

Business Strategy for Realizing Business Transformation

Core Businesses

Messages from the Headquarters General Managers

Business Overview for FY2022 and Vision

Industrial Market Headquarters

(Industrial Equipment & Tools Division and Machine Tools Division)

Mamoru Hamayasu

Director,
Chief General Manager of Industrial Market Headquarters



Aiming to Realize Factory Automation Based on “Digital” and “Green”

The Industrial Market Headquarters contributes to “monozukuri” in Japan and around the world by selling machine tools and general factory equipment and delivering cutting-edge technology for tools, industrial equipment and machinery, control equipment, and logistics equipment to manufacturing sites in Japan, China, the rest of Asia, and North America.

In FY2022, we achieved sales and profit growth. This was the result of focusing our efforts on sales of products related to automation and rationalization of production sites to help realize factory automation and updating of obsolete equipment making use of various subsidies, in addition to sales of high-precision processing machinery in order to improve competitiveness.

Looking at the domestic and overseas markets, sales of multi-task machines are increasing in Japan as the decline in the working age population becomes a significant problem and demands for labor saving and automation grow. In overseas, there have been negative factors such as surging prices of raw materials due to trade friction between the United States and China and component shortages. However, the increase in large-scale projects for production equipment was greater than the impact from these negative factors.

We will continue to support “monozukuri” in Japan and around the world through our global network that extends worldwide, our know-how in trading we have accumulated to date, and our support system that collaborates in Japan and overseas. In order to support factory automation, we will also provide one-stop proposals for equipment that produces high returns on investment across an entire production line, in addition to driving the carbon neutrality of our business partners through energy-creating and energy-saving products.

Living Environment Market Headquarters

(Housing, Air & Fluidic Control Systems Division and Consumer Products Division)

Kenichi Tanaka

Senior Managing Director,
Chief General Manager of Living Environment Market Headquarters



Strengthening Functions Leveraging Total Coordination Skills of YUASA TRADING

The Living Environment Market Headquarters provides proposals for improving equipment across a wide range of sectors, including housing equipment, piping products, building air conditioning, and factory utility equipment.

In FY2022, we achieved sales and profit growth despite anticipated delays in deliveries of some products such as water heaters as a result of the global shortage of components. This was the result of working on sales of non-housing products and providing proposals for systems aimed at realizing carbon neutrality.

In the housing sector, amid an anticipated decline in demand for new-build housing due to the low birthrate and aging population, we will continue contributing to the realization of better living by expanding sales of high-functionality, high value-added products. In addition, we will target the renovation market, which is predicted to remain robust, with solutions that leverage the total coordination skills of YUASA TRADING. We will also provide proposals for improving equipment utilizing energy-saving, highly efficient products for buildings in the non-residential sector where carbon neutrality is being called for recently.

Furthermore, in order to strengthen our engineering functions, we will put in place a system that can offer an integrated service from proposal and cost estimate through construction and maintenance across Japan by increasing the number of our construction partners all around the country to build a nationwide construction system, as well as leveraging the strengths of Group companies that specialize in construction.

Construction Market Headquarters

(Building Supplies & Exterior Division, Construction Machines Division, Energy Division, and Timber Division)

Takaomi Omura

Director,
Chief General Manager of Construction Market Headquarters



Aiming to Create New Value by Connecting Different Business Domains

The Construction Market Headquarters consists of the Building Supplies & Exterior Division, which provides integrated support for building materials, landscaping and exterior materials, and civil engineering materials from cost estimates through to construction, the Construction Machines Division, which offers suggestions on cutting-edge industrial rental products and small construction machines for road paving and civil engineering work, the Energy Division, and the Timber Division.

The headquarters aim to identify changing market needs and flexibly offer new lifestyles. In particular, we are the only building materials wholesaler with a nationwide sales network, which is one of our strengths together with the large number of products we handle. In FY2022, we captured steady demand and achieved sales and profit growth despite some remaining delivery delays and other impacts from surging material and energy prices and the semiconductor shortage.

Under the Medium-term Management Plan, we will further expand our construction and road materials sales and construction sales. We will also aim to create new value by expanding into the Thai market and uncovering demand for machine rental and maintenance, in addition to connecting the different business domains of the Group such as sales of timber and the energy business.

Moreover, to prepare for frequent disasters, we will contribute to sustainable urban development thereby creating the future through promotions of businesses that solve social issues such as expanding maintenance of aging infrastructure as well as disaster prevention/mitigation and BCP products, labor-saving solutions for workload and labor saving at construction sites, and product proposals related to the SDGs.

Business Strategy for Realizing Business Transformation

Core Businesses

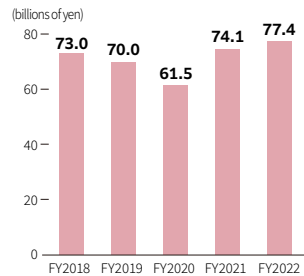
Industrial Market Headquarters

Industrial Equipment & Tools Division



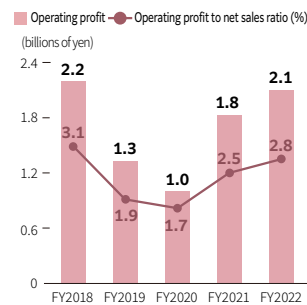
With our industry-leading product lineup and consulting know-how, we promote smart factories at manufacturing sites.

Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sales of tools, industrial equipment and materials, control equipment, and logistics equipment

Relevant main materiality issues

- Promote Digital Business
- Support sustainable manufacturing and environment building
- Contribute to decarbonization of society through energy creation and saving know-how

Relevant main markets

- Automobile manufacturing
- Manufacturing industries, including IT and semiconductor manufacturing equipment
- Food manufacturing
- All other manufacturing industries

Business environment analysis

Strengths	<ul style="list-style-type: none"> • Product lineup centered on tools, control, and logistics • Consulting capabilities based on many years of on-site know-how • E-commerce functionality (Growing Navi)
Opportunities	<ul style="list-style-type: none"> • Increased demand for carbon neutrality • Expansion of semiconductor market • Increased labor-saving investments due to declining birthrate and aging population • Increased business continuity plan (BCP) investment at factories
Risks	<ul style="list-style-type: none"> • Decline in supply capacity due to rapid decline in working population • Lower profit margins due to price competition • Entry into e-commerce from other industries

Measures in Medium-term Management Plan

Promote automation and labor saving at manufacturing sites

- Propose quality control and factory automation using robots, ICT (including local 5G), AI, etc.
- Propose high added value through AI and IoT functions in manufacturing, inspection, and logistics processes
- Propose products that can reduce power and manufacturing costs for electric vehicles (EVs) and semiconductor-related factories
- Further development and sales of original products (TSUNAGU Y-Fi, etc.)

Expand sales products by leveraging the Group's total coordination skills

- Expand sales channels for in-factory air conditioning and refrigeration equipment and industrial piping products
- Support manufacturing industry by proposing solutions for carbon neutrality
- Exercise TSUNAGU innovation through product development that captures market needs through data analysis

Vision and Related Initiatives

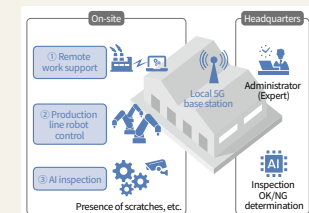
Accurately grasp changes in needs and provide digital solutions to the entire manufacturing line

We are focusing on proposing next-generation network "local 5G* solutions" to solve the problems on productive improvements at manufacturing sites and labor shortages caused by population decline.

