



YUASA TRADING CO., LTD.

# Fiscal Year ending March 2025 2nd Quarter Earnings Briefing

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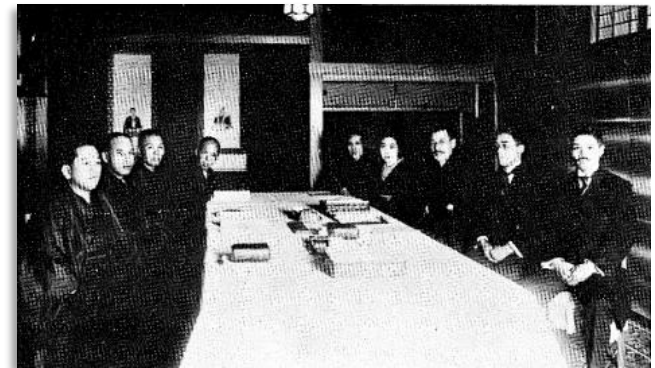
November 22, 2024  
Hiroyuki Tamura, President and CEO

# 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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- 2. Progress of the medium-term management plan "Growing Together 2026"**
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# Summary of second quarter financial results for fiscal year ending March 2025

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# Quantitative performance

Year-on-year increase in revenue

Unit: 100 million yen (rounded down)

Sales figures are after applying the revenue recognition standard

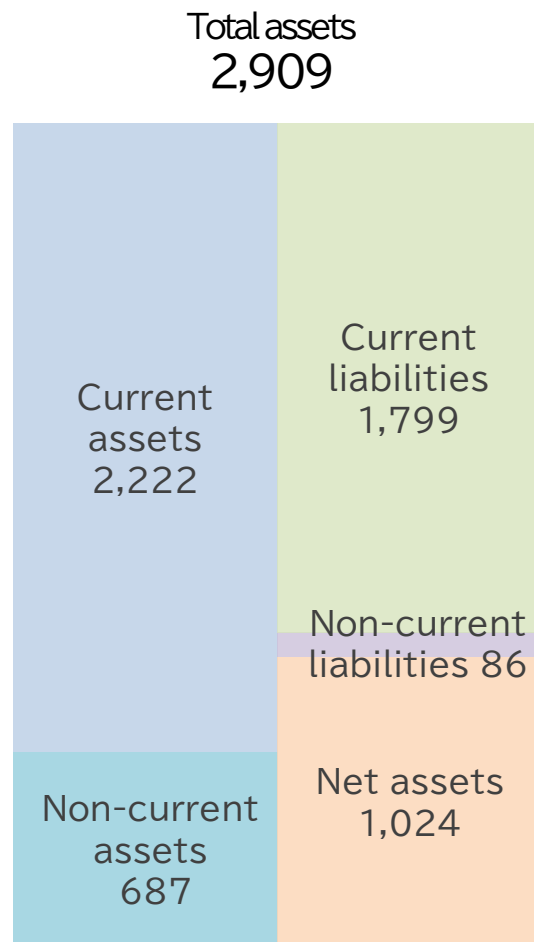
	Results			Plan	
	3/2023 1-2Q	3/2024 1-2Q	year on year	3/2024	Comparison with plan
Net sales	2,462	2,482	+0.8%	5,424	45.7%
Gross profit (percentage)	265 (10.78%)	277 (11.17%)	+4.4% (+0.39P)		
Selling, general and administrative expenses	206	222	+7.7%		
Operating income (percentage)	59 (2.40%)	54 (2.21%)	-7.1% (-0.19P)	170 (3.13%)	31.7%
Ordinary income (percentage)	64 (2.60%)	60 (2.42%)	-6.0% (-0.18P)	180 (3.32%)	33.3%
Attributable to owners of parent Profit(*)	64	36	-43.2%	120	30.0%

# Net Sales and Operating Income by Segment

Unit: 100 million yen (rounded down)  
Sales figures are after applying the revenue recognition standard

