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November 11, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: YUASA TRADING CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 8074
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 Scheduled date to file semi-annual securities report: November 13, 2024
 Scheduled date to commence dividend payments: December 5, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	248,239	0.8	5,497	(7.1)	6,017	(6.0)	3,690	(43.2)
September 30, 2023	246,210	5.2	5,919	15.3	6,403	12.7	6,499	77.4

Note: Comprehensive income For the six months ended September 30, 2024: ¥3,825 million [(30.1)%]
 For the six months ended September 30, 2023: ¥5,477 million [42.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	175.57	174.96
September 30, 2023	308.91	307.66

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	267,502	104,226	38.8
March 31, 2024	290,989	102,409	35.0

Reference: Equity
 As of September 30, 2024: ¥103,686 million
 As of March 31, 2024: ¥101,854 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, 2024	–	86.00	–	96.00	182.00
Fiscal year ending March 31, 2025	–	72.00			
Fiscal year ending March 31, 2025 (Forecast)			–	118.00	190.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	542,400	3.0	17,000	15.5	18,000	14.4	12,000	1.6	571.27

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	22,100,000 shares
As of March 31, 2024	22,100,000 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2024	1,066,058 shares
As of March 31, 2024	1,094,305 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	21,019,773 shares
Six months ended September 30, 2023	21,041,211 shares

Note: The shares of the Company held by the “Board Incentive Plan (BIP) Trust” are included in the number of treasury shares at the end of the period (206,477 shares as of September 30, 2024 and 223,038 shares as of March 31, 2024). Also, the shares of the Company held by the “Board Incentive Plan (BIP) Trust” are included in treasury shares that are deducted for calculation of the average number of shares outstanding during the period (interim period) (214,758 shares for the six months ended September 30, 2024 and 185,223 shares for the six months ended September 30, 2023).

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “1. Qualitative Information Regarding Results for the First Six Months, (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 5 of the attached material.

(Means of access to contents of financial results briefing)

The Company plans to hold a financial results briefing for institutional investors and analysts on Friday, November 22, 2024. The materials for this briefing is to be posted on the Company’s website promptly after the briefing.

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1. Qualitative Information Regarding Results for the First Six Months

(1) Explanation of operating results

During the six months under review (April 1, 2024 to September 30, 2024), despite cautious movement in regard to capital investment such as machine tools, particularly in automobile-related industries, the Japanese economy was on a moderate recovery trend due to improvements in the employment and income environment. Meanwhile, the outlook remained uncertain due to such factors as an increase in geopolitical risk, rising raw materials costs, and unstable exchange rates. In addition, Japan is experiencing an ongoing decline in its working-age population resulting from the low birthrate and aging population, and there are concerns that restrictions on working hours under the Work-Style Reform Act and other factors will lead to construction delays, longer construction times, business downsizing and other impacts due to labor shortages, particularly in the construction and logistics industries. In the industrial field, demand for capital investment has been steady particularly in semiconductor-related industries. In the housing and construction field, private demand for redevelopment chiefly in urban areas remained firm, but new housing starts, mainly for detached housing, continued to remain weak.

In overseas countries, the economic expansion continued in the U.S., and the economies of countries such as Thailand, India, and Indonesia demonstrated underlying strength, while in China, movement toward economic recovery came to a standstill.

Under these circumstances, the Group has started its second year of the medium-term management plan, “Growing Together 2026,” covering the three-year period from April 2023 to March 2026, which constitutes the third and final stage of realizing the “Yuasa Vision 360,” our ideal state for the 360th anniversary of the Company’s founding in 2026. We will promote business reforms based on “corporate culture reform,” “DX promotion,” and “sustainability promotion,” with the aim of enhancing corporate value by developing market-out businesses addressing both sales of products and sales of services in the fields of manufacturing, home building, environment building, and town building.

Under “corporate culture reform,” we are advancing the YUASA PRIDE Project (Work Satisfaction Increasing & Regard for the Individual Project) to increase employee engagement and engage in developing human resources capable of solving social issues through “TSUNAGU” innovation. Moreover, we are promoting corporate cultural reform based on the key terms of “comprehensive strengths,” “challenges” and “communication.”

