

YAMAZEN CORPORATION

FY3/25
Q3

Supplementary Materials for Financial Results



Stock Code: 8051

AGENDA

I . FY3/25 (Q3) Financial Highlights

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

III . Capital Policy and Shareholder Returns

Appendix

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FY3/25 (Q3) Consolidated Profit and Loss Results

(Million yen)	FY3/24 Q3	FY3/25 Q3	Percentage change YoY
Net sales	378,130	382,579	+1.2%
Gross profit	55,824	56,906	+1.9%
(Gross profit margin)	14.8%	14.9%	+0.1ppt
SG&A expenses	48,282	50,856	+5.3%
Operating profit	7,541	6,050	-19.8%
(Operating profit margin)	2.0%	1.6%	-0.4ppt
Non-operating profit/loss	433	414	-4.3%
Ordinary profit	7,975	6,464	-18.9%
Extraordinary gain/loss	73	2,460	+3265.0%
Profit attributable to owners of parent	5,092	5,692	+11.8%

- The Overseas Production Equipment Business and Building Materials Business performed steadily, and sales increased 1.2% YoY.
- Gross profit increased 1.9% YoY due to increased sales.
- Operating profit decreased 19.8% YoY due to the system-related expenses for SAP ERP as a growth investment, and the increase in personnel expenses, logistics expenses, etc.
- Quarterly profit attributable to owners of parent increased 11.8% due to the recording of a gain on sales of policy stockholdings.

FY3/25 Q3 Net Sales by Business Segment

(Million yen)	FY3/24 Q3	FY3/25 Q3	Percentage change YoY
Machine Tools Division	96,268	91,584	-4.9%
Industrial Solution Division	67,867	72,627	+7.0%
Tool & Engineering Division	77,195	78,108	+1.2%
(Total for Production Equipment Business)	241,331	242,320	+0.4%
Building Materials Division	53,321	58,160	+9.1%
Home Products Division	79,400	79,097	-0.4%
(Total for Consumer Goods Business)	132,721	137,257	+3.4%
Other	4,077	3,000	-26.4%
Total	378,130	382,579	+1.2%

• Domestic
Production
Equipment
Business:

There was no sign of movement towards new investment in the automotive and semiconductor industries, and the sale of machine tools was down YoY. Sales of cutting tools and other consumables, as well as work supplies and work assistance equipment, remained strong. Further, sales of equipment for the aviation industry such as 3D measuring devices also performed well. Also, while labor shortages remain an issue, demand has been strong for material handling equipment due to the need to automate logistics and storage within factories, and for mechatronic devices due to demand for production automation. In addition, sales of aids for environmental improvement to meet the need for energy conservation were also strong, but this was not enough to make up for the decline in machine tools, and the Domestic Production Equipment Business performed below the same period of the previous year.

• Overseas
Production
Equipment
Business:

The North America Regional Headquarters saw steady sales of high value-added equipment for the medical and aviation industries. 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 saw an increase in sales to domestic demand-oriented industries, but sales to export-oriented industries were sluggish, resulting in performance below the same period of the previous year. The ASEAN Regional Headquarters has captured demand for equipment due to the transfer of production from other regions, and investments in the semiconductor industry and other sectors have also begun to increase. As a result, the Overseas Production Equipment Business achieved results that exceeded the same period of the previous year.

Net sales (Millions of yen)			FY3/24 Q3	FY3/25 Q3	Percentage change YoY
Production equipment	Domestic	Machine Tools	57,434	51,870	-9.7%
		Industrial Solution	65,281	69,798	+6.9%
		Tool & Engineering Business	58,636	59,214	+1.0%
		Total	181,352	180,883	-0.3%
	Overseas	Machine Tools	38,833	39,714	+2.3%
		Industrial Solution + T&E Businesses Total	21,144	21,723	+2.7%
		Total	59,978	61,437	+2.4%
	Total	Net sales	241,331	242,320	+0.4%
		Segment profit	5,623	4,692	-16.5%
		Segment profit margin	2.3%	1.9%	-0.4ppt

• Building Materials Business:

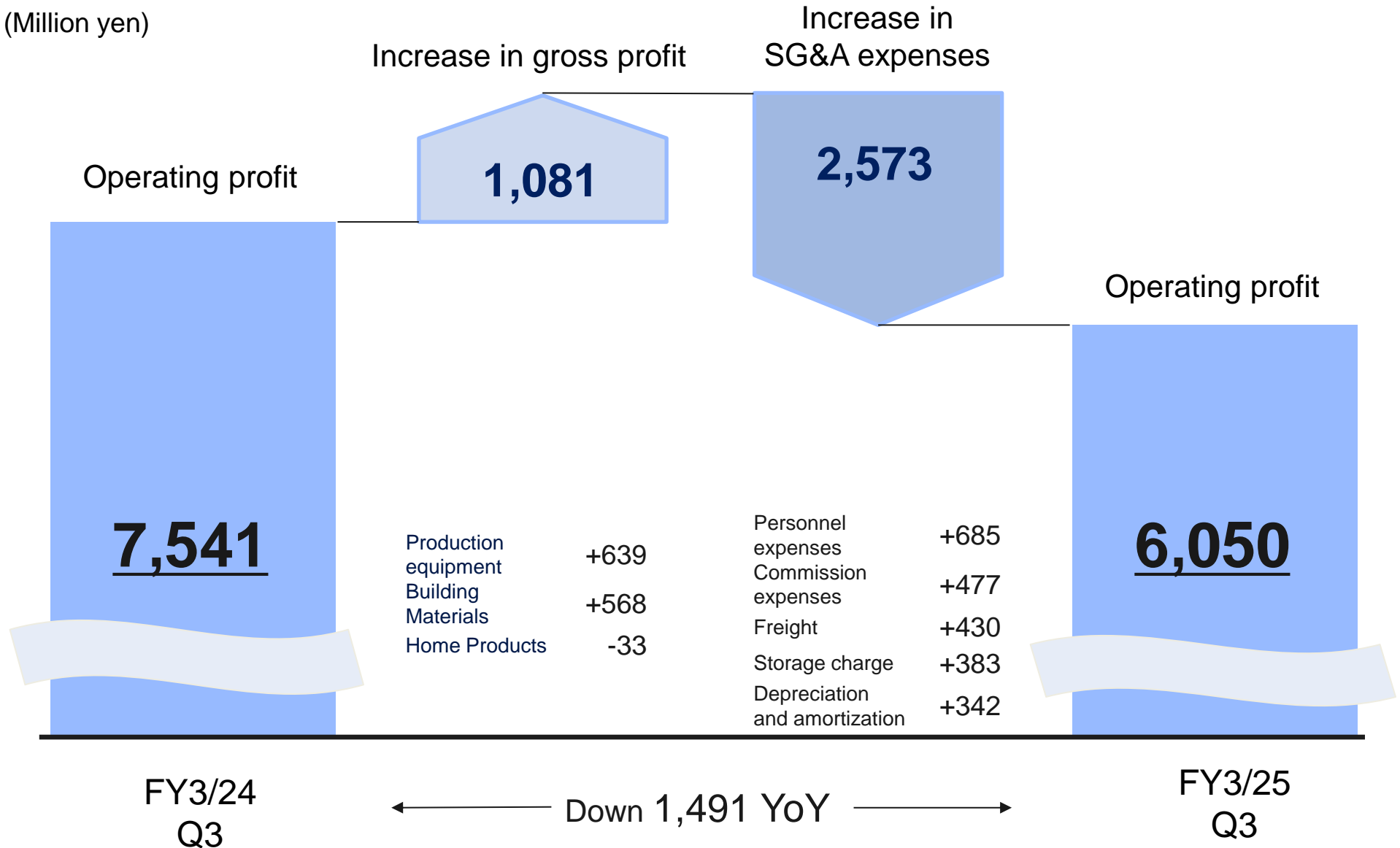
Sales of air conditioning equipment were strong due to energy-saving renovation demand and the effects of extreme heat. Further, focus was placed on high value-added products in response to consumers' desire to reduce spending due to rising utility bills, and sales of water heaters and other products also remained strong. Also, proposals for facility renovations that combine environmental products and installation were also successful in helping SMEs respond to carbon neutrality and the need to reduce energy costs. As a result, the Building Materials Business achieved results that exceeded the same period of the previous year.

