

First Three Quarters of Fiscal Year Ending September 30, 2023 Results Presentation

Sanyo Trading Co., Ltd. (Securities Code: 3176)

August 7, 2023

Consolidated Results

- Steady progress was made toward the full-year profit plan.
- The gross profit margin increased due to the contribution of Machinery & Industrial Products. The ordinary profit ratio declined due to the year-on-year decrease in foreign exchange gains (-520 million yen).
- The full-year forecasts remain unchanged.

(Million yen)	FYE September 2022	FYE September 2023				
	3Q	3Q			Full fiscal year	
	Result	Result (A)	Year on year	% of sales	Full fiscal year plan (B) (announced on Nov. 8, 2022)	Rate of progress (A)/(B)
Net sales	79,271	91,433	+15.3%	100.0%	128,000	71.4%
Gross profit	12,614	15,441	+22.4%	16.9%		
(Gross profit ratio)	15.9%	16.9%	-	-		
Selling, general and administrative expenses	8,407	10,104	+20.2%	11.1%		
Operating profit	4,207	5,336	+26.8%	5.8%	6,500	82.1%
Ordinary profit	5,080	5,635	+10.9%	6.2%	6,800	82.9%
(Ordinary profit ratio)	6.4%	6.2%	-	-	5.3%	-
Profit attributable to owners of parent	3,604	3,732	+3.5%	4.1%	4,500	82.9%
EPS (yen)	125.57	129.84	-	-	156.75	-

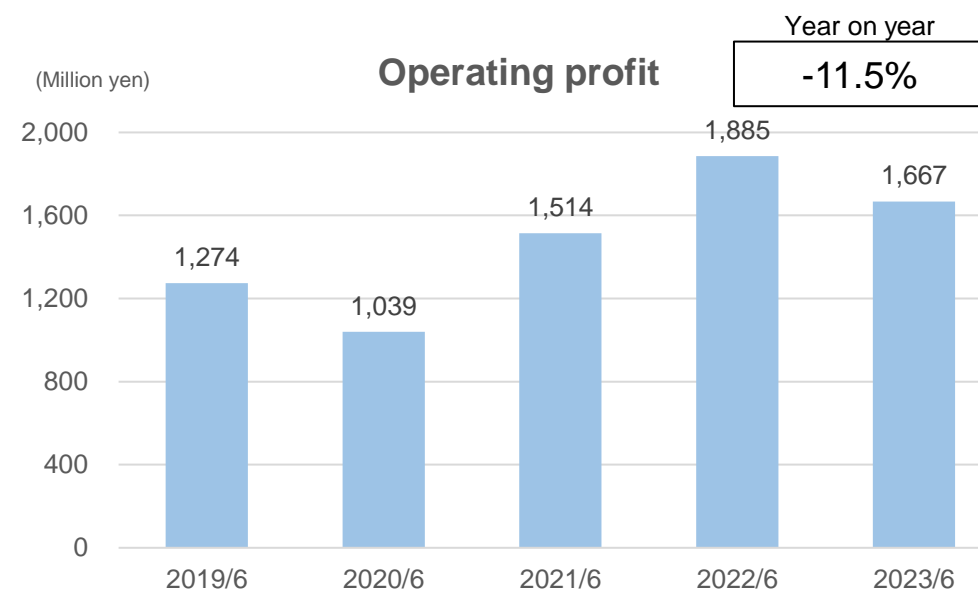
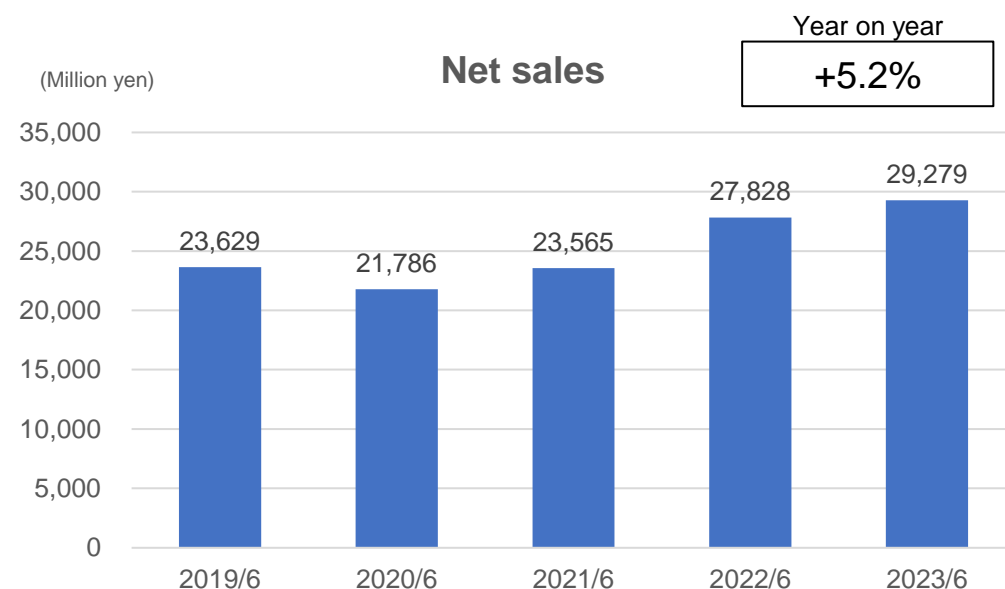
Progress against plan
Over 80%

