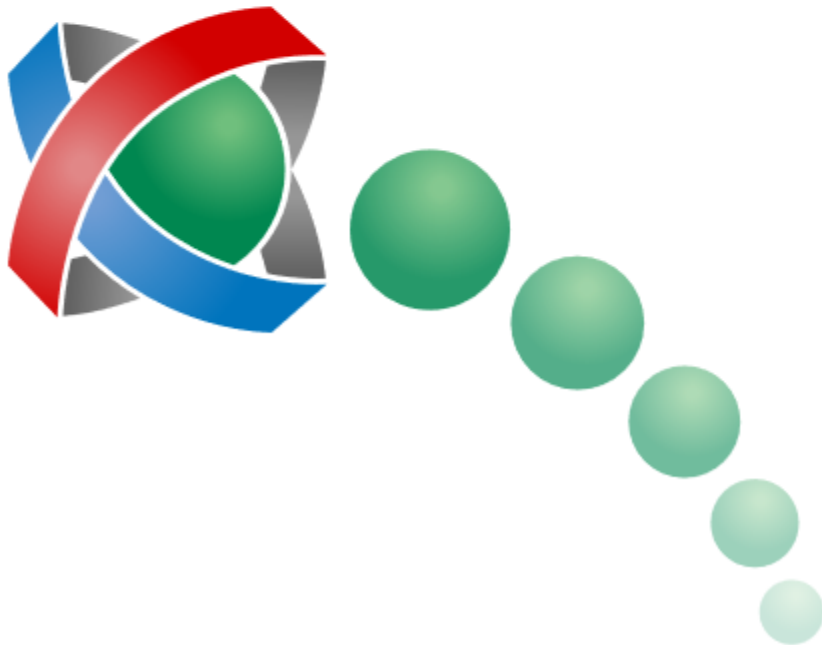


**YAMAZEN CORPORATION**

**FY3/24  
(Q2)**

**Supplementary  
Materials for  
Financial Results**



Stock Code: 8051

## **A G E N D A**

**I. FY3/24 (Q2) Financial Highlights**

**II. Earnings Forecast for FY3/24, Medium-Term Management Plan**

**III. Shareholder Returns**

# AGENDA

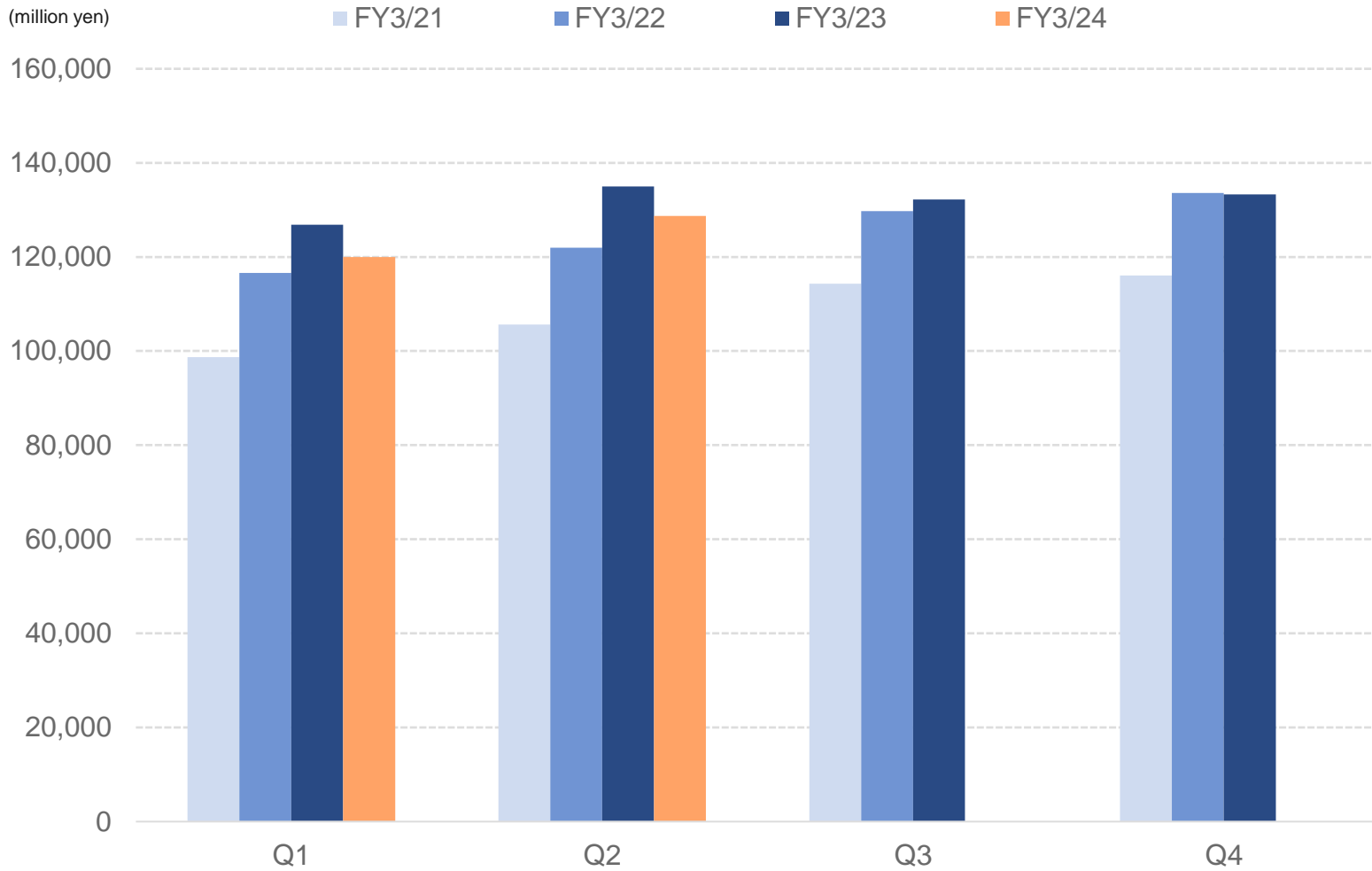
## **I. FY3/24 (Q2) Financial Highlights**