By constructing a large-capacity, high-security 5G system unique to the field and connecting a variety of ICT devices, we will provide one-stop solutions for the realization of factory automation, such as remote work support by skilled workers, remote management and control of equipment, predictive maintenance combined with high-performance AI, and visual inspection.

In addition, in response to changes in the industrial structure, including efforts to reduce CO₂ and the spread of EVs, we will accurately grasp the needs of the market and contribute to solving problems at manufacturing sites through the development and proposal of products and systems that lead to the provision of environmentally-friendly solutions and the reduction of manufacturing costs.

* A fifth-generation mobile communication system that can be built by various users such as local companies and local governments "on their own premises," "with their own investment," and "exclusively for their own company."



Key local 5G use cases that are often consulted by manufacturing customers

Business Strategy for Realizing Business Transformation

Core Businesses

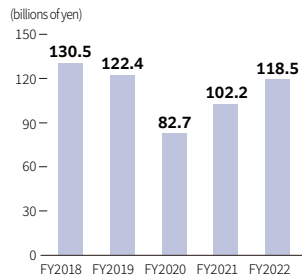
Industrial Market Headquarters

Machine Tools Division

We will develop solutions that aim to solve social issues from the perspective of manufacturing support.

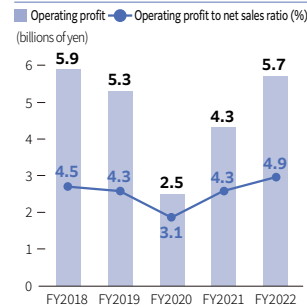


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sales of machine tools and general factory equipment

Relevant main materiality issues

- Promote Digital Business
- Support sustainable manufacturing and environment building
- Strengthen relationship with business partners (strengthen DX and logistics promotion in and outside the company)

Relevant main markets

- Automobile manufacturing (response to new energy vehicles [NEVs])
- Semiconductor manufacturing equipment
- Factory automation market
- All other manufacturing industries

Business environment analysis

Strengths	<ul style="list-style-type: none"> • Top-level machine tool sales capabilities in Japan • Strength of business partner network • Engineering capabilities through collaboration with Group companies
Opportunities	<ul style="list-style-type: none"> • Accelerated automation due to labor shortage and increased sales of DX and system products • Expansion of ultra-precision processing market due to advances in IT digital technology • Birth of new processing market with shift to EVs
Risks	<ul style="list-style-type: none"> • Market shrinkage due to population decline in Japan • Decline in supply capacity due to rapid decline in working population • Reduction of parts and changes in manufacturing methods due to shift to EVs

Measures in Medium-term Management Plan

Maintain and expand share of machine tool market

- Strengthen sales by selecting and concentrating on sales products
- Develop original products through alliances with manufacturers
- Expand handling of peripheral equipment in the pre- and post-processing processes such as parts inspection and measurement

Promote automation and labor saving at manufacturing sites

- Develop derivative products of Robo Combo, our original product
- Develop solutions equipped with automatic setting of processing conditions and preventive maintenance functions using AI
- Promote sales of energy-saving and energy-generating equipment, improvement of factory environments (air conditioning and dust collection), and reduction of power consumption (visualization of electricity)
- Build DX solution (subscription) services for manufacturing

Vision and Related Initiatives

Total proposals that can only be made by our Group, which handles all machines, tools, and peripheral equipment

In order to improve the processing environment at manufacturing sites, we have developed a system that can stably process parts of materials such as ceramics and silicon (brittle materials) required in the semiconductor field by connecting the microfibrillation equipment "Bub Power 2," precision filtration equipment, and high-precision AE sensors with machine tools. Our goal is to contribute to customers' carbon neutrality efforts by maximizing the performance of machine tools, stabilizing machining quality, and reducing machine maintenance and consumable purchase costs. In addition, we will solve problems in the manufacturing industry with a total proposal from our company that handles all machines, tools, and peripheral equipment, such as AI-based processing fluid degradation management and verification to optimize processing conditions with sensing technology.



"Bub Power 2" and microfibrillation equipment



Prolongs the life of processing and cleaning fluids

Processing environment solution introduction video

<https://youtu.be/l8oe1XIQ8AQ>



Business Strategy for Realizing Business Transformation

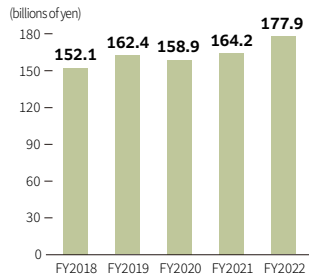
Core Businesses

Living Environment Market Headquarters Housing, Air & Fluidic Control Systems Division

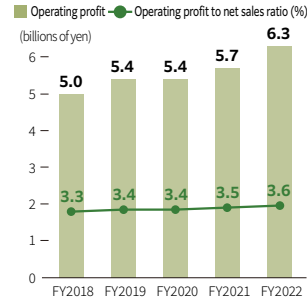
Utilizing our unique engineering functions, we provide total coordination of living and office environments.



Net sales



Operating profit / Operating profit to net sales ratio



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.
 * Due to organizational restructuring in FY2022, actual figures for FY2021 have been retrospectively applied.

Main business fields

- Sale of tubing materials, air conditioning equipment, housing equipment, and renewable energy-related equipment

Relevant main materiality issues

- Support sustainable home building and environment building
- Strengthen relationship with business partners (strengthen logistics)
- Contribute to decarbonization of society through energy creation and saving know-how

Relevant main markets

- Piping product wholesalers and plant engineering companies
- Housing equipment stores and subcontractors
- Developers, builders, construction companies, etc.

Business environment analysis

Strengths	<ul style="list-style-type: none"> ● Diverse product lineup centered on housing equipment, piping products, and air conditioning ● Ability to propose solutions by department specialized in environment and energy conservation ● Logistics capabilities
Opportunities	<ul style="list-style-type: none"> ● Expansion of renovation market ● Increased demand for carbon neutrality ● Increased demand in overseas markets
Risks	<ul style="list-style-type: none"> ● Decrease in demand for new housing due to population decline ● Soaring material prices ● Shortage of craftsmen due to decrease in working population

Measures in Medium-term Management Plan

Expand functionality of existing businesses

- Strengthen and expand engineering capabilities/solution sales
- Expand logistics functions/processing work in warehouses
- Expansion of accumulation functions
- Collaboration with Group companies

Promote Green Business

- Strengthen proposals for carbon neutrality through renewable energy and energy conservation in supply chain
- Expand sales of environmental energy products
- Establish businesses related to hydrogen energy

Vision and Related Initiatives

We support the creation of sustainable “home building” and “environment building” by proposing solutions

Our strength lies in our energy-saving proposals and our ability to sell high-efficiency products. In order to promote carbon neutrality, we propose upgrading various facilities such as homes, office buildings, hospitals, and schools to high-efficiency equipment using energy-saving subsidies.

