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August 9, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: YUASA TRADING CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 8074
URL: https://www.yuasa.co.jp/en/
Representative: Hiroyuki Tamura, Representative Director, President & CEO
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	113,687	2.7	1,671	13.2	2,008	17.6	1,294	(61.2)
June 30, 2023	110,721	1.3	1,477	3.6	1,707	2.3	3,334	222.3

Note: Comprehensive income For the three months ended June 30, 2024: ¥1,724 million [(26.6)%]
For the three months ended June 30, 2023: ¥2,347 million [159.1%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	61.63	61.40
June 30, 2023	158.40	157.71

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	269,674	102,066	37.6
March 31, 2024	290,989	102,409	35.0

Reference: Equity
As of June 30, 2024: ¥101,517 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	–				
Fiscal year ending March 31, 2025 (Forecast)		72.00	–	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
Six months ending September 30, 2024	249,200	1.2	6,380	7.8	6,860	7.1	4,560	(29.8)	217.08
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 quarterly 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 June 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 June 30, 2024	1,094,539 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)

Three months ended June 30, 2024	21,005,510 shares
Three months ended June 30, 2023	21,052,551 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 (223,038 shares as of June 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 (cumulative from the beginning of the fiscal year) (223,038 shares for the three months ended June 30, 2024 and 171,096 shares for the three months ended June 30, 2023).

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

* 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 Three Months, (3) Explanation of consolidated earnings forecasts and other forward-looking statements" on page 5 of the attached material.

Attached Materials

1. Qualitative Information Regarding Results for the First Three Months

(1) Explanation of operating results

During the three months under review (April 1, 2024 to June 30, 2024), despite a decline in plant utilization rates in some automobile-related industries, the Japanese economy was on a moderate recovery trend. Meanwhile, the outlook remained uncertain due to such factors as an increase of geopolitical risks and increasing costs caused by the depreciation of the yen. 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, 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 in automobile-related industries, particularly for EV products. 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 Southeast Asian countries such as Thailand, India, and Indonesia showed resilience. In China, on the other hand, 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,” we will support business transformation by building a data utilization infrastructure, developing DX talent, reforming business processes, and creating innovation. In May 2024, the Company was selected as a “Digital Transformation (DX) certified operator” based on the “DX Certification” established by the Ministry of Economy, Trade and Industry.

Under “Sustainability promotion,” we aim to reduce the Group’s CO2 emissions by 30% by March 2026, and accelerate the carbon neutral promotion business.

As part of the promotion of our growth strategy, we expanded sales of robots and automation equipment, and we have introduced “Twin Pick,” an automated picking conveyor system designed to work in logistics facilities’ limited space that we jointly developed and obtained a new model patent on, to the public at the Company’s Kanto Logistics Center from May 2024.

For the overseas strategy, to reinforce the regional strategy, particularly in Thailand, we acquired shares of the HENKO Group, a machinery trading company operating in Southeast Asia, in April 2024, and will strengthen plant equipment sales to locally capitalized companies in the ASEAN region. We have also developed a structure to expand our overseas business, including initiatives for the “YUASA Grand Fair in Thailand,” a comprehensive exhibition to be held in February 2025 under the theme of “Connecting (TSUNAGU) Japanese and Thai Cultures.”

In addition, we added a new female Outside Director at the Ordinary General Meeting of Shareholders held in June 2024 to further promote diversity.

As a result, consolidated net sales for the three months under review increased 2.7% from the same period of the previous year, to ¥113,687 million. In terms of profits, operating profit was ¥1,671 million (up 13.2% year on year), ordinary profit was ¥2,008 million (up 17.6% year on year). Profit attributable to owners of parent decreased 61.2% from the same period of the previous year, to ¥1,294 million, mainly due to the impact of a gain on return of retirement benefit trust recorded last year.

Results by reportable segment are as follows:

<Industrial Equipment & Tools Division>

In the Industrial Equipment & Tools Division, sales of cutting tools were weak due to a decline in plant utilization rates in some automobile-related and semiconductor-related industries.

Under these circumstances, we focused on selling and proposing solar, storage battery and energy-saving products in response to realizing carbon neutrality on which we have been working to solve issues at production sites, as well as on building infrastructure equipment for automation proposals to realize smart factories as measures against the issue of declining labor population and for environment improvement at production sites, among others. As a result, net sales were ¥18,403 million (up 1.9% year on year).

<Machine Tools Division>

In the Machine Tools Division, in addition to automobile-related industries, especially in EVs, the number of business negotiations increased mainly in semiconductor device-, aircraft- and defense-related industries and there were signs of recovery. However, the order environment remained difficult due to the prolonged period needed for business negotiations. Overseas, demand for capital investment remained steady mainly in the South Asia region.

