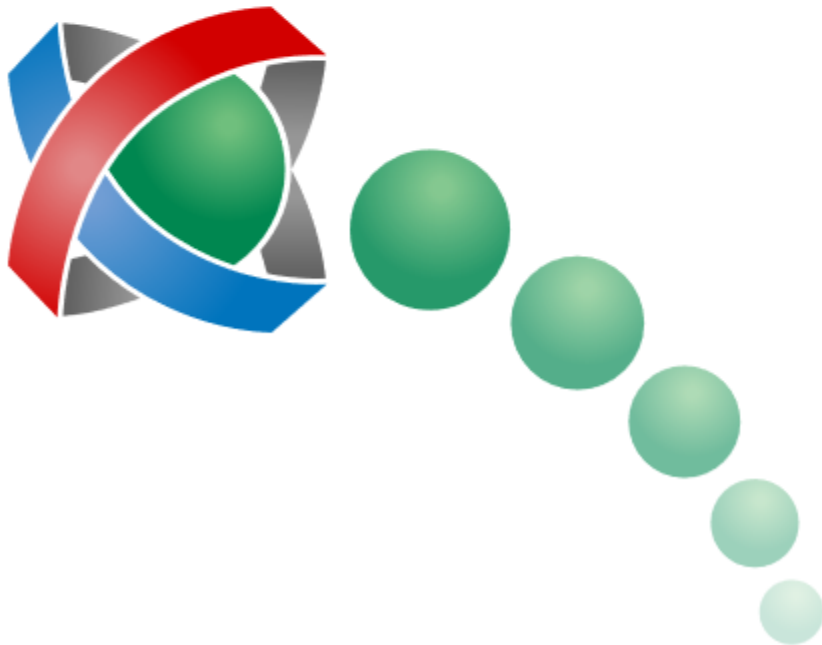


YAMAZEN CORPORATION

**FY3/25
(Q1)**

**Supplementary
Materials for
Financial Results**



AGENDA

I. FY3/25 (Q1) Financial Highlights

II. Earnings Forecast for FY3/25, Medium-Term Management Plan

III. Shareholder Returns and Capital Policy

Appendix

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(Million yen)	FY3/24 (Q1)	FY3/25 (Q1)	Percentage change YoY	Full Year Plan	Achievement Rate
Net sales	119,957	118,577	-1.2%	530,000	22.4%
Gross profit	18,485	17,756	-3.9%	-	-
(Gross profit margin)	15.4%	15.0%	-0.4ppt	-	-
SG&A expenses	16,032	16,885	+5.3%	-	-
Operating profit	2,452	870	-64.5%	12,000	7.3%
(Operating profit margin)	2.0%	0.7%	-1.3ppt	2.3%	-
Non-operating profit/loss	196	261	+33.0%	-	-
Ordinary profit	2,649	1,132	-57.3%	12,000	9.4%
Extraordinary gain/loss	-4	180	-	-	-
Profit attributable to owners of parent	1,569	642	-59.1%	7,600	8.5%

Due to the delayed recovery of domestic and international capital investment trends, sluggish demand for durable consumer goods, etc., net sales decreased by 1.2% YoY. Gross profit decreased by 3.9% due to the effect of decreased sales and the impact of exchange rate fluctuations, etc. Operating profit decreased by 64.5% YoY due to the decrease in gross profit, the increase in system-related expenses associated with the introduction of SAP ERP as a growth investment, and the increase in personnel expenses, etc.

FY3/25 (Q1) Net Sales by Business Segment

(Million yen)	FY3/24 (Q1)	FY3/25 (Q1)	Percentage change YoY
Machine Tools Division	29,378	25,912	-11.8%
Industrial Solution Division	21,813	22,598	+3.6%
Tool & Engineering Division	25,223	25,910	+2.7%
(Total for Production Equipment Business)	76,416	74,421	-2.6%
Building Materials Division	15,847	17,946	+13.2%
Home Products Division	26,395	24,999	-5.3%
(Total for Consumer Goods Business)	42,242	42,945	+1.7%
Other	1,299	1,210	-6.9%
Total	119,957	118,577	-1.2%

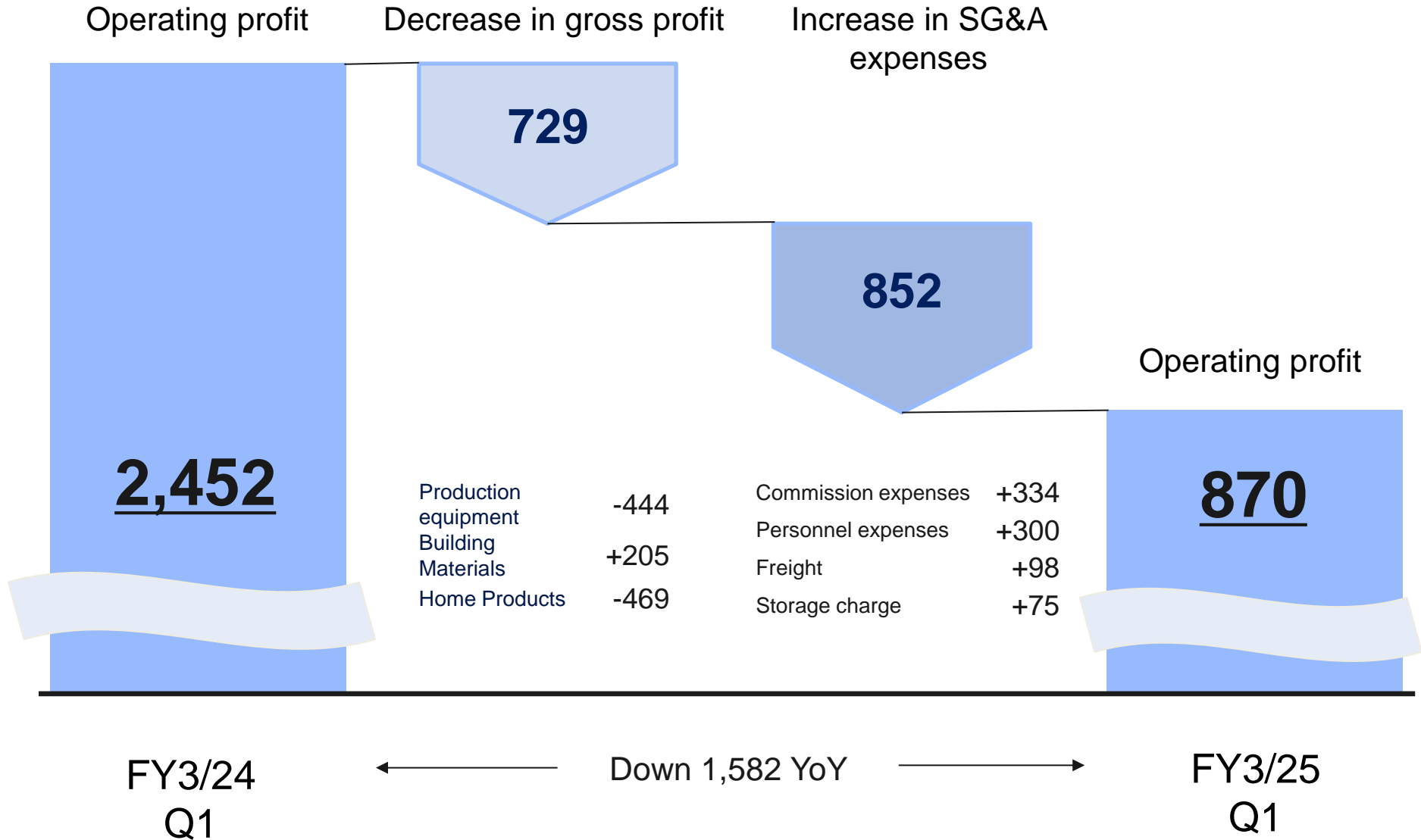
- Domestic Production Equipment Business:** In the automobile and semiconductor industries, there was no active movement toward new investments, and the performance of consumables such as machine tools and cutting tools was below the same period of the previous year. On the other hand, the need for automation and labor saving in the industrial sector 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 sales to the renewable energy industry, such as solar power generation and wind power generation, were sluggish, 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.