Chemicals Segment

[Rubber Business Unit, Chemical Business Unit, Life Science Business Unit (Material Solutions: MS), and Group companies]



Business Unit	Situations in the Third Quarter
Rubber	<ul style="list-style-type: none"> • Sales increased year on year with the increase in unit selling prices that had continued since last year. However, shipments were weak given the weakening of demand for synthetic rubber and its market. • Profit decreased, affected by soaring purchase prices of goods imported from Europe and the United States, which resulted mainly from the weak yen, and the temporary weakness of certain products. • We drove development and sales expansion of strategic/next-generation products.
Chemicals	<ul style="list-style-type: none"> • Sales increased due to the contribution of the launch of newly handled products at the beginning of the year. • Certain mainstay products was affected by surging purchasing prices associated with the weak yen. Profit was unchanged year on year.
Life science (MS)	<ul style="list-style-type: none"> • The business of importing merchandise including fragrances and dyes remained strong, but the business of exporting mainstay electric materials, raw materials of functional food, and others performed poorly. • Lithium-ion battery-related materials were on a recovery trend.

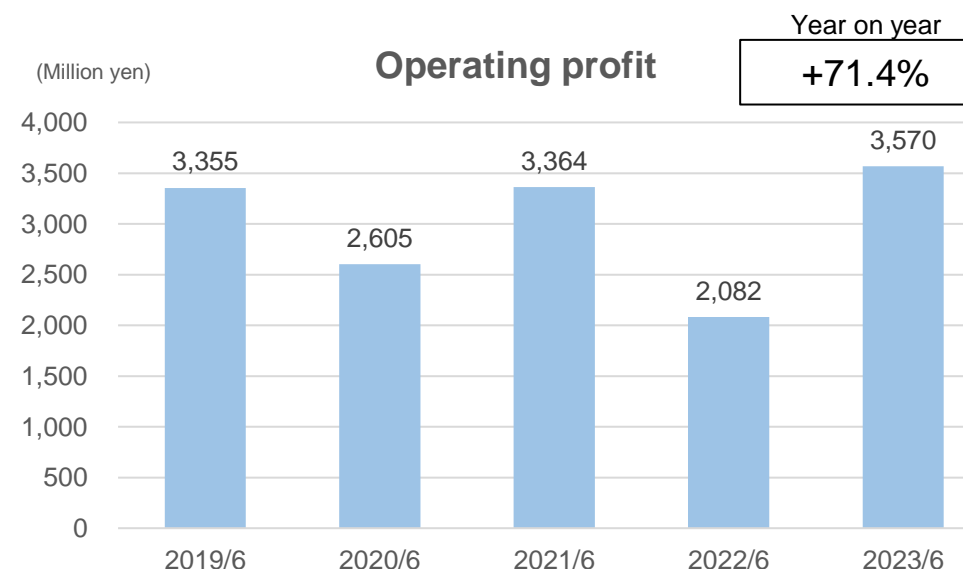
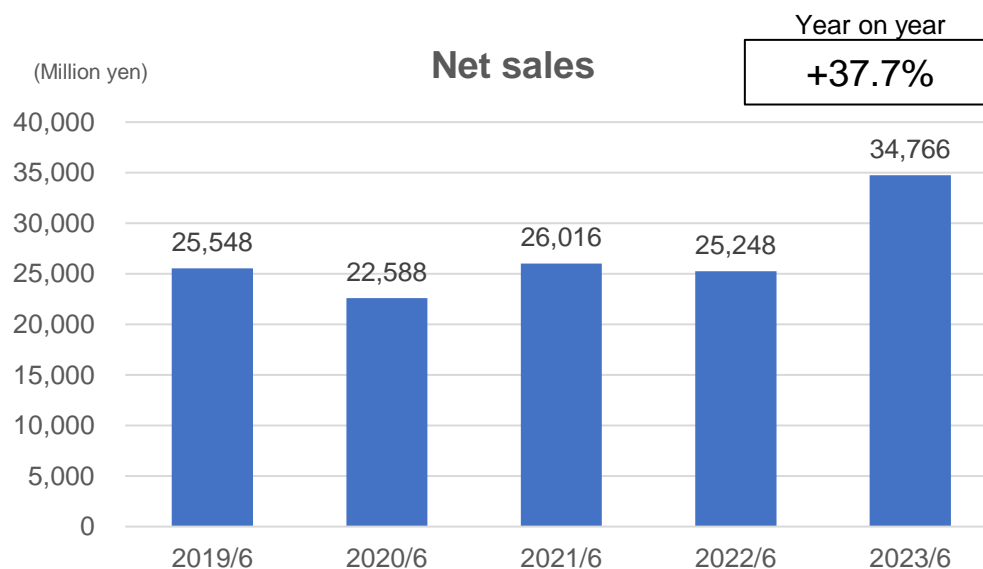


