



YUASA TRADING CO., LTD.

Fiscal year ending March 31, 2024 Full year Financial Results Briefing

May 16, 2024

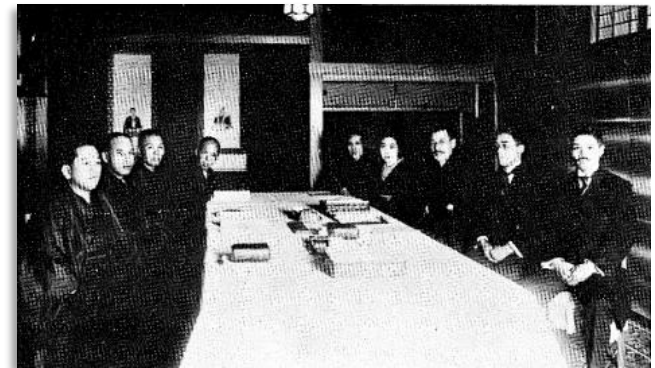
Hiroyuki Tamura, President and CEO

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
1909	For the purpose of domestic production of Western metal products, established YUASA IRON WORKS in Sakai City, Osaka Prefecture.
1919	Established YUASA SHICHAEMON SHOTEN CO., LTD.
1940	Changed company name to YUASA HARDWARE CO., LTD.
1978	Changed company name to YUASA TRADING (湯浅商事) CO., LTD.
1992	Current company name changed to "YUASA TRADING (ユアサ商事) 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)

Our Business Model



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Summary of Financial Results for the Fiscal Year Ended March 31, 2024

Results and plan

Year-on-year increase in sales and profit, and the highest profit for two consecutive fiscal years

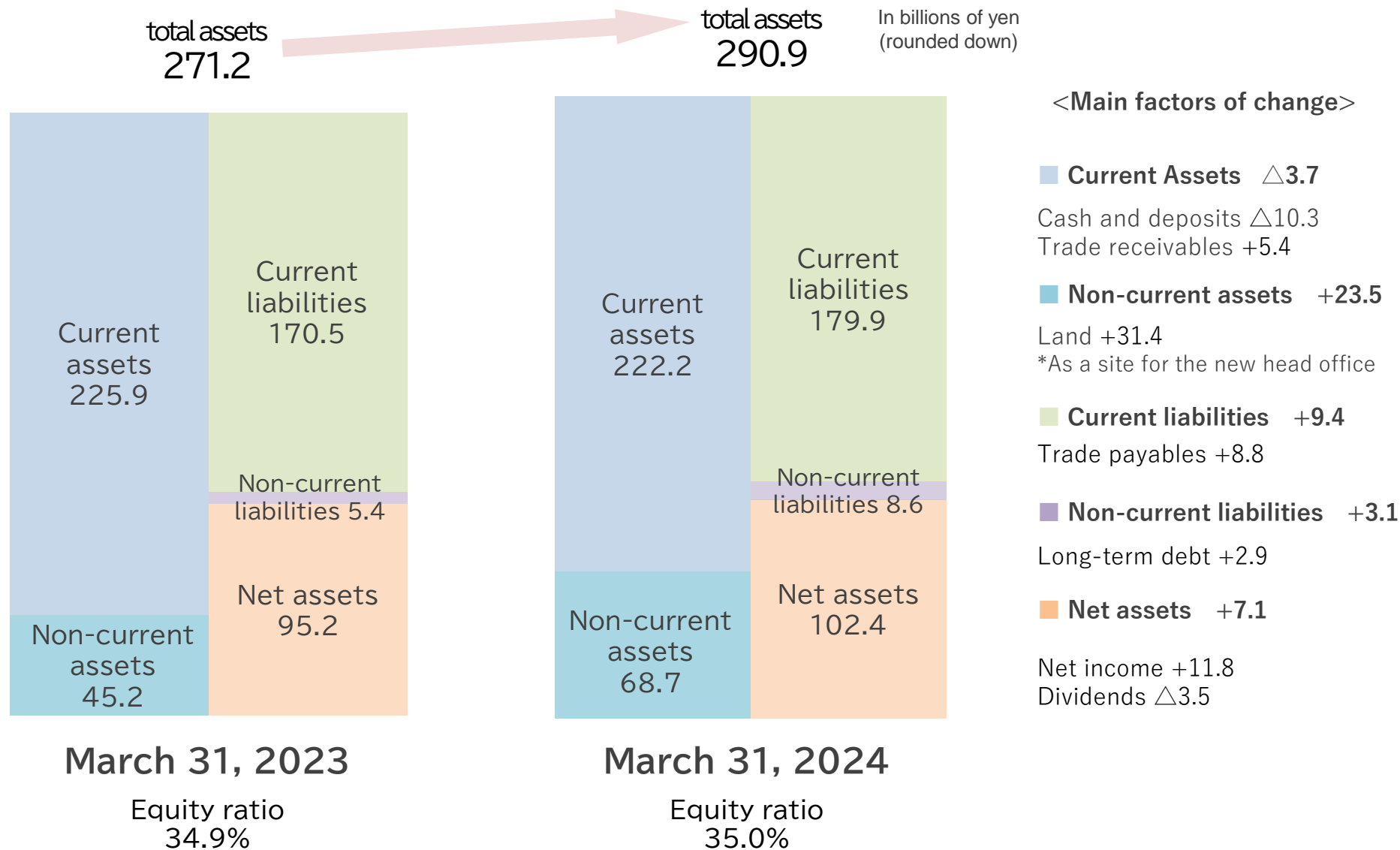
Unit: Billions of yen
(rounded down to the nearest hundred million)

	Results			plan	
	3/2023	3/2024	year on year	3/2024	Comparison with plan
Net sales	504.8	526.5	+4.3%	523.0	100.7%
Gross profit (percentage)	52.4 (10.39%)	57.6 (10.95%)	+9.9% (+0.56P)		
Selling, general and administrative expenses	37.8	42.9	+13.4%		
Operating income (percentage)	14.5 (2.89%)	14.7 (2.80%)	+0.9% (-0.09P)	15.4	95.6%
Ordinary income (percentage)	15.3 (3.05%)	15.7 (2.99%)	+2.3% (-0.06P)	16.4	96.0%
Attributable to owners of parent Profit	10.0	11.8	+17.2%	12.4	95.3%