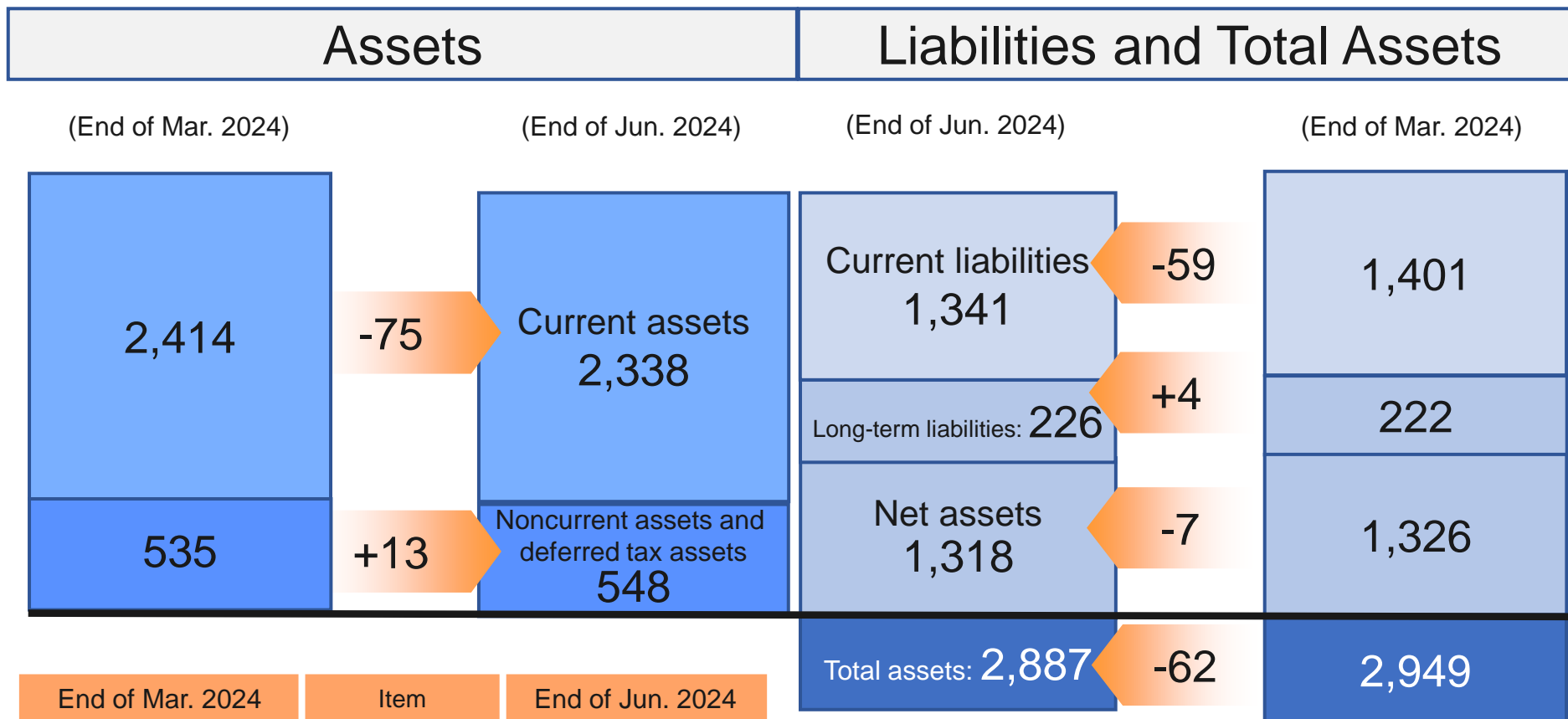
Net sales (Millions of yen)		FY3/24 (Q1)	FY3/25 (Q1)	Percentage change YoY	
Production equipment	Domestic	Machine Tools	17,099	13,671	-20.0%
		Industrial Solution	21,220	21,809	+2.8%
		Tool & Engineering Business	19,622	19,744	+0.6%
		Total	57,943	55,225	-4.7%
	Overseas	Machine Tools	12,278	12,241	-0.3%
		Industrial Solution + T&E Businesses Total	6,194	6,955	+12.3%
		Total	18,473	19,196	+3.9%
	Total	Net sales	76,416	74,421	-2.6%
		Segment profit	1,828	809	-55.7%
Segment profit margin		2.4%	1.1%	-1.3ppt	

- Building Materials Business:** While demand was sluggish, 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 (Q1)	FY3/25 (Q1)	Percentage change YoY
Consumer goods	Building Materials Division	Net sales	15,847	17,946	+13.2%
		Segment profit	230	382	+66.2%
		Segment profit margin	1.5%	2.1%	+0.7ppt
	Home Products Division	Net sales	26,395	24,999	-5.3%
		Segment profit	1,830	1,199	-34.5%
		Segment profit margin	6.9%	4.8%	-2.1ppt
	Total	Net sales	42,242	42,945	+1.7%
		Segment profit	2,060	1,581	-23.2%
		Segment profit margin	4.9%	3.7%	-1.2ppt

(Million yen)





End of Mar. 2024	Item	End of Jun. 2024
5.1%	ROE	0.5%
44.6%	Shareholders' equity ratio	45.2%
1,480.16 yen	Net assets per share	1,481.85 yen
119.5 billion yen	Market cap	125.1 billion yen
10.6 billion yen	Basic operating cash flow	-1.4 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.

