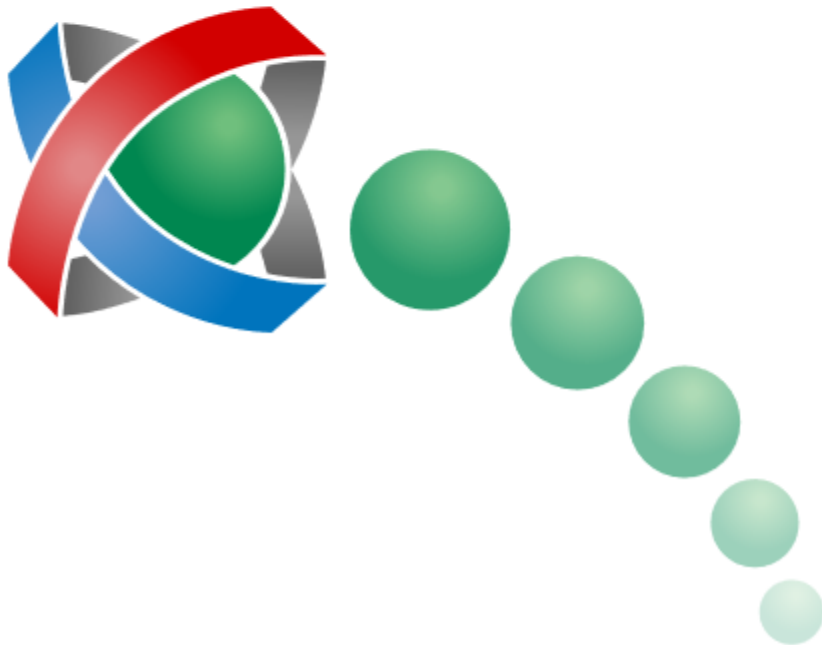


YAMAZEN CORPORATION

**FY3/24
(Q1)**

**Supplementary
Materials for
Financial Results**



Stock Code: 8051

AGENDA

I. FY3/24 (Q1) Financial Highlights

II. Earnings Forecast for FY3/24 (Full Year), Medium-Term Management Plan

III. Shareholder Returns

AGENDA

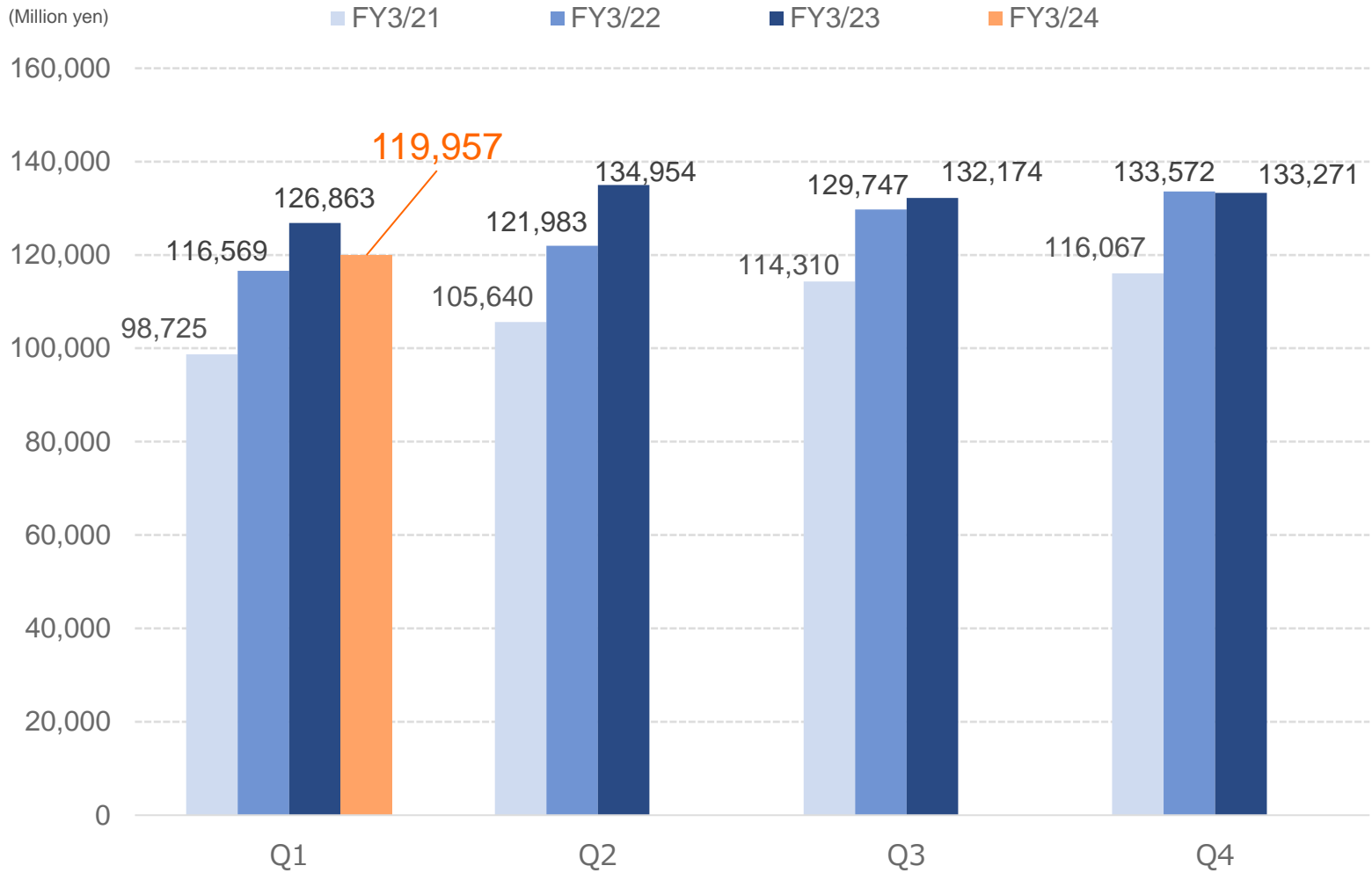
I. FY3/24 (Q1) Financial Highlights

II. Earnings Forecast for FY3/24 (Full Year), Medium-Term Management Plan

III. Shareholder Returns

(Million yen)	FY3/23 (Q1)	FY3/24 (Q1)	Percentage change YoY	Full Year Plan	Progress Rate
Net sales	126,863	119,957	-5.4%	550,000	21.8%
Gross profit	18,079	18,485	+2.2%	-	-
(Gross profit margin)	14.3%	15.4%	+1.2ppt	-	-
SG&A expenses	14,678	16,032	+9.2%	-	-
Operating profit	3,400	2,452	-27.9%	15,000	16.4%
(Operating profit margin)	2.7%	2.0%	-0.6ppt	2.7%	-
Non-operating profit/loss	133	196	+47.3%	-	-
Ordinary profit	3,534	2,649	-25.0%	15,000	17.7%
Extraordinary gain/loss	0	-4	-	-	-
Profit attributable to owners of parent	2,263	1,569	-30.7%	10,000	15.7%

Net sales decreased -5.4% YoY due to slowing in domestic and overseas capital investment trends, while gross profit increased 2.2% YoY due to the sales mix effect and other factors, but operating profit decreased -27.9% YoY due to an increase in depreciation and amortization, etc. associated with the introduction of SAP ERP as a growth investment as stated in the Medium-Term Management Plan, as well as an increase in personnel expenses, etc. as an investment in human capital.



