

# **First Half of Fiscal Year Ending September 30, 2025 Results Presentation**

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**Sanyo Trading Co., Ltd. (Stock exchange code: 3176)**

**May 15, 2025**

## Highlights for the First Half

**1**

**Sales reached a new high. Operating profit decreased year on year due to growth investment.**

**2**

**As projected in the beginning of the fiscal year, the strong performance of the Sustainability segment more than offset the weak results of poorly performing departments.**

**3**

**Potential core businesses were replaced. The probability of achieving the SV2028\* targets was increased.**

**4**

**Full-year forecasts were kept unchanged (the impact of the tariffs is limited) in light of the macro uncertainty.**

\* SV2028: SANYO VISION 2028 A five-year, long-term management plan that was announced in November 2023 (The same applies hereafter.)

# INDEX

- 01 Results for First Half of Fiscal Year Ending September 30, 2025
- 02 Forecasts for Fiscal Year Ending September 30, 2025
- 03 Progress of SANYO VISION 2028
- 04 Preparation for Growth

# 01

- 01 Results for First Half of Fiscal Year Ending September 30, 2025
- 02 Forecasts for Fiscal Year Ending September 30, 2025
- 03 Progress of SANYO VISION 2028
- 04 Preparation for Growth

# Results for First Half of Fiscal Year Ending September 30, 2025

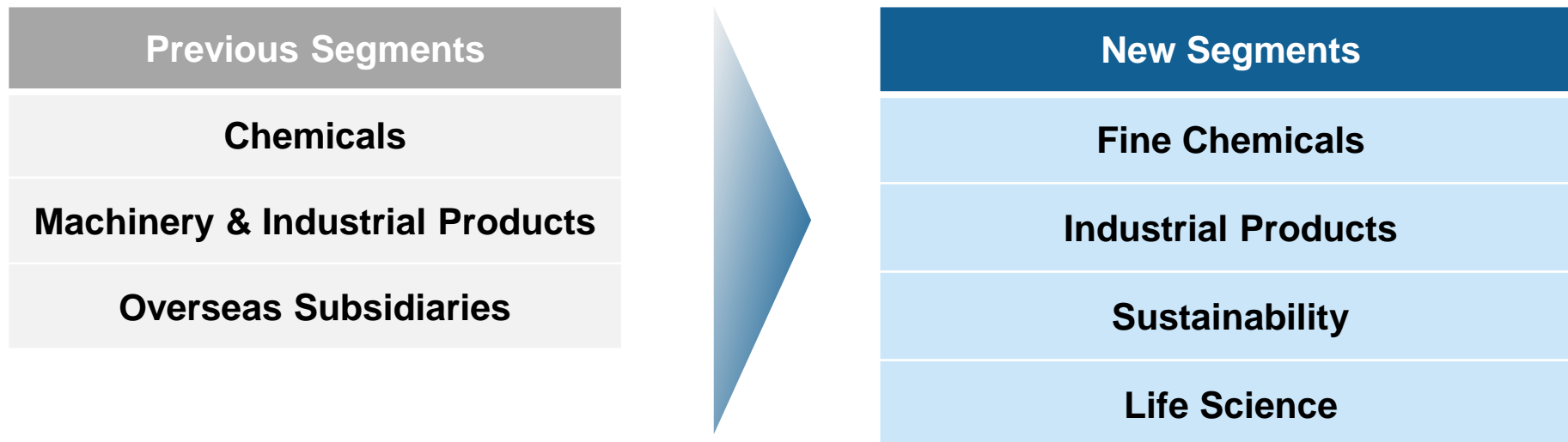
- Sales were strong. Operating profit decreased year on year, partly due to increased personnel costs and the new core system as part of growth investments.
- Progress toward the full-year plan: net sales at 51.6% and operating profit at 57.8%, reflecting steady performance.
- Profit increased year on year driven by gains on sales of investment securities.

(Million yen)	FYE September 2024	FYE September 2025			
	H1	H1		Full fiscal year	
	Result	Result	Year on year	Full fiscal year plan (announced on Nov. 7, 2024)	Rate of progress
<b>Net sales</b>	64,928	<b>68,129</b>	<b>+4.9%</b>	132,000	51.6%
<b>Gross profit</b> (Gross profit ratio)	11,523 (17.7%)	<b>11,815</b> (17.3%)	<b>+2.5%</b>		
<b>Selling, general and administrative expenses</b>	7,205	<b>7,711</b>	<b>+7.0%</b>		
<b>Operating profit</b> (Operating profit ratio)	4,317 (6.6%)	<b>4,104</b> (6.0%)	<b>(4.9%)</b>	7,100 (5.4%)	57.8%
<b>Ordinary profit</b> (Ordinary profit ratio)	4,935 (7.6%)	<b>4,410</b> (6.5%)	<b>(10.6%)</b>	7,500 (5.7%)	58.8%
<b>Profit attributable to owners of parent</b>	3,145	<b>3,451</b>	<b>+9.7%</b>	4,900	70.4%
<b>EPS (yen)</b>	109.32	<b>119.86</b>	-	170.11	-

## Notice [Repost]

- New reportable segments are used beginning with the first quarter of the fiscal year ending September 30, 2025 (announced on September 10, 2024.).
- Purposes: Disclosure to the market, optimal allocation of management resources, and performance monitoring

(Reportable segments)



(Breakdown of sales by region)

- New regional divisions: Japan, North America, China, ASEAN, and Others (India, Europe and elsewhere)

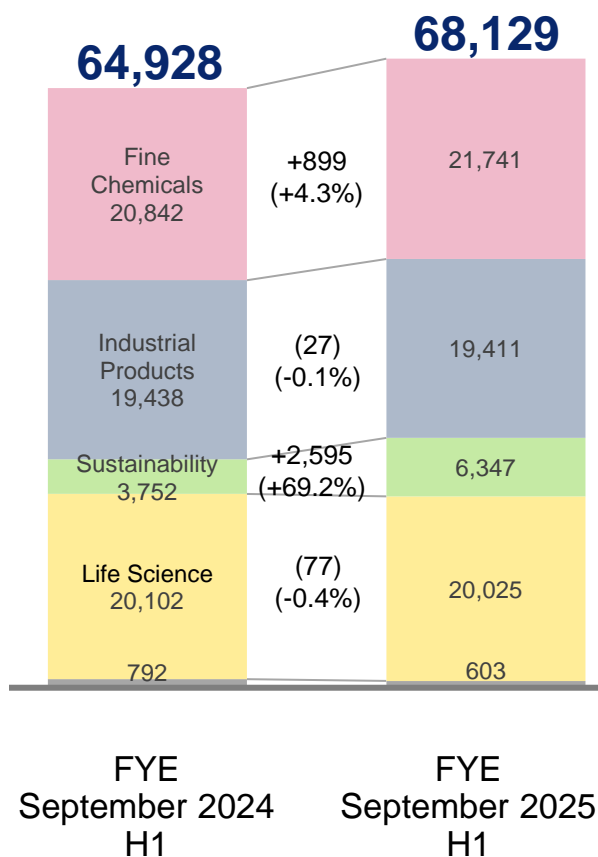
\* Before change: Japan, USA, China, and Others

# Summary of Results by Segment

## Net sales year on year

**+3.20 billion yen (+4.9%)**

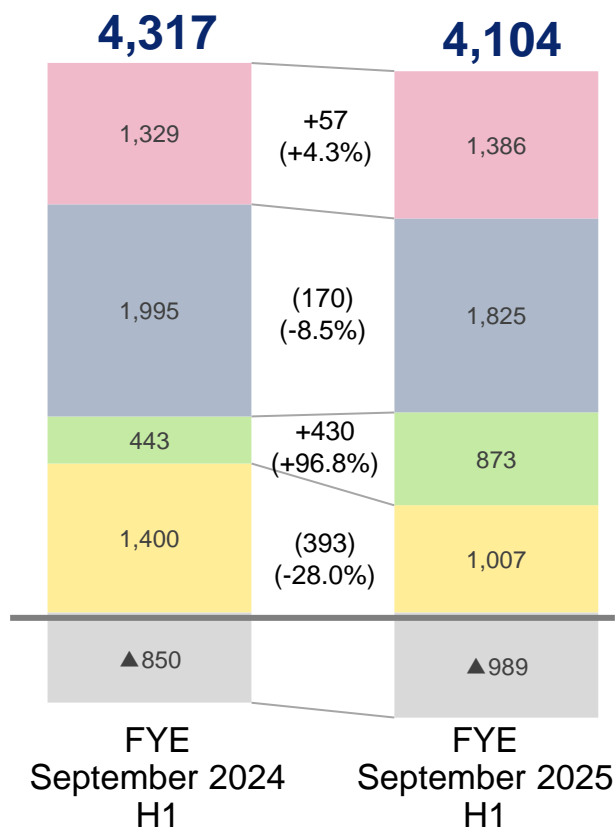
(Million yen)



## Operating profit year on year

**(0.21) billion yen (-4.9%)**

(Million yen)



**Fine Chemicals**

**Increase in sales /  
Increase in profit**

**Industrial  
Products**

**Decrease in sales /  
Decrease in profit**

**Sustainability**

**Increase in sales /  
Increase in profit**

**Life Science**

**Decrease in sales /  
Decrease in profit**



# Segment Composition



Rubber merchandise



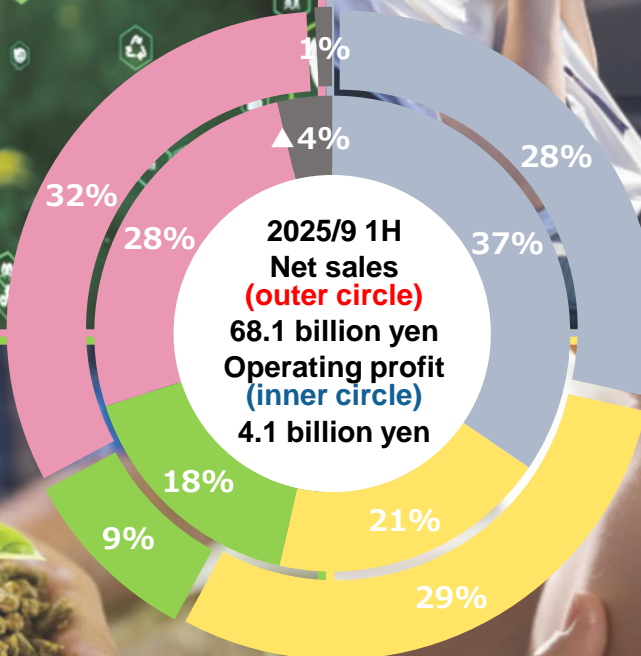
Chemical merchandise



Wood biomass



Marine surveys  
for offshore wind  
power generation



Note: net sales and operating profit ratios by segment were calculated based on values before consolidation adjustments.



