



YUASA TRADING CO., LTD.

(Security identifier code:8074)



Service Integrated Shosha Group

Financial results briefing for the Fiscal Year Ending March 2023

May 17, 2023

Hiroyuki Tamura, President and CEO

1

Summary of the Financial Results
for the Fiscal Year Ended March 31, 2023

2

Review of Med-Term Management Plan
“Growing Together 2023”

3

New Med-Term Management Plan
“Growing Together 2026”

4

Consolidated earnings forecasts
for the Fiscal Year Ended March 31, 2024

1

Summary of the Financial Results for the Fiscal Year Ended March 31, 2023

Consolidated Income Statement

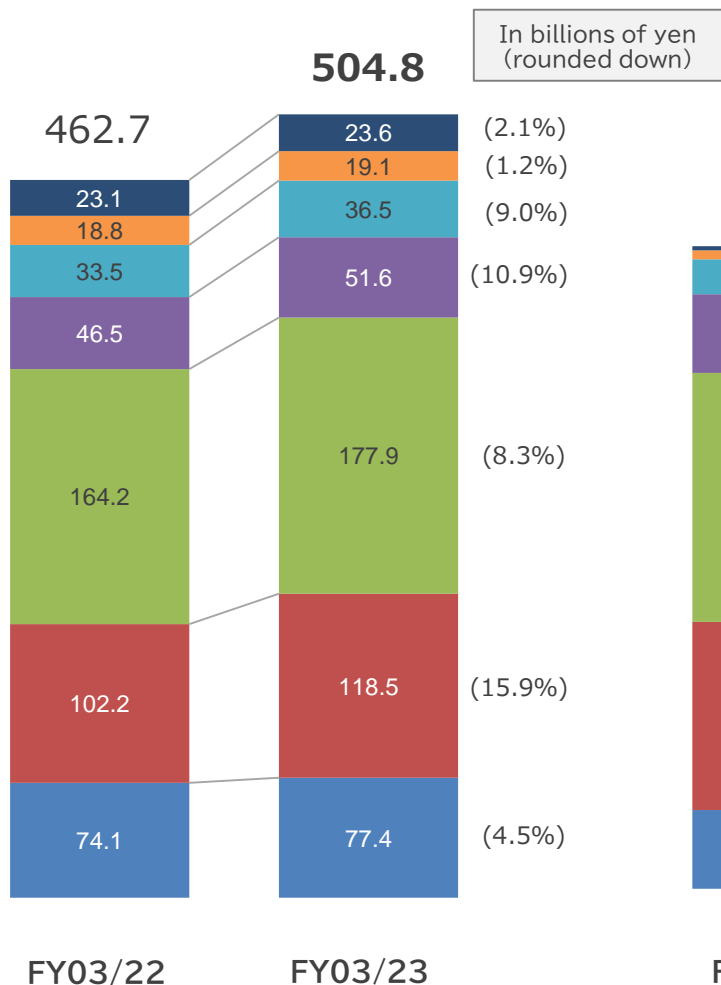
In billions of yen (rounded down)

	FY2021/3	FY2022/3	Change	Full-year forecast (Disclosed figures)	Comparison with plan
Net sales	462.7	504.8	+9.1%	490.0	+3.0%
Gross profit (percentage)	48.2 (10.42%)	52.4 (10.39%)	+8.7%		
Selling, general and administrative expenses	36.3	37.8	+4.0%		
Operating income (percentage)	11.8 (2.57%)	14.5 (2.89%)	+22.9%	13.5 (2.8%)	+8.1%
Ordinary income (percentage)	11.7 (2.54%)	15.3 (3.05%)	+31.0%	14.5 (3.0%)	+6.1%
Profit attributable to owners of parent	8.0	10.0	+25.1%	9.5	+6.1%

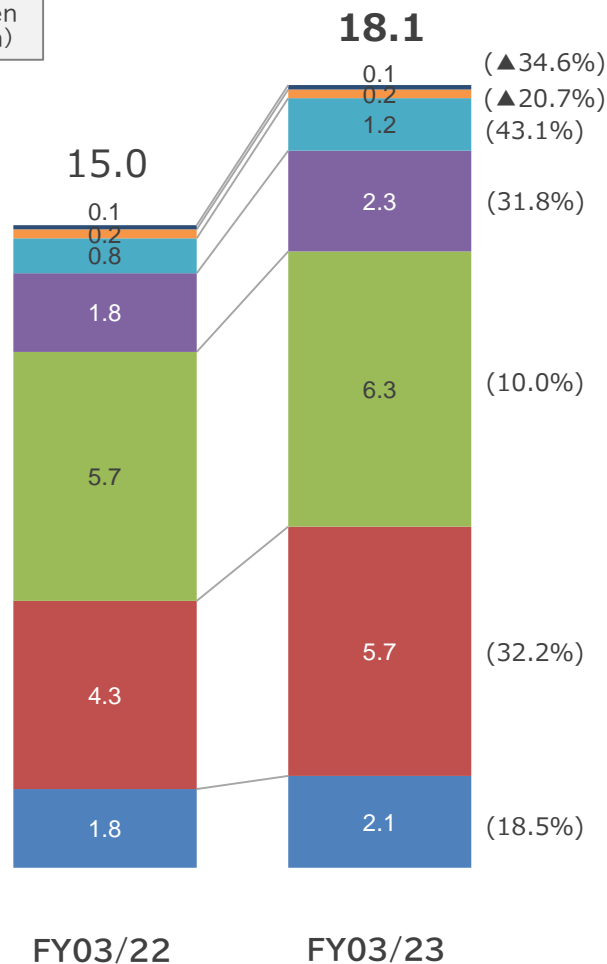
*Figures are after the application of the new revenue recognition standards.

Sales and Ordinary income by Segment

Sales



Ordinary income



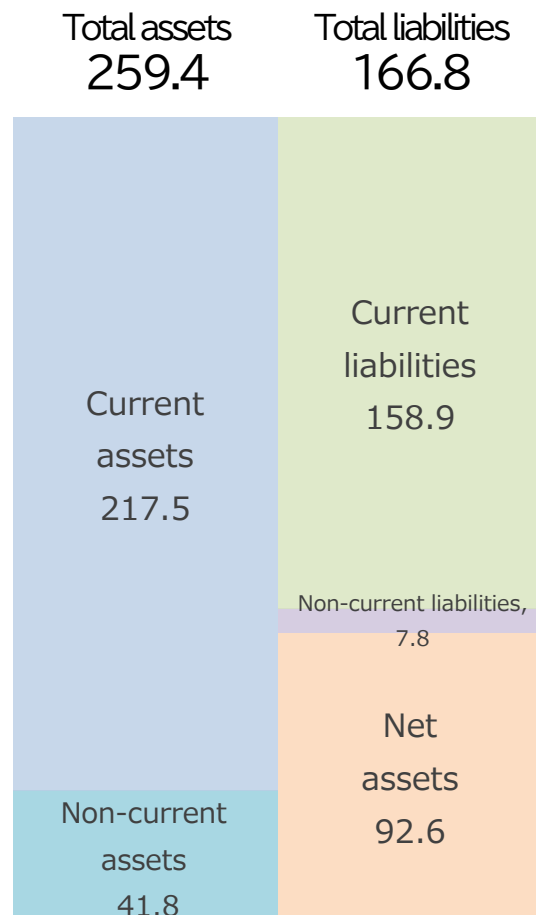
Main factors of change

- **Industrial Equipment & Tools**
 Plant utilization rates remained firm and sales grew mainly for control-related equipment.
- **Machine Tools**
 (Domestic): Sales of motors and other related parts for EVs were strong in automobile related industries.
 (Overseas): Large projects for production facilities increased.
- **Housing, Air & Fluidic Control Systems**
 Sales of housing fixtures for wet areas and pipes/joints products including valves and pumps were also firm.
- **Building Supplies & Exterior**
 construction of logistics facilities and condominiums increased, and sales of exterior products and building hardware products remained firm.
- **Construction Machines**
 Public works projects such as infrastructure development and disaster prevention/mitigation work remained firm.
- **Energy**
 crude oil prices crude oil prices remained high remained high. The gas station retail business worked to strengthen car care services, automobile inspections, and coatings.
- **Other**
 (Consumer goods): Expand sales of new seasonal household appliances.
 (Wood products): develop new suppliers and to develop and expand sales of products utilizing domestic lumber.

* Figures are after the application of the new revenue recognition standards.
 * The rates in () are change.

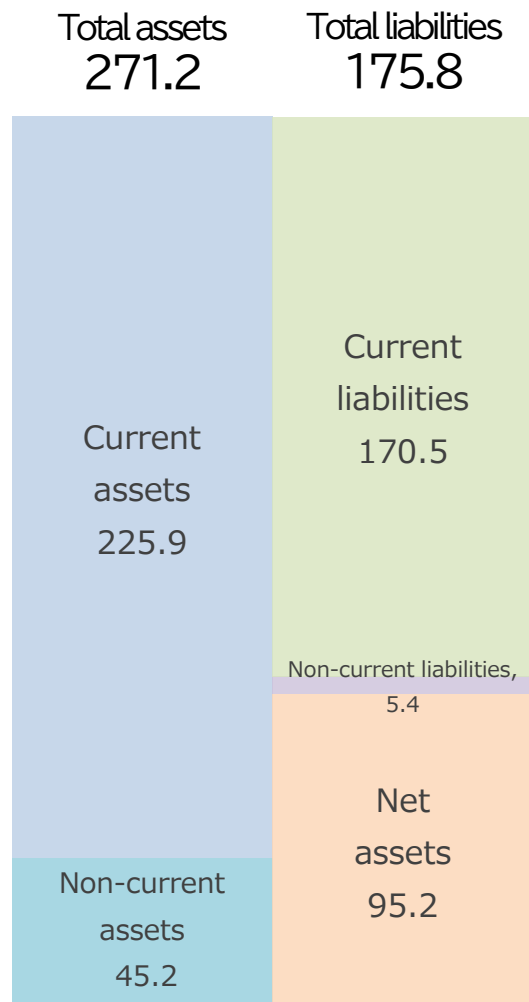
Consolidated Balance Sheet

Unit: billion yen
(smaller amounts are rounded down)



End of FY ended March 31,
2022

Equity ratio:35.5%



End of FY ended March 31,
2023

Equity ratio:34.9%

«Main factors of change»

Current assets	+8.4
Trade receivables	+7.1
Inventories	+2.3
Non-current assets	+3.3
Current liabilities	+11.5
Trade payables	+8.2
Income taxes payable	+2.8
Non-current liabilities	Δ2.4
Deferred tax liabilities	Δ2.4
Net assets	+2.6
Retained earnings	+7.1
Treasury stock	Δ3.6

Consolidated cash flow



Service Integrated Shosha Group

In billions of yen (rounded down)

Item	FY03/21	FY03/22	Main factors
	Full-year results	Full-year results	
Net cash provided by (△used in) operating activities	10.2	8.3	Profit before income taxes:+2.5 Income from increase in trade receivables:△1.0 Income from increase in accounts payable:+9.8 Income tax payment:△2.3
Net cash provided by (△used in) investing activities	4.7	△2.8	Acquisition cost of property, plant and equipment:△1.2 Proceeds from sales of property, plant and equipment:△2.6 Revenue from sales of investment securities:△2.8
Net cash provided by (△used in) financing activities	△3.5	△6.8	Acquisition cost of treasury stock:△3.7 Dividend payment amount:△0.3 Short-term borrowing:+0.5
Net increase (△decrease) in cash and cash equivalents	11.5	△1.1	
Cash and cash equivalents at the end of period	53.5	52.3	