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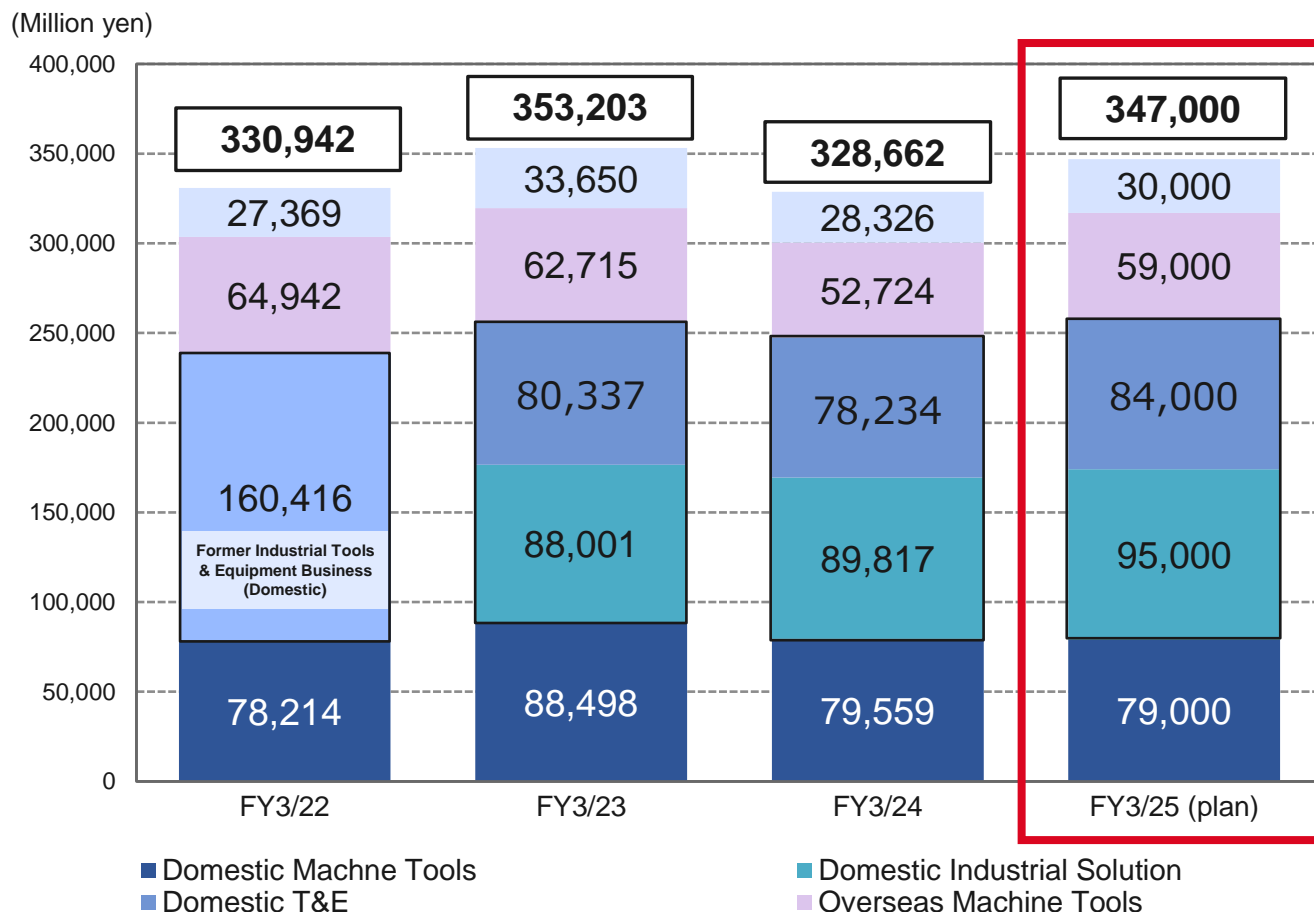
(Million yen)	FY3/24 Results	FY3/25 Plan	Percentage change YoY
Net sales	506,866	530,000	+4.6%
Operating profit	9,887	12,000	+21.4%
Operating profit margin	2.0%	2.3%	+0.3ppt
Ordinary profit	10,435	12,000	+15.0%
Profit attributable to owners of parent	6,488	7,600	+17.1%

Although the environment surrounding the Production Equipment business remains uncertain, domestic and overseas demand for capital investment is expected to recover in the second half of the fiscal year, and therefore, net sales are projected to increase by 4.6% YoY and operating profit by 21.4% YoY in FY3/25.

(Million yen)	FY3/24 Results	FY3/25 Plan	Percentage change YoY
Machine Tools Division	132,284	138,000	+4.3%
Industrial Solution Division	93,189	98,600	+5.8%
Tool & Engineering Division	103,188	110,400	+7.0%
(Total for Production Equipment Business)	328,662	347,000	+5.6%
Building Materials Division	71,842	75,000	+4.4%
Home Products Division	101,119	104,000	+2.8%
(Total for Consumer Goods Business)	172,962	179,000	+3.5%
Other	5,241	4,000	-23.7%
Total	506,866	530,000	+4.6%

(Million yen)		Net sales plan	Percentage change YoY	Segment profit plan	Percentage change YoY	Segment profit margin
Production Equipment Business Total	Full-year	347,000	+5.6%	9,200	+11.9%	2.7%

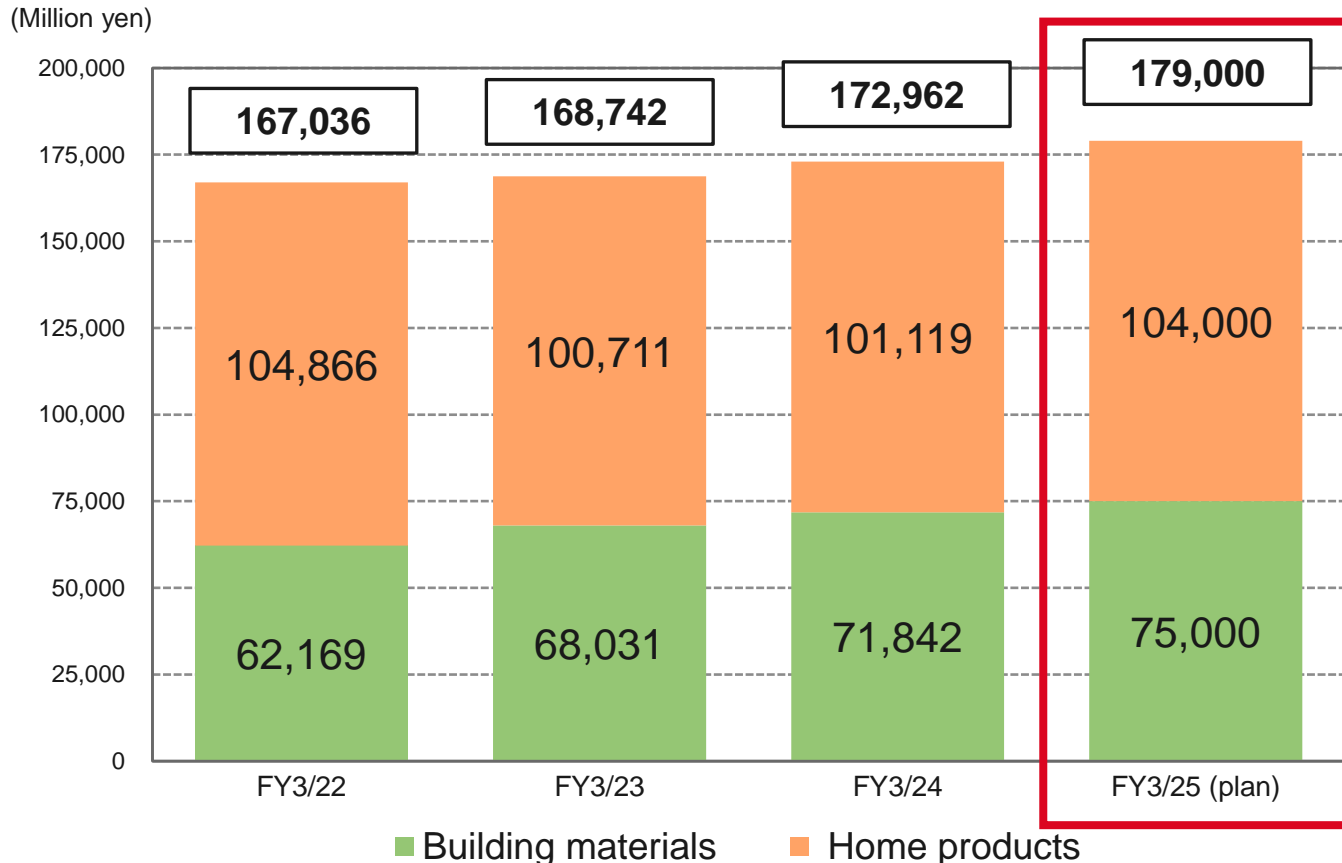
Production Equipment Business: 3-year sales trends and full-year forecasts



