

Q1 FY2025

Fly to the next stage!

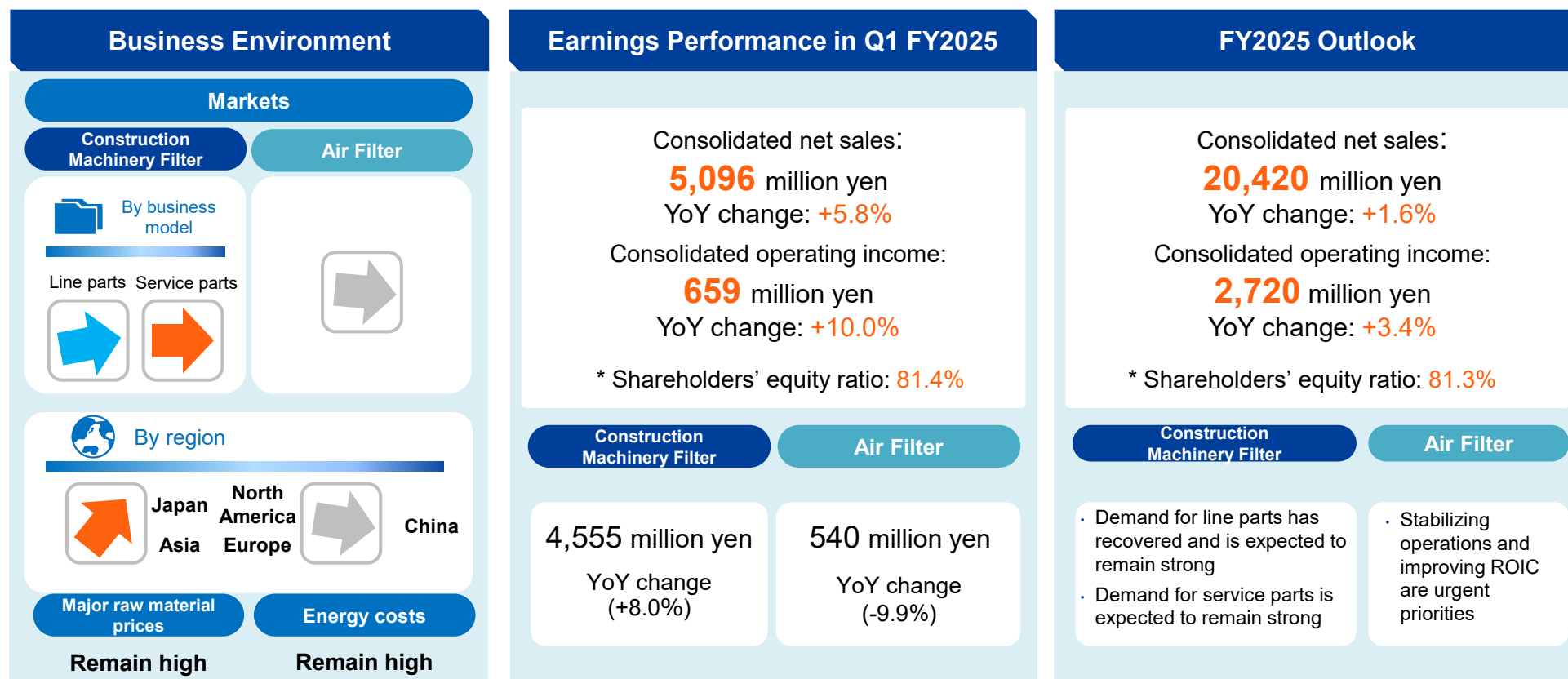
Financial Results

YAMASHIN-FILTER CORP.
August 29, 2025



| Executive Summary

- ◆ Given that the impact of the tariffs will be minimal, the performance of the Construction Machinery Filter Business is expected to exceed expectations.
- ◆ In the Air Filter Business, sales and profit are expected to decline, mainly due to shipping delays caused by the replacement of the core system. Measures to stabilize the supply system and recover business performance are underway for Q2.



Q1 FY2025 Results and Full-Year Outlook for FY2025

| Q1 FY2025 Results

Q1 FY2025 Results (April to June 2025)

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

- ◆ In the Construction Machinery Filter Business, sales and profit increased as new vehicle demand began to recover.
- ◆ In the Air Filter Business, sales and profit decreased, mainly due to shipping delays caused by the replacement of the core system.

(Million yen)		Q1 FY2024 Results	Q1 FY2025 Results	YoY Change	
		Amount	Amount	Amount	Percent
Net sales		4,817	5,096	278	5.8%
	Construction Machinery Filter*	4,217	4,555	338	8.0%
	Air Filter	599	540	(59)	(9.9%)
Operating income (segment income)		599	659	60	10.0%
	Construction Machinery Filter*	596	739	143	24.1%
	Air Filter	3	(80)	(83)	—
Operating income margin		12.4%	12.9%	0.5Pt	
Ordinary profit		559	647	88	15.8%
Ordinary profit margin		11.6%	12.7%	1.1Pt	
Net income		386	417	31	8.1%
Net income margin		8.0%	8.2%	0.2Pt	
Exchange rates (yen, average during the period)					
	USD	155.9	144.6	(11.3)	(7.2%)
	EUR	167.9	163.8	(4.1)	(2.4%)

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

Q1 FY2025 Results (April to June 2025)

Net Sales (by Product)

- ◆ In the Construction Machinery Filter Business, sales increased as new vehicle demand began to recover. Demand for service parts also continued to remain strong.
- ◆ In the Air Filter Business, sales decreased significantly, mainly due to shipping delays caused by the replacement of the core system.

■ Net sales by product		Q1 FY2024 Results	Q1 FY2025 Results	YoY Change	
(Million yen)		Amount	Amount	Amount	Percent
Construction Machinery Filter		3,858	4,184	326	8.5%
	Line parts	1,409	1,630	220	15.7%
	Service parts	2,449	2,554	105	4.3%
Industrial filters		170	190	19	11.6%
Process filters		187	180	(7)	(4.2%)
Subtotal for construction machinery filters		4,217	4,555	338	8.0%
Air Filter		599	540	(59)	(9.9%)
Total net sales		4,817	5,096	278	5.8%

Q1 FY2025 Results (April to June 2025)

Net Sales (by Region)

- ◆ New vehicle demand showed a recovery trend, mainly in North America and Asia. Demand for service parts increased, driven by ongoing infrastructure investment in Asia.

■ Net sales by region		Q1 FY2024 Results		Q1 FY2025 Results		YoY Change	
(Million yen)		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percent
Construction Machinery Filter*		4,217	87.5%	4,555	89.4%	338	8.0%
	Japan	1,772	36.8%	1,734	34.0%	(37)	(2.1%)
	North America	1,007	20.9%	1,078	21.2%	71	7.1%
	China	319	6.6%	403	7.9%	83	26.1%
	Asia	580	12.0%	863	17.0%	283	48.9%
	Europe	536	11.1%	449	8.8%	(87)	(16.2%)
	Other (Middle East, etc.)	2	0.0%	26	0.5%	24	—
Air Filter (Japan)		599	12.5%	540	10.6%	(59)	(9.9%)
Total net sales		4,817	100.0%	5,096	100.0%	278	5.8%

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

Note: The regional figures above are aggregated based on invoice destination.

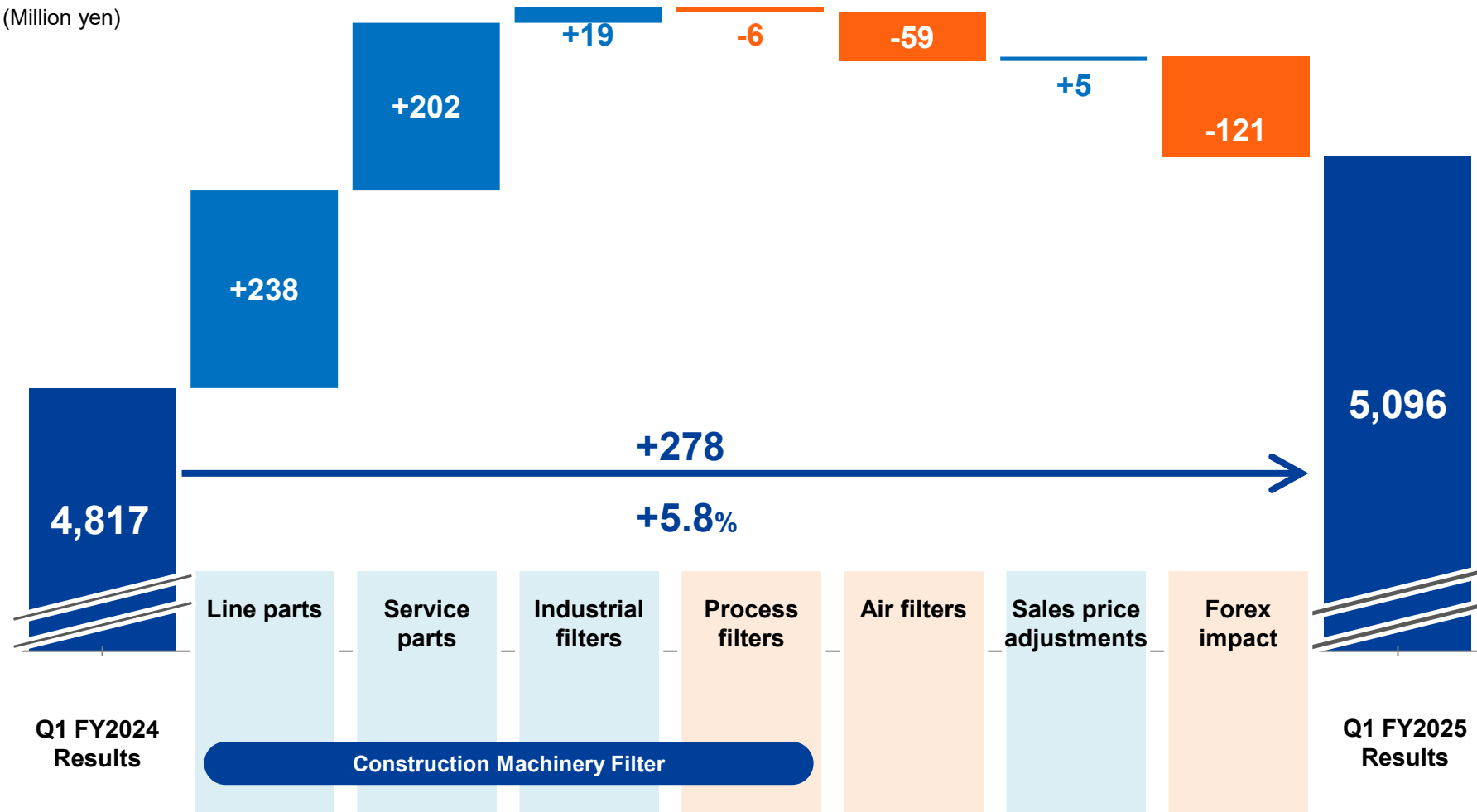
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Q1 FY2025 Results (April to June 2025)