Automotive interior parts



Benchmarking services  
provided by means of  
scanning



Electronic materials



Inspection equipment



# Overview of Each Segment: Fine Chemicals

(Million yen)	FYE September 2024 H1	FYE September 2025 H1	Year on year
<b>Net sales</b>	20,842	<b>21,741</b>	<b>+4.3%</b>
<b>Operating profit</b> (Operating profit ratio)	1,329 (6.4%)	1,386 (6.4%)	<b>+4.3%</b>

Factors for changes	
Net sales	<p>Rubber: (+) Demand for raw materials for domestic markets remained strong. Price of imported goods were revised reflecting the even weaker yen.</p> <p>Chemicals: (-) Demand for mainstay products was on a weak note due to the impact of the market conditions. Purchasing prices of imported goods rose due to the even weaker yen.</p>
Operating profit	<p>Rubber: (+) Profit increased due to an increase in sales and revision of sales prices.</p> <p>Chemicals: (-) Decrease in sales and a rise in purchase prices</p>

[Major products we deal in]



Synthetic rubbers



Thermoplastic elastomers and resins



Rubber reinforcements and fillers

## <Final uses>

- Automotive sealants
- High pressure hose
- Tires
- Home electric appliances



Photoinitiators/UV absorbers



Pigments



Specialty monomers



Wax



Silane coupling agents

## <Final uses>

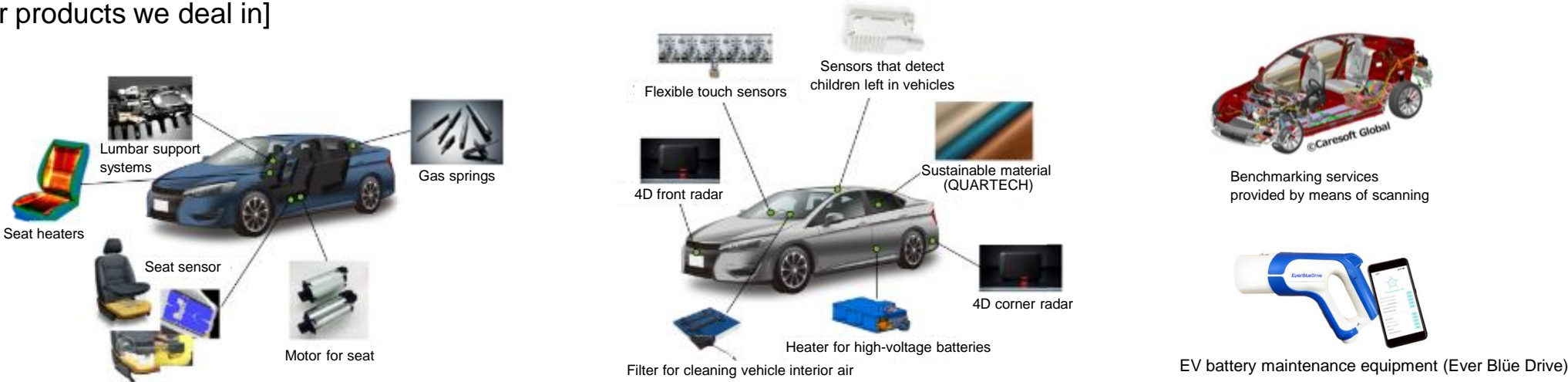
- Inks and printed materials
- Exterior wall paints
- Adhesives
- Plastic products

# Overview of Each Segment: Industrial Products

(Million yen)	FYE September 2024 H1	FYE September 2025 H1	Year on year
Net sales	19,438	19,411	(0.1%)
Operating profit (Operating profit ratio)	1,995 (10.3%)	1,825 (9.4%)	(8.5%)

Factors for changes	
Net sales	<div>Japan:</div> <div>(-) Impact of discontinuation of the handling of genuine leather for car seats</div> <div>(+) Contribution of sales price revisions and foreign exchange gains</div> <div>Overseas: (+) Strong performance of automobile-related products in the United States and Mexico</div> <div>(-) Japanese automakers reducing production amid an economic slowdown and intensified competition in China</div>
Operating profit	<div>(-) Decline in profit attributed to the above decline in sales</div>

[Major products we deal in]




# Overview of Each Segment: Sustainability

(Million yen)	FYE September 2024 H1	FYE September 2025 H1	Year on year
<b>Net sales</b>	3,752	<b>6,347</b>	<b>+69.2%</b>
<b>Operating profit</b> (Operating profit ratio)	443 (11.8%)	873 (13.8%)	<b>+96.8%</b>


Factors for changes	
Net sales	(+) Strong sales of wearing parts related to feed processing machines Major projects in the wood-biomass-related business (+) Ocean development, mainly including ocean investigation materials and equipment, was the driving force. The performance of geothermal heat and oil- and gas-related equipment was also strong
Operating profit	(+) Growth in profit attributed to the above increase in sales

[Major products we deal in]


<Feed processing machines and wood-biomass-related products>




Pellet mill




Low-temperature belt dryer for wood chips




Gasification unit



(Different types of pellets)



Various hammer mills




Cogeneration unit


**<Final uses>**

- Feed/fertilizer
- Food, industrial products, etc.
- Renewable energy


<Marine surveys for offshore wind power generation>




Top drive system



Remotely operated vehicle (ROV)



TP cover



Cable protection system

**<Final uses>**

- Oil and gas
- Geothermal development
- Offshore wind power generation
- Ocean investigation

# Overview of Each Segment: Life Science


\* LS: Life Science

(Million yen)	FYE September 2024 H1	FYE September 2025 H1	Year on year
<b>Net sales</b>	20,102	<b>20,025</b>	<b>(0.4%)</b>
<b>Operating profit</b> (Operating profit ratio)	1,400 (7.0%)	1,007 (5.0%)	<b>(28.0%)</b>


Factors for changes	
Net sales	(+) LS*: Exports of electrical materials increased, reflecting the weak yen. (-) Scientific instruments: Weak demand and rising purchase prices reflecting the impact of the weak yen (+) YPTECH: Increase in sales quantity of functional feed materials (-) Scrum Inc.: Impact of termination of contract for biotech products
Operating profit	(-) Decline in profit attributed to the above decline in sales (significant impact of biotech products)

## [Major products we deal in]


### <Life science-related>




Electronic materials




Different types of film




Cosmetics (raw materials / containers)



FoodTech



Fragrance




High-performance resins


**<Final uses>**

- Electronics and battery
- Air freshener
- Pet food
- Diaper


### <Scientific instruments-related>



Wettability testers



Equipment for dispersion and powder evaluation




Weather resistance tester


**<Final uses>**

- Research and development
- Quality control
- Production control
- Inspection


### <Biotechnology-related>



3D bioprinter



Next-generation sequencer for genetic analysis (NGS)



