

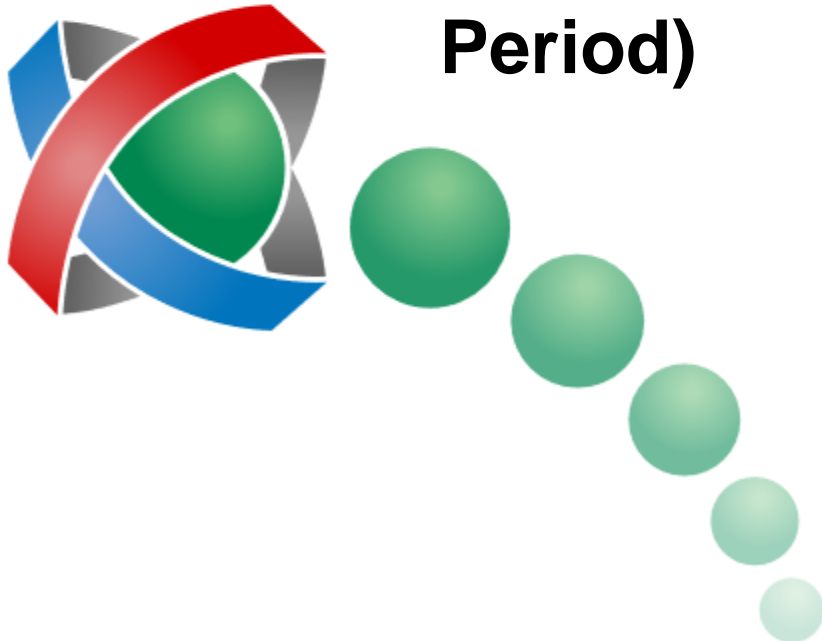
YAMAZEN CORPORATION

FY3/25

Q2

**(Semi-annual
Period)**

Supplementary Materials for Financial Results



Stock Code: 8051

 **YAMAZEN CORPORATION**

AGENDA

I . FY3/25 Q2 (Semi-annual Period) Financial Highlights

II . Earnings Forecast for FY3/25,

Medium-Term Management Plan

III . Shareholder Returns and Capital Policy

Appendix

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I . FY3/25 Q2 (Semi-annual Period) Financial Highlights

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

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(Million yen)	FY3/24 Q2 (Semi-annual period)	FY3/25 Q2 (Semi-annual period)	Percentage change YoY
Net sales	248,680	248,924	+ 0.1%
Gross profit	36,793	37,347	+ 1.5%
(Gross profit margin)	14.8%	15.0%	+0.2ppt
SG&A expenses	31,923	33,905	+ 6.2%
Operating profit	4,869	3,442	-29.3%
(Operating profit margin)	2.0%	1.4%	-0.6ppt
Non-operating profit/loss	431	52	-87.7%
Ordinary profit	5,301	3,494	-34.1%
Extraordinary gain/loss	- 2	640	-
Profit attributable to owners of parent	3,274	2,567	-21.6%

Net sales increased 0.1% YoY due to steady performance in the Overseas Production Equipment Business and Building Materials Business, which offset the negative results in the Domestic Production Equipment Business and Home Products Business. Gross profit increased by 1.5%, mainly due to an increase in gross profit margin. Operating profit decreased 29.3% YoY due to the system-related expenses associated with the introduction of SAP ERP as a growth investment, and the increase in personnel expenses, logistics expenses, etc.

FY3/25 Q2 (Semi-annual Period) Net Sales by Business Segment

(Million yen)	FY3/24 Q2 (Semi-annual period)	FY3/25 Q2 (Semi-annual period)	Percentage change YoY
Machine Tools Division	63,468	58,919	- 7.2%
Industrial Solution Division	45,366	49,150	+ 8.3%
Tool & Engineering Division	51,288	51,572	+ 0.6%
(Total for Production Equipment Business)	160,123	159,642	- 0.3%
Building Materials Division	35,240	37,874	+ 7.5%
Home Products Division	50,805	49,553	- 2.5%
(Total for Consumer Goods Business)	86,046	87,427	+ 1.6%
Other	2,510	1,854	- 26.1%
Total	248,680	248,924	+ 0.1%

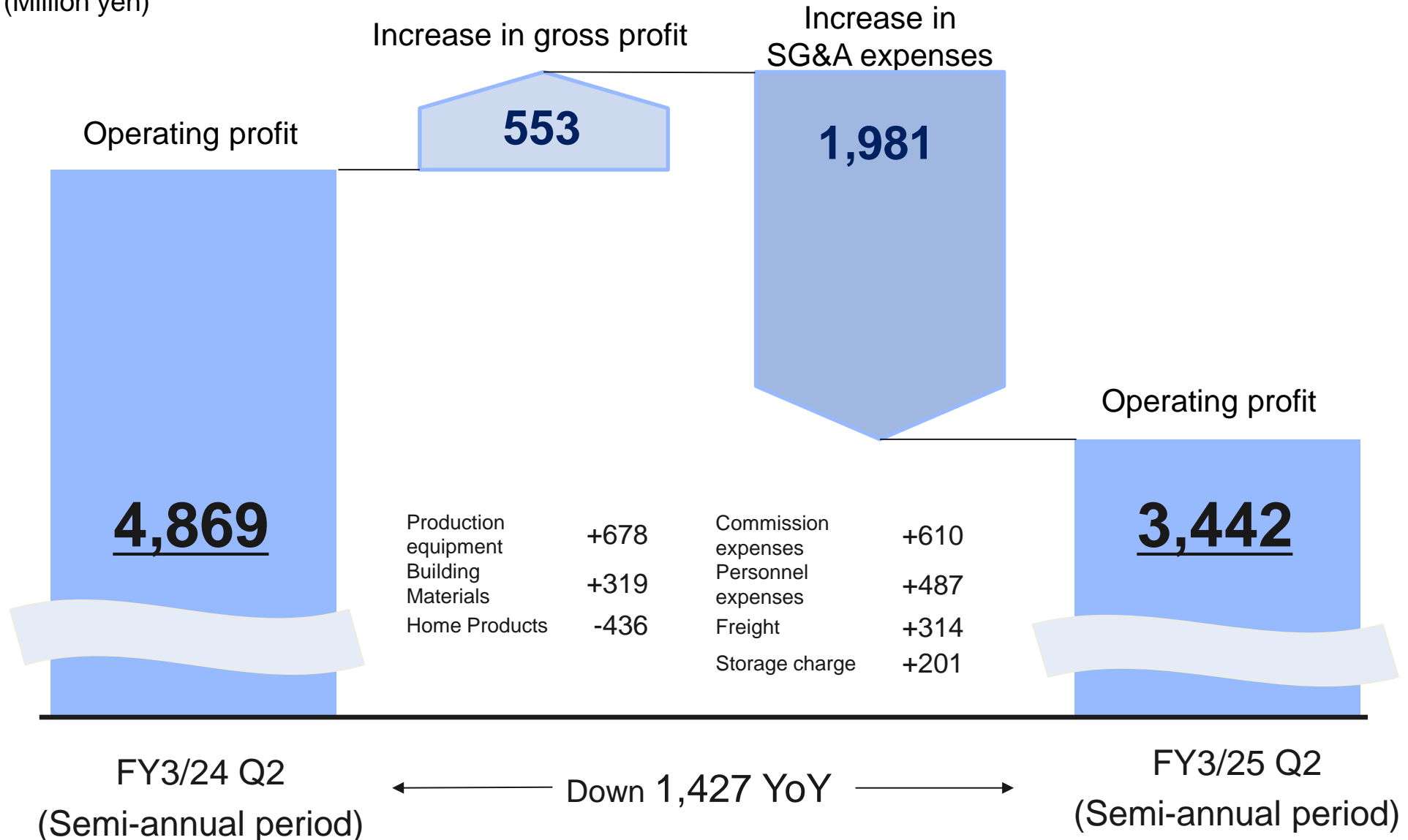
- Domestic Production Equipment Business:** In the automobile and semiconductor industries, there was no active movement toward new investments, and the performance of consumables such as machine tools and cutting tools was below the same period of the previous year. On the other hand, the need for automation and labor saving in various industrial sectors 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 there was also an effect from production adjustments in renewable energy-related industries, such as solar power generation and wind power generation, 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 Q2 (Semi-annual period)	FY3/25 Q2 (Semi-annual period)	Percentage change YoY
Production equipment	Domestic	Machine Tools	37,471	32,094	- 14.4%
		Industrial Solution	43,536	47,322	+ 8.7%
		Tool & Engineering Business	39,492	39,389	- 0.3%
		Total	120,500	118,806	- 1.4%
	Overseas	Machine Tools	25,996	26,825	+ 3.2%
		Industrial Solution + T&E Businesses Total	13,625	14,010	+ 2.8%
		Total	39,622	40,836	+ 3.1%
	Total	Net sales	160,123	159,642	- 0.3%
		Segment profit	3,434	3,084	- 10.2%
		Segment profit margin	2.1%	1.9%	- 0.2ppt

