

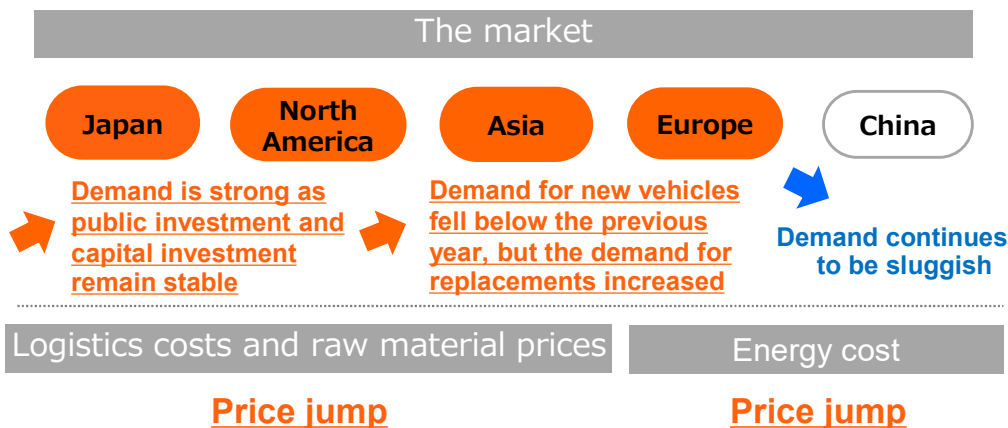
Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025

YAMASHIN-FILTER CORP.

August 9, 2024

- Sales and profit increased due to gain in the number of service parts and price adjustments
- Demand for new vehicles has fallen below the previous year's level

Construction machinery filter business (Market Environment)



Air Filter Business (Market Environment)

Due to delivery date adjustments, sales decreased
To expand in BtoB business,
strengthening the lineup of high-value-added nanofiber air filters
(NanoWHELP · Yamashin Nano Air)

Business Performance for Q1 FY2024

Consolidated sales: 4,817 million yen
YoY: **12.0% increase in sales**

Consolidated operating income: 599 million yen
YoY: **430.8% increase in profit**
***Shareholders' equity ratio: 82.6%**

Construction machinery filter

Sales increased by 16.8% YoY to 4,217 million yen

Overall sales increased due to steady demand in the North American and Japanese markets outside of China, and increased replacement demand in the European and Asian markets despite lower new vehicle demand than the previous year

Air filter

Sales decreased by 13.4% YoY to 599 million yen

Sales decreased due to delivery date adjustments.

決算

**BUSINESS PERFORMANCE RESULTS FOR Q1 FY2024 AND
FULL-YEAR FORECASTS FOR FY2024 (ENDING MARCH 31, 2025)**

Business Performance Results for Q1 FY2024 (April to June 2024)

Q1 FY2024 Financial Results (April to June 2024)

(million yen)		Q1 FY2023 Results	Q1 FY2024 Results	Difference	
		Amount	Amount	Amount	%
Net sales		4,302	4,817	515	12.0%
	Construction machinery filters*	3,609	4,217	607	16.8%
	Air filters	692	599	△92	△13.4%
Operating income (segment income)		112	599	486	430.8%
	Construction machinery filters*	63	596	533	843.2%
	Air filters	49	3	△46	△93.7%
Operating income margin		2.6%	12.4%	9.8Pt	
	Ordinary profit	95	559	463	486.6%
Ordinary profit margin		2.2%	11.6%	9.4Pt	
	Net income	19	386	366	1,832.6%
Net income margin		0.5%	8.0%	7.6Pt	
Exchange rates (ave.)	USD	137.4	155.9	18.5	13.5%
	EUR	149.5	167.9	18.4	12.3%

* "Construction machinery filters" includes filters for construction machinery, industrial use and process use.

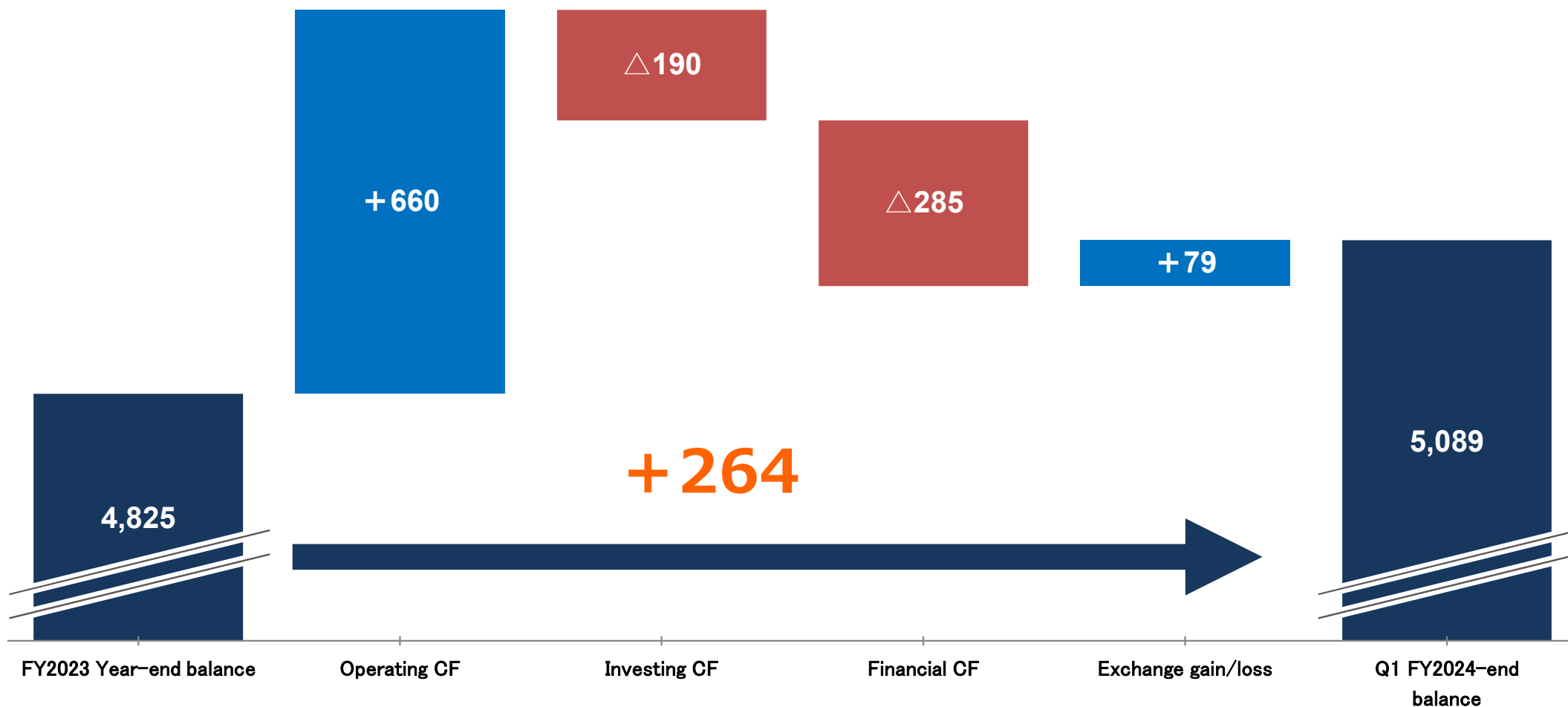
(million yen)

	FY2023-end	Q1 FY2024-end	Change (Amount)	Change (%)
Current assets	13,487	13,948	461	3.4%
Cash and deposits	5,065	5,339	274	5.4%
Notes and accounts receivable-trade	4,815	4,921	106	2.2%
Merchandise and finished goods, Raw materials and Supplies	3,408	3,446	38	1.1%
Other	199	241	42	21.3%
Fixed assets	12,455	12,315	△ 139	△ 1.1%
Tangible fixed assets	11,328	11,281	△ 46	△ 0.4%
Intangible fixed assets	209	198	△ 11	△ 5.6%
Investments and other assets	917	836	△ 81	△ 8.9%
Total assets	25,943	26,264	321	1.2%

	FY2023-end	Q1 FY2024-end	Change (Amount)	Change (%)
Current liabilities	3,827	3,885	57	1.5%
Notes and accounts payable-trade	1,647	1,836	188	11.5%
Corporate bonds payable within one year and short-term loans payable	628	628	0	0.0%
Other	1,552	1,421	△ 130	△ 8.4%
Fixed liabilities	816	695	△ 120	△ 14.8%
Corporate bonds and long-term debt	319	218	△ 100	△ 31.6%
Net defined benefits Liability	290	288	△ 1	△ 0.5%
Other	206	188	△ 18	△ 8.8%
Total net assets	21,299	21,683	383	1.8%
Total of liabilities and net assets	25,943	26,264	321	1.2%

*Shareholders' equity ratio 82.1% 82.6%

(million yen)



*For long-term deposits with maturities of less than one year (¥239 million at the end of FY2023 and ¥250 million at the end of Q1 FY2024), cash and cash equivalents are not included in the ending balance of cash and cash equivalents.