2

Review of Med-Term Management Plan “Growing Together 2023”

Aiming to enhance corporate value from the dual aspects of economic value and social/environmental value

Enhance corporate value

- Maximize corporate value from the dual aspects of economic (financial) value and social/environmental (non-financial) value

Realize CX*

- Corporate group where “TSUNAGU” innovation is the norm
- *CX: Corporate Transformation

**YUASA VISION 360
[360th anniversary vision]**

3rd stage	Medium-Term Management Plan 04/2023 – 03/2026 Growing Together 2026
2nd stage	Medium-Term Management Plan 04/2020 -03/2023 Growing Together 2023
1st stage	Medium-Term Management Plan 04/2017 – 03/2020 Growing Together 2020

- Promote proposal business to enhance corporate value
- Harvest stage for achievement of YUASA VISION 360
- Connect to transformation into the ideal corporate group in 2026 (360th anniversary) and beyond

Management philosophy

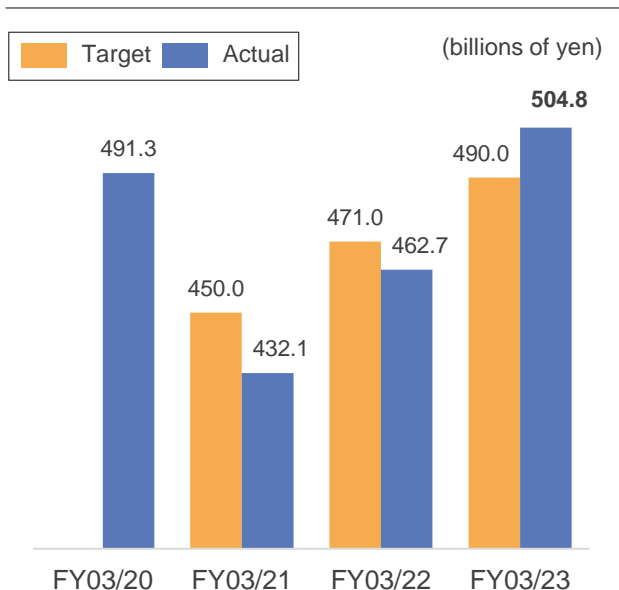
- Honesty and Trust, Enterprise and Innovation, Regard for the Individual

Review of Financial Targets

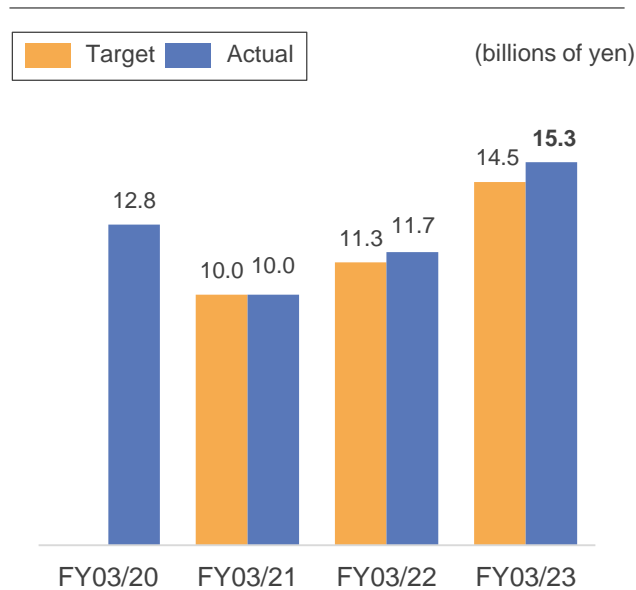
- Net sales and ordinary profit both achieved revised targets for the final year (FY03/2023)
- Investment in growth strategy and core business was JPY5.6bn against investment budget of JPY13.0bn due to impact of COVID-19
- Achieved shareholder return ratio target of 33+%, including through share repurchases

FY03/2023	Net sales/ordinary profit	Investment in growth strategy and core business	Shareholder return ratio(*)
	Net sales Target JPY490.0bn	Investment budget Target JPY13.0bn	Shareholder return ratio Target 33+%
	Actual JPY504.8bn	Actual JPY5.6bn	Actual 67%
	Ordinary profit Target JPY14.5bn		*Includes dividends and share repurchases
	Actual JPY15.3bn		
	*Net sales is after the application of the revenue recognition standard.		

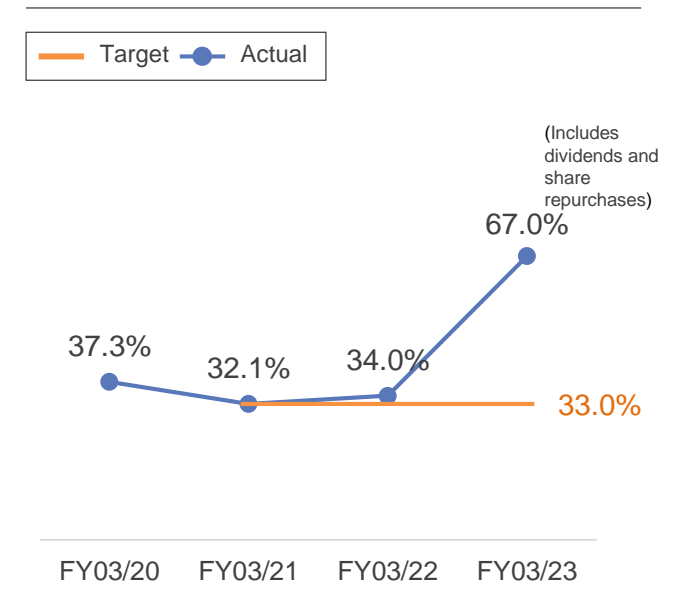
Net Sales



Ordinary Profit



Shareholder Return Ratio

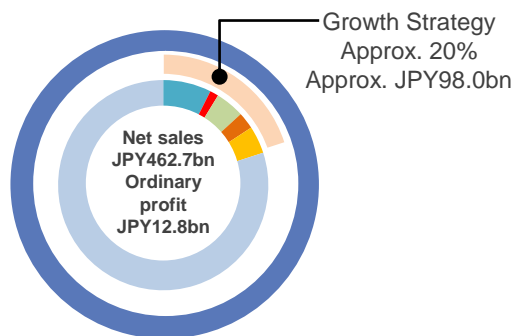


*Net sales is after application of revenue recognition standard

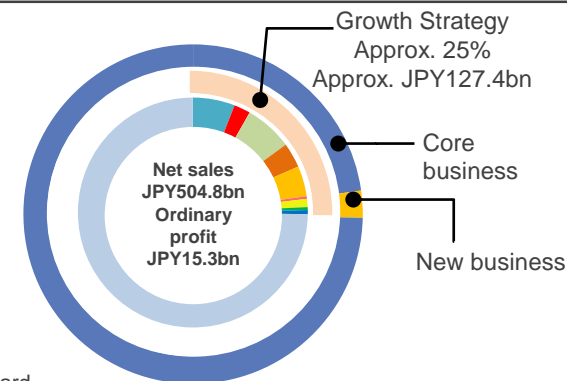
Basic Policy Implementation Status

- Sales composition of growth strategy areas grew to approximately 25% owing to expanded Eco & Energy Solutions and other businesses
- Promoted proposals of “TSUNAGU” solutions to social issues
- Promoted building of sustainable management foundations by taking “Total Coordination Skills, “Challenging Spirit,” and “Communication” as keywords

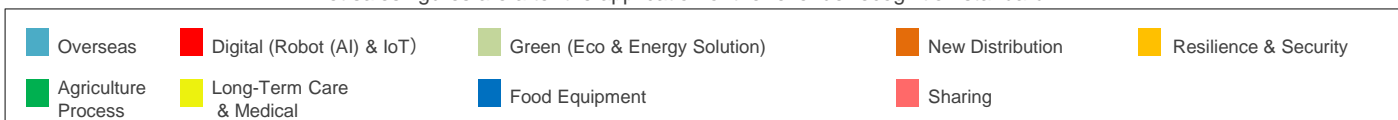
1st Stage Growing Together 2020



2nd Stage Growing Together 2023



*Net sales figures are after the application of the revenue recognition standard.



Basic Policy	Key Initiatives
Identify and reinforce growth businesses	<ul style="list-style-type: none"> ● Strengthened sales to local companies in overseas business ● Concluded capital and business alliance with connectome.design (AI consultant)
Strengthen core business functions	<ul style="list-style-type: none"> ● Strengthened interdepartmental cooperation by implementing a regional block system ● Started operation of Growing Navi e-commerce platform
Strengthen management foundation	<ul style="list-style-type: none"> ● Fostered a corporate culture of challenge (implemented internal FA system, internal recruitment system, and challenging project system)

Basic Policy	Key Initiatives
Promote growth strategy	<ul style="list-style-type: none"> ● Rolled out “TSUNAGU” solutions to solve social issues ● Launched full-scale operation of carbon-neutrality promotion business in environmental area
Strengthen core business	<ul style="list-style-type: none"> ● Established cross-departmental organization (Growing Strategy Division) to demonstrate total coordination skills ● M&A achievements: Nakagawa Kinzoku (industrial equipment), Maruken Service (construction machinery)
Strengthen management foundation	<ul style="list-style-type: none"> ● Launched project for promotion of DX ● Started initiatives for announcing and realizing Sustainability Declaration

Summary of Growth Strategy

- Growth strategy areas in total grew by approximately 20% compared to FY20/3, propelling Group-wide results as a growth driver
(All monetary amounts are in billions of yen)

Growth Strategy	FY03/20 Actual	FY03/23 Target	FY03/23 Actual	Growth from FY20/3		Summary
Overseas Business	36.4	74.0	29.8	(18.1)%	×	<ul style="list-style-type: none"> • Sales and investment activities were restricted due to impact of COVID-19 • Launched new business expansion with focus on making Thailand local subsidiary an integrated entity
Eco & Energy Solution Business	21.9	28.0	34.0	55.3%	◎	<ul style="list-style-type: none"> • Carbon-neutrality proposals through use of YES-net • Promoted sales that combined solar power generation, storage batteries, and V2H • Promoted JCM (Joint Crediting Mechanism) proposals
Robot (AI) & IoT Business	6.5	17.0	11.7	80.0%	○	<ul style="list-style-type: none"> • Promoted AI solutions with connectome.design • Developed original robot products such as “Robo Combo” robot system
Resilience & Security Business	20.8	33.0	21.5	3.4%	○	<ul style="list-style-type: none"> • Promoted development of “TSUNAGU” solution products (aluminum privacy fence “YACHIBEI”, flooding detection system “KIZUKI MIRAI”)
New Distribution Business	12.7	19.0	17.7	39.4%	○	<ul style="list-style-type: none"> • Expanded e-commerce transactions on Growing Navi site • Enhanced products posted on Growing Navi site
Long-Term Care & Medical Business	5.2	8.0	5.8	11.5%	○	<ul style="list-style-type: none"> • Promoted proposals for measures to combat infectious disease targeting long-term care and medical facilities • Rolled out remote pre-fabricated ICU wards for developing countries
Food Equipment Business	-	8.0	2.9	-	-	<ul style="list-style-type: none"> • Concentrated efforts on original products through FOOMA, etc., but fell short of target. [Original product development] Device for detecting contaminants in beverages, rewritable laser system, etc.
Agriculture Process Business	1.9	5.0	2.1	10.5%	○	<ul style="list-style-type: none"> • Promoted proposals for original animal feed mixing machine (Appenki) • Promoted development of transportation system for harvesting work • Promoted proposals for UV-B fluorescent lamps for immuno-stimulation of crops
Sharing Business	-	5.0	1.9	-	-	<ul style="list-style-type: none"> • No progress in event rental business due to impact of COVID-19 • Launched agricultural equipment and operator sharing business • Launched online rental business “Kariru Net”
Growth Strategy Total	105.4	197.0	127.4	20.9%	○	