YoY Changes in Net Sales

- The decrease in air filter sales was offset by increased sales volume in the Construction Machinery Filter Business, our core business.

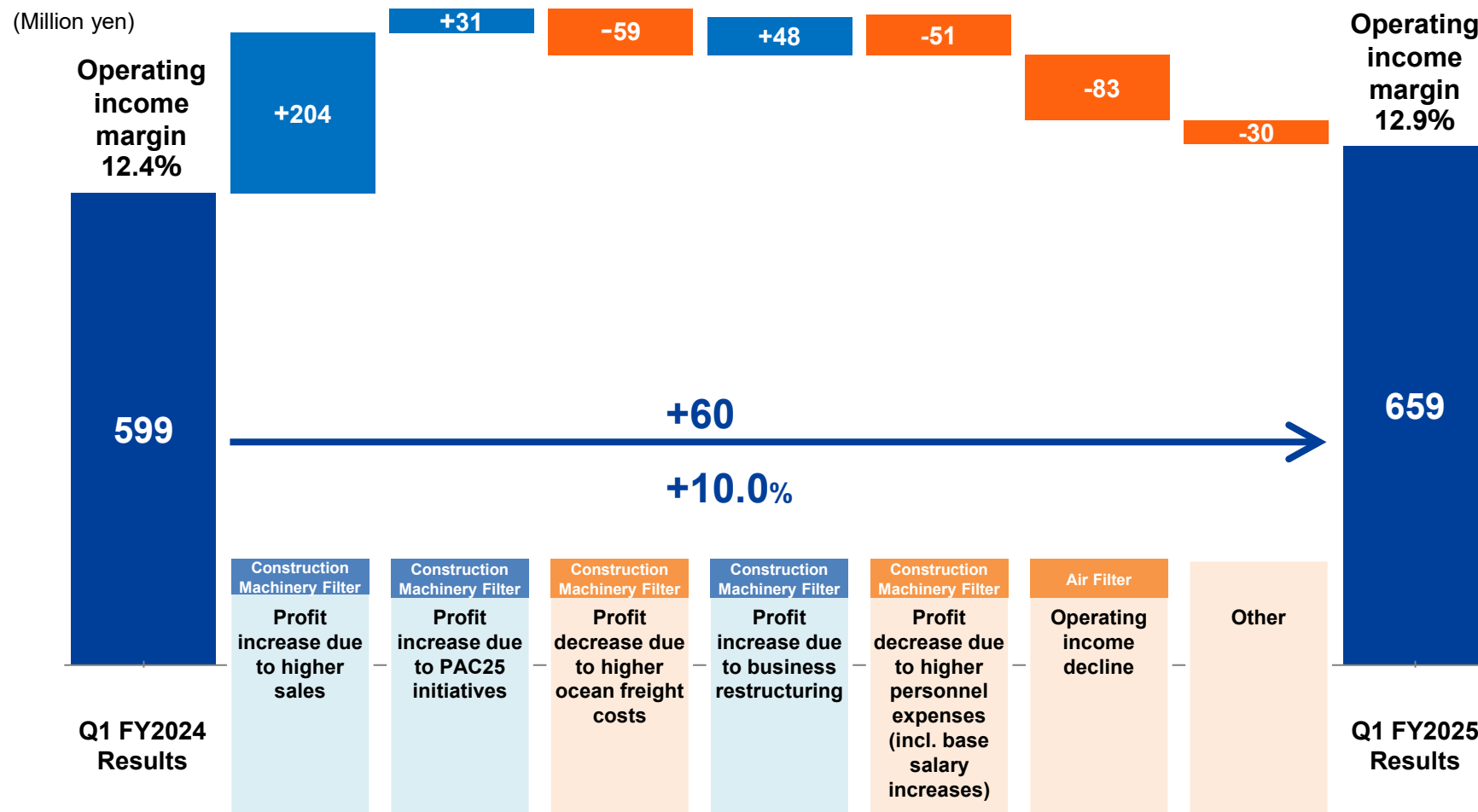
(Million yen)



Q1 FY2025 Results (April to June 2025)

YoY Changes in Operating Income

- Operating profit was improved through increased sales volume in construction machinery filter, our core business, and operating income margin was improved through cost reduction and business restructuring in response to risks from the changing external environment.

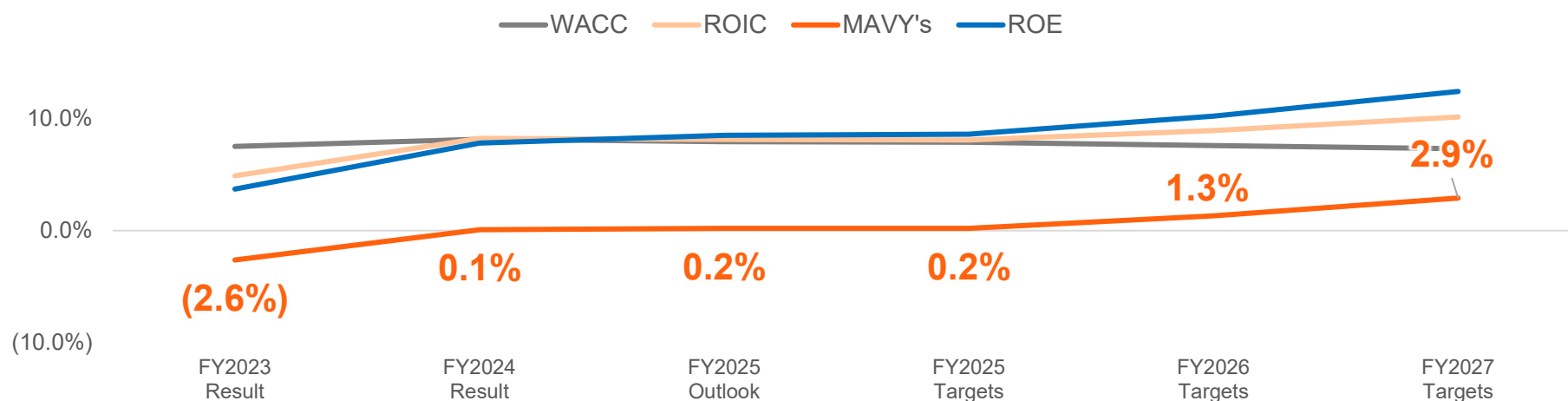


| Full-Year Outlook for FY2025

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 Outlook	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%

- ◆ No changes to the full-year outlook, with performance expected to exceed expectations.

		FY2023 Results	FY2024 Results	FY2025 Outlook	YoY Change
(Million yen)		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.

- ◆ 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)

- ◆ New vehicle demand is rising, primarily in North America and the service parts market is expected to remain strong.

■ Net sales by region

(Million yen)		FY2023 Results		Q1 FY2024 Results		Q1 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	—
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.