Sales by Product Category (April to June 2024)

(million yen)	Q1 FY2023 Results	Q1 FY2024 Results	Difference	
	Amount	Amount	Amount	%
Construction machinery filters	3,267	3,858	591	18.1%
Line parts	1,545	1,409	△136	△8.8%
Service parts	1,721	2,449	727	42.3%
Industrial filters	169	170	1	1.0%
Process filters	173	187	14	8.4%
Subtotal (Construction machinery filters, etc.)	3,609	4,217	607	16.8%
Air filters	692	599	△92	△13.4%
Total	4,302	4,817	515	12.0%

Sales by Region (April to June 2024)

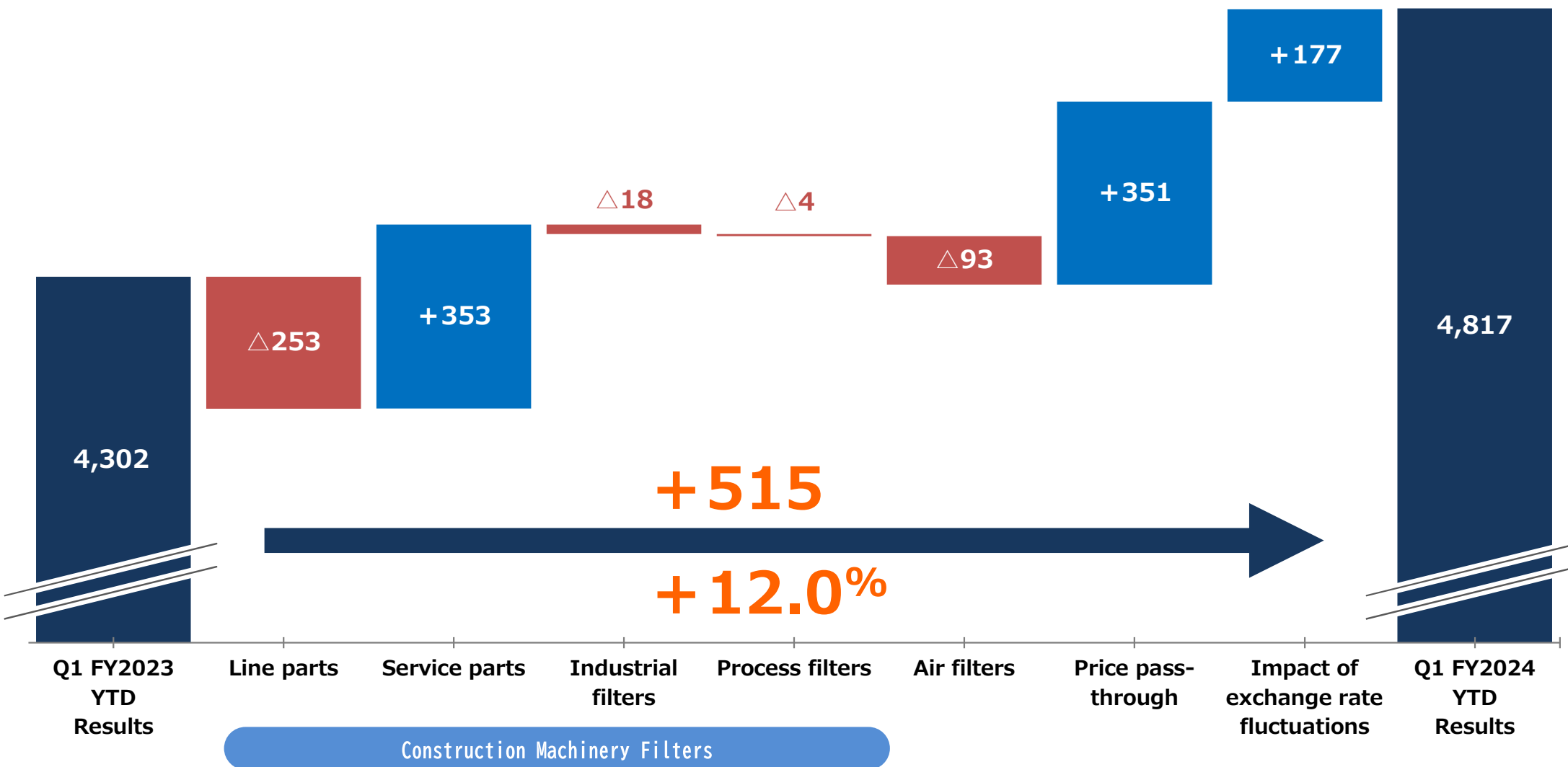
(million yen)	Q1 FY2023 Results		Q1 FY2024 Results		Difference	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	%
Construction machinery filters*	3,609	83.9%	4,217	87.5%	607	16.8%
Japan	1,711	39.8%	1,772	36.8%	60	3.6%
North America	585	13.6%	1,007	20.9%	421	71.9%
China	405	9.4%	319	6.6%	△85	△21.1%
Other Asian countries	475	11.1%	580	12.0%	104	21.9%
Europe	431	10.0%	536	11.1%	105	24.4%
Others (Middle East, etc.)	0	0.0%	2	0.0%	1	625.8%
Air filters (Japan)	692	16.1%	599	12.5%	△92	△13.4%
Total sales	4,302	100.0%	4,817	100.0%	515	12.0%

* "Construction machinery filters" includes filters for construction machinery, industrial use and process use.

Note: The above figures by region are based on the billing address

Changes in Sales (April to June 2024)

(million yen)

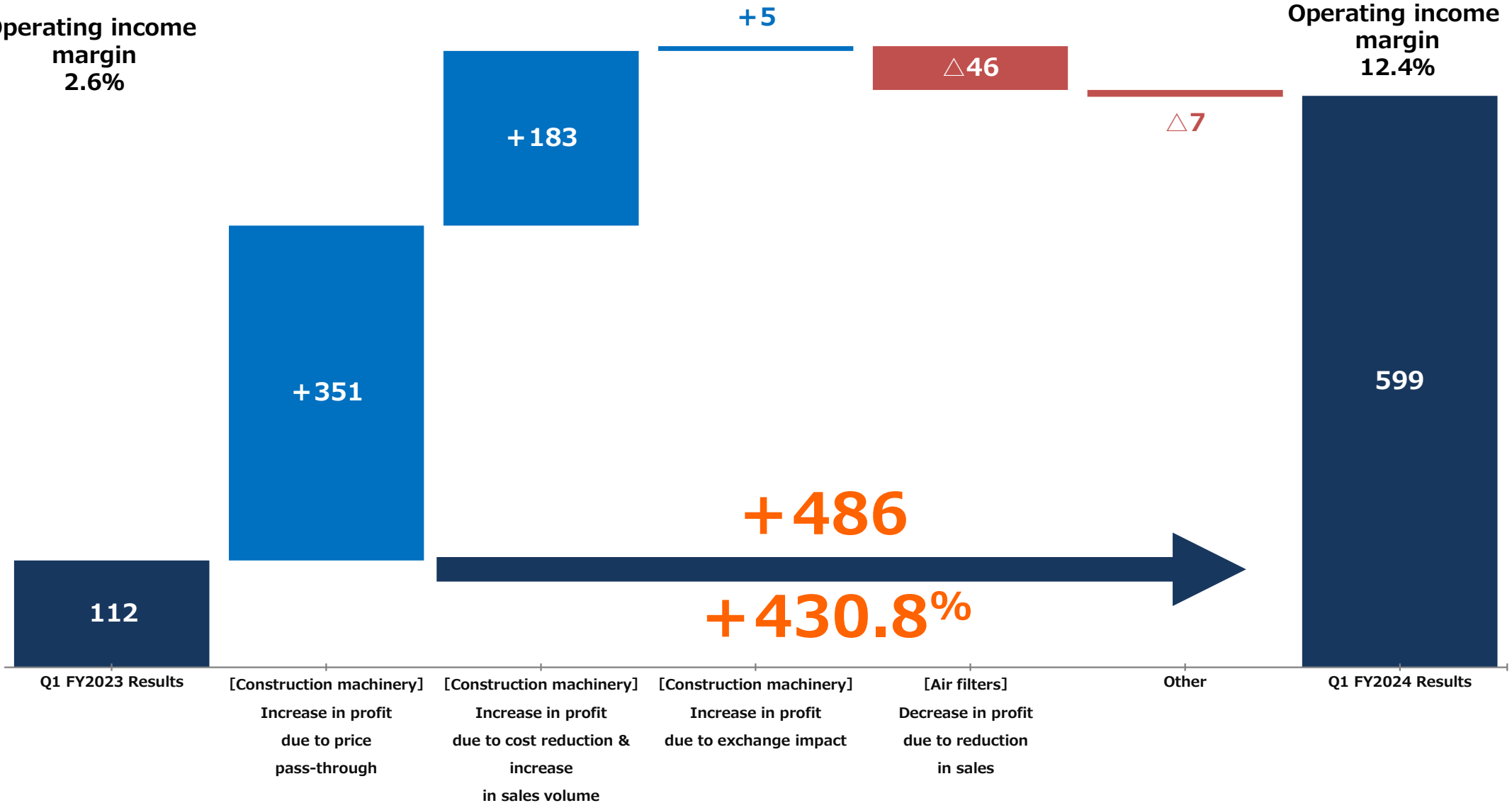


Change in Operating Income (April to June 2024)

(million yen)