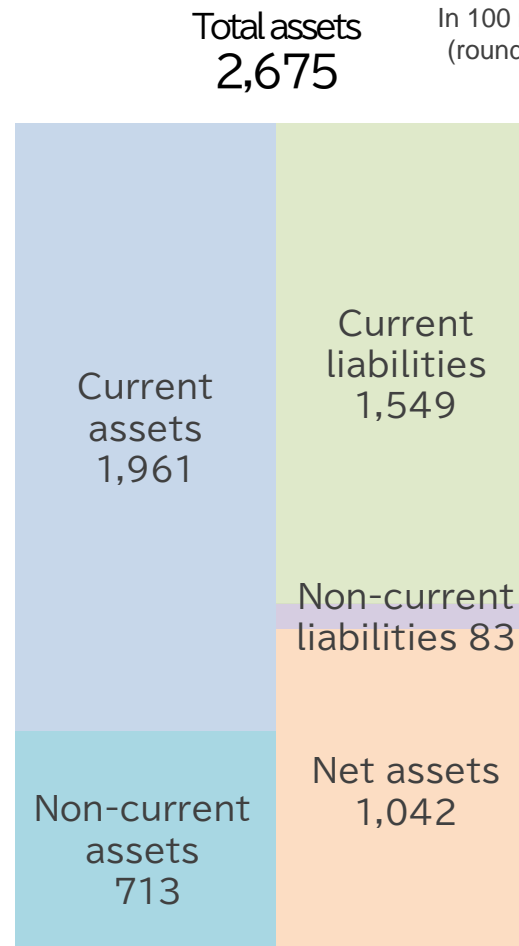
		Net sales		Operating income		Main factors of change
		3/2023 1-2Q	3/2024 1-2Q	3/2023 1-2Q	3/2024 1-2Q	
Manufacturing	Machine Tools	386	383 (-0.9%)	10	10 (+1.1%)	The industrial capacity utilization rate in the automobile-related industry is declining. Sales of cutting tools are sluggish.
	Industrial Equipment & Tools	578	491 (-15.1%)	24	18 (-26.6%)	Domestic: Capital investment, especially in the automobile industry, is sluggish Overseas: China stagnates, but the US and Southeast Asia are strong
Home-Building Environment-Building	Housing, Air & Fluidic Control Systems	865	969 (+12.0%)	28	33 (+14.8%)	Sales of housing equipment and piping materials for renovations are strong, and air conditioning also remains strong due to demand for energy conservation.
Town-Building	Building Suppliers & Exterior	251	260 (+3.6%)	8	9 (+5.2%)	Investments in social infrastructure, such as urban redevelopment and disaster prevention measures, have remained steady.
	Construction Machines	181	181 (-0.0%)	4	5 (+7.1%)	Although infrastructure development and disaster prevention/mitigation construction work was strong, there were delays in delivery due to rising material costs and labor shortages.
Others	Energy	95	89 (-5.9%)	0	0 (+0.4%)	Gasoline demand is sluggish due to the popularity of fuel-efficient vehicles. Market conditions are stable due to ongoing subsidy policies.
	Other	103	107 (+4.0%)	1	-0 ( - )	Consumer goods: Seasonal home appliance sales increase due to extreme heat Lumber: Domestic wood demand remains sluggish

# Consolidated Balance Sheet



March 31, 2024

Equity ratio  
35.0%



September 30, 2024

Equity ratio  
38.8%

## <Main factors of change>

### ■ Current assets $\Delta 261$

Cash and deposits  $\Delta 54$

Trade receivables  $\Delta 227$

### ■ Non-current assets +26

DX Investment +20

### ■ Current liabilities $\Delta 250$

Trade Payables  $\Delta 251$

### ■ Non-current liabilities $\Delta 2$

Long-term debt  $\Delta 5$

### ■ Net assets +18

Net income +16



# Consolidated Cash Flows

Unit: 100 million yen (rounded down)

item	Sep 30, 2023	Sep 30, 2024	change	Main factors of change
Net cash provided by (△used in) operating activities	157	17	△140	Gains on cancellation and return of retirement benefit trust recorded in previous year: +106
Net cash provided by (△used in) investing activities	△311	△52	+259	Acquired tangible fixed assets in the previous year: △298
Net cash provided by (△used in) financing activities	20	△26	△47	Long-term borrowings recorded in the previous year: +50
Net increase (△ decrease) in cash and cash equivalents	△130	△57	+72	
Cash and cash equivalents at the <u>beginning of period</u>	523	420	△103	
Cash and cash equivalents at the <u>end of period</u>	393	362	△30	

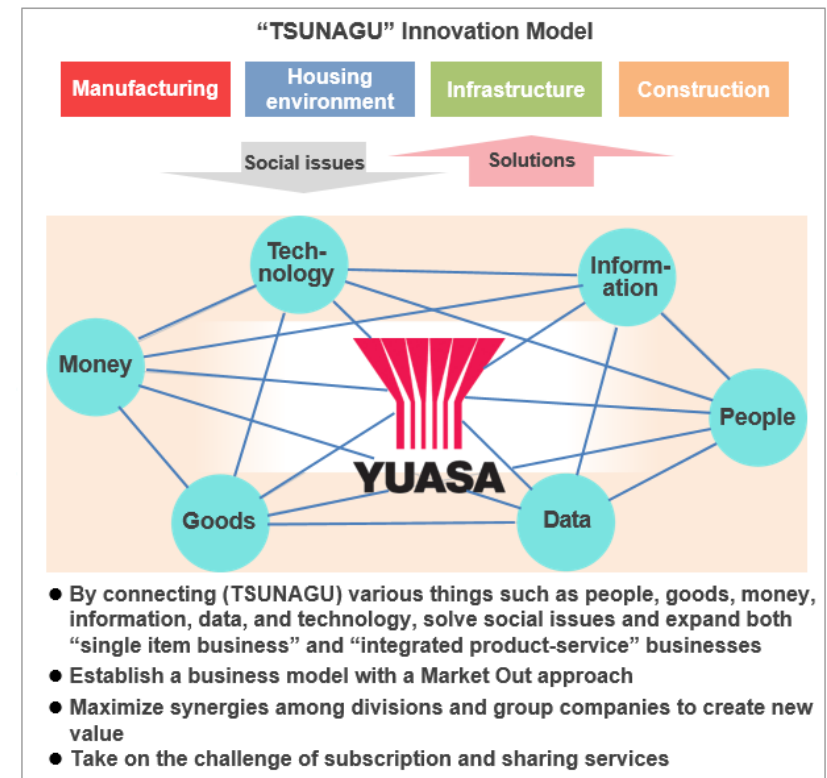
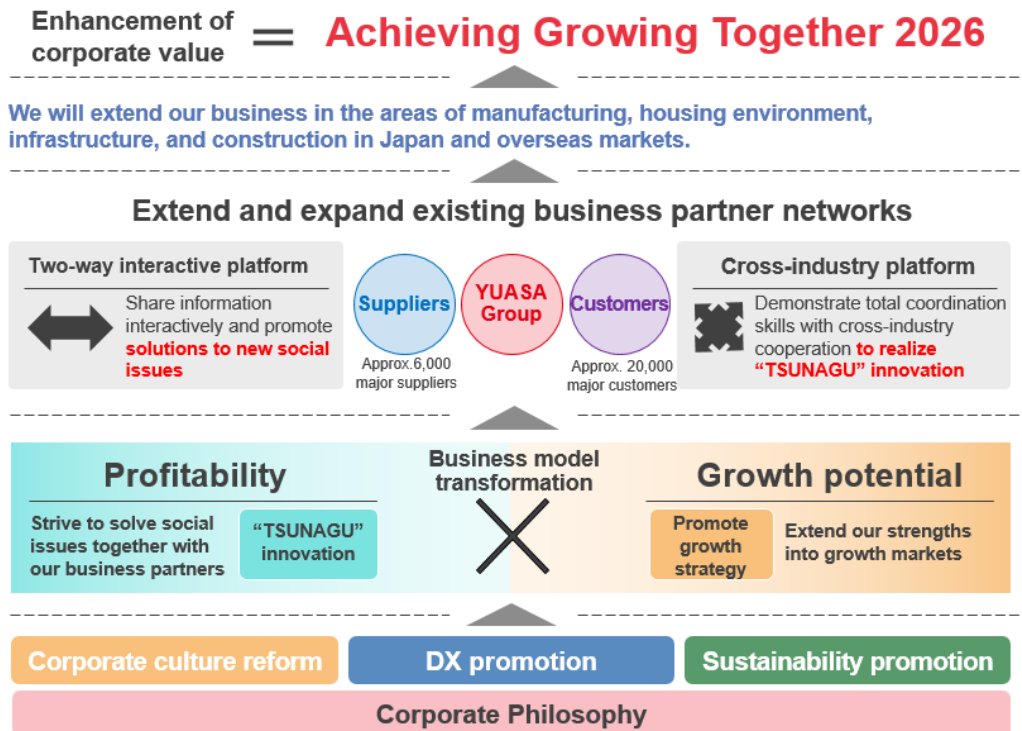
# Progress of Mid-term Management Plan “Growing Together 2026”

