

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 13, 2023

## Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: YUASA TRADING CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 8074  
 URL: <https://www.yuasa.co.jp/english/index.html>  
 Representative: Hiroyuki Tamura, Representative Director, President & CEO  
 Inquiries: Hideki Tani, General Manager Finance Dept.  
 Telephone: +81-3-6369-1366  
 Scheduled date to file quarterly securities report: November 14, 2023  
 Scheduled date to commence dividend payments: December 5, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly 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, 2023 (from April 1, 2023 to September 30, 2023)

#### (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, 2023	246,210	5.2	5,919	15.3	6,403	12.7	6,499	77.4
September 30, 2022	234,018	10.8	5,134	15.2	5,684	51.5	3,663	36.3

Note: Comprehensive income For the six months ended September 30, 2023: ¥5,477 million [42.3%]  
 For the six months ended September 30, 2022: ¥3,848 million [182.5%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	308.91	307.66
September 30, 2022	167.11	166.31

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	273,071	98,496	35.9
March 31, 2023	271,218	95,240	34.9

Reference: Equity  
 As of September 30, 2023: ¥97,959 million  
 As of March 31, 2023: ¥94,677 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, 2023	–	60.00	–	80.00	140.00
Fiscal year ending March 31, 2024	–	86.00			
Fiscal year ending March 31, 2024 (Forecast)			–	96.00	182.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	523,000	3.6	15,400	5.5	16,400	6.6	12,400	23.0	589.32

Note: Revisions to the earnings forecasts most recently announced: Yes

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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: None
  - (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, 2023	22,100,000 shares
As of March 31, 2023	23,155,882 shares

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

As of September 30, 2023	1,098,534 shares
As of March 31, 2023	2,041,301 shares

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

Six months ended September 30, 2023	21,041,221 shares
Six months ended September 30, 2022	21,921,179 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 (227,716 shares as of September 30, 2023 and 171,096 shares as of March 31, 2023). 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) (185,223 shares for the six months ended September 30, 2023 and 180,007 shares for the six months ended September 30, 2022).

\* Quarterly financial results reports are exempt from quarterly 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 Tuesday, November 21, 2023. The materials for this briefing is to be posted on the Company’s website promptly after the briefing.

## Attached Materials

1. Qualitative Information Regarding Results for the First Six Months .....	2
(1) Explanation of operating results.....	2
(2) Explanation of financial position .....	5
(3) Explanation of consolidated earnings forecasts and other forward-looking statements.....	5
2. Quarterly Consolidated Financial Statements and Significant Notes Thereto .....	6
(1) Consolidated balance sheet .....	6
(2) Consolidated statement of income and consolidated statement of comprehensive income .....	8
Consolidated statement of income (cumulative).....	8
Consolidated statement of comprehensive income (cumulative).....	9
(3) Consolidated statement of cash flows .....	10
(4) Notes to quarterly consolidated financial statements .....	12
Notes on going concern assumption.....	12
Notes on significant changes in the amount of shareholders' equity .....	12
Segment information.....	13

## 1. Qualitative Information Regarding Results for the First Six Months

### (1) Explanation of operating results

During the six months under review (April 1, 2023 to September 30, 2023), despite progress toward the normalization of economic activities and gradual recovery in the business climate, the outlook for the Japanese economy remained uncertain due to the protracted situation in Ukraine, soaring raw material and energy prices, as well as the depreciation of the yen.

In the industrial field, production recovered in automobile-related industries as the negative effects of semiconductor shortages on production waned, and demand for capital investment remained steady, particularly for EV products. In semiconductor-related industries, on the other hand, there was a trend of cautiousness toward capital investment due to a sense that demand was fulfilled. In the housing and construction field, public and private capital investment remained firm, but new housing starts, mainly for owner-occupied houses, remained weak.

In overseas countries, although prices of parts and raw materials and personnel expenses increased, the economies of the U.S. and Southeast Asian countries such as Thailand, India, and Indonesia showed a trend toward gradual recovery. In China, movement toward economic recovery came to a standstill.

Under these circumstances, the Group has launched a new 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 develop human resources capable of solving social issues through “Tsunagu” value-chain innovation. Also, as a measure for creating environments that make it easy to demonstrate comprehensive strengths, challenges and communication, we have launched a project for the construction of a new head office.

