

**Fiscal Year Ended March 2025**

# Fly to the next stage!

**Financial Results  
(Preliminary)**

**YAMASHIN-FILTER CORP.  
May 15, 2025**



# | Executive Summary

- ◆ The Company achieved its highest consolidated financial results since its founding in FY2024.
- ◆ FY2025 Outlook: Despite the continuing uncertainty in the external environment, we expect to be able to achieve the targets of the Medium-term Management Plan.

Business environment	Earnings performance in FY2024	FY2025 Outlook
<p><b>Markets</b></p> <p><b>Construction Machinery Filter</b></p> <p>By business model</p> <p>Line parts Service parts</p> <p><b>Air Filter</b></p> <p>By region</p> <p>Japan North America Asia Europe China</p> <p><b>Major raw material prices</b></p> <p><b>Energy costs</b></p> <p>Remain high</p>	<p>Consolidated net sales:</p> <p><b>20,104</b> million yen</p> <p>YoY change: <b>+11.5%</b></p> <p>Consolidated operating income:</p> <p><b>2,630</b> million yen</p> <p>YoY change: <b>+86.4%</b></p> <p>* Shareholders' equity ratio: <b>84.9%</b></p> <p><b>Construction Machinery Filter</b></p> <p>17,489 million yen</p> <p>YoY change (+13.7%)</p> <p><b>Air Filter</b></p> <p>2,615 million yen</p> <p>YoY change (-1.0%)</p>	<p>Consolidated net sales:</p> <p><b>20,420</b> million yen</p> <p>YoY change: <b>+1.6%</b></p> <p>Consolidated operating income:</p> <p><b>2,720</b> million yen</p> <p>YoY change: <b>+3.4%</b></p> <p>* Shareholders' equity ratio: <b>81.3%</b></p> <p><b>Construction Machinery Filter</b></p> <ul style="list-style-type: none"> <li>The demand for line parts is expected to remain strong</li> <li>Although the service parts are affected by inventory adjustments, their demand is also anticipated to remain strong</li> </ul> <p><b>Air Filter</b></p> <p>Improving ROIC is an urgent priority</p>

- ◆ The impact of tariffs on our Group will be minor and will not be factored into our financial forecasts for FY2025.




Estimated impact on Construction Machinery Filter Business

Assumptions

Based on tariff rates announced by the US government as of April 3, 2025



\* The 90-day tariff pause is not factored into the estimate

Reciprocal tariffs		
Applied to all products		
Affected regions		
Japan-made	Philippines-made	Vietnam-made
24%	17%	46%
		

Affected regions (imports)	Affected regions (exports)	Impact level	Estimated impact (annual amount)	Countermeasures
Sales bases	Manufacturing sites	Low	Up to approx. 400 million yen of cost increase	Can be addressed through sales price adjustments for key customers and cost reduction measures
US	Philippines, Vietnam, and Japan			

# | Review of FY2024 and Outlook for FY2025

# Overview of Medium-Term Management Plan

## Construction Machinery Filters

- Expand market share through diverse approaches
- Introduce high-value-added products
- Advance aftermarket activities

Manage MAVY's to enhance corporate value

### Financial KPIs (FY2027)

- MAVY's: **2%** or more  
(company-specific indicator)
- ROIC: **10%** or more
- WACC: **7.3%**

### Shareholder Return KPIs (FY2027)

- DOE: **10%**
- Dividend payout ratio: **80%**

## Air Filters

- Strengthen existing commercial distribution
- Strengthen direct sales structure
- Expand sales of filter media

ESG management aimed at building a sustainable society

### Non-Financial KPIs (FY2027)

ESG investment indices

- FTSE score: **4.0** or more
- CDP Climate Change Score: **A**



- ◆ Steady progress in achieving our Medium-term Management Plan targets for FY2024.
- ◆ In terms of non-financial information, the CDP score was achieved ahead of the plan.

## Financial information

	FY2024 (Results)	Change
MAVY's	0.1%	+ 2.7pts
ROIC	8.2%	+ 3.3pts
WACC	8.1%	+ 0.6pts

## Shareholder returns

	FY2024 (Results)	Change
Consolidated dividend payout ratio	49.3%	-5.2pt
DOE	3.9%	+ 1.9pt

## Non-financial information

February 2025

### CDP Climate Change

Achieved an **A score**,  
the highest possible rating

As of May 2025

### ESG investment index

FTSE

Blossom Japan Sector Relative Index

Achieved an **overall score of**

**2.7**

## MAVY

As quantitative targets to enhance corporate value, we have set KPIs in three categories: financial, non-financial, and shareholder returns.

Financial

Non-Financial

Shareholder Returns

Earnings  
power

ROIC

Cost of  
capital  
WACC

Corporate  
value

MAVY's

**Return**  
on invested capital

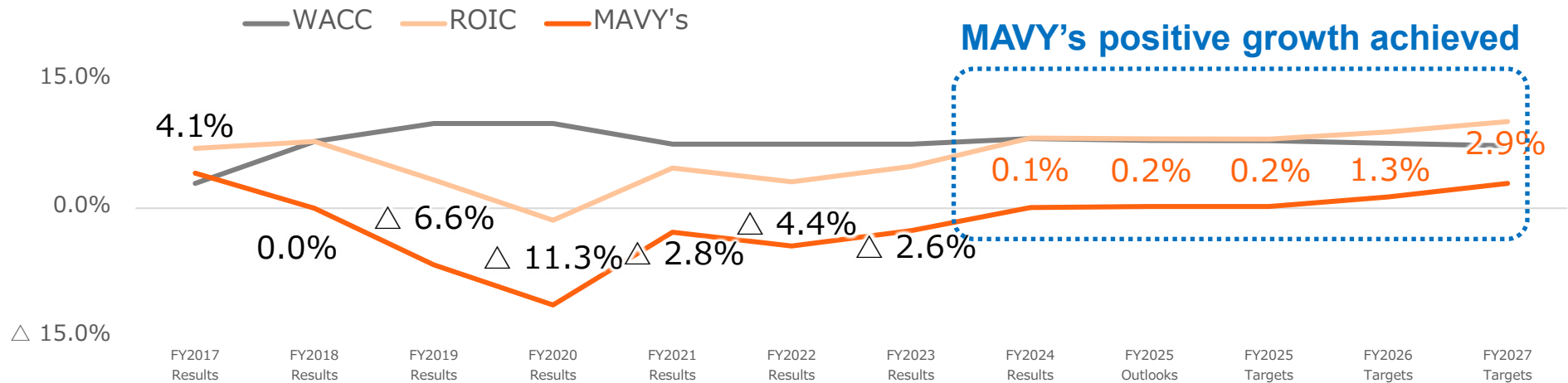
A higher ROIC indicates  
efficient capital utilization in generating profits

Does generated  
**value exceed costs?**

A **positive** value indicates  
generated value exceeds cost of capital

# KPI Progress –Financial Information

- ◆ MAVY's has turned positive for the first time in seven years in FY2024.
- ◆ Expected to achieve the Mid-term Management Plan targets in FY2025.



	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Outlooks	FY2025 Targets	FY2026 Targets	FY2027 Targets
MAVY's	4.1%	0.0%	△ 6.6%	△ 11.3%	△ 2.8%	△ 4.4%	△ 2.6%	0.1%	0.2%	0.2%	1.3%	2.9%
ROIC	7.0%	7.8%	3.3%	△ 1.4%	4.7%	3.1%	4.9%	8.2%	8.1%	8.1%	8.9%	10.2%
WACC	2.9%	7.8%	9.9%	9.9%	7.5%	7.5%	7.5%	8.1%	7.9%	7.9%	7.6%	7.3%

Ref., The MAVY's and WACC figures for FY2017 are provided for reference.

# Q4 FY2024 Results (January to March 2025)

By Segment (P&L): Consolidated, Construction Machinery Filter, Air Filter

- ◆ Significant increase in sales and profits due to contribution from mainstay construction machinery filter business.

(Million yen)		Q4 FY2023 Results	Q4 FY2024 Results	YoY Change	
		Amount	Amount	Amount	Percent
Net sales		4,716	5,158	442	9.4%
	Construction Machinery Filter*	4,057	4,456	399	9.8%
	Air Filter	659	702	42	6.5%
Operating income (segment income)		472	579	106	22.6%
	Construction Machinery Filter*	453	553	99	21.9%
	Air Filter	18	26	7	39.6%
Operating income margin		10.0%	11.2%	1.2Pt	
Ordinary profit		474	571	97	20.5%
Ordinary profit margin		10.1%	11.1%	1.0Pt	
Net income		148	493	344	232.1%
Net income margin		3.2%	9.6%	6.4Pt	
Exchange rates (yen, average during the period)					
	USD	144.6	152.6	8.0	5.5%
	EUR	156.8	163.8	6.9	4.4%

\* "Construction Machinery Filter" includes construction machinery filters, industrial filters, and process filters.

# Q4 FY2024 Results (January to March 2025)

## Net Sales (by Product)

- ◆ Sales of service parts have grown significantly due to increased demand for our products, which are in line with the aftermarket strategies being promoted by construction equipment manufacturers.

### ■ Net sales by product (Million yen)

		Q4 FY2023 Results	Q4 FY2024 Results	YoY Change	
		Amount	Amount	Amount	Percent
Construction Machinery Filter		3,708	4,127	418	11.3%
	Line parts	1,374	1,445	70	5.1%
	Service parts	2,333	2,681	348	14.9%
Industrial filters		170	167	△3	△2.1%
Process filters		178	162	△16	△9.1%
Subtotal for construction machinery filters		4,057	4,456	399	9.8%
Air Filter		659	702	42	6.5%
Total net sales		4,716	5,158	442	9.4%

# Q4 FY2024 Results (January to March 2025)

## Net Sales (by Region)

◆ Aftermarket performance in each region, particularly North America, remained strong.

### ■ Net sales by region

(Million yen)

		Q4 FY2023 Results		Q4 FY2024 Results		YoY Change	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percent
Construction Machinery Filter*		4,057	86.0%	4,456	86.4%	399	9.8%
	Japan	1,741	36.9%	1,683	32.6%	△57	△3.3%
	North America	1,036	22.0%	1,272	24.7%	236	22.8%
	China	297	6.3%	351	6.8%	53	18.1%
	Asia	521	11.1%	605	11.7%	84	16.2%
	Europe	458	9.7%	541	10.5%	83	18.2%
	Other (Middle East, etc.)	2	0.1%	1	0.0%	0	△28.4%
Air Filter (Japan)		659	14.0%	702	13.6%	42	6.5%
Total net sales		4,716	100.0%	5,158	100.0%	442	9.4%

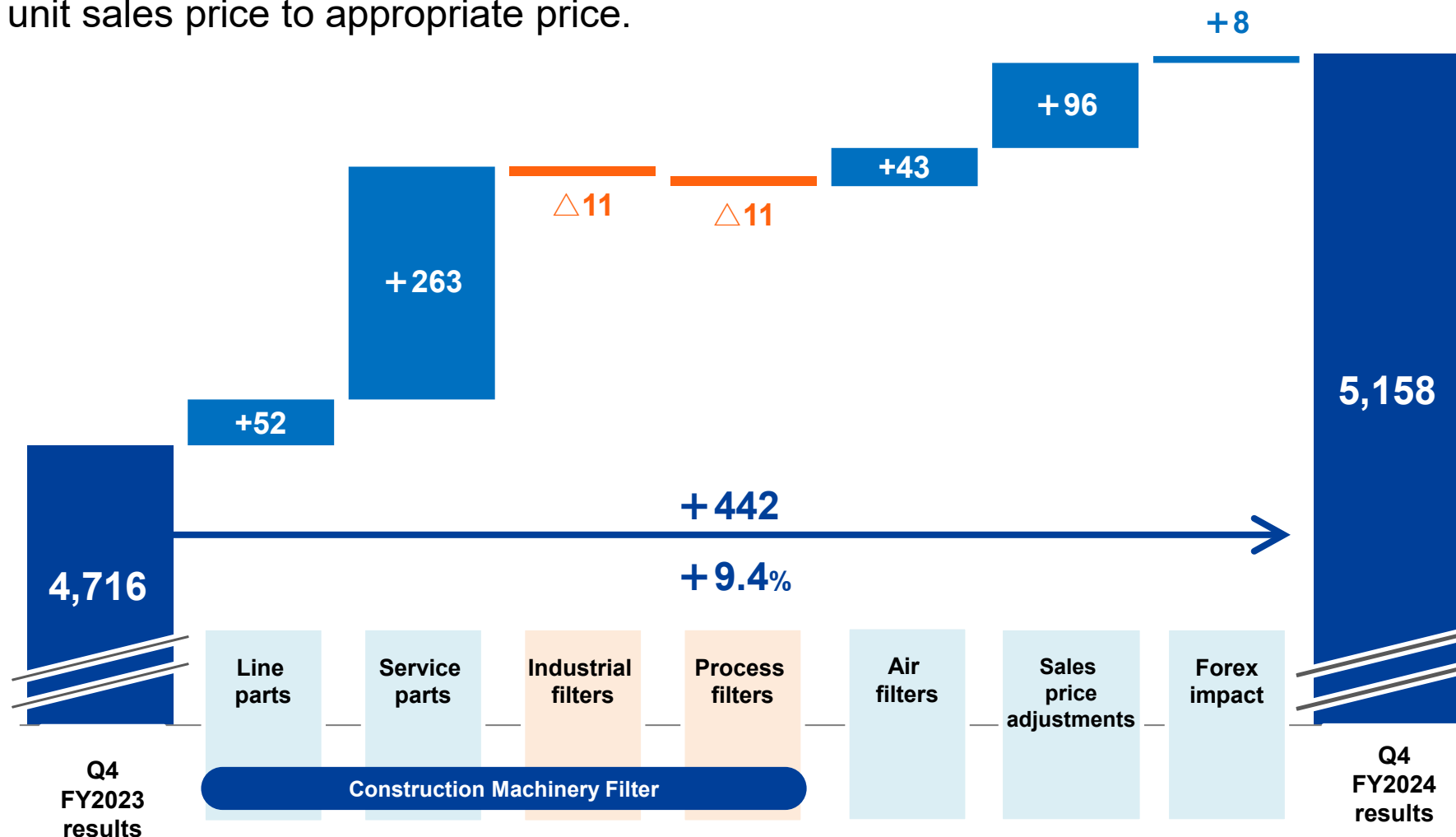
\* "Construction Machinery Filter" includes construction machinery filters, industrial filters, and process filters.