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# Growing Together 2026 Priority Initiatives

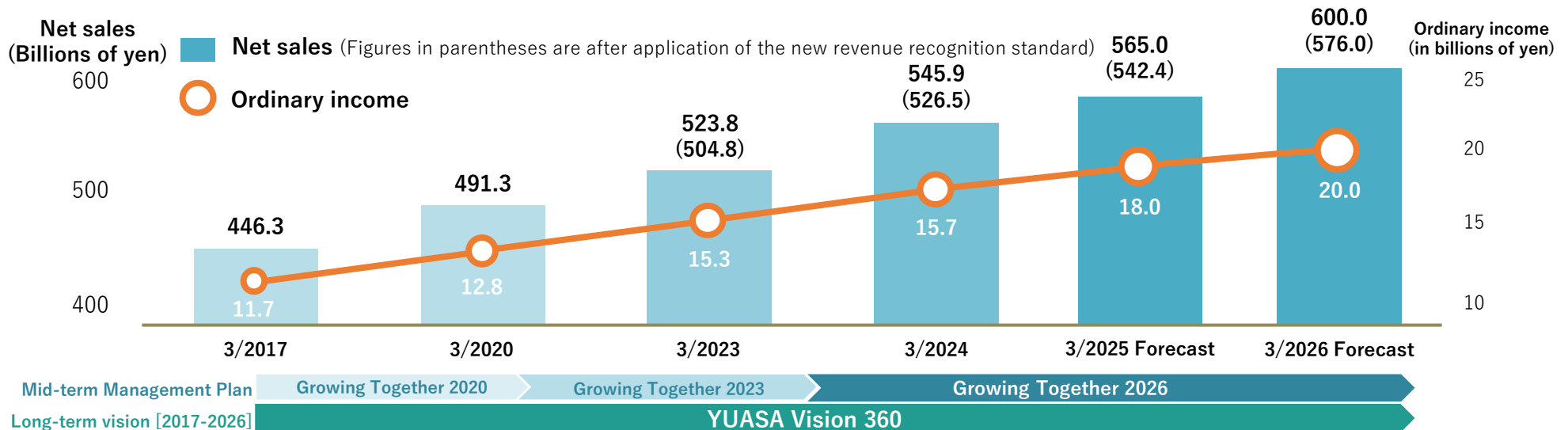
- “TSUNAGU” innovation connects a variety of goods and services. Create new value and improve profitability
- Increase growth potential by expanding into areas and markets where we can leverage our strengths
- Expansion of business partner network through cross-industry collaboration and DX promotion