Suppliers

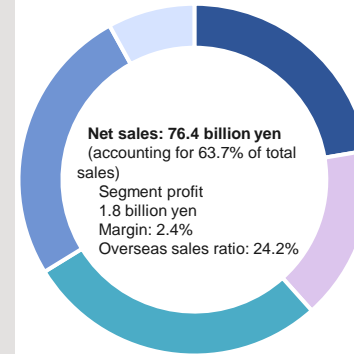
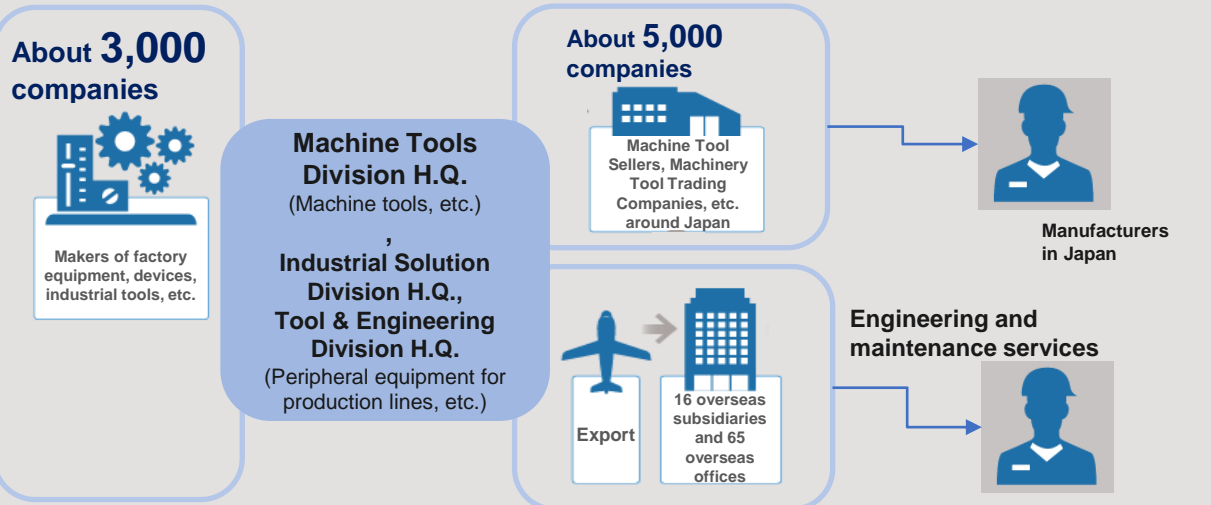


YAMAZEN

Clients

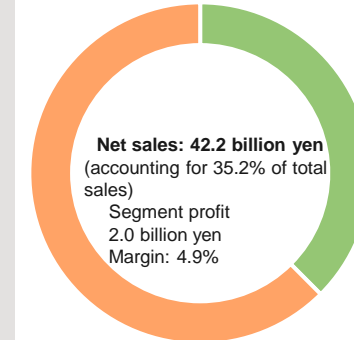
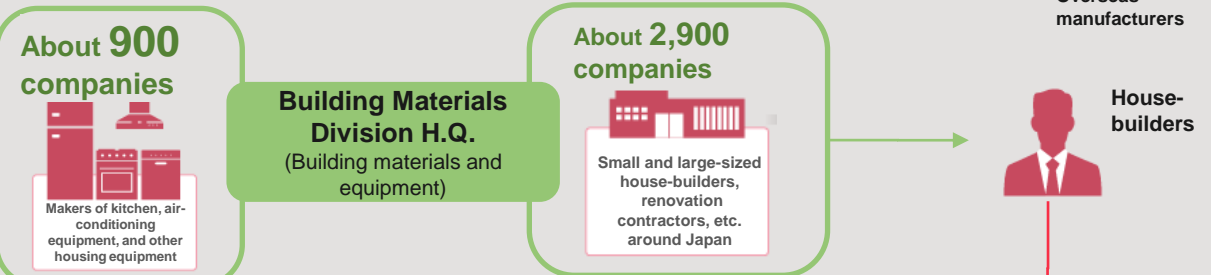
Users

Production equipment
(domestic and overseas)



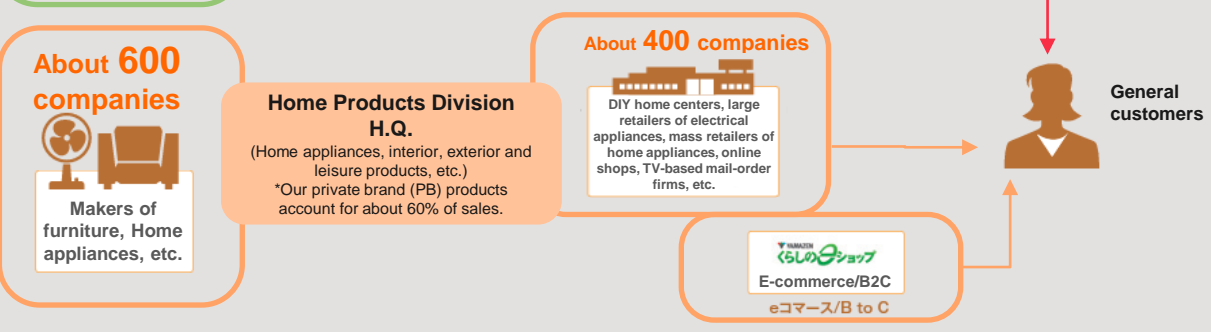
FY3/24 1Q	
Domestic Machine Tools	17.0 billion yen
Overseas Machine Tools	12.2 billion yen
Domestic Industrial Solutions	21.2 billion yen
Domestic T&E	19.6 billion yen
Overseas Industrial Solutions + T&E	6.1 billion yen