We have also launched the Renous Project to support companies working to maintain and improve the asset value of both residential and non-residential buildings in response to social issues such as the increasing vacancy rate, which has become increasingly serious in recent years. This project not only provides products but also provides study sessions, technical training, and business improvement proposals for suppliers wishing to enter the renewal market. We are also promoting the use of digital technology, including an app utilizing MR* technology and a construction management system. Going forward, we will continue to offer energy-saving proposals, new product development, and material processing proposals utilizing the Group’s total coordination skills in the renewal market, which is expected to continue to be strong.

* MR: Abbreviation for mixed reality, which is a technology that combines the real world with virtual reality.



Skill development app utilizing MR technology

Business Strategy for Realizing Business Transformation

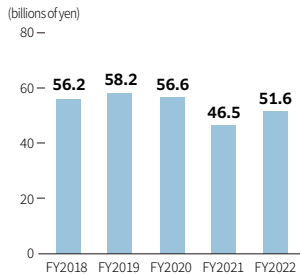
Core Businesses

Construction Market Headquarters Building Supplies & Exterior Division

Leveraging our strength in the domestic market with our high share, we will expand our business by strengthening sales to public organizations and overseas.

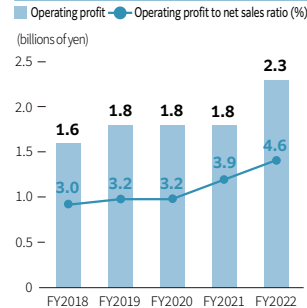


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.
 * Due to organizational restructuring in FY2022, actual figures for FY2021 have been retrospectively applied.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sale of construction materials, landscape materials/exterior, civil engineering materials, etc., design supervision and contracting for installation of external construction materials

Relevant main materiality issues

- Support sustainable environment building and town building
- Respond to climate change (realize a resilient society)
- Realize a safe and secure society through service with good products

Relevant main markets

- Exterior landscaping market
- Road, civil engineering and infrastructure construction markets
- Building hardware market

Business environment analysis

Category	Analysis
Strengths	<ul style="list-style-type: none"> • Leading exterior sales capabilities in Japan • Ability to propose solutions by department specialized in resilience • Ability to procure products from overseas
Opportunities	<ul style="list-style-type: none"> • Demand for renewal of social infrastructure • Urban redevelopment projects • Spread of transportation IoT • Increased demand for EVs and renewable energy-related products
Risks	<ul style="list-style-type: none"> • Increased procurement costs (rising prices, logistics problems in 2024, etc.) • Decreased number of housing starts due to population decline • Changes in competitive environment due to industry restructuring

Measures in Medium-term Management Plan

Strengthen sales by taking advantage of high market share

- Expansion of sales networks for public sector (railway and defense fields, redevelopment-related demand)
- Respond to demand for infrastructure renewal (measures for aging roads and bridges, accident repair, etc.)
- Demand for renovation of buildings and condominiums
- Expansion into Southeast Asia, with a focus on Thailand

High value-added proposals that connect manufacturers and products

- Propose solutions for social issues (utilization of idle land, disaster countermeasures, etc.)
- Develop SDG-related products (solar car ports, timber products, etc.)
- Product development aimed at creating livable urban spaces (installation of parklets*, etc.)

* Resting facilities that utilize road space to create spaces for bustle, relaxation, and lingering

Vision and Related Initiatives

In addition to creating new lifestyles, we will become a business entity that specializes in products that solve social and environmental issues

In recent years, lifestyles have been changing due to various factors such as the spread of diverse work styles and the use of information technology. As one of the initiatives to respond to such diversifying needs, the Group is proposing new ways to utilize spaces and products. For example, "Garage Golf" [\[P.18\]](#), which developed a new use for garages, is one of them. Going forward, we will leverage our leading exterior sales capabilities in Japan to strengthen our expansion not only in the domestic market but also overseas. In Thailand and other countries, the spread of the exterior seen in Japanese houses is still underway, so we will create an exterior culture similar to that of Japan and develop new markets overseas.

In addition, we will work to further expand sales of resilience and security measures and products and services that solve social issues. SAI-GATE (pictured to the right), which can automate the management of vehicles entering and leaving factories, warehouses, construction sites, etc. using AI image recognition, will not only strengthen security, but also contribute to solving the coming problem in the logistics industry in 2024, as our original labor-saving solution.



SAI-GATE, an authentication system that authenticates license plates with a camera and automatically opens gates

Business Strategy for Realizing Business Transformation

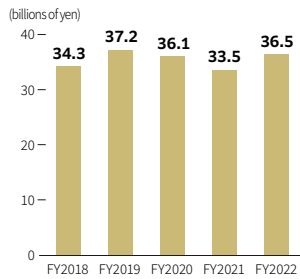
Core Businesses

Construction Market Headquarters Construction Machines Division

We will create new added value by connecting “goods” and “services,” and contribute to sustainable urban development.

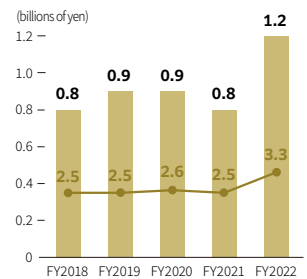


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sale, leasing and rental of construction machinery and materials, and manufacture, sale and rental of container houses

Relevant main materiality issues

- Support cyclical society (rental)
- Support sustainable environment building and town building
- Promote Digital Business

Relevant main markets

- Construction (construction, road construction, plants, etc.)
- Manufacturing (factories, construction machinery/materials manufacturers, etc.)
- Construction equipment rental
- Logistics and warehousing
- Service industry such as event companies

Business environment analysis

Category	Details
Strengths	<ul style="list-style-type: none"> ● Nationwide network based on rental company associations (YRA) ● Used construction machine sales (YUMAC) business ● Pre-shipment inspection function for imported products
Opportunities	<ul style="list-style-type: none"> ● Demand for infrastructure development to respond to disasters, disaster prevention, and mitigation ● IoT, ICT and AI utilization at construction sites ● Improvement of working environment (reduced workload and labor saving) ● Expand efforts to visualize greenhouse gas emissions
Risks	<ul style="list-style-type: none"> ● Delays in delivery of construction equipment due to shortage of semiconductors ● Demand fluctuations due to decrease in working population ● Entry of overseas construction equipment manufacturers ● Decrease in public works

Measures in Medium-term Management Plan

Promote sale of high value-added products

- Expand sales of construction machinery and tools that lead to reduced workload and labor saving at worksites
- Propose products that contribute to CO₂ reduction (electric work vehicles, etc.)
- Propose solutions to visualize greenhouse gas emissions
- Develop on-site safety products

Further expansion of sales partners and sales opportunities

- Propose IoT, ICT, and AI utilization solutions
- Expand sales network to rental companies
- Propose productivity improvement solutions using subsidies

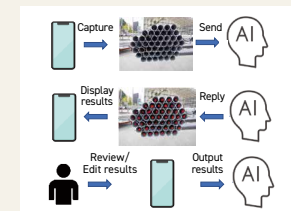
Vision and Related Initiatives

By utilizing our procurement and sales network, we will promote “Integrated Product-Service” through product development and the development of new markets

Our ability to develop products and procure products that meet various social needs are our major strengths. For example, in the area of resilience measures, we developed our original flood prevention package called “TSUNAGU BCP Package” to address disaster prevention and mitigation. In terms of environmental measures, we have developed a system that can visualize CO₂ emissions from heavy construction machinery and equipment, and provide it to construction sites. We are also working to develop labor-saving solutions for workload using digital technologies, such as a quantity management system for temporary materials using AI-based image recognition (pictured to the right), to improve the working environment at construction sites.