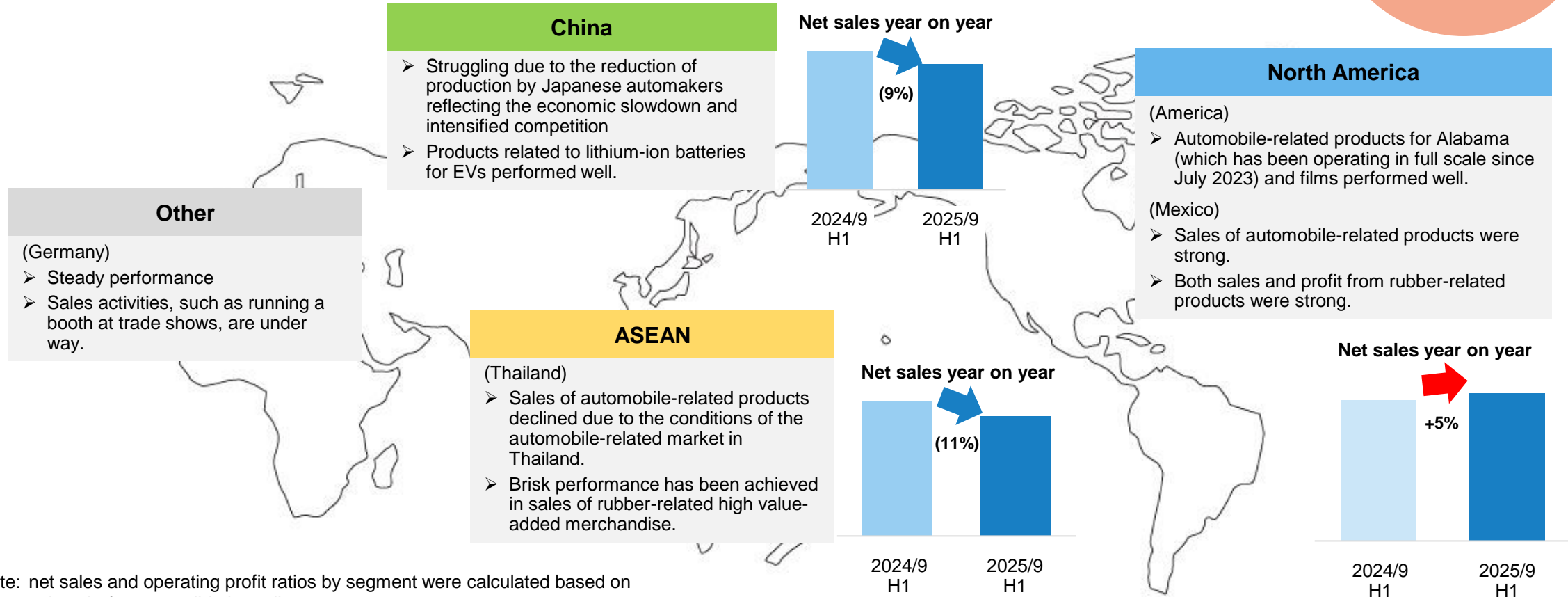
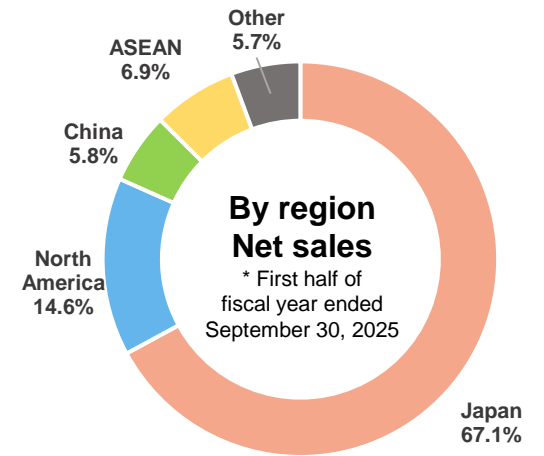
Gene-discovery analysis services and drug discovery support services

**<Final uses>**

- Genetic research
- Cellular research
- Protein research
- Pathology research
- Drug discovery support

# Net Sales and Situations in Each Region

- Overseas sales declined 0.6% year on year. Net sales were strong in North America. Sales slowed in China due to the economic slowdown and intensified competition.
- Development of locally originated businesses is under way under the initiative of overseas bases.



Note: net sales and operating profit ratios by segment were calculated based on values before consolidation adjustments.

# 02

- 01 Results for First Half of Fiscal Year Ending September 30, 2025
- 02 Forecasts for Fiscal Year Ending September 30, 2025**
- 03 Progress of SANYO VISION 2028
- 04 Preparation for Growth



# Forecasts for Fiscal Year Ending September 30, 2025

- While steady progress was made in the first half, full-year forecasts were kept unchanged reflecting the uncertainty surrounding the macro environment.
- The impact of the tariffs is limited.

	FYE September 2024 Results		FYE September 2025 Forecasts	
	Result	Year on year	Forecast	Year on year
<b>Net sales</b>	129,263	+7.2%	<b>132,000</b>	<b>+2.1%</b>
<b>Gross profit</b> (Gross profit ratio)	22,229 (17.2%)	+10.6%		
<b>Selling, general and administrative expenses</b>	15,156	+11.6%		
<b>Operating profit</b> (Operating profit ratio)	7,072 (5.5%)	+8.4%	<b>7,100</b> (5.4%)	<b>+0.4%</b>
<b>Ordinary profit</b> (Ordinary profit ratio)	7,905 (6.1%)	+11.5%	<b>7,500</b> (5.7%)	<b>(5.1%)</b>
<b>Profit attributable to owners of parent</b>	5,207	+8.8%	<b>4,900</b>	<b>(5.9%)</b>
<b>EPS (yen)</b>	180.88	-	<b>170.11</b>	-



# Forecasts by Segment for Fiscal Year Ending September 30, 2025

- Forecasts by segment have also been kept unchanged. Despite the impact of ending distributor agreements for bio-related equipment, etc., revenue is expected to be supported by contributions from wood biomass-related income and offshore wind equipment.

(Million yen)	Net sales			Operating profit		
	FYE September 2024 Result	FYE September 2025 Forecast	Year on year	FYE September 2024 Result	FYE September 2025 Forecast	Year on year
Fine Chemicals	42,784	45,000	+5.2%	2,715	2,800	+3.1%
Industrial Products	36,915	36,000	(2.5%)	3,380	3,100	(8.3%)
Sustainability	9,764	13,000	+33.1%	1,205	1,700	+41.1%
Life Science	38,311	37,000	(3.4%)	1,733	1,400	(19.2%)
Other	1,488	1,000	-	(1,960)	(1,900)	-
Total	129,263	132,000	+2.1%	7,072	7,100	+0.4%

# Cash Allocation

## Cash inflows

## Cash outflows

(Cumulative total for five years from 2024.9 to 2028.9)

- Using financial leverage in an agile manner within the scope of financial discipline

[Financial discipline (as a rough guide)]  
Shareholders' equity ratio : 50% or higher  
D/E ratio : Less than 0.5

- Steady accumulation of cash flows from operating activities

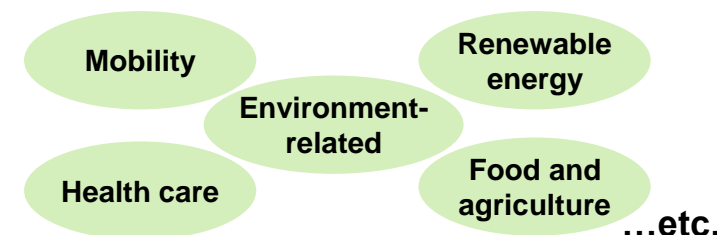
**Sale of assets,  
borrowings, etc.**  
10 billion yen-

**Operating  
cash flow**  
28.0 billion yen

**Growth  
investment**  
20 billion yen-  
30 billion yen

**Shareholder  
returns**  
8.5 billion yen-

- Exploring **bolt-on M&A** opportunities in areas with high growth potential

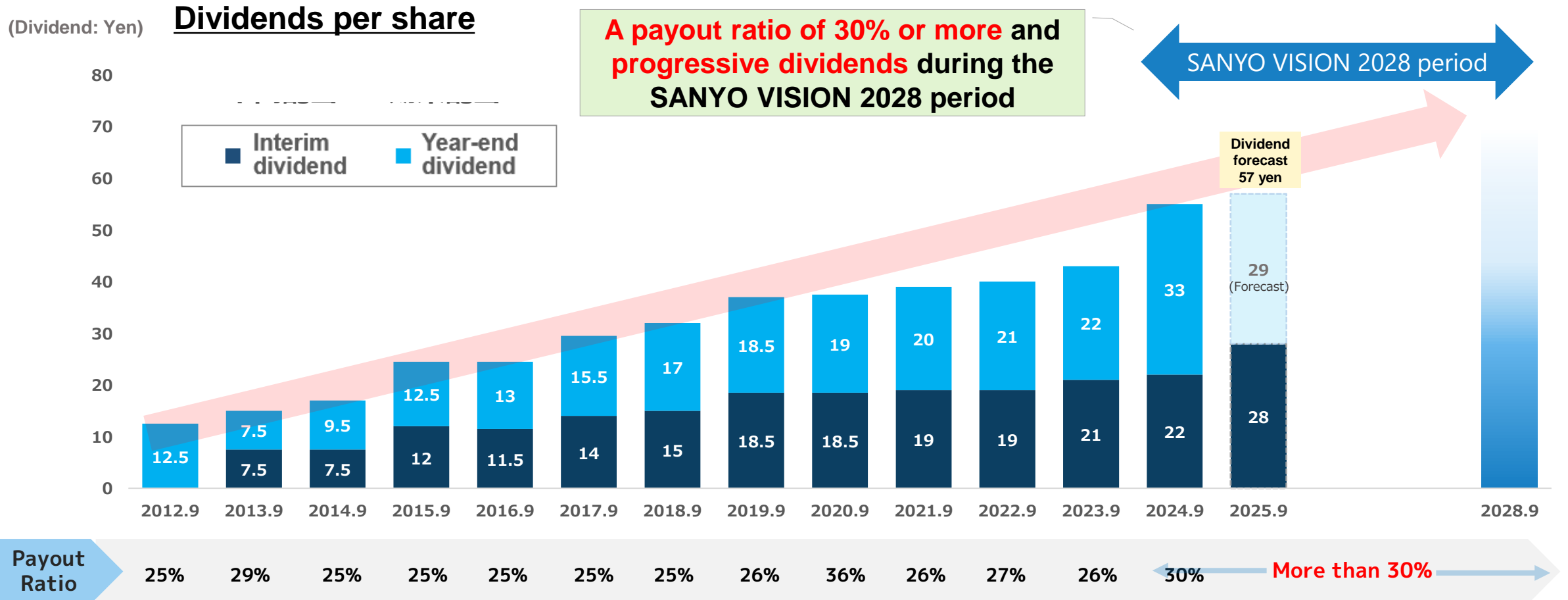


- Human capital investment: Recruitment, education and training, etc. to promote the idea of Sanyo as a people company
- DX-related investment: the new core system (which started operating in October 2024)

- **Progressive dividends** continued with a view toward a **payout ratio of 30% or more**

# Shareholder Returns

- In line with our basic policy of continuously increasing dividends and paying stable dividends, we will continue to pay **progressive dividends** during the SANYO VISION 2028 period with a view toward a **payout ratio of 30% or more**.



