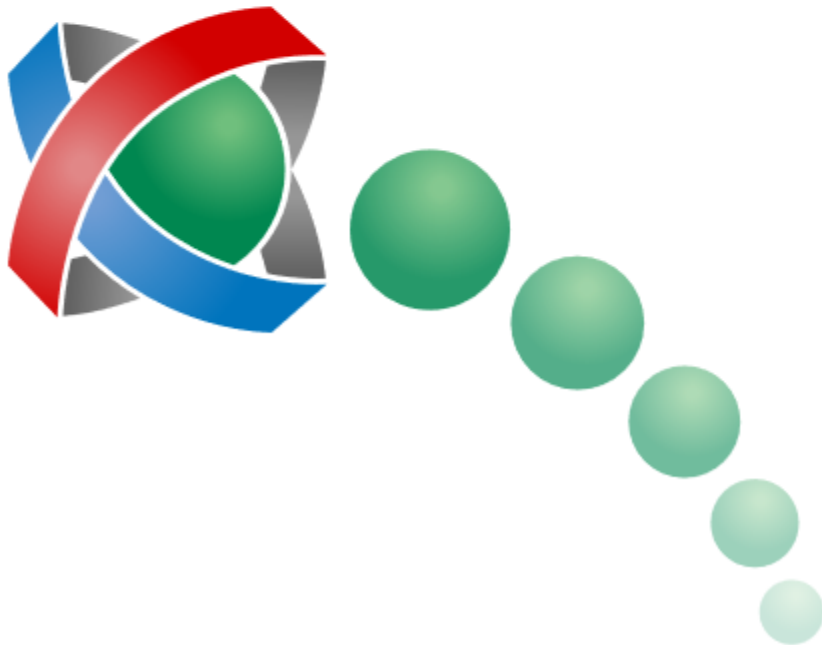


YAMAZEN CORPORATION

**FY3/24
(Q3)**

**Supplementary
Materials for
Financial Results**



A G E N D A

I. FY3/24 (Q3) Financial Highlights

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

III. Capital Policy and Shareholder Returns

Appendix

AGENDA

I. FY3/24 (Q3) Financial Highlights

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

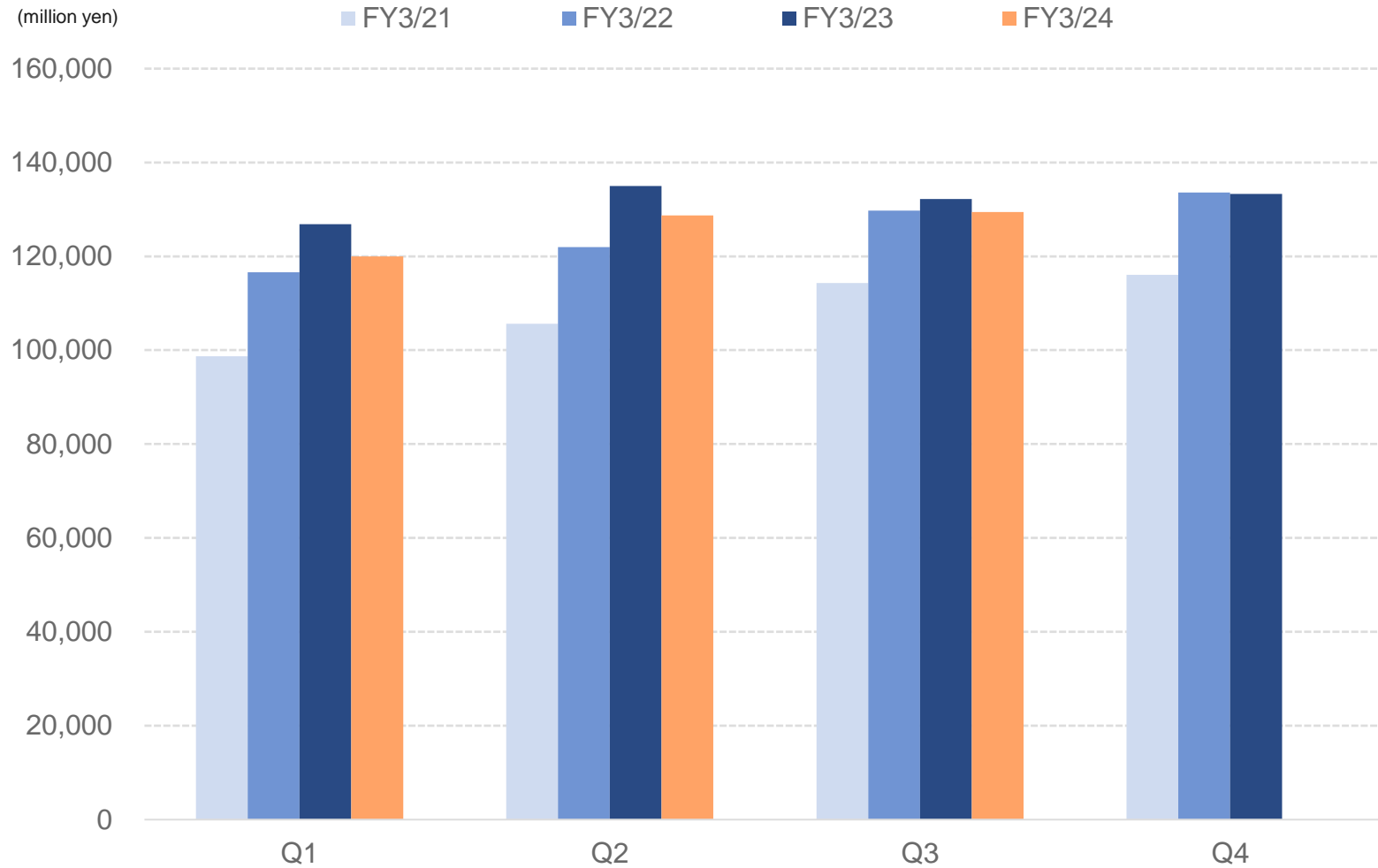
III. Capital Policy and Shareholder Returns

Appendix

(Million yen)	FY3/23 (Q3)	FY3/24 (Q3)	Percentage change YoY	Full Year Plan (Revised Sept. 13, 2023)	Progress Rate
Net sales	393,991	378,130	-4.0%	500,000	75.6%
Gross profit	58,201	55,824	-4.1%	-	-
(Gross profit margin)	14.8%	14.8%	-0.0ppt	-	-
SG&A expenses	46,063	48,282	+4.8%	-	-
Operating profit	12,138	7,541	-37.9%	10,000	75.4%
(Operating profit margin)	3.1%	2.0%	-1.1ppt	2.0%	-
Non-operating profit/loss	719	433	-39.8%	-	-
Ordinary profit	12,857	7,975	-38.0%	10,000	79.8%
Extraordinary gain/loss	45	73	-	-	-
Quarterly profit attributable to owners of parent	8,641	5,092	-41.1%	6,700	76.0%

Net sales decreased by 4.0% YoY due to slowing in domestic and overseas capital investment trends. Gross profit decreased by 4.1% due to the impact of lower sales. Operating profit decreased by 37.9% 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.