In addition, we have concluded an exclusive agency agreement with Spanish construction equipment manufacturer AUSA in Japan. AUSA’s four-wheel-drive tire-type forklift has excellent maneuverability and mobility, contributing to improved productivity in rough terrain work in the civil engineering and agricultural fields.

Going forward, we will continue to work to solve new social issues by connecting (TSUNAGU) our various solution networks.



Automatic material counting system that utilizes AI-based image recognition technology

Business Strategy for Realizing Business Transformation

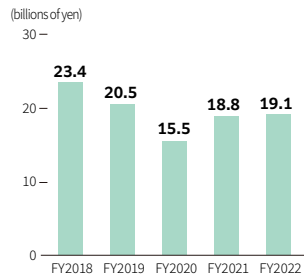
Core Businesses

Energy Division

We will realize a stable supply of energy suitable for a smart and decarbonized society.

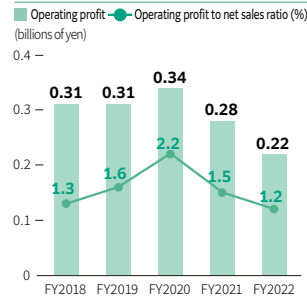


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sale of petroleum products

Relevant main materiality issues

- Realize a safe and secure society through service with good products
- Respond to climate change (realize a resilient society)
- Support cyclical society (rental and sharing)

Relevant main markets

- Gas station operation
- Car rental and used car sales markets
- Marine fuel market

Measures in Medium-term Management Plan

Enhanced service through gas stations

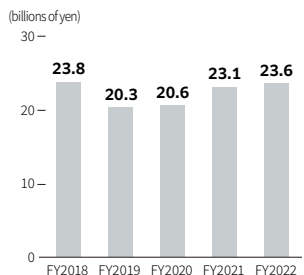
- Enhanced car maintenance
- Expanded installation of EV chargers
- Expanded services to reduce environmental impact, such as eco-vehicle inspections
- Provision of car leasing
- Regional platformization (insurance agency business, smartphone repair, etc.)

Other (Consumer Products & Timber) Divisions

We will propose products that support a sustainable lifestyle.

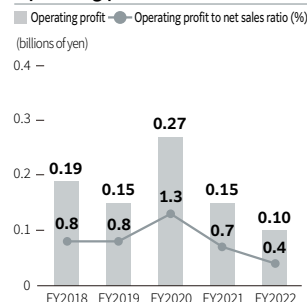


Net sales



* Net sales from FY2021 onward show figures after the application of the revenue recognition standard.

Operating profit / Operating profit to net sales ratio



Main business fields

- Sale of consumer goods such as seasonal appliances and cooking appliances, as well as wood products

Relevant main materiality issues

- Create co-creation value—"TSUNAGU"
- Realize a safe and secure society through service with good products
- Respond to climate change (realize a resilient society)

Relevant main markets

- Consumer Products: Electronics mass merchandisers, home improvement centers, and online sales
- Timber: Building material wholesalers and building material manufacturers

Measures in Medium-term Management Plan

Consumer Products: Increase awareness of Group company YUASA PRIMUS private brands

- Utilization of social media
- Promotion of product development based on user opinions

Timber: Utilize Group network

- In collaboration with Group company YUASA LUMBER, expand use of timber-based architecture and timber products
- Total support for use of recycled wood (recycled timber made from scraps during processing) (from collection to commercialization)

Business Strategy for Realizing Business Transformation

Growth Strategy

Growth Strategy

Accelerate Growth through Expansion of Core Businesses and Expansion into New Markets

Our growth strategy aims to further increase company-wide sales leveraging the strengths the YUASA TRADING Group has cultivated in existing businesses. The strategy comprises six businesses where we will seek to further increase the sales of core businesses and three businesses where we will expand our strengths into new markets. Moreover, we will work to promote business with a greater awareness of speed by dividing these businesses into “businesses promoted by whole company” and “target markets and challenge areas promoted on an area or organizational basis.”

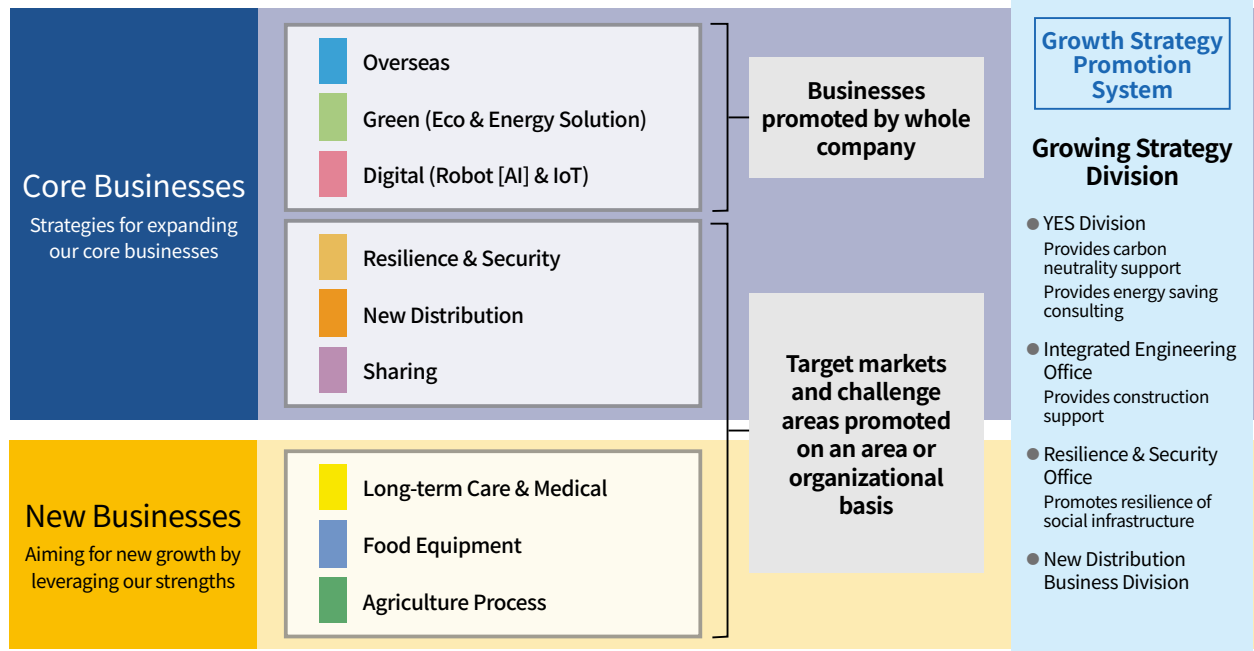
Led by the Growing Strategy Division, which engages in promotion of the growth strategy across divisions, we will work to solve social issues in the market through TSUNAGU innovation, demonstrating the total coordination skills of the YUASA TRADING Group.