# 03

- 01 Results for First Half of Fiscal Year Ending September 30, 2025
- 02 Forecasts for Fiscal Year Ending September 30, 2025
- 03 Progress of SANYO VISION 2028**
- 04 Preparation for Growth

# Progress toward the Financial Targets in SANYO VISION 2028

- We are in the second year of SV2028. The prospects of achieving the 2028 targets are good.
- P/B ratio declined compared to the value for the end of the previous fiscal year. We will continue our efforts to improve our corporate value to achieve a P/B ratio exceeding 1.0.

	Target (Fiscal year ending September 30, 2028)	Result (Fiscal year ended September 30, 2024)	Result (First half of fiscal year ending September 30, 2025)	Evaluation
ROE	10-12%	11.4%	<b>10.3%</b> <small>* Forecast for the fiscal year ending September 30, 2025</small>	Good
Operating profit	9.0 billion yen	7.0 billion yen <small>(Upward-revised target achieved)</small>	<b>7.1 billion yen</b> <small>* Forecast for the fiscal year ending September 30, 2025</small>	Good
Operating profit ratio	5.1%	5.5%	6.0%	Excellent
Operating cash flow	Cash surplus	5.4 billion yen (cash surplus)	4.3 billion yen (cash surplus)	Good
Shareholders' equity ratio	50% or more	63.3%	65.0%	Good
PBR	More than 1	0.92	<b>0.89</b> <small>* As of March 31, 2025</small>	Needs improvement

# Growth Strategy for Fiscal Year Ending September 30, 2028

- Effectively invest to achieve the **operating profit** target of **9.0 billion yen** set in SANYO VISION 2028
- The growth strategy is based on the **"Three initiatives."**

## Targets for growth investment

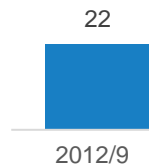


Planning to make growth investments totaling 20 to 30 billion yen (2024/9-2028/9)

## Growth Strategy: Three Initiatives

- Nurturing of potential core businesses
- Implementation of M&A activities
- Investment initiatives for startups

Trend in operating profit  
(100 million yen)



2013/9

2014/9

2015/9

2016/9

...

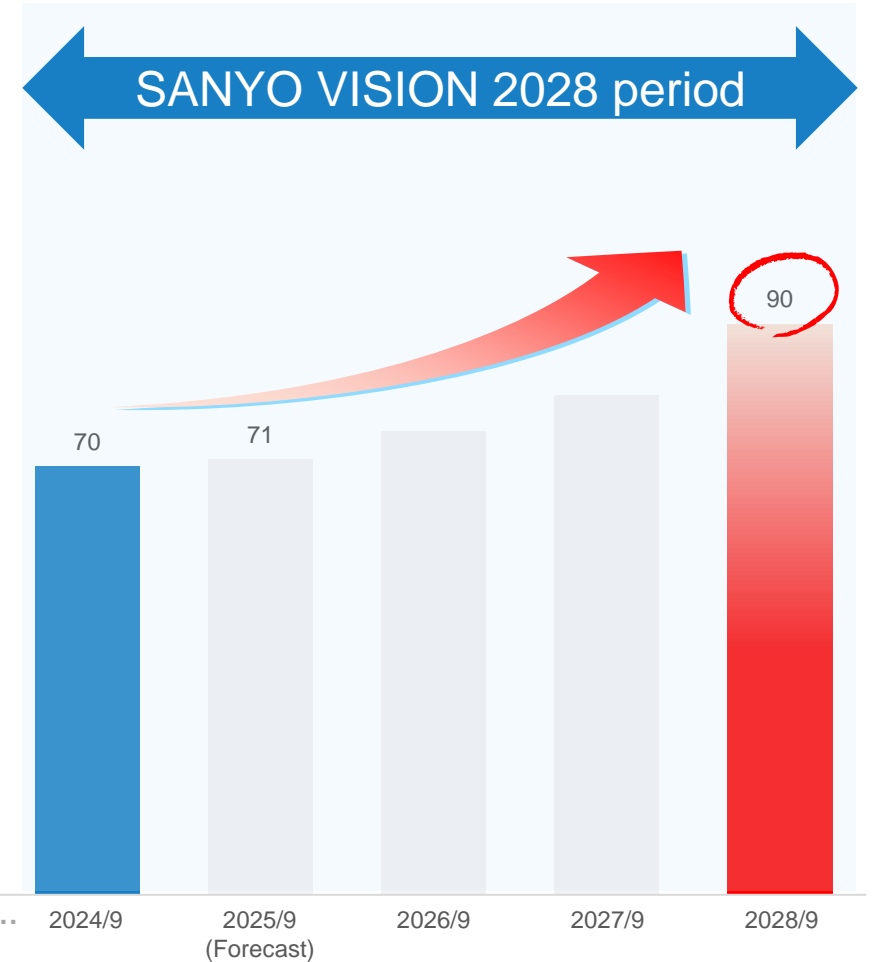
2024/9

2025/9  
(Forecast)