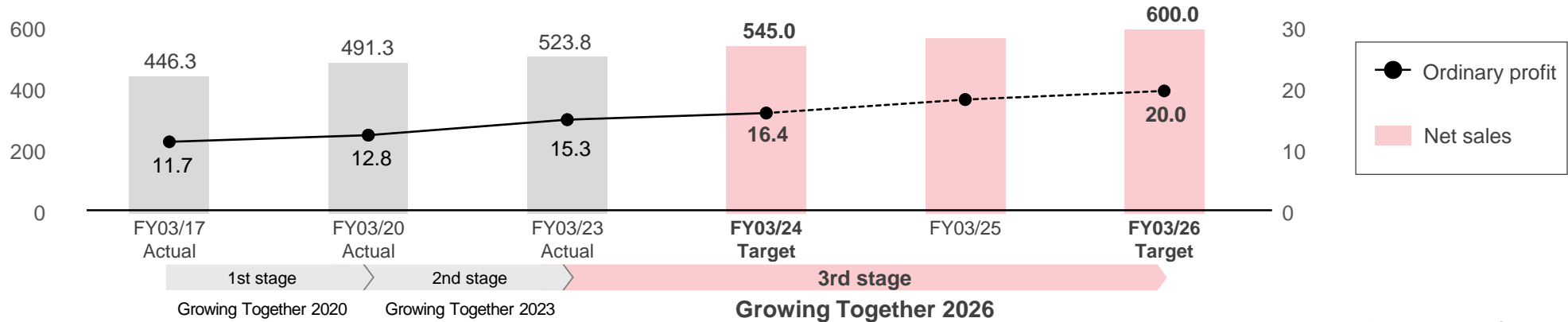
3

New Med-Term Management Plan “Growing Together 2026”

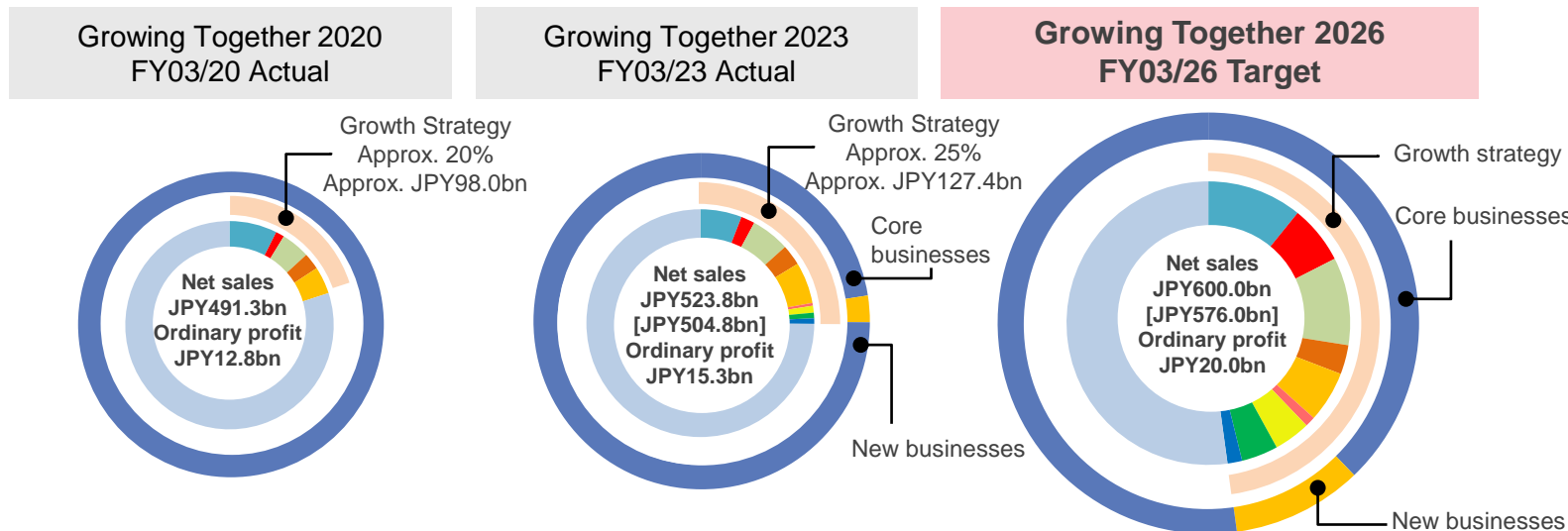
Numeric Targets for Growing Together 2026

- In the 3rd stage of YUASA VISION 360, we will aim to achieve JPY 600.0 billion in consolidated net sales and JPY 20.0 billion in consolidated ordinary profit.
- We will promote the proposal business to enhance corporate value.

Net Sales and Ordinary Profits (in billions of yen) *Net sales figures are prior to the application of the revenue recognition standard.



YUASA VISION 360 Business size and growth strategy * Figures in [] show net sales after the application of the revenue recognition standard.



Growth strategy for business expansion

Core businesses
Areas of particular focus for business expansion

Overseas	New Distribution
Robot (AI) & IoT	Resilience & Security
Eco & Energy Solution	Sharing

New businesses
Businesses that actively roll out products and services cultivated by existing businesses

Long-term Care & Medical	Agriculture Process
Food Equipment	

Changes in Market



Product Out

Products are developed, produced, and sold using ideas from the supplier side, such as the technologies, technological capabilities, and manufacturing facilities held by the individual manufacturers.

- Mass production and mass consumption
- Products are devised from suppliers' ideas rather than buyers' needs.
- Information is delivered unilaterally from companies to consumers.

Market In

Manufacturers adopt buyers' standpoint and develop and supply goods and services that buyers need, based on users' needs and opinions.

- Propose answers.
- Consumers can be more proactive, and the relationship between companies and consumers changes interactively.
- Make good products.

Market Out

Consumers and society communicate about what they truly need. The Company builds businesses and plans, develops, and supplies goods and services based on its understanding of those needs.

- The value of goods and services lies in their true essence.
- Goods and services that suit oneself
- Circular economy and carbon neutrality
- "Empathy" of consumers is key

Issues carried over from previous Medium-Term Management Plan

- Enhance profitability of existing businesses
- Further promote growth strategy
- Distinguish between what should and should not be changed and implement measures for each
- Strengthen Group-wide initiatives with "total coordination skills," "challenging spirit," and "communication"
- Establish a system for accumulation and utilization of data for use in strategy building, and develop DX personnel
- Promote sustainability management



Issue awareness

Business transformation with Market Out approach

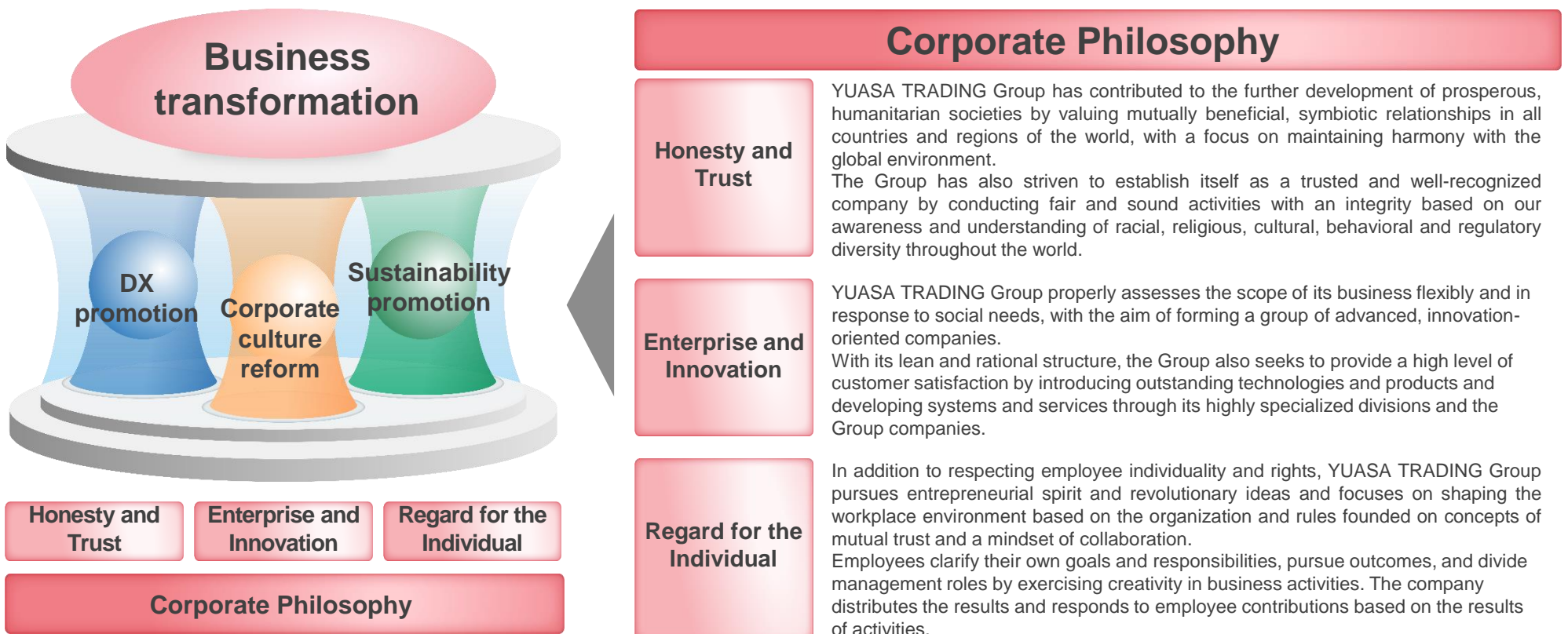
- Enhance profitability by promoting proposals for TSUNAGU (Connect) solutions to social issues
- Create new markets and promote growth strategy
- Create and extend markets with existing business networks
- Strengthen business foundation, reform corporate culture, and promote sustainability to realize transformation

Basic policy

In areas of manufacturing, housing environment, infrastructure, and construction, we work to solve social issues through TSUNAGU (Connect) innovation together with our business partners, creating new markets and extending them in Japan and overseas for the enhancement of corporate value.

Outline

- Proceed with business transformation based on corporate culture reform, DX promotion and sustainability promotion, for the realization of the basic policy.
- Pass on our corporate philosophy and further extend and evolve it toward our 400th anniversary.