Ref., The regional figures above are aggregated based on invoice destination.

# Q4 FY2024 Results (January to March 2025)

## YoY Changes in Net Sales

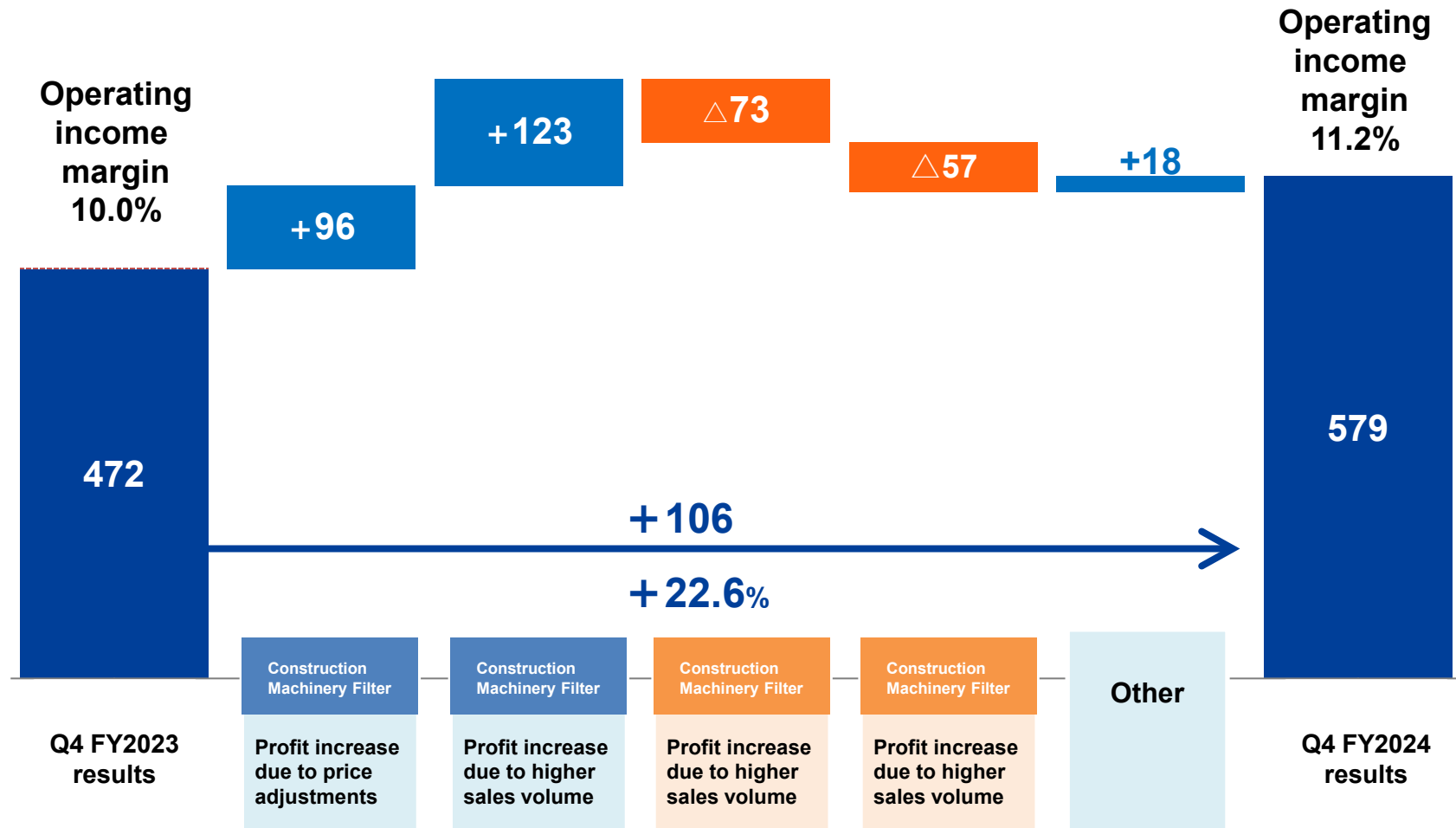
- ◆ Significant increase in revenue due to increase in sales of service parts and revision of unit sales price to appropriate price.



# Q4 FY2024 Results (January to March 2025)

## YoY Changes in Operating Income

- Operating profit increased due to an increase in sales volume, and the operating profit margin improved by optimizing sales prices as a response to risks associated with changes in the external environment.



# FY2024 Results (April 2024 to March 2025)

By Segment (P&L): Consolidated, Construction Machinery Filter, Air Filter

- ◆ Thanks to the contribution of the construction machinery filter business, consolidated results achieved the highest profit since the Company's founding.

(Million yen)		FY2023 Results	FY2024 Results	YoY Change	
		Amount	Amount	Amount	Percent
Net sales		18,024	20,104	2,079	11.5%
	Construction Machinery Filter*	15,382	17,489	2,106	13.7%
	Air Filter	2,642	2,615	△26	△1.0%
Operating income (segment income)		1,411	2,630	1,218	86.4%
	Construction Machinery Filter*	1,320	2,554	1,234	93.5%
	Air Filter	91	75	△15	△17.3%
<b>Operating income margin</b>		<b>7.8%</b>	<b>13.1%</b>	<b>5.3Pt</b>	
Ordinary profit		1,415	2,669	1,254	88.6%
<b>Ordinary profit margin</b>		<b>7.9%</b>	<b>13.3%</b>	<b>5.4Pt</b>	
Net income		786	1,723	936	119.1%
<b>Net income margin</b>		<b>4.4%</b>	<b>8.6%</b>	<b>4.2Pt</b>	
Exchange rates (yen, average during the period)	USD	144.6	152.6	8.0	5.5%
	EUR	156.8	163.8	6.9	4.4%

\* "Construction Machinery Filter" includes construction machinery filters, industrial filters, and process filters.

# FY2024 Results (April 2024 to March 2025)

## Net Sales (by Product)

- ◆ Sales of service parts have grown significantly due to increased demand for our products, which are in line with the aftermarket strategies being promoted by construction equipment manufacturers, and the revision of sales prices to appropriate levels.

■ Net sales by product (Million yen)		FY2023 Results	FY2024 Results	YoY Change	
		Amount	Amount	Amount	Percent
Construction Machinery Filter		14,008	16,080	2,072	14.8%
	Line parts	5,731	5,599	△132	△2.3%
	Service parts	8,276	10,481	2,205	26.6%
Industrial filters		648	708	60	9.3%
Process filters		725	699	△25	△3.6%
Subtotal for construction machinery filters		15,382	17,489	2,106	13.7%
Air Filter		2,642	2,615	△26	△1.0%
Total net sales		18,024	20,104	2,079	11.5%

# FY2024 Results (April 2024 to March 2025)

## Net Sales (by Region)

- ◆ Aftermarket performance remained strong in each region, particularly in North America and Southeast Asia.

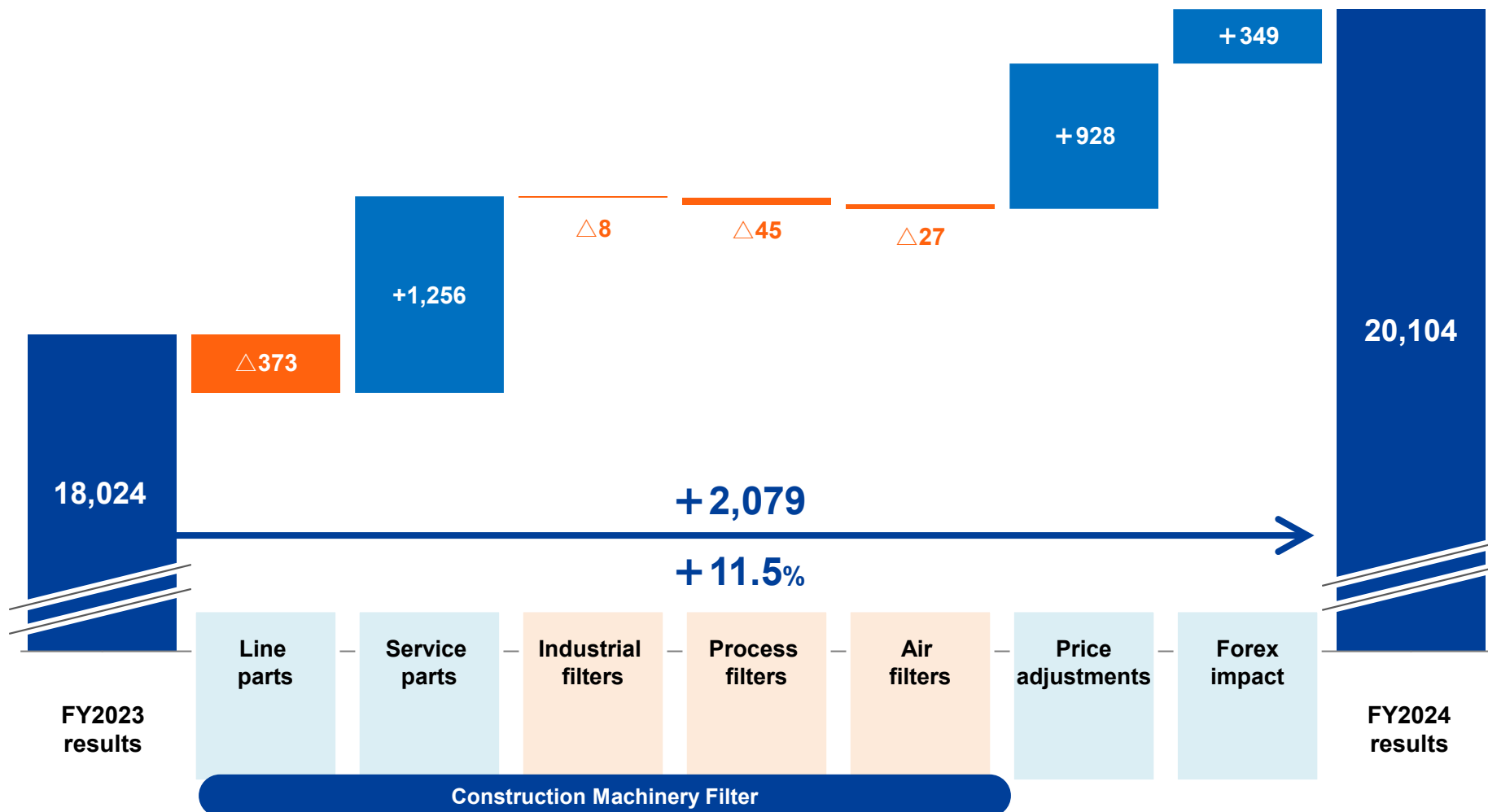
■ Net sales by region (Million yen)		FY2023 Results		FY2024 Results		YoY Change	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percent
Construction Machinery Filter*		15,382	85.3%	17,489	87.0%	2,106	13.7%
	Japan	6,990	38.8%	6,900	34.3%	△89	△1.3%
	North America	3,249	18.0%	4,590	22.8%	1,341	41.3%
	China	1,218	6.8%	1,246	6.2%	28	2.3%
	Asia	2,051	11.4%	2,670	13.3%	619	30.2%
	Europe	1,869	10.4%	2,073	10.3%	204	10.9%
	Other (Middle East, etc.)	3	0.0%	7	0.0%	3	95.4%
Air Filter (Japan)		2,642	14.7%	2,615	13.0%	△26	△1.0%
Total net sales		18,024	100.0%	20,104	100.0%	2,079	11.5%

\* "Construction Machinery Filter" includes construction machinery filters, industrial filters, and process filters.  
Ref., The regional figures above are aggregated based on invoice destination.