Machinery & Industrial Products Segment

[Industrial Products No.1 Business Unit, Industrial Products No.2 Business Unit, Machinery & Environmental Business Unit, Life Science Business Unit (Scientific Instruments), and Group companies]



Business Unit	Situations in the Third Quarter
Industrial Materials	<ul style="list-style-type: none"> Both sales and profit remained strong compared to the year-ago levels due to progress in the recovery of production at Japanese-affiliated auto manufacturers.
Machinery & Environment	<ul style="list-style-type: none"> Feed processing machines: The performance was poor, despite solid sales of wearing parts attributed to a price increase, as sales from projects for main units were weak reflecting a slump in the overall feed industry. Wood biomass: Performance was sluggish because of the posting of weak sales from projects for main units. Efforts were made to receive orders for large-scale projects. Cosmos Shoji: Sales of equipment related to geothermal heat were strong. YPTECH: The business of functional feed materials performed better than in the same period of the previous fiscal year because prices of raw materials for mainstay products hardened.
Life science (Scientific Instruments)	<ul style="list-style-type: none"> The delivery of main units exceeded the expected level in April, when delivery is usually weak. Thereafter, however, the delivery did not make progress as expected due in part to a delay in the arrival of goods, which resulted in a weak performance. Scrum continued to perform better than in the previous year.

