

# YAMAZEN CORPORATION

## Briefing on the Financial Results for FY2024 and the Medium-Term Management Plan (FY 2025–FY2027)



Stock Code: 8051

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

**I . FY2024 Financial Highlights and Shareholder Returns**

**II . Review of the Previous Medium-Term Management Plan**

**“ CROSSING YAMAZEN 2024 ”**

**III . Medium-Term Management Plan**

**“PROACTIVE YAMAZEN 2027”**

**Appendix**

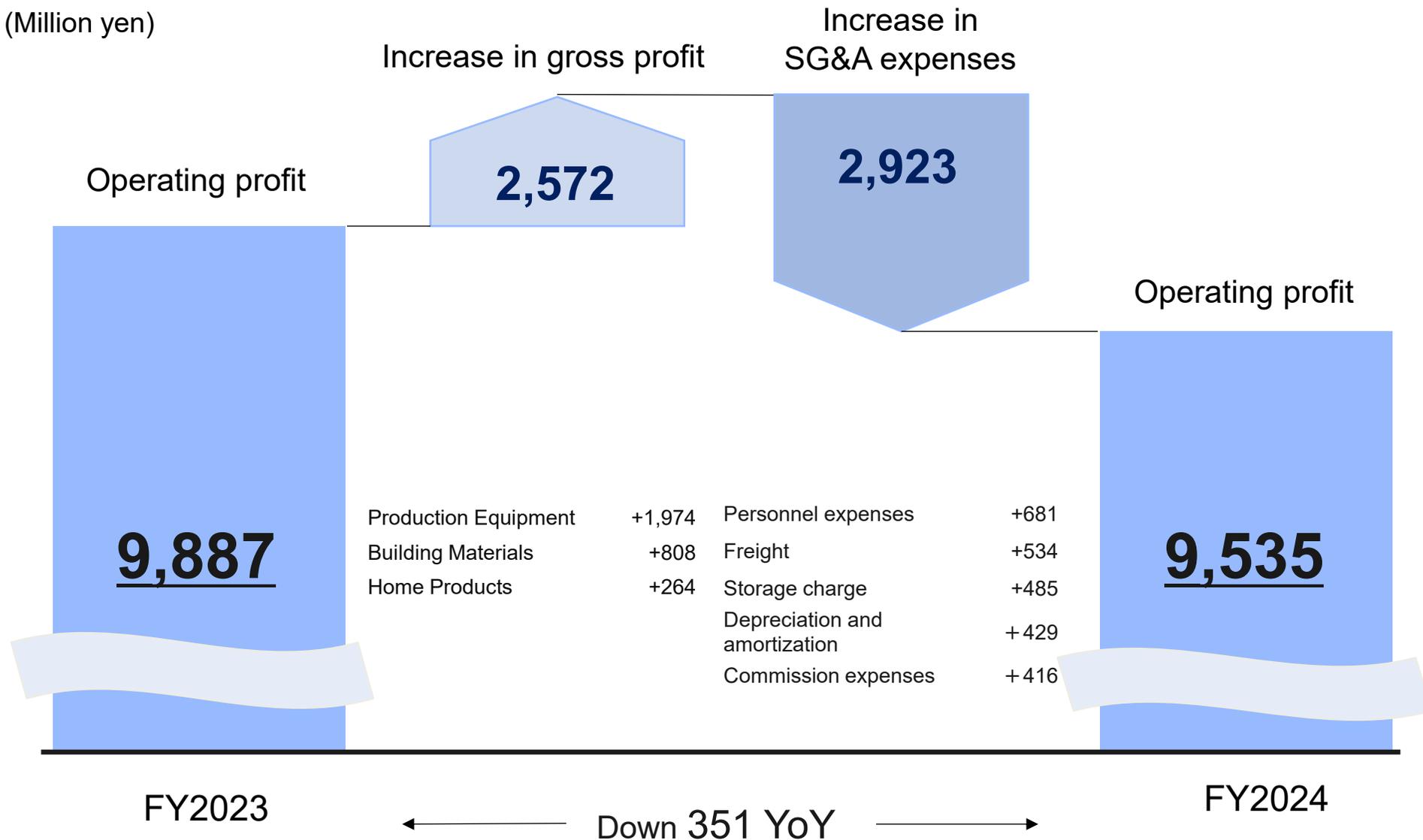
(Million yen)	FY2023	FY2024	Percentage change YoY	FY2024 Revised Plan (Announced on Nov. 14, 2024)	Achievement Rate	FY2024 Initial Plan (Announced on May 19, 2022)	Achievement Rate
Net sales	506,866	<b>516,126</b>	<b>+ 1.8%</b>	510,000	101.2%	600,000	86.0%
Gross profit	74,397	<b>76,969</b>	<b>+ 3.5%</b>	-	-	-	-
(Gross profit margin)	14.7%	<b>14.9%</b>	<b>+0.2pt</b>	-	-	-	-
SG&A expenses	64,509	<b>67,433</b>	<b>+ 4.5%</b>	-	-	-	-
Operating profit	9,887	<b>9,535</b>	<b>- 3.6%</b>	10,000	95.4%	21,000	45.4%
(Operating profit margin)	2.0%	<b>1.8%</b>	<b>- 0.1pt</b>	2.0%	-	3.5%	-
Non-operating profit/loss	548	<b>482</b>	<b>- 11.9%</b>	-	-	-	-
Ordinary profit	10,435	<b>10,018</b>	<b>- 4.0%</b>	10,000	100.2%	21,000	47.7%
Extraordinary gain/loss	-57	<b>2,237</b>	-	-	-	-	-
Profit attributable to owners of parent	6,488	<b>7,845</b>	<b>+ 20.9%</b>	7,600	103.2%	14,000	56.0%

- The Overseas Production Equipment Business and Building Materials Business performed steadily, and sales increased 1.8% YoY.
- Gross profit increased 3.5% YoY due to increased sales.
- Due to a 4.5% increase in SG&A expenses, mainly driven by growth investments such as ERP system-related costs, as well as increases in personnel and logistics expenses, operating profit declined 3.6% YoY.
- Profit attributable to owners of parent increased 20.9% due to the recording of a gain on sales of policy stockholdings.

(Million yen)	FY2023	FY2024	Percentage change YoY
Machine Tools Division	132,284	128,298	- 3.0%
Industrial Solution Division	93,189	99,217	+ 6.5%
Tool & Engineering Division	103,188	105,689	+ 2.4%
(Total for Production Equipment Business)	328,662	333,205	+ 1.4%
Building Materials Division	71,842	78,623	+ 9.4%
Home Products Division	101,119	100,883	- 0.2%
(Total for Consumer Goods Business)	172,962	179,506	+ 3.8%
Other	5,241	3,414	- 34.9%
Total	506,866	516,126	+ 1.8%

Sales (Million yen)		FY2023	FY2024	Percentage change YoY	
Production Equipment	Domestic	Machine Tools Division	79,559	72,217	- 9.2%
		Industrial Solution Division	89,817	95,049	+ 5.8%
		Tool & Engineering Division	78,234	80,204	+ 2.5%
		<b>Total</b>	<b>247,611</b>	<b>247,471</b>	<b>- 0.1%</b>
	Overseas	Machine Tools Division	52,724	56,080	+ 6.4%
		Industrial Solution Division and T&E Division Total	28,326	29,652	+ 4.7%
		<b>Total</b>	<b>81,051</b>	<b>85,733</b>	<b>+ 5.8%</b>
	Total	Net sales	<b>328,662</b>	<b>333,205</b>	<b>+ 1.4%</b>
		Segment profit	<b>8,219</b>	<b>8,291</b>	<b>+ 0.9%</b>
Segment profit margin		<b>2.5%</b>	<b>2.5%</b>	<b>- 0.0pt</b>	
Consumer Goods	Building Materials Division	Net sales	<b>71,842</b>	<b>78,623</b>	<b>+ 9.4%</b>
		Segment profit	<b>2,653</b>	<b>3,192</b>	<b>+ 20.3%</b>
		Segment profit margin	<b>3.7%</b>	<b>4.1%</b>	<b>+0.4pt</b>
	Home Products Division	Net sales	<b>101,119</b>	<b>100,883</b>	<b>- 0.2%</b>
		Segment profit	<b>5,274</b>	<b>4,449</b>	<b>- 15.6%</b>
		Segment profit margin	<b>5.2%</b>	<b>4.4%</b>	<b>- 0.8pt</b>
	Total	Net sales	<b>172,962</b>	<b>179,506</b>	<b>+ 3.8%</b>
		Segment profit	<b>7,927</b>	<b>7,641</b>	<b>- 3.6%</b>
		Segment profit margin	<b>4.6%</b>	<b>4.3%</b>	<b>- 0.3pt</b>

(Million yen)



Assets		Liabilities and Total Assets	
(End of Mar. 2024)	(End of Mar. 2025)	(End of Mar. 2025)	(End of Mar. 2024)
241.4	-12.0	Current liabilities 143.7	+3.6
		Long-term liabilities 20.5	-1.6
53.5	+9.3	Net assets 127.9	-4.6
		Total assets: 292.2	-2.7
	Current assets 229.4		
	Noncurrent assets and deferred tax assets 62.8		
			140.1
			22.2
			132.6
			294.9

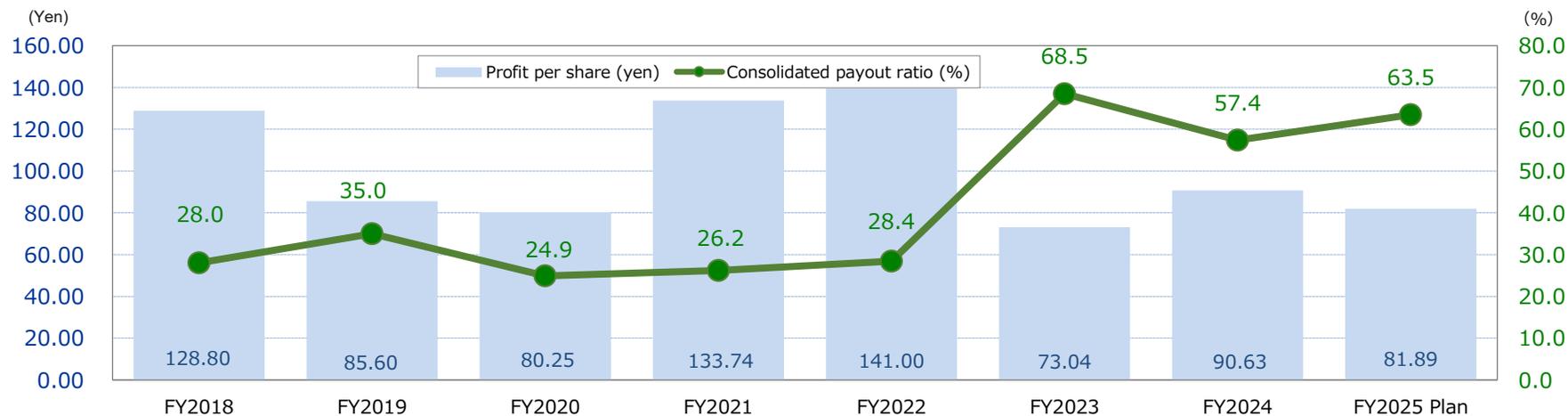
End of Mar. 2024	Item	End of Mar. 2025
5.1%	ROE	6.1%
44.6%	Shareholders' equity ratio	43.3%
1,480.16 yen	Net assets per share	1,481.00 yen
119.5 billion yen	Market cap	112.5 billion yen
10.6 billion yen	Basic operating cash flow	8.3 billion yen

(Billion yen)

\*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.

- FY2024: Paid an interim dividend of 20 yen per share and a year-end dividend of 32 yen per share, for an annual dividend of 52 yen per share.
- FY2025: Plan to pay an interim dividend of 20 yen per share and a year-end dividend of 32 yen per share, for an annual dividend of 52 yen per share.



		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Plan
Dividend per share (yen)	Mid-year	15.0	16.0	10.0	10.0	20.0	20.0	20.0	20.0
	End of year	*21.0	14.0	10.0	*25.0	20.0	30.0	32.0	32.0
	Annual	*36.0	30.0	20.0	35.0	40.0	50.0	52.0	52.0
Payout ratio (%)		28.0	35.0	24.9	26.2	28.4	68.5	57.4	63.5
Dividend on equity ratio (DOE) (%)		3.8	3.0	1.9	2.9	3.0	3.5	3.5	3.5
Dividend paid (Million yen)		3,405	2,837	1,891	3,115	3,560	4,451	4,453	-
Amount of treasury stock acquired (Million yen)		-	-	-	5,999	-	-	4,999	-
Total return ratio (%)		28.0	35.0	24.9	75.8	28.4	68.5	120.5	63.5

# **Medium-Term Management Plan**

## **“PROACTIVE YAMAZEN 2027”**

### **(FY 2025–FY2027)**



## AGENDA

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Appendix



## Founder Takeo Yamamoto

Founded Yamazen Tool Manufacturing & Sales Co., Ltd. in May 1947. Expanded the company's business domain from machinery tools to machine tools, housing equipment, and home products. The company's rapid growth through unique management attracted attention and became the model for the novel Doterai Yatsu. He died in 1991 (aged 70).

## Management of Fostering Personnel

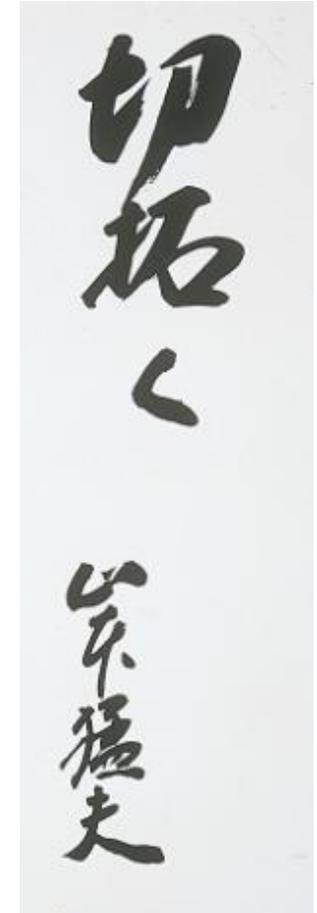
To make active use of personnel, and to foster independent and virtuous employees

## Management of Breaking Through

To challenge, innovate and create

## Management of Trust

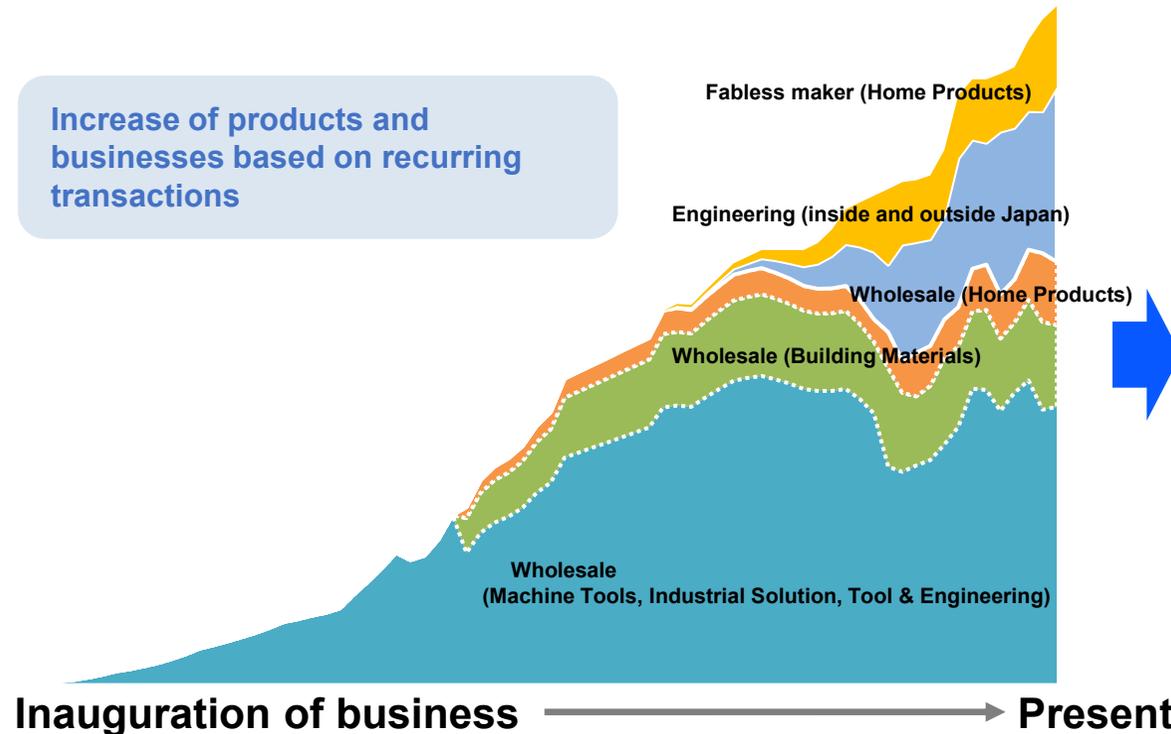
To respond to the needs and expectations of society and contribute to them



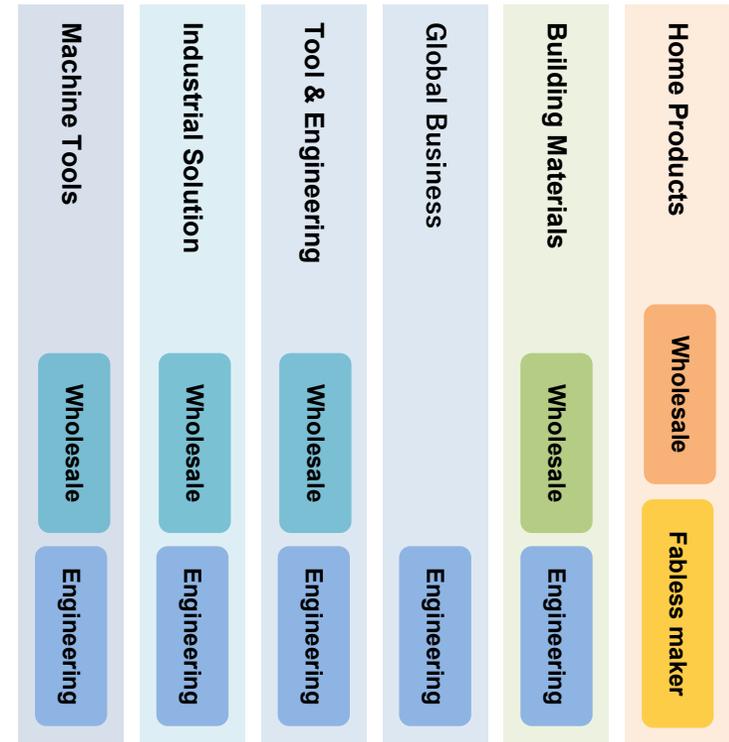
- We started business with wholesale of production equipment, developed a revenue base with recurring transactions with many clients, added some spot transactions, transformed them into recurring ones, and expanded our business domain and scale

## Business operation of YAMAZEN (schematic diagram)

Increase of products and businesses based on recurring transactions



## Business and Organizational Relationships



\*\*"Fabless maker" refers to net sales from private brand home products, while the "wholesale" of home products refers to net sales other than of private brand products.