# FY2024 Results (April 2024 to March 2025)

## YoY Changes in Net Sales

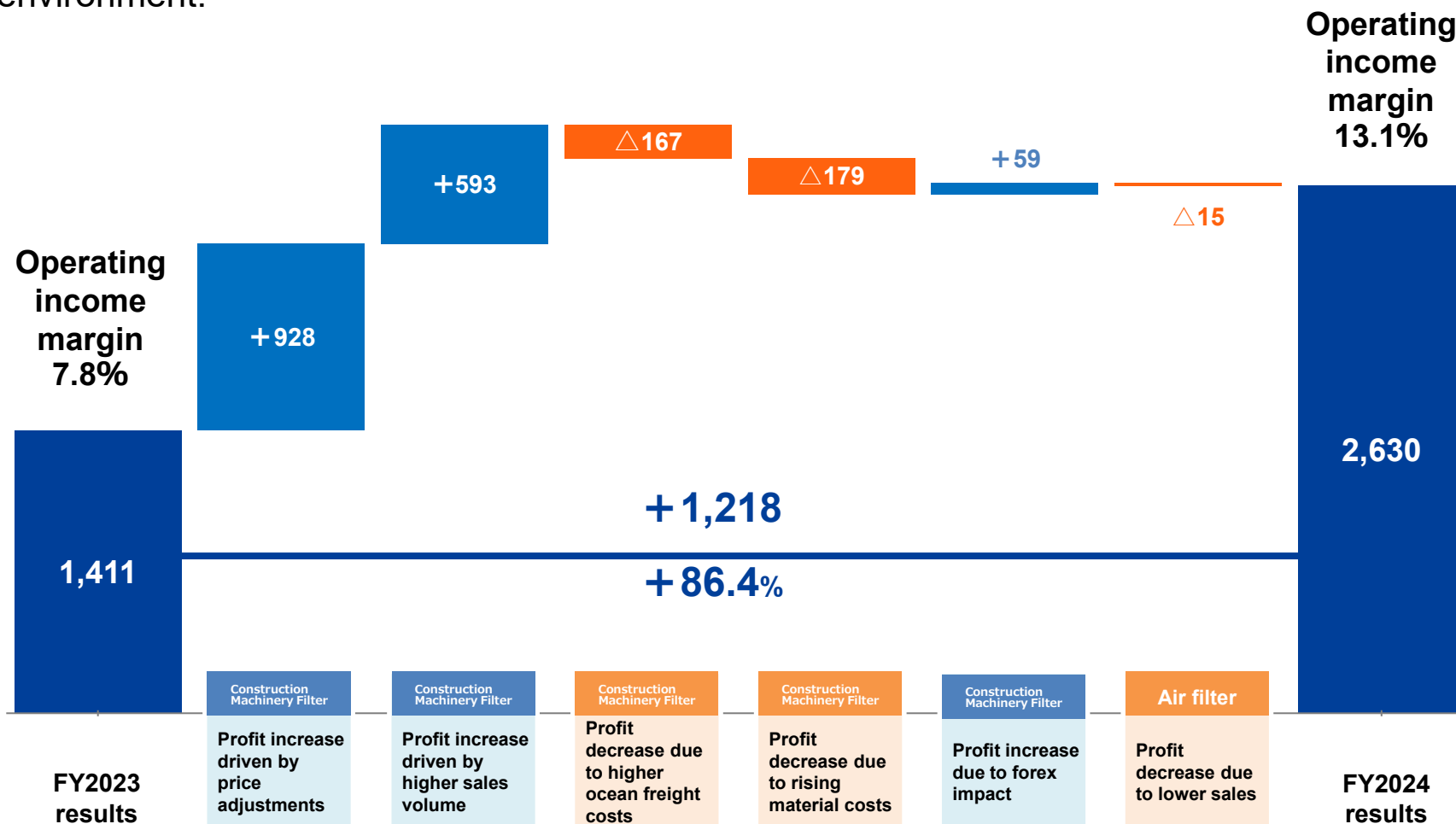
- ◆ Significant increase in revenue due to increase in sales of service parts and revision of unit sales price to appropriate price.



# FY2024 Results (April 2024 to March 2025)

## YoY Changes in Operating Income

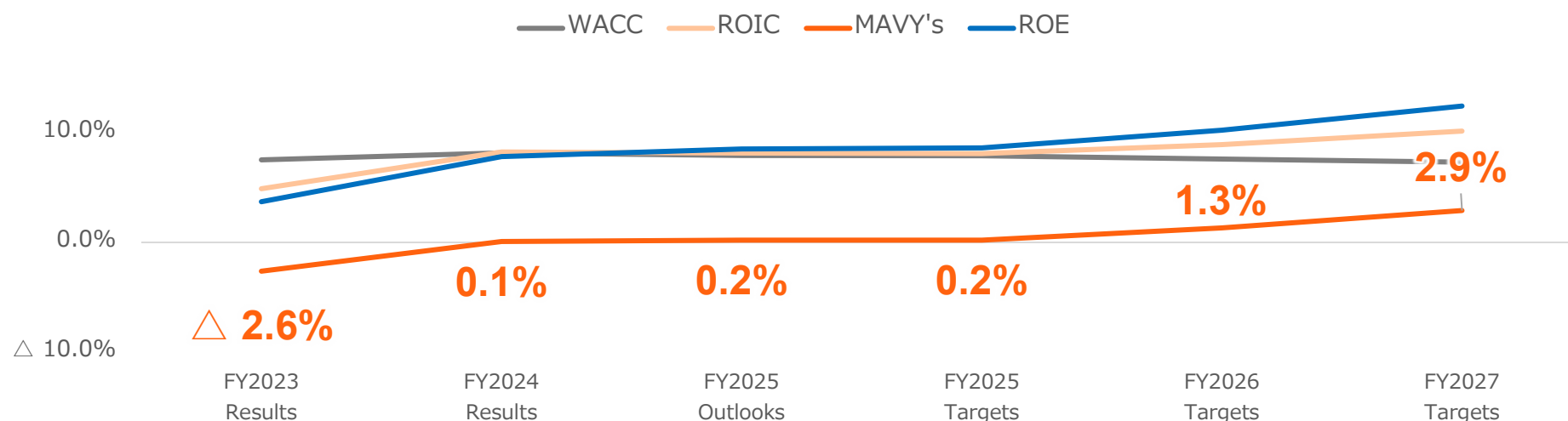
- Operating profit increased due to an increase in sales volume, and the operating profit margin improved by optimizing sales prices as a response to risks associated with changes in the external environment.



# FY2025 Outlook (April 2025 to March 2026)

## Progress with KPIs (MAVY's, ROIC, WACC and ROE)

- ◆ Improvements in MAVY's, which indicates corporate value, are progressing steadily according to our Medium-term Management Plan.
- ◆ Achieved MAVY's positive growth for the first time in seven years in FY2024.
- ◆ The targets set in our Medium-term Management Plan are expected to be achieved in FY2025 as well.



	FY2023 Results	FY2024 Results	FY2025 Outlooks	FY2025 Targets	FY2026 Targets	FY2027 Targets
MAVY's	△ 2.6%	0.1%	0.2%	0.2%	1.3%	2.9%
ROIC	4.9%	8.2%	8.1%	8.1%	8.9%	10.2%
WACC	7.5%	8.1%	7.9%	7.9%	7.6%	7.3%
ROE	3.7%	7.8%	8.5%	8.6%	10.2%	12.4%

# FY2025 Outlook (April 2025 to March 2026)

By Segment (P&L): Consolidated, Construction Machinery Filter, Air Filter)

- ◆ Although the external environment is uncertain, the profit levels set out in the Medium-term Management Plan are expected to be achieved.

(Million yen)		FY2023 Results	FY2024 Results	FY2025 Outlook	YoY Change
		Amount	Amount	Amount	Amount
Net sales		18,024	20,104	20,420	315
	Construction Machinery Filter*	15,382	17,489	17,770	280
	Air Filter	2,642	2,615	2,650	34
Operating income (segment income)		1,411	2,630	2,720	89
	Construction Machinery Filter*	1,320	2,554	2,645	90
	Air Filter	91	75	75	0
Operating income margin		7.8%	13.1%	13.3%	0.2Pt
Ordinary profit		1,415	2,669	2,750	80
Ordinary profit margin		7.9%	13.3%	13.5%	0.2Pt
Net income		786	1,723	1,910	186
Net income margin		4.4%	8.6%	9.4%	0.8Pt
Exchange rates (yen, average during the period)	USD	144.6	152.6	145.0	△5.0%
	EUR	156.8	163.8	165.0	0.8%

\* "Construction Machinery Filter" includes construction machinery filters, industrial filters, and process filters.

# FY2025 Outlook (April 2025 to March 2026)

## Net Sales (by Product)

- ◆ Increased sales of line parts are expected due to a strategy to expand market share by supplying high-value-added products.
- ◆ Sales of service parts remain strong.

### ■ Net sales by product

(Million yen)

		FY2023 Results		FY2024 Results		FY2025 Outlook		YoY Change	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percent
Construction Machinery Filter		14,008	77.7%	16,080	80.0%	16,386	80.2%	305	1.9%
	Line parts	5,731	31.8%	5,599	27.9%	5,981	29.3%	382	6.8%
	Service parts	8,276	45.9%	10,481	52.1%	10,405	51.0%	△76	△0.7%
Industrial filters		648	3.6%	708	3.5%	672	3.3%	△36	△5.1%
Process filters		725	4.0%	699	3.5%	711	3.5%	11	1.6%
Subtotal for construction machinery filters		15,382	85.3%	17,489	87.0%	17,770	87.0%	280	1.6%
Air Filter		2,642	14.7%	2,615	13.0%	2,650	13.0%	34	1.3%
Total net sales		18,024	100.0%	20,104	100.0%	20,420	100.0%	315	1.6%

# FY2025 Outlook (April 2025 to March 2026)

## Net Sales (by Region)

- ◆ Demand for new vehicles is expected to increase, primarily in North America, while the service parts market remains strong.

### ■ Net sales by region

(Million yen)

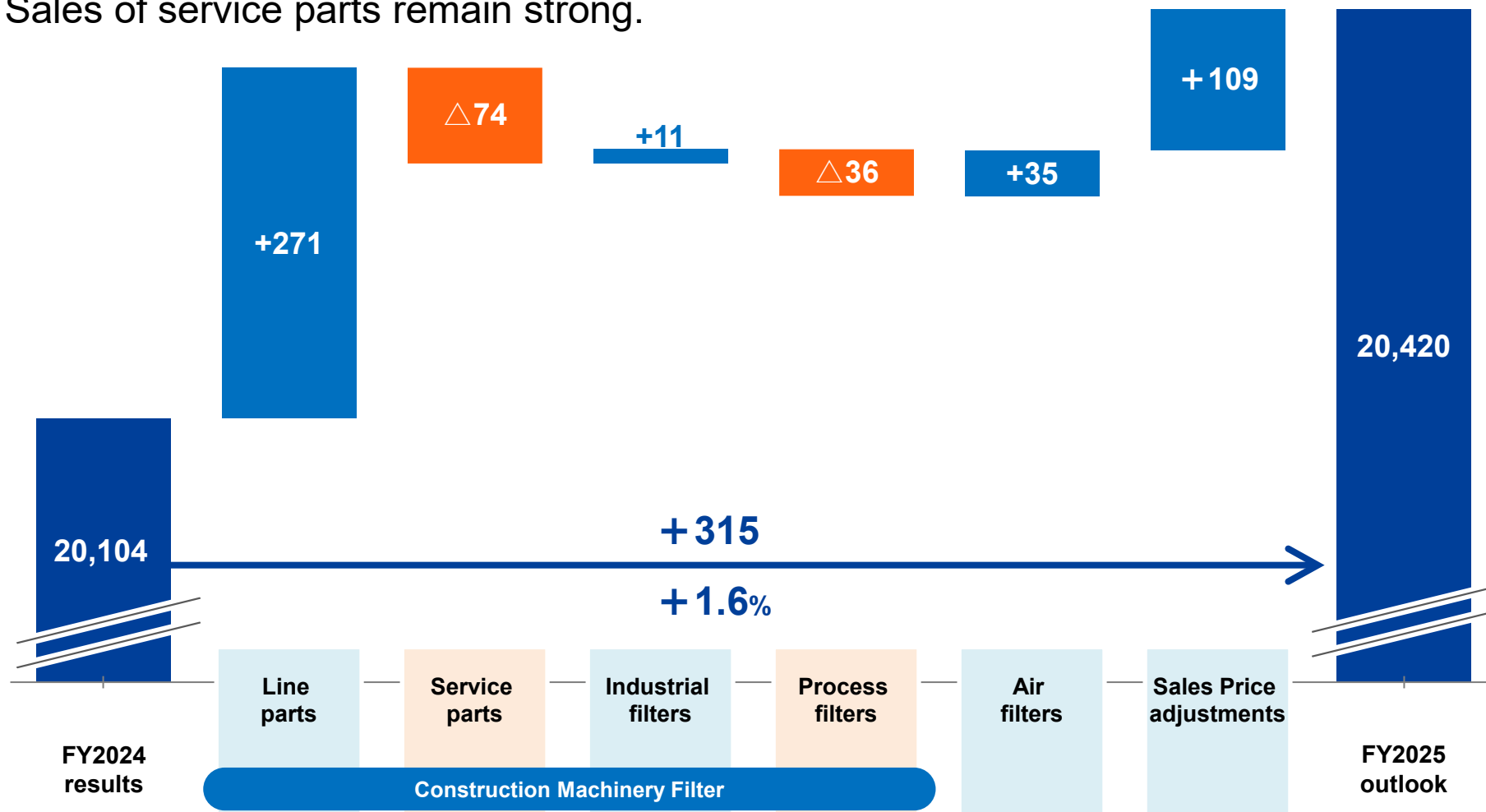
		FY2023 Results		FY2024 Results		FY2025 Outlook		YoY Change	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percent
Construction Machinery Filter*		15,382	85.3%	17,489	87.0%	17,770	87.0%	280	1.6%
	Japan	6,990	38.8%	6,900	34.3%	6,816	33.4%	△84	△1.2%
	North America	3,249	18.0%	4,590	22.8%	4,856	23.8%	266	5.8%
	China	1,218	6.8%	1,246	6.2%	1,354	6.6%	107	8.6%
	Asia	2,051	11.4%	2,670	13.3%	2,698	13.2%	27	1.0%
	Europe	1,869	10.4%	2,073	10.3%	1,891	9.3%	△182	△8.8%
	Other (Middle East, etc.)	3	0.0%	7	0.0%	152	0.7%	145	2,030.9%
Air Filter (Japan)		2,642	14.7%	2,615	13.0%	2,650	13.0%	34	1.3%
Total net sales		18,024	100.0%	20,104	100.0%	20,420	100.0%	315	1.6%

\* "Construction Machinery Filter" includes construction machinery filters, industrial filters, and process filters.  
Ref., The regional figures above are aggregated based on invoice destination.