Under “DX promotion,” we will support 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 accelerate the carbon neutral promotion business. In May 2023, we joined the “GX League,” which is working toward the transformation of economic and social systems. Also, we are introducing energy-saving facilities overseas using the Joint Crediting Mechanism (JCM), and we will deliver our first solar power generation system outside of Asia in Mexico.

As part of the promotion of our growth strategy, we expanded sales of robots and automation equipment, and we jointly developed the “Unmanned Concrete Sprinkling and Curing Management Robot” and “Line Automation Using a Rewritable Laser System.” Also, in September 2023, we started sale of GCCP (Green control for coolant pump) that was developed in-house and for which we have already obtained a patent.

As a result, consolidated net sales for the six months under review increased 5.2% from the same period of the previous year, to ¥246,210 million. In terms of profits, operating profit was ¥5,919 million (up 15.3% year on year), ordinary profit was ¥6,403 million (up 12.7% year on year), and profit attributable to owners of parent was ¥6,499 million (up 77.4% year on year) mainly due to the recording of gain on return of retirement benefit trust.

Results by reportable segment are as follows:

#### <Industrial Equipment & Tools Division>

In the Industrial Equipment & Tools Division, although there was a sense that a certain amount of semiconductor demand was fulfilled and plant utilization rates in related industries declined, demand for capital investment, particularly in equipment related to energy saving, was steady, resulting in sales growth. On the other hand, material and fuel costs continued to soar, which had an impact on purchase prices.

Under these circumstances, we promoted efforts for production sites to become carbon neutral, expanding sales of control-related equipment such as compressors with high energy-saving performance, and focused

on proposals for automation and streamlining of production sites, such as local 5G solutions aimed at realizing smart factories, and as a result, net sales were ¥38,693 million (up 4.4% year on year).

#### <Machine Tools Division>

In the Machine Tools Division, cases of capital investment in automobile-related industries, especially in EVs, and in related devices, such as on-vehicle semiconductors, were firm, and business negotiations related to energy and aircraft increased. On the other hand, demand for semiconductors for PCs and smartphones was sluggish, and demand for capital investment in related industries stagnated. Overseas, despite an increase in demand focused on automation and carbon neutrality, the slowdown in economic growth in the Chinese market had an impact.

Under these circumstances, net sales were ¥57,714 million (up 9.2% year on year) as a result of the promotion of proposals incorporating “Robo Combo,” the Company’s original robot system that responds to needs for tackling personnel shortages, realizing automation using robots, and labor-saving, as well as our focus on expanding sales of carbon neutral products, such as next-generation energy-saving units.

#### <Housing, Air & Fluidic Control Systems Division>

In the Housing, Air & Fluidic Control Systems Division, while the number of new housing starts, especially owner-occupied ones, continued to gradually decline, demand for remodeling remained firm, and housing fixtures and pipes/joints products moved solidly. Additionally, sales of equipment related to air conditioning and sales in the renewable energy field were strong due to increasing demand focused on addressing rising energy costs and carbon neutrality.

Under these circumstances, net sales were ¥86,729 million (up 6.3% year on year) as a result of sales of fixtures related to medium- and high-end housing, pipes/joints products for non-residential fields, high-performance equipment related to air conditioning, solar panels, storage batteries, peripheral devices, and other related products, as well as efforts to strengthen system proposals and engineering functions.

#### <Building Supplies & Exterior Division>

For the Building Supplies & Exterior Division, sales of building hardware products and exterior products such as aluminum privacy fences remained strong due to an increase in redevelopment projects and condominium and hotel construction, mainly in the Tokyo metropolitan area, as well as an increase in the construction of logistics facilities. Public works investment also demonstrated underlying strength, particularly for products for countermeasures against natural disasters and traffic accidents.

Under these circumstances, the division focused on proposing and expanding sales of resilience products, including bollards with flood sensors, water stop plates, and other equipment, as a measure against damage from flash torrential rains, as well as vehicle number authentication gates, “SAI-GATE,” for improved security and labor saving, and fabrication hardware related to construction, resulted in net sales of ¥25,153 million (up 7.5% year on year).

#### <Construction Machines Division>

For 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 material and energy prices, construction delays due to a shortage of construction skilled workers, and long delivery times for construction equipment.

