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February 2, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 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>  
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 Scheduled date to file quarterly securities report: February 6, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended								
December 31, 2023	376,985	4.3	9,385	10.6	10,104	10.6	8,920	54.0
December 31, 2022	361,511	10.8	8,484	22.2	9,133	40.2	5,794	23.3

Note: Comprehensive income For the nine months ended December 31, 2023: ¥8,015 million [42.3%]  
 For the nine months ended December 31, 2022: ¥5,634 million [105.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	424.23	422.56
December 31, 2022	266.16	264.93

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	285,778	99,208	34.5
March 31, 2023	271,218	95,240	34.9

Reference: Equity  
 As of December 31, 2023: ¥98,665 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: None

## 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: None

\* **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 December 31, 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 December 31, 2023	1,098,683 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)

Nine months ended December 31, 2023	21,027,920 shares
Nine months ended December 31, 2022	21,771,000 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 December 31, 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) (199,387 shares for the nine months ended December 31, 2023 and 177,036 shares for the nine months ended December 31, 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 Nine Months, (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 5 of the attached material.

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

### (1) Explanation of operating results

During the nine months under review (April 1, 2023 to December 31, 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 an increase of geopolitical risks such as the protracted situation in Ukraine, soaring raw material and energy prices, as well as the depreciation of the yen.

In the industrial field, production was normalized in automobile-related industries as the effects of semiconductor shortages waned, and demand for capital investment remained steady, particularly for EV products. In semiconductor-related industries, on the other hand, there was still 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, continued to remain 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 proceeded with a project for the construction of a new head office.

Under “DX promotion,” we will support business transformation by providing reskilling opportunities for employees to build a data utilization infrastructure, develop DX talent, reform business processes, and create 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 addition, we join the “GX League,” which is working toward the transformation of economic and social systems, and we are using the Joint Crediting Mechanism (JCM) to deliver our first solar power generation system outside of Asia in Mexico as part of our proposals for carbon neutrality overseas.

As part of the promotion of our growth strategy, we expanded sales of robots and automation equipment, and jointly developed the “Unmanned Concrete Sprinkling and Curing Management Robot.” Also, we started sale of “Line Automation Using a Rewritable Laser System” and GCCP (Green control for coolant pump) that was developed in-house and for which we have already obtained a patent. Furthermore, in November 2023, the Company launched the “AI Appearance Inspection System F[ai]ND OUT Series EX,” which was developed jointly with connectome.design inc., an equity method affiliate of the Company, to realize greater automation and efficiency in product inspection. These wide-ranging solutions were presented at the INTERNATIONAL ROBOT EXHIBITION 2023.

In addition, a new South Asia Block was established to strengthen the overseas strategy and strengthen the system to exercise total coordination skills overseas.

As a result, consolidated net sales for the nine months under review increased 4.3% from the same period of the previous year, to ¥376,985 million. In terms of profits, operating profit was ¥9,385 million (up 10.6% year on year), ordinary profit was ¥10,104 million (up 10.6% year on year), and profit attributable to owners of parent was ¥8,920 million (up 54.0% 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 plant utilization rates in the automotive industry recovered, sales of mainstay cutting tools and other products were sluggish due to the impact of inventory adjustments at production sites. Meanwhile, demand for carbon neutral-related energy-saving products remained strong.

Under these circumstances, we focused on infrastructure environment proposals such as local 5G solutions aimed at realizing smart factories that aim to solve the issue of labor shortages and improve productivity through labor-saving and automation, resulting in net sales of ¥58,169 million (up 4.2% year-on-year).

<Machine Tools Division>

In the Machine Tools Division, capital investment demand increased in the automobile-related industry, particularly for EV-related components, and there was also a demand for capital investment in robotics, construction machinery and defense-related industries. In semiconductor-related industries, on the other hand, the demand for machine tools remained sluggish due to a sense that demand was fulfilled. Overseas, although business conditions remained sluggish in the Chinese market they showed resilience in the USA and South-East Asian countries.