## II. Earnings Forecast for FY3/24, Medium-Term Management Plan

## III. Shareholder Returns

(Million yen)	FY3/23 (Q2)	FY3/24 (Q2)	Percentage change YoY	Full Year Plan (Revised Sept. 13, 2023)	Progress Rate
Net sales	261,817	<b>248,680</b>	<b>-5.0%</b>	500,000	49.7%
Gross profit	38,215	<b>36,793</b>	<b>-3.7%</b>	-	-
(Gross profit margin)	14.6%	<b>14.8%</b>	<b>+0.2ppt</b>	-	-
SG&A expenses	30,067	<b>31,923</b>	<b>+6.2%</b>	-	-
Operating profit	8,148	<b>4,869</b>	<b>-40.2%</b>	10,000	48.7%
(Operating profit margin)	3.1%	<b>2.0%</b>	<b>-1.2ppt</b>	2.0%	-
Non-operating profit/loss	567	<b>431</b>	<b>-24.0%</b>	-	-
Ordinary profit	8,715	<b>5,301</b>	<b>-39.2%</b>	10,000	53.0%
Extraordinary gain/loss	2	<b>-2</b>	-	-	-
Quarterly profit attributable to owners of parent	5,734	<b>3,274</b>	<b>-42.9%</b>	6,700	48.9%

Net sales decreased -5.0% YoY due to slowing in domestic and overseas capital investment trends. Gross profit decreased by -3.7% due to the impact of lower sales, although the rate increased by 0.2ppt YoY, mainly due to an increase in the share of net sales of consumer goods. On the other hand, operating profit decreased by 40.2% YoY due to a decrease in gross profit, an increase in depreciation and amortization and other expenses associated with the introduction of the SAP ERP system that is a growth investment, and an increase in personnel expenses as an investment in human capital.



Suppliers



**YAMAZEN**

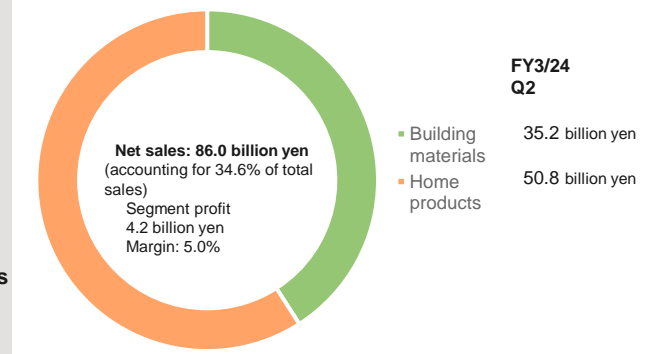
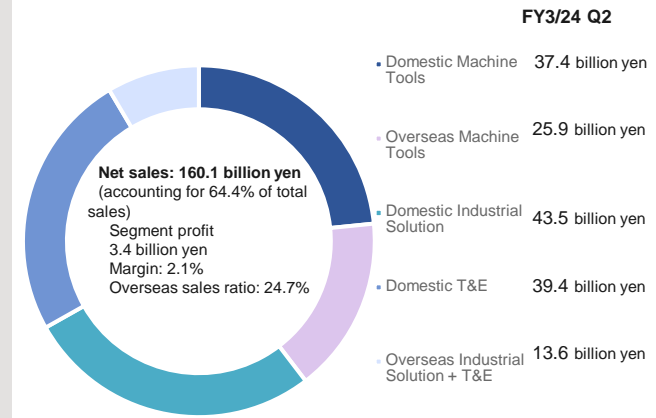
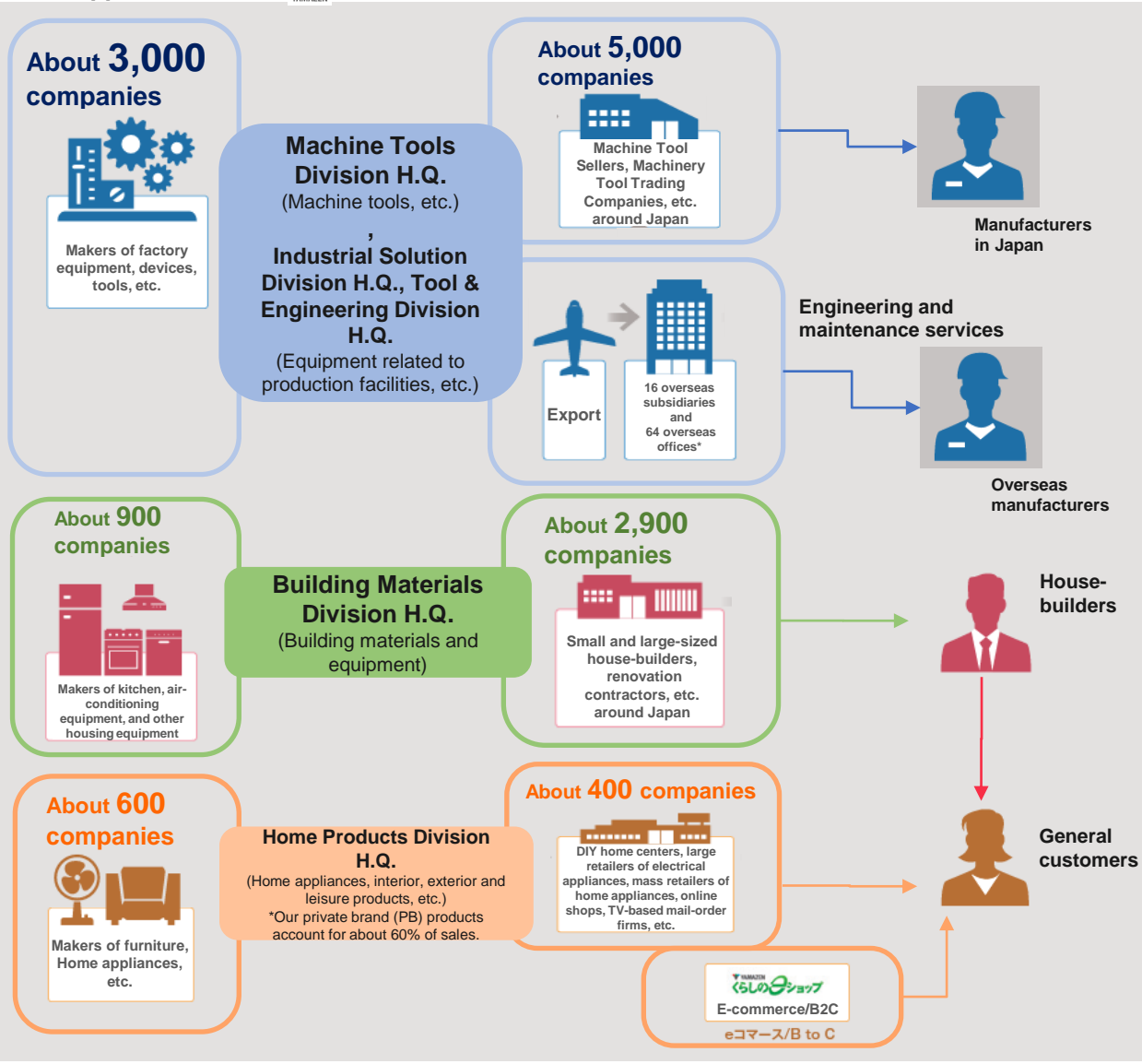
Clients