2026/9

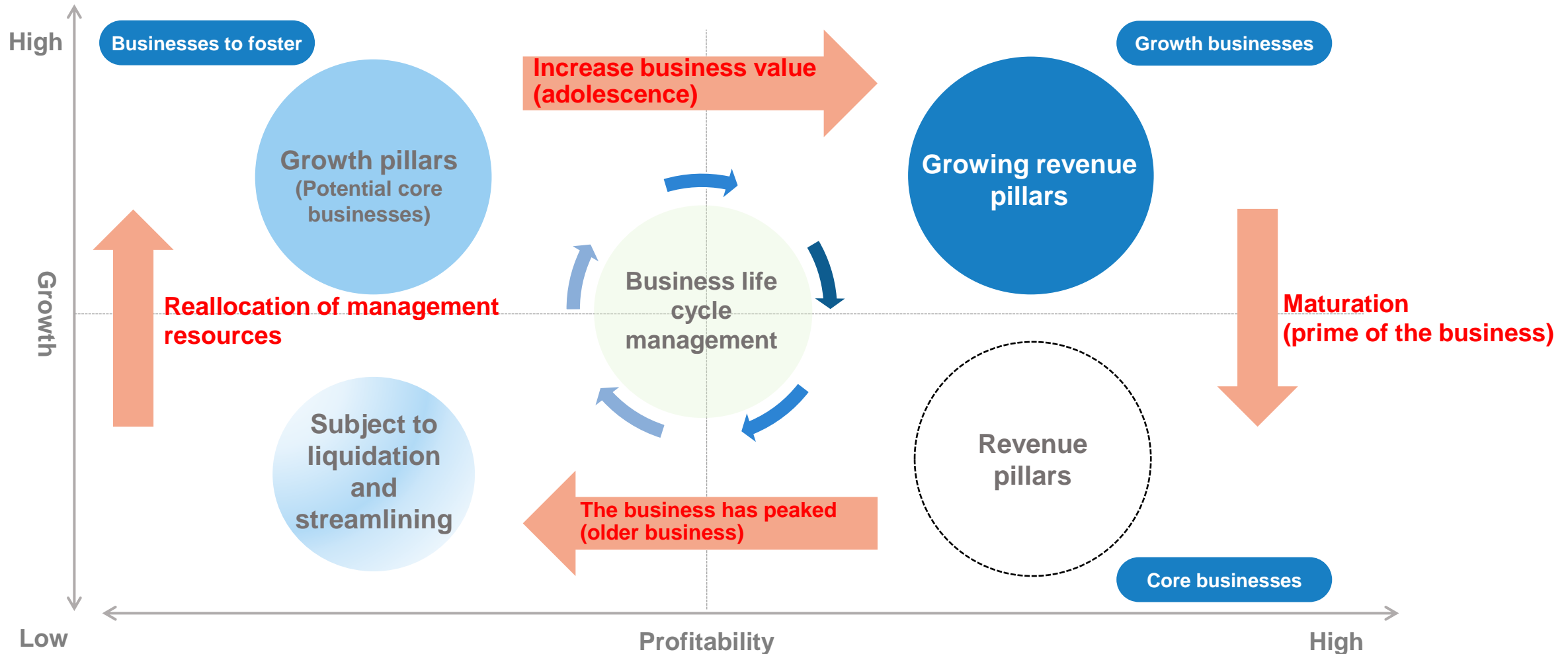
2027/9

2028/9



# Optimizing the Business Portfolio

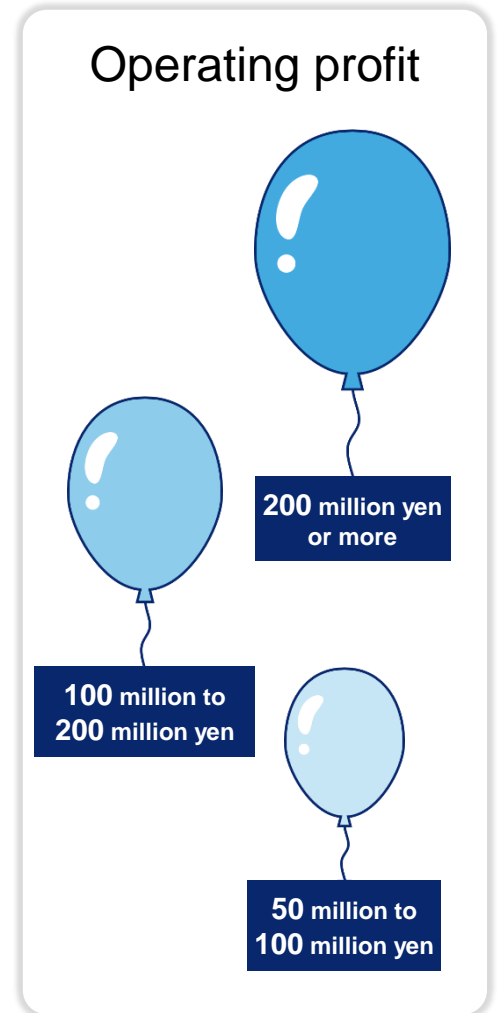
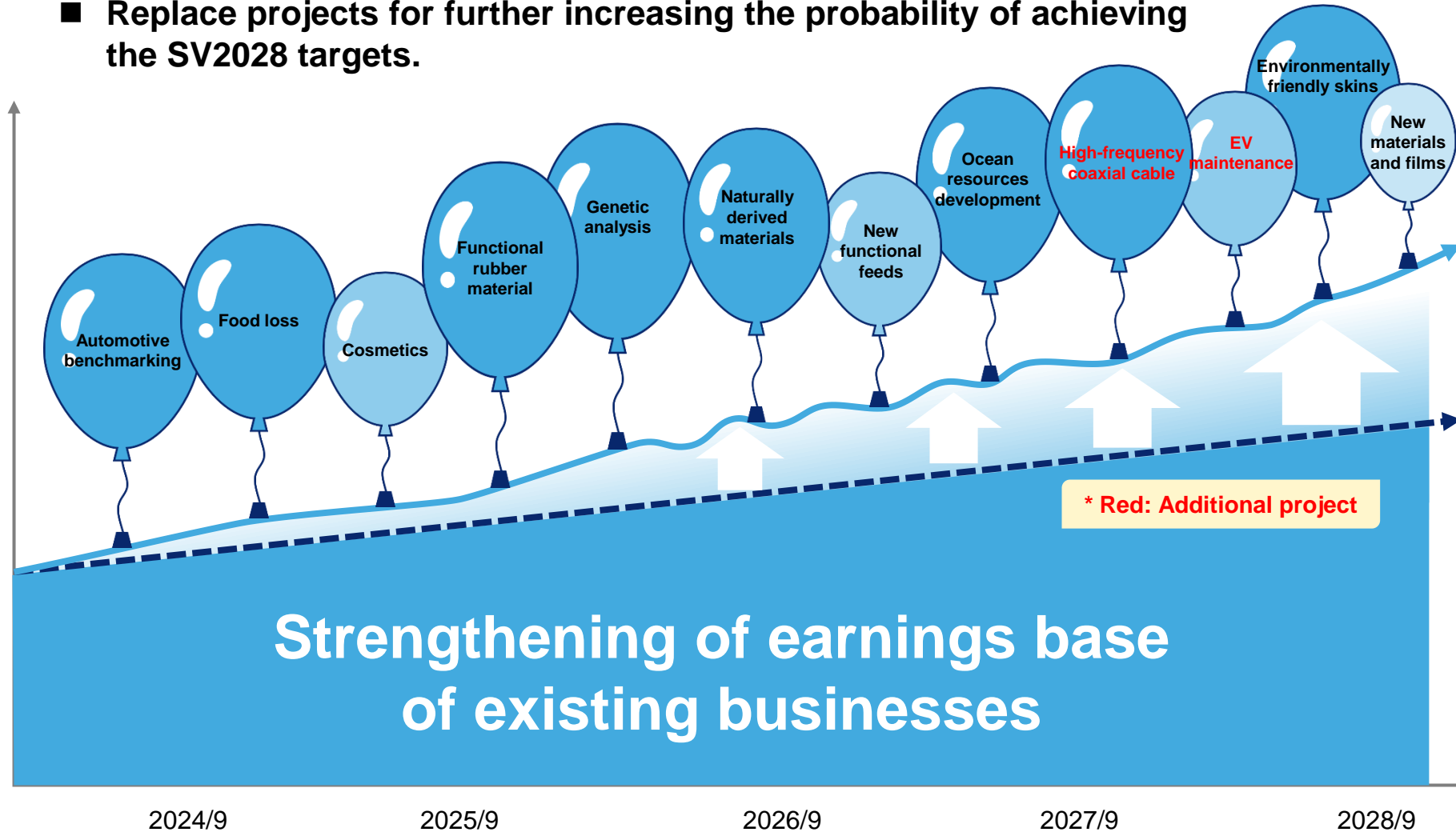
- Reenforce the discovery and cultivation of businesses that will be future revenue pillars.
- Strategically allocate management resources heavily to these businesses to accelerate their growth.





# Progress in Projects in Potential Core Businesses

- Cultivate projects with potential for becoming future pillar businesses and reap tangible results from them.
- Replace projects for further increasing the probability of achieving the SV2028 targets.



# 04

- 01 Results for First Half of Fiscal Year Ending September 30, 2025
- 02 Forecasts for Fiscal Year Ending September 30, 2025
- 03 Progress of SANYO VISION 2028
- 04 Preparation for Growth**

# Examples of Potential Core Businesses (1)

(Functional rubber material)

## Fine Chemicals

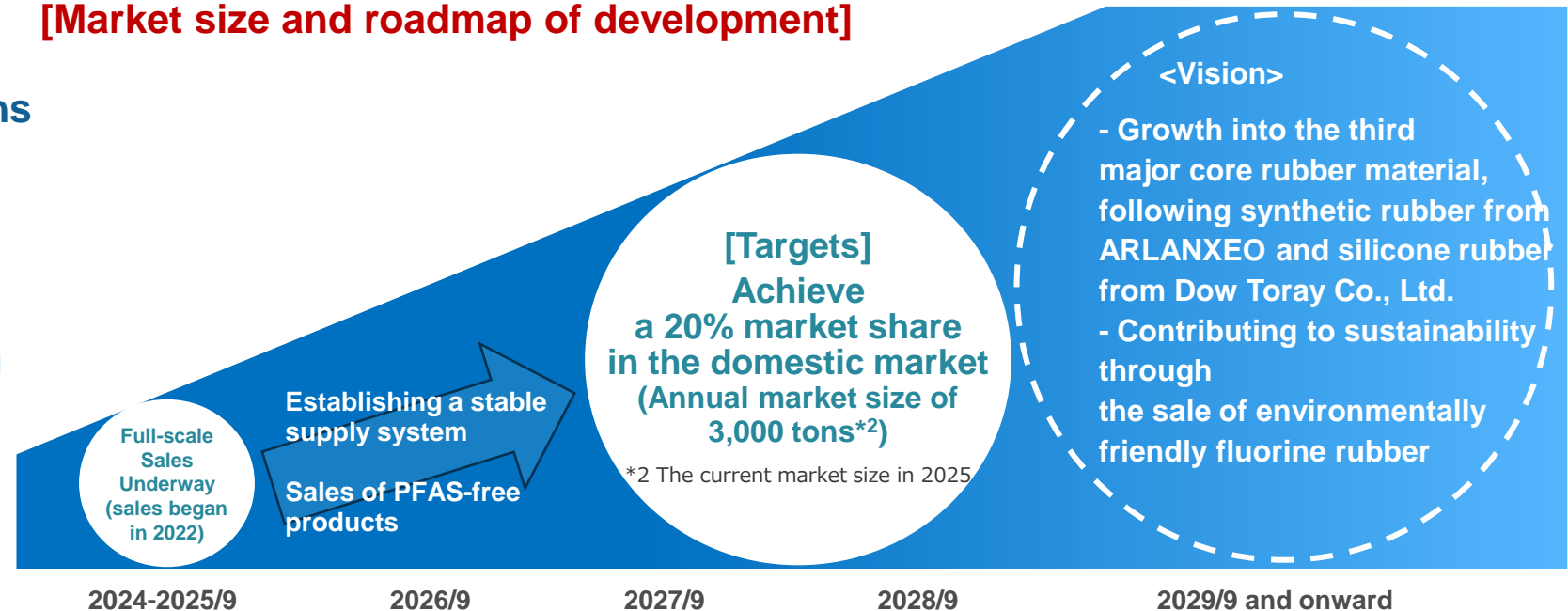
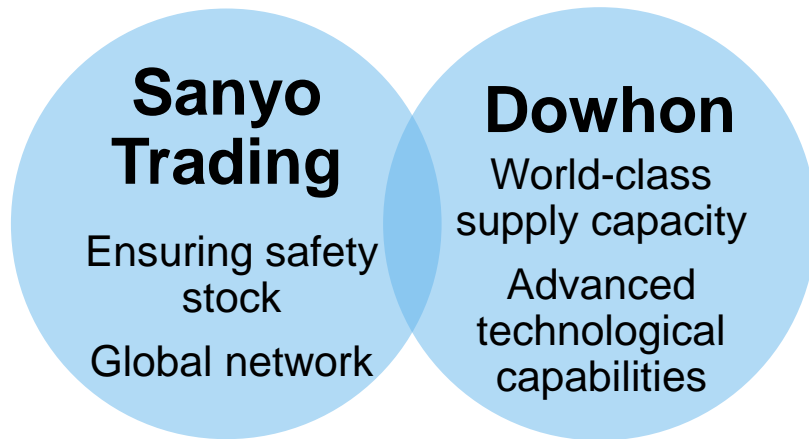
### \*1 Sichuan Dowhon New Materials Co., Ltd.:

A leading Chinese manufacturer of pre-compounded fluorine rubber with pre-mixed chemicals. Fluorine rubber offers excellent heat, oil, and chemical resistance, and is used in automotive hoses and other functional rubber components.