- 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 Q2 (Semi-annual period)	FY3/25 Q2 (Semi-annual period)	Percentage change YoY
Consumer goods	Building Materials Division	Net sales	35,240	37,874	+ 7.5%
		Segment profit	1,207	1,421	+ 17.7%
		Segment profit margin	3.4%	3.8%	+0.3ppt
	Home Products Division	Net sales	50,805	49,553	- 2.5%
		Segment profit	3,085	2,144	- 30.5%
		Segment profit margin	6.1%	4.3%	- 1.7ppt
	Total	Net sales	86,046	87,427	+ 1.6%
		Segment profit	4,293	3,566	- 16.9%
		Segment profit margin	5.0%	4.1%	- 0.9ppt

(Million yen)



Assets		Liabilities and Total Assets	
(End of Mar. 2024)	(End of Sep. 2024)	(End of Sep. 2024)	(End of Mar. 2024)
2,414	-207 Current assets 2,206	Current liabilities 1,355	1,401
535	+83 Noncurrent assets and deferred tax assets 619	Long-term liabilities: 213	222
		Net assets 1,255	1,326
		Total assets: 2,825	2,949

End of Mar. 2024	Item	End of Sep. 2024
5.1%	ROE	2.0%
44.6%	Shareholders' equity ratio	44.0%
1,480.16 yen	Net assets per share	1,455.74 yen
119.5 billion yen	Market cap	116.1 billion yen
10.6 billion yen	Basic operating cash flow	2.4 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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**II . Earnings Forecast for FY3/25,
Medium-Term Management Plan**

III . Shareholder Returns and Capital Policy

Appendix

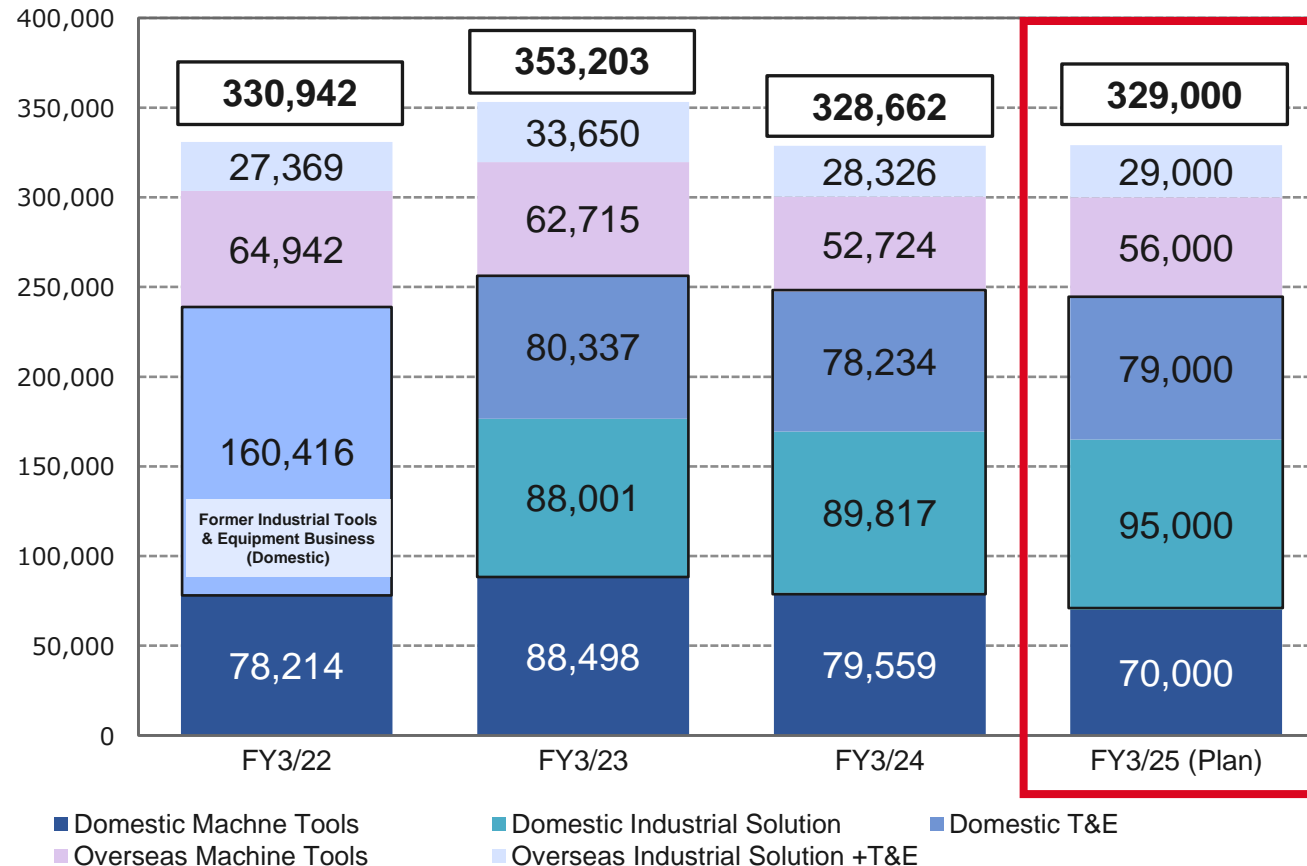
(Million yen)	FY3/24 Results	FY3/25 Plan <small>(Announced on May 14, 2024)</small>	FY3/25 Revised Plan <small>(Announced on Nov. 14, 2024)</small>	Percentage change YoY	Change from previous plan
Net sales	506,866	530,000	510,000	+0.6%	- 20,000
Operating profit	9,887	12,000	10,000	+1.1%	- 2,000
Operating 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