Net Sales and Operating Income by Segment

		Net sales		Operating income		Main factors of change
In billions of yen (rounded down)		3/2023	3/2024	3/2023	3/2024	
Manufacturing	Machine Tools	77.4	79.7 (+3.0%)	2.1	2.1 (+0.3%)	Due to the recovery of the automotive industry Steady mainly in cutting tools
	Industrial Equipment & Tools	118.5	118.3 (-0.2%)	5.7	5.4 (-5.5%)	Japan: Capital investment, especially in the automobile industry, is recovering Overseas: Stagnant in China, but steady in the U.S. and Southeast Asia
Home-Building Environment-Building	Housing, Air & Fluidic Control Systems	177.9	197.6 (+11.1%)	6.3	7.8 (+23.5%)	Housing Equipment and Piping Materials for Remodeling Steady Air conditioning also continued to perform well due to demand for energy conservation
Town-Building	Building Suppliers & Exterior	51.6	54.4 (+5.4%)	2.3	2.0 (-16.1%)	Focusing on urban redevelopment and logistics facility projects Steady sales of exterior products
	Construction Machines	36.5	37.2 (+2.1%)	1.2	1.0 (-15.7%)	Infrastructure development and disaster prevention/mitigation work steady Delays in delivery due to rising material costs and labor shortages
Others	Energy	19.1	19.1 (+0.3%)	0.2	0.2 (-8.1%)	Demand for gasoline is sluggish due to the spread of fuel-efficient vehicles Market conditions stabilized due to continued subsidy measures
	Other	23.6	19.9 (-15.5%)	0.1	0.3 (+222.7%)	Consumer Goods: Weak sales of seasonal appliances due to warm winter Lumber: Domestic demand for lumber remains weak

Consolidated Balance Sheet



Consolidated Cash Flows

Cash flow from land acquisition, etc.: △13.0 billion yen

Unit: Billions of yen
(rounded down to the nearest hundred million)

(data) item	March 31, 2023	March 31, 2024	change	main cause
Net cash provided by (△used in) operating activities	8.3	24.0	15.7	Gain on cancellation and return of retirement benefit trust: +1.3
Net cash provided by (△used in) investing activities	△2.8	△34.2	△31.3	Acquisition of property, plant and equipment: △29.1
Net cash provided by (△used in) financing activities	△6.8	△0.4	6.4	Long-term debt: +5.0 Repurchase of treasury stock: +3.2
Net increase (△ decrease) in cash and cash equivalents	△1.1	△10.3	△9.2	
Cash and cash equivalents at the <u>beginning of period</u>	53.5	52.3	△1.1	
Cash and cash equivalents at the <u>end of period</u>	52.3	42.0	△10.3	

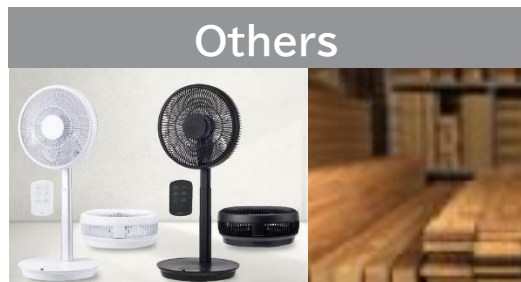
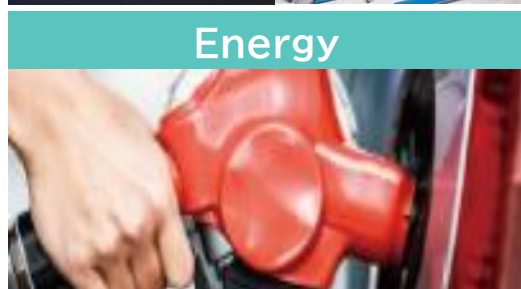
Fiscal Year Ending March 31, 2025 Performance Plan

Fiscal Year Ending March 31, 2025 Performance Plan

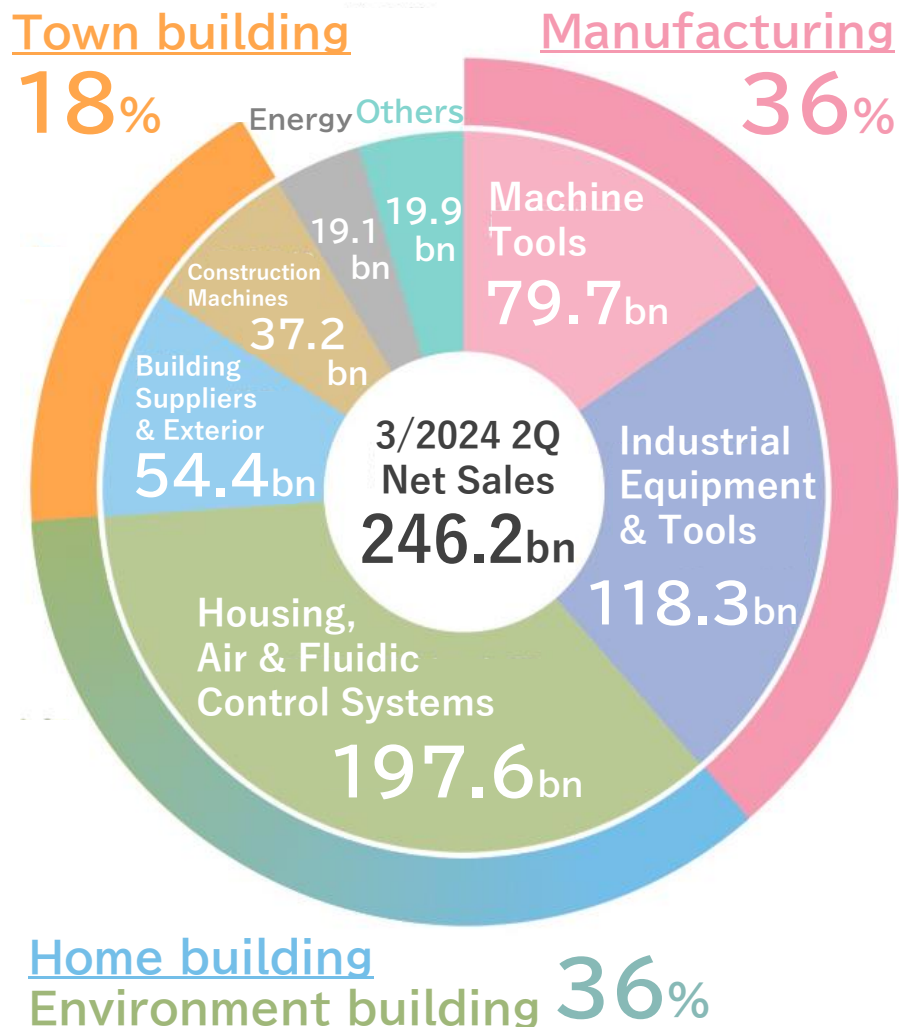
Plans to record the highest profits for the third consecutive fiscal year Unit: Billions of yen
(rounded down to the nearest hundred million)