Under “DX promotion,” following our selection as a “Digital Transformation (DX) certified operator” in May 2024, we will provide even greater support for business transformation by building a data utilization infrastructure, developing DX talent, reforming business processes, and creating innovation.

Under “Sustainability promotion,” we aim to reduce the Group’s CO2 emissions by 30% by March 2026, and to promote green businesses on a Company-wide basis that support business partners’ efforts to become carbon neutral.

As part of the promotion of our growth strategy, we advanced the development and deployment of the “F[ai]ND OUT Series” of AI inspection solutions, while working to grow sales of robots and automation equipment through efforts such as showcasing “Twin Pick,” an automated picking conveyor system, at our logistics centers.

For the overseas strategy, we are strengthening regional strategy by constructing a new head office for our local subsidiary in Thailand (Bangkok) that will also function as a showroom, and in February 2025, we will hold “YUASA Grand Fair in Thailand,” a comprehensive exhibition under the theme of “Connecting (TSUNAGU) Japanese and Thai Cultures.” We also developed a structure to expand our overseas business, including acquiring general distribution rights in 10 overseas countries and regions for power regulation units that would contribute to energy saving at manufacturing facilities.

As a result, consolidated net sales for the six months under review increased 0.8% from the same period of the previous year, to ¥248,239 million. In terms of profits, operating profit was ¥5,497 million (down 7.1% year on year), ordinary profit was ¥6,017 million (down 6.0% year on year). Profit attributable to owners of parent decreased 43.2% from the same period of the previous year, to ¥3,690 million, due to the recording of a gain on return of retirement benefit trust of ¥3,255 million last year.

Results by reportable segment are as follows: In the six months ended September 30, 2024, YUASA TRADING (THAILAND) CO., LTD., a consolidated subsidiary of the Company, acquired shares of YUASA ENGINEERING SOLUTION (THAILAND) CO., LTD., a consolidated subsidiary of the Company, from the Company. In conjunction with this, the Company has changed the method of classifying the business of

YUASA ENGINEERING SOLUTION (THAILAND) CO., LTD., which was previously included in the Housing, Air & Fluidic Control Systems segment, to include it in the Machine Tools segment. Segment information for the six months ended September 30, 2023 has been prepared based on the segments after the change.

<Industrial Equipment & Tools Division>

In the Industrial Equipment & Tools Division, there was a downturn in sales of cutting tools caused by a decline in plant utilization rates in the automobile-related industry, and also by a standstill in certain areas of the EV-related industry, which had been performing strongly. In addition, a wait-and-see attitude has intensified toward capital investment in metalworking-related and other industries.

Under these circumstances, we focused on selling products that would contribute to solving issues in areas such as labor saving, work-style reforms, carbon neutrality, and business continuity planning (BCP), and saw particular growth in the warehouse and logistics and the information and communications fields. However, net sales were ¥38,345 million (down 0.9% year on year).

<Machine Tools Division>

In the Machine Tools Division, demand for capital investment in Japan remained sluggish, especially in the automobile-related industry. On the other hand, although there was an increase in inquiries thanks to a recovery trend mainly in the semiconductor manufacturing equipment, aircraft, and defense-related industries, orders remained flat due to prolonged business negotiations and other factors. Overseas, demand for capital investment remained steady mainly in the South Asia region.

Under these circumstances, we made efforts to develop users in the precision sheetmetal industry and strengthen sales capabilities in the South Asia Block. We also actively worked to propose solutions for overall plant equipment in areas such as inspections/measurements and carbon neutrality, by starting making proposals for products aimed at the brittle materials field, which is seeing increasing demand, and automation-related products to alleviate labor shortages. As a result, net sales were ¥49,140 million (down 15.1% year on year).

<Housing, Air & Fluidic Control Systems Division>

In the Housing, Air & Fluidic Control Systems Division, as the slump in new housing starts continued, demand for condominiums and remodeling remained firm, and housing fixtures, pipes/joints products moved solidly. Sales of equipment related to air conditioning and sales in the renewable energy field were also strong due to demand focused on addressing rising energy costs and carbon neutrality.