Operating income margin
2.6%

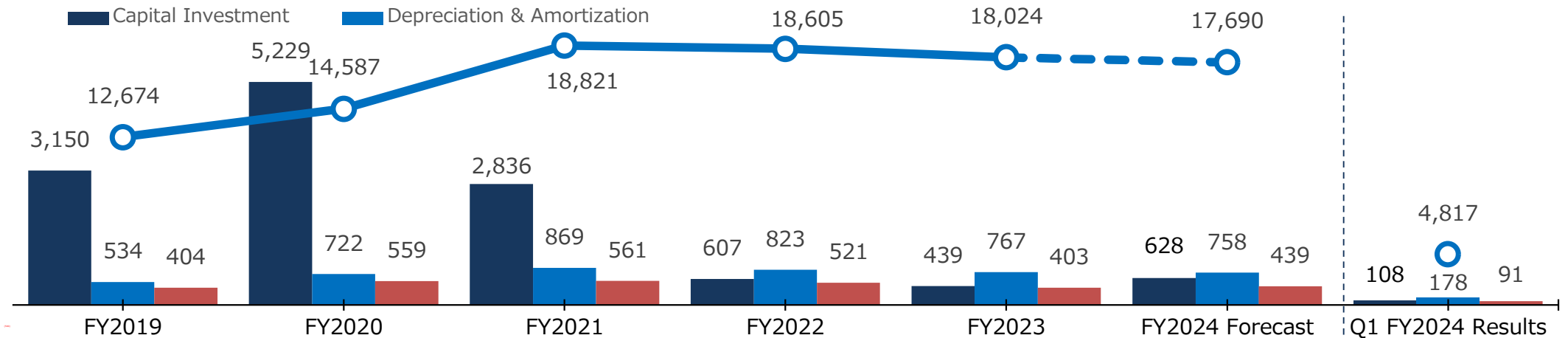
Operating income margin
12.4%



Capital Investment, Depreciation & Amortization and R&D Expenses

(million yen)	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Forecast	FY2024 Q1 Results
Net sales	12,674	14,587	18,821	18,605	18,024	17,690	4,817
Capital investment	3,150	5,229	2,836	607	439	628	108
Land and building	2,682	3,193	1,488	34	19	30	2
Facilities and others	467	2,036	1,347	573	419	598	106
Expense to sales ratio	24.9%	35.9%	15.1%	3.3%	2.4%	3.6%	2.2%
Depreciation and amortization	534	722	869	823	767	758	178
Expense to sales ratio	4.2%	5.0%	4.6%	4.4%	4.3%	4.3%	3.7%
R&D expenses	404	559	561	521	403	439	91
Expense to sales ratio	3.2%	3.8%	3.0%	2.8%	2.2%	2.5%	1.9%

Change in net sales and capital investment and depreciation & amortization & R&D expenses



~Up to FY2023

FY2024

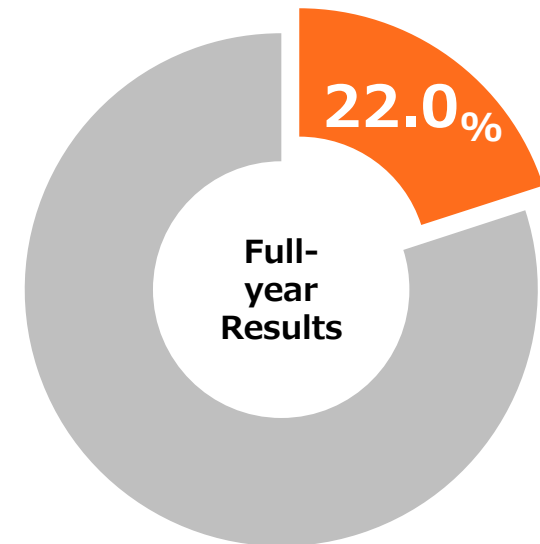
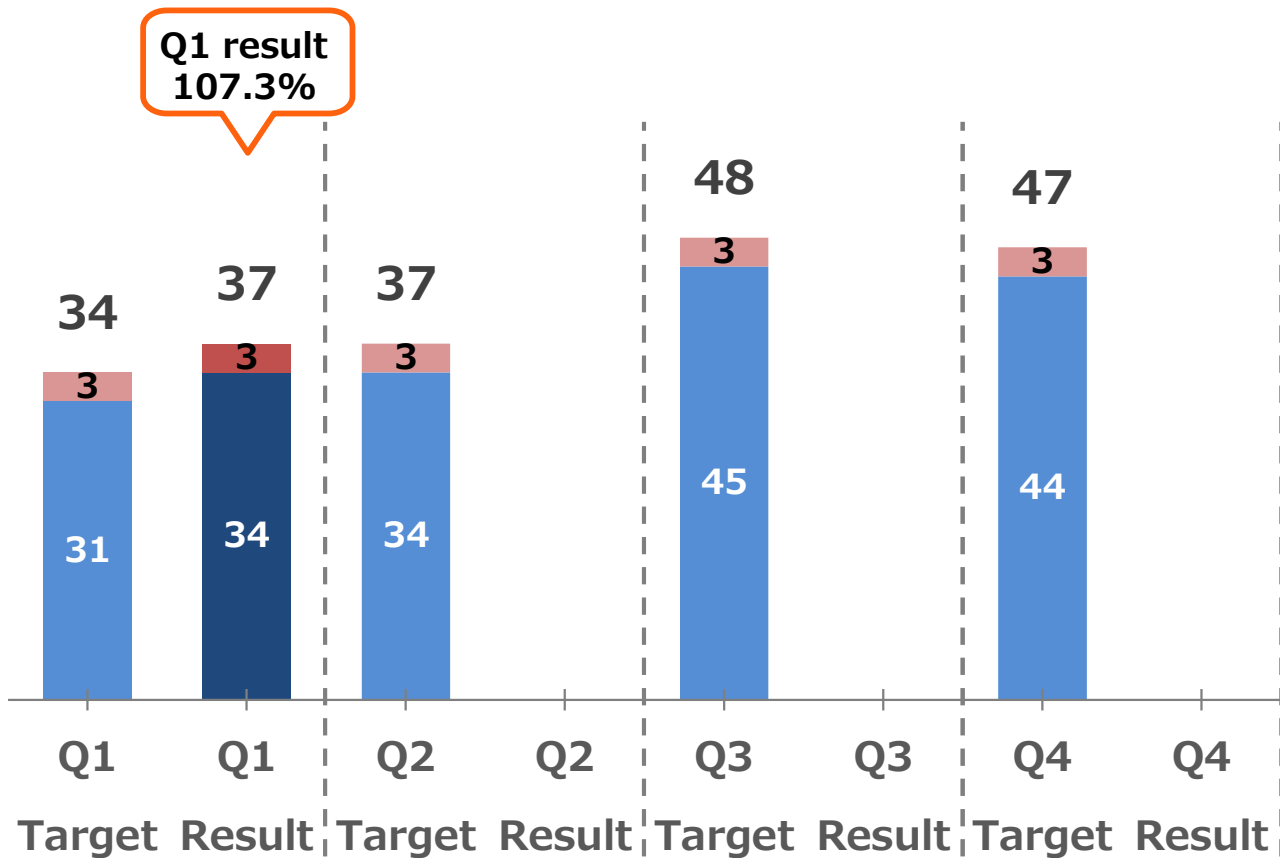
- Implement comprehensive improvements in production technology, management and systems to strengthen the profit structure

PAC24 **P**romptly **A**ctivated **C**ost reduction 20**24**

Progress

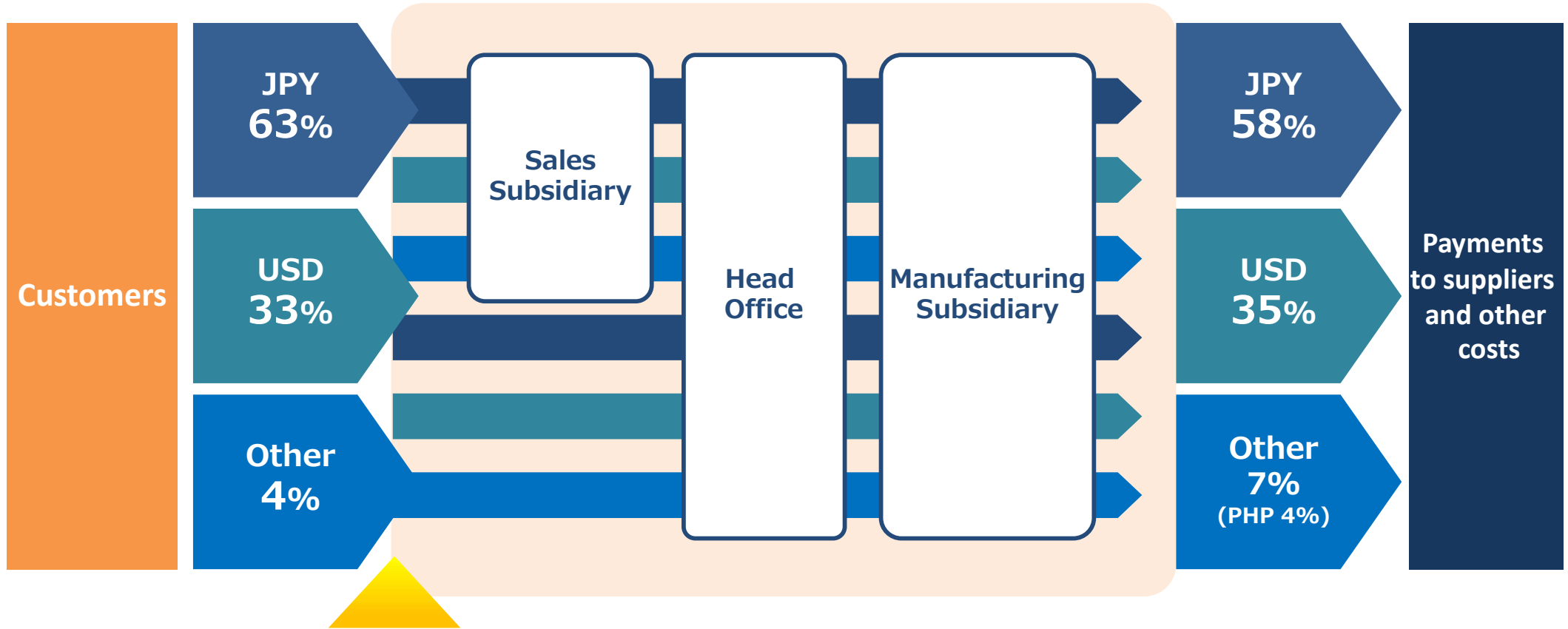
(million yen)

Mfg. Costs SG & A



		(million yen)	
		Full-year target	Full-year result
PAC24	Mfg. Costs	155	34
	SG & A	13	3
Total		169	37

- Foreign exchange sensitivity is 0.03%, and the impact on operating income is negligible



60% of transaction currency is JPY.