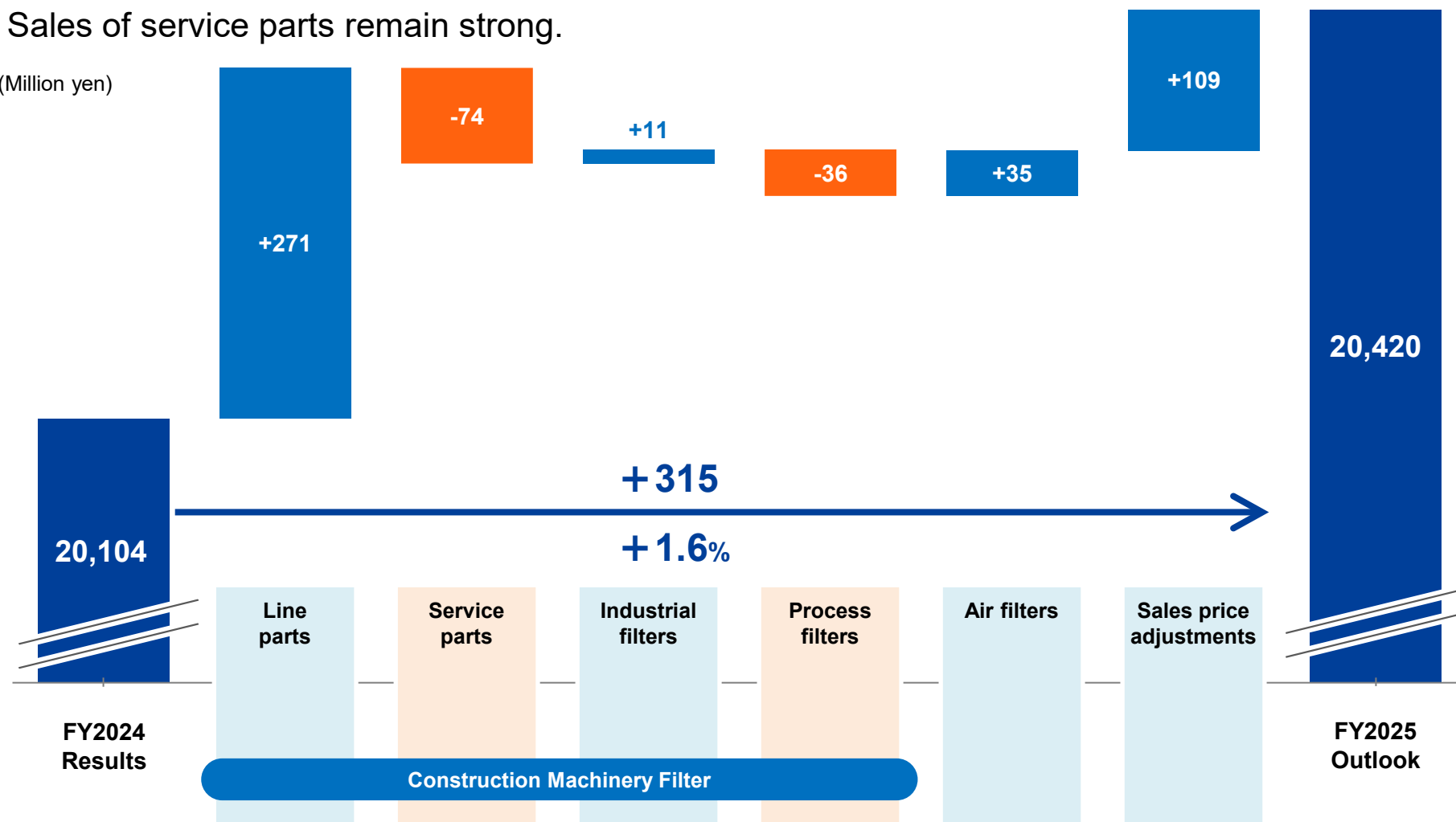
Note: The regional figures above are aggregated based on invoice destination.

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.

(Million yen)

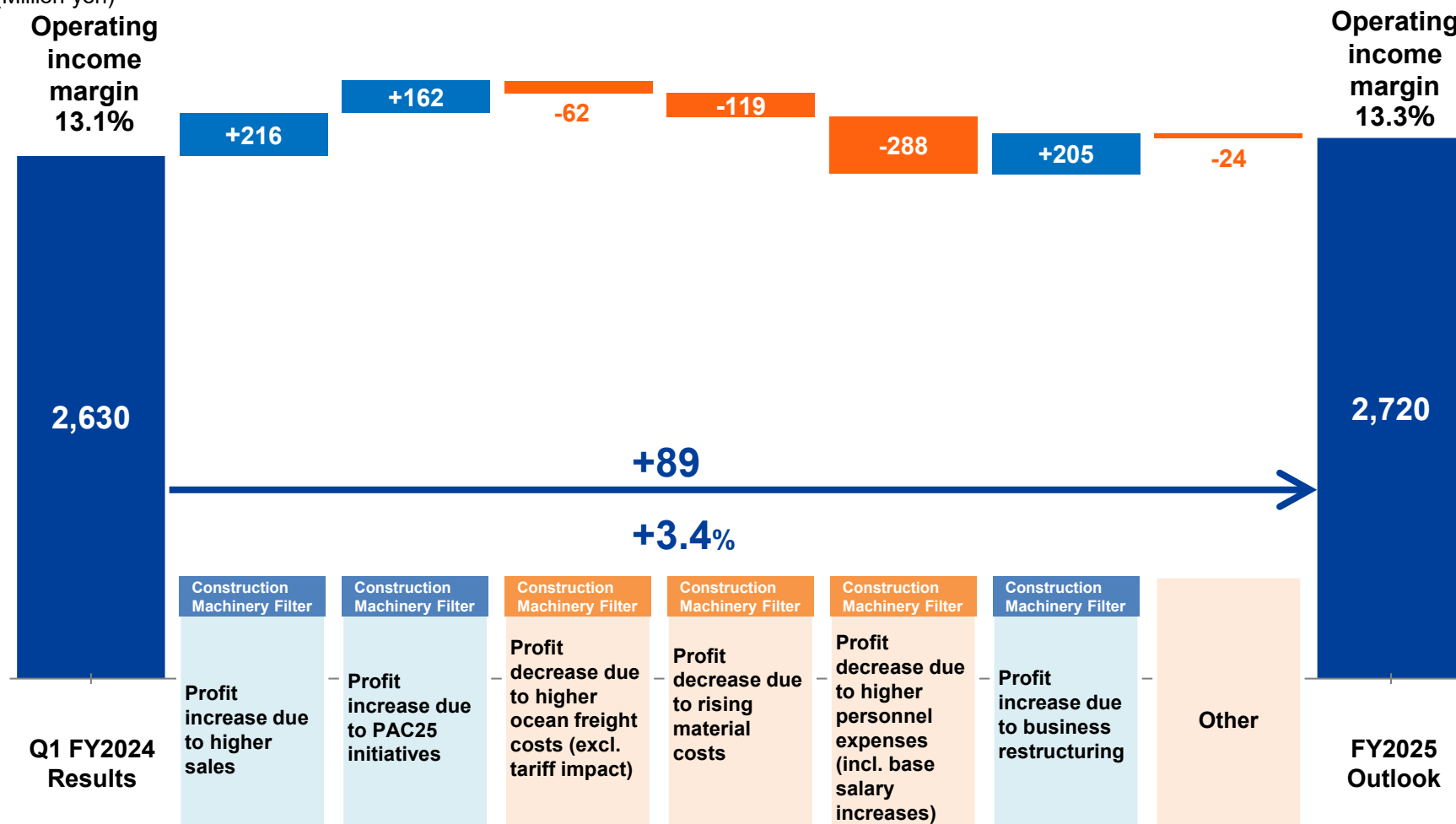


FY2025 Outlook (April 2025 to March 2026)

YoY Changes in Operating Income

- ◆ The increase in fixed costs has been curbed through business restructuring and cost reduction efforts, with performance expected to exceed expectations.

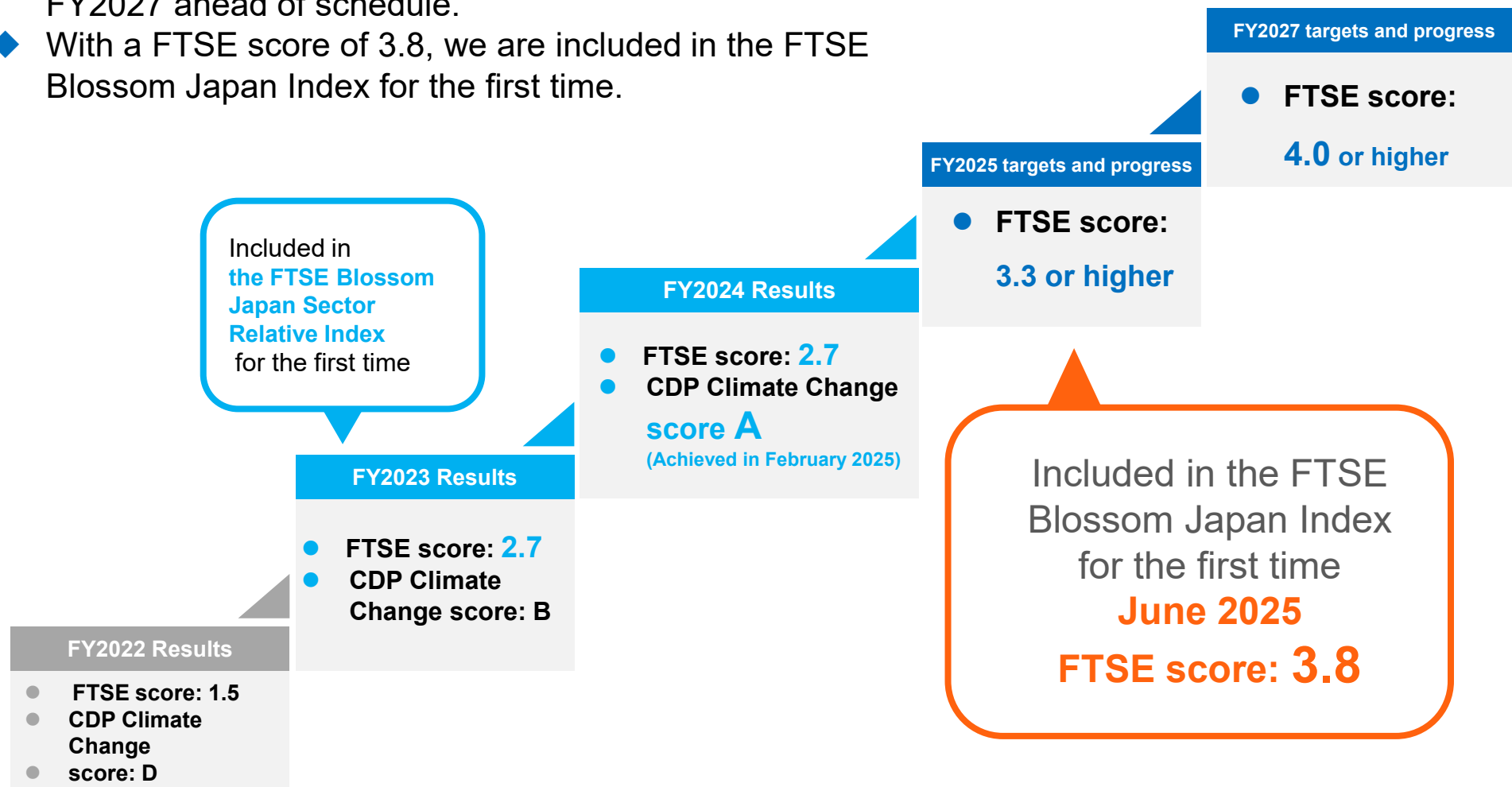
(Million yen)



Non-Financial Information

Progress on ESG Investment Indices (FTSE, CDP)

- ◆ Our CDP score for non-financial information KPI: We were certified as an “A-List Company” of CDP Climate Change 2024 for the first time, achieving one of our mid-term plan targets for FY2027 ahead of schedule.
- ◆ With a FTSE score of 3.8, we are included in the FTSE Blossom Japan Index for the first time.