Under these circumstances, in response to the growing demand for energy-saving-related investments in factories and such in anticipation of soaring electricity expenses, and an increase in redevelopment projects mainly in the Tokyo metropolitan area and major cities, sales of pipes/joints products for non-residential use and high-efficiency equipment related to air conditioning have increased. In addition, sales of home air conditioners were also strong due to the impact of extremely hot weather. As a result, net sales were ¥96,912 million (up 12.0% year on year).

<Building Supplies & Exterior Division>

In the Building Supplies & Exterior Division, social infrastructure-related investment continued to demonstrate underlying strength particularly for redevelopment projects mainly in the Tokyo metropolitan area, and for products for countermeasures against natural disasters and traffic accidents. On the other hand, sales of public exteriors and bollards were sluggish for non-residential buildings, such as commercial facilities, stores, and schools.

Under these circumstances, we focused on making package proposals for resilience products such as solutions for flood-control measures as countermeasures against torrential rain disasters and exterior products to contribute to creating walkable towns, and also put efforts into expanding sales of fabrication hardware related to construction and delivery boxes related to a childcare support project led by the government. As a result, net sales were ¥26,066 million (up 3.6% year on year).

<Construction Machines Division>

In the Construction Machines Division, large-scale private capital investment remained steady, along with public works projects such as infrastructure development and disaster prevention/mitigation works. On the other hand, we continued to see soaring machines and material prices, shorter working hours due to work-style reform in the construction industry, and construction delays due to a shortage of construction skilled workers.

Under these circumstances, we strengthened sales of manpower- and labor-saving products and proposals of solutions for safe construction at construction and agricultural sites, as well as products imported from overseas. At the same time, we continued to expand sales of CO2 visualization products for construction sites. We also promoted proposals to government agencies for disaster prevention, disaster mitigation, and BCP-related commercial products and medical container house. In addition, although we strove to expand our used construction and agricultural machines auction business, and enhanced container house manufacturing, and construction machines maintenance and rental functions, net sales were ¥18,105 million (down 0.0% year on year).

<Energy Division>

In the Energy Division, amid a continued decline in demand for gasoline due to the spread of fuel-efficient vehicles, the domestic market stabilized mainly due to the continuation of government fuel oil subsidies.

Under these circumstances, the gas station business, which operates mainly in the Tokai region, worked to strengthen services such as car rental and car maintenance businesses, in addition to high value-added car washing, automobile inspections, coatings, and others. In addition, although we made efforts to strengthen sales of marine fuel in the Keihin area, net sales were ¥8,944 million (down 5.9% year on year).

<Others>

In Others, in the consumer goods business, we saw a growth in sales of cooling auxiliary products such as electric fans and circulators due to effects of record high temperatures, and focused on proposing, and expanding sales of, new products in line with consumer needs. In the wood products business, the sales volume decreased, affected by sluggish demand for imported plywood. Meanwhile, we focused on selling and proposing custom wood products in non-residential fields, and advanced development of new products using domestic timber and new markets by strengthening cooperation among domestic group companies. As a result, net sales were ¥10,723 million (up 4.0% year on year).

(2) Explanation of financial position

(i) Assets, liabilities and net assets

As of September 30, 2024, total assets were ¥267,502 million, a decrease of ¥23,487 million from the end of the previous fiscal year. This was primarily due to decreases in notes and accounts receivable - trade, and contract assets of ¥18,459 million and cash and deposits of ¥5,491 million.

Total liabilities were ¥163,275 million, a decrease of ¥25,304 million from the end of the previous fiscal year. This was primarily due to decreases in electronically recorded obligations - operating of ¥14,424 million and notes and accounts payable - trade of ¥10,692 million.

Total net assets increased by ¥1,816 million from the end of the previous fiscal year, to ¥104,226 million. This was due to an increase in retained earnings of ¥1,695 million, despite a decrease in valuation difference on available-for-sale securities of ¥459 million.

As a result, the equity-to-asset ratio was 38.8% (35.0% at the end of the previous fiscal year).

(ii) Cash flows

Cash and cash equivalents (hereinafter, “cash”) as of September 30, 2024 decreased by ¥5,748 million from the end of the previous fiscal year to ¥36,295 million.