## ■ Production Equipment Business

	Business outline	Major items handled
<b>Machine Tools</b> Domestic/Overseas	In collaboration with top makers inside and outside Japan, <b>we offer production and processing systems (cutting-edge hardware and software)</b> with machine tools for on-site operation, to support “manufacturing” inside and outside Japan.	Machine tools, metal forming machines, plate processing machines, injection molding machines, die-casting machines, CAD/CAM, etc.
<b>Industrial Solution</b> Domestic/Overseas	We <b>meet a variety of needs (consumables, ancillary facilities, etc.)</b> at production sites, and provide an <b>integrated system</b> for improving production efficiency through automation and labor-saving, and the environment of each production site, and adopting cutting-edge technologies.	Material handling (devices for distribution), mechatronics (mechatronic devices, robots, labor-saving equipment), aids for environmental improvement, etc.
<b>Tool &amp; Engineering</b> Domestic/Overseas	The on-site engineering section automates production lines and selects machines and blades that constitute the production lines. <b>After the delivery of equipment, we support the procurement of supplies and maintenance consistently.</b>	Cutting tools, auxiliary tools, hand tools, electric tools, measuring equipment, fluid machinery, etc.
<b>Global Business</b>	We have community-based <b>sales systems and an advanced engineering function</b> in major industrial cities, and <b>comprehensively support</b> the design of production lines, the installation of machine tools, and maintenance.	The same as in the above three businesses.

## Business model and strengths

<b>Wholesale (Japan)</b>	<b>Machine Tools:</b> Profit margin is low but there is <u>no stock and extremely high return on capital</u>
	<b>Industrial Solution/T&amp;E:</b> <ul style="list-style-type: none"> <li>· <u>To grasp latent needs from users and propose solutions</u></li> <li>· <u>Inventory control</u> for swift delivery</li> </ul>
<b>Engineering (inside and outside Japan)</b>	We directly sell products to factories while adding engineering functions, achieving a <u>high profit margin</u>

## ■ Consumer Goods Business

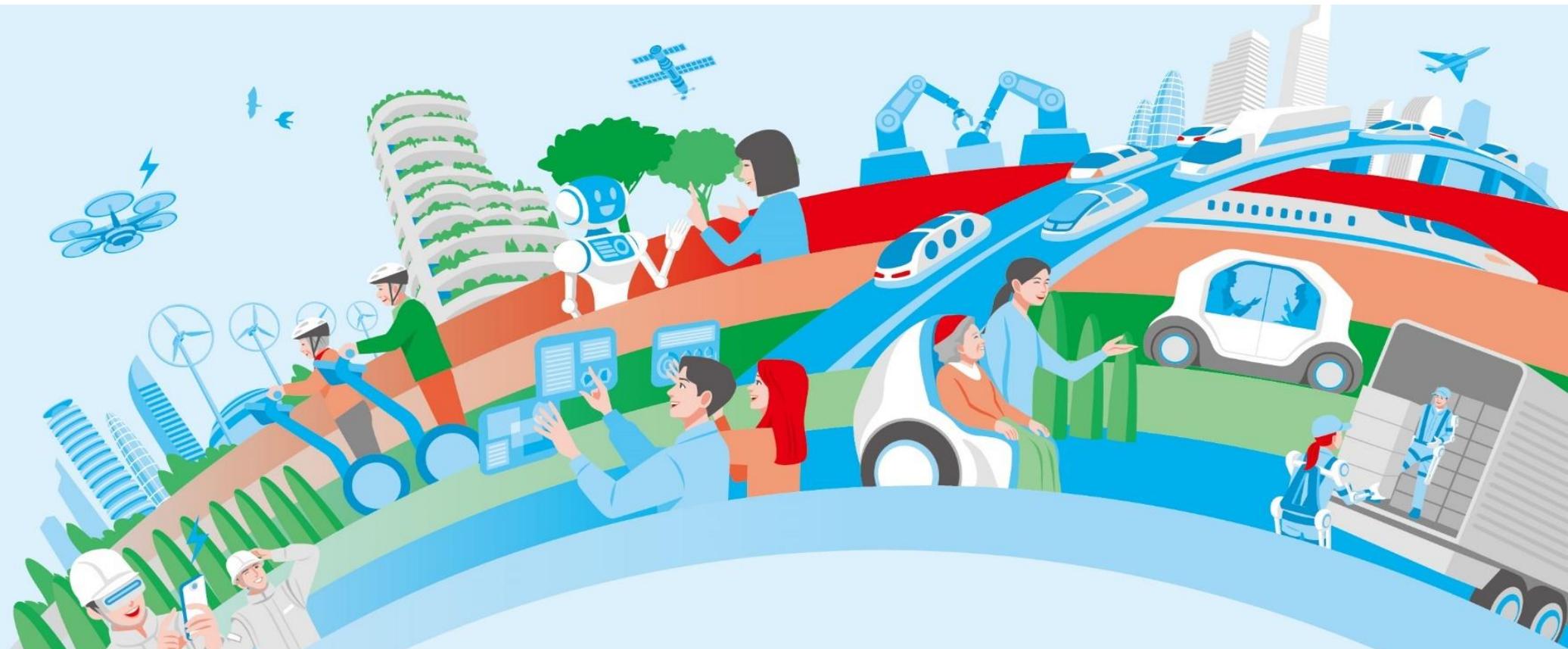
<b>Building Materials</b> Domestic	To comprehensively propose new products and systems aimed at realizing society and living space that are friendly to people and the earth, including environment-conscious, decarbonized, healthy, and barrier-free ones. In detail, <b>we procure and stably supply processed wooden products and primarily and secondarily processed industrial products, propose and sell building materials, equipment, devices, etc.</b> , and also concentrate on <b>renovation business</b> .	Kitchens, cooking appliances, kitchen-related appliances, bathroom appliances, washbasin appliances, Water boiling equipment, Sanitary appliances, air-conditioning/ventilation equipment, solar power generation, storage batteries, floor heating, solar thermal water heating equipment, stored-heat heating systems, plumbing equipment & materials, interior architectural materials, electrical equipment & materials, etc.
<b>Home Products</b> Domestic	We deal in familiar and useful products that are used in daily life, such as <b>home appliances, interior, exterior, leisure, and anti-disaster goods</b> , and possess functions <b>as a trading company in the field of distribution and logistics and as a maker that plans and develops original products.</b>	Planning, development, and sale of home appliances (electric fans, heating equipment, cooking equipment, audiovisual equipment, lifestyle appliances), furniture, products for outdoor and leisure activities, kitchen utensils, daily goods, exteriors, gardening products, agriculture products, Healthcare goods, sanitary goods, industrial tools, goods for automobiles and motorcycles, anti-disaster goods, etc.



<b>Wholesale</b>	A wholesale model for building materials and equipment to house builders, etc., with an immediate delivery system through distribution bases nationwide, <u>with extremely high return on capital through a model that holds almost no stock</u>
<b>Wholesale</b>	<u>Stable cashflow generation through a wide assortment of national brand and private brand products</u>
<b>Fabless maker</b>	<u>High profit margin</u> through the sale of private brand products that meet consumer needs

## Leading worldwide manufacturing and enriched lives

Yamazén has continually been a contributor to society, satisfying numerous user expectations in the two domains of Production Equipment that support manufacturing, and Consumer Goods that enrich everyday living. Moving forward, we will create new value by exceeding and integrating these two boundaries to lead worldwide manufacturing and enriched lives.



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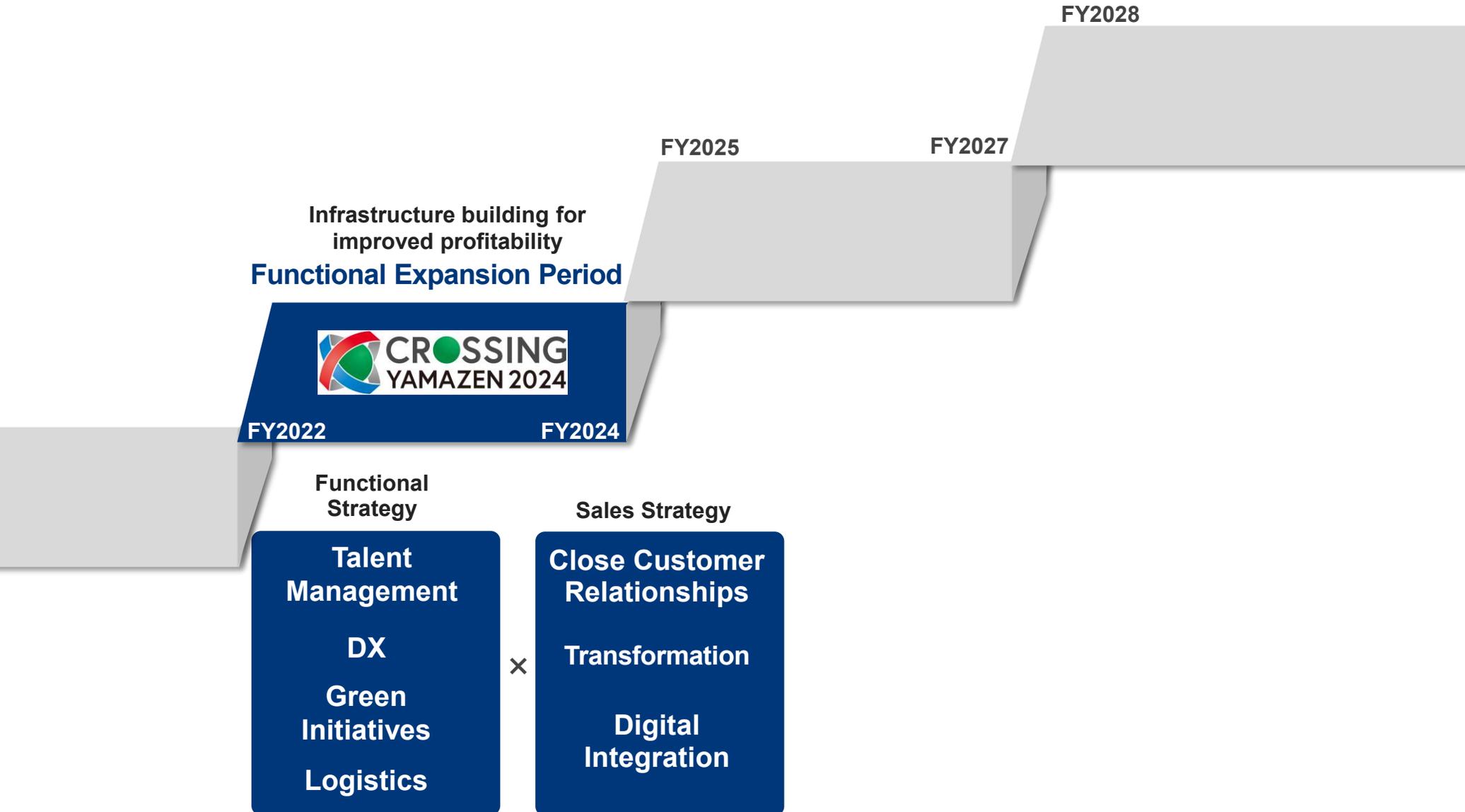
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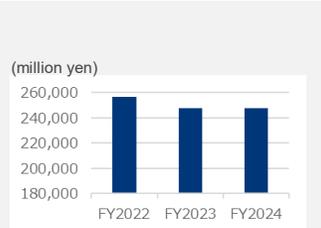
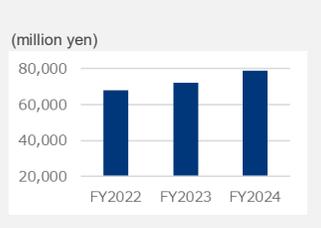
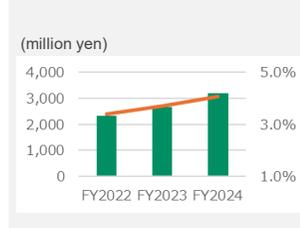
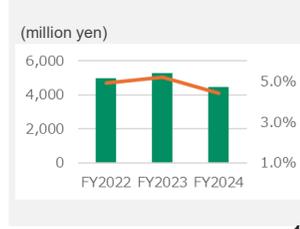
Appendix

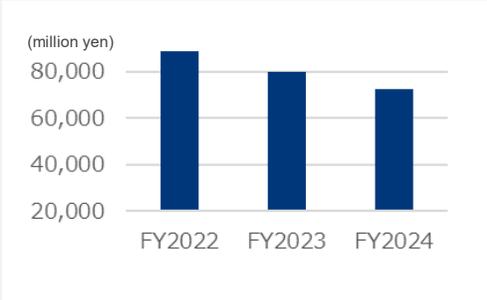
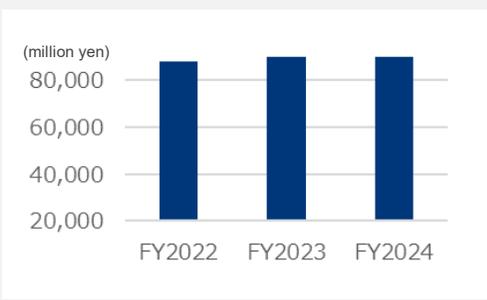
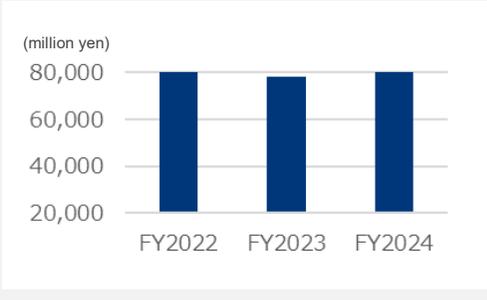