- ✓ Currently, although there are signs of recovery in domestic capital investment in the automobile, semiconductor, and other industries, we do not expect a rapid recovery, and capital investment demand is expected to remain uncertain due to factors such as the economic policies of the United States and China, foreign exchange risks, and geopolitical risks. Therefore, we have revised our net sales, operating profit and ordinary profit as shown above.
- ✓ 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)

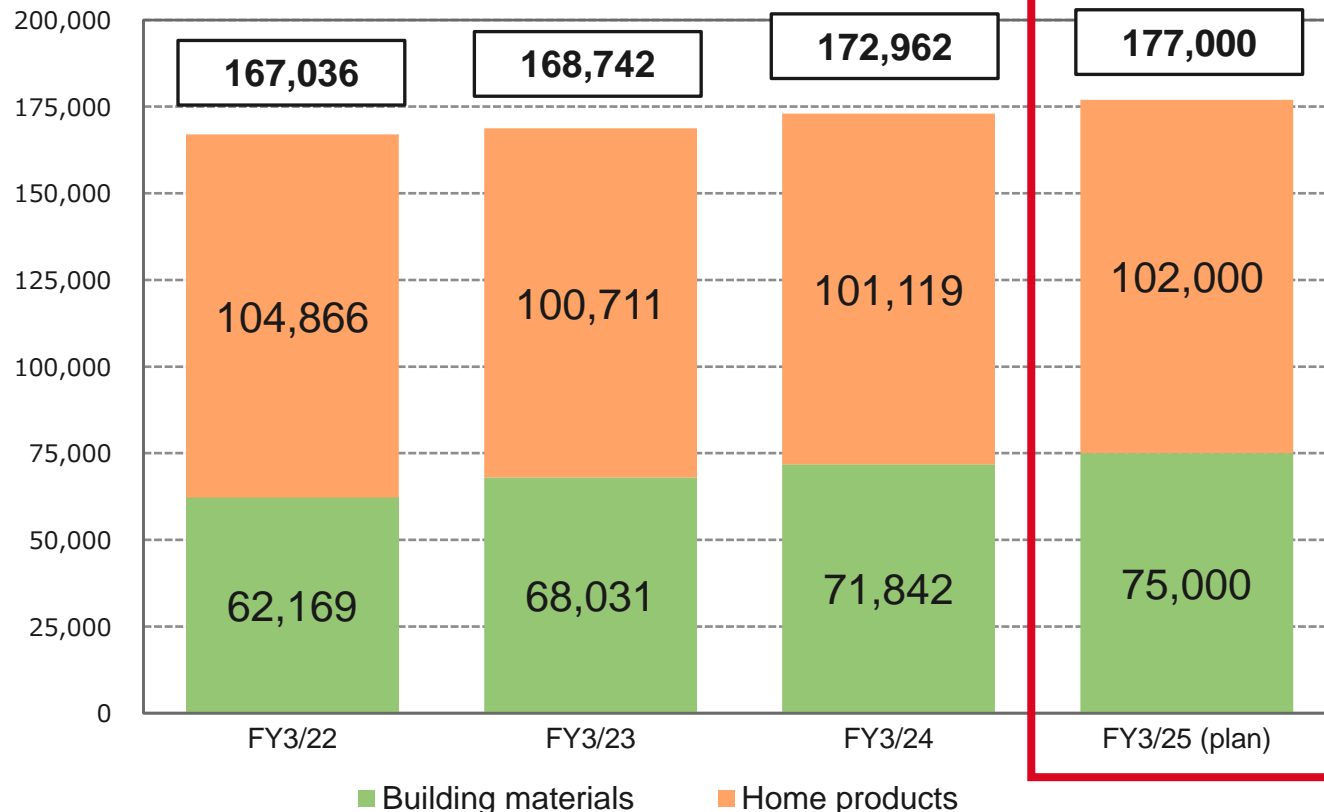


- ✓ Each division will **brush up expertise**, and **provide solutions** to meet the needs in production sites, such as “**automation and labor saving**” and “**decarbonization**” at an accelerated pace.
- ✓ Approach to new domains of **semiconductors, logistics, 3 major product industries (food, medical and cosmetics), etc.**
- ✓ **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	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 Q2 (Semi-annual Period)

YoY Comparison / Achievement Rate Against Plan

(Million yen)

Segment	Business		FY3/24 Q2 (Semi-annual period) Results	FY3/25 Q2 (Semi-annual period) 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	37,471	32,094	- 14.4%	70,000	45.8%
	Domestic Industrial Solutions	Net sales	43,536	47,322	+8.7%	95,000	49.8%
	Domestic T&E	Net sales	39,492	39,389	- 0.3%	79,000	49.9%
	Domestic production equipment total	Net sales	120,500	118,806	- 1.4%	244,000	48.7%
	Overseas Machine Tools	Net sales	25,996	26,825	+3.2%	56,000	47.9%
	Overseas Industrial Solutions + T&E	Net sales	13,625	14,010	+2.8%	29,000	48.3%
	Overseas production equipment total	Net sales	39,622	40,836	+3.1%	85,000	48.0%
	Production equipment total	Net sales	160,123	159,642	- 0.3%	329,000	48.5%
		Segment profit	3,434	3,084	- 10.2%	8,400	36.7%
		Segment profit margin	2.1%	1.9%	- 0.2ppt	2.6%	+ 0.6ppt
Consumer goods	Building materials	Net sales	35,240	37,874	+7.5%	75,000	50.5%
		Segment profit	1,207	1,421	+17.7%	2,700	52.6%
		Segment profit margin	3.4%	3.8%	+0.3ppt	3.6%	- 0.2ppt
	Home products	Net sales	50,805	49,553	- 2.5%	102,000	48.6%
		Segment profit	3,085	2,144	- 30.5%	5,300	40.5%
		Segment profit margin	6.1%	4.3%	- 1.7ppt	5.2%	+ 0.9ppt
	Consumer goods total	Net sales	86,046	87,427	+1.6%	177,000	49.4%
		Segment profit	4,293	3,566	- 16.9%	8,000	44.6%
		Segment profit margin	5.0%	4.1%	- 0.9ppt	4.5%	+ 0.4ppt
Other		Net sales	2,510	1,854	- 26.1%	4,000	46.4%
		Segment profit	-2,858	-3,208	-	-6,400	-
		Segment profit margin	-	-	-	-	-
Consolidated		Net sales	248,680	248,924	+0.1%	510,000	48.8%
		Operating profit	4,869	3,442	- 29.3%	10,000	34.4%
		Operating profit margin	2.0%	1.4%	- 0.6ppt	2.0%	+ 0.6ppt