# FY2025 Outlook (April 2025 to March 2026)

## YoY Changes in Net Sales

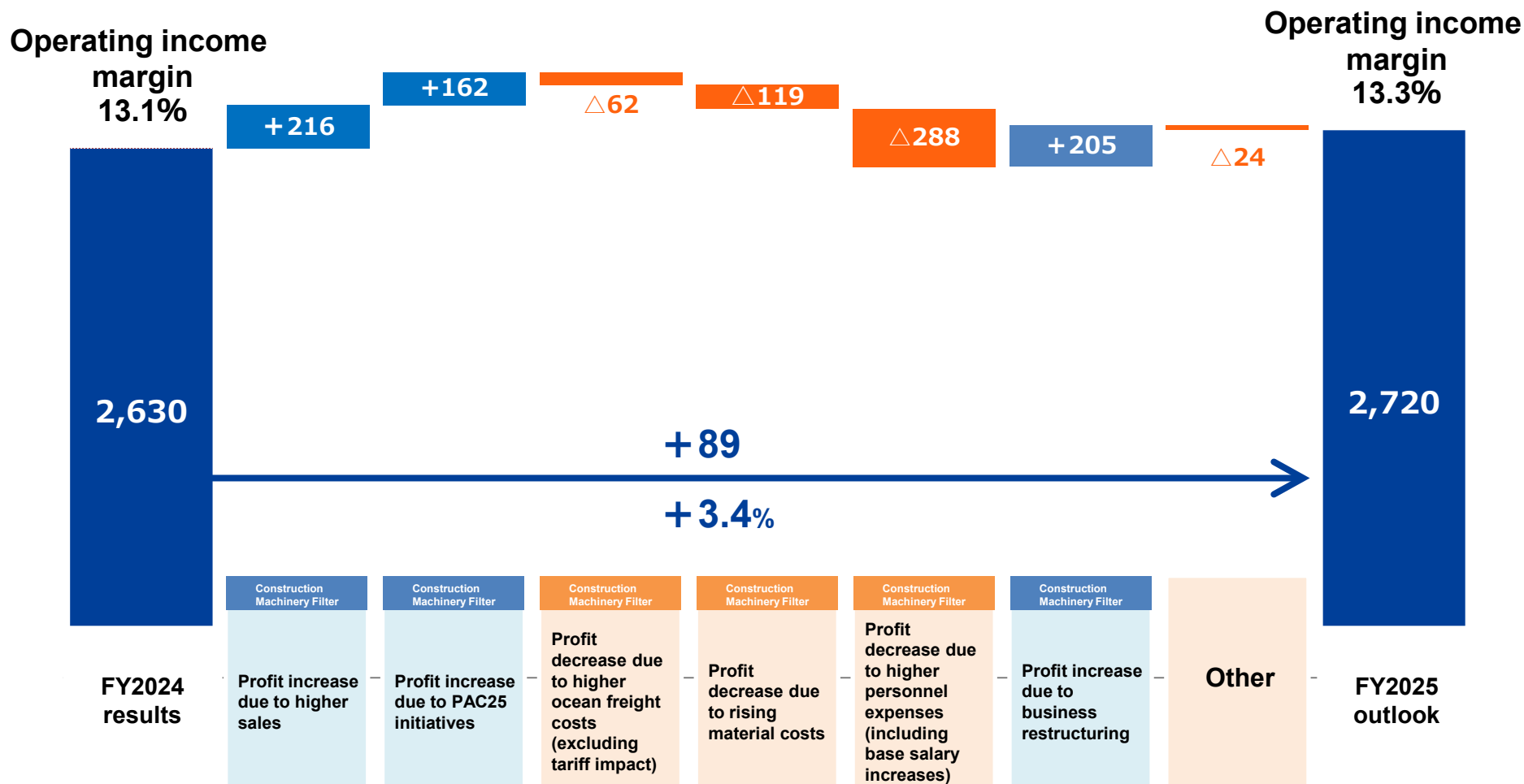
- ◆ Increased sales of line parts are expected due to a strategy to expand market share by supplying high-value-added products.
- ◆ Sales of service parts remain strong.



# FY2025 Outlook (April 2025 to March 2026)

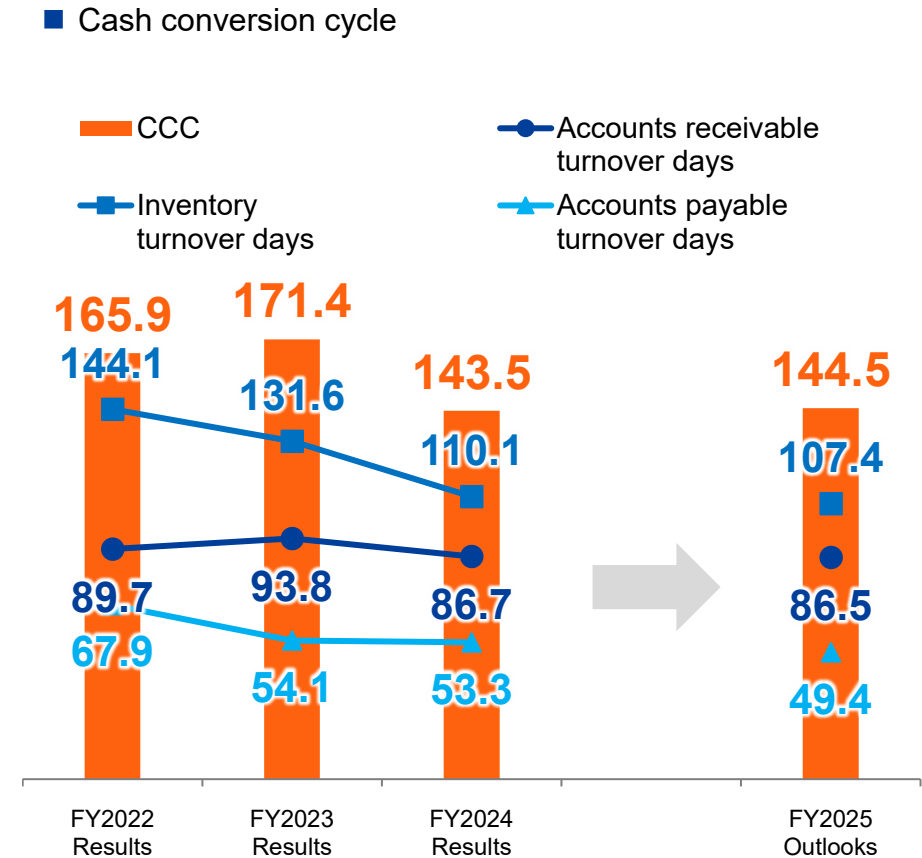
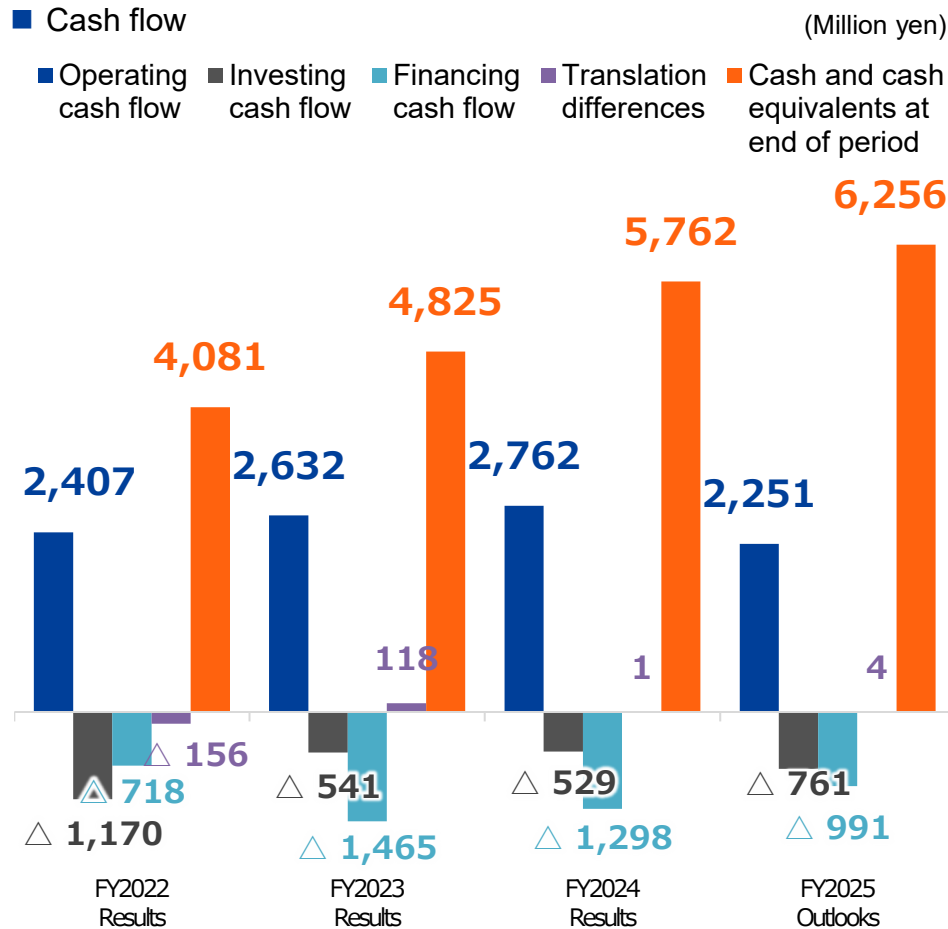
## YoY Changes in Operating Income

- ◆ The increase in fixed costs has been curbed through business restructuring and cost reduction efforts, and the profit levels set out in our Medium-term Management Plan are expected to be achieved.



# Cash Flow and Cash Conversion Cycle

- ◆ Maintaining ample cash flow through improved consolidated performance.
- ◆ Capital efficiency has improved significantly, driven by supply chain optimization and tighter inventory control.

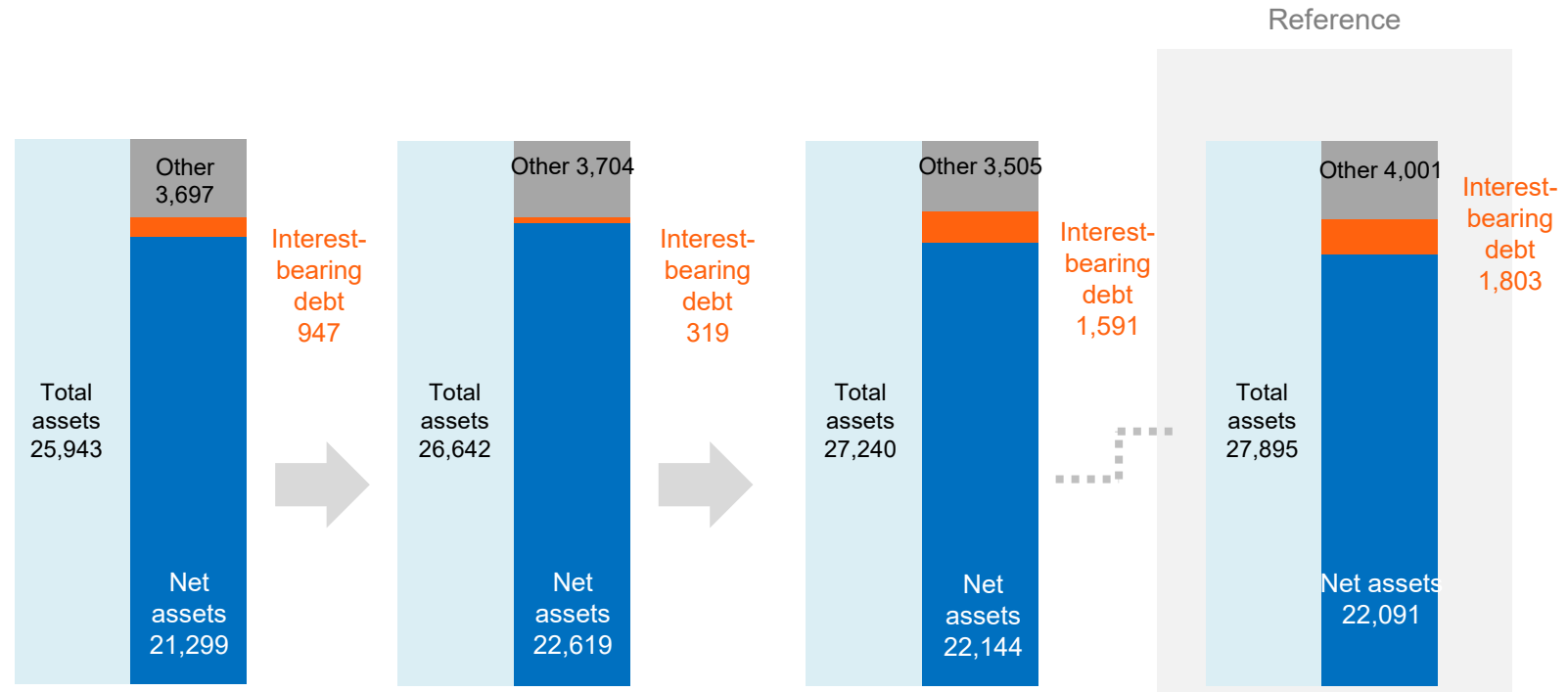


# Progress with Capital Policy

(Total Assets, Shareholders' Equity Ratio, Financial Leverage, WACC)

- ◆ Review capital policy and reduce capital adequacy ratio and WACC through financial leverage effect.