	3/2024		3/2025 (Plan)			
	2Q	Full year	2Q	Y on Y	Full year	Y on Y
Net sales	246.2	526.5	249.2	+1.2%	542.4	+3.0%
Operating income (Percentage)	5.9 (2.40%)	14.7 (2.80%)	6.3 (2.56%)	+7.8% (+0.16P)	17.0 (3.13%)	+15.5% (+0.33%)
Ordinary income (Percentage)	6.4 (2.60%)	15.7 (2.99%)	6.8 (2.75%)	+7.1% (+0.15P)	18.0 (3.32%)	+14.4% (+0.33%)
Attributable to owners of parent Profit	6.4	11.8	4.5	-29.8%	12.0	+1.6%

Our Business Fields and Core Business Segments



Composition ratio of business fields and segments



Solving social issues through growth strategies

society as a whole Issues of

Decrease in domestic workforce
Increased awareness of decarbonization and carbon neutrality
High prices for resources and energy
Rising labor and recruiting costs
Increase in natural disasters, including earthquakes and floods
Domestic and international economic fluctuations
Geopolitical risks, etc.

Nine growth strategies to address social issues



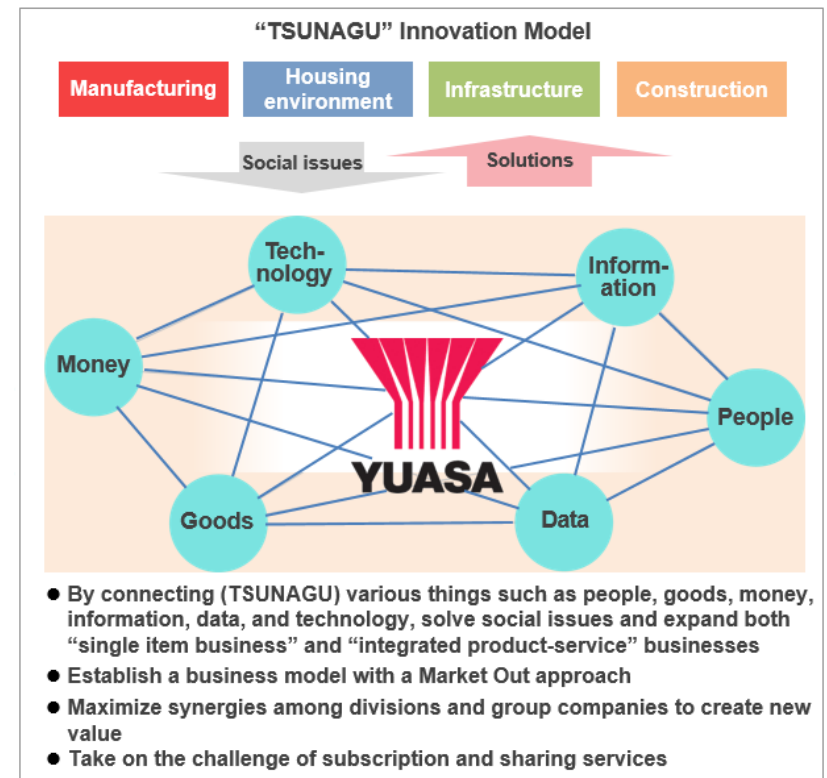
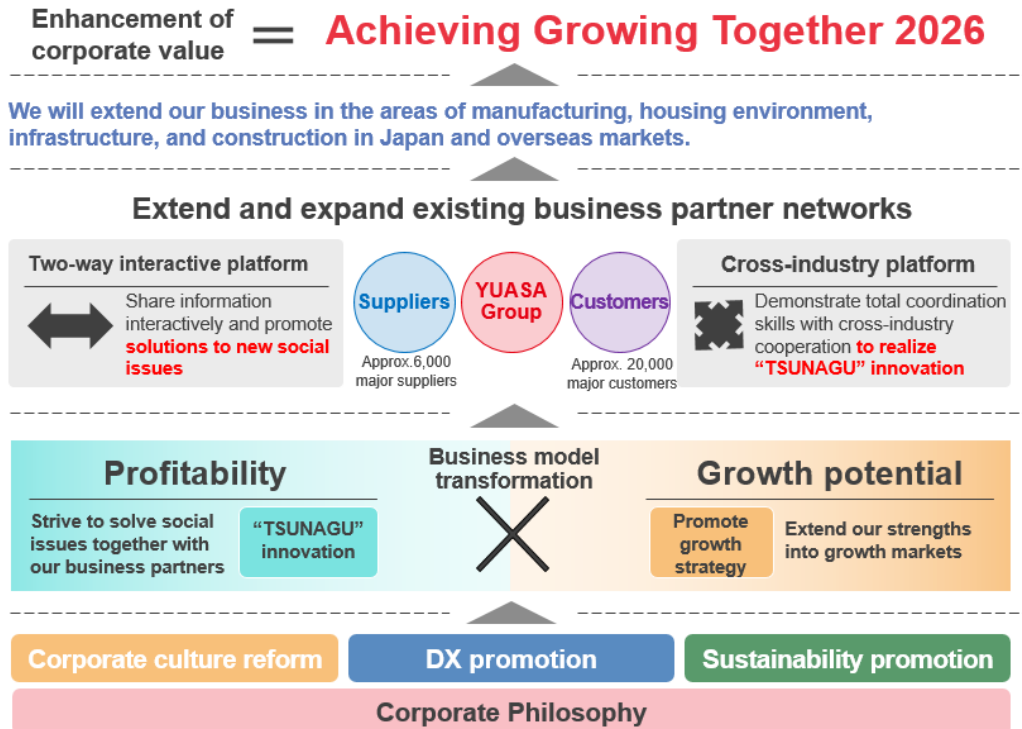
Mid-term Management Plan