Full-year Forecasts for FY2024 (Ending March 31, 2025)

Construction machinery filters

- North American and Japanese markets remained strong, while demand for construction equipment in European and Asian markets remained slightly below the previous year's levels
- Prices of key raw materials, especially aluminum and steel, will remain high for the time being, and fixed costs will increase due to rise in salary levels as part of investments in human capital
- Reduce costs by implementing further price shifting, reducing costs at the design and development stage, reducing raw material costs, improving manufacturing processes, and further strengthening quality control

Air filters

- Progress in efforts toward adoption in office buildings, commercial facilities, factories, etc. through recovery in replacement demand for existing products and development of nanofiber air filters and other high value-added products
- Expect to improve profitability through cost reduction activities centered on improved production efficiency, in addition to continued price pass-through

(million yen)		FY2022	FY2023	FY2024	Difference
		Results	Results	Initial budgets	
Net sales		18,605	18,024	17,690	△334
	Construction machinery filters*	15,945	15,382	14,890	△492
	Air filters	2,659	2,642	2,800	157
Operating income (segment income)		1,235	1,411	1,410	△1
	Construction machinery filters*	1,150	1,320	1,290	△30
	Air filters	84	91	120	28
Operating income margin		6.6%	7.8%	8.0%	0.1Pt
	Ordinary profit	915	1,415	1,420	4
Ordinary profit margin		4.9%	7.9%	8.0%	0.2Pt
	Net income	645	786	980	193
Net income margin		3.5%	4.4%	5.5%	1.2Pt
Exchange rates (Yen) (ave.)	USD	135.5	144.6	145.0	0.3%
	EUR	141.0	156.8	155.0	△1.2%

* "Construction machinery filters" includes filters for construction machinery, industrial use and process use.

Sales Forecast by Product Category *Unchanged since May 15th

(million yen)	FY2022 Results		FY2023 Results		FY2024 Initial budgets		Difference	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	%
Construction machinery filters	14,328	77.0%	14,008	77.7%	13,586	76.8%	△422	△3.0%
Line parts	5,911	31.8%	5,731	31.8%	5,434	30.7%	△297	△5.2%
Service parts	8,417	45.2%	8,276	45.9%	8,152	46.1%	△124	△1.5%
Industrial filters*	749	4.0%	648	3.6%	620	3.5%	△27	△4.3%
Process filters	867	4.7%	725	4.0%	683	3.9%	△42	△5.8%
Subtotal (Construction machinery filters)	15,945	85.7%	15,382	85.3%	14,890	84.2%	△492	△3.2%
Air filters	2,659	14.3%	2,642	14.7%	2,800	15.8%	157	6.0%
Total	18,605	100.0%	18,024	100.0%	17,690	100.0%	△334	△1.9%

Sales Forecast by Region *Unchanged since May 15th

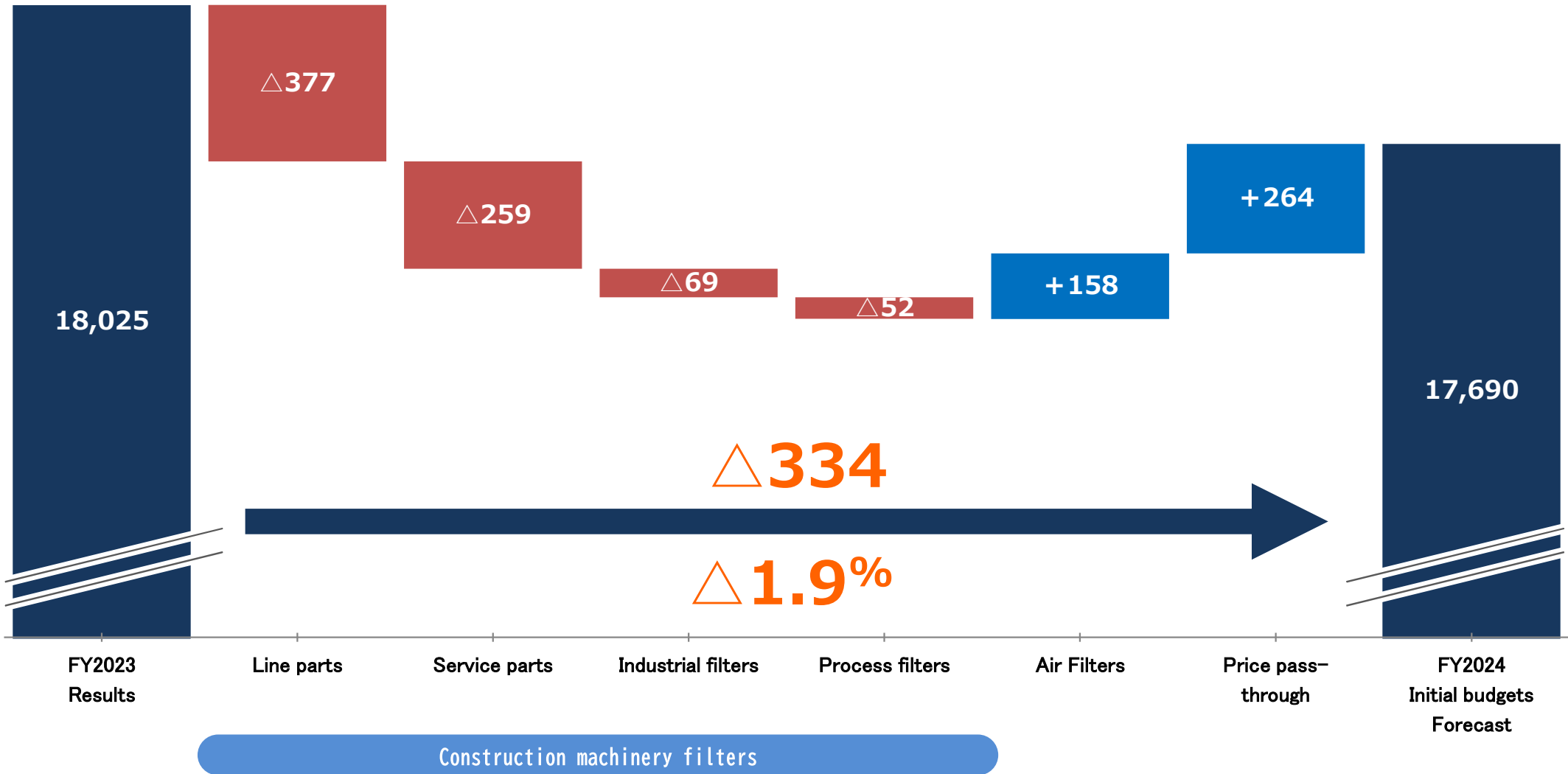
(million yen)	FY2022 Results		FY2023 Results		FY2024 Initial budgets		Difference	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	%
Construction machinery filters*	15,945	85.7%	15,382	85.3%	14,890	84.2%	△492	△3.2%
Japan	7,980	42.9%	6,990	38.8%	6,671	37.7%	△318	△4.6%
North America	3,150	16.9%	3,249	18.0%	3,457	19.5%	207	6.4%
China	1,380	7.4%	1,218	6.8%	1,096	6.2%	△121	△10.0%
Other Asian countries	1,698	9.1%	2,051	11.4%	1,864	10.5%	△187	△9.1%
Europe	1,729	9.3%	1,869	10.4%	1,790	10.1%	△78	△4.2%
Others (Middle East, etc.)	6	0.0%	3	0.0%	10	0.1%	6	172.9%
Air filters (Japan)	2,659	14.3%	2,642	14.7%	2,800	15.8%	157	6.0%
Total sales	18,605	100.0%	18,024	100.0%	17,690	100.0%	△334	△1.9%

* "Construction machinery filters" includes filters for construction machinery, industrial use and process use.

Note: The above figures by region are based on the billing address.

