

First Quarter of Fiscal Year Ending September 30, 2024 Results Presentation

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

February 8, 2024

Consolidated Results in First Quarter of Fiscal Year Ending September 30, 2024

- Progress toward the full-year plan: 26.3% for net sales and 38.4% for operating profit, reflecting steady performances. In addition, the operating profit ratio increased year on year.

(Million yen)	FYE September 2023	FYE September 2024			
	1Q	1Q		Full fiscal year	
	Result	Result	Year on year	Full fiscal year plan (announced on Nov. 7, 2023)	Rate of progress
Net sales	31,408	33,075	+5.3%	126,000	26.3%
Gross profit (Gross profit ratio)	5,179 (16.5%)	5,878 (17.8%)	+13.5% (+1.3ppt)		
Selling, general and administrative expenses	3,218	3,573	+11.0%		
Operating profit (Operating profit ratio)	1,960 (6.2%)	2,305 (7.0%)	+17.6% (+0.8ppt)	6,000 (4.8%)	38.4%
Ordinary profit (Ordinary profit ratio)	1,666 (5.3%)	2,233 (6.8%)	+34.0% (+1.5ppt)	6,200 (4.9%)	36.0%
Profit attributable to owners of parent	1,199	1,373	+14.5%	4,000	34.3%
EPS (yen)	41.77	47.73	-	139.03	-

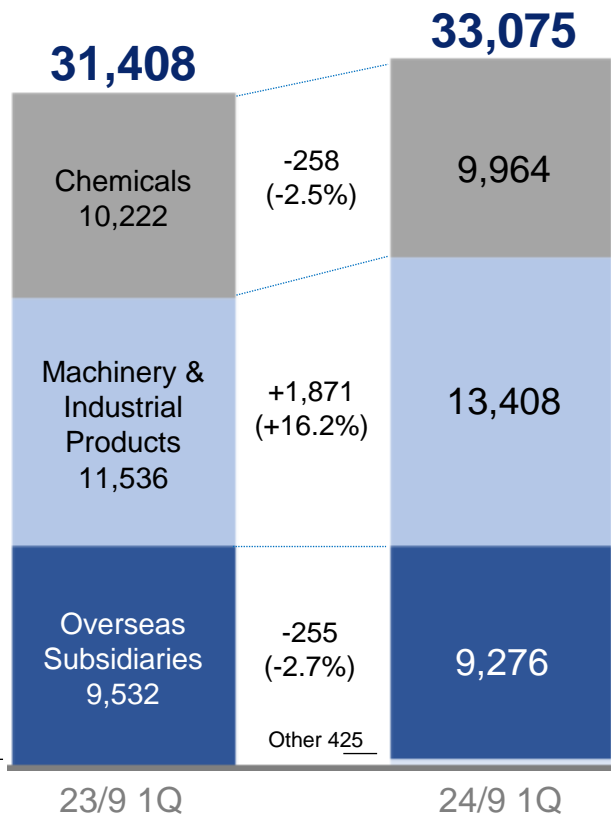
* Starting from the fiscal year ending September 30, 2024, annual average rates are used as exchange rates for conversion (before this change: exchange rates as of the last day of each fiscal year). To reflect the change, the results of the fiscal year ended September 30, 2023 have been revised retroactively.

Summary of Results by Segment

Net sales Year on year

+1.66 billion yen (+5.3%)

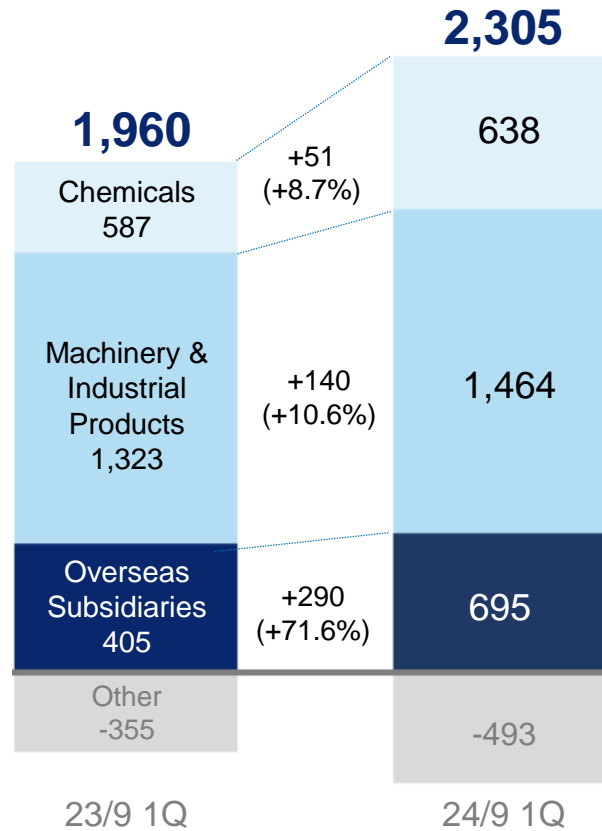
(Million yen)