Progress of “Growing Together 2026”

Growing Together 2026 Priority Initiatives

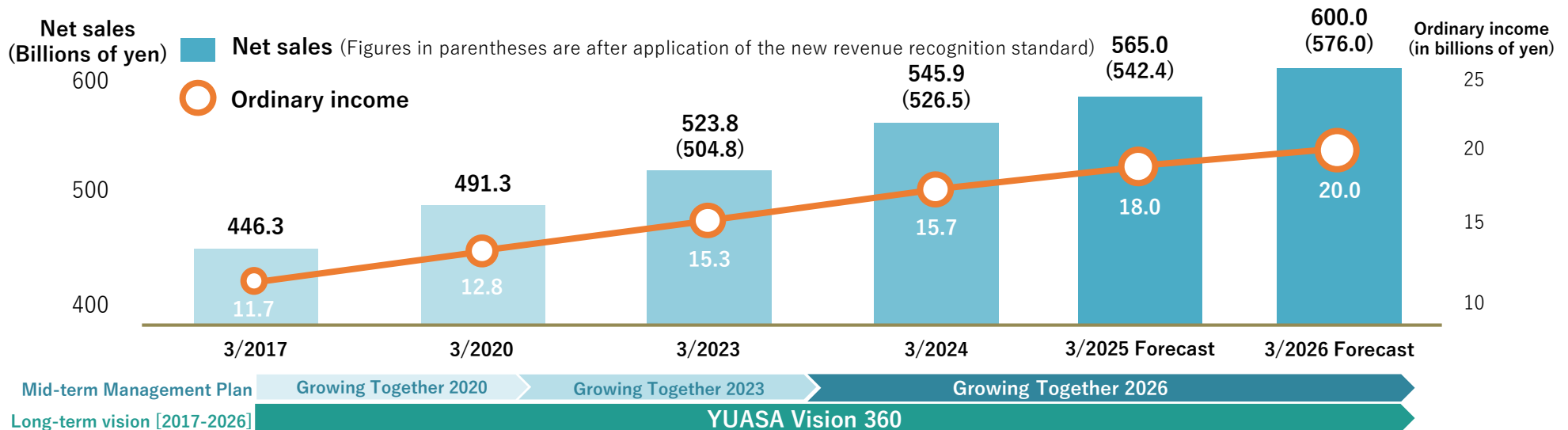
- “TSUNAGU” innovation connects a variety of goods and services. Create new value and improve profitability
- Increase growth potential by expanding into areas and markets where we can leverage our strengths
- Expansion of business partner network through cross-industry collaboration and DX promotion