- ✓ 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.**
- ✓ **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	104,000	+2.8%	6,300	+19.4%	6.1%

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

(Million yen)

Segment	Business		FY3/24 Q1 results	FY3/25 Q1 results	Percentage change YoY	FY3/25 Full Year Plan	Achievement Rate Against Full Year Plan
Production equipment	Domestic Machine Tools	Net sales	17,099	13,671	-20.0%	79,000	17.3%
	Domestic Industrial Solutions	Net sales	21,220	21,809	+2.8%	95,000	23.0%
	Domestic T&E	Net sales	19,622	19,744	+0.6%	84,000	23.5%
	Domestic production equipment total	Net sales	57,943	55,225	-4.7%	258,000	21.4%
	Overseas Machine Tools	Net sales	12,278	12,241	-0.3%	59,000	20.7%
	Overseas Industrial Solutions + T&E	Net sales	6,194	6,955	+12.3%	30,000	23.2%
	Overseas production equipment total	Net sales	18,473	19,196	+3.9%	89,000	21.6%
	Production equipment total	Net sales	76,416	74,421	-2.6%	347,000	21.4%
		Segment profit	1,828	809	-55.7%	9,200	8.8%
	Segment profit margin	2.4%	1.1%	-1.3ppt	2.7%	-1.6ppt	
Consumer goods	Building materials	Net sales	15,847	17,946	+13.2%	75,000	23.9%
		Segment profit	230	382	+66.2%	2,700	14.2%
		Segment profit margin	1.5%	2.1%	+0.7ppt	3.6%	-1.5ppt
	Home products	Net sales	26,395	24,999	-5.3%	104,000	24.0%
		Segment profit	1,830	1,199	-34.5%	6,300	19.0%
		Segment profit margin	6.9%	4.8%	-2.1ppt	6.1%	-1.3ppt
	Consumer goods total	Net sales	42,242	42,945	+1.7%	179,000	24.0%
		Segment profit	2,060	1,581	-23.2%	9,000	17.6%
		Segment profit margin	4.9%	3.7%	-1.2ppt	5.0%	-1.3ppt
Other	Net sales	1,299	1,210	-6.9%	4,000	30.3%	
	Segment profit	-1,436	-1,520	-	-6,200	-	
	Segment profit margin	-	-	-	-	-	
Consolidated	Net sales	119,957	118,577	-1.2%	530,000	22.4%	
	Operating profit	2,452	870	-64.5%	12,000	7.3%	
	Operating profit margin	2.0%	0.7%	-1.3ppt	2.3%	-1.5ppt	

(Million yen)	FY3/22 results	FY3/23 results (First year of Medium-Term Management Plan)	FY3/24 results	FY3/25 plan (Revised May 2024)
Net sales	501,872	527,263	506,866	530,000
Operating profit	17,133	16,563	9,887	12,000
Operating profit margin	3.4%	3.1%	2.0%	2.3%
Ordinary profit	17,093	17,280	10,435	12,000
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 May 2024)
Return on equity (ROE)	10.9%	10.6%	5.1%	5.8%
Basic operating cash flow	12,052	14,427	10,626	12,000
Shareholders' equity ratio	39.9%	42.6%	44.6%	40-45%

AGENDA

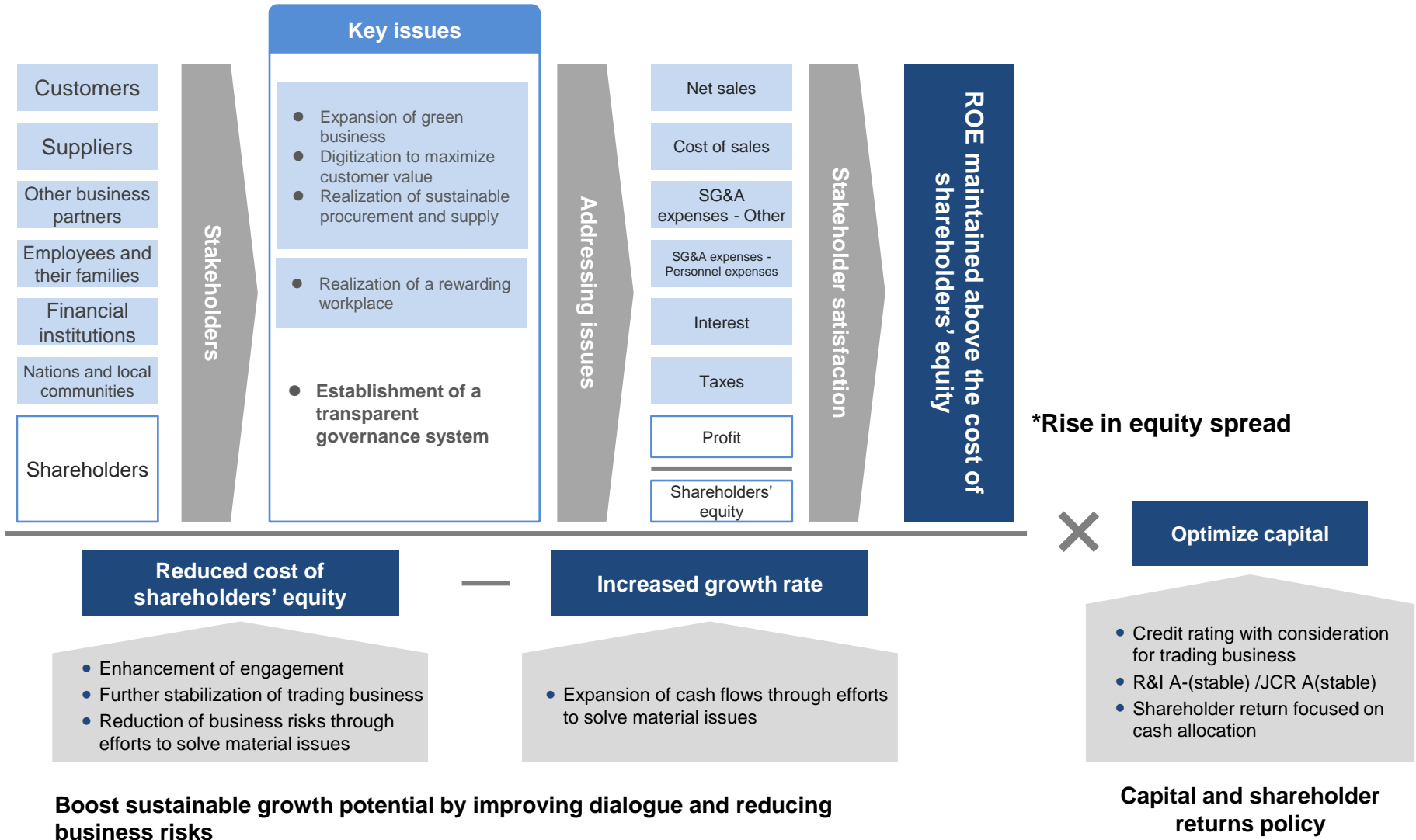
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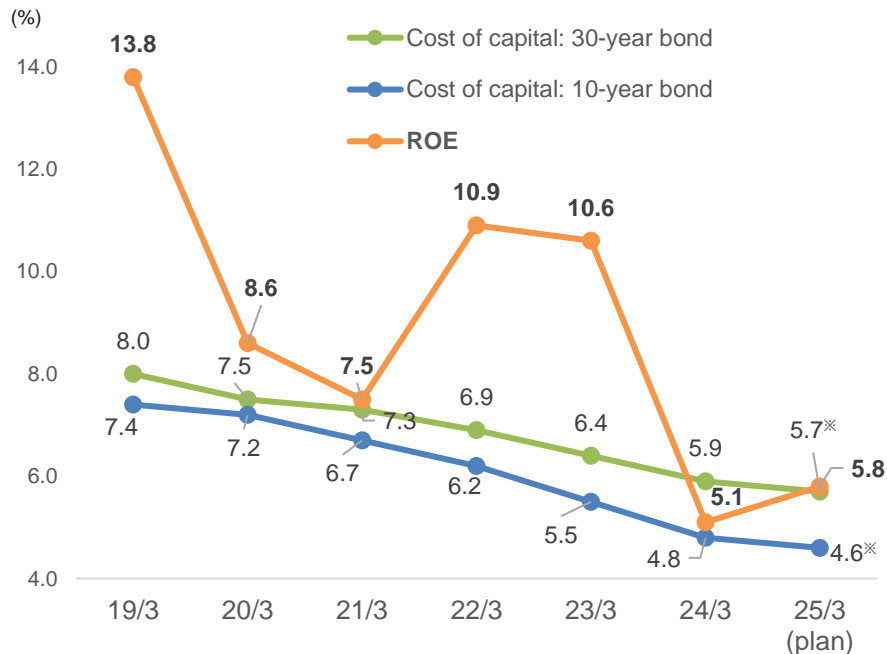
Appendix