Business Transformation (Overview)

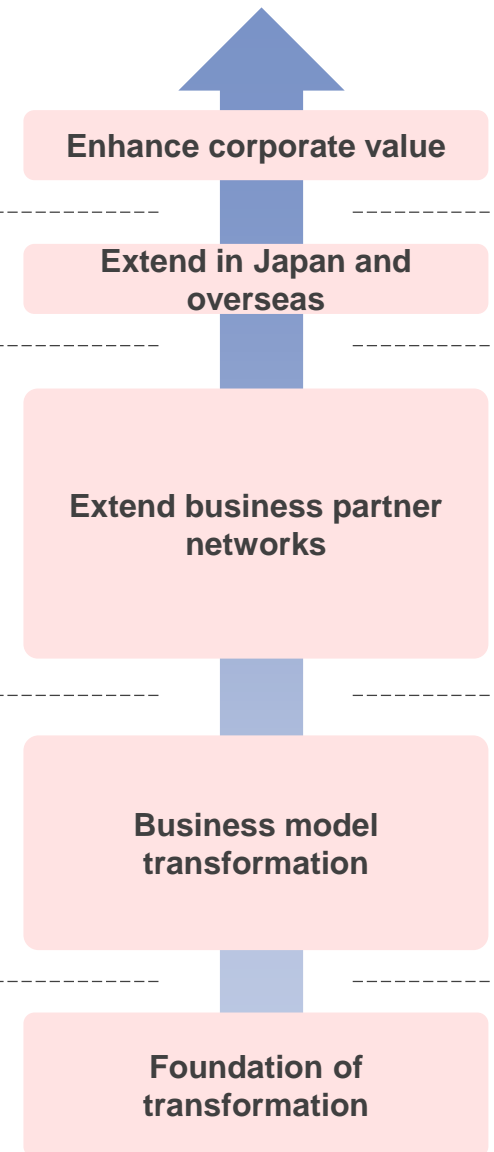
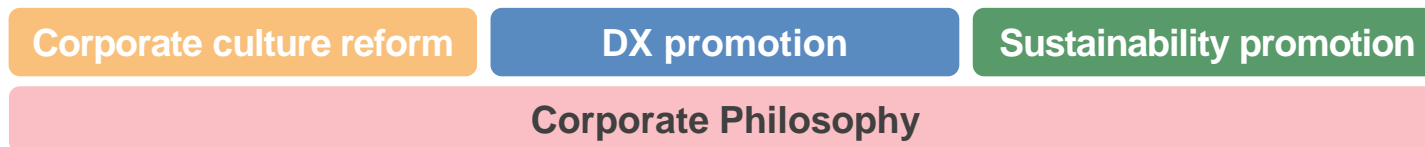
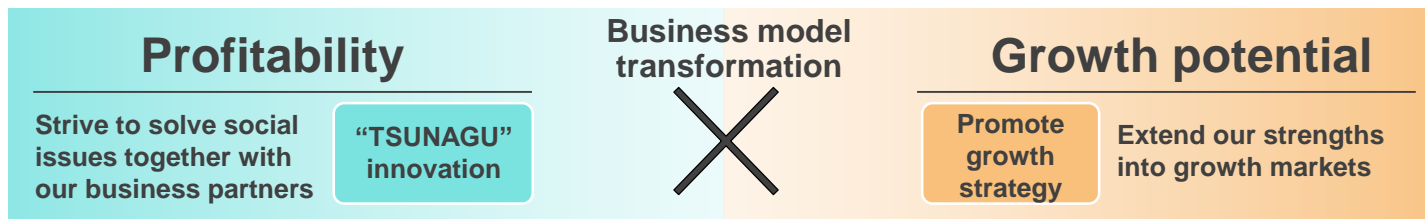
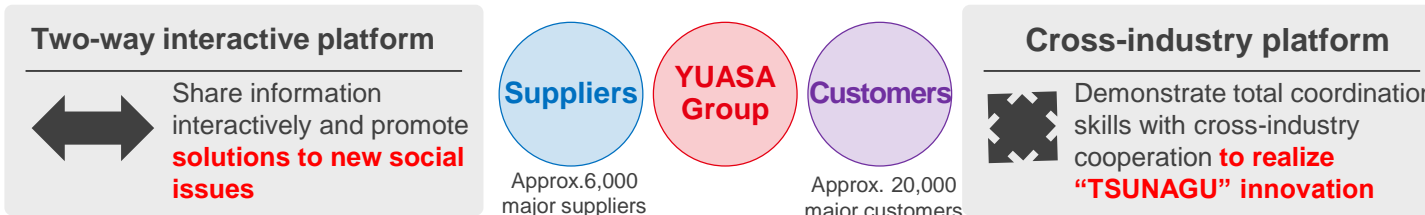
We will expand our existing businesses and growth strategy in Japan and overseas by transforming our business model and extending our existing business networks.

Conceptual image of business transformation

Enhancement of corporate value = **Achieving Growing Together 2026**

We will extend our business in the areas of manufacturing, housing environment, infrastructure, and construction in Japan and overseas markets.

Extend and expand existing business partner networks



Business Transformation (Shift to More Profitable Business Model)

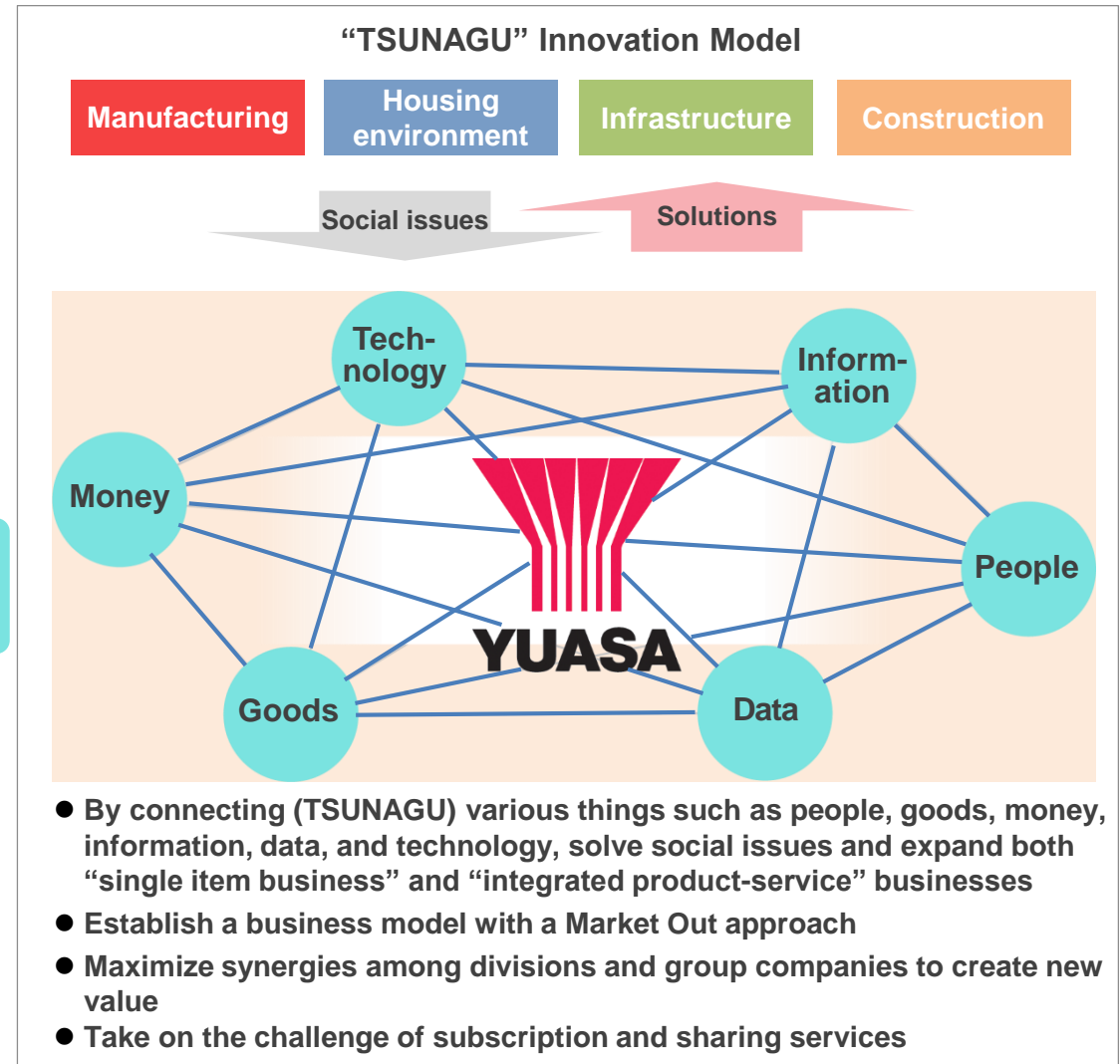
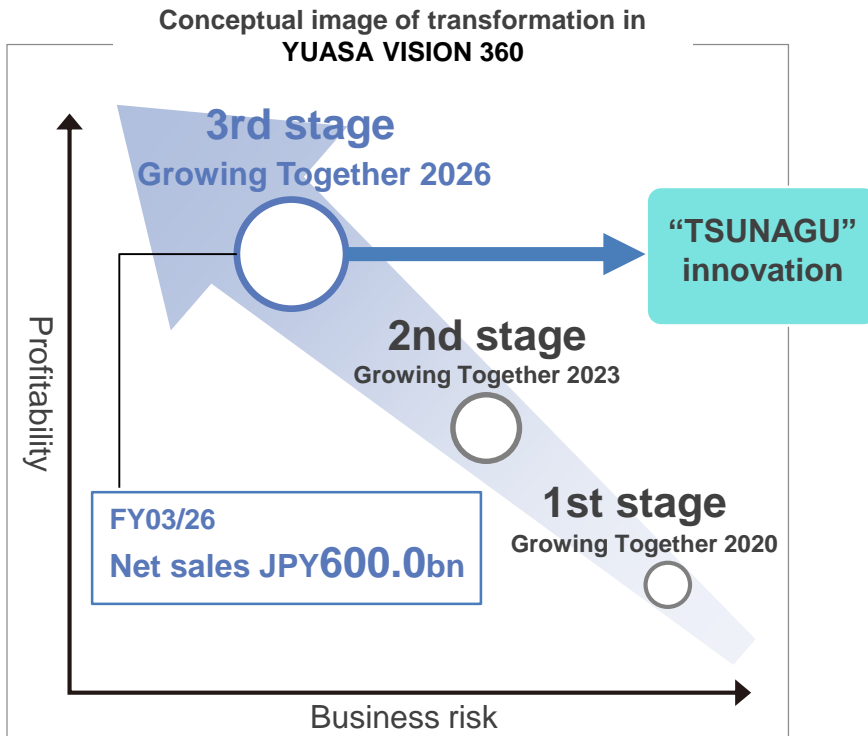
We will strive to solve social issues with “TSUNAGU” innovation together with our business partners and to form more profitable businesses.

Enhance profitability

Create new value by “connecting (TSUNAGU)” various things
Make “TSUNAGU” innovation the norm

Improve stability

Curb business risks by transforming into a business that solves social issues



We will promote “TSUNAGU” innovation that utilizes AI, data, and technology.