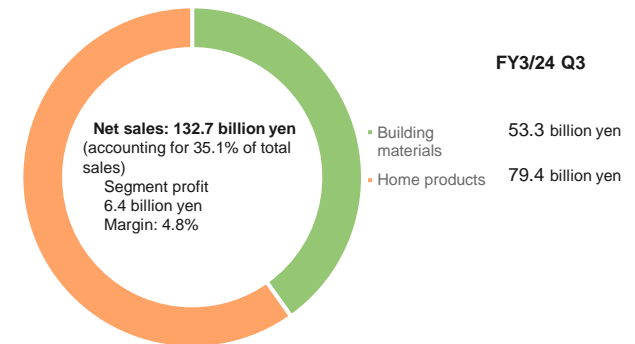
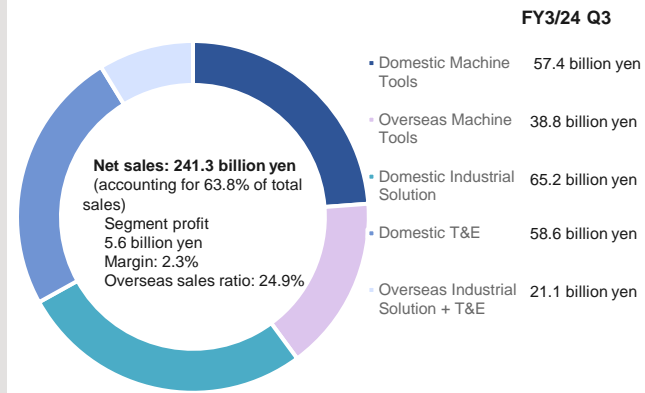
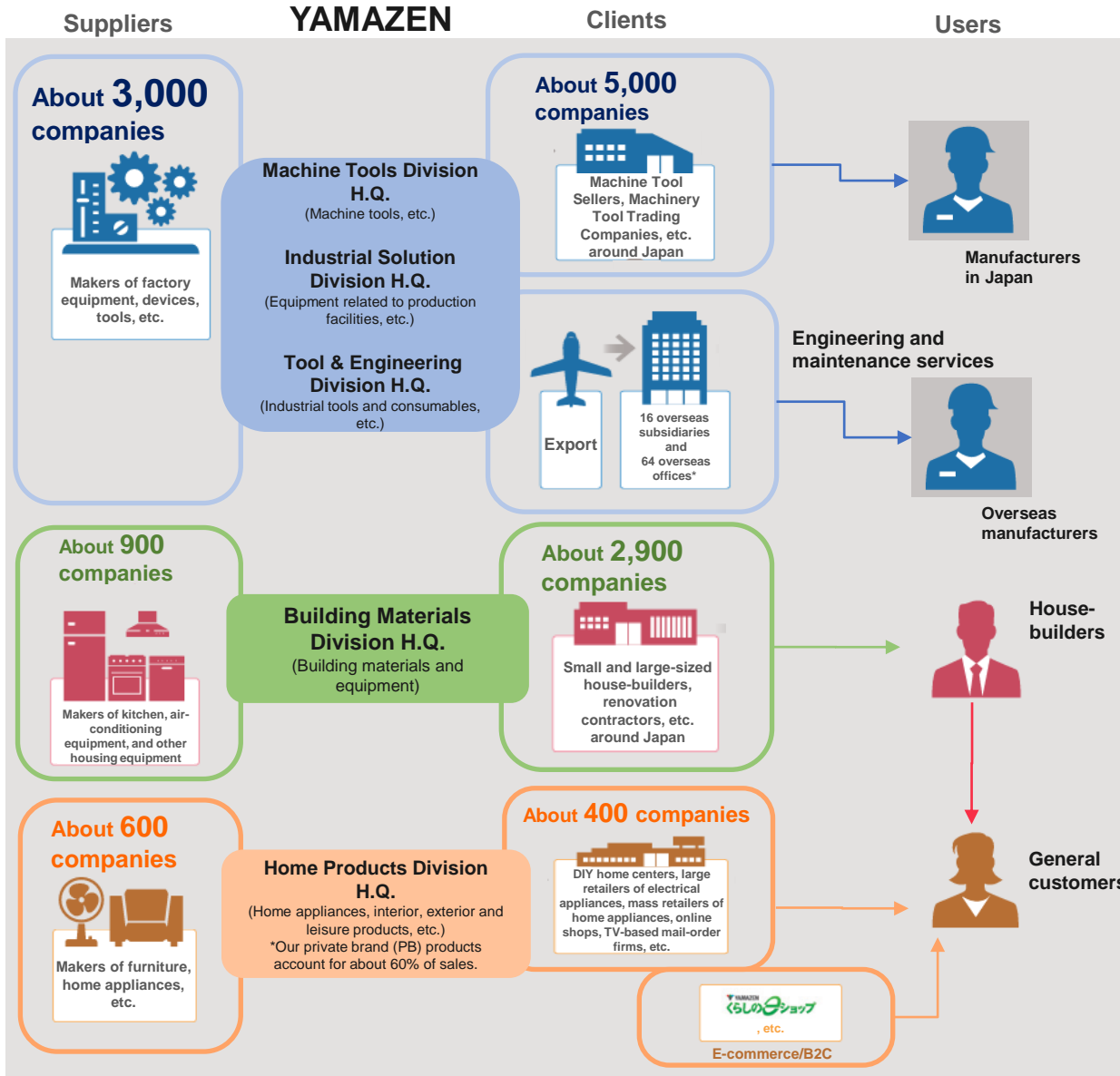
Quarterly Trend in Consolidated Net Sales



Production equipment
(domestic and overseas)

Building materials

Home products
(domestic)



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

FY3/24 (Q3) Net Sales by Business Segment

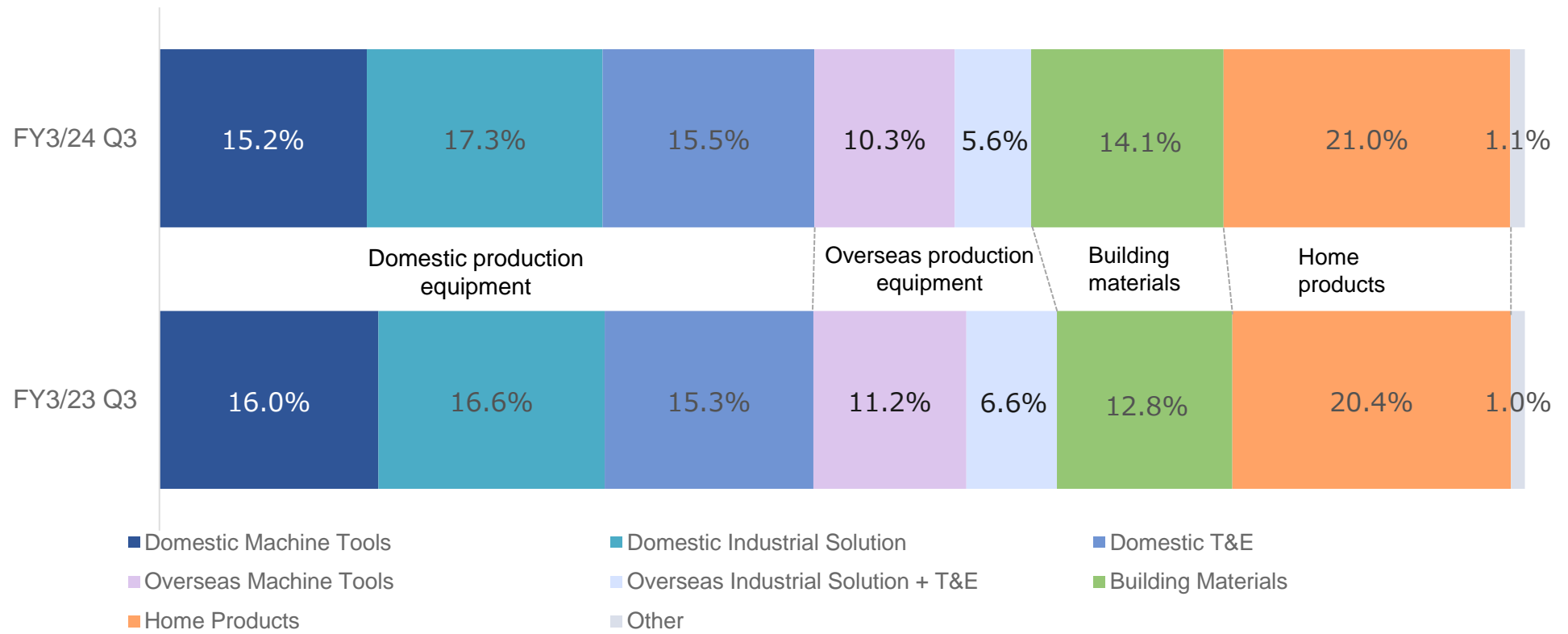
(Million yen)	FY3/23 (Q3)	FY3/24 (Q3)	Percentage change YoY
Machine Tools Division	107,405	96,268	-10.4%
Industrial Solution Division	72,426	67,867	-6.3%
Tool & Engineering Division	79,111	77,195	-2.4%
(Total for Production Equipment Business)	258,943	241,331	-6.8%
Building Materials Division	50,612	53,321	+5.4%
Home Products Division	80,363	79,400	-1.2%
(Total for Consumer Goods Business)	130,976	132,721	+1.3%
Other	4,071	4,077	+0.1%
Total	393,991	378,130	-4.0%

Domestic production equipment: 47.9% → 48.0% (+0.1ppt)
 Overseas production equipment: 17.8% → 15.9% (-2.0ppt)

Building Materials Business: 12.8% → 14.1% (+1.3ppt)
 Home Products Business: 20.4% → 21.0% (+0.6ppt)

Production equipment total: 65.7% → 63.8% (-1.9ppt)