Building materials



FY3/24 1Q	
Building materials	15.8 billion yen
Home products	26.3 billion yen

Home products



FY3/24 (Q1) Net Sales by Business Segment

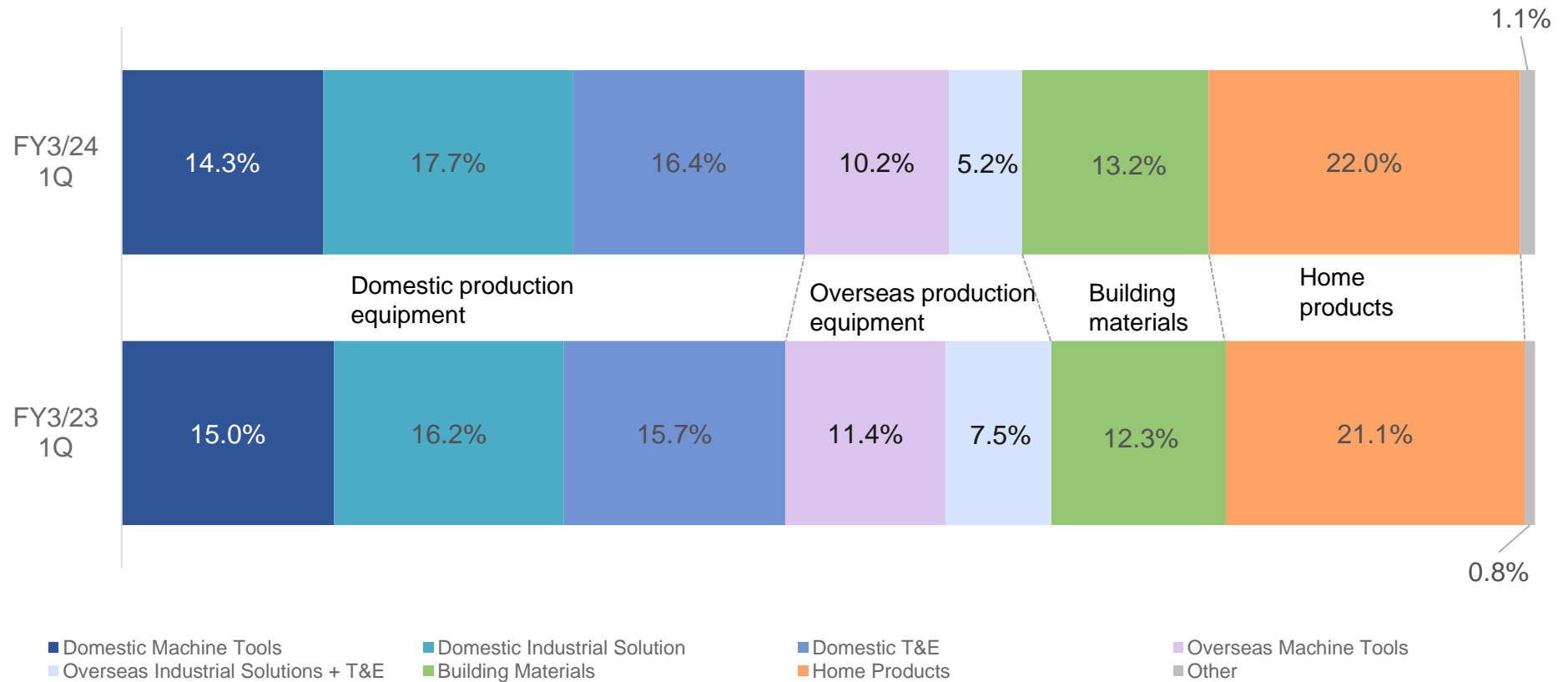
(Million yen)	FY3/23 (Q1)	FY3/24 (Q1)	Percentage change YoY
Machine Tools Division	33,486	29,378	-12.3%
Industrial Solution Division	24,555	21,813	-11.2%
Tool & Engineering Division	25,402	25,223	-0.7%
(Total for Production Equipment Business)	83,444	76,416	-8.4%
Building Materials Division	15,656	15,847	1.2%
Home Products Division	26,808	26,395	-1.5%
(Total for Consumer Goods Business)	42,464	42,242	-0.5%
Other Business	954	1,299	36.1%
Total	126,863	119,957	-5.4%

Domestic production equipment: 46.9% → 48.3% (+1.4pt)
 Overseas production equipment: 18.8% → 15.4% (-3.4pt)

 Production equipment total: 65.8% → 63.7% (-2.1pt)

Building Materials Business: 12.3% → 13.2% (+0.9pt)
 Home Products Business: 21.1% → 22.0% (+0.9pt)

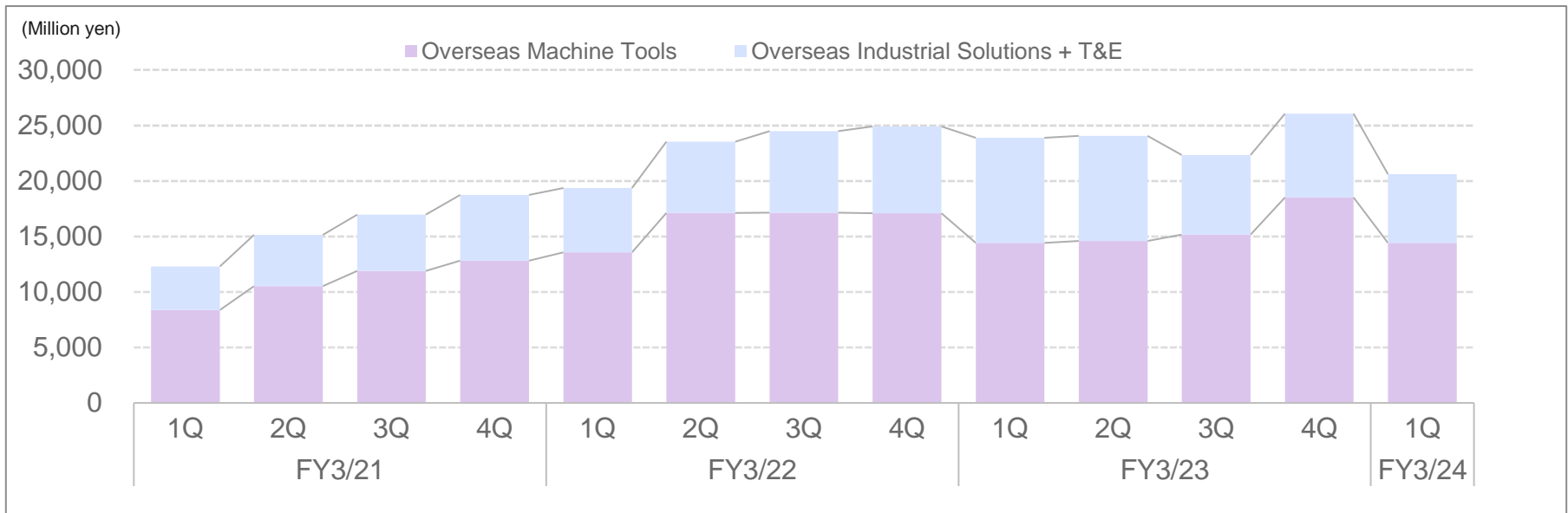
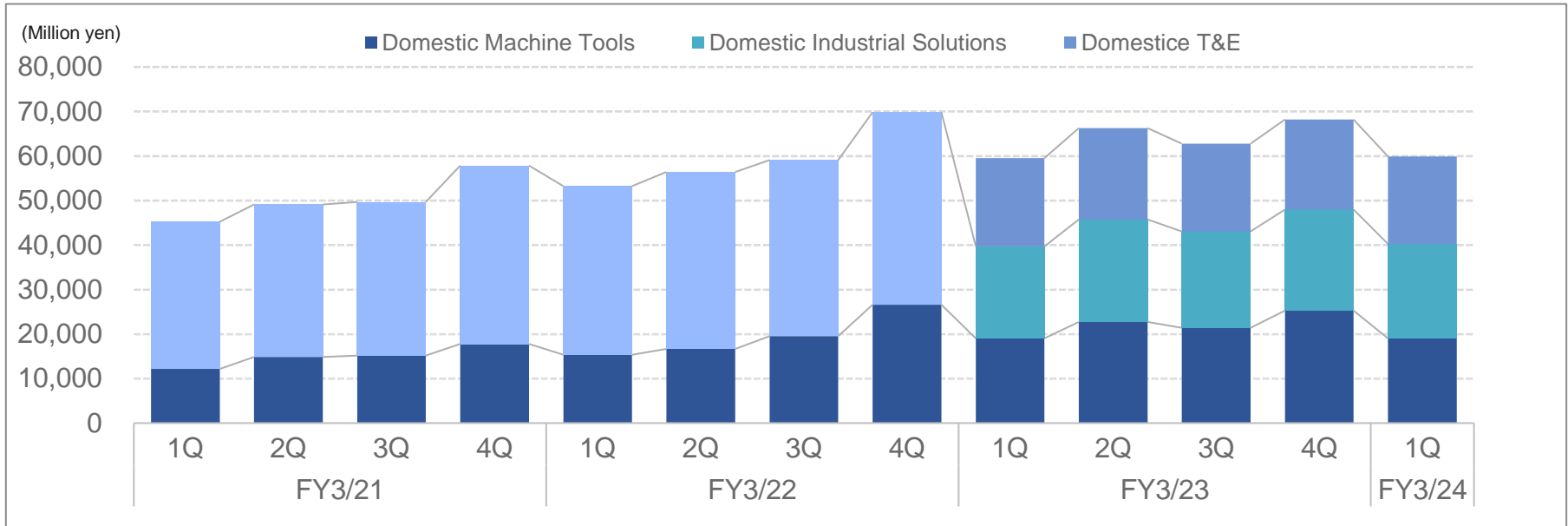
 Consumer goods total: 33.5% → 35.2% (+1.7pt)