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%

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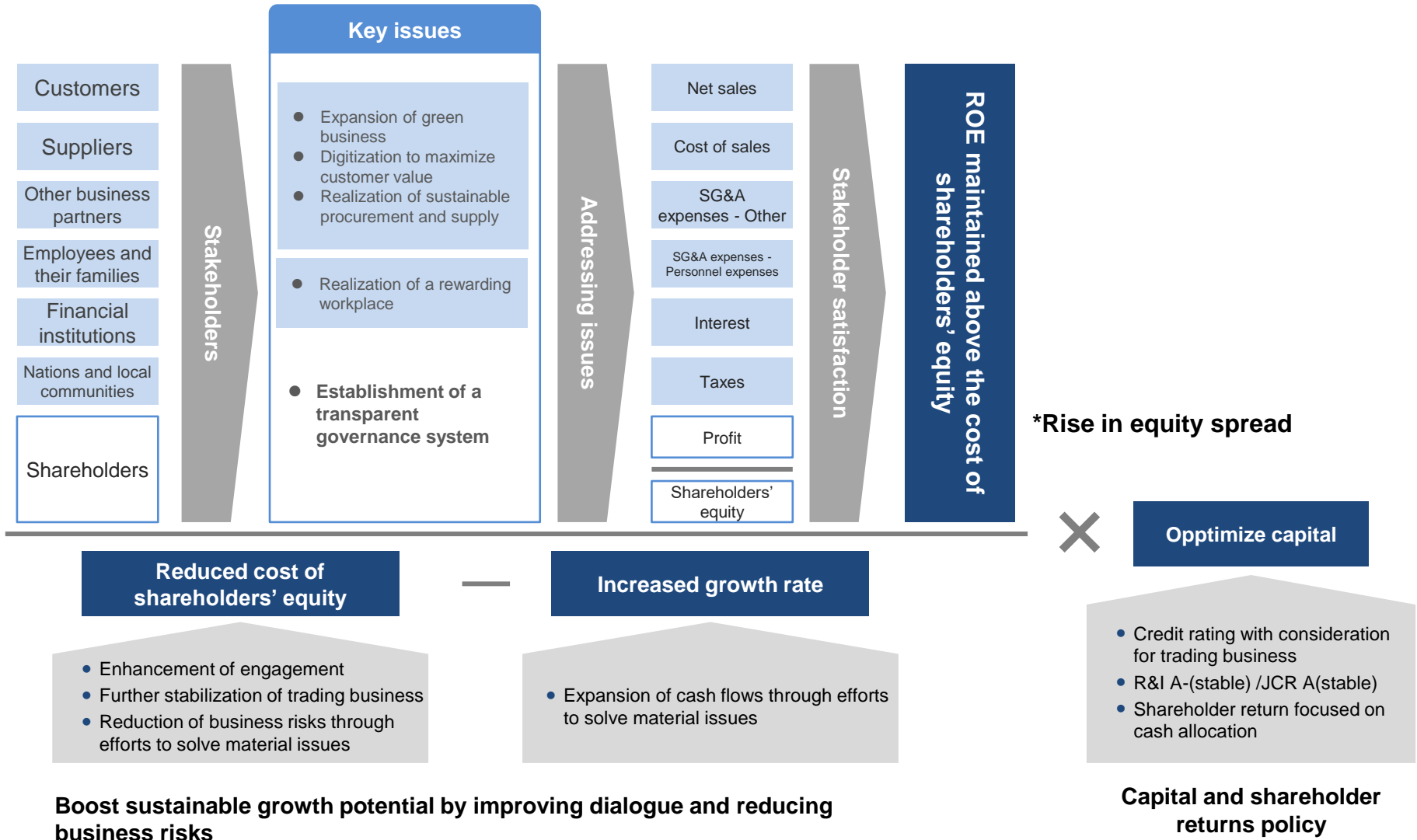
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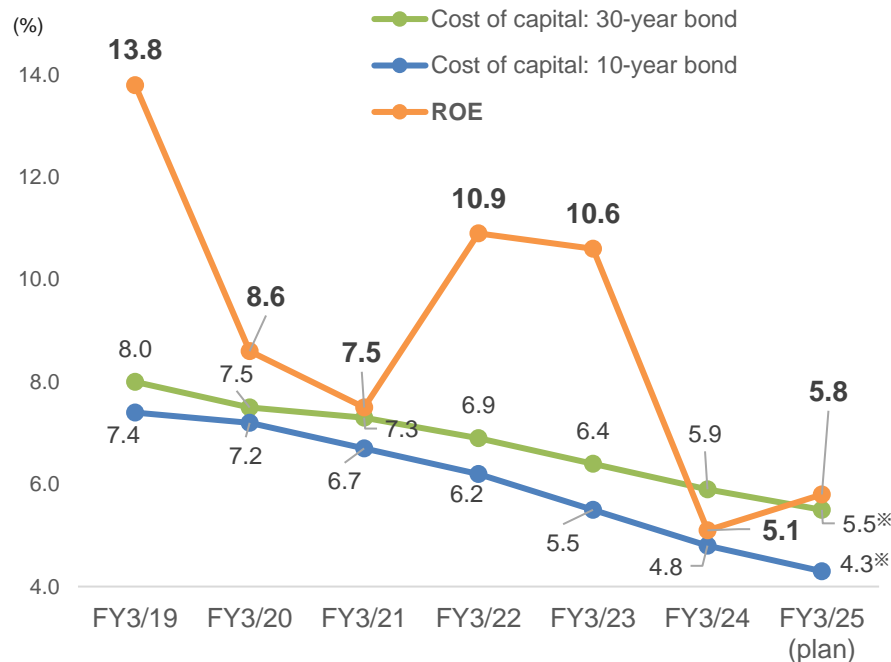
Appendix