FY2024 Forecasts: Changes in Sales *Unchanged since May 15th

(million yen)

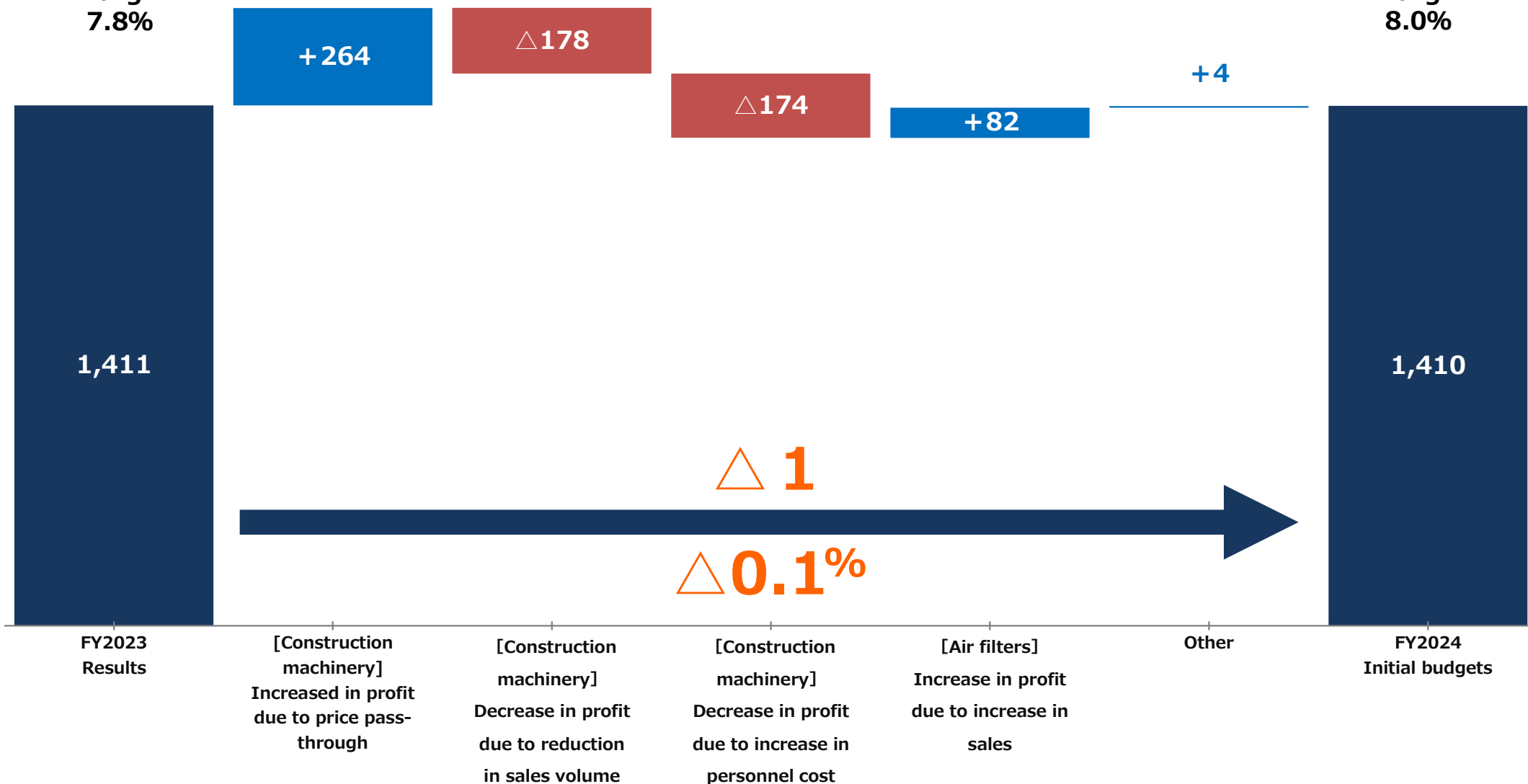


*The "Industrial" segment includes the Healthcare product line.

(million yen)

Operating income margin
7.8%

Operating income margin
8.0%



Plans to increase the annual dividend to ¥10.0 per share for the fiscal year ending March 31, 2025, consisting of an interim dividend of ¥5.0 per share and a year-end dividend of ¥5.0 per share.

	FY2021	FY2022	FY2023	FY2024 Initial budgets
Dividend per share	¥ 6.0	¥ 6.0	¥ 6.0	¥ 10.0
Consolidated dividend payout ratio^{*1}	909.8%	66.5%	54.5%	72.0%
Dividend yield^{*2}	1.7%	1.8%	1.3%	2.1%
DOE^{*3}	2.1%	2.1%	2.0%	3.3%
Total return ratio^{*4}	960.4%	75.6%	121.0%	78.0%

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

*2 Dividend yield = (dividend per share / share price as of the end of the fiscal year) x 100

*3 DOE (Dividend on equity) = (Annual dividend ÷ Shareholders' equity) x 100 = (ROE x Dividend payout ratio)










*4 Total return ratio = {(Total dividend + Treasury stock acquired + Shareholder benefit) ÷ Net income attributable to shareholders of the parent company} x 100

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REFERENCE MATERIALS

① BASIC COMPANY INFORMATION

YAMASHIN Group purchases glass fibers and non-woven fabrics, which are the main materials to manufacture filter media (the key parts of filters). Our Group also purchases metal processed products and resin processed products used in filter components to manufacture construction machinery filters, industrial filters, process filters and air filters. From May 2020, we started to sell filter masks and mask inner sheets made from our proprietary synthetic polymer nanofibers.

Field	Products	Product Image	Composition ratio (Forecast of FY2024)
Construction Machinery Filters	Filters used for filtering hydraulic oil in hydraulic circuits, diesel oil for fuel, and lubricating oil for engine drive, which are indispensable for driving construction machinery. Applications: Various types of construction equipment		
Healthcare	Highly performance masks and replacement inner sheets that utilize the characteristics of synthetic polymer-based nanofibers, such as high filtration performance, excellent sealing performance, and high air permeability. Applications: For general consumers in Japan and around the world		
Industrial Filters	Filters used for filtration of hydraulic oil and lubricating oil in hydraulic units applied in various industries. Applications: Machine tools, refrigeration compressors, agricultural machinery, ships, railway vehicles, aircraft, and helicopters		
Process line Filters	Filters required for filtration and separation in the manufacturing process of customer products Applications: Electronic components, precision components, liquid crystal displays and food industries, etc.		
Air filters	Coarse dust removal air filters, medium- to high-performance air filters Applications: Dust removal, deodorization, etc. for general buildings, hotels, various factories, etc.		

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REFERENCE MATERIALS

② FINANCIAL HIGHLIGHTS

- MAVY's" is the most important management indicator for determining the sustainable growth of our corporate value
- Set "MAVY's Spread" target and strive for long-term sustainable growth by optimizing cost of capital (WACC) and maximizing earning power (ROIC)

What is MAVY'S? (ROIC – WACC)

Maximizing
Added
Value of
Yamashin Filter
Spread

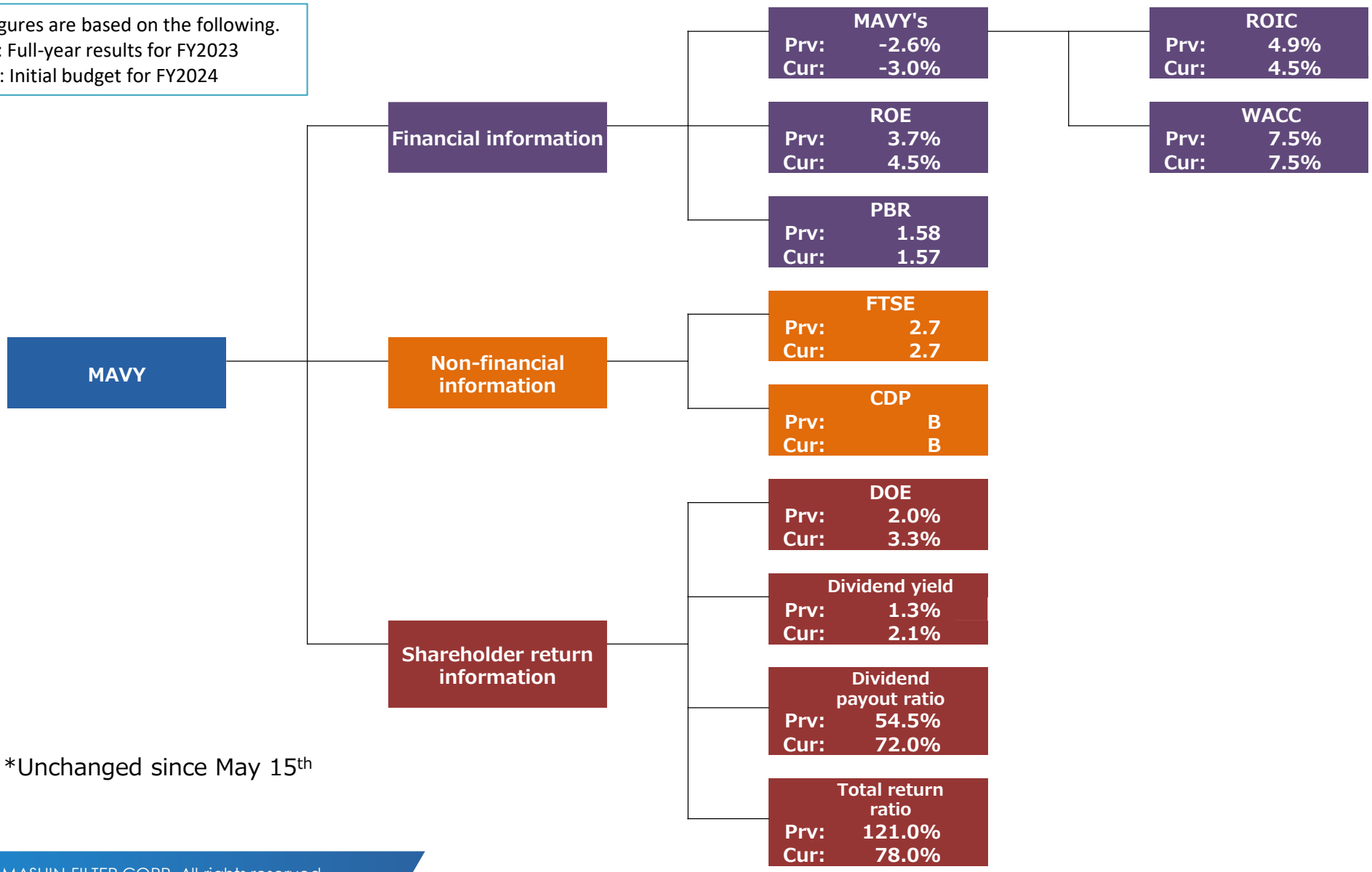
The key goal indicator (KGI), based on which each relevant department sets its KPIs and KSFs, and works on measures to attain targets, with the goal of maximizing return on invested capital.