(Million yen)

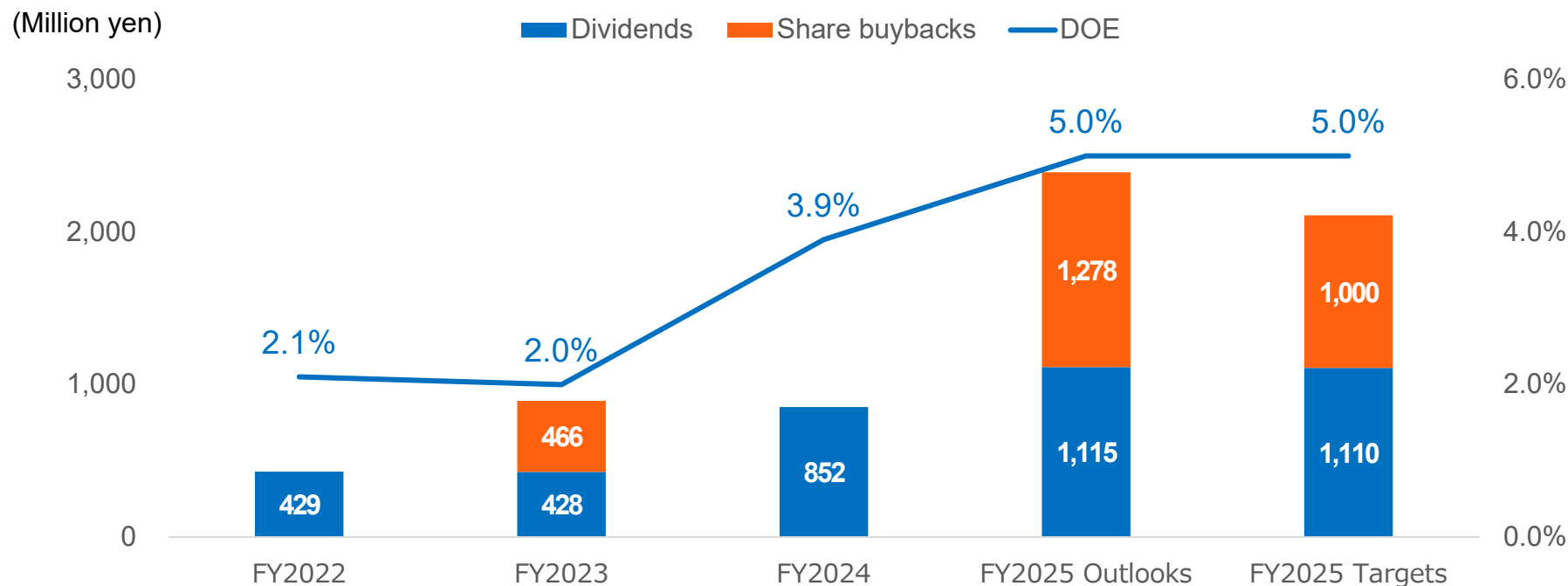


	FY2023 Results	FY2024 Results	FY2025 Outlooks	FY2026 Targets
Shareholders' equity ratio (%)	82.1%	84.9%	81.3%	79.2%
Financial leverage (x)	1.22	1.18	1.23	1.26
WACC(%)	7.5%	8.1%	7.9%	7.9%

# Shareholder Returns

(Dividends, DOE, Dividend Payout Ratio, Total Return Ratio)

- ◆ Enhancing shareholder returns through a revised capital policy that includes dividends and share buybacks.



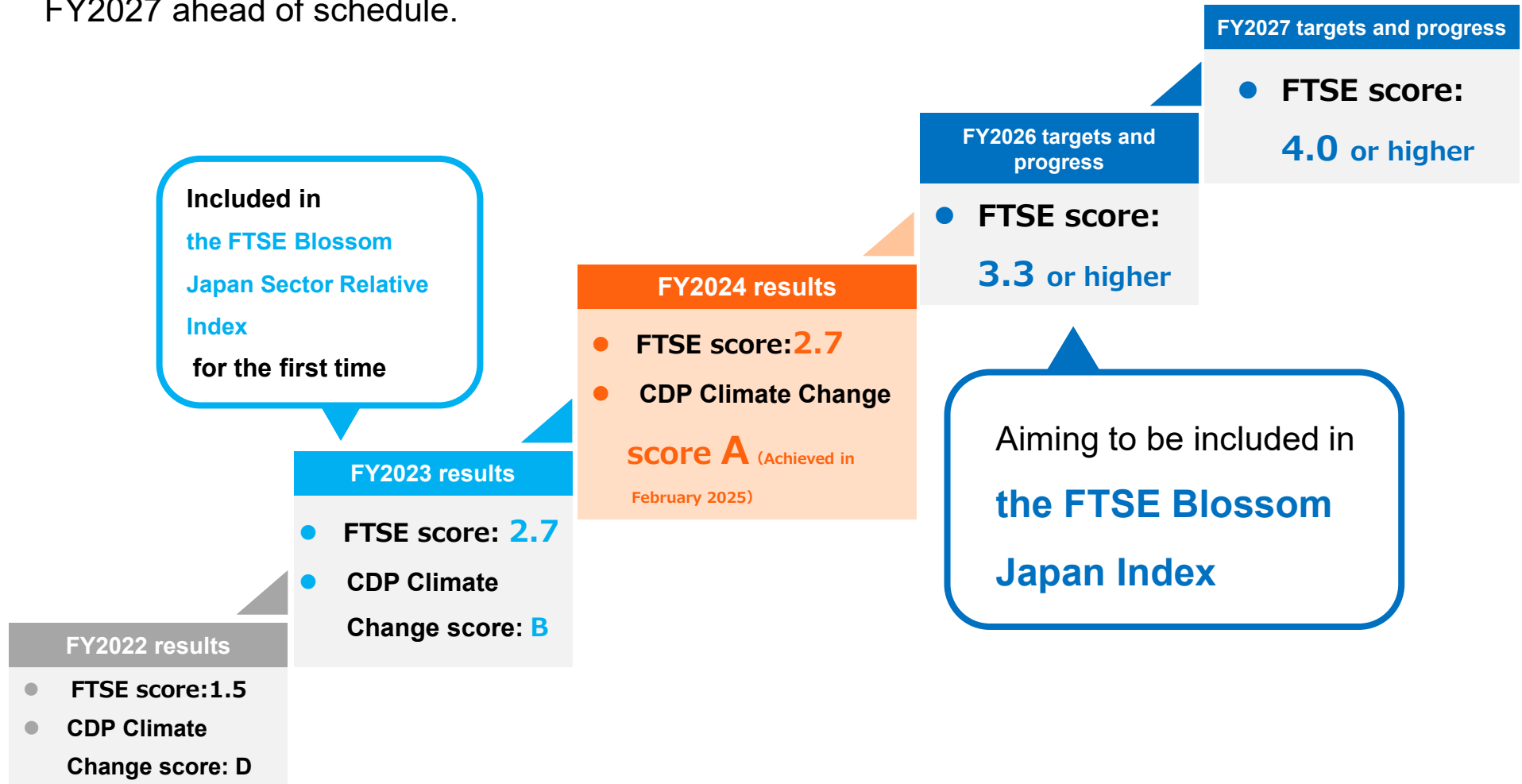
	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Targets	FY2025 Targets
Dividend per share	6.0 Yen	6.0 Yen	12.0 Yen	16.0 Yen	16.0 Yen
Total payout ratio (%) *	75.6%	121.0%	52.9%	128.4%	113.5%

\* Total return ratio = {(Total dividend + Shareholder benefits + Share buybacks) / Net income attributable to shareholders of the parent} × 100

# Non-Financial Information

## Progress on ESG Investment Indices (FTSE, CDP)

- ◆ Our CDP score for non-financial information KPI: We have been certified as an “A-List Company” of CDP Climate Change 2024 for the first time, achieving one of the mid-term plan targets for FY2027 ahead of schedule.



# | Progress of Medium-Term Management Plan and Future Strategy

# Progress of Medium-Term Management Plan: Year 1

- ◆ In the Construction Machinery Filter Business, profit increased significantly, driven mainly by sales growth for service parts and the effects of price revisions.
- ◆ In the Air Filter Business, despite progress with new initiatives, sales and profit declined in existing operations.
- ◆ In new businesses, new material development is advancing steadily, as planned.

← Not reflected in the medium-term targets →

Construction Machinery Filter	Air Filter	New business domains
<ul style="list-style-type: none"> <li>■ Net sales <b>17,489 million yen</b> (Achievement rate of <b>105.9%</b>)</li> <li>■ Segment profit <b>2,554 million yen</b> (Achievement rate of <b>121.6%</b>)</li> <li>■ MAVY's (proprietary metric) <b>2.0%</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Net sales <b>2,615 million yen</b> (Achievement rate of <b>93.3%</b>)</li> <li>■ Segment profit <b>75 million yen</b> (Achievement rate of <b>62.5%</b>)</li> <li>■ MAVY's (proprietary metric) <b>-8.3%</b></li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Development of heat-resistant materials</b> Developed a prototype product using biomass-based raw materials</li> <li>■ <b>Development of conductive materials</b> Developed a prototype bioelectrode with higher performance than commercially available alternatives</li> </ul>
Key initiatives in FY2024	Key initiatives in FY2024	Key initiatives in FY2024
<ul style="list-style-type: none"> <li>■ Expanded market share through a diverse range of approaches</li> <li>■ Introduced high value-added products</li> <li>■ Enhanced aftermarket initiatives</li> </ul>	<ul style="list-style-type: none"> <li>■ Strengthened existing sales channels</li> <li>■ Bolstered the direct sales structure</li> <li>■ Expanded sales of filter media</li> </ul>	<ul style="list-style-type: none"> <li>■ Promoted the introduction of products into promising markets</li> <li>■ Developed prototype products through tie-ups with partner customers</li> <li>■ Upgraded facilities to ensure stable supply</li> </ul>

# External Environment Surrounding the Construction Machinery Filter Market

- ◆ Market conditions remain uncertain, with limited visibility ahead.
- ◆ In North America, demand for new vehicles remains firm, while other regions exhibit a downward trend.
- ◆ Parts demand is expected to remain stable, driven primarily by strong-performing segments such as mining machinery.

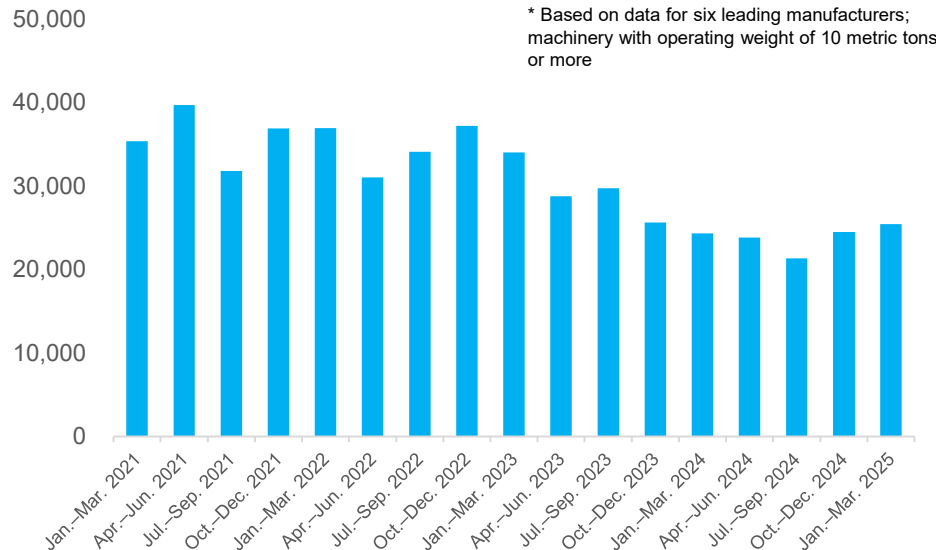
	FY2023	FY2024	FY2025 Outlook
Japan	Raw material prices remained high Demand for construction machinery was solid	Raw material prices remained high YoY decrease due to reduced demand from the rental segment	Raw material prices expected to remain high New vehicle demand expected to be flat or decline slightly YoY
North America	Prices of key raw materials remained high The yen continued to weaken Construction machinery uptime and new vehicle demand held steady	Prices of key raw materials remained high, and the yen continued to weaken YoY decrease due to a drop in housing starts Aftermarket operations remained strong	Tariffs and currency trends expected to remain uncertain New vehicle demand expected to fall YoY Aftermarket operations expected to remain strong
Europe	Demand was sluggish due to persistently high interest rates and surging energy prices	YoY decrease due to reduced demand in major countries	New vehicle demand expected to be flat or decline slightly YoY
Asia	Demand was weak due to an anticipated economic slowdown, uncertainty about the economic outlook, and delays in public spending caused by elections and other factors	YoY increase driven by resurgent demand for construction and mining machinery, especially in Indonesia Aftermarket operations remained strong	New vehicle demand expected to be flat YoY Aftermarket operations expected to remain strong
China	Demand dropped sharply due to a slowdown in economic activity caused mainly by weakness in the real estate market	Demand remained sluggish	Demand expected to remain sluggish

- ◆ Planned production volume to recover after this year.
- ◆ The maintenance demand environment has remained steady due to the impact of deferred purchases for new vehicles.
- ◆ The order backlog is projected to rise moderately, supported by price adjustment effects.