Conceptual image of business transformation

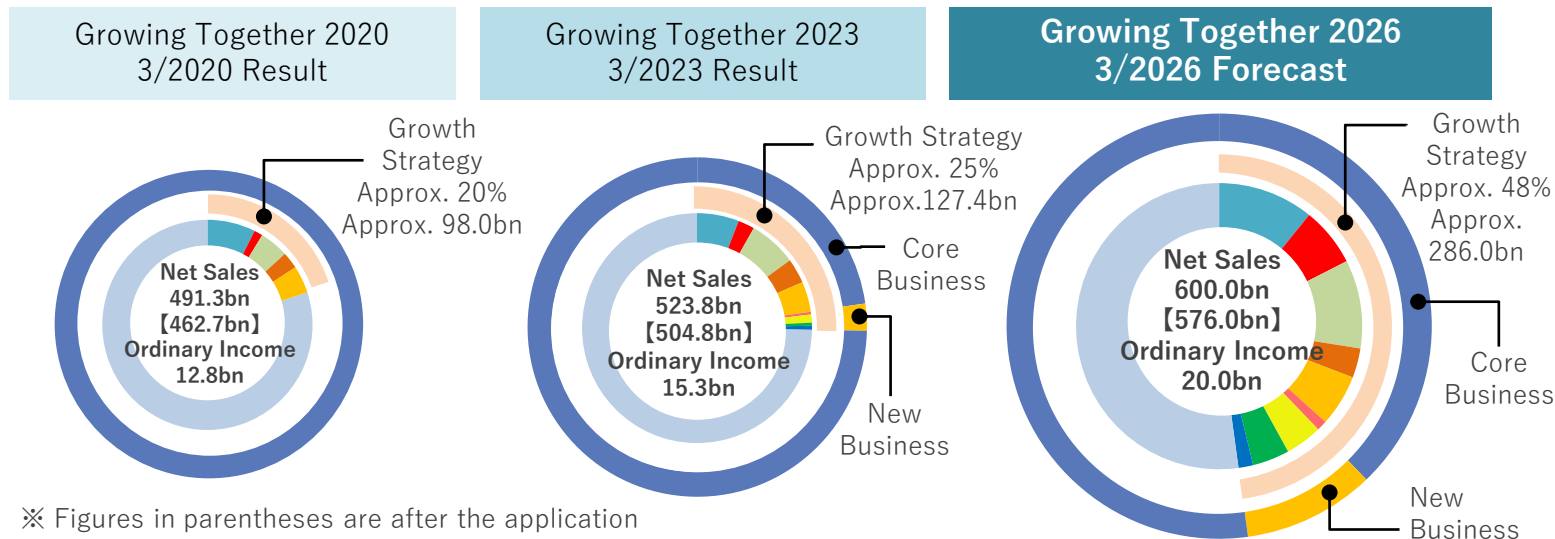


Numeric Targets for Growing Together 2026

Net Sales and Ordinary Income



Changes in business scale and growth strategy



Growth strategies to expand business

Core Businesses

Strategies for expanding our core businesses



New Businesses

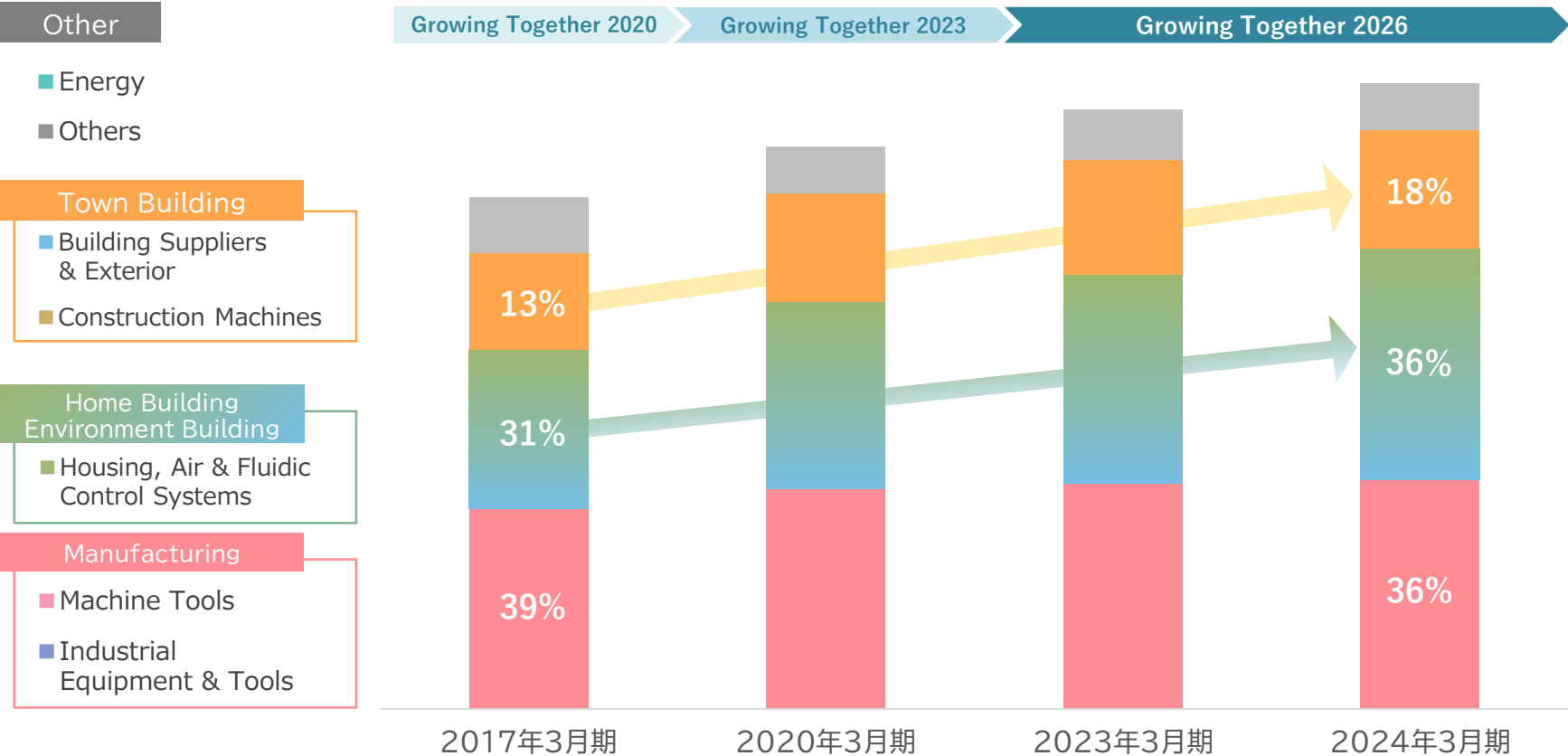
Aiming for new growth by leveraging our strengths



※ Figures in parentheses are after the application of the revenue recognition accounting standard.

Strengthening the business portfolio through the "Yuasa Vision 360"

Composition Trends by Business Field (2017-2024)



Growth in “Home Building” and “Environment Building” and “Town Building” areas while increasing overall volume

➡Optimization of the business portfolio is progressing through the implementation of growth strategies.

Plans and Progress by Growth Strategy

Expansion of core business and demonstrate our strengths in new business.

Growth Strategy Targets by Sector (FY2026)



Strategies for expanding our core businesses

Aiming for new growth by leveraging our strengths

Total

3/2024
Results

3/2026
Forecast

state of
progress

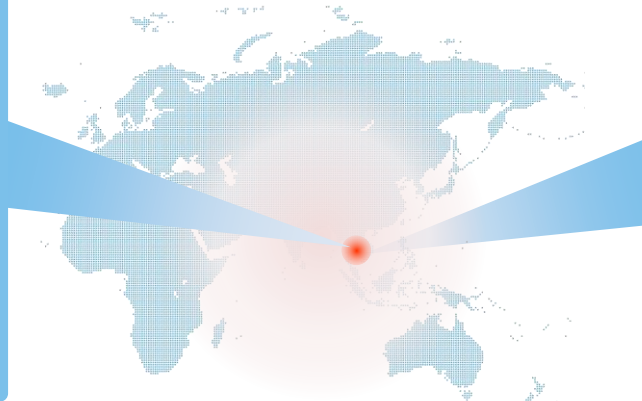
	281	500	130	344	174	19	191	63	77	1,783
	<u>650</u>	<u>600</u>	<u>400</u>	<u>350</u>	<u>250</u>	<u>100</u>	<u>250</u>	<u>160</u>	<u>100</u>	<u>2,860</u>
	×	◎	×	◎	◎	×	◎	○	◎	○

Promoting Growth Strategies: Overseas

Overseas Strategy: Targeting South Asia



Completion image of the new building in Thailand



Grand Fair (Kanto , Japan)

Establish
overseas promotion

Promote integration
of overseas bases

First overseas grand fair to be held in Thailand in February 2025

Approximately 150 manufacturers are scheduled to exhibit
(as of now) YUASA Grand Fair in THAILAND

Comprehensive development of multiple divisions, including housing and construction, from an industrial focus

Approaching social issues through advancement
in the fields of housing, environment, and community development

Strengthen functions of bases in Thailand and India, and resolve social issues by demonstrating comprehensive strengths