Meet the expectations of stakeholders by improving MAVY's Spread

Assign KPIs to relevant departments who are responsible for target setting and implementing actions for achieving the targets in a company-wide coordinated effort

- MAVY, a quantitative target for increasing corporate value, is classified into financial information, non-financial information, and shareholder return information, and is set as a KPI

*KPI figures are based on the following.
Prv : Full-year results for FY2023
Cur : Initial budget for FY2024



*Unchanged since May 15th

MAVY's for Construction Machinery Filters (KPI & Departments) for FY2024

Key Goal Indicator (KGI)

Key Performance Indicator (KPI)

Key Success Factor (KSF)

Relevant Dept.

Targets for FY 2024 (Action plan)

*KPI figures are based on the following.
Prv : Full-year results for FY2023
Cur : Initial budget for FY2024

Key Goal Indicator (KGI)	Key Performance Indicator (KPI)	Key Success Factor (KSF)	Relevant Dept.	Targets for FY 2024 (Action plan)		
MAVY's Prv: -1.7% Cur: -2.4%	ROIC Prv: 5.8% Cur: 5.1%	Operating income Prv: 8.6% Cur: 8.7%	Sales growth ratio Prv: -3.5% Cur: -3.2%	New Product development Enhance market share of genuine products	Sales / R&D	<ul style="list-style-type: none"> Promoting price pass-through Construction machinery: Expand share of major customers (long-life, sensors), Expand and accelerate entry into the Chinese market Enter new business domains
	SG&A ratio Prv: 35.3% Cur: 37.9%	Depreciation cost ratio Prv: 4.2% Cur: 4.3%	Investment plan	Management Planning / Finance and Accounting	<ul style="list-style-type: none"> M&A (for revenue expansion stabilizing management) →Research potential M&A targets →Acquire nonwoven fabrics manufacturing entities (downstream) →Acquire new material development entities (upstream) Verification of effectiveness of R&D and capital investment projects 	
						R&D cost ratio Prv: 2.6% Cur: 2.9%
	Personnel cost ratio Prv: 17.3% Cur: 19.0%	Optimal staffing	HR and General Affairs	<ul style="list-style-type: none"> Promoting of human resource business management, talent management system establishment and management 		
					Accounts receivable turnover rate Prv: 4.1 Cur: 3.8	Credit management
	Operating capital turnover rate Prv: 2.5 Cur: 2.7	Inventory turn over rate Prv: 4.2 Cur: 5.0	Set an appropriate inventory level	Production/Sales		
					investment capital turnover rate Prv: 0.9 Cur: 0.8	Accounts payable turnover rate Prv: 7.0 Cur: 6.2
	FA turnover rate Prv: 1.8 Cur: 1.7	Tangible fixed asset turnover rate Prv: 2.0 Cur: 1.9	Facilities planning (R&D, Production)	Management Planning Administration / Production / R&D		
					Intangible fixed asset turnover rate Prv: 83.3 Cur: 74.8	Investment plan

*Unchanged since May 15th

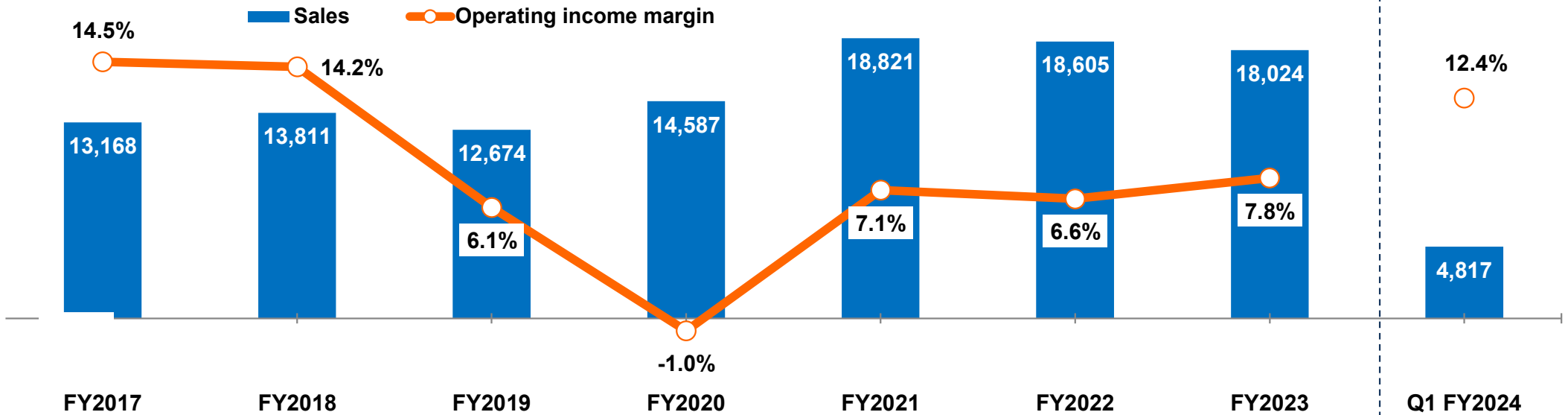
MAVY's for Air Filters (KPI & Departments) for FY2024

Key Goal Indicator (KGI)	Key Performance Indicator (KPI)	Key Success Factor (KSF)	Relevant Dept.	Targets for FY 2024 (Action plan)	
<p>*KPI figures are based on the following. Prv : Full-year results for FY2023 Cur : Initial budget for FY2024</p> <p>MAVY's Prv: -6.0% Cur: -5.5%</p> <p>ROIC Prv: 1.5% Cur: 2.0%</p> <p>WACC Prv: 7.5% Cur: 7.5%</p> <p>Operating income Prv: 3.5% Cur: 4.3%</p> <p>investment capital turnover rate Prv: 0.6 Cur: 0.6</p>	<p>Gross profit ratio Prv: 30.8% Cur: 32.0%</p>	<p>Sales growth ratio Prv: -0.7% Cur: 6.0%</p>	<p>New Product development Enhance market share of genuine products</p>	<p>Sales</p>	<ul style="list-style-type: none"> Existing Businesses: Improve Recruitment Rate New Business: BtoB business development
	<p>SG&A ratio Prv: 27.3% Cur: 27.7%</p>	<p>Cost to sales ratio Prv: 69.2% Cur: 68.0%</p>	<p>Enhance buying power Improve yield ratio</p>	<p>Production</p>	<ul style="list-style-type: none"> Manufacturing cost optimization (PAC24, supplier restructuring) Reduction of procurement costs through common purchasing Optimization of manufacturing processes and personnel allocation
	<p>Operating capital turnover rate Prv: 3.6 Cur: 4.0</p>	<p>Depreciation cost ratio Prv: 4.6% Cur: 4.2%</p>	<p>Investment plan</p>	<p>Administration</p>	<ul style="list-style-type: none"> Verification of effectiveness of capital investment projects Long-term plan for building facility renovation
	<p>FA turnover rate Prv: 0.7 Cur: 0.7</p>	<p>Personnel cost ratio Prv: 14.4% Cur: 14.2%</p>	<p>Optimal staffing</p>	<p>Administration</p>	<ul style="list-style-type: none"> Promotion of human capital management, optimization of personnel allocation
		<p>Accounts receivable turnover rate Prv: 2.9 Cur: 3.0</p>	<p>Credit management</p>	<p>Sales and Administration</p>	<ul style="list-style-type: none"> Optimized AR debt collection for improving working capital (collection management and monitoring)
		<p>Inventory turn over rate Prv: 19.8 Cur: 20.9</p>	<p>Set an appropriate inventory level</p>	<p>Production and Sales</p>	<ul style="list-style-type: none"> Compression of inventory assets in the entire company
		<p>Accounts payable turnover rate Prv: 5.8 Cur: 5.3</p>	<p>Debt management</p>	<p>Production</p>	<ul style="list-style-type: none"> Working capital improvement (payment site optimization)
		<p>Tangible fixed asset turnover rate Prv: 0.7 Cur: 0.8</p>	<p>Facilities planning (R&D, Production)</p>	<p>Production and Administration</p>	<ul style="list-style-type: none"> Optimize investment recovery effect (Return on Investment)
		<p>Intangible fixed asset turnover rate Prv: 395.4 Cur: 260.0</p>	<p>Investment plan</p>	<p>Administration</p>	<ul style="list-style-type: none"> Strengthen management accounting by introducing SAP