Operating profit Year on year

+0.34 billion yen (+17.6%)

(Million yen)



Chemicals

Decrease in sales / Increase in profit

The Rubber unit performed poorly, mainly reflecting the impact of high purchase prices due to the weak yen. The Chemicals unit drove financial results because mainstay products performed well in the life science business (MS).

Machinery & Industrial Products

Increase in sales / Increase in profit

The Industrial materials unit and companies of the Group (Cosmos, YPTECH, Scrum, etc.) performed strongly.

Overseas subsidiaries

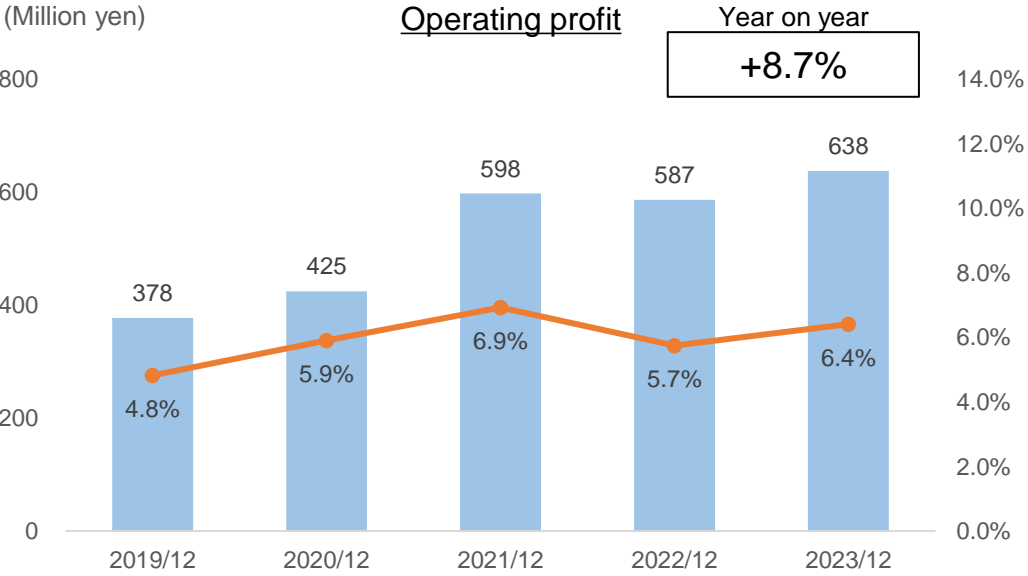
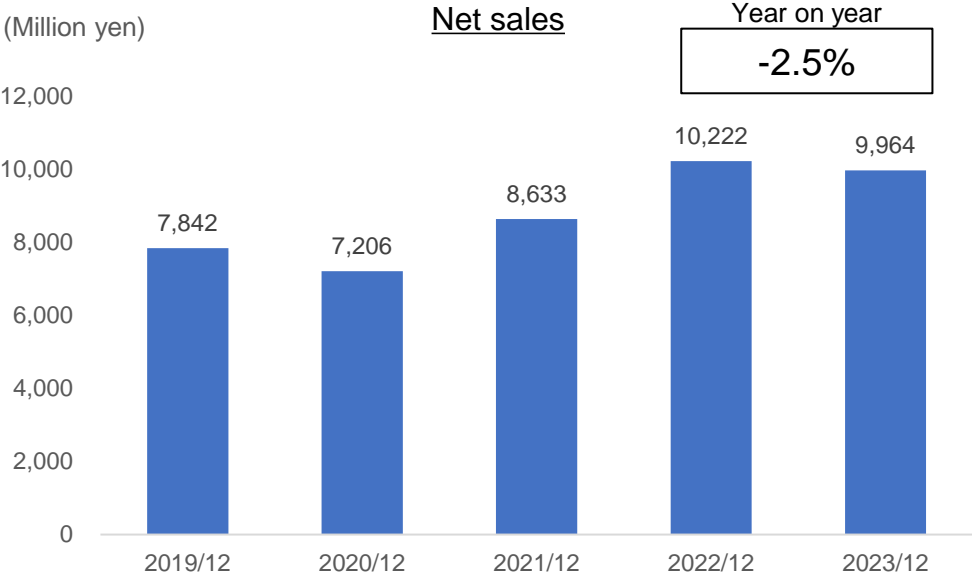
Decrease in sales / Increase in profit