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

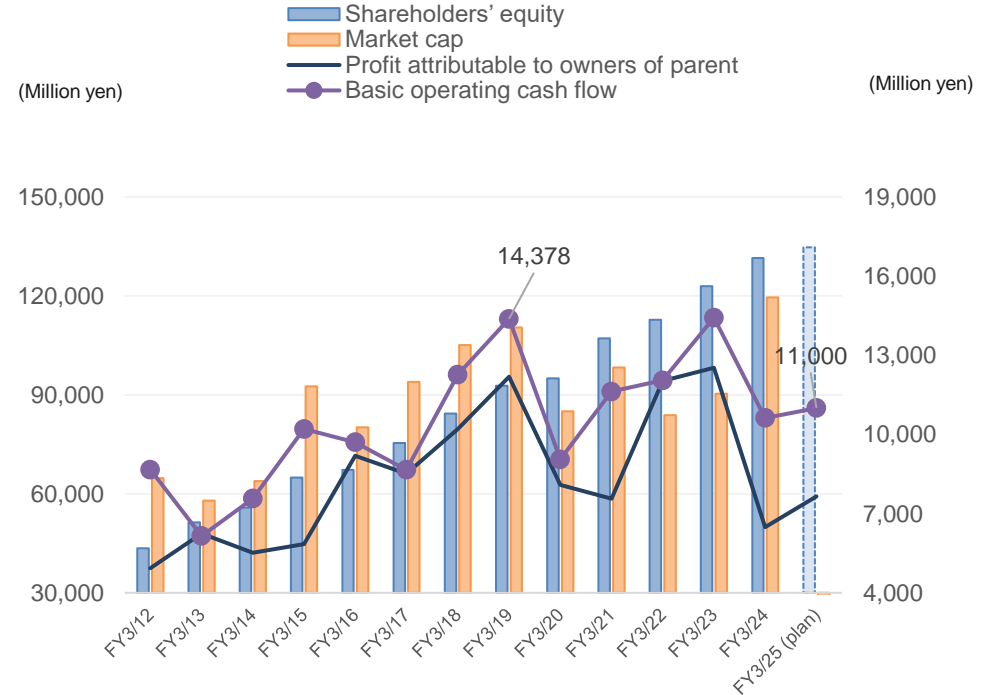


- Cost of shareholders' equity assumed to be around 7% (range of 3.39%-8.78% estimated via CAPM as of March 31, 2024)
- We will strive to reduce the cost of shareholders' equity by continuously enhancing dialogue with the market, and promote investment in business fields with excellent capital efficiency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

✓ A new growth investment phase after the capital enhancement phase

Basic operating cash flow revised to 36.0 billion yen in the revised Medium-Term Management Plan

Medium-Term Management Plan				(Billion yen)			
				FY3/23 Full-year Result	FY3/24 Full-year Result	FY3/25 Q2 (Semi-annual period)	Total
Basic operating cash flow 3-year Total Approx. 36.0	Growth investment	Business investment 20.0		0.79	1.02	*Cash flow results from Apr. to Sep.	2.71
		DX/Systems Investment 10.0		3.13	2.05	3.34	8.52
		Logistics and other investments 10.0		1.87	1.62	1.24	4.72
	Shareholder Returns	Dividend 13.5		3.56	4.45	*Includes 5 billion yen for the acquisition of treasury stock, year-end dividends, and estimated cash flow.	17.36
	Optimum capital	Retained earnings -		-	-	-	-
Cash on hand and borrowings 17.5							

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

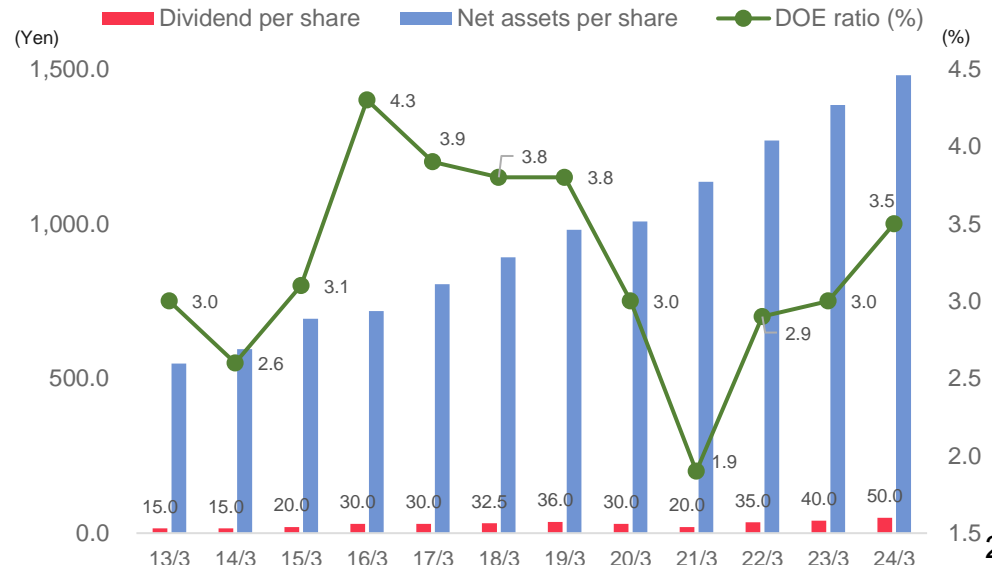
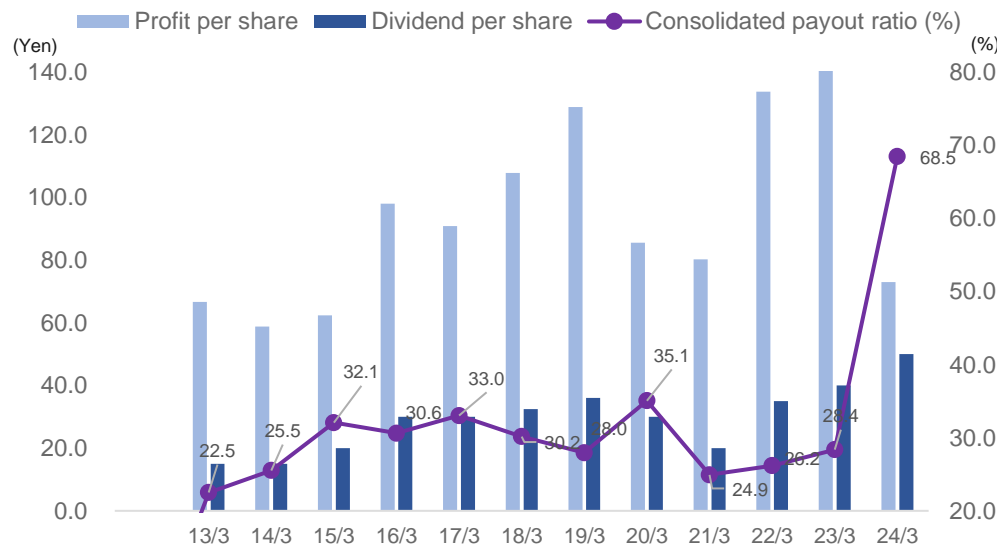
Target payout ratio of 30%