Users

**Production equipment**  
(domestic and overseas)

**Building materials**

**Home products**  
(domestic)



\*As of October 31, 2023; figures for the Production Equipment Business only

# FY3/24 (Q2) Net Sales by Business Segment

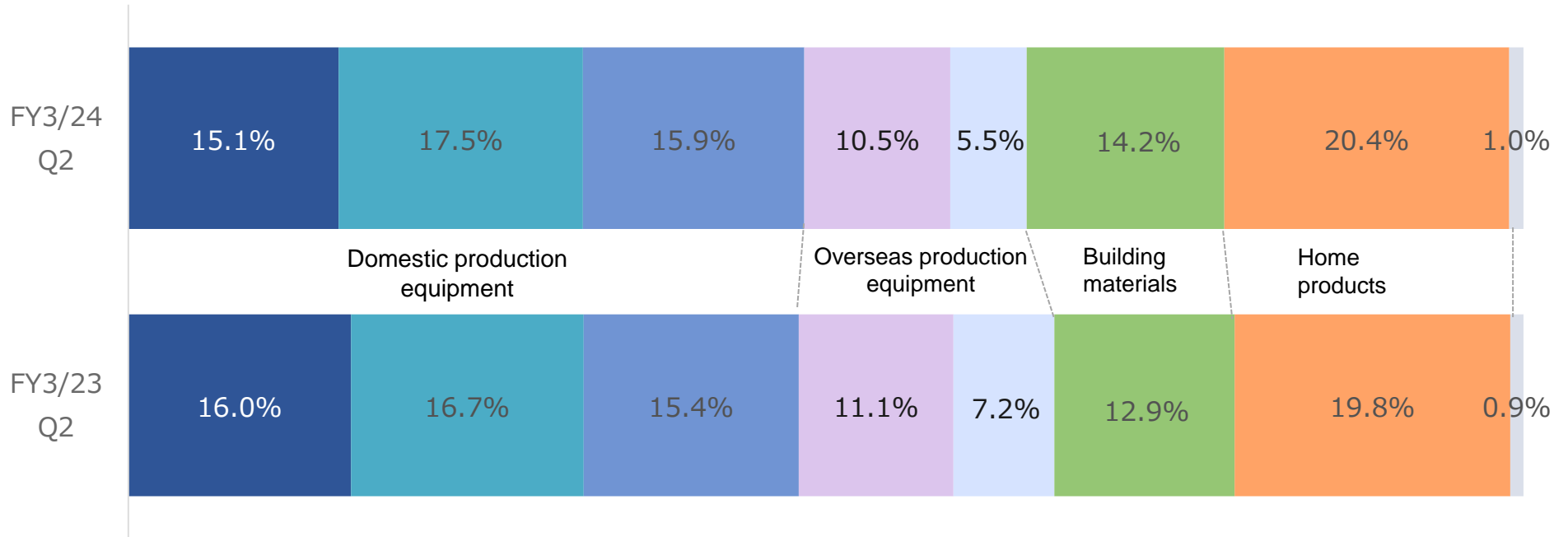
(Million yen)	FY3/23 (Q2)	FY3/24 (Q2)	Percentage change YoY
Machine Tools Division	70,810	63,468	-10.4%
Industrial Solution Division	49,993	45,366	-9.3%
Tool & Engineering Division	52,999	51,288	-3.2%
(Total for Production Equipment Business)	173,804	160,123	-7.9%
Building Materials Division	33,828	35,240	+4.2%
Home Products Division	51,726	50,805	-1.8%
(Total for Consumer Goods Business)	85,555	86,046	+0.6%
Other	2,458	2,510	+2.1%
Total	261,817	248,680	-5.0%

Domestic production equipment: 48.1% → 48.5% (+0.4ppt)  
 Overseas production equipment: 18.3% → 15.9% (-2.4ppt)

Building Materials Business: 12.9% → 14.2% (+1.3ppt)  
 Home Products Business: 19.8% → 20.4% (+0.7ppt)