- Business expansion of fluorine rubber products from Sichuan Dowhon New Materials Co., Ltd.\*<sup>1</sup> Focusing on establishing a stable supply system to grow the products into core commercial products.
- Contributing to sustainability through the sale of products that address PFAS-related issues.

## [Market size and roadmap of development]

### Synergy of the two companies' strengths



## Examples of Potential Core Businesses (2)

(EV/PHEV battery checker)

### Industrial Products

- Release a compact and affordable checker by leveraging EV-related knowledge acquired in the benchmarking business.

#### [Background behind the development]

#### -- Perceived problems --

##### (1) Low resale value

Battery degradation levels are not measured. The used EV market has yet to be established (affecting assessment and valuation).

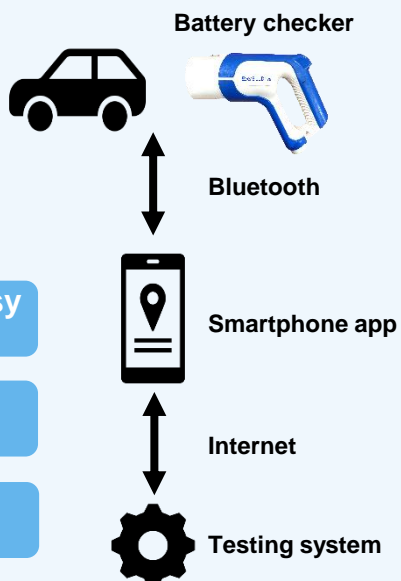
##### (2) Increase in exports to other countries

Rare metals flow out, hampering the development of a recycling-based society in Japan.

##### (3) EV's safety

Because high voltage and high current are handled in batteries, equipment with safety considerations needs to be developed and provided.

#### Drive battery checker "ETX010"

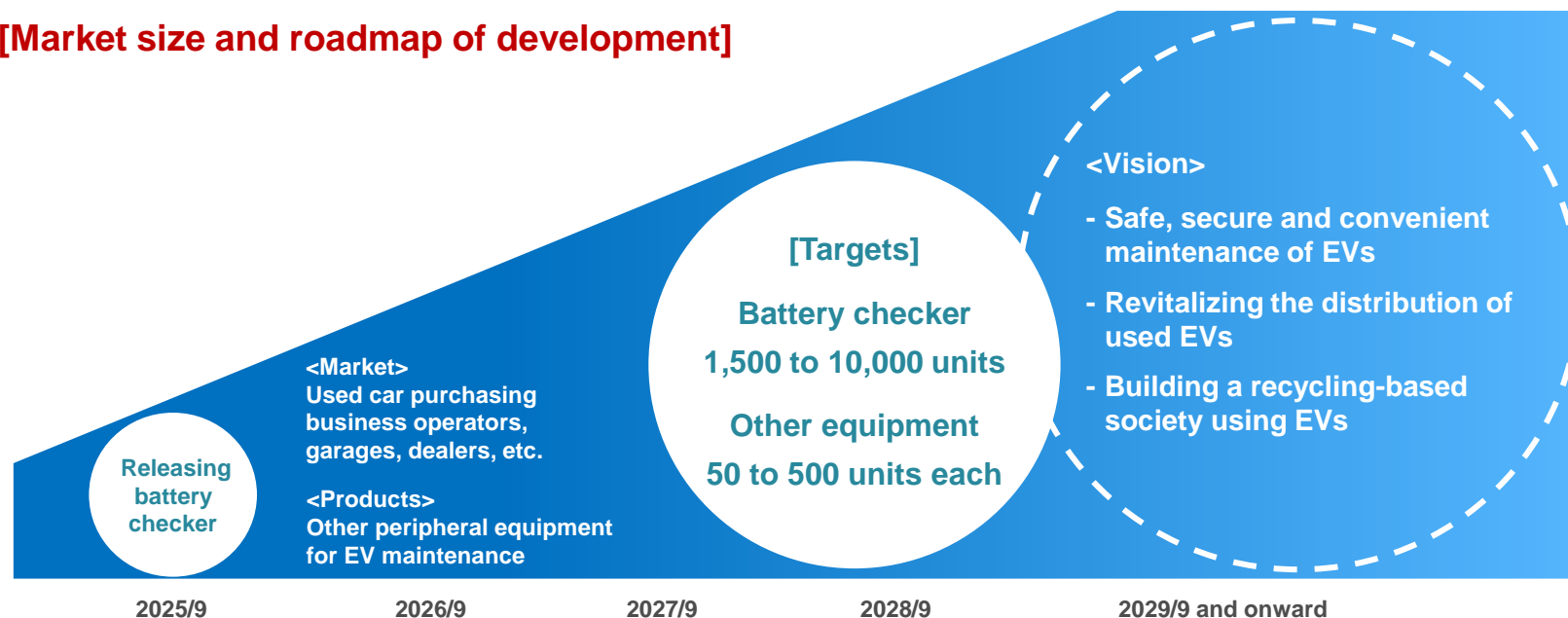


Lightweight and easy to operate

Measuring in 30 seconds

Reasonable prices

#### [Market size and roadmap of development]



# Examples of Potential Core Businesses (3) (high-frequency coaxial cable)

## Industrial Products

- A high-frequency coaxial cable featuring both high performance and energy efficiency while communication traffic is growing rapidly due to the development of 5G and 6G technologies.
- Further expansion of the trade area, including global expansion, with synergy with TOTOKU INC. that has high technological capabilities.

Synergy of the two companies' strengths

Entering the telecom industry in addition to the automotive industry

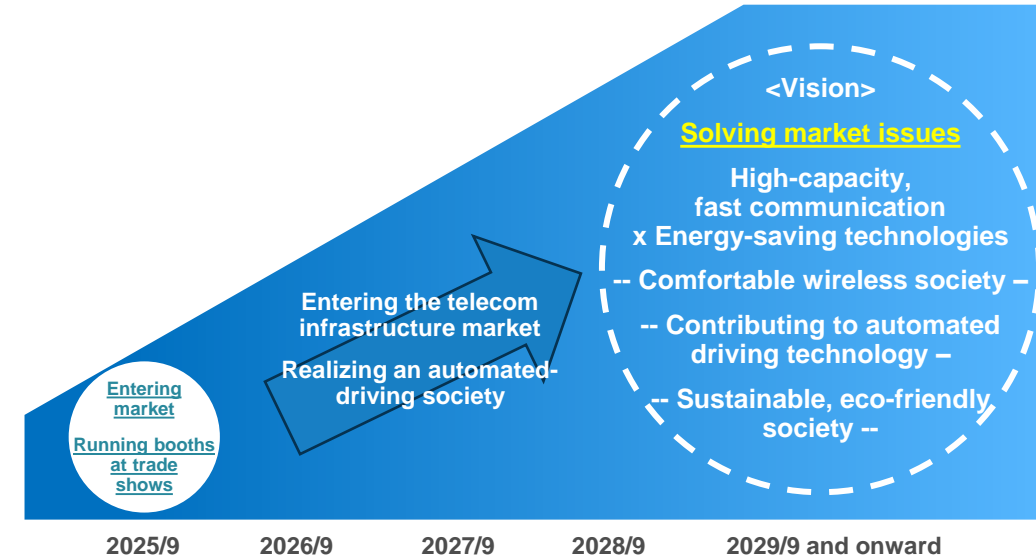
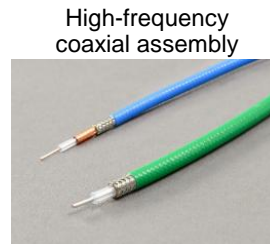
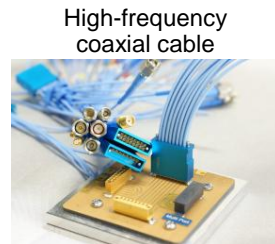
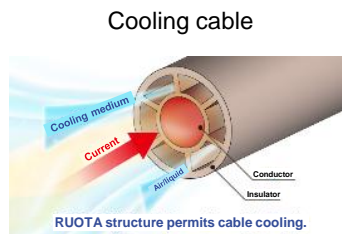
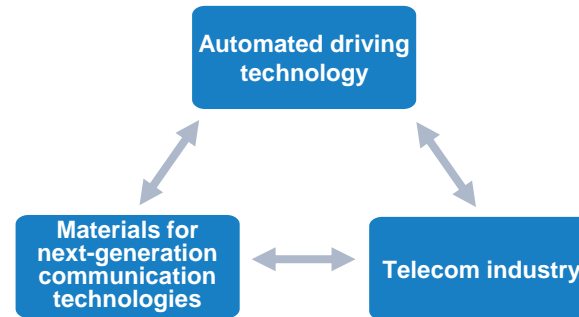
[Market size and roadmap of development]

## Sanyo Trading TOTOKU INC.

Strong relationship with the automotive industry

High technological capabilities

Global network



# Examples of Potential Core Businesses (4) (offshore wind power generation)

## Sustainability

- We deal in a wide variety of equipment related to offshore wind power generation, which enables us to provide comprehensive solutions to customers.
- In view of the progress of floating systems, we will seek full commercialization starting in the fiscal year ending September 30, 2027.