After change

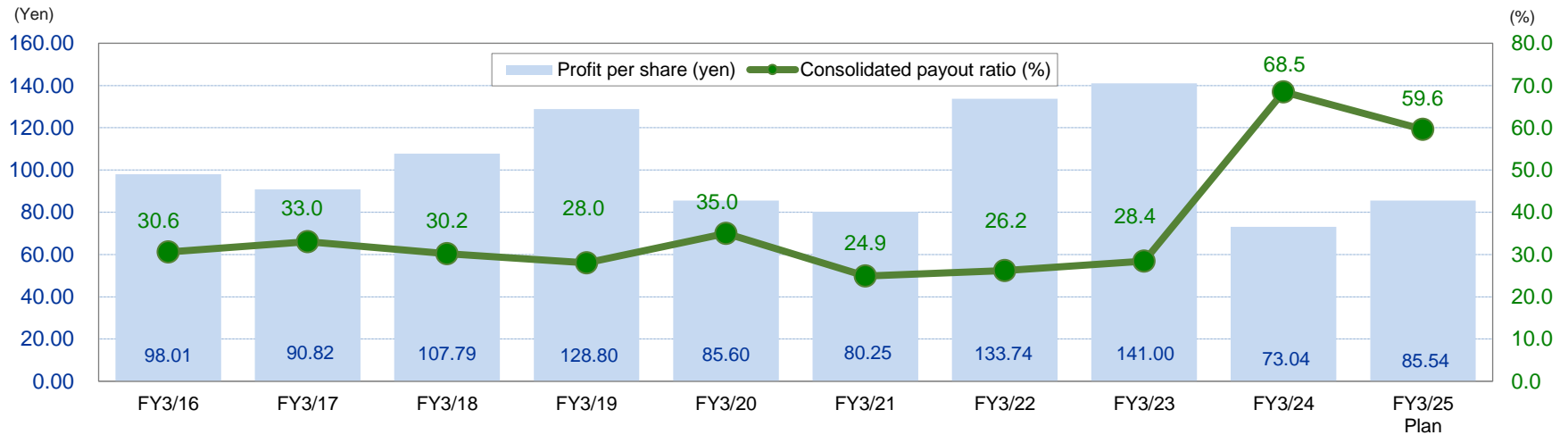
Consolidated payout ratio of 40%
or dividend on equity (DOE) ratio
of 3.5%, whichever is higher

Applicable period: FY3/24 and FY3/25

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



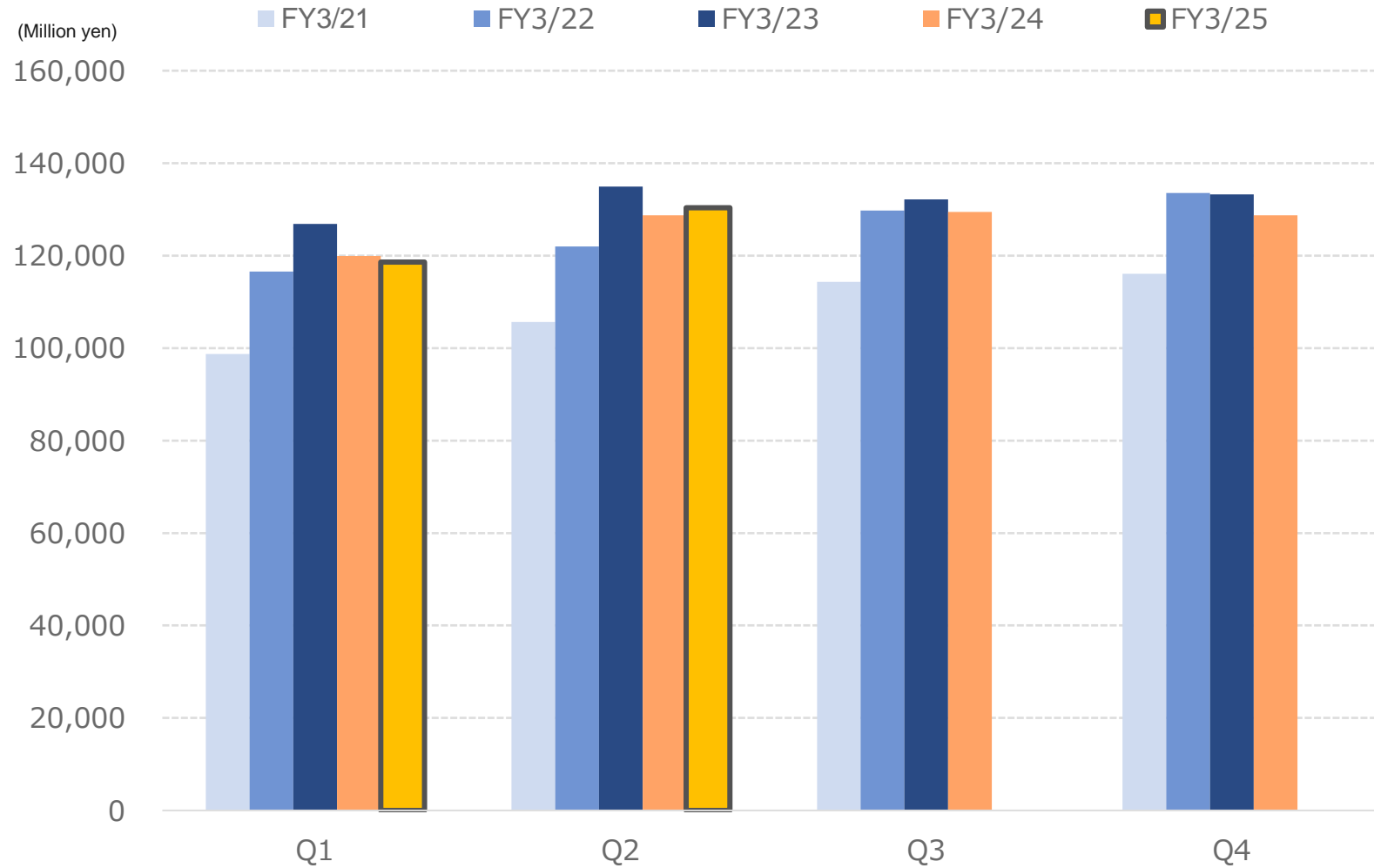
- FY3/24: Paid an interim dividend of 20 yen per share and a year-end dividend of 30 yen per share, for an annual dividend of 50 yen per share.
- FY3/25: Plan to pay an interim dividend of 20 yen per share and a year-end dividend of 31 yen per share, for an annual dividend of 51 yen per share.