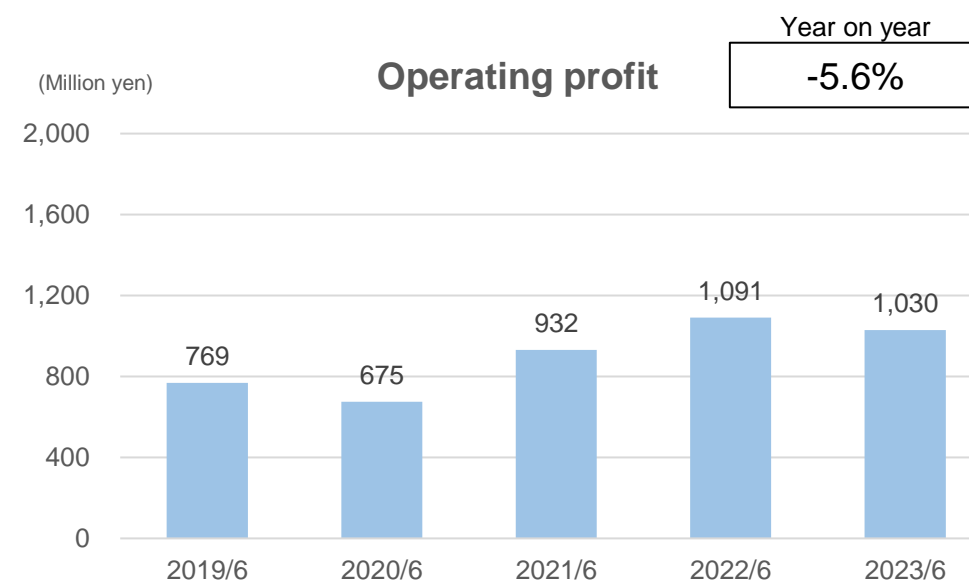
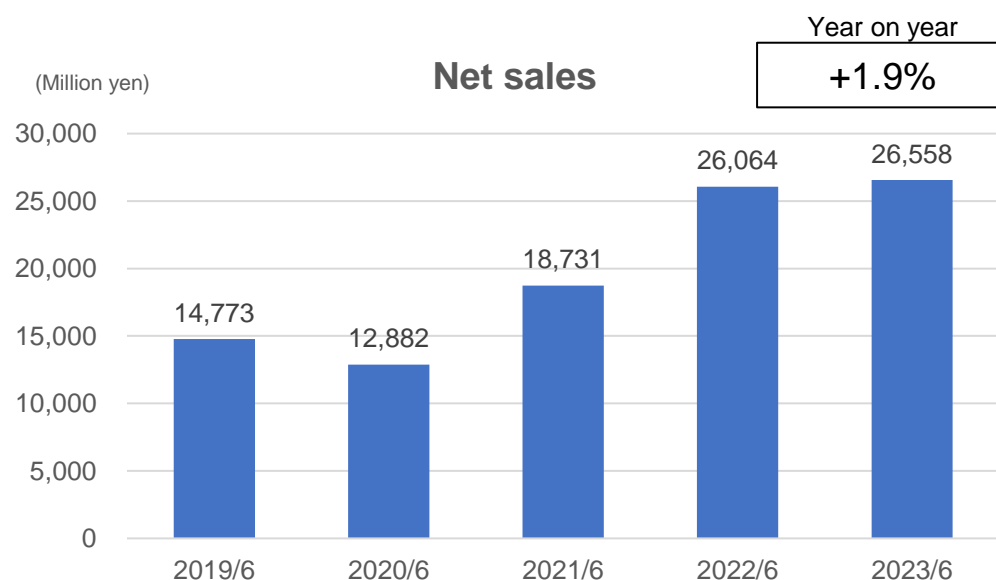


Overseas Subsidiaries Segment

[USA, China, Thailand, Vietnam, Mexico, Indonesia, and India]



Business Unit	Situations in the Third Quarter
Overseas Subsidiaries	<p>Overall, both sales and profit remained almost unchanged year on year.</p> <ul style="list-style-type: none"> •USA: Sales of rubber- and film-related merchandise were solid. Automobile-related parts were on a weak note. Recovery of production in Alabama is hoped for. •China: The performance of automobile-related parts was sluggish amid weakening business confidence in the Chinese economy. Lithium-ion battery-related materials were recovering •Thailand: While sales of auto parts were brisk, profit was unchanged due to rising selling expenses for other merchandise. •Vietnam: Results were poor given the impact of an overall industrial decline in Vietnam. •Indonesia: The performance of rubber was strong, but profit was on a par with the year-ago level, affected by the termination of sales of automotive-related merchandise for a specific customer.



Consolidated Balance Sheet

(Million yen)

Assets	22/9 4Q (As of September 30, 2022)	23/9 3Q (As of June 30, 2023)	Liabilities	22/9 4Q (As of September 30, 2022)	23/9 3Q (As of June 30, 2023)
Cash and deposits	5,879	7,088	Notes and accounts payable - trade	12,767	11,085
Notes and accounts receivable - trade, etc.	24,008	22,845	Short-term borrowings	5,893	6,496
Inventories	23,125	23,973	Other current liabilities	3,352	3,726
Other current assets	2,119	2,245	Long-term borrowings	177	158
Property, plant and equipment	3,340	3,233	Other non-current liabilities	1,456	1,805
Other non-current assets	4,386	6,330	Net assets	39,212	42,442
Total assets	62,859	65,715	Total liabilities and net assets	62,859	65,715

[Key Points]

- Initiatives on trade receivables and inventory control were enhanced, and efforts were focused on improving cash flows.

	22/9 4Q (As of September 30, 2022)	23/9 3Q (As of June 30, 2023)
Ratio of interest-bearing debt	15.7%	15.8%
Equity ratio	61.7%	63.9%

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

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