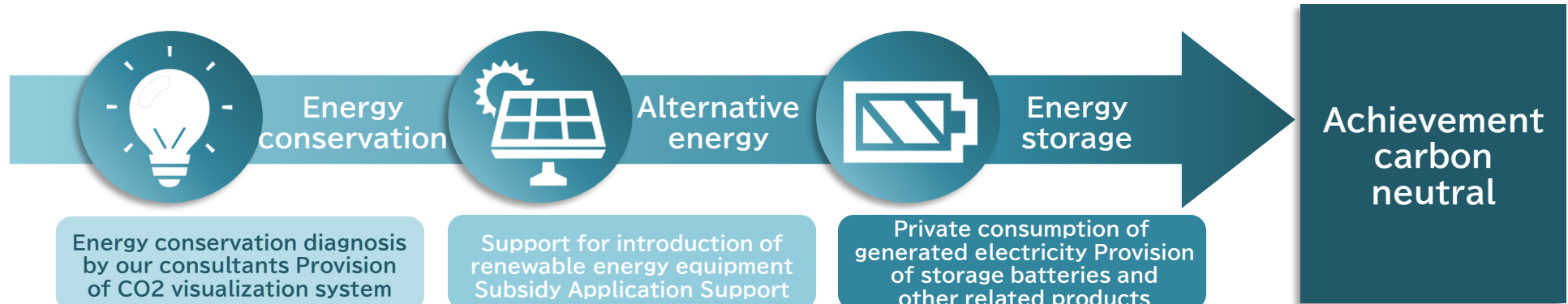
<Thailand>Construction of a new company building
(scheduled for completion in 2024) to consolidate two local bases.
<India>Expanded local bases from 2 to 4,
strengthening expansion into growth markets.

Strengthening the local capital network

Acquired shares of HENKO Group, which has a network of six companies
in three Southeast Asian countries

Promoting Growth Strategies: Green

One-stop solution for energy conservation, renewable energy, and energy storage



Efforts to introduce energy conservation, renewable energy, and energy storage



- CO2 emissions management at multiple locations is also possible. Cloud services made easy Provision of "YES-net"
- Save on power usage at your plant proposal for the "ECOMO" power conditioning unit
- Air conditioning refurbishment at the company's distribution center promote the introduction of energy-saving equipment
- Solar, industrial/household storage batteries, etc. Providing "Create" and "Store" solutions
- V2H, solar carports, etc. Strengthen product development by connecting manufacturers

Promoting Growth Strategies: Digital

Digital Business: Labor and manpower saving through robotics, AI, etc.

Longer fixture life and labor savings AI authentication improves security Automated Conveyance Systems for the 2024 Problem

Processing Environment Solutions



Processing of brittle materials such as glass maintaining a vacuum environment on site, positioning, etc. Digitization of processes that used to be done by human eyes and hands

At the Gifu Showroom of Tactex Co.
Demonstration tours and
test verification are underway

Retrofittable Face Recognition Device



Work permits for machine tools, etc., are carried out using facial recognition. Can be retrofitted to existing machines Improved security without relying on IC cards, etc.

At the Grand Fair 2024
Demonstration will be held
at 5 venues across Japan

Twin Pick



First in Japan with two different robots
Labor and manpower saving through
cooperative transport
(Utility model registered)

Operation is currently being
Demonstrated at the Kanto Logistics
Center (Kashiwa City, Chiba)

Promoting Growth Strategies: Solving Social Issues

Approaching various social issues through growth strategies

Increase in natural disasters ensuring the safety of people during disaster response
Maintain transportation infrastructure in the event of a disaster

Ensure food safety
Shortage of inspection technicians
Maintain and improve inspection accuracy

Decrease in the number of farmers
Soaring feed prices
Improvement of food self-sufficiency

Resilience & Security

Flood Damage Prevention Solutions

Tsunagu BCP Package



The Japan Resilience Awards.
The Group has won the award for 10 consecutive years since its inception.

foodstuff

Beverage Foreign Material
Inspection System

F[ai]ND OUT series



Increase in the number of bottles inspected at the same time, development for one bottle implemented strengthening of development to food and sake brewers, etc.

agriculture

Used Agricultural Machinery
Distribution Network
Original Apepen machine
for the dairy industry



(Above) Utilizing our construction equipment auction function
(Bottom) Promoting feed self-sufficiency among dairy farmers and improving food safety

Base of Change: Corporate Culture Reform

Corporate Culture Reform

Human Resource Strategy: Transformation to a corporate culture where "Connecting" innovation is the norm

YUASA PRIDE Project

Rooted in "the type of human resources" we are looking for discussions were held on improving job satisfaction and ease of work



1st (Completed)
Workshop on Enhancing Job Satisfaction
→Solving business partners' management issues.
Discussion on fostering job satisfaction through

2nd (in progress)
Human Respect Workshop."
→Discussion for respecting diversity

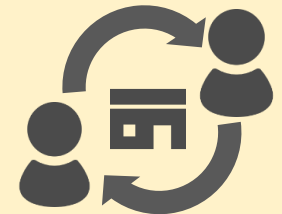
A personnel system that encourages challenges



Expatriate assignment system



In-house FA system
(Department transfers based on self-reporting)



Group Companies Personnel exchange in

creating a (usually favorable) environment

Promote integrated strength and communication

"Integrated Base Construction Project" for the construction of the new head office

Developing an environment that promotes integrated capabilities and communication, as well as expanding to the office environment at each location



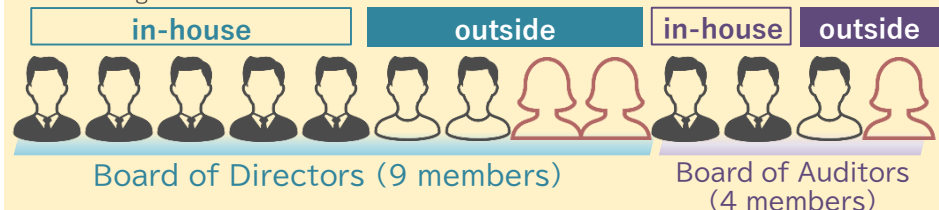
Office view of our Tohoku Branch

Strengthening Governance

Promote diversification of board composition

Increase in the number of female directors:
2 (15%) → 3 (23%)

*With the approval of the Annual General Meeting of Shareholders to be held in June 2024 executive composition of 13 directors and corporate auditors, including 6 outside directors



Base of Change: DX Promotion and Sustainability Promotion

DX Promotion

Strengthening our **"Strengths"** and **"Foundations"**
we seek to solve social issues and enhance corporate



Creation of new value

Leveraging data and AI
Promote study and development of
new "TSUNAGU" products



Develop DX human resources ^(*1)

Conducted training for all employees,
including management Quantitative
[Target] Produce 100 IT personnel ^(*2)



Enhanced Security Governance

Enhanced endpoint security
Establish an incident response team

Strengthening
Strengths

Revamping
core business
operations



Data application
building the
Foundation



Customer Data
Building the
Foundation



Strengthening the Foundation

(*1) DX human resources...Human resources who utilize the results of data analysis and develop and promote new plans based on their specialized knowledge of marketing and management strategies.