Under these circumstances, we promoted proposals on original products to the field of processing brittle materials such as ceramics and glass, as well as automation and energy-saving proposals to the sheetmetal fabrication and the measurement. At the same time, we also worked to propose solutions for overall plant equipment ready for carbon neutrality. However, net sales were ¥21,428 million (down 13.6% year on year).

<Housing, Air & Fluidic Control Systems Division>

In the Housing, Air & Fluidic Control Systems Division, while demand for condominiums and remodeling remained firm, housing fixtures, pipes/joints products moved solidly. Additionally, sales of equipment related to energy-saving air conditioning and sales of equipment in the renewable energy field, such as solar power generation systems and storage batteries, were strong due to increasing 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 forecast of extremely hot weather. As a result, net sales were ¥43,323 million (up 8.7% year on year).

<Building Supplies & Exterior Division>

In the Building Supplies & Exterior Division, sales of building hardware and exterior products centered on fences remained strong due to an increase in redevelopment projects and condominium construction, mainly in the Tokyo metropolitan area, as well as an increase in the construction of factories and logistics facilities. Social infrastructure-related investment also demonstrated underlying strength, particularly for products for countermeasures against natural disasters and traffic accidents.

Under these circumstances, we focused on package proposing 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 focused on sales expansion of protective fences and impact-resistant bollards as part of pedestrian protection measures, and fabrication hardware related to construction. As a result, net sales were ¥12,827 million (up 8.7% year on year).

<Construction Machines Division>

In the Construction Machines Division, 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, the work-style reform in the construction industry, and construction delays due to a shortage of construction skilled workers.

Under these circumstances, we expanded sales of CO2 visualization products for construction sites and strengthened sales of solutions for safe construction at construction and agricultural sites and products imported from overseas. At the same time, we promoted proposing disaster prevention, disaster mitigation, and BCP-related products to government agencies. In addition, we strove to expand our used construction and agricultural machines auction businesses, and enhanced container house manufacturing, and construction machines maintenance and rental functions, resulting in net sales of ¥7,848 million (up 16.8% 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 ¥4,335 million (down 3.4% year on year).

<Others>

In Others, in the consumer goods business, while there was a slump in consumer spending, we focused on proposing cooling auxiliary products such as electric fans and circulators mainly to e-commerce sites in expectation of the impact of soaring electricity expenses and extremely hot weather. In the wood products business, the sales volume decreased in the imported plywood business, affected by sluggish demand and the depreciation of the yen. Meanwhile, we focused on developing and proposing wood products in non-residential fields, and advanced development of new products and new markets by strengthening cooperation among domestic group companies.
As a result, net sales were ¥5,520 million (up 10.8% year on year).

(2) Explanation of financial position

As of June 30, 2024, total assets were ¥269,674 million, a decrease of ¥21,315 million from the end of the previous fiscal year. This was primarily due to an increase in inventories of ¥2,284 million, despite decreases in notes and accounts receivable - trade, and contract assets of ¥24,469 million and cash and deposits of ¥2,851 million.

Total liabilities were ¥167,608 million, a decrease of ¥20,972 million from the end of the previous fiscal year. This was primarily due to decreases in notes and accounts payable - trade of ¥15,354 million and electronically recorded obligations - operating of ¥4,375 million.

Total net assets decreased by ¥342 million from the end of the previous fiscal year, to ¥102,066 million. This was due to a decrease in retained earnings of ¥691 million, despite an increase in foreign currency translation adjustment of ¥233 million.

As a result, the equity-to-asset ratio was 37.6% (35.0% at the end of the previous fiscal year).

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

Regarding the consolidated earnings forecasts for the first six months of the fiscal year ending March 31, 2025 and the full business year, 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. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	42,101	39,250
Notes and accounts receivable - trade, and contract assets	118,642	94,172
Electronically recorded monetary claims - operating	38,338	39,324
Inventories	19,593	21,878
Other	3,610	4,720
Allowance for doubtful accounts	(54)	(49)
Total current assets	222,231	199,296
Non-current assets		
Property, plant and equipment		
Land	39,195	39,201
Other, net	5,524	5,657
Total property, plant and equipment	44,719	44,859
Intangible assets		
Goodwill	527	439
Other	3,798	4,584
Total intangible assets	4,326	5,023
Investments and other assets		
Other	20,033	20,736
Allowance for doubtful accounts	(320)	(241)
Total investments and other assets	19,712	20,495
Total non-current assets	68,758	70,378
Total assets	290,989	269,674