## Total production results and plans for major construction machinery manufacturers (quarterly)

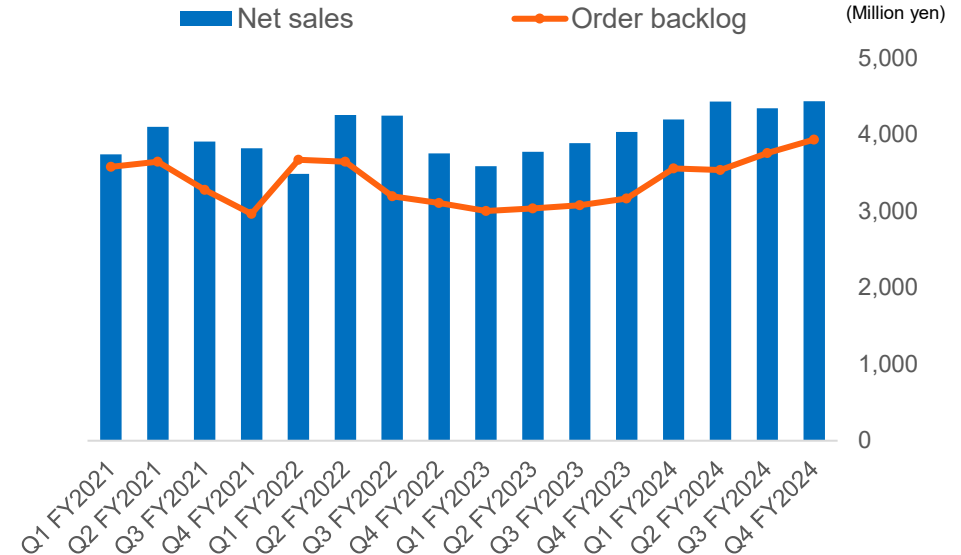
### Demand for new vehicles bottoms out and starts to recover

(Number of vehicles)



## Construction machinery filter sales and confirmed order backlog (quarterly)


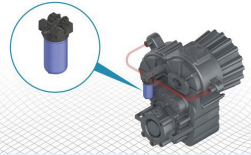
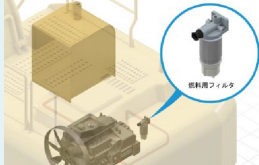
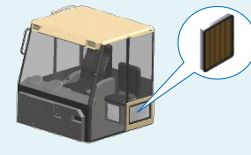
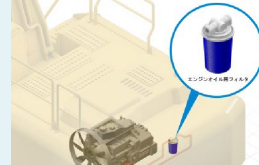
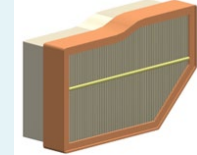
### Demand for service parts has held steady, while orders are gradually increasing



# Construction Machinery Filters:

## Progress on Market Share Expansion Strategy

- ◆ Consistently securing model change orders, primarily for our strong product lines such as hydraulic filters.
- ◆ Steadily advancing our strategy to capture market share with both core and new products.

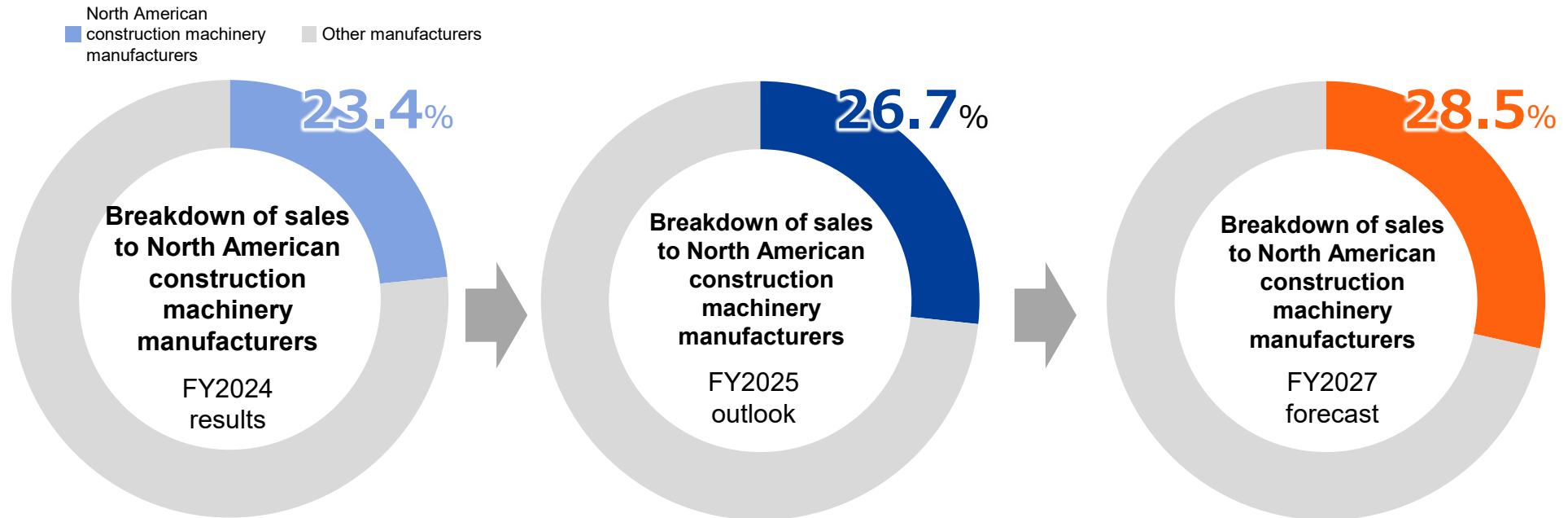
Products Customers	* Hydraulic filters	Transmission filters	Fuel filters	Cabin filters	Engine oil filters	Engine air filters
						
Company A	◎	△	◎	◎	△	△
Company B	△	◎	△	△	△	△
Company C	○	△	△	△	△	△
Company D	◎	-	△	△	△	△
Company E	◎	△	△	△	△	△

◎: Market share of 80.0% or higher; ○: Market share of 50.0% or more but less than 80.0%; △: Market share below 50.0%

\* Hydraulic filters are installed in machinery such as hydraulic excavators, wheel loaders, bulldozers, dump trucks, motor graders, and crawler cranes.

\* Following the announcement of the Medium-Term Management Plan in November 2024, the market share figures in the table were revised to reflect changes in the machinery types included in the analysis.

- ◆ In addition to competitive filter media, proposing products engineered to accommodate machinery layouts.
- ◆ Successfully recapturing market share from competitors in the core hydraulic filter business.
- ◆ Sales composition ratio is expected to exceed the Medium-term Management Plan target of 23.5%.



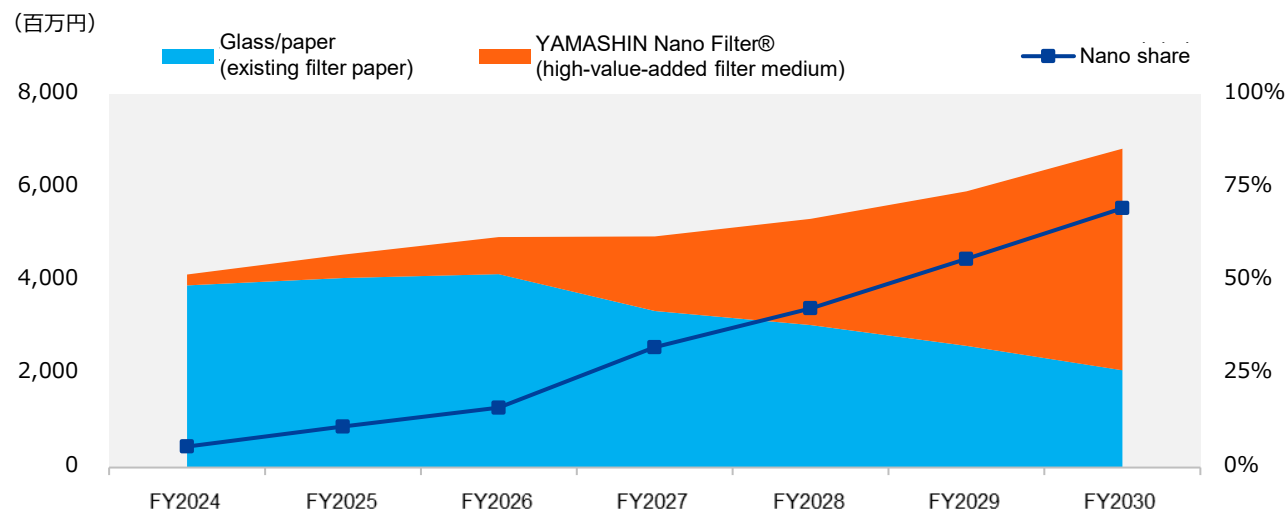
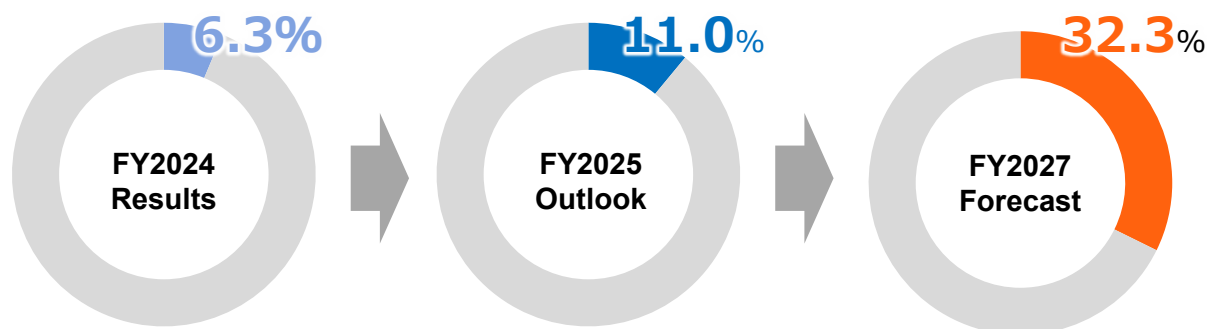
Measures  
taken

Proposed high value-added products through a combination of diverse customer touchpoints and nascent technologies

Secured approvals for new product adoptions

- ◆ The transition to nanofiber-based products is progressing steadily.
- ◆ While individual customer needs vary in their specifics, the overall trend points to longer-lasting products as a shared priority.
- ◆ Sales composition ratio is expected to exceed the Medium-term Management Plan target of 30%.

### Changes in product portfolio



The reason why

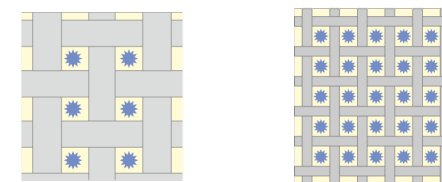


is supported

**Captures approximately 3 times as much dust as current products**

**Q. Why this is possible?**

**A. The fineness of the fiber diameter can make a difference in the amount of pockets that capture dust.**



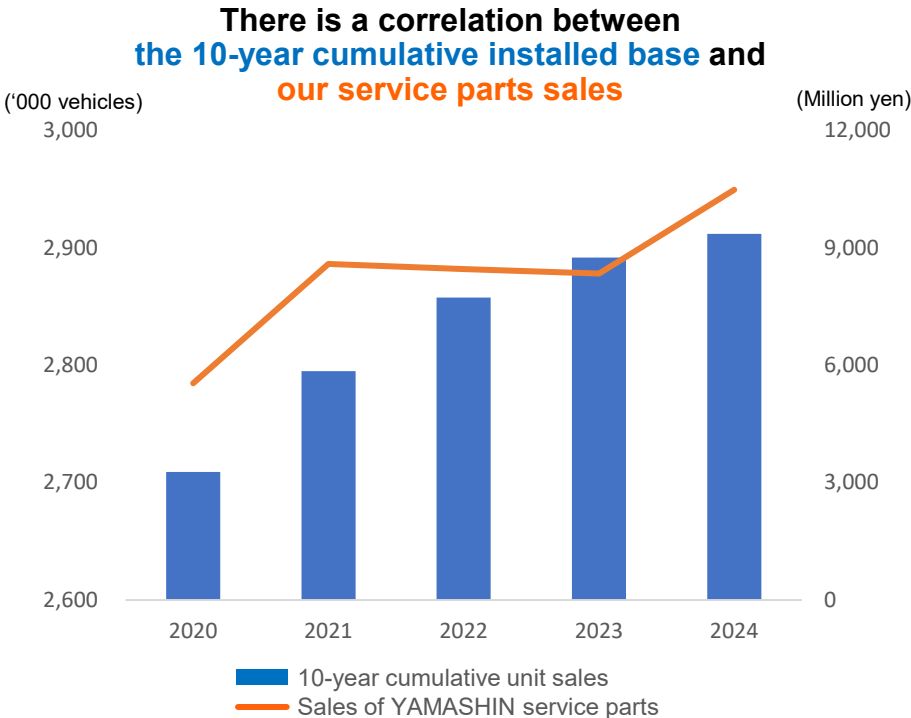
従来繊維

YAMASHIN Nano Filter™

**Consistent with the market's need for long-life products**

- ◆ Due to the growth in the number of construction machinery units on the market, our service parts market is expected to expand significantly.
- ◆ Providing timely maintenance education and alerts helps secure repeat customers

10-year cumulative installed base  
and service parts sales



\* Source: Company estimates based on data from Off-Highway Research

Progress on policies and initiatives  
in aftermarket activities

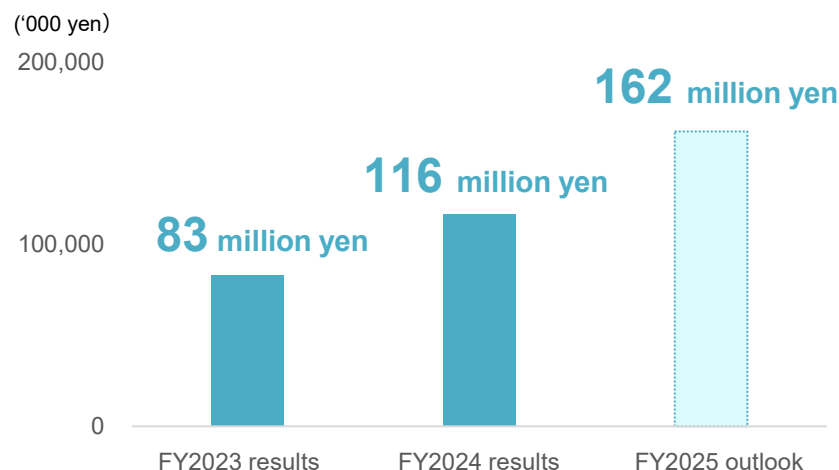
Policy	Promoting activities to secure long-term repeat business through alliances with the local subsidiaries of construction machinery manufacturers (customers)	
Key region	Asia (six countries, including India and Indonesia)	
FY2024 results and progress	Staff deployed	Events held
	<div>FY2023 220 people</div> <div>FY2024 834 people</div>	<div>FY2023 10 events</div> <div>FY2024 16 events</div>

- ◆ In the building segment, changes in replacement frequency have intensified competition for one-off projects.
- ◆ In the general factories segment, demand remains stable with a focus on maintenance, but revisions to inspection plans warrant close monitoring.