(*2) IT personnel...Human resources who can utilize IT tools and digital technology in their own work and execute digital measures.



Selected as "DX Certified Business Operator"
(May 1, 2024)

Sustainability Promotion

In response to climate change
we aim to be carbon neutral in FY2030.

Efforts toward carbon neutrality in FY2030

■Target for fiscal year ending March 31, 2026

CO2 emissions **30% reduction**

(compared to fiscal year ended March 31, 2023)

Visualization of CO2 emissions at all sites by YES-net

Equipment Renewal & Power Switching

Switching to eco-cars

■Solar power generation equipment installation

Yuasa Corporation Chubu Branch Roof

Number of panels: 92 (425W/panel)

Power generation capacity: 39.1 kW

CO2 reduction: approx. 20.2 t/year



Fuji Quality House Co.

Number of panels: 45 (440W/panel)

Generating capacity: 19.80 kW

CO2 reduction: approx. 10.7 t/year

[Photo] Solar panels installed on the roof
of the materials yard on the premises of
Fuji Quality House (Isesaki City, Gunma
Prefecture), a Group company.

A solar power generation system will also be installed on the
roof of the new Thailand office building

Investment Plan and Progress

Investment Plan and Performance

73.5 / 21.2 billion yen
Results (1 year) Plan (3-year total)

Progress as of March 2024: 34.6%.

Growth strategy (including core business investments)

23.6 / 10 billion yen

Details

Investment to Strengthen South Asia

Expenses related to construction of new office building and consolidation of bases in Thailand

Development of "Tsunagu" solutions, etc.

DX IT Digital Investment

49.9 / 11.2 billion yen

Details

Establishment of Data Utilization Infrastructure

Enhanced security

DX human resource development, etc.

Major future investment plans

Overseas investment: Acquisition of HENKO Group shares (24/4)

Preparation and promotion related to Thailand Grand Fair (25/2)

Ongoing investment Development of "Tsunagu" solutions

DX promotion

Growing Together 2026 Numeric Targets & KPI

Financial KPI

In billions of yen (rounded down)

	3/2024 Target	3/2024 Result	3/2026 Target
Net sales (*1)	523.0	526.5	576.0
Operating profit	15.4	14.7	19.0
Ordinary profit	16.4	15.7	20.0
Ordinary profit margin	3.1%	2.99%	3.4%
Profit	10.8	11.8	13.2
Return on equity (ROE)	11.2%	12.0%	11.8%
Shareholder return ratio (*2)	33+%	34.9%	33+%
Dividend on equity (DOE)	3.5+%	4.1%	3.5+%

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

(*2) 3/2023 and 3/2024 results for shareholder return ratio includes JPY 3.9 billion of share repurchases.

Growing Together 2026 Numeric Targets & KPI

Non-financial KPI

	3/2023 Result	3/2024 Target	3/2026 Target
CO ₂ emissions (t-CO ₂) (*1)	10% reduction from 3/2023	Now Counting. (*2)	30% reduction from 3/2023
Percentage of women in management positions	2.0%	2.0%	3.0%
Percentage of women in management track positions	4.2%	4.0%	6.0%
Percentage of women hired for management track positions	6.5%	6.5%	12.0%
Ratio of usage of childcare leave and other leave taken for childcare purposes by male employees	80.0%	72.5%	100.0%
Paid leave usage rate	65.0%	67.8%	70.0%
Average annual hours worked	1,940 hours	1,934 hours	1,920 hours
Management HR development * Number of participants in training programs (total)	250 persons	280 persons	370 persons
Digital HR development * Successful candidates for original YUASA program	IT talents: 100	IT talents: 109 (*3)	IT talents: 600 DX talents: 40 (*4)

(*1) The Group companies include subsidiaries and associates (except for those companies not accounted for using the equity method).

(*2) We plan to disclose CO2 emissions in September 2024.

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

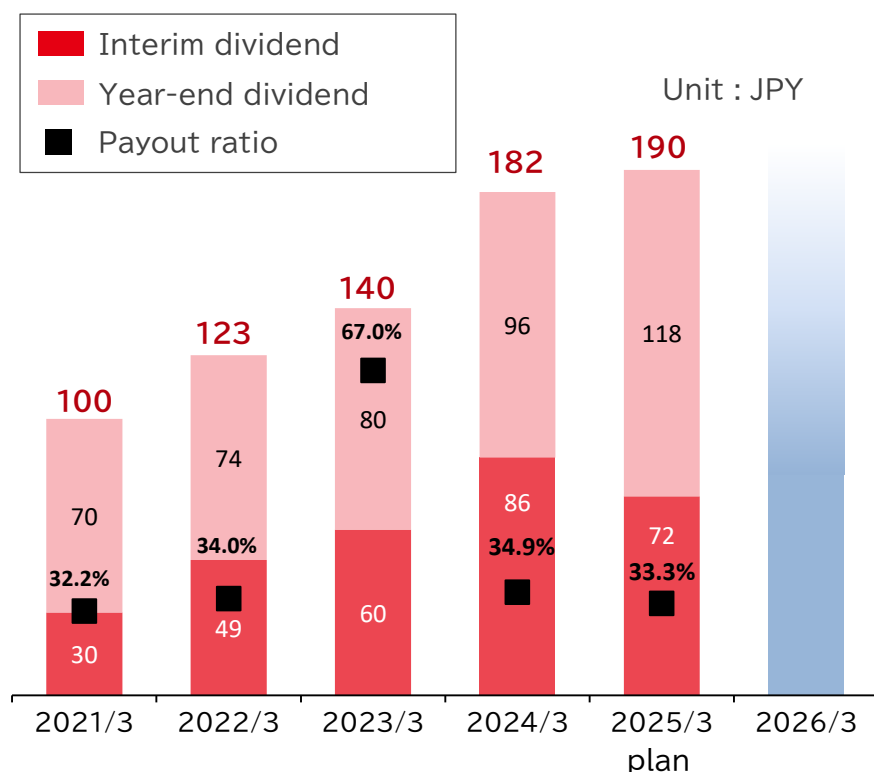
(*4) DX Personnel: Personnel who use the results of data analysis and use knowledge specific to marketing and management strategy to formulate and promote new proposals