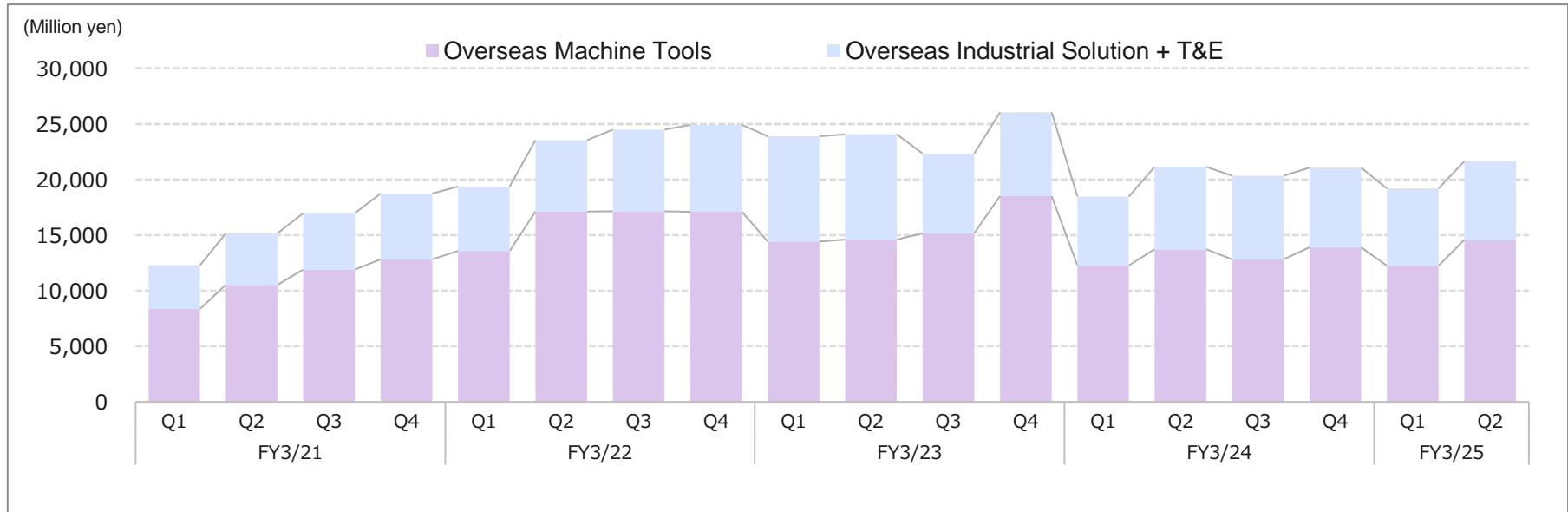
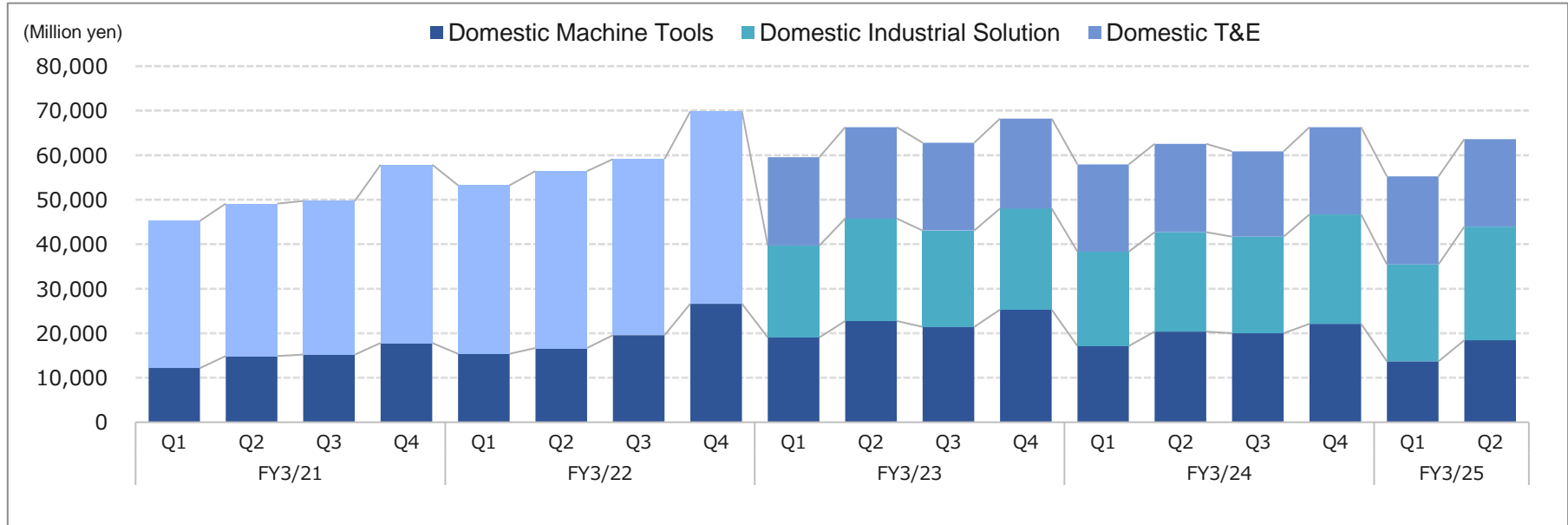


		FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25 plan
Dividend per share (yen)	Mid-year	13.0	15.0	16.0	10.0	10.0	20.0	20.0	20.0
	End of year	*19.5	*21.0	14.0	10.0	*25.0	20.0	30.0	31.0
	Annual	*32.5	*36.0	30.0	20.0	35.0	40.0	50.0	51.0
Payout ratio (%)		30.2	28.0	35.0	24.9	26.2	28.4	68.5	59.6
Dividend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