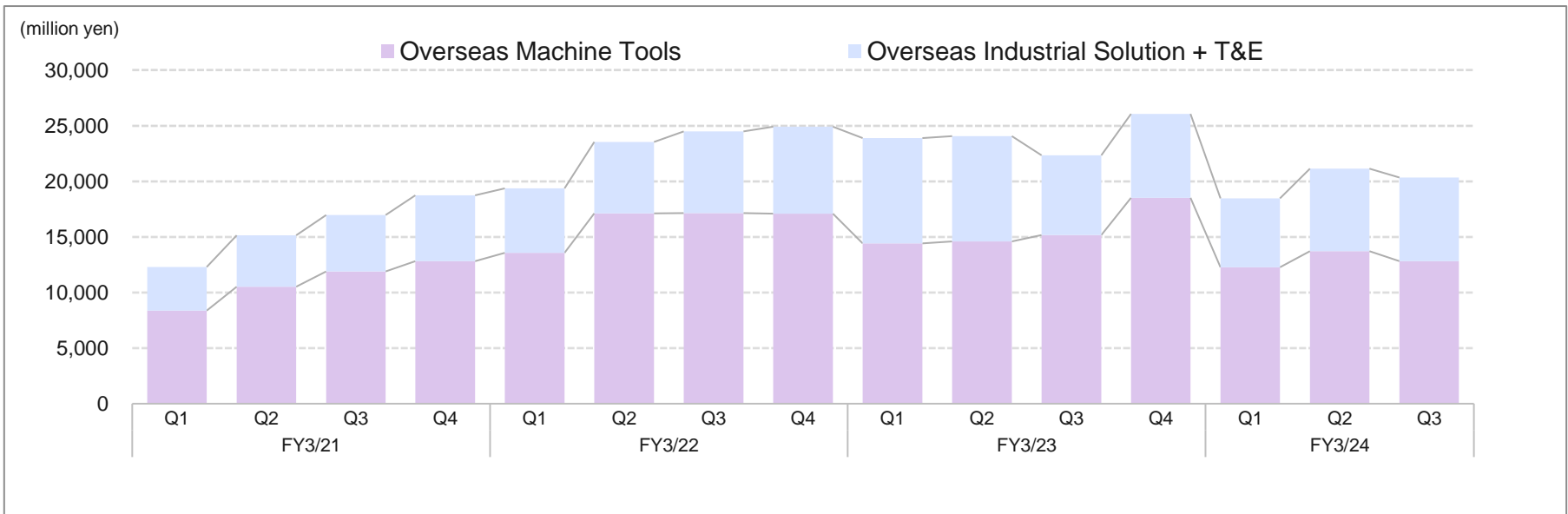
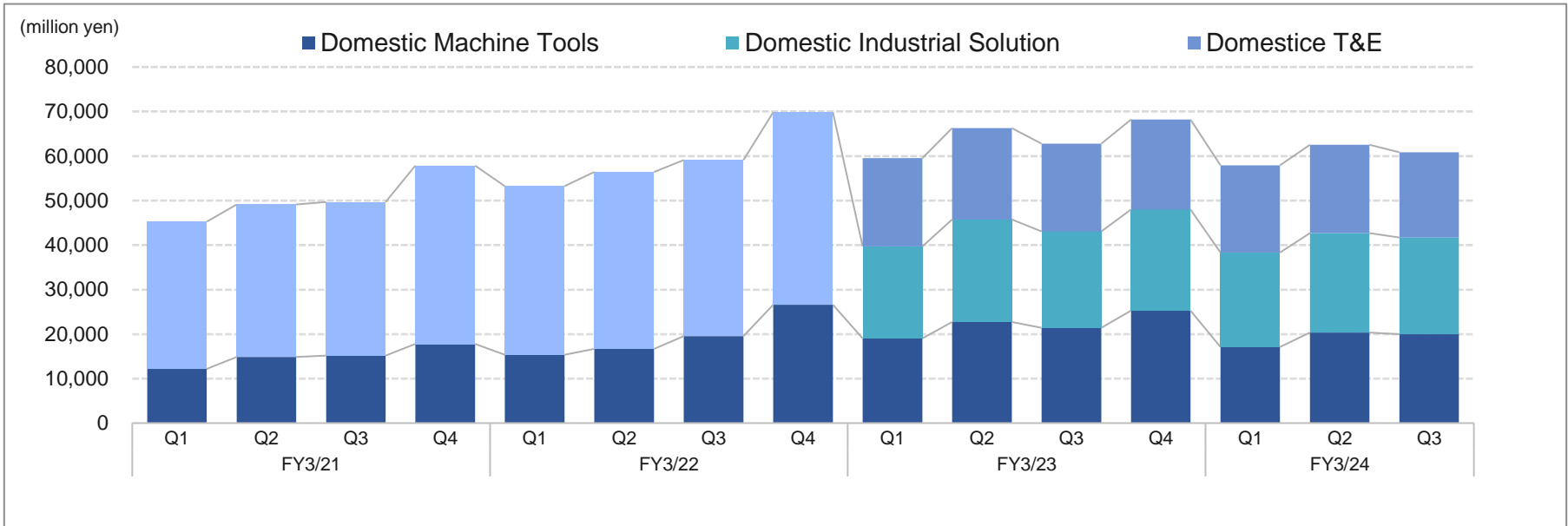
Consumer goods total: 33.2% → 35.1% (+1.9ppt)



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. Meanwhile, sales of infrastructure-related equipment, mainly steel frame processing machines, remained strong due to demand from urban redevelopment and the renewal of public infrastructure, as well as the increased needs for automation and saving labor.

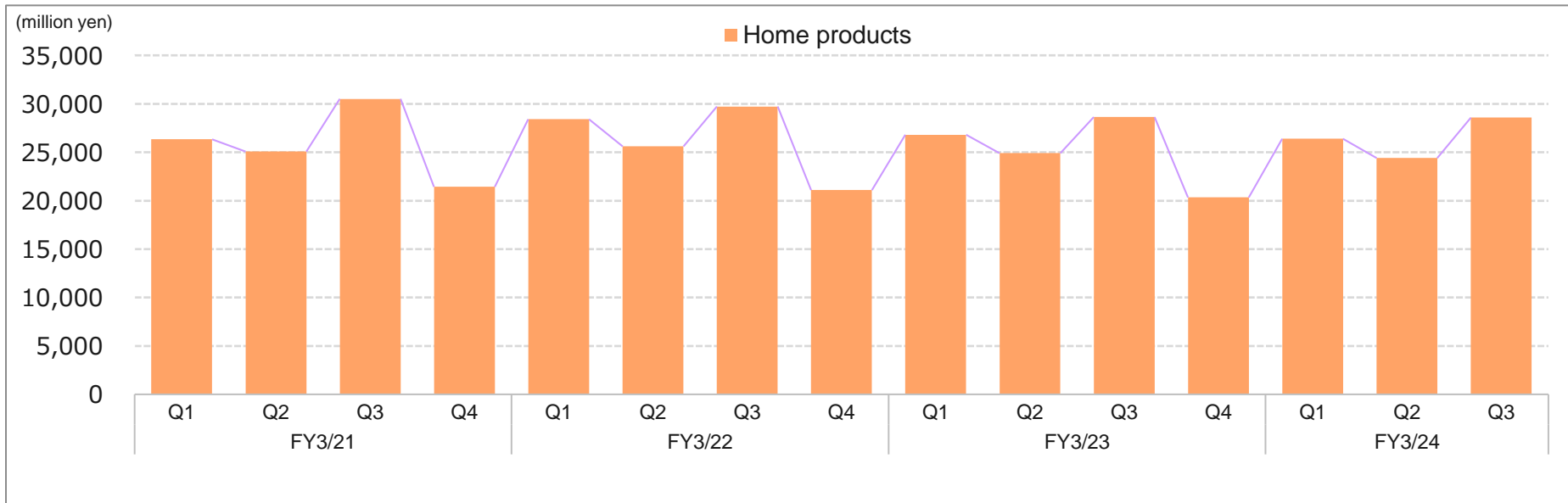
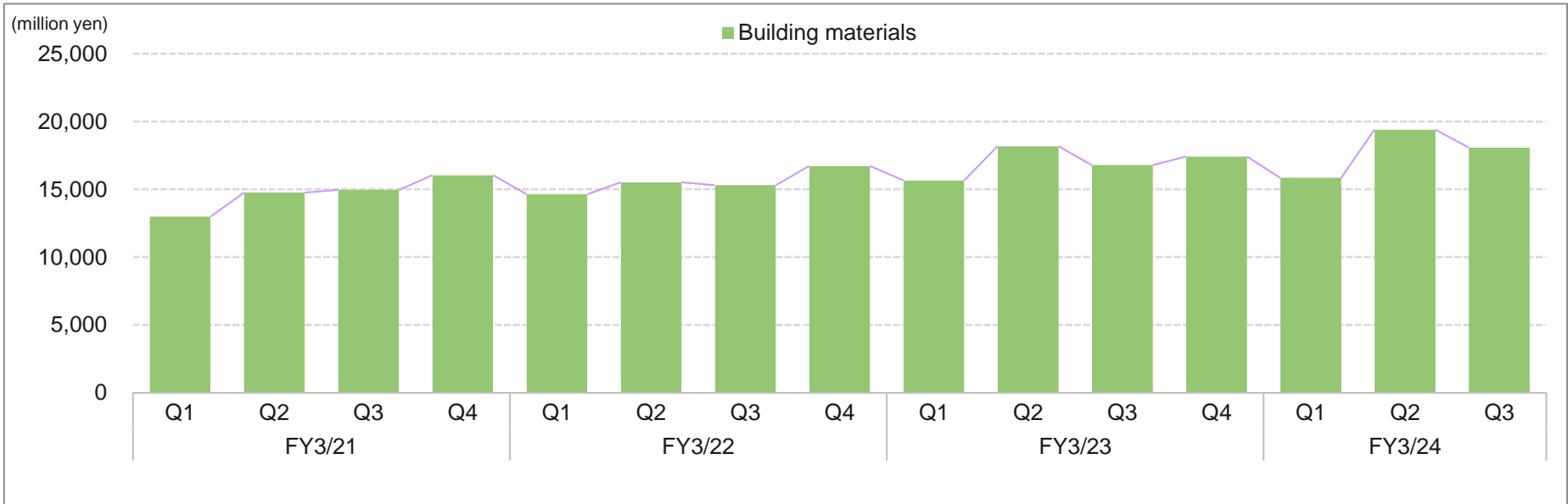
Overseas Production Equipment Business: In the North America Regional Headquarters, sales of machine tools to parts processing users for the medical and aviation industries were strong, and in Mexico, sales were strong due to the response to the relocation of production bases from other regions. In the Taiwan Regional Headquarters, sales of machine tools continued to be sluggish due to declining demand from the electronics and semiconductor industries. In the China Regional Headquarters, the results were lower than the same period last year due to sales to export-oriented industries being weak, the end of capital investment for EVs, which was strong last year, and a slowdown in the growth in sales to the renewable energy industry. At the ASEAN Regional Headquarters, while some areas saw the effects of the delayed recovery in demand for semiconductors, sales to various fields such as automobiles were strong in Indonesia and India.