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

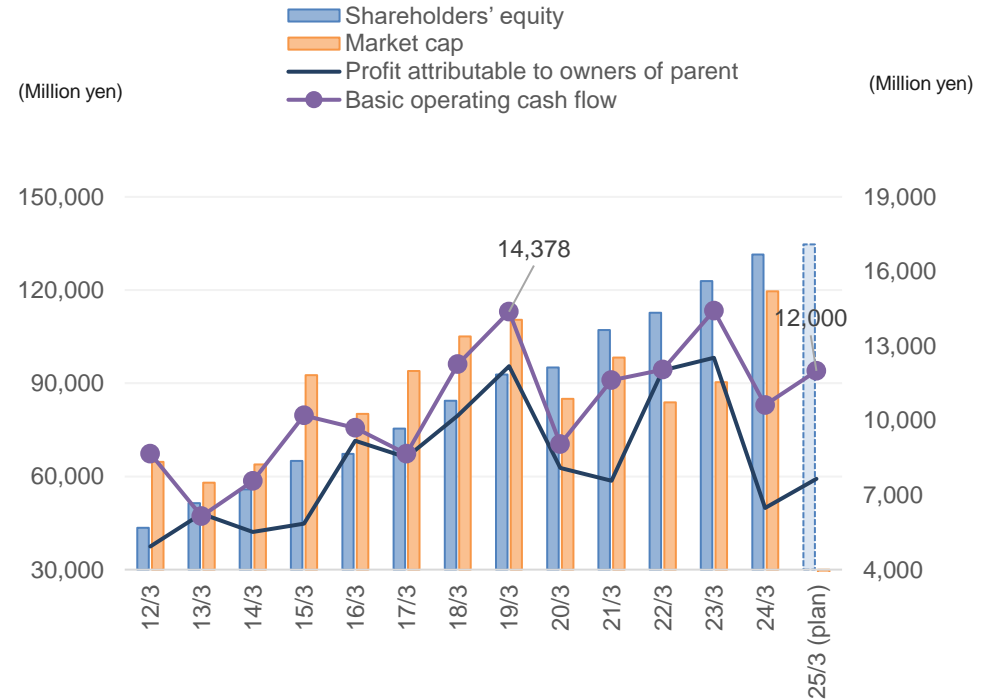


- Cost of shareholders' equity assumed to be around 7% (range of 3.39%-8.78% estimated via CAPM as of March 31, 2024)
- We will strive to reduce the cost of shareholders' equity by continuously enhancing dialogue with the market, and promote investment in business fields with excellent capital efficiency 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 June 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 (as of July 31, 2024)