Under Growing Together 2026, we will implement measures in each business with a target to increase the ratio of growth strategy areas in net sales to approximately 48% by FY2025.



Yutaka Mihara
Executive Officer,
General Manager of Growing Strategy
Division

Overview of Growth Strategy



Promotion of Business Based on a Market Out Approach to be Growth Strategy Driver

The Growing Strategy Division was launched in 2020 as the organization to drive horizontal promotion of growth strategy, including at Group companies. The Growing Strategy Division is made up of the YES (YUASA Environment Solution) Division, a dedicated energy saving consulting team, the New Distribution Business Division, which creates future businesses, the Integrated Engineering Office, a technical group with many personnel with construction-related qualifications, and the Resilience & Security Office, which promotes the resilience of social infrastructure.

The Growing Strategy Division with its specialized knowledge, works across the Group making it possible to provide new solutions in the nine growth strategy areas expected to grow as businesses that solve social issues. In addition, another major roles of the Growing Strategy Division is nurturing the many new business proposals from employees every year into businesses.

We will continue striving to further expand business and solve social issues by proposing solutions that are possible only by YUASA TRADING Group.

Business Strategy for Realizing Business Transformation

Growth Strategy

Overseas Business

Brings products and solutions developed in Japan to overseas markets and provides new value.



Issues to Be Addressed by the Group

Further growth in demand is expected for industry, urban development, and infrastructure in emerging countries, but environmentally conscious development as a social issue also needs to be addressed.

Demonstrating the Group's Strengths

We will expand our overseas business by leveraging the procurement capabilities the YUASA TRADING Group has cultivated for the manufacturing, home building, environment building, and town building to provide total support.

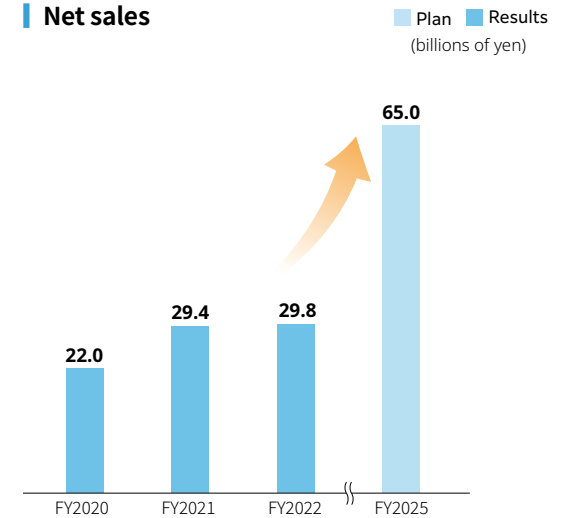
We will also contribute to the formation of a sustainable society by promoting businesses that solve social issues such as carbon neutrality, automation and reduced workloads, and resilience and security.

Medium-term Management Plan Strategy to Accelerate Growth

Under "Growing Together 2026," we have positioned Thailand to be a priority target for the Group and will strengthen our investments and initiatives there.

In recent years, Thailand has been industrializing at a rapid pace, increasing its presence as an important manufacturing base for ASEAN. The Group has already established two local subsidiaries in the industrial and housing environment fields and we will newly enter the construction fields (in the area of construction materials and construction machinery), integrating all of them to become a "mini-YUASA" similar to YUASA TRADING in Japan by strengthening its functions as a comprehensive base. This "mini-YUASA" model will also be horizontally deployed in India to promote overseas business development by leveraging our total coordination skills.

Net sales

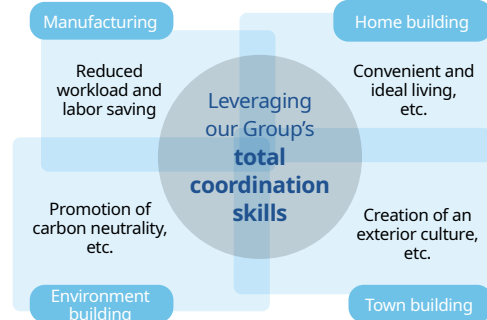


Topics Thailand mini-YUASA project and our first overseas Grand Fair

The focus in Thailand will be to develop a "mini-YUASA" with trading company functions in multiple fields, similar to those of YUASA in Japan. As part of this effort, preparations are underway to consolidate the bases of the two existing local subsidiaries to establish a new office aimed at enhancing future functionality. This new office will also serve as a showroom for our products and will be a space where we can propose convenient and comfortable lifestyles and a place where people can experience solutions for solving social issues.

We also plan to hold our first overseas "Grand Fair," which is our largest promotional event, at the Bangkok International Trade and Exhibition Center (BITEC) in Thailand in 2025. This will be our first time holding the Grand Fair overseas, and we are making preparations for the success of this event as the first step in establishing our overseas promotions.

Business Development Image



Bangkok International Trade and Exhibition Center (BITEC), where the Grand Fair will take place



Business Strategy for Realizing Business Transformation

Growth Strategy

Green Business

Provides customers with support for carbon neutrality through one-stop solutions.



Issues to Be Addressed by the Group

For climate change issues such as global warming, there is a growing need to reduce CO₂ emissions throughout the entire supply chain, including overseas. There is also a growing need for carbon neutral initiatives for our suppliers involved in manufacturing, home building, environment building, and town building.

Demonstrating the Group's Strengths

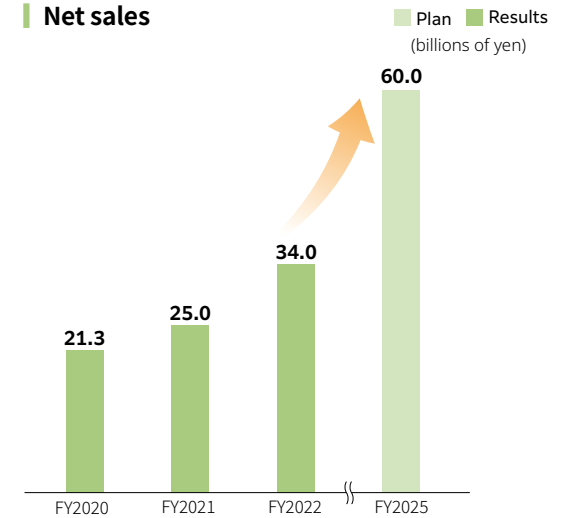
We have a dedicated energy conservation consulting arm called YES (YUASA Environment Solution) to support our business partners in their efforts to be carbon neutral, providing advanced proposals based on our years of expertise providing environmental solutions.

Medium-term Management Plan Strategy to Accelerate Growth

We will leverage the advantages of having a broad network to hold briefings on the introduction of energy-saving equipment and to communicate information about subsidies, and utilize the YES consulting functions to support business partners nationwide that are aiming for carbon neutrality. In addition, we will further promote our current CO₂ emissions visualization solution business for customers in the construction industry by utilizing IT technologies such as cloud computing and IoT.