Net sales (Millions of yen)		FY3/23 (Q3)	FY3/24 (Q3)	Percentage change YoY	
Production equipment	Domestic	Machine Tools Business	63,205	57,434	-9.1%
		Industrial Solution + T&E Business Total	125,424	123,918	-1.2%
		Industrial Solution Business	65,270	65,281	+0.0%
		Tool & Engineering Business	60,153	58,636	-2.5%
		Total	188,630	181,352	-3.9%
	Overseas	Machine Tools Business	44,200	38,833	-12.1%
		Industrial Solution + T&E Businesses Total	26,113	21,144	-19.0%
		Total	70,313	59,978	-14.7%
	Total	Net sales	258,943	241,331	-6.8%
		Segment profit	9,657	5,623	-41.8%
Segment profit margin		3.7%	2.3%	-1.4ppt	

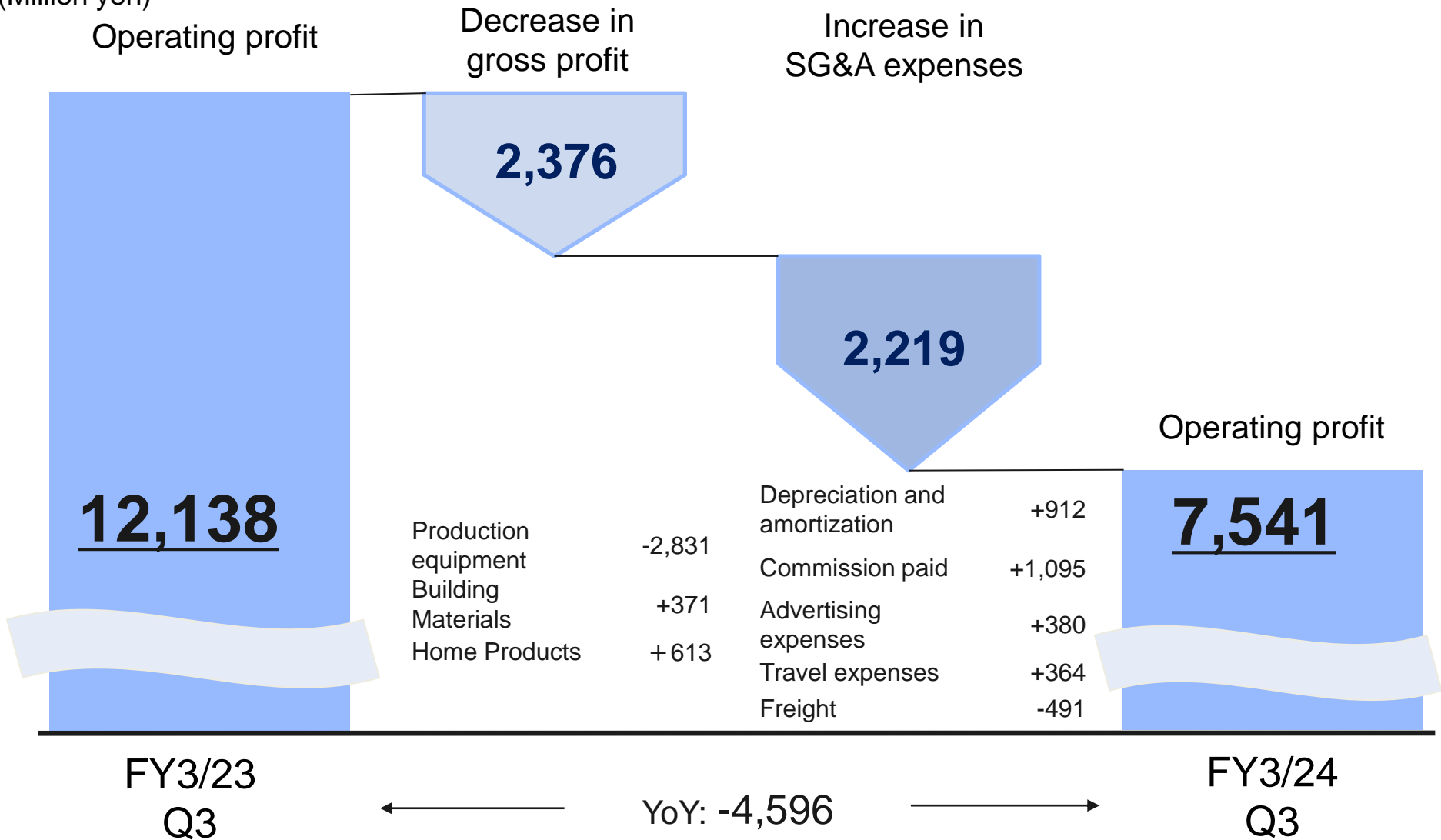


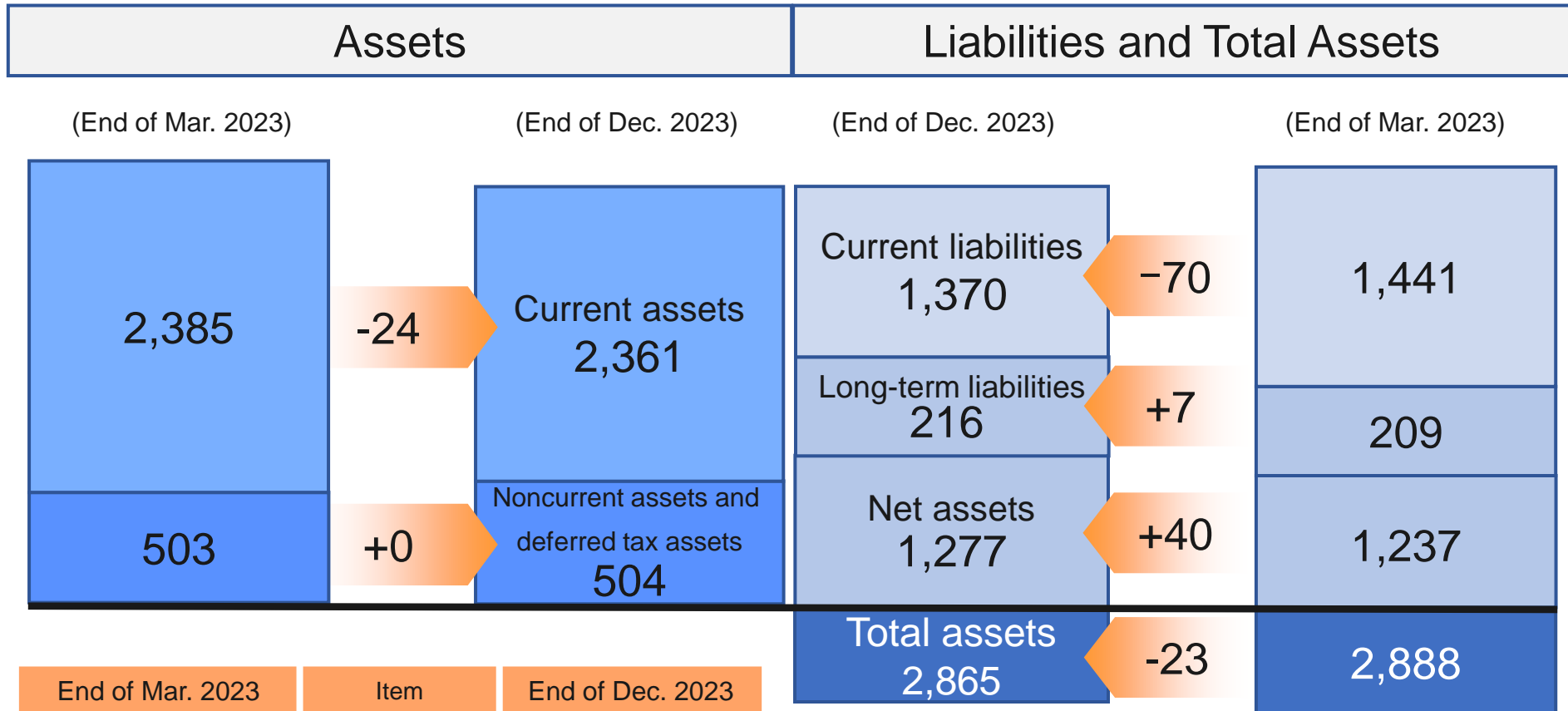
- Building Materials Business:** Amid stagnant demand, sales of solar power generation systems, storage batteries, etc. remained strong due to proposals of high-value-added products in response to consumers' desire to reduce spending due to soaring utility costs. Proposals for facility renovations that 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:** Net sales of heating-related products were lower than the same period last year due to a warm winter, in addition to the negative impact on consumer demand for lifestyle products, due to factors including the stay-at-home demand by refraining from going out and increased remote working coming to an end, the rise in prices due to the soaring cost of raw materials, electricity and gas, and the continued depreciation of the yen. Meanwhile, sales of cooking appliances, AV equipment, kitchen and bathroom products, etc., which are less affected by seasonal factors, remained strong, and the overall results were at about the same level as the same period last year.