[Fixed-foundation offshore wind power generation systems]

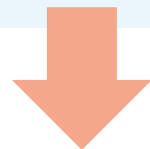


Fixed-foundation systems in shallow sea areas

[Floating offshore wind power generation systems]

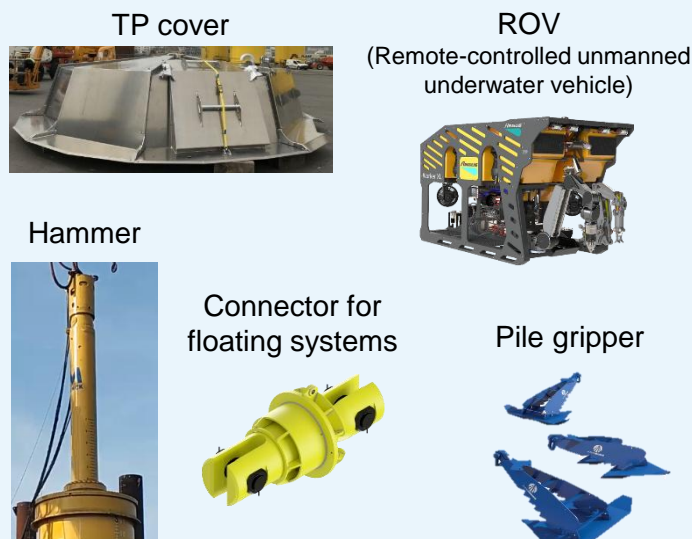


Floating systems in deep sea areas



Paving the way for power generation in sea areas where systems could not be installed.

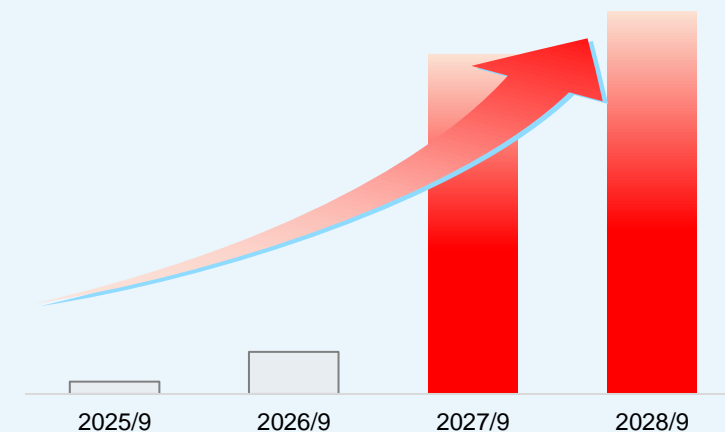
[Equipment we deal in]



The broad array of equipment we deal in is our strength.

[Estimated sales of offshore wind power generation equipment]

\* Total of fixed-foundation and floating systems



Expected to fully begin yielding profit in 2027/9 or thereafter



# Examples of Potential Core Businesses (5)

(New functional feed)

## Sustainability

### \*1 Methionine

An essential nutrient that promotes livestock growth and enhances feed efficiency. MetaSmart® is a methionine source utilized by both rumen microbes and the cow itself, and is the only product that can be pelleted.

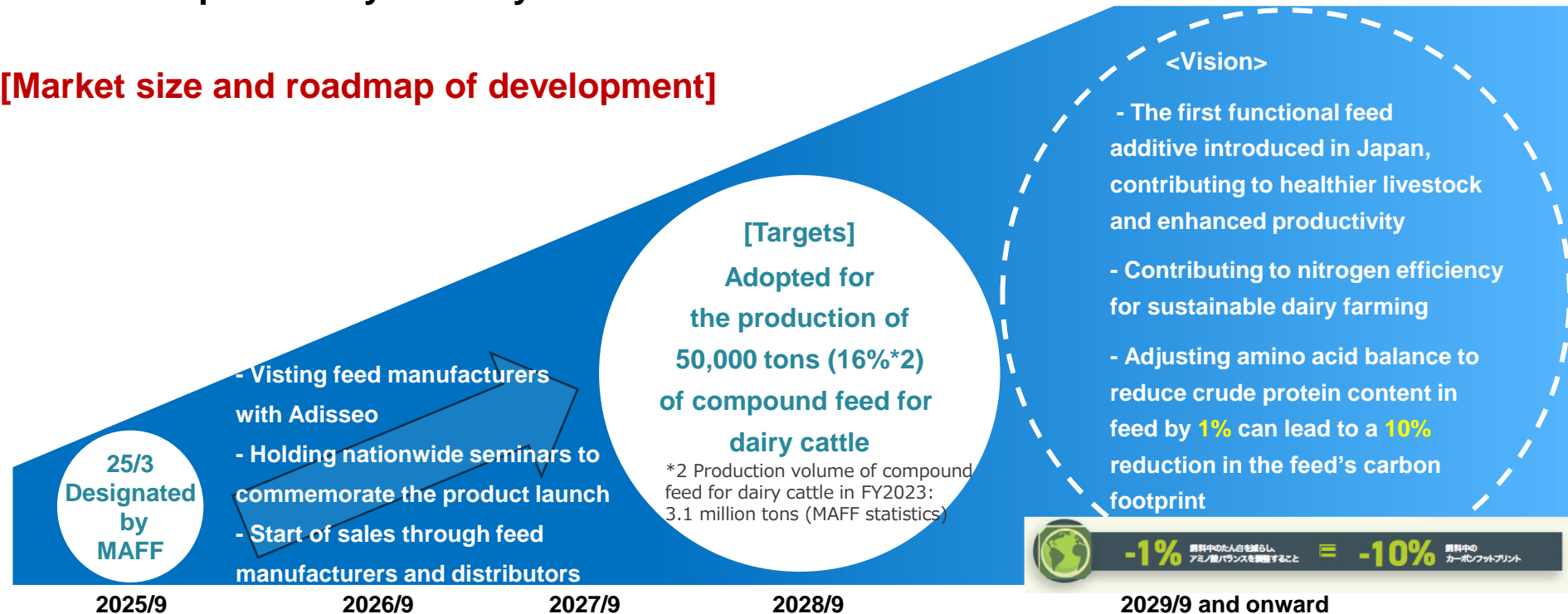
## ■ “MetaSmart®, an innovative methionine\*1 for dairy cows, makes its debut in Japan.

A methionine formulation, the isopropyl ester of methionine 2-amino-4-(methylthio) butanoic acid (abbr. HMBi/product name: MetaSmart®) for beef cattle from France-based company, Adisseo, has been designated (registered) by the Ministry of Agriculture, Forestry and Fisheries, making it eligible for import and sale

## ■ We expect to bring innovation to Japan's dairy industry.



## [Market size and roadmap of development]





*Quest for Next*

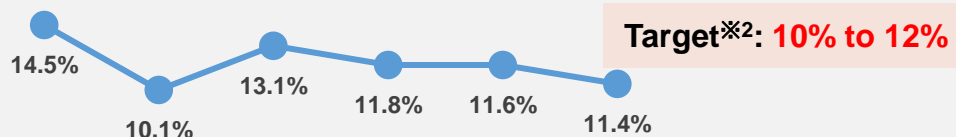
# Appendix

# Management with Awareness of Cost of Equity and Stock Prices

- ROE was far higher than the cost of equity. We aim to consistently maintain a level of ROE (targeting 10–12%) that exceeds the cost of equity, while continuously implementing initiatives to improve ROE and normalizing a PBR constantly higher than 1 while maintaining.

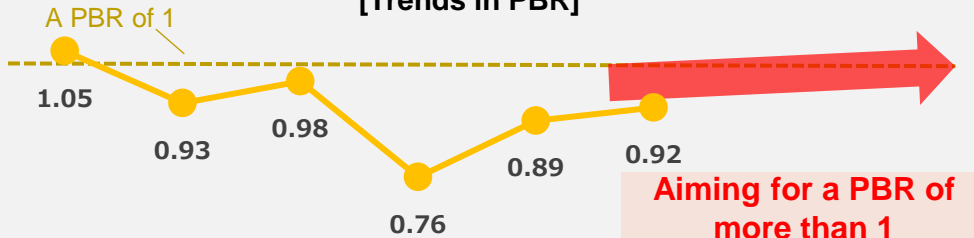
## Analysis of present status

[Trends in ROE and the cost of capital\*1]

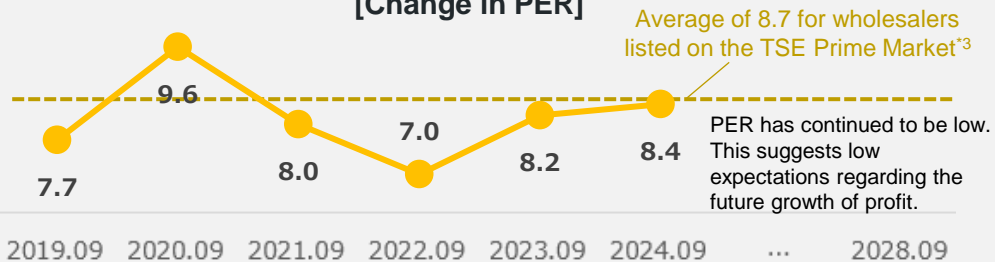


\*1: Cost of capital has been calculated based on CAPM and its disclosed value has been 5% to 6%. Given that the value varies according to the way the parameters used for the calculation, among other factors, the perceived range of the values has been revised upward to a certain extent.