**Production equipment total: 66.4% → 64.4% (-2.0pt)**

**Consumer goods total: 32.7% → 34.6% (+1.9ppt)**



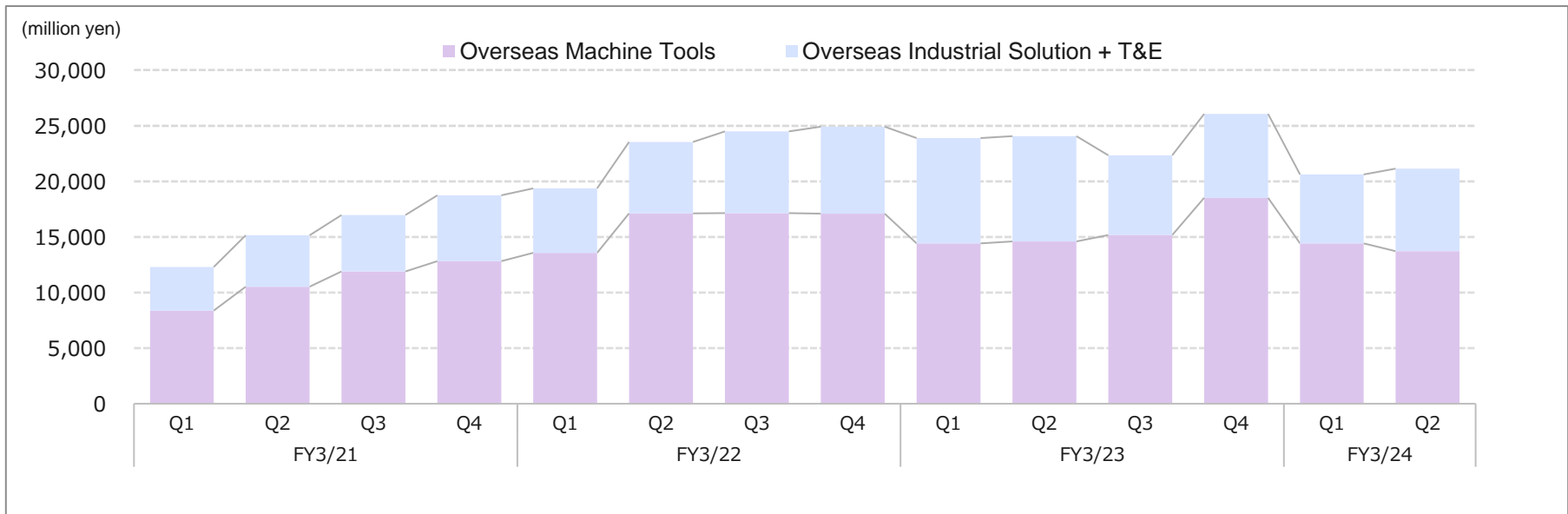
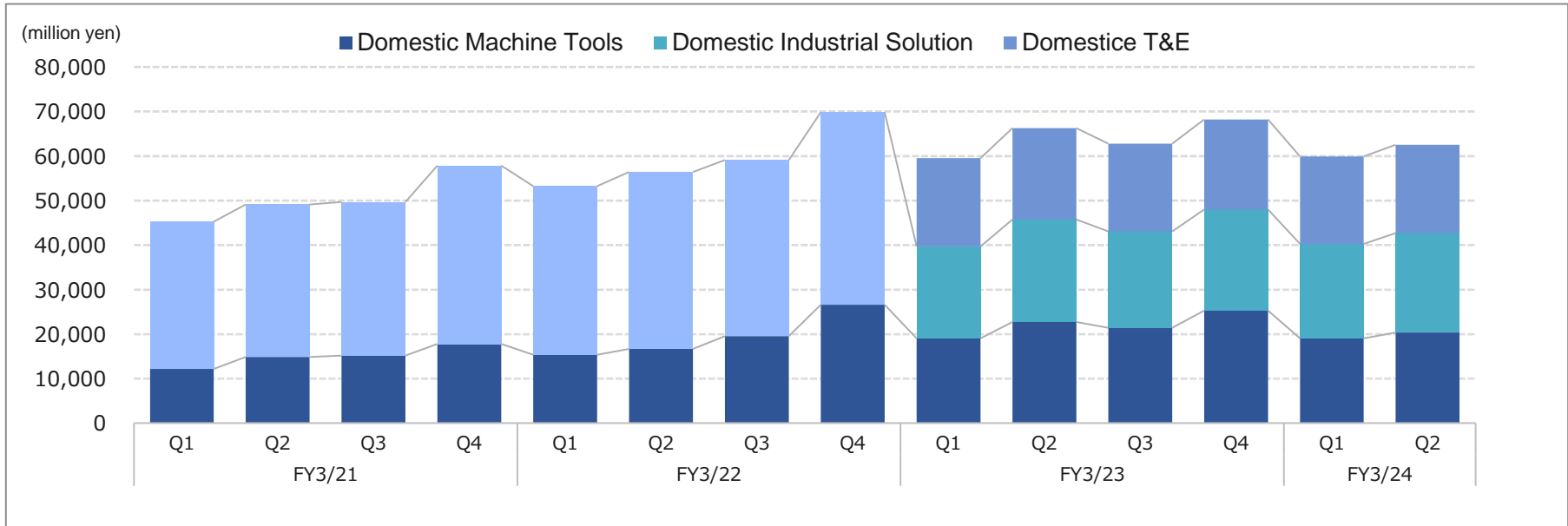
■ Domestic Machine Tools     
 ■ Domestic Industrial Solution     
 ■ Domestic T&E     
 ■ Overseas Machine Tools  
■ Overseas Industrial Solution + T&E     
 ■ Building Materials     
 ■ Home Products     
 ■ Other



**Domestic Production Equipment Business:** Sales of machine tools, etc. were weak, due to the lack of new investment activity in the semiconductor and automobile industries. Overall, sales of consumables such as industrial tools were also down compared to the same period of the previous year. Sales of infrastructure-related equipment, etc. were strong due to urban redevelopment and public infrastructure renewal demand. On the other hand, sales of material handling equipment were down compared to the same period of the previous year due to a lull in EC logistics facilities.