## Conceptual image of business transformation

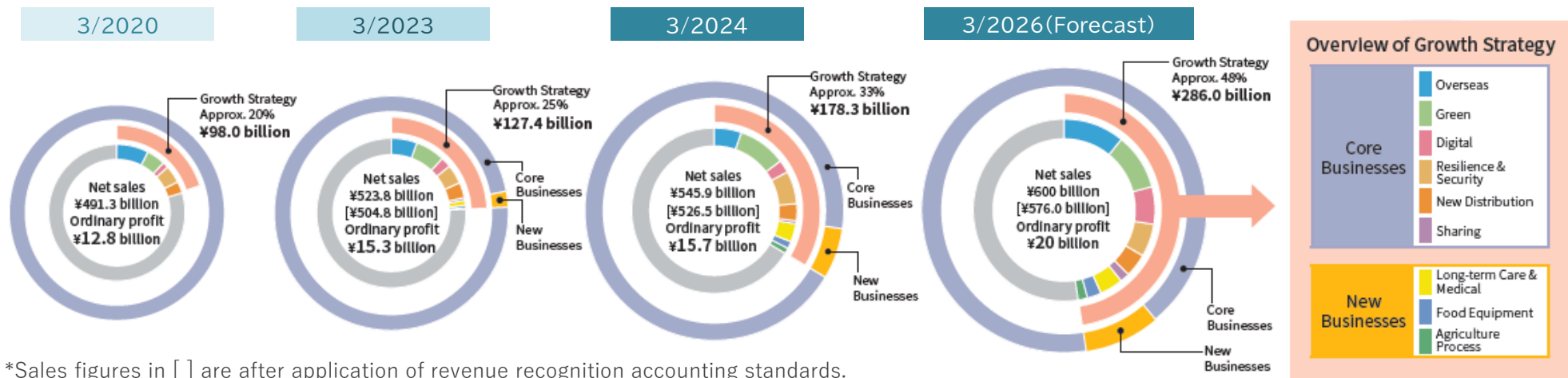


# Numeric Targets for Growing Together 2026

## Net Sales and Ordinary Income



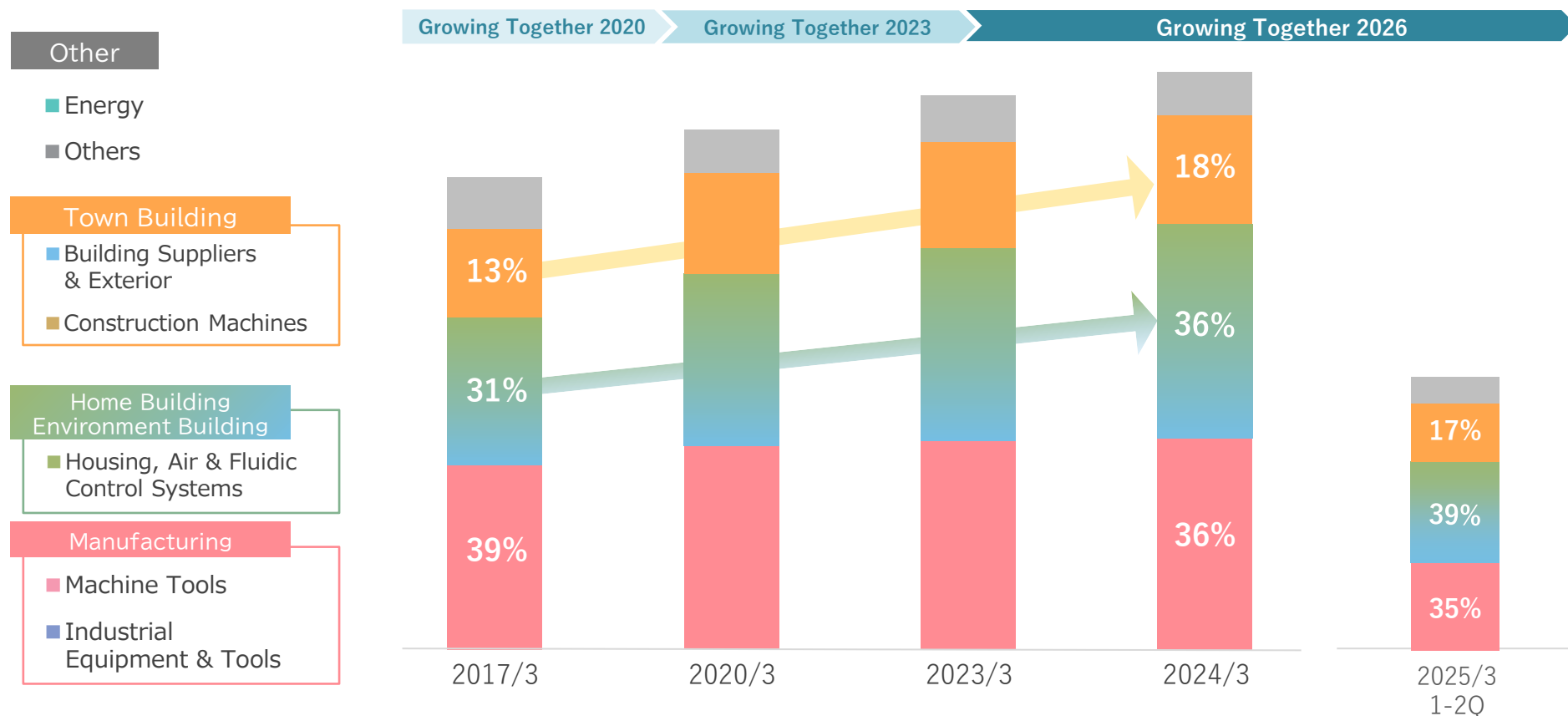
## Changes in business scale and growth strategy



\*Sales figures in [ ] are after application of revenue recognition accounting standards.