Under these circumstances, net sales were ¥84,609 million (up 3.7% year on year) as a result of the Company strengthening its proposals for carbon neutrality, automation and unmanned solutions, including “Robo Combo,” the Company’s original robot system, through exhibitions and other events in Japan, as well as efforts to expand sales of carbon neutral-related products overseas.

<Housing, Air & Fluidic Control Systems Division>

In the Housing, Air & Fluidic Control Systems Division, while the number of new owner-occupied housing remained weak, demand for remodeling remained firm, and housing fixtures, pipes/joints products and equipment related to air conditioning also moved solidly. In addition, in response to growing interest in carbon neutrality, etc., demand in the renewable energy field grew and sales of solar panels and storage batteries were on a firm trend.

Under these circumstances, net sales were ¥136,779 million (up 8.3% year on year) as a result of efforts to expand sales of mid- to high-end models in housing fixtures and equipment related to air conditioning, and to strengthen system proposals and engineering functions in the renewable energy sector.

<Building Supplies & Exterior Division>

For 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 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, net sales were ¥39,196 million (up 5.5% year on year) as a result of the division focusing on proposing and expanding sales of resilience products such as bollards with flooding sensors and water stop plates, the “SAI-GATE” vehicle number authentication gates for improved security and labor saving, and pedestrian protection measures including protective fences and impact-resistant bollards, and fabrication hardware related to construction.

<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 price, 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

AI image analysis technology for labor saving and efficiency improvement, and expanded sales of products imported from overseas, while actively proposing disaster prevention and disaster mitigation products to government agencies. 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 ¥27,812 million (up 3.5% year on year).

#### <Energy Division>

In the Energy Division, amid a 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 retail business, which operates mainly in the Tokai region, continued to work 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 ¥14,470 million (up 0.3% year on year).

#### <Others>

In other segments, in the consumer goods business, sales of winter seasonal household appliances were weak, affected by a warm winter and other factors. In the e-commerce and mail-order businesses, we actively introduced new products, mainly household appliances, in response to consumer needs. In the wood products business, the number of new housing starts remained weak and demand for both imported and domestic timber was sluggish. Despite focusing on sales of non-housing products and building new sales networks for domestic timber, as well as strengthening efforts to develop private-brand products, sales were ¥15,946 million (down 17.2% year on year).

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

As of December 31, 2023, total assets were ¥285,778 million, an increase of ¥14,560 million from the end of the previous fiscal year. This was primarily due to increases in land of ¥31,289 million and other current assets of ¥7,711 million, despite decreases in cash and deposits of ¥14,003 million and notes and accounts receivable - trade, and contract assets of ¥11,022 million.

Total liabilities were ¥186,570 million, an increase of ¥10,592 million from the end of the previous fiscal year. This was primarily due to increases in other current liabilities of ¥11,342 million, electronically recorded obligations - operating of ¥9,260 million and long-term borrowings of ¥3,425 million, despite decreases in notes and accounts payable - trade of ¥8,866 million and income taxes payable of ¥4,731 million.

Total net assets increased by ¥3,967 million from the end of the previous fiscal year, to ¥99,208 million. This was mainly due to an increase of ¥2,754 million in retained earnings and cancellation of treasury shares of ¥2,231 million while there was a decrease of ¥2,333 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 34.5% (34.9% 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 fiscal year ending March 31, 2024, the earnings forecasts are unchanged from the announcement in the “Notice Concerning Revisions to Full-Year Consolidated Earnings Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2024” dated November 13, 2023.

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 December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	52,448	38,445
Notes and accounts receivable - trade, and contract assets	121,334	110,311
Electronically recorded monetary claims - operating	30,157	36,706
Inventories	18,480	21,991
Other	3,667	11,378
Allowance for doubtful accounts	(89)	(87)
<b>Total current assets</b>	<b>225,997</b>	<b>218,744</b>
Non-current assets		
Property, plant and equipment		
Land	7,774	39,063
Other, net	6,325	5,300
<b>Total property, plant and equipment</b>	<b>14,099</b>	<b>44,364</b>
Intangible assets		
Goodwill	1,369	921
Other	1,305	3,279
<b>Total intangible assets</b>	<b>2,675</b>	<b>4,201</b>
Investments and other assets		
Other	28,787	18,809
Allowance for doubtful accounts	(341)	(341)
<b>Total investments and other assets</b>	<b>28,445</b>	<b>18,467</b>
<b>Total non-current assets</b>	<b>45,220</b>	<b>67,034</b>
<b>Total assets</b>	<b>271,218</b>	<b>285,778</b>

