



Securities Code: 8074
Financial results briefing material

Financial results briefing for the 2Q of the Fiscal Year Ending March 2022

November 15th, 2021

President & CEO

Hiroyuki Tamura



Service Integrated
Shosha Group



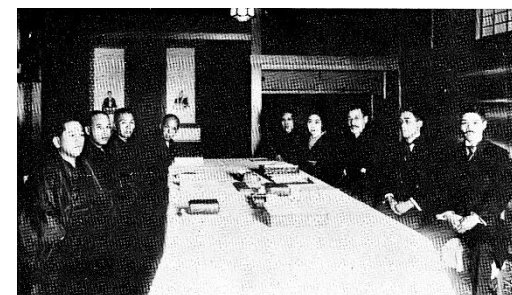
YUASA TRADING CO., LTD.

Introduction : History of YUASA

Year	History
1666	Founded in Kyoto by Shokuro Yuasa as a charcoal shop
1671	Closed the charcoal shop and opened a knives wholesale store
1674	Opened an outlet in Edo (Tokyo)
1816	Opened an outlet in Osaka
1910	Established a base in China (Wuhan)
1915	Opened a Yuasa storage battery factory(Formerly Yuasa Battery. Integrated into GS Yuasa in 2004)
1919	Established Yuasa Shichizaemon Shoten Co., Ltd. (head office in Kyoto)
1940	Changed company name to Yuasa Hardware Co., Ltd
1992	Yuasa Shoji Co., Ltd. merged with Yuasa Sangyo (Yuasa Trading Co., Ltd.) under the new name Yuasa Trading Co., Ltd.
2016	Reached the 350th anniversary since the foundation of the company
2019	Celebrated the 100th anniversary since the establishment of the company



Charcoal shop (Yuasa Trading's name) was located in Edo, Nihonbashi, Tori-Aburacho (currently Nihonbashi Odenmachi, former head office location)



Company establishment commemorative meeting (1919)

Introduction : Our business model

Suppliers

About 6,000 companies

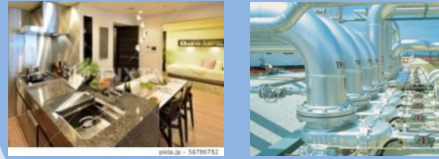
Okuma
DMG Mori Seiki
FANUC
OKK
KITO
Tungaloy
Daikin Industries
Mitsubishi Electric
Panasonic
TOTO
LIXIL
NORITZ
KITZ
Omron
INABA SEISAKUSHO
Sekisui Jushi
TACHIKAWA
KUBOTA
Construction Machinery Japan
YANMAR HOLDINGS
HOKUETSU INDUSTRIES
Daifuku Co., LTD
Etc.



Production Field



Housing environment field



Infrastructure and Construction field



Energy/Consumer goods/Timber



Customers

About 20,000 companies

Machine tool dealers / Dealers

Exporters

Overseas subsidiaries

Housing equipment stores
Pipe material stores
Various wholesalers

Subcontractors
House makers
Construction shops

Exterior wholesalers
Hardware wholesalers
Various wholesalers

Contractors

Construction machinery stores / Rental stores
Civil engineering material stores

Fuel wholesalers / Oil retailers
Home centers / Home appliance mass retailers
Timber wholesalers/ Secondary processing manufacturers

End Users



Manufacturing industry



Building owners



Developers



Construction industry



General consumers

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FY2022/3 2Q Summary of financial results

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	211,201	-	4,458	9.4	3,751	(18.2)	2,688	(9.2)
September 30, 2020	202,309	(16.7)	4,074	(28.1)	4,584	(25.9)	2,959	(28.8)

Notes: 1. YUASA TRADING CO., LTD. (the "Company") has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2022, and each figure for the six months ended September 30, 2021, is the figure after applying said accounting standard and relevant revised ASBJ regulations. The percentage of year-on-year change is not shown for net sales. If said standard, etc. were not applied, net sales would be ¥219,531 million (up 8.5% year on year).

2. Comprehensive income For the six months ended September 30, 2021: ¥1,362 million [(65.0)%]
For the six months ended September 30, 2020: ¥3,889 million [9.1%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	121.61		120.83	
September 30, 2020	133.36		132.44	

(2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2021	231,235		90,069		38.7	
March 31, 2021	237,487		90,242		37.7	

Reference: Equity

As of September 30, 2021: ¥89,466 million
As of March 31, 2021: ¥89,601 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	30.00	-	70.00	100.00
Fiscal year ending March 31, 2022	-	49.00			
Fiscal year ending March 31, 2022 (Forecast)			-	74.00	123.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Sales by Segment (※)

The figures represent sales that would have been generated assuming the new revenue recognition standard had not been applied.