• Home Products Business:

Sales were affected by rising prices of raw materials, electricity and gas, as well as a decline in consumer purchasing power due to rising prices of goods and services caused by the weak yen. On the other hand, concerning private brand products, the company has been working on planning and developing products that meet consumer needs and strengthening its lineup, and has been publishing information using social media and various other media, resulting in strong sales of cooking equipment, home AV appliances, interior products, etc. Net sales and membership also grew steadily at YAMAZEN Bizcom, the company's e-commerce site for corporate and sole proprietor customers. As a result, sales in the Home Products Business were on par with the same period of the previous year.

Net sales (Millions of yen)			FY3/24 Q3	FY3/25 Q3	Percentage change YoY
Consumer goods	Building Materials Division	Net sales	53,321	58,160	+9.1%
		Segment profit	1,736	2,107	+21.3%
		Segment profit margin	3.3%	3.6%	+0.4ppt
	Home Products Division	Net sales	79,400	79,097	-0.4%
		Segment profit	4,669	3,846	-17.6%
		Segment profit margin	5.9%	4.9%	-1.0ppt
	Total	Net sales	132,721	137,257	+3.4%
		Segment profit	6,406	5,953	-7.1%
		Segment profit margin	4.8%	4.3%	-0.5ppt

(Million yen)



Assets		Liabilities and Total Assets	
(End of Mar. 2024)	(End of Dec. 2024)	(End of Dec. 2024)	(End of Mar. 2024)
2,414	Current assets 2,340	Current liabilities 1,461	1,401
	-73		
		Long-term liabilities: 212	222
535	Noncurrent assets and deferred tax assets 617	Net assets 1,283	1,326
	+81		
		Total assets: 2,957	2,949
			+8

End of Mar. 2024	Item	End of Dec. 2024
5.1%	ROE	4.4%
44.6%	Shareholders' equity ratio	43.0%
1,480.16 yen	Net assets per share	1,487.27 yen
119.5 billion yen	Market cap	119.3 billion yen
10.6 billion yen	Basic operating cash flow	4.8 billion yen

(Unit: Billion 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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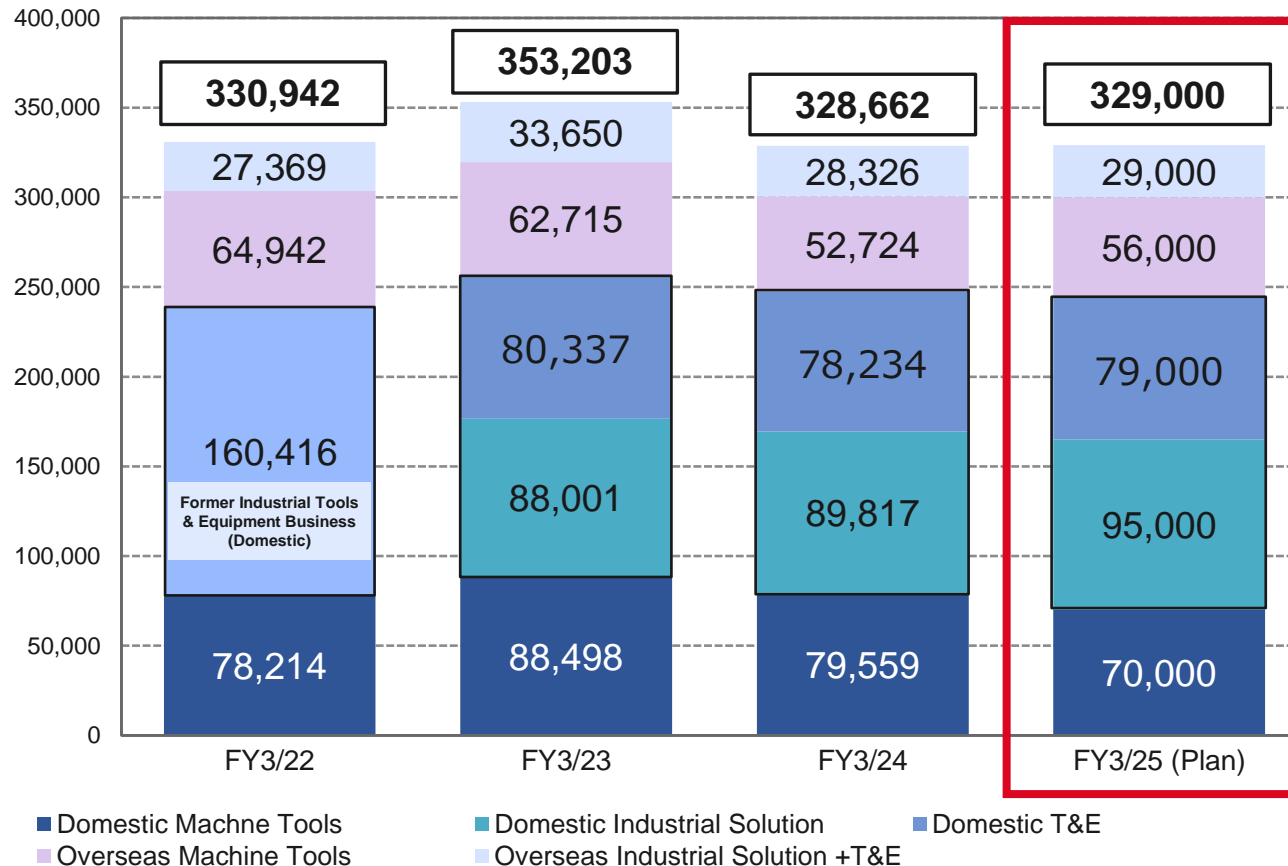
(Million yen)	FY3/24 Results	FY3/25 Plan <small>(Announced on May 14, 2024)</small>	FY3/25 Revised Plan <small>(Announced on Nov. 14, 2024)</small>	Percentage change YoY	Change from previous plan
Net sales	506,866	530,000	510,000	+0.6%	-20,000
Operating profit	9,887	12,000	10,000	+1.1%	-2,000
Operating profit margin	2.0%	2.3%	2.0%	+0.0ppt	-0.3ppt
Ordinary profit	10,435	12,000	10,000	-4.2%	-2,000
Profit attributable to owners of parent	6,488	7,600	7,600	+17.1%	± 0

- ✓ Although there are signs of recovery in capital investment in the domestic automobile and semiconductor industries, a rapid recovery is not expected. In addition, because the demand for capital investment is expected to remain uncertain due to economic policies in the United States and China, as well as exchange rate risks and geopolitical risks, net sales, operating profit and ordinary profit were revised as above on November 14, 2024.
- ✓ Profit attributable to owners of parent is unchanged from the previous forecast, reflecting gains on the sale of policy shareholdings and other factors.