Under these circumstances, the Company expanded sales of CO2 visualization products for construction sites, strengthened its proposals of solutions for safe construction at construction and agricultural sites, and proposals of AI image analysis technology for labor saving and efficiency improvement, and also expanded sales of products imported from overseas. In addition, we strove to expand our used construction and agricultural machines auction business, and enhanced container house manufacturing, and construction machines maintenance and rental functions, resulting in net sales of ¥18,107 million (up 5.3% year on year).

#### <Energy Division>

In the Energy Division, amid a decline in demand for gasoline due to the spread of fuel-efficient vehicles, crude oil prices remained high, while prices for petroleum products such as gasoline and diesel oil also soared as a result of the gradual shrinking of fuel oil subsidies.

Under these circumstances, the gas station retail business, which operates mainly in the Tokai region, worked to strengthen car care services such as car washing, automobile inspections, and coatings. In addition, we made efforts to strengthen sales of marine fuel in the Keihin area, resulting in net sales of ¥9,502 million (down 0.3% year on year).

#### <Others>

In other segments, in the consumer goods business, sales of seasonal household appliances, especially new-model circulators and electric fans, increased due to factors such as the effects of extremely hot weather across Japan. At the same time, in the online sales business, we responded to diversifying consumer needs by proactively incorporating new products. In the wood products business, the number of detached housing starts remained sluggish, resulting in a decline in demand for both imported and domestic timber. Within these difficult sales conditions for core products, we focused on building new sales networks for domestic timber and developing private-brand products, but net sales were ¥10,308 million (down 16.8% year on year).

## **(2) Explanation of financial position**

### **(i) Assets, liabilities and net assets**

As of September 30, 2023, total assets were ¥273,071 million, an increase of ¥1,852 million from the end of the previous fiscal year. This was primarily due to an increase in land of ¥30,422 million, while cash and deposits decreased by ¥13,036 million and notes receivable, accounts receivable - trade and contract assets decreased by ¥11,123 million.

Total liabilities decreased by ¥1,403 million from the end of the previous fiscal year, to ¥174,574 million. This was mainly due to a decrease of ¥7,370 million in notes and accounts payable - trade, despite an increase of ¥3,439 million in long-term borrowings.

Total net assets increased by ¥3,256 million from the end of the previous fiscal year, to ¥98,496 million. This was mainly due to an increase of ¥2,159 million in retained earnings while there was a decrease of ¥2,308 million in remeasurements of defined benefit plans due to partial termination of the retirement benefit trust.

As a result, the equity-to-asset ratio was 35.9% (34.9% at the end of the previous fiscal year).

### **(ii) Cash flows**

Cash and cash equivalents (hereinafter, “cash”) as of September 30, 2023 decreased by ¥13,039 million from the end of the previous fiscal year to ¥39,356 million.

The respective cash flow positions for the six months ended September 30, 2023, and the factors thereof are as follows.

#### **(Cash flows from operating activities)**

Net cash provided by operating activities was ¥15,793 million (up ¥14,144 million year on year). This was mainly due to decrease in retirement benefit asset caused by a partial termination of retirement benefit trust which increased net cash by ¥10,665 million and led to the recording of gain on return of retirement benefit trust of ¥3,255 million, as well as the recording of profit before income taxes of ¥9,693 million, decrease in trade receivables of ¥9,609 million, despite a ¥5,340 million decrease in trade payables.

#### **(Cash flows from investing activities)**

Net cash used in investing activities was ¥31,175 million (up ¥30,798 million year on year). This was primarily due to the recording of purchase of property, plant and equipment of ¥29,882 million.

#### **(Cash flows from financing activities)**

Net cash provided by financing activities was ¥2,044 million (a difference of ¥5,404 million compared with net cash used of ¥3,359 million in the same period of the previous fiscal year). This was primarily due to proceeds from long-term borrowings of ¥5,000 million, despite the recording of dividends paid of ¥1,702 million and purchase of treasury shares of ¥528 million.

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

Regarding the consolidated earnings forecasts for the fiscal year ending March 31, 2024, the Company has revised its full-year consolidated earnings forecasts and dividend forecasts for the fiscal year ending March 31, 2024, which were announced on May 12, 2023.

For details, please refer to “Notice Concerning Revisions to Full-Year Consolidated Earnings Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2024” announced today.