# Strengthening business portfolio and improving profitability

## Changes in composition ratio by business field (2017-2024)



\* Figures before the application of the revenue recognition standard

Net sales (in 100 million yen)	4,463	4,913	5,238	5,459	2,572
Gross profit margin	9.6%	9.6%	10.0%	10.5%	10.8%
Ordinary income (in 100 million yen)	109	118	145	147	54

# Strengthening core businesses to boost business performance

Top: Sales  
Bottom: Segment profit  
(Unit: 100 million yen)

24/3  
1-2Q

25/3  
1-2Q

## Initiatives to improve business performance

### Core Business Segment

### All

		24/3 1-2Q	25/3 1-2Q	Core Business Segment	All
Manufacturing	Machine Tools	386 10	383 (-0.9%) 10 (+1.1%)	<ul style="list-style-type: none"> <li>○ Expansion to the forged sheet metal market → Investment in Sheet Metal DX alfaTKG Co., Ltd. in August</li> <li>○ Proposal for logistics factories → Automation with "Twin Pick"</li> <li>○ Sales expansion to new markets (aviation and defense, semiconductor manufacturing, brittle materials, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthening overseas expansion, mainly in South Asia → P.15</li> <li>● Promoting green businesses, including proposals that contribute to carbon neutrality → P.16</li> </ul>
	Industrial Equipment & Tools	578 24	491 (-15.1%) 18 (-26.6%)		<ul style="list-style-type: none"> <li>● Promoting labor-saving and labor-saving proposals to address labor shortages caused by the 2024 problem → P.17</li> </ul>
Home-Building Environment-Building	Housing, Air & Fluidic Control Systems	865 28	969 (+12.0%) 33 (+14.8%)	<ul style="list-style-type: none"> <li>○ Strengthen efforts to capture demand for air conditioning upgrades</li> <li>○ Promote proposals including installation to meet demand for apartment complex renovations</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthening product development that "connects" to solve social issues → P.20</li> </ul>
Town-Building	Building Suppliers & Exterior	251 8	260 (+3.6%) 9 (+5.2%)	<ul style="list-style-type: none"> <li>○ Promoting the acquisition of orders for redevelopment projects</li> <li>○ Strengthening efforts in disaster prevention, BCP, and other resilience-related products</li> </ul>	<ul style="list-style-type: none"> <li>● Initiatives to address cold chain issues in the fields of nursing care, medical care, food, and agriculture → P.22</li> </ul>
	Construction Machines	181 4	181 (-0.0%) 5 (+7.1%)	<ul style="list-style-type: none"> <li>○ Strengthening approaches to local government and public projects</li> <li>○ Promoting digital transformation in the construction industry</li> </ul>	

# 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

Overseas	Green	Digital	Resilience & Security	New Distribution	Sharing	Long-term Care & Medical	Food Equipment	Agriculture Process	
101%	141%	178%	99%	115%	100%	114%	144%	123%	120%
650	600	400	350	250	100	250	160	100	2,860

Current  
interim results  
compared to  
previous  
interim

2026年  
3月期通期計画



# Promoting Growth Strategies: Overseas

## Overseas Strategy: Targeting South Asia



- **New office building in Thailand completed**

It also functions as a showroom for the latest “TSUNAGU” solutions and other products handled by our group.

- **Pune Branch, our third base in India, begins operations**

The new base will open in October, following Bangalore and Gurgaon. A fourth base is also planned to open within the fiscal year. Aiming to capitalize on the high growth in India and South Asia