Q1 FY2025 Results

External Environment of the Construction Machinery Market

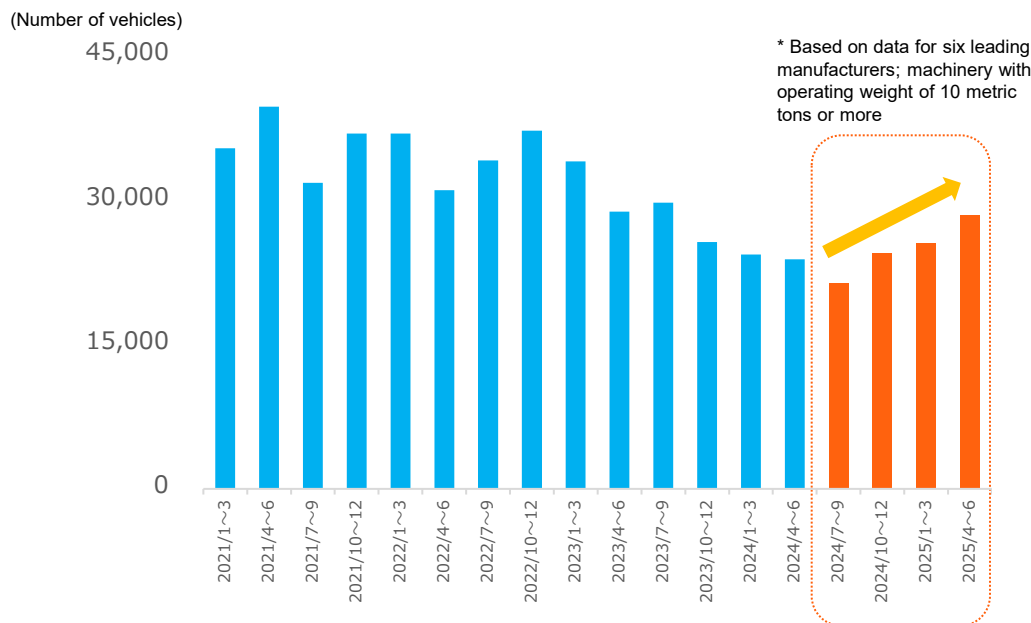
- ◆ New vehicle demand remains unchanged in Asia and North America, with the service parts market remaining strong.
- ◆ While the mining machinery market depends on resource price trends, future parts demand is expected to remain stable.

	FY2024	Q1 FY2025 Results	FY2025 Outlook
Japan	Raw material prices remained high YoY decrease due to rental segment decline	Raw material prices remained high YoY decrease in new vehicle demand for the rental segment	New vehicle demand expected to remain flat or decline slightly YoY
North America	Raw material prices remained high, and the yen continued to weaken YoY decrease due to a drop in housing starts Aftermarket operations remained strong	Tariff and currency trends remain uncertain YoY increase in new vehicle demand amid recovery	Despite uncertain tariff and currency trends, the impact will be minimal New vehicle demand expected to increase YoY Aftermarket operations expected to remain strong
Europe	YoY decrease due to reduced demand in major countries	YoY decrease in after market operations due to reduced demand in major countries	New vehicle demand expected to remain flat or decline slightly YoY
Asia	YoY increase driven by resurgent demand for construction and mining machinery, especially in Indonesia Aftermarket operations remained strong	YoY increase driven by strong demand for construction and mining machinery, especially in India Aftermarket operations remained strong	New vehicle demand remains weak due to resource price uncertainty Aftermarket operations expected to remain strong
China	Demand expected to remain sluggish	YoY increase driven by higher mining machinery demand despite sluggish real estate market	New vehicle demand for mining machinery expected to increase despite sluggish real estate market

- ◆ Planned production units bottomed out in 2024, with ongoing recovery thereafter.
- ◆ While new vehicle demand remains uncertain, maintenance demand continues to be steady.
- ◆ Order backlog shows a gradual increasing trend, supported by price optimization efforts.

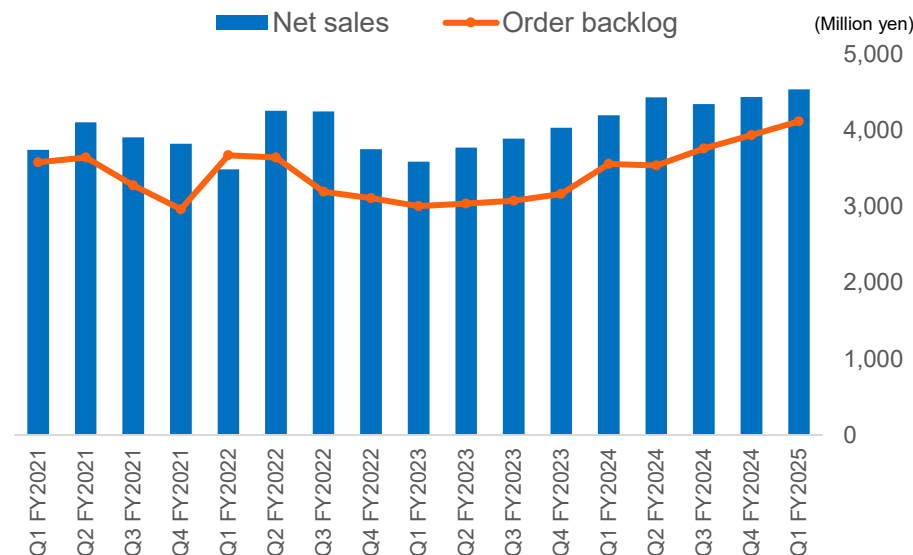
Total Production Results for Major Construction Machinery Manufacturers (quarterly)

New vehicle production shifting to a recovery trend



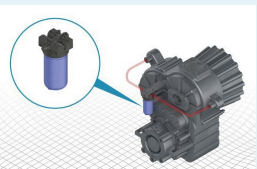
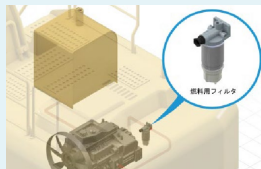
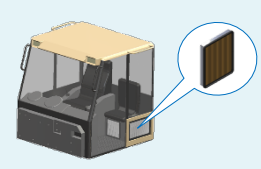
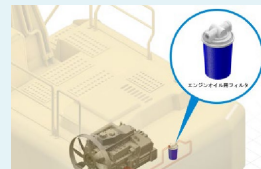
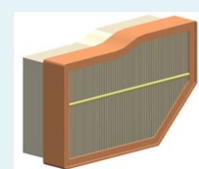
Construction Machinery Filter Sales and Confirmed Order Backlog (quarterly)

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.

Product Customer	* 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.

Note: 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 covered.

- ◆ We have significant growth potential in the service parts market, which is driven by construction machinery market volume.
- ◆ A solid revenue base has been established by working with customers to develop sales promotions aligned with local needs.
- ◆ Customer feedback has been highly positive across the board, with strong potential for expansion to other regions.

Recognition for Awareness Activities for Aftermarket Operations

Award from Hitachi Construction Machinery Asia Pacific Pte. Ltd. (HMPA)

Awarded for 2 consecutive years
Appreciation Award



Reason for Award

The Company was **recognized for its efforts to promote knowledge about filters and communicate the necessity and benefits** of using genuine parts to service staff, dealers, and customers. In particular, this award honored our significant contribution to efforts toward new dealers in Vietnam based on HMAP's strategy of strengthening the Southeast Asia market sales network.

Recognition for Customer Supply Chain Efficiency Improvements

Award from Hitachi Construction Machinery Thailand Co., Ltd. (HCMP)

Supply Chain Excellence Award



Reason for Award

The Company was highly recognized for its **continued improvements** to Hitachi Construction Machinery Group's **supply chain efficiency** through enhanced logistics and distribution, which contributed to cost reduction through simplified ordering processes and optimized inventory levels.

Medium-Term Management Plan “Fly to the next stage!”

Progress and Future Strategy

- ◆ The Medium-Term Management Plan has steadily advanced as planned, with performance expected to exceed expectations.
- ◆ As part of the Capital Policy, treasury stock equivalent to 2% of issued shares was acquired and retired.
- ◆ New material development for a new business has progressed as planned, and the Company plans to announce its new vision and equity story for enhancing corporate value.