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, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	52,448	39,412
Notes and accounts receivable - trade, and contract assets	121,334	110,210
Electronically recorded monetary claims - operating	30,157	31,838
Inventories	18,480	19,373
Other	3,667	7,062
Allowance for doubtful accounts	(89)	(82)
<b>Total current assets</b>	<b>225,997</b>	<b>207,814</b>
Non-current assets		
Property, plant and equipment		
Land	7,774	38,196
Other, net	6,325	5,284
<b>Total property, plant and equipment</b>	<b>14,099</b>	<b>43,481</b>
Intangible assets		
Goodwill	1,369	1,037
Other	1,305	2,437
<b>Total intangible assets</b>	<b>2,675</b>	<b>3,474</b>
Investments and other assets		
Other	28,787	18,644
Allowance for doubtful accounts	(341)	(343)
<b>Total investments and other assets</b>	<b>28,445</b>	<b>18,300</b>
<b>Total non-current assets</b>	<b>45,220</b>	<b>65,256</b>
<b>Total assets</b>	<b>271,218</b>	<b>273,071</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	98,684	91,314
Electronically recorded obligations - operating	51,443	53,628
Short-term borrowings	3,273	4,192
Income taxes payable	5,682	1,620
Provision for bonuses	2,960	2,653
Provision for bonuses for directors (and other officers)	77	–
Other	8,401	11,855
Total current liabilities	170,523	165,265
Non-current liabilities		
Long-term borrowings	417	3,857
Provision for share awards	227	238
Provision for share awards for directors (and other officers)	180	171
Retirement benefit liability	1,070	1,058
Other	3,557	3,982
Total non-current liabilities	5,454	9,309
Total liabilities	175,977	174,574
<b>Net assets</b>		
Shareholders' equity		
Share capital	20,644	20,644
Capital surplus	6,837	6,753
Retained earnings	67,273	69,432
Treasury shares	(5,301)	(3,068)
Total shareholders' equity	89,453	93,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,349	3,062
Deferred gains or losses on hedges	(96)	63
Foreign currency translation adjustment	505	914
Remeasurements of defined benefit plans	2,465	156
Total accumulated other comprehensive income	5,224	4,197
Share acquisition rights	165	145
Non-controlling interests	397	391
Total net assets	95,240	98,496
Total liabilities and net assets	271,218	273,071

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	234,018	246,210
Cost of sales	209,747	219,659
Gross profit	24,271	26,551
Selling, general and administrative expenses	19,137	20,631
Operating profit	5,134	5,919
Non-operating income		
Interest income	805	785
Dividend income	139	165
Other	149	166
Total non-operating income	1,094	1,117
Non-operating expenses		
Interest expenses	490	514
Other	53	118
Total non-operating expenses	544	633
Ordinary profit	5,684	6,403
Extraordinary income		
Gain on sale of non-current assets	3	1
Gain on sale of investment securities	–	12
Gain on liquidation of subsidiaries and associates	–	19
Gain on return of retirement benefit trust	–	3,255
Total extraordinary income	3	3,289
Extraordinary losses		
Loss on sale of non-current assets	23	–
Loss on retirement of non-current assets	6	0
Loss on valuation of investment securities	4	–
Loss on liquidation of subsidiaries and associates	5	–
Total extraordinary losses	39	0
Profit before income taxes	5,647	9,693
Income taxes	1,982	3,189
Profit	3,664	6,503
Profit attributable to non-controlling interests	1	4
Profit attributable to owners of parent	3,663	6,499

**Consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	3,664	6,503
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	712
Deferred gains or losses on hedges	(28)	160
Foreign currency translation adjustment	647	408
Remeasurements of defined benefit plans, net of tax	(435)	(2,308)
Total other comprehensive income	183	(1,026)
Comprehensive income	3,848	5,477
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,845	5,473
Comprehensive income attributable to non-controlling interests	3	3