Strategies	Targets	Achievements	Challenges	Affected Segments
<b>Talent Management Strategy</b>	Strengthen human capital by implementing “management of fostering talent” to bring out the challenges and thoughtful actions of an increasingly diverse workforce and contribute to sustainable growth and development	<ul style="list-style-type: none"> <li>● Enacted talent system reforms               <ul style="list-style-type: none"> <li>→ Integration of general and regular positions, development training of next-generation female leaders, etc.</li> <li>→ Introduction of a dual-track talent system (realizing the right people, the right positions, and the right treatment through dual-track career positions)</li> <li>→ Introduction of in-house professional qualification system</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Transition to YAMAZEN-style “people-centered job type” system</li> <li>● Promoting the right people, the right positions, and the right treatment on a global level</li> <li>● Self-sustained improvement of professional capabilities to respond to change</li> </ul>	<ul style="list-style-type: none"> <li>● Company-wide</li> </ul>
<b>DX Strategy</b>	Enhance the intellectual capital of the organization by formalizing the Company’s strengths of individual sales and product development know-how while improving productivity and creating new added value	<ul style="list-style-type: none"> <li>● Built a DX strategy promotion system and secured/developed digital talent</li> <li>● Transformed into a data-driven company that makes decisions based on our Yamazen Data Platform (data collection, storage, and analysis)</li> <li>● Created new business through data-based marketing               <ul style="list-style-type: none"> <li>→ Rolled out “Genbato,” a composite SaaS platform for manufacturing companies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Providing and improving operations and mastery of skills</li> <li>● Expanding data science talent</li> <li>● Support system for business strategies and digital marketing</li> <li>● Leveraging generative AI</li> </ul>	<ul style="list-style-type: none"> <li>● Company-wide</li> </ul>
<b>Green Initiatives Strategy</b>	Promote initiatives that contribute to “reducing cost of capital” (reducing greenhouse gas emissions, promoting resource circulation, and reducing waste, etc.) and “improved growth rates” of business.	<ul style="list-style-type: none"> <li>● GBP* initiatives               <ul style="list-style-type: none"> <li>→ Introduced GBP App/started GBP App external sales</li> </ul> </li> <li>● Corporate PPA business               <ul style="list-style-type: none"> <li>→ 7 sites 5.8MW</li> <li>→ Joined secondary market (operational roof-mounted solar power generation business). 58 sites 15.5MW</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Approaching suppliers, major users, supply chains, and trade associations for GBP App external sales</li> <li>● Promoting decarbonization management to companies participating in GBP and expanding suppliers</li> <li>● Accelerating collaboration with business divisions and business partners to expand PPA business</li> </ul>	<ul style="list-style-type: none"> <li>● Industrial Solutions</li> <li>● Tools &amp; Engineering</li> <li>● Building Materials</li> <li>● Headquarters</li> </ul>
<b>Logistics Strategy</b>	Establish a next-generation distribution system that takes into account initiatives to improve logistics efficiency and service capabilities, as well as joint collection and delivery	<ul style="list-style-type: none"> <li>● Introduced company-wide integrated distribution system within Logirise Corp.</li> <li>● Established depots (small-scale distribution bases) in Okayama, Kanazawa, Sendai, and Sapporo</li> <li>● Logis Osaka began operations</li> <li>● Made distribution profitable and built a system for joint transportation and delivery (obtaining licenses and permits, recruiting talent, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthening collaboration among business divisions and Logirise Corp.</li> <li>● Introducing and improving the company-wide integrated distribution system at bases where it has yet to be introduced</li> <li>● Optimal placement of bases (Home Products, Production Equipment depots)</li> </ul>	<ul style="list-style-type: none"> <li>● Tools &amp; Engineering</li> <li>● Building Materials</li> <li>● Home Products</li> </ul>

\*GBP: Green Ball Project. Activities contributing to the reduction of CO2 emissions by collecting and quantifying the amount of CO2 emissions reduction expected by selling and installing energy-saving/energy-creating equipment handled by the Company to factories and general households through companies (distributors) participating in this project. The GBP App has been introduced in-house as an app to enable us to ascertain and visualize the total amount of CO2 emissions. Additionally, by selling the app externally, we will contribute to making CO2 emissions visible throughout the entire supply chain as a distribution/trading company.

	Targets	Initiatives & Achievements
<b>Close Customer Relationships</b>	Understand customer challenges from their perspective, present solutions, and create win-win relationships	<ul style="list-style-type: none"> <li>● Strengthened digital channels that serve as points of contact with customers (informational sites, e-commerce sites, etc.)</li> <li>● Established specialized division for semiconductors and industrial equipment (clarified growth markets)</li> <li>● Allocated technical sales staff (strengthened expertise)</li> </ul>
<b>Transformation</b>	Provide total solutions that include not only product sales but also product manufacturing, engineering, green business, etc.	<ul style="list-style-type: none"> <li>● Rolled out “Genbato,” a composite SaaS platform for manufacturing companies</li> <li>● Strengthened green business to resolve social issues (PPA business/GBP App)</li> <li>● Strengthened distribution functioning by introducing company-wide integrated distribution system and establishing the Logis Tokyo and Logis Osaka depots</li> </ul>
<b>Digital Integration</b>	Create new added value by strengthening customer contact points using digital technology, providing new solutions, and connecting the “knowledge” gained through this to “talent”	<ul style="list-style-type: none"> <li>● Improved customer benefits and streamlined operations through full roll out of BtoB website</li> <li>● Strengthened BtoB business by launching “Yamazen Bizcom (our own e-commerce site)” for Home Products</li> <li>● Created data-driven management infrastructure by building the Yamazen Data Platform (data collection, storage, and analysis)</li> </ul>

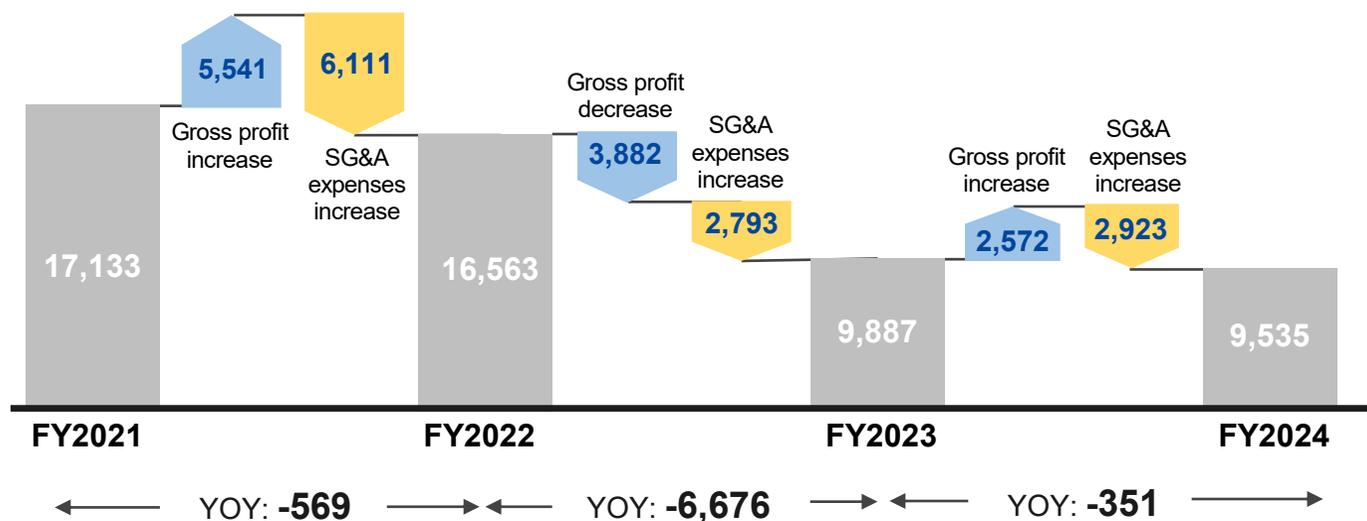
	Business Strategies	Achievements	Challenges	3-Year Net Sales Trends	3-Year Operating Profit Trends																				
<b>Domestic Production Equipment Business</b>	<ul style="list-style-type: none"> <li>Acquire/strengthen engineering functioning</li> <li>Strengthen industry/product expertise</li> <li>Strengthen product development</li> <li>Build a digital service e-commerce platform</li> </ul>	<ul style="list-style-type: none"> <li>Recruited highly skilled engineering talent</li> <li>Strengthened ability to make effective proposals by recruiting specialists in the semiconductor industry and metal processing</li> <li>Made progress in original product development</li> <li>Improved operational efficiency by launching a next-generation BtoB website</li> </ul>	<ul style="list-style-type: none"> <li>Responding to the decline in profitability due to upfront investment</li> <li>Responding to the structural changes in the automobile industry</li> <li>Responding to the rise of digital channels</li> <li>Effectively leveraging professional talent</li> </ul>	 <table border="1"> <caption>3-Year Net Sales Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>250,000</td> </tr> <tr> <td>FY2023</td> <td>245,000</td> </tr> <tr> <td>FY2024</td> <td>245,000</td> </tr> </tbody> </table>	Fiscal Year	Net Sales	FY2022	250,000	FY2023	245,000	FY2024	245,000	 <table border="1"> <caption>3-Year Operating Profit Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Operating Profit</th> <th>Profit Margin (%)</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>12,000</td> <td>5.0%</td> </tr> <tr> <td>FY2023</td> <td>8,000</td> <td>3.0%</td> </tr> <tr> <td>FY2024</td> <td>8,000</td> <td>3.0%</td> </tr> </tbody> </table>	Fiscal Year	Operating Profit	Profit Margin (%)	FY2022	12,000	5.0%	FY2023	8,000	3.0%	FY2024	8,000	3.0%
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<b>Global Production Equipment Business</b>	<ul style="list-style-type: none"> <li>Localize management of overseas subsidiaries</li> <li>Strengthen expertise and engineering capabilities to improve advantage</li> <li>Roll out cross-border marketing strategies</li> <li>Geographically expand business domains</li> </ul>	<ul style="list-style-type: none"> <li>Appointed foreign nationals as officers</li> <li>Increased orders of large-scale automated lines</li> <li>Supported customers in relocating production overseas</li> <li>Expanded bases in each region</li> <li>Established branch in Istanbul, Turkey</li> </ul>	<ul style="list-style-type: none"> <li>Responding to the accelerating growth of the semiconductor/electronics industries</li> <li>Responding to the rise of Asian manufacturers</li> <li>Responding to geopolitical risks</li> <li>Responding to the structural changes in the automobile industry</li> </ul>	 <table border="1"> <caption>3-Year Net Sales Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>90,000</td> </tr> <tr> <td>FY2023</td> <td>80,000</td> </tr> <tr> <td>FY2024</td> <td>85,000</td> </tr> </tbody> </table>	Fiscal Year	Net Sales	FY2022	90,000	FY2023	80,000	FY2024	85,000	 <table border="1"> <caption>3-Year Operating Profit Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Operating Profit</th> <th>Profit Margin (%)</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>12,000</td> <td>5.0%</td> </tr> <tr> <td>FY2023</td> <td>8,000</td> <td>3.0%</td> </tr> <tr> <td>FY2024</td> <td>8,000</td> <td>3.0%</td> </tr> </tbody> </table>	Fiscal Year	Operating Profit	Profit Margin (%)	FY2022	12,000	5.0%	FY2023	8,000	3.0%	FY2024	8,000	3.0%
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<b>Building Materials Business</b>	<ul style="list-style-type: none"> <li>Strengthen initiatives in the non-residential sector</li> <li>Provide the streamlined functioning of designs, consulting, installation, and maintenance</li> <li>Strengthen the development of products and services with competitive advantages, such as green products</li> </ul>	<ul style="list-style-type: none"> <li>Accelerated new market development of non-residential related business partners</li> <li>Expanded the adoption of products by major builders</li> <li>Newly established a subsidy consulting department</li> <li>Newly rolled out our "ZePlus" original ZEH housing concept</li> </ul>	<ul style="list-style-type: none"> <li>Responding to the plateau in the housing market</li> <li>Responding to the diversification of sales channels for home renovations</li> <li>Responding to the pressure on profits brought by the rising material costs and personnel expenses</li> </ul>	 <table border="1"> <caption>3-Year Net Sales Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>65,000</td> </tr> <tr> <td>FY2023</td> <td>70,000</td> </tr> <tr> <td>FY2024</td> <td>75,000</td> </tr> </tbody> </table>	Fiscal Year	Net Sales	FY2022	65,000	FY2023	70,000	FY2024	75,000	 <table border="1"> <caption>3-Year Operating Profit Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Operating Profit</th> <th>Profit Margin (%)</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>2,000</td> <td>3.0%</td> </tr> <tr> <td>FY2023</td> <td>2,500</td> <td>3.0%</td> </tr> <tr> <td>FY2024</td> <td>3,000</td> <td>5.0%</td> </tr> </tbody> </table>	Fiscal Year	Operating Profit	Profit Margin (%)	FY2022	2,000	3.0%	FY2023	2,500	3.0%	FY2024	3,000	5.0%
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<b>Home Products Business</b>	<ul style="list-style-type: none"> <li>Launch and expand our own e-commerce sales channel</li> <li>Establish an optimal distribution system</li> <li>Develop and promote products based on accumulated data and improve brand strength</li> </ul>	<ul style="list-style-type: none"> <li>Established our own BtoB e-commerce site, "Yamazen Bizcom," and expanded results</li> <li>Reduced freight rates through operational optimization</li> <li>Created hit products by strengthening promotions for BtoB</li> </ul>	<ul style="list-style-type: none"> <li>Responding to the capacity limits at distribution bases</li> <li>Responding to the market shrinkage due to the domestic population decline</li> <li>Responding to the increased presence in the e-commerce market</li> </ul>	 <table border="1"> <caption>3-Year Net Sales Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>100,000</td> </tr> <tr> <td>FY2023</td> <td>100,000</td> </tr> <tr> <td>FY2024</td> <td>100,000</td> </tr> </tbody> </table>	Fiscal Year	Net Sales	FY2022	100,000	FY2023	100,000	FY2024	100,000	 <table border="1"> <caption>3-Year Operating Profit Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Operating Profit</th> <th>Profit Margin (%)</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>4,500</td> <td>5.0%</td> </tr> <tr> <td>FY2023</td> <td>5,000</td> <td>5.0%</td> </tr> <tr> <td>FY2024</td> <td>4,500</td> <td>5.0%</td> </tr> </tbody> </table>	Fiscal Year	Operating Profit	Profit Margin (%)	FY2022	4,500	5.0%	FY2023	5,000	5.0%	FY2024	4,500	5.0%
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	Business Strategies	Achievements	Challenges	3-Year Net Sales Trends								
<b>Machine Tools Business</b>	<ul style="list-style-type: none"> <li>Acquire engineering capabilities</li> <li>Build the infrastructure for new business, such as green business</li> </ul>	<ul style="list-style-type: none"> <li>Established the Industrial Machinery Department</li> <li>Newly established the Engineering Office</li> <li>Enhanced highly skilled talent</li> </ul>	<ul style="list-style-type: none"> <li>Responding to supplier changes (industry reorganization, distribution channels, etc.)</li> <li>Responding to the structural changes in the automobile industry</li> <li>Responding to the expansion of sales talent</li> </ul>	 <table border="1"> <caption>Machine Tools Business Net Sales Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (million yen)</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>~85,000</td> </tr> <tr> <td>FY2023</td> <td>~78,000</td> </tr> <tr> <td>FY2024</td> <td>~72,000</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (million yen)	FY2022	~85,000	FY2023	~78,000	FY2024	~72,000
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<b>Industrial Solution Business</b>	<ul style="list-style-type: none"> <li>Provide solutions to resolve user challenges by strengthening specialist capabilities, engineering capabilities, and product appeal (talent shortages, decarbonization, digitalization, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened expertise through organizational restructuring</li> <li>Made progress with original product development</li> <li>Enhanced the decarbonization exhibition</li> </ul>	<ul style="list-style-type: none"> <li>Developing products so as to become unique strengths</li> <li>Responding to the expansion of sales channels</li> <li>Acquiring unique user information</li> <li>Utilizing installation/system integrator functioning</li> </ul>	 <table border="1"> <caption>Industrial Solution Business Net Sales Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (million yen)</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>~85,000</td> </tr> <tr> <td>FY2023</td> <td>~88,000</td> </tr> <tr> <td>FY2024</td> <td>~88,000</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (million yen)	FY2022	~85,000	FY2023	~88,000	FY2024	~88,000
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<b>Tool &amp; Engineering Business</b>	<ul style="list-style-type: none"> <li>Build a next-generation BtoB website</li> <li>Strengthen expertise (cutting, auxiliary materials, measurement sector, distribution functioning, etc.)</li> <li>Strengthen product appeal (original product development)</li> <li>Strengthen distribution functioning</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened expertise through organizational restructuring</li> <li>Launched our next-generation BtoB website</li> <li>Made progress with original product development</li> <li>Strengthened distribution functioning by establishing Logis Osaka and other depots</li> </ul>	<ul style="list-style-type: none"> <li>Responding to the rise of digital channels</li> <li>Strengthening in-person sales capabilities</li> </ul>	 <table border="1"> <caption>Tool &amp; Engineering Business Net Sales Trends (million yen)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Net Sales (million yen)</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>~80,000</td> </tr> <tr> <td>FY2023</td> <td>~78,000</td> </tr> <tr> <td>FY2024</td> <td>~80,000</td> </tr> </tbody> </table>	Fiscal Year	Net Sales (million yen)	FY2022	~80,000	FY2023	~78,000	FY2024	~80,000
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## ■ Sales/Profits

(Unit: million yen)	FY2022	FY2023	FY2024	Compared to final year targeted value	Final Year Target Value (Announced in the first year of Medium-Term Management Plan)
Net sales	527,263	506,866	516,126	-14.0%	600,000
Operating profit	16,563	9,887	9,535	-54.6%	21,000
Operating profit margin	3.1%	2.0%	1.8%	-1.7pt	3.5%
Ordinary profit	17,280	10,435	10,018	-52.3%	21,000
Profit	12,527	6,488	7,845	-44.0%	14,000