FY2025 outlook		Not reflected in the medium-term targets	
Construction Machinery Filter	Air Filter	New Business Domains	
- Net sales 17,770 million yen (Q1: 25.6% achieved) - Segment profit 2,654 million yen (Q1: 27.8% achieved) - MAVY's (proprietary metric) 1.7%	- Net sales 2,650 million yen (Q1: 20.3% achieved) - Segment profit 75 million yen (Q1: -106.7%) - MAVY's (proprietary metric) -6.6%	Development of heat-insulation materials Business negotiations progressing well for apparel filling materials with elasticity and moisture absorption & heat generation properties Development of conductive materials Preparing a patent application for conductive non-woven fabric used in bioelectrodes (smart textiles)	
Key Initiatives in FY2025	Key Initiatives in FY2025	Key Initiatives in FY2025	
- Expand market share through diverse approaches - Introduce high-value-added products - Enhance aftermarket initiatives	- Strengthen existing commercial distribution - Strengthen direct sales structure - Expand sales of filter media	- Promote the introduction of products into promising markets - Develop prototype products through tie-ups with partner customers - Upgrade facilities to ensure stable supply	

Announcing the Company's **New Vision and Equity Story** for **Enhancing Corporate Value** on November 20, 2025

Content Overview

Yamashin Vision 2030 / A new equity story with new business prospects

**To be announced at the Q2 FY2025 Financial
Results Briefing**

Video streaming on November 20, 2025

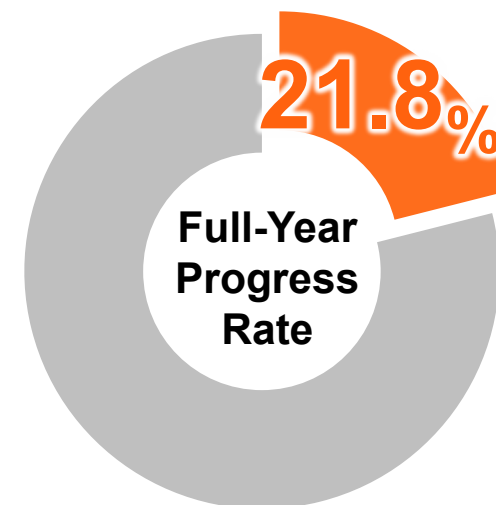
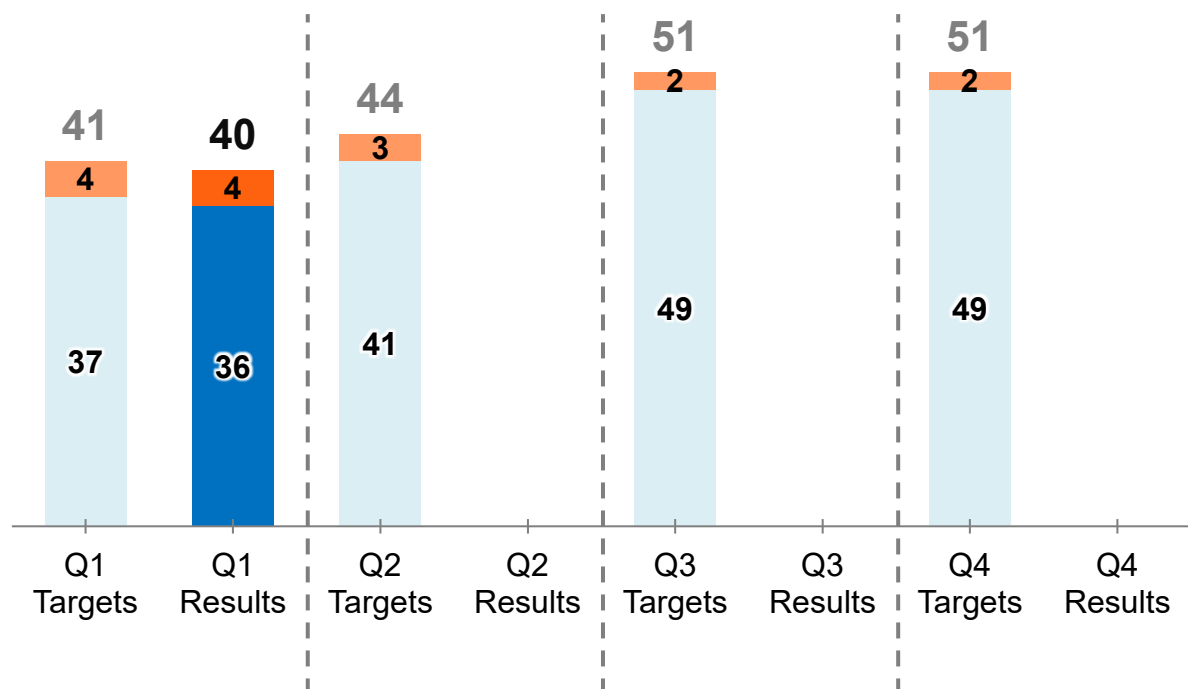
Reference

—Supplementary Information for Q1 FY2025 Financial Results

◆ PAC25 initiatives progressed steadily.

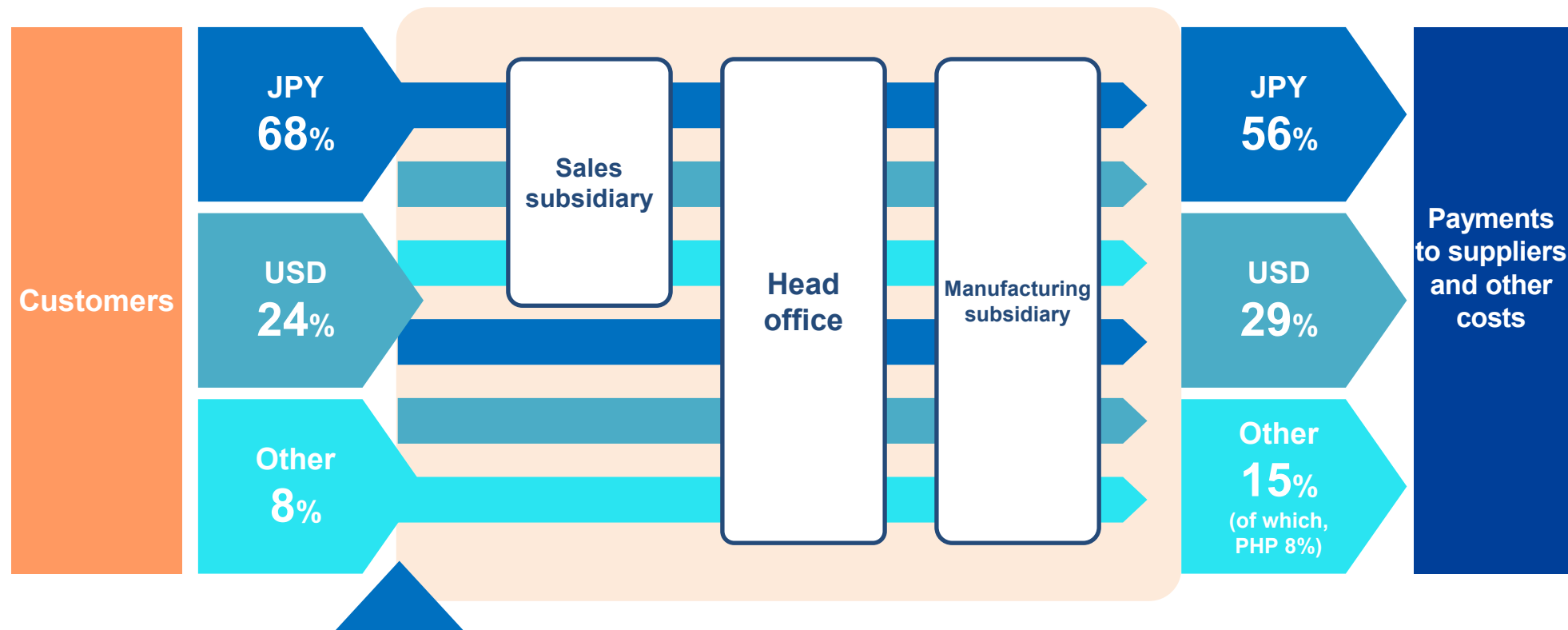
■ Progress (YoY)
(Million yen)

■ Mfg. costs ■ SG&A



Million yen		Full-Year Targets	Full-Year Results
PAC25	Mfg. costs	177	36
	SG&A	13	4
	Total	190	40