(Million yen)		FY3/23 (Q3)	FY3/24 (Q3)	Percentage change YoY	
Consumer goods	Building Materials Division	Net sales	50,612	53,321	+ 5.4%
		Segment profit	1,518	1,736	+ 14.4%
		Segment profit margin	3.0%	3.3%	+ 0.3%
	Home Products Division	Net sales	80,363	79,400	-1.2%
		Segment profit	4,140	4,669	+ 12.8%
		Segment profit margin	5.2%	5.9%	+ 0.7%
	Total for Consumer Goods Business	Net sales	130,976	132,721	+ 1.3%
		Segment profit	5,659	6,406	+ 13.2%
		Segment profit margin	4.3%	4.8%	+ 0.5%



(Million yen)





End of Mar. 2023	Item	End of Dec. 2023
10.6%	ROE	4.1%
42.6%	Shareholders' equity ratio	44.2%
1,383.65 yen	Net assets per share	1,426.68 yen
90.3 billion yen	Market cap	105.9 billion yen
14.4 billion yen	Basic operating cash flow	7.9 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 (Q3) Financial Highlights

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

III. Capital Policy and Shareholder Returns

Appendix

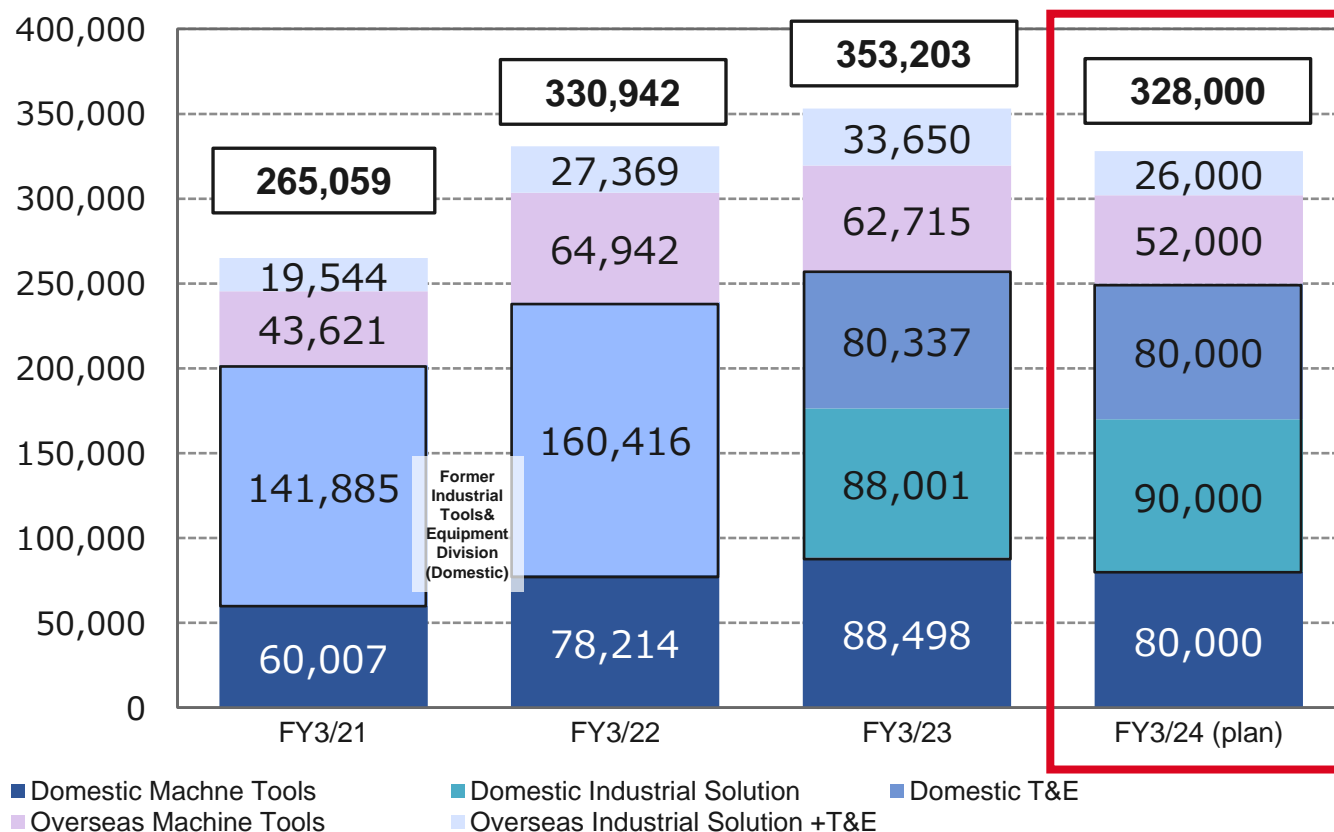
(Million yen)	FY3/23 Results	FY3/24 Plan (Announced May 2023)	FY3/24 Plan (Revised Sept. 2023)	Percentage change YoY
Net sales	527,263	550,000	500,000	-5.2%
Operating profit	16,563	15,000	10,000	-39.6%
Operating profit margin	3.1%	2.7%	2.0%	-1.1ppt
Ordinary profit	17,280	15,000	10,000	-42.1%
Profit attributable to owners of parent	12,527	10,000	6,700	-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	132,000	-12.7%
Industrial Solution Division	96,315	93,000	-3.4%
Tool & Engineering Division	105,673	103,000	-2.5%
(Total for Production Equipment Business)	353,203	328,000	-7.1%
Building Materials Division	68,031	69,000	+ 1.4%
Home Products Division	100,711	101,000	+ 0.3%
(Total for Consumer Goods Business)	168,742	170,000	+ 0.7%
Other	5,317	2,000	-62.4%
Total	527,263	500,000	-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%

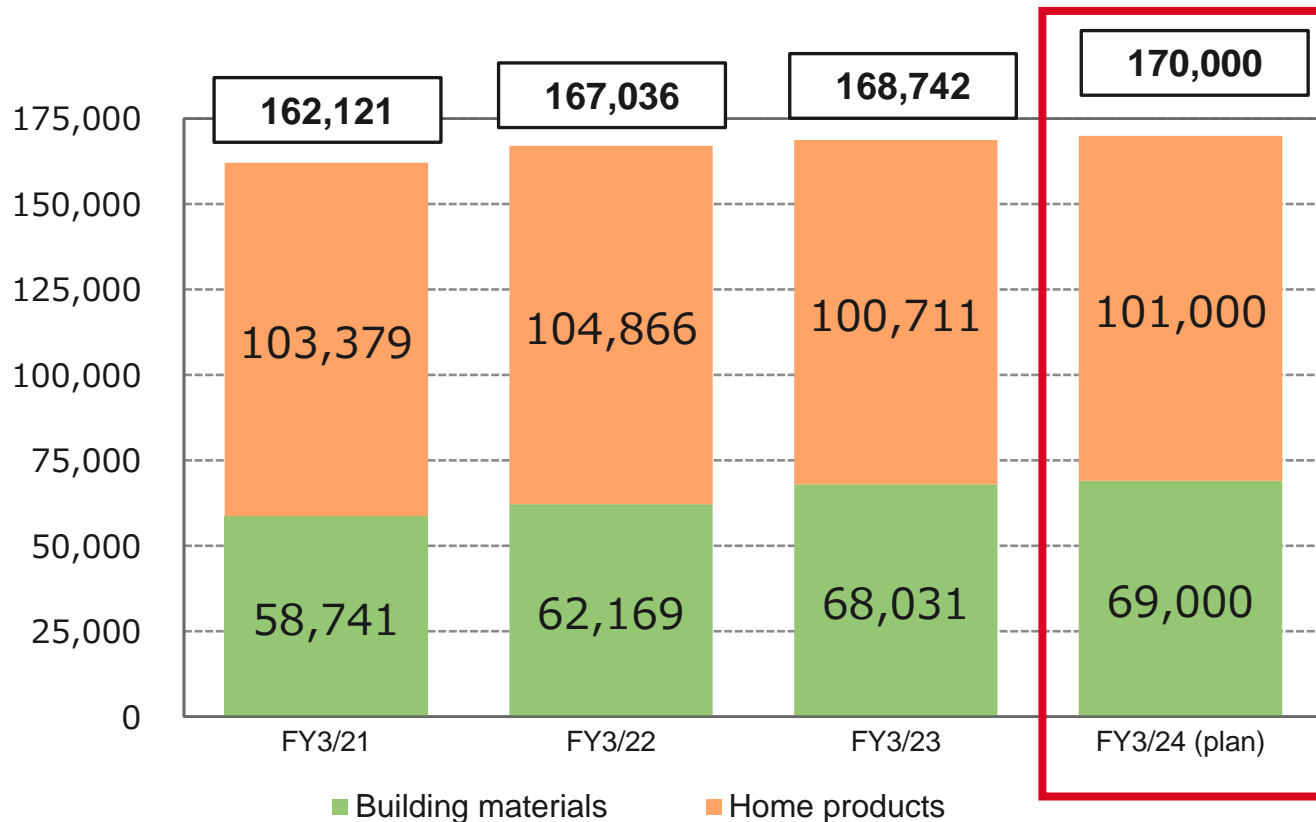
Production Equipment Business: 3-year sales trends and full-year forecasts