## ■ Factors for Changes in Operating Profit (Unit: million yen)



## ■ Management Indicators

(Unit: million yen)	FY2022	FY2023	FY2024	Compared to final year targeted value	Final Year Target Value (Announced in the first year of Medium-Term Management Plan)
Return on equity (ROE)	10.6%	5.1%	<b>6.1%</b>	<b>-3.9pt</b>	10.0%
Basic operating cash flow	14,427	10,627	<b>8,341</b>	<b>-53.7%</b>	18,000
Shareholders' equity ratio	42.6%	44.6%	<b>43.3%</b>	—	40–45%

\*Basic operating cash flow is calculated by deducting the increase/decrease in working capital from operating cash flow

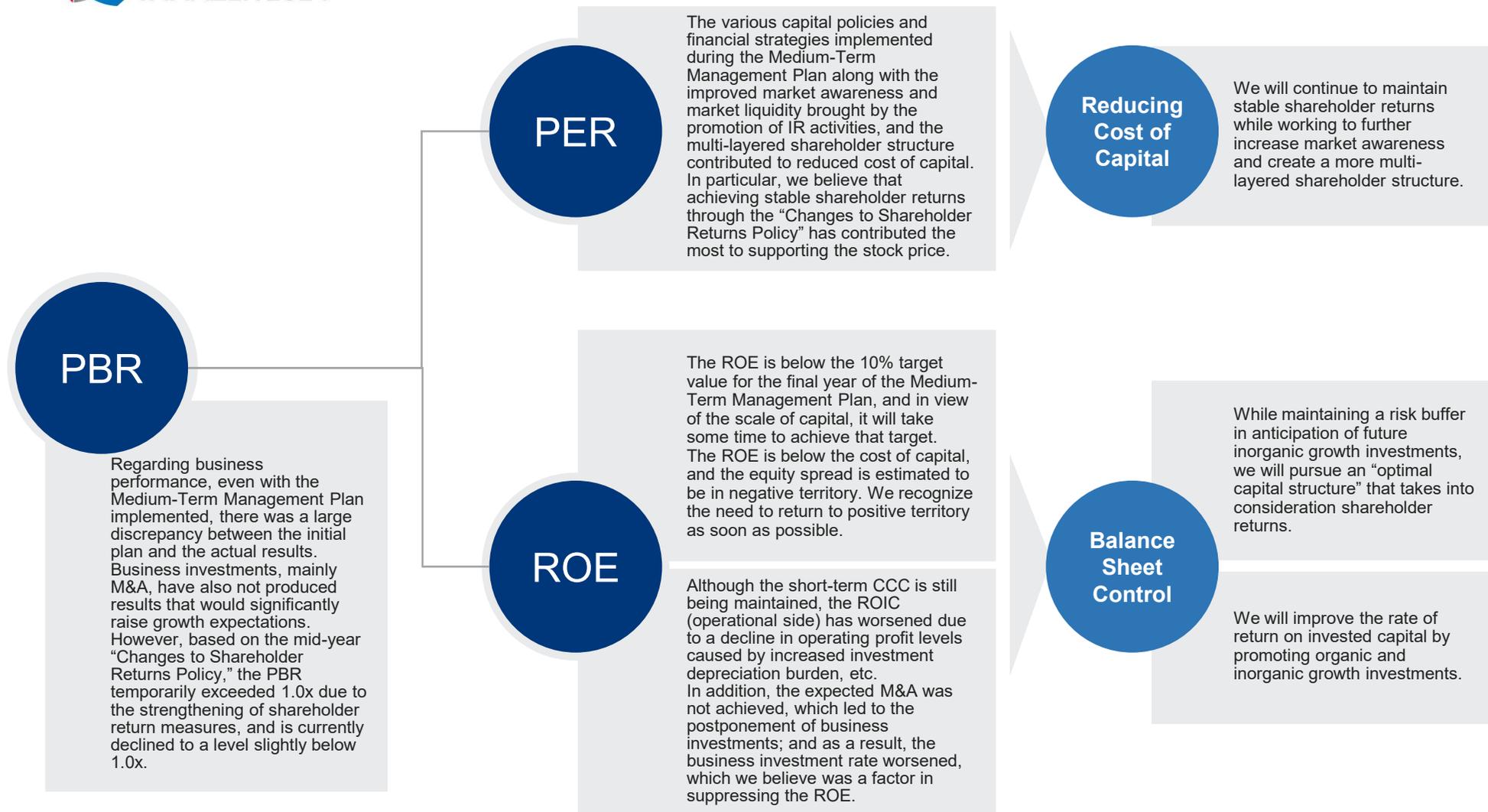
## Summary

Almost all of the basic operating cash flow during the medium-term management period has been allocated

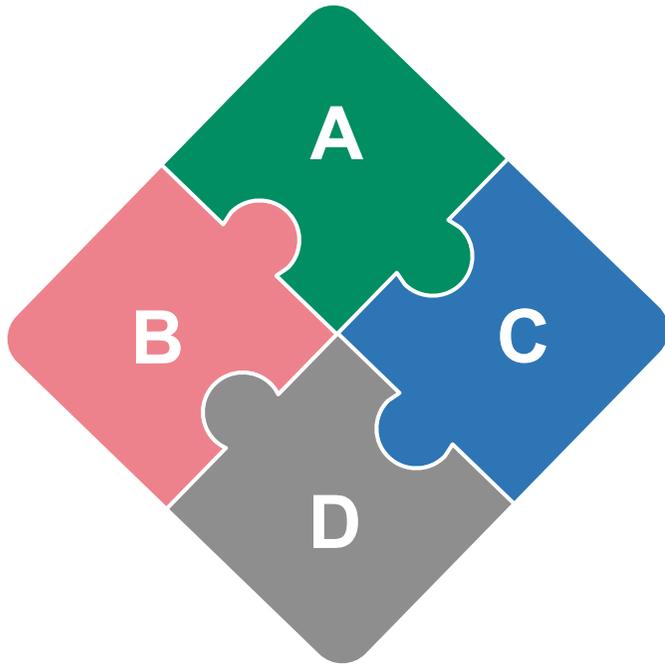
Implementing treasury share acquisition and allocating cash flow +  $\alpha$  during the period based on the delay in business investment (mainly M&A).

Medium-Term Management Plan		FY2022 Full-Year Results	FY2023 Full-Year Results	FY2024 Full-Year Results	Total	
Basic sales cash flow 3-year total results Approx. <b>33.3 billion yen</b>	Growth investment	<b>Business investment</b> <b>20 billion yen</b>	0.79 billion yen	1.02 billion yen	1.87 billion yen	3.69 billion yen
		<b>DX/systems investment</b> <b>10 billion yen</b>	3.13 billion yen	2.05 billion yen	5.65 billion yen	10.83 billion yen
		<b>Logistics and other investments</b> <b>10 billion yen</b>	1.87 billion yen	1.62 billion yen	2.62 billion yen	6.11 billion yen
	Shareholder returns	<b>Dividend</b> <b>13.5 billion yen</b>	3.56 billion yen	4.45 billion yen	9.45 billion yen	17.47 billion yen
Cash on hand Results <b>4.6 billion yen</b>	Optimal capital	<b>Retained earnings</b> <b>- billion yen</b>	- billion yen	- billion yen	- billion yen	- billion yen

\* Including 5 billion yen of treasury share acquisition, year-end dividends, and cash flow forecast



## Summary of Recognized Challenges



**A** Designing a business portfolio that is less susceptible to economic fluctuations

---

**B** Concentrating allocation of management resources in business areas with high growth and profitability

---

**C** Effective initiatives for improving profitability

---

**D** Promoting business investment

---

## AGENDA

I . FY2024 Financial Highlights and Shareholder Returns

II . Review of the Previous Medium-Term Management Plan

“ CROSSING YAMAZEN 2024 ”

**III . Medium-Term Management Plan**

**“PROACTIVE YAMAZEN 2027”**

Appendix

FY2028

## Value enhancement Period

FY2025

FY2027



## Functional Expansion Period



FY2022

FY2024

### Five Strategic Points to Achieve

Value enhancement

Accelerating global expansion

Upgrading sales activities

Strengthening management  
infrastructure

Strengthening Sustainability  
Management

**PURPOSE**

Pioneering a new future, with you all

**VISION**

Leading worldwide manufacturing and enriched lives

**Company-Wide Strategy to Realize VISION**

Business portfolio and capital allocation

Investment in Growth Drivers

Engineering  
Product development

Making Wholesale Business More Resilient

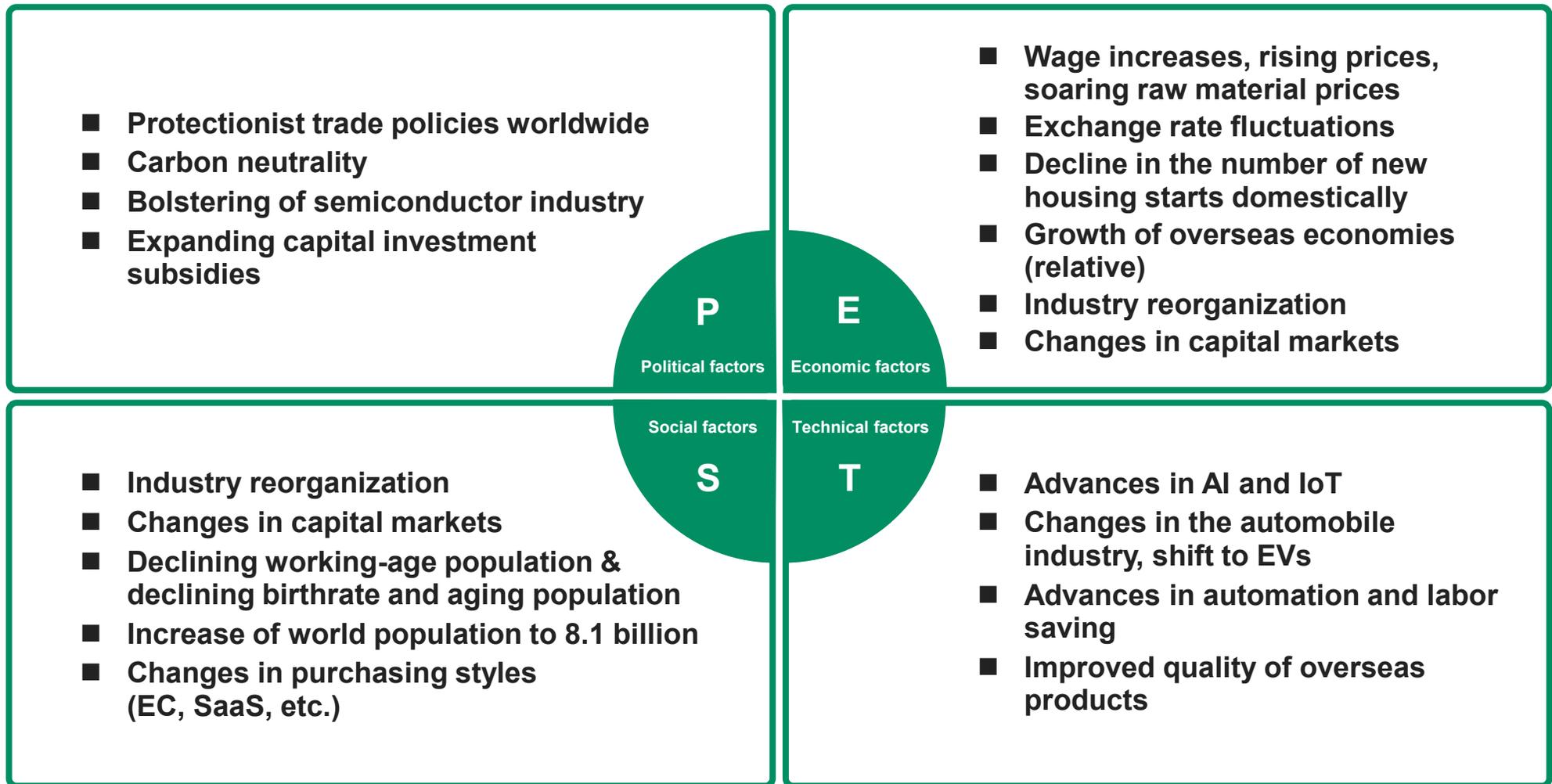
Productivity improvement

**Five Strategic Points**

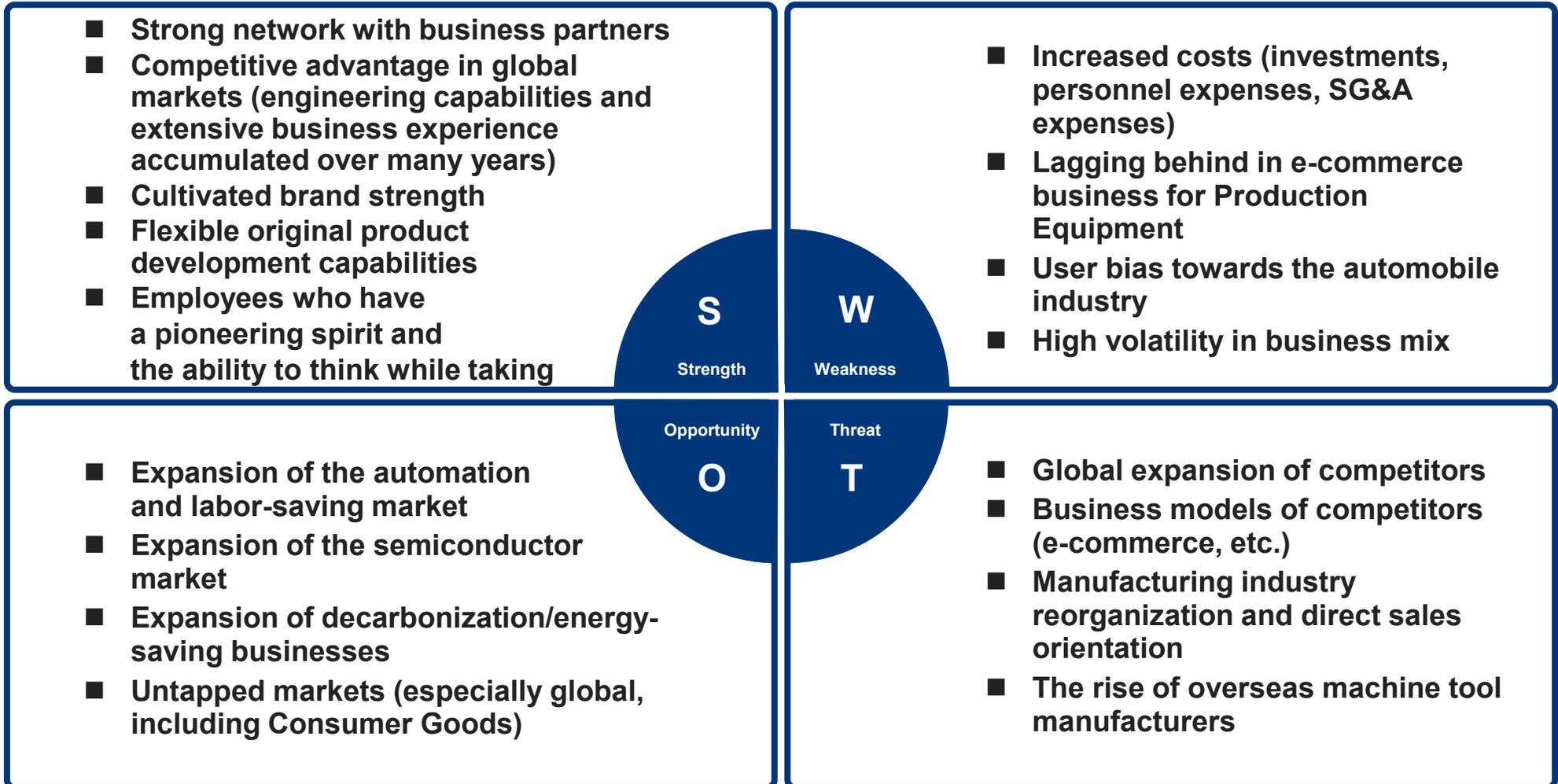
- (1) Value enhancement
- (2) Accelerating global expansion
- (3) Upgrading sales activities
- (4) Strengthening management infrastructure
- (5) Strengthening sustainability management



Regarding the external environment, compared to when the 2030 Vision was formulated, there have been notable changes with such economic factors as the arrival of a world with interest rates, rising prices, and requests for higher wage increases. It will be necessary to further increase profitability.



The Company will bring about “opportunities” for our strengths in order to overcome weaknesses and avoid threats. In particular, it will be necessary to accelerate geographical expansion in global markets where we have an advantage and proactively pursue markets where expansion is expected.