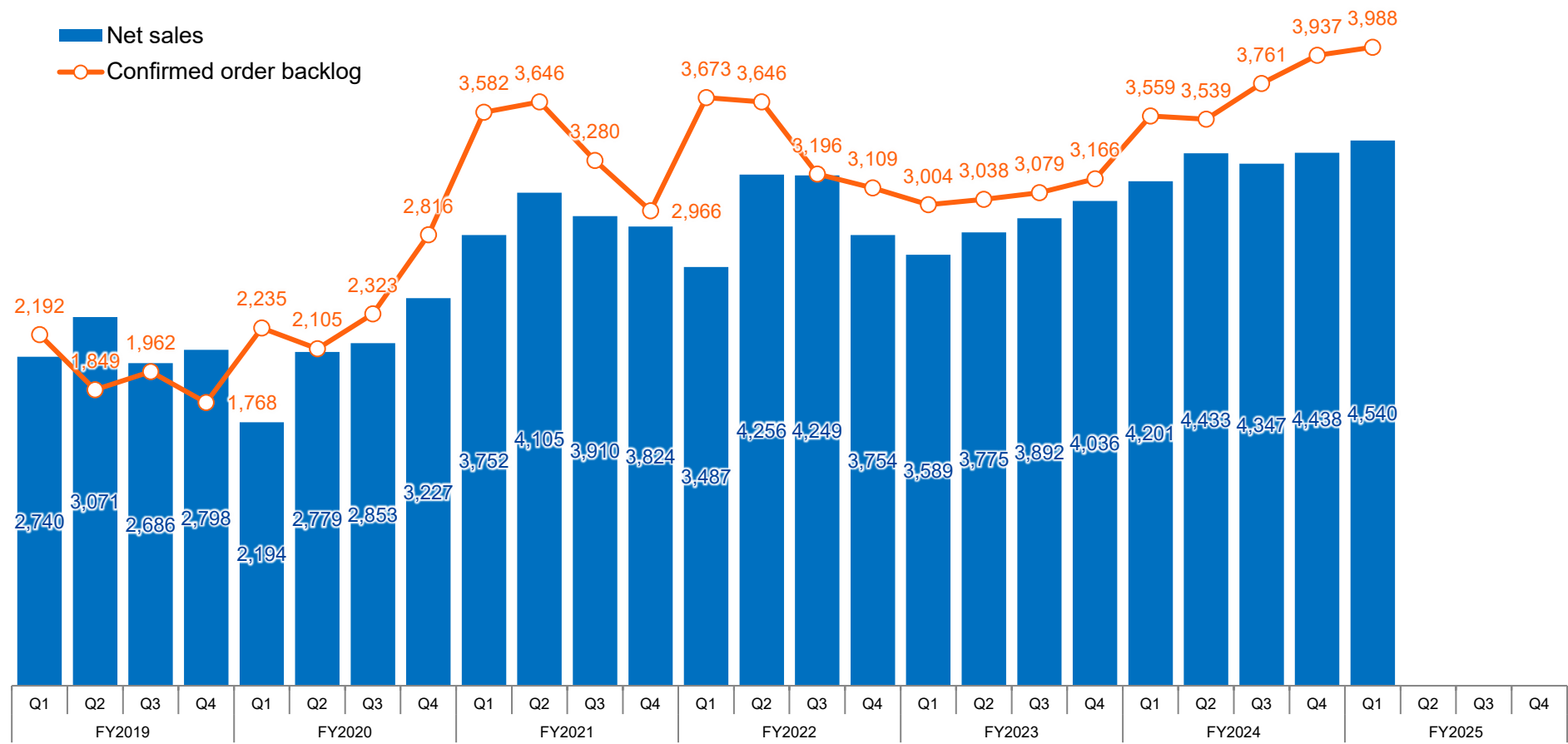
- ◆ With a forex sensitivity of -0.24%, the impact on operating income is negligible.



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.

Reference

Overview of Medium-Term Management Plan 2027
"Fly to the next stage!"

Embarking on a new stage by realizing “仕濾過事” (Rokajinitsukafuru)— “Contribute to society through the filtration business”

Construction Machinery Filter

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

Air Filter

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



Manage MAVY's to enhance corporate value

Financial KPIs (FY2027)

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

Shareholder Return KPIs (FY2027)

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

ESG management aimed at building a sustainable society

Non-Financial KPIs (FY2027)

ESG investment indices:

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

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

Quantitative Targets (Construction Machinery Filter)

1

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

2

High value-added products

3

Advance aftermarket activities

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

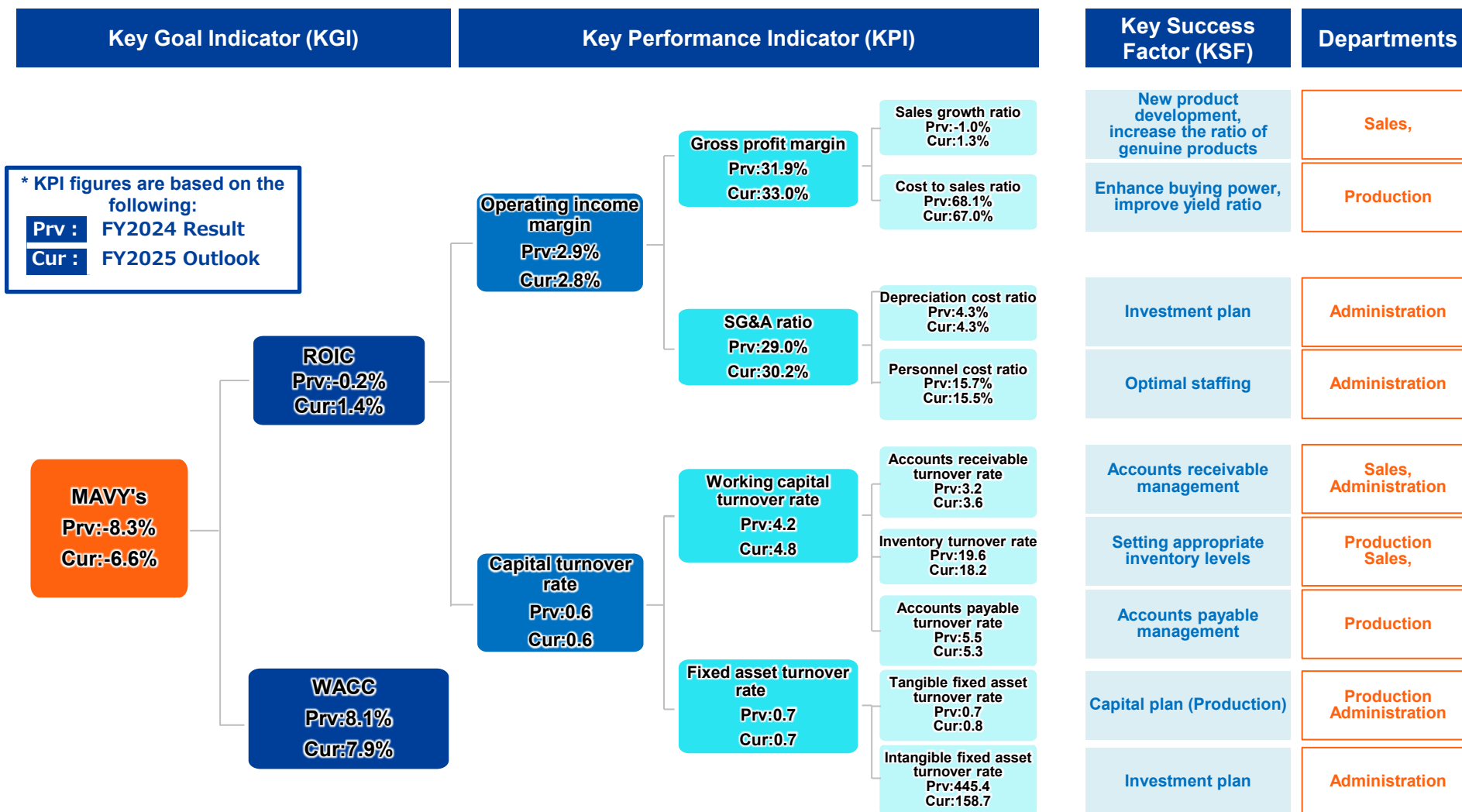
Quantitative Targets (Air Filter)

1

Developing new sales channels (B2B)

2

High value-added products (PFAS/PFOS-free, reduced CO₂ emissions, and lower energy consumption)



* KPI figures are based on the following:
 Prv : FY2024 Result
 Cur : 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 our Medium-term Management Plan.
- ◆ Improving profitability in the Air Filter Business is a management issue.

		FY2023 Results	Q1 FY2024 Results	Q1 FY2025 Outlook
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%

Progress with Capital Policy (Total Assets, Shareholders' Equity Ratio, Financial Leverage, WACC)

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

*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

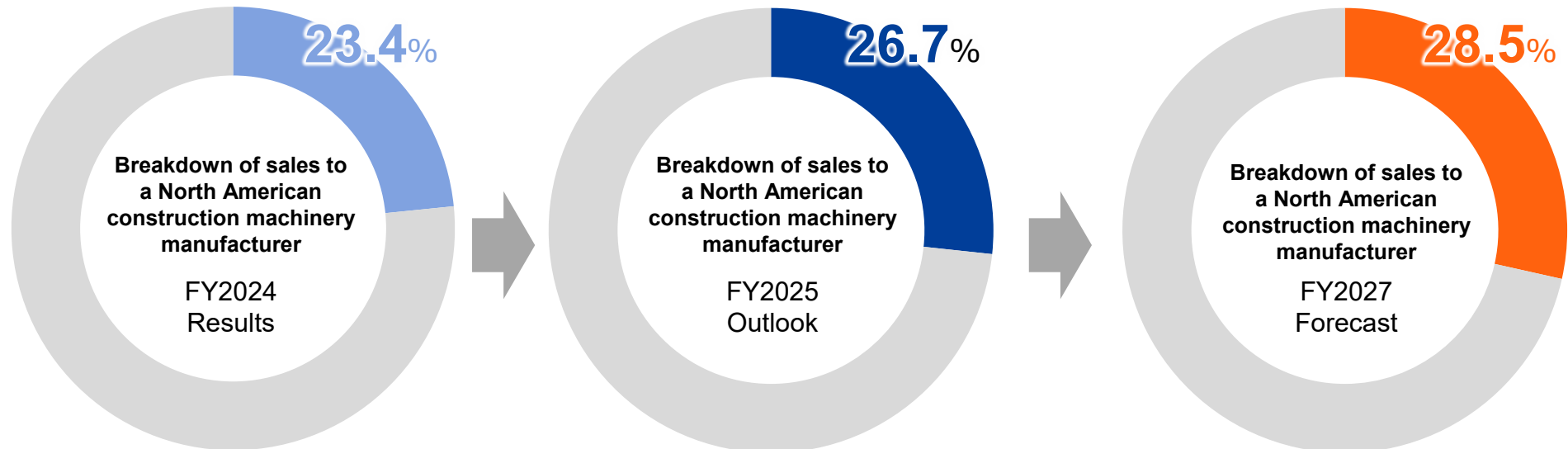
*3 Dividend on equity (DOE) = (Total annual dividend / Shareholders' equity) × 100

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

Construction Machinery Filters: Progress on Market Share Expansion Strategy

- ◆ 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%.