	Market overview	Market Environment	
		FY2024	FY2025 Outlook
<b>Buildings</b>	Air filters for outdoor air intake units, indoor air conditioning, and related installations in office, commercial, and other buildings	While the market remained flat, there was a clear shift toward mid-performance one-off projects, leading to intensified competition.	One-off filter projects are clearly increasing, and competition to secure such projects is expected to intensify.
<b>General factories</b>	Air filters for outdoor air intake units, indoor air conditioning, and related installations in factories	Regular maintenance remained stable, while an increased budget allocation for major renovations drove growth in construction projects.	Regular maintenance remains stable, but there is a shift toward reviewing maintenance plans, including reexamining maintenance intervals.
<b>Semiconductor factories</b>	Chemical filter replacement market	Stagnation persisted, but the start of operations at the new domestic plant is expected to support a recovery from the next term.	Conditions are similar to the previous term, and the potential for upside remains unclear.
<b>Environmental equipment</b>	Air filters for residential air conditioning and air purifiers used in homes	The downtrend became more evident, with housing manufacturers seeking to hold down material procurement costs.	The downtrend continues, with housing manufacturers expected to intensify pressure for cost reductions.
<b>Vehicles</b>	Air filters for air conditioning of railways and related applications. Air filters for dust filtration in construction machinery	Replacement demand remained strong. Activity in the new market segment (linear) began to show slight movement following stagnation.	Replacement demand is expected to remain strong. Activity in linear components has begun, but large-scale production has yet to be realized.

- ◆ Performance and quality are critical in the B2B space, which aligns with our strengths.
- ◆ Price competitiveness is essential, so we are responding to customer demands by streamlining and simplifying sales channels.

### B2B direct sales: Results and outlook



- Customer development efforts in the B2B space have gained momentum and are growing steadily.
- By conducting direct technical sales that highlight product performance and quality—without relying on distributors—we are improving our order acquisition rate.

### Status of product adoption

Expanding beyond general air conditioning into the field of environmental solutions, we are entering the mist collector field by further enhancing the precision of the Nano series

#### Mist collector (Leading machinery manufacturer)



The Nano series, classified as quasi-HEPA and adopted as an OEM product by one of Japan's largest machine tool manufacturers, is already being used in mass-production models and has received positive feedback at trade shows.

#### Mist collector (Mid-tier specialty manufacturer)



After receiving high marks in performance comparisons with competitors, the product was selected as standard equipment. It is already installed in some series, and expanded adoption across other models is under review.

# New Businesses (Progress Toward Commercialization)

- ◆ Made progress in the development of heat-resistant materials, using biomass-based PET as a raw material.
- ◆ Now moving into the development phase focused on adding functional properties that meet final product requirements.

## Key achievement in heat-resistant material development

Developed an eco-friendly bio-PET filling material that offers better price competitiveness than conventional products

Raw material image



### Three advantages of biomass PET

- 1 CO<sub>2</sub> emissions reduction by 21%
- 2 Diversification of resources
- 3 Recyclability

## Estimated market size\*

### Global insulation market

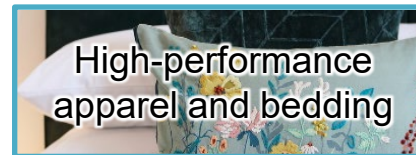
10T yen  
in 2023



14.6T yen  
in 2028

\*Source: Markets and Markets

## Anticipated applications\*



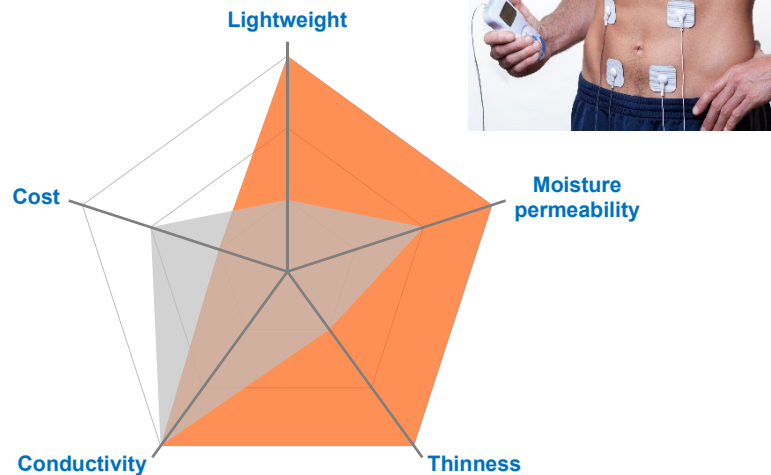
- Sportswear
  - Outdoor apparel
  - Sleeping bag, tent
  - Pet supplies etc.
- With growing environmental awareness, it is attracting attention as a sustainable material.
  - The ultra-fine fibers trap air, providing excellent insulation and heat retention.
  - Thinner and more stretchy than conventional cotton, making it ideal for sports.
  - Reduces stuffiness and provides a comfortable fit.

# New Businesses (Progress Toward Commercialization)

- ◆ Developing a prototype of a high-performance bioelectrode.
- ◆ The key to practical application, it is the comfortableness that the product can be worn naturally without any discomfort.
- ◆ Differentiated by the flexibility, elasticity, and moisture permeability unique to nanofiber nonwoven fabric.

## Key achievement in conductive material development

Harnessed the properties of nanofibers to develop a thin and lightweight prototype product with high moisture permeability



- In-house developed prototype
- General-purpose / commercially available products

## Estimated market size\*

### Global smart textiles market

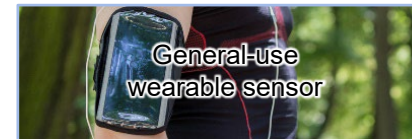
0.88T yen  
in 2024



2.4T yen  
in 2028

\*Source: THE BUSINESS RESEARCH COMPANY

## Anticipated applications\*



- Sports, fitness
- Wellness, beauty
- Healthcare, medical equipment
- Nursing care, rehabilitation

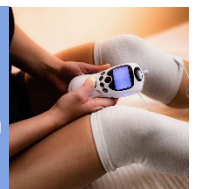
## Visualization of muscles not detectable through video analysis

Detects changes in muscle balance based on variations in electromyographic (EMG) patterns.

**In the athlete field**  
Muscle strength, heart rate, fatigue detection



**Monitoring muscle strength in the nursing care and rehabilitation fields**



# | Reference

# Quantitative Targets (Construction Machinery Filter)

1

Share expansion across three strategic axes  
(customers, technology, and regions)

2

High value-added products

3

Advancing aftermarket operations

Key Goal Indicator (KGI)	Key Performance Indicator (KPI)	Key Success Factor (KSF)	Departments	
<div>* KPI figures are based on the following.</div> <div>FY2024 Result</div> <div>FY2025 Outlook</div> <div>MAVY's FY2024 2.0% FY2025 1.7%</div> <div>ROIG FY2024 10.2% FY2025 9.6%</div> <div>WACC FY2024 8.1% FY2025 7.9%</div>	<div>Operation income FY2024 14.6% FY2025 14.9%</div> <div>Gross profit margin FY2024 46.3 % FY2025 46.9%</div> <div>SG&amp;A ratio FY2024 31.7 % FY2025 32.0%</div> <div>Working capital turnover rate FY2024 3.0 FY2025 2.9</div> <div>Fixed asset turnover rate FY2024 2.0 FY2025 2.1</div> <div>Capital turnover rate FY2024 0.9 FY2025 0.9</div>	<div>Sales growth ratio FY2024 13.7% FY2025 1.6%</div> <div>Cost to sales ratio FY2024 53.7% FY2025 53.1%</div> <div>Depreciation cost ratio FY2024 3.6% FY2025 3.1%</div> <div>R&amp;D cost ratio FY2024 2.4% FY2025 2.8%</div> <div>Personnel cost ratio FY2024 15.5% FY2025 15.6%</div> <div>Accounts receivable turnover rate FY2024 4.4 FY2025 4.3</div> <div>Inventory turnover rate FY2024 5.4 FY2025 5.6</div> <div>Accounts payable turnover rate FY2024 7.2 FY2025 8.0</div> <div>Tangible fixed asset turnover rate FY2024 2.3 FY2025 2.3</div> <div>Intangible fixed asset turnover rate FY2024 81.9 FY2025 78.7</div>	<div>New product development, increase the ratio of genuine products</div> <div>Enhance buying power, improve yield ratio</div> <div>Investment plan</div> <div>Narrowing down themes, prioritization</div> <div>Optimal staffing</div> <div>Accounts receivable management</div> <div>Setting appropriate inventory levels</div> <div>Accounts payable management</div> <div>Capital plan (R&amp;D, Production)</div> <div>Investment plan</div>	<div>Sales, R&amp;D</div> <div>Production</div> <div>Management Planning, Finance &amp; Accounting</div> <div>R&amp;D</div> <div>HR, General Affairs</div> <div>Sales, Finance &amp; Accounting</div> <div>Production, Sales</div> <div>Production</div> <div>Management Planning, General Affairs, Production, R&amp;D</div> <div>Management Planning, Finance &amp; Accounting</div>

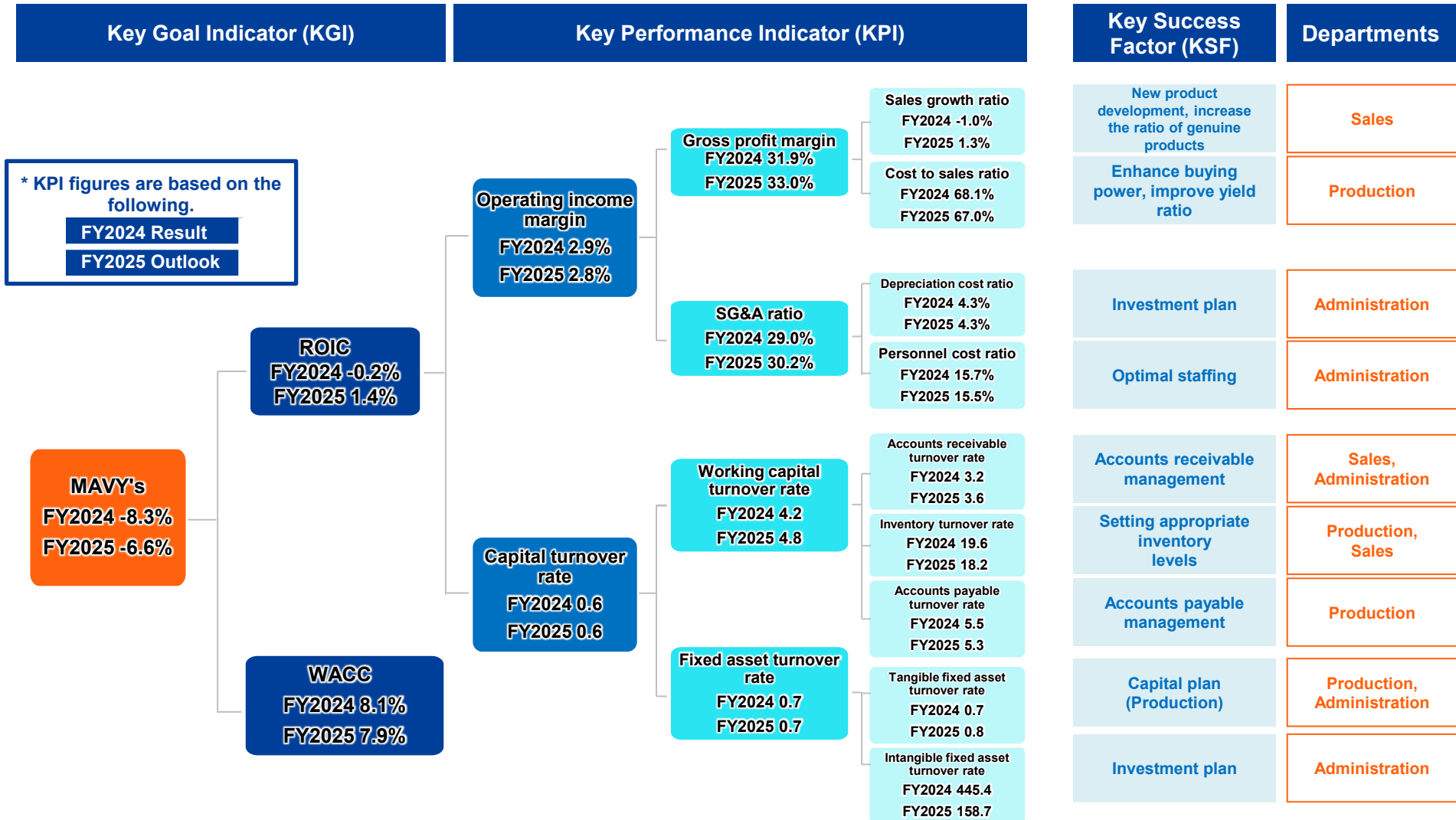
# Quantitative Targets (Air Filter)

1

Developing new sales channels (B2B)

2

High value-added products (PFAS/PFOS-free, reduced CO<sub>2</sub> emissions, and lower energy consumption)



\* KPI figures are based on the following.