We will contribute to solving social issues in terms of both goods and services by developing and discovering environmentally friendly, high value-added commercial materials and creating new solutions by connecting supplier manufacturers with superior technologies.

Net sales



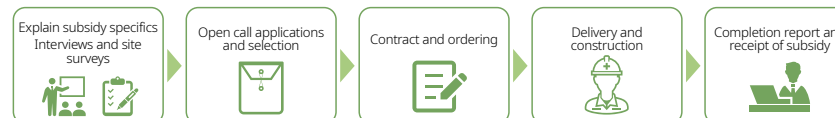
Topics

Carbon-neutral proposals for all industries and sectors and the subsidy utilization

All industries and sectors are now seeking to achieve carbon neutrality, and the Group makes cross-divisional and cross-departmental proposals for this purpose. In addition to proposals for the products in which each division excels, such as high-efficiency manufacturing equipment, we also specialize in implementing air conditioning and renewable energy equipment for all industries in support of carbon neutrality regardless of industry or sector. We also provide support for equipment installation via subsidies, having a solid record of accomplishment for adopting and introducing such equipment throughout Japan. We aim to further expand our Green Business activities with our years of expertise in this area.

One-stop Solutions Using Subsidies

In addition to our rich selection of products and engineering functions, we support our business partners in energy conservation and carbon neutral efforts by providing one-stop solutions that cover the proposal and selection of the most appropriate subsidies, through to open call applications for those subsidies.



Case Study



Through the Industrial Equipment & Tools Division, we proposed and installed a photovoltaic power generation system on the rooftop of a nursing home. We are promoting carbon neutrality among our business partners regardless of division.

A 178.2 kW photovoltaic power generation system was installed using a subsidy from the Ministry of the Environment. The subsidy covered approximately 20% of the installation cost, thus supporting the introduction of renewable energy with a low initial cost.

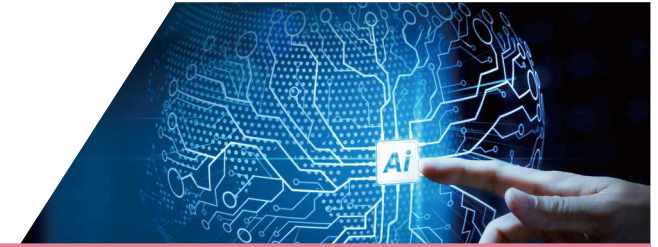


Business Strategy for Realizing Business Transformation

Growth Strategy

Digital Business

Provides support to solve workplace issues through the promotion of robotics AI, and IoT.



Issues to Be Addressed by the Group

Working population decline due to demographic changes is an issue common to Japan and other developed countries, especially in terms of manufacturing and construction, which requires improved productivity more than ever before.

Demonstrating the Group's Strengths

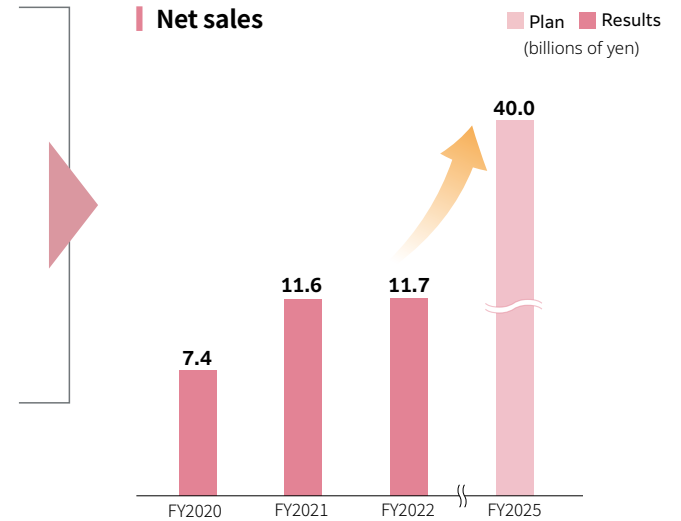
We aim to solve social issues and achieve sustainable development by leveraging our strength of having an AI consulting company (connectome.design inc.) in the Group for introducing digital technologies such as robots, AI, and IoT, and by utilizing our extensive business partner network of 6,000 major suppliers and 20,000 major sales partners in order to achieve sustainable development.

Medium-term Management Plan Strategy to Accelerate Growth

We will strengthen our development of high value-added products and services by promoting reduced workload and labor saving that will help eliminate labor shortages at construction and manufacturing sites.

Under the banner of “enhanced productivity through digital technologies,” we are also developing and providing new solutions that are both operationally efficient and precise, such as an AI contamination inspection device for beverages and an autonomous robot that can sense wet concrete surfaces at construction sites. Such efforts for TSUNAGU connections throughout the Group for all our products and networks will expand proposals and sales opportunities.

Net sales



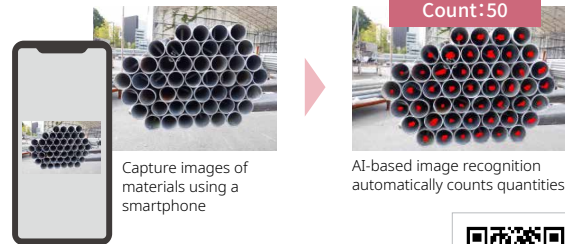
Topics

AI-based image recognition for a scaffolding parts counting and management system

Social Issues and Market Needs

For scaffolding rental companies and at construction sites, workers manually sort and count parts by hand, which is time-consuming and labor-intensive; this results in a low turnover rate for rentals as well as losses due to miscounting.

This counting system uses AI-based image recognition technology to automatic quantities. Automating visual checks using this system significantly reduces workloads, contributing to onsite labor and staffing savings.



Video introducing image recognition quantity management system for scaffolding parts
<https://youtu.be/g3EfiURqO1s>



YUASA TRADING's Role

The counting management system was developed together with connectome.design, an AI solutions provider. YUASA TRADING was involved in the development of this solution to help solve issues faced by our customers such as construction sites and rental material companies and is one of the examples of TSUNAGU innovation that addresses the needs of our business partners.

Future Developments

By further deepening image recognition training, we will increase the number of recognizable patterns and support labor-saving and improvements in efficiency using a quantity control system applicable in various situations, including the 2024 logistics industry problem.

Business Strategy for Realizing Business Transformation

Growth Strategy

Special Feature: Green Business Initiatives



We seek mechanisms that lead to solutions for social issues through new product development and market development.



Development of Gatepost with V2H Equipment and Delivery Box

A V2H* system enables electricity stored in electric vehicles (EVs) to be effectively utilized in the home. V2H equipment has many advantages including a short charging time as well as allowing savings on electricity charges and large capacity storage. However, the equipment gives an artificial feel when installed as is on the exterior of a home. Therefore, incorporating V2H equipment into gateposts (with integrated mail box, home delivery box, and nameplate light) with a wood grain design allowed it to blend in with the surroundings.