(Million yen)		Net sales plan	Percentage change YoY	Segment profit plan	Percentage change YoY	Segment profit margin
Production Equipment Business Total	Full-year	329,000	+0.1%	8,400	+2.2%	2.6%

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

(Million yen)

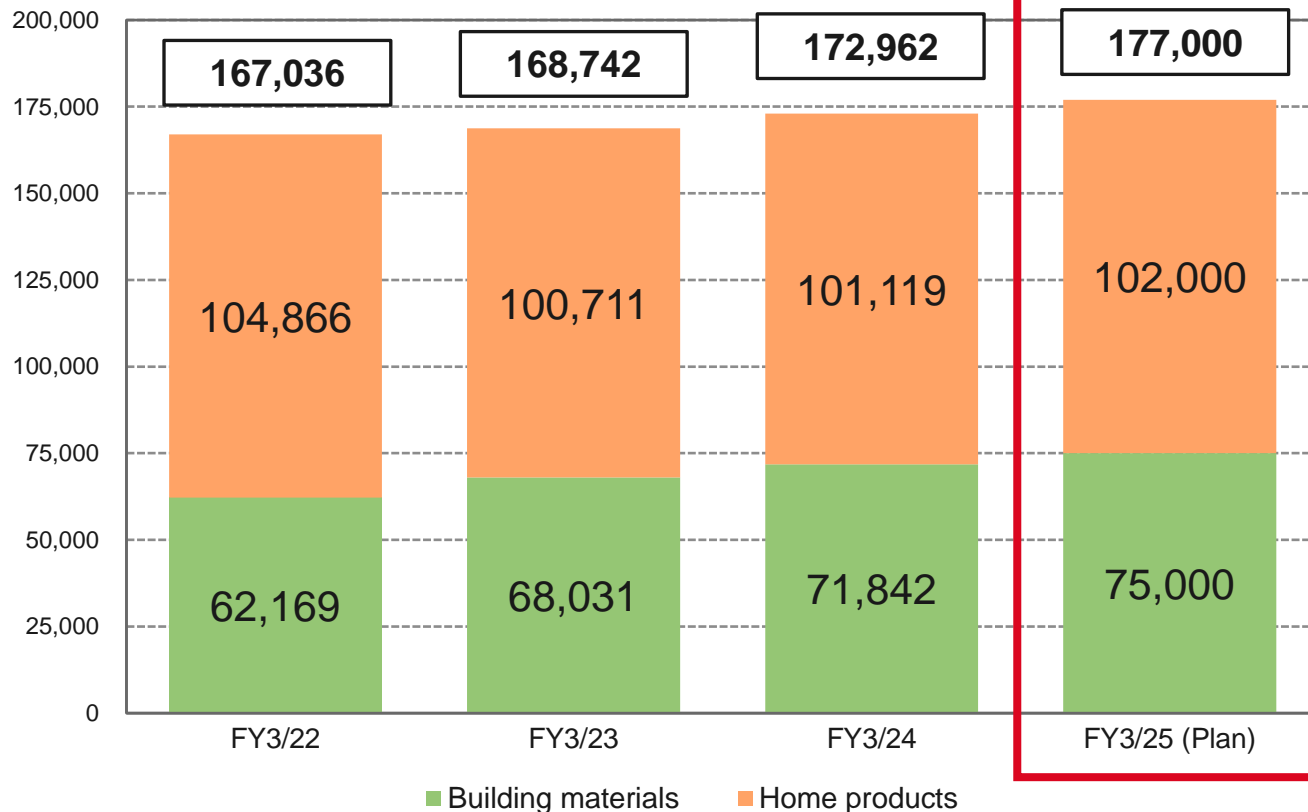


- ✓ Each division will **brush up expertise**, and **provide solutions** to meet the needs in production sites, such as “**automation and labor saving**” and “**decarbonization**” at an accelerated pace.
- ✓ Approach to new domains of **semiconductors, logistics, 3 major product industries (food, medical 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	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	102,000	+0.9%	5,300	+0.5%	5.2%

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

(Million yen)



■ 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.

FY3/25 Q3 YoY Comparison / Achievement Rate Against Plan

(Million yen)

Segment	Business		FY3/24 Q3 Results	FY3/25 Q3 Results	Percentage change YoY	FY3/25 Full Year Plan (Revised in Nov. 2024)	Achievement Rate Against Full Year Plan
Production equipment	Domestic Machine Tools	Net sales	57,434	51,870	-9.7%	70,000	74.1%
	Domestic Industrial Solutions	Net sales	65,281	69,798	+6.9%	95,000	73.5%
	Domestic T&E	Net sales	58,636	59,214	+1.0%	79,000	75.0%
	Domestic production equipment total	Net sales	181,352	180,883	-0.3%	244,000	74.1%
	Overseas Machine Tools	Net sales	38,833	39,714	+2.3%	56,000	70.9%
	Overseas Industrial Solutions + T&E	Net sales	21,144	21,723	+2.7%	29,000	74.9%
	Overseas production equipment total	Net sales	59,978	61,437	+2.4%	85,000	72.3%
	Production equipment total	Net sales	241,331	242,320	+0.4%	329,000	73.7%
		Segment profit	5,623	4,692	-16.5%	8,400	55.9%
		Segment profit margin	2.3%	1.9%	-0.4ppt	2.6%	-
Consumer goods	Building materials	Net sales	53,321	58,160	+9.1%	75,000	77.5%
		Segment profit	1,736	2,107	+21.3%	2,700	78.1%
		Segment profit margin	3.3%	3.6%	+0.4ppt	3.6%	-
	Home products	Net sales	79,400	79,097	-0.4%	102,000	77.5%
		Segment profit	4,669	3,846	-17.6%	5,300	72.6%
		Segment profit margin	5.9%	4.9%	-1.0ppt	5.2%	-
	Consumer goods total	Net sales	132,721	137,257	+3.4%	177,000	77.5%
		Segment profit	6,406	5,953	-7.1%	8,000	74.4%
		Segment profit margin	4.8%	4.3%	-0.5ppt	4.5%	-
Other		Net sales	4,077	3,000	-26.4%	4,000	75.0%
		Segment profit	-4,487	-4,596	-	-6,400	-
		Segment profit margin	-	-	-	-	-
Consolidated		Net sales	378,130	382,579	+1.2%	510,000	75.0%
		Operating profit	7,541	6,050	-19.8%	10,000	60.5%
		Operating profit margin	2.0%	1.6%	-0.4ppt	2.0%	-

Medium-Term Management Plan: Disclosed Plan for Sales/Profit/Management Indicators

(Million yen)	FY3/22 results	FY3/23 results (First year of Medium-Term Management Plan)	FY3/24 results	FY3/25 plan (Revised on Nov. 14, 2024)
Net sales	501,872	527,263	506,866	510,000
Operating profit	17,133	16,563	9,887	10,000
Operating profit margin	3.4%	3.1%	2.0%	2.0%
Ordinary profit	17,093	17,280	10,435	10,000
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 on Nov. 14, 2024)
Return on equity (ROE)	10.9%	10.6%	5.1%	5.8%
Basic operating cash flow	12,052	14,427	10,626	11,000
Shareholders' equity ratio	39.9%	42.6%	44.6%	40-45%