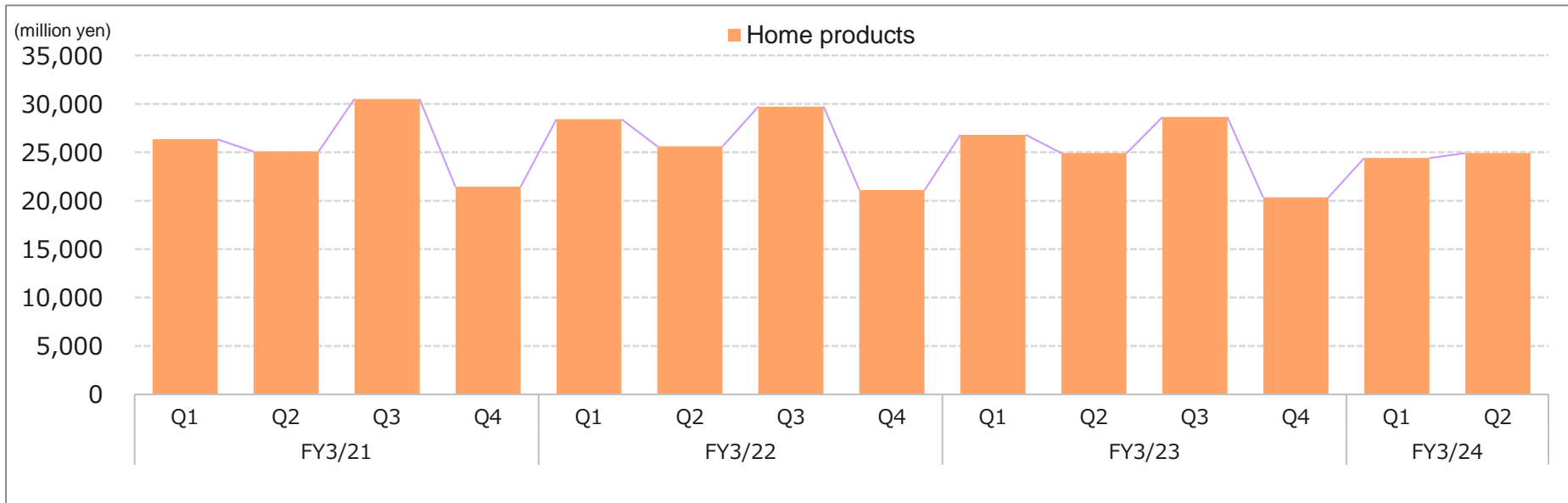
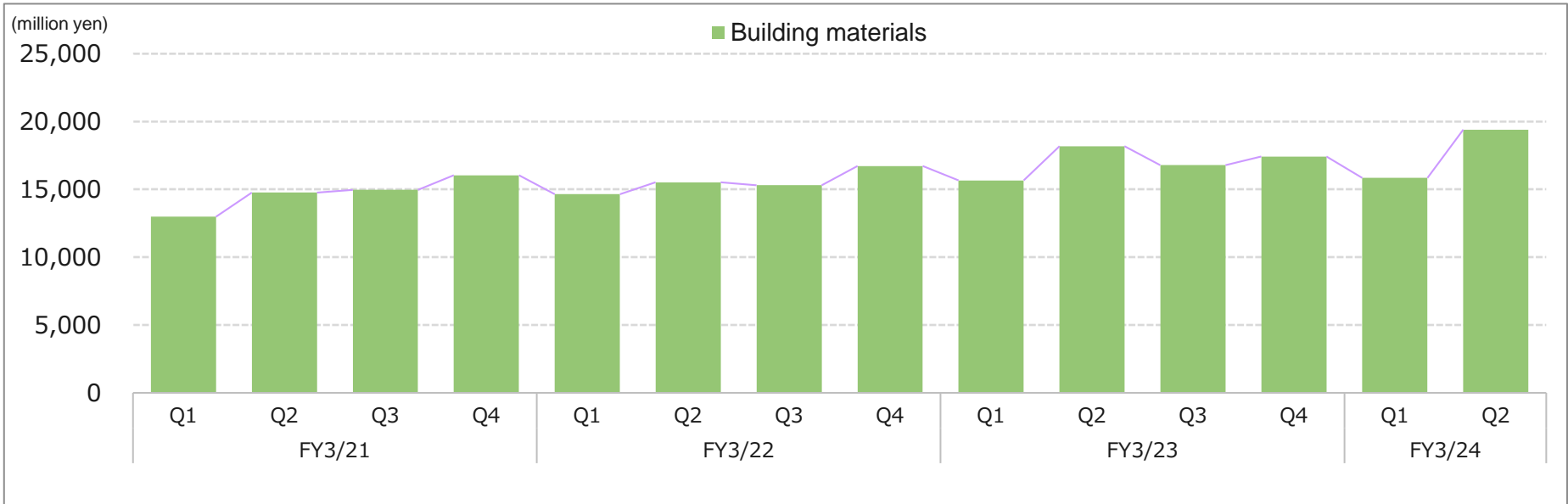
**Overseas Production Equipment Business:** Overall sales in the North America Regional Headquarters were down compared to the same period of the previous year due to sluggish capital investment, but sales in Mexico were strong in response to the relocation of production bases from other regions. Sales to EMS enterprises declined in the Taiwan Regional Headquarters, while sales in the China Regional Headquarters were down compared to the same period of the previous year due to sluggish sales to export-oriented industries. In the ASEAN Regional Headquarters, Indonesia and India posted strong sales mainly in the automobile and motorcycle fields, but overall results were down compared to the same period of the previous year mainly due to the delayed recovery in demand for semiconductors.

Net sales (Millions of yen)			FY3/23 (Q2)	FY3/24 (Q2)	Percentage change YoY
Production equipment	Domestic	Machine Tools Business	41,786	37,471	-10.3%
		Industrial Solution + T&E Business Total	84,053	83,029	-1.2%
		Industrial Solution Business	43,645	43,536	-0.2%
		Tool & Engineering Business	40,407	39,492	-2.3%
		Total	125,840	120,500	-4.2%
	Overseas	Machine Tools Business	29,024	25,996	-10.4%
		Industrial Solution + T&E Businesses Total	18,940	13,625	-28.1%
		Total	47,964	39,622	-17.4%
	Total	Net sales	173,804	160,123	-7.9%
		Segment profit	6,916	3,434	-50.3%
Segment profit margin		4.0%	2.1%	-1.8ppt	



- 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 there were also record hot temperatures nationwide, so sales of electric fans, circulators, clothing with air conditioning fans, and other private-brand products with unique value-added features that meet consumer needs remained strong.

		(Million yen)	FY3/23 (Q2)	FY3/24 (Q2)	Percentage change YoY
Consumer goods	Building Materials Division	Net sales	33,828	35,240	+4.2%
		Segment profit	1,131	1,207	+6.8%
		Segment profit margin	3.3%	3.4%	+0.1ppt
	Home Products Division	Net sales	51,726	50,805	-1.8%
		Segment profit	1,934	3,085	+59.5%
		Segment profit margin	3.7%	6.1%	+2.3ppt
	Total for Consumer Goods Business	Net sales	85,555	86,046	+0.6%
		Segment profit	3,065	4,293	+40.1%
		Segment profit margin	3.6%	5.0%	+1.4ppt



(Million yen)

Operating profit

Decrease in gross profit

Increase in SG&A expenses

Operating profit

**1,422**

**1,856**

**8,148**

**4,869**

Production equipment	-2,267
Building Materials	+210
Home Products	+679
Other	-45

Depreciation and amortization	+805
Commission paid	+689
Personnel expenses	+266
Travel expenses	+258
Freight	-400

FY3/23  
Q2

YoY: -3,278

FY3/24  
Q2



# AGENDA

I. FY3/24 (Q2) Financial Highlights

**II. Earnings Forecast for FY3/24, Medium-Term Management Plan**

III. Shareholder Returns

(Million yen)	FY3/23 Results	FY3/24 Plan (Announced May 2023)	FY3/24 Plan (Revised Sept. 2023)	Percentage change YoY
Net sales	527,263	<b>550,000</b>	<b>500,000</b>	-5.2%
Operating profit	16,563	<b>15,000</b>	<b>10,000</b>	-39.6%
Operating profit margin	3.1%	<b>2.7%</b>	<b>2.0%</b>	-1.1ppt
Ordinary profit	17,280	<b>15,000</b>	<b>10,000</b>	-42.1%
Profit attributable to owners of parent	12,527	<b>10,000</b>	<b>6,700</b>	-46.5%