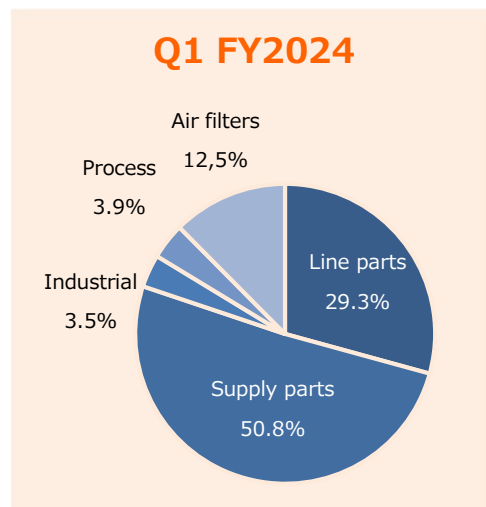
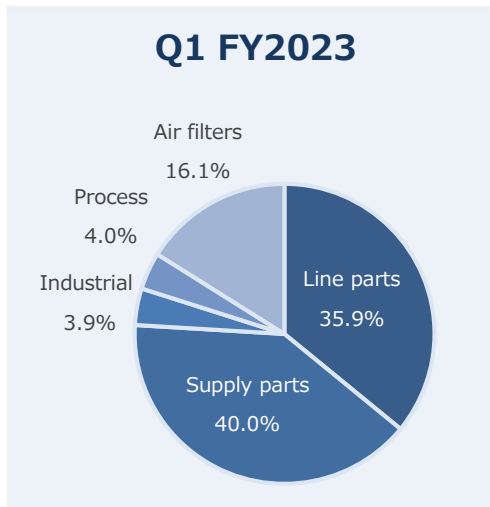
*Unchanged since May 15th

Net sales, Operating income margin

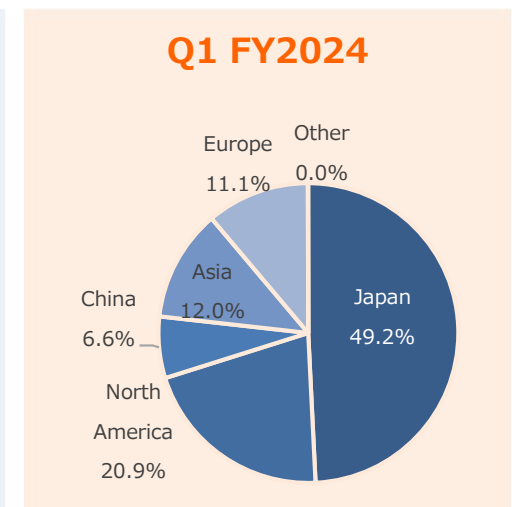
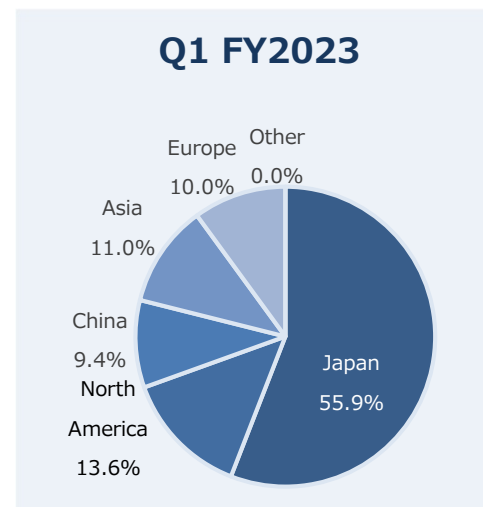
(million yen)



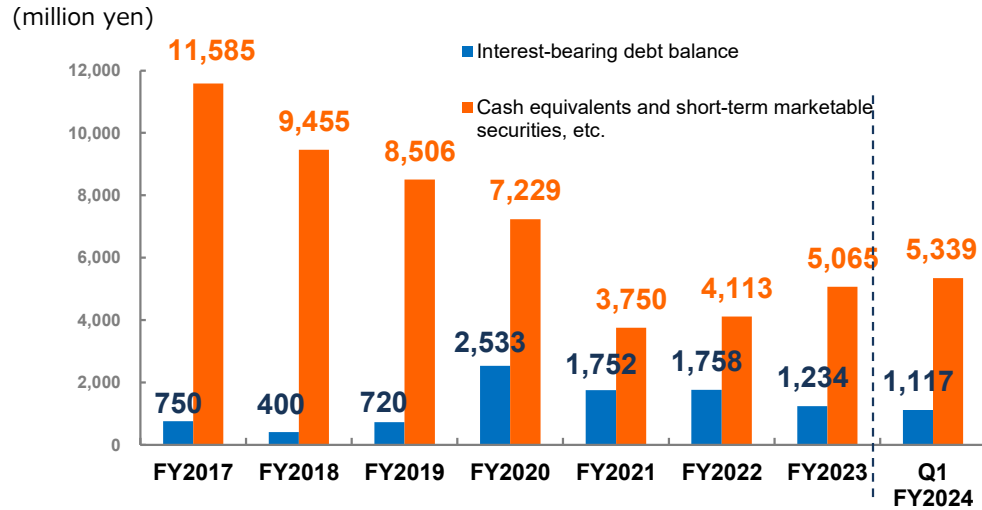
Sales breakdown by product category



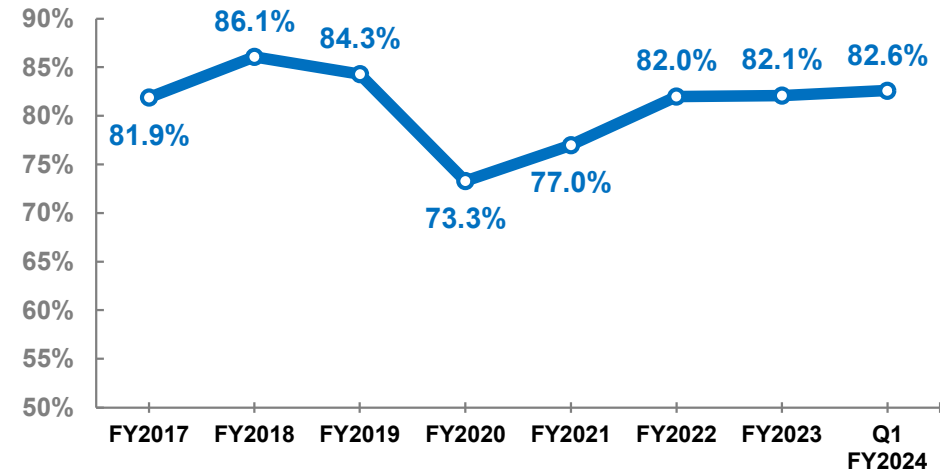
Sales breakdown by region



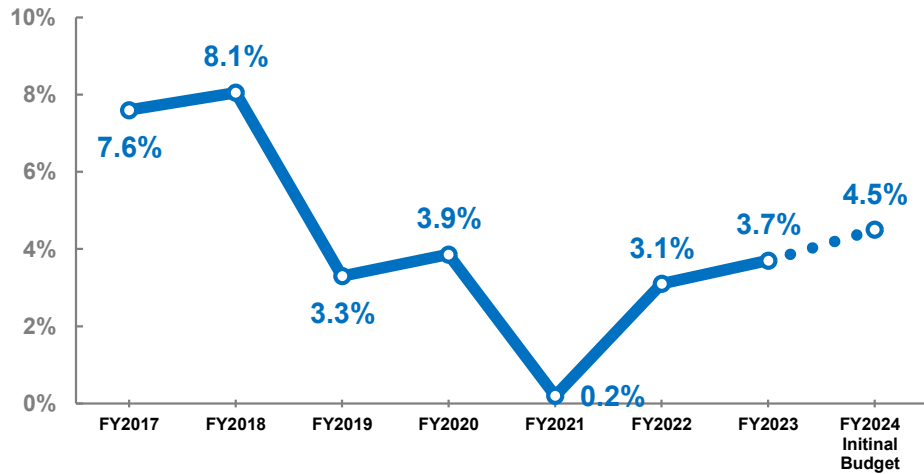
Interest-bearing debt, cash equivalents short-term investment securities, etc.



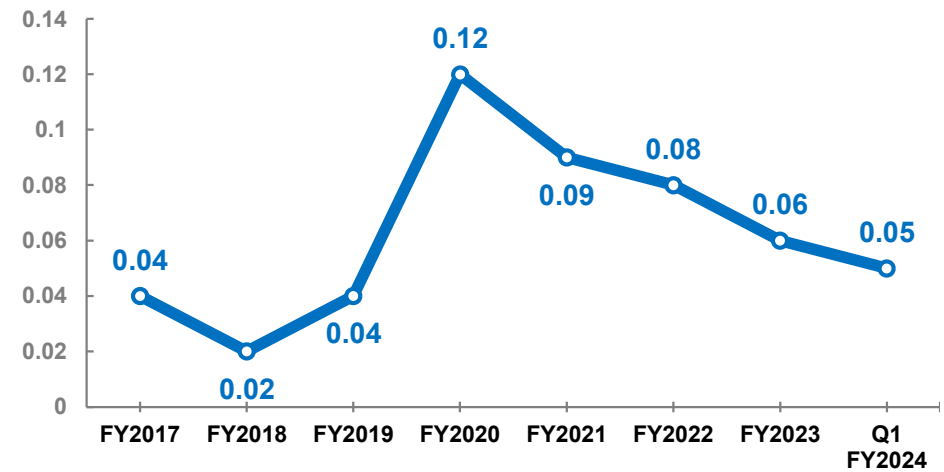
Shareholders' Equity Ratio



ROE



D/E Ratio



• Calculations are based on the assumption that the third-party allotment of new shares conducted in FY2017 was conducted from prior periods.