**(3) Consolidated statement of cash flows**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,647	9,693
Depreciation	697	668
Amortization of goodwill	381	331
Loss (gain) on sale of non-current assets	20	(1)
Loss on retirement of non-current assets	6	0
Loss (gain) on sale of investment securities	–	(12)
Loss (gain) on valuation of investment securities	4	–
Loss on liquidation of subsidiaries and associates	5	–
Loss (gain) on liquidation of subsidiaries and associates	–	(19)
Gain on return of retirement benefit trust	–	(3,255)
Decrease (increase) in retirement benefit asset	(676)	10,665
Increase (decrease) in retirement benefit liability	46	(18)
Increase (decrease) in allowance for doubtful accounts	12	(4)
Increase (decrease) in provision for bonuses	(205)	(307)
Increase (decrease) in provision for bonuses for directors (and other officers)	(70)	(77)
Increase (decrease) in provision for share awards	1	11
Increase (decrease) in provision for share awards for directors (and other officers)	(13)	(9)
Interest and dividend income	(945)	(950)
Interest expenses	490	513
Decrease (increase) in trade receivables	14,573	9,609
Decrease (increase) in inventories	(3,223)	(732)
Increase (decrease) in trade payables	(11,767)	(5,340)
Decrease (increase) in long term money claims	40	5
Other, net	(899)	238
Subtotal	4,126	21,006
Interest and dividends received	946	951
Interest paid	(513)	(513)
Income taxes paid	(2,909)	(5,650)
Net cash provided by (used in) operating activities	1,648	15,793
<b>Cash flows from investing activities</b>		
Payments into time deposits	(56)	(5)
Proceeds from withdrawal of time deposits	61	2
Purchase of property, plant and equipment	(339)	(29,882)
Proceeds from sale of property, plant and equipment	3	41
Purchase of intangible assets	(60)	(1,321)
Proceeds from sale of intangible assets	83	–
Purchase of investment securities	(43)	(50)
Proceeds from sale of investment securities	–	16
Loan advances	(12)	(33)
Proceeds from collection of loans receivable	–	32
Other, net	(11)	24
Net cash provided by (used in) investing activities	(377)	(31,175)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	18	(79)
Proceeds from long-term borrowings	–	5,000
Repayments of long-term borrowings	(45)	(564)
Repayments of lease liabilities	(42)	(64)
Purchase of treasury shares	(1,628)	(528)
Dividends paid	(1,649)	(1,702)
Other, net	(11)	(15)
Net cash provided by (used in) financing activities	(3,359)	2,044
Effect of exchange rate change on cash and cash equivalents	370	297
Net increase (decrease) in cash and cash equivalents	(1,717)	(13,039)
Cash and cash equivalents at beginning of period	53,536	52,395
Cash and cash equivalents at end of period	51,819	39,356

#### **(4) 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**

(Cancellation of treasury shares)

Based on the resolution of the Board Directors meeting held on May 12, 2023, the Company cancelled 1,055,882 treasury shares on May 31, 2023. As a result, during the six months ended September 30, 2023, capital surplus decreased by ¥83 million, retained earnings decreased by ¥2,627 million, and treasury shares decreased by ¥2,710 million.

## Segment information

### I. Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

#### 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	37,060	52,874	81,582	23,394	17,189	9,533	221,634	12,384	234,018	–	234,018
Intersegment sales or transfers	6,181	2,233	4,275	2,410	2,095	20	17,217	182	17,399	(17,399)	–
Total	43,241	55,107	85,857	25,804	19,285	9,554	238,851	12,566	251,418	(17,399)	234,018
Segment profit	941	2,229	2,360	914	486	106	7,038	23	7,061	(1,927)	5,134

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 ¥1,927 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. 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 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	38,693	57,714	86,729	25,153	18,107	9,502	235,902	10,308	246,210	–	246,210
Intersegment sales or transfers	7,125	2,840	5,497	2,645	2,531	19	20,659	171	20,830	(20,830)	–
Total	45,819	60,555	92,226	27,799	20,638	9,522	256,561	10,479	267,041	(20,830)	246,210
Segment profit	1,056	2,449	2,887	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 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

During the third quarter of the fiscal year ended March 31, 2023, an absorption-type merger between YUASAQUOBIS CO., LTD. and TOYOSANGYO CO., LTD., the Company’s consolidated subsidiaries, in which YUASAQUOBIS CO., LTD. is the surviving company, was conducted. In conjunction with this, the Company has changed the method of classifying the business of TOYOSANGYO CO., LTD., which was previously included in the Building Supplies & Exterior segment, to include it in the Housing, Air & Fluidic



Control Systems segment. Segment information for the six months ended September 30, 2022 has been prepared based on the segments after the change.