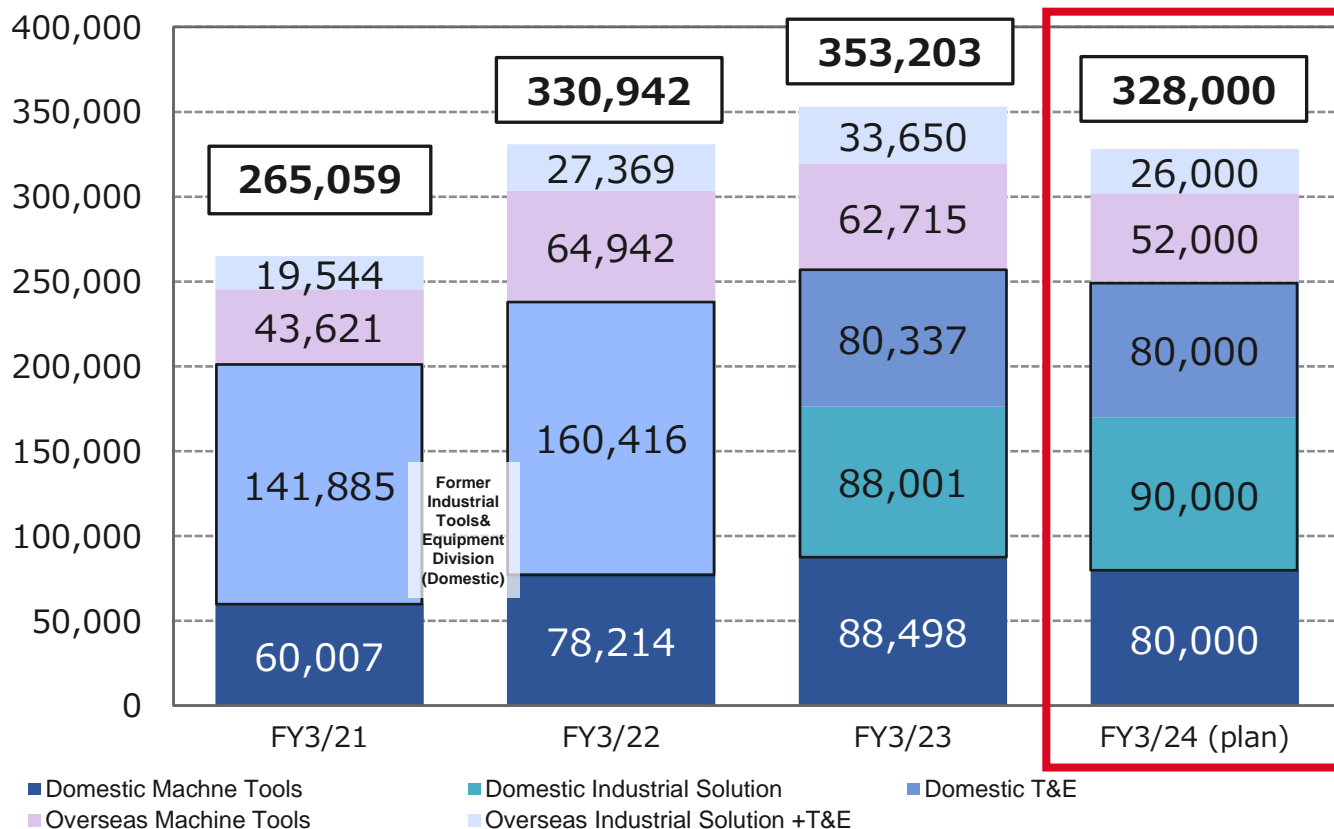
The announced full-year plan for FY3/24 planned for sales to increase but profits to decrease as of May 2023, with depreciation expected due to the acceleration of growth investment, but it was revised to the above in September 2023 as the recovery in capital investment in the Japanese domestic market is delayed, and the economic momentum in overseas markets, China in particular, is weak, and a cautious attitude toward capital investment is expected to continue.



(Million yen)	FY3/23 Results	FY3/24 Plan (Revised Sept. 2023)	Percentage change YoY
Machine Tools Division	151,214	<b>132,000</b>	-12.7%
Industrial Solution Division	96,315	<b>93,000</b>	-3.4%
Tool & Engineering Division	105,673	<b>103,000</b>	-2.5%
(Total for Production Equipment Business)	353,203	<b>328,000</b>	-7.1%
Building Materials Division	68,031	<b>69,000</b>	+ 1.4%
Home Products Division	100,711	<b>101,000</b>	+ 0.3%
(Total for Consumer Goods Business)	168,742	<b>170,000</b>	+ 0.7%
Other	5,317	<b>2,000</b>	-62.4%
Total	527,263	<b>500,000</b>	-5.2%

(Million yen)		Net sales plan (Revised Sept. 2023)	Percentage change YoY	Segment profit plan	Percentage change YoY	Operating profit margin
Production Equipment Business Total	Full-year	328,000	-7.1%	8,000	-42.7%	2.4%