Total number of shares acquired: 2,022,400 shares

Total amount of shares acquired: 2,976,602,381 yen

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

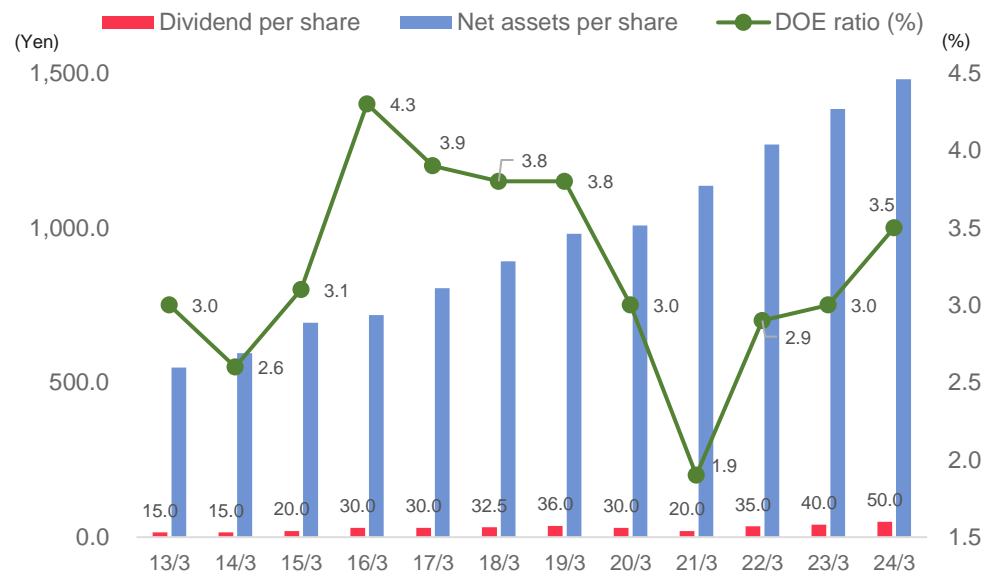
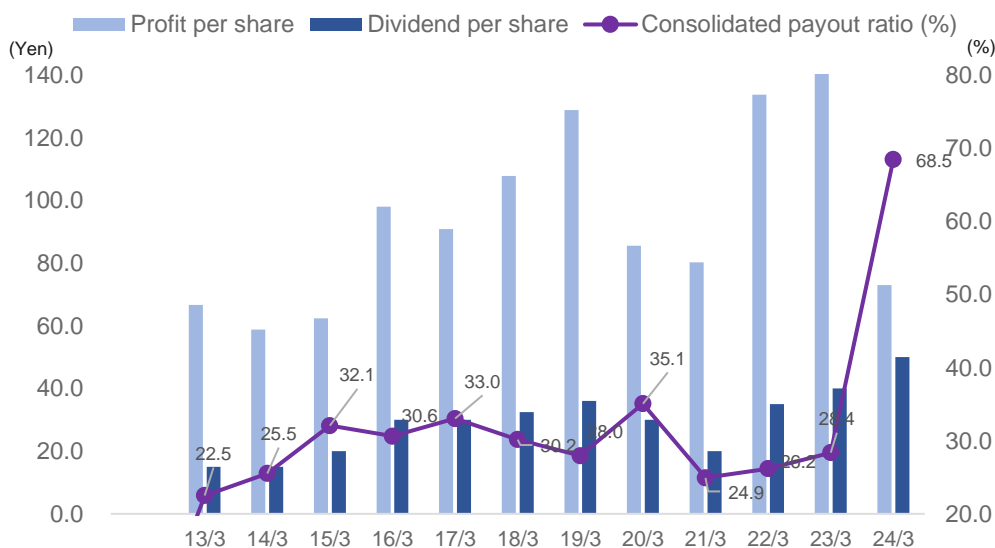
Target payout ratio of 30%

After change

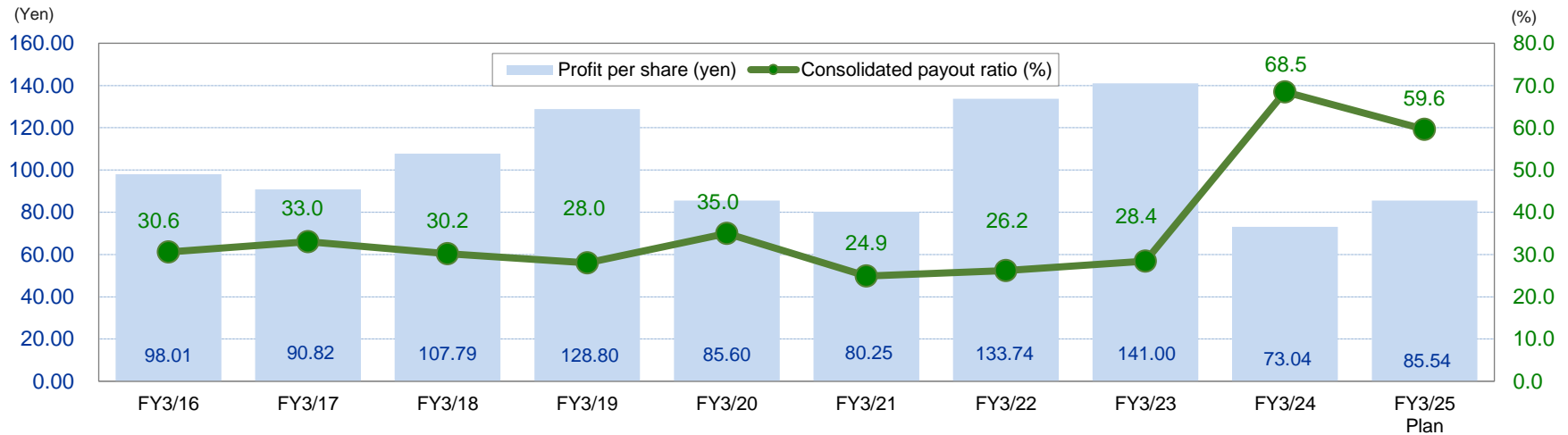
Consolidated payout ratio of 40%
or dividend on equity (DOE) ratio
of 3.5%, whichever is higher