**YUASA**  
**Grand Fair** in Thailand  
Connecting Thai and Japanese Culture  
5.6.7 Feb. 2025 @ BITEC



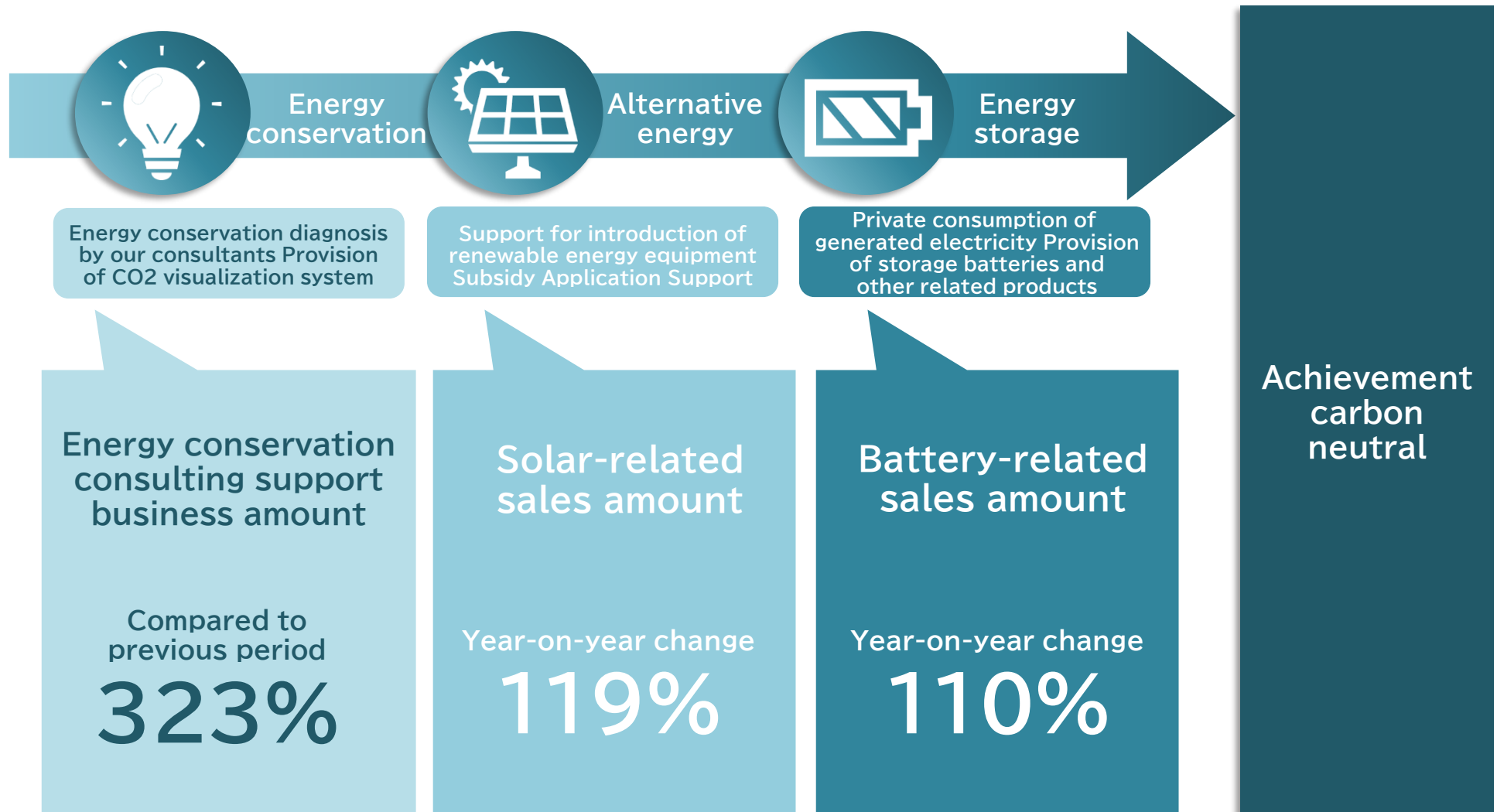
- **First overseas “Grand Fair” held in Thailand**

Number of exhibitors:  
Approximately 200 (planned)  
Target: 5,000 visitors and  
orders of 3.3 billion yen



# Promoting Growth Strategies: Green

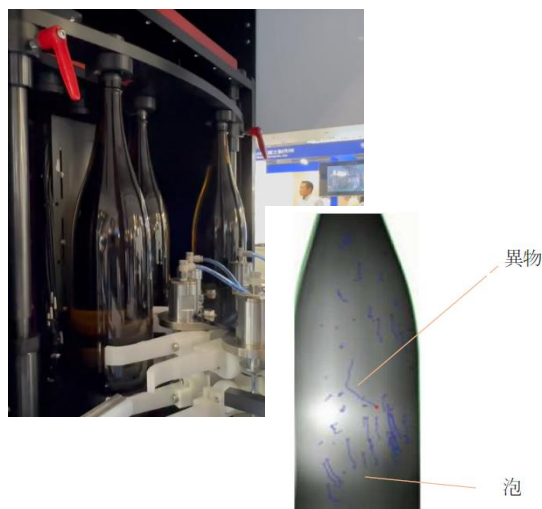
One-stop solution for energy conservation, renewable energy, and energy storage



# Promoting Growth Strategies: Digital

Labor-saving and labor-saving solutions to solve the social issue of labor shortages

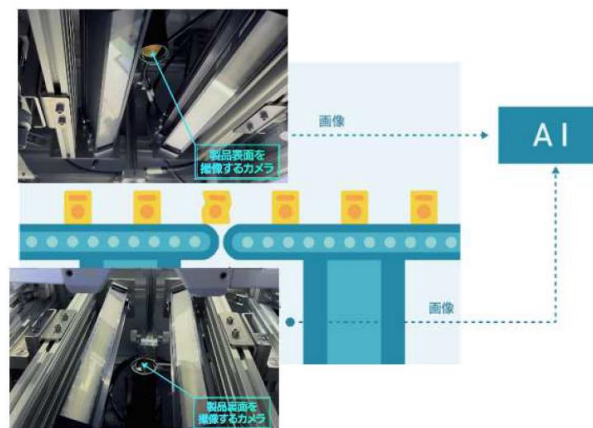
## Automating inspection work



Beverage foreign body inspection equipment

### F[ai]ND OUT 3

AI can distinguish between bubbles and foreign objects, enabling highly accurate liquid inspection. Inspection capacity of 1,000 1.8L bottles per hour.

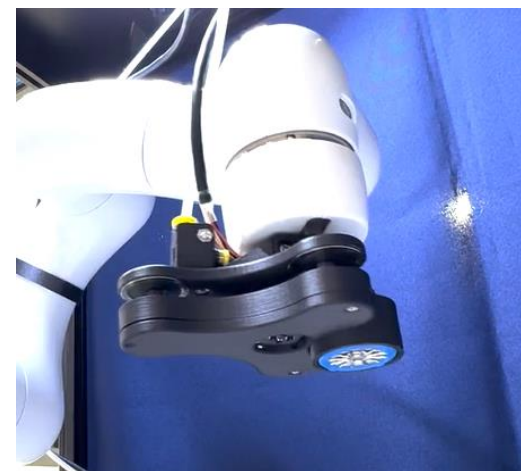


Visual Inspection Equipment

### F[ai]ND OUT EXW

Equipped with AI cameras on the top and bottom, it is possible to inspect the front and back simultaneously, contributing to labor savings at food and metal part manufacturing sites.