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Conditions of Operational Hedge-Marry and Netting (April to June 2024)

(million yen)

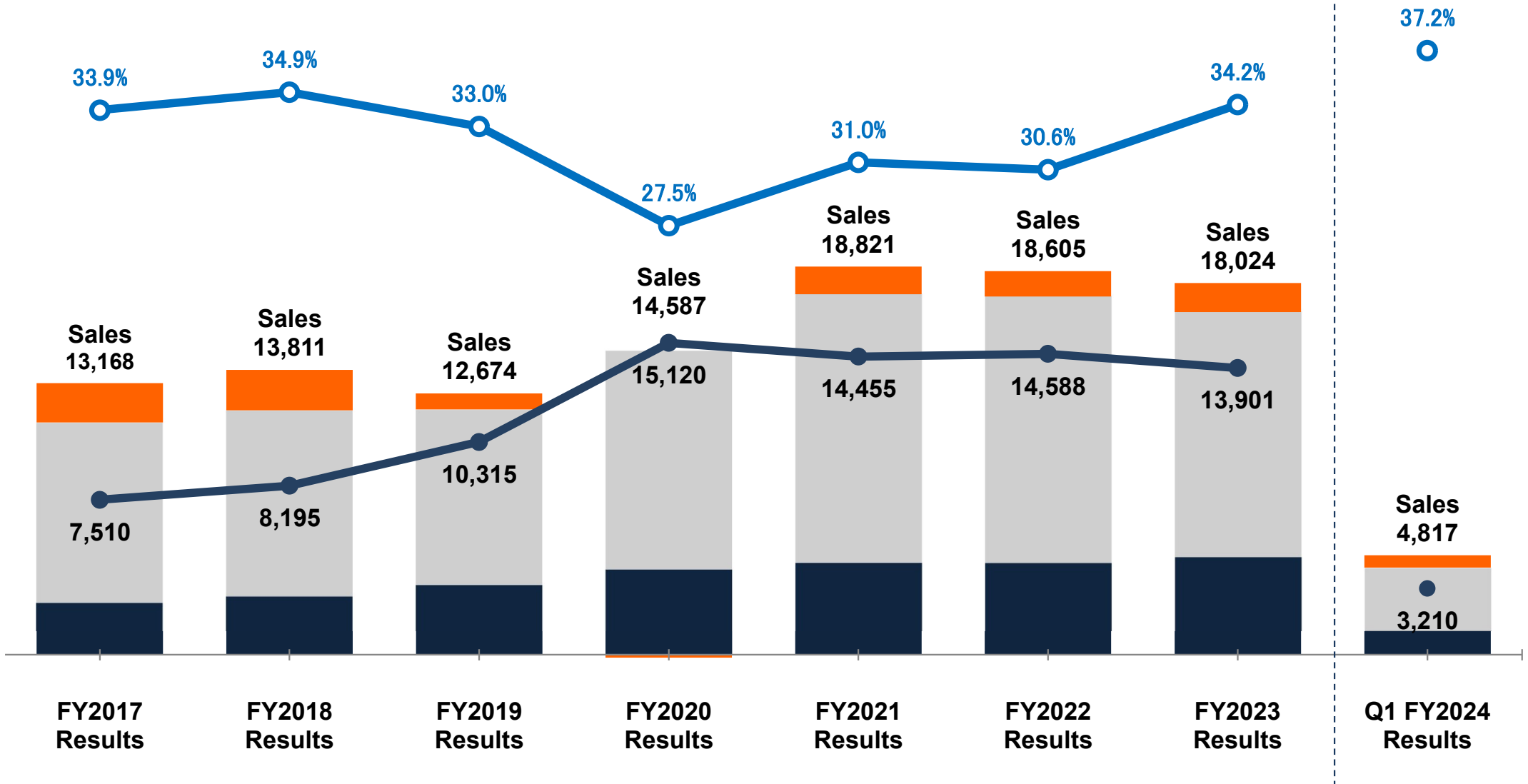
Currency	Incoming		Outgoing		Net	Average rate during the term (JPY)	In case of yen appreciation (10%)			In case of yen depreciation (10%)		
	Amount by currency	Composi-tion ratio	Amount by currency	Composi-tion ratio	Amount by currency		If yen is appreciated ▲10% (JPY)	Difference	Affected amount (YTD)	If yen is depreciated +10% (JPY)	Difference	Affected amount (YTD)
JPY	¥4,600	63%	¥4,100	58%	¥500	-	-	-	-	-	-	-
USD	\$15.3	33%	\$15.9	35%	\$-0.6	¥155.9	¥140.30	¥-15.59	¥9.35	¥171.48	¥15.59	¥-9.35
EUR	€1.1	3%	€1.1	3%	€0.0	¥167.9	¥151.10	¥-16.79	¥0.00	¥184.68	¥16.79	¥0.00
PHP	PP0.8	0%	PP111.1	4%	PP-110.3	¥2.7	¥2.43	¥-0.27	¥29.78	¥2.97	¥0.27	¥-29.78
THB	฿25.3	1%	฿8.5	1%	฿16.80	¥4.3	¥3.83	¥-0.43	¥-7.14	¥4.68	¥0.43	¥7.14
VND (100)	1.8 đ	0%	54.6 đ	0%	-52.80 đ	¥0.6	¥0.55	¥-0.06	¥3.25	¥0.68	¥0.06	¥-3.25
Total	-	100%	-	100%	-	-	-	-	¥35.24	-	-	¥-35.24

Variation in Marginal Profit Ratio

- Marginal profit ratio improved to the post-pandemic level

(million yen)

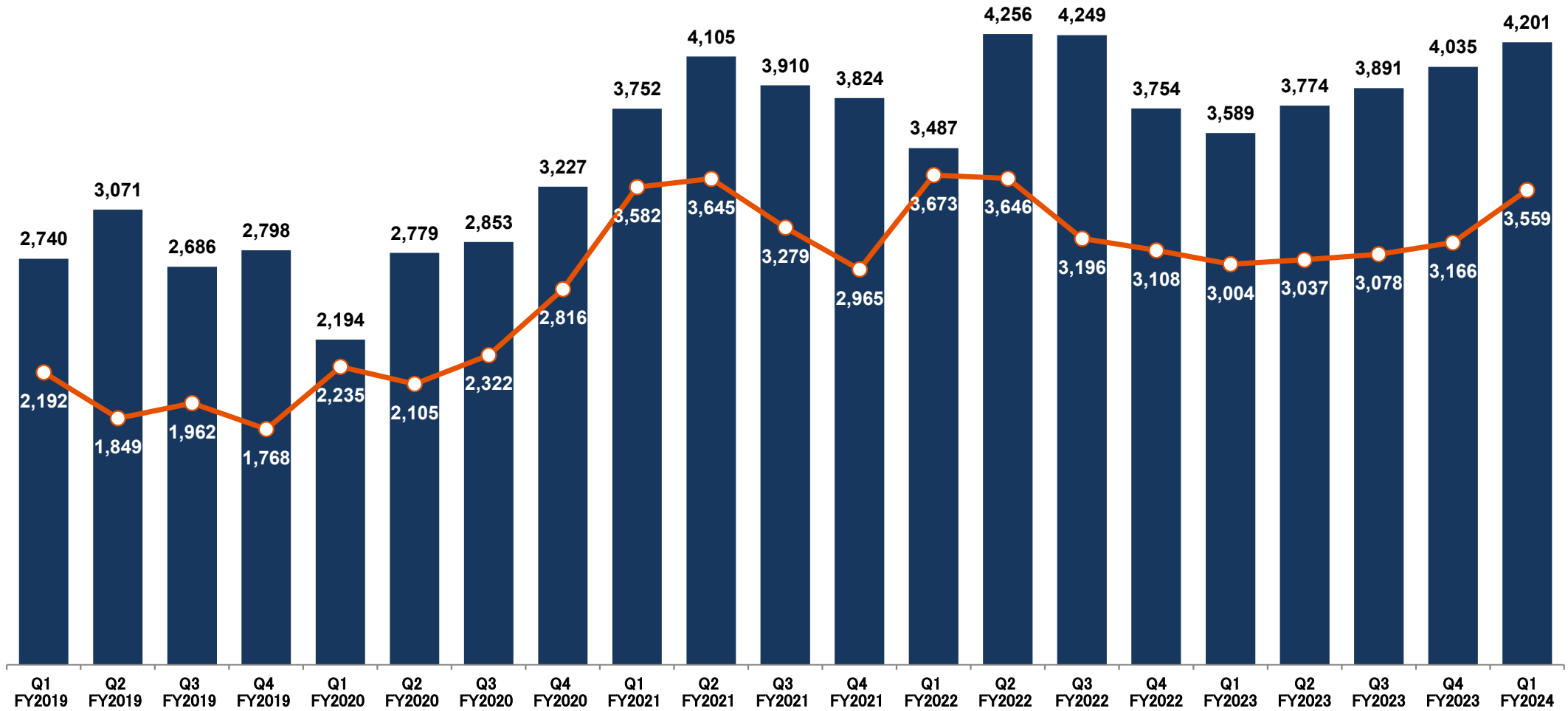
■ Fixed cost ■ Variable cost ■ Operating income ● Break-even point ○ Marginal profit ratio



Construction Machinery Filters Changes in Backlog Orders (Quarterly)

(million yen)

■ Sales ○ Backlog orders



*Sales do not include healthcare sales.



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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