- ✓ 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.

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

(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	600,000
Operating profit	17,133	16,563	15,000	10,000	21,000
Operating profit margin	3.4%	3.1%	2.7%	2.0%	3.5%
Ordinary profit	17,093	17,280	15,000	10,000	21,000
Profit	12,023	12,527	10,000	6,700	14,000

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%	10.0%
Basic operating cash flow	12,052	14,427	14,500	11,000	18,000
Shareholders' equity ratio	39.9%	42.6%	40~45%	40~45%	40~45%

AGENDA

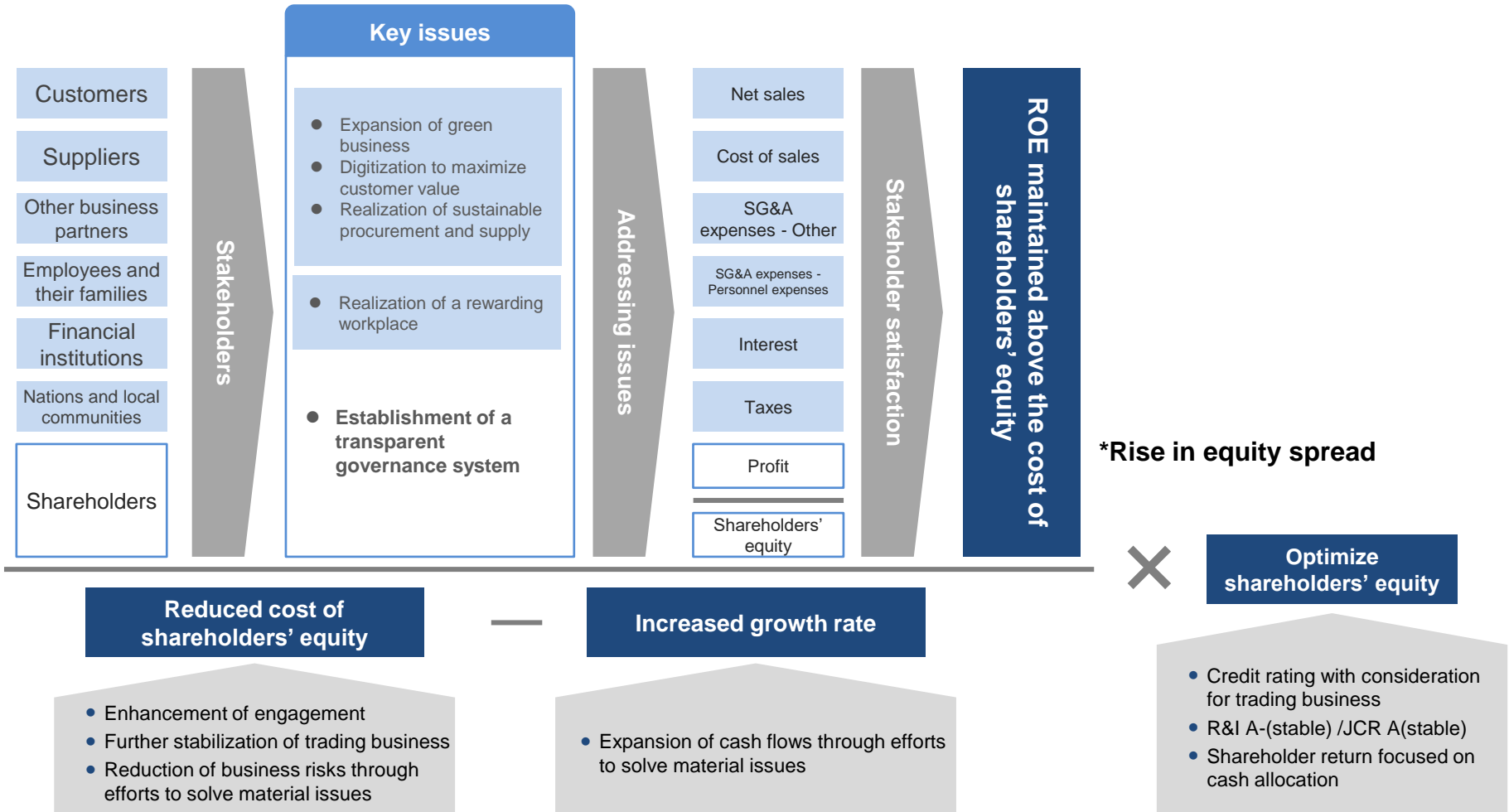
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Appendix

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

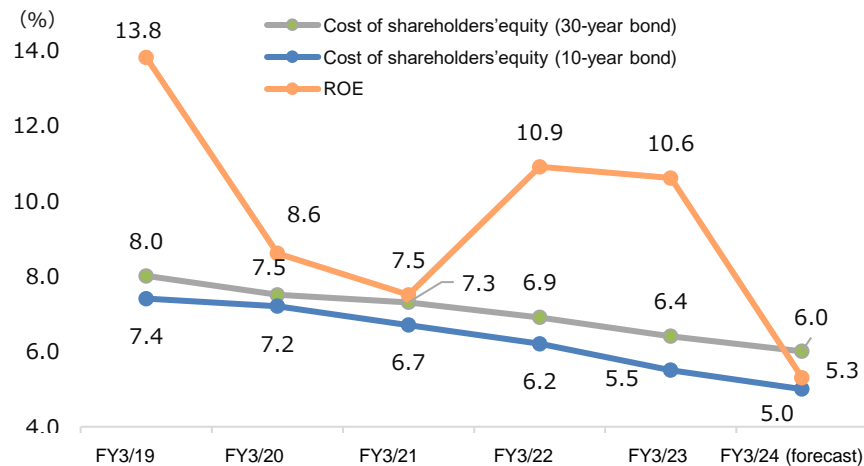


Boost sustainable growth potential by improving dialogue and reducing business risks

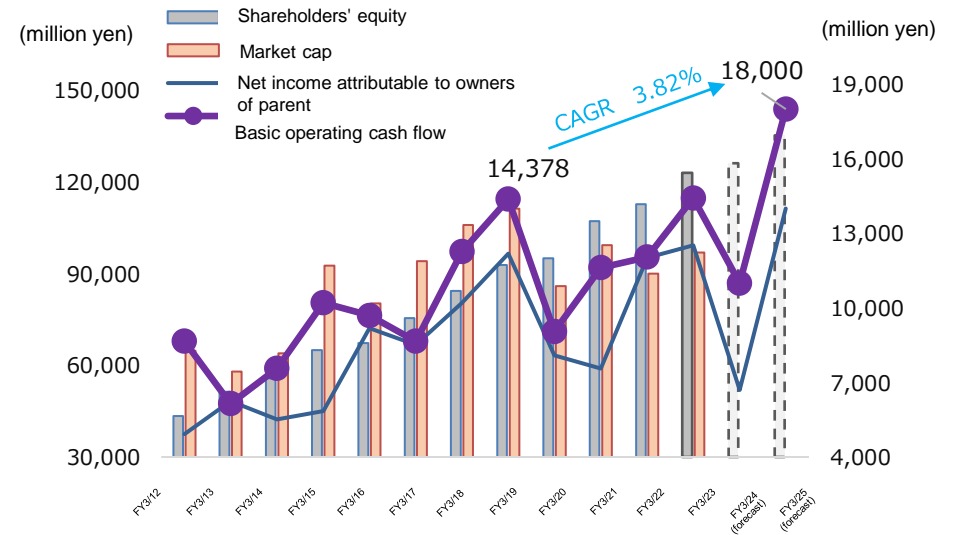
Capital and shareholder returns policy

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

ROE/cost of shareholders' equity



Market cap/basic operating cash flow



*1: Estimated value as of March 31, 2023.