Based on the “Review of the previous Medium-Term Management Plan and Recognized Challenges” and the “Business Environment Analysis (PEST/SWOT),” the new medium-term management plan raises the following five strategic points:

1

**Value enhancement**

- Expanding engineering functioning
- Accelerating original product development
- Strengthening specialist capabilities
- Improving productivity through streamlining operations

2

**Accelerating global expansion**

- Promoting localization and efficiency of management
- Geographical expansion and reorganization of business areas
- Rapid response to market changes and diversification of business formats

3

**Upgrading sales activities**

- Maximizing customer value through face-to-face sales (real channels)
- Strengthening digital channels
- Order contracts and inventory management with CCC in mind

4

**Strengthening management infrastructure**

- Building a distribution system that can withstand the volumes looking to 2030
- Advancing information system infrastructure
- Optimizing the talent portfolio
- Developing new fields and industries

5

**Strengthening Sustainability Management**

- Synchronizing social and economic values
- Expanding disclosure of non-financial information
- Setting appropriate KPIs and monitoring progress

## Relationship with challenges recognized in review of the previous Medium-Term Management Plan

		Value enhancement	Accelerating global expansion	Upgrading sales activities	Strengthening management infrastructure
<b>A</b>	Designing a business portfolio that is less susceptible to economic fluctuations	✓	✓		✓
<b>B</b>	Concentrating allocation of management resources in business areas with high growth and profitability	✓	✓	✓	
<b>C</b>	Effective initiatives for improving profitability	✓		✓	✓
<b>D</b>	Promoting business investment	✓	✓	✓	✓

The ICT Solutions H.Q. and Global Business Division H.Q. have been established as of April 1, 2025

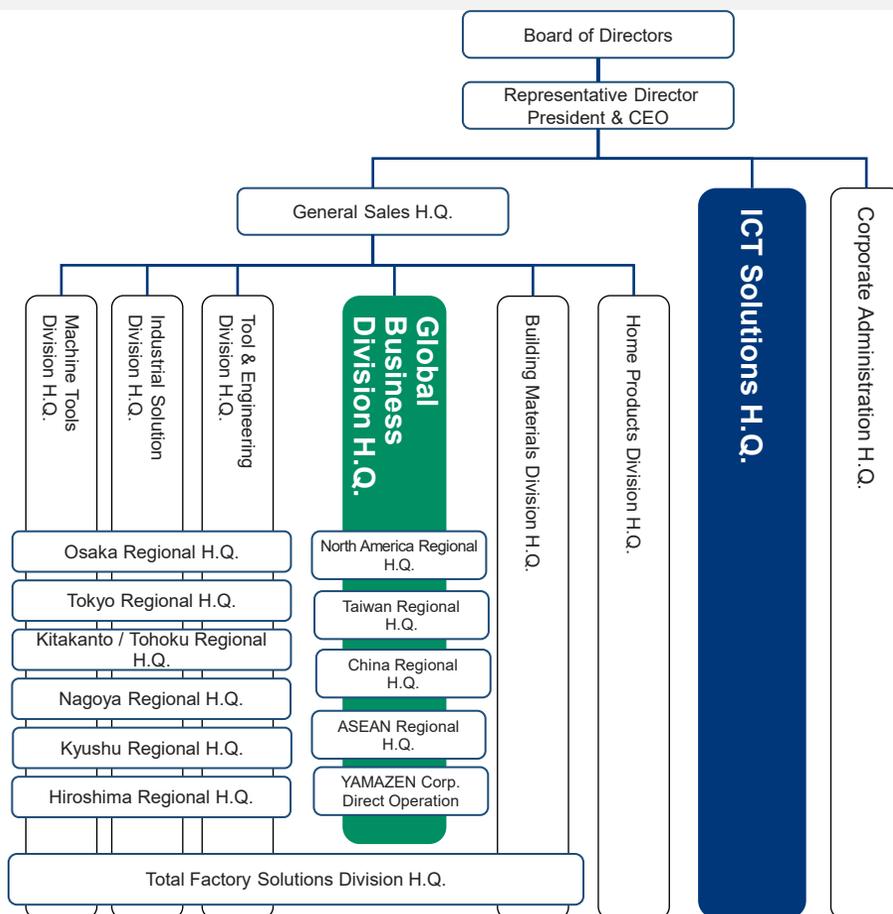
■ **ICT Solutions H.Q. (Information and Communication Technology)**

A new D&A (Data Analytics and AI) Division has been established under the ICT Solutions H.Q.

Accelerating new business creation through data marketing that makes decisions based on in-house data analysis

■ **Global Business Division H.Q.**

Separating the Global Production Equipment Business from the Production Equipment Business, expanding our strong point of the global business network using a community-based approach and expanding our bases



### ICT Solutions H.Q.

- ✓ Providing stable system operation through “Defensive IT”
- ✓ Promoting business expansion through “Proactive IT”
- ✓ Maximizing the effectiveness of IT investments
- ✓ Strengthening Group IT governance

#### Link with Strategic Points

3

Upgrading sales activities

4

Strengthening management infrastructure

### Global Business Division H.Q.

- ✓ Accelerating global strategies through a unified chain of command
- ✓ Implementing portfolio management in global markets
- ✓ Providing products and technologies suitable for global markets
- ✓ Localizing management

#### Link with Strategic Points

1

Value enhancement

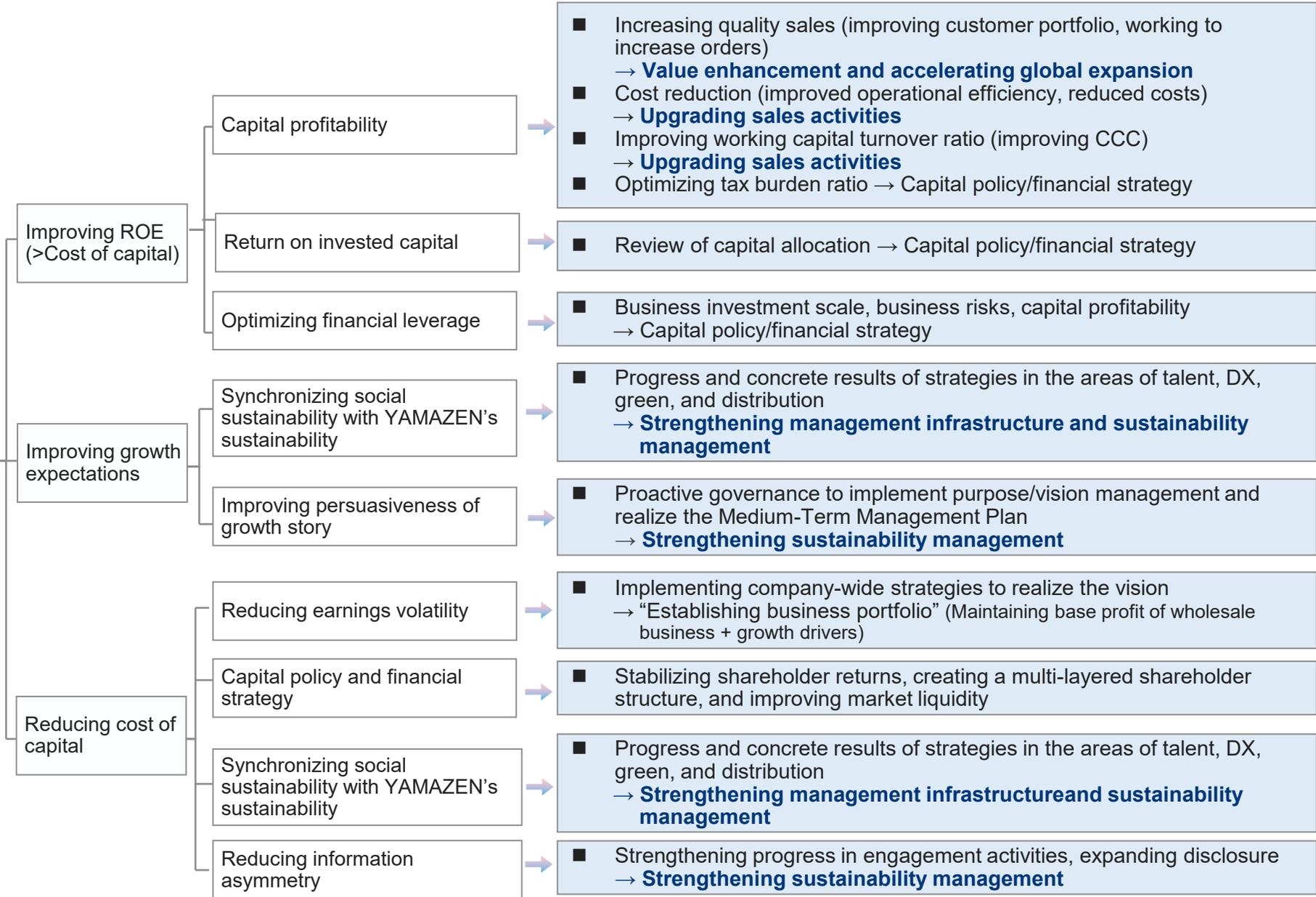
2

Accelerating global expansion

**Achieving medium- to long-term improvement in corporate value**

**Achieving the acquisition of fair market value**

PBR, market capitalization, stock price

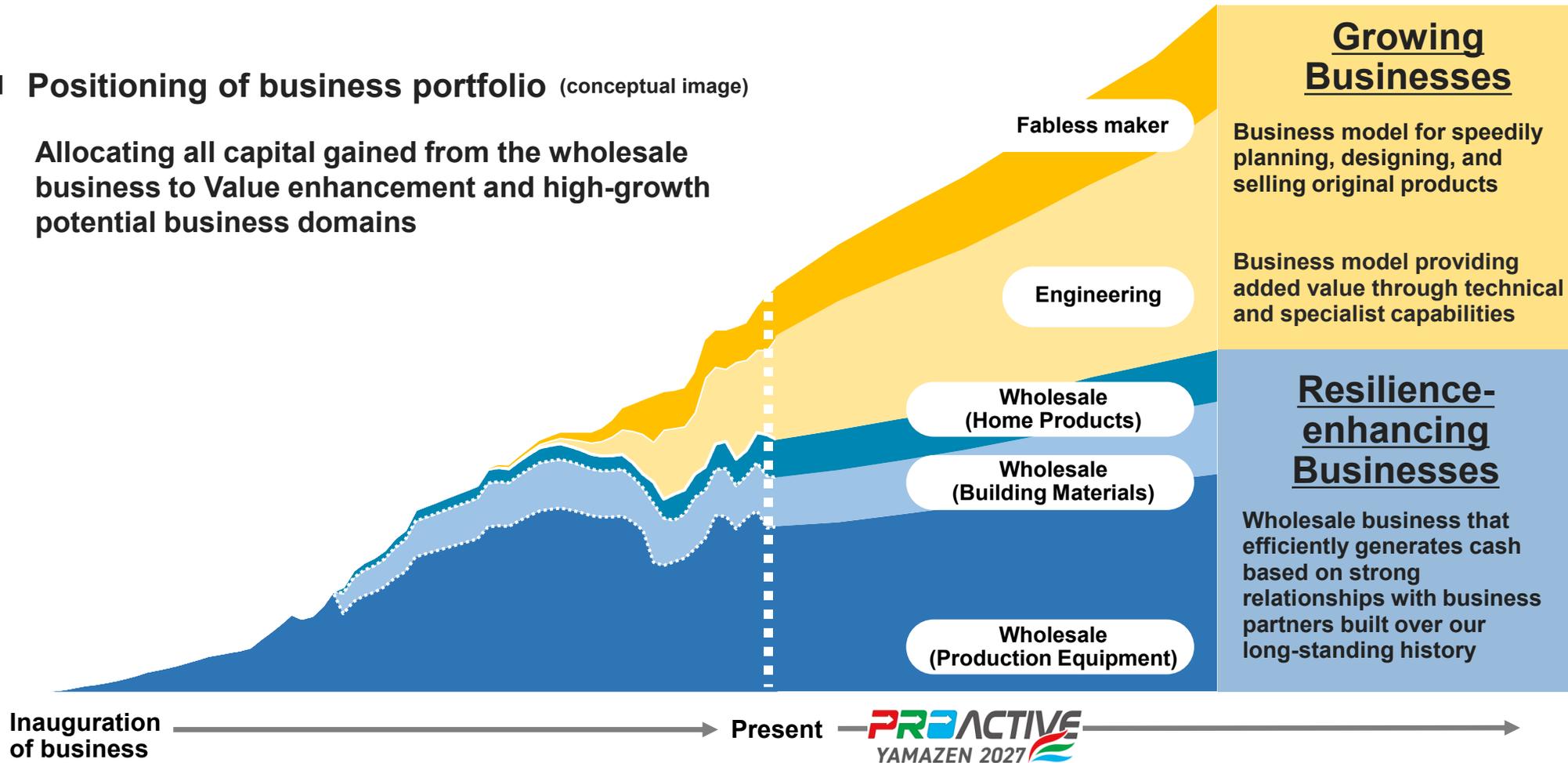


## ■ Business Portfolio Approach

Determining business direction by considering the two axes of “capital profitability” and “growth potential,” as well as synergies between businesses

## ■ Positioning of business portfolio (conceptual image)

Allocating all capital gained from the wholesale business to Value enhancement and high-growth potential business domains



## Positioning of Business Portfolio

### Resilience-enhancing

## Market Trends

- While the domestic machine tools market is experiencing a boom-and-bust cycle, it is growing gradually in the medium to long term
- The market is expanding for such electrification components as batteries, motors, and inverters due to the shift to EVs
- Competition is intensifying due to the rise of price-competitive Asian manufacturers

## Basic Policy

- Improving the profitability of existing businesses
- Developing markets in growing industries
- Improving productivity by equalizing in-house operations

## Initiatives Aligned with Strategic Points

### (1) Value enhancement

- Diversifying customer base and improving user satisfaction
- Strengthening engineering capabilities
- Expanding green business

### (3) Upgrading sales activities

- Strengthening industrial machinery (forming/sheet metal machinery) sector
- Strengthening sales to the aircraft, medical equipment, and semiconductor industries
- Building a data-driven sales system

## Positioning of Business Portfolio

Growing

Resilience-enhancing

## Market Trends

- The demand for automation/labor-saving at manufacturing/distribution sites is expanding
- The renewable energy/energy-saving markets are expanding through carbon neutrality
- The digital transformation of manufacturing sites through AI and IoT

## Basic Policy

- Promoting solutions business by strengthening customer contact points
- Strengthening original product development for improved profitability
- Developing competitive talent by strengthening specialist capabilities

## Initiatives Aligned with Strategic Points

### (1) Value enhancement

- Strengthening customer contact through various exhibitions and portal sites
- Developing highly profitable original products
- Creating customer value through collaborations with engineering companies

### (3) Upgrading sales activities

- Developing changing supply chains, different industries/new business formats
- Improving productivity through DX
- Building recurring revenue businesses

## Positioning of Business Portfolio

### Resilience-enhancing

## Market Trends

- The market is expanding for such electrification components as batteries, motors, and inverters due to the shift to EVs
- The digital transformation of manufacturing sites through AI and IoT

## Basic Policy

- Strengthening original product development for improved profitability
- Improving supply chain productivity by opening a next-generation BtoB website
- Strengthening distribution infrastructure through optimal placement of distribution centers and depots (small-scale distribution bases)
- Leveraging expertise to improve customer productivity

## Initiatives Aligned with Strategic Points

### (1) Value enhancement

- Developing highly profitable original products
- Differentiating through highly specialized technical sales
- Automating operations and building a strong operational system

### (3) Upgrading sales activities

- Strengthening face-to-face sales through regular visits
- Building a purchasing network via next-generation BtoB site
- Expanding sales by developing new markets/new products

## Positioning of Business Portfolio

**Growing**

## Market Trends

- While the global machine tools market is experiencing a boom-and-bust cycle, it is growing gradually in the medium to long term
- Global manufacturing trends have changed due to de-risking, reshoring, friend-shoring, etc.
- Chronic labor shortages have led to increased demand for automation/labor-saving

## Basic Policy

- Localizing and streamlining management
- Geographically expanding business domains to accommodate supply chain reorganization
- Accelerating response to market changes and diversification of businesses/industry formats brought by the shift to EVs
- Optimizing product portfolio and strengthening relationships with suppliers

## Initiatives Aligned with Strategic Points

### (1) Value enhancement

- Increasing added value by expanding products (optimizing product portfolio)
- Reducing SG&A expenses by promoting the localization and streamlining of management

### (3) Upgrading sales activities

- Maximizing the functioning of the Marketing Office
- Strengthening sales promotion talent development (horizontal expansion of best practices)

### (2) Accelerating global expansion

- Developing national staff and strengthen engineering functioning
- Expanding bases in India, develop the Turkish market, and restructure European operations
- Advancing cross-border marketing strategies
- Expanding product lineup and strengthen relationships with suppliers

## Positioning of Business Portfolio

**Growing**

## Market Trends

- The demand for automation/labor-saving at manufacturing/distribution sites is expanding
- The renewable energy/energy-saving markets are expanding through carbon neutrality
- The global semiconductor market is predicted to reach \$1 trillion in 2030, 1.8 times that of 2021