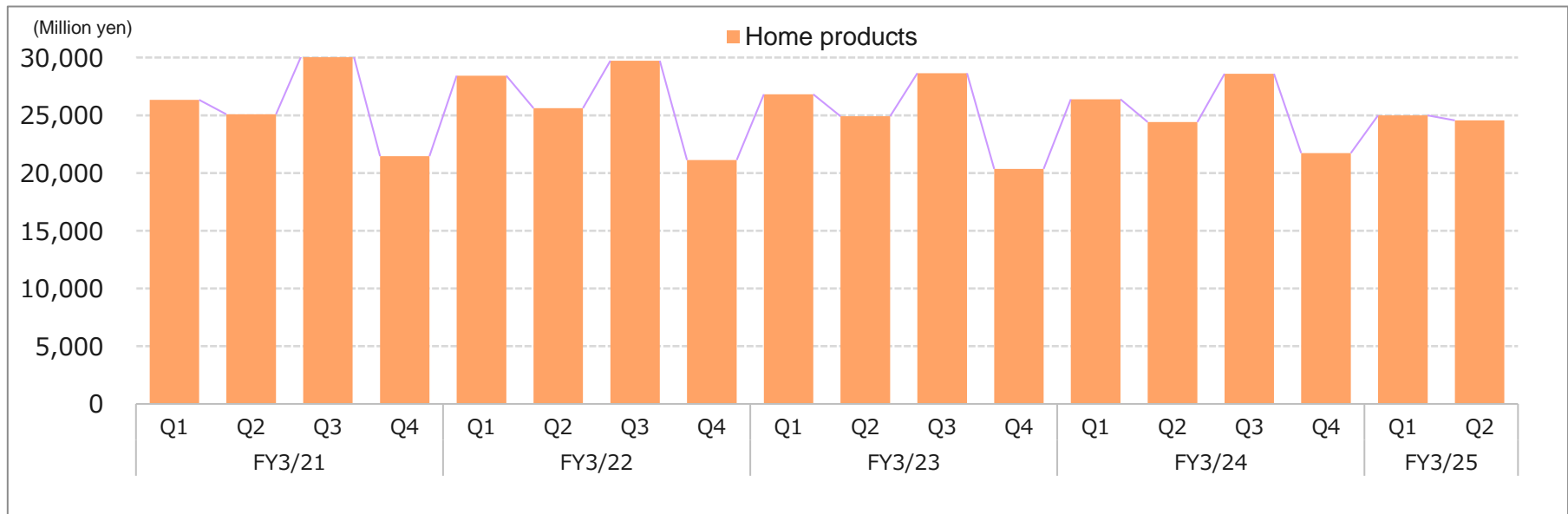
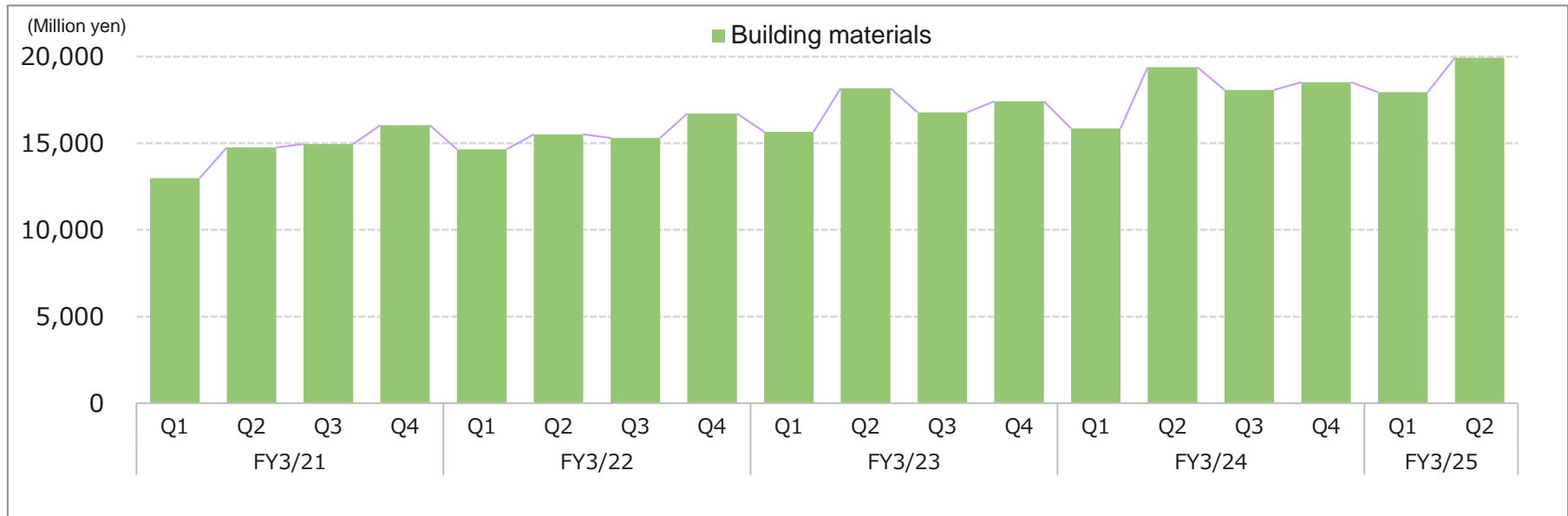
Appendix

Quarterly Trend in Consolidated Net Sales





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



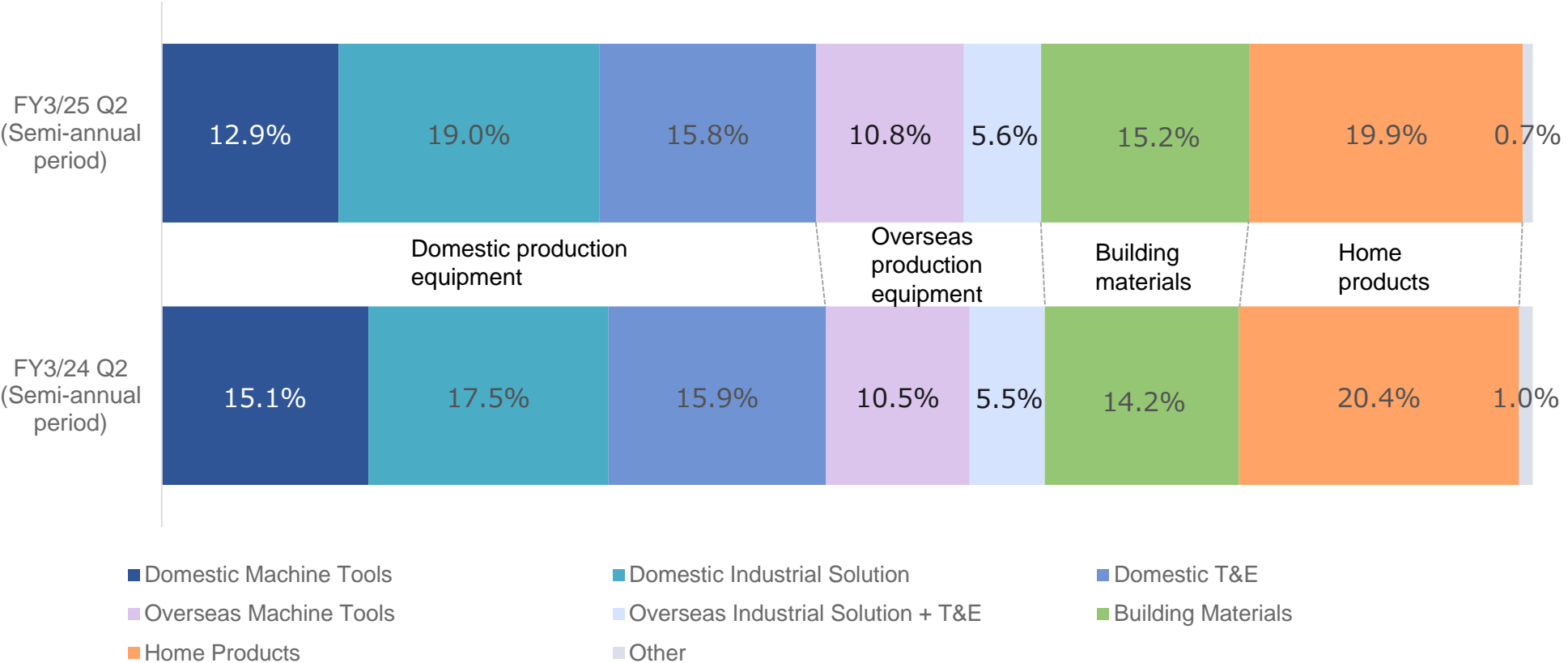
Net Sales Composition by Business (YoY Comparison)

Domestic production equipment: 48.5% → 47.7% (-0.7ppt)
 Overseas production equipment: 15.9% → 16.4% (+0.5ppt)

Building Materials Business: 14.2% → 15.2% (+1.0ppt)
 Home Products Business: 20.4% → 19.9% (-0.5ppt)

Production equipment total: 64.4% → 64.1% (-0.3ppt)

Consumer goods total: 34.6% → 35.1% (+0.5ppt)



(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."