Domestic Production Equipment Business: Sales of machine tools, etc. were weak, reflecting the lack of new investment activity in the semiconductor and automobile industries in the second half of the previous fiscal year, but sales of infrastructure-related equipment, etc. were firm, reflecting rising capital investment demand in the construction machinery industry. Overall, sales of consumables for industrial tools, etc. were on par with the same period of the previous year.

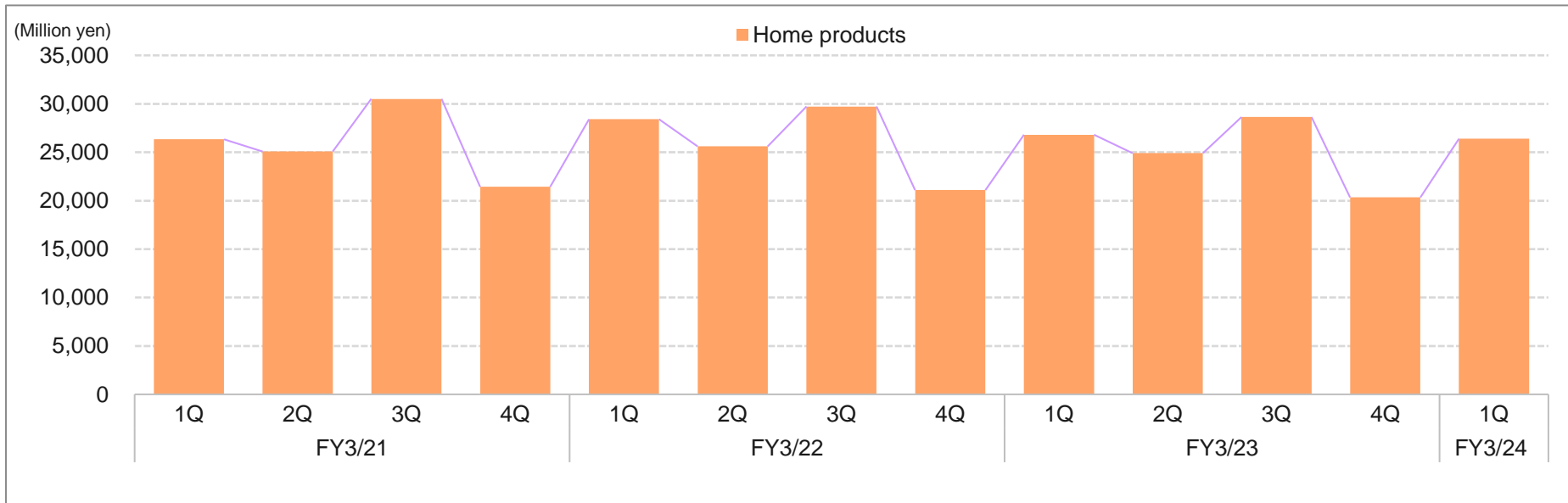
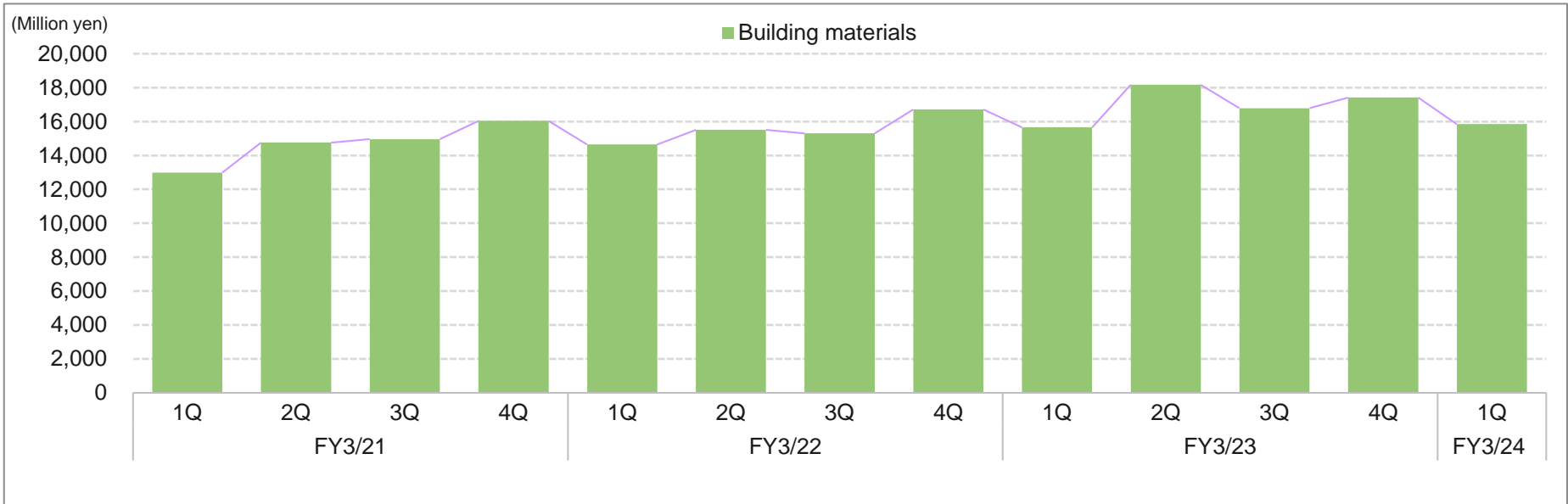
Overseas Production Equipment Business: In the North America Regional Headquarters, capital investment was firm in some areas such as EVs, medical, and aviation, but results were lower YoY, reflecting the order situation in the second half of the previous fiscal year. In Taiwan Regional Headquarters, the sale to EMS enterprises continued to decline. In the China Regional Headquarters, sales in export-oriented industries were weak due to the structural changes in international trade. In the ASEAN Regional Headquarters, Thailand, Indonesia, and India performed well, but the overall results were lower YoY.