Results were poor in China, mainly affected by the economic slowdown. Profit increased significantly overall, reflecting the positive impact of the weak yen, as well as the contribution by the United States and Thailand in terms of profitability.

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

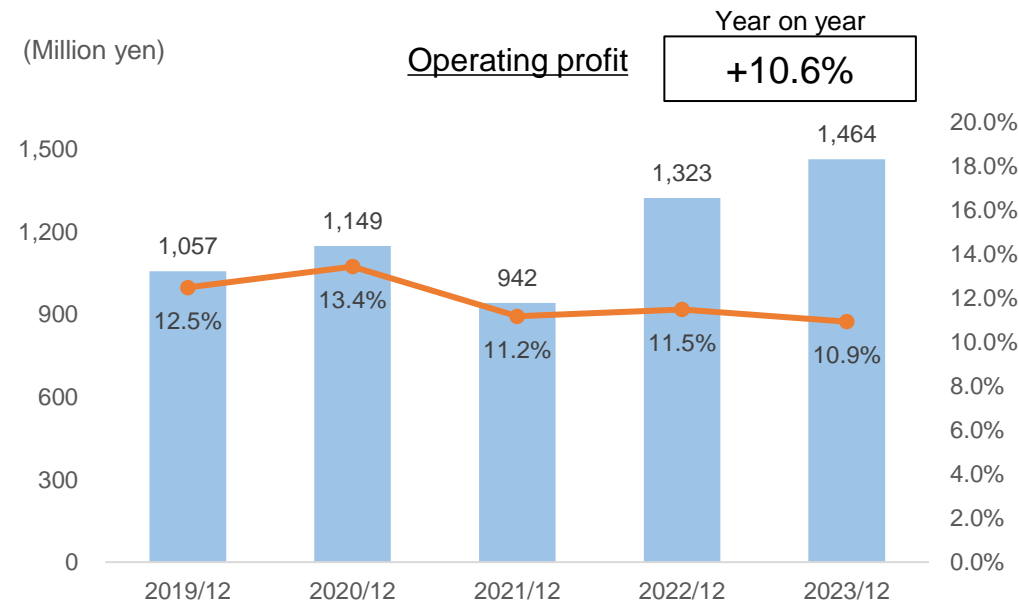
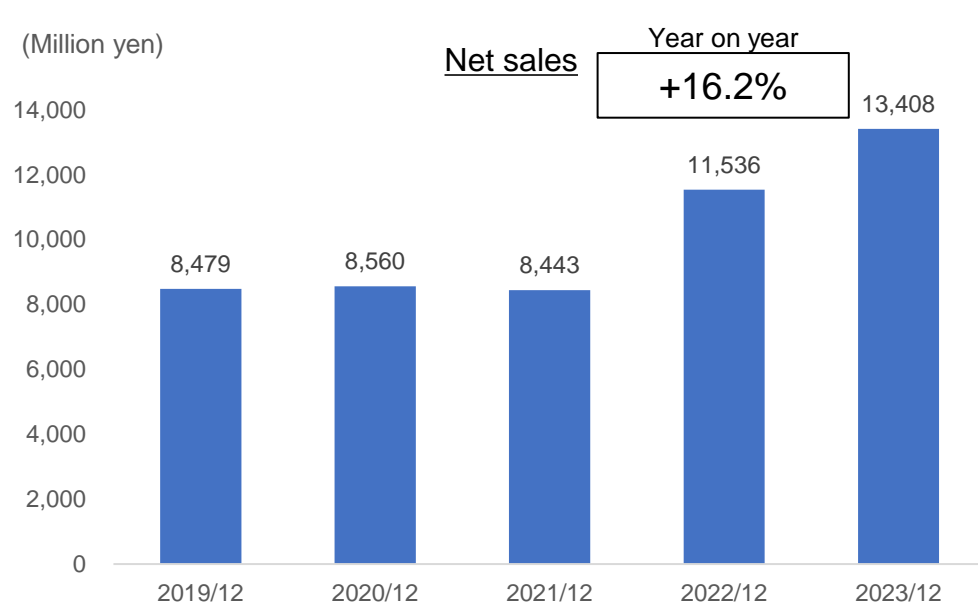
Business Unit	Situations in the First Quarter
Rubber	<ul style="list-style-type: none"> Demand for raw materials was trending toward a recovery, reflecting progress in the reduction of parts held by customers due to improvements in automobile production in Japan. In contrast, both sales and profit decreased year on year, partly reflecting the impact of surging purchase prices due to the weak yen.
Chemicals	<ul style="list-style-type: none"> Both sales and profit were strong, reflecting the solid performance of mainstay products and the start of handling new products, as well as progress in improving profitability due to the review of prices.
Life science (MS)	<ul style="list-style-type: none"> Mainstay products such as electric materials, films and fragrances performed well. Both sales and profit were firm.