This product makes a significant contribution to carbon neutrality on two fronts: reducing redeliveries with a home delivery box and storing/utilizing solar energy through the V2H equipment. We explored how Gatepost with V2H Equipment and Delivery Box was developed in an interview with the three companies involved in the development: NICHICON CORPORATION, TAKASHO CO., LTD., and YUASA TRADING CO., LTD.



We value the uniqueness created by adding innovation.

(Iwasaki, YUASA TRADING)

Developing a Market Driven by Rising Environmental Awareness

■ **Iwasaki (YUASA TRADING):** The Smart Energy Division, which I belong to, originally handled solar power generation and storage batteries. NICHICON was the first company in the world to develop and mass produce V2H equipment. The development of this particular product began when we asked them whether we could expand the equipment into new markets.

■ **Ishikawa (NICHICON):** Our development of stand-alone V2H equipment was triggered by electricity supply shortages due to the Great East Japan Earthquake in 2011. There were planned power outages, and as it was around the time when EVs were starting to appear, automobile manufacturers asked us whether the electricity from EVs could be used elsewhere, which led us to develop V2H equipment. In 2012, we produced and launched the world's first commercially-available product. At present, there is daily media coverage of topics related to



Mr. Hiroshi Suzuki

Group Leader,
Product Design Group 3
TAKASHO CO., LTD.

Mr. Hideaki Ishikawa

Manager, Sales Section of Charging System Sales Department,
Tokyo Sales Office
NICHICON CORPORATION

Takeru Iwasaki

Smart Energy Division
YUASA TRADING CO., LTD.

*V2H: An acronym of Vehicle to Home

Business Strategy for Realizing Business Transformation

Growth Strategy

Special Feature: Green Business Initiatives



It was truly an idea we would never have thought of.

(Ishikawa, NICHICON)

the environment and energy, such as solar power generation, storage batteries, and EVs. Environmental awareness is definitely rising, and I think that products combined with various devices such as gateposts with home delivery boxes and integrated V2H equipment will also draw more attention.

However, we had never thought about this kind of composite product until we heard from YUASA TRADING. We had never worked with a manufacturer like TAKASHO before, so the

creation of this product owes to the connections made by YUASA TRADING. It was truly an idea we would never have thought of.

New Products From Encounters with Different Industries

■ **Iwasaki (YUASA TRADING):** TAKASHO had a longstanding relationship with the Building Material Supplies Division of YUASA TRADING. Functional products such as solar power generation and storage batteries give a rather artificial feel when installed in front of a home. We consulted with TAKASHO to see if we could create a design with more warmth.

■ **Suzuki (TAKASHO):** Our company originally began in landscaping, handling products such as bamboo fences, so our motto is creating gardens, exteriors, and products that help people spend time in the garden. Functional products such as V2H equipment were outside the scope of our expertise, but we have a decorative building material range (Ever Art Board) that comes in 88 colors to meet the needs of customers as much as possible. I think we managed to help the V2H equipment for this product blend into the exterior by carefully selecting the colors to be used from this range and matching the design to create harmony with greenery.

■ **Ishikawa (NICHICON):** We are complete amateurs in relation to design. This collaboration with TAKASHO made me aware of the importance of design.

TSUNAGU Perspective Translated into High Value Added

■ **Iwasaki (YUASA TRADING):** I think that other factors behind the creation of this new product are the increase in contactless deliveries due to logistics issues and the COVID-19 pandemic, as well as an increase in demand for the remodeling of areas due to spending more time at home, including working from home. TAKASHO initially had a gatepost with a home delivery box as a product, so we thought it would be functional if we integrated all of these aspects.

We experienced success in making our ideas into reality by collaborating with two highly specialized manufacturers. Looking at the flow of goods only, the connections we made consist of simply introducing products manufactured by manufacturers to others. However, we are always conscious of the TSUNAGU perspective, including people, goods, and technology, which is the YUASA TRADING value added, and we value the uniqueness created by adding one more innovation to our value added.

I hope we managed to help make a design in harmony with greenery.

(Suzuki, TAKASHO)



Contributing to Social Issues through Gateposts with Home Delivery Boxes and Integrated V2H Equipment

Social Issues to be Addressed	YUASA TRADING's TSUNAGU Innovation	Value Provided to Society
<ul style="list-style-type: none"> Responding to climate change and the associated structural changes in energy demand and supply (proliferation of EVs) Preparing for natural disasters such as earthquakes to increase social resilience 	<ul style="list-style-type: none"> Product development connecting a power storage manufacturer (NICHICON) with an exterior products manufacturer (TAKASHO) Coordination of design and sale as a package based on the TSUNAGU perspective 	<ul style="list-style-type: none"> A practical exterior that leads to utilization of the electricity stored in EVs and promotion of decarbonization The ability to ensure electricity for personal use in a disaster

Business Strategy for Realizing Business Transformation

Growth Strategy

Resilience & Security Business

Connects security technology and BCP know-how to maintain safety and security while continuing business.



Issues to Be Addressed by the Group

Business continuity is becoming an issue in terms of new social challenges such as more severe natural disasters and COVID-19.

Demonstrating the Group's Strengths

To cope with increasingly severe natural disasters, the Group has been proposing combined products and functions. Using the expertise we have cultivated over the years and under the lead of the cross-company Resilience & Security Office, we can make proposals aimed at realizing a safe and secure society.

Medium-term Management Plan Strategy to Accelerate Growth

We will work to solve societal issues from the key perspectives of disaster prevention, disaster mitigation and business continuity plans (BCP).

- Further expand disaster stockpile warehouses
- Develop/deploy earthquake and flood countermeasures with TSUNAGU innovation
- Further expand sales of security commodities

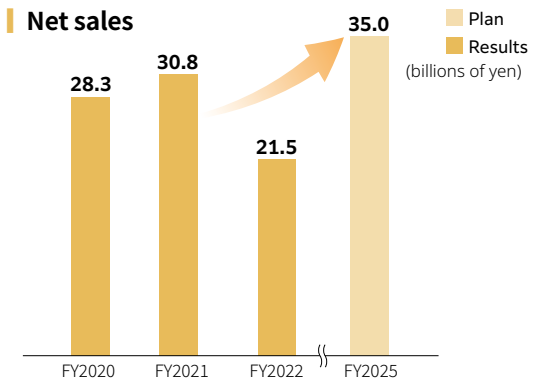
Awards

RISK SAVER, our supply chain visualization system, received the Award for Excellence at the 9th Japan Resilience Awards, sponsored by the Association for Resilience Japan.



P.43

Net sales



New Distribution Business

Expanding our electronic trading business (Growing Navi) together with business partners.



Issues to Be Addressed by the Group

The e-commerce market is growing annually as the digitalization of business continues to evolve, factories and construction companies are increasingly going online for quicker procurement of materials and parts.

Demonstrating the Group's Strengths

Since the late 1980s, we have been developing a VAN* system linked to our suppliers to automate inventory searches and ordering. That knowledge has been utilized in our current Growing Navi site. We have also expanded our logistics functions to enhance the convenience of online purchasing.

* VAN: Value-added network

Medium-term Management Plan Strategy to Accelerate Growth

We are aiming to expand our e-commerce business by connecting our information platforms with business partners.