Net sales (Millions of yen)			FY3/23 (Q1)	FY3/24 (Q1)	Percentage change YoY
Production equipment	Domestic	Machine Tools Business	19,066	17,099	-10.3%
		Industrial Solutions + T&E Business Total	40,477	40,843	+0.9%
		Industrial Solution Business	20,605	21,220	+3.0%
		Tool & Engineering Business	19,872	19,622	-1.3%
		Total	59,544	57,943	-2.7%
	Overseas	Machine Tools Business	14,419	12,278	-14.8%
		Industrial Solutions + T&E Businesses Total	9,480	6,194	-34.7%
		Total	23,899	18,473	-22.7%
	Total	Net sales	83,444	76,416	-8.4%
		Segment profit	2,836	1,828	-35.6%
Segment profit margin		3.4%	2.4%	-1.0ppt	

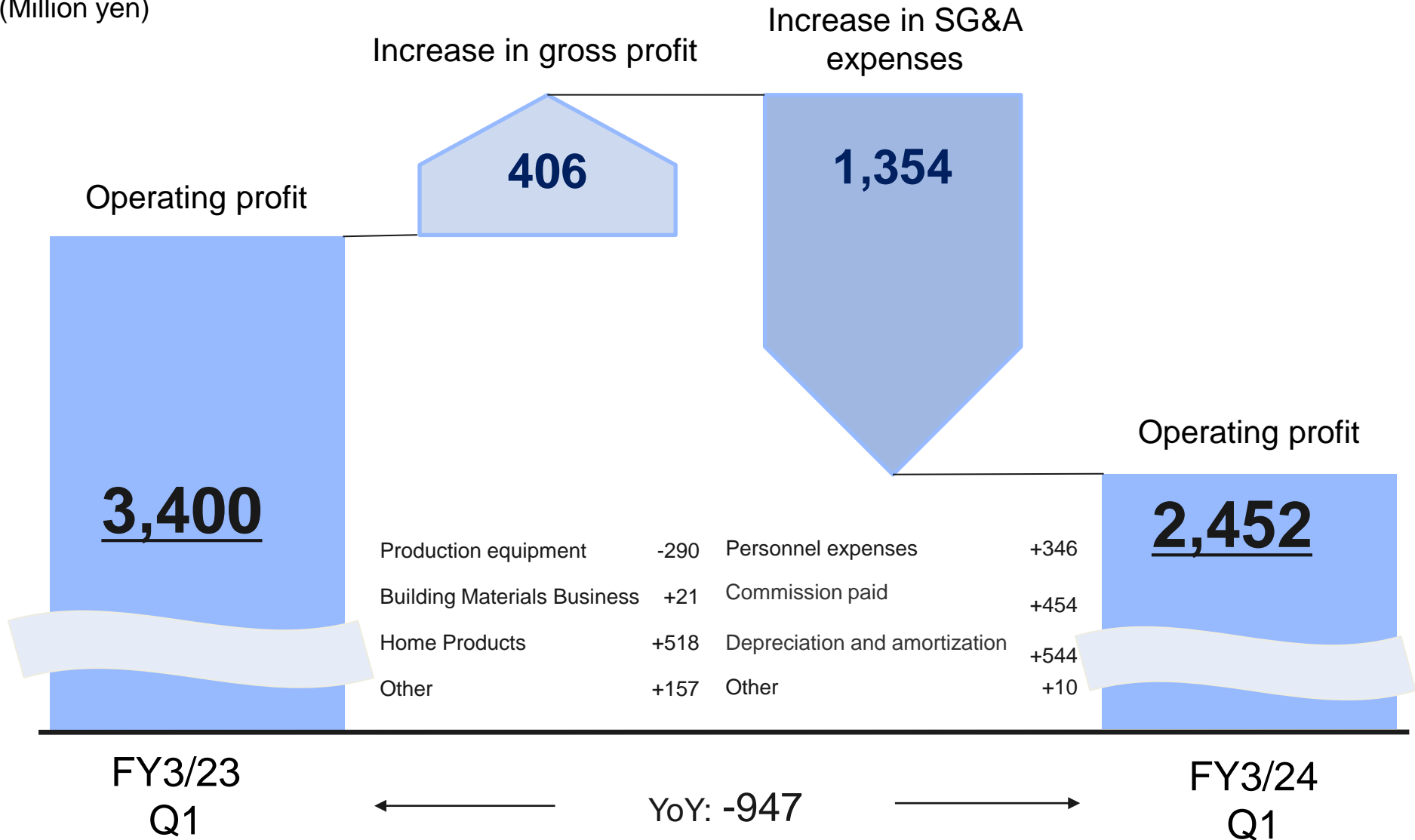


- Building Materials Business:** Amid stagnant demand, sales of bathroom appliances, solar power generation systems, storage batteries, etc. remained strong due to proposals of high-value-added products in response to consumers' desire to reduce spending due to soaring utility costs. Proposals for facility renovations that combine environmental products and installation were also successful in helping SMEs respond to carbon neutrality. In particular, we are aggressively developing proposals for sets of solar power generation and storage batteries for self-consumption.
- Home Products Business:** Results are down YoY as the demand arising from “staying home” due to refraining from going out and the expansion of remote working having run its course, soaring prices of raw materials, electricity, and gas, as well as the weak yen, has reduced consumer appetite for durable consumer goods, although sales of electric fans, circulators, air conditioners, and other private-brand products with unique value-added features that meet consumer needs remained strong.

(Million yen)		FY3/23 (Q1)	FY3/24 (Q1)	Percentage change YoY	
Consumer goods	Building Materials Division	Net sales	15,656	15,847	+1.2%
		Segment profit	275	230	-16.4%
		Segment profit margin	1.8%	1.5%	-0.3ppt
	Home Products Division	Net sales	26,808	26,395	-1.5%
		Segment profit	1,344	1,830	+36.2%
		Segment profit margin	5.0%	6.9%	+1.9ppt
	Total for Consumer Goods Business	Net sales	42,464	42,242	-0.5%
		Segment profit	1,619	2,060	+27.2%
		Segment profit margin	3.8%	4.9%	+1.1ppt



(Million yen)



Assets		Liabilities and Total Assets	
(End of Mar. 2023)	(End of Jun. 2023)	(End of Jun. 2023)	(End of Mar. 2023)
2,385	-46	Current liabilities 1,367	-74
		Long-term liabilities 225	+15
503	+26	Net assets 1,276	+39
		Total assets 2,869	-19
	Current assets 2,339		1,441
	Noncurrent assets and deferred tax assets 530		209
			1,237
			2,888

End of Mar. 2023	Item	End of Jun. 2023
10.6%	ROE	1.3%
42.6%	Shareholders' equity ratio	44.2%
1,383.65 yen	Net assets per share	1,426.44 yen
90.3 billion yen	Market cap	98.1 billion yen
14.4 billion yen	Basic operating cash flow	0.9 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 (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.