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

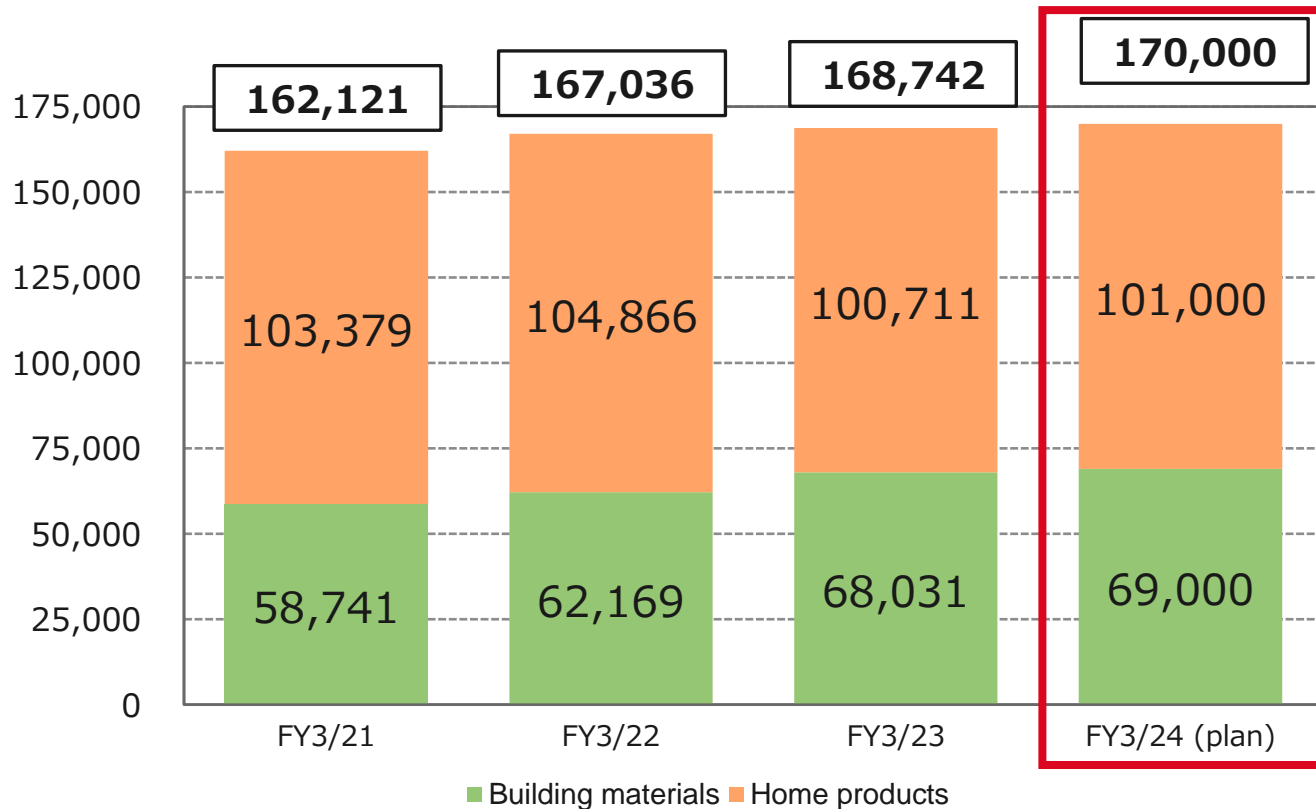


- ✓ Each division will brush up expertise, and provide solutions to meet the needs in production sites, such as “automation and labor saving” and “decarbonization” at an accelerated pace.
- ✓ Approach to new domains of semiconductors, logistics, 3 major product industries (food, medical and cosmetics),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

\*Ogaki Kiko Co., Ltd., which had been classified as “Other Business,” has been included in “Production Equipment Business” since the Q1 of FY3/23 due to the revision of the performance management segment of our group. The above performance in FY3/21 is based on the reportable segments before the revision.

(Million yen)		Net sales plan (Revised Sept. 2023)	Percentage change YoY	Segment profit plan	Percentage change YoY	Operating profit margin
Building Materials Division	Full-year	69,000	+ 1.4%	2,400	+ 2.5%	3.5%
Home Products Division	Full-year	101,000	+ 0.3%	6,000	+ 21.0%	5.9%

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



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

(Million yen)

Segment	Business		FY3/23 results	FY3/24 plan (Announced May 2023)	FY3/24 plan (Revised Sept. 2023)	Difference YoY	Difference from initial plan	Percentage change YoY	Percentage change from initial plan
Production equipment	Machine Tools (Domestic)	Net sales	88,498	94,000	<b>80,000</b>	-8,498	-14,000	-9.6%	-14.9%
	Domestic Industrial Solution	Net sales	88,001	97,000	<b>90,000</b>	+1,998	-7,000	+2.3%	-7.2%
	Domestic T&E	Net sales	80,337	86,000	<b>80,000</b>	-337	-6,000	-0.4%	-7.0%
	Machine Tools (Overseas)	Net sales	62,715	65,000	<b>52,000</b>	-10,715	-13,000	-17.1%	-20.0%
	Overseas Industrial Solution + T&E	Net sales	33,650	31,000	<b>26,000</b>	-7,650	-5,000	-22.7%	-16.1%
	Production equipment total	Net sales	353,203	373,000	<b>328,000</b>	-25,203	-45,000	-7.1%	-12.1%
		Segment profit	13,965	14,500	<b>8,000</b>	-5,965	-6,500	-42.7%	-44.8%
Segment profit margin		4.0%	3.9%	<b>2.4%</b>	-1.5ppt	-1.4ppt	-	-	
Consumer goods	Building materials	Net sales	68,031	71,000	<b>69,000</b>	+968	-2,000	+1.4%	-2.8%
		Segment profit	2,341	2,400	<b>2,400</b>	+58	0	+2.5%	0
		Segment profit margin	3.4%	3.4%	<b>3.5%</b>	+0.0ppt	+0.1ppt	-	-
	Home products	Net sales	100,711	105,000	<b>101,000</b>	+288	-4,000	+0.3%	-3.8%
		Segment profit	4,960	5,800	<b>6,000</b>	+1,039	+200	+21.0%	+3.4%
		Segment profit margin	4.9%	5.5%	<b>5.9%</b>	+1.0ppt	+0.4ppt	-	-
	Consumer goods total	Net sales	168,742	176,000	<b>170,000</b>	+1,257	-6,000	+0.7%	-3.4%
		Segment profit	7,301	8,200	<b>8,400</b>	+1,098	+200	+15.0%	+2.4%
		Segment profit margin	4.3%	4.7%	<b>4.9%</b>	+0.6ppt	+0.3ppt	-	-

(Million yen)	FY3/22	FY3/23 results (First year of Medium-Term Management Plan)	FY3/24 plan (Announced May 2023)	FY3/24 plan (Revised Sept. 2023)	FY3/25 plan (Final year of Medium-Term Management Plan)
Net sales	501,872	527,263	550,000	500,000	<b>600,000</b>
Operating profit	17,133	16,563	15,000	10,000	<b>21,000</b>
Operating profit margin	3.4%	3.1%	2.7%	2.0%	<b>3.5%</b>
Ordinary profit	17,093	17,280	15,000	10,000	<b>21,000</b>
Profit	12,023	12,527	10,000	6,700	<b>14,000</b>

Indicators (Million yen)	FY3/22	FY3/23 results (First year of Medium-Term Management Plan)	FY3/24 plan (Announced May 2023)	FY3/24 plan (Revised Sept. 2023)	FY3/25 plan (Final year of Medium-Term Management Plan)
Return on equity (ROE)	10.9%	10.6%	7.9%	5.3%	<b>10.0%</b>
Basic operating cash flow	12,052	14,427	14,500	11,000	<b>18,000</b>
Shareholders' equity ratio	39.9%	42.6%	40~45%	40~45%	40~45%