## Picking automation



Low cost and space-saving installation

### Bulk picking robot

The AI camera and proximity sensor accurately grasp the distance to the target object, making it easy to pick thin and delicate molded objects.

# Solving social issues through value creation through “TSUNAGU”

Goods × Technology × Data = Disaster Prevention

**Flood prevention solution “Kizuki Mirai Bollard” adopted by Japanese Red Cross Society Kobe Red Cross Hospital**



Equipped with a water level gauge and communication functions, it runs on power from the solar panels installed on top, creating a speedy flood monitoring network for areas prone to flooding.

This product was developed and provided in collaboration with SUNPOLE CO., LTD., which specializes in landscape exteriors, and OYO Corporation which has technology to combat natural disasters.

Goods × People × Space = relax

Creating pedestrian spaces where people can relax  
**Walkable city development**

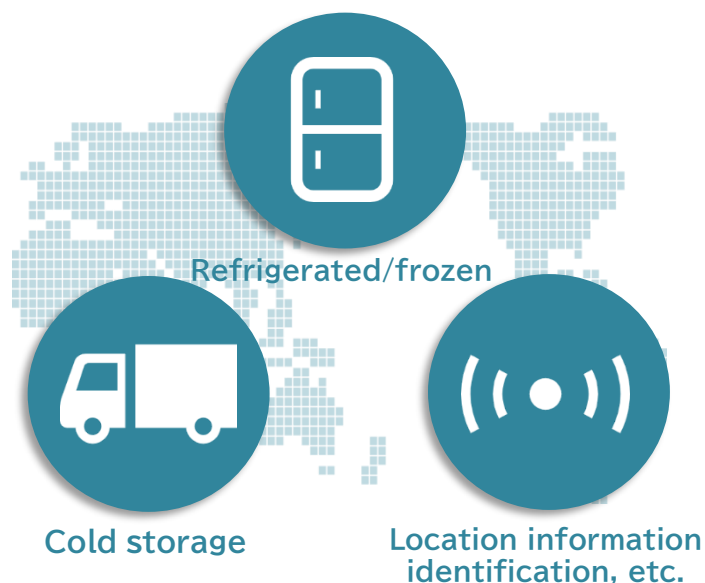


We are participating in demonstration experiments across the country to imagine “comfortable pedestrian spaces” promoted by the Ministry of Land, Infrastructure, Transport and Tourism, including on Midosuji (left) and Nishi-Shinjuku (right).

We connect multiple exterior manufacturers of benches, pergolas, parasols, etc. to create exhibitions tailored to the region.

# Expanding to new businesses

## ● Towards handling of cold chain related products



Long-term Care  
& Medical

Food  
Equipment

Agriculture  
Process

We are taking on the challenge of solving social issues through our cold chain initiatives, which keep food, agricultural products, and medical supplies such as vaccines at low temperatures and deliver them in a timely and appropriate manner.

➡ We are currently working on expanding into new markets and exhibiting at the Grand Fair in Thailand.

## [Order for solutions for food freezing factories]



We are providing freezers and conveyors to agricultural associations and private businesses. This first half of the year has been our largest order intake for our food business.

Demand for "food processing factories" is expected to continue to increase, and the company also plans to expand into storage, logistics and other solutions.



# Base of Change

## Corporate Culture Reform

### YUASA PRIDE Project



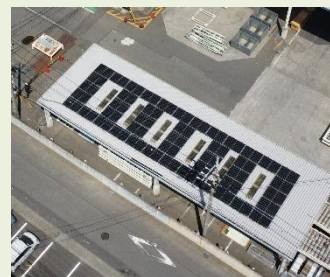
We held workshops for all employees to discuss ways to improve job satisfaction and working conditions based on the "image of the person we are looking for."

### Diversifying the composition of executives

The company's executive composition consists of 13 directors and auditors, including 6 outside directors (including 3 female directors, which accounts for 23% of the total).

## Sustainability Promotion

### Efforts toward carbon neutrality in FY2030



- **Adoption of renewable energy**  
We are installing solar panels on our own properties and switching to electricity generated from renewable energy sources.
- **Switching our company vehicles to eco-friendly cars**
- **Reducing plastic waste at the Grand Fair, etc.**

## DX Promotion

We are making investments and building in line with our development plans, while also working to promote the use of digital technology within the company.

### Building an integrated data infrastructure



Of the DX investment budget of 11.2 billion yen (FY2012-2014), approximately 5 billion yen has already been invested. Development progress is being shared with the entire company, from the president down, and construction is proceeding while resolving issues in preparation for full-scale operation.

### RPA Human Resource Development



In order to utilize RPA (automation) for routine tasks such as data collection and sharing, lectures were given to selected personnel from each department on everything from program construction to operation, and the use of RPA was initiated.

### Utilizing generative AI and big data



We have established a cross-departmental project team to utilize AI and big data to improve work efficiency and accuracy. We also aim to reduce personal tasks and realize work style reform.