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

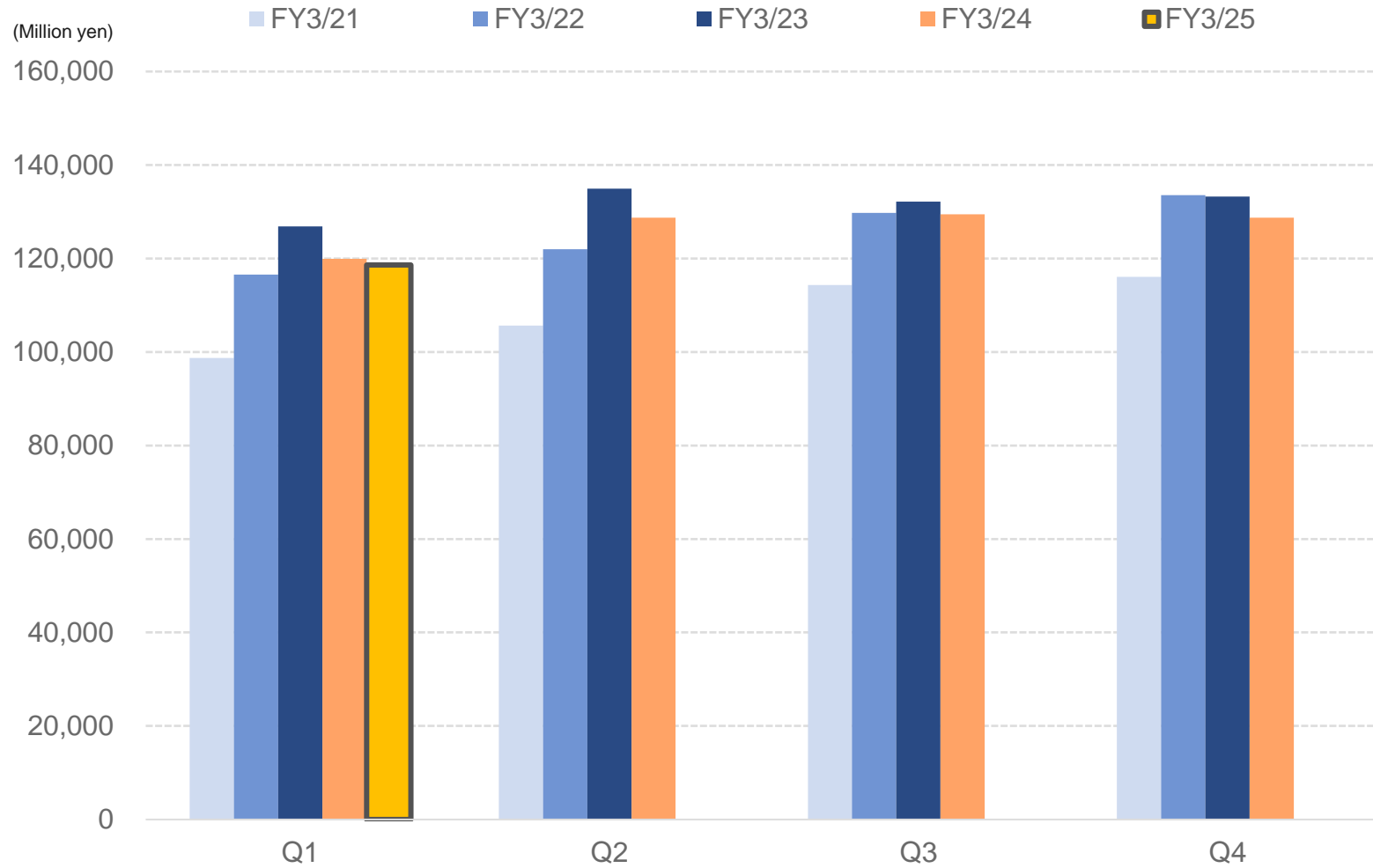
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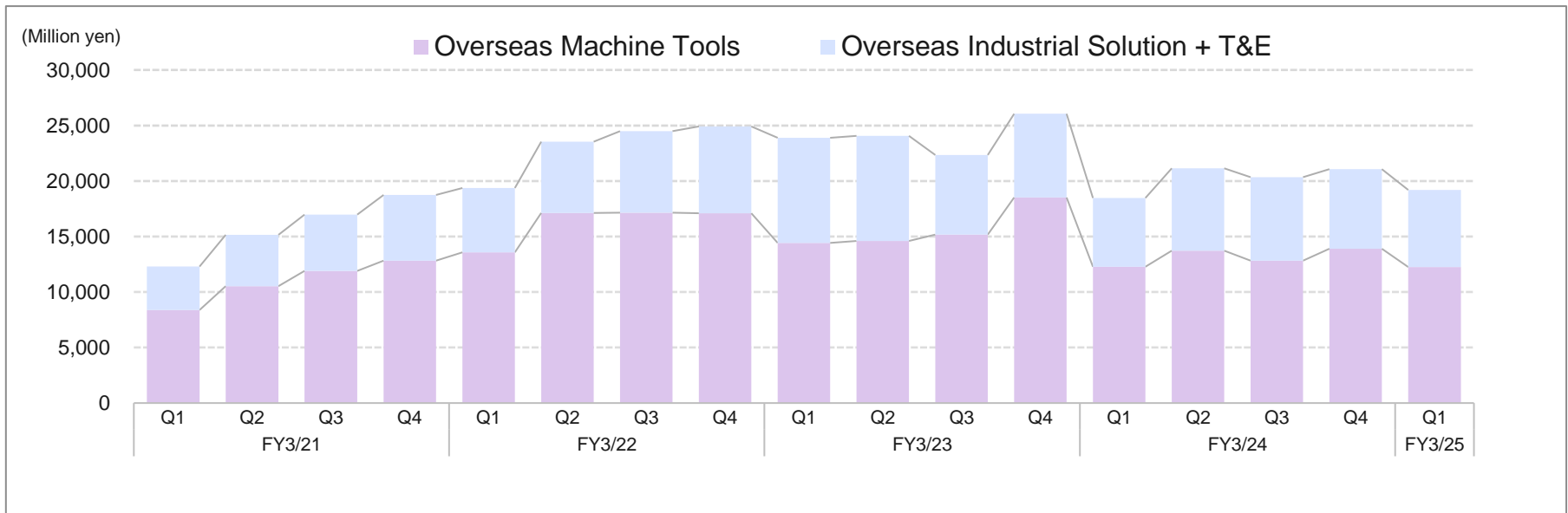
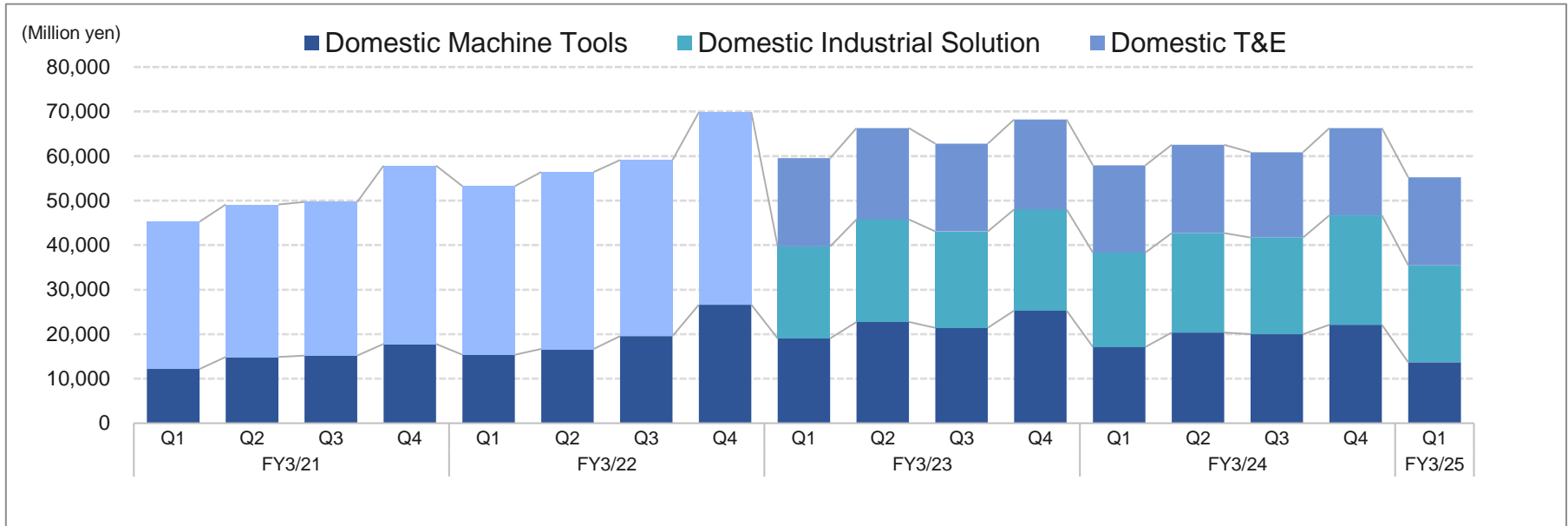