[Trends in PBR]

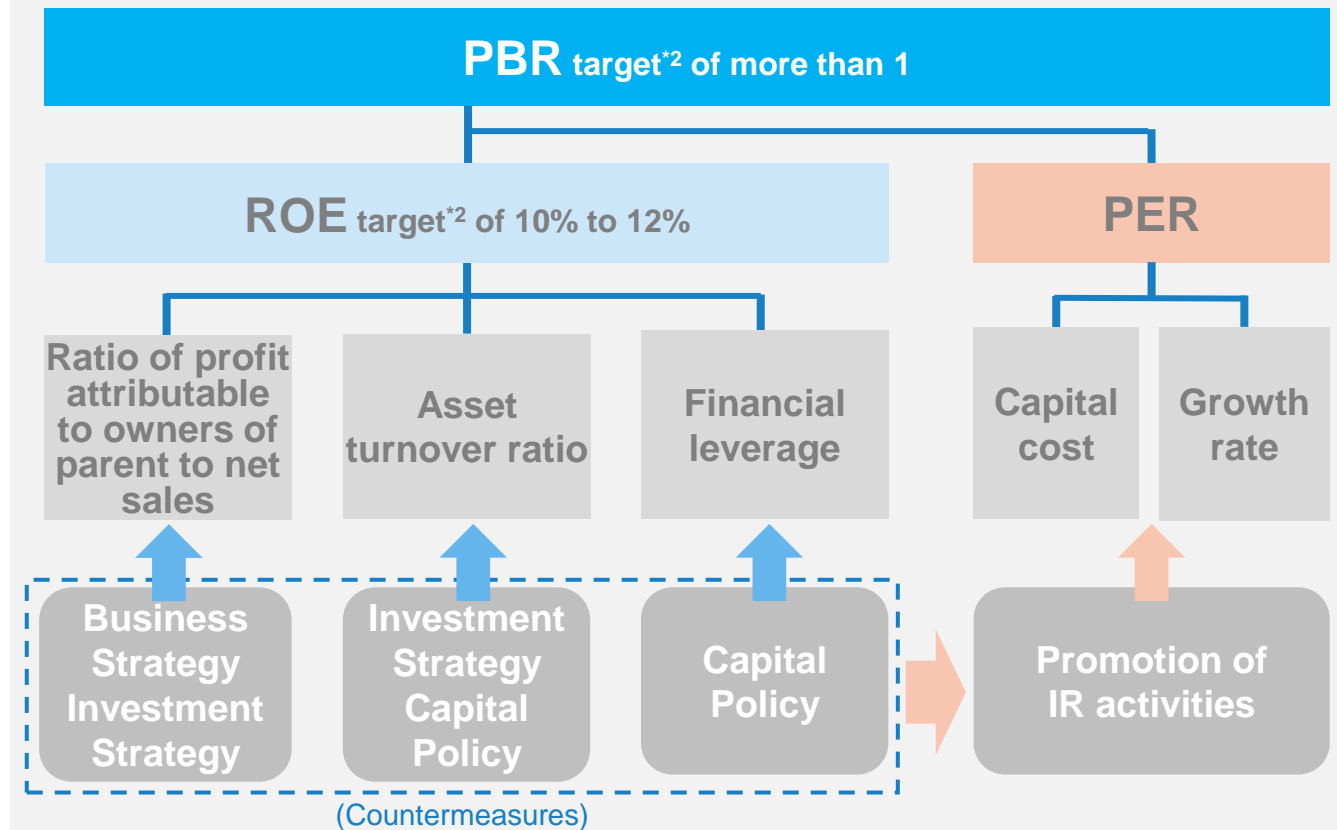


[Change in PER]



\*3 As of the end of March 2024

## Strategy for meeting the PBR target



\*2 The targets are for the fiscal ending September 30, 2028 set in SANYO VISION 2028

# ROE Composition Analysis

Invest in growing businesses  
(latent core businesses and M&A activities)

Effectively use  
borrowed capital

Appropriate asset  
management

Maintenance of  
high profit margin

Leverage

Asset Turn

Profit Margin

Financial leverage

Asset turnover ratio

Ratio of profit attributable to  
owners of parent to net sales

**ROE**

=

**A**

Total assets (71.9 billion yen)

**E**

Shareholders' equity (45.5 billion yen)

**1.6** times

×

**T**

Net sales (129.2 billion yen)

**A**

Total assets (71.9 billion yen)

**1.8**

×

**R**

Profit (5.2 billion yen)

**T**

Net sales (129.2 billion yen)

**4.0%**

(Result)  
FYE  
September  
2024 **11.4%**

High shareholders'  
equity

Asset-light  
business model

High value-added merchandise  
x services = a high rate of return

# Consolidated Balance Sheet

(Million yen)

Assets	24/9 4Q (As of September 30, 2024)	25/9 2Q (As of March 31, 2025)
Cash and deposits	8,007	10,918
Notes and accounts receivable - trade, etc.	26,694	25,654
Inventories	25,180	24,826
Other current assets	3,225	3,991
Property, plant and equipment	3,160	3,456
Other non-current assets	9,123	8,297
Total assets	75,390	77,145

Liabilities	24/9 4Q (As of September 30, 2024)	25/9 2Q (As of March 31, 2025)
Notes and accounts payable - trade	12,573	12,197
Short-term borrowings	4,458	3,158
Other current liabilities	8,567	9,747
Long-term borrowings	50	50
Other non-current liabilities	1,931	1,795
Net assets	47,809	50,196
Total liabilities and net assets	75,390	77,145

## [Key Points]

- As sales increase, the required working capital also increases.

	24/9 4Q (As of September 30, 2024)	25/9 2Q (As of March 31, 2025)
Ratio of interest-bearing debt	9.4%	6.4%
Shareholders' equity ratio	63.3%	65.0%

Calculation method) Interest-bearing debt ratio: Interest-bearing debt (\*1: Excluding lease obligation)/ Equity (\*2)  
Equity ratio: Equity/Total assets at the end of the fiscal year

(\*1) Interest-bearing debt = Short-term borrowings + Long-term borrowings

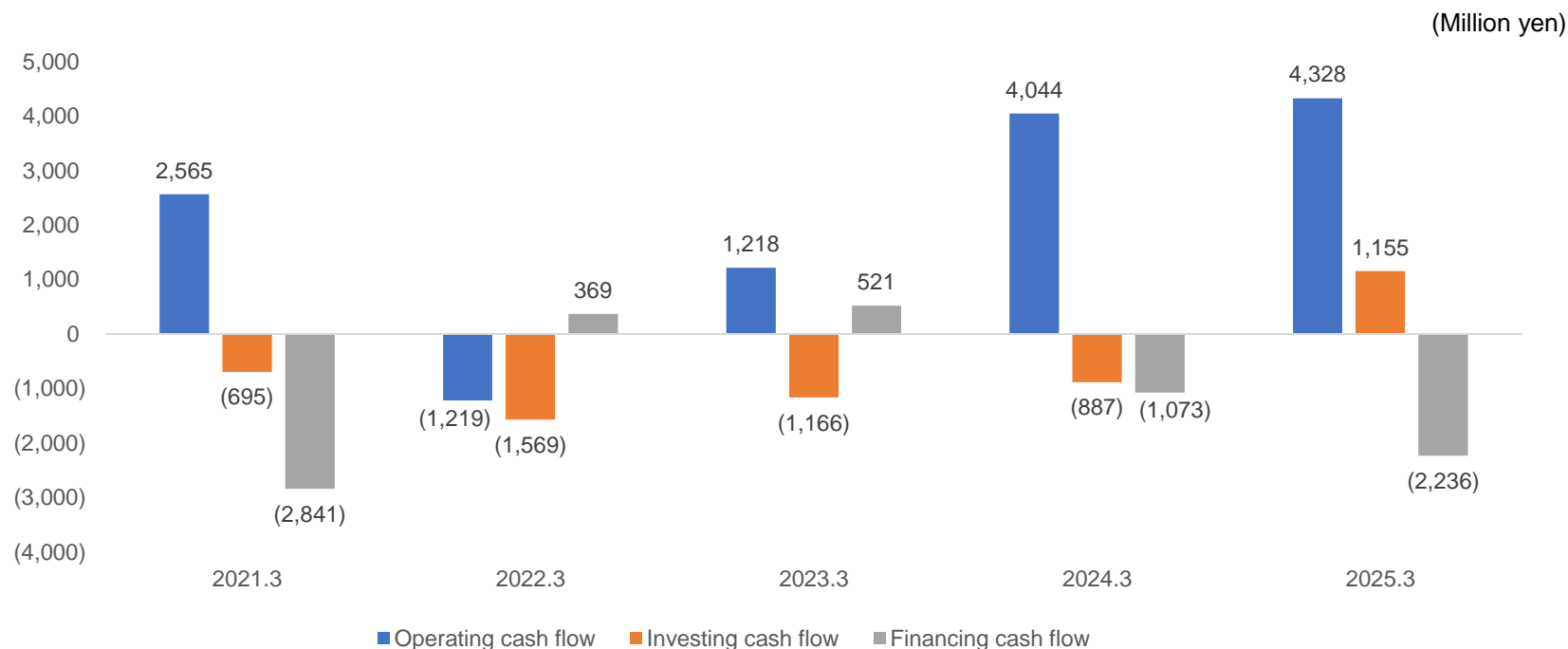
(\*2) Equity = Net assets - Share acquisition rights - Non-controlling interests

# Consolidated Cash Flows

Cash flows from operating activities: Profitability maintained by effective inventory management and other activities

Cash flows from investing activities: Proceeds from sale of investment securities and time deposit

Cash flows from financing activities: Dividends paid and repayments of short-term borrowings



	2021.3	2022.3	2023.3	2024.3	2025.3
Operating CF + Investing CF + Financing CF	(970)	(2,419)	573	2,082	3,246
Cash and cash equivalents	9,648	6,605	6,218	8,895	10,664

# Inquiries about IR

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