## Basic Policy

- Promoting automation solutions for the semiconductor, three product (food, medicine, and cosmetics), distribution, and construction machinery industries
- Resolving social challenges for our clients through renewable energy/energy-saving proposals
- Building a business that handles everything from semiconductor materials to manufacturing equipment and components

## Initiatives Aligned with Strategic Points

### (1) Value enhancement

- Expanding automation/labor-saving business
- Strengthening engineering capabilities through collaboration with Group and system integrator companies
- Strengthening renewable energy and other green business initiatives

### (3) Upgrading sales activities

- Developing/cultivating new markets (semiconductor industry, etc.)
- Developing new fields/industries (three product, distribution, construction machinery, etc.)
- Building an order receiving system through online sales
- Developing highly specialized sales/engineering talent for target markets/strategic products

## Positioning of Business Portfolio

### Resilience-enhancing

## Market Trends

- The number of new housing starts is in decline due to the declining birthrate and aging population, as well as the rising mortgage interest rates
- The renewable energy/energy-saving markets are expanding through carbon neutrality
- Reviews of housing performance have accelerated as energy-saving standards for newly built homes have become mandatory

## Basic Policy

- Focusing on energy-saving/subsidy proposals for offices, factories, facilities, and stores to strengthen the non-residential sector
- Focusing on the retail sector of home improvement stores/home appliances mass retailers and the e-commerce renovation sector to strengthen the home renovation sector
- Strengthening sales to house builders and expanding the ZePlus business
- Strengthening engineering and consulting capabilities

## Initiatives Aligned with Strategic Points

### (1) Value enhancement

- Expanding non-residential × existing building businesses
- Delving deeply into the new housing sector
- Expanding sales of environmentally friendly products
- Providing construction capabilities, consulting capabilities, and distribution network
- Strengthening/streamlining sales support system

### (3) Upgrading sales activities

- Expanding e-commerce in the home renovation sector
- Promoting the growth of young employees

## Positioning of Business Portfolio

**Growing**

## Market Trends

- LTV (customer lifetime value) has expanded and built a fan base through branding to customers
- Demand for corporate e-commerce purchasing has expanded to accommodate labor shortages and streamlining (BtoB)
- Demand for e-commerce purchasing among the elderly has expanded (BtoC)

## Basic Policy

- Improving GMV (gross merchandise volume) by increasing e-commerce site touch points
- Efficient distribution/immediate delivery system and system installation for nationwide sales expansion
- Digitalizing all transactions across channels to ascertain customer needs and bring optimal products to market

## Initiatives Aligned with Strategic Points

### (1) Value enhancement

- Establishing new distribution bases
- Developing private brand products by utilizing data and strengthen engagement (relationships between companies and customers)

### (3) Upgrading sales activities

- Enacting measures to expand e-commerce sales
- Developing the BtoB market with Yamazen Bizcom

## (4) Strengthening management infrastructure

Strategies	Key Measures
DX Strategy	<ul style="list-style-type: none"> <li>● Strengthening contact points to improve customer service and shifting to high-value-added operations</li> <li>● Strengthening sales/delivery capabilities by utilizing in-house databases and improving ability to make effective proposals through digital marketing</li> <li>● Building a communication environment for new business creation</li> </ul>
Green Initiatives Strategy	<ul style="list-style-type: none"> <li>● Collaborating with Corporate PPA Division and business partners</li> <li>● GBP*: Conduct further promotion of decarbonization management to stores already participating and expansion of suppliers</li> <li>● GBP App* external sales: sell externally to suppliers, major user supply chains, and industry associations, and upgrade GBP participating stores</li> <li>● Spreading the GBP App: promoting the spread to stores participating in GBP</li> </ul>
Logistics Strategy	<ul style="list-style-type: none"> <li>● Optimal base placement</li> <li>● Designing a transportation and delivery network</li> <li>● Promoting automation/labor saving</li> <li>● Promoting Logirise Corp. external sales</li> </ul>

\*GBP: Green Ball Project. Activities contributing to the reduction of CO2 emissions by collecting and quantifying the amount of CO2 emissions reduction expected by selling and installing energy-saving/energy-creating equipment handled by the Company to factories and general households through companies (distributors) participating in this project. The GBP App has been introduced in-house as an app to enable us to ascertain and visualize the total amount of CO2 emissions. Additionally, by selling the app externally, we will contribute to making CO2 emissions visible throughout the entire supply chain as a distribution/trading company.

## (4) Strengthening management infrastructure

### Developing and implementing talent management strategies to improve corporate value and strengthen human capital

#### Key Measures

#### Talent Management and Position Management Based on Management/Business Strategies

- Systematically developing and producing leaders to take charge of management and business transformation
- Organizing the talent portfolio/establishing infrastructure for acquiring/producing talent, promoting success by placing the right people in the right jobs
- Adopting evaluation indicators to accelerate strategy execution drivers

#### Talent Development/Organizational Development

- Talent development mainly in business divisions for which field sales activities can be leveraged
- Advancement of the talent development framework (creation of proactive learning opportunities)

#### Advancement of Talent Management Infrastructure

- Entrenching new talent system on-site and improving persuasiveness
- Implementing governance reforms in human capital investments

#### Promotion of Diversity and Inclusion

- Promoting female leaders/managers
- Building a system that allows diverse workers to thrive

#### Corporate Culture Reform & Work Environment Improvement

- Improving engagement by providing high job satisfaction and ensuring psychological safety
- Improving internal process productivity and work-life balance through DX strategies

## (5) Strengthening sustainability management

Strategy/  
Initiative Policy

Accelerating the synchronization of social sustainability with YAMAZEN's sustainability

### Environment

#### Initiatives

- Reducing our own GHG emissions
- Promoting decarbonization throughout the supply chain
- Implementing green business
  - Reducing the environmental impact through the provision of products/services
- Enhancement of information disclosure
  - Including in ESG-related indices
  - Improving scores from ESG rating agencies

### Social

#### Initiatives

- Corporate culture reform & work environment improvement
- Strengthening human capital (human resource development) management
  - Career development support
  - Strengthening talent management and position management
- Promoting D&I
  - Appointing female leaders/managers
- Promoting CSR procurement in the supply chain

### Governance

#### Initiatives

- Improving the effectiveness of the Board of Directors
  - Strengthening the drivers for resolving management challenges
- Strengthening risk management
- Ensuring management transparency
  - Visualizing business activities
  - Enhancing information disclosure
  - Promoting dialogue with investors
- Setting non-financial targets and strengthening monitoring to achieve them

## (5) Strengthening sustainability management

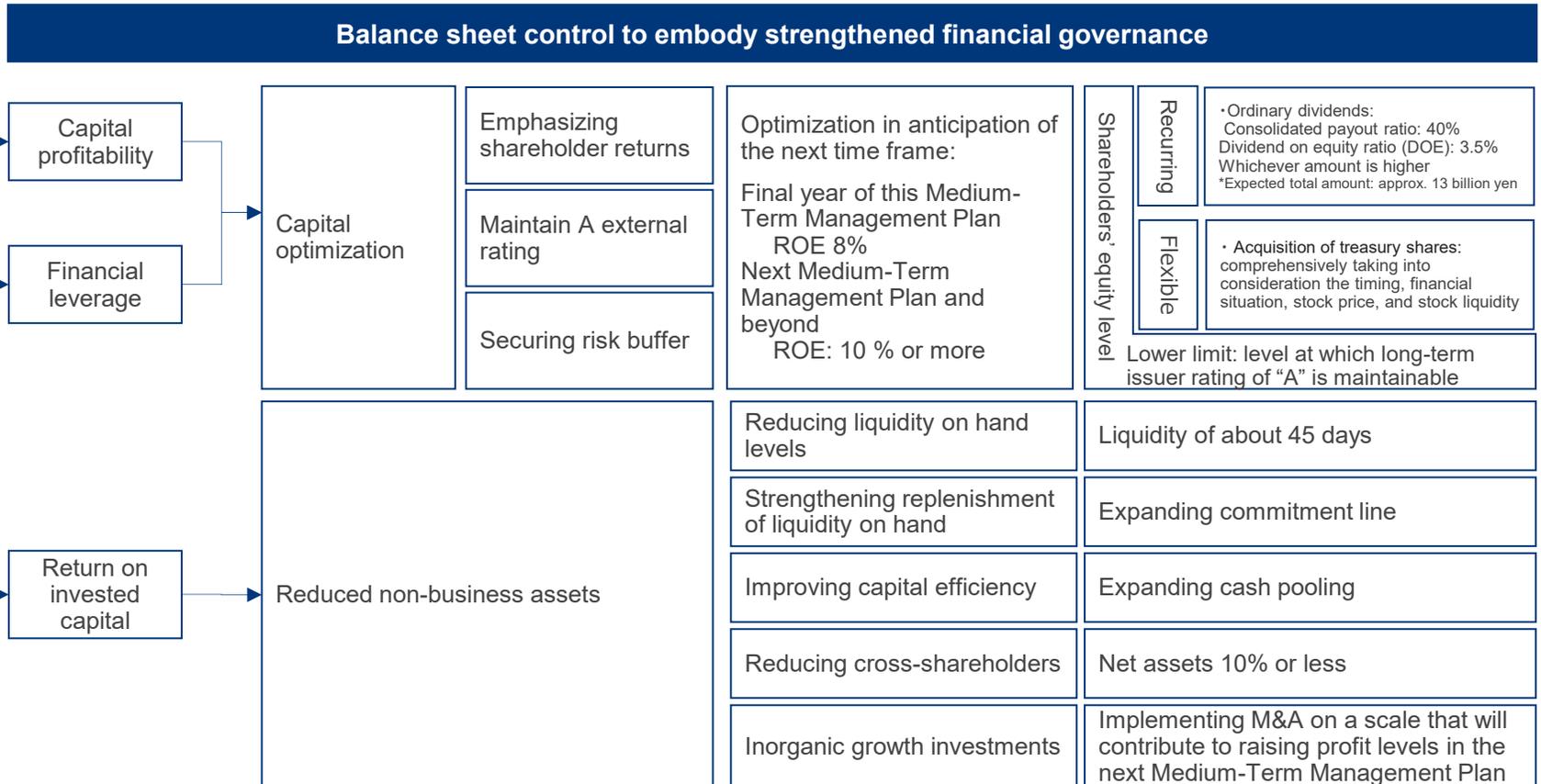
### Non-Financial Performance Indicators

Initiatives	Social Sustainability	YAMAZEN's Sustainability	Indicators	Targets	Financial/corporate value impact	
Environment	Reducing our own GHG emissions	Reducing environmental impact/contributing to decarbonization	Raising awareness about climate change Improving brand value	Scope 1.2 (market standard)	Compared to FY2020 25% reduction	Reduced cost of capital Increased sales
	Implementing green business	Reducing environmental impact/contributing to decarbonization	Expanding energy business	Total power generation project output (the Medium-Term Management Plan period)	80MW	Increased sales
	Enhancement of information disclosure	Reducing environmental impact Promoting ESG investment	Strengthening environmental governance Improving brand value	CDP score (climate change)	Maintain B or higher	Reduced cost of capital Increased sales
Social	Corporate culture reform & work environment improvement	Improving productivity and promoting innovation	Retaining key talent Enhancing company brand	Positive engagement rate (employee survey)	60%	Increased sales Increased productivity
	Strengthening human capital (human resource development) management	Improving productivity and promoting innovation	Implementing management philosophy/purpose	Ratio of employees — those who embody the spirit of YAMAZEN (employee survey)	70%	Increased sales Increased productivity
	Promoting D&I	Forming diverse values Realizing a gender-equal society	Strengthening human capital Creating new values	Promoting the reassignment of females to new positions	100 people (3-year total)	Increased sales Improved profitability
	Promoting CSR procurement in the supply chain	Strengthening resilience throughout society	Reducing transactional risks Ensuring stable transactions and competitive advantage	Supplier CSR survey average score	80 points or more	Improved profitability
Governance	Strengthening risk management	Improving reputation Avoiding penalties	Reducing business risks Improving brand value	Compliance training participation rate for the year	100%	Reduced cost of capital
	Ensuring management transparency	Enhancing the soundness/revitalizing capital markets	Creating corporate value by attracting investment and having dialogues with investors	Number of individual dialogues with investors per year	100 times	Reduced cost of capital

**Initiative Policy** → Eliminating negative equity spread (ROE < cost of capital) and returning to being a value-creating company

## Initiatives to Improve ROE

**Strengthening financial governance and implementing balance sheet control consistent with the medium- to long-term ROE targets**



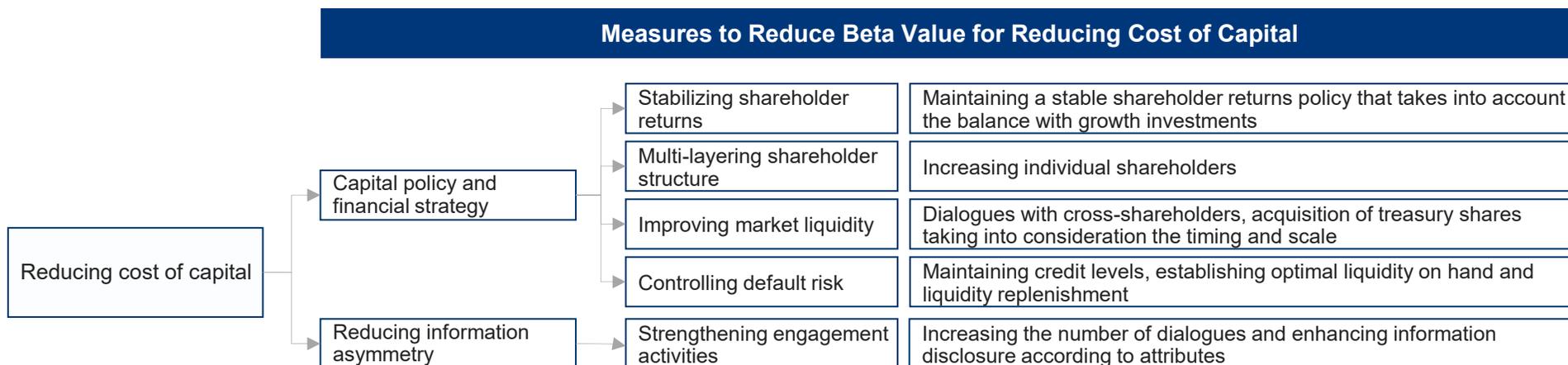
## Initiative Policy

Eliminating negative equity spread (ROE < cost of capital) and returning to being a value-creating company

### Initiative to reduce cost of capital

Strengthening the implementation of measures believed to contribute to reducing the beta value, based on the consensus with investors that the risk-free rate should increase

#### Measures to Reduce Beta Value for Reducing Cost of Capital



CAPM	Market parameters End of March 2025	YAMAZEN	One investor	Market parameters End of January 2025
Risk-free rate	10 to 30-year government bond yield	1.50%–2.50%	1.24%	10-year government bond yield
β (Beta)	1 to 5 years (daily, weekly, monthly)	0.32–0.89	0.69	5 years (monthly)
Risk premium	Average of historical and implied simulation methods	5.88%	8.87%	Historical simulation method (1952–present)
Cost of capital	Calculation excludes betas below 5 years (monthly)	4.38%–7.72%	7.37%	