The respective cash flow positions for the six months ended September 30, 2024, and the factors thereof are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥1,754 million (down ¥14,039 million year on year). This was mainly due to the recording of a ¥25,289 million decrease in trade payables, despite the recording of profit before income taxes of ¥5,785 million and a decrease in trade receivables of ¥22,926 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥5,222 million (down ¥25,953 million year on year). This was primarily due to the recording of purchase of intangible assets of ¥2,264 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥2,664 million (up ¥4,709 million year on year). This was primarily due to the recording of dividends paid of ¥2,037 million and repayments of long-term borrowings of ¥529 million.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

Regarding the consolidated earnings forecasts for the fiscal year ending March 31, 2025, the earnings forecasts are unchanged from the announcement in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” dated May 10, 2024.

Furthermore, the earnings forecasts were created based on information which is currently available on the day of the announcement, and the actual performance and results may differ from the forecast values and outlook.

2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto
(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	42,101	36,609
Notes and accounts receivable - trade, and contract assets	118,642	100,182
Electronically recorded monetary claims - operating	38,338	34,048
Inventories	19,593	19,653
Other	3,610	5,696
Allowance for doubtful accounts	(54)	(63)
Total current assets	222,231	196,126
Non-current assets		
Property, plant and equipment		
Land	39,195	39,194
Other, net	5,524	5,756
Total property, plant and equipment	44,719	44,951
Intangible assets		
Goodwill	527	350
Other	3,798	5,826
Total intangible assets	4,326	6,177
Investments and other assets		
Other	20,033	20,491
Allowance for doubtful accounts	(320)	(245)
Total investments and other assets	19,712	20,246
Total non-current assets	68,758	71,375
Total assets	290,989	267,502

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	97,142	86,450
Electronically recorded obligations - operating	61,850	47,426
Short-term borrowings	4,092	4,092
Income taxes payable	3,358	1,360
Provision for bonuses	3,200	2,670
Provision for bonuses for directors (and other officers)	91	–
Other	10,207	12,923
Total current liabilities	179,943	154,924
Non-current liabilities		
Long-term borrowings	3,328	2,798
Provision for share awards	254	278
Provision for share awards for directors (and other officers)	194	166
Retirement benefit liability	1,103	1,141
Other	3,756	3,966
Total non-current liabilities	8,636	8,351
Total liabilities	188,580	163,275
Net assets		
Shareholders' equity		
Share capital	20,644	20,644
Capital surplus	6,753	6,753
Retained earnings	72,918	74,614
Treasury shares	(3,053)	(2,965)
Total shareholders' equity	97,262	99,047
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,655	3,196
Deferred gains or losses on hedges	18	(43)
Foreign currency translation adjustment	870	1,479
Remeasurements of defined benefit plans	46	6
Total accumulated other comprehensive income	4,591	4,639
Share acquisition rights	145	123
Non-controlling interests	409	417
Total net assets	102,409	104,226
Total liabilities and net assets	290,989	267,502

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	246,210	248,239
Cost of sales	219,659	220,512
Gross profit	26,551	27,727
Selling, general and administrative expenses	20,631	22,229
Operating profit	5,919	5,497
Non-operating income		
Interest income	785	883
Dividend income	165	187
Other	166	156
Total non-operating income	1,117	1,228
Non-operating expenses		
Interest expenses	514	561
Other	118	146
Total non-operating expenses	633	708
Ordinary profit	6,403	6,017
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	12	82
Gain on liquidation of subsidiaries and associates	19	–
Gain on return of retirement benefit trust	3,255	–
Total extraordinary income	3,289	82
Extraordinary losses		
Loss on sale of non-current assets	–	119
Loss on retirement of non-current assets	0	4
Compensation expenses	–	191
Total extraordinary losses	0	314
Profit before income taxes	9,693	5,785
Income taxes	3,189	2,063
Profit	6,503	3,721
Profit attributable to non-controlling interests	4	31
Profit attributable to owners of parent	6,499	3,690