AGENDA

I. FY3/24 (Q1) Financial Highlights

II. Earnings Forecast for FY3/24 (Full Year), Medium-Term Management Plan

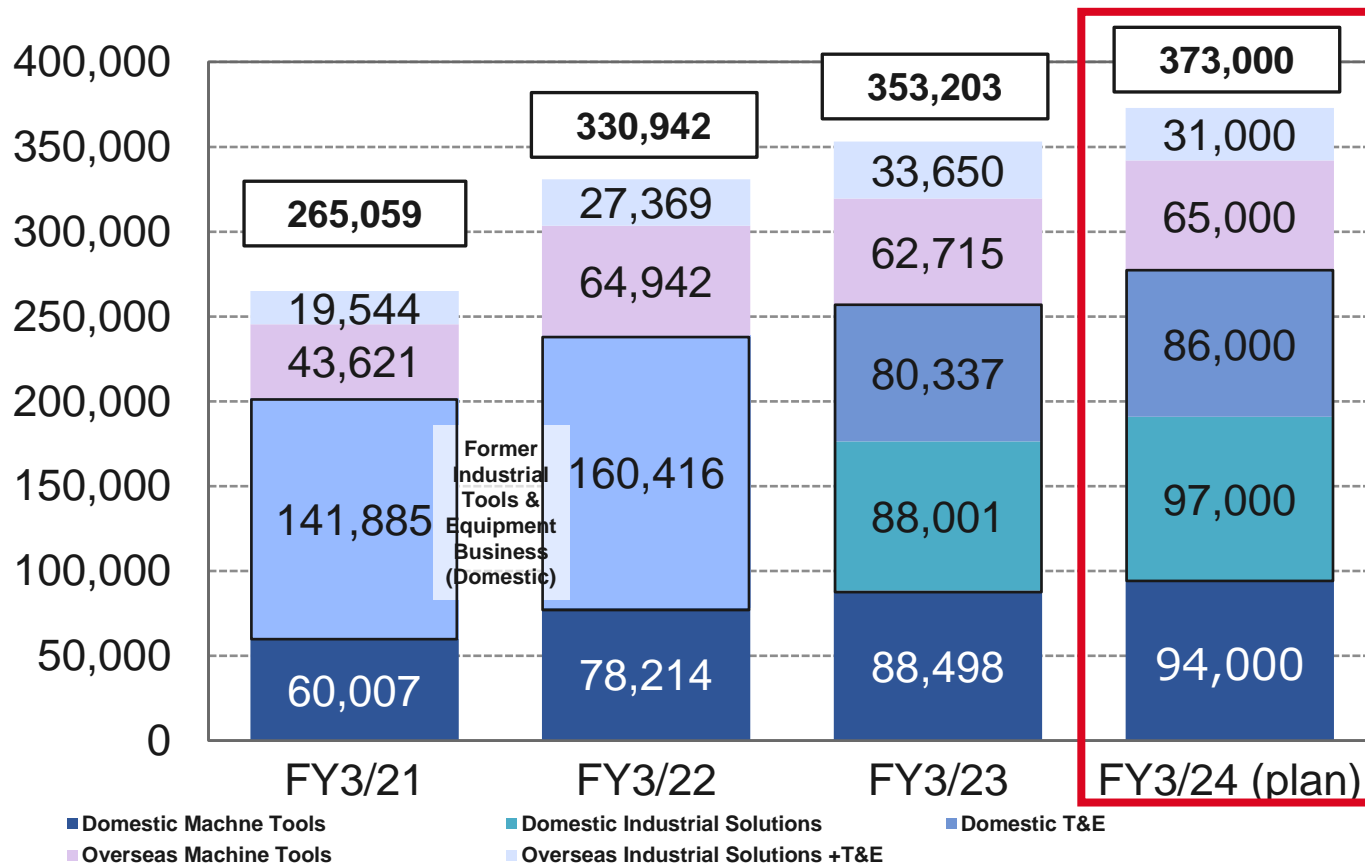
III. Shareholder Returns

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

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

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

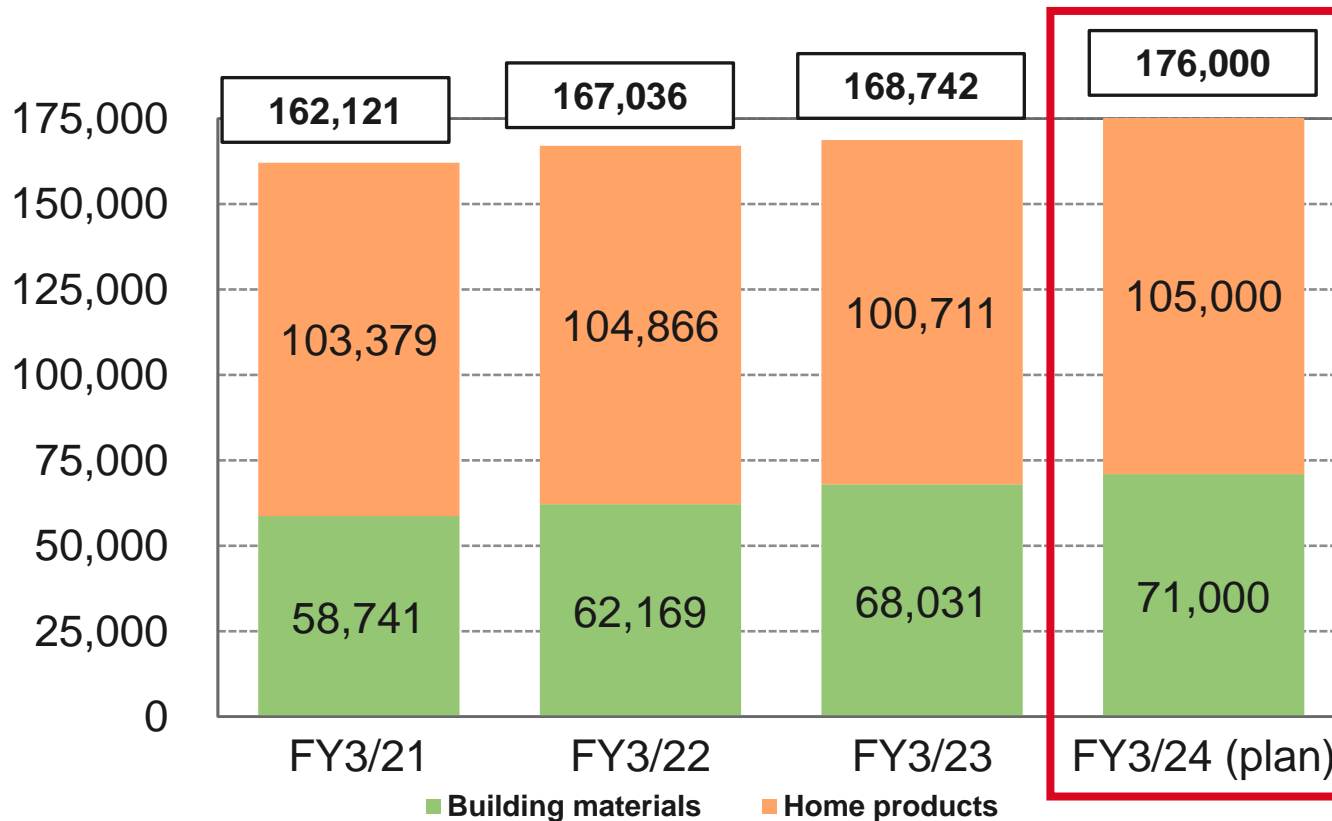
Production Equipment Business: 3-year sales trends and full-year forecasts



- ✓ Each division will brush up expertise, and provide solutions to meet the needs in production sites, such as “automation and labor saving” and “decarbonization” at an accelerated pace.
- ✓ Approach to new domains of semiconductors, logistics, three product industry (food, medicine, and cosmetics), etc.
- ✓ 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	Operating profit plan	Percentage change YoY	Operating profit margin
Building Materials Division Headquarters	Full-year	71,000	+4.4%	2,400	+2.5%	3.4%
Home Products Division Headquarters	Full-year	105,000	+4.3%	5,800	+16.9%	5.5%