AGENDA

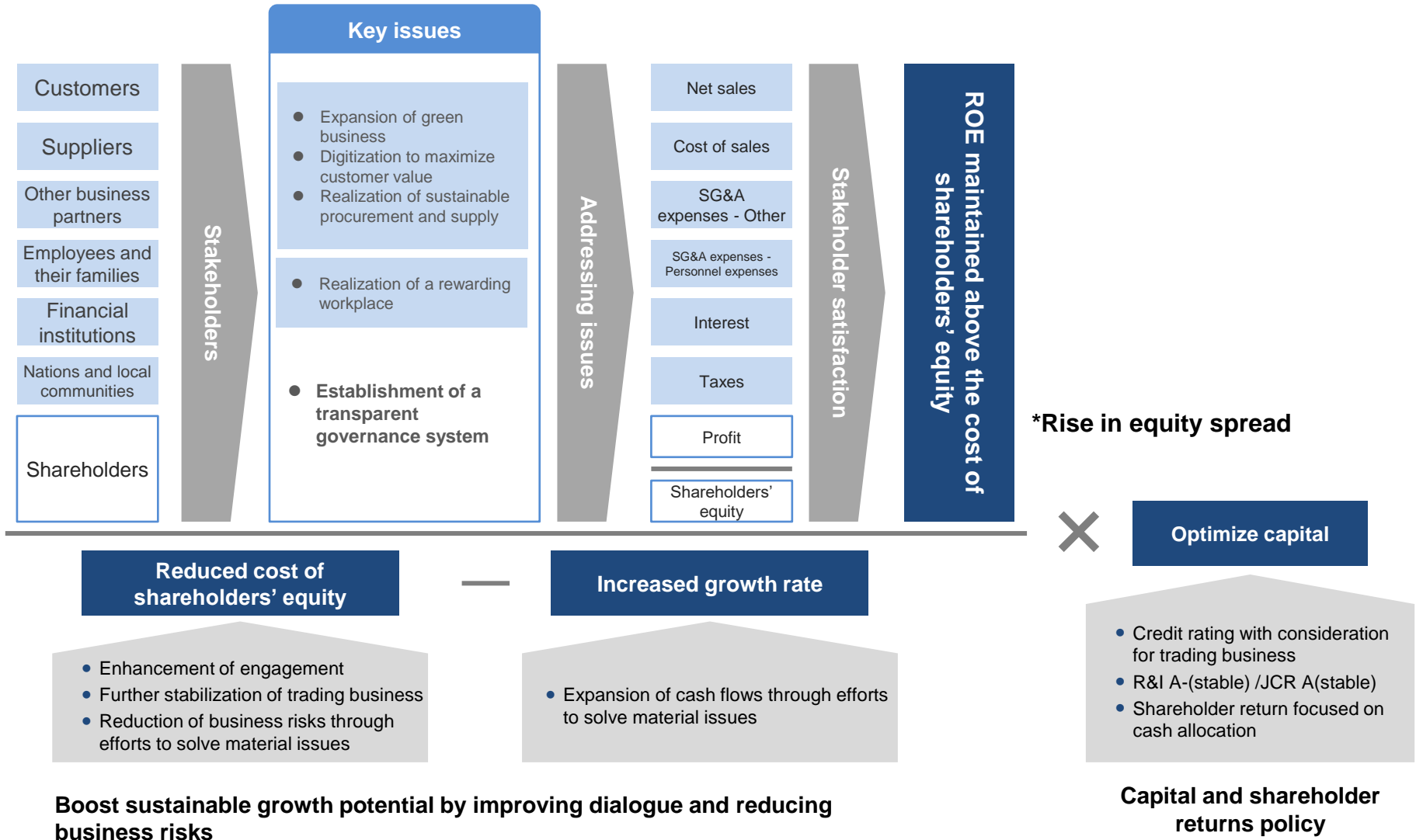
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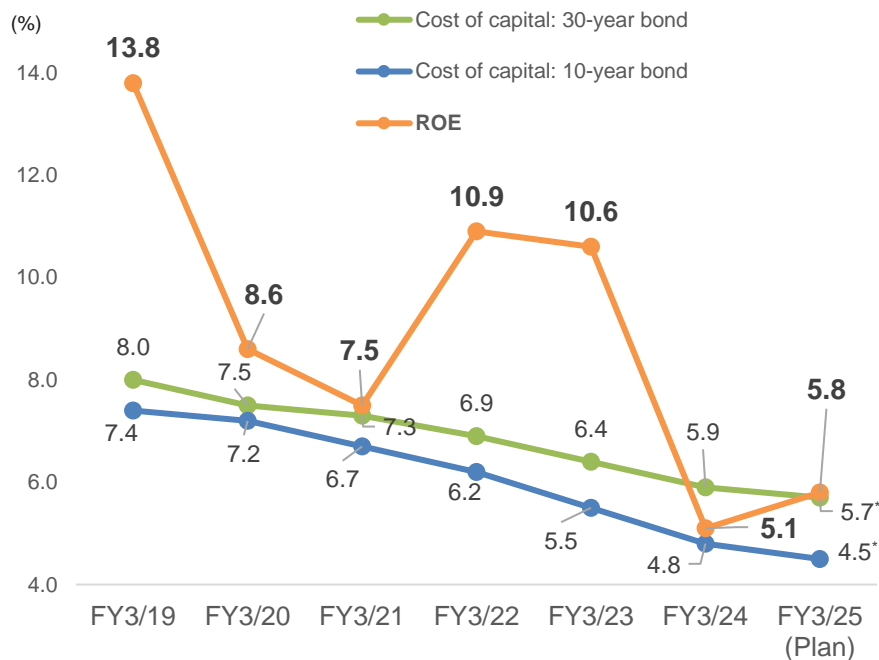
Appendix

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



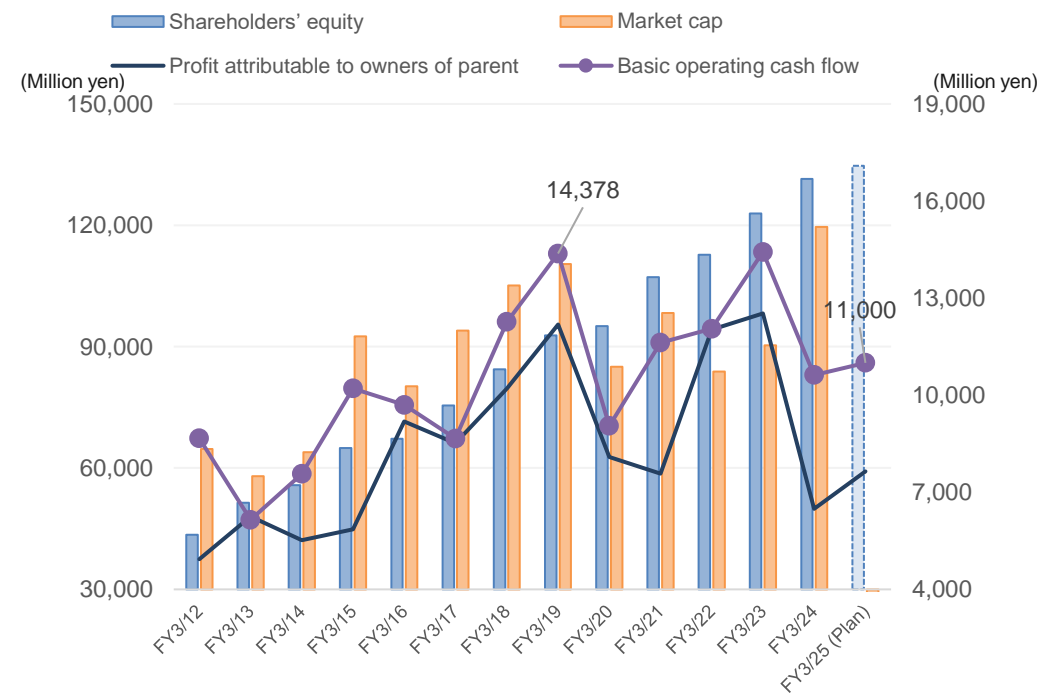
- ✓ Cost of capital is estimated to be between 3.14% and 7.68% as of the end of December 2024.
- ✓ We will strive to reduce the cost of shareholders' equity by continuously enhancing dialogue with the market, and promote investment in business fields with excellent capital efficiency and synergy effects 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