Machinery & Industrial Products Segment

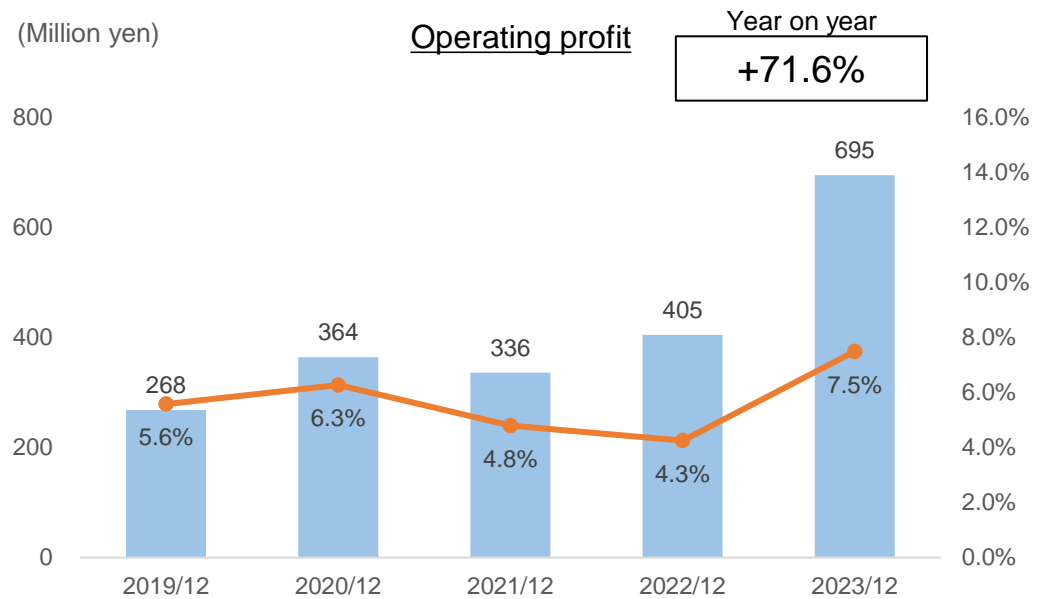
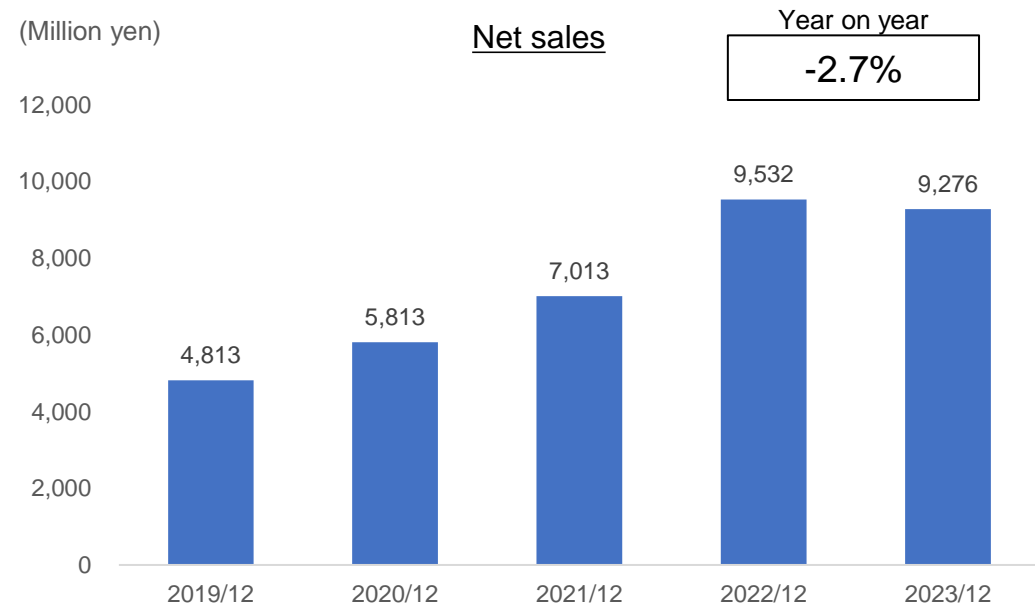
[Industrial Products No. 1 Business Unit, Industrial Products No. 2 Business Unit, Machinery & Environmental Business Unit, Life Science Business Unit (Scientific Instruments), and Group companies]