Shareholder Return Policy

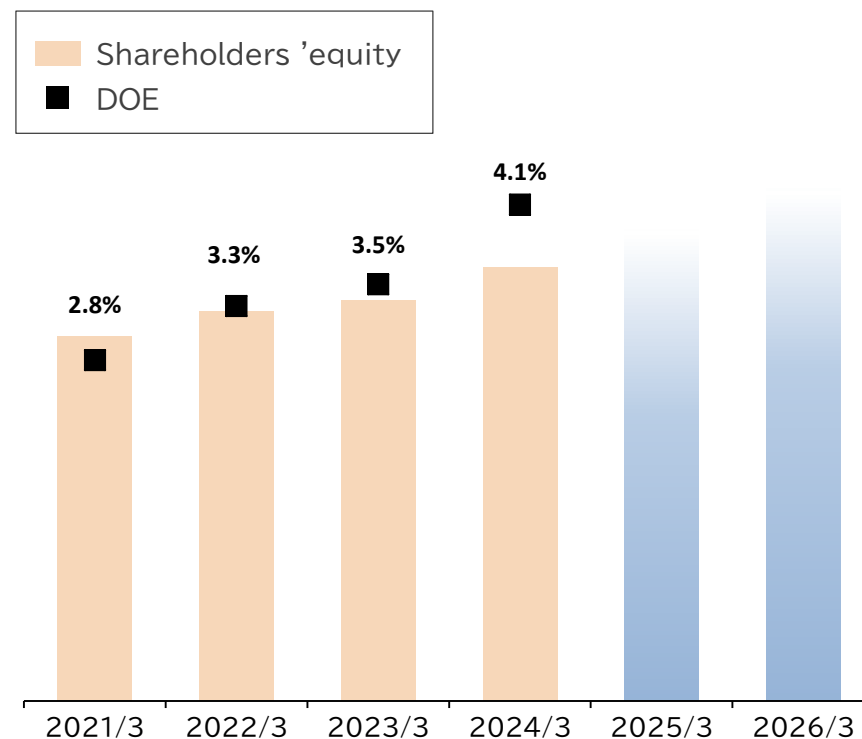
Return Policy

Maintain a **shareholder return ratio** of at least **33%** and a **DOE** of at least **3.5%**.

Dividends per Share and Shareholder Returns



Dividends on Equity (DOE)



*The actual shareholder return ratio for the fiscal years ended March 31, 2023 and 2024 includes purchases of treasury stock.

Actions to achieve cost of capital and stock price conscious management

Approach to Cost of Capital

Based on the analysis of various factors in our finance department and information provided by an external evaluation agency, we have assumed a cost of shareholders' equity of [5.88%-6.57%] as of the fiscal year ending March 31, 2024. At the same time, we are working to achieve our profit plan, which is based on the premise of achieving a return on equity (ROE) that exceeds the ROE in our medium-term management plan "Growing Together 2026".

Initiatives to ensure that earnings exceed the cost of capital

(1) Improve profitability and growth through business activities

Through the provision of products and services that help solve social issues Improve profitability and promote growth strategies to ensure continuous business growth

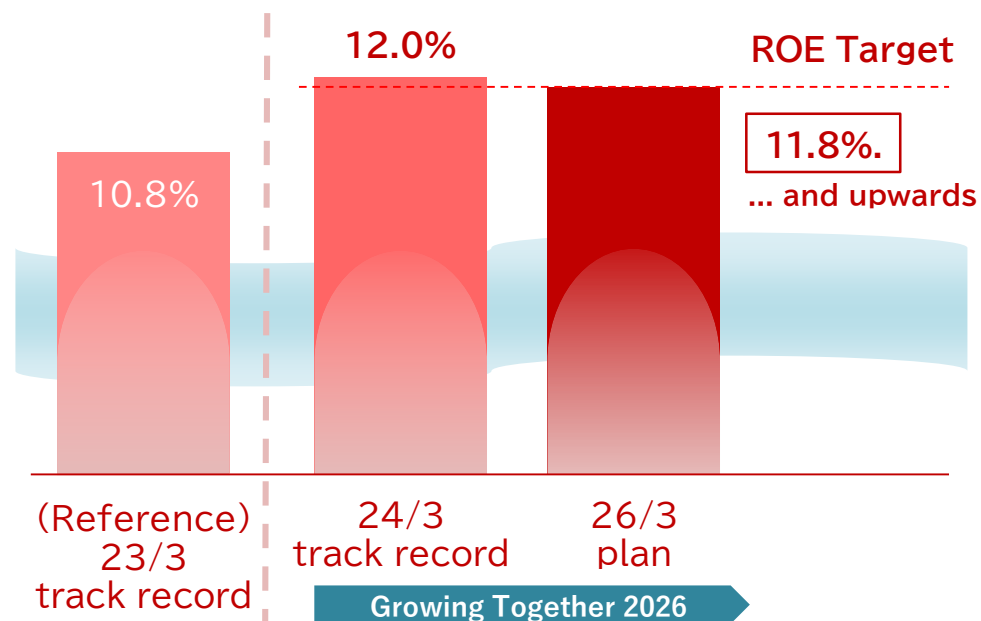
(2) Growth Investment Policy

Proactively allocate operating cash flow to growth investments (growth strategies, core business enhancement, DX IT digital investments, M&A, etc.) and provide stable and continuous returns to shareholders.

(3) Efforts to reduce the cost of shareholders' equity

Promote information disclosure and lower cost of capital by strengthening public relations and investor relations and promoting dialogue with stakeholders

Return on Equity (ROE) Plan for the Medium-Term Management Plan Period





YUASA TRADING CO., LTD.

Forecasts and forward-looking statements contained herein are based on information available to the Company as of the date of publication of this document and on certain assumptions and expectations. Therefore, actual performance and results may differ significantly due to various risks and uncertainties, including economic trends, market price conditions, and changes in various systems, We shall not be liable for any damages whatsoever resulting from the use of the information in this document. The Company assumes no obligation to revise any projections or forward-looking statements contained herein.