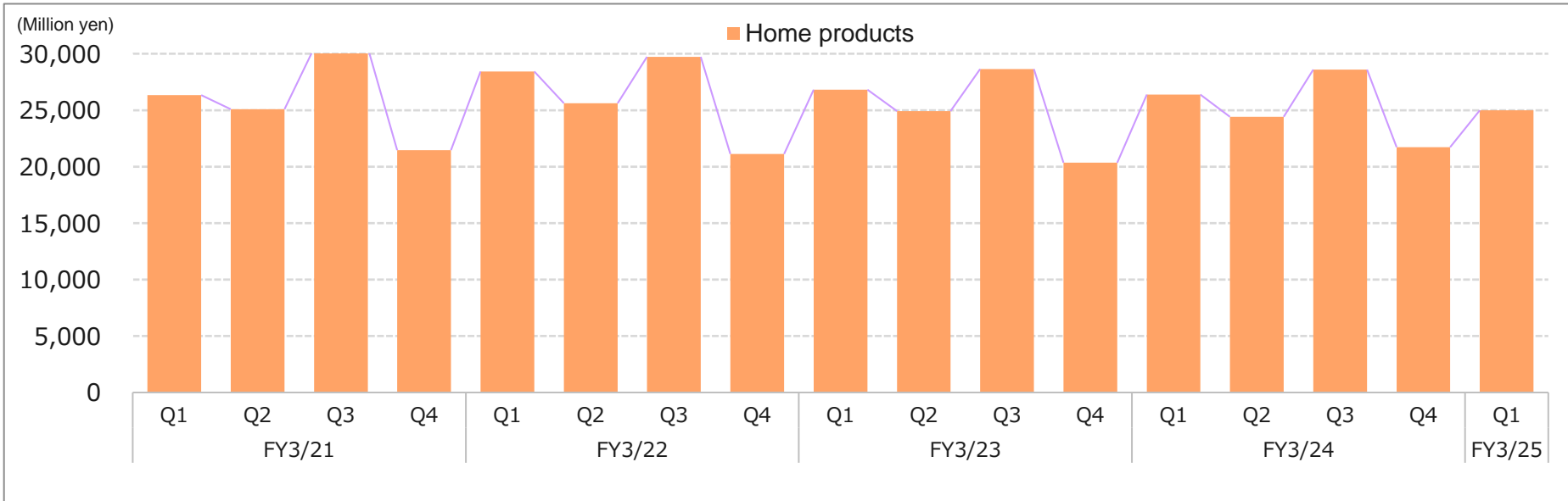
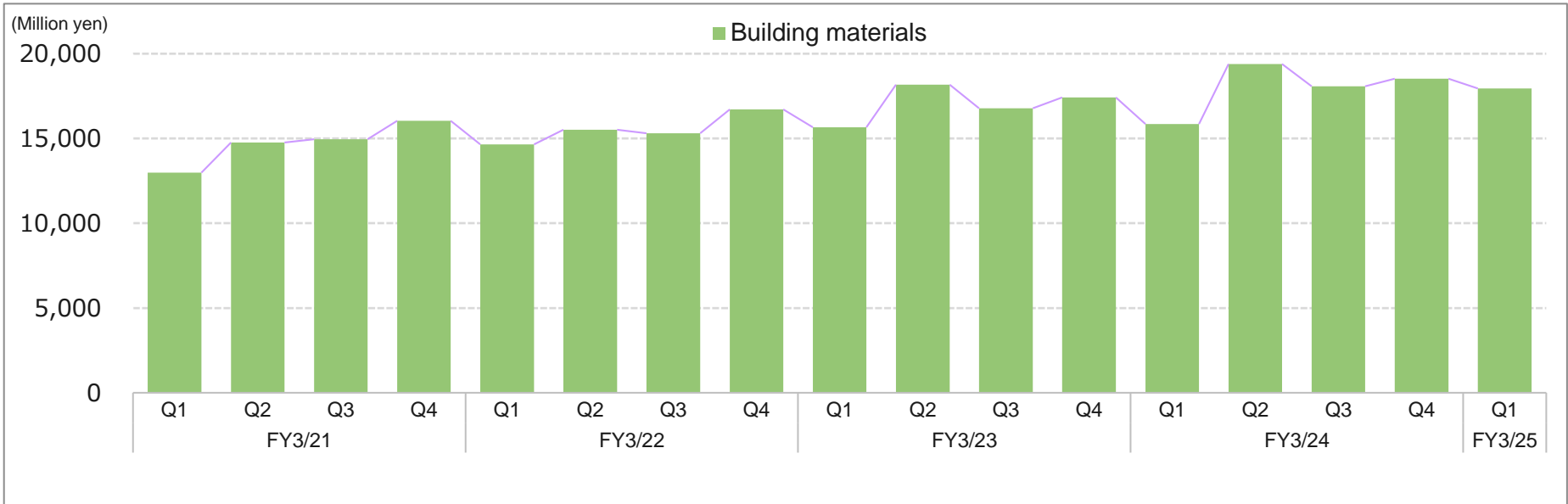
[Note on forward-looking information]

“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







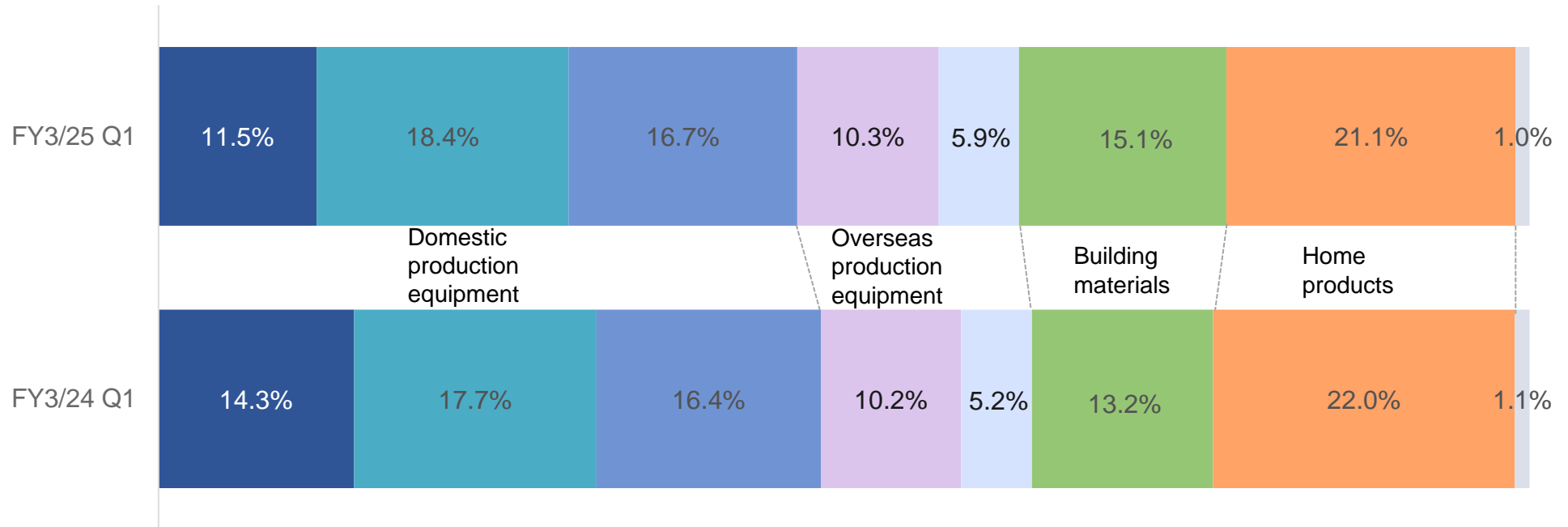
Net Sales Composition by Business (YoY Comparison)

Domestic production equipment: 48.3% → 46.6% (-1.7ppt)
 Overseas production equipment: 15.4% → 16.2% (+0.8ppt)

Production equipment total: 63.7% → 62.8% (-0.9ppt)

Building Materials Business: 13.2% → 15.1% (+1.9ppt)
 Home Products Business: 22.0% → 21.1% (-0.9ppt)

Consumer goods total: 35.2% → 36.2% (+1.0ppt)



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