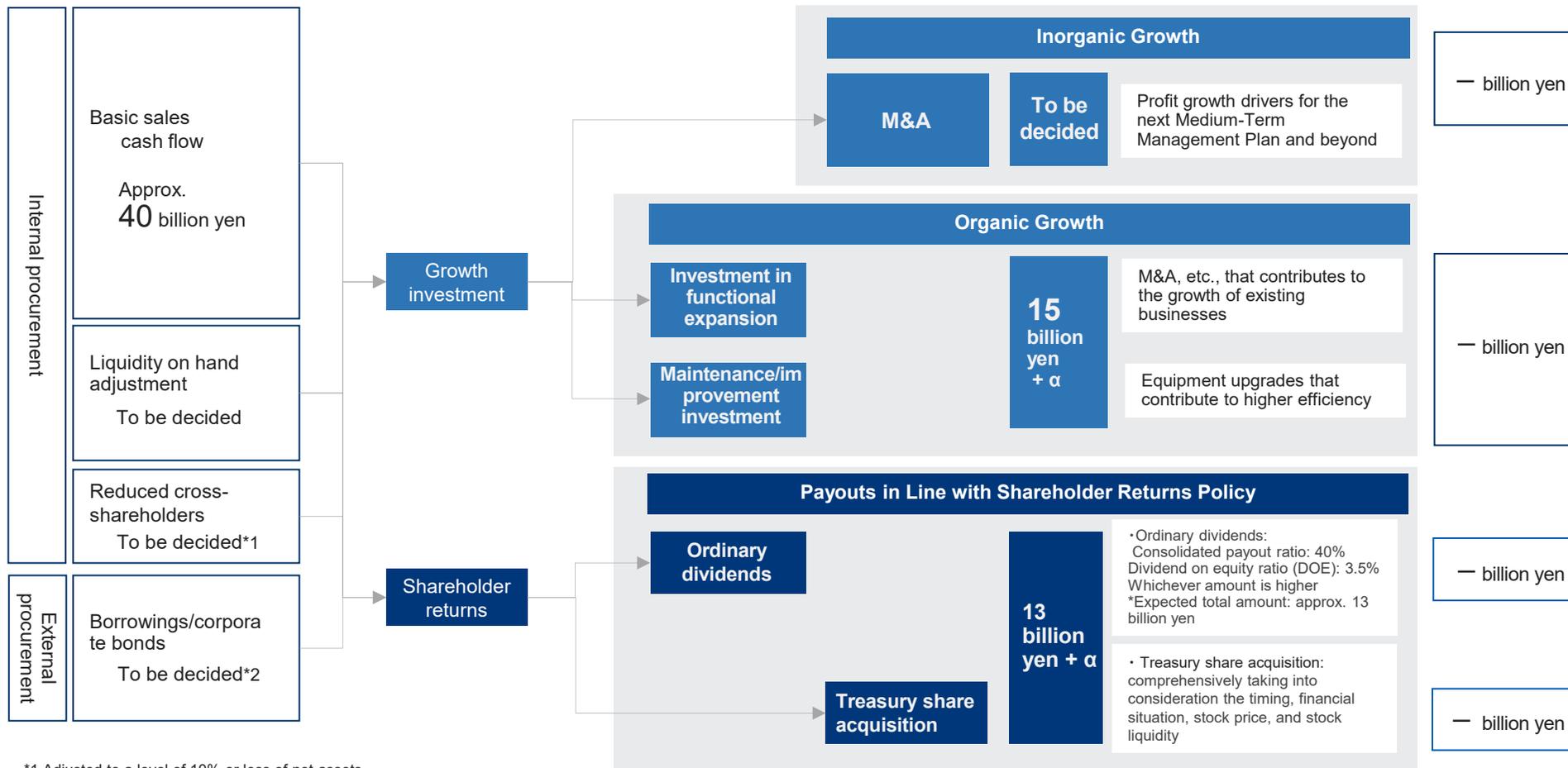
## Initiative Policy

Looking to achieve an ROE of 10% or more for the next Medium-Term Management Plan and beyond, we will implement organic investments and shareholder returns while also promoting inorganic investments to be growth drivers for the next Medium-Term Management Plan and beyond

### Medium-Term Management Plan

### Cumulative Results

Order of allocation →



\*1 Adjusted to a level of 10% or less of net assets

\*2 If the total amount of inorganic and organic growth investments is expected to exceed 15 billion yen, we expect to raise funds mainly through borrowings and corporate bonds, while paying attention to external ratings

## Basic Policy

Preserving the policy of the previous Medium-Term Management Plan



### Recurring

Consolidated payout ratio: 40%  
(Indicator for performance-linked profit distribution)  
Dividend on equity ratio (DOE): 3.5%  
(Indicator for stable profit distribution)

12.4  
billion yen

Whichever amount is higher

### Recurring

Preserve

Consolidated payout ratio: 40%  
(Indicator for performance-linked profit distribution)  
Dividend on equity ratio (DOE): 3.5%  
(Indicator for stable profit distribution)

Approx. 13  
billion yen

Whichever amount is higher

### Flexible

In order to provide additional shareholder returns and improve capital efficiency, we will flexibly implement treasury share acquisition depending on the timing and financial situation

5  
billion yen

### Flexible

Preserve

In order to provide additional shareholder returns and improve capital efficiency, we will flexibly implement treasury share acquisition, comprehensively taking into consideration the timing, financial situation, stock price, and stock liquidity

To be decided\*

\*Keeping the shareholders' equity at a level at which an "A" long-term issuer rating is maintainable

## ■ Sales/Profits

(Unit: million yen)	FY2024 Results	FY2025 First year of Medium-Term Management Plan	FY2027 Final year of Medium-Term Management Plan
Net sales	516,126	530,000	600,000
Operating profit	9,535	9,000	16,000
Ordinary profit	10,018	9,000	16,000
Profit	7,845	7,000	11,000

## ■ Management Indicators

	FY2024 Results	FY2025 First year of Medium-Term Management Plan	FY2027 Final year of Medium-Term Management Plan
Return on equity (ROE)	6.1%	5.5%	8.0%
Basic operating cash flow	8,341	11,000	14,000
Shareholders' equity ratio	43.3%	40~45%	40~45%

\*Basic operating cash flow is calculated by deducting the increase/decrease in working capital from operating cash flow

# Appendix

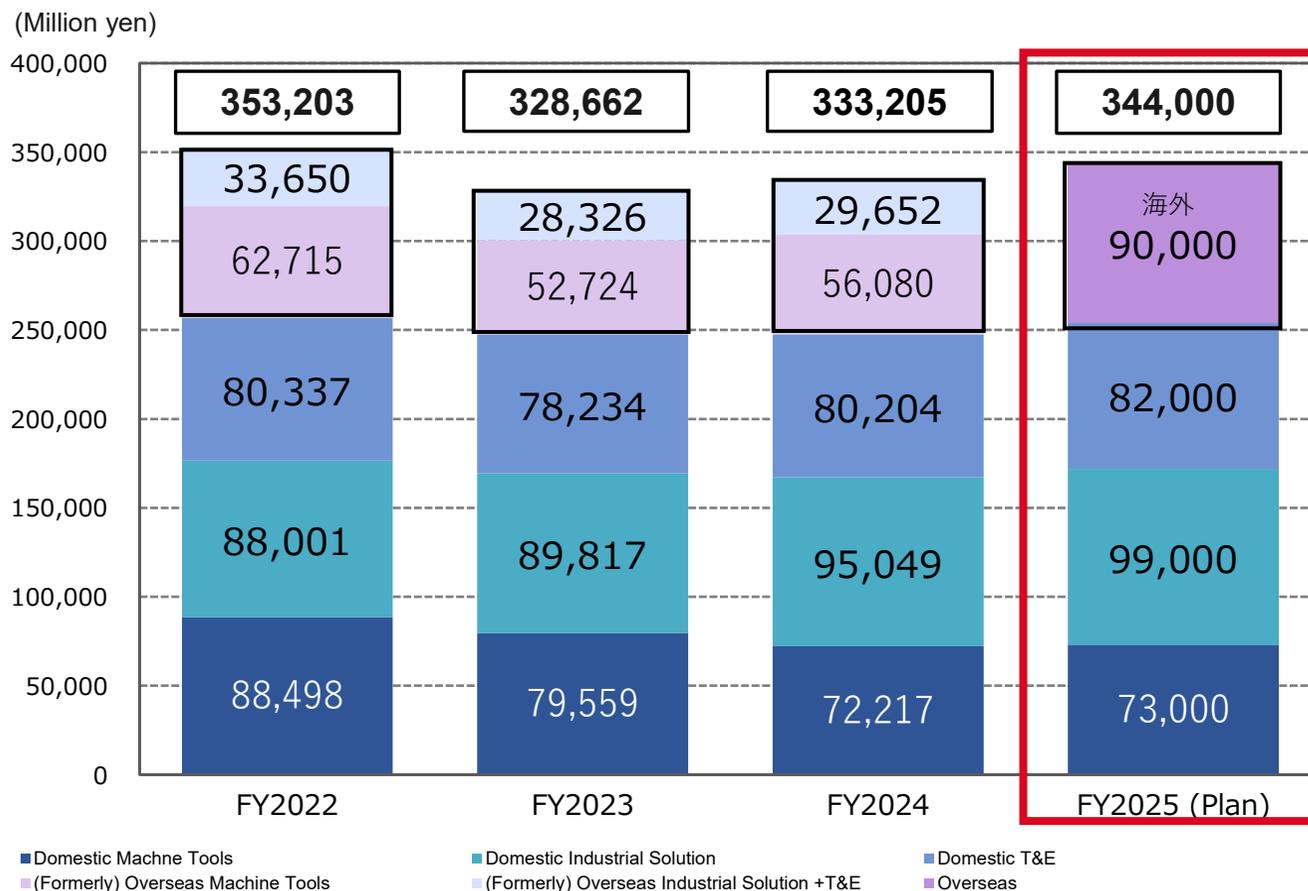
\*Each fiscal year is from April 1 to March 31 of the following year

(Million yen)	FY2024 Results	FY2025 Plan	Percentage change YoY
Net sales	<b>516,126</b>	<b>530,000</b>	+2.7%
Operating profit	<b>9,535</b>	<b>9,000</b>	-5.6%
Operating profit margin	<b>1.8%</b>	<b>1.7%</b>	-0.1pt
Ordinary profit	<b>10,018</b>	<b>9,000</b>	-10.2%
Profit attributable to owners of parent	<b>7,845</b>	<b>7,000</b>	-10.8%

- ✓ Despite an uncertain economic environment, net sales are expected to increase by 2.7% year on year by effectively leveraging the management foundation enhanced under the previous Medium-term Management Plan, and by expanding market share through the strengthening of sales capabilities, as outlined in the new Medium-term Management Plan.
- ✓ Operating profit is forecast to decline by 5.6% year on year, due to amortization of of ERP system and logistics system costs, as well as increases in personnel expenses and logistics-related costs.

(Million yen)		Net sales plan	Percentage change YoY	Segment profit plan	Percentage change YoY	Segment profit margin
Production Equipment Business Total	Full-year	344,000	+3.2%	8,300	+0.1%	2.4%

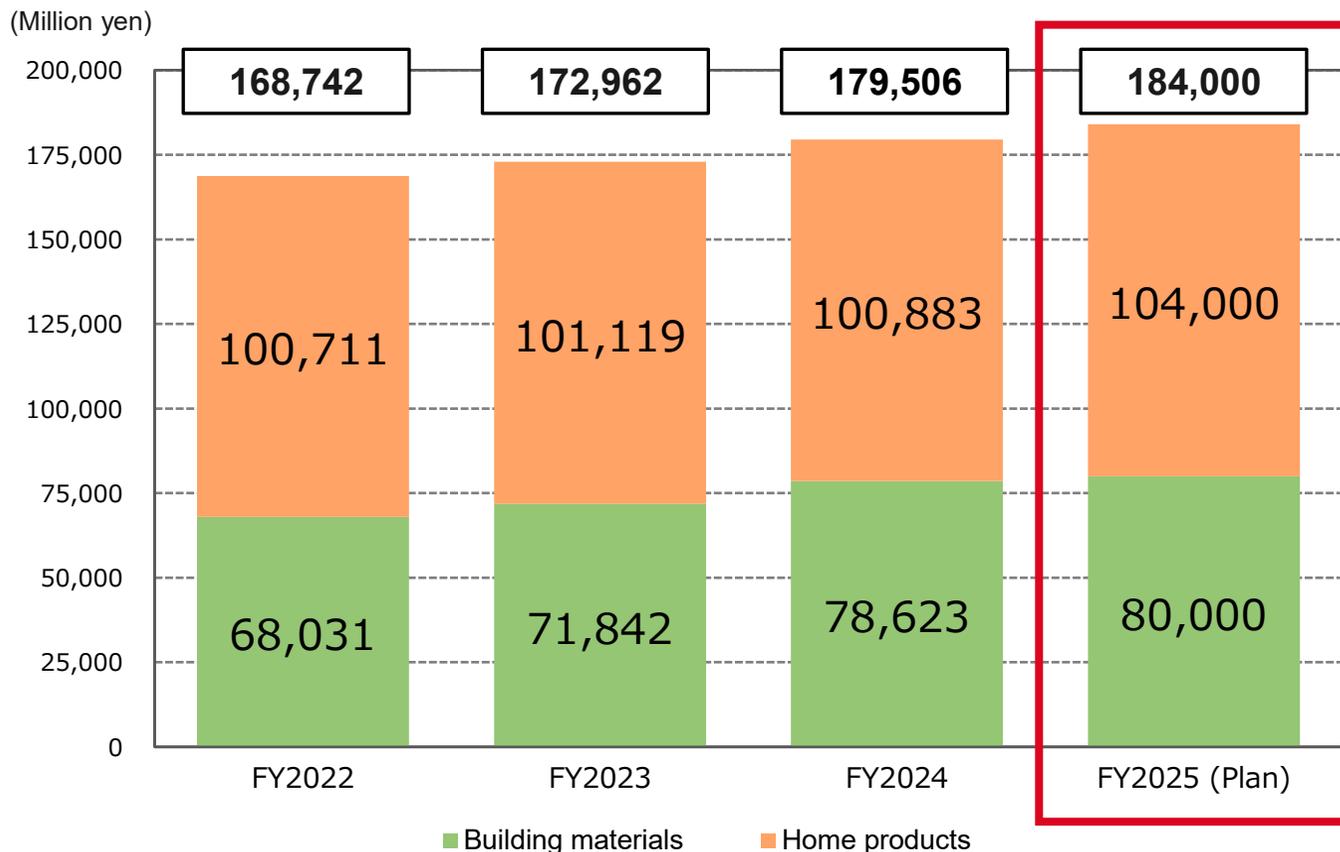
## Production Equipment Business: 3-year sales trends and full-year plan



- ✓ 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	80,000	+1.8%	3,300	+3.4%	4.1%
Home Products Division	Full-year	104,000	+3.1%	4,600	+3.4%	4.4%

## Consumer Goods Business: 3-year sales trends and full-year plan



### ■ 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.)
- ✓ Enhancing order acquisition and strengthening the system for construction management in facility renovation projects within the 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.

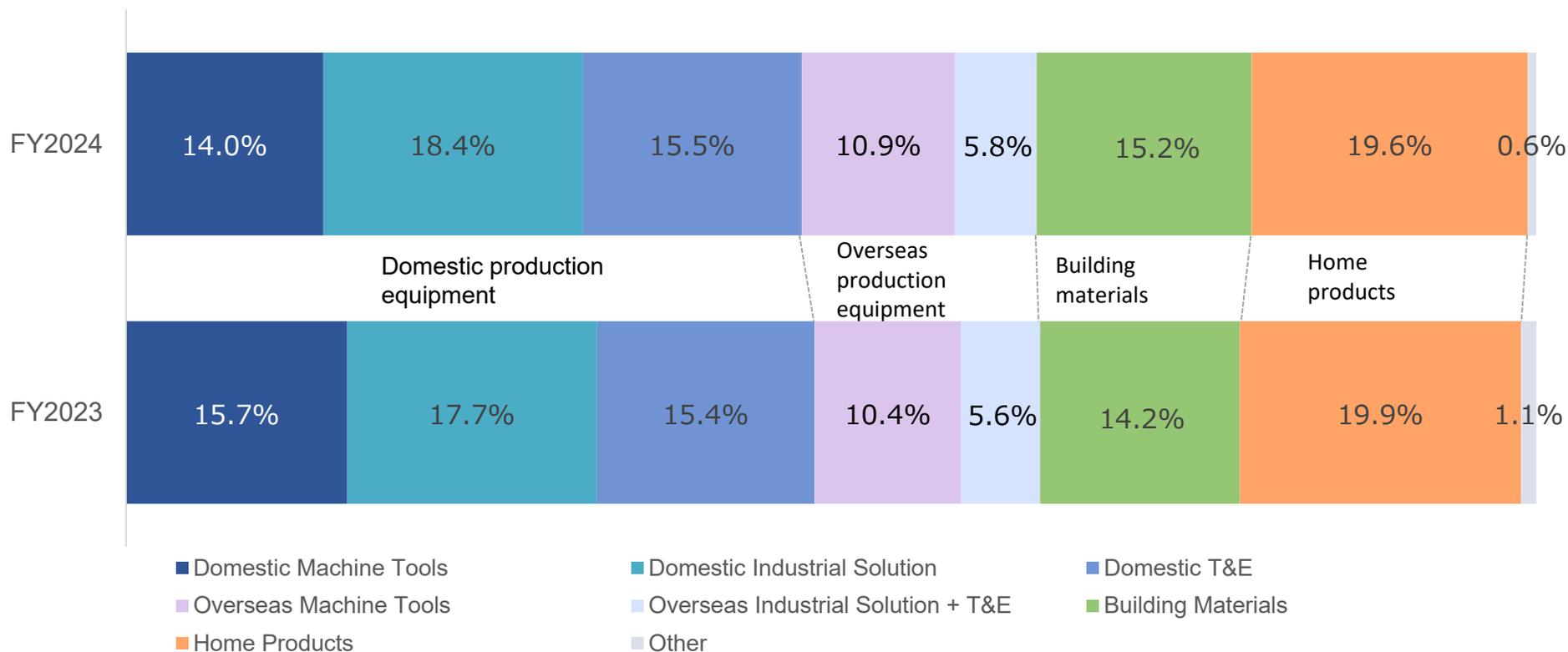
Segment	Business		FY2024 Results	FY2025 Plan	Percentage change YoY
Production equipment	Domestic Machine Tools	Net sales	72,217	<b>73,000</b>	+1.1%
	Domestic Industrial Solutions	Net sales	95,049	<b>99,000</b>	+4.2%
	Domestic T&E	Net sales	80,204	<b>82,000</b>	+2.2%
	Domestic production equipment total	Net sales	247,471	<b>254,000</b>	+2.6%
	Overseas production equipment total	Net sales	85,733	<b>90,000</b>	+5.0%
	Production equipment total	Net sales	333,205	<b>344,000</b>	+3.2%
		Segment profit	8,291	<b>8,300</b>	+0.1%
	Segment profit margin	2.5%	<b>2.4%</b>	- 0.1pt	
Consumer goods	Building materials	Net sales	78,623	<b>80,000</b>	+1.8%
		Segment profit	3,192	<b>3,300</b>	+3.4%
		Segment profit margin	4.1%	<b>4.1%</b>	+0.0pt
	Home products	Net sales	100,883	<b>104,000</b>	+3.1%
		Segment profit	4,449	<b>4,600</b>	+3.4%
		Segment profit margin	4.4%	<b>4.4%</b>	+0.0pt
	Consumer goods total	Net sales	179,506	<b>184,000</b>	+2.5%
		Segment profit	7,641	<b>7,900</b>	+3.4%
		Segment profit margin	4.3%	<b>4.3%</b>	+0.0pt
Other	Net sales	3,414	<b>2,000</b>	- 41.4%	
	Segment profit	-6,396	<b>-7,200</b>	-	
	Segment profit margin	-	<b>-</b>	-	
Consolidated	Net sales	516,126	<b>530,000</b>	+2.7%	
	Operating profit	9,535	<b>9,000</b>	- 5.6%	
	Operating profit margin	1.8%	<b>1.7%</b>	- 0.1pt	