Business Unit	Situations in the First Quarter
Industrial Materials	<ul style="list-style-type: none"> Both sales and profit were solid due to progress in the recovery of production at auto manufacturers.
Machinery & Environment	<ul style="list-style-type: none"> Feed processing machines: Results improved year on year mainly due to the promotion of sales for wearing parts and an order for a large equipment investment project. Wood biomass: Performance was sluggish because of the posting of weak sales from projects for main units. We will focus our efforts on winning orders for maintenance and parts service. Cosmos Shoji: Sales of equipment related to geothermal heat were solid. Sales of oil- and gas-related equipment and those for the ocean development field were also solid. YPTECH: The functional feed materials business recorded strong sales of mainstay products.
Life science (Scientific Instruments)	<ul style="list-style-type: none"> Both sales and profit were sluggish, reflecting a decrease in orders due to surging sales prices and the negative impact of the weak yen. Biotech products carried by Scrum Inc. were strong, particularly in the genetic analysis field.



Overseas Subsidiaries Segment [USA, China, Thailand, Vietnam, Mexico, Indonesia, and India]

Business Unit	Situations in the First Quarter
Overseas Subsidiaries	<ul style="list-style-type: none">• USA: Film-related products and automotive products performed well.• China: Results were poor compared to the year-ago level due to the economic slowdown.• Thailand: Auto parts-related sales were strong, which contributed in terms of profitability.• Other areas: Results were poor in Vietnam due to the impact of an economic slowdown. Rubber-related products were weak in Indonesia.



* Fiscal year ended December 31, 2023: Annual average rates have been used as exchange rates for conversion (before this change: exchange rates as of the last day of each fiscal year).
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Consolidated Balance Sheet

(Million yen)

Assets	23/9 4Q (As of September 30, 2023)	24/9 1Q (As of December 31, 2023)	Liabilities	23/9 4Q (As of September 30, 2023)	24/9 1Q (As of December 31, 2023)
Cash and deposits	7,031	8,234	Notes and accounts payable - trade	11,838	12,537
Notes and accounts receivable - trade, etc.	24,794	26,856	Short-term borrowings	5,381	5,813
Inventories	23,429	22,523	Other current liabilities	5,441	6,756
Other current assets	2,033	2,423	Long-term borrowings	333	150
Property, plant and equipment	3,238	3,264	Other non-current liabilities	1,651	1,666
Other non-current assets	8,010	7,998	Net assets	43,890	44,378
Total assets	68,537	71,302	Total liabilities and net assets	68,537	71,302

[Key Points]

- Necessary working capital increased due to an increase in net sales from the end of the previous fiscal year.

	23/9 4Q (As of September 30, 2023)	24/9 1Q (As of December 31, 2023)
Ratio of interest-bearing debt	13.2%	13.6%
Shareholders' equity ratio	63.4%	61.6%

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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Statements about the industry, among others, are made based on data that are considered reliable. We do not guarantee the accuracy or integrity.

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