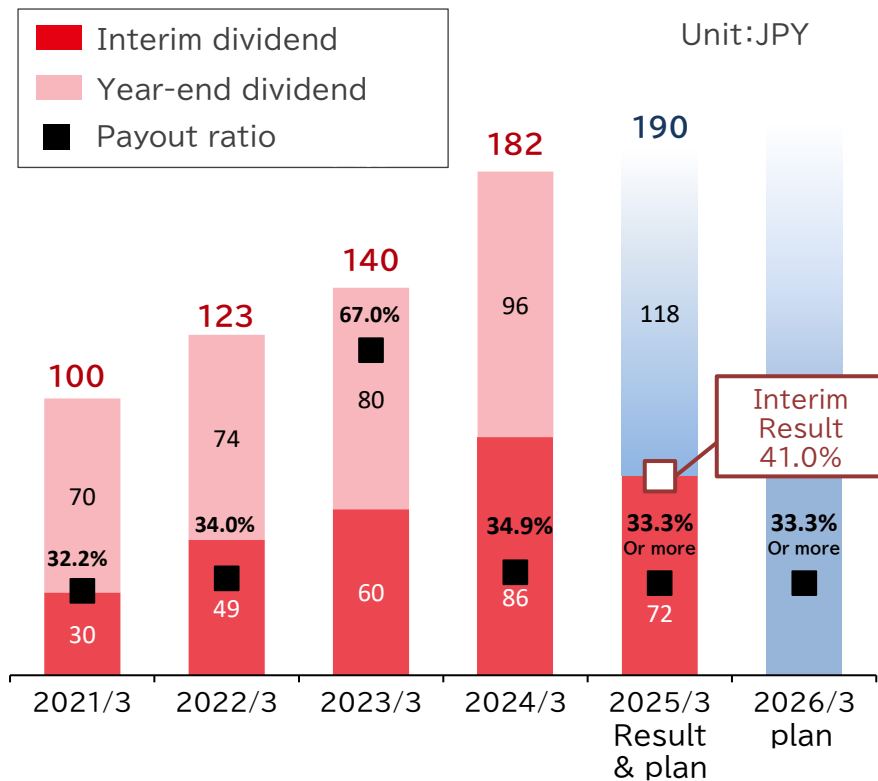
# Shareholder Return Policy

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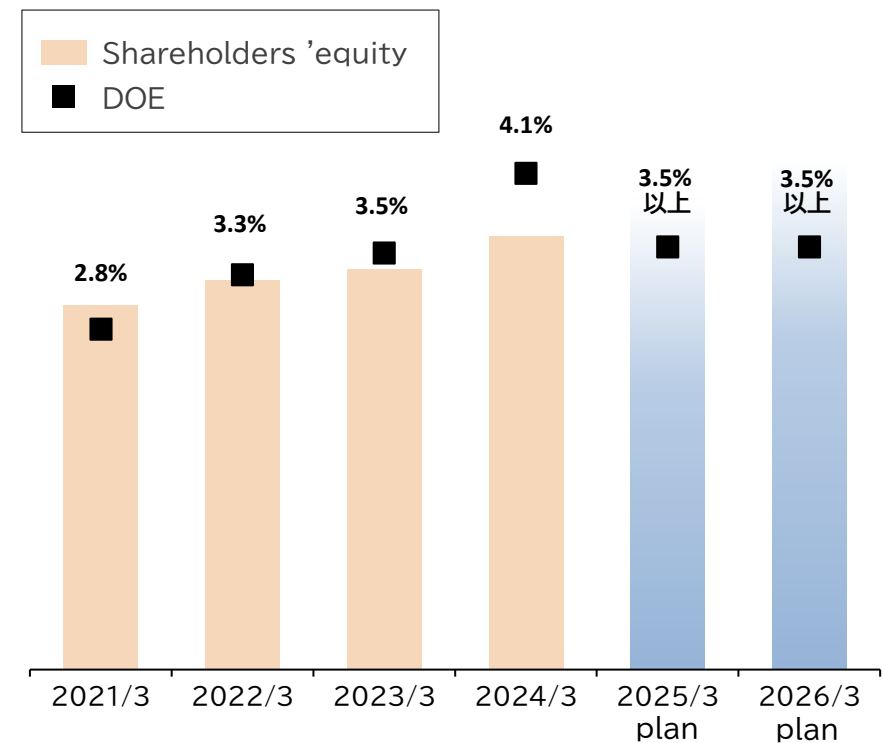
# Return Policy of “Growing Together 2026”

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

Taking into account the analysis of various factors in the financial department and information provided by external evaluation agencies, we estimate the cost of shareholders' equity to be **between 5.88% and 6.57%** as of the fiscal year ending March 2024. In addition, we are working to achieve a ROE (return on equity) of **10.8% or more**, which exceeds this target, in our medium-term management plan "Growing Together 2026."

## Initiatives to ensure that earnings exceed the cost of capital

Improve profitability and growth through business activities	Gross Profit Margin		Growth strategy sales (percentage)	
	9.6% (3/2020)	➡ 10.8% (Current interim period)	98B(20%) (3/2020)	➡ 178.3B(33%) (3/2024)
* Figures before the application of the revenue recognition standard				
Growth Investment Policy	Growth investment results (1.5 years from April 2023 to September 2024)			
	Growth Investment 4.3B	+	DX IT digital investment 8.1B	= 12.4B Progress 58.5%
(Total growth investment budget for three years: 21.2B)				
Efforts to reduce the cost of shareholders' equity	Strengthening investor communication		Promoting fair disclosure	
	Number of meetings with institutional investors (April to September)	Compared to the same period last year 240%	<ul style="list-style-type: none"><li>In addition to financial results summary, we have begun <b>translating corporate governance reports into English</b>.</li><li>We have begun disclosing both Japanese and English <b>on the same day</b>.</li></ul>	





# 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,  
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