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

Background

Timing	Corporate Action	Number of shares held	Destination	Reduction of policy stockholdings	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	○	○	○	–	–
		Total:	(12.8%)					
		12,234,900						

Objective

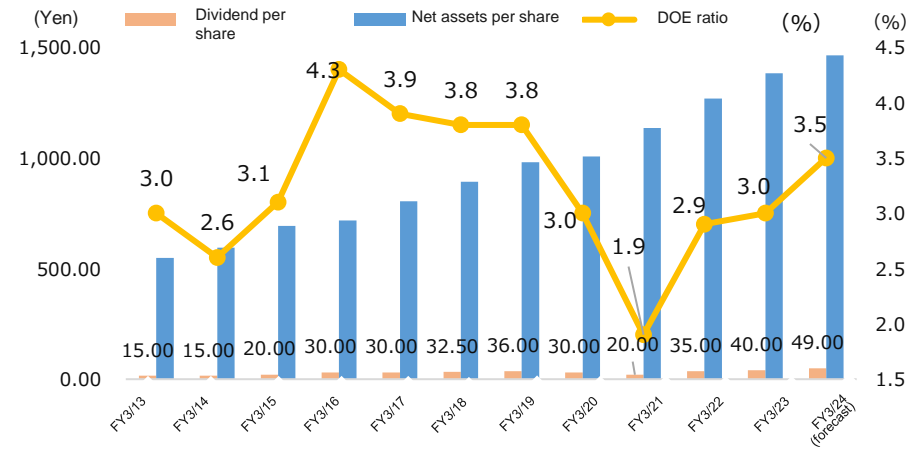
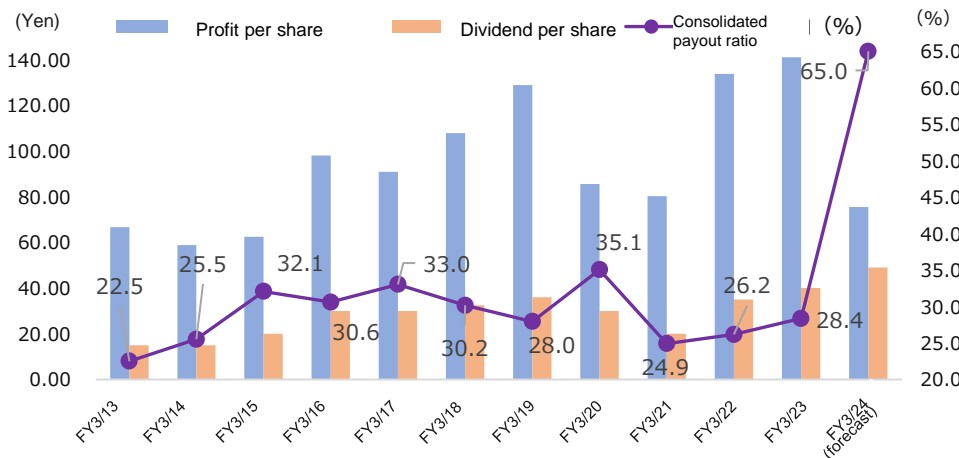


Reason for change:

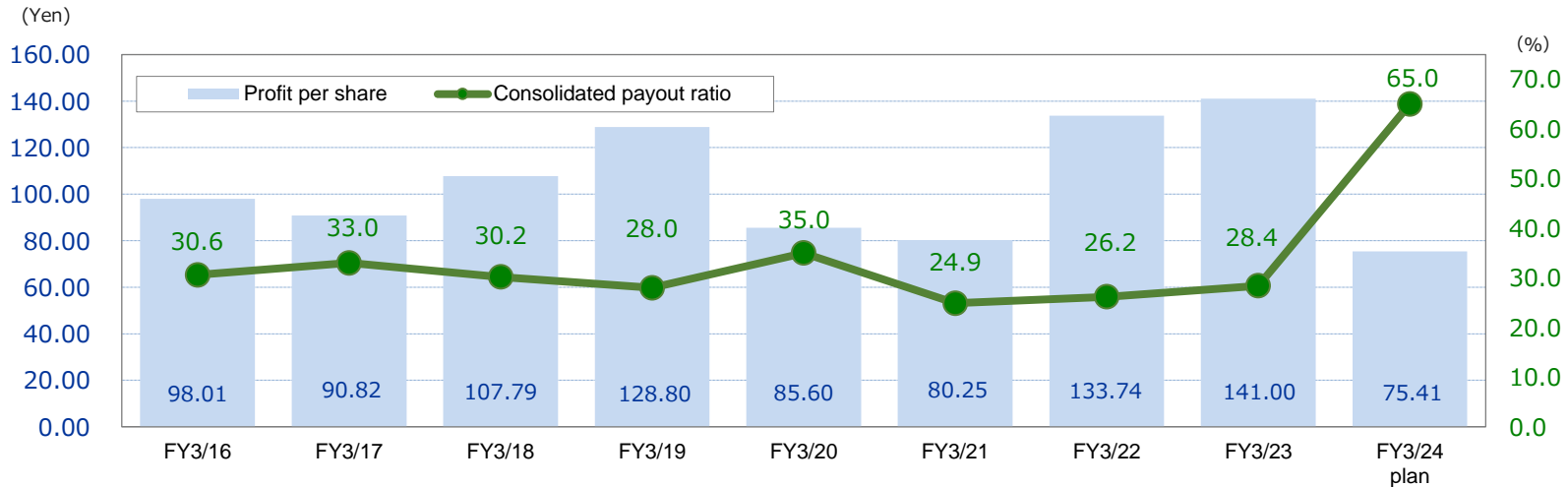
The shareholder returns policy is specified in terms of the consolidated payout ratio, however, because the current Medium-Term Management Plan incorporates an increase in depreciation and amortization due to business investments and capital expenditures, and there is a possibility that shareholder returns 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	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%.
After change	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 consolidated dividend payout ratio of 40% (performance-linked profit distribution indicator) or a dividend on equity ratio (DOE) of 3.5% (stable profit distribution indicator), whichever is higher . 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.



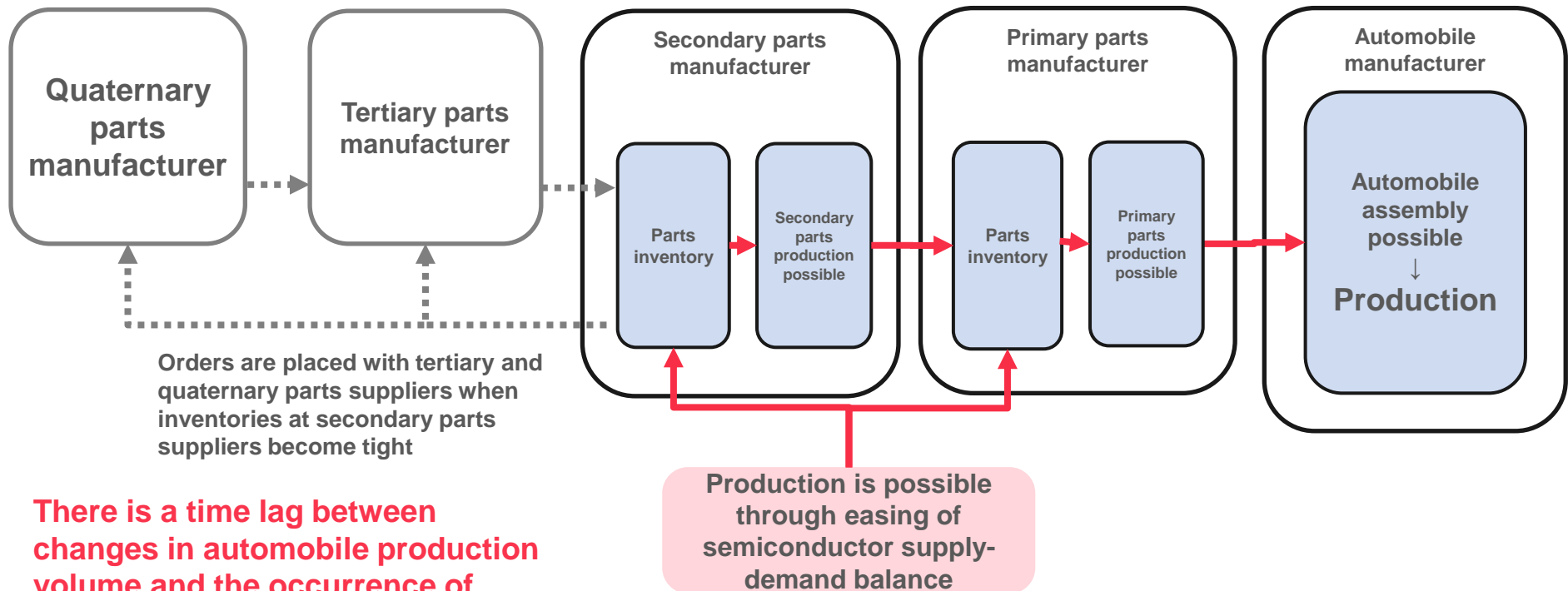
		FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24 plan	Total for the last 3 years FY3/22-FY3/24 plan
Dividend per share (yen)	Interim	13.0	15.0	16.0	10.0	10.0	20.0	20.0	50.0
	Year-end	*19.5	*21.0	14.0	10.0	*25.0	20.0	29.0	74.0
	Annual	*32.5	*36.0	30.0	20.0	35.0	40.0	49.0	124.0
Payout ratio (%)		30.2	28.0	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