Manufacturing

AI-based contaminant inspection device for beverages

FaiND OUT 2

● **Social issue**

Automate visual inspection process



AI-based automatic detection of contaminants

Supply chain risk management app

RISK SAVER

● **Social issue**

Mitigate loss of opportunity in times of disaster



AI analyzes and identifies supply chain risks and automatically proposes potential alternative production sites

Housing environment

Vehicle to Home Gatepost

Gatepost with V2H device and delivery box

● **Social issue**

Realize CO₂ reduction and smart living



Gatepost equipped with V2H device + delivery box

Apartment building refurbishment project

ITENE

● **Social issue**

Improve efficiency of apartment building refurbishment work



Online management of bookings for inspections and construction work

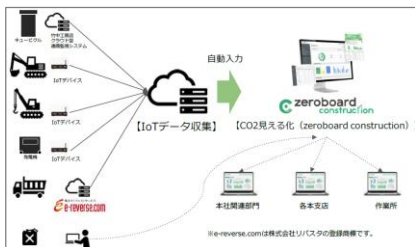
Infrastructure

CO₂ measurement using IoT

Construction site CO₂ measurement system

● **Social issue**

Visualize CO₂ emissions at construction sites



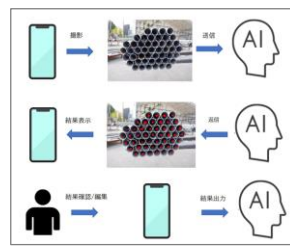
Automated measurement of CO₂ with dedicated sensors

System for quantity management of temporary materials

AI-based Quantity Counting System

● **Social issue**

Automate counting of temporary materials



AI automatically counts the quantity of temporary materials

Construction

Number plate authentication gate

SAI-GATE

● **Social issue**

Prevent intrusion by suspicious or unregistered vehicles



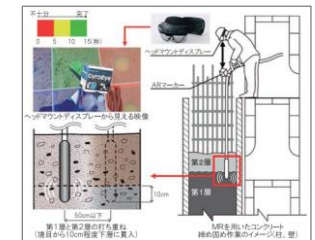
Automated opening and closing of gate with number plate authentication

MR-based work management system

Concrete compaction system

● **Social issue**

Improve compaction work quality with visual inspection



Visualize work site with MR (mixed reality)

湿潤状態を自動認識するロボット

ロボット
光学センサー
カメラ
2D LIDAR
その他センサー

管理用パソコン・タブレット
操作コマンド
データ送信

コンクリート表面を可視化

コンクリート表面を自動認識

コンクリート湿り自動管理

ユアサ商事 奥村組と散水養生ロボ

ユアサ商事と奥村組は、打設したコンクリート表面の湿り具合を自動で管理できるロボットを共同開発した。床コンクリートの表面をロボットが自律走行して約2割の省人化効果

「コンクリート散水養生 無人管理ロボ」は、光学センサー、カメラ、2次元（2D）のセンサー「LiDAR（ライダー）」などで構成する。コンクリート表面の湿潤状態を自動で認識するため、桐生電子開発合同会社（群馬県桐生市）と光特性を活用したセンサーも開発した。

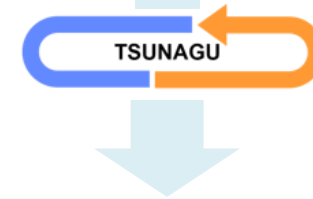
奥村組の施工現場で実施した実証実験では、ロボットが100平方メートル規模の床コンクリートの状態を約30分で自動で認識。表面の状態を乾燥、半乾燥、湿潤状態の3段階で判定できたほか、カラーマップへの表示でコンクリートの湿り具合の可視化も実現した。

生コンクリートを型枠に流し込み、打設した後水をまく散水養生は、コンクリートの強度や仕上がりを左右する。ユアサ商事によると1000平方メートルの施工の場合、養生期間は約5日。散水とビニールシートで覆い乾燥を防ぐ作業を繰り返しながら、1日3回30分程度の時間をかけて人が湿潤状態を確認する。ロボットの導入で走行準備などの作業は発生するが、定量的な判定や省人化の効果が大きいと見る。

両社は今後、散水設備との連携を進め、操作性や耐久性にも優れたロボットを開発し、販売につなげる。

建設現場では慢性的に人手が不足している。国土交通省によると建設業に携わる就業者は22年度が479万人。1997年度のピーク時から約30%減少している。

Nikkan Kogyo Shimbun Posted on 4/24 (Mon.)



by robot
Concrete wetness
management system

- Optical sensors, cameras, a robot equipped with a 2D sensor Automatically recognizes the wetness of the surface
- Recognition of 100 square meters completed in about 30 minutes
- 20% reduction in personnel involved in watering and curing

Business Transformation (Develop into Growth Strategy)

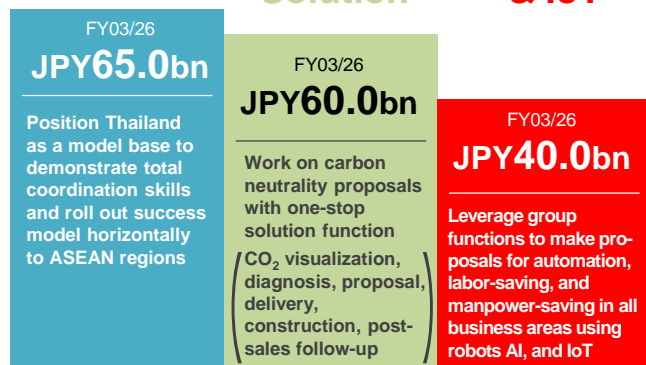
We will increase the ratio of growth strategy areas in net sales to 48% in FY03/26.

*Figures in [] are net sales after the application of the revenue recognition standard.

Promote Growth Strategy

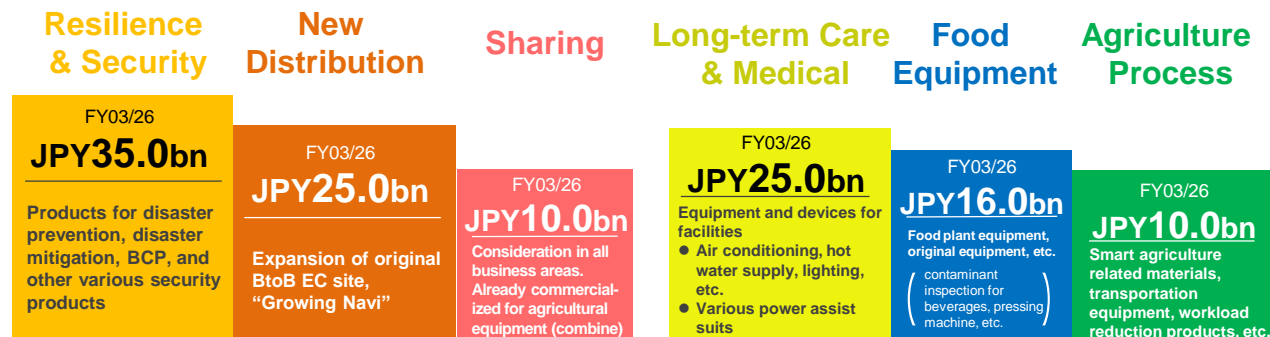
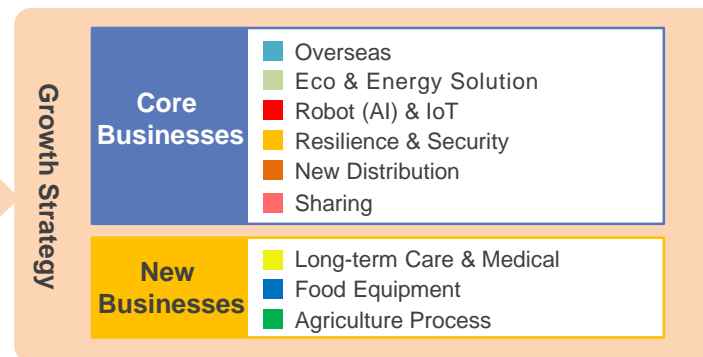
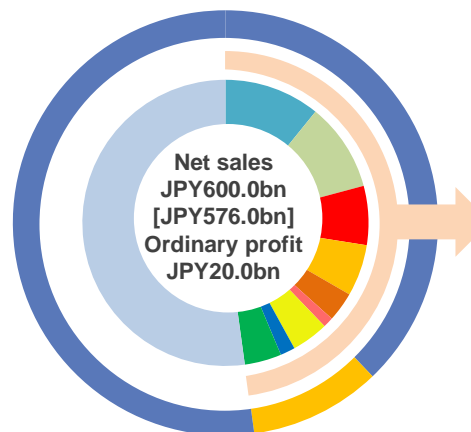
- Sharing of strategy and information, and support across divisions and areas by promotion organization
- Develop strengths cultivated in core businesses (products and solutions) and actively invest cash in them

Overseas Eco & Energy Solution Robot (AI) & IoT



Businesses promoted by whole company

Growing Together 2026 FY03/26 Targets



Target markets and challenge areas promoted on an area or organizational basis

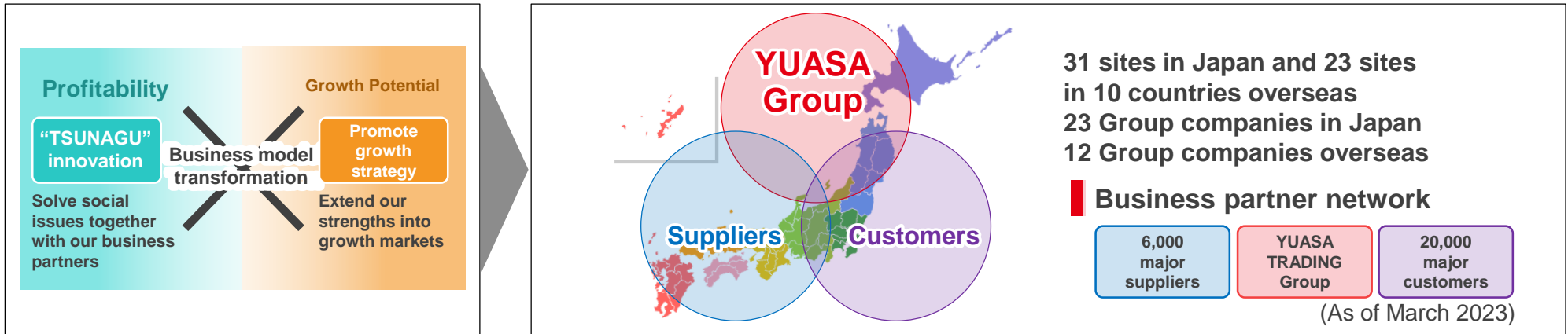
Core Businesses JPY235.0bn

New Businesses JPY51.0bn

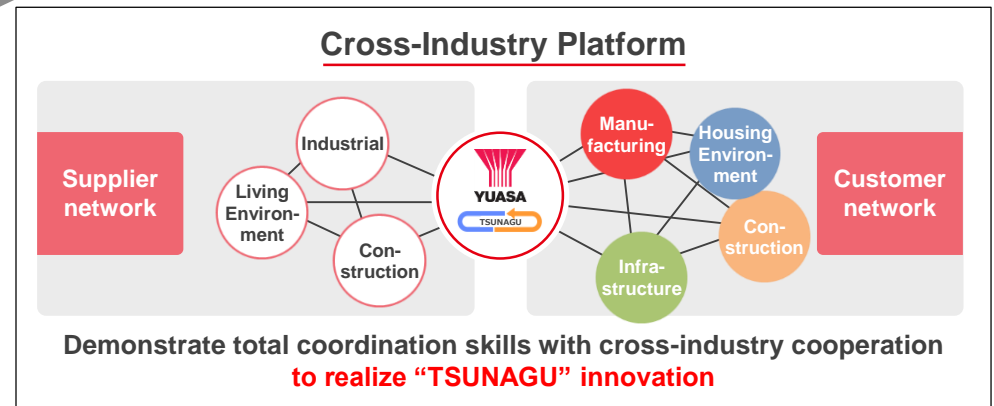
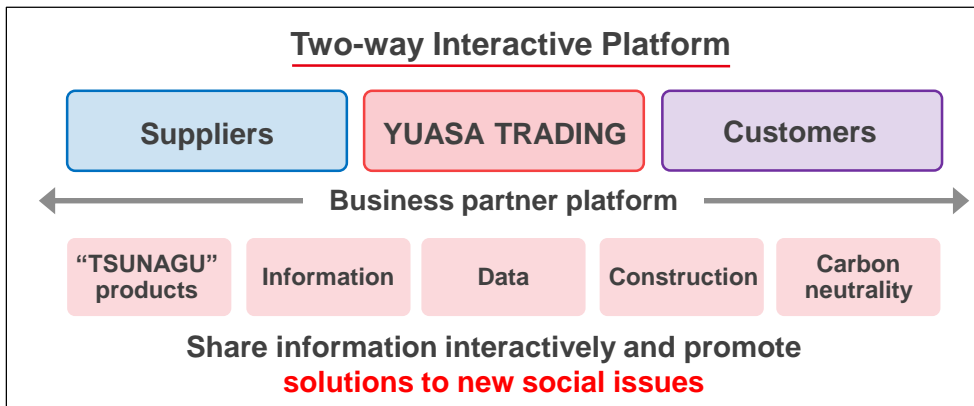
FY03/26 Growth Strategy Total JPY286.0bn

Business Transformation (Extend Markets in Japan and Overseas)

By further extending our business partner network, we will extend and expand new and growth markets created through “TSUNAGU” innovation in Japan and overseas.



