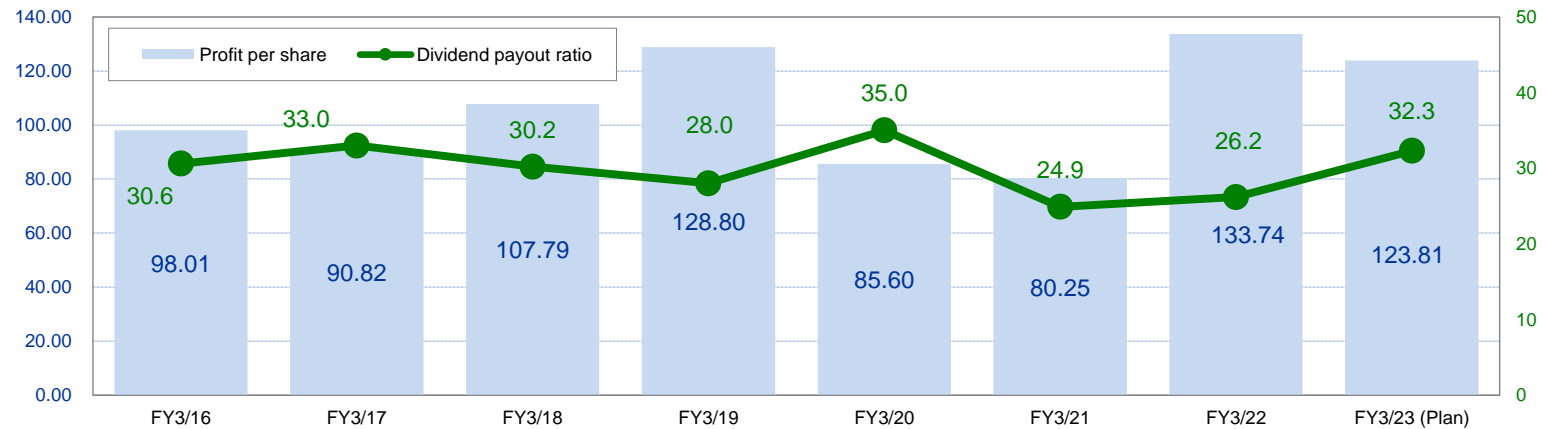
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- FY3/22: Annual dividend was 35 yen per share. Implemented share buyback of 5.999 billion yen.
- FY3/23: Plan to pay an interim and year-end dividend of 20 yen each, for an annual dividend of 40 yen per share. (Expected to be a record high dividend amount)



		FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23 (Plan)	Total for the last 3 years FY3/21-FY3/23 Plan
Dividend per share (yen)	Interim	*13.5	13.0	15.0	16.0	10.0	10.0	20.0	40.0
	Year-end	*16.5	*19.5	*21.0	14.0	10.0	*25.0	20.0	55.0
	Annual	*30.0	*32.5	*36.0	30.0	20.0	35.0	40.0	95.0
Payout ratio (%)		33.0	30.2	28.0	35.0	24.9	26.2	32.3	28.3
Dividend paid (million yen)		2,813	3,074	3,405	2,837	1,891	3,115	3,560	8,566
Amount of treasury stock acquired (million yen)		-	733	-	-	-	5,999	-	5,999

\* includes special dividends and commemorative dividends

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.