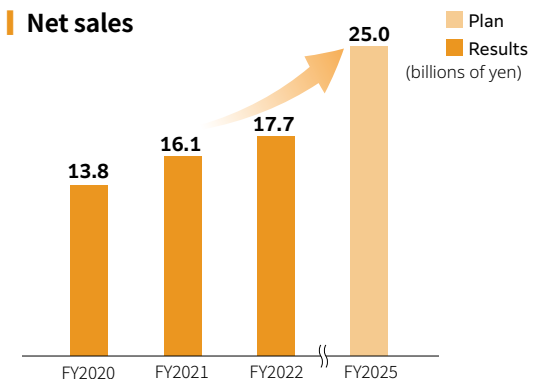
- Enhanced functionality of the Growing Navi site



Growing Navi
<https://www.growingnavi.com/>



Net sales



Business Strategy for Realizing Business Transformation

Growth Strategy

Sharing Business

Aims to carry out sustainable economic activities in response to various market needs.



Issues to Be Addressed by the Group

With an increasing number of consumers that are concerned with the global environment, social contribution and other sustainability matters, there has been a shift from ownership to sharing in various areas.

Demonstrating the Group's Strengths

We promote the effective use of rental assets by maximizing the functions of our Group company, YUASA MACROS CO., LTD., which has one of the industry's largest networks and an abundant product lineup. YUASA MACROS business activities include unit house rentals and event production and management.

Medium-term Management Plan Strategy to Accelerate Growth

We offer a wide-ranging product lineup aligned with market needs for construction sites, various events, and the rental business.

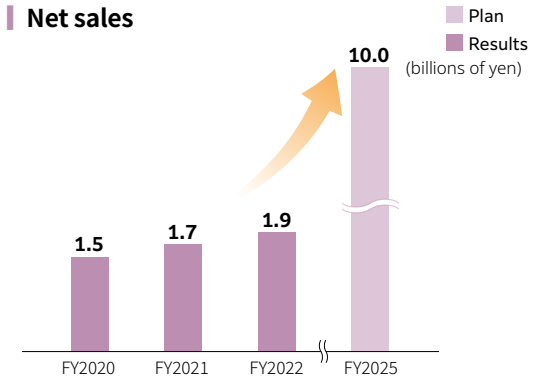
- Propose new space concepts for the event market
- Expand the rental business in terms of areas and scale
- Expand areas for targeting "Kariru Net," an online business for industry and daily life

"Kariru Net," an online rental business for industry and daily life

"Kariru Net"
<https://www.karirunet.com/>



Net sales



Long-term Care & Medical Business

New Businesses

Proposes both hard and soft solutions for comfortable living in an aging society.



Issues to Be Addressed by the Group

The long-term care and medical sectors are faced with various social issues such as an aging society, labor shortages, and disruption of services from infectious disease. The recent rise in electricity prices has also taken a toll.

Demonstrating the Group's Strengths

Making use of our experience with service robots and digital technologies and utilizing the expertise we have developed for carbon neutrality in our existing businesses, we are taking on the challenge of addressing social issues in terms of increased productivity and labor savings, energy conservation, and renewable energy.

Medium-term Management Plan Strategy to Accelerate Growth

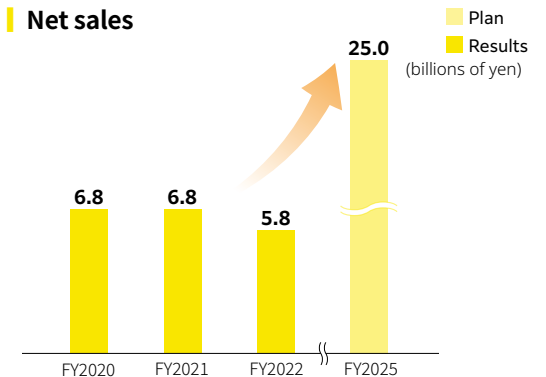
We combine the total coordination skills of the Group to provide support for long-term care and medical facilities.

- Update equipment using subsidies and provide one-stop solutions for implementing renewable energy
- Pioneer new products for the long-term care and medical sectors
- Promote implementation of projects to install remote, pre-fabricated ICU wards

Fuji Quality House (container house) delivered and set up as a ward in 2022 (Republic of Palau)



Net sales



Business Strategy for Realizing Business Transformation

Growth Strategy

Food Equipment Business New Businesses

Promotes complete proposals for optimal facilities and equipment at food factories.



Issues to Be Addressed by the Group

The food manufacturing process has many steps that require human labor, so a major issue for the industry has been slow progress in improving the efficiency because of a lack of human resources as well as production losses, etc.

Demonstrating the Group's Strengths

YUASA TRADING has a specialized team that handles food machinery. The team solves on-site issues by developing and proposing devices to realize smart food factories that are safe and productive, with few losses.

Medium-term Management Plan Strategy to Accelerate Growth

We will strive to further expand sales by leveraging our total coordination skills that address not only machinery and equipment for food factories, but also utilities and air conditioning equipment.

- Develop original equipment through TSUNAGU innovation such as the use of AI technology
- Propose custom products according to on-site demands
- Expand sales of sanitation and safety equipment

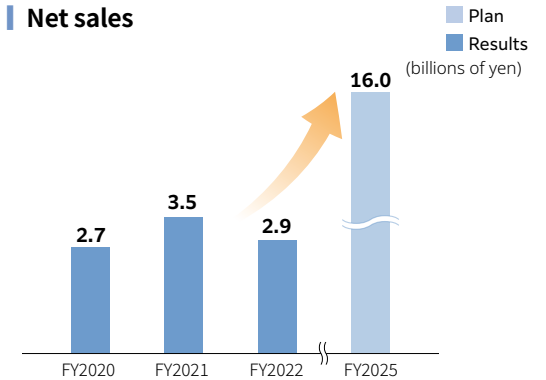


AI contaminant inspection device for beverages
FaiND OUT 2 (AI-based contamination inspection device)

Video introduction for FaiND OUT 2
<https://youtu.be/bzAe25HOoj0>



Net sales



Agriculture Process Business New Businesses

Solves problems for producers and proposes next-generation profitable agriculture.



Issues to Be Addressed by the Group

The agricultural sector has been faced with the problem of a reduced working population due to aging. Moreover, sudden price jumps for production resources is exerting pressure on many farming operations.

Demonstrating the Group's Strengths

We have developed many examples of original agricultural-related equipment by leveraging our strong network of suppliers in a wide variety of fields. We also handle a wide variety of agricultural equipment, so we can also put forward proposals that meet our customers' needs.

Medium-term Management Plan Strategy to Accelerate Growth

We propose next-generation profitable agriculture that aims to reduce farmer burdens and realize efficient agriculture.

- Develop and propose robots and machinery that support smart agriculture
- Expand the use of used agricultural machinery auctions by leveraging our expertise in used construction machinery
- Expand the use of TSUNAGU solution commodities

We are developing Appenki, our original machine that can stably mix feed for dairy farming using domestically available raw materials rather than using the current standard of imported feed. Appenki is small enough that even small-scale dairy farmers can easily use it in their operations.



Net sales