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



- Building Materials Division Headquarters
 - ✓ 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 Headquarters
 - ✓ Develop new products that meet consumer needs and popularize own brands
 - ✓ Expand the online shop (YAMAZEN Bizcom)

Vision for 2030: Leading worldwide manufacturing and enriched lives

Vision for 2030

FY3/25
 Net sales: 600 billion yen
 Operating profit: 21.0 billion yen
 (Margin: 3.5%)

2025 - 2027

2022 - 2024



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

Digital convergence strategy

Transformation strategy

Client closeness strategy

Talent management strategy



-To establish the company-wide base for improving profitability -

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

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

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

AGENDA

I. FY3/24 (Q1) Financial Highlights

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III. Shareholder Returns

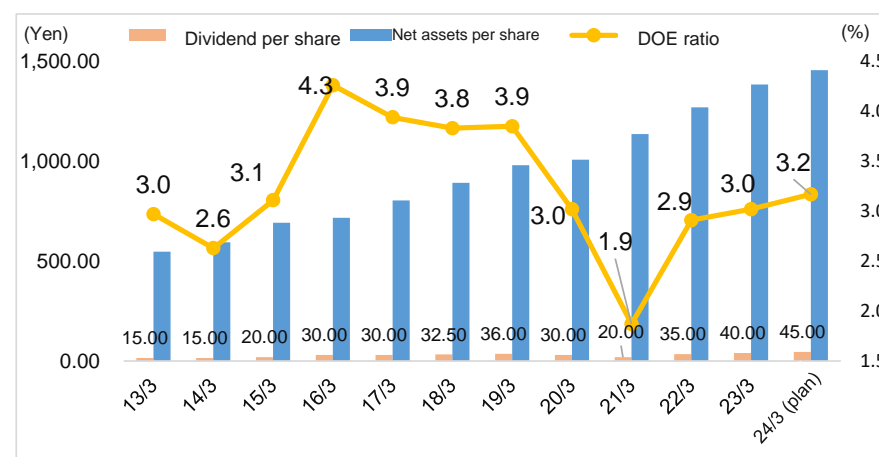
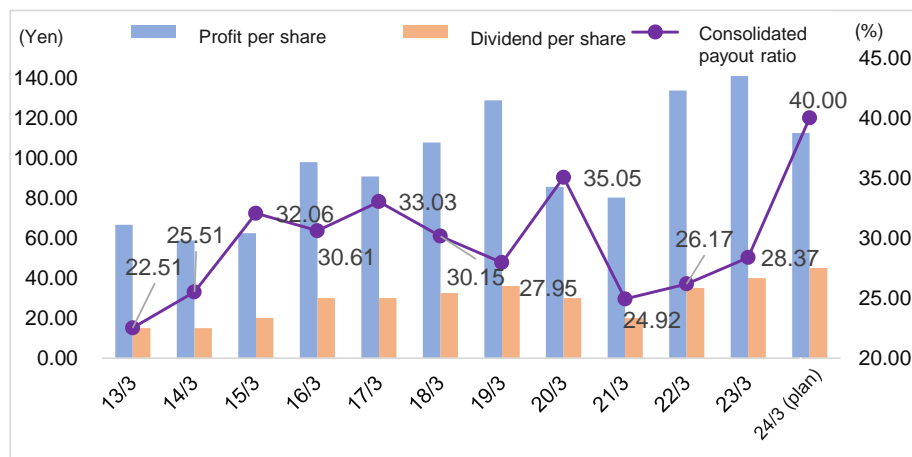
Reason for change:

The shareholder returns policy is specified in terms of the consolidated payout ratio, however, because 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 as follows to ensure stable and continuous shareholder returns.

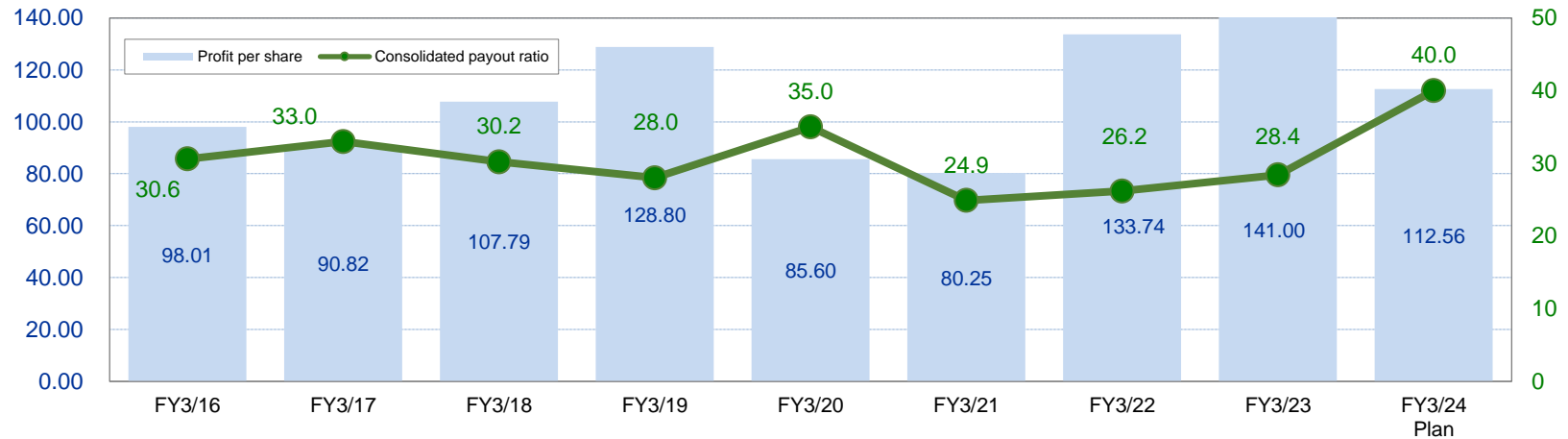
Before change	The basic policy is to return profits to shareholders in consideration of profit levels, with the aim of establishing a stable financial base and improving profitability, and to maintain a stable dividend payout ratio of approximately 30%.
After change	As we place returning profits to our shareholders as an important management issue, and taking into consideration the balance between investment for sustainable growth and enhancement of corporate value, and financial soundness as preparation for various risks, our basic policy is to distribute profits in accordance with business performance, and the amount of dividends for each fiscal year shall be the higher of either a consolidated dividend payout ratio of 40% (the indicator for performance-based profit distribution) or a dividend on equity ratio (DOE) of 3.5% (the indicator for stable profit distribution) . Furthermore, the acquisition of treasury shares will be carried out flexibly, depending on timing and financial conditions, in order to provide additional shareholder returns and improve capital efficiency.