Segments	FY03/21	FY03/22		Main factors of change
	2Q Results	2Q Results	Change	
Industrial Equipment & Tools	28.6	35.1	22.8%	[Market] Demand for cutting tools, measuring equipment, control equipment, etc. increased mainly in the semiconductor-related industry, where production activities remain stable, and factory operating rates remain high. [Initiatives] Enhanced product items such as compressors, generators, and control-related equipment and strengthened logistics functions such as improved delivery efficiency. Focused on sales of robot equipment, logistics-related equipment, and machine tool peripheral equipment to production sites.
Machine Tools	40.7	43.0	5.7%	[Market] <Japan> Although some indicators of bottoming out were seen in the automobile-related industries, the demand for capital investment remained strong mainly in the semiconductor-related industries, and orders for machine tools grew. <Overseas>Although capital investment trends continued to recover mainly in North America, demand was stagnant in some Southeast Asian countries due to the impact of COVID-19. [Initiatives] Focused on the development of "Robo Combo" and proposals for the implementation of robot system equipment.
Housing, Air & Fluidic Control Systems	72.5	78.5	8.3%	[Market] Demand increased mainly for housing equipment due to the recovery in new housing construction starts. Sales of ventilation and air conditioning equipment were steady. In the renewable energy field, demand for storage battery-related equipment for self-consumption and with the expiration of the FIT period remained strong. [Initiatives] Expanded sales of air-conditioning equipment with high energy-saving capabilities and of anti-infectious disease related products. Strengthened sales of non-residential products such as valves and pumps. In the renewable energy-related products field expanded storage batteries and strengthened engineering functions for carbon neutrality.
Building Supplies & Exterior	25.2	25.2	0.1%	[Market] New demand decreased mainly for architectural hardware products and landscape exterior products due to postponement of construction, suspension of new projects, and review of redevelopment projects, mainly in the Tokyo metropolitan area. On the other hand, investment in public facilities for natural disaster countermeasures and traffic accident prevention remained stable. [Initiatives] Focused on expanding sales of resilience products, including bollards (car stops) with flood sensors, watertight panels, aluminum fences, and other natural disaster prevention products.
Construction Machines	17.5	16.7	△4.7%	[Market] Demand was sluggish for new capital investment projects by rental companies due to delays in construction work. On the other hand, demand related to disaster recovery work was strong, and demand for civil engineering-related products for public works projects such as infrastructure development and disaster prevention/mitigation work was also steady. [Initiatives] Strengthened sales of products handled with an emphasis on safety measures at construction sites in line with the National Resilience Basic Plan, small construction equipment, and temporary construction materials. Expanded sales of secondhand construction equipment auction business.
Energy	6.9	9.4	36.2%	[Market] With the resumption of economic activities, there has been a recovery in the demand for petroleum products, while crude oil prices continue to soar, affecting the prices of petroleum products such as gasoline and diesel oil. [Initiatives] Strengthened car care services and sales of marine fuels.
Other	10.6	11.2	5.7%	[Consumer Products Business] Sales of seasonal home appliances were sluggish due to the shutdown of factories in producing countries. Sales of anti-infectious disease related products were steady. [Timber Business] Sluggish sales due to rising transportation costs and wood shock. Sales of domestically produced timber.
Total	202.3	219.5	8.5%	

Unit: billions of yen (rounded down)

Consolidated balance sheets

- Decrease in trade receivables and accounts payables due to seasonal factors.
- Increase in retained earnings and decrease in valuation difference on investment securities.

Account Name	FY03/21	FY03/22		Main factors of change
	Balance at the end of period	Balance at the end of period	Change	
Current assets	185.7	182.9	$\Delta 2.8$	Trade receivables : $\Delta 7.0$ 、 Inventories : +2.0
Noncurrent assets	51.7	48.3	$\Delta 3.4$	
Total assets	237.4	231.2	$\Delta 6.2$	
Current liabilities	138.0	132.5	$\Delta 5.5$	Accounts payables : $\Delta 5.5$
Noncurrent liabilities	9.1	8.6	$\Delta 0.5$	
Net assets	90.2	90.0	$\Delta 0.1$	Retained earnings : +1.1、 Valuation difference on investment securities : $\Delta 1.0$
Total liabilities and net assets	237.4	231.2	$\Delta 6.2$	
Equity ratio	37.7%	38.7%	+1.0%	

Unit : billions of yen (rounded down)

Status of consolidated cash flows

Items	FY03/21	FY03/22	Main factors
	2 Q results	2 Q results	
Net cash provided by (Δ used in) operating activities	0.9	3.0	Income from decrease in trade receivables: +6.4 Income before income taxes: +4.6 Expenses due to decrease in accounts payable: Δ 4.7 Income tax payment : Δ 1.1
Net cash provided by (Δ used in) investing activities	Δ 2.2	0.7	Revenue from sales of investment securities: 1.0
Net cash provided by (Δ used in) financing activities	Δ 3.4	Δ 2.3	Dividend payment : Δ 1.5
Net increase (Δ decrease) in cash and cash equivalents	Δ 4.7	1.4	
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	0	
Cash and cash equivalents at the end of period	38.4	43.3	

Unit : billions of yen
(rounded down)

FY03/22 Forecast

	First Half			Second Half			Full Business Year			
	Prev. terms results	Current terms results	Change	Prev. terms results	Current terms forecast	Change	Prev. terms results	Beg. of term Forecast	Revised forecast	Change
Net sales 【after applying the revenue recognition standard】	202.3	219.5 [211.2]	+8.5%	229.8	272.4 [259.7]	+18.5%	432.1	492.0 [471.0]	492.0 [471.0]	+13.8%
Operating income (ratio) ※	4.0 (2.0%)	4.4 (2.0%)	+9.4% (+0.0P)	4.9 (2.1%)	7.2 (2.7%)	+47.5% (+0.6P)	8.9 (2.1%)	11.7 (2.4%)	11.7 (2.4%)	+30.2% (+0.3P)
Ordinary income (ratio) ※	4.5 (2.3%)	3.7 (1.7%)	▲18.2% (▲0.6P)	5.4 (2.4%)	7.5 (2.8%)	+39.1% (+0.4P)	10.0 (2.3%)	12.5 (2.5%)	11.3 (2.3%)	+12.9% (+0.0P)
Profit attributable to owners of parent	2.9	2.6	▲9.2%	3.9	4.9	+23.7%	6.9	8.2	7.6	+9.7%

※The operating income ratio and ordinary income ratio in the current forecast are calculated based on net sales before the application of the revenue recognition standard.

※The full-year forecast has been revised since the beginning of the fiscal year.

※The figures in [] are after the application of the new revenue recognition standards.

Unit : billions of yen
(rounded down)

YUASA TRADING Medium- Term Management Plan

2020.4 – 2023.3

Growing Together 2023

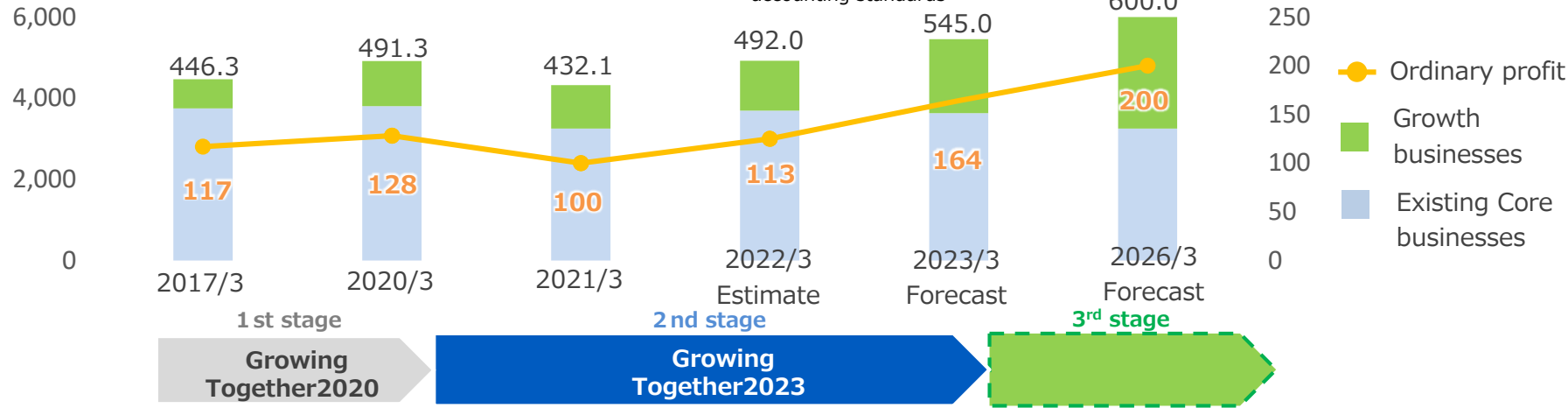


YUASA VISION 360 and Numeric Targets for Growing Together 2023

We will aim for growth as  Service Integrated Shosha Group with its profit structure top-ranked in the industry. 

■ Net Sales · Ordinary Profits (in billions of yen)

※Sales are before the application of revenue recognition accounting standards



[YUASA VISION 360]

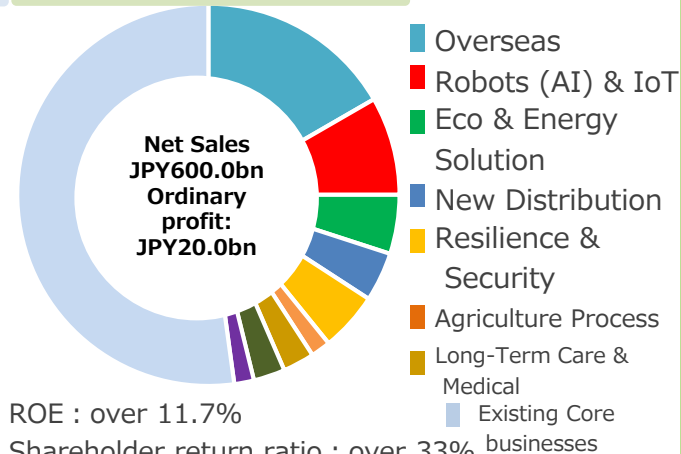
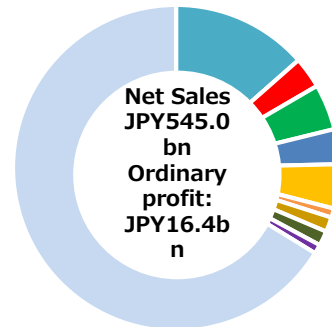
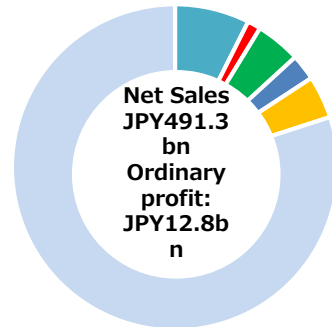
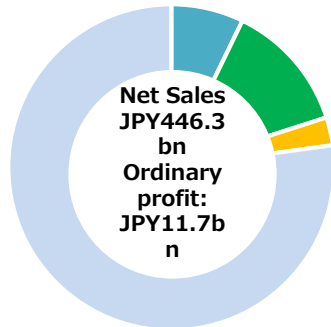
Sales composition of growth businesses and existing core businesses

[YUASA LEGACY 350] FY2017/3 Results

[Growing Together 2020] FY2020/3 Results

[Growing Together 2023] FY2023/3 Forecast

[YUASA VISION 360] FY2026/3 Forecast



ROE : 12.9%
Shareholder return ratio : 27.0%
Ordinary profit ratio : 2.6%

ROE : 11.4%
Shareholder return ratio : 37.2%
Ordinary profit ratio : 2.6%

ROE : over 11.4%
Shareholder return ratio : over 33%
Ordinary profit ratio : 3.0%

ROE : over 11.7%
Shareholder return ratio : over 33%
Ordinary profit ratio : 3.3%

Driving the Growth Strategy (1)



(1) Overseas business

We will focus the management resources of the group in North America, South Asia, and East Asia.

【Focus country】 Thailand

Investment budget
JPY **4.0** bn



Growing Together 2023 Progress

Industrial Market

Local sales staff training & sales expansion to local companies (target: sales ratio of 50%)
Overseas production on commission (Vietnam)

Living Environment Market

Sales expansion of energy-saving and energy-creating products in Thailand and Vietnam

Construction Market

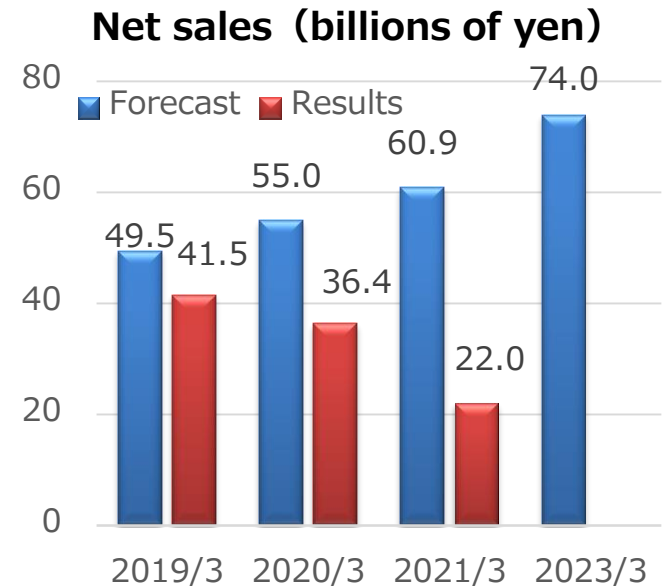
[Building materials] Strengthening overseas building materials business (import / export)
[Construction machinery] Expanding exports of second-hand construction and agricultural machinery

Net Sales
22.0 → 74.0^{bn}
(2021 Results) (2023 Forecast)

FY03/22 2Q Results **13.4** bn



Solar power generation equipment provided by YUASA ENGINEERING SOLUTION (THAILAND) CO., LTD. established in Thailand as a one-stop service for design, sales and installation.



Driving the Growth Strategy (2)



(2) Robots (AI) & IoT Business

We aim to expand the entire customer network by proposing cutting-edge AI / IoT / robot technologies.

【Investment targets】 Alliances with AI venture companies and system integrators. Investment to enhance system integration capabilities

Investment budget
JPY **4.0** bn



Growing Together 2023 Progress

Industrial Market

Development of the original product RoboCombo, automation project for sales distribution centers

Living Environment Market

Development and proposal of equipment compatible with Society 5.0

Construction Market

Development and proposal of exterior-related AI and IoT products for the public sector & development of robots for the construction industry



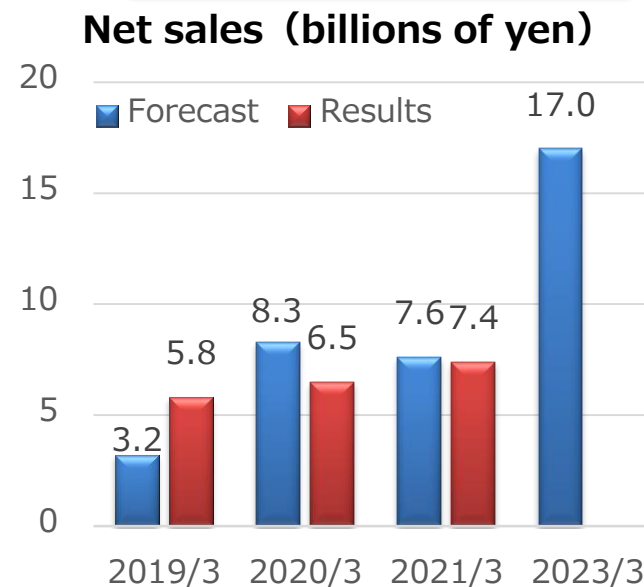
Affordable Automation with RoboCombo
Easily retrofitted to existing machine tools and easily moved



Material Quantity Counting System for Construction Sites
AI recognizes the quantity and degree of damage of materials when they enter and leave the warehouse.

Net Sales
7.4 → **17.0** bn
(2021 results) (2023 Forecast)

FY03/22 2Q Results **6.2** bn



Driving the Growth Strategy (3)



(3) Eco & Energy Solution Business

We aim to realize a carbon-neutral and sustainable society by utilizing our cultivated know-how in environmental solutions.



Growing Together 2023 Progress

- Proposal of a solution that combines solar power generation, storage batteries and V2H
- Promotion of recycling business involving O & M
- Support during contract change process from customers own model to an energy service one. (PPA model established)
- Proposal of Air Quality Diagnosis Solution for HACCP Systemization
- Provide ESG management support to partners focused on the environment (E)

Net Sales
 21.3 (2021 Results) → 25.0bn (2023 Forecast)

FY03/22 2Q Results 12.3bn



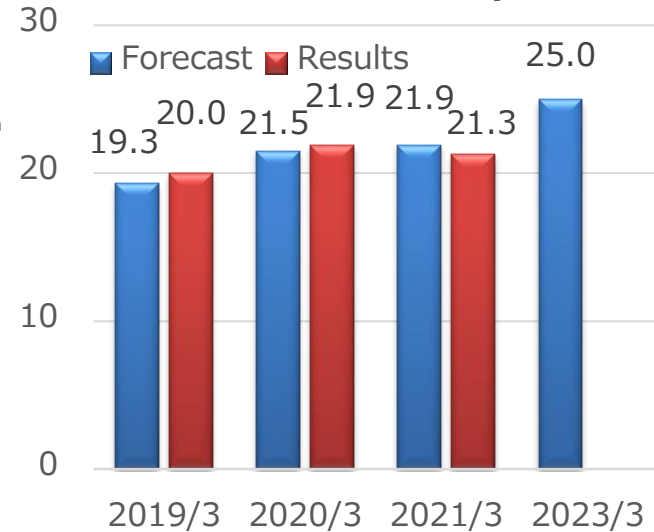
Example of an installation at the Kanazu Murata Manufacturing's Plant

Kanazu Murata Manufacturing Plant to be 100% Powered by Renewable Energy – Helping to Reduce the Burden on Social Infrastructure by Introducing The Largest Storage Battery System in the Hokuriku Region



Quote: Excerpts from Murata Manufacturing Co.

Net sales (billions of yen)



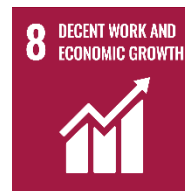
Renewed brochure to promote ESG management

Driving the Growth Strategy (4)



(4) New Distribution Business

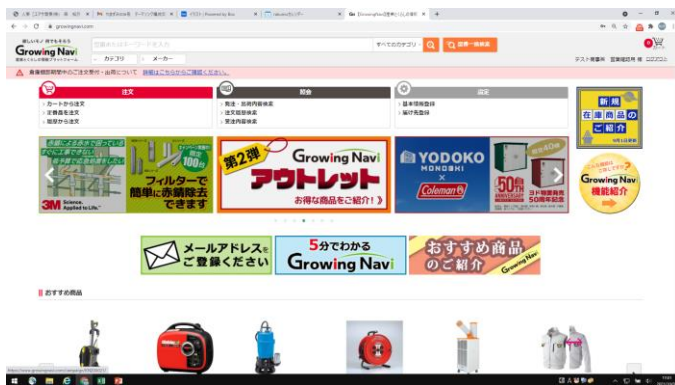
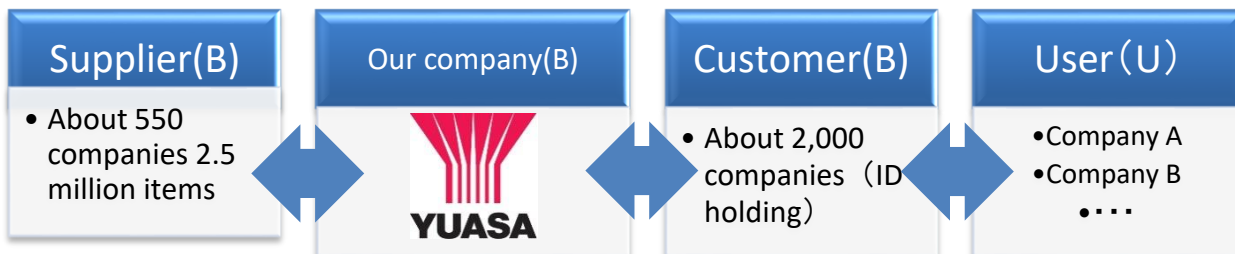
We will expand the electronic commerce (Growing Navi) business with our current customers.



Growing Together 2023 Progress

- Increase of orders on Growing Navi (from 2020 results of 5 bn yen to →2023 forecast of 10 bn yen)
- Development of a B to B to U platform that connects customers and users
- Furtherance of the one-stop product supply by the new EC Distribution Business Department.

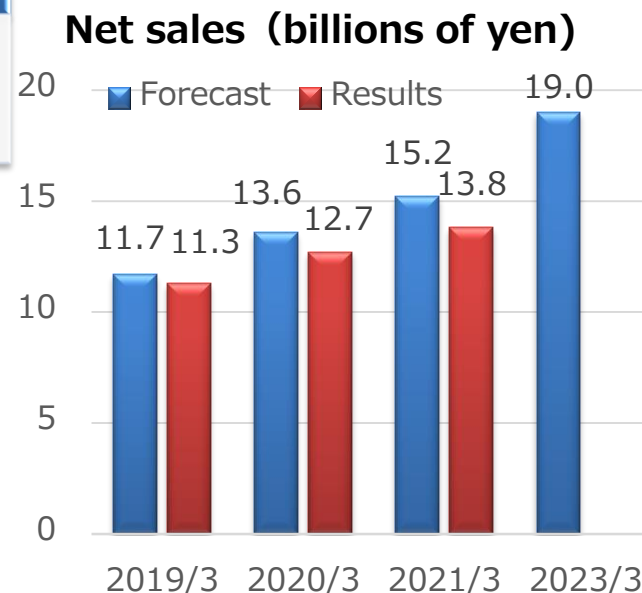
[Growing Navi B to B to U Development Image]



We are striving to strengthen the distribution of product information as an EC site that delivers what you need, when you need it.

Net Sales
13.8 → **19.0**bn
 (2021 Results) (2023 Forecast)

FY03/22 2Q Results **8.1**bn



Driving the Growth Strategy (5)



(5) Resilience & Security Business

We will promote the formation of safe and secure social infrastructure, with a focus on disaster prevention, disaster mitigation and BCP.



Growing Together 2023 Progress

- Sales of "KIZUKI MIRAI Bollard", a flooding detection and communication system
- Sales of Yachibei Fence®, an aluminum privacy fence used for concrete wall reinforcement.
- Development of the "Tsunagu BCP Package for Flood Countermeasures"

[KIZUKI MIRAI Bollard] July 2021: Used during heavy rainfall in Shizuoka



- The bollard with a flooding sensor (master unit) detects flooding and notifies the road administrator and smaller units (sub units) installed in distant locations of the hazard.
- The smaller units (wireless warning light) receive the information and issue a warning light.

[Yachibei® features]

Replacing a dangerous concrete assembly fence with safe aluminum fence



Posts used as they are, no foundation work required

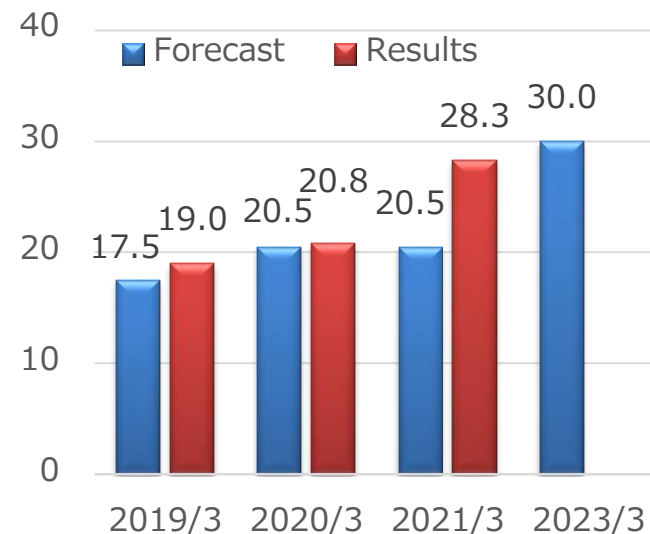


Lightweight aluminum panel

Net Sales
28.3 → 30.0bn
(2021 Results) (2023 Forecast)

FY03/22 2Q Results 14.6bn

Net sales (billions of yen)



We are pleased to announce that we will be holding the "North Kanto/Shinetsu Resilience, Security and ESG Fair" at "Big Cube" in Viento Takasaki on December 9 and 10, 2021.

ご案内 「災害に強い企業インフラ強化と事業継続」
「自然エネルギーを活用した防災対策」が一堂に集まる展示会

北関東・信越 レジリエンス&セキュリティESGフェア

E<環境>からトータルサポートします

2021
12/9 10:00-16:00
10 10:00-16:00

会場 ビエント高崎「ビッグキューブ」
〒370-0006 群馬県高崎市間屋町二丁目7番地

共催：北関東ユアサやまずみ会・長野ユアサやまずみ会・
新潟ユアサやまずみ会・ユアサ商事
後援：一般社団法人レジリエンスジャパン推進協議会
公式ホームページ： <https://resilience.yuasa.co.jp/rsfair/>

来場登録

ご来場については
事前登録制となります。
右記のQRコードから
公式HPの事前登録で
お申込みの程、宜しく
お願い致します。

※ 同業者のご来場はお断り致します。

※ 個人情報の取扱いに関しては、本展示会のみの利用となります。

感染症対策 ご来場の皆さまへのごお願い

手洗い

検温

マスク着用

来場制限

入場時のお願い

検閲票

厚生労働省 新型コロナウイルス接触確認アプリ (名称: COCOA)

iPhoneの方はこちら

Androidの方はこちら

北関東・信越 レジリエンス&セキュリティESGフェア
特別講演のご紹介

2011年3月の東日本大震災から10年が経過しました。東日本大震災を機に災害に対する備えの重要性を認識し、様々な場面で災害対応を進めてきていますが、新型コロナウイルスや、豪雨による河川の氾濫や都市型の内水氾濫、サイバーテロ等、我々を取り巻く脅威は今も日々想定を上回る速度で発生しています。

そのような環境下、災害に強い企業インフラ強化と事業継続の重要性が増えています。

今回は企業に必要とされる今後の対応について、感染症対策や自然災害等の災害対策に関する講演と、企業が継続的に成長していくために必要とされているESGについて、[E'環境]の側面からみた対応に関する講演等を企画しております。

詳細は後日ご案内させていただきますので、奮ってのご参加をお願い致します。

特別講演日程 2021年12月9日(木)・10日(金)

会場案内

特別講演
本館 3F
301 研修室

本館
エクセルホール

展示会場
ビッグ
キューブ

■ Please use the following URL or QR code to register for the event!

<https://resilience.yuasa.co.jp/rsfair/>



Driving the Growth Strategy (6)



We will advance the two new areas developed in the 1st stage to our growth businesses.

(6) Agriculture Process Business

We will propose a next generation "profitable agriculture".

Net Sales



Net sales (billions of yen)



(7) Long-term Care & Medical Business

We will support on-site improvements in an aging society.

Net sales



Net sales (billions of yen)



Growing Together 2023 Progress

- Development of a pressing machine that can blend feed using domestically available ingredients.
- Proposal of a fluorescent lamp that activates strawberry immunity with UV-B (ultraviolet rays)
- Sales of indoor plant cultivation modules

Our Original Pressing Machine



UV-B compact fluorescent light bulb



- ① Activates strawberry immunity by UV-B (ultraviolet) stimulation
- ② The constitution changes, making it harder to get sick

Growing Together 2023 Progress

- Promotion of infectious disease countermeasures for long-term care and medical facilities using subsidies
- Infection reduction proposal using container houses.



Driving the Growth Strategy (7)



We will promote new businesses for the 3rd stage.

⑧ Food Equipment Business

We will drive for a total proposal for smart food factories.



Net Sales
2.7 → 8.0 bn
(2021 Results) (2023 Forecast)

FY03/22 2Q Results 1.6 bn

⑨ Sharing Business

We will create a sharing platform that meets market needs.



Net Sales
1.5 → 5.0 bn
(2021 Results) (2023 Forecast)

FY03/22 2Q Results 1.0 bn

Growing Together 2023 Progress

- Exhibited a "Food processing line" at the Kanto Grand Fair 2021
- Proposal of inspection devices that prevent foreign substance contamination (improves food safety)



Food processing line



Automatic packaging by robot

Growing Together 2023 Progress

- Promotion of agricultural machinery sharing service
- Development of sharing models in the fields of factory equipment, industrial equipment, robots, services and maintenance
- Promotion of online rental business for industry and daily needs.



Mowing by agricultural machinery sharing

Strengthen Core Businesses

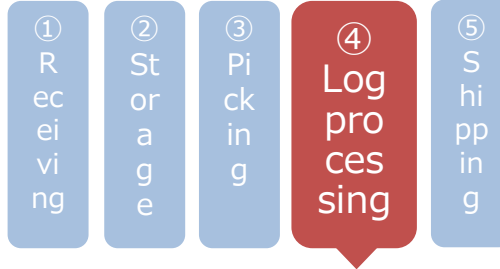
Logistics Processing"

Not limited to storage functions, we also provide logistics processing to connect the needs of suppliers and customers.

Supplier

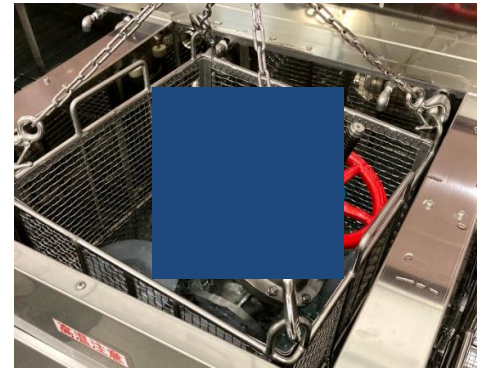
Our Warehouse

Retailer



● Air Conditioning Modification

We can carry out time-consuming refurbishment work onsite at our own warehouse to increase our customers' work efficiency.



● Cleaning process

Removing oil from products according to site requirements for shipment.



● Automatic valve assembly

As an authorized factory of KITZ Corporation, we assemble and ship automatic valves in our own warehouse to shorten delivery time.



● Chain Slings

Chain slings are processed, assembled, and shipped according to customer requirements.

The Kanto Grand Fair was held at Makuhari Messe on November 5-6.



This year's Grand Fair was held in the Kanto region, where we presented our new products and unique solutions to visitors from all over the country, utilizing both the real world and the Internet as a "Tsunagu, Service Integrated Shosha Group"

- **Visitors** : 6,626 (1st day: 4,737, 2nd day: 1,889)
- **Order Amount** : 59.9 billion yen

LIVE streaming and display of many new and original products

We conducted a sustainable exhibition.

Opening ceremony

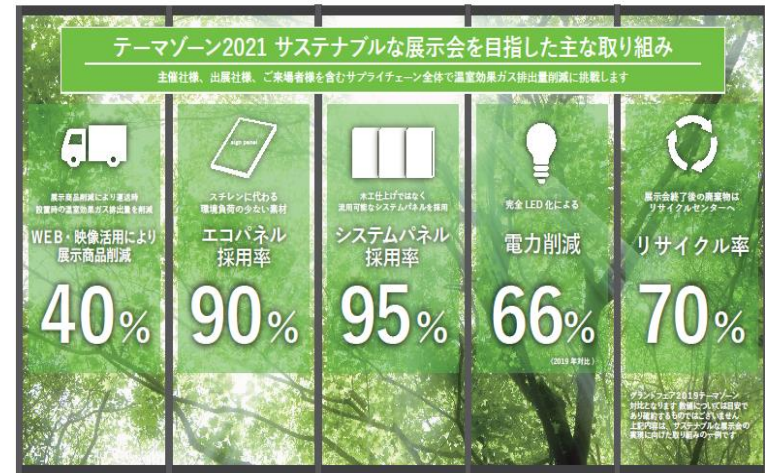


LIVE Streaming



The opening and the demonstrations were connected online for the audience to watch.

Theme Zone



Contributing to the reduction of greenhouse gases through both exhibits and exhibition methods

Initiatives for DX

With DX promotion become an "intangible data trading company"

IT digital investment quota

2nd stage
4.0 bn



3rd stage
8.0 bn

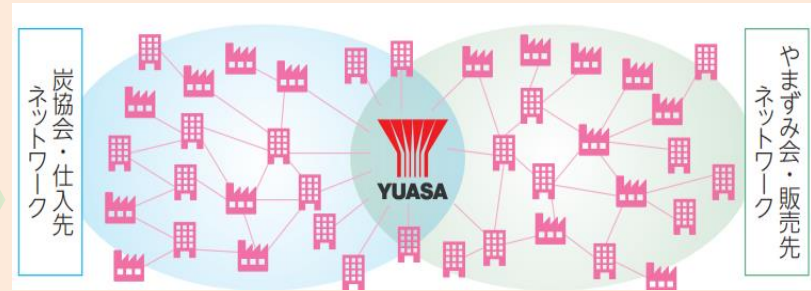
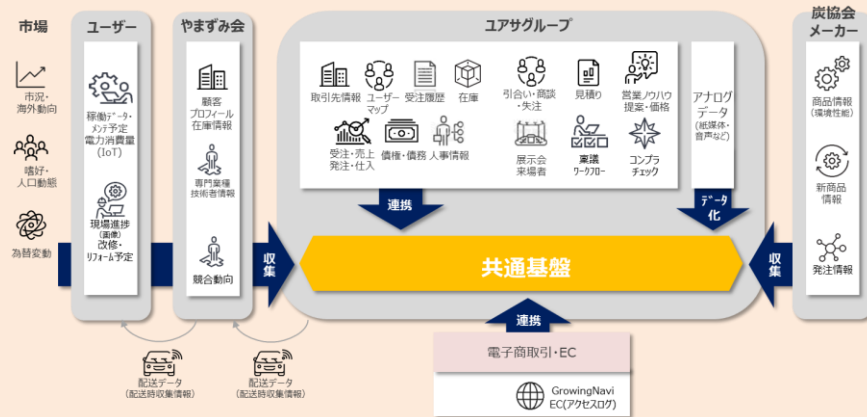


YUASA Vision 360
12.0 bn

To achieve the YUASA Vision 360, we will divide our efforts into "Offense DX" and "Defense DX".

Offense DX

We aim to build services (new business models) from the customer's perspective by acquiring data at every customer contact point and analyzing customer emotions and behavior from the accumulated data.



Form a YUASA supply network by transforming into a "intangible data" business

Defense DX



Development of group and global IT environment

Establish a system environment that supports the YUASA Vision 360 and revamp the IT environment for common use across the Group and globally.



Digital Human Resource Development

Select a DX Promotion Representative to promote DX throughout the company. We will develop digital human resources for data-driven business development.



Core business renewal

By renewing the legacy systems that support business operations and seamlessly connecting operations dispersed across various systems, we can promote business efficiency.

Through the promotion of DX, as a digital trading company group, we will emphasize face-to-face sales between people and develop "intangible data" business by utilizing our organizational strength through the collection, accumulation and utilization of data.

YUASA Group Sustainability Declaration

In order to further improve the management foundation that has been handed down for more than 350 years, the YUASA Group has formulated the "Sustainability Declaration" based on its corporate philosophy and will actively contribute to building a sustainable society.

1 **Harmony with the global environment**

In addition to aiming for the entire YUASA Group to become carbon neutral by 2030, we will strive to respond to climate change and reduce the environmental impact of the entire supply chain by emphasizing the relationship of mutual benefit and symbiosis.

2 **Business Activities of Good Quality Service**

Based on the spirit of "Good Quality Service" that has continued since the company's founding, we will conduct business transactions in a fair, solid, and sincere manner, and promote the creation of a safe, secure, and affluent society together with our stakeholders as a "TSUNAGU" Service Integrated Shosha Group.

3 **People-oriented management**

We will practice diversity management that respects the individuality and rights of employees and develop as a corporate group where each employee can develop with a sense of fulfillment in his or her work.

Sustainability Declaration Action Plan

1 Harmony with the global environment

- (1) We will calculate the amount of CO2 emissions within the YUASA Group, determine the reduction target, evaluate the financial impact, and disclose it appropriately.
 - a) Calculation of CO2 emissions (S c o p e 1 & 2)
 - b) Calculation of CO2 emissions (S c o p e 3)
 - c) Endorsement of TCFD
- (2) Response to climate change (adaptation)
 - a) We will promote resilience and security business.
 - b) We will confirm the climate change risks of each of our domestic and overseas bases and major business partners.
- (3) Responding to climate change (mitigation)
 - a) We will promote the environment and energy solution business.

2 Business Activities of Good Quality Service

- (1) Formulate transaction policies with business partners.
- (2) Formulate an implementation plan to ensure compliance with the transaction policies.
- (3) Conduct a questionnaire survey to inform suppliers of the transaction policies and confirm the current status.

3 People-oriented management

- (1) Formulate diversity policies and goals.
- (2) Formulate human rights policies and other various policies.
- (3) Review and continuously implement internal education and training programs and other measures.

4 Collection, management, and disclosure of ESG-related data

- (1) We will collect various ESG-related data and expand disclosure information.

Strengthening corporate governance

1) Reduction of strategically held shares

Standard for reducing strategically held shares
(Common to all group companies)

FY03/21 Sales results
(Including group companies)

- Holding limit standard
 - Net worth standard : Reduced if total shares held exceed a certain percentage of the holding company's net assets
 - Revenue standard : Reduced if total shares held exceed a certain percentage of the holding company's profits
- Standard for continuous holding
 - Reduced if profitability of each stock falls below a certain percentage
- 14 stocks, 605,000 shares

(2) Appointment of independent outside directors

Appointed three outside directors at the 142nd Ordinary General Meeting of Shareholders

We will increase the proportion of independent outside directors and improve the transparency of governance.

Composition of the Board of Directors (Ratio of Independent Outside Directors)

Full-time directors	Independent outside directors	Ratio of independent outside directors
5	3	37.5%

(3) Introduction of skills matrix

In order to clarify the effectiveness and supervisory function of the Board of Directors, the skills matrix was disclosed in the convocation notice.

(4) Change in method of determining individual remuneration, etc. for directors

In order to ensure fairness, objectivity, and transparency in the process of determining directors' remuneration, the Board of Directors will determine individual remuneration for directors based on the report of the Governance Advisory Committee, which consists mainly of independent outside directors.

Growing Together 2023 Numeric Targets & KPIs



(in billions of yen)

Financial KPI	FY03/20 Results	FY03/21 Results	FY03/22 Forecast	FY03/23 Forecast
Net sales [After applying the revenue recognition standard]	491.3 [-]	432.1 [-]	492.0 [471.0]	545.0 [520.0]
Operating profit	11.8	8.9	11.7	15.4
Operating margin※	2.4%	2.1%	2.4%	2.8%
Ordinary profit	12.8	10.0	11.3	16.4
Profit	8.9	6.9	7.6	11.5
ROE	11.4%	8.1%	8.4%	11.4+%
Shareholder return ratio	37.2%	31.9%	33.0+%	33.0+%

※Operating profit margins for the FY ending March 2022 and 2023 are calculated based on sales before the application of the revenue recognition standard.

Capital allocation policy (shareholder return policy)

Capital allocation policy

We will increase earnings per share and improve shareholder value by allocating the profits generated through our business activities to investments for growth while maintaining financial soundness.

(Maintaining financial soundness)

Due to the increasingly uncertain future environment we aim to maintain a stable financial base.

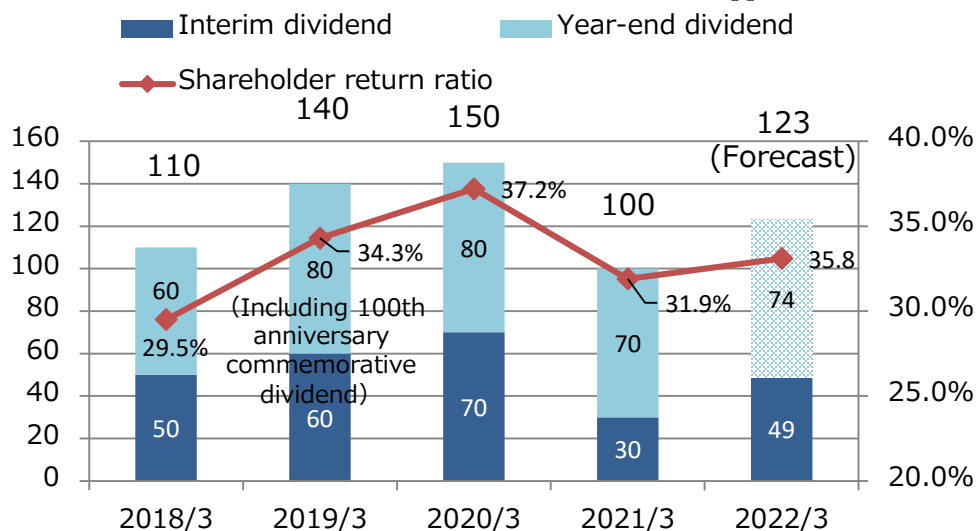
(Investments for growth)

- We will improve profitability by investing in growth businesses, strengthening the functions of core businesses, and strengthening our management base (DX, etc.).
- Investment decisions will be made after careful consideration of profitability, etc. for each individual project.

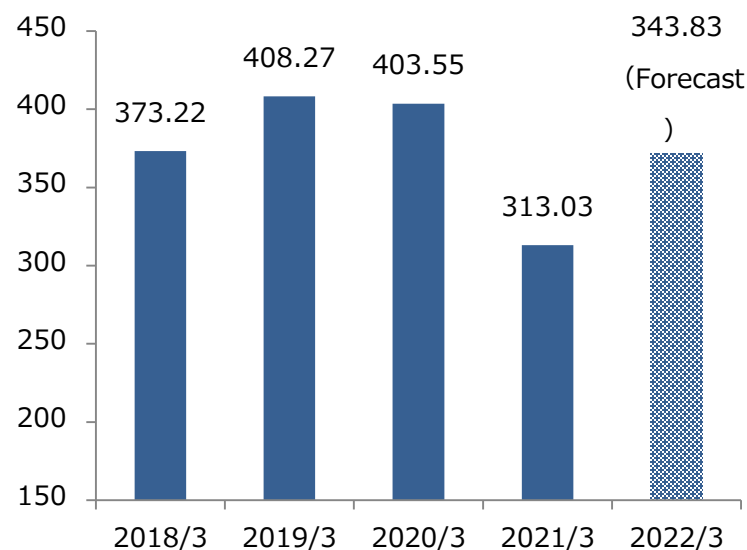
(Shareholder return policy)

We aim for a consolidated shareholder return rate (dividend / acquisition of treasury stock) of 33% or higher.

Changes in dividend per share and shareholder return ratio (yen)



Net income per share (yen)





Service Integrated Shosha Group



Forecasts and forward-looking statements in this document are based on information available as of the date of this document's release and on certain assumptions and expectations. Accordingly, actual results may differ materially due to various risks and uncertainties, such as economic trends, market price conditions, and changes in various systems, and the Company assumes no responsibility for any losses resulting from the use of this information. In addition, the Company assumes no obligation to revise the forecasts and forward-looking statements contained in this document.