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	6,503	3,721
Other comprehensive income		
Valuation difference on available-for-sale securities	712	(407)
Deferred gains or losses on hedges	160	(62)
Foreign currency translation adjustment	408	614
Remeasurements of defined benefit plans, net of tax	(2,308)	(40)
Total other comprehensive income	(1,026)	104
Comprehensive income	5,477	3,825
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,473	3,790
Comprehensive income attributable to non-controlling interests	3	35

(3) Consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	9,693	5,785
Depreciation	668	1,044
Amortization of goodwill	331	176
Loss (gain) on sale of non-current assets	(1)	118
Loss on retirement of non-current assets	0	4
Loss (gain) on sale of investment securities	(12)	(82)
Loss (gain) on liquidation of subsidiaries and associates	(19)	–
Gain on return of retirement benefit trust	(3,255)	–
Compensation expenses	–	191
Decrease (increase) in retirement benefit asset	10,665	(49)
Increase (decrease) in retirement benefit liability	(18)	32
Increase (decrease) in allowance for doubtful accounts	(4)	(67)
Increase (decrease) in provision for bonuses	(307)	(530)
Increase (decrease) in provision for bonuses for directors (and other officers)	(77)	(91)
Increase (decrease) in provision for share awards	11	23
Increase (decrease) in provision for share awards for directors (and other officers)	(9)	(27)
Interest and dividend income	(950)	(1,071)
Interest expenses	513	561
Decrease (increase) in trade receivables	9,609	22,926
Decrease (increase) in inventories	(732)	186
Increase (decrease) in trade payables	(5,340)	(25,289)
Decrease (increase) in long term money claims	5	10
Other, net	238	480
Subtotal	21,006	4,333
Interest and dividends received	951	1,071
Interest paid	(513)	(566)
Income taxes paid	(5,650)	(3,083)
Net cash provided by (used in) operating activities	15,793	1,754
Cash flows from investing activities		
Payments into time deposits	(5)	(250)
Proceeds from withdrawal of time deposits	2	3
Purchase of property, plant and equipment	(29,882)	(1,097)
Proceeds from sale of property, plant and equipment	41	7
Purchase of intangible assets	(1,321)	(2,264)
Purchase of investment securities	(50)	(1,396)
Proceeds from sale of investment securities	16	91
Loan advances	(33)	(186)
Proceeds from collection of loans receivable	32	1
Other, net	24	(129)
Net cash provided by (used in) investing activities	(31,175)	(5,222)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(79)	–
Proceeds from long-term borrowings	5,000	–
Repayments of long-term borrowings	(564)	(529)
Repayments of lease liabilities	(64)	(59)
Purchase of treasury shares	(528)	(2)
Dividends paid	(1,702)	(2,037)
Other, net	(15)	(35)
Net cash provided by (used in) financing activities	2,044	(2,664)
Effect of exchange rate change on cash and cash equivalents	297	383
Net increase (decrease) in cash and cash equivalents	(13,039)	(5,748)
Cash and cash equivalents at beginning of period	52,395	42,044
Cash and cash equivalents at end of period	39,356	36,295

(4) Notes to semi-annual consolidated financial statements

Notes on going concern assumption

No item to report.

Notes on significant changes in the amount of shareholders' equity

No item to report.

Notes on changes in accounting policies

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the six months ended September 30, 2024.

Previously, calculated amounts of corporate taxes, inhabitants taxes and enterprise taxes on earnings, etc. (“current income taxes”) were recorded in profit or loss in accordance with laws and regulations. Moving forward, current income taxes on earnings will be recorded in profit or loss, shareholders' equity, or other comprehensive income according to the transaction, etc. from which those taxes were incurred. Concerning current income taxes recorded in accumulated other comprehensive income, when a transaction, etc., which is the reason for said current income taxes to be applied, is recorded in profit or loss, the corresponding amount of tax will be recorded in profit or loss. Additionally, if the transaction, etc. subject to taxation is related to shareholders' equity or other comprehensive income in addition to profit or loss, and it is difficult to calculate the amount of current income taxes to be applied to shareholders' equity or other comprehensive income, the amount of such taxes will be recorded in profit or loss.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022, and the transitional treatment in the proviso of paragraph 65-2 (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Implementation Guidance of 2022”).