■ North American construction machinery manufacturer
■ Other



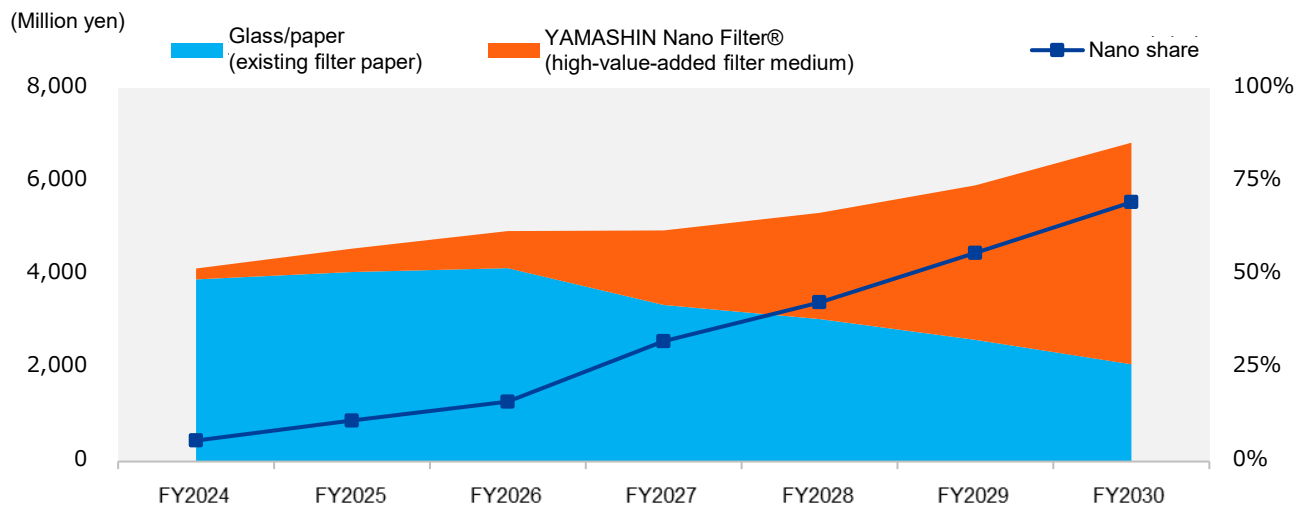
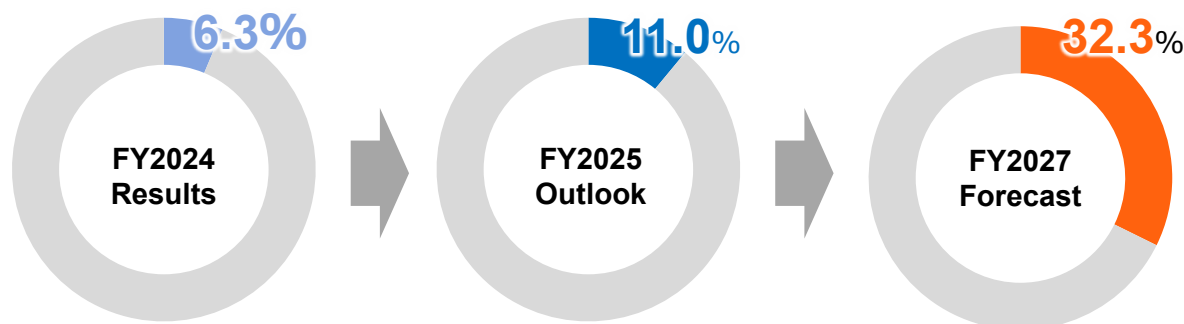
Measures Propose high value-added products through a combination of diverse customer touchpoints and nascent technologies

Secured approvals for new product adoptions

Construction Machinery Filters: Advancing the Launch of High-Value-Added Products

- ◆ 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

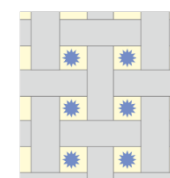


is supported

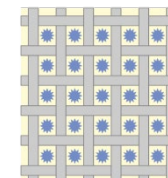
Captures approximately 3 times as much dust as current products

Q. Why this is possible?

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



Conventional fibers



YAMASHIN Nano Filter™

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

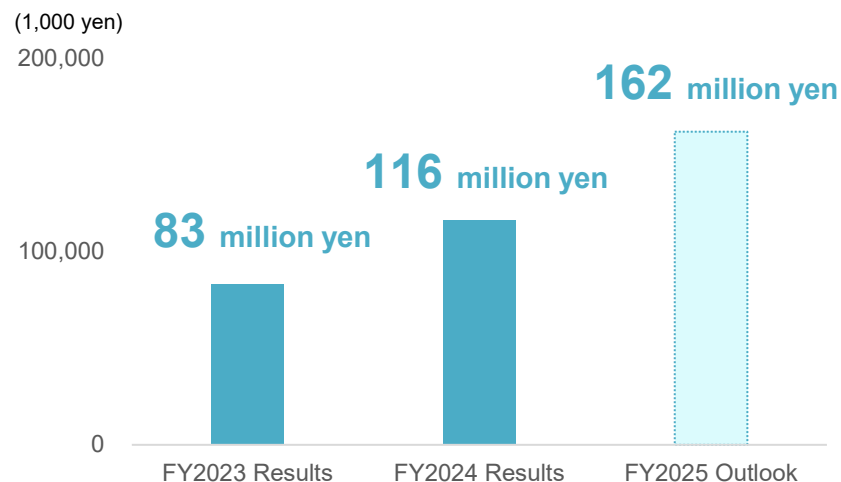
- ◆ In the building segment, changes in replacement frequency have intensified competition for one-off projects.
- ◆ In the general factories segment, demand remains stable with a focus on maintenance, but revisions to inspection plans warrant close monitoring.

	Market Overview	Market Environment	
		FY2024	FY2025 Outlook
Buildings	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.
General factories	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.
Semiconductor factories	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.
Environmental equipment	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.
Vehicles	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.

Air Filter Business: Strengthening the B2B Direct Sales Structure

- ◆ 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.

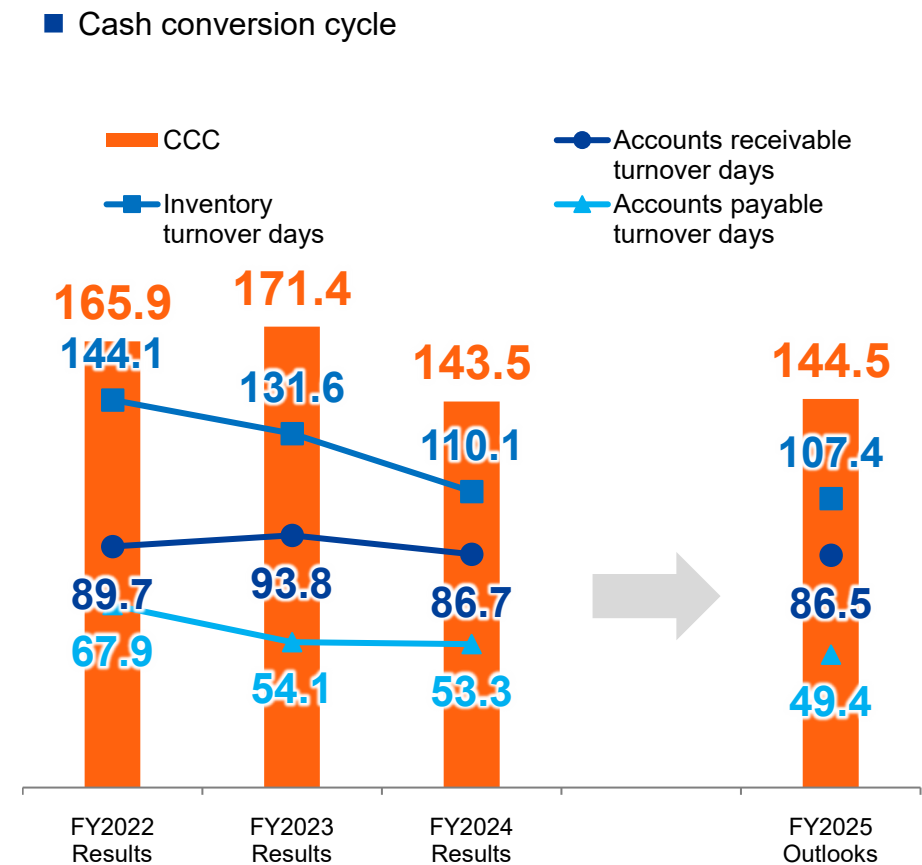
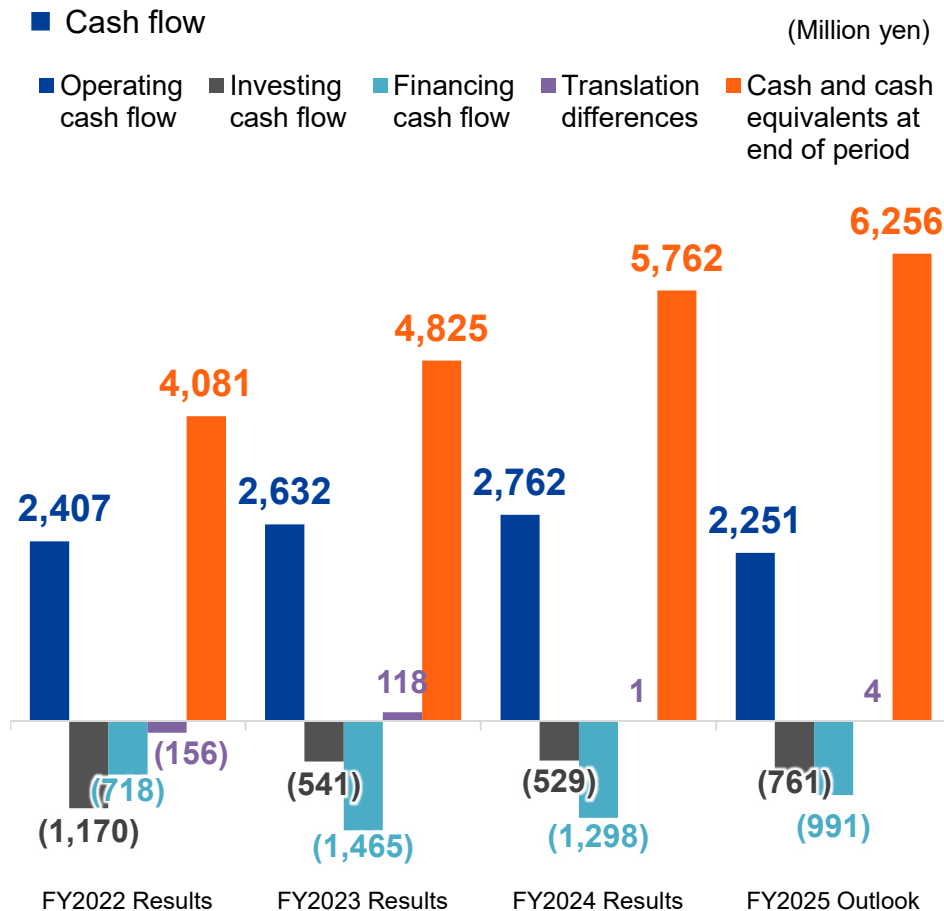
Mist collector (Mid-tier specialty manufacturer)