Further develop existing customer network



Extension

Extend into Japan market

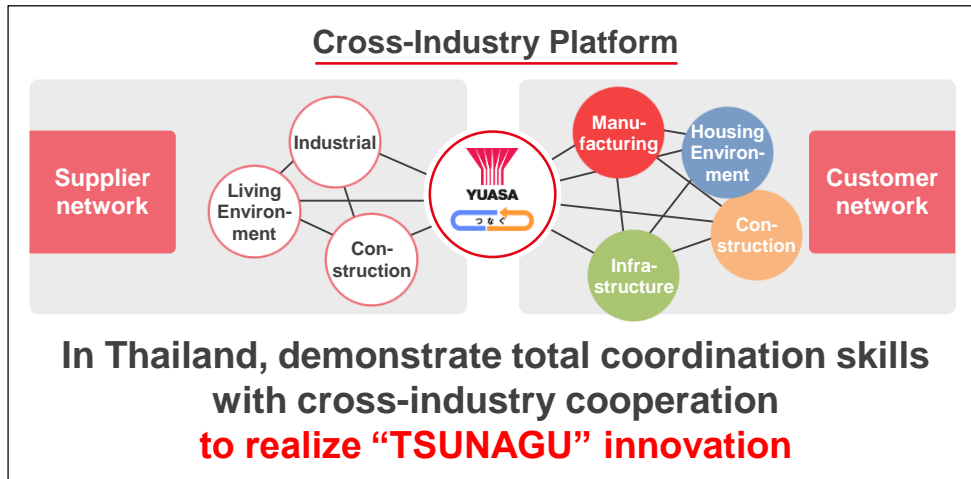
- Promote on a division-wide, area-wide, and group-wide basis led by the Growing Strategy Division
- Strengthen sales promotions by demonstrating total coordination skills, with a focus on Grand Fair
- Promote proposals using data based on DX promotion

Extend into overseas markets

- Make Thailand local subsidiary an integrated entity (multiple divisions entering market) and horizontally extend into other countries
Plans to extend Thailand model into Indian market, with its rapidly growing population and economy
- Hold Grand Fair overseas and establish new overseas promotion (To be held in Thailand in 2025)

“Mini-YUASA” Project in Thailand

In addition to YUASA TRADING (THAILAND) and YUASA ENGINEERING SOLUTION (THAILAND), we will expand into the construction field (construction materials and construction machinery), and consider constructing a new company building as a base for demonstrating our comprehensive strengths.



New office building review overview in Thailand

- **Planned construction site**
Bangkok city
- **Overview of the new office building**
Company building with showroom & logistics functions
Flexible office layout to demonstrate comprehensive strength
- **Scheduled completion**
During 2024

“Grand Fair” in Thailand (2025)

We will hold “Grand Fair” in Thailand for the first time overseas as a place to demonstrate our comprehensive strength and sales promotion in the Thai market.



Grand Fair 2022 (at Makuhari-Messe)



【Holding schedule】

February 5 (Wednesday) to 7 (Friday), 2025

【Venue】

Bangkok International Trade & Exhibition Center (BITEC)



◀ It will be the venue for the Thailand Grand Fair Bangkok International Trade & Exhibition Center (BITEC)

Three Measures to Support Business Transformation

We will strengthen our efforts for corporate culture reform, DX promotion, and sustainability promotion to accelerate business transformation.



Corporate culture reform

Foster a corporate culture in which innovation has become the norm through personnel system reform, environment building, and strengthening of governance

DX promotion

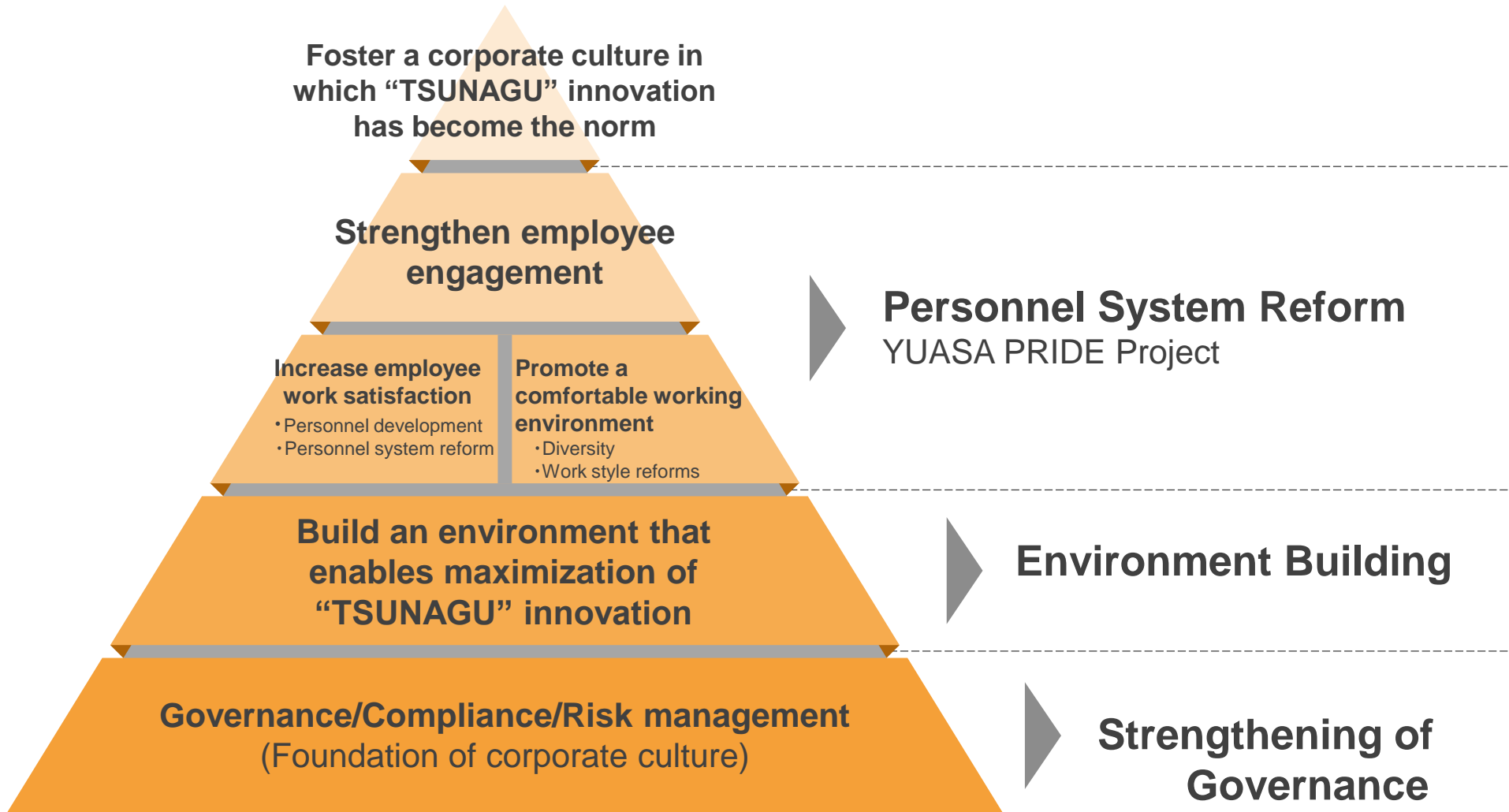
Support business transformation by building data utilization infrastructure, developing DX talent, reforming operational processes, and creating innovation

Sustainability promotion

Aim to make the Group as a whole carbon-neutral, and accelerate the carbon neutrality promotion business

Corporate Culture Reform (Overview)

Foster a corporate culture in which “TSUNAGU” innovation has become the norm through personnel system reform, environment building, and strengthening of governance

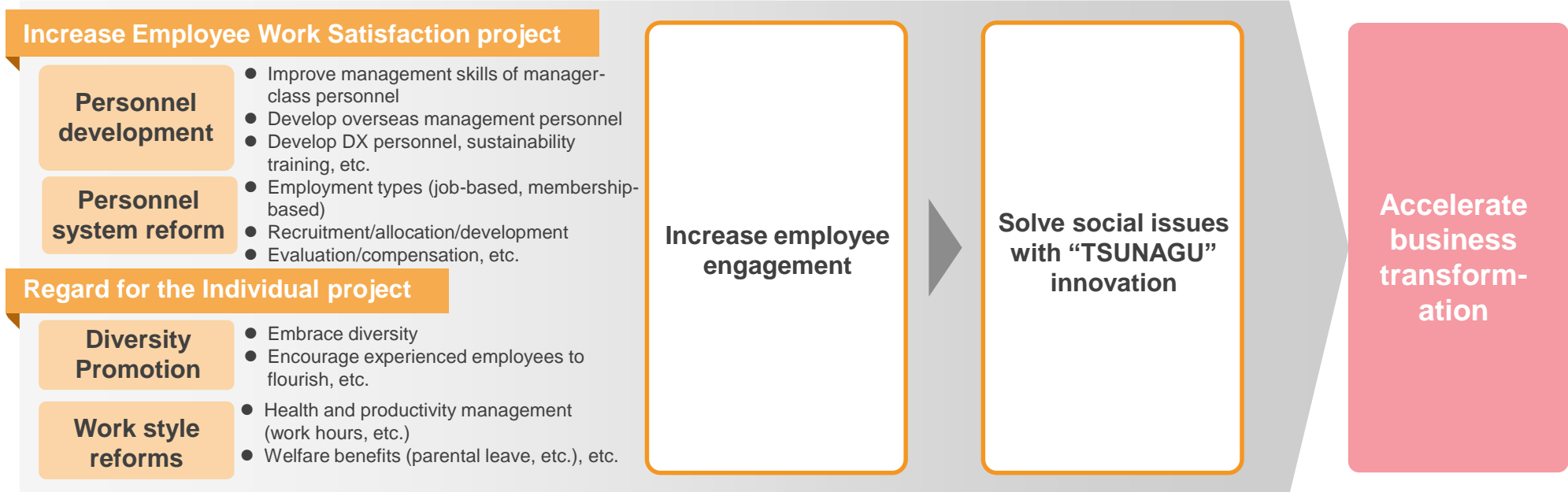


Corporate Culture Reform (Personnel System Reform)

Through the YUASA PRIDE Project (“Increase Employee Work Satisfaction” project & “Regard for the Individual” project), we will increase employee engagement and develop personnel who can solve social issues with “TSUNAGU” innovation.