*Estimated value as of the end of December 2024

Market cap/basic operating cash flow



Establishment of Treasury Share Acquisition Limit

(Announced on May 14, 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 (completed on August 15, 2024)

Total number of shares acquired: 3,374,800 shares

Total amount of shares acquired: 4,999,889,995 yen

Change in Shareholder Returns Policy

(Disclosed on August 10, 2023)

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

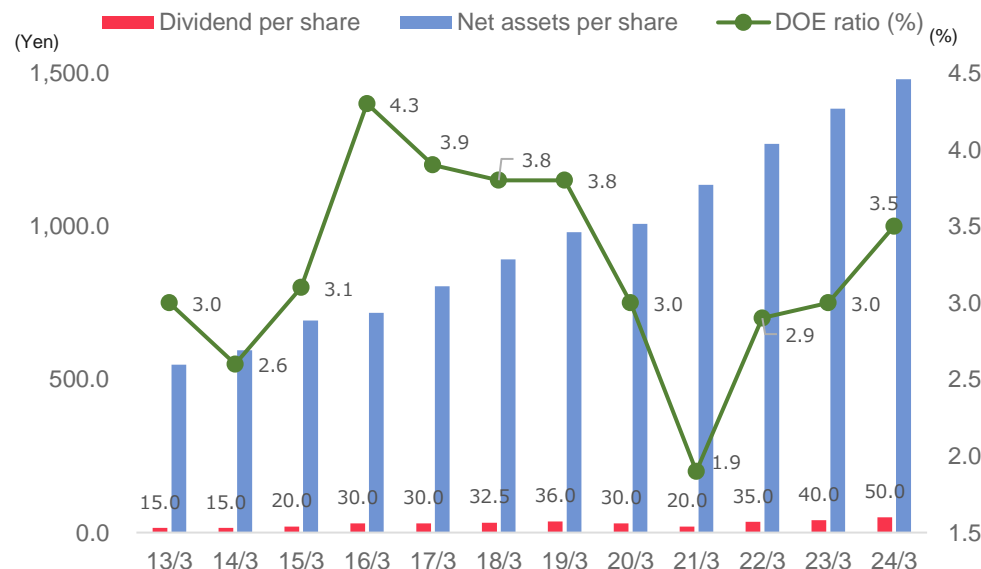
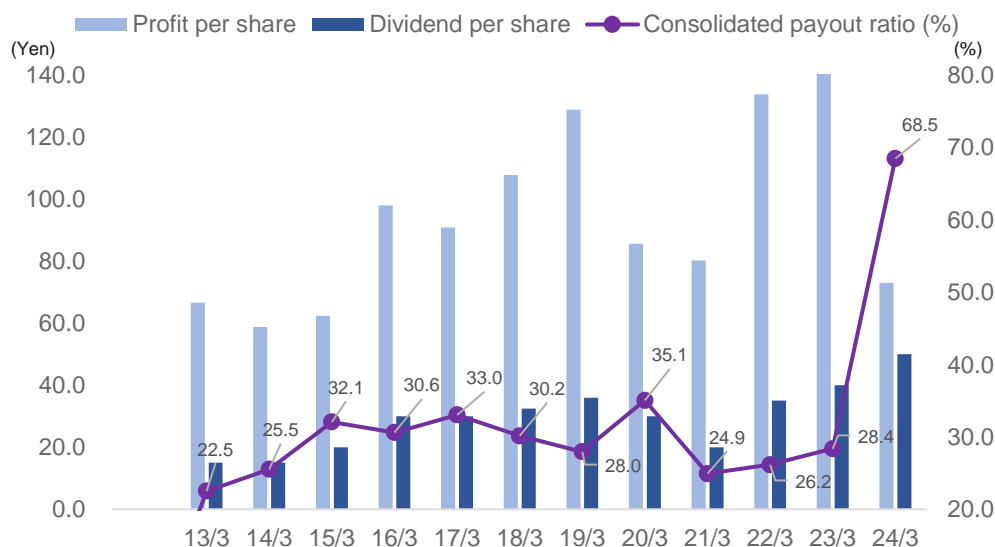
Target payout ratio of 30%

After change

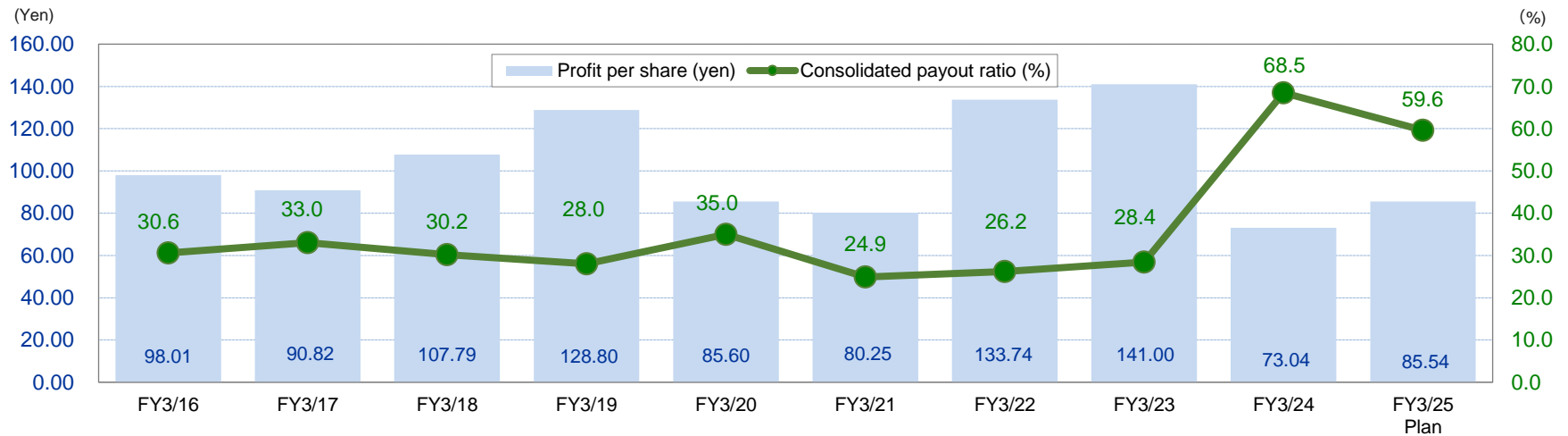
Consolidated payout ratio of 40%
or dividend on equity (DOE) ratio
of 3.5%, whichever is higher

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.