Applicable period: FY3/24 and FY3/25

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



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



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

*Includes special dividends and commemorative dividends

Appendix

YAMAZEN's Advantages (1) Extensive global network

- ✓ **Wide geographic coverage with 63 offices in 14 countries and regions overseas**
(Approx. 350 engineers out of total of approx. 1,200 overseas staff)

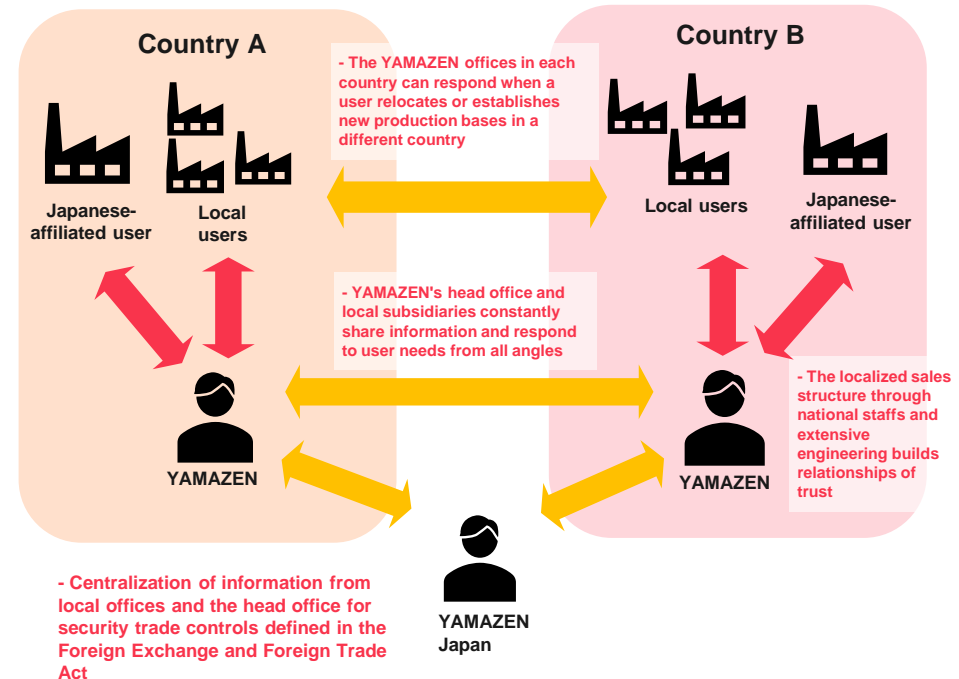
*Figures for the production goods business only as of June 30, 2023.

- ✓ The scale of our global network, built up over our long history since 1965, is **one of the largest among trading companies specializing in production equipment.** and the **barrier to entry is high**



YAMAZEN's Advantages (2) Localized engineering capabilities that can support users' global strategies

- ✓ **Our localized sales structures and advanced engineering function*** allows us to **sell directly** to Japanese and local users, which achieves **strong relationships of trust and high gross profit margins**
- ✓ Strong relationships of trust with users enable us to **respond to users' global investment strategies**, which leads to **further business development**



*Advanced engineering function:

YAMAZEN's engineers provide total support for manufacturing by offering a one-stop service that includes design, installation, testing, after-sales service, and maintenance in response to user needs

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



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

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

Industrial Tools & Equipment Business

Divided in Apr. 2023

Industrial Solution Division Headquarters

■Major product categories:

Proposing systems **that contribute to automation, labor saving, and carbon neutrality of production sites, including material handling devices, mechatronic devices, and aids for environmental improvement, and selling components**

■Priority fields:

- To give comprehensive solutions to the “shortage of workers,” “decarbonization,” “digitalization,” etc. facing small and medium-sized enterprises and local users
- To establish a system for giving proposals to meet needs from individual users
- To focus on the cultivation of new industries and the direct approach to users
- To enhance the development of original products and systems

Tool & Engineering Division Headquarters

■Major product categories:

Cutting tools, accessory tools, Measuring instrument, hand tools, electric tools, and hydraulic and pneumatic tools

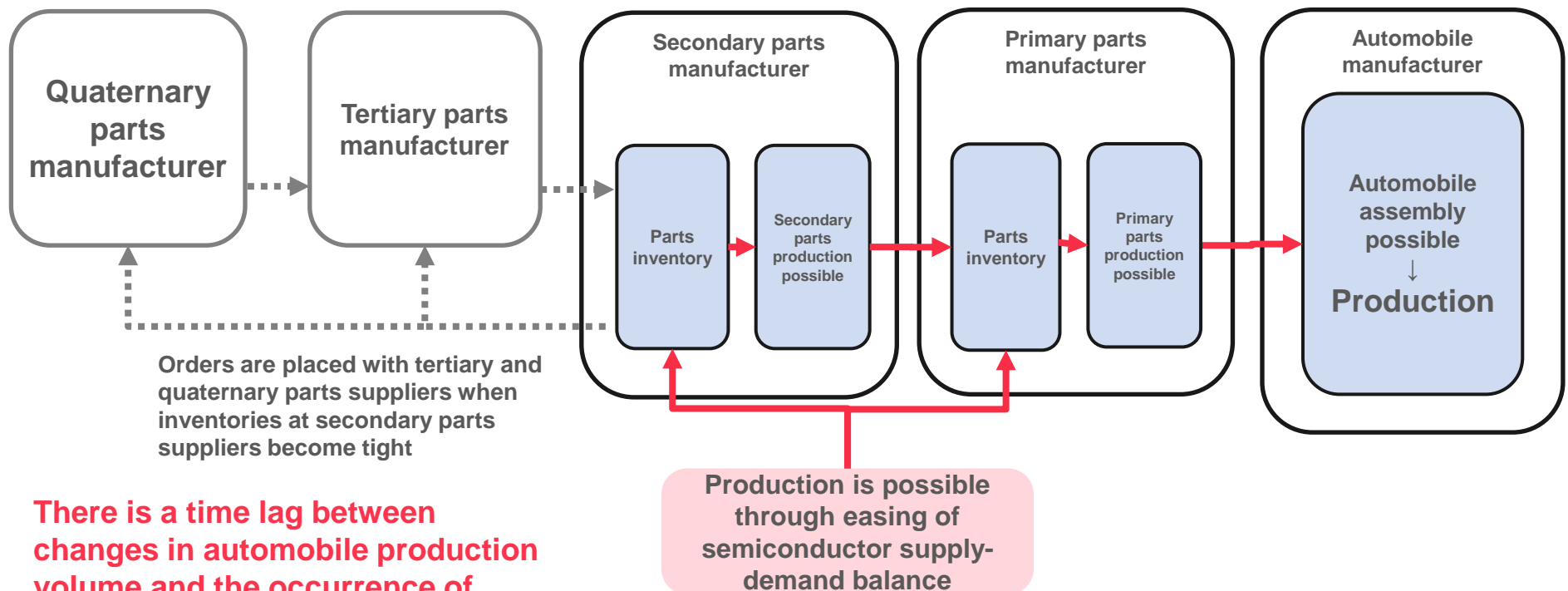
■Priority fields:

- To acquire a market share by enhancing the technical marketing capability in the peripheral field of machine tools
- To receive more repeat orders from users in parallel with the expansion of commercial distribution
- To redevelop operation bases (Internet infrastructure and logistics functions), establish a system for swiftly supplying information and products to users, and differentiate our business from competitors’

Regarding the discrepancies between the market environment and the production status of SME manufacturers (Machinery, Industrial Solutions and T&E Business)

The supply-demand balance for semiconductors has eased and automobile production is on the road to recovery, but the impact on SME manufacturers that produce tertiary and quaternary components, who are our main end users, is currently limited

→ In the future, it is expected to recover in tandem with the automobile production situation



There is a time lag between changes in automobile production volume and the occurrence of demand from SME manufacturers, who are our main end users

**Pioneering a new future,
with you all**



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