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.

Cash Flow and Cash Conversion Cycle

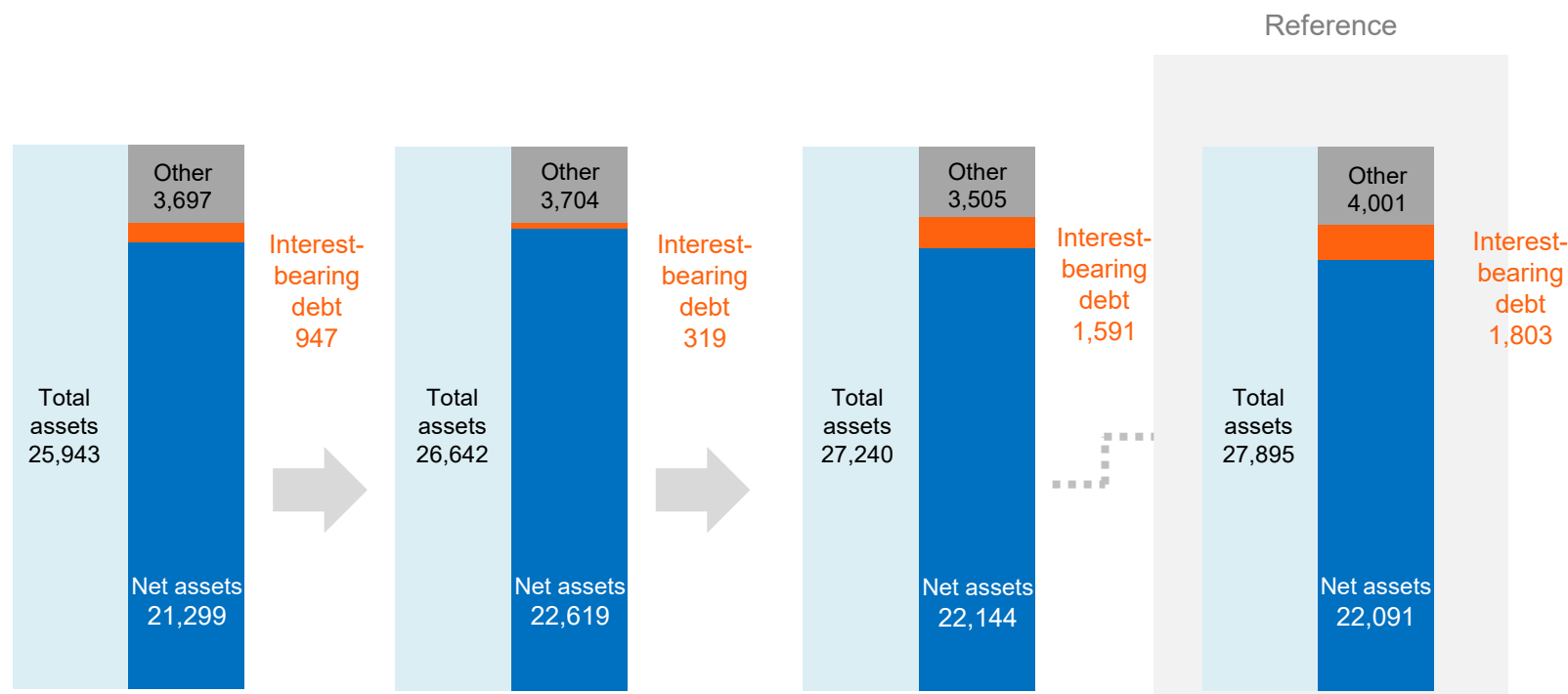
- ◆ Maintaining ample cash flow through improved consolidated performance.
- ◆ Capital efficiency has improved significantly, driven by supply chain optimization and tighter inventory control.



Progress with Capital Policy (Total Assets, Shareholders' Equity Ratio, Financial Leverage, WACC)

- ◆ Review the Capital Policy and reduce capital adequacy ratio and WACC through financial leverage effect.

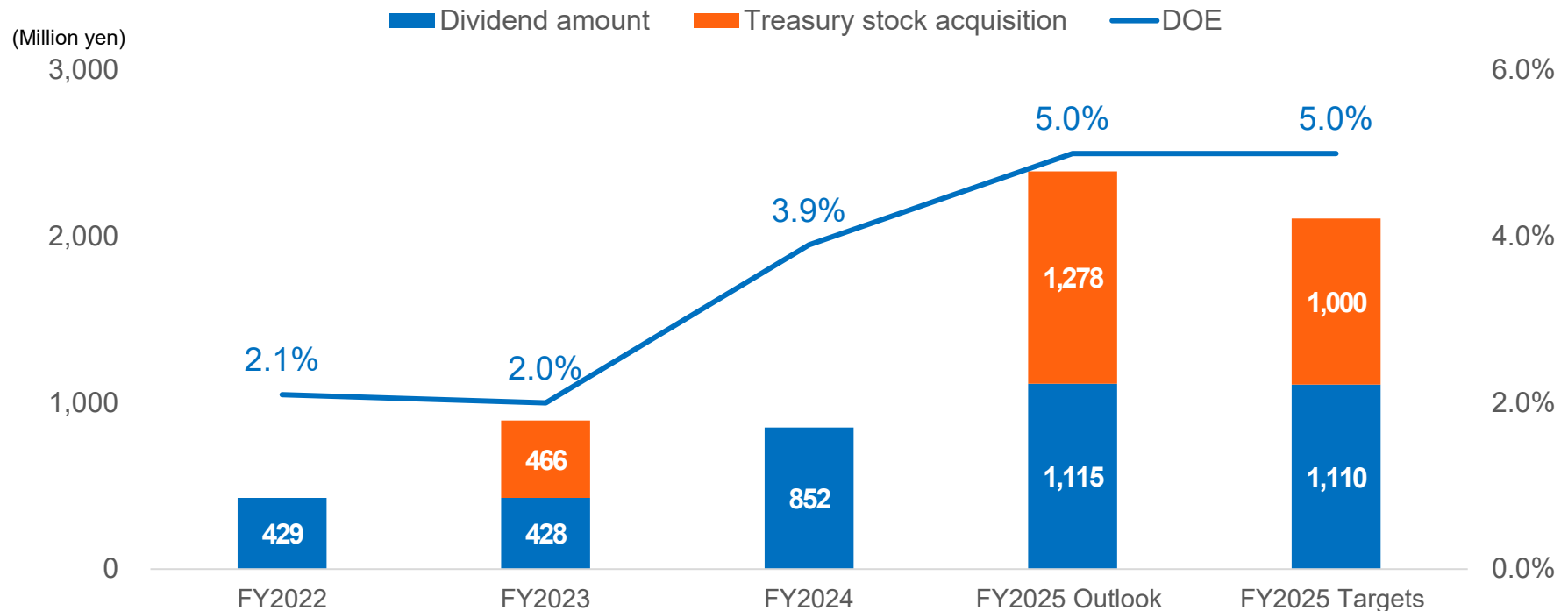
(Million yen)



	FY2023 Results	FY2024 Results	FY2025 Outlook	FY2025 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 Outlook	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



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.

For inquiries regarding these materials, please contact our Public Relations & Investor Relations manager

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