FY2024 Result

FY2025 Outlook

# FY2025 Outlook (April 2025 to March 2026)

## By Segment KPI Progress (MAVY's, ROIC, ROE, WACC)

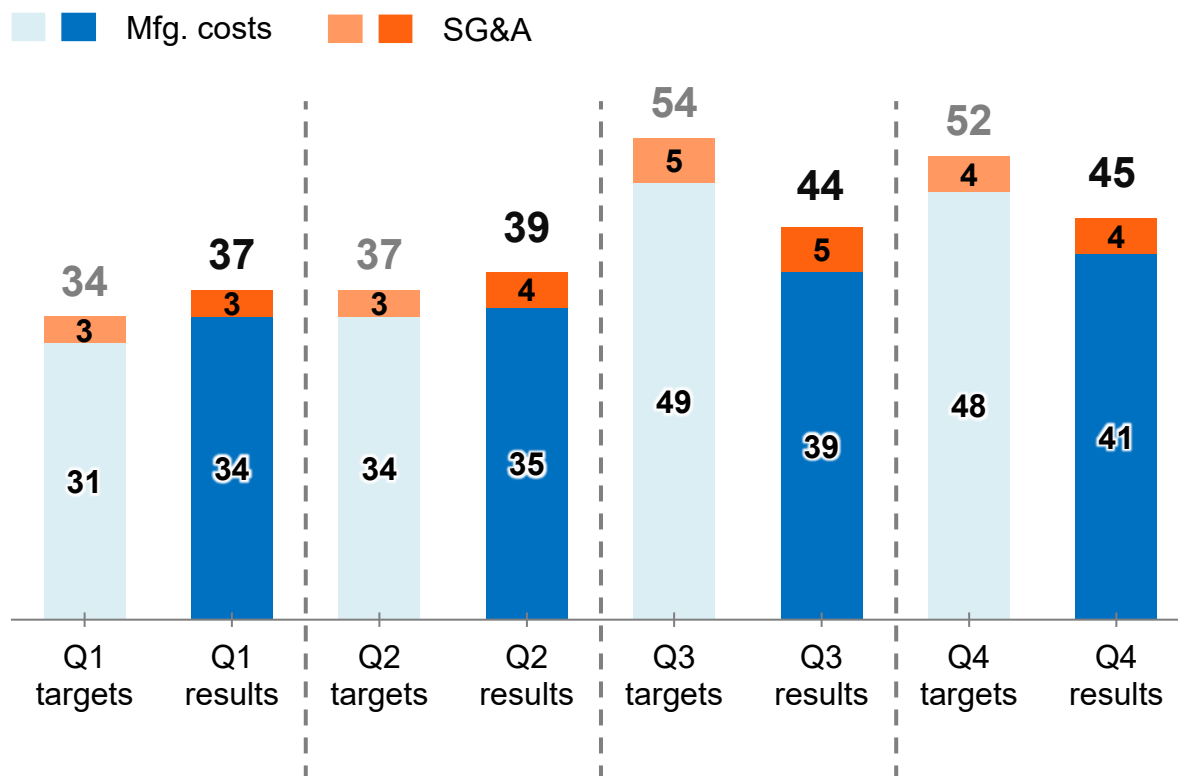
- ◆ Improvements in MAVY's, which indicates corporate value, are progressing steadily according to the Medium-term Management Plan.
- ◆ Improving profitability in the air filter business is a management issue.

		FY2023 Results	FY2024 Results	FY2025 Outlooks
MAVY's		-2.6%	0.1%	0.2%
ROIC		4.9%	8.2%	8.1%
ROE		3.7%	7.8%	8.5%
WACC		7.5%	8.1%	7.9%
Construction Machinery Filter	MAVY's	-1.7%	2.0%	1.7%
	ROIC	5.8%	10.2%	9.6%
	WACC	7.5%	8.1%	7.9%
Air Filter	MAVY's	-6.0%	-8.3%	-6.6%
	ROIC	1.5%	-0.2%	1.4%
	WACC	7.5%	8.1%	7.9%

# PAC24 (April 2024 to March 2025)

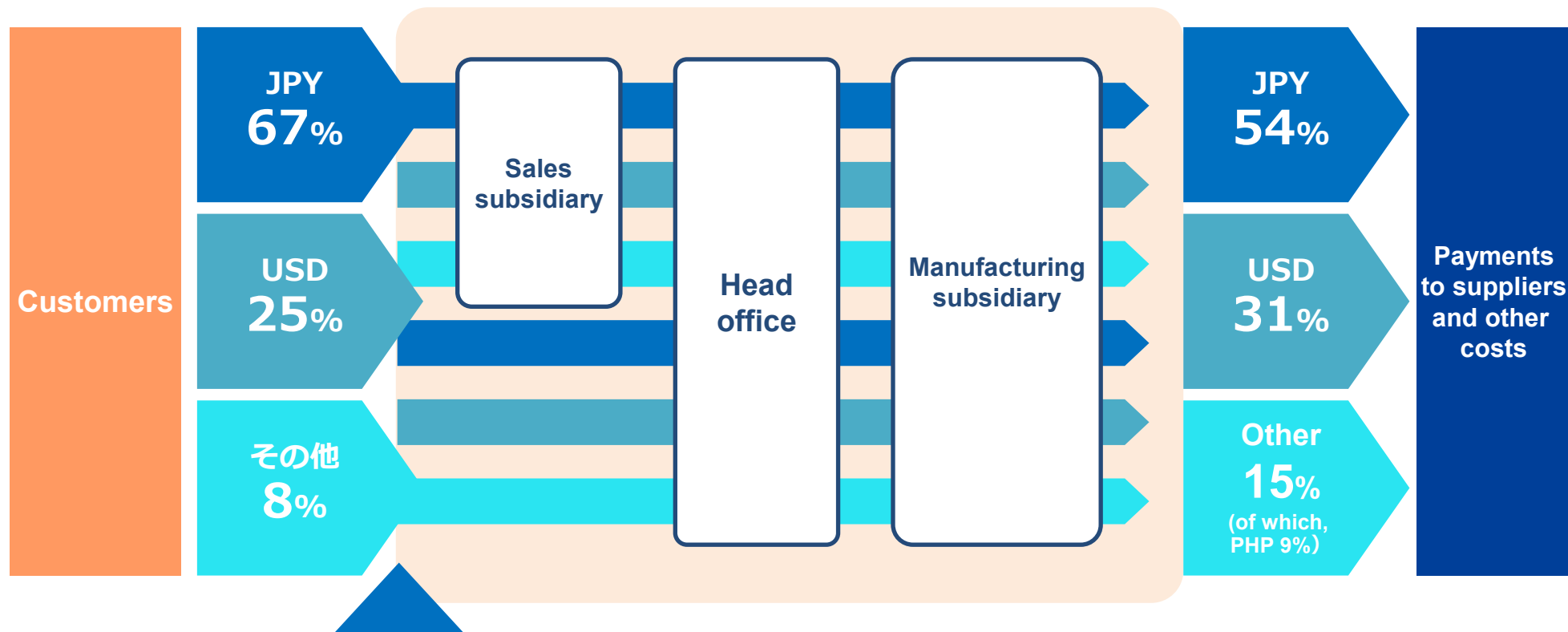
- ◆ Aimed to strengthen profitability structure by comprehensively improving production technology, management, and systems.

■ Progress (YoY)  
(Million yen)



Million yen		Full-year targets	Full-year results
PAC25	Mfg. costs	164	150
	SG&A	16	18
Total		180	168

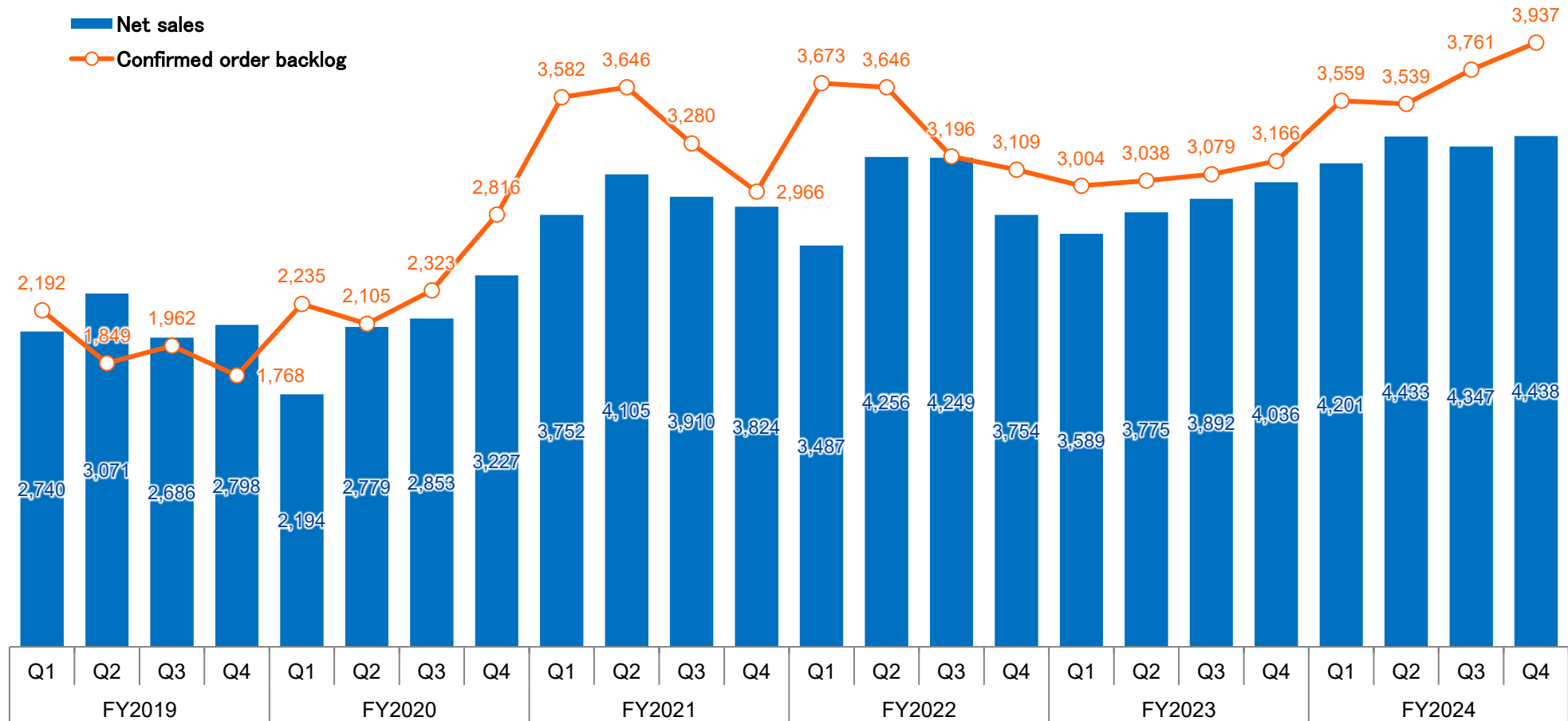
- ◆ With a forex sensitivity of -0.04%, the impact on operating income is negligible.



**Approx. 70% of transactions are conducted in yen**

# Confirmed order backlog and Net sales (Construction Machinery Filter)

(Million yen)



\* Net sales do not include healthcare sales.

# Progress with Capital Policy

(Total Assets, Shareholders' Equity Ratio, Financial Leverage, WACC)

	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Outlooks	FY2025 Targets
Total assets (million yen)	25,581	25,943	26,642	27,240	27,895
Cash and deposits	4,113	5,065	6,014	6,513	6,835
Interest-bearing debt	1,406	947	319	1,591	1,803
Net assets	20,977	21,299	22,619	22,144	22,091
Shareholders' equity ratio	82.0%	82.1%	84.9%	81.3%	79.2%
Financial leverage	1.22	1.22	1.18	1.23	1.26
WACC	7.5%	7.5%	8.1%	7.9%	7.9%

# Shareholder Returns

(Dividends, DOE, Dividend Payout Ratio, Total Return Ratio)

	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Outlooks	FY2025 Targets
Annual dividend per share	<b>6.0 Yen</b>	<b>6.0 Yen</b>	<b>12.0 Yen</b>	<b>16.0 Yen</b>	<b>16.0 Yen</b>
Dividend amount (million yen)	<b>429</b>	<b>428</b>	<b>852</b>	<b>1,115</b>	<b>1,110</b>
Treasury stock acquisition (million yen)	<b>—</b>	<b>466</b>	<b>—</b>	<b>1,278</b>	<b>1,000</b>
Consolidated dividend payout ratio <sup>*1</sup>	<b>66.5%</b>	<b>54.5%</b>	<b>49.3%</b>	<b>58.4%</b>	<b>58.1%</b>
Dividend yield <sup>*2</sup>	<b>1.8%</b>	<b>1.3%</b>	<b>2.1%</b>	<b>1.7%</b>	<b>1.5%</b>
DOE <sup>*3</sup>	<b>2.1%</b>	<b>2.0%</b>	<b>3.9%</b>	<b>5.0%</b>	<b>5.0%</b>
Total return ratio <sup>*4</sup>	<b>75.6%</b>	<b>121.0%</b>	<b>52.9%</b>	<b>128.4%</b>	<b>113.5%</b>

\*1 Consolidated dividend payout ratio = (Total dividends / Net income attributable to owners of the parent) × 100

\*2 Dividend yield = (Dividend per share / Share price as of the end of the fiscal year) × 100

\*3 Dividend on equity (DOE) = (Total annual dividend / Shareholders' equity) × 100

\*4 Total return ratio = {(Total dividend + Shareholder benefits + Share buybacks) / Net income attributable to shareholders of the parent} × 100



The forward-looking statements in this document, including the forecast of results of operations, are based on information currently available to YAMASHIN. Actual results may differ from these forecasts due to a variety of factors, including market trends and business conditions.

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