Appendix

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



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

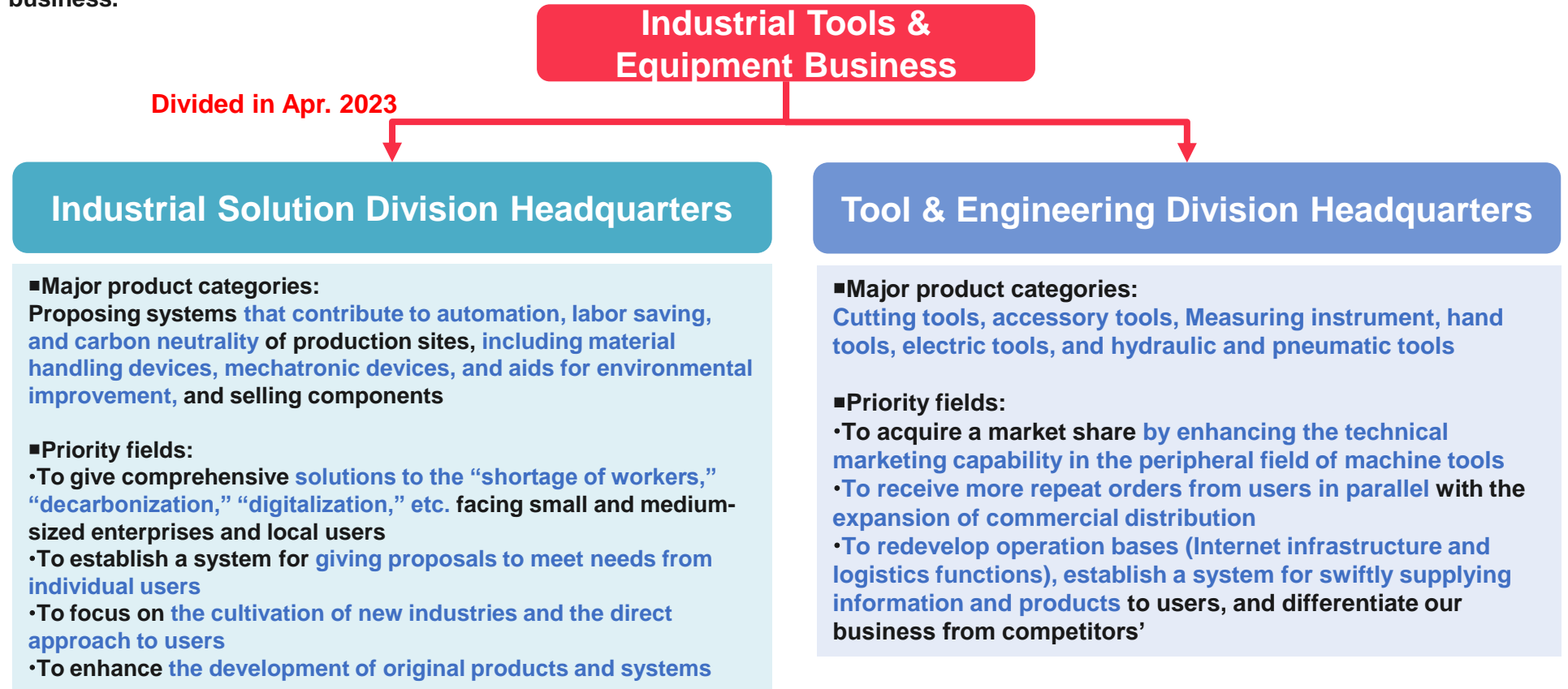
* The above chart is an image only.

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.

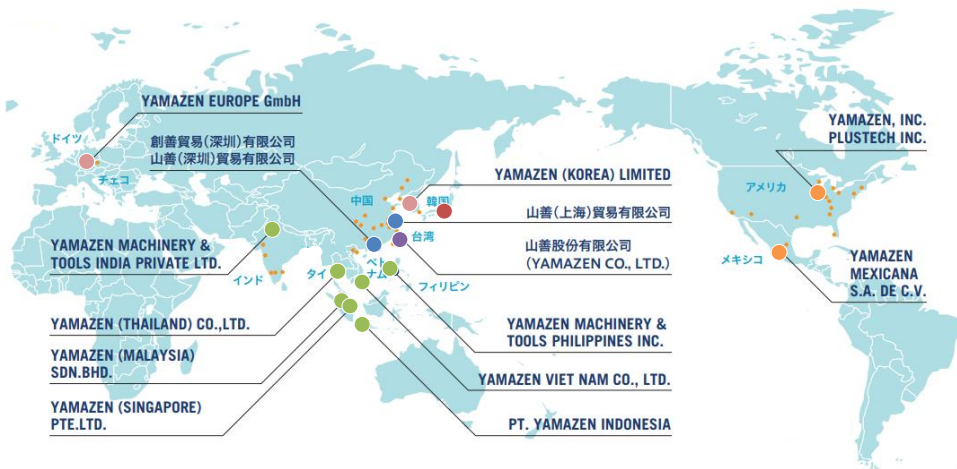
We will extract and summarize the characteristics of each product category and issues with them, conduct investment based on growth strategies for each category, and swiftly implement business strategies while expecting profitability and potential as specialized business.



YAMAZEN's Advantages (1)

Extensive global network

- **Wide geographic coverage with 64 offices in 14 countries and regions overseas (Approx. 330 engineers out of total of approx. 1,200 overseas staff)**
*As of Oct. 31, 2023. Figures for the Production Equipment Business only.
- 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**

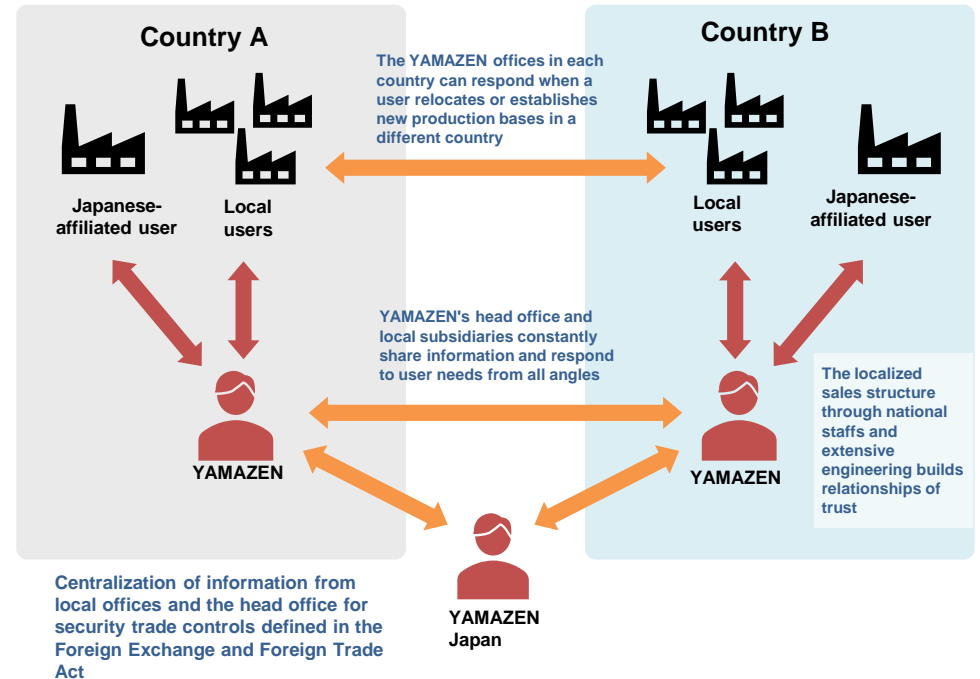


- YAMAZEN CORPORATION Head Office
- China Regional Headquarters
- North America Regional Headquarters
- Taiwan Regional Headquarters
- ASEAN Regional Headquarters
- Directly under the jurisdiction of the Head Office

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

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.”