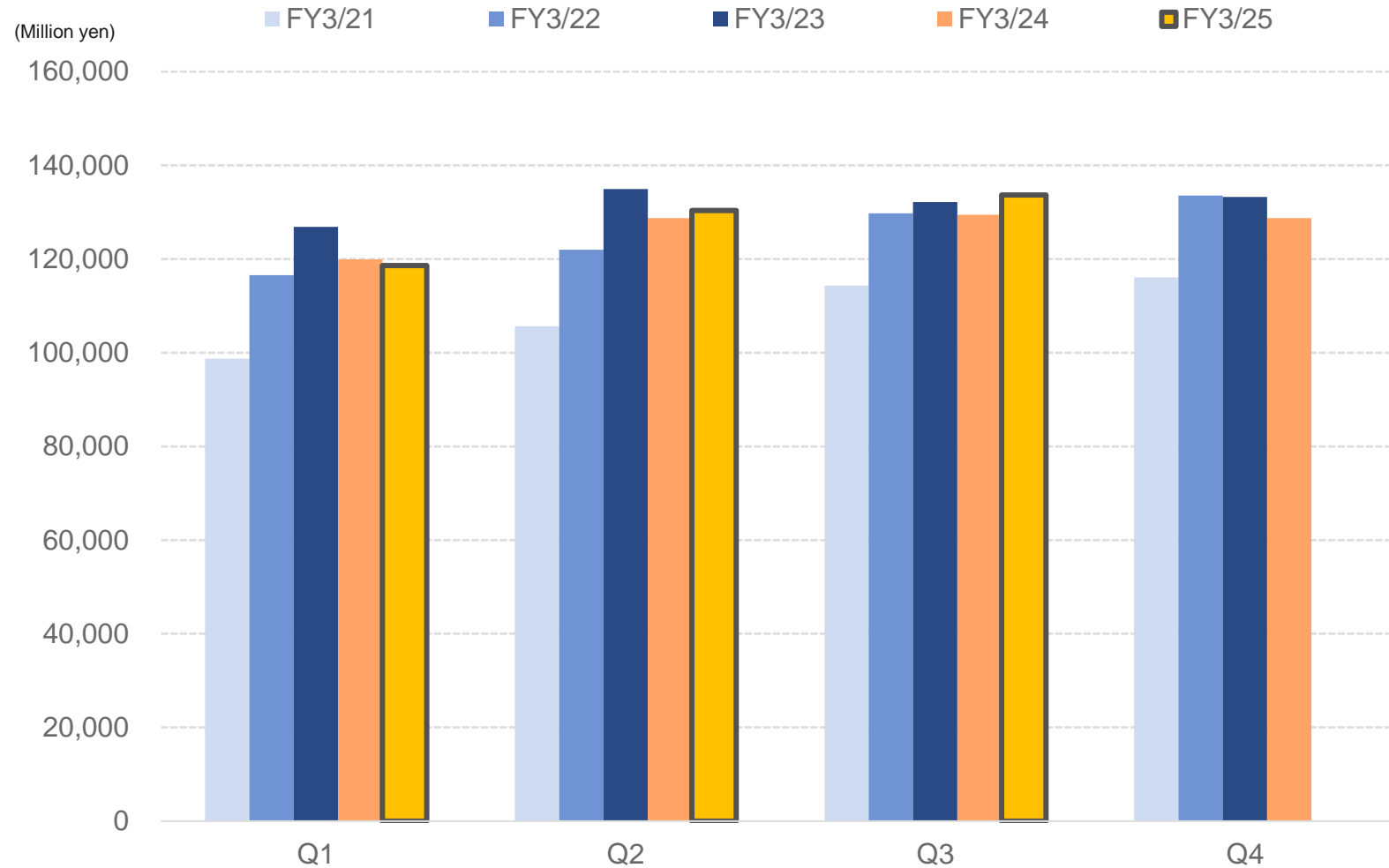


		FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25 plan
Dividend per share (yen)	Mid-year	13.0	15.0	16.0	10.0	10.0	20.0	20.0	20.0
	End of year	*19.5	*21.0	14.0	10.0	*25.0	20.0	30.0	31.0
	Annual	*32.5	*36.0	30.0	20.0	35.0	40.0	50.0	51.0
Payout ratio (%)		30.2	28.0	35.0	24.9	26.2	28.4	68.5	59.6
Dividend 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

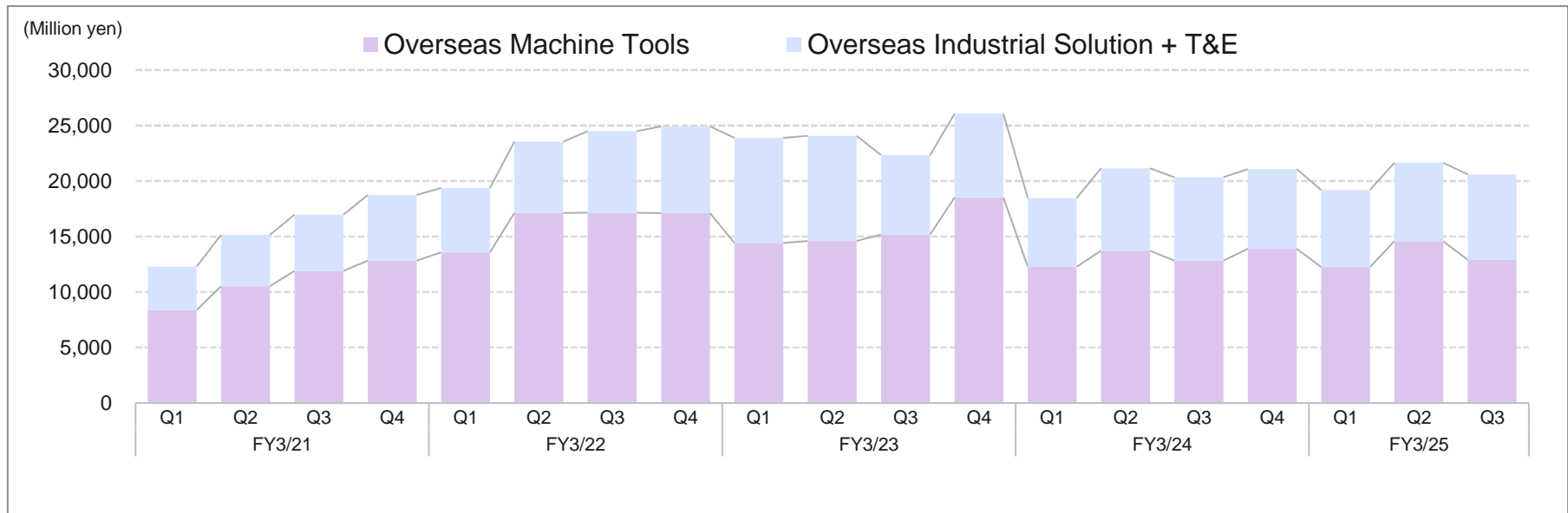
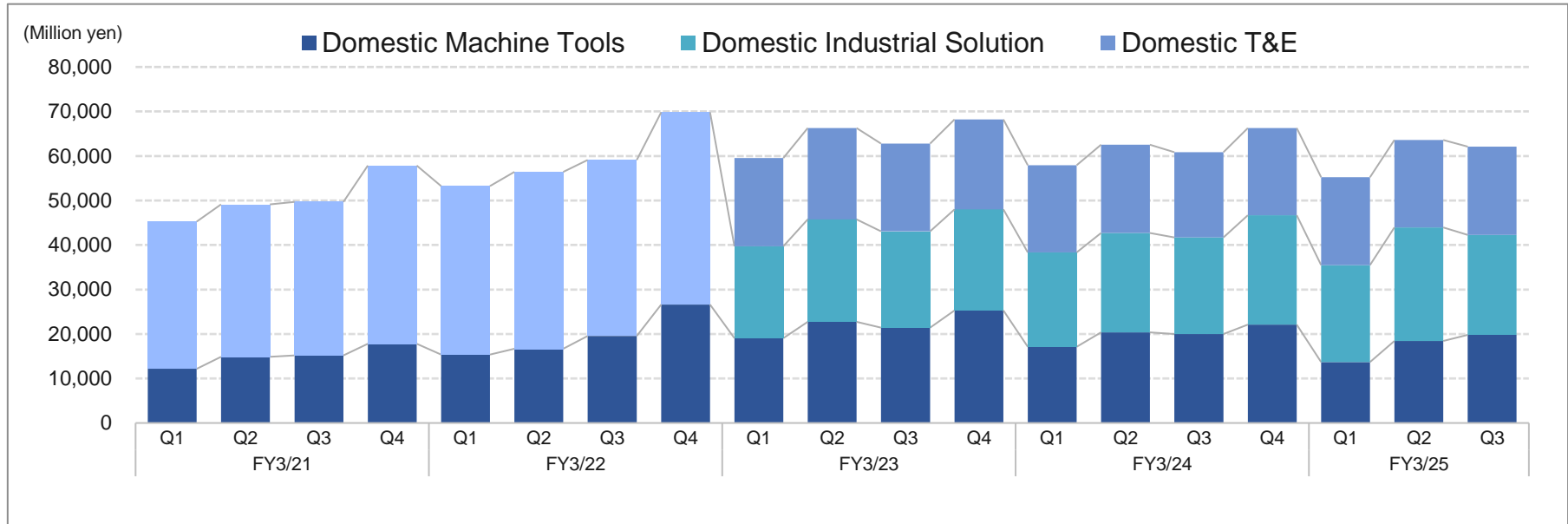
*Includes special dividends and commemorative dividends