# AGENDA

I. FY3/24 (Q2) Financial Highlights

II. Earnings Forecast for FY3/24, Medium-Term Management Plan

**III. Shareholder Returns**

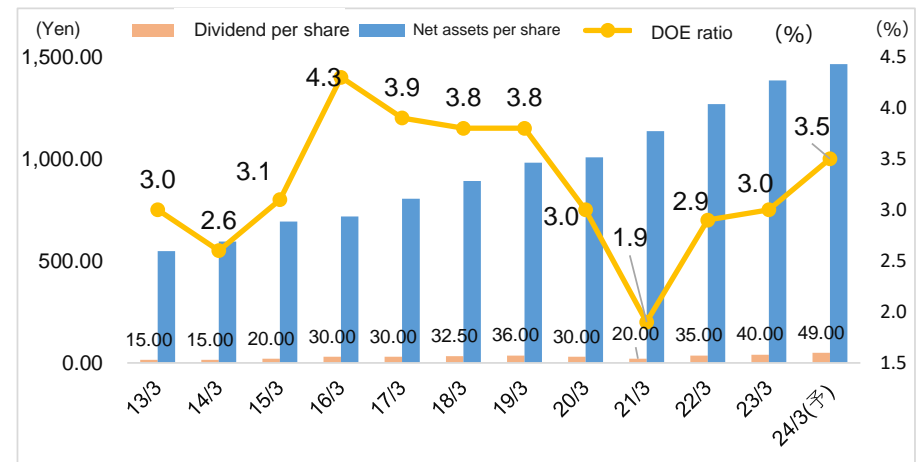
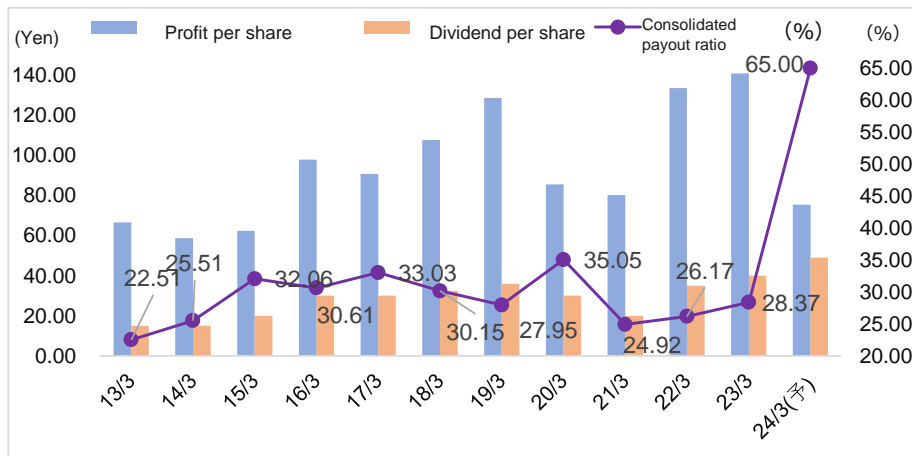
## Reason for change:

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.

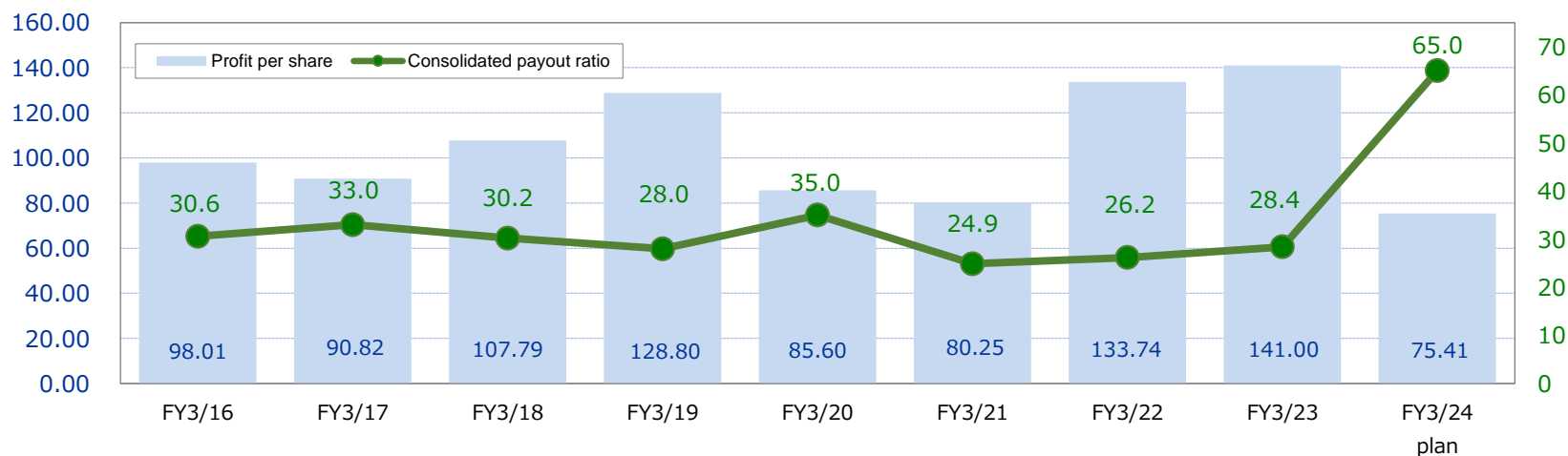
<b>Before change</b>	Yamazen Corporation's basic policy has been to return profits to shareholders in consideration of profit levels, based on the establishment of a stable financial base and improvement of profitability, and to maintain stable dividends to shareholders with a target payout ratio of 30%.
<b>After change</b>	Yamazen Corporation has positioned return of profits to shareholders as a priority issue for management. Our basic policy is now to distribute profits in line with business performance, while balancing investment for sustainable growth with enhancement of corporate value and financial soundness to prepare for diverse risks, with the annual dividend amount set at a <b>consolidated dividend payout ratio of 40% (performance-linked profit distribution indicator)</b> or a <b>dividend on equity ratio (DOE) of 3.5% (stable profit distribution indicator), whichever is higher</b> . Yamazen Corporation will also flexibly implement share repurchasing in consideration of timing and financial position in order to provide additional returns to shareholders 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 29 yen per share, for an annual dividend of 49 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	29.0	74.0
	Annual	*32.5	*36.0	30.0	20.0	35.0	40.0	49.0	124.0
Payout ratio (%)		30.2	28.0	35.0	24.9	26.2	28.4	65.0	35.4
Dividend paid (million yen)		3,074	3,405	2,837	1,891	3,115	3,560	4,362	11,038
Amount of treasury stock acquired (million yen)	-	733	-	-	-	5,999	-	-	5,999

\*Includes special dividends and commemorative dividends



Pioneering a new future, with you all



[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.”