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	98,684	89,818
Electronically recorded obligations - operating	51,443	60,704
Short-term borrowings	3,273	4,092
Income taxes payable	5,682	950
Provision for bonuses	2,960	1,475
Provision for bonuses for directors (and other officers)	77	–
Other	8,401	19,744
Total current liabilities	170,523	176,785
Non-current liabilities		
Long-term borrowings	417	3,843
Provision for share awards	227	255
Provision for share awards for directors (and other officers)	180	182
Retirement benefit liability	1,070	1,065
Other	3,557	4,438
Total non-current liabilities	5,454	9,785
Total liabilities	175,977	186,570
<b>Net assets</b>		
Shareholders' equity		
Share capital	20,644	20,644
Capital surplus	6,837	6,753
Retained earnings	67,273	70,027
Treasury shares	(5,301)	(3,069)
Total shareholders' equity	89,453	94,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,349	3,233
Deferred gains or losses on hedges	(96)	(64)
Foreign currency translation adjustment	505	1,009
Remeasurements of defined benefit plans	2,465	131
Total accumulated other comprehensive income	5,224	4,309
Share acquisition rights	165	145
Non-controlling interests	397	397
Total net assets	95,240	99,208
Total liabilities and net assets	271,218	285,778

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	361,511	376,985
Cost of sales	324,167	336,099
Gross profit	37,344	40,885
Selling, general and administrative expenses	28,860	31,500
Operating profit	8,484	9,385
Non-operating income		
Interest income	1,184	1,183
Dividend income	214	256
Other	162	212
Total non-operating income	1,561	1,652
Non-operating expenses		
Interest expenses	762	793
Other	150	140
Total non-operating expenses	912	933
Ordinary profit	9,133	10,104
Extraordinary income		
Gain on sale of non-current assets	3	2
Gain on sale of investment securities	0	31
Gain on liquidation of subsidiaries and associates	–	19
Gain on return of retirement benefit trust	–	3,255
Total extraordinary income	3	3,308
Extraordinary losses		
Loss on sale of non-current assets	23	101
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	101
Profit before income taxes	9,096	13,311
Income taxes	3,287	4,381
Profit	5,808	8,930
Profit attributable to non-controlling interests	14	9
Profit attributable to owners of parent	5,794	8,920

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	5,808	8,930
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	884
Deferred gains or losses on hedges	(249)	31
Foreign currency translation adjustment	770	503
Remeasurements of defined benefit plans, net of tax	(652)	(2,333)
Total other comprehensive income	(174)	(914)
Comprehensive income	5,634	8,015
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,618	8,005
Comprehensive income attributable to non-controlling interests	15	9

### **(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**

(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 nine months ended December 31, 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. Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	55,843	81,595	126,332	37,164	26,884	14,425	342,246	19,265	361,511	–	361,511
Intersegment sales or transfers	9,584	3,454	6,466	3,743	3,224	32	26,505	270	26,775	(26,775)	–
Total	65,427	85,050	132,798	40,908	30,108	14,457	368,751	19,535	388,287	(26,775)	361,511
Segment profit	1,482	3,345	3,836	1,478	789	183	11,115	69	11,185	(2,700)	8,484

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 ¥2,700 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. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	58,169	84,609	136,779	39,196	27,812	14,470	361,038	15,946	376,985	–	376,985
Intersegment sales or transfers	10,846	4,080	8,182	4,150	3,886	33	31,179	300	31,480	(31,480)	–
Total	69,016	88,689	144,962	43,346	31,699	14,504	392,218	16,247	408,465	(31,480)	376,985
Segment profit	1,538	3,484	4,963	1,373	755	143	12,258	237	12,496	(3,111)	9,385

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 ¥3,111 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.