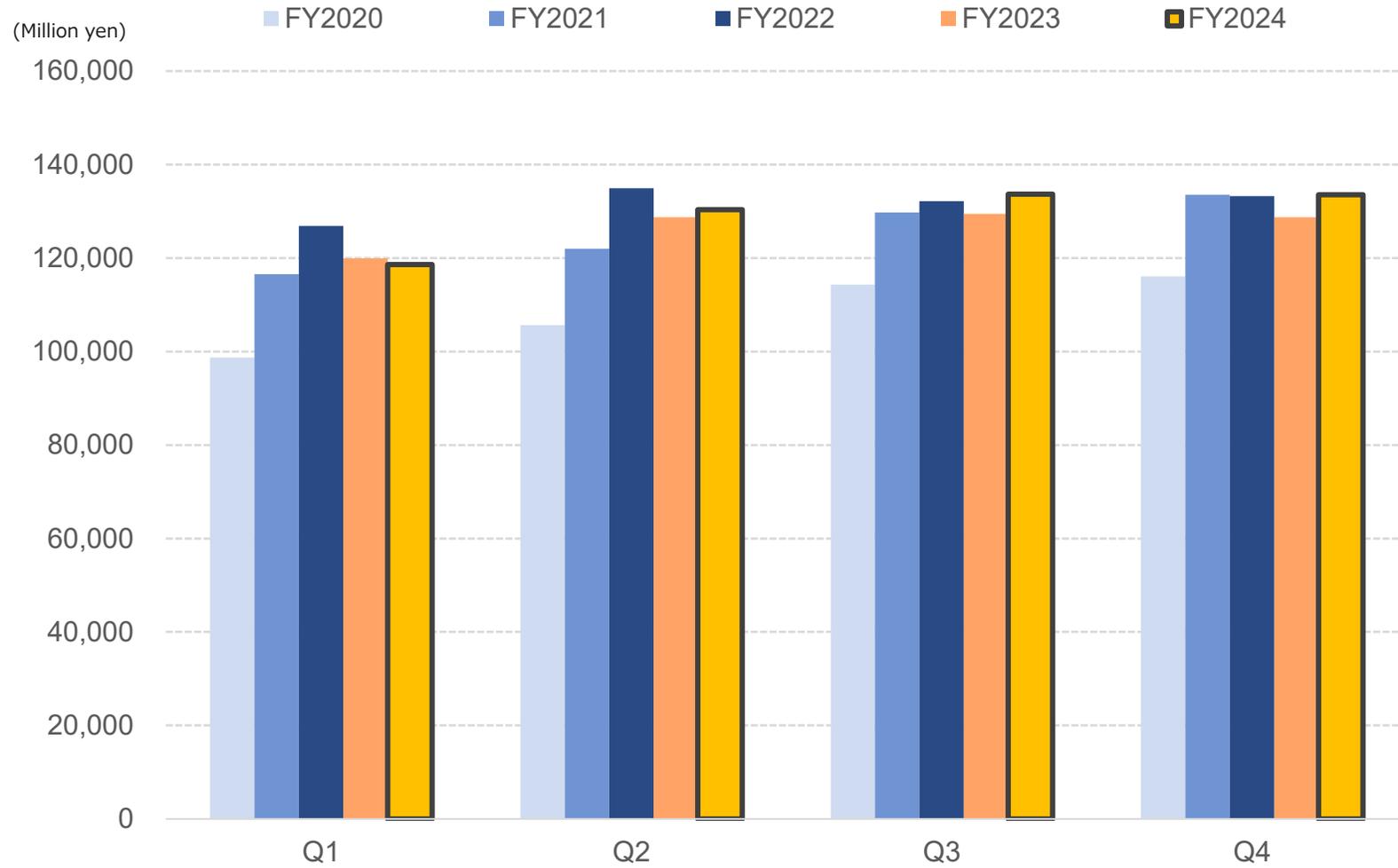
Domestic production equipment: 48.9% → 47.9% (-0.9pt)  
 Overseas production equipment: 16.0% → 16.6% (+0.6pt)

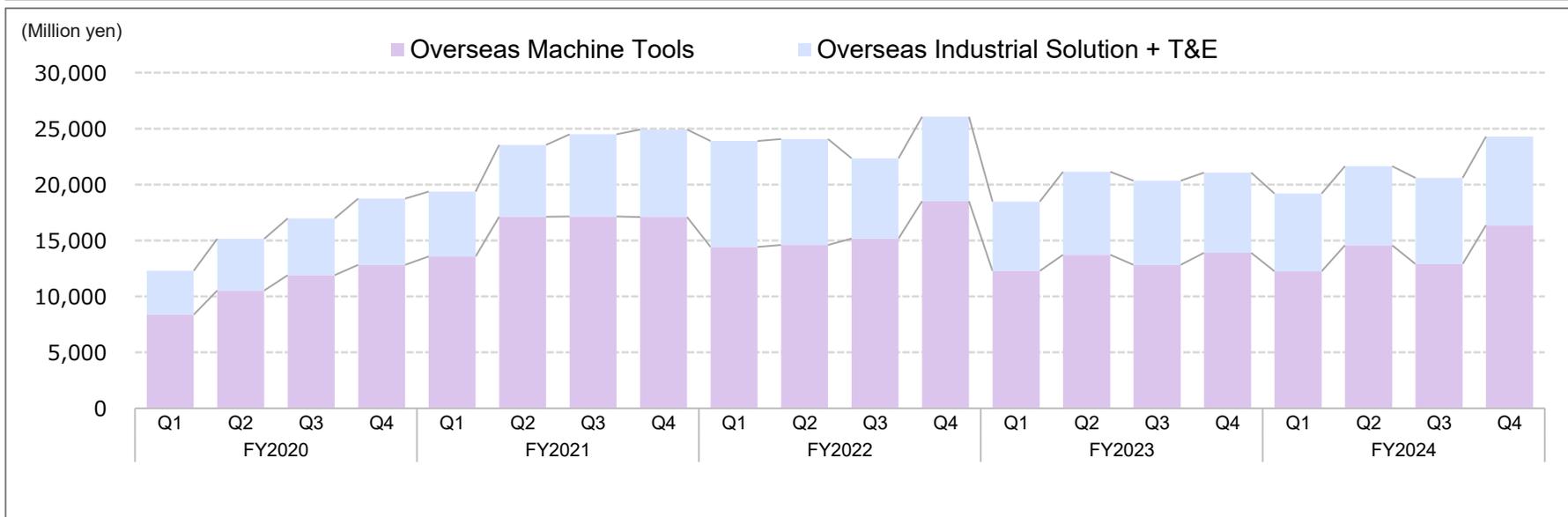
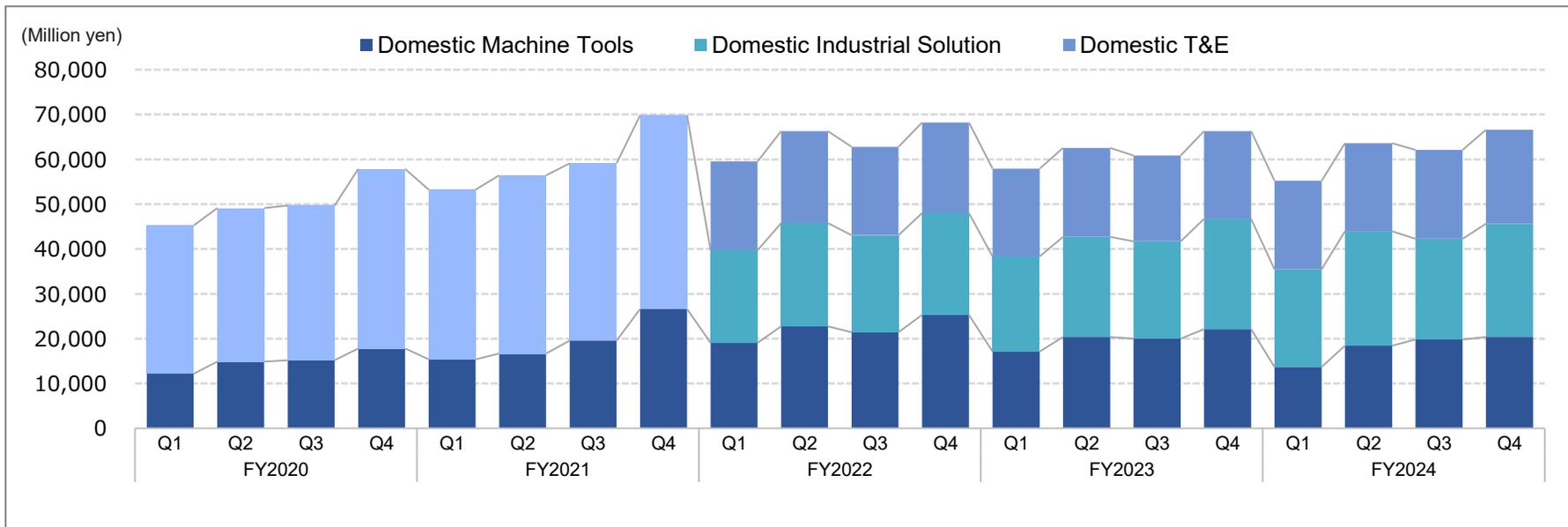
Building Materials: 14.2% → 15.2% (+1.1pt)  
 Home Products: 19.9% → 19.6% (-0.4pt)

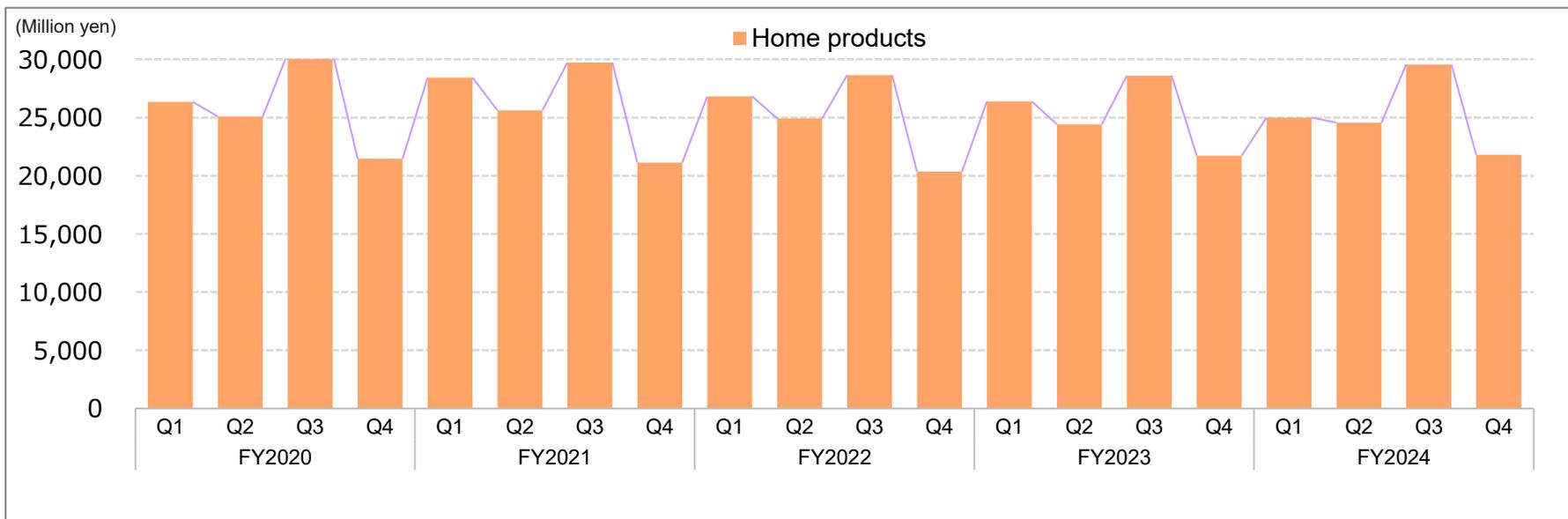
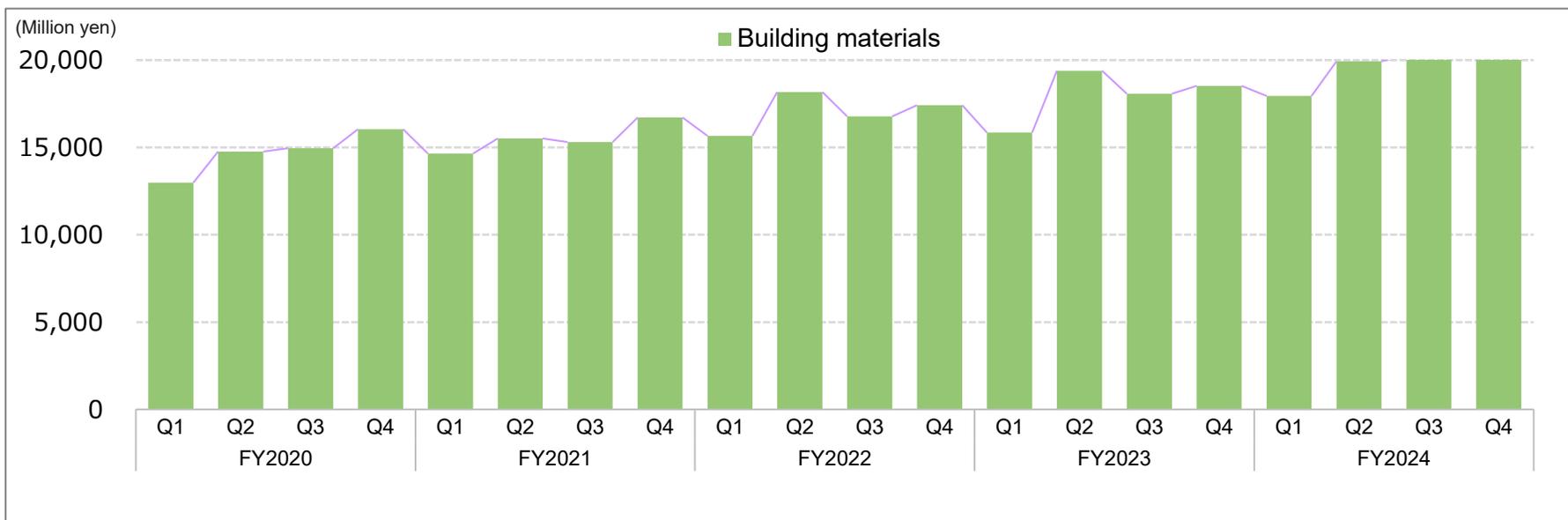
**Production equipment total: 64.8% → 64.6% (-0.3pt)**

**Consumer goods total: 34.1% → 34.8% (+0.7pt)**

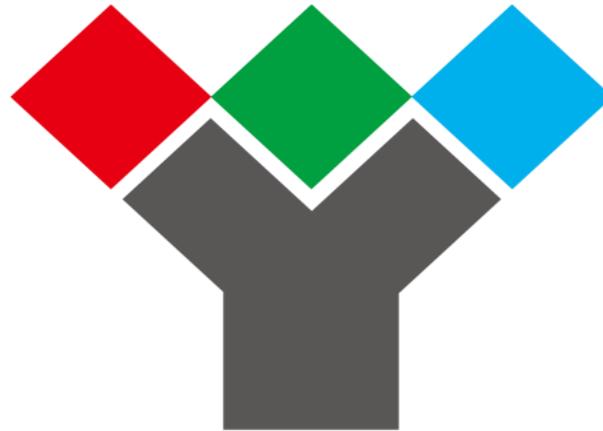








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with you all**



**YAMAZEN**