Appendix

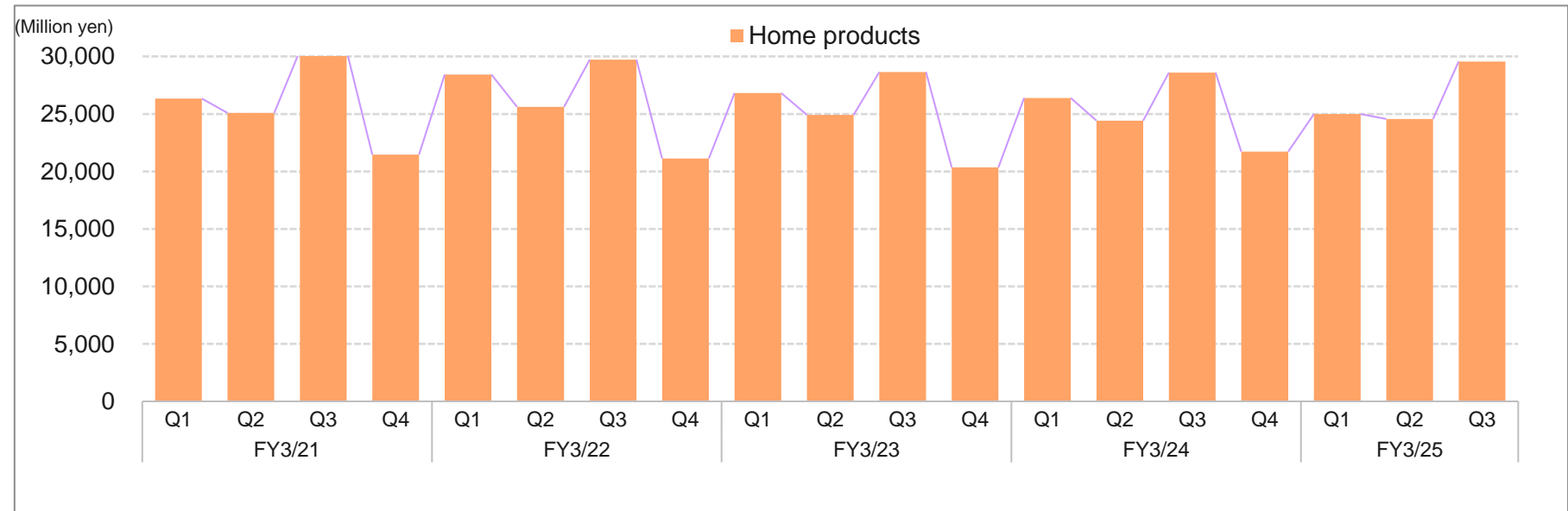
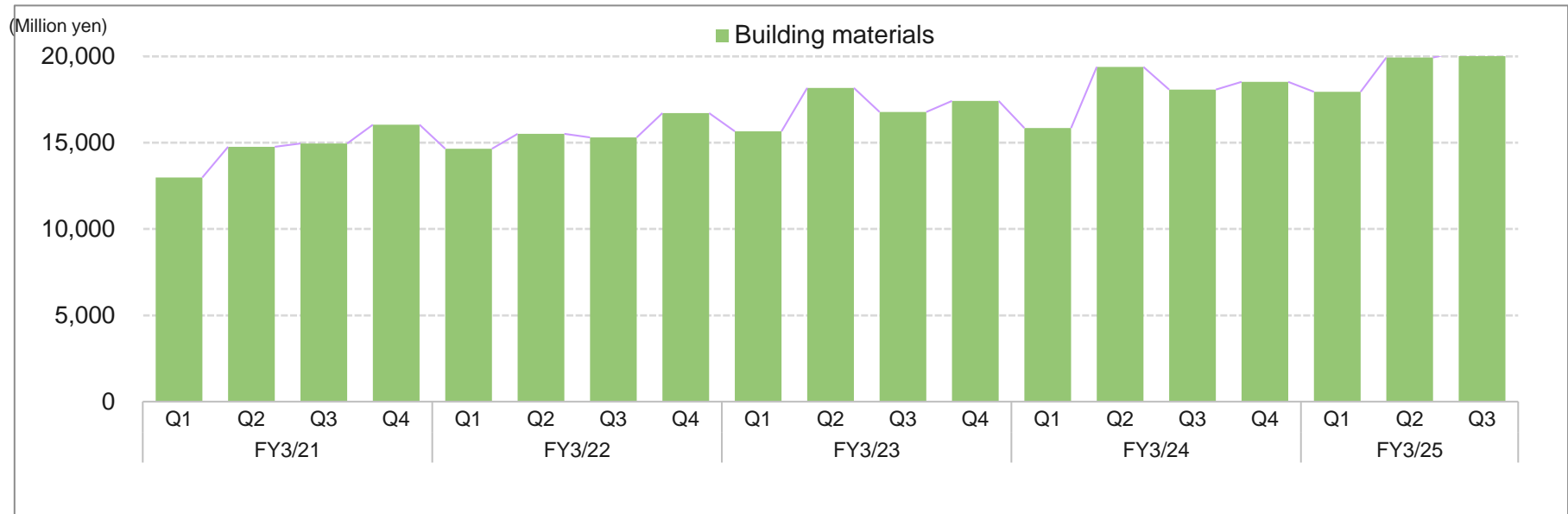
Quarterly Trend in Consolidated Net Sales