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	97,142	81,788
Electronically recorded obligations - operating	61,850	57,475
Short-term borrowings	4,092	4,092
Income taxes payable	3,358	254
Provision for bonuses	3,200	1,531
Provision for bonuses for directors (and other officers)	91	–
Other	10,207	13,709
Total current liabilities	179,943	158,851
Non-current liabilities		
Long-term borrowings	3,328	3,313
Provision for share awards	254	270
Provision for share awards for directors (and other officers)	194	205
Retirement benefit liability	1,103	1,125
Other	3,756	3,841
Total non-current liabilities	8,636	8,756
Total liabilities	188,580	167,608
Net assets		
Shareholders' equity		
Share capital	20,644	20,644
Capital surplus	6,753	6,753
Retained earnings	72,918	72,227
Treasury shares	(3,053)	(3,055)
Total shareholders' equity	97,262	96,570
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,655	3,837
Deferred gains or losses on hedges	18	(20)
Foreign currency translation adjustment	870	1,103
Remeasurements of defined benefit plans	46	26
Total accumulated other comprehensive income	4,591	4,947
Share acquisition rights	145	145
Non-controlling interests	409	403
Total net assets	102,409	102,066
Total liabilities and net assets	290,989	269,674

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

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	110,721	113,687
Cost of sales	99,078	101,170
Gross profit	11,642	12,517
Selling, general and administrative expenses	10,165	10,845
Operating profit	1,477	1,671
Non-operating income		
Interest income	378	412
Dividend income	92	107
Other	91	119
Total non-operating income	563	640
Non-operating expenses		
Interest expenses	264	283
Other	68	20
Total non-operating expenses	332	303
Ordinary profit	1,707	2,008
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on liquidation of subsidiaries and associates	21	–
Gain on return of retirement benefit trust	3,255	–
Total extraordinary income	3,278	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	4,986	2,008
Income taxes	1,654	696
Profit	3,332	1,311
Profit (loss) attributable to non-controlling interests	(2)	17
Profit attributable to owners of parent	3,334	1,294

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	3,332	1,311
Other comprehensive income		
Valuation difference on available-for-sale securities	1,076	233
Deferred gains or losses on hedges	136	(39)
Foreign currency translation adjustment	86	237
Remeasurements of defined benefit plans, net of tax	(2,283)	(20)
Total other comprehensive income	(984)	412
Comprehensive income	2,347	1,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,350	1,702
Comprehensive income attributable to non-controlling interests	(2)	21

(3) Notes to quarterly 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 first quarter of the fiscal year ending March 31, 2025.

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 first quarter of the fiscal year ending March 31, 2025. This change in the accounting policy has been applied retrospectively, and for the first quarter of the previous fiscal year and the previous fiscal year, the quarterly consolidated financial statements and the consolidated financial statements have reflected the retrospective application. This has no impact on the quarterly consolidated financial statements for the first quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

Notes to quarterly consolidated statement of cash flows

Quarterly consolidated statement of cash flows for the three months ended June 30, 2024 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2024 are as follows.

(Millions of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation	317	517
Amortization of goodwill	190	88

Notes on segment information, etc.

Segment information

I. Three months ended June 30, 2023 (from April 1, 2023 to June 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 quarterly 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	18,066	24,801	39,861	11,806	6,718	4,485	105,739	4,982	110,721	–	110,721
Intersegment sales or transfers	3,073	1,345	2,387	1,434	1,231	8	9,481	62	9,543	(9,543)	–
Total	21,140	26,146	42,249	13,240	7,949	4,494	115,220	5,044	120,264	(9,543)	110,721
Segment profit	365	736	969	331	5	11	2,420	22	2,442	(965)	1,477

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 ¥965 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 quarterly consolidated statement of income.

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

No item to report.

II. Three months ended June 30, 2024 (from April 1, 2024 to June 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 quarterly 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	18,403	21,428	43,323	12,827	7,848	4,335	108,166	5,520	113,687	–	113,687
Intersegment sales or transfers	3,347	1,096	2,401	1,271	1,202	10	9,329	135	9,465	(9,465)	–
Total	21,750	22,525	45,725	14,098	9,051	4,345	117,496	5,656	123,153	(9,465)	113,687
Segment profit (loss)	461	449	1,238	428	131	14	2,724	(0)	2,723	(1,051)	1,671

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 ¥1,051 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 quarterly 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 first quarter of the fiscal year ending March 31, 2025, 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 three months ended June 30, 2023 has been prepared based on the segments after the change.