As a result, the beginning balance of “retained earnings” of the fiscal year ending March 31, 2025 increased by ¥52 million, and the beginning balance of “valuation difference on available-for-sale securities” in accumulated other comprehensive income of the fiscal year ending March 31, 2025 decreased by the same amount.

Moreover, as for revisions related to the review of treatment in consolidated financial statements in the case where gain or loss on sales arising from sale of shares of subsidiaries, etc. between consolidated subsidiaries is deferred (for tax purposes), the Company has applied the Revised Implementation Guidance of 2022 from the beginning of the six months ended September 30, 2024. This change in the accounting policy has been applied retrospectively, and for the first six months of the previous fiscal year and the previous fiscal year, the semi-annual consolidated financial statements and the consolidated financial statements have reflected the retrospective application. This has no impact on the semi-annual consolidated financial statements for the first six months of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

Notes on segment information, etc.

Segment information

I. Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on the amount of net sales and profit/loss for each reportable segment

(Millions of yen)

	Reportable segments							Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the semi-annual consolidated statement of income (Note 3)
	Industrial Equipment & Tools	Machine Tools	Housing, Air & Fluidic Control Systems	Building Supplies & Exterior	Construction Machines	Energy	Total				
Net sales											
Sales to external customers	38,693	57,895	86,548	25,153	18,107	9,502	235,902	10,308	246,210	–	246,210
Intersegment sales or transfers	7,125	2,840	5,503	2,645	2,531	19	20,666	171	20,837	(20,837)	–
Total	45,819	60,736	92,052	27,799	20,638	9,522	256,568	10,479	267,048	(20,837)	246,210
Segment profit	1,056	2,458	2,879	872	490	70	7,827	143	7,970	(2,050)	5,919

Notes: 1. The classification “Others” is a segment of business not included in the reportable segments and includes businesses selling lifestyle-related products and wood products.

2. The adjustment of the segment profit of negative ¥2,050 million represents mainly costs related to the administration division of the Company that has not been attributed to a reportable segment.

3. Segment profit is adjusted to operating profit as recorded on the semi-annual consolidated statement of income.

2. Information on impairment losses on non-current assets, goodwill, etc. for each reportable segment

No item to report.

II. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on the amount of net sales and profit/loss for each reportable segment

(Millions of yen)

	Reportable segments							Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the semi-annual consolidated statement of income (Note 3)
	Industrial Equipment & Tools	Machine Tools	Housing, Air & Fluidic Control Systems	Building Supplies & Exterior	Construction Machines	Energy	Total				
Net sales											
Sales to external customers	38,345	49,140	96,912	26,066	18,105	8,944	237,516	10,723	248,239	–	248,239
Intersegment sales or transfers	7,450	2,322	5,249	2,708	2,830	24	20,585	236	20,822	(20,822)	–
Total	45,796	51,463	102,162	28,774	20,936	8,969	258,101	10,960	269,061	(20,822)	248,239
Segment profit (loss)	1,067	1,803	3,305	918	525	70	7,690	(0)	7,689	(2,191)	5,497

Notes: 1. The classification “Others” is a segment of business not included in the reportable segments and includes businesses selling lifestyle-related products and wood products.

2. The adjustment of the segment profit (loss) of negative ¥2,191 million represents mainly costs related to the administration division of the Company that has not been attributed to a reportable segment.

3. Segment profit (loss) is adjusted to operating profit as recorded on the semi-annual consolidated statement of income.

2. Information on impairment losses on non-current assets, goodwill, etc. for each reportable segment

No item to report.

3. Matters related to changes in reportable segments

In the six months ended September 30, 2024, YUASA TRADING (THAILAND) CO., LTD., a consolidated subsidiary of the Company, acquired shares of YUASA ENGINEERING SOLUTION (THAILAND) CO., LTD., a consolidated subsidiary of the Company, from the Company. In conjunction with this, the Company has changed the method of classifying the business of YUASA ENGINEERING SOLUTION (THAILAND) CO., LTD., which was previously included in the Housing, Air & Fluidic

Control Systems segment, to include it in the Machine Tools segment. Segment information for six months ended September 30, 2023 has been prepared based on the segments after the change.