Production Equipment Segment Quarterly Sales Trend (Domestic/Overseas)



Consumer Goods Segment Quarterly Sales Trend (Building Materials/Home Products)



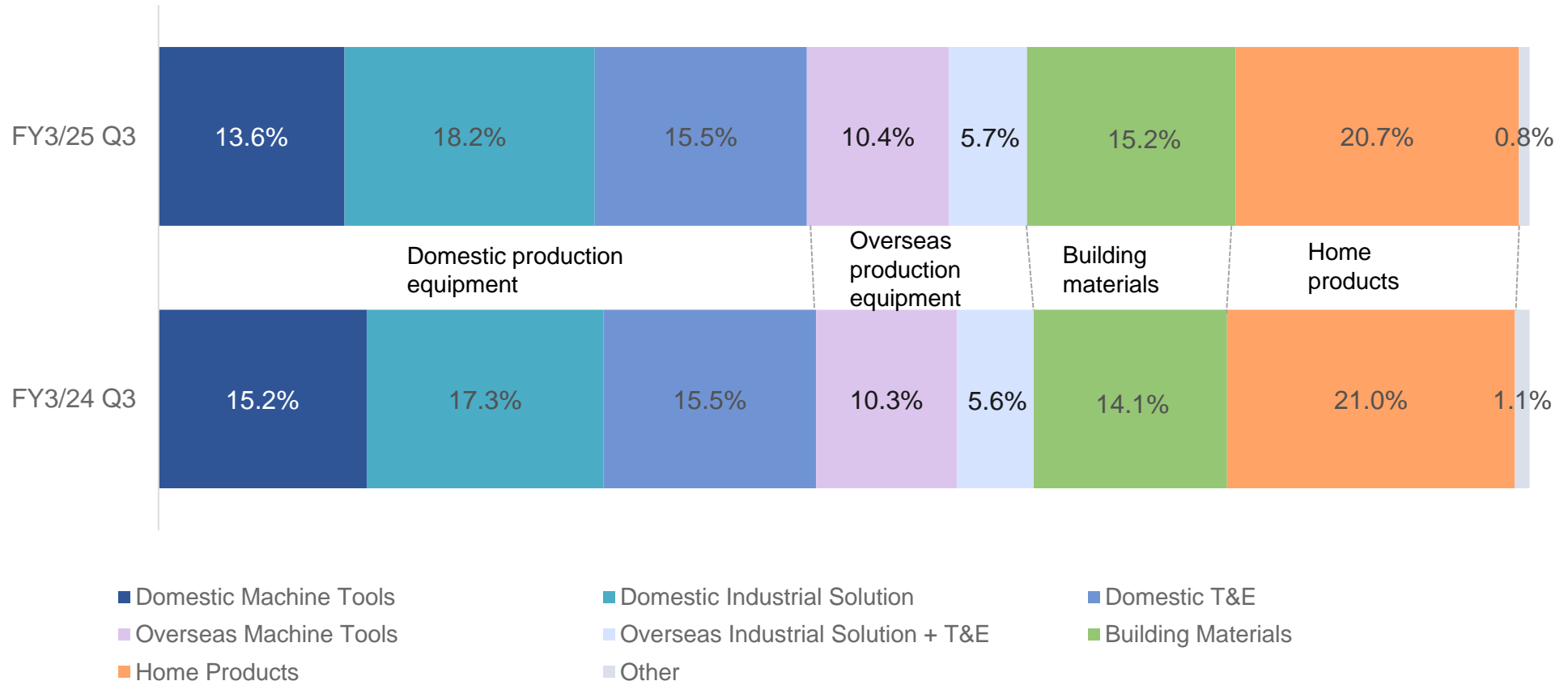
Net Sales Composition by Business (YoY Comparison)

Domestic production equipment: 48.0% → 47.3% (-0.7ppt)
 Overseas production equipment: 15.9% → 16.1% (+0.2ppt)

Building Materials Business: 14.1% → 15.2% (+1.1ppt)
 Home Products Business: 21.0% → 20.7% (-0.3ppt)

Production equipment total: 63.8% → 63.3% (-0.5ppt)

Consumer goods total: 35.1% → 35.9% (+0.8ppt)



(Million yen)	FY3/24 Results	FY3/25 Plan (Announced in May 2024)	FY3/25 Revised Plan (Announced in Nov. 2024)	Percentage change YoY	Change from previous plan
Machine Tools Division	132,284	138,000	126,000	-4.8%	-12,000
Industrial Solution Division	93,189	98,600	98,500	+5.7%	-100
Tool & Engineering Division	103,188	110,400	104,500	+1.3%	-5,900
(Total for Production Equipment Business)	328,662	347,000	329,000	+0.1%	-18,000
Building Materials Division	71,842	75,000	75,000	+4.4%	±0
Home Products Division	101,119	104,000	102,000	+0.9%	-2,000
(Total for Consumer Goods Business)	172,962	179,000	177,000	+2.3%	-2,000
Other	5,241	4,000	4,000	-23.7%	±0
Total	506,866	530,000	510,000	+0.6%	-20,000

(Million yen)

Segment	Business		FY3/24 Results	FY3/25 Plan (Announced in May 2024)	FY3/25 Revised Plan (Announced in Nov. 2024)	Percentage change YoY	Change from previous plan
Production equipment	Domestic Machine Tools	Net sales	79,559	79,000	70,000	-12.0%	-9,000
	Domestic Industrial Solutions	Net sales	89,817	95,000	95,000	+5.8%	±0
	Domestic T&E	Net sales	78,234	84,000	79,000	+1.0%	-5,000
	Domestic production equipment total	Net sales	247,611	258,000	244,000	-1.5%	-14,000
	Overseas Machine Tools	Net sales	52,724	59,000	56,000	+6.2%	-3,000
	Overseas Industrial Solutions + T&E	Net sales	28,326	30,000	29,000	+2.4%	-1,000
	Overseas production equipment total	Net sales	81,051	89,000	85,000	+4.9%	-4,000
	Production equipment total	Net sales	328,662	347,000	329,000	+0.1%	-18,000
		Segment profit	8,219	9,200	8,400	+2.2%	-800
		Segment profit margin	2.5%	2.7%	2.6%	+0.1ppt	-0.1ppt
Consumer goods	Building materials	Net sales	71,842	75,000	75,000	+4.4%	±0
		Segment profit	2,653	2,700	2,700	+1.8%	±0
		Segment profit margin	3.7%	3.6%	3.6%	-0.1ppt	+0.0ppt
	Home products	Net sales	101,119	104,000	102,000	+0.9%	-2,000
		Segment profit	5,274	6,300	5,300	+0.5%	-1,000
		Segment profit margin	5.2%	6.1%	5.2%	-0.0ppt	-0.9ppt
	Consumer goods total	Net sales	172,962	179,000	177,000	+2.3%	-2,000
		Segment profit	7,927	9,000	8,000	+0.9%	-1,000
		Segment profit margin	4.6%	5.0%	4.5%	-0.1ppt	-0.5ppt
Other		Net sales	5,241	4,000	4,000	-23.7%	±0
		Segment profit	-6,259	-6,200	-6,400	-	-200
		Segment profit margin	-	-	-	-	-
Consolidated		Net sales	506,866	530,000	510,000	+0.6%	-20,000
		Operating profit	9,887	12,000	10,000	+1.1%	-2,000
		Operating profit margin	2.0%	2.3%	2.0%	-0.0ppt	-0.3ppt

ともに、未来を切拓く



[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."