Corporate Philosophy, Vision/Value, and Personnel Ideal

Corporate Philosophy	<ul style="list-style-type: none"> ● “Honesty and Trust” “Enterprise and Innovation” “Regard for the Individual”
YUASA Vision	<ul style="list-style-type: none"> ● “TSUNAGU” Service Integrated Shosha Group ● Achieve YUASA VISION 360
YUASA Value (Action guidelines required of employees)	<ul style="list-style-type: none"> ● We will strive to have open communication with members within and outside departments with the aim of demonstrating the total coordination skills of the YUASA TRADING Group beyond its own territory with a challenging spirit. ● With an understanding of the more than 350 years of our traditions and giving thanks to our predecessors, we will create new value through relentless innovation and pass that value on to our successors.
Personnel ideal (How work should be)	<ul style="list-style-type: none"> ● Personnel who can solve customers’ management issues



Corporate Culture Reform (Environment Building)

Using the new head office as a model, the entire YUASA TRADING Group will aim for an office environment that enables us to promote our total coordination skills, challenging spirit, and communication.

Aimed-for environment building

Build an environment that enables maximization of “TSUNAGU” innovation

Total coordination skills
Environment that enables divisions and the Group to demonstrate total coordination skills

Challenge
Environment that enables the challenges of new business creation and operational reforms

Communication
Environment that enables communication with diverse employees

New head office overview

- **Planned construction location**

5-9 Shinbashi, Minato-ku, Tokyo

- **Office concept**

We will realize **work style reforms** by establishing office environments that will enable employees to enjoy working in comfort and with vitality and to fully demonstrate their performance.

- 1) **Demonstrate total coordination skills**

Bringing the Group companies together, we will strive to demonstrate YUASA TRADING Group’s total coordination skills and to speed up decision making.

- 2) **Promote challenging spirit**

We will consolidate functions into a single office to promote creation of innovation.

- 3) **Promote communication**

We will promote building an environment that enables employees to gather and communicate regardless of division, position, age, etc. (tactical base for sales reps, consultation room for seeking advice about concerns, problems, etc.).

- **Building concept**

- 1) **Consideration for environment**

We will aim to obtain Comprehensive Environmental Assessment (CASBEE, DBJ Green Building) and energy-efficiency assessment (BELS, ZEB) certification.

- 2) **Introduce latest technology and disseminate information**

We will create office spaces that bring together the latest technology and disseminate information.

- 3) **Consideration for local community**

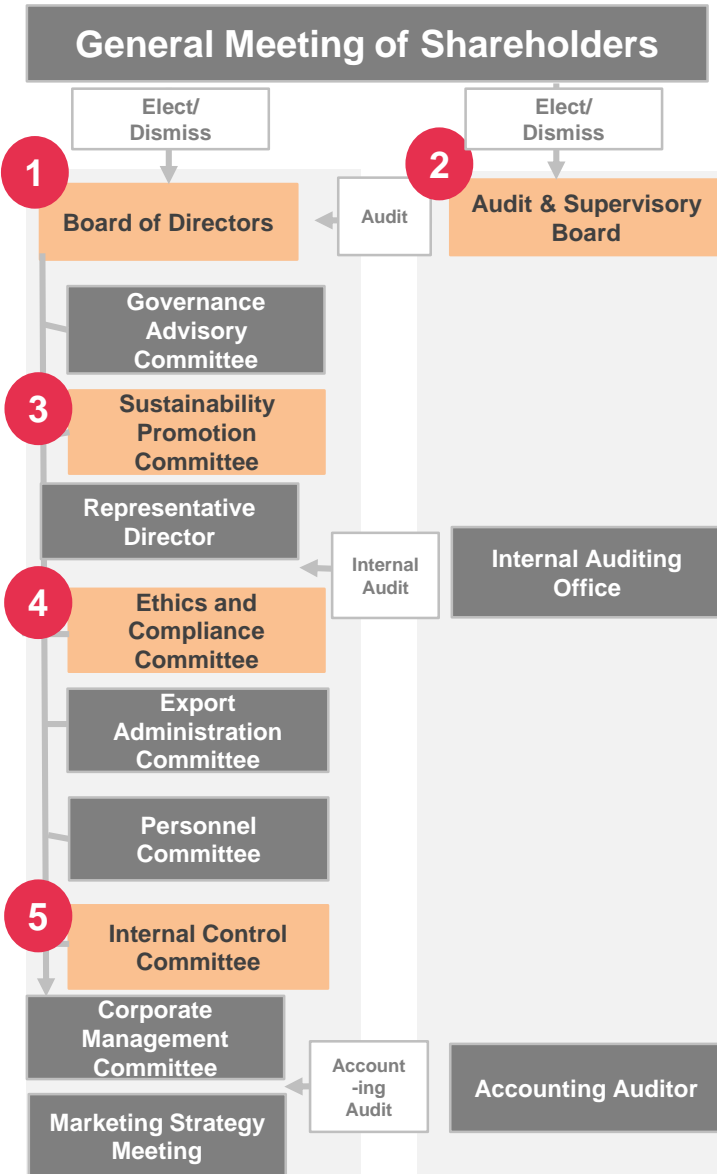
We will establish spaces where people can come to relax and mingle.

Roll out to branch offices and Group companies

We will promote building an environment that enables the entire Group to maximize “TSUNAGU” innovation by rolling out these concepts to our branch offices, business offices, and the Group companies.

Corporate Culture Reform (Strengthening of Governance)

With the aim of improving corporate quality, we will strengthen our governance, compliance, and risk management initiatives.



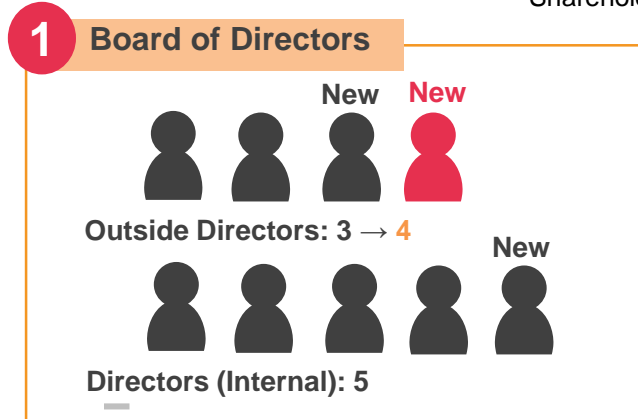
Initiatives to Strengthen Governance



Increase number of outside directors

● Aim for **46% outside officers**, **15% female officers**

*To be disclosed as proposal to Annual General Meeting of Shareholders on May 26, 2023



3 Strengthen responses to climate change risk

● Scenario analysis and information disclosure under TCFD framework



5 Strengthen Group governance

● Promote centralization of Group companies' accounting operations

● Strengthen control of overseas Group companies



4 Strengthen compliance structure

● Strengthen compliance structure through third parties (Ethics and Compliance Committee advisor)



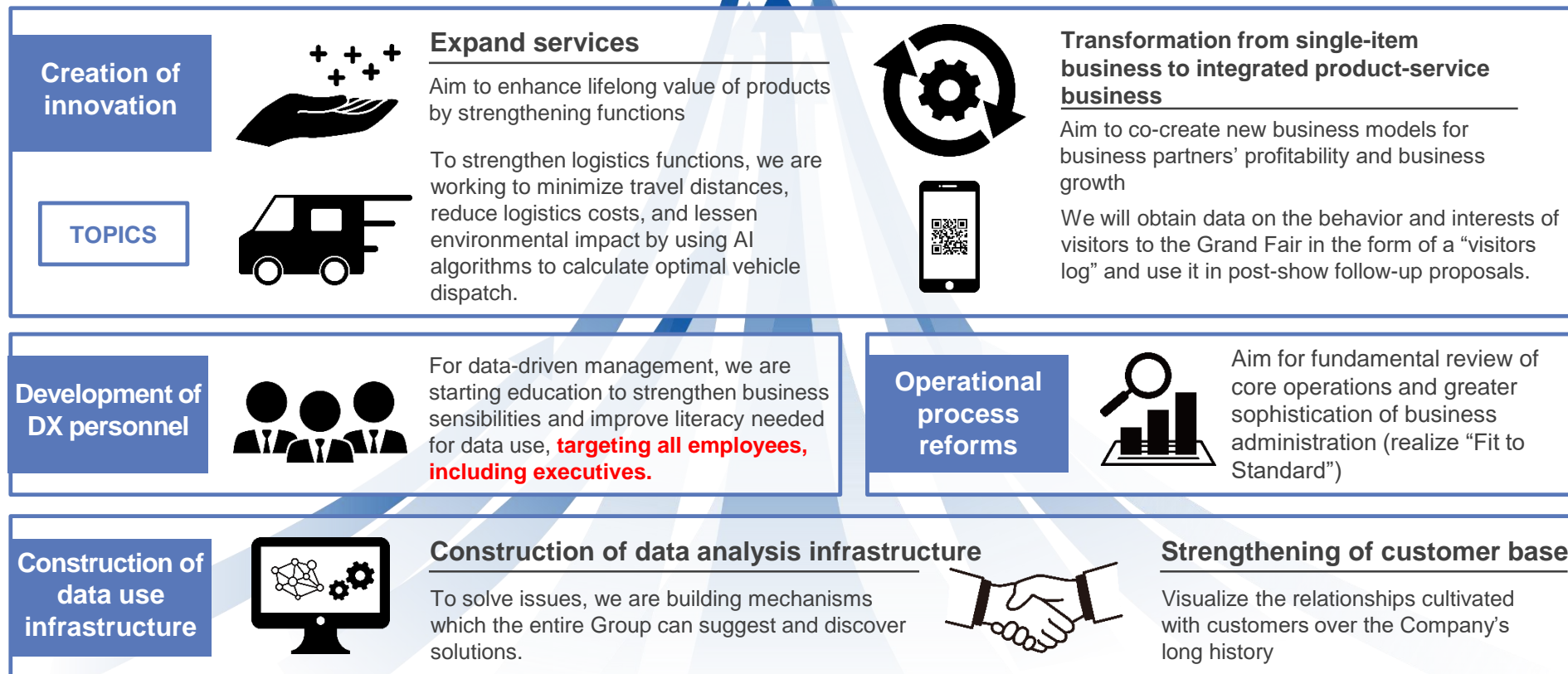
Strengthen information security management

● Establish IT Policy and strengthen IT governance

DX Promotion (Overview)

With the goal of promoting business transformation, we will promote the construction of data use infrastructure, development of DX personnel, operational process reforms, and the creation of innovation.

Business Transformation DX Promotion



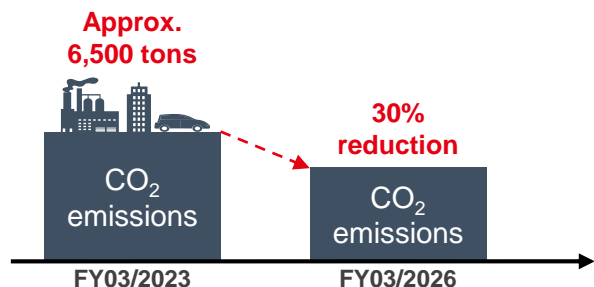
Sustainability Promotion (Carbon Neutrality)

In addition to aiming for carbon neutrality in the Group, we will accelerate the carbon neutrality promotion business.

Carbon Neutrality Promotion in Our Group

Roadmap

- We will **reduce CO₂ emissions by 30%** by March 2026 (compared with FY03/2023).



Reduce CO₂ emissions from use of electric power

- Promote energy-saving (operational improvements and equipment updating)
- Implement renewable energy
- Purchase renewable energy

Reduce gasoline use

- Switch to eco-friendly company vehicles

Other actions

- Utilize company-owned forests
- Utilize emission credits

Leverage our Group knowledge and insights to accelerate carbon neutrality promotion business alongside business partners

Carbon Neutrality Promotion Business

We will propose energy-saving, renewable energy, and carbon offsets as concrete means of achieving carbon neutrality.



Energy-saving

Reduce CO₂ by updating to energy-saving equipment

Renewable energy

Introduce on-site solar power generation equipment for company use

Offsets

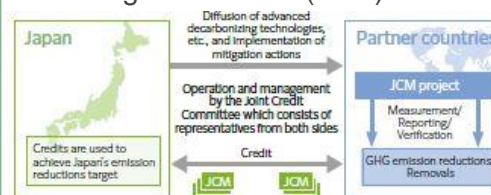
Switch to new power with no CO₂ emissions
Purchase credits and certificates

0%

Propose optimal combinations tailored to the customer's circumstances

Promote carbon neutrality overseas

We will promote energy-saving and carbon neutrality in overseas companies with the use of Joint Crediting Mechanism (JCM).



Carbon neutrality seminar in Thailand (January 2023)

Promotion of next-generation energies

- Synthetic fuel initiatives
- Hydrogen business initiatives

Investment Policy

We will conduct flexible growth investments (growth strategy, DX, and IT digital investments) through the promotion of face-to-face sales.

Growing Together 2023		
Target	Actual	Details
JPY4.0bn	-	-
JPY4.0bn	JPY1.9bn	<ul style="list-style-type: none"> ● Capital & business alliance <ul style="list-style-type: none"> • connectome.design inc.
JPY5.0bn *incl. core businesses	JPY3.7bn	<ul style="list-style-type: none"> ● M&A <ul style="list-style-type: none"> • Nakagawa Kinzoku (industrial machinery) • Maruken Service (construction machinery) ● TSUNAGU original product development <ul style="list-style-type: none"> • Processing environment solutions • Home delivery boxes with V2H functions • YACHIBEI • BCP packages • Remote pre-fabricated ICU wards, etc. ● Development of EC site functions <ul style="list-style-type: none"> • G-Navi B to B to U operation ● Strengthening of logistics <ul style="list-style-type: none"> • Redevelopment of Kyushu Logistics Center
JPY4.0bn	JPY0.8bn	<ul style="list-style-type: none"> ● IT digital investments
JPY17.0bn	JPY6.4bn	

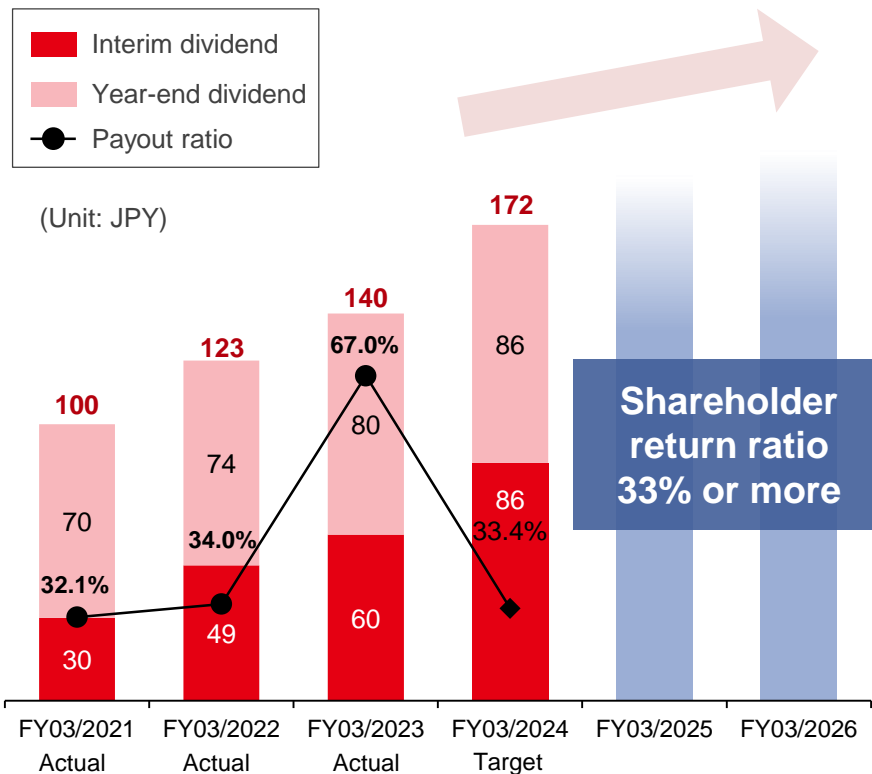
Growing Together 2026	
Investment	Target
Overseas Business	JPY6.0bn
Digital Business	
Green Business	JPY4.0bn
Resilience & Security Business	
New Distribution Business	
Long-term Care & Medical Business	
Agriculture Process Business	
Food Equipment Business	
Sharing Business	JPY11.2bn
Core businesses	
DX and IT digital investments	JPY11.2bn
Total	JPY21.2bn

Shareholder Return Policy

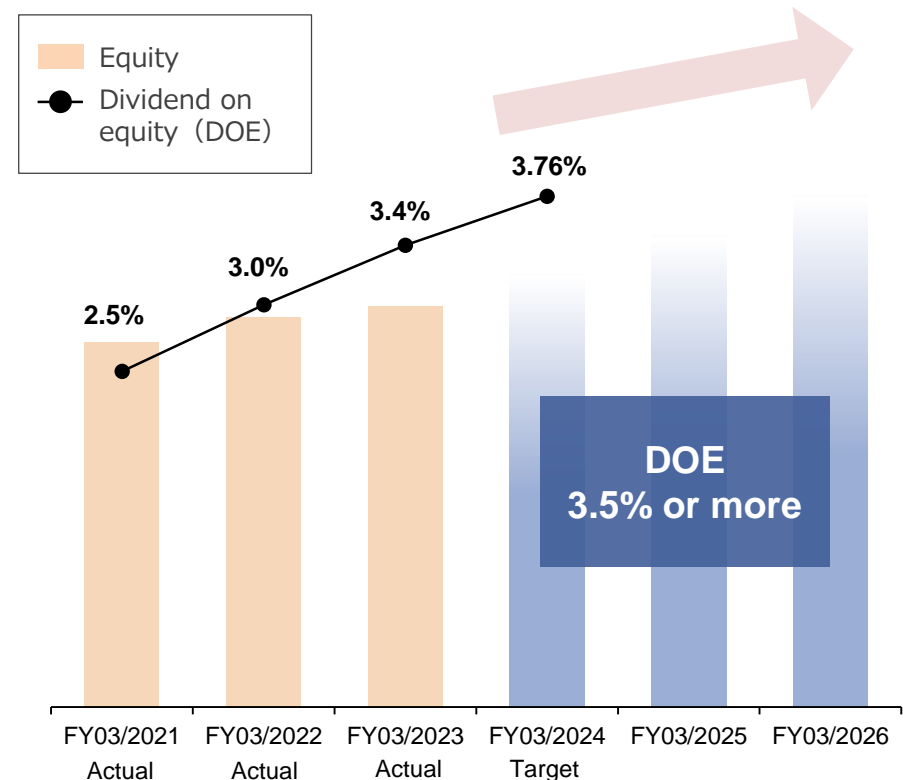
We will continue to provide stable shareholder returns by improving the shareholder return ratio (dividends and share repurchases) and dividend on equity (DOE).

- **Dividends:** With a basic policy of stable dividends, we will issue dividends based on consolidated cashflow and investment situations.
- **Share repurchases**(※): Acquired about 4 billion yen worth of treasury stock since last fiscal year, and completed the acquisition on May 12 (including 260 million yen for this fiscal year).
- **Enhancement of corporate value:** In addition to our aim to improve ROE, we will strive to improve our share price through proactive information disclosures and IR activities.

Trend in dividend per share and payout ratio



Trend in dividend on equity (DOE)



(※) Based on the resolution of the Board of Directors on May 13, 2022, we have acquired treasury stock with an upper limit of 4 billion yen (result: 3,999,696,803 yen). In addition, 1,055,882 shares of treasury stock (4.56% of the total issued shares) were canceled on May 31.

Growing Together 2026 Numeric Targets & KPI

Financial KPI

In billions of yen (rounded down)

	FY03/23 Result	FY03/2024 Target	FY03/2026 Target
Net sales (*1)	504.8	523.0	576.0
Operating profit	14.5	15.4	19.0
Ordinary profit	15.3	16.4	20.0
Ordinary profit margin	3.05%	3.1%	3.4%
Profit	10.0	10.8	13.2
Return on equity (ROE)	10.8%	11.2%	11.8%
Shareholder return ratio (*2)	67.0%	33+%	33+%
Dividend on equity (DOE)	3.4%	3.5+%	3.5+%

(*1) Net sales figures are after the application of the revenue recognition standard.

(*2) FY03/2023 result for shareholder return ratio includes JPY 3.7 billion of share repurchases.

Growing Together 2026 Numeric Targets & KPI

Non-financial KPI

	FY03/2023 Result	FY03/2024 Target	FY03/2026 Target
CO ₂ emissions (t-CO ₂) (*1)	—	5,850 t-CO₂ (10% reduction)	4,550 t-CO₂ (30% reduction)
Percentage of women in management positions	1.9%	2.0%	3.0%
Percentage of women in management track positions	4.2%	4.2%	6.0%
Percentage of women hired for management track positions	10.3%	6.5%	12.0%
Ratio of usage of childcare leave and other leave taken for childcare purposes by male employees	78.1%	80.0%	90.0%
Paid leave usage rate	62.8%	65.0%	70.0%
Average annual hours worked	1,955 hours	1,940 hours	1,920 hours
Management HR development * Number of participants in training programs (total)	84 persons	250 persons	370 persons
Digital HR development * Successful candidates for original YUASA program	—	IT Personnel: 100 (*2)	IT personnel: 600 DX personnel: 40 (*3)

(*1) KPIs set based on anticipated FY03/23 Group-wide CO₂ emissions of approx. 6,500 t-CO₂.

(*2) IT Personnel: Personnel who are able to use IT tools and digital technologies in their own work and implement digital initiatives.

(*3) DX Personnel: Personnel who use the results of data analysis and use knowledge specific to marketing and management strategy to formulate and promote new proposals

4

Consolidated earnings forecasts for the Fiscal Year Ended March 31, 2024

FY03/24 forecast



Service Integrated Shosha Group

In billions of yen (rounded down)

	1Q-2Q	3Q-4Q	Full year		
	Target	Target	FY2023/03 result	Target	Change
Net sales	252.0	271.0	504.8	523.0	+3.6%
Gross profit (percentage)	5.9	9.5	14.5	15.4	+6.2%
Selling, general and administrative expenses	2.3%	3.5%	2.89%	2.9%	+0.0%
Operating income (percentage)	6.4	10.0	15.3	16.4	+7.1%
Ordinary income (percentage)	2.5%	3.6%	3.05%	3.13%	+0.1%
Profit attributable to owners of parent	6.3	5.4	10.0	11.7	+17.0%

*Figures are after the application of the new revenue recognition standards.



Service Integrated Shosha